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PROCEEDINGS AND DEBATES OF THE 103d CONGRESS, FIRST SESSION

SENATE—*Tuesday, June 22, 1993*

The Senate met at 9 a.m. and was called to order by the Honorable BYRON L. DORGAN, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

In a moment of silence, let us remember Senator MURRAY in the hospital, and pray for her speedy and complete recovery.

[Moment of silence.]

If the Son therefore shall make you free, ye shall be free indeed.—John 8:36.

Almighty God, Lord of history, as representatives of the nations dispute the meaning of human rights in Vienna, help those who represent us to remember the self-evident truths which our Founding Fathers believed, "* * * that all men are created equal—that they are endowed by their Creator with certain unalienable rights—that to secure these rights governments are instituted * * *."

Our Founding Fathers believed that God was the Author of human rights; they were not the gift of government. Help us to comprehend this foundation truth that, to the extent we separate ourselves from God the Creator, we threaten inalienable human rights. Give our American representatives the wisdom to uphold our view of freedom and save them from the illusion, which will be espoused by some representatives, that freedom is bestowed by government.

Gracious Father, forgive us for forgetting the Source of our human rights and restore to us the faith upon which those rights are based.

In the name of the Son. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 22, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BYRON L. DORGAN, a Senator from the State of North Dakota, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. DORGAN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

BILL READ FOR THE SECOND TIME—H.R. 5

The ACTING PRESIDENT pro tempore. The clerk of the Senate will read the bill H.R. 5 for the second time.

The assistant legislative clerk read as follows:

A bill (H.R. 5) to amend the National Labor Relations Act and the Railway Labor Act to prevent discrimination based upon participation in labor disputes.

Mr. BYRD. Mr. President, I object to any further action at this time.

The ACTING PRESIDENT pro tempore. Under the precedents of the Senate, the bill will be placed on the Senate Calendar.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent that the order with respect to the amendment by Mr. DECONCINI stay in place as ordered, but that the time on that amendment begin running at 10 o'clock or at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President I ask unanimous consent that I may proceed for 1 hour as if in morning business.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The Senator from West Virginia is recognized for 1 hour as if in morning business.

Mr. BYRD. Mr. President, I thank the Chair.

LINE-ITEM VETO—VII

Mr. BYRD. Mr. President, this is the seventh in my series of speeches on the line-item veto.

Last week, we followed Hannibal, the Carthaginian general to the Battle of Cannae, which occurred in 216 B.C. on August 2. We also followed Hannibal to the Battle of Zama in North Africa, in 202 B.C.

At the Battle of Cannae, Hannibal delivered the greatest defeat ever suffered by the Romans and their allies. Broadly speaking, Rome's allies were of two classes: One, the Latin allies, and, two, the Federated Italian States, which were spread throughout the Italian peninsula. The allies did not serve within the Roman legions, but they formed separate detachments of cavalry and foot soldiers to serve under the control of the Roman consuls or other Roman officers commanding the legions. The allies constituted scores of communities, both tribal and city, each of which had its own special treaty with Rome. The allied communities raised their own detachments of soldiers and horsemen, and they equipped their armies, but they received their subsistence from Rome and shared equally with the Romans in the distribution of the spoils from the wars.

The Battle of Cannae was one of the greatest battles of antiquity, and it was the bloodiest of all Roman defeats. At Cannae, the consummate military genius of Hannibal was displayed, and his masterly tactics on that occasion have found admirers among the great commanders in all of the subsequent ages.

He was able to win a victory there over vastly superior numbers by forcing the Roman army to "jam" itself. He forced it to crowd itself densely into a struggling, helpless mass—a mass which was shut in on all sides, a mass

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

upon which every blow told, a mass which could give but few blows in return.

In one afternoon, the Romans and their allies lost more men on the slaughter field at Cannae than the United States lost during the entire 8 years of the war in Vietnam. A terrible sinking feeling of utter despair descended like a cloud upon the Roman citizens when they heard the awful news of the carnage and destruction dealt by this latest blow at the hands of the Carthaginian general, Hannibal.

Eighty Senators were killed, along with Consul Paulus, the two proconsuls, Atilius and Servilius, two quaestors, a former Master of the Horse under Fabius Maximus, and 29 military tribunes. Yet, the reaction of the Roman Senate was to display its iron mood. The stamina of the Romans and the resiliency of the Roman political system were such that they were able to endure 13 additional years of devastation and ruin dealt by Hannibal before he left Italy in 203 B.C. to be defeated at the Battle of Zama in 202 B.C. by the Roman Consul Publius Cornelius Scipio, surnamed Africanus.

The Second Punic War had ended, and, yet, there was hardly a mother within the walls of Rome who had not suffered the loss of a brother, a son, a father, or a husband. A heavy tribute had been levied upon the manpower of Rome, and the wastage of blood in the struggle was best seen in the reduced numbers of men available for military service.

The federated allies had undoubtedly suffered losses just as great. The greatest losses fell upon southern Italy, where, year after year, the fields were laid waste and villages devastated by the opposing armies until the rural population had almost disappeared, the land had become a wilderness, and many towns had fallen into decay.

It was a struggle that called forth a recrudescence of the old Roman virtues of courage, self sacrifice, patriotism, and religious devotion.

We saw last week that the Roman dictator, Fabius Maximus, was chosen in 217 B.C, following the disastrous defeat of Flaminius at Lake Trasimene. By the way, the Battle of Lake Trasimene occurred 2,210 years ago today: June 22, 217 B.C. We saw Fabius Maximus take steps to renew the religious ceremonies and to assure that the divine element would not be neglected. By so doing, Maximus restored the morale of the Roman people. We also saw the rugged patriotism of the Roman Senate when it refused the offer of Hannibal to ransom Roman soldiers taken prisoner at Cannae.

The Roman Senate had reached its zenith. It had emerged from the Second Punic War more powerful than ever. And even though the will of the people was theoretically sovereign after the passage of the Hortensian law in 287 B.C., from that time to the tribunate of Tiberius Sempronius Gracchus, in 133 B.C., the Senate exercised a practically unchallenged control over the Roman State.

The Senate was able to guide or to nullify the actions of the Roman magistrates, the tribunate, and the assemblies. It assigned to the consuls their spheres of duty. It allotted to the other magistrates their commands. And all contracts that were let by the censors were only valid if they were approved by the Roman Senate.

The Senate continued to exercise its absolute control over all expenditures from the public treasury, and, through its influence over the magistrates and the tribunes, the Senate was able to control the legislative and the elective functions of the comitia.

The treaty that ended the Second Punic War had imposed upon Carthage the restriction that she could not make war anywhere without the consent of Rome. This had the effect of making Carthage a client of Rome.

At the same time, Masinissa, a strong Numidian ruler, was installed as a loyal Roman client on the western and southern boundaries of Carthage. The Romans continued, perhaps exaggeratedly, to fear and suspect their former enemy, and they were, therefore, prepared to seize upon any pretext that would serve as an excuse for the destruction of Carthage.

The opportunity came through the actions of Masinissa. The Numidian chieftain, knowing the restrictions imposed upon Carthage by her treaty with Rome, and understanding the attitude of Rome toward Carthage, attacked Punic territory frequently.

Under the treaty, the Carthaginians, of course, could do nothing but appeal to Rome, but the numerous commissions—they sent out commissions in those days just as we do in ours—that were sent out by the Roman Senate to investigate the complaints of frontier violations invariably decided in favor of Masinissa.

One member of one of those commissions sent out to resolve a border dispute was Marcus Porcius Cato the Elder. Cato was still obsessed with the fear that the invasion of Hannibal had inspired in his early life. And Cato returned from his mission to Carthage filled with alarm at the wealth and the growing prosperity and strength of Carthage, which he considered to be a deadly rival of Rome.

He, therefore, bent all of his energies toward accomplishing the downfall of Carthage, and, in all of his succeeding years, he concluded all of his speeches in the Roman Senate with the words, "Carthage must be destroyed."

Friction with Masinissa resulted in a chain of events that led ultimately to the delivery of an ultimatum by Rome to the Carthaginians to abandon their city and to resettle within at least ten miles from the seacoast. This was practically a death sentence to the ancient mercantile city.

The Carthaginians decided upon a last-ditch defense of Punic interests. Their weapons had been taken from them by the Romans earlier. They, therefore, improvised weapons, manned the city's walls, and defied the Romans. Thus, the Third Punic War began in 149 B.C.

For 2 years, the Romans, because of the incapacitation and incompetency of their commanders, and also because of the heroic and spirited defense of the city, accomplished little.

In 147 B.C., Publius Cornelius Scipio Aemilianus, the adopted grandson of Scipio Africanus, was chosen consul. He immediately went about defeating the Carthaginians in the field, and he energetically besieged the city. In the spring of 146 B.C., Scipio Aemilianus captured the city after a terrible struggle in the streets and in the houses of the city.

The Carthaginians, those who were the survivors, numbering about 50,000, were sold into slavery, and their city was leveled to the ground. The site upon which the city had stood was declared accursed. Carthage was no more.

The territory of Carthage was formed into a Roman province called Africa.

In the same year of 146 B.C., which witnessed the destruction of Carthage, the Greek city of Corinth was sacked and burned by the machinations of the Roman consul, Lucius Mummius, surnamed Achaicus. The art treasures of the city were carried off to Rome, and the inhabitants, like the inhabitants of Carthage, were sold into slavery.

The other Greek cities entered into individual relations with Rome; some, like Sparta and Athens, as Roman allies. The others were made subject and tributary.

Mr. President, time precludes me from making more than a passing reference to the Macedonian and the Syrian wars and other wars from which Rome emerged victorious.

In 168 B.C., the Roman consul, Lucius Aemilius Paulus, surnamed Macedonicus, won a complete victory over King Perseus of Macedonia at the Battle of Pydna. Perseus was taken to Rome, where he was treated with scorn and ignominy, and he died there in captivity. The Macedonian Kingdom, therefore, was brought to an end in 168 B.C.

During the Third Macedonian War, the Syrian king, Antiochus IV, Epiphanes, invaded Egypt. The Roman Senate, following the Battle of Pydna, dispatched an ambassador, Gaius Popillius Laenas, to call upon Antiochus and to urge him to withdraw from Egypt.

Popillius met with Antiochus at Alexandria, Egypt, and Popillius delivered the message to Antiochus that the Roman Senate had sent urging him to withdraw from Egypt. The Syrian King asked for time to consider. The Roman drew a circle around the Syrian King and bade him to answer before he left the spot. Antiochus yielded and pulled his troops out of Egypt.

Cisalpine Gaul, that area of north Italy on the southern side of the Alps, bordering the Po River, had been largely lost to Rome during the Hannibalic invasion, but it was recovered by wars.

In Spain, Scipio Aemilianus, the destroyer of Carthage, destroyed Numantia in 133 B.C., and the Carthaginian territory in Spain was organized by Rome into two provinces, Hither Spain and Farther Spain.

In that same year of 133 B.C., the King of Pergamum, Attalus III, surnamed Philometor, died, the last of his line. In his will, he made Rome the heir to his kingdom. The kingdom of Pergamum was formed into a new province, the Province of Asia. The occupation of this kingdom made Rome the mistress of both shores of the Aegean Sea and provided a convenient bridgehead for Rome for further advances eastward.

Mr. President, when Rome embarked on the First Punic War in 264 B.C., no Roman soldier had ever set foot out of Italy. But between 264 B.C. and 133 B.C., as we have seen, Rome became supreme throughout the Mediterranean world.

From the earliest times, the Romans had believed that Rome had a providential destiny, smiled upon by the gods. The individual Roman believed in that sense of destiny for his country, and he also believed that it was his duty and mission to give his life, if necessary, toward the fulfillment of that providential destiny for his country.

I also mentioned in one of my earlier speeches that there were many parallels between the history of the Romans and the history of America. And as we have witnessed this territorial expansion by Rome between the years 264 B.C. and 133 B.C., it is evident that one of these parallels was that strong sense of national destiny.

From the very beginning of our own history, as the distinguished Senator from Mississippi will recall, the uniqueness of the American national mission has received religious and secular explanations. As he will recall from his study of American history, in 1630, John Winthrop, in a sermon, exhorted his fellow travelers to New England:

> Men shall say of succeeding plantations, the Lord make it like that of New England. * * * For we must consider that we shall be as a city upon a hill, the eyes of all people upon us.

And my good friend, the senior Senator from Mississippi, will also remember that, after 200 years of westward expansion, which brought them to Missouri and Iowa, Americans perceived their destined goal. The whole breadth of the continent was to be theirs! It was for a man by the name of John L. O'Sullivan, a New York journalist, to capture this mood in one sentence.

> Nothing must interfere—

He wrote in 1845—

> with the fulfillment of our manifest destiny to overspread the continent allotted by Providence for the free development of our yearly multiplying millions.

Mr. President, for all of its existence, the United States Senate has been the principal national forum for applying this powerful sense of destiny to the fundamental issues that have faced generations of Americans. And it is not too far from reality to understand what the historians have meant, when they have identified the Senate's "Golden Age"—that period beginning in the second quarter of the 19th century—with the start of fierce debates over the concept of our nation's structure and destiny. But whether the national destiny is to be defined as "territorial expansion," in the 19th-century sense, or as the advancement of science and commerce, individual liberty, human rights, economic opportunity, or space exploration and travel, the United States Senate has played an indispensable role, as did the Roman Senate 2,000 years ago.

Mr. President, the century that began with the year 133 B.C. has often been referred to as the period of the Roman Revolution. It was an era of increasingly bitter strife that erupted into bloody civil wars, which ultimately destroyed government by oligarchy, brought about the end of the Roman Republic, and replaced it with a disguised form of monarchy. At this point, I again refer to the Magna Carta, as I did on last Tuesday, that having been the 778th anniversary of the Great Charter, which was signed on June 15, 1215.

At Runnymede, for the first time in recorded history, representatives of the governed—in this case, the English barons—called upon the royal executive, King John of England, to account for his imperious behavior, and they coerced him into signing the agreement which ever after required him to recognize limitations upon his royal power. Out of that deed was born, over a period of long and bloody centuries, the idea and the reality of representative government, government in which there were limitations on the powers of those who governed.

The Magna Carta is viewed as the basic keystone document in the Anglo-Saxon heritage of constitutional and limited government. It is also viewed as the underlying foundation of our American heritage, of the right of the governed to place limitations on the powers of government officials, especially the chief executive.

Conversely, as the Roman Senate slowly but surely lost its will to shoulder its responsibility to act as a check upon the executive, more and more, the Roman Senate ceded power into the hands of those executives, or imperators—or emperors, as they were later called—who finally, in fact, took power into their own hands.

This ceding, or transfer, of power into the hands of the emperors resulted from a loss of will and courage by the Roman Senate, and it reflected the slow decadence and the agonizingly prolonged decline that Rome experienced, as the Republic collapsed and the Empire emerged.

What has all of this to do with the line-item veto? What does Roman history have to do with the line-item veto? Where is the relevancy? Well, I want to tell you, Robert C. Byrd is not the only individual, by any means, who has detected a relevancy between the line-item veto and Roman history. The great Montesquieu—author, philosopher—wrote, as we very well know, "The Persian Letters" and "The Spirit of the Laws."

But perhaps not many people know that Montesquieu also wrote a history of the Roman people—of their greatness and their decline. He was intrigued by the Roman people and their history. He also visited the various political divisions in Europe and stayed quite a period of time in England.

It was the contemporary institutions of England, together with Roman history, that influenced Montesquieu in his philosophy concerning the separation of powers and checks and balances. As we all know, Montesquieu's philosophy of separation of powers and checks and balances had a great impact upon the Framers of the United States Constitution. Those men who met in Philadelphia in the summer of 1787 very well knew about Montesquieu. They were well read. They knew of his philosophy of separation of powers and checks and balances, and they drove that linchpin right into the center of the Constitution. The power of the purse, of course, is the mainspring in that constitutional system of separation of powers and checks and balances.

Montesquieu saw it—I have seen it. What is the relevancy? To put it simply and elementally, by delivering the line-item veto into the hands of a President—any President, Republican or Democrat or Independent—the United States Senate will have set its foot on the same road to decline, subservience, impotence, and feebleness that the Roman Senate followed in its own descent into ignominy, cowardice, and oblivion.

Mr. President, will we stay with the spirit of Runnymede? Or will we go the way of Imperial Rome?

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

IMPORTANCE OF NURSES

Mr. COCHRAN. Mr. President, as we begin our review of the options for health care reform, one of the important areas for consideration is how we control more effectively the rising costs of health care. A recent article on the editorial page of the Commercial Appeal of Memphis, TN, discusses "Nurses: The Neglected Resource in Health Care Reform."

I think it is a very strong and compelling argument for the consideration of nurses as a very important source of improved and efficient health care services.

Mr. President, I ask unanimous consent that a copy of this article by Geraldene Felton from the Monday, June 14, issue of the Commercial Appeal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Memphis (TN) Commercial Appeal, June 14, 1993]

NURSES: NEGLECTED RESOURCE IN HEALTH CARE REFORM

(By Geraldene Felton)

At the University of Iowa Hospitals and Clinics, two certified nurse-midwives were hired recently in the department of obstetrics and gynecology and are providing a less expensive alternative for women giving birth.

The cost is one-fifth that of a physician, and the nurse-midwives also are helping dispel the notion of the maternity experience as a sickness.

Similarly, at clinics throughout rural Iowa, nurses are assuming roles traditionally reserved for physicians. Faced with a severe shortage of pediatricians, many of whom have been attracted to more populous regions, rural clinics have hired pediatric nurse practitioners to administer to the health care needs of children.

These examples show how expanding the role of nurses can reduce health care costs and improve access to care. As the nation seeks to achieve reforms that make health care services both affordable and accessible, it would be wise to consider the contributions that nurses in advanced practice can make—and to remove barriers that prevent them from making those contributions.

Advanced nurse practioners, including nurse midwives, nurse anesthetists, and clinical nurse specialists, are registered nurses with additional training in certificate- or master's-degree programs. Studies show they provide a quality of care that is equivalent, if not slightly superior, to that of physicians to primary-care services.

Such services include assessing and diagnosing commonly occurring conditions, ordering tests, implementing treatment plans, prescribing some medications, administering immunizations and educating and counseling patients.

In 1986, the Office of Technology Assessment (QTA) consolidated the findings of 24 studies and found no significant differences. (Two studies found physicians did better than nurses in managing problems of patients.)

The OTA report also confirmed that nurses play a crucial role in serving geographic areas where physicians are in short supply.

"Nurse practitioners are especially valuable in improving access to primary care and supplemental care in rural areas and in health programs for the poor, minorities and people without insurance," the report said.

Nurses were also found to be valuable in other settings lacking physicians, such as private homes, nursing homes, correctional institutions and terminal-care facilities. In 1988 the Institute of Medicine concluded that "the use of nurse practitioners, certified nurse midwives, and other nonphysician practitioners is often central to programs designed to increase the capacity and utilization of prenatal-care systems relied on by low-income women."

Nurses save on health care costs in a number of ways. When the Robert Wood Johnson Foundation sent faculty and students from 11 nursing schools to home sites, the cost of employing new nurses was more than offset by the savings. These savings came from the appropriate use of medications and from reductions in physical and chemical restraints, incontinence and the use of catheters.

In perinatal care—during and around the time of birth—nurses have spearheaded efforts to improve the care of low-birth-weight infants. The improvements resulted in earlier discharges and reduced hospital and physician charges by 24 and 22 percent, respectively. If only half of the 270,000 low-birth-weight infants born yearly in the United States had this service, the savings would be an estimated $167 million.

Despite the good news, unnecessary barriers prevent the full use of nurses as cost-effective health care providers. Although advanced nurse practitioners are accepted in all 50 states and more than 30 states allow them to prescribe medications, state provisions governing their scope of practice and prescriptive authority are conflicting and restrictive. In addition, state and federal standards of reimbursement are fragmented and stingy.

Malpractice insurance for nurse practitioners is expensive and not always available. This often prevents them from practicing independently and from receiving hospital admitting privileges.

Reforms in these areas—scope of practice, prescriptive authority, reimbursement and malpractice insurance—are critical. Health care planners must not waste this precious resource. Nurses in advanced practice have proven they can deliver affordable, high-quality health care services to a large number of people.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum will be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Chair recognizes the Senator from Oregon [Mr. HATFIELD].

Mr. HATFIELD. Mr. President, I ask unanimous consent to speak as if in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator is recognized.

TRIBUTE TO MRS. RICHARD NIXON

Mr. HATFIELD. Mr. President, I have just received word that Mrs. Richard Nixon passed away having suffered for many years with emphysema, and I understand that cause of death was given as lung cancer.

On occasions like this, I know that we all extend our deepest sympathy to our former President, Mr. Nixon, and for those of us who had the opportunity to be friends with both Mr. and Mrs. Nixon, it is an occasion to at least recall some of those wonderful memories as part of our tribute to a very gallant lady. I should note, Mr. President, that this sad news comes just one day after the Nixon's 53d wedding anniversary.

I am sure that those of us here in this Chamber realize the tremendous contribution made by our wives or our spouses to our political success and for our public service, not only our spouses and wives but our children as well, and often times they are the targets of much political criticism that is really aimed at the principal rather than the member of the family to which the criticism may be leveled.

Those of us who knew the Nixons of course realize that perhaps in her heart of hearts she would have chosen another profession for her husband. She was not one of those who really exulted in the political struggles and political difficulties that her husband's career represented.

And yet she was a gallant lady, because she perservered. She played her part. She was a true effective partner in all the years President Nixon served as a Member of the House of Representatives in the U.S. Congress, as a Member of the U.S. Senate, and of course as Vice President of the United States and as President of the United States.

She shared the joys of victory and she suffered the pains of defeat. And yet she was there by his side. She was the soldier. She was, as I say, the partner in the fullest meaning of that word.

I happen to have had the opportunity to meet her at the 1952 Republican Convention as a delegate to that convention when Mr. Nixon was chosen as the Vice Presidential running mate for Dwight Eisenhower. But that was a casual meeting.

Later on through various and sundry associations, and especially during the 1960 convention when I had the privilege of nominating Mr. Nixon to be the Presidential candidate on the Republican ticket, I became further acquainted with Pat Nixon.

She and my wife had a wonderful friendship as two spouses, and I recall that she had a marvelous sense of humor that was not often displayed in public because of her natural reserve and her natural dignity that she exhibited in all of her public appearances. But she had a sense of humor. She could laugh at the situation. She could laugh at the circumstance. She could laugh at the difficulties.

Mr. President, Mrs. Nixon also was one of those very beautiful ladies who never let her external beauty stand in the way of the sincerity and her desire to be an authentic person. She was an authentic person.

I know some of the media sort of displayed her as "Plastic Pat" as they called her. Of course, we could expect the media to raise all sorts of caricatures as they do on people in public life, but anything further from the truth I could not think of. She was not a plastic personality. She was a very authentic personality. She had a dignity and reserve the media and others perhaps could not even understand or perceive in their quest for superficiality and for caricaturizing people in public life.

I know that hurt her. It hurt the family, and it hurt her friends to have that kind of public derision. But nevertheless, she survived that and she rose above it. I never knew her to utter a bitter word in retaliation or response. She was not that kind of person.

She was a wonderful mother when you consider the fact that the demands on Mr. Nixon when he was in the House and in the Senate, Vice President, and President was like the demands on any person in public life. The spouse, in this case the wife, took on the additional responsibilities of parenthood, in many ways playing both parents because of the absence or the competing demands for the time and energies and attention of the member of the political community. And she played that role well.

I think we all are proud of the first family as we saw them portrayed as a husband and wife and two lovely daughters. Both daughters played their role as individuals and as personalities in and of themselves.

Tricia was much like her mother. She was not the one who really gravitated to the political as did Julie. Julie became a very sensitive and a very effective and articulate person on issues and matters relating to her father and his career as well as to issues of the day.

And yet again here was the sort of contrasting interests of family as between President and Mrs. Nixon and between their daughters.

It was a diverse family. The family complemented one another in their diversity.

So, I rise today merely to pay tribute to a gallant lady who suffered through public life as well as who contributed much to public life of her husband and of the Nation.

I do not know that we can very often compare accurately the roles that spouses play as say one against the other. I have seen those analysts who have said well this was the style of a First Lady So and So, Mrs. So and So or another First Lady and they compared them. I think each First Lady is of a distinctive personality.

I take this occasion to commend Hillary Clinton for redefining the role of the First Lady. It is another generation and as a consequence she reflects the dynamics and the thinking of this younger generation.

I do not think she has to follow the action or the style set by 200 years of precedent. I think again that each First Lady should decide what kind of role she plays, and I think Pat Nixon played her First Lady role to the hilt. I think she played it with grace, with charm, with dignity, and with effectiveness.

I think each First Lady has a very difficult role. I do not think we appreciate the difficulty of the role of the First Lady of this Nation, and I believe that the First Lady has played her role well. But today I pay special tribute to Pat Nixon who played her role well and with character and distinctiveness to any other First Lady as it should be.

I again express my deepest sympathy to former President Richard Nixon and to the family for the loss of their beloved wife and beloved mother and grandmother.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. AKAKA). The Senator from Montana [Mr. BURNS] is recognized.

Mr. BURNS. Mr. President, might I inquire of the order of the day.

The PRESIDING OFFICER. Yes. The regular order is to consider the appropriations bill.

Mr. BURNS. Mr. President, I ask unanimous consent that I might proceed as if in morning business for no more than 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

REAL JOBS FOR AMERICA

Mr. BURNS. Mr. President, I rise today to voice my strong support for the legislation Real Jobs for America that has been introduced by my colleague from Delaware, Senator ROTH.

We do a lot of talking about providing jobs or the opportunity for jobs for Americans. And as this debate continues to go on, there are some who think the Government should provide all the jobs and we do not really give the incentives or set up the policies that would allow small business to grow and to hire people and give them a reason to hire people and to expand this economy. We know that is where real growth will come.

The plan is designed to create new, long-term jobs and encourages small businesses to hire new workers by giving a tax credit for new employees. It encourages small business investment by increasing deductions for new business expenses.

In my home State of Montana, from which I just returned this morning, most all the jobs are created by small business. There is no doubt that Montana's small business men and women are an essential part of our economy.

Two out of every three Americans get their first job from a small business, but in Montana three out of every four get their jobs in that area. In Montana, 98 percent of our businesses are considered small businesses, and they supply 76 percent of the jobs in my State.

I noted over the weekend was the meeting of the Livestock Marketing Association representatives from every State in the Union who are in this business of marketing livestock, which is probably no doubt to most of us who come from West of the Montana River and the Mississippi River vital industry to our economies.

I see the Senator from Nebraska here, who should be very proud because I think his State was probably more represented in Montana than any other State of the Union.

But the talk there is job opportunity and marketing, providing the opportunity to expand and to grow.

Our Nation's ability to create new jobs is dependent on our Government's policies to encourage small businesses to expand and grow. The legislation I am cosponsoring today is crafted to encourage small business to invest the necessary capital to create new long-term jobs.

From the farmer to the local hardware storeowner to the employees of the bakery down the street, Montana's small businesses are providing us with products, services, and jobs that enhance our quality of life.

As America moves forward, we must keep in mind the important role small businesses play in the economy. Heaping on more mandates and more regulations is throwing a wet blanket on our economic recovery.

We need policy that encourages small businesses to do what they do best: employ our people and provide Americans with high-quality goods and services.

I ask my colleagues to support this legislation as it is introduced by Senator ROTH.

S. 579, EQUITY FOR CONGRESS ACT

Mr. BURNS. Mr. President, I rise today in support of S. 579, the Equity for Congress Act, a bill which is long overdue, and I believe worthy of our consideration.

This bill will require Congress to comply with the laws it imposes on everyone else. This is yet another step in the direction of making Congress responsible. I have cosponsored legislation in the past that prohibits us from imposing unfunded mandates on our States and local governments. This is the next step. Actually, it's a step that never should have been necessary to take.

For Congress to pass laws on the rest of America, and yet exempt itself from complying to the same laws, is doing what the Nation accuses us of—putting ourselves above the law. And if there is an underlying current out there today, it is that Congress has an imperial attitude. The underlying belief is that we sit here in Congress and make regulations, make policy, and mandate all sorts of things, but never feel the impact ourselves.

There are a number of landmark bills that have been enacted in the past—the Civil Rights Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, and, most recently, the Family and Medical Leave Act—all of which require business to adhere to more regulations, to bear the burden of more costs, and none of which apply to Congress. That is not fair, and that is not good legislating.

If we are going to ask the rest of the Nation to change their way of business and to survive under more and more regulations, the very least we can do is be accountable ourselves.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of an editorial that appeared the other day in the Great Falls Tribune. Its headline reads, "Congress Should Face Regulatory Music," and I think the words that follow probably express the sentiment felt by most Montanans and, my guess would be, most Americans.

There being no objection, the text of the editorial was ordered to be printed in the RECORD, as follows:

[From the Great Falls Tribune, June 21, 1993]

OUR VIEW: CONGRESS SHOULD FACE REGULATORY MUSIC

When you've got a problem, form a committee and study it to death.

That's apparently the mindset that created the Joint Committee on the Organization of Congress, an august body that is looking at ways to improve the way that Congress works. It will issue its recommendations to the House and Senate leadership by September.

The main problem appears to be a suspicion that not everyone is happy with an imperial Congress, excluding itself from the laws that it passes.

Currently, Congress exempts itself from a variety of laws, including the Occupational Safety and Health Act, the Freedom of Information Act, the Fair Labor Standards Act, the National Labor Relations Act, the Equal Pay Act, the Civil Rights Act, and the Equal Employment Opportunity Act.

Congress also excludes itself from the enforcement provisions of civil rights and age discrimination laws.

There are, of course, reasons. Our Constitution set up three separate branches of government, and Congress feels it should not be subject to executive branch regulatory agencies.'

Congress must comply with the goals of those laws, but has done so through its own mechanisms which do not subject it to the same penalties or legal action private employers face. Consequently, compliance is sometimes lackluster.

Instead of changing its laws, Congress has created a sort of public circus in which its members can stand and tell each other what they ought to do—without the necessity of actually doing anything.

In the House, there is pending legislation, dubbed "The Congressional Accountability Act," that would establish a congressional office to recommend what laws Congress should adhere to.

As you might guess, that fancy—sounding name for another committee and more study has attracted 218 co-sponsors. Montana's Pat Williams is not among the sponsors; he says he believes Congress should abide by the laws it imposes on others.

In the Senate, legislation introduced by Sen. Don Nickles of Oklahoma would actually require Congress to comply with the same laws it imposes on others. Sen. Max Baucus supports the concept, but not the bill, which he feels is too partisan.

Although it's a troublesome precedent, Congress ought to pass the Nickles bill.

The reason is simply that Congress should feel the result of its own legislation directly. When Congress had to comply with its own laws, perhaps it would began to back off on some of the excessive regulation.

Mr. BURNS. Our Government is supposed to be a government of the people, but for too long Congress has consistently placed itself above the people. We cannot govern effectively and realistically if we consistently place ourselves above the law. It is time for Congress to comply with the laws it imposes on others.

Mr. President, I am proud to add my name to the list of cosponsors and hope this piece of legislation will see serious consideration and fast action. It is only fair.

I say to my colleagues, while we consider this piece of legislation, maybe the reason we have a hard time relating to the mandates and the rules and regulations that we place on business is because we do not place ourselves under those same rules and regulations.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A VISION FOR HEARING RESEARCH IN THE 21ST CENTURY

Mr. HATFIELD. Mr. President, it gives me great pleasure to share with my colleagues today a vision statement I recently received from my friend and associate, Dr. Jack Vernon. The director of the Oregon Hearing Research Center and a professor of otolaryngology, Dr. Vernon is an expert in hearing and tinnitus research. I have been known to share a story about Dr. Vernon from time to time—it was he who ventured out of the laboratory and made the transition from basic to clinical research, because he no longer wanted to work with bats, but with people. For this move, we should all be eternally grateful. He continues to lead in his field, as evidenced by his recent writings on the future of hearing research in this country. Dr. Vernon believes we need a multidisciplinary approach to solving hearing impairments in individuals. He also advocates for what I call a disease defense buildup—a commitment by the Federal Government to provide resources for medical research which will serve as the foundation on which treatments and ultimately, cures, will be secured.

I would like to take this opportunity to read Dr. Vernon's statement into the RECORD.

HEARING RESEARCH; 21ST CENTURY

Through the ages it is easily noted that attention has been given to that which mankind has considered important. A few centuries ago, alchemy was the burning issue and for the simple reason that the thought of an abundant supply of gold was the answer to many, if not most, of mankind's problems. Little did the ancients realize how close to the mark they were. Money, fiscal backing, is today the major requirement for success in whatever field of endeavor we may choose. No longer do we lament the lack of personnel capable of producing answers. No longer do we wait for the brilliant insight given to a rare few so that particular problems may be solved such as, say, the cure for AIDS or cancer. Today, even the youngest school child realizes that a cure for these blights will be found if only sufficient support for the needed research is provided. The thought that the problem may be insoluble no longer occurs.

The evolution of mankind over the past thousand years or so has been the expansion of brain power. Oh yes, man has gotten taller and stronger, can run faster, throw objects farther, hit loops better, and excel in all manner of physical prowess but the main thing is that his brain power has increased. Today, it is not a matter of whether or not a given problem will be solved, but rather, when will it be solved and, indeed, how many people will simultaneously provide the same or different solutions. In by-gone days we were lucky if there was one individual capable of providing solutions, one Edison or one Bell or one pair of Wright Brothers, whereas today, we are blessed with a plethora of brain power. And if we have such an abundance of brain power today why is it that we also have so many long-standing unsolved problems? By that I do not mean political problems like war. The solution to war is one of those problems that will have to wait for a very advanced evolution of brain power or, perhaps the one after that. No, I do not mean problems about which many different disciplines are involved or problems where there is not even agreement as to the statement of the problem. I mean simple but unanswered questions such as the legion of problems about hearing impairment.

It is not productive or realistic to get into a contest as to which is the most important sensory department—some say eyes and some say ears. The fact is, they are both not only important but essential to modern existence. Modern day life has reached such a pitch that any impairment in either of these two major capabilities provides a serious handicap—a handicap which can no longer be tolerated. Thus, we ask why the problems which are legion in hearing have not been solved to the degree that solutions are readily and easily available for vision. Stop a moment and consider; a short time ago cataracts meant the end of vision, presbyopia meant total cessation of reading, and today both these problems not only have easy solutions but solutions which are household words. One needs no special education to be aware of the many different forms of corrective devices called glasses or contact lenses or implantable lenses which are understood by all. Sheer miracles, that's what these things are. Miracles which have been devised by man to solve major problems. Why is it then, that the problems rampant for hearing have not been solved? Why is it that one of the major attempts to solve the problem of hearing impairment, the hearing aid, is an object of derision, mockery, scorn, or contempt? The hearing aid is probably the most misunderstood prosthetic device commonly known to man. Is it that we have failed to recognize the problems of hearing impairment? Have we successfully hidden the problems so as to prevent discovery? Do we associate hearing impairment with aging, a process we wish to deny, or at least postpone? Have we so little understanding of normal hearing that we have no capability to correctly describe its malfunction? Do we fail to realize the essential nature of hearing, so that when it dysfunctions we are simply overwhelmed and do nothing? Would we rather pretend to hear than to request repetition? We fake it?

There is, to be sure, an extremely insistent drive to pretend that we did hear and, moreover, that we understood—there's the rub—understanding. Understanding is associated with mental capability and, to a person, we are fearful that we will not measure up in the eyes of fellow man when our mental capacity is being judged. The ultimate insult is to cast doubt on one's intelligence. If we do not hear or if we miss-hear, we then, of necessity, fail to understand. Because failing to understand implies faulty mental processing, we are unwilling to admit that it is our hearing which is at fault and we try to fake it, lest we be judged as mentally inadequate. If you have trouble believing these statements, wear ear plugs for one day and see what happens to your "excuse process". Be prepared for feelings of instant inferiority.

In contrast to visual impairment, hearing impairment is less conspicuous and so we continue to deny its existence or we devise clever ways to disguise it. Many hearing-impaired people excel at lip reading, some without really being aware of it. There is one other aspect of faulty hearing which may contribute to our reluctance to ask people to repeat when we have failed to hear. Hearing is a temporal affair and it is accompanied with a complex gestural and facial expression vocabulary. When we miss the hearing part of the art of the gestural expression has been wasted and to ask for a repetition of the verbal portion of this complex communication is to place things out of synchrony. People may repeat verbal stuff on command but the remainder of the complex communication is not repeated and we the speaker resent the waste of our elaborate and complex efforts to communicate.

But the question remains; why are there so many unsolved hearing problems today, when the need for good hearing is so obvious and so essential? The answer, it seems to me, is also obvious: we have not tried to solve those problems.

There can be no doubt but that globally we have the capability and the technology with which to provide the required hearing prosthetic devices; we need only to establish the proper priorities so as to do it. Will those priorities be established merely because someone says they are needed? No, those priorities will be established only when the public at large is educated to understand the need. One day, there will be a clamor arising from the public to recognize those problems which they have helped to hide. The clamor will probably blame the school-system for the unacceptable state of affairs when, in fact, it is general public itself that is the culprit.

While the public is slowly becoming aware of the hearing crisis, it is time to begin the discovery process by which answers will result. It is time to call together different disciplines to attack the hearing problems. We need engineers, physicists, biologists, psychologists, audiologists and inventive minds to direct attention to this effort. To do this in reasonable time we need financial backing of sizable amount and an organization which is capable of directing the effort. Just as we have major military organizations and space agencies, and designated research efforts such as for primate studies, cancer, AIDS and MS etc., we must have a major hearing agency and there is only one way to do that. That is to make it possible to assemble the needed manpower under a single umbrella. A single organization under a single direction to solve hearing problems; that's what we need.

ADDRESS BY SENATOR HELMS AT 25TH ANNIVERSARY OF CAMP WILLOW RUN IN NORTH CAROLINA

Mr. FAIRCLOTH. Mr. President, this past Saturday at Littleton, in northeastern North Carolina, my colleague from North Carolina, Mr. HELMS, spoke at the 25th anniversary celebration of the creation of Camp Willow Run, a remarkable Youth Camp for Christ facility in Warren County, NC.

This camp is a blessing to hundreds of young people each year, including youngsters in institutions who come to the camp for a week of enjoyment, swimming—and spiritual and moral guidance.

Mr. President, many of the underprivileged or otherwise disadvantaged children who come to Camp Willow Run have never known what it means to be loved and made to feel special.

Camp Willow Run was the vision a quarter of a century ago of the late Rev. Erbie Mangum, pastor of Littleton Baptist Church. It is an inspiring story—how this camp came into being. Dot Helms, wife of Senator HELMS, has written a book about it.

Erbie Mangum solicited the help of a few friends in the 1960's to bring his vision into being. JESSE HELMS, then a private citizen, was one of them. I believe Senators will find the comments of my colleague interesting.

Therefore, Mr. President, I ask unanimous consent that the address by my colleague from North Carolina, delivered on June 19, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

TWENTY-FIFTH ANNIVERSARY CELEBRATION, CAMP WILLOW RUN, LITTLETON, NC, JUNE 21, 1993

(Address by U.S. Senator Jesse Helms)

I have thanked the Lord on countless occasions for the interesting life He has made possible for me to enjoy, and to be associated with so many wonderful people like you.

In my line of work I have been involved in a great many projects but none—none!—has even come close to being as inspiring as this remarkable Youth Camp for Christ, Camp Willow Run, whose 25th anniversary we celebrate today.

It seems only a few yesterdays ago that Dot Helms and I met, for the first time, Erbie Mangum, that wonderful man who had a vision that a Christian camp on the banks of Lake Gaston should be built to lead young people to Jesus Christ. I will leave it to others to supply the details of how all of this came to pass. But I will say this: If ever there was a story of true faith in God, the story of Camp Willow Run is it.

There never would have been a camp had it not been for the God-fearing man and his wife who gave the land, or the completely unselfish contractor who made it his number one priority to put the camp together, or the railroad who donated the boxcars, and hauled them to Littleton, or the trucker who moved them to this beautiful site, or the countless hundreds of people who worked and sacrificed together to raise the money and acquire the support and take care of an endless series of impossible dreams that somehow, one by one, came true.

It is an emotional thing, really—a thousand little vignettes of Christian people working together—and with one very special servant of the Lord supervising and leading the effort—the incredible nuclear engineer turned Baptist preacher—Erbie Mangum who had learned earlier that the Lord expected something special from him.

So here we are, 25 years later, celebrating an anniversary—and how things have changed since 1968!

That was the year that the Soviet Union invaded Czechoslovakia. That was the year that the U.S. Navy ship *Pueblo* was seized by North Korea. That was the year that the Vietcong launched the Tet Offensive against South Vietnam.

That was the year that Apollo 8 became the first manned flight to orbit the moon. The federal debt in 1968 stood at more than 368 billion dollars. Today, 25 years later, it stands at 4 trillion, 301 billion dollars.

A new automobile cost about $34 hundred dollars in 1968; today the same car will cost you nearly $18 thousand.

Steak cost $1.19 a pound at the supermarket then; today, the same steak is nearly $5 a pound. A pound of coffee sold for 76 cents 25 years ago—today it's $2.29.

The population of the U.S. was then just over 203 million; today it's more than 252 million.

So the world has changed a lot in 25 years. Our country has changed a lot.

But one thing has remained constant—the salvation that is offered to all who will turn to our Lord Jesus Christ.

That was the message 25 years ago. That is the promise and the premise on which Camp Willow Run was established 25 years ago.

America is beset by problems. So is the entire world. And almost all of the problems are man-made.

We are listening to too many false prophets, a cacophony of voices coming from every direction—the major news media, the politicians . . . and, sadly, from too many of our churches where the gospel is never heard any more; from pressure groups which too often never had or wanted any relationship with the God of our Fathers.

Small wonder that so many of all ages have lost their moorings. I remember the story of a graveyard in Mississippi where an old tombstone is engraved with these words:

"Pause, thou, stranger, passing by, As you are now, so once was I. As I am now, you soon will be; Prepare yourself to follow me."

A visitor to the cemetery pondered the words on that gravestone. Then he pulled a piece of chalk from his pocket and added two lines to the original four, making it read:

"Pause, thou, stranger, passing by, As you are now, so once was I. As I am now, you soon will be; Prepare yourself to follow me. *To follow you, I'm not content Until I know which way you went.*"

We've reached the point that it's sometimes next to impossible to know for sure whom to believe—or what to believe—among the welter of voices pretending to be authorities.

Which means that there never was a better time to place our faith in the Lord, and to believe the Holy Bible.

There is understandable contempt for people who have made false promises and who play crass politics at every turn. A fellow from Arkansas wrote one of the national magazines that one particular newcomer to Washington "is such a big liar that he has to get somebody else to call his hogs for him."

In the news media you see a constant flow of news stories quoting first one self-styled intellectual, then another, casting doubt about whether there's any God, or whether the Bible is true.

Erbie Mangum saw all of this coming, and that's one of the reasons that led him to his vision for Camp Willow Run.

Erbie used to say that America itself was proof enough that not only is there a God, but that God created America as surely the most blessed country in the history of the world.

Erbie was so right. Never before in the history of mankind has there been a nation of people more blessed with abundance and freedom than the people of America.

The evidence is here—and it has been here throughout the history of America.

Search the many documents endowed by our Founding Fathers and you will see repeated references to "our Creator"—and pointed declarations that America was created, that it didn't just happen.

Why did our Founding Fathers choose those words?

I'll tell you why: Those guys, more than two centuries ago, didn't regard God as some abstract or mythical figure. They knew that there is a God in control of the universe. He was then; He still is.

There was something else they knew, even though they had to be reminded of it by Benjamin Franklin when all the delegates met in Philadelphia for the purpose of putting together the framework of America.

These weren't perfect men, and they didn't claim to be. They knew all about tyranny and bondage—that's all the world had known up to that time.

So they met 206 years ago, in the summer of 1787, to write a constitution. Few of them, if any, had any notion about the importance of the task they had undertaken. And, being human, each tried to get an advantage over all the others. Tempers began to flare; some of the delegates were beginning to get fed up and were making plans to climb upon their horses and head back to their homes.

It was then that Benjamin Franklin, then 81 years old, realized that God had been left out of this creation of America. He pondered the question as to how a great nation could be created if the supreme Creator were left out of the proceedings.

In 1987, I was one of a relatively few Senators who went up to Philadelphia for a symbolic but official meeting of the United States Senate. We convened in the very room where these Founding Fathers had gathered two centuries ago. (There's a little plaque on the floor, about three feet from the desk assigned to me, identifying the spot where Ben Franklin rose with his immortal warning two centuries earlier.)

Remember what Dr. Franklin said? "In the beginning of the contest with Britain, when we were sensible of danger, we had daily prayers in this room for Divine Protection. Our prayers, sir, were heard and they were graciously answered. All of us who were engaged in the struggle must have observed frequent instances of a superintending Providence in our favor.

"Have we now forgotten this powerful Friend? Or do we now imagine that we no longer need His assistance?"

(Powerful words? You bet! A clear warning—of course!)

Then Dr. Franklin continued:

"I have lived, sir, a long time, and the longer I live, the more convincing proofs I see of this truth: That God governs in the affairs of man. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid? We have been assured, Sir, in the Sacred Writings that except the Lord build the house, they labor in vain who build it. I firmly believe this."

Then came Ben Franklin's powerful, final punch:

"I therefore beg leave to move that, henceforth, prayers imploring the assistance of Heaven, and its blessing on our deliberation, be held in this assembly every morning."

The delegates didn't wait for Ben Franklin's motion to be made. They approved it unanimously and immediately by closing the doors and the windows, falling to their knees in prayer. And, as Paul Harvey says, Now you know the rest of the story.

The disputes and the arguments and the hot tempers ended. You see, God had taken over to guide the minds and the hearts of those patriots. That was the beginning of the Miracle of America.

After the delegates had finished their work, Benjamin Franklin stepped out onto the sidewalk where a great crowd had been waiting. A lady rushed forward, tugged at Dr. Franklin's jacket, and asked:

"What do we have, Dr. Franklin—a monarchy or a republic?"

Dr. Franklin gazed into her eyes and replied:

"My dear lady, you have a republic—if you can keep it."

That challenge has thundered down upon every generation since 1787. But have we really heeded it?

I said at the outset that never have I been honored to be a part of a more inspirational project than Camp Willow Run. I mean that with all my heart. So it is fitting and proper that we gather here, on the 25th anniversary of Erbie Mangum's dream, to contemplate the faith and sarifice, and the hard work by so many; and most of all to praise God for having given so many the strength of purpose, and the will, to be a part of this dream.

It is such an honor to be with you. Thank you for inviting Dot and me. Thank you for being our friends—and allowing us to be yours.

God bless you. God bless Camp Willow Run. And God bless America.

WEST VIRGINIA BIRTHDAY

Mr. ROCKEFELLER. Mr. President, I rise today to speak to you in honor of the people of West Virginia. On June 20, we celebrated the 130th birthday of our great State.

West Virginians have always been characterized as courageous and independent since our separation from Virginia and becoming the first State to be born of an existing State. Historically, West Virginians have sacrificed life and limb at war in order to provide a better future for their Nation and State. These events are reflected in our State's motto, "Montani semper liberi" (Mountaineers are always free).

Each year our beautiful mountain scenery, mineral springs, rivers, and a variety of wildlife attract hundreds of thousands of tourists. The State's Allegheny and Cumberland Mountain ranges offer snow skiers the best skiing in the Mid-Altantic. White-water rafters, kayakers, and canoeists enjoy such rivers as the New and Gauley which provide them with some of the best water rapids on Earth. Our State parks and forests attract hikers and backpackers with some of the most extraordinary sites in the country. The feelings that our tourists experience have led many to make regular visits to our State as well as many to relocate permanently. Credit for this experience cannot go to our attractions alone, but to native West Virginians for their hospitality and generosity which has made a positive and lasting impression on all of our guests.

So, on this 130th birthday of our State, Mr. President, I would like to congratulate the citizens of West Virginia. Furthermore, I would ask you to join me in recognizing this important day for my fellow West Virginians who I am so very proud to represent.

TRIBUTE TO PAT NIXON

Mr. COVERDELL. Mr. President, on behalf of Georgians throughout our State, I want to express our deepest sympathy to former President Nixon and his family.

Pat Nixon was the embodiment of grace, dedication, and loyalty, to her family and her country. We can all be grateful for her service in the unique and demanding role of First Lady through a very difficult time in our history.

TRIBUTE TO PAT NIXON

Mr. HATCH. Mr. President, I rise to reflect on the tragic loss this Nation has suffered with the passing away of Pat Nixon early this morning.

I know that all the Members of this body join me in expressing profound condolences and sympathies to former President Nixon and to his family. I also know that even as we mourn this loss, we all celebrate the life that she led.

I never had the pleasure of meeting Mrs. Nixon, but I count myself among the tens of millions of Americans who admired both what she did for this country and what she stood for during Mr. Nixon's national campaigns and his terms as Vice President and President. She was the preeminent American goodwill ambassador to the world, particularly in her trips to the poorer countries and regions of the world. In our own country, she championed volunteerism and programs that touched the lives of less fortunate Americans.

Those of us who entered national political life only after the Nixon Presidency remember her as the personification of grace, dignity, strength, and kindness. She truly set the standard for America's first ladies. No one yet has exceeded her standard.

Mr. President, I ask unanimous consent that an excerpt from "In the Arena" by Richard Nixon be included in the RECORD as if read. In an essay entitled "Pat," former President Nixon reflected on what Pat Nixon meant to him and what she meant to our country. It is a profoundly moving testament to the love between the two of them and the love that she showed for all the citizens of our Nation, rich or poor, black or white, from privileged or disadvantaged backgrounds.

In closing, I would like to quote one short passage that I believe captures the spirit of the essay. The former President wrote:

> The word "character" has several meanings. When someone is an oddball, we call him a character. When someone applies for a job, we give him a character reference. Pat has character in a more profound sense. When an athlete comes back to win after suffering a defeat, we say he has character. That is Pat's kind. She is a strong person who is at her best when the going gets rough. Millions who have followed her career during the forty-three years we have been in the political arena know that and appreciate it, and for that reason will never forget her.

Mr. President, former President Nixon was right. Those who have observed, or participated in, our national political life during the second half of this century can never forget Pat Nixon, the values she personified, the example she gave us

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PAT

(By Richard Nixon)

Since we left the White House in 1974, my First Lady, Pat, has never made a speech, accepted an award, or been interviewed by the press. We entertain close friends and family at home but turn down the many invitations we receive to highly publicized New York events. But despite being out of public view for fifteen years, she has been on GOOD HOUSEKEEPING'S ten most admired women list every year. Some wonder how this could happen in our media-drenched, out-of-sight-out-of-mind society. I know why. Most people, even if they are basically happy, do not have an easy life. Some have had disappointments, others have suffered defeats. Many have experienced tragedy. Pat relates to these people, and they to her.

The word "character" has several meanings. When someone is an oddball, we call him a character. When someone applies for a job, we give him a character reference. Pat has character in a more profound sense. When an athlete comes back to win after suffering a defeat, we say he has character. That is Pat's kind. She is a strong person who is at her best when the going gets rough. Millions who have followed her career during the forty-three years we have been in the political arena know that and appreciate it, and for that reason will never forget her.

Her life is a classic example of triumph over adversity. Her mother died of cancer when Pat was thirteen. She helped care for her father for two years until he died of silicosis, popularly known as miner's disease, when she was eighteen. To earn the money for college, she worked as a bank teller, an assistant to a department store buyer, a bit player in the movies, a research assistant for a USC professor, and a hospital X-ray technician in New York City. During most of this time she helped keep house for her two older brothers. Despite her backbreaking commitments, she graduated with honors from USC in 1937.

After we were married, she continued to work as a high school teacher to supplement my meager income from my law practice during the Depression. While I was serving overseas, she was a government price analyst in San Francisco.

Our first fourteen years in Washington, when I served in the House, the Senate, and as Vice President, were an exciting and happy time. But it was not always smooth sailing. After the Hiss case, I became a major national figure but also a highly controversial one. I refused to let the critics bother me, but on occasion they got to her. She has always been a voracious reader. Hardly a day went by when she did not see a vicious cartoon, a highly negative column, or some blatantly biased new report. But she never complained to me. She has enormous respect and affection for Whittaker Chambers and his wife Esther. She knew we were on the right side. This certainly strengthened her, but it did not make the cruel barbs hurt any less.

During my trips abroad as Vice President and President, she broke new ground, refusing to follow the meaningless schedules that were usually set up for dignitaries' wives in those days. Unless our host absolutely insisted, she skipped the shopping and sightseeing. Instead, she visited schools, hospitals, orphans' homes, old people's homes, a leper colony in Panama, refugee camps in Vietnam. While I was closeted in meetings, she was out making pro-American news. Eventually the press began to follow her rather than me.

Pat is an intensely private person who still proved to be a superb campaigner, because she likes people and they like her. She was by my side constantly in two campaigns for Congress, one for the Senate, one for governor, two for Vice President, and three for President, not to mention our grueling, thankless swings in off-year elections. She never set a foot wrong or gave the media a club to beat me over the head with. After a campaign appearance in Kansas in 1952, Senator Frank Carlson expressed his unbounded admiration for her campaigning ability. He told me, "Dick, you're controversial, but *everybody* likes Pat." * * *

Pat's political instincts are invariably accurate. She urged me not to run for governor of California. She was right. She has an uncanny ability to assess people. Her personnel evaluations were usually better than mine. On the few occasions when I did not follow her recommendations, I wished I had. She had strong views on issues but always expressed them privately rather than publicly.

* * * * *

The resignation was harder on her than me, because she thought it was a mistake to resign. Like Julie and Tricia, she thought we should fight through to the end. I still marvel at how she was able to go forty-eight hours without sleep while she supervised the packing of all our personal belongings for the move to San Clemente. My near-fatal illness in California was also a greater burden on her. I was physically, mentally, and emotionally drained, so in addition to keeping up her own spirits, she had to sustain mine. Our quiet dinners alone in the evening were often the only respite I had from the trauma of those dark days.

My evaluation of Pat is best expressed in this diary note I made in California shortly before the resignation:

"I remember that Tricia said as we came back from the beach that her mother was really a wonderful woman. And I said, yes, she has been through a lot through the twenty-five years we have been in and out of politics. Both at home and abroad, she has always conducted herself with masterful poise and dignity. But God, how she could have gone through what she does, I simply don't know."

After we left the White House, it did not seem possible that she could bear any more. I followed my usual practice of not reading the criticism being heaped on me. But she insisted on keeping informed. She read almost all of the articles and many of the books. One day a well-meaning member of our staff sent her a particularly vicious book written by two *Washington Post* reporters. It was the last thing she read before tragedy struck.

On the morning of July 8, 1976, I went into the kitchen at Casa Pacifica to get some coffee. I noticed that Pat seemed to be unsteady and that the cup and saucer were shaking in her hand. The left side of her mouth was drooping. I hoped it might have been caused by an insect sting, but I knew better. It was a stroke. As we rode together in the ambulance to the hospital, her left side became paralyzed. Her speech was slurred and her mouth contorted.

Hundreds of bouquets of flowers and thousands of get-well messages poured in from all over the world. But only she could handle this crisis. No one else could help her. Before she left the hospital, her speech difficulty had disappeared and her mouth was back to normal. But her left arm hung limply by her side.

Our home in San Clemente had a beautiful Spanish inner patio. She had an exercise wheel installed on one of the walls enclosing it. Day after day as I left the house to go over to the office, I saw her standing there, turning the wheel around and around again. At times she was discouraged because there seemed to be no visible improvement. But she never gave up. Before the year was out, her recovery was complete. Doctors did not do it for her. Her family did not do it for her. Her friends did not do it for her. She did it by herself, which is characteristic of her whole life. My critics in the media called her "Plastic Pat." What they did not know was that her plastic was tougher than the finest steel.

The Bible is a wellspring of truths, but it contains one falsehood—that women are the weaker sex. Statistics tell us that women live longer than men. Experience tells me that women are stronger, too, physically, mentally, and emotionally. Whether it was confronting the Fund crisis, facing a killer mob in Caracas, standing up to anti-war demonstrators, or going through the ordeal of resignation, Pat was always stronger. Without her, I could not have done what I did.

* * * * *

What is her legacy? Pat will be remembered as one of our greatest First Ladies for four things.

She was a superb goodwill ambassador. She was our most widely traveled First Lady, having campaigned in all fifty states as part of the Pat and Dick team and visited seventy-five nations around the globe. By the time she came to the White House, Pat had already traveled with me to fifty-three countries, including the remotest corners of Asia, Africa, and Latin America. She deeply believed in the importance of personal diplomacy. She accompanied me on the history-making first visits of a President to the Soviet Union and China. She traveled alone to Peru in 1970 following a devastating earthquake to bring relief supplies and galvanize volunteer efforts. In 1972, she attended the inauguration of the President of Liberia, becoming the first President's wife to officially represent the United States abroad.

She will be remembered for championing the cause of volunteerism—especially the Right to Read program—because of her belief that the need for personal involvement in today's complex, impersonal world is more vital than ever. She visited volunteer projects throughout America and honored hundreds of outstanding volunteers at the White House.

Before we left New York in the 1960s, the elevator operator in our apartment building told us he had never visited a national park because he couldn't afford the travel costs. She remembered that when we went to the White House, and through her leadership, the "Parks to the People" program was instituted to establish small parks near major cities that poor people could afford to visit.

Finally, Pat will be remembered for her efforts to bring meaning to these words: "The White House belongs to the American people." She believed that the White House should be lit at night like the Jefferson, Lincoln, and Washington monuments, and at Thanksgiving 1970 the project was completed. She surprised me by having the lights turned on for the first time one night when we arrived at the White House by helicopter. She personally raised millions of dollars to refurbish the interior of the mansion, adding an unprecedented five hundred antiques and works of art to the collection. All the money was spent on the public rooms, none on the private quarters. She expanded access for the public by opening the house in the afternoons for the handicapped, establishing special tours for the blind, instituting candlelight tours at Christmastime and tours of the gardens in springtime, and opening the family quarters on the second floor to guests who attended our many Evenings at the White House.

Any one of these accomplishments would be enough for one person. But I think she would prefer to be remembered for another reason. It was hard for young people to grow up and lead useful lives during the spiritual turmoil of the 1960s and 1970s, and particularly so for children of celebrities who are always in the spotlight. That generation is still struggling against the effects of rampant drug abuse and moral aimlessness. With their father subject to massive political and personal attack, it is a miracle that Tricia and Julie came through as they did. They have survived it all with the strength and serenity of their mother.

They couldn't have done it without her. In a tribute to former Prime Minister Asquith, Winston Churchill observed, "His children are his best memorial." I think that is the way Pat would like to be remembered. Her children are her best memorial.

A VALIANT WARRIOR FALLS

Mr. BYRD. Mr. President, I felt a sense of loss this morning on learning of the passing of a former First Lady, Mrs. Richard M. Nixon—a lovely woman known universally around the world more familiarly as "Pat Nixon."

Though Mrs. Nixon would not be categorized as "an activist First Lady" in the vein of, for example, Eleanor Roosevelt, Pat Nixon touched the years of the Nixon administration with a grace and beauty all her own, and left her mark on those years as surely as other First Ladies did on their own periods of White House tenure.

Never a woman to pursue the limelight or the photographers' flashbulbs in her own behalf, Mrs. Nixon won the admiration and appreciation of millions of Americans by standing by her husband's side and traveling as his helpmate on some of the most dramatic and effective diplomatic missions in the long history of the now thawed cold war with the old Soviet Union.

Indeed, President Richard Nixon's career—certainly, one of the most involving and salient in modern times—would be unimaginable without the quiet presence that Mrs. Nixon lent to her husband's appearances both here and abroad.

Unfortunately, from the time of Martha Washington onward, the press, evolving media, and Washington gossips have been notably unkind to many First Ladies. Without any evidence, Washington gossip branded Mary Lincoln as a Confederate spy and traitor to the Union, while the Methodist temperance of Mrs. Rutherford B. Hayes earned her the not-too-kind nickname "Lemonade Lucy." Not to be outdone in cutting and defaming remarks, behind her back some detractors viciously derided Eleanor Roosevelt noting Mrs. Roosevelt's self-admitted plainness, but ignoring the brilliance of her mind, the uncomplaining assistance that she lent to her lame husband, or the countless services and charities to which she gave her innumerable talents and energies without recompense during her years as First Lady.

During Mrs. Nixon's years in the White House, her detractors branded her natural reserve and shyness as stiffness and her warm, pleasant smile as a mask of pretense, aiming at her the heartless epithet, "Plastic Pat."

But, indeed, as perhaps few First Ladies ever had, Pat Nixon demonstrated courage, strength, and love as her beloved husband's administration fell.

Mr. President, I know that I speak for all of our colleagues—and certainly, for those still here who knew the Nixons as friends—in extending to President Nixon and his family my deepest condolences, and my wife Erma joins me in expressing our admiration for the beautiful wife, mother, and former First Lady who has now passed into a better life to receive undoubted rewards for her selfless love, loyalty, and example under such pressure and during such trying times.

A VERY DISTINGUISHED PERSON

Mr. WARNER. Mr. President, I had the privilege of serving in the White House on the staff in the spring of 1960, at which time I had the opportunity to meet the then Vice President, Richard Nixon, and his lovely wife and get to know them quite well. Subsequently, I traveled with both of them extensively during the course of the 1960 campaign.

I will simply say, Mr. President, having known this distinguished woman for many years, she represented to me and will always represent a very distinguished person not only in her public life but, indeed, as an ideal wife and mother. I remember many, many times visiting with the then Vice President, his wife and his children. It leaves a lasting impression on me.

I express my deepest sympathy to the former President and the members of his family for the loss of this gentle, caring, and supportive woman. Pat Nixon always stood by her husband, her children, and all those close to her. She will not be forgotten.

STEVE GERSTEL'S RETIREMENT

Mr. MITCHELL. Mr. President, I rise today to pay tribute to a man who has served the Congress and the American people for more than 33 years. Last Friday, my colleagues and I said goodbye to a friend when Steve Gerstel, a veteran reporter for United Press International, retired.

When Gerstel, as he was known, began covering the Senate as a UPI southern regional reporter in 1959, Dwight D. Eisenhower was President and Lyndon Johnson was the majority leader. Family members of many current political leaders were Members of the Senate: Prescott Bush, Albert Gore, Sr., Tom Dodd, and John F. Kennedy. Only two current Senators have been in the Senate longer than Gerstel: Senator STROM THURMOND and our present President pro tempore, ROBERT C. BYRD, who was a first-year Senator.

Our Nation witnessed many changes over those years: the civil rights movement, the cold war, the Vietnam and Persian Gulf wars, Watergate, and the Iran-Contra hearings, to name a few. Through his clear prose and fair reporting, Gerstel brought these significant debates—and maybe some not so significant debates—to the American people.

During my 13 years in this institution and in particular during my more than 4 years as majority leader, I have often found his reporting and comments intuitive and enlightening. I know that he served as a mentor to many reporters covering the Congress and helped more than one rookie press secretary learn the ropes in the Capitol. On a more personal note, he has never let me forget that the life of a Boston Red Sox fan is never easy.

As he knows all too well, I cannot predict when a vote will occur, how many amendments will be offered to any certain bill, or when the Senate will complete action on any bill. But I can predict that Steve Gerstel will be sorely missed in the U.S. Senate.

STEVE GERSTEL

Mr. DOLE. Mr. President, there have been some real fixtures around the Capitol during my time here. For more than three decades Steve Gerstel has been one of them. In fact, when the statue was recently moved from the top of the Capitol dome, many folks thought it was Steve himself. That is the kind of presence he has had around this place since 1959. In fact, Steve's first interview in the Senate was with Senator STROM THURMOND, who, along with Senator ROBERT BYRD, is the only member with seniority in the Senate over Steve.

As UPI's Capitol Hill correspondent, he has seen it all: National conventions, great Senate debates, Presidential campaigns, history-making stories from the Vietnam war to Watergate, to Desert Storm and Travelgate.

For a third of a century, Steve Gerstel chronicled history in the Senate and millions of Americans have seen that history through Steve's eyes including readers of the Russell Daily News in my hometown of Russell, KS. It takes a lot of dedication and a lot of talent to stay on the job as long as Steve has. He had plenty of both. We will miss Steve and we all wish him well.

STEVE GERSTEL LIVED THE CLASSIC AMERICAN DREAM

Mr. BYRD. Mr. President, Steve Gerstel lived the American Dream—the classic American Dream.

Following Hitler's invasion of Czechoslovakia in 1939, Steve's family came to this country, bringing the barely 9-year-old Steve with them.

Having literally lived history, Steve pursued the opportunity of recording history.

In due season, the once-immigrant little boy found a career in journalism and became a witness to some of the most dramatic events in modern American history, not the least of which has been to witness, and report on, the workings of the United States Senate.

Last Friday, the Senate suffered a great loss. With barely any warning and little fanfare, Steve Gerstel retired from reporting on the Senate for United Press International.

Steve was an institution in the Senate which he had covered for over 33 years. He began his career here in the fall of 1959, which happened to also be my first year in the Senate. I guess one could say that Steve Gerstel and I have seen a lot of change come to this institution, and I guess we would also have to say that we both did our best to adjust to the ever faster pace. When I think back on those earlier days I recall many interviews with Steve Gerstel. In fact, he was one of the very few reporters around here today who would remember my regular Saturday morning meetings with the press when I was majority leader from 1977 through 1980.

You see how times have changed. Steve had the wonderful opportunity to report on some of the better debates of our time. I am not sure we can call them great debates, but there were some historic debates: The debates on the Panama Canal Treaty, for example; the debates on the Civil Rights Act of 1964. And he did his job well.

Steve Gerstel brought a fine quality to his work. He was a hard worker. He sought to deliver the news and not to interpret it. I wish Steve all the best in his retirement and I hope that he will remember fondly his days in the Senate.

Not gold, but only men can make a nation
great and strong;
Men who for truth and honor's sake stand
fast and labor long;
Real men who work while others sleep,
Who dare while others fly.
They build a nation's pillars deep
And lift them to the sky.

Steve Gerstel is such a man.

Mr. President, I yield the floor.

TRIBUTE TO JOHN CONNALLY

Mr. THURMOND. Mr. President, I rise today to pay tribute to my good friend, former Texas Gov. John Connally. John Connally was a man of character, courage, and capacity, and a true patriot. He took great pride in serving his State and Nation, and the service he rendered was outstanding. He was one of the finest men I have known, and I shall miss him.

Born in Floresville, TX, in 1917, John grew up in a large family of modest means. He earned both a bachelor's degree and a law degree from the University of Texas, finishing in 1941. It was during his years in college and law school that his abiding interest in politics began to find an outlet. With his friend Bob Strauss as campaign manager, he ran successfully for student body president at the university.

He also worked for the congressional campaign of Lyndon Johnson, beginning an association which would continue for many years. His campaign work for Johnson led to a lifelong friendship between the two men, and he remained a valued ally and adviser of Johnson's throughout his career.

Governor Connally had a great deal of common sense and a fine ability to gauge the political landscape. This was invaluable not only to him, but to his friends and colleagues. In addition to serving three terms as Governor of Texas, he was Secretary of the Navy under President Kennedy and Secretary of the Treasury under President Nixon.

Although he experienced a number of reverses in his life, John Connally was always a fighter, and he overcame the odds. He recovered from wounds sustained during the assassination of President Kennedy to become a popular and successful Governor. Later in life, after being financially ruined by the savings and loan debacle, he auctioned off most of his assets and worked hard to repay his creditors and restore his good name. He never gave up, and he brought tremendous vigor to any undertaking. Through good times and bad, his lovely wife, Nellie, was by his side, providing invaluable support and assistance.

Mr. President, Governor Connally's career was distinguished by integrity, determination, and vigor. His capacity for friendship was boundless, and party lines could not contain him. In true Texas style, he stuck to his guns if he believed he was right; and he always seemed a bit larger than life. The State of Texas and our Nation have lost a good friend.

I would like to take this opportunity to extend my deepest sympathy to John's lovely wife, Nellie, his sons, John and Mark; and his daughter, Sharon, in this time of sorrow.

SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 2118, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

DeConcini amendment No. 484, to make producers of citrus crops eligible for certain Commodity Credit Corporation funds.

AMENDMENT NO. 484

The PRESIDING OFFICER. There will now be 30 minutes remaining for debate on the DeConcini amendment numbered 484, with the time to be equally divided and controlled in the usual form.

Who yields time?

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally to both sides.

Mr. DECONCINI. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HATFIELD. Mr. President, I will not suggest the absence of a quorum.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I yield myself such time as I may consume.

Mr. President, let me remind Senators where we stand today on this bill. We are acting under a unanimous-consent agreement entered on last Thursday that provides that 32 amendments will be in order, if offered, and we will vote on final passage no later than 7 p.m. today. No time agreements have been agreed to on amendments, although we are willing to entertain such requests if those Senators with amendments wish to discuss such a limitation.

The Senate will also recess from 12:30 p.m. to 2:15 p.m. today for the usual party conferences.

I urge Senators that have reserved the right to offer an amendment or amendments to come to the floor and offer them, if they intend to offer them during the day, as time will, of course, be short later in the day.

If Senators have reserved amendments that they do not intend to offer, the managers would, of course, appreciate it if they would let us know so that the leaders and the managers may be aware of the floor situation and the time required to complete action on the amendments.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. Mr. President, How much time is remaining on the pending amendment?

The PRESIDING OFFICER. The Senator has approximately 9 minutes remaining.

Mr. DECONCINI. Mr. President, a point of inquiry. The amendment before us is the amendment of the Senator from Arizona and it is not amendable in any form; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DECONCINI. And it would take unanimous consent to modify that amendment?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 484, AS MODIFIED

Mr. DECONCINI. Mr. President, I send a modification of the pending DeConcini amendment to the desk and ask, by unanimous consent, the amendment be so modified.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The amendment is so modified.

The amendment, with its modification, is as follows:

On page 2, line 19, following the words "feed grains," insert "citrus,".

On page 3, line 10, after the "102-368" add: "*Provided further*, That a producer who received a disaster payment, adjusted for quality losses, on the 1990, 1991, or 1992 crops, shall be ineligible to receive an additional disaster payment for the crop year for which the previous disaster payment was received, unless additional pro rata disaster payments are made.".

Mr. DECONCINI. Mr. President, this amendment has been changed slightly with the concurrence of the ranking Republican member, Senator COCHRAN, and the chairman of the Appropriations Subcommittee on Agriculture, Senator BUMPERS. I want to thank both Senators for agreeing to this amendment and for working with me on this modification. The modification clarifies that no producer will be allowed to double-dip by adding the provisions that no producer can receive an additional disaster payment for a crop year in which a previous disaster payment had been made.

Of course, that was never the intent of my original amendment. The original amendment only added the word "citrus" to the existing crops already in the bill.

So from my standpoint, I obviously have no problem with this precautionary addition.

My amendment adds citrus to the list of crops named in the supplemental appropriations bill, made eligible for disaster payments based on quality losses. Earlier this year, Secretary Espy used his discretion to provide such assistance to certain growers. The supplemental appropriations bill makes other crops eligible for such assistance based on quality losses.

My amendment simply ensures that if some growers are made eligible for quality losses, other growers be given the same consideration. I want to thank Senator BUMPERS and Senator COCHRAN for accepting my amendment and for working with me on its modification.

I ask unanimous consent that Senators FEINSTEIN and BOXER, of California, be added as cosponsors.

Mr. President, I ask unanimous consent that the yeas and nays so ordered be vitiated at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I want to thank the distinguished Senator from Arizona for agreeing to modify his amendment. The modification deals with the problem of the possibility of a producer receiving double disaster payments for quality losses, in effect; a second payment for quality losses, after receiving a previous disaster payment, adjusted for quality losses, under current disaster assistance law.

With the modification, there will be no objection to the agreement by the Senate to this amendment.

Mr. President, on April 9 of this year, the Secretary of Agriculture announced that disaster assistance would be made available to producers of corn crops whose harvest was of low-quality due to natural disasters in 1992.

The 1990 farm bill gives the Secretary such discretionary authority to provide additional disaster payments for program crop losses associated with quality, if the producers qualify for quantity-related losses.

Nonprogram crops, on the other hand, are eligible for disaster payments associated with quality losses under that statute.

The Secretary's decision to single out 1992 corn quality losses has raised the issue of providing equitable treatment to other program crops suffering low-quality harvests due to natural disasters.

It is for this reason that the committee has recommended that all program crops be eligible for disaster assistance for losses of production due to the deterioration of quality. Those program crops are listed in the Senate amendment.

The amendment offered by Senator DECONCINI seeks to add a nonprogram crop to this list. As I indicated, producers of nonprogram crops are already eligible for payments on harvested crops which, because of quality problems, cannot be marketed through normal commercial channels.

The effect of this amendment then could be to allow citrus producers to get additional quality payments for harvested crops on which a previous disaster payment, adjusted for quality losses, has been received.

It would also provide disaster assistance for citrus for quality losses suffered in years subsequent to a disaster. This would put the Department in the position of determining whether the loss in the future year was due to damage caused by the earlier disaster or other intervening factors.

Mr. President, I am pleased that the Senator from Arizona was agreed to a modification of his amendment, and I will accept it on that basis. Any further concerns on the impact of this amendment can be addressed when we take this bill to conference with the House.

Mrs. FEINSTEIN. Mr. President, I rise in support of the DeConcini amendment to add citrus to the list of crops named in the bill which will be made eligible for agricultural disaster payments for quality losses caused by a natural disaster.

The Senate bill makes quality payments available for the listed program and nonprogram crops from the unexpended funds for 1990, 1991, and 1992 disasters.

Citrus growers should be included in this list.

California and Arizona citrus growers suffered devastating losses in years subsequent to the December 1990 freeze due to lower crop quality and diminished yield. They deserve equitable in the disaster program administered by the Agriculture Department.

Some farmers received assistance after the total loss of their crops. However, many others have never been compensated for losses due to poor quality fruit.

Crop disaster payments were made to citrus farmers in California for their 1990 crop loss based on a formula of 50 cents on the dollar for qualifying losses.

Significant quality losses occurred in the San Joaquin Valley, Coachella Valley, the Imperial Valley, the Riverside area, Orange County, and Ventura County in California and in the Yuma area of Arizona.

The problems facing citrus growers are the same as the problems faced by growers for whom quality-adjusted crop payments have been announced by the Department of Agriculture.

Citrus growers are seeking the same relief as corn growers in Michigan and other Midwestern States and as potato growers in Maine whose return on the crops they harvested and solve over the last 3 years has been reduced due to poor crop quality.

It would be unfair not to include citrus growers in the bill and to treat them differently than program crops and soybeans.

I urge my colleagues to support this amendment.

Mr. DECONCINI. Mr. President, I yield back the remainder of my time.

Mr. BYRD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 484), as modified, was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Iowa [Mr. GRASSLEY] is recognized to offer an amendment.

Mr. GRASSLEY. Mr. President, I am going to offer an amendment shortly. My amendment deals with the issue of defense expenditures. My amendment would rescind $649,111,986 in Air Force M account money. The reason for this exact amount of money, Mr. President, may sound unusual, but it is directly related to an amount of money that was used by the Air Force to plug a gaping hole in the Air Force accounting records.

Senator ROTH and I plan to do this together. To be perfectly honest with the chairman of the committee, Senator BYRD, I am sure he is going to look at this amendment as not a way to necessarily solve this problem because this $649 million represents a bigger problem, and it would be an accounting problem.

I think it deals with the fact that the taxpayers of this country have a right to know how their money was used. They have a right to a full accounting of all public money, and if a full accounting cannot be rendered, then I think something has to be done. These are issues that I have talked about on the floor of the Senate on several occasions.

Before I really get into what this issue is, I think as a Republican, I would like to just give a little background of my involvement with defense issues because I am not on the Armed Services Committee, I am not on the Appropriations Committee and especially that I am not on the subcommittee that deals with defense appropriations. But I am on the Budget Committee and then I was chairman one time of a general oversight subcommittee of the Judiciary Committee where, as chairman of that subcommittee, I was able to do a lot of digging into how things were handled within the Defense Department.

So early on in my Senate career, this led me to a great deal of involvement in defense matters, from the Budget Committee and from the subcommittee that I chaired on the Judiciary Committee. Frankly, in those 12 years of Reagan-Bush, I think I took a lot more heat from Republicans—and hardly any heat from Democrats—in the Senate over my involvement in this matter. I had a chance, for instance, to work with Senator PRYOR on independent testing and on the ASPJ—it was an electronic jammer situation that we were working on. I had an opportunity to work with Senator PRYOR on freezing the DOD budget. I had a chance to work with Congressman BERMAN, a Democrat from California, on the false claims bill which, frankly, has brought in, in just the last 3 years, over a half billion dollars of taxpayers' money that was fraudulently used. It was brought back to the Treasury, not just on defense but in some health areas. In the health area, $110 million just in December when a case was settled. I had a chance to work with Senator LEVIN, of Michigan, on whistleblower legislation.

I have had a chance to work with Senator METZENBAUM on some legislation to encourage whistle blowers with an award where they would bring forth information. I have had a chance to work with Senator SASSER on some general budget legislation in the defense area to cut expenditures. I had a chance to work with Senator JOHNSTON on SDI funding. I had a chance to work with Senator Chiles, the now Governor of Florida, when he was in the Senate on MX funding. I had a chance to work with Senator BOXER more when she was a Member of the House of Representatives, on work measurement, and just within the last week had a chance to work with Senator LAUTENBERG on an amendment he had adopted on this very bill dealing with defense expenditure.

I could go on and on, Mr. President, on defense. The only reason I bring this background up is we have a new President now, a Democratic President, and I hope Members of the other side of the aisle for so long interested in the proper use of taxpayers' money on defense expenditures—very interested in good defense policy, maybe when they disagreed with President Reagan or President Bush, but they fought for those things, and I think I helped them, and also to make sure that the taxpayers' money was not fraudulently expended and that whistle blowers were protected.

I want to say now after 5 months we have had a Democrat President in charge of defense. A lot of the problems that are carried over into this administration started in the previous administration that we still have to clear up, and the amendment I am dealing with today is one such problem. This did not come under the watch of President Clinton. It came under the watch of other presidents.

So the point is when we had a Republican President it was very unpopular for a Republican to take on a Republican President. I was not afraid to do it. I hope now that those people of the majority party who have always fought so hard with me to have a strong, solid defense but one where the money was properly spent and legally spent will fight just as hard when there is a Democrat President as when there was a Republican President to make sure those good policies are put in place and that the money is legally spent and wisely spent and that we have a good, sound defense policy as a result of our watchdogging the Defense Department now under a Democrat President, the same way that we watchdogged a Defense Department when we had a Republican President. The same old problems persist.

Much work needs to be done. The new defense reform team is forming up. The team needs players who are willing to come to practice every day and to play their hearts out. The Senator from

Iowa will be there, as he always has been, but the Senator from Iowa cannot do it by himself any more than I could do it by myself when we had a Republican President and members of the Democratic Party in this body wanted to take on a Republican President in this area.

The Senator from Iowa, I guess simply put, Mr. President, needs the help, as I have always had it, from people on the other side of the aisle.

Mr. President, more to the issue of this amendment now, I have addressed the $649.1 million Air Force accounting error on the floor on two other occasions, March 31 and April 2. The Air Force discovered a $649 million discrepancy between the balances in its departmental books and the balances in its books at the base level. To correct the problem, the Air Force simply went to the magic vault also known as the M accounts and drew out $649.1 million to plug the gap and presto, Mr. President, the books were balanced.

Now, the Air Force is unable to balance the books because the Air Force is not doing routine bookkeeping. Instead of recording obligations and expenditures in a ledger as they occur, the Air Force has been using the mathematical equations to estimate the missing amounts. For the average person this would be like writing checks but never filling out the stub and not knowing how much money is left over or which bills have been paid and then devising equations and a computer program to fill in the blanks.

Mr. President, if bookkeeping is not done each day, month after month, over decades, pretty soon billions of tax dollars are unaccounted for, and that is exactly where the U.S. Air Force finances are today. As a taxpayer, that bothers me. As a Senator, that bothers me even more because we are the trustee of the people's money. If people come to me and say, "How is this $649 million spent?" I ought to be able to tell them. But do you know what? The Inspector General of the Department of Defense and the General Accounting Office cannot answer that question. They state conclusively that there is no documentary evidence to support the use of the $649.1 million. That constitutes a violation of section 1501 of title 31 of the United States Code. Without the documentary evidence, we do not know what happened to the money. There is no audit trail to follow.

Mr. President, the chief Government audit agencies are telling us they do not know how the money was used, and I think they are telling us that they will never find out.

I do not believe that this is an isolated case. It is not an isolated case. There was a similar incident several years ago involving $2.4 billion. I want to read just one paragraph summary of that incident from a general accounting report AFMD 91-55:

> During our 1988 audit, we found that adjustments totaling billions of dollars were made to account balances without supporting documentation. Air Force officials could not provide explanations for many of the adjustments. A primary example cited in our report was the Space Division's trial balance for March 31, 1988, in which the general expenses control account balance differed from its subsidiary records by $2.4 billion. In order to get the account balances to agree, the trial balance amount from the Other Operating Gains and Losses account generated by the computerized accounting system was arbitrarily decreased by $2.4 billion. After our February 1990 report was issued, the Space Division attempted to research the adjustment but with no audit trail or documentation researchers could only explain $81 million of the adjustment.

They could only explain $81 million of $2.4 billion that was not accounted for.

Those of us in Congress who exercise the power of the purse have a responsibility to the citizens of this country to account for every penny spent. The taxpayers deserve nothing less than that.

We are failing to carry out those responsibilities. We have been warned—and one warning came on April 8, 1993. Mr. EARL HUTTO, a subcommittee chairman, on the House Armed Services Committee, sent a six-page letter to Secretary Aspin, sounding the alarm on the breakdown of DOD's financial systems. Mr. HUTTO said:

> The $649 million transaction—

This is the same transaction that my amendment deals with—

> is just "another blatant example of inadequate control over financial management operations. * * * DOD's financial systems are in disarray. * * * They are approaching critical mass."

Then on April 23, 1993, the chairman of the Governmental Affairs Committee, the distinguished Senator from Ohio [Mr. GLENN] said this about DOD breakdown of financial management. Let me say, I compliment Senator GLENN because I think these are strong words.

In a letter to Secretary Aspin, the Senator from Ohio warned:

> The Air Force's system of internal controls was not adequate to safeguard all assets or to ensure the reliability and accuracy of account balances and financial reports.

Let me repeat again what I said earlier because there are other Senators on the floor who maybe would not have been following this. I want to say that since I am a Republican, and we have a Democratic President, this is not happening on President Clinton's watch in the sense of what went wrong. These are things that happened in previous administrations—and Republican administrations, let me say. I want to get it corrected. What I have said, though, that might be considered partisan but it was not meant to be partisan, is that I have had a close working relationship with a lot of people on the other side of the aisle on ferreting out waste, fraud, mismanagement, passing legislation to that extent when we had Republican administrations. And I hope as a minority member now outside of Government because we do not have a Republican President that those very same Democrats will keep up the drumbeat even though we have a Democrat President now because whether it is Democrat or Republican, we all want to see that the money is properly spent.

So my accusations when I use the words—or dates of 1993, it is not an accusation against President Clinton. It is just when these letters were written and these things were pointed out.

Four days later, on April 27, 1993, Comptroller General Bowsher turned in a third alarm.

I have just finished quoting Senator GLENN warning Secretary Aspin.

Comptroller General Bowsher, in a letter to Secretary Aspin, gave this warning:

> Air Force monetary resources are vulnerable to fraud, abuse, and mismanagement.

He went on to say—continuing the quote:

> The Air Force has made billions of dollars in erroneous entries and arbitrary adjustments to force agreement between related records.

Mr. President, the national burglar alarm is ringing. The Air Force money is vulnerable to abuse. And I think if you want to believe the Inspector General of DOD and the General Accounting Office—we all respect Senator GLENN—I think that there is adequate information that abuse has taken place.

Worse than that, Mr. President, I want to go on to say things that others have not said. I think the Air Force money is vulnerable to theft.

A recent case of a low-level GS-8 accountant, Mr. James Lugas, at Reese Air Force Base, TX, clearly suggests that the potential for theft is very real. The Lugas case could be linked, although I cannot say categorically, to the disappearance of $649.1 million, a small part of it, $2 to $3 million, but still a substantial sum of money.

Mr. President, the Air Force Audit Agency has completed a review of that case and issued a formal report on June 3 of this year.

These are the facts.

Over a 3-year period, between November 1989 and November 1992, Mr. Lugas, who is now in prison, is believed to have stolen at least $2,094,318.50 at Reese Air Force Base, TX.

First, he set up a dummy company—L&J Supply he called it—that sold metal shelving and meat to the stock fund and commissary at the base.

He, Mr. Lugas, picked those accounts because they were the easiest targets he could find. They are also part of the Defense Business Operations Fund. I call that DBOF.

Then, he forged payment vouchers and the necessary certifications and had U.S. Treasury checks issued to his bogus firm. After depositing the money in his bank account at the base, he destroyed the file copy of the payment vouchers.

Next he was able to hide the theft by adjusting general ledger accounts with plug figures and other phony entries, forcing the books into balance. These were unsupported adjustments. That means, Mr. President, no documentary evidence.

Mr. Lugas' money laundering scheme should have been detected during the audit, annual audits, at Reese. But there was one slight problem.

If vouchers selected for review were missing, Air Force accountants simply moved on to the next voucher. This is the famous FIDO maneuver.

If the invoice or voucher in question was missing, then the word was "Forget it, drive on," or FIDO.

And why, for example, would the commissary fail to notice it received no beef in return for the money it paid Lugas' company? Well, it is only because the Air Force is not doing accounts receivable.

In May, Mr. Lugas began serving a 5-year sentence in the Federal prison, in El Paso, TX.

As Senator GLENN put it:

> Lugas was caught, not as a result of Air Force internal control procedures, but because his neighbors, noticing his lavish lifestyle, believed that he was involved in illegal drug activity and reported him to the DEA.

Had it not been for his outrageous behavior, knowledgeable Air Force officials think that Lugas could have "kept going for years."

Mr. President, Rick Sia of the Baltimore Sun wrote an excellent article about Mr. Lugas' operation.

I ask unanimous consent to have that put in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRASSLEY. The Lugas case goes right to the heart of the problem surrounding the $649.1 million transaction, and my proposal to amend this bill for that $649 million because it should not have been spent as long as there was no documentation to support its expenditure.

That issue is more about a plug figure and about missing documents than it is just about $649 million. It is how business is done. That is what the Lugas case is all about.

Lugas deliberately destroyed documents and used plug figures to keep the books in balance and then relied on a known lack of discipline in the system to avoid detection. Air Force financial controls were ineffective and Lugas knew it.

But there was another layer of checks and balances above Mr. Lugas at the department level—at the finance center at Denver, CO. The $2.1 million in unauthorized disbursements to Lugas should have been detected there.

Sadly, the backup departmental controls also failed. But that should come as no surprise. That is where the $649.1 million disappeared.

The mounting imbalance between cash-flow at the base level and the amounts available for expenditure on the books at the Denver center should have set off a burglar alarm but it did not. But there was a total indifference at Denver—just like at the local level, at Reese.

The accountants at Denver also liked to do the FIDO maneuver, and they had access to the "magic" vault—the ultimate source of plug figures. So there was no real need to do bookkeeping and maintain the proper control on the expenditure of money.

Mr. President, I contend that some of the $649.1 million could have been stolen by Mr. Lugas or someone like him. I do not think that is where most of it went. But you can see that it could happen. I challenge the Air Force to argue the point. Without supporting documentation, the Air Force can never prove that some part of the $649.1 million was not stolen.

Mr. President, to take $649.1 million from a magic vault to plug the gap without first reconciling the underlying accounts, that is gross negligence. We better take decisive action before some Air Force financial scandal blows up in our face.

Senator ROTH and I proposed this amendment because we feel very strongly about this issue and that there should be an accounting for this, and that this money should not have been taken out of the M account in violation of the Anti-Deficiency Act and other laws, just to balance the books; that the Defense Department should not have this money in the first place, and that is why our amendment would take the money.

But there are some questions that can be answered, and we are interested more in the long-term goal than the short-term goal of a $649.1 million cut. I suppose even if we take this out of the bill and put it back in the general fund so DOD does not have it to expand, whatever was wasted, illegally spent, is water over the damn.

I think that if we can get answers to questions, at least this sets the stage for the future that this will not happen again. And whatever the General Accounting Office and inspector general has recommended it would take into consideration, if they know we in the Senate are watching, maybe they will be more cautious and will protect the taxpayers' money better in the future.

I think there are four important questions to be answered here. Is there adequate documentation to support the obligation and expenditure of the $649.1 million identified in the Department of Defense Inspector General Audit Report 92-28? That is the first question. They say there is no documentation. There might be people in the Defense Department saying there is documentation. If there is documentation, that should have been given to the GAO and the inspector general. So if there is documentation, then there is an information problem. Is the Department of Defense trying to withhold information for some reason or other from public scrutiny?

If the answer to question No. 1 is no, there is no documentation, then was section 1501 of title 31, of the United States Code violated?

Question No. 3, was the Anti-Deficiency Act violated? Supposing it was violated, whose head is going to roll as a result of the illegal expenditure of taxpayer money. If those of us in this body spend money illegally, you can sure bet our constituents are going to want us prosecuted; I am referring to the money we control in our own account for our own staff purposes.

The last question was the $649.1 million restored from the merged surplus account after the account was closed by Public Law 101-510. For the money of my colleagues, that is the proposal whereby we shut down the M account. I think by October 1, 1993, those are totally shut down. The M accounts, as you probably know, were the slush funds built up to $50 or $60 billion that the people at the Department of Defense could play with that really contravened to some extent the constitutional power of the Congress to control public expenditures.

Well, these four questions are very important to me—probably more important than the $649.1 million dollars, because I suppose that is a little like crying over spilt milk once the money is wasted, if the GAO and the inspector general are correct. But we sure want to make sure that this practice cannot continue, and that the recommendations of the inspector general and of the General Accounting Office provide, solid accounting, and make sure there is documentation for every dollar to be spent, so that these are changed.

It seems to me like the department must provide a full accounting for the $649.1 million transaction. Somebody has to care. Someone has to make the Department of Defense account for the money. If there is no documentation, and if the Department of Defense IG is unable to audit those accounts, then we ask the Department of Defense IG to recommend appropriate and corrective action, to include disciplinary action, consistent with the authority contained in section 4(a)(5) of the Inspector General Act of 1978.

We owe this much to the taxpayers of our country, Mr. President.

EXHIBIT 1

[From the Baltimore Sun, June 1, 1993]

$26,800-A-YEAR OFFICIAL BILKS AIR FORCE OF MILLIONS

(By Richard H. P. Sia)

LUBBOCK, TX.—John James Lugas needed far more than his $26,800 salary as an Air Force accountant to feed an insatiable appetite for expensive cars, Rolex Watches, diamond jewelry and beautiful young women.

So he exploited weaknesses in the Air Force bookkeeping system for three years to make sure U.S. taxpayers paid for his avarice. He siphoned more than $2 million without arousing suspicions of officials here at Reese Air Force Base on the wind-swept plains of west Texas, or higher up in the chain of command.

The 42-year-old civilian, who worked as lead accountant at base headquarters, was so brazen he deposited the money in the bank at Reese and drove to work in a 1992 Corvette, one of 27 luxury cars and pickup trucks he bought with stolen funds.

He routinely destroyed files, doctored computer records and forged the initials of other office workers to keep the cash flowing into his bank accounts.

"The Air Force, in my opinion, was clueless," said Christopher M. Sigerson, who eventually helped unravel the crime for the Internal Revenue Service last fall. "We went over to the base and asked, "Is there any way this guy could have been embezzling money?' They said, 'No way. We're a small base. We would have noticed.' "

"The Air Force auditing system would not have allowed anyone to discover the crime," said Daniel J. Warrick, Lugas' defense attorney. "It's scary."

It actually took a tip by a female acquaintance to the Drug Enforcement Administration to expose Lugas, who pleaded guilty Jan. 15 to money laundering and entered La Tuna federal prison in El Paso, Texas, two weeks ago to begin a sentence of five years and three months.

The woman told DEA agent Bob Richardson last October that Lugas was—"with no apparent source of income, buying lots of expensive vehicles and giving cash to women," investigators said in a search warrant application.

"So we started checking into it and found Corvettes here and Corvettes there, but it clearly wasn't a dope-related thing," recalled Gary Oetjen of the local DEA office. The agency then asked the IRS to lead an intense three-month probe, which eventually involved U.S. postal inspectors and the Air Force Office of Special Investigation.

By this time, Lugas had moved his family into a four-bedroom home in Lakeridge Country Club Estates, the richest section of Lubbock; bought a tanning salon business that provided jobs for several girlfriends, and helped underwrite the singing career of a Wayne Reed Boyd, a country-rock musician and close friend, IRS agents and an assistant U.S. attorney said in interviews here.

After weeks of surveillance, sometimes using video cameras, federal authorities arrested Lugas in his office on Dec. 3. Six days later, a federal grand jury indicted him on 71 counts of mail fraud, 70 counts of money laundering and one count of using a false Social Security number in his scheme to embezzle $2,037,235.

Air Force officials, who vigorously defend their ability to manage tax dollars, say privately they were shocked and embarrassed when federal investigators told them Lugas might be running a phony billing scheme.

REPEATED WARNINGS

Documents obtained by the Sun also show that the Air Force Audit Agency has faulted the service's internal financial controls—which the General Accounting Office repeatedly warned were inadequate to safeguard public assets.

When he pleaded guilty, Lugas admitted in a sworn statement that he used about 80 phony invoices and a bogus company named L&J Supply between Oct. 1, 1989, and Nov. 19, 1992, to obtain fraudulent payments from the Air Force base.

Lugas said he prepared vouchers authorizing the payments and then certified the paperwork as accurate so that the unsuspecting base cashier could issue U.S. Treasury checks and mail them to the fictitious business.

Lugas also altered computer records to make it appear the checks—in amounts ranging from $11,301 to $77,120—were paid to big, well-known defense suppliers.

The Air Force, which suspended Lugas without pay after his arrest and then fired him on March 26, rushed a team of auditors to Reese to find out how much was stolen, exactly how the billing scheme escaped the notice of finance officers and whether the finance and accounting system abetted the crime.

"ACTION" MEMO IN FEBRUARY

Both the auditors and the Defense Finance and Accounting Service, which keeps track of monthly balances at Air Force bases around the world, are continuing to examine payments made by Reese and other bases for potential fraud.

But in a Feb. 23 "action" memo, the Air Force Audit Agency urgently appealed to all Air Force installations to strengthen their internal controls over payments and records because of clear-cut "control weaknesses" at Reese, which shares the same accounting system with other bases.

In addition, a random review of more than 1,000 changes in Reese's financial records already revealed that 53 percent of the adjustments were unsupported by bills or other documentation, the agency said.

The auditors, who now say close to $2.1 million was taken, think Lugas could have "kept going for years," said a knowledgeable Air Force official. His last supervisor, an Air Force technical sergeant, had been on the job for only four months and relied heavily on him to run the materiel section of the finance office, which pays for goods used by the base, the official said.

While Lugas circumvented several existing internal controls, "the fraud was not detected because quality assurance reviews were incomplete," the audit agency said in its February memo.

Agency auditors found that Lugas could arrange payments by himself, despite rules requiring different employees to prepare vouchers for payment and certify them to allow check to be issued.

They also found that Lugas could change the books without submitting documentation and could actually destroy vouchers and other paperwork in the files without raising any questions.

In its memo, the agency said the base failed to check the accuracy of its payment records, as required in June, 1992, noting that its previous annual reviews were done incorrectly. If a payment voucher selected for review was missing from the files, the base accountants skipped over it, never bothering to investigate.

"These folks should have been on to this at the beginning, but they were the last to know," said Mr. Warrick, Lugas' attorney. "The standard procedure was FIDO—if the invoice or voucher in question does not exist, Forget It, Drive On."

An Air Force officer familiar with the case said Lugas' dummy company was paid to supply the base commissary with metal shelving and meat, yet the commissary failed to notice it received nothing in return for the payments Lugas often made from its account.

"The major problem with the Air Force is that they have a nasty history of not following guidance," said an aide to Sen. John Glenn, the Ohio Democrat who chairs the Senate Governmental Affairs Committee.

The Senator, who plans to hold a hearing July 1 on the Lugas case and Air Force financial management, wrote Defense Secretary Les Aspin in April to warn about the military's lack of financial accountability.

"The absence of even the most basic internal controls permitted a lower-level employee to embezzle about $2 million over the past three years," Mr. Glenn said, alluding to the Lugas case.

Since 1990, the General Accounting Office, an investigative arm of Congress, has warned the Air Force of widespread accounting errors, inaccurate financial reports and the failure of finance offices at local bases to review their account balances for trouble or suspicious year-to-year fluctuations.

"Today, over 2½ years after we first reported on Air Force financial management deficiencies, we have still not seen a strong commitment by Air Force management to effectively act on the problems," the agency said last December.

Officials at Reese, home of the 64th Flying Training Wing, declined to be interviewed, saying they were ordered to defer comment to the Air Training Command or Air Force headquarters in Washington. These higher commands would not discuss details of the Lugas case until the internal audits were finished.

Efforts to reach Lugas or his wife, Paula, who has moved out of the neighborhood, were unsuccessful.

Lakeridge residents, some of whom have three- or four-car garages and luxury homes that sell for more than $280,000, said they had virtually no contact with the Lugases, whom they described as quiet neighbors.

"He was exceptionally smart in setting it up, but he was exceptionally dumb in spending the money," said Calvin E. Puryear," the IRS agent who ran the investigation. "This guy's lifestyle did him in."

Lugas was seen taking women he liked on shopping sprees for gold and diamond jewelry, furs and cars. He gave generously "just to keep pretty women around him," Mr. Puryear said.

Without his family's knowledge, Lugas also rented a two-bedroom condominium that he usually made available to friends, male and female, to use as a hangout, he added.

"It got to the point where people were leeching after him for money and loans" which only intensified Lugas' criminal activity, said Mr. Sigerson.

When he was arrested, Lugas already had ordered his second top-of-the-line Corvette ZR1 for $65,000, the IRS agents said. His 27 vehicle purchases included six Corvettes, two Lincoln Continentals and six fully-loaded late model Chevy vans or pickup trucks.

Only 17 were seized by federal marshals, since some were given away by Lugas to his wife, his in-laws or five girlfriends, and had been sold or traded for other vehicles, they said.

"His arrest really brought tears to more than one car dealer," said Roger L. McRoberts, the assistant U.S. attorney who prosecuted Lugas. "He never dickered over price. He'd just write a check."

Whenever someone asked Lugas where got his money, he would say his mother died in the August, 1985 crash of a Delta Airlines jet at Dallas-Fort Worth Airport, resulting in a big settlement. Mr. McRoberts said. "It was not an implausible story," he said.

Mr. GRASSLEY. Mr. President, I ask a parliamentary question. I have not put my amendment before the Senate yet. I would rather not do it right now, but I do not want to lose my right to do that. If I do not put my amendment before the senate right now, would I lose the right to do that?

The PRESIDING OFFICER (Mr. ROBB). The way to ensure that the Senator would not lose his right is to receive unanimous consent to do so under different conditions.

Mr. GRASSLEY. First of all, I just received a note that Senator ROTH will not be able to speak, but he wants to put a statement in the RECORD, which I do not have yet. I want to make sure that it gets in the RECORD. I have been informed that Senator PRYOR will be over and would like to speak shortly. I want to make sure that Senator PRYOR can speak, because I have worked closely with him on other matters.

AMENDMENT NO. 486

(Purpose: To require the deobligation and cancellation of certain amounts in certain merged appropriation accounts)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 486.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, between lines 12 and 13, insert the following new section:

SEC. 304. (a)(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of the Air Force shall, in accordance with paragraph (2), deobligate amounts totaling $649,111,986 that—

(A) pursuant to subsection (a)(2) of section 1552 of title 31, United States Code (as such section was in effect on November 4, 1990), were restored from unobligated amounts withdrawn under that subsection; and

(B) were transferred to merged appropriation accounts established under subsection (a)(1) of such section (as such section was in effect on November 4, 1990).

(2) For each appropriation account listed below the Secretary shall deobligate amounts that total the amount specified for such account as follows:

Appropriation Account Number:	Appropriation Purpose:	Amount:
57111081	International Military Education and Training, Executive (transfer to Air Force).	$259,645.
57M3010	Aircraft Procurement, Air Force.	$143,388,840.
57M3020	Missile Procurement, Air Force.	$118,008,560.
57M3080	Other Procurement, Air Force.	$42,646,658.
57M3300	Military Construction, Air Force.	$25,899,568.
57M3400	Operation and Maintenance, Air Force.	$190,709,100.
57M3600	Research, Development, Test and Evaluation, Air Force.	$111,127,970.
57M3700	Reserve Personnel, Air Force	$259,645.
57M3730	Military Construction, Air Force Reserve.	$64,911.
57M3740	Operation and Maintenance, Air Force Reserve.	$10,126,147.
57M3840	Operation and Maintenance, Air National Guard.	$6,166,564.
57M3850	National Guard Personnel, Air Force.	$454,378.

(3) Amounts deobligated pursuant to paragraph (1) are rescinded effective immediately upon deobligation.

(b) Not later than 30 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the deobligation and cancellation of amounts required by subsection (a).

Mr. GRASSLEY. Mr. President, I yield the floor.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUYE. Mr. President, before proceeding, I would like to commend my colleague from Iowa for serving as the fiscal watchdog of the Department of Defense for all these years. As chairman of the Defense Appropriations Subcommittee, I appreciate this very deeply.

I would like to say what I believe all of my colleagues will agree, that we appreciate the Senator's unflagging efforts to eliminate waste, fraud, and abuse in the Department of Defense.

On this amendment, Mr. President, I find it very different to support the Senator. The amendment would require the Secretary of the Air Force to deobligate $649 million from various accounts. These funds have been restored under provisions included in the 1991 Defense Authorization Act, and the Senator has very ably argued that the Air Force failed to properly account for these funds, thus violating statutory law and should not be allowed to make use of them.

Mr. President, my review of the situation described by the Senator from Iowa indicated that the Air Force has acted to address errors in its bookkeeping system. I most respectfully do not believe that the Air Force acted to willfully neglect the statutory requirements nor do I believe that the Air Force failed to account fully for these funds.

Here are the facts as have been presented by the Department of Defense and by my staff:

DOD identified $1.7 billion in outstanding obligations of which the Department inspector general and the GAO questioned the validity of $649 million of Air Force obligations.

Second, the question regarding the $649 million arises out of the Air Force actions to reconcile two separate accounting systems, one used at Air Force bases and one used by the Treasury.

Third, neither the DOD inspector general nor the GAO team reviewed the Air Force base records to determine the validity of the Air Force obligations. Thus, neither the IG nor the GAO have proof that these obligations are inappropriate.

Fourth, the Air Force contends the obligations are necessary and are required to cover legitimate costs. In fact, the DOD comptroller reviewed Air Force actions and determined them to be proven.

Mr. President, I have been advised, and I hope it is true, that after the debate the amendment will be written, because if the amendment prevailed the Air Force would have to ask for new money in fiscal year 1994 to cover valid obligations. Essentially, we would be appropriating funds twice to cover the same bills, and I do not believe the taxpayers of America will find this to be sound fiscal management.

In a letter received just last week, the Department indicated its opposition to this amendment, arguing that it would hinder significantly the Air Force's ability to pay its just debts to individuals, vendors, and contractors.

Mr. President, the criticism of Air Force accounting practices by my colleague from Iowa has justification. What is needed, as the Senator has indicated, is a positive approach to fixing the DOD accounting system. That is why in my capacity as chairman of the Senator Appropriations Subcommittee on Defense, I have agreed to send a letter to the DOD inspector general requesting an audit of Air Force accounting records and perhaps with respect to the restoring of $649 million in the M account funds.

The letter that has been drafted has been drafted in consultation with the Senator from Iowa, and I have been assured that it has met his concurrence.

I wish to advise the Senate that I intend to work very closely with the Senator from Iowa to make certain that his concerns are met, while at the same time working to make certain that the Department meets its requirements.

I hope that his approach will be approved by the Senator from Iowa. I think this a very positive approach, and I have done this in consultation and at the suggestion of my friend from Iowa. I hope we can proceed in this fashion.

Mr. GRASSLEY. Mr. President, I believe that I do have the letter in my hand that the Senator from Hawaii, the distinguished chairman of the subcommittee, recommends that he send, and I believe that this does meet our concerns.

But let me put it this way: Very definitely the substance of the letter meets my immediate concerns. I would ask a dialog with the Senator on this point. I know he just made a statement that he was going to work with us and follow through.

So I am not questioning the Senator's statement. But I think that that is the essence of the whole process, not just what is stated here in this letter, but it is the extent to which he, as a very distinguished Senator, very powerful in the area of defense appropriations, and with the constitutional power of oversight which may even be more important than the constitutional power of appropriations in the first place, will actually ride herd on this and see that we get the answers to the questions, And not only answers to the questions, but then in a sense make sure that the proper changes are made in the procedures within the Department of Defense so it cannot happen in the future.

I did not really ask that in a point of a question, but that would be my question to the Senator. I yield to the Senator to respond if he would, please.

Mr. INOUYE. The Senator has my commitment and my pledge that will be done.

Mr. GRASSLEY. OK.

I thank the Senator very much. I do not want to withdraw the amendment yet, because the Senator from Arkansas wishes to speak. I would like to yield the floor, and then I have one comment just generally about the legality that the Senator spoke to that I want to make a point on, and then at that point I think I would withdraw the amendment.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas [Mr. PRYOR].

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

Mr. President, this morning I come to the Senate floor really quite unexpectedly and without a great deal of preparation. I want to apologize to my colleagues for not having a more detailed presentation to make.

But one of my purposes of coming to the floor was to apologize to my very good friend from Iowa, because I have not been able to be on the floor this morning helping him in his effort and in his quest to do something and to deal with the so-called M accounts in certain areas of the Pentagon.

We have struggled with this issue for a number of, let us say, fiscal seasons—for a number of years. To me this is one of those areas that needs to be corrected. The Senator from Iowa in his usual and normal wisdom has taken on a subject which may be arcane to some of our colleagues and also, to a large degree, arcane to me, but I do believe that it deserves our very, very careful attention.

I also want to join with my friend from Delaware, Senator ROTH, who has been an ally with Senator GRASSLEY on this issue for a number of years. I want to join and give whatever support I can to Senator GRASSLEY and Senator ROTH in this good effort.

I have been encouraged, although I did not get to hear the entirety of the statement of our friend from Hawaii, Senator INOUYE, the chairman of the subcommittee, who is dealing with this issue and who has made, I think, very significant commitments this morning on the floor of the Senate with regard to the issue of the M accounts.

I have asked in the past, as I know my colleague from Iowa has, why this account ever got to be named M account. The best explanation I can find is because it has now become the mystery account. And this is the mystery account because these are those funds which are unexpended which basically, as I understand it, fall into a separate category of themselves, are rolled over year after year, and can be used by certain officials in a discretionary manner, which almost thwarts any ability for the accountants, for the inspector general, for the auditors, to really follow these funds to see where they are actually expended or where they wound up.

I think another major question that we must ask ourselves is: Do all other agencies have this same accounting system, these same procedures?

Do all agencies of our Government, all departments, have in fact something known as M accounts? This is something that I doubt that there is an affirmative answer to. I do not think other agencies have these same accounts. I think most of their funds are funds that must be accounted for.

I think, Mr. President, that it is time that we look at the M account funding in this process which I think is inviting a terrible—hopefully it will not happen—but could invite a terrible scandal in the future if there is misuse or gross misuse of these funds.

Mr. President, once again I am encouraged by our friend from Hawaii in his statement about the M account funding. I am also encouraged by my friend from Iowa, Senator GRASSLEY, who has once again vigilantly pursued this issue to, hopefully, what I assume is going to be a very good result.

Mr. President, I apologize to him for not being more active on this issue with him this year. I look forward to following through with him in the ensuing weeks ahead as we bring this to, as I said, a good result.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Hawaii [Mr. INOUYE].

Mr. INOUYE. Mr. President, I wish to commend the Senator from Arkansas for his role in this matter, and once again commend my friend from Iowa for serving as our special watchdog on fiscal matters affecting the Department of Defense.

As the Senator from Iowa is aware, at the initiative of the subcommittee, the entire M account—the account that we have been discussing this morning—will be canceled automatically on September 30 of this year, the end of the fiscal year and, therefore, all obligated balances in these accounts will no longer be available for any purpose. We are closing the account.

After September 30, the Air Force will have to pay bills from its current accounts. This automatic cancellation in itself will affect the Air Force's ability to execute authorized and appropriated programs in fiscal year 1994.

I just cite this, Mr. President, to assure my colleagues in the Senate that the Appropriations Subcommittee, when made aware of the misuse of the M account, did take action, and we now stand ready to very eagerly work together with the Senator from Iowa, the Senator from Delaware, and the Senator from Arkansas to make certain that this matter is resolved.

Mr. GRASSLEY addressed Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa [Mr. GRASSLEY].

Mr. GRASSLEY. I am about ready to withdraw my amendment.

First of all, I wish to thank the Senator from Hawaii for his cooperation.

With the Senator's permission, I would like to have printed in the RECORD a copy of the letter he will be sending.

Mr. INOUYE. If the Senator will yield, I think it is most appropriate.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the letter that Senator INOUYE is sending to the inspector general.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, June 21, 1993.

Mr. DEREK VANDER SCHAAF,
Deputy Inspector General,
Arlington, VA.

DEAR MR. VANDER SCHAAF: Through recent DoD I.G. and GAO reports, it has come to my attention that a question has been raised over the validity of $649 million in Air Force obligations restored from the "M" accounts under authority provided in the 1991 Defense Authorization Act. Moreover, Senator Charles Grassley of Iowa has raised serious concerns about the Air Force's failure to accurately account for these obligations.

Given Senator Grassley's concerns, and the questions raised by your organization and the GAO, I request that you undertake a formal audit of this restoration from the "M" accounts. The audit should determine the validity of these obligations by, at a minimum, answering the following questions: Is there documentation to support the obligation and expenditure of the $649 million and, if not, does this constitute a violation of current law? And, was the $649 million restored from the merged surplus account after it was closed under statute? Your audit also should determine what—if any—"Anti-deficiency Act" violations have occurred or would occur should funds not be available to meet such obligations, and the nature of Air Force bookkeeping methods which led to the "requirement" to restore these obligations.

Since your office already has looked into this problem, I urge you to provide a complete audit report to the Congress within 90 days after the receipt of this letter. Should you have any questions regarding this request, please feel free to contact David Morrison, a member of my staff. I appreciate your prompt attention to this matter.

Sincerely,

DANIEL K. INOUYE,
Chairman, Subcommittee on Defense.

Mr. GRASSLEY. Mr. President, I would also like to ask unanimous consent to have printed in the RECORD a letter from the National Taxpayers Union in support of the Grassley-Roth amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL TAXPAYERS UNION,
Washington, DC, June 21, 1993.

DEAR SENATOR: The National Taxpayers Union, America's largest taxpayer organization, strongly urges the Senate to adopt the amendment offered by Senators Charles Grassley and William Roth which would rescind $649.1 million from the 1993 Supplemental Appropriations Bill, H.R. 2118.

It is our understanding that the U.S. Air Force has used $649 million from its merged accounts, also known as "M" accounts, to fill an accounting gap. The GAO has said that this transaction "was not adequately documented and thus should not have been made."

This transaction may well be illegal under Section 1501 of Title 31 of the U.S. code, which requires documentary evidence for all government obligations. Also, the Defense Department Inspector General has charged that the funds were drawn from the "M" accounts about 10 months after those were closed by law.

This entire scenario is totally unacceptable to the American taxpayers we represent.

For these reasons, NTU urges you to support the floor amendment being offered by Senators Grassley and Roth. Rescinding $649.1 million from the 1993 Supplemental Appropriations Bill, H.R. 2118, will send a clear message to the Air Force, and others, that sloppy and costly fiscal management will no longer be tolerated.

Sincerely,

DAVID KEATING,
Executive Vice President.

Mr. ROTH. Mr. President, once again we must put an end to bureaucratic manipulation of Government accounting rules. About 3 years ago, the Senate supported my efforts to do away with a $100 billion slush fund that the Federal bureaucracy called the M account. I called it the Mañana account because the Government used it to make spending commitments, but no agency was ever held accountable for living within its budget because the bills do not come due until years later.

The Mañana account became a pot of money that bureaucrats used during times of tight budgets. They used it to cover cost overruns and to write more contracts than Congress intended from a given year's budget. In essence, the old rules meant that no Government employee could ever be held accountable for spending more than their budget. According to the Comptroller General, it was a legal way to circumvent the Antideficiency Act, which calls for criminal prosecution when a Government agency overspends its budget.

Mr. President, when we ended the Mañana account scheme, we fixed the Government accounting rules. Our fix returned accountability and integrity to the system. Under our reforms, a Government employee cannot commit the Government to spend more than Congress appropriated. In addition, if there were large unforeseen cost overruns, in excess of 1 percent of the budget, the agency would have to request additional funds. Last year, the Comptroller General highlighted the importance of the changes we implemented in 1990. He stated:

> * * *a prominent purpose of the 1990 reforms to the account closing provisions in 31 U.S.C. sections 1551-1558 was to apply the discipline of the Antideficiency Act and the Bona Fide Needs Statute to expired accounts * * * the process of agency reporting over-obligations to the Congress and requesting funds to pay the obligations is vital to congressional oversight of how agencies manage their financial resources and necessary to accomplish the objectives of the Antideficiency Act.

Mr. President, the new accounting rules are in the process of being implemented. But, given the clear direction from Congress, I was surprised to learn that the Air Force used $650 million from the Mañana account to make its books balance at the end of fiscal year 1992. It seems that the Air Force Headquarters does not know or have control over spending by field activities. When the books were compared at the end of last year, the Air Force found it had spent more than it was authorized. But, rather than coming clean with its bookkeeping problems, the Air Force chose to cover it up, by using the Mañana account. The GAO audited the situation and found that the "Air Force restored $649 million unsupported * * * (funding) authority to its 'M' accounts so that the obligations in departmental and field level records would agree."

The Comptroller General noted last year that: "* * * an over obligation of a prior year appropriation is a reportable violation of the Antideficiency Act." While American taxpayers must balance their checkbooks, the Air Force appears to be unable to do so. The Defense Department's inspector general and the Comptroller General report that the Air Force wrote checks, hoped the books would balance at the end of the year, and used the Mañana account so that no one would know it overspent its budget.

From what we know today, it does not appear that this was an intentional check kiting scheme. It does not appear that this was a result of any unplanned military need. Rather, it appears that the Air Force's poor recordkeeping led to it spending more money than it was given. There can be no accountability for the American taxpayer when the Air Force can write checks for more money than it has in the bank, and the taxpayer's have to foot the bill.

Mr. President, with the status of the deficit, now is not the time to give any agency authority to overspend their budget. If the Congress chooses to ignore the Air Force's use of the M account to cover up its poor bookkeeping, it will put other agencies on notice that archane budget games can be used to spend more than authorized. I applaud Senator GRASSLEY's continuing followup and investigations of the Government's use of the M accounts. I also appreciate the Appropriation Committee's support in investigating this issue. Our efforts may not make the Air Force pay back the taxpayers right now, but it should prevent them from using the Mañana account to overspend its budget this year. I urge my colleagues to support this endeavor.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I ask unanimous consent that a letter from Ms. Alice Maroni, Principal Deputy Comptroller of DOD, addressed to Senator GRASSLEY, dated June 15, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER OF THE
DEPARTMENT OF DEFENSE,
Washington, DC, June 15, 1993.

Hon. CHARLES E. GRASSLEY,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR GRASSLEY: This responds to your letter of May 20, 1993, in which you asked for the Department's support for proposed legislation to reverse an Air Force restoral of merged surplus authority in the amount of $649 million.

The Department cannot support your proposed legislation because it would place an artificial constraint on the Department's ability to pay existing liabilities and could require the Air Force to find up to $649 million from currently approved programs to pay valid bills.

The restoral created no new obligations. The restoral was an accounting adjustment to bring the Treasury and Air Force departmental obligations into balance with obligations recorded in the accounting records at the field-level. Therefore, deobligating these funds, as required in the proposed amendment, would fail to recognize liabilities that already exist.

Generally, there are differences when one set of accounting records is compared to another at a given time because of the vast numbers of transactions and contractual actions involved in these accounting systems. Over time, these differences are largely reconciled through the normal accounting process. However, in this instance, the Air Force asked the Treasury to make a single large adjustment in order to portray more accurately Air Force liabilities on the books of the U.S. Treasury.

We recommend this proposed amendment language not be accepted by the Senate.

Sincerely,

ALICE C. MARONI,
Principal Deputy Comptroller.

Mr. GRASSLEY. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment (No. 486) was withdrawn.

The PRESIDING OFFICER. Does any Senator seek recognition?

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Oregon [Mr. HATFIELD].

Mr. HATFIELD. I thank the Chair.

Mr. President, we have a document that has now been made available by the CBO. It is a document relating to the current supplemental that is pending here on the floor.

There is a very interesting statistic that I would just like to draw my colleagues attention to. That is, to my memory, this will be the first time that a supplemental—and by the very word, the supplemental means an addition to the expenditure level to outlays and authorizations of the current fiscal year, this being 1993, the current fiscal year—according to the CBO this supplemental reduces the regular 1993 outlays by $52 million.

I think that, in itself, is worthy of an historic note, maybe only a footnote. But those who follow the appropriations process realize that supplementals do mean additions, increases to the current level to which they are supplementing the action. And yet, this year, this bill, the Senate version, reduces the current fiscal year's outlays by $52 million.

I wanted to just draw attention to that simple statement.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and I be permitted to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized as in morning business.

Mr. BYRD. Mr. President, will the distinguished Senator yield?

Mr. SIMON. I am always pleased to yield to the distinguished Senator from West Virginia.

Mr. BYRD. I only ask the question in view of the fact that there may be others who may wish to speak in morning business. How long does Senator expect his statement to take?

Mr. SIMON. I expect to take 3 minutes.

Mr. BYRD. I thank the Senator.

THE BULLS

Mr. SIMON. Mr. President, I wish I could discourse on Roman history, as the Senator from West Virginia has been doing. I do not know that much about ancient Roman history. But I do want to talk about a little of modern history that was made here the night before last when the Chicago Bulls won the National Basketball Association championship.

As a Senator from Illinois, obviously I take some pride in that, as do I think not just people from Illinois but around the Nation. For any of you who may have watched that final game, it was the way you want a final championship game to go—exciting down to the last second. But I think it is more than simply entertainment. It is more than just a team winning. What we saw were African-Americans and Caucasian-Americans working together to produce a championship team.

What we need in our society today is all of us working together, reaching out to one another. That is what happened there. That final 3 points was scored, not by Michael Jordan, even though he scored 9 of the last 12 points in that quarter, but it was a team effort.

No question, Michael Jordan is probably the best basketball player that has ever lived. He is tremendous. But it was a team effort, and what we need in our country is a team effort on the problems that we face—all of us working together.

We are very proud of the Chicago Bulls in Illinois. I know my colleagues from Arizona are proud of the Phoenix Suns, but I think they also join in congratulating the Bulls for winning this, and I think the people of America join in this. I hope we learn a lesson from people working together to get a great final product.

Mr. President, if no one else seeks the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Delaware is recognized.

SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. ROTH. Mr. President, the Nation's attention will soon turn to the Senate and our consideration of the President's tax bill. Americans are concerned that the President's program will hurt job growth. Businesses are concerned about the increasing costs of hiring more labor, and we are all concerned about the future of our Nation's ability to compete. Every day, more Americans are realizing that President Clinton's economic plan is not what candidate Clinton promised. They are looking for real change from the old tax and spend policies, and Senator LOTT and I are offering that change today.

This amendment we are offering today is based on legislation we recently introduced, the Real Jobs for America Act, which is cosponsored by 20 Members of the Senate and contains 8 tax incentives for economic growth and private savings that have broad bipartisan support. These tax changes offer the best opportunity we have to create an environment for economic growth. Our plan promises more than 800,000 new jobs based on estimates by the minority staff of the Joint Economic Committee and it is fully paid for by cuts in spending. In fact, this proposal has $12 billion more in spending cuts than in tax incentives, all of which will be devoted to reducing the deficit.

The need for this bill is clear: Americans want real reform—reform that will translate into real jobs, real family security, and real long-term economic strength for America. Toward meeting these objectives, this amendment is a 180-degree turn from President Clinton's economic program.

Let me explain how:

First, the President wants to raise taxes; in fact, he has proposed the largest tax increase in history. On the other hand, our amendment would cut taxes by over $45 billion. Second, the President wants to increase the size of Government. This amendment would cut the size of Government. Third, the President's program will stifle economic growth and result in as many as 1.2 million lost jobs. This amendment would spur economic growth and create more than 800,000 jobs.

There has been a lot of change. The President has asked the American people to sacrifice. But what he is proposing is not change—it is not change at all. Rather, it is more of the same. He is advocating more taxes, just like the Congress passed in 1990, and before that in 1982, 1984, 1985, 1987, and 1989. Think about those increases. Those tax increases did not reduce the deficit; the deficit continued to grow. My fear is that this tax increase, like the 1990 tax increases, will slow economic growth and job creation.

Americans know this, and they are rejecting it in massive numbers. All you have to do is read constituent mail, or look at the Texas election. Virtually all of my Delaware mail and phone calls are strongly opposed to the Clinton economic plan.

Today, we are offering real change—a tax cut paid for by real spending reductions—reductions that are guaranteed in law by budget spending caps. A change from Congress' business as usual of increasing taxes.

Some might ask "why offer a jobs package now?" The answer is simple: Americans need this security. Is there any Member who doesn't believe the future can be made more secure—opportunities can be made more plentiful—for Americans? Can anyone say that there are enough jobs at home to keep a recovery going? I certainly do not hear that in my State, and I don't think my colleagues feel that way about their own States.

So, some might say, "Why didn't you vote for the President's job stimulus package when it was before the Senate?" To that I have two answers: First, President Clinton's package would have increased the deficit another $20 billion. Second, President Clinton's package relied on mostly temporary, Government jobs. The stimulus package offered little, if anything, to encourage growth in private sector jobs, or incentives that will improve our economic competitiveness.

Mr. President, the plan we offer today meets this criteria. Of course, it does not remedy everything. In fact, I think the next step this Congress should take is a strong deficit reduction package made up of spending cuts—cuts like those in the $558 billion program I announced months ago.

Since we first unveiled this jobs plan, I have received calls from all over the Nation from people who support it, people who are enthusiastic, people who see this as the answer they have been waiting for. Calls and letters have been coming in from housewives, senior citizens, small business owners, farmers, and many others. They support this plan because they recognize it represents an opportunity for getting the economy moving—it's the only real plan that will create jobs.

They support this plan because it encourages employers to be optimistic about the future. Recent news that the Consumer Confidence Index has fallen to its lowest level since last October is only one indication that higher taxes will not improve our economy Last Thursday, the chamber of commerce reported that their business confidence index plunged in June, the steepest decline in the 2 years that the chamber has conducted this survey of business executives. The chamber said the decline reflected a growing disenchantment with the economic uncertainty caused by the prospects of higher taxes for deficit reduction and health care reform.

Mr. President, one only has to examine the latest revision of statistics on the growth of our economy showing it has slowed from 4.7 percent in growth in the fourth quarter to less than 1 percent for the first quarter this year. This, unfortunately, is yet another sign that the economy is in danger under the Clinton economic plan.

This amendment, however, presents the opportunity to turn the Nation around. We believe that this package of tax incentives will encourage growth and jobs. First, we advocate two provisions to reduce the cost of capital and tax penalties on investment. Capital gains would be indexed for inflation beginning after January 1, 1993, to remove the unfair taxation caused by inflation.

Second, the alternative minimum tax would be adjusted to encourage capital intensive industries to invest and modernize their plants and equipment. This AMT change is considerably better than the one offered in the President's tax plan.

Next, this plan will go a long way toward strengthening American small business—quite literally the engine of American enterprise. Our proposal allows small businesses to expense annual purchases of capital assets up to $25,000—indexed for inflation.

This is an increase over the current law limit of $10,000, and it is something that small business has been needing for years. Needless to say, over the years, the current law limiting this expensing amount to $10,000 has been diminished by inflation. We offer a much-needed adjustment. Our proposal first increases the amount to $25,000, and then it increases it every year as prices go up. This is much better than the limited increase to $15,000 in the Finance Committee reconciliation recommendations.

During his press conference last week, President Clinton acknowledged what we have all known for a long time—that small business is the major generator of jobs in America. Small business created more than 4 million jobs between 1988 and 1990. According to the President, "Their job-generating capacity has slowed recently because it costs a lot of extra money to hire an employee and because of uncertainties in the economy." The President supports an increase in expensing, and this amendment provides for that. What this amendment does not provide for is the tremendous burden of the additional taxes that the President advocates.

Two other provisions in our plan are aimed at encouraging Americans to save by removing tax penalties on savings. The Clinton economic plan does not have any provision to encourage private savings, and yet saving should be a top priority. Americans have to plan for the future, and the IRA is a proven success. What we offer is the Bentsen-Roth Super IRA with two savings options that would be allowed for all taxpayers, limited to $2,000. With over 75 cosponsors in the Senate last year, this is a very popular proposal.

Second, our plan allows penalty-free withdrawals from IRA's 401(k) plans, and 403(b) plans for first-home purchases, college education, medical expenses, and long-term cost. The Finance Committee Chairman last year, Treasury Secretary Lloyd Bentsen, released a study showing that the withdrawal provisions for first homes alone would create at least 250,000 new jobs—that is a quarter-of-a-million new jobs. Mr. President, this is an idea that almost everyone in the Senate has accepted and voted for before. It is good for our families. It is good for the country. It is good for our future.

On top of these real changes, the jobs hiring tax credit would encourage employers to hire more workers by providing for a tax credit to offset the cost of the FUTA and FICA taxes that now discourage new hiring. Many have complained that this is a jobless recovery, and that we have to get more Americans back to work. The recent statistics showing a decline in unemployment are encouraging, but concern remains that the good news may be only a seasonal blip on our economy with new summer jobs. The fact is, no one in my State feels comfortable that the job situation is good. Let us help employers, so that they can put people back to work.

Finally, two provisions in our plan would repeal unfair taxes on important industries by repealing all of the luxury excise taxes, and by allowing active participants in real estate to deduct losses in the same way that any other industry is allowed to. Why punish employees when job creation is our goal.

Mr. President, this amendment has 14 offsets to pay for the economic growth and savings plan. They include: elimination of the lump-sum retirement benefit for Federal employees; Medicare secondary payor reform; reduction of Federal aid for mass transit; the elimination of the highway demonstration projects; modification of the Service Contact Act, by eliminating the successorship provision; reduction of

Federal employment by 150,000; reduction of Federal Government administrative expenses; modification of vacation leave for Federal managers; reduction of legislative branch administrative expenses; and elimination of the Interstate Commerce Commission.

We would also close/privatize Federal helium reserves; reduce Legal Services Corporation funding by 50 percent; terminate Copyright Royalty Commission; and we would reduce funding for the European Bank for Reconstruction as well as the Special Defense Acquisition Fund. Finally, we would provide for no increase in funding for the International Development Authority.

It is always difficult to eliminate programs and make real and lasting cuts in Government spending. How we all wish that we had the infinite resources to pay for everything. But we don't. Some of these programs are outdated, others are inefficient. It is time for real change. And real change begins with getting our Federal house in order. That is what our amendment does. While it puts the Federal house in order—cutting and reducing where cuts and reductions are necessary and appropriate—it puts needed resources back in the hands of those who know best how to use them—the private sector.

This is the only way we are going to get America's economy back where it belongs. This is the only way we are going to prepare for a competitive future. This is the only way we are going to help American families, coast to coast, realize the security they deserve. I encourage all Members of the Senate to support this program. It is good. It is right. And it is necessary.

Mr. President, I ask unanimous consent that I may yield the floor to my distinguished colleague from Mississippi without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Mississippi.

Mr. LOTT. I thank the distinguished Senator from Delaware for yielding me this time. I want to commend him for the work he has done on this particular package now in the form of an amendment, and for the work he has done over the years to encourage saving and investment which lead to job creation.

I think this is a very important package. The distinguished Senator from Delaware has summed up what is basically in it. I would like to only highlight a few features. It would reduce the cost of capital and tax penalties on investment. It would encourage investment by and in small businesses. It would reduce the tax bias against savings. It would encourage private businesses to hire new employees. And, it would repeal tax penalties on the industry sectors.

This is the way we should be going. It provides incentives. Mr. President, something has happened this year and it is happening right now in the Senate. The debate has shifted from what can government do to create job incentives in the economy through business growth, especially by small businesses. That is the proper way to move our economy. Instead, the debate has now shifted to whose taxes can we raise next? Washington, DC, has centered on intaxification. When you go home and talk to taxpayers they provide details on the current tax burden. I do not hear a ground swell demanding more taxes. The people working in businesses and industry, proprietors, and small business men and women alike all tell me the tax burden is grinding them into the ground.

But in Washington we say, "What is a little more taxes?" I mean is there anything left that we have not come up with a tax for?

Now, the House version of the budget reconciliation package is bad. Let me just mention one item—the Btu tax. It is horrendous. It would create all kinds of problems in the economy, but most importantly it would cost jobs. The Senate version is a little bit better, although from a regional and fairness standpoint the gasoline tax puts a heavier burden in many respects on our rural and Southern States like the State of Mississippi as compared with some of the Northeastern States where they do not have to travel as much to get to work. It is a very little step in a better direction.

But all the emphasis continues to be on raising taxes. This is the administration's way to deal with the deficit. Well, Mr. President, I bought that deal twice in the eighties and I got burned both times. First of all, there are fundamental economic principles. When you raise taxes, you do not necessarily—in fact, more than likely you do not—get more revenue into the Federal Government. In Washington, we think it is a static deal. If you raise a tax rate then you will get more revenue. The real world does not work that way. People change their behavior. If you raise people's taxes, they will stop working as hard, they will shift their income, they, in the case of capital gains, will freeze their assets and not sell things. So without movement capital formation doesn't occur. People will seek to avoid having half of their income taken in taxes. That is what you will create with the administration's tax plan. You have to figure in State taxes, FICA taxes, personal property taxes, and all other local taxes to calculate the effective tax burden. It will run well beyond 30 or 40 percent or maybe 50 percent. That is not the way to go. Praising taxes will get you less revenue.

There is another fundamental economic principle I learned in the eighties. If the Government raises revenue, it will not reduce the deficit. The reverse happens. In 1983 and 1986 when we raised taxes, the deficit went up. In 1990, when President Bush came to some of us and said, "We got this deal with the Congress, we want you to vote for it," and my answer to the administration at that time was, "No. I have been burned twice, I am not buying that again. If we pass this tax increase bill in 1990, taxes will go up, the deficit will go up, the economy will go down, and you will be hurt by it." Isn't that exactly what happened? Sad but true. Absolutely.

The current administration's emphasis is going in the same wrong direction. First of all, tax increases will not help the deficit. It will exacerbate the deficit. Second, the American people have got it right. They keep saying it to us, but we cannot seem to hear it. They say, "Cut spending first, stupid." We can argue over whose numbers are right. But the fact of the matter is in this package we will take up later on this week, the actual spending cuts are very small. Very little or nothing was done by this administration to controlling spending.

Now, here is the supplemental. Our package belongs here. Because somebody needs to stand up and say; "What can we do to create some jobs?" Where is the incentive for a small business man and woman or an individual to do things that will help the economy? That is what this bill does.

When you talk about the word "economy," what does that really mean? It is an impersonal term. To me it means jobs. If you create jobs, that helps the economy. That is what we intend to do with this particular bill. How can we create jobs? How can we protect and upgrade jobs? By giving tax incentives for people to save and invest, that is the way to do it.

Let me talk a little bit about some of the specifics we have recommended without repeating everything the distinguished Senator from Delaware said. First of all, we have a provision that would address the capital gains problem. A lot of America's capital is owned by elderly people. And they will not sell their capital assets. Maybe it is timber. They will not move it because the taxes are so high. Inflation is also driving up that tax bite every year through an artificial movement up in value. They wind up freezing the asset.

If we would reduce the capital gains tax rate or if we just index it so that in the future at least their capital is not driven up in value and then artificially taxed by inflation, there would be an explosion of turnover in this particular area.

So, the first thing we do is index the capital gains tax rate. The capital gains tax destroys our fiscal seed corn which is used to make investments possible. Our global trading partners do not tax their citizens' capital, or if they do it is a very small amount. Why should we do it to Americans? The slight adjustments to the tax treatment of capital gains will provide 250,000 Americans real jobs.

This is something that we can work together across party boundaries. Both the House and the Senate in the past have voted to reduce the capital gains tax in recent years. It just did not happen to get through the process.

I talked last week to Congressman CHARLES RANGEL from New York City, and he full understands that capital gains is something that could help the economy and help create jobs. His urban constituents would benefit from it, not just my constituents in the rural State of Mississippi.

Let us also remove the penalty for a capital intense industry to invest by improving cost recovery under AMT; 30,000 Americans could get real jobs by this change. We have the expensing deduction in this package. It will make the accounting rules reflect business reality by adjusting the depreciation schedules. This will allow businesses to expense up to $25,000 for assets under section 179. It will give small businesses a real shot in the arm. And it will also give job creation a shot in the arm with roughly 150,000 new jobs.

This is something I believe President Clinton has called for. It was in his package, and yet Congress scaled it back. Another example of the wrong focus and the wrong direction.

As to the individual retirement account [IRA], when I go home people say, "Why did you change the rules on IRA that had given me incentive to save? People were taking advantage of it."

What is the answer? It was taken away because people were using it, and termites at the Treasury Department said it was costing us too much revenue. It costs the Government revenue when people save their own money? How insane can this static model be? This package would restore the people's opportunity to save again through a super IRA. It would be a penalty-free IRA and 401(k) withdrawals. We should waive the 10-percent penalty for early withdrawals for home purchases, educational expenses, catastrophic health care costs, or periods of unemployment.

Let people save their own money. Let people use their own money. In that way they would be less of burden on Government. Congress wouldn't be compelled to always come up with another Government program to do it for the people. Let the people have an avenue to do it for themselves.

One program that I have advocated very aggressively, and the Senator from Delaware agreed to it, is the jobs income tax credit. The only real way to make more jobs is to lower the employer's labor cost for each net new worker. And if a firm does not take advantage of this tax incentive, the Government is not out the money. The Tax Code will get directly inside the business decision loop, and 50,000 people would get real jobs.

We need to repeal the luxury excise tax. What a crazy idea. It was easy to demagog in 1990. They said: "Let us put a luxury tax on rich people's items. Let us tax boats, airplanes, automobiles, jewelry and furs."

The failure of this tax has shown once again what is wrong with Congress. When you tax rich people's items they are not the ones who suffer. They just do not buy the items if the tax is too great. What you lose is the job for the guy building the boats, the women working on the automobiles. The airline industry is affected, general aviation industry is hurt—for what? People lose jobs and government loses revenue. Does this make sense to you?

We also should treat rental real estate activities just like any other business activities. We should get rid of the passive loss Tax Code change we put on real estate.

These are all ideas that will really help our economy to move forward. There is not enough discussion about that right now.

Some might argue later on this amendment should not be added to the supplemental appropriations bill. But it is needed.

I want to commend the appropriators today. I think that they have done a good job. It is smaller, targeted, and paid for. I see it as positive steps. I have looked over the supplemental appropriations and I intend to support it.

But, it is being described in some circles as a stimulus, a stimulus to help small business, for instance.

So clearly this is the logical place for us to have this debate, and to consider this amendment. Instead of trying to figure out whose taxes we should raise, or argue over which program to cut, someone needs to be talking about stimulus and growth. How do you create more jobs. Asking the question and seeking an answer is the way you solve the problems with our economy. And brings one to this amendment.

So I am delighted to be associated with this package. Every Member could walk in here and look at where we pay for each provision. By the way, I wanted to emphasize that all of the tax incentives are offset by spending cuts. And over the 5-year period we actually have some money left that can be used to reduce the deficit. That is in spite of the fact that the budget crunchers say that things like the jobs income tax credit cost us a lot of money. I personally do not think it will, because when you create more jobs, people pay taxes, and you get more revenue. But OK, we will just go with the budget crunchers. So even with the flawed static numbers, we pay for this entire package.

Some Senators will come in and say, "I do not like this particular provision, I do not like that particular cut." And you can pick it apart, but consider the package in its entirely.

I do not agree with every piece that is in this package. But, I kept my focus on jobs. You ask how can you create jobs? Tax incentives is the answer. And, how can you pay for it? Here we found a way to pay for it all.

So I encourage my colleagues in the limited time we have here, to look at this package. Consider the positive job creation features and engage in a debate over it focus and direction, not its specific details.

There is nothing of this type in the basic supplemental appropriation bill and, even worse, the tax bill we are going to consider later on this week will hurt the economy. It will cost jobs, and again we are going in the wrong direction.

So I am very pleased to be a cosponsor of this package. I wish we had more time to discuss these important economic issues. Mr. President, I will yield the floor back to the distinguished Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I express my appreciation to the distinguished Senator from Mississippi for the role he made in helping develop this amendment. As he so eloquently stated, I think it does provide an imaginative alternative that can really do something about growth and jobs in the private sector.

I publicly want to thank him for his many contributions in developing this program.

At this time, I recognize the distinguished junior Senator from Utah, without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Utah is recognized, without objection.

Mr. BENNETT. Mr. President, I rise to join my colleagues in endorsing this particular package.

I am pleased to be a cosponsor as well, and I want to focus just briefly this morning on one aspect of it with which I am perhaps best familiar in terms of my own background and experience, and that is the impact of taxes and regulations on the S corporation which is the largest creator of new jobs in this country.

The S corporation is also one of the most misunderstood of organizations in this country. Most people do not know what an S corporation is. They do not know what it does. They do not know why it exists. And frankly most Senators do not know.

I have come to that conclusion, listening to the debate that has gone on in the time that I have been in the Senate, and I am going to do my best to try to help Senators to understand what an S corporation is and what it does. As I do so, I want to put it in an analogy that I think everybody can understand.

An S corporation is a milk cow. A C corporation is a beef cow. And the difference is if you are going to get your money out of a beef cow, you have to slaughter it. An S corporation can continue to provide money for the owners of the corporation the way a milk cow can continue to provide money through her existence.

This is the way it works:

Mr. President, let us suppose you wanted to form a business and you chose the S corporation status, which means that the profits of that business will be taxed to you as an individual. They will flow through the corporation on to your personal income tax. With the personal income tax at the moment capped at 31 percent, that means you pay a tax rate below that of a C corporation; for example, General Motors, DuPont, one of the giants.

The nice thing about that, Mr. President, is that if your corporation survives and if it flourishes, the time will come when you will have some money that you can invest in something else; either go out and start another corporation or make your corporation grow.

If I may be autobiographical, Mr. President, I was the CEO of an S corporation that has created 1,350 new jobs over its lifetime. When I joined the company, there were four employees; now there are 1,350. I am not one of them anymore, obviously, but the Ethics Committee was willing to allow me to stay as a director of that corporation, so I am involved in its activities.

We are now a C corporation because we are listed on the New York Stock Exchange and we have hundreds and thousands of shareholders, and that is appropriate.

But during the period when we were growing, when we were creating those jobs, one of the major reasons we were able to create those jobs is that we financed the growth with internally generated capital. If we had been a C corporation, that capital would have been locked up within the company and not available for any kind of activity outside.

Under the proposal that we have from President Clinton, S corporations will pay taxes at an effective rate of 43.5 percent; whereas, as recently as 3 years ago, we were paying at 28 percent.

This is an enormous tax increase on the corporate form that has produced the most jobs in the job creation of the 1980's.

To give you an example of how big that is, at the beginning of the 1980's, when we came out of that recession, until the time we went into the next recession, we created within this country a net 20 million new jobs. But during that period of time, the Fortune 500—that is, the largest corporations in the country—were downsizing in order to meet global competition and eliminated 3.5 million jobs, which means the number of jobs created in companies like the one I was associated with in the aggregate was really 23.5 million in order to absorb the 3.5 million that were lost to General Motors and DuPont and IBM and still create 20 million net new jobs.

What is the reward we in the Congress are being asked to give those people who created those jobs? We are saying we are going to raise your effective tax rate from 28 to 43.5 percent by virtue of the millionaire's surtax that the President talks about, combined with other changes in the Tax Code that produce an effective rate of 43.5 percent.

Then, in order to add indignity to that indignity, we come along with a capital gains proposal that says we are going to increase the effective rate of the capital gains tax, because everybody knows that the capital gains tax only applies to the rich.

Well, once again, the capital gains tax is a way of locking in the capital within the corporation and seeing that it is not available for new job creation, it is not available for economic activity. And so we are creating a double whammy on that portion of the economy where the new jobs are coming from by saying we are going to raise your taxes very dramatically, on the one hand, and then we are going to lock in your capital with our capital gains proposals, on the other hand.

Mr. President, I commend the Senator from Delaware and the Senator from Mississippi for coming along with some common sense that says, OK, we are going to cut the capital gains tax rate to allow once again this portion of the American economy to become more of a milk cow than a beef cow. We are going to create a circumstance where they can get capital unlocked and moving around, creating jobs and creating a circumstance where there will be economic growth.

And to those who say, "Well, the capital gains tax really, for reasons of fairness, should stay high so that the rich pay their fair share," I have two observations: the first one, learned as a businessman is, very clearly, 15 percent of something produces a whole lot more money than 31 percent of nothing.

The President is proposing a 31-percent capital gains effective rate. He will get no revenue from that wonderfully exciting number. If he followed President Bush's proposal and gave us a 25-percent capital gains tax, he would get 15 percent of something, which is a whole lot more than 28 to 31 percent of nothing.

So I endorse very heartily the capital gains provisions in this package.

And then the other thing that I think we have to keep in mind is money does not come from the budget. Money comes from the economy.

If there is no economic activity going on, regardless of what kind of budget we pass, there will not be any money in the Federal till.

So why do we not approach these things from the standpoint of what will benefit the economy, what will create jobs for people to pay taxes on, rather than what meets the scoring guidelines out of the Congressional Budget Office, what looks good on the budget documents.

If I can do nothing more in my service in the Senate than get the Members of this body to understand that money does not come from the budget, money comes from the economy, and cause us to change our economic debate in that regard, I will have felt that my service here in the Senate has been worthwhile.

I recognize that the time has pretty well passed us now, Mr. President, so I will reserve my further comments for another circumstance.

But I conclude by, again, congratulating the Senator from Delaware for his leadership on this issue and saying how proud I am to be a cosponsor of this package.

The PRESIDING OFFICER. The Senator from Delaware retains the floor.

Mr. ROTH. Mr. President, I appreciate very much the kind of remarks of the Senator from Utah. I think he points out, in a very specific manner, why this legislation is so important to small business; that we really have to do something to change the climate if we are going to create the millions of new jobs that are necessary in this country.

Obviously, the best engine of growth, the best creator of jobs, is small business, whether it is a subchapter S corporation, a partnership, or a proprietorship.

It is interesting to note, Mr. President, that in the 1980's, when something like 19 to 20 million new jobs were created, they were primarily jobs created in small business. And I might point out they were not just minimum wage jobs. As a whole, they were very, very excellent jobs, involving the computer, high technology and other areas, that paid significantly well. And it was all done, as I say, in the private sector.

So I appreciate the remarks of the distinguished Senator from Utah underlying the importance of this legislation to small business.

AMENDMENT NO. 487

(Purpose: To amend the Internal Revenue Code of 1986 to create real jobs in America through investment and savings incentives, to pay for such incentives by decreasing Federal spending, and for other purposes)

Mr. ROTH. Mr. President, I send to the desk my amendment.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Delaware [Mr. ROTH].

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] for himself, Mr. LOTT, Mr. BURNS, Mr. BENNETT, Mr. SIMPSON, Mr. MURKOWSKI, Mr. DOLE, Mr. COCHRAN, Mr. NICKLES, Mr. MACK, Mr. CRAIG, Mr. HATCH, Mr. WALLOP, Mr. THURMOND, Mr. STEVENS, Mr. HELMS, Mr. COATS, Mr. SMITH, Mr. FAIRCLOTH, and Mr. GREGG proposed an amendment numbered 487.

Mr. ROTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. BYRD. Will the Senator yield briefly?

Mr. ROTH. I am happy to yield to the distinguished chairman.

Mr. BYRD. Mr. President, under the order previously entered was the Senate to go out at this point?

The PRESIDING OFFICER. The Senator is correct.

EXTENDING THE TIME FOR RECESS UNTIL 12:45 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the time be extended 15 minutes so that the Senate will recess at the hour of 12:45 instead of 12:30 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Delaware.

Mr. ROTH. Mr. President, I would point out that the cosponsors of this legislation, in addition to myself, are Senators LOTT, BURNS, BENNETT, SIMPSON, MURKOWSKI, DOLE, COCHRAN, NICKLES, MACK, CRAIG, HATCH, WALLOP, THURMOND, STEVENS, HELMS, COATS, SMITH, FAIRCLOTH, and GREGG.

Mr. President, I have a number of letters of endorsement. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MERRILL LYNCH,
Washington, DC, June 15, 1993.

Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR ROTH: I am writing to endorse your efforts to increase saving and investment.

As you know, the United States has the lowest saving rate of any developed country. This low level of saving and investment means fewer jobs and lower wages for American workers.

Unless we take steps now to encourage more saving and investment, millions of Americans face a bleak future.

Two good places to start would be the Bentsen-Roth Super IRA, which twice passed the House and Senate last year, and your proposal to index capital gains for inflation.

Capital gains relief and restoring IRAs, which a host of academic studies have proven increase personal and national saving, would benefit both the overall U.S. economy and individual Americans.

Sincerely,
BRUCE E. THOMPSON, Jr.,
Vice President.

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, June 15, 1993.

Hon. WILLIAM ROTH,
U.S. Senate,
Washington, DC.

DEAR SENATOR ROTH: Farm Bureau is pleased that you will offer S. 1058, The Real Jobs for America Act of 1993, as an amendment to the spring supplemental appropriations bill.

S. 1058 contains much needed spending restraint and a number of tax provisions that will be beneficial to the economy. These include a provision to index capital gains for inflation after January 1, 1993, and an increase in the annual expending limit for capital assets from $10,000 per year to $25,000 per year, indexed for inflation.

The indexing provision is important to agriculture because inflation often causes large paper gains on the sale of land, which is a farmer's or rancher's principal asset. Taxation of such artificial gain causes a heavy tax burden on a producer. Farm Bureau's preference is to index all gains from date of purchase rather than prospectively from January 1, 1993, but we endorse your efforts to improve upon current law. The increase in the expending provision is also important to agriculture because it enhances capital cost recovery.

We applaud your efforts and encourage the Senate to vote for your amendment to the supplemental appropriations bill.

Sincerely,
RICHARD W. NEWPHER,
Executive Director.

THE SAVINGS COALITION OF AMERICA,
Washington, DC, June 15, 1993.

Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR ROTH: The Savings Coalition of America, representing millions of America's savers, urges the Senate to approve the Bentsen-Roth Super IRA.

Increased personal saving should be a national priority and the Super IRA proposal will increase personal saving.

The Super IRA will help all Americans save for retirement, first-time home purchases, higher education, and catastrophic medical expenses.

America needs the Super IRA.

Sincerely,
THE SAVINGS COALITION OF AMERICA.

NATIONAL BOARD OF
FUR FARM ORGANIZATIONS,
St. Paul, MN, June 15, 1993.

Hon. WILLIAM ROTH,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR ROTH: The National Board of Fur Farm Organizations strongly supports the eight-point tax relief amendment you and Senator Lott plan to offer tomorrow on the Senate floor. The National Board is the government affairs representative of American fur farmers.

We enthusiastically support all efforts to eliminate the so-called "luxury" taxes passed as part of the 1990 Budget Agreement. The fur excise tax has likely cost the federal government more to collect than it has raised in revenue. Specifically, the fur excise tax has raised just $1.3 million through the end of 1992. That figure represents just 1.87 percent of the total raised by all the luxury taxes since inception.

The tax does effect consumer perceptions, however, and thus consumer buying habits. Given the tremendous media coverage surrounding "luxury taxes" in 1990, most fur consumers believe they will be socked with an additional 10 percent tax on any fur, even though only furs over $10,000 are taxed. Thus, the provision has a dampening effect on sales. In addition, taxing furs—while leaving all other higher end apparel untouched—is unfair and discriminatory.

Furthermore, the fur tax poses a special threat to American mink garments. A global oversupply of pelts has depressed fur prices in recent years. However, a recovery in world fur markets may now be underway. If fur prices return to the levels of the mid-1980's, many American mink coats will be priced over $10,000. This tax is a strong disincentive for consumers to buy American. As a result, the fur tax could stall recovery.

Thank you for your attention to this important issue. We commend you for your efforts to eliminate this unfair, discriminatory, and counterproductive tax. Please let us know if there is anything further we can do to support your effort.

Sincerely,
DAN FOLLETT,
President.

AMERICAN AUTOMOTIVE
LEASING ASSOCIATION,
Washington, DC, June 15, 1993.

Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR: We understand that you and Senator Lott intend to offer an amendment which would greatly improve depreciation under the alternative minimum tax. Specifically, we understand that the amendment includes a provision which would change the acceleration method under the AMT from 150 percent to 200 percent.

This change would be of great benefit to our members who lease and manage the majority of sales and service vehicles used by businesses throughout this country, a market exceeding three million vehicles.

It is important to emphasize that, for business-use automobiles, your amendment would merely correct an injustice under present law by allowing AMT depreciation deductions to equal real economic depreciation.

It is important to our economy that any AMT depreciation reform apply to business-use automobiles. Unlike some other recent proposals, your amendment would provide a real incentive to the investment of new vehicles. We are pleased to support your efforts.

Sincerely,
MARY T. TAVENNER,
Executive Director.

Mr. ROTH. Mr. President, I would like to read one or two of these letters. One comes from the American Farm Bureau Federation. It is dated June 15, 1993. It reads:

DEAR SENATOR ROTH: Farm Bureau is pleased that you will offer S. 1058, The Real Jobs for America Act of 1993, as an amendment to the spring supplemental appropriations bill.

S. 1058 contains much needed spending restraint and a number of tax provisions that will be beneficial to the economy. These include a provision to index capital gains for inflation after January 1, 1993, and an increase in the annual expensing limit for capital assets from $10,000 per year to $25,000 per year, indexed for inflation.

The indexing provision is important to agriculture because inflation often causes large paper gains on the sale of land, which is a

> farmer's or rancher's principal asset. Taxation of such artificial gain causes a heavy tax burden on a producer. Farm Bureau's preference is to index all gains from date of purchase rather than prospectively from January 1, 1993, but we endorse your efforts to improve upon current law. The increase in the expensing provision is also important to agriculture because it enhances capital cost recovery.
>
> We applaud your efforts and encourage the Senate to vote for your amendment to the supplemental appropriations bill.

As I pointed out, Mr. President, this letter is from the American Farm Bureau Federation.

I would also like to read a letter that we received from the Savings Coalition. It reads:

> DEAR SENATOR ROTH: The Savings Coalition of America, representing millions of Americas' savers, urges the Senate to approve the Bentsen-Roth Super IRA.
>
> Increased personal saving should be a national priority and the Super IRA proposal will increase personal saving.
>
> The Super IRA will help all Americans save for retirement, first-time home purchases, higher education, and catastrophic medical expenses.
>
> America needs the Super IRA.

Finally, we have a letter from Merrill Lynch, which says:

> DEAR SENATOR ROTH: I am writing to endorse your efforts to increase saving and investment.
>
> As you know, the United States has the lowest saving rate of any developed country. This low level of saving and investment means fewer jobs and lower wages for American workers.
>
> Unless we take steps now to encourage more saving and investment, millions of Americans face a bleak future.
>
> Two good places to start would be the Bentsen-Roth Super IRA, which twice passed the House and Senate last year, and your proposal to index capital gains for inflation.
>
> Capital gains relief and restoring IRAs, which a host of academic studies have proven increase personal and national saving, would benefit both the overall U.S. economy and individual Americans.

Mr. President, I see the distinguished Republican leader here so I am happy to yield to him at this time.

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

REMEMBERING PAT NIXON

Mr. DOLE. Mr. President, those of us privileged to serve in this Chamber know that being the spouse of an elected official is one of the toughest jobs around. Canceled vacations, late night phone calls, and intense media and public scrutiny are just part of the sacrifices they are asked to make.

Few people in history made this sacrifice with more grace and dignity than Pat Nixon.

I join with all the members of this Chamber, and with all Americans, in extending our deepest sympathies to President Nixon, Tricia, Julie, and the entire Nixon family.

Born in a small Nevada mining town, Pat Nixon exhibited early in her life the courage and perseverance needed to withstand the turbulent world of politics.

As a 12-year-old, she nursed her mother during her final days in a battle with cancer. And as a 17-year-old, she faced the death of her father.

Through a series of jobs, Pat Nixon earned and saved enough money to put herself through college. In 1937, she graduated from the University of Southern California, and became a teacher in nearby Whittier.

It was there that she would meet a young lawyer named Richard Nixon, and they were married on June 21, 1940—53 years ago yesterday.

In 1946, Richard Nixon began his remarkable political career that would take him from the House of Representatives, to the U.S. Senate to the Vice Presidency, and to the White House.

And through it all—through victories and defeats, through the highest mountaintops and the lowest valleys—Pat was always at his side.

She was there in Venezuela in 1958 when their lives were threatened by a rock-throwing mob. And she was there in 1972, when President Nixon made historic visits to China and Russia, and Pat won the affection and admiration of men and women around the world, just as she had done with the American people.

During her years as First Lady, she devoted her attention to many worthwhile causes—including educational programs, community self-help undertakings, and most especially, voluntarism.

But no doubt about it—her No. 1 cause was her family and her husband. And in the most trying times, when Richard Nixon most needed her support and strength, she never wavered.

Just as Pat Nixon never wavered for her family, she never wavered for America. Elizabeth joins with me in letting the Nixons know that they are in our thoughts and prayers.

PAT NIXON

Mr. BENNETT. Mr. President, I thank the Republican leader for his remarks on behalf of all of us. I wish to join in responding in similar fashion.

While I did not serve with President Nixon, as some in this Chamber did, I was here in Washington when the Nixons were very much in evidence here. My father and President Nixon were elected to the U.S. Senate in the election of 1950 and served here as colleagues prior to Mr. Nixon's ascension to the Vice Presidency. And in that process my mother and Pat Nixon became warm and close friends. I speak on her behalf as well as my father's—my father and mother are still living, ages 94 and 93, respectively—and know that they would ask me to take this occasion to express for them their sorrow at the passing of Mrs. Nixon, and the great affection that they have for her as an individual as well as for the Nixon family.

So, on their behalf, as well as for myself and for the people of Utah, I take the floor to join the distinguished Republican leader in expressing our sympathy and condolences to the Nixon family and our great admiration for the kind of woman and the kind of American that Pat Nixon was.

The PRESIDING OFFICER (Mrs. FEINSTEIN). The Senator from Delaware.

PAT NIXON

Mr. ROTH. Madam President, I, too, want to join my distinguished colleague in sending my condolences to the Nixon family. I had the good fortune to know Pat Nixon down through the years, having served in the Senate at the time Mr. Nixon was President of the United States. She was, indeed, a gracious lady, who lived up to all the expectations one has in that important responsibility. She was a wonderful mother and wife, and it is a grievous blow I know to President Nixon. But I do want the former President to know that my wife and I join my colleagues in sending our deepest condolences and regrets.

SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

The Senate continued with the consideration of the bill.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Madam President, I ask unanimous consent that at 2:15 p.m. today, the majority and minority leaders be recognized to use their leader time; that upon the conclusion of their remarks, there be 20 minutes remaining for debate on the Roth amendment, No. 487, with no second-degree amendment in order thereto; provided further that the time be equally divided and controlled in the usual form; that when all time is used or yielded back, the Senate vote on or in relation to the Roth amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROTH. Madam President, I am happy to yield back the remainder of time before lunch, if that is satisfactory to the chairman.

RECESS

Mr. BYRD. Madam President, I know of no other Senator who wishes to speak at this moment. I ask unanimous consent that the Senate now stand in recess, under the previous order.

Thereupon, at 12:41 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. CONRAD].

Mr. DOLE. Mr. President, is leaders' time reserved?

The PRESIDING OFFICER. It is.

LIBERAL MEDIA IS CHEERLEADING AGAIN FOR CLINTON PLAN

Mr. DOLE. Mr. President, Republicans are never surprised when the Washington Post goes all out to help their liberal friends in the White House and on Capitol Hill, but today's lead editorial has quickly earned a place in the Post's Cheerleading Hall of Fame.

We know the liberal news media are swooning over President Clinton's economic plan, falling for the administration's line that its plan is a $500 billion deficit reduction package balanced between tax increases and spending cuts.

Now the Post's editorial crew is getting into the act, gushing over the vision of massive new taxes, and a Democrat-controlled Congress ramming through every liberal's dream agenda—big taxes, big spending, and big Government mandates.

But objective analysts will agree that the administration's deficit reduction numbers just do not add up, unless you fall victim to the slick magic act the White House is performing these days to sell its terrible tax package.

Let me first tell you where the Post and the White House have it right—this is a massive tax package. It is a record $271 billion in gross tax increases during the next 5 years.

There is no argument that the plan also includes $15 billion in higher user fees, higher fees right out of the pockets of taxpayers for Government services.

And it is true that the President's plan does call for $83 billion in new spending cuts. Now, add up the net tax and spending figures and you get $347 billion in potential deficit reduction during the next 5 years: $264 billion in higher taxes and fees, and $83 billion in cuts.

But here is where the real math ends and the smoke machine takes over.

And, boy, they must have a real smoke machine at the White House and at the Washington Post. They probably use the same one, come to think of it.

The President, the Washington Post, and all of their liberal allies count the following items as spending cuts:

Seventy billion dollars in promised spending cuts, cuts that are supposed to magically appear in the future, beginning next year. The trouble is, the bill right now contains no enforcement mechanism to ensure that these cuts will ever occur. Not surprisingly, the Post is not bothered by this tiny detail—if the Democrat-controlled Congress is promising, the Washington Post is buying. But most Americans don't have that kind of partisan faith. They know that when Congress is taxing you now, and promising spending cuts later—much later—it is time to hold on to your wallets and stop dreaming about Congress doing something responsible for change.

Now, the Washington Post may not want to hear all this from BOB DOLE, but perhaps it would listen to the distinguished chairman of the Senate Finance Committee. During our appearance this weekend on CBS' Sunday talk show "Face the Nation," Senator PAT MOYNIHAN said, and I quote, "BOB DOLE was telling the absolute truth. * * * We haven't made the spending cuts yet * * * and if we don't produce them, as the budget resolution says we must, we will have failed, and he will have been proven right."

The Clinton administration is also relying on $44 billion in spending cuts that were put into law by Congress and President Bush 3 years ago.

That is 3 years ago, and they are going to count them again, $44 billion.

These 3-year-old cuts are now magically new spending cuts, and are being counted as new deficit reducers. Perhaps the Post editorial board isn't reading its own news stories—in a front-page story today, Post news writers admit that this is "an assertion with which Congressional Budget Office officials generally concur."

In other words, everybody knows this $44 million is being counted a second time.

Next, we have $55 billion in interest savings as a spending cut. But there is a clear difference between cutting a Government program, raising taxes or fees, and cutting interest costs. Laws must change for spending cuts or tax increases to occur. Interest savings are impacted by a lot of things other than congressional and Presidential action, including interest rates, inflation and the general performance of the economy.

President Clinton has made the Congressional Budget Office [CBO] the official budget scorekeeper for the Federal Government. When CBO analyzes a comprehensive budget proposal, they do not count interest savings as a spending cut—neither did the Reagan or Bush administrations. In all three cases, interest savings were included in total deficit reduction projections, but they were never classified as spending cuts.

So, these are the facts. Of course, if you are true liberal believers like the editorial crew at the Post, the facts never get in the way of partisan cheerleading.

The bottom line on all this, however, is not just numbers, or budget mumbo jumbo. That is the game the White House wants us to play, with all this number talk fogging up what is really going on here. So blow away the smoke, and take a look—it is classic tax and spend Government running rampant, brought to you by a Democrat Congress, a Democrat White House and their liberal cheerleaders in the media. That is why the White House has gone on a new media blitz, to throw up a smoke screen to obscure the facts about its world-record-breaking tax package.

But when all the smoke clears, the bottom line is still a fundamental difference between the two parties: the Democrats, as defined by President Clinton's huge tax and spend plan, see big taxes, big mandates and big Government as the solutions to every single problem in America;

Republicans, meanwhile, have a better idea: cut spending, cut Federal redtape, and cut out the liberal assault on the free enterprise system, the greatest jobs-producing machine in the world when it is not breaking down from taxes and mandates.

We now know from all the latest polls, most Americans do not like the Clinton plan. The more they find out about it, the less they like it. It is no wonder the President's ratings are dropping in direct relation to his tax plan's increasing unpopularity. Record-setting tax increases and a big comeback by the tax-and-spend Democrats is not the kind of change Americans thought they were voting for this past November.

So, if you like big taxes and tiny spending cuts, you will love the Clinton plan. It is not $500 billion in deficit reduction, it is not the magic wand the liberal editorial writers at the Washington Post say it is, and it is definitely not the tonic for an economy that needs a helping hand, not another low blow from Washington.

Make no mistake, Senate Republicans will have amendments, and we will have alternatives to the Clinton tax offensive.

We introduced an alternative economic plan in March in response to the President's plan. In fact, we even attracted some Democrat votes to our cut-spending-first approach to deficit reduction.

Now, the liberal cheerleaders in the media may not report it, but we have been there, demanding real change and real alternatives to President Clinton's tax and spend agenda. We will do it again this week. The American people will be watching. And they will be watching the players—they will not be listening to the cheerleaders.

Mr. President, I just say time after time after time we have suggested to President Clinton that we sit down together and try to work out a deficit reduction package. Our pleas have gone unnoticed. Senator PACKWOOD tried to reach the President last week to make the same offer again, and the call was not returned.

We agree with President Clinton. We want to reduce the deficit. Everybody in America wants to reduce the deficit. We just think we have a better idea, and we do not do it through taxing and spending and taxing and spending and taxing and spending.

So I would say that the Washington Post—as they said BOB DOLE should know better, the Washington Post should know better. I hope they go back and take a look at the numbers. If they can tell me how they get a $500 billion deficit reduction package out of a $347 deficit reduction package, then I will make another speech on the floor saying, well, maybe I made a mistake.

But there is no mistake about it. This is a big, big, big tax package. All the radio shows, all the hype coming from the White House is not going to change the facts. The American people do not want more taxes. They want to cut spending first.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. SIMPSON. Mr. President, I ask unanimous consent that I might proceed for 2 minutes with relation to the Roth-Lott amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, I do want to support this amendment. I have come to know Senator ROTH; I have worked with him for years. I met him when I first came to the U.S. Senate. There is no more progressive and sincere man when it comes to budgeting, fiscal matters, and the deficit. I commend him here.

Many say often in the course of the debate, well, what do you have in mind? What Senators ROTH and LOTT have in mind are jobs, hiring, and growth in the economy. We will not see any hope for deficit reduction if the economy slows. Most of us on both sides of the aisle know that one.

We will not get the job done if we do so with Government spending. We need an approach like the one in this legislation, a tax credit for new hiring.

We also repeal the failed luxury tax which looked like a sock-the-rich special, but instead the only victims were the former employees of luxury-tax-targeted industries who have now lost their job.

I commend Senator ROTH. This legislation is paid for specifically by reduction in Government administrative expenses and by trimming the amount of Federal employment, and it certainly should not be the case. It would be unfortunate indeed if efforts in job creation were to stall simply because we are unwilling to trim our own administrative overhead.

Mr. President, I support the amendment offered by my colleagues, Senators ROTH and LOTT. Furthermore, I am pleased to join the Republican leader as a cosponsor of the amendment.

Mr. President, tomorrow we will begin consideration of a budget reconciliation bill which aims to reduce our deficit by $347 billion over 5 years. This budget reconciliation bill will likely pass the Senate in some form that is similar to its current one.

I do not think there is any question that many of the provisions of that legislation would impose greater austerity upon our economy. Individuals would be asked to pay higher taxes. Small businesses who file as individuals would see their taxes increased. The wage base cap for health insurance would be eliminated. Transportation fuels would be taxed at a higher rate.

All of these provisions would have a detrimental effect on new hiring, and will eliminate existing jobs.

Mr. President, we will only see the hoped-for deficit reduction if we enable our economy to grow and to generate more revenue. If the economy slows, we will not see the hoped-for deficit reduction.

The amendment before us, although an amendment to the supplemental appropriations bill, would lessen the worst effects of the President's budget, while not in any way interfering with the best ones. It is fully paid for—it will not add to the deficit.

It will, on the other hand, help our economy to grow and to generate tax revenue to reduce the deficit. It will provide for desperately-needed job creation.

If we want to create permanent, productive jobs, we will not do so with Government spending. We need an approach like the one contained in this legislation—a tax credit for new hiring. We need to make it easier for employers to take on new hires, for we certainly know of the increasing tax and regulatory burdens that are about to be placed on them. If we are ever going to grow our way out of this deficit—and that is the only way we can eliminate it—then the private sector has to be allowed to drive that growth.

This legislation would also repeal the failed luxury tax, which as we all know was an attempt to make the 1990 budget agreement appear more progressive by designing a tax on the basis of soaking the rich instead of productive tax policy. Once again, that approach has failed. The only victims of this tax have been the former employees of the luxury tax's targeted industries, who have been thrown out of work.

I would also point out to my colleagues that this legislation is paid for with measures that the public is clamoring for in any case. The legislation is paid for by reducing the size of Government administrative expenses, and by trimming the amount of Federal employment. Surely those are measures we can afford to take in our own house to help the economy to get moving. It would be an unfortunate thing indeed if efforts at job-creation were to stall simply because we were unwilling to trim our own administrative overhead.

I strongly urge the adoption of the pending amendment.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, is the pending amendment the Roth-Lott amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, let me join my colleague from Wyoming in support of this amendment.

What Senators LOTT and ROTH are doing is offering us an alternative, and I think it is a good alternative. They are doing it without adding to the deficit, which is very important around this place. I think we are going to see more and more focus on the amendments that do not add to the deficit.

Mr. President, during the debate on the stimulus package, Republicans were challenged to put together their own jobs creation package. Well today my colleagues, Senators ROTH and LOTT, are offering an alternative approach that will create jobs without adding to the deficit. This is exactly the kind of plan that the American people have been waiting for.

It is probably about the kind of plan the American people have been waiting for, because instead of creating short-term Government jobs this amendment will create long-term jobs in the private sector; not the public sector, but the private sector. How do they do it? They do it by increasing the funds available for business investment, by repealing tax penalties on industry, and by providing incentives for businesses to hire new employees.

We know that reducing the cost of capital through the indexation of capital gains or increase in expense deduction will produce a positive effect on the jobs market. Encouraging investment in business and encouraging private business to hire new employees is the best way to create real, private-sector jobs. That is where the action is—not in the public sector; it is in the private sector.

One item in this amendment that is very important to my State of Kansas is the repeal of the luxury tax. Republicans recognize that having a job is not a luxury. It is high time we repeal the so-called luxury tax on private airplanes, boats, cars, jewelry, and furs.

The luxury tax was supposed to result in a big windfall of lots of money, lots of greenbacks. It turned out to be an avalanche of pink slips. And the pink slips did not go to the people who bought the boats or bought the airplanes. They went to the workers who built the airplanes and built the boats. Again, it was another misguided liberal idea going after the rich, so they fired at the rich and they hit the working people as they do so often.

The folks on the assembly line at Beech, Cessna, and Learjet in Wichita, KS, will tell you—this tax may have been aimed at the high-flying fat cats but it landed on the little guy.

I have spent some time recently traveling around a bit talking to real Americans up and down Main Street. If you learn, and if you listen—and if you do not listen you do not learn anything—if you listen, they tell you three words, "cut spending first."

This package by Senators ROTH and LOTT meets the American taxpayers' bottom line. It cuts taxes to create jobs and is paid for with reductions in wasteful Government spending—not new deficit spending.

Some of the spending cuts in this plan include eliminating pork in the highway and mass transit programs, stopping duplicate Medicare payments, slashing congressional spending, cutting foreign aid spending, and reducing the Federal bureaucracy. And believe me if you took a poll and asked the American people what they would like to do, all four of those items would be high on the list.

I fully support the approach that the Roth-Lott amendment takes and hope that our Democrat colleagues will join us in creating real jobs for hard-working Americans.

I commend my colleagues.

Mr. DOMENICI. Mr. President, will the Senator yield a couple minutes on his time?

Mr. DOLE. I yield the floor.

I guess my leadership time expired.

The PRESIDING OFFICER. The Chair will inform the Republican leader we just went on the time for the Roth amendment, taking it off that side, and we will give the leader his time when he returns.

Mr. DOLE. I thank the Chair.

Mr. ROTH. Mr. President, I am not clear what the parliamentary situation is at the present time.

The PRESIDING OFFICER. We have gone to the Roth amendment, and so the Senator from Delaware will be free to speak on this amendment if he so chooses.

Mr. ROTH. I am happy to yield 2 minutes to our distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, I rise in support of this amendment. I do so because this is one of the few ways that Republicans are going to have in the next 3 or 4 days, and probably in the rest of the year, to make a case for this jobless economy and what we ought to do to help.

This amendment does the right things. Contrary to the Democratic proposal, it does not increase capital gains. It indexes them. I do no know many people who do not recommend that to be a very positive thing for jobs in America.

As to the expensing of deductions, $25,000 was the suggestion to the President and of the U.S. House. It is a good provision, and it is not in this budget bill that is before us. It will increase jobs.

Alternative minimum tax changes, desperately needed and recommended by the President, are not in the package.

As to the passive loss rule, we know that in the real estate markets many of the buildings that are empty are the result of denying passive losses. This will put that back in to some extent and generate more liquidity in our banks which is desperately needed for businesses.

There is an income tax credit for jobs. It obviously is needed, because small business America is frightened to death about the cost of health care, about new taxes and new regulations, and they are not going to add new jobs.

The only argument I would have with the amendment, and if it were to pass I would propose a second-degree amendment not to cut the legal services fund, is I would propose something else. But it is in the amendment. I support it in its entirety with that one exception which I think we could alter later.

This is a jobs producing provision, not just a deficit reduction provision or proposal which may not create any jobs at all, especially if it is principally new taxes.

I thank the Senator for yielding.

Mr. ROTH. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, this amendment is certainly arguably unconstitutional. The Constitution clearly states that "All bills for raising revenue shall originate in the House of Representatives * * * ." Although the bill before the Senate did originate in the House, it is an appropriation bill, not a revenue bill. If this amendment were to be adopted, the bill would, almost certainly, be swiftly returned to the Senate by the other body.

The amendment proposes to use cuts in discretionary spending to offset cuts in taxes. In this regard, it violates both the letter and spirit of the 1990 budget agreement.

Setting aside all constitutional questions and procedural points or order, the amendment would be more appropriately considered as part of the budget reconciliation bill the Senate is likely to take up later in the week, as opposed to being considered on this supplemental appropriation bill.

Of the amendment's seven tax incentives, four—increase in the section 179 expensing deduction, alternative minimum tax relief, passive loss rule changes, and luxury tax repeal—are included, with some modification, in the reconciliation package approved by the Senate Finance Committee last Friday and which, as I say, will be taken up soon in the Senate.

The bill is to be reported by the Senate Budget Committee shortly, I believe.

At a time when many hard choices have been, and are being, made in an effort to reduce the Federal deficit, this amendment would most likely cause the deficit to increase in the long run.

The capital gains and individual retirement account [IRA] provisions of the amendment will cost the Federal Government an estimated $9.5 billion in lost revenue in fiscal year 1998, and will lead to even larger revenue losses in the years ahead. At the same time, one of the amendment's proposed spending cuts—the elimination of the lump-sum Federal retirement payments—will eventually turn into a spending increase.

While the amendment may not increase the deficit in the near term, as the President's proposed jobs bill would have done, it will, in sharp contrast to the President's proposal, have a seriously adverse impact on the deficit in the long run.

Given the amendment's likely near- and long-term effects on the Federal budget deficit, the positive economic/job claims made by the amendment's proponents are highly questionable.

In the short run, the amendment is unlikely to have any real economic effect given the offsetting nature of its tax and spending cuts. In fact, it is possible that the amendment's fiscal policy changes could have a contractionary effect, as opposed to a stimulative one.

In the long run, to the extent that the revenue losses that will flow from the amendment begin to exceed more and more the outlays savings, thus increasing the Federal deficit and reducing net national savings and investment, the amendment is likely to have a negative effect on economic growth.

In this regard, the amendment stands, again, in contrast to the President's jobs bill, which would have had a stimulative effect on the economy in the short run, but would have had no adverse effect on the deficit, and thus the economy, in the long run.

The amendment's indexation of capital gains only would discriminate against small savers and would likely create new tax shelter incentives and opportunities.

While the amendment's proponents claim it is unfair to tax gains from inflation, indexing profits from asset sales, but not indexing interest on savings accounts unfairly discriminates against small savers.

By indexing capital gains, without simultaneously indexing borrowing costs, the amendment would create a massive new tax loophole likely to fuel a resurgence in tax shelters.

In summary, the amendment offered by the Senator from Delaware would violate both the letter and spirit of the 1990 budget agreement.

It would deal with tax issues that are addressed in the reconciliation bill the Senate is likely to turn to tomorrow.

It would almost certainly increase the budget deficit in the long run.

It would likely have no positive impact on the economy or job creation.

It would discriminate against small savers, and, at the same time, create new tax loopholes and tax shelters for investors wealthy enough to take advantage of them.

And, last, but not least, it disregards the constitutional requirements regarding the origination of revenue bills.

In short, this amendment reflects bad fiscal policy, bad economic policy, and bad tax policy. The amendment should be rejected.

At the appropriate time, Mr. President, I shall raise a point of order against the amendment.

I withhold the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield 3 minutes to the distinguished Senator from Mississippi.

Mr. LOTT. I thank the distinguished Senator from Delaware once again for yielding this time.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, I do not want to say I appreciate the work that has been done on the supplemental appropriations bill by the Appropriations Committee. I do not always feel that supplemental appropriations are needed, but frankly I think, in this case, they have come up with a good bill.

The feature I like the most is that the supplemental is paid for. The committee should be commended for coming up with sufficient offsets.

But the bill falls short in one area—job growth. I think we must address this question. We need additional new jobs in our economy. It has been estimated that our package would create an additional 800,000 jobs over 5 years. We can argue over numbers, but I think there is universal agreement, when you look at the pieces collectively, there will be job creation.

I want to focus on just one provision in particular, and that is the targeted jobs tax credit, a 13.85-percent jobs income tax credit that is really only good for 6 months and only for new hires.

The budgetary impact is high in the first year and drops way off in the second year, and has no impact in the last 3 years.

I firmly believe this feature of the amendment can really help businesses, particularly small businesses. If it is a close call on an employment decision, this 13.85-percent jobs income tax credit would make a positive and real difference in hiring that new person. It is estimated that this provision alone could create 50,000 new jobs.

You can argue about whether this is a jobless recovery or not, but the fact of the matter is unemployment is still higher than it should be. Clearly, our goal with this provision is to provide a way for growth to occur in the economy and for the creation of jobs. Even President Clinton has spoken favorably about the income tax credit.

Coupled with the expensing provision, this could certainly help small business. Right now, a lot of small businesses are frozen in place. They are not getting new equipment which creates new jobs because they do not know what to expect. They do not know whether our economy will grow or contract. They are looking for signals and incentives.

So that was our purpose for offering this package. The reason we offered it to this supplemental appropriations is because it would compliment this stimulus package. In fact, it would put a capital "S" on stimulus.

Also, I do want to again emphasize, while there is a list of cuts involved here, we pay for all the tax incentives we offered. The cuts are not easy. They never are. And, our offsets not only pay for our tax incentives entirely over the 5-year period, but there is a modest deficit reduction. An added bonus.

This package has three components that we believe Americans really want: It would add to economic growth. It would create private sector jobs we would not have otherwise. It would not add to the Federal deficit.

I urge my colleagues to look this package over very closely. I think it has a lot of attractive features that many of us have already voted for in the past, such as the Super IRA, the so-called Bentsen-Roth IRA. I believe the individual features can all successfully withstand your critical review.

I thank the Senator from Delaware once again for what he has done here and for yielding me this time.

I urge my colleagues to look seriously at this jobs creation package.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROTH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. ROTH. Mr. President, I yield such time to myself as I may use.

Mr. President, in a few short minutes the Senate will have the opportunity to vote on an amendment to spur private sector economic growth, job creation, and private savings. This amendment is not a substitute to the underlying bill, but an addition to it. A very important addition, I should add.

During the next several days, the Senate will consider the budget reconciliation measure. At that time, the Senate will be voting on the largest tax increase in our Nation's history. One need only reflect back to 1990 to understand the impact these new taxes are going to have on our economy. The tax increases in the 1990 budget agreement hurt economic growth, and I am concerned that the same thing is going to happen again.

Americans are concerned that the President's program will hurt job growth. Businesses are concerned about the increasing costs of hiring new employees, and we are all concerned about the future of our Nation's ability to compete. This amendment is designed to meet these concerns, and meet the economic challenges which confront us.

This amendment contains tax incentives for economic growth and private savings that have broad bipartisan support. These tax changes offer the best opportunity we have to create an environment for economic growth. Our plan promises more than 800,000 new jobs based on estimates by the minority staff of the Joint Economic Committee and it is fully paid for by cuts in spending. In fact, this proposal has $12 billion more in spending cuts than in tax incentives, all of which will be devoted to reducing the deficit.

In addition, this amendment offers us a choice. The President has called for tax increases. Our amendment would cut taxes by over $45 billion. Second, the President wants to increase the size of Government. This amendment would cut the size of Government. Third, the President's program will stifle economic growth and result in as many as 1.2 million lost jobs. This amendment would spur economic growth and create more than 800,000 jobs.

This amendment presents the opportunity to turn the Nation around. We believe that this package of tax incentives will encourage growth and jobs. First, we advocate two provisions to reduce the cost of capital and tax penalties on investment. Capital gains would be indexed for inflation beginning after January 1, 1993, to remove the unfair taxation caused by inflation.

Second, the alternative minimum tax would be adjusted to encourage capital-intensive industries to invest and modernize their plants and equipment. Next, this plan will go a long way toward strengthening American small business—quite literally the engine of American enterprise. Our proposal allows small businesses to expense annual purchases of capital assets up to $25,000—indexed for inflation.

Mr. BYRD. Mr. President, does the Senator wish more time? How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes and 18 seconds.

Mr. BYRD. I will be glad to yield it to the Senator if he would like.

Mr. ROTH. I appreciate the courtesy of the distinguished manager. I will accept.

Mr. BYRD. All right.

Mr. ROTH. Mr. President, this is an increase over the current law limit of $10,000, and it is something that small business has been needing for years. Needless to say, over the years, the current law limiting this expensing amount to $10,000 has been diminished by inflation. We offer a much needed adjustment. Our proposal first increases the amount to $25,000, and then it increases it every year as prices go up. This is much better than the limited increase to $15,000 in the Finance Committee reconciliation recommendations.

As my distinguished colleague from Utah, Senator BENNETT, pointed out this morning, the key to economic growth is through small business. This amendment is designed to spur employment in small business. Together with the expensing and capital gains provision, this amendment provides a tax credit for new hires, to provide incentives for small business to hire that extra employee, two, or three.

In addition, this plan aims at encouraging Americans to save by removing tax penalties on savings. Americans have to plan for the future, and the IRA is a proven success. What we offer is the Bentsen-Roth super-IRA with two savings options that would be allowed for all taxpayers, limited to $2,000.

Mr. President, I do not intend to go into all the rest of the details of the amendment in the limited time remaining. They were discussed earlier and are available in the RECORD. But I do want to be perfectly clear, this amendment is fully paid for through spending cuts.

I am sure every Member in this Chamber favors getting the economy back on track. Every Member supports job growth and a healthy economy. This is an opportunity for Members to express themselves in favor of policies that promote these goals. I encourage all Members of the Senate to support this program. It is good. It is right. And it is necessary.

Mr. BYRD. Mr. President, has all time expired?

The PRESIDING OFFICER. All time has expired.

Mr. BYRD. Mr. President, under section 311(a) of the Congressional Budget Act of 1974, as amended, it is not in order to consider an amendment that would cause the revenue floor for fiscal year 1993 to be breached. The pending amendment would lose more than $535 million in revenues, the amount of which revenues are currently above the fiscal year 1993 revenue floor.

Therefore, I make a point of order under section 311(a) of the Budget Act against the amendment.

Mr. ROTH. Mr. President, I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the motion of the Senator from Delaware [Mr. ROTH] to waive section 311(a) of the Budget Act for the consideration of amendment No. 487 to H.R. 2118.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote nay.

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER (Mr. MATHEWS). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted, yeas 39, nays 59, as follows:

[Rollcall Vote No. 160 Leg.]

YEAS—39

Bennett
Bond
Brown
Burns
Coats
Cohen
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dole
Domenici
Durenberger
Faircloth
Gramm
Grassley
Gregg
Hatch
Helms
Hutchison
Kempthorne
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Roth
Shelby
Simpson
Smith
Thurmond
Wallop
Warner

NAYS—59

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Chafee
Cochran
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Packwood
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Stevens
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. The yeas are 39, the nays are 59. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

The adoption and enactment into law of the Roth amendment No. 487 would cause revenues for fiscal year 1993 to fall below the level established in the budget resolution by more than $535 million in violation of section 311 of the Budget Act. The point of order is sustained; the amendment falls.

The Senator from West Virginia.

Mr. BYRD. I thank the Chair.

Are there Senators who have their names on the list of amendments who have decided over the weekend not to call up their amendments? If there are, the two managers need to know.

Mr. PRESSLER. Mr. President, I will be offering my amendment, but I will be very brief. I will be offering my amendment. I hope I am on the list. I will be very brief. I will not take much time. I may need a rollcall vote if it is not accepted.

Mr. BYRD. Very well.

Mr. DOMENICI. Mr. President, might I just indicate I have an amendment with Senator BINGAMAN and others. I believe we are going to be able to work that out. We should not take much time under the worst of events, but we need to still pursue that one so I wanted the Senator to know that.

Mr. BYRD. All right. If Senators would agree to have voice votes on amendments, we will save the Senate's time and will also leave time for other Senators whose names are on the list to call up amendments. I yield the floor.

Mr. MCCAIN. Mr. President, I want to express my appreciation to my good friend, Senator INOUYE, and the Appropriations Committee, for their assistance in addressing the issue of indemnifying purchasers of closed military facilities from hazardous waste liability. This is an issue that I have been working on for the past 2 years, and I am pleased that the solution I have been seeking during this time has been incorporated into the Supplemental Appropriations Act.

By way of explanation, Congress previously expressed its intentions on this issue during consideration of the Defense authorization bill last year. At that time, I offered an amendment to the bill which indemnified all purchasers of military base property from hazardous waste liability. This amendment passed, as did the authorization bill.

Shortly thereafter, however, an amendment was added to the Defense appropriations bill which also dealt with the indemnification issue. This amendment specifically indemnified States, their political subdivision or persons who lease the property from DOD or the State.

Although it is my view, which I have repeatedly expressed to the DOD, that the language in the authorization bill is the law of the land, especially since it was the most recent legislation signed into law, the DOD has taken the position that the two measures conflict and should be blended together. In doing so, they have established a policy whereby each transfer of property must be reviewed by the Office of the Secretary of Defense.

Unfortunately, the position taken by the DOD has simply served to confuse the issue and considerably delay the base closure process, as has been acknowledged by the Deputy Under Secretary for Environmental Security.

Prospective purchasers are understandably reluctant to acquire base property if they could be held liable for hazardous waste cleanup costs for which they were not responsible.

By the same token, DOD is justified in its concern over indemnifying lessees responsible for environmental problems. This is entirely inappropriate public policy and will simply serve to increase cleanup costs for the DOD and ultimately, the American taxpayer.

I am pleased that we have taken action to resolve the confusion created by last year's appropriations bill and allow the closure process to continue in a timely and orderly fashion.

Mr. President, the amendment of the Supplemental Appropriations Act will simply strike the contradictory language from last years appropriations bill, thereby restoring the language from the authorization bill. It will allow the DOD to proceed with the base disposal process with a clear mandate from Congress.

Adjustment to a base closure is a difficult and traumatic process for local economies which have grown dependent on the employment and economic activity provided by defense installations.

We have a Federal obligation to help facilitate a safe, timely transfer of base property to other productive uses. We cannot possibly achieve that goal if those who would put that property to use must risk everything in the process.

Let's do what's right, ensure that the Federal Government will defend and indemnify States and private employers who are sued over pollution caused by Federal activities.

Again, I am pleased that my colleagues have adopted this vital amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

Mr. BYRD. Mr. President, the distinguished Senator who has the floor, will he yield without losing his right to the floor?

Mr. PRESSLER. Yes.

Mr. BYRD. The distinguished Senator from Illinois, CAROL MOSELEY-BRAUN, has an earthshaking proposal to bring before the Senate at this time. Would she do that?

Mr. PRESSLER. Yes. I yield.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MOSELEY-BRAUN. Thank you very much, Mr. President.

I thank the Senator from West Virginia.

This is not exactly earthshaking, but we certainly shook the Sun in Chicago.

THE CHICAGO BULLS THREE-PEAT AS NATIONAL BASKETBALL ASSOCIATION CHAMPIONS

Ms. MOSELEY-BRAUN. Mr. President, last Sunday night millions of constituents and tens of millions of other Americans were glued to their television sets to see game six of the NBA championship series. What they saw—and what I saw, because I, too, did not want to miss a minute of the NBA finals—is what it means to be a champion.

My hometown team, Mr. President, the Chicago Bulls, also known fondly as "da Bulls," was down by four points with less than a minute to go. But they did not fold, Mr. President. They did not fold. Instead, they reacted like the champions they are and found a way to win. That last minute was a demonstration of what the Chicago Bulls are all about and what real excellence is all about.

I am very proud to be able to say that the Chicago Bulls are a three-peat NBA champion. Winning the NBA once is difficult. Winning it twice is rare. Winning it three times sets this team apart. Michael Jordan was, for the third consecutive time, named the most valuable player for the playoffs. It is crystal clear that he has no equal on the basketball court and that he is likely the greatest basketball player of all times.

But it was very fitting that the winning basket in the final game was scored by John Paxson because it was a demonstration that the Bulls are a championship team. One part of Michael Jordan's greatness is that he is not content just with the personal goals. He wants the team to succeed. And the team did succeed. And no team can win three times unless this team is truly exceptional, and the Chicago Bulls demonstrated convincingly once again that they are truly exceptional.

Mr. President, each and every one of the Bulls players is a superb individual basketball player. What makes them all so very special is the way they have come together to blend their talents in the team, playing in a way that makes each of them better. That is the real hallmark of champions.

Frankly, we all can take a page from what happened in the finals this last week. And that is this kind of teamwork should show us all as Americans what it means when we come together. When we come together to work together as Americans, overcoming our individual differences with working in behalf of our common strengths, we can be greater than the sum of our parts as a nation.

Mr. DECONCINI. Mr. President, will the Senator from Illinois yield?

Ms. MOSELEY-BRAUN. The Senator from Illinois will yield to the Senator from Arizona.

Mr. DECONCINI. Mr. President, I want to thank the Senator from Illinois. I want to compliment both Senators from Illinois for their fine performance today in support of and praising the Chicago Bulls for the outstanding series that they played. I do that with greatest respect for that basketball team. Of course, I am most regretful that the Phoenix Suns did not quite pull it out. I must say it was an exciting battle of sportsmanship like I have never seen before.

As the Senator from Illinois knows, I am in debt to her, seriously in debt to her, over a fun wager we made. I do not want her to think for a moment that the Senator from Arizona would for a fraction of a second not perform on the commitment that I made. And it is in the mail. I know you have heard that before. This is not a check. This is grapefruit from the State of Arizona. She will have that sometime, I think, tomorrow afternoon as the small reward for the outstanding basketball game that the Chicago Bulls pulled off, I must say.

I can only say in praise of the Phoenix Suns that I have never seen, except one other, a team do any better, and it was extremely beneficial for Phoenix and Arizona. And the Sun never sets on the Phoenix Suns. I assure the Senator from Illinois of that.

Ms. MOSELEY-BRAUN. Mr. President, I thank very much the Senator from Arizona. I compliment him on his graciousness and the graciousness of the Phoenix Suns. They played a good game and a hard game and were gracious in defeat. I congratulate the Suns players. To mention a couple: Charles Barkley, Majerle, and all the others. They made a good series. I think it made this victory that much more sweet for the Chicago Bulls.

In closing, I congratulate the coach Phil Jackson, Michael Jordan, Scottie Pippen, B.J. Armstrong, Bill Cartwright, Horace Grant, John Paxson, Scott Williams, Stacey King, Trent Tucker, Will Perdue, Rodney McCray, Darrell Walker, and all of the members of the Bulls' organization on their tremendous victory.

Mr. President, on behalf of myself, the citizens of my city—Chicago, and my State of Illinois, on behalf of Bulls fans across this Nation and across the world, I strongly urge my colleagues to enact this resolution (S. Res. 123) congratulating the Bulls for winning their third consecutive NBA championship.

CONGRATULATING THE CHICAGO BULLS—1993 NBA CHAMPIONS

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 123, a resolution submitted earlier today by myself and Senator SIMON to congratulate the Chicago Bulls on their third NBA title; that the resolution and preamble be agreed to; that the motion to reconsider be laid upon the table; and that any statements appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 123) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 123

Whereas the Chicago Bulls, battling injuries and fatigue, fought their way through a season filled with struggles to finish with a 57-25 record;

Whereas the Bulls roared through the playoffs, sweeping the Atlanta Hawks and Cleveland Cavaliers before defeating the favored New York Knicks in six games to return to the NBA Finals for the third straight year;

Whereas head coach Phil Jackson and the entire coaching staff skillfully lead the Bulls through an exhausting 82-game regular season, while simultaneously conserving player energy and positioning the team for an aggressive, never say die, playoff run;

Whereas for the third consecutive year, Michael Jordan, averaging a record 41.0 points per game in the finals, was named playoff most valuable player, an honor that no other NBA player has ever received;

Whereas Scottie Pippen again exhibited his outstanding versatility, averaging 21.2 points, 9.1 rebounds, 7.6 assists and 2.0 steals per game in the finals;

Whereas the quickness and tireless defensive effort of Horace Grant keyed the Bulls front line and led to his game saving block in the final seconds of game six;

Whereas veteran center Bill Cartwright again frustrated the all-star caliber centers that he faced in this year's playoffs;

Whereas B.J. Armstrong, the league leader in three point field goal percentage, stepped up to play dogged defense and showed great composure in hitting several big shots when the Bulls needed them most;

Whereas John Paxson, after struggling through an injury-filled season, came off the bench to provide the Bulls with much needed spark and with 3.9 seconds left in game six, hit a three point field goal to propel the Bulls into NBA history;

Whereas the defense and rebounding of Scott Williams and Stacey King and the clutch shooting of Trent Tucker, each coming off the bench to provide valuable contributions, were an important part of each Bulls victory;

Whereas Will Perdue, Rodney McCray and Darrell Walker provided valuable contributions throughout the playoffs, both on and off the court, at times giving the Bulls the emotional lift they needed;

Whereas the Bulls hit a record 10 three point field goals in game six of the NBA Finals on their way to a Threepeat; and

Whereas the Bulls displayed the heart of a lion to become only the third team in NBA history, and the first in the past 27 years, to win three straight NBA championships: Now, therefore, be it

Resolved, That the Senate, for the third year in a row, congratulates the Chicago Bulls on winning the 1993 National Basketball Association championship.

Ms. MOSELEY-BRAUN. Mr. President, I thank the Appropriations Committee chairman for his graciousness in allowing me this time, and I yield the floor back to the Senator from West Virginia.

SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

The Senate continued with the consideration of the bill.

AMENDMENT NO. 488

(Purpose: To permit producers on a farm who were prevented from planting the 1993 crop of corn because of a disaster to devote conservation use acreage under the 0/92 program to soybeans)

The PRESIDING OFFICER. Under the previous order the clerk will read the amendment offered by the Senator from South Dakota.

The bill clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 488.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . PREVENTED PLANTED DISASTER ASSISTANCE FOR 1993 CROP OF FEED GRAINS.

The first sentence of section 105B(c)(1)(F)(ii) of the Agricultural Act of 1949 (42 U.S.C. 1444f(c)(1)(F)(ii)) is amended—

(1) by striking "crambe, and" inserting "crambe,"; and

(2) by inserting before the period at the end the following: "and, in the case of producers on a farm who the Secretary determines are prevented from planting any portion of the acreage intended for the 1993 crop of corn because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, soybeans".

Mr. PRESSLER. Mr. President, this amendment involves a very serious problem in several Midwestern States. That is, we have had so much rain that people have been unable to plant corn. This would allow soybeans to be planted as an alternate crop on corn acreage that is entered into the 0/92 program. Current law precludes this.

This amendment would bring much needed relief to corn growers who were unable to plant a crop this year due to extremely wet and rainy conditions. Mother Nature can be a farmer's best ally or a farmer's worst enemy. Unfortunately for South Dakotans this year, it has been the latter.

Nothing is worse for a farmer than being prevented from planting a crop. Farmers can battle droughts, insects, and unfavorable growing seasons, but when a farmer cannot plant a crop, that farmer is helpless. Money spent in preparation for planting is gone. So is the income that a harvested crop would have brought. There is nothing worse for a farmer than to see a field lying under water or too wet to plant.

Mr. President, many South Dakotans farming today have never experienced a planting season this disastrous. Time is running out for many of these farmers. Action is urgently needed to permit farmers in the affected areas to plant a crop and earn an income this year.

What is at stake for these farmers? The word that best answers that questions is: survival.

The amendment I am offering today would provide relief for farmers who are unable to plant corn this year. This amendment would ease their suffering. Specifically, it would allow soybeans to be planted as an alternative crop on corn acreage that is entered into the 0/92 program. Under my amendment, soybeans could be planted without the loss of program benefits or corn base if a farmer could not plant corn. Current law precludes this. Sunflowers are permitted to be planted, but there is no market in southeastern South Dakota for sunflowers, and farmers would have to purchase new equipment to plant sunflowers. That is an expensive option for just 1 year.

Mr. President, though it is too late for farmers to plant corn this year, there is still time for farmers to plant soybeans on their corn acreage and earn a living. Permitting farmers to plant soybeans without penalty will keep hundreds of South Dakotans on the farm and in business. This can be done with little cost to the Government.

The Congressional Budget Office has estimated my amendment would cost $29 million in fiscal year 1994. The budget reconciliation provisions reported by the Committee on Agriculture exceeded savings instructions by $48 million. Use of those excess savings could be used to offset the cost of this amendment.

Mr. President, this amendment is supported by the South Dakota Corn Growers, the South Dakota Soybean Association, the South Dakota Farmers Union, South Dakota Farm Bureau, the American Soybean Association, the South Dakota Department of Agriculture, and the National Corn Growers Association.

I am pleased to be joined in this effort by my friends from Minnesota and

Iowa, Senator DURENBERGER and Senator GRASSLEY.

Mr. President, in addition to farmers in South Dakota, farmers in Minnesota, Iowa, and other States are in dire straights due to torrential rainfall over the past weeks. Yet, most of my colleagues are unaware of the devastation that thousands of farmers are facing. We must act today if relief is to be provided.

Our farmers need and deserve Federal assistance as desperately as the victims of Hurricane Andrew or the Los Angeles riots. Time is running out. If some assistance is not provided to permit farmers to plant alternative crops and keep their deficiency payments, farmers in South Dakota may lose $14 million. This could force some farmers out of business.

Not only will this devastate farmers, but local communities and rural businesses will be hurt as well.

I ask unanimous consent that two articles depicting the situation in South Dakota be printed in the RECORD.

There being nc objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Argus Leader, June 20, 1993]

SOUNDS OF SILENCE ON THE FARM

(By Carson Walker)

HARRISBURG.—A cartoon on the wall at the Harvest States Co-op tells the farm story of 1993.

"It had this farmer in a boat and you look under the water and you see a corn planter," says the Rev. Rick Pittenger, pastor of the Harrisburg United Methodist Church.

By now, the joke is wearing a little thin for farmers.

"They said, 'You know that was funny two weeks ago and it's not funny anymore,'" Pittenger says. "They used to joke about it and now they carry their pain in silence."

Silence on the farms of eastern South Dakota this spring is more than the quiet from idle farm machinery. It's also a sign of stress, frustration and even depression.

Some producers have their crops in the ground and now place their hope in next fall's harvest—hoping for a late frost. They at least are protected by federal crop insurance.

Others haven't turned a tractor wheel and a few even have corn in the ground from last fall. Farmers whose fields are too muddy to walk in—let alone drive a tractor through—aren't covered by insurance if they don't get in a crop.

"They joke about it, but behind that you know that they're hurting," Pittenger says. "I think it's a matter of trying to keep the appearance that everything's OK."

Clergy, extension agents, counselors and others who work with farmers worry that this year's exceptionally wet spring—on top of last year's unusually wet fall—will gravely affect not only this year's profits, but also the future of some farms altogether. They fear that the cumulative effect of the heavy rains may force many farmers to quit and that in turn would threaten the livelihood of nearby towns.

Farmers generally pray for rain in South Dakota. The droughts of 1988 through 1991 are a clear memory. For some, so are the droughts of the Dirty Thirties and almost every decade since. Yet the consistency of rain last year and again this year has made daily weather forecasts laughable.

In many cases, farmers are helpless. Cash rent is due, and tax bills will come due at the end of the year no matter how the growing season works out.

"They can't even get in the field," says Lynette Olson, an extension family life specialist at South Dakota State University in Brookings. "That is a major frustration. * * * They're feeling overloaded, overwhelmed with what's been happening and that's why it's so serious now."

Jerome Johnson and his wife, Shirley, have farmed with Jerome's brother, Richard near Garretson for nearly 40 years. They and a group of farmers gather often around their kitchen table to talk.

"I think everyone will agree that it's the worst that anyone alive can remember—not for one solid year has it been this wet," Jerome says.

Shirley spreads out rhubarb cake and fresh chocolate chip cookies, recognizing the value of such sessions. "I'd rather buy that 3-pound can of coffee than pay doctor bills," she says. "I don't think they're aware of what's taking place. Nothing gets solved but at least they're talking."

The Johnsons survived the 1980s farm crisis and have most of their crop in this year—except for 85 acres of corn still standing from last year.

Shirley is concerned about families in which the wife has to work elsewhere because the farm doesn't provide enough income. For those farmers, "there's no place to go because the wife is at work and the coffee pot's not on," she says.

Dale Lint, a needs assessment manager at Charter Counseling Center in Sioux Falls, says the agency has received few calls from farmers, but he thinks that will change because many still hope they can get a crop planted. The reality of how late it's getting hasn't settled in yet.

"The only thing that's going to be knee high by the Fourth of July is weeds," Lint says. "Typically the increased concern in the local communities: the pastors, local resource persons. They are going to be the front-line people and they're going to see that response before it would move outside the communities."

If farm families withdraw from the community or stop going to church, that's a warning sign of depression, Olson says.

"This is going to go on through harvest. It's a snowball. If crops are late getting in they're going to be late into harvest and if we have an early winter again, we'll have fields that are not harvested."

The extension service will meet Friday in Beresford and Vermillion to help pastors, bartenders, business owners, bankers and anyone who has direct contact with farmers learn how to recognize depression and offer help.

Larry Tidemann, program leader for agriculture and natural resources with the extension service in Brookings, says such meetings are the first steps in trying to prevent a crisis.

"If you can avoid the isolation that goes on, they realize that I'm not the only one who has this problem. They see that their neighbors have the same problem and they're not alone," he says. "The theme from the 1980s crisis is its much more important to save the farm family than it is to save the family farm. That's not minimizing the importance of saving the family farm."

Because many farmers have only high spots planted, they aren't spraying and fertilizing entire fields.

"It's costing us more because we're having to drive all over the country to spray a few acres," says Mike Austin of Austin Ag Services in Centerville. "I don't think the people up and down main street have felt the crunch yet but I think that's coming. Area farmers are going to tighten their belts so much it's going to affect the whole community."

At the Johnson's kitchen table, the conversation is lighthearted. "I don't have a dog to kick," jokes Stan Hanson of Garretson.

"I've been farming 22 years hoping it gets better and it just doesn't," says Ron Williamson of Garretson. "I still don't think people are healed from the crisis in the '80s."

The weight of their financial problems will force some farmers out, Williamson says: "Without a doubt. I think that will happen, without prices getting better."

"The bankers are going to play a big role in this," Richard Johnson says. "Are they going to stay with you another year?"

"It ain't like we're asking for a free lunch. We're willing to pay the premium to cover this crop, whether it's in the bag or in the field," Jerome Johnson says. "The last thing we want is another low-interest loan or a handout * * * We're not looking for sympathy."

As the men filed out of her kitchen, Shirley Johnson says, "They've got to stick together like family. You can't run away from it."

CROP PRODUCTION CAN'T TREAD WATER

NERSTRAND, MN.—Dave Estrem farms some of the most fertile land in southeastern Minnesota's Rice County. But for the second straight year, he will rely on federal crop insurance because his corn and soybeans are failing.

Last year, a late June frost destroyed young plants. This year, they're drowning.

"Right up there, that's crop land" he said, pointing toward the horizon. "That's not a lake, that's fields—and they're my fields."

Back-to-back years of cold, wet weather are taking their toll on southern Minnesota farmers. Last year, they collected $1.5 million in direct federal disaster loans from the Farmers Home Administration.

This year, planting was delayed for weeks because of wet fields, and last week's torrential rains had nowhere to drain. The cost of damage won't be estimated until after water recedes.

Nine southwestern Minnesota counties will receive federal disaster aid from early May storms. State Agriculture Commissioner Elton Redalen said he expects applications from up to six more counties following the latest rains. A formal disaster declaration is expected within three weeks.

Declarations aren't as likely in southeastern Minnesota, but farmers there haven't been spared from wet weather. Five inches of rain in a matter of hours last week left large pools in many fields. Rivers and creeks flooded and rains continued into the weekend.

Farmers who have plowed the same fields for decades say its the most standing water they've ever had. Many will rely on federal crop insurance to recoup some of their losses.

It will be a week before Estrem can walk into the muddy valley to assess water and erosion damage from midweek storms. A few days after that he may be able to get equipment into the fields, but by then summer will be too far gone to replant.

For now, Estrem looks down on the fields from a hill overlooking the 400 acres he finished planting, two weeks ago. About 100 acres are under water. Yield will be down 10 to 20 percent, he said, but it's too soon to put a dollar figure on the loss.

"It's going to be devastating to us but also to all the farmers in the area because the prices are so depressed. Then we get a blow like this," he said.

Doug Gilbertson manages Nerstrand Agri-Center, a cooperative grain elevator serving about 200 local farmers. Most of those farmers were counting on getting back on track this year after low-quality crop in 1992.

"Without a good year this year, it will force some of them out of business," Gilbertson said.

Many area farmers will rely on beef and hog production while crops are unprofitable, Gilbertson said.

Ivan Lehnert has seen many good and bad years on the south-central Minnesota land he's farmed since 1960. About 30 of his 360 corn and soybean acres in rural Belle Plaine are under water up to 3½ feet deep.

"I've been at it long enough that it's going to take more than a year to put me out of business," Lehnert said. "For somebody who's just starting out—farming (the) first, second, third year—that can be the end of it."

Mr. PRESSLER. Mr. President, I urge my colleagues to support this much-needed amendment for America's farmers.

The PRESIDING OFFICER. Is there further debate on the amendment?

The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that I proceed for 2 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAMPAIGN FINANCE REFORM

Mr. MCCONNELL. Mr. President, a brief postscript on the debate of the previous 3 weeks on campaign finance. It was an interesting editorial in Roll Call on Monday entitled "Senate Security Act," the first sentence of which reads as follows:

> The version of the campaign finance reform bill passed by the Senate last week is a miserable piece of legislation. Its key provision—the compromise that made cloture possible on Wednesday—is outrageously unconstitutional.

Mr. President, I ask unanimous consent that the Roll Call editorial appear at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Roll Call, June 21, 1993]

SENATE SECURITY ACT

The version of the campaign finance reform bill passed by the Senate last week is a miserable piece of legislation. Its key provision—the compromise that made cloture possible on Wednesday—is outrageously unconstitutional. Why would Senators pass a bill that so blatantly restricts the right of free political speech, as the Supreme Court clearly defined the right in *Buckley* v. *Valeo?* Partly, to rescue themselves from the political liability of failing to pass a campaign bill but, more importantly, to keep their own seats warm and secure.

The amendment that broke the logjam, sponsored by Sens. James Exon (D-Neb) and David Durenberger (R-Minn), replaces the public financing provisions of the original Democratic bill with a tax on contributions. In the Buckley decision, the High Court ruled that the government cannot limit what a candidate may spend on a race because to do so would violate First Amendment free-speech guarantees. So the original bill set up a scheme to entice candidates to accept spending limits "voluntarily." The deal was this: If you agree not to spend more than $600,000, then the taxpayers will provide you with $200,000 of that, gratis.

Senators understood, however, that public financing (which some opponents were calling "food stamps for politicians") could be poison at the ballot box. So the Exon-Durenberger measure got rid of direct public financing and instead made this deal: If you accept the spending limits and your opponent does not, then your opponent's donations will be taxed at the top corporate rate (34 percent now, and rising) and the proceeds will go to you. This cute maneuver is doubly unconstitutional—not only does it limit campaign spending (i.e., political free speech, according to Buckley) through coercion, it actually taxes that speech—forces candidates who, in effect, speak too much to pay the government (and ultimately their opponents!) for the privilege.

The Senate bill also removes the last pretense that this "reform" legislation is anything more than an incumbent-protection bill. Under Exon-Durenberger, if both the incumbent and the challenger agree to accept spending limits, then neither gets a boost in fundraising through public financing. So incumbents get to have their cake and eat it too: First, challengers are coerced into not spending more than incumbents (and they need to spend more just to get even!), and, second, challengers have to fend for themselves in raising money to bet to the limit.

The newspaper did not think all that highly of the original Democratic campaign reform bill, but the cynical abomination the Senate passed last week is far worse. We admire those, like Sen. Howard Metzenbaum (D-Ohio), who stood on principle, continued to back true public financing, and voted "no" on Exon-Durenberger. We still believe that the simple, elegant solution to the campaign finance conundrum is free broadcast time for all candidates—a system in place in every other democracy in the world. This idea should have broad, bipartisan appeal, except for one little problem: It puts challengers on an equal footing with incumbents.

Mr. MCCONNELL. In addition, Mr. President, the June 28 issue of Newsweek contains a very informative column by George Will, that begins as follows:

> Washington's political class and its journalistic echoes are celebrating Senate passage, on a mostly party-line vote, of a "reform" that constitutes the boldest attack on freedom of speech since enactment of the Alien and Sedition Acts of 1798. The campaign finance bill would ration political speech. Fortunately, it is so flagrantly unconstitutional that the Supreme Court will fling it back across First Street, Northeast, with a two-word opinion: "Good Grief!"

I ask unanimous consent that the entire column appearing in Newsweek June 29, 1993 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Newsweek, June 28, 1993]

SO, WE TALK TOO MUCH?

(By George F. Will)

Washington's political class and its journalistic echoes are celebrating Senate passage, on a mostly party-line vote, of a "reform" that constitutes the boldest attack on freedom of speech since enactment of the Alien and Sedition Acts of 1798. The campaign finance bill would ration political speech. Fortunately, it is so flagrantly unconstitutional that the Supreme Court will fling it back across First Street, N.E., with a two-word opinion: "Good grief!"

The reformers begin, as their ilk usually does, with a thumping but unargued certitude: campaigns involve "too much" money. (In 1992 congressional races involved a sum equal to 40 percent of what Americans spent on yogurt. Given the government's increasing intrusiveness and capacity to do harm, it is arguable that we spend too little on the dissemination of political discourse.) But reformers eager to limit spending have a problem: mandatory spending limits are unconstitutional. The Supreme Court acknowledges that the First Amendment protects "the indispensable conditions for meaningful communication," which includes spending for the dissemination of speech. The reformers' impossible task is to gin up "incentives" powerful enough to coerce candidates into accepting limits that can be labeled "voluntary."

The Senate bill's original incentive was public financing, coupled with various punishments for privately financed candidates who choose not to sell their First Amendment rights for taxpayers' dollars and who exceed the government's stipulated ration of permissible spending/speech. Most taxpayers detest public financing. ("Food stamps for politicians," says Sen. Mitch McConnell, the Kentucky Republican who will lead the constitutional challenge if anything like this bill becomes law.) So the bill was changed—and made even more grossly unconstitutional. Now it limits public funding to candidates whose opponents spend/speak in excess of government limits. The funds for the subsidy are to come from taxing, at the top corporate rate, all contributions to the candidate who has chosen to exercise his free speech rights with private funding. So 35 percent of people's contributions to a privately funded candidate would be expropriated and given to his opponent. This is part of the punishment system designed to produce "voluntary" acceptance of spending limits.

But the Court says the government cannot require people "to pay a tax for the exercise of that which the First Amendment has made a high constitutional privilege." The Court says that the "power to tax the exercise of a right is the power to control or suppress the exercise of its enjoyment" and is "as potent as the power of censorship."

Sen. Fritz Hollings, the South Carolina Democrat, is a passionate advocate of spending limits but at least has the gumption to attack the First Amendment frontally. The

Senate bill amounts, he says candidly, to "coercing people to accept spending limits while pretending it is voluntary." Because "everyone knows what we are doing is unconstitutional," he proposes to make coercion constitutional. He would withdraw First Amendment protection from the most important speech—political discourse. And the Senate has adopted (52-43) his resolution urging Congress to send to the states this constitutional amendment: Congress and the states "shall have power to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary or other election" for federal, state or local office.

Hollings claims—you have to admire his brass—that carving this huge hole in the First Amendment would be "a big boost to free speech." But by "free" he means "fair," and by "fair" he means equal amounts of speech—the permissible amounts to be decided by incumbents in Congress and state legislatures. Note also the power to limit spending not only "by" but even "in support of, or in opposition to" candidates. The 52 senators who voted for this included many who three years ago stoutly (and rightly) opposed carving out even a small exception to First Amendment protections in order to ban flag-burning. But now these incumbents want to empower incumbents to hack away at the Bill of Rights in order to shrink the permissible amount of political discourse.

Government micromanagement: The Senate bill would ban or limit spending by political action committees. It would require privately funded candidates to say in their broadcast advertisements that "the candidate has not agreed to voluntary campaign limits." (This speech regulation is grossly unconstitutional because it favors a particular point of view, and because the Court has held that the First Amendment protects the freedom to choose "both what to say and what not to say.") All this government micromanagement of political speech is supposed to usher in the reign of "fairness" (as incumbents define it, of course).

Incumbents can live happily with spending limits. Incumbents will write the limits, perhaps not altogether altruistically. And spending is the way challengers can combat incumbents' advantages such as name recognition, access to media and franked mail. Besides, the most important and plentiful money spent for political purposes is dispensed entirely by incumbents. It is called the federal budget—$1.5 trillion this year and rising. Federal spending (along with myriad regulations and subsidizing activities such as projectionist measures) often is vote-buying.

It is instructive that when the Senate voted to empower government to ration political speech, and even endorse amending the First Amendment, there was no outcry from journalists. Most of them are liberals and so are disposed to like government regulation of (other people's) lives. Besides, journalists know that government rationing of political speech by candidates will enlarge the importance of journalists' unlimited speech.

The Senate bill's premise is that there is "too much" political speech and some is by undesirable elements (PACs), so government control is needed to make the nation's political speech healthier. Our governments can not balance their budgets or even suppress the gunfire in America's (potholed) streets. It would be seemly if politicians would get on with such basic tasks, rather than with the mischief of making mincemeat of the First Amendment.

Mr. McCONNELL. Finally, on Sunday, June 20, 1993, an article entitled "Campaign Finance Reform: No Friend of Democracy," appeared in the Chicago Tribune, by Stephen Chapman, which says in pertinent part with regard to the campaign reform bill that passed the Senate—Mr. Chapman says:

> In reality the measure is a conspiracy against freedom of speech that will stifle citizen involvement in elections, foster public ignorance and make incumbents about as vulnerable, to removal as the members of the house of Lords.
>
> It is also a complicated mess, which enables politicians to take credit for cleaning up campaigns without fear the average voter will have the faintest idea what has actually been done.

I ask unanimous consent that this article appearing in the Chicago Tribune on June 20, 1993, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, June 20, 1993]

CAMPAIGN FINANCE "REFORM": NO FRIEND OF DEMOCRACY

(By Stephen Chapman)

The United States Senate, in one of its periodic attempts to banish public cynicism about campaign financing without banishing any of the fortunate souls now installed in the United States Senate, has approved a bill that Majority Leader George Mitchell says will "reduce the role of money in federal election campaigns" and "make elections more competitive."

Voters can gauge the accuracy of these claims by considering the likelihood that senators—who have access to ample funds and won't gain from greater electoral competition—would welcome either development. In reality, the measure is a conspiracy against freedom of speech that will stifle citizen involvement in elections, foster public ignorance and make incumbents about as vulnerable to removal as the members of the House of Lords.

It is also a complicated mess, which enables politicians to take credit for cleaning up campaigns without fear the average voter will have the faintest idea what has actually been done.

The bill has three main components. It establishes "voluntary" spending limits in each Senate race (the House will set its own). It would punish violators by confiscating about a third of their campaign receipts and giving the funds to the opposing candidate, who would also get help with TV and mailing costs. And its bans donations from political action committees.

The problem with this, like most campaign reforms, is that by trying to reduce election spending, it rations debate about matters of great public concern. In political campaigns, money and speech are synonymous.

We have outgrown the new England meeting model: These days, you can't get your message to the voters without laying out large amounts of cash—on TV, radio, direct mail and travel. We don't limit the amount CNN spends reporting on political races or the amount the Chicago Tribune spends endorsing candidates. Why should we limit what candidates and other interested parties spend?

The usual excuse is that challengers can't hope to compete against the gigantic sums that can be raised by incumbents. "This bill will end the days when candidates could crush their opponents with unanswered spending," said President Clinton. But the problem is not that incumbents spend too much: After a certain point, the extra dollars don't yield significant return anyway. The problem is that challengers spend too little.

The remedy lies in making it easier for challengers to raise money. We could start by allowing larger contributions from individuals—the current $1,000 maximum dates back to 1974 and would have to be set at more than $2,800 just to keep up with inflation. We could also restore tax credits for small campaign donations. Spending restrictions, however, merely hinder public understanding of issue by reducing the information available to voters.

They are also bound to be overturned by the courts. The Supreme Court rejected compulsory spending limits in 1976, and though these allegedly voluntary, the penalties for candidates who don't volunteer make them coercive in effect. Politicians have a 1st Amendment right to do as much as they want to communicate their views and may not be punished for exercising that right.

Under this bill, those running for office get charged not only for what they spend but for any independent expenditures on their behalf. This leads to an absurd result: A group which likes Sen. Foghorn can run TV spots praising his challenger for striving to raise taxes—thus not only hurting the opponent but forcing her to subsidize Sen. Foghorn.

The ban on PAC giving runs up against the right of individuals to organize for collective goals. PACs are subject because they represent "special interests." But what's so awful about large groups of politically committed citizens using their resources to elect candidates who share their views? If I don't like the PACs assisting a candidate, I can always retaliate at the polls.

It hasn't escaped the notice of the Senate that spending limits also favor incumbents, who have plenty of free devices to publicize themselves. University of Virginia government professor Larry Sabato notes that the typical member of Congress spends hundreds of thousands of dollars each year in government funds for uses that confer political benefits—staff, travel, mailings, mobile offices and so on. Aside from giving up free mass mailings every election year, the senators didn't overexert themselves straining to eliminate that advantage.

There are changes available that would make campaigns more informative and more competitive. But anyone who expects that kind of reform to come from the people who have prospered under the status quo might hope to get milk from a bull.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. McCONNELL. I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

The Senate continued with the consideration of the bill.

AMENDMENT NO. 488

Mr. HATFIELD. Mr. President, returning to the Pressler amendment, there are two reasons why the committee cannot accept or support this amendment. One is, the additional spending is not offset. Second, it does constitute general legislation on an appropriations bill.

So for those two reasons, the subcommittee chairman, the Senator from Arkansas [Mr. BUMPERS], and the ranking member, Senator COCHRAN from Mississippi, have informed me that they could not accept it, and I cannot accept it as the ranking member of the full committee.

Mr. BYRD. Mr. President, I move to table the amendment.

Mr. PRESSLER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia [Mr. BYRD] to table the amendment of the Senator from South Dakota [Mr. PRESSLER].

The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Alabama [Mr. HEFLIN] is necessarily absent.

I also announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "aye."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 24, as follows:

[Rollcall Vote No. 161 Leg.]

YEAS—73

Akaka
Baucus
Bennett
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Byrd
Chafee
Coats
Cochran
Cohen
Coverdell
DeConcini
Dodd
Domenici
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Gregg
Hatfield
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mathews
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Murkowski
Nickles
Nunn
Packwood
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Simpson
Smith
Stevens
Wallop
Wofford

NAYS—24

Bond
Burns
Campbell
Conrad
Craig
D'Amato
Danforth
Daschle
Dole
Dorgan
Durenberger
Exon
Faircloth
Grassley
Harkin
Hatch
Kempthorne
Kerrey
Mack
Moynihan
Pressler
Thurmond
Warner
Wellstone

NOT VOTING—3

Heflin
Murray
Specter

So the motion to lay on the table the amendment (No. 488) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 489

(Purpose: To discharge States and local governments from providing general welfare assistance to able-bodied individuals unless such individuals are participating in workfare programs)

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO], for himself, Mr. BROWN, Mr. PRESSLER, Mr. MACK, Mr. DOMENICI, Mr. CRAIG, Mr. MURKOWSKI, and Mr. SMITH, proposes an amendment numbered 489.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 40, after line 21, insert the following new section:

SEC. 202. (a) Section 403 of the Social Security Act (42 U.S.C. 603) is amended by inserting after subsection (b) the following new subsection:

"(c)(1)(A) If the Secretary determines—

"(i) that a State is operating a general welfare assistance program described in paragraph (3) during a calendar quarter, or

"(ii) that more than 20 percent of the local governments within a State that provide general welfare assistance are operating programs described in paragraph (3) during a calendar quarter,

the Secretary shall reduce by 50 percent the amount that such State would otherwise receive under subsection (a) with respect to expenditures made by such State during such quarter for the administration of the aid to families with dependent children program under this part.

"(B) If a State receives a reduced payment in a calendar quarter as a result of a determination by the Secretary under subparagraph (A)(ii)—

"(i) such State shall reduce for such quarter the payments made to each State office administering the aid to families with dependent children program which is located within the jurisdiction of the local governments described in subparagraph (A)(ii) by an amount equal to 50 percent of the of Federal share of the administrative expenses of such office; and

"(ii) such State shall not, as a result of such reduced payment, reduce for such quarter the payments made to any State office administering the aid to families with dependent children program which is not located within the jurisdiction of the local governments described in subparagraph (A)(ii).

"(2) If the Secretary determines that any local government within a State that is not described in paragraph (1)(A) is operating a general welfare assistance program described in paragraph (3) during a calendar quarter, the State shall reduce for such quarter the payments made to any State office administering the aid to families with dependent children program which is located within the jurisdiction of such local government by an amount equal to 50 percent of the of Federal share of the administrative expenses of such office and such amount shall be paid by the State to the Secretary.

"(3) A general welfare assistance program described in this paragraph is a general welfare assistance program that—

"(A) provides benefits to able-bodied individuals (as determined by the Secretary) who have attained age 18 and who have no dependents (hereafter referred to in this subsection as 'able-bodied individuals');

"(B) does not have a workfare program that meets the participation rate requirements under paragraph (4); and

"(C) does not meet any other requirements set forth in regulations issued by the Secretary.

"(4)(A) The participation rate requirements under this paragraph are as follows:

"(i) In the case of a workfare program which is implemented after the date of the enactment of this subsection, the participation rate for such program shall be—

"(I) for the second year that the program is operated, 10 percent; and

"(II) for any succeeding year, the percentage for the preceding year plus 2 percent.

"(ii) In the case of a workfare program which is operating on the date of the enactment of this subsection, the participation rate for such program shall be—

"(I) for 1994—

"(aa) in the case of a program with a participation rate below 10 percent for 1993, 10 percent; and

"(bb) in the case of a program with a participation rate between 10 percent and 50 percent for 1993, the program's participation rate for 1993 plus 2 percent; and

"(II) for any succeeding year, the percentage for the preceding year plus 2 percent.

"(B) The participation rates required under clauses (i) and (ii) of subparagraph (A) shall not exceed 50 percent.

"(C) For purposes of this subsection, the term 'participation rate' means the percentage of the able-bodied individuals who receive general welfare assistance participating in a workfare program.

"(5) On or before the date which is 5 years after the date of the enactment of this subsection, the Secretary shall conduct a review of State and local participation rates and submit to Congress a report containing any of the Secretary's recommendations with respect to the participation rate requirements established under paragraph (4).".

(b)(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to calendar quarters beginning on or after July 1, 1994.

(2) In the case of a State which the Secretary determines requires State legislation (other than legislation authorizing or appropriating funds) in order to comply with the amendments made by subsection (a), the State shall not be regarded as failing to comply with such amendments solely on the basis of its failure to meet the requirements of such amendments before the first day of

the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Mr. D'AMATO. Mr. President, the amendment is a simple, straightforward one. I offer it on behalf of Senator BROWN, Senator PRESSLER, Senator MACK, Senator DOMENICI, Senator CRAIG, Senator MURKOWSKI, and Senator SMITH.

Mr. President, President Clinton said in his "Putting People First" that we need workfare not welfare. That means ending welfare as we know it.

Last year, this body passed similar legislation that I put forth, along with Senator BROWN, which said that those able-bodied recipients—I am not talking about people who have children—able-bodied recipients, adults, in order to be eligible to get what they call, in my State, home relief or general assistance, which is now provided for by 42 of the States, that they be required to take a job. If there is no job available in the private sector, that they then be required to report to a job in the public sector so that we do not have able-bodied recipients lolling around and, in some cases, never being required to undertake job training or programs and all too often working off the books in another position, because we have found in those counties that have undertaken these programs that it has made a substantial impact.

Unfortunately, without there being the carrot-and-stick approach, we find that too many States and too many jurisdictions within the States, too many counties and too many cities that are charged with the administration of these programs have not made a real effort to see to it that the local jurisdictions really require this kind of an effort.

We start off very modestly, make no mistake about it. We do not say that overnight you have to put 50 percent of those people receiving public assistance to work, but we give 1 year, and the threshold starts at 10 percent. We say that unless you receive at least 10 percent of those people who are receiving public assistance and are required to report for a job, be it in the private sector or public service, that that county would lose 10 percent of the dollars that it gets through the fund to administer AFDC, the administration funds.

We push States to make a real effort in jurisdictions. A State would be in compliance with 80 percent of those jurisdictions who were undertaking this program in having a compliance rate of at least 10 percent. They would be required to increase that ratio by 2 percent per annum until they had at least 50 percent of those able-bodied recipients receiving AFDC.

If we are going to break the poverty cycle, if we truly want to show people that there is another way, better than just simply being dependent upon the Government dole, if we want to see to it that those people who are receiving this assistance are truly entitled to it, then let us undertake this modest first step.

Why do I say those people who are truly entitled to it? Because I have spoken to a number of administrators at the local level and they have said to me, "Senator, the results have been dramatic, indeed, in terms of those people they have contacted for this program and in some cases as many as 1 out of 3 have dropped off the welfare rolls, have not taken a public service job, but because they had other employment off the books or because it was too much of an effort to come, they no longer require that assistance."

We save taxpayers money. More importantly, for those people who do not have a job or job opportunity, we show them what it is about. We give them that training. They are then encouraged to report for work and earn their way, and it is not something that is just given to them but rather they have a sense of accomplishment.

Mr. President, I think this is a modest first step. I think it is a step that is long overdue and necessary, and I urge my colleagues to make this modest first step and help the President keep his commitment: Workfare, not welfare. Let us break the cycle of dependency that we see and is so evidenced in so many areas.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Chair recognizes the Senator from Colorado.

Mr. BROWN. Mr. President, I rise in strong support of the D'Amato amendment. It seems to me our goal with regard to welfare programs ought to be first and foremost to assist and help the people who find themselves in that tragic position in life. Our effort ought to be to design programs that not only meet their temporary needs but also focus on trying to help them out of poverty.

What this country has found, frankly, is that while we have over 100 assistance programs and 54 programs based on need that sometimes are referred to as welfare programs, that in spite of all those programs, sometimes we have made things worse instead of better. Yes, we have met temporary needs, at least often we have, but we have not met the more important and more fundamental need that many of these less fortunate people have; and that is to find a way out of poverty.

In short, Mr. President, many of the programs we have adopted have served simply to trap people in poverty, to develop generation after generation after generation dependent on public assistance instead of providing them that which is most important: Hope and opportunity and a way out. This amendment takes a significant step toward providing the way out.

In the 1988 welfare reform bill, we made a number of basic changes, and the promise of that bill was to move to a program that provides education and training and work for recipients, not simply an endless cycle of poverty. It provides help along the way with transition benefits; that is, when a welfare recipient gets a job, they do not lose Medicaid right away. They have a year's transition so that when they get a job, they can continue to receive health care for their children for the 6 months or so that it takes the new employer to provide that health care benefit. They can continue to receive child care. So we have in place transition benefits for those who are on welfare and choose to get a job. But what we do not have, Mr. President, is a program at the local level that helps people find those jobs, helps them find the way out of poverty.

It is a tragic, tragic circumstance because ironically the programs we have provided have done everything but the most important thing, and that is to truly help those individuals.

This amendment is straightforward and simple. It does not cost the taxpayers money. My guess is, in the long run, it will provide dramatic savings. But the D'Amato amendment does something more important than any of the 54 assistance programs we have on the books.

What it does is provide an incentive and a requirement for the States to make work part of their programs. It sets a starting minimum of 10 percent that have to be involved in these work programs. It is a modest, easily attained goal, but it is one where there is need for incentive. Without a requirement by the Federal Government, without a standard, without an expectation, without an incentive, which this amendment provides, we are not going to have the action of many States to so fundamentally help someone. How can we pretend that we are helping the less fortunate in this Nation when we condemn them to a lifetime of staying on public assistance and staying on the public dole.

Should not our goal be to truly help them, to give them a chance to get out in the world, to break the cycle of poverty? That is what the D'Amato amendment does. If we do nothing else in this supplemental appropriations bill, I hope we will give some thought to what it really takes to help people find their way out, find a better life.

If there is one secret of America, if there is one magical event that has taken place in this Nation, it is that Americans are harder working, more productive and creative than any people on the face of the Earth. We still have the highest worker productivity of any nation in the world. The D'Amato amendment speaks to the American dream because it makes work and a way out of poverty part of the assistance programs.

I urge adoption of the D'Amato amendment, Mr. President.

The PRESIDING OFFICER. Who seeks recognition?

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York, Mr. D'AMATO.

Mr. D'AMATO. Mr. President, I thank my colleague, Senator BROWN, for not only his support but being so cogent in putting forth reasons for us to move forward and to not penalize people but to show them a better way. That is what this legislation is intended to do.

It is also intended, I must say, to push those who should not be receiving benefits, who are scamming the system and hard-working people because taxpayers have to come forth with the dollars. And indeed, at the local level many of the States require contributions as high as 50 percent from local governments. It is that inducement which I believe in many cases will bring about getting people who want to work, give them an opportunity to do that and earn their way out of the system. And second, it will have a very beneficial impact in dealing with those who are abusing the system.

So for all of these reasons, I hope that we would pass this legislation. I think it is appropriate and long overdue.

The PRESIDING OFFICER. Is there further debate on the amendment? The Senator from New York.

Mr. D'AMATO. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, there are Senators who are on the Finance Committee who are coming to the floor, I think, to speak on this amendment. It is an amendment that properly comes within the jurisdiction of the Finance Committee. I would support it if it were not being offered to an appropriations bill.

While Senators on the Finance Committee are coming to the floor, I wonder if the Senator would have any objection to our setting this amendment aside so that the ranking manager and I could handle two or three other amendments, to which there is no objection.

Mr. D'AMATO. I have no objection.

Mr. BYRD. I thank the distinguished Senator.

Mr. D'AMATO. Mr. President, I am wondering if I might ask the distinguished managers if we could ask for the yeas and nays and then set that aside, without objection.

Mr. BYRD. Yes.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from New York is set aside.

AMENDMENT NOS. 490–492

Mr. BYRD. Mr. President, the amendments which I shall send to the desk are all on the list of amendments agreed to last Thursday and they are cleared on both sides of the aisle.

The first two amendments provide an additional $10 million for the senior jobs program under the Older Americans Act. The amendments are fully offset by reductions in other parts of the bill.

The other amendment offered on behalf of Senators HARKIN, FEINSTEIN, and others will allow the States to use fiscal year 1992 surplus funds to pay for refugee assistance claims in fiscal year 1993.

I send the amendments en bloc to the desk and ask unanimous consent that they be considered en bloc.

Mr. HATFIELD. Will the Senator yield.

Mr. BYRD. Yes.

Mr. HATFIELD. I wonder if the Senator would incorporate in his en bloc amendments one on behalf of Senator CRAIG that I am offering related to sugar beets which has also been cleared on both sides.

Mr. BYRD. Absolutely.

Mr. President, I include the amendment to which Mr. HATFIELD has referred in the amendments which I ask unanimous consent be considered en bloc.

The PRESIDING OFFICER. Hearing no objection to the unanimous consent request by the Senator from West Virginia, that will be the order.

AMENDMENT NO. 490

Mr. HARKIN. Mr. President, because of increases in the minimum wage and program cuts, the senior jobs program will lose 853 positions in fiscal year 1993. These job losses come at a time of high unemployment, when many older workers are finding themselves too young for retirement and at a disadvantage when trying to find new employment.

The senior jobs program provides jobs to older Americans most in need. About four-fifths of program participants are in poverty and about one-fifth of those in the program are placed in private sector jobs each year.

This amendment provides an additional $10 million for the community service employment program, for an additional 2,310 new enrollees. The amendment does have an offset and therefore is cost neutral.

This is a good program, with a proven track record. I urge its adoption.

Mr. GRASSLEY. Mr. President, I rise to support this amendment and thank the chairman of the subcommittee, Senator HARKIN, and the chairman of the committee, Senator BYRD, for providing $10 million for the Senior Community Services Employment Program of the Older Americans Act.

The Senior Community Services Program of the Older Americans Act provides community service jobs for low-income workers who are at least 55 years old. The program is administered by the States and eight national contractors—the Forest Service plus seven older Americans organizations. The program moneys supported 65,206 positions in fiscal year 1992. Some 97,809 individuals participated as enrollees in the program in that year.

Without this supplemental appropriation, this program would experience a shortfall in fiscal year 1993. the program was level funded in the fiscal year 1993 regular appropriations bill because it had not been reauthorized at the time the appropriations bill was completed.

If no supplemental is approved for fiscal year 1993, the number of authorized positions will be reduced by 853, and the number of total individual participants will drop by approximately 1,200. In other words, Mr. Chairman, low-income older workers are going to be without the employment cushion provided by the Title V Program.

Mr. President, this supplemental appropriation for the program is going to prevent this decline in the employment opportunities provided by this program. At a time when poverty has been increasing for persons 55 or older, this increase for the Older Americans Act Title V Program will make a small, but important, contribution to the employment of low-income older workers.

I wish to thank Senators HARKIN and BYRD once again for their responsiveness to the needs of this program and the older workers it helps.

FUNDING FOR TITLE V OF THE OLDER AMERICANS ACT

Mr. PRYOR. Mr. President, I would like to add my name as a cosponsor of the amendment of Senator GRASSLEY and Senator HARKIN providing additional funds for the Community Service Employment Program of the Older Americans Act. I am a strong supporter of this program, which subsidizes part-time community service jobs for unemployed persons with low incomes who are 55 years of age or older. The program, which is administered by the Department of Labor, awards funds to national organizations and to State agencies for its operations.

Without this amendment, Mr. President, about 1,200 older Americans would be forced out of working under the program. This Congress should move in just the opposite direction, toward providing employment opportunities for older persons who choose to work. This amendment is needed to prevent a serious decline in the employment of older, low-income workers.

The poverty rate for older Americans is continuing to rise, and unemployment continues to remain high for people 55 years of age or older. I urge my colleagues to support this amendment so that participants can continue to contribute to their communities in fields such as delivering health care, improving education for our children, and working on behalf of their peers in senior centers.

AMENDMENT NO. 491

Mr. HARKIN. Mr. President, amendment No. 491 permits States to use surplus fiscal 1992 refugee cash and medical assistance funds to pay fiscal 1993 claims. CBO has looked at the amendment, and has determined that it has no impact on budget authority or outlays.

The amendment merely allows States to use unspent balances from previous years to cover a $15 million shortfall in fiscal 1993, as requested by the administration.

The House deferred consideration of this matter, and we were only able to provide $3,700,000 in the committee-reported version of the bill, due to our tight allocation ceiling.

The amendment is needed to prevent a drastic cutback in services from taking place August 1, 1993. On that date, refugee cash and medical assistance would be cut from 8 months down to 3 months. Refugees who arrive this summer may be without food, shelter, or medical care if this reduction takes place.

The regular fiscal 1993 refugee appropriation was cut by $29,149,000 in anticipation of moving to a cost-saving, consolidated program design, however, court action has now indefinitely blocked consolidation.

Over the past 8 years, refugee assistance has dropped from over $6,600 per refugee to less than $3,000 this year. This funding helps refugees become self-sufficient taxpayers, and avoids costly welfare payments.

This amendment is a good compromise, resolving the refugee budget shortfall, without having to appropriate more money.

Mr. President, I urge adoption of the amendment.

Mrs. FEINSTEIN. Mr. President, I support Senator HARKIN's amendment providing $15 million in additional funds for the Refugee Cash and Medical Assistance Program, funds which will allow States with large refugee populations to avoid harsh, last-minute reductions in important services.

Whether they come from Central America, Asia, Africa, or Eastern Europe, refugees coming to this country need cash and medical assistance services in order to become self-sufficient citizens in the future.

California especially need these funds, because as many as 30 percent of all refugees initially settle in California. Without supplemental funds, California and other States such as New York and Florida would have to cut the length of time they provide services, leaving refugees who arrive this summer without much-needed services.

Ten years ago, Federal funding provided services to refugees for up to 36 months. Currently, services are available for only 8 months. Without these funds, California would have to limit services to refugees to just 3 months. After that, refugees would have to go without food, shelter, and medical care they should receive. At this level, it would be difficult to maintain an effective program.

In the long run, funding for refugee services saves public money. Without such services to help individuals assimilate in the United States, refugees struggle to become self-sufficient and are more likely to need longer term public assistance.

This funding for the Refugee Resettlement Program does not represent surplus money for the refugee program; rather, it will make up some of the shortfall in the fiscal year 1993 budget that the Department of Health and Human Services has requested because of the increase in refugees entering the country.

At the same time, this funding does not require offsets from other equally important programs. Instead, the amendment simply frees up $15 million in unspent fiscal year 1992 funds.

Finally, it seems obvious that the Federal Government should take responsibility for its own policies. Refugee assistance funds allow States to meet Federal mandates for the provision of assistance to dependent refugees. The need for refugee assistance is created by Federal policymaking, and States such as California should not be forced to bear the financial burden of policymaking over which they have no control.

The PRESIDING OFFICER. If there is no objection, the amendments are agreed to.

The amendments (Nos. 490, 491, and 492), agreed to en bloc, are as follows:

AMENDMENT NO. 490

On page 17, after line 22, insert the following:

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

For an additional amount for "Community service employment for older Americans", $10,000,000, of which $7,800,000 is for national grants or contracts with public agencies and public or private nonprofit organizations under section 506(a)(1)(A) of the Older Americans Act of 1965 as amended; and of which $2,200,000 is for grants to States under section 506(a)(3) of said Act.

On page 19, strike lines 1 through 7.

On page 19, line 13, strike "$360,000,000" and insert in lieu thereof "$353,700,000".

AMENDMENT NO. 491

On page 19, insert the following after line 22:

GENERAL PROVISION

SEC. 501. Funds appropriated pursuant to section 414(a) of the Immigration and Nationality Act under Public Law 102-170 for fiscal year 1992 shall be available for the costs of assistance provided and other activities conducted in such year and in fiscal year 1993.

AMENDMENT NO. 492

At the appropriate place, insert:

( ) CURLY TOP VIRUS CONDITION IN SUGAR BEETS.—The matter under the heading "CROP LOSSES" under the heading "COMMODITY CREDIT CORPORATION FUND" under the heading "COMMODITY CREDIT CORPORATION" under the heading "DEPARTMENT OF AGRICULTURE" of chapter I of title XI of Public Law 102-368 (106 Stat. 1134) is amended by inserting before the period at the end the following: ": *Provided further*, That a curly top virus condition in sugar beets resulting from damaging weather or related condition that adversely affects the beets shall be considered an eligible disaster condition for purposes of assistance provided under this paragraph".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. HATFIELD. I move to lay that on the table, Mr. President.

The motion to lay on the table was agreed to.

MODIFICATION TO AMENDMENT NO. 475

Mr. BYRD. Mr. President, at the request of the chairman of the Committee on Banking, I ask unanimous consent that the portion of the Byrd amendment No. 475 previously agreed to under the heading Community Development Grants be modified with the modification that I now send to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. HATFIELD. Mr. President, that has been cleared on this side.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the modification was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The modification to amendment No. 475 is as follows:

Strike the matter inserted by said amendment under the heading "Community development grants", and insert in lieu thereof the following:

"Of the $4,000,000,000 appropriated under this head in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, $37,500,000 shall be available for authorized community development activities for use only in areas impacted by Hurricane Andrew, Hurricane Iniki or Typhoon Omar: *Provided*, That notwithstanding any provision of law the foregoing $37,500,000 shall be derived from certain set-asides established for fiscal year 1993 under section 107 of the Housing and Community Development Act of 1974, and from unobligated balances carried forward from prior year Appropriation Acts under section 107, including $6,000,000 for section 107(a)(1)(C), $9,000,000 for section 107(a)(1)(F), and $15,000,000 for section 107(a)(1)(H): *Provided further*, That an additional $7,500,000 shall be available also for use in areas impacted by the above named disasters to be derived from amounts made available under this head in fiscal year 1993 in accordance with section 119(o) of such Act: *Provided further*, That the Secretary may waive entirely, or in any part, any requirement set forth in title I of such Act, except a requirement relating to fair housing and nondiscrimination, the environment, and labor standards, if the Secretary finds that such waiver will further the purposes of the use of the amounts made available to the impacted areas."

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 493

Mr. D'AMATO. Mr. President, I have another amendment. Since my amendment has been laid aside, dealing with education, if the managers of the bill have disposed of it, I would be happy to submit this amendment.

Mr. President, before I submit this amendment, let me comment on it. I am going to show some charts which will graphically demonstrate what is taking place with billions of dollars that we are supposedly making available to educate our children. Unfortunately, in some cases as much as 20 percent of the dollars are being utilized for administrative costs.

Let me say that in some cases these are moneys that are most desperately needed.

Let me point out this chart. We have increases in school enrollment in personnel from 1955 to 1990. We have had a 32-percent increase in enrollment in students, 108 percent in teachers, 195 percent in administrative and staff, and a 411 percent in others, nonteaching personnel.

So while people say we need more money from the Federal Government, it does not make much sense to this Senator that we provide those dollars, and we find that the dollars are not getting into the classrooms, are not getting into the areas to help the teachers.

In one of those programs, title I funds, which are those areas that are the most desperate, fully 20 percent of the money goes to administration. So when people say what are you doing, how about giving us more money, I want to provide additional funds, but I want to see that it gets to where it is supposed to go.

Let me tell you in New York City where the educational dollars go. New York City Board of Education, spending per student: They get $6,100 for high school students in New York. That is what gets down to the New York City Board of Education. But after they get it, only $3,100 or 51 percent goes to the local high schools. Then when they take that money from the high school division and allocate it out into the communities, it is reduced to 49 percent. Everybody gets its cut—the biggest cut coming from the central board. Imagine, they take fully half of the money and send it out to the high school division; the high school division takes its cut, sends its allocation to the schools; they get 49 percent. When it gets to actual classroom services, they get 32 percent.

So while we provide over $6,000 per high school student, when we take the administration and the cost of administering it, et cetera, $1,900 gets there, less than one-third of the dollars that we provide.

That is a pretty shocking example. Indeed, we have reason to believe that out of the $6 billion plus that we make available for title I funds—those are the areas in which the students are most in need—those are where those come from, impoverished areas. We build in a criteria that says that only 1 percent of the Federal dollars can be used by the State for administration. Yet, the national average of 20 percent is being used by local districts for administrative costs. That means that instead of children getting the classroom teachers, instead of that money reaching those youngsters, they are being deprived.

What does this amendment do? The amendment that I am offering says that we are going to cut that down to 10 percent. That still leaves a lot of money for administration. Out of $6 billion, that means that you can use $600 million. I think that is too much. But the fact of the matter is there will be some who will say, no, you cannot cut all of the administrative dollars. But certainly 10 percent should be sufficient if the State only has a 1 percent cap. Why should the local districts, whether it is the city of New York or any other city, put millions of dollars into administration and lose that money that should be going to educate youngsters?

That is the intent of this amendment.

Mr. President, I ask unanimous consent that the amendment that is at the desk be set aside for the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO] proposes an amendment numbered 493.

Mr. D'AMATO. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 40, between lines 21 and 22, insert the following:

SEC. 202. LIMITATION ON USE OF CHAPTER 1 FUNDS BY LOCAL EDUCATIONAL AGENCIES.

(a) AMENDMENT.—Subpart 6 of part F of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2901 et seq.) is amended by adding at the end the following new section:

"SEC. 1492. LIMITATION ON LOCAL ADMINISTRATIVE EXPENSES.

"(a) LIMITATION.—Notwithstanding any other provision of law, not more than 10 percent of the funds made available under this chapter to a local educational agency shall be used for administrative expenses.

"(b) DEFINITION.—For the purpose of this section the term 'administrative expenses' means any expenditure of funds under this chapter that is not used to pay the salary of instructional personnel (personnel involved in the direct teaching of pupils) or to pay the cost of instructional material.".

(b) EFFECTIVE DATE.—Section 1492 of the Elementary and Secondary Education Act of 1965 shall be effective in fiscal year 1994 and each succeeding fiscal year.

Mr. D'AMATO. Mr. President, I rise today to offer an amendment which I believe will improve our children's education by ensuring that a greater share of the Federal education dollars are used to teach our children in the classroom instead of supporting a growing educational bureaucracy. The amendment would do this by placing a limit of 10 percent on the amount of Federal Chapter 1 funds received by local school districts that could be used for administrative activities.

There is currently no such limit on administrative expenses by local districts even though we have already capped the share of Chapter 1 funds that the States can use for administration at 1 percent.

This amendment would not cut a penny from the Chapter 1 Program. What it would do is place a priority on getting these desperately needed funds to the children and not the bureaucrats.

The need for this amendment arises out of the staggering growth of school bureaucracies over the past several decades. Between 1955 and 1990, while total student enrollment grew by 32 percent, the number of educational personnel who are not teachers, principals, or supervisors grew by over 400 percent as illustrated by the chart which we initially showed.

Here we have a 32-percent increase in students, at the same time that we have a 400-percent increase in nonteaching personnel.

The massive growth in the educational bureaucracy has done virtually nothing to improve the quality of education in our country. In fact, between 1963 and 1980, the average SAT scores fell by 9 percent, from 978 to 890.

If anything, expanding school bureaucracies have fueled the decline in academic achievement by stifling innovation and change and siphoning dollars away from the real in-classroom educational programs.

Perhaps the most stunning example of the school bureaucracy run amok is the New York City school system, where the bureaucracy consumes over two out of every three education dollars. Just look at where the money goes.

According to a recent study which tracked the flow of dollars to New York City high schools, the city spent $6,107 per high school student in 1988–89. Half of that amount, $2,969, was consumed by the city's central bureaucracy—half of it loped off right there. That is called the board of education.

The remaining $3,138 went to the city's high school division which then spent $133 per student, passing the remaining $3,005 on to the schools. Of that $3,000 that actually reached the schools, more than a third, or $1,033 per student, went for nonclassroom items.

This left only $1,972 for classroom expenses, less than one-third of the original $6,107.

And New York City is not alone. A recent study of spending in the Milwaukee Public Elementary Schools found that only one-quarter of every education dollar went to actual classroom instruction.

The study, entitled "Fiscal Accountability in Milwaukee's Public Schools," found that while the Milwaukee Public Schools spent only $0.21 per elementary pupil per year on science supplies and books, they spent $943 per pupil for administration.

This may explain why one elementary school teacher had to wait 5 years to get a U.S. and world map in his classroom, while the school system spent $160,000 for out-of-town travel for central office administrators and $867,000 for consultants.

Mr. President, I submit that to have an educational system that allows its bureaucracy to devour two-thirds to three-quarters of every education dollar is nothing short of scandalous.

Congress has already taken a first step to curb growing State education bureaucracies by limiting to 1 percent the amount of funds that States can use for administrative expenses under the Chapter 1 program, the largest Federal elementary and secondary education program.

Congress included this limit in the 1988 Hawkins-Stafford Elementary and Secondary Improvement Amendments. However, no such limit was enacted with respect to the amount of funds that local educational agencies can use for administrative expenses.

Consequently, according to an interim report on the implementation of the Chapter 1 program prepared for the U.S. Department of Education, as much as 20 percent of all Chapter 1 funds to local educational agencies is used to pay for salaries of noninstructional personnel and miscellaneous administrative expenses.

This means that we can conservatively estimate that last year, almost $1.2 billion in Federal Chapter 1 funds that could have been used for direct in-classroom educational programs were used for noninstructional activities. That is a lot of money, even by Washington standards—$1.2 billion. That is a lot of money for kids in impoverished areas who are not getting the classroom materials and the supplies and the teachers necessary to do the job.

Mr. President, a recent GAO study paints an even worse picture. Optimistically entitled "Compensatory Education: Most Chapter 1 Funds in Eight Districts Used for Classroom Services," this report actually found that 27 percent of the funds received by the eight districts studied went to pay for noninstructional personnel and administrative expenses.

Can you imagine that? In the poorest of the poor districts, 27 percent of the money went for noninstructional purposes.

Why do we allocate billions of dollars for a specific program to teach these youngsters, to give them an opportunity, and then allow billions to be wasted?

The bill that we introduce today would ensure that more Federal Chapter 1 funds go to teaching children by limiting the share of such funds used by local educational agencies for administrative expenses—defined as expenses other than salaries of instructional personnel and costs of instructional materials—to 10 percent.

I suggest that 10 percent of that $6 billion is still an awful lot of money. I suggest if we want to really hire teachers and get instructional materials for these kids, that is what the money should be going for.

Ten percent is tremendous leeway. Why would we hold the States down to 1 percent, and have no cap on the local districts? So I think 10 percent certainly gives the leeway, the flexibility necessary.

This amendment would, in effect, cut in half what local districts are currently spending on administrative expenses, and thus would free an additional $600 million to be used to provide needed educational services to children under the chapter 1 program.

That is a lot of money, even down in Washington. Imagine; we can see to it there is $600 million made available to the classrooms for teaching these kids.

This is not complicated, nor should it be controversial as an amendment. It simply says we should require more chapter 1 dollars to be used to teach our children, instead of using them to support the fringes and the frills of a growing educational bureaucracy.

I believe it is time to free our schools and our schoolchildren from the tyranny of an overgrown bureaucracy. This amendment would help us do just that. I urge its passage.

Mr. President, let me suggest the one thing I have learned in my dozen years here, and in my 20 years prior to that in local government, is that we are losing touch with reality. Government has become the end-all and be-all for too many.

Schools are for educating youngsters. Hospitals are for taking care of sick people. They are not institutions that should be employment centers. We should begin to teach children and give them an opportunity, as opposed to taking these desperately needed funds and using them for a host of other activities that they were not intended for. Congress provides these funds to see to it that we get real educational opportunity into the districts that in many cases desperately need these funds. And we are not seeing to it that they are used that way.

So as hospitals should be for sick people, schools should be for the education for our youngsters; they should not be employment centers. That is what this bill is intended to do. Let us get rid of bureaucracy. Let us give Government back to the people. This is a way of saving money. This is a way of seeing to it money is properly allocated and properly used.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second at this time.

Mr. D'AMATO. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask unanimous consent that we might set aside the pending amendment of the distinguished Senator from New York.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be set aside.

AMENDMENT NO. 494

Mr. CHAFEE. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself and Mr. PELL, proposes an amendment numbered 494.

On page 40, after line 16 insert:

Using funds heretofore appropriated in Public Law 102-377, the Chief of Engineers, United States Corps of Engineers, is directed to use $750,000 to undertake work on the Cliff Walk, Rhode Island, Project as provided in the conference report accompanying H.R. 5373 (P.L. 102-377).

Mr. CHAFEE. Mr. President, this amendment really is self-explanatory. That is why I had it read, which I know is somewhat of a departure from the normal process around here.

It takes funds that have been previously appropriated and says, in accordance with the language that was in the conference report last year dealing with the Corps of Engineers, these funds—$750,000—will be used to contribute toward the repair of the cliff walk in the city of Newport, RI. These funds would be matched 100 percent by funds from the local entity. In this instance, it would be the State of Rhode Island. The State of Rhode Island is ready to go. They have the funds. They are very anxious to get this season of construction under their belt.

Mr. President, I appreciate the fact that the distinguished floor managers of the underlying bill are prepared to accept this amendment. I thank them for it.

I want to say this is of some urgency. It is tragic to report that, because of the deteriorating condition of the cliff walk, which is used by many, many tourists, unfortunately, a woman died from a fall because of the unsatisfactory condition of the walk early this year. So this will help take care of those badly needed repairs and continue the construction of this historic walk.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, this is the kind of work that could have been done under the stimulus program, which the distinguished Senator, unfortunately, opposed. But it is the kind of work that I support. It is the kind of work I supported then and I am prepared to support it now.

I urge the Senate to agree to the amendment.

Mr. CHAFEE. Mr. President, I appreciate the position of the distinguished floor manager of the bill. As has been said before, to err is human, to forgive is divine.

Mr. BYRD. Is the Senator saying that I may be erring in urging the Senate to accept this amendment?

Mr. CHAFEE. No. I just mention that phrase, which we have heard so often. And if it seems applicable in any way, I think the more we look toward the forgiveness side of the distinguished senior Senator from West Virginia.

Mr. BYRD. I am very forgiving. That is why I am supporting this amendment.

The PRESIDING OFFICER. Is there further debate?

Hearing none, the question is on agreeing to the amendment of the Senator from Rhode Island [Mr. CHAFEE].

The amendment (No. 494) was agreed to.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New York [Mr. D'AMATO].

Mr. D'AMATO. Mr. President, I would like to at this time renew my request for the yeas and nays on the amendment that has been laid aside—the amendment presently pending that has been set aside temporarily.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

The Senator from West Virginia [Mr. BYRD].

EN BLOC AMENDMENTS NO. 495 AND 496

(Purpose: To extend the authority of the Secretary of the Interior to acquire lands in the extension to the Petroglyph National Monument in Albuquerque, NM)

(Purpose: To provide sufficient resources to the Public Health Service agencies and the Indian Health Service to address health needs associated with the acute respiratory illness affecting the Four Corners Area)

Mr. BYRD. Mr. President, Mr. HATFIELD, the distinguished Senator from Oregon, and I offer two amendments: One amendment on behalf of Senators DOMENICI, MCCAIN, BINGAMAN, DECONCINI, CAMPBELL, and INOUYE; and the other on behalf of Mr. DOMENICI.

We offer these amendments and ask unanimous consent they be considered en bloc.

Mr. President, I send these amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The Clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. DOMENICI, proposes an amendment numbered 495. And the Senator from West Virginia [Mr. BYRD], for Mr. DOMENICI, for himself, Mr. MCCAIN, Mr. BINGAMAN, Mr. DECONCINI, Mr. CAMPBELL, and Mr. INOUYE, proposes an amendment numbered 496.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The en bloc amendments are as follows:

AMENDMENT NO. 495

At the appropriate place in the bill, insert the following:

SEC. EXTENSION OF ACQUISITION AUTHORITY FOR THE PETROGLYPH NATIONAL MONUMENT

Section 104(b)(2) of Public Law 101-313 is amended by striking "three" and inserting "four" in lieu thereof.

AMENDMENT NO. 496

On page 18, following line 8, add the following:

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

PUBLIC HEALTH EMERGENCY FUND

For carrying out section 319(a) of the Public Health Service Act with respect to the current public health emergency and any future emergencies created by the recent outbreak of acute illness which has resulted in respiratory failure among populations residing in the Four Corners area, where Arizona, Colorado, New Mexico, and Utah meet, $6,000,000, *Provided*, That these amounts shall be available for any activity authorized under the Public Health Service Act and the Act of August 5, 1954 (68 Stat. 674) to respond to the recent outbreak and any future outbreaks of this acute illness: *Provided further*, That activities shall include, but not be limited to epidemic investigations and studies, local, State, and national surveillance; identification and characterization of the causative agent; development of recommendation for clinical management of ill persons; development and application diagnostic tests; evaluation of the rodent reservoir; development of control and prevention strategies; public and professional education; and direct and contract activities of the Indian Health Service including costs incurred by the Navajo Nation.

Mr. DOMENICI. Mr. President, I would appreciate it if the distinguished chairman of the Appropriations Committee would enter into a colloquy with me so I can be certain he fully understands my intentions in offering this amendment.

Mr. BYRD. I would be pleased to enter into a colloquy, and I appreciate the Senator's explanation.

Mr. DOMENICI. I thank the Senator. The purpose of my amendment is to cleanly resolve a situation involving the Petroglyph National Monument in Albuquerque, NM. Under the authorizing statute for the monument, the National Park Service may acquire up to 95 acres of land immediately adjacent to the park that are not within the park's current boundaries. This authority lapses on June 27, 1993.

In a June 8 letter to the Interior Appropriations Subcommittee, which the distinguished Senator from West Virginia chairs, the Department of the Interior informed the committee of its intent to proceed with a declaration of taking with a complaint in condemnation of 16 tracts of land at the monument. Is the chairman familiar with the Department's letter?

Mr. BYRD. I am.

Mr. DOMENICI. Now, it is not my intent to oppose the right of Interior and NPS to proceed with condemnation on these lands. I realize that this may be unavoidable. However, I am concerned that in the rush to meet the June 27 deadline, Interior may not be allowing itself adequate time for the resolution of several pending issues involving landowners in the area, which could affect the success of the acquisition.

My intent in offering this amendment is to grant NPS an extension to allow all the involved parties time to resolve these outstanding issues, rather than proceeding with the taking of property. My amendment would extend NPS' acquisition authority by 1 year.

Mr. BYRD. If his amendment is accepted, is it the Senator's intent that his language overtake the declaration of taking referred to in the Department's June 8 letter?

Mr. DOMENICI. That is my intent. I would prefer we grant NPS and the landowners time to resolve these issues, without rushing into a declaration of taking. I want to make it clear it is not my intention to drag this out for an undetermined amount of time. NPS has informed me 1 year will most likely be sufficient to settle these matters. I also want to stress to Interior and NPS my desire that they settle these issues and acquire the land as quickly as possible because, frankly, I do not want us, the landowners, or NPS facing a similar situation a year from now.

I also recognize that NPS may have no other options than to request a declaration of taking. At that time, they may request authority from the Congress. While I clearly hope this is not the case, I will leave them that option.

Mr. BYRD. I appreciate the clarification.

Mr. DOMENICI. I would also like the chairman to know that I respect the fact that offering an amendment of this type on an appropriations bill is unusual. I ordinarily would not make such a request. I would have preferred adding this language to a New Mexico public lands bill, but in this case, we are under a deadline, and time is of the essence. I know of the chairman's concern regarding this procedure, but I feel this is the best way to avoid aggravating an already volatile situation.

Mr. BYRD. I appreciate the Senator's understanding and respect for the process. With the caveats outlined by the Senator from New Mexico, I am willing to accept the amendment.

Mr. DOMENICI. I thank the chairman for his understanding and leadership on this issue.

Mr. BINGAMAN. Mr. President, I rise today in support of the amendment offered by my distinguished colleague from New Mexico, Senator DOMENICI. This modest but important amendment would provide an additional $6 million in one-time funding to help the Public Health Service, the Navajo Nation, and the State of New Mexico in their ongoing effort to find solutions to a recent outbreak of serious illness in the Four Corners region of New Mexico, Arizona, Colorado, and Utah.

Our amendment is supported by a bipartisan group of our colleagues in the Congress, and the administration has assured me they will work with us on this issue. I am pleased that we have been able to unite our individual efforts in the Congress, within the administration, and at the local level to work toward making this funding available as swiftly and smoothly as possible.

The need for this additional funding—which is a one-time approriation—has been well documented through a series of congressional briefings by the administration and through the national news media's extensive coverage of this issue. Over the past several weeks, a great number of news reports and articles have appeared about the illness and the tremendous public health effort to find answers as to cause, treatment and methods for prevention.

The intensive investigation underway, led by the Centers for Disease Control and Prevention, is very impressive and already has made tremendous progress. This level of progress has been possible because all the key experts and entitles are united and working together to find definitive answers to the illness. Early on in New Mexico, the Navajo Nation, the Indian Health Service, the New Mexico Department of Health, the University of New Mexico Hospital, and the CDC began coordinating their efforts and their considerable scientific and medical skill for the benefit of all.

Their investigation recently has yielded strong preliminary evidence as to the causes of the illness and methods for treatment and prevention. According to CDC and New Mexico officials, laboratory evidence indicates that the illness is caused by an unusual virus known as hantaviris, which is carried by rodents such as the deer mouse. Researchers suspect, but have not yet definitively confirmed, that this is probably a new virus or a variant of a known virus. They believe humans become infected with the virus by inhaling particles of mouse droppings and urine. More tests and studies are necessary before final determinations can be made regarding these critical issues, but a dedicated and extremely capable team is working around the clock on them.

Working together, the CDC, the State of New Mexico, and the Navajo Nation have developed a series of recommendations for reducing exposure to the virus. This information is being widely disseminated and explained to residents throughout the region. The team has developed criteria for diagnosis and has published comprehensive recommendations for treatment. Both the criteria and treatment recommendations are regularly updated, as the investigation yields new information.

Mr. President, it is our duty to help protect the public health and ensure that this important work continue. We need to do what we can to relieve the additional illness-caused stress on already overburdened health care delivery system, particularly among Indian Health Service facilities and providers. We need to help ensure that the CDC has the personnel and resources it needs to conclusively determine the cause or causes of the illness. The CDC's unique ability to investigate reports of problems like this and identify the associated risk factors must not be comprised.

I believe all available resources need to be devoted to finding solutions to this problem and to providing all Americans with the peace of mind they need to feel secure in their homes and environment. This amendment will provide a measure of that security, and I urge its immediate passage.

Mr. MCCAIN. Mr. President, I rise to join my colleague, Senator DOMENICI, in offering this emergency amendment providing $8 million to cover current costs and projected expenditures for the mystery illness that has occurred in the Southwestern United States over the last month.

As many of my colleagues are aware, beginning in May of this year, several persons suffered from cases of acute illness characterized by fever, myalgias, headache, and cough, followed by rapid development of respiratory failure. Unfortunately, 16 people have succumbed to this mysterious ailment. Nine of these individuals were of Navajo descent. However, contrary to the mistaken impression adopted by some people, this mystery illness has nothing to do with the ethnicity of these individuals. How anyone could reach such a conclusion is beyond me, but I regret to inform the Senate that there are several reports of various acts of discrimination carried out against the Navajo people as a result of this illness. These acts of discrimination against the Navajo people must stop, and I join President Peterson Zah of the Navajo Nation, in asking everyone: The citizens of Arizona, New Mexico, Utah, and Colorado, elected officials, and the news media to refrain from referring to this illness as unique to the Navajo people. To do so only adds to the tragedy that has befallen the Southwest and to the sorrow of the families and friends of those whose lives have been taken by this ailment.

Mr. President, the Senator from New Mexico has adequately described our amendment. This is indeed a matter that is an emergency. The funds which would be provided by our amendment are necessary to prevent this illness from spreading to other areas.

Some may question why the Congress has not acted earlier. The fact is that since the illness began in May the Center for Disease Control, the Indian

Health Service, the Navajo Nation, New Mexico, Arizona, Colorado, and Utah departments of health have been doing everything possible to locate the cause of this illness. The men and women from each of these agencies have literally spent thousands of hours investigating this matter. They deserve our respect and admiration. By their efforts, I am confident that both the cause and the methods to combat this illness will eventually be found.

Mr. President, I commend the Senator from New Mexico for his leadership on this important matter.

The PRESIDING OFFICER. Is there further debate?

Mr. BYRD. Mr. President, both managers support these amendments. We are ready to ask for a vote on them.

Mr. HATFIELD. Mr. President, the amendments have been cleared on this side.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendments.

The en bloc amendments—Nos. 495 and 496—were agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendments were agreed to en bloc.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Oregon, Mr. Hatfield.

Mr. HATFIELD. Mr. President, the hour is now almost 5 o'clock. According to the unanimous consent that embodied the amendments to be considered and a vote not later than 7, there are now 2 hours until the final vote I count 23 amendments that have not been acted upon.

The Senator from New York and others are here, of course, to have certain amendments considered that involve the authorization committee. I think we gave notice to the authorizing committees on these amendments some 1 hour ago. I hope their interest in this matter would be reflected by their appearance on the floor because I do not know that we should hold merely to get the opinion of the authorizing committees if they have not indicated a greater interest in expressing those opinions.

So I only indicate that there are 23 amendments yet to be considered and we have 2 hours to go. That means all amendments are finished in 2 hours unless they have been acted upon, disposed of. I merely ask my chairman if that is his count and to give due warning that when people come in at 2 minutes to 7 and want their amendment, I am not going to agree to a unanimous consent to extend the time.

Mr. BYRD. Mr. President, I share the views that have been so ably expressed by the distinguished Senator from Oregon [Mr. HATFIELD]. I hope Senators will come to the floor and speak on the amendments that are now pending, or offer other amendments that are on the list if we can get agreement to set the pending amendments aside so we can continue to make progress.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York [Mr. D'AMATO] is recognized.

Mr. D'AMATO. Mr. President, I thank the two managers for having stated the case. I now have two amendments. One has been for about an hour and another one that has been set aside but has been at the desk for some time. I know of no opposition. I am not in a position to say that the authorizing committees have cleared them or will be in favor, but I hope we could get votes.

I do not intend to keep colleagues unnecessarily from proceeding, but at some point I would raise objection to laying aside the amendments, if that is what it takes to get some kind of action and resolve before 7 o'clock on these two amendments.

If my colleagues are not going to move one way or the other, why, then we will have the whole process come to what we have learned to be that often-repeated word "gridlock," if that is the only way we can get them to move.

I have not done that. I do not want to do it. But I hope that at some point in time we could resolve these matters with a vote, one way or the other.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia [Mr. BYRD].

Does the Senator from West Virginia seek recognition?

Mr. BYRD. Mr. President, I thank the Chair. I suggest the absence of a quorum.

Several Senators addressed the Chair.

Mr. BYRD. Mr. President, I withhold my suggestion.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado [Mr. BROWN].

AMENDMENT NO. 497

(Purpose: To express the sense of the Senate regarding the need to eliminate price-gouging in the transportation of food assistance to Russia)

Mr. BROWN. Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will now report the amendment of the Senator from Colorado.

Mr. BROWN. Before we proceed with the amendment, I ask unanimous consent the D'Amato amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN], for himself, Mr. DOLE, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. PRESSLER, Mr. LUGAR, Mr. DURENBERGER, and Mr. CRAIG, proposes an amendment numbered 497.

Mr. BROWN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . SENSE OF THE SENATE ON TRANSPORTATION OF FOOD ASSISTANCE TO RUSSIA.

(a) FINDINGS.—The Senate finds that—

(1) on April 3, 1993, in Vancouver, Canada, the President of the United States and the President of the Russian Federation announced a $1,600,000,000 aid package for Russia, including $700,000,000 in food assistance;

(2) the provision of food assistance announced at the Vancouver summit is a vital sign of United States support for Russia's continued movement toward democracy and transition to a market economy;

(3) on May 3, 1993, the United States Government and the Government of Russia reached initial agreement on the $700,000,000 in food assistance to be extended by the United States to Russia;

(4) the agreement stipulated that while $500,000,000 of the United States food aid package will be used for Russia to purchase United States agriculture commodities, the remaining $200,000,000, as estimated by the Administration, will be used solely to cover the cost of transportation;

(5) the Administration announced that 75 percent of the commodities would be shipped on United States-flag commercial vessels under United States cargo preference requirements;

(6) United States cargo preference laws require at least 75 percent of United States food assistance shipped overseas to be shipped on United States-flag commercial vessels;

(7) this requirement eliminates competition and encourages carriers to charge the United States Government rates two or three hundred percent above world market shipping rates;

(8) the current world market shipping rate is between $25 and $35 per metric ton;

(9) carriers, anticipating the elimination of competition, have offered bids for shipping the grain to Russia between $75 and $138 per metric ton;

(10) these bids are up to 5 times greater than comparable world rates;

(11) the cost of the grain itself is approximately $100 per metric ton;

(12) the effect of the cargo preference requirements is to increase the cost of transportation so that it nearly equals or exceeds the cost of the grain itself; and

(13) the effect of the cargo preference requirements increases the taxpayer cost of assistance to Russia.

(b) POLICY.—It is the sense of the Senate that—

(1) the food assistance provided by the United States Government to Russia has been supported and approved to meet the dire humanitarian needs of the Russian people;

(2) the increased cost of assistance to Russia resulting from cargo preference requirements could adversely effect the progress of democracy and market development in Russia; and

(3) at a minimum, the President should not permit Federal agencies to accept bids from

any carrier that are more than double competitive world market rates.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. BROWN. Mr. President, the amendment that is before the Senate is a sense-of-the-Senate amendment dealing with cargo preference. The measure is one that deals not so much with cargo preference as it does with price gouging. Let me be specific.

Members of this body have had the opportunity and have gone on record with regard to the cargo preference provisions. They are not the major concern that is presented here, but they are related. This body and this Nation knows how to deal with price gougers. Our economic history and our political history is replete with American men and women standing up when someone tries to take advantage of them.

When an oil cartel was put together, when an oil monopoly was put together in this country, the citizens of this Nation and this very Senate stood up to pass legislation that said trusts and monopolies are not going to be tolerated.

When the railroads price gouged the farmers and manufacturers of this country, this Senate and this Nation stood up and created the Interstate Commerce Commission and other regulatory provisions to stop the ripoff of the American taxpayers and the American workers.

Today, this Nation faces another challenge. It is a challenge created in, incredibly, the transport of emergency humanitarian assistance to the former Soviet Union. Incredibly, in the name of humanitarian help, people who operate under the cargo preference provisions have taken advantage of their near-monopoly situation to absolutely rip off the taxpayers of this Nation. I do not exaggerate, Mr. President. This is a shameful, disgraceful abuse of the American taxpayers.

The world rates for transporting grain from the United States to Russia run from $25 to $35 a ton. Those are pretty straightforward facts. They are pretty well acknowledged by the industry. And in the past, grain shipped under the cargo preference provisions that our laws provide for have been transported at expenses slightly above the world market, at times as high as 25 or 30 percent more than the world market.

But with the huge increase in humanitarian shipments of grain, something dramatic has happened. Ensuring a monopoly, those who qualify for cargo preference have begun to increase the amount they would charge the United States for shipping this grain. Apparently, the fact that they are taking advantage of people who are literally starving is not enough to stop these business men and women from gouging the American public.

(Ms. MIKULSKI assumed the chair.)

Mr. BROWN. Madam President, the cargo rate went from 25 percent above world competitive rates to 50 percent above world competitive rates to 100 percent above world competitive rates to 200 percent above world competitive rates, and then to 300 percent and 400 percent.

Incredibly, Madam President, the cost of transporting grain is not $25 that appears on the world market, but $138 for the last bit that came down; $138 per ton to transport grain that can be transferred at $25 per ton.

It makes no sense to make the American taxpayers subject to this kind of ripoff. It is incredible that it would happen on a humanitarian aid effort where we are literally transporting food to assist those who are starving.

The cost of transporting grain to Russia will be more than the entire cost of the grain itself if these rates persist.

This was seen earlier in aid to Africa where, in 1991, we shipped $447 million of grain to Africa and the transportation cost went up fivefold, to $488 million, more than the entire cost of the grain.

This is a simple amendment. It simply urges the President, when the cost of transportation gets to be more than double what world market rates are, that the President not continue the cargo preference provision. It simply urges the President to put a cap on how much the American taxpayers will pay.

I will not spend time nor go into detail as to what I think of those who would take advantage of this Nation and take advantage of those who are hungry and need this help. But I think every American who has to foot this bill can imagine what we think of the people who have taken advantage of their monopoly situation.

I would like to deal with it legislatively, with a strong legislative remedy that curtails the potential abuse that has taken place because of this monopoly.

This amendment simply says there ought to be a limit and urges the President to use his powers that are granted him under the law to put a limit of at least 200 percent above what world market rates are.

But I hope this Chamber will not be satisfied with this sense-of-the-Senate measure. My hope is that this Chamber will move in future sessions to correct the monopoly that they have created.

Madam President, I have two letters, one from the American Great Lakes Ports that has endorsed this amendment, and one from the U.S. Coal Exporters that has endorsed this amendment, pointing out their concerns. I ask unanimous consent that these be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COAL EXPORTERS ASSOCIATION
OF THE UNITED STATES, INC.,
Washington, DC, June 22, 1993.

Hon. HANK BROWN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR BROWN: I want to commend you for your continued efforts to raise the public's level of awareness of the cargo preference requirements in general and specifically as they relate to the U.S. agreement to send food assistance to the Russian Federation. In this regard, I support the Sense of the Senate amendment you intend to offer to the Supplemental Appropriations bill.

While the U.S. coal industry is obviously not impacted by the agreement with Russia, the members of the National Coal Association (NCA) and its affiliate, the Coal Exporters Association (CEA) appreciate the merits of your arguments against the cargo preference requirement in this case. The U.S. coal exporters are not opposed to any attempts to revitalize the U.S. merchant marine fleet. If possible, our exporting companies would use U.S. vessels for the ocean transport of their coal; however, the rates for these vessels are as much as two to three times than those for foreign-flagged vessels. The international coal market is extremely competitive and contracts for export coal are won or lost by $.25 per ton or less.

U.S. flag vessels should always provide competitive rates, especially in cases involving humanitarian aid. If our nation's exporters have to be competitive in the world market to survive, so should our maritime industry.

Sincerely,

PAUL VINING,
Chairman, Coal Exporters Association.
RICHARD L. LAWSON,
President,
National Coal Association.

AMERICAN GREAT LAKES PORTS,
May 26, 1993.

HANK BROWN,
U.S. Senator, Hart Senate Office Building, Washington, DC

DEAR SENATOR BROWN: As American ports on the Great Lakes, we support the U.S. merchant marine and would like to see it becomes a healthy and internationally competitive part of the American economy. Unfortunately, under the present subsidy system, the U.S. flag fleet has not remained internationally competitive. Rather, the fleet has gone into serious decline. Also, while we continue to have foreign flag visits, U.S. flag vessels no longer provide regular ocean-going service to the Great Lakes. We would like to see a return of American ocean ships to our ports.

Cargo preference has been one of the elements of the subsidy system which, in its present form, fails to promote international competitiveness of the U.S. merchant marine. To the contrary, its payments are not related to world market prices, with a result that its costs to the government currently are budgeted at some $600 million a year. This money would be better spent for commodities and for promoting competitiveness of U.S. ocean carriers. Furthermore, the exclusionary aspect of cargo preference effectively denies opportunities for most government cargo business to ports such as those in the Great Lakes because of our lack of U.S.-flag ocean-going service.

We believe you are taking a commendable step in introducing legislation which focuses on the need to make the U.S. flag fleet more competitive internationally. Such emphasis is vital to the success of an American merchant marine in the future.

Sincerely yours,

JOHN M. LOFTIS,
Chairman,
American Great Lakes Ports.

Mr. BROWN. Madam President, I reserve the remainder of my time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Madam President, let me make a very brief statement.

First of all, many know that New York is a very great port State. Being concerned about the decline in our shipping and in our ability to compete and the necessity to keep a merchant fleet, I want it known that I have always opposed doing away with cargo preference. I have done so because I think that without it, we cannot compete dollar-for-dollar with other nations that have labor that approaches that of almost slave labor, in certain cases, and that we would just be without the ability to compete against those nations.

But I have to commend my colleague from Colorado who crafted legislation which says that you just cannot take advantage of this and charge whatever you want, increasing the prices beyond reason, increasing the prices beyond what will give a fair and reasonable return. That is wrong.

I will support the Senator's amendment. This will be the first time in my 12 years here that I have not given my support to an industry that I think is entitled to it, but when you are charging so much more than the actual value of the product delivered, then, by gosh, you have gone too far.

I commend the Senator for his sensible approach in urging the President to deal with this issue and keep these prices in line.

I will be supportive of this sense-of-the-Senate amendment that my colleague from Colorado has offered.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 498 TO AMENDMENT NO. 497

(Purpose: To express the sense of the Senate regarding the need to eliminate price-gouging in the transportation of food assistance to Russia)

Mr. GRASSLEY. Madam President, I send to the desk a second-degree amendment to the amendment of the Senator from Colorado and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 498 to amendment No. 497.

Mr. GRASSLEY. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the amendment, strike out all after "**SEC.**" and insert in lieu thereof the following:

SENSE OF THE SENATE ON TRANSPORTATION OF FOOD ASSISTANCE TO RUSSIA.

(a) FINDINGS.—The Senate finds that—

(1) on April 3, 1993, in Vancouver, Canada, the President of the United States and the President of the Russian Federation announced a $1,600,000,000 aid package for Russia, including $700,000,000 in food assistance;

(2) the provision of food assistance announced at the Vancouver summit is a vital sign of United States support for Russia's continued movement toward democracy and transition to a market economy;

(3) on May 3, 1993, the United States Government and the Government of Russia reached initial agreement on the $700,000,000 in food assistance to be extended by the United States to Russia;

(4) the agreement stipulated that while $500,000,000 of the United States food aid package will be used for Russia to purchase United States agricultural commodities, the remaining $200,000,000, as estimated by the Administration, will be used solely to cover the cost of transportation;

(5) the Administration announced that 75 percent of the commodities would be shipped on United States-flag commercial vessels under United States cargo preference requirements;

(6) United States cargo preference laws require at least 75 percent of United States food assistance shipped overseas to be shipped on United States-flag commercial vessels;

(7) this requirement eliminates competition and encourages carriers to charge the United States Government rates two or three hundred percent above world market shipping rates;

(8) the current world market shipping rate is between $25 and $35 per metric ton;

(9) carriers, anticipating the elimination of competition, have offered bids for shipping the grain to Russia between $75 and $138 per metric ton;

(10) these bids are up to 5 times greater than comparable world rates;

(11) the cost of the grain itself is approximately $100 per metric ton;

(12) the effect of the cargo preference requirements is to increase the cost of transportation so that it nearly equals or exceeds the cost of the grain itself; and

(13) the effect of the cargo preference requirements increases the taxpayer cost of assistance to Russia.

(b) POLICY.—It is the sense of the Senate that—

(1) the food assistance provide by the United States Government to Russia has been supported and approved to meet the dire humanitarian needs of the Russian people;

(2) the increased cost of assistance to Russia resulting from cargo preference requirements could adversely affect the progress of democracy and market development in Russia; and

(3) at a minimum, the President should not permit Federal agencies to accept bids from any carrier that are more than 50 percent above competitive world market rates.

Mr. GRASSLEY. My second-degree amendment, Madam President, is identical to the one of the Senator from Colorado except for it being a sense of the Senate that no bid submitted by U.S. merchant marine companies for preference cargo should be accepted if those bids are 50 percent higher than those available at world competitive prices, whereas my colleague from Colorado would say twice the competitive markets.

I would first like to submit for the RECORD on April 22, 1993, letter that I sent to President Clinton, and a "Dear Colleague" letter that I recently sent to Members of Congress regarding the Russian aid transportation package.

I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC.

DEAR COLLEAGUE: On April 20, a U.S.-flag bid of $138 per ton for Russian food was tendered, 4 times world rates and well over the cost of the food! How will Yeltsin explain to his critics that the loan Russia must repay may cover less for food than for U.S.-flag subsidies?

The welfare queens of the high seas have struck again, plundering the American taxpayer with legalized piracy, i.e., cargo preference!

Taxpayers already subsidize U.S.-flag companies through cargo preference at a rate of $250,000 per billet per year. (The average cost of a military billet is around $35,000 per year.)

I have written the President urging him to temporarily waive cargo preference for the Russian food package under authority granted him under Title 46, Section 1241(b)(1), USCA. You may want to as well.

Sincerely,

CHARLES E. GRASSLEY,
U.S. Senator.

U.S. SENATE,
Washington, DC, April 22, 1993.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I commend the Russia aid package as a crucial investment toward democracy, peace and security for both nations, and for the world generally. As Congress stated in passing the FREEDOM Support Act, "failure to meet the opportunities presented" by the current developments in the former Soviet Union "could threaten United States national security interests * * *"

I support also your statement that we must "make sure that the money is well spent." It is absolutely necessary to get the most possible from this substantial investment through prompt, efficient and economical implementation.

Unfortunately, the $894 million food package is being damaged by delays and unnecessary heavy costs due to cargo preference requirements. If the requirements continue to prevail, well over 40 percent of this loan assistance will be spent for ocean transportation rather than food for the Russian people which is the purpose of the program.

In fact, on April 20, 1993, a U.S.-flag bid came in at $138 per ton, well over the approximate $100 per ton cost of the food.

The excessive cargo preference costs also risk compounding President Yeltsin's domestic problems. In explaining the additional foreign debt Russia incurs from this food package, he will have to justify payments to

U.S.-flag shipping at 3-4 times world rates instead of spending this money for food.

Mr. President, there is an appropriate solution to the problem imposed by cargo preference in this instance. The applicable cargo preference statute (Title 46, Sec. 1241(b)(1) USCA) provides that you can temporarily waive the cargo preference requirements if an emergency exists. Such a finding of an "emergency" should not be difficult. I understand you are currently exploring the use of Title 7, which requires a finding of "extraordinary emergency," in order to transfer funds within USDA to cover this Russian aid package.

The current situation clearly involves an emergency. The entire Russian aid program is justified because of the historic developments now underway in Russia, and which, as the FREEDOM Support Act has stated, are related to United States security interests. The waiver would not affect the cargo preference and other subsidies which would continue to U.S.-flag companies under regular U.S. government programs. But it would allow the Russian food aid program to go forward with its fullest use for its intended purpose.

In fact, it is likely that if you waive cargo preference, Russia would be able to handle all the transportation costs by simply utilizing their own vessels. I recommend that you pursue this question with Russian officials.

In sum, I support the Russian aid package and implementing it to get full value. Cargo preference is not needed for the program and tends to undermine its goals. Let us make certain our tax dollars are spent wisely.

Sincerely,

CHARLES E. GRASSLEY,
U.S. Senator.

Mr. GRASSLEY. The heart of the Russian aid problem, of course, is cargo preference, a back-door, hidden subsidy to our United States-flag merchant marine. As you can see from the letters that are circulated to the Members of the Senate, on the desks here, when I heard about the $138 bid by U.S.-flag interests, I stated that the "welfare queens of the high seas have struck again, plundering the American taxpayer with legalized piracy," and my reference was to cargo preference.

I wish to be frank about it. The blame lies with Congress and with the executive branch, and not just this administration; over a long period of time we have had to fight these battles, even when we had Republican Presidents. Too many buckle to the political pressure of maritime interests and refuse to scrutinize and reform our maritime programs.

Cargo preference really has an impact upon our foreign policy initiative aimed at helping Russia. President Clinton announced his intentions to help President Yeltsin and the Russian people by providing, among other things, a $700 million loan to buy food.

With U.S.-flag bids coming in as high as $138 per ton more than the cost of the food and well over four times world rates, it becomes clear that cargo preference is undermining foreign policy initiatives.

Can you imagine President Yeltsin trying to explain to his domestic critics—and his most frequent critics happen to be old-time Communists—that he took a loan from the United States, 40 percent of which must be spent on helping to subsidize United States seafarers instead of buying food for the Russian people? And, in fact, that is exactly the warnings we received during recent visits with Russians who came here to negotiate these agreements.

We can do a lot about it, however, Under cargo preference law, the President can declare an emergency exists and temporarily waive cargo preference. In fact, House Report 2329 to the 1954 cargo preference law states that:

> The need for some flexibility was recognized in extraordinary situations, for which reason the bill incorporates the provision that in an emergency, the Congress, by concurrent resolution, or the President, or the Secretary of Defense, may waive its provisions.

If we did declare such an emergency, Russia might be able to pay for the transportation itself at world rates, leaving more of our help to the purchase of food for the sake of helping the Russian people.

But instead of finding that a just plain, simple emergency exists so as to waive cargo preference and to save the taxpayer over $100 million, the administration has decided to find that an extraordinary emergency exists, and which by law allows the transfer of about $385 million in funds within the USDA. And for each $100 million, you are talking about 2,000 American jobs lost.

So you see, since Russia is picking up the world rate transportation costs, the real effect of declaring an extraordinary emergency is to subsidize United States flagships with cargo preference. It is ironic, to say the least.

While the administration has found a way of avoiding a foreign policy fiasco, it chose the option costing taxpayers an extra $100 million to pay U.S.-flags.

Supposedly, our maritime subsidy is aimed at maintaining the so-called fourth arm of national defense so that in times of war we have U.S. seafarers and U.S.-flag vessels to ship our defense equipment and goods.

Note that regular military billets through the rank of captain average around $32,000 per year. According to OMB and according to MarAd and their data, cargo preference subsidizes at a rate of $250,000 per billet per year. Is this a wise expenditure of defense dollars compared to what we pay full-time Navy personnel?

During the Persian Gulf war, reservists from all walks of life were called to arms, dodging real bullets in the war zone, and for this they might receive a war bonus of $150 per month—people who are full-time military or reservists.

But not U.S. seafarers of the fourth arm of defense, our merchant fleet. After years of subsidized salaries and benefits, some told Uncle Sam "Thanks, but no thanks," when called for Persian Gulf duty. Those who did serve and entered the war zone were paid a war bonus at a rate of 100 percent base pay.

Had their vessel actually drawn hostile fire, they would have been eligible for an extra $600 per day for each day attacked.

The Maritime Administration reported that one seafarers collected $15,700 in war bonuses during a 2-month period. Again, compare that to the $150 per month war bonus for regular and reservist military.

In September 1990, U.S. News reported that the Pentagon was miffed because two U.S.-flag carriers charged $70,000 to send war materiel to the gulf that could been sent for $6,000 at world competitive rates.

The fourth arm of national defense then is a myth, and at the same time it is a very costly myth. Unfortunately, we have turned a once proud, mighty U.S. merchant marine into the welfare queens of the high seas.

They are quick to point to farm subsidies, a comparison which makes absolutely no sense. And why does it makes no sense? Remember what we were calling defense contractors? We were calling them welfare queens, as the $400 hammers and the pliers started surfacing 10 years ago. Would we not have been amused had they argued, $1,800 toilet seats were OK because farmers get subsidies?

You see, the farmers that I represent do not like depending upon the Government for subsidies. That is why farmers have pushed hard to put their subsidies on the GATT negotiating table. They want to fight unfair foreign farm subsidies through GATT negotiations.

But not the U.S.-flag carriers. The U.S. seafarers cry "unfair foreign subsidies" but scream at the thought of putting their lucrative subsidies on the GATT table in the international negotiations. They fight against resolving these problems at the General Agreement on Tariff and Trade negotiations. Our U.S.-flag industry has no interest in competiting in the real marketplace, not as long as they can collect these subsidies.

Farm programs are reviewed and reformed at least every 4 to 5 years. They are scrutinized constantly and, through the budget process, frequently cut every year or two, and we are seeing them cut $3 billion in the reconciliation bill that we are going to start negotiating tomorrow.

Not so for maritime. The less we know about their programs, the better they like it. In fact, had it not been for my request that OMB list cargo preference costs each year, we would likely never have obtained a comprehensive, accurate report of the cost of cargo preference. OMB reported fiscal year

1991 cargo preference costs at nearly $1.1 billion. In fiscal year 1992, it cost $548 million, and in fiscal year 1993, $595 million.

So let me remind my colleagues at this point that what we are talking about is the difference between world rates and U.S.-flag rates. That difference represents the cargo preference subsidy. But the amendment by myself or the amendment by the Senator from Colorado does not say that there should not be any subsidy. We allowed a subsidy to be maintained, but we simply say that the subsidy should be capped so that it is reasonable.

The Maritime Administration tells me that about 2,024 billets are supported by cargo preference. Another 2,300 billets are supported by operating differential subsidies, and the remaining 5,000 or so ocean-going billets are supported by the Jones Act.

Operating differentials subsidize each vessel so that it can compete against foreign flag companies. It runs a little over $100,000 per billet.

Cargo preference costs taxpayers $250,000 per billet. Where is that extra $150,000 per billet going? Whose pocket is it going into? And why thus far do we in Congress not care? We limit farm subsidies to $50,000 per farm and we scrutinize defense spending. Why not scrutinize maritime to the same extent and limit it to the same extent as we limit it in these amendments?

One problem is that Congress never bothered to legislate what was a definition of "fair and reasonable rates." As most other agencies who struggle under cargo preference will attest, just about anything is "fair and reasonable" if left to the Maritime Administration. This is also how defense prices soared during the 1980's.

I recommend that we require MarAd officials to explain thoroughly this system that they have set up. I think you will find that they allow each U.S.-flag company to submit data on capital and operating costs per vessel, and then MarAd establishes a range of rates varying by cargo and other circumstances. I believe that they also factor into this analysis a margin of profit for each voyage.

It would be like setting up a farm program geared to each farm. Farmer Jones could come in and report that his labor costs are very high, that his wife charges him $100,000 per year and that his three children charge him $80,000 per year. As CEO, Farmer Jones would allocate himself $200,000 per year. The farm be just bought from his brother cost him $10,000 per acre, and the tractor cost $200,000. MarAd would add all of this up for Farmer Jones and would then conclude that is all fair and reasonable and agree to pay Farmer Jones $15 per bushel of corn even though corn at the world market sells at $2 per bushel.

I hope it is not that fast and loose. But we need to put MarAd on the hot seat to explain it.

Again, if the operating differential subsidies at $100,000 per billet, and that puts U.S.-flag companies on a level playing field with foreign competition, where is the extra $150,000 per billet from cargo preference going? As it stands, there are few incentives for our U.S.-flag companies and seafarers to become competitors and to become efficient. Congress must insist upon a top-to-bottom audit and analysis of our maritime subsidies. We should do away with cargo preference and replace it with a system similar to the right of first refusal.

We can provide prudent, aboveboard, direct subsidies that can be scrutinized year in and year out. But if they do not offer bids that are competitive with world rates, then they should not have any right to carry the cargoes.

A direct subsidy could provide a prudent level of income for U.S. seafarers. I am not talking about Third World wages, but there would be nothing wrong with limiting their subsidy as we propose in these amendments to 50 or 100 percent above world market rates.

At the same time it is even reasonable to assume, for a long-term policy, that we ought to have some comparability between what is paid in military billets versus what is paid in merchant marine billets. If they want to be the fourth arm of national defense, then they can start actinglike it.

Cargo preference, under its current form, undermines our current policy initiatives as it is doing here with what President Clinton is trying to do in helping Russia. It takes food from the mouths of the starving overseas and it inflates the costs of programs of other agencies, particularly that of Defense, State and Agriculture.

The time for change is long overdue. What we need to do after 40 years is maybe not do away with cargo preference, as my remarks and the remarks of the Senator from Colorado might be interpreted; but it might be time to limit it, as we are doing. It might be time to rewrite the whole maritime program, including cargo preference, so that, in fact, it serves the national defense purposes that it was originally intended to serve. Because, you know, we started out 40 years ago with over 1,000 ships. We are down to about 360 now. Reform must be written so that it will meet the national security needs of our Nation, so that the next time we have a Persian Gulf we will not face a situation we had then, where only a small percentage of our cargo, materiel, was transported on American Commercial flagships.

We can accomplish that. If it takes a subsidy to accomplish that, we can have that subsidy aboveboard. We can have that subsidy appropriated annually by the Congress. We can have an up-front decision by the Congress of the United States that it is legitimate and ought to be paid.

I think that is about all that we need to do to make this work. But we cannot allow the current situation to exist where we are getting bids at four to five times world rates and at the same time, while paying those higher rates, not having our national defense needs met.

Madam President, before I yield the floor, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. Madam President, it is now 5:30, and we have 1½ hours left to consider 12 more amendments. If I could have the attention of my colleagues for just a moment. Madam President, we have four rollcalls now pending. We have 12 amendments left to be considered beyond those four rollcalls. I urge my colleagues to be considerate of the other colleagues and not involve themselves in long dissertations at this point in time because, as I have indicated before, I will object to any extension of the time beyond 7 o'clock. That means if we do not have a rollcall, we do not have a rollcall.

Madam President, correct me if I am wrong, the rollcalls have to be completed by 7 o'clock as well; is that correct?

The PRESIDING OFFICER. All pending amendments must be disposed of by 7 o'clock.

Mr. HATFIELD. I want to indicate again that I shall object to any extension of time. So if we do not have a rollcall, it is because people have not been considerate on how long they are speaking on an amendment. I urge the consideration of the colleagues if they want the rollcalls.

Mr. BROWN. Madam President, I talked with the distinguished Senator from Iowa. He is willing to forgo a rollcall on his amendment, and I——

Mr. GRASSLEY. If the Senator has one on his.

Mr. BROWN. I ask unanimous consent that we move, after 5 minutes of additional debate, and I assume opposition to the amendment may wish to speak.

Mr. HATFIELD. Does the Senator indicate that the Senator from Iowa would like to vitiate his rollcall request and defer to the original sense-of-the-Senate?

Mr. BROWN. With the understanding that we have the yeas and nays ordered at a time certain on the underlying amendment, as well as the D'Amato amendment.

Mr. HATFIELD. I object to a time certain, because we have other amendments that have been offered before the Senator from Colorado, and they should proceed in an orderly fashion.

Mr. BROWN. I appreciate that. I wonder if it would be the Senator's pleasure to set limitation on this amendment?

Mr. HATFIELD. I just want the consideration on the length of time the Senators speak.

Mr. BROWN. Madam President, I ask for the yeas and nays on my underlying amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair wishes to ask, does the Senator from Iowa wish to make a unanimous-consent request?

Mr. GRASSLEY. Yes. I ask unanimous consent to vitiate a rollcall on my amendment.

The PRESIDING OFFICER. Is there objection to the Senator's request to vitiate?

Hearing none, without objection, it is so ordered. The yeas and nays are vitiated.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

AMENDMENT NO. 496

Mr. DOMENICI. Madam President, I thank the chairman of the Appropriations Committee and the ranking Republican Member, Senator BYRD and Senator HATFIELD, for helping the Senator from New Mexico and Senator BINGAMAN, Senator DECONCINI, and Senator MCCAIN, Senator CAMPBELL and Senator INOUYE get an amendment adopted on the so-called mystery disease that has hit the Four Corners area.

The $6 million will replenish what has been spent in a rather extraordinary cooperative effort between the Federal Government and its agencies, the respective States, and tribal officials. We did that without having to declare an emergency and not being subject to a point of order, because they wanted to help us, and we sincerely thank them for that.

Madam President, Peterson Zah of the Navajo Nation came to Washington, DC, to seek necessary assistance for the continuing medical and scientific campaign against the Four Corners mystery disease. He personally asked me to help the Navajo Nation meet their emergency costs incurred in their response to this deadly disease. As a result of that meeting, I decided to sponsor an amendment to the supplemental appropriations bill to add $6 million to cover the current and projected costs of this public health emergency. This amendment will meet the current and projected costs of the key investigators and medical personnel of the Centers for Disease Control, the Indian Health Service, State health departments, and the Navajo Nation.

As of today, there are 16 known deaths and 29 known cases in the Four Corners area. The four primary States affected are New Mexico, Arizona, Colorado, and Utah. Indians, Anglos, and one Hispanic have been stricken, seemingly at random. The most recent case appears to be in California.

Often the victims are young. Their lungs fill with fluids and the bloodstream is deprived of oxygen. Death can and has occurred in a matter of hours due to respiratory failure. Symptoms are flu-like muscle aches, fevers, and coughs. Severe respiratory distress follows quickly.

Joseph McDade who identified the deadly Legionnaire's disease of 1976, Legionella mcdadeii—the bacterium was named in his honor—is on the case in New Mexico. There are a total of 16 investigators from the Centers for Disease Control in Atlanta and other cities now stationed in New Mexico.

McDade says there are an estimated 50,000 cases a year on unexplained adult respiratory distress syndrome in the United States. Whatever is causing the Four Corners illnesses could also be responsible for similar respiratory illnesses.

The most likely causal agent is a hantavirus. This virus is spread to people in Asia through inhalation of infected rodents' urine, droppings or saliva. One problem now unanswered is how one person in a household could contract the disease while others breathing the same air do not.

The actual hantavirus has now been found in the tissue of two victims. An antibody to the hantavirus has been found in several victims' bodies.

The hantavirus has also been found in the deer mouse in the Four Corners area. The deer mouse is a common field mouse that is one of about seven species of mice in the Four Corners area.

The CDC is performing polymerase chain reaction tests in hopes of finding the genetic fingerprints to hantavirus in the victims.

The connection between the presence of the hantavirus in the deer mouse and the random infections has yet to be definitely established. The scientific and medical researchers have reduced a lot of fear and anxiety by announcing their preliminary findings about the hantavirus.

The known hantaviruses cause kidney complications in humans. There is no known hantavirus that causes lung problems—this could be the first. Dr. Norton Kalishman, chief medical officer for the New Mexico Department of Health has stressed the "smoking gun" evidence of the presence of antibodies to the hantavirus. The particular antibodies are highly selective lock-and-key molecules that are associated with three known hantaviruses. Six victims have tested positive for the presence of the hantavirus antibodies.

Ribavirin, a controlled anti-viral medicine, is now available in the Four Corners area. It is known to be effective in reducing the mortality rate for patients who receive the drug within a few days of becoming infected.

In a recent development, Dr. Shyh-Ching-Lo, a molecular biologist at the Armed Forces Institute of Pathology is now analyzing tissue samples from victims of the Four Corners disease for the presence of a virus-like bacterium called mycoplasma. Six U.S. military personnel were killed by Mycoplasma fermentans—a very similar respiratory disease syndrome.

The search for a definite cause is not over. A lot of excellent medical and scientific research is ongoing. Public information campaigns are being run. Rodent field tests are being conducted. Tissue samples are being analyzed. A hot line for public inquiries has been established in the Four Corners area.

The cooperation between Navajo Indian medicine men, the Indian Health Service, the New Mexico Department of Health, and the Center for Disease Control has been terrific. It was several months before this much progress was made in identifying the bacterium in the Legionnaire's disease situation.

Health and Human Services Secretary Shalala has estimated that the costs for the current outbreak of acute respiratory failure will total $6 million. This estimate is based on current and projected expenses for meeting the demands of the several agencies and departments cooperating to positively identify and treat victims of the Four Corners mystery disease.

These funds are necessary to carry out the provisions of section 319(a) of the Public Health Service Act with respect to the current public health situation. No one yet knows the full costs of this disease, but we are confident that $6 million will be sufficient to carry all federal, tribal, and state efforts through at least the end of the current fiscal year.

This $6 million allocation, according to our latest estimates by HHS, will be distributed as follows:

	Millions
Centers for Disease Control and Prevention:	
Federal activities	$2.6
State activities	1.0
Subtotal	3.6
Indian Health Service:	
Federal activities	1.3
Tribal costs	1.1
Subtotal	2.4
Total HHS	6.0

These amounts shall be available for any activity authorized under the Public Health Service Act in order to respond to the recent outbreak and any future outbreaks of this acute respiratory illness.

Specific activities to be conducted are: The continuation of epidemic investigations and studies; local, State, and national surveillance; identification and characterization of the causative agent or agents; development of recommendations for clinical management of persons infected with this disease; development and application of diagnostic tests; evaluation of the rodent reservoir; development of control and prevention strategies; public and professional education; direct and contract costs of the Indian Health Service, including costs incurred by the Navajo Nation.

Mr. President, I urge my colleagues to support our amendment to add $6 million to the fiscal year 1993 supplemental appropriations bill now before the Senate.

AMENDMENT NO. 497

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Madam President, I will try to be brief because, here we go again. This is an amendment that comes up several times in a Congress. Over the last couple of years, in fact the last 4, I think the Senate has voted on this same question about three times. Every time we have had a chance to look at it and vote on it, the results have clearly been the same. The Senate, by a 2-to-1 margin, said this is a program we should continue because it is fair, equitable, and it is workable, and besides it affects only a very small amount of agricultural exports in this country.

The chart I have behind me clearly indicates the situation. Only about 4 percent of all of the agricultural exports that leave America—only 4 percent—go in U.S. flagships under this maritime provision. We are talking about huge amounts of agricultural products that are shipped out of this country every year that never, ever, see a U.S.-flag vessel. Oh, we talk about Buy American products and American rice, and I am all for that. Buy American wheat and American cars. But when it comes to shipping it in an American vessel, some say, no, we do not want any part of those programs, and stress use of American products only if it is agricultural products.

I am from an agricultural State, and I know that perhaps we may send a little bit less of a product because we are using American flagships; But, folks, we are all in this together. This is the United States of America, it is not a country just for agriculture or maritime or just for one segment versus the other.

Let me give a comparison. Let us talk about subsidies and assistance programs. I am for them. But when you look at what we pay in agricultural subsidies and assistance, which I strongly support, I suggest we ought to consider being a little more fair than the debate has indicated so far. Over the last 3 years, the cost of American taxpayers for export promotional programs for agriculture average $7.6 billion each and every year—$7.6 billion that the taxpayers spend to promote American agricultural products. I think that is fine and good, and we should be doing actually more of it.

When you compare what this program costs, the cost of promoting the U.S. flag shipping industry, using our cargo preference programs on food aid cargoes cost $167 million, as compared to $7.6 billion each year for the promotion of American agricultural products to be shipped around the country. I think that is indeed a fair balance when you consider that only 4 percent of our agricultural exports are actually carried in U.S. cargo ships; 96 percent go in any ship they want, the cheapest they can find, the most cost-efficient one, which generally employs foreign workers on foreign-built ships who do not follow the rules and regulations from the standpoint of health, safety, and environment that the U.S. vessels must provide.

The final statistic: The U.S.-flag share of agricultural exports by metric tons. Current statistics: This is an indication of how much are total agricultural exports—these are commercial and Government exports combined—4 percent go under a preference program; 96 percent nonpreference commercial or nonpreference under a government program. Even the Government program, those grains shipped overseas that are paid for by taxpayer dollars do not have to all go on U.S.-flag ships. When you compare it to the total amount of agricultural exports in the whole country, add them all up, every grain, every bag of rice, every grain of wheat that is shipped out of this country each year, 4 percent go on U.S. ships.

I think when you consider what we do for agriculture, which are good, solid, legitimate programs, and what we do for the U.S. maritime industry, I think that is an unfair balance.

Madam President, this issue has been debated. May I yield to my friend.

Mr. SARBANES. If the Senate will yield for a question. First of all, is it not a fact that we have a buy American requirement for the grain, as well as a ship American requirement for the ships?

Mr. BREAUX. Absolutely. The Senator makes a correct point.

Mr. SARBANES. In fact, the buy American requirement for the grain raises the price of grain. If we gave the Russians the money to buy the grain on the world market, they could buy grain cheaper out of Argentina than they get grain loaded at a port in New Orleans, in the gulf ports. In fact, in the USDA's February 1993 Wheat Situation and Outlook Yearbook, the price of U.S. wheat, f.o.b. in the gulf ports range from $129 to $177. The price of comparable Argentinian wheat, f.o.b. in Buenos Aires ranged from $113 to $133 per ton, well below the American price.

Only in August was United States wheat cheaper than Argentine wheat. In all other months, Argentine wheat was cheaper.

We did not provide the money to the Russians, just give them the money and say go buy the wheat on the world market. They could get more wheat on the world market for that money. We said you have to buy American wheat, and we also said you have to ship in American-flag ships.

So the policy is both a buy-American requirement for the grain and a ship-American requirement for the ships. What is unfair about that?

Now we are getting the complaint where they say, well, to ship American you are going to pay somewhat higher rates than if you use foreign flags.

I am prepared to concede that not in the dimension that the proponents of the amendment have asserted, and I can show you some figures that do not sustain the wide gaps they are talking about, plus there has to be a rule on reasonableness anyhow before it applies. The fact of the matter is just limiting on the Russian wheat sales, they have to buy American wheat. I support that. I support that.

I support the American wheat producers in the sense that this foreign aid program ought to be spent on American products, even though if we simply gave them the dollars they could buy more wheat buying it out of Argentina than buying it out of the United States on the basis of the 1992–93 prices.

But by the same token, I support ship American, and it seems to me a fair balance in this situation. If we are going to sustain an American merchant marine, the cargo preference is an essential element to it.

Therefore, I support the Senator in opposing the amendment that is now on the floor.

Mr. BREAUX. Madam President, I thank the Senator from Maryland. The Senator is making a very valid point.

If the argument is we should ship at the lowest possible price at all times, should we not buy the grain at the cheapest price, no matter where it comes from? Should we not buy wheat in China and use the taxpayers' dollars to do that and then give it to the new Russian Republics? I suggest most people would not think that is a good idea.

If you follow through with the logic of the amendment's authors, I would suggest that we would be buying foreign grain in order to sell to other countries under a U.S. donation program. I do not think they are arguing that. The Senator from Maryland has made a very, very valid point.

The final point that I would suggest—and I will close my remarks—is that really we should be working together on this. Those of us who support agricultural promotional programs should be able to join together with those who support maritime promotional programs and get together. If there is ever a case where a farmer and shipper should be friends, this is it. We have to work together to make it work better. Do not try to destroy one segment of the U.S. society to the advantage of the other. I suggest we all lose if that kind of argument would be carried to the U.S. Senate and the Congress.

Madam President, I move to table the underlying amendment of the Senator from Colorado and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana to lay on the table the amendment of the Senator from Colorado.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER (Mr. LEVIN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 47, nays 51, as follows:

[Rollcall Vote No. 162 Leg.]

YEAS—47

Akaka
Biden
Boxer
Bradley
Breaux
Bryan
Byrd
Cochran
Cohen
Daschle
DeConcini
Dodd
Feingold
Feinstein
Ford
Gorton
Graham
Hatfield
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lieberman
Lott
Mathews
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Stevens
Wofford

NAYS—51

Baucus
Bennett
Bingaman
Bond
Boren
Brown
Bumpers
Burns
Campbell
Chafee
Coats
Conrad
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Glenn
Gramm
Grassley
Gregg
Harkin
Hatch
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Kerrey
Kohl
Lugar
Mack
McCain
McConnell
Moseley-Braun
Nickles
Pressler
Pryor
Roth
Simon
Simpson
Smith
Thurmond
Wallop
Warner
Wellstone

NOT VOTING—2

Murray
Specter

So the motion to lay on the table the amendment (No. 497) was rejected.

The PRESIDING OFFICER. The pending question is the Grassley second-degree amendment number 498. Is there further debate?

If not, the amendment will be agreed to.

Mr. BROWN addressed the Chair.

The Senator from Colorado.

Mr. BROWN. Mr. President, the Grassley amendment——

Mr. FORD. Mr. President, we cannot tell what is going on when he is talking from the well. May we have order so we can figure out what is going on?

The PRESIDING OFFICER. The Senator is correct. There will be order in the Senate. The Senator will withhold just one moment.

Mr. BROWN. Mr. President, the Grassley amendment had previously won approval to be vitiated and in light of the rollcall, rather than have the body repeat the record vote, I simply ask the order for the rollcall vote be vitiated and it be agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. BREAUX. I object. It is a different amendment.

The PRESIDING OFFICER. The pending amendment is the Grassley second-degree.

Mr. LIEBERMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The Senator from Iowa addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Senator has that right. Without objection, the amendment is withdrawn.

The amendment (No. 498) was withdrawn.

The PRESIDING OFFICER. The pending question is the Brown amendment. The Senator from New York.

Mr. D'AMATO. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senate will come to order. Let the Chair state where the Senate stands.

The pending amendment is the amendment of the Senator from Colorado. The yeas and nays have been ordered on that amendment.

The Senator from Colorado.

Mr. BROWN. Mr. President, in light of the recorded vote, I ask unanimous consent to vitiate the request for a recorded vote and go to a voice vote in the interest of saving time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The question is now on agreeing to the amendment.

The amendment (No. 497) was agreed to.

Mr. BROWN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The pending amendment now is the amendment of the Senator from New York, No. 493. The Senator from New York is recognized.

AMENDMENT NO. 493

Mr. D'AMATO. Mr. President, let me say that the amendment that is presently pending deals with bringing about some changes in welfare. It is a rather straightforward amendment. It says that if you get general assistance, which is offered in 42 States, that there be a program required for able-bodied public recipients which would require that they report for public service jobs, if not available in the private sector, and to be able-bodied. It would provide that at least 10 percent, only 10 percent, of those receiving this assistance become involved in this program and, therefore, the State move it up by 2 percent per annum.

Mr. President, I have had my say on this. I think it is an important amendment. I know that the senior Senator from New York [Mr. MOYNIHAN] who is chairman of the subcommittee, wishes to make his points on it. Then I hope we can dispose of this matter with a vote. So I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. Will the Senator withhold for one moment? The Chair has been informed that the pending amendment is amendment No. 493, involving chapter 1 funds.

Mr. D'AMATO. Mr. President, I ask unanimous consent that we be permitted to set that aside and move to the initial amendment that was offered, which is the one on welfare.

The PRESIDING OFFICER. Without objection, it is so ordered. Amendment No. 489 is the regular order. The senior Senator from New York.

AMENDMENT NO. 489

Mr. MOYNIHAN. Mr. President, I thank the Chair and I thank my friend and colleague for bringing this subject up. He addresses a matter of importance, perhaps of diminishing importance because the Social Security program is gradually supplanting general assistance as it existed 50, 60 years ago when States alone had measures that looked after persons without incomes of any kind.

We look forward to a general change in welfare legislation in this administration which will deal with what are, in ways, remnants of an earlier age. You can make important cases about what is an appropriate activity at the national level, the State level, the local level, and I think we all agree that the nearest level, the local level, that a matter can be dealt with is the most desirable. But it is also generally agreed that social insurance is properly a national activity.

On the other hand, I will say to the Senate, there are 27 States which now have a significant number of persons receiving general assistance, which is entirely a State or State and local-paid-for activity. These States are, in alphabetical order: Arizona, California, Delaware, Georgia, Hawaii, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, Virginia, Washington, and Wisconsin.

I think if you look at that list, Mr. President, you see the pattern of social legislation at the beginning of this century. The Northeastern, Middle Western and Far Western States had these programs. The South had none and they still do not. But this measure would necessarily apply costs on those States. These would be mandated costs.

I do not know of anything that has interested me so much in the last 2 weeks as in reading about the near revolt of the mayors meeting in our city of New York, I say to my friend, Senator D'AMATO, against Federal mandates. They gave a week to the subject. And we stand here on the Senate floor and say, "I have a good idea. I'll do this for people and you over there will pay for it," which is what we have gotten in the habit of doing.

I learned that the motor-voter legislation will require that cities put ramps for disabled persons in polling booths that are used twice a year. They say, oh?

So, Mr. President, it is perfectly natural and to be expected that the National Governors' Association asked that we not do this. I ask that we not do it, not because there is not an issue here which the Senator properly raises, but because I feel it should be part of the overall consideration in the Finance Committee, in the first instance, of general change in public assistance which emphasizes work, which emphasizes time-limited public assistance.

The Senator has spoken only of able-bodied persons. More and more States, such as ours, as he well knows having been a county legislator, have general assistance for people who are disabled in some behavioral or physical way, but that is just the evolution of this program.

We are dealing here with general assistance which began about the beginning of this century. It ought to be phased into the Federal program in an orderly way. It ought to be associated with work requirements where work is possible, which it often is, and we are not looking for an explanation why it is not. It ought to be time conditioned to the degree that there are alternative forms of activities for income for the individuals involved.

Mr. President, with no sense that there is anything inappropriate about what my colleague has proposed, but with the feeling that there are Governors in 27 States, such as California—I see the gracious lady from California is on the floor and who was once a mayor and knows about general assistance in these matters—I do not think that they would feel this was right of us to do. I see the senior Senator from Oregon, who had been Governor of Oregon. I cannot imagine he would wish us to pass an instruction on how much more money his State will spend on a program that is entirely financed and run by the State of Oregon.

My view would be these matters should come up to the national level and be part of general public assistance welfare legislation in this Congress, or soon.

With that, Mr. President, and with great respect for my colleague, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 489. The yeas and nays have been ordered. The clerk will call the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 34, nays 64, as follows:

[Rollcall Vote No. 163 Leg.]

YEAS—34

Akaka
Boren
Boxer
Bradley
Breaux
Byrd
Campbell
Daschle
DeConcini
Dodd
Exon
Feingold
Glenn
Graham
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kerrey
Kerry
Levin
Metzenbaum
Mitchell
Moseley-Braun
Moynihan
Pell
Pryor
Riegle
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—64

Baucus
Bennett
Biden
Bingaman
Bond
Brown
Bryan
Bumpers
Burns
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Dorgan
Durenberger
Faircloth
Feinstein
Ford
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Johnston
Kassebaum
Kempthorne
Kohl
Lautenberg
Leahy
Lieberman
Lott
Lugar
Mack
Mathews
McCain
McConnell
Mikulski
Murkowski
Nickles
Nunn
Packwood
Pressler
Reid
Roth
Sasser
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner
Wofford

NOT VOTING—2

Murray
Specter

So the motion to lay on the table the amendment [No. 489] was rejected.

CHANGE OF VOTE

(Later, the following occurred.)

Mr. KERRY. Madam President, I ask unanimous consent that on rollcall No. 163, the D'Amato amendment, I was reported voting no. I would like to be recorded as voting aye. It will not affect the outcome.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. D'AMATO. Mr. President, I am willing to vitiate the yeas and nays and I ask unanimous consent to do so, and I ask for a voice vote.

The PRESIDING OFFICER. Is there objection?

Without objection, the yeas and nays are vitiated.

The question is on agreeing to the amendment No. 489.

The amendment (No. 489) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 493

The PRESIDING OFFICER. The pending amendment is No. 493.

Mr. D'AMATO. Mr. President, this amendment is intended to get the desperately needed dollars that we provide for the poorest of the poor in the Chapter 1 Program—$6 billion—to the classrooms. Presently, 20 percent of the Chapter 1 dollars that go to local districts are being used for administration. We say there is no reason for it to be more than 10 percent. We think it is a modest beginning. That will get $600 million that is now going into administrative costs into the classrooms.

I see the senior Senator from Massachusetts here, and we have discussed this. I hope we can take it, because this is doing the business of educating the youngsters in these poor districts.

Mr. KENNEDY. Mr. President, I think, as the Members know, we will be considering the chapter 1 reauthorization this year, probably in the fall in any event. The concern initially that I had with the Senator's amendment is that it might unnecessarily preclude the opportunity for continuing training of chapter 1 teachers. So I spoke to the Senator from New York, and he has indicated that in the part of his amendment that refers to instructional personnel, that would mean personnel involved in the direct instruction of pupils of in the training of the teachers.

With that understanding, I will soon send an amendment to the desk, and I will urge our colleagues to support it. I join with the Senator in urging our colleagues to support it. I join with the Senator in urging that we have as much of the scarce resources in chapter 1 targeted on the children of need as we can. There has been some increasing effort in terms of training of the teachers, and we wanted to make sure that the continuing upgrade of the teachers that teach chapter 1 would not be precluded. I hope that the amendment will be accepted and will be retained at conference.

AMENDMENT NO. 499 TO AMENDMENT NO. 493

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 499 to amendment No. 493.

On page 2, strike lines 10 through 12 and insert in lieu:

SALARY OF INSTRUCTIONAL PERSONNEL

"Personnel involved in the direct instruction of pupils or in the training of teachers or to pay the cost of instructional material."

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, if I could just take one moment, what this amendment would just permit is the upgrading of the training of teachers who are involved in chapter 1 teaching. I had talked this over with the Senator from New York, he has been willing to accept that. I think the amendment now is perfected to be consistent with what I had outlined earlier.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 499.

The amendment (No. 499) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Now we have amended the amendment, am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. The matter before the Senate is the amendment of the Senator from New York?

The PRESIDING OFFICER. That is correct.

Mr. D'AMATO. Mr. President, I urge the amendment and thank the Senator from Massachusetts for his excellent suggestion in making it a better and more appropriate procedure that we get these dollars into the classroom.

Mr. President, I ask unanimous consent that the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Without objection, the amendment, as amended, is agreed to.

So, the amendment (No. 493), as amended, was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments?

The Senator from Oregon is recognized.

Will the Senator yield for a moment? There will be order in the Chamber.

The Senator from Oregon is recognized.

AMENDMENT NO. 492, AS MODIFIED

Mr. HATFIELD. Mr. President, I am going to send a technical amendment to the desk. Earlier this afternoon with the approval of both sides we voice voted an amendment offered by Senator CRAIG of Idaho, and included in that was unnecessary language already in the bill. I will strike the unnecessary language in this technical amendment.

Mr. President, I ask unanimous consent that the Craig amendment be modified by the language sent to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 492), as modified, is as follows:

Before the period, insert: "*Provided further*, That a curly top virus condition in sugar beets resulting from damaging weather or related condition that adversely affects the beets shall be an eligible disaster condition for purposes of assistance provided under this paragraph."

The PRESIDING OFFICER. Are there further amendments?

The Senator from West Virginia is recognized.

Will the Senator yield for a moment?

Mr. HATFIELD. Yes.

The PRESIDING OFFICER. The Senate will be in order.

All conversation will desist.

The Senator from West Virginia is recognized.

Mr. BYRD. I thank the Chair.

I ask unanimous consent that the Senator from Arkansas [Mr. PRYOR], be added as a cosponsor of the Harkin older American amendment No. 490 agreed to earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUREAU OF INDIAN AFFAIRS

Mr. REID. Mr. President, I want to first thank the chairman of the Appropriations Committee for his leadership in crafting the initiative before the Senate today. He undertook and succeeded in reporting out a supplemental appropriations package which most in this body can and will support, although every provision does not necessarily please every Senator. This was a difficult task for which the chairman deserves our appreciation and praise. While I support the committee substitute and will vote today in favor of its passage, I want to spend a few moments to share with my colleagues my thoughts concerning the level of supplemental funding proposed for Indian schools and Indian child welfare programs.

It is unfortunate that Indian children who attend schools funded by the Bureau of Indian Affairs and Indian children and families eligible for Indian child welfare programs may become further casualties of the failed economic stimulus proposal. Mr. President, I believe it is important for my colleagues to understand that Indian people and tribal governments already lost a great deal when the Senate failed to invoke cloture on the economic stimulus proposal.

The economic stimulus proposal contained approximately $102 million in funding for Indian programs under the jurisdiction of the Bureau of Indian Affairs. Although this amount does not begin to address the actual need in Indian country it would have provided the following supplemental funding.

First, $23 million for Indian reservation road maintenance projects to improve road safety and access for Indian schools, medical facilities, and businesses. The funds were targeted to major projects on 55 reservations, spanning 15 States, to improve infrastructure for economic development and to stimulate employment.

Second, $15 million for forestry resource enhancement projects, including tree planting and precommercial thinning to increase future harvesting and the sale of wood products on 48 Indian reservations in 20 States. The funds would have been targeted to reservations with the largest acreage of need.

Third, $9 million for the repair and improvement of dangerous and substandard Indian law enforcement, education, and youth services facilities located on 15 reservations in 11 States, and the construction of 3 law enforcement detention facilities in South Dakota and Arizona. These funds would have also assisted the closure of lethal landfills effecting multiple tribes located in Arizona and New Mexico.

Fourth, $5 million for needed repairs and rehabilitation to Indian school facilities in 23 States, including my home State of Nevada.

Finally and most importantly, the economic stimulus proposal contained $49 million to cover severe funding shortfalls for the current 1992–93 and upcoming 1993–94 school years for the operation of the 184 Indian schools and dormitories funded by the Bureau of Indian Affairs in 23 States, including the Pyramid Lake High School and Duckwater Shoshone Elementary School located in Nevada.

Mr. President, in recognition of the dire conditions faced by many Indian schools, the measure we are considering today retains a portion of the supplemental funding for the operation of Indian schools provided in the economic stimulus proposal. The amount requested for Indian school operations in the supplemental appropriation bill currently before the Senate totals approximately $11 million, $10 million less than the House-passed version of H.R. 2118. In addition to its potentially grave impact on Indian schools, the reduced amount proposed in the committee substitute before us today will not permit replenishment of funding for tribal Indian child welfare programs.

In contrast, the level of supplemental funding recommended by the House for Indian school operations would help to replenish a part of the Indian Child Welfare Program funds which were reprogrammed by the Congress earlier this year. Approximately $9 million was reprogrammed from the Indian Child Welfare Program account to the Indian school operations account to help mitigate the negative effects of severe funding shortfalls for Indian schools. As a member of the Senate Committee on Appropriations, I reluctantly approved the reprogramming request in March of this year. This decision, however, was predicated on the expectation that these funds would be replenished upon passage of the President's economic stimulus proposal.

The failure of the economic stimulus proposal resulted in the expenditure of reprogrammed Indian child welfare funds for Indian school operations to prevent Indian school closures and massive school personnel layoffs. Without the increased funding level for Indian school operations proposed in the House passed version of the supplemental appropriation for fiscal year 1993, Indian schools in Nevada and elsewhere that have already been forced to cut personnel, defer needed equipment purchases and make other sacrifices, will find themselves even more impaired in their ability to provide Indian children with a quality education. Further, Indian child welfare programs in Nevada and elsewhere may face dismantlement, case workers may very well lose their jobs and Indian children and families eligible to receive services will most certainly not receive the level of assistance they so desperately require.

Accordingly, as H.R. 2118 moves to conference I will work with my fellow Senate and House conferees to help ensure that Indian schools and Indian Child Welfare Program needs for fiscal year 1993 are both addressed.

Indian children and families deserve our best efforts.

WASTE WATER TREATMENT PROJECTS

Mr. BAUCUS. Mr. President, I rise to express my sincere disappointment concerning the lack of funding for waste water treatment projects in the bill before us today.

We began this process 5 months ago with high hopes that environmental infrastructure, including the State sewage treatment loan fund program, would be a key element of the overall budget package.

The arguments for substantial funding for environmental infrastructure seemed to be strong.

The Nation faces a huge backlog of needed sewage treatment projects, estimated by the Environmental Protection Agency to be at least $80 billion.

Construction of these projects brings clear and immediate water quality and environmental benefits to communities all over the country.

In addition to water quality benefits, these projects provide significant employment opportunities in the hard hit construction industry. EPA estimates that each $1 billion in treatment projects generates over 50,000 jobs.

Finally, funds spent on sewage treatment projects are a good investment for the country. The Clean Water Act established loan funds in each State. Federal funds are provided to State loan funds and States provide a 20-percent match. These funds are then loaned cut to communities at low interest rates and repaid over 20 years. Federal dollars invested in these loan funds today will continue to work for clean water and jobs for decades to come.

Despite these arguments, the administration proposed only level funding for State sewage loan funds. In addition, rather than provide the full funding for fiscal year 1994 of about $2 billion, the administration proposed to provide $845 million in the economic stimulus package and $1.2 billion for fiscal year 1994.

Unfortunately, the stimulus package was not passed. Rather than leave the sewage treatment program to be cut by almost half, the administration proposed to include a substantial portion of the $845 million in the supplemental. Again, this funding was reduced and finally, in the bill before us today, eliminated.

The probable result of this decision is to effectively reduce fiscal year 1994 funding for sewage treatment from about $2 billion to just over $1 billion. This would be a significant setback for the clean water program and for the cause of sound investment of our Nation's infrastructure.

I recently introduced, with the ranking minority member of the Environment and Public Works Committee, Senator CHAFEE, legislation to reauthorize the Clean Water Act and the State loan fund program. Our bill does not propose to reduce funding for environmental infrastructure or to maintain level funding. It proposes to significantly increase our investment in jobs and a clean environment by more than doubling clean water funding by the year 2000.

While I recognize that it is not possible to change the bill before us to provide funding needed to even maintain the current support for environmental infrastructure, we still have a chance to address this problem in the fiscal year 1994 appropriations bill.

I hope that members of the Appropriations Committee will review the many strong reasons to support funding for the Clean Water Act and for environmental infrastructure and do all that they can to assure that, at a minimum, the fiscal year 1994 bill maintains the current fiscal year 1993 funding level.

ROTH-LOTT AMENDMENT NO. 487

Mr. MACK. Mr. President, the focus of this amendment, economic growth, couldn't be more appropriate. Tomorrow the Senate will take up the President's tax package which is guaranteed to result in the layoff of millions of Americans over the next few years. We desperately need a growth plan instead. The plan offered by Senators ROTH and LOTT will give America the economic growth we need.

The plain facts are that the Clinton administration is doing everything in its power to suppress economic growth. The economic chill of this antigrowth agenda is starting to be felt all over the country. The latest index of small business optimism—designed to predict the odds of job growth from small businesses—gave a grim report last month. It fell sharply from previous levels for its seventh consecutive monthly decline. What was driving this pessimism? President Clinton's tax program and the deteriorating economic climate it would create.

Another survey, this one by the U.S. Chamber of Commerce, showed the same fear of the Clinton tax program. The business confidence index for June dropped more sharply than any time in the last 2 years that this index has been calculated. It's now at its lowest level since the end of the recession in 1991. The reason? According to the survey, the decline reflected "a growing disenchantment with the economic uncertainty caused by the prospects of higher taxes for deficit reduction and health-care reform."

Clearly American businesses are worried about the President's economic policy. But so is the rest of America. After all, who owns American businesses? American families.

A recent survey showed that 8 out of every 10 Americans felt it would be harder for the next generation to achieve the American dream. The primary obstacle for them, they reported, were rising taxes. By a 3-to-1 margin, Americans said that the Clinton administration will make it harder to achieve the American dream.

The Roth-Lott plan, by eliminating tax penalties for economic growth, will rejuvenate the economy, boost optimism for the future, and move the American dream a little closer within our grasp. I can't think of a better reason to vote for this progrowth plan of Senators ROTH and LOTT than to help people achieve the American dream.

COMMODITY CREDIT CORPORATION

Mr. DASCHLE. Mr. President, I would like to engage the distinguished Senator from Arkansas [Mr. BUMPERS], the chairman of the Agriculture Appropriations Subcommittee, in a colloquy to clarify the intent of the supplemental appropriations in H.R. 2118 regarding the Commodity Credit Corporation.

An agricultural disaster has hit South Dakota and is worsening. Relentless spring rains have prevented many South Dakota producers from planting their 1993 crop. I have received several letters from South Dakota lending institutions informing me of the serious economic situation our South Dakota producers are in because of this disaster.

These cool, wet conditions have persisted from last fall to the present date. In March 1993, I personally toured farms in the eastern part of South Dakota. What I saw were extremely wet conditions that prevent many South Dakota producers from harvesting their 1992 crop. Those producers still had the 1992 crop corn standing in the fields in March 1993, and the quality of harvested crops had been severely damaged by the wet weather.

Compounding last year's disaster, thundershowers persisted through March and April 1993. The relentless rains filled the soil profile. As a consequence, ponds of water stood in fields where producers were attempting to plant their grain, corn, and soybeans. The thunderstorms and rains have continued throughout May and June.

Because of these wet conditions, 1993 crop planting has been behind all spring. In a normal year, by May 1 most of South Dakota's spring grains have been planted, while this year only about one-third were planted by this date. Subsequently, corn and soybean seeding is also several weeks behind this year. As a result of crop seeding delays, producers in the eastern, and especially the southeastern, portion of South Dakota will suffer from yield reductions, if they were fortunate enough to have planted a crop at all.

The 1993 supplemental appropriations bill provides that funds previously made available for natural disasters in 1990, 1991, and 1992 "shall also be made available to producers of the 1993 crops of agricultural commodities for losses caused by natural disasters which occurred prior to May 1, 1993." Producers in my State of South Dakota have not been able to complete planting of their corn or soybeans in either May or June of this year. Rains prior to May 1, 1993 filled the soil profile with water. Rain falling after May 1, 1993 has been unable to seep away into the soil profile, resulting in standing water and fields too wet to support farm equipment for several weeks following a thunderstorm. This is in contrast to a normal spring, when fields usually dry out after a thunderstorm within a couple of days. Clearly, the early spring rains, which occurred prior to May 1, 1993, have exacerbated this year's prevented planting situation.

My understanding is that the language in the 1993 supplemental appropriations bill applies to producers, such as those I have mentioned in South Dakota, who have been unable to plant a crop because of wet field conditions caused by rain, which occurred in March and April 1993, and prevented planting subsequent to May 1, 1993. Am I correct in that understanding?

Mr. BUMPERS. Mr. President, the Senator is correct.

SOIL CONSERVATION SERVICE EMERGENCY WATERSHED PROTECTION

Mr. DECONCINI. It is my understanding that of the $3,328,000 appropriated to the Soil Conservation Service's Emergency Watershed Protection Program in Amendment 480, $1,400,000 is to be used in my State of Arizona for projects necessitated by recent heavy flooding. Record levels of precipitation in January and February of this year caused critical bank erosion, bank failure, levee failure, channel blockage and other emergency problems endangering homes, businesses and personal safety in communities all over Arizona. These funds are urgently needed in Arizona to repair damages before further drainage occurs from the melting of record levels of snowfall in the Colorado River Basin and before the next rainy season hits Arizona. Mr. President, am I correct in my understanding of the intended use of these funds in Arizona?

Mr. BUMPERS. Yes, the Senator is correct.

Mr. DECONCINI. I thank the chairman Senator BUMPERS. I ask unanimous consent that the following list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

EMERGENCY WATERSHED PROTECTION STATUS, FISCAL YEAR 1993, AS OF MAY 31, 1993

	Exigency unfunded	Nonexigency unfunded	Total
Unfunded requests by State:			
Arizona		1,400,000	1,400,000
California		409,000	409,000
Mississippi		1,232,000	1,232,000
West Virginia		170,000	170,000
Illinois		117,000	117,000
Total unfunded		3,328,000	3,328,000

CHAPTER 1 FUNDS

Mr. KENNEDY. Mr. President, I want to take this opportunity to discuss an issue of funding for education that has received too little attention—the loss of $450 million in Chapter 1 funds for disadvantaged students in many parts of the country.

Because resources are scarce, the total amount of Chapter 1 funds is being held constant at $6.1 billion. As a result of the 1990 census data, many States will gain funds, but many other States will lose funds, based on the change in their percentage share of disadvantaged students.

These cuts are painful, and large numbers of disadvantaged students will be affected. Schools in Boston, New York, Philadelphia, Chicago, Jackson, and many other communities will be hard pressed to fill the gap. It is impossible to cut $450 million out of school budgets, in some cases over 20 percent, without imposing severe consequences on hundreds or even thousands of classrooms. The effect will be disruptive, destabilizing and extremely damaging to large numbers of children and their parents.

Unless we address this situation quickly, half a million school children, poor children, will arrive at school in September without the teachers and services they have come to depend on. Unless we address this situation, thousands of teachers and aides will be laid off, and unable to give these pupils the extra attention and personal contact that has been making all the difference for their futures.

The chapter 1 record is one of steady progress toward its goal of reducing the educational disadvantages that poverty imposes on children.

In basic skills tests, in both reading and mathematics, results for chapter 1 students show gains in every year over the 11-year period from 1979 to 1990 in nearly all grades. In more advanced skills, such as reading comprehension, posttest scores were higher than pretest scores at every level.

Chapter 1 has also produced remarkable progress for minority groups and others who start out farthest behind. For example, the learning gap between the achievement of black students and white 17-year-olds has been closed by 22 points since the beginning of the program—from a 52-point difference on the National Assessment of Educational Progress to a 30-point difference.

Mr. President, I would like to include in the RECORD, at this point, two charts that describe the gains of minority and all disadvantaged urban students on the National Assessment of Educational Progress.

These statistics do not begin to describe the contributions of Chapter 1 in human terms—the gifted teacher who has developed reading techniques to enable other teachers to reach students more effectively; the caring aide in the classroom, the one person the children know is always there to give extra help; the counselor whose role is to connect disadvantaged students with other professionals they desperately need; the early childhood education teacher who is helping achieve the first National Education Goal, making sure that every child is ready for school; the parent coordinator who is the vital link between home and school, and who gives low income parents greater confidence and know-how to help their children at home.

Finally, there is other solid evidence of chapter 1's results. Districts are spreading their resources more evenly among their schools. State-of-the-art materials are being purchased with chapter 1 dollars, new books for pupils who do not usually have them; advanced technology that can bring new ways of thinking into their schools.

Because of the cutbacks required by the 1990 census data from so many communities, these beneficial results will be in jeopardy in many schools. Administrators will have to cut with a meat ax, not a scalpel. And these cuts will occur in a program that already has not been able to keep up with demand. The average grant per chapter 1 child has dropped from $916 in 1980 to $858 in 1990. In the same period, the percent of children in poverty has climbed from 14 to 19 percent.

Schools in major cities are being overwhelmed by the number of low-income children whom they must serve and whose needs are as great as in any time in our history. In New York and Boston, even before these cuts, only 40 percent of eligible children were being served.

The shift in chapter 1 funds under the census data is not a matter of taking funds targeted to poor children who are no longer there.

It is taking funds from some poor children and giving it to other poor children. In the prior census reallocations of 1972 and 1982, Congress avoided the worst effects of the shift in chapter 1 funds by providing a 2-year transition period. That gave States adequate time to plan for changes in appropriations and to redesign programs to serve more children.

In these difficult economic times, we cannot add enough additional funds to make sure that no schools or pupils suffer from the current shift.

But we need to do more to prevent the worst of these cutbacks and the dismantling of so many worthwhile programs. This supplemental funding bill is not the place to resolve this dilemma. But I hope that in the fiscal year 1994 appropriations, Congress will be able to provide the relief that is urgently needed.

I ask that tables reflecting reading scores be inserted in this RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

NAEP READING SCORES FOR WHITE AND AFRICAN-AMERICAN STUDENTS, DISPLAYED BY TESTING DATE AND AGE [1]

	Age 9			Age 13			Age 17		
	White	African-American	Difference	White	African-American	Difference	White	African-American	Difference
Date of testing:									
1971 [2]	214	170	44	261	222	39	291	239	52
1975	217	181	36	262	226	36	293	240	53
1980	221	189	32	264	232	32	293	243	50
1984	218	186	32	263	236	27	296	264	32
1988	218	189	29	261	243	18	295	274	21
1990	217	182	35	262	242	20	297	267	30

[1] The scores are the reading proficiency scale scores—the standard deviation for the age 9 scores is about 40 points, for the age 13 scores about 35 points, and for the age 17 scores about 40 points.

[2] The 1971 assessment scores for whites included scores for Hispanics; the scores for whites for the other assessments did not.

Source: Mullis and others, 1991, pp. 331–333.

NAEP READING SCORES FOR ADVANTAGED AND DISADVANTAGED URBAN STUDENTS, DISPLAYED BY TESTING DATE AND AGE

	Age 9			Age 13			Age 17		
	Advantaged	Disadvantaged	Difference	Advantaged	Disadvantaged	Difference	Advantaged	Disadvantaged	Difference
Date of testing:									
1971	230	179	51	273	234	39	306	260	46
1975	227	184	43	273	230	43	305	259	46
1980	233	188	45	277	242	35	301	258	43
1984	231	192	39	275	239	36	302	266	36
1988	222	192	30	266	239	27	301	275	26
1990	227	186	41	270	241	29	300	273	27

Note.—The primary sampling units were stratified into extreme rural, disadvantaged urban, advantaged urban, and other. We are using the data here from only the second and third strata.

Source: Mullis and others, 1991, pp. 313–315.

MISSILE DESTRUCTION DEMONSTRATION PROJECT

Mr. DOLE. Mr. President, I would like to engage the distinguished chairman of the Defense Appropriations Subcommittee and the ranking member from Alaska in a brief colloquy on a matter that involves the defense conversion of the Sunflower Army Ammunition Plant.

Mr. INOUYE. I would be happy to discuss this matter with my good friend from Kansas.

Mr. DOLE. Before I get into specifics, I would like to commend the chairman, Senator INOUYE and ranking member, Senator STEVENS for their outstanding work in bringing this bill to the floor under very tight budget constraints. They have done a remarkable job in presenting a clean bill, and I commend them for their leadership.

Mr. President, it was my intent to offer an amendment to the bill we are debating today. However, at the request of the chairman, I will not offer my amendment at this time.

The amendment I had planned to offer involves an issue of vital importance to a number of workers at the Sunflower Army Ammunition Plant in my State of Kansas. These workers will soon lose their jobs—not because they are not good workers, but because they have become the innocent victims of the dramatic changes we have witnessed in the world.

To most States, this would not be considered a significant number of jobs. I realize that when one considers the loss of 2,000 or 5,000 jobs in one area, those enormous losses might raise much greater concern than the loss of jobs I am referring to today. But, to the people who work at the Sunflower Plant who are unlucky enough to be caught in the down-sizing of the Defense Department, their experiences will be just as traumatic to them as it will be to the thousands of workers who will lose their jobs in California or Washington State or any other part of the country for that matter, including my State of Kansas. The pain is the same. When only 100 or 200 people lose their job, that's not newsworthy. But I will not ignore those workers at the Sunflower Plant and I will not forget their plight. My amendment would have offered those workers new hope.

I have asked for this colloquy with my good friends from Hawaii and Alaska in the hope that I might enlist their support in a request I intend to make to John Deutch, the Under Secretary of Defense for Acquisition to fund a $900,000, 12-month, full-scale demonstration project at the Sunflower Plant using defense technology conversion funds.

Mr. President, Sunflower has unveiled a visionary program whose goal is to turn the facility into a recycling plant for handling obsolete solid rocket motors and converting the solid propellant removed from the motors into commercial reuse. The process to be demonstrated offers safe, efficient, and environmentally sound technology involving dry machine removal of the propellant and repackaging the granular propellant for resale in the commercial marketplace.

The demonstration will provide data to allow a high level of confidence in the design of an operational plant at Sunflower. It also is key to establishing the credibility of the conversion of current Goco plants to facility-use status, and lowers costs to the Government for maintaining emergency response capability of the plant.

Time is of the essence because there is a very narrow window of opportunity to utilize the existing skilled work force at Sunflower before further forced reductions occur as part of the conversion of the plant to standby status.

This is the kind of innovative market-based program the Defense Conversion Program is all about, and I believe $900,000 from funds appropriated in the fiscal year 1993 Defense Appropriations Act for the defense technology conversion, reinvestment, and transition assistance program could be used to support this initiative. I ask the distinguished chairman if this is correct.

Mr. INOUYE. I say to the distinguished minority leader that this is absolutely correct. And I would like to commend my good friend for his diligence in bringing this issue to my attention. He has been a thoughtful and dynamic force in supporting innovative approaches to defense conversion that help to maintain a strong defense industrial base.

Regretfully, we could not include a provision in this supplemental as requested by the minority leader. I nevertheless, strongly support the Senator's recommendation for a solution to the future use of Sunflower and I am pleased to play a role as a supporter of this proposal.

Mr. STEVENS. I wish to add my support for this important initiative. As our nuclear arsenals are drawn down, the question of how best to safely dispose of the literally thousands of solid rocket motors will soon become a serious issue. This demonstration could well yield a safe and environmentally sound method of not only disposing of these motors, but recycle this material as well. I agree that the use of the Sunflower Army Ammunition Plant to conduct this demonstration makes good sense. Further, I concur that this project fits fully within the legislative intent of the defense technology conversion section of the fiscal year 1993 Defense Appropriations Act.

Mr. DOLE. I appreciate the chairman and ranking member's support, and I will take their endorsements with me when I pursue this with the Department of Defense.

TRANSFER OF LANDS

Mr. GLENN. Senator INOUYE's amendment repeals the provisions of the Department of Defense Appropriations Act, fiscal year 1993 that directed the Department of Defense to indemnify recipients of land previously owned by the Department of Defense. The unintentional confusion at the Department of Defense that this provision has caused was most unfortunate and resulted in a halt of all leases and land transfers by the Department of Defense. Senator INOUYE, I am most appreciative of your willingness to repeal these provisions which allow what we all want to occur, specifically the immediate transfer of lands previously authorized for transfer; and immediate leasing of lands at closing bases. This later is particularly important to Senator MCCAIN and myself as the chairman and ranking member of the Subcommittee on Military Readiness and Defense Infrastructure of the Armed Services Committee, and to Senator FEINSTEIN as the senior Senator from California, a State that will bear a considerable portion of the short-term economic effects associated with closing bases.

Mr. INOUYE. We all want to see viable economic reuse of the closing bases occur as quickly as possible.

Mrs. FEINSTEIN. I, too, would like to express my appreciation to Senator INOUYE and support for this amendment. This amendment results in the removal of the moratorium on the transfer of Department of Defense property at closed military bases. Without this amendment, the country's entire base reuse process would have been at a standstill. The provisions being repealed by this amendment, as well as a similar provision that was included in the National Defense Authorization Act for fiscal year 1993 (Public Law 102–484), address concerns that many of my colleagues and various communities across the country have with regard to indemnification.

I am happy to support repeal of the provision in the Defense Appropriations Act in order to get the base reuse process moving again and to allow for the transfer of Department of Defense property. However, I and various communities across the country have some continuing concerns about the scope of the protection provided in the authorization act. These concerns include matters relating to a variety of pollutants and contaminants not addressed in the authorization act. In addition, there is a need to clarify that the authorization act provides protection for all activities of the Department of Defense including those activities that were carried out by contractors and subcontractors acting on behalf of the Department of Defense on military installations.

I would like to ask the Senator from Ohio [Mr. GLENN] if he will be addressing these concerns in the Defense authorization bill for fiscal year 1994?

Mr. GLENN. Yes. I would be pleased to work with the Senator from California in addressing those concerns which have been raised with regard to the provision in the authorization act (Public Law 102–484).

DEFENSE DEPARTMENT AND DRUG INTERDICTION

Mr. DECONCINI. Would the chairman of the Defense Appropriations Subcommittee yield to the Senator from Arizona for the purposes of a colloquy?

Mr. INOUYE. I would be pleased to yield to my friend from Arizona.

Mr. DECONCINI. In the report accompanying the Senate version of the fiscal year 1993 Defense appropriations bill, the chairman included language urging the Defense Department to upgrade and transfer up to five existing UH–1 (Huey) helicopters to the Border Patrol to enhance drug interdiction operations along the Southwest border. The language also approved the use of up to $4.9 million of the total amount appropriated for "Drug Interdiction and Counterdrug Activities, Defense" for this purpose. Am I correct in stating the actions of the Defense Subcommittee?

Mr. INOUYE. The Senator is correct.

Mr. DECONCINI. To date, however, the Clinton administration has yet to take action on this program. In my conversations with administration officials, they have not opposed this program. Nor have they proposed other uses for these funds. They simply have not gotten around to taking firm action on this issue.

I am concerned that our people who are on the ground trying to stem the flow of illegal drugs into this country are outgunned in their efforts. I am concerned that the administration not forget about this program.

In order to focus their attention, I had planned to offer an amendment earmarking these funds to ensure that the program would go forward. After discussing this matter with the chairman of the Defense Subcommittee, I have decided to not proceed with my amendment—even though the chairman indicated that he would have supported my amendment if I had sought a vote.

Instead, the distinguished chairman has indicated that he would work with me in urging the Defense Department to take action on the report language as it regards this program to ensure that the will of Congress on this matter is appropriately addressed in a timely manner. Am I accurately stating the chairman's position on this issue?

Mr. INOUYE. The Senator from Arizona is accurate in his statement. I would have supported his amendment and I will work with him on getting the Defense Department to act on the report language accompanying the fiscal year 1993 Defense appropriations bill.

Mr. DeCONCINI. I thank the distinguished chairman for his assistance on this important drug interdiction issue and I yield the floor.

The PRESIDING OFFICER. If there are no further amendments to be proposed, the clerk will read the bill for a third time.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 2118), as amended, was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I move that the Senate insist on its amendments.

The PRESIDING OFFICER. Will the Senator yield for a moment? I apologize to the Senator. The Senate will be in order.

I thank Senators.

The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the Chair. The Chair did his duty in securing order.

I move that the Senate insist on its amendments, request a conference with the House of Representatives on the disagreeing votes of the two Houses, and the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. WELLSTONE] appointed Mr. BYRD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. LEAHY, Mr. SASSER, Mr. DeCONCINI, Mr. BUMPERS, Mr. LAUTENBERG, Mr. HARKIN, Ms. MIKULSKI, Mr. REID, Mr. KERREY, Mr. KOHL, Mrs. MURRAY, Mrs. FEINSTEIN, Mr. HATFIELD, Mr. STEVENS, Mr. COCHRAN, Mr. D'AMATO, Mr. SPECTER, Mr. DOMENICI, Mr. NICKLES, Mr. GRAMM, Mr. BOND, Mr. GORTON, Mr. McCONNELL, Mr. MACK, and Mr. BURNS conferees on the part of the Senate.

Mr. BYRD. Mr. President, I thank my colleague, Senator HATFIELD, on the extraordinary work he has done on this bill.

The PRESIDING OFFICER. My apologies to the Senator. Will the Senator yield for a moment?

Mr. BYRD. I have finished.

The PRESIDING OFFICER. The Senator is finished.

The Senate will still be in order.

Mr. McCAIN. Mr. President, I want to express my appreciation to the Appropriations Committee for their assistance in addressing problems created by the agricultural disasters that we experienced in the South and Southwest earlier this year. This is an issue that I have been working on since my State was soaked by severe floods earlier this year, and I am pleased that the Senate has taken action to help farmers in my State and across the Nation.

Mr. President, earlier this year, I introduced legislation which would make unexpended disaster funds available to farmers who suffered losses due to natural disasters in the first part of this year. In addition to my legislation, I have also corresponded with the Secretary of Agriculture asking him to make this money available administratively.

The measure before the Senate today includes provisions which would accomplish that goal. It would also provide disaster assistance for quality losses for wheat, feed grain, sorghum, barley, oats, rice, upland cotton, soybeans, peanuts, sugarcane, sugarbeets, and citrus.

My colleagues may be aware that earlier this year rainstorms in the Southwest wreaked havoc in my home State of Arizona. In just 2 months, we have received our average annual amount of rainfall for an entire year. The flooding destroyed homes, washed out bridges and dislocated hundreds of families.

One of the most severely affected areas of my State has been the agricultural center of Arizona, Yuma County. Flooding along the Gila River in Yuma has had a dramatic effect on farms and homes. Arizona's Department of Agriculture has estimated the cost of cleaning up and restoring the fields for use may be more than $100 million. Additionally, in-ground crops and future harvests have been damaged.

The assistance provided in this bill will greatly help the farmers in Yuma County, the State of Arizona, and the rest of the Nation. Again, I am pleased that my colleagues have acted to help American farmers. I ask unanimous consent that my letters to Secretary Espy and his response be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 18, 1993.

Hon. MIKE ESPY,
Department of Agriculture,
Washington, DC.

DEAR SECRETARY ESPY: As you may know, the Southwest and the South have been struck by a recent series of storms. We are seeking your assistance in providing relief to farmers who have suffered losses due to weather related disasters.

These storms have caused a significant amount of damage in our states. The agriculture industry has been particularly hard hit. Most of the Southwest received record rainfall levels during the months of January and February which have resulted in widespread flooding. This last weekend, much of the South was affected by the recent blizzard causing freeze damage and wind damage to many crops.

It is our understanding that some of the agricultural disaster assistance authorized in 1990, 1991 and 1992 is still available. We are introducing legislation in the Senate which would authorize you to make these funds available for farmers who have suffered losses because of the recent storms.

We request that you determine if this funding can be made available administratively without legislative authority. If this is possible, please advise us how farmers could apply for assistance.

Thank you for your prompt attention to this matter. We look forward to working with you on this and other vital issues in the future.

Sincerely,

JOHN McCAIN,
U.S. Senator.
THAD COCHRAN,
U.S. Senator.
PAUL COVERDELL,
U.S. Senator.

DEPARTMENT OF AGRICULTURE,
Washington, DC, April 19, 1993.

Hon. JOHN McCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR McCAIN: Thank you for your letter to Secretary Espy concerning disaster assistance authorized in 1990, 1991, and 1992 under provisions of the Food, Agriculture, Conservation, and Trade (FACT) Act of 1990.

The disaster provisions of the FACT Act and subsequent funding authorities have made assistance available from the Agricultural Stabilization and Conservation Service for production losses of 1990, 1991, and 1992 crops. All of the funds which have been made available would be utilized to make disaster payments to currently eligible producers in the absence of any new legislation. To make payments to producers for 1993 crop production losses would take both authorizing and appropriating legislation.

However, assistance is available from the Farmers Home Administration (FmHA) and the Rural Development Administration (RDA) to farmers who have suffered weather-related disasters.

On January 19, 1993, ten Arizona counties (Apache, Coconino, Gila, Graham, Greenlee, Maricopa, Navajo, Pima, Pinal, and Yavapai) were named as primary disaster counties in a Presidential Major Disaster Declaration due to damages and losses caused by flooding. Amendments to this declaration added Cochise, Santa Cruz, and Yuma counties to the list of primary counties.

Low-interest emergency (EM) loan assistance from FmHA is available in the primary disaster counties and those named as contiguous. FmHA EM assistance is available to assist family-sized farmers who have suffered a qualifying physical loss or a production loss of at least 30 percent in any single enterprise which constitutes an essential part of their total farming operation. Applications for this assistance will be accepted through September 20, 1993, in local FmHA county Offices. We encourage interested family-sized farmers to contact their County Office for further information and assistance.

Also, the January 19, 1993, Presidential declaration activated funds allocated to RDA under provisions of the Dire Supplemental Appropriations Act, Fiscal Year 1992. Under the Act, an additional $305 million in guaranteed loan assistance was allocated to RDA's Business and Industry (B&I) program to aid victims of Presidentially-declared natural disasters and emergencies.

The B&I program provides assistance to new and existing rural businesses through loan guarantees. The basic purposes of this program include developing or financing business or industry, increasing employment, and controlling or abating pollution.

Ordinarily, this type of assistance is available only to businesses located in areas outside the boundary of a city of 50,000 or more and its immediate adjacent urbanized area. However, under the separate disaster appropriations provided for in the 1992 Act, RDA may loan up to $10 million to agricultural producers (without regard to the size of the operation) and to most commercial business ventures. There is no population limitation for this funding, and funds may be used for construction, repair, buildings, working capital, machinery, and equipment to assist in covering costs resulting from Presidentially-declared natural disasters and emergencies. This assistance is available only to those businesses or individuals located in the primary disaster counties.

The B&I program was formerly operated by the FmHA. Since the newly created RDA does not have its field structure in place, FmHA continues to administer the program on the local level. We encourage interested business owners or agricultural producers to contact the FmHA State Office, at the following address, for further information and application materials: Farmers Home Administrators, 201 East Indianola, Suite 275, Phoenix, Arizona 85012. Telephone: (602) 640-5087.

We can certainly appreciate the hardships which farmers have suffered during the last several months due to weather-related disasters. Any application submitted to FmHA or RDA will be provided every consideration under those agencies' statutory and regulatory authorities.

We hope this information is helpful to you. A similar letter is being sent to each of your colleagues.

Sincerely,

ROBERT PETERS,
Acting Under Secretary for Small Community and Rural Development.

U.S. SENATE,
Washington, DC, May 5, 1993.

Hon. MIKE ESPY,
Department of Agriculture,
Washington, DC.

DEAR SECRETARY ESPY: On March 18, we wrote to your office requesting that the Department of Agriculture consider making unexpended 1990-92 disaster funds available to farmers who have suffered losses due to weather related occurrences in the first quarter of this year.

We appreciate your response outlining existing programs currently available. It was our intention, however, to bolster these programs by making the unexpended 1990-92 funds available to farmers who suffered losses in the first quarter of this year.

The response indicated that both authorizing and appropriating language would be necessary to make these funds available. While we understand that authorizing language may be necessary, we have been advised that appropriation language would not be required because we are not requesting new monies. Please clarify this aspect and advise us how much of these unexpended funds are available.

In addition, it is our understanding that the Department of Agriculture intends to use the unexpended disaster funds for producers of corn who suffered quality losses in 1992. We understand the need to bring relief to corn farmers who face a critical situation. In fact, we appreciate your actions to provide relief for losses resulting from weather related quality reduction. We have concerns, however, that this assistance was not made available to other crop producers.

As you know, other producers have suffered quality losses due to weather-related occurrences. For example, cotton and wheat have also suffered substantial weather-related losses in recent years. If this program is going to be extended, these producers are also worthy of assistance.

It is our understanding that the 1990 Farm Bill, which provides statutory authority for disaster assistance, requires that before a producer receives an additional payment for quality-related losses, the producer must qualify for quantity-related losses. Since many of the corn farmers did not suffer adequate losses to qualify for disaster assistance, the Agricultural Stabilization and Conservation Service (ASCS) created a schedule in which actual yield quantities would be reduced depending on the grade of corn that was produced. This appears to be a very creative way to bring assistance to beleaguered corn producers.

Again, we appreciate your efforts to be creative to resolve the problems that corn farmers face. We would urge you to be equally creative in resolving problems of farmers who have suffered weather-related losses in the first quarter of this year, within existing guidelines and regulations.

We look forward to your attention to this very important matter.

Sincerely,

JOHN MCCAIN,
U.S. Senator.
THAD COCHRAN,
U.S. Senator.
PAUL COVERDELL,
U.S. Senator.

COMMUNITY ENTERPRISE GRANTS

Mr. KENNEDY. It has been more than 1 year since the violence in South-Central Los Angeles highlighted the severe and persistent problems that exist in the Nation's cities and we still have not enacted legislation to begin to address these problems. Meanwhile, cities such as Boston have moved forward—taking a comprehensive approach to integrating job training, education, and health care to rebuild our inner cities. But they cannot go it alone. They need and deserve our support.

Last year, working with the leadership, Senators RIEGLE, BIDEN, and I crafted a package of direct investments—community enterprise grants—to complement the tax expenditures in the enterprise zone legislation developed in response to the riots. Although this package along with the tax provisions were vetoed by President Bush, the Congress did enact an appropriation of $500 million to fund the community enterprise grants in Public Law 102-368, the Supplemental Appropriations, Transfers, and Rescissions Act of 1992.

Currently, the tax enterprise zone legislation has passed the House as part of H.R. 2264, the Omnibus Budget Reconciliation Act of 1993. The administration has proposed authorizing language or the community enterprise grants and the committees of jurisdiction are currently considering this legislation.

Unfortunately, the supplemental appropriations bill this is before us today would rescind the funds for the community enterprise grants. The House version of this bill does not include this rescission although it delays obligation of the funds until the end of this fiscal year. I have no objection to delaying obligation of the funds since congressional action on the tax and investment pieces of the enterprise zone legislation has been developed, and the program will not be up and running before that time. However, and I understand that the administration concurs, it is a serious problem to rescind the funding altogether—particularly when there is no agreement in place to provide the necessary funds as part of fiscal year 1994 appropriations.

I ask that we all work together—authorizing and appropriations committees and the administration—to resolve this problem. I am fully aware of the difficulties faced by the Appropriations Committee. I understand that everyone will have to give a little to accommodate a number of worth competing needs for very limited funds.

Mr. RIEGLE. I concur with Senator KENNEDY that a delay in the obligation of the funds for enterprise zones is not a problem because it will take some time to get the program up and running. But elimination of the funds altogether strikes at the heart of the investment component of the enterprise zone proposal. The administration has made this proposal a critical piece of its agenda to revitalize distressed urban and rural communities. I hope we can work together to implement this important proposal and get moving again on breathing new life into our inner cities and distressed rural area.

Mr. BIDEN. I concur. I believe that the supplemental appropriations bill that is before us today offers several valuable programs. In particular, I strongly support the resources for community policing programs. Community policing programs have proven their worth in combating the epidemic of crime that is tearing apart neighborhoods in every region of our country. I would also like to recognize the effort of the Appropriations Committee to balance several competing needs in the face of such extreme budgetary pressures.

Unfortunately, the bill that is before us rescinds the funds for community enterprise grants. I have no objection to delaying the obligation of these funds until the end of this fiscal year. However, I support the views of several of my colleagues—and I understand the administration shares this view—the community policing and other initiatives included in the community enterprise program respond to a vital national need. I further understand that the administration's position calls for $500 million to fund community policing efforts during the first 2 years of the enterprise program. This would be a particularly effective use of this proven crime-fighting tool.

Thus, I join my colleagues in asking that the appropriate authorizing committees, the Appropriations Committee and the administration work together to resolve the issues relating to the community enterprise program.

Mrs. BOXER. I share Senator KENNEDY's concern that over a year after the disturbances in Los Angeles, legislation to address urban problems has yet to be enacted. We must provide a serious response to the urban crisis in our Nation. If we fail to do so, we will have learned nothing from the events of last spring in Los Angeles, and we will only continue to witness urban disturbances devastate our cities. More tragic, but hidden from our view, will be the despair that deepens in the hearts of those who live in our cities. Without jobs, with poor educations, and with little hope—crime, drugs, and violence will continue to consume them.

I do not want to witness the distress on the faces of my constituents in Los Angeles, should we again fail to craft legislation and provide funds that would enable their communities to rebuild. I urge the members of the authorizing and appropriating committees, in conjunction with the administration, to achieve a compromise that will protect critically needed urban aid.

Mr. HARKIN. I concur that we need to take action to address the needs of poor inner city and distressed rural communities. The supplemental bill before us today includes summer jobs and community policing grants for these and other communities.

These programs which serve our cities are already authorized. I will continue to work with my distinguished colleagues on these important matters.

Mr. FORD. Mr. President, on behalf of the majority leader I wish to announce there will be no more votes this evening.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that the Senate now go into morning business with Senators allowed to speak therein not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as anyone even remotely familiar with the U.S. Constitution knows, no President can spend a dime of Federal tax money that has not first been approved by Congress, both the House of Representatives and the U.S. Senate.

So when you hear a politician or an editor or a commentator declare that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that it was, and is, the constitutional duty of Congress to control Federal spending, which Congress has failed miserably to do for about 50 years.

The fiscal irresponsibility of Congress has created a Federal debt which stood at $4,296,985,941,229.90 as of the close of business on Friday, June 18. Averaged out, every man, woman, and child in America owes a share of this massive debt, and that per capita share is $16,728.97.

TRIBUTE TO J.C. KENNEDY

Mr. BOREN. Mr. President, on May 17 of this year, Oklahoma lost one of its most outstanding citizens, J.C. Kennedy. J.C. was a truly remarkable human being. He demonstrated what is best in the American spirit. He was respectful of the past, but his attention was always focused on the future and how we could make things better. He was forever young in his thinking, his enthusiasm, and in his idealism.

He was a mentor to me and to countless other young men and women who wanted to be public servants. His belief in us helped us to believe in ourselves and in our dreams that we could make a difference.

He was not a self righteous man, but instead merely a quietly just man who could poke fun at himself while quietly demonstrating the moral courage to stand by his convictions. He marched for racial justice in Alabama in the 1960's, but more importantly he helped to racially integrate his own hometown. He stood for equal rights for women before it was politically correct.

A wonderful and loving father to his three children and a devoted husband to his wife Wynn who was his partner in all his good endeavors, J.C. Kennedy was a worthy role model in his private life as well as in his public service.

His memory will remain strong with all who knew him. Every time we take a stand for what we believe is right and every time we look to the hope represented by the future instead of dwelling on the mistakes of the past, we will feel the presence of J.C. Kennedy standing with us.

I ask unanimous consent that an editorial from the Tulsa World and the eulogy of J.C. Kennedy presented at his memorial service by President Don Davis of Cameron University be inserted into the RECORD at the conclusion of my remarks.

[From Tulsa World, May 19, 1993]

A VOICE OF REASON

J.C. Kennedy, one of the guiding lights of the political establishment in this state for a generation, died Monday at his home in Lawton, He was 83.

Kennedy served as an alternate delegate to the United Nations, as chairman of the state Democratic Party and in many other civic and political roles.

Despite his identity as a partisan Democrat, Kennedy was a trusted adviser to governors, senators, members of Congress and other elected officials of both parties for much of his adult life. His advice was usually progressive and always reasonable. A businessman and banker, he honestly believed that his state, his country—indeed, the world—could be made better and that one person could make a difference. He never shied from controversy.

In the 1950s and early 1960s, long before it became politically correct, Kennedy stood up for peaceful integration and public accommodations for blacks. He would have laughed at being called a crusader, he simply believed in fair play.

Oklahoma has lost a persuasive voice of advancement and reason.

EULOGY FOR J.C. KENNEDY, GIVEN BY DON DAVIS, MAY 20, 1993

A Yellow Dog Democrat is someone who would vote for a yellow dog if it was running on the Democratic ticket, J.C. Kennedy was a Yellow Dog Democrat.

It was a name he picked for himself—in fact earned for himself—and he displayed it with pride in the form of a lapel pin he wore regularly and bumper stickers he kept on his car far past election day.

J.C. was an Irish Catholic Democrat, and he pulled the best qualities from each of these groups to form a composite person who was eternally optimistic, championed the underdog, promoted just causes, gave generously of himself, enjoyed a good fight, knew when to make peace, and could both give and take advice, knew that right would prevail in the end, and always was absolutely convinced he was right.

As a Democrat, J.C. placed a priority on people over property, was a strong proponent of civil rights, believed all people should be able to find a self-worth and dignity through jobs and affordable housing, and was an advocate for opening up the political processes of his party and government to greater public participation. For more than a half century he practiced these beliefs in the service of his community, state and nation.

In politics, the term "kingmaker" is used to describe a person who has sufficient power or influence to get a candidate for public office elected. J.C. Kennedy came about as close to being a kingmaker as anyone in Oklahoma Democratic politics.

He had an uncanny ability to pick a winner early, most times when few others in the state had recognized the candidate's ability. Again and again, J.C. would recognize the potential in an aspiring politician and help propel that person from relative obscurity to prominence.

Consider these examples:

J. Howard Edmondson, Tulsa prosecutor whose prairie fire campaign brought sweeping reforms to Oklahoma state government.

Glenn English, who had been J.C.'s assistant when he was state Democratic chairman, then ran for Congress since he had no place else to go and now is Oklahoma's senior congressman.

David Boren, who with his Broom Brigade and J.C.'s help went from the back row of the Oklahoma House of Representatives to the Governor's Mansion.

Robert Henry, a bright but little-known state representative from Shawnee, who at the last election was reelected without opposition as Oklahoma's Attorney General, which is the first time that has happened in the state's history.

David Walters, the first governor over elected from western Oklahoma.

Jimmy Carter, whose presidential campaign gained momentum in Oklahoma and across the nation after J.C. joined his team.

As we think back on these campaigns and others, each of us can remember experiences we shared with J.C. Kennedy. As I began to pull together these remarks for today, friends of J.C. and Wynn from all over Oklahoma called to share recollections with me. Since we can tell only a few in our time today, each of you was given a card as you came in on which you can write your favorite J.C. Kennedy story and share with his family. Turn them in as you leave or mail them back later either directly to J.C. and Wynn's address or to me at Cameron University and I will deliver them.

Without exception, each of the persons I talked with shared a common recollection about their experiences with J.C. Kennedy. That common recollection was that J.C. never sought anything for himself in his political activities.

One summed it up this way: "He was unique among powerful politicians in that he didn't want anything. Others would give their support only on certain conditions, but not J.C. He made up his mind independently and never asked for anything."

One after another, all those I talked with focused on integrity when they discussed their experiences with J.C. And they recalled him as one who staked out his positions on principle, then pursued them with good humor, but with a determination to win.

Another common recollection was his frugality. I have carefully and diplomatically chosen the word frugality to describe his reputation for never having picked up a restaurant or bar tab, and his penchant for smoking O.P. cigarettes. O.P., for those of you who don't know, stands for "other people's."

Several recalled the odd couple of J.C. and his longtime business partner Exall English. With J.C. as the area's preeminent Democrat, and Exall filing a similar position in the Republican ranks, they were able to work both sides of the street and meet at the end. In fact, the practice worked so well that a similar arrangement reportedly was initiated between J.C. and his friend Jack Carter with respect to Democratic candidates. It never hurts to have a friend in the winner's camp.

We all know the statistics which resulted from J.C.'s positions on good Irish Catholic Democratic principles. As a result, he was:

State Democratic Chairman from 1968 to 1972.

Delegate to the United Nations in 1977.

Oklahoma Highway Commission Member 1959–1963.

Oklahoma Department of Transportation Chairman 1975–79.

Inducted into the Oklahoma Hall of Fame in 1979.

Received Cameron University's Distinguished Service Award in 1987.

Director of the Cameron University Foundation.

Trustee for St. Gregory's College in Shawnee.

President of Lawton Chamber of Commerce.

President of Oklahoma Good Roads and Streets Association.

President of Lawton Rotary Club.

While achieving this incredible record of public service and civic contribution, J.C. was successful in his business ventures in banking and as a partner in Kennedy & Ford, Lawton's oldest insurance and real estate firm.

While many of J.C.'s contributions were at the state and national level, his leadership in Lawton's oivil rights efforts of the 1960's was particularly important to his home community. It would have been far easier to travel to Alabama or Mississippi and participate in a freedom march than it was to stay at home and work for civil rights where the business fortunes of your bank and insurance and real estate interests might be adversely affected.

Earlier, I spoke of J.C. as a kingmaker and gave examples of those whose public careers had prospered with his nurture. As important as these persons were, J.C. had another role as kingmaker which was equally important to him.

His other role as kingmaker has involved working with men and women, girls and boys who because of diminished mental capacity, illness, affliction or poverty had been unable to get or keep a job, have a place to live or enjoy the kind of physical activities that youngsters should have a right to.

At Goodwill Industries, he provided leadership for one of the nation's most successful efforts in assisting those with disabilities work with pride and dignity and earn self-esteem at the same time they earn a living.

And what's a king—or—queen—without a castle? Every man's home is his castle. Goodwill Village, which is now being expanded, provided another national model, this one for handicapped housing.

J.C. has long been a proponent of affordable housing for the poor, having been the initial president of the Oklahoma Housing Conference, which championed public housing legislation and development.

The Child Development Program at St. Gregory's College in Shawnee has taught children whose physical afflictions will not allow them to walk a straight line to at least swim a straight line or ride a horse along a straight line. And for the first time these children have felt regal.

The life's work of J.C. Kennedy as a Democrat, kingmaker, public servant, and leader in civil rights and civic affairs, has been as the champion of those whose cause was just, but lacked the capacity or clout to achieve their ends.

J.C.'s life reminds me of the story of the final judgment told in the twenty-fifth chapter of Matthew where the people of all nations will be divided into two groups, and as Jesus invites the righteous to enter into his kingdom, he will say, "I was hungry and you fed me, thirsty and you gave me a drink; I was a stranger and you received me in your homes, naked and you clothed me; I was sick and you took care of me, in prison and you visited me."

And the righteous will then ask him, "When, Lord, did we ever see you hungry and feed you, or thirsty and give you a drink? When did we ever see you a stranger and welcome you into our homes, or naked and clothe you? When did we ever see you sick or in prison, and visit you?"

To which Christ will reply, "I tell you, whenever you did this for one of the least important of my brothers, you did it for me."

And that, my friends, sums up the ministry of Democratic politics which was the life of J.C. Kennedy.

There is no other way to end these remarks than with an appropriate Irish blessing.

May the roads rise to meet you
May the winds be always at your back
May the sun shine warm upon your face
The rains fall soft upon your fields
And until we meet again
May God hold you
In the hollow of His hand

THE PHOENIX SUNS

Mr. DECONCINI. Mr. President, I would like to take this time to give a well-deserved congratulations to the Phoenix Suns, 1993 NBA Western Conference Champions. They had a season that was better than any other we, as fans, have experienced, and I wish to thank them on behalf of the State of Arizona for an exciting season and a hearty chant of "Wait til next year!"

Suns president and chief executive officer, Jerry Colangelo, did a fine job this year, as evidenced by earning his fourth NBA Executive of the Year Award. He went against what was known as common logic to trade away fan favorite Jeff Hornacek for a controversial figure, Charles Barkley. Because of that trade, he deserves as much credit as the players for the Suns' effort this year. He continues to show that he is a basketball genius and the standard by which all other owners are measured.

Of course, you cannot overlook the performances of the players and coaches. There is Barkley, who own his first league MVP award; All-Star Dan Majerle, who set or tied two playoff records with his long-distance accuracy; Kevin Johnson, who proved through the playoffs that he is an elite point guard; and Head Coach Paul Westphal, who won 62 games in his first year.

There are the seasoned veterans like Danny Ainge, who provided strong guidance through the finals as a two-time champion with the Boston Celtics; Tom Chambers, who provided offensive spark off the bench and guidance that only comes from going through the rigors of playoff basketball year after year; and Frank Johnson, who battled to make the team after playing in Europe and who played an important role in stabilizing the offense.

For the future, there are the new young players who will certainly determine the progress of the team. There is 3-year vet Cedric Ceballos, who missed the playoffs due to foot surgery but was an important cog in the team's firepower; rookie Richard Dumas, who wowed audiences everywhere he went, and especially opened eyes in the Eastern press during the finals with his tremendous athletic ability; and rookie Oliver Miller, whose deceptive size veils his awesome skills as a shotblocker and adept passer. These three certainly have a place in the Suns' future, and should be proud of their individual contributions to the team's present success.

The Chicago Bulls showed the Suns why they are champions, and I congratulate them. I also thank them for giving the Suns a few good lessons on what it takes to be the best. Here's hoping the Suns apply what they learned next year, when I hope to renew my friendly wager with the distinguished Senator from Illinois [Ms. MOSELEY-BRAUN] and get my bushel of Illinois corn I wanted this year.

Again, thank you Jerry Colangelo and the Phoenix Suns for another fantastic year. You are champions in the hearts of Arizona—hearts that bleed purple and orange.

BOTTOM-UP REVIEW

Mr. WARNER. Mr. President, I ask unanimous consent that a copy of a letter that I have written to the Secretary of Defense be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WARNER. Mr. President, the letter, which I wrote today, asks the Secretary of Defense, in the course of his bottom-up review, to allow for some period of time within which the Congress and the private sector and other interested parties may give constructive comments before that important document is final. That document will have a major impact in America's economy, and I think it should be thought through very carefully before it is finalized.

I thank my distinguished friend from Colorado.

EXHIBIT 1

U.S. SENATE,
Washington, DC, June 22, 1993.

Hon. LES ASPIN,
Secretary of Defense, The Pentagon, Washington, DC.

DEAR MR. SECRETARY: During open hearings today with Under Secretary Deutch and last week with Deputy Secretary Perry, I urged your Department to adjust the procedure and timing of the "bottom-up" review to allow for a short consultative process, during which the public and individual members of Congress may offer written views on the review before it is finalized and approved by the President.

Your "review" will have significant impact on many sectors of our nation's economy. The long range implications, particularly with personnel levels, procurement, and other spending formulas, will affect local economies far more than the forthcoming decision of the Base Closure Commission, a process that involves substantial public input.

Over the past months, you, General Powell, and others have cited errors made in defense draw-downs after World Wars I and II, Korea and Vietnam. This history documents how your predecessors, persons of good conscience trying to do the difficult task with care, have erred.

I don't advocate a formal process—just a reasonable period of time for those affected by your decisions to at least have an opportunity to offer written views before your decisions are finalized. You, of course, would be free to act on, or reject, any comments received.

In short, you are in the process of making decisions of vital importance to many sectors of the American public. I think it can only improve that decision process if those various affected parties are given some chance to express their views.

Mr. Secretary, this procedure is suggested in the spirit of trying to improve the decision process. Of course, it would in no way obviate the authority of Congress to review, and change if appropriate, any decisions coming from the review.

Would you please let me know as soon as possible if you believe there is merit in allowing public comment in this important process.

Sincerely,

JOHN WARNER.

A TRIBUTE TO MRS. RICHARD NIXON

Mr. THURMOND. Mr. President, I rise today to pay tribute to the memory of a lovely lady and a good friend, Mrs. Richard Nixon, who passed away this morning. Pat Nixon was a woman of character, courage, and compassion, and an outstanding individual in every way. She will be deeply missed.

Mr. President, in the past our Nation has not been very appreciative of the tremendous contributions made by our First Ladies. We have taken their hard work, diplomacy, and devotion for granted; and I have always believed this was a mistake. In many cases—probably most cases—the President would not perform his duties without the advice and support of his spouse.

These women have essentially been unsung heroes. They have worked tirelessly—for no salary and almost no recognition—to enable their partners to carry out the heavy responsibilities of our Nation's highest office.

Mrs. Nixon was such a First Lady. She was a person of great strength and ability, and an invaluable asset to President Nixon throughout their life together. Her kindness and common sense, her sincerity, and her tremendous personal warmth endeared her to all she met; and she was always there for her husband and her family in good times and in bad.

Mrs. Nixon was born in 1912, in Ely, NV; the daughter of a miner who later took up ranching. Her father gave her the nickname "Pat" because she was born just before St. Patrick's Day. She graduated cum laude from the University of Southern California, and worked as an x-ray technician, teacher and economist. She met Richard Nixon—then a young attorney—at rehearsals for a community theater play in 1937.

During her many years in public life, Mrs. Nixon was an advocate for voluntarism and humanitarian service. She was an accomplished and graceful hostess, and her intelligence and charm made her instrumental in President Nixon's foreign policy successes. Although she shied away from the spotlight a bit, preferring to remain in the background, she was a forthright and valued adviser to her husband.

Mr. President, our Nation has lost one of its finest women, and we shall miss her very much. I extend my deepest condolences to President Nixon, Tricia, Julie, and the rest of Mrs. Nixon's fine family at this time of sorrow. They will be in our thoughts and prayers.

TRIBUTE TO DR. WILLIAM ROBERT MARTIN

Mr. MCCONNELL. Mr. President, I rise today to honor the memory of Dr. William Robert Martin, one of the University of Kentucky's most distinguished pharmacology researchers and a national leader in the study of substance abuse.

Dr. William Martin dedicated more than 40 years of his life to neuropsychopharmacology study, exploring the properties of drugs and their effects on the human neurological system. Dr. Martin began his pioneering investigations as a member of Lexington, Kentucky's National Institutes of Health Addiction Research Center in 1957, and served as its director from 1963 to 1977. From 1977 to 1990, he administered the University of Kentucky's pharmacology department, and continued to cultivate the scientific curiosity of aspiring medical students as an anesthesiology professor at UK's College of Medicine.

Dr. Martin's work revealed pivotal factors in understanding the development of drug addiction and the consequences of substance abuse. His invaluable legacy is not only honored through his many awards, including the 1971 Public Health Service Meritorious Service Medal, but also by researchers and patients who continue to strive for greater insight into one of humanity's greatest health care challenges.

Mr. President, I ask my colleagues to join me in honoring the lifetime accomplishments of Mr. William Martin, and to offer our sincere condolences to those who mourn the loss of a beloved family member, and an esteemed associate.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Thank you very much, Mr. President. I thank the majority whip for his courtesy.

The PRESIDING OFFICER. Will the Senator yield?

The Senator from Louisiana is speaking. Will there please be order in the Chamber?

The Senator is recognized.

Mr. BREAUX. I thank the Chair.

BASE CLOSINGS

Mr. BREAUX. Mr. President, I take this opportunity just to share some information with my colleagues who are representing States that had the experience of going through a proposed base closure.

We had a situation in Louisiana a couple years ago where we had an Air Force base, England Air Force Base, which was put on the so-called hit list and actually we went through all of the hearings to argue that the base should not be closed.

Mr. President, there is a very interesting article on the front page of the Wall Street Journal this morning. It is entitled "Closing Military Base Doesn't Sound Taps for Alexandria, LA. The City Fought the Pullout, But Also Wooed Tenants For Air Force's Property," and the subhead line is "A Survival Guide for Others."

I commend to all my colleagues who have similar situations in their States when they are facing the possibility of base closing to read this article, because I think it can be very helpful.

When the proposal first hit Louisiana the local economy went into turmoil. They were very concerned, and the article says:

> The local economy would be set back 15 years, one economist warned, and nearly 6,400 jobs would be lost. Retailers feared sales would plummet. property values were slashed when the closing was announced. Development stopped cold.

There was sense of hysteria that covered this central Louisiana area because of the announced base closing. Today, just a year after the closing was accomplished, housing prices are higher than they were in 1991, job growth has remained steady with 400 new jobs created last year and hundreds more expected. Instead of a drop in business the city officials enjoyed a 10-percent increase in sales tax revenues.

I just conclude with the last sentence in the article which I think is very true. There is a local businessman who said:

> This area will be better off, with the new development they're doing now, than if they had kept the base intact.

I think this just shows what a community can do when they make up their minds to work together after the base closure is clearly established; that they can do things and bring in new business; use that property to generate jobs. Instead of spending all of their time trying to stop the closure, they actually worked and got a great deal accomplished.

I think they are absolutely correct, they will be better off in the future with the base closed than they were with it open because of the great work the local community did. I wanted to share that with my colleagues.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mrs. BOXER). The Senator from Oklahoma.

AGRICULTURE DISASTER ASSISTANCE

Mr. BOREN. Madam President, just very briefly, I see the Senator from Arkansas is on the floor and my colleague from Oklahoma is on the floor.

We have had a problem in our State due to floods and hailstorms that occurred after the cutoff date of May 1 in this bill on the coverage of disasters. We had flooding in May and, after that period of time, severe hailstorms in the northern part of our State on the 3d of June.

I would like to yield to my colleague from Oklahoma to perhaps give additional details about it. We would like to then request of the Senator from Arkansas, who chairs the subcommittee in this area, if he might look at this situation, perhaps, as we go to conference on the bill in which the final date for coverage on disasters will be fixed. It is our hope that he might consider how much funding would be required if we extended the date to the middle of June. If it could not be extended to the middle of June, it is our hope that perhaps he would work with us when the regular appropriations bill comes up.

Mr. FORD. May I ask the Senator a question?

Does that include the flooding now in Wisconsin and Texas and all those States that are going through probably as bad a situation as in Oklahoma? What about the deadline for them?

Mr. BOREN. I do not know when these various floods occurred. I know that with the cutoff date, I think most of those have been taken care of.

Mr. FORD. They are just now going on. They are in the month of June and they are devastating. I wonder if the May deadline can be extended until June. And are you going to extend it to other parts of the country, also? That was my question. It is going to a cost a lot of money.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, to respond to the Senator from Kentucky, I had an amendment that I had hoped my colleague and friend from Arkansas would be able to agree to that would extend the date—we did extend it in the bill to May 1—I was hopeful that we would be able to extend it to July 1.

It is my hope that my friend from Arkansas will be able to have the extension of time, either in conference or will have consideration in the 1994 appropriations bill, because we have had very significant damage in our State and, I am sure, as the Senator from Kentucky has mentioned, in some other States, significant flood damage that is eligible and would be eligible for disaster assistance.

I might mention, because of the peculiar situation that we are in, we did extend the damage time limit under the bill to May 1. We had a lot of people in this wheat crop, for example, that were eligible for flood disaster assistance in the month of March and, even though there was very significant hail damage on June 3 in my State, they will not be eligible immediately.

So I would just ask my friend and colleague from Arkansas, if we could get some good estimates on the cost assessments from the Agriculture Department, if he would consider either modifying that date or would give us some consideration under the 1994 appropriations bill.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Madam President, both Senators from Oklahoma have stated the problem, but, if I may restate it from a slightly different perspective, it is this: There is $445 million in the existing farm disaster fund. Right now, there are claims of well over $600 million against that, and climbing every day, to take care of agriculture disasters that occurred prior to May 1, 1993.

The Presiding Officer should know that we even included citrus today, which is a rather dicey thing, but that is a different argument. We included citrus.

But when we checked with the ASCS, in an attempt to accommodate the Senators from Oklahoma in moving the date before which a disaster would have had to occur, moving that date from May 1 to June 4, we found that not only did Oklahoma have disaster in that length of time, but my own home State of Arkansas is suffering from the same floods that swept across Oklahoma. They swept right over into Arkansas and we lost thousands of acres of wheat. We do not know what the damage was.

I did get an estimate that the claims from Oklahoma farmers would probably range around $5 million to $10 million. That is just a guess.

But if you include the other 49 States, ASCS says the disasters in that short period of time could well be between $200 and $300 million.

So here is where we are. If you were to put another $200 million in claims against the present $400-million-plus pot of money, you reduce dramatically the amount of money people in that category are going to get.

Right now, they stand to get 60 cents to 70 cents for every dollar lost. If you put another $200 or $300 million in there, that reduces the amount they are going to get.

So if you were to ask the farmers of Arkansas and Oklahoma: Would you rather be thrown into the pot now, knowing that you probably would not get over 30 to 40 cents for each dollar loss you sustained, or would you rather wait for an additional pot and hope to get 60 to 70 cents out of the next pot of disaster money, I think every farmer would say, "I am willing to wait to get the additional money."

I am not making a guarantee or making a representation that they are going to get a lot more money by waiting, but I think their chances are much better that way.

So I want to assure the Senators from Oklahoma that I have a dog in this fight, too. My own wheat farmers are going to be looking to me for some help.

I will do everything I can between now and—I do not think we can do it probably in conference, though I am willing to try that.

If we found the losses were, say, $30 million nationwide, instead of $300 million, I would insist we go ahead and put them in now. But if it is $200 to $300 million, we would not have any choice, in my opinion, but to wait for the 1994 appropriations.

But I promise both Senators that I will do everything I can to provide relief to your farmers.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Madam President, I thank my colleague from Arkansas. We have worked together on many, many issues. I know of his sensitivity to the needs of the farmers, those that have been struck by disasters. As he said, he has experienced the same kind of situation in his home State. We are close neighbors.

I want to express my appreciation to him for his willingness to monitor this situation.

I agree with him completely. If this turns out to be a relatively small amount of money nationwide, then it is appropriate to make the change of date. If it turns out to be a larger amount so all of the farmers are given a very small pro rata share, then it would not be advantageous to do it, but it would be appropriate to work with the Senator from Arkansas on the regular bill when the regular appropriations time comes.

We also need to work with the Agriculture Committee to clarify the definite figures and make sure the funding goes to those with the greatest needs.

I thank the Senator from Arkansas. I appreciate his sensitivities to this problem. I also thank my colleague from Oklahoma.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I wish to thank my friend and colleague from Arkansas, as well, and tell him we will try to stay in touch with the Department of Agriculture to get real estimates, because it is my belief, as far as my State is concerned, the losses would not be that significant, certainly not in the very large figures, but we need to find out. And, hopefully, we can get that information as soon as possible.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

SUMMER JOBS

Mr. GORTON. Madam President, the supplemental appropriations bill, which was just passed by this Senate, spends an extra $200 million to create 141,000 youth jobs for an average of 8½ weeks during this summer. That costs about $1,417 per job, with an average wage of $1,168. All of these jobs, of course, are in the public sector. None are in the private sector.

This Senator voted for that bill and for the inclusion of this summer job program within it because of the urgent necessity to provide these opportunities for our youth. Recently, however, this Senator introduced the Youth Job Opportunities Through Business Act. It would place young people in private-sector jobs by linking the Joint Training and Partnership Act with the targeted jobs tax credit. If we had authorized this program, the same $200 million would employ an extra 279,000 youths this summer, twice as many as the current program, and all in the private sector.

Madam President, I think the dichotomy, the distinction between these two ways of using the same number of dollars toward the same purpose, is dramatically illustrative of the fact that a partnership with the private sector can carry the same number of dollars much further, affect far more young people, and provide them with a more valid work experience for the kind of experience they will almost certainly be seeking in the private sector later.

I commend that program in this bill to my colleagues for authorization before we go through this process next year, in order that we can do a better job in providing opportunities for our young people.

To reiterate, this bill spends an extra $200 million to create, employ 141,000 youth for an average of 8.5 weeks in the summer. It costs $1,417 per job. The average wage is $1,168.

Further, they are entirely in the public sector. Not one will be in a private business.

Recently, I introduced the Youth Job Opportunities Through Business Act. It would place young people into private sector jobs by linking the JTPA with the TJTC.

Using that same $200 million figure, the Youth JOB's Act would employ an extra 279,251 youth this summer, twice as many as the current program.

Overall, we will spend $879 million on summer jobs. That will create 620,000 summer jobs. The Youth JOB's Act would employ 1.2 million youth.

Some State numbers are:

State	Fiscal years		YJA jobs	New jobs
	1993 funding	1993 jobs		
Washington	14,598,535	10,302	20,383	10,081
Arkansas	9,599,984	6,775	13,404	6,629
California	111,839,128	78,927	156,156	77,229
New Jersey	23,171,174	16,352	32,353	16,001
New York	63,548,411	44,847	88,730	43,883
Idaho	2,910,505	2,054	4,064	2,010
Illinois	42,600,795	30,064	59,482	29,418
Texas	60,979,369	43,034	85,143	42,109

Some city numbers are:

City	Youths applied	Jobs available	"GAP"	Youth JOB's Act	New jobs created
Seattle	2,000	1,300	700	2,600	1,300
Boston	1,200	979	221	1,958	979
Dallas	4,010	3,000	1,010	6,000	3,000
Los Angeles	19,000	11,000	8,000	22,000	11,000
New York City	41,000	20,975	20,025	41,950	20,975
Omaha	1,569	700	869	1,400	700
Washington, DC	19,000	3,000	16,000	6,000	3,000

When determining the value of these jobs, we need to ask two questions:

(1). What kind of goods and services are produced?

This question is easily answered when the job is in the private sector. The job produces the goods and services which are in demand by consumers. The private sector jobs pay for themselves, or in this case partially pay for themselves, while in the public sector the jobs are financed with taxpayer moneys.

Focusing the money on job creation in the private sector is additionally a more effective use of money because it reduces the overhead and supervisory costs involved in public service employment. The Department of Labor's IG report contended that the best summer youth employment programs are those in which the participants are adequately supervised. In order to do this in the public sector, supervisors must be hired with part of the moneys spent on overhead and not on job creation. The private sector has supervisors already on the payroll or will use their funds to hire the necessary supervision, thus more youth may be employed.

It is more complicated with public service jobs. This question is often not even addressed. When it is, the follow-up question must be asked whether the services are the most efficient and effective use of Federal dollars?

(2) What does the job produce for the person doing the job?

In May 1992, a study conducted for the Department of Labor on the impacts on future earnings and employment of participants who had gone through JTPA youth job training, reported:

> Overall the JTPA appears to have [had] * * * little or no effect on the earning and employment of female youths, and negative effects on the earnings and employment of male youths.

One goal of the Summer Jobs Program has been stated to provide youth with the work experience and the skills in order to prepare them to enter into the work force. If the goal of the program is to teach these youth how to work in the private sector, why not train them in the private sector?

The point has been supported by statements made by Paul Osterman, a professor at MIT's Sloan School of Management, who has extensively studied summer youth training programs—

> Skill training is something the private sector is better equipped to do.
>
> The key issue is the quality of the placement. You must ensure that the job is not make work. You must ensure that there is good supervision. You must ensure that the participant is installed with good work habits: dress, punctuality, etc. You must ensure that the job is taken seriously.
>
> You must have the job be genuinely worthwhile. It must be a real job.

Concerns have been raised about the quality of public service job creation programs. These concerns can be assuaged by placing the youth in a private sector job. If the youth does not perform or live up to his/her part of the bargain, private employer will be less hesitant to reprimand the youth than would a government bureaucrat who has nothing at stake in the productivity of the youth. Thus, giving the youth an important lesson about developing a positive work ethic and discipline.

Another stated goal is to eventually develop a system where youth could receive the benefit of employment and job training skills year round.

These make work activities are not only depriving our youth of needed skills, but they are repelling other youth from even looking toward the current program. The National Academy of Sciences issued a report on job training programs which found:

> Over time some young people who participate in youth employment programs become frustrated and demoralized by their experiences. * * * because of the inability to make visible 'progress,' [they] become disgusted with the program and its staff. Progress for them is to feel equipped with marketable skills that will give them a chance to compete effectively for a permanent, well-paying job. Lacking clear signs of progress, many become frustrated and resign from the program * * *.

Again this is better handled by the private sector than by government bureaucrats. Jobs in the private sector provide a better opportunity for permanent or long-term employment than do make-work or artificially created jobs in government. Public sector employment is created for the express purpose of fulfilling the requirements of the Summer Youth Employment Training Program. While private sector businesses have openings year-round and expand with the market and not through artificial subsidies or at greater expense to the taxpayer.

Once a worker develops a positive relationship with an employer, in either a summer or part-time job, that worker is more likely to be hired in the future by that employer than an employee who did not work for that employer.

The goal of the Summer Jobs Program should be to help employers and youth take the first step to developing a working relationship. That first step is a job for the youth with a private sector employer.

The Youth JOBs Act will help communities and businesses as well. This program is customized in that it can be suited to match the needs of the local businesses. The youth will contribute to the growth and productivity of their community's businesses and industries.

President Clinton stated that summer youth jobs will "help to build local communities, to strengthen local economies, to solve local problems."

However, we can bolster local communities and local economies even more by taking them out of make-work Government programs and placing the youth into private businesses where they will be actively contributing to America's productivity and economic growth.

Madam President, I ask unanimous consent that the tables listing summer jobs in the States and in 40 major cities be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

NUMBER OF SUMMER JOBS AND FUNDING IN THE STATES

State	FY93 funding[1]	FY93 jobs[2]	YJA jobs[3]	New jobs[4]
Alabama	$15,893,934	11,217	22,192	10,975
Alaska	2,260,217	1,595	3,156	1,561
Arizona	12,150,638	8,575	16,965	8,390
Arkansas	9,599,984	6,775	13,404	6,629
California	111,839,128	78,927	156,156	77,229
Colorado	9,639,571	6,803	13,459	6,656
Connecticut	9,251,780	6,529	12,918	6,389
Delaware	2,154,887	1,521	3,009	1,488
District of Columbia	3,982,080	2,810	5,560	2,750
Florida	46,346,376	32,707	64,711	32,004
Georgia	17,547,430	12,384	24,501	12,117
Hawaii	2,154,887	1,521	3,009	1,488
Idaho	2,910,505	2,054	4,064	2,010
Illinois	42,600,795	30,064	59,482	29,418
Indiana	14,295,892	10,089	19,961	9,872
Iowa	5,229,641	3,691	7,302	3,611
Kansas	3,418,699	2,413	4,773	2,360
Kentucky	13,787,706	9,730	19,251	9,521
Louisiana	24,122,596	17,024	33,681	16,657
Maine	4,306,514	3,039	6,013	2,974
Maryland	12,621,495	8,907	17,623	8,716
Massachusetts	23,761,986	16,769	33,178	16,409
Michigan	39,566,344	27,923	55,245	27,322
Minnesota	9,782,722	6,904	13,659	6,755
Mississippi	12,871,064	9,083	17,971	8,888
Missouri	15,142,803	10,687	21,143	10,456
Montana	3,043,848	2,148	4,250	2,102
Nebraska	2,154,887	1,521	3,009	1,488
Nevada	3,012,136	2,126	4,206	2,080
New Hampshire	3,533,348	2,494	4,933	2,439
New Jersey	23,171,174	16,352	32,353	16,001
New Mexico	5,562,153	3,925	7,766	3,841
New York	63,548,411	44,847	88,730	43,883
North Carolina	17,051,561	12,034	23,808	11,774
North Dakota	2,154,887	1,521	3,009	1,488
Ohio	32,086,695	22,644	44,801	22,157
Oklahoma	9,687,348	6,837	13,526	6,689
Oregon	9,010,539	6,359	12,581	6,222
Pennsylvania	37,607,563	26,540	52,510	25,970
Puerto Rico	31,446,677	22,192	43,908	21,716
Rhode Island	3,827,685	2,701	5,344	2,643
South Carolina	10,452,741	7,377	14,595	7,218
South Dakota	2,154,887	1,521	3,009	1,488
Tennessee	15,469,201	10,917	21,599	10,682
Texas	60,979,369	43,034	85,143	42,109
Utah	2,966,884	2,094	4,143	2,049
Vermont	2,154,887	1,521	3,009	1,488

NUMBER OF SUMMER JOBS AND FUNDING IN THE STATES—Continued

State	FY93 funding[1]	FY93 jobs[2]	YJA jobs[3]	New jobs[4]
Virginia	16,511,957	11,653	23,055	11,402
Washington	14,598,535	10,302	20,383	10,081
West Virginia	9,674,208	6,827	13,508	6,681
Wisconsin	10,698,895	7,550	14,938	7,388
Wyoming	2,154,887	1,521	3,009	1,488
Total[5]	861,955,037	608,299	1,203,511	595,212

[1] Based on Department of Labor formula estimates for the SYET. Funding represents fiscal year 1993 (FY 93) funding plus an estimated $200 million supplemental.

[2] FY 93 funding divided by DoL estimated cost-per-job ($1,417). The per job cost estimates of the Senate/House committee is $1,286. All fractions have been rounded to the nearest whole number.

[3] This is the estimated number of jobs that could be created under the Youth JOBs Act (YJA) programs using the same amount of funding. According to the DoL, the average wage is $1,168. Using this figure, the administrative costs are $249.00 per job. The use of the Targeted Jobs Tax credit makes the per job wage costs 40% of the current program wage costs ($467.20 per YJA job). This column's figures assumes the same per job administrative costs for a total per job cost of $716.20.

[4] The number of YJA jobs minus FY 93 jobs.

[5] Totals are tabulated down each column and are not figured across the column as was done with each state.

NUMBER OF SUMMER JOBS IN 40 MAJOR CITIES

City	Youths applied[1, 2]	Jobs available[1, 3]	GAP[1, 4]	Youth JOBs Act[5]	New jobs created[6]
Albuquerque	1,880	694	1,186	1,388	694
Baltimore	9,460	3,060	6,400	6,120	3,060
Boston	1,200	979	221	1,958	979
Bridgeport	2,625	1,157	1,468	2,314	1,157
Buffalo	2,400	1,350	1,050	2,700	1,350
Charlotte	1,011	650	361	1,300	650
Chicago	14,037	10,146	3,891	20,292	10,146
Cincinnati	1,800	1,000	800	2,000	1,000
Columbus	2,352	1,139	1,213	2,278	1,139
Dallas	4,010	3,000	1,010	6,000	3,000
Denver	1,600	1,211	389	2,422	1,211
Detroit	6,033	4,414	1,619	8,828	4,414
Ft. Worth	2,500	1,705	795	3,410	1,705
Houston	12,000	4,200	7,800	8,400	4,200
Indianapolis	2,500	700	1,800	1,400	700
Jackson	1,000	550	450	1,100	550
Jacksonville	2,609	1,700	909	3,400	1,700
Long Beach	1,500	750	750	1,500	750
Los Angeles	19,000	11,000	8,000	22,000	11,000
Louisville	2,500	1,573	927	3,146	1,573
Memphis	3,757	1,300	2,457	2,600	1,300
Milwaukee	1,952	1,703	249	3,406	1,703
Mobile	3,000	1,076	1,924	2,152	1,076
Nashville	2,000	835	1,165	1,670	835
New York City	41,000	20,975	20,025	41,950	20,975
Norfolk	2,247	1,725	552	3,450	1,725
Omaha	1,569	700	869	1,400	700
Philadelphia	9,041	5,200	3,841	10,400	5,200
Phoenix	7,810	1,400	6,410	2,800	1,400
Portland	1,100	875	225	1,750	875
San Jose	2,500	1,450	1,050	2,900	1,450
San Antonio	4,175	2,764	1,411	5,528	2,764
San Diego	5,000	3,500	1,500	7,000	3,500
San Francisco	2,532	1,830	702	3,660	1,830
Seattle	2,000	1,300	700	2,600	1,300
St. Louis	4,900	1,228	3,672	2,456	1,228
Tampa	2,421	1,116	1,305	2,232	1,116
Toledo	2,500	800	1,700	1,600	800
Washington	19,000	3,000	16,000	6,000	3,000
Wichita	846	312	534	624	312
Total[7]	211,367	104,067	107,300	208,134	104,067

[1] Based on Department of Labor figures.

[2] Those individuals found fully eligible for the SYET program by the local operators.

[3] The number of jobs local programs can create under the existing SYET program and with their base allocation and carryover funds from the FY 1992 program.

[4] The number of fully eligible and registered youth that cannot be served with the base and carryover funds.

[5] This is the estimated number of jobs that could be created under the Youth JOBs Act (YJA) programs using the same amount of funding. According to the DoL, the average per job cost is $1,417 and the average wage is $1,168. Using this figure, the administrative costs are $249.00 per job. The use of the Targeted Jobs Tax credit makes the per job wage costs 40% of the current program wage costs ($467.20 per YJA job). This column's figures assumes the same per job administrative costs for a total per job cost of $716.20. That is roughly ½ of the cost of the current program.

[6] The number of new jobs is the difference between the number of Youth JOBs program jobs and the number of "jobs available" under the current program.

[7] Totals are figured down each column.

The PRESIDING OFFICER. The Senator from Indiana.

HOMOSEXUALS IN THE MILITARY

Mr. COATS. Madam President, there have been a number of press reports today—I am sure there will be more tomorrow and in subsequent days, as well as memoranda and other reports—indicating that the Pentagon is about to forward to the President a policy relative to the issue of homosexuals in the military. One of the major metropolitan papers reported it as a front-page story this morning. It was denied by a spokesman from the Pentagon, yet other reports are floating around.

It is clear that we are moving toward the time when the policy will be announced and forwarded to the President. A number of trial balloons have been issued. Members will be reacting to those. I thought it would be helpful to put into the RECORD some summary of the committee hearings on the subject. We have held extensive hearings and, as Members evaluate these proposed policies or these trial balloons or whatever they are, they might want to have a base record with which to understand what the conclusions were of some of our hearings.

I need to point out these are my conclusions. I am not speaking for the committee. I am not speaking for any member of the committee. These are conclusions I have drawn from the six hearings that we have conducted. However, I attempt to quote as much as possible from witnesses who testified before the committee, and I think those direct quotes will speak for themselves.

Following the Civil War, it was Walt Whitman who wrote "The real war never gets in the books." Over the last several months, the Senate Armed Services Committee has taken great pains to explore the nature of real war and the realities of military life. We had posed a question, forced by political events. The question is, Is homosexuality compatible or incompatible with military service? We have talked with the experts. We have talked with the soldiers, both here and in the field. We have talked with the advocates of each side of this policy. And we have placed our findings in the record, for all to see. It is a part of the Armed Services Committee report, and now I would like to place part of that, through these quotes, in the Senate RECORD.

The demands that we place on the American military are utterly unique. Its goal is to motivate ordinary men and women to fight and die under extraordinary circumstances. The manner in which these troops are organized and motivated is the single most important element in their performance, the single most important element of our national security. Analogies from civilian life fail. In some ways, the job of a commander is similar to an executive, since the commander spends much of his time in personnel management. But it is also very different because, if the military manager's policy fails, his subordinates may die. This is management with a deadly twist. The stakes are not measured on bottom lines, but in body bags.

Military personnel policies on homosexuality have developed in a long a history, history that has taught the lessons of war and peace, readiness and failure. The ban did not begin in the 1980's. It was codified after decades of experience. That experience led to a conclusion: Homosexuality is incompatible with military life, for practical reasons and for experiential reasons. Our Armed Forces have concluded that the presence of homosexuals undermines their ability to: First, maintain discipline, good order, and morale; second, our Armed Forces have concluded that the presence of homosexuals undermines their ability to foster mutual trust and confidence among service members.

They have concluded that this policy is necessary to ensure the integrity of the system of rank and command; that it is necessary to facilitate assignments and worldwide deployment of service members, who frequently must live and work in close conditions affording minimal privacy; it is necessary for recruitment and retention of members of the military services; and finally, it is necessary to maintain public acceptability of military service.

That is a direct statement from current military policy, at least the policy as it was before the interim policy was directed in response to the President's initiative to change that.

The courts, in turn, have consistently upheld this policy because they judged that its basis was rational, that the military had a rational basis with which to make these conclusions and, therefore, draw the policy as exclusion of homosexuals from the military.

So when the President proposed to overturn the standard, I came to the floor and made a statement and also issued a challenge. I said that the burden of proof in this matter was squarely on the President's shoulders. It ought to be the advocates of change of a system that is deemed not only effective but the most effective the world has ever seen who must overcome the lessons of history. It is those advocates of change who must positively discredit an experience that is far different and far wider than their own.

The Senate Armed Services Committee has conducted an extensive process to examine the roots of this policy. Senator NUNN designed a process that was fair and balanced. Staff interviewed thousands of military personnel on 21 bases. In six hearings, including field hearings, talking with soldiers, sailors, airmen where they live and work, thousands of pages of testimony were collected. Many Members of the Senate have not followed these matters as closely as those of the committee and, as I said, I would like to provide a summary of what we found so it can be a basis for evaluation by Members of the Senate as they look at these proposed policies.

Let me address this in a topical way. The most important criteria was this whole question of cohesion and morale. In the Armed Services Committee, we devoted a great deal of attention to the importance of cohesion in the military. It is something that those who have not served need to understand before they can render judgment.

Dr. David Marlowe, a military psychiatric expert, gave cohesion a very clear definition. He said:

> In its simplest form, cohesion could be viewed as that set of factors and processes that bonded soldiers together and bonded them to their leaders so that they would stand in the line of battle, mutually support each other, withstand the shock, terror, and trauma of combat, sustain each other in the completion of their mission and neither break nor run.

Dr. Marlowe concluded:

> I think it was best put by a soldier I knew once who said the flag, patriotism, mom and apple pie are what bring you into the army. When the first bullet comes down the range, the only thing you are concerned with are your buddies.

Experts then told us that cohesion between those buddies is based on trust and shared values. They stressed over and over the importance of the shared-value system that is necessary to form the unit, the cohesion, the team that can effectively do what Dr. Marlowe has said, and that is withstand the shock, terror, and trauma of combat.

Dr. William Henderson testified before the committee:

> A significant characteristic about a cohesive unit is the constant observation and evaluation of the behavior of unit members. Any deviation from unit norms, values, or expected behavior brings immediate and intense group pressures to conform to group norms. If the behavior is not corrected, then cleavage results in the group and cohesion is weakened.

One submariner with 12 years in the Navy commented: "Every sub I've ever been on has been like a close-knit family. If you feel uneasy about somebody within the family, you separate the family."

As I said, this is not something that we normally relate to in our everyday lives because we live and work in an entirely different atmosphere, an entirely different way than those in the military. Those on deployment, those living in close quarters on submarines and ships, those living in tents overseas, those in training experience a far different living relationship, working relationship than those of us in civilian life. It is important to understand the distinction, and it is important to understand the difference, and it is also important to understand the concept of unit cohesion which can only be formed through, as these experts have testified, shared values and a unique type of bonding.

We heard that in the development of cohesion, the needs of the group must be placed ahead of the rights of the individual. Most of our work on the Senate floor and most of the legislation that we evaluate have to do with individual rights, and when we talk about military units, we subrogate individual rights in favor of group rights. It is something that is foreign to a lot of our thinking and a lot of our evaluation.

The PRESIDING OFFICER. The Senator's time has expired. Would the Senator like an additional 10 minutes?

Mr COATS. Madam President, I ask unanimous consent for an additional 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COATS. Madam President, it is important to understand the uniqueness of military life, the uniqueness of unit cohesion, and the reason why the rights of the unit need to be placed ahead of and have priority over the rights of the individual.

Dr. David Marlowe said:

> The primacy of the individual ceases once one becomes part of the military service. The individual who puts himself before the group is an individual who will be excluded by the group. The issue, in terms of policy, is what are those conditions that lead to maximum strength for the group. From my point of view, whatever those conditions are, they must lead to maximum strength because that * * * gives us the fewest long-term combat psychiatric casualties and the fewest broken bodies. * * * It is the group that is responsible for the survival of the individual in combat.

Again, a situation unique from what we normally face in our civilian occupations.

We were told in the committee that homosexuality disrupts the development of cohesion. Gen. Calvin Waller commented:

> These men and women want to be associated with individuals who they can trust under combat conditions; individuals they consider as a family, where teamwork has been forged and tested under the most adverse conditions, and that is simulated combat or, combat. Most surveys indicate that this type of cohesion and teamwork cannot be attained with avowed homosexuals in their midst.

It was General Schwarzkopf who commented—and General Schwarzkopf, I might note, was commander of personnel during the eighties before he advanced to his assignment as commander of our forces in the Persian Gulf, and so he had some very direct experience with personnel policies—and commenting on that he said:

> In every case—

Not most cases—

> in every case where homosexuality became known in the unit, it resulted in a breakdown in morale, cohesion, effectiveness—

With resulting dissent, resentment, and even violence.

I specifically asked Dr. Marlowe what sexual attraction, either between the soldiers in a small unit or soldiers and their leader, would do to unit cohesion. He replied:

> It destroys it * * * because of the implications which can never be kept out, of favoritism, of differential behavior and differential reward.

We then turned to the question of sexual tension within the unit and why or why not that might cause unit breakdown. We discovered that sexual tension is a particularly powerful force under cohesion. Witnesses testified this is the reason why we separate men and women in the military, but some also argue there is no practical way to avoid sexual tension if we allow homosexuals in the military.

Dr. Charles Moskos, an expert sociologist on military affairs, commented:

> We do not mix men and women because we just know that it does violate modesty and privacy grounds. It is foolish to think that gays will not be attracted to men sometime.

Retired Gen. Bernard Trainor has written:

> Romantic interests, even if unconsummated, would shatter the bonds that prompt men to risk all and die willingly for each other * * * with tragic consequences for people and missions.

One of the critical points in this whole debate has been the question of sexual attraction and whether or not the presence of that tension within the unit causes that unit to be undermined, causes a breakdown in morale, a breakdown in discipline.

I think common sense tells us that the presence of that in the close living quarters, the 24-hour-a-day work together/live together process that exists within the military, the answer to that is "Yes."

It is for that reason, even though we allow women to serve in the military, that we separate their living quarters. There is a rational basis for that. Does the presence of men and women in the unit and the resulting potential sexual attraction potentially affect the effectiveness of that unit? I think the answer is "Yes." However, it is manageable. It is manageable because after the workday is concluded, although in many instances the workday is never concluded, the living quarters are separate.

But obviously we cannot accomplish that by allowing those of the same sex into the military. The only way that was once suggested was simply to create an all-gay barracks and an all-lesbian barracks and then we would have an all-heterosexual women's barracks and an all-heterosexual men's barracks.

First of all, the military cannot afford to build four separate facilities. But second, I think we understand that placing people who, by definition, are sexually attracted to each other in the same barracks—in other words, an all-gay barracks, an all-gay ship or an all-gay motor unit or whatever—would only exacerbate the problem, not solve the problem. And so it is an unsolvable problem in terms of a management situation and a separation situation.

We have learned that the courts, in our hearings and rulings over the last 20 years, have rejected challenges to the policy based on privacy, free speech, free association, and special privileges under the equal-protection clause. All these cases have been brought under these claims. Witnesses told us that the courts have ruled that in the military individual rights must take a back seat to the military mission.

Dr. David Schlueter, law professor at St. Mary's University testified:

> Courts have recognized time and time again that those liberties may not always apply the same extent as in a civilian setting. The reason for the ability of Government to restrict those liberties is linked with the primary purpose of the military establishment to protect national security. Put bluntly, where the military's need for morale is threatened, a service member's constitutional rights may be restricted lawfully by commanders.

The courts have a long history of upholding that policy. And so rights that we take for granted or that we feel are absolutely necessary to the individual outside of the military, we find that they are tempered by military necessity, and the courts have upheld that.

Professor Stephen Saltzburg of George Washington University Law School commented:

> The Supreme Court cases * * * established that, even as to fundamental rights like religion and free speech, the Supreme Court has deferred to the military as to the need to control certain types of behavior. The cases establish that even fundamental rights may give way to military necessity, and that judicial review of military rules when compared to judicial review of civilian rules is like night versus day.

Under the topic of leadership, we discovered that lifting the ban would put intolerable burdens on military leadership, General Waller testified:

> The commanders already have enough to keep them busy 12 to 14 hours a day; they are in the midst of one of the most difficult things that we have ever had to put upon them, that is to downsize this military to bring it to where it needs to be. Yet we want to throw one more thing on their plate. Why in the name of God are we willing to tell those great young captains and lieutenants, or whoever is in command of those units, that this is your problem. You have to deal with it.

A Navy captain, Navy Captain Holder, who commands one of our ships, noted:

> I would say to you as a leader spending 18 hours a day routinely underway on my ship, awake, worrying about what it does to keep it combat ready, do I have time on my plate for another educational process? Who is going to educate me so that I can educate properly?

In the area of privacy, we found that soldiers jealously guard what limited privacy they have and resent it when that privacy is violated.

On our visit to Norfolk, we saw a submarine with 63 men who had 2 showers to share among 63; 3 lavatories and 4 sinks. Actually seeking and experiencing that closeness means more than any position paper or any speech can possibly describe.

Maj. Kathleen Bergeron of the Marine Corps commented:

> Marines not only work together, they also live, socialize and recreate together. Marines get to know every aspect of each other's lives—very little remains private. There is often not a beginning or an end to the workday of a Marine who is deployed aboard ship, performing exercises in the field, fighting in combat, or living in the barracks.

At the Norfolk hearings we heard a woman petty officer of 11 years say:

> You are asking me to sleep and shower with homosexuals. You are asking me to expose my sexuality, about the only bit of privacy I have in the military.* * * Asking me to live with homosexuals is the same as asking me to live with men.

At Norfolk we also listened to a Marine captain who said:

> We sacrificed our rights of privacy when we came into the Marine Corps. We trust you civilians to protect us with policies that won't undermine our mission.

If each Member of the Senate could have traveled into the depths of an aircraft carrier, submarine tender, destroyer, cruiser, could go into the working areas and living areas of a submarine, you would understand how incredibly intimate, how incredibly confined those quarters are, how privacy is virtually unknown. And yet as Captain Bergeron said, our sexual privacy is about all that we have left.

Most submarines do not have enough bunks, enough bunk space for each sailor and so they "hot bunk." That is, three men usually share the same bunk on a rotating 8-hour-a-day basis.

On one submarine we were on, some of the torpedoes were removed, thanks to the demise of the cold war, and some of that space was used for sleeping area. That space underneath the submarine racks was about 18 inches high and only about 18 inches wide, as wide as a bunk. There were six of them laid together. Sailors had to crawl over each other to enter their bunk and to leave their bunk. They were then required to share a shower, 63 to share 2 showers.

Sexual privacy is virtually nonexistent. If you are living in that situation and working in that situation, and you are confident that you are not the object of someone's sexual desire, it is not a problem. If you conclude or think that you might be, it is a very severe problem.

We saw this point reinforced again and again, that military life is not a 9-to-5 job. For many there is no such thing as off duty or off base. Master Chief Borne testified before our committee:

> Life aboard ship is not an 8-hour a day job. It is 24 hours a day, 7 days a week, for as long as 6 months at a time. And that is if you are lucky. Some of us have done more. We sleep in extremely close quarters together. We use the same head, or bathroom facilities, and you have nowhere you can go to just get away from your coworkers.

Major Bergeron again has said:

> Cohesion is built in off-duty as well as on-the-job. Military communities are unlike any other. We live, socialize and recreate together. We are an extended family.

I think I have already read the quote so I will not duplicate it.

There were moral concerns raised by many who testified before the committee. We found that many servicemen are morally offended by sharing intimate living situations with homosexuals. Brig. Gen. James Hutchens, chaplain for 37 years in the Army and Reserves said:

> For the vast majority of soldiers, there is a sense of moral ascendancy that has been shaped by the values instilled in their religious upbringing. Their understanding of what is right and wrong is ultimately based on religion. Requiring those whose religious and moral teaching unequivocally opposes homosexuality to serve with practicing homosexuals, is to be cynically insensitive and results in a concentrated attempt to squash and suppress the religious values of that morality.

That was testimony that General Hutchens gave before the House Armed Services Committee.

Retired Gen. Norm Schwarzkopf has said:

> Homosexuality is against many religions, the act of sodomy, against the principles of many religions. * * * I think that culturally there are many people in the country who are very much against homosexuals, and if the Army openly allowed homosexuals in their ranks, that would damage our public interests.

One witness in Norfolk, told us:

> If my three children choose to serve, I want tradition, values and ethical standards at least as high as today.

That takes us to the question of recruiting and retention. We discovered that lifting the ban will have a negative effect on our ability to recruit and retain the best young men and women in our military. In one hearing all four personnel chiefs from the four branches said that the admission of homosexuals would have a significant negative influence on recruiting and retention.

Colonel Richard of the Marine Corps testified at a SASC personnel subcommittee:

> As commanding officer of a recruit training regiment, [lifting the ban] hits at the very essence of what we do in recruit training. I can assure you [the effect] will not be minimal.

Colonel Richard reported that 8 out of 10 parents are deeply concerned about proposed changes in military policy on homosexuality.

General Schwarzkopf has commented:

> You enlist the soldier, you reenlist the family. Lifting the ban would have a devastating effect on the military.

Gen. Colin Powell told midshipmen at the Naval Academy:

> If it strikes at the heart of your moral beliefs, then you have to resign.

One letter I received was typical of hundreds:

> My husband comes from a family of six siblings; of that six, five were marines. Four of the five married marines. * * * We would say that if this ban were to be lifted, we would advise our son, son-in-law, and many other young people not to join the military.

Regardless of where you come down on the issue of the homosexual lifestyle, I think it is a fact, and our hearings demonstrated it is a fact, and the recruiting chiefs testified it was a fact, that many of our military is made up of people who hold very traditional moral and religious values.

The recruitment comes primarily from areas of the country where those traditions are held in very high esteem. Recruiters have told us that a change in policy would have a serious undermining effect on their ability to recruit because family support in many instances is based on the belief that the military will uphold and honor those moral beliefs, and those religious beliefs, those moral traditions, those valued traditions, that that is a basis on which they concluded and encourage their siblings to enter the military. And absent that, they would be very reluctant to encourage their young people to join the military.

The same was true of the retention policy. Those that we continually asked—Senator NUNN continually asked the question, as did I, when we met with groups in Norfolk in the various ships and so forth. We would assemble groups of 50, 100, 200 together. We would ask the question: How many would seriously consider not reenlisting or leaving the military if this policy was changed and the ban was lifted? A conservative estimate is that two-thirds to three-quarters raised their hands saying they would seriously reconsider. They did not say they would leave for sure, but seriously reconsider staying in the military if the policy was changed.

ANSWERING OBJECTIVES

Many of the arguments against current military policy have been examined and discredited in this long process.

Let me conclude by listing some of the arguments that have been raised in favor of lifting the ban.

RACE

It is said by critics of the DOD policy that the exclusion of homosexuals is similar to racial segregation in the military prior to 1948.

But the homosexual exclusion is not a civil rights issue. Equating the homosexual policy to racial discrimination trivializes racial minority groups' struggles for civil rights and ignores the fundamental differences between racial discrimination and the homosexual policy.

Witnesses told us that there is a difference between sexual preference and skin color.

Fleet Master Chief Carter commented:

> Take it as an insult whenever race and homosexuality are hooked together. You change the way you treated minorities, and blacks especially, because it was the moral and correct thing to do. That is why it happened, for no other reason—my dues have been paid, I am 50 years old. I demonstrated, I drank hot water, I sat on the back of the bus, I paid my dues. And I do not want [homosexuals] riding on the back of minorities. I take insult to that.

Stephen Saltzburg of the George Washington University Law School testified:

> There is a difference; and that is that sexual orientation does go to the core of one's being. It does influence most of us in kinds of actions that we want to take and activities that we want to engage in. And I think anyone who would deny that is denying what psychologist and psychiatrists and sociologists tell us about human motivation.

Gen. Colin Powell probably said it best in responding to Representative PAT SCHROEDER'S letter chiding him for supporting the DOD policy in testimony before Congress:

> I am well aware of the attempts to draw parallels between this position and positions used years ago to deny opportunities to African-Americans. I know you are a history major, but I can assure you I need no reminders concerning the history of African-Americans in the defense of their Nation and the tribulations they faced. I am a part of that history. * * * Skin color is a benign, non-behavioral characteristic. Sexual orientation is perhaps the most profound of human behavioral characteristics. Comparison of the two is a convenient but invalid argument. I believe the privacy rights of all Americans in uniform have to be considered, especially since those rights are often infringed upon by the conditions of military service.

STATUS VERSUS CONDUCT

It is said, including by President Clinton, that Americans should not be precluded from serving their country based solely upon their status as homosexuals.

But we found that status is a reasonable basis to make some personnel decisions.

When I asked Dr. Moskos about status versus conduct, he had this to say:

> This sort of status versus conduct distinction that is frequently made I think is a misleading one. We do separate men and women in the military in intimate living conditions on the basis of status, not on the basis of behavior or conduct.

William Woodruff of Campbell University Law School has written:

> The policy does not exclude people because they are tempted to engage in homosexual acts anymore than it precludes service by those who may be tempted to steal from their barracks-mates' open locker. * * * When the servicemember openly proclaims his or her desires, however, the situation is different. * * * The open proclamation of a desire to engage in homosexual conduct creates suspicion and mistrust among those who have to live in close quarters with the individual.

INDIVIDUAL RIGHTS VERSUS MILITARY MISSION

It is said that every individual should be allowed the right to serve his Nation in the military.

But we found that this supposed right comes into conflict with military needs. And in this conflict, we must prefer the quality of our military.

Dr. Moskos commented:

> So violations of privacy on the part of straights, the civil rights on the part of gays are really two rights in collision. And ultimately it has to be determined by what is best for military effectiveness.

Bernard Trainor, a retired marine lieutenant general, noted:

> The central issue is not civil rights, as gay activists maintain, but whether an openly gay society will degrade the military's ability to fulfill its mission of fighting and winning wars.

The military denies many groups of people from entering service. It is not a reflection on the ability of any one person to make a good soldier but rather to promote the overriding goal of our military to fight and win our Nation's wars.

Captain Fulham of the Marine Corps commented:

> The most significant difference between the American society and the American military is that the American society we support the right to the individual first and foremost. In the military, those rights all become subordinate to the common good, and the necessity of mission accomplishment.

FOREIGN MILITARY POLICIES

It is said that the U.S. military should include homosexuals because other nations do so.

But at one hearing we explored in detail some of these nation's policies. We learned there is a gap between what our militaries say and what they do.

Dr. Charles Moskos, a renowned military sociologist, categorized these nations in two groups.

He did two extensive studies. They either discriminate against homosexuals as a matter of law, he said, or they discriminate against homosexuals as a matter of unwritten policy.

Gen. Norman Schwarzkopf characterized these nations as practicing "a blatant form of hypocrisy."

We also found that these comparisons themselves are flawed, because the role and mission of America's military is different than any in the world.

Dr. Moskos testified:

> Inasmuch as the United States has the most formidable military force in the world, it could also be argued that such countries may draw lessons from the United States,

as well as the United States from them.

General Waller said:

> When we allow comparisons of the small countries and what their policies are regarding known homosexuals service to their country, we do a grave disservice to our fellow American citizens.

Master Chief Borne testified:

If you attempt to mold your military force behind a second-rate military operation, then you will get a second-rate military operation. You have the best military in the world today, and you want to be like somebody who cannot do one-third of the things we can do.

Madam President, in conclusion, in a long process, we have had thousands of pages of testimony and we have heard from hundreds of witnesses. The staff has talked to thousands of troops, visited 21 bases, and we have talked to those in the field in our field hearings. We have built what I believe to be a sure foundation to uphold the policy that bans homosexuals in the military. We have seen the unique requirements of a very unique life.

Cohesion is the single most important factor in military success. Open homosexuality destroys it. In units with such problems, a breakdown in morale and effectiveness is sure to follow. A commander is faced with practical problems of dissent and resentment that can undermine everything he has carefully built.

The question is not if men and women in the military will obey orders. They will always obey because their honor is not in question. The question is this: Will they have that edge of readiness that can mean the difference between victory and defeat, and I think it is fair to say between life and death for many? This quality requires a belief on the part of soldiers that their Commander in Chief understands their life and their needs. Armed with that knowledge, they perform prodigies of courage and endurance. Without it, effectiveness is dissolved in resentment.

We hear a lot of rumors about compromise on this policy—rumors that test the political wind. But a political compromise should not be our object. There is no political cover on a battlefield. What we require is a conclusion on the substance of this debate, and I believe that conclusion, from our hearings, is clear: Homosexuality is inconsistent with military life.

I have talked about the burden of proof, and now we have heard the evidence. We have a right to make our own judgment, and I have made mine. Against the President and his supporters we must conclude this: Their case was not made. This standard was not reached. And a policy that is currently in place, and was in place before the President sought to change it, is the policy that ought to remain.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COATS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 5, 1993, the Secretary of the Senate on June 18, 1993, received a message from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

The nominations received on June 18, 1993, are shown in today's RECORD at the end of the Senate proceedings.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Zaroff, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES FOR FISCAL YEAR 1992—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT OF THE SENATE—PM 28

Under the authority of the order of the Senate of January 5, 1993, the Secretary of the Senate on June 18, 1993, received a message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources.

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended (20 U.S.C. 959(d)), I transmit herewith the 27th Annual Report of the National Endowment for the Humanities (NEH) for fiscal year 1992. This report was prepared by, and covers activities occurring exclusively during, the previous Administration. It does not necessarily reflect the policies or priorities of my Administration. The Annual Report for 1993, which I will submit next April, will reflect the goals and vision of my Administration for the NEH.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 18, 1993.*

MESSAGE FROM THE HOUSE

At 7:03 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 765. An act to resolve the status of certain land relinquished to the United States under the Act of June 4, 1987 (30 Stat. 11, 36), and for other purposes.

H.R. 1134. An act to provide for the transfer of certain public lands located in Clear Creek County, CO, to the U.S. Forest Service, the State of Colorado, and certain local governments in the State of Colorado, and for other purposes.

H.R. 1183. An act to validate conveyances of certain lands in the State of California that form part of the right-of-way granted by the United States to the Central Pacific Railway Co.

H.R. 1347. An act to modify the boundary of Hot Springs National Park.

H.R. 1944. An act to provide for additional development at War in the Pacific National Historical Park, and for other purposes.

H.R. 2203. An act to amend the Public Health Service Act to extend the program of grants regarding the prevention and control of sexually transmitted diseases.

H.R. 2243. An act to amend the Federal Trade Commission Act to extend the authorization of appropriations in such act, and for other purposes.

H.R. 2295. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1994, and making supplemental appropriations for such programs for the fiscal year ending September 30, 1993, for other purposes.

The message also announced that the House has passed the following bill without amendment:

S. 80. An act to increase the size of the Big Thicket National Preserve in the State of Texas by adding the Village Creek Corridor Unit, the Big Sandy Corridor Unit, and the Canyonlands Unit.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 765. An act to resolve the status of certain land relinquished to the Untied States under the act of June 4, 1987 (30 Stat. 11, 36), and for other purposes; to the Committee on Agriculture, Nutrition and Forestry.

H.R. 1134. An act to provide for the transfer of certain public lands located in Clear Creek County, CO, to the U.S. Forest Service, the State of Colorado, and certain local governments in the State of Colorado, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1183. An act to validate conveyances of certain lands in the State of California that form part of the right-of-way granted by the United States to the Central Pacific Railway Co.; to the Committee on Energy and Natural Resources.

H.R. 1347. An act to modify the boundary of Hot Springs National Park; to the Committee on Energy and Natural Resources.

H.R. 1944. An act to provide for additional development at War in the Pacific National Historical Park, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2203. an act to amend the Public Health Service Act to extend the program of grants regarding the prevention and control of sexually transmitted diseases; to the Committee on Labor and Human Resources.

H.R. 2243. An act to amend the Federal Trade Commission Act to extend the authorization of appropriations in such act, and for other purposes; to the Committee on Commerce, Science and Transportation.

H.R. 2295. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1994, and making supplemental appropriations for such programs for the fiscal year ending September 30, 1993, for other purposes; to the Committee on Appropriations.

MEASURE PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

H.R. 5. An act to amend the National Labor Relations Act and the Railway Labor Act to prevent discrimination based on participation in labor disputes.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-100. A joint resolution adopted by the Legislature of the State of Alaska relative to the Adak Naval Base; to the Committee on Armed Services.

"LEGISLATIVE RESOLVE NO. 10

"Whereas, the tensions of the "Cold War" have subsided and numerous military installations are being totally or partially closed by the Department of Defense; and

"Whereas, the Adak Naval Base has all of the facilities and infrastructure of a small city; and

"Whereas, with the reductions currently in progress at the Adak Naval Base, many of the facilities on the base will be excess to the needs of the military; and

"Whereas, Adak Island has a number of natural harbors in close proximity to major fishery resources; and

"Whereas, the opportunity exists to develop a "state of the art" model fishing community on Adak Island; and

"Whereas, history has shown that military bases and civilian communities can co-exist with benefits to both;

"*Be it Resolved*, That the Alaska State Legislature respectfully requests the Department of Defense and the Department of the Navy to release a portion of the Adak Island Naval Reserve to the State of Alaska for the development of a model fishing community on Adak Island.

"Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Les Aspin, Secretary of the Department of Defense; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don young, U.S. Representative, members of the Alaska delegation in Congress."

POM-101. A resolution adopted by the Senate of the Legislature of the State of Hawaii relative to the formation of an economic conversion task force; to the Committee on Armed Services.

"SENATE RESOLUTION 74

"Whereas, there is an urgent need to form an Economic Conversion Task Force to create contingency plans to manage the shift from defense-related to civilian economic activity resulting from the recently announced downsizing of the military in Hawaii; and

"Whereas, the Legislature does not seek to initiate a reduction of military resources in Hawaii, but instead favors an orderly and equitable transition of resources that prevents sudden displacement and hardship to workers and promotes economic benefits to Hawaii's citizens should a reduction in defense and military resources occur; and

"Whereas, the Legislature expressly supports and encourages a partnership among defense, military, government, and civilian workers and agencies potentially affected by any reduced military and defense resources; and

"Whereas, it is recognized that Hawaii's military and defense forces hold a strategic position in the Pacific important to our national security; and

"Whereas, the meaning of national security has expanded to include not only strategic defense, but also our nation's economic solvency, market productivity, job opportunity, municipal integrity, educational excellence, and health promotion and maintenance; and

"Whereas, it is recognized that the Clinton administration actively supports economic conversion efforts due to the end of the cold war between the superpowers, creating an opportunity to channel certain defense resources to promote neglected aspects of the nation's security; and

"Whereas, the federal government has announced plans for extensive base closures in the next two years, some of which may occur in Hawaii; and

"(2) Eight private interest members representing small business entities such as Small Business Hawaii or the Hawaii Federation of Independent Businesses; large businesses; national or Hawaii organized labor unions; native Hawaiian interests such as Hui Na'auao or Native Hawaiian Legal Corporation; University of Hawaii Departments of Economics, Urban Planning, or the Richardson School of Law; the Spark M. Matsunaga Institute for Peace; community organizations such as the neighborhood boards, Neighborhood Justice Center, American Friends Service Committee, Hawaii Council of Churches, or the Economic Development Corporation of Honolulu; and a private citizen with an acute interest in and proven knowledge of economic conversion issues; and

"*Be it further resolved*, That the Task Force shall be attached to the Department of Business, Economic Development, and Tourism for administrative purposes, and shall be chaired by the Director of the Department; and

"*Be it further resolved*, That:

"(1) Members be appointed for the duration of the Task force;

"(2) Any vacancy occurring in the membership be filled in the same manner in which the original appointment was made;

"(3) Task Force members serve without compensation but be reimbursed for expenses, including travel expenses, necessary for the performance of their duties; and

"(4) The department is requested to pay for the reimbursements out of departmental funds and staff the Task Force using existing employees; and

"*Be it further resolved*, That the Task Force is requested to recommend the terms and conditions of a plan for economic conversion including but not be limited to the following:

"(1) An assessment of the nature and number of military and defense-related jobs and landholdings represented in Hawaii;

"(2) A list of the defense contractors, subcontractors, and suppliers in the local economy;

"(3) The current status of military downsizing in Hawaii, if any, and a comprehensive review of possible economic disruption;

"(4) A summary of federal and state tax credit programs to apply to Hawaii businesses affected by cuts and the hiring of displaced workers; and

"(5) Formation of a contingency action plan to ensure economic stability and minimize commercial and individual hardships, of both a potential large-scale base closing and a gradual decrease of the defense presence in Hawaii, including, but not limited to, job retraining, business redevelopment, state and county government assistance, and new industry development; and

"*Be it further resolved*, That the Task Force is requested to hold at least one community forum in each county to solicit suggestions before drafting a preliminary plan; and that the task force draft a preliminary plan and hold additional forums for public comment before drafting the final plan; and

"*Be it further resolved*, That the Task force is requested to:

"(1) Prepare a final report containing a completed contingency plan for state defense-to-civilian economic conversion, including an outline of implementation procedures, no later than eighteen months from the date of the first meeting of the Task Force; and

"(2) Send copies of the contingency plan to the Governor, the Mayors of each county, the members of Hawaii's congressional delegation, and the presiding officers of the Senate and the House of Representatives of the Hawaii Legislature; and

"*Be it further resolved*, That the Task Force keep channels of communication open to all governmental bodies and to the public on an ongoing basis; and

"*Be it further resolved*, That the Task Force be dissolved automatically one year after the completion of its final report; and

"*Be it further resolved*, That certified copies of this Resolution be transmitted to the Governor, the Mayor of the City and County of Honolulu, the presiding officers of the Senate and the House of Representatives of the United States Congress, the members of Hawaii's congressional delegation, the presiding officers of the Senate and the House of Representatives of the Hawaii State Legislature, and the Director of Business, Economic Development, and Tourism."

POM-102. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the Intracoastal Waterway in Bayou Pigeon; to the Committee on Commerce, Science and Transportation.

"SENATE CONCURRENT RESOLUTION NO. 105

"Whereas, the United States Coast Guard has ordered the waterway to remain open when such levels have been exceeded; and

"Whereas, during flooding periods, residents of such areas are forced to construct a levee of sandbags to protect their homes and property; and

"Whereas, when the waterways are opened at higher than the agreed upon levels, wakes caused by barges have destroyed the manmade levees endangering the lives and property of the residents of such communities.

"*Therefore, be it resolved*, That the Legislature of Louisiana memorializes the United States Congress to support requests that the United States Coast Guard set navigational standards of six and one-half feet for the Intracoastal Waterway in Bayou Sorrel.

"*Be it further resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-103. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia relative to Amtrak rail service; to the Committee on Commerce, Science and Transportation.

"HOUSE JOINT RESOLUTION NO. 800

"Whereas, the National Rail Passenger Corporation (Amtrak) has recently completed an internal study of proposed new rail routes, including a new line from New York to Atlanta by way of Roanoke; and

"Whereas, such a new line would serve as a logical expansion of Amtrak's national network and would link several major population centers in western Virginia and eastern Tennessee with New York and Atlanta; and

"Whereas, with declining air and bus service to many of these cities, the new Amtrak route would provide badly needed transportation access and would act as a spur to local economies; and

"Whereas, rail passenger service to downtown Roanoke would provide additional support and increased visibility to such local economic development projects as the Hotel Roanoke and Conference Center, the Historic City Market, the proposed D-Day Memorial and Museum, the Virginia Museum of Transportation, and other attractions and businesses; and

"Whereas, top officials within the Virginia Department of Transportation, Amtrak, and the Clinton administration favor significant expansion of service and funding for Amtrak; now, therefore, be it

"*Resolved*, by the House of Delegates, the Senate concurring, That the General Assembly hereby memorialize the United States Congress to support the expansion of Amtrak service to downtown Roanoke as part of the proposed New York-Atlanta route; and, be it

"*Resolved further*, That the Clerk of the House of Delegates transmit copies of this resolution of the Speaker and the United States House of Representatives, the President of the United States Senate, and the members of the Virginia Congressional Delegation so that they may be apprised of the sense of the General Assembly of Virginia."

POM-104. A resolution adopted by the General Assembly of the State of Iowa relative to the entertainment industry; to the Committee on Commerce, Science and Transportation.

"HOUSE RESOLUTION 13

"Whereas, the members of the House of Representatives of the State of Iowa wish to direct the attention of the entertainment industry of the United States to the enormous impact that the entertainment industry has on the youth of the United States; and

"Whereas, young people and the rest of society are constantly exposed through television, movies, magazines, and music to a barrage of messages which glorify violence, sexual license, materialism, family alienation, suicide, drugs and alcohol abuse, racism, and sexism; and

"Whereas, in the opinion of the House, the influence wielded by the entertainment industry has had a negative effect on society in general and on our youth in particular; and

"Whereas, the rise of violence throughout society, teen pregnancies, the incidence of sexually transmitted diseases, increasing drug and alcohol abuse, and health problems encountered by infants and children such as fetal alcohol syndrome and cocaine addiction, are often attributable to messages presented by the entertainment industry; and

"Whereas, more and more young people are alienated from civilizing values and family structures and are vulnerable to the negative messages placed before them by the entertainment industry; and

"Whereas, it is the position of the House that the messages delivered by America's entertainment industry are in part responsible for a tremendous burden on society, financially and otherwise; and

"Whereas, the fiscal burden falls on the state and the nation to pay the tremendous costs generated by such behaviors; Now therefore,

"*Be it resolved by the House of Representatives*, That the House admonishes the entertainment industry to reflect upon the industry's impact on society and to assume responsibility for the adverse consequences some of its members are having on society.

"*Be it further resolved*, That copies of this resolution be transmitted to the Honorable Bill Clinton, President of the United States; the Honorable Albert Gore, Vice President of the United States and President of the United States Senate; the Honorable Thomas Foley, Speaker of the United States House of Representatives; Donna Shalala, Secretary of the United States Department of Health and Human Services; and members of Iowa's congressional delegation and members of the entertainment industry including the following:

"1. American Society of Composers, Authors, and Publishers.

"2. Country Music Association.

"3. Screen Actors Guild.

"4. Songwriters Guild of America.

"5. National Academy of Television Arts and Sciences.

"6. American Federation of Television and Radio Artists.

"7. Academy of Motion Picture Arts and Sciences.

"8. American Association of Advertising Agencies.

"9. National Cable Television Association.

"10. Mr. Robert Wright, President, American Broadcasting Corporation.

"11. Mr. Daniel B. Burke, President, American Broadcasting Corporation.

"12. Mr. Laurence A. Tisch, President, Columbia Broadcasting Corporation.

"13. Mr. R.E. Turner, President, Turner Broadcasting.

"14. Mr. Rupert Murdoch, President, Fox Broadcasting System, Inc.

"15. Mr. Tom Freston, President, MTV Networks."

POM-105. A joint resolution adopted by the Legislature of the State of Nevada relative to unclaimed securities distributions; to the Committee on Banking, Housing and Urban Affairs.

"ASSEMBLY JOINT RESOLUTION NO. 31

"Whereas, Numerous business associations acting as intermediaries in the distribution of dividend and interest payments hold large amounts of unclaimed property belonging to people unknown to them; and

"Whereas, The dividends and interest are paid by taxpayers and companies doing business in all states; and

"Whereas, Presently there is no statutory mechanism to require the equitable distribution of unclaimed securities distributions to the states from which they were paid; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada jointly*, That Congress is hereby urged to require that unclaimed securities distributions held by intermediaries be returned to the states of the taxpayers and companies that paid them so that the states can hold and disburse these unclaimed properties in accordance with their laws for the benefit of their residents; and be it further

"*Resolved*, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-106. A joint resolution adopted by the Legislature of the State of Colorado relative to the Old Spanish Trail; to the Committee on Energy and Natural Resources.

"SENATE JOINT MEMORIAL 93-3

"Whereas, The Old Spanish Trail, which ran between Santa Fe and Los Angeles, was the first trail into Utah and is still the least known; and

"Whereas, Frontiersmen and traders en route from Santa Fe, New Mexico, to Los Angeles, California, blazed a circuitous route to the north through Utah; and

"Whereas, Between 1839 and 1848, a major trade route was established between Santa Fe and Los Angeles which stretched approximately 1,121 miles; and

"Whereas, The Old Spanish Trail and the Northern Branch of the Old Spanish Trail proceeded through much of Western Colorado and followed part of the route travelled by the Dominguez-Escalante Expedition of 1776; and

"Whereas, In 1853, Captain John Williams Gunnison, of the U.S. Corps of Topographic Engineers, was commissioned by the War Department to find a route for a railroad through the Colorado Rockies along the 38th parallel; and

"Whereas, During his expedition, Captain Gunnison came upon the Northern Branch of the Spanish Trail in the San Luis Valley, which he followed into eastern Utah; and

"Whereas, The federal government's Salt Lake Wagon Road followed portions of the Old Spanish Trail at the Northern Branch to bring supplies to the Los Pinos Indian Agency in the Uncompahgre Valley and the budding mining camp of Ouray, Colorado, in the late 1870's; and

"Whereas, The Old Spanish Trail and its Northern Branch was instrumental in the creation and establishment of many of Western Colorado's towns and communities, including Alamosa, Monte Vista, Saguache, Gunnison, Montrose, Olathe, Delta, Whitewater, Grand Junction, Fruita, Loma, Pagosa Springs, Durango, Mancos, Dolores, and Dove Creek; and

"Whereas, Very little information is recorded about the Northern Branch and much more can be learned about the Old Spanish Trail; and

"Whereas, Beginning with the Northern Branch of the Old Spanish Trail in the 1830's and 1840's, followed by the Gunnison Expedition of 1853 and the Salt Lake Wagon Road of the late 1870's, the Grand Valley of Western Colorado has been the site of an historic route for travelers' now, therefore,

"*Be it resolved by the Senate of the Fifty-ninth General Assembly of the State of Colorado, the House of Representatives concurring herein:*

"That the Congress of the United States is hereby memorialized to adopt legislation which dedicates the Old Spanish Trail and the Northern Branch of the Old Spanish Trail as an historic trail.

"*Be It Further Resolved*, That copies of this Memorial be sent to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of Colorado's congressional delegation."

POM-107. A joint resolution adopted by the General Assembly of the State of Iowa relative to Guam; to the Committee on Energy and Natural Resources.

"SENATE JOINT RESOLUTION 3

"Whereas, the United States is recognized worldwide for its pursuit of global democracy and its support of the right of people everywhere to seek self-determination, but especially for those people under its jurisdiction; and

"Whereas, the General Assembly of the State of Iowa, as a member government of the United States of America, also supports the right of each state and territory under the United States to seek the political standing best suited to its people; and

"Whereas, the Territory of Guam is attempting to establish a just political relationship between the people of Guam and the United States; and

"Whereas, Guam seeks to provide for the rights of the people of Guam in areas of vital interest to them, including land use, immigration, taxation, and the applicability of federal laws immigration, taxation, and the applicability of federal laws constraining their development; and

"Whereas, the Guam Territorial Legislature has obtained introduction of the Commonwealth Act of Guam in the United States Congress which would grant commonwealth status to the Territory; and

"Whereas, the General Assembly encourages the United States government to allow the people of Guam to determine their own political, social, and economic future; and

"Whereas, support for the Guam Commonwealth effort has been evidenced by policy statements and resolutions of the National Governors Association, the Western Legislative Conference of the Council of State Governments, the National Conference of State Legislatures, and the United States Conference of Mayors; now therefore,

"*Be it resolved by the General Assembly of the State of Iowa: That the General Assembly of the State of Iowa supports the efforts of the people of Guam to achieve commonwealth status and a just and permanent relationship with the United States.*

"*Be it further resolved*, That copies of this resolution be transmitted to the Honorable Bill Clinton, President of the United States; the Honorable Albert Gore, Vice President of the United States and President of the United States Senate; the Honorable Thomas Foley, Speaker of the United States House of Representatives; the Honorable George Mitchell, Majority Leader of the United States Senate; the Honorable Joseph F. Ada, Governor of Guam; the Honorable Joe T. San Agustin, Speaker of the Guam Legislature; and Iowa's congressional delegation."

POM-108. A joint resolution adopted by the Legislature of the State of Louisiana relative to the Fast Flux Test Facility; to the Committee on Energy and Natural Resources.

"SENATE JOINT MEMORIAL 8017

"Whereas, The Fast Flux Test Facility (FFTF) at Hanford is the newest, largest, safest and most versatile test reactor in the nation; and

"Whereas, The FFTF is a unique national asset, and as the most advanced research and development facility of its kind is invaluable to the international technical community; and

"Whereas, Because of its size and versatility the FFTF can support multiple missions simultaneously; and

"Whereas, A marketing study commissioned by former Governor Gardner and completed in March 1992, shows significant international and domestic support for continued operation of the FFTF; and

"Whereas, The United States Congress in the National Energy Security Act of 1992 directed the United States Department of Energy to aggressively pursue development and implementation of long-term missions for the FFTF; and

"Whereas, Similarly the Congress has appropriated seventy million dollars for the continued operation of the FFTF during federal fiscal year 1993; and

"Whereas, The FFTF has set world performance records for reactors; and

"Whereas, The FFTF can produce life-saving medical isotopes, including pain-relieving isotopes for sufferers of bone cancer, and many of these isotopes are now imported; and

"Whereas, The FFTF can be used to destroy plutonium in nuclear weapons, leading to a safer world; and

"Whereas, There is a great need for Plutonium-238 to power space probes during the next century and the FFTF can provide this material; and

"Whereas, A potential exists for generating commercial electrical power from the FFTF; and

"Whereas, Foreign interests and foreign governments have expressed interest and have pledged financial support for the FFTF conditioned upon a long-term United States Department of Energy commitment to the operation of the FFTF;

"*Now, therefore*, your Memorialists respectfully pray that the FFTF be given adequate financial and political support by the United States Department of Energy so as to be given a long-term mission that meets the potential needs of the nation and the world in the areas of medicine, power, science, and world peace.

"*Be it resolved*, That copies of this Memorial be immediately transmitted to the Honorable Bill Clinton, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, the Secretary of the United States Department of Energy, and each member of Congress from the State of Washington."

POM-109. A concurrent resolution adopted by the Legislature of the State of New Hampshire relative to federally owned lands; to the Committee on Energy and Natural Resources.

"HOUSE CONCURRENT RESOLUTION 8

"Whereas, municipalities and counties in New Hampshire depend, in large measure, on local property taxes for their revenue; and

"Whereas, the proportion of federally-owned lands in some municipalities and counties creates an unfair tax burden when compared to the taxes paid on land under private ownership, and

"Whereas, the President federal reimbursement rate to municipalities for entitlement land is not sufficient; now, therefore, be it

"*Resolved by the House of Representatives, the Senate concurring:* That Congress is encouraged to increase the federal reimbursement rate to municipalities and counties for government-owned land by amending the provisions of 31 U.S.C. 6902; and

"That the Clerk of the House of Representatives shall transmit copies of this resolution to the United States Speaker of the House, the President of the United States Senate, and the members of the New Hampshire Congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Appropriations:

Special Report entitled "Further Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1993" (Rept. No. 103-60).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 341. A bill to provide for a land exchange between the Secretary of Agriculture and Eagle and Pitkin Counties in Colorado, and for other purposes (Rept. No. 103-61).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 646. A bill to establish within the Department of Energy an international fusion energy program, and for other purposes (Rept. No. 103-62).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

H.R. 63. A bill to establish the Spring Mountains National Recreation Area in Nevada, and for other purposes (Rept. No. 103-63).

By Mr. SASSER, from the Committee on the Budget, without amendment:

S. 1134. An original bill to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SASSER:

S. 1134. An original bill to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994; from the Committee on the Budget; placed on the calendar.

By Mr. DASCHLE (for himself, Mr. KERREY, and Mr. HEFLIN):

S. 1135. A bill to amend the Food Stamp Act of 1977 to improve quality control, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. INOUYE:

S. 1136. A bill for the relief of Alfredo Tolentino of Honolulu, Hawaii; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 1137. A bill for the relief of the surviving children of Barbara Hutchings and Peter Hutchings; to the Committee on Finance.

By Mr. DANFORTH (for himself, Mr. BRADLEY, Mr. BIDEN, Mrs. BOXER, Mr. BRYAN, Mr. CHAFEE, Mrs. FEINSTEIN, Mr. HATCH, Mr. HOLLINGS, Mr. KERREY, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. SIMON, Mr. WELLSTONE, Mr. METZENBAUM, Mr. CAMPBELL, Mrs. MURRAY, Mr. PELL, and Mrs. KASSEBAUM):

S. 1138. A bill to provide resources for child-centered activities conducted, where possible, in public school facilities; to the Committee on Labor and Human Resources.

By Mr. LAUTENBERG:

S. 1139. A bill to provide for reform of environmental contracting, and for other purposes; to the Committee on Governmental Affairs.

By Mr. KERRY (for himself and Mr. KENNEDY):

S. 1140. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for fees for sewer and water services to the extent such fees exceed 1 percent of adjusted gross income, and to offset the cost of such deduction by disallowing the deduction for amounts paid pursuant to settlements and for compensatory damages under certain environmental laws; to the Committee on Finance.

By Mr. ROCKEFELLER (for himself, Mr. GRAHAM, Mr. AKAKA, and Mr. MURKOWSKI):

S. 1141. A bill to amend chapter 17 of title 38, United States Code, to require the Secretary of Veterans' Affairs to conduct a hospice care pilot program and to provide certain hospice care services to terminally ill veterans; to the Committee on Veterans Affairs.

By Mr. HARKIN:

S. 1142. A bill to improve counseling services for elementary school children; to the Committee on Labor and Human Resources.

By Mr. BAUCUS (for himself, Mr. CONRAD, Mrs. MURRAY, Mr. INOUYE, and Mr. DORGAN):

S. 1143. A bill to improve the delivery of health care services in rural areas by creating an Assistant Secretary for Rural Health, to attend title XVIII of the Social Security Act to provide that medical assistance facilities be reimbursed based on reasonable cost, to establish a grant program for the use of interactive telecommunications systems, and to adjust the payments made for certain direct graduate medical education expenses; to the Committee on Finance.

By Mr. INOUYE:

S.J. Res. 105. A joint resolution designating both September 29, 1993, and September 28, 1994, as "National Barrier Awareness Day"; to the Committee on the Judiciary.

By Mr. LAUTENBERG:

S.J. Res. 106. A joint resolution designating July 2, 1993 and July 2, 1994 as "National Literacy Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. MOSELEY-BRAUN (for herself and Mr. SIMON):

S. Res. 123. A resolution to congratulate the Chicago Bulls on winning the 1993 National Basketball Association Championship; considered and agreed to.

By Mr. BRADLEY (for himself and Mr. LEAHY):

S. Res. 124. A resolution expressing the sense of the Senate that the Olympic Summer Games in the year 2000 should not be held in Beijing or elsewhere in the People's Republic of China; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DASCHLE (for himself, Mr. KERREY, and Mr. HEFLIN):

S. 1135. A bill to amend the Food Stamp Act of 1977 to improve quality control, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP QUALITY CONTROL SYSTEM ACT OF 1993

• Mr. DASCHLE. Mr. President, today I am introducing S. 1135, a bill to amend the Food Stamp Act of 1977 to improve the quality control system. The intent of the quality control system is to measure a State's performance in determining applicants' eligibility for food stamp benefits, but the current system has resulted in excessive error-rate penalties.

Quality control is an issue that must be addressed to enable States to maintain current administrative support for the food stamp program. In light of the increasing cost and need to maintain the integrity of Federal entitlement programs, States acknowledge the need for a quality control program that accurately evaluates performance. But as it stands now, the system generates grossly excessive error-rate penalties, is based on unreliable measures of State performance, and is the source of ongoing conflicts between the Food and Nutrition Service [FNS] and the States.

My home State of South Dakota boasts one of the most efficiently operated food stamp programs in the country and has never been issued a fiscal sanction. However, I realize that my State is the exception to the rule, and that is exactly why this reform is needed.

We must ensure an equitable system, especially given the fact that a report recently released by the U.S. Department of Agriculture revealed that a record number of Americans now use food stamps. Obviously, increased workloads translate into increased mistakes. Given this food stamp caseload, 10.4 percent of the U.S. population, it is imperative that States be evaluated by a system that demonstrates a reasonable and reliable measure of their performance. The result we must strive for with quality control reform is a more effective and efficient administration of the food stamp program.

While Congress took action in 1988 to reform the quality control system, the fact that some States continue to be assessed with excessive penalties and likely to engage in lengthy litigation, makes additional reform a necessity. The legislation I am introducing today, along with my colleagues, Senators KERREY and HEFLIN, will set reasonable target rates and establish a reliable and fair system for measuring a State's performance.

The Food Stamp Quality Control System Act of 1993 would make the food stamp quality control program largely consistent with the aid to families with dependent children quality control program. Currently, the error-rate target is one percentage point above the lowest national average error rate ever recorded. This bill would change the target to the national average for that particular fiscal year, thereby creating a floating national average.

The legislation would also change the penalty formula. As it stands now, States are liable for every dollar misspent over the target. Under the Food Stamp Quality Control System Act, sanctions would be calculated on a sliding scale, with a State's sanction based on the degree to which the State's error rate exceeds the target rate, so that States only modestly exceeding their targets are not penalized as heavily as States that grossly exceed their targets.

Another provision in the bill would place guidelines for good cause waivers in statute and authorize administrative law judges to make the good cause determinations and remove the FNS from this process. States favor having an independent decisionmaker involved in good cause waivers.

Finally, to address the statistical accuracy of the quality control program, this bill would eliminate the current two-tier overview system. Presently, States review a sample of cases to determine the error rate, and FNS then reviews a much smaller sub-sample of cases and applies a linear regression formula to derive the final error rate using both sets of results. Under the Food Stamp Quality Control System Act, a one-tier system would be in effect in which States would review cases under FNS direction, unless a State chooses to have FNS conduct the review.

States understand and appreciate the need for quality reform, but, understandably, they would like to be evaluated by a system that produces a reasonable and reliable measure of their performance. The Food Stamp Quality Control System Act of 1993 is strongly supported by the National Governor's Association. It also has the endorsement of the American Public Welfare Association.

Mr. President, I urge my colleagues to join me in support of this bill, and ask unanimous consent to have the full text of the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1135

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Food Stamp Quality Control System Act of 1993".

SEC. 2. FOOD STAMP QUALITY CONTROL SYSTEM.

(a) COLLECTION AND DISPOSITION OF CLAIMS.—The fifth sentence of section 13(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2022(a)(1)) is amended by striking "(after a determination on any request for a waiver for good cause related to the claim has been made by the Secretary)".

(b) ADMINISTRATIVE AND JUDICIAL REVIEW.—Section 14(a) of such Act (7 U.S.C. 2023(a)) is amended—

(1) in the sixth sentence, by inserting after "pursuant to section 16(c)" the following: "(including determinations as to whether there is good cause for not imposing all or part of the penalty)";

(2) by inserting after the sixth sentence the following new sentence: "In deciding whether to uphold all or part of a penalty (including whether there is good cause for not imposing all or part of the penalty), the judges shall conduct a thorough review of the issues and take into account all relevant evidence.";

(3) by inserting after the eighth sentence (after the amendment made by paragraph (2)) the following new sentence: "The deliberative process privilege shall not be the basis for the withholding of documents by the Secretary or the State agency."; and

(4) by striking the last sentence.

(c) ADMINISTRATIVE COST SHARING AND QUALITY CONTROL.—Subsection (c) of section 16 of such Act (7 U.S.C. 2025(c)) is amended to read as follows:

"(c)(1) As used in this subsection:

"(A) The term 'good cause' shall include, but not be limited to—

"(i) uncontrollable, significant caseload fluctuations that substantially disrupt food stamp program administration;

"(ii) natural disasters that substantially disrupt food stamp program administration;

"(iii) Federal or State program changes that substantially disrupt food stamp program administration;

"(iv) strikes that substantially disrupt food stamp program administration;

"(v) uncontrollable client-caused errors;

"(vi) demographic factors, such as literacy, homelessness, unemployment, poverty, and the rural composition of the population, that contribute substantially to an excessive error rate and depart substantially from national averages for the factors;

"(vii) State program improvements reasonably designed to reduce error rates in the longer term, but that uncontrollably cause short-term increases in the error rate; and

"(viii) other circumstances beyond the control of a State agency.

"(B) The term 'national average overpayment error rate' means, in the case a fiscal year, the ratio of—

"(i) the total value of allotments issued by all State agencies in the fiscal year that are—

"(I) issued to households that fail to meet basic program eligibility requirements; or

"(II) overissued to eligible households; to

"(ii) the total value of all allotments issued by all State agencies in the fiscal year.

"(C) The term 'national average underpayment rate' means, in the case of a fiscal year, the ratio of—

"(i) the total value of all allotments underissued by all State agencies to recipient households in the fiscal year; to

"(ii) the total value of all allotments issued by all State agencies in the fiscal year.

"(D)(i) The term 'overpayment error rate' means—

"(I) the percentage of the value of all allotments issued in a fiscal year by a State agency that are—

"(aa) issued to households that fail to meet basic program eligibility requirements; or

"(bb) overissued to eligible households,

"(II) reduced by the amount by which the national average underpayment error rate for the fiscal year exceeds the underpayment error rate of the State agency for the fiscal year.

"(ii) At the request of a State agency, the Secretary shall apply the reduction required under clause (i)(II) in determining the overpayment error rate of the State agency for either of the 2 following fiscal years instead of in determining the overpayment error rate of the State agency for the fiscal year to which the reduction would otherwise apply.

"(E) The term 'payment error rate' means the sum of the overpayment error rate and the underpayment error rate.

"(F) The term 'underpayment error rate' means the ratio of the value of allotments underissued to recipient households to the total value of allotments issued in a fiscal year by a State agency.

"(2) The program authorized under this Act shall include a system that enhances payment accuracy by establishing fiscal incentives that require State agencies with high error rates to share in the cost of payment errors and provide enhanced administrative funding to State agencies with the lowest error rates.

"(3)(A) Under the system, subject to subparagraph (B), the Secretary shall adjust the federally funded share of a State agency of administrative costs pursuant to subsection (a), other than the costs already shared in excess of 50 percent under the proviso in the first sentence of subsection (a) or under subsection (g), by increasing the share of all the administrative costs by 1 percentage point to a maximum of 60 percent of all the administrative costs for each full ⅒ of a percentage point by which the payment error rate is less than 6 percent.

"(B) Only a State agency whose rate of invalid decisions in denying eligibility is less than a nationwide percentage that the Secretary determines to be reasonable shall be entitled to the adjustment prescribed in subparagraph (A).

"(4) The Secretary shall foster management improvements by State agencies pursuant to subsection (b) by requiring a State agency, other than a State agency that receives an adjustment under paragraph (3), to develop and implement corrective action plans to reduce payment errors.

"(5) Subject to paragraph (6), if the overpayment error rate of a State agency for a fiscal year exceeds the national average overpayment error rate for the fiscal year, other than for good cause shown, the State agency shall pay to the Secretary a penalty for the fiscal year in an amount obtained by multiplying—

"(A) the value of all allotments issued by the State agency in the fiscal year; times

"(B) the lesser of—

"(I) the ratio of—

"(i) the amount by which the overpayment error rate of the State agency for the fiscal year exceeds the national average overpayment error rate for the fiscal year; to

"(ii) the national average overpayment error rate for the fiscal year; or

"(II) 1; times

"(C) the amount by which the overpayment error rate of the State agency for the fiscal year exceeds the national average overpayment error rate for the fiscal year.

"(6) The amount determined under paragraph (5) shall be reduced by the product obtained by multiplying—

"(A) the ratio of—

"(i) the amount by which the overpayment error rate of the State agency for the fiscal year exceeds the national average overpayment error rate for the fiscal year; to

"(ii) the overpayment error rate of the State agency for the fiscal year; times

"(B) the overpayments recovered by the State agency in the fiscal year.

"(7) A State agency may pay a penalty established pursuant to paragraphs (5) and (6) in quarterly payments over a period not to exceed 30 months, in amounts sufficient to pay the penalty with interest by the end of the period. The amount of liability shall not be affected by corrective action taken under paragraph (4).

"(8) The following errors may be measured for management purposes but shall not be included in the overpayment or underpayment error rate:

"(A) Any error resulting from the application of new regulations promulgated under this Act during the 120-day period beginning on the date of the implementation of the regulations.

"(B) Any error resulting from the use by a State agency of correctly processed information concerning a household or individual received from a Federal agency or from an action based on policy information approved or disseminated, in writing, by the Secretary.

"(C) Any case found by a quality control review to have involved, but later found in a fair hearing not to have involved, an overpayment, underpayment, or payment to an ineligible recipient.

"(9)(A) Except as provided in subparagraph (B), in determining whether a payment is an erroneous payment, the Secretary and the State agency shall apply all relevant provisions of the State plan approved under section 11.

"(B)(i) Except as provided in clause (i), if a provision of a State plan approved under section 11 is inconsistent with a provision of Federal law or regulations, and the Secretary has notified the State agency of the inconsistency in writing, the provision of Federal law or regulations shall control.

"(ii) Clause (i) shall not apply with respect to a payment of the State agency if—

"(I) it is necessary for the State to enact a law in order to remove an inconsistency described in clause (i), the Secretary has advised the State agency that the State will be allowed a reasonable period during which to enact the law, and the payment was made during the period; or

"(II) the State agency made the payment in compliance with a court order.

"(10) If the Secretary, directly or indirectly, receives from a State agency all or part of the amount of a penalty imposed under paragraph (5) and all or part of the penalty is finally determined not to have been due, the Secretary shall promptly refund to the State agency the amount determined not to have been due, with interest which shall accrue from the date of receipt at the rate described in section 13(a)(1).

"(11)(A) For purposes of this subsection—

"(i) each State error rate shall be determined on the basis of a review of a single statistical sample of food stamp cases of each State agency for the fiscal year (without sub-sampling, re-reviews, or statistical regression analyses); and

"(ii) national average error rates shall be derived from State error rates determined in accordance with clause (i).

"(B) The review shall be conducted—

"(i) by State agency personnel under the direction of the Secretary pursuant to regulations adopted by the Secretary; or

"(ii) if a State agency elects for any particular review, by the Secretary.

"(C) No penalty shall be collected under paragraph (5) if the width of the 95 percent confidence interval of any error rate on which the error rate is based exceeds 50 percent of the point estimate of the error rate, unless the State to which a particular error rate pertains agreed in writing to a sample size that precludes meeting the requirements of this subparagraph.

"(D) An error rate, incentive payment, and penalty claim for a fiscal year shall be determined by the Secretary and communicated to a State agency not later than 9 months after the end of the fiscal year.

"(12) If the Secretary asserts a financial claim against a State agency under paragraph (5), the State may seek administrative and judicial review of the action pursuant to section 14.".

SEC. 3. STUDY OF QUALITY CONTROL STATISTICAL SYSTEM.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Agriculture and State agencies that administer the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) shall jointly undertake a study of measurement error, and of geographical and temporal uniformity of measurements, in the food stamp program quality control error-rate estimation system.

(2) EXPERIMENTS.—As part of the study, the Secretary and the State agencies shall jointly conduct controlled experiments under which various reviewers review identical cases, with the objective of determining the degree of uniformity in quality control error-rate measurements and the extent to which different levels of investment of resources in the review process affect measurement error.

(b) REPORT.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary and State agencies shall report the results and recommendations of the study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) RECOMMENDATIONS.—The report shall include recommendations as to what measures would best reduce measurement error and increase uniformity of quality control error-rate measurements at a reasonable cost.

SEC. 4. BUDGET NEUTRALITY REQUIREMENT.

(a) IN GENERAL.—No provision of this Act or an amendment made by this Act shall become effective unless the cost of the provision or amendment is fully offset in each fiscal year through fiscal year 1995.

(b) PRICE SUPPORT PROGRAMS.—No agricultural price support, production adjustment, or income support program administered by the Secretary of Agriculture or the Commodity Credit Corporation may be reduced to achieve the offset.

SEC. 5. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this Act shall become effective on the date of enactment of this Act.

(b) FOOD STAMP QUALITY CONTROL SYSTEM.—The amendments made by section 2 shall be effective as of October 1, 1991.•

By Mr. DANFORTH (for himself, Mr. BRADLEY, Mr. BIDEN, Mrs. BOXER, Mr. BRYAN, Mr. CHAFEE, Mrs. FEINSTEIN, Mr. HATCH, Mr. HOLLINGS, Mr. KERREY, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. SIMON, Mr. WELLSTONE, Mr. METZENBAUM, Mr. CAMPBELL, Mrs. MURRAY, Mr. PELL, and Mrs. KASSEBAUM):

S. 1138. A bill to provide resources for child-centered activities conducted, where possible, in public school facilities; to the Committee on Labor and Human Resources.

COMMUNITY SCHOOLS ACT OF 1993

• Mr. DANFORTH. Mr. President, I rise today, together with my distinguished colleague, Senator BRADLEY, to introduce the Community Schools Act of 1993. In doing so, we are moved by the spirit of the African proverb "It takes an entire village to raise a child."

When asked to rank seven causes of students having difficulty in school, more than half of the teachers interviewed in one Harris Poll cited children being left alone after school as the number one factor. Other recent studies also confirm what we know to be intuitively true: Unsupervised children are more likely to get into serious trouble. According to the Department of Education, unsupervised after school hours are a period of significant risk. It is a time when children engage in dangerous and illegal activities and adolescent, often unprotected, sex. In one 1989 study, eighth graders who were unsupervised for 11 or more hours a week experienced twice the risk of substance abuse as those who had some adult supervision.

Whether because they work or are themselves caught in the cycle of family breakdown, many parents are unavailable for their children. Certainly this is the case at 3:30 on weekday afternoons. And this problem is especially acute in economically depressed, high crime neighborhoods. Children suffer and, in the long run, perpetuate the cycle.

After the Los Angeles riots, Senators BRADLEY and COHEN and I met with many individuals to ask how we could help. Responses varied, but the problem of children running around unsupervised was a recurring concern. We needed to find places and people to keep kids occupied and happy.

Public schools are open roughly 7 hours a day, 170 to 180 days a year. Put another way, a quarter of a trillion dollars' worth of public school buildings, classrooms, gyms, swimming pools, libraries, and other facilities, are locked up and their owners—the communities—kept out, 85 percent of the time. We are not advocating that schools should be run 24 hours a day every day. However, where communities are clamoring for a place to nurture and protect their children and are ready to devote their own time and efforts, why not keep public school facilities open 12 hours a day all year round, including weekends?

Why not let children play safely while their parents work? Or give them some help with their homework and perhaps tutoring in a weak subject? Why not organize some healthy basketball games with friends and classmates? Why not let talented volunteers teach art or dance?

This is not a new idea. Hundreds of communities have implemented before- and after-school programs with a host of educational and recreational activities. Last year in my State alone, according to the Missouri Department of Education, 675 public school buildings were kept open for community use after school hours and over 6,000 volunteers contributed almost 100,000 volunteer hours.

Unfortunately, however, as reported in 1992 by the Carnegie Corporation's Task Force on Youth Development and Community Programs, nationally, the young people in greatest need had the least access to support and services. Instead, existing programs tend to serve young people from more advantaged families. There are notable exceptions and some, like St. Louis' Walbridge Caring Communities Program and Independence's Schools of the 21st Century Program, have shown how much impact a safe haven for at-risk children can have on a community. That is why The Community Schools Act of 1993 targets distressed areas.

Some essentials we cannot provide: Strong, responsible, visionary community leaders; an atmosphere of community cooperation, trust, and willingness to sacrifice; detailed plans, tailored to meet the needs of each specific community and capture the energies and enthusiasms of its children. But, in communities where those exist, where there are people like Kent Amos, a Washington, DC, executive who has devoted his personal resources, his own home, and his life to creating a supportive environment for neighborhood children, we can help with Federal resources. Targeted resources for a devastating problem is recognition, approbation, encouragement, and empowerment.

Mr. President, I would like to add a note about the cost and scope of this initiative. Although I believe it is an investment in children which will save money in the long run, I am acutely aware of the compelling need to refrain from increasing the Nation's deficit.

My intention is to see community schools operate, but only within the existing budget. Therefore, although this bill authorizes funds in order to establish the scope of a viable demonstration, it is done in anticipation of the repeal of the Drug Elimination Grants Program and the inclusion of community schools as an eligible activity in HUD's Community Partners Against Crime [COMPAC] Program. COMPAC, which is slated to replace the existing Drug Elimination Grant Program is already budgeted at $100 million more than drug elimination. I hope that from within that increase requested by the President, at least $15 million a year will be committed to implementing community school programs.

I also wish to extend my appreciation to the administration for incorporating this community schools idea into its National Service initiative. I believe that it is an ideal vehicle for the promotion of such programs nationwide.

Mr. President, I do not think any legislation can recreate families or communities or end gangs and drugs. With this bill, however, we can provide a safe haven to some of America's ravaged youth.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1138

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SENSE OF THE CONGRESS; FINDINGS; PURPOSE.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) public-private partnerships between government and community-based organizations offer an opportunity to—

(A) empower distressed and disconnected communities to develop their own resources and abilities in order to meet the needs of children; and

(B) forge innovative solutions to the challenges confronting the development of the children in such communities; and

(2) increased resources should be invested in public-private partnerships.

(b) FINDINGS.—The Congress finds that—

(1) because of the increased difficulty of supporting families on a single wage and the growth of single parent families, parents have less time to devote to the supervision, education, and nurturing of their children;

(2) the lack of supervision and meaningful activity after school contributes to the spread of gang violence, drug trafficking, and lack of hope among children in our Nation;

(3) the problems described in paragraphs (1) and (2) and crimes, although widespread, are particularly acute in communities where there is a concentration of low-income housing;

(4) the community has a responsibility for developing our Nation's children into productive adults;

(5) because of their centrality, public schools are among the best facilities for providing needed space and support services that expand traditional uses of schools;

(6) schools are most effective when the people of the community are involved in activities designed to fulfill the needs of children in the community; and

(7) homes, community centers, recreational facilities and other places where children gather, have a significant impact on children.

(c) PURPOSE.—It is the purpose of this Act—

(1) to set forth the vision and plan for a nationwide restructuring of the way communities engage in the nurturing and development of children, especially children living and growing up in urban neighborhoods throughout the Nation;

(2) to provide (in collaboration with other public, private and nonprofit organizations and agencies) curriculum-based educational, recreational, cultural, health, social, and other related community and human services; and

(3) to test the affects of assisting communities located within economically distressed areas to develop and conduct programs that will increase the academic success of students and improve work force readiness.

SEC. 2. COMMUNITY SCHOOLS DEMONSTRATION PROGRAM.

(a) ELIGIBLE ACTIVITY.—Section 5124 of the Public and Assisted Housing Drug Elimination Act of 1990 (42 U.S.C. 11903) is amended by adding at the end the following new subsection:

"(c) COMMUNITY SCHOOLS.—Notwithstanding any other provision of this chapter, grants under this chapter may be used for community schools demonstration programs described in chapter 4.".

(b) PROGRAM ESTABLISHED.—Subtitle C of title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et seq.) is amended by adding at the end the following new chapter:

"CHAPTER 4—COMMUNITY SCHOOLS DEMONSTRATION PROGRAM

"SEC. 5148. COMMUNITY SCHOOLS DEMONSTRATION PROGRAM.

"(a) SHORT TITLE.—This chapter may be cited as the 'Community Schools Demonstration Program Act of 1993'.

"(b) PROGRAM AUTHORITY.—The Secretary is authorized to award not more than 10 demonstration grants in accordance with this section to community-based organizations to enable such organizations to assist eligible communities located within economically distressed areas to develop and conduct programs that will increase the academic success of students and improve work force readiness.

"(c) PROGRAM REQUIREMENTS.—Each program assisted under this section shall—

"(1) provide services and activities to children in the eligible community, including curriculum-based supervised educational, recreational, work force preparation, entrepreneurship, cultural, health, social activities, and other related community and human services; and

"(2) coordinate the delivery of social services to the children in such eligible community in order to meet the needs and preferences of such children.

"(d) PEER REVIEW PANEL.—

"(1) ESTABLISHMENT.—The Secretary, in consultation with the Secretaries of Education, Labor and Health and Human Services, shall establish a peer review panel which shall be comprised of individuals with demonstrated experience in designing and implementing community-based programs.

"(2) COMPOSITION.—Such panel shall include at least 1 representative from each of the following entities:

"(A) A community-based organization.

"(B) A local government.

"(C) A school district.

"(D) The private sector.

"(E) A philanthropic organization.

"(3) FUNCTIONS.—Such panel shall conduct the initial review of all grant applications received by the Secretary under subsection (g), make recommendations to the Secretary regarding grant funding under this section, and recommend a design for the evaluation of programs assisted under this section.

"(e) ELIGIBLE COMMUNITY IDENTIFICATION.—Each community-based organization receiving a grant under this section shall identify an eligible community to be assisted under this section. Such eligible community shall be an area—

"(1) of poverty, unemployment, and general distress; and

"(2) located in a metropolitan statistical area in which the unemployment rate exceeds by more than 1.5 percent the national unemployment rate.

"(f) DEFINITION.—For the purpose of this section—

"(1) the term 'community-based organization' means a private, locally initiated nonprofit community-based organization which—

"(A) is tax exempt under section 501(c)(3) of the Internal Revenue Code of 1986;

"(B) is organized for educational and charitable purposes; and

"(C) is governed by a board consisting of residents of the community, and business and civic leaders actively involved in providing employment and business development opportunities in the eligible community;

"(2) the term 'eligible community' means an area identified pursuant to subsection (d); and

"(3) the term 'Secretary', unless otherwise specified, means the Secretary of Housing and Urban Development.

"(g) APPLICATIONS.—

"(1) APPLICATION REQUIRED.—Each community-based organization desiring a grant under this section shall submit to the Secretary an application at such time, in such manner, and accompanied by such information, as the Secretary may reasonably require.

"(2) CONTENTS OF APPLICATION.—Each application submitted pursuant to paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought;

"(B) contain an assurance that the community-based organization will spend grant funds under this section in a manner that the community-based organization determines will best accomplish the purposes of this section;

"(C) contain a comprehensive plan designed to achieve identifiable goals for children in the eligible community;

"(D) set forth measurable goals and outcomes that will make the public school, where possible, the focal point of the eligible community, which goals and outcomes may include increasing graduation rates, school attendance, and academic success in the eligible community and improving the skills of program participants;

"(E) provide evidence of support for accomplishing such goals and outcomes of the program from—

"(i) community leaders;

"(ii) businesses;

"(iii) a school district;

"(iv) local officials;

"(v) State officials; and

"(vi) other organizations that the community-based organization deems appropriate;

"(F) contain an assurance that the community-based organization will use grant funds under this section to provide children in the eligible community with after school activities and services that include curriculum-based supervised educational, recreational, work force preparation, entrepreneurship, cultural, health, social activities, and other related community and human services;

"(G) contain a list of the activities and services that will be offered and sponsored by private nonprofit organizations, individuals, and groups serving the eligible community, including—

"(i) recreational activities in addition to educational programs (such as computer, mathematics, and science and technology, and language skills programs); and

"(ii) activities that address specific needs in the community;

"(H) demonstrate how the community-based organization will make use of the resources, expertise, and commitment of private entities;

"(I) include an estimate of the number of children in the eligible community expected to be served pursuant to the program;

"(J) include a description of philanthropic private and all other resources that will be made available to achieve the goals of the program; and

"(K) contain an assurance that the community-based organization will use competitive procedures when purchasing, contracting or otherwise providing for goods, activities or services under this section.

"(h) PAYMENTS; FEDERAL SHARE; NON-FEDERAL SHARE.—

"(1) PAYMENTS; FEDERAL SHARE; NON-FEDERAL SHARE.—

"(A) PAYMENTS.—The Secretary shall pay to each community-based organization having an application approved under subsection (g) the Federal share of the costs of the activities and services described in the application.

"(B) FEDERAL SHARE.—The Federal share of payments under this section shall be 65 percent.

"(C) NON-FEDERAL SHARE.—

"(i) IN GENERAL.—The non-Federal share of payments under this section may be in cash or in kind, fairly evaluated.

"(ii) SPECIAL RULE.—At least 15 percent of the non-Federal share of payments under this section shall be provided from private or nonprofit sources.

"(i) EVALUATION.—The Secretary shall conduct a thorough evaluation of the programs assisted under this section. Such evaluation shall include an assessment of—

"(1) the number of children participating in each program assisted under this section;

"(2) the academic achievement of such children;

"(3) school attendance and graduation rates of such children; and

"(4) the number of such children being processed by the juvenile justice system.

"(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $15,000,000 for each of the fiscal years 1994, 1995, 1996, 1997 and 1998 to carry out this section.".●

● Mr. BRADLEY, Mr. President, I am pleased to join my colleague, Senator DANFORTH, in introducing a bill that is an important part of the Urban Community-Building Initiative that I announced in March. The community schools demonstration will give every neighborhood a place and a support system for kids who need a safe place, a library, a quiet room, a gym, or a mentor.

One of the great outrages of our cities is that the one public building that is part of every neighborhood and every family's life—the school—bolts its doors tight every afternoon at 3:30 or 4:00 and every Friday for 48 hours. During that time, kids whose parents are not home often have no safe place to go and no one to help them with homework, sports, or the basic questions about growing up. The dedicated people of the community, who want to be a part of raising the community's children, have no place to come together and help. But if we look at what a few dedicated people have done, we can find an answer. In Newark, NJ, it is the Boys and Girls Club of Newark. In East Orange, NJ, a local YMCA is transforming itself into a safe haven for young people after school. And in Washington, DC, it is a former executive named Kent Amos, who gave up his career to give his full attention to the 50 or more kids who come to his home every afternoon for help with homework and other activities.

Meanwhile, the school buildings, with their gyms and libraries, their nurses offices and auditoriums, are shuttered. Community schools will provide basic funds to open the schools after hours for purposes the community chooses. It might be a safe place for homework, or an athletic program, or a parenting program for young mothers. Kids need two things during their free time: a place and a mentor. This bill will give both, in communities where there is the kind of commitment that Kent Amos and others have demonstrated in Washington, DC. But now a caring community can affect hundreds of thousands of kids not just 50.

I also want to use community schools as an example of how the programs in my Urban Community-Building Initiatives are interconnected. For example, if the community wanted to use a school for some new purpose, such as a drama program, but they needed repairs and new facilities, a Neighborhood Reconstruction Corps could do the work. If the community wanted to use the school for an entrepreneurship training program for high school students, maybe even to start a small business based in the school building, they could combine community schools with the entrepreneurship training component of this package. Communities that can address more than one of the leverage points of conversion at a time will see the impact multiply as expectations and results build on one another in a positive direction.

I also want to say a few words about how we plan to pay for this program, and I particularly want to thank Senator DANFORTH and Senator COHEN and their staffs for thinking in great detail about how we can do this without adding to the deficit. It is our hope that we can incorporate community schools into the Community Partnerships Against Crime [COMPAC] Program, which the President has proposed as an expanded successor to the drug elimination grants for public housing. I believe that the President and Secretary Cisneros are moving in the right direction by proposing to expand COMPAC to encompass initiatives that originate in community-based organizations. This is exactly the kind of program that an expanded COMPAC should encourage. But since the expanded COMPAC has not yet been authorized, we do not want to propose taking scarce funds from the existing drug elimination grants, which my colleague from New Jersey, Senator LAUTENBERG, was so instrumental in developing.

Thus, the bill we introduce today authorizes community schools as a freestanding program within HUD, at $15 million, and also makes community schools an eligible activity under the drug elimination grants, without a specific set-aside. We expect to work closely with the President and Secretary Cisneros, who share our goals, to ensure that the COMPAC legislation, or another HUD initiative such as the unfunded authorization for cities in schools, will not only include community schools, but also ensure adequate funding. In this context, any new spending will be offset by reforms or consolidation of other HUD programs. I am very optimistic that the broad bipartisan support for this legislation will guarantee that it will move quickly to become a reality for the young people in our most troubled communities.●

● Mr. CHAFEE. Mr. President, I am pleased to join my distinguished colleagues, Senators DANFORTH and BRADLEY, in introducing the Community Schools Act of 1993. I also want to commend Senator COHEN for the excellent contribution he has made in developing this initiative.

Each of us in this body can cite examples of community-based organizations in his or her State responding to the needs of inner city youngsters with innovative programs and services aimed at improving academic success, workforce readiness, or simply providing recreational refuge from the hazards and temptations of the street.

This bill recognizes the success grassroots, community-based programs are having and provides important, though modest, assistance to help them multiply. Experience tells us that these programs—particularly when linked to the schools—are filling a critical void for at-risk youngsters. Given the growth of single parent households, and those where both parents must work to make ends meet, community schools is an idea whose time has come.

In my own State of Rhode Island, Providence Summerbridge—a concept begun in California—is entering its second successful year. This 6-week summer school program for middle-schoolers is taught entirely by dedicated high school and college students. The curriculum of the program, based at the Wheeler School, is designed to help promising students prepare for successful high school and college experiences. This summer, 38 faculty members will serve 92 students, ensuring a lot of individualized attention.

Providence Summerbridge was launched by two enterprising graduates from Brown University who manage the program on a full-time basis. The program is free to qualifying students, and teachers are paid a modest stipend through support from a variety of private, nonprofit educational foundations and funds.

Volunteers in Providence Schools is another success story. Based primarily in the city's 35 public schools, the program's 700 volunteers and small administrative staff offer a variety of activities and services. These include tutoring for K–12; community learning centers to assist middle-schoolers with homework assignments; family literacy centers for pre-schoolers and their patents; teen pregnancy and parenting assistance; and specialized writing and science outreach initiatives. The program receives Federal chapter 1 funding, assistance from the city and State, as well as private nonprofit and individual contributions.

The Community Schools Act will provide yet another source of funding, through demonstration grants administered by HUD, to help launch more community-based programs—like the excellent Summerbridge and volunteer programs we are fortunate to have in Providence.

Importantly, this legislation seeks to make public schools the primary, though not exclusive, focus for these programs. Why not maximize the use of underutilized public school facilities by making them accessible to communities for before- and after-school programs, recreational and other supervised activities?

I want to echo the concerns of my colleagues about the funding issue. Reducing the deficit is of paramount concern, and new spending—regardless of the merits—is difficult to justify. Thus, the bill makes community school demonstration grants an eligible activity under the existing drug elimination grants program. Moreover, I am encouraged by HUD Secretary Cisneros' intention to include community schools in the administration's Community Partnership Against Crime [COMPAC] Initiative, now being developed as a successor to the drug elimination grants program. I understand that community schools is also now included in the administration's National Service Initiative.

Mr. President, we need every tool we can muster to ensure that at-risk youngsters do not fall through the cracks, and building upon the successes of community-based programs with this legislation is a positive step in that direction.•

By Mr. LAUTENBERG:

S. 1139. A bill to provide for reform of environmental contracting, and for other purposes; to the Committee on Governmental Affairs.

RESPONSIBLE ENVIRONMENTAL MANAGEMENT ACT OF 1993

• Mr. LAUTENBERG. Mr. President, today I am introducing legislation that will enhance contract management reform at the Environmental Protection Agency and will help rid the government of fraud, waste and abuse. I have been very concerned about these issues for the past several years, particularly in the Superfund Program. Because of recent findings revealed to the Senate Superfund Subcommittee, which I chair, and strong evidence that the problems of contract management affect every program at EPA, I am today introducing the Responsible Environmental Management Act of 1993, to restore accountability to EPA's management of billions of dollars of contracts.

When I became chairman of the Senate Superfund Subcommittee in 1987, I immediately began efforts to improve the management of the Superfund Program. In 1989, the subcommittee issued a comprehensive report and held hearings criticizing the Reagan-Bush administration's management of the Superfund Program. In that report, we raised numerous concerns about EPA's handling of its outside contractors. Unfortunately, despite consistent prodding by Congress and internal Agency watchdogs, virtually nothing was done by EPA.

In 1991, in the face of continuing evidence of the problem, I asked the GAO to undertake a tough audit to investigate the Superfund alternative remedial contracting strategy, or ARCS contractors, and also get to the bottom of allegations that the taxpayers were penalized for expenses because of sloppy accounting by contractors and careless management by EPA. Earlier this month at a hearing before my Superfund Subcommittee, the GAO released the results of that investigation requested by myself, Senator PRYOR and Congressman DINGELL. The report shows recurring, deep-seated problems with the management of EPA's outside contractors—contractors who perform billions of dollars worth of Superfund cleanups.

Unfortunately, this latest GAO report is not unique. Over the past 10 years, GAO and the EPA inspector general have conducted many investigations and issued numerous reports and audits criticizing the agency's mismanagement of its contracts. Significantly, the GAO and the IG have found these problems to be pervasive throughout the agency; they are not confined to just the Superfund Program. They involve a wide range of procurement issues, including the performance of inherently governmental functions by contractors, the existence of organizational conflicts of interest, and the payment of unallowable costs to contractors.

Many of the problems have arisen because of EPA's heavy use of long-term umbrella contracts. These level-of-effort mission-oriented contracts are used by the agency to support its activities in a variety of ways, and therefore are written in very vague terms; i.e., overly broad statement of work, no firm requirements or deadlines, unspecified tasks and pricing mechanisms. Furthermore, contractors tend to burrow in once the Agency gets dependent on them, so that follow-on procurements are not competitive.

In addition to these contract management problems, the inspector general has uncovered serious problems in EPA's accounting for Superfund dollars and its reporting of information critical to the operation of the Superfund Program. These include apparently intentional, fraudulent misreporting of Superfund information by EPA personnel in a draft report to Congress and a $1.4 billion discrepancy between EPA's data bases containing financial information on Superfund.

Some initial steps were taken last year by outgoing Administrator Reilly to address what was admittedly a pervasive, cultural problem of mismanagement at EPA. More recently, Administrator Browner has taken concrete steps to restore accountability to the EPA's handling of taxpayer and corporate dollars. And President Clinton has acknowledged the problem of mismanagement generally throughout the Government and appointed Vice President GORE to undertake the National Performance Review, with its comprehensive examination of how the Federal Government does business. A major part of that review deals with the contract and fiscal management of the Government. I applaud the administration for so quickly recognizing and grappling with these long-festering issues.

But the severity of the management problems at EPA—and indeed at many Federal agencies—will require more than internal administrative action, and I do not believe we should wait for the end of the administration's review to begin remedying the problems we know about right now.

For this reason, I am introducing this legislation today to restore accountability and proper management of contractors by EPA. My legislation, the Responsible Environmental Management Act of 1993, requires changes in the way EPA does business and increases penalties for those who break the law.

My bill addresses several major problems identified with EPA's contract management problems. First, it establishes administrative and judicial civil penalties that can be assessed against contractors who charge the Government for unallowable, illegal costs, like parties, presents, and recreation. It also requires better documentation to justify expenditures for certain types of items, such as contractor travel, where there has been a demonstrated potential for inflated bills.

Second, my bill requires EPA to cut back on its use of the huge, umbrella contracts which authorize hundreds of millions of dollars of work under vague terms. It is these kinds of contracts that have been most subject to abuse and mismanagement at the agency in Superfund and other program offices.

Third, the bill creates a new position designated as the Deputy Assistant Administrator for Information Systems Coordination. This high level official is charged with ensuring that the agency's information systems truly support the agency's missions and goals by making needed data available in an accurate, reliable, and cost-effective manner. This will include integrating, streamlining, and making consistent the approximately 500 different EPA computer systems so that managers of any program—not just Superfund—can rely on basic management data that is not available to the agency's decisionmakers right now.

Finally, the bill establishes a new Office of Superfund Contract Integrity to ensure that contracts under this program are effectively managed and are kept free of the acute problems identified in the past by the inspector general and the GAO. The Superfund Program utilizes contractors extensively for support services in conducting cleanup activities, and accounts for a disproportionately large amount of EPA's total contract dollars spent each year. For these reasons, it is critical that the Superfund Program be a model for the rest of the agency and the Federal Government regarding contract management performance. We will all be able to monitor the agency's progress on these issues through an annual report to Congress required by this bill.

My bill is similar in many respects to legislation being developed by Congressman CONYERS. It also expands the approach taken by the Senate bill elevating EPA to Cabinet level, which addresses inherently governmental functions and conflict of interest problems. Senators GLENN and PRYOR and Congressmen CONYERS and DINGELL have devoted a great deal of time and effort during the past few years to contract management problems in the Government. Their initiatives have disclosed a fundamental culture of mismanagement at EPA that cuts across all its programs and affects every one of its missions, and shows years of neglect of the most basic management principles by that agency as well as other agencies throughout the Federal Government. I look forward to working closely with my distinguished colleagues on this legislation, and on related legislation that can look beyond EPA to reform the contract and information management systems at other Federal agencies.

Mr. President, I believe my legislation is urgently needed to deal with the pervasive problems at the Environmental Protection Agency so that it carries out its environmental protection mission consistent with sound fiscal and contract management practices. As we strive to bring the Federal deficit problem under control, EPA must do its part to ensure that taxpayer dollars are being spent in the most efficient and responsible manner possible.

Finally, I ask unanimous consent to print in the RECORD a brief section-by-section analysis of the legislation and a copy of the bill itself.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Responsible Environmental Management Act of 1993".

SEC. 2. FINDINGS.

(a) FINDINGS.—Congress finds that—

(1) the Environmental Protection Agency relies heavily on outside contractors to provide necessary support services throughout all of the program offices of the Agency in order to achieve the environmental protection mission of the Agency;

(2) numerous audits and reports by the Inspector General of the Agency and the General Accounting Office over the 10-year period preceding the date of enactment of this Act have uncovered pervasive problems of mismanagement of the contract, fiscal, and information systems programs of the Agency;

(3) the contract mismanagement problems of the Agency have led to improper conflicts of interest, performance of personal services and inherently governmental functions by contractors, and large-scale waste, fraud, and abuse; and

(4) the fiscal and information systems mismanagement problems of the Agency have potentially cost taxpayers hundreds of millions of dollars and have crippled the ability of the Agency to make sound, reasoned, and informed decisions about the appropriate conduct of the environmental protection programs of the Agency.

(b) PURPOSES.—The purposes of this Act are to—

(1) provide better accountability within the Agency in order to improve the management of the contract, fiscal, and information systems programs of the Agency; and

(2) increase sanctions on contractors who seek reimbursement for unallowable costs.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) ADVISORY AND ASSISTANCE SERVICES.—The term "advisory and assistance services"—

(A) means services to support or improve—

(i) agency policy development, decisionmaking, management, and administration; or

(ii) the operation of management systems; and

(B) includes—

(i) management and professional support services;

(ii) the conduct of studies, analyses, and evaluations; and

(iii) engineering and technical services.

(3) AGENCY.—The term "Agency" means the Environmental Protection Agency.

(4) COVERED CONTRACT.—The term "covered contract" means a contract for an amount in excess of $1,000,000, other than a fixed-price contract without cost incentives, entered into by the Agency.

(5) RESPONSE ACTION CONTRACT.—The term "response action contract" has the meaning provided in section 119(e)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9619(e)(1)).

(6) UMBRELLA CONTRACT.—The term "umbrella contract" means a contract by the appropriate official of the Agency that—

(A) provides for the performance of specific advisory and assistance services;

(B) does not procure or specify a firm quantity of services;

(C) provides for services to be supplied to the Federal Government in response to specific task orders to the contractor from the Federal Government;

(D) requires the contractor to provide a stated amount of effort over a given period of time (commonly referred to as a "level of effort contract");

(E) has a maximum potential value, including any options, of at least $1,000,000; and

(F) has a maximum potential period of performance, including any options, that is longer than 1 year.

SEC. 4. CONTRACT COSTS.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

"SEC. 29. INDIRECT COSTS UNDER ENVIRONMENTAL PROTECTION AGENCY CONTRACTS.

"(a) DEFINITION.—As used in this section, the term 'covered contract' means an Environmental Protection Agency contract for an amount in excess of $1,000,000, other than a fixed-price contract without cost incentives.

"(b) COSTS DISALLOWED.—If—

"(1) a contractor under a covered contract submits a proposal for settlement of indirect costs incurred by the contractor for any period beginning after the costs have been accrued; and

"(2) the proposal includes the submission of a cost that is unallowable because the cost is in violation of—

"(A) a cost principle in the Federal Acquisition Regulation promulgated under section 25 or in the Environmental Protection Agency supplement to the Federal Acquisition Regulation, or

"(B) any other provision of law,

the cost shall be disallowed.

"(c) ADMINISTRATIVE PENALTIES.—

"(1) UNALLOWABLE COSTS IN SETTLEMENT PROPOSALS.—

"(A) IN GENERAL.—If the Administrator determines that a cost submitted by a contractor under a covered contract in the proposal of the contractor for settlement is expressly unallowable under a cost principle referred to in subsection (b)(2)(A) that defines the allowability of specific selected costs, the Administrator of the Environmental Protection Agency may assess a penalty against the contractor in an amount equal to the amount of the disallowed cost allocated to covered contracts for which a proposal for settlement of indirect costs has been submitted, plus interest to compensate the United States for the use of any funds that the contractor has claimed in excess of the amount to which the contractor was entitled.

"(B) INCREASED PENALTY.—If the Administrator of the Environmental Protection Agency determines that a proposal for settlement of indirect costs submitted by a contractor under a covered contract includes a cost determined to be unallowable in the case of the contractor before the submission of the proposal, the Administrator may assess a penalty against the contractor in an amount not to exceed twice the amount of the disallowed cost allocated to covered contracts for which a proposal for settlement of indirect costs has been submitted, plus interest to compensate the United States for the use of any funds that the contractor has claimed in excess of the amount to which the contractor was entitled.

"(2) INTERIM CLAIM PENALTY.—If, before completing performance of a covered contract, the contractor submits for payment allocated to the contract an unallowable cost that is described in subsection (e) and that would provide a basis for penalizing the contractor under paragraph (1) if it were submitted in a proposal for settlement of indirect costs, the Administrator may assess a penalty against the contractor in the amount of $50,000.

"(3) LIABILITY.—A person who has been assessed a penalty under paragraph (1)(A) shall not be liable for a penalty under paragraph (1)(B) for the same unallowable cost. A person who has been assessed a penalty under paragraph (1)(B) shall not be liable for a penalty under paragraph (1)(A) for the same unallowable cost. A person who has been assessed a penalty under paragraph (2) shall not be liable for a penalty under paragraph (1) for the same unallowable cost. A person who has been assessed a penalty under paragraph (1) for an unallowable cost that is described in subsection (e) may be liable for a penalty under paragraph (2) for the same unallowable cost.

"(4) PROCEDURES.—

"(A) NOTICE.—Before assessing a penalty under paragraph (2), the Administrator shall give the contractor written notice of the proposed penalty and an opportunity to request, during the 30-day period beginning on the date notice is received by the contractor, a hearing on the proposed penalty assessment. The hearing shall not be subject to section 554 or 556 of title 5, United States Code, but shall provide the contractor a reasonable opportunity to be heard and to present evidence.

"(B) HEARINGS.—The Administrator may issue rules governing discovery procedures for hearings conducted pursuant to this paragraph.

"(d) CALCULATION OF PENALTIES AND INTEREST.—

"(1) PENALTIES.—In determining the appropriate amount of a penalty under subsection (c), the Administrator may consider—

"(A) whether the contractor withdraws a proposal before the formal initiation of an audit of the proposal by the Federal Government and submits a revised proposal that does not contain any cost that provides a basis for penalizing the contractor under subsection (c);

"(B) whether the amount of unallowable costs that provide a basis for penalizing the contractor is insignificant;

"(C) whether the contractor demonstrates, to the satisfaction of the Administrator, that—

"(i) the contractor has established policies, a personnel training program, and an internal control and review system that ensures that proposals for settlement of indirect costs of the contractor do not include unallowable costs that provide a basis for penalizing the contractor under subsection (c); and

"(ii) the unallowable costs that provide a basis for penalizing the contractor under subsection (c) were inadvertently included in the proposal; and

"(D) any previous instances with respect to which the contractor has submitted claims for unallowable costs under any contract with the Environmental Protection Agency.

"(2) INTEREST.—Interest with respect to unallowable costs claimed by a contractor shall be computed from the first day of the contractor's fiscal year in which the costs were incurred.

"(e) COSTS SPECIFICALLY UNALLOWABLE.—The following costs are not allowable costs under a covered contract:

"(1) Any cost of entertainment, a gift, or recreation for an employee of the contractor or a member of the family of the contractor provided by the contractor to improve employee morale or performance, or for any other purpose, in any amount, except that nothing in this section precludes a contractor from providing the entertainment, gift, or recreation at no expense to the Federal Government.

"(2) Any cost of travel, unless—

"(A) the cost is allowable under section 24; and

"(B) the cost is supported by detailed documentation, including documentation with respect to—

"(i) the amount, time, date, origin, and destination of the travel and the purpose of the travel; and

"(ii) with respect to each traveler, the identity of the traveler and the title or relationship of the traveler to the contractor.

"(f) ACTIONS BY THE ADMINISTRATOR.—An action of the Administrator under subsection (b) or (c) shall be considered a final decision for purposes of section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) and shall be appealable in the manner provided in section 7 of such Act (41 U.S.C. 606).

"(g) CERTIFICATION.—

"(1) IN GENERAL.—A proposal for settlement of indirect costs applicable to a covered contract shall include a certification by an official of the contractor that, to the best of the knowledge of the certifying official, all indirect costs included in the proposal are allowable.

"(2) WAIVER OF CERTIFICATION REQUIREMENT.—In any case in which the Administrator of the Environmental Protection Agency determines that there are exceptional circumstances with respect to a covered contract, the Administrator may waive the requirement for certification under paragraph (1) if the Administrator—

"(A) determines that it would be in the interest of the United States to waive the determination; and

"(B) states in writing the reasons for the determination and makes the determination available to the public.

"(h) JUDICIAL ASSESSMENT.—

"(1) IN GENERAL.—If a proposal for settlement of indirect costs submitted by a contractor under a covered contract includes a cost determined by the Administrator to be unallowable, the Administrator may request the Attorney General to bring an action in the United States district court for the appropriate district. In any such case, the district court may assess a penalty in an amount not to exceed $250,000 for each cost determined by the Administrator to be unallowable.

"(2) LIABILITY.—A person who has been assessed an administrative penalty under subsection (c) shall not be liable for a civil penalty under this subsection for the same unallowable cost.

"(i) CRIMINAL PENALTIES.—A person who with the knowledge that a cost that is expressly specified as unallowable by law (including any regulation) submits to the Environmental Protection Agency a proposal for settlement of costs for any period beginning after the costs have been accrued that includes the cost shall be subject to section 287 of title 18, United States Code, and section 3729 of title 31, United States Code.

"(j) BURDEN OF PROOF IN PROCEEDINGS.—In a proceeding before a board of contract appeals, the United States Court of Federal Claims, or any other court of the United States in which the allowability of indirect costs for which a contractor seeks reimbursement from the Environmental Protection Agency is in issue, the burden of proof shall be upon the contractor to establish that the costs are allowable.

"(k) DOCUMENTATION OF COSTS.—For the purposes of this section, costs shall be allowable only to the extent that the costs are supported by sufficient documentation to permit an appropriate audit.".

SEC. 5. UMBRELLA CONTRACTS FOR ADVISORY AND ASSISTANCE SERVICES.

(a) LIMITATION ON ENTERING UMBRELLA CONTRACT.—The appropriate official of the Agency may enter into an umbrella contract only under the following conditions:

(1) The period covered by the contract, including any options, does not exceed—

(A) 5 years;

(B) in the case of a response action contract, 10 years; or

(C) such longer period as may be specified by the Administrator if the Administrator determines that unusual and compelling circumstances justify an umbrella contract for a longer period.

(2) The contract is awarded pursuant to competitive procedures, as defined in section 309(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259(b)), except for procedures described in paragraphs (2), (3), and (5) of such section, unless the Administrator determines in writing that—

(A) the services to be procured under the contract are available from only one responsible source and no other type of services will satisfy the needs of the Agency; or

(B) the need of the Agency for the services to be provided under the contract is of such an unusual and compelling urgency that the Federal Government would be seriously injured unless the Administrator is permitted to limit the number of sources from which the Administrator solicits bids or proposals.

(3) The contract does not authorize the contractor to procure items on behalf of the Federal Government, other than items that

are procured under response action contracts referred to in paragraph (1)(B) for the performance of the contract and all right, title, and interest in the items vests in the Federal Government.

(b) PROHIBITION OF CONTRACT SHOPPING.—

(1) LIMITATION.—A task order may be made under an umbrella contract awarded by the appropriate official of the Agency only to carry out the mission of the office, function, or program of the appropriate official of the Agency that requested the umbrella contract.

(2) WAIVER.—The Administrator (or a designee who is an officer of the Agency at or above the level of the senior procurement executive of the Agency designated pursuant to section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)) may waive the application of the limitation described in paragraph (1) to a task order if the Administrator (or a designee) determines in writing that—

(A) the task order is within the scope of the umbrella contract;

(B) there is an identifiable emergency or other urgent requirement that cannot be met by other means; and

(C) there is no other contract available to the appropriate official of the office seeking the waiver that is suitable for the task order.

(3) APPLICATION.—Paragraphs (1) and (2) do not apply to any contract that the Administrator designates, before the award of the contract, as being available for procurement with respect to more than one office, function, or program of the Agency.

(c) FOLLOW-ON COMPETITION.—Each statement of work in an umbrella contract awarded by the appropriate official of the Agency shall be drafted in such manner as to ensure full and open competition (as defined in section 4(6) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(6)) of the contract that results from, completes, or supplements the work performed under the umbrella contract.

(d) SUBCONTRACTORS.—

(1) IDENTIFICATION OF SUBCONTRACTORS.—Except in the case of a response action contract, any solicitation for an umbrella contract awarded by the appropriate official of the Agency shall require that each offeror identify in each proposal all prospective subcontractors and the qualifications of the subcontractors.

(2) RESTRICTION ON ELIGIBILITY FOR SUBCONTRACTS.—A person who is not identified as a prospective contractor in accordance with paragraph (1) by the prime contractor for an umbrella contract awarded by the appropriate official of the Agency shall not be eligible to perform any task order as a subcontractor under the umbrella contract.

(3) WAIVER.—

(A) IN GENERAL.—The Administrator (or a designee who is an officer of the Agency at or above the level of the senior procurement executive of the Agency designated pursuant to section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)) may waive the application of the restriction described in paragraph (2) to a task order if the Administrator (or a designee) determines in writing that because of unusual circumstances with respect to the contract the waiver is in the interest of the Federal Government.

(B) UNUSUAL CIRCUMSTANCES DEFINED.—As used in subparagraph (A), the term "unusual circumstances" means—

(i) insolvency, nonresponsibility, suspension, or debarment of each subcontractor identified pursuant to paragraph (1) that is qualified to perform a task order for which the waiver is granted;

(ii) a lack of any technical skills necessary to perform the task orders for which the waiver is granted, by each subcontractor identified pursuant to paragraph (1);

(iii) other circumstances similar to the circumstances referred to in clauses (i) and (ii); or

(iv) any unusual or compelling urgency determined by the Administrator as appropriate.

(4) COMPETITION.—In any case in which the Administrator or a designee of the Administrator grants a waiver under paragraph (3), the award by the prime contractor to the subcontractor of a subcontract to perform a task for which the waiver is granted shall be made on a competitive basis unless the written determination of the Administrator (or a designee) under paragraph (3)—

(A) approves a noncompetitive award; and

(B) includes a finding that—

(i) an emergency exists; or

(ii) no other qualified source is reasonably available.

(e) CONTRACT APPROVAL.—A contract for procurement under this section for goods or services (or both) in an amount that exceeds $50,000,000 shall be approved only by the Administrator.

SEC. 6. INFORMATION SYSTEMS COORDINATION.

(a) ESTABLISHMENT.—The Administrator shall appoint a Deputy Assistant Administrator for Information Systems Coordination (referred to in this section as the "Deputy Assistant Administrator") to serve in the Office of Administration and Resources Management of the Agency. The Deputy Assistant Administrator shall report directly to the Assistant Administrator for Administration and Resources Management.

(b) DUTIES OF THE DEPUTY ASSISTANT ADMINISTRATOR.—At a minimum, the Deputy Assistant Administrator shall carry out the following duties and responsibilities:

(1) Ensure that the information systems of the Agency are efficiently and effectively managed and coordinated to achieve the goals and accomplish the missions of the Agency.

(2) Ensure that the information systems of the Agency are designed and operated to provide for accurate and complete reporting and evaluation of accomplishments and efforts of programs of the Agency.

(3) Ensure that the information systems of the Agency are designed, acquired, and managed in the most cost-effective manner practicable, and are made consistent with all applicable laws, including section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759).

(4) Ensure, in coordination with the Chief Financial Officer of the Agency, that the information systems of the Agency compile and provide for all Agency programs—

(A) accurate, reliable, and complete financial statements; and

(B) other financial, accounting, asset management and related program performance data.

(5) Maximize the effectiveness of the information systems capabilities of the Agency by—

(A) developing and issuing appropriate policies and guidelines;

(B) providing frequent and comprehensive training opportunities for management and staff level employees; and

(C) assisting and advising senior officials within the Agency concerning properly managing information systems programs to the fullest capabilities of the systems.

(6) Develop and implement appropriate measures to encourage efficiency and improvements in information systems management within the Agency.

SEC. 7. OFFICE OF SUPERFUND CONTRACT INTEGRITY.

(a) ESTABLISHMENT.—The Administrator shall establish within the Office of Solid Waste and Emergency Response of the Environmental Protection Agency an Office of Superfund Contract Integrity (referred to in this section as the "Office"). The Office shall be headed by a Director. The Director shall report directly to the Assistant Administrator for Solid Waste and Emergency Response.

(b) DUTIES OF THE DIRECTOR.—At a minimum, the Director shall carry out the following duties and responsibilities:

(1) Ensure that contracts made by the Agency relating to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) (referred to in this section as "Superfund contracts") are effectively managed by the Agency, in particular with regard to—

(A) ensuring program management costs are kept to a minimum;

(B) eliminating unnecessary excess contractor capacity;

(C) controlling the charging, reviewing, and payment of direct and indirect contractor costs;

(D) monitoring costs incurred to ensure the allowability, allocability, and reasonableness of costs claimed and the integrity of contract implementation;

(E) incorporating sufficiently detailed work specifications;

(F) overseeing contractor performance in accordance with specific, objective standards and criteria;

(G) implementing incentives to identify and prevent waste, fraud, and abuse; and

(H) initiating other appropriate mechanisms to improve the management accountability of the Agency and enhance the quality and cost effectiveness of functions contracted for outside the Agency.

(2) Ensure that inherently governmental functions critical to the operation of the Agency are not performed by persons who enter into Superfund contracts (referred to in this section as "Superfund contractors"), and determine whether functions that are not inherently governmental in nature should nevertheless be performed by the Agency rather than Superfund contractors.

(3) Ensure that personal services are not improperly provided by Superfund contractors.

(4) Ensure that Superfund contractors do not have unauthorized access to confidential business or other sensitive information.

(5) Ensure that the Agency is adequately protected against Superfund contractor conflicts of interest.

(c) REPORT.—

(1) IN GENERAL.—Not later than January 1, 1995, and annually thereafter, the Assistant Administrator for Solid Waste and Emergency Response shall transmit to the Committee on Environment and Public Works and the Committee on Governmental Affairs of the Senate, and the Committee on Energy and Commerce and the Committee on Government Operations of the House of Representatives, a report for the preceding fiscal year that identifies specific measures and actions taken to monitor and carry out each of the duties and responsibilities listed in subsection (b).

(2) CONTENTS OF REPORT.—The report shall—

(A) identify any audits, reports, or investigations completed by the Office of Inspector General of the Agency during the preceding fiscal year, including the annual audit conducted pursuant to section 111(k) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9611(k)), that address in any way issues related to Superfund contract management;

(B) describe the concrete steps taken and the progress made by the Agency to resolve any issues and recommendations identified by the Office of Inspector General of the Agency under the audits, reports, or investigations referred to in subparagraph (A); and

(C) identify initiatives taken and results achieved during the preceding fiscal year to improve the overall quality of Superfund contract management by the Agency.

SEC. 8. EFFECTIVE DATES; LIMITATIONS ON APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this Act and the amendments made by this Act shall become effective on the date that is 180 days after the date of enactment of this Act.

(2) REGULATIONS.—Section 9 shall become effective on the date of enactment of this Act.

(b) LIMITATION ON APPLICATION.—This Act and the amendments made by this Act shall not apply to a contract entered into before the effective date specified in subsection (a)(1), except with respect to—

(1) a task added on or after the effective date to a contract entered into before the effective date;

(2) an order made on or after the effective date under a contract entered into before the effective date; and

(3) a contract that is extended, or for which an option to renew is exercised, on or after the effective date.

SEC. 9. REGULATIONS.

Not later than 120 days after the date of enactment of this Act, the Administrator shall promulgate regulations to implement this Act and the amendments made by this Act in final form. The regulations shall be consistent with section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421).

SECTION-BY-SECTION ANALYSIS

This Act, to be known as the Responsible Environmental Management Act of 1993, is designed to restore accountability and proper management of contractors by EPA and increases penalties for contractors seeking to be reimbursed for unallowable costs.

Section 1 provides the short title for the Act.

Section 2 contains Congressional findings and objectives that describe the need for this legislation. In particular, excessive reliance by the Environmental Protection Agency on outside contractors to provide support services throughout the Agency's environmental protection programs has created opportunities for fraud, waste and abuse. The Agency's mismanagement of its contract, fiscal and information systems programs has been documented in numerous audits and reports by the Agency's Inspector General and the General Accounting Office during the past several years. Despite recent administrative efforts to address some of the pervasive problems in this area, EPA continues to have serious management deficiencies that could lead to potentially millions of wasted taxpayers dollars.

Section 3 defines the key terms used in the legislation. These include the term "umbrella contract" which refers to contracts that authorize billions of dollars of work under vague terms and that have been most subject to abuse.

Section 4 addresses the issue of unallowable indirect costs and requires contractors to certify to the Agency that claims submitted to EPA do not contain unallowable expenses. This provision applies to "covered contracts" defined to be those valued at $1,000,000 or more. Unallowable costs include items such as expenses for travel, political contributions, sporting events, and other entertainment. This section also requires better documentation to justify expenditures in areas such as contractor travel, where there has been a demonstrated potential for inflated bills.

Section 4 also provides for administrative penalties of up to $50,000 or twice the value of the unallowable cost claimed by a contractor. This section also provides for judicial assessment of penalties of up to $250,000 for each unallowable cost charged to the Agency, and subjects contractors to criminal penalties in egregious circumstances.

Section 5 places restrictions on the Agency's use of "umbrella contracts" which typically are large, level of effort advisory and assistance contracts. Except for Superfund response action contracts, the bill restricts these kinds of contracts to five-year terms in normal circumstances, unless the Administrator determines a longer term is essential to the performance of the Agency's mission. In addition, an umbrella contract entered into for a specific program office (for example, the Office of Water) will not be available for use in normal circumstances by another program office (for example, the Office of Solid Waste and Emergency Response) within the Agency. In exigent circumstances, this limitation could be waived by the Administrator.

This section also addresses the lack of full and open competition that often results from vague statements of work frequently contained in umbrella contracts. Subsection (c) requires the Agency to prepare and incorporate definite statements of work in all future umbrella contracts. Furthermore, to ensure high level review and management of these contracts, this section requires the Administrator personally to approve umbrella contracts worth more than $50 million.

Section 6 requires the Agency to create a new position at the Deputy Assistant Administrator level to coordinate EPA's information systems programs and ensure they are managed efficiently and effectively to best support the environmental protection missions of the Agency. In particular, recent activities by the EPA Inspector General have identified deficiencies in the way achievements in the Superfund and other programs are identified and monitored, and have shown that the Agency is not adequately keeping track of financial information that could have very significant consequences in Superfund cost recovery efforts. The new senior level official will be responsible for information systems across all the Agency's programs.

Section 7 requires the Agency to create a new position in the Office of Solid Waste and Emergency Response to ensure Superfund contract management integrity. Both the General Accounting Office and the EPA Inspector General have identified significant problems with the Agency's contract management practices generally, and specifically in the operation of the Superfund program. While the Agency recently has begun to address these problems, this legislation establishes greater accountability for proper contract management in the Superfund program, which relies heavily on contractors in carrying out its activities. The Director of the new Office of Superfund Contract Integrity will be responsible for ensuring Superfund-related contracts are managed within the letter and spirit of the law. In addition, the Assistant Administrator for Solid Waste and Emergency Response will be required to prepare an annual report to Congress that describes concrete measures taken by the Agency to address any identified problems with Superfund contract management.

Section 8 contains provisions addressing the effective date of the legislation and limitations on the applicability of the provisions of the bill to contracts entered into before the date of enactment.

Finally, section 9 authorizes the Administrator to issue regulations needed to implement this bill, and requires their promulgation within 120 days of enactment.•

By Mr. KERRY (for himself and Mr. KENNEDY):

S. 1140. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for fees for sewer and water services to the extent such fees exceed 1 percent of adjusted gross income, and to offset the cost of such deduction by disallowing the deduction for amounts paid pursuant to settlements and for compensatory damages under certain environmental laws; to the Committee on Finance.

SEWER AND WATER FEE DEDUCTIBILITY ACT OF 1993

Mr. KERRY. Mr. President, today, I am joined by the senior Senator from Massachusetts in introducing legislation that would help ease the burden of soaring water and sewer rates that are the outgrowth of Federal mandates under the National Clean Water Laws. Our legislation would assist low- and middle-income homeowners in Massachusetts and throughout the country by allowing an income tax deduction for user fees for water and sewer services. In addition, this legislation will offset that tax relief by eliminating the tax deduction currently available to corporations which make settlements with the Federal Government for environmental damages. By removing the tax break for these environmental bad actors and extending one instead to the beleaguered middle-class homeowner who is paying the costs of cleaning up our polluted waterways, this legislation would bring about tax fairness while it would promote a cleaner environment. A companion bill has been introduced in the House by our colleague Congressman GERRY STUDDS who provided important leadership in developing this legislation. He was joined by a bipartisan coalition of 21 other Members from across the country.

Many communities across the country are faced with the cleanup efforts such as those found across my State of

Massachusetts in communities like New Bedford, Springfield, and Lowell. Massachusetts has over 200 communities in need of new or improved water and sewer systems which most likely will mean increased water and sewer rates. Many of these efforts will be undertaken because of Federal mandates.

Possibly the most dramatic example is in the Massachusetts Water Resources Authority District where water and sewer rates are between $500–$600 per year and projected to grow to $1,200 by the end of the decade. These rates are far higher than in other areas of the country and, in fact, may be the highest in the Nation.

For the past several years, our delegation has been working hard to bring assistance to the thousands of citizens across Massachusetts that face enormous burdens from drastically increasing sewer and water rates. Earlier this year, I was joined by Senator KENNEDY in introducing legislation to authorize $1 billion of Federal aid for the federally mandated cleanup of Boston Harbor, and members of the House delegation have introduced a companion bill. In addition, we have worked and are continuing to work closely with the Clinton administration to increase funding for the State revolving fund program which provides loans to communities for infrastructure needs. And we will continue to work to encourage Massachusetts State Government to contribute its fair share of assistance to local communities for these efforts.

The efforts about which we speak today is just another avenue we will aggressively pursue to bring about fairness as we continue to work toward a stronger infrastructure and a cleaner environment.

This legislation will provide some assistance to citizens across the country who face extremely high water and sewer bills brought about by Federal requirements to meet national environmental goals for clean water but will provide this assistance without adding anything to the national debt. I urge my colleagues to support this legislation.

Mr. President, I ask unanimous consent that the text of the bill follow my remarks in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1140

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sewer and Water Fee Deductibility Act of 1993".

SEC. 2. DEDUCTION FOR LOCAL SEWER AND WATER FEES.

(a) IN GENERAL.—Subsections (b) of section 164 of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) DEDUCTION ALLOWED FOR LOCAL SEWER AND WATER FEES.—

"(A) IN GENERAL.—To the extent that the amount of local sewer and water fees paid or accrued during any taxable year exceeds 1 percent of adjusted gross income, such fees shall be allowed as a deduction under subsection (a) in the same manner as local real property taxes.

"(B) DEFINITION.—For purposes of subparagraph (A), the term 'local sewer and water fees' means any amount imposed by a local government, State government (or any agency or instrumentality thereof), or by the District of Columbia as a charge for sewer or water service. Such term shall not include any amount allowable as a deduction without regard to this paragraph.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1993.

SEC. 3. DENIAL OF DEDUCTION FOR PAYMENTS UNDER SETTLEMENT AGREEMENTS AND FOR COMPENSATORY DAMAGES UNDER CERTAIN ENVIRONMENTAL LAWS.

(A) GENERAL RULE.—Part IX of subchapter B of the Internal Revenue Code of 1986 (relating to certain items not deductible) is amended by adding at the end thereof the following new section:

SEC. 280I. DISALLOWANCE OF PAYMENTS UNDER SETTLEMENT AGREEMENTS AND FOR COMPENSATORY DAMAGES UNDER CERTAIN ENVIRONMENTAL LAWS.

"(a) GENERAL RULE.—No deduction shall be allowed for amounts paid—

"(1) to any agency of the United States pursuant to any environmental settlement,

"(2) for costs of activities carried out pursuant to any environmental settlement, or

"(3) to any person or government as a payment in the nature of compensatory damages relating to a violation or potential violation under any applicable environmental law.

"(b) DEFINITIONS.—For purposes of this section—

"(1) ENVIRONMENTAL SETTLEMENT.—The term 'environmental settlement' means any settlement of a claim (or potential claim) of a violation of any provision of an applicable environmental law if the payment of any fine or penalty for such violation would not be allowed as a deduction under this chapter.

"(2) APPLICABLE ENVIRONMENTAL LAW.—The term 'applicable environmental law' means—

"(A) the Oil Pollution Act of 1990,

"(B) the Federal Water Pollution Control Act,

"(C) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980,

"(D) the Solid Waste Disposal Act,

"(E) the Marine Protection, Research and Sanctuaries Act,

"(F) the Clean Air Act,

"(G) the Emergency Planning and Community Right-To-Know Act, and

"(H) the Toxic Substances Control Act.

"(3) SETTLEMENT.—The term 'settlement' includes any consent degree and any contractual understanding."

(b) PROHIBITION AGAINST OFFSET BY NET OPERATING LOSS DEDUCTION.—Section 172 of such Code is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) LIMITATION ON USE TO OFFSET DEDUCTIONS DISALLOWED UNDER SECTION 280I.—The deduction allowed under this section shall not reduce taxable income for any taxable year to an amount less than the amount disallowed under section 280I for such taxable year. Appropriate adjustments in the application of subsection (b)(2) shall be made to take into account the provisions of this subsection.".

(c) CLERICAL AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 280I. Disallowance of payments under settlement agreements and for compensatory damages under certain environmental laws."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid after the date of the enactment of this Act.

Mr. KENNEDY. Mr. President, I am pleased to join my colleague from Massachusetts, Senator KERRY, in introducing this legislation to help address the spiraling costs of compliance with Federal clean water laws. This is a national problem that is particularly burdensome in my State.

This legislation will help ease the burden on those with excessively high water and sewer bills relative to their income, by giving them a deduction on their Federal income tax for those expenses, just as they can now take for their property taxes. The cost of this provision will be offset by eliminating the tax deduction that corporations can take for their payments to settle environmental violations. The issue is simple fairness. Households struggling to meet their water and sewer bills deserve help more than major corporate polluters.

This proposal for tax relief is one step in our effort to help the large numbers of citizens in Massachusetts who are paying extraordinarily high water and sewer bills. We need more action at all levels to keep these rates down. The Boston Harbor project is threatening our ability to achieve economic recovery. It is an enormous burden on families and businesses alike. Some 2.5 million citizens in 61 communities in the Greater Boston area are reeling under the crushing weight of one of the largest and most costly public works projects in the Nation. Local ratepayers are currently and unfairly shouldering more than 90 percent of the cost.

This bill will complement the other efforts that are being pursued by our congressional delegation in coordination with State and local officials to address this enormous problem. The key elements of our multipronged approach include greater Federal assistance, greater State assistance, and a reevaluation of all components of the project to make sure they are cost-effective. Real questions are being raised for the first time about certain very expensive parts of the cleanup that are difficult to justify in terms of their environmental benefits. That process needs to continue.

In the meantime, I urge my colleagues to support this legislation to provide a measure of relief to families and businesses that need and deserve help meeting our national clean water goals.

By Mr. ROCKEFELLER (for himself, Mr. GRAHAM, Mr. AKAKA, and Mr. MURKOWSKI):

S. 1141. A bill to amend chapter 17 of title 38, United States Code, to require the Secretary of Veterans Affairs to conduct a hospice care pilot program and to provide certain hospice care services to terminally ill veterans; to the Committee on Veterans' Affairs.

VETERANS' HOSPICE SERVICES ACT OF 1993

• Mr. ROCKEFELLER. Mr. President, as the Nation moves ever closer to national health care reform, the Department of Veterans Affairs is preparing to compete directly with non-VA providers as part of a national plan under which costs are controlled and coverage is expanded for all Americans. I believe VA will do well in this environment, because VA already operates within a fixed budget and offers our veterans a full continuum of care. Our task, now, is to ensure that VA expands and improves that wide array of valuable health care services.

It is in the spirit of strengthening our VA health care system that I am today introducing a bill that would require VA to conduct a hospice care pilot program to determine how best to provide hospice care services to terminally ill veterans. I am proud that Senators GRAHAM, AKAKA, and MURKOWSKI have joined with me as original cosponsors. As the number of veterans who are elderly or have terminal illnesses continues to grow, demand for VA hospice care is likely to increase. We must stay ahead of the surge and explore the ways to provide such care, so our veterans and their families will have the best choices available to them.

Our legislation builds upon S. 1358 of the 102d Congress which Senator GRAHAM introduced on June 24, 1991, and the Senate passed on October 16, 1991. Unfortunately, the House Committee on Veterans' Affairs did not act on our bill before the 102d Congress ended. Although VA has expanded and improved services furnished to terminally ill veterans over the past 2 years, it continues to fall short of the goals our committee envisioned when we reported S. 1358. Thus, we feel compelled to introduce the Veterans' Hospice Services Act of 1993 in hopes of gaining final passage of legislation that will result in VA furnishing comprehensive hospice care services to veterans throughout the Nation.

SUMMARY OF PROVISIONS

Mr. President, this legislation is geared to expanding comprehensive VA hospice care programs and promoting VA research on hospice care. The bill would amend chapter 17 of title 38 to establish a new subchapter VII, the provisions of which would:

First, require VA, during the period beginning on October 1, 1993, and ending on December 31, 1998, to conduct a pilot program in order to assess the feasibility and desirability of furnishing hospice care services to terminally ill veterans, and determine the most efficient and effective means of furnishing such services.

Second, require VA to furnish hospice care services under the pilot program to any veteran who has a life expectancy of 6 months or less, as certified by a VA physician; and who is: First, entitled to VA hospital care; second, eligible for and receiving VA hospital or nursing home care; third, eligible for and receiving care in a community nursing home under a VA contract; or fourth, eligible for and receiving care in a State veterans home for which VA is making per diem payments to offset the costs of that care.

Third, specify that the hospice care services that VA must provide to veterans under the pilot program are the services to which Medicare beneficiaries are entitled under the Medicare's hospice care benefit, and personal care services, including care or services relating to dressing, personal hygiene, feeding, and housekeeping.

Fourth, require the Secretary to establish hospice care demonstration projects that would provide these services at not fewer than 15 but not more than 30 VA medical centers [VAMC's] by 1 of 3 means: First, a hospice operated by a VAMC; second, a non-VA hospice under contract with a VAMC and pursuant to which the VA facility furnishes any necessary inpatient services; or third, a non-VA hospice under a contract with a VAMC and pursuant to which a non-VA facility furnishes any necessary inpatient services.

Fifth, require that each of the three means for furnishing hospice care services be used at not fewer than five VAMC's.

Sixth, require the Secretary to ensure, to the maximum extent feasible, that VAMC's selected to conduct demonstration projects under the pilot program include facilities that: First, are located in urban areas and rural areas; second encompass the full range of affiliations between VAMC's and medical schools; third, operate and maintain various numbers of beds; and fourth, meet any additional criteria or standards that the Secretary may deem relevant or necessary.

Seventh, provide that the amount paid by VA to a non-VA hospice under a hospice care services contract generally may not exceed the amount that would be paid to that hospice under the Medicare hospice benefit, and authorize the Secretary to pay an amount in excess of the Medicare reimbursement rate, if the Secretary determines, on a case by case basis, that the Medicare rate would not adequately compensate the hospice for the costs associated with furnishing necessary care to a terminally ill veteran.

Eighth, require the Secretary to designate not fewer than 10 VAMC's that would function as a control group and furnish a less comprehensive range of services to terminally ill veterans than the range that VAMC's participating in the pilot program must provide, using one of two means: First, by VA personnel providing one or more hospice care services to veterans at a VAMC, or second, by VA personnel monitoring the furnishing of one or more hospice care services to veterans by a non-VA provider.

Ninth, require the Secretary to ensure, to the maximum extent practicable, that terminally ill veterans receive information regarding their eligibility, if any, for Medicare's hospice care benefit.

Tenth, require the Secretary, not later than September 30, 1994, and on an annual basis thereafter, until October 1, 1999, to submit periodic written reports to the House and Senate Committees on Veterans' Affairs about the pilot program.

Eleventh, require the Director of VA's Health Services Research and Development Service, not later than August 1, 1997, to submit to the House and Senate Committees on Veterans' Affairs a detailed final report on the pilot program, including: First, an assessment of the feasibility and desirability of furnishing hospice care services to terminally ill veterans, second, an assessment of the optimal means of furnishing such services, and third, his recommendations, if any, for additional legislation regarding such care.

Twelfth, clarify that the pilot program would not preclude VA from furnishing hospice care services at VAMC's not participating in the pilot program or the control group.

BACKGROUND

Clearly, terminally ill veterans need an alternative to customary, curative care, and the Department of Veterans Affairs has made steady progress in meeting the demand. However, VA Central Office officials have given only general guidance to VAMC's regarding the types of services they must provide to terminally ill veterans and the manner in which they must provide them. Not surprisingly, significant variations exist in the manner in which VAMC's provide these services. Only 39 of 171 VAMC's operate their own hospice units. These units are freestanding buildings or separate units where a home-like atmosphere is created. Other VAMC's provide pain management and other services to terminally ill veterans in units in which hospice rooms are adjacent to rooms in which other patients are administrated curative care. Still other VAMC's only provide some hospice services such as caregiver counseling and pain management. Many offer only an assessment of a terminally ill veteran's needs and referral to a non-VA hospice.

Neither uniformity nor marked variation in the provision of VA hospice care may be the answer, but we can never be certain until all the important questions have been asked and all the ways to provide such care have been examined. For example, some claim that we can best meet terminally ill veterans' needs by integrating hospice concepts into mainstream care for terminally ill persons. Others believe that because most VAMC's are affiliated with medical schools that tend to emphasize technology-intensive, curative interventions, veterans would be better served if VA contracted with community hospice providers. I do not know who is right, but I do know that we must grapple with these difficult questions if we truly care about meeting terminally ill veterans' needs.

The pilot program this legislation envisions should be of great help in assessing these concerns. The bill calls for VA to establish hospice demonstration projects at 15 to 30 VAMC's that will provide a comprehensive range of hospice care services; 10 other VAMC's will constitute a control group and offer a less comprehensive range of services to terminally ill veterans. In essence, an experiment will be set up, whereby consistent data can be generated and valuable information extrapolated. At a Committee on Veterans' Affairs hearing on long-term care in May of this year, many VA clinicians testified as to the value of information gleaned from a similar study of VA's adult day health care program. That study helped health care providers identify veterans most likely to benefit from that program and tailor the program's services to meet their needs.

This year's bill differs from S. 1358 of the 102d Congress in that it specifically requires that the Director of Health Services Research and Development conduct the evaluation of the various models for furnishing care. This requirement would ensure that the study will be conducted by highly qualified researchers whose mission is objective research. In addition, the new bill contains a provision that explicitly states that VA can continue to provide hospice care services at additional VAMC's, which would guarantee that no veteran will lose access to hospice care as a result of the pilot program. Every VAMC now has a hospice care consulting team and some offer various additional services. We certainly do not want VA to eliminate those programs. Rather, we seek to ensure that VA studies and learns from its hospice programs.

CONCLUSION

Mr. President, many terminally ill veterans do not want to spend their last days in a hospital environment receiving high technology, heroic interventions that cannot cure their illnesses. These veterans, who have served our country with honor and dignity, choose a different type of environment, one where pain management and emotional support are the focus. They are veterans like Tom, a West Virginian whose plight the committee learned of in 1991. The executive director of the hospice of Huntington, WV, Charlene Farrell, told the committee that while Tom was in the hospital, suffering from cancer, he asked that the drapes be closed so he could sit in darkness. Eventually, his daughters decided to use their modest resources to purchase hospice care from a non-VA provider, because their father longed for the type of care and support that a hospital simply cannot offer. We owe veterans like Tom nothing less than the best hospice care our Nation can provide. The Veterans Hospice Services Act of 1993 will help us meet our obligation to these brave men and women.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1141

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Hospice Services Act of 1993".

SEC. 2. PROGRAMS FOR FURNISHING HOSPICE CARE TO VETERANS.

(a) ESTABLISHMENT OF PROGRAMS.—Chapter 17 of title 38, United States Code, is amended by adding at the end the following:

"SUBCHAPTER VII—HOSPICE CARE PILOT PROGRAM; HOSPICE CARE SERVICES

"§1761. Definitions

"For the purposes of this subchapter—

"(1) The term 'terminally ill veteran' means any veteran—

"(A) who is (i) entitled to receive hospital care in a medical facility of the Department under section 1710(a)(1) of this title, (ii) eligible for hospital or nursing home care in such a facility and receiving such care, (iii) receiving care in a State home facility for which care the Secretary is paying per diem under section 1741 of this title, or (iv) transferred to a non-Department nursing home for nursing home care under section 1720 of this title and receiving such care; and

"(B) who has a medical prognosis (as certified by a Department physician) of a life expectancy of six months or less.

"(2) The term 'hospice care services' means (A) the care, items, and services referred to in subparagraphs (A) through (H) of section 1861(dd)(1) of the Social Security Act (42 U.S.C. 1395x(dd)(1)), and (B) personal care services.

"(3) The term 'hospice program' means any program that satisfies the requirements of section 1861(dd)(2) of the Social Security Act (42 U.S.C. 1395x(dd)(2)).

"(4) The term 'medical facility of the Department' means a facility referred to in section 1701(4)(A) of this title.

"(5) The term 'non-Department facility' means a facility (other than a medical facility of the Department) at which care to terminally ill veterans is furnished, regardless of whether such care is furnished pursuant to a contract, agreement, or other arrangement referred to in section 1762(b)(1)(D) of this title.

"(6) The term 'personal care services' means any care or service furnished to a person that is necessary to maintain a person's health and safety within the home or nursing home of the person, including care or services related to dressing and personal hygiene, feeding and nutrition, and environmental support.

"§1762. Hospice care: pilot program requirements

"(a)(1) During the period beginning on October 1, 1993, and ending on December 31, 1998, the Secretary shall conduct a pilot program in order—

"(A) to assess the feasibility and desirability of furnishing hospice care services to terminally ill veterans; and

"(B) to determine the most efficient and effective means of furnishing such services to such veterans.

"(2) The Secretary shall conduct the pilot program in accordance with this section.

"(b)(1) Under the pilot program, the Secretary shall—

"(A) designate not less than 15 nor more than 30 medical facilities of the Department at or through which to conduct hospice care services demonstration projects;

"(B) designate the means by which hospice care services shall be provided to terminally ill veterans under each demonstration project pursuant to subsection (c);

"(C) allocate such personnel and other resources of the Department as the Secretary considers necessary to ensure that services are provided to terminally ill veterans by the designated means under each demonstration project; and

"(D) enter into any contract, agreement, or other arrangement that the Secretary considers necessary to ensure the provision of such services by the designated means under each such project.

"(2) In carrying out the responsibilities referred to in paragraph (1) the Secretary shall take into account the need to provide for and conduct the demonstration projects so as to provide the Secretary with such information as is necessary for the Secretary to evaluate and assess the furnishing of hospice care services to terminally ill veterans by a variety of means and in a variety of circumstances.

"(3) In carrying out the requirement described in paragraph (2), the Secretary shall ensure, to the maximum extent feasible, that—

"(A) the medical facilities of the Department selected to conduct demonstration projects under the pilot program include facilities located in urban areas of the United States and rural areas of the United States;

"(B) the full range of affiliations between medical facilities of the Department and medical schools is represented by the facilities selected to conduct demonstration projects under the pilot program, including no affiliation, minimal affiliation, and extensive affiliation;

"(C) such facilities vary in the number of beds that they operate and maintain; and

"(D) the demonstration projects are located or conducted in accordance with any other criteria or standards that the Secretary considers relevant or necessary to furnish and to evaluate and assess fully the furnishing of hospice care services to terminally ill veterans.

"(c)(1) Subject to paragraph (2), hospice care to terminally ill veterans shall be furnished under a demonstration project by one or more of the following means designated by the Secretary:

"(A) By the personnel of a medical facility of the Department providing hospice care services pursuant to a hospice program established by the Secretary at that facility.

"(B) By a hospice program providing hospice care services under a contract with that program and pursuant to which contract any necessary inpatient services are provided at a medical facility of the Department.

"(C) By a hospice program providing hospice care services under a contract with that program and pursuant to which contract any necessary inpatient services are provided at a non-Department medical facility.

"(2)(A) The Secretary shall provide that—

"(i) care is furnished by the means described in paragraph (1)(A) at not less than five medical facilities of the Department; and

"(ii) care is furnished by the means described in subparagraphs (B) and (C) of paragraph (1) in connection with not less than five such facilities for each such means.

"(B) The Secretary shall provide in any contract under subparagraph (B) or (C) of paragraph (1) that inpatient care may be provided to terminally ill veterans at a medical facility other than that designated in the contract if the provision of such care at such other facility is necessary under the circumstances.

"(d)(1) Except as provided in paragraph (2), the amount paid to a hospice program for care furnished pursuant to subparagraph (B) or (C) of subsection (c)(1) may not exceed the amount that would be paid to that program for such care under section 1814(i) of the Social Security Act (42 U.S.C. 1395f(i)) if such care were hospice care for which payment would be made under part A of title XVIII of such Act.

"(2) The Secretary may pay an amount in excess of the amount referred to in paragraph (1) (or furnish services whose value, together with any payment by the Secretary, exceeds such amount) to a hospice program for furnishing care to a terminally ill veteran pursuant to subparagraph (B) or (C) of subsection (c)(1) if the Secretary determines, on a case-by-case basis, that—

"(A) the furnishing of such care to the veteran is necessary and appropriate; and

"(B) the amount that would be paid to that program under section 1814(i) of the Social Security Act would not compensate the program for the cost of furnishing such care.

"§ 1763. Care for terminally ill veterans

"(a) During the period referred to in section 1762(a)(1) of this title, the Secretary shall designate not less than 10 medical facilities of the Department at which hospital care is being furnished to terminally ill veterans to furnish the care referred to in subsection (b)(1).

"(b)(1) Palliative care to terminally ill veterans shall be furnished at the facilities referred to in subsection (a) by one of the following means designated by the Secretary:

"(A) By personnel of the Department providing one or more hospice care services to such veterans at or through medical facilities of the Department.

"(B) By personnel of the Department monitoring the furnishing of one or more of such services to such veterans at or through non-Department facilities.

"(2) The Secretary shall furnish care by the means referred to in each of subparagraphs (A) and (B) of paragraph (1) at not less than five medical facilities designated under subsection (a).

"§ 1764. Information relating to hospice care services

"The Secretary shall ensure to the extent practicable that terminally ill veterans who have been informed of their medical prognosis receive information relating to the eligibility, if any, of such veterans for hospice care and services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

"§ 1765. Evaluation and reports

"(a) Not later than September 30, 1994, and on an annual basis thereafter until October 1, 1999, the Secretary shall submit a written report to the Committees on Veterans' Affairs of the Senate and House of Representatives relating to the conduct of the pilot program under section 1762 of this title and the furnishing of hospice care services under section 1763 of this title. Each report shall include the following information:

"(1) The location of the sites of the demonstration projects provided for under the pilot program.

"(2) The location of the medical facilities of the Department at or through which hospice care services are being furnished under section 1763 of this title.

"(3) The means by which care to terminally ill veterans is being furnished under each such project and at or through each such facility.

"(4) The number of veterans being furnished such care under each such project and at or through each such facility.

"(5) An assessment by the Secretary of any difficulties in furnishing such care and the actions taken to resolve such difficulties.

"(b) Not later than August 1, 1997, the Secretary shall submit to the committees referred to in subsection (a) a report containing an evaluation and assessment by the Director of the Health Services Research and Development Service of the hospice care pilot program under section 1762 of this title and the furnishing of hospice care services under section 1763 of this title. The report shall contain such information (and shall be presented in such form) as will enable the committees to evaluate fully the feasibility and desirability of furnishing hospice care services to terminally ill veterans.

"(c) The report shall include the following:

"(1) A description and summary of the pilot program.

"(2) With respect to each demonstration project conducted under the pilot program—

"(A) a description and summary of the project;

"(B) a description of the facility conducting the demonstration project and a discussion of how such facility was selected in accordance with the criteria set out in, or prescribed by the Secretary pursuant to, subparagraphs (A) through (D) of section 1762(b)(3) of this title;

"(C) the means by which hospice care services are being furnished to terminally ill veterans under the demonstration project;

"(D) the personnel used to furnish such services under the demonstration project;

"(E) a detailed factual analysis with respect to the furnishing of such services, including (i) the number of veterans being furnished such services, (ii) the number, if any, of inpatient admissions for each veteran being furnished such services and the length of stay for each such admission, (iii) the number, if any, of outpatient visits for each such veteran, and (iv) the number, if any, of home-care visits provided to each such veteran;

"(F) the direct costs, if any, incurred by terminally ill veterans, the members of the families of such veterans, and other individuals in close relationships with such veterans in connection with the participation of veterans in the demonstration project;

"(G) the costs incurred by the Department in conducting the demonstration project, including an analysis of the costs, if any, of the demonstration project that are attributable to (i) furnishing such services in facilities of the Department, (ii) furnishing such services in non-Department facilities, and (iii) administering the furnishing of such services; and

"(H) the unreimbursed costs, if any, incurred by any other entity in furnishing services to terminally ill veterans under the project pursuant to section 1762(c)(1)(C) of this title.

"(3) An analysis of the level of the following persons' satisfaction with the services furnished to terminally ill veterans under each demonstration project:

"(A) Terminally ill veterans who receive such services, members of the families of such veterans, and other individuals in close relationships with such veterans.

"(B) Personnel of the Department responsible for furnishing such services under the project.

"(C) Personnel of non-Department facilities responsible for furnishing such services under the project.

"(4) A description and summary of the means of furnishing hospice care services at or through each medical facility of the Department designated under section 1763(a)(1) of this title.

"(5) With respect to each such means, the information referred to in paragraphs (2) and (3).

"(6) A comparative analysis by the Director of the services furnished to terminally ill veterans under the various demonstration projects referred to in section 1762 of this title and at or through the designated facilities referred to in section 1763 of this title, with an emphasis in such analysis on a comparison relating to—

"(A) the management of pain and health symptoms of terminally ill veterans by such projects and facilities;

"(B) the number of inpatient admissions of such veterans and the length of inpatient stays for such admissions under such projects and facilities;

"(C) the number and type of medical procedures employed with respect to such veterans by such projects and facilities; and

"(D) the effectiveness of such projects and facilities in providing care to such veterans at the homes of such veterans or in nursing homes.

"(7) An assessment by the Director of the feasibility and desirability of furnishing hospice care services by various means to terminally ill veterans, including an assessment by the Director of the optimal means of furnishing such services to such veterans.

"(8) Any recommendations for additional legislation regarding the furnishing of care to terminally ill veterans that the Secretary considers appropriate.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

"SUBCHAPTER VII—HOSPICE CARE PILOT PROGRAM; HOSPICE CARE SERVICES

"1761. Definitions.
"1762. Hospice care: pilot program requirements.
"1763. Care for terminally ill veterans.
"1764. Information relating to hospice care services.
"1765. Evaluation and reports.".

(c) AUTHORITY TO CARRY OUT OTHER HOSPICE CARE PROGRAMS.—The amendments made by subsection (a) may not be construed as terminating the authority of the Secretary of Veterans Affairs to provide hospice care services to terminally ill veterans under any program in addition to the programs required under the provisions added by such amendments.●

● Mr. MURKOWSKI. Mr. President, I am pleased to lend my support as an original cosponsor of a measure that, if enacted, will provide a strong incentive for, and specific direction to, the Department of Veterans Affairs to establish meaningful hospice programs to help those veterans who are in the end stages of terminal illnesses. I compliment my good friend, our Veterans Affairs' chairman, JAY ROCKEFELLER of West Virginia, for introducing this important legislation.

Mr. President, I and other members of the Committee on Veterans' Affairs are concerned about whether VA is truly adopting the hospice philosophy in VA terminal-care programming, or rather simply only adapting some aspects of hospice care in VA's preexisting institutional tendencies. If the latter is true, I and others would be very concerned that VA not only may be wasting scarce health care resources but also in the process sadly misconstruing the intent of the hospice movement.

The bill being offered today would require the VA to establish true hospice demonstrations in not less than 15, but not more than 30, VA medical centers. Hospice services would be offered to eligible veterans already under VA care. Funding would come from within available VA health care resources. The services themselves would be similar to hospice benefits now offered through the Medicare system to Medicare beneficiaries. Our bill would require VA to provide hospice services for a 5-year period and provide periodic reports to Congress.

During a recent VA briefing of our Veterans' Affairs Committee staff, Mr. President, VA representatives were asked about the degree to which true hospice approaches might be applicable to VA's terminally ill patient population. A basic question in this respect is the internal VA market for the hospice option: the terminally ill VA patient. Unfortunately VA was unable to respond to inform us of the number of VA patients who would be natural or potential candidates for VA hospice care. I believe that we must know this kind of basic information—both quantitatively and qualitatively—before we can predict veterans' needs for hospice services in VA facilities. In fact, without clear knowledge of the market to be served, VA central office program planners may be, in effect, working in the dark. Our bill would set the VA on a course to adequately plan for, and deliver, hospice care to eligible veterans.

Mr. President, my great friend, former Acting Secretary Tony Principi, announced a VA policy in 1992, that required every VA medical center to implement hospice programming, in order to provide veterans and their families a real hospice option; yet, VA representatives have indicated that fewer than one-fifth of VA facilities now offer a hospice alternative to traditional VA interventions. Future plans seem sketchy at best.

Mr. President, I believe that our legislation eventually can bring true VA hospice care to the several thousand terminally ill VA patients who die each year in VA hospital and nursing home beds. When the hospice option is appropriate, we owe hospitalized, seriously ill veterans and their families a viable and humane alternative to the traditional VA interventions. In that spirit, I am cosponsoring this measure with my chairman, and I urge all my colleagues to closely examine this bill. It deserves our full support.●

By Mr. HARKIN:

S. 1142. A bill to improve counseling services for elementary school children; to the Committee on Labor and Human Resources.

ELEMENTARY SCHOOL COUNSELING DEMONSTRATION ACT

● Mr. HARKIN. Mr. President, the sixth National Education Goal says that by the year 2000, all schools will be free of drugs and violence and will offer a disciplined environment conducive to learning. I introduce legislation that will help us reach this important goal.

S. 1142, the Elementary School Counseling Demonstration Act focuses on prevention and early intervention at a critical time in the development of children. This legislation established and expands counseling programs in our elementary schools, so that we can address the special needs or young people.

Mr. President, this bill authorizes the Secretary of Education to provide demonstration grants to local school districts to enhance the availability and quality of counseling services for elementary school children. The bill authorizes $10 million in annual appropriations for the next 5 years to test the effectiveness of school counseling programs that include school counselors, school social workers and school psychologists in a comprehensive manner. This pupil services team can make sure students have access to the professional that is most qualified to address the child's needs.

The legislation directs the Secretary to distribute these grants equitably throughout the United States, targeting rural, urban, and suburban areas. In addition, districts applying for the grants must maintain a counselor-student ratio of no more than 1 school counselor per 250 students, 1 school social worker per 800 students, and 1 school psychologist per 1,000 students. Programs must involve parents, business representatives, and community groups in developing the program. Grants will be available for up to 3 years with a maximum annual grant of $400,000. The legislation also establishes the Office of Pupil Services to facilitate programs that meet the wide-ranging needs of students.

At the present time, there is 1 school counselor for every 1,000 students, 1 school social worker for every 2,500 students, and 1 school psychologist for every 2,500 students. As a result, school counseling programs are seldom adequate.

This legislation is critical, for the stresses inflicted on our children are enormous—fragmentation of the family, drug and alcohol abuse, child abuse, poverty, and violence. As a result, an increasing number of elementary school children are exhibiting symptoms of distress—substance abuse, emotional disorders, academic underachievement, disruptive behavior, juvenile delinquency, and suicide. Elementary school counselors, school psychologists, and school social workers can contribute to the personal growth, educational development, and emotional well-being of elementary school children by providing professional counseling, intervention, and referral services.

By making contact with a child early on, these students have a better chance of developing the self-esteem and problem-solving skills that will benefit them during their teenage years. This principle has been put into practice in the Des Moines Independent School District and it works.

In 1988, the Des Moines Public Schools established the Smoother Sailing Pilot Program which decreased the school counselor to student ratio to the recommended level. Smoother Sailing now operates in all Des Moines elementary schools and provides an enhanced elementary school counseling program for students in kindergarten through fifth grade.

The school district has noticed increased student achievement and improvements in self-esteem while reducing the frequency and intensity of discipline problems in the elementary schools. Smoother Sailing proved to me how important early intervention programs are to the war on drugs. To stop the spread of drugs, we must reach our children before the drug dealers do and elementary school counseling programs give children the skills to deal with the tremendous problems they face today.

Smoother Sailing should serve as a model program for Iowa and the rest of the Nation. The Elementary School Counseling Demonstration Act expands the principles and objectives of Smoother Sailing to the entire Nation. I believe a successful demonstration project will encourage all school districts to make elementary school counseling programs a priority.

We know that investing in our children is the key to ensuring a society of healthy and educated adults. Programs such as Head Start attest to the success of this early intervention and prevention strategy. I hope my colleagues will support this bill, so that we can meet the education goals we have set for our Nation and help our children excel during their school years and beyond.

Mr. President, at the conclusion of my remarks I would like to have entered into the RECORD, copies of letters of support for the Elementary School Counseling Demonstration Act from the American Counseling Association, the National Association of Social Workers, and the National Association of School Psychologists and a copy of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1142

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Elementary School Counseling Demonstration Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) elementary school children are being subjected to unprecedented social stresses, including fragmentation of the family, drug and alcohol abuse, child abuse, poverty, and violence, and experts indicate that intervention at an early age is the most beneficial;

(2) an increasing number of elementary school children are exhibiting symptoms of distress, such as substance abuse, emotional disorders, academic underachievement, disruptive behavior, juvenile delinquency, and suicide;

(3) elementary school counselors, school psychologists and school social workers can contribute to the personal growth, educational development, and emotional wellbeing of elementary school children by providing professional counseling, intervention, and referral services;

(4) the average ratio of elementary school counselors to students is 1 to 1,000, the average ratio of school psychologists to students is 1 to 2,500, and the average ratio of school social workers to students is 1 to 2,500;

(5) when there is 1 counselor to 1,000 students, 1 school psychologist to 2,500 students, and 1 school social worker to 2,500 students, elementary school counseling programs are seldom adequate;

(6) the Federal Government can help reduce the risk of academic, social, and emotional problems among elementary school children by stimulating the development of model elementary school counseling programs; and

(7) the Federal Government can help reduce the risk of future unemployment and assist the school to work transition by stimulating the development of model elementary school counseling programs that include comprehensive career development.

(b) PURPOSE.—It is the purpose of this Act to enhance the availability and quality of counseling services for elementary school children by providing grants to local educational agencies to enable such agencies to establish effective and innovative elementary school counseling programs that can serve as national models.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $10,000,000 for each of the fiscal years 1994, 1995, 1996, 1997, and 1998 to carry out this Act.

SEC. 4. PROGRAM AUTHORITY.

(a) IN GENERAL.—From amounts appropriated pursuant to the authority of section 3 in any fiscal year, the Secretary shall make grants to local educational agencies having applications approved under section 5 to initiate or expand school counseling programs for elementary school children.

(b) PRIORITY.—In awarding grants under this Act, the Secretary shall give special consideration to applications describing programs that—

(1) demonstrate the greatest need for new or additional counseling services among the children in the elementary schools served by the applicant;

(2) propose the most promising and innovative approaches for initiating or expanding elementary school counseling; and

(3) show the greatest potential for replication and dissemination.

(c) EQUITABLE DISTRIBUTION.—In awarding grants under this Act, the Secretary shall ensure an equitable geographic distribution among the regions of the United States and among urban, suburban, and rural areas.

(d) DURATION.—A grant under this Act shall be awarded for a period not to exceed 3 years.

(e) MAXIMUM GRANT.—A grant under this Act shall not exceed $400,000 for any fiscal year.

SEC. 5. APPLICATIONS.

(a) IN GENERAL.—Each local educational agency desiring a grant under this Act shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) NOTIFICATION OF STATE EDUCATIONAL AGENCY.—Before submitting an application to the Secretary in accordance with subsection (a), a local educational agency shall provide the State educational agency with an opportunity to review and comment on the program described in such application. The comments of the State educational agency shall be appended to the application upon submission of the application to the Secretary.

(c) CONTENTS.—Each application for a grant under this Act shall—

(1) describe the elementary school population to be targeted by the program, the particular personal, social, emotional, educational, and career development needs of such population, and the current school counseling resources available for meeting such needs;

(2) describe the activities, services, and training to be provided by the program and the specific approaches to be used to meet the needs described in paragraph (1);

(3) describe the methods to be used to evaluate the outcomes and effectiveness of the program;

(4) describe the collaborative efforts to be undertaken with institutions of higher education, businesses, labor organizations, community groups, social service agencies, and other public or private entities to enhance the program and promote school-linked services integration;

(5) describe collaborative efforts with institutions of higher education which specifically seek to enhance or improve graduate programs specializing in the preparation of elementary school counselors, school psychologists, and school social workers;

(6) document that the applicant has the personnel qualified to develop, implement, and administer the program;

(7) describe how any diverse cultural populations would be served through the program;

(8) assure that the funds made available under this Act for any fiscal year will be used to supplement and, to the extent practicable, increase the level of funds that would otherwise be available from non-Federal sources for the program described in the application, and in no case supplant such funds from non-Federal sources; and

(9) assure that the applicant will appoint an advisory board composed of parents, school counselors, school psychologists, school social workers, other pupil services personnel, teachers, school administrators, and community leaders to advise the local educational agency on the design and implementation of the program.

SEC. 6. USE OF FUNDS.

(a) IN GENERAL.—Grant funds under this Act shall be used to initiate or expand elementary school counseling programs that comply with the requirements in subsection (b).

(b) PROGRAM REQUIREMENTS.—Each program assisted under this Act shall—

(1) be comprehensive in addressing the personal, social, emotional, educational, and career development needs of all students;

(2) use a developmental, preventive approach to counseling;

(3) increase the range, availability, quantity, and quality of counseling services in the elementary schools of the local educational agency;

(4) ensure a team approach to school counseling by maintaining a ratio in the elementary schools of the local educational agency that does not exceed 1 school counselor to 250 students, 1 school social worker to 800 students and 1 school psychologist to 1,000 students;

(5) expand counseling services only through qualified school counselors, school psychologists, and school social workers;

(6) use innovative approaches to increase children's understanding of peer and family relationships, work and self, decisionmaking, academic and career planning, or to improve social functioning;

(7) provide counseling services with the goal of developing a highly skilled workforce through a range of quality educational programs and work-related experiences that allow students to reach high school graduation equipped to tackle immediately the world of work, or to continue in some form of postsecondary education or training, or both;

(8) provide counseling services that are well-balanced among classroom group and small group counseling, individual counseling, and consultation with parents, teachers, administrators, and other pupil services personnel;

(9) include inservice training for school counselors, school social workers, school psychologists, other pupil services personnel, teachers, and instructional staff;

(10) involve parents of participating students in the design, implementation, and evaluation of a counseling program;

(11) involve collaborative efforts with institutions of higher education, businesses, labor organizations, community groups, social service agencies, or other public or private entities to enhance the program and promote school-linked services integration;

(12) ensure that school counselors, school psychologists or school social workers paid

from funds made available under this Act spend at least 85 percent of their total work time in activities directly related to the counseling process and not more than 15 percent of such time on administrative tasks that are associated with the counseling program;

(13) provide supervision for professionals who are hired under this Act by supervisors who are school counselors, school social workers, and school psychologists; and

(14) evaluate annually the effectiveness and outcomes of the counseling services and activities assisted under this Act.

SEC. 7. NATIONAL ADMINISTRATION.

(a) OFFICE OF PUPIL SERVICES.—

(1) IN GENERAL.—Title II of the Department of Education Organization Act (20 U.S.C. 3411 et seq.) is amended by adding at the end the following new section:

"OFFICE OF PUPIL SERVICES

"SEC. 216. (a) There shall be in the Department of Education an Office of Pupil Services, to be administered by the Director of Pupil Services. Such Office shall be established in accordance with section 405A of the General Education Provisions Act.

"(b) The Director of Pupil Services shall be an individual of recognized professional qualifications and experience in the field of pupil services.".

(2) AMENDMENT TO THE GENERAL EDUCATION PROVISIONS ACT.—Part A of the General Education Provisions Act (20 U.S.C. 1221e et seq.) is amended by inserting after section 405 the following new section:

"SEC. 405A. OFFICE OF PUPIL SERVICES.

"(a) ESTABLISHMENT.—The Secretary shall establish an Office of Pupil Services (hereafter in this section referred to as the 'Office').

"(b) FUNCTIONS OF THE OFFICE.—The Office shall be responsible for—

"(1) administering, reviewing, and monitoring pupil services programs, including the programs funded under the Elementary School Counseling Act; and

"(2) providing a national focal point for information and technical assistance regarding the counseling, personal, social, emotional, educational, career development and psychological needs of elementary and secondary school children.".

(b) DATA COLLECTION AND EVALUATION.—

(1) IN GENERAL.—The Director of the Office of Pupil Services shall compile the evaluations of the programs assisted under this Act and shall regularly collect such data as the Secretary finds necessary to develop a profile of the use and impact of funds provided under this Act.

(2) REPORT.—The Secretary shall issue a report evaluating the programs assisted pursuant to each grant under this section at the end of each grant period, but in no case later than January 30, 1998.

(c) DISSEMINATION.—The Secretary shall make the programs assisted under this Act available for dissemination, either through the National Diffusion Network or other appropriate means.

(d) LIMIT ON ADMINISTRATION.—Not more than 5 percent of the amounts appropriated pursuant to the authority of section 3 in any fiscal year shall be used to carry out the provisions of this section, including the costs of establishing the Office of Pupil Services.

SEC. 8. DEFINITIONS.

For purposes of this Act—

(1) the term "comprehensive" means, with respect to counseling services, a program in which—

(A) a school counselor, school psychologist, or school social worker uses a range of individual and group techniques and resources in a planned way to meet the personal, social, emotional, educational, and career development needs of all elementary children in a school; and

(B) a school counselor, school psychologist, or school social worker works directly with children, families, teachers, and other school or agency personnel to create an optimal positive learning environment and personal growth opportunities for all children;

(2) the term "developmental" means, with respect to a school counseling program, a systematically planned program that—

(A) provides appropriate school counseling interventions to foster the social, emotional, physical, moral, and cognitive growth of elementary school children;

(B) provides intervention services to help children cope with family, social, emotional, and academic problems; and

(C) supports and enhances the efforts of families, teachers, and other school personnel to provide children maximum opportunity to acquire competence and skill in self-understanding and appreciation, interpersonal interaction, educational achievement and literacy, and career awareness and personal decisionmaking;

(3) the term "Director" means the Director of the Office of Pupil Services in the Department of Education;

(4) the term "elementary school" has the meaning given such term in section 1471(8) of the Elementary and Secondary Education Act of 1965;

(5) the term "institution of higher education" has the meaning given such term in section 1201(a) of the Higher Education Act of 1965;

(6) the term "local educational agency" has the meaning given such term in section 1471(12) of the Elementary and Secondary Education Act of 1965;

(7) the term "parent" has the meaning given such term in section 1471(14) of the Elementary and Secondary Education Act of 1965;

(8) the term "pupil services personnel" has the meaning given such term in section 1471(17) of the Elementary and Secondary Education Act of 1965;

(9) the term "school counselor" means an individual who has documented competence in counseling children and adolescents in a school setting and who—

(A) possesses State licensure or certification granted by an independent professional regulatory authority;

(B) in the absence of such State licensure or certification, possesses national certification in school counseling or a specialty of counseling granted by an independent professional organization; or

(C) holds a minimum of a master's degree in school counseling from a program accredited by the Council for Accreditation of Counseling and Related Educational Programs or the equivalent;

(10) the term "school psychologist" means an individual who—

(A) possesses a minimum of 60 graduate semester hours in school psychology from an institution of higher education and has completed 1,200 clock hours in a supervised school psychology internship, of which 600 hours shall be in the school setting; and

(B) possess State licensure or certification in the State in which the individual works; or

(C) in the absence of such State licensure or certification, possess national certification by the National School Psychology Certification Board;

(11) the term "school social worker" means an individual who holds a master's degree in social work and is licensed or certified by the State in which services are provided or holds a school social work specialist credential;

(12) the term "Secretary" means the Secretary of Education;

(13) the term "State educational agency" has the meaning given such term in section 1471(23) of the Elementary and Secondary Education Act of 1965; and

(14) the term "supervisor" means an individual who has the equivalent number of years of professional experience in such individual's respective discipline as is required of teaching experience for the supervisor or administrative credential in the State of such individual.

AMERICAN COUNSELING ASSOCIATION,
Alexandria, VA, June 17, 1993.
Hon. TOM HARKIN,
U.S. Senate, Senate Hart Building,
Washington, DC.

DEAR SENATOR HARKIN. On behalf of the nearly 60,000 members of the American Counseling Association (ACA) who represents more than 200,000 professional counselors, I want to express my strong support of the Elementary School Counseling Demonstration Act.

Your emphasis on the importance of elementary school counseling programs will enhance the availability and quality of counseling services for all elementary school children. An integrated approach using elementary school counselors, school psychologists and school social workers will contribute to the personal growth and educational development of our nation's future leaders.

Professional counselors are committed to providing comprehensive services that enable young people to reach their potential. Again, the American Counseling Association (ACA) commends you for your sponsorship of the Elementary School Counseling Demonstration Act. We will be supportive and work toward the enactment of this important legislation.

Sincerely,
LEE J. RICHMOND, Ph.D., NCC, NCCC,
President.

NATIONAL ASSOCIATION OF
SCHOOL PSYCHOLOGISTS,
Silver Spring, MD, June 17, 1993.
Hon. TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN. On behalf of the 16,000 members of the National Association of School Psychologists (NASP), I want to thank you for introducing the Elementary School Counseling Demonstration Act in the Senate. This legislation is a critical step in improving services for elementary school children.

NASP is particularly pleased that the bill contains a provision for a team approach in rendering services. The combined efforts of school psychologists, school counselors, and school social workers is critical in meeting the increasingly complex social, emotional, behavioral, and psychological needs of elementary school children. Through counseling, intervention and referral services, these professionals contribute to children's personal growth, educational development, and emotional well-being.

We applaud your efforts in helping to ensure the social, emotional, and academic success of elementary school children through the introduction of this important legislation. Please contact the NASP Government Relations staff at (301) 608-0500 ext. 26 if we may assist you and your staff in any way.

Sincerely,

KATHY DURBIN,
President.

NATIONAL ASSOCIATION OF
SOCIAL WORKERS,
Washington, DC, June 7, 1993.

Hon. TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN. On behalf of the National Association of Social Workers' 145,000 members, I would like to express my enthusiastic support for the Elementary School Counseling Demonstration Act.

School social workers have a rich tradition of providing services to children in schools. As our world becomes more complex, it is increasingly apparent that students' personal, emotional, and social needs must be addressed in order for them to meet their academic potential. Elementary school counseling programs are a vital component in achieving this goal.

By providing for a much-needed expansion of counseling services in selected sites, and by establishing an office in the U.S. Department of Education specifically charged with facilitating programs to meet a broad range of student needs, the Elementary School Counseling Demonstration Act will help enable our education systems to respond to the human factors that are so critical in promoting or impeding academic success.

NASW applauds your recognition of the importance of elementary school counseling programs and look forward to swift enactment of the Elementary School Counseling Demonstration Act.

Sincerely,

SHELDON R. GOLDSTEIN, ACSW, LISW,
Executive Director.•

By Mr. BAUCUS (for himself, Mr. CONRAD, Mrs. MURRAY, Mr. INOUYE, and Mr. DORGAN):

S. 1143. A bill to improve the delivery of health care services in rural areas by creating an Assistant Secretary for Rural Health, to attend title XVIII of the Social Security Act to provide that medical assistance facilities be reimbursed based on reasonable cost, to establish a grant program for the use of interactive telecommunications systems, and to adjust the payments made for certain direct graduate medical education expenses; to the Committee on Finance.

RURAL HEALTH IMPROVEMENT ACT OF 1993

• Mr. BAUCUS. Mr. President, I introduce legislation that would improve access to health care in rural areas. I am very pleased to be joined in this effort by my colleagues Senator KENT CONRAD from North Dakota, Senator PATTY MURRAY from Washington, Senator DANIEL INOUYE from Hawaii, and Senator BYRON DORGAN from North Dakota.

We face a crisis in rural health care. Over a quarter of our population lives in rural areas, yet these areas suffer high rates of uninsurance and underinsurance, severe chronic shortages of physicians and other health professionals, very little preventive care, and high rate of hospital closures.

In Montana the statistics are truly alarming. Over 20 percent of Montanans have no health insurance. Eight of our 56 counties have no physician and almost half of our counties have no physician who will deliver a baby. In fact, over three-fourths of our State is designated by the Federal Government as a health professional shortage area.

We need a comprehensive strategy to address our rural health care system. As we consider national health reform, we must ensure that rural areas receive the assistance they need to enhance their health care delivery structures and ensure that Federal policies reflect the unique needs of rural America. This legislation will help accomplish these goals.

ASSISTANT SECRETARY FOR RURAL HEALTH

The bill would create an Assistant Secretary for Rural Health within the Department of Health and Human Services. This would be accomplished by elevating the current Office of Rural Health Policy which now resides in the Public Health Service. It also expands the duties of this critical office by requiring that the new Assistant Secretary report on national health reform and the implications of such reforms for rural areas.

When I authored legislation creating the Office of Rural Health Policy a few years ago, I intended that the office would analyze the effects of current and proposed Medicare regulations on rural hospitals and providers. We face new challenges today. Health reform will dramatically impact health delivery and access in rural areas. I strongly believe that national health reform will need to be analyzed very carefully for its long-term implications for health care providers and consumers in rural communities. This legislation will make sure that national health reform is analyzed from a rural point of view.

The Office of Rural Health Policy [OHRP] has done an excellent job meeting and even exceeding it's current mission. But the office is forced to operate from deep within the Department of Health and Human Services. Their analyses and proposals must be approved by layers of bureaucrats before reaching the Secretary's office.

I believe that rural concerns need a more direct line to the Secretary. The OHRP reports affect 25 percent of our Nation's population. Their analyses often conclude the Federal proposals effect rural areas dramatically differently than they effect urban areas. Elevating the Director of OHRP to the position of Assistant Secretary for Rural Health will increase the attention paid to how Federal policies affects rural communities.

This provision has never been more critical. We are all aware of the unintended negative consequences which previous Federal health policies have placed on our rural hospitals and providers. With national health reform on the horizon, it's critical that the implications for rural areas are comprehensively analyzed so that we avoid the mistakes of the past.

The national health reform debate tends to focus on expanding health insurance to all Americans. While this will help people living in rural areas, it still doesn't guarantee that rural residents have access to care. It won't solve the severe provider shortages faced by rural communities.

The Federal Government needs a comprehensive strategy to help alleviate these problems. I don't mean that one program would fit all rural areas, but instead believe that this comprehensive strategy could incorporate and enhance the many strategies rural areas are already taking to improve access to health care. Above all, we must be absolutely sure that the effects of the new national health reform policies on rural areas don't unintentionally lead to even greater shortages.

We are very pleased to be working with an administration that truly cares about improving health care in rural areas. In fact, Secretary Shalala recognizes the improvement mission of the Office of Rural Health Policy and has expressed strong interest in elevating the office within the Department of Health and Human Services. This move will better enable the office to promote departmental policies that effectively address rural needs.

CREATE A LIMITED-SERVICE RURAL HOSPITAL PROGRAM UNDER MEDICARE

The bill would allow Medical assistance facilities [MAF] to be reimbursed under Medicare. A MAF is a downscaled, limited-service hospital which allows extensive use of midlevel practitioners and has flexible staffing requirements. For the small rural hospital plagued by high fixed costs of operation, the MAF creates a downsizing option that has not previously existed. In circumstances where hospital closure has already occurred or appears to be inevitable, the MAF enables a frontier community to maintain an institutional health care presence.

MAF's have already been operating in Montana for the past few years, under a HCFA demonstration grant, and now provide care to thousands of rural residents. A report soon to be released by HCFA shows that MAF's provide high-quality, cost-effective care. I understand that an analysis of the MAF by the inspector general will also be released shortly, and also found MAF's to offer high-quality care.

MAF's have worked so well and play such an important role in rural communities that incorporating them permanently into the Medicare program is clearly the next logical step. This would reassure existing MAF's and the thousands of residents they serve that their Medicare reimbursement will continue. And it would allow other struggling rural hospitals to become MAFs. There are already at least five states—Florida, Colorado, Washington, California, and Kentucky—so interested in pursuing this option that they have passed legislation to establish MAF's. Furthermore, several other States have legislation pending. Making the MAF permanent could go a long way toward assuring access to our Nation's rural citizens.

RURAL TELECOMMUNICATIONS GRANT PROGRAM

The bill would help address the isolation faced by rural health care providers and improve the quality of care by creating a Rural Telecommunications Grant Program. The Assistant Secretary for Rural Health would award grants of not more than $500,000 to rural health care networks to help develop interactive telecommunications programs.

Networks could consist of a tertiary care facility, rural referral center, or a medical teaching institution and one or more rural hospitals, clinics, medical assistance facilities, and mental health departments. The telecommunications systems would be used to consult between health care providers in remote areas and providers in large facilities; transfer and analyze x rays, lab slides, and other images; develop innovative health education programs; and for many other purposes.

Montana hospitals recently formed a telemedicine network which I firmly believe will reduce isolation and enhance the quality of care in rural areas. Scheduled to debut on July 1, the eastern Montana telemedicine project involves Deaconess Hospital in Billings and several hospitals in rural communities. This innovative program allows small Montana communities in remote areas to share state-of-the-art medical resources and receive vital educational programming.

These kinds of well-designed telemedicine projects need Federal support and encouragement. A strengthened telecommunications infrastructure would promote the networks and the coordination among providers which experts agree is essential to improving access and quality in rural America.

ADJUST MEDICARE GME PAYMENTS TO MAKE IT EASIER TO EDUCATION PRIMARY CARE PROVIDERS

The final provision would better enable certain institutions to educate primary care providers. Our nation desperately needs additional providers of primary care, and Federal policies should reflect that need.

SUMMARY

Mr. President, passage of these four provisions could greatly improve access to health care for our Nation's rural communities. I urge my colleagues to join us in cosponsoring this important legislation and ask unanimous consent that a copy of the proposed bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1143

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Health Improvement Act of 1993".

SEC. 2. OFFICE OF RURAL HEALTH POLICY.

(a) APPOINTMENT OF ASSISTANT SECRETARY.—

(1) IN GENERAL.—Section 711(a) of the Social Security Act (42 U.S.C. 912(a)) is amended—

(A) by striking "by a Director, who shall advise the Secretary" and inserting "by an Assistant Secretary for Rural Health (in this section referred to as the 'Assistant Secretary'), who shall report directly to the Secretary"; and

(B) by adding at the end the following new sentence: "The Office shall not be a component of any other office, service, or component of the Department.".

(2) CONFORMING AMENDMENTS.—(A) Section 711(b) of the Social Security Act (42 U.S.C. 912(b)) is amended by striking "the Director" and inserting "the Assistant Secretary".

(B) Section 338J(a) of the Public Health Service Act (42 U.S.C. 254r(a)) is amended by striking "Director of the Office of Rural Health Policy" and inserting "Assistant Secretary for Rural Health".

(C) Section 464T(b) of the Public Health Service Act (42 U.S.C. 285p-2(b)) is amended in the matter preceding paragraph (1) by striking "Director of the Office of Rural Health Policy" and inserting "Assistant Secretary for Rural Health".

(D) Section 6213 of the Omnibus Budget Reconciliation Act of 1989 (42 U.S.C. 1395x note) is amended in subsection (e)(1) by striking "Director of the Office of Rural Health Policy" and inserting "Assistant Secretary for Rural Health".

(E) Section 403 of the Ryan White Comprehensive AIDS Resources Emergency Act of 1990 (42 U.S.C. 300ff-11 note) is amended in the matter preceding paragraph (1) of subsection (a) by striking "Director of the Office of Rural Health Policy" and inserting "Assistant Secretary for Rural Health".

(3) AMENDMENT TO THE EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Health and Human Services (5)" and inserting "Assistant Secretaries of Health and Human Services (6)".

(b) EXPANSION OF DUTIES.—Section 711(a) of the Social Security Act (42 U.S.C. 912(a)) is amended by striking "and access to (and the quality of) health care in rural areas" and inserting "access to, and quality of, health care in rural areas, and reforms to the health care system and the implications of such reforms for rural areas".

SEC. 3. COVERAGE OF, AND PAYMENT FOR, MEDICAL ASSISTANCE FACILITY SERVICES.

(a) AMENDMENTS TO PART A.—

(1) DEFINITIONS.—Section 1861 of the Social Security Act (42 U.S.C. 1395x) is amended by adding at the end the following new subsection:

"Medical Assistance Facility; Medical Assistance Facility Services

"(oo)(1) The term 'medical assistance facility' means a facility which—

"(A) is located in a county (or equivalent unit of local government) with fewer than 6 residents per square mile or is located more than a 35 mile drive from a hospital, a rural primary care hospital, or another facility described in this subsection;

"(B) furnishes services to ill or injured individuals prior to the transportation of such individuals to a hospital or furnishes inpatient care to individuals needing such care for a period not longer than 96 hours;

"(C) permits a physician assistant or nurse practitioner to admit and treat patients under the supervision of a physician not present in such facility;

"(D) meets the requirements of section 1861(e) that are applicable to a hospital located in a rural area except that—

"(i) with respect to any requirements relating to the number of hours that the facility must be open on a daily or weekly basis, the facility is only required to meet the requirement to provide emergency care on a 24-hour basis;

"(ii) with respect to any services required under such section to be furnished by a dietician, pharmacist, laboratory technician, medical technologist, and radiological technologist, the facility may furnish such services on a part-time, off-site basis; and

"(iii) the inpatient care described in subparagraph (B) may be furnished by a physician assistant or nurse practitioner as provided in subparagraph (C);

"(E) receives a certification of medical necessity and appropriateness by a peer review organization (or the equivalent of a peer review organization) upon admitting each patient on an inpatient basis or, in the case of admissions that do not occur during regular business hours, receives such a certification at the earliest possible time; and

"(F) may enter into an agreement with the Secretary under section 1883 under which the facility's inpatient hospital facilities may be used for the furnishing of services of the type which, if furnished by a skilled nursing facility, would constitute extended care services.

"(2) The term 'inpatient medical assistance facility services' means items and services furnished to an inpatient of a medical assistance facility by such facility that would be inpatient hospital services if furnished to an inpatient of a hospital by a hospital.".

(2) COVERAGE AND PAYMENT.—(A) Section 1812(a)(1) of such Act (42 U.S.C. 1395d(a)(1)) is amended by striking "and inpatient rural primary care hospital services" and inserting ", inpatient rural primary care hospital services, and inpatient medical assistance facility services".

(B) Section 1814 of such Act (42 U.S.C. 1395f) is amended—

(i) in subsection (a)—

(I) by striking "and" at the end of paragraph (7),

(II) by striking the period at the end of paragraph (8) and inserting "; and", and

(III) by inserting after paragraph (8) the following new paragraph:

"(9) in the case of inpatient medical assistance facility services, a physician certifies that such services were required to be immediately furnished on a temporary, inpatient basis.";

(ii) in subsection (b), by striking "inpatient rural primary care hospital services," and inserting "inpatient rural primary care hospital services, other than a medical assistance facility providing inpatient medical assistance facility services,"; and

(iii) by adding at the end the following new subsection:

"Payment for Inpatient Medical Assistance Facility Services

"(m) The amount of payment under this part for inpatient medical assistance facility services is the reasonable costs of the medical assistance facility in providing such services.".

(3) TREATMENT OF MEDICAL ASSISTANCE FACILITIES AS PROVIDERS OF SERVICES.—(A) Section 1861(u) of such Act (42 U.S.C. 1395x(u)) is amended by inserting "medical assistance facility," after "rural primary care hospital,".

(B) The first sentence of section 1864(a) of such Act (42 U.S.C. 1395aa(a)) is amended by inserting "a medical assistance facility, as defined in section 1861(oo)(1)," after "1861(mm)(1),".

(C) The third sentence of section 1865(a) of such Act (42 U.S.C. 1395bb(a)) is amended by striking "or 1861(mm)(1)" and inserting "1861(mm)(1), or 1861(oo)(1),".

(4) CONFORMING AMENDMENTS.—(A) Section 1128A(b)(1) of such Act (42 U.S.C. 1320a–7a(b)(1)) is amended—

(i) by striking "or a rural primary care hospital" the first place it appears and inserting ", a rural primary care hospital, or a medical assistance facility"; and

(ii) by striking "or a rural primary care hospital" the second place it appears and inserting ", the rural primary care hospital, or the medical assistance facility".

(B) Section 1128B(c) of such Act (42 U.S.C. 1320a–7b(c)) is amended by inserting "medical assistance facility," after "rural primary care hospital,".

(C) Section 1134 of such Act (42 U.S.C. 1320b–4) is amended by striking "or rural primary care hospitals" each place it appears and inserting ", rural primary care hospitals, or medical assistance facilities".

(D) Section 1138(a)(1) of such Act (42 U.S.C. 1320b–8(a)(1)) is amended—

(i) in the matter preceding subparagraph (A), by striking "or rural primary care hospital" and inserting ", rural primary care hospital, or medical assistance facility", and

(ii) in the matter preceding clause (i) of subparagraph (A), by striking "or rural primary care hospital" and inserting ", rural primary care hospital, or medical assistance facility".

(E) Section 1164(e) of such Act (42 U.S.C. 1320c–13(e)) is amended by inserting "medical assistance facilities," after "rural primary care hospitals,".

(F) Section 1816(c)(2)(C) of such Act (42 U.S.C. 1395h(c)(2)(C)) is amended by inserting "medical assistance facility," after "rural primary care hospital,".

(G) Section 1833 of such Act (42 U.S.C. 1395l) is amended—

(i) in subsection (h)(5)(A)(iii)—

(I) by striking "or rural primary care hospital" and inserting "rural primary care hospital, or medical assistance facility"; and

(II) by striking "to the hospital" and inserting "to the hospital or the facility";

(ii) in subsection (i)(1)(A), by inserting "medical assistance facility," after "rural primary care hospital,";

(iii) in subsection (i)(3)(A), by striking "or rural primary care hospital services" and inserting "rural primary care hospital services, or medical assistance facility services";

(iv) in subsection (l)(5)(A), by inserting "medical assistance facility," after "rural primary care hospital," each place it appears; and

(v) in subsection (l)(5)(C), by striking "or rural primary care hospital" each place it appears and inserting ", rural primary care hospital, or medical assistance facility".

(H) Section 1835(c) of such Act (42 U.S.C. 1395n(c)) is amended by adding at the end the following: "A medical assistance facility shall be considered a hospital for purposes of this subsection.".

(I) Section 1842(b)(6)(A)(ii) of such Act (42 U.S.C. 1395u(b)(6)(A)(ii)) is amended by inserting "medical assistance facility," after "rural primary care hospital,".

(J) Section 1861 of such Act (42 U.S.C. 1395x) is amended—

(i) in the last sentence of subsection (e), by striking "1861(mm)(1))" and inserting "1861(mm)(1)) or a medical assistance facility (as defined in section 1861(oo)(1)).",

(ii) in subsection (w)(1) by inserting "medical assistance facility," after "rural primary care hospital,", and

(iii) in subsection (w)(2), by striking "or rural primary care hospital" each place it appears and inserting ", rural primary care hospital, or medical assistance facility".

(K) Section 1862(a)(14) of such Act (42 U.S.C. 1395y(a)(14)) is amended by striking "or rural primary care hospital" each place it appears and inserting ", rural primary care hospital, or medical assistance facility".

(L) Section 1866(a)(1) of such Act (42 U.S.C 1395cc(a)(1)) is amended—

(i) in subparagraph (F)(ii), by inserting "medical assistance facilities," after "rural primary care hospitals,";

(ii) in subparagraph (H)—

(I) in the matter preceding clause (i), by inserting "and in the case of medical assistance facilities which provide inpatient medical assistance facility services" after "rural primary care hospital services"; and

(II) in clauses (i) and (ii), by striking "hospital" each place it appears and inserting "hospital or facility";

(iii) in subparagraph (I)—

(I) in the matter preceding clause (i), by striking "or rural primary care hospital" and inserting ", a rural primary care hospital, or a medical assistance facility"; and

(II) in clause (ii), by striking "the hospital" and inserting "the hospital or the facility"; and

(iv) in subparagraph (N)—

(I) in the matter preceding clause (i), by striking "and rural primary hospitals" and inserting ", rural primary care hospitals, and medical assistance facilities";

(II) in clause (i), by striking "or rural primary care hospital," and inserting ", rural primary care hospital, or medical assistance facility,"; and

(III) in clause (ii), by striking "hospital" and inserting "hospital or facility".

(M) Section 1866(a)(3) of such Act (42 U.S.C 1395cc(a)(3)) is amended—

(i) by striking "rural primary care hospital," each place it appears in subparagraphs (A) and (B) and inserting "rural primary care hospital, medical assistance facility,", and

(ii) in subparagraph (C)(ii)(II), by striking "rural primary care hospitals," each place it appears and inserting "rural primary care hospitals, medical assistance facilities".

(N) Section 1867(e)(5) of such Act (42 U.S.C. 1395dd(e)(5)) is amended by striking "1861(mm)(1))" and inserting "1861(mm)(1)) or a medical assistance facility (as defined in section 1861(oo)(1)).".

(b) AMENDMENTS TO PART B.—

(1) COVERAGE.—(A) Section 1861(oo) of the Social Security Act (42 U.S.C. 1395x(oo)), as added by section 1, is amended by adding at the end the following new paragraph:

"(3) The term 'outpatient medical assistance facility services' means medical and other health services furnished by a medical assistance facility on an outpatient basis.".

(B) Section 1832(a)(2) of such Act (42 U.S.C. 1395k(a)(2)) is amended—

(i) in subparagraph (I), by striking "and" at the end;

(ii) in subparagraph (J), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following new subparagraph:

"(K) outpatient medical assistance facility services (as defined in section 1861(oo)(3)).".

(2) PAYMENT.—(A) Section 1833(a) of such Act (42 U.S.C. 1395l(a)) is amended—

(i) in paragraph (2), in the matter preceding subparagraph (A), by striking "and (I)" and inserting "(I), and (K)";

(ii) in paragraph (6), by striking "and" at the end;

(iii) in paragraph (7), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following new paragraph:

"(8) in the case of outpatient medical assistance facility services, the amounts described in section 1834(i).".

(B) Section 1834 of such Act (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(i) PAYMENT FOR OUTPATIENT MEDICAL ASSISTANCE FACILITY SERVICES.—The amount of payment for outpatient medical assistance facility services provided in a medical assistance facility under this part shall be determined by one of the two following methods, as elected by the medical assistance facility:

"(1) COST-BASED FACILITY FEE PLUS PROFESSIONAL CHARGES.—

"(A) FACILITY FEE.—With respect to facility services, not including any services for which payment may be made under subparagraph (B), there shall be paid amounts equal to the amounts described in section 1833(a)(2)(B) (describing amounts paid for hospital outpatient services).

"(B) REASONABLE CHARGES FOR PROFESSIONAL SERVICES.—In electing treatment under this paragraph, payment for professional medical services otherwise included within outpatient medical assistance facility services shall be made under such other provisions of this part as would apply to payment for such services if they were not included in outpatient medical assistance facility services.

"(2) ALL-INCLUSIVE RATE.—

"(A) IN GENERAL.—With respect to both facility services and professional medical services, there shall be paid amounts equal to the excess of—

"(i) the costs which are reasonable and related to the cost of furnishing such services or which are based on such other tests of reasonableness as the Secretary may prescribe in regulations, over

"(ii) the amount the facility may charge as described in clause (i) of section 1866(a)(2)(A).

"(B) LIMITATION.—

"(i) IN GENERAL.—The payment amount determined under subparagraph (A) with respect to items and services shall not exceed 80 percent of the amount determined under clause (i) of such subparagraph with respect to such items and services.

"(ii) CERTAIN ITEMS AND SERVICES.—Clause (i) shall not apply to—

"(I) items and services described in section 1861(s)(10)(A), and

"(II) items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or third opinion, if the second opinion was in disagreement with the first opinion.".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective for services provided on or after the date of the enactment of this section.

SEC. 4. GRANT PROGRAM FOR THE USE OF INTERACTIVE TELECOMMUNICATIONS SYSTEMS IN PROVIDING HEALTH CARE TO RURAL AREAS.

Title VII of the Social Security Act (42 U.S.C. 901 et seq.) is amended by adding at the end the following new section:

"GRANT PROGRAM FOR THE USE OF INTERACTIVE TELECOMMUNICATIONS SYSTEMS IN PROVIDING HEALTH CARE TO RURAL AREAS

"SEC. 712. (a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—The Assistant Secretary for Rural Health (hereafter referred to in this section as the "Assistant Secretary"), through the Office of Rural Health Policy, shall establish a program to provide grants to rural health care networks (as defined in paragraph (2)) to enhance the delivery of health care in rural areas through the use of interactive telecommunications systems.

"(2) DEFINITION.—For purposes of this section, the term "rural health care network" means a group of providers furnishing health care services to a rural area composed of—

"(A) a tertiary care facility, rural referral center (as defined in section 1886(d)(5)(C)(i)), or medical teaching institution; and

"(B) one or more rural hospitals, clinics, medical assistance facilities, mental health departments or similar facilities, including community health centers (as defined in section 330 of the Public Health Service Act) and migrant health centers (as defined in section 329 of the Public Health Service Act).

"(b) APPLICATION REQUIREMENTS.—

"(1) IN GENERAL.—In order to be eligible to receive a grant under this section, a rural health care network must submit an application to the Assistant Secretary at such time and in such manner as the Assistant Secretary shall require.

"(2) CONTENTS OF APPLICATION.—An application submitted under this section must contain—

"(A) a plan for acquisition and operation of an interactive telecommunications system;

"(B) a description of the uses to be made of such system;

"(C) a description of how such system will function in connection with existing common carrier networks; and

"(D) a description of a plan for evaluation of the cost and effectiveness of the system and the quality of the health care delivered under the system.

"(3) CONSIDERATION OF APPLICATIONS.—In considering the applications submitted under this subsection, the Assistant Secretary shall give a preference to rural health care networks that establish multiple uses for the interactive telecommunications system in the rural area served by the system, including uses that do not relate to the provision of health care.

"(c) AMOUNT OF GRANTS; USE OF FUNDS.—

"(1) LIMITATION ON AMOUNT OF GRANTS.—The amount of any grant awarded to a rural health care network under this section in any fiscal year shall not exceed $500,000.

"(2) NUMBER OF ANNUAL GRANTS ALLOWED PER NETWORK.—No more than 3 annual grants may be awarded to any rural health care network under this section.

"(3) USE OF FUNDS.—

(A) IN GENERAL.—From the amounts awarded to a rural health care network under this section, funds may be expended to support the cost of activities involving the sending and receiving of information to improve the delivery of health care services to rural areas including—

"(i) consultations between health care providers in remote areas and providers in large facilities;

"(ii) the transfer and analysis of x-rays, lab slides, and other images;

"(iii) the development of innovative health education programs; and

"(iv) such other related activities as the Assistant Secretary determines to be consistent with the purposes of this section.

"(B) LIMITATION.—Each grant awarded to a rural health care network under this section is subject to the following limitations:

"(i) No more than 35 percent of the grant funds may be used to acquire interactive telecommunications equipment.

"(ii) No grant funds may be used to establish or operate a telecommunications common carrier network.

"(d) EVALUATION AND REPORT.—The Assistant Secretary shall provide for an evaluation of the grant program under this section to be conducted by the Office of Rural Health Policy which shall prepare and submit a report to the Congress not later than 4 years after the date on which the first grant is awarded under this section summarizing such evaluation.

"(e) FUNDING.—There are authorized to be appropriated $5,000,000 for each of fiscal years 1994, 1995, and 1996 to carry out the purposes of this Act and such sums shall remain available until expended.".

SEC. 5. DIRECT GRADUATE MEDICAL EDUCATION.

(a) PUBLICLY FUNDED FAMILY PRACTICE RESIDENCY PROGRAMS.—

(1) IN GENERAL.—Section 1886(h)(5) (42 U.S.C. 1395ww(h)(5)) is amended by adding at the end the following new subparagraph:

"(H) ADJUSTMENTS FOR CERTAIN FAMILY PRACTICE RESIDENCY PROGRAMS.—

"(i) IN GENERAL.—In the case of an approved medical residency training program (meeting the requirements of clause (ii)) of a hospital which received payments from the United States, a State, or a political subdivision of a State or an instrumentality of such a State or political subdivision (other than payments under this title or a State plan under title XIX) during the cost reporting period that began during fiscal year 1984, the Secretary shall—

"(I) provide for an average amount under paragraph (2)(A) that takes into account the Secretary's estimate of the amount that would have been recognized as reasonable under this title if the hospital had not received such payments, and

"(II) reduce the payment amount otherwise provided under this subsection in an amount equal to the proportion of such program payments during the cost reporting period involved that is allocable to this title.

"(ii) ADDITIONAL REQUIREMENTS.—A hospital's approved medical residency program meets the requirements of this clause if—

"(I) the program is limited to training for family and community medicine;

"(II) the program is the only approved medical residency program of the hospital; and

"(III) the average amount determined under paragraph (2)(A) for the hospital (as determined without regard to the increase in such amount described in clause (i)(I)) does not exceed $10,000.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to payments under section 1886(h) of the Social Security Act for cost reporting periods beginning on or after October 1, 1990.

(b) PREVENTIVE CARE SERVICES AS PART OF INITIAL RESIDENCY PERIOD.—

(1) ELIGIBILITY OF PREVENTIVE CARE RESIDENCY PROGRAMS FOR EXPANDED INITIAL RESIDENCY PERIODS.—Section 1886(h)(5)(F)(ii) (42 U.S.C. 1395ww(h)(5)(F)(ii)) is amended by inserting after "fellowship program" the following: "or a preventive care residency or fellowship program".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to cost reporting periods beginning on or after October 1, 1993.●

● Mr. CONRAD. Mr. President, today Senator BAUCUS and I are joined by Senators INOUYE, DORGAN, and MURRAY in introducing legislation to better provide needed health care resources to rural America. Our legislation has four elements. First, it elevates the status of the Office of Rural Health Policy in the Department of Health and Human Services. Second, the bill creates a rural telecommunications grant program to assist rural health care providers. Third, the bill provides for Medicare reimbursement for Medical assistance facilities. And fourth, our proposal assists certain institutions of higher learning in their effort to educate primary care providers.

As we reform our Nation's health care system, it will be especially important to meet the needs of rural Americans who are underserved by our health care system. The Federal Government must be equipped to both identify shortcomings in the current system and help ensure the delivery of quality health care services to rural residents.

Mr. President, the Office of Rural Health Policy was established as part of the Health Resources and Services Administration in 1987. Its charge is finding ways to improve the availability and delivery of health care to those who live in rural America. Since 1987, ORHP has developed into a resource of great importance to rural health care. It advises the Secretary of HHS on the impact of the Medicare and Medicaid programs on such significant issues as the financial viability of small rural hospitals, access to health care, recruitment and retention of health care professionals, and other matters of vital importance to health care delivery in rural America. It conducts research activities and operates a clearinghouse for information on rural health. But because the office is buried deep within the bureaucracy at the Department of Health and Human Services, its ability to be heard on issues important to rural health care delivery has been limited. As we consider reforming our Nation's health care system, entities like the office should be used to help ensure that Federal policies reflect the needs of the many Americans who live in rural areas.

Our bill also authorizes a new telecommunications grant program that will help rural health care networks develop interactive telecommunications capabilities. Interactive technologies hold a great deal of promise for rural communities. Enabling rural providers to develop networks that use interactive telecommunications technology will improve access to quality health care for all rural citizens.

Finally, our bill provides Medicare reimbursement for Medical assistance facilities, and provides more equitable reimbursement for graduate medical education programs like the family practice program at the University of North Dakota. While Medical assistance facilities increase the options available for providing needed access to health care in our Nation's most rural areas, programs that educate family care practitioners will provide us with the professionals needed to staff such facilities in the future.

Rural America comprises more than a quarter of our Nation's population, and a far larger portion of our geography. For health care reform to succeed, it must not only be effective in urban and suburban America, but rural and frontier areas as well. ORHP is the Federal entity that is best positioned to identify sensible, workable solutions to the very real health care access problems that exist in rural America. This bill provides the means for ORHP to ensure that those problems are addressed.•

By Mr. INOUYE:

S.J. Res. 105. A joint resolution designating both September 29, 1993, and September 28, 1994, as "National Barrier Awareness Day"; to the Committee on the Judiciary.

NATIONAL BARRIER AWARENESS DAY

• Mr. INOUYE. Mr. President, I introduce a joint resolution to designate September 29, 1993 and September 28, 1994 as "National Barrier Awareness Day."

The purpose of this joint resolution is to increase awareness of disability issues across our country in an effort to seek the elimination of the attitudinal, architectural, communication, employment, and legal barriers that more than 43 million Americans with a disability experience on a daily basis.

The National Barrier Awareness Foundation and Phi Alpha Delta Law Fraternity International have worked jointly to achieve the elimination of these barriers. As part of the 1992 National Barrier Awareness Day activities, the National Barrier Awareness Foundation and Phi Alpha Delta educated Members of Congress and their staff on barrier awareness, prepared to video tape and planning guide to be used by public service organizations to organize their own barrier awareness programs, and hosted a reception to honor over 10 outstanding disability awareness advocates.

An annual day of observance designated by the U.S. Congress and proclaimed by the President of the United States will complement the Americans With Disabilities Act and assist in the effort to eliminate barriers which confront individuals with disabilities.

I ask unanimous consent that the full text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 105

Whereas there are currently more than 43,000,000 Americans with an identifiable disability;

Whereas 80 percent of Americans will experience some form of disability during their lives and many of these disabilities will be permanent;

Whereas persons who do not have a disability generally do not understand the full effect of living with a disability, and this lack of understanding fosters stereotypes and cultural attitudes that create barriers between individuals with disabilities and those without a disability;

Whereas the Senate and the House of Representatives enacted, and the President signed into law, the Americans with Disabilities Act of 1990, which provides comprehensive protection from employment discrimination for individuals with disabilities, that became effective on July 26, 1992; and

Whereas every American should work toward the goal of eliminating the cultural, employment, legal, and physical barriers that confront individuals with disabilities; and

Whereas an annual day of observance designated by the Congress and proclaimed by the President will assist the effort to eliminate the barriers that confront individuals with disabilities: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 29, 1993, and September 28, 1994, are each designated as "National Barrier Awareness Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe these days with appropriate ceremonies and activities.•

By Mr. LAUTENBERG:

S.J. Res. 106. A joint resolution designating July 2, 1993 and July 2, 1994 as "National Literacy Day"; to the Committee on the Judiciary.

NATIONAL LITERACY DAY

• Mr. LAUTENBERG. Mr. President, I come before you today to bring to the attention of the American people an invisible society. This is a society devoid of the skills necessary to negotiate safe passage through the tumultuous waters that face us in life's journey, unable to distinguish between what is dangerous and what is safe, to chart a course on a map or even to tuck their children into bed at night with a bedtime story. This invisible minority live out their lives undercover. The secret and invisible society of which I speak are this Nation's illiterate citizens.

In the United States, more than 27 million adults cannot read and an estimated 35 million more are functionally illiterate. These wasted human resources cost this Nation hundreds of billions of dollars in unrealized possibilities. We pay the high price of illiteracy in many ways including, child welfare expenditures for the children of adults who lack the skills to get jobs, and prison expenditures for inmates who felt they forfeited the right to gainful employment when they did not learn to read. Illiteracy is a pervasive and devastating problem.

I am pleased to introduce a joint resolution to designating July 2 of this year and the next as "National Literacy Day." It is vital that we call attention to the problem of illiteracy in our society. Even more essential is the need to reach out to people who need help in overcoming this problem, it is important they are aware that they are not alone and that help is available to them, should they choose to seek it. I urge my colleagues to support this resolution.

I ask unanimous consent that the full text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 106

Whereas forty-two million Americans today read at a level which is less than necessary for full survival needs;

Whereas there are thirty million adults in the United States who cannot read, whose resources are left untapped, and who are unable to offer their full contribution to society;

Whereas illiteracy is growing rapidly, as two million three hundred thousand persons, including one million two hundred thousand legal and illegal immigrants, one million high school dropouts, and one hundred thousand refugees, are added to the pool of illiterate annually;

Whereas the annual cost of illiteracy to the United States in terms of welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated at $225,000,000,000;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas there is a direct correlation between the number of illiterate adults unable to perform at the standard necessary for available employment and the money allocated to child welfare and unemployment compensation;

Whereas the presence of illiterate in proportion to population size is higher for blacks and Hispanics, resulting in increased economic and social discrimination against these minorities;

Whereas the prison population represents the single highest concentration of adult illiteracy;

Whereas one million children in the United States between the ages of twelve and seventeen cannot read above a third grade level, 13 per centum of all seventeen-year-olds are functionally illiterate, and 15 per centum of graduates of urban high schools read at less than a sixth grade level;

Whereas 85 per centum of the juveniles who appear in criminal court are functionally illiterate;

Whereas the 47 per centum illiteracy rate among black youths is expected to increase;

Whereas one-half of all heads of households cannot read past the eighth grade level and one-third of all members on welfare are functionally illiterate;

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves because of the lack of support they receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have only been able to reach 5 per centum of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the problem and its detrimental effects on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and

Whereas it is also necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterates in need of assistance; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 2, 1993 and July 2, 1994 are designated as "National Literacy Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such date with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 13

At the request of Mr. HATCH, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 13, a bill to institute accountability in the Federal regulatory process, establish a program for the systematic selection of regulatory priorities, and for other purposes.

S. 21

At the request of Mrs. FEINSTEIN, the name of the Senator from Tennessee [Mr. MATHEWS] was added as a cosponsor of S. 21, a bill to designate certain lands in the California Desert as wilderness to establish Death Valley, Joshua Tree, and Mojave National Parks, and for other purposes.

S. 27

At the request of Mr. SARBANES, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 27, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 235

At the request of Mr. REID, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Utah [Mr. BENNETT], the Senator from Florida [Mr. MACK], and the Senator from Colorado [Mr. CAMPBELL] were added as cosponsors of S. 235, a bill to limit State taxation of certain pension income, and for other purposes.

S. 265

At the request of Mr. MACK, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 265, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

S. 340

At the request of Mr. HEFLIN, the names of the Senator from Ohio [Mr. GLENN], the Senator from Florida [Mr. GRAHAM], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 340, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the application of the Act with respect to alternate uses of new animal drugs and new drugs intended for human use, and for other purposes.

S. 348

At the request of Mr. RIEGLE, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 348, a bill to amend the Internal Revenue Code of 1986 to permanently extend qualified mortgage bonds.

S. 409

At the request of Mr. GLENN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 409, a bill to extend the terms of various patents, and for other purposes.

S. 474

At the request of Mr. COATS, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 474, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to $3,500, and for other purposes.

S. 482

At the request of Mr. BOREN, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 482, a bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to furnish outpatient medical services for any disability of a former prisoner of war.

S. 549

At the request of Mr. DOMENICI, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 549, a bill to provide for the minting and circulation of one-dollar coins.

S. 578

At the request of Mr. KENNEDY, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Louisiana [Mr. BREAUX] were added as cosponsors of S. 578, a bill to protect the free exercise of religion.

S. 579

At the request of Mr. SMITH, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 579, a bill to require Congress to comply with the laws it imposes on others.

S. 666

At the request of Mr. BAUCUS, the names of the Senator from California [Mrs. BOXER], the Senator from Michigan [Mr. RIEGLE], and the Senator from Colorado [Mr. CAMPBELL] were added as cosponsors of S. 666, a bill to amend the Internal Revenue Code of 1986 to permanently extend and modify the credit for increasing research activities, and for other purposes.

S. 725

At the request of Mr. KENNEDY, the names of the Senator from Alabama [Mr. SHELBY], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Ohio [Mr. GLENN], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 725, a bill to amend the Public Health Service Act to provide for the conduct of expanded studies and the establishment of innovative programs with respect to traumatic brain injury, and for other purposes.

S. 757

At the request of Mr. ROCKEFELLER, the names of the Senator from Missouri [Mr. DANFORTH] and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 757, a bill to correct the tariff rate inversion on certain iron and steel pipe and tube products.

S. 784

At the request of Mr. HATCH, the names of the Senator from New Hampshire [Mr. GREGG] and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 784, a bill to amend the Federal Food, Drug, and Cosmetic Act to establish standards with respect to dietary supplements, and for other purposes.

S. 797

At the request of Mr. ROTH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 797, a bill to amend title 5, United States Code, to establish an optional early retirement program for Federal Government employees, and for other purposes.

S. 895

At the request of Mr. PRYOR, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 895, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of the rehabilitation credit under the passive activity limitation and the alternative minimum tax.

S. 915

At the request of Mr. BAUCUS, the names of the Senator from California [Mrs. BOXER] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 915, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

S. 947

At the request of Mr. PRESSLER, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 947, a bill to amend the Internal Revenue Code of 1986 to limit the tax rate for certain small businesses, and for other purposes.

S. 994

At the request of Mr. PRYOR, the name of the Senator from Nebraska

[Mr. KERREY] was added as a cosponsor of S. 994, a bill to authorize the establishment of a fresh cut flowers and fresh cut greens promotion and consumer information program for the benefit of the floricultural industry and other persons, and for other purposes.

S. 1026

At the request of Mr. LOTT, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 1026, a bill to amend the Internal Revenue Code of 1986 to provide that certain deductions of members of the National Guard or reserve units of the Armed Forces will be allowable in computing adjusted gross income.

S. 1029

At the request of Mr. GORTON, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 1029, a bill to amend the Job Training Partnership Act to encourage the placement of youths in private sector jobs under the Summer Youth Employment and Training Program, and for other purposes.

S. 1040

At the request of Mr. BINGAMAN, the names of the Senator from North Dakota [Mr. CONRAD] and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 1040, a bill to support systemic improvement of education and the development of a technologically literate citizenry and internationally competitive work force by establishing a comprehensive system through which appropriate technology-enhanced curriculum, instruction, and administrative support resources and services, that support the National Education Goals and any national education standards that may be developed, are provided to schools throughout the United States.

S. 1045

At the request of Mr. WOFFORD, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1045, a bill to permit States to establish programs using unemployment funds to assist unemployed individuals in becoming self-employed.

S. 1082

At the request of Mr. COCHRAN, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 1082, a bill to amend the Public Health Service Act to revise and extend the program of making grants to the States for the operation of offices of rural health, and for other purposes.

S. 1085

At the request of Mr. HATCH, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1085, a bill to abolish the United States Arms Control and Disarmament Agency and to transfer certain policy formulation functions of the Agency to the Department of State and certain non-proliferation and other functions of the Agency to the Department of Defense, and for other purposes.

S. 1098

At the request of Mr. ROCKEFELLER, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1098, a bill to amend title XIX of the Social Security Act to provide for optional coverage under State medicaid plans of case-management services for individuals who sustain traumatic brain injuries, and for other purposes.

S. 1128

At the request of Mr. AKAKA, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1128, a bill to amend title 38, United States Code, to permit the burial in cemeteries of the National Cemetery System of certain deceased reservists.

S. 1130

At the request of Mr. PRYOR, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1130, a bill to provide for continuing authorization of Federal employee leave transfer and leave bank programs, and for other purposes.

SENATE JOINT RESOLUTION 47

At the request of Mr. JOHNSTON, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Joint Resolution 47, a joint resolution to designate the week beginning on November 21, 1993, and the week beginning on November 20, 1994, each as "National Family Week."

SENATE JOINT RESOLUTION 52

At the request of Mr. PACKWOOD, the names of the Senator from Missouri [Mr. DANFORTH] and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Joint Resolution 52, a joint resolution to designate the month of November 1993 and 1994 as "National Hospice Month."

SENATE JOINT RESOLUTION 79

At the request of Mr. LAUTENBERG, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Joint Resolution 79, a joint resolution to designate June 19, 1993, as "National Baseball Day."

SENATE JOINT RESOLUTION 90

At the request of Mr. ROBB, the names of the Senator from Delaware [Mr. ROTH] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of Senate Joint Resolution 90, a joint resolution to recognize the achievements of radio amateurs, and to establish support for such amateurs as national policy.

SENATE JOINT RESOLUTION 94

At the request of Mr. DOLE, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from New Hampshire [Mr. GREGG], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Oregon [Mr. PACKWOOD], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Joint Resolution 94, a joint resolution to designate the week of October 3, 1993, through October 9, 1993, as "National Customer Service Week."

SENATE JOINT RESOLUTION 98

At the request of Mr. MITCHELL, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Joint Resolution 98, a joint resolution to designate the week beginning October 25, 1993, as "National Child Safety Awareness Week."

SENATE JOINT RESOLUTION 99

At the request of Mr. DECONCINI, the names of the Senator from Ohio [Mr. METZENBAUM], the Senator from Virginia [Mr. ROBB], the Senator from Kansas [Mr. DOLE], the Senator from Alabama [Mr. SHELBY], and the Senator from Nevada [Mr. REID] were added as cosponsors of Senate Joint Resolution 99, a joint resolution designating September 9, 1993, and April 21, 1994, each as "National D.A.R.E. Day."

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. SHELBY, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of Senate Concurrent Resolution 16, a concurrent resolution expressing the sense of Congress that equitable mental health care benefits must be included in any health care reform legislation passed by Congress.

SENATE CONCURRENT RESOLUTION 26

At the request of Mr. SIMON, the names of the Senator from Minnesota [Mr. WELLSTONE], the Senator from Wisconsin [Mr. KOHL], the Senator from South Dakota [Mr. DASCHLE], the Senator from North Dakota [Mr. DORGAN], the Senator from Maine [Mr. MITCHELL], the Senator from Michigan [Mr. RIEGLE], and the Senator from Colorado [Mr. CAMPBELL] were added as cosponsors of Senate Concurrent Resolution 26, a concurrent resolution urging the President to redirect United States foreign assistance policies and spending priorities toward promoting sustainable development, which reduces global hunger and poverty, protects the environment, and promotes democracy.

At the request of Mr. LEVIN, his name was added as a cosponsor of Senate Concurrent Resolution 26, supra.

SENATE RESOLUTION 79

At the request of Mr. LAUTENBERG, the name of the Senator from Michigan [Mr. LEVIN] was withdrawn as a cosponsor of Senate Resolution 79, a resolution expressing the sense of the Senate concerning the United Nation's arms embargo against Bosnia-Herzegovina, a nation's right to self-defense, and peace negotiations.

AMENDMENT NO. 484

At the request of Mr. DECONCINI the names of the Senator from California [Mrs. FEINSTEIN] and the Senator from California [Mrs. BOXER] were added as cosponsors of Amendment No. 484 proposed to H.R. 2118, a bill making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

SENATE RESOLUTION 123—RELATIVE TO THE CHICAGO BULLS

Ms. MOSELEY-BRAUN (for herself and Mr. SIMON) submitted the following resolution; which was considered and agreed to:

S. RES. 123

Whereas the Chicago Bulls, battling injuries and fatigue, fought their way through a season filled with struggles to finish with a 57-25 record;

Whereas the Bulls roared through the playoffs, sweeping the Atlanta Hawks and Cleveland Cavaliers before defeating the favored New York Knicks in six games to return to the NBA Finals for the third straight year;

Whereas head coach Phil Jackson and the entire coaching staff skillfully led the Bulls through an exhausting 82-game regular season, while simultaneously conserving player energy and positioning the team for an aggressive never say die, playoff run;

Whereas for the third consecutive year, Michael Jordan, averaging a record 41.0 points per game in the finals, was named playoff most valuable player, an honor that no other NBA player has ever received;

Whereas Scottie Pippen again exhibited his outstanding versatility, averaging 21.2 points, 9.1 rebounds, 7.6 assists and 2.0 steals per game in the finals;

Whereas the quickness and tireless defensive effort of Horace Grant keyed the Bulls front line and led to his game saving block in the final seconds of game six;

Whereas veteran center Bill Cartwright again frustrated the all-star caliber centers that he faced in this year's playoffs;

Whereas B.J. Armstrong, the league leader in three point field goal percentage, stepped up to play dogged defense and showed great composure in hitting several big shots when the Bulls needed them most;

Whereas John Paxson, after struggling through an injury-filled season, came off the bench to provide the Bulls with much needed spark and with 3.9 seconds left in game six, hit a three point field goal to propel the Bulls into NBA history;

Whereas the defense and rebounding of Scott Williams and Stacey King and the clutch shooting of Trent Tucker, each coming off the bench to provide valuable contributions, were an important part of each Bulls victory;

Whereas Will Perdue, Rodney McCray and Darrell Walker provided valuable contributions throughout the playoffs, both on and off the court, at times giving the Bulls the emotional lift they needed;

Whereas the Bulls hit a record 10 three field goals in game six of the NBA Finals on their way to a Threepeat; and

Whereas the Bulls displayed the heart of a lion to become only the third team in NBA history, and the first in the past 27 years, to win three straight NBA championships; Now, therefore, be it

Resolved, That the Senate, for the third year in a row, congratulates the Chicago Bulls on winning the 1993 National Basketball Association championship.

SENATE RESOLUTION 124—RELATING TO THE OLYMPICS TO BE HELD IN THE YEAR 2000 IN BEIJING

Mr. BRADLEY (for himself and Mr. LEAHY) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation.

S. RES. 124

Whereas opponents of the human rights policies of the People's Republic of China should use a variety of vehicles, including international organizations, international regimes, and international events to express concern about China's human rights practices;

Whereas the International Olympic Committee is currently considering possible venues for the Olympic Summer Games in the year 2000, and the governments of the city of Beijing and of the People's Republic of China have submitted a proposal to the International Olympic Committee that such Olympic Games be held in Beijing;

Whereas the State Department publication entitled "Country Reports on Human Rights Practices for 1992" states that—

(1) the government of China's "human rights practices have remained repressive, falling far short of internationally accepted norms";

(1) "torture and degrading treatment of detained and imprisoned persons" persists today in China;

(3) "conditions in all types of Chinese penal institutions are harsh and frequently degrading"; and

(4) the government of China "still has not satisfactorily accounted for the thousands of persons throughout the country who were arrested or held in 'detention during the investigation' or 'administrative detention' status for activities related to the 1989 pro-democracy demonstrations";

Whereas the government of China has consistently failed to respect civil liberties and, according to the State Department's "Country Reports on Human Rights Practices for 1992", freedom of speech and self-expression remain "severely restricted" in China;

Whereas the government of China has failed to accede to the International Covenant on Civil and Political Rights and has questioned the universality of human rights;

Whereas the government of China uses torture, forced labor, and physical isolation to punish political prisoners;

Whereas Chinese authorities have prohibited the establishment of independent Chinese organizations that monitor or comment on human rights conditions in China, refused requests by international human rights delegations to meet with political prisoners and former detainees, and expelled foreign visitors indicating an interest in monitoring human rights conditions in China;

Whereas the government of China has engaged in population transfers of Tibetans inside Tibet and is engaged in the systematic suppression of the Tibetan people, their culture, and their religion;

Whereas, in recent years, the government of China has imposed tighter control over religious practices and has engaged in greater repression of religion in China;

Whereas, due to the policies of the government of China, Chinese workers are denied the right to organize independent trade unions and to bargain collectively, and products manufactured in China through the use of forced labor have been exported to the United States;

Whereas the government of China is engaged in ongoing pervasive human rights abuses of women and children, including the use of forced abortions and involuntary sterilizations, in its enforcement of China's one child per couple policy;

Whereas in the spring of 1989, then mayor of Beijing, Chen Xitong, called for a crackdown on the pro-democracy demonstrators in Tiananmen Square and, on May 20, 1989, signed a martial law decree authorizing the entry of armed troops into the city;

Whereas Chen Xitong, currently the Chairman of the Beijing 2000 Olympic Bid Committee, has assured the International Olympic Committee in China's formal application that "neither now, nor in the future, will there emerge in Beijing organizations opposing Beijing's bid" to host the Olympic Games, thus boasting of the Chinese regime's determination to crush dissent; and

Whereas holding the Olympic Games in countries such as the People's Republic of China shifts the focus of the Olympic Games away from the high ideals behind the Olympic tradition and is counterproductive to the Olympic movement: Now, therefore, be it

Resolved, That the Senate—

(1) strongly opposes the holding of the Olympic Summer Games in the year 2000 in the city of Beijing or elsewhere in the People's Republic of China and urges the International Olympic Committee to find a more suitable venue for the Games;

(2) urges the United States representative to the International Olympic Committee to vote against holding the Olympic Summer Games in the year 2000 in the city of Beijing or elsewhere in the People's Republic of China; and

(3) directs the Secretary of the Senate to transmit a copy of this resolution to the Chairman of the International Olympic Committee and to the United States representative to the International Olympic Committee with the request that it be circulated to all members of the Committee.

Mr. BRADLEY. Mr. President, I rise to introduce a sense-of-the-Senate resolution opposing China's bid for the 2000 summer Olympics.

The President has recently decided to extend with conditions most-favored-nation status for China, resolving for this year the debate about whether to use MFN as a vehicle for expressing United States concern about human rights in that country. While the debate over MFN is important, we should not ignore other vehicles through which we might also express our concern about China's human rights practices. One such vehicle is the summer Olympics.

The Chinese Government has begun a major campaign to have Beijing selected as the host site for the summer Olympic games for the year 2000. The International Olympic Committee [IOC] will make its decision on the site for the 2000 games this September, and by all accounts, China is a leading contender.

China has one of the worst human rights records in the world. The most recent edition of the State Department's Country Reports on Human

Rights catalogs a long list of blatant and egregious violations. China's human rights record is totally inconsistent with the ideals of the Olympic games, and the controversy that will be generated by holding the games in Beijing will undermine the Olympic spirit.

As a former Olympian, I can tell you that hosting the Olympic games means a lot to a country. The presence of the Olympics sends a message to the rest of the world about that country. In Japan in 1964, the Olympics in which I participated, the message was, "we are back;" in Germany in 1972, the message was, "we are the new Germany." China wants to send a positive message about itself by hosting the 2000 Olympic games, but it has not earned the right to send that message.

I urge my colleagues to support this resolution. By doing so, we will send a clear message from the Senate that our decision to continue MFN status does not represent a diminished concern for China's human rights practices.

AMENDMENTS SUBMITTED

SUPPLEMENTAL APPROPRIATIONS ACT OF 1993

GRASSLEY AMENDMENT NO. 486

Mr. GRASSLEY proposed an amendment to the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, as follows:

On page 15, between lines 12 and 13, insert the following new section:

SEC. 304. (a)(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of the Air Force shall, in accordance with paragraph (2), deobligate amounts totaling $649,111,986 that—

(A) pursuant to subsection (a)(2) of section 1552 of title 31, United States Code (as such section was in effect on November 4, 1990), were restored from unobligated amounts withdrawn under that subsection; and

(B) were transferred to merged appropriation accounts established under subsection (a)(1) of such section (as such section was in effect on November 4, 1990).

(2) For each appropriation account listed below the Secretary shall deobligate amounts that total the amount specified for such account as follows:

Appropriation Account Number:	Appropriation Purpose	Amount
57111081	International Military Education and Training, Executive (transfer to Air Force).	$259,645.
57M3010	Aircraft Procurement, Air Force.	$143,388,840.
57M3020	Missile Procurement, Air Force.	$118,008,560.
57M3080	Other Procurement, Air Force.	$42,646,658.
57M3300	Military Construction, Air Force.	$25,899,568.
57M3400	Operation and Maintenance, Air Force.	$190,709,100.
57M3600	Research, Development, Test and Evaluation, Air Force.	$111,127,970.
57M3700	Reserve Personnel, Air Force	$259,645.
57M3730	Military Construction, Air Force Reserve.	$64,911.
57M3740	Operation and Maintenance, Air Force Reserve.	$10,126,147.
57M3840	Operation and Maintenance, Air National Guard.	$6,166,564.
57M3850	National Guard Personnel, Air Force.	$454,378.

(3) Amounts deobligated pursuant to paragraph (1) are rescinded effective immediately upon deobligation.

(b) Not later than 30 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the deobligation and cancellation of amounts required by subsection (a).

ROTH (AND OTHERS) AMENDMENT NO. 487

Mr. ROTH (for himself, Mr. LOTT, Mr. BURNS, Mr. BENNETT, Mr. SIMPSON, Mr. MURKOWSKI, Mr. DOLE, Mr. NICKLES, Mr. MACK, Mr. CRAIG, Mr. HATCH, Mr. WALLOP, Mr. THURMOND, Mr. STEVENS, Mr. HELMS, Mr. COATS, Mr. SMITH, Mr. FAIRCLOTH, and Mr. GREGG) proposed an amendment to the bill, H.R. 2118, supra, as follows:

Immediately after title II, insert:

TITLE III—INVESTMENT AND SAVINGS INCENTIVES

SEC. 300. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Real Jobs for America Act of 1993".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Reductions in Cost of Capital and Tax Penalties on Investment

SEC. 301. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN.

(a) IN GENERAL.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

"SEC. 1022. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN.

"(a) GENERAL RULE.—

"(1) INDEXED BASIS SUBSTITUTED FOR ADJUSTED BASIS.—Except as provided in paragraph (2), in the case of an individual if an indexed asset which has been held for more than 3 years is sold or otherwise disposed of, for purposes of this title the indexed basis of the asset (solely for purposes of determining gain) shall be substituted for its adjusted basis.

"(2) EXCEPTION FOR DEPRECIATION, ETC.—The deduction for depreciation, depletion, and amortization shall be determined without regard to the application of paragraph (1) to the taxpayer or any other person.

"(b) INDEXED ASSET.—

"(1) IN GENERAL.—For purposes of this section, the term 'indexed asset' means—

"(A) stock in a corporation,

"(B) tangible property (or any interest therein) which is a capital asset or property used in the trade or business (as defined in section 1231(b)), and

"(C) the principal residence of the taxpayer (within the meaning of section 1034).

"(2) CERTAIN PROPERTY EXCLUDED.—For purposes of this section, the term 'indexed asset' does not include—

"(A) CREDITOR'S INTEREST.—Any interest in property which is in the nature of a creditor's interest.

"(B) OPTIONS.—Any option or other right to acquire an interest in property.

"(C) NET LEASE PROPERTY.—In the case of a lessor, net lease property (within the meaning of subsection (h)(1)).

"(D) CERTAIN PREFERRED STOCK.—Stock which is fixed and preferred as to dividends and does not participate in corporate growth to any significant extent.

"(E) STOCK IN CERTAIN CORPORATIONS.—Stock in—

"(i) an S corporation (within the meaning of section 1361),

"(ii) a personal holding company (as defined in section 542), and

"(iii) a foreign corporation.

"(F) COLLECTIBLES.—Any collectible (as defined in section 408(m)(2)).

"(3) EXCEPTION FOR STOCK IN FOREIGN CORPORATION WHICH IS REGULARLY TRADED ON NATIONAL OR REGIONAL EXCHANGE.—Clause (iii) of paragraph (2)(E) shall not apply to stock in a foreign corporation the stock of which is listed on the New York Stock Exchange, the American Stock Exchange, or any domestic regional exchange for which quotations are published on a regular basis other than—

"(A) stock of a foreign investment company (within the meaning of section 1246(b)), and

"(B) stock in a foreign corporation held by a United States person who meets the requirements of section 1248(a)(2).

"(c) INDEXED BASIS.—For purposes of this section—

"(1) INDEXED BASIS.—The indexed basis for any asset is—

"(A) the adjusted basis of the asset, multiplied by

"(B) the applicable inflation ratio.

"(2) APPLICABLE INFLATION RATIO.—The applicable inflation ratio for any asset is the percentage arrived at by dividing—

"(A) the CPI for the calendar year preceding the calendar year in which the disposition takes place, by

"(B) the CPI for the calendar year 1992 (or, if later, the calendar year preceding the calendar year in which the asset was acquired by the taxpayer).

The applicable inflation ratio shall not be taken into account unless it is greater than 1. The applicable inflation ratio for any asset shall be rounded to the nearest one-tenth of 1 percent.

"(3) CPI.—The CPI for any calendar year shall be determined under section 1(f)(4).

"(d) SPECIAL RULES.—For purposes of this section—

"(1) TREATMENT AS SEPARATE ASSET.—In the case of any asset, the following shall be treated as a separate asset:

"(A) a substantial improvement to property,

"(B) in the case of stock of a corporation, a substantial contribution to capital, and

"(C) any other portion of an asset to the extent that separate treatment of such portion is appropriate to carry out the purposes of this section.

"(2) ASSETS WHICH ARE NOT INDEXED ASSETS THROUGHOUT HOLDING PERIOD.—

"(A) IN GENERAL.—The applicable inflation ratio shall be appropriately reduced for calendar months at any time during which the asset was not an indexed asset.

"(B) CERTAIN SHORT SALES.—For purposes of applying subparagraph (A), an asset shall be treated as not an indexed asset for any short sale period during which the taxpayer or the taxpayer's spouse sells short property substantially identical to the asset. For purposes of the preceding sentence, the short sale period begins on the day after the substantially identical property is sold and ends on the closing date for the sale.

"(3) TREATMENT OF CERTAIN DISTRIBUTIONS.—A distribution with respect to stock in a corporation which is not a dividend shall be treated as a disposition.

"(4) SECTION CANNOT INCREASE ORDINARY LOSS.—To the extent that (but for this paragraph) this section would create or increase a net ordinary loss to which section 1231(a)(2) applies or an ordinary loss to which any other provision of this title applies, such provision shall not apply. The taxpayer shall be treated as having a long-term capital loss in an amount equal to the amount of the ordinary loss to which the preceding sentence applies.

"(5) ACQUISITION DATE WHERE THERE HAS BEEN PRIOR APPLICATION OF SUBSECTION (a)(1) WITH RESPECT TO THE TAXPAYER.—If there has been a prior application of subsection (a)(1) to an asset while such asset was held by the taxpayer, the date of acquisition of such asset by the taxpayer shall be treated as not earlier than the date of the most recent such prior application.

"(6) COLLAPSIBLE CORPORATIONS.—The application of section 341(a) (relating to collapsible corporations) shall be determined without regard to this section.

"(e) CERTAIN CONDUIT ENTITIES.—

"(1) REGULATED INVESTMENT COMPANIES; REAL ESTATE INVESTMENT TRUSTS; COMMON TRUST FUNDS.—

"(A) IN GENERAL.—Stock in a qualified investment entity shall be an indexed asset for any calendar month in the same ratio as the fair market value of the assets held by such entity at the close of such month which are indexed assets bears to the fair market value of all assets of such entity at the close of such month.

"(B) RATIO OF 90 PERCENT OR MORE.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 90 percent or more, such ratio for such month shall be 100 percent.

"(C) RATIO OF 10 PERCENT OR LESS.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 10 percent or less, such ratio for such month shall be zero.

"(D) VALUATION OF ASSETS IN CASE OF REAL ESTATE INVESTMENT TRUSTS.—Nothing in this paragraph shall require a real estate investment trust to value its assets more frequently than once each 36 months (except where such trust ceases to exist). The ratio under subparagraph (A) for any calendar month for which there is no valuation shall be the trustee's good faith judgment as to such valuation.

"(E) QUALIFIED INVESTMENT ENTITY.—For purposes of this paragraph, the term 'qualified investment entity' means—

"(i) a regulated investment company (within the meaning of section 851),

"(ii) a real estate investment trust (within the meaning of section 856), and

"(iii) a common trust fund (within the meaning of section 584).

"(2) PARTNERSHIPS.—In the case of a partnership, the adjustment made under subsection (a) at the partnership level shall be passed through to the partners.

"(3) SUBCHAPTER S CORPORATIONS.—In the case of an electing small business corporation, the adjustment under subsection (a) at the corporate level shall be passed through to the shareholders.

"(f) DISPOSITIONS BETWEEN RELATED PERSONS.—

"(1) IN GENERAL.—This section shall not apply to any sale or other disposition of property between related persons except to the extent that the basis of such property in the hands of the transferee is a substituted basis.

"(2) RELATED PERSONS DEFINED.—For purposes of this section, the term 'related persons' means—

"(A) persons bearing a relationship set forth in section 267(b), and

"(B) persons treated as single employer under subsection (b) or (c) of section 414.

"(g) TRANSFERS TO INCREASE INDEXING ADJUSTMENT OR DEPRECIATION ALLOWANCE.—If any person transfers cash, debt, or any other property to another person and the principal purpose of such transfer is—

"(1) to secure or increase an adjustment under subsection (a), or

"(2) to increase (by reason of an adjustment under subsection (a)) a deduction for depreciation, depletion, or amortization,

the Secretary may disallow part or all of such adjustment or increase.

"(h) DEFINITIONS.—For purposes of this section—

"(1) NET LEASE PROPERTY DEFINED.—The term 'net lease property' means leased real property where—

"(A) the term of the lease (taking into account options to renew) was 50 percent or more of the useful life of the property, and

"(B) for the period of the lease, the sum of the deductions with respect to such property which are allowable to the lessor solely by reason of section 162 (other than rents and reimbursed amounts with respect to such property) is 15 percent or less of the rental income produced by such property.

"(2) STOCK INCLUDES INTEREST IN COMMON TRUST FUND.—The term 'stock in a corporation' includes any interest in a common trust fund (as defined in section 584(a)).

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section."

(b) ADJUSTMENT TO APPLY FOR PURPOSES OF DETERMINING EARNINGS AND PROFITS.—Subsection (f) of section 312 of such Code (relating to effect on earnings and profits of gain or loss and of receipt of tax-free distributions) is amended by adding at the end thereof the following new paragraph:

"(3) EFFECT ON EARNINGS AND PROFITS OF INDEXED BASIS.—For substitution of indexed basis for adjusted basis in the case of the disposition of certain assets on or after January 1, 1999, see section 1022(a)(1)."

(c) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of such chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

"Sec. 1022. Indexing of certain assets for purposes of determining gain or loss."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions on or after January 1, 1993, in taxable years ending after such date.

SEC. 302. MODIFICATION TO MINIMUM TAX DEPRECIATION RULES.

(a) GENERAL RULE.—Paragraph (1) of section 56(a) (relating to depreciation) is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) TREATMENT OF CERTAIN PERSONAL PROPERTY PLACED IN SERVICE AFTER JUNE 30, 1993.—

"(i) IN GENERAL.—In the case of any property to which this subparagraph applies, the depreciation deduction allowable under section 167 shall be determined under the alternative system under section 168(g), except that the method of depreciation used shall be the method used for purposes of section 168.

"(ii) PROPERTY TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply to any tangible property placed in service after June 30, 1993, except that this subparagraph shall not apply to any residential rental property or nonresidential real property (within the meaning of section 168(e)).

"(iii) COORDINATION WITH SUBPARAGRAPH (A).—Subparagraph (A) shall not apply to any property to which this subparagraph applies."

(b) ELIMINATION OF ACE DEPRECIATION ADJUSTMENT.—Clause (i) of section 56(g)(4)(A) (relating to depreciation adjustments for computing adjusted current earnings) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any property to which subsection (a)(1)(B) applies, and the depreciation deduction with respect to such property shall be determined under the rules of subsection (a)(1)(B)."

(c) CONFORMING AMENDMENTS.—Section 56(g)(4) is amended by striking subparagraphs (E), (F), and (G) and by redesignating subparagraph (I) as subparagraph (E).

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to property placed in service after June 30, 1993.

(2) CONFORMING CHANGES.—The amendments made by subsection (c) shall apply to exchanges, acquisitions, and ownership changes after the date of the enactment of this Act.

(3) COORDINATION WITH TRANSITIONAL RULES.—The amendments made by this section shall not apply to any property to which paragraph (1) of section 56(a) of the Internal Revenue Code of 1986 does not apply by reason of subparagraph (D)(i) thereof (as redesignated by subsection (a) of this section).

Subtitle B—Investment in Small Business

SEC. 311. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESS.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended by striking "$10,000" and inserting "$25,000".

(b) INDEXATION.—Section 179(b) is amended by adding at the end the following new paragraph:

"(5) INDEXATION.—In the case of any taxable year beginning after 1994, the $25,000 amount under paragraph (1) shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, except that section 1(f)(3)(B) shall be applied by substituting '1993' for '1989'. The amount determined under the preceding sentence shall be rounded to the nearest multiple of $100."

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after June 30, 1992.

Subtitle C—Increased Savings Through Individual Retirement Accounts

PART I—IRA DEDUCTION

SEC. 321. RESTORATION OF IRA DEDUCTION.

(a) IN GENERAL.—Section 219 (relating to deduction for retirement savings) is amended by striking subsection (g) and by redesignating subsection (h) as subsection (g).

(b) Technical and Conforming Amendments.—

(1) Subsection (f) of section 219 is amended by striking paragraph (7).

(2) Paragraph (5) of section 408(d) is amended by striking the last sentence.

(3) Section 408(o) is amended by adding at the end thereof the following new paragraph:

"(5) Termination.—This subsection shall not apply to any designated nondeductible contribution for any taxable year beginning after December 31, 1995."

(4) Subsection (b) of section 4973 is amended by striking the last sentence.

(c) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

(2) Special accounts.—For purposes of applying section 408A of the Internal Revenue Code of 1986 (as added by section 131), the amendments made by this section shall apply to taxable years beginning after December 31, 1993 (and to qualified transfers after the date of the enactment of this Act).

SEC. 322. INFLATION ADJUSTMENT FOR DEDUCTIBLE AMOUNT.

(a) In General.—Section 219, as amended by section 321, is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) Cost-of-Living Adjustments.—

"(1) In general.—If the cost-of-living amount for any calendar year is equal to or greater than $500, then each applicable dollar amount (as previously adjusted under this subsection) for any taxable year beginning in any subsequent calendar year shall be increased by $500.

"(2) Cost-of-living amount.—The cost-of-living amount for any calendar year is the excess (if any) of—

"(A) $2,000, increased by the cost-of-living adjustment for such calendar year, over

"(B) the applicable dollar amount in effect under subsection (b)(1)(A) for taxable years beginning in such calendar year.

"(3) Cost-of-living adjustment.—For purposes of this subsection—

"(A) In general.—The cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(i) the CPI for such calendar year, exceeds

"(ii) the CPI for 1994.

"(B) CPI for any calendar year.—The CPI for any calendar year shall be determined in the same manner as under section 1(f)(4).

"(4) Applicable dollar amount.—For purposes of this subsection, the term 'applicable dollar amount' means the dollar amount in effect under any of the following provisions:

"(A) Subsection (b)(1)(A).

"(B) Subsection (c)(2)(A)(i).

"(C) The last sentence of subsection (c)(2)."

(b) Conforming Amendments.—

(1) Section 408(a)(1) is amended by striking "in excess of $2,000 on behalf of any individual" and inserting "on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)".

(2) Section 408(b)(2)(B) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(3) Section 408(d)(5) is amended by striking "$2,250" and inserting "the dollar amount in effect for such taxable year under section 219(c)(2)(A)(i)".

(4) Section 408(j) is amended by striking "$2,000".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 323. COORDINATION OF IRA DEDUCTION LIMIT WITH ELECTIVE DEFERRAL LIMIT.

(a) In General.—Section 219(b) (relating to maximum amount of deduction) is amended by adding at the end thereof the following new paragraph:

"(4) Coordination with elective deferral limit.—The amount determined under paragraph (1) or subsection (c)(2) with respect to any individual for any taxable year shall not exceed the excess (if any) of—

"(A) the maximum amount of elective deferrals of the individual which are excludable from gross income for the taxable year under section 402(g)(1), over

"(B) the amount so excluded."

(b) Conforming Amendment.—Section 219(c) is amended by adding at the end thereof the following new paragraph:

"(3) Cross reference.—

"For reduction in paragraph (2) amount, see subsection (b)(4)."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

PART II—NONDEDUCTIBLE TAX-FREE IRAs

SEC. 331. ESTABLISHMENT OF NONDEDUCTIBLE TAX-FREE INDIVIDUAL RETIREMENT ACCOUNTS.

(a) In General.—Subpart A of part I of subchapter D of chapter 1 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by inserting after section 408 the following new section:

"SEC. 408A. INDIVIDUAL RETIREMENT PLUS ACCOUNTS.

"(a) General Rule.—Except as provided in this section, an individual retirement plus account shall be treated for purposes of this title in the same manner as an individual retirement plan.

"(b) Individual Retirement Plus Account.—For purposes of this title, the term 'individual retirement plus account' means an individual retirement plan which is designated at the time of establishment of the plan as an individual retirement plus account.

"(c) Treatment of Contributions.—

"(1) No deduction allowed.—No deduction shall be allowed under section 219 for a contribution to an individual retirement plus account.

"(2) Contribution limit.—The aggregate amount of contributions for any taxable year to all individual retirement plus accounts maintained for the benefit of an individual shall not exceed the excess (if any) of—

"(A) the maximum amount allowable as a deduction under section 219 with respect to such individual for such taxable year, over

"(B) the amount so allowed.

"(3) Special rules for qualified transfers.—

"(A) In general.—No rollover contribution may be made to an individual retirement plus account unless it is a qualified transfer.

"(B) Limit not to apply.—The limitation under paragraph (2) shall not apply to a qualified transfer to an individual retirement plus account.

"(d) Tax Treatment of Distributions.—

"(1) In general.—Except as provided in this subsection, any amount paid or distributed out of an individual retirement plus account shall not be included in the gross income of the distributee.

"(2) Exception for earnings on contributions held less than 5 years.—

"(A) In general.—Any amount distributed out of an individual retirement plus account which consists of earnings allocable to contributions made to the account during the 5-year period ending on the day before such distribution shall be included in the gross income of the distributee for the taxable year in which the distribution occurs.

"(B) Ordering rule.—

"(i) First-in, first-out rule.—Distributions from an individual retirement plus account shall be treated as having been made—

"(I) first from the earliest contribution (and earnings allocable thereto) remaining in the account at the time of the distribution, and

"(II) then from other contributions (and earnings allocable thereto) in the order in which made.

"(ii) Allocations between contributions and earnings.—Any portion of a distribution allocated to a contribution (and earnings allocable thereto) shall be treated as allocated first to the earnings and then to the contribution.

"(iii) Allocation of earnings.—Earnings shall be allocated to a contribution in such manner as the Secretary may by regulations prescribe.

"(iv) Contributions in same year.—Except as provided in regulations, all contributions made during the same taxable year may be treated as 1 contribution for purposes of this subparagraph.

"(C) Cross reference.—

"For additional tax for early withdrawal, see section 72(t).

"(3) Qualified transfer.—

"(A) In general.—Paragraph (2) shall not apply to any distribution which is transferred in a qualified transfer to another individual retirement plus account.

"(B) Contribution period.—For purposes of paragraph (2), the individual retirement plus account to which any contributions are transferred shall be treated as having held such contributions during any period such contributions were held (or are treated as held under this subparagraph) by the individual retirement plus account from which transferred.

"(4) Special rules relating to certain transfers.—

"(A) In general.—Notwithstanding any other provision of law, in the case of a qualified transfer to an individual retirement plus account from an individual retirement plan or qualified plan which is not an individual retirement plus account—

"(i) there shall be included in gross income any amount which, but for the qualified transfer, would be includible in gross income, but

"(ii) section 72(t) shall not apply to such amount.

"(B) 4-year ratable inclusion.—In the case of any qualified transfer described in subparagraph (A) which is made during the phase-in period, any amount includible in gross income under subparagraph (A) with respect to such contribution shall be includible ratably over the 4-taxable year period beginning in the taxable year in which the amount was paid or distributed out of the individual retirement plan.

"(C) Phase-in period.—For purposes of subparagraph (B), the term 'phase-in period' means the period beginning on the date of the enactment of this section and ending on the last day of the 2d calendar year following the calendar year in which such date of enactment occurs."

"(e) Qualified Transfer.—For purposes of this section—

"(1) In general.—The term 'qualified transfer' means a transfer to an individual retirement plus account—

"(A) from another such account; or

"(B) from an individual retirement plan or qualified plan, but only if such transfer meets the requirements of section 408(d)(3).

"(2) QUALIFIED PLAN.—The term 'qualified plan' means any trust or contract described in section 72(e)(5)(D) (i) or (ii).

(b) EARLY WITHDRAWAL PENALTY.—Section 72(t), as amended by section 141(c), is amended by adding at the end thereof the following new paragraph:

"(8) RULES RELATING TO SPECIAL INDIVIDUAL RETIREMENT ACCOUNTS.—In the case of an individual retirement plus account under section 408A—

"(A) this subsection shall only apply to distributions out of such account which consist of earnings allocable to contributions made to the account during the 5-year period ending on the day before such distribution, and

"(B) paragraph (2)(A)(i) shall not apply to any distribution described in subparagraph (A)."

(c) EXCESS CONTRIBUTIONS.—Section 4973(b) is amended by adding at the end thereof the following new sentence: "For purposes of paragraphs (1)(B) and (2)(C), the amount allowable as a deduction under section 219 shall be computed without regard to section 408A."

(d) CONFORMING AMENDMENT.—The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 408 the following new item:

"Sec. 408A. Individual retirement plus accounts."

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1993.

(2) QUALIFIED TRANSFERS IN 1993.—The amendments made by this section shall apply to any qualified transfer after the date of the enactment of this Act.

PART III—PENALTY-FREE DISTRIBUTIONS

SEC. 341. DISTRIBUTIONS FROM CERTAIN PLANS MAY BE USED WITHOUT PENALTY TO PURCHASE FIRST HOMES, TO PAY HIGHER EDUCATION OR FINANCIALLY DEVASTATING MEDICAL EXPENSES, OR BY THE LONG-TERM UNEMPLOYED.

(a) IN GENERAL.—Paragraph (2) of section 72(t) (relating to exceptions to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end thereof the following new subparagraph:

"(D) DISTRIBUTIONS FROM CERTAIN PLANS FOR FIRST HOME PURCHASES OR EDUCATIONAL EXPENSES.—Distributions to an individual from an individual retirement plan, or from amounts attributable to employer contributions made pursuant to elective deferrals described in subparagraph (A) or (C) of section 402(g)(3) or section 501(c)(18)(D)(iii)—

"(i) which are qualified first-time homebuyer distributions (as defined in paragraph (6)); or

"(ii) to the extent such distributions do not exceed the qualified higher education expenses (as defined in paragraph (7)) of the taxpayer for the taxable year."

(b) FINANCIALLY DEVASTATING MEDICAL EXPENSES.—

(1) IN GENERAL.—Section 72(t)(3)(A) is amended by striking "(B),".

(2) CERTAIN LINEAL DESCENDANTS AND ANCESTORS TREATED AS DEPENDENTS.—Subparagraph (B) of section 72(t)(2) is amended by striking "medical care" and all that follows and inserting "medical care determined—

"(i) without regard to whether the employee itemizes deductions for such taxable year, and

"(ii) by treating such employee's dependents as including—

"(I) all children and grandchildren of the employee or such employee's spouse, and

"(II) all ancestors of the employee or such employee's spouse."

(3) CONFORMING AMENDMENT.—Subparagraph (B) of section 72(t)(2) is amended by striking "or (C)" and inserting ", (C) or (D)".

(c) DEFINITIONS.—Section 72(t) is amended by adding at the end thereof the following new paragraphs:

"(6) QUALIFIED FIRST-TIME HOMEBUYER DISTRIBUTIONS.—For purposes of paragraph (2)(D)(i)—

"(A) IN GENERAL.—The term 'qualified first-time homebuyer distribution' means any payment or distribution received by an individual to the extent such payment or distribution is used by the individual before the close of the 60th day after the day on which such payment or distribution is received to pay qualified acquisition costs with respect to a principal residence of a first-time homebuyer who is such individual or the spouse, child, or grandchild of such individual.

"(B) QUALIFIED ACQUISITION COSTS.—For purposes of this paragraph, the term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. Such term includes any usual or reasonable settlement, financing, or other closing costs.

"(C) FIRST-TIME HOMEBUYER; OTHER DEFINITIONS.—For purposes of this paragraph—

"(i) FIRST-TIME HOMEBUYER.—The term 'first-time homebuyer' means any individual if—

"(I) such individual (and if married, such individual's spouse) had no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this paragraph applies, and

"(II) subsection (a)(6), (h), or (k) of section 1034 did not suspend the running of any period of time specified in section 1034 with respect to such individual on the day before the date the distribution is applied pursuant to subparagraph (A).

"(ii) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 1034.

"(iii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date—

"(I) on which a binding contract to acquire the principal residence to which subparagraph (A) applies is entered into, or

"(II) on which construction or reconstruction of such a principal residence is commenced.

"(D) SPECIAL RULE WHERE DELAY IN ACQUISITION.—If any distribution from any individual retirement plan fails to meet the requirements of subparagraph (A) solely by reason of a delay or cancellation of the purchase or construction of the residence, the amount of the distribution may be contributed to an individual retirement plan as provided in section 408(d)(3)(A)(i) (determined by substituting '120 days' for '60 days' in such section), except that—

"(i) section 408(d)(3)(B) shall not be applied to such contribution, and

"(ii) such amount shall not be taken into account in determining whether section 408(d)(3)(A)(i) applies to any other amount.

"(7) QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of paragraph (2)(D)(ii)—

"(A) IN GENERAL.—The term 'qualified higher education expenses' means tuition, fees, books, supplies, and equipment required for the enrollment or attendance of—

"(i) the taxpayer,

"(ii) the taxpayer's spouse, or

"(iii) the taxpayer's child (as defined in section 151(c)(3)) or grandchild,

at an eligible educational institution (as defined in section 135(c)(3)).

"(B) COORDINATION WITH SAVINGS BOND PROVISIONS.—The amount of qualified higher education expenses for any taxable year shall be reduced by any amount excludable from gross income under section 135."

(d) PENALTY-FREE DISTRIBUTIONS FOR CERTAIN UNEMPLOYED INDIVIDUALS.—Paragraph (2) of section 72(t) is amended by adding at the end thereof the following new subparagraph:

"(E) DISTRIBUTIONS TO UNEMPLOYED INDIVIDUALS.—A distribution from an individual retirement plan (other than a plan referred to in subclause (I) or (II) of paragraph (6)(A)(iii)) to an individual after separation from employment, if—

"(i) such individual has received unemployment compensation for 12 consecutive weeks under any Federal or State unemployment compensation law by reason of such separation, and

"(ii) such distributions are made during any taxable year during which such unemployment compensation is paid or the succeeding taxable year.

To the extent provided in regulations, a self-employed individual shall be treated as meeting the requirements of clause (i) if, under Federal or State unemployment compensation, the individual would have received unemployment compensation for 12 consecutive weeks but for the fact the individual was self-employed."

(e) SPECIAL RULE FOR CERTAIN DISASTER VICTIMS.—For purposes of section 72(t)(6) of the Internal Revenue Code of 1986, an individual whose principal residence was destroyed or substantially damaged by Hurricane Andrew, Hurricane Iniki, or Typhoon Omar shall be treated as a first-time homebuyer with respect to such residence if the individual rebuilds it or with respect to any other principal residence acquired to replace such residence.

(f) CONFORMING AMENDMENTS.—

(1) Section 401(k)(2)(B)(i) is amended by striking "or" at the end of subclause (III), by striking "and" at the end of subclause (IV) and inserting "or", and by inserting after subclause (IV) the following new subclause:

"(V) the date on which qualified first-time homebuyer distributions (as defined in section 72(t)(6)) or distributions for qualified higher education expenses (as defined in section 72(t)(7)) are made, and".

(2) Section 403(b)(11) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) for qualified first-time homebuyer distributions (as defined in section 72(t)(6)) or for the payment of qualified higher education expenses (as defined in section 72(t)(7))."

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to payments and distributions after December 31, 1993.

SEC. 342. CONTRIBUTIONS MUST BE HELD AT LEAST 5 YEARS IN CERTAIN CASES.

(a) IN GENERAL.—Section 72(t), as amended by section 331(b), is amended by adding at the end thereof the following new paragraph:

"(9) CERTAIN CONTRIBUTIONS MUST BE HELD 5 YEARS.—

"(A) In general.—Paragraph (2)(A)(i) shall not apply to any amount distributed out of an individual retirement plan (other than an individual retirement plus account) which is allocable to contributions made to the plan during the 5-year period ending on the date of such distribution (and earnings on such contributions).

"(B) Ordering rule.—For purposes of this paragraph, distributions shall be treated as having been made—

"(i) first from the earliest contribution (and earnings allocable thereto) remaining in the account at the time of the distribution, and

"(ii) then from other contributions (and earnings allocable thereto) in the order in which made.

Earnings shall be allocated to contributions in such manner as the Secretary may prescribe.

"(C) Special rule for rollovers.—

"(i) Pension plans.—Subparagraph (A) shall not apply to distributions out of an individual retirement plan which are allocable to rollover contributions to which section 402(c), 403(a)(4), or 403(b)(8) applied.

"(ii) Contribution period.—For purposes of subparagraph (A), amounts shall be treated as having been held by a plan during any period such contributions were held (or are treated as held under this clause) by any individual retirement plan from which transferred.

"(D) Plus accounts.—For rules applicable to individual retirement plus accounts under section 408A, see paragraph (8)."

(b) Effective Date.—The amendment made by this section shall apply to contributions (and earnings allocable thereto) which are made after the date of the enactment of this Act.

Subtitle D—Incentives for Private Businesses To Hire New Employees

SEC. 351. REFUNDABLE TAX CREDIT FOR HIRING NEW EMPLOYEES.

(a) In General.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. EMPLOYMENT TAXES ON NEW EMPLOYEES.

"(a) Allowance of Credit.—There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the employment taxes paid on the qualified wages of eligible new employees of the employer.

"(b) Eligible New Employees.—For purposes of this section—

"(1) In general.—The term 'eligible new employee' means, with respect to any employer, an employee who first begins work for the employer during the period beginning July 1, 1993, and ending June 30, 1994, and

"(2) Replacement employees not counted.—

"(A) In general.—The number of employees treated as eligible new employees for any payroll period shall not exceed the excess (if any) of—

"(i) the number of full-time employees of the employer during the payroll period, over

"(ii) the average number of full-time employees of the employer during the 12-month period ending on June 30, 1993.

"(B) Ordering rule.—If subparagraph (A) results in a reduction in the number of employees who may be treated as eligible new employees for any payroll period, such reduction shall come from employees with the highest wages for such period.

"(c) Employment Taxes; Wages.—For purposes of this section—

"(1) Employment taxes.—The term 'employment taxes' means—

"(A) the amount of the taxes imposed by subsections (a) and (b) of section 3111 (relating to Social Security taxes),

"(B) the amount of the taxes imposed by section 3221 (relating to tier 1 railroad retirement taxes), and

"(C) the tax imposed by section 3301 (relating to unemployment taxes).

"(2) Qualified wages.—

"(A) In general.—The term 'qualified wages' means, with respect to any employee, wages paid or incurred by the employer which are attributable to services rendered by the employee during the 6-month period beginning with the day the employee begins work for the employer. Such term shall not include wages treated as qualified first-year wages under section 51.

"(B) Wages.—The term 'wages' means any wages with respect to which employment taxes are required to be paid.

"(d) Denial of Deduction.—No deduction shall be allowed with respect to any wages to the extent a credit is allowed under this section with respect to such wages.

"(e) Special Rules.—Rules similar to the rules of subsections (f), (h), (i), and (k) of section 51 and the rules of section 52 shall apply for purposes of this section."

(b) Coordination With Refund Provision.—For purposes of section 1324(b)(2) of title 31 of the United States Code, section 35 of the Internal Revenue Code of 1986 shall be considered to be a credit provision of the Internal Revenue Code of 1954 enacted before January 1, 1978.

(c) Conforming Amendments.—(1) Subparagraph (A) of section 51(i)(1) is amended by inserting ", or, if the taxpayer is an entity other than a corporation, to any individual who owns, directly or indirectly, more than 50 percent of the capital and profits interests in the entity," after "of the corporation".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and inserting the following new items:

"Sec. 35. Employment taxes on new employees.

"Sec. 36. Overpayments of tax."

(d) Effective Date.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 352. REPEAL OF LUXURY EXCISE TAXES.

(a) In General.—Chapter 31 (relating to retail excise taxes) is amended by striking subchapter A and by redesignating subchapters B and C as subchapters A and B, respectively.

(b) Conforming Amendments.—

(1) The material preceding paragraph (1) of section 4221(a) is amended by striking "subchapter A or C of chapter 31" and inserting "section 4051".

(2) Subsection (a) of section 4221 is amended by striking the last sentence.

(3) Subsection (c) of section 4221 is amended by striking "section 4001(c), 4002(b), 4003(c), 4004(a), or 4053(a)(6)" and inserting "section 4053(a)(6)".

(4) Paragraph (1) of section 4221(d) is amended by striking "taxes imposed by subchapter A or C of chapter 31" and inserting "the tax imposed by section 4051".

(5) Subsection (d) of section 4222 is amended by striking "sections 4001(c), 4002(b), 4003(c), 4004(a), 4053(a)(6)" and inserting "sections 4053(a)(6)".

(6) Section 4293 is amended by striking "subchapter A of chapter 31,".

(7) The table of subchapters for chapter 31 is amended to read as follows:

"Subchapter A. Special fuels.

"Subchapter B. Heavy trucks and trailers."

(c) Exemption From Luxury Excise Tax for Certain Equipment Installed on Passenger Vehicles for Use by Disabled Individuals.—

(1) In general.—Paragraph (3) of section 4004(b) (relating to separate purchase of article and parts and accessories therefor), as in effect on the day before the date of the enactment of this Act, is amended—

(A) by striking "or" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C),

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) the part or accessory is installed on a passenger vehicle to enable or assist an individual with a disability to operate the vehicle, or to enter or exit the vehicle, by compensating for the effect of such disability, or", and

(D) by inserting after subparagraph (C) the following flush sentence:

"The price of any part or accessory (and its installation) to which paragraph (1) does not apply by reason of this paragraph shall not be taken into account under paragraph (2)(A)."

(2) Effective date.—The amendments made by this subsection shall take effect as if included in the amendments made by section 11221(a) of the Omnibus Budget Reconciliation Act of 1990.

(3) Period for filing claims.—If refund or credit of any overpayment of tax resulting from the application of the amendments made by this subsection is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), refund or credit of such overpayment (to the extent attributable to such amendments) may, nevertheless, be made or allowed if claim therefore is filed before the close of such 1-year period.

(d) Effective Date.—Except as provided in subsection (c)(2), the amendments made by this section shall take effect on January 1, 1993.

SEC. 353. APPLICATION OF PASSIVE LOSS RULES TO RENTAL REAL ESTATE ACTIVITIES.

(a) Rental Real Estate Activities of Persons in Real Property Business Not Automatically Treated as Passive Activities.—Subsection (c) of section 469 (defining passive activity) is amended by adding at the end thereof the following new paragraph:

"(7) Special rules for taxpayers in real property business.—

"(A) In general.—If this paragraph applies to any taxpayer for a taxable year—

"(i) paragraph (2) shall not apply to any rental real estate activity of such taxpayer for such taxable year, and

"(ii) this section shall be applied as if each interest of the taxpayer in rental real estate were a separate activity.

Notwithstanding clause (ii), a taxpayer may elect to treat all interests in rental real estate as 1 activity. Nothing in the preceding provisions of this subparagraph shall be construed as affecting the determination of whether the taxpayer materially participates with respect to any interest in a limited partnership as a limited partner.

"(B) Taxpayers to whom paragraph applies.—This paragraph shall apply to a taxpayer for a taxable year if more than one-half of the personal services performed in trades or businesses by the taxpayer during such taxable year are performed in real property trades or businesses in which the taxpayer materially participates.

"(C) REAL PROPERTY TRADE OR BUSINESS.—For purposes of this paragraph, the term 'real property trade or business' means any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business.

"(D) SPECIAL RULES FOR SUBPARAGRAPH (B).—

"(i) CLOSELY HELD C CORPORATIONS.—In the case of a closely held C corporation, the requirements of subparagraph (B) shall be treated as met for any taxable year if more than 50 percent of the gross receipts of such corporation for such taxable year are derived from real property trades or businesses in which the corporation materially participates.

"(ii) PERSONAL SERVICES AS AN EMPLOYEE.—For purposes of subparagraph (B), personal services performed as an employee shall not be treated as performed in real property trades or businesses. The preceding sentence shall not apply if such employee is a 5-percent owner (as defined in section 416(i)(1)(B)) in the employer."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 469(c) is amended by striking "The" and inserting "Except as provided in paragraph (7), the".

(2) Clause (iv) of section 469(i)(3)(E) is amended by inserting "or any loss allowable by reason of subsection (c)(7)" after "loss".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

Subtitle E—Deficit Reductions

PART 1—EXTENSION OF THE CAPS ON DISCRETIONARY SPENDING

SEC. 361. EXTENSION OF THE CAPS.

(a) FISCAL YEARS 1994 AND 1995.—The overall discretionary spending limits established in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 and 1995 as in effect on the date of enactment of this Act are reduced by—

(1) $5,631,000,000 in outlays for fiscal year 1994; and

(2) $8,290,000,000 in outlays for fiscal year 1995.

(b) FISCAL YEARS 1996, 1997, AND 1998.—

(1) IN GENERAL.—For fiscal years 1996, 1997, and 1998, there shall be caps on discretionary spending as provided in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 and 1995, subject to the provisions of paragraphs (2) and (3).

(2) LEVEL OF LIMITS.—The discretionary limits on new budget authority and outlays for fiscal years 1996, 1997, and 1998 shall be—

(A) the levels assumed in H. Con. Res. 64, agreed to March 31, 1993, for such fiscal years, reduced by

(B)(i) $10,232,000,000, in outlays for fiscal year 1996;

(ii) $11,368,000,000, in outlays for fiscal year 1997; and

(iii) $11,937,000,000, in outlays for fiscal year 1998.

(3) EXTENSION OF LAW.—The provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 and the Congressional Budget Act of 1974 relating to the enforcement of the discretionary spending limit for fiscal years 1994 and 1995 are extended through fiscal year 1998 for the purpose of enforcing the limits set forth in this subsection.

PART 2—SPENDING CUTS

SEC. 371. PERMANENT ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION EXCEPT FOR INDIVIDUALS WITH A CRITICAL MEDICAL CONDITION.

(a) CIVIL SERVICE RETIREMENT SYSTEM; FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Sections 8343a and 8420a of title 5, United States Code, are each amended—

(1) in subsection (a) by striking "an employee or Member may," and inserting "any employee or Member who has a life-threatening affliction or other critical medical condition may,"; and

(2) by striking subsection (f).

(b) FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.—Section 807(e)(1) of the Foreign Service Act of 1980 (22 U.S.C. 4047(e)(1)) is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(c) CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.—Section 294(a) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2143(a)), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102–496; 106 Stat. 3196), is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 1994, and shall apply with respect to any annuity commencing on or after that date.

SEC. 372. GROUP HEALTH PLAN INFORMATION REPORTING.

(a) IN GENERAL.—Subsection (a) of section 6051 of the Internal Revenue Code of 1986 (relating to receipts for employees) is amended—

(1) by striking "and" at the end of paragraph (8),

(2) by striking the period at the end of paragraph (9) and inserting ", and", and

(3) by inserting after paragraph (9) the following new paragraph:

"(10) whether a group health plan (as defined in section 6103(l)(12)(E)(ii) is available to the employee and the plan coverage (single or family) elected by such employee (if any).".

(b) DISCLOSURE OF INFORMATION.—Paragraph (12) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information for purposes other than tax administration) is amended—

(1) by striking "the Administrator of the Health Care Financing Administration, disclose to the Administrator" in subparagraph (B) and inserting "the applicable official, disclose to such official",

(2) by adding at the end of subparagraph (B) the following new clause:

"(iv) With respect to each such medicare beneficiary and spouse (if any), the group health plan information required under section 6051(a)(10).",

(3) by striking the matter preceding clause (i) of subparagraph (C) and inserting the following:

"(C) DISCLOSURE BY OFFICIAL.—With respect to the information disclosed under subparagraph (B), the applicable official may disclose—",

(4) by striking "as having received wages from the employer" in subparagraph (C)(i),

(5) by striking "such Administrator" each place it appears in subparagraph (C)(iii) and inserting "such official",

(6) by striking clause (iii) of subparagraph (E), and inserting the following new clause:

"(iii) APPLICABLE OFFICIAL.—The term 'applicable official' means—

"(I) the Administrator of the Health Care Financing Administration,

"(II) the Secretary of Defense,

"(III) the Secretary of Veterans Affairs, and

"(IV) the Director of the Office of Personnel Management.",

(7) by striking "qualified employer" each place it appears and inserting "employer",

(8) by striking subparagraph (F), and

(9) by inserting "AND GROUP HEALTH PLAN" in the heading thereof.

(c) DATA BANK.—Paragraph (5) of section 1862(b) of the Social Security Act (42 U.S.C. 1395y(b)) is amended by adding at the end thereof the following new subparagraph:

"(F) MEDICARE SECONDARY PAYER DATA BANK.—The Secretary shall collect and store in a data bank established for purposes of this subsection the information provided to the Secretary by entities as described in this paragraph along with such further information on medicare secondary payer situations as the Secretary deems appropriate not later than July 1, 1994.".

(d) CONFORMING AMENDMENTS.—Paragraph (5) of section 1862(b) of the Social Security Act (42 U.S.C. 1395y(b)) is amended—

(1) by striking "a qualified employer (as defined in section 6103(l)(12)(D)(iii) of such Code)" in subparagraph (C)(i) and inserting "an employer", and

(2) by striking clause (iii) of subparagraph (C).

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 373. ADDITIONAL SPENDING REDUCTIONS.

It is the sense of the Congress that the reductions in discretionary spending as set forth in section 201 of this Act shall be achieved by—

(1) reducing Federal aid for mass transit;

(2) eliminating highway demonstration programs;

(3) modifying the Service Contact Act by eliminating the successorship provision;

(4) reducing Federal employment by 150,000 employees;

(5) reducing Federal Government administrative expenses;

(6) modifying vacation leave for Federal managers;

(7) reducing legislative branch administrative expenses;

(8) eliminating the Interstate Commerce Commission;

(9) closing and privatizing the Federal Helium Reserve;

(10) reducing Legal Services funding by 50 per cent;

(11) terminating the Copyright Royalty Commission; and

(12) reducing funding for the European Bank for Reconstruction and Development, the Special Defense Acquisition Fund, and freezing funding for International Development Authority.

PRESSLER AMENDMENT NO. 488

Mr. PRESSLER proposed an amendment to the bill, H.R. 2118, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . PREVENTED PLANTED DISASTER ASSISTANCE FOR 1993 CROP OF FEED GRAINS.

The first sentence of section 105B(c)(1)(F)(ii) of the Agricultural Act of 1949 (42 U.S.C. 1444f(c)(1)(F)(ii)) is amended—

(1) by striking "crambe, and" and inserting "crambe,"; and

(2) by inserting before the period at the end the following: "and, in the case of producers on a farm who the Secretary determines are prevented from planting any portion of the acreage intended for the 1993 crop of corn because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, soybeans".

D'AMATO (AND OTHERS) AMENDMENT NO. 489

Mr. D'AMATO (for himself, Mr. BROWN, Mr. PRESSLER, Mr. MACK, Mr. DOMENICI, Mr. CRAIG, Mr. MURKOWSKI, Mr. NICKLES, and Mr. SMITH) proposed an amendment to the bill, H.R. 2118, supra, as follows:

On page 40, after line 21, insert the following new section:

SEC. 202. (a) Section 403 of the Social Security Act (42 U.S.C. 603) is amended by inserting after subsection (b) the following new subsection:

"(c)(1)(A) If the Secretary determines—

"(i) that a State is operating a general welfare assistance program described in paragraph (3) during a calendar quarter, or

"(ii) that more than 20 percent of the local governments within a State that provide general welfare assistance are operating programs described in paragraph (3) during a calendar quarter,

the Secretary shall reduce by 50 percent the amount that such State would otherwise receive under subsection (a) with respect to expenditures made by such State during such quarter for the administration of the aid to families with dependent children program under this part.

"(B) If a State receives a reduced payment in a calendar quarter as a result of a determination by the Secretary under subparagraph (A)(ii)—

"(i) such State shall reduce for such quarter the payments made to each State office administering the aid to families with dependent children program which is located within the jurisdiction of the local governments described in subparagraph (A)(ii) by an amount equal to 50 percent of the Federal share of the administrative expenses of such office; and

"(ii) such State shall not, as a result of such reduced payment, reduce for such quarter the payments made to any State office administering the aid to families with dependent children program which is not located within the jurisdiction of the local governments described in subparagraph (A)(ii).

"(2) If the Secretary determines that any local government within a State that is not described in paragraph (1)(A) is operating a general welfare assistance program described in paragraph (3) during a calendar quarter, the State shall reduce for such quarter the payments made to any State office administering the aid to families with dependent children program which is located within the jurisdiction of such local government by an amount equal to 50 percent of the Federal share of the administrative expenses of such office and such amount shall be paid by the State to the Secretary.

"(3) A general welfare assistance program described in this paragraph is a general welfare assistance program that—

"(A) provides benefits to able-bodied individuals (as determined by the Secretary) who have attained age 18 and who have no dependents (hereafter referred to in this subsection as 'able-bodied individuals');

"(B) does not have a workfare program that meets the participation rate requirements under paragraph (4); and

"(C) does not meet any other requirements set forth in regulations issued by the Secretary.

"(4)(A) The participation rate requirements under this paragraph are as follows:

"(i) In the case of a workfare program which is implemented after the date of the enactment of this subsection, the participation rate for such program shall be—

"(I) for the second year that the program is operated, 10 percent; and

"(II) for any succeeding year, the percentage for the preceding year plus 2 percent.

"(ii) In the case of a workfare program which is operating on the date of the enactment of this subsection, the participation rate for such program shall be—

"(I) for 1994—

"(aa) in the case of a program with a participation rate below 10 percent for 1993, 10 percent; and

"(bb) in the case of a program with a participation rate between 10 percent and 50 percent for 1993, the program's participation rate for 1993 plus 2 percent; and

"(II) for any succeeding year, the percentage for the preceding year plus 2 percent.

"(B) The participation rates required under clauses (i) and (ii) of subparagraph (A) shall not exceed 50 percent.

"(C) For purposes of this subsection, the term 'participation rate' means the percentage of the able-bodied individuals who receive general welfare assistance participating in a workfare program.

"(5) On or before the date which is 5 years after the date of the enactment of this subsection, the Secretary shall conduct a review of State and local participation rates and submit to Congress a report containing any of the Secretary's recommendations with respect to the participation rate requirements established under paragraph (4).".

(b)(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to calendar quarters beginning on or after July 1, 1994.

(2) In the case of a State which the Secretary determines requires State legislation (other than legislation authorizing or appropriating funds) in order to comply with the amendments made by subsection (a), the State shall not be regarded as failing to comply with such amendments solely on the basis of its failure to meet the requirements of such amendments before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

HARKIN (AND GRASSLEY) AMENDMENT NO. 490

Mr. BYRD (for Mr. HARKIN, for himself, Mr. PRYOR, and Mr. GRASSLEY) proposed an amendment to the bill, H.R. 2118, supra, as follows:

On page 17, after line 22, insert the following:

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

For an additional amount for "Community service employment for older Americans", $10,000,000, of which $7,800,000 is for national grants or contracts with public agencies and public or private nonprofit organizations under section 506(a)(1)(A) of the Older Americans Act of 1965 as amended; and of which $2,200,000 is for grants to States under section 506(a)(3) of said Act.

On page 19, strike lines 1 through 7.

On page 19, line 13, strike "$360,000,000" and insert in lieu thereof "$353,700,000".

HARKIN (AND OTHERS) AMENDMENT NO. 491

Mr. BYRD (for Mr. HARKIN, for himself, Mrs. FEINSTEIN, Mr. HATFIELD, Mr. GRAMM, Mr. MACK, Mrs. BOXER, Mrs. MURRAY, and Mr. GORTON) proposed an amendment to the bill, H.R. 2118, supra, as follows:

On page 19, insert the following after line 22:

GENERAL PROVISION

SEC. 501. Funds appropriated pursuant to Section 414(a) of the Immigration and Nationally Act under Public Law 102-170 for fiscal year 1992 shall be available for the costs of assistance provided and other activities conducted in such year and in fiscal year 1993.

CRAIG AMENDMENT NO. 492

Mr. BYRD (for Mr. CRAIG) proposed an amendment to the bill, H.R. 2118, supra, as follows:

Before the period, insert: "*Provided further*, That a curly top virus condition in sugar beets resulting from damaging weather or related condition that adversely affects the beets shall be an eligible disaster condition for purposes of assistance provided under this paragraph.".

D'AMATO AMENDMENT NO. 493

Mr. D'AMATO proposed an amendment to the bill, H.R. 2118, supra, as follows:

On page 40, between lines 21 and 22, insert the following:

SEC. 202. LIMITATION ON USE OF CHAPTER 1 FUNDS BY LOCAL EDUCATIONAL AGENCIES.

(a) AMENDMENT.—Subpart 6 of part F of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2901 et seq.) is amended by adding at the end the following new section:

"SEC. 1492. LIMITATION ON LOCAL ADMINISTRATIVE EXPENSES.

"(a) LIMITATION.—Notwithstanding any other provision of law, not more than 10 percent of the funds made available under this chapter to a local educational agency shall be used for administrative expenses.

"(b) DEFINITION.—For the purpose of this section the term 'administrative expenses' means any expenditure of funds under this chapter that is not used to pay the salary of instructional personnel (personnel involved in the direct teaching of pupils) or to pay the cost of instructional material.".

(b) EFFECTIVE DATE.—Section 1492 of the Elementary and Secondary Education Act of

1965 shall be effective in fiscal year 1994 and each succeeding fiscal year.

CHAFEE (AND PELL) AMENDMENT NO. 494

Mr. CHAFEE (for himself and Mr. PELL) proposed an amendment to the bill, H.R. 2118, supra, as follows:

On page 40, after line 16 insert:

Using funds heretofore appropriated in Public Law 102-377, the Chief of Engineers, U.S. Army Corps of Engineers, is directed to use $750,000 to undertake work on the Cliff Walk, Rhode Island Project as provided in the Conference Report accompanying H.R. 5373 (P.L. 102-377).

DOMENICI AMENDMENT NO. 495

Mr. BYRD (for Mr. DOMENICI) proposed an amendment to the bill, H.R. 2118, supra, as follows:

At the appropriate place in the bill, insert the following:

SEC. . EXTENSION OF ACQUISITION AUTHORITY FOR THE PETROGLYPH NATIONAL MONUMENT.

Section 104(b)(2) of P.L. 101-313 is amended by striking "three" and inserting "four" in lieu thereof.

DOMENICI (AND OTHERS) AMENDMENT NO. 496

Mr. BYRD (for Mr. DOMENICI, for himself, Mr. MCCAIN, Mr. BINGAMAN, Mr. DECONCINI, Mr. CAMPBELL, and Mr. INOUYE) proposed an amendment to the bill, H.R. 2118, supra, as follows:

On page 18, following line 8, add the following:

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

PUBLIC HEALTH EMERGENCY FUND

For carrying out section 319(a) of the Public Health Service Act with respect to the current public health emergency and any future emergencies created by the recent outbreak of acute illness which has resulted in respiratory failure among populations residing in the Four Corners area, where Arizona, Colorado, New Mexico, and Utah meet, $6,000,000: *Provided*, That these amounts shall be available for any activity authorized under the Public Health Service Act and the Act of August 5, 1954 (68 Stat. 674) to respond to the recent outbreak and any future outbreaks of this acute illness: *Provided further*, That activities shall include, but not be limited to epidemic investigations and studies, local, State, and national surveillance; identification and characterization of the causative agent; development of recommendation for clinical management of ill persons; development and application diagnostic tests; evaluation of the rodent reservoir; development of control and prevention strategies; public and professional education; and direct and contract activities of the Indian Health Service including costs incurred by the Navajo Nation.

BROWN (AND OTHERS) AMENDMENT NO. 497

Mr. BROWN (for himself, Mr. DOLE, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. PRESSLER, Mr. LUGAR, Mr. DURENBERGER, Mr. CRAIG, and Mr. COATS) proposed an amendment to the bill, H.R. 2118, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . SENSE OF THE SENATE ON TRANSPORTATION OF FOOD ASSISTANCE TO RUSSIA.

(a) FINDINGS.—The Senate finds that—

(1) on April 3, 1993, in Vancouver, Canada, the President of the United States and the President of the Russian Federation announced a $1,600,000,000 aid package for Russia, including $700,000,000 in food assistance;

(2) the provision of food assistance announced at the Vancouver summit is a vital sign of United States support for Russia's continued movement toward democracy and transition to a market economy;

(3) on May 3, 1993, the United States Government and the Government of Russia reached initial agreement on the $700,000,000 in food assistance to be extended by the United States to Russia;

(4) the agreement stipulated that while $500,000,000 of the United States food aid package will be used for Russia to purchase United States agricultural commodities, the remaining $200,000,000 as estimated by the Administration, will be used solely to cover the cost of transportation;

(5) the Administration announced that 75 percent of the commodities would be shipped on United States-flag commercial vessels under United States cargo preference requirements;

(6) United States cargo preference laws require at least 75 percent of United States food assistance shipped overseas to be shipped on United States-flag commercial vessels;

(7) this requirement eliminates competition and encourages carriers to charge the United States Government rates two or three hundred percent above world market shipping rates;

(8) the current world market shipping rate is between $25 and $35 per metric ton;

(9) carriers, anticipating the elimination of competition, have offered bids for shipping the grain to Russia between $75 and $138 per metric ton;

(10) these bids are up to 5 times greater than comparable world rates;

(11) the cost of the grain itself is approximately $100 per metric ton;

(12) the effect of the cargo preference requirements is to increase the cost of transportation so that it nearly equals or exceeds the cost of the grain itself; and

(13) the effect of the cargo preference requirements increases the taxpayer costs of assistance to Russia.

(b) POLICY.—It is the sense of the Senate that—

(1) the food assistance provided by the United States Government to Russia has been supported and approved to meet the dire humanitarian needs of the Russian people;

(2) the increased cost of assistance to Russia resulting from cargo preference requirements could adversely affect the progress of democracy and market development in Russia; and

(3) at a minimum, the President should not permit Federal agencies to accept bids from any carrier that are more than double competitive world market rates.

GRASSLEY AMENDMENT NO. 498

Mr. GRASSLEY proposed an amendment to amendment No. 497 proposed by Mr. BROWN to the bill, H.R. 2118, supra, as follows:

In the amendment, strike out all after "**SEC.**" and insert in lieu thereof the following:

SENSE OF THE SENATE ON TRANSPORTATION OF FOOD ASSISTANCE TO RUSSIA.

(a) FINDINGS.—The Senate finds that—

(1) on April 3, 1993, in Vancouver, Canada, the President of the United States and the President of the Russian Federation announced a $1,600,000,000 aid package for Russia, including $700,000,000 in food assistance;

(2) the provision of food assistance announced at the Vancouver summit is a vital sign of United States support for Russia's continued movement toward democracy and transition to a market economy;

(3) on May 3, 1993, the United States Government and the Government of Russia reached initial agreement on the $700,000,000 in food assistance to be extended by the United States to Russia;

(4) the agreement stipulated that while $500,000,000 of the United States food aid package will be used for Russia to purchase United States agricultural commodities, the remaining $200,000,000, as estimated by the Administration, will be used solely to cover the cost of transportation;

(5) the Administration announced that 75 percent of the commodities would be shipped on United States-flag commercial vessels under United States cargo preference requirements;

(6) United States cargo preference laws require at least 75 percent of United States food assistance shipped overseas to be shipped on United States-flag commercial vessels;

(7) this requirement eliminates competition and encourages carriers to charge the United States Government rates two or three hundred percent above world market shipping rates;

(8) the current world market shipping rate is between $25 and $35 per metric ton;

(9) carriers, anticipating the elimination of competition, have offered bids for shipping the grain to Russia between $75 and $138 per metric ton;

(10) these bids are up to 5 times greater than comparable world rates;

(11) the cost of the grain itself is approximately $100 per metric ton;

(12) the effect of the cargo preference requirements is to increase the cost of transportation so that it nearly equals or exceeds the cost of the grain itself; and

(13) the effect of the cargo preference requirements increases the taxpayer costs of assistance to Russia.

(b) POLICY.—It is the sense of the Senate that—

(1) the food assistance provided by the United States Government to Russia has been supported and approved to meet the dire humanitarian needs of the Russian people;

(2) the increased cost of assistance to Russia resulting from cargo preference requirements could adversely affect the progress of democracy and market development in Russia; and

(3) at a minimum, the President should not permit Federal agencies to accept bids from any carrier that are more than 50 percent above competitive world market rates.

KENNEDY AMENDMENT NO. 499

Mr. KENNEDY proposed an amendment to amendment No. 493, proposed by Mr. D'AMATO, to the bill, H.R. 2118, supra, as follows:

On page 2, strike lines 10 through 12 and insert in lieu: "salary of instructional personnel involved in the direct instruction of pupils or in the training of teachers or to pay the cost of instructional material."

NOTICE OF HEARINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. NUNN. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold hearings on oversight of the insurance industry: Blue Cross/Blue Shield—Empire Plan (New York).

These hearings will take place on Friday, June 25, at 9 a.m. and Wednesday, June 30, at 9:30 a.m. in room 342 of the Dirksen Senate Office Building. For further information, please contact Eleanor Hill of the subcommittee staff at 224–3721.

Mr. LEAHY. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will hold a hearing on the National Academy of Science Report on pesticides and children. The hearing will be held on Tuesday, June 29, 1993, at 11 a.m. in SR–332.

For further information, please contact Mike Fernandez at 224–5207.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on June 22, 1993, at 9:30 a.m. on the NOAA reauthorization and marine biotechnology.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet for a hearing on June 22, at 2:30 p.m., on the subject: EPA contract management problems.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Tuesday, June 22, 1993, beginning at 9:30 a.m., in room 485, Russell Senate Office Building, on S. 925, the Native American Trust Fund Accounting and Management Reform Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, June 22, 1993, at 4 p.m. to hold a closed briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session on the Senate on Tuesday, June 22, 1993, to hold a hearing on the nominations of Eleanor Acheson, and Walter Dellinger to be Assistant Attorneys General to the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources Subcommittee on Employment and Productivity be authorized to meet for a hearing on the Privacy for Consumers and Workers Act, during the session of the Senate on Tuesday, June 22, 1993, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FORCE REQUIREMENTS AND PERSONNEL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Force Requirements and Personnel of the Committee on Armed Services be authorized to meet on Tuesday, June 22, 1993, at 9 a.m., in open session, to receive testimony on the morale, welfare, and recreation programs of the military services in review of the Defense authorization request for fiscal year 1994 and the future years Defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate Tuesday, June 22, 1993, at 10 a.m. to hold a hearing on issues in multifamily housing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Science, Technology and Space Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet on June 22, 1993, at 11 a.m. on science, technology and the Federal Government.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON REGIONAL DEFENSE AND CONTINGENCY FORCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Regional Defense and Contingency Forces be authorized to meet on Tuesday, June 22, 1993, at 10:30 a.m., in open session, to receive testimony on strategic airlift and sealift programs in review of the Defense authorization request for fiscal year 1994 and the future years Defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TV'S TRUE VIOLENCE

• Mr. SIMON. Mr. President, one of the more thoughtful observers of the American scene is Meg Greenfield of the Washington Post, whose column appears in Newsweek and other newspapers around the Nation.

Recently, she had a column on television violence, which points out that television violence probably makes us more tolerant of the real violence that occurs in Bosnia and around the world.

I cannot prove that her point is accurate, but I believe the evidence is overwhelming that it is accurate.

Not only does television violence add to violence in our society—and that has been proven beyond dispute—but it makes us accept violence as a means for solving not only domestic problems but international problems. That is the point Meg Greenfield makes. And while that may not have the solid research behind it that the domestic crime relevance has, I believe it is no less valid.

Her column is a superb one.

At this point, I ask to insert her column into the RECORD, and I urge my colleagues to read her column, if they have not read it already.

The column follows:

[From the Washington Post, June 14, 1993]

TV'S TRUE VIOLENCE

(By Meg Greenfield)

Television violence is up for discussion again as yet another argument rages over whether and how much to curb it. I believe no subject in our society generates more hypocrisy and confusion, and that is saying something. Is there too much wanton, even obscene violence on TV, day in and day out? Of course there is, and it is disgusting, unless you are partial to the vivid, colorful sight of exploding heads and strung-out guts and guys endlessly careering around shooting other guys as a matter of mindless, pointless habit. Most of this stuff has long since abandoned any pretense to what the Supreme Court once called, in the context of an obscenity ruling, "redeeming social value." It is gore for gore's sake, drama based on violence as a first and only resort in conflict. Should the TV people who produce, market and broadcast this junk exercise restraint? Of course they should; I am not talking about the imposition of government codes or statutes here, of which I am eternally leery, but rather about the purveyors of this escalating mayhem having the taste and public spiritedness to do some necessary cutting back and toning down themselves.

When I say the subject has been a source of world-class hypocrisy, I am referring in part to the fact that, although this is now changing, over the years it has generally been the liberals who objected to excessive violence on the tube and the conservatives who objected to the raw sexual stuff and that the two tended often to switch positions and use each other's arguments either pro or anti violence and pro or anti explicit sex. (Where sex and violence increasingly mix on the screen and in fact become a single phenomenon each chooses to see only what it wants to.) One side will tell you that the violence has a terrible seductive effect on the viewers who are coarsened by it and inspired to emulate the carefree aggression that they see. The same will be said of all the panting, pawing sex you witness on the tube—that it is corrupting viewers—only it will often be said this time by the same people who deny that violence has any effect on subsequent viewer behavior; it will, correspondingly, also tend to be denied by those who argue that violence does affect viewers' behavior.

Again, I think it's obvious that this bombardment has a coarsening impact on those people who watch faithfully, and especially where children are concerned, it is surely giving many the idea that what they see portrayed on the screen as a matter of course is what they and others are expected to do in real life. Or, at a minimum, this coarsening involves making the unthinkable just a little less unthinkable, a little more okay.

My own objections, however, which are twofold, are somewhat different. First it is not the violence or shocking gore itself to which I object in TV fiction, but rather the volume, profligacy and undiscriminating nature of their presentation. You may read in the classics or observe in the theatrical production of Shakespeare, among others, episodes every bit as shaking and horrible as whatever it is that caused you to turn away from the TV screen the other night. I once saw one of Shakespeare's occasional but memorable onstage eye-gougings enacted in Cambridge, England, with the aid of suddenly popping out peeled grapes. It's the sort of thing you tend to remember long after you have forgotten the names of the characters in the play. Moreover, much Elizabethan theater and other works to which we now defer as classics had plenty of bloody hacking, slashing and related butchery to them designed to amuse an audience given to the enjoyment of bear-baiting, public hangings and assorted other fun.

But in the better of this literature anyway, the violence in the story meant something; it was singular; it was committed by a particularly cruel character; it had some purpose beyond its mere power to titillate, frighten and repel. Nor do I think any age has seen anything comparable to our own unending, daily inundation of the home by filmed, superrealistic close-up portrayals of human violence, of maiming and mutilation and slaughter. And although I also suspect that viewers, including kids, are probably better at keeping in mind the difference between art (if that's what it is) and life than some suppose, I do think there's a danger that a continuous diet of this sort of thing can eventually make us insensitive and impervious to the genuine article when we see it.

Here I come out for the only kind of TV violence I favor: the real stuff. This is my second worry about all the fictional violence on TV: that it will dull our reactions to the kind that is filmed not on a set but from Bosnia or Liberia or places in this country. I am not talking here of the kind of depiction of horrors that should be treated gingerly in the press, such as shockingly gruesome photographs of stricken or dead people whose living friends and relatives will be needlessly hurt all over again by the reproduction of this image. I am talking about those truly jarring, unsettling, very hard not to turn from images of the wounded kids in Sarajevo, murder victims in a dozen other massacres and wars, or screaming, limbless ones who committed no crime and caused no grievance but were merely unlucky enough to be in there when the terrorist group struck.

There is, you understand, a whole school, different from the ordinary critics of TV violence, that thinks this kind of violent or bloody or just plan scary TV representation should go, but for policy reasons. These are the people who maintain that such a large dose of ugly reality and pain will get us all riled up as individuals or as a society or a government and cause us to take some kind of a position or think we have to do something or otherwise act in a way that they find troubling. There are people who say the filming of war scenes in Vietnam was wrong because of its impact on so much of the public, who believe that the horrors shown in Somalia or Sarajevo or Tiananmen are also something with which we cannot be trusted, that they tend to make us emotional and lead us away from the rigorous, coldhearted intellectual discipline required for policymaking. I grant that such sights on TV can be partial as to truth and in some ways misleading. But I think in an age of excessive governmental memoranda, autointoxication and blather, they are worth a thousand staged pictures of violence and a million political words. If we can't be trusted with the sight of violent reality or required to deal with it, we ought to go out of business. My main worry about TV violence of the senseless, mindless made-up kind is that it may, in time, render us incapable of recognizing and responding to the real thing.●

NGA GROCERS CARE AWARDS

● Mr. NICKLES. Mr. President, I wish to bring to the attention of the Senate the community contribution of the American independent retail grocers and their wholesalers.

In past years, through passage of the National Grocers Week, the House and Senate recognized the important role these businesses play in our economy. The week of June 20–26, 1993, commemorates the seventh year that National Grocers Week has been observed by the industry to encourage their community contributions.

This week, National Grocers Association, heads of philanthropic, and consumer groups will honor outstanding independent retail and wholesale grocers, their State association executives and food industry manufacturing for their community service with the NGA Grocers Care Awards.

This annual celebration highlights the important role small business plays. According to Thomas K. Zaucha, president and CEO of the National Grocers Association [NGA]:

Active leadership with community service projects reflect the commitment the food industry members—retail and wholesale grocers and manufacturers—have to the communities they serve. Every day, in thousands of communities across the country, grocers make the difference by supporting civic endeavors, environmental projects, and charities. This year's grocers are being recognized for their involvement in health related charities and nutritional programs; for commitments to recycling and the environment; and for the industry's civic and patriotic endeavors.

GROCERS CARE AWARD HONOREES

The "Grocers Care" theme will prevail during the NGA Washington Conference activities beginning Sunday, June 20, in Washington, D.C. Representatives from companies, organizations, and associations around the United States will be honored. These honorees include:

Alabama: Peter Gregerson, Sr., Gregerson's Foods, Gadsden; John Wilson, Super Foods Supermarkets, Luverne;

Arkansas: Jerry Davis, Affiliated Foods Southwest, Little Rock;

California: John Denney, Denney's Market, Bakersfield; Everett Dingwell, Certified Grocers of California, Los Angeles; Mark Kidd, Mar-Val Food Stores, Lodi;

Colorado: Harold Kelloff, Kelloff's Food Market, Alamosa;

Connecticut: Ray Pena, C-Town Supermarket, Hartford;

Florida: Robert Hitchcock, Hichcock's Foodway, Alachua; Donald Kolvenbach, Affiliated of Florida, Tampa; Tom Miller, Miller Enterprises, Crescent City; Lorena Jaeb, Pick Kwik Food Stores, Mango; Michael Cianciarula, Gooding's Supermarkets, Altamonte Springs;

Georgia: Zack Hinton, Zack's Properties, McDonough;

Idaho: Ronald McIntire, Ron's Thrift Stores, Hayden Lake; Jack Strahan, Super 1 Foods, Hayden Lake;

Illinois: Stephen J. Stair, Stair's Food Center, Galena; John Sullivan, J. B. Sullivan, Savanna; Robert Walker, Walker's Supermarkets, Mattoon; Elwood Winn, Certified Grocers Midwest, Hodgkins;

Indiana: Larry Contos, Pay Less Super Markets, Anderson; William G. Reitz, Scott's Food Store, Fort Wayne;

Iowa: Kenneth Stroud, Dahl's Foods, Des Moines; Jerry Fleagle, Fleagle Foods, Waterloo;

Kansas: Douglas Carolan, Associated Wholesale Grocers, Kansas City;

Kentucky: Bruce Chestnut, Laurel Grocery Company, East Bernstadt; Thomas Litzler, Remke's Market, Covington; Kenneth Techau, Techau Inc., Cynthiana;

Louisiana: Ferdie Barbier, Big B Supermarket, Belle Rose; Donald Rouse, Jr., Rouse Supermarkets, Thibodaux; Hiller Moore, Associated Grocers, Baton Rouge; Barry Breaux, Breaux Mart, Metairie; Guy Cannata, Cannata's Supermarkets, Morgan City;

Maine: Donald Chalmers, Down East Energy, Brunswick;

Maryland: Thomas Smith, Tom's Super Thrift, Cardiff;

Michigan: Robert DeYoung, Sr., Fulton Heights Foods, Grand Rapids; Patrick Quinn, Spartan Stores, Grand Rapids; Kathleen Ferguson, Ashcraft's Food & Land, Ann Arbor; Tom Feldpausch, Felpausch Food Centers, Hastings; Richard Glidden, Hardings Market, Kalamazoo; Lee and Bob Nylund, Nylund Food Center, Crystal Falls; Gerald Oleson, Oleson's Food Stores, Traverse City;

Minnesota: Tim Maselter, County Market, Cambridge; Glen W. Gust, Glen's Food Center, Luverne; Stephan B. Barlow, Sr., Barlow Foods, Rochester; Dan Coborn, Coborn's Inc., St. Cloud; Stephan C. Evans, Evans Supermarket, Detroit Lakes; William Farmer, Fairway Foods, Bloomington; Phil Nyberg, Fiesta Foods, Lake City; Gordon Anderson, Gordy's, Plymouth; Cheryl Wall, Soderquist's NEWMARKET, Soderville; Robin Thomas, SUPERVALU Stores, Minneapolis.

Missouri: Donald Woods, Jr., Woods Super Market, Bolivar; Glen Woody, Glen's Supermarket, Forsyth; Doug Gerad, Country Mart, Branson;

Nebraska: Richard Juro, No Frills Supermarket, Omaha; Terry Olsen, United A.G. Cooperative, Omaha; John Hanson, Sixth Street Food Stores, North Platte;

Nevada: Joey Scolari, Scolari's Warehouse Markets, Reno;

New Hampshire: Herve Samson, Sam's Supermarket, Whitefield; Charles Butson, Butson's Supermarkets, Woodsville;

New Jersey: Leonard Sitar, Shop Rite of Carteret, Carteret; Mark Laurenti, Shop-Rite of Pennington, Hamilton Square, Jerry Yaguda, Wakefern Food Corporation, Edison;

New Mexico: Martin Romine, California Supermarkets, Gallup; Joseph Cooper, Cooper's Thriftway, Tucumcari;

New York: Jerome Pawlak, Bells Food Center, Albion; James Robinson, Olean Wholesale Grocery Cooperative, Olean;

North Dakota: Wallace Joersz, Bill's Super Valu, Mandan; Richard Bronson, Bronson's Super Valu, Beulah; Dallas Krause, Krause Super Valu, Hazen; Marvin Erdmann, SUPERVALU INC., Bismarck; Jack Leevers, Leevers Supermarkets, Devils Lake;

Ohio: Walter Churchill, Sr., Churchill's Super Markets, Sylaniva; Ronald Graff, Columbiana Foods, Boardman; James Stoll, Bag-n-Save Foods, Dover; Gregg Bowman, Bowman's Harvest Market, Lousiville; Stuart Mcardle, McArdlo's IGA Foodliner, Canton; Charlene McCormick, Leetonia IGA, Leetonia; David Sarno, Minit Mart, Canal Fulton; William Thompson, Thompson's IGA, Newcomerstown; Jack W. Partridge, Kroger Company, Cincinnati;

Oklahoma: Brenda Graham; Bill's Discount Foods, Tulsa; Richard Dixon, Bud's Family Foods, Tulsa; Gary Burhop, Fleming Companies, Oklahoma City; Tom Goodner, Goodner's Supermarket, Duncan; John Redwine II, John's IGA, Spiro; Bill Johnson, Johnson Foods, Muskogee; Steve Brown, Save-A-Stop, Oklahoma City;

Oregon: Gordon E. Smith, Vernonia Sentry Market, Vernonia; Orville Roth, Roth's Friendly Foodliners, Salem; Alan Jones, United Grocers, Milwaukie;

Pennsylvania: Christy Spoa, Sr., Save-A-Lot, Ellwood City; Christopher Michael, Associated Wholesalers, Robesonia; Earl Redner, Redner's Markets, Reading;

Tennessee: H. Dean Dickey, Giant Foods, Columbia; D. Edward McMillan, Food City Supermarkets, Knoxville;

Texas: Benny Cooper, Affiliated Foods, Amarilla; R.A. Brookshire, Brookshire Brothers, Lufkin; Hobert Joe, Continental Finer Foods, Houston; Richard Wong, Food 4 Less, Pasadena; David Davies, King Saver, Georgetown; Norm Pentecost, Pen Foods, San Antonia; Glen Holt, Thriftway Super Marker, Rotan;

Utah: G. Steven Allen, Allen's Super Save Markets, Orem; Kieth Barrett, Barrett's Foodtown, Salina; Daniel Parris, Dan's Foods, Salt Lake City; James Davis, Davis IGA Super Center, Vernal; Kenneth Macey, Macey's Salt Lake City;

Vermont: Michael Murphy, Shop & Save Food Markets, Johnsbury;

Virginia: Gene Bayne, Gene's Super Market, Richmond; Walter Grant, Camellia Food Stores, Norfolk; Donald Bennett, Richfood, Richmond;

Washington: Rober Croshaw, Bert's Red Apple Market, Seattle; Craig Cole, Brown & Cole Stores, Ferndale; Steve Herbison, URM Stores, Spokane; Donald Benson, Associated Grocers, Seattle; Robin Fuller, Fuller's Market Basket, Centralia;

West Virginia: David Milne, Morgan's Foodland, Kingwood;

Wisconsin: Robert Rougeau, Certoo, Madison; Richard Lambrecht, Consumers Cooperative Association, Eau Claire; Dean Erickson, Erickson's Diversified, Hudson; Fred Lange, Lange's Sentry Foods, Madison; Gerald Lestina, Roundy's, Inc., Milwaukee; James DeWees, Godfrey Company, Waukesha; Gail Omernick, Copps Distributing Company, Stevens Point; Jerome Baryenbruch, Hometown Supermarket, Spring Green; Thomas Fox, Schultz Sav-O-Stores, Sheboygan;

Wyoming: Gary Decker, Decker's Food Center, Gilette.

The following state associations are instrumental in coordinating information relative to the community service activities of their members:

California Grocers Association; Retail Grocers Association of Florida; Illinois Food Retailers Association; Iowa Grocers Association; Mid-Atlantic Food Dealers Association; Mid-America Grocers Association; Minnesota Grocers Association; Missouri Grocers Association; New Hampshire Retail Grocers Association; New Jersey Food Council; New Mexico Grocers Association; North Carolina Food Dealers Association; North Dakota Grocers Association; East Central Ohio Food Dealers Association; Ohio Grocers Association; Square Deal Association; Youngstown Area Grocers Association; Oklahoma Grocers Association; Association of Oregon Food Industries; Pennsylvania Food Merchants Association; Rocky Mountain Food Dealers Association of Houston; Texas Food Industry Association; Utah Food Industry Association; Vermont Grocers Association; Wisconsin Grocers Association.

Manufacturers: McCormick & Company, Inc.; Best Foods; Brown & Williamson Tobacco; Concord EFS; Classic Demos; Kraft Genera Foods; Nabisco Foods Group; Campbell Soup Company; Coca-Cola Foods; Georgia-Pacific Corporation; RJ Reynolds Tobacco Company; General Mills, Inc.; Ralston Purina Company; Thomas J. Lipton, Inc.; Lever Brothers Company; Procter & Gamble Company; Borden, Inc.; H.J. Heinz Company; Kellogg U.S.A. Inc.; Nestle Food Company, Verifone Inc.; Shurfine-Central Corporation; Three Rivers Health & Safety Inc.; Weigh-Tronix, Inc.

"Grocers Care" awards recognize the involvement of the total retail food industry, grocers, wholesalers and manufacturers in community programs. A sampling of exemplary contributions includes:

A Healthy America—Participation in a single day sales support of "Grocers Fight Cancer," American Heart Association, American Diabetes Alert, Red Cross and other national charitable organizations where a percentage of sales are donated;

Programs to shelter and feed the homeless and hungry;

Fitness programs and support in planning activities as well as supplying healthy food;

Senior citizen assistance;

A Proud America—Support of patriotic national holidays in parades, picnic supplies, promotion;

Voter registration campaigns;

Sports tournaments in support of charitable organizations as well as local hospitals, fire, and police departments;

Contributions of time, funds, and buildings in support of the performing arts;

Boy and Girl Scouts, Little and Lassie Leagues, and other sports program sponsorships.

A Clean America—Environmental commitments from the manufacturing and packaging process, to recycling at the store level, to instituting local recycling program;

Environmental campaigns in support of the "Keep America Beautiful" program;

Reading programs to fight illiteracy, local educational commitments through scholarships, percentages of sales contributions, and computers for students programs.•

REGARDING: TONNI M. TENUTA

• Mr. McCAIN. Mr. President, I was extremely pleased to hear from the James Madison Memorial Fellowship Foundation of Washington, DC, about the selection of Tonni M. Tenuta being awarded a James Madison Fellowship. I would like to congratulate Tonni for being chosen for the fellowship.

Mr. President, this is an outstanding achievement for an Arizonan to receive and one I would like the Senator to take note of. The James Madison fellowships support the further study of American history by recent college graduates who aspire to become teachers of American history, American government, and social studies in the Nation's secondary schools. Mr. President, there is no finer goal than to teach the young men and women of the United States the history of their country.

Again, Mr. President, I would like to extend heartfelt congratulations to Tonni Tenuta for receiving the fellowship, and my best wishes for her continued success.•

SUMMIT OF FARM POLICY AND RURAL DEVELOPMENT

• Mr. BURNS. Mr. President, a little over a week ago, some of us sent a letter to President Clinton, asking that he convene a "summit of farm policy and rural development." Today, I rise to encourage my colleagues and President Clinton to join me in supporting this idea.

Many people in America may not think of agriculture as a business. But, one out of every six Americans helps produce our food and fiber. These agriculture producers allow people to pursue other jobs without even questioning where the food for their families is coming from. Agriculture is a business, and it is the largest business in my home State of Montana.

There is no doubt that over our country's history, farmers have been an essential part of our lives. While agriculture has been the backbone of our country, it is now in serious trouble. These troubles don't only affect farmers and ranchers, they affect entire communities—at risk are gas stations, feed suppliers, hardware stores, and even our local schools. Agriculture communities are fragile, and now is the time to sit down with policy leaders to design policies that will address the real problems.

Montana has an agriculture tradition that is second to none. Montanans realize we need to diversify our crops and we realize we will have to change in order to survive. Some of our policies have served our communities well, and others have actually caused more harm than good. However, there are many questions about what exactly is needed to maintain agriculture as a powerful force in Montana's economy and our Nation's economy. A summit to redefine our goals is a step in the right direction.•

S. 1113: TRAUMA CARE AMENDMENTS ACT OF 1993

• Mr. RIEGLE. Mr. President, I am speaking today in support of the Trauma Care Amendments Act of 1993. This bill amends title XII of the Public Health Service Act to reauthorize trauma care programs that I have supported for many years, and I would like to urge my colleagues to support this act.

The act will provide $25 million in funding for trauma care programs in fiscal year 1994, with continued funding until fiscal year 1996. The act also makes revisions to the program to include trauma patients on the trauma care systems advisory board and allow trauma systems to cross State boarders when regional systems are more appropriate than State systems.

I am an original supporter of the Trauma Care Systems Planning and Development Act of 1990 which encourages the development of regional trauma systems, and I supported the ADAMHA Reorganization Act which provides financial help to trauma care centers to ease their burden of providing uncompensated care.

I also requested a GAO study that examined the extent of and reasons for trauma care center closures in major urban areas, including Detroit, MI. The study, which was released in May 1991, documented that the primary reasons for closures were lack of payment by persons without insurance and low Medicaid reimbursement rates.

I continue to believe that funding for these programs is crucial, and I would like to commend Senator KENNEDY for his ongoing support for trauma care programs. These programs are essential components of our health care system, and I hope my colleagues will pass this act by unanimous consent.•

TRIBUTE TO DAWSON SPRINGS

• Mr. MCCONNELL. Mr. President, I rise today to pay tribute to the town of Dawson Springs in Hopkins County, KY.

Dawson Springs, a town with a population of 3,129 residents, is located on the Tradewater River in western Kentucky coal territory. Originally the site of a native American trading village, this tract of land was initially known by settlers as "Tradewater Bend." Although the arrival of the railroad in 1872 resulted in a new name, "Tradewater Station," the river continued to be the region's most identifiable characteristic. Only 2 years later the area was renamed once again, this time permanently. This final change in identification reflected the influence of the local Dawson family.

The dawn of the 20th century witnessed a golden age in the history of Dawson Springs. This time represented a renaissance of sorts in which the region welcomed dramatic growth and overall prosperity. Unfortunately, the onset of both World War I and World War II interrupted this development and significantly eroded the town's productivity. The demise of the railroad as the primary mode of transportation compounded Dawson Springs' dilemma.

One of the most admirable qualities of the Dawson Springs community has been its ability to withstand adversity over time. Despite the town's economic and psychological setbacks in the middle of this century, Dawson Springs has recently made a notable comeback. Today, this fine community boasts strong industrial relations with several large employers. At the same time, Dawson Springs has maintained the enviable qualities of a small town lifestyle. Revitalization has been accompanied by a spirit of preservation; the town's past success has been a source of inspiration and, predictably, a model for the future.

I commend Dawson Springs' resiliency and efforts to improve upon its already admirable progress. More importantly, I wish to praise those individuals who represent the backbone of this industrious and positive attitude that thrives in Dawson Springs.

Mr. President, I ask that a recent article from Louisville's Courier-Journal be printed in today's CONGRESSIONAL RECORD.

The article follows:

DAWSON SPRINGS

(By Beverly Bartlett)

Ninety years ago, the future couldn't have looked brighter for Dawson Springs.

The time now remembered as the "Spa Days" or "Water Days" had begun. People flocked by the hundreds, by the thousands even, to the tiny community to relax and to drink mineral water, which was purported to cure, among other things, "Stomach Troubles, diseased and inactive Liver, Constipation, diseases of Kidney and Bladder, Female Irregularities, Rheumatism, Gout, and the various forms of Nerve trouble and consequent Debility."

Some of them stayed in a new 150-room hotel whose name reflected its place in the city's promising future: The New Century.

And for the first few decades of this century, Dawson Springs thrived. At one point, it had 17 hotels, with an additional 60 boarding houses. There were restaurants and dance halls, and one man was said to have put his children through college by selling popcorn from a stand on a downtown street. The Pittsburgh Pirates held spring training there for a few years in the late teens.

But the world wars came, railroad traffic declined and the hotels began to close. Ultimately, in 1960, the last of the hotels, the three-story brick New Century, burned.

The fire still burns brightly in the local psyche.

"There are people in town who will tell you that was the end of Dawson," said Susan Mestan, a retired art teacher who works with the city's program to revitalize Main Street. "But that part of Dawson had essentially already ended."

It was not the only part of the city that ended then. About six months after the fire, the city's largest employer, Dawson Daylight Coal Co., closed. It was the sixth mine to close in the area that year. And the Veterans Administration announced it would close Outwood Hospital, a facility that had opened about 40 years earlier amidst much fanfare.

But Dawson Springs refused to die. In 1963, a headline on a Courier-Journal article about the town's recovery called it a "lively corpse." An industrial foundation, West Hopkins Industries, was formed and an industrial park established. The 800-acre Lake Beshear was created, providing water and recreation. The VA hospital was converted into a state facility for the mentally retarded.

The town, it appeared, had won the first battle. Or is it still being fought? There are new elements to the Dawson Springs story, a successful annual barbecue that for more than 40 years has cleared as much as $15,000 for the local community center, a small independent school district that the people are proud of; a city park with a pool and ball fields that belie the town's size; and a new Dawson Springs Museum and Arts Center, which operates with the help of about 60 volunteers and rotates Japanese art exhibits with historical exhibits from the water days.

An exhibit recently ended on Japanese paper, all supplied by curator Claude Holeman who collected Japanese woodprints while living for more than 30 years in Japan before retiring and coming home to Dawson Springs.

"People really like my Japanese things" he said. "And that's the only reason we have them here in Dawson Springs, because I'm here."

At times, residents sound as if they're still fighting the old battle. Their account of Dawson Springs is not unlike that portrayed in the "Lively Corpse" story from three decades ago.

West Hopkins Industries has been revitalized after a decade of inactivity, and two local manufacturing firms have responded by expanding.

But Dwight Seymore, Chamber of Commerce president and secretary-treasurer of the industrial foundation, says he thinks the past still looms large for people.

"It takes a little more effort to have lost something to regain it. . . .if you have no past you don't look to the past," he said.

"It may be hard to build again because people's expectations may be a little bit higher. People here seem to expect success a little quicker than it can realistically come, and some of other people feel it's useless—that there is no way we can get back to where we were. That's maybe true, but we may need to change directions."

And that is what Dawson Springs—a town with no stoplights and only one four-way stop—appears to have done. Mestan said community leaders wanted to have a Christmas parade, but soon realized that a town so small could never compete with the big floats seen in larger cities. They decided to have "mini" parade, where floats are made on lawn mowers and golf carts and to maintain a standard of excellence the city wouldn't be able to match if it tried to do as many full-sized floats.

And Seymore said the town has sprung to action in industrial relations, convincing one local manufacturer, Ottenheimer & Co., which was prepared to leave, to stay and to triple its employment. Labor and management officials at another local manufacturer, Buckhorn Corp., initiated a countywide committee to work on the perception that Hopkins County is a union stronghold, a reputation that can make recruiting new industry difficult.

Meanwhile, they continue to carry the past. It is seen in the trials and tribulations of a local bottling company, which someone periodically plans to reopen. And it is seen in more intangible ways in their lives.

Mestan remembers the well-educated and well-traveled doctor and X-ray technicians who worked at Outwood, befriending her parents and forming a small fine-arts group.

"It certainly affected my life," said Mestan. "I don't think a lot of people realized how much it affected the community. . . . I don't know if I would have majored in art in college if I didn't know them."

Now, the "new" century has gotten old and the dawn of a new millennium peeks over the horizon. One small hotel that was built in the '40s has been completely refurbished. The 12 rooms include a couple of suites.

Shirley Rambo manages the place and lives there with her husband, Jack, who looks after it when she's out.

"I got laid off from the coal mines," said Jack Rambo, who says he suffers from black lung and a bad knee. "We had no money, so my wife had to have a job."

He and his wife are obviously proud of the new Springs Inn, as is the whole town. They talk about it a lot. But Jack Rambo remembers a Dawson Springs in which the opening of a 12-unit motel wouldn't have been big news.

"Dawson was a boom town. I can remember when you couldn't walk up the streets of Dawson without pushing and shoving," he says. He claims Roy Rogers and Gene Autry were among the visitors.

"My grandkids, I tell them about it and they just can't hardly believe. Of course, they realize I'm not lying but they just can't really believe people like that came to town."

Mayor Raymond Thomason, who recently lost a re-election bid, also remembers the days of crowded sidewalks and says, "We had a better town then."

Some people say they like the quiet friendliness of the Dawson of today, but Thomason says that "if you live here, it's not all that friendly. You have all the cliques here and there." He pauses. "You'll have me run out of town with that."

Still, Thomason, who has lived in Dawson Springs all of his adult life except for the time he was studying at the Academy of Fine Arts in Chicago, is proud of the town and proud of the way it looks now, with 25 dilapidated old homes being torn down during the last four years and much progress made in cleaning up junk and litter. Thomason says he helped the owners of one old home negotiate a deal with a neighboring church, so the house could make way for a parking lot. Now "it's one of the nicest parking lots you ever saw," he says.

That is part of Dawson Springs now, the part of a person happy with a nice parking lot of a museum that is simply better than what anyone would expect to find, a parade that is the best of its own particular class.

But there is another part of Dawson Springs that longs for something more. Rambo, for example, waits for a day in which people will once again seek out the waters of Dawson Springs.

"This might sound silly," he said. "But I remember growing up, people coming into town on trains in wheelchairs and I saw them walk out. I don't know what was doing it, if it was the water or the steam baths. A lot of people had arthritis. I think someday they'll come back. What happened is they stopped advertising."•

TEX RICKARD'S MINISTRY

• Mr. LEVIN. Mr. President, this Sunday the Reverend William Rickard of Mount Clemens, MI, will be honored by hundreds of his parishioners at the time of his retirement. In acknowledgment the Reverend Rickard will be elevated to permanent emeritus status within the United Methodist Church. I am honored to congratulate Reverend Rickard as his friends and family celebrate his 48 years of service to the people of Michigan.

Reverend Rickard's life reflects in many ways the diversity and development of 20-century Michigan. He was born in Houghton, in the copper country of the upper peninsula in 1921, and raised in Mount Clemens near the booming auto industry. He attended Mount Clemens High School and later graduated from Albion College in 1943, the first member of his family to attend college.

His is also a story of service. Nearly a half century of serving congregations in Midland, Saginaw, throughout the Port Huron District, Livonia, East Detroit, and finally, his boyhood congregation in Mount Clemens. He spent 12 years on the board of his alma mater, Albion College, and 16 years on the United Methodist Board of Ministries.

Mr. President, William Rickard has touched peoples' lives and made our corner of the world in Michigan a better place. I join his countless friends and admirers in offering my warm congratulations to him and to his wife, Mary, who has worked so closely with him throughout his ministry. His life has made a difference, and the people of Michigan have been the beneficiaries of his long and fruitful ministry.•

LINCOLN JUNIOR HIGH ENVIRONMENTAL CLUB

• Mr. SIMON. Mr. President, today I am proud to recognize the Lincoln Junior High Environmental Club from Park Ridge, IL for its local and global efforts on behalf of a cleaner environment.

The Lincoln Junior High Environmental Club is made up of 66 students and 33 faculty members who have dedicated their time and energy to protecting and preserving the environment. Mr. President, I find this very encouraging. Elected officials aren't the only ones who can bring about positive change.

Environmental Club members have taken on several innovative projects, including planting trees, providing environmentally conscious gifts to local and global causes, and adopting animals across the Nation. The Lincoln Junior High Environmental Club has also started a school recycling program, written legislators on national environmental issues, and educated the public on the environment through books, videos, and displays.

If we are to clean up our air and water, more people have to get involved, both in our country and around the world. By working together, Mr. President, we can make our planet safe for people and all species of animals. The continuing efforts of committed individuals and groups, such as the Lincoln Junior High Environmental Club, are vital to our pursuit of a better world, and I salute their commitment.•

INCREASED EMPLOYMENT OPPORTUNITIES FOR AMERICANS LIVING ABROAD

• Mr. ROCKEFELLER. Mr. President, almost 2 years ago, in July, 1991, I came to this Chamber to introduce legislation to eliminate employment discrimination against Americans by the U.S. State Department and the other U.S. foreign affairs agencies. At that time, Americans—and only Americans, because they were Americans were prohibited from applying for local-hire positions in U.S. Embassies and consulates. It was deplorable that U.S. Government agencies discriminated against potential employees in these nonsensitive positions on the basis of nationality. The fact that they discriminated against only U.S. citizens was simply ridiculous.

The State Department told me 2 years ago that the discrimination existed because the Foreign Service Act of 1980 did not give foreign affairs agencies the authority to hire Americans residing abroad under the compensation plans used to pay other employees in local-hire positions. My amendment, which was drafted with the advice and cooperation of the State Department, gave the foreign affairs agencies that authority. The amendment was approved by the Congress and was signed into law in October 1991.

Mr. President, I am very pleased to announce that earlier this month the State Department finally implemented that amendment. As a result, some 10,000 jobs in American diplomatic and consular missions have been opened to American citizens. These jobs range from well paid professional positions, such as economists, librarians, and computer technicians, to entry-level support positions such as receptionists, drivers, and building maintenance personnel. To be hired, Americans living abroad, like other applicants, will have to meet the qualifications of the positions. These usually include fluency in the local language as well as in English, and often include an intimate knowledge of the country's culture, its economy, and its political system.

During the almost 2 years since my amendment was introduced, I and members of my staff have had many exchanges with the officials of the State Department and the other foreign affairs agencies responsible for implementing this change in the law. I must confess that at times I was very frustrated with the repeated assurances that the law's implementation was imminent, only to witness months and months of further delay.

Through the efforts of the State Department's new leadership, we were able to reach agreement on the details of an employment program that takes into account both the spirit and the letter of my amendment. This agreement came when both sides acknowledged that ambiguities in other sections of the Foreign Service Act, sections we did not change 2 years ago, may maintain some elements of employment discrimination in the hiring of U.S. citizens residing abroad.

In my view, to eliminate this remaining potential discrimination Congress must modify the provisions of law that mandate that some groups of locally hired Americans be treated differently than other groups of locally hired Americans, and that all Americans be treated differently than other nationalities hired locally for the same positions. The State Department has offered to work with me on writing these amendments.

The major discriminatory provisions still contained in the Foreign Service Act of 1980 are a requirement that U.S. citizens who are family members of U.S. Government employees serve under limited appointments, while other U.S. citizens residing abroad and foreign nationals may be given career appointments, and a requirement that temporary appointments of U.S. citizens residing abroad be limited to 5 years while temporary appointments of U.S. citizens who are family members of U.S. Government employees have no such limit.

In addition, the Foreign Service Act needs to be amended to clarify that U.S. citizens hired locally, like other locally hired employees, are not eligible for the allowances granted to Foreign Service employees hired in the United States subject to assignment at anytime to anywhere in the world, and to clarify also that locally hired Americans are eligible for local employee benefits. Because the standards for eligibility are presently not clear, the State Department, in implementing my 1991 amendment, has decided to give only temporary appointments to U.S. citizens hired locally, because temporary appointees are clearly not eligible for the Foreign Service allowances. The Department's decision to provide only temporary appointments, however, deprives these U.S. citizens of some standard employee benefits, such as retirement and health care programs, to which non-U.S. citizens in the same positions are entitled.

The Department's decision to pay all locally hired U.S. citizens under a U.S.-based pay schedule also creates the potential for discrimination because in many cases this pay schedule is below local salary rates overseas. Thus, in some countries the U.S. Government will pay U.S. citizens less than it pays citizens of other countries in an identical job. This certainly does not seem to me to meet the American fairness standard of equal pay for equal work. Like the other remaining problems, this can be fixed by technical amendments to the Foreign Service Act.

Mr. President, almost 2 years ago, I sought the Senate's approval of my proposal to open all locally hired jobs in U.S. Embassies and consulates to U.S. citizens. Thanks to the efforts of the State Department's new leadership, the law we enacted in 1991 has now been implemented. The elimination this month of the discriminatory hiring practices that our Government practiced in its overseas posts is a real landmark.

By creating new jobs and economic opportunities for the more than 3 million Americans who currently reside outside the United States, this program will begin to restore equity for an important group of citizens we have too often forgotten. These are people with strong ties in this country, just like the rest of us. Often they are abroad because members of their family work for American companies. Their presence abroad contributes to our Nation's economic wellbeing and to our national security. In their daily lives, they already represent the United States abroad. Now they can do that also by working for the U.S. Government.

However, as I indicated, this progress—as important as it is—is not all the change that is needed. With the continued cooperation of the State Department's new leadership, I hope the other amendments to the Foreign Service Act to eliminate the remaining elements of employment discrimination can be enacted this year. With the support of my colleagues here and those in the other body, the U.S. Government can give fuller recognition to the rights of American citizens living abroad.●

PEOPLE HELPING PEOPLE

● Mr. SIMON. Mr. President, I rise with pride today to recognize Ms. Marcella Oloffson of Manlius, IL, and her neighbors, for their commitment to their community.

Manlius, IL, is a small town of about 400 people. These are people who know each other and who came together recently to help several of their own who had fallen on hard times.

Ms. Oloffson, incited by photographs and news of her neighbors in need, organized a benefit called "People Helping People." Together with help from the local Lions Club, the Manlius Fun Day Committee, and the entire staff of the First National Bank of Manlius, Oloffson and her neighbors organized events, for People Helping People Day on June 5. Proceeds from the benefit went to the three families in the area struggling with medical bills.

Everyone in Manlius who contributed to People Helping People possesses the caring commitment and pride in their town that make up strong communities. By working to help their neighbors, the people of Manlius offer a positive example to all citizens.

As we all know, Mr. President, caring about our community and our neighbors, is crucial to the preservation and well-being of our society. I am proud to recognize Marcella Oloffson and the citizens of Manlius from my State of Illinois who are so committed to a better future for the members of their community.●

WYOMING COAL INFORMATION COMMITTEE'S SCHOLARSHIP PROGRAM

Mr. WALLOP. Mr. President, today I would like to commend four outstanding students who won top honors in the Wyoming Coal Information Committee's annual essay scholarship program. Brent Prosser of Cheyenne took first place with his outstanding and informative essay, winning $2,000. The runner-up winners included L. Tim Tysdal of Newcastle, Vanessa Hill of Encampment, and Janna Reinhart of Casper who will all receive $500 scholarships.

A total of 46 young adults competed from all over the State of Wyoming. To qualify, each of these students combined creativity and facts writing essays entitled "Wyoming Coal—Revenues, Resources and Jobs for the State and Its Citizens."

This Wyoming Coal Information Committee's essay scholarship program offers the opportunity for youth to understand the coal industry and coal's contributions to the State's economy and environment. All of the top essayists wrote excellent pieces focusing on how the industry benefits each and every person in Wyoming through tax revenues that fund schools, roads, and other vital services. Winner Brent Prosser, for example, pointed out that coal contributes to the State an amount equal to $560 per Wyoming resident, while runner-up Vanessa Hill noted that each job at a coal mine produces the need for more than two jobs in surrounding communities. Tim Tysdal wrote that the industry has a minimal impact on the environment since the State's 29 coal mines use only about 8 square miles of Wyoming's 97,000 square mile land base. Janna Reinhart summed things up by noting that coal is more than just a source of heat and energy in Wyoming, it is an integral part of everyday life. In short, each student did an outstanding job illustrating the contributions coal has made to our State's economy and environment.

Each of the scholarship recipients has a bright future on the horizon. Prosser plans to attend Creighton University studying premed, Reinhart and Tysdale will enter the University of Wyoming and Hill plans to go to Colorado State University.

I commend the Wyoming Coal Information Committee for providing scholarships that will undoubtedly encourage students become the powerful leaders who will shape our future, and I congratulate each of these students on writing articulate and thoughtful essays. I ask that the essays be printed following these remarks.

The essays are as follows:

WYOMING COAL—REVENUES, RESOURCES, AND JOBS FOR THE STATE AND ITS CITIZENS

(By Brent Prosser, Grand Prize Winner, Cheyenne East High School)

At one time, Wyoming was far different from the dryland prairie that we know today. Millions of years ago, it was a wet marshland with thousands of different species of vegetation growing and thriving in the fertile soil. Time has gone by, and these organic plants have all died and have been covered with tons of soil, sediment and other materials. Slowly, these plants became compressed over such a long time that their remains became solely what we know as carbon, the element that came from the photosynthesis carried on by these plants. This carbon is now what we refer to as coal, one of the most important industries in the state of Wyoming.

The first Wyoming coal mine opened in 1869. At that time, most coal that was produced was used mainly for heating purposes. For many years, especially in the 1920's, all of Wyoming's mines were located underground, producing fully 10 million tons of usable coal per year since 1945. The coal industry brought many people to Wyoming from all over the country, sprouting many small towns throughout the state. Some of the earliest mines were found near Sheridan, starting as early as 1893, Newcastle in 1890, and Kemmerer in 1897; references were being made to coal as early as 1891 in Sheridan, and records of Union Pacific coal shipments date back to as early as 1868 in some parts of Wyoming. At this time, there was no machinery in use and all the coal that was mined was brought up through vertical shafts using mostly horses and mules. Deaths of workers (which included many immigrants) were common, both at the coal mine and at the local saloon. Motorized mines started to appear as early as 1901 (The first electricity in Sheridan, for example, was put in place in 1893). From here on out, the industry of coal mining blossomed into an enterprise unparalleled by any other in the state.

Many things have changed since the early days of coal mining, and the most obvious factors are amount produced and cost. In 1991, coal production rose to 193,863,806 tons, more than 27 million tons more than number two West Virginia, and 37 million tons more than number three Kentucky. This 1991 figure is also seven million tons more than 1990. While coal production has steadily increased in Wyoming over the past decades, it is expected to drop by 1.5% in 1992, picking up again in 1993 until 1995 when it is expected that Wyoming will finally be producing over 200 million tons of coal per year.

Coal prices have been falling in the U.S. ever since they peaked in 1982–83. Even though this is true, coal still produced $256.3 million in tax revenue for Wyoming in 1991; three sales of federal coal tracts will also add $87.7 million to the state coffers over the next five years. This is very beneficial for Wyoming, especially since over $30 million will go to Wyoming's schools and another $19 million will go to the state's highways. In fact, the amount of money received from the coal industry will total $560 for every person currently living in Wyoming.

Wyoming coal is some of the cleanest burning fuel in the world. Bituminous and subbituminous, the two most common types of coal in Wyoming, contain less BTU's (British Thermal Units) per pound than the older anthracite, which is not found in Wyoming, but these two Wyoming types do have a low sulfur content, making it environmentally desirable. The recently passed Clean Air Act puts limits on the amount of sulfur that can be contained in utilized coal because sulfur is a known pollutant. This makes our coal more advantageous because it meets federal regulations while also containing more BTU's than the cleaner lignite. Also, most Wyoming coal contains only 16 to 18 percent moisture. The highest moisture content is found in Powder River Basin, containing as much as 30 percent water; consequently, this coal has the lowest price.

The direct payroll of the coal industry indicates that 4,663 Wyoming residents were employed in 1991, computing an annual payroll of $224 million. This figure, though, fails to take in the full impact of the coal industry on Wyoming residents. A recent University of Wyoming study shows that approximately 19,000 total residents were employed in one fashion or another in 1991 by the coal industry, equating to an economic impact of over $2.7 billion contained entirely within the state of Wyoming. The large amounts of money produced by the coal industry have made such counties as Sweetwater and Campbell the wealthiest in the state.

It is estimated that 97% of all coal produced from Wyoming mines goes to producing electricity in 32 states and four nations. The current method uses coal to heat steam which turns turbines which in turn power generators, bringing electricity to our homes. This process, while being the most widely used, had come under much attack lately because of the role it plays in air pollution. In answer to this, the industry has devised three new methods that produce energy without as many environmental side-effects. One method uses particles suspended in steam to react with the coal, thus heating the boiler for the steam generator more efficiently while avoiding the undesired pollutants. One of the most recent methods that is still being investigated is the combined-cycle systems. This method uses the cleaner coal gas to power a turbine. The exhausts from this are in turn used to heat water which forms steam to drive a secondary generator, resulting in more electricity with less by-products that can cause pollution.

Chances are that if you were to drive by a surface coal mine, you probably wouldn't know it. That's because all of the surface coal mines are reclaimed after their purpose is served. The Department of Environmental Quality's Land Quality Division enforces mine regulations for reclamation. In Wyoming, these regulations are followed perfectly, and often reclamation of coal mines results in natural land that is better than it was before. This allows for new vegetation as well as giving more wildlife a chance to survive and thrive on newly reclaimed lands. It is important to note that reclamation is required mostly for surface mines; the numerous "deep" mines in Wyoming do not require it.

While all land is reclaimed after a mining expedition, it is interesting that only .008% of the total land area of Wyoming is disturbed and reclaimed yearly. That means that barely 5,000 new acres of land account for billions of dollars for the state.

It can be said that the coal industry for Wyoming started millions of years ago with early vegetation, but has, in the last century, accounted for billions of dollars and thousands of jobs for the state and its citizens. Wyoming produces a relatively clean coal, and the environment is always a serious consideration. When the amount of money and jobs are weighed against the pollution and damage that coal creates, it's obvious that the Wyoming coal industry is one of the most beneficial institutions in the whole state.

WYOMING COAL—REVENUES, RESOURCES AND JOBS FOR THE STATE AND ITS CITIZENS

(By Tim Tysdal, Runner Up, Newcastle High School)

For a whole week Grandfather and Grandson had been planning a trip to the horse races, to see three mighty steeds perform. The steeds were known to some as Magic Mineral, Buried Sunshine and Black Diamond. On the edge of their seats with excitement, observers watched the three horses accelerate around the bend, heard the thundering of hooves, noticed their efficient strides, and the economical use of determination. Propelled by throbbing hearts, generously pumping life throughout a finely-tuned, complex network of mind and muscle, they boldly charged to the finish line. A three-way tie provided the enthusiastic crowd with spirit and a sense of pride.

Energetically Grandfather said, "This is just like coal mining."

Puzzled Grandson asked, "How so."

Grandfather replied, "These three steeds Magic Mineral, Buried Sunshine, and Black Diamond are all the same name for the substance referred to as coal."

Coal is a magic part of Wyoming's backbone. As common to most as butter and toast, Wyoming sells coal from coast to coast, and beyond. It fills domestic needs as well as providing countries like Japan, Spain, Canada, and Mexico with high grade coal for everyday use. As we accelerate around the bend of a new century, Wyoming is leading the charge with 29 coal mines located in seven counties. Their combined efforts fill the coal market with 189.5 million tons, one-fifth of the United States' total annual production of 983.7 million tons.

Just as the thoroughbred's hooves thunder across the racetrack, Wyoming's coal mines leave a small hoof print in the enormous seams of coal: 25 billion tons of accessible coal and an estimated 1.5 trillion tons of reserves. This amount of coal provides jobs for 4600 people directly, and many more times that indirectly, as other businesses thrive from their influence.

"How is that?" asked Grandson.

Grandfather, thinking, said, "Well, look around this race track and grandstands."

"What? I do not see any piles of coal," replied Grandson.

"No, no you're looking for coal directly. Over there, do you see that young lady, for instance—the one you've been eyeing?"

Bashfully Grandson said, "Yes."

"The cosmetics on her face, the pleasant perfume, and the nylons on her legs are all coal by-products."

"Wow! I have never seen coal look so good!" said Grandson. "Where else?"

"See that gentleman using his pencil? It is probably made from coal. Those tires on that pickup and the records providing music being played are all made from coal. The ink on our programs and the programs themselves, the paint on the barns and fences are all made from coal."

Grandson replied, "I thought coal was just for heat and cooking in homes."

Grandfather replied, "It is, and the linoleum on the floor, the ammonia in refrigerators to keep them cold. It is also in the dishes we eat from, the vitamins we take in the morning. . . ."

"Slow down, Grandfather. I am getting a headache!"

"Well, here. Take some aspirin. It is made from coal well."

"I see why those coal miners are wealthy," replied Grandson.

"You're thinking of direct production again. Because those miners put in long hours, they receive higher wages: $924 dollars a week; but we also receive from them money for projects like schools, highways, water development, and a general fund for the state of Wyoming," Grandson said.

"Well, I bet the coal mines are larger than life and coal is as expensive as diamonds."

"Actually coal sells for about eight dollars a ton on the average. The cost of coal is determined by the quality, government-imposed costs, marketing conditions, and production costs. Since the United States has an abundance of coal Wyoming sells on a buyer's market. Up to half the price received is used to pay government-imposed taxes. The other half is used for a payroll of approximately $224 million, also land leases, workers' compensation, royalties, and taxes. The state receives seventy-four million dollars in coal royalties on federal leases. These royalties provide the finest education for children of all ages, from kindergarten to college. The money pays school personnel and buys supplies like computers, desks, and books on all levels.

"Wow! The coal mines sound generous," said Grandson.

"Yes, they even manage to set aside funds for college educations in the form of scholarships. As for their size, only 5000 acres of new land a year are used by the twenty-nine mines combined. That's less than eight square miles of Wyoming's 96,989 square miles. Some of this land also encompasses the livestock producers who benefit from a second income provided by coal leases. This income makes their livestock healthier and of better quality for our consumers. As you can see, coal provides an abundance of jobs and revenues for Wyoming's people in all areas. One aspect that is oftentimes overlooked is reclamation."

"Reclamation?" replied Grandson.

"Sure. That's the replacing of topsoil, dirt, and rocks, back to the way they were, in as good or better shape than before the mining. This is required by law for the protection of land, air, and water. In Wyoming, coal mines operate under permits issued by the state to insure a healthy environment for all inhabitants," said Grandfather.

Curiously, Grandson asked, "Why do people want Wyoming coal, and how do they get it?"

Grandfather replied, "97.4% of Wyoming coal is used to produce electricity, and 93% of Wyoming coal is shipped by railroad. The buyers want the coal because of its high BTU heat energy and its low sulfur content. This ratio allows people to enjoy warm heat and clean air. By encompassing the railroads, Wyoming provides yet another means of jobs."

Grandson replied, "I see how you can compare coal mining to horse racing. Wyoming coal is like the heart pumping life into homes and communities, which are the muscles of our country. The jobs are what bring us a healthy life style and our nation's people are the mind controlling the mighty racing steed in the coal world, as well as our world."

Grandfather exclaimed, "Now you've got it!"

WYOMING COAL—REVENUES, RESOURCES AND JOBS FOR THE STATE AND ITS CITIZENS

(Vanessa Hill, Runner Up, Encampment High School)

Black gold! Being originally from Texas, this was the term I heard used there to describe crude oil. After living in Wyoming for four years, I now know that the same term could be used to describe coal. Were it not for coal production, Wyoming would have the dubious distinction of being one of the poorest states in the nation.

Misinformed Wyoming citizens say, "Our state should not be so dependent on the mineral industry, we should develop tourism to take the place of the mining industry." In the calendar year 1991, Wyoming coal's contribution to the state was $180,000,000 in severance taxes, ad valorem taxes, property taxes, sales and use taxes, plus $74,000,000, the state's one-half of the federal mineral royalty. This makes a total of $254,000,000 that Wyoming coal generated in revenue to the state in 1991. By comparison, the Wyoming Tourist Commission estimates that state and local governments received $178,000,000 in revenue from tourism is 1991. It must be noted that the dollars generated from coal are actual, while tourism's contributions are estimated. The people of Wyoming should be thankful for our mineral industries, especially coal!

Wyoming is the nation's largest coal producing state. In 1991, the state established another record for coal production, 194 million tons, well ahead of Kentucky and West Virginia.

Most of the coal produced in Wyoming is burned by power plants to produce electricity. Although some coal is used by power plants in Wyoming, most is shipped by train to utilities in the midwest and south. Wyoming coal is low in sulfur content, which helps power plants to comply with current clean air standards.

Coal produced in Wyoming is competitively priced because most is found in thick beds close to the surface, with relatively level terrain, and large deposits in given areas. Also, the mines use efficient mining methods and gigantic mining equipment.

Wyoming is third in the nation in proven coal reserves, ranking behind Montana and Illinois. The 70 billion tons of reserves in Wyoming would be enough to last 360 years at current production levels. In addition, Wyoming has 885 billion tons of coal, not now counted as reserves, at depths down to 6000 feet. Ever improving technology could allow it to be used by future generations.

When mining was in its infancy, no one was aware of the need to consider the environment, so mining was not clean and acquired a bad reputation. Reclamation laws developed by the state and coal mining interests now ensure that after the coal has been removed, the land will be as good or better than it was before. Plans for reclamation must be made before mining begins, and takes into consideration restoring wildlife habitats and native vegetation. The land is contoured as nearly as possible to its original topography. Reclamation does not wait until mining is complete, but progresses continuously as part of the mining operation. The mined area is backfilled with the spoils taken from on top of the coal to be mined next. The topsoil is saved and placed on top of the reclaimed area, which is then replanted in native vegetation. Cattle and wildlife can be seen grazing contentedly in an area that a short time ago was a gaping hole in the ground.

We often think of resources as just the proven reserves of oil or minerals, overlooking the importance of people resources. Management and key personnel of coal mining companies seem to always be involved in community affairs, giving much more than just tax dollars and jobs to the area.

In 1991, Wyoming coal provided jobs for over 4600 miners, with a direct payroll totaling over $200,000,000. Each job at a coal mine produces the need for more than two jobs in the surrounding communities.

Support industries are a vital part of the impact of Wyoming coal. They provide services essential to the operation of the mines. Mining would be impossible without fuel, oil, supplies, equipment, and explosives. There are engineers, consultants, construction contractors, and welding contractors. State-of-the-art communications systems are necessary along with computerized accounting and data processing.

These support companies provide a necessary serviçe to the mines, but also provide high paying jobs and strengthen the state's tax base. As with the coal mines, each job in these support industries creates jobs in companies that provide goods and services to them. These people all pay various taxes and contribute to the vitality of the community.

Wyoming citizens that do not live near a coal mine are also beneficiaries of Wyoming coal. Tax revenues from coal is the backbone of support for most state services. Public education, water development, roads and highways all benefit from taxes paid by the coal industry.

Economic development is necessary for the well being of Wyoming, but many people live in the state because of the sparse population and clean environment. Wyoming coal allows us to have large state revenues supplied with money coming from other states. Coal mining produces this revenue with a relatively small number of people for the tax dollars and payroll generated. Wyoming citizens get the benefits without having to provide the infrastructure associated with most industrialized, heavily populated states. Coal truly is Wyoming's black gold!

COAL, WYOMING'S PRIDE

(Janna Reinhart, Runner Up, Kelly Walsh High School, Casper)

The *Random House Dictionary of the English Language* defines coal as "a black or dark brown combustible material substance consisting of carbonized vegetable matter, used as a fuel." This definition is incomplete, however, because there is much more to this fossil fuel than can be written in a few sentences. Called "the black gold of the future," coal provides jobs, energy, revenue, and much more to the people of Wyoming.

Coal is the most abundant fuel in the United States, generating ten times as much energy as oil and gas combined. It produces almost fifty percent of the electricity used in America each year. It is used in the manufacturing of steel, concrete and paper. Some of coal's byproducts include plastics, paints, cosmetics, and pharmaceuticals. It also supports other industries: seventy-five percent of coal is transported by rail, making it the railroad's biggest customer.

The mining of coal is an expensive and time-consuming process. Coal can be mined by two different methods: underground and surface. The majority of coal mines in Wyoming are surface mines. This is because there is easy access to thick mineral deposits under forty-one percent of the state's surface. For this reason, Wyoming coal is more economically feasible to produce than coal in other areas.

Since the coal is relatively easy to get to, Wyoming is the leading producer of coal in the nation. During the week ending February 27, 1993, mining yielded four million tons of usable coal. Other sources are as far as 2,000 miles away, so this coal benefits not only Wyoming, but neighboring states as well.

Coal is the direct source of at least 4,500 jobs in Wyoming. It provides light and heat for homes. Its energy also supplies the state's power plants and trona, beet sugar, cement, and phosphate industries.

Besides directly supporting the people of Wyoming with employment, the coal industry fosters government programs by the taxes it pays each year. In 1989, coal companies paid over $169,000,000 in taxes. These monies helped sustain many state programs: public schools, highways, community colleges, and water and sewer systems. Part of these taxes also go to Wyoming's Mineral Trust Fund, budget reserve account, and general fund. Since residents pay no income tax, the bulk of the tax burden is taken on by the state's large industries.

Of all of the coal mined in the United States, Wyoming's is friendliest to the environment because of its low sulfur content. Sulfur is a pollutant that contributes to poor air quality around the country and around the world. It is harmful to breathe, therefore the low percentage of it in Wyoming coal benefits the health of the people.

The coal from Wyoming companies also benefits the natural environment because the land is reclaimed after a mining operation has been completed. Diligent study goes into the plan for returning the surrounding area to its original state. Grasses, shrubs and trees are carefully studied and tested before they ever touch the actual soil. These mixtures must be exactly right in order to produce rapid reclamation and a hospitable habitat for wildlife and livestock. Often these sites end up better off than they were before the mining process began.

Wyoming's coal corporations provide more than just land beautification and financial support to its constituents. These companies are caring citizens, too. They maintain necessary public utilities like power and sewer systems. They work with the public to furnish community centers and homes. They also give assistance in teaching growing counties, towns, and cities to manage themselves and meet new demands for service.

The people who work for the coal companies are good citizens, too. They are neighbors and friends. They work hard and take pride in their accomplishments. They are the reason the coal mining industry is so successful in Wyoming. Without their industrious efforts, many homes across the state would be dark and cold.

Coal is not just a source of heat and energy to the people of Wyoming, it is an integral part of every day life. It provides employment, without which families would suffer. It supports important government programs: programs to educate children, keep our roads and highways safe, and maintain proper sanitation. It protects the environment, both by the low sulfur content of its product, and by its efforts to improve and beautify the land it uses.

Coal is a source of pride for many Wyoming residents. They take pride in the work the people have done to produce it, and they take pride in the national recognition the state receives as a result of their dedication.

The dictionary definition of this "black or dark brown combustible mineral substance" paints an incomplete picture. Coal is light, warmth, heat, jobs, travel, education, health, nature, friends, and family. Most of all, Wyoming coal is pride.●

GUN VIOLENCE AND AMERICA'S ATTITUDES

● Mr. SIMON. Mr. President, handgun violence involving America's children has reached epidemic proportions. The carefree days of childhood have been replaced by anxiety and fear. Schools, once a pillar of safety in the community, are no longer exempt from this senseless tragedy. Instead, students commonly witness shootouts in the confines of their classrooms. As a result, parents and teachers are forced to live in perpetual fear of the next violent outburst. This mind-numbing violence must be stopped.

In response to gun violence, the Joyce Foundation of Chicago recently funded a Louis Harris poll which examined the thoughts of the American people on gun-related violence and what Congress can do. The findings showed that 93 percent of adults see an increase in teenagers being killed by guns, while 8 in 10 feel that the problem of guns and young people has become a matter of urgency. The Harris poll also indicated that almost 90 percent of Americans support the Brady bill. Even National Rifle Association members support the bill by a margin of 2 to 1. A large portion of the population also supports a complete ban on handguns. While I may not agree with all of those polled, I am certainly encouraged that most Americans have taken notice and are supportive of congressional action to reduce the level of gun violence.

I would also like to point out recent editorials from both the Chicago Tribune and Chicago Sun-Times, which cite this study and urge immediate action. I am in full agreement, and stand wholeheartedly committed to working toward reducing the spiraling problem of gun violence.

I ask that both the press release detailing the study and the two editorials be printed in full in the RECORD.

The material follows:

THE JOYCE FOUNDATION NEWS RELEASE

A new survey by Louis Harris of LH Research shows increased support among Americans for measures to limit gun violence and a dramatic increase in concern about the impact of gun violence on the lives of American children.

According to the poll, which was funded by the Joyce Foundation of Chicago, 78% of adults believe that concerns over physical safety change the lives of children today. 77% believe young people's safety is endangered by there being so many guns around these days. Only 29% believe that most children are safe from violence in the schools.

"The American people have come to believe that the widespread possession of guns has created a pall of violence across the land that has engulfed the lives of children," Louis Harris observed. "Gun-related casualties among children, they believe, have become a major health hazard for the young."

In the same poll, Americans favor "a federal law banning the ownership of all handguns, except those given permission by a court of law" by a margin of 52–48%, with 5% undecided. The Brady bill has the support of the vast majority of Americans, by an 89–9% margin, with 2% undecided. Even NRA members support the Brady bill by a 2–1 margin. And Americans favor a law banning the sale of all automatic and semi-automatic guns by a 63–31% margin, with 6% undecided.

A striking number of Americans know children who have had experiences with gun injuries and deaths.

One in five parents say they have or know someone who has a child who was wounded or killed by another child who had a gun.

One in five parents knows a child "who was so worried that he or she got a gun for self-protection." That percentage rises to one in three for African-American parents.

One in six parents knows a child who was found playing with a gun that was loaded.

"The new data confirm that Americans are desperately concerned about how guns affect their children, and that's what we wanted to find out," said Joyce Foundation president Deborah Leff. "Parents say many of their children can't concentrate in school, that they're afraid to go outside, that their entire quality of life is lessened because there are so many guns out there. We have to find a way to put a stop to the killing and to focus on prevention."

The survey was prepared for the Harvard School of Public Health, which has a planning grant from the Joyce Foundation to develop strategies to reposition gun violence as a public health issue.

"The widespread proliferation of guns in a highly stressed society is a prescription for serious trouble. The key challenge facing the research community is to devise effective responses to a terrible problem that is tearing at the fabric of American society," said Dr. Jay Winsten. Associate Dean and Director of the Center for Health Communication at the Harvard School of Public Health.

"Researchers at the Harvard School of Public Health are leading major initiatives to identify factors that give rise to violence, to teach young people to resolve disputes without recourse to violence, and to develop strategies to prevent gun-related injuries and fatalities. The School's Center for Health Communication now is developing plans for a national mass communications program to focus public attention on effective strategies for reducing gun-related violence."

Other key findings of the poll are:

There has been a turnaround in the position of single issue voters. Previous polls have shown that people who said they would change their vote because of a candidate's position on guns were against gun control. Now, those single issue voters are gun control proponents by a significant margin * * * a margin that could cause a swing of 5 percent in a race where guns were a major issue.

Women feel far more strongly about limiting handguns than men. For example, 61% favor a handgun ban, compared with 42% of men. And they are much more likely as single issue voters to support pro-gun control candidates.

The number of households reporting ownership of a gun has declined from 45% in 1989 to 42% today * * * about 40 million homes. About ⅔ of gun-owning households possess at least one handgun. The survey estimates total handgun ownership in the United States at 49 million.

Only 44% of parents of children under 18 who own a gun keep that gun under lock and key.

The percentage of people who say they are NRA members has declined from 14% in 1987 to 7% today.

The LH Research survey of a nationwide cross-section of 1,250 adults aged 18 and over was conducted between April 3 and April 12, 1993. The margin of error is plus or minus 3%.

The Joyce Foundation, based in Chicago, has assets of $435 million and makes grants to nonprofit organizations that are located in or have programs that are important to the quality of life in the midwest. Its areas of concern are conservation, culture, economic development, education, elections reform, gun violence, and childhood immunization.

[From the Chicago Sun-Times, June 6, 1993]

BREAK MENACING CYCLE OF GUNS AND VIOLENCE

"Leaving for school is scary. You never know when you might get shot. You never know when someone might shoot at you out of a window. * * * No one seems to care about the children of the future."

Demetrius Jones, a student at Woodson North Elementary School, wrote those words in a contest sponsored by Hyde Park Bank. The bank asked children to write about city life.

Sean Williams of Beasley Academic Center wrote: "The houses in my neighborhood look so pretty, but I don't see my neighborhood much. I only go outside when I get in the car or go to school. I don't like my neighborhood because they shoot so much. They might shoot me."

From Gail Whitmore of Woodson South Elementary School comes: "In my neighborhood there is a lot of shooting and three people got shot. On the next day when I was going to school I saw a little stream of blood on the ground. One day after school me and my mother had to dodge bullets."

From the mouths of elementary school students comes the startling truth: Guns are no longer just a civil liberties issue. They are a leading cause of death among all Americans and a growing cause of death among children.

Of 844 people charged with murder in Chicago last year 377—or nearly 45 percent—were under the age of 21. More than 200 of their alleged victims were 11 to 20 years old.

Teens who once settled disputes with their fists now settle them with guns. Parents who wouldn't dream of harming their children leave loaded pistols in unlocked bedside drawers. Children who should be playing hide and seek instead are dodging bullets and wondering whether they will live to be 30.

The Joyce Foundation of Chicago opens its 1992 annual report with the writings of Demetrius, Sean and Gail. They're the reason the foundation is spending $260,000 to begin reframing the national debate on guns and violence.

The first phase, a national survey conducted by Louis Harris & Associates, shows the country is ready for change.

Consider these results, released Thursday by the foundation:

Three-quarters of the adults surveyed said they believe the safety of children is endangered by the proliferation of guns.

One in five parents knows a child who was wounded or killed by another child who had a gun.

One in three African-American parents knows a child "who was so worried that he or she got a gun for self-protection.

One in six parents knows a child who was found playing with a gun that was loaded.

The results don't surprise Dr. Katherine Kaufer Christoffel. A physician at Children's Memorial Hospital in Lincoln Park, Kaufer Christoffel has been fighting the proliferation of guns for years.

She doesn't understand why the rest of the country doesn't see this as a national epidemic. Polio was considered a national crisis in 1952, when 3,145 people died from that dreaded disease. But in 1990, 5,000 American children died of firearms injuries, and she has been one of the few people crying for change.

But concern over the proliferation of guns in America is growing. More than half of the survey participants said they support a total ban on handguns and two-thirds support a ban on automatic and semiautomatic weapons. A whopping 89 percent said they support the Brady Bill, which would require a seven-day waiting period for handgun purchases.

The percentage of people who identified themselves as NRA members declined from 14 percent in 1987 to just 7 percent today. Forty-two percent of the survey participants said they own a gun, down from 45 percent in 1989. If the survey results are accurate, the trend is refreshing.

The Joyce Foundation will turn over the results of the Harris poll to the Harvard School of Public Health, the group that created the highly successful "designated driver" public awareness campaign to curb drunken driving.

Jay A. Winsten, director of the Center of Health Communications at Harvard, believes there is the same potential for reframing the national debate on guns. Proponents want to recast firearms as a public health menace that average citizens abhor.

Chicago still is mourning the tragic loss of Dantrell Davis. Los Angeles still is reeling from the April, 1992, riots. The entire country still is puzzling over the weapons arsenal amassed by a lunatic in Waco, Texas.

The Joyce Foundation is onto something. Remember, just a few years ago the college student who volunteered to drink soda all night was considered a geek. Today, the designated driver is a hero who is universally lauded.

Dr. Kaufer Christoffel believes it will take five to 10 years to stop the killing of children. We can't afford to wait any longer.

The time is right.

[From the Chicago Tribune, June 8, 1993]

AMERICA: SCARED TO SOBRIETY ON GUNS

The American people are coming to realize that the United States is in the grip of an epidemic of violence spread from the barrels of guns, and they are scared.

Scared because children in many neighborhoods can't walk to school without worrying whether they'll be plugged in the back. Scared to the point that many elderly people no longer walk the streets in daytime, much less at night. Scared because once-safe neighborhoods are now dangerous. Scared because the notion of a "tough" neighborhood is now quaint; those neighborhoods have become free-fire zones.

That is the import of a new national poll prepared for the Harvard School of Public Health under a grant from the Joyce Foundation, and released last week. Conducted by Louis Harris, the survey of 1,250 adults shows the stunning impact guns have on everyday life in America—an impact that has coalesced a growing national consensus in favor of stronger, more effective gun control. Unfortunately, that consensus has yet to find expression in legislation.

Large majorities in the Harris poll said that the availability of guns has made their children more concerned about their safety in school and that their children have learned "to act tougher" to protect themselves. Nearly half said their children worry over the daily threat to their physical safety. Nearly one in five said they knew someone who had a child who was wounded or killed by another child with a gun.

These findings reflect the psychological impact of what the federal Centers for Disease Control and others increasingly refer to as the public health problem posed by gun violence. In just a few years, the CDC expects, firearms will surpass motor vehicle accidents as the leading cause of injury deaths in the nation. For some statistical groupings, it already has.

The Harris poll also found a clear political consensus developing in support of stringent, national gun control. Among adults, 89 percent favor passage of the Brady Bill, which would require a five-day waiting period for handgun purchases and encourage criminal background checks on prospective buyers. Significantly, even two of three respondents who said they were members of the National Rifle Association favored the Brady Bill.

The consensus goes further. The poll found 63 percent favor a federal ban on sale of automatic and semi-automatic guns. And sentiment for banning all handguns has shifted substantially, with 52 percent in favor now as opposed to 41 percent three years ago.

So with the public primed for action, where are the lawmakers? Congressional leaders haven't even scheduled the Brady Bill for committee hearings, even though

President Clinton has said he will sign it. Meanwhile, more stringent gun control measures are forced to wait until the Brady Bill comes to a vote.

Some say gun control will have to wait until after Congress considers the president's health care plan. In fact, gun control ought to be thought of as part of any serious health care agenda. Besides the human toll, the daily stream of firearms victims rushed to emergency rooms takes an enormous financial toll.

The Joyce Foundation is to be commended for its effort to focus attention on guns as a health issue. Congress, if it remains deaf to the deadly crack of gunfire in the streets, will have to be awakened by the drumbeat of public opinion.●

TRIBUTE TO FREDERICK ERWIN

● Mr. LIEBERMAN. Mr. President, I rise today to pay tribute to a dedicated broadcaster and good friend, Frederick Erwin.

Fred Erwin, who recently passed away at his home in Waterbury, CT, was general manager of radio stations WATR–AM and WWYZ–FM. His broadcasting career began in 1955 at WATR/WWYZ. In 1968, he was named general manager and held that position until his death after a long illness.

I am proud to have known Fred not only in his broadcasting role, but in his role as a leader of the Democratic Party in the Naugatuck Valley, and most important, as a very good friend. Fred Erwin was a man with a sense of humor that could brighten up the darkest days. He was an honest man who cared about his community. One of his most successful projects was the WATR Sunshine Fund which continues to give food and toys to needy families during the holidays. Fred was a man of conviction and faith and very active in the Immaculate Conception Church in Waterbury. He served in two wars, World War II and the Korean war, as well as in the Connecticut National Guard.

I last saw Fred on election day in 1992. We shared our thoughts about the high voter turnout in Connecticut on that day and the hopes that the day would be victorious for Democratic candidates in the State and across the country. We talked about the station and his hope for the future of broadcasting, including the technological innovations that had brought his small station into the 21st century.

Fred Erwin will be sadly missed by those in his immediate family; his wife, Patricia, his sons, daughters, and grandchildren, and by those of us in his larger, extended family, his friends and listeners. Those of us who knew Fred Erwin would best honor his memory by recalling the good old days and the lively discussions shared with a good friend who really cared about you. That friend was Fred Erwin. He will be deeply missed.●

ORDER OF PROCEDURE—S. 1134

Mr. MITCHELL. Madam President, I ask unanimous consent that when the Senate begins consideration of S. 1134, the reconciliation bill at 10 a.m. tomorrow, that the first 4 hours of consideration be for debate only equally divided in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

Mr. MITCHELL. Madam President, I ask unanimous consent that when the Senate completes today, it stand in recess until 9 am., Wednesday, June 23; that following the prayer, the Journal of proceedings be deemed approved to date; and the time for the two leaders reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes each; with the following Senators recognized for the time limits specified: Senators CHAFEE and LAUTENBERG for up to 15 minutes each and Senator GRAMM for up to 10 minutes; that at 10 a.m., the Senate proceed to S. 1134, as under the previous order.

The PRESIDING OFFICER. Without objection, it so ordered.

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. MITCHELL. Madam President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 8 p.m., recessed until Wednesday, June 23, 1993, at 9 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate June 18, 1993, under authority of the order of the Senate of January 5, 1993:

EXECUTIVE OFFICE OF THE PRESIDENT

ALAN S. BLINDER, OF NEW JERSEY, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS, VICE DAVID F. BRADFORD, RESIGNED.

JOSEPH E. STIGLITZ, OF CALIFORNIA, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS, VICE PAUL WONNACOTT, RESIGNED.

Executive nominations received by the Senate June 22, 1993:

SUPREME COURT OF THE UNITED STATES

RUTH BADER GINSBURG, OF NEW YORK, TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES, VICE BYRON R. WHITE, RETIRED.

DEPARTMENT OF STATE

ANDREW J. WINTER, OF NEW YORK, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF THE GAMBIA.

DAVID LAURENCE AARON, OF NEW YORK, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT, WITH THE RANK OF AMBASSADOR.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

G. EDWARD DESEVE, OF PENNSYLVANIA, TO BE CHIEF FINANCIAL OFFICER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. (NEW POSITION)

SUSAN GAFFNEY, OF VIRGINIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, VICE PAUL A. ADAMS, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE, TO THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTIONS 593, 8218, 8373, AND 8374, TITLE 10, UNITED STATES CODE:

To be brigadier general

COL. WILFRED HESSERT, [redacted] AIR NATIONAL GUARD OF THE UNITED STATES.

IN THE ARMY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JAMES D. STARLING [redacted] U.S. ARMY.

THE FOLLOWING-NAMED MEDICAL CORPS OFFICER FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624(C):

To be permanent brigadier general

COL. VERNON C. SPAULDING [redacted] U.S. ARMY.

IN THE NAVY

THE FOLLOWING-NAMED COMMANDER IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF CAPTAIN, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFORE AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICER

To be captain

JOHN FORREST SCHORK

THE FOLLOWING NAMED DISTINGUISHED NAVAL GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

TODD A. BRAYNARD
BRIAN P. EGGING
JEFFERY R. SPRINGBORN

THE FOLLOWING NAMED U.S. NAVY OFFICERS TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593:

JOHN G. BRADY
CAROL A. CAPLAN
THOMAS J. GELLER
MICHAEL R. GOLER
DAVID B. JONES
JACKIE R. MILLER
IVAN Y. PEACOCK
BRIAN L. PETERSON
THOMAS F.J. SHUEY
SUSAN S. WALKER

THE FOLLOWING NAMED U.S. NAVY OFFICERS TO BE APPOINTED PERMANENT COMMANDER IN THE DENTAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 593:

GREGORY J. HEISE
CHARLES L. KIMBERLY

HOUSE OF REPRESENTATIVES—*Tuesday, June 22, 1993*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O loving God, that our hearts grow in the spirit of thanksgiving and gratitude, the spirit that lifts us from the busy and cluttered moments of the day to see the grandeur and magnificence and splendor of every moment. We pray, O gracious God, that we will lift our vision to see more clearly the opportunities for service to others. May Your blessing, O God, which is new every morning, be with all Your people and may we so live our lives that we will find enthusiasm and strength to be faithful in the works of justice and good will. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Iowa [Mr. NUSSLE] please come forward and lead the House in the Pledge of Allegiance.

Mr. NUSSLE led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

CHICAGO BULLS BRING THREE-PEAT TO CITY OF CHAMPIONS±

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, I proudly rise today to congratulate the Chicago Bulls for their threepeat NBA championship victory Sunday night, which secured them a distinguished place in NBA history as one of the league's best teams of all time. For the first time in 27 years, and only the third time ever, an NBA champion took home the coveted crown 3 years in succession—an un-BULL-ievable feat in today's era of professional sports.

Throughout the playoffs, up until the final seconds ticked off the clock in Phoenix, the Chicago Bulls played with fiery spirit and determination. From Michael Jordan's incredible talent and leadership, Scottie Pippen's all-around solid play, B.J. Armstrong's three pointers, Horace Grant's unwavering will to win and, of course, John Paxson's game winning three-point play, the Bulls won what will go down in the annals of history as one of the most exciting final series in NBA history. With the strong play of Bill Cartwright, Stacey King, Scott Williams, Trent Tucker, Darrell Walker, Will Perdue, and Rodney McCray, under the masterful coaching of Phil Jackson and his staff, the Chicago Bulls proved that teamwork is the key to continued success.

Of course, Mr. Speaker, the Phoenix Suns also did a lot of great teamwork, and they are to be commended for playing masterfully.

But, the Chicago Bulls have established themselves as the NBA dynasty of the 1990's and have shown that Chicago is a "City of Champions." Mr. Speaker I look forward with excitement to seeing the Quad Squad back in action next year.

Mr. Speaker, I salute my Chicago Bulls.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair understands the enthusiasm of the gentlewoman from Illinois, but admonishes other Members that the wearing of hats on the floor of the House, even to doff them in honor of a very successful team, is not permitted under the House rules.

TAX FAIRNESS?

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, President Bill Clinton has consistently stressed the need for tax fairness. But I have some questions for the President about this term "tax fairness."

Is it fair to pass a tax which will hit not only the rich, but also the middle and lower classes? That is what the President's energy tax will do.

Is it fair to have a tax increase which will slow economic growth, kill jobs, and hurt the private sector? That is what the increase in the capital gains tax will do.

Is it fair to increase taxes on the elderly, some of whom struggle to make ends meet? That is what the Social Security tax will do.

Is this what the President means by tax fairness?

Mr. Speaker, Bill Clinton's version of tax fairness reminds me of Winston Churchill's definition of socialism: An equal sharing of misery.

I don't think anything is really fair about more misery.

CONGRATULATIONS TO JERRY ABRAMSON, NEW PRESIDENT OF THE U.S. CONFERENCE OF MAYORS

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, the U.S. Conference of Mayors is meeting in convention in New York City, and today will install as its new president the mayor of my hometown, Louisville, KY, Mayor Jerry Abramson. The mayor is finishing up his second term as mayor of our city and running for a third term virtually uncontested. I think this suggests the outstanding nature of his policies, many of which match President Clinton's with regard to economic development.

Mayor Abramson has been stalwart, and in the lead nationally, in urging enterprise zones for our communities, emphasizing the role of small business, emphasizing education and a trained work force, and emphasizing job training.

Mr. Speaker, I cannot think of any more important group for the future of America than the mayors of our Nation, and I cannot think of any better spokesperson for the mayors of the Nation than the mayor of Louisville, Mayor Jerry Abramson.

I wish the mayor every kind of good fortune and success in his tenure as head of the U.S. Conference of Mayors.

COUNT CLINTON

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, with President Clinton's blessing, Democrat Members of the other body have put together a tax package that will severely damage our economy, and small business will bear the brunt of the pain.

Small business is the most productive, most energetic, and most fragile part of our economy. If we do not allow the small businesses of our Nation to

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

prosper and grow, we will not have any economic growth. It is as simple as that.

Mr. Speaker, I continue to puzzle at how Members of this Congress can stand here and wring our hands about jobs and about the economy, and pass bills that make it virtually impossible for the private sector, and small business in particular, to prosper. If this bill is signed into law, it will be like Count Dracula to the entrepreneurs of this land. This bill will suck the life blood out of small businesses. It will increase the effective small business tax rate by more than 30 percent. It will cut capital expenses. It will increase the capital gains tax by 10 percent.

Mr. Speaker, we need to put a stake in the heart of this Count Dracula tax bill before it sucks the blood out of our small business sector.

APPROVAL OF PRESIDENT'S ECONOMIC PACKAGE WOULD SERVE NATIONAL INTEREST

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, in approving the President's budget, the House dismissed the special interests and it advanced the national interest by cutting the deficit and slicing spending.

Since the plan was introduced, favorable interest rates have propelled mortgage rates to a 20-year low. The economy is on-track.

The President's plan will cut the deficit by $500 billion and the American people know that national economic revitalization will not happen without substantial deficit reduction.

President Clinton's plan has $100 billion more in deficit reduction than any other plan submitted this year.

The President's plan contains more than 100 budget cuts and each one will reduce spending by more than $100 million.

Half of the $500 billion in deficit reduction comes from these spending cuts.

Mr. Speaker, this week the other body has a historic opportunity to support the President's plan. It can move forward with the largest deficit reduction plan in U.S. history or it can let special interests shackle the national interest.

The President's economic plan means real progress for America. It will translate into more jobs and a better future for our children.

I urge my colleagues in the other body to follow the House's example and to approve President Clinton's economic package.

AMERICA NEEDS JOBS, MIDDLE CLASS TAX CUTS, AND AFFORDABLE HEALTH CARE

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, as we move through our districts throughout this country, it becomes very, very clear that what this country needs is jobs, and to get the economy moving again. What this country needs are middle class tax cuts, and what this country needs is more affordable health care. These are the themes, ironically, called for by the President in his last campaign.

□ 1210

Tragically, what we are getting is a job-killing gas tax, a job-killing capital gains hike, tax increases on senior citizens and families, and massive tax hikes to finance socialized health care.

Mr. Speaker, I urge the President to return to his campaign theme, to his promises to cut Government spending and reinvent Government to make it serve more effectively the interests of the American people.

THE PRESIDENT HITS HIS STRIDE

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, President Clinton's agenda on Capitol Hill moves forward. His campaign finance reform plan, his national service plan, his Supreme Court nominee, and most importantly, by the end of this week, his reconciliation economic plan will have passed the Senate.

The other side has smoke and mirrors. They are speaking simply to be negative. They have no plan. They have a lot of town meetings and a lot of press conferences. But where is the Republican plan to cut the deficit and improve the economy?

Mr. Speaker, on June 1 unemployment dipped below 7 percent for the first time in the last 18 months. Interest rates continue to drop with mortgage rates staying at 20-year lows. New home sales hit a 7-year high in April, and 775,000 new jobs have been created since January.

Mr. Speaker, these factors point to the start of more confidence in the economy, and President Clinton should get credit for that.

If you've watched TV, listened to the radio or looked at a newspaper in the last couple of days, you would have seen the President talking straight to the people. The President is carrying a message that is factual and on target. He has proposed an economic plan that cuts the deficit by $500 billion, makes the rich pay their fair share, and forces us to make the tough choices we were elected to make.

It's clear—the other side has not joined the effort to get America going. Instead, they depend on the hollow politics of opposition—opposing the President's plan and refusing to make a serious, good-faith effort of their own. They can argue and grumble all they want. The fact of the matter is that they talk a great game but, so far, haven't even stepped onto the playing field.

Mr. Speaker, the American people expect more from us—and Bill Clinton is leading the way.

Mr. Speaker, these factors point to the start of more confidence in the economy. That means more jobs, higher wages, less inflation, and an increased opportunity for middle-class Americans to buy homes. Nobody doubts that we've got a long way to go but the numbers make the case—we're finally on our way.

PLAY BALL?

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BALLENGER. Mr. Speaker, it has been widely reported that small business will not fare well under Bill Clinton's plan to revive the economy.

According to some sources, since small business would not "play ball" with the Clinton administration, they are going to be punished with higher taxes and more regulations.

On several occasions in the past, President Clinton acknowledged the role small business plays in expanding economic growth.

But those days are over. Now, small business is to be punished for not playing ball with an administration that is going nowhere.

Small business will create more than three-quarters of all jobs in the next decade. If the Clinton administration continues to be hostile toward that sector of our economy, those jobs will not be created.

Mr. Speaker, it is silly for the President to punish small business for not playing ball with his economic plan. If he wants really wants more jobs, he should listen to small business, not punish them.

FAST TRACK FOR URUGUAY ROUND OF GATT

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, the vote today on extending the deadline for fast-track authority for the GATT trade talks is really a vote about jobs.

In the last Congress, 192 Members of Congress, Democrats and Republicans, voted against granting the executive branch fast-track authority to negotiate two proposed trade agreements, one with Europe and one with Mexico. One hundred ninety votes against is hardly a vote of confidence.

I rise today to again oppose Congress ceding for only the fourth time in our history, the history of the country, its constitutional authority in trade matters to the executive branch under the unacceptable rubric of fast track. Fast track, with its strict limits on debate of only 2 hours, no amendments allowed, and mandating votes after 60 legislative days is undemocratic and unacceptable.

Our trading partners do not impose the same constraints on themselves, so why should the United States put itself in a straitjacket?

By voting no on fast track, we can assure that Congress has a more equal role in the development of our trade rules that mean jobs here at home.

VOTE "YES" ON THE SPACE STATION—THE UNITED STATES CANNOT CEDE LEADERSHIP IN SPACE

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, this week, we will be casting a vote that will tell us a great deal about the future of our Nation. Will we rededicate ourselves to looking forward, or will we lapse into a national lethargy where great undertakings seem beyond our will?

During consideration of the NASA authorization, each of us will be asked whether this Nation is still capable of blazing trails into the future.

When we vote on space station *Freedom* we should ask ourselves whether we are ready to allow this country's manned space station program to stop, to stop a vision.

The space station will be a great undertaking, a leap into the future where every challenge that is posed is met with innovation and dedication. It will add greatly to our scientific base of knowledge in areas such as physics, biotechnology, and environmental science. But, most of all, it will serve as the jumping-off point for our children's future and things we cannot even imagine today.

A generation has passed since man last walked on the Moon. Let's renew our commitment to the future, to science and to discovery and vote "yes" on the space station.

HOUSE IS FARM TEAM ON TAX BILL PLAYS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Constitution says that all bills for raising taxes shall originate in the House of Representatives. What a laugh.

Ladies and gentlemen, the House of Representatives has become a farm team, a farm team for the tax bills of America. In fact, ladies and gentlemen, our mandate in the Constitution has become nothing more than a trial balloon for a bunch of fat cat politicians entrenched in powerplays.

The truth is when tax bills come back from the other body, we cannot even recognize them. Even our leaders, if the truth be known, do not know all that is in them. And this is one Member that is upset about the fact that just a few elite Members draft the tax bills that are sending our jobs overseas and destroying this economy.

I will have no more to do with it. I will vote no unless that process is opened up to participation in the House like the Constitution says.

I thought indentured servants were past history in America. Members of the House, we are second-class citizens on tax issues. We ought to be ashamed of ourselves.

THAT'S WHERE THE MONEY IS

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, Willie Sutton, when asked why he robbed banks, replied: "That's where the money is."

Bill Clinton, when asked why he wants to increase taxes on the middle class, should reply the same way.

There is a great deal of money to be found in the middle class. But, Mr. Speaker, that money should stay with the middle class. It should not be directed to Washington to pay for the President's social programs.

Unfortunately, under Clintonomics, the middle class will pay the most.

From an increase in income rates to a new surtax on capital gains, from a broad-based energy tax to increased social security taxes, it is the middle class who will bear the burden of the Clinton plan.

President Clinton has talked a good game of tax fairness. But his vision of fairness will devastate the middle class.

VOTE "NO" ON FAST TRACK

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, today we are going to be taking up world trade, what they call GATT, and we are going to be voting on it on a fast track, which is what we did with NAFTA. Fast track means that the bill comes up, there is absolutely no amendments, we vote what they want, either yes or no.

Americans deserve a vote through us to protect their jobs. This institution, my friends, is marching to a different drum and we had better start listening to the people of this country.

You want to balance the budget, you want to give back a quality of life that has been taken away from them? Then give Americans jobs.

I think our priorities are twisted. We keep importing refugees and we are exporting jobs. I think we better start thinking about it.

□ 1220

TAX AND SPEND, TAX AND SPEND

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, candidate Bill Clinton promised to "End welfare as we know it." The idea was to help people help themselves, prepare them to become productive citizens, and ultimately get them off public assistance. But now we read that once again those campaign promises will not be met.

Where candidate Clinton talked wonderful words of scaling back massive Federal aid programs, of saving money and of creating a more efficient system, now we read of bigger, not smaller Federal commitment, of more taxpayers' money, not less. In yesterday's New York Times, a key architect of, and spokesman for, President Clinton's welfare policy said, "nobody's talking about this as a way of saving money. We're talking about spending money." It seems that, once again, President Clinton has forgotten what candidate Clinton said in order to get elected. Tax and spend, tax and spend; where have we heard it before?

THE SINGLE PAYER HEALTH CARE SYSTEM

(Mr. OLVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLVER. Mr. Speaker, the prestigious New England Journal of Medicine has called our health care costs the "black hole" of our society and recently gave a vote of no confidence to any reform system that continues to reply on our failed system of competition.

The Journal endorsed the centerpieces of the Canadian health care system: Global budgets and a single-payer delivery system.

We will spend $900 billion on health care this year, but does anyone think we are getting our money's worth? Canadians never worry about whether they can afford to take their kids to the doctor. Canadians know they can change jobs and keep their benefits. Canadians go to any doctor they want—not just those listed by their health plan.

It sounds too good to be true—but it is how Canadians have been living for more than 30 years. Why can Americans not have that same health security?

Those who have vested interests in our current black hole health care system say it can't be done. But Canada and every other major industrial country has proven that health security can be provided for every citizen. Americans deserve health security at a price that does not bankrupt all of us.

RADIO FREE EUROPE BROADCASTS INTO BALKAN AREAS SEEN AS INSTRUMENT OF DEMOCRACY, LASTING PEACE

(Mr. LEVY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVY. Mr. Speaker, late last week I received word that Radio Free Europe had gotten the go-ahead to begin broadcasting into the former Yugoslavia.

Earlier in the session, I introduced a resolution urging the Board for International Broadcasting, the governing body of Radio Free Europe, to initiate RFE broadcasts in the former Yugoslavia. I was joined by a large number of my colleagues from both sides of the aisle and I thank each of them for their support.

Mr. Speaker, the Serbian Government continues to tighten its stranglehold on all media under its control and uses radio, television, and the printed press to stir hatred. This media policy is a huge factor in the success of the ruling party's ethnic cleansing strategy.

During the past year, the United States has watched helplessly as the body count in Bosnia has risen. Broadcasting into the former Yugoslavia is a step to ensure that events there are fully understood. Providing the voice of democracy is aid that cannot be counted in dollars or numbered in relief packages.

Radio Free Europe's success in fostering democratic values is well documented. I am confident that RFE will again perform admirably in its new role in the Balkans and help promote a lasting peace in the region.

TIME TO STOP CRITICIZING, SEEK SOLUTIONS WITHOUT POLITICAL POSTURING

(Mr. POSHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POSHARD. Mr. Speaker, the Old Book says "What profit a man if he gains the whole world and loses his soul."

These past 3 days I traveled the length of my district, meeting with farmers, miners, laborers, and business leaders, and one refrain was common to all of them. They said, "We know this debt is killing our country. We want to see this problem resolved but we are losing faith in the ability of our Government to resolve anything. All we see is you people standing in the Congress, savaging each other and each others' party. We want solutions, not political posturing." And the people are right.

Mr. Speaker, what profit us if we gain political popularity at home by demagoging very complex issues as though they had simple solutions, or tearing down the other party if, in the process, we denigrate this institution which we love and destroy the soul and the spirit of this country in the process?

It is time that all of us begin to ennoble this institution and stop the criticism.

CLINTON'S T-REX: THE T STANDS FOR TAXES

(Mr. HERGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERGER. Mr. Speaker, this summer's blockbuster movie is "Jurassic Park." Well, President Clinton is not about to be outdone by his Hollywood friends and is already at work on a sequel.

Instead of a blockbuster, the President has decided to make a budgetbuster. The President's production costs of $322 billion in new taxes and $1 trillion in new debt dwarf Mr. Spielberg's.

"Jurassic Park" features the escape of a vicious meat-eating dinosaur called T-rex. President Clinton's production features a T-rex, too, only this time the "T" stands for taxes.

In "Jurassic Park" the T-rex has only one limitation: If you do not move, it cannot get you. Well, Director Clinton's Tax rex has only one limitation: If you do not earn, it cannot get you either.

Do not believe the billboard showing Tax rex eating only the rich. It eats the middle class, small business, jobs, investments, and will eat you as well. Dinosaurs are supposed to be extinct, as the idea of taxing your way to prosperity, but do not give away the ending.

If the polls are right, Mr. Clinton and his dinosaur are headed in that same direction.

LOCAL GERMAN GOVERNMENT SPURNS AMERICAN JAZZ GREAT CHICK COREA, CANCELS APPOINTMENT

(Mr. GUTIERREZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUTIERREZ. Mr. Speaker, I take the floor today in solidarity with American jazz great Chick Corea. Mr. Corea's contributions to the music industry have already granted him a place in music's history book.

This Boston native's carrer has spanned over 25 years and includes recording sessions and concerts with the giants of jazz such as Miles Davis, Sarah Vaughan, Stan Getz, and Mongo Santamaria.

Mr. Speaker, we all know that American jazz is this country's only true original musical form and that American jazz is performed and loved all over the world. In fact, the European Community has a passion and thirst for jazz and has a great respect for Mr. Corea's lifework.

So it came as a great surprise when I was informed that a German concert performance was canceled by a local German Government because of Mr. Corea's religious beliefs. In this enlightened day in age, especially after the fall of the Berlin Wall, a symbol of oppression and censorship, I believe it is shameful and disturbing that Mr. Corea be denied the opportunity to perform his music simply because of different religious and philosophical views that are questioned and not recognized by the County Government of Baden-Wuerttemberg.

Mr. Corea only wishes to play his unique and wonderful style of jazz before the German people. He is going as an ambassador of American culture, not as a representative of a religion.

Mr. Speaker, I ask my distinguished colleagues, especially those who support the arts, to endorse Mr. Corea's effort to be heard in Germany and I ask that you contact members of the German Government and let them know that you condemn the treatment of Mr. Corea who only wishes to share his music with the world.

Mr. Speaker, I appreciate the opportunity to address my distinguished colleagues.

TAX SHAM

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, the word "sham" is defined by Webster's dictionary as "a trick that deludes," "an imitation or counterfeit purporting to be genuine," and, "a hoax or cheap falsehood." Any of these definitions could describe the President's economic plan.

It is a sham that contains $3 in tax increases for every $1 in spending cuts;

It is a sham that does nothing to reduce the national debt; we keep talking deficit while we keep getting the Nation deeper in debt.

It is a sham involving a new "deficit reduction trust fund," A P.R. gimmick that's called a sham even by the President's own OMB staff.

It is a sham in which over 80 percent of the proposed spending cuts do not occur until 1996 or later, when the interest on debt will be out of control.

Mr. Speaker, this economic plan has turned into a national joke. Let us just call it what it is: The biggest tax increase in U.S. history, bar none.

THE GROWING FARM CRISIS

(Mr. ROBERTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS. Mr. Speaker, with all of the discussion regarding the budget and other issues before us, there is a growing crisis that has received little or no attention.

Farm prices have been falling drastically; wheat prices down from $3.60 a bushel to $2.40, far below the cost of production.

Now, for my colleagues who do not care about the price of wheat in Dodge City, let me put it in terms you care about, the budget. While the Trade Policy Review Group, the Domestic Economic Council, and the State Department lay claim to the farmer's grain and dawdle over making necessary decisions, farm program costs are soaring from $13 billion to $17 billion and climbing.

It is not necessary to experience another farm crisis, it is not inevitable that we break the budget with farm program payments due to low prices. The irony of this situation is that Agriculture Secretary Espy has urged the Clinton administration to use the Export Enhancement Program; but his proposal is now hung up in an interagency task force.

My message to the White House is simple. Act on Secretary Espy's export proposal. Make a decision on export policy. Avert a growing farm crisis and reduce the deficit. Those of us who are on the Agriculture Committee will help, Mr. President, but you have to get off of the export dime.

☐ 1230

ANOTHER BROKEN PROMISE: PRESIDENT CLINTON'S AG EXPORT POLICY

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, President Clinton has broken so many of his campaign promises that it is often easy to forget some of the promises he made. During the campaign, Bill Clinton promised that he would increase exports for U.S. agricultural products. Five months into his administration, however, President Clinton's ag export policy is a shambles.

Many corn farmers in my State have been hoping for increased exports to boost low prices, but President Clinton has done nothing to follow through on his promise.

The President's Russian aid package is a half-hearted effort that is unlikely to sufficiently increase sales of agricultural products to Russia. Also, it is becoming a real possibility that the Clinton administration may agree to a conclusion of GATT negotiations which would sell out U.S. farmers. President Clinton needs to stand up for American farmers against protectionist European agricultural policies.

Mr. Speaker, President Clinton should begin to adopt policies which will make good on his promise to increase agricultural exports.

IN OPPOSITION TO ADMINISTRATION'S AGRICULTURE EXPORT POLICY

(Mr. BARRETT of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT of Nebraska. Mr. Speaker, it is past time for the Clinton administration to develop a comprehensive agricultural export strategy, to counter falling grain prices.

The President has had 6 months to make good on his promise to improve farm export programs. But, like a mystery book, the suspense continues; however, we do have a murder victim—the wheat farmer. Yes, the suspense has dropped the wheat price in my hometown from $3.58 to $2.63 per bushel; that is almost $1 since Inauguration Day.

The falling price is because of the administration's failure to seize opportunities to help the American farmer, such as the Russian aid package and the delayed announcement of the Export Enhancement Program credits.

The administration's "foot-dragging" and "paper-passing" has denied the delivery of any United States commodities to Russia, agreed to at the Vancouver summit, and has detained new EEP credits by more than a month behind the European Community.

I strongly urge the administration to write the final chapter on Russian aid and the 1993–94 EEP package mystery book to take some of the guessing out of farming.

AGRICULTURAL TRADE POLICIES

(Mr. NUSSLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NUSSLE. Mr. Speaker, times are tough for Iowa farmers now. They are struggling with wet weather and low commodity prices. In fact, Iowa farmers are still struggling to plant crops that should have been in the ground 1 month ago.

Farmers are already facing a big hit with the House proposal to slash $2.9 billion from farm programs. What they need now is a commitment by the U.S. Government to open up new markets and increase American exports. They need a Government that will go to bat for them when it comes to building trade opportunities overseas.

That's why it is so important that the House extend the fast-track policy for the Uruguay round. Critics of extending fast-track say enough is enough, and that these negotiations have been going on far too long. There is some merit to their point. And that is why we must make sure that our trading partners understand this is the last time we are coming to the table.

Moreover, the administration must not view GATT as a cure-all to enhance agricultural exports. What we need is a strong clear export policy that will move farmers' commodities overseas, including export enhancements currently bottled up.

Our farmers are the most efficient producers in the world. And they are not willing to stand by and watch the United States lose its market share overseas because of foot dragging by their own Government.

WHY ARE U.S. TROOPS GOING TO MACEDONIA?

Mr. RAMSTAD. Mr. Speaker, I was alarmed last week at a briefing by high-level administration officials on President Clinton's decision to deploy 300 United States troops to Macedonia, the first United States ground forces inserted into the Balkans' civil war.

Mr. Speaker, I was alarmed because no clear mission has yet been defined for United States troops in Macedonia. They will be under the U.N. command, and they will wear blue helmets for the first time in our Nation's history.

Mr. Speaker, the lessons of Vietnam should be clear. Our commitment of ground troops in Macedonia clearly threatens to escalate our military involvement in the Balkans' civil war.

Mr. Speaker, I am sending a letter to the President, which has already been cosigned by 60 Members on both sides of the aisle, expressing strong concerns about the lack of a well-defined mission for United States troops in Macedonia.

Gen. Colin Powell put it best when he said, "The first rule of military engagement must be this: Before deploying United States forces anywhere and putting American lives at risk, it is absolutely imperative to first define their mission."

Please, Members, join this bipartisan group in sending our letter to the President.

American troops must not be used anywhere in the world as symbolic sitting ducks.

MICHIGAN SEES GM JOBS RETURNING

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, "GM To Shift Jobs From Mexico to Michigan." That's the headline over a story in this morning's paper and on radio news accounts the last 24 hours.

Opponents of the North American Free-Trade Agreement with Canada and Mexico have argued that NAFTA means jobs will go to Mexico. "A great sucking sound of jobs to Mexico," is how Ross Perot refers to it. Well, this morning's news gives the lie to those who say our manufacturers can't compete with low wages in countries like Mexico.

Mr. Speaker, they can compete. They do compete every day. In fact, this announcement is an example of what can happen when trade is rationalized by the market place—not by politicians or bureaucrats. Because Mexico has reduced its tariffs and eliminated the restrictions against imports, manufacturers like General Motors are no longer compelled to locate manufacturing facilities in Mexico in order to be in that market.

Freer trade works for workers and consumers alike. General Motors has demonstrated that today. Let's be sure NAFTA is approved so we can create more jobs in America.

MITTEN, MY KITTEN

(Mr. CRANE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRANE. Mr. Speaker, one of the talented young people in my district is Miss Katy McCord. Katy is only 8 years old but obviously a gifted poet with profound political insights. Let me submit, for verification, her latest creative work which she shared with her grandmother, Kate Anderson, who has inspired her since her birth:

I have a kitten,
Her name is Mitten,
Who bit Bill Clinton.
Because of my Mitten,
Bill Clinton got bitten.
That was my Mitten,
And the end of Bill Clinton.

ADMINISTRATION FOUND WANTING IN SUPPORT OF U.S. AGRICULTURAL EXPORTS

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, this Member is extremely concerned about the administration's lack of commitment to ensuring that the United States remains the world's leading agricultural producer and exporters.

In addition to proposing taxes which would drastically erode the international competitiveness of America's agricultural industry, I regret to say that the administration has not demonstrated sufficiently that it is committed to maintaining foreign markets for an industry which currently has an $18 billion trade surplus.

While commodity prices remain depressed and farm income is eroding, the administration is wavering on its necessary commitment to export programs which combat unfair agricultural trade policies throughout the world. Equally devastating is the administration's apparent lack of will, or intentional laziness, in aggressively negotiating for greater market access for U.S. agricultural products. While United States trade negotiators have taken tenacious and tough positions on current Uruguay round multilateral negotiations in textiles, steel, and maritime sectors, the United States agricultural industry now appears to have been forgotten.

Mr. Speaker, this Member urges the administration to unequivocally aggressively support agricultural export programs and to steadfastly negotiate for increased access for U.S. agricultural commodities. Our agricultural producers, and the American people, which benefit most from this important industry, deserve no less.

□ 1240

FREE TRADE CREATES JOBS

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, simply the prospect of free trade is creating jobs right here in the United States of America. We have all seen the news, the headlines reporting that General Motors plans to create 1,000 new jobs in Lansing, MI, to build the Chevy Cavalier.

It is obvious that we are in a position today where we must realize that the opportunity to export goods manufactured in the United States to Mexico is on the horizon if we can implement a North American Free-Trade Agreement.

Unfortunately, the naysayers are proclaiming that this move was simply made to try to encourage those of us here in the Congress to vote in favor of NAFTA.

Mr. Speaker, businesses do not make decisions based on their attempts to lobby the U.S. Congress. Last October, GM and the UAW commissioned a study to determine where it was most cost efficient to produce those cars. That study concluded that Lansing was the most efficient location. A thousand new jobs are going to be created in the United States because of the chance of selling automobiles in Mexico.

Mr. Speaker, let us make sure we implement the North American Free-Trade Agreement so that we can export cars to Mexico, and continue to create jobs here in America.

FEDERAL MANDATES COST CITY GOVERNMENTS BILLIONS OF DOLLARS

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, the Washington Post reported yesterday that Federal mandates are now costing city governments hundreds of billions of dollars annually.

The liberals who have controlled the Congress for 30 years or more now have gotten our Federal Government over $4 trillion in debt; now they are bankrupting the States and cities, too.

Mayor Daley of Chicago is quoted as saying that Federal mandates cost his city $160 million a year. He says these costs have to be passed on to the taxpayer in higher taxes and fewer services.

Almost every mayor quoted in the story is a Democrat.

My own Governor, Governor McWhorter, a Democrat and a fine man, has met with our delegation several times and has said, "Please, no more Federal mandates."

The mayor of Knoxville has spoken frequently of the problem created by unfunded mandates.

The people of this Nation need to know, however, that it is the liberals in Congress who are doing this to them. Those who believe in big government have an obligation to pay for it.

The problem is that the Congress is taking too much money from the people already, but it is even more harmful to pass these expenses on to our State and local governments.

This is now a tremendous problem, but it will not be solved until more conservatives are elected to the Congress.

URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 199 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 199

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 1876) to provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional "fast track" procedures to a bill implementing such agreements. Debate on the bill shall not exceed one hour, with thirty minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means and thirty minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Rules. The previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. TANNER). The gentleman from California [Mr. BEILENSON] is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for the purpose of debate only, I yield the customary one half hour of debate time to the gentleman from California [Mr. DREIER] pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 199 is the rule providing for consideration of H.R. 1876, to provide authority for the President to enter into trade agreements to conclude the Uruguay round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional fast track procedures to a bill implementing such agreements.

The rule provides that the measure will be considered in the House, with 1 hour of debate time equally divided between the two committees of jurisdiction. Thirty minutes will be equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, and 30 minutes will be equally divided and controlled by the chairman and the ranking minority member of the Committee on Rules.

No amendment is in order except through the motion to recommit, which this rule provides for.

Mr. Speaker, the bill which this rule makes in order provides a limited and narrowly drawn extension of trade agreement negotiating authority which will enable the President to conclude the Uruguay round of multilateral trade negotiations this year. Fast track procedures would apply only if the President notifies Congress of his intent to enter into an agreement by December 15, 1993, and if he enters into the agreement by April 15, 1994. This authority would apply only to the result of the Uruguay round negotiations, not to any other trade pacts.

The Uruguay round negotiations, which began in 1986, are being conducted among more than 100 nations, to reduce tariff and nontariff barriers, and to establish new and improved international trading rules for manufactured goods, agricultural products, services, intellectual property, and investment. Extension of the U.S. trade agreement authority and fast track implementing procedures is essential to permit completion of these important negotiations.

The text of H.R. 1876 was included in H.R. 2264, the Omnibus Budget Reconciliation Act of 1993, which passed the House on May 27, and is currently under consideration in the other body. However, the administration is requesting expedited action on this measure so that it can be signed into law before the economic summit of the industrialized nations begins on July 7. Enactment prior to the convening of the summit would demonstrate to our major trading partners that the United States has the necessary authorities in place to conclude and implement the Uruguay round, which will enable major progress to be made at the summit toward the conclusion of these negotiations this year.

Mr. Speaker, House Resolution 199 reflects the desire of the bipartisan leadership of both of the committees of jurisdiction to keep debate on this measure confined to the subject before us: The administration's request for an extension of fast track trade authority for a short time period, and to apply to the Uruguay round only. I urge the adoption of this rule so that the House can proceed with consideration of H.R. 1876.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this rule for consideration of H.R. 1876, legislation extending the President's fast track authority so that he can conclude the Uruguay round of multilateral trade negotiations. While I would not normally urge my colleagues to support a restrictive rule, in this case the legislation does not create a new fast track process, but simply as my colleague has said, extends for a short period of time current negotiating authority. Therefore, I am pleased to report that there is bipartisan leadership support for this process being used for what is a simple extension of fast track authority.

Mr. Speaker, I strongly support H.R. 1876. The evidence is overwhelming that the President requires the authority extended by H.R. 1876 to successfully carry out trade negotiations. For 7 years the President has had this fast track authority for the vitally important GATT talks, and the new administration has asked for an extension solely to finish this one very important trade negotiation.

Mr. Speaker, I urge my colleagues to support this rule so that we can take up the bill, H.R. 1876, and give the President that very important negotiating authority.

Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 7 minutes to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS of Illinois. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the test of any trade agreement's success must be that it produces economic growth and jobs for American workers. When the Uruguay round of multilateral trade negotiations broke off last winter, the former administration, the Congress and virtually all U.S. business came to the unanimous conclusion that negotiations had failed to produce agreement that could pass this basic test.

Furthermore, by establishing generally weaker international standards for food safety and other issues, concerns have been raised that the current text of the agreement makes it possible for other countries to challenge U.S. health, safety, environmental and labor standards. For the past 3 years, the Subcommittee on Commerce, Consumer Protection and Competitiveness, which I chair, has held hearings looking at the ability of the United States to maintain and enforce strong environmental and food safety standards under trade agreements being negotiated.

Last year, the subcommittee took a resolution to the floor which stated that Congress would not implement a trade agreement that compromises our country's health, safety, environmental and labor laws. That resolution was passed unanimously by the full House of Representatives. Our negotiators must make sure that any final agreement in no way qualifies the ability of the United States to establish and enforce standards it deems appropriate to protect the public interest.

By providing the President with authority to enter into trade agreements to conclude the Uruguay round and by extending fast track approval procedures, H.R. 1876 gives the United States a new opportunity to reach a successful agreement in the Uruguay round of talks under the General Agreements on Tariffs and Trade [GATT].

All American workers and business—that is producers of manufactured products, services, and agricultural goods—must have access to foreign markets to survive in today's world economy. Total world trade, which reached $3.4 trillion in 1991 and grew by more than 60 percent since 1986, is clearly the world's primary generator of economic growth.

Since 1947, seven rounds of GATT negotiations have brought about huge reductions in tariffs on industrial products and have made a major contribution to the expansion of world trade. But, estimates are that about one-third of total world trade occurs totally outside the GATT framework of trade rules.

The Uruguay round was begun in 1986 largely in an effort to develop rules that would promote trade in areas that currently are not dealt with on a comprehensive basis by GATT, such as services and agricultural goods. While this is certainly a desirable goal, it is important to remember that an agreement that hurts U.S. producers of manufactured goods is not an acceptable price to pay for success in services and agriculture. For example, the U.S. must avoid major concessions that threaten whole U.S. industries, like textiles and apparel.

Manufactured products accounted for 82 percent of our total merchandise exports in 1992, while agricultural goods accounted for only 10 percent. If the United States were to get everything it wants in agriculture and our services trade surplus were to increase 10 percent, there would only be about a $6 billion improvement in the overall U.S. trade balance.

Unfortunately, many of our GATT partners have tried to use the Uruguay round to make changes that hurt, not help U.S. manufacturing. For example, it is generally recognized that GATT dispute settlement procedures need to be clarified and strengthened.

Our trading partners have tried to use the Uruguay round primarily to impose new restrictions to prevent the United States from using its unilateral authority under section 301 to retaliate against foreign unfair trade practices. Limitations on our ability to use 301 authority is too high a price to pay for improvements in GATT dispute settlement.

Similarly, U.S. efforts to reduce world subsidies and to prevent dumping have been distorted by countries that only want to legitimize subsidies they now extend to their industries and to make it more difficult for the U.S. to use its only defense against unfair subsidies, our countervailing duty law. The burden of proof must be on foreign concerns to prove that subsidies are not trade distorting, and we should not agree to any change that would force U.S. firms to meet higher standards of proof in their trade complaints under our countervailing duty laws.

In addition, estimates are that violations of U.S. intellectual property rights—copyrights, trademarks, and patents—has cost U.S. manufacturers about $14 billion in trade. Despite this fact, the United States and the European Community have not agreed on what should be included in an agreement covering intellectual property.

It is clear that whatever is agreed to on intellectual property will not provide for effective worldwide enforcement. As a result, it will be very important that the final agreement coming out of the Uruguay round not prevent the United States from using authority like that under section 337 of the Tariff Act, which restricts the sale of imports that infringe on U.S. intellectual property rights.

It will also be important to retain our ability to use special 301 authority that allows the U.S. Trade Representative to retaliate against countries that violate U.S. intellectual property rights.

Mr. Speaker, these are a few of the areas that still need to be addressed in the final stages of the Uruguay round negotiations. Our negotiators must keep in mind that an agreement that hurts U.S. manufacturing is not acceptable. By giving the President authority contained in H.R. 1876, our negotiators have another opportunity to complete the Uruguay round in a way that benefits American workers and business, including America's manufacturing industries.

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Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I support the rule; I oppose the bill.

It is very simple:

I am not against giving the President the authority to proceed on trade agreements. I do not like the fact that, once these trade agreements are struck, we have no opportunity to basically offer any input or amendments to make any significant changes in these bills.

I am certainly not the most well-liked person by the House Committee on Ways and Means. But I think it is time to make this statement:

We have had a so-called free trade, laissez faire, trade policy in America. There has been no difference if it is a Democrat or Republican administration; I do not see much change. In fact, I do not see any difference anymore between the Democrat and Republican parties to be quite truthful. Take away the flag, and abortion, and school prayer, and show me the real differences in trade and macroeconomic policies.

There are several things we cannot divorce ourselves from here today. How can we reconcile the budget deficits of America if we continue to take on huge trade deficits?

Now, if it is because we are just not good enough and cannot compete, I could understand that; we have to become better. But that is not the case. Japan dumps in our market. Congress turns their back. China uses slave labor. China turns its back on us. Congress turns its back on the American worker, and, my colleagues, Congress gives China most-favored-nation trade status. Europe denies us access; Congress turns their back.

Ten percent of the American people are on food stamps. We have extended unemployment five times. America has slipped from No. 1 to No. 6 for quality of life. American workers are now No. 5 for wages in the world, and we have all these free traders on the Committee on Ways and Means, and they keep telling us, "We'll destroy our economy if those cheaper-made foreign goods can't come in here." Mr. Speaker, I think it is time to say that we can get chairmen of these committees a hell of a lot cheaper, too.

I disagree with the trade policy of America. It has destroyed the steel industry. It has destroyed the manufacturing infrastructure of our Nation. Oh, there are a few token moves of companies coming back, but the truth is there is a hell of a lot more leaving. There are more government workers today than factory workers in America, and those robots are not even being made in America.

Mr. Speaker, I say to my colleagues, "The only thing fast about this bill is the greased lightning fast track that American companies and American jobs will keep leaving on, and I think it is time for this House to become embroiled in a serious debate. Lock the doors, throw the TV cameras out, and come up with a trade policy that does not reward slave labor, that takes a look at the concerns of the average American worker. And we are not doing that, and any Member of this House that votes for most-favored-nation status for China, they should have a whole pack of candidates chasing them. Seventeen cents an hour, folks. That is what it costs to build a product in China."

This is free trade?

This is not free trade, this is slave trade, and Uncle Sam has become an auctioneer.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. MAZZOLI). The time of the gentleman from Ohio has expired.

Mr. TRAFICANT. I will yield to the gentleman on the gentleman's time.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT], my friend.

I would just like to ask my friend a brief question.

Mr. TRAFICANT. I will be happy to respond.

Mr. DREIER. Mr. Speaker, the gentleman from Ohio [Mr. TRAFICANT] and I agree on a wide range of issues; we happen to disagree on this issue of trade.

The gentleman was making the case about those of us here in the Congress who are strong free traders. Has the gentleman looked at the decade of the 1980's? There are clearly industries where we have imposed protectionist barriers, specifically the automobile industry, the steel industry to which my friend referred, and the motorcycle industry, and it seems to me that, as we look at those industries, tragically we have not seen great improvement here, having put into place things like voluntary restraint agreements and a wide range of other things, and I wonder if my friend might be able to share with us what kind of protectionist barriers he believes would be beneficial both to the U.S. consumer and the U.S. worker.

Mr. TRAFICANT. Mr. Speaker, will the gentleman yield enough time to me so that I may be able to do that?

Mr. DREIER. I yield an additional minute to the gentleman from Ohio.

Mr. TRAFICANT. Fine.

Mr. Speaker, I am not for protectionist barriers, but I am not for other nations having protectionist barriers and unfair advantages in trade that Congress does not deal with.

What I am saying is: What's the difference if somebody puts up an illegal barrier against America if we don't deal with it?

Japan has been cited so many times in Federal court for dumping in America, and we have yet to evoke the super 301 trade provision that we have enacted. We have now documented the fact that the United States Army bought 15,000 hoists from China, which were made at a prison camp without any labor cost to them, and we are still proceeding with MFN for China.

□ 1300

Mr. DREIER. Mr. Speaker, let me ask this question of the gentleman.

Mr. TRAFICANT. Mr. Speaker, reclaiming my time, I want the gentleman to tell me, how can someone in California compete with a Chinese product made at 17 cents an hour.

I think it is within the rights and province of Congress that has a mandate saying that Congress must deal with foreign nations. We are not doing that. I am for free trade if it is a 2-way trade situation, but this is not a 2-way trade situation.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume in order to respond to the gentleman, and I would do so by saying simply that I am one who likes to look not solely at the U.S. worker but also at the U.S. consumer. What I have been trying to do is reduce the barriers that exist in other countries.

I know my friend is supportive of my legislation calling for the establishment of a United States-Japan free trade agreement which would reduce the barriers to the export of United States goods to Japan.

Mr. TRAFICANT. Mr. Speaker, will the gentleman yield me an additional minute so I may respond?

Mr. DREIER. I am happy to yield an additional minute to the gentleman from Ohio [Mr. TRAFICANT], and let me say I was simply playing out our arguments.

Mr. TRAFICANT. Mr. Speaker, has the gentleman yielded me an additional minute?

The SPEAKER pro tempore (Mr. MAZZOLI). The Chair understands that the gentleman from California [Mr. DREIER] has yielded 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. No. 1, Mr. Speaker, none of my remarks should be taken as directed personally toward the gentleman from California. I believe his efforts are honorable and are right, but we have to look at some of the gray area in between.

I would like to say this to the gentleman and to the Members of Congress: There will be no consumers in America if there are no workers in America, and the evidence is clear. These companies are leaving us. We do not build a telephone, we do not build a television, we do not build a typewriter, we do not build a VCR, and we invented all these things.

I think it is time for all of us to sit down and just debate this issue. I am not opposed to free trade.

I am opposed to stupid giveaway trade. That is what America has been practicing, and it has hurt us very much.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume in order to respond to my friend, the gentleman from Ohio.

Mr. Speaker, I do so to simply say that my friend and I must today both be in ecstasy over the fact that General Motors, working in concert with the United Auto Workers, is now establishing 1,000 jobs at the Lansing plant, where they are going to be building the Chevy Cavalier.

I know my friend is just as pleased as I am. Why did they do this? Because we have found out once again that the American worker is by far the most productive in every way over workers in other parts of the world. I think this decision by General Motors, done in concert with the United Auto Workers, is a very clear and positive signal for the future.

Mr. TRAFICANT. Mr. Speaker, I agree with the gentleman.

Mr. BEILENSON. Mr. Speaker, for the purposes of debate only, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I rise in support of the rule, and I rise in strong support of this legislation that will extend to President Clinton the authority to conclude the Uruguay round of the GATT trade talks.

What we are simply doing in this legislation is giving the administration authority to negotiate. This administration has proven to be very strong in insuring the protection of American workers and products with the Europeans, with the Japanese, and with the Mexicans. What we are simply doing here is giving the administration this fast-track authority, and I want to congratulate Chairman GIBBONS and the Committee on Ways and Means for bringing a clean bill to the House for a vote. The President and U.S. Ambassador Mickey Kantor have made a successful conclusion of the Uruguay round a high priority, and by passing this legislation we are simply going to give this administration the tools that it needs to bring back a trade agreement, to do exactly what my friend, the gentleman from Ohio, wants to achieve, and that is to recognize the protection of the American worker, American companies, the American trade posture, and American competitiveness.

What the new global trade pact will do is negotiate trade barriers and tariffs for the world's 107 nations, and it holds a promise, if successfully concluded, for as much as $200 billion in new global commerce a year. In addition, the GATT agreement will apply free trade rules to agriculture and services for the first time.

Mr. Speaker, I do have some regrets. I would have liked fast-track authority to include Chile, the United States and Chile, but unfortunately, this did not happen. This will have to wait another year.

I see the world moving into trade blocs, with us and the Western Hemisphere, with Japan and Asia leading a group in Asia, and with the European community, each of us competing with the other. But even if we do have trade blocs, it makes sense that we establish rules of negotiation, that we proceed with negotiations on GATT. Perhaps we will not reach agreement. It is very tough to negotiate with the Europeans on agriculture, and it is very tough to negotiate with the Japanese on semiconductors. Perhaps we need some stronger measures.

What we are simply doing here in this bill is giving the administration the authority to negotiate fast-track authority to move ahead, give it more time to come through with some GATT negotiations that will allow us to be internationally more competitive.

I want to congratulate the Committee on Ways and Means and Chairman GIBBONS for exercising great leadership in bringing a clean bill to the House floor for a vote.

A new global trade pact will reduce trade barriers and tariffs around the world for GATT's 107 nations and holds the promise of creating as much as $200 billion in new global commerce a year. In addition, the GATT agreement will apply free trade rules for the first time to agriculture and services.

I recognize the legitimate concerns that some Members of Congress have about parts of the GATT text as it currently stands. But voting against fast-track authority on GATT is the wrong way to respond. Denying the Clinton administration fast-track procedures to finish the Uruguay round guarantees that we get no deal. The United States gets nothing—except a continuation of the status quo which now works against the United States and against increasing U.S. exports.

The right way to respond to the stalled GATT talks and to the problems with the current GATT text is to give the Clinton administration the power it needs to solve these problems and to bring back a better trade deal than the one we currently have. I urge my colleagues to support extending fast-track authority to the President and to vote "yes" on H.R. 1876.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I simply say to my friend, the gentleman from Santa Fe, NM, that I totally concur with his remarks, and I hope very much that as we proceed next year, we will be able to expand negotiating authority to Chile, Japan, and other parts of the world, because clearly reducing trade barriers is the wave of the future. I congratulate my friend for his statement.

Mr. RICHARDSON. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I yield to my friend, the gentleman from Santa Fe, NM.

Mr. RICHARDSON. Mr. Speaker, the gentleman made a very, very important point earlier when he mentioned that General Motors is moving to Lansing, MI, a plant of 1,000 workers. I want to say to my colleague that that plant was previously located in Mexico, so it is going from Mexico to the United States.

I saw the announcement this morning, and I think it is another example, a positive example, of free trade, especially as it relates to NAFTA and to this hemisphere.

Mr. DREIER. And also it demonstrates a very high level of productivity and the fact that the United Auto Workers, in concert with the management of General Motors, were able to come together with this kind of decision. I hope very much they will be able to realize, with the implementation of a North American Free-Trade Agreement, the opportunity to export those automobiles to Mexico.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of the rule but against the bill to extend fast track for GATT.

Let me just begin by saying that those jobs are coming back from Mexico to the United States, from General Motors, simply because General Motors has to do something to cover itself during this period when we are going to be debating NAFTA here in Congress. General Motors is the largest employer in Mexico after the Government of Mexico itself. So it has plenty of explaining to do to the American people.

Let me say today that the vote on extending the deadline for fast track negotiating authority for GATT is really a vote about jobs. In the last Congress 182 of our Members, Democrats and Republicans together, voted against granting the executive branch, the President and his Trade Ambassador, fast-track authority to negotiate two proposed trade agreements, the trade agreement with Europe which we call GATT and the one with Mexico which we call NAFTA. One hundred ninety-two votes against is hardly a vote of confidence for this fast-track procedure, which is only being used for the fourth time in U.S. history. It is interesting that it rose during the mid-1980's. For almost 200 years this country was able to deal with its trade matters without fast track. This is kind of a new phenomenon of which some people may not be aware.

□ 1310

I rise today again to oppose Congress ceding our constitutional authority in trade matters to the executive branch under the unacceptable rubric of fast track.

What does fast track mean? it means that when that treaty comes back here, if it does, we are limited to 20 hours of debate. Strictly limited. We can have no amendments. I have no right to speak out on behalf of the people of my district. And we have to vote after 60 legislative days.

The whole fast-track procedure is undemocratic, it is unrepresentative, and it makes me extremely uncomfortable as a Member of this Congress.

Our trading partners do not impose the same constraints on themselves. So why straitjacket the United States? In fact, the NAFTA treaty will not even be debated in the Mexican Parliament. The only people that will speak out on behalf of ordinary working people on this continent are Members of this Congress of the United States. Why straitjacket us on either the GATT talks or the NAFTA talks?

By voting no on fast track, H.R. 1876, we can assure that this Congress and our people have a more equal role in the development of trade rules.

Most of us do not sit on the Committee on Ways and Means. We do not have a right to hear those witnesses and develop those bills and they come before us.

Maybe it is also a way for us to send a message to the Clinton administration. We want no treaty with Mexico or Europe that cuts Congress out and sends our jobs someplace else. It is time to stand up for the American people. They are the reason we are here.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the rule, but in opposition to the GATT fast-track procedure. There are few in this chamber here today and virtually no attention by the press on this issue. It is a seemingly obscure little procedural fast-track extension of GATT.

But Americans are waking up now, today, to the dangers of the North American Free-Trade Agreement with Mexico and the massive exportation of jobs and our economy and the importation of polluted products and pollution along the border.

Well, GATT will make NAFTA look really bush league. This is the greatest assault on American workers, consumers, and the environment, that this body has ever considered. If Americans understood what was at stake today, they would demand us to put the brakes on this so-called fast track.

Supporters say, "Well, this vote is just a formality, to give the President, the new administration, time to finish off the agreement."

That is not true. The extension is short, 1 year. Fast track just gives our negotiators time to tie up the loose ends of the Dunkel draft. The Dunkel draft is a 400-page document produced in secret by a Swiss trade bureaucrat who has Napoleonic visions of himself as world trade czar. That sounds pretty bizarre; the ravings of the right wing.

No, this draft would create something called a multilateral trade organization. The multilateral trade organization has the authority to meet in secret on any trade complaints and demand that the United States of America change any laws that protect consumers, workers, or the environment if they are found by the secret three-person tribunal to be barriers to trade.

It states:

> The United States would be required to take all necessary steps where changes to domestic laws will be required to implement the provisions, to ensure conformity of our law with these multilateral agreements.

Say goodbye to the Marine Mammal Protection Act; say goodbye to our food safety laws; say goodbye to our laws regulating pesticides in foods; say goodbye to our ban on slave labor-produced goods; say goodbye to our restrictions on the export of raw logs off Federal lands in the Pacific Northwest to unfair trading partners like Japan, who are subsidizing a noncompetitive wood products industry.

This would undermine the constitutional authority and responsibility of the U.S. Congress. And to my friends on the other side, you hate closed rules. Why are you going to support the ultimate closed rule? A 400-page secretly negotiated document, brought to you up or down, no amendments, and limited debate. This is the ultimate closed rule coming before this body. It will affect everything that goes on in this country, everything that relates to the economy, everything that relates to consumer health and safety. Anything that these three trade bureaucrats who meet in secret and deliberate consider to be a barrier to so-called free trade, something that is talked about a lot, but does not exist anywhere except in the minds of a few ideologs in this country.

Mr. Speaker, I would say to my colleagues, no, this is dangerous. We must vote against extending this authority and get some rational trade policy for this country.

Mr. DREIER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. GIBBONS. Mr. Speaker, pursuant to the rule just adopted, I call up the bill (H.R. 1876) to provide authority for the President to enter into trade agreements to conclude the Uruguay round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional fast-track procedures to a bill implementing such agreements, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1876

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF URUGUAY ROUND TRADE AGREEMENT NEGOTIATING AND PROCLAMATION AUTHORITY AND OF "FAST TRACK" PROCEDURES TO IMPLEMENTING LEGISLATION.

Section 1102 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902) is amended by inserting at the end the following new subsection:

"(e) SPECIAL PROVISIONS REGARDING URUGUAY ROUND TRADE NEGOTIATIONS.—

"(1) IN GENERAL.—Notwithstanding the time limitations in subsections (a) and (b), if the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade has not resulted in trade agreements by May 31, 1993, the President may, during the period after May 31, 1993, and before April 16, 1994, enter into, under subsections (a) and (b), trade agreements resulting from such negotiations.

"(2) APPLICATION OF TARIFF PROCLAMATION AUTHORITY.—No proclamation under subsection (a) to carry out the provisions regarding tariff barriers of a trade agreement that is entered into pursuant to paragraph (1) may take effect before the effective date of a bill that implements the provisions regarding nontariff barriers of a trade agreement that is entered into under such paragraph.

"(3) APPLICATION OF IMPLEMENTING AND 'FAST TRACK' PROCEDURES.—Section 1103 applies to any trade agreement negotiated under subsection (b) pursuant to paragraph (1), except that—

"(A) in applying subsection (a)(1)(A) of section 1103 to any such agreement, the phrase 'at least 120 calendar days before the day on which he enters into the trade agreement (but not later than December 15, 1993),' shall be substituted for the phrase 'at least 90 calendar days before the day on which he enters into the trade agreement,'; and

"(B) no provision of subsection (b) of section 1103 other than paragraph (1)(A) applies to any such agreement and in applying such paragraph, 'April 16, 1994;' shall be substituted for 'June 1, 1991;'.

"(4) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement provided for under paragraph (1) shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 1103(a)(1)(A) of his intention to enter into the agreement (but before January 15, 1994).".

The SPEAKER pro tempore (Mr. TANNER). Pursuant to House Resolution 199, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 15 minutes, the gentleman from Texas [Mr. ARCHER] will be recognized for 15 minutes, the gentleman from California [Mr. BEILENSON] will be recognized for 15 minutes, and the gentleman from California [Mr. DREIER] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1876 provides authority for the President to enter into trade agreements to conclude the Uruguay round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional fast-track procedures to a bill implementing such agreements. Members will remember that the previous fast-track trade agreement authority, which was provided under the Omnibus Trade and Competitiveness Act of 1988, expired on May 31, 1993, before the Uruguay round negotiations could be completed.

The extension of trade agreement and proclamation authorities and fast-track procedures provided in this bill would apply only if the President provides Congress with at least 120 days advance notice, no later than December 15, 1993, of his intention to enter into an agreement, and only if he enters into that agreement no later than April 15, 1994.

Under this bill, private sector advisory committee reports on the results of the negotiations must be provided within 30 days after the notice to the Congress, or by January 15, 1994. In addition, the tariff proclamation authority may not take effect before enactment of implementing legislation for the nontariff barrier agreements. Finally, the extension of these authorities and fast-track procedures would apply only to the results of the Uruguay round negotiations.

H.R. 1876 reflects the legislative proposal of President Clinton which was transmitted to the Speaker on April 27. Identical provisions were included in section 13605 of the Omnibus Budget Reconciliation Act of 1993, as passed by the House on May 27.

The U.S. Trade Representative has recently requested expedited action on H.R. 1876, to enable congressional passage before the economic summit of industrialized nations begins in Tokyo next month, on July 7. Enactment by that date would demonstrate to our major trading partners that the United States has the necessary authority to conclude and implement the Uruguay round. This should enable significant progress to be made at the summit toward the goal of concluding the negotiations this year.

Congress has supported the Uruguay round negotiations on a bipartisan basis since they began in 1986. The negotiations are being carried out in the GATT among more than 100 nations and aim to reduce and eliminate trade barriers and to establish new and improved international trading rules for industrial and agricultural goods, intellectual property rights protection, services, and investment.

Mr. Speaker, I urge my colleagues to support the passage of H.R. 1876 to provide the President the necessary authorities to conclude these important negotiations by the end of this year.

□ 1320

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in supporting H.R. 1876 today we move to the final stretch of the negotiations on the Uruguay round, talks that have been underway for the last 7 years and which contain comprehensive reforms that will boost our Nation's economy and create thousands of new jobs. Although difficult issues remain to be decided, we cannot retreat from what could well prove to be our last opportunity to finalize this historic round.

H.R 1876 also is a signal to our trading partners that the United States speaks with one voice on trade policy. Although we have vigorously debated our concerns and interests, Congress and the administration have worked together over the years to bring the Uruguay round to this point of resolution. Now the President will be able to go to the summit of industrialized nations in Tokyo in early July, armed with this legislation and a clear mandate to conclude the round by the end of this year.

Once the Uruguay round is finished, and the historic regional agreement, NAFTA, is implemented, the United States will be able to face new challenges and pursue new opportunities in world markets. To do this, we need the authority to negotiate a broad range of new trade agreements, whether bilateral, sectoral and structural, or multilateral. It is essential that our negotiators have the flexibility to resolve trade problems as they arise and the authority to structure trade relationships in ways that best promote U.S. competitiveness.

H.R. 1876 is but the first step. It applies only to the Uruguay round. The administration has pledged to work with Congress to develop comprehensive mechanisms to negotiate and implement whatever future trade agreements that are necessary to effectively promote U.S. interests. Such authority is the foundation of U.S. trade policy and demonstrates our resolve to continue to play a major leadership role on trade issues.

But today, we must take the first step by passing H.R. 1876. Then we can focus our attention and efforts on fully implementing the two most important trade policy initiatives of the decade—the NAFTA and the Uruguay round. I am confident that the Congress will continue to embrace those free trade policies that enhance U.S. competitiveness, ensure economic growth, and create jobs.

I urge my colleagues to vote "yes" on H.R. 1876.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSTENKOWSI. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Speaker, 2 years ago I voted against extending fast-track authority. Today, I rise in support of reauthorizing fast track.

I voted against extending fast track 2 years ago because I was concerned our negotiators were trading away an important and valuable industry base, the textile and apparel industries.

I am still very concerned about the outlook for this industry. As the third largest employer in the United States—with 1.6 million workers—I am concerned that tariff cuts currently under consideration would devastate workers, families, and communities dependent on textile and apparel jobs.

At the subcommittee and full committee level, I included report language stressing the importance of a fair and equitable trade agreement for textiles and apparel. I, also, received a letter from our Trade Representative, Ambassador Kantor, expressing the administration's strong support for textiles and apparel and its willingness to better address important concerns of the Dunkel draft and tariff reductions. I believe this is a step in the right direction.

In early May, the congressional textile caucus met with Ambassador Kantor to discuss our concerns about possible tariff reductions and other issues relating to the proposed Dunkel draft. This was a positive meeting and, I believe, another step in the right direction.

Last week, the officers and executive committee of the congressional textile caucus sent a letter to President Clinton once again outlining our grave concerns about the tariff reductions currently under consideration in the Uruguay round. I would like to enter this letter into the RECORD.

Today, Ambassador Kantor is in Tokyo meeting with our trading partners about the ongoing market-access negotiations in the Uruguay round of the GATT. These talks are considered crucial to a successful conclusion of this multilateral round. However, we must remember bringing home no deal is better than bringing home a deal that could cost jobs to millions of American workers.

I believe the administration will remain tough with our trading partners and work for a successful trade agreement for millions of working Americans.

I will vote to reauthorize fast-track authority today. I look forward to seeing a fair and equitable agreement for all Americans.

Mr. Speaker, for the RECORD I include the letters to the President from the congressional textile caucus and a letter from the U.S. Trade Representative, Mr. Kantor.

HOUSE OF REPRESENTATIVES,
Washington, DC, June 10, 1993.

President BILL CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As officers and members of the Executive Committee of the Congressional Textile Caucus, we would like to request a meeting with you to discuss our grave concerns regarding the current market-access negotiations in the Uruguay Round of the GATT. In particular, we would personally like to convey to you our view that tariff reductions currently under consideration will have a devastating impact on the U.S. textile and apparel industry.

The Dunkel Draft already provides for the phase-out of the Multifiber Agreement. Such a phase-out will liberalize the textile and apparel market by over 70%. No other industries are expected to open their markets to this extent. For this reason, we are strongly opposed to the tariff cuts. Even a tariff cut on so-called "peak products" would have a disastrous impact on jobs since peak products are the most import sensitive.

While our major concern at this time is tariff reduction, we are also disturbed by the phase-out schedule of the MFA in the Dunkel Draft. If the administration decides that MFA quotas on textiles and apparel must be phased out, then the quota phase-out period should be 15 years or longer. Just as important, quota elimination should be gradually staged during that period so that U.S. industry has time to adjust to the dramatic increases in U.S. imports.

In connection with any agreement on quota phase-out, the U.S. should require all exporting countries, particularly the major textile producers in Asia, to provide market opening for U.S. products. Unless markets in exporting countries are open to U.S. products, we believe access to the U.S. textile and apparel market should be closed.

Textile and apparel production is the third largest manufacturing employer in the U.S. with 1.6 million persons directly employed nationwide (BLS, 1993 data). If wool, cotton, and manmade fiber production are added into the equation, the number of persons employed rises to over 2 million. This makes the textile, apparel and fiber industry complex first in manufacturing employment compared to 822,000 individuals employed in the manufacture of trucks and autos (BLS, 1993 data).

The U.S. textile and apparel market historically grows at an average annual rate of 1%, the same average rate of growth of the U.S. population. Yet, since 1980 textile and apparel imports have grown at an average annual of 10.82%. In fact, 64% of the U.S. textile and apparel fabric market has been taken over by imports.

This has resulted in a U.S. textile and apparel trade deficit for 1992 of $29.2 billion—comprising 34.7% of the total U.S. trade deficit. The tariff cuts and the MFA phase-out under consideration will cause the textile and apparel trade deficit to skyrocket even further.

The results of these negotiations will determine our position towards the Administration's request for fast-track authority. We look forward to meeting with you to discuss this important matter.

Sincerely,

John Spratt, Duncan Hunter, L.F. Payne, Marilyn Lloyd, George Darden, Butler Derrick, Barney Frank, Bill Hefner, Marcy Kaptur, Helen Delich Bentley, Charles Rangel, Cass Ballenger, Howard Coble, Bill Emerson, Ron Machtley, Harold Rogers, Olympia Snowe, John Lewis.

U.S. TRADE REPRESENTATIVE,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC.

Hon. L.F. PAYNE,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN PAYNE: The purpose of this letter is to respond to the concerns you have raised with me regarding the Uruguay Round and its impact on the textile and apparel industry. In specific, I want to respond to your concern about the combined effect of the ten-year phase-out of the Multifiber Arrangement [MFA] called for in the Dunkel draft and the tariff proposals that were explored with the European Community by the Bush Administration in January of this year.

I have been discussing a number of issues with the European Community in light of this Administration's desire to obtain significant market access for a number of American manufacturing and natural resource sectors. During the course of those discussions, the European Community has reiterated its request for significant cuts in tariffs on textiles and apparel. As I stated when I appeared before the Ways and Means Committee last week, the MFA phaseout provisions are an area that must be revisited if we are to address the European Community's tariff request. In particular, we will need to assure an adequate adjustment period for the MFA phaseout and I will work with you in resolving that issue.

In response to the EC's requests, I have expressed this Administration's strong support for the textile and apparel workers in this country. I have specifically stated that we will be seeking strong market access provisions for textiles and apparel that will materially help our industries gain sales overseas, thereby helping to keep textile and apparel jobs here at home. As you know, the United States has made its willingness to accept the Dunkel draft on textiles and apparel contingent upon receiving satisfactory market access for our textile and apparel exports. You can rest assured that I will insist on adequate market access for our textile and apparel industries.

In addition, I have also insisted that the EC join us in seeking strong commitments to address the growing problem of the circumvention of our quota system through transshipped goods. As you know, the U.S. Customs Service has estimated that over $2 billion worth of textiles and apparel were illegally sent to the United States from China alone and we know that goods are being transshipped from a number of other countries as well. I will insist that we obtain the strongest possible language to combat circumvention in both the Uruguay Round text and in any protocols to extend the Multifiber Arrangement and that we receive the maximum amount of cooperation from our trading partners to address this threat to our trading system.

With respect to tariff cuts, you can rest assured that I am well aware of the very sensitive nature of tariff cuts in textiles and apparel and I pledge to you my willingness to discuss this issue with you on a regular basis throughout the negotiations to complete a Uruguay Round. I will consult with you and will take into account your concerns before making any decisions regarding tariff cuts or the staging of any such cuts.

This Administration is committed to the completion of a Uruguay Round agreement that opens doors for American products and services abroad. Such an agreement will promote economic growth and the creation of jobs in this country. In order to complete such an agreement by the December 15, 1993 deadline outlined in the fast-track legislation now pending before the Ways and Means Committee, we need swift passage of that legislation without any amendments which could impede the progress of our negotiations. I hope that you can support this Administration in that endeavor. Let me reiterate that I understand your concerns regarding the textile and apparel portions of the agreement and will do my best to address them and to consult with you throughout this process.

Sincerely,

MICHAEL KANTOR.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1876. In order to carry out meaningful negotiations to increase American access to lucrative foreign markets, the President requires the fast-track authority included in this bill. This legislation does not provide the President with any new authority nor amend in any way the fast-track process which has governed the GATT negotiations for the past 7 years. It is a fair process marked by thorough executive branch-legislative branch consultation throughout the negotiations, followed by expedited consideration in Congress. The new President has asked for an extension solely to finish this one very important trade negotiation, and we should give it to him.

Mr. Speaker, the United States stands to lose a lot if the Uruguay round is not successfully concluded. At stake are important new international trade rules and procedures for services, for the protection of international property rights, and for the treatment of foreign investments. The sectors affected by these GATT talks—banking, insurance, advertising, software development, film and television production, just to name a few—are some of our Nation's most competitive and efficient industries. Protecting these businesses from unfair foreign trade barriers will pay real dividends in jobs and wealth here in the United States.

At least as important as the benefits that will accrue from the successful conclusion of the Uruguay round is the need to maintain American leadership in the international economy. Without this extension of fast-track authority, the United States will not be able to meaningfully negotiate in the GATT talks. Absent American leadership, it is difficult to see where leadership would come from.

The failure of Congress to extend fast track will cut off at the knees President Clinton's ability to be a player in the international economy. It will be an unmistakable signal to the international community that the United States has turned toward protectionism. The immediate result will be a failed Uruguay round. Over the longer term, the United States will no longer be able to shape the international economic agenda to expand commerce and promote U.S. national objectives.

Increasing American exports and opening foreign markets to competitive American products and services are the key to our economic growth. In the past decade, 70 percent of all new jobs created in our country were due to increasing exports. Therefore, our Nation's international trade agenda will not be complete even once the Uruguay round is successfully concluded.

While the President has dedicated 1993 to enacting the historic North American Free-Trade Agreement and finishing the GATT talks, he must look forward to expanding a free-trade regime to include other countries in Latin America and the Pacific rim. Chile and Japan immediately come to mind. Such agreements hold tremendous promise for expanding the economic welfare of Americans and for stabilizing the international community through mutually beneficial growth.

In order to undertake such negotiations, the President will require a further and more broad extension of fast-track authority next year, something which the administration has indicated it fully plans to request. I look forward to supporting a more broad extension of fast track next year and to working with the administration for the expansion of free trade and American export opportunities.

□ 1330

Mr. Speaker, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, I rise today in support of H.R. 1876. This is not about NAFTA, it is not about Chile, it is about GATT.

Several years ago when we voted on fast track we were talking about NAFTA proposed and about GATT. We are talking about GATT and not about NAFTA. We are talking about negotiations with over 100 nations, not negotiations essentially with one nation, Mexico.

So I think we should support this, because a good GATT agreement, and I emphasize good, is important for the United States and for the world at large. I am convinced the Clinton administration will take steps so that a GATT agreement is as good in practice as it is in theory.

The Bush administration often stated that a bad agreement was worse than none. But as election day neared, it rushed to reach an agreement that threatened to give up far too much to obtain far too little. This course was dictated both by ideology and a failure to rethink some of the basic assumptions on which the United States position in the Uruguay round was based.

When the Uruguay round was initially conceived, the challenge for America seemed primarily to achieve a breakthrough in agriculture and services, but that was before critical American manufacturing industries showed signs of serious erosion, and before Japan became such a critical player in world trade. Putting so many eggs in the agricultural basket, U.S. negotiators downplayed the importance in negotiations relating to barriers to trade in manufacturing, both formal and informal, and they were too willing, much too willing, to settle for general statements rather than specific commitments in the service negotiations.

As the new administration requests extension of fast-track authority for the Uruguay round, it is becoming clear that United States priorities for the Uruguay round are being modified to fit the realities of the 1990's instead of the early 1980's.

The administration has placed a premium on reaching a wide-ranging market access deal, both in the industrial sector and in the services, and there is reason to believe they will carefully scrutinize the antidumping, subsidies, and dispute settlement sections of the Dunkel text.

Not all of these points represent a major shift in policy from the last administration. But with the new administration there has been a welcome shift to a trade policy that is focused more on results and less on blind theory. This approach can produce a GATT agreement that really is good for the United States as well as other nations.

So I rise in support of this fourth Uruguay round. It does not relate, as I said, to others.

There has been some talk about a straitjacket. In other cases, in parliamentary systems, the negotiators bring back the text to the Parliament and there is no discussion at all, in essence. Parliament is a rubber stamp. We will not be a rubber stamp for the GATT negotiations. We are in touch with the administration. It has now a much more realistic, and I think hardheaded approach to the Uruguay round, so I think we should grant this extension of fast-track authority for the Uruguay round, and that is why I rise in support.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 1876, a bill that reinstates the procedural mechanisms in the House for concluding and approving the Uruguay round of multilateral trade negotiations. Today's expeditious consideration is necessary so that our President, when he attends the G-7 summit in Tokyo in early July, has the clear backing of the legislative branch in his efforts to bring the Uruguay round to a close.

H.R. 1876 is a narrowly constructed bill—and that also defines its shortcomings—but nevertheless provides an important opportunity for the United States to once again exercise a leadership role in the world trading community. Even though we have currently been preoccupied with self-reflection, our success lies in improving our vision as we look out beyond our borders. The United States can make no greater commitment to future prosperity at home or abroad than to guide the Uruguay round to completion.

Other challenges lie ahead. Following implementation of NAFTA—which is now threatened by this administration's endless contortions on side-deals—the United States will be pressed to consider similar arrangements with Chile and other emerging economies in this hemisphere and in Asia. If these countries are prepared to give U.S. exporters significant market opportunities, guarantee adequate intellectual property rights protection, comply with harmonized standards, and otherwise work to create an open and fair trading environment, then the United States must be prepared to exploit these opportunities.

The United States may also need to consider country or sector specific negotiations in order to pry open markets or to resolve any number of individual trade problems. Japan is a prime example of a country where flexible and focused negotiations are essential. Yet the ability to implement trade agreements, including the Uruguay round, has expired. This legislation renews it only for that one multilateral round and, therefore, leaves an unfortunate vacuum in U.S. trade policy.

The United States must be ready to respond in a dynamic trade environment. We need broader negotiating and implementing authority in order to achieve the greatest measure of success. The administration, although pursuing its trade policy agenda in tentative and piecemeal steps, agrees that broader authority is needed and has pledged to work with Congress to develop balanced procedures as soon as it is practical to do so. We need strong leadership from Ambassador Kantor and from the President.

H.R. 1876 is but the first step. It will help us conclude the ambitious and sweeping Uruguay round that has been under negotiation for the past 7 years. We also need to move to quick implementation of NAFTA, long languishing in the grip of special interests and suffering from a lack of focus on the part of this administration, then move on to other challenges that will invigorate economies, create jobs, and raise standards of living worldwide.

The world expects strong leadership from the United States, including both the Congress and the President, and passage of H.R. 1876 will provide a major signal to our trading partners that the United States is ready to accept its responsibility. Passage of NAFTA will be our next leadership challenge.

Mr. Speaker, I urge my colleagues to vote yes on H.R. 1876.

Mr. Speaker, I yield 2 minutes to our colleague, the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Speaker, I cannot in good faith support further extension of fast-track authority for the Uruguay round of GATT.

This most recent round began 7 years ago this September. Since that time, we have been through numerous compromises and year-end deadlines only to have agreements undermined by erratic and uncooperative behavior exercised by some of our foreign negotiating partners.

A 7-year GATT round is long enough. It is time for the United States to stop playing the game.

The initial objectives of the Uruguay round to increase discipline in agricultural trade, achieve meaningful reduction in subsidies and import protections were laudable. However, I am sorry to say these goals are unattainable at this juncture.

It is time for the United States to take a trade approach proven effective. It is time for the United States to aggressively pursue section 301 and Super 301 provisions which have effectively allowed the United States to induce various nations to reduce major trade barriers.

Section 301 successfully allowed negotiation of the United States-Japan Beef and Citrus Trade Agreement and prompted a solution to the EC-oilseed issue.

Recall that the European Community [EC] acted to modify its oilseeds agreement only after the United States threatened to impose prohibitive duties on EC products. This was after a GATT panel twice found that the European Community's oilseed subsidies impair tariff-free access to the EC market.

After patiently pursuing the oilseed issue through GATT for 5 years, the United States was ultimately forced to resort to drastic measures.

If GATT negotiations are concluded this year, I will be the first to admit my misjudgment. However, having been involved in Geneva negotiations 3 years ago, it's doubtful the round will be completed by this December.

In the meantime, it is imperative for the United States to have available trade remedies through section 301 and Super 301 provisions.

□ 1340

Mr. DREIER. Mr. Speaker, I yield 1 minute to my friend, the gentleman from Texas [Mr. DE LA GARZA], the distinguished chairman of the Committee on Agriculture.

Mr. DE LA GARZA. Mr. Speaker, I thank my distinguished colleague for his kindness, his generosity, and for yielding me this time.

Mr. Speaker, I rise in support of this measure. For American agriculture, trade is of utmost importance. We are the only nation in the world that basically has this efficiency for our use, the best-fed people in the world, in the history of the world, for the least amount of disposable income per family of the major industrialized countries in the world.

Yet, we have 18 billion dollars' worth of trade. The leaders of the world come through this capital, and they come and speak with me as chairman of the Committee on Agriculture about agriculture, about food, about not only necessarily of feeding the hungry, of trade with some degree of credit like we have with the former Soviet Union and some of the Eastern-bloc countries, but the fact is that pure, simple trade requires that we have a level playing field, and a level playing field hopefully will be the Uruguay round.

This is a tool which we use to see that our trading partners and the world knows that we are serious and that we will not change every agreement, that we will not add to any agreement, that we will be responsible, and this is the way to do so.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to our colleague, the gentleman from Nebraska [Mr. BEREUTER].

Mr. DREIER. Mr. Speaker, I yield 2 minutes also to my friend, the gentleman from Lincoln, Nebraska [Mr. BEREUTER].

The SPEAKER pro tempore. The gentleman from Nebraska [Mr. BEREUTER] is recognized for 4 minutes.

Mr. BEREUTER. Mr. Speaker, I thank my two colleagues for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 1876. This important legislation to extend fast-track authority is absolutely necessary to facilitate a successful conclusion of the Uruguay round of the multilateral trade talks.

Mr. Speaker, in July, the leaders of the G–7 industrialized nations will be meeting to discuss how to better coordinate international economic policies. There is much at stake in these upcoming meetings for the United States, for the world's industrialized nations, and for the world's developing countries. Outdated trading rules are inhibiting the flow of trade among nations, and the United States and Australia are, perhaps, suffering the most among the developed countries from the current conditions where protectionist trade rules restrict the flow of our export throughout the world. Of course, the underdeveloped or developing nations are as a group, the most disadvantaged by the failure to successfully conclude the Uruguay round.

There can be no doubt that the world's most open economy, that of the United States, would stand to gain the most from further liberalization of trade worldwide. For the past half of the 20th century, the United States has been the world's engine of growth; now it is time to call upon the other developed countries, and especially those of the European Community, to reform their export subsidy programs and eliminate their most egregious tariff and nontariff barriers.

By protecting our intellectual property rights, reducing trade barriers, eliminating expensive and harmful export subsidy and dumping programs, and requiring that countries open their markets to United States and foreign exports of goods and services, the Uruguay round will do more to stimulate the global economy than any other action or program. For example, recently, United States Trade Representative Mickey Kantor stated before the bipartisan export task force that a successful conclusion of the Uruguay round could generate $1 trillion for the United States economy and create 2 million American jobs through the year 2005. According to former U.S. Trade Representative, Ambassador Carla Hills, that translates into $16,000 in additional income for a U.S. family of four over the next 10 years.

Mr. Speaker, this Member strongly supports this legislation which will allow for a successful conclusion of the Uruguay round negotiations. My only regret, echoing the sentiments of the distinguished ranking member of the House Ways and Means Trade Subcommittee, Mr. CRANE, is that this legislation does not extend authority for the President to negotiate bilateral trade agreements with those countries eager to trade with the United States under rules which are equally advantageous to both countries. That authority, to negotiate bilateral agreements, would also put additional pressure on the more intransigent countries to be forthcoming and reasonable in negotiating an equitable, enlightened conclusion to the Uruguay round.

Mr. Speaker, in the strongest terms, I urge support of H.R. 1876.

Mr. CRANE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1876 incorporates the President's request to extend trade agreement and proclamation authority and congressional fast track implementing procedures under sections 1102 and 1103 of the Omnibus Trade and Competitiveness Act of 1988 for the purpose of concluding the Uruguay round of multilateral trade negotiations this year. This legislation is a narrowly drawn, short-term extension of such trade authority which would apply only if the President notifies Congress of his intent to enter into an agreement by December 15, 1993—and provides at least 120 days advance notice—and actually enter into an agreement no later than April 15, 1994.

Under this legislation, the usual 90-day notice requirement was changed to 120 days to ensure adequate time for full consultation of any proposed trade agreement with Congress, since the dates to which it would apply covers a period of time between sessions of Congress.

This legislation is needed because the negotiating authority and fast track implementing procedures Congress provided for the Uruguay round of the General Agreement on Tariffs and Trade, or GATT, required the President to notify the Congress by March 2, 1993, of his intent to enter into agreements before June 1, 1993. Since the negotiations were not concluded and no notice was made by March 2, that authority expired.

Although the House of Representatives has already adopted provisions identical to H.R. 1876 as part of H.R. 2264, the Omnibus Budget Reconciliation Act of 1993, that bill is not expected to be enacted for several more weeks. The President has requested expedited action on H.R. 1876 so that it can be signed into law before the economic summit of industrialized nations begins in Tokyo on July 7. Enactment prior to the summit will demonstrate to our major trading partners that the United States Congress has provided the necessary authority to conclude and implement the Uruguay round, and will strengthen the President's hand in talks aimed at completing the agreement at the summit. It will send a clear message to our trading partners that the United States is determined to help end the stalemate in the Uruguay round negotiations.

Extension of this trade authority, as Members are aware, does not provide approval of an agreement; it does nothing more than give the President the authority to negotiate an agreement with the assurance that the final product will be considered by Congress under fast track procedures. Extension of this authority will leave the approval of any agreement resulting from the Uruguay round to be decided in the future.

Fast-track procedures were designed to enable the United States to more effectively negotiate treaties by assuring other parties that an agreement will be implemented by the United States, if at all, expeditiously and without changes. Briefly, those procedures provide for mandatory consideration of the implementing legislation of a trade agreement, with deadlines for specific steps in the legislative process, a prohibition on amendments, and a final up-or-down vote.

It is important to note that this authority in no way limits the constitutional right of the House of Representatives to change its rules. The fast-track procedures were enacted as an exercise in the rulemaking powers of each House and may be changed at any time by either House, with respect to its own procedure, in the same way and to the same extent as any other rule.

The Uruguay round, on which negotiations began in 1986 and which has been a major trade priority for three U.S. Presidents, is aimed at reducing tariff and nontariff barriers and establishing and improving international trading rules for manufactured goods, agricultural products, services, intellectual property, and investment among the 107 nations included in GATT. It holds the promise of substantial economic benefits for both the United States and other nations:

Lower tariff and nontariff barriers to manufactured products and other goods could lead to a very substantial increase in exports of U.S. products;

Rules to protect the intellectual property of U.S. entrepreneurs could save enormous amounts of money which is now lost through counterfeiting and theft;

More open markets in agriculture could create new opportunities for American farmers, who already lead the world in exports;

Stronger rules on dispute settlement, antidumping, subsidies, and trade remedy provisions would provide more predictability and certainty in access to foreign markets, while ensuring fair trade practices in our own market; and

Very importantly, a good agreement could bring the full participation of the developing countries into the global trading system which, along with increasing markets for U.S. exports, would promote sustainable development in those countries.

In recent years, there has been a growing understanding of the concept that trade issues and global environmental issues are inextricably linked. If the Uruguay round is successfully concluded, the stage could be set for a new round of comprehensive multilateral negotiations to establish global standards for sustainable development and ecologically responsible trading practices. The process of involving developing nations in GATT may well turn out to be one of the most important means industrialized countries have to also address global environmental issues such as the depletion of the world's natural resources and the rapid growth of the world's population.

Finally, while the President is asking for limited trade authority at this time because of the advanced stage of the Uruguay round negotiations, the administration has recognized the importance of bilateral trade as a complement to multilateral efforts. The administration has indicated that it is prepared to work with Congress in developing broader authority to pursue further trade agreements as a high priority in the future.

Mr. Speaker, again, I want to emphasize that the measure before us is very limited. It would provide fast-track trade authority only for the Uruguay round, and only until next April 15. I urge our colleagues to support this bill.

□ 1350

Mr. DREIER. Mr. Speaker, at this time I am happy to yield 2 minutes to my good friend and a hard-working member of the Committee on Appropriations, the gentleman from Arizona [Mr. KOLBE], who is one of the greatest, most outspoken proponents of free trade.

Mr. KOLBE. Mr. Speaker, I support H.R. 1876, legislation extending the President's authority to conclude the Uruguay round of multilateral trade negotiations.

Without a successful conclusion of the Uruguay round, the United States and the world will inexorably drift into a new era of protectionism.

At stake are greater U.S. export and job opportunities, higher real incomes for Americans, and lower prices for U.S. consumers. Let's not forget that it has been our exports that have enhanced and maintained U.S. economic growth over the last several years.

Between the fourth quarter of 1988 and the fourth quarter of 1991, U.S. exports measured in 1987 dollars grew at an annual rate of 8.6 percent.

Exports contributed, on average, more than a percentage point to growth to the U.S. economy per year during 1987 to 1992 and accounted for the vast majority of jobs created in our manufacturing sector in those 5 years.

A successful conclusion to the Uruguay round will provide a much needed economic stimulus to the United States and world economy. Moreover, it is a stimulus without a budget deficit. The Uruguay round will mean:

Lower tariff and nontariff barriers to merchandise exports that could increase world output more than $5 trillion, and U.S. output by more than $1 trillion over the next 10 years, meaning an additional $17,000 for the average family of four.

Rules to protect the intellectual property of U.S. entrepreneurs, who lose $60 billion annually through the theft and counterfeiting of their ideas.

New markets for U.S. service firms, which export over $163 billion annually.

Open markets and a more level playing field for American farmers who lead the world with almost $40 billion in annual exports.

The full participation of developing countries in the global trading system, which could increase U.S. exports by $200 billion over the next 10 years.

I wish this bill went beyond a simple extension for concluding the Uruguay round of GATT. The administration must make a stronger commitment to free trade, start campaigning for the North American Free-Trade Agreement, and push for broader negotiating authority to allow other countries like Chile and Venezuela to accede to NAFTA.

Mr. POMEROY. Mr. Speaker, I rise in opposition to H.R. 1876, fast track for the Uruguay round of the General Agreement on Tariffs and Trade [GATT]. I cannot support any fast-track agreement until the problems that have been created by the Canadian Free-Trade Agreement are addressed.

History shows that fasttrack has, in reality, led to a fast-track exodus of farming and agriculture-related jobs out of North Dakota.

In the mid-1980's, the Reagan administration was successful in securing fast-track authority for the Canadian Free-Trade Agreement. Promises from the administration that agriculture would not be included in the agreement were never kept. U.S. producers were then told that many of the obvious flaws would be corrected in the GATT negotiation. In fact, chapter 7, article 701 of the Canadian Free-Trade Agreement states that:

> The Parties agree that their primary goal with respect to agricultural subsidies is to achieve, on a global basis, the elimination of all subsidies which distort agricultural trade, and the Parties agree to work together to achieve this goal, including through multilateral trade negotiations such as the Uruguay Round.

In fact, the trade agreements have disadvantaged our own producers.

Mr. Speaker, the bottom line is that U.S. negotiators sold out agriculture.

North Dakota is now seeing unprecedented import surges in Canadian Durum wheat, spring wheat, and barley. United States Customs records show that Canadian wheat exports to the United States rose 183 percent in 1992 to 54.4 million bushels, enough to bake 3 million loaves of bread. Canadian spring wheat imports have doubled every year since the Canadian Free-Trade Agreement was implemented.

Now, in face of devastating results of Canadian fast track, we are being asked today to approve fast track for the Uruguay round of the General Agreement on Tariffs and Trade [GATT]. And once again, they tell us not to worry. By now we should know better.

As currently negotiated, GATT would eliminate section 22, a provision of the Agriculture Adjustment Act that provides U.S. farmers with a stable market as they compete with cheap 59-cents-per-hour labor. North Dakota ranks fourth in the Nation in the production of beet sugar. The sugar industry, and the thousands of family farmers that comprise the industry, would be decimated by GATT.

Like Canadian fast track, fast track for GATT will prevent Congress from addressing and rectifying these flaws—flaws that North Dakota farmers were told would be directly addressed in GATT in the first place. I cannot, in good faith, represent the people of North Dakota by supporting fast-track authority for the Uruguay round of GATT.

I urge my colleagues to defeat H.R. 1876, fast track for the Uruguay round of GATT.

Mr. CLINGER. Mr. Speaker, I rise in support of this bill and in favor of opening new markets for American exports.

Extending fast-track authority would simply allow the current administration to continue using a management tool which Congress has given to the last half-dozen Presidents.

I voted to give this authority to Ronald Reagan in 1988, to George Bush in 1991, and I will vote today to give it to Bill Clinton. The President has asked us for an extension of this authority so that Ambassador Kantor can try to conclude, at last, negotiations on improvements to the General Agreement on Tariffs and Trade [GATT], the rule book for world trade.

The people of this country would be well served if an agreement could be reached which meets U.S. objectives set out nearly 7 years ago. Fast-track authority, while not ideal, is a practical and relatively fair way of negotiating agreements.

It is unfortunate that the extension of fast-track authority has become a controversial issue and, for some, a tough vote. If a particular trade agreement is of questionable merit, we can, and should, consider voting it down. What we must not do is link any particular trade agreement to the process by which this Government conducts trade negotiations with other countries.

Today we have heard, as we did during the 1991 debate, complaints that the elected representatives of the American people should not be barred from making changes in a trade agreement. I find it somewhat frustrating to be forced to wholly accept or reject a trade agreement. However, fast-track procedures do call for consultation with Congress, and I am confident that this House would appropriately reject any agreement that was negotiated without the proper consultations.

Perhaps most importantly, I do not believe that it would be possible for this Government to negotiate a market-opening trade agreement with any other nation if every one of the 535 Members of Congress were at the negotiating table. Think of it: we would be bickering with one another, with our President, and with the representatives of the other nations. It would be chaotic and impractical, and there would be no guarantee that the people of this country would be better served by such an arrangement.

The effort and international political capital that has already been expended in the hope that we might have a stronger world trading system should not, must not, be set aside. On the contrary, we should build on it. We have so much to gain: a world trade system that will finally cover trade in agricultural products, services, and investment; a system where the United States can obtain prompt relief when a trading partner violates the rules; a system that will deny profits to those who would produce cheap copies of softwear, music, pharmaceutical, and other products created by American talent and ingenuity.

If we are to improve our trade performance and open new markets for U.S. exports, we must strengthen the world trading system so that it protects honest traders. If we are to pave the way for new high-wage manufacturing jobs for American workers, jobs that would be created to meet the demand for U.S. goods in a less protectionist trading environment, we must strengthen the world trading system. If we are to continue to raise the U.S. standard of living, which would be a natural consequence of new markets and more jobs, we must strengthen the world trade system.

If we say no to fast track today, and thus no to any improvements in GATT, job opportunities will be lost and we will be a less prosperous nation.

I urge my colleagues to reject that scenario, and to vote to extend fast-track authority today.

Mr. LIPINSKI. Mr. Speaker, I rise in opposition to this bill to provide the President with fast-track negotiating authority for the General Agreement on Tariffs and Trade. Fast-track authority would allow the President to submit a GATT accord to Congress for an up-or-down vote without amendment.

I oppose fast track because I believe Congress has all too often abdicated its authority over such important legislative matters like this trade agreement. The GATT will likely be a far-reaching measure with sweeping impact on the citizens and commerce of this great Nation. Despite all the attention and controversy focused on the North American Free-Trade Agreement, the GATT could have far greater impact on the everyday lives of our citizens.

For this reason, it is irresponsible for Congress to give up its constitutionally mandated oversight role over this issue. With so much at stake, Congress should train a careful eye on any agreement that may be reached and take whatever steps necessary to protect the interests of our citizens. There is absolutely no good reason to do otherwise.

Mr. Speaker, my constituents did not send me to Washington in order to turn around and give the White House a free reign over the pressing issues facing this Nation. The administration should continue to negotiate, but without fast-track authority. If the ultimate GATT accord is a good one, then Congress can and should approve it. If not, we should reserve every right to amend it so that the interests of our citizens are properly protected. Fast track denies us that opportunity. I urge my colleagues to vote against this bill.

Mr. THOMAS of California. Mr. Speaker, as the House considers the administration's fast-track extension request for the Uruguay round, I would like to express my concerns regarding a recent European Council decision which could jeopardize the implementation of meaningful agricultural market access reforms pursuant to the GATT.

Recently, the European Council decided to impose a massive new tariff on bananas imported from Latin America. Under this new regime, only the first 2 million tons of Latin American bananas will be subject to a common tariff rate of approximately 20 percent. Imports of bananas above this quota will be subject to a massive ad valorem duty of approximately 170 percent. In effect, this means that a new quota system for Latin American bananas has been established for the benefit of EC producers and producers in the former African and Caribbean colonies, whose bananas will receive preferred duty-free access to the European market.

Left unchallenged, this decision sets a dangerous precedent which could prove disastrous for American farmers. The European Council claims this new quota system is consistent with the draft Uruguay Round agricultural market access principles. Furthermore, the decision appears to be the first attempt by the EC to impose a new tariff regime under these new principles. If this new quota system for bananas does become the model of how the draft Uruguay round principles are to be implemented, we risk seeing the EC and other countries establish similar trade restrictions for other agricultural commodities of particular concern to the United States.

While I support extension of the fast track authority, I believe United States negotiators should press this issue with their European counterparts. The United States entered the Uruguay round with a goal of expanding American farmers' ability to market overseas. The banana regime our European trading partners wish to employ represents a step away from that goal and our negotiators should call for its withdrawal.

Mrs. KENNELLY. Mr. Speaker, I rise today in strong support for extending fast track authority for the Uruguay round of the General Agreement on Tariffs and Trade. This bill extends trade agreement and proclamation authority to the President necessary to conclude the Uruguay round of multilateral trade negotiations this year.

These negotiations began over 7 years ago when more than 100 countries came together in an attempt to lower tariff and nontariff barriers around the world. If successful, this round would lower foreign trade barriers and open markets across the globe to U.S. manufactured goods, agricultural products, services, intellectual property, and investment. A more equitable world trade order shculd be established by a successful conclusion. These negotiations must emphasize fairness, ensure equitable access to markets, and prevent piracy and circumvention of trade rules.

A successful completion of this round is important to my State of Connecticut. Exports are a critical part of Connecticut's economic base and its economic health relies on its exports. Increased access for services and investment are vital to Connecticut's economy and a successful round will open up greater markets for Connecticut industry.

While many argue it may be difficult to complete these negotiations due to the complex nature of some issues yet to be resolved, it is essential that the discussions result in principled trade expansion and liberalization. I am confident that our administration will negotiate a successful round. Our Nation's ability to encourage more equitable trade, to gain access to once-protected markets will greatly boost this country's economy. Foreign trade must be considered an integral component of our Nation's economic growth.

Mr. Speaker, I urge my colleagues to support H.R. 1876, extension of fast-track authority for the Uruguay round.

Mr. HUGHES. Mr. Speaker, the decision to grant or deny the extension of the President's request for fast-track trade negotiating authority for GATT is a difficult one.

In general, we have much to gain through establishing a multilateral trading system. As the world's largest trader, the United States has an enormous stake in the future of the global trading system.

American workers, although their lead is slipping, are still the most productive workers in the world. Therefore, it is clear that by supporting positive trade initiatives, exports will continue to be a vital source of strength to the U.S. economy.

Indeed, this positive trend must continue. By extending the fast-track authority we will be able to continue our efforts to open world markets, thereby maintaining our leadership role in what is rapidly becoming a global economy.

We must seize this opportunity to promote trade policy which will contribute to our economic well-being by stimulating output of goods and services, creating good-paying jobs, and enhancing our international competitiveness.

The competition we face today is very different from what we have had to contend with in the past. We are facing increased competition from other integrated economies. As the European Community unites, and Japan increases its integration with other Asian countries, we need greater cooperation and greater trade opportunities to compete. It is vital that Congress and the administration work together to establish effective trade policy and agreements which reflects these developments.

By the same token, I will not vote for a trade agreement just because I vote for fast track. Any negotiated agreement that does not advance or serve our overall national interest will not receive my support.

Like many of my colleagues, I had serious concerns regarding the North American Free-Trade Agreement [NAFTA] as it was signed by President Bush. The agreement was devoid of any text to protect the environment, strengthen worker standards and safety, and provide further safeguards against overwhelming surges in imports.

I commend President Clinton for calling for the negotiation of supplemental agreements to address these key concerns. I certainly support such efforts. In fact, my support for any future trade agreement is contingent on such assurances of congressional involvement in establishing trade policy which will not compromise our national interests.

I am also very happy that President Clinton recognizes how important it is for the administration and the Congress to work together in setting trade policy, and has included the Congress in the drafting of these critical supplemental agreements.

Mr. Speaker, I will vote for fast track, but it will be a conditional vote. The fast-track process requires us to trust that the administration will negotiate a sound international trade policy which supports our domestic, environmental, worker safety, trade adjustment assistance and minimum wage initiatives: one which will serve our overall economic and other national interests.

I understand that you cannot have 535 trade representatives negotiating an agreement, and that our trading partners will not give us their bottom line if they have to renegotiate line items with the Congress after the trade representative has completed his negotiating work.

Nevertheless, I fully expect that President Clinton, upon receiving an extension of the fast-track authority, will continue to work in alliance with the Congress in setting sound trade policy which will enable America to sustain its leadership position well into the 21st century. That expectation has won my support for fast-track authority.

If I find that is not the case, or that a trade agreement is presented to the Congress which does not deal with all of the areas which need to be addressed, I will certainly work to reject it.

I urge a "yes" vote on H.R. 1876.

Mrs. LLOYD. Mr. Speaker, today we are confronted with an issue with significant consequences for the future of our economy. As we struggle to create jobs and improve our competitiveness internationally, we are now asked to approve a trade pact negotiating procedure that does little to help hurting U.S. industries.

H.R. 1876, the fast track extension, is not a new concept. In May 1991, I joined many of my colleagues in opposition to this procedure because I believe it circumvents the proper review of Congress. This bill would allow the President to submit a final version of the General Agreement on Tariffs and Trade [GATT], known as the Dunkel draft, to Congress for their approval on an up or down vote—no amendments, to chance of offering improvements.

Certainly we all believe that liberalizing trade between nations is a noble goal that could increase the amount of foreign markets open to U.S. exports. I applaud this goal. Unfortunately, the GATT agreement as currently written, will do more harm than good. There are two particular issues I would like to comment on which I believe must be revisited before the President approves a final draft and sends it to Congress.

As a Member with a considerable textile manufacturing base in their district, I am deeply concerned over what GATT will do to the industry. As written, GATT includes the phasing out of the multifiber agreement—an arrangement to control the amount of cheap textile imports. The U.S. textile industry has struggled lately to regain stability and competitiveness but to little avail. The MFA has been critical in helping what industry remains to stay somewhat competitive. The ultimate goal of eliminating the tariff barriers is not necessarily bad, but the textile industry needs a fair time period to adjust. The 10-year phaseout is unacceptable.

An equally disturbing aspect of the Dunkel draft is the suggested development of a multilateral trade organization [MTO]. The MTO, as I understand it, would essentially demand that the United States eliminate various trade laws should they be challenged as protectionist by any member nation unless all 108 GATT nations reject the claim. The chances of that happening are quite slim. It is understandable that some changes in U.S. trade laws will be needed as part of a compromise on a final agreement, but to circumvent U.S. laws and ultimately U.S. sovereignty is unacceptable policy. I find it hard to believe that other member nations would be amenable to the MTO.

Mr. Speaker, my statement should not be understood to be an indictment of the GATT process. Negotiations are ongoing and there is no final agreement yet. I hope we can have a successful pact worked out. But I must object to the process by which Congress may consider this agreement and probably NAFTA as well. I urge my colleagues to defeat H.R. 1876.

Mr. DREIER. Mr. Speaker, I have no further requests for time, and if my friend has no further requests for time, I yield back the balance of my time and urge support of the bill.

Mr. BEILENSON. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. (Mr. TANNER). Pursuant to House Resolution 199, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. TRAFICANT. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 295, nays 126, not voting 13, as follows:

[Roll No. 247]

YEAS—295

Ackerman
Allard
Andrews (TX)
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Boucher
Brewster
Brooks
Brown (CA)
Bryant
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Cantwell
Cardin
Carr
Castle
Chapman
Clement
Clinger
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Cooper
Coppersmith
Cox
Coyne
Crane
Cunningham
de la Garza
DeLauro
DeLay
Deutsch
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards (CA)
Edwards (TX)
Emerson
English (AZ)
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Fish
Foglietta
Ford (MI)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hefley
Hefner
Herger
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Horn
Houghton
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Hyde
Inslee
Istook
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Johnston
Kasich
Kennedy
Kennelly
Kim
King
Kleczka
Klug
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lightfoot
Linder
Livingston
Lowey
Machtley
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDermott
McHugh
McInnis
McKeon
McMillan
McNulty
Meehan
Meyers
Michel
Miller (FL)
Mineta
Minge
Moakley
Molinari
Montgomery
Moorhead
Moran
Morella
Natcher
Neal (MA)
Nussle
Olver
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Penny
Peterson (FL)
Petri
Pickett
Pickle
Pombo
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Ramstad
Reed
Regula
Richardson
Ridge
Roberts
Roemer
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Royce
Sabo
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Scott
Sensenbrenner
Sharp
Shaw
Shays
Shepherd
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Stenholm
Stokes

Studds
Stump
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Torkildsen
Torres
Torricelli
Tucker
Upton
Vento
Visclosky
Vucanovich
Walker
Walsh
Watt
Weldon
Wheat
Wise
Wolf
Woolsey
Wyden
Young (FL)
Zeliff
Zimmer

NAYS—126

Abercrombie
Andrews (ME)
Andrews (NJ)
Applegate
Barcia
Becerra
Bentley
Bishop
Bonior
Browder
Brown (FL)
Brown (OH)
Byrne
Canady
Clay
Clayton
Clyburn
Coble
Collins (MI)
Costello
Cramer
Crapo
Danner
Darden
Deal
DeFazio
Dellums
Derrick
Diaz-Balart
Duncan
Durbin
Engel
English (OK)
Evans
Filner
Fingerhut
Ford (TN)
Furse
Gonzalez
Green
Gutierrez
Hamburg
Hastings
Hilliard
Hinchey
Holden
Hunter
Inglis
Jacobs
Jefferson
Johnson, E. B.
Kanjorski
Kaptur
Kildee
Kingston
Klein
Klink
Lancaster
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Long
Maloney
Martinez
McDade
McHale
McKinney
Meek
Menendez
Mfume
Mica
Miller (CA)
Mink
Mollohan
Murphy
Murtha
Myers
Nadler
Neal (NC)
Oberstar
Obey
Owens
Pallone
Payne (NJ)
Peterson (MN)
Pomeroy
Poshard
Quillen
Rahall
Rangel
Ravenel
Reynolds
Rogers
Ros-Lehtinen
Rowland
Roybal-Allard
Sanders
Schenk
Serrano
Shuster
Sisisky
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Strickland
Stupak
Taylor (MS)
Thurman
Towns
Traficant
Unsoeld
Valentine
Velazquez
Volkmer
Washington
Waters
Waxman
Williams
Wilson
Wynn
Yates
Young (AK)

NOT VOTING—13

Conyers
Flake
Harman
Hayes
Henry
Inhofe
Knollenberg
Rush
Schumer
Synar
Thompson
Thornton
Whitten

☐ 1419

Mr. DEFAZIO, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MURTHA, Ms. MCKINNEY, Mr. STUPAK, Miss COLLINS of Michigan, Mr. JEFFERSON, Mr. OBERSTAR, Ms. ROS-LEHTINEN, Messrs. TOWNS, CLYBURN, DERRICK, WILSON, ROWLAND, and FORD of Tennessee, and Mrs. CLAYTON changed their vote from "yea" to "nay."

Mr. MCINNIS, changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. KNOLLENBERG. Mr. Speaker, I was unable to be present for rollcall 247, the vote on final passage of H.R. 1876—extension of fast-track procedure for the Uruguay round of the GATT talks. Had I been present I would have voted "aye."

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3. An act entitled the "Congressional Spending Limit and Election Reform Act of 1993."

The message also announced that pursuant to Public Law 102-166, the Chair, on behalf of the majority leader, appoints Mrs. MURRAY as a member of the Glass Ceiling Commission, vice Ms. MIKULSKI.

STATE DEPARTMENT, USIA, AND RELATED AGENCIES AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995

The SPEAKER pro tempore (Mr. TANNER). Pursuant to House Resolution 197 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2333.

☐ 1420

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2333) to authorize appropriations for the Department of State, the U.S. Information Agency, and related agencies, and for other purposes, with Mr. MFUME in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, June 16, 1993, amendment No. 6 printed in part 2 of House Report 102-132 offered by the gentleman from New York [Mr. GILMAN] had been disposed of.

It is now in order to consider amendment No. 7 printed in part 2 of House Report 103-132.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer the amendment which has been printed in the House report.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SOLOMON: Page 66, after line 18, insert the following:

SEC. 151. DRUG TESTING.

(a) FINDINGS.—The Congress finds that—

(1) the illegal sale, possession and use of drugs pose a pervasive and substantial threat to the social, educational and economic health of the United States;

(2) the impact of drug abuse is reflected in the criminal violence that it causes and in the disintegration of families, schools, neighborhoods, and workplace safety and efficiency;

(3) the effects of rampant illegal drug trafficking are amply illustrated by national crime statistics and prosecutions across the United States of persons at all economic and social levels, including prominent government leaders;

(4) the chronic problem of drug abuse has contributed to declining productivity levels, escalating health care costs, and the increasing inability of domestic industry to compete in the world market; and

(5) reasonable suspicion exists that the mission of the government to preserve the public health and safety, protect the national security, and maintain an effective drug interdiction program for the United States is being subverted by the possession, sale, and use of drugs by Federal personnel at all levels of government.

(b) RANDOM TESTING.—The Secretary of State, the Director of the United States Information Agency, and the Director of the Agency for International Development, and the Director of the Arms Control and Disarmament Agency shall establish a program of random drug testing of the officers and employees of the Department of State, the United States Information Agency, the Agency for International Development, and the Arms Control and Disarmament Agency, respectively.

(c) REGULATIONS.—The Secretary of State, the Director of the United States Information Agency, the Director of the Agency for International Development, and the Director of the Arms Control and Disarmament Agency shall, not later than 90 days after the date of enactment of this Act, issue regulations for carrying out this section.

(d) DEFINITION.—For purposes of this section, the term "drug testing" means testing for the use of a controlled substance, as such term is defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

(e) EFFECTIVE DATE.—The requirements of subsection (b) shall take effect upon the issuance of regulations under subsection (c).

Mr. SOLOMON. Mr. Chairman, the amendment I offer today requiring random drug testing of State Department employees is an amendment I will offer to all authorization bills in an effort to eventually require random testing of all Federal employees.

It is necessary to offer these amendments individually to each department of Government because the Democrat leadership refuses to allow a bill to be considered on the floor of Congress requiring random drug testing of all Federal employees.

Why should we have random drug testing as a condition of employment for all Federal employees?

First, to get rid of law breakers.

Second, to improve efficiency in the workplace.

Third, to set an example that illegal drug use will not be condoned anywhere in America.

Why do we, the Federal Government, need to set the example?

The reason is that rampant illegal drug use is spreading like wildfire throughout our country, affecting not only the inner cities but spreading like wildfire into suburban and rural America.

A recent report even showed significant increases in drug use by sixth grade school children.

Where does the demand for illegal drugs come from?

It is not from inner city drug users.

It is not from drug addicts.

According to a study by the credible Rand Corp., 75 percent of the demand comes from upper middle class casual drug users living in the suburbs.

These suburbanites buy their drugs in the inner cities where there is chaos in the streets over drug sale territories and then drive back to the safe suburbs and spend the weekend casually smoking a little pot, popping a few pills, even sniffing a little cocaine, all the time saying this little bit of casual illegal drug use is harmless.

Harmless? It is hardly harmless when you realize their casual drug use creates 75 percent of the demand, which props up the price, which causes all the murders, robberies, and violent crime in our inner cities.

How do you stop all the illegal drug use? No matter how much interdiction, education, rehabilitation you come up with, it will never be enough, unless you eliminate the casual drug users that provides 75 percent of the demand.

And the only way to do that is to threaten to take away their jobs and that's exactly what random drug testing does.

A perfect example is our military. Back in 1983 a group of us worked with Ronald Reagan to implement random drug testing of all of our military personnel, where an admitted 25 percent were using illegal drugs.

Within 5 years that percentage had dropped to 4 percent. That's an 82-percent drop.

Why? Because random drug testing threatened their jobs.

If the Federal Government establishes, as a condition of employment, random drug testing, and if State or local governments do the same, and if they are joined by private business and industry across the Nation, we could all but wipe out casual drug use and 75 percent of demand for these illegal drugs.

And that would knock the bottom out of the price for these drugs.

It would also take away the profit to sell them and these drug lords would go back to raising coffee beans.

Mr. Chairman, there is a disturbing trend developing throughout the Federal Government and the administration.

A number of departments and agencies are no longer implementing the drug-free work place standards, and the State Department is one of them.

The Clinton administration doesn't seem to be interested.

They have virtually phased out the drug czar's office by reducing the staff from 164 employees down to 25.

There is even talk of legalizing drugs.

Mr. Chairman, that is no way to set an example for America.

That is why it is imperative that my amendment be adopted.

We need to send a message that we will not legalize these deadly drugs and that we will not tolerate the presence of illegal drug users in the Federal workplace.

Mr. Chairman, I yield such time as I have remaining to the gentleman from California [Mr. CUNNINGHAM].

The CHAIRMAN. The gentleman has 15 seconds remaining.

Mr. CUNNINGHAM. Mr. Chairman, I thought there were 10 minutes allowed.

The CHAIRMAN. The gentleman has used 4 minutes and 45 seconds, and the time was evenly divided, 5 and 5.

The Chair will state to the gentleman that he will be lenient.

Mr. CUNNINGHAM. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I had 20 years of service in the U.S. Navy and witnessed predrug and postdrug testing. We have a better quality of folk, and last year we offered this amendment. They said there were no users. This was prior to our finding that in our own post office they were dealing cocaine, and where there are dealers there are users. I have no doubt that their existence is still around us today. I think that the adoption of this amendment would help better the quality of all of us.

Mr. Chairman, I thank the Chair for being lenient on the time.

Mr. BERMAN. Mr. Chairman, I yield the first minute of our time on this unconstitutional amendment to the gentleman from Missouri [Mr. CLAY], the chairman of the Committee on Post Office and Civil Service.

Mr. CLAY. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from New York which would require random drug testing of all employees of the Department of State, the U.S. Information Agency [USIA], the Agency for International Development [AID], and the Arms Control and Disarmament Agency [ACDA]. As the chairman of the Committee on Post Office and Civil Service, which has jurisdiction over drug testing of Federal employees, I take strong exception to the manner in which this proposal has been brought before the House. The Solomon amendment, without benefit of consideration by my committee, imposes an enormously costly and inefficient program requiring random testing of all current employees. In March 1991, the Subcommittee on the Civil Service released a staff report which disclosed that over a 1-year period the Government spent $11.7 million testing 29,000 employees, to discover that only 153 employees tested positive. It cost the Federal Government $77,000 to identify each employee who tested positive for illegal drug use. What an inordinate waste of money, time, and resources. If nothing else, the subcommittee staff report underscores the message that drug testing of Federal employees has proven to be a very expensive and unproductive use of taxpayer money. As if wasting money is not enough, we know that Government agencies already have the authority to implement, and are implementing, drug testing programs in a constitutional manner. By extending random drug testing to workers whose jobs have no bearing on health, safety, and security, the Solomon amendment jeopardizes the constitutionality of the existing Federal drug testing program. My colleagues need to know that the State Department currently has a drug testing program in effect which includes drug testing of applicants. The Solomon amendment, therefore, is unnecessary.

Mr. Chairman, in the last Congress, my colleagues soundly defeated an identical Solomon amendment. Let us do so again. Vote against the Solomon amendment.

Mr. BERMAN. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. MCCLOSKEY], chairman of the Subcommittee on the Civil Service.

Mr. MCCLOSKEY. Mr. Chairman, I thank the distinguished gentleman for yielding this time to me.

Mr. Chairman, I also urge strong opposition to the Solomon amendment. This amendment is blatantly unconstitutional, and surely my good and dear friend, the gentleman from New York [Mr. SOLOMON]—and he knows the high regard in which I hold him—does realize this.

We all know that the Supreme Court has promulgated standards for everyone. They involve safety, international security, transportation concerns, and other things of that nature. Already, as the gentleman from New York [Mr. SOLOMON] knows, 90 percent of the people in the State Department are subject to random testing, and also all Federal employees are tested on entry to the service.

I think these procedures would be costly and unnecessary. As the gentleman from Missouri [Mr. CLAY] has said, it would cost some $77,000 per test. Each additional test is $77,000.

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There are surely better ways to spend such money. I would note also with the State Department the samples have to be sent overseas for testing in the United States. Ninety percent of the samples last year were defective upon arrival. So it is simply unfair, unnecessary, too costly, and unconstitutional.

Mr. SOLOMON. Mr. Chairman, if the gentleman will yield, I am tested once a year. It costs $11. If the Federal Government is paying $77,000, that is what is wrong with the Federal Government today.

Mr. BERMAN. Mr. Chairman, I yield 1 minute to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Chairman, however Members may feel about mandatory random drug testing, and whether or not it's an invasion of privacy or excessive government intrusion into people's lives and even their bodies; it is a logistical nightmare and an unjustifiable waste of taxpayers' money.

The Federal Government has spent $11.7 million testing 29,000 employees at a rate of $77,000 for each positive drug test.

Testing only 15 percent of State Department employees would cost more than $1 million per year. Testing them all would cost over $10 million. The new hire testing that has gone on has cost $150,000 per positive test.

On top of that more than half of all State Department employees are overseas. There no no HHS certified labs overseas, creating the spectacle of sending thousands and thousands of samples back to the United States for testing. A recent attempt to do just that had a 90 percent failure rate.

The Solomon amendment would require mandatory random drug testing for State Department employees. Can Members justify to your constituents spending $150,000 for one positive drug test? How many youngsters could receive antidrug education for the same amount?

Cut Government waste.

Vote "no" on the Solomon amendment.

Mr. BERMAN. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman is recognized for 2 minutes.

Mr. BERMAN. Mr. Chairman, I wanted to comment on my friend's amendment, because I am quite surprised the gentleman would offer an amendment like this. I know that the gentleman from New York [Mr. SOLOMON] has great regard for the concept of judicial restraint, and he wants his courts to defer to congressional action.

Well, not the Warren Court, not the Roosevelt Court, but the Rehnquist Court has spoken to the issue of random drug testing, and they have enunciated a balancing standard.

The Court says and a number of Court decisions have said that one balances the privacy of the individual against the compelling nature of the government interest.

Now, what are the facts in terms of State Department testing? Every single employee who has a job affecting national security, health, or safety, that is employed by the State Department, is subject to random testing.

In addition, every single Foreign Service officer and every single Foreign Service employee is required to submit to preemployment testing.

There is a nexus in the exiting program between the kind of a job that the individual is going to perform and the willingness to invade that person's privacy. That is the kind of standard that probably passes the Supreme Court's constitutional test.

The blanket random testing that encompasses all employees without regard to what kind of job they perform, without regard to whether or not their job has any impact on national security, on health, or on safety, constitutes a constitutionally impermissible invasion of their privacy. Not by ACLU standards, not by Justice Warren standards, but by the Supreme Court that sat in 1989, who was appointed, seven of the nine members, by Republican Presidents.

Let us show some restraint in how we legislate so that we do not have the courts overreacting. I urge that the amendment be defeated.

Mr. SOLOMON. Mr. Chairman, if the gentleman will yield, the gentleman knows as a condition of employment it is constitutional.

Mr. HOYER. Mr. Chairman, I rise in opposition to the Solomon amendment once again.

Agencies are now drug testing Federal employees under the express authority of President Reagan's executive order and laws carefully adopted by the Congress which govern this program and ensure uniformity among agencies and protect the accuracy of the testing program.

This is not a vote on whether you support drug testing. The Government can and does randomly drug test any employee who now works in a sensitive position—over 400,000. If you carry a gun, hold a security clearance, are involved in narcotics enforcement, or affect the public health or safety, you are now subject to random testing. Court cases have upheld this law. This amendment, if adopted, would cloud the situation and throw into jeopardy and confusion the existing testing program.

This is a vote whether you believe we should spend precious dollars and invade the privacy of nonsensitive Federal employees by drug testing nonsensitive positions like secretaries, clerks, accountants, health researchers, teachers, linguists, and many others.

Keep in mind that even these employees can be drug tested if they are suspected of drug use. The only question is should they have to urinate in a bottle—and I say that only to make clear the reality of what we are talking about—on a random basis, solely to make a symbolic point?

I am second to no one in this House in my concern about the drug problem which we face in this country. I have made combating drug use and the resulting epidemic of crime my highest priority. But, Mr. Speaker, randomly drug testing Federal employees will not lead to victory in the war on drugs. And we should not subject nonsensitive employees to personal invasions of privacy merely to show how tough we are in this war.

Random drug testing for nonsensitive employees is demeaning.

It is demoralizing.

And it is deceptive to the American public.

This House has spoken with recorded votes in favor of the existing drug testing process. This House rejected this amendment 145 to 265 on May 15, 1991. Uphold the existing law. Reject this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 184, noes 235, not voting 20, as follows:

[Roll No. 248]

AYES—184

Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Brewster
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Castle
Coble
Collins (GA)
Combest
Condit
Cooper
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Green
Greenwood
Hall (OH)
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hoagland
Hobson
Hoekstra
Holden
Horn
Houghton
Hunter
Hutchinson
Hutto
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lancaster
Laughlin
Lewis (CA)
Lewis (FL)
Linder
Lipinski
Lloyd
Machtley
Manzullo
Mazzoli
McCandless
McCollum
McCrery
McHugh
McInnis
McKeon
McMillan
McNulty
Menendez
Meyers
Mica
Michel
Miller (FL)
Molinari
Montgomery
Moorhead
Murphy
Myers
Nussle
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Penny
Pombo
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Royce
Santorum
Sarpalius
Saxton
Schaefer
Sensenbrenner
Shaw
Shays
Shepherd
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (WY)
Torkildsen
Traficant
Upton
Valentine
Vucanovich
Walker
Walsh
Weldon
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—235

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Bacchus (FL)
Baesler
Barca
Barcia
Barrett (WI)
Becerra
Beilenson
Bentley
Berman
Bevill
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Coleman
Collins (IL)
Collins (MI)
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)

Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Gilchrest
Gillmor
Glickman
Gonzalez
Gordon
Grandy
Gutierrez
Hamburg
Hamilton
Hastings
Hefner
Hilliard
Hinchey
Hochbrueckner
Hoke
Hoyer
Huffington
Hughes
Hyde
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
King
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lewis (GA)
Lightfoot
Livingston
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
McCloskey
McCurdy
McDade
McDermott
McHale
McKinney
Meehan
Meek
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Moran
Morella
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Rostenkowski
Roybal-Allard
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Tanner
Tejeda
Thurman
Torres
Torricelli
Towns
Tucker
Underwood (GU)
Unsoeld
Velázquez
Vento
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates

NOT VOTING—20

Andrews (TX)
Clyburn
Conyers
Faleomavaega (AS)
Flake
Gibbons
Gunderson
Harman
Hayes
Henry
Matsui
Romero-Barcelo (PR)
Rose
Rush
Synar
Thomas (CA)
Thompson
Thornton
Washington
Whitten

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Messrs. RICHARDSON, REED, WILSON, and POMEROY changed their vote from "aye" to "no."

Mr. KOLBE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 8 printed in part 2 of House Report 103-132.

AMENDMENT OFFERED BY MR. KANJORSKI

Mr. KANJORSKI. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KANJORSKI: Page 98, strike lines 5 though 8; and redesignate paragraphs (7) and (8) as paragraphs (6) and (7), respectively.

The CHAIRMAN. Under the rule, the distinguished gentleman from Pennsylvania [Mr. KANJORSKI] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Is there a Member who rises in opposition to the amendment?

Mr. BERMAN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from California [Mr. BERMAN] will be recognized for 10 minutes in opposition to the amendment.

Does the gentleman from California wish to yield a portion of his time?

Mr. BERMAN. Yes, Mr. Chairman. As I understand the rule, the opposition is allotted 10 minutes.

The CHAIRMAN. That is correct.

Mr. BERMAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. GILMAN], the ranking member of the Committee on Foreign Affairs.

The CHAIRMAN. The gentleman from New York [Mr. GILMAN] will be recognized for 5 minutes.

Mr. KANJORSKI. Mr. Chairman, I yield 5 minutes of my referred time to my colleague on the other side of the aisle, the gentleman from Connecticut [Mr. SHAYS].

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the new Members of the House, the 110 freshmen, may not be aware of the organization known as NED, the National Endowment for Democracy. It is a unique experiment, and perhaps it did have its time in glory or time in need, but this is not that time.

The National Endowment for Democracy was formed in 1984 with taxpayers' money, for the purpose of obtaining and performing functions that were thought to be unseemly or could not effectively and efficiently be performed by the State Department, or, I suspect, even the CIA.

Today the NED comes before us for reauthorization and refunding. It started, if I recall, with $13 million, and even though the Wall has fallen and the Soviet Union has disappeared, NED is now requesting $48 million for this year and $50 million for next year.

Mr. Chairman, this is definitely a success story if we have ever heard it in terms of appropriations. This unseemly 60-percent increase in funding from last year to this year begs the question of why should this be done and why will it pass this Chamber, if in fact it will. I say to the freshman Members that are here, as well as to Members that have listened to this argument before, NED is probably the most unholy alliance, and that this is the most unholy authorization ever passed by the House of Representatives. NED puts so many unfriendly parties in the bed together that it makes us wonder whether we in fact have not come together in a unicameral legislature.

We have the Republicans with the Democrats, we have the National Chamber of Commerce with the AFL-CIO, and then we have every political consultant of every philosophical stripe there is that needs a welfare fund provided to them, we take taxpayers' money, give it to a private organization, and empower that organization to carry on foreign affairs in the name of the United States of America without adequate control and accountability.

What we are arguing is two propositions. One, taxpayers' money should not be spent this way. If this authorization has merit, and in some instances it may, let the private sector of America fund this organization to carry on. Corporations all over America can make contributions of up to $50 million to carry on their chore, but there is no reason that every taxpayer in America must fund this organization.

Two, the Constitution of the United States never contemplated that this Congress would take it upon itself to give taxpayers' money to a private organization to carry on the foreign affairs of the U.S. Government. That is an insult to the Constitution, and therefore, an insult to every one of us that believe in constitutional form of government such as we have here in America.

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What we are asking our fellow colleagues to do today is stand tall and be recognized. Let me say, I never thought I would see that the chairman of the subcommittee here would join the minority whip and support the same authorization, I am amazed. It suggests that somehow bipartisanism is able to be built in this House.

I wonder. I wonder whether that bipartisanship would exist if millions of dollars did not go into the Democratic Institute to pay for trips around the world and to pay the fees of consultants in this town and throughout America, all around the world? And I wonder if those millions of dollars that go into the Republican Institute for the same purpose are not the reason that brings these two elements together? Is it the reason that the AFL-CIO thinks that this organization is akin to motherhood and apple pie and must go on, due to the fact that millions of dollars fund the AFL-CIO International Institute? Would, on the other hand, the National Chamber of Commerce join the AFL-CIO unless they received millions of dollars for their institute?

What I urge my colleagues to do is to study what this is all about. We do not need, with the fall of the Berlin Wall to create a caricature of Americans as the "ugly American" or the police power of the world that is paid for and fostered by American taxpayer money through private organizations. If we are going to make fools of ourselves around the world with our foreign policy and our involvement in the internal political affairs of foreign nations, let our State Department and let our President make that mistake, but not a private entity funded by the money of the taxpayers of the United States.

I urge my colleagues to end this charade and join us once and for all in putting to sleep the NED. Let them exist by a blood transfusion of private funds if the merit of their existence is so great.

Mr. BERMAN. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. HOYER], the chairman of the Congressional Support for the Helsinki Commission.

Mr. HOYER. Mr. Chairman, I thank the gentleman from California for yielding me the time and I rise in strong opposition to the gentleman from Pennsylvania's amendment.

I would take the gentleman's weakness that he projects in terms of NED and suggest that instead it is one of NED's greatest strengths.

On this floor we debate the differences we have because the similarities and agreements we share are not worthy of debate. In point of fact, I believe the Chamber of Commerce and organized labor believe in democracy and they believe in freedom. Do we have different perceptions on the edges of those policies? Yes.

I believe Republicans and Democrats alike believe that democracy is the wave of the future and has been a major part of the successes in our world today. That is why NED works. That is why NED ought to be continued. That is why this President of the United States and two former Presidents of the United States have supported NED, because it is the premise of this country that democracy provides for the best human rights, the best political system and, yes indeed, the best economic system for the world.

Therefore, I would urge my colleagues to support this very important authorization so that America can continue to stand strong for the emerging democracies of this world.

Mr. Chairman, I rise today in strong opposition to the Kanjorski amendment.

We are witness to an unprecedented era of democratization across the globe. Happily, in our world today, more people than ever are living in free or partly free countries. We have seen the dramatic overthrow of communism in East-Central Europe. By 1992, the U.S.S.R. no longer existed. Just 2 months ago Russia's voters came out and backed President Yeltsin's vision of a Russia moving toward market reform and privatization. We have seen free elections in Nicaragua, and the triumph of the democratic opposition. We have seen the bravery of men and women around the world, from Chile to China to Cambodia, raising their voices and risking their lives for freedom and justice and in some cases to exercise the fundamental right to vote for the type of government they choose to live under. To accept the proposed amendment would destroy an organization that has actively and constructively furthered democracy worldwide and seriously cripple a major U.S. foreign policy objective to shore up democracies worldwide.

Mr. Chairman, we cannot afford to dilute our efforts at helping those activists and organizations who seek to promote and strengthen democratic institutions. This is not the time nor the program to scale back our efforts. If there is a cost-saving mechanism this is it. This is a small investment in people and programs that can yield extraordinary dividends in years to come if we but keep the vision within sight. The real fact is that we cannot afford the failure of those groups, individuals, and programs that NED supports. It is in our national interests that democracy be actively promoted abroad.

Mr. Chairman, NED was created by the Congress in 1983. It has the support and cooperation of members of both political parties, of conservatives and liberals, of business leaders and labor activists, and of thousands of citizens across the globe who are committed to democratic development. Since its inception, NED has successfully assisted hundreds of organizations working for freedom and democracy in dozens of countries worldwide. During the past year NED has provided assistance in almost 80 countries—in Africa, Asia, Europe, Latin America, and the Middle East. It has supported women's leadership conferences, election monitoring activities, political party training programs, grassroots participation and technical assistance to local governments, political parties, parliaments, businesses, and civic groups. Our support for NED has been a small investment that has already delivered a tremendous return and promises much more.

As Cochairman of the Commission on Security and Cooperation in Europe, I am particularly familiar with NED's work in East-Central Europe and in Russia. Nobody needs to be reminded of the sweeping changes we have seen in those regions—changes that continue to impress and inspire. But while communism seemed to collapse overnight, democracy will take years to secure. And while NED's assistance has directly contributed to the democratic changes that have already taken place in East-Central Europe, I want to stress that NED's continuing assistance will be vital to ensure that democracy survives.

Mr. Chairman, I understand my colleagues' concern that NED's funds be carefully and comprehensively accounted for and spent wisely. Certainly, we all have a responsibility to ensure that taxpayer dollars are responsibly spent. But killing the endowment is not the solution. It will send a terrible signal to the numerous democratic organizations that depend on NED for assistance. It will send a terrible signal to the brave individuals around the world who rely on NED's commitment to democracy. It will send a terrible signal to the fledgling democracies at a time when they need our determined support. In short, it will be a terrible mistake.

In my experience, NED has been ready and willing to work with the Congress, not against us. I urge my colleagues to support the cause of democracy and vote against the Kanjorski amendment.

Mr. SHAYS. Mr. Chairman, I yield myself 1 minute to join with my colleague, the gentleman from Pennsylvania [Mr. KANJORSKI], because I believe he is right on the issue, based on morality and substances.

I have an extraordinarily difficult time understanding why the United States of America is funding the Republican Party and its leadership. I have a hard time understanding why the U.S. Government is funding the Democratic Party and its leadership and the AFL–CIO and U.S. Chamber of Commerce.

The foundation which receives funds for the U.S. Chamber of Commerce is the Center for International Private Enterprise. That is the U.S. Chamber of Commerce, controlled by it. The Free Trade Union Institute is the AFL–CIO, controlled by the AFL–CIO. The International Republican Institute is controlled by the Republican Party. The International Democratic Institute is controlled by the Democratic Party.

I think it is morally wrong to have these private foundations conduct foreign policy around the world as they see fit with $48 million of taxpayers' money.

Mr. Chairman, I reserve the balance of my time.

Mr. GILMAN. Mr. Chairman, I yield myself 2½ minutes.

Mr. GILMAN. Mr. Chairman, I rise in opposition to Mr. Kanjorski's amendment to zero out funding for the National Endowment for Democracy.

NED—as an independent organization—is a vital, cost-effective addition to the U.S. Government's support for democratic values around the world.

In this new era of democracy there is a surge toward more representative governments. The new rule in these formerly oppressed states is that governments are only legitimate if they rule with the consent of the governed.

That is why now, more than ever, we need to support democratic initiatives, at all levels. Strong institutions foster greater political stability which is essential to the success of the newly emerging democracies.

That stability can best be achieved through the expertise provided by the National Endowment and its over 200 grantees throughout the world who are working to build democratic institutions.

We are in a period of transition in many places around the world and the nature of our assistance should respond to the new needs.

The kinds of people-to-people programs sponsored by NED are aimed at developing indigenous expertise and democratic institutions. These are the foundations for stability which will sustain the major economic, social, and political reforms being undertaken in several countries.

As an independent bipartisan organization, NED has consistently proved its unique ability to work with grassroots organizations. It is this support at the grassroots that helps to cement the principles of participatory Government, by embracing the fundamentals of democracy and the basic human rights of the people to determine how they are governed.

The distinctive features of NED is that they choose to take on the tough tasks around the world.

They are working in some of the world's most difficult places such as Iraq, Iran, China, and the former Yugoslavia.

As an independent organization, they are able to reach areas our Government may not be able to. They can deliver the message of hope and the values we all share, to people who still are seeking the freedoms we most cherish in this country.

Africa is another region that is undergoing a Democratic transition. NED is at the forefront of providing support to the emerging democracies throughout Africa.

The current administration is pursuing democracy-building programs in this post-cold-war era, and with bipartisan support, has recommended continued funding for the National Endowment.

In fact NED programs are so highly regarded that it is one of the very few organizations to receive a modest increase; the committee authorized NED at $48 million in fiscal year 1994 and $49,296,000 in fiscal year 1995.

Accordingly, I urge a "no" vote on the Kanjorski amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. BERMAN. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. HAMILTON], chairman of the Committee on Foreign Affairs.

Mr. HAMILTON. Mr. Chairman, I thank the gentleman for yielding me the time. I rise in opposition to the amendment.

First of all, may I say that the gentleman from Pennsylvania has, I think, performed a service in calling attention to the National Endowment for Democracy. But there are three reasons for supporting the National Endowment.

First of all, the principal plank of President Clinton is to encourage democracy in his foreign policy program, and the National Endowment for Democracy is the principal vehicle by which he seeks to achieve that. He wants to strengthen these fragile democracies all around the world, and this is one of the principal ways he will try to achieve that.

Second, the National Endowment has done very effective work. The fact of the matter is, establishing a democracy is a tough, difficult task. It is far more than just running an election. You are building the institutions of democracy, and that is what this endowment has expertise in. It does effective work.

Third, they have made management reforms. There was a time when one could criticize the National Endowment for its management practices. Those times are behind us. They have made corrections, and they are making improvements.

I urge my colleagues to defeat this amendment.

Mr. SHAYS. Mr. Chairman, I yield 1 minute to the gentlewoman from Maine [Ms. SNOWE].

□ 1510

Ms. SNOWE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Pennsylvania [Mr. KANJORSKI]. He, together with the gentleman from Connecticut [Mr. SHAYS], is offering a fiscally prudent amendment that I believe deserves broad support.

Earlier this year at the Budget Committee, I worked very closely with the cosponsor of the amendment, Mr. SHAYS. Together, we drafted the Republican alternative amendment to the budget resolution on the international affairs portion of the budget. That budget amendment included the provision now being jointly offered on a bipartisan basis by Mr. KANJORSKI and Mr. SHAYS.

The purpose of the National Endowment for Democracy is certainly laudable. Although NED is often thought of as the main entity working to promote democratic development around the world, there are in fact many different U.S. Government programs and funding mechanisms working in this field. These range from AID judicial reform programs to U.S. broadcasting services such as VOA and Radio Free Europe. Virtually all aspects of programs run by the U.S. Information Agency in some way address the issue of democratic development as well.

Moreover, NED has a long history of poor budgetary and administrative practices. In 1986, the GAO issued a harshly critical report, which NED promised to address. Then in 1991, the GAO issued a followup report, which found that NED had taken no real action to improve its budget and program oversight procedures. Faced with possible defunding 2 years ago, NED did adopt a plan to respond to the GAO's criticism. A year ago, the GAO reported that if NED this time actually followed through, the plan had the potential of improving its financial operations.

This episode points to an increasing concern I have had with NED over the past few years. While I have no objection with the endowment's stated purpose, I believe that an annual legislative earmark for Federal funding of this private institution has actually harmed NED's effectiveness. Frankly, I believe that this earmark has not only reduced the incentive for NED to conduct rigorous evaluation of its own programs and their effectiveness. It has also led to a low level of Agency oversight and direction compared to programs directly administered by the U.S. Government.

I have also been concerned by the continued rapid growth of Federal funding for this private organization. From fiscal year 1990 to fiscal year 1993, spending on NED doubled to the current funding level of $30 million. This bill proposed to increase NED's funding by another 60 percent to $48 million. This is the single largest percentage increase contained in the entire bill.

I think we should be clear on what this amendment does not do. It does not terminate the National Endowment for Democracy. Despite the word national in its name, NED is a private organization. While most of NED's funding come from the U.S. taxpayers, the endowment and its four-core grantees do raise private funds for their work. Certainly, they could and should do more.

Also, it is still possible under this amendment for NED to receive Federal funding. All this amendment does is eliminate the $48-million earmark for NED contained in this bill. The endowment could still compete with other organizations for specific grants through USIA or AID. Removing the earmark removes NED's sense of an ever-expanding entitlement to U.S. taxpayer funds. Having to compete on a level playing field for Federal funding will force NED to justify every proposed project. This will not only vastly improve oversight over the endowment's activities, but will help ensure that all such activities are fully compatible with U.S. foreign policy goals.

So again, I would like to acknowledge this amendment's fiscal responsibility. With its passage, it will further reduce this bill's authorization below the fiscal year 1993 appropriated level. I urge adoption of the amendment.

Mr. GILMAN. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, I rise in strong opposition to this amendment and in strong favor of an unshakable American commitment to democracy and freedom throughout the world.

Yes, the National Endowment for Democracy has been imperfect. Our military forces during the cold war were imperfect. We did not do away with our military forces. We corrected the problem.

The National Endowment for Democracy had some problems. Those problems have been corrected. The National Endowment for Democracy, during the cold war, played a vital role from El Salvador to Poland. In the transition out of the cold war, it plays even a more important role.

If we have democracy, we are going to have to work at it, and the American people, who else to champion the cause of democracy but the American people.

I am astounded by my friend, the gentleman from Pennsylvania, who cannot understand that what unites us Republicans and Democrats, the AFL-CIO, the Chamber of Commerce is not some effort to do mischief around the world. What unites us is the commitment to democracy and freedom that united our forefathers so long ago that they carried the torch all of these years.

We are the ones who give hope to the people of the world that freedom is possible even in the darkest depotism, and it is our camaraderie among people who disagree on economic issues, among people who disagree as Republicans and Democrats, it is our camaraderie on these ideals of our forefathers and mothers that gives hope to the people of the world.

I strongly oppose this amendment.

Mr. SHAYS. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I rise today in support of the Kanjorski-Shays amendment to the State Department authorization bill. This amendment eliminates funding for the National Endowment for Democracy and will save American taxpayers almost $50 million in fiscal year 1994. Funding for the National Endowment for Democracy has increased 50 percent from last year.

The National Endowment for Democracy distributes funds to four American groups—the National Democratic Party, the National Republican Party, the AFL-CIO, and the U.S. Chamber of Commerce—which use the funds to promote democracy in foreign countries.

Mr. Chairman, I am a strong supporter of promoting democracy around the world, and in this country for that matter. I have sponsored and cosponsored numerous measures in recent years to promote democracy around the world; however, I do not believe that this particular Federal expenditure is necessary in view of the current fiscal crisis in the United States. There are many ways in which our country can help promote democracy in foreign countries without directly funding particular political parties and interfering in the electoral processes in foreign countries. In particular, the Agency for International Development could promote democracy by funding projects in foreign countries which encourage political development and promote democratic institutions. The State Department could increase its efforts to provide exchange opportunities for political and civic leaders in emerging democracies.

One of my primary concerns about the National Endowment for Democracy has been its interference in the electoral process in countries which are already democratic. In recent years, the National Endowment for Democracy has funded projects in Great Britain, France, and New Zealand. A few years ago, National Endowment for Democracy funds were used against Nobel Peace Prize winner, Oscar Arias, the former President of Costa Rica—a country which has been democratic for over 100 years.

Again, I urge my colleagues to end an unnecessary expenditure, to support fiscal responsibility, and to support the bipartisan, Kanjorski-Shays amendment.

Mr. GILMAN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Chairman, in the early 1980's, I was not a strong proponent of this idea. Having gone through the process of observing these private organizations as they have moved throughout the world encouraging democratic expansion, I stand here as a very strong proponent of the National Endowment for Democracy.

I want to congratulate my friend, with whom I have traveled to Poland and other parts of Eastern and Central Europe, the gentleman from Pennsylvania [Mr. KANJORSKI], for having raised this issue, because, yes, there have been bookkeeping problems, but the 1992 General Accounting Office study has stated very clearly that if the National Endowment for Democracy continues on the road toward the kinds of reforms that they have, they will have a clean bill of health.

It seems to me that democracies today are more fragile than they have been in the past. Look at Eastern and Central Europe today. Democracy is struggling. We do not have a clear bill of health for democracy throughout the world.

The best entity from which we can encourage this kind of expansion is the National Endowment for Democracy and their core organizations.

I urge a no vote on the Kanjorski amendment.

Mr. BERMAN. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. JOHNSTON], chairman of the Africa Subcommittee of the Committee on Foreign Affairs.

Mr. JOHNSTON of Florida. Mr. Chairman, I would like to speak from personal experience. I was exactly where the gentleman from Pennsylvania [Mr. KANJORSKI] was 5 years ago, violently against NED. I voted against it in committee and on the floor because of what happened in Costa Rica.

I became a convert. Four years ago the gentleman from Florida [Mr. GOSS] and I were observers at OAU in Nicaragua, and time and time again observers came up to us from other countries and said, "If it were not for the National Endowment for Democracy and their counterparts, we would not have had free elections."

The Chileans said that in Chile they would have not had free elections without them.

The gentleman from New York [Mr. GILMAN] mentioned Africa, with Angola, with Nigeria, and other countries. We are in there in South Africa today training these people to have democratic elections.

I strongly oppose this amendment. Without the NED, without the National Democratic Institute, these countries would be in serious jeopardy.

Mr. SHAYS. Mr. Chairman, I yield 45 seconds to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I rise in support of the amendment.

The author has spoken eloquently about the specific reasons to adopt this amendment, $50 million worth.

This is one of many programs that, it seems to me, were developed years ago for a good cause, but it is our purpose in this Congress, I think, to evaluate programs, to put some measurement to programs, to try and measure the accountability of programs.

We act like this is the only effort we are making at democratic institutions. It is not. Someone said all the private organizations are doing a great job. I suppose they would if you gave them $50 million.

There are a couple of reasons why we should not do it. One is it is redundant. We are doing this. We have lots of bucks being spent for that. The other is that we need to evaluate every program and see if it is accomplishing the goals. Some we do not do so well, some we should not do at all.

This is one that we are doing other places. We do not need to do it. And we can save $50 million.

Mr. BERMAN. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman for yielding me this time. Mr. Chairman, I rise against this amendment which would eliminate all Federal funding for the National Endowment for Democracy.

Since the end of the cold war nations emerging from decades of totalitarian control struggle to establish democratic institutions, free market economies, and promote human rights. It is a tall order. The endowment has supported these nations and people in their struggle to attain a stable government which will provide lasting freedom.

The fall of the Berlin Wall and the collapse of the Soviet Union did not usher in a era of democracy and human rights in these former totalitarian nations. Instead there is a tremendous amount of uncertainty and instability in all areas of Government and society in many of these nations. We cannot now turn our back on these people when they continue to need our help, and when they are able to benefit from it most.

In addition to assisting the emerging democracies of the world, NED is able to monitor the human rights abuses in the remaining authoritarian regimes, disseminate news of democratic movements around the world and train future democratic leaders.

As a ranking Republican on the Commission for Security and Cooperation in Europe and as one of the ranking members of Foreign Affairs, I am personally aware of the influence that NED has in supporting the United States' commitment to democratic reform and securing our interests around the world. I have also experienced how people around the world look to the United States for our support in their aspirations to have free governments, free markets, and guaranteed human rights.

Fifteen years ago, a large number of Latin American countries were controlled by authoritarian regimes. Today, only one nation—Cuba—is not on the road from totalitarianism to democracy. As significant as this is, these emerging democracies still face serious threats to democratic reform. Without support these reforms could be derailed and opponents to democracy strengthened.

A major obstacle to democratic reform is the pervasive corruption in many governments. Corruption in government leads to weak democratic structures, political violence, and the abuse of human rights. As this corruption spreads and democratic reforms are weakened, antidemocratic forces gain influence and power and the interests and ideals of the United States are threatened. NED supports programs which strengthen constitutional governments, political movements and economic reforms which in turn strengthen democratic institutions and movements.

NED also supports a growing network of women's political movements, including Conciencia, which is carrying out civic programs in Argentina, Peru, and Colombia. It has grown from 22 members in 1980 to over 4,000 today. The influence of Conciencia is spreading beyond South America to Russia and South Africa.

To cut funding to NED now would send a signal to these people that we are no longer interested in supporting the spread of democratic movements and ideals and in establishing stable democratic governments.

I urge my colleagues to defeat this amendment. An investment in the National Endowment for Democracy is an investment in the interests and security of the United States.

Mr. SHAYS. Mr. Chairman, I yield one-half minute to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I rise in strong support of the Kanjorski-Shays amendment to eliminate funding from the so-called National Endowment for Democracy, or NED.

Since its creation in 1983 by President Reagan, the NED has been an endless source of controversy and an embarrassment to United States foreign policy. The NED duplicates a number of services already provided by other Government agencies. And many of the activities funded by the NED would be illegal if they were carried out in the United States by a similar agency of a foreign government. Yet today we are being asked to approve $48 million for this program—an increase of 60 percent over last year.

Mr. Chairman, less than a week ago, the Senate Finance Committee announced that they plan to propose cutting another $19 billion from Medicare in the name of holding down the deficit. In 1990, Congress cut $43 billion from Medicare—also in the name of deficit reduction. I recently had dinner with a group of senior citizens in Castleton, VT. They were deeply concerned about how the President's budget proposal would affect them. How can I possibly go back and explain to them why we can afford a 60-percent increase in funding for the NED when Congress is on the verge of cutting $19 billion more from Medicare?

Mr. Chairman, to those who would describe the NED as cost effective, I would simply ask, how can they possibly know that? After all, although the NED receives 95 percent of its funding from the Federal Government, it is a private organization which funnels most of its budget to private groups and agencies that are accountable to no one. Neither the Congress nor the administration nor the American people can verify the NED's accomplishments or effectively trace where it spends its money. In fact, Mr. Chairman, the General Accounting Office has sharply criticized the NED for misuse and mismanagement of funds.

Mr. Chairman, many Members of Congress have expressed their strong opposition to any campaign finance proposal for our own country which includes Government funding of elections. Yet many of these same people will probably vote to support funding for the NED—which provides millions of dollars in Government funding to influence elections in other countries.

Mr. Chairman, we need to pay more attention to the health of our own democracy. During the last 10 years, the NED has funded so-called democracy-building activities in countries like Great Britain and France. This seems very difficult to justify when you consider that voter turnout in both of these countries is typically a full 50 percent higher than it is in the United States. Mr. Chairman, the United States ranks last among all industrialized nations in voter turnout. In Presidential elections, only about half of the people show up at the polls. In off-year congressional elections, only about 1 in 3 people bother to vote.

Mr. Chairman, I urge Members to support this amendment. If we want to use public money to build democracy, let us do it here at home and enact real campaign finance reform with public financing.

□ 1520

Mr. BERMAN. Mr. Chairman, I reserve the balance of my time.

Mr. SHAYS. Mr. Chairman, I yield one-half minute to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Maryland [Mr. HOYER] our friend, has rightly pointed out that democracy is the wave of the future. Since it is going to happen anyway, why throw money at it?

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] has 45 seconds remaining.

Mr. SHAYS. Mr. Chairman, I yield the remaining time to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. I thank the gentleman for yielding.

Mr. Chairman, we have heard a little of the argument. Too bad we do not have half an hour to discuss this. But what have we heard?

We heard first of all that there are other agencies and organizations that could do what NED, the National Endowment for Democracy is doing. The National Endowment for Democracy is not certainly responsible for all the successes in the world. It did not even exist when some of these successes started to occur.

Two, there are accountability problems here that are disasters in the making. If we think that the House bank was a disaster for this institution, just wait until the final accounting occurs, with the hundreds of millions of dollars that have been expended by the National Endowment for Democracy that have not yet been properly accounted to this Congress or the American people.

Finally, how in 1993, after the fall of the Soviet Union, the fall of the Berlin Wall, the birth of democracies around the world, can we justify an increase of 60 percent in annual funding and say it is absolutely necessary for democracy?

I ask my colleagues to join me as reasonable participants on both sides of the aisle and vote down the public financing of the National Endowment for Democracy but allow them to exist on charitable funds that they can collect for themselves.

Mr. BERMAN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I rise in passionate opposition to this amendment, not an amendment that lowers the increase or freezes the National Endowment but wipes it out completely.

The question that Mr. KANJORSKI asks should be turned around: How, in 1993, less than 2 years after dissolution of the Soviet Union, less than 4 years after the fall of the Berlin Wall, less than 12 years after the National Endowment for Democracy started working with Lech Walesa and other believers in democracy in Eastern Europe, within 10 years after the National Endowment for Democracy went to the Philippines and went to Chile, went to Nambia, and went all over the world where the struggle for free elections and democracy was going on and winning support, how can we possibly contemplate wiping out the key part of America's program?

Mr. ROHRABACKER had it right: This is not the Republicans and Democrats, labor and business in bed together to feather their own nests; this is because there is a broad bipartisan consensus that there are certain enduring principles in American foreign policy, first and foremost of which is support for democracy and democratic institutions. We have chosen to manifest that support through the National Endowment for Democracy.

Please reject this amendment.

Mrs. LOWEY. Mr. Chairman, I rise in opposition to the Kanjorski amendment which would eliminate funding for the National Endowment for Democracy.

I oppose the Kanjorski amendment because the endowment and its four core grantees—the National Democratic Institute, the International Republican Institute, the Center for International Private Enterprise, and the Free Trade Union Institute—provide the best kind of aid the United States can provide. They export democracy.

I know. I have seen the endowment's work.

In April, as a member of the Appropriation Committee's Subcommittee on Foreign Operations, I participated in the leadership's study mission to Russia and Ukraine. When our delegation arrived in Kiev, in Ukraine, we were met by Sarah Farnsworth, who heads a two-person National Democratic Institute team in Kiev.

Sarah, a young political organizer from the United States, told us that her job in Ukraine is to teach Ukrainians how to run a modern democracy. She advises political parties and local officials. She works with city councils and with the Ukrainian Parliament.

And every Ukrainian we talked to told us how important her work is. After all, Ukraine is a new democracy and after decades under the Soviet boot, Ukrainians need American know-how to help them make democracy work.

Sarah's work is typical of programs the National Endowment for Democracy funds throughout the world.

In Cambodia, the National Democrat and Republican Institutes worked to organize the first democratic elections ever held in that country. Young Americans spent the last year living in Cambodia, risking their lives to give the people of that country a chance for peace and democracy after decades of war and genocide.

In Yemen, Americans affiliated with the endowment worked with a 4,000-member civic organization to conduct election monitoring.

In Russia, Americans helped ensure that the April 25 referendum was free and fair.

In South Africa, the National Democratic and Republican Institutes are there helping to organize next April's election which will lead to the establishment of a democratic South Africa and the dismantling of apartheid.

In short, the endowment and its core grantees, are all over the world helping to create that New World order we talk about so much.

It is inconceivable that we would cut funding for a program that has done so much to build democracy in places that have never known democracy.

The National Endowment for Democracy deserves our support. It is one Government agency that would make Thomas Jefferson proud.

Defeat this amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KANJORSKI].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BERMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 243, noes 181, answered "present" 1, not voting 14, as follows:

[Roll No. 249]

AYES—243

Allard
Andrews (ME)
Andrews (NJ)
Applegate
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Bateman
Becerra
Bentley
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Blute
Boehner
Bonilla
Boucher
Brewster
Browder
Brown (OH)
Byrne
Callahan
Camp
Canady
Cantwell
Carr
Chapman
Clay
Clayton
Coble
Collins (GA)
Combest
Condit
Cramer
Crane
Crapo
Cunningham
Danner
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLay
Dellums
Derrick
Dickey
Dooley
Doolittle
Duncan
Durbin
Edwards (TX)
Emerson
English (AZ)
English (OK)
Evans
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Frank (MA)
Franks (CT)
Furse
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Glickman
Gonzalez
Goodlatte
Gordon
Grams
Grandy
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hancock
Hansen
Hefley
Hefner
Herger
Hoagland
Hoekstra
Hoke
Holden
Huffington
Hughes
Hunter
Hutchinson
Hutto
Inglis
Inslee
Jacobs
Johnson (GA)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kim
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kreidler
LaRocco
Laughlin
Lazio
Lehman
Lewis (FL)
Lightfoot
Linder
Lipinski
Lloyd
Long
Machtley
Mann
Manzullo
Margolies-Mezvinsky
Martinez
Mazzoli
McCandless
McCrery
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meek
Mica
Miller (CA)
Minge
Mink
Montgomery
Murphy
Nadler
Natcher
Neal (NC)
Norton (DC)
Nussle
Orton
Oxley
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Reynolds
Roberts
Romero-Barcelo (PR)
Roth
Roukema
Rowland
Roybal-Allard
Sanders
Sangmeister
Santorum
Sarpalius
Schaefer
Schenk
Schroeder
Scott
Sensenbrenner
Serrano
Shays
Shepherd
Shuster
Sisisky
Skelton
Slattery
Slaughter
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas (WY)
Thurman
Torkildsen
Traficant
Tucker
Underwood (GU)
Upton
Valentine
Velazquez
Visclosky
Volkmer
Walker
Walsh
Washington
Weldon
Wyden
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—181

Abercrombie
Ackerman
Bacchus (FL)
Ballenger
Barton
Beilenson
Bereuter
Berman
Bishop
Boehlert
Bonior
Borski
Brooks
Brown (CA)
Bryant
Bunning
Burton
Buyer
Calvert
Cardin
Castle
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Cooper
Coppersmith
Cox
Coyne
Darden
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dornan
Dreier
Dunn
Edwards (CA)
Engel
Eshoo
Farr
Fazio
Fields (LA)
Filner
Foglietta
Ford (MI)
Ford (TN)
Franks (NJ)
Gallo
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Goodling
Goss
Green
Gunderson
Hamilton
Hastert
Hastings
Hilliard
Hinchey
Hobson
Hochbrueckner
Horn
Houghton
Hoyer
Hyde
Inhofe
Istook
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kennedy
Kennelly
Kildee
King
Klein
Kopetski
Kyl
LaFalce
Lambert
Lancaster
Lantos
Leach
Levin
Levy
Lewis (CA)
Lewis (GA)
Livingston
Lowey
Maloney
Manton
Markey
Matsui

McCloskey
McCollum
McCurdy
McDade
McDermott
Meehan
Menendez
Meyers
Mfume
Michel
Miller (FL)
Mineta
Moakley
Molinari
Mollohan
Moorhead
Moran
Morella
Murtha
Myers
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Pastor
Payne (NJ)
Pelosi
Pickle
Pombo
Pomeroy
Porter
Price (NC)
Rangel
Reed
Regula
Richardson
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Royce
Sabo
Sawyer
Saxton
Schiff
Schumer
Sharp
Shaw
Skaggs
Skeen
Smith (IA)
Smith (NJ)
Stokes
Swift
Taylor (NC)
Thomas (CA)
Thompson
Torres
Torricelli
Towns
Unsoeld
Vento
Vucanovich
Waters
Watt
Waxman
Wheat
Williams
Wilson
Wise
Wolf
Woolsey
Wynn

ANSWERED "PRESENT"—1

Frost

NOT VOTING—14

Andrews (TX)
Brown (FL)
Conyers
Costello
Faleomavaega (AS)
Flake
Harman
Hayes
Henry
Ridge
Rush
Synar
Thornton
Whitten

☐ 1546

Messrs. KENNEDY, THOMAS of California, McCOLLUM, RANGEL, and MFUME changed their vote from "aye" to "no."

Messrs. BARCIA, LEHMAN, HAMBURG, and NADLER, Ms. SLAUGHTER, and Messrs, DOOLITTLE, CUNNINGHAM, and OXLEY changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. GILMAN. Mr. Chairman, I would like to join in bipartisan support for the language in this bill which puts the Congress on record in support for a revitalized, restructured and independent ACDA.

Support for ACDA has always been strongly bipartisan. My predecessor on this side of the aisle, Bill Broomfield, worked tirelessly with two former chairmen of this committee, Clem Zablocki and Dante Fascell. And I am pleased to join in that tradition to work with Chairman HAMILTON as we look for ways to support and strengthen this important agency.

As most Members know, the executive branch is nearing a decision on how best to reorganize the new administration to deal with arms control and nonproliferation policy, and particularly, the future of ACDA.

It is my understanding that the Secretary of State has endorsed a revitalized and independent ACDA. I am pleased by this decision. I trust that the President will shortly endorse the Secretary of State's views on this important matter.

I would urge all Members to support the ACDA provisions in this bill. For it is essential that we have an agency in this Government whose mission is dedicated to completing the implementation and ensuring compliance of those arms control agreements entered into during the Reagan-Bush years. These agreements would include, among others, the INF Treaty, START I and II, and CFE Treaty, and the CWC Accord.

In addition, I believe that ACDA can play an important, even essential role, in both coordinating U.S. nonproliferation policy and backstopping vital negotiations, particularly the negotiations regarding the extension of the Nuclear Nonproliferation Treaty [NPT]. Traditionally, of course, ACDA has been the lead agency within our Government to advance arms control issues. It must retain that role and it should be clear that arm control policy includes nonproliferation policy issues as well.

I would also point out to Members that this bill freezes ACDA's authorization at previous levels while providing $16 million to support implementation of the CWC accord.

Finally, I would hope that with the passage of this legislation and with the Secretary of State's endorsement of a revitalized ACDA, the President will move forward in an expeditious fashion to name a Director for the Agency. In that vein it is appropriate that we commend ACDA's Acting Director Tom Graham for his fine stewardship over the past few months. He has done an admirable job under less than perfect circumstances.

Mr. FALEOMAVAEGA. Mr. Chairman I rise today to strongly urge our colleagues to adopt H.R. 2333, as amended, the State Department and Related Agencies Authorization Act for fiscal years 1994 and 1995.

As a member of the House Foreign Affairs Subcommittee on International Operations, I have worked with Chairman HOWARD BERMAN and the distinguished ranking member, OLYMPIA SNOWE, in dealing with the myriad of issues presented in H.R. 2333 during this time of substantial reorganization of the State Department, USIA, and AID.

At this time of fiscal constraints, H.R. 2333 reflects the need to conserve financial resources. The State Department, in particular, needs changes. The senior Foreign Service System, for example, requires revision, as the cost of senior personnel has mushroomed to almost $200 million. The bloated bureaucracy absorbs a disproportionately large share of the Department's budget. With U.S. Embassies in the South Pacific being closed as a cost-saving measure, along with several other U.S. posts throughout the world slated for closure, I find it difficult to understand why unneeded senior staff of the Foreign Service are being promoted. The measure before us will rectify this problem.

Along with Chairmen BERMAN and LANTOS, I am elated that the Arms Control and Disarmament Agency [ACDA] has been revitalized. H.R. 2333 ensures that this process will continue. Under the measure, ACDA has been designated to play a crucial role in the formulation of America's policy and her conduct of bilateral and regional negotiations on arms control and nonproliferation of weapons of mass destruction.

Mr. Chairman, the bill before us provides authorization funding also for one of the most cost-effective and important tools of foreign diplomacy, the educational and cultural exchange programs under the USIA, which includes the much heralded Fullbright program. I have always felt that the value of personal, face to face contact between U.S. citizens ad the peoples of the world is of immense benefit to our Nation.

In support of that principle, I have introduced two exchanged initiatives included in H.R. 2333, at section 239: First, the South Pacific Academic and Exchange Program, and second, the Sports America Youth Exchange Program for the South Pacific region.

Although there are some 23 island nations and territories that make up the South Pacific, a very small number of students have the means necessary to study in the United States. Consequently, the new generations of island leaders coming into power have little first-hand knowledge and experience with America when dealing with the social and economic interests of our country.

Under the scholarship and exchange program I have introduced, up to $2 million in both fiscal years 1994 and 1995 is authorized to provide scholarships for Pacific island students for undergraduate and postgraduate study at American universities and colleges.

The intent of the program is that all scholarship recipients return home to the South Pacific after completion of their studies in the United States. With their degrees in hand, these graduates no doubt will come to play increasingly influential roles in both the public and private sectors of their countries.

The second initiative concerns funding authorization establishing a Sports America Youth Exchange Program in the South Pacific region. The USIA has in recent years administered the program in Africa, wherein the United States sends 15 coaches throughout the continent to conduct sports clinics. Utilizing the universal medium of sports, the program has generated a tremendous amount of friendship and goodwill towards America from participating third world nations. By assisting the development of young athletes, that oftentimes later excel in world-class competitions, the United States provides these third world countries a badly-needed avenue for enhancement of their sense of national pride and identity.

A number of the underdeveloped nations of the South Pacific have indicated a desire to likewise participate in a Sports America Program, possibly through links with the Peace Corps. The initiative I have introduced would authorize up to $200,000 per fiscal year for the creation of a Sports America Youth Program in the South Pacific region. Mr. Chairman, I submit to my colleagues that some of the best athletes in the world come from the South Pacific region.

In looking at the international acclaim paid to western Samoa's famous rugby team, Manu Samoa, it is evident that even little island nations can command global respect through achievements in sports. Just a couple of days ago, the golf buffs of the world have come to recognize pro golfer Vijay Singh from Fiji, 30 years of age, who just won a major PGA tournament in New York for $180,000. Mr. Chairman, the benefits from this program of public diplomacy should not be underestimated, either for the undeveloped nation whose athletes earn it world attention and respect or for the United States as the perceived benefactor.

The South Pacific Exchange Program, like all the other exchange programs administered by USIA, facilitates the vital contact and interchange between the citizens of our country and the people from this region of the world.

Mr. Chairman, I want to thank the distinguished chairman of the House Foreign Affairs Subcommittee on International Operations, the gentleman from California [Mr. BERMAN], and the ranking minority member, the distinguished gentlewoman from Maine [Ms. SNOWE], for doing such an outstanding job in formulating this most comprehensive piece of legislation, H.R. 2333. I also want to acknowledge and thank the staff members of our subcommittee from both sides of the aisle for their work in this bill—staff director Bradley Gordon, staff consultants Amit Pandya, Eric Lief, and Graham Cannon, minority staffer Kenneth Peel, and my staff legislative counsel, Enere H. Levi.

Mr. Chairman, I cannot more strongly urge our colleagues to vote for adoption of the measure before us, H.R. 2333.

Mr. EDWARDS of California. Mr. Chairman, I rise in strong support of the bill, and I congratulate the gentleman from California [Mr. BERMAN], the chairman of the subcommittee, and the ranking Republican, the gentlewoman from Maine [Ms. SNOWE], for good work. This is a good bill which deserves credit.

Mr. Chairman, the cold war ended nearly 4 years ago, yet many of our attitudes toward foreign relations are steeped in that bygone era. We deliberate today in order to reorient outdated foreign policies to conform with new realities. I commend my good friend and colleague, HOWARD BERMAN, our International Operations Subcommittee chairman, and Chairman HAMILTON for their keen insight which is reflected in H.R. 2333.

H.R. 2333 balances administrative flexibility with legislative oversight. It gives the President and Secretary of State the tools they need to promote peace and prosperity around the world while preserving the Congress' prerogatives as the coequal branch of Government which represents the views of the American people.

Most important to my mind, this act was crafted in the understanding that confidence-building is essential not only in our bilateral relations but to the conduct of all diplomacy.

In December 1991, in the aftermath of the Persian Gulf war, the United Nations unanimously adopted General Assembly Resolution 46/36L which created the U.N. Register of Conventional Arms. Designed to minimize dangerous misperceptions that lead to regional instability, conflict and war, the nations of the world are asked to voluntarily report all major conventional arms exports and imports to the Register. The United States demonstrated its commitment to this system of openness or transparency by providing the pertinent data by the first reporting date, May 31, 1993. To date, more than 50 member states have complied.

The U.N.-based register encourages countries to build partnerships and cooperative security arrangements instead of arms stockpiles. By stating that the United States should not sell weapons to nations that do not participate in the Register without good cause, America acts as a force for global peace and understanding.

Despite our position as the lone superpower, the United States still cannot act unilaterally to curb weapons proliferation. Recognizing this, again in the wake of Operation Desert Storm, the five permanent members of the U.N. Security Council initiated a productive series of talks aimed at limiting the flow of arms to the developing world. Unfortunately, these talks stalled in the wake of an announced major U.S. weapons sale. We ask that the President try to bring to the table once more the Perm-5 to discuss how to stem the tragic flow of armaments to nations that should be investing in schools, roads, and housing rather than guns, tanks, and jet fighters.

Too many times in our history have we been drawn into open conflict by misperceptions, not only between nations, but about our own activities. The American people deserve to know what role the United States plays in other regions with regard to militarization among other things. Transparency serves domestic as well as diplomatic interests.

H.R. 2333 will refocus our foreign policies on the productive endeavors of the future rather than the destructive fears of the past. A vote in favor of this act will be testimony to a belief in the strength of understanding over anger. I urge my colleagues to support H.R. 2333.

Mr. BERMAN. Mr. Chairman, I ask unanimous consent to proceed out of order for 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BERMAN] for 3 minutes.

Mr. BERMAN. Mr. Chairman, I appreciate the body giving me a chance, along with my ranking member, the gentlewoman from Maine [Ms. SNOWE], to sort of lay the picture of what comes ahead on this bill.

The bill before us now, the bill that authorizes the State Department, the U.S. Information Agency, the Arms Control and Disarmament Agency, and the Agency for Independent Development, is now a bill that is more than $50 million below last year's appropriated level. It provides unprecedented management flexibility. It provides a strengthening of the Arms Control and Disarmament Agency in pursuit of its mission. It has broad bipartisan support.

My colleagues will be asked shortly to cast a recorded vote for the amendment which cuts $200 million from the original bill.

□ 1550

At the request of the gentleman from Minnesota [Mr. PENNY], you will be asked to cast a separate vote on the amendment which cuts $200 million from the level the bill came to the floor on.

Mr. Chairman, with that, and urging all Members for their support, I yield to the gentlewoman from Maine [Ms. SNOWE], the ranking member of the subcommittee.

Ms. SNOWE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I urge my colleagues to vote for final passage of the State Department authorization. This is a bipartisan, fiscally responsible bill that deserves broad support on both sides of the aisle.

This legislation is not the foreign aid bill. It authorizes the operating budgets, not programs accounts, of the State Department, the U.S. Information Agency, the Board for International Broadcasting, and AID. It also authorizes U.S. contributions to the United Nations and other international organizations.

This bill cuts $246 million from the administration's $7.4 billion fiscal year 1994 request. The cuts contained in this bill take it $58 million below this year's appropriation.

While providing the administration with increased organization flexibility, the bill also reigns in the foreign affairs bureaucracy. It requires a 15-percent cut in the size of the bloated Senior Foreign Service. For the first time, it places caps both on the overall size of the Foreign Service and the size of the Senior Foreign Service. It sets limits on the numbers of Under Secretaries and Assistant Secretaries and requires a major reduction from 93 to 66 in the number of mid-level Deputy Assistant Secretaries.

The bill also contains important Republican initiatives. It calls for the establishment of inspectors general at all major international organizations to address serious problems of fraud, waste and abuse identified by Dick Thornburg, the outgoing U.N. Under Secretary General for Administration and Management. It also prohibits the State Department from acquiescing in the United Nations attempt to increase the United States share for international peacekeeping, and calls for a reduction in our current level. That level, at 30.4 percent, is already too high compared to our 25 percent share of the regular U.N. budget.

Another Republican initiative in this bill requires the State Department to modernize its antiquated terrorist lookout system. That system failed to catch the radical Egyptian Sheikh, Abodel Rahman, who has been implicated in the $600 million bombing of the World Trade Center in New York. Sheikh Abodel Rahman repeatedly entered and exited the United States over a period of years—and was even granted a green card. All this happened while the Sheikh was on the State Department lookout list for his past terrorist associations.

Again, this bill is fiscally responsible, and is the result of genuine bipartisan cooperation among members of the Subcommittee on International Operations. I would like to think the gentleman from California [Mr. BERMAN] for his willingness to work with all sides in fashioning this bipartisan bill. I would also like to thank Mr.

HAMILTON and Mr. GILMAN, the chairman and ranking Republican of the full committee, for their cooperation.

I urge an "aye" vote on final passage.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute as modified, as amended.

The committee amendment in the nature of a substitute, as modified, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCNULTY) having assumed the chair, Mr. MFUME, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2333) to authorize appropriations for the Department of State, the U.S. Information Agency, and related agencies, and for other purposes, pursuant to House Resolution 197, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole?

Mr. PENNY. Mr. Speaker, I demand a separate vote on the so-called Roth amendment, as amended.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment?

Mr. SOLOMON. Mr. Speaker, I respectfully demand a separate vote on the so-called Kanjorski amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment?

The clerk will report the first amendment on which a separate vote has been demanded.

The clerk read as follows:

Amendment:

Page 7, line 1, strike "$1,687,797,000" and insert "$1,667,584,000".

Page 7, line 2, strike "$1,733,368,000" and insert "$1,712,609,000".

Page 7, line 5, strike "$464,203,000" and insert "$481,416,000".

Page 7, line 6, strike "$476,520,000" and insert "$494,495,000".

Page 7, line 9, strike "$406,481,000" and insert "$381,481,000".

Page 7, line 10, strike "$417,523,000" and insert "$392,523,000".

Page 11, line 15, strike "$940,885,500" and insert "$865,885,000".

Page 11, strike lines 22 through 25.

Page 12, line 8, strike "$619,736,000" and insert "$597,744,000".

Page 13, line 8, strike "$390,000,000" and insert "$365,000,000".

Page 13, line 9, strike "$390,000,000" and insert "$365,000,000".

Page 14, line 23, strike "$126,929,000" and insert "$101,929,000".

Page 17, line 4, strike "$14,780,000" and insert "$14,790,000".

Page 97, line 16, strike "$109,079,000" and insert "$108,482,000".

Page 97, line 17, strike "$111,835,000" and insert "$110,731,000".

Page 9, after line 18, insert the following:

(4) Of the amounts authorized to be appropriated for "Acquisition and Maintenance of Buildings Abroad" under subsection (a)(3), $95,904,000 is authorized to be available for the fiscal year 1994 and $114,825,000 is authorized to be available for the fiscal year 1995 for Maintenance of Buildings and Facility Rehabilitation.

Page 15, strike lines 7 through 13, and insert the following:

(C) Of the funds authorized to be available under subparagraph (A), $7,000,000 for each of the fiscal years 1994 and 1995 may be available only if the President certifies to the Congress that the United Nations Development Program's programs and activities in or for Myanmar (Burma) promote the enjoyment of internationally guaranteed human rights by the Burmese people and do not benefit the State Law and Order Restoration Council (SLORC) military regime.

PARLIAMENTARY INQUIRY

Mr. BERMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BERMAN. Mr. Speaker, is the first vote on the Berman-Snowe-Penny amendment that passed by voice vote and unanimously?

The SPEAKER pro tempore. The first vote is on the Roth amendment, as amended by that substitute.

The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. PENNY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of rule XV, a recorded vote on the Kanjorski amendment, if ordered, will be reduced to a minimum of 5 minutes.

The vote was taken by electronic device, and there were—yeas 418, nays 3, not voting 13, as follows:

[Roll No. 250]

AYES—418

Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Hastert
Hastings
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark

Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—3

Abercrombie
Leach
Washington

NOT VOTING—13

Andrews (TX)
Conyers
Flake
Harman
Hayes
Henry
McMillan
Meek
Owens
Rush
Synar
Thornton
Whitten

☐ 1614

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNULTY). The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment: Page 98, strike lines 5 through 8; and redesignate paragraphs (7) and (8) as paragraphs (6) and (7), respectively.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. The Chair will announce that this will be a 5-minute vote. Following this, Members are requested to remain in the Chamber.

The vote was taken by electronic device, and there were—ayes 247, noes 172, answered "present" 1, not voting 14, as follows:

[Roll No. 251]

AYES—247

Allard
Andrews (ME)
Andrews (NJ)
Applegate
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Bateman
Becerra
Bentley
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehner
Bonilla
Boucher
Brewster
Browder
Brown (OH)
Byrne
Callahan
Camp
Canady
Cantwell
Carr
Chapman
Clay
Clayton
Clyburn
Coble
Collins (GA)
Combest
Condit
Costello
Cramer
Crane
Crapo
Cunningham
Danner
Deal
DeFazio
DeLay
Dellums
Derrick
Dickey
Dooley
Doolittle
Dornan
Duncan
Durbin
Edwards (TX)
Emerson
English (AZ)
English (OK)
Evans
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Frank (MA)
Franks (CT)
Furse
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Glickman
Gonzalez
Goodlatte
Gordon
Grams
Grandy
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hancock
Hansen
Hefley
Hefner
Herger
Hoagland
Hoekstra
Hoke
Holden
Huffington
Hughes
Hunter
Hutchinson
Hutto
Inglis
Inslee
Jacobs
Johnson (GA)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kim
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kreidler
LaRocco
Laughlin
Lazio
Lehman
Lewis (FL)
Lightfoot
Linder
Lipinski
Lloyd
Long
Machtley
Mann
Manzullo
Margolies-Mezvinsky
Martinez
Matsui
Mazzoli
McCandless
McCrery
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Mfume
Mica
Miller (CA)
Minge
Mink
Montgomery
Moorhead
Murphy
Murtha
Natcher
Neal (NC)
Nussle
Orton
Owens
Oxley
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Petri
Pickett
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Reynolds
Ridge
Roberts
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Sanders
Sangmeister
Santorum
Sarpalius
Schaefer
Schenk
Schroeder
Scott
Sensenbrenner
Serrano
Shays
Shepherd
Shuster
Sisisky
Skelton
Slattery
Slaughter
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (WY)
Thurman
Torkildsen
Traficant
Tucker
Upton
Valentine
Velazquez
Visclosky
Volkmer
Walker
Walsh
Washington
Weldon
Wyden
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—172

Abercrombie
Ackerman
Bacchus (FL)
Ballenger
Barton
Beilenson
Bereuter
Berman
Boehlert
Bonior
Borski
Brooks
Brown (FL)
Bryant
Bunning
Burton
Buyer
Calvert
Cardin
Castle
Clement
Clinger
Coleman
Collins (IL)
Collins (MI)
Cooper
Coppersmith
Cox
Coyne
Darden
de la Garza
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dreier
Dunn
Edwards (CA)
Engel
Eshoo
Farr
Fazio
Fields (LA)
Filner
Foglietta
Ford (MI)
Ford (TN)
Franks (NJ)
Gallo
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Goodling
Goss
Green
Gunderson
Hamilton
Hastert
Hastings
Hilliard
Hinchey
Hobson
Hochbrueckner
Horn
Houghton
Hoyer
Hyde
Inhofe
Istook
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kennedy
Kennelly
Kildee
King
Klein
Kyl
LaFalce
Lambert
Lancaster
Lantos
Leach
Levin
Levy
Lewis (CA)
Lewis (GA)
Livingston
Lowey
Maloney
Manton
Markey
McCloskey
McCollum
McCurdy
McDade
McDermott
Meehan
Menendez
Meyers
Michel
Miller (FL)
Mineta
Moakley
Molinari
Mollohan
Moran
Morella
Myers
Nadler
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Packard
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Pickle
Pombo
Pomeroy
Porter
Price (NC)
Rangel
Reed
Regula
Richardson
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Royce
Sabo
Sawyer
Saxton
Schiff
Schumer
Sharp
Shaw
Skaggs
Skeen
Smith (IA)
Smith (NJ)
Swift
Thomas (CA)
Thompson
Torres
Torricelli
Towns
Unsoeld
Vento
Vucanovich
Waters
Watt
Waxman
Wheat
Williams
Wilson
Wise
Wolf
Woolsey
Wynn

ANSWERED "PRESENT"—1

Frost

NOT VOTING—14

Andrews (TX)
Brown (CA)
Conyers
Flake
Harman
Hayes
Henry
Kopetski
McMillan
Meek
Rush
Synar
Thornton
Whitten

☐ 1625

Mrs. UNSOELD and Mr. GENE GREEN of Texas changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

(By unanimous consent, Mr. GEPHARDT was allowed to speak out of order for 1 minute.)

NATCHER CASTS 18,000TH CONSECUTIVE VOTE

Mr. GEPHARDT. Mr. Speaker, I have asked for this moment to make note of a very important fact that just happened.

On January 6, 1954, Chairman BILL NATCHER of Kentucky made his first vote in the House. And on this last vote he just cast his 18,000th consecutive vote.

(By unanimous consent, Mr. MICHEL asked and was given permission to speak out of order for 1 minute.)

TRIBUTE TO THE HONORABLE BILL NATCHER

Mr. MICHEL. Mr. Speaker, I take this time to add my little tribute to BILL NATCHER, not only for the number of consecutive votes that he has cast in this body, but probably much more important, the very demeanor with which he acquits himself on a day-to-day basis in this body. He gives credit to the institution and to each and every one of us; I guess if each and every one of us wanted to have a role model, or someone we would like to emulate, it would be BILL NATCHER.

(By unanimous consent, Mr. RICHARDSON was allowed to speak out of order for 1 minute.)

TRIBUTE TO THE HONORABLE BILL NATCHER

Mr. RICHARDSON. Mr. Speaker, to put this vote in perspective, there are great records in sports: Henry Aaron's home runs, Joe DiMaggio's consecutive games, Rocky Marciano's undefeated streak.

There is no greater record right now that BILL NATCHER's 18,000 consecutive votes, and that means he has never missed a vote.

Mr. Speaker, Congressman NATCHER was elected on August 1, 1953, but because Congress had already adjourned, he could not be sworn in until January 6, 1954. Since he took office, Chairman NATCHER has cast 13,779 roll call votes and answered 4,231 quorum calls for a total of 18,000 consecutive votes, a record that has earned him a place in the "Guiness Book of World Records."

Furthermore, Mr. Speaker, Chairman NATCHER has never accepted a campaign contribution. He has written 15,000 letters to his grandchildren since he has been in office, and furthermore, he spent less in the last election than any other candidate, only $6,600.

□ 1630

That translates to one nickel per vote. In fact, in the month of November, election month, Chairman NATCHER's campaign spent $20.16.

In spite of the fact that he chairs one of Congress' most challenging committees, he maintains the smallest personal staff on the Hill.

Chairman NATCHER has had some few close calls, but he advises Members not to follow his example. He claims that his record "gets right around your neck."

This is an unbelievable record by an unbelievable Member of this body.

Chairman NATCHER, you are a legend. We respect you. Congratulations.

Mr. GILMAN. Mr. Speaker, I rise to associate myself with the remarks of our distinguished colleague from the State of New Mexico [Mr. RICHARDSON].

All of us know, Mr. Speaker, with the conflicting responsibilities we all owe to our committees and subcommittees, as well as the wealth of activities in our home districts which require our attention—not to mention the problems and delays we encounter commuting to and from our districts—how difficult it is to be in attendance for each and every rollcall vote.

When the great State of Kentucky first sent BILL NATCHER to the House in 1953, 40 years ago, Dwight Eisenhower was just beginning his long tenure in the White House, young Elizabeth II had just been crowned Queen of England, the television screen was still an exciting black and white novelty in American homes, and the triumph of modern medical science over polio was still in the future. Since that time, BILL NATCHER has been an inspiration to all of us.

Not the least aspect of BILL's outstanding leadership is his impeccable record of answering consecutive rollcall votes.

Mr. Speaker, I understand that Representative NATCHER has this week passed the 18,000 mark of consecutive rollcall votes. This record deserves the attention and applause of not only his colleagues in this Chamber, but also of all Americans.

EXPRESSION OF APPRECIATION FOR OPPORTUNITY TO SERVE IN THE HOUSE OF REPRESENTATIVES

(By unanimous consent, Mr. NATCHER was allowed to speak out of order.)

Mr. NATCHER. Mr. Speaker, I want to thank my friend, the majority leader, DICK GEPHARDT, my friend, BOB MICHEL, the minority leader, my friend, BILL RICHARDSON, and all of you. You have been good to me all down through the years, and from the bottom of my heart, I appreciate it.

It is a distinct honor and a privilege to serve in the House of Representatives, the greatest legislative body in the world and the most powerful legislative body in the world.

I have six grandsons, one granddaughter. I have written them a letter every week since they were born. My grandchildren say to me, "Why, BILL, I don't think that is so wonderful about not missing a vote. I thought that is what we sent you up there to do. I thought that is why we sent you up here."

I have served with nine Presidents since I have been here, and I have gotten along with every one of them. I have served with seven Speakers, and none better than my friend, TOM FOLEY.

I want to thank the leadership on the Democratic side of this House and the Republican leadership in this House for all of the times that they have helped me. I had only been here, Mr. Speaker, about 2 weeks, and I learned that when you can walk across the center aisle and you have friends on both sides, you are a Member of the House.

I learned early as a new Member, Mr. Speaker, that there are just as many smart people that sit on the left-hand side of this aisle as sit on the right-hand side. I need help every day that I am a Member of Congress, and you have helped me.

I have made 18,000, and, Mr. GEPHARDT, I do not know whether I can make 18,000 more, but I am going to try.

Thank you very much.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MCNULTY). Speaker FOLEY joins the majority leader and the minority leader and all of the Members of the House in saluting Congressman NATCHER on this special day.

The question is on the Committee amendment in the nature of a substitute, as modified, as amended.

The amendment in the nature of a substitute, as modified, as amended, was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LINDER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 273, noes 144, answered not voting 17, as follows:

[Roll No. 252]

YEAS—273

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Bliley
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Calvert
Cantwell
Cardin
Carr
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Grandy
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutto
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kim
King
Kleczka
Klein
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Levy
Lewis (GA)
Lightfoot
Lipinski
Livingston
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McHale
McKinney
McMillan
McNulty
Meehan
Menendez
Meyers
Mfume
Michel
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Myers
Nadler
Natcher
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Pickett
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Sabo
Sanders
Sangmeister
Sawyer
Saxton
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Tejeda
Thompson
Thurman
Torres
Torricelli
Towns
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky

Volkmer
Washington
Waters
Watt
Waxman
Wheat
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (FL)

NAYS—144

Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Barton
Bilirakis
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Dingell
Doolittle
Dornan
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gillmor
Goodlatte
Goodling
Goss
Grams
Greenwood
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson, Sam
Kasich
Kingston
Klug
Knollenberg
Kyl
Lazio
Lewis (CA)
Lewis (FL)
Linder
Lloyd
Manzullo
McCandless
McCollum
McCrery
McInnis
McKeon
Mica
Miller (FL)
Minge
Molinari
Moorhead
Murphy
Neal (NC)
Nussle
Oxley
Packard
Paxon
Peterson (MN)
Petri
Pombo
Portman
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Santorum
Sarpalius
Schaefer
Sensenbrenner
Shaw
Shuster
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (WY)
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Weldon
Williams
Wolf
Young (AK)
Zeliff
Zimmer

NOT VOTING—17

Andrews (TX)
Bartlett
Boehlert
Chapman
Conyers
Dreier
Flake
Harman
Hayes
Henry
McHugh
Meek
Rush
Synar
Thomas (CA)
Thornton
Whitten

□ 1650

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2333, STATE DEPARTMENT, USIA, AND RELATED AGENCIES AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995

Mr. BERMAN. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill (H.R. 2333) to authorize appropriations for the Department of State, the U.S. Information Agency, related agencies, and for other purposes, the Clerk be authorized to correct section numbers, cross references, punctuation, and grammatical and spelling errors, to make appropriate revisions in the table of contents, and to make such other technical and conforming changes as may be necessary.

The SPEAKER pro tempore (Mr. McNULTY). Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. BERMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 2333, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. DREIER. Mr. Speaker, I rise because I am somewhat embarrassed over the fact that I missed rollcall vote No. 252, which was the State Department authorization bill. I am embarrassed because it was Chairman NATCHER's 18,001st vote. I was downstairs at a meeting of our Joint Committee on the Organization of Congress taking testimony from the likes of former Attorney General Dick Thornburgh, the former Chairman of the Federal Reserve Board, Paul Volcker, and the former distinguished whip in the House, Mr. Brademus of Indiana.

Had I made it upstairs for the vote, I would have cast, along with the majority of my California Republican colleagues, a no vote. I would appreciate it if my statement could appear in the RECORD immediately following that vote.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2445, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, FISCAL YEAR 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–147) on the resolution (H. Res. 203) waiving certain points of order against the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2446, MILITARY CONSTRUCTION APPROPRIATIONS ACT, FISCAL YEAR 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–148) on the resolution (H.Res. 204) waiving certain points of order against the bill (H.R. 2446) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the House Calendar and ordered to be printed.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1994

The SPEAKER pro tempore. Pursuant to House Resolution 201 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2403.

□ 1652

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2403) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1994, and for other purposes, with Mr. STUDDS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Friday, June 18, 1993, the bill had been read through page 53, line 3.

The Clerk will read.

Mr. HOYER. Mr. Speaker, pursuant to a unanimous consent request, the gentleman from Indiana [Mr. JACOBS] was given the opportunity to offer an amendment out of order. I believe the gentleman seeks recognition at this time before we read further in title V.

The CHAIRMAN. Does the gentleman from Indiana [Mr. JACOBS] seek recognition?

AMENDMENT OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: page 41, line 25, strike out "$2,833,000" and insert in lieu thereof "$1,435,736."

Mr. JACOBS. Mr. Chairman, this is what you could call a conforming amendment.

On Friday last, the House adopted a measure by which former Presidents would not have their freebies, or slush funds or whatever you call them, office expenses, I guess, in one case where you go out of office in this country and right back into it, private citizens in public office, for 5 years, none of them would have more than 5 years.

It is a conforming amendment because several of them have had their 5 years already.

The spirit of that amendment was 5 years, not 5 more years.

Now I hear it said that the former Presidents need these staffs and these offices so they can answer the torrent of mail that pours in to them.

The only thing is that as nearly as I can tell, they usually do not, unless it is a letter from Aunt Minnie or somebody.

We have tried it for 2 or 3 years. We write to each of the former Presidents.

I will say one thing. I believe it was former President Ford who sent back a postcard saying he was to busy to answer the letter; but apart from that, we never heard anything back at all.

The fact is that the former Presidents have become big business. These former Presidents are multimillionaires, with the possible exception of Mr. Bush, not because of private enterprise or inheritance, but precisely because the American people have given them the privilege of serving in the highest office in the land. They become instantly at command of handsome speakers' fees, ranging from $20,000 to $40,000 a pop.

If you think back over our former Presidents and you include extemporaneousness as a qualification, you tell me which is a great orator who could command a fee of $20,000 or $40,000.

Obviously, they are ornaments at somebody's convention where a committee that is not paying the money itself decides its membership will pay to aggrandize the membership of the organization.

I hear it said that few Americans have the dignity of former Presidents. I suggest to the committee that a person is dignified, not according to what is supplied to him or her as a private citizen as a freebie from the taxpayers, but according to Dr. King, "The contents of that person's character."

Mother Teresa is a wonderful person, too, they tell me, and so was Ghandi and so, too, was Jesus Christ, but none of them got office expenses from the taxpayers.

This does not affect the pensions of the former Presidents one iota, nor does it affect the Secret Service protection.

So the question is, why do the current Presidents require all this tax-paid expense when they can pay their own secretaries easily and pay for their own office expenses easily themselves, when the Presidential giants, Jefferson, Washington, Truman, and others never would have dreamed of imposing on the taxpayers in this way.

Thomas Jefferson when he left the White House said, "I go forth to accept a promotion from servant to master."

The taxpayers are not the servants of the former Presidents.

Finally, as I say, this is only a conforming amendment. It allows the money in the spirit of the vote on Friday in the House fully for President Bush, who has not had 5 years of it yet, and partly for President Reagan who has a few months to go for his 5 years, but in the case of the others who have already had 5 and more than 5 years of freebies from the taxpayers as private citizens, what this amendment really does is give the taxpayers credit for time served.

Mr. HOYER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, last Friday we adopted an amendment which had the effect of saying prospectively that we would limit the expenses which are allowed to former Presidents to 5 years, but it was prospective to put on notice former Presidents, including Mr. Nixon, Mr. Ford, Mr. Carter, Mr. Reagan, and Mr. Bush, that they would have 5 years of expenses from the passage of this bill and thereafter they would have to make arrangements privately.

Now, Mr. Chairman, we all know that Presidents become very special people in this society, which an awful lot of people look up to.

As a matter of fact, in our committee, we had testimony that Ronald Reagan, who would have about 6 months left of entitlement to expenses, is probably one of the most prominent people in this country, more so than any of the other former Presidents, in terms of the public's notice of him and the public's attention to him.

Because Presidents are so well-known to the American public, they receive large volumes of mail and they do, in fact, have many contacts from the public who seek their views.

Now, the gentleman from Indiana [Mr. JACOBS] is always delightful to listen to in debate. I always enjoy it. Even when I oppose the gentleman's amendments, I love to have him offer amendments because his debate is so delightful.

But Mr. Chairman, we have already effected a limitation of 5 years. That limitation is a substantial change from our present policy.

□ 1700

What the gentleman from Indiana [Mr. JACOBS] now seeks to do is not to carry forward that amendment, but to, in effect, change it and to say that the office staff is only available to Mr. Reagan for the next 6 months, and then only to Mr. Bush. So that Mr. Carter and Mr. Ford, a Democrat and a Republican, would be summarily, as of September 30, denied that which they have expected in terms of serving the public. So this is not a partisan issue.

Now I do not think anybody can gainsay the fact that, for instance, President Carter has been one of the most extraordinary public servants as a former President that, I think, many of us have seen, perhaps the most extraordinary former President of all times, at least in recent memory in terms of his involvement in carrying out what he perceives to be for the public benefit, using the status he has as a former President, not only to bring peace around the world, but also to bring relief to the needy in this country and around the world.

So, I hope the House would reject this amendment. I hope that they would say we have set a policy prospectively. If the Shepherd amendment becomes the law, the former Presidents need to make plans over the next few years to have that law implemented. But we ought not to say, to two individuals and a third, President Reagan, that this Congress has made a determination that, notwithstanding the fact they have been the most significantly well-known public figures in the world, that we will not provide them the ways and means to communicate and respond to the correspondence, the telephone calls, the requests from historians and academicians, as well as the public, and for personal interviews. We ought not to tell them that they will not have the capacity to do that other than fund it themselves.

Now I would say to the gentleman from Indiana [Mr. JACOBS] that, yes, there is no doubt that former Presidents have the ability to earn money. As a matter of fact, I have been critical, quite critical, of some of those earnings in terms of foreign payments to some of our Presidents. But notwithstanding that, I think it would be not a wise policy, not in the best interests of the people of the United States, not to allow former Presidents this expense allowance and to allow it prospectively for the next 5 years.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. HOYER. Mr. Chairman, I am more than pleased to yield to my friend, the gentleman from Indiana.

Mr. JACOBS. My friend from Maryland, I just want to point out that the Presidential libraries are not touched by this. The gentleman mentioned scholars who wanted to research the administrations. That is also being paid for by the taxpayers, so that is not touched by this amendment.

Mr. HOYER. Reclaiming my time, Mr. Chairman, what I tried to say was that, in terms of scholars wanting to interviews Presidents, obviously they go through a secretary to set up an appointment. That was my point, and that they could do that through the library. But I would presume, and without contesting it in any way, my good friend, that they call up the Presidential office to set up the appointment.

Mr. JACOBS. Mr. Chairman, if the gentleman would further yield, I would remit to the gentleman a quarter for every scholar that gets in to see Reagan in the next 5 years.

Mr. HOYER. Well, I will call the former President and see if I can make some money. Maybe I would be in good shape.

Mr. LIGHTFOOT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana [Mr. JACOBS].

Mr. Chairman, I have often supported the efforts of my colleague and friend, the gentleman from Indiana [Mr. JACOBS], because I think they are sincere efforts to save the taxpayers money and to eliminate abusive Government spending. There are a number of issues that he and I see eye to eye on. However, Mr. Chairman, this amendment, I think, is a bit harsh in that we have supported the compromise amendment that was offered by our colleague to phase out the allowance after 5 years. I think that makes ultimate good sense.

Former Presidents, as our chairman has stated, do have a certain stature that other people do not have, and I would say that our chairman has, from a fiscal position, been very supportive of the Office of the President in the past and has seen to it that the Presidents had what they needed so that they could operate in their own fashion. I believe with the amendment that we considered here on Friday that, by phasing out this side of the spending equation they will have their libraries up, they will have offices to operate from, which takes time to put in place, and, of course, many of them command rather sizable speaking fees, that a 5-year limit of time is appropriate.

But what our friend, the gentleman from Indiana [Mr. JACOBS], wants to do, I think, is a bit harsh today, and, therefore, I reluctantly rise in opposition to his amendment.

Mr. UPTON. Mr. Chairman, will the gentleman yield?

Mr. LIGHTFOOT. Mr. Chairman, I yield to our friend from Michigan who, I think, has a different point of view.

Mr. UPTON. Mr. Chairman, I thank my friend, the gentleman from Iowa [Mr. LIGHTFOOT] for yielding to me, and I want to say that I rise in strong support of this amendment.

As I talk to my constituents back home, those all across the State of Michigan, they want something done about this $300 billion deficit, and the first thing I hear at town meetings, and everywhere else I go, is that there have got to be some sacrifices made, and it has got to start with Congress, and that means it also has to start with the White House.

For so many of our former Presidents, they are able to command speeches for $80,000 to $100,000 a pop. The gentleman from Indiana [Mr. JACOBS] just asked if he could have only a quarter for every individual that gets an audience with former President Reagan. I am even told that some of these former Presidents, and I say this is all due respect, would not even sign an autographed picture. That is ridiculous.

Tonight the Tigers are playing the Orioles, and I bet some of my staff that are going up to the game tonight, if they get there in time or stay there late, they will be able to get a baseball signed by Cecil Fielder or some of the other stars.

I know baseball stars are earning millions of dollars, like Michael Jordan. They are able to get autographs. And yet we provide these former Presidents with literally now millions of dollars, and it has accumulated, and we cannot even get an autographed picture.

Well, that is bogus. I mean that is. And I rise in support. Here is an area where we can have the White House sacrifice a little bit, the executive branch. Congress, too. We tried a couple weeks ago. But I would rise in strong support, and I hope we have a recorded vote on this, and I hope we can save the taxpayers some money in an area that does not impact the poor, or lower, or middle-income families across this great Nation.

Mr. LIGHTFOOT. Mr. Chairman, I thank the gentleman from Michigan [Mr. UPTON], and, Mr. Chairman, I yield back the balance of my time.

Mr. ABERCROMBIE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I, too, have enjoyed the wit and wisdom of the gentleman from Indiana [Mr. JACOBS], and I count him as a friend. However, as the gentleman knows and as our chairman knows, I opposed the original amendment last week, and I must say that this amendment today strikes me as going beyond wit and is very light on wisdom, and it has moved, I am sorry to say, into the area of sarcasm, and even contempt, for the Office of President.

I will not stand here and defend what any given President may or may not do with respect to receiving fees for speeches or anything of that nature. But I do know that something terrible is happening to our country, something terrible is happening to the institution of government.

I do know that when I was given a copy of the Constitution by the late Spark M. Matsunaga in 1974, when I began my electoral career that has culminated in my acceptance in this House, taking the oath of office, that I still have that Constitution. When I accepted that Constitution from him, he said:

> Here, you read this. This is what it's all about, and the President, no matter who that person is, represents the institution of freedom in this country, no matter how bad our problems might be and no matter how difficult the path might be before us.

Mr. Chairman, are we going to resolve anything by trying to disembowel ourselves in terms of our principles, in terms of our respect for the institution and the people who represent the institution of free government? This is the oldest republic in the history of the world, and we stand and speak in contemptuous terms about our former Presidents, regardless of their party and regardless of who they might be.

But I will say that with respect to President Carter, he has exemplified, as much as it is possible for a human being to do who has held that high office, the highest office that freedom has had to offer ever in the history of the world, a compassion and regard for the average person throughout the world struggling for justice against oppression as well or better than anyone, certainly Thomas Jefferson, who was quoted previously, would approve.

□ 1710

He has come to my State, to my city, to build homes. I know he was in Washington, DC, to build homes for poor people who could not otherwise afford it. He is always available in areas where people have not experienced freedom such as we have on the floor of this Congress.

I ask Members to remember that we are able to stand here, and the people who were cited previously, in townhall meetings are able to stand up and indicate how much they dislike former Presidents or dislike what the Congress is doing. They are able to do that because of this Constitution and the Presidency that is at the apex of what this democracy stands for.

We have made in my judgment a very bad vote, which I hope the Senate will not approve. I hope this will die out in the Senate. I hope it will not survive our legislative process here.

I hope that when we consider what is being asked of us today, that we are somehow to punish Presidents, punish them for being our representatives, I think that it is a reflection of our disappointment in ourselves. We are the ones who need to bring respect back to this institution. We are the ones that by our actions show whether we have true respect for what democracy is all about.

Making what I consider to be, with all due respect to my good friend from Indiana [Mr. JACOBS], making a gesture which is empty in nature, which leaves us with no sense of advancing the cause of democracy, of advancing whatever policies might end up in some fashion being able to show that we have acted more responsibly, how does attacking the Presidency, how does holding it up to further contempt and derision, advance that cause? I cannot see that.

I think at the very minimum, with the passage of this bill, I accept the fact that I was on the short end of that vote. I do not accept that the reasoning was sound, and that is my right as a Member of this body.

Mr. Chairman, I would hope that today we would not go further then and say that retrospectively we are going to go back and make absolutely sure that every President understands, who would be affected by this, that we hold them in contempt. That is the effect of the passage of this amendment. So I ask that we defeat it.

Mr. KING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to this amendment, as I did to the original amendment last Friday.

Mr. Chairman, what is it within us that makes us tear down our leaders, that makes us attempt to detract from the dignity of the Office of President?

Today there has been a tone of contempt. There have been expressions used such as slush fund. Anyone listening to this who is not familiar with the facts would think that we are talking about putting former Presidents in mansions, on yachts, giving them trips around the world. That we are asking the taxpayers to subsidize a lavish style of living.

What are we talking about? We are talking about an office. We are talking about desks. We are talking about secretaries. We are talking about file cabinets. So that these former chiefs of state and heads of government can respond to letters from their constituents, can meet with historians, can provide their knowledge, the resources of their talents, to the people who perhaps were not even born when they were President.

Now, the gentleman from Indiana [Mr. BURTON] said that he has written to Presidents and not gotten a response. I can say myself that I had the opportunity on another matter to visit the office of former President Nixon in New Jersey, and I can tell you that they receive boxes of mail every week, if not every day. I have known people who worked in that office and know the attempts that they make to respond to that mail. I know that mail is received, not only from around the country, but from around the world.

Why is it that we are treating these men, who have given their lives in dedication to the country, with such derision? Is it to appeal to voters back home, so we can say we were tough on spending?

Now, I am speaking as a Republican, and I mentioned President Nixon. But the gentleman from Maryland [Mr. HOYER] and the gentleman from Hawaii [Mr. ABERCROMBIE] mentioned former President Carter.

I cannot think of any former President who has given so much of his own time and effort to the struggle for human rights, to eradicate poverty, to alert the American people to the problems of housing, to the problems of our inner cities, as President Carter.

Why do we treat him with derision? Why do we want to take away his desk, and his chair, and his secretary, and his file cabinet? Will that make us feel better?

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. KING. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Chairman, we do not want to take them away. We want them to pay for their own. They are private citizens.

Mr. KING. Mr. Chairman, reclaiming my time, I say that is a distinction, rather than a difference. We are taking it away. And I am saying they are not working as private citizens, they are working on behalf of the Office of the President of the United States. They are public figures. We put them in that position. They have an obligation to us.

Yes, we have an obligation to them, but they have an obligation to us. And I know the gentleman from Indiana [Mr. JACOBS] made the point that Jesus Christ was not given a staff.

I would remind the gentleman that Jesus Christ was crucified, and I ask, is the gentleman saying we should crucify our ex-Presidents, if you want to make the analogy complete?

I would say, without being humorous, I know there has been attempted humor here today, and I like a laugh as much as anyone. In fact, I have been accused sometimes of putting perhaps too much humor into things.

But I see nothing funny about this. There is nothing funny at all about degrading the Office of President of the United States. It is not funny when we use words such as "slush funds" and "bogus" when we are talking about men who have given so much of their time.

I think it cheapens us as a body. I think it diminishes us as Government officials.

Mr. Chairman, I think this is not our finest hour. I dreamt for many years of perhaps being a Member of the Congress of the United States. I did not think that I would ever be on the floor of the Congress of the United States defending former Presidents, to protect their desks, their chairs, their stationery, and their secretaries. And I certainly do not want it written on my tombstone whenever I leave here, whether it is this term, or next term, or whenever, that I was ever part of such a demeaning process.

Mr. Chairman, I ask that this amendment be defeated.

Mr. KANJORSKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I find myself sometimes in great agreement with my friend from Indiana [Mr. JACOBS], and sometimes opposed. Today I rise in agreement with the gentleman from Indiana [Mr. JACOBS]. Not because he is in any way wanting to be insulting to any existing or former President of the United States or any future or existing former President of the United States.

What the gentleman is attempting to do, I think, is to indicate to the American people that those of us in the Congress and in Government have heard the word, and that is that there must be constraints put on Federal expenditures. And, further, is there a need for the largesse that the Government provides to former Presidents?

Now, I wish my friend from Indiana [Mr. JACOBS] had included Secret Service protection so we would reanalyze the expense of the amount of protection we give to former Presidents.

I do not want to deny former Presidents the safety or protection of their lives or their families, for that matter, for the safety or protection of their lives. But it does offend me when I read of a former President leaving office and going to Japan and getting a $2 million fee, that costs the United States taxpayers $10 or $12 million for security protection to send him there so that he may personally benefit by that fee.

I do have great admiration for a former President of the United States of the other side of the aisle, and a former Member of this House, the Honorable Richard Nixon, who sees fit to provide for his own personal protection and stand that cost out of his pocket. I see no reason that there is any former President that does not have the personal wherewithal to provide for his own office staff or, in most instances, for his own safety.

I have the greatest admiration for former President Carter, who to this day has not commercialized on the Presidency. But I think I share with a lot of Americans a great deal of disappointment in some former Presidents that have literally taken the Office of President and commercialized it like we have never seen it happen in the history of this Nation.

Mr. Chairman, I was proud today when I saw the gentleman from Kentucky [Mr. NATCHER] celebrate his 18,000th vote on this floor, particularly since he voted yes on my amendment on that 18,000th vote. But I was here 39 years ago when the gentleman from Kentucky [Mr. NATCHER] cast his first vote on this floor, as a congressional page. At that time the President of the United States was Ike Eisenhower, and President Eisenhower retired from that Office to Gettysburg, receiving no expenditures or any payments for cutting ribbons at A&P stores or department stores or doing what else or charging $80,000 for speeches. He wrote, he spoke, and he visited with scholars, and he provided the highest regard for the Presidency and the great example that should have been sent.

I saw Harry Truman live in very modest means in Independence, MO. Not with a great office, but using his library to meet with people and to share the values and the worth of the Presidency with scholars and average people.

There is no reason that the Presidents that have come since cannot perform in the same way. To my knowledge, there is not one of them that does not have a net worth in excess of $1 million, far in excess of the average

American, and generally some of them have earnings in excess of $1 million a year, and can afford their wherewithal.

□ 1720

I support the gentleman from Indiana [Mr. JACOBS] because of that.

Mr. KING. Mr. Chairman will the gentleman yield?

Mr. KANJORSKI. I yield to the gentleman from New York.

Mr. KING. Mr. Chairman, is the gentleman aware, for instance, that President Nixon has given up his Secret Service protection?

Mr. KANJORSKI. Mr. Chairman, yes.

Mr. KING. I think that should be put in the RECORD as an example of people who are not necessarily trying to enrich themselves.

Mr. KANJORSKI. Mr. Chairman, so that the gentleman understands, I have risen on this floor many times. I cannot think of a more outstanding American example of fineness than Richard Nixon performed when he gave up the payment for protection and paid for it himself. I cannot think of anything more embarrassing to me than a President who would commercialize on the Presidency and cost the American taxpayers $10 million so he could earn $2 million from a foreign country.

Mr. KING. Mr. Chairman, if the gentleman will continue to yield, I think it is important to put that in the RECORD since there is a certain amount of derision being directed at former Presidents, as an example of someone who is giving up a service that is very costly and very expensive.

Mr. DIAZ-BALART. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really think that we may be making a very serious mistake with what the intent of this amendment, which I am sure is well-intentioned, is.

The Presidents, the heads of state of our Republic, are the embodiment of our Nation. Examples have been brought up of unfortunate things that may have taken place by human beings, acts that may have taken place and been carried out by human beings that have been Presidents, that are former Presidents of the United States. But to use examples of unfortunate acts to attack, in effect, the institution of the former Presidency is something that I think is a mistake.

I remember some years back, when I visited a much younger republic in South America, the Republic of Venezuela. I was impressed that in their constitution they have a measure by which all former Presidents for life are members of the senate. And they, in their very difficult process of building their democracy, have looked upon that institution of the former Presidency, as a senator, as one way to contribute to the strengthening of the democratic process.

We have been fortunate that our Republic has lasted over 200 years. I think one of the reasons that our Republic has lasted over 200 years is because there is legitimacy in this Nation, legitimacy being defined as respect for our institutions and, of course, our highest institution is the Presidency of the United States.

I am reminded, by this amendment, of an anecdote from a very peculiar army regiment that was talked about for years in Spain. They had parties. It had become known in the press that they were involved in many things which were not common for an army regiment.

When those irregularities hit the press, the officers called in the press and said, "Don't worry. We have taken care of the situation."

The parrot that the regiment had, used to be given very fancy chocolate every day, and they told the press, "The parrot will no longer have chocolate."

I think that we should not be taking away the chocolate of the parrot to satisfy some, when we are causing aggression to the highest institution of our democracy. I think that we should defeat this amendment, and I would have liked to see the defeat of the amendment last week, which I thought was an affront to our institutions, one of our most sacred institutions.

I choose to recall an anecdote such as President Truman, when he left and not only did not go and accept speaking engagements for fees but never accepted anything, any fee, because he used to say,

> They don't want to hire me because I am Harry Truman. They want to hire me because I am a former President of the United States and so I won't accept it.

That is what I remember. That is the kind of, I think, image that we have to keep in mind of the Presidency of the United States. So I think that we should be forthright and reject an amendment that is contrary to a sacred institution and that I think hurts our democracy.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Chairman, I will just take a couple of minutes to make a point.

When I referred to the great moralists of history, I merely referred to the fact that one of the essential elements of moral leaders is frugality and sacrifice. That is the only reference I made.

As far as respect for the former Presidents, my father and Richard Nixon were close friends. They served in this House in the same committee together. I do not think anybody in the United States, with the possibility of Mr. Nixon's immediate family, sorrowed more than my father did at Mr. Nixon's misfortunes.

I would also add that Mr. Nixon has not accepted a speaker's fee since he left the Presidency. I consider that admirable, as well.

Years ago, when they took a vote in this House to provide offices for former Speaker John McCormack of Massachusetts, I was one of the comparatively few who cast a vote against it. Not because of disrespect, I loved him like a second father. I only suggested that if we were going to do something nice and generous to show respect for a former officeholder, we should dig into our own pockets and not those of the taxpayers.

Mr. Chairman, I thank the gentleman for yielding to me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. JACOBS].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. JACOBS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 258, not voting 21, as follows:

[Roll No. 253]

AYES—160

Allard
Andrews (NJ)
Andrews (TX)
Applegate
Bachus (AL)
Baker (CA)
Baker (LA)
Barlow
Barrett (NE)
Barrett (WI)
Becerra
Bereuter
Bilirakis
Bliley
Bonilla
Borski
Brown (OH)
Burton
Byrne
Canady
Cantwell
Carr
Clement
Coble
Combest
Condit
Costello
Cox
Crane
Crapo
Cunningham
Danner
DeFazio
Dickey
Dreier
Duncan
Dunn
Durbin
Emerson
English (OK)
Eshoo
Evans
Everett
Ewing
Fawell
Fish
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Glickman
Goodlatte
Grams
Grandy
Green
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hefley
Herger
Hoagland
Hoekstra
Holden
Hutchinson
Inglis
Inhofe
Inslee
Jacobs
Johnson (SD)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kim
Kingston
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
Lancaster
LaRocco
Laughlin
Leach
Lloyd
Long
Manzullo
McCloskey
McCrery
McInnis
McMillan
Meehan
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Moran
Murphy
Nussle
Ortiz
Orton
Owens
Packard
Pallone
Parker
Penny
Peterson (MN)
Petri
Pombo
Porter
Poshard
Quinn
Ramstad
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Royce
Sanders
Sarpalius
Schaefer
Schroeder
Sensenbrenner
Sharp
Shays
Shuster
Slattery
Smith (OR)
Snowe
Solomon
Spratt
Stark
Stenholm
Strickland
Stump
Swett
Talent
Tanner
Tauzin
Taylor (MS)

Taylor (NC)
Upton
Valentine
Vento
Volkmer
Wyden
Yates
Young (FL)
Zeliff
Zimmer

NOES—258

Abercrombie
Ackerman
Archer
Armey
Bacchus (FL)
Baesler
Ballenger
Barca
Barcia
Bartlett
Barton
Bateman
Beilenson
Bentley
Berman
Bevill
Bilbray
Bishop
Blackwell
Blute
Boehlert
Boehner
Bonior
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Bryant
Bunning
Buyer
Callahan
Calvert
Camp
Cardin
Castle
Chapman
Clay
Clayton
Clinger
Clyburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Cooper
Coppersmith
Coyne
Cramer
Darden
de la Garza
de Lugo (VI)
Deal
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Foglietta
Ford (MI)
Fowler
Frost
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goodling
Gordon
Goss
Greenwood
Gutierrez
Hamburg
Hastert
Hastings
Hefner
Hilliard
Hinchey
Hobson
Hochbrueckner
Hoke
Horn
Houghton
Hoyer
Huffington
Hughes
Hutto
Hyde
Jefferson
Johnson (CT)
Johnson (GA)
Johnson, E. B.
Johnston
Kennedy
Kennelly
Kildee
King
Kleczka
Klein
LaFalce
Lambert
Lantos
Lazio
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCollum
McDade
McDermott
McHale
McHugh
McKeon
McKinney
McNulty
Menendez
Mfume
Michel
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Oxley
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pomeroy
Portman
Price (NC)
Pryce (OH)
Quillen
Rahall
Ravenel
Reed
Regula
Reynolds
Richardson
Rogers
Romero-Barcelo (PR)
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Sabo
Sangmeister
Sawyer
Saxton
Schenk
Schiff
Scott
Serrano
Shaw
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (TX)
Spence
Stearns
Stokes
Studds
Stupak
Sundquist
Swift
Tejeda
Thomas (CA)
Thompson
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Velazquez
Visclosky
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wise
Wolf
Woolsey
Wynn
Young (AK)

NOT VOTING—21

Andrews (ME)
Conyers
Faleomavaega (AS)
Flake
Harman
Hayes
Henry
Hunter
Istook
McCurdy
Meek
Rangel
Ridge
Rush
Santorum
Schumer
Synar
Thomas (WY)
Thornton
Washington
Wilson

☐ 1748

Mr. HYDE, Mr. DOOLEY, Ms. LAMBERT and Messrs. GUTIERREZ, PAXON, and HILLIARD changed their vote from "aye" to "no."

Messrs. McCLOSKEY, PALLONE, HANCOCK, EVERETT, DICKEY, BECERRA, and KYL changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

(By unanimous consent, Mr. MICHEL asked and was given permission to speak out of order.)

DEATH OF MRS. PAT NIXON

Mr. MICHEL. Mr. Chairman, it was with a great deal of personal sadness and regret that we learned earlier today of the death of former First Lady Pat Nixon.

This great lady was one of our Nation's most popular and beloved First Ladies.

Her personal graciousness and charm were evident to all, and she also possessed a kind and loving heart.

I can recall her many kindnesses to BOB and Corinne MICHEL over the years.

And I know there are many Members in the House, on both sides of the aisle, who recall her with great personal fondness and affection.

Many Americans who had never had the opportunity to meet her in person recognized from her public appearances that this indeed was a very special lady.

Throughout the years Pat Nixon came to symbolize a kind of quiet, enduring quality of dignity.

Someone once defined courage as "the quality of grace under pressure."

If that is true, Pat Nixon was the embodiment of courage.

Our hearts go out to President Nixon, to his daughters, and the entire family in this hour of loss.

☐ 1750

TRIBUTE TO MRS. NIXON

(Mr. HOYER asked and was given permission to speak out of order.)

Mr. HOYER. Mr. Chairman, I would like to say, on behalf of all of us who sit on this side of the aisle, and clearly there is no partisanship as relates to this issue, Pat Nixon, as you know, was, indeed, a gracious human being who showed a great deal of courage, who went through great difficulty.

All of us, particularly those of us who are men in this House whose spouses support them, know how difficult it is for them. I know it has been difficult for my wife over the years and for my family. Pat Nixon embodied the courage that it takes to be the spouse of a public person, a spouse, if you will, who performs a critically important function for this country and who stood by Richard Nixon at times of great personal pain for him and for his family.

I join my good friend and the distinguished minority leader in expressing the deep sadness that all of us feel at the passing of this good and gracious lady.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 502. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 503. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 504. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of any hand or measuring tool(s) not produced in the United States or its possessions except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of hand or measuring tools produced in the United States or its possessions cannot be procured as and when needed from sources in the United States and its possessions, or except in accordance with procedures prescribed by section 6–104.4(b) of Armed Services Procurement Regulation dated January 1, 1969, as such regulation existed on June 15, 1970: *Provided*, That a factor of 75 per centum in lieu of 50 per centum shall be used for evaluating foreign source end products against a domestic source end product. This section shall be applicable to all solicitations for bids opened after its enactment.

SEC. 505. None of the funds made available to the General Services Administration pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949 shall be obligated or expended after the date of enactment of this Act for the procurement by contract of any service which, before such date, was performed by individuals in their capacity as employees of the General Services Administration in any position of guards, elevator operators, messengers, and custodians, at said date, would be terminated as a result of the procurement of such services, except that such funds may be obligated or expended for the procurement by contract of the covered services with sheltered workshops employing the severely handicapped under Public Law 92–28.

SEC. 506. None of the funds appropriated in this Act may be used for administrative expenses to close the Federal Information Center of the General Services Administration located in Sacramento, California.

SEC. 507. None of the funds made available by this Act for the Department of the Treasury may be used for the purpose of eliminating any existing requirement for sureties on customs bonds.

SEC. 508. None of the funds made available by this Act shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a decision, determination, rule, regulation, or policy that would prohibit the enforcement of section 307 of the 1930 Tariff Act.

SEC. 509. None of the funds made available by this Act shall be available for the purpose of transferring control over the Federal Law Enforcement Training Center located at Glynco, Georgia, Tucson, Arizona, and Artesia, New Mexico, out of the Treasury Department.

SEC. 510. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 511. No part of any appropriation contained in this Act shall be available for the payment of the salary of any officer or employee of the United States Postal Service, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any officer or employee of the United States Postal Service from having any direct oral or written communication or contact with any Member or committee of Congress in connection with any matter pertaining to the employment of such officer or employee or pertaining to the United States Postal Service in any way, irrespective of whether such communication or contact is at the initiative of such officer or employee or in response to the request or inquiry of such Member or committee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any officer or employee of the United States Postal Service, or attempts or threatens to commit any of the foregoing actions with respect to such officer or employee, by reason of any communication or contact of such officer or employee with any Member or committee of Congress as described in paragraph (1) of this subsection.

SEC. 512. Funds under this Act shall be available as authorized by sections 4501–4506 of title 5, United States Code, when the achievement involved is certified, or when an award for such achievement is otherwise payable, in accordance with such sections. Such funds may not be used for any purpose with respect to which the preceding sentence relates beyond fiscal year 1994.

SEC. 513. None of the funds appropriated or otherwise made available to the Department of the Treasury by this or any other Act shall be obligated or expended to contract out positions in, or downgrade the position classifications of, members of the United States Mint Police Force and the Bureau of Engraving and Printing Police Force, or for studying the feasibility of contracting out such positions.

SEC. 514. The Office of Personnel Management may, during the fiscal year ending September 30, 1994, accept donations of supplies, services, and equipment for the Federal Executive Institute, the Federal Quality Institute, and Executive Seminar Centers for the enhancement of the morale and educational experience of attendees.

SEC. 515. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of stainless steel flatware not produced in the United States or its possessions, except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of stainless steel flatware produced in the United States or its possessions, cannot be procured as and when needed from sources in the United States or its possessions or except in accordance with procedures provided by section 6–104.4(b) of Armed Services Procurement Regulations, dated January 1, 1969. This section shall be applicable to all solicitations for bids issued after its enactment.

SEC. 516. The United States Secret Service may, during the fiscal year ending September 30, 1994, accept donations of money to off-set costs incurred while protecting former Presidents and spouses of former Presidents when the former President or spouse travels for the purpose of making an appearance or speech for a payment of money or any thing of value.

SEC. 517. None of the funds made available by this Act may be used to withdraw the designation of the Virginia Inland Port at Front Royal, Virginia, as a United States Customs Service port of entry.

SEC. 518. None of the funds made available to the Postal Service by this Act shall be used to transfer mail processing capabilities from the Las Cruces, New Mexico postal facility, and that every effort will be made by the Postal Service to recognize the rapid rate of population growth in Las Cruces and to automate the Las Cruces, New Mexico postal facility in order that mail processing can be expedited and handled in Las Cruces.

SEC. 519. None of the funds in this Act may be used to reduce the rank or rate of pay of a career appointee in the SES upon reassignment or transfer.

SEC. 520. No part of any appropriation contained in this Act shall be available to pay the salary for any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service and has within ninety days after his release from such service or from hospitalization continuing after discharge for a period of not more than one year made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 521. None of the funds made available to the United States Customs Service may be used to collect or impose any land border processing fee at ports of entry along the United States-Mexico border.

SEC. 522. None of the funds made available by this Act shall be used to plan, administer, or otherwise carry out a move of the Internal Revenue Service's Automated Collection Unit from the borough of Manhattan, New York City, New York, without prior approval of the House and Senate Appropriations Committees.

SEC. 523. (a) None of the funds appropriated by this Act may, with respect to an individual employed by the Bureau of the Public Debt in the Washington Metropolitan Region on April 10, 1991, be used to separate, reduce the grade or pay of, or carry out any other adverse personnel action against such individual for declining to accept a directed reassignment to a position outside such region, pursuant to a transfer of any such Bureau's operations or functions to Parkersburg, West Virginia.

(b) Subsection (a) shall not apply with respect to any individual who, on or after the date of enactment of this Act, declines an offer of another position in the Department of the Treasury which is of at least equal pay and which is within the Washington Metropolitan Region.

SEC. 524. In consideration of the Washington Metropolitan Area Transit Authority (WMATA) modifying its requirement for acquisition of General Services Administration (GSA) property at the Suitland Federal Center in Suitland, Maryland, GSA shall transfer to WMATA, at no cost, approximately sixteen (16) acres of GSA property to allow WMATA to construct its proposed Suitland Metrorail Station and related surface facilities. GSA will bear no additional costs, as a result of this transaction. The property to be transferred is located at the northeast quadrant of the intersection of Suitland Parkway at Silver Hill Road and is the southeastern most portion of the Suitland Federal Center Complex. It is bounded by Silver Hill Road on the southeast, Suitland Parkway property owned by the National Park Service on the southwest, the existing stream valley between Suitland Parkway and the historic Suitland House on the northwest and on the northeast a line just south of and parallel to a line from the Suitland House to the existing Federal Office Building along Silver Hill Road at Randall Road.

Sec. 525. (a) IN GENERAL.—Notwithstanding any other provision of law, including any other law which requires that property of the United States be used for a particular purpose, the Administrator of General Services shall convey the property described in subsection (c) to the State of Maryland.

(b) TERMS.—A conveyance of property under this section shall be—

(1) by quitclaim deed;

(2) without monetary consideration; and

(3) subject to such other terms and conditions as the Administrator determines to be appropriate.

(c) PROPERTY DESCRIBED.—The property referred to in subsection (a) known as the "Chesapeake Bay Study Site" is property located in the State of Maryland, Queen Annes County, which—

(1) is part of the same land which, by quitclaim deed dated August 25, 1970, and recorded among the land records of Queen Annes County, Maryland, at Liber 53, Folio 200, was granted and conveyed by the State of Maryland, Maryland State Roads Commission, to the United States of America.

(2) contains 55 acres more or less according to a survey prepared by McCrone, Inc., in July 1968 and amended on May 26, 1992.

SEC. 526. None of the funds made available in this Act may be used to provide any nonpublic information such as mailing or telephone lists to any person or any organization outside of the Federal Government without the approval of the House and Senate Committees Appropriations.

SEC. 527. (a) Notwithstanding any other provision of law, sick leave provided by section 6307 of title 5, United States Code, may be approved for purposes related to the adoption of a child during fiscal year 1994.

(b) Subsection (a) shall cease to be effective as of September 30, 1994.

SEC. 528. The Administrator of the General Services Administration, shall enter into an agreement to transfer at no cost, to the City of Waltham, Massachusetts, title to a parcel of land located at 424 Trapelo Road for the purpose of establishing the New England

Center for Environmental Education by a nonprofit institution adjacent to the site: *Provided*, That the Administrator and the city of Waltham, shall mutually agree to the amount of land to be transferred to the city for this purpose.

Mr. HOYER (during the reading). Mr. Chairman, I ask unanimous consent that title V of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. Are there any points of order against title V?

POINT OF ORDER

Mr. HOYER. Mr. Chairman, on Thursday, June 17, I made a commitment to the gentleman from Missouri [Mr. CLAY], chairman of the Committee on Post Office and Civil Service, that I would make a point of order for him on a provision in this bill and, therefore, Mr. Chairman, I raise a point of order against the language contained in section 527 on page 62 of the bill.

Mr. Chairman, I would concede my own point of order.

The CHAIRMAN. Does anyone wish to be heard on the point of order?

Does the gentleman from Iowa [Mr. LIGHTFOOT] wish to be heard?

Mr. LIGHTFOOT. When you are winning, why interrupt?

The CHAIRMAN. If not, for obvious reasons, the language in question clearly constitutes legislation on an appropriations bill. The point of order is conceded, and is valid, and the language in question is stricken.

Are there any additional points of order to the title?

If not, are there any amendments to the title?

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: At the end of Title V, add the following new sections:

SEC. . COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. . SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. . PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I yield to the gentleman from Maryland [Mr. HOYER], the chairman of the committee.

Mr. HOYER. Mr. Chairman, the gentleman from Ohio has reviewed this amendment with the majority, and we have no objection.

Mr. LIGHTFOOT. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I am happy to yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Chairman, we, too, have looked at the gentleman's amendment; we think it is very wise, and we are in support of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise for the purpose of engaging in a colloquy with the distinguished chairman, the gentleman from Maryland [Mr. HOYER].

Mr. Chairman, as you know, the Subcommittee on Public Buildings and Grounds had made a 10-percent cut on courthouse projects under our jurisdiction.

With that we assigned the money that was the fruit of those cuts, about $44 million, to a building purchase fund, with the glut of buildings that are available out there, so that the GSA could go out and engage in, perhaps engage in purchasing and save some money.

I know that we are limited on funds in the appropriation bill, and we want to commend the chairman for a fine bill.

But I want to know what would be the prospects if there are any further cuts or unallocated moneys that might develop in the process at conference with the other body, that some of those moneys can be placed toward that building purchase fund so GSA might be able, in fact, to buy some of these buildings and save an awful lot of money with the costs of construction today.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I am happy to yield to the gentleman from Maryland.

Mr. HOYER. I thank the chairman of the authorizing subcommittee for raising this point. It is a point similar to the point that the gentleman from Kansas [Mr. GLICKMAN] raised on this floor with respect to the availability of either purchase or lease of space that has been depressed in the marketplace and where the Federal Government could get a good buy. I think the gentleman's idea is a good idea. We will focus on it from this point on and in conference, and in the future.

I think the gentleman raises a good point.

Mr. TRAFICANT. I appreciate the gentleman's support. I wanted to let the gentleman and the ranking member, the gentleman from Iowa [Mr. LIGHTFOOT], know this, that we do like, as a committee, to see that building purchase fund and give GSA that option. We think it is very cost-effective. I appreciate the gentleman's support on that issue.

Mr. LIGHTFOOT. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I am happy to yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Chairman, I concur with the opinion of the gentleman from Ohio. We have discussed this off the floor together, and I think it makes eminently good sense at a time when we do have a real estate market overloaded with a lot of very valuable property that can be bought a few cents on the dollar, and that it is only wise and prudent that we take that route when we are dealing with public funds. It seems to me it makes a great deal of sense.

That may be the thing that is wrong with it, that it makes too such sense.

Mr. TRAFICANT. I appreciate that.

I want to first of all thank Chairman HOYER for the excellent job he has done on this bill and the leadership he has shown.

As the gentleman is aware, the Public Works Subcommittee on Public Buildings and Grounds—which I chair—and the full Committee on Public Works and Transportation, reduced the authorized funding level for seven Federal courthouse projects by 10 percent during the subcommittee's markup of GSA's fiscal year 1994 Capital Improvement Program.

I was pleased to see that the Appropriations Committee agreed with these spending cuts and included them in this bill.

My subcommittee and the full committee also adopted a resolution that authorized GSA to use the $44 million in savings derived from the 10-percent cut exclusively for its building purchase program.

As the gentleman knows, GSA has the authority, under section 3 of the Public Buildings Act of 1959, to "Acquire, by purchase, condemnation, donation, exchange, or otherwise, any building" to meet the housing needs of the Federal Government.

Unfortunately, in recent years Congress has not provided GSA with funds to implement this worthwhile program.

The result has been a number of lost opportunities by GSA to purchase buildings at bargain prices and get out from under costly long-term lease arrangements.

H.R. 2403 does not include any appropriations for GSA's building purchase program.

I'd like to ask the gentleman if he would be willing, in conference, to work with our friends in the other body to include in the conference report some funds for GSA's building purchase program?

The CHAIRMAN. Are there additional amendments to title V?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VI—GOVERNMENTWIDE GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SECTION 601. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

SEC. 602. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 1994 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such department, agency, or instrumentality.

SEC. 603. Notwithstanding the provisions of the Act of September 13, 1982 (Public Law 97-258, 31 U.S.C. 1345), any agency, department or instrumentality of the United States which provides or proposes to provide child care services for Federal employees may reimburse any Federal employee or any person employed to provide such services for travel, transportation, and subsistence expenses incurred for training classes, conferences or other meetings in connection with the provision of such services: *Provided*, That any per diem allowance made pursuant to this section shall not exceed the rate specified in regulations prescribed pursuant to section 5707 of title 5, United States Code.

SEC. 604. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses, ambulances, law enforcement, and undercover surveillance vehicles), is hereby fixed at $7,100 except station wagons for which the maximum shall be $8,100: *Provided*, That these limits may be exceeded by not to exceed $3,700 for police-type vehicles, and by not to exceed $4,000 for special heavy-duty vehicles: *Provided further*, That the limits set forth in this section may not be exceeded by more than five percent for electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976: *Provided further*, That the limits set forth in this section may be exceeded by the incremental cost of clean alternative fuels vehicles acquired pursuant to Public Law 101-549 over the cost of comparable conventionally fueled vehicles.

SEC. 605. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5992-24.

SEC. 606. Unless otherwise specified during the current fiscal year no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States, (3) is a person who owes allegiance to the United States, (4) is an alien from Cuba, Poland, South Vietnam, or the Baltic countries lawfully admitted to the United States for permanent residence, or (5) South Vietnamese, Cambodian, and Laotian refugees paroled in the United States after January 1, 1975, or (6) nationals of the People's Republic of China protected by Executive Order Number 12711 of April 11, 1990: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his or her status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than $4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to international broadcasters employed by the U.S. Information Agency, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

SEC. 607. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (87 Stat. 216), or other applicable law.

SEC. 608. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 609. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 610. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchanged allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury.

SEC. 611. No part of any appropriation contained in this or any other Act shall be available for interagency financing of boards, commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 612. Funds made available by this or any other Act to the "Postal Service Fund" (39 U.S.C. 2003) shall be available for employment of guards for all buildings and areas owned or occupied by the Postal Service and under the charge and control of the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318), and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318a, 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318c).

SEC. 613. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 614. No part of any appropriation contained in, or funds made available by, this or any other Act, shall be available for any agency to pay to the Administrator of the General Services Administration a higher rate per square foot for rental of space and services (established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended) than the rate per square foot established for the space and services by the General Services Administration for the fiscal year for which appropriations were granted.

SEC. 615. (a)(1) Notwithstanding any other provision of law, no part of any of the funds appropriated for the fiscal year ending on September 30, 1994, by this or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code—

(A) during the period from the date of expiration of the limitation imposed by section 616 of the Treasury, Postal Service, and General Government Appropriations Act, 1993, until the first day of the first applicable pay period that begins on or after July 1, 1994, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section 616; and

(B) during the period consisting of the remainder of fiscal year 1994, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) by more than the percentage adjustment taking effect in fiscal year 1994 under section 5304 of title 5, United States Code (if any) with respect to General Schedule positions located within the boundaries of the wage area (or local wage area, as applicable) of such prevailing rate employee.

(2) If the application of paragraph (1)(B) with respect to a particular wage area (or local wage area) would cause more than 1 percentage limitation being applicable with respect to such area, rates for prevailing rate employees (as described in paragraph (1)) within such area shall be subject to such limitation or limitations as shall apply under regulations prescribed by the Office of Personnel Management.

(b) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, and no employee covered by section 5348 of such title, may be paid during the periods for which subsection (a) is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(c) For the purposes of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule that was not in existence on September 30, 1993, shall be determined under regulations prescribed by the Office of Personnel Management.

(d) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 1993, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(e) The provisions of this section shall apply with respect to pay for services performed by any affected employee on or after October 1, 1993.

(f) For the purpose of administering any provision of law (including section 8431 of title 5, United States Code, and any rule or regulation, that provides premium pay, retirement, life insurance, or any other employee benefit) that requires any deduction or contribution, or that imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(g) Nothing in this section shall be considered to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(h) The Office of Personnel Management may prescribe any regulations which may be necessary to carry out this section.

SEC. 616. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of $5,000 to furnish or redecorate the office of such department head, agency head, officer or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations of the House and Senate. For the purposes of this section the word "office" shall include the entire suite of offices assigned to the individual, as well as any other space used primarily by the individual or the use of which is directly controlled by the individual.

SEC. 617. (a) Notwithstanding the provisions of sections 112 and 113 of title 3, United States Code, each Executive agency detailing any personnel shall submit a report on an annual basis in each fiscal year to the Senate and House Committees on Appropriations on all employees or members of the armed services detailed to Executive agencies, listing the grade, position, and offices of each person detailed and the agency to which each such person is detailed.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of the Treasury, the Department of Transportation, and the Department of Energy performing intelligence functions; and

(7) the Director of Central Intelligence.

(c) The exemptions in part (b) of this section are not intended to apply to information on the use of personnel detailed to or from the intelligence agencies which is currently being supplied to the Senate and House Intelligence and Appropriations Committees by the executive branch through budget justification materials and other reports.

(d) For the purposes of this section, the term "Executive agency" has the same meaning as defined under section 105 of title 5, United States Code (except that the provisions of section 104(2) of title 5, United States Code, shall not apply) and includes the White House Office, the Executive Residence, and any office, council, or organizational unit of the Executive Office of the President.

SEC. 618. No funds appropriated in this or any other Act for fiscal year 1994 may be used to implement or enforce the agreements in Standard Forms 312 and 4355 of the Government or any other nondisclosure policy, form or agreement if such policy, form or agreement does not contain the following provisions:

"These restrictions are consistent with and do not supersede conflict with or otherwise alter the employee obligations, rights or liabilities created by Executive Order 12356; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents), and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. section 783(b)). The definitions, requirements, obligations, rights, sanctions and liabilities created by said Executive Order and listed statutes are incorporated into this Agreement and are controlling.".

SEC. 619. Notwithstanding any other provision of law, no executive branch agency shall purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without the advance approval of the House and Senate Committees on Appropriations.

SEC. 620. (a) None of the funds appropriated by this or any other Act may be expended by any Federal agency to procure any product or service that is subject to the provisions of Public Law 89-306 and that will be available under the procurement by the Administrator of General Services known as "FTS2000" unless—

(1) such product or service is procured by the Administrator of General Services as part of the procurement known as "FTS2000"; or

(2) that agency establishes to the satisfaction of the Administrator of General Services that—

(A) the agency's requirements for such procurement are unique and cannot be satisfied by property and service procured by the Administrator of General Services as part of the procurement known as "FTS2000"; and

(B) the agency procurement, pursuant to such delegation, would be cost-effective and would not adversely affect the cost-effectiveness of the FTS2000 procurement.

(b) After July 31, 1994, subsection (a) shall apply only if the Administrator of General Services has reported that the FTS2000 procurement is producing prices that allow the Government to satisfy its requirements for such procurement in the most cost-effective manner.

SEC. 621. (a) No amount of any grant made by a Federal agency shall be used to finance the acquisition of goods or services (including construction services) unless the recipient of the grant agrees, as a condition for the receipt of such grant, to—

(1) specify in any announcement of the awarding of the contract for the procurement of the goods and services involved (including construction services) the amount of Federal funds that will be used to finance the acquisition; and

(2) express the amount announced pursuant to paragraph (1) as a percentage of the total costs of the planned acquisition.

(b) The requirements of subsection (a) shall not apply to a procurement for goods or services (including construction services) that has an aggregate value of less than $500,000.

SEC. 622. Notwithstanding section 1346 of title 31, United States Code, or section 611 of this Act, funds made available for fiscal year

1994 by this or any other Act shall be available for the interagency funding of national security and emergency preparedness telecommunications initiatives which benefit multiple Federal departments, agencies, or entities, as provided by Executive Order Numbered 12472 (April 3, 1984).

SEC. 623. Notwithstanding any provisions of this or any other Act, during the fiscal year ending September 30, 1994, any department, division, bureau, or office may use funds appropriated by this or any other Act to install telephone lines, necessary equipment, and to pay monthly charges, in any private residence or private apartment of an employee who has been authorized to work at home in accordance with guidelines issued by the Office of Personnel Management: *Provided*, That the head of the department, division, bureau, or office certifies that adequate safeguards against private misuse exist, and that the service is necessary for direct support of the agency's mission.

SEC. 624. (a) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality for the salaries or expenses of any employee appointed to a position of a confidential or policy-determining character excepted from the competitive service pursuant to section 3302 of title 5, United States Code, without a certification to the Office of Personnel Management from the head of the Federal department, agency, or other instrumentality employing the Schedule C appointee that the Schedule C position was not created solely or primarily in order to detail the employee to the White House.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of the Treasury, and the Department of Energy performing intelligence functions; and

(7) the Director of Central Intelligence.

SEC. 625. None of the funds appropriated by this or any other Act may be used to relocate the Department of Justice Immigration Judges from offices located in Phoenix, Arizona to new quarters in Florence, Arizona without the prior approval of the House and Senate Committees on Appropriations.

Mr. HOYER (during the reading). Mr. Chairman, I ask unanimous consent that title VI of the bill through line 3, page 81, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. KOLBE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have an amendment which I would offer. It is a limiting amendment and, therefore, comes at the conclusion of the bill. Therefore, the chairman of the subcommittee would most properly move to rise, and the amendment would not be in order.

So I choose at this moment to rise to explain that amendment and why I would seek to defeat the motion for the Committee to rise so that this amendment might be made in order.

Let me just explain very briefly what the amendment would do. It is an amendment that deals, and we have had some discussion with this last week when we were debating this appropriation bill, this amendment deals with the levels of White House staff and the cuts that might be made to that. I want to make it clear, Mr. Chairman, that I do not offer this amendment in a mean-spirited way.

I believe the President of the United States, whoever that may be, should have whatever staff he needs, and I would vote to do that, to give him that staff, if he asks us for it. I will vote to give him 100 percent of the fiscal year 1993 numbers, and I will vote to give him whatever he says he needs as long as he is straightforward in asking for it.

But the President has campaigned on the notion that he would ask for a 25-percent reduction, and my amendment would do that. It would reduce the White House staffing by 25 percent from the fiscal year 1993 levels, 408 to 306 full-time equivalent employees in 1994. That is as President Clinton promised that he would do. My amendment would simply help him fulfill that promise.

The administration and this bill claim that it already achieves a 25-percent staff cut in the Executive Office of the President. But a closer look at the numbers reveals that a shell game is really being played, and that there is nowhere near a 25-percent reduction.

Here is how that shall game is played: First, the Clinton budget reduces the staff baseline by excluding the Office of Management and Budget and the U.S. Trade Representative staff, whose 800 employees make up 36 percent of the Executive Office of the President budget. This makes the reported 350-employee cut appear to be a greater percentage than it actually is. Including those employees in the baseline figure drops the purported reduction from 25 to 16 percent.

The administration has implied that OMB and USTR are excluded from the baseline figure because both are Cabinet-level offices, but as the Congressional Research Service, no partisan organization that I know of, as the CRS has pointed out in its study, the Office of Drug Policy is also a Cabinet-level office, but its staff is to be reduced by 83 percent. That reduction gets counted in the overall number of the employees that the President is reducing.

In other words, offices that are being cut are part of the White House. Offices that are not being cut are going to be excluded for purposes of counting how we are going to achieve a 25-percent reduction.

Moreover, as the Congressional Research Service pointed out, both OMB and USTR are integral units of the Executive Office of the President, funded with EOP appropriations, and playing important roles helping the President to implement programs and policies.

Second, the baseline number of White House employees does not exclude all the people working at the White House. It does not include a category called nondetailees. Such employees are not carried on the roster of the White House or other EOP units. There is no way of knowing how many of them are working at the White House and what they are doing, and that is why the GAO said in its report that the number of nondetailees should be reported to Congress.

□ 1800

With the 3,092 nondetailees who have traditionally worked at the White House properly added to the employment roster and on the USTR, the 25 percent reduction that the President is talking about shrinks to a mere 6.6 percent in this legislation. The White House employees, this ever-changing group of White House employees, is then expanded in the next step in this ruse. A group of people known as the assignees who perform normal duties at the White House while permanently or temporarily assigned to the White House are included in the non-detailee category; that is, they are not counted on the White House staff. So even the GAO questions whether these assignees do fall correctly into that non-detailee category.

Through hocus-pocus that would have made Houdini proud, the administration has made the number of employees smaller which, in turn, allows it to claim bigger reductions in staff. It has expanded the definition of people who are not White House employees and thereby increased the number of uncounted employees.

Even the White House staff within the EOP gets to play a role in this game. Clinton claimed that he would reduce his staff by 419 by October 1 of this year, claiming this would cut 42 employees, or 9 percent, from his staff. But the White House staff is normally around 419, not the 461 counted by Clinton on the eve of the Presidential election.

The new President and many Members of Congress seem committed to continually improving our vocabulary. Mr. Chairman, I urge we defeat the motion to rise so that this amendment can be considered and voted upon.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there has been a lot of talk on this House floor about hocus-pocus and about taking very loosely what the facts on page 43 of the report show very clearly.

Now, you can include figures and exclude figures and come up with different percentages. But the fact of the matter is irrefutable. However you include all of the agencies included within the Executive Office of the President accounts—and of course OMB is in fact a Cabinet agency—the fact of the matter is there are fewer employees funded in this budget for fiscal year 1994 for President Clinton than there were for President Bush in fiscal year 1993, period. There are fewer people.

Let me go over it for you so you know it when this motion comes up which we will oppose.

There were actually in the White House, people working in the offices which the gentleman referred to, excluding OMB, U.S. Trade Representative, and OFPP, 1,394 people. There will be 1,044 people funded under this budget. That is 350 fewer people.

That is a 25.1-percent reduction in the employees included in that category. Now, of course you can add others in there, and of course they added them in a way that served their interest. But let us go to the next category, the category that was not included.

There were 800 employees under President Bush, either actual OMB, OFPP, or U.S. Trade Representative employees or other employees and detailees. There will be under this budget, 763 employees. That is 37 employees less.

Now, obviously that is only a 5-percent reduction in those categories. If you add them together, you come up with a smaller percentage, and we can all play games. And I can exclude some and come up with a higher percentage than 25 percent.

The bottom line is it is not a service to Washington, our institutions or the respect of the American public for their Government, as Mr. KING so eloquently stated, to continue to play these silly games. They were not played, I suggest to you, with Mr. Reagan. They were not played. And I have been on this committee for 12 years.

Now, I understand that the last year of the Bush administration we had a fight. We had a fight about a substantive issue, whether an office was in fact subverting the regulatory process. We disagreed on that. And that Council was funded at the level of $87,000. Very strenuously, from the other side of the aisle, we heard, "You ought not to get in this; the President ought to have the flexibility." Clearly the President ought to have some flexibility to manage the Office to which he is constitutionally elected. It is the only other office in the Government of the United States like ours, elected by the people, responsible to the people.

I will oppose this amendment. I will make the motion to rise and I will oppose this amendment if we do not rise. I think it is unfortunate that we continue to berate and misrepresent. I understand if you put *x* number of figures in here, you come up with a different percentage; if you read page 43, that is what the President will be limited to. And it is a 25-percent reduction in those offices as set forth.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Arizona.

Mr. KOLBE. I thank the chairman for yielding.

First of all, let me say that I would concede that there are less numbers here. That is not the issue. I said that at the outset. There are less numbers.

Second point: I do not believe, despite what the gentleman said, that I am offering this in the sense of—I am trying to be as nonpartisan as possible in offering that. I say that because President Bush, President Reagan did not campaign on a 25-percent reduction; yet the current President of the United States did do that.

Mr. HOYER. Reclaiming my time, Mr. Chairman, if he did campaign on that, he has done it. If you believe page 43 misrepresents the figures we are funding, that is one thing. But if you believe it is an accurate representation of the figures—you may not like which offices are in which columns, I understand that. But I do not know that you have a piece of paper on which Mr. Clinton said when he was a candidate, "I am going to include this office in and that office out." He does in fact reduce 25 percent in the White House and in the Executive Offices of the President the net number of employees. I think that is conceded. This is his list. This is how he wants to manage the White House to serve the people who have elected him. We think he ought to have that opportunity.

Mr. COX. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are kicking a lot of dust up in the air. We are almost playing a shell game here. I think the gentleman from Arizona [Mr. KOLBE], has put his finger on the button. The White House Office is being cut by 2 percent.

But the promise of the President of the United States was to cut the White House staff by 25 percent.

I used to work on the White House staff, and it is interesting for me to note that throughout that period of time the Congress complained that the White House was overstaffed. I have to tell you that I have voted consistently since I have been here to reduce that staff as well as to reduce our own because I agree. Franklin Roosevelt ran World War II out of the West Wing.

Not too long ago, not too many years ago, the Old Executive Office Building was named the War, Navy, and State buildings. Now the President of the United States has put his staff in there. It spilled over to fill up that entire building. And they had to construct another building across the street called the New Executive Office Building. This is not helpful to the mission of the President of the United States. We can actually assist in good Government by helping President Clinton fulfill this campaign pledge to cut not by 2 percent but by 25 percent.

President Clinton repeatedly said for weeks, "I promise to cut the White House staff by 25 percent, and I did it." Then it turned out that the newspapers got on his case and explained that, no, he did not do it, he did not do it at all; he, in fact, increased spending.

Then the President and the Members of this body said, "Well, we will do it next year." This is our opportunity to do it for next year. But instead of cutting by 25 percent, we are cutting by 2 percent.

Unless we pass the Kolbe amendment, we will once again fuel the cynicism abroad in America about the way this body operates.

Let us be honest for a change, let us cut by 25 percent.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I would like to read just one paragraph from the Congressional Research Service report and then I would like, if the gentleman from California [Mr. COX] would yield to the gentleman from Maryland [Mr. HOYER] for a question, which I would pose. This is the paragraph:

> On February 9, 1993, President Clinton announced he was fulfilling a campaign promise with his proposal to reduce the 'White House staff' by 25 percent. The President said the cuts would also reduce the 'White House budget' by five percent. The goals and effect of the proposed action are unclear, however, because staff and budget baseline numbers used are selective and the terms 'White House staff' and 'White House budget' have been redefined. If White House staff is defined in its normally accepted manner, i.e., to include staff only in the White House Office, the actual proposed reduction is 9.1 percent. That percentage would be lower if the baseline count had not excluded many employees working in and supporting the White House. Independent verification of the actual percent reduction is not possible because the exact number of personnel working in and supporting the White House has yet to be released.

Now, that was in May of this year.

The question I would pose to the gentleman from Maryland [Mr. HOYER] if he is yielded to by the gentleman from California for this purpose, the gentleman referred to page, I think he meant 43——

Mr. HOYER. The gentleman is right.

Mr. KOLBE. And the gentleman is correct, it shows a 25.11-percent reduction. But is it not accurate that that excludes the Office of Management and Budget and the United States Trade

Representative, which are labeled apparently as Cabinet-level offices, but includes the reductions in the Drug Policy Office? And what is the reason for including Drug Policy and excluding the others in counting the reduction?

Mr. COX. Reclaiming my time, and I will yield to the gentleman from Maryland [Mr. HOYER] for the purpose of answering that question, I would add simply this: I have also moved to help the President fulfill his campaign pledge to cut congressional spending on itself by 25 percent. I went to the Rules Committee and sought the opportunity when we did legislative appropriations on this floor to bring that amendment here.

☐ 1810

That opportunity was denied on a rather partisan basis. I hope we do not do that again here today.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Maryland.

Mr. HOYER. First of all, Mr. Chairman, with respect to the denial of the right to offer amendments, this is an open rule. We have had a number of amendments to cut this provision by percentages and by money. They were not passed. The opportunity was there.

Mr. COX. Reclaiming my time, Mr. Chairman, I just hope we can have an up or down vote on the Kolbe amendment and that we will not have to resort to a procedural ruse.

Mr. HOYER. It is not a procedural ruse, I say to the gentleman from California [Mr. COX]. These are the rules of the House. It is not a procedural ruse.

We have to stop accusing our institutions of flimflam and ruses and fraud and things like that. We only demean ourselves.

Stop it. Stop demeaning this institution. Stop demeaning the Presidency. Stop demeaning what you are doing. Stand up for what you are doing.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Well, Mr. Chairman, I understand that the gentleman gets upset by this, but the fact is that a few years ago the rules of the House were changed to prevent this kind of amendment from coming up. It was specifically done to prevent us from being able to offer amendments that said none of the funds may be spent in particular areas.

The CHAIRMAN. The time of the gentleman from California [Mr. COX] has expired.

(At the request of Mr. WALKER, and by unanimous consent, Mr. COX was allowed to proceed for 1 additional minute.)

Mr. WALKER. Mr. Chairman, will the gentleman continue to yield?

Mr. COX. I yield to the gentleman from Pennsylvania.

Mr. WALKER. The fact is, Mr. Chairman, that in years past this would have been an entirely legitimate amendment to bring to the House floor, and we would not have had to go through the motion to rise.

So while the gentleman makes an emotional point about the demeaning of the institution, the fact is that the institution has demeaned itself by taking a lot of liberties with the ability of Members to bring cutting amendments to the floor.

We would be far better off if we allowed these kinds of limiting amendments and allowed the American people to decide whether or not this institution was doing its job well.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. COX. The gentleman from Arizona, I think, had me originally yield for the purpose of getting an answer to his question about the OMB, USTR, and the selectivity of including parts of the White House, and not other parts in this cut.

Mr. HOYER. The President made a determination as to how he wanted to present his budget.

The OMB obviously is a Cabinet agency and he projected it as such. The Trade Representative is as well.

The President has often made a judgment with respect to the Office of National Drug Control Policy and substantially reduced their personnel because he believes that is something he ought to do.

The CHAIRMAN. The time of the gentleman from California [Mr. COX] has again expired.

(At the request of Mr. KOLBE, and by unanimous consent, Mr. COX was allowed to proceed for 1 additional minute.)

Mr. HOYER. Mr. Chairman, if the gentleman will continue to yield, I am essentially finished. The President decided that is the way he wanted to configure the Executive Office.

The Executive Office is his organizational mechanism of carrying out policy. It is any President's organization; I do not mean just President Clinton, and that is the way he has projected it.

Now, the gentleman can disagree, as I indicated. The gentleman can argue that he ought to have this office or that office in one column or the other, and obviously I agree with what is incontrovertible, that if you change one from another, it changes the percentages; but the point is he has in fact carried out his pledge.

Mr. KOLBE. If the gentleman from California will continue to yield Mr. Chairman, in the remaining time I just want to make it clear to the chairman of the subcommittee that whatever has been said here, I did not claim this was a ruse by rising. I simply said that I wanted to rise under striking the last word to explain the amendment.

Mr. HOYER. Mr. Chairman, if the gentleman will yield further, I was not referring to my distinguished friend.

Mr. KOLBE. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. ORTON

Mr. ORTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ORTON: Page 81, at the end of line 9, add the following:

SEC. 626. None of the funds made available in this act for "Allowances and Office Staff for Former Presidents" may be used for partisan political activities.

Mr. ORTON. Mr. Chairman, this amendment is very simple. It simply indicates that the funds which we have allowed and appropriated under this act for use by the offices of former Presidents would be available for their use; however, should be limited to their use in official duties of an ex-President, not including any political activities.

It is clear to me, and I believe to the American taxpayers, that the taxpayers of this country should not be subsidizing the expenses of an ex-President when he is involved in partisan political activities.

This amendment is very simple and to the point. I believe it should not be opposed by any Member from either side of the aisle.

I would just like to cite from an Associated Press article reported today, wherein the discussion in the article has to do with a stipend presented by the GOP political party to Presidents Reagan and Bush. The Chairman of the RNC stated the following in justifying the stipend that it "was felt * * * they should not spend taxpayers' money on their office accounts for their political work."

I think this is agreed upon by everyone that the taxpayer funds should not be used for partisan political purposes, and this amendment would eliminate that.

Mr. LIGHTFOOT. Mr. Chairman, will the gentleman yield?

Mr. ORTON. I will yield for a question.

Mr. LIGHTFOOT. We agreed, Mr. Chairman, to accept the gentleman's amendment without raising a point of order if we did not get into some partisan bantering, and I believe the gentleman has stepped over the line, I say to the gentleman from Utah [Mr. ORTON].

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. ORTON. Certainly, I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, that is what I was whispering to the gentleman when I was listening to him.

What he was saying is that the RNC apparently has funds available for former Presidents for this purpose because they do not believe they ought to use the public funds that we are providing.

So what the gentleman is saying in effect is that the RNC policy agrees with this amendment.

Mr. LIGHTFOOT. In theory, Mr. Chairman, we agree with what the gentleman is trying to do, I will say that. I agree with what the gentleman is trying to do, because I do not think taxpayer money should be used for any kind of political purposes by anybody.

Mr. ORTON. Certainly my point, Mr. Chairman, was that this issue I believe is one that is not partisan, and in fact the principle is agreed to by both parties.

Mr. Chairman, if there is no further discussion, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. ORTON].

The amendment was agreed to.

Mr. WALKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is interesting that we allowed that funding amendment to come up, but the gentleman from Arizona is probably going to have a problem getting his funding limitation amendment to the floor.

In other words, we are being selective about what we are going to permit to come to the floor in terms of fund limitations.

But I do wonder about this page 43 that got referred to fairly often.

Do I understand that everything on page 43 is what consists of the Executive Office of the President, that the committee is in fact saying that virtually everything on page 43 is the Executive Office of the President, that the committee is in fact saying that virtually everything on page 43 is the Executive Office of the President?

Mr. HOYER. Mr. Chairman, if the gentleman will yield, what I would represent to the gentleman is that this is the presentation of the President for the executive branch as to their configuration of their budget, yes.

Mr. WALKER. So the White House says, and the committee agrees, that what we have on page 43 is what consists of the Executive Office of the President?

Now, is that not typically what we call the White House?

Mr. HOYER. No.

Mr. WALKER. Oh, it is not?

Mr. HOYER. It is the Executive Office of the President.

Mr. WALKER. Which lines of this do we typically call the White House, the thing up there that says White House?

Mr. HOYER. Yes.

Mr. WALKER. All right, that is reduced by 8.5 percent.

Mr. HOYER. Correct.

Mr. WALKER. That is not 25 percent. What I remember is the President campaigning around the country saying he was going to cut the White House by 25 percent, or at least he was going to cut the Office of the Presidency, he was going to cut something by 25 percent.

Mr. HOYER. Correct.

Mr. WALKER. Now, what we have here is a lot of places where he cut, all of a sudden we have a listing that he cut a bunch of places by 100 percent. That gives you a pretty good percentage when you are cutting things by 100 percent, including, for instance, the Council on Environmental Quality. If you absolutely eliminate every employee of the Council of Environmental Quality, call that a piece of the White House and then say you have reduced the whole thing by 25 percent, you come up with a pretty good figure; but the fact is that it is hard to tell here whether we have fish or fowl.

We have a page that says Executive Office of the President. It turns out that is not a 25-percent cut. It does not come close to being a 25-percent cut.

The only way to get to the 25-percent cut is by juggling some offices up into the category and juggling other offices down out of the category, and it happens to be that the ones who got juggled up in have 33-percent cuts, 19-percent cuts, 100-percent cuts, 100-percent cuts, 100-percent cuts. There are all kinds of 100-percent cuts in there is what gets them to the 25-percent figure.

☐ 1820

All I am concerned about is the fact that this is kind of a game of charades, when we play this kind of a game in order to come up with a figure that evidently sustains a political need, because what we have seen over the last few weeks is the President consistently going across the country saying, "I've made my sacrifice. I took a 25-percent cut in the White House, and so, therefore, when I'm asking the country to make a sacrifice as well, believe me I know what the pain is because I've done it."

Mr. Chairman, what he has done is juggled figures, and that is what disturbs us a little bit when the gentleman from Arizona wants to offer an amendment and he does not get a chance to do so on the floor.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Arizona.

Mr. KOLBE. Very quickly, Mr. Chairman, what the gentleman from Pennsylvania [Mr. WALKER] is driving at is precisely what I tried to get at in my amendment by dealing only with line 1 on page 43. That is the line labeled "White House," to reduce that by 25 percent. I realize that with the signees, nonsignees, detailees, nondetailees, they will have whatever number they need in the White House, and we cannot really get at that figure. But all we are trying to drive at with this amendment is the White House number itself.

Mr. WALKER. Mr. Chairman, I thank the gentleman from Arizona [Mr. KOLBE].

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, just in closing, these are the usual, normal Executive Office of the President accounts, and I have submitted that they can be organized in ways that change the percentages. The gentleman is correct on that.

Mr. WALKER. Have we ever organized it this way before on that page?

Mr. HOYER. These are all the traditional agencies——

Mr. WALKER. No, but have we ever had this line in the middle that divides it out, and then gives us a 25-percent cut figure, and then lists some of the rest of them below that? Have we ever done that in the budget before?

Mr. HOYER. I frankly do not know, and frankly, from my standpoint, it does not matter. Let me tell the gentleman why.

The President of the United States has certain funds to run the Executive Office of the President. He has chosen to rearrange some of the priorities differently from Mr. Bush, and I do not have a specific comparison. Mr. Bush did it slightly different than Mr. Reagan. I am sure Mr. Reagan did it slightly different than Mr. Carter.

My point is: Let us forget about the percentages by account.

Mr. WALKER. We cannot forget about the percentages because that is the basis on which the President has made the judgment. He was the one that told us he was going to cut 25 percent.

Mr. HOYER. And he is the one that gave us this list with a total reduction of 25 percent.

Mr. WALKER. And the list shows something completely different than we have ever had before in order to give him the figures he needs. That is what we are complaining about.

Mr. CHAIRMAN. If there are no further amendments to title V, the Clerk will complete the reading of title VI.

The Clerk read as follows:

This Act may be cited as the "Treasury, Postal Service, and General Government Appropriations Act, 1994".

Mr. HOYER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The CHAIRMAN. The question is on the motion to rise offered by the gentleman from Maryland [Mr. HOYER].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KOLBE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 241, noes 171, not voting 27, as follows:

[Roll No. 254]

AYES—241

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Margolies-Mezvinsky
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Romero-Barcelo (PR)
Rose
Rostenkowski
Rowland
Roybal-Allard
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Tanner
Tauzin
Tejeda
Thompson
Thurman
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Wheat
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—171

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Myers
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (MS)
Taylor (NC)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—27

Conyers
DeFazio
Derrick
English (OK)
Faleomavaega (AS)
Flake
Gillmor
Harman
Hayes
Henry
Manton
Markey
Meek
Morella
Oberstar
Ridge
Rush
Santorum
Schumer
Synar
Thomas (CA)
Thornton
Torres
Torricelli
Waxman
Weldon
Whitten

□ 1841

Messrs. McINNIS, EWING, and JACOBS changed their vote from "aye" to "no."

Mr. MURTHA and Mr. EDWARDS of California changed their vote from "no" to "aye."

So the motion to rise was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. THOMAS of California. Mr. Chairman, I am one of the strong advocates of a 15-minute vote taking place in 15 minutes. I have to tell the Speaker that upon leaving my office in the Rayburn House Office Building, there was no Member elevator available. The operator was gone.

I took one of the normal banks of elevators. I was stopped on the third floor, the first floor, the basement. I got off at G-3, went over to the subway. Both of the subway cars were at this end of the track. No one had the presence to have a car at the end when Members need to get it.

There were a number of Members with me. If we are going to adhere to the 15-minute rule, I expect the structure to be supportive as well.

Mr. Chairman, had I been present, I would have voted "no."

The SPEAKER pro tempore. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BONIOR) having assumed the chair, Mr. STUDDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2403) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1994, and for other purposes, pursuant to House Resolution 201, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. KOLBE. Mr. Speaker, I demand a separate vote on the amendment offered by the gentleman from Georgia [Mr. DEAL]; the amendment offered by the gentleman from Minnesota [Mr. PENNY]; the amendment offered by the gentleman from North Dakota [Mr. POMEROY]; and the amendment offered by the gentlewoman from Utah [Ms. SHEPHERD].

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 6, line 20, strike "$366,372,000" and insert "$364,245,000".

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. KOLBE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. The Chair will announce that any subsequent RECORD votes on the three other ordered amendments will be reduced to 5 minutes.

The vote was taken by electronic device, and there were—yeas 353, nays 62, answered, not voting 19, as follows:

[Roll No. 255]

YEAS—353

Abercrombie
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)

Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Bateman
Becerra
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Castle
Chapman
Clayton
Clement
Clinger
Clyburn
Coble
Collins (GA)
Collins (MI)
Condit
Cooper
Coppersmith
Costello
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeLauro
DeLay
Deutsch
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Everett
Ewing
Farr
Fawell
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Gordon
Goss
Grams
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Hastert
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Johnson (CT)
Johnson (GA)
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Linder
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
Meehan
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murphy
Murtha
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Ramstad
Ravenel
Reed
Regula
Richardson
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Scott
Sensenbrenner
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thurman
Torkildsen
Traficant
Tucker
Valentine
Vento
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Weldon
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—62

Ackerman
Baesler
Barton
Beilenson
Blackwell
Bryant
Bunning
Carr
Clay
Coleman
Collins (IL)
Combest
Coyne
DeFazio
Dellums
Diaz-Balart
Edwards (CA)
Evans
Fazio
Foglietta
Fowler
Goodling
Grandy
Hastings
Hefley
Horn
Hoyer
Jefferson
Johnson (SD)
Johnson, E.B.
Kildee
Lazio
Lewis (GA)
Lightfoot
Livingston
McDade
McNulty
Mineta
Moran
Myers
Nadler
Payne (NJ)
Pelosi
Quillen
Rahall
Rangel
Reynolds
Sabo
Serrano
Smith (TX)
Stark
Stokes
Torres
Towns
Upton
Velazquez
Visclosky
Washington
Waxman
Wheat
Wolf
Yates

NOT VOTING—19

Conyers
Derrick
Flake
Gephardt
Harman
Hayes
Henry
Meek
Menendez
Ridge
Roberts
Rush
Santorum
Schumer
Synar
Thornton
Torricelli
Unsoeld
Whitten

□ 1902

Ms. VELÁZQUEZ, Mr. TOWNS and Mr. PAYNE of New Jersey changed their vote from "yea" to "nay."

Mr. TRAFICANT changed his vote from "present" to "yea."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BONIOR). The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 8, line 13, strike "$1,315,917,000" and insert "$1,311,819,000".

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KOLBE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 269, noes 141, not voting 24, as follows:

[Roll No. 256]

AYES—269

Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Bentley
Bereuter
Bevill
Bilbray
Bishop
Bliley
Blute
Boehlert
Boehner
Borski
Boucher
Brewster
Browder
Brown (OH)
Burton
Byrne
Camp
Cantwell
Cardin
Castle
Clayton
Clement
Clinger
Clyburn
Coble
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Cramer
Crane
Danner
Darden
Deal
DeFazio
DeLauro
Deutsch
Dickey
Dicks
Dooley
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (TX)
Emerson
Engel
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fingerhut
Foglietta
Franks (CT)
Franks (NJ)
Frost
Gallo
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gingrich
Glickman
Gonzalez
Goodlatte
Gordon
Grams
Grandy
Greenwood
Gunderson
Hall (OH)
Hamburg
Hamilton
Hancock
Hansen
Hastert
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Houghton
Hughes
Hutto
Hyde
Inglis
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kim
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kopetski
Kyl
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (FL)
Linder
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKinney
McNulty
Meehan
Meyers
Mfume
Miller (CA)
Minge
Montgomery
Moorhead
Morella
Murphy
Murtha
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Orton
Owens
Oxley
Pallone
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Ramstad
Ravenel
Reed
Regula
Richardson
Roemer
Rogers
Rohrabacher
Roth
Rowland
Royce
Sangmeister
Sarpalius
Sawyer
Schaefer
Schiff
Scott
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Snowe
Solomon
Stenholm
Strickland
Studds
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thurman
Torkildsen
Traficant
Upton
Valentine
Velazquez
Vento
Volkmer
Vucanovich
Walker
Walsh
Watt
Weldon
Wilson
Wise
Wyden
Zeliff
Zimmer

NOES—141

Abercrombie
Ackerman
Bachus (AL)
Baesler
Baker (CA)
Barton
Bateman
Becerra
Beilenson
Berman
Bilirakis
Blackwell
Bonilla
Bonior
Brooks
Brown (CA)
Brown (FL)
Bryant

Bunning
Buyer
Callahan
Calvert
Canady
Carr
Chapman
Clay
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Coyne
Cunningham
de la Garza
DeLay
Dellums
Diaz-Balart
Dingell
Dixon
Doolittle
Edwards (CA)
English (AZ)
English (OK)
Evans
Fields (TX)
Filner
Fish
Ford (MI)
Ford (TN)
Fowler
Furse
Gallegly
Gilman
Goodling
Goss
Green
Hall (TX)
Hastings
Horn
Hoyer
Huffington
Hunter
Hutchinson
Inhofe
Johnson, E. B.
Johnston
Kildee
King
Kolbe
Kreidler
LaFalce
Lazio
Levy
Lewis (CA)
Lewis (GA)
Lightfoot
Livingston
Martinez
Matsui
McCollum
McDermott
McKeon
McMillan
Menendez
Mica
Michel
Miller (FL)
Mineta
Mink
Moakley
Molinari
Mollohan
Moran
Myers
Olver
Ortiz
Packard
Pastor
Payne (NJ)
Pelosi
Pickett
Pickle
Quinn
Rahall
Rangel
Reynolds
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Roybal-Allard
Sabo
Sanders
Schenk
Schroeder
Shaw
Skeen
Smith (TX)
Spence
Spratt
Stark
Stearns
Stokes
Stump
Swift
Tejeda
Thomas (WY)
Torres
Towns
Tucker
Visclosky
Washington
Waters
Waxman
Wheat
Williams
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NOT VOTING—24

Conyers
Crapo
Derrick
Flake
Frank (MA)
Gephardt
Gutierrez
Harman
Hayes
Henry
Meek
Nadler
Ridge
Roberts
Rush
Santorum
Saxton
Schumer
Synar
Thompson
Thornton
Torricelli
Unsoeld
Whitten

☐ 1910

Messrs. MARTINEZ, PACKARD, and SPENCE changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BONIOR). The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendments: Page 29, line 16, strike "$5,198,311,000" and insert "$5,185,611,000".

Page 29, line 17, strike "$307,994,000" and insert "$295,294,000".

Page 29, line 18, strike "$833,176,000" and insert "$820,476,000".

Page 29, line 25, strike "$5,195,000" and insert "$5,091,000".

Page 30, line 3, strike "$14,098,000" and insert "$13,816,040".

Page 30, line 6, strike "$146,002,500" and insert "$143,082,450".

Page 30, line 8, strike "$1,866,000" and insert "$1,828,680".

Page 30, line 10, strike "$151,200,000" and insert "$148,176,000".

Page 30, line 16, strike "$6,194,000" and insert "$6,070,120".

Page 30, line 17, strike "$68,058,000" and insert "$66,696,840".

Page 30, line 19, strike "$51,000,000" and insert "$49,980,000".

Page 31, line 9, strike "$19,000,000" and insert "$18,620,000".

Page 31, line 12, strike "$3,900,000" and insert "$3,822,000".

Page 31, line 13, strike "$10,000,000" and insert "$9,800,000".

Page 31, line 14, strike "$10,000,000" and insert "$9,800,000".

Page 31, line 17, strike "$9,553,000" and insert "$9,361,940".

Page 31, line 21, strike "$4,381,200" and insert "$4,293,576".

Page 31, line 23, strike "$30,000,000" and insert "$29,400,000".

Page 32, line 7, strike "$4,725,000" and insert "$4,630,500".

Page 32, line 9, strike "$86,751,000" and insert "$85,015,980".

Page 32, line 13, strike "$12,340,000" and insert "$12,093,200".

Page 32, line 16, strike "$3,047,000" and insert "$2,986,060".

Page 39, line 8, strike "$5,198,311,000" and insert "$5,185,611,000".

Mr. HOYER. Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER pro tempore. The question is on the amendments.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KOLBE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 361, noes 50, not voting 23, as follows:

[Roll No. 257]

AYES—361

Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (OH)
Bryant
Bunning
Burton
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Deutsch
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Fingerhut
Fish
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Hastert
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McMillan
McNulty
Meehan
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Reed
Regula
Richardson
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Sabo
Sangmeister
Sarpalius
Sawyer
Schaefer
Schenk
Schiff
Schroeder
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thurman
Torkildsen
Torres
Traficant
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waxman
Weldon
Wheat
Wilson
Wise
Wolf
Wynn
Young (AK)
Zeliff
Zimmer

NOES—50

Abercrombie
Ackerman
Blackwell
Brown (FL)
Buyer
Clay
Collins (IL)
Collins (MI)
Coyne
Diaz-Balart
Dingell
Evans
Filner
Foglietta
Fowler
Furse
Gibbons
Hastings
Johnson, E.B.
King
Kopetski
Lazio
Levy
Lewis (GA)
Lipinski
Manton
Matsui
McCollum
McDermott
McKinney
Mineta
Moakley
Moran
Nadler
Rahall
Rangel
Reynolds
Sanders
Stokes
Swift
Towns
Velazquez
Washington
Waters

Watt
Williams
Woolsey
Wyden
Yates
Young (FL)

NOT VOTING—23

Barcia
Conyers
Dellums
Derrick
Flake
Gutierrez
Harman
Hayes
Henry
Meek
Ridge
Roberts
Roemer
Rush
Santorum
Saxton
Schumer
Synar
Thornton
Torricelli
Tucker
Unsoeld
Whitten

☐ 1916

Mr. WYDEN changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will report the last amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 43, after line 22, insert the following new section:

SEC. 6. (a) The Act entitled "An Act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes", approved August 25, 1958 (3 U.S.C. 102 note), is amended by adding at the end the following new section:

"SEC. 2. The entitlements of a former President under subsections (b) and (c) of the first section shall be available—

"(1) in the case of an individual who is a former President on the effective date of this section, for 5 years, commencing on such effective date; and

"(2) in the case of an individual who becomes a former President after such effective date, for 4 years and 6 months, commencing at the expiration of the period for which services and facilities are authorized to be provided under section 4 of the Presidential Transition Act of 1963 (3 U.S.C. 102 note).".

(B) Section 3214 of title 39, United States Code, is amended—

(1) by striking "A former President" and inserting "(a) Subject to subsection (b), a former President"; and

(2) by adding at the end the following new subsection:

"(b) Subsection (a) shall cease to apply—

"(1) 5 years after the effective date of this subsection, in the case of any individual who, on such effective date—

"(A) is a former President (including any individual who might become entitled to the mailing privilege under subsection (a) as the surviving spouse of such a former President); or

"(B) is the surviving spouse of a former President; and

"(2) 4 years and 6 months after the expiration of the period for which services and facilities are authorized to be provided under section 4 of the Presidential Transition Act of 1963 (3 U.S.C. 102 note), in the case of an individual who becomes a former President after such effective date (including any surviving spouse of such individual, as described in the parenthetical matter in paragraph (1)(a)).".

(C) The amendments made by subsections (a) and (b) shall take effect on October 1, 1993.

Mr. HOYER (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KOLBE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 298, noes 115, not voting 21, as follows:

[Roll No. 258]

AYES—298

Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Bateman
Becerra
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Boucher
Brewster
Browder
Brown (OH)
Burton
Buyer
Byrne
Canady
Cantwell
Chapman
Clement
Coble
Collins (GA)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Deal
DeFazio
DeLauro
DeLay
Deutsch
Dickey
Dicks
Dixon
Dooley
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (TX)
Emerson
English (OK)
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (TX)
Filner
Fingerhut
Fish
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gekas
Gephardt
Geren
Gilchrest
Gingrich
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Hastert
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hoekstra
Holden
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kim
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (FL)
Linder
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McInnis
McKeon
McMillan
Meehan
Menendez
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Montgomery
Moorhead
Moran
Morella
Murphy
Myers
Neal (NC)
Nussle
Oberstar
Obey
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Paxon
Payne (NJ)
Penny
Peterson (MN)
Petri
Pickle
Pombo
Pomeroy
Porter
Poshard
Price (NC)
Pryce (OH)
Quinn
Ramstad
Ravenel
Reed
Richardson
Roemer
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Sabo
Sanders
Sangmeister
Sarpalius
Schaefer
Schenk
Schiff
Schroeder
Sensenbrenner
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skelton
Slattery
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thurman
Torkildsen
Torres
Tucker
Upton
Valentine
Vento
Volkmer
Walker
Walsh
Waters
Weldon
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Young (FL)
Zeliff
Zimmer

NOES—115

Abercrombie
Ackerman
Barton
Beilenson
Bentley
Berman
Bishop
Blackwell
Bonior
Brooks
Brown (CA)
Brown (FL)
Bryant
Bunning
Callahan
Calvert
Camp
Cardin
Carr
Castle
Clay
Clayton
Clinger
Coleman
Collins (IL)
Collins (MI)
Coyne
Darden
de la Garza
Dellums
Diaz-Balart
Doolittle
Edwards (CA)
Engel
English (AZ)
Fields (LA)
Foglietta
Ford (MI)
Ford (TN)
Gejdenson
Gibbons
Gillmor
Gilman
Gonzalez
Hastings
Hobson
Hochbrueckner
Hoke
Horn
Houghton
Hoyer
Johnson, E. B.
Johnston
Kennedy
King
LaFalce
Lazio
Levy
Lewis (CA)
Lewis (GA)
Lightfoot
Livingston
Manton
Matsui
McDermott
McHugh
McKinney
McNulty
Mfume
Michel
Mineta
Mink
Moakley
Molinari
Mollohan
Murtha
Nadler
Natcher
Neal (MA)
Olver
Pastor
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Portman
Quillen
Rahall
Regula
Reynolds
Rogers
Sawyer
Scott
Serrano
Skaggs
Skeen
Smith (IA)
Stearns
Stokes
Studds
Sundquist
Swift
Thompson
Towns
Traficant
Velazquez
Visclosky
Vucanovich
Washington
Watt
Waxman
Wheat
Wolf
Yates
Young (AK)

NOT VOTING—21

Clyburn
Conyers
Derrick
Dingell
Flake
Harman
Hayes
Henry
Meek
Rangel
Ridge
Roberts
Rush
Santorum
Saxton
Schumer
Synar
Thornton
Torricelli
Unsoeld
Whitten

☐ 1923

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BONIOR). The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MYERS OF INDIANA

Mr. MYERS of Indiana. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MYERS of Indiana. Mr. Speaker, I am, in its present form.

The Clerk read as follows:

Mr. Myers of Indiana moves to recommit the bill, H.R. 2403, to the Committee on Appropriations with instructions to report back the same to the House forthwith with the following amendment:

On page 63, after line 11, insert the following new section:

SEC. . Notwithstanding any other provision of this Act, except for the amount provided under "United States Customs Service Salaries and Expenses", "Bureau of Alcohol, Tobacco and Firearms Salaries and Expenses", and "General Services Administration Federal Building Fund", each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 2 percent.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. MYERS] will be recognized for 5 minutes.

Mr. MYERS of Indiana. I thank the Speaker.

Mr. Speaker, I hope I will not use the 5 minutes because the hour is late. This is a simple 2 percent reduction, not a meat-ax approach.

But we exclude from the reduction the U.S. Customs, which has already taken a $4 million cut; Alcohol, Tobacco and Firearms, which has taken a $2 million cut; and also the General Services Administration, where we did cut out of new projects $12 million.

The bill is down from last year's outlays, yes, and it is down because we had an outlay adjustment last year; a technical change of $198 million; we reduced this year by $97 million for the drug czar. So it is down some, but not as much as far as the taxpayers are concerned. We have not really saved the taxpayers as much money as we can.

We are below, the present bill is $2 million below last year. Two percent would cut another $200 million out of that fund. We still leave $11.1 billion. We have 18 new projects for the courthouses, Federal buildings, we have $829 million for these projects.

We have left the money for IRS modernization of $1.4 billion. We have left the tax law enforcement $3.9 billion, and we have left the war on drugs an additional $116 million.

The President has promised to cut 25 percent from his budget, from his personnel. We now give him additional money of 8 percent in the White House. We cut the Vice President's Office even though he has more people, 2 percent. So we have been very generous, even with my cuts.

Mr. Speaker, 110 Members were elected last year on reform. One of the ideas is that we are going to cut spending. This is a simple, very small cut, but it is headed in the right direction. If the President is going to reduce the work force in the Federal Government by 200,000 people that he says he would do in 4 years, we cannot wait until next year to start. This is the year to start reducing.

A simple cut, it does not hurt anybody. There is not a person in this appropriation bill, not an agency that cannot afford a 2-percent cut. I hope you will support the cut.

The SPEAKER pro tempore. The gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes in opposition to the motion to recommit.

Mr. HOYER. Mr. Speaker, and my colleagues, I rise in opposition to this motion. As it stands now, this bill is $463 million under what we spent in 1993, $463 million under a hard freeze. This is not a generous bill.

BATF was cut $2 million, as you know; Customs, $61 million. You voted on a $4 million cut, but we had cut an additional $57 million in our committee.

Federal Law Enforcement Training Center, $5 million under 1993; financial management, $4 million under a hard freeze; Bureau of Public Debt, $5 million under a hard freeze. Even the Secret Service is under a hard freeze by $11 million. The Postal Service, revenue foregone is $30 million under a hard freeze. The executive office of the President is $10 million below fiscal 1993. Independent agencies, we eliminated four, one on this floor and three in committee. OPM is half a million dollars below a hard freeze.

In total, discretionary budget authority is $20 million under 1993. Discretionary budget outlays, as I have told you, is $463 million, almost half a billion under 1993 discretionary outlays not the President's proposal, but under 1993 outlays.

Why have we done this? We have done this because we have a deficit problem. We have done it because our committee felt we had a responsibility, not only to all of you in this House but, more importantly, to the American people. We need to bring down the deficit.

We were given very tight numbers, as all of you know, in the 602(b) allocations, but we still thought we had more to do, and we did our job.

□ 1930

Mr. Chairman, at this time I yield to my friend, the gentleman from Minnesota [Mr. SABO], the chairman of the Committee on the Budget.

Mr. SABO. Mr. Chairman, I thank the gentleman for yielding to me. I simply would like to commend the gentleman for an outstanding job in bringing this bill under last year's number, bringing it in well within the budget totals of the 602(b) allocations to the committee, which are very, very tight.

But there are also things we do which are penny-wise and pound-foolish at times. One of those things is to cut enforcement. My understanding of the impact of this amendment would also be to cut IRS enforcement.

I wonder if the gentleman has any projections from the IRS what the impact of this amendment would be in reducing revenues collected by the Federal Government?

Mr. HOYER. Mr. Chairman, I thank the gentleman for his question.

The Internal Revenue Service, so you understand where they are, is $120 million under what the President asked for IRS for fiscal year 1994.

IRS is $168 million over fiscal year 1993 in part because we have $130 billion in taxes due which are not being paid.

If we pass this amendment, and it applies to the IRS, the IRS says it will cost $1 billion in lost revenue for the $145 million "savings" in appropriations we effect; so it will cost over six times—over six times the "savings" of this amendment by the loss in revenue that the Internal Revenue Service projects.

Mr. SABO. Mr. Chairman, I thank the gentleman for his response, and urge defeat of the motion to recommit.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I yield briefly to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I apologize, but I did not use all my time.

In the tax law enforcement, after this provision of 2 percent would still allow a $92 million increase from last year or 2.4 percent.

The tax law processing would be a $28 million increase, a 1.8 percent increase even after this.

So the IRS gets more money to modernize as well as enforce the law, which we should do.

Mr. HOYER. And which everybody on the committee agrees we should do, because we need to collect that additional revenue so we do not have to tax those who are honestly paying their taxes.

Mr. Speaker, I know that it sounds easy, just 2 percent, but the fact is we have come to you with a bill after months of hearings which consisted of very serious consideration of the objectives that you and I want to accomplish in these agencies. The bill is $463 million under last year's expenditures. And I remind you that we have had an open rule. Anybody could have offered any cut in any agency, and in fact there were a number of cuts adopted.

This was not a closed rule. Anybody could have come here and said, "Let's cut IRS $200 million, $500 million. Let's cut Customs. Let's cut ATF," as was done.

Nobody was precluded from offering those amendments.

An across-the-board cut is simple, but it is also simplistic and it is bad policy. There are some items which have a higher priority and some items which have a lower priority. Across-the-board cuts do not take those into consideration.

Now, let me tell you what will happen if we have these across-the-board cuts.

I could have, and my committee could have, added money to this bill and then come here and said. "Let's cut across the board." We did not do that. We brought the agencies budgets down before we brought the bill to the floor.

I ask you to reject this cut. This is a good bill. It is a fiscally responsible bill. It is below the 1993 expenditures. It is in the best interests of the taxpayers of this country.

Vote no on the motion to recommit.

The CHAIRMAN pro tempore (Mr. BONIOR). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The CHAIRMAN pro tempore. The question is on the motion to recommit.

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN pro tempore. Pursuant to the provisions of clause 5, rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of the final passage of the bill, following the vote on the motion to recommit.

The vote was taken by electronic device, and there were—ayes 180, noes 235, not voting 19, as follows:

[Roll No. 259]

AYES—180

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cantwell
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Myers
Nussle
Oxley
Packard
Paxon
Penny
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Schaefer
Schiff
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Talent
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—235

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Bentley
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamburg
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Scott
Serrano
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Tanner
Taylor (MS)
Tejeda
Thompson
Thurman
Torres
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Washington
Waters
Watt
Waxman
Wheat
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—19

Conyers
Derrick
Flake
Goodling
Harman
Hayes
Henry
Kleczka
Meek
Ridge
Roberts
Rush
Santorum
Saxton
Schumer
Synar
Thornton
Torricelli
Whitten

□ 1949

The Clerk announced the following pair:

On this vote:

Mr. Roberts for, with Mr. Flake against.

Mr. Saxton for, with Mr. Schumer against.

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BONIOR). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LIGHTFOOT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XXV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage.

The vote was taken by electronic device, and there were—ayes 263, noes 153, not voting 18, as follows:

[Roll No. 260]

AYES—263

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Berman
Bevill
Bilbray
Bishop
Blackwell
Bliley
Boehlert
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest

Gilman
Glickman
Gonzalez
Gordon
Grandy
Green
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Holden
Horn
Houghton
Hoyer
Inslee
Istook
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kingston
Kleczka
Klein
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Menendez
Mfume
Mica
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Quillen
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Roemer
Rogers
Rose
Rostenkowski
Rowland
Roybal-Allard
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schiff
Schroeder
Scott
Serrano
Shaw
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Solomon
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Tanner
Tauzin
Tejeda
Thompson
Thurman
Torres
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Walsh
Washington
Waters
Watt
Waxman
Wheat
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates

NOES—153

Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barca
Barrett (NE)
Bartlett
Barton
Bereuter
Bilirakis
Blute
Boehner
Bonilla
Brewster
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Everett
Ewing
Fawell
Fields (TX)
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gillmor
Gingrich
Goodlatte
Goss
Grams
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hoekstra
Hoke
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Jacobs
Johnson, Sam
Kasich
Kim
King
Klug
Knollenberg
Kyl
Lazio
Leach
Levy
Lewis (FL)
Linder
Lloyd
Machtley
Manzullo
McCandless
McCollum
McCrery
McInnis
McKeon
McMillan
Meyers
Michel
Miller (FL)
Minge
Molinari
Moorhead
Murphy
Myers
Nussle
Oxley
Packard
Pallone
Paxon
Peterson (MN)
Petri
Pombo
Portman
Pryce (OH)
Quinn
Rahall
Ramstad
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Sarpalius
Saxton
Schaefer
Sensenbrenner
Sharp
Shays
Shuster
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Stearns
Stump
Sundquist
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Volkmer
Vucanovich
Walker
Weldon
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—18

Conyers
Derrick
Flake
Goodling
Harman
Hayes
Henry
Meek
Porter
Ridge
Roberts
Rush
Santorum
Schumer
Synar
Thornton
Torricelli
Whitten

□ 1957

The Clerk announced the following pairs:

On this vote:

Mr. Derrick for, with Mr. Roberts against.

Mrs. Meek for, with Mr. Santorum against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HOYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 2403, the bill just passed.

The SPEAKER pro tempore (Mr. BAESLER). Is there objection to the request of the gentleman from Maryland?

There was no objection.

PERSONAL EXPLANATION

Mr. SAXTON. Mr. Speaker, I regret that I was unavoidably detained while three rollcall votes were held. I was at a meeting with Base Closure Commissioner Byron during which rollcall votes Nos. 257, 258, and 259 were called.

PERSONAL EXPLANATION

Mr. SYNAR. Mr. Speaker, due to a personal family matter in my district, I was unable to be present for rollcall votes numbered 247 to 260. Had I been here I would have cast the following votes:

Roll No. 247, "aye."
Roll No. 248, "no."
Roll No. 249, "aye."
Roll No. 250, "aye."
Roll No. 251, "aye."
Roll No. 252, "aye."
Roll No. 253, "no."
Roll No. 254, "aye."
Roll No. 255, "aye."
Roll No. 256, "aye."
Roll No. 257, "aye."
Roll No. 258, "aye."
Roll No. 259, "no."
Roll No. 260, "aye."

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS BILLS, FISCAL YEAR 1994

Mr. STOKES. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and other offices for the fiscal year ending September 30, 1994, and for other purposes.

Mr. LEWIS of California reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENT OF TRANSPORTATION APPROPRIATIONS BILL, FISCAL YEAR 1994

Mr. CARR. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1994, and for other purposes.

Mr. WOLF reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

APPOINTMENT AS MEMBERS OF HOUSE COMMISSION ON CONGRESSIONAL MAILING STANDARDS

The SPEAKER pro tempore (Mr. BAESLER). Without objection, and pursuant to the provisions of section 5(b) of Public Law 93-191, the Chair announces the Speaker's additional appointment as members of the House Commission on Congressional Mailing Standards the following Members of the House:

Mr. FORD, Michigan.
Mr. KLECZKA, Wisconsin.
Mr. YOUNG, Alaska.
Mr. ROBERTS, Kansas.

There was no objection.

COMMUNICATION FROM THE HONORABLE LESLIE L. BYRNE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable LESLIE L. BYRNE, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L of the "Rules of the House of Representatives," that a member of my staff has been served with a subpoena issued by the United States District Court for the District of Columbia. This subpoena is related to the former employment of the staff member.

After consultation with the General Counsel, I have determined that compliance is consistent with the privileges and precedents of the House.

Sincerely,

LESLIE L. BYRNE,
Member of Congress.

TENTH ANNIVERSARY OF CONGRESS-BUNDESTAG YOUTH EXCHANGE PROGRAM

(Mr. FOLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FOLEY. Mr. Speaker, this month marks the 10th anniversary of the inauguration of the Congress-Bundestag Youth Exchange Program, a program that has given thousands of young Americans and Germans the opportunity to visit each other's countries and be exposed to another culture. As Dr. Rita Sussmuth, the President of the German Bundestag, has said, this program "has become one of the cornerstones of German-American friendship." I join Dr. Sussmuth and her colleagues in the Bundestag in celebrating this important anniversary, and I salute the many fine achievements this exchange has produced and will in the future continue to produce.

I include at this point in the RECORD the text of a message Dr. Sussmuth has sent me in recognition of the program's 10th anniversary. I have sent Dr. Sussmuth a similar expression of support and appreciation for the essential involvement of the Bundestag.

MESSAGE OF GREETING

(By Prof. Rita Sussmuth)

The German Bundestag and the Congress of the United States of America are celebrating the 10th anniversary of the Congress-Bundestag Youth Exchange Program this year.

Our common aim is to contribute towards more tolerance, peace and freedom in our world. An indispensable condition for peaceful and friendly relations is that we get to know each other and understand shared values and differences in the social and cultural fields.

We therefore regard it as an important task to enable the young generation in our two countries to build bridges between people in the USA and Germany. Our two parliaments therefore decided in 1983, against the background of the tricentennial of the arrival of the first German immigrants in North America, to give fresh impetus to the friendship between our two peoples by launching the Congress-Bundestag Youth Exchange Program, which is jointly sponsored by our two parliaments. The interesting and stimulating youth exchange program is intended to help make the young generation in our two countries appreciate the importance of friendly cooperation.

We are pleased that almost 7000 young Americans and Germans have already taken part in the Youth Exchange Program and thus had an opportunity to experience their host country at first hand and make friends with people there. Moreover, in the past ten years almost 7000 host families have been willing to receive a young person from the partner country. Today it is no exaggeration to say that the Congress-Bundestag Youth Exchange Program has become one of the cornerstones of German-American friendship.

We expect German and American participants in the program to help, as young "ambassadors" of their countries, to reduce prejudices and find ways of establishing contact and forming friendships to further develop our common tradition. These numerous personal links between the people of our two countries constitute the necessary basis of the friendship between the United States of America and Germany.

Over the past ten years the Congress-Bundestag Youth Exchange Program has made a very important contribution to German-American friendship and international understanding. We are firmly convinced that it will continue to play a major role in future too. At a time when the current and future generations face problems which concern mankind as a whole and which no state can solve alone it is more important than ever before that as many people as possible from our countries make a contribution, through personal contacts across borders, to getting to know and understanding other nations and the social and political situation in their countries. May the Congress-Bundestag Youth Exchange Program continue to strengthen the friendship which exists between the people of the United States of America and Germany.

TRIBUTE TO CAPTAIN JOSEPH R. MCLEARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. PICKETT] is recognized for 5 minutes.

Mr. PICKETT. Mr. Speaker, I rise today to recognize and honor Capt. Joseph R. McCleary, U.S. Navy, as he retires upon completion of over 30 years of faithful service to our Nation.

A native of Montclair, NJ, Captain McCleary was inducted into the Regular Navy Reserve Officer Training Corps as a midshipman at Tufts University and was commissioned an ensign upon graduation in June 1963.

Captain McCleary, a submarine warfare qualified officer has performed in a consistently outstanding manner under the most challenging of circumstances. From 1963 to 1976, Captain McCleary served with the surface and submarine fleets in the Atlantic and Pacific oceans. He gained extensive experience aboard U.S.S. *Abbott*, (DD 629), U.S.S. *Tusk* (SS 426), U.S.S. *Caiman* (SS 323), U.S.S. *Bonefish* (SS 582), and U.S.S. *Bluejack* (SS 581). After serving on the staff of Commander, Submarine Group Eight, Naples, Italy, Captain McCleary returned to and commanded the U.S.S. *Bonefish* from 1976 to 1978. He subsequently became the executive assistant to the Commander, Submarine Force, U.S. Pacific Fleet.

From 1980 to 1984, Captain McCleary was assigned to the Secretary of the Navy's Office of Legislative Affairs as the congressional liaison officer for submarines, communications, shipyards and intelligence. In 1984, he transferred to the Office of the Chief of Naval Operations and served as Deputy Director of the Defense Liaison Division. Captain McCleary left the Pentagon in 1987 and reported for duty in London as the U.S. Naval Attaché where he later also assumed the position of U.S. Defense Attaché.

He returned to Pentagon in July 1990 where he has served as the Deputy Chief of Legislative Affairs. In this capacity, he has been a major asset to the Navy, Marine Corps, and Congress. He is considered a valued advisor to the very top echelons of the Navy and Congress. His consummate leadership, energy and integrity ensured that the morale and effectiveness of the Navy-Marine Corps team reached heights otherwise thought to be impossible to achieve in such an austere budget climate. During a period of significant change and restructuring of Naval Forces, Captain McCleary obtained congressional support for a strong and balanced Navy and Marine Corps. Through his brilliant insight, he has directly contributed to their future readiness and success.

Captain McCleary's distinguished awards include the Defense Superior Service Medal, the Legion of Merit with two gold stars, the Meritorious Service Medal, the Navy Commendation Medal with one gold star and the Navy Achievement Medal.

A man of Capt. Joe McCleary's talent and integrity is rare indeed. While his honorable service will be genuinely missed, it gives me great pleasure to recognize him before my colleagues, and to wish him "fair winds and following seas," as he concludes a long and distinguished career in the U.S. Naval Service.

HOMOSEXUALS IN THE MILITARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HUNTER] is recognized for 5 minutes.

Mr. HUNTER. Mr. Speaker, it has become fairly clear today, through news reports, that the President, the Secretary of Defense and the Department of Defense are on the verge of putting forth a policy with respect to allowing homosexuals to serve in the Armed Forces of the United States.

This is an issue that has been debated at great length in the various committees and subcommittees of this body and the other body.

I rise, Mr. Speaker, to talk a little bit about the hearings that have been held on the Republican side of the aisle and the testimony that has come forth in the full hearings that we have held on the House Committee on Armed Services and the importance of this decision and the potential damage of this decision by President Clinton to the men and women who serve in the Armed Forces of the United States.

Now, the small unit commanders who testified and the retired NCO's who testified, to both the Republican Research Committee task forces and the full Committee on Armed Services on the homosexuals in the military issue, basically laid out the problems that this country is going to acquire with respect to the readiness of our Armed Forces, if this happens.

One thing that they went to was unit cohesion. The point is that American military men and women go forth in battle and in certain times die in battle because they feel that they have common cause with the United States of America and that their own set of values, Judeo-Christian values that have evolved over the years, are in concert with the values of this country.

□ 2010

When those values come into conflict there is a great damage to morale. We have said that, of course, when we have had massacres in the past and units have been involved in those things. We have seen the morale go straight downhill in those units that were involved.

The facts are, as has been illustrated by all of the polls that have been taken since this issue arose, the American fighting forces, the men and women who make up the fighting forces, overwhelmingly do not want to see the present ban on homosexuals in the military lifted. They have made that very clear, and that has been posted in such newspapers as the Los Angeles Times and many others.

If we change this ban in any way, if we erode it, if we allow it to be compromised, we are going to see young men and women who serve in the Armed Forces because they feel it is consistent with their values finding that it is not consistent with their values, and we are going to see a degradation of morale and a degradation of unit cohesion. That, I think, has been the great weight of the testimony that has come forth.

Second, in the area of recruitment, we understand now that the decision to go into the military is a family decision in many cases. America's families send their young people to serve in the Armed Forces because they believe that the Armed Forces are a wholesome environment for their young people. If they come to the conclusion that the Armed Forces is not a wholesome environment for their young people, and all the information we have is, if we lift the ban on homosexuals in the military, America's families that traditionally send their young people to the Armed Forces will come to that conclusion, will feel that the environment is no longer wholesome, is no longer good for their young person, then we are going to see a downward spiral in the volunteering for America's military that has made our modern military forces the best in the world. That is going to greatly damage our capability to project power around the world, to protect our own freedom, and to protect the freedom of our allies.

I want to simply say, duty, honor, and country are the three pillars on which our military is based. Our military leaders, whose assent must be taken, must concur before the American people will agree to any change in this policy. I would pray that they would look long and hard at any decision to in any way compromise the ban that is in place now that serves all of the fighting personnel in our Armed Forces.

AUTHORIZING SPECIAL ORDER TIME

Mr. DORNAN. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes, and I am quite sure I will not use nearly all of that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE BAN ON GAYS IN THE MILITARY MUST REMAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 15 minutes.

Mr. DORNAN. Mr. Speaker, I thank my colleague and best friend in the House here for taking this special order out tonight, because we do not have the written documents in front of us as to what the White House has announced. There is a suspicion that our distinguished colleague in the Senate, who has been a stalwart on maintaining the ban, Senator NUNN of Georgia, may have signed off on this policy.

However, we do have the front page of the Washington Times to go on, which had what looked like a very valid leak, because it had a photograph of a memo of Les Aspin, the Secretary of Defense, with a marginal notation changing the tense and grammar on one of the verbs.

Here is what I understand the policy to be. It is very close to the ban we have now. Under what has loosely been described as the Nunn, Senator NUNN, "Don't ask, don't tell" plan, here is the way it appears to come down, and why the homosexual activist community, those people who organized this exceedingly bizarre march on the city of 300,000 lesbians and male homosexuals April 29, they are going ballistic because here is what it appears to say: "we will not ask, as has been the policy on and off for over 50 years, 'Are you a homosexual or a female homosexual, lesbian,' but it will put in front of them a piece of paper that a recruit must sign, male or female, that says, 'I acknowledge that homosexuality is not compatible with military service.'"

Barbara Streisand and the whole Hollywood community and David Mixer and all of these people I mention here, because she came to these hearings in our Committee on Armed Services and sat in the front row for about 40 minutes, they are going to go ballistic, get very angry, over that.

No. 2, after you have seen this acknowledgment statement, you are in the military functioning, and at one point you mention that you are a homosexual, that is grounds for dismissal, honorable discharge, but you are out the door, Katy, that is it.

Now, they are going crazy over that. They do not want that. Then it also says, "A commander does have the discretion"—they are trying to stop what they call witch hunts, but what they call witch hunts are not what most of us would describe as a witch hunt.

For example, 27 women were put out of the military at Quantico, most of them DI's, drill instructors, with tremendous authoritarian power over young 17-year-old female recruits, and you can come into the Marine Corps at 17 as a young woman with your parents' permission, too young to vote, too young to buy liquor, too young to buy cigarettes, but old enough to serve the Marine Corps, very rare with women but not so rare with young men, particularly in the Marine Corps, but an 18-, 19-year-old recruit, we still call that a teenager in any culture, and these young women, some people call a 17-year-old a girl, if she is hit by a car it is certainly a young girl, they were being brutalized by much older Marine women DI's in a lesbian group called "the family," ugly name to apply to a group of lesbian activists who are hassling recruits.

Twelve resigned of their own free will, 12 were forced out, some of them under less-than-honorable conditions, and three went to jail and are still in jail.

Sam Donaldson tried to mock this investigation of Quantico and called it a witch hunt, but when 27 women leave the Marine Corps because they are hassling recruits, that is not a witch hunt.

That type of investigation will be allowed under this policy that the White House has put out tonight. It says that a commander—Navy, Air Force, Army, Marine Corps, Coast Guard—will have the discretion to initiate an investigation if he, the commander, or she, the commander, feels there is sufficient evidence. It looks like we are OK there, too.

Why would we not withdraw my Dornan bill that the gentleman is an original cosponsor of, 667, and say, "OK, we will go along with this 'Don't ask, don't tell,' because it is so bloody close?" I would say to the gentleman, to the current policy that it is Congress' authority to implement, that they are opening up the door a crack. For what? To be nice to people and not ask them? But we are making them sign a statement that they acknowledge that it is not compatible, a homosexual orientation.

What we are doing is opening the door a crack for people to slide down a very slippery slope of litigation. For example, there was an Army sergeant who was let go in his 17th year because of acknowledged homosexuality. He claimed that he was never asked his first couple go-rounds, and on his third or fourth re-up in the Army, by now a sergeant, he told them and they said, "We do not care," and they are putting him out in his 17th year, which looks like they are cheating him out of a 20-year retirement.

What they did not tell people on 60 Minutes, Ed Bradley was the one who did the interview on this sergeant, was he had a medical file 18 inches thick with syphilis of the throat, which sounds horrible, I never heard of that, and it went downhill from there. He infected all sorts of fellow people in the Army, but he becomes a court cause celebre for homosexual activists. He is glorified on CBS's 60 Minutes, and in the end, I think just to get rid of him, the Army paid him a huge chunk of money.

This is going to put out Jeffrey Thorne, one of the poster boys in the homosexual activist movement, never paid back a day of expensive Navy flight officer, bombadier-navigator training, never worked a day. He will be out on this.

Another poster boy, the gay midshipman was the way they always described him, and I considered that a musical in the late 1930's, a Dick Powell musical, "The Gay Midshipman," that is Joseph Steffens. He is finished. All his court cases will end.

□ 2020

He was put out in April of his senior year at the Naval Academy in Annapolis.

So what I am saying, and I would like to hear your comment on this, why are we changing the policy up to 99 percent of what it is if this little 1 percent, to make nice nice with homosexual activitists, who are going bananas anyway they are so angry at this, is it nothing more than a fig leaf, funny term in this case, a fig leaf for the President of the United States so that it is not a total defeat for him? And we are going to open up the door to all of this litigation. That is my feeling, until we see the document from the White House tomorrow morning.

Mr. HUNTER. If the gentleman will yield, I think that we are also establishing, if the President establishes this as a policy, and if he does I hope the Congress defeats it, but if he establishes this as a policy there is an implication, a message here that it is OK to lie.

Mr. DORNAN. Or there is something wrong with our policy.

Mr. HUNTER. Precisely, because if it is still a ban, if it is still grounds for expulsion to be a homosexual in the military forces of the United States——

Mr. DORNAN. For just saying it.

Mr. HUNTER. Then why not address the question as to whether or not you are one when you enter?

Mr. DORNAN. Exactly.

Mr. HUNTER. If you now take away this requirement to answer the question, the implication is that you can wink at the question, you can tell a little lie on the way in and it is OK.

Mr. DORNAN. And you can lie about the "acknowledge." You can say that "I acknowledge that it is not compatible with military life," but in your head you say of course you disagree with this.

Mr. HUNTER. The gentleman is absolutely right.

What impressed me I say to my friend during the testimony that we heard, and also all of the young people in uniform who testified about this, is that they have to live in very close quarters. They cannot go home if they want to. They cannot leave, or they cannot quit their job if they want to. That is called desertion. They live in very tight, small places, and sometimes they die in very tight, small bases.

We had some very compelling testimony. We had a gentleman who was with the operation when the *Mayaguez* was captured by the North Koreans and when we tried to free an island where we thought the hostages were being held, and the prisoners were being held, and the marines met great resistance and took over 30 casualties. They were brought back to the ship, and the blood that was used to save them was pumped directly out of the arms of the sailors.

Mr. DORNAN. Right on the deck of the ship.

Mr. HUNTER. Absolutely. And I would just say that to do that you have to have great confidence, you have to have great confidence in the person standing beside you. And you have to have great confidence in the fact that his blood is not polluted, that it is healthy, and that it will keep you alive. And in those kinds of circumstances, I saw people being brought in from police departments and fire departments where they have homosexuals in fire departments in certain cities in the United States, and they laid out all of the precautions that they take before they transfer blood. And they also laid out all of the facts with respect to having medical facilities available within a 5- or 10-minute life flight if something happens so that you do not have to rely on the person next to you for the blood supply.

From that it was very clear that military activities, especially combat activities are actually unique. It is not like being a policeman in San Francisco or a firefighter in Seattle.

Incidentially, one gentleman who was a firefighter testified very strongly that we should not change this policy with respect to the armed services. So the testimony that I saw was testimony that was very fundamental, that came from the people, not only the people who serve in the Armed Forces, but from the families of people who served in the Armed Forces, people who have sent five, six, or seven young men or young women to serve in the Armed Forces, put themselves in harm's way because they feel that their values are consistent with the values of the military.

Mr. DORNAN. Let me underscore something you just said. I sat through all 2 days, morning and afternoon sessions of the Armed Services Committee, our committee hearings. I went over and sat in on some of the Senate hearings that Chairman NUNN was conducting, and I listened to others on C–SPAN II in that little room there, or in your room when somebody was not watching some other program, and I watched it back in my office. But the most compelling morning of hearings was the one you set up for the Republican Research Committee, and it was one that had eight chaplains sitting in front of us, three retired, five active duty. One was a Catholic priest, and he sat in the middle with three Protestant ministers on one side and four on the other. And I asked a round robin question. I do not remember if duties called you off somewhere else, because you brought down the gavel to start that hearing. But all of these chaplains who were expressing love for every young man or woman who thought they were homosexual, or who were acting out that homosexual orientation, they expressed love for these people and they said, and I made each one of them comment on this, that their advice, their counseling, and that is what chaplains do mostly in the military, besides give Sabbath services, or synagogue services, or have Mass and hear confessions, what they do mainly is mostly counseling young people in trouble. It is the chaplain that is the lightening rod or focal point, you will recall from your Army service, of all emergency leaves. When someday dies at home, they call the base, and the first thing they do is to call the chaplain to go to the Red Cross, and that is what they do. All eight chaplains, one right after the other, said when we are counseling someone about homosexuality, and they are on active duty, what we tell them, for their own mental stability, physical safety, emotional stability, and here is what we did not get in the rest of the hearings on the other side of the Hill, spiritual stability and well-being, we counseled them to get out of the military. You must get out of the military for your physical health before you get a disease or pass it on to somebody else. You must worry about your spiritual well-being which is locked in with your emotional well-being, and you must for your own mental well-being get out of the military because you are in a cohort, a universe of people your own age. You are young, whether you are heterosexual or homosexual, and have what the liberals call raging hormones, you have the shower situation, the close quarters, the too much drinking off the base. You have got all of the off-limit places that are drawing you like a magnet. The younger you are, the more you want to defy the "adults only" or the "off limits" label. And they said never has there been an exception that someone who had a homosexual orientation or was acting out a homosexual orientation was anything but a wreck in the military, and that is what brought them to the chaplain in the first place.

Of course, what the homosexual activists will say is that is somebody who is not proud of their orientation or is confused about his homosexuality, so he is going to the chaplain. But what about those who are not? Those who are not are obviously going to violate the policy that the White House has put out through Les Aspin. Now, I am curious tomorrow if we do a round robin of our chiefs of staffs, Chief of Naval Operations, Commandant of the Corps, because I am hearing conflicting reports that they have not all rolled to the policy, that they have not all agreed with Les Aspin. And we will not know until late tonight on one of the talk shows if Senator NUNN buys off on this.

Mr. HUNTER. I want to thank the gentleman for taking this time, because I think it is important for every one of those military leaders to do some soul-searching. And it is easy for us as Representatives to say this may put your career on the line, and in many cases it might.

Mr. DORNAN. Let me discuss the health aspect.

Mr. HUNTER. The very well-being of literally hundreds of thousands of young people who are serving and would serve in the U.S. military is at stake with respect to this question.

And please talk about the health aspects, because the health aspect is something that touches on the lives of all of the young people who serve, who none of the social experimenters seem to care about. The one person we never see them focus on was the person who lives in that bunk. If it is a submarine bunk, it is a hot bunk where two people sleep in the same bunk, and they go in and out, or if you're on a carrier they are sleeping literally 8 to 10 inches apart, or the young person who is in a platoon where the entire barracks is one large bedroom and there is forced intimacy. We never saw a bit of concern on the behalf of those people in the testimony that come from the advocates of change in the policy.

Mr. DORNAN. Listen to this, and we will probably have to end on this, but the three Surgeons General, and what most Americans do not realize is that the doctors, medics and chaplains are all Navy, but the three-star Air Force general and the three-star Army general, they were not called on by either side to testify. But I spoke to them personally, and here is what we have serving in the Army right now, HIV-positive, the virus that gives you AIDS: 466.

□ 2030

That is an old figure. That is February. As of today, the Marines have 91 HIV-positive, the Navy has 741, and the Air Force is about 400 to 500. They are going to give me an exact figure tomorrow, and we will have a special order.

These people cannot have been assigned overseas. They cannot be in an airplane, helicopter, a ship. They cannot be in a tank. They cannot even work with recruits on a firing range. They cannot be around tanks or artillery.

Why are they being kept in the service?

Mr. HUNTER. I thank the gentleman. Let me close by saying this: Our military leaders have a great weight on them tonight and over the next week. I hope they remember their obligation: Duty, honor, and country. And when they make that decision, I hope that they search their souls and do what is right and do not give in.

Mr. DORNAN. The Congress owns the right in our Constitution to raise armies and navies, and since then, that means air forces. It is our call how we recruit people, and we cannot be worried about a fig leaf for a Presidential campaign promise. We have to do what is right by our young men and women and our career people and those that come in for a short term as you and I did to serve duty, honor, country.

Mr. HUNTER. I thank the gentleman.

INTRODUCTION OF LEGISLATION TO ASSIST MEMBERS OF ARMED FORCES AFFECTED BY DEFENSE REDUCTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 20 minutes.

Mr. HORN. Mr. Speaker, I am pleased to introduce H.R. 2474 today on behalf of myself and 14 colleagues, Democrats and Republicans, liberals, conservatives, Members of this body from the North, Midwest, and West.

This legislation would assist members of the Armed Forces affected by defense reductions in obtaining employment with law enforcement agencies. Today, there are thousands of talented, highly educated, highly trained, highly motivated men and women out of work due to defense cutbacks.

As a cochairman of the California Delegation's Task Force on Defense Reinvestment and Economic Development, and as a U.S. Representative from Long Beach and Los Angeles, CA urban communities struggling with military cutbacks and increasing crime rates, I feel that our Nation has a unique opportunity to encourage, throughout America, these highly skilled people toward a career in law enforcement. Police and sheriff's departments are understaffed and overworked. Since 1988, the Department of Defense has put 530,000 active duty and civilian personnel out of work. Last year alone, the military cut 178,000 active duty personnel. Estimates of private sector defense-related lay-offs, resulting from the last 6 years of defense cuts, approach 1 million individuals. To put these figures into perspective, the country was shocked following General Motor's announcement in 1991 that it would lay off 75,000 people over a 4-year period.

Laying off 1½ million to 2 million people in terms of civilian and military personnel is certainly the equivalent to 20 to 30 General Motors announcements.

I am introducing this legislation for two reasons: First, to assist the dedicated men and women who have been affected by defense reductions, and second, but not least, to put more police on the streets in order to protect our neighborhoods, our schools, and our businesses. We have a unique opportunity to channel the talents of those who once worked to keep this country and this globe safe from aggression toward efforts to make our local communities safe from internal aggression once again.

Whether in Charleston, SC, or Los Angeles, CA, able and imaginative police chiefs have shown that community-based policing and more police on the streets works. During the recent potential for disturbances in Los Angeles, the very able chief of police of Los Angeles, Chief Willie Williams showed that more police on duty and visible to the community is a deterrent to crime.

Under this proposal, a member of the military who has been involuntarily separated from the Armed Forces may apply for law enforcement training and employment. The local jurisdiction must hire participants in the program for at least a period of 2 years. The Department of Defense would reimburse 100 percent of the participants' salary for the first year of employment; 80 percent in the second year, with 20 percent from the locality; 60 percent in the third year, with 40 percent from the locality; 40 percent in the fourth year, with now 60 percent from the locality; and 20 percent in the fifth year, with 80 percent from the local jurisdiction, and then, of course, in the sixth year the responsibility is completely that of the county or city which is responsible for that law enforcement service.

Individuals accepted into this program must agree to serve at least 2 years as a law enforcement officer for the jurisdiction that provided the training.

Three-quarters of the resources of this program will be allocated to the States on the basis of population. That is, if a State has 4 percent of the Nation's population, then that State will receive up to 4 percent of the resources available under this portion of the act. For one-quarter, 25 percent of the resources, priority will be given to jurisdictions experiencing an especially high crime rate, as determined by the Attorney General of the United States. Finally, at least one jurisdiction per State will be made eligible to participate in the high crime rate portion of this program.

I am pleased that President Clinton recognizes the need for law enforcement expansion. The White House Domestic Policy Council is currently looking into a police corps program for retraining veterans and discharged military. Last year, Senate Armed Services Committee Chairman SAM NUNN introduced legislation with much the same purpose as what I and my colleagues are introducing today. His proposal, which was approved as part of the Defense authorization bill, provides retirement benefits to encourage and assist separating military personnel to enter public or community service jobs such as education and health care, as well as law enforcement. The legislation we are introducing today builds upon the program established by Senator NUNN by training a greater number of those affected by the defense cutbacks exclusively for law enforcement.

If you knock on the door in most urban neighborhoods, they will say there are two problems that confront them: One is the level of crime, and the other is the quality of their children's education. Both are related. To have learning occur in our schools, we need to control the criminal activity that surrounds all too many of our schools.

If all of the resources available under this act are not used by members of the Armed Forces who are involuntarily separated, the Secretary of Defense may extend the program to include Department of Defense civilians and defense contractor employees who have lost their jobs due to defense cutbacks.

There has been increasing concern about incidents of crime in the United States, and correctly so. In Los Angeles and other major cities, there are repeated incidents of violent crimes, murder, rape, robbery, assault, and the new phenomenon of carjackings which has also resulted in deaths of the drivers and sometimes the passengers involved.

There is a clear need for more law enforcement on our streets, and our proposed program can help accomplish just that.

In recent years, drugs and violence have taken over too many of our streets, too many of our neighborhoods, too many of our housing projects, and even infiltrated our schools.

The chance of being a victim of a violent crime is greater than that of being hurt in a traffic accident.

Between 1990 and 1991 the number of violent crimes attempted against our residents went up 11 percent. That is a significant increase.

Mr. Speaker, I am enclosing an article from today's Washington Post on gang violence, long associated with major urban areas. Now it is spreading even to Midwestern cities such as Wichita, KS.

Currently, many of our cities are under serious desperate financial constraints. Recently, the National Association of Chiefs of Police surveyed every chief of police and sheriff in the United States. Almost 74 percent of those sheriffs and chiefs of police believe that their law enforcement department is presently undermanned to carry out the duties expected of the elected officials and expected of them by the citizens.

□ 2040

Keep in mind that more police will save money. We must not forget that crime costs money in a variety of areas: medical costs, property damage, court costs, jail costs, and costs of police work associated with each crime. Additionally, there are the intangible costs of lost sales in the area, and lost productivity of victims and witnesses to the crime.

The connection between peace in the streets and economic growth is clear. As Richard Riordan, the recently elected mayor of Los Angeles, has said, "No business wants to locate in a war zone." Because more police will mean less crime, the economic climate in our hard-hit urban areas will improve. It will reduce the rationale for businesses to leave, and it will increase the chances that businesses will locate there. It will also provide struggling businesses and new businesses with a better chance to survive.

This bill will also provide jobs for many outstanding members of ethnic and racial minorities who, in turn, will serve as vitally needed role models for our inner city youth. Black and Hispanic individuals are certainly affected by defense cutbacks since black Americans comprise approximately 23 percent of our enlisted force and 7 percent of the military officer corps. Similarly, Hispanic Americans constitute 5 percent of the enlisted force and 2 percent of the military officer corps.

This Nation has been looking for a plan to attack violent crime. Men and women who are displaced as a result of the defense cuts can help tip the balance against the criminals who have declared war against those who live in urban America.

This is a worthy proposal that all Members can support, regardless of party or ideology. It fulfills several of the most basic functions for which our Government was established: To establish justice, insure domestic tranquility, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity. Nothing will aid us to achieve these noble goals more than helping our citizens overcome the threat to their lives, liberties, and pursuit of happiness that results from the epidemic of crime that is rampant in too many and too much in our cities.

Crime is not a partisan issue. This is a bill that Democrats and Republicans, conservatives and liberals, can support. It is a vitally needed measure at a very critical time.

This proposal is in the national interest because it helps offer protection for our children, our homes, and our neighborhoods.

I am pleased that this bill has the support of the Non Commissioned Officers Association.

Mr. Speaker, I would like to note my colleagues who joined in this effort. The principal coauthor is EDOLPHUS TOWNS, Democrat of New York, and he is joined by BEN GILMAN, Republican of New York; DAVID HOBSON, Republican of Ohio; NANCY JOHNSON, Republican of Connecticut; JOSEPH MCDADE, Republican of Pennsylvania; HOWARD "BUCK" MCKEON, Republican of California; CARLOS MOORHEAD, Republican of California; ED PASTOR, Democrat of Arizona; CHARLES RANGEL, Democrat of New York; CHRISTOPHER SHAYS, Republican of Connecticut; ESTEBAN TORRES, Democrat of California; JAMES TRAFICANT, Democrat of Ohio; FRED UPTON, Republican of Michigan; and HENRY WAXMAN, Democrat of California.

They see in this legislation as I see in this legislation and I hope all in this

Chamber and all Americans will see, an opportunity to deal with one of the most serious problems that affects millions of Americans either through violent crimes having been committed upon hundreds of thousands of them or the fear of crime that keeps citizens from going out and enjoying the quality of life that our cities do offer.

We need to overcome the fear citizens have who would stay in their homes, and we need to once again assure there are safe streets, safe neighborhoods, and a safe society.

Mr. Speaker, at this point I offer the article from the Washington Post entitled "Gangs Carve 'New Frontier' on the Old."

[From the Washington Post, June 22, 1993]

Gangs Carve 'New Frontier' on the Old—As Violence Rides In, Wichita Relives Bygone Era With Urban Twist

(By Gary Lee)

WICHITA, KS.—Police Officer Brad Carey can pinpoint the evening that urban America's most dreaded scourge arrived here.

It occurred in December 1989 when a young man was spotted selling crack outside a squat tenement on the northeast side, Carey recalled. Identifying himself as a member of the Los Angeles-based Crips, the suspect warned arresting officers that a flood of others like him would follow. Carey said, "but we thought that was all a lot of bluster."

Were they ever wrong. In three years, the number of gangs marauding Wichita streets has burgeoned to 90, according to police, and drive-by shootings have become commonplace. Last year, despite a massive crackdown against gang violence, there were 14 gang-related homicides.

Surrounded by miles of wheat farms and cattle ranches, Wichita is an overgrown town of 300,000. Ice-cream trucks trill daily through neighborhood streets. The most popular weekend hangout is the Marriott hotel disco. And there is one church for every 500 locals, as many as four in one block in some cases.

But Wichita also is the nation's ninth largest haven for gangs, according to a study last year at Pepperdine University.

Long associated exclusively with major urban areas, gangs are expanding their turf into the heartland. In 1991, police reported 12 gang-linked homicides in Omaha and eight in Oklahoma City. This year, gangs have appeared even in the sleepy Kansas town of Dodge City, famous for cowboy gangs of another era.

"As far as street gangs are concerned," said Carl Upchurch, organizer of a major "gang summit" in Kansas City, Mo., last month, "middle America represents the new frontier."

Big-city gangs branched into Minneapolis, Denver and other mid-size cities in the late 1980s, largely in reaction to aggressive police tactics against them in Los Angeles and elsewhere, according to Upchurch and other urban-affairs experts.

The onslaught has caught Wichita offguard. "People here are God-fearing," said the Rev. L.C. Drew, pastor of Grant African Methodist Episcopal Church. "They are also laid-back and self-content. They work hard at keeping this a calm place."

But the quiet was broken on Easter Sunday 1990 when one gang member gunned down a rival at Joyland, a popular amusement park, in the first display of open gang warfare.

Any illusion it was an isolated incident was shattered a few months later in an isolated park on the city's edge. There, on a sultry August evening, four local youths kidnapped, raped and stomped a young mother to death in what turned out to be an act of retaliation by members of the Insane Crips, a local gang.

"That was one of the biggest shocks the city ever had," said Cammie Funston, an administrator at Project Freedom, an anti-gang community organization. "It woke me up to the fact that something around here had gone very wrong."

The incident hit Funston particularly close to home. One youth convicted and jailed in this case was Rodney Hicks. A junior high student council leader and after-school playmate of Funston's son, he was 14 years old.

Since then, public gang feuding has become more commonplace here. Initially motivated by the drug market, it now seems driven more by tit-for-tat violence, according to Officer Kent Bauman of the police gang unit, although, like most big cities with violence problems, there are many neighborhoods that are calm and safe.

Last year, Wichitans reported 237 robberies and other gang-related armed assaults. They also reported more than 300 drive-by shootings, more than half of them were gang-related and many more gang-inspired, police said.

In one case recently, a gang leader answering a knock at the door of his motel room was shot in the mouth with a shotgun. In another, a gang member suspected of withholding money was burned repeatedly on the back with a clothes iron.

Police and the sheriff's department of surrounding Sedgwick County have joined to create special narcotics and gang units. Project Freedom, founded by local community activists, declared its own grass-roots war against gangs.

For three years, authorities and gangs have fought an open tug of war, with each seeking to stake out turf across the city's sprawl of homes and stores.

When police realized that members of the Bloods and Crips gangs were commuting from Los Angeles and nearby Tulsa, Okla., and tutoring gangs here, they organized a regional anti-gang police network with Tulsa, Oklahoma City and Kansas City, Mo.

Since then, however, out-of-town gang members largely have left town, police said, but gang membership continues to grow. While gangs based in Chicago, Los Angeles, Boston and Tulsa have chapters here, police said, most of the city's 90 street gangs are home-grown.

When gang members first concentrated drug sales in a back street dubbed "Crack Alley," police closed it down in a series of busts. But the crack trade expanded to other areas here and remains a focus of gang activity, police said.

This year, gangs have responded with increased efforts to cover houses and abandoned buildings with graffiti, including eulogies for slain members and death threats for rivals, as a way of claiming the surrounding neighborhoods.

Funston, in turn, organized "paint-outs," at which volunteers painted over the graffiti on more than 100 houses.

Peeved by the gangs' persistence, police launched a gang-intelligence unit. Its officers circulate nightly throughout the city's northeast section, largely African American and low-income, with note-books containing biographies of 500 gang members, including their street names.

"The idea is to gather as much information as we can about the culture that created the gangs and what keeps them going," Carey said. "Over time, we have a little something on the majority of gang members here."

When Cornelius Baker, a 2nd Street gang member, was gunned down last month, uniformed officers and a police helicopter were at the funeral. While some officers staked out entrance ways and parking lots, other photographed gang members.

This head-on approach has resulted in arrest and conviction of several hundred gang members in the last three years. Nevertheless, gang membership has increased from 980 to 1,250 in that time, police said.

Although initially composed almost exclusively of African-American males, the gangs now include more whites, Hispanics, Asians and women, according to Carey, and the average age of members has dropped from 18 to 14.

African Americans make up about one-third of Wichita's population, and gangs affect nearly every black family in some way, said the Rev. T.L. Wade, pastor of New Jerusalem Baptist Church. "We used to consider gang members fringe elements," he said. "'But now we recognize that they are our sons and nephews."

Cory Menefee, 15, is one example. He was raised by his mother after his father left home. For several years, he bounced among schools, skipping classes and failing others while trying to play quarterback.

Two years ago, Menefee was approached by a member of the Black Gangster Disciples, the local branch of a Chicago gang. "All my home boys were signing up" Menefee said. "So I did too."

After his best friend was shot in the head and killed in a gang fight, Menefee started carrying a gun. Targeted by a rival gang, he was shot in the foot last December in a drive-by incident.

Although the incident turned Menefee's graceful athlete's stride into a hobble, he is undeterred. "Once you join," he said, "you're in for life."

Indeed, Wichita's die-hard gang members use Draconian tactics to keep others from leaving.

Two years ago, Regnaldo Cruz, 15, was taken to a park, forced to his knees and shot in the head with a shotgun. Police believe that he was slain for trying to leave the Vato Loco Boyz gang. In another case, gang leaders searching for one of their members broke down the door of his grandmother's house and shot her three times.

Incensed by gangs' apparent hammerlock on so many youths, the Rev. Sylvia Farmer Drew, a Methodist minister, founded an underground railroad to relocate gang members and their families who want to escape. The organization has assisted about 15 gang members, Drew said.

Earlier this year, it moved a girl, 14, being sold by gangs as a prostitute. Last month, a gang member, 16, and his family were put on a bus to Mississippi. Other gang members have been moved for a few weeks to another side of town for a cooling-off period.

A major reason that gangs are so resilient, according to African-American activists, is what Wichita is not addressing root causes of the gang problem, including widespread joblessness, divided families and lack of role models.

"Many of the gang members come from broken homes," said Wade, whose church is in the middle of an area favored by gangs. "They have been failed by their families, their schools and their churches too. What they desperately need is some support system to back them up. The gangs are the only ones offering them that."

Joblessness also has apparently compelled young Wichitans to join gangs. At 5 percent, the overall unemployment rate here is lower than the national average of nearly 7 percent. But joblessness is estimated to be much higher among blacks, and drug dealing has provided an alternative means of making a living.

"You could buy an ounce [of cocaine] for $300 in L.A. and sell it for $1,500 here," said a gang member who asked not to be identified. "It was a business opportunity waiting to be taken advantage of."

After midnight on almost any night in northeastern Wichita, gang members hang out in the parking lot of Quik Trip, an all-night convenience store at 13th and Oliver streets. On Sundays, gangs head for Riverside, a park near downtown.

One recent evening near there, Roy Nesbith, 14, raised his shirt to show friends where he was shot by a rival three weeks earlier.

Around the corner, another youth stood next to his late-model yellow Cadillac. A decal across the top of the windshield read: "Original Gangster."

A few blocks away, Jerry McCray complained that business at his convenience store has dwindled because elderly customers, daunted by gang violence, are afraid to shop day or night.

"It used to be a rare thing to hear gunfire at night in my neighborhood in Wichita," said Steve Gray, a public school social worker. "Now it's a rare thing to get through a night without it."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DERRICK (at the request of Mr. GEPHARDT), for today after 6:15 p.m., and June 23, on account of illness in the family.

Mr. SYNAR (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of a death in the family.

Mr. HINCHEY (at the request of Mr. GEPHARDT), for June 23 and 24, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DREIER) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH for 5 minutes each day on June 22, 23, 24 and 25.

Mr. GOSS for 5 minutes on June 23.

Mr. KNOLLENBERG for 60 minutes on July 1.

Mr. KIM for 5 minutes on July 30.

Mr. MCCOLLUM for 60 minutes on June 28.

Mr. HUNTER for 5 minutes today.

(The following Members (at the request of Mr. PICKETT) to revise and extend their remarks and include extraneous material:)

Mr. BACCHUS of Florida for 5 minutes each day on June 22, 23 and 24.

Mr. SCOTT for 5 minutes today.

Mr. STARK for 5 minutes today.

Mr. DURBIN for 60 minutes today.

Mr. LAFALCE for 60 minutes today.

Mrs. MEEK for 60 minutes on June 23.

Mr. UNDERWOOD for 60 minutes on June 23.

Mr. MCDERMOTT for 60 minutes each day on June 24, 28, 29 and 30.

The following Member (at his own request) to revise and extend his remarks and to include extraneous material:

Mr. DORNAN for 15 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GILMAN, concerning the tribute to Mr. NATCHER.

The following Members (at the request of Mr. DREIER) and to include extraneous matter:

Mr. ZELIFF.

Mr. LEWIS of California in two instances.

Mr. CALLAHAN.

Mr. KINGSTON.

Mr. GALLEGLY.

Mr. CASTLE.

Mr. BEREUTER.

Mr. SHUSTER.

Mr. KNOLLENBERG.

Mr. THOMAS of California.

Mr. SOLOMON in two instances.

Mr. CRANE.

Mr. THOMAS of Wyoming.

The following Members (at the request of Mr. PICKETT) and to include extraneous matter:

Mr. COSTELLO.

Mr. FAZIO.

Mr. NADLER in two instances.

Mr. KLEIN.

Mr. RAHALL.

Mr. GLICKMAN.

Mr. TOWNS.

Mr. HAMILTON.

Mr. MATSUI.

Mr. HOLDEN.

Mr. MURTHA.

Mr. SHEPHERD.

Mr. CARDIN.

Mr. WILSON.

Mr. BARCA.

Mr. CLAY.

Mr. RICHARDSON.

Mr. SWETT.

Mr. DELLUMS.

Mr. MORAN.

Mr. PALLONE.

Mr. MENENDEZ.

Mrs. LLOYD.

Mr. POSHARD.

ADJOURNMENT

Mr. HORN. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 23, 1993, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1465. A communication from the President of the United States, transmitting amendments to the fiscal year 1994 request for appropriations for the National Aeronautics and Space Administration, pursuant to 31 U.S.C. 1107 (H. Doc. No. 103–103); to the Committee on Appropriations ordered to be printed.

1466. A letter from the Chairman, Defense Base Closure and Realignment Commission, transmitting certified materials supplied to the Commission, pursuant to Public Law 101–510, section 2903(d)(3) (103 Stat. 1812); to the Committee on Armed Services.

1467. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to cover civilian faculty of the George C. Marshall European Center for Security Studies; to the Committee on Armed Services.

1468. A letter from the Acting Chairman, Federal Deposit Insurance Corporation, transmitting a copy of the study of the cost and feasibility of tracking the insured and uninsured deposits of any individual and the exposure, under any act of Congress or any regulation of any appropriate Federal banking agency, of the Federal Government with respect to all insured depository institutions, pursuant to Public Law 102–242, section 311(d)(6) (105 Stat. 2367); to the Committee on Banking, Finance and Urban Affairs.

1469. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting notification of the antiterrorism training courses to be offered to the civilian security forces of the Government of Ghana, pursuant to 22 U.S.C. 2349aa–3(a)(1); to the Committee on Foreign Affairs.

1470. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting the quarterly reports in accordance with sections 36(a) and 26(b) of the Arms Export Control Act, the March 24, 1979 report by the Committee on Foreign Affairs, and the seventh report by the Committee on Government Operations for the second quarter of fiscal year 1993, January 1, 1993 through March 31, 1993, pursuant to 22 U.S.C. 2776(a); to the Committee on Foreign Affairs.

1471. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting text of agreements in which the American Institute in Taiwan is a party between January 1, 1991 and December 31, 1992, pursuant to 22 U.S.C. 3301 et seq.; to the Committee on Foreign Affairs.

1472. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1473. A letter from the Acting Administrator, General Services Administration, transmitting notification of the determination that it is in the public interest to make a proposed contract award to the Charles

County Community College to establish a pilot telecommuting center in southern Maryland, pursuant to 41 U.S.C. 253(c)(7); to the Committee on Government Operations.

1474. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a proposed report of the Chief of Engineers for the Great Lakes, particularly Lake Ontario and Lake Erie, pursuant to 42 U.S.C. 1962d-5(a); to the Committee on Public Works and Transportation.

1475. A letter from the Chairman, Environomic Research Institute, Inc., transmitting a copy of a report entitled "Productivity-Inducing Competition, The Key to Universal and Affordable Quality Health Care"; jointly, to the Committees on Energy and Commerce and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FROST: Committee on Rules. House Resolution 203. Resolution waiving certain points of order against the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103–147). Referred to the House Calendar.

Mr. HALL of Ohio: Committee on Rules. House Resolution 204. Resolution waiving certain points of order against the bill (H.R. 2446) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103–148). Referred to the House Calendar.

Mr. CARR: Committee on Appropriations. H.R. 2490. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103–149). Referred to the Committee of the Whole House on the State of the Union.

Mr. STOKES: Committee on Appropriations. H.R. 2491. A bill making appropriations for the Department of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103–150). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HORN (for himself, Mr. TOWNS, Mr. GILMAN, Mr. HOBSON, Mrs. JOHNSON of Connecticut, Mr. MCDADE, Mr. MCKEON, Mr. MOORHEAD, Mr. PASTOR, Mr. RANGEL, Mr. SHAYS, Mr. TORRES, Mr. TRAFICANT, Mr. UPTON, and Mr. WAXMAN):

H.R. 2474. A bill to amend title 10, United States Code, to establish a program to assist members of the Armed Forces who are involuntarily separated from active duty to obtain training and employment as law enforcement officers; to the Committee on Armed Services.

By Mr. ANDREWS of New Jersey (for himself, Mr. FRANK of Massachusetts, Mr. TOWNS, Mr. WAXMAN, and Mr. OWENS):

H.R. 2475. A bill to provide for congressional approval of a nuclear aircraft carrier waste disposal plan before the construction of CVN-76, and for other purposes; to the Committee on Armed Services.

By Mr. ANDREWS of New Jersey (for himself, Mr. HAMBURG, Mr. MILLER of California, Mrs. UNSOELD, Mr. HUGHES, Mr. BROWN of California, and Ms. WOOLSEY):

H.R. 2476. A bill to prohibit the Department of Defense from contracting with foreign contractors for ship repair until a certification is made to Congress; to the Committee on Armed Services.

By Mr. ANDREWS of New Jersey:

H.R. 2477. A bill to amend the Federal Law Enforcement Pay Reform Act of 1990 to provide that Federal police officers be treated in the same way as other Federal law enforcement officers for purposes of that act; to the Committee on Post Office and Civil Service.

By Mr. BATEMAN:

H.R. 2478. A bill to authorize the Secretary of the Interior to acquire and to convey certain lands or interests in lands to improve the management, protection, and administration of Colonial National Historical Park and for other purposes; to the Committee on Natural Resources.

By Mr. CARDIN (for himself, Mr. RANGEL, Mr. SERRANO, Mr. TOWNS, Mrs. SCHROEDER, Mr. WAXMAN, and Mr. MFUME):

H.R. 2479. A bill to amend the Residential Lead-Based Paint Hazard Reduction Act of 1992 to establish an entitlement of States and certain political subdivisions of States to receive grants from the Secretary of Housing and Urban Development for the abatement of health hazards associated with lead-based paint, and to amend the Internal Revenue Code of 1986 to impose an excise tax and establish a trust fund to satisfy the Federal obligations arising from such entitlement; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. CRANE:

H.R. 2480. A bill to amend the Internal Revenue Code of 1986 to provide an exclusion for all dividends and interest received by individuals; to the Committee on Ways and Means.

By Mr. EVANS (for himself, Mr. KENNEDY, Mr. GUTIERREZ, Mr. CLEMENT, and Mr. BUYER):

H.R. 2481. A bill to provide funding for an examination of the possible health effects of exposure to depleted uranium of U.S. military personnel in the Persian Gulf war; to the Committee on Armed Services.

By Ms. FOWLER (for herself, Mr. SOLOMON, Mr. CANADY, Mr. WELDON, Mr. SCHAEFER, Mr. HANCOCK, Mr. CUNNINGHAM, Mr. BARTLETT of Maryland, Mr. KYL, Mr. GINGRICH, Mr. SAXTON, Mr. BAKER of Louisiana, Mr. SPENCE, Mr. DORNAN, Mr. STUMP, Mr. CALLAHAN, Mr. BATEMAN, Mr. HEFLEY, Mr. INHOFE, Mr. BUNNING, Mr. TALENT, Mr. MCHUGH, Mr. TORKILDSEN, Mr. REVENEL, Mr. HUNTER, Mr. KASICH, Mr. MACHTLEY, Mr. HANSEN, Mr. BUYER, and Mr. EVERETT):

H.R. 2482. A bill to amend title 10, United States Code, to limit the transfer of Department of Defense funds to other departments and agencies of the United States; to the Committee on Armed Services.

By Mr. MAZZOLI (for himself, Mr. SCHUMER, and Mr. NADLER):

H.R. 2483. A bill to amend the Immigration and Nationality Act to make changes in the laws relating to nonimmigrants and immigrants; to the Committee on the Judiciary.

By Mr. OBERSTAR (for himself and Mr. KILDEE):

H.R. 2484. A bill to provide equal leave benefits for adoptive parents; to the Committee on Education and Labor.

By Mr. RAMSTAD:

H.R. 2485. A bill to suspend temporarily the duty on Bisphenol AF; to the Committee on Ways and Means.

H.R. 2486. A bill to extend the temporary suspension of duty on octadecyl isocyanate; to the Committee on Ways and Means.

H.R. 2487. A bill to suspend until January 1, 1995, the duty on certain ceramic ferrules and sleeves; to the Committee on Ways and Means.

By Mr. RICHARDSON (for himself, Mr. TOWNS, Mr. BEILENSON, Mr. BERMAN, Mr. BLACKWELL, Mrs. COLLINS of Illinois, Mr. DEFAZIO, Mr. DELLUMS, Mr. DE LUGO, Mr. EDWARDS of California, Mr. ENGLISH of Oklahoma, Mr. EVANS, Mr. FILNER, Mr. FORD of Michigan, Ms. FURSE, Mr. FOGLIETTA, Mr. FROST, Mr. GILCHREST, Mr. GENE GREEN of Texas, Mr. GUTIERREZ, Mr. HAMBURG, Mr. HINCHEY, Mr. HOLDEN, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KILDEE, Mr. KLINK, Mr. LEVIN, Mr. LIPINSKI, Mr. MCCLOSKEY, Mr. MCDERMOTT, Ms. MCKINNEY, Ms. MALONEY, Ms. MARGOLIES-MEZVINSKY, Mr. MARTINEZ, Mr. MENENDEZ, Mr. MFUME, Mr. NADLER, Ms. NORTON, Mr. OLVER, Mr. OWENS, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. PETERSON of Minnesota, Mr. RAVENEL, Mr. REED, Mr. ROMERO-BARCELO, Ms. SCHENK, Mrs. SCHROEDER, Mr. SERRANO, Ms. SHEPHERD, Mr. STOKES, Mr. TORRES, Ms. VELAZQUEZ, Ms. WOOLSEY, Mr. WYNN, and Mr. YATES):

H.R. 2488. A bill to establish certain requirements with respect to solid waste and hazardous waste incinerators, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SKEEN (for himself and Mr. SCHIFF):

H.R. 2489. A bill to confer jurisdiction on the U.S. Claims Court with respect to land claims of Pueblo of Isleta Indian Tribe; to the Committee on the Judiciary.

By Mr. MCDERMOTT:

H. Con. Res. 113. Concurrent resolution relating to the Asia Pacific Economic Cooperation organization; jointly, to the Committees on Foreign Affairs and Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

208. By the SPEAKER: Memorial of the House of Representatives of the State of Illinois, relative to the Fitzsimmons Army Medical Center; to the Committee on Armed Services.

209. Also, memorial of the General Assembly of the State of California, relative to the 1990 Census; to the Committee on Post Office and Civil Service.

210. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the Electric and Magnetic Fields Research and Public Information Dissemination Program; jointly, to the Committees on Energy and Commerce and Science, Space, and Technology.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 24: Mr. Engel.

H.R. 28: Mr. Barcia of Michigan.

H.R. 65: Mr. Crane and Mr. Underwood.

H.R. 108: Mr. Machtley and Mrs. Johnson of Connecticut.

H.R. 127: Mr. Young of Florida, Mr. Stupak, and Mr. Hobson.

H.R. 238: Mr. Michel, Mr. Dornan, Mr. Dreier, Mr. Paxon, Mr. Walsh, Mrs. Clayton, Mr. Ridge, Mr. Baker of Louisiana, Mr. McCandless, Mr. Thomas of Wyoming, Mr. Knollenberg, Mr. Roth, Mr. Zimmer, Mr. Hoekstra, Mr. Bunning, Mr. Upton, Mr. Sensenbrenner, and Mr. Castle.

H.R. 273: Mr. Bacchus of Florida.

H.R. 303: Mr. Mineta and Mr. Underwood.

H.R. 311: Mr. Johnston of Florida.

H.R. 369: Mr. Boehner.

H.R. 546: Mr. Johnston of Florida, Ms. Lambert, and Mr. Darden.

H.R. 563: Mr. Baker of Louisiana and Mr. Fawell.

H.R. 667: Mr. Roberts.

H.R. 684: Mr. Baker of Louisiana.

H.R. 760: Mr. Studds.

H.R. 799: Mr. Hall of Texas and Mr. Costello.

H.R. 823: Mr. Vento.

H.R. 911: Mr. Sensenbrenner, Mr. Gejdenson, Mrs. Johnson of Connecticut, Mr. Leach, Mr. Bilirakis, Mr. Callahan, and Mr. Murtha.

H.R. 921: Mr. Pallone.

H.R. 962: Mr. Rahall, Mr. Thornton, Mr. Scott, Mr. Kasich, Mr. Costello, Mr. Menendez, Mr. Kim, Mr. Stupak, Mr. Saxton, and Ms. Lambert.

H.R. 1012: Mr. Ackerman, Mrs. Clayton, Mr. Cramer, Mr. Dornan, Mr. Gibbons, Mr. Greenwood, Mr. Hochbrueckner, Mr. Klein, Mr. Murtha, Mr. Parker, Mr. Slattery, Mr. Spratt, and Ms. Waters.

H.R. 1078: Mr. Gilman.

H.R. 1079: Mr. Gilman.

H.R. 1082: Mr. Gilman.

H.R. 1111: Mr. Mineta.

H.R. 1133: Mr. Pete Geren of Texas, Mr. Barton of Texas, Mr. Cramer, Mr. Johnson of South Dakota, Ms. Thurman, Mr. English of Oklahoma, Mr. Hoyer, Mr. Pastor, Mr. Orton, Mr. Ford of Tennessee, Mr. Poshard, Mr. Gilchrest, Mr. Mollohan, Ms. Shepherd, and Mr. Visclosky.

H.R. 1181: Mr. Richardson, Mr. Barlow, Mr. Natcher, Mr. Skeen, Mr. Stupak, and Mr. DeFazio.

H.R. 1200: Ms. Eddie Bernice Johnson of Texas.

H.R. 1295: Mr. Fields of Texas, Mr. Shaw, Mr. Machtley, and Mr. Porter.

H.R. 1349: Mr. Petri, Mr. McHugh, Mr. Jacobs, Mr. Peterson of Minnesota, Mr. Ramstad, Mrs. Meyers of Kansas, Mr. Ballenger, and Mr. Hyde.

H.R. 1360: Mr. Nadler.

H.R. 1442: Ms. Maloney, Mr. Faleomavaega, Ms. Thurman, Mr. Spence, Mr. Parker, and Mr. Vento.

H.R. 1476: Mr. Fields of Louisiana, Mr. Fish, Mr. Parker, and Mr. Canady.

H.R. 1490: Mr. McKeon, Mr. Quillen, and Mr. Taylor of North Carolina.

H.R. 1504: Mr. Levy, Ms. Molinari, and Mr. Serrano.

H.R. 1508: Mr. Manzullo.

H.R. 1549: Mr. Machtley and Mrs. Johnson of Connecticut.

H.R. 1580: Mr. Stenholm.

H.R. 1583: Mrs. Meek, Mr. Johnston of Florida, and Mr. Dornan.

H.R. 1670: Mr. Sam Johnson and Mr. Rohrabacher.

H.R. 1697: Mr. Nadler, Mr. Durbin, Miss Collins of Michigan, Mr. Ballenger, Mr. Swett, Mr. Fazio, Mr. Ford of Tennessee, and Mr. Brown of California.

H.R. 1709: Mr. DeFazio, Mr. Barcia of Michigan, Mr. Swett, and Mr. Zeliff.

H.R. 1738: Mr. Penny.

H.R. 1800: Mr. Becerra, Ms. Thurman, and Mr. Gutierrez.

H.R. 1814: Mr. Pomeroy and Mr. Owens.

H.R. 1841: Mr. Manzullo.

H.R. 1874: Mr. Crane.

H.R. 1900: Mr. Brown of Ohio, Mrs. Mink, Mr. Olver, and Ms. Velazquez.

H.R. 1910: Mr. Kyl, Mr. Gillmor, and Mr. Dooley.

H.R. 1935: Mr. Moran.

H.R. 1989: Mr. Baker of California.

H.R. 2002: Mr. Bateman, Mr. Bevill, Mr. Borski, Mr. Boucher, Mr. Evans, Mr. Frank of Massachusetts, Mr. Frost, Mr. Hochbrueckner, Mr. Jefferson, Mr. Kopetski, Mr. LaFalce, Mr. Lancaster, Mr. McDermott, Mr. Machtley, Mr. Murtha, Mr. Neal of Massachusetts, Ms. Norton, Ms. Pelosi, Mr. Wheat, and Mr. Wolf.

H.R. 2043: Mr. Reynolds, Mr. Washington, Mr. Swett, Mr. Stark, Mr. Flake, and Ms. Roybal-Allard.

H.R. 2053: Mr. Baker of California.

H.R. 2113: Mr. Bunning and Mr. Crapo.

H.R. 2124: Mr. Machtley.

H.R. 2241: Mr. Peterson of Minnesota and Mr. Levin.

H.R. 2245: Mr. Kasich, Mr. McMillan, Mr. Kolbe, Mr. Smith of Michigan, Mr. Cox, Mr. Herger, and Mr. Hoke.

H.R. 2253: Mr. Ballenger, Mr. Weldon, Mr. Hughes, and Mr. Grams.

H.R. 2286: Mr. Montgomery, Mr. Hancock, Mr. Santorum, Mr. Hansen, Mr. Hutto, Mr. Mann, and Mr. Roth.

H.R. 2315: Mr. Ballenger.

H.R. 2331: Mr. Lipinski and Mr. Filner.

H.R. 2354: Mr. Smith of Texas and Mr. Boehner.

H.R. 2365: Mr. Penny, Mr. DeFazio, Mrs. Roukema, Mr. Nadler, Mr. Peterson of Minnesota, Mr. Shays, Mr. Meehan, and Mr. Santorum.

H.R. 2414: Mr. Filner.

H.R. 2415: Mr. Ramstad, Mr. Goss, Mr. Klug, Mr. Burton of Indiana, Mr. McMillan, Mr. Hobson, Mr. Kolbe, Mr. Inglis of South Carolina, and Mr. Franks of New Jersey.

H.R. 2417: Mr. Gallegly, Mr. Quillen, Mr. Torkildsen, and Mr. Lipinski.

H.R. 2461: Mr. McCloskey.

H.R. 2467: Mr. Franks of Connecticut and Mr. Kingston.

H.J. Res. 11: Mr. Ackerman, Mr. Andrews of New Jersey, Mr. Ballenger, Mr. Barrett of Wisconsin, Mr. Bateman, Mr. Berman, Mr. Blackwell, Mr. Blute, Mr. Browder, Mrs. Clayton, Mr. Clement, Miss Collins of Michigan, Mr. Conyers, Mr. Coopersmith, Mr. Costello, Mr. Cramer, Mr. Dellums, Mr. Deutsch, Mr. Dornan, Mr. Evans, Mr. Ewing, Mr. Hughes, Mr. Jacobs, Mr. Kasich, Mrs. Lloyd, Mr. Menendez, Mr. Moorhead, Mr. Petri, Mr. Pickett, Mr. Roemer, Mr. Walsh, and Mr. Young of Florida.

H.J. Res. 86: Ms. Eddie Bernice Johnson of Texas, Mr. Kreidler, Mr. Young of Florida, Mr. Levy, Mr. Lewis of Florida, Ms. Maloney, Mr. Manton, Mr. Grandy, Mr. Leach, Mr. Lewis of Georgia, and Mr. McCollum.

H.J. Res. 142: Mr. Payne of New Jersey, Mr. Torkildsen, Mr. Roemer, Mrs. Kennelly, Mr. Kopetski, Mr. Bilirakis, Ms. Slaughter, Mr. Montgomery, Mr. Young of Florida, and Mr. Waxman.

H.J. Res. 145: Mr. Hughes.

H.J. Res. 155: Mr. Bateman and Mr. Young of Florida.

H.J. Res. 190: Mr. Andrews of New Jersey, Mr. Camp, Mr. Cramer, Mr. Hyde, Mr. LaFalce, Mr. McDade, Mr. McDermott, Mr. Murtha, Ms. Slaughter, Mr. Valentine, and Ms. Waters.

H.J. Res. 204: Mr. Kasich, Mr. Parker, Mr. Spence, Mr. Deutsch, Mr. McHale, Mr. Hunter, and Mr. Levin.

H.J. Res. 212: Mr. Payne of New Jersey, Ms. Thurman, Mr. Lewis of Georgia, Mrs. Vucanovich, Mr. Kildee, Mr. Ravenel, Ms. Slaughter, Ms. Molinari, Mr. Vento, Mr. Stokes, Mr. Gallegly, Mr. Brewster, Mr. Cooper, Mr. Dicks, Mr. Ford of Tennessee, Mr. Hochbrueckner, Mr. Hyde, Mr. Murphy, Mr. Traficant, Mr. Manton, Mrs. Kennelly, Mr. Dixon, Mr. Pallone, Mr. Borski, Mr. Schumer, Ms. Waters, Mrs. Meyers of Kansas, Mr. Hunter, Mr. Smith of New Jersey, Mr. Regula, Mr. Oxley, Mr. Torricelli, Mr. Young of Florida, and Mr. LaFalce.

H.J. Res. 213: Mr. Abercrombie, Mr. Ackerman, Mr. Andrews of New Jersey, Mr. Bacchus of Florida, Mr. Baesler, Mr. Barrett of Wisconsin, Mr. Becerra, Mr. Bevill, Mr. Bilirakis, Mr. Bishop, Mr. Blackwell, Mr. Bliley, Mr. Bonior, Mr. Borski, Mr. Brooks, Mr. Browder, Mr. Brown of California, Ms. Brown of Florida, Mr. Burton of Indiana, Ms. Byrne, Mr. Callahan, Ms. Cantwell, Mr. Cardin, Mr. Clay, Mrs. Clayton, Mr. Clement, Mr. Clyburn, Mr. Coleman, Mrs. Collins of Illinois, Miss Collins of Michigan, Mr. Condit, Mr. Conyers, Mr. Cooper, Mr. Costello, Mr. Cox, Ms. Danner, Mr. Darden, Mr. Deal, Mr. de Lugo, Ms. DeLauro, Mr. Dellums, Mr. Deutsch, Mr. Diaz-Balart, Mr. Dicks, Mr. Dixon, Mr. Doolittle, Mr. Dornan, Mr. Dreier, Mr. Durbin, Mr. Edwards of California, Mr. Edwards of Texas, Mr. Emerson, Mr. Engel, Ms. Eshoo, Mr. Evans, Mr. Faleomavaega, Mr. Farr, Mr. Fazio, Mr. Fields of Louisiana, Mr. Fingerhut, Mr. Fish, Mr. Flake, Mr. Foglietta, Mr. Ford of Michigan, Mr. Ford of Tennessee, Mr. Frank of Massachusetts, Mr. Franks of New Jersey, Mr. Franks of Connecticut, Mr. Frost, Ms. Furse, Mr. Gallo, Mr. Gilman, Mr. Gingrich, Mr. Glickman, Mr. Gonzalez, Mr. Grandy, Mr. Gene Green of Texas, Mr. Gunderson, Mr. Gutierrez, Mr. Hall of Ohio, Mr. Hamburg, Mr. Hastings, Mr. Hefner, Mr. Hinchey, Mr. Hilliard, Mr. Hoagland, Mr. Hobson, Mr. Hochbrueckner, Mr. Houghton, Mr. Hoyer, Mr. Hughes, Mr. Hutto, Mr. Hyde, Mr. Inslee, Mr. Jefferson, Ms. Eddie Bernice Johnson of Texas, Mr. Johnston of Florida, Mr. Kanjorski, Ms. Kaptur, Mr. Kennedy, Mrs. Kennelly, Mr. Kildee, Mr. King, Mr. Kingston, Mr. Klein, Mr. Kopetski, Mr. LaFalce, Mr. Lancaster, Mr. Lantos, Mr. Laughlin, Mr. Lehman, Mr. Levin, Mr. Levy, Mr. Lewis of Florida, Mr. Lewis of Georgia, Mr. Lipinski, Ms. Lowey, Ms. Maloney, Mr. Mann, Mr. Manton, Mr. Markey, Mr. Martinez, Mr. Matsui, Mr. McCloskey, Mr. McDermott, Mr. McNulty, Ms. McKinney, Mrs. Meek, Mr. Menendez, Mr. Miller of California, Mrs. Meyers of Kansas, Mr. Mfume, Mr. Mineta, Mrs. Mink, Mr. Moakley, Ms. Molinari, Mr. Montgomery, Mr. Moran, Mrs. Morella, Mr. Murphy, Mr. Murtha, Mr. Nadler, Mr. Neal of Massachusetts, Mr. Neal of North Carolina, Ms. Norton, Mr. Olver, Mr.Ortiz, Mr. Owens, Mr. Packard, Mr. Pallone, Mr. Parker, Mr. Pastor, Mr. Payne of Virginia, Ms. Pelosi, Mr. Pickett, Mr. Poshard, Mr.

PRICE of North Carolina, Mr. QUILLEN, Mr. RAHALL, Mr. RAMSTAD, Mr. RANGEL, Mr. RAVENEL, Mr. REED, Mr. REYNOLDS, Mr. RICHARDSON, Mr. ROEMER, Mr. ROGERS, Mr. ROHRABACHER, Mr. ROMERO-BARCELO, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Mr. SANDERS, Mr. SANGMEISTER, Mr. SARPALIUS, Mr. SAWYER, Mr. SAXTON, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SCOTT, Mr. SERRANO, Mr. SISISKY, Ms. SLAUGHTER, Mr. SMITH of Iowa, Mr. SMITH of New Jersey, Mr. SPENCE, Mr. STENHOLM, Mr. STOKES, Mr. SWETT, Mr. SWIFT, Mr. SYNAR, Mr. TANNER, Mr. TAUZIN, Mr. TAYLOR of Mississippi, Mr. TEJEDA, Mr. THOMPSON, Mr. THORNTON, Ms. THURMAN, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TUCKER, Mr. UNDERWOOD, Mrs. UNSOELD, Mr. VALENTINE, Ms. VELAZQUEZ, Mr. VENTO, Mr. VISCLOSKY, Mr. VOLKMER, Mr. WALSH, Mr. WASHINGTON, Ms. WATERS, Mr. WATT, Mr. WAXMAN, Mr. WHEAT, Mr. WILSON, Mr. WISE, Mr. WOLF, Ms. WOOLSEY, Mr. WYNN, Mr. ZIMMER, and Mr. BOUCHER.

H. Con. Res. 76: Mr. SMITH of New Jersey, Mr. BARTLETT of Maryland, Mr. CRAMER, and Mr. DEUTSCH.

H. Con. Res. 99: Mr. VENTO.

H. Con. Res. 100: Mr. TORRES, Mr. HASTERT, Miss COLLINS of Michigan, Mr. MAZZOLI, Mr. MANTON, Mr. LANTOS, Mr. GUTIERREZ, Mr. TOWNS, Mr. ENGEL, Mr. MURPHY, Mr. KREIDLER, and Mr. OWENS.

H. Res. 32: Mr. NADLER.

H. Res. 135: Mr. MCCLOSKEY.

H. Res. 151: Mr. STUMP.

H. Res. 156: Mr. DOOLITTLE.

H. Res. 165: Mr. VENTO, Mr. JEFFERSON, Mr. JACOBS, Mr. DEFAZIO, Mr. SANGMEISTER, Mr. DURBIN, Mr. MCCOLLUM, Mr. LEHMAN, Mr. HALL of Texas, and Mr. KREIDLER.

H. Res. 174: Mr. MCCRERY and Mr. TALENT.

H. Res. 184: Mr. JOHNSON of South Dakota, Mr. DARDEN, Mr. ENGLISH of Oklahoma, Mr. LANCASTER, Mr. STUPAK, and Mr. PARKER.

H. Res. 194: Mr. STUMP, Mr. LIGHTFOOT, and Mr. BAKER of California.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

47. By the SPEAKER: Petition of the City Council of Davao, Republic of the Philippines, relative to the Filipino Veterans Equity Act of 1991; to the Committee on Veterans' Affairs.

48. Also, petition of the County of Wayne, NC, relative to the proposed increase in taxes by the U.S. Government on the sale of cigarettes; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2200

By Mr. SMITH of Michigan:

—Page 48, after line 10, insert the following new section:

SEC. 316. REMOTE SENSING FOR AGRICULTURAL AND RESOURCE MANAGEMENT.

(a) FINDINGS.—The Congress finds that—

(1) the use of remote sensing data is potentially a valuable resource to anticipate potential food, feed, and fiber shortages or excesses, and provide this information to the agricultural community in time to assist farmers with planting decisions;

(2) remote sensing data can be useful to predict impending famine problems and forest infestations in time to allow remedial action;

(3) remote sensing data can inform the agricultural community as to the condition of crops and the land which sustains those crops;

(4) remote sensing data can be useful to allow farmers to apply pesticides, nutrients, and water, among other inputs, to farmlands in the exact amounts necessary to maximize crop yield, thereby reducing agricultural costs and minimizing potential harm to the environment;

(5) remote sensing data can be valuable, when received on a timely basis, in determining the needs of additional plantings of a particular crop or a substitute crop; and

(6) the National Aeronautics and Space Administration, using the expertise of the Earth Observations Commercialization Applications Program, and the Department of Agriculture should work in tandem to aid farmers to obtain data conducive to sound agricultural management and greater crop yields.

(b) INFORMATION DEVELOPMENT.—The Secretary of Agriculture and the Administrator of the National Aeronautics and Space Administration, maximizing private funding and involvement, shall provide farmers and other interested persons with timely information, through remote sensing, on crop conditions, fertilization and irrigation needs, pest infiltration, soil conditions, projected food, feed, and fiber production and any other information available through remote sensing.

(c) ENHANCED REMOTE SENSING PROGRAM.

(1) The Secretary of Agriculture and the Administrator of the National Aeronautics and Space Administration shall jointly evaluate the need for a radar imaging platform that could enhance U.S. remote sensing capability by providing information and data relating to agricultural resources, and which may have other commercial and research applications.

(2) In the event there is a finding of need for a platform as set forth in paragraph (1), the Secretary of Agriculture and the Administrator of the National Aeronautics and Space Administration shall jointly develop a proposal, which maximizes private funding and involvement in the launch and operation of such platform, and in the management and dissemination of the data from such platform. The Secretary and the Administrator shall jointly submit the proposal, within 30 days of its development, to the House Committee on Agriculture, the Senate Committee on Agriculture, Nutrition, and Forestry, the House Committee on Science, Space, and Technology, and the Senate Committee on Commerce, Science, and Transportation.

(d) TRAINING.—The Secretary of Agriculture and the Administrator of the National Aeronautics and Space Administration shall jointly develop a proposal to inform farmers and other prospective users concerning the use and availability of remote sensing data.

(e) SUNSET.—The provisions of this section shall expire 5 years after the date of enactment of this Act.

EXTENSIONS OF REMARKS

GAS TAX A BAD IDEA

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. SHUSTER. Mr. Speaker, with the recent actions of the Senate Finance Committee, the Senate is moving toward replacing the Btu tax with a transportation fuel tax. This is no bargain for the average American and could cause a great deal of harm to our economy.

Transportation fuel taxes that are not dedicated to infrastructure improvements are enormously unpopular, regressive, regionally unfair, and will devastate transportation industries in addition to damaging the economy.

The following analysis was prepared by the Republican staff of the Public Works and Transportation Committee at my direction. It discusses the available information on the effects of fuel taxes and points out the clear dangers in an objective, factual manner. I hope it will prove useful to my colleagues in their difficult deliberations over budget and tax matters.

Because of space considerations in the CONGRESSIONAL RECORD, this analysis appears in an abbreviated form. If any of my colleagues would like the full version, please contact the minority office of the Public Works and Transportation Committee at 225–9446.

TRANSPORTATION FUEL TAXES: NOT A DEFICIT SOLUTION

Looking for a means to quickly raise tax revenues, some have proposed increasing taxes on transportation fuels. During the 1992 presidential election, Paul Tsongas and Ross Perot proposed gasoline tax increases up to 50 cents a gallon. Today, it is the other body that is considering transportation fuel taxes as part of budget reconciliation.

A new transportation fuel tax is one burden Congress should spare the American people. Such taxes are enormously unpopular, regressive, regionally unfair, and will harm the economy and devastate transportation industries and infrastructure.

Americans spend $800 billion a year for transportation products and services accounting for 19 percent of all consumer spending. In one year, the U.S. records 3.5 trillion passenger-miles of travel and 3.4 trillion ton-miles of freight traffic.

Because the cost of transportation is a major component of everyday living, people understand how higher fuel taxes will hurt. According to a poll conducted in January 1993 by Penn and Schoen Associates, 74 percent of Americans oppose higher federal gasoline taxes as a way to raise general revenue.

Another poll, conducted by the Gallup organization also in January 1993 provided further evidence of the public mood on higher gas taxes: 53 percent believe they will cost American jobs; 59 percent believe they will hurt the economy; 63 percent believe gas taxes are already too high; 65 percent believe they discriminate against people who live in rural areas; 71 percent believe gas taxes are regressive, imposing a greater burden on the poor; and 77 percent believe a middle class tax cut, not tax increase, is needed.

One exception is the public's response to dedicating higher gasoline taxes to pay for infrastructure improvements. If assured that the higher taxes would be used exclusively for road improvements, 71 percent would support additional levies.

While Americans are opposed to higher gasoline taxes, they do want more spending cuts. A March Washington Post-ABC News poll found 75 percent of Americns believe the Clinton economic plan did not go far enough toward reducing federal spending.

The budget bills reported by Congress primarily consist of taxes. According to an analysis by the Senate Budget Committee Republican staff, the reconciliation legislation achieves its five-year savings through $6.35 in new taxes for every $1 of spending cuts. In the first year of the legislation, the ratio is over $20 in new taxes for each $1 of spending reduction.

A 1987 Peat Marwick study found that 23 percent of total gasoline excise taxes are paid by those making less than $20,000 a year. In comparison, high income earners (making more than $100,000 a year), pay only 5 percent of total receipts.

In comparison, federal income tax percentages are more than reversed. Those under $20,000 pay only 2.5 percent of income tax receipts while those over $100,000 account for 27 percent.

A 1990 Congressional Budget Office (CBO) study found that people in the lowest one-fifth of income spend 6.9 percent of their post-tax income on motor fuels. This is four and one-half times the 1.5 percent share of income that the wealthiest one-fifth spends on motor fuels.

Study after study confirms the regressivity of fuel taxes used for deficit reduction. Researchers at Citizens for Tax Justice found that gasoline taxes have eight times the impact on the working poor, as a share of income, as they have on the rich. The middle class pays a four times greater share than the rich.

A fuel tax unfairly hits those who must drive for a living or do not have access to public transit. According to the U.S. Census Bureau, 78 percent of Americans earning under $10,000 a year drive to work. Surveys by the Department of Transportation found that 31 percent of trips made by people earnings between $10,000 and $30,000 are directly related to earning a living.

Because people's transportation needs vary so widely, a fuel tax would be lumpy in its impact. A 1990 CBO study found that, within the lowest income category, over one-half of motor fuel taxes are paid by just 20 percent of those in the category. It is difficult to think of any other Federal tax that would be so arbitrary in its application.

In contrast, fuel taxes dedicated to infrastructure spending follow user fee principles. Those who benefit from the use transportation systems pay for the construction and upkeep.

It is ironic that this fuel tax proposal is coming from some of the same people who argue that the federal tax system became too regressive during the 1980's. Using an Earned Income Tax Credit, or other offset, to cushion the burden on the poor will only dilute the deficit savings from the tax and still will not address the wide variations in fuel use among individuals.

A fuel tax would hardest hit rural and western states where individuals travel greater distances. The average driver in Wyoming uses over twice as much gasoline as a driver in Washington D.C. A 10 cent increase costs Wyoming drivers over $67 per capita, compared to less than $29 for D.C. drivers.

Other states hard hit (and the per capita cost of a 10 cent increase) are: Arkansas ($52), Georgia ($54), Missouri ($53), Montana ($55), New Mexico ($53), North Dakota ($56), Oklahoma ($52), and South Dakota ($56). For a household of four in Wyoming, the tax would average nearly $270 a year.

A 1990 CBO report that examined, by region, motor fuel use as a share of income confirms these findings. CBO found rural families spend nearly twice as much on motor fuels as Northeast urban families, and 40 percent more than all families nationally.

According to the National Grange, rural households generate over 40 miles of daily auto travel as compared to about 25 miles in large metropolitan areas that have mass transit systems.

Given all of the recent concern and proposals for rural economic development, it is difficult to understand any rationale for placing a heavier deficit reduction burden on rural America.

While many statistics focus on the unfairness of a fuel tax on individual rural transportation, such a tax also unfairly hits business. Businesses use one-third of all gasoline and most diesel fuel. In particular, a plant or farmer that ships goods a long distance to market will shoulder the burden of this tax.

As one example, motor vehicle manufacturers must ship their products an average of 1,500 miles from the manufacturing site to a port for export. Our trading partners do not face this cost. New vehicles in Germany travel only 300 miles to port and in Japan the distance is but 30 miles.

When not used as a user fee to pay for improvements in infrastructure, higher motor fuel taxes will cost jobs, lower economic growth, and increase inflation. In this regard, the effect of a motor fuel tax is quite similar to the effect on the economy of other energy taxes (including the BTU tax).

Over the past few years, several studies have documented the negative economic effects of fuel tax increases. According to a 1992 study by the Institute for Research on the Economics of Taxation, a 10 cent increase in the Federal gas tax would:

Cut GNP by $23 billion or 0.4 percent.

Cost 232,000 jobs in the first full year of implementation.

A 1991 study by the Republican Staff of the Joint Economic Committee found that a 5 cent gas tax increase would:

Reduce GNP by $6.4 billion in the first year and $32 billion over five years.

Cost 130,000 jobs after one year and 233,000 jobs by the second year.

A 1987 study using the DRI model found that an 8.9 cent gas tax hike would cut GNP by $69 billion over five years. Another DRI study found that a 5-cent increase would raise the Consumer Price Index by 0.2 percent.

Because the estimates used by the Administration and Congress for new revenues from gas taxes do not look at the economic effects of the tax increases, actual deficit reduction will be far less than the gross receipts from new fuel taxes.

Deficit reduction estimates fail to account for lower economic activity caused by the higher taxes and higher federal spending indexed to inflation. In addition, to ameliorate the regressive nature of energy taxes, this Administration has proposed more Federal spending on programs for the poor.

A DRI study in the late 1980s estimated that higher gas taxes would only reduce the deficit by 27 cents for every dollar of tax raised. The 1991 Joint Tax Committee study, using a dynamic revenue analysis, estimated that there is only a 48 percent actual return for deficit reduction.

These studies, and others, underscore that the best way to attack the deficit is through less spending, not more taxes.

Transportation accounts for 27 percent of total energy use in the United Stats. Nearly all, 98 percent, of transportation energy use is from petroleum products. In effect, proposals for transportation fuel tax increases exempt three-quarters of U.S. energy use and squeeze all of the taxes out of one industry.

Even Transportation Secretary Pena has recognized the unfairness of transportation fuel taxes. In a Washington Post interview Pena said: "One reason I was able to sell the BTU tax over the past several months was on the basis that it was fair and balanced and not solely based on the transport sector . . . that is now gone . . . [I will lobby against the transportation fuel tax] to restore balance and fairness."

Airlines, already reeling from nearly $11 billion in losses over the past three years, would suffer greater losses and job cutbacks if subject to a transportation fuels tax. For example, the 7.3 cent per gallon tax proposed by Senator Breaux would cost airlines $858 million a year. The Senate Finance Committee's 4.3 cent tax costs $500 million a year.

These higher taxes will either be passed on to the consumer, reducing demand, or contribute to greater airline losses. In testimony before the Senate Energy Committee this Spring, one economist predicted that energy taxes of this magnitude will lead to the quicker demise of several domestic airlines.

It seems odd that at the same time the Administration and Congress has appointed a commission to look into the troubles of the airline industry, it proposes to add another tax. Air travel already is subject to a wide range of taxes and fees:

10 percent ticket tax—$4.5 billion a year.

$6 international departure fee—$225 million.

$5 Immigration fee—$210 million.

$5 Customs fee—$120 million.

$1.45 Agriculture inspection fee—$74 million.

While airlines would be hard hit, about 70 percent of a transportation fuel tax would fall on highway users—cars and trucks. For these users, gasoline and diesel fuel is already a heavily taxed commodity (even though most of the receipts are dedicated to trust funds).

According to the Congressional Research Service, all Federal and state taxes on regular unleaded gasoline average $37.5 cents per gallon or 32 percent of the purchase price. This translates to over $40 billion a year paid in federal and state fuel taxes.

The trucking industry uses 12 billion gallons of gasoline and 24 billion gallons of diesel fuel per year. A 7.3 cent transportation fuel tax would cost the industry nearly $3 billion a year. This increased tax burden represents more than 50 percent of the industry's net income in each of the last three years. The 4.3 cent tax coming out of the Senate Finance Committee would cost $7.8 billion over five years.

The threat to the trucking industry is compounded by increases of 7 cents per gallon for cleaner diesel fuel set for this Fall, as mandated by the requirements of the Clean Air Act.

Other transportation industries would also feel the brunt of a fuel tax. A 7.3 cent increase would cost the railroad industry $220 million and inland waterway users $34 million. The increased taxes on the barge and towing industry are in addition to a separate $1 per gallon fuel fee increase proposed in the Clinton budget and partially adopted by the House.

As previously noted, transportation represents nearly one-fifth of the U.S. economy. A transportation fuel fee will not only devastate key transport sectors, but also spread throughout the economy, reducing economic growth and leading to job losses.

The U.S. grew into an economic superpower and the world's largest exporter on the back of a transportation system that provided for the inexpensive movement of goods and people. To handicap this tremendous economic advantage can only harm the country's long-term economic prospects.

In his campaign and budget proposals, President Clinton recognized the critical link between higher spending on transportation infrastructure and future economic growth. Citing this relationship, his budget called for full funding of authorized highway spending, approximately a $3 billion increase.

Raising fuel taxes, without dedicating the revenues to infrastructure improvements, will only make less funds available for those improvements. The resulting reduced travel will diminish the current state and Federal gas taxes dedicated to highway programs.

In 1988, state transportation officials were asked how a federal gas tax increase for deficit reduction would affect state efforts to raise funds for highway improvements. Of the 42 states that responded, 40 said such a tax would preempt any state effort to raise money for highway, road, and bridge improvements.

Non-dedicated fuel taxes erode support for the user pays principle behind the highway and aviation trust funds. The current system operates on a pay-as-you-go basis that does not add one cent to the deficit. Fuel tax increases not dedicated to infrastructure will lower trust fund revenues and fail to address the nation's growing transportation needs.

According to a January 1993 report by the Department of Transportation, 234,000 miles of U.S. highway on the Federal-aid system are in poor or mediocre condition and need repair. The current cost to eliminate the existing backlog of highway and capacity deficiencies is about $212 billion.

Transportation fuel already is a heavily taxed essential. Higher fuel taxes for deficit reduction are regressive, regionally unfair, will hurt the economy, and devastate transportation industries. The primary reason it is on the table is that it is relatively easy to collect. This is not adequate justification for higher taxes on the poor and middle class.

BISHOP STUDENTS EXCEL IN NATIONAL HISTORY DAY

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention today the fine achievements of three remarkable students from Home Street Middle School in Bishop, CA—Robin Jensen, Josh Mays, and Nicole Manuelito—and the leadership of their teacher, Mrs. Irene Sorenson. Recently, these students joined other students from across the country at the University of Maryland to compete in National History Day sponsored by the Constitutional Rights Foundation. The theme for this year's competition was Communication in History, the Key to Understanding.

All three students qualified for the national competition by first winning at the local, regional, and State levels. Robin Jensen placed first in California junior media with her video titled, "Photojournalism: Creating and Capturing History." Josh Mays placed first in the State competition in junior individual performances with his portrayal, "Will Rogers, Cowboy Philosopher: A Key to Understanding Twentieth Century America." Nicole Manuelito placed second in the State competition with her junior individual project, "The Navajo Code Talkers: World War II's Secret Weapon." Nicole based her project on her grandfather, Marine Sergeant Johnny Manuelito, who served as one of the original 29 Navajo code talkers recruited in 1942.

These three remarkable students and their teacher, Mrs. Sorenson, are a tribute to our public school system which remains the finest in the world. Although these students live in a community of less that 5,000 people located 200 miles from a major library or university, they completed extensive research in their subject areas and were highly competitive with students from the large metropolitan areas including Los Angeles County, San Bernardino County, and Riverside County.

Mr. Speaker, I ask that you join me, our colleagues, and friends in recognizing the fine achievement of these individuals. Their work is a reflection of education at its best. It is fitting that the House of Representatives pay tribute to them today.

REPORT ON THE NORTH ATLANTIC TREATY OF 1949

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. HAMILTON. Mr. Speaker, the Subcommittee on Europe and the Middle East of the Foreign Affairs Committee has recently received a report from the White House on the North Atlantic Treaty Organization. The report was submitted pursuant to section 1314(B) of the National Defense Authorization Act of Fiscal Year 1993 (Public Law 102–484).

This report reviews recent NATO efforts to reform the Atlantic Alliance to enable it to better meet the new threats in the post-cold war era. I hope my colleagues find this report useful and informative.

The report follows:

REPORT TO CONGRESS ON THE NORTH ATLANTIC TREATY OF 1949

Prepared pursuant to Section 1314 (B) of the National Defense Authorization Act of Fiscal Year 1993.

NATO was established in 1949 as a political alliance to deter aggression and safeguard the shared principles of its members. At that time, NATO's principal security concern was the possibility of an armed attack by the Soviet Union. Over time, NATO developed and implemented a strategy based on defense, deterrence, and dialogue, which enabled it to maintain peace in freedom for its members and ultimately to help bring about the peaceful end of the Cold War. The strategic environment which NATO has confronted has never been static, and the change in circumstances in the past half decade has been especially dramatic. At its 1990 summit, the Alliance reconfirmed the continued need for NATO to "provide for the common defense" in an uncertain future, but agreed NATO would become "more an agent of change" to "help the structures of a more united continent."

I. FORESEEABLE THREATS TO THE SECURITY OF NATO ALLIES

The dissolution of the Soviet Union and the Warsaw Pact, coupled with the Treaty on Conventional Forces in Europe, eliminated the threat of a sudden massive, coordinated attack on the Allies. But the Soviet threat has been replaced by new dangers resulting from political and economic instability, ethnic and religious conflict, and territorial disputes that can degenerate into armed conflict and result in large forced migrations. Paradoxically, even as the direct military threat to NATO's members has diminished, the danger (and reality) of conflict in Europe has increased.

Threats with global implications such as weapons proliferation present further new challenges for NATO. In recent years, the availability of weapons of mass destruction and their means of delivery has increased. More countries are able to produce such weapons indigenously or are close to acquiring the capability. NATO members are leading participants in nonproliferation regimes, but a number of the proliferators of greatest concern are directly adjacent to—or within missile range of—members of NATO.

The U.S. and our Allies agreed in 1990–91 that "in the new Europe, the security of every state is inseparably linked to the security of its neighbors. NATO must become an institution where Europeans, Canadians and Americans work together not only for the common defense, but to build new partnerships with all the nations of Europe. The Atlantic Community must reach out to the countries of the East which were our adversaries in the Cold War, and extend to them the hand of friendship" (London Summit Declaration, 1990). In Rome in 1991, NATO's Heads of State and Government agreed that NATO is the essential forum for consultation among its members, and the venue for agreement on policies bearing on the security and defense commitments of Allies under the North Atlantic Treaty. They announced that the Alliance will continue to pursue its objectives by: the maintenance of a military capability sufficient to prevent war and to provide for effective defense; the refinement of an overall capability to manage successfully crises affecting the security of its members; and the pursuit of political efforts favoring dialogue with other nations and the active search for a cooperative approach to European security.

At its November 1991 summit in Rome, in recognition of the vastly different strategic situation in Europe, NATO adopted a new Strategic Concept which identifies new threats and provides the framework for NATO's response to them along the following lines:

A. Political and Economic Instability: The transition to democracy and market economy in the eastern part of post-Soviet Europe is proving difficult. Political uncertainly and economic hardship are exerting considerable pressure on populations already subjected to decades of political repression and economic limitations.

B. Ethnic Conflict and Territorial Disputes: Political and economic uncertainty in the wake of the dissolution of the Soviet Union is in part manifested in the resurgence of ethnic rivalries for political power and territory. Ethnic strife has sparked bloody conflicts in Europe throughout history. It is once again the cause of bloodshed and displacement of people in the former Yugoslavia. Crises of this kind threaten Europe in general, including members of NATO. In addition, the refugee flows resulting from crises in the East have a destabilizing effect on recipient countries, both East and West.

C. Weapons Proliferation: The proliferation of weapons of mass destruction and their means of delivery, as well as the increasing availability of conventional arms, could place the NATO Allies at risk of attack from warring ethnic factions or countries ruled by fanatical leaders, even those located outside Europe.

D. Resurgence of Nuclear Threat From the East: Approximately 3000 ex-Soviet strategic nuclear weapons will remain deployed, even after implementation of START I and II.

II. WHETHER THE NORTH ATLANTIC TREATY SHOULD BE REVISED

The North Atlantic Treaty does not require revision to meet current and future challenges to peace and security. As its history proves, the Treaty gives the Allies ample flexibility to take the steps necessary to pursue security and stability in Europe. The Senate Foreign Relations Committee in its 1949 Report on the North Atlantic Treaty (SFRC Report, p. 7) stated that the Treaty "is designed to contribute toward the further development of peaceful and friendly international relations, to strengthen the free institutions of the parties and promote better understanding of the principles upon which they are founded, to promote conditions of stability and well-being, and to encourage economic collaboration."

The Treaty's preamble emphasizes that the creation of the NATO Alliance is within the framework of the purposes and principles of the United Nations. The fourteen articles of the Treaty establish how the parties pursue the objectives of the Alliance, clearly setting forth how the Treaty's provisions fit within the UN framework.

The implementation of the Treaty is assigned to a Council (Article 9) composed of representatives of the parties to the Treaty. The North Atlantic Council (NAC) was established in fulfillment of Article 9. It serves as a forum for transatlantic consultations on a wide range of security issues, from the routine to the most extreme crises. These consultations are an essential element of developing common assessments and taking collective political and military actions. The Defense Planning Committee (DPC), composed of Defense Ministers of participating nations at its highest level, is NATO's principal body on military issues, including the integrated military structure. The NAC and DPC, with the support of other NATO bodies, have developed the strategies and plans needed to confront the threats faced by the Allies and to implement the various provisions of the Treaty. The strategies and concepts for defense developed by NATO evolved over time in response to changing perceptions of the threat, combining political and military means of jointly responding to the dynamic and evolving security environment in Europe.

In 1989, NATO began the process of adapting, within the framework of the North Atlantic Treaty, to the dramatically changing security situation in Europe. The unification of Germany, free elections in countries of Eastern Europe formerly dominated by the Soviet Union, the initiation of Soviet troop withdrawals from Eastern Europe, developments in West European integration and security cooperation, the opening of borders, to mention just a few, were events that both confirmed the validity of NATO's policies and programs and inspired the ongoing adaptation detailed in the following chronicle.

1990

NATO's London Summit (July) called for a revision of its Strategic Concept to reflect the changing security situation in Europe; establishment of regular diplomatic liaison with Warsaw Pact members; negotiation of a joint declaration of NATO and Warsaw Pact members stating they were no longer adversaries; agreement for the CFE negotiations to remain in continuous session until completed; and folding of future conventional arms control negotiations into the CSCE.

1991

In Copenhagen (June), NATO Ministers issued the "Core Functions Paper," which identified the Alliance's four fundamental tasks: to provide one of the indispensable foundations for a stable security environment in Europe; to serve as a transatlantic forum for Allied consultations on any issues that affect their vital interests; to deter and defend against the threat of aggression against the territory of any NATO member state; and to preserve the strategic balance within Europe. The Ministers also released a "Statement of Partnership with the Countries of Central and Eastern Europe," which declared that "our own security is inseparably linked to that of all other states in Europe."

At their Nuclear Planning Group meeting (October), NATO Defense Ministers approved a dramatic reduction (roughly 80%) in the number of nuclear weapons in NATO's European stockpile, reflecting the reduced reliance of the Allies on these weapons to achieve their collective security interests.

In Rome (November), another NATO summit (the third in two years) approved the new Alliance Strategic Concept, which revamped the Alliance's military posture and strategy, calling for a new force structure based on smaller, more mobile, more multinational forces maintained at lower levels of readiness; and pledging to "work for security at minimum levels of nuclear arms sufficient to preserve peace and stability." The Rome Summit also took the groundbreaking step of institutionalizing NATO's liaison program with the countries of Central and Eastern Europe in a North Atlantic Cooperation Council. It also reaffirmed the importance of a European security and defense identity role, reflected in the further strengthening of the European pillar within the Alliance.

1992

It soon became clear that the post-Cold-War concern with stability and managing change would require further augmentation of NATO's missions.

In Oslo (June), NATO Ministers decided "to support, on a case-by-case basis in accordance with our own procedures, peacekeeping activities under the responsibility of the CSCE, expertise."[1] The December NAC ministerial, in Brussels, extended this to UN-mandated peacekeeping.

The Treaty is sufficiently flexible to permit the use of NATO forces for peacekeeping purposes.

The preamble of the Treaty states: "They [the parties to the Treaty] are resolved to unite their efforts for collective defense and for the preservation of peace and security." The Senate Foreign Relations Committee in 1949 said of the preamble, "It should be emphasized, however, that the preamble is no expression of narrow regionalism for the members' will to live in peace is 'with all peoples and all governments'—the primary purpose of the Charter of the United Nations. Moreover, peace, stability, and well-being in the North Atlantic area are of universal advantage in the cause of peace" (SFRC Report, p. 9).

Article 1 mandates that the parties to the Treaty refrain from the "use of force in any manner inconsistent with the purposes of the United Nations." The UN Charter in Chapters VII and VIII contemplates the use of force to counter threats to peace, breaches of peace and acts of aggression. Participation in peacekeeping efforts supports the UN Charter, provided the action is authorized by the Security Council (Article 53).

Under Article 2 of the Treaty, the Allies have agreed to: "contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being."

Article 2 is a demonstration of the conviction "that peace is positive and dynamic, that real peace is far more than the mere absence of war," and that "the treaty is not confined to the prevention of war but reflects the will of the participating nations to strengthen the moral and material foundations of lasting peace and freedom" (SFRC Report p. 9). Peacekeeping efforts are consistent with the conviction that peace is more than the mere absence of war, and would help to fulfill NATO's purpose of strengthening the foundations of peace and freedom. The decisions taken within NATO during the last several years to establish a peacekeeping capability contribute to "promoting conditions of stability and well-being," as described in Article 2.

At the same time, under Article 4 of the Treaty, the Allies are committed to consulting together "whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened." The situations that give rise to the need for consultation may arise anywhere, including outside the North Atlantic area (SFRC Report, p. 11). Such consultations could lead to actions under other articles of the Treaty. Of course, the conditions that create the need for peacekeeping activity would be an appropriate subject for consultations if any of the Allies considered that the territorial integrity, political independence or security of any ally were threatened. Importantly, decisions to undertake peacekeeping activities under NATO's 1992 the Oslo Declaration would be taken on a case-by-case and consensus basis, so that any determination that the activities will promote conditions of stability and well-being would be made multilaterally.

Both the SFRC Report and Secretary of State Acheson's April 7, 1949, letter to President Truman regarding the NATO Treaty recognized the possibility that NATO would be called upon by the United Nations to engage in "enforcement action" with the consent of the Security Council under Chapter VIII of the UN Charter. The Committee on Foreign Relations noted "the treaty can of course be used as a regional arrangement under the United Nations for dealing with such matters as are appropriate for regional action within the meaning of chapter VIII of the Charter" (SFRC Report, p. 8). The SFRC Report continued "Its (the Treaty's) purpose is to assist in achieving the great purposes of the Charter, primarily the maintenance of peace. It can be utilized as a regional arrangement under chapter VIII or in any way, subject to the principles and all pertinent provisions of the Charter, which may be useful to accomplish those purposes" (p. 22).

The Secretary of State's letter to President Truman, in responding to the concern that NATO might take enforcement action outside the procedure established by the United Nations stated, "there is no intention of undertaking any enforcement action within the meaning of article 53 of the Charter unless the Security Council should specifically call upon the parties to take it" (P. 6-7). Article 53 specifically addresses enforcement actions undertaken by regional arrangements—"The Security Council shall, where appropriate, utilize such regional arrangements or agencies for enforcement action under its authority. But no enforcement action shall be taken under regional arrangements or by regional agencies without the authorization of the Security Council * * *.

In summary, the North Atlantic Treaty, as written and as acknowledged at the time of its creation, permits peacekeeping. The North Atlantic Council has taken the fundamental political steps necessary for NATO to undertake peacekeeping tasks under UN and CSCE auspices within the framework of the North Atlantic Treaty. No NATO Ally claims that the Treaty requires revision to accommodate this new activity, which is the logical extension of NATO's collective defense function. Peacekeeping, by consensus of NATO's members, is in consonance with the Treaty and the UN Charter.

The threats to Allied security and well-being resulting from instability and conflict in Eastern and Central Europe and the former Soviet Union were discussed in Section I. Support to the UN and CSCE in their efforts to contain and settle problems resulting from such instability will enable NATO to carry out its treaty obligations to strengthen the moral and material foundations of lasting peace and freedom in the North Atlantic area.

III. THE NORTH ATLANTIC TREATY AND PEACEKEEPING

The definition of peacekeeping, as elaborated by NATO's Executive Working Group, is as follows: "Peacekeeping should be assumed to cover all operations aimed at the protection or establishment of peace under a UN or CSCE mandate."

NATO with its integrated military structure, and long history of collective cooperation, has capabilities to perform peacekeeping tasks that no other organization can match.

There are a variety of peacekeeping and related missions that NATO might undertake in response to changing situations in Europe. These include but are not limited to:

Observation—normally conducted to supervise demarcation lines or cease-fire agreements.

Buffer Force—conducted as means of keeping two military forces apart within a state, while negotiations for a cease-fire or peace agreement are in progress.

Border Supervision—conducted along recognized borders or demarcation lines and in areas with relatively less tension.

Internal Pacification—initiated to effect an end to violence by peaceful means, to foster an environment in which the population can return to normal life under peaceful conditions and to support the achievement of a negotiated settlement by the parties in conflict.

Within these categories a number of specific actions may be undertaken such as monitoring the withdrawal of forces; monitoring compliance with the terms of embargoes; supervising disarmament and control of weapons; escorting, controlling and protecting convoys; maintaining safe corridors, routes or havens; maintaining and supervising disarmed or neutral areas; establishing and maintaining communications with necessary authorities, organizations and areas; establishing and maintaining appropriate reporting systems; conducting negotiations in cases of incidents or violations of an agreement, under hostile or threatening circumstances; protection of displaced persons; evacuating civilians; assisting in law and order tasks, including traffic control; accompanying and protecting political negotiators, civilian experts and other peacekeeping authorities; providing operational military intelligence to political authorities; providing a range of logistical assistance including transport, medical supplies, food, shelter, and water; removing hazardous munitions, barriers and other obstacles; and providing command and control capabilities.

CONGRESSIONAL RESOLUTION RECOGNIZING THAT UNITED STATES CITIZENS HAVE REMEDIES AGAINST THE GERMAN GOVERNMENT FOR INJURIES ARISING OUT OF WAR CRIMES DURING WORLD WAR II

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. MENENDEZ. Mr. Chairman, I would like to take a moment to speak in support of the sense of the Congress resolution that I introduced in connection with the Foreign Service Immunities Act. This resolution concerns the rights of United States citizens to remedies against the German Government arising out of injuries suffered by victims of war crimes during World War II.

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[1] The CSCE, in the Helsinki Summit Declaration (1992), provided for peacekeeping by deciding to "seek, on a case-by-case basis, the support of international institutions and organization, such as the EC, NATO and WEU, as well as other institutions and mechanisms * * *." The CSCE members declared the CSCE "a regional arrangement * * * " in compliance with the UN Charter, including accepting that "the rights and responsibilities of the Security Council remain unaffected in their entirety."

I introduced this amendment to make it clear that the United States citizens who were denied reparations by the German Government because of their citizenship are not without remedies for their injuries. There is no denying that the crimes of torture and enslavement committed by the Nazi government in Germany during World War II were abhorrent and inhumane.

In most cases, the German Government has given reparations to those who suffered at the hands of the Nazis. However, in at least one case, Germany has refused to give reparations to a United States citizen, claiming that he is ineligible because he was a United States citizen at the time the crimes were committed. Although this individual has sued the German Government in Federal district court, Germany is claiming that its status as a sovereign nation makes it immune to the litigation. I believe that this result is unconscionable. We cannot allow the German Government to believe that it need not accept responsibility, financially and morally, for the atrocities committed during World War II, just because the victim is an American citizen.

Finally, it is my hope that this resolution sends a message that this country will not allow nations to hide behind sovereign immunity in cases were atrocities of this nature have been committed against U.S. citizens.

CONGRESSIONAL RESOLUTION RECOGNIZING THAT U.S. CITIZENS HAVE REMEDIES AGAINST THE GERMAN GOVERNMENT FOR INJURIES ARISING OUT OF WAR CRIMES DURING WORLD WAR II

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. PALLONE. Mr. Chairman, I would like to take a moment now to discuss the sense of the Congress resolution that Mr. MENENDEZ introduced in connection with the Foreign Service Immunities Act. The resolution recognizes that U.S. citizens have remedies against the German Government to seek damages for personal injuries and property loss that they suffered as a result of war crimes committed by the German Government during the Second World War.

This resolution originated with the plight of a New Jersey man, Hugo Princz who lives in my district. Mr. Princz was a U.S. citizen living in Europe before the outbreak of World War II. Ninety days after the bombing of Pearl Harbor, he and his family were arrested by the German Government and were subsequently sent to concentration camps at Auschwitz and Dachau. Mr. Princz was the only member of his family to survive the slavery and torture that his family suffered at the hands of the Nazis.

Although after the war, Germany gave reparations to victims of the Holocaust, the German Government refused to pay any reparations to Mr. Princz solely because he was a United States citizen at the time the crimes against him were committed. This position is fundamentally unfair. The German Government has admitted that it is responsible for having committed these atrocities against Mr. Princz, yet it still refuses to pay him the compensation that he deserves. After the suffering that Mr. Princz has endured, it is unconscionable that the German Government can claim that his United States citizenship stands in the way of his ability to collect reparations at this late date.

After exhausting diplomatic remedies, Mr. Princz filed suit against the German Government in United States district court for damages resulting from these crimes. Although the presiding judge, Judge Stanley Sporkin has found that the court has jurisdiction in this case, the German Government is claiming that it is protected from suit under the Foreign Sovereign Immunities Act.

I hope this amendment will send a message to the world that such conduct will not be tolerated. By conducting the atrocious human rights abuses during the Nazi regime, Germany has waived any right to the usual sovereign immunity enjoyed by foreign nations.

POLLUTION PREVENTION AND INCINERATION CONTROL ACT INTRODUCED

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. TOWNS. Mr. Speaker, today, my honorable colleague BILL RICHARDSON and I, along with over 50 of our colleagues, introduced the Pollution Prevention and Incineration Control Act, a bill which I hope will help end one of the great tragedies of our age: the poisoning of our communities.

Every day, Americans generate 180 million tons of garbage, 1,500 pounds for every person. Everyone generates garbage. But how we dispose of garbage can create very disproportionate burdens.

In government and industry, we all acknowledge a waste-handling hierarchy: first, reduction of waste; second, reuse; third, recycling; fourth, incineration; and fifth, land-filling. But despite the public support for recycling, we often see proposals that deal only with the least desirable solutions: Replacing land-filling with incineration. Our bill has several provisions which aim to raise our sights to a higher level, to give more attention to reduction, reuse, and recycling before we plan on incineration.

We all applauded the EPA's initiative last month to address underregulated hazardous waste incinerators. Administrator Browner cited the emissions of lead, mercury, and dioxins as serious environmental hazards demanding action. Yet municipal solid waste [MSW] incinerators can emit far more of these damaging and deadly toxins, because they handle such huge volumes.

As many have been forced to acknowledge, communities of color and poor communities are frequently targeted as sites for toxic facilities. From Oakland to "cancer alley" in Louisiana to Brooklyn, we see communities at risk. That's why my colleague and I have added provisions to this bill to prohibit future incinerators, whether hazardous or municipal, from creating further disproportionate burdens on minority and low-income communities.

In my district, citizens are concerned about a proposal to build a 3,000 ton per day incinerator in the Brooklyn Navy Yard. The New York City members here today testify to the concern of the city's residents about incineration. These residents already face an unfair health burden from the hazards of existing incinerators and from other toxic sites in our borough. We don't need to be adding to that burden—we need to be fighting to clean up this mess.

New York City is already a Clean Air Act nonattainment area. With ozone and nitrous oxide poisoning our air, the city can't take the burden of more stacks on the skyline. The residents deserve better.

But I do not advocate this national policy solely on what I see in my community. Several groups have studied incineration. INFORM, a nonpartisan public information group, surveyed a sample of 15 incinerators nationally in "Burning Garbage in the US: Practice vs. State of the Art." They examined emissions of six key pollutants. Not one of the incinerators achieved state-of-the-art performance in all areas. An astonishing 6 of 15 did not achieve it for any of the six pollutants. Of equal importance and concern, all 15 plants varied widely in emissions.

Until we achieve better control and understanding of how to build and operate incinerators, no community should be asked to bear this environmental health burden. That's why this bill calls for a time out, until 1997, to allow us to better understand the state of the art and how to achieve it consistently.

The proper solution for our wastes is to reduce and recycle before we burn and dump. I am hopeful that the Richardson/Towns bill will not only end attempts to burn our way out of the garbage problem, it will also refocus efforts toward reducing and recycling our wastes.

BURNS NEWS ROOM WAS GLENS FALLS INSTITUTION UNDER FRIENDLY MANAGEMENT OF WALT, ANNE, AND DAVE TERRY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. SOLOMON. Mr. Speaker, we all have them in our districts. I'm referring to law-abiding, hard-working, big-hearted people who are a delight to know.

Today I'd like to tell about three such people, members of the first family I met when I moved to my hometown of Glens Falls, NY, about 35 years ago.

Walt and Anne Terry, along with their son Dave, ran the Burns News Room on Ridge Street in Glens Falls, a stone's throw south of city hall, for about 25 years, until selling the store June 1.

Mr. Speaker, it's like the end of an era. Burns News Room is a last vestige of the old days, when downtowns were busy with shoppers and activities. The suburban malls and the decline of pedestrian traffic have hurt the Terrys' business.

They were always a good source of street information. If I wanted to find out what the people were thinking, I could always find out in Burns News Room. I used to look forward to picking up the Sunday newspapers at Burns before or after church. The Terrys were always helpful, always friendly.

The news room will still operate under new owners, but without the Terrys, it won't seem the same. I'm going to miss them.

Mr. Speaker, it is my privilege to ask you and other Members to join me in saluting Walt, Anne, and Dave Terry, three of the most delightful people I have ever known.

Walt, Anne, and Dave, thanks for everything, and I hope your future plans keep you in the neighborhood.

TRIBUTE TO COL. HAL FULLER

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention today the fine work and outstanding public service of one of our country's top military men, Col. Harold Fuller, the garrision commander of the National Training Center at Fort Irwin near Barstow, CA. Colonel Fuller will be retiring after a long and distinguished military career on June 30.

Colonel Fuller was commissioned as a second lieutenant of Armor in the U.S. Army through the Reserve Officer's, Training Corps [ROTC] Program at Arkansas State University in 1968. He served as a student of the Army War College in Carlisle, PA, and the director of logistics and maintenance management at the Armor Center, Fort Knox, KY, before assuming his duties as garrison commander of the National Training Center on July 21, 1989.

Fuller achieved a B.S. degree in accounting from the University of Arkansas and MA degree in logistics management from the Florida Institute of Technology. His military education includes the Ranger School, the Basic Armor Officer Course, Infantry Officer's Advance Course, Command and General Staff College, and the Army War College.

In addition to his duties at Fort Irwin, Colonel Fuller has provided trusted and valuable leadership to the surrounding community. His active support of and involvement in local civic and educational endeavors is well known. Colonel Fuller has been extremely generous with his time and energy in assisting the Barstow Chamber of Commerce, the Barstow Headstart Program, local service clubs, the Toys for Tots Program, United Way projects and many activities supported by the city of Barstow. He has also been an active supporter of the Barstow Daze and Mardi Gras Parades, the southern California Armed Forces Day parade, Bishop's Mule Days, the Phelan Phling, and the Showshone Death Valley Days.

Colonel Fuller's military decorations and awards include the Legion of Merit, the Bronze Star with three oak leaf clusters and V device, the Meritorious Service Medal with three oak leaf clusters, the Army Commendation Medal with one oak leaf cluster and V device, the Army Achievement Medal, three Vietnam Service Ribbons, and the Ranger Tab.

Mr. Speaker, I ask that you join me, our colleagues and Colonel Fuller's many friends in saluting this remarkable man for his many years of dedicated, selfless service to the United States. I know our community, his wife Marianne, and daughters Jennifer and Suzanne are extremely proud of his achievements. It is fitting that the House of Representatives pay tribute to him today.

INTELLIGENCE COMMITTEE LOSES KEY AIDE

HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. GLICKMAN. Mr. Speaker, on May 23, Robert J. Fitch completed nearly 9 years of service on the staff of the House Permanent Select Committee on Intelligence. This evening, we will bid Bob a formal farewell, but I wanted to call attention in a more permanent way to his many contributions to the committee and the Nation.

The Intelligence Committee oversees the programs and activities of all of the intelligence agencies of the United States. One of the principal means by which oversight is conducted is through the review and authorization of the budgets for those agencies. At the time of his departure, Bob was the staff member chiefly responsible for the preparation of the committee's annual budget authorization bill. To be successful at that job requires expertise, dedication, and attention to detail. Bob possessed all of those attributes, and more, in abundance. He was highly regarded by the members of the committee for his thoroughness, and his judgment was accorded great weight in the committee's deliberations.

Before joining the committee, Bob had a distinguished career as an Army officer, including a tour in Vietnam. His receipt of the Legion of Merit and the Bronze Star reflects the quality of his military service. Bob's knowledge of the intelligence needs of battlefield commanders, and his support for programs designed to address those needs, was a product of his military experience.

After his release from active duty, Bob increased his knowledge of intelligence programs through his work at E-Systems Corp. His efforts to reconcile ambitious programs with fiscal realities was good preparation for his responsibilities with the committee.

Bob served under each of the six chairmen of the Intelligence Committee. He was therefore one of the repositories of institutional knowledge of the staff, and he was ever vigilant to the ensure that, as the composition of the committee changed, new members were aware of positions previously taken by the committee, and the reasons for them. In that regard he performed an extremely valuable function.

Mr. Speaker, Bob Fitch worked tirelessly to make certain that the House of Representatives effectively discharged its intelligence oversight responsibilities. Due to the classified nature of the Intelligence Committee's work, only a handful of the Members of this boby were aware of Bob's efforts. Those who worked with him, however, were impressed not only by his ability, but by his willingness to go to any length, often at considerable personal sacrifice, to ensure that the committee members were well served. As he begins a new career in private industry, I wanted Bob, his wife, Robin, and daughter, Allie, to know that his efforts, and his sacrifice, were very much appreciated.

TRIBUTE TO ERNIE SALVATORE

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. RAHALL. Mr. Speaker, after reading an inspiring article in the State Journal, I rise today to pay tribute to a remarkable individual in Huntington, WV. A retired sports columnist and editor, Ernie Salvatore has dedicated his life to journalism and the betterment of his neighbors and community. Not only has Salvatore seem many important activities in the area take place, but he has also been on hand to witness many great sporting events. One of those events happens to be the game where Pete Rose broke the longstanding career hits record of Ty Cobb. After his long and distinguished journalism career, Salvatore is continuing his devotion to the improvement of Huntington.

Mr. Salvatore, a graduate of Marshall University, believes strongly in trying to give something back to the community, as he likes to say. His community service efforts have improved the city of Huntington and the lives of Huntington residents. We, in West Virginia, are proud to call Ernie Salvatore a neighbor and a friend. His contributions to the community are appreciated and will be remembered for decades to come.

Ernie Salvatore was essential in forming a local Babe Ruth baseball league and has been involved with the annual Golden Gloves boxing tournament. Salvatore worked with local sports enthusiast, the late Patsy Jefferson, to establish the Riviera Golf Course for Huntington residents, as well as the Huntington Golf Championship Tournament. The citizens of Huntington are lucky to have this retired journalist still active as a weekly columnist for the Huntington Herald-Dispatch. It has been said by his coworkers that Salvatore was always there with a warm hand and a smile for a child in need. It seems that he has proven their humble words through his outstanding activities in Huntington.

SALUTE TO MARK OLSON

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. GALLEGLY. Mr. Speaker, I rise today to salute Mark Olson, the president of the Camarillo, CA, Chamber of Commerce, who will be stepping down this week after a very successful year.

During Mark's presidency, the chamber has been embarked on a number of major projects that have helped Camarillo weather one of the worst economic downturns in many years, and that I believe will help the city's economy grow and provide jobs and opportunities in months and years to come.

Among the most important of these projects have been undertaking long-term planning and revising the chamber's mission; ensuring the chamber remains financially stable; establishing the Pleasant Valley/Oxnard Plain Economic Development Committee through a grant provided by GTE; bringing office operations into the 1990's, including a fax machine, new phone system, and enhanced computer capability; and expanding the Camarillo merchandising campaign, including a holiday ornament and a soon-to-be-released "you can't live without" Camarillo lapel pin.

In addition, Mark—working with the chamber board and staff—helped bring to fruition the chamber directory; held a successful trade fair; brought about successful citywide sidewalk sales and a notable "Shop Camarillo" campaign; and established a number of advisory groups that are expected to pay significant dividends in the future.

Besides his outstanding work on behalf of the chamber, Mark continued to devote long hours to his day job as an area manager for Southern California Edison. He began his career in 1978 as a meter reader and has steadily climbed the company ladder since. He earned his bachelor's degree from California State University, Northridge, and a master's degree in business administration from California Lutheran University.

He also serves on the boards of the Public Information Communicators Association and Ventura County Campfire, and is a member of the Conejo Open Space Trails Advisory Committee, several other community organizations and the Rotary Club. Mark lives in Newbury Park with his wife, Rosemary, and their daughter.

Mr. Speaker, on Thursday the Camarillo Chamber of Commerce will hold its annual installation dinner. I ask my colleagues to join me in saluting Mark Olson for a job well done.

A VOTE FOR STRIKER PROTECTION SHOWS LOOSE GRIP ON REALITY

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. BEREUTER. Mr. Speaker, this Member urges his colleagues to read the strong and cogent editorial on the subject of striker replacement legislation found in the Omaha World-Herald of June 20, 1993.

The excerpted editorial follows:

[From the Omaha World-Herald, June 20, 1993]

A VOTE FOR STRIKER PROTECTION SHOWS LOOSE GRIP ON REALITY

The U.S. House has logged a vote that demonstrates how far its ruling majority has strayed from reality. The House voted 239–190 to help labor unions force management to yield to unreasonable wage demands.

That wasn't exactly what the bill said, of course. Few congressmen would be so tactless as to put it in so many words. But the effect is the same. The House voted to outlaw the use of permanent replacement workers during a strike for higher pay or benefits. If the bill became law, it would tip the balance of power in labor disputes materially against American business.

Thus does Congress heed the public's concern about jobs, jobs, jobs—by passing legislation that would make a move to Mexico or the Philippines more attractive for some manufacturers.

Federal law guarantees the right to strike. It states that strikers may not be fired for walking out. It prohibits employers from hiring permanent replacement workers when the strike in question involves allegations of unfair labor practices.

But employers have rights, too. One of them is the right to stay in business during a strike. They may hire temporary replacement workers. If the dispute in question involves demands for higher pay or more generous benefits, the employer may hire permanent replacement workers. Labor Department officials said several years ago that about 4 percent of the strikers in the previous decade had been displaced by permanent replacements.

But even though the tool might not be used in a majority of instances, both sides know that it exists. Take it away, and unions would have less incentive to negotiate. Strikes would become less risky for labor, more risky for management. Management, to avoid a crippling strike in which it had few options, would be forced to consider concessions that could compromise the health and job-creating capacity of the business.

How do such things happen? Part of the problem is the lack of real-world experience in Congress. The House, particularly is disproportionately made up of public interest lawyers, professional politicians, former congressional aides, former state legislators and minority activists. They don't have a clue about the risks inherent in establishing a business, creating jobs, building a productive work force and meeting a payroll while providing a return on investment.

Some of the same people who think that jobs just happen also tend to see labor unions mainly as campaign contributors. When they think about strikes at all, they imagine a David-and-Goliath drama with screenplay by John Steinbeck, the female lead played by Sally Field and a soundtrack consisting of old Pete Seeger songs. They have no firsthand knowledge of how a strike can poison workplace relationships, rip a community apart and destroy jobs.

One of the last things American needs at this stage of an economic recovery is an incentive for unions to use the strike threat. The Clinton administration has shown no sign that it recognizes the dangers in the bill. The Senate, then, may be the public's only hope of keeping reasonable balance of power between organized labor and management.

KEVIN F. COYLE RECEIVES PUBLIC SERVICE SCHOLARSHIP

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. CASTLE. Mr. Speaker, I ask my colleagues to join me today in acknowledging the fine accomplishments of Mr. Kevin F. Coyle of Camden, DE.

Mr. Coyle was chosen to receive a public service scholarship this year, making him one of only nine people chosen nationwide to be granted such an honor. This prestigious award is given to those who have excelled in their academic pursuits and have shown great interest in a career in public service.

Kevin is currently a graduate student in public administration at the University of Southern California's Washington Public Affairs Center. He has maintained a flawless grade point average of 4.0 and looks forward to a career with the Federal Government.

Mr. Coyle developed his interest in public service while growing up in Camden under the guidance of his father, who was a career Air Force officer and is presently employed with the Delaware State government. Kevin already has a fine record of service to his community and the Nation. While in high school, he became an Eagle Scout and served as a delegate to Boys' State. After graduation, Kevin served in the U.S. Army for 4 years and is now a project planning coordinator with the Kent County government in Delaware.

Our Government can only serve the people of this country through the dedicated work of individuals like Kevin Coyle. His hard work, talent and perseverance are already evident in his accomplishments, and I am sure he will serve Delaware and the Nation with distinction in the future. I am pleased to share Kevin's essay describing his goal of a career in public service.

I ask my colleagues to join me in congratulating Mr. Kevin F. Coyle on his proud day.

WHY I HAVE CHOSEN A PUBLIC SERVICE CAREER

It seems to me that I have spent my entire life in preparation for a career in government. My father was a career Air Force officer and is currently a State government employee (and has been since his retirement from the military), so I have had an exposure to the concept of public service since Day One. In high school, I was a delegate to Boys' State (Delaware) and an Eagle Scout, which reinforced the ideas of citizenship and participation in the democratic process. Following graduation from college, I spent over four years in the U.S. Army as a Transportation Officer (the result of a four-year ROTC Scholarship obligation). I am currently employed in County government, and have been for over five years.

I believe that I have a solid foundation for Public Administration. I received an excellent liberal arts education in the University of Notre Dame's Great Books Program, where I developed sound analytical and critical thinking skills, and enhanced my written and verbal communication skills. As an Army Officer, I was trained in management and leadership techniques. As a County government employee, I have held positions of increasing responsibility: as a Research Assistant and Assistant to the County Administrator, and as Planning Project Coordinator. Throughout the last eleven years, I have matured personally and professionally.

I am now at a point in my career where I am ready to "take it to the next level." I realize that to assume positions of even greater responsibility and challenge (at any level of government), I need to obtain a Master's degree. I feel that my previous level of education and experience have prepared me for such an undertaking, as evidenced by my performance in the Master's of Public Administration program at the University of Southern California, School of Public Administration, Washington Public Affairs Center.

I firmly believe that my life, personal and professional, has been enhanced by and through public service. I also feel obligated to return, through whatever modest means I possess, something to the field which has given me opportunity and reward. I look forward to continuing my education and career in the public sector.

IN HONOR OF THE 20TH ANNIVERSARY OF KIKKOMAN FOODS OF WALWORTH, WI

HON. PETER W. BARCA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. BARCA. Mr. Speaker, last week I had the honor of participating in the 20th anniversary celebration of Kikkoman Foods' operations in Walworth, WI. During the past two decades, Kikkoman Foods has played an important role in the economic and cultural life of the citizens of Walworth and the State of Wisconsin.

When Kikkoman established its sole American production facility 20 years ago, it produced just two products: soy sauce and teriyaki sauce. But over the years it has led the way in product innovation and expanded its scope so much that it now makes 14 products—ranging from tempura dipping sauce to lite soy sauce—and has tripled in size. In an increasingly competitive market, Kikkoman has maintained its edge by diversifying, retraining its workers and upgrading its operations.

Kikkoman's creativeness has allowed it to grow from the 50 employees it started with in 1973 to its current 129-person work force. It is one of the jewels of southeast Wisconsin's economy.

But Kikkoman's contributions to our area go far beyond just the payroll it maintains. Kikkoman annually donates tens of thousands of dollars to libraries, schools, universities and local charitable organizations. It sponsors an annual high school student exchange between Japan and the United States. And last week Kikkoman announced the creation of the Kikkoman Foundation which will contribute $3 million during the next 5 years to cultural, educational and economic development in Wisconsin.

Southeast Wisconsin is fortunate to have a model corporate citizen such as Kikkoman. Kikkoman is exceptional in its recognition that its own health is closely tied to the well-being of the citizens it employs and the region it serves. As Kikkoman looks forward, we in southeast Wisconsin are proud and supportive of their development.

A TRIBUTE TO CARMICHAEL CHAMBER OF COMMERCE BUSINESSPERSONS OF THE YEAR 1987-93

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. FAZIO. Mr. Speaker, I rise today to pay tribute to the past and current recipients of the Carmichael Chamber of Commerce Businessperson of the Year Awards. These are people who have shown outstanding commitment and dedication to their community and should be recognized for their contributions.

In 1987, the first year this award was given out, it went to Nancy Miars, owner of Carmichael Floor & Design Center. Ms. Miars had been in business for 17 years and was a leader in the Carmichael Chamber of Commerce's annual gala fireworks, Fourth of July events, and Founders' Day. She was also active in working on transportation and land use issues. She has been a resident of the county for over 40 years and personifies the very best in business and community leadership.

The 1988 recipient was Col. Ross Davidson, Ph.D. USAF (Ret.), a Carmichael businessperson for 18 years. He was active in the chamber in governmental and military affairs and was program chairman. He actively promoted the establishment of small businesses in Carmichael, assisting in their early development. He has lived in Carmichael for over 25 years.

Shirly Turner, editor and publisher of the Carmichael Times, was named Businessperson of the Year in 1989. She has proven a valuable resource person to the community, working countless hours toward the orderly growth and development of this community. She is a long serving member of the board of directors where she established the Quarterly Small Business Breakfast Seminar.

Because of her work on the chamber board and as honorary mayor of Carmichael, Bonnie Berns was named Businessperson of the Year for 1990. Bonnie Berns was with the Wells Fargo Bank for over 27 years and has served as membership committee chair, ambassador, and president of the chamber. She has a longstanding commitment to such organizations as the PTA, Little League, Girl's softball, Boy Scouts, and was a Brownie leader, a Sunday School teacher, member of various church organizations, and financial chair of the American River Hospital Foundation. She also served on the California Widow's Association.

The honoree for 1991 was Verne Lind, a Carmichael businessperson with Lind Brothers Mortuary for 27 years. He has served as a chamber director, past president of the Carmichael Kiwanis Club and member of the Carmichael Elks Lodge. He has also served on the American River Hospital board of directors and as a member of the Hospice Care of Sacramento. A resident of Carmichael for over 26 years, he has been involved in the Carmichael Funeral Directors Association, National Funeral Directors Association, International Associated Funeral Directors Service and the Sacramento Area Funeral Directors Association.

In 1992, Major A Nilson, DVM was named Businessperson of the year. He has been with the Fair Oaks Boulevard Veterinary Hospital for 38 years and served as president of the chamber board, was honorary mayor and selected to receive the Outstanding Man of the Year award. Also as a chamber member he served on the planning board and was instrumental in the construction and fundraising for the Bandshell in Carmichael Park. He is involved in the Church of Jesus Christ of Latter Day Saints and the Boy Scouts of America where he earned the Silver Bear and Silver Beaver awards. He has also served as a member of the Postal Advisory Committee and the San Juan District Election Committee.

This year's award went to two people, Mark and Sue Hart, owners of California Business Machines, a successful Carmichael business for 31 years. They have been active members of the Chamber since 1963 and both have served on the board, Mark as president in 1968.

Mark's involvements include 24 years as a Carmichael Elks Lodge member, over 20 years as a Carmichael Rotary member, past member of the Carmichael Kiwanis, past finance chair of the Boy Scouts of America's Iron Horse District. Sue was a charter member of Soroptimist Int. of Carmichael-Fair Oaks and has been an active member for 22 years serving as past president and Ways and Means chair. She is also a member of the Carmichael Interwheel Club, past member of American Business Women's Association and Carmichael Kiwanis, and was a Boy Scout Den mother.

Mark has been a director of the American River Fire Protection District since 1968 and is currently serving as secretary of the board. Sue has worked on such community projects as WEAVE, the Effie Yeaw Nature Center and providing Christmas boxes for seniors in local homes.

Mr. Speaker, each of these people has left a positive and lasting mark on the community of Carmichael and are deserving of the recognition given them by their peers. Each epitomizes what citizenship is all about in this great country. I am sure that my colleagues here with me today will join in giving their sincere appreciation to Mark and Sue Hart, Dr. Major Nilson, Verne Lind, Bonnie Berns, Shirley Turner, Ross Davidson and Nancy Miars and their congratulations for their achievements. In addition, I would like to send my personal best wishes to each and every one as they continue in their current endeavors to make Carmichael a model community.

DEMOCRACY IN PAKISTAN

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. WILSON. Mr. Speaker, I would like to bring to the attention of my colleagues a recent development which I think many have overlooked. We have all watched with interest and awe as the tides of democracy have swept across the world and now reach to all but the darkest corners of the world. However, the stability of democracy is not something we can take for granted. In the Third World, in particular, democracy can be all too brief and ephemeral, as we most recently saw in Guatemala.

However, for each such step backward in one country, we have seen two steps forward in another. A perfect example of this is Pakistan. Last month, the President of Pakistan dismissed the government of Prime Minister Nawaz Sharif. He used authorities supposedly given to him by the eighth amendment of the Pakistani Constitution. The Prime Minister, however, disagreed with the President's actions and used the legal and democratic institutions in Pakistan to challenge this action in the courts. This week, Pakistan's Supreme Court ruled by a vote of 10 to 1 that the President's action was illegal and unconstitutional and restored the previous government immediately. The newly reinstalled Prime Minister called for a vote of confidence in the National Assembly on Thursday and won with a very comfortable margin of 60 percent.

This was the first time in the history of Pakistan that the courts have overturned a Presidential dismissal of a government and restored the previous government to power. In a country such as Pakistan—which has had short periods of democratic rule, frequently interrupted by extended periods of military dictatorships—this action is not only noteworthy, it is remarkable. Since 1988, Pakistan has undergone two national elections and has witnessed peaceful transitions in government. Never before has Pakistan enjoyed such a period of democratic rule. However, this period has not been without its challenges.

In 1988, the elections came about after President Muhammad Zia-ul Haq was assassinated soon after he dismissed the government of Prime Minister Junejo. In 1990, the President dismissed former prime Minister Benazir Bhutto and elections were held which the National Democratic Institute, the State Department, and international observer groups described as a fair reflection of the wishes of the people. In 1993, democracy again was challenged by a Presidential dismissal, as I just described and democracy won.

One major footnote in this power struggle was the very positive role of the army. In Pakistan's more than 45-year history, the army has always been the ultimate arbiter of power. Civilian governments ruled at the sufferance of the army and those civilians who stepped too far were removed from power. In this most recent struggle, the army stated very clearly that it would not become involved in the political fight and served its proper function as a guarantor of the public safety. The army supported the President in what appeared to be a legitimate exercise of his constitutional prerogatives. However, when the supreme court ruled that the President had acted improperly, the army stood behind that decision and supported the restoration of the previous government. This is the proper role for the armed forces of any country and should be a lesson to others in the Third World.

I applaud the supreme court, the army, and the people of Pakistan for their dramatic step forward in their democratic evolution.

MEMORIAL TO GOLER TEAL BUTCHER

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. TOWNS. Mr. Speaker, Goler Teal Butcher, 67, a lawyer, retired Howard University professor, and former government official who was active in civic groups, died June 9 at Washington Hospital Center after a heart attack.

She had taught in Howard University's law school from 1981 to 1992. She retired as a professor of international law and had directed the law school's graduate program in comparative jurisprudence.

Mrs. Butcher, who had an extensive background as an international human rights lawyer, directed the Clinton-Gore transition team at the Agency for International Development [AID]. She was a former Capitol Hill staff member, State Department lawyer, and African bureau director for AID.

She had served on the board of Amnesty International USA since 1987. This month she was given TransAfrica's African Freedom Award and last year received the Whitney North Seymour Award of the Lawyers Coalition for Civil Rights Under Law.

Mrs. Butcher, a Philadelphia native, was a 1946 Phi Beta Kappa graduate of the University of Pennsylvania. She moved here in 1947 and became the wife of Howard University mathematics professor, George Hench Butcher, Jr. They had four children.

She might have been a typical, dedicated faculty wife. She studied mathematics so she could help her husband grade papers. She also studied piano so she could accompany her husband and children, who all played the violin, in family recitals. And she read history.

Mrs. Butcher told a Washington Post reporter in 1963 that her fascination with the pre-Civil War figures led to her eventually becoming a lawyer. "I'd go to the library and fill a shopping bag with history. Then I'd struggle home with the bag in one hand, the baby in the other and my little boy holding on to my coat."

She finally realized most of the figures she admired, especially John Quincy Adams, who fought slavery for years in the House of Representatives after serving as President, were lawyers.

"Anyway," she told the Post, "decided that some fields were made for certain people and that law was mine. I told my husband I thought I'd go to law school when the children were older, and he said, 'Go now.'"

While raising young children, she graduated summa cum laude from Howard University Law School, where she was first in her class and editor in chief of Law Review. Then her husband took the family to Pennsylvania when he received a fellowship. While the family was there, Mrs. Butcher received a master's degree in international law from the University of Pennsylvania Law School. In 1958 and 1959, she was a clerk to U.S. Circuit Court Judge William H. Hastie, of Philadelphia.

After returning here, she spent 2 years as a lawyer with the D.C. Legal Aid Society, then worked in 1962 and 1963 for the legislative reference service of the Library of Congress. She was an attorney-adviser in the State Department's office of the legal adviser from 1963 to 1971. When she joined the staff of the legal adviser, the State Department announced that she was believed to be the first black person to serve in the legal unit.

She was a staff director and consultant with the House Foreign Affairs Committee's Subcommittee on Africa from 1971 to 1974. She then engaged in the private practice of law here before serving with AID from 1977 to 1981.

Mrs. Butcher was an honorary vice president of the American Society of International Law and a trustee of Clark University in Massachusetts. She had served on the D.C. Bar Association's board of professional responsibility.

Survivors include her husband of 47 years, George, of Washington; a son, George III, of New Rochelle, NY; three daughters, Lily Gill of Los Angeles and Georgette Fowler and Caryl Butcher, both of Upper Marlboro; a brother, Donald W. Teal of Washington; and nine grandchildren.

SOUTH GLENS FALLS TO HONOR JOYCE LEOMBRUNO FOR SERVICE AS CLERK-TREASURER

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. SOLOMON. Mr. Speaker, there are good people in communities across the country who perform outstanding public service day in and day out without the recognition they deserve.

I intend to correct that in tne case of one of those good public servants, Joyce M. Leombruno, who is retiring after 16½ years as clerk/treasurer of the Village of South Glens Falls, NY.

When I was a town supervisor many years ago I quickly learned how important officials like Joyce Leombruno were to the successful operation of local government. That is the point where the American taxpayer meets government face to face. The Village of South Glens Falls and the people who live there were lucky to have Joyce Leombruno to serve them.

She was a member of the New York State Municipal Purchasing Officials, and still belongs to the New York State Association of City/Village Clerks.

Joyce and her husband Dan have raised four children, Peter, Mike, Heather, and Penny, and five grandchildren, Ben, Michelle, Jeremy, Chip, and Nicholas.

Joyce will have more time to enjoy those grandchildren, and to be more active in the Glens Falls Kennel Club. She has also been taking art classes at the Art Works, and she will take more classes this fall at Skidmore College.

While we are all glad to see Joyce Leombruno relax and pursue her various interests, there is always some sadness attached to the retirement of a valued public official of long service. South Glens Falls Mayor Robert Phinney will miss her, village residents will miss her, and I will miss her.

On July 16, her colleagues and friends will honor her at a retirement party.

Mr. Speaker, I ask all Members to join me in paying our own tribute to Joyce Leombruno of South Glens Falls, NY, a model public servant and great lady.

TRIBUTE TO ENCOUNTER

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. COSTELLO. Mr. Speaker, I rise today in recognition of Encounter, a wonderful group of young people. This talented church singing group, sponsored by the Main Street Methodist Church, is comprised of 58 teenagers representing 22 churches in Alton, IL. They have earned the honor of singing our country's National Anthem in the Houston Astrodome.

Encounter will perform Tuesday night August 3 before the Los Angeles Dodgers and Houston Astros baseball game. I am proud to have such a talented group of young people representing my district and the State of Illinois. Mr. Speaker, I thank my colleagues for joining me in recognition of this wonderful church singing group Encounter.

PROMOTE WORKPLACE FAIRNESS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. CLAY. Mr. Speaker, on Tuesday June 15, 1993, this House considered and passed H.R. 5, the Cesar Chavez Workplace Fairness Act, legislation that I am proud to have sponsored. During general debate, in my statement in support of this legislation, I told my colleagues about contract negotiations between three St. Louis area grocery chains and Local 88 of the United Food and Commercial Workers International Union. I have recently received a letter from a constituent, Ms. Donna Wessel of Woodson Terrace, MO, that more eloquently describes both the tactics that the employers are using and the destructive impact that the ability of employers to permanently replace striking workers has had upon those negotiations and upon the rights of American workers. In order that my colleagues may more fully understand the predicament of American workers and the need to prohibit the permanent replacement of striking workers, I insert the memorandum Ms. Wessel received from her employer and her correspondence to me.

[Memorandum]

To: All Schnucks Associates who are members of Local 655.

From: Bob Flacke, Director of Labor Relations.

Date: May 7, 1993.

Subject: Questions and answers regarding strikes and/or lockouts.

As you know, Schnucks has been negotiating with Local 88 Union Officials for a new Labor Agreement. You are not covered by that agreement, but many of you have asked questions regarding how you could be affected by these negotiations if they deadlock, which we hope will not happen. The Company does not know if that will happen, but you need this information if Local 88 engages in an economic strike or the Company locks out associates covered by the Local 88 Labor Agreement.

WHAT HAPPENS IF LOCAL 88 STRIKES SCHNUCKS?

1. Q. Can I come to work if Local 88 goes out on strike? A. Yes, you can come to work. This is your decision.

2. Q. Will there be work for me if I decide I want to work during a Local 88 strike? A. The Company will continue to operate during any strike. Associates who come to work will have their hours scheduled according to their availability and the contract. The number of hours available will depend upon the needs of our business and staffing needs. So, you may have more or less hours available to you than you are working now.

3. Q. What would happen to me if I decide not to come to work during a Local 88 strike? A. The Company will hire either permanent or temporary replacements for associates who choose to honor the picket line and not to come to work during a strike, depending on how many associates are needed.

WHAT HAPPENS IF LOCAL 88 DOES NOT STRIKE SCHNUCKS?

4. Q. What would happen if Local 88 did not strike Schnucks, but struck Dierbergs or National? A. Because we believe so strongly that non-union competition is damaging our Companies, Schnucks, National and Dierbergs have agreed that if one of the Companies is struck by Local 88, the other Companies will lock out its associates represented by Local 88.

5. Q. Will I be able to come to work during a lockout of Local 88 associates? A. Yes. The Company will operate during a lockout and will follow your contract to schedule hours.

6. Q. Can the Union fine me if I would cross a picket line and work? A. It is Schnucks' opinion that Local 655 cannot legally fine you if you choose to cross the picket line based upon the terms of the collective bargaining agreement with Local 655. However, Local 655 may attempt to fine you under the Local 655's By-Laws. In order to avoid any potential fine and to protect yourself, a Union member can resign from the Union PRIOR to crossing a picket line. This can be done by dropping off or mailing a letter to the Union notifying it of the associate's resignation from membership. A letter which is dropped off at the Union hall is effective upon receipt by the Union. A mailed resignation takes effect at 12:01 a.m. on the day following deposit in the mail. The date of deposit is determined by the postmark. However, should the Union choose not to fine, then it is not necessary to resign from the Union.

7. Q. Can your Union threaten that you will not have a job if you resign from the Union? A. Absolutely not. The Union cannot prevent you from continuing to work, and you will continue to receive all of your benefits.

COMMON QUESTIONS FOR BOTH A STRIKE AND LOCKOUT

8. Q. What happens if I resign from the Union and continue to work? A. You will not lose your seniority, and your pay and benefits will not be affected by your decision to resign from the Union.

9. Q. Can I rejoin the Union if I resign? A. Yes; however, the Union could require you to pay the current initiation fee.

10. Q. Are associates who elect not to work during a strike or lockout eligible for unemployment compensation? A. Generally, associates who do not work during a strike or lockout will be denied unemployment compensation. Thus, you should not assume that you will be receiving unemployment compensation in the event of a strike or a lockout.

11. Q. What happens to associates' medical insurance should they elect not to work during a strike? A. The Company, who pays 100% of your medical and insurance premiums, will discontinue making Health & Welfare contributions on your behalf and associates will be required to pay their own premiums for any Health and Welfare insurance. If you do not work enough hours in June, it could affect your insurance coverage in August. Contact the Health & Welfare Trust Fund to determine your cost.

12. Q. Should an associate cross a picket line in the event of a strike against Schnucks? A. Each associate must decide this individually. However, failure to report to work means you won't earn any pay, so you have to decide whether you can afford it. Remember, you could also lose your benefits as discussed in question Number 11. Schnucks intends to continue operations during a strike or lockout.

The Company hopes that Local 88 does not strike and that the Company does not have a lockout. However, we will do whatever is necessary to operate our stores in the event of a work stoppage. If you have other questions, please contact either your store manager or the Labor Relations Department.

WOODSON TERRACE, MO, *June 7, 1993.*

Subject: H.R. 5.

Hon. WILLIAM CLAY,
Rayburn Building, Washington, DC.

DEAR CONGRESSMAN CLAY: I am enclosing copies of letters sent to me by my Company's Director of Labor Relations. Also included are copies of help wanted ads that appeared in our local paper prior to our receiving these letters. This is a very good example of what the American bluecollar worker has to contend with in today's workplace.

The three major food chains (Schnucks, National, Dierberg) in our area are currently in the midst of labor negotiations with Local 88 (Meatcutters, wrappers, deli-seafood workers). I am a member of Local 655 (UFCW, which includes clerks, cashiers, bakery, dairy, grocery, produce, etc. personnel). I am not directly involved in these negotiations. However, I will most certainly be affected by the final result. You see, the Master Food Agreement between my Local 655 and these same food chains come up for negotiation in the early summer of 1994.

My point is this. I do not appreciate this attempt at intimidation. Inferring that I (Local 655 members) could lose my (our) job to a "temporary replacement" worker—scab—either temporarily or permanently if I elect to support a possible strike by the Meatcutters is abhorrent to me. Coercion and manipulation by virtue of corporate scare tactics should be illegal!!! If not for the procrastination by the Congress these reprehensible actions would already be disallowed.

At the time this Company letter was written and sent to us negotiations with Local 88 were still in progress. Local 88 had not yet had a general membership meeting to vote on a proposed new labor agreement—much less had they voted to strike. Why, then, were the major food chains, my employer apparently leading the way, trying to involve and influence me and fellow coworkers into taking sides? Plain and simple—intimidation through fear. The answer, obviously, is because there is no law against it. They know such tactics usually work. By striking fear into the hearts of your employees inferring that they will lose their jobs to permanent, or even temporary, outside replacements the following is likely to happen: (1) employees will most likely make wage/benefits concessions when forced, (2) they will be afraid to strike (for the wrong reasons), (3) they will cross picket lines (even if they would really rather not) in order to preserve their jobs.

Everyone says they want a "level playing field." This is the new buzzword of the 90's. I consider a situation of the type described as anything but level. Big Money (**$$$**) once again wields its club against the very people that made their achievements and coveted market position possible in the first place.

I would like to see H.R. 5 unswathed from bureaucratic redtape and begin to move through the House. I would like this bill—making it illegal for employers to hire permanent replacements for striking employees—to be passed as soon as possible!

I especially believe passage would help to foster an atmosphere wherein employers would use the knowledge and technology available to them to "build a better mousetrap" rather than spending precious hours espousing the erroneous and misleading philosophy that the only way they can continue to do business is by extracting concessions and givebacks from their employees.

I might be able to comprehend and somewhat accept this theory if a company is losing money and customers. I definitely cannot understand this propagandizing when they are earning profits and, indeed, in some cases even expanding their market base with new stores in other states in which they have never before operated. This cannot be a company that is losing money and needs concessions. One word would seem to sum it up—greed.

It is time for the fear tactics to stop!! Members of labor unions should not have to quake in fear of their livelihoods every 2-3 years when their contracts come up for renegotiation. Passage of H.R. 5 will help to give all working men and women the level playing field necessary for open, honest, good-faith bargaining and eliminate "negotiation by intimidation."

It is time for our Senators and Representatives to listen to the collective voice of their bluecollar constituents, not just the powerful business lobby that contributes to campaigns. Now is the time—either paint or get off the ladder on this issue. This bill has been hanging fire long enough. Hard working men and women across the width and breadth of this nation need your support. Your vote on this issue will be a clear indication to me whether you are for us or against us.

Sincerely,

DONNA J. WESSEL.

CARPENTER ELEMENTARY SCHOOL'S SPACE PROGRAM

HON. WILLIAM H. ZELIFF, JR.

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. ZELIFF. Mr. Speaker, I rise today to pay tribute to the faculty and students at Carpenter Elementary School in Wolfeboro, NH. Their multiage classroom program is a top-notch example of what technology can contribute to education when harnessed properly.

I recently had the opportunity to visit with these bright young people in New Hampshire. I was tremendously impressed—even awed—by the enormous capability of these individuals.

These students have worked very hard for the last several years on several technology-based projects. In particular, however, they have excelled in their Kids Aerospace Simulation Activities [KASA] program. In fact, they are in Washington today to make a presentation at the newest NASA training program. They will be demonstrating their KASA simulation as part of one of the workshops.

In the recent past, these children have sent representatives to NASA's Space Camp in Alabama. They have designed and produced their own KASA flight suits. This clothing will be worn when the students use their Space Plane and Mission Control center that they have worked so hard to design and build.

The Space Plane and Mission Control both use sophisticated computer networks and electrical wiring. The students have become familiar with many of these devices so they can pilot the spacecraft and deal with any problems they may encounter in flight.

The program really is an outstanding coordination between the students, the faculty, and volunteers in the community. The children are learning valuable lessons in teamwork and cooperation as they also learn more about the American space exploration program. It is absolutely amazing that these students have accomplished at such a young age.

Perhaps what is most important is that it was clear to me and everyone in my group that the children were really enjoying their work. I believe that when students enjoy learning, they will actually learn better.

Our society is becoming increasingly more technological. We are moving closer and closer to the day when computers will dominate our lives. As the leaders of our Nation, we must work to ensure that all young people move through the American system of education and graduate with the technological skills needed to survive in the 21st century.

The declared purpose of this program that was founded in 1974 is to develop a learning environment designed to provide experience based learning activities that will provide a bridge between a child's understanding of his or her world and new knowledge. Dr. Irene Ladd, the director of this incredible program, has been able to successfully assemble a curriculum that brings the students together and teaches them the skills of the future.

Today I ask my colleagues on both sides of the aisle to join me in saluting Carpenter Elementary School for its tremendous achievements. With programs like this in America, the future can only be bright.

HONORING MR. D.C. NOKES

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. MURTHA. Mr. Speaker, on Monday, June 28, it will be my honor to serve as honorary chairman for the gold medallion dinner of B'nai B'rith International, which will honor Mr. D.C. Nokes of Johnstown.

D.C. is the kind of community-oriented, community-involved person that represents the heart of the Johnstown area.

We've overcome major job lay-offs, natural disasters, and economic downturns in the Johnstown community, and we've always just kept fighting back and overcoming these obstacles because of the commitment and dedication of our community to work together for the common good. No one exemplifies this spirit better than D.C.

Sometimes people raise concerns to me about America's future, but I tell them that I've worked with so many dedicated, committed, caring people that I'm confident that cornerstone of American strength is as alive and well as ever.

And this strength is very present in the character of D.C. Nokes. That's why it's an honor for me to serve as honorary chairman of this recognition and to add these remarks in the CONGRESSIONAL RECORD to this event.

A TRIBUTE TO PATERSON VALEDICTORIANS

HON. HERB KLEIN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. KLEIN. Mr. Speaker, I rise today to pay tribute to the valedictorians from the Paterson high schools: Wade Nembhard of Paterson Eastside High School, Scott Stansfield of Don Bosco Technical High School, Gigi Adele Aquilio of Rosa Parks Arts High School, Sami Masri of Paterson Catholic Regional High School, and Denise Powell of John F. Kennedy High School. These exceptional scholars deserve our acknowledgment and praise for their exemplary work and dedication which has resulted in their graduating at the top of their respective high school classes.

These students have achieved more than just high grades; they have all enriched the quality of education at their schools by actively participating in extracurricular activities. They have also served their community by helping those in need. It is always an honor to have students in our district that are so dedicated to bettering the lives of the citizens in our community.

All of these students are going to continue their education by attending college. Education is vital not only to the individuals themselves, but also to the future of our entire country. Only these well-educated students will be able to compete in an increasingly technological world market. They will be best prepared to solve the problems that threaten the future of our country. These are the individuals who will be our future leaders.

Mr. Speaker, these students who quietly attain excellence deserve praise, recognition, and admiration which is long overdue. It needs to be made clear to our children that we greatly value academics, learning, and community service. I ask my colleagues to join me in honoring Wade Nembhard, Scott Stansfield, Gigi Adele Aquilio, Sami Masri, and Denise Powell for all of their achievements, and for graduating as valedictorians of their high school classes.

STOP PENALIZING THOSE WHO SAVE AND INVEST

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. CRANE. Mr. Speaker, today I am introducing legislation which goes to the heart of why the Japanese and most the major industrialized nations have substantially higher personal savings rates than the United States. In short, the United States penalizes individuals who save and invest relative to other countries. A 1989 study commissioned by the Securities and Industry Association [SIA] in an effort to compare the U.S. Tax Code with other major industrialized nations makes this point clear:

> In general, the more favorable tax treatment of investment income by foreign countries than in the U.S. has, in part, fostered higher levels of savings and investment. The U.S. has among the harshest tax treatment of investment income. Across-the-board, the U.S. falls behind its international competitors in the tax treatment of the return from savings—capital gains, dividends, and interest. Moreover, in almost all foreign countries, tax incentives are used specifically to encourage individuals to save and invest.

Our Internal Revenue Code in constructed in a manner which undermines our ability to create capital through savings and investment. Indeed, our Tax Code runs contrary to values that we have been trying to instill in our children for generations—that is, save for the proverbial rainy day. I remember years ago counselling my son, George, to make sure he set aside some of his paycheck for a later date. After passing on my sage advice, George looked at me rather quizzically and said "Daddy, why should I do that? If I blow my entire paycheck by the end of the week the government can only get at it once." I was rather taken aback by the comment but after thinking about it a bit, George was right.

Uncle Sam takes his first shot at American taxpayers when they pay income taxes on their earnings. If the invest their after tax dollars in stock, for example, and receive dividends, they get hit a second time on the dividends they receive. Should they sell their stock and enjoy a capital gain, the IRS hits them a third time. And then when they die, hoping to pass on to their children what they have worked so hard to create, Uncle Sam comes in and hits them a forth time with the estate tax.

Now contrast this scenario with George's approach—if you spend it all by the end of the week, the IRS only gets you one time. There is something dramatically wrong with a system that essentially encourages Americans to spend it all at the expense of saving money.

Toward the end of ridding our Tax Code of provisions which discourage savings and investment, I propose to exclude interest and dividends from taxation. In my view, you should be free to manage your aftertax dollars however, you want, unencumbered by a Government greedily looking to snatch up any source of revenue it can find. Excluding interest and dividends will encourage individual savings and investment. Encouraging individuals to build their savings will benefit individuals as well as Government by decreasing reliance on entitlement programs and other government assistance. Moreover, increasing the pool of capital in this country will make more money available for those hoping to create new businesses and for those companies looking to expand. This in turn will create jobs.

I urge my colleagues to consider fundamental reform of our Tax Code, and I urge them to consider cosponsoring the legislation I am introducing today as a start toward creating a more rational Tax Code.

TRIBUTE TO W. WYATT SHORTER

HON. SONNY CALLAHAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. CALLAHAN. Mr. Speaker, I rise today to recognize and pay tribute to an outstanding Alabamian, W. Wyatt Shorter, who will be retiring this Thursday as president of MacMillan Bloedel Inc., one of Alabama's most outstanding corporate citizens.

Because of Wyatt Shorter's leadership, MacMillan Bloedel experienced record growth during his 15 years at the helm, and today, the company has become a respected leader in the paper and pulp industry worldwide. Not only did Wyatt provide the company with the kind of leadership that produces profits on the company ledgers, but he has dedicated his whole life to making his community, State, and Nation better. When you look up the definition of a philanthropist in Webster's, the name Wyatt Shorter could very easily be given as the example.

Mr. Speaker, Wyatt Shorter knows how to make things happen. Under his leadership, MacMillan Bloedel has been a major supporter of the public school system in Wilcox County, AL, by providing, among many other things, the installation funding of IMB's "Writing to Read" program in all of the public elementary schools in the county. In addition, Wyatt's commitment to rural health care has provided a major source of funding to J. Paul Jones Hospital, which is located in Camden and provides outstanding health care to thousands of families who live in this rural part of our State.

Wyatt's accomplishments and interests outside the company could make one who does not know him wonder how he ever had time to get it all done. He is past president of the Paper Industry Management Association, past president of the Alabama Chamber of Commerce, past chairman of the Alabama Alliance of Business and Industry, and he was the founding chairman of the Alabama Pulp and Paper Council. Presently, he continues to remain active as a member of the board of directors of the Fourdrinier Kraft Board Group, and is on the board of trustees of the Institute of Paper Science and Technology. Wyatt Shorter is also a director of the First Alabama Bank of Montgomery, First Alabama Bancshares, Inc., and the Jenkins Brick Company, a member of the executive committee of the American Forest and Paper Association, and a member of the board of trustees of Huntingdon College.

In addition to being a leader in the paper and pulp industry and a businessman ranked second to none, Wyatt Shorter is a family man. He and his wife, Gayle, are the proud parents of five wonderful children, Walter, Margaret, Peasley, John, and Chris, and it is his family of which Wyatt is most proud.

In fact, this Thursday night, at Wyatt's retirement party in Montgomery, his son, John, who is currently an officer in the U.S. Navy and like his father is a graduate of Virginia Military Institute, will sing the National Anthem, and while I unfortunately will not be there for this occasion, I know that moment alone will bring a tear to the eyes of this smart, tough, yet very giving and caring man.

Wyatt Shorter has done so much for the people of Alabama that there is truly no way we can ever repay him for all his many contributions; clearly, his legacy will live on for decades to come. But most importantly, Wyatt has proved, by personal witness, what a lot of hard work, dedication, and good will can accomplish.

Mr. Speaker, I salute my friend, Wyatt Shorter, and say a very sincere thank you for a job well done.

INTRODUCTION OF THE LEAD-BASED PAINT HAZARD ABATEMENT TRUST FUND ACT

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. CARDIN. Mr. Speaker, today I will be reintroducing my lead trust fund legislation which will provide $1 billion per year for the cleanup of deteriorating lead-based paint that is threatening generations of American children. Senator BILL BRADLEY will be introducing similar legislation in the coming weeks.

My legislation provides for the only real cure for childhood lead poisoning: prevention.

The bill is different than the one I introduced last year in two respects. First, the tax has been restructured in response to concerns raised by the Joint Tax Committee and witnesses at last year's hearing. The tax is now a unitary tax of 45 cents per pound on the production of all lead in order to facilitate the enforcement of the tax on imports so as not to put domestic companies at a competitive disadvantage.

Second, the bill has been redrafted to acknowledge the work done in title 10 of last year's housing bill. Title 10 authorized a Lead Paint Abatement Program very similar to the one outlined in my lead bill. What title 10 did not do is provide funding for this new program.

The creation of the new program under title 10 emphasizes the need for my legislation. Any funding for this program will have to compete with funding for other low-income housing programs, which are already underfunded. My legislation provides a dedicated revenue source that will produce $1 billion per year to be used exclusively to protect children from lead-based paint hazards.

For far too long the issue of childhood poisoning has not received the attention it deserves because it did not fit neatly into any category. Is it a housing problem? An environmental problem? A health problem?

It is past time to recognize that it is a societal problem that demands a public response.

In conclusion, while the trust fund bill has been endorsed by a remarkable coalition of groups, I am particularly indebted to two groups who have worked very closely in the development of this legislation: the Alliance To End Childhood Lead Poisoning and the Environmental Defense Fund.

VACCINATIONS

HON. KAREN SHEPHERD

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Ms. SHEPHERD. Mr. Speaker, Congress can take no action which will pay greater long-term dividends than moving decisively to stamp out preventable childhood diseases. The Energy and Commerce Committee's budget reconciliation provisions represent a great step forward, providing childhood vaccinations for Medicaid-eligible kids and children who have no health insurance coverage for immunizations. I ask my colleagues to join me in urging the other body to adopt the House provisions.

This is of particular importance to me because my home State of Utah, despite leading the Nation in many categories of health statistics, provides timely immunizations to barely one-third of our youngsters. Utah's kids still fall victim to diseases of the past like the measles and whooping cough, while health care bills 10 times larger than the cost of a simple immunization gather at their bedsides.

Mr. Speaker, as we reform the health care system, as we attempt to reduce the deficit, as we try to put families first—let us not lose sight of the children. I urge my colleagues in the other body to give America's kids a shot at a healthy start in life, by supporting immunizations for every American child.

VISIT FROM MOLDOVA

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. POSHARD. Mr. Speaker, I rise today to share with my colleagues the story of three special guests who visited my district last month. Boris Parfentiev, Vasile Caldare, and Aleco Grosu visited the city of Mount Carmel, IL. The television crew, from the country of Moldova, were brought to Mt. Carmel under the auspices of the United States Information Agency.

These men are from a country that was one part of the former republics of the Soviet Union. Less than 10 years ago we had little opportunity to know the people of this area as friends. Recent events cause us to look at these countries in an entirely different light. Their homeland took a giant step and declared itself an independent country on August 27, 1991. As we enter into a new accord with newly independent states such as Moldova, we must encourage visitors from these countries to come to the United States and learn about the great advances we have made in several industries so they can succeed as a newborn country.

While in Mt. Carmel, the three guests visited what I consider the heartland of this great country. In this small Midwestern town they saw what a typical community has done to succeed. They visited a family-owned lumber yard, a newly started mushroom farm, and a 2,200-acre family farm which has cattle, soybeans, wheat, corn, and buckwheat. They also toured a grain elevator, all of this dedicated to the purpose of improving the quality of life in their native country of Moldova. I wish to thank the USIA for bringing them to my district and the people of Mount Carmel for being willing to share their knowledge and friendships. I hope our friends enjoyed their stay in southern Illinois and know that in the future, they are always welcome.

TRIBUTE TO THE LATE EARL BOURDEN, LIFETIME ACTIVIST AND FORMER PRESIDENT OF THE NEW HAMPSHIRE ASSOCIATION FOR THE ELDERLY

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. SWETT. Mr. Speaker, I rise today in remembrance of Earl Bourdon of Claremont, NH, one of my constituents who devoted his life to serving his fellow citizens. Earl was a man dedicated to defending those who could not defend themselves. His passing will certainly leave a void in the hearts and minds of anyone who had the honor of knowing this distinguished gentleman.

Earl Bourdon began his activist work in 1957, the year I was born, as a staff representative for the United Steel Workers of America. In his 21 years with this organization he actively opposed antiunion legislation and fought for minimum wage legislation, stronger collective bargaining, and the protection of pension plans. Earl has been described as the heart and soul of the New Hampshire labor movement and a man who was unwavering in his convictions.

Following his retirement, Earl continued his service to humanity by dedicating himself to the plight of the elderly. As president of the New Hampshire Association for the Elderly he fought to limit cuts in Medicare and Social Security, as well as to forge a better relationship between young and old Americans. In recent years he had pressed for national health care reform and had established a trust fund to help poor youngsters get involved with causes he supported.

I can remember the first time I met Earl when I was a green candidate. His gruff style at first caught me off guard, but I learned to love this man of great and deep passion for the afflicted and forgotten members of society. I learned a tremendous amount from him in 3 short years, more than anyone else could teach me.

In his more than 50 years of public service, Earl Bourdon served on numerous boards and commissions, including the Federal Civil Rights Commission and the Manpower Services Council. His list of honors include the Tolend Award, New Hampshire labor's highest tribute, and the Claude Pepper Award given by the Association for the Elderly. These commitments and awards are only a sampling of Earl's endeavors and achievements on behalf of his community and his fellow citizens.

He was a man of boundless energy who was fearless and persistent in pursuing his beliefs. There wasn't a person who didn't feel the weight of his wrath or the whack of his wit when he disagreed with you. But he always came back and won you with his deep abiding love of the common man and woman, the ideals to which he dedicated his life.

Mr. Speaker, I ask my colleagues to join me in paying tribute to Earl Bourdon. As a public activist and civic leader, he made New Hampshire and America a better place to live. His legacy of public service and dedication to humanity will certainly live on as an inspiration to me and many others.

THE FAIR ACT

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. MORAN. Mr. Speaker, on March 10, Representative GOODLING and I introduced the Fiscal Accountability and Intergovernmental Reform [FAIR] Act to help State and local governments ameliorate their most crushing financial burden: unfunded Federal mandates.

We feel this legislation is necessary to safeguard against a tendency within our institution and among Federal agencies to resort to more and more Federal requirements without providing the funds to implement them.

Like the National Environmental Policy Act, this measure will require Federal agencies to analyze the economic costs of new regulations before they are adopted.

And, like the 1974 Budget Reform Act, our bill will require that legislation cannot be considered by the full House or Senate without an analysis by the Congressional Budget Office of the cost of compliance to State and local governments and the private sector.

News of this legislation is spreading among those it will help most: our cities' mayors. Mayors from every State and territory have been writing in support of the FAIR Act and urge swift congressional action.

Support for mandate relief is building on numerous fronts. The New York Times recently ran a series of articles focusing on how our Nation's regulatory policies have strayed from their original purpose.

Mayors from 114 cities in 49 States wrote President Clinton urging the White House to focus on how policymaking has gone awry. And finally the National League of Cities has made unfunded Federal mandates one of its top five political priorities in Washington.

In the next several weeks Representative Goodling and I will be entering into the Congressional Record the names of hundreds of mayors from both parties and each State who have agreed to be citizen cosponsors of our FAIR Act initiative.

The time has come to make the Federal Government accountable for the actions it takes on behalf of our cities and States.

Today I am entering in the Record the names of 20 citizen cosponsors who are urging us to take meaningful Federal mandate reform action.

Citizen Cosponsors of the FAIR Act, June 10, 1993

1. Alice Schlenker, Mayor, Lake Oswego, OR.
2. Lynn Pett, Mayor, Murray, UT.
3. Meyera Oberndorf, Mayor, Virginia Beach, VA.
4. Chris Jones, Mayor, Suffolk, VA.
5. Joseph Jenkins, Mayor, Provo, UT.
6. Deedee Corradini, Mayor, Salt Lake City, UT.
7. Patricia Ticer, Mayor, Alexandria, VA.
8. Joyce Ann Radtke, Mayor, West Allis, WI.
9. Helen Albright, Mayor, Parkersburg, WV.
10. Mike Corrigan, Mayor, Casper, WY.
11. Steve Hettinger, Mayor, Huntsville, AL.
12. Harriet Weider, supervisor, 2d District, Santa Ana, CA.
13. Rudolf Weiss, councilman-at-large, Stratford, CT.
14. Richard Archer, Mayor, Sierra Vista, AZ.
15. Manuel Koutsourais, Mayor, Dunedin, FL.
16. Tom Hanafan, Mayor, Council Bluffs, IA.
17. John Philbin, village president, Oak Park, IL.
18. Robert Beutter, Mayor, Mishawaka, IN.
19. Robert Maricel, Mayor, Springfield, VA.
20. Charles Zettek, Mayor, Elk Grove Village, IL.

OAK RIDGE HOSTS GUESTS FROM OBNINSK

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mrs. LLOYD. Mr. Speaker, today, I would like to recognize a distinguished group of Russian visitors to my district in Tennessee. This week, the city of Oak Ridge is hosting guests from its sister city, Obninsk, in the Kaluga region of Russia.

Mayor Yuri V. Kirillov, Municipal Foreign Economic Agency Director Vadim A. Yamkin, and Oleg V. Savchenko, personal representative of President Boris Yeltsin to the region, have been following an itinerary designed to acquaint them with Oak Ridge's municipal operations. Our Russian friends have attended presentations and toured Oak Ridge's public works, electric, community development, finance, public library, and parks and recreation departments. They also observed a city council meeting and met with the superintendent of schools.

I hope that my colleagues will join me in expressing best wishes for a successful exchange of ideas as we bridge the thousands of miles which separate our cities and develop a close friendship between our peoples.

INTRODUCTION OF POLLUTION PREVENTION AND INCINERATION ALTERNATIVES ACT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. RICHARDSON. Mr. Speaker, I rise today to introduce the Pollution Prevention and Incineration Alternatives Act of 1993. This legislation, which I introduce along with Congressman Ed Towns and 55 other original cosponsors, is modelled after the Pollution Prevention, Community Recycling and Incinerator Control Act of 1991, which was introduced by our former colleague Congressman Peter Kostmayer as H.R. 3253 in the 102d Congress.

The Richardson-Towns bill establishes new, permanent policies designed to reduce the public health, economic and environmental impacts of both hazardous and municipal solid waste [MSW] incinerators, establish new nationwide toxic use reduction goals, and encourage recycling as an alternative to incineration.

Our bill imposes a moratorium on permitting for new construction or expansion of MSW incinerators until 1997. Prior to 1995, States would be required to complete capacity plans addressing the health and economic impacts of additional incineration capacity as well as the disproportionate impact of siting MSW incinerators in low-income and minority communities. During 1995 and 1996, the Administrator of the EPA would conduct a national capacity study based on the information contained in the individual state studies.

The Pollution Prevention and Incineration Alternatives Act includes real alternatives to incineration of solid waste by establishing new diversion rates for recycling of solid waste. After the moratorium is lifted in 1997, applicants for new incinerator construction or expansion would have to prove that the State in which the new facility is located matches Federal recycling rates. Between 1997 and the year 2000, the States would have to meet at least one-half of the percentage goals for glass, newspapers, metals, plastic containers, yard and food waste stated in the bill. After the year 2000, the full percentage rates would apply.

Additionally, the bill establishes strict new permitting standards for both MSW and hazardous waste incinerators. Among these standards are a requirement that a new facility not be located within 1.5-miles of a school, hospital, church, synagogue, mosque, prison, or drinking water source and a requirement that applicants demonstrate that expansion or new construction will not disproportionately impact low-income or minority communities.

Among the other new standards for hazardous waste incinerators is a requirement establishing a goal of reducing the use of toxics by 50 percent within 5 years. Far from being an unrealistic concept, this goal is based on the results of a study by the Congressional Office of Technology Assessment.

Early during the 1992 Presidential campaign, Bill Clinton recognized the importance of this issue when he responded to a December 1992 League of Conservation Voters questionnaire on the Kostmayer incinerator legislation in the 102d Congress. When asked what he thought of the Kostmayer MSW incinerator moratorium, Clinton responded, "I am in support of a moratorium on the construction of new garbage and hazardous waste incinerators to aid in the reduction of and recycling of wastes."

Earlier this year, new Environmental Protection Agency Administrator Carol Browner recognized the importance of this issue by announcing an 18-month freeze on increased capacity for hazardous waste incinerators. Although only 18 months, the freeze announcement was coupled with an announcement that the EPA will develop new waste reduction policies designed to reduce the need for incineration. During her May 18, 1993, press conference announcing the new policy, Browner stated, "Hazardous waste reduction represents the future of waste control in this country as well as the future in safeguarding the health of our citizens."

Mr. Speaker, I believe in the significance of this policy for the future health and well-being not only of our citizens, but of our economy. Studies conducted by our Federal Government and the governments of other nations have proven the potentially dangerous effects of incineration on human health, the environment and the economy:

The Agency for Toxic Substances and Disease Registry recently found that among people living within 1.5-miles of an incinerator in North Carolina, reports of neurological and respiratory effects were 2.4 and 9 times greater, respectively, than in another group living further from the incinerator.

According to preliminary data from Germany released in January 1993, a state of the art incinerator in that country emitted over four times more dioxin during normal operations than during its trial burn, despite the installation of new pollution control devices. Additionally, the Swedish Government now estimates that 60 percent of all the mercury emissions in their country come from incinerator emissions.

Municipal solid waste incinerators drain already tight city treasuries. For example, over a 6-year period in Columbus, OH, $93 million in subsidies were needed to keep the city's incinerator operating.

The rush to burn must be halted. We cannot afford to have no policy as a policy on waste incineration. The Richardson-Towns bill presents an effective, responsible waste policy for our Nation's future, I invited my colleagues to join me, Congressman TOWNS and the 51 other original cosponsors as supporters of the Pollution Prevention and Incineration Control Act.

HONORING HAROLD E. SELLS

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. NADLER. Mr. Speaker, I rise today to recognize the life and accomplishments of Harold Sells, who will retire as the chairman of the board and chief executive officer of the Woolworth Corp. on July 1.

It is with special pride that I remind my colleagues that my congressional district is home to the historic Woolworth Building, once the tallest building in the world, and renowned throughout the world for its beautiful and unique architecture. Often hailed as a "Cathedral of Commerce," the Woolworth Building still stands as a symbol of a company which has long been guided by a singular vision.

Harold Sells has spent his life dedicated to the retail trade. A native of Ozark, AR, Mr. Sells began his retailing career as an assistant store manager for the Kinney Shoe Corp. In his 29 years with Kinney, Mr. Sells rose through the organization until he attained the position of vice president of real estate and president of the real estate division.

In 1974, Mr. Sells moved to the Woolworth Co. which had acquired Kinney in 1963. He became the president and chief operating officer of the firm in 1983 and was elected to his current position in 1987. His retirement marks the end of an era for Woolworth, and I join my neighbors in wishing him well.

Mr. Speaker, the Woolworth Co. has played an integral role in the life of my city and of the Nation. Harold Sells has guided that company through the good and bad times in the retail industry. I congratulate him on a distinguished career.

TRIBUTE TO THE ARMED FORCES NETWORK

HON. TIM HOLDEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. HOLDEN. Mr. Speaker, on July 3, 1943 the Armed Forces Network was organized in London, England for the purposes of broadcasting radio and television services to the troops in World War II. The AFN quickly became the number one station on every dial, with guest appearances by such greats as Humphrey Bogart, Lauren Bacall, and Bob Hope. On July 3, 1993, the AFN will celebrate it's golden anniversary in Frankfurt, Germany.

Over these 50 years, the AFN has provided a wide range of informative as well as entertaining shows for overseas Department of Defense personnel and their families. In addition to entertainment, the AFN has provided U.S. military commanders with a unique way of communicating to personnel as well as assisting in the well being and morale of the Department of Defense personnel.

Today, the AFN continues to bring the friendly voices of home to Americans overseas providing them with the news they need, when they need it, without censorship.

Mr. Speaker, I am honored to offer my tribute to the Armed Forces Network and those who work to make Americans overseas feel more at home. I wish to extend my wishes for its continued success and prosperity.

TRIBUTE TO ANDREW G. SKONBERG III

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. MATSUI. Mr. Speaker, I rise today to salute Andrew G. Skonberg III, who is retiring from the Sacramento Army Depot after 31 years of exemplary service to the Federal Government. On June 24, 1993, many of Mr. Skonberg's associates, friends, and family will gather to honor this outstanding public servant.

Mr. Skonberg is retiring as Sacramento Army Depot's civilian executive assistant, serving as the primary assistant to the depot commander. Previously, Mr. Skonberg was Director for the Western region's civilian personnel at Sacramento Army Depot, providing administrative and management advisory services for approximately 6,000 civilian employees for the Sacramento, Sharpe, and Sierra Army Depots.

Mr. Skonberg began his career with the Federal Government as a management analyst with the Department of Air Force at Hickam Air Force Base in Honolulu, HI, in 1962. He then transferred to the U.S. Army as a management intern in the Comptroller Career Program at Schofield Barracks, HI, from 1962 through 1964. Beginning in 1964 he served in Japan and Okinawa working in progressively responsible assignments in civilian personnel. In 1968 he returned to Hawaii and in 1971 he was assigned as personnel officer at Sacramento Army Depot. Mr. Skonberg then served for 5 years in Germany as personnel director for headquarter's, 21st Support Command. He returned to Sacramento Army Depot in 1979 where he has served to the present time.

There have been a number of notable achievements in the course of Mr. Skonberg's career with the Sacramento Army Depot. He was the primary initiator of the Sacramento Army Depot's aggressive environmental compliance and clean-up programs. Upon assuming the role of executive assistant, Mr. Skonberg established the depot's environmental quality control committee involving all depot organizations in environmental compliance actions.

Mr. Skonberg was also responsible for the development and approval of the Sacramento Army Depot's Federal Facility Agreement signed in 1988 by the Department of the Army, the U.S. Environmental Protection Agency and the State of California. This agreement, the first signed in the western United States, established an aggressive clean-up program for the Sacramento Army Depot's sites of hazardous and toxic material contamination. As a result of Mr. Skonberg's leadership in site remediation, the depot will complete clean-up by 1995 and will petition for removal from the National Priorities Listing.

Mr. Skonberg played a major role in the energy conservation program at the depot during the 1992 fiscal year. His leadership, influence and positive attitude were directly responsible for the depot reducing its energy consumption by more than 8 percent in 1 year. These savings have placed the depot on a track which will enable it to exceed its 5-year conservation goals well before the 1995 fiscal year.

Most recently, Mr. Skonberg was instrumental in convincing the city of Sacramento to establish a reuse commission as quickly as possible to direct the local reuse process. Mr. Skonberg did more than any other single U.S. Army official to establish cooperation and cohesiveness among the depot, the Corps of Engineers and the city of Sacramento to produce mutually beneficial reuse results.

In addition to two Meritorious Civilian Service Awards, a Superior Civilian Service Award and a Special Act, Mr. Skonberg has been the recipient of numerous outstanding/exceptional performance awards over the span of his impressive career with the Federal Government.

Mr. Speaker, it is with great pleasure that I rise today to recognize Andrew G. Skonberg III, for his commitment to the U.S. Federal Government. He is an example that all public servants would do well to emulate. I ask my colleagues to join me in congratulating him and wishing him success and happiness with all of his future endeavors.

TRIBUTE TO HARRY AARON RUBIN, P.C.

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 22, 1993

Mr. BORSKI. Mr. Speaker, I rise today to pay tribute to Harry Aaron Rubin who is being honored by the Knights of Pythias with the Golden Spur Award, the highest honor the lodge can bestow on an individual.

Harry Rubin is a man dedicated to the promotion of understanding and good will. Harry's list of awards and achievements are a testament to his distinguished legal career and commitment to the community. He exemplifies the three cornerstones of Pythianism: Friendship, charity, and benevolence.

A graduate of Temple University, and the Temple University Law School, Harry remains involved in the Philadelphia community through his dedication to groups including the Jewish War Veterans, the Boy Scouts of America, various alumni organizations of Temple University, and the Knights of Pythias.

His involvement as counsel to Society Hill Savings and Loan, the National Veterans Boxing Association, and the Pennsylvania Association of Retail Druggists has established his respected standing in the Philadelphia legal community. In addition, he has received awards from the County Court of Philadelphia and Community Legal Services, Inc., and the National Cystic Fibrosis Research Foundation.

Harry Rubin is a decorated veteran of World War II, and a model Philadelphian. I am proud to join the Barbarossa Lodge in honoring this distinguished Pythian.

HOUSE OF REPRESENTATIVES—*Wednesday, June 23, 1993*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. MONTGOMERY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

HOUSE OF REPRESENTATIVES,
Washington, DC, June 23, 1993.

I hereby designate the Honorable G.V. (SONNY) MONTGOMERY to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We remember in our prayer, gracious God, all those who seek in their lives the healing of body or soul, those who desire the recovery of the gifts that give fullness to their days. We pray, O God, that You would restore and give strength to those who are weak, who are weighed down by the cares of the world, who suffer from lack of support from family or community. As we recognize that You have created us as one people, with responsibilities to each other, may we live our lives in ways that give meaning to the unity that we share. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The gentlewoman from Utah [Ms. SHEPHERD] will lead the House in the Pledge of Allegiance.

Ms. SHEPHERD led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

CONSERVATION AND A HEALTHY ENVIRONMENT MUST BE NATIONAL PRIORITIES

(Ms. SHEPHERD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SHEPHERD. Mr. Speaker, today our scientists at the National Institute of Environmental Health Service can tell us how environmental toxins dramatically damage human genes. In fact, scientific breakthroughs have shown how air pollutants transform healthy genes into mutated, cancer-causing genes which are passed down from generation to generation.

Too many people are exposed to this risk. Americans are living too close to incinerators and landfills. A recent study shows that more than half of the total U.S. population, from Salt Lake City to New York City, lives in communities with old, uncontrolled hazardous waste sites located dangerously close to homes and schools. Many of these people also lack access to health care. For them, the danger of exposure almost doubles.

Life in these communities does not have to be a prisoner's dilemma. We have choices. We can make conservation a national priority and give business incentives to help. Last year, a Utah company successfully cleaned up 4,700 tons of petroleum waste in Summit County, UT, and expanded Utah's local job base. We can transform local disasters into healthy environmental and business opportunities that will end dangerous practices that lead to sickness and result in waste. We can, Mr. Speaker, and we must.

AMERICANS DO NOT BUY THE PRESIDENT'S TAX INCREASES

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, President Clinton claims that under his tax-and-spend plan, every $10 in deficit reduction includes $5 in spending cuts for every $5 in tax increases. Well, let us take a closer look at that with this chart.

As the chart shows, out of that $5 in spending cuts 80 cents comes from cuts that were already promised in the 1990 budget deal. If he is going to take credit for these cuts, he should also take credit for the $160 billion in new taxes the 1990 budget deal contained. You cannot have it both ways; $1.35 are unspecified cuts promised in the outyears, but I have never met a taxpayer who lived in an outyear; 30 cents comes from user fees. Now, the Republican alternative contained user fees, but we called them user fees, not spending cuts; and $1 comes from interest savings on the debt, which is not a spending cut at all.

The President uses blue smoke and mirrors to make the largest tax increase in history seem a little easier to swallow, but thousands of Americans turned out for our town meetings on Saturday, and they are not buying it.

PREVENT THE CLOSURE OF UCLA'S GRADUATE SCHOOL OF PUBLIC HEALTH

(Ms. ROYBAL-ALLARD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROYBAL-ALLARD. Mr. Speaker, on June 3 Chancellor Young of the University of California at Los Angeles shocked the public health community by announcing a proposal to eliminate the UCLA Graduate School of Public Health, the fourth largest in the country. We cannot afford to lose one of the world's premier institutions for the education and training of public health professionals.

If the proposed closure occurs, California and our Nation will suffer the diffusing of a major synergistic resource for the refined development of health professionals and policies at the very time our Nation's health issues require an expanded rather than a contracted role for the discerning expertise crafted and honed within UCLA's School of Public Health.

The education and training of public health professionals is vital to the promotion of public health in this Nation and to the success of our national health care program. We must not allow this closure to occur.

REVISIONIST HISTORIAN

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, the President's ability to revise history would make those old Soviet bureaucrats jealous.

He says that Republicans do not have a budget plan. He says that Republicans are simply obstructionist. And he says that his package contains an equal proportion of spending cuts to tax increases.

This sounds great on TV, but it is simply not true.

Republicans do have a plan that will cut almost $500 billion without raising taxes. It is called the Kasich budget.

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Republicans have offered credible alternatives on several other legislative issues as well. But the Rules Committee, the black hole of good ideas, has refused to allow debate on most of them.

The President's package is 72 percent tax increases, and only 24 percent spending cuts. Worse, the taxes come now, while the cuts come later. Not quite the 1-to-1 ratio we were promised.

President Clinton can try to revise history all he wants. But he cannot escape the facts.

JAPANESE CONDOMS SING THE BLUES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Uncle Sam has Buy American laws, but in Michigan Buy American means buy Japanese. That is right, Michigan bought 1½ million blue-colored condoms from Japan. A Michigan spokesman said these blue-colored condoms, even though they were more expensive, best met the tough standards of the State of Michigan.

Mr. Speaker, since when did Michigan become experts on condoms? In fact, I have heard of the rally cry of the University of Michigan, "Go, Blue," but I think this is stretching it too far, folks.

If you ask me, when the State of Michigan starts passing out Japanese condoms that are blue, in the State of Michigan, the American worker is in deep trouble.

□ 1010

INCREDIBLE SHRINKING SPENDING CUTS

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, most of us have heard of the movie "The Incredible Shrinking Hulk." And here in the last 5 months we are working over the process of the incredible shrinking spending cuts.

During the campaign we know the President promised $3 in cuts for every dollar in new taxes. During the Inaugural it was $2 in cuts for every dollar in taxes. The budget speech said we will hope to get 1 to 1, and the budget proposal came to the House at 25 cents in cuts for every dollar in new taxes. The way the House passed the bill was 16 cents in cuts for every dollar in taxes.

Mr. Speaker, this may perhaps not be "Honey, I Shrunk the Kids," but it is "Honey, I shrunk my principles."

IT'S NONE OF YOUR BUSINESS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I read in the newspapers that the Pentagon is edging toward a "don't ask, don't tell" policy on gays in the military. Most Americans always thought that was the military's policy about everything. We can't ask them anything, and they won't tell us anything.

A case in point. The Pentagon commissioned a $1 million Rand Corp. study on gays in the military. The report is finished and recommends a complete lifting of the ban. What did the Pentagon do? It suppressed the report. Don't ask, don't tell.

"Don't ask, don't tell" is bad policy: First, it continues to sanction a gay individual's discharge for status rather than misconduct. Second, it leaves the question of investigations to the discretion of commanders, which is no different from current policy and will lead to widely varying practices throughout the military. Third, investigations will supposedly no longer be initiated without "credible information." What constitutes credible information? Attendance at a meeting of the largest gay organization in America, the Metropolitan Community Church? So military personnel will no longer be able to attend church? What about men who cross-dress when their ship crosses the equator, a common male Navy ritual?

Worst of all, the proposed policy will promote snitching among military personnel, an already uncommon and invidious practice. In retaliation for the spurning, they are reported as lesbians, which often triggers a harrowing investigation into their private life. In fact, women are three times more likely than men to be investigated and discharged for homosexuality. That is why Navy reservist Zoe Dunning is challenging this irrational policy in court as a form of sex discrimination against all women.

I urge the Pentagon to consider another approach, as time-honored as it is all-American: It's none of your business.

LET'S CALL A TAX A TAX

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, over the past 6 months, working Americans have grown accustomed to a lot of doublespeak coming from the White House. While candidate Clinton promised a middle-class tax cut, President Clinton proposed the largest tax increase in U.S. history. While candidate Clinton promised to cut Government spending, President Clinton has called for the largest spending increases in U.S. history. While candidate Clinton supported a line-item veto, President Clinton has backtracked.

Last week, the Senate Finance Committee inserted a massive increase in the gas tax into President Clinton's budget proposal. Despite his solemn promises during the Presidential campaign to lower the tax burden placed on working Americans, President Clinton now appears ready to support such a measure.

Mr. Speaker, if President Clinton truly believes that Americans will stand for his doublespeak on taxes, maybe he did inhale after all.

THE FATAL SHOOTING OF ARCHIE ELLIOTT III

(Mr. SCOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCOTT. Mr. Speaker, today I am asking Attorney General Reno to open an investigation into the fatal shooting of Archie Elliott III.

Archie Elliott, the son of Archie Elliott, Jr., of Portsmouth, Virginia, was slain by police officers in District Heights, MD, last Friday, June 18, 1993, under very suspicious circumstances.

According to news reports, the officers claim that Mr. Elliott was shot repeatedly after he aimed an unloaded pistol at the officers. The reports also stated that at the time of the shooting, Mr. Elliott's hands were handcuffed behind his back and he was restrained by a seatbelt in the police car.

Because of the unusual nature of this incident, I am calling for an immediate investigation by the Attorney General.

The Civil Rights Division of the Department of Justice has made clear that they vigorously pursue allegations of civil rights violations. I believe that this case surely merits the Department's speedy intervention.

THE DEMOCRATS' STRANGE TAX AFFLICTION

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, the President has a strange tax affliction. Not once, but twice, House Republicans have offered alternative budget bills with well over $400 billion in spending cuts in each. However, the White House claims they haven't seen either one. The New York Times saw them; the Washington Post saw them; Ross Perot saw them; but somehow the White House missed them both.

The only explanation as to how the White House could miss two plans with $400 billion in spending cuts was that the plans didn't have what they were looking for: taxes. Evidently, the administration has a blind spot for spending cuts, they can't see anything but taxes. To them no taxes mean no plan.

The administration's tax affliction is stranger still. While they can't see anything but taxes, they call them anything but taxes. They call them "patriotism," "responsibility," "contribution," and now "plan." So the next time you hear President Clinton claim the Democrats have a "plan" and the Republicans don't, remember what they can't say and can't see. When the President says "plan," he means taxes, and he couldn't see the Republican budget because they weren't there.

INTRODUCTION OF THURGOOD MARSHALL COMMEMORATIVE STAMP RESOLUTION

(Mr. BLACKWELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLACKWELL. Mr. Speaker, I have introduced a resolution to honor a great American, Justice Thurgood Marshall.

House Joint Resolution 215 provides that a commemorative stamp be created in Justice Marshall's image, from a rendering offered by one of my constituents, Mr. Steven Johnson.

Mr. Johnson, a paraplegic, reflects what Justice Marshall stood and fought for, an America for all the people. He has done an excellent job of capturing the essence of this great jurist.

Justice Marshall beamed in our cramped and constricted community, a community in which the law at one time ordained segregation in the court room and exclusion of African-Americans from the jury box.

As a result of his career as a lawyer and as a Justice, Thurgood Marshall left an indelible mark, not just upon the law, but upon this country as well.

He finished first in his class at Howard Law School. He founded the NAACP Legal Defense Fund. He served as this Nation's first African-American Solicitor General. And he won the landmark case of Brown versus Board of Education.

Of the 32 cases he argued as a lawyer before the Supreme Court, he won 29 of them. Perhaps his name foretold his future. It was derived, and appropriately so, from his grandfather's name, "Thorough Good."

Mr. Speaker, it is fitting that we honor this great grandson of a slave, brought from the Congo region of Africa. Born in Baltimore, the son of a school teacher and yacht-club steward, his roots in America run deep.

This Nation is indebted to Thurgood Marshall's accomplishments. We, who have been nourished by the sunlight of his deeds, owe a special debt of gratitude.

I urge my colleagues to join me in sponsoring the Thurgood Marshall commemorative stamp resolution.

SUPER COSTS OF SUPER COLLIDER

(Mr. HUTCHINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HUTCHINSON. Mr. Speaker, in this week's U.S. News & World Report, some of the super costs of the supercollider were outlined.

The supercollider's primary civil construction contractor has billed the Department of Energy for some very interesting—and expensive—items.

A small sample of the 1990 and 1991 expense reimbursements for this contractor are $18,403 for coffee; $21,369 for office plants and their upkeep; $1,626,605 for relocation costs over 15 months, or $10,844 for each relocated person, and over a quarter of a million dollars for auto leasing and rental.

Until this kind of contract is prohibited by Congress, these types of expenses will continue to plague what might otherwise be a worthy project. Unfortunately, somebody has to foot the bill. That somebody is the U.S. taxpayer.

BREAKING THE GRIDLOCK

(Mr. CLYBURN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLYBURN. Mr. Speaker, the gridlock griots continue to weave tales of deceit and doom about the President's economic plan.

These crafty raconteurs would prefer to bankrupt the middle class, allow the rich to get richer, and the jobless to remain hopeless.

President Clinton's vision for this country is about balanced economic growth, tax fairness, and real deficit reduction.

Already we are seeing rises in hourly earnings and consumer confidence, and falls in mortgage rates and unemployment benefits.

Yet those gridlock griots would have us believe the sky is falling.

They continue to cry wolf when it is they who are attempting to disrupt the roost of economic stability.

Those grim fairy tales doled out by these pied pipers of perfidy must be silenced.

Mr. Speaker, President Clinton's economic plan provides sound solutions that will eventually lead to a happier future for everyone.

□ 1020

BIG GOVERNMENT'S SHRINKING HARVEST

(Mr. BAKER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAKER of California. Mr. Speaker, while President Clinton fights for more taxes, more spending, and bigger government, we should learn what happens when governments do just that.

Across the Atlantic, one finds the kind of big government Bill Clinton likes. Europe has big social welfare programs, plus big unemployment, big deficits, and economic decline. Noting Europe's 11 percent unemployment, Robert Samuelson writes in today's Washington Post:

> To many, Europe's welfare states represent a model worth emulating. Please, look again. The combination of rigid wages and generous welfare benefits hampers economic growth, which raises welfare spending—which hampers growth.

He continues:

> We should take heed. We ought to be wary of proposals that raise companies' labor costs, from higher minimum wages to more mandated benefits.

And that, Mr. Speaker, is why Americans are wary of the Clinton tax-and-spend plan. They plead to us to cut spending first.

ROEMER-ZIMMER AMENDMENT WOULD ELIMINATE SPACE STATION PROGRAM

(Mr. ZIMMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZIMMER. Mr. Speaker, as we debate the space station program today, you will hear proponents say that eliminating the space station will not assure that any more money will go to space science programs. They will also say that the space station is needed to ensure the very survival of the space program.

In fact, the opposite has proved to be true.

Dozens of important, successful space programs have had their funding cut or eliminated because of the space station's escalating costs.

Among those are:

The Earth Observing System—plans for environmental satellites being designed to gather data about global climate change were delayed for lack of funds.

The Magellan—a mapping satellite surveying Venus was turned off while in perfect working order due to lack of funds.

The Space Exploration Initiative—our only long-range plan for human space exploration, was eliminated from the budget.

As recently as yesterday, the VA, HUD Appropriations Subcommittee cut a variety of space programs—including $165 million from the space shuttle—in order to bring funding for the space station up to the President's new request. Chairman STOKES predicted that more NASA programs will have to be eliminated in order to make room for the space station.

Instead of ensuring the survival of our space program, the space station is sucking the lifeblood out of the rest of the space program.

Support the Roemer-Zimmer amendment to H.R. 2200, the NASA authorization bill, and eliminate the space station program now.

GAYS AND LESBIANS IN THE MILITARY

(Mr. DEUTSCH asked and was given permission to address the House for 1 minute.)

Mr. DEUTSCH. Mr. Speaker, today while the United States is debating the role of gays and lesbians in our military, there is another country in the world which just yesterday made a change in their policy, and that is the State of Israel.

The State of Israel lifted any restrictions in any security classification of gays and lesbians to work in any security classification in the Israeli military. The Israeli Defense Force has never asked recruits if they were gay, has never kicked out any soldier whose homosexuality has been known.

Israel's existence, as our existence, is directly tied to its military capability. Israel has fought six wars in the last 40 years.

A country that lives and survives on its military capability has come to a conclusion which I believe this country should be sharing in our decisionmaking process. There is no question that gays have ably served this country as well as served every army in the history of the world.

I urge the President to look and focus on the leadership that other countries in the world have shared and have done including the State of Israel in their recent decision.

SHOOTING THE HORSE

(Mr. KIM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KIM. Mr. Speaker, the latest version of the tax plan increases the capital gains tax by 10 percent.

Instead of taking steps to lower the cost of capital or to make our private sector more competitive, the Democrats will increase the effective tax rate on small business by 30 percent.

The President has consistently stated he supports small business, but his actions speak louder than his words. And those actions are saying: Forget small business.

But Mr. Speaker, like a horse pulling a carriage, small business pulls our economy.

Putting more taxes on small business in the name of economic growth is like shooting the horse to get the carriage moving faster.

Such logic flies in the face of reason.

Mr. Speaker, the President should not shoot the horse. He should not abandon our private sector. That is no way to get our economy going.

PROPER MENTAL HEALTH CARE A MUST

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TUCKER. Mr. Speaker, on yesterday we had a very sad occasion. It was a tragic day not only for the District of Columbia but for America and Americans all over this country.

Six schoolchildren were injured in the District of Columbia as they were trying to partake in the summertime activities of swimming at a local pool, Mr. Speaker, just another one in the long litany of heinous crimes that we see from week to week now with gunmen, snipers, whether they be in the post office or whether they be in this situation.

Mr. Speaker, people are looking to this body, to this House to do something about it, to put the brakes on all of these senseless, endless, countless violent attacks. Children, seniors, it does not matter who it is.

It is time that this body gets off the dime and passes the Brady bill, and then, Mr. Speaker, if we can get ourselves off of this focus on cutting, cutting, cutting so much, it is time that we cut back and get to the business of providing some health care for the people in this country.

When we provide mental health care, maybe we will not have so many crazies, whether they be in Waco, Wacko, or the District of Columbia shooting our young kids.

STOP THE TAXING AND CUT THE SPENDING

(Mr. BUNNING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUNNING. Mr. Speaker, the American taxpayers are speaking but President Clinton and his fellow Democrats just are not listening.

The American people want spending cuts first. Not tax increases.

The Clinton Btu tax, adopted by House Democrats was roundly rejected by the taxpayers. So, Democrats in the other body regrouped and came up with—guess what—a gasoline tax.

There seems to be a communications problem here. The people keep saying cut spending first. The Democrats keep hearing raise taxes.

What the Democrats in the other body have concocted is a $265 billion tax increase package which contains a mere $83 billion in spending cuts. And only $30 billion of those cuts occur before 1996.

Listen up, my Democrat friends. You do not have to read lips. Just open your ears. The taxpayers want spending cuts now. Not promises of spending cuts a few years from now.

Mr. Speaker, stop the taxing. Cut the spending.

JOE LOUIS, A REAL AMERICAN HERO

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, as a young boy many, many years ago, I sat in front of our upright Philco radio listening to the Joe Louis-Max Schmeling fight when Joe Louis cold-cocked him in about 2½ minutes, erasing what Hitler was talking about as the superior race.

The U.S. Postal Department yesterday issued a stamp for the Brown Bomber, as he was affectionately known. Joe was a real American hero. He was quiet, he had fists of steel, he had a 6-inch punch which would put you out in no time where you'd see the stars, and he defended against all comers. In fact, there were so many of them they used to call it the "Bum of the Month Club." He took all comers on.

He was a role model and an inspiration to all of us young kids who used to listen to that radio and watch Joe Louis fight. He served his country when his country asked him to serve.

Joe Louis was a real American hero.

WHERE IS THE SPACE STATION MONEY GOING?

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, I have been prepared for a couple of days to vote against the space station. Frankly, I find it hard to justify with our huge budget deficit, and I think many of my colleagues feel the same way.

But just yesterday, a question popped into my mind. If it does not pass, where will the money really go?

I had always assumed it would go to deficit reduction. Well, guess what? Not necessarily.

By merely eliminating the space station's budget authority, we do not prevent the money from being spent elsewhere, say for instance in public housing programs or community development block grants.

Indeed, rather than taking it away entirely, the amendment puts its trust in Congress not to spend the money, a situation I personally do not find very comforting.

Make no mistake. I am going to cast my vote against the space station. But I want my vote to be for deficit reduction, not for taking money away from science only to further pad wasteful spending programs.

So, Mr. Speaker, I say to the sponsors and supporters of the amendment. If it passes, we must follow this money like hawks through the appropriations process, through the conference committee, all the way to the President's desk. If we really want this to go to deficit reduction, this is merely our first battle.

□ 1030

PRESIDENT CLINTON'S BROKEN CAMPAIGN PROMISES

(Mr. WELDON asked was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, if President Clinton were Pinnochio, his nose would be longer than his list of broken campaign promises. The President insists upon telling the American people that his tax plan is half spending cuts and half tax increases. Well, you can call a duck a cow all you want, but at the end of the day it still has feathers and it still quacks.

The White House is lying to the American people. He is utterly undeterred by the facts. His budget being debated today in the Senate, includes $3.18 in tax hikes for every dollar in spending cuts. And take a look at the spending cuts President Clinton is taking credit for:

Forty-four billion dollars in cuts already written into law by the 1990 budget agreement. Bill Clinton had nothing to do with those cuts.

Fifty-five billion dollars in savings on interest on the national debt. Now there is a tough choice from the White House.

One billion dollars by shifting the reimbursement dates for American hospitals from a fiscal to a calendar year basis.

Seventy billion dollars in future spending cuts during 1997 and 1998, almost $200 billion in sham spending cuts. The only cuts are in defense, and they will cost us up to 2.8 million jobs.

Mr. Speaker, in the Land of Oz that is Bill Clinton's White House, this qualifies as bold leadership.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). The Chair would warn the gentleman that he should not make certain references to the President of the United States.

DEFENSE FOR DEFENSE BILL

(Mrs. FOWLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, I have introduced a bill to defend our country's defense budget. The fall of communism has allowed us to enter into a new era where a leaner defense budget is possible. However, leaner does not mean nonexistent.

Funds are being transferred out of the defense budget for nondefense purposes. The defense budget has become a pot of gold for Members of Congress who can't get their programs funded in other budgets. In fact, over the past 5 years over $5 billion has been transferred out of the Pentagon in this manner.

My bill is not a new idea—it simply strengthens and codifies a 1989 provision in law by reaffirming the statutory prohibition on the transfer of DOD funds to any other agency or Department of Government, unless the Secretary of Defense submits a certification to the Congress that such a transfer would be in the national security interest.

My bill will stop the dollar drain from the Pentagon, and I urge my colleagues to support it.

THE TAX GRABBERS ARE BACK

(Mr. HERGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERGER. Mr. Speaker, the tax grabbers are back again. And they are coming for your pocketbooks.

Only last month, this House passed a bill which included the largest tax increase in American history. Now, the other body is preparing to consider its own package.

The latest version of the tax and spend budget, passed last week by the Senate Finance Committee, calls for $3.18 in new taxes for every $1 in spending cuts.

No, this version of the tax grab does not include the job-killing Btu tax favored by President Clinton and House Democrats. It contains instead a job-killing gasoline tax, which particularly hits hard at rural areas like those I represent in northern California.

Mr. Speaker, like the House-passed energy tax, it will pick the pocket of every American from the gas pump to the grocery store. Like the House-passed tax, it will kill hundreds of thousands of American jobs.

Mr. Speaker, higher taxes do not create jobs. Higher taxes do not stimulate economic growth. Higher taxes do not reduce the deficit.

The President and his Democrat allies in the Congress should forget about all their new tax proposals and cut spending first.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments a bill of the House of the following title:

H.R. 2118. An act making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2118), an act making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. LEAHY, Mr. SASSER, Mr. DECONCINI, Mr. BUMPERS, Mr. LAUTENBERG, Mr. HARKIN, Ms. MIKULSKI, Mr. REID, Mr. KERREY, Mr. KOHL, Mrs. MURRAY, Mrs. FEINSTEIN, Mr. HATFIELD, Mr. STEVENS, Mr. COCHRAN, Mr. D'AMATO, Mr. SPECTER, Mr. DOMENICI, Mr. NICKLES, Mr. GRAMM, Mr. BOND, Mr. GORTON, Mr. MCCONNELL, Mr. MACK, and Mr. BURNS, to be the conferees on the part of the Senate.

WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2446, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1994

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 204 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 204

Resolved, That during consideration of the bill (H.R. 2446) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1994, and for other purposes, all points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived. The amendments en bloc specified in the report of the Committee on Rules accompanying this resolution to be offered by Representative Fawell of Illinois or a designee may amend portions of the bill not yet read for amendment, shall be considered as read when offered, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN] for the purposes of debate only, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 204 is the rule waiving points of order against provisions of the bill, H.R. 2446, the Military Construction Appropriations for fiscal year 1994. Since general appropriations bills are privileged under the Rules of the House, the rule does not provide for any special guidelines for the consideration of the bill. Provisions related to time for general debate are not included in the rule. Customarily, Mr. Speaker, general debate time is limited by a unanimous-consent request by the chairman of the Appropriations Subcommittee prior to the consideration of the bill.

The rule waives clause 2 of rule XXI against all provisions of H.R. 2446. Clause 2 of rule XXI prohibits unauthorized appropriations and legislative provisions in general appropriations bills. The waiver is necessary because the authorizing legislation for this bill is not in place. In addition, the rule makes in order an en bloc amendment which is printed in the report accompanying the rule if offered by Representative FAWELL or his designee. The amendment en bloc is not divisible.

Mr. Speaker, H.R. 2446 appropriates approximately $10.3 billion for fiscal year 1994 military construction, family housing and base closure costs for the various branches of the Department of Defense. It is consistent with the budget resolution and under the administration's request. My colleagues on both sides of the aisle have worked diligently under difficult budgetary constraints to produce an excellent piece of legislation.

The bill appropriates approximately $27.6 million in funding for several projects at Wright-Patterson Air Force Base, which is partially located in my congressional district. I am pleased that the committee approved the necessary projects which were requested by the Department of Defense. Included in the bill are funds for the next phase of an acquisition management complex for the Aerospace Systems Center and the second phase of an avionics research laboratory which was authorized in 1992. In addition, the committee provided assistance to renovate electrical substations, replace underground fuel storage tanks, and improve aboveground tanks. These projects replace old facilities and tanks which pose an unacceptable risk to people who work on the base and live near it. Finally, I appreciate the funds provided to install gas-fired boilers at the Defense Electronics Supply Center [DESC].

Mr. Speaker, these projects are important to Wright-Patterson Air Force Base, and to the community of Dayton, OH which has been a world leader in aviation since the days of the Wright brothers. I commend my colleagues for including them in H.R. 2446.

Mr. Speaker, under the normal rules of the House, any amendment which does not violate any House rules could be offered to H.R. 2446. The rule received unanimous support in the House Rules Committee, and I urge my colleagues to adopt it.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman from Ohio [Mr. HALL] for yielding. The gentleman has ably explained the provisions of the rule.

Mr. Speaker, the rule does not restrict the normal amending process, and I support it.

This bill is $521 million below the President's request, and I commend the members of the Appropriations Committee for putting together a bipartisan, fiscally responsible measure while still meeting the construction needs of our military.

Mr. Speaker, this bill also addresses the important issue of base realignment and closure by setting aside 30 percent of the total funding into three separate accounts for this purpose.

H.R. 2446 contains some legislative provisions, including the requirement that the Department of Defense inform the Congress 30 days in advance of any proposed military exercise that involves U.S. personnel with an anticipated cost in excess of $100,000. The measure also requires the Defense Department to report to Congress on specific actions it is taking to encourage NATO allies and Japan and Korea to assume a greater share of the common defense burden. Given our Nation's current economic situation, we have to make some tough choices, and it is imperative that other nation's contribute a fair share toward global responsibilities.

I know some Members have concerns over specific spending items in this bill, and this rule will allow Members to offer amendments to reduce or eliminate certain expenditures if they so desire. The rule also allows the gentleman from Illinois [Mr. FAWELL] to offer an en bloc amendment to strike 143 unauthorized projects from the bill.

□ 1040

Mr. Speaker, I want the Members to take special notice of this amendment. Projects are being cut in practically every State of this Nation.

I do not support the amendment of the gentleman from Illinois [Mr. FAWELL], but I do not object to his offering it on the floor of the House.

I would hope the Members would find out the specific projects in their districts being eliminated by this en bloc amendment and take notice on the floor of the House when the amendment is presented.

Mr. Speaker, I have no objection to the rule.

Mr. QUILLEN. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HEFNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on the bill, H.R. 2446, which will be presently considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1994

Mr. HEFNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2446) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1994, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentlewoman from Nevada [Mrs. VUCANOVICH] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Maryland [Mr. CARDIN] as Chairman of the Committee of the Whole and requests the gentleman from Ohio [Mr. HALL] to assume the chair temporarily.

□ 1044

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2446, with Mr. HALL of Ohio, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from North Carolina [Mr. HEFNER] will be recognized for 30 minutes and the gentlewoman from Nevada [Mrs. VUCANOVICH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is my pleasure to present to the House, H.R. 2446, the fiscal year 1994 military construction appropriations bill.

BILL TOTAL

The bill we are recommending totals $10.3 billion which is below the subcommittee 602(b) allocation for both budget authority and outlays. The bill is under the President's request by $521 million. This bill is over the 1993 appropriated level, but one should review that with caution and qualification. the reason I say that is because, last year, we were forced under a veto threat to reduce military construction by over 40 percent with the understanding that, in 1994, we would return to a more appropriate level. The comparative numbers are all laid out on page 2 of the report which shows that when you separate out base closure funding, and go back to the 1992 level, the military construction and family housing portion of the bill is under the 1992 level by $848 million. Again, this bill is under the President's request by $521 million and under the 1992 level by $848 million.

BASE CLOSURE

With regard to base closure the bill provides funding to implement three separate rounds of base realignment and closure, the total of which has tripled since 1992 to a point that represents 30 percent of the entire bill. We have included $1.2 billion to facilitate the next round of base closure recommendations that are currently pending before the Base Closure Commission. However, such funds are available, only to the extent, that a formal budget request is transmitted. The committee took this action to avoid the need for supplemental appropriations at a later date.

ENVIRONMENTAL CLEANUP

Within the base closure funding, the committee recommends $582 million for environmental cleanup which is so essential to expediting orderly cleanup of closed bases.

QUALITY OF LIFE

The bill before you is a bill that provides for quality of life of our military. Our service men and women need to have better living and working conditions. For example, we still have troops living in antiquated World War II barracks. For that reason, we are supporting a department initiative to upgrade and replace antiquated barracks. This bill also includes funds to repair and replace housing that is substandard and dangerous to the health of families because of the presence of asbestos and lead based paint.

INVESTMENT PROGRAM

Members should realize that the military construction bill is an investment bill that has significant payback in economic terms and provides for offsets in other parts of the Defense budget.

BILL FEATURES

Let me just go over some of the special features of the bill. The bill provides about $500 million for new barracks and modernization of existing barracks.

It provides about $300 million for environmental compliance type projects.

It provides about $100 million for child development centers.

It provides about $200 million for overseas priority projects, one-third of which is for construction in Guam as a result of the Philippine relocation.

It reduces the President's request for NATO funding by $100 million.

For the Reserve Components, it provides for an increase of about $200 million over the President's request but is under the 1993 level.

It continues the longstanding policy of phase funding of large hospital complexes based on executable rates.

It provides $50 million as an ongoing effort to reduce energy costs.

ACKNOWLEDGMENT

Mr. Chairman, before I conclude my remarks, I want to express my appreciation to all the members of the subcommittee, and especially our ranking minority member, the gentlelady from Nevada [Mrs. VUCANOVICH]. It is a pleasure to work with the gentlelady from Nevada. This is why we are presenting, to you, a bipartisan bill and a good bill given the budget constraints that we have to work with.

Mr. Chairman, that concludes my remarks and I reserve the balance of my time.

□ 1050

Mrs. VUCANOVICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am delighted today to bring to the floor, along with my chairman and friend, Mr. HEFNER, the bill making appropriations for military construction for fiscal year 1994.

I would like to thank the subcommittee chairman. Mr. HEFNER has been patient and informative as he has guided me through my first year as ranking member.

I would also like to thank the members of the subcommittee for their hard work and input during our hearing process. The staff work has been exemplary and I want to commend them for their hours of toil and trouble.

I support this bill. It is a truly bipartisan bill and a very balanced and fair bill.

Although the measure is not all things to all Members, I believe we treated everyone fairly.

Mr. HEFNER has outlined the highlights of the bill so I will not be repetitive. I would simply point out again that the bill totals $10.3 billion for fiscal year 1994, is under the President's request by $521 million, and is below the subcommittee's 602(b) allocation.

While the bill shows a significant increase over fiscal year 1993 funding—due to base closure expenses and making up for a DOT-initiated construction pause—when combined with the defense appropriations bill, overall defense numbers will be $17.3 billion below fiscal year 1993 in outlays.

The military construction bill constitutes about 3 percent of DOD's total budget. The majority of the other 97 percent is provided through the annual defense authorization and appropriations bills. Both these bills have been delayed this year. However, our subcommittee has worked closely with the Armed Services Committee in crafting this bill to allow it to move forward. The appropriations bill language makes all appropriations subject to authorization.

Military construction is an investment program that has significant paybacks in economic terms, in better living and working conditions, and in environmental restoration.

With reduction in forces, it is imperative that we put a priority on providing the best working and living conditions for our service members and their families. The bill contains $3.6 billion for family housing. An example of these needs exist in my district at Nellis Air Force Base. There are 70 homes for junior enlisted and their families which are falling apart. They are 50 years old and made of cinder block which allows water seepage causing interior wall damage. Some have severe foundation and wall cracks. The roofs are deteriorated and the old cast iron sewer lines under the slabs are in desperate need of repair.

These are the men and women to whom we entrust the care and maintenance of $40 million airplanes. These are the men and women across the Nation we sent to Desert Storm and Somalia. I believe they deserve a decent roof over their heads, and a home for their families.

This bill helps meet that goal. I hope that my colleagues will support H.R. 2446.

Mr. Chairman, I reserve the balance of my time.

Mr. HEFNER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK. Mr. Chairman, I especially want my colleagues in the freshman class to know that this is a most responsible bill, a bill that is already $521 million below the President's request. As a new member of the Military Construction Subcommittee, I know the extent that we are downsizing military construction. The Congress has concerns about military families, including child care for their children. We have concerns about the inadequate housing that we ask our military pesonnel to live in. We also have concerns about base closure, including in my own district.

There is nothing in this bill for my own district other than ensuring that the Base Closure and Realignment Commission has adequate funds to begin final base closures and hazardous cleanup so that our communities can get on with defense conversion.

The Fawell amendment uses the excuse of congressional add-ons. The committee has made some necessary changes in the President's request. It is the prereogative of the Congress, and indeed our duty, to do so. The bill gives the President 95 percent of what he has requested. The Fawell amendment also uses the excuse that projects are not authorized. He is wrong. The military installations in the bill are not projects. Furthermore, there is a provision under every heading in the bill, making the appropriation subject to authorization. Last, the bill drafted under the excellent leadership of Chairman HEFNER is well under the 602(b) allocations, and well under the budget resolution.

Mr. Chairman, I ask my freshmen colleagues to oppose the Fawell amendment and vote for final passage of this bill.

Mrs. VUCANOVICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I would like to take this opportunity to commend Chairman HEFNER and the ranking Republican, Mrs. VUCANOVICH, for their efforts in crafting a balanced and bipartisan military construction bill. I strongly support their efforts on this necessary legislation.

As my colleagues know, military construction funding is an integral part of our defense planning. The appropriations bill before us today provides a total of $10.3 billion in fiscal year 1994 for new building construction, revitalization of existing military facilities, and the costs associated with the base closure process. Most importantly, H.R. 2446 allocates $3.6 billion of the fiscal year 1994 funds for family housing projects. I believe it is extremely important to focus our efforts on family housing projects because this improves the quality of life for our military families. As we continue to downsize our military, it is more necessary than ever to maintain a high quality of life for our families in order to attract the highest quality servicemember.

Finally, I would like to note that a significant portion of military construction money now goes to fund base closures—I believe base funding closure constitutes 30 percent of this appropriations bill. I would like to work with my colleagues to ensure that this funding goes to actually get these bases off the military rolls, and is not spent on hordes of lawyers and endless litigation.

Again, I commend the chairman and Mrs. VUCANOVICH and look forward to working with you both on military construction issues.

Mr. HEFNER. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I rise in strong support of this bill, and I am opposed to the Fawell amendment.

Mr. Chairman, I serve on the House Committee on Armed Services, and am ranking member on the Subcommittee on Military Forces and Personnel, and the Subcommittee on Military Installations and Facilities. We have worked very closely with the gentleman from North Carolina [Mr. HEFNER] and his committee, and this bill attracts a lot of what the authorization bill does do.

Mr. Chairman, I point out that this is a jobs bill. It will put people back to work. It is military construction, and it spreads defense spending around the country in the United States. It gives jobs to people in small States, building armories and building ranges.

So, Mr. Chairman, it is good legislation, I strongly support it, and I oppose the Fawell amendment.

Mr. NATCHER. Mr. Chairman, I rise in support of the military construction appropriations bill for fiscal year 1994. This is the fourth appropriations bill for fiscal year 1994 to come before the House.

I want to commend the gentleman from North Carolina [Mr. HEFNER], chairman of the Military Construction Appropriations Subcommittee, and the gentlelady from Nevada [Mrs. VUCANOVICH], the ranking minority member on the subcommittee.

This important bill provides support for our active duty forces as well as our National Guard and Reserves. Also, this bill provides funding for base realignment and closure activities. We need to provide for these activities so that the Department of Defense can continue to downsize in an efficient manner.

I want to commend all 11 members of the Subcommittee on Military Construction on a good bill.

The next 2 weeks will be active ones on the floor of the House because of bills reported by the Committee on Appropriations as we continue to move our bills for consideration prior to our Fourth of July work period. I want to thank all Members for their cooperation.

Again, I want to commend subcommittee members for a job well done.

I urge adoption of this bill.

Mr. MCDADE. Mr. Chairman, the military construction appropriations bill for fiscal year 1994 is the 4th of 12 appropriations bills we intend to act on in the next 2 weeks. Under the leadership of Chairman NATCHER our committee is under an ambitious schedule—and one I know we will meet—to bring 12 fiscal year 1994 appropriation bills to the floor before the July 4 recess.

I'd like to take this opportunity to commend the chairman of the subcommittee, Mr. HEFNER for his diligence in bringing this bill to the floor. And Mrs. VUCANOVICH, serving in her first year as the ranking minority member of the subcommittee, has done a superb job in juggling the difficult task presented her. We also have three other new members on our side, Mr. CALLAHAN, Mrs. BENTLEY, and Mr. HOBSON who have played an instrumental role in crafting this bill.

Mr. Chairman, the military construction appropriations bill funds military construction and family housing throughout the world. In addition, one-third of the bill accounts for all funds related to domestic base closures. H.R. 2446 totals $10.3 billion and is $521 million below the President's budget request. The bill is $1.89 billion above the fiscal year 1993 level, which is due to the funding of the 1993 base closures to be voted on by the Commission this week and making up for a DOD initiated military construction pause.

This funding increase, I might add, was also intended under the Bush administration.

While military construction shows an increase over last year, because of the priority given to these programs, you have to look at defense in the aggregate—and, the total defense function is coming down. The Clinton request for the defense budget as a whole is $10.2 billion less in budget authority and $14.8 billion less in outlays than last year.

Under the 602(b) allocations total Defense comes down even more by some $10.8 billion less in budget authority and $17.3 billion less in outlays than fiscal year 1993. And, this bill goes even further by cutting an additional $63 million in budget authority from the allocation—which for milcon was already cut by nearly half a billion dollars from President Clinton's budget. To put this in perspective, defense is the biggest single budget cutting contribution to deficit reduction for fiscal year 1994—some $17 billion outlays.

This is proposed at a time when our military commitments appear to be growing, given the military's expanded role in disaster relief, humanitarian assistance, and international peacekeeping and sanctions enforcement. At the same time, there are disturbing signs that a return to the hollow military of the 1970's is imminent. Military recruitment is down, while a greater proportion of those enlisting have failed to complete high school.

The Joint Chiefs have testified to growing morale problems resulting from uncertainty about future defense cuts, a pace of deployments which is increasing as force structure shrinks, and most recently, the administration's proposals to cut military cost-of-living adjustments.

As we try to juggle these problems with limited resources it is imperative now more than ever that we provide the finest working and living conditions to our men and women in uniform.

This bill is a quality-of-life bill for our service members and their families but it is also an investment, produces jobs, and produces savings in other defense accounts. In the wake of Desert Storm and Somalia it is imperative we send a strong signal of support for our service members. When visiting military installations around the world you will see tangible results from this bill—results that make a difference in morale and in turn, improve the quality of our Armed Forces.

Mr. Chairman, I strongly support this bill and urge my colleagues to oppose any amendments to it which further decreases our defense resources.

Mrs. BENTLEY. Mr. Chairman, I would like to thank Mr. HEFNER, Mrs. VUCANOVICH, and the military construction staff.

I ask the Members to support the bill.

Member's quote unquote projects are being given a bad name. There is no question that, in the past, there have been abuses, but I remind you, that under the Constitution, it is the duty of the Congress to decide what is to be funded.

If we are to act merely as a rubberstamp for the administration's proposals, all of us might as well go home.

And if we go home, the executive could save $2 billion for the operation of the legislative branch—but then the Constitution would not be served because there would be no representation of the people.

I have a Member's initiative in this bill—it is a day care center for the children of the troops serving at Edgewood arsenal.

The Army slated this project to be completed with minor construction funds. However, there is a limit of $1.5 million for those items. The day care center's projected cost is $1.45 million. If the bids come in for over $1.5 million—minor construction funds could not be used.

As a result, the day care center could not be built—and one is needed.

Currently, the child care center is housed in a World War II era stable. I would like to quote DOD's own description:

Buildings "consist of three separate World War II wood buildings contaminated with friable asbestos and lead paint. The buildings have structural problems. * * * Facilities are presently required to use bottled water for drinking due to the condition of the pipes. The present capacity of 125 does not meet the current need of 363 children."

This need has existed for years; and the Army did not budget for an adequate child care center.

The executive branch cannot know the needs in every congressional district. That is why we are here.

We are not rubberstamps. That is why my constituents have sent me here. It is my duty to raise this and other issues that affect my district.

I urge support of the bill.

Mr. OXLEY. Mr. Chairman, I rise today in support of the military construction appropriations bill and in support of funding included for construction at the Ohio Air National Guard's 179th Medical Squadron's installation in Mansfield, OH.

The Guard has a dire need for facilities adequate to train personnel. The unit's current medical training and dining facilities offer only half the space needed. They are housed in poorly configured structures in the unit's overcrowded operational training area, which cannot be expanded. The current facilities present health risks, inefficient training routines, and increased operation and maintenance costs that degrade the mission readiness of the unit.

The $2.9 million included in the bill to construct a 19,000 square foot facility is a reasonable appropriation to improve the readiness of the Ohio National Guard. I commend the committee for its foresight, and I urge support for the bill.

Mr. HOBSON. Mr. Chairman, I rise in strong support of H.R. 2446, the fiscal year 1994 military construction appropriation bill. This is an important bill because it is an investment in the protection of our peace and freedom. Even in these days of downsizing the military, what we ultimately spend on our armed forces guarantees that we can live in peace and freedom. American men and women are encouraged to serve in the military when we provide efficient, quality workplaces and modern housing facilities. This is something we must do to continue having an all volunteer force.

The $10.3 billion bill is roughly divided into thirds: First, $3.5 billion for military construction, second, $3.6 billion for family housing, and third, $3 billion for base closure. While the bill is over fiscal year 1993 levels, this is due to base closure expenses and making up for a Department of Defense-initiated construction pause. H.R. 2446 is $63 million under the military construction 602(b) allocation in budget authority. It is at the 602(b) allocation in outlays.

On a parochial bases, let me note about $28 million in construction projects at Wright-Patterson Air Force Base which is partially in my district. All of these projects were requested by the administration.

Finally, I want to say what a great privilege it is to serve on the military construction subcommittee. Of the choices I looked at when I came to the Appropriations Committee this year, Milcon was my first choice. My thanks and compliments to the distinguished chairman, the gentleman from North Carolina [Mr. HEFNER], the distinguished ranking minority member, the gentlewoman from Nevada [Mrs. VUCANOVICH], and all the subcommittee members for their hard work. H.R. 2446 is an excellent bill and I highly recommend it to you.

Mr. BEREUTER. Mr. Chairman, I rise in strong support of H.R. 2446. In an era of increasingly limited resources, this Member recognizes the enormous difficulties that our colleagues on the Appropriations Committee must face. They are forced to make difficult choices among many worthy programs, knowing full well that there are not sufficient funds to support even a fraction of the competing initiatives. This is particularly true for the military construction subcommittee, which must simultaneously deal with issues such as the base closings, the NATO infrastructure account, consolidation of numerous assets for active duty forces, and the continued modernization of National Guard and Reserve facilities.

It is with that in mind that this Member expresses his sincere gratitude to the Chairman of the military construction subcommittee, the distinguished gentleman from North Carolina [Mr. HEFNER], and the distinguished ranking m.Member, the gentlewoman from Nevada [Mrs. VUCANOVICH], for supporting important and much needed modernizations for the Nebraska Air National Guard with the recommended $7.3 million for hanger construction and renovation plus $1,850,000 for a necessary fire station construction project. As the subcommittee recognizes, the Nebraska Air Guard is in the midst of a transition from RF-4C reconnaissance aircraft to KC–135R tankers. The Nebraska Air Guard has enthusiastically embraced this new mission, and the conversion is well underway. However, a number of infrastructure alterations are necessary to support the conversion.

Of particular concern is the old maintenance hanger and repair facility. The hanger in question is almost 40 years old and is showing its age. Moreover, it is filled with old asbestos insulation, which carries with it obvious health risks. While it may have been adequate to maintain small fighter-type aircraft such as the RF–4C, it is completely unsuitable for the much larger KC–135R tankers. Construction of the new maintenance hanger is absolutely essential if the Air Guard is to support its new mission.

Mr. Chairman, this Member is particularly appreciative of the fact that the military construction subcommittee was able to find the funds required to support the hanger renovation. In doing so, they have made an important, positive contribution to the readiness of our Air National Guard.

Mr. PACKARD. Mr. Chairman, as we consider the military construction appropriations bill today, I have several observations.

I would like to thank Chairman HEFNER and ranking member Mrs. VUCANOVICH for their help and consideration in addressing the genuine needs of the Marine Corps base, Camp Pendleton, in this bill.

H.R. 2446 contains funds to repair extensive flood damage at Camp Pendleton, which is in my district.

I visited Camp Pendleton earlier this year to see flood damage at the base. We saw helicopters buried in mud up the cockpit. A portion of the airstrip was washed away and tons of mud accumulated on the airfield.

Bridges and major portions of roadways literally disappeared. Wells were washed away and a sewage treatment plant was severely damaged. Funding in this bill will cover a small portion of flood repairs that need to be made to the base.

We have an obligation to provide funding to repair damage at the base. When cities and counties in southern California needed help from flooding this year, they were able to turn to FEMA for help. Obviously, the marines can't do that.

We cannot ask the Marine Corps to absorb these costly repairs from a budget that is already stretched to its limits. The defense budget is being hit from all sides. The armed services are being asked to downsize at an historic rate. Military personnel, are being asked to accept a pay freeze, weapons programs are being canceled or drastically scaled back. In short, the defense budget is being cut too deep, too fast. It simply is not fair to turn around and ask them to absorb the costs from this flood damage and any other emergencies that, by definition, come along unexpectedly.

Mr. GALLO. Mr. Chairman, I would like to commend the distinguished chairman of the Military Construction Subcommittee, Mr. HEFNER, and the able ranking member, Mrs. VUCANOVICH, for the hard work they have done in bringing to the floor a military construction appropriations bill that is both responsive to the demands of budget constraints and to the changing demands on our defense infrastructure.

I particularly appreciate their favorable consideration of my request for two important military construction projects at the U.S. Army Armament Research, Development and Engineering Center [ARDEC] at Picatinny Arsenal, NJ. They are:

The construction of an advanced warhead development facility. This facility would enhance ARDEC's ability to meet its Army mission for the development of armament systems, including antiarmor warheads. It would provide a safe, secure, cost-effective, environmentally acceptable facility for conducting tests for terminal ballistics evaluation of explosive warheads for large caliber munitions. This facility will permit testing in any weather and will also comply with environmental mandates for reducing noise and eliminating radioactive and toxic waste. Construction of this facility will result in an annual cost savings of $1.3 million, with a payback in less than 4 years, and;

The construction of an explosive development facility. This facility would enhance ARDEC's ability to meet its missions to formulate, characterize, and determine the sensitivities of new explosives and propellants, as well as its Army mission for interim qualification of new and improved energetic materials employed in munitions systems—mines, artillery, et cetera. It will consolidate preparation and small scale testing for the research and development of new explosive formulations and will be used to develop new Army insensitive energetic materials to be used in future insensitive munitions [IM] as mandated by the triservice insensitive munitions policy. Construction of this facility will result in an annual cost savings of $1.8 million, with a payback of less than 4 years.

I believe both of these projects, which have Army support, represent important and wise investments in the Army of the future. By providing ARDEC—an Army center of excellence 3 years running—with these up-to-date facilities, we can enhance their ability to meet their mission while investing in infrastructure improvements of the arsenal that will pay for themselves in less than 4 years.

Mr. FAWELL. Mr. Chairman, I had intended to offer an amendment to H.R. 2446, the Military Construction Appropriation Act, with Congressman PENNY, ZIMMER, and THURMAN. Unfortunately, due to the fact that general debate was cut far short of what was anticipated, and the vote on final passage occurred unusually fast, I lost my opportunity to offer an amendment on behalf of the porkbusters coalition to cut 143 unauthorized, unrequested projects totaling over $520 million.

The following is the statement I had prepared on our amendment:

STATEMENT OF CONGRESSMAN HARRIS W. FAWELL ON THE FAWELL-PENNY-ZIMMER-THURMAN AMENDMENT TO H.R. 2446, MILITARY CONSTRUCTION APPROPRIATIONS

Mr. Chairman, I am offering an amendment, with Congressmen PENNY, ZIMMER, and THURMAN, on behalf of the porkbusters coalition to eliminate earmarked funding for 143 projects totaling over $520 million. All of these projects were specifically earmarked by the Appropriations Committee—in other words, the committee directs tax dollars to be spent in a specific location for a specific project. The earmarks were not requested by the Defense Department. They have not been authorized.

This amendment is straightforward. It asks that Congress abide by the rules it sets for spending tax dollars. And these rules are straightforward: First get it authorized, then appropriate the money. The Appropriations Committee is asking us to do it the other way around.

If the Appropriations Committee is going to earmark specific projects, then they should be specifically earmarked for funding first by the authorizing committee, Armed Services. These rules assure that projects will be carefully considered by Congress and taxpayers' funds will not be wasted.

It appears that none of these 143 projects has had a specific authorization in previous years, and could not have been authorized this year because the Defense Authorization bill has not yet been reported out of committee. Further raising our suspicions about the projects, all are earmarked in the committee report for specific locations—all domestic locations, of course—and none were requested by the administration.

Mr. Chairman, the porkbusters coalition is a bipartisan group of 72 Members of Congress and 11 taxpayer organizations. I cannot stress the following point enough: Porkbusters is not questioning the merits of these projects; we are questioning the way in which they are being funded in violation of established procedures.

Opponents of the amendment will argue that H.R. 2446 requires that projects be authorized before they can be funded. From my reading of this bill, that is not the case. The bill does not require that the earmarks be specifically authorized. Moreover, projects are supposed to be authorized prior to receiving funding.

Opponents of the amendment will also argue that we need not cut $520 million from the bill because the military construction appropriation bill is already under the President's request. Total requested spending under the President's budget is irrelevant. What is relevant is that this bill appropriates $1.9 billion more than was appropriated last year in a time of expanding national debt. Therefore, if we adopt our amendment, we will only cut the increase over last year by one-quarter. If the Federal Government were operating under zero-based budgeting where you begin with what you got last year, the burden would be on the proponents of this bill to justify a 20-percent increase in spending in a single year.

Opponents will argue that the bill comes in under the budget allocation, the 602(b) allocation. This half billion dollars in earmarks will have to be borrowed from our grandchildren. These earmarks are equivalent to a one-half cent per gallon gasoline tax—think of it, we could knock off that much from the proposed new gas tax just by cutting these earmarks.

One-half billion dollars will not burn a hole in our pockets if it is not spent. Even if all of the President's budget plans are implemented—all of the tax increases and spending cuts take place—we will still add $1.8 trillion to the national debt over the next 5 years. If we can find a half billion dollars that isn't absolutely essential to spend, then we'd darn well better use it to reduce the accumulated debt.

If we cannot cut spending, such as this $520 million, that has never gone through the authorization process, then what can we cut? If we cannot cut spending that was not even requested by the military for the military, then what can we cut? If we cannot make this first toddling step, how can we ever be trusted to take more taxes from the American people? How can we be trusted to move toward balancing the budget?

I would especially like to appeal to the 110 new Members of this body who came to Washington to change business as usual when it comes to spending taxpayers' money. If you campaigned on cutting waste in government, on eliminating unnecessary defense spending, or if you pledged to support the line-item veto, this amendment goes to the heart of why you ran for Congress.

This is a bipartisan amendment that also has the support of the National Taxpayers Union, Citizens Against Government Waste, Citizens for a Sound Economy, U.S. Chamber of Commerce.

I urge a "yes" vote on the Fawell-Penny-Zimmer-Thurman amendment.

Mr. STUMP. Mr. Chairman, I rise to express my appreciation to today's bill managers for their efforts on behalf of Luke Air Force Base, AZ, so that flood control improvements may go forward. Chairman BILL HEFNER and ranking minority member BARBARA VUCANOVICH, of the Appropriations Subcommittee on Military Construction, recognized the urgency of this matter, and the opportunity to involve local government in cost sharing.

Last September, Luke AFB was flooded by storms representing a 100-year activity within the watershed that drains toward the base. Flood depths on Luke AFB ranged from 0.5 to 4 feet. Twenty-two fighter aircraft sustained brake and wheel bearing damage. In addition, 78 houses were damaged and 63 families were evacuated. Damage sustained on Luke AFB was $3.2 million. In January 1993, another storm caused $310,000 of damage when the Dysart drain on the north side of the base again breached its banks.

This flood channel was built in the 1950's. Luke AFB owns the channel and its related right of way. Ground water subsidence caused by many years of agricultural ground water pumping caused the channel to settle nearly 17 feet in some places. This subsidence has lowered the channel near Luke, with the presence of a salt dome creating a channel high point between Luke and the channel discharge point. This high point has negated the channel's effectiveness.

The estimated cost of a long-term fix to this problem is $12 million. Local county and municipal officials surrounding Luke AFB are aware of this situation and have repeatedly expressed a strong commitment to participate with the base on this project. On March 3, 1993, the board of directors of the flood control district of Maricopa County approved project resolution FCD 92–10 authorizing negotiation of an intergovernmental agreement with Luke, including cost sharing. They have already undertaken approximately $200,000 in technical study-design cost.

I strongly commend the actions of local officials in support of Luke AFB, and believe Congress should recognize their commitment to the base by moving forward with funding for this project as soon as possible. H.R. 2446 provides funding for this effort, and I again want to express my appreciation to the subcommittee leadership and staff for their assistance.

Mrs. VUCANOVICH. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. HEFNER. Mr. Chairman, I, too, have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. HALL of Ohio). All time for general debate has expired.

Pursuant to the rule, the amendments en bloc printed in House Report 103–148 to be offered by the gentleman from Illinois [Mr. FAWELL] or his designee, may amend portions of the bill not yet read for amendment, shall be considered as read, and shall not be subject to a demand for division of the question.

The Clerk will read.

The Clerk read as follows:

H.R. 2446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1994, for military construction functions administered by the Department of Defense, and for other purposes, namely:

MILITARY CONSTRUCTION, ARMY

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, including personnel in the Army Corps of Engineers and other personal services necessary for the purposes of this appropriation, and for construction and operation of facilities in support of the functions of the Commander in Chief, $837,644,000, to remain available until September 30, 1998: *Provided*, That of this amount, not to exceed $109,441,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $575,971,000, to remain available until September 30, 1998: *Provided*, that of this amount, not to exceed $64,373,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, AIR FORCE

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, $913,297,000, to remain available until September 30, 1998: *Provided*, That of this amount, not to exceed $63,882,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, $618,770,000, to remain available until September 30, 1998: *Provided*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided further*, That of the amount appropriated, not to exceed $42,405,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $203,980,000, to remain available until September 30, 1998.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $161,761,000 to remain available until September 30, 1998.

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $87,825,000, to remain available until September 30, 1998.

MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $28,647,000, to remain available until September 30, 1998

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $66,136,000, to remain available until September 30, 1998.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

For the United States share of the cost of North Atlantic Treaty Organization Infrastructure programs for the acquisition and construction of military facilities and installations (including international military headquarters) and for related expenses for the collective defense of the North Atlantic Treaty Area as authorized in military construction Acts and section 2806 of title 10, United States Code, $140,000,000, to remain available until expended.

FAMILY HOUSING, ARMY

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $218,785,000 to remain available until September 30, 1998; for operation and maintenance, and for debt payment, $1,067,922,000; in all $1,286,707,000.

FAMILY HOUSING, NAVY AND MARINE CORPS

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $367,769,000, to remain available until September 30, 1998; for operation and maintenance, and for debt payment, $781,952,000; in all $1,149,721,000.

FAMILY HOUSING, AIR FORCE

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $192,197,000, to remain available until September 30, 1998; for Operation and maintenance, and for debt payment, $805,847,000; in all $998,044,000.

FAMILY HOUSING, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration, and for operation and maintenance, leasing, and minor construction, as authorized by law, as follows: for Construction, $159,000, to remain available for obligation until September 30, 1998; for Operation and maintenance, $25,711,000; in all $25,870,000.

HOMEOWNERS ASSISTANCE FUND, DEFENSE

For use in the Homeowners Assistance Fund established pursuant to section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966, as amended (42 U.S.C. 3374), $151,400,000.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART I

For deposit into the Department of Defense Base Closure Account established by section 207(a)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526), $27,870,000, to remain available for obligation until September 30, 1995: *Provided*, that none of these funds may be obligated for base realignment and closure activities under Public Law 100–526 which would cause the Department's $1,800,000,000 cost estimate for military construction and family housing related to the Base Realignment and Closure Program to be exceeded: *Provided further*, That not less than $19,800,000 of the funds appropriated herein shall be available solely for environmental restoration.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II

For deposit into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101-510), $1,800,500,000, to remain available until expended: *Provided*, That such funds are available solely for the approved 1991 base realignments and closures: *Provided further*, That not less than $262,300,000 of the funds appropriated herein shall be available solely for environmental restoration.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

For deposit into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101-510), $1,200,000,000, to remain available until expended: *Provided*, That such funds will be available only to the extent an official budget request is transmitted to the Congress: *Provided further*, That such funds are available solely for the approved 1993 base realignments and closures: *Provided further*, That not less than $300,000,000 of the funds appropriated herein shall be available solely for environmental restoration.

GENERAL PROVISIONS

SEC. 101. None of the funds appropriated in Military Construction Appropriations Acts shall be expended for payments under a cost-plus-a-fixed-fee contract for work, where cost estimates exceed $25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 102. Funds appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

SEC. 103. Funds appropriated to the Department of Defense for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 104. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental United States for which specific appropriations have not been made.

SEC. 105. No part of the funds provided in Military Construction Appropriations Acts shall be used for purchase of land or land easements in excess of 100 per centum of the value as determined by the Army Corps of Engineers or the Naval Facilities Engineering Command, except (a) where there is a determination of value by a Federal court, or (b) purchases negotiated by the Attorney General or his designee, or (c) where the estimated value is less than $25,000, of (d) as otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 106. None of the funds appropriated in Military Construction Appropriations Acts shall be used to (1) acquire land, (2) provide for site preparation, or (3) install utilities for any family housing, except housing for which funds have been made available in annual Military Construction Appropriations Acts.

SEC. 107. None of the funds appropriated in Military Construction Appropriations Acts for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations.

SEC. 108. No part of the funds appropriated in Military Construction Appropriations Acts may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

SEC. 109. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 110. None of the funds appropriated in Military Construction Appropriations Acts may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations.

SEC. 111. None of the funds appropriated in Military Construction Appropriations Acts may be obligated for architect and engineer contracts estimated by the Government to exceed $500,000 for projects to be accomplished in Japan or in any NATO member country, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.

SEC. 112. None of the funds appropriated in Military Construction Appropriations Acts for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll may be used to award any contract estimated by the Government to exceed $1,000,000 to a foreign contractor: *Provided*, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 per centum.

SEC. 113. The Secretary of Defense is to inform the Committees on Appropriations and the Committees on Armed Services of the plans and scope of any proposed military exercise involving United States personnel thirty days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed $100,000.

(TRANSFER OF FUNDS)

SEC. 114. Unexpended balances in the Military Family Housing Management Account established pursuant to section 2831 of title 10, United States Code, as well as any additional amounts which would otherwise be transferred to the Military Family Housing Management Account, shall be transferred to the appropriations for Family Housing, as determined by the Secretary of Defense, based on the sources from which the funds are derived, and shall be available for the same purposes, and for the same time period, as the appropriation to which they have been transferred.

SEC. 115. Not more than 20 per centum of the appropriations in Military Construction Appropriations Acts which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year.

(TRANSFER OF FUNDS)

SEC. 116. Funds appropriated to the Department of Defense for construction in prior years shall be available for construction authorized for each such military department by the authorizations enacted into law during the current session of Congress.

SEC. 117. For military construction or family housing projects that are being completed with funds otherwise expired or lapsed for obligation, expired or lapsed funds may be used to pay the cost of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any.

SEC. 118. Notwithstanding any other provision of law, any funds appropriated to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were appropriated if the funds obligated for such project (1) are obligated from funds available for military construction projects, and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

SEC. 119. Of the funds appropriated in this Act for Operation and maintenance of Family Housing, no more than $13,000,000 may be obligated for contract cleaning of family housing units.

(TRANSFER OF FUNDS)

SEC. 120. During the five-year period after appropriations available to the Department of Defense for military construction and family housing operation and maintenance and construction have expired for obligation, upon a determination that such appropriations will not be necessary for the liquidation of obligations or for making authorized adjustments to such appropriations for obligations incurred during the period of availability of such appropriations, unobligated balances of such appropriations may be transferred into the appropriation "Foreign Currency Fluctuations, Construction, Defense" to be merged with and to be available for the same time period and for the same purposes as the appropriations to which transferred.

SEC. 121. The Secretary of Defense is to provide the Committees on Appropriations of the Senate and the House of Representatives with an annual report by February 15, containing details of the specific actions proposed to be taken by the Department of Defense during the current fiscal year to encourage other member nations of the North Atlantic Treaty Organization and Japan and Korea to assume a greater share of the common defense burden of such nations and the United States.

SEC. 122. (a) Notwithstanding any other provision of law, the Secretary of the Army shall transfer, no later than September 30, 1994, without reimbursement or transfer of funds, to the Architect of the Capitol, a portion of the real property, including improvements thereon, known as the Army Research Laboratory, Woodbridge Research Facility, located in Prince William County, Virginia, consisting of approximately 100 acres, more or less, as determined under subsection (c).

(b) The Architect of the Capitol shall, upon completion of the survey performed pursuant to subsection (c) and the transfer effected pursuant to subsection (a), utilize the property to be transferred to provide facilities to accommodate the varied long term storage and service needs of the Library of Congress and Legislative Branch.

(c) The exact acreage, legal description and apportionment as to the portions of the property to be transferred under this section shall be determined by a survey satisfactory to the Architect of the Capitol and the Secretary of the Army.

SEC. 123. Proceeds received by the Secretary of the Navy pursuant to section 2840 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190) are appropriated and shall be available for the purposes authorized in that section.

SEC. 124. Defense access roads from Camp Dodge, Iowa, (86th Street Improvements) shall be considered as fully meeting the certification requirements specified in section 210 of title 23 of the United States Code.

□ 1100

Mr. HEFNER (during the reading). Mr. Chairman, I ask unanimous consent that the bill, through page 17, line 9, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Are there any points of order against those portions of the bill?

The Chair hears none.

Are there any amendments?

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: At the end of the bill, add the following new sections:

SEC. . COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. . SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. . PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a fraudulent label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that was not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I want to commend the chairman of the subcommittee and the ranking member for bringing us a fine bill. This language is the "Buy American" provision and has been placed on many of the appropriation bills. The amendment has been in essence cleared with Chairman CONYERS, and it does speak to those provisions of the bill that make it stronger. I appreciate the fact that it has been accepted.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the chairman of the subcommittee.

Mr. HEFNER. Mr. Chairman, we have reviewed the amendment, and it has been cleared through Chairman CONYERS. We have no objection to the amendment.

Mrs. VUCANOVICH. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentlewoman from Nevada.

Mrs. VUCANOVICH. Mr. Chairman, I accept the amendment.

Mr. TRAFICANT. Mr. Chairman, with that, I would like to commend the committee for this legislation. I also want to commend them for what they are doing with base closings, as well as congratulate them for the fine effort they have made in building our infrastructure, which was so successful in Desert Shield and Desert Storm.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

If not, the Clerk will read the last two lines of the bill.

The Clerk read as follows:

This Act may be cited as the "Military Construction Appropriations Act, 1994".

Mr. HEFNER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MONTGOMERY) having assumed the chair, Mr. CARDIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2446) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1994, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the grounds that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 347, nays 67, not voting 20, as follows:

[Roll No. 261]

YEAS—347

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Bonilla
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Cunningham
Danner
Darden
de la Garza
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (OK)
Evans
Everett
Ewing
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Franks (CT)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Grandy
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hefley
Hefner
Hoagland
Hobson
Hochbrueckner
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Markey
Martinez
Matsui
Mazzoli
McCandless

McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Porter
Poshard
Price (NC)
Pryce (OH)
Quillen
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roth
Rowland
Roybal-Allard
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schenk
Schiff
Schroeder
Scott
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Tanner
Taylor (MS)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Torres
Torricelli
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Visclosky
Volkmer
Vucanovich
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zimmer

NAYS—67

Allard
Baker (LA)
Ballenger
Boehner
Bunning
Burton
Coble
Condit
Cox
Crane
Crapo
Deal
DeFazio
Doolittle
Dornan
Dreier
Duncan
Dunn
Fawell
Fingerhut
Franks (NJ)
Goss
Grams
Greenwood
Hancock
Herger
Hoekstra
Hoke
Istook
Jacobs
Johnson, Sam
Klein
Klug
Knollenberg
Lazio
Linder
Manzullo
Miller (FL)
Minge
Moorhead
Nussle
Orton
Pallone
Paxon
Penny
Pomeroy
Portman
Quinn
Rahall
Rohrabacher
Roukema
Royce
Schaefer
Sensenbrenner
Shepherd
Solomon
Stark
Talent
Taylor (NC)
Thurman
Torkildsen
Upton
Vento
Walker
Washington
Wyden
Zeliff

NOT VOTING—20

Bonior
Derrick
Dickey
English (AZ)
Eshoo
Frank (MA)
Hayes
Henry
Hilliard
Hinchey
Margolies-Mezvinsky
McDermott
McKeon
Rush
Schumer
Sharp
Skeen
Synar
Tauzin
Towns

□ 1127

Messrs. STARK, GREENWOOD, MOORHEAD, and CRAPO changed their vote from "yea" to "nay."

Messrs. MURPHY, KLINK, and WAXMAN changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. ESHOO. Mr. Speaker, due to events beyond my control, I missed House rollcall vote No. 261. Had I been present, I would have voted "aye."

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995

The SPEAKER pro tempore. Pursuant to House Resolution 193 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2200.

□ 1130

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2200) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control, and data communications, construction of facilities, research and program management, and inspector general, and for other purposes, with Mrs. UNSOELD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, June 14, 1993, all time for general debate had expired.

Mr. BROWN of California. Madam Chairman, at the request of the Democratic leadership, I move that the Committee do now rise briefly for some incidental business.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MONTGOMERY) having assumed the chair, Mrs. UNSOELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2200) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control, and data communications, construction of facilities, research and program management, and inspector general, and for other purposes, had come to no resolution thereon.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. HOYER. Mr. Speaker, at the direction of the Democratic caucus, I offer a privileged resolution (H. Res. 205) designating membership on certain standing committees of the House, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 205

Resolved, That the following named Members, be, and they are hereby, elected to the following standing committees of the House of Representatives.

Committee on Agriculture: SAM FARR, California.

Committee on Natural Resources: SAM FARR, California.

Committee on Public Works and Transportation: PETER W. BARCA, Wisconsin.

Committee on Science, Space and Technology: PETER W. BARCA, Wisconsin.

Committee on Small Business: BENNIE G. THOMPSON, Mississippi.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to House Resolution 193, and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2200.

□ 1134

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2200) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control, and data communications, construction of facilities, research and program management, and inspector general, and for the other purposes, with Mrs. UNSOELD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment, and each title is considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

H.R. 2200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, Fiscal Years 1994 and 1995".

Mr. WALKER. Madam Chairman, I move to strike the last word.

Madam Chairman, there is an amendment to section 1, to the findings section that the gentleman from Wisconsin [Mr. KLUG] wishes to offer at some point. Given the constraint of time that we have been put under for this bill, we are being told that we are to offer two amendments today, and we just want to make certain that the time is reserved for the gentleman from Wisconsin to be able to come back and bring up his amendment at a later date, and he does not lose his opportunity as a result of us moving past that.

I think that the chairman of the committee, Mr. BROWN, has agreed to that procedure, that we would ask unanimous consent that he be allowed to come back at the appropriate time.

Mr. BROWN of California. Madam Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from California.

Mr. BROWN of California. Madam Chairman, the gentleman from Wisconsin has spoken to me about his amendment. I am perfectly agreeable to protecting his right to offer that amendment at the appropriate time, and if necessary, we can come back to that amendment.

Mr. KLUG. Madam Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Wisconsin.

Mr. KLUG. Madam Chairman, I thank my colleague from Pennsylvania for yielding.

So even though today we are going to deal with two amendments, and essentially we are bypassing the section that would include the findings, which is where my amendment is, it is the intention of the gentleman from California [Mr. BROWN] that later on that section will remain open, subject to the amendment.

Mr. BROWN of California. If the gentleman will yield, that is correct.

Mr. KLUG. I thank the gentleman.

Mr. WALKER. In that regard, Madam Chairman, I ask unanimous consent that at the appropriate time in the future the gentleman from Wisconsin [Mr. KLUG] be able to offer his amendment to section 2 when we return to the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) the civil space program has the potential to contribute to the advancement of technologies critical to the competitiveness and productivity of United States industry;

(2) the core mission of the National Aeronautics and Space Administration is, and depends upon, the extension of human presence beyond Planet Earth, specifically by the construction and operation of the International Space Station Freedom in the near term, and by the acquisition and development of knowledge necessary for expanding human presence beyond low Earth orbit to other celestial bodies over the middle and long term;

(3) the reduction in international tensions and the end of the Cold War provide an opportunity for the National Aeronautics and Space Administration to achieve a closer coordination with defense-related agencies and, consistent with the National Aeronautics and Space Act of 1958, to reduce overlap and duplication among Federal space programs and to take greater advantage of other Federal space capabilities;

(4) the National Aeronautics and Space Administration should play an active role in preserving a robust space industrial base and should seek to strengthen incentives for industry to conduct research and development for both Federal mission needs and the diversification of space-related applications;

(5) in the conduct of its space activities, the United States should employ the existing space assets and capabilities of the former Soviet Union on a selective basis when unique programmatic benefits are offered, and should encourage a collaboration between United States industry and the privatizing space organizations of the former Soviet Union in developing future space capabilities;

(6) in the conduct of space missions, the United States should give preference to integrating the broad range of "off-the-shelf" existing space assets and capabilities available from commercial sources; and

(7) the cancellation of the Advanced Solid Rocket Motor program should result in a reduction of the funding requirements for the National Aeronautics and Space Administration equal to 50 percent of the project cost of such program over the 5-year period following the date of enactment of this Act.

The CHAIRMAN. Are there any amendments to section 2?

The Clerk will designate title I.

The text of title I is as follows:

TITLE I—AUTHORIZATION OF APPROPRIATIONS

Subtitle A—Authorizations

SEC. 101. RESEARCH AND DEVELOPMENT.

(a) SPACE STATION FREEDOM.—

(1) AUTHORIZATION.—There are authorized to be appropriated to the National Aeronautics and Space Administration for "Research and Development" for the Space Station Freedom, $1,900,000,000 for fiscal year 1994, $1,900,000,000 for fiscal year 1995, $1,900,000,000 for fiscal year 1996, $1,900,000,000 for fiscal year 1997, $1,900,000,000 for fiscal year 1998, $1,900,000,000 for fiscal year 1999, and $1,300,000,000 for fiscal year 2000.

(2) SCOPE OF PROGRAM.—The Space Station Freedom shall be designed to provide the capability for productive scientific and engineering research in low Earth orbit, shall be capable of incorporating advanced technologies over the operational life of the Space Station for the purposes of increasing the productivity of research and reducing the costs of operation, shall include a habitation module as part of its permanently manned configuration, and shall be developed in accordance with the international agreements in place as of the date of enactment of this Act.

(3) ADDITIONAL FOREIGN PARTICIPATION.—The Space Station Freedom program shall, where feasible, employ the existing space assets and capabilities of the former Soviet Union on a selective basis when such use will reduce the cost of developing and operating the Space Station Freedom to the United States and its international partners. Any proposed use of such assets and capabilities shall be in accordance with the international agreements in place as of the date of enactment of this Act.

(4) PROGRAM MANAGEMENT OFFICE.—The National Aeronautics and Space Administration shall maintain a strong, independent Space Station Program Management Office with financial control of the program budget at least through the date of the First Element Launch, unless the Administrator of the National Aeronautics and Space Administration (in this Act referred to as the "Administrator") certifies to the Congress that an alternative management approach will save money and will not result in increased annual funding requirements or schedule delays.

(b) OTHER RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to the National Aeronautics and Space Administration for "Research and Development" for—

(1) Technology Investment Program, established under title II of this Act, $22,000,000 for fiscal year 1994, and $40,000,000 for fiscal year 1995, none of which shall be available for administrative expenses of the National Aeronautics and Space Administration, except that no funds appropriated pursuant to this Act may be obligated for the establishment of any Technology Research institutes unless otherwise specifically provided for by law;

(2) Space Transportation Capability Development, $751,600,000 for fiscal year 1994, and $819,300,000 for fiscal year 1995, of which $21,000,000 for fiscal year 1994 and $40,000,000 for fiscal year 1995 are authorized to develop improvements in existing expendable launch vehicles (including the development of a single-engine version of the Centaur upper stage rocket), and of which $21,400,000 for fiscal year 1994 and $46,000,000 for fiscal year 1995 are authorized to support the development of advanced launch technologies, including single-stage-to-orbit technologies, and components;

(3) Physics and Astronomy, $1,094,700,000 for fiscal year 1994, and $1,162,300,000 for fiscal year 1995, of which $20,000,000 for fiscal year 1994 and $15,000,000 for fiscal year 1995 are for augmenting the funding for Mission Operations and Data Analysis activities by that amount;

(4) Planetary Exploration, $622,200,000 for fiscal year 1994, and $646,800,000 for fiscal year 1995, of which $65,000,000 for fiscal year 1994 and $85,000,000 for fiscal year 1995 are for augmenting funding for Mission Operations and Data Analysis activities and to initiate development of a Mars Environmental Survey mission;

(5) Life and Microgravity Sciences and Applications, $426,000,000 for fiscal year 1994, and $485,700,000 for fiscal year 1995, of which at least $2,000,000 for each such fiscal year is reserved for research on the causes of breast and ovarian cancers and other women's health issues;

(6) Mission to Planet Earth—

(A) $1,109,900,000 for fiscal year 1994, of which $5,000,000 are authorized for the development of instrumentation for and flight of remotely piloted aircraft, $25,000,000 are authorized for the High Resolution Multispectral Stereo Imager for Landsat 7, if the Administrator determines and reports to Congress in writing that equivalent data will not be made available by private remote-sensing space systems at the time Landsat 7 will be launched, or for the purchase of equivalent data to be provided in the future by private remote-sensing space systems, and of which $18,000,000 may be provided for the Consortium for International Earth Science Information Network, except that no funds may be obligated for the Consortium for International Earth Science Information Network in excess of $18,000,000 in fiscal year 1994 unless an equal amount of matching funding is provided from non-Federal sources; and

(B) $1,448,100,000 for fiscal year 1995;

(7) Space Research and Technology, $298,200,000 for fiscal year 1994, and $333,100,000 for fiscal year 1995;

(8) Commercial Programs, $172,000,000 for fiscal year 1994, and $141,400,000 for fiscal year 1995;

(9) Aeronautics Research and Technology Programs—

(A) for Research Operations Support, $143,500,000 for fiscal year 1994, and $148,300,000 for fiscal year 1995;

(B) for Research and Technology Base activities, $448,300,000 for fiscal year 1994, and $433,900,000 for fiscal year 1995;

(C) for High-Speed Research, $187,200,000 for fiscal year 1994, and $236,300,000 for fiscal year 1995;

(D) for Advanced Subsonic Technology, $101,300,000 for fiscal year 1994, and $128,500,000 for fiscal year 1995, of which $5,000,000 for fiscal year 1994 and $13,000,000 for fiscal year 1995 shall be for Short-Haul Aircraft, $30,200,000 for fiscal year 1994 and $30,500,000 for fiscal year 1995 shall be for Noise Reduction, and $11,500,000 for fiscal year 1994 and $12,000,000 for fiscal year 1995 shall be for Technology Integration for Reducing Environmental Pollution;

(E) for Other Systems Technology Programs, $140,400,000 for fiscal year 1994, and $168,000,000 for fiscal year 1995; and

(F) for the National Aero-Space Plane Program, $80,000,000 for fiscal year 1994, and $80,000,000 for fiscal year 1995;

(10) Safety, Reliability, and Quality Assurance, $35,300,000 for fiscal year 1994, and $38,500,000 for fiscal year 1995;

(11) Academic Programs, $74,500,000 for fiscal year 1994, and $81,500,000 for fiscal year 1995; and

(12) Tracking and Data Advanced Systems, $24,600,000 for fiscal year 1994, and $25,100,000 for fiscal year 1995.

The Administrator shall make available for the National Aero-Space Plane the full amounts authorized under paragraph (9)(F) from the amounts made available pursuant to paragraph (9) for each fiscal year.

SEC. 102. SPACE FLIGHT, CONTROL, AND DATA COMMUNICATIONS.

There are authorized to be appropriated to the National Aeronautics and Space Administration for "Space Flight, Control, and Data Communications" for—

(1) Space Shuttle Production and Operational Capability, $1,069,200,000 for fiscal year 1994 and $978,500,000 for fiscal year 1995, of which no funds are authorized for the continuation of the Advanced Solid Rocket Motor program, and of which $150,000,000 for fiscal year 1994 and $35,000,000 for fiscal year 1995 are authorized to cover the cost of terminating the Advanced Solid Rocket Motor program and transferring the production of Space Shuttle and other solid rocket motor nozzles and the refurbishment of Redesigned Solid Rocket Motor cases to the new production site located near Yellow Creek, Mississippi;

(2) Space Shuttle Operations, $3,006,500,000 for fiscal year 1994, and $2,810,400,000 for fiscal year 1995;

(3) Space and Ground Networks, Communications, and Data Systems, $795,500,000 for fiscal year 1994, and $964,600,000 for fiscal year 1995, including procurement of Tracking and Data Relay Satellites on a fixed-price basis using functional performance specifications, and, to the extent practicable, seeking to incorporate potential improvements to such Satellites that result in cost savings or a greater probability of returning data; and

(4) Launch Services, $300,300,000 for fiscal year 1994, and $313,700,000 for fiscal year 1995.

None of the funds appropriated pursuant to this section shall be used to launch the Advanced X-ray Astrophysics Facility on the Space Shuttle. By fiscal year 2003, the combined annual cost for the production and operation of the Space Shuttle program and the Space Station Freedom program shall not exceed, after adjustments for inflation, $4,325,000,000 in fiscal year 1992 dollars.

SEC. 103. CONSTRUCTION OF FACILITIES.

(a) FISCAL YEAR 1994.—There are authorized to be appropriated to the National Aeronautics and Space Administration for fiscal year 1994 for "Construction of Facilities", including land acquisition, for—

(1) Construction of Space Station Freedom Facilities, $25,000,000;

(2) Replacement of Mission Control Center Air Handlers, Johnson Space Center, $8,000,000;

(3) Replacement of Thermal Vacuum Helium Refrigeration System, Johnson Space Center, $7,400,000;

(4) Rehabilitation of Electrical Distribution System, Project Management Building, Johnson Space Center, $2,200,000;

(5) Modification of Launch Complex 39 Exterior Utility Piping, Kennedy Space Center, $1,200,000;

(6) Refurbishment of Launch Complex 39 Cooling System, Kennedy Space Center, $4,000,000;

(7) Refurbishment of Launch Complex 39 Secondary Circuit Breakers, Kennedy Space Center, $3,300,000;

(8) Refurbishment of Vehicle Assembly Building/Pad Water Storage Tanks, Kennedy Space Center, $3,000,000;

(9) Rehabilitation of Industrial Area Fire Alarm Reporting System, Kennedy Space Center, $4,900,000;

(10) Restoration of C–5 Substation, Launch Complex 39 Area, Kennedy Space Center, $5,000,000;

(11) Restoration Class III Landfill, Kennedy Space Center, $1,900,000;

(12) Restoration of High Pressure Air Compressor System, Marshall Space Flight Center, $8,500,000;

(13) Restoration of Electrical Power System, Marshall Space Flight Center, $2,600,000;

(14) Repair of Decking and Roof, X-Ray and Staging Facility, Michoud Assembly Facility, $1,500,000;

(15) Replacement of Cooling Tower and Boiler, Michoud Assembly Facility, $4,000,000;

(16) Restoration of Space Shuttle Main Engine Text Complex High Pressure Industrial Water System, Stennis Space Center, $2,300,000;

(17) Restoration of High Pressure Gas Storage Capacity, Stennis Space Center, $2,300,000;

(18) Restoration of Underground Communication Distribution System, Stennis Space Center, $3,800,000;

(19) Construction of Earth Systems Science Building, Goddard Space Flight Center, $12,000,000;

(20) Replacement of Central Plant Steam and Electrical Generation Equipment, Goddard Space Flight Center, $8,600,000;

(21) Restoration and Modernization of Chilled Water System, Goddard Space Flight Center, $5,000,000;

(22) Restoration of Airfield, Wallops Flight Facility, $5,200,000;

(23) Replacement of Chillers and Modification of Related Systems, Various Buildings, Jet Propulsion Laboratory, $2,900,000;

(24) Construction of Advanced Solid Rocket Motor Facilities, Various Locations, $32,600,000;

(25) Phase I Facility Studies, Requirements Definition, Design, and Modification and Construction of National Aeronautics Facilities, Various Locations, $74,000,000;

(26) Modifications for Composite Technology Center, Lewis Research Center, $27,000,000;

(27) National Transonic Facility Productivity Enhancement, Langley Research Center, $60,000,000;

(28) Performance Improvements in 11-Foot Wind Tunnel, Ames Research Center, $20,000,000;

(29) Rehabilitation of Control Systems, National Full-Scale Aerodynamics Complex, Ames Research Center, $2,100,000;

(30) Upgrade of Outdoor Aerodynamic Research Facility, Ames Research Center, $3,900,000;

(31) Modernization of the Unitary Plan Wind Tunnel Complex, Ames Research Center, $25,000,000;

(32) Construction of EOSDIS Distributed Active Archive Center, Langley Research Center, $8,000,000;

(33) Rehabilitation of Rocket Engine Test Facility, Lewis Research Center, $12,500,000;

(34) Construction of 34-Meter Multifrequency Antenna, Goldstone Facility, Jet Propulsion Laboratory, $17,600,000;

(35) Repair of facilities at various locations, not in excess of $1,000,000 per project, $36,000,000;

(36) Rehabilitation and modification of facilities at various locations, not in excess of $1,000,000 per project, $36,000,000;

(37) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $750,000 per project, $14,000,000;

(38) Facility Planning and Design, $27,000,000; and

(39) Environmental Compliance and Restoration, $50,000,000.

Notwithstanding paragraphs (1) through (39), the total amount authorized to be appropriated under this subsection shall not exceed $570,300,000.

(b) FISCAL YEAR 1995.—There are authorized to be appropriated to the National Aeronautics and Space Administration for fiscal year 1995 for "Construction of Facilities", including land acquisition, $422,200,000.

SEC. 104. RESEARCH AND PROGRAM MANAGEMENT.

There are authorized to be appropriated to the National Aeronautics and Space Administration for "Research and Program Management", $1,650,000,000 for fiscal year 1994, and $1,675,000,000 for fiscal year 1995.

SEC. 105. INSPECTOR GENERAL.

There are authorized to be appropriated to the National Aeronautics and Space Administration for "Inspector General", $15,500,000 for fiscal year 1994, and $16,000,000 for fiscal year 1995.

Subtitle B—Limitations and Special Authority

SEC. 111. USE OF FUNDS FOR CERTAIN ITEMS AND GRANTS.

(a) AUTHORIZED USES.—Appropriations authorized under sections 101 and 102 may be used for—

(1) any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the National Aeronautics and Space Administration for the performance of research and development contracts; and

(2) grants to institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities.

(b) VESTING OF TITLE; GRANT CONDITIONS.—Title to facilities described in subsection (a)(2) shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in the grantee institution or organization or the Federal contribution to such purchase or construction is not substantial enough to warrant vesting title in the United States. Each grant under subsection (a)(2) shall be made under such conditions as the Administrator shall determine to be required to ensure that the United States will receive therefrom benefits adequate to justify the making of that grant.

(c) LIMITATION.—None of the funds appropriated under sections 101 and 102 may be used in accordance with this section for the construction of any facility, the estimated cost of which, including collateral equipment, exceeds $750,000, unless 30 days have passed after the Administrator has notified the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives of the nature, location, and estimated cost of such facility.

SEC. 112. AVAILABILITY OF APPROPRIATED AMOUNTS.

Appropriations authorized under sections 101, 102, and 103 may remain available until expended. Contracts may be entered into with funds appropriated under section 104 or 105 for training, investigations, and costs associated with personnel relocation and for other services provided during the fiscal year following the fiscal year for which funds are appropriated.

SEC. 113. LIMITED USE OF FUNDS.

(a) USE FOR SCIENTIFIC CONSULTATIONS OR EXTRAORDINARY EXPENSES.—Appropriations authorized under section 101 may be used, but not to exceed $35,000 per fiscal year, for scientific consultations or extraordinary expenses upon the authority of the Administrator, and the Administrator's determination shall be final and conclusive upon the accounting officers of the Government.

(b) USE FOR FACILITIES.—(1) Except as provided in paragraph (3), appropriations authorized under sections 101 and 102 may be used for the construction of new facilities and additions to, repair of, rehabilitation of, or modification of existing facilities, except that the cost of each such project, including collateral equipment, shall not exceed $200,000 per fiscal year.

(2) Appropriations authorized under sections 101 and 102 may be used for unforeseen programmatic facility project needs, other than those described in paragraph (1), except that the cost of each such project, including collateral equipment, shall not exceed $750,000 per fiscal year.

(3) Appropriations authorized under section 101 may be used for repair, rehabilitation, or modification of facilities controlled by the General Services Administration, except that the cost of each such project, including collateral equipment, shall not exceed $500,000 per fiscal year.

SEC. 114. REPROGRAMMING FOR CONSTRUCTION OF FACILITIES.

Appropriations authorized under any paragraph of section 103—

(1) in the discretion of the Administrator may be varied upward by 10 percent; or

(2) after the expiration of 30 days following a report by the Administrator to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives on the circumstances of such action, may be varied upward by 25 percent, to meet unusual cost variations.

The total amount authorized to be appropriated under section 103 shall not be increased as a result of actions authorized under paragraphs (1) and (2) of this section.

SEC. 115. SPECIAL REPROGRAMMING AUTHORITY FOR CONSTRUCTION OF FACILITIES.

Where the Administrator determines that new developments or scientific or engineering changes in the national program of aeronautical and space activities have occurred; and that such changes require the use of additional funds for the purposes of construction, expansion, or modification of facilities at any location; and that deferral of such action until the enactment of the next National Aeronautics and Space Administration Authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities; the Administrator may transfer not to exceed one-half of one percent of the funds appropriated pursuant to sections 101 and 102 to the appropriation under section 103 for such purposes. The Administrator may also use up to $10,000,000 of the amounts authorized under section 103 for such purposes. The funds so made available pursuant to this section may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No such funds may be obligated until a period of 30 days has passed after the Administrator has transmitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives a written report describing the nature of the construction, its costs, and the reasons therefor.

SEC. 116. CONSIDERATION BY COMMITTEES.

Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made by the President for the National Aeronautics and Space Administration to either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Science, Space, and Technology of the House of Representatives;

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for the particular program by section 101, 102, or 104; and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to either such committee,

unless a period of 30 days has passed after the receipt, by each such committee, of notice given by the Administrator containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action. The National Aeronautics and Space Administration shall keep the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives fully and currently informed with respect to all activities and responsibilities within the jurisdiction of those committees. Any Federal department, agency, or independent establishment shall furnish any information requested by either committee relating to any such activity or responsibility.

SEC. 117. LIMITATION ON OBLIGATION OF UNAUTHORIZED APPROPRIATIONS.

(a) REPORT TO CONGRESS.—Not later than 30 days after the later of the date of enactment of an Act making appropriations to the National Aeronautics and Space Administration for fiscal year 1994 or 1995 and the date of enactment of this Act, the Administrator shall submit a report to Congress and to the Comptroller General which specifies—

(1) the portion of such appropriations which are for programs, projects, or activities not specifically authorized under subtitle A of this title, or which are in excess of amounts authorized for the relevant program, project, or activity under this Act; and

(2) the portion of such appropriations which are specifically authorized under this Act.

(b) FEDERAL REGISTER NOTICE.—The Administrator shall, coincident with the submission of the report required by subsection (a), publish in the Federal Register a notice of all programs, projects, or activities not specifically authorized under Act, and solicit public comment thereon regarding the impact of any such obligations on the conduct and effectiveness of the national aeronautics and space program.

(c) LIMITATION.—Notwithstanding any other provision of this Act, no funds may be obligated for any programs, projects, or activities of the National Aeronautics and Space Administration for fiscal years 1994 and 1995 not specifically authorized under this Act until 30 days have passed after the close of the public comment period contained in the notice required in subsection (b).

SEC. 118. LIMITATION ON APPROPRIATIONS.

Notwithstanding any other provision of this Act, no funds are authorized to be appropriated for carrying out the programs for which funds are authorized by this Act for any fiscal year other than as provided by this Act.

SEC. 119. ADDITIONAL LIMITATION.

No funds authorized under this Act may be obligated or expended to transfer the management of the External Tank Program from the Marshall Space Flight Center unless 30 days have passed after the Administrator has made a report of the technical justification for such a move to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, and such Committees have raised no objection.

SEC. 120. PRIORITY EXPENDITURE.

Of the amounts authorized under—

(1) section 102(1), only $258,200,000 for fiscal year 1994 and only $252,200,000 for fiscal year 1995;

(2) section 103(a)(24), no funds for fiscal year 1994 and no funds for fiscal year 1995;

(3) section 102(2), only $1,887,800,000 for fiscal year 1994 and only $1,870,000,000 for fiscal year 1995; and

(4) section 104, only $1,400,000,000 for each of fiscal years 1994 and 1995 to effect the closure of at least one National Aeronautics and Space Administration Center and the corresponding reduction in full-time equivalent employees,

may be expended unless $1,900,000,000 are made available for such fiscal year for the Space Station *Freedom*.

AMENDMENT OFFERED BY MR. HALL OF TEXAS

Mr. HALL of Texas. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALL of Texas: Page 4, after line 9, insert the following new section:

SEC. 100. TOTAL AUTHORIZATION.

Notwithstanding any other provision of this subtitle, the total amount authorized to be appropriated under sections 101(b), 102, 103, 104, and 105 for fiscal year 1994 shall not exceed $12,889,000,000. Each amount stated in such sections shall be reduced proportionately as necessary to meet the requirement of this section.

Mr. HALL of Texas. Madam Chairman, this amendment is a bipartisan amendment which was originally conceived by the gentleman from California [Mr. CALVERT]. I will shortly defer to him to further explain this amendment, but I want to make one central point.

I think we all want to achieve deficit reduction, both Democrat and Republican alike, and indeed, this is perhaps our highest priority this Congress.

The tough question, of course, is how to do this and keep essential programs like the space station on track. This amendment achieves deficit reduction without further cutting the space station, and I would point out that we cut space station in committee $226 million. The President cut $18 million off the total program in the outyears. This cuts about $250 million. This amendment achieves deficit reduction, I say, without touching space station.

It also will allow NASA to perform all of the essential things that it needs to do, including continuing the space station, and to do so without adversely affecting veterans, housing, and other high-priority programs.

I want to commend the gentleman from California [Mr. CALVERT] for his work on this amendment.

Mr. CALVERT. Madam Chairman, will the gentleman yield?

Mr. HALL of Texas. I yield to the gentleman from California.

Mr. CALVERT. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, before I begin, I would like to thank the gentleman from Texas [Mr. HALL] for his support of this amendment.

I would also like to thank Chairman BROWN of California for once again providing for an open rule which gives all Members the opportunity to participate in the legislative process.

And, I would like to thank Mr. WALKER, our ranking member for his leadership on this issue.

And finally, I would like to thank Mr. SENSENBRENNER, the ranking member of the Space Subcommittee, for his help with this amendment.

Madam Chairman, this is a very simple bipartisan amendment.

What it does is freeze the appropriations for NASA in fiscal year 1994 at the fiscal year 1993 level plus 3.2 percent to compensate for inflation.

This means that the increase of 4.9 percent that NASA has requested will be reduced by 1.7 percent.

Let me make it very clear that I am one of NASA's strongest supporters. I believe the work they are doing is of vital importance to all Americans—and to future generations.

And, let me emphasize that this amendment will do nothing to prevent NASA from continuing its important work.

All we are asking NASA to do with this amendment, is to bite the bullet of fiscal responsibility just as we have asked the American people to do.

In fact, we are not even asking that much.

Just a little over 2 weeks ago, this body passed a bill which would impose billions of dollars of new taxes on the American people.

While our constituents are being asked to live on less, is it too much to ask that Government agencies operate at the same level of funding as last year?

I do not think so.

Madam Chairman, as I said before, this is a simple amendment.

Members who believe we need to get Government spending under control so that their constituents will not be asked for even more taxes, should vote "yes" on the Calvert amendment.

☐ 1140

Ms. DUNN. Madam Chairman, I rise in support of the amendment.

Madam Chairman, I rise in support of this amendment to cut a quarter of a billion dollars out of next fiscal year's authorization for NASA.

All of us probably agree that the deficit is the No. 1 issue for our Nation and that Congress must do more to address it. There is disagreement only over whether and how much we can rely upon tax increases to reduce the deficit.

However, we all agree that further spending reductions are necessary, reductions beyond what Congress has done in the past, reductions, where possible, beyond what President Clinton has called for.

Madam Chairman, this amendment, and this bill, give us the opportunity to do just that.

Already, the NASA authorization brought forth by Chairman BROWN is well below what the White House requested, some $226 million less than the President asked for. This amendment will cut another $250 million, right away, in the first year.

Why must we cut even further? Because even if the President's program is enacted in total, and even if the tax increases do not depress the economy, even if everything turns out exactly as the President predicts, even if all that happens, the President's plan still would add another $1 trillion to the national debt over the next 4 years.

That is why we must, we must, cut more deeply where possible. We must cut as deeply as we can without cutting so severely that we kill the economy and our collective future.

The Calvert-Hall amendment does that. It takes us another big step forward, another step in the right direction, another step toward reduced spending without sacrificing national priorities.

And this cut can be achieved. I believe that any good manager can always find ways to trim his or her budget. This amendment will tell NASA managers to get their budgetary scissors out and start cutting.

At the same time, this amendment does not require us to abandon the vital role we enjoy as the world's leader in space exploration and research. Our Nation, alone among all the nations on the Earth, is capable of continuing a space program.

Mr. BROWN of California. Madam Chairman, I move to strike the last word.

Madam Chairman, I wish to reiterate what the distinguished chairman of the Space Subcommittee has already said, that the amendment being offered by him, and the distinguished gentleman from California [Mr. CALVERT], is a bipartisan amendment which has my approval. It is a version of an amendment offered in committee by the gentleman from California [Mr. CALVERT], which at the time we thought was a little bit too strong, but we have worked with the gentleman from California [Mr. CALVERT] to put it in the shape that it is now.

We thoroughly agree with it and support it and ask all the Members to support it.

Mr. WALKER. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I first want to thank the gentleman from Texas for offering this amendment. I do think it improves the bill. I think it is something that many Members of the House will want to do as part of our deficit-reduction efforts in the House. This does, I think, bring us closer to where we need to be in terms of the spending that this House can justify.

I also want to thank the gentleman from California [Mr. CALVERT] for his perseverance and fortitude in pursuing this. This is something he offered at the committee, ran into somewhat of a buzz saw in the committee in terms of getting it passed, but I think has been very persuasive since, and as a result, we do have a bipartisan effort out here.

I want to thank the chairman of the full committee also for being on board on the amendment.

This is a good vote. It is a vote to cut back on NASA while at the same time assuring that we have sufficient money to do that which is important to the future of manned space, and that is build the space station.

So I rise in favor of this amendment and urge my colleagues to support it.

Mr. BAKER of California. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I also would like to thank the chairman, the gentleman from California [Mr. BROWN], in the way he has handled this whole issue. He has allowed us to speak and had an open rule allowed for amendments, and he has handled himself in a very dignified manner. I appreciate it very much.

This amendment merely states that we are going to ask NASA to live within their budget, to grow only as much as the cost of living.

If we could do that to all government, we would not have the tremendous deficit that we have. There is only one thing more important than continuing our exploration in space, continuing to be a high-technology country, and that is to put our fiscal house in order.

Bankrupt nations do not feed poorer nations. Bankrupt nations do not explore space, if you will notice the former Soviet Union and their space program as it continues, but at a lesser level. No, our fiscal good health is what is important, and this amendment merely says, "NASA, we are going to hold you to cost-of-living increases. Make do with your budget," and they are going to do it. They are a good operation. They are becoming more efficient.

I want to commend again our chairman for allowing this debate.

Mr. ZIMMER. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, this amendment makes sense only if we also eliminate the insatiable budget demands imposed on the space program by the space station.

The problem that we have had with NASA is that many excellent, cost-effective programs have been delayed or scaled back or terminated because of the ongoing cost of the space station.

This amendment, which will modestly reduce the authorization, for a single year, will not solve the problem that we have been confronting year after year of multibillion-dollar appropriations for the space station.

Already we have seen dozens, Madam Chairman, of important and successful space programs have their funding cut or eliminated because of the escalating costs of the space station. The Earth Observing System has been delayed. The Magellan Venus probe was turned off when it was in perfectly good operating order because they ran out of money. The Space Exploration Initiative, which is our only long-range human exploration program that NASA has conducted, has been terminated, and as recently as yesterday the VA–HUD Appropriations Subcommittee cut a variety of space programs including $164 million from the space shuttle in order to bring funding for the space station up to the President's request.

The chairman, the gentleman from Ohio [Mr. STOKES], predicted that more NASA programs will have to be eliminated in order to make room for the space station.

So the only way we are going to deal with the problems that we have had in the NASA budget is to eliminate this black hole, this fiscal black hole, which has been absorbing the money we ought to be spending on worthwhile programs, manned and unmanned, in space.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. HALL].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 411, noes 11, not voting 17, as follows:

[Roll No. 262]

AYES—411

Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (OK)
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hefley
Hefner
Herger
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKinney
McMillan
McNulty
Meehan
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Rogers
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Scott
Sensenbrenner
Serrano
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—11

Abercrombie
Bacchus (FL)
Bachus (AL)
Becerra
Browder
Clay
Cramer
Hilliard
Roemer
Washington
Watt

NOT VOTING—17

Collins (IL)
Coyne
Derrick
English (AZ)
Faleomavaega (AS)
Hayes
Henry
Hinchey
Margolies-Mezvinsky
McDermott

McKeon
Meek
Schumer
Sharp
Skeen
Synar
Towns

□ 1209

Mr. HILLIARD and Mr. BROWDER changed their vote from "aye" to "no."

Mr. MILLER of California and Mr. DIXON changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. McDERMOTT. Mr. Speaker, during rollcall votes number 261 and 262 on H.R. 2446 and H.R. 2200 I was unavoidably detained. Had I been present I would have voted "yea" on both.

PERSONAL EXPLANATION

Mrs. COLLINS of Illinois. Madam Chairman, during rollcall vote No. 262, the vote on the amendment offered by the gentleman from Texas [Mr. HALL] on H.R. 2200, I was unavoidably detained. Had I been present I would have voted "aye."

AMENDMENT OFFERED BY MR. ROEMER

Mr. ROEMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROEMER: Page 4, line 11, through page 6, line 2, amend subsection (a) to read as follows:

(a) SPACE STATION FREEDOM.—The Administrator shall cancel the Space Station Freedom program. There are authorized to be appropriated to the National Aeronautics and Space Administration for the costs of such cancellation for fiscal year 1994, $825,000,000.

Page 12, lines 10 and 11, strike paragraph (1).

Page 12, line 12, through page 16, line 9, redesignate paragraphs (2) through (39) as paragraphs (1) through (38), respectively.

Page 16, line 11, strike "(39)" and insert in lieu thereof "(38)".

Page 16, line 13, strike "$570,300,000" and insert in lieu thereof "$545,300,000".

Mr. ROEMER (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

□ 1210

Mr. ROEMER. Madam Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be concluded in 3 hours, the time to be equally divided among myself, the gentleman from California [Mr. BROWN], the gentleman from Pennsylvania [Mr. WALKER], and the gentleman from New Jersey [Mr. ZIMMER].

The CHAIRMAN pro tempore (Ms. PELOSI). Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROEMER. Madam Chairman, I yield myself 5 minutes.

Madam Chairman, this amendment, simply put, would terminate space station *Freedom*.

I would like to begin by thanking a number of the cosponsors on this amendment that have worked so hard through the last year, and, in the case of the gentleman from New Jersey [Mr. ZIMMER], over the last 2 years, to end this space station *Freedom* program. I would like to thank the gentleman from Minnesota [Mr. PENNY], the gentleman from Connecticut [Mr. SHAYS], the gentleman from New York [Mr. SCHUMER], the gentleman from Michigan [Mr. UPTON], the gentlewoman from New York [Mrs. MALONEY], the gentleman from Illinois [Mr. DURBIN], the gentleman from Michigan [Mr. HOEKSTRA], the gentleman from Wisconsin [Mr. BARRETT], the gentleman from Nebraska [Mr. HOAGLAND], the gentleman from Massachusetts [Mr. FRANK], the gentleman from New Jersey [Mr. KLEIN], the gentleman from North Dakota [Mr. POMEROY], the gentlewoman from Missouri [Ms. DANNER], the gentleman from Ohio [Mr. STRICKLAND], the gentleman from Massachusetts [Mr. MEEHAN], the gentleman from Minnesota [Mr. MINGE], the gentleman from Washington [Mr. INSLEE], the gentleman from Nebraska [Mr. BEREUTER], the 18 cosponsors.

Madam Chairman, as we debate this very, very important amendment, I would like to bring up the name of a President that challenged us to put a person on the Moon in the 1960's, and that was President Kennedy. President Kennedy asked this country to plan wisely and dream big, and we did. We put a man on the Moon by 1969. We saw the success of Apollo XI where we returned $7 for every $1 invested from NASA.

Now, while those glory days are gone, they are not over. This amendment hopes to return to the days of Apollo XI, the days when we have successful technology spinoffs and good jobs, the days when we are all proud of NASA and we do not have an average cost overrun of 76 percent on each individual item.

President Kennedy also said, "If not now, when? If not us, who?" It is us, Members of Congress; we are going to have to make some of these tough decisions to restore NASA to the days of credibility and prominence, discovering new frontiers. We are going to have to help NASA in supporting the small science programs like the Earth observing system, the Magellan Program, the Explorer, programs that are returning good data for us but are threatened to be cut off by a bloated space station.

We need to look at the common sense of this amendment, Madam Chairman. We are faced with a $300 billion budget deficit. We cannot afford to go on spending money in a callous and cavalier manner, such as we have, on this space station where we have experienced a billion dollar cost overrun just this year.

Finally we will hear arguments, Madam Chairman, about the need to participate because it is important for our international partners, whereby our international partners, such as the Japanese, are not helping us out on the superconducting super collider. They are not helping us out with our trade negotiations in the world. They are not helping us out in a number of important science projects. We should not feel compelled to spend $100 billion on a space station because the Japanese want us to take the lead so they can spend a couple billion dollars.

We will also hear panacea arguments, that this is a panacea for every disease imaginable. We have to be realistic, Madam Chairman. We fund one out of every four approved grants in the NIH budget. We are not adequately dealing with our budget at NIH, only funding one out of every four approved grants for diseases, for heart disease, breast cancer, prostate cancer. We have AIDS problems in this country, lots of problems here on Earth that we are not dealing adequately with with our already limited NIH budget.

So, I say to my colleagues, "When you hear these arguments, I hope that we apply some pragmatism, some reality and some common sense to these arguments, given the problems that NASA faces, given the problems of a huge budget deficit and given the tough choices that we have to deal with here in the U.S. Congress with an escalating budget deficit."

I would urge particularly the freshmen to vote with this Roemer-Zimmer amendment.

Madam Chairman, the Roemer-Zimmer amendment is supported by: the National Taxpayers Union, Citizens Against Government Waste, Citizens for a Sound Economy, Businesses for Social Responsibility, the American Physical Society, the Planetary Society—Carl Sagan—and other civic, social, and environmental groups.

Madam Chairman, I reserve the balance of my time.

Mr. BROWN of California. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I rise in strong opposition to the amendment offered by the gentleman from Indiana [Mr. ROEMER] and I urge all of my colleagues to vote against it.

Over the past 5 years, the House has voted on five separate occasions to continue the space station program. There have been many arguments made in favor of and against the space station since the beginning of this program. One central issue which all agree on, however, is that the space station is at the heart of the manned space program. Without the space station, our Nation's long commitment to the manned exploration of space will be at an end.

We will have walked away from the legacy of the Mercury, the Gemini, the

Apollo, and the skylab programs. What will we have gained by this decision? Will we have balanced the budget? Will some other field of science experience a windfall? I am certain that no one 10 years from now will have the slightest idea of what we gained this day—but they will certainly know what we lost. We will have lost the opportunity to establish man's permanent presence in space and accomplish the dream that President Kennedy inspired us with 30 years ago.

Ever since the first American flew into space, our space program has been a steady progression of technology and human will all directed towards one goal—to achieve the capability to do things in space. Not just go there and return, but to live and work there on a permanent basis, to produce things, and achieve scientific results rather than merely survive.

Today, as we debate this issue, the space shuttle *Endeavor* is flying overhead, its crew struggling to scratch the surface of what might be possible. We have flown 56 such shuttle missions and we are still learning. All of the shuttle missions flown to date barely amount to a year's worth of work in orbit.

Opponents of the space station are fond of counting what they refer to as missions of the space station and explaining how these have gone away with each space station redesign. The truth of the matter is that there is only one mission for the space station and it hasn't changed. Its mission is to establish an outpost in space in which we can work year round. This is and always will be the next logical step in our manned space program. Once this initial step is taken, all those other things will follow.

What practical benefits will there be from such a facility? It is, of course, impossible to predict the future. Based on the work we have done on the shuttle, we know that there is a vast potential to use what space offers best and what we will never really achieve on Earth—a zero gravity environment.

In the zero gravity environment, we can study and conquer metallurgical problems and begin to understand, and perhaps even manufacture, valuable new alloys in space. In the zero gravity environment, we can grow more perfect crystals of critical proteins and understand their structures and how to alter them to perform better. We can understand, not only the effects of gravity on our biological functions, but how these system fundamentally work.

Madam Chairman, I also want to point out that we are not alone in this commitment. The space station is also the centerpiece of the national space programs of Canada, Japan, and 10 European nations. They perceive the same logical progression in space and the same potential benefits that can be realized. We have signed intergovernmental agreements that require cost sharing of the type that I hope will be the hallmark for all of our future endeavors in science.

We are also discussing with the Russians the prospects for broadening this international cooperation. Certainly, the end of the cold war should drive a dramatic realignment in the competition in space which has characterized the past 30 years. This is a difficult process and it is vital that we demonstrate our own ability to follow through on such undertakings as the space station.

Finally, I want to ensure that all my colleagues clearly understand the progress that has been made in the station program thus far and the work that remains to be done. We have now spent over $8 billion on the space station and our partners have spent over $3 billion. We and our partners have developed a design we know will work and will serve the needs of the user community. There are tens of thousands of detailed engineering drawings and many subsystems that we will use have already been built.

The President's call for a redesign early this year was, to be sure, a difficult challenge for all involved in the space station program. The President envisioned a major cost reduction and commissioned a review of alternative designs to accomplish this goal. What emerged was in some ways remarkable but in some ways not surprising at all.

First of all, there are no better designs. The station has gone through countless such reviews over the past 6 years and certain fundamental features of the station have been validated time and again. What the President and the blue ribbon panel he commissioned to review the station concluded was that we should continue the space station *Freedom* Program and take advantage of the work that has been done thus far.

What was accomplished however is nevertheless a major cost reduction. By streamlining the management, and cutting back on some of the hardware features, the President has been able to cut the costs by over $4 billion over the next 5 years and $18 billion over the life of the program.

In order to accomplish these goals, there will need to be a major reduction in management overhead and a dramatic increase in Government efficiency. I believe these things can be done and they will have consequences far beyond the space station. This new way of doing business will become the standard for all major Government development programs in the future, both civil and military. This may be the only way we can accomplish what needs to be done in the austere budgetary environment we envision in the future.

Madam Chairman, I want to conclude by calling the attention of my colleagues to the letter that was received by the Speaker from the President on H.R. 2200. This signifies that, for the first time ever, that there is a broad consensus on the need for and approach to the space station that is shared by the authorizing committee, the Appropriations Committee and by the President.

Now is the time to reaffirm our commitment to the Space Station program.

□ 1220

Madam Chairman, I urge my colleagues to vote against the Roemer amendment.

Mr. ZIMMER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, shortly after he took office, President Clinton concluded that space station *Freedom* was going to cost more than we could afford, so he directed NASA to prepare three options for building a space station that would require the Nation to spend between $5 and $9 billion over the next 5 years.

After 3 months of frantic work by NASA engineers and managers, three space station designs were submitted to the President for his review. But each design cost far more than the President's targets. Each design also delayed or eliminated significant capabilities of the current program.

Last week, the President endorsed NASA's option A, but said he would enhance it with elements of the more capable option B. Well, according to NASA and the President's own blue ribbon review panel, option A costs $12.8 billion and option B costs even more. But by using political math, Clinton announced that the 5-year cost of this space station program would be only $10.5 billion.

The promise of a capable, inexpensive space station has been made before. When it was first proposed in 1984, the space station was to be a space-based workshop, a laboratory, an observatory, a transportation hub, a repair shop, and a warehouse. Taxpayers and the Congress were told it would cost only $8 billion to build this beauty.

But, the experts, including then-NASA Administrator James Beggs, knew it would cost more. Rather than reflecting actual cost estimates, the $8 billion figure was chosen because it seemed politically viable. But that decision undermined the program's credibility and doomed it to an endless series of political battles. As costs went up, capabilities diminished and the rest of our space program was cannibalized.

By ignoring the sober assessments of his own blue ribbon panel, President Clinton has again consigned the space station program to the political thicket. Congress is again debating the future of an imaginary space station program, one that was created out of whole cloth inside the White House, one that does not bear any resemblance to any of the options created by NASA engineers and reviewed by the President's experts. It is a space station program based on politics rather than science.

In a White House briefing about the new space station plan last week, senior administration officials admitted to the press that they could not provide details about what the new space station would look like, who would build it, what it would do, the extent of participation by Russia and other foreign nations, or its planned orbit. We were told that these essential facts would be revealed only after 90 more days, that is, only after Congress has agreed to pay for whatever it is we are building. But somehow these administration officials knew that whatever it is we are building would cost exactly $10.5 billion.

In short, the administration is asking taxpayers to buy a pig in a poke. The administration cannot explain how a 5-year, $12.8 billion space station program will have its capabilities expanded, yet cost only $10.5 billion.

Let us look for a moment at that magic $10.5 billion figure. If the space station program should survive, we will hear a great deal in the future about how the $10.5 billion number was never intended to represent the entire cost of the program and how we need to spend a lot more on it. With all of the numbers flying around in this debate, it is easy to get confused.

Proponents of the program will keep repeating the number $10.5 billion while doing little to explain what it includes. It does not include the money already spent, roughly $9 billion. Because the space station will not be fully operational within the 5-year budget period, it does not include the money needed to complete construction, at least $3.7 billion, and probably a lot more due to a stretched out construction schedule which NASA has admitted could delay completion for 2 years. The $10.5 billion number does not include the extra billions needed to add upgrades from option B. It does not include the full cost of payloads. And it does not include the money needed to use the space station once it is built, at least $1.4 billion annually. NASA itself has estimated that the full cost of option A without upgrades is $47 billion. But without supporting details, there is no way to know for sure how much whatever it is we are buying today is going to cost. One way to put the new costs in perspective is to listen to space station advocates who are boasting that the latest redesign will save taxpayers $8 billion. Just remember, that is the total amount we originally planned to spend. Let us not let ourselves be deluded again by low-ball budget estimates. It is time to stop the hemorrhaging. It is time to cut our losses. It is time to terminate the space station program.

Mr. WALKER. Madam Chairman, I yield 3 minutes to the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Madam Chairman, I thank the gentleman for yielding this time to me.

Madam Chairman, I rise in opposition to the amendment and in strong support of the space station.

It is no secret that opponents of the station have employed the old strategy of divide and conquer.

They attempt to prove that a station is not the best method of conducting certain individual missions. In doing so, however, they show exactly why it is needed.

They say it is not the most efficient method of conducting scientific research or of conducting medical research or that it may not be the best way of preparing for future endeavors or to inspire children to become young scientists. Each isolated argument just might be true.

But, by using this argument, they beg the next question:

Is it the best method of pursuing all of these goals? The answer is yes.

For just over one one-thousandths of our budget we can continue to conduct space research which will have applications none of us can yet imagine.

After all, could any of us have imagined just a few years ago that our space program would lead to advances in areas such as wastewater treatment, liquid crystals, materials, batteries, engines, and microbiology.

I dare say no.

If the same shortsighted attitude were applied just a few decades ago, we might likely be without such taken-for-granted items like antilock brake systems for cars, magnetic resonance imagers, and artificial knees and hips.

With regard to budget considerations, few in this Chamber can match my voting record on budget matters. I strongly believe we must balance our budget like any family in America and my voting record shows that belief.

However, when an American family runs into tough times, they do not take funds from their children's education, they cut out unnecessary spending.

Cutting the station would be tantamount to taking money from a child's education fund to continue to eat dinner out every night.

Finally, the opponents of the station want to have it both ways. They claim they are not against a space program. They tell you they believe the station is crowding out other NASA programs.

This implies their savings would go to other NASA programs. In the next breath they claim to be doing this to cut the deficit, citing unrealistic numbers. My friends, it cannot be both.

Madam Chairman, we all know the case for the space station in terms of economic benefits and the advancement of science but there is one more very important reason and that is I still believe, as do the majority of the American people, that it is America's destiny to explore space. Not for the cold war reasoning of proving we are the greatest Nation on Earth, but because we are the greatest Nation on Earth.

We became great by dreaming and pursuing that dream. As soon as we lose the ability to dream and reach for the stars we cease to be great.

Madam Chairman, let us keep the dream alive. Support the space station. All mankind will continue to reap the magnitude of benefits from this program.

□ 1230

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Madam Chairman, I congratulate the offerers of the amendment, and hope it is adopted.

Madam Chairman, this space station is not a bad thing. It is a very good thing. It is marginally better with people on it. But we do not have the luxury in this House of killing only bad things if we want to cut the deficit. We have incurred a deficit, by and large, by doing a number of good things, things people wanted, and not paying for them. The question is not whether in the abstract there is any value to a manned space station or not, but how it stacks up in terms of priorities.

It is true the space station has been evolving because of the need to control the cost. But the rationale has also been evolving. We used to hear about the importance of America being No. 1. We used to hear about the psychological and geopolitical and world political aspects of this.

That is no longer the case. I recommend Members go back to the prior debate, if they have nothing else to do, and look at the arguments. They were that America must be No. 1, that we were challenged to do this by the Soviet Union. One whole strong rationale for the manned space station, the international competitive aspect, has completely collapsed.

Nobody argues that if you said to any objective panel of scientists, "Here is this amount of money; what would you spend it on to get scientific benefit?" that they would say adding men to the space station would be the way to do it. That does not mean that there is no benefit. There is some benefit from it. But there is far less than from a number of other things.

In particular we talk about deficit reduction. We are underfunding Pell grants. You talk about taking money from children's education? We are doing that in this budget. We are underfunding Pell grants, we are underfunding Head Start, we are underfunding basic services.

We are talking in the budget being considered about the unmentionable, cutting Medicare. How can you justify the tens of billions of dollars for putting men on the space station in that context?

Mr. BROWN of California. Madam Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. HALL], the chairman of the Subcommittee on Space.

Mr. HALL of Texas. Madam Chairman, I, of course, rise in active opposition to the amendment from the gentlemen to kill the space station. I think it would be a terrible mistake for this Congress to vote to terminate the space station.

I am as strong a supporter, Madam Chairman, of fiscal responsibility. As the gentleman from Florida [Mr. LEWIS] has stated, there are many of us here who are not strangers to fiscal responsibility in this House. In H.R. 2200 we have cut the space station by $4 billion over the next 5 years. The House has just adopted an across-the-board cut to the NASA budget that cuts an additional $250 million.

We have shown that we can cut back. But I think we also must show that we are not going to cut out and lose the dream that many youngsters, many schoolchildren have, many old people who are wasting away in cancer wards with no hopes for the future. The space station, to these people, to these youngsters, and to the elderly, means hope. And that is what the space station is to us. Can you really put a price on hope?

I disagree with the gentleman from Massachusetts [Mr. FRANK] when he says this country does not want to be number one anymore. I disagree with anyone when they say we should not be geopolitically strong and have a leadership position in the eyes of the world.

I certainly want to also appeal to the new Members of this organization, the 110 freshmen, who will really be the beneficiaries of the gifts of discovery that we might find, that might be spawned through the space station.

This Congress in 1971, Madam Chairman, created and passed the National Cancer Institute. And the breakthroughs since that time, the MRI, the CT-scan, the many other findings along the way, discoveries that have come on the heels of research, have benefited millions and millions of people, and this Congress, in its wisdom, has supported that institute. It has grown by leaps and bounds and the discoveries and breakthroughs and the alleviation of pain and suffering has followed.

The gentleman from Indiana [Mr. ROEMER] made a series of arguments opposing the space station. Upon close examination, let us look and see whether or not they really and truly hold up.

The reality is that the space station in H.R. 2200 was introduced by the gentleman from California [Mr. BROWN] and others of us, before the President decided on A, B, or C option; then the decision made by the thinking Members of this Congress was that we should support that that the President sends over here. If it is a space station, we are going to give him the support. We endorse the President's cuts in costs in the space station. He cut those by over $4 billion over the next 5 years. We cut in committee $226 million. The President cut in the outyears $18 billion.

These are cuts. This is real money. Just 20 minutes ago this Congress cut $250 million out. So no one can take the position that we have not addressed this and not made the cuts.

Moreover, the total cost for the development and 10 years of operation of the space station will be about $47 billion, not $120 billion that they have been asserting. In addition, that $47 billion includes $11 billion that we have already spent. Of course, that should be taken into calculation. But that is not to be added to & held out as expenditures that we may have in the future.

As recently as yesterday the Subcommittee on Space, which I chair, received testimony from a group of nine very renowned doctors and medical researchers, including, Madam Chairman, the world famous Dr. Michael DeBakey, who told us how important the space shuttle is now to medical research and drug research that these scientists are conducting, and how much more important the space station will be to the research they hope to be able to do in the future.

Dr. DeBakey made calls on Members here, a man who came to Washington, who gave his time, gave his week to support the space station, a man who people cross oceans to get 30 minutes with, came to this body and gave up his time and his information.

These scientists explained that the microgravity environment that is provided on the space station is allowing them to do very important research on life-threatening diseases like cancer and AIDS, and it cannot be duplicated on Earth.

They also told us the Shuttle is allowing them to conduct experiments on revolutionary new drugs that cannot be done on Earth because of the presence of gravity. These scientists went on to explain that the space station will be even more important to their future research and experimentation efforts than the Space Shuttle is to their current endeavors. This is, of course, because of the extended volume of research, the duration of research, and more advanced research tools and equipment that can be accommodated on board the space station.

□ 1240

I believe that history has shown again and again that when a new line of research, scientific research, is pursued or, when a revolutionary new scientific research tool becomes available, the results and the benefits that eventually flow to society are immense. Sometimes it takes even decades for these benefits to fully mature and become widely recognized, but history has shown that these benefits always come.

History can also reveal that there is no return when there is no meaningful research.

Madam Chairman, I certainly recommend and point out many additional investments that are important to us, none more important than that of the youth.

Imaginations of the current generations of children in this country have been captivated by many movies, "Star Trek" and other movies, but this is just science fiction. The space station, on the other hand, is something real that they can feel, that they can see. It is something tangible that our children can dream about and then aim their educations and their careers toward.

I appeal to my colleagues to help keep these dreams alive.

In addition to the dreams for our children, I think we also have to be conscientious about the promises that we make to other nations. The gentleman from California, Chairman BROWN, has very well covered that. Accordingly, Madam Chairman, for these reasons and many more, I think it is very important—yes, I think it is imperative—that this Congress defeat any and all amendments to terminate the space station. I just do not think the American people would tolerate it.

I think if we want to have cards, letters, telegrams, and people in person converging on this city, converging on our districts, then kill something that is as meaningful to them as the space station.

Mr. ROEMER. Madam Chairman, will the gentleman yield?

Mr. HALL of Texas. I yield to the gentleman from Indiana.

Mr. ROEMER. Madam Chairman, first of all, I would like to salute the distinguished chairman for the open rule that he has brought to the floor but also the openness that he has had in the committee to debate both sides of this issue.

Second, I would just like to say that I voted against the across-the-board cut that opened debate on this bill because I think that NASA needs good money for research. I am not against NASA. I am not against good programs that are working and across-the-board cuts. I think we should hone in and target in on those programs that are not.

And third, on the distinguished Dr. DeBakey's testimony, oral testimony yesterday, he never mentioned the space station in his oral testimony. He said we do need to invest in good research in NASA but never said, in his oral testimony, that space station was part of that.

Mr. HALL of Texas. Madam Chairman, I thank the gentleman. I think the gentleman is right 99 percent of the time. I just disagree with him on this amendment.

Mr. ZIMMER. Madam Chairman, I yield 4 minutes to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Madam Chairman, I want to first thank the gentleman from New Jersey [Mr. ZIMMER] and the gentleman from Indiana [Mr. ROEMER] for the excellent job they have done in presenting a very real and helpful case for our decision on whether to fund the new space station. I do not know which version of the space station we're debating, but I know there have been many.

All of us here want to do the right thing. But in the process of determining the right thing, I think of these things: I think of my daughter, who is 13 years old, who has seen in her lifetime the national debt go up fivefold, from over $800 billion to over $4,000 billion.

I think of my daughter, who sees us here debating whether we should spend $47 billion but knows that the deficit this year alone is nearly $400 billion.

I do not know who is mostly to blame for our deficits. Is it Congress or the White House? Is it the White House that never has submitted a balanced budget in at least 17 years? Or is it the Congress, who never gives back the President a balanced budget? Or is it the Presidents who have never vetoed these unbalanced budgets? I do not know who is mostly to blame. Maybe we all have a role to play. In fact, I do not think, I know we do.

I believe that in this Chamber there are more than 50 percent who would vote for a balanced budget amendment. They would vote for a balanced budget amendment, and I will, too. But to vote for a balanced budget amendment means that we then have to balance the budget. It means we have to cut out programs that we may think are wasteful and fraudulent or programs that we like, which we just cannot fund.

I put the space station in that category. I do not think we can arrive at coming close to a balance budget, even with all the new taxes some may contemplate, without making cuts in programs we like.

The net national debt without Presidential action, without the President's plan, will go up a trillion and a half dollars, the net. With Presidential action, it will still go up a trillion dollars. That is the net, because we subtract out Social Security. If we do not subtract out Social Security, the national debt will go up, in 5 years, $2.1 trillion.

With the President's program to cut spending and raise taxes, primarily raise taxes, as I view it, the gross debt will still go up $1.7 trillion. So on top of the $4 trillion we are going to see $1.7 trillion. That is what is in my mind as I debate this bill.

Tom Toles, a cartoonist, had a cartoon in the Buffalo News. He is syndicated, and it may be in other areas. He captures this debate for me.

In the beginning of his cartoon he has a question box and he asks, "So is there any good news coming out of Washington about plans to cut the deficit?" And then, we see an Uncle Sam, a very small Uncle Sam with a hatchet. And we see a pretty large space porky, "The missionless $30 billion, manned space station."

Well, he really was off $17 billion. So I guess we should change the cartoon to say $47 billion. This is the space porky. This is what I think I am debating today.

You see a little Uncle Sam with a hatchet trying to cut spending. I do not know how we get to a balanced budget amendment unless we eliminate some programs. And this is a program that we need to eliminate. Thank you.

Mr. WALKER. Madam Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Madam Chairman, I rise in opposition to the amendment this afternoon and in strong support of space station *Freedom*. I rise as the most fiscally responsible Member of the House of Representatives, according to the National Taxpayers Union last year. And I also rise as a Representative of a State that does not do much NASA business. So there is no porkbarrel spending for NASA in the State of Wisconsin.

I am taking the position that I am today because this is a note on whether or not to continue a manned space program that has put America on the cutting edge of technology since its inception in 1957. All one needs to do is look at the spinoffs from NASA activities and how they have improved our lives and even extended those lives.

Without the manned space program, we would not have had a revolution in telecommunications, which has made long distance telephone calls dirt cheap. We would not have had the development of medications that have eased pain and extended the life expectancy of people in this country and around the world. We would not have seen new materials developed, whether it be Velcro or materials that could be used for artificial hips and joints. And we would not have been able to see things that have made our lives easier, such as sunglasses that many people now use that can more effectively diffuse the rays of radiation from the Sun.

The space station holds the potential of keeping America on the cutting edge of technology. If we back away from this program, now, the technology, which America has developed, will be developed by those who do go into space, the Russians, the Europeans, and the Japanese, who will be there regardless of what this Congress decides today.

I do not want to see that happen. As was mentioned earlier, there was a hearing at the Subcommittee on Space yesterday with an all-star panel of witnesses, lead by Dr. Michael DeBakey. Just in the area of medical research alone, there was evidence placed on the table at that hearing to show that we need microgravity research in order to develop a permanent heart ventricle valve, in order to understand better the human body's immunology, which is the key to curing cancer and AIDS. All kinds of other things will flow from the permanent microgravity research, which can be done on space station *Freedom*.

During the last Presidential campaign we heard an awful lot about thinking about tomorrow. This is a vote, Madam Chairman, that will show who is thinking about tomorrow and who is not.

□ 1250

Vote "no" on the Roemer-Zimmer amendment, to keep America on the cutting edge of technological research. Vote "no" on the Roemer-Zimmer amendment, to keep our technology being what makes American business best, and reduces our balance of payments deficit as far as possible.

Vote "no" keep America No. 1 in space, so the rest of the world can follow our lead, rather than the United States of America following somebody else's lead.

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. MALONEY], a freshman Member who has been very helpful on this matter.

Mr. ZIMMER. Madam Chairman, I yield 2 minutes, as well, to the gentlewoman from New York [Mrs. MALONEY].

The CHAIRMAN pro tempore. The gentlewoman from New York [Mrs. MALONEY] is recognized for 4 minutes.

Mrs. MALONEY. Madam Chairman, today Congress has an opportunity to make serious budget cuts.

The Roemer-Zimmer amendment would save the American taxpayer over $2 billion in the next year alone and as much as $12 billion over the next 5 years.

We cannot afford to build the biggest pork barrel ever shot into space.

We have tough, serious choices to make.

Our compact with the American people requires Congress to make significant spending cuts in return for increased taxes.

But before we increase taxes on Social Security recipients or cut Medicare, we must eliminate these big-ticket scientific boondoggles that return very little on their massive investment.

When Congress first approved the space station, it was estimated that the program would cost $8 billion to complete.

Today, even with the scaled-down design, NASA estimates completion of the project will cost over $27 billion, while the General Accounting Office estimates are much higher than that. This does not include the nearly $60 billion it will cost to operate the station after 1999, bringing the total estimated cost to over $80 billion.

Extensive national projects may add to our prestige and may even serve science. However, none should take precedence over human needs. Many supporters of the space station hail the microgravity research as a key element of this program. Yet, in March 1991, Dr. Allan Bromley, President Bush's top science aide, wrote a lengthy summary of the space station's merits for then-Vice President Quayle.

Dr. Bromley wrote, and I quote:

> Neither the commercial processes nor the scientific merit of the microgravity experiments come close to justifying the cost and effort required to build, deploy, and operate the station.

In fact, for many scientists, this program can be summarized in three simple words: "Waste in space."

So, we are going to spend $80 billion to build a Red Roof Inn in outer space for four astronauts, when we will spend only a fraction of that amount to house thousands of homeless families here on Earth.

Let me repeat that: billions for housing in space, and only millions for affordable housing in the Nation.

Some might argue that the space station is an important jobs program. The truth is that every job the space station will create costs $100,000.

This doesn't even begin to address the high technology jobs that are lost because NASA cancels, postpones, or squeezes out other worthy scientific projects.

We must be able to cut programs like the space station that the Nation does not need and can no longer afford. Continued funding for these projects will help ensure that we continue to drown in debt.

Madam Chairman, let us concentrate on the real priorities of this country—putting people, not pork, first.

I urge my colleagues to vote for the amendment.

Mr. HALL of Texas. Madam Chairman, I yield 3 minutes to the gentleman from Kansas [Mr. Glickman], chairman of the Subcommittee on Program and Budget Authorization of the Permanent Select Committee on Intelligence.

Mr. GLICKMAN. Madam Chairman, the gentleman from Indiana [Mr. Roemer] is one of the most effective Members here. He almost had me convinced. In fact, he makes a lot of good arguments, but I have to tell the Members, this is one of those issues that I slept over this weekend and decided to use my best instincts, rather than looking at the politics or the jobs issue.

Basically, I came down to the fact that the space station has had a lot of serious trouble in terms of development. NASA has done, at times, a miserable job of managing. But the fact is that America is the leader of the post-World War II world. We are the leader in technology and productivity and manufacturing and in jobs, and yes, in clout as well. That allows us to influence human rights and democracy and market reforms everywhere in the world, and we are being directly and effectively challenged by Japan, by Europe, by Russia, and a whole new group of competitors who are actively engaged in an effort to push us out of our leadership role wherever it exists: in space, in manufacturing, in technology.

While this program has not been perfect and the redesign has at times been a bit sloppy, to kill it now is to accept the fact that we are relegating our position to a secondary status in the area of space exploration, to accept the fact that other countries will take the lead in the future.

How will we feel when Japan and Europe and Russia are the only ones doing this and not us? How will our children feel when this happens? I think it is a pretty sad state of affairs when America so withers and so internalizes that we have lost the role of ourselves as being a great leader.

It is a jobs issue. It is not just jobs to create the station, but it is a whole lot of spinoff jobs. Let me tell the Members this, defense spending is coming down radically. If we look at America's industrial base right now, much of it is defense-related. Much of it is. Much of the spinoff is defense-related. Our new airplanes are defense-related. Our new automobiles, technology, composites. All that was largely done as part of the defense budget.

The space program is really one of the few things we have left going to keep that technological base, in light of that defense spending coming down. Let me finally mention the issue of budget. It is an important issue. I would point out that the real culprit in our budget problem is not the space station, it is entitlement programs. In 1965, we spent $33 billion on all entitlement programs, from pensions to health care. That was 5 percent of our GNP.

This year we are spending $770 billion on entitlement programs. That is 25 times they have grown in the last 30 years or so, or about 12.5 times.

I am just saying, in perspective, that the real culprit in deficits is not the space station, while we need to look at waste in this area as well. I hope my colleagues will not reject it for that reason.

Mr. ZIMMER. Madam Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. Upton].

Mr. UPTON. Madam Chairman, I rise in support of the bipartisan Roemer-Zimmer amendment to cut funds for the space station. I would agree with some that this project would be nice to have, but we simply cannot afford it, not with a $300 billion annual deficit.

The GAO, the General Accounting Office, said recently that this project will cost $150 billion to build and operate. We cannot afford that, not with the $300 billion deficit.

Do the Members remember the old Muppet TV show, "Pigs in Space"? Maybe this space station ought to be the star attraction on a congressional version of a show called, "Pork in Space." Even Elmer Fudd, I think, could have a comeback.

A few weeks ago one of my largest newspapers in southwestern Michigan editorialized this program as "Can the Space Station." That is exactly what this project is, pork in a can. Maybe some would even call it Spam. But whatever we call it, it is a pig in a poke.

Madam Chairman, let us wake up and smell the bacon. It is time to kill this pork project and bring a little fiscal sanity back into our budget recipe.

□ 1300

The time is now for Congress to stand up, make a tough choice and say no to a program that we simply cannot afford. With a $300 billion deficit, it is time to change business as usual, and I would urge all of my colleagues to vote yes on this wonderful bipartisan amendment to cut spending first.

Mr. WALKER. Madam Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. Dunn].

Ms. DUNN. Madam Chairman, last week I spoke in support of H.R. 2200, the NASA authorization bill. Today, I want again to underscore my support for the space station and for the superb leadership provided by George Brown, chairman of the Science, Space, and Technology Committee and ranking member, Bob Walker.

There are many reasons to support the space station and you will be hearing them today on the floor. But to me, one of the singular reasons for a space station and the continuation of a strong manned space program, is the unique scientific and medical research that can only be done in the microgravity environment of space.

The NASA appropriation provides for ongoing biomedical research programs in the fields of microgravity and life sciences especially in the area of womens health. This research has been both ground-based and on space shuttle missions.

The space station, Madam Chairman, offers a one-of-a-kind environment for this critical health work. While microgravity research is being conducted even now on the shuttle, the long-term research necessary especially for the growth of cancer tissue will be conducted on the space station.

Madam Chairman, projections from the American Cancer Society indicate that 1 in every 3 people alive today will be diagnosed with some form of cancer. That means that about 85 million Americans now living will eventually have cancer. And projections from the American Cancer Society indicate that by age 85 1 in every 9 women will be diagnosed with breast cancer, and 1 of every 65 women will develop ovarian cancer and it is important to note that ovarian cancer survival rates today are no better than they were 30 years ago.

One in nine, Madam Chairman. Look around this Chamber. Those are not very good odds for the 48 women who are now serving in Congress. They are not good odds for our mothers, daughters, friends, and other family members either.

The little research that has been done recently in the life sciences and microgravity fields has been extremely beneficial to women. One of the reasons for this recent focus, is that women now comprise almost 25 percent of our astronauts.

Above all other reasons to support the station and a robust, manned space program is that the research done in space will impact future generations with its continuing benefits. The more research we do, the more new knowledge is derived.

There are many people in my life, both women and men who have been touched by cancer. And many of the treatments they have received have been the results of space research. My two sons, one who has just graduated from college have their full and vigorous lives ahead of them. I would like to think that they and their future wives and daughters will be able to benefit from the decisions we make here today.

Madam Chairman, I am submitting a letter underscoring the importance of NASA's microgravity research on women's health issues.

Madam Chairman, this letter I am including for the RECORD is from the University of South Florida College of Medicine underscoring the importance of NASA's microgravity research and of cancer issues. The text of the letter is as follows:

UNIVERSITY OF SOUTH FLORIDA,
COLLEGE OF MEDICINE,
Tampa, FL, June 23, 1993.

Congresswoman JENNIFER DUNN,
U.S. House of Representatives, Longworth House Office Building, Washington, DC.

DEAR CONGRESSWOMAN DUNN: I am sorry that I missed you yesterday during the Space Subcommittee hearing. I think that the hearing went very well and that the testimonies presented were truly exceptional. I hope that the vote goes favorably today—it worries me a great deal that so much apprehension about this program still exists for some members.

I have been told of your plans to institute increased funding for research on women's cancer, specifically in the area of biotechnology. This sounds very exciting; although other sources of funding for women's diseases are certainly in place, to my knowledge, there is no other work outside of the studies we have going on with Johnson Space Center which involve the NASA bioreactor culture vessel for evaluating breast and ovarian tumor growth.

If I can help you at any time in the future, please don't hesitate to call.

Sincerely,
JEANNE L. BECKER, PH.D.,
Assistant Professor.

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. DURBIN] who will speak to some extent about health claims.

Mr. DURBIN. Madam Chairman, with all due respect to the previous speaker, I think those listening to this debate can understand the desperation of the supporters of the space station when they try to convince the American people that putting this station in space is going to find a cure for cancer, or a cure for AIDS. Those arguments have been made on the floor of the House, and I think they betray the problem with this program.

This program has been searching for a mission. If we want to find a cure for cancer or a cure for AIDS, turn to the medical experts in America.

I held a hearing last year and I asked medical research experts if the space station was the place to turn to find medical breakthroughs. They said no. They said Congressmen, stay right here on Earth, because we cannot find enough money in this Federal budget to fund the National Institutes of Health.

This year we will put about $10 billion into all of the Federal research to find cures for heart disease, cancer, AIDS, Alzheimer's, and still we will only be funding one out of every four approved research grants at NIH. To suggest that we should now turn around and spend $150 billion on the space station to cure cancer is ludicrous.

If we want to think about tomorrow, as one of my colleagues said in reference to supporting the space station, I would like to join in thinking about tomorrow. The tomorrow I think about is a tomorrow where a child in America finally has a cure for AIDS. The tomorrow I think about is a tomorrow with men and women who find cures for heart disease and cancer by investing here on Earth.

Some people in this world and this Nation need a liftoff and brave astronauts to believe that they are embarking on a great national adventure. I do not need that. I think America can continue to be a leader in medical research. I think we can find cures for diseases. But let us focus on curing the problems right here on Earth.

The President can put a new set of tires and a new paint job on the space station, and it still will not fly. Let us stick with curing those problems right here at home.

Mr. HALL of Texas. Madam Chairman, I yield myself such time as I may consume so I may include for the RECORD a statement by another noted physician, Dr. Michael DeBakey, who will address the words of the gentleman from Illinois [Mr. DURBIN].

STATEMENT OF MICHAEL E. DEBAKEY, M.D., CHANCELLOR AND CHAIRMAN, DEPARTMENT OF SURGERY, BAYLOR COLLEGE OF MEDICINE

Mr. Chairman and Members of the Subcommittee: Knowledge, science, and human advancement have always been a reflection of their time. Recorded history began some 5,000 years ago. From those earliest writings we know that humans wondered about their world and sought to learn more about it. The first treatise on surgery was written in Egypt about 2,700 B.C. by Imhotep, the Pharaoh's grand prime minister whose status was so great that after his death he was declared a god.

Surgery in western culture originated with the peoples of Greece and Asia Minor. Hippocrates, known as the father of medicine, was one of the first physicians to view medicine as a systematic science. Medicine and surgery achieved great peaks during the third and fourth centuries B.C., especially in Alexandria. But in the early history of Rome the story was different. Before the Romans conquered the Greeks in 146 B.C., medicine and surgery were considered such lowly pursuits that no Roman citizen would undertake them. Pliny the Elder wrote that because Romans had gotten along without doctors for more than 600 years, they should be able to survive without "the cult of Aesculapius," the Greek-Roman god of medicine, a reference to the medical community.

In the fourth century A.D. the Dark Ages, which lasted nearly an entire millennium, the pursuit of knowledge, new ideas, technology, and science was heresy. Miracles replaced medicine as the form of healing. Civilization regressed to an era of ignorance and fear.

These historical examples underscore the tenuous position science, medicine, and research—the quest for knowledge—sometimes hold in society. In the early Roman days and the later Middle Ages, the decline of medicine and science was due not to ill intentions of societies' leaders, but to other priorities considered at the time as more important: conquest and power for the Romans and faith and religious predominance for citizens of the Middle Ages.

Today, the world and, at its forefront, the United States, are far more enlightened about the critical roles science, research, education, and medicine play in the welfare of our people and of our future.

But today our leaders—you among them—also face the issue of priorities. The Cold War that required much of our attention and resources for half a century is over. Defense as a priority is being replaced by increasingly urgent issues concerning our economic security, social well-being, and future welfare.

I am well aware that with each passing day our country's deficit makes our priorities more difficult to set and our choices harder to make. My profession of health care has been placed squarely under the microscope of fiscal scrutiny.

But I am here today not only as a physician and surgeon, but as an explorer, a researcher, a participant in today's quest for knowledge. Medicine, after all, is about exploration, the exploration of the human body. I am the explorer of a world composed of microscopic cells and a researcher of systems far more complex than mankind can create. The human body is a world of wonder and discoveries, and we have many, many more discoveries to make in medicine and in surgery.

In times of competing priorities, I hear calls to eliminate what some have called "frivolous big science" programs, such as a space station. Under deficit-imposed pressure, I hear "choices" described that pit possible cutbacks in vitally important programs, such as medicare and medical assistance to our elderly and disabled against so-called "big science" programs like a space station in a heated either-or financial competition.

Better health care for our citizens is not at odds with a space station. As a physician, teacher, and explorer, I must emphasize that our space program and space station are not frivolous, because they may provide keys to solving some of the most vexing problems that affect our people. Health care is improved not only by such immediate proposals as providing more accessible care to our citizens, but also by promoting the research that will lead to far reaching advances in the field.

For example, you, our leaders, should not see programs such as Medicare and a space station as a choice. Rather, the goal should be to use the unique microgravity laboratory of a space station to research ways to treat or prevent the deteriorating physical conditions that affect the elderly and disabled.

Many health problems that affect the aged—bone density loss, breakdowns in immune response, changes in the cardiovascular system—also affect very young, very healthy astronauts once they are in weightlessness. A space station provides a facility unavailable on Earth to observe these processes and develop countermeasures that could be applicable to the aged and the feeble, as well as astronauts. Such advances could, in turn, potentially lower future health care costs.

More than anything else, I believe a space station will teach us about ourselves, about how humans adapt, live, and work in an entirely new and challenging environment. The space station is not a luxury any more than a medical research center at Baylor College of Medicine is a luxury.

If fiscal priorities do not allow research into the medical mysteries of the human body at the best available research centers, whether they are 200 miles outside of Washington D.C. or 200 miles above the Earth, we are in a worse and likely more prolonged national health care crisis than any of us have imagined.

One way we will ultimately overcome the economic problem associated with medical care is to obtain the knowledge needed to prevent diseases and find new means to treat patients, especially as our population ages. We cannot always predict the outcome of scientific activity, especially efforts as broad and untried as space. One reason some scientists and political leaders question the efficacy of space research is that we have had limited opportunity for multiple experimentations and trial runs in space. Significant return on science research requires an ability to acquire information in both quantity and quality.

Present technology on the Shuttle allows for stays in space of only about two weeks. We do not limit medical researchers to only a few hours in the laboratory and expect cures for cancer. We need much longer missions in space—in months to years—to obtain research results that may lead to the development of new knowledge and breakthroughs.

There are concrete examples of technologies awaiting long-term research in space, and they demonstrate the benefits a space station holds for medicine.

Tissue modeling—producing exact replicas of human tissues—is a relatively new field that promises important insights for cancer research, organ transplant research, and human virus culturing. But on Earth, we have only a two-dimensional understanding of how human cells work and replicate in the body. A tissue modeling device, called a rotating wall vessel, recently developed by NASA at the Johnson Space Center in Houston, imitates certain microgravity properties.

Quite simply, by emulating those microgravity processes, this device has grown the largest three-dimensional cultures of normal and cancerous human tissues ever developed outside the body. This new technology provides an impressive research tool that may greatly advance cancer research and may even allow for the development of transplantable human tissues. Demonstrations on the Space Shuttle have shown great promise for this culture system.

But, quite literally, its full potential won't get off the ground until there is a space station where it can be researched for long periods.

In another area, crystalline structures have important research applications for medicine, pharmacology, and biotechnology. Space-grown crystals are usually large, more developed, and more uniform than those grown on Earth. Earth-bound crystals tend to be distorted by convection and gravity and are therefore poorly suited for study.

The superior space-grown crystals allow for a more complete and exact analysis of their molecular and cellular structures. The analysis then can be used to design and test specific treatments for diseases. Protein crystals for research on the HIV virus, insulin, cancer, rheumatoid arthritis, and emphysema are only a few examples of experiments already flown on the Shuttle. All of them can significantly benefit from long duration access to microgravity on a space station.

Unexpected and unpredictable side benefits for the private sector have stemmed from the technological developments achieved by the U.S. space program since its inception, and many of these involved clinical medicine. Before they were developed, I couldn't have testified to you that if you fund the space program, this will be the result. And I can't tell you now that if you build a space station, you will specifically get this side benefit from some new technology or that side benefit. The only thing I can tell you is what we in medicine have received from space technology thus far. But I don't know how anyone could look at these benefits and imagine similar advances wouldn't occur in turn as a byproduct of a space station.

NASA did not develop these new medical aids, but it did develop and transfer these potential technologies to the private sector. In many cases, NASA researchers actively collaborated with scientists in private and public research laboratories to obtain beneficial results.

The space program's requirements for miniaturized and highly reliable instrumentation and sensors were the precursors of cardiac pacemakers. The development of bi-directional telemetry for satellites resulted in programmable pacemakers in which heart rate could be adjusted by the physician as necessary without additional surgery.

The need to monitor astronauts' vital signs while hundreds of thousands of miles away from Earth has led to medical telemetry for monitoring ward patients' vital signs. The same telemetry has permitted paramedics to save countless lives while en route to hospitals. Space telemetry also has spurred the development of "telemedicine" that allows clinical consultation and support in disaster-stricken areas worldwide. "Telemedicine" has opened health care opportunities to remote sites such as Native American reservations. Telemedicine is now being adapted for long-distance medical specialty consultation and for medical education, and the result has the potential to lower health care costs.

Space imaging technology is used for computer-assisted tomography, or CAT scans, position-emission tomography, or PET scans, and Magnetic Resonance Imaging—technologies that diagnose tissue abnormalities without intrusive measures. Space imagery processing technology is used in the now common treatment known as "ballon angioplasty." This procedure makes use of a tiny balloon on the tip of a catheter that creates internal compression of narrowed heart arteries, opening them to improve circulation of the blood to the heart muscle. Heart attacks may be averted completely by this process.

These are just a few of the thousands of medical applications that have been derived from space technology and now touch lives daily. They were never expected when the space program began, and their original applications were not intended for the purposes that have now saved countless lives.

All of these advances are the serendipitous outcome of scientific and technological research. We investigate to uncover questions we do not yet know how to ask and to discover answers we never expected. These advances are now common, but they still deserve the label of recent. And the unexpected benefits of space exploration continue today. In my work they have been invaluable.

I have devoted my entire professional career to furthering knowledge in cardiovascular medicine and surgery. Before the first human ever flew in space, I was researching the development of a Left Ventricular Assist Device (LVAD) as a life support system for heart failure. This device assists the muscle-damaged heart in pumping blood and provides similar assistance for patients awaiting a heart transplant. The Institute of Medicine estimates that early in the next century, as many as 60,000 patients each year will require the support of an LVAD. If we include circulatory crippled patients, the number increases to 150,000 patients annually. Currently, the only means of circulatory support is through the use of large, complex and expensive pulsatile LVAD's that provide about one year of circulatory support. Such devices cost as much as $50,000 each and, therefore, are not practical for use on large populations.

I had been working on a non-pulsatile pump that could be compact enough and cost-efficient enough for widespread clinical use. Unfortunately, currently available heart pumps of this type have a limited life span of just a few days. Another motivation for the development of a simple LVAD system is the scarcity of available donor hearts. In the past, about 2,000 heart transplants were performed annually in the United States. In the future, fewer transplants will likely be performed each year, regardless of the search for donors and an expanded criteria for acceptance. A simple, lower cost, portable heart pump is vital for patients risking heart failure and its complications. If an appropriate system can be developed, transplants will be more successful or not always necessary; the synthesis of anti-rejection drugs can be more effective; and post-transplant complications may be minimized. Early LVAD designs, unfortunately, were experiencing fluid flow problems that damaged blood cells during pumping. I am a surgeon, a researcher, and an explorer, but not an engineer. I needed engineering help with the heart pump, but did not know where to go.

In 1984, a Johnson Space Center engineer named David Saucier was in heart failure. We performed a heart transplant on him. During his convalescence, Saucier and I discussed the similarities between the heart and a spacecraft life support system. Both feature closed-loop systems, pumping fluids at various rates and pressures. Both receive and act upon electric impulses. Both have extensive networks to carry messages and send commands to all parts of the vessel. Saucier returned to work at NASA and put together a four-person team to work with our investigators at the Baylor College of Medicine to develop a prototype unit for an LVAD that eventually would be implanted inside the chest, between the heart and aorta.

Using their knowledge of electronic control systems, computational fluid dynamics, miniaturized spacecraft pump designs, power-efficient small motor designs, computer modeling, and engineering design parameters, the NASA team has helped our Baylor researchers develop an axial flow device. It consists of a spinning impeller, a fixed flow inducer, and a fixed diffuser within a flow tube. The first stage flow inducer for the LVAD was adapted from downsizing a liquid hydrogen inducer used on a Shuttle main engine. The impeller has six blades and is designed to rotate at 10,000 to 12,000 revolutions per minute depending upon the required flow output. The flow tube has an internal diameter of 0.5 inches and a length of 2.25 inches. Rare earth magnets implanted in the impeller blades allow the impeller to act as the rotor of a brushless direct current motor. The motor controller uses a back electromotive force principle for commutation control.

One of the most serious problems with the LVAD design was hemolysis, or trauma to the red blood cells that can occur if conditions are not optimal. Using their state-of-the-art test equipment developed for use in spacecraft design, the NASA team explored sheer force factors acting on the blood as it passes through the tiny impellers and how they correlated to the speed of passage and pressures involved in the process.

The design strengths of the NASA/Baylor LVAD include the small size of the device enabling easy implantation, low power consumption, and absence of blood seals. Thrombus formation, or blood clotting, and blood leakage problems associated with the seals are therefore avoided.

Current pump performance has demonstrated the planned flow rate of 5 liters per minute against a pump head of 1000 mm-Hg while using 9 watts of power. In vitro hemolysis using cow blood tests has been reduced from a high value of .189 to the current value of .031 grams of liberated hemoglobin per 100 liters of blood pumped. Studies of a prototype unit in calves will continue through this summer. The eventual goal of the project is to perfect the device and to obtain Food and Drug Administration approval for clinical trials.

Why do we need space exploration? You do not have to convince me. More progress was made in the three years I worked with the engineering team at NASA or LVAD than in the previous 35 years of effort on the design and development of this heart pump. I believe we are very close to making a major breakthrough that will revolutionize heart surgery.

Space exploration is human exploration. The knowledge we gain in space is not only from sending people beyond Earth, but also from marshalling the human resources on Earth that make space flight possible. Such people, like David Saucier, come from a variety of science and engineering disciplines and dedicate their lives to the challenge of space and to applying their space expertise for the benefit of those on Earth. Their efforts affect fields far beyond the focus of NASA. They truly are conducting human exploration.

The reason we conduct research is not so much to come up with the right answers as to ask the right questions. The more questions we uncover, the better the research. In the history of science and technology development, the great advances were made by the single person who wondered why and sought to discover how. That is why we go into space. That is why we explore. That is the genius of humanity.

We can be sure of one thing. If we stop researching, searching for answers and asking more questions, we won't expand our store of knowledge, and we will not grow as a civilization. Our priorities may emphasize the bottom line today, but that may not be enough to reach the finishing line as a nation in the future.

Our space program is a symbol to the rest of the world that the United States looks to the future and plans to maintain its leadership role in science, technology, and research. It demonstrates that our leaders have the foresight to look beyond today's challenges and make a commitment to the promise of a better world. The space program, and specifically the space station, is an investment in knowledge that does not exist today and will not exist tomorrow without a commitment now.

We can't predict the outcome of scientific research or the knowledge to be gained. But what we can foresee is that no new knowledge, no new solutions to our concerns will be gained without it.

Thank you.

Madam Chairman, I yield 2 minutes to the gentlewoman from California [Ms. ESHOO], a very valued member of our committee.

Ms. ESHOO. Madam Chairman, I am pleased to be here today to stand in opposition to the amendment that has been offered.

Just 32 years ago, President Kennedy offered a bold vision for our Nation, and he challenged an agency to come up with a mission that would place a man on the Moon. Americans applauded that, and that young President and his bold vision produced something for this Nation, and placed us first in space exploration and all that has come from it.

Today, another young President speaks to a vision and a boldness because it takes boldness today to reshape an agency as well as its plan, and that is why I support it.

The benefits are clear, telecommunications, health benefits. This is the basic physiological research project in the Nation. Can we afford to give up an international partnership, the only international partnership that this country has been engaged in other than the allies that we have pulled together in war? That is how critical this is.

What I would like to end my comments with is it is very important for all of us to know the price of everything. But it should not be said that we value nothing. It is our responsibility to place the price tag on things, but also to state the value. This is a reshaped plan in terms of dollars, and it speaks to a vision of that young President of over three decades ago. And I am proud to rise in opposition to the amendment and in support of the space station.

Mr. ZIMMER. Madam Chairman, I yield 3 minutes to the gentleman from Rhode Island [Mr. MACHTLEY].

Mr. MACHTLEY. Madam Chairman, I rise today in support of the Roemer-Zimmer amendment to terminate the space station program.

Make no mistake about it. I have joined the millions of Americans who for the past 30 years have considered this a noble enterprise to explore outer space. And I have enjoyed the benefits of some of the scientific achievements which have accompanied this exploration.

And while I think that we should continue the scientific exploration of outer space, it must be done within our financial means. We responded to sputnik by putting a man on the Moon. In 1969, I was an exchange student in Stockholm, Sweden, and I remember in the wee hours of the morning the pride that I felt as Neil Armstrong put his footprint on the Moon as a giant step for mankind.

But today is not 1969. In 1969 we did not have a $4 trillion debt, we did not have a yearly budget deficit of $300 billion, and we were not paying more to service our debt than any other segment of our budget outlays.

This is not about dreams for the future. This is about hard financial choices for today so that the future will be economically sound.

Recently a newspaper article indicated that at least 30 percent of the 17,000 people who are working on this project could in fact be released as excess.

In the past I have voted for space station because I felt that some of the limited scientific and medical evidence could support that. But not today. Not today as we tell the American people that we have a deficit that must come under control. The $16.5 billion even in this slimmed-down version is too much money for the limited scientific and medical evidence that we may achieve by putting the space station in space.

When I ran for Congress I had a small piglet. I called him Lester Pork, and I thought about Lester as I was thinking about this project. And I was thinking what Lester would say. We called him Les Pork. And I think if Lester were here today he would wink, and he would oink, and he would say this is the stuff that pigs are made of.

With all of our fiscal problems today, we cannot afford this. It has value for some medical and technological achievement. It will not solve our cancer problem. It will not solve the AIDS problem of this Nation.

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But it will add to our deficit.

I would urge my colleagues to think of the future when they vote and to support the termination of the space station.

Mr. WALKER. Madam Chairman, I yield 3 minutes to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Madam Chairman, I thank my ranking colleague, the gentleman from Pennsylvania, for yielding me this time.

Madam Chairman, I want to express my deep appreciation for the bipartisan effort that has been put forth here today on the part of the chairman, the gentleman from California [Mr. BROWN], and my colleague, the gentleman from Pennsylvania [Mr. WALKER].

One of my earliest memories about our effort in space involves my bathroom early in the morning in California several years ago. I was listening to the television set as I was shaving and getting ready to go to work. At the last moment, walking down the hall, I looked into our family room and saw my youngest boys, twin sons, as they watched our first blastoff sending a man into outer space.

As I listened to their conversation talking about the apogee and the epogee of that flight it struck me that, indeed, they had been inspired to discover the future. Those boys today are college professors looking to a new horizon for America's future in space and, indeed, you and I should recognize that America's history is a reflection of pioneer spirit. Our effort and the vote today for a station program can cause the next generation of young people to aspire to a future that includes manned exploration of space.

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. KLEIN], a valuable member of the Committee on Science, Space, and Technology.

Mr. KLEIN. Madam Chairman, I want to commend the gentleman from Indiana [Mr. ROEMER] and the gentleman from New Jersey [Mr. ZIMMER] for their leadership on the amendment, and I commend as well the chairman, the gentleman from California [Mr. BROWN], for his leadership on the committee.

As a member of the Science Committee, I am totally committed to continued American leadership in science. I am also committed to reducing our budget deficit and cutting Government spending. That kind of sound fiscal policy demands that we make hard choices, that we establish our priorities, and eliminate low priority programs. When I weigh the space station against such compelling national needs as health care reform, more police on the streets to fight crime, and more quality affordable housing, the space station falls short on any reasonable priority scale.

And in the area of scientific research, there are far more urgent programs to which we should devote our resources. For example, developing new technologies to create new industries and new jobs; developing environmentally sound and cost effective manufacturing techniques, research in the area of environmental protection, medical research here on Earth and development of a national information infrastructure.

I ask: How can we go home to our constituents and justify spending these huge sums of money on a project when six of its eight scientific missions have been abandoned and when so much of the money has been dissipated in administrative costs? As much as I value most of NASA's work, and support the overall space program, it has become apparent that the space station *Freedom* is a project that is lost in space.

Madam Chairman, I call on my colleagues on both sides of the aisle to exercise sound fiscal judgment and support the Roemer amendment to bring to an end to throwing good money after bad.

Mr. HALL of Texas. Madam Chairman, I yield 2 minutes to the gentlewoman from Tennessee [Mrs. LLOYD], who chairs the Subcommittee on Energy.

Mrs. LLOYD. Madam Chairman, I rise in opposition to the Roemer amendment and in strong support of the space station.

Again this year, we do have a great deal of controversy over this legislation and specifically space station *Freedom*.

However, we must realize the benefits and the possibilities that these projects hold out for every American. Maintaining a strong industrial base that incorporates the most advanced technologies and materials is very vital to our economic stability and our growth.

This space station should be seen as a contributor to our economic future and a giant leap forward in our technological and our scientific capabilities.

Madam Chairman, you know, we are not alone in our endeavor. The international community looks to us as the leader, and should we take the drastic step of cutting off our involvement with the space station, we would jeopardize our standing in the international community.

We know that Japan, that Canada, that the European Community all will have a permanent presence in space.

I would like to comment on the comments by the gentlewoman from Washington. I am one of those nine that did develop cancer, and I am a lucky one because I am a survivor, but I certainly hope that we can look forward at the unique possibilities of a microgravity lab in a space station. I hope that we can have the longer missions to make this possible.

It is so important to establish an outpost in space.

So I would encourage all of my colleagues to support the space station *Freedom* program and the many other worthy projects that are encompassed in this legislative not only for our future but future generations of Americans.

Mr. ZIMMER. Madam Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Madam Chairman, the Senate is now talking about a budget proposal that will increase the public debt of this country by $1 billion a day. That overspending hurts our chances for a good future. Decisions on whether or not to vote for budget cuts, such as the space station, should be predicated on our overall goals to help our economic recovery and stop a decline in the standard of loving of Americans. In this regard, space station *Freedom* is indefensible and fiscally unjustified.

The money could more appropriately be spent on encouraging science and research projects to develop new technologies for American companies in order to increase productivity and our competitive position with other countries of the world. Some speakers have suggested we could get a lot of research information from the space station. The fact is, we have already signed away America's exclusive rights to this information to other countries. We have signed intergovernmental agreements that would share research findings with Japan and other countries.

Madam Chairman, if we are going to put billions and billions of dollars into research, then I suggest that it is in America's best interest to fund the kind of research efforts that could be best used by Americans in America, to improve our competitive edge, to improve our economy, and to increase the number of good jobs that are available.

Borrowing money to spend on this project is a luxury that we cannot afford. Each year that we sink more money into this pie in the sky boondoggle makes it that much more difficult to reconsider. Let us put this project on hold while it is still in the planning stages and until this country deals with our most important priorities.

Mr. WALKER. Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Madam Chairman, first of all, I would like to salute the leadership of our chairman, the gentleman from California [Mr. BROWN], and the cooperation that we have had between Republicans and Democrats on this vital technological project.

I rise in opposition to the amendment, while at the same time not only saluting the ranking member and my chairman, but also saluting the gentleman from Indiana [Mr. ROEMER] and the gentleman from New Jersey [Mr. ZIMMER], who provided the leadership in their own way for the things that they believe in about the space station. Their constructive criticism has actually helped improve this program.

Budgets have been cut and costs have been brought under control. The space station now is on track, and its potential is greater now than it was perhaps because of those people who are providing loyal opposition to the project itself. It is actually much greater in its potential than when it was approved by Ronald Reagan back in 1984.

Unlike then, we now have the option of working with our former enemies in space. When Ronald Reagan first approved this station, it was in the height of the cold war. Today we are looking at this station as an example of cooperation for all mankind. Our former enemies can work with us in order to build a celestial beacon of cooperation, of peace, of progress, and, yes, of freedom.

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In gravity-free research we can find things that we could not find on Earth. Yes, we have heard about that; medical achievements, scientific investigations and achievements that are impossible on Earth. But that is not the main reason why we are supporting space station *Freedom*. Space station *Freedom* represents humankind's potential; it represents not only scientific and not only medical research, but it symbolizes, as our chairman said, an outpost for mankind, a way station for mankind's future.

I see the space station serving as a way station for Moon colonization and commercial endeavors in space that will enrich our country and all of humankind.

Thus I would ask support of the space station *Freedom* and ask my colleagues to vote against this amendment.

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. BARRETT], a freshman Member.

Mr. BARRETT of Wisconsin. Madam Chairman, I love our space program. As a child I watched American astronauts walk in space and land on the Moon. These were incredible moments, accomplishments that stirred patriotic feelings among all of us.

Americans love the space program because we are a nation of dreamers who think that nothing is beyond our grasp, that nothing is too difficult for us to accomplish. Unfortunately, in the case of the space station, our dreams far exceed what our budget can afford.

Just as parents have to tell their children that the family cannot afford that trip to Disney World or that Nintendo game, we as a nation must admit that the money just is not there.

Now is the time to do that with the space station. And it is the time for Members of Congress who claim they want to cut Federal spending to actually do it.

The National Taxpayers Union calls the space station "one of the most technologically indefensible and fiscally unjustifiable Government ventures." If you are for cutting spending, this is where you should start.

This amendment is not a vote against the space program. It is not a vote against space research. The fact of the matter is that the space station funding is crowding out other more important research funding. The space program will flourish without the space station.

It is time to tell the dreamers that we just cannot keep throwing money into the black hole that is the space station. It is wonderful to dream, but we cannot keep paying for our dreams with our children's money. We cannot afford it anymore.

This vote is a vote on our deficit. If you vote for the amendment, you are voting to cut the deficit that our children will be forced to pay by over $10 billion. Rather than leaving them with a fiscal nightmare, let us do the right thing and approve the amendment.

Mr. HALL of Texas. Madam Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Madam Chairman, I rise today in full support of H.R. 2200, the National Aeronautics and Space Administration Authorization Act and in strong opposition to the amendment offered by Mr. ROEMER and Mr. ZIMMER to terminate space station *Freedom*. Less than three decades ago Neil Armstrong captured the hearts and imaginations of the young and old around the world as he took those first few steps on the Moon. The words "one small step for man, one giant leap for mankind" still resonate with the sound of American achievement that has never been equaled.

It is now the dawn of a new era where international cooperation in the final frontier will serve all mankind and planet Earth. The development of space station is already pushing the envelope on international cooperation. NASA's flagship program will be an international research laboratory where partnerships with Canada, Japan, and the European Space Agency will bind together a common desire to explore and advance science and technology.

Ladies and gentlemen, what would it have been if about 501 years ago Isabel and Ferdinand had said, "We don't have the money. We can't afford it, Christopher, for you to try to find a new route?" What would this world be today? What are we saying today when we, if we defeat the space station *Freedom*, if we approve the amendment offered by the gentleman from Indiana [Mr. ROEMER] and the gentleman from New Jersey [Mr. ZIMMER]? If you do, you are forever foreclosing manned activity on the Moon, man's habitat on the Moon, man going to Mars. Yes, that is all possible. Without the space station, it will never happen; not going to happen, folks.

What vision have you of our space program? It is a lot different than my vision. My vision of the future in space includes man going to Mars and man living on the Moon, not just here on Earth.

You know, we have the space station already; a lot of people have not recognized it. But you are sitting on it right now. It is Earth.

We have had a lot of frontiers on this Earth, but surely some of you, like I, can look beyond Earth and see new frontiers. This country, this mighty Nation, is still the No. 1 Nation, and to stand in this well and to say that we can no longer afford to have visions, we can no longer as a people afford to look to the future, to dream a little bit, we can no longer afford to do what John F. Kennedy did; we can no longer afford vision nor dreams. We can no longer afford the future. All we have is what we have now as far as space is concerned. The only space station without freedom that you are ever going to have is the one that you have now, and that is Earth.

Mr. ZIMMER. Madam Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. I thank the gentleman for yielding this time to me.

Madam Chairman, as a strong NASA supporter and a science and space afficionado this Member rises in opposition to funding the space station and in support of the amendment to delete funding for NASA's proposed space station. At a time of huge budget deficits, unmet domestic needs, and more appropriate NASA priorities, construction and operation costs of the space station are projected to reach an incredible and unacceptable $120 billion. Already, $8.5 billion has been poured into this black hole. Yet, the tangible benefits of this project are quite unpredictable, and recent discoveries have revealed countless arguments against, or obstacles to, the project's successful completion and operation of originally described missions. Too many missions were simply dreamed up to justify the space station instead of a legitimate focus first on legitimate missions that are justifiable.

There is, perhaps, no more telling demonstration of the infeasibility and impracticality of the space station program than the desperate attempts of the administration to force *Freedom*'s planners to drastically reduce the costs of this enormous science project. Despite having requested alternative designs which would cost $5, $7, and $9 billion over 5 years, the President was forced to choose from three alternatives that all exceeded the $9 billion design. Now, we have been informed by the President that he has decided to choose a scaled-down version of the space station which will cost less than the space station *Freedom*'s planners now estimate. Madam Chairman, given the complete unreliability of former estimates, this Member has no reason to believe that the latest estimate will be any more accurate.

Madam Chairman, we need to face the fact that many of the proposed missions and research applications of *Freedom* have been cut or rejected. At the same time costs have increased dramatically. Nevertheless, supporters of grandiose science projects like the superconducting super collider and the space station criticize opponents for abandoning science. However, in fact, opponents of these grandiose science projects are probably America's science protectors. Instead of focusing attention on just a few hugely expensive projects with little in guaranteed benefits, we prefer to place American science dollars on numerous, innovative projects with higher prospects for far greater returns for the money spent.

Madam Chairman, this Member urges his colleagues to support the Zimmer-Roemer amendment to delete funds for the space station, a glamorous, cost-ineffective project this Nation and American basic and applied science cannot afford and should not undertake. The space station is a well-intended, exciting project that is now clearly a costly boondoggle which is primarily supported for cost-ineffective parochial, geographic, and industrial reasons.

Madam Chairman, the arguments of the proponents in behalf of the space station are well-intended, but I am intellectually offended by the bogus and sometimes far-fetched scientific and medical facts that have been given by various sources to the proponents. We should all be offended by them.

If your constituents had the facts and the results of research we have been given, they would overwhelmingly say this is the wrong scientific investment for their tax dollars.

Madam Chairman, I urge my colleagues to load and fire the silver bullet by voting for the Zimmer-Roemer amendment to kill this gluttonous turkey now. It is starving too many truly valuable research and science projects.

□ 1330

Mr. WALKER. Madam Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Madam Chairman, I rise today in strong opposition to this amendment and in strong support for the space station.

I want to bring just two points to bear on this debate. First of all, I think the Members of this body need to know that a vote for this amendment, that is, a vote to kill the space station is nothing less than a vote to kill manned and womanned exploration of space by the United States of America for the foreseeable future. Let us make no mistake about that.

This is not a vote for a substitute. This is not a vote for some other kind of manned exploration. This will be the end of our manned-womanned exploration of space for decades in the future.

What will happen as a result of that is that we will also abdicate our world leadership with respect to the technologies that drive manned space exploration, with respect to the private sector spinoffs in industry that come from the technology, with respect to the intellectual leadership, the exploratory leadership, and indeed the spiritual leadership that comes from being the premier pioneer of manned and womanned space voyages.

I would like to make another point that I have not heard made this afternoon, and that has to do with the fact that the United States has already entered into express commitments of our word as a nation with the Japanese, the Canadians, and a consortium of European nations with respect to the space station.

As a result of these commitments, those countries have already spent $3.6 billion and are committed to a total amount of expenditures of over $8 billion.

And even if we unilaterally shut this program down tomorrow, it is too late for those countries to keep from spending the money that they have already wasted in that event, and that will be required to be shut down.

Madam Chairman, if we in this Congress repudiate America's commitment to our allies around the world, we do two very damaging things. First of all, we cause them to waste extraordinary amounts of money, and second and more disturbing to me is that we have reneged on a solemn commitment. We have broken our word as a nation, and as the prophet said, "As you sow, so shall you reap."

Mr. ROEMER. Madam Chairman, I yield 1 minute to another distinguished freshman, the gentlewoman from Missouri [Ms. DANNER].

Ms. DANNER. Madam Chairman, Will Rogers, the well-known humorist, once said, "I don't make jokes. I just watch the Government and report the facts. I have never found it necessary to exaggerate."

Or it might even be, as magician David Cooperfield might say, "Slight of hand which you see is not necessarily what you get."

The space station was supposed to have been in operation by 1994, next year. We did not get it.

Now the projection is somewhere in the neighborhood of the year 2,000. It was supposed to have cost $8 billion. Now we are hearing figures ranging up to $40, $50, $60, and $70 billion.

Not only would it greatly exceed the projected cost, but it has been redesigned five times in 9 years.

With these redesigns has come a reduction in the scientific goals of the project. We are now at a point where the scientific mission of the space station is questionable.

In these tight budgetary times, times in which there are discussions of cutting such important programs as Medicare and Medicaid, can we justify to the American people a project which has few scientific merits and will, at conservative estimates, cost the American people well over $40 billion?

I have heard people say we need to cut spending. I believe all Americans feel that we need to cut unnecessary spending.

Mr. HALL of Texas. Madam Chairman, I yield 3 minutes to the gentleman from Alabama [Mr. CRAMER], whose district houses the Marshall Space Center.

Mr. CRAMER. Madam Chairman, I thank the chairman of the full committee and the chairman of the Space Subcommittee for yielding me this time.

We have hammered out some tough issues through the committee hearings and have held NASA's feet to the fire on both sides of the aisle.

This is NASA's reauthorization bill that forges the space station program, so I rise in strong opposition to the Roemer-Zimmer amendment here.

I have listened to these arguments and I want to make my pitch to the Members of this body, and particularly the new Members.

Did we just wake up today and figure that we have a deficit now, and now we want to take care of this program?

Did we wake up today and decide that the house that has been built and is three-quarters built is a house that we cannot afford and consequently we need to walk away from it?

That is not the way my constituents want to see Government work, and that is not a part of a process that I want to be a part of, at any rate.

The arguments that are being made today in support of this amendment to kill the space station are just years too late. It is irresponsible for this Government to walk away or for us to leave NASA holding an $8 billion bag here.

Now, other proponents of this amendment have talked about the spurious arguments that those space station supporters have made about medical issues, and I wish those proponents could have been present this morning at a breakfast that our colleague, the gentleman from Texas [Mr. ANDREWS] sponsored, where we heard from physicians from Texas who talked about the incredible process that they are involved in, even with other countries, where the Japanese and where the French, using the technology from the aerospace program, using it to make surgery more effective, using it for transplant issues, using it in incredible ways that would allow us to see cures down the line and breakthroughs that benefit people all over this country.

Madam Chairman, this is a people issue. It is too late to walk away from this space station program. It is a responsible thing to do.

Let us quit whining here. Let us look at what we are really doing. Let us not lose this battle to the bigger political issue of the deficit. Let us be responsible and let us support this program.

So I urge my colleagues to vote against the Roemer amendment.

Mr. ZIMMER. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Illinois [Mr. PORTER], a member of the Committee on Appropriations.

Mr. PORTER. Madam Chairman, I support the Romer-Zimmer amendment. I am not an expert, Madam Chairman, in science, but I know what we can afford, and I know that we cannot afford a manned space station. It will have to be deferred until we can put our fiscal house in order.

Earlier the gentleman from Wisconsin [Mr. SENSENBRENNER] said that wonderful technologies were developed through the manned space program, and I am sure that this is true.

He said there would be potentially wonderful technologies developed from the space station, and I am sure this is also true. But he also said that if we did not proceed, Japan, Europe, or Russia, would be there first, and I am sure that this is not true. In fact, it is ludicrous. Each of those economies are in deep trouble, more than our own, and if we shut down, they shut down. If we are going to compete in this way, it will not be a race into space, it will be a race into bankruptcy.

Others in this debate have said that NASA is the choice to find cures for AIDS and cancer.

This administration, in fact, is willing to put money into a manned space station and the SSC, and yet if you look at their budget carefully, they have suggested to us a 1-percent increase in the National Institutes of Health, the place where we will, in fact, ultimately, find the cures for AIDS and cancer and diabetes.

That is bad prioritizing, Madam Chairman. Science is going to have to contribute through NASA to bring down this deficit.

Let me leave you with one statistic for your scientific consideration. An average young American, like those in the gallery today, going into the work force will have to pay during his or her working lifetime $200,000 in extra taxes, that is extra before any money is spent by this country on science or defense or transportation or welfare or anything else, $200,000 each if they are an average American just to pay his or her share of the interest on the debt that we have accumulated to this point, money that they will not have available for the purchase of a home, for the education of their children or to start a business, money that they will have to pay to service that terrible, huge burden of debt.

□ 1340

This, Madam Chairman, is fiscal child abuse. We are abusing the young people of this country, and it has to stop. Science has to make a contribution to doing that. Sure, we want a space station, but it will have to wait. We have higher responsibilities.

Mr. WALKER. Madam Chairman, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Madam Chairman, space station *Freedom* will enable us to safely continue mankind's epic journey into space. It will be an international research laboratory, advancing science and technology, as well as expanding the human presence in space.

Today, we have heard a number of our distinguished colleagues from both sides of the aisle eloquently expounding upon the tangible benefits of space station *Freedom*—benefits and advances to our critical technologies, our global competitiveness, our space exploration, our economic stability, and our international cooperation, among others.

I take the floor now to address another benefit to be derived, which although intangible is, I believe, absolutely no less important—this is the benefit of the space station upon our educational system and its impact upon our Nation's youth.

Education, through exploration and discovery, is the best stimulant for the young mind. In our Nation's scientific classrooms, from our universities to our secondary schools to our elementary schools, space exploration is serving as an educational inspiration.

Space programs have always been an important impetus for the youth of our Nation, linking their imagination and sense of adventure to the practical study of mathematics and basic sciences.

For example, in 1961, when President Kennedy challenged this country to embark on the Apollo moon program, he inspired thousands of students to pursue studies in science and engineering.

And by 1969, when Apollo 11's lunar lander touched down in the Sea of Tranquility, the number of science and engineering doctorates awarded in the United States had jumped 150 percent.

The Apollo program successfully stimulated our Nation's young people to learn science and engineering. For today's youth, who have no personal knowledge of the Apollo program, space station *Freedom* has become a critical and powerful catalyst for stimulating academic interest and enthusiasm in space and science.

The space station is capturing the imaginations of American students and is helping guide many of them to careers in technically demanding fields, such as math, science, and engineering, which are necessary to maintain a work force capable of competing in the global marketplace. We in Congress have all recognized that there is a dwindling source of graduates in these areas from our Nation's school systems.

Although it is being conceived by, and constructed in our generation, the real beneficiaries of the space station's unique laboratory environment will be our future generations. Mr. Chairman, we must all understand that the key to our Nation's continued preeminence in space lies in the future of our youth.

A continuous supply of scientific talent is necessary to sustain our technological and economic competitiveness in the world. Our ability to lead in space, our quality of life, and the very security of our Nation is at stake. Space station *Freedom* can be an important link in achieving all of these objectives.

I urge my colleagues to oppose the Zimmer-Roemer amendment and continue investing in our next generation by supporting the space station.

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY], a distinguished leader on the Committee on Appropriations.

Mr. OBEY. Madam Chairman, I do not mind funding science; I really hate like heck to fund science fiction. And in my view it is science fiction to suggest that we really can afford to spend this kind of money on this program.

Madam Chairman, in 1984 we were told it would cost about $8 billion to build this flying turkey. It has been redesigned a number of times since then. Now NASA says that this will cost about $57 billion over the life of the program to construct and to operate. GAO estimated the old design, before the redesign, would be well over a hundred billion dollars if we take all costs over the extended life of the program.

Madam Chairman, let me suggest to my colleagues that that is the equivalent to what we spend for EPA in 16 years. It is the equivalent to what we spend on child care in a hundred years. It is the equivalent to what we spend at the National Cancer Institute over 50 years.

Madam Chairman, it just seems to me that this package is designed more to fly politically than it is to fly scientifically. We know how the game goes. NASA comes in. They low-ball the cost estimate, they get the Congress hooked on the project. Once it is being built, Madam Chairman, they say, "Well, gee whiz, fellows, you can't stop now because it's going to cost you money. You're going to waste all of the money you've already invested, just like the B–1, just like the B–2, just like star wars, just like you name it, program after program."

Madam Chairman, that is what has happened to this Congress because we have listened to agencies we should not have listened to. I would suggest that we simply cannot afford this flying turkey. We cannot afford it despite the fact that NASA gets this thing to fly politically by salting contracts in hundreds of congressional districts around the country so that we have people from every district calling and saying, "Oh, gee whiz, we got a piece of that. You just have to go ahead and support it."

Madam Chairman, I suggest to my colleagues that we cannot afford it. Our budget it too squeezed. We have other priorities. I urge my colleagues to vote for this amendment.

Mr. HALL of Texas. Madam Chairman, I yield 3 minutes to the gentlewoman from California [Ms. HARMAN], a member of our committee.

Ms. HARMAN. Madam Chairman, I rise today in opposition to the amendment offered by the gentleman from Indiana [Mr. ROEMER] and to cast my vote for the redesigned space station, cautiously optimistic that the program will achieve several critical objectives:

First, it will be on time, on budget and on mission.

Second, it will force the reorganization, even reinvention, of NASA, and that reinvention will reinvigorate NASA's other important missions in science, exploration, R&D, and aeronautics.

Third, a hard freeze on station funding at $10.5 billion over 5 years will free up funds for programs to develop a new modern expendable launch vehicle to compete with the Europeans, Russians, and Chinese, and leapfrog technologies such as single-stage-to-orbit and low-cost high-thrust rocket engines; to reinvigorate the planetary exploration program and accelerate the frequency of Atlas-Delta class planetary probes; to undertake a series of low-cost, smaller earth science programs enhancing our knowledge of the Earth and its immediate environment; and to invest in space technology including the advanced x-ray telescope [AXAF].

At a time of scarce resources and in light of NASA's dismal record on this program, it is hard to resist the arguments of my colleague from Indiana, Mr. ROEMER. He is courageously defending the taxpayer's interest as he sees it. And he is right that NASA has been more captivated by Buck Rogers than by responsible control over your bucks and mine.

Concern has also been raised about the safety of the scaled down mission, though NASA responds that a well managed redesign will, in fact, be safer than the bloated version.

This Member is persuaded that we can introduce the prose of good management to the poetry and benefits of station's mission. And I am prepared to undertake a big portion of the oversight needed to assure that this time, NASA gets it right.

In long personal conversations in recent days with NASA Administrator Dan Goldin, aerospace executives in my district, experts on the Vest Commission, my subcommittee Chair, Mr. HALL, and committee Chair, Mr. BROWN, I conditioned my support of station on massive cutbacks in NASA overhead, centralization of program management, and full funding of NASA's other priorities. As a space Subcommittee member, I will carefully monitor what develops and bring my own business background to bear in assessing progress.

The space station program will, I hope, be spared today, but a clear message will be delivered. Focus, discipline, careful planning and sound business practice must become NASA's organizing principles—starting now.

Mr. ZIMMER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I listened carefully to the gentlewoman's statements, and I must say that they represent a triumph of hope over experience. The very programs that she thinks are going to be freed up somehow by this space station program are the very programs that have been cancelled or deferred because of the insatiable appetite of the space station program, and there are no plans in the administration or in the committee to restore those programs.

□ 1350

The advanced x-ray study was a wonderful program that was twice delayed because of the space station program. The same with the space exploration initiatives. The same with the new launch vehicle and Earth science initiatives. Every item the gentlewoman mentioned is in trouble because of the space station.

Madam Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. INGLIS], an outstanding freshman Member.

Mr. INGLIS of South Carolina. Madam Chairman, I rise in strong support of this bipartisan amendment that would save the taxpayers a significant amount of money and is something we can surely do this day in a bipartisan way.

Madam Chairman, the space station, like many other programs that we could be about, is a good program, and it may have significant scientific advantages. But I liken it much to the situation of a private company contemplating building a brand new headquarters and research facility.

If a private corporation is in good shape, if its debts are low and its profits are high, it has an opportunity to build a brand new glass and steel and marble structure called its new headquarters, with a research facility attached to it.

But if that company is losing money, and if that company is in debt, it just has to get along with the 1950's brown-green carpet it has on the floor, and it cannot afford to build one of those brand new glass and steel and marble structures.

Madam Chairman, that is the situation I think we are in right now in the U.S. Congress. We are about to bankrupt this country. We are $4 trillion in debt. It is not the time to be building a brand new glass and steel and marble structure as the headquarters building. It is time to stop projects like this, to put them on hold for a while, and get the fiscal house of this Government in order and save some of this money we are otherwise spending to add to our $4 trillion national debt.

I would also like to say that in hearing some of the speakers, I have heard that this is the only thing that could characterize an American vision. That going to Mars or being part of a manned space station is the only thing that can characterize American vision.

Well, I reject that analysis. There are a lot of other things that characterize American vision. One of them that I think we should all be about in this country right now is getting this fiscal house in order and getting a handle on the $4 trillion national debt. If we do that, that is a significant vision for us here, the 435 Members here to be about, and that is something that would be tremendously beneficial to the American people, to state that vision, to reinvent government, to make it more efficient, downsized, and right-sized. That is a good vision for America. It is not simply found in space exploration.

Mr. WALKER. Madam Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. BARTLETT].

Mr. BARTLETT of Maryland. Madam Chairman, I rise in strong support of our space station mission. The United

States is clearly the world's only superpower. We are the world's leader. We are the world's leader militarily, we are the world's leader politically, and we have got to remain the world's leader technologically. How can we be the world's leader if we are not the world's leader?

When you look at programs like this, at putting a man on the Moon, for instance, there was an enormous spinoff from this. There was a spinoff in education, a spinoff in the economic community. In Maryland alone there are 275 companies that directly owe their existence to spinoff from this program.

Madam Chairman, the plea is made that we do not have enough money. Let me point out that even poor people go out to dinner once in a while or buy a pizza and bring it in. I think that the amount of money spent on this program is a relatively small amount of money compared to a $1,600,000,000,000 yearly budget

Another very important thing is that Americans need to feel good about themselves. Those of you who can remember the decade we spent putting a man on the Moon remember how good we felt about ourselves. We need that feeling again.

When Willie Sutton was asked why did he rob banks, his response was because that is where the money is. If you ask me why we should put this effort into the space station, I will tell you that is where the future is.

Madam Chairman, I rise in strong support of the space station.

Mr. ROEMER. Madam Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. PENNY], a distinguished fiscal leader in the Democratic Party.

Mr. PENNY. Madam Chairman, our offices have been flooded with phone calls, letters and even faxes—all bearing the same message: Cut spending first. It sounds simple, but we have been through the deficit landmines before and we know how difficult it is.

Outside of the entitlement programs, there are only a few big ticket items that offer significant potential for both short-term and long-term savings. One of these is the space station which we are considering today, and the other is the superconducting super collider, which we will have an opportunity to tackle later this week.

The question is not what to cut, but what do we have the will to cut?

If we vote for the Roemer-Zimmer amendment to cancel funding for space station *Freedom* does it mean an end to our dreams for the future? No. To the contrary, killing this project may well protect our children by helping reduce the deficit which, like a Jurassic Park clone, moves across the land devouring their future.

If we vote for the Roemer-Zimmer amendment, have we closed the door on the technological advances that have characterized the space program? No, according to many scientists, including Doctor Park of the American Physical Society, the technology used to put humans into space is the proven, shelf-stable version of the 1970's. Doctor Park put it aptly when he said: "There is more technological sophistication in an $80 point-and-shoot camera than in space station *Freedom*." Clearly, we can accomplish better space science through other NASA programs, including the Earth Observing System.

If we vote for the Roemer-Zimmer amendment will we alienate our international partners? First of all, they are not wildly enthusiastic about our program. It doesn't make sense for the United States to spend tens of billions just because our partners may spend a few.

If we vote for the Roemer-Zimmer amendment haven't we destroyed jobs in many areas, especially in the already beleaguered aerospace industry? That's a tough question, because it does affect jobs in 39 States around the country, including some in my own district. But it does not make sense to spend tens of billions of dollars to support a few thousand jobs producing a dubious product, which gets more dubious by the day as it is reformed and revised by this administration. This is jut simply not good business. And it is never good business to continue pouring good money after bad. We have been down that road before. We should stop going down this road on this project.

NASA Administrator Daniel Goldin has said that this country is at a crossroads with its space program, and I agree. We are at a crossroads. I would say that it is time for us to boldly go where no Congress has gone before. Let us make a dramatic step for deficit reduction. Let us kill the space station.

Mr. BROWN of California. Mr. Chairman, might the Chair inform Members how much time remains on each side?

The Chairman pro tempore (Mr. WISE). The gentleman from California [Mr. BROWN] has 14 minutes remaining, the gentleman from Pennsylvania [Mr. WALKER] has 26½ minutes remaining, the gentleman from Indiana [Mr. ROEMER] has 24 minutes remaining, and the gentleman from new Jersey [Mr. ZIMMER] has 16 minutes remaining.

Mr. BROWN of California. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. BROOKS], the distinguished chairman of the Committee on the Judiciary.

□ 1400

Mr. BROOKS. Mr. Chairman, I rise in support of NASA and the space station. This Nation needs NASA and the space station—it needs a forward-looking, bold, and risk-taking organization that sees to the future needs of our society, to the bold exploration of the unknown, and to the questions we will face in the next century.

Thirty years ago, President John F. Kennedy argued for a strong national space program. He said we go into space, not because it is easy, but because it is hard. Meeting the challenge of the space frontier gave us national prestige, but that was neither the only reason for NASA 30 years ago, nor is it the only prize we take away from our conquest of space today.

Now we have a chance to define a new era in the wake of the cold war, an era with new opportunities for peaceful cooperation in space among the nations of the world. The space program can be a catalyst for peaceful cooperation. We need a world-class space agency to help us open those new vistas of opportunity.

An integral part of NASA is the space station. We are building the space station to enable human beings to safely continue mankind's epic journey into space. The space station will be valuable to us in areas of competitiveness, education, exploration, and international cooperation. This is a partnership of the United States, Canada, Japan, and the European nations which will allow the United States to maintain our leadership in space and continue to be a premier player into the 21st century. NASA, with the space station, will again capture the attention and imagination of American students and motivate them to study the areas of math, science, and engineering, which are necessary to help us maintain a work force capable of competing in the global marketplace. Today, the space station represents thousands of jobs for Americans which help strengthen this Nation economically. If you kill space station, you also kill the American space industry. Let us keep America's leadership in space and refuse to hamstring our future by foolishly cutting funds for our space station.

I believe a society that does not dare to dream, a society that isn't willing to take risks, a society that has forgotten how to be bold, is a society in great peril, a society in decline. History has shown that the great nations have been those that had a spark of risk-taking, of adventure, of being willing to operate at the frontiers of knowledge and exploration. We still yearn for that in this country; we still expect our Nation to do great things and tackle the great unknowns. NASA does that for our society.

Through the small investment, in relation to our budget, we make in NASA and the space station, we Americans are able to see new horizons and explore new frontiers. We know already, with the certainty of three decades of evidence, that these expeditions into the unknown have paid off with new knowledge, new techniques, and new products. You cannot walk into a hospital today without being touched by the wonders that came to us from space exploration. Our daily lives are shaped by the digital revolution going on all around us, and NASA not only helped usher in that revolution, but has kept it going with new ideas and new products year after year.

We lay the foundation for our future in this small corner of the vast Federal budget. We owe it to ourselves, to our Nation, and especially to our children to keep this dream alive.

Mr. ZIMMER. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I want to express my support of the Roemer-Zimmer amendment to eliminate the space station.

In an era of $300 billion-plus budget deficits, the space station remains one of the most scientifically indefensible and fiscally unjustifiable projects backed by the Federal Government.

The project was only expected to cost taxpayers $8 billion when first proposed in 1984. More than that has already been spent by NASA, with little to show for these expenditures.

The GAO recently projected the original space station *Freedom* design at a total cost of a staggering $158 billion. Who can say exactly how much a lesser version of the station will end up costing taxpayers?

The whole redesign effort only serves to illustrate that we can never significantly cut the space station's cost without sacrificing its few identifiable functions. Rather than turning our back to reality, we need to face up to the responsibility to make intelligent choices geared toward easing the strain on the Federal budget.

In short, continuing the space station program is bad science, foolish fiscal policy, and a poor way to set our national priorities. I urge adoption of the amendment.

Mr. WALKER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HOUGHTON].

Mr. HOUGHTON. Mr. Chairman, when I find myself down the line in debate, it is hard to be original, so let me try to recast some of the ideas and put them in perspective.

I have absolutely no proprietary interest in this whatsoever. Certainly, there are scientific projects that have got to be controlled. No question about that. But also there are things like the space station, which cannot be judged on a short-term basis. If we did it that way, we would not do it at all.

Also, we are not sure what we can garner from space science, but we do know what we have seen so far, that there is vast potential there in terms of energy, the environment, understanding, instruments, people, analysis, materials. We are in a revolution of many forms but one of them is materials sciences, composites, metallics, inorganics.

Also, economics are driven by two things. One is the economy of scale. The second is science. And since 95 percent of the world's population and the economy is moving away from this, we must concentrate on science.

Therefore, we have got to look for leadership in science. If we do not, it is no fun to be second. And space is one of those frontiers, as was TVA in the old days and the Manhattan project.

Although most science is privately sponsored, every so often there is a project, a big item, that has to be sponsored by the Government. It makes the big leagues. It makes the other things possible. It makes fallouts in terms of jobs and science and new opportunities and improvement in our balance of trade possible.

I ask my colleagues this: In this age of cost cutting, if I told my colleagues about a project that could put us in the No. 1 spot in the most exciting new area of science, which inexorably produced new jobs and new opportunities and almost guarantees fallout in a variety of different areas, which I have described, and at the same time saved 30 percent of the people's costs, I think they would think it was a pretty good idea.

I urge my colleagues to defeat Roemer, and I urge them to support the space station.

Mr. ROEMER. Mr. Chairman, I yield 1 minute to another distinguished freshman, the gentleman from Ohio [Mr. STRICKLAND], a member of both the Committee on Education and Labor and the Committee on Science, Space, and Technology.

Mr. STRICKLAND. Mr. Chairman, this debate is about choices. Some choices are difficult. Others are easy. This is not a difficult choice for me.

My list of priorities contains many programs that are far more critical to the well-being of this country than is the space station. I would love to say that we had a space station. Who would not? I would also love to have every child who is eligible for Head Start be enrolled. I would love to say to my constituents, the Federal Government has so much money we are going to give you a tax break this year. But that is not reality.

What is reality? Reality is facing up to the ever-escalating budget deficit. Reality is cutting Medicare and veterans benefits in order to meet deficit reduction goals. Reality is 125,000 of my constituents without health insurance, 35 percent of whom are children. Reality is an American community where infrastructures are crumbling.

Cutting the space station at this time is a responsible decision. It is the right decision. I urge my colleagues to support this amendment.

Mr. BROWN of California. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I rise today in strong opposition to the amendment to terminate the space station program.

Before I begin my remarks, I wish to point out that a statement by Speaker FOLEY in strong support of the space station will be included in the CONGRESSIONAL RECORD.

The distinguished Speaker of the House, like so many of us in this Chamber, knows that a first-rate American space program is not a luxury, it is a competitive necessity.

Mr. Chairman, for several years now Congress has debated the merits of the Space Station Program. As a result, the program has undergone several examinations and redesigns.

Following his election, President Clinton called for yet another redesign and eventually recommended a plan similar to that supported in H.R. 2200; that is, a space station plan that retains the major attributes of the current space station design, but which achieves significant cost reductions—especially in the management and operation of the program.

Mr. Chairman, each time the Members of this body have come to the floor to argue the worth of the space station we have voted overwhelmingly to continue our involvement—and our investment—in the program.

Still, there are those Members who oppose the space station and argue that we must cut the looming deficit. I imagine that many of those same Members voted to support the President's stimulus package when it reached the floor. I would point out to them that, if the Congress cancels the Space Station Program, we will directly and indirectly cut 70,000 jobs.

But what really is at stake here, Mr. Chairman, is much more than the space station. What is at stake is our international competitiveness and ability to succeed economically.

I have often pointed out that it was no accident that the most dramatic growth in our high-technology industries paralleled the years of NASA's greatest activity and accomplishment.

A first-rate Space Program is today a competitive necessity, made more so by the fact that aerospace employment in the United States is now approaching 7 percent of all American manufacturing jobs. In addition, the return on investment for NASA has been estimated at $7 to $9 for every $1 spent.

And as importantly, as defense spending continues to decline in the years ahead, many high-technology industries will find themselves in jeopardy unless the United States commits itself—as I believe it should—to use those resources for our civilian space program.

Unfortunately, our space program will continue to remain at risk from cynics, and from those who are unwilling to commit to long-term national policies and stick with them.

I agree wholeheartedly that the United States can ill-afford to throw money at programs that neither justify their means, nor meet their stated ends. That is why it is so essential to set clear priorities and stick with those that are attainable, affordable, and in the best interest of the Nation.

There are many spending priorities that are essential to a more productive U.S. economy. These include education, national health care, job training, energy policy, and transportation. The space station is also such a priority.

Mr. Chairman, I believe that human exploration of our solar system and the universe is both desirable and inevitable. I also believe that the United States must be at the forefront of this effort. But that can only occur when we achieve permanent manned capability aboard the space station.

Mr. Chairman, the space station is a necessary building block to whatever we decide our specific future goals in space will be.

I strongly urge my colleagues to defeat this amendment to kill the space station program.

☐ 1410

Mr. ZIMMER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, today I do not want to spend my time debating the merits of the science of the space station. There will no doubt be some benefit from the spinoffs of that program. I recognize the importance of research and development. I came from a company that spent 15 years researching, developing, and growing into one of the most successful companies in this country.

However, there comes a time when our programs must be reevaluated. Congress must control spending and show restraint. I hope that the vote on this issue does begin an era of costcutting. Today, we know that that has not been the case for Congress.

This year we face another $250 billion deficit. We have a $4 trillion debt. When a company continues to run deficits of 20 or 25 percent, they are required to cut costs, increase sales, or do whatever it takes to show a profit.

Typically, research and development is one of the last areas that a company faces cuts in, when they are facing tough times. That is why I do not like to cut R&D; but I believe that that is the situation we find ourselves in. We are unwilling to show restraint in other areas, so we ought to start taking a look at research and development.

The space station has shown itself to be one big black hole that continues to suck in the dollars of the American taxpayer. That is not appropriate. Congress has to learn to show discipline, to show restraint, and to show self-control. The problem is not an issue of science, it is Congress.

Mr. WALKER. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, we have had a long debate, and all the benefits of the space station and the space program have been enumerated. If the Members have lived any time at all since the 1960's, they know of all the wonderful things that we enjoy now because of the space program.

I want to answer some of our critics. Our critics of the space program in this country say that NASA is making mistakes and there are overruns, and we have to stop this. Yes, there have been some mistakes made, and there have been some overruns made. Some of the mistakes are legitimate and deplorable but most of the mistakes and overruns were because of poor management models.

Mr. Chairman, we correct that in this new redesign. I have been pushing very hard to make one prime contractor in charge of building the space station; to make one center, instead of six, in charge of building the space station; to have one program director in charge of building the space station. We have that in the redesign.

In fact, because of that management change, we get a lot or most of the savings that are realized in the redesign. Also, this is the first time that we have built a space station. We are going to run into mistakes, because it is the first time that we have built a space station. It just makes logical sense that we are going to make some mistakes.

It has been said, I think, on this floor that there is a lack of science. Dan Golden, Dr. Gibbons, and many others have said that most of the science that the Members voted for when they voted for space station *Freedom* will be done on space station *Freedom*-derived. So we are going to get a little bit less science, but if we are going to have these kinds of savings, we have to give up some science, but some very basic science, some very real science in all kinds of areas, will be done with this redesign.

To my colleagues on this side of the aisle and to the authors of the amendment that say, "We have to reduce the deficit," I have the amendment right here. I do not see anywhere in this amendment that says this savings is going to go to deficit reduction. We know how this place works. The freshmen that are against this, listen up. If the money is cut out of space station, it is going to go somewhere else.

I serve on the Subcommittee on VA, HUD and Independent Agencies of the Committee on Appropriations, and we can very easily, and it will be, take money from space station *Freedom* and put over into HUD, or as the gentleman from Ohio [Mr. STRICKLAND] has said, he has already made a list of things he wants to spend this money on: Medicare, veterans' benefits, health insurance, infrastructure.

We know where this money is going to go. This is going to go out of good, basic science into warm, fuzzy programs that they are all for. That is why there will be no deficit reduction from this savings. We know how this House works.

The choice is, do we have a manned space program, do we have exploration of space, and do we excite our young people to get into these sciences? That is the choice.

The CHAIRMAN pro tempore. The Chair would announce that the gentleman from Indiana [Mr. ROEMER] has 23 minutes remaining, the gentleman from California [Mr. BROWN] has 9 minutes remaining, the gentleman from New Jersey [Mr. ZIMMER] has 13 minutes remaining, and the gentleman from Pennsylvania [Mr. WALKER] has 21½ minutes remaining.

Mr. ROEMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just respond to the gentleman from Texas [Mr. DELAY] by saying if he would like to work with me with report language or colloquy on very strong language to have this go directly to the deficit, I would be happy to work with him on that, if he would change his vote.

In the meantime, I yield 1 minute to the distinguished gentleman from the great State of Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Chairman, I would ask the Members, have they ever noticed that some people are against any Federal spending that will not make a contractor richer? To the people all over the country, have they ever noticed that we have pretty short debates on things like college deferments during the Vietnam war, 60 seconds for the entire House, but debates where somebody can make some money rage on and on and on.

To quote the philosopher, Abe Martin, "There is always plenty of money for everything but the necessities."

Mr. BROWN of California. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. Mr. Chairman, I appreciate the gentleman yielding time to me.

Mr. Chairman, I am as frustrated as we all are with having 1 minute to lay out all of the arguments that we would like to make on behalf of this project and against the amendment. Let me confine myself to only one comment.

This new Member of Congress, along with the 110 others, has inherited many, many difficult problems for us to solve. In solving those problems, we must always keep our eyes on the future.

Mr. Chairman, I was 4 years old, I would say to the gentleman from Texas [Mr. BROOKS], when President Kennedy died. Little did I expect or have any notion that 30 years later I would be standing here as a Member of the House of Representatives with a responsibility to help keep that flame alive, and not just out at Arlington National Cemetery, in the life of our Nation.

□ 1420

In protecting the future and reducing the deficit, I am going to do it in such a way keeps this country looking forward to the future. I urge opposition to the amendment

Mr. ZIMMER. Mr. Chairman, I yield 2 minutes to the gentleman from Maine [Mr. ANDREWS].

Mr. ANDREWS of Maine. Mr. Chairman, I thank the gentleman for yielding the time, and I congratulate Mr. ZIMMER and Mr. ROEMER for introducing this amendment.

Mr. Chairman, it is easy to cut spending in the abstract. It is easy to say that we have to confront our Federal deficit crisis in the abstract. But the Federal deficit crisis is not an abstraction; it is a reality. And to confront this reality means that we are going to have to make some very tough choices.

It is tough to say no. It is tough to set priorities, particularly when congressional districts across this country are going to have a piece of a particular project. But the reality is that there are things that we would like to do that we simply cannot afford to do. And what we need to do during those times is to say no.

Households across America understand this. Successful businesses across America understand this. It is time that we in Congress understand this.

Some proposals that have come to the floor, Mr. Chairman, have been labeled pie in the sky. This proposal is pork in the sky, and I think that it is time that we bring this pork down to Earth by supporting the amendment before us.

Mr. WALKER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in support of space station *Freedom.*

I am pleased that President Clinton chose an option that closely resembles the current space station *Freedom* design and rise against the amendment to kill the program. Today I want to talk about the manufacturing processes involved in designing and manufacturing the SSF, as well as the project's importance in maintaining our dominance in the aerospace industry.

The SSF imposes new, incredibly challenging requirements on manufacturers and engineers. The space station is scheduled to spend between 10 and 30 years in orbit. During that time, astronauts cannot call the local repairman if the air-conditioning or plumbing fails and there will not be a lot of storage room for spare parts. So the engineers who design everything, from space toilets to environmental control systems, must build complex, self-regulating systems that simply will not break down.

So space engineers must design systems that will function perfectly for 30 years. Manufacturers must manufacture parts that will function perfectly for 30 years. This 30-year function standard is without precedent in our industrial experience, and will set new standards of excellence throughout manufacturing in the decade to come.

For freshman Members of Congress who are voting on this issue for the first time, I urge you to tour some of the manufacturing facilities that are making components for the space station. I have, and let me tell you I have been amazed, as a Member who represents a manufacturing-oriented district, by the level of technological sophistication these companies possess and the implications of manufacturing other products to a 30-year function standard.

Consider the complexity in designing the environmental control systems that must recycle every ounce of air and moisture—from body sweat to all other bodily fluids—into water pure enough to drink and air to breathe. What we are learning in meeting this challenge will help us clean up underground pollution at Superfund sites and enable us to support research in hostile areas, such as in the depth of our oceans and the heat of our deserts. The SSF is a clear example of the critical and unique role Federal tax dollars play in scientific research.

Furthermore, and just as important, by building the SSF we will maintain our dominance in the aerospace industry. In 1990 we exported $39.1 billion in aerospace products and had a $27 billion positive balance of trade. But while we used to dominate the market with a 90-percent market share, we now have only 68 percent with the Europeans, Japanese, Russians, and Taiwanese poised to make significant gains. With military spending on aerospace R&D declining and defense conversion a challenge high on our agenda, maintaining SSF funding and the high skilled engineering and manufacturing jobs that funding supports is more critical now than ever.

Mr. Chairman, I say to my colleagues, that if we fail to build the space station, not only will we undercut our strength in aerospace and the science that underlies the products of the future, but we will open the door to a joint venture between the French and the Russians to build their space station. If we pass up building space station *Freedom* and the Russians accept French overtures for a joint venture the French and other European nations will close what is currently a 15-year technological gap with us and control the aerospace research that will create the next generation of aerospace products. As Charles Ordahl of McDonnell Douglas said, if we fail to build the SSF "America will have lost the next generation of aerospace talent and its leadership role in a key high-tech arena." We have an obligation not only to ourselves but to all other nations which are aligned with us and to our young people who count on us for their career opportunities of the future, to direct and benefit from future discoveries that space station *Freedom* promises. I urge you to join me in defeating this amendment.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. MINGE], another distinguished freshman.

Mr. MINGE. Mr. Chairman, this debate over the space station pits a bizarre bipartisan coalition on one side against a bizarre bipartisan coalition on another. We find that we have space science enthusiasts and Representatives of districts with substantial employment that would be affected by the termination of this program. On the other side we have people who are preoccupied with the problems of the deficit and our Nation's priorities.

I would simply ask two questions. First, would you support an income tax increase to finance this program? Second, if important programs are being cut or substantially scaled back in other areas, would you agree that the space station also should be subjected to that type of reduction or elimination?

I submit the answers to these questions are obvious. If we are not willing to pay for the space station with a tax increase, it must be a part of a reduction along with a substantial number of programs across our entire Federal budget and operation in order to balance the budget. That is the problem that we face.

Mr. BROWN of California. Mr. Chairman, again, with regret, I yield only 1 minute to the distinguished gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS of Texas. Mr. Chairman, today we face a decision of great importance: whether to continue as leaders in space, or follow more determined nations. The issue is a clear one: Killing the space station means stopping the space program dead in its tracks.

The space station is the platform of man's future in space. Though its mission has narrowed, its potential for reward has not. The weightless environment of space will provide an exceptional laboratory for science. In our future, man will make medical and scientific discoveries in space that we can not yet imagine. Today, men and women are preparing to meet these opportunities: cancer research, advanced treatments for disease, biomechanical devices, and perfectly formed semiconductors.

These promising advancements do not stand alone. In the weightless environment of space, biological materials separate more completely and protein crystals grow larger and more perfectly, allowing us to develop new and purer forms of pharmaceuticals that can be used to treat disease like emphysema, high blood pressure, AIDS and cancer. Space physiology research can lead to treatment for osteoporosis, motion sicknesses, and diabetes. Research on the biotechnological and biomedical applications of cell, tissue, protein and molecular processes can lead to new insights into how our bodies work, grow and repair themselves.

Our trading partners understand the space station's potential; the Japanese, Canadians, Europeans, are all prepared to follow our leadership. If we renounce our commitment, they will surely look elsewhere. They will also move ahead of us in this fierce competition for the future.

We stand in the shadow of the end of the cold war, looking ahead to a new century with great challenge and responsibility. Our generation owes much to the leaders of the past, who made decisions that set America on a course of space exploration and achievement. And I refuse to believe, that history will say of us and our time: "They were the greatest, most powerful and successful nation on Earth, but when called upon, they faltered, they stood still and let the opportunities of their future pass them by."

Let us build the space station.

Mr. WALKER. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. LINDER].

Mr. LINDER. Mr. Chairman, I thank the gentleman for yielding the time.

Mr. Chairman, I have a scientific background and others have spoken more eloquently to the science of this project. And I have a financial background, and the fiscal sides have been addressed.

But we must begin to remember that we are a nation of dreamers and frontiers. America was a frontier 500 years ago when government money sent Columbus here. And indeed, the Louisiana Purchase was too expensive for our Government to make, and yet it has enriched us all. American money sent Lewis and Clark west and opened the entire West to gold, and farming, and even wine production. And indeed, not that long ago Seward's folly was a folly that yielded the largest cache of oil since Texas.

Mr. Chairman, we must remain a nation of dreamers at the frontier. The only frontier left in the world is space, and it would indeed be a folly for us to turn our back on it.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to yet another distinguished freshman, the gentleman from North Dakota, [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, I rise today in strong support of the Roemer-Zimmer amendment to eliminate funding for the space station *Freedom*.

I was 16 years old when we landed Neil Armstrong on the Moon as the first person to set foot on the Moon, an outstanding achievement for our space program. I believe then as I believe now that the United States must be a leader in space exploration.

This does not mean, however, that we can afford a totally open-ended financial commitment, and unfortunately, the space station *Freedom* represents such a commitment.

Today, the budget deficit threatens the very underpinnings of our Nation's economic security. The time to cut spending is now. We cannot afford to allow huge and hugely unsuccessful programs like the space station *Freedom* a death with honor, throwing billions of dollars at it as it leads to an inevitable termination some years down the road.

□ 1430

NASA has been scrambling to reconfigure the space station to meet lower cost projections.

Last week President Clinton announced he would favor a modified version at a 5-year cost of $10.5 billion. Unfortunately, the unreality of this cost projection was quickly exposed as administration officials were unable to elaborate on either the revised space station design or how it would meet new cost limits. A more honest budget project is that completion of the project will take much more than this amount even to accomplish a substantially stripped-down mission.

I would like to emphasize that for me a "yes" vote on the Roemer-Zimmer amendment is not a vote against U.S. space exploration. It is not a vote against NASA. It is a vote against the space station *Freedom*, a project that is rapidly losing its scientific mission and values even as it continues to add billions to our staggering deficit.

Mr. BROWN. Mr. Chairman, I yield, again, an inadequate 1 minute to the gentleman from Texas [Mr. CHAPMAN], a distinguished member of the Committee on Appropriations.

Mr. CHAPMAN. Mr. Chairman, let me just point out a couple of very simple facts in the brief time that I have.

First, not 1 dollar of NASA's budget, and certainly not a single dollar of the money spent on space station, is spent in space. It is spent in the good old U.S. of A., providing real jobs for real people doing really important work on the real issues of the future of this country: science and technology, medical research, engineering, jobs that will create the future economic strength of our country.

It has been said here today that NASA returns $7 to $9 to the economy for every dollar spent. There is no better investment in the future of America than investing in the technologies and the science that will keep America strong.

Let us defeat the Roemer amendment. Let us vote for the future of this country, its young people, its science, its technology, its economy. Let us vote for the space-station program.

Mr. WALKER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CALVERT].

Mr. CALVERT. Mr. Chairman, when President Kennedy promised to put a man on the Moon within a decade, Americans really did not understand much about the space program—but they supported it.

They supported it because they believed that man should not be bound by what he understood, but, rather, should be challenged by what it was possible to understand.

They supported it because they believed that the universe might hold secrets which could help people on Earth live better, longer, and more productive lives.

And, they supported it because they believed that it was part of the American dream to dream of things that had never been done before, and then do them.

Mr. Chairman, America needs the space station. We need it for biomedical research. We need it for biotechnology research. We need it for materials research. We need it for noise and vibration research. We need it for integrated circuit research. We need it for literally hundreds of scientific experiments.

But, most of all, Mr. Chairman, America needs the space station for the same reason we needed to send a man to the Moon.

We need the space station to continue the quest, to renew the dream.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Nebraska [Mr. HOAGLAND], who has a very sharp whip.

Mr. HOAGLAND. Mr. Chairman, I thank my colleague, the gentleman from Indiana [Mr. ROEMER], for that kind introduction.

I want to join this amendment offered by the gentleman from Indiana [Mr. ROEMER] and the gentleman from New Jersey [Mr. ZIMMER], two longtime friends, and praise them for bringing this to the floor.

I continue to oppose the space station, as difficult as it is, recognizing that we have many of our most capable scientists who have invested enormously in this project. But the reality is that we simply cannot afford it.

Estimates are that we could spend as much as $100 billion over the 20-year lifetime of this project.

Americans today are running a $300 billion annual deficit. We are suggesting to the American people deep cuts in Medicare, in food stamps, the earned-income tax credit, in our vital defense programs, in a whole range of programs that need to be cut back if we are to reduce the deficit. In light of this, I just do not think it makes sense to fund a multibillion dollar space station.

If we are to turn this economy around and create jobs, we must reduce the deficit. That is what this spring's whole exercise is about. The administration presented a very difficult bill that many of us supported 3 weeks ago. We are asking Americans to sacrifice to reduce the deficit.

We are not going to turn around the economy, we are not going to create jobs for working families in America without reducing the deficit. In light of that, I cannot for the life of me see how we can support a project that could cost up to $100 billion before all is said and done.

It is inevitable, colleagues, it is inevitable that this program is going to get postponed at some point, and as the chairman, the gentleman from California [Mr. BROWN], recognizes, and all we are asking is that we postpone this 10 or 15 years until we can afford it. Let us just postpone it until we can afford it.

If we lose this amendment today, it is inevitable this project will be postponed at some point. If you look at the budget resolution, at the budget limits for the next 5 years, there is no way we are going to be able to sustain this program even if we approve it today.

I think it makes sense to discontinue it now while it is still in the drawing stage before there has been a significant investment in hardware, put it behind us, make this definite decision today, as difficult as it is for all of us.

Mr. BROWN of California. Mr. Chairman, I yield 1½ minutes to my good friend, the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, a Congress that votes for huge foreign aid bills but kills the space station is un-American. A Congress that keeps military bases open overseas but closes the bases in Philadelphia is out of touch.

But to then kill our space future is un-American.

A Congress that will extend unemployment benefits and provide billions for retraining, yet kill our space future is out of sync with reality.

Beam me up, Mr. Speaker; 75,000 jobs in 40 States, high-technology jobs, scientists, and engineers, just the jobs that Congress keeps promising to all of these laid-off workers in America.

Now, I did not hear anybody suggest financing the foreign aid bill with a tax increase like I heard today, and I say on the House floor that a Member that will vote for foreign aid but kill the space industry in America is not only out of touch but, in my opinion, un-American.

☐ 1440

Mr. Chairman, I oppose this amendment. The gentleman means well, but this is not well-meaning for the future of America.

Mr. ZIMMER. Mr. Chairman, I reserve the balance of my time.

Mr. WALKER. Mr. Chairman, I reserve the balance of my time.

Mr. ROEMER. Mr. Chairman, I yield 1 minute to the distinguished Member from Rhode Island, Mr. REED.

Mr. REED. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Roemer amendment to eliminate funding for the space station.

Today, the question before us is not, do we support space exploration and scientific research? The question is, how do we invest our scarce resources prudently and wisely? This amendment is about whether we are willing to listen to our constituents' calls for additional spending cuts to reduce the deficit. It is about making tough choices and deciding what this Nation's budget priorities are.

The space station is a wonderful idea, but unfortunately, the space station is an incredibly expensive goal with engineering and design problems, serious cost overruns, as well as no specific mission.

Now is not the time to continue funding for a program that has lost its way, it is a time to address down-to-earth issues like the deficit and the economy.

Mr. Chairman, I urge my colleagues to remember their constituents when they cast their vote on this amendment.

Mr. BROWN of California. Mr. Chairman, I yield 1 minute to the very eloquent gentleman from West Virginia [Mr. MOLLOHAN], a member of the Committee on Appropriations.

Mr. MOLLOHAN. Mr. Chairman, I thank the chairman for yielding time to me.

Mr. Chairman, yet another vote on the space station program.

There is only one reason that you could even consider voting against this space station; that is if you are convinced that the United States has no future role to play in manned space.

Many people have supported the concept of a station but have in the past expressed reservations about this NASA program.

Well, if you were concerned about the cost of the program, you need to understand that the President assembled a redesign team and an independent blue ribbon advisory panel to undertake an extensive design review of the space station to cut its costs. We now have before us a space station program which will cost the taxpayers $4 billion less in development costs over the next 5 years and $18 billion less in operations costs over the life of the program.

If you were waiting to learn whether the President supports a space station program, you now have your answer. President Clinton continues the longstanding bipartisan support for this program by endorsing a redesigned space station program and requesting that Congress fund the initiative.

If you are skeptical about Government's management of such large programs, you should feel comfortable knowing that the administration has charged NASA to reduce civil service employment and support contractor personnel by 30 percent, and the agency is moving quickly in this regard.

If you think that eliminating this program will only affect our Nation's role in space—you must not forget about the high-level intergovernmental agreements of treaty status that the United States entered into with the 11 countries in the European Space Agency, Japan, Canada, and Italy to develop space station— and that these partners are committed to spending $8 billion. Further the administration is negotiating with the Russians on ways that they can participate in order to make the program truly global.

And finally, if you are worried about space station competing too severely for scarce dollars with other domestic programs, as a member of the appropriations subcommittee that funds NASA, I can ensure you that our chairman has successfully funded the space station program in a NASA budget that grows at only 1.6 percent, while at the same time funding: Veterans Affairs at a 4-percent increase, HUD at a 3-percent increase, and the National Science Foundation at a 10.5-percent increase.

So as you can see NASA is not eating any one else's lunch.

The space station is a critical NASA program and one of the true tests of American leadership in a post-cold-war era. I urge defeat of the Roemer amendment.

Mr. WALKER. Mr. Chairman, I yield myself 6 minutes.

When I grew up as a child of the fifties, our space stations were treehouses and our spaceships were cardboard refrigerator boxes. Men and women had not yet flown into space, but we knew that they would. And when our dreams became reality in the early sixties, the Nation experienced an unprecedented pride in its technological prowess and its unique place in history.

Thirty years later, we still measure that which we want to achieve with our demonstrated ability to go to the Moon. But today's debate here on this floor shows that some among us are willing to be satisfied with those past glories and now ridicule and retreat from tomorrow. The space station represents the necessary next step in man's conquest of space. You cannot seriously say you are for continued manned spaceflight and be against the station. You cannot seriously say that you believe in an aggressive space program and be against the station.

Our ability to do the great things which fulfill the dream of space exploration depend on building a space station. If that station is not built now, it will be built by someone, sometime in the future. If we choose to say today that the space station cannot and will not be built by us, it will be our decision to rest on past glories and not to move ahead.

Are there questions about the space station which need to be raised before committing scarce national resources to its completion? Of course there are—important questions. Station opponents will raise the question of cost and they have, and they should, and questions of mission of the space station. Those questions deserve good answers. The cost issue must be decided on the basis of whether the station is a wise investment in our technological future. I believe it to be.

I believe that it is an investment which will pay us back many times over in leading edge technological developments. And the mission of research and development in a wholly unique place is a mission enough for any project. The ability to do real work, in an environment so hostile that it allows no mistakes, is a mission which cannot be duplicated in any other way.

But the opponents' questions are not the only ones deserving of an answer. Because this decision is historic in its implications, we should look at some of the issues which future generations will use to evaluate whether we did the right thing or the wrong thing.

If we are capable of doing something of great significance and decide not to take the risk or commit the resources, history is likely to judge that decision harshly. We are certainly capable of building a space station. The failure to do so will not be a failure of competence but a failure of will.

If building a space station contributes to our technological capability and we choose not to provide ourselves with that economic edge, future generations probably will question why. The technology demanded in a space station is absolutely leading edge. Just building a space station demands that we do things that we must learn to do. Creating that leading edge of technology and technology innovation also creates a wake behind it, much in the same way that a power boat plowing through the water creates a wake. In the case of space station, however, the wake is a series of technology development in computers, robotics, materials, pharmaceuticals, closed-loop environmental systems, and the like, all of which contribute to our global competitiveness.

If building a space station gives us the capacity to do things and discover things that are beyond our dreams and our imagination, then it is worth doing for that reason alone. Those who oppose station do so in part because they do not believe we will learn enough aboard it to justify it. I believe we will learn more aboard station that we do not even know how to describe today than we will in the prescribed mission. In other words, what we do not know we are going to learn on station is more important to the future than what we now know. And that is the adventure of discovery and exploration. It is an adventure which has always been part of our Nation's legacy and very much a part of its greatness.

Shall we be the generation which abandons that legacy? I hope not.

Since the day when John F. Kennedy committed this Nation to its future in space, we have looked upward and outward, confident of that future. We went into space as President Kennedy said, "Not because it is easy, but because it is hard."

Today if we reject that future by abandoning the space station, we will no longer look skyward. We will begin to look down—down toward our feet planted firmly on the ground. We will accept a future defined by what we know rather than what we do not know—something easy, rather than something hard. And having made that decision, we will be the lesser for it.

The renowned British statesman, Benjamin Disraeli, described the history of nations as moving from bondage to faith, from faith to courage, from courage to freedom, from freedom to abundance, from abundance to complacency, from complacency to dependency, and from dependency back to bondage.

□ 1450

To me the space station speaks to freeing ourselves from the bondage of Earth-bound constraints, but the building of it requires unbounded faith in the future, courage of a special kind, and belief in the manifest destiny of freedom. The reward will be new abundance for ourselves and our posterity in large part because we will find new things that we do not know about today and cannot begin to describe. How can I say that with confidence? Because history tells us so. It tells us that nations willing to take a risk on the future, prosper as a result. And those who drift toward complacency and dependency? They drift away from defining destiny and allow others to take their place in leadership.

The space station is about scientific leadership. It is about technological innovation. It is about being at the forefront of exploration in an age of revolution. But most of all it is about history. The space station is about choosing to extend the reach of humankind beyond the Earth to a new place of permanent habitation. We are capable of taking this historic and necessary step. Not to do so will be a mistake of historic proportion.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I want to compliment the gentleman on a very statesman-like speech, a very eloquent speech. I know the gentleman meant it from the heart.

Mr. WALKER. Mr. Chairman, I thank the gentleman.

Mr. ROEMER. Mr. Chairman, I, too, would like to compliment the gentleman from Pennsylvania [Mr. WALKER] on a very good speech, even though I disagree with some of it, a very high-level and good content for a speech on an important topic.

Mr. Chairman, I yield 2 minutes to the very talented gentleman from Louisiana [Mr. TAUZIN], a gentleman with a great sense of humor.

Mr. TAUZIN. Mr. Chairman, I just learned that the Subcommittee on Transportation of the Committee on Appropriations has cut $11 million from the Coast Guard for drug interdiction, has cut the funds for necessary replacement of 50-year-old buoy tenders to keep our waterways safe, has cut the funds for the VTS systems, the systems that are going to go into our ports and harbors to keep vessels from colliding with one another.

And why? Because they want the money for public works projects.

I think it is time that we face the music. The space station can be defended in a hundred beautiful speeches, because it is a good project, just as a good highway project in your district is a good project.

The space station is going to have incredibly good effects if we ever build it, but I can tell you here and now that it is time for us to face the music. If we cannot cut the big ticket items in our budget, items we would like to have but cannot afford, and at the same time cut interdiction funds on drugs and cut our ability to keep oil from spilling on the waters in this country and cut the ability of the Coast Guard to protect the lives and the fortunes of folks who ply the waters of this country, then I suggest to you, what else are we going to do? Where are we going to go? Will we all be forced to increase taxes on the backs of Americans again and again to try to deal with a budget out of control because we cannot discipline ourselves here today?

Here is where we start. If we cannot cut these big ticket items that are very flashy, very friendly, if we cannot cut these, how on earth will we get this thing under control? How on earth will we avoid the massive tax increases that we are going to have to put on the backs of Americans to balance our books? How do we avoid this fiscal insanity?

Here is where we start. Here is where we must finish the job of cutting spending first and doing it in the same manner for the sake of this country and its economy.

Mr. BROWN of California. Mr. Chairman, I yield 1½ minutes to my very good and patient friend, the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. Mr. Chairman, I think the question today is whether or not the United States is going to continue to move on in the space age or if we are going to retreat into the stone age. If we fail, future generations are going to lose. Our school children who want to look to space for educational purposes are going to lose, and what a shame that would be.

We are nothing more than a grain of sand in the sea of space. We need to seek new horizons.

Can you imagine if the naysayers had defeated Christopher Columbus where we would be today?

Congress must not allow itself to be fooled by the cost-cutters who do not know the difference between cost and value. You save a billion in cost, you lose $100 billion in value.

I could show you a booklet. I could tell you about a lot of the benefits that come out of the space program, and the Neanderthals will come forward, and they did with Columbus, and discount all the benefits; but the facts, my friends, are there.

We can let Germany do it. We can let Japan do it; but I say that the United States must not get out of the way. The United States must not follow. The United States must lead.

Mr. ZIMMER. Mr. Chairman, I yield myself 4 minutes to respond to the eloquent and passionate remarks of the gentleman from Pennsylvania [Mr. WALKER].

The gentleman from Pennsylvania [Mr. WALKER] made a statement that talked about romance and history and leadership. It is those sorts of things that make me want to support the space station, but my head tells me that we are not buying those things for the money that we are spending, and we cannot afford what will be delivered because it is not worth the money that we are spending.

The gentleman from Pennsylvania [Mr. WALKER] was candid enough to say there remain serious questions about the space station and they have to be answered. Let me focus on what those serious questions are.

Last week there was a briefing in the White House by senior administration officials. After the President made his decision as to what he thought the space station should be, those administration officials could not tell us what features of NASA's option A and option B would be included in the new space station.

There was a question: "Are you going to go up to the standard NASA orbit or are you going to go up higher after the Russian orbit?" That is a $400 million question.

The answer: "That decision has not been made."

There is another question. "Can you tell me the impact on the Canadian contribution?"

Answer: "Those negotiations aren't complete."

Another question: "What can you tell us about contracts?"

Answer: "I can't tell you enough yet to be informative."

Question: "Can I follow up on the Russians? Will there be an effort to go beyond incorporating the Soyuz as part of Space Station to involve Russians in this project?"

There is a long, long answer, the last sentence of which is: "And that's goobly-gak, I know, but it was sort of intended to be."

Finally: "Who's going to make the final decision about the inclination?" That is the orbital question. "Will the White House make that?"

Answer: "Beats the hell out of me."

Mr. Chairman, these are the questions that the gentleman from Pennsylvania [Mr. WALKER] was referring to. We are being asked to buy not just pork in space, but a pig in a poke.

Mr. WALKER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Chairman, I rise in strong support of the future of this Nation's effort in space and space station *Freedom*. Let us not fail to realize that these two are inextricably linked. The space station defines our very vision of space—a vision that must include humankind. If we are to continue our commitment to manned exploration, then the space station must be our next stepping stone.

Sadly, today's debate largely revolves around the shortsighted issue of cost. Sadly, we are close to defining our character on the basis of price. That is not what Americans have done in the past. Will the station be an expensive proposition? Of course, but should such concerns mean we turn away from exploration—from the proposition that we must continue to grow and reach into the world around us? I think not. There is no stronger proponent of deficit reduction than myself, but I will not sacrifice the long-term good to our short-term cost concerns.

For those who can scarcely see beyond their green eyeshades, I would add that cost today is less of a concern than just a few months ago. The President has made very clear a personal commitment to bringing costs into line and to fielding a station that NASA can manage effectively and efficiently. The design revision that the President has picked will save this country some $18 billion over the life of the program.

Finally, the space station should be regarded properly as an investment in our future—both on Earth and in space. The skilled engineers and craftsmen we employ through this program will continue to move our knowledge base ever outward. The seed we sow today will be an abundant crop for tomorrow. This program is critical to both the California and national economies as a springboard for high-technology growth. Our Nation's greatness has been based on the visionary, forward thinking that space station exemplifies. When we lose that vision as a nation, we will, I fear, lose the very element that has made us great. I urge my colleagues to rally behind the station. It represents the path to the future.

I would take the President's commitment on the Republican side and say this is certainly very valid and I believe the President when he says that, and I would urge my colleagues to support the space station, not stop the American adventure, and to fulfill the dreams of not only young people in society, but all of us who want this Nation to be the leader in this area in the years ahead.

☐ 1500

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. MFUME], the articulate chairman of the Black Caucus.

Mr. MFUME. Mr. Chairman, let me say to the gentleman from Pennsylvania [Mr. WALKER], and the gentleman from California [Mr. BROWN], and the gentleman from Indiana [Mr. ROEMER] how heartened I am at the level and the quality of debate on this very crucial issue that is so significant in determining our Nation's future.

I was taught as a child to work hard, play by the rules, love our country and to cherish our faith. It is because I love my country that I stand here today in support of this amendment to stop, once and for all, this expenditure, and, at the risk of being the idealist that I am, let me also offer for my colleagues' consideration, as I say it to my colleagues and remind myself, that the people of this Nation and the quality of life in America is far more important to me than being able to establish a floating laboratory in space. Canceling this project at this time will give us an additional $11 billion in budget authority that we could use. It gives us an additional $10 billion in budget outlays that we certainly could use. It says that the $9 billion that we would have already spent by the end of this year ought to stop, and it says also that maybe we ought to look at putting our effort, and our time, and our money into space science and space exploration and not just this laboratory.

Now I know that there are some who still want to boldly go where no man has gone before. The question is: At what expense and at whose expense? And I would suggest to my colleagues that it is the expense of the taxpayers of this Nation. If we want to establish some space stations and we want to really go about the job of trying to establish efforts to do things that are new, and meaningful, and will propel us into the future, let us establish some stations to reduce homelessness, to end hunger, to fight crime, to educate people throughout this Nation, to make our streets safe for the citizens who have to walk, to give us new hope, and new energy and new meaning to really deal with our budget deficit.

But we should not at this critical time, Mr. Chairman, take money that we do not have and toss it almost aimlessly away, and I urge Members to support the amendment offered by the gentleman from Indiana [Mr. ROEMER].

Mr. ZIMMER. Mr. Chairman, I yield 1½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise today in strong support of the Roemer-Zimmer amendment to terminate funding for the space station. The House of Representatives must start listening to the American public, and come down to Earth now. Congress must eliminate wasteful spending, like the space station, now.

The space station program is so fundamentally flawed that President Clinton's current design option only satisfies one of its eight original design objectives. NASA currently estimates the latest space station design will cost American taxpayers $10.5 billion over the next 5 years and roughly $30 billion to complete.

Moreover, each time NASA redesigns the space station its utility diminishes, its cost escalates, and it directs desperately needed funding away from other scientifically valid programs. The space station has always been of dubious scientific worth, and the scientific benefit to be derived from the current space station design is even more illusive.

The news for taxpayers gets worse, however! The space station's total development costs are expected to exceed $40 billion, and its estimated lifetime cost is likely to reach $120 billion. At such a price, the space station is clearly directing funding away from other science programs. But, most importantly, the space station is steering money away from deficit reduction.

All the lofty arguments aside, the space station is a luxury pork project the United States cannot afford when the Federal Government has accumulated a national debt in excess of $4 trillion.

Mr. Chairman, it seems ironic that proponents of the space station argue it is a gift for future generations. When, in reality, the space station's greatest gift to future generations is its contribution to our Nation's enormous Federal debt.

In Washington, DC, $1.9 billion may not seem like a lot of money, but to average American citizens it is a huge fortune. It is money the Federal Government does not have. It is good money being thrown after the approximately $9 billion already wasted by Congress on the space station. It is money that is desperately needed here on Earth!

Mr. Chairman, this project should have been jettisoned years ago. No more good money after bad. I urge my colleagues in the House of Representatives to examine our Nation's priorities and to vote for fiscal responsibility in Government by supporting the Roemer-Zimmer amendment to terminate the space station.

Mr. WALKER. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. WALKER], my friend, for yielding this time to me.

I remember about a year ago we had a very similar vote, and I was very struck by the rhetoric that day because it seemed to me that it came to the heart of what this decision is really all about, and person after person got up, and they talked about what it had meant to them as young people when they first heard President Kennedy talk about going to the Moon, and what it meant to them when they first began to think about America's leadership visibly around the world in space and what it meant to them to think of a better engineering and better scientific future.

Mr. Chairman, I used to teach history, and I could not help but remember that early in the 15th century, about 1410, the Ming dynasty sent a huge fleet out, and they went all the way to Madagascar, a much, much bigger fleet than any European country then, and they found many, many things to look at, and they went back home to China, and the Chinese Government said, "No, no, there is too much risk in going beyond the middle kingdom. There is too much danger. It is too big a waste of money." And so China quit looking at the future, China quit expanding, and the Ming dynasty closed down Chinese society and stopped at the borders.

Four hundred years later, Chinese civilization, which for 2,000 years has been the most complex and sophisticated on the planet, disintegrated under the weight of the assault of the Europeans.

Now in the early phases, 1410, 1450, 1500, if my colleagues looked at those tiny Portuguese ships and those tiny Spanish ships, and if my colleagues looked at the giant junks of the Chinese fleet, they would have said clearly which side was going to win. But one side had the courage to continue to explore. One side was prepared to go into the future. One side, no matter how small the ship, no matter how fragile, no matter how unknown, was prepared to dare.

Mr. Chairman, that is what this vote is about. This vote is about turning our back on the future and leaving the future to Japan, to Europe, to Russia and China because the question is not man in space. The question is Americans in space. Man will be in space. Whether it is a Russian/Chinese/Japanese alliance or a Russian/European alliance, man will be in space. The question is whether Americans will be in space.

Mr. Chairman, this may be the most important single vote we cast this year seen 50 years from now. Imagine that Isabella had said to Columbus, "You know, we just can't afford it this year. I don't think you ought to discover America." Imagine that the Portuguese had decided they really could not afford to go south along the African coast so that they would not have discovered the East Indies. Imagine, if my colleagues will, that the Wright brothers had said, "You know, we can't get that train ticket all the way to Kitty Hawk. What the heck. We don't need an airplane."

Mr. Chairman, that is what this decision is about. This is not about money. This is about whether or not we Americans have enough faith in our children and grandchildren, enough commitment to the future, enough willingness, to do something right because the truth is the amount of money we are going to spend today is not decisive to the national debt, but it is decisive to our future in the universe. It is not decisive in terms of getting down the deficit, but it is absolutely literally a binary decision like turning a light switch on and turning it off.

I say to my colleagues, if you vote in favor of the space station, you are voting to turn on the light switch of the future, but, if you vote to kill it, then don't kid yourselves. Fifteen years from now, when your children watch a Russian, or a Chinese, or a Japanese, or a European in space, and there is no American there, on this day you sealed our fate for a generation on whether or not we're in space.

I urge everyone to vote to keep the space station. This is a vital vote for America's future.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN], a distinguished freshman.

Mr. MEEHAN. Mr. Chairman, I rise today in strong support of this amendment to cancel the space station program. I ask my colleagues to think long and hard before casting their vote today. Can we really afford a $12.7 billion project with limited scientific merit? Can we really say that we are serious about deficit reduction and that we will control spending?

I will not dispute that there may be merit in this $1.9 billion project or that is will create some jobs, but can we afford this technology at this moment? I know that there will be some job creation. There are companies in my district and throughout the State of Massachusetts that could benefit under this program.

However, I believe we could better invest this money in real job creation and in real deficit reduction. We need to face the hard reality that the most important thing we can do to improve our economic situation and to create jobs would be a long-term reduction in the debt.

For the past 6 months I have heard a lot of talk about reducing the deficit. We have passed amendment after amendment to cut appropriations bills by a few million. Now when we have the chance to pass a real deficit reduction amendment, we are told that this is good spending. As far as I am concerned any spending that relies on borrow and tax, cannot be good.

For all those Members who have come to the floor to speak about real deficit reduction, I ask how will you vote today? We can no longer take a not in my backyard approach to deficit reduction.

Only a few months ago President Clinton asked the American people to make sacrifices and increase their contribution to deficit reduction. How can we stand here today and say that we are not willing to do the same? Can we justify borrowing to fund this project? Will the jobs created and the scientific merit be enough to justify passing this debt on to our grandchildren?

□ 1510

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON], the President of the Democratic freshman class.

Mrs. CLAYTON. Mr. Chairman, it is important for us to remember during these fiscally troubling times, that in order to reduce the deficit, we all must sacrifice. Although scientific research, especially that done in space, has been vital to the progress of our Nation, now is not the time to make great expenditures for its sake.

How can we ask our families, our senior citizens, our students and our ailing to bear the costs of sacrifice—we must share the burden along with them. This is the time to be fiscally conservative. This is the time to invest in our families, our children, and our communities.

Also, if we continue to fund the space station as has been requested, other, more important NASA projects will pay the price. Robbing Peter to pay Paul does not provide the means for significant investment in good, as well as efficient, scientific research; which in turn ultimately affects all of us and our quality of life.

The CHAIRMAN pro tempore (Mr. WISE). The Chair would announce that the gentleman from Indiana [Mr. ROEMER] has 7 minutes remaining, the gentleman from California [Mr. BROWN] has 2 minutes remaining, the gentleman from New Jersey [Mr. ZIMMER] has 5½ minutes remaining, and the gentleman from Pennsylvania [Mr. WALKER] has 4½ minutes remaining.

Mr. ROEMER. Mr. Chairman, in order to hear the eloquent words of the gentleman from California [Mr. BROWN]—and I may regret doing this—if the gentleman from Florida [Mr. BACCHUS] and the gentleman from California [Mr. BROWN] need an additional 2 minutes of my time, I would be happy to yield those 2 minutes.

Mr. BROWN of California. Mr. Chairman, the gentleman is extremely generous, and we will give him gold stars in his crown for doing that.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I rise in support of the amendment to kill the space station. I have been a longtime opponent of space station *Freedom*, and that is no secret. I once authored the amendment to kill the space station. But this year, I have kept an open mind about it.

When the administration proposed a redesign of the station, I said—OK, let's see what you can come up with. I invited Dan Goldin to meet with me and other longtime opponents of station, my colleagues, Mr. ZIMMER and Mr. ROEMER, the authors of this amendment. I wanted to hear straight from NASA what it was that would make the redesigned space station different from the problem-plagued disaster it has been. I also wanted to give an administrator charged with cleaning up a troubled and floundering agency a chance to make that happen.

But I am disappointed. The redesigned space station is just more of the same: a scaled-down version of the old model that still costs too much and does too little.

I have repeatedly weighed the value of the station against the need for deficit reduction and the need for fiscal responsibility at NASA and there is no question that the new design is still just a waste of money and a program hopelessly in search of a mission.

The original eight missions are cut down to maybe one and a half. The projected cost has gone from $8 billion to build to—oh, who really knows what this thing will cost if we ever finish it. It has already cost us $9 billion and nothing is even up there yet.

As for precisely why we are building the station, I would only quote from an interview with John Gibbons, the President's Science Adviser. When asked earlier this year what he thought a space station should do, Mr. Gibbons replied,

> That has been one of our problems. We have not defined our objectives as well as we could, or should. If you are a solution looking for a problem, that is much more difficult than a problem looking for a solution.

Inadvertently or not, Mr. Gibbons put his finger right on the problem. Space station is a solution looking for a problem—and a very expensive solution at that. We want to spend billions and billions of dollars on something we don't even know what we want to do for us.

Now, I know this is a tough vote for some of my colleagues. For some this might be an issue of NASA's direction, the viability of our aerospace industry, or maybe even jobs in their district. And I don't belittle these concerns.

But in the last week or so we have taken votes on amendments to cut programs in the name of cutting the deficit. When we vote to cut funding for former Speakers of the House and for former Presidents, those amendments took hours to debate and saved us less than $12 million. Those were easy votes. We cut $2 million from BATF and $4 million from the Customs Service—more easy votes. Time and time again, these measures were characterized as votes for fiscal responsibility and deficit reduction.

But the reason those votes were easy is because there is no huge constituency back home in the district for BATF, the Customs Service, former Speakers or Presidents. There is no one telling you that cutting a little here and a little there may cost people in your district jobs—and cost you votes in the next election.

Congress would have to pass 500 amendments the size of the U.S. Customs Service amendment to equal the $2 billion savings in this amendment. Do you really want to cut the deficit or are you just pretending? For those of you who are looking for real deficit reduction, a cut that matters this year and next year and for years to come, this is your chance. Killing the worthless space station will save us almost $2 billion this year and tens of billions of dollars over the next 20 years.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. ZIMMER. Mr. Chairman, I yield myself 2 minutes to respond to the minority whip, the gentleman from Georgia [Mr. GINGRICH].

Mr. Chairman, the gentleman from Georgia [Mr. GINGRICH] made a point of putting this debate in historical perspective, and I think that is entirely appropriate. But rather than using the analogies the gentleman picked, I think, because this space station is in fact a technological dead end and will draw away resources that are needed for true manned space exploration in the future, the appropriate analogy should be to our recent technological flops in big science such as the wisely abandoned supersonic transport, the Syn Fuels Corp., the Clinch River breeder reactor, or, if you want to get truly classical, the great pyramids of Egypt.

The problem with this space station is that it will not bring us closer to the ideal of going back to the Moon and on to Mars. It is starving the only program we had which planned to do so, the Space Exploration Initiative.

This is a program that will keep us from reaching the dreams of the gentleman from Georgia [Mr. GINGRICH], which are my dreams as well, and those of the American people. We have become obsessed with this piece of hardware that is sucking up money. We think it is going to make our dream come true. It will thwart those dreams.

Mr. WALKER. Mr. Chairman, could we get some idea as to how many more speakers each side has left? That would help me in understanding what we ought to do in terms of yielding time.

Mr. BROWN of California. Mr. Chairman, I am going to ask the gentleman from Florida [Mr. BACCHUS] to close on our side. If I have 1 extra minute, I will speak briefly.

Mr. WALKER. Mr. Chairman, my intention was to yield the gentleman from California [Mr. BROWN] a minute so that he would have a bit of time to speak on the amendment, in addition to the gentleman from Florida [Mr. BACCHUS], and I will be happy to do so at this point.

Mr. Chairman, I would ask the gentleman from Indiana [Mr. ROEMER] if he has additional speakers.

Mr. ROEMER. Mr. Chairman, I do not. I would just reserve my remaining time for my closing.

Mr. ZIMMER. Mr. Chairman, I have no more speakers, and I will close as well.

Mr. WALKER. Mr. Chairman, I yield 1 minute of my time to the gentleman from California [Mr. BROWN], and it is also my intention to yield 1 minute to the gentleman from Florida [Mr. BACCHUS] for his summation as well.

☐ 1520

The CHAIRMAN pro tempore (Mr. WISE). Could the Chair inquire, does the gentleman from California [Mr. BROWN] wish to take his time to close now?

Mr. BROWN of California. Mr. Chairman, the Chair is going to let the gentleman from Florida [Mr. BACCHUS] close, and the Chair understands that he has been yielded an additional minute by the gentleman from Indiana [Mr. ROEMER] and a minute by the gentleman from Pennsylvania [Mr. WALKER], which would give him 4 minutes, and I would have 2 minutes if the gentleman from Pennsylvania [Mr. WALKER] and the gentleman from Indiana [Mr. ROEMER] each yield me a minute.

Mr. WALKER. Mr. Chairman, this is the kind of higher math that goes into the space station.

The CHAIRMAN pro tempore. The Chair will announce the time available to all Members before the time swaps begin.

The gentleman from California [Mr. BROWN] has 5 minutes remaining. The gentleman from Pennsylvania [Mr. WALKER] has 3½ minutes remaining. The gentleman from Indiana [Mr. ROEMER] has 3 minutes remaining, and the gentleman from New Jersey [Mr. ZIMMER] has 4 minutes remaining.

The Chair would announce that is after the gentleman from Pennsylvania has given his minute, I believe, to the gentleman from California.

Mr. BROWN of California. That is right, Mr. Chairman.

Mr. WALKER. I yield 1 more minute to the gentleman from California [Mr. BROWN], so he has all of the time to yield to the gentleman from Florida [Mr. BACCHUS], because my intention was to give a minute to the chairman and also one to Mr. BACCHUS.

The CHAIRMAN. So the Chair understands it, the gentleman from California [Mr. BROWN] would have 6 minutes, and the gentleman from Pennsylvania [Mr. WALKER] would have 2½ minutes remaining.

Mr. BROWN of California. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, may I use that time to again express my appreciation to all of the participants in this debate. I think the debate has been a good one in which each of the speakers has made a succinct and important contribution to our understanding of the space station. Obviously, I did not agree with all of the positions taken, but I think they were well presented.

I would particularly like to commend the gentleman from New Jersey [Mr. ZIMMER] and the gentleman from Indiana [Mr. ROEMER] for the way in which they have handled themselves in this debate. I attribute that to the fact that they have served on the committee I have the honor to chair and have learned how to conduct themselves very well on that committee, and they have presented themselves very well here today.

Mr. Chairman, may I just make one or two small points here? It has been said that there is very little scientific value to the space station, and I think that that has been rebutted over and over again. I was particularly struck in a meeting that I had recently with the representative of the National Academy of Sciences and the National Academy of Engineers, who pointed out to me that the most important aspect of the space station was that it would provide humans with a first experience in constructing complex structures in space, and that no further human exploration could take place until we had that experience in space with humans constructing and then living in those complex structures.

The laboratories will make some additional contributions to science, but I think the laboratories themselves, which are independent units attached to the space station, will not carry the significance that the mere feat of having humans for the first time erect and construct a massive structure in space, learn how to operate it, learn how to repair it, learn how to live in it. That in itself represents an important step for mankind which more than pays for the cost of the space station itself.

Mr. Chairman, I firmly believe that that is our destiny, for human beings to go into space. We cannot do it without this experience of creating, operating, and understanding the space environment through a space station.

The CHAIRMAN. The time of the gentleman from California has expired.

Does the gentleman from Pennsylvania [Mr. WALKER] wish to yield time?

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. The Chair would ask Members and those in the gallery if they would please be silent. This is the conclusion of a very, very important debate, and the Chair would ask that everyone devote their full attention to it.

Mr. WALKER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I, too, believe there have been a number of important and invaluable issues raised on the floor today, and the debate has helped us, I think, understand the various aspects of this issue.

I think, though, that it is important to realize that when people say that there is nothing for the station to do, that this is simply a flying machine without a mission, it seems to me they have not yet looked at the reality.

If we go to the Johnson Space Center, they will show us a bioreactor that is working today on Earth. The bioreactor has the ability to grow new human tissue. They are literally growing microminiature lungs. They spin them out, this new human tissue, and the problem is in the gravity forces that tissue drops to the bottom of the vessel and is destroyed.

In space, on the space station, when they use that bioreactor, they will be able to grow new human lungs. They will be able to grow new optic nerves, new spinal cords. They will be able to grow skin tissue.

What does that mean? Ultimately it means once we get the transportation down to space, we may have the ability to do transplants that are absolutely compatible with the human body, and would not be rejected. We would be able to grow that tissue for those people in the future, and not have to worry about donors. Would that not be a wonderful thing to have come out of that?

That is a ways off. What we do know is that the human tissue could be used for research and development. It means that instead of doing animal experimentations, we will do experimentations on real human tissues and have the capability of understanding things we do not now have the ability to understand in laboratories. That is not only using a laboratory in space, that is enhancing laboratories on Earth as a result of what we do in space. That is the capability that space station is going to give us almost immediately, upon its permanent habitation.

That is the great thing about this. We are going to permanently inhabit an environment that mankind has never inhabited before. We are going to learn all of these things. We know a little bit about what we are going to learn. We do not know all about what we are going to learn. What we do know is, we are going to learn great things.

My friend, the gentleman from New Jersey [Mr. ZIMMER] says that is the romance of this. It is romance, yes, but it is reality, too. Nothing that he can tell us about the future, that he envisions, gives us those capabilities. No robotic spacecraft can do it, the space shuttle cannot do it, nothing in their plans for the future gives us any of those capacities. Only space station gives us those capacities, and only space station gives us the capacity to move from here further into the universe, because we have to learn the life sciences, we have to learn how men and women perform in weightlessness over long durations of time before we can hope to explore the universe beyond.

I happen to believe that is one of the destinies of humankind. We will determine that destiny for Americans here today.

Mr. ROEMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to address my comments to the 110 new freshmen of this body that I think will hold in their hands and their voting cards the outcome of that very, very important vote. We have had bipartisanship. The gentleman from New Jersey [Mr. ZIMMER] and I as sophomores have worked very closely on this issue. We have had a high level of debate. We have not just talked about pie in the sky or black holes on Earth, we have debated this issue as we have in committee.

We have had an open rule, and we have shown the freshmen when we want this institution to work, it can work. We can debate issues. We can disagree, and we can elevate debate for the citizens of this great country.

I grew up in the 1960's and used to put boots and gloves on and pretend like I was an astronaut, running around the back yard jumping out of trees. We heard Mercury astronauts talk about "Let us light this candle up." We heard John F. Kennedy talk about putting a man on the Moon. We heard Neil Armstrong's words echoing beautifully around this country.

□ 1530

But now that is not the same NASA, the glory and the dream, and we freshmen and we sophomores came here not just to say yes, keep doing the same thing. We came here to fight for change, to fight for the taxpayers' money, to reform NASA when NASA is not doing the right thing.

I am a strong supporter of manned space and a strong supporter of NASA. But what we face, freshmen and sophomores in this body, is not just institutional reform of Congress, but reform of the agencies that we have the constitutional ability to oversee and perform our oversight function.

Robert Louis Stevenson said each of us will eventually sit down to a banquet of consequences. Our older generation is going to have the banquet, and our children are going to face the consequences.

Let us work on small programs like MESUR, the Mars Environment Survey, to help reform procurement and contracts in NASA. Let us not fail to dream and to dream big, but let us also dream of reforming our institutions and Congress, and starting with NASA to make this place work better in a bipartisan fashion and not forget our dreams.

Richard Fineman, in genius, said it is not just boldness and risk. It is common sense that makes our genius in this country.

The CHAIRMAN pro tempore (Mr. WISE). The gentleman from New Jersey [Mr. ZIMMER] has 4 minutes remaining and the gentleman from California [Mr. BROWN] has 4 minutes remaining.

The gentleman from California [Mr. BROWN] has the right to close debate.

Mr. ZIMMER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Chairman, I rise in support of the Zimmer-Roemer amendment to eliminate the space station *Freedom.*

I have met with NASA officials about this program and I see the scientific and research merits of a space station. The supporters of the station have put forward many good arguments for investing in this program and I certainly respect their support for the program.

My opposition to the space station is not grounded in the merits of the program, it is based on the tremendous costs of the station and I will be voting against the station in the interest of deficit reduction. The space station is a luxury we cannot afford.

Mr. Chairman, the American people are crying out for Congress and the President to make the tough decisions to put our fiscal house back in order. The American people know that Congress and the President have run up the public debt to $4.1 trillion, quadruple the size it was a decade ago. The American people know that Congress and the President have run up a debt which amounts to $16,000 for every American man, woman, and child. The American people are tired of business as usual and politicians who are afraid to make tough choices. We need to get serious about cutting spending and reducing the deficit, and we can make a good start by eliminating the space station.

The space station is a very expensive project. The General Accounting Office has reported that the total program would cost over $121 billion. The recent proposal to scale the program back would bring this total down to $103. Either way you look at it, this is a tremendously expensive program. In light of the deficit, we cannot afford it.

I also want to state that if the space station is cut, this Congress should guarantee that the savings will go toward deficit reduction. Savings should not go toward new spending on social programs or anything else.

Mr. Chairman, Members of Congress keep talking about making the tough choices necessary to reduce the deficit. Now is the time to make good on that commitment. I urge my colleagues to support the Zimmer-Roemer amendment.

Mr. ZIMMER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we have heard about our international partners and what a terrible thing it would be to leave them in a lurch by giving up on the space station. This is a serious issue, and our credibility abroad is very important. But I would like to read from a recent edition of Space News about two of our most important international partners.

It says:

> The apparently crumbling interest in the Space Station in Germany and Italy, which together had been scheduled to pay for 69 percent of Europe's Columbus Space Station Laboratory, has been accelerated by the Space Station turmoil in the United States but also is independent of it, officials said.
>
> "Germany clearly thinks Columbus is no longer valuable," said one European Space Agency official. "The tight budgets in Germany keep getting tighter. In Italy, the new (space) minister has apparently installed a new policy—he only wants to spend the money he has, and Italy has no money."

The Germans, the Italians, and I believe the Japanese and the other foreign partners recognize that they have got serious fiscal problems, and that this space station is not worth the money, and they cannot afford to spend money they do not have on it.

The unpleasant truth is that the dreams we have heard about and the destiny we have heard about will not be acquired for the $2.1 billion a year that President Clinton wants to spend for the next 5 years. That will not buy us a completed space station which can accomplish anything. The tens of billions of dollars extra will get us a scientifically inadequate space station which will have sucked dry other space programs, including the ones that will take us back to the Moon and on to Mars. They are being abandoned. It is like being on a ship where you have run out of fuel and you consume your own sails and mast in order to keep the engine running. You cannot continue to do that, and that is exactly what we are doing.

The fact is we cannot afford it, and that is the view also of the National Taxpayers Union, who will be rating this vote. Citizens Against Government Waste is rating this vote in their scorecard. Citizens for a Sound Economy, Businesses for Social Responsibility, the American Physical Society, the leading physics organization in this country, the Planetary Society headed by Dr. Carl Sagan, other civic, social, and environmental groups say this is not the way we should spend our scarce resources, and that they can be spent more effectively and more productively in space as well as on Earth.

Please vote for the Roemer-Zimmer amendment.

Mr. BROWN of California. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK. Mr. Chairman, I rise in support of the space station.

Mr. Chairman, today I rise in support not of a costly program, but of a worthy one.

As a former biology teacher I know the importance of a sound science research program. The committee's proposal that includes funding for the space station is just such a program.

Human exploration of space is one that offers many benefits to humanity. It will provide the tools of basic research we need to move our country forward. NASA's past efforts have given us many practical technologies that are helping us today. Just a few examples include:

Smoke detectors developed from air monitoring systems;

Portable dialysis that bring needed help faster and cheaper evolved from inflight waterfilter systems;

Medical diagnostics that monitor the brain and assist in brain surgery that have saved many lives come from sensor systems.

While we have been enjoying these and many benefits of NASA's research, another benefit has been taking shape. It is the inspirational impact the space program and NASA have on the education of our Nation's young.

In the past, NASA's human exploration programs have been a powerful inspiration for many young people. Our space program encourages young people to turn away from the many negative things in life and look to the future, giving them the opportunity to pursue an education and a career in the sciences or engineering.

It is this inspiration that has created direct correlation between our investment in the space program and the number of doctorates awarded to American students in Physics, Engineering, and Math.

Just as past inventions and discovers moved great American's like Thomas Edison, George Washington Carver, Charles R. Drew, Alexander Graham Bell, and Jonas Salk in their work. Today's research efforts by NASA will propel a new generation of inventors to find the answers to the many problems that plague us today, problems like AIDS, pollution-free energy generation or improved communications.

A particular group this inspiration is most important for are people of color—African-Americans, Hispanics, and women. Many members of our Astronaut Corps which in recent years has grown in its diversity were so inspired by NASA. Imagine the many students whose lives these astronauts are touching today through their example. The possibility of the cures they will find are endless.

To this end I am especially pleased that NASA has renewed its commitment to ensure all Americans are included in the many new discoveries to be made in the exploration of the last frontier by making available opportunities for people of color through university based research.

NASA is also accelerating the implementation of its multicultural education, equal opportunity, functional and educational review. These steps will enable NASA to take advantage of the talents of our Nation's minorities.

Many of the young people in my district come from poor families. Yes, we must do more to meet their needs in areas from education to health care to housing.

But these young people have dreams as well. And one of the grandest dreams is to be a scientist who cures a deadly illness such as AIDS or to be the first astronaut to set foot on Mars. Let us not destroy those dreams by killing the space station.

If we kill the space station program, we will close a door on research that will lead to a better future in which the talents of all Americans will be used to solve today's problems and explore new worlds.

Please vote for the investment in the future the space station represents.

Mr. BROWN of California. Mr. Chairman, for purposes of concluding the debate on our side, I yield the remainder of our time to the distinguished sophomore Member, the gentleman from Florida [Mr. BACCHUS].

Mr. BACCHUS of Florida. Mr. Chairman, I insert for the RECORD a letter from the European Space Agency to Mr. ZIMMER refuting virtually everything he just said.

The letter referred to follows:

EUROPEAN SPACE AGENCY,
June 15, 1993.

Hon. RICHARD ZIMMER,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN ZIMMER: I noted with some concern your comments during yesterday's House floor debate on H.R. 2200, NASA's FY94 Authorization Bill, in which you quoted from a *Space News* article entitled "Europe's Station Plans Crumbling Under Pressure".

In the article an unnamed "ESA official", is quoted concerning the budgetary situation in Germany and Italy. Such a statement should be treated for what it is; an unofficial and inappropriate comment by an unidentified member of the Agency executive, relating to member state government policy.

Europe's up-to-date position on the Space Station Programme and the redesign is summarised in the two official statements made at last Friday's Space Station Partners meeting, convened under the terms of the Intergovernmental agreement governing the cooperation. These statements were delivered by the European spokesman and represent a consolidated viewpoint of all ESA member states participating in the programme. I have attached a copy of both statements for your information.

I think you will agree, on reading the statements, that Europe remains committed to the International Space Station programme and wants to "continue to participate in its development, assembly, operation and utilization through our own significant contributions". Our participation is, and will continue to be, governed by the Intergovernmental Agreement, signed by all participating ESA member states, and the related ESA/NASA Memorandum of Understanding.

Should you require any further clarification on this matter, please do not hesitate to have your staff contact me.

Sincerely,

IAN PRYKE.

SPACE STATION PARTNERS CONSULTATIONS ON THE IGA, WASHINGTON, DC, JUNE 11, 1993

THE EUROPEAN PARTNER'S OPENING STATEMENT

Thank you for arranging this meeting, which is taking place at a key point in the very tight schedule of decision making currently underway.

In the meeting of the IGA partners in May, some important European statements were made. Later in today's meeting, I intend to make a further detailed statement, on behalf of the European partner, relating to the overall redesign process. Therefore, I shall limit these opening remarks to some general comments.

The international space station cooperation is a unique, ambitious and far-reaching undertaking. We, the European partner, the participating member states of ESA, want to maintain this cooperation, we want the partnership to succeed, we want the space station and we want to continue to participate in its development, assembly operation and utilization through our own significant contributions.

At the ESA Council at Ministerial level held in Granada in November last year, our ministers identified the financial envelope necessary to pursue the implementation of the European partner's contribution to the space station programme pursuant to the IGA. The actual situation regarding the U.S. redesign, the third in the last couple of years, has slowed our decision process. We are actually in a transitory phase, and I must add, that we still have to solve some critical issues, not withstanding the questions resulting from the uncertainties relating to the future design of the space station.

The European partner understands that the redesign has been undertaken at the President's direction, in order to bring down near-term development costs and long-term operations costs of the programme. The European partner wishes to express its understanding for this situation and wishes to point out that the European budgetary environment relating to its own contribution also requires adaptations, with the view to reducing development and operations costs. This is necessary, as you certainly will understand, to make the outcome of the redesign process acceptable in Europe.

We are confident that reliable decisions that will now be taken in your country, Mr. Chairman, will ensure the maintenance of the space station, and its stable development and operation in international partnership.

Let me address one further issue, namely that it is essential that the International Partners are notified of the decision of the U.S. President prior to any public announcement. We welcome the opportunity to discuss this matter at today's meeting and to agree on the logistics of how this will be achieved.

Such notification will, however, form an insufficient basis on which we can enter into a dialogue with our respective governments on how the programme is going to continue in the future. We would expect, at a minimum, that in the very near future the U.S. will send a delegation to Europe to review the details of the decision with us. Such a visit would also allow the U.S. to explain how the matter will be dealt with in their budgetary process, in the coming months, and to initiate preliminary discussions on the technical implementation of required adjustments to the programme.

In closing let me say that there is currently widespread support for enhancing international cooperation in science and technology. We have no doubt that this will be borne in mind as decisions on the future of the International Space Station programme are taken.

STATEMENT OF THE EUROPEAN PARTNER

1. The European Partner wishes to express its strong support for the continuation of international cooperation in the framework of the Space Station Project, in accordance with the principles and programmatic approach described in the Space Station Intergovernmental Agreement (IGA) and the related ESA/NASA Memorandum of Understanding (MOU). The European Partner remains interested in pursuing its participation in the project through the mechanisms set up for this purpose.

The European Partner considers that the current Space Station redesign exercise provides an opportunity to achieve a substantial reduction of development and operations costs.

2. Noting with satisfaction that one of the requirements for the current redesign exercise was to maintain the international partnership, the European Partner looks forward to discussing today the means of ensuring that the views of the International Partners continue to be communicated to and taken into account by all US authorities concerned throughout the decision-making process.

3. Subsequently, discussions should be held between the Partners, in accordance with the mechanisms already in place, so that consequent adjustments to the existing cooperation scheme are made in an orderly manner, respecting the genuine partnership established through the IGA. Finalisation of the whole adjustment process should be done carefully and expeditiously in order to restore full confidence in the project, both at Partner Government and at Industry level, so that activities can then proceed without undue disruption.

4. Each of the Partners must be able to satisfy itself as to the technical and programmatic viability of any options proposed as a result of the redesign process referred to above, particularly as regards cost and schedule of the development, operation and utilisation of its hardware contribution. The Partners should be given all the information necessary to make any consequent decision related to their continued participation in the project. Any significant departure from the current baseline is likely to lead the European Partner to review its contribution. The European Partner is of the view that options that do not provide the basis for the continuation of a balanced cooperation, such as option C, should be excluded.

5. The European Partner believes that any benefits identified as a result of the redesign process of Space Station Freedom going on in the United States must be actively pursued and any consequent savings, both in development and operating costs must be shared by all Partners in an equitable manner.

6. Current and foreseeable European capabilities in the areas of space transportation and in-orbit operations, such as Ariane 5 and the proposed European-developed Automated Transfer Vehicle (ATV) and Assured Crew Return Vehicle (ACRV) using the Ariane launcher and the Data Relay System (DRS), should be realistically evaluated and taken into account with a view to constituting a European contribution to the common system operations costs.

7. In the European Partner's view, and as already envisaged in the ESA/NASA Space Station MOU, negotiations should start expeditiously between ESA and NASA, and similarly between NASA and the implementing agencies of the two other Partners, on the determination of the common operations costs, including the shuttle transportation costs, of the International Space Station.

In this connection, ESA has to obtain, through the negotiations referred to above, a commitment from NASA that the European Partner's contribution to the Space Station annual common system operations costs will stay beneath a firm fixed financial ceiling. A commitment will also have to be obtained from NASA so that a significant portion of the European Partner's contribution can be made through the provision of in kind goods and services, such as those mentioned above, in order to reduce to a minimum the level of exchange of funds between the Partners.

8. The European Partner notes that, as a result of the redesign process and the consequent decisions to be taken by the Partners, there is a possibility that a proposal be made to involve Russia in the provision of assets necessary for the development, operation and utilisation of the International Space Station. The European Partner supports the idea of cooperation with Russia, which should be envisaged as a means of facilitating the fulfillment of all the current Space Station Partners' own objectives, including the possibility of overall cost savings. Russia's actual involvement in the Space Station project is a matter for further consultations between the Partners.

9. It should be understood that the European Partner will have to consider its final decisions in the light of the decisions taken by the U.S. in the ongoing redesign process, taking into account the Partners' budgetary environment.

Mr. Chairman, first I would like to thank the gentleman from Indiana and the gentleman from Pennsylvania for their extraordinary courtesies in allowing me the time.

Mr. Chairman, when I was a boy in Florida, my eyes first turned to the skies. I stood in my backyard in my bare feet with my family gazing toward the horizon. Shading the sun from our eyes, we watched the rocket ships climb into space. They carried men named Shepard, and GLENN, and Cooper. They carried the American spirit toward a beckoning, endless frontier.

I believe in the necessity of an endless frontier. I believe that killing the space station will kill the space program and keep us from reaching toward that frontier.

Without the space station, there will be no ongoing mission for the space shuttle. Without the space shuttle, there will be no manned space program. And despite what some may say, without a manned space program, soon we will have no space program at all.

Some say wait, wait, wait until later, wait until we can better afford it. We cannot wait. If we wait, if we abandon the space station, then our international partners will abandon us and go into business with the Russians. They will finance and build a Russian space station without us, and we will be left to watch the further exploration of space from afar.

Without the space station, our aerospace industry will wither away. We will lose our leadership in still one more area of manufacturing and industry, and we will lose the chance to live and work in space permanently, and to discover wonders beyond our very imagining.

Perhaps worst of all, without the space station, for the first time in our history, the American people will be left without a frontier. The lure of the ever-present frontier shaped the American spirit that has reshaped the world. If we turn away from the space station today, we will for the first time in our history be turning away from the challenge of the frontier and the best instincts of the American spirit. We will lose something unique in America. We will lose part of what it has always meant to be an American.

Monday morning in Florida I stood in my backyard, in my bare feet, with my family. My wife, Rebecca, and my 12-year-old son, Joey, stood by my side. I held my 2-year-old daughter, Jamey, in my arms, and together we watched the rocket ship called *Endeavour* climb into space.

The shuttle's trace trailed along the horizon. The Earth trembled beneath our feet. Once more the American spirit soared toward the boundless, endless frontier of space.

I am just one among many in this House, yet I speak for many today. I speak for those who fly above us now in the *Endeavour*. I speak for those who sent them there, and those who preceded them there. I speak for every American, young and old, who has ever watched a rocket ship rise into space and dreamed of rising with it.

I speak for Joey, who wants to make rockets, and for Jamey, who still is talking about that rocket ship she saw in our backyard.

I speak for the very future of America as I challenge you: Be true to the American spirit. Reach toward the frontier. Build the space station.

Mr. FOLEY. Madam Chairman, I wish to express my strong support for H.R. 2200, the NASA authorization bill before us today. I am particularly pleased the committee has seen fit to include funding for a redesigned space station.

At the outset, I want to commend full committee Chairman BROWN and ranking member WALKER, as well as Space Subcommittee Chairman HALL and ranking Republican SENSENBRENNER, who have crafted a bipartisan bill that addresses the needs of America's space program in an era of increasing fiscal restraint. Credit must also be given to President Clinton who has recommended a scaled-down version of space station *Freedom* that significantly reduces the costs of the program while maintaining its critical research missions and America's international commitments.

President Clinton's support for the space station has been enthusiastically received around the world. The international space station partnership consists of the United States, Canada, Japan, and the 13 nation members of the European Space Agency and is the key to the long-term space plans of all the partners. This endeavor represents the largest international scientific and technical cooperative effort ever undertaken. Our international partners will spend $8 billion on their hardware development and make significant technical contributions to the space station, including the European Space Agency Columbus module, the Italian mini-pressurized logistics modules, the Canadian mobile servicing system, and the Japanese experiment module. They have already spent about $3 billion on this project and will share proportionately in the common operating costs over the life of the space station.

Since the 1988 intergovernmental agreements between the United States and each of its partners in the space station are considered by the partners to have treaty status, an American decision to abandon the project would have serious international ramifications. Despite this obligation, however, it is important to remember the significant benefits of international cooperation to the United States. The partners have currently contracted for $137 million of U.S. hardware and support. In addition to use of the U.S. laboratory, 46 percent of experiment facility space of the foreign modules is reserved for U.S. use. Moreover, U.S. research results will remain proprietary throughout the development and operation of the station, even if developed in a foreign module.

Madam Chairman, the space station will be a valuable research facility in space, but it is of far greater significance than that. It is a fundamental cooperative engagement by many nations toward a common goal of advancing and applying science and technology for peaceful purposes.

Mr. MICHEL. Madam Chairman, I rise in opposition to this amendment to scuttle the space station, and in favor of continued investment in our future.

Earlier this year, President Clinton made a distinction between investment and spending. If ever there was a project that fits the investment label, it is space station *Freedom*.

According to the dictionary definition, investment means, "Property acquired for future income or benefit." The future benefits of space station are obvious. From greater competitiveness to education, from jobs to medical technology, the spinoffs from the space station will benefit every American citizen.

I am a strong supporter of the efforts of many to cut Government spending. But this doesn't mean we should cut willy-nilly with little regard for the future of our country. We shouldn't cut our defense capabilities beyond a certain point. We never cut other vitally important programs. And we shouldn't shelve the space station.

In fact, the space station has gone through several changes to make certain it is a cost-efficient program, keeping with the tough budgetary times that face us all.

The space station is a large investment in our future, but it's potential benefits are worth the cost.

I oppose this amendment, and I urge my colleagues to vote against it.

Mr. TORRES. Madam Chairman, today we will vote on the future of our Nation's space program.

This vote is a referendum on our Nation's commitment to excellence, our vision for the future and our ability to compete in the global marketplace.

Yes, this is a difficult decision in light of the budgetary realities Congress must face. I weighed the pros and cons of the NASA's space station. I've looked at its budgetary and economic impact.

As a member of the Appropriations Committee, I have worked to get assurances from NASA that new management reforms will bring tighter budgetary controls on the space station.

There is no question in my mind that for this society to progress we must have a lofty goal to reach. Space station *Freedom* embodies American frontierism.

This Congress must realize the importance of providing the platform for scientific, educational, and cultural leadership.

Our action on the space station will affect over 230,000 Americans working on NASA's programs.

In the State of California alone, space station *Freedom* employs 4,261 people.

These individuals are among America's finest in the world's scientific community. They are the engine that powers our Nation's technological progress.

Let us not forget the countless number of young students that are motivated and encouraged to pursue science, engineering, and mathematics as careers.

Madam Chairman, I ask my colleagues to support space station *Freedom* and keep American frontierism alive.

Mr. DORNAN of California. Madam Chairman, I rise today to urge my colleagues not to shirk their collective responsibility to the technological legacy of our country. As we consider H.R. 2200, the fiscal year 1994 NASA authorization bill, the linchpin of our space program, the international space station, is under heavy fire by its critics. This is the monumental decision we face today: either we will choose to lead the world in developing the very instrument by which advanced technology will be measured, or we will allow this unique opportunity to pass indefinitely, perhaps only for someone else to pick up where we fell short.

The Roemer amendment ignores the political realities of this program. Just when it appears that the administration and Congress are coming to an understanding on how to reconcile the cost needs of the space station with the benefits it will yield, its critics are mounting a collective campaign of rhetoric to bring it down. The space station's detractors are trying to kill it by appealing to our impulses for fiscal responsibility—the raw nerve of the body politic. But the space station cannot be reduced to baseline budget figures and deadlines. Space station *Freedom* is more than an effort to produce another space vehicle. It is a long-term research and technology project, and it must be handled as such. Yes, it is a large and costly program. Yes, it is exceedingly difficult for a definitive price tag to be placed on such a massive undertaking. But none of the advances researchers hope to realize through production in space—which it appears will impact largest on electronics and medicine—will be possible without it.

This truly is a crossroad in our Nation's space program. The world looks to us for leadership in space exploration. But a new spirit of dedication and a new agenda is required if we are to realize any of the benefits of maintaining our leading role in space. A credible space program simply is not viable without engaging, well-defined goals, and in my view, the space station is a vital element in the demonstration of American commitment.

The space station is on the cutting edge of technology. And the people who work in these high-cost, high-risk areas deserve to know of our commitment to what is really the future of our Nation's competitiveness. And let us not forget that these are the undertakings that inspire our Nation. The future of our economy depends on projects like space station *Freedom*. But even more, we cannot flinch from our opportunity to participate in one of the most compelling achievements of mankind. Indeed, our space program inspires the globe.

Madam Chairman, H.R. 2200 adequately funds all of the essential programs NASA must pursue, and contrary to what could have been the case, does not rip out the backbone of the space agency. This is why it enjoyed such wide bipartisan support in the committee. The Roemer amendment, however, does rip out the backbone of NASA. I urge my colleagues to support space station *Freedom* by voting against this amendment, and in favor of the full NASA authorization bill, and give future generations of Americans a reason to keep reaching for the stars.

Mrs. UNSOELD. Madam Chairman, I am a fan of space exploration. I believe in the need to push forward the frontiers of human understanding. That is why it is difficult for me to vote to cancel the space station. But the need to govern responsibly demands that we do just that.

We face a crippling deficit. We are not adequately investing in education, infrastructure, and other research and technology. Facing these realities, how can we justify spending untold billions on a project that is of limited scientific value?

Voting for the Roemer amendment will not end space exploration. Neither will it compromise good science; we can do more to advance scientific research by spending some of these dollars on Earth. This vote is about facing up to the task of cutting spending, taming the deficit, and tending to our Nation's long-term economic health.

I urge my colleagues to support the Roemer amendment.

Mr. DICKS. Madam Chairman, the aerospace industry is one of the few where the United States still enjoys world leadership and a favorable balance of trade. Currently, our Nation's aerospace industry has a $31 billion surplus on $44 billion in trade—we lead the world, but for how long?

Building the space station allows us a firm grip on that leadership position. Why? By working on leading-edge programs like space station, aerospace companies develop new technologies and advanced manufacturing processes which strengthen American industry. Through active technology transfer programs, NASA and other Federal agencies drive these new tools and technologies out into the U.S. economy, helping businesses of all sizes and in all industries become more competitive.

Space program advances in basic materials, information technology, manufacturing processes, medical and optical technology, tools, propulsion, aerodynamics, and many other fields have kept U.S. industry ahead of the global competition for decades. But as numerous other nations pursue their own space programs, the gap is narrowing.

Space exploration in the last years of the 20th century and the first half of the 21st century is where leaders must make smart, long-term investments. Without America investing in the space station, other competing nations are eager to displace America as the world aerospace leader.

Continuation and completion of the space station will prompt the health of this vital industry by continuing a flow of challenges to sharpen our industrial tools and skills and this will lead to the expansion of our domestic economy in precisely the kinds of jobs that we desire.

Canceling the space station program now would be a devastating blow to the aerospace industry, and something we cannot afford to let happen. Let's keep the United States at the forefront of the aerospace field, let's keep the space station alive.

Mr. GEPHARDT. Madam Chairman, I rise in support of the space station and the NASA authorization for fiscal year 1994. As serious and distressing as our fiscal problems are, we would be ill-advised to kill the station and retreat from technological leadership in space.

Less than a week ago, the President reaffirmed his intent to proceed with the development of the space station. The station—an objective of our space program since 1984—remains the critical next step in our ongoing exportation of space. It will serve science and evolving research needs over many years.

The space station will provide the opportunity to study the effects on people of long-duration space flight, a prerequisite for future space exploration. Eventually, the space station will provide the opportunity for a permanent human presence in space. Killing the space station would mean the end of our manned space program.

I want to make three essential points. First, we have reduced costs. Over 5 years, the new design of the space station will save taxpayers $4 billion. These savings increase to more than $18 billion over two decades. The administration and both the authorizing and appropriating committees all agree on these funding levels.

Second, this is an important investment in our economy. As our world moves from military threats to economic competition, investments in aeronautics and space programs are necessary to maintain our country's high-technology leadership and provide jobs.

We need to make investments now in advanced technologies to get our economy back on track. This bill helps transfer technological advances from space research to the commercial sector. It also helps industry-led consortia to identify and commercialize space technologies that increase U.S. competitiveness.

NASA's research remains critical to the development of new and better products. Space research has led to technological advances as mundane as improved sneakers and as life-sustaining as improved care for diabetics. For business, space research has yielded the laser fax machine. For industry, a robotic hand that can mimic human movements; lightweight composite building materials and microlasers for precision drilling. For health care, improved breast cancer detection and programmable pacemakers. And it has played a key role in the aerospace industry.

Third, this is an inspiration for young people. For 30 years, the space program has provided an incentive for our students to study mathematics and the sciences. The space station will capture the imagination of all Americans. By showing young people exciting and challenging opportunities, we will encourage them to continue their education and pursue high-skill careers.

In summary, the space station will lead to advances in science and technology and to new research and development programs. The space station provides jobs for American workers, technological advances for industry, and an improved quality of life. It is an inspiration to our youth as they look to their future and the careers open to them in the 21st century. I urge you to support the station.

Mr. PAYNE of Virginia. Madam Chairman, I rise in support of the amendment offered by Congressman ROEMER to terminate funding of the space station program.

This program is a perfect example of where Federal spending can be responsibly reduced.

Federal programs that do not meet the cost-benefit test should be eliminated.

I believe this program fails the test and I will explain why.

The original intentions of the space station are no longer in the working plans of NASA.

The projected cost of the space station, over $40 billion, is five times greater than the original estimate. And no construction has taken place.

The space station is siphoning away funds from other worthy and scientifically justified programs of NASA. As well as other more worthy programs and projects of our Government.

If we are to reach our goal of reducing and eventually eliminating the deficit, tough spending cuts will have to be made and scarce resources will have to be allocated wisely.

I believe eliminating this program is a step in the right direction, and I urge my colleagues to support this amendment.

Mrs. COLLINS of Illinois. Madam Chairman, I rise today in support of the amendment offered by Representatives ROEMER, ZIMMER, PENNY, and other colleagues. This amendment would eliminate $12.7 billion in funding for the space station over the next 7 years.

I support this amendment because of the hard, cold realities facing us and the common sense needed to address it. Imagine if your next-door neighbors had children who were hungry and needed new shoes. Imagine if these same neighbors then went out and bought a brand new state-of-the-art satellite TV dish or a sleek, modular telephone while their children were still going to bed hungry and still needed bigger shoes. What would you think? Would you consider your neighbors to be irresponsible? Irrational? Cold-hearted? Out to lunch?

In our country, every fifth child lives in poverty and faces hunger. More than 50 percent of eligible children cannot participate in Head Start because there are not enough funds and the Women, Infants, and Children [WIC] Supplemental Food Program serves only half of eligible women and children. The Job Corps Program serves only one in seven of the most needy eligible youth in this country. In parts of my district, the poverty, joblessness, and homelessness is so great that children cannot even imagine what it is like to live otherwise. In the face of these harsh facts, I cannot support funding a multi-billion-dollar outer-space project with questionable relevance to our competitive edge and to advancements in science.

By eliminating funding for the space station, we can redirect our scarce Federal funds toward more cost-effective and scientifically rewarding space programs and other important, underfunded Federal programs. I urge my colleagues to join me and support this critical amendment.

Mr. ZELIFF. Madam Chairman, I rise in strong support of continuing our commitment to space station *Freedom*.

Madam Chairman, I am one of the most fiscally conservative Members of this body. Cutting wasteful spending has been a priority for me since I came to Congress 2 years ago. In fact, there are very few Members in this body that can boast of a better voting record in saving taxpayer dollars than BILL ZELIFF.

I know the importance of cutting spending, but I also recognize the importance of maintaining our technological edge. This is why I support the space station.

Freedom represents the next logical step in our space program. The United States has always been a leader in space, and we continue to benefit from the science and technology that has evolved from the space program. Significant advances in aerospace, medicine, computer technology, environmental and resource management, industrial productivity, and transportation are all directly attributable to our space program.

Exploration, reaching for the next frontier, is an inherent component of our national character. The United States is the greatest Nation on Earth because we have been willing to accept the challenges that come with being a leader. The space program is just such a challenge. If we fail in this effort, if we sit idly by while other nations move ahead in space, our future will be consigned to a position of a second-rate power. That is not the future that I want for my children and my grandchildren.

I admit that I have serious reservations over the way this program has been run so far, and concerns over the operations of NASA in general. However, canceling the space station and throwing away the $8.5 billion that we have already invested is not the answer. Instead, we need to fix the management structure that has plagued this program and hold costs down to a reasonable level. The President has chosen a workable redesign option for the station, and I have confidence in Dan Goldin's ability to make this program work and to implement the reforms needed at NASA.

Madam Chairman, if we fail to lead then we are doomed to follow. The United States needs space station *Freedom*. I urge my colleagues to support this program and oppose the Roemer-Zimmer amendment.

Mr. PACKARD. Madam Chairman, as we consider H.R. 2200 today, I wish to commend the chairman of the Science, Space, and Technology Committee, Congressman GEORGE BROWN, and its ranking member, Congressman BOB WALKER.

They have shown outstanding leadership on this authorizing legislation in general and the space station *Freedom* in particular, in this year of tight fiscal constraints.

Despite the fact that there are those who argue that the merits of the space station *Freedom* and man's continued progress in space do not justify the costs, Congressmen BROWN and WALKER have kept their eyes on the prize and crafted legislation worthy of my colleagues support.

I commend Chairman BROWN and Congressman WALKER for crafting a bill that is *Freedom*-based—legislation that takes the space station, and thus America's space program, forward. They recognized that the space station *Freedom* is a centerpiece of NASA; one that focuses many divergent programs and projects on a single, unifying goal. Without a commitment to a viable, manned presence in space, all the money we spend on other programs at NASA goes toward no logical end.

The space station *Freedom* provides a nexus for experimentation and results. The mission of NASA is to extend man's knowledge of his universe and from that experience extract knowledge that can benefit the human condition here on Earth. A fully functional, manned space station *Freedom* is the only logical vehicle for NASA to achieve this goal.

Space exploration and scientific experimentation in space may seem like abstract goals. Especially in a year when we are faced with so many domestic priorities that are competing for funding.

However, I would argue and my colleagues on the Science, Space, and Technology Committee would agree, that funding these programs now and ensuring that America has a manned presence in space is directly related to future Americans' standard of living.

For example, the life sciences medical research conducted in space yield knowledge that improves our computer technology and increases our ability to manufacture drugs to cure illnesses on Earth.

The American space program has generated many other advances in American technology like weather satellites, lasers, CATscans, and pacemakers.

I would also like to underscore my appreciation that Chairman BROWN and Congressman WALKER pressed hard to cut the space station *Freedom* budget while remaining committed to the completion of a real, functional facility by the turn of the century. Numerous redesign attempts would yield a space station that is not viable, not to mention wasting the investment of $9 billion.

The bill before us authorizes $1.9 billion for the space station annually over the next 6 years, falling to $1.3 billion thereafter. This represents a cut from current funding of $222 million.

This bill will help us to ensure a human presence in space and that continued progress is made in scientific experimentation in space. The bottom line is that it is a fiscally responsible approach to funding a project that will provide generations of benefits to Americans.

Mr. HUGHES. Madam Chairman, today as the House considers authorization for funding of NASA, we must question the value of continuing to fund the space station at the proposed level.

Since its inception, the space station has undergone numerous redesigns in an effort to control its spiralling costs. How many more times will this occur before Congress accepts the reality that the space station we would like to have cannot be built at the costs we can afford, and what the budget allows is not enough to build a worthwhile station? Meanwhile, other programs suffer while the space station gets the lion's share of NASA funding year after year.

The space station has already exceeded its originally projected costs of $8 billion, and now we are poised to authorize another $12 billion. And we are still building the space station, we have not even begun to pay for its operational costs. We cannot ignore these expenses, simply because they have yet to materialize.

The price is only part of the station's problem, however. The station's mission remains questionable, and appears to be further whittled away with every redesign. Highly regarded members of the scientific community have expressed serious reservations about the true merits of the program.

Some have said that we must support the space station because exploration is our Nation's destiny. I do not disagree. I just have to question if the space station is the right vehicle to continue in this lofty endeavor.

I will vote for the Roemer-Zimmer amendment and urge my colleagues to do the same. It is the fiscally responsible thing to do.

Mr. KLECZKA. Madam Chairman, today the House of Representatives will be deciding whether or not to spend $12.7 billion more on NASA's space station program.

The current projected cost to build space station *Freedom* has risen to over $40 billion. Operating expenses over the life of the station will cost another $100 billion.

When Congress first voted on this project, we were told the station could be constructed at a cost of $8 billion. Yet to date, we still have nothing to show for it other than a long list of delays and a roomful of plans.

Last week, the administration announced its decision to once again redesign the space station. The option A choice will cost four times more than the original estimated price, and will have fewer missions and capabilities.

Madam Chairman, I shared the excitement of millions of Americans when we first put a man on the Moon. I shared the pride of the launch of the first space shuttle, and the sorrow of the *Challenger* disaster. I realize our Nation's need to explore new frontiers—to develop new science and technology initiatives that serve American economic and intellectual growth.

But Madam Chairman, I also have to go into the Ways and Means Committee chamber and—like every one else in this body—try to justify every dollar our Government raises and every dollar our Nation spends.

Last month, I voted in favor of the budget reconciliation package. In passing this legislation, the House asked all Americans to make sacrifices. We asked Americans to continue to pay a 2.5 cent per gallon excise tax on gasoline. We delayed cost-of-living adjustments for Federal and military retirees. We raised postal rates for nonprofit organizations. All of these provisions combined fall well short of paying for the space station.

More importantly, when we voted for the reconciliation package and the tax increases that went along with it, we collectively vowed to our constituents that we would also cut spending. Well my friends, this is our chance.

We can undertake an expensive and risky human space flight program with no coherent purpose, a billion dollar debacle which lacks focus and purpose, or we can put this troubled program out of its misery.

Last November, voters demanded that Congress bring skyrocketing Federal spending back to Earth—by eliminating wasteful and unnecessary programs like the space station, we can start along that path.

I urge my colleagues to join me in supporting the Roemer-Zimmer amendment.

Mr. VENTO. Madam Chairman, I rise in support of the Roemer amendment to the bill, H.R. 2200, the NASA authorization for fiscal year 1994.

This amendment would require NASA to cancel the space station program by deleting the bill's annual authorizations for the space station, which total $12.7 billion over the next 7 years.

Madam Chairman, it is time for Congress to recognize that the space station program is no longer a program with a coherent mission; it has literally become a program in search of a mission. The space station has become like a black hole into which Congress pours money that never sees the light of day again.

What is the reason for continuing this multibillion-dollar program at a time of severe budgetary constraints when some in Congress are proposing cutting aid to education, housing, homeless assistance, veterans, and even Social Security and Medicare recipients?

Some have said that we need the space station for reasons of national security. The Soviet Union is now history and the space station today represents an incredibly expensive surveillance platform compared to satellites which already adequately serve this function.

Some have said that we need the space station to learn more about the long-term effects of weightlessness and space travel on human beings. While the need for such information and data is apparent if we desire to make long journeys to distant planets, the space station certainly isn't the only or the most cost-effective way to obtain such data. In any event, interplanetary travel by humans is probably decades away from realization. The fact is that we already know much about the biological and physical effects of long-term space travel. The former Soviet space program, for example, which sent many cosmonauts into space for extended periods, yielded significant information which is now in the custody of the newly independent Republics. Why not fund the evaluation of newly available existing information? There is no reason why the United States and the Commonwealth of Independent States cannot work cooperatively to share this information and to continue studies on this matter jointly.

Some have said that we need the space station to learn more about biomedical research and that experiments that could be conducted aboard the space station could yield extraordinary new information regarding biomedicine and cellular processes. Yet the reality is that tremendous breakthroughs are occurring on an almost weekly basis, not in space, but right here down on Earth in hundreds of medical research laboratories around the world. While we certainly cannot say that there are no secrets in space left to uncover, we must acknowledge reality and the very real fiscal constraints which our Nation faces today. The scarce funding for scientific inquiry of this nature is the limiting factor, primarily because of the billions of dollars being spent on what is more akin to space scrap.

The cost control efforts on the space station project have been a notable failure because even as the space station program has been significantly curtailed in recent years, the costs of the program have continued to soar out of control. It is estimated that there have been more than $500 million in cost overruns with dollars already spent on the space station program. The space station hasn't even left the drafting board and it's already in outer space with its costs and transparent misrepresentations by the promoters.

I commend President Clinton and those officials at NASA who have recognized the need to reform the space station program. They have attempted to salvage some value from a program which has been mismanaged without effective cost controls and managerial oversight. These problems were largely ignored by the Reagan and Bush administrations. But unfortunately these efforts by the Clinton administration are too little and too late.

We have sustained significant cuts in numerous programs during the past 10 years because of faulty economic policies. The national policy path must be corrected, and that can only occur if we recognize and limit our appetite for spending on such symbolism as the space station.

Can we really justify cuts in Medicare and curtailing health care reform by telling our constituents that we need to fund very questionable medical research in space? Can we really tell those urgently in need of housing that we can't adequately fund housing and homeless assistance programs because we need to fund the $25.6 billion plus just to build the space station? Should the Nation's taxpayers be expected to foot the bill for a 30-year project estimated by the National Taxpayer's Union and the General Accounting Office [GAO] last year to cost a startling $118 billion for initial investment and operations? I do not think we can do that and say we are advancing the best interest of the American people for necessary, justifiable scientific achievement.

I urge my colleagues to join me in voting for the Roemer amendment to terminate the space station program.

Ms. PELOSI. Madam Chairman, I rise today in support of the Roemer-Zimmer amendment to terminate the space station program. I support the concept of space exploration, and in better fiscal times, would support the space station, which is an interesting experiment.

The main issue facing each of us here in Congress today and every day, however, is the question of priorities. There is, literally, no money to spare. Every program which we fund means other needs go unmet. In times like these, we simply cannot afford the luxury of a budget-busting experiment like the space station.

Earlier in the debate, our colleague, Mr. WALKER, spoke of the days past when children played in cardboard boxes dreaming that they were in spaceships. I, too, remember those days. Today, however, my thoughts are with the children of this Nation for whom cardboard boxes are not toys, but housing; for children who dream not of spaceships, but of a hot meal.

Over 500,000 children in America are homeless. Forty percent of our homeless population is made up of families with children, and one-quarter of the homeless population is comprised of children under the age of 18. How can we continue to pour money into the space station when we cannot even ensure access to safe, decent, and affordable housing for this Nation's children?

Many of my colleagues today will argue that the space station is necessary for our Nation's future. I would argue that we can have no future if we do not meet the needs of our children today. A future built on technological experiments is on extremely shaky foundations if its human resource base is weak. And, unfortunately, funding the space station means weakening other important initiatives, including deficit reduction.

The latest round of cost increases have brought the pricetag for construction of space station *Freedom* to over $40 billion. This staggering amount does not even include the cost of operations, which was originally predicted to be $78 billion over the life of the program. How can we justify spending this kind of money on a program which many eminent scientists believe may be completely irrelevant to real science and economic competitiveness?

We simply cannot afford to indulge in technologically questionable and fiscally unwise experiments. I urge my colleagues to support the Roemer-Zimmer amendment to terminate the space station. It is a sound move in a difficult fiscal situation.

Mr. HASTINGS. Madam Chairman, for over 40 years we have devoted money, time, and brainpower to the exploration of space. Why? Because we made a conscious decision that technological advancement is the only way to ensure the growth of our country. Why did our predecessors, millions of years ago, strive to learn how to cultivate natural resources, craft weapons to hunt and farm, and devise means of transportation? The struggle for advancement was not an idea to be debated—it was a given.

Don't be fooled by people who argue that we have advanced far enough—to cease moving forward is to actually fall behind. If we do not continue with the program, we will be forsaking the fruit of over 40 years worth of work and sacrifice. We will be forfeiting our space superiority. We cannot afford to do this. We cannot afford to turn our back on the space station program.

The exploration of space has led to advances in polymers, lightweight planes, and water treatment systems all of which have been applied in private industries. It has led to progress in the medical field with research systems and training aids. One of the main missions of this Congress is to ensure a future for our children which is full of possibilities. Well, ladies and gentlemen, today we can help make those possibilities a reality.

By continuing with the space station program we can perpetuate technological developments which might create medical advances, protect the environment, create new job opportunities, and even create new industries. The possibilities are limitless. The prospects for our country and our children are limited only by our level of commitment.

Mr. COLEMAN. Mr. Chairman, I rise today in support of H.R. 2200, the NASA Authorization Act for fiscal year 1994. I specifically wish to address the issue of the space station program.

Today, Mr. Chairman, the American people have heard my colleagues debate the merits and flaws of the space station program. I urge my colleagues and the American people not to be swayed by such sound bites, but to consider the space station program in terms of what it means to the future of our children and our Nation.

Our children do not remember a time when America was not first in space. They take for granted the benefits America has derived from its over 30 years of space exploration. Our children can not comprehend the sense of patriotism we experienced as we watched Neil Armstrong take the first steps on the Moon. We were not divided then. Young and old, rich and poor alike shared a sense of accomplishment. During the turbulent time of the sixties, for one brief moment the country was unified. We shared a dream that one day our children could also take that step. That day, Neil Armstrong expanded our vision of the universe and we were never to be the same. The space station is to our children's generation what Apollo 11 was for us.

In the 1960's it was enough to fund a program in expectation of intangible rewards it may or may not bring. Congress did not face the budget constraints which confront us today. Each year as Congress deliberates reauthorizing programs under the National Aeronautics and Space Administration, opponents of space exploration compare the cost of space exploration to the increased services this money could provide for domestic programs. The space station is one of our premier domestic programs and creates more jobs and economic development per dollar than almost any other federally funded program.

It is undisputed that if we are to maintain our edge in the field of space exploration, the creation of a space station is the next logical step. The space station will expand our ability to perform experiments in space and will allow

Americans their first opportunity to study firsthand the effects on the human body of lengthy visits in space. In the tradition of space exploration in general, the space station will provide real and practical technology to solve dilemmas we face today.

To understand where the space station will take us, we must first consider how space exploration affects our lives today. Nowhere is the benefit of space exploration more evident than in the area of medical research. Earlier this week biomedical researchers from the Texas Medical Center testified before the House Space Subcommittee where they outlined advancements achieved in organ transplantation, heart pump technology, and advanced prostheses which are directly derived from space exploration. In addition to the recognized advancements in laser heart surgery, diagnostic imaging, and CAT scans, our experience in space has enabled us to improve our current technology from athletic shoes to voice-controlled wheelchairs. The space station will allow us to perform even more elaborate experiments than can now be performed. Imagine how the knowledge we stand to gain from these experiments will improve the quality of our lives and the lives of our children.

It is easy to expound on the future benefits of the program. It is hard to ignore the real and immediate benefit of the program: jobs. Not just jobs for astronauts and engineers, but for clerical, manual, and other support laborers. NASA estimates that the space station program provides 75,000 jobs, including direct and indirect jobs, civil service and contractors. Not just jobs for Texas, but for 37 States and the District of Columbia. In addition to being a global effort the space station is truly a national project.

In September 1988, America signed the Intergovernmental Agreement with Canada, Japan, and 10 of the 13 members of the European Space Agency to build the space station. Each year as we debate again our commitment to the program, our partners stand idly by wondering if this will be the year the United States fails to stand by its agreement. Our partners have pledged to spend $8 billion for their portion. This year we have an opportunity to reaffirm our commitment to the program. By endorsing President Clinton's redesigned space station we will say that we have put our past squabbles behind us and are committed to working together with our allies to put a functional space station into orbit.

By ordering its redesign the President has taken firm control of NASA and the space station. The redesigned version selected by President Clinton will save $1.6 billion while preserving the integrity and mission of the space station. I urge my colleagues to stand behind the President and to reaffirm our commitment to space exploration by voting against any measure to reduce or eliminate the space station program.

□ 1540

The CHAIRMAN pro tempore (Mr. WISE). All time has expired.

The question is on the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROEMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 215, noes 216, not voting 8, as follows:

[Roll No. 263]

AYES—215

Ackerman
Allard
Andrews (ME)
Baesler
Ballenger
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Bilbray
Blackwell
Blute
Brewster
Brown (OH)
Bunning
Camp
Cantwell
Cardin
Clayton
Clement
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Coyne
Danner
de Lugo (VI)
Deal
DeFazio
Dellums
Dickey
Dingell
Dooley
Doolittle
Duncan
Durbin
English (AZ)
English (OK)
Evans
Ewing
Fawell
Fields (LA)
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (NJ)
Furse
Gekas
Goodlatte
Goodling
Gordon
Grandy
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hastert
Hefner
Herger
Hoagland
Hoekstra
Holden
Hughes
Hutchinson
Inglis
Inslee
Istook
Jacobs
Johnson (GA)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kildee
King
Kingston
Kleczka
Klein
Klink
Knollenberg
Kolbe
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lipinski
Long
Lowey
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Mazzoli
McCloskey
McHugh
McKinney
McMillan
McNulty
Meehan
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Molinari
Moran
Murphy
Nadler
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Ramstad
Rangel
Ravenel
Reed
Reynolds
Richardson
Roemer
Romero-Barcelo (PR)
Rostenkowski
Roukema
Rowland
Rush
Sabo
Sanders
Sangmeister
Santorum
Schaefer
Schenk
Schroeder
Schumer
Serrano
Sharp
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (OR)
Snowe
Solomon
Spratt
Stark
Strickland
Studds
Stupak
Sundquist
Swett
Tauzin
Thomas (WY)
Thompson
Underwood (GU)
Unsoeld
Upton
Velazquez
Vento
Visclosky
Walsh
Washington
Watt
Waxman
Wheat
Williams
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—216

Abercrombie
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Baker (LA)
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Berman
Bevill
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Bryant
Burton
Buyer
Byrne
Callahan
Calvert
Canady
Carr
Castle
Chapman
Clay
Clinger
Coleman
Combest
Cooper
Cox
Cramer
Crane
Crapo
Cunningham
Darden
de la Garza
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dixon
Dornan
Dreier
Dunn
Edwards (CA)
Edwards (TX)
Emerson
Engel
Eshoo
Everett
Farr
Fazio
Fields (TX)
Filner
Fingerhut
Fowler
Franks (CT)
Frost
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goss
Grams
Green
Greenwood
Hall (TX)
Hancock
Hansen
Harman
Hastings
Hayes
Hefley
Hilliard
Hobson
Hochbrueckner
Hoke
Horn
Houghton
Hoyer
Huffington
Hunter
Hutto
Hyde
Inhofe
Jefferson
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Kennelly
Kim
Klug
Kopetski
Kyl
Laughlin
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Livingston
Lloyd
Manton
Matsui
McCandless
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McInnis
Meek
Meyers
Mica
Michel
Miller (FL)
Mineta
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Natcher
Neal (MA)
Ortiz
Oxley
Packard
Parker
Peterson (FL)
Pickett
Pickle
Pryce (OH)
Quillen
Quinn
Rahall
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roybal-Allard
Royce
Sarpalius
Sawyer
Saxton
Schiff
Scott
Sensenbrenner
Shaw
Slattery
Smith (IA)
Smith (NJ)
Smith (TX)
Spence
Stearns
Stenholm
Stokes
Stump
Swift
Talent
Tanner
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thornton
Thurman
Torkildsen
Torres
Torricelli
Traficant
Tucker
Valentine
Volkmer
Vucanovich
Walker
Waters
Weldon
Whitten
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—8

Derrick
Faleomavaega (AS)
Henry
Hinchey
McKeon
Skeen
Synar
Towns

□ 1605

The Clerk announced the following pairs:

On this vote:

Mr. Derrick for, with Mr. McKeon against.

Mr. Towns for, with Mr. Skeen against.

Mr. VOLKMER and Mr. INHOFE changed their vote from "aye" to "no."

Mr. MARTINEZ, Mrs. SCHROEDER, Mr. RANGEL, and Mr. GUTIERREZ change their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. BROWN of California. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MAZ-

ZOLI) having assumed the Chair, Mr. WISE, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2200) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control, and data communications, construction of facilities, research and program management, and inspector general, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 2200, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. McKEON. Mr. Speaker, due to a family commitment in California, I was not present during rollcall votes No. 261, No. 262, and No. 263. I would like the RECORD to reflect the following:

Rollcall No. 261, H.R. 2446, military construction appropriations, final passage. Had I been present, I would have voted "no".

Rollcall No. 262, the Calvert/Hall amendment to H.R. 2200, limiting funding increases for the National Aeronautics and Space Administration to fiscal year 1993 levels plus 3.2 percent to account for inflation. Had I been present, I would have voted "aye".

Rollcall No. 263, the Roemer amendment to H.R. 2200 eliminating the authorization of funds for the space station. Had I been present, I would have voted "no".

PERSONAL EXPLANATION

Mr. SKEEN. Mr. Speaker, I was on leave of absence when roll call votes occurred in the House of Representatives.

Had I been present, I would have cast my votes as noted for the following rollcall votes which occurred during my absence. Votes on which I was paired and announced in the CONGRESSIONAL RECORD are noted by an asterisk:

Rollcall No. 261, final passage, H.R. 2446, Milcon Appropriations Act, "aye."

Rollcall No. 262, Hall amendment to H.R. 2200, NASA Authorization Act, 3.1 percent overall cuts in bill, "aye."

Rollcall No. 263, Roemer amendment to H.R. 2200, NASA Authorization Act, space station funding, "nay*."

PERSONAL EXPLANATION

Ms. MARGOLIES-MEZVINSKY. Mr. Speaker, I had the privilege of attending my son's graduation. As a result I missed two votes on H.R. 2446 and H.R. 2200. Had I been present I would have voted "nay" on H.R. 2446, the military construction appropriations bill, and "aye" on the Hall amendment to H.R. 2200, the NASA authorization bill.

PERSONAL EXPLANATION

Mr. SYNAR. Mr. Speaker, due to a personal family matter in my district, I was unable to be present for rollcall votes numbered 261 to 263. Had I been here I would have cast the following votes:

Roll No. 261, "aye."
Roll No. 262, "aye."
Roll No. 263, "aye."

My votes to oppose the space station and the superconducting supercollider—Roll No. 263 and Roll No. 269, respectively—merit further comment. Taxpayers in my district and across the country are demanding that we get Federal spending under control and more wisely decide how to spend their tax dollars. There is no easier way to respond to this demand than to kill the funding for the space station and the superconducting supercollider. Our country cannot afford to continue to spend the billions of dollars demanded by these projects when they drain resources from other desperately needed programs and show little promise of a profitable payoff for the many billions invested.

While there is a need for space exploration, funding for the space station should not continue if its at the expense of other proven NASA programs, Federal science projects, public housing subsidies, and other critical Government programs. In addition, design modifications aimed at cutting the cost of the space station have reduced the proposed station's capabilities, and several scientific review boards now are questioning the scientific justification for spending such large sums on such limited uses. In light of budget constraints and the significant narrowing of the space station's mission, I cannot support program that is estimated to cost $140 billion to build and operate.

According to the GAO, the SSC is already 51 percent over budget for routine, conventional constructions activities alone. Government audits of SSC expendtures have shown that tax dollars have been wasted on perks for contractor employees, including $12,000 Christmas parties at posh hotels, $25,000 in catered lunches, and $21,000 a year to buy and water office plants. It's no wonder that a project that was originally estimated to cost $4.4 billion is now expected to cost $13 billion. What do we get for all of these billions? Many experts agree that the practical spinoffs from this research will be neglibile. In a recent survey, corporate heads of research and development ranked the SSC dead last in importance among major science projects. The plain fact is that Federal money would be better spent on more promising projects in the biomedical, transportation, energy, and other research field.

Quite simply, we need to kill both these programs and the sooner we do it, the sooner our constituents will thank us for prudently managing their money.

PERSONAL EXPLANATION

Ms. ENGLISH of Arizona. Mr. Speaker, I was unable to vote today on H.R. 2446 and H.R. 2200 due to an illness. Had I been present I would have voted "aye" on H.R. 2446, the military construction appropriation bill and "aye" on the Hall amendment to H.R. 2200, the NASA authorization bill.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2150, COAST GUARD AUTHORIZATION ACT, 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–151) on the resolution (H. Res. 206) providing for consideration of the bill (H.R. 2150) to authorize appropriations for fiscal year 1994 for the U.S. Coast Guard and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON H.R. 2492, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1994

Mr. DIXON, from the Committee on Appropriations, submitted a privileged report (Rept. No. 103–152) on the bill (H.R. 2492) making appropriations for the District of Columbia for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. MYERS of Indiana reserved all points of order on the bill.

□ 1610

REPORT ON H.R. 2493, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1994

Mr. DURBIN, from the Committee on Appropriations, submitted a privileged report (Rept. No. 103–153) on the bill (H.R. 2493) making appropriations for agriculture, rural development, Food and Drug Administration, and related agencies for fiscal year 1994, which was referred to the Union Calendar and ordered to be printed.

Mr. MYERS of Indiana reserved all points of order on the bill.

WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2445, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT 1994

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 203 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 203

Resolved, That during consideration in the Committee of the Whole House on the State of the Union of the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes, all points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows: beginning on page 35, line 17, through line 25. No amendment affecting the subject of the Superconducting Super Collider (other than as part of general reduction of amounts provided in the bill) shall be in order except one offered by Representative Slattery of Kansas or a designee. That amendment shall be debatable for one hour equally divided and controlled by its proponent and an opponent and shall not be subject to amendment or to a demand for division of the question in the House or in the Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Florida [Mr. GOSS], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, House Resolution 203 waives points of order against the consideration of certain provisions of H.R. 2445, a bill making appropriations for energy and water development for fiscal year 1994.

The rule specifically waives clause 2 of rule XXI, which prohibits the consideration of unauthorized or legislative provisions in general appropriations bills and clause 6 of rule XXI which prohibits reappropriations in a general appropriations bill. These waivers are provided against all provisions of H.R. 2445 except provisions relating to the U.S. Enrichment Corporation fund directing it to collect funds from foreign customers. The Committees on Energy and Commerce and Natural Resources, which have jurisdiction over the Corporation, objected to the inclusion of this provision in H.R. 2445 and the Committee on Rules, based on the objection of these two committees, declined to protect this provision of the reported bill.

Mr. Speaker, the most controversial matter in H.R. 2445 relates to the continued funding of the superconducting super collider. Consequently, the Committee on Rules has framed the debate on this issue by providing that no amendments affecting the subject matter or the SSC will be in order except one offered by Representative SLATTERY of Kansas or his designee. The rule provides that the Slattery amendment shall be debatable for 1 hour which shall be equally divided and controlled by the amendment's proponent and an opponent. The rule further provides that the Slattery amendment shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole.

The inclusion of this provision in the rule will squarely frame the debate on the continued development of the SSC and will provide the House with the opportunity to vote yes or no. This provision does not, however, protect the SSC from any amendment which may be offered to provide across-the-board cuts of the programs funded in H.R. 2445. The Committee on Rules believes this is a fair way to address this most important issue.

Finally, Mr. Speaker, the provisions of House Resolution 203 will permit any Member to offer amendments to the bill which do not otherwise violate any rule of the House. In other words, House Resolution 203 is an open rule and I recommend its adoption in order that the House may continue its consideration of the appropriations bills for fiscal year 1994.

Mr. Speaker, with this appropriations bill we again have an opportunity to debate the merits of this Nation's biggest and most ambitious science project—the superconducting super collider.

The SSC is the focal point of our Nation's efforts in the field of physics. Failing to move forward with the SSC at this time would be tantamount to giving up on manned flight prior to Kitty Hawk. My support for the SSC extends from my belief that, just as basic physics research earlier in this century allowed our Nation to become the most technologically advanced country on Earth, research like that to be conducted at the SSC laboratory will provide us with technological building blocks to keep our country strong and allow us to compete globally into the next century.

The SSC is truly a national project. Over 100 universities across the Nation are involved in SSC research and projects. SSC work is being performed in 48 States and the District of Columbia. And the benefits will be shared and enjoyed by the entire Nation.

Leading scientists believe that the knowledge to be gained from the project ultimately will lead to tremendous advances in manufacturing and energy generation.

President Clinton has requested $640 million to fund the SSC during the coming fiscal year. The Appropriations Committee approved $620 million. During consideration of this bill, our colleagues SHERRY BOEHLERT of New York and JIM SLATTERY of Kansas will offer an amendment to terminate the SSC. Their amendment would eliminate virtually all funding, leaving just enough to close down the project.

We have already invested $1.5 billion in the SSC and the State of Texas has already invested about $300 million.

Critics of the SSC will attempt to make several arguments against the project—that it's too expensive, that there have been cost overruns during the life of the project, and that we have not yet received assurances of substantial foreign investment.

Any project of this nature is expensive. Current estimates are that it will cost between $10 and $11 billion by completion in 2003. We as a country must be willing to make some investment in the future if we are to continue to be competitive in the world market place. Not making this type of forward-looking investment could well wind up costing the United States much more in the long run should we fall behind our major trading partners in developing the technology to make new products.

As to the issue of cost overruns, Congress is presently engaged in vigorous oversight of the project and I have complete confidence that Chairman DINGELL'S subcommittee will ensure that the American taxpayers get full value for the money we are investing in this project. If changes need to be implemented in the way the project is managed, then let's get on with those changes. But let's not use cost factors as an excuse for refusing to invest in the future.

On the question of foreign participation, I had the opportunity to travel to Japan with Speaker FOLEY earlier this year. The Japanese expressed legitimate concern over the degree of commitment to the project by our new administration and by the new Congress. President Clinton has now answered the question of his administration's commitment to the SSC. Once we have demonstrated the Congress's continued commitment to the project, there is certainly a good opportunity that Japan and other nations will participate in a significant way.

Mr. Speaker, we frequently talk about the SSC in the future tense. This is understandable, given the importance of the project to our Nation's future scientific and technological advancement. It's important to note, however, that a considerable amount of work is going on right now. In fact, some of our colleagues have visited the SSC site and have seen for themselves the significant amount of progress being made in the project's construction.

For example, four tunneling machines are boring the 54-mile circumference tunnel that will house the super collider's main colliding beam accelerators. As of June 1, 1993, over 7 miles or 13 percent of the tunnel has been completed.

Additionally, research is already being conducted at over 100 universities and colleges across the country. Opportunities to participate have also been extended to historically black and Hispanic colleges and universities, opening the door to minority students to an area in which they've traditionally been underrepresented.

While a lot of activity is going on now, it is the future that compels me to support the SSC. The world has become an increasingly competitive place. Those nations expecting to prosper and grow economically in the future will be those nations willing to take risks, willing to invest today in those areas that will yield results tomorrow.

The SSC is an investment that America can make today to help prepare us for the competitive economic battles of tomorrow. The project will promote advances in science and technology, and will help the United States compete in the international marketplace. It is therefore precisely the kind of future-oriented, job creating program we as a Nation should be supporting.

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We, as a Nation, are fortunate to have some of the finest research and experimental facilities in the world, as well as many of the world's leading researchers. Much of our remarkable progress in science and technology is due to the ongoing commitments to our national laboratories, from Los Alamos in New Mexico to Brookhaven in New York, Fermilab in Illinois, and the Stanford linear accelerator in California, to name a few. The SSC is the next in a long line of successful, world-class facilities for the pursuit of new scientific and technological knowledge. It is imperative that we continue this tradition for the future of our country.

☐ 1620

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we have before us a bill that has lots of beneficial projects and a great many Members have a project or two of special interest. Before us is the energy and water development spending bill, that includes water, dredging, beach and power projects, large and small. It has got big ticket science and research items, like the superconducting super collider, which help boost the total of this bill to almost $22 billion. Traditionally, this House considers appropriations bills under an open amendment process, guaranteeing every Member an equal and unfettered opportunity to present amendments for cutting spending. This House was established by the Founding Fathers as the House of Revenue, where all taxing and spending measures begin. As Harry Truman might say, the buck that stops on the President's desk is the buck that starts here in the House. The people we represent expect us to cut spending first as we move through the budget process. No one can deny that strong message is out there across America. So far this year we have considered 4 of the 13 spending bills, and 2 of them were debated without the benefit of a completely open amendment process. In fact, this year we have had only six open rules altogether, which is a fairly dismal 25 percent. Today, as we take up the fifth spending bill it seems we will again, unfortunately, have a less than fully open amendment process. The rule before us allows for the traditional open process for all portions of this bill except the extremely controversial provision of $620 million for the superconducting super collider, known as SSC. For that one project, the Rules Committee has limited the process, allowing only one cutting amendment. I support that amendment, which basically terminates the SSC project. But I must emphasize that a completely open process would be more fair to proponents and opponents of the SSC. A completely open process would also better serve the taxpayers of this country, who deserve the broadest and most thorough consideration of all expenditures of Federal funds. A completely open process would leave the superconducting super collider vulnerable to the same type of targeting amendments every other project in this bill will face, rather than singling it out for special treatment.

Mr. Speaker, two amendments were brought to the Rules Committee to ensure that savings from this bill go toward deficit reduction, a goal I know many of us support. But the Rules Committee declined to make either amendment in order, missing a chance once again to focus debate on reducing our Federal budget deficit with spending cuts. Finally, I note the frequency of waiver requests to allow legislative language and unauthorized appropriations in these spending bills. What's happening here is that we are approaching our spending process exactly backward, setting aside money to spend before we have agreed on where we want to spend it. That is just what our House rules were set up to avoid. But our budget process has broken down—the rules no longer apply. It is time to revamp our procedures and develop a set of rules we can live with. That is one of the missions of the Joint Committee on the Reorganization of Congress, and we look forward to its conclusions. Until that time, I expect to continue hearing waiver requests to move the budget process forward. That is kind of like using duct tape to seal a crack in the wing of a jetliner. It might work for one flight, but it is destined to crash. But Mr. Speaker, that is an ongoing subject. As for the rule before us, it is not as open as it could or should be, but it is not as bad as it might have been. I suppose around here that is good news.

Mr. Speaker, I include the following information for the RECORD.

OPEN VERSUS RESTRICTIVE RULES, 95TH–103D CONG.

Congress (years)	Total rules granted [1]	Open rules		Restrictive rules [3]	
		Number	Percent [2]	Number	Percent [3]
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88)	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102d (1991–92)	109	37	34	72	66
103d (1993–94)	24	6	25	18	75

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rules, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: "Rules Committee Calendars & Surveys of Activities," 95th–102d Cong.; "Notices of Action Taken," Committee on Rules, 103d Cong. through June 22, 1993.

OPEN VERSUS RESTRICTIVE RULES, 103D CONG.

Rule number, date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58 Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176. A: 259–164. (Feb. 3, 1993)
H. Res. 59 Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171. A: 249–170. (Feb. 4, 1993)
H. Res. 103 Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172. A: 237–178. (Feb. 24, 1993)
H. Res. 106 Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166. A: 249–163. (Mar. 3, 1993)
H. Res. 119 Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (D–4; R–9)	8 (D–3; R–5)	PQ: 247–170. A: 248–170. (Mar. 10, 1993)
H. Res. 132 Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental appropriations	37 (D–8; R–29)	1 (not submitted) (D–1; R–0)	A: 240–185. (Mar. 18, 1993)
H. Res. 133 Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1–D not submitted) (D–2; R–2)	PQ: 250–172. A: 251–172. (Mar. 18, 1993)
H. Res. 138 Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164. A: 247–169. (Mar. 24, 1993)
H. Res. 147 Mar. 31, 1993	C	H.R. 1430: Increase public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168. A: 242–170. (Apr. 1, 1993)
H. Res. 149 Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208. (Apr. 28, 1993)
H. Res. 164 May 4, 1993	O	H.R. 820: National Competitiveness Act	NA	NA	A: Voice Vote. (May 5, 1993)
H. Res. 171 May 18, 1993	O	H.R. 873: Gallatin Range Act of 1993	NA	NA	A: Voice Vote. (May 20, 1993)
H. Res. 172 May 18, 1993	O	H.R. 1159: Passenger Vessel Safety Act	NA	NA	A: 308–0 (May 24, 1993).
H. Res. 173 May 18, 1993	MC	S.J. Res. 45: U.S. forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote. (May 20, 1993).
H. Res. 183 May 25, 1993	O	H.R. 2244: Second supplemental appropriations	NA	NA	A: 251–174. (May 26, 1993).
H. Res. 186 May 27, 1993	MC	H.R. 2264: Omnibus budget reconciliation	51 (D–19; R–32)	8 (D–7; R–1)	PQ: 252–178. A: 236–194. (May 27, 1993)
H. Res. 192 June 6, 1993	MC	H.R. 2348: Legislative branch appropriations	50 (D–6; R–44)	6 (D–3; R–3)	PQ: 240–177. A: 226–185. (June 10, 1993).
H. Res. 193 June 10, 1993	O	H.R. 2200: NASA authorization	NA	NA	A: Voice Vote. (June 14, 1993).
H. Res. 195 June 14, 1993	MC	H.R. 5: Striker replacement	7 (D–4; R–3)	2 (D–1; R–1)	A: 244–176. (June 15, 1993).
H. Res. 197 June 15, 1993	MO	H.R. 2333: State Department, H.R. 2404: Foreign aid.	53 (D–20; R–33)	27 (D–12; R–15)	A: 294–129. (June 16, 1993).

OPEN VERSUS RESTRICTIVE RULES, 103D CONG.—Continued

Rule number, date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 199 June 16, 1993	C	H.R. 1876: Ext. of "Fast Track"	NA	NA	A: Voice Vote. (June 22, 1993).
H. Res. 200 June 16, 1993	MC	H.R. 2295: Foreign Operations appropriations	33 (D–11; R–22)	5 (D–1; R–4)	A: 263–160. (June 17, 1993).
H. Res. 201 June 17, 1993	O	H.R. 2403: Treasury Postal appropriations	NA	NA	A: Voice Vote. (June 17, 1993).
H. Res. 203 June 22, 1993	MO	H.R. 2445: Energy and water appropriations	NA	NA	

Note.—Code: C-Closed; MC-Modified closed; MO-modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

□ 1630

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana [Mr. MYERS], the distinguished ranking member on the Committee on Appropriations.

Mr. MYERS of Indiana. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in support of the rule. As has been discussed, we have had a number of closed rules already this year before the House. I, for the first time in a good many years, have found that I have voted against the rules. I have always felt like this body should have the opportunity to discuss and act upon legislation, even though I might have been opposed to it.

In this particular instance, of course, I do favor this legislation, so I do support the rule. As has already been discussed, there are three provisions in the rule which one might consider to be semiclosed. We used to call these modified open rules.

First, we have had to necessarily waive the provisions against unauthorized legislation. I doubt if there really is anything that could be called authorizations in it, but we have had to appropriate for some agencies, some of whom have gone for many years without any authorizations, such as the Appalachian Region Commission, and the Nuclear Regulatory Commission has not been authorized for many years, the Power and Marketing Administrations, and the defense agencies. A number of those have not been authorized, and because this committee does appropriate for the Department of Energy for certain defense activities.

Also, another provision of the rule provides for certain transfers of unobligated balances that we have proposed in previous years. That money will not be required today for the agencies that we had proposed, so there is use today for some of these programs. This rule does provide that we can transfer some of those funds that have already been proposed in previous years. It helps meet our obligation this year.

The one that we might consider to be controversial is the 1-hour provision for the discussion of the superconducting super collider. It does provide for just one amendment that would strike the $620 million project. I know there are some who would like to offer modifications from that. However, I think it was wise for this Committee on Rules to have either an up or down vote after just 1 hour of debate.

I realize many new Members of the 110 new Members might like to debate this a longer period of time, but I think all of us fully understand what the issue is here. We have had ample opportunity through our mail to understand this, so I ask, since this is a good rule, it is the best rule we could come up with, and the Committee on Appropriations does not appreciate the fact that we do have to make certain waivers as far as authorizations. It is not our fault.

However, if this body, this Congress, is to finish its work in due course, in due time, and be out of here before Christmas, we have to get started in appropriating money. That is the reason we did have to have certain waivers in this bill that were absolutely necessary.

The committee did not accept any new programs. We did not accept any requests for authorizations for programs that were not authorized or projects that were not authorized. We rejected those, and they are not contained in this bill, so this is essential if we are going to have our work done. I hope it will be supported.

Mr. FROST. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Speaker, I rise in support of this rule and in support of the bill, which I think has been a very good production by the distinguished gentleman from Alabama [Mr. BEVILL] and the other members of the committee.

Mr. Speaker, I rise in support of the rule, and I would like to commend the distinguished chairman of the Subcommittee on Energy and Water Appropriations, Mr. BEVILL, and the ranking minority member, Mr. MYERS, for their work in crafting this bill and bringing it to the floor.

Title V of the bill contains language to enhance minority participation in the superconducting super collider. A recent audit of the SSC laboratory's Small Business Program by the Department of Energy's inspector general concluded that the SSC laboratory had failed to award a sufficient number of subcontracts to businesses owned and controlled by socially and economically disadvantaged individuals.

These deficiencies in achieving minority participation in the super collider were first pointed out to me by the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON] and it is my intention to include similar corrective provisions in H.R. 1432, the Department of Energy Laboratory Technology Act of 1993, which the Science Committee expects to report to the House later this year.

Mr. Speaker, I very much appreciate the cooperation extended to our committee by the gentlemen from Alabama. I want to thank him and the chairman of the Committee on Appropriations, Mr. NATCHER, for consulting with the Science Committee on the provisions of title V. We have worked with the Appropriations Committee, the leadership of the House, with Ms. EDDIE BERNICE JOHNSON, and with the Department of Energy to fashion this language.

Normally, I am hesitant to accept legislative language in appropriations bills, and I know the gentleman from Kentucky is loathe to include it; but in this case, there is some urgency to see that these deficiencies are corrected as soon as possible, and so I am happy to accept this language and support the rule to bring the bill before the House.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Speaker, I rise in strong support of the rule and the superconducting super collider.

We have all heard about the importance of the SSC to our Nation's scientific research program and the technological advancements we can expect from SSC research. These are vitally important to our long-term economic interests.

Just as important, many companies in the defense industry are making the difficult transition from manufacturing military equipment to a much broader base of high technology products. Many of the engineers, technicians, and manufacturing workers in these companies are now involved in engineering and building the advanced components required for the SSC accelerator.

The SSC technology which is being transferred to U.S. industry will provide the applied science for many of these former defense equipment suppliers to build new civilian product lines based on superconductivity. Potential commercial applications of this critical technology include: Superconducting magnetic energy storage for utilities, Maglev vehicles for future transportation needs, highly efficient electric generators, ultrafast computers, and numerous other budding technologies.

I believe the SSC is an important step toward the future in developing our high-technology research capabilities, assisting economic conversion, repositioning our defense industries, and most important, keeping Americans working. In my district, Babcock & Wilcox, a major defense contractor that supplies all Navy nuclear fuel, has shifted highly trained employees from their defense-related industries to SSC production in order to lessen the impact of diminishing defense dollars. This is going on—not only in my district—but all over the country. And it is a trend we must encourage to maintain our competitive edge.

Mr. Speaker, I urge my colleagues to support the rule and support the superconducting super collider.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Speaker, I am not going to try to defeat this rule. That would be both futile and unnecessary. I do want to draw attention to the way it structures the debate over the superconducting super collider.

The rule allows only 1 hour of debate on the SSC, a single hour to discuss the most expensive basic science project in our Nation's history, and a project that has generated great public controversy.

Why is the time so limited? Because the supporters of the project want to stifle debate. SSC proponents note that the facts work against them, as we will prove later. They want to make it as hard as possible for Members of this body and the public at large to hear the facts.

Last year, we voluntarily agreed to hold the debate to 2 hours. This year, proponents did not even pay us the courtesy of trying to arrange a time limit. They just went to the Committee on Rules and preempted a full-scale debate. I suppose some proponents would argue that only a short debate is needed because we have all heard these arguments before. But almost one-third of the Members of this body are new, and more significantly, new information is being made available every day, like the DOE inspector general's report on SSC excess spending that was just released this week.

I wish we could rely on everyone remembering what was said in past debates. We would remember a project that started out with an estimated cost of $4.4 billion, a project which is now estimated to cost in excess of $11 billion. We would remember the SSC proponents promising us last year that the project would not be built if foreign contributions did not hit at least $650 million, a figure that remains a pipe dream. We would remember a whole string of unfulfilled pledges.

I, too, accompanied the Speaker to Japan earlier in the year to meet with officials of the Japanese Government at the highest level, including the Prime Minister. Do the Members know what I found? There is not a constituency in Japan for the SSC.

I wish we had more time to hammer home the failures of the SSC, but the evidence is so overwhelming I expect our 30 minutes will be enough. I just wish the Committee on Rules had allotted time commensurate with the cost and significance of this project.

□ 1640

Mr. FROST. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, my friend from New York is his usual eloquent self. But I would point out to my good friend from New York, with whom I share a considerable interest in the sport of baseball, that we now have an hour during this rule which we can debate the SSC, we have an hour during general debate on the bill, and we have an hour specifically for the amendment. We have 3 hours.

I indicated to the gentleman from Kansas [Mr. SLATTERY], an opponent of the SSC, that I would be happy to yield him time during the rule for him to state his views. Certainly we will have adequate time to discuss this very important matter.

Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I am from Ohio. That is right, and I am not from Texas. I am hearing a lot of talk about Texas here today. I am for the superconducting super collider.

I want to remind the Members of this House that when the project was started States were able to bid for this project to locate it in their particular regions. Most of the States in the Union bid to house and be the home State for this great project. Ohio was one of them. No one worked harder than I did for the State of Ohio. The bottom line is there was only one State that would prevail. Texas prevailed and today I support Texas and this great project. Let me say this: Last time I heard, Texas was in the good old U.S. of A.

There are 45,000 separate contracts in 48 States of our Union that will in fact be part and parcel to this great project. We keep talking about all of these high-technology jobs for our workers, ladies and gentlemen. Where are the high-technology jobs going to come from if America will not be the leader in new technology initiatives?

I keep hearing about the complaints that none of these foreign countries have made commitments. Why would anyone make a commitment to any entity that is attempted to be killed every 6 months? Ladies and gentlemen, we have to assure the world that America will be the leader in the superconducting super collider, high-energy physics programs of the future, or we will not get those funds. BOB WALKER and GEORGE BROWN will come up with the foreign commitment if we give them the authority and tell them we are going ahead with the super collider program.

I support this project.

Let me say one last thing. The Department of Labor manual has listed new jobs. Listen to some of them, I say to my friend from New York [Mr. BOEHLERT]: Pantyhose crotch-closer, brassiere cup molder cutter, zipper trimmer, gizzard skin remover, sanitary napkin machine operator, ladies and gentlemen, impregnator helper. What in God's name is an impregnator helper? Maybe we will want to leave Congress and apply.

I say this to everybody in the Congress. If we are going to develop jobs in the next century for America, it will not be simply with infrastructure programs. America will reach out.

I commend the House for the tough vote on the space station, and I encourage and urge the House to vote for an American project, the superconducting super collider.

Mr. DREIER. Mr. Speaker, I am happy to yield 1 minute to my good friend, the gentleman from New York [Mr. BOEHLERT], if he would like to engage in a colloquy with a member with whom I agree on both the super conducting super collider and the space station.

Mr. BOEHLERT. I would just like to say to my distinguished colleague from Ohio that in his usual eloquence he pointed our something that we should all pay attention to: the need for jobs for America. As a matter of fact, jobs is my favorite four-letter word.

But I would point out that we have to look at the cost as well as the cause. This is one of the most expensive public works jobs programs in the history of man, a guesstimated $120,000 per job.

Also, I would like to point out to my colleague in the well that I am not a Texas-basher. As a matter of fact I enjoy Texas, and I supported the space station because I think the space station is good for America.

But we have got to start establishing some priorities here. Our national debt exceeds $4 trillion. We are spending $900 million every 24 hours just on interest on that national debt.

The American people are calling for change. They want us to establish some priorities. They want us to go with those things that offer the greatest promise for the future of America, and I suggest it offers great promise if we kill this project and redirect our resources to more promising activities.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Speaker, a little while ago, I voted to end funding for the space station. Having designed amateur rockets as a teenager, and having been an early and enthusiastic supporter of space exploration, I was very reluctant to do so. But with a $300 billion deficit and a $4 trillion national debt, difficult choices must be made, and, although the space station would be a good, useful tool for scientific experimentation, it simply does not rise to a high enough priority level to compete with social service and other essential programs for the inadequate funds available.

But essential projects must continue. I firmly believe the superconducting super collider is an essential project for this Nation. I am aware, of course, of the spinoff benefits of the super collider—the medical research benefits, the benefits of progress in superconductivity, the transportation, communications, energy, and computer technology applications.

But these are really secondary. They derive from the applied research necessary to develop the super collider itself. The real benefit of the super collider—the real necessity for completing it—consists of the knowledge to be gained by basic research into the forces that shape the universe. This is the most fundamental basic research. We are learning how matter and energy are formed and put together—how the very universe is constituted.

One cannot predict the technological, economic, medical, and other benefits that will be gained from this fundamental basic research. What we do know is that history shows that this kind of basic research always pays for itself many times over. For example, it was basic research into the nature of electrons—with no particular benefit at all in mind—research carried out with x-ray machines and with early particle accelerators—ancestors of the super collider—that led to the entire electronics industry and everything associated with it. It was basic research into sub-atomic particles and the forces acting on them—carried out with later generations of particle accelerations—the synchrotrons and the Bevatrons at Brookhaven and Fermilab and CERN in Europe—that led to modern, medical imaging technology.

It is in the nature of basic research that one cannot predict the specific outcomes or benefits. I am reminded of the story of Benjamin Franklin, who, when asked what possible benefit there might be from early experiments with flight, answered, "Madame of what use is a newborn baby?"

Unlike many of the uses of the space station, there is no possibility of doing this kind of basic research with any other machine, any other technique, in any other way, than with the super collider. One could make a case, if we had not already started work, that we could postpone the super collider for a few years. but with construction already begun, and billions already spent, to stop now is foolishness.

We should learn from the experience of history that this investment of a few billion dollars will pay off many times over in benefits to human welfare, to scientific knowledge, and to our economy. It is an investment in the welfare of our children, because we know it will redound to their economic, medical, and general welfare. We must not turn away from this.

□ 1650

Mr. DREIER. Mr. Speaker, I am very honored to welcome one of our great new Members of Congress, the gentleman from Arkansas [Mr. DICKEY], who has offered an amendment in the Committee on Rules. Tragically, the amendment is not made in order, and I think he might want to speak about that.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. DICKEY].

Mr. DICKEY. Mr. Speaker, I want to thank the gentleman from Claremont, OK, for yielding me this time.

The SSC has been a valid project with good science, but increasing costs in the schedule cannot be justified considering the current Federal fiscal crisis.

I was elected, and I ran, to cut spending, and we are not doing it with this project. This is not the project to continue the spending. But that is not what I am doing here.

I am here in support of the amendment offered by the gentleman from Kansas [Mr. SLATTERY] to delete the fiscal 1994 funds for the SSC which means to eliminate the funds. However, his amendment does not require that the cut SSC funds be used strictly for the deficit or for reducing the deficit.

When I saw that no one else was going to do this, I went and prepared an amendment to his amendment stating that the deficit would be the beneficiary of this decision to cut the SSC. The Committee on Rules, however, refused to allow that to come to a vote, and that is what I am here today for, to object to that.

My amendment would require the SSC funds that are cut to be retained in the Treasury and used to reduce the deficit, not be made available for other pork-barrel projects or tradeoffs or the normal appropriations process.

If the House accepts the proposal to end the SSC project, we must make sure the money is actually saved and not otherwise spent. The intent of my amendment is to provide for that assurance.

What I hope as a freshman is that that decision of the Committee on Rules was not because I was a Republican, not because I was a freshman, or not because I was on the wrong side of the issue. It is time that we earmark these funds for the deficit. That is what the American people want, and that is what I am committed to do, and I am going to continue to do it until somehow we get that attention across in this body.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from New Jersey [Mr. ANDREWS].

Mr. ANDREWS of New Jersey. Mr. Speaker, I thank my friend, the gentleman from Texas, for yielding me this time.

Mr. Speaker, I rise in support of the rule and in opposition to the forthcoming Slattery amendment and in support of the SSC project.

There is no solution to this country's economic problems that does not require and involve a regeneration of economic growth in this country, and there is no formula for the regeneration of economic growth in this country that does not put science at the cutting edge, in the forefront.

In the early days of the country, the issue was transportation: How can we move our trade around the world and prosper? And we figured out a way, and we did it. In the early days of our country, the issue was agriculture: How could we become the most productive and efficient and prosperous agricultural society? And we figured out a way and we did it. Earlier this century, the issue was: How could we turn to mass production? How could we be the best and the most efficient at producing consumer and industrial goods for our country and for the world markets? And we figured out a way and we did it. Each time that we figured out a way, we were willing as a private-sector economy and as a government to step forward and invest the resources and the basic science and the basic research to figure out that way.

Mr. Speaker, the SSC project may never lead to one direct dollar of commercial spinoff. It may never lead to one job or one new company. But if the technologies that spin off of it are coherent and real and viable, if we do not have them, then someone else certainly will.

The cost of not trying, the cost of burying our heads in the sand, the cost of watching as our industrial and commercial competitors around the world move ahead as we sit on the sidelines is an opportunity cost that we cannot bear. In the next century, in the next millennium, the key to economic progress will be information, science, and the mastery of high technology.

Going forward with this project may not mean that we master those three areas, but failing to go forward with this project, I think, will certainly mean, certainly mean that we are passing up an opportunity to achieve that mastery.

I urge my colleagues in the House to oppose the Slattery amendment. Support the SSC project and support this rule.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON].

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, being a Texan, I have known about the super collider before its inception, and many States wanted to get the super collider, and some tell me that they are not supporting it now because it is not in their State. Well, this really is not a State project. It is a project for this, our America.

Mr. Speaker, I rise today in support of the superconducting super collider.

I, like many of my colleagues, have heard the claims of the detractors of this project who claim it is too expensive for too few returns. But I would like to highlight why this project is important to me and why I urge my colleagues to support the project.

Over the past decade, we have seen the United States fall behind in the race of economic competitiveness. We have seen industry after industry shipped overseas to Japan, to Germany, or Southeast Asia. There is, however, one area that we retain a significant edge and that is basic research.

We are not stealing from our children or our children's children or their children yet unborn. We are looking out for them, because we have been looked out for in the past. Just think of the things that we have today because somebody believed in research. We have lights, we have the technology of letting our voices go out, we have x ray, we have scans we have all kinds of testing.

Mr. Speaker, I stand here today alive and well because of testing that tests for cancer and was able to catch it in time to treat it. So I understand the meaning of research and the outcome of research. Many of you probably have had the results of good research and not recognized that this is what we are attempting to invest in now.

Now many of the arguments against this project are based on the uncertainty of what benefits this project would yield. I would argue that this project is about research, basic research. Mr. Chairman, I stand here today as a living, breathing example of what benefits basic research yields. I was stricken by cancer twice and I survived. Had it not been for the many nameless, faceless, research scientists who delved into the complex nature of matter, explored the properties of atomic-sized particles, I might not be here.

Let me share a few of the benefits of basic research. Through the study of particle physics in the fifties, research scientists were able to refine radiotherapy treatments to the point where the amount of radiation necessary in the treatment of breast cancer was reduced by 90 percent, saving the stress and wear and tear on the body, saving the money and yet getting the treatment done.

Particle physics research led to the principles which have enabled the development and improvement of imaging capabilities which allow us to identify tumors early on in their development.

Mr. Speaker, the scan machines, all of these developments came about because somebody 30, 40, 20 years ago did the research, and nobody complained because we knew it was great investment for the future.

In 1963, a study conducted by the health insurance plan of greater New York found that only 40 percent of breast cancers were discovered through mammography. A subsequent study conducted by the National Cancer Institute found that by 1982 91 percent of all tumors were discovered through mammography. Much of this progress was based on that investment in basic research 40 years ago.

We now are poised on the brink of new discoveries. High-energy physics research, basic research, has given way to the use of the cyclotron in proton emission therapy and has proved to be a promising new treatment in the fight against cancer.

Two weeks ago, I met a young woman, who had undergone proton emission therapy treatment at Loma Linda University Medical Center. She had been diagnosed with a type of ocular cancer, which if treated by traditional means would have left her with a 30-percent chance of keeping her eye and no chance of keeping her vision.

Conventional treatments would have also required her to check into the hospital undergo invasive surgery, incur the costs of a prolonged hospital stay and loss of time on the job. But through proton emission treatment, this woman was treated on outpatient basis at a tremendous savings to her and the health care system. She lost no time from her job and was able to keep her eye.

To me this illustrates the value of high-energy physics research to society. The research that will be conducted at the SSC will extend the study of those particles and that technology to one level beyond which it currently stands. There is no telling what will be revealed through the pursuit of this research.

Now the opponents of the SSC are passing out literature that says "the SSC is an inefficient way (at best) to conduct cancer research." No one is saying it is. But what the opponents of the project are actually saying is that they do not even want to pursue the basic knowledge that is necessary to create better and more efficient cancer research and treatment.

I realize that it is difficult to explain high-energy particle physics research to lay people. But the need to pursue basic research is not. The results are self-evident.

Over the past 50 years, we have built in this country the finest research complex on the face of this Earth. The ability to pioneer technological advances has been the backbone of American industry, both manufacturing and high technology and driven the innovations which have created the society in which we live.

I would like to remind my colleagues of our heritage as Americans. We are the Nation which developed the vaccine for polio, and put the first man on the Moon. We are also the Nation which made the investment in basic research which made these achievements possible. We have never before questioned the value of the quest for pure knowledge and we should not begin now.

I urge my colleagues to reflect carefully before they cast their vote on this project. We cannot pull the plug on the future of this Nation.

Mr. Speaker, I simply want to close by saying that we have a responsibility to look out for our children. We have a responsibility to our children.

We have talked about waste of money. This is an investment.

I would urge you and plead with you, do not pull the plug on our future. This is America. We must look out for our country, our children. We are here holding their trust.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, I would first like to commend the Committee on Rules and express my appreciation to them and particularly my friend, the gentleman from Texas [Mr. FROST], for making sure that we will have a clean opportunity to debate the merits of the superconducting super collider, and the rule before us this evening certainly makes that debate possible. I commend the Committee on Rules for doing that.

Let me observe that, in spite of the fact that my friend from Texas and I vigorously disagree on this particular issue, he has been more than fair in crafting this rule to enable the House to have the kind of debate this project certainly deserves.

Mr. Speaker, I hope that, as we move forward in the debate later this evening and tomorrow on the question of the superconducting super collider, that we will have the quality of debate that we heard earlier this afternoon on the question of the space station that was addressed by the amendment offered by our friend, the gentleman from Indiana [Mr. ROEMER].

□ 1700

As we debate the superconducting super collider, we must do so in the context of what we can afford. We must measure the costs of this project against the benefits of the project.

One of the points that I think we have to focus on is the fact that this whole project was originally conceived with the view that we would obtain $1.7 billion in foreign contributions. The fact of the matter is those foreign contributions have not materialized. This body, if my colleagues would recall, last year went so far as to adopt an amendment that said that if we did not have $750 million in the bank by April 1, 1993, then we would not move forward with this project.

So when I offer my amendment tomorrow, I hope that my colleagues will keep that in mind. I am merely asking this body to keep our word.

In addition to that, I would point out that we will have the opportunity under the rule to debate this issue and also focus on some of the severe management problems that have been brought to the attention of the country by the General Accounting Office and also by the inspector general's office of the Department of Energy.

Again, I express my gratitude to the gentleman from Texas [Mr. FROST] for his fairness in the handling of this whole issue. I look forward to the debate.

Mr. DREIER. Mr. Speaker, I yield 2 additional minutes to my friend, the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. I thank the gentleman for yielding this additional time to me.

I would like to address, Mr. Speaker and my colleagues, some of the remarks made by the proponents of the SSC. Like them, I am anxious to have the United States expand new horizons and new frontiers in science. But I would point out that this single expenditure for this single project is crowding out other, very important science. For example, my colleagues and the American people should understand that we will be funding fewer, rather than more, scientific projects at the National Cancer Institute this year.

This year, two out of three of the applications for science projects in the National Science Foundation are going unfunded, not because they are not meritorious but because we simply do not have the resources to fund those projects.

The National Institutes of Health had to turn away many scientists with promising projects simply because we do not have enough money to fund them.

If we want to make advances in agriculture, it makes sense to me to invest in agricultural research; if we want to make progress in combating the dreaded disease of cancer, it makes sense to me to invest in the National Cancer Institute.

All of these ideas make a great deal of sense to me, but more than anything, I am hearing the clarion call from around America: "Establish some realistic priorities."

I would point out to my colleagues, to those who say this is a jobs program and this is something that industry supports, yes, a narrow phase of the industry, if they have a piece of the action. But 3 years ago the Industrial Research Institute, which consists of the top people in the private sector in corporate America who are in charge of R&D programs in America, were asked to rate five big science megabuck projects in terms of their return to the American economy for the investment.

They rated them in the following manner. The most promising, the human genome project; second, the national aerospace plane, they said, offers great excitement; third, the space station; fourth, the strategic defense initiative; and dead last is the superconducting super collider.

Mr. DREIER. Mr. Speaker, I am happy to yield 2 minutes to one of the most eloquent proponents of the superconducting super collider, my friend the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker and Members of this body, I rise in support of the rule for consideration of the energy and water appropriation bill. Specifically, I rise to support the continuation of the world's greatest high-energy physics research project, the SSC, or the superconducting super collider. I would ask my colleagues to cast a "no" vote against the expected amendment to kill the project.

The SSC is an idea whose time has come. Beginning in 1982 the scientific community began to discuss whether it is technically feasible and, if technically feasible, if it was in the scientific interest of this Nation to build what we now know as the SSC. They decided that it was. The U.S. Congress agreed with that decision in 1984 and, beginning in 1985, we have been funding moneys for the research projects beginning in 1989 to build the project. It is now 17 percent complete. Only 3 percent of the contingency fund has been used.

At the end of this fiscal year, including the State of Texas money, $2 billion will have been expended on the program. It will work. The magnets are working beautifully. The scientists guarantee that somewhere in the energy range that the super collider will operate at, that they will discover some of the answers they have been looking for for the last several thousand years.

I would urge my colleagues to listen carefully to the floor debate tomorrow on the super collider, and I would urge them to vote "no" on the amendment to kill the project.

Mr. DREIER. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, we have decided, on the minority side of the aisle, that we are going to support this rule. But I should say we do not do so with a great deal of enthusiasm. We call this a modified open rule. That still classifies it in the restrictive category.

The reason we are supporting it is that we do believe that it does give people on both sides of this very controversial issue, the superconducting super collider—I think I said it appropriately there, I say to the gentleman from Indiana [Mr. MYERS]—the opportunity to debate this issue fully. And while I will proudly stand in this well as an opponent of the Slattery amendment, I am proud to stand here as a proponent of his right to offer that amendment. It is for that reason that we will be supporting this rule.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the remaining 2 minutes to the gentleman from Arizona [Mr. COPPERSMITH].

Mr. COPPERSMITH. I thank the gentleman for yielding this time to me.

Mr. Speaker, tomorrow I will offer an amendment to cut $32 million from this bill, funding intended for the advanced liquid metal reactor [ALMR].

I would like to point out that the advanced liquid metal reactor is not economical. It is not cost-effective compared to the lightwater reactor. As the price of uranium has dropped, the ALMR is not useful as a generation technique, and last year the Department of Energy rated it 21st of 23 programs as an energy-generation strategy.

Nor does this program make sense as a waste-reduction tool. It is not environmentally sound. There is no great advantage to recycle high-level radioactive waste; the ALMR does not address water-soluble wastes; it generates new, lower-level wastes, and we still would need long-term storage facilities for the high-level wastes remaining.

The ALMR is also a proliferation threat. It creates plutonium, or could create plutonium, and anyone sophisticated enough to operate this type of reactor can figure out how to separate out the plutonium.

Let me say also what this amendment is not. It is not antinuclear. The nuclear industry wants research on more cost-effective advanced lightwater reactors. The largest utility in my State, Arizona Public Service Co., which just received the Edison Electric Institute's Utility of the Year Award as the best utility in the country, operates the largest and safest nuclear facility in the United States, generating about 40 percent of APS' power.

Thus, I am not antinuclear. What I want is for our energy research money to be spent in the best way possible. This amendment does not close the nuclear option. Instead, what Mr. ZIMMER, Mr. SHARP, and I want to do with this amendment is to prevent a fiscal meltdown.

This amendment has bipartisan support as well as support from a unique collection of groups, including the National Taxpayers Union, the League of Conservation Voters, and the Sierra Club—together at last.

I urge my colleagues: Reduce the deficit, protect the environment, bag the breeder. Vote "yes" on the Coppersmith-Sharp-Zimmer amendment tomorrow to cut the advanced liquid metal reactor.

□ 1710

Mr. DREIER. Mr. Speaker, I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW, THURSDAY, JUNE 24, 1993

Mr. FROST. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9:30 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. BEVILL, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the consideration of the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1994

Mr. BEVILL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Indiana [Mr. MYERS] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from New Jersey [Mr. HUGHES] as Chairman of the Committee of the Whole and requests the gentleman from Maryland [Mr. CARDIN] to assume the chair temporarily.

□ 1711

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes, with Mr. CARDIN, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from Alabama [Mr. BEVILL] will be recognized for 30 minutes, and the gentleman from Indiana [Mr. MYERS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Chairman, I yield such time as he may use to the gentleman from Kentucky [Mr. NATCHER], the distinguished chairman of the Committee on Appropriations.

Mr. NATCHER. Mr. Chairman, I rise in support of the energy and water development appropriations bill for fiscal year 1994. This is the fifth appropriations bill for fiscal year 1994 to come before the house.

I want to commend the gentleman from Alabama [Mr. BEVILL], chairman of the energy and water development appropriations subcommittee, and the gentleman from Indiana [Mr. MYERS], the ranking minority member on the subcommittee for bringing out a fine bill.

This bill funds important water resources projects in the Corps of Engineers and Bureau of Reclamation and Important Energy Research and Nuclear Energy Defense Activities. We need to continue these activities so that these type projects and activities can provide important benefits to the country and to the people.

This is the last appropriations bill on the floor this week. Next week will be an active one on the floor as the House considers the seven bills reported by the Committee on Appropriations this week. We are continuing to move our bills for consideration prior to our Fourth of July work period according to the schedule.

I want to commend all members of the subcommittee for a job well done.

I urge adoption of this bill.

Mr. BEVILL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we bring to you today for your favorable consideration the bill, H.R. 2445, making appropriations for energy and water development for the fiscal year 1994. I am joined by this effort by my colleagues on the Energy and Water Development Subcommittee who have worked long and hard to bring this legislation to the floor. Let me express my special appreciation to our ranking minority member, the gentleman from Indiana [Mr. MYERS]. As in years past, he and I have worked together with the subcommittee without any trace of partisanship to fashion a bill that meets the present and future needs of our entire country. I also want to express my appreciation and thanks to the members of the subcommittee, the gentleman from California [Mr. FAZIO], the gentleman from Texas [Mr. CHAPMAN], the gentleman from Florida [Mr. PETERSON], the gentleman from Arizona [Mr. PASTOR], the gentlewoman from Florida [Mrs. MEEK], the gentleman from New Jersey [Mr. GALLO], and the gentleman from Kentucky [Mr. ROGERS]. I want to also thank Chairman NATCHER, a member of the subcommittee, and Mr. MCDADE for their assistance. I would like to note that we have four new members on the subcommittee this year, and they have been very valuable members of the subcommittee. They all worked very had in a bipartisan manner to bring this bill to the House floor for your consideration.

Mr. Chairman, at the outset, I want to point out to Members of the House that this bill is within the section 602(b) allocation for both new budget authority and outlays. It is right at the 602(b) allocation for outlays, and $63,828,000 below the 602(b) allocation for budget authority. I caution members that any amendments offered to increase appropriations for any programs in this bill will put it over our allocation amount as we are right at our ceiling for outlays.

Mr. Chairman, the committee believes that this is the best bill that could be developed within the severe budget constraints that we faced. The bill before the committee today would provide $21,953,172,000 to the Army Corps of Engineers, the Bureau of Reclamation, the Department of Energy, and nine independent agencies and commissions. This amount is $285,476,000 lower than the President's budget and $126,375,000 lower than the fiscal year 1993 appropriation.

I would like to note that the total amount recommended in the bill is $22,187,618,000 in budget authority. However, the Congressional Budget Office has scored the bill at a total amount of $21,953,172,000 due to various adjustments needed to compensate for $234,446,000 of excess revenues and other adjustments credited to accounts in this bill. The $21,935,172,000 is less than the subcommittee's 602(b) allocation for budget authority.

TITLES I AND II—WATER RESOURCE DEVELOPMENT

Mr. Chairman, the committee is committed to a policy of development of the vital navigation, flood control, shore protection, water supply, irrigation, environmental restoration, and hydroelectric projects that are necessary to the well-being and economic growth of the entire Nation. No part of this country is immune from the problems of water—too little or too much—and all States of the Union must join together cooperatively to foster a truly national water policy which responds to the unique needs of each State and region.

Title I includes $3,901,353,000 for the Corps of Engineers which provides for 551 water resource projects in the planning of construction phases.

Title II includes $859,397,000 for the Bureau of Reclamation which provides for 126 water resources projects in the planning or construction phases.

Title I and II also provide for research and development activities, other studies which are not project specific, and projects in the operation and maintenance category. Within the available funds, the subcommittee has attempted to accommodate the most critical needs, within budget constraints, identified through the extensive hearings conducted with administration witnesses, the public, State and local officials, and Members of Congress.

TITLE III—DEPARTMENT OF ENERGY

In title III, for the Department of Energy, the recommendation provides a total of $16,822,304,000. The amount recommended for energy research programs maintains a balanced energy research program and a healthy scientific research effort. The recommendations include many changes in the request which are summarized in the report. I will mention a few.

In the energy programs of the Department of Energy, several items are worth mentioning:

For solar and renewable energy programs, we are recommending $326,191,000, an increase of $257,334,000 over last year's funding level.

The Magnetic Fusion Program was funded at $347,595,000, the same as the budget request.

In basic energy sciences, funding of $22,000,000 has been provided for the advanced neutron source to fund the detailed technical work required prior to physical construction of the project.

For environmental restoration and cleanup activities at Department of Energy defense and nondefense facilities, the committee recommendation is $6,189,675,000, which is an increase of $648,434,000 over the fiscal year 1993 appropriation.

For nuclear energy R&D, the recommendation is $330,956,000, a decrease of $10,898,000 from the fiscal year 1993 level. The committee has agreed to terminate some of the facilities currently being maintained by the Department, but has continued limited funding of advanced reactor research alternatives.

For general science and research, the committee recommendation provides a total of $1,594,114,000, an increase of $176,330,000 over the fiscal year 1993 appropriation. The recommendation includes $620,000,000 for the superconducting super collider, a decrease of $20,000,000 from the budget request of $640,000,000. In addition, the committee recommendation provides $36,000,000, the same as the budget request, to construct an asymmetric B-meson production facility (B-factory).

The recommendation for defense programs of $10,924,941,000 is $1,193,684,000 below the current appropriation and $596,086,000 below the budget request. The recommended level includes increased funds for defense waste cleanup as I noted previously.

TITLE IV—INDEPENDENT AGENCIES

Title IV of the bill includes $370,118,000 for nine independent agencies. This is the same as the budget request.

We have provided $189,000,000 for the Appalachian Regional Commission; $138,973,000 for the Tennessee Valley Authority; $15,060,000 for the Defense Nuclear Facilities Safety Board; $2,160,000 for the Nuclear Waste Technical Review Board, $1,000,000 for the Office of the Nuclear Waste Negotiator, and $1,925,000 for three river basin commissions.

The committee recommendation provides $542,900,000 for the Nuclear Regulatory Commission, which is offset by revenues of $520,900,000, resulting in a net appropriation of $22,000,000.

GENERAL PROVISION

The bill contains one general provision regarding the superconducting super collider which establishes a goal of making funding available to business concerns owned and controlled by socially and economically disadvantaged individuals.

COMMITTEE REPORT

The report accompanying the bill provides a good explanation of the recommendations reflected in the bill. I would encourage the Members to look through it.

This is a good bill. I recommend its adoption.

☐ 1720

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Chairman, I rise to address provisions in H.R. 2445 relating to the Army Corps of Engineers' Civil Works/Water Resources Program.

First, let me commend the leadership of the Appropriations Committee for their efforts and their cooperation with the Public Works and Transportation Committee, the authorizing committee for the Corps' water resources programs. In particular, I want to thank Chairmen WILLIAM NATCHER and TOM BEVILL and ranking members JOE MCDADE and JOHN MYERS for their willingness to address funding needs of the Nation's largest water resources agency, the Corps of Engineers.

I also want to thank the Appropriations Committee for its help in implementing various sections of the Water Resources Development Act of 1992. For example, section 313 of the 1992 act authorized a comprehensive environmental infrastructure and resource development program for south-central Pennsylvania. As one of its primary drafters, I can assure Members that the intent of the Public Works and Transportation Committee was to expand the corps' mission and authorities to meet various environmental infrastructure and resource development needs of rural communities—without in any way competing with opportunities for private sector engineering and other groups. Just as importantly, we viewed section 313 as a critically needed pilot program for the corps to accelerate project study, design, and construction and get assistance to needy communities in a timely manner.

The section 313 pilot program also required equal emphasis on projects located within the Chesapeake Bay and Ohio River watersheds. This would help to provide regional balance in meeting the many diverse environmental, economic and developmental needs throughout the south-central Pennsylvania area and would allow two different corps districts and divisions to get involved in helping to solve these pressing problems.

Mr. Chairman, H.R. 2445 is consistent with our intent regarding section 313. While it provides only $10 million of the $17 million authorized, it will help get the corps moving in the right direction—beyond preliminary study and planning and swiftly into project construction and implementation. This is not merely study money; it is money to get various projects up and running. While $10 million is less than I had hoped for, $5 million for each of these watersheds will go a long way in meeting the region's needs.

The Appropriations Committee's report spells out two of the projects that are to receive equal priority attention—one for the Altoona city authority and one for the Forest Hills municipal authority.

Mr. Chairman, I would be remiss if I did not thank Congressman JOHN MURTHA for the invaluable role he has played in both authorizing and appropriating funds for the south-central Pennsylvania program. We worked together on the provision in the 1992 act and again in the drafting of funding provisions in this bill. I appreciate his leadership and help.

I also appreciate the committee's willingness to address other water resources issues in south-central Pennsylvania. For example, the bill provides $400,000 for a watershed reclamation and wetlands pilot project for the Broad Top Region. It also appropriates $450,000 for the corps to initiate a comprehensive study of the Juniata River corridor, including a reevaluation of the flood control needs of Tyrone, PA.

These and other provisions in H.R. 2445 are critical to meeting various water resources needs throughout my region. I appreciate the work of the committee not only as it pertains to south-central Pennsylvania but also to the entire Nation's water resources and environmental infrastructure.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from Alabama [Mr. BEVILL] for his comments and, once again, his Committee on Appropriations for energy and water development with whom I have had the pleasure to work with all these years. They have presented a bill that we bring to the floor today, and he has done a capable and able job, which he always does, of explaining the details of the bill, and that relieves me of the responsibility for doing that.

But I do want to join him in thanking especially the new members of the committee who contributed so much during this year. We have the gentleman from Florida [Mr. PETERSON] who is here on the floor today. We have the gentleman from Arizona [Mr. PASTOR], the gentlewoman from Florida [Mrs. MEEK], and the gentleman from Kentucky [Mr. ROGERS], all of whom contributed very much to it, and under the able leadership of our staff director and his fine group here of staff who worked so hard and have worked with the committee, Mr. Chairman, we have been able to bring the bill to the floor, not as quick as usual. Someone here yesterday said, "You're fifth on the order here, and years before you've always been No. 1," and we have prided ourselves. But we had a difficult time this year putting all the pieces together and to prioritize the many requests that we have had.

Mr. Chairman, we had more than 100 Members who testified before our committee, a number of Governors, and we had hundreds of requests from all over the country, as we always have, and all the programs, or most all of them, are very important to the localities, and I know when the chairman and I were on this committee a good many years ago that this was known as the all-American bill because the bill does touch every district in this country and touches some outside the country. But it is a very important bill because it does help provide the energy needs for our future.

Mr. Chairman, we hope we are anticipating the energy needs for the future. It provides for many of the transportation needs of our country. More than 25,000 miles of inland waterways come under the jurisdiction of the Appropriations Subcommittee for Energy and Water Development, and also the ports which are so vital to our exports of our products, and a few imports coming in are so important, and this comes under the jurisdiction of this committee.

Mr. Chairman, it has been a busy committee, but, as the chairman has said, this year we have $21,900,000,000 in the bill, of which almost half is for defense activities. This is something that shocks especially new Members because they do not realize that this committee does have, through the Department of Energy, a large responsibility in defense.

We have reduced the defense budget somewhat this year to accommodate some other needs, but I do not think we have dangerously reduced the defense activities to the point that we are jeopardizing the future of nuclear needs of our country for our naval reactors, as well as repossession of some of our nuclear weapons. We are, as the chairman said, $126,300,000 below last year's level in budget authority, and, as far as the budget requests, we are under the President's request by $285,400,000.

□ 1730

But we are right on the money as far as the outlays are concerned under the 602(b) allocations. And for those of you who wonder what 602(b) is, that is the allocation made to the various subcommittees by the Committee on the Budget of how much money we do have to spend on outlays. Outlays is what really concerns all of us, because that is how much the taxpayers will have to raise, either through taxes or through borrowing, to pay for the various programs. So we are right up to the 602(b) allocation in outlays.

We are $64 million under last year. But when you look at the outlays, we are right up against it.

So, as the chairman said, I hope no one will ask this committee to raise the amount of money we have authorized for appropriations in this, because we will not be able to accommodate. We would have to object. If someone does have a suggestion that we are going to raise money, it is going to have to be also offset. It has to come out of some other program in their State.

Mr. Chairman, the defense activities are something that has always taken in recent years a lion's share here, but this year we have reduced it, and I do not think we cut it, as I mentioned a moment ago, below the necessary levels.

In closing, the administration also complimented us on the fact that we did find some additional savings that the administration was not able to find in defense.

The administration did have some objections, rather mild compared to other years. They do not say they are going to reject the bill, as a few times in the past we have had President who sent us through his Office of Management and Budget, that OMB would recommend the President to veto it.

This is not the kind of message we have received this year. But the President says in his investment program that the committee has provided sufficient funding for most of the administration's investment requests. Of course, there have been some disagreements, as there always are. This committee through the years has learned to learn of certain programs and certain projects that are beneficial and others that we felt through out personal investigation, going out and investigating, our staff investigation, actually site investigation, found that some of the programs have not been what we feel as high a priority as others, as much as the administration sometimes requested.

The administration also says, in the Corps of Engineers, as well as the Bureau of Reclamation, we have put some projects in that the administration did not request. But then again, we have listened to the Members, to mayors, to Governors, to legislators, to concerned citizens, about these projects, about the need for flood control, about the need of renovating, bringing port facilities up to date for the inland waterways, for certain dams and the gates and the transportation system. When we have to go through the system of transportation, some of the systems get worn out and outgrown, so we have had to make some modifications here that the President did not request.

The President also objected to the uranium enrichment facilities, that we believe will have to continue. We did provide for continuation of the investment in the uranium enrichment facility for the time being, because we realize we are still going to be producing uranium for the future and we are going to be needing nuclear reactors, both for defense as well as for civilian reactors to generate electricity.

In sum, Mr. Chairman, this is the most austere budget that in the years that I have been on, with the chairman, that we have come to the floor with. But every item in this budget we can defend and have defended. They are good programs, they are good projects, and they are worthy of your consideration and your vote. Your committee and the staff have worked hard for the last several months in developing this bill. It is right on the money.

So I hope that all of us can support this bill, that provides so much for the needs of the future of our country and for future generations.

Mr. Chairman, I reserve the balance of my time.

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to my good friend, the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Chairman, without a doubt, one of the most challenging tasks in my congressional career has been this year's service as a member of the Appropriations Energy and Water Development Subcommittee. It has been a challenge because of the number of highly meritorious projects that were proposed to the subcommittee in a year when its allocation was less than the previous year.

Difficult decisions had to be made, but today I stand before you confident that the bill under consideration is a well-balanced and bipartisan mix that does not favor any one region of the United States over another. It recognizes the need of this Nation to invest in the future through research to include the super collider, but I must emphasize—this is not just an SSC project bill. It is a big mistake to focus on a single project in this complex bill.

As an example, this bill provides for our Nation's water resources through the best utilization of the U.S. Army Corps of Engineers, the Bureau of Land Management, and the Department of Energy.

It addresses changing world politics by expanding our nuclear defense weapons activities into greater emphasis on the cleanup of past mistakes and development of alternative energy sources for our future.

It, too, recognizes the valuable contribution of our universities to the national research effort. The bill has a strong central thread of environmental restoration and protection running through it.

I must say, that it has been a pleasure to work with Chairman BEVILL, and ranking member JOHN MYERS who have exhibited outstanding leadership and guidance, on this complex task. While not all the projects have been funded that we would have liked to see, I believe it stretches taxpayer dollars to the fullest extent possible.

The bill is below the President's budget recommendation yet represents the Nation's priorities.

For that reason, I urge my colleagues to support this bill as a most reasonable step toward fiscal responsibility and a most sensible step toward a more productive future for America.

Mr. MYERS of Indiana. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. GALLO], whom I thank for carrying this bill last year. I necessarily had to leave the floor last year because of personal reasons, and I thank the gentleman very much for doing that last year, and I thank him as well for his hard work in putting this bill together this year.

Mr. GALLO. Mr. Chairman, I rise today in support of H.R. 2445 and its accompanying report making appropriations for energy and water development for fiscal year 1994 and I urge my colleagues to support the bill.

As a member of this subcommittee, I would like to thank Chairman BEVILL and ranking member JOHN MYERS for their leadership and direction. I would also like to thank the dedicated and capable staff of the subcommittee for their expertise and knowledge of these important issues.

This year the subcommittee had a difficult task balancing our Nation's energy and water needs. However, again this year the subcommittee was able to craft a bill that will continue to move this country toward energy efficiency and energy independence.

With this bill we have also made a significant long-term commitment to the development of new energy sources for our future needs. Often times we find it very difficult to look to the future for our energy needs. However, we must make the commitment now. We must provide the economic opportunities today. Without this investment we are dooming our future generations to a lower standard of living and less productive lives.

I believe this bill takes that necessary step. Within this bill we have funded programs that will make this country less dependent on foreign sources of energy. We have funded scientific research that will give us the edge and the capability to take this country into the 21st century. I am pleased that the committee increased the solar and renewable energy accounts from last year.

An important element of this year's bill is the money provided for magnetic fusion research. It is difficult to think of a more worthwhile Federal investment than research and development into future energy alternatives. Fusion holds the promise of an environmentally benign and safe source of energy and it is an investment that I am happy to support.

Fusion is an investment in our future—a future where the growing energy demands of the world are combining with the environmental consequences of relying on fossil fuels to make fusion a clean and necessary energy choice. It is important that we sustain our investment in fusion now so that U.S. industries can harness this technology for the rest of the world. My dream is that fusion machines of the next century are labeled "Made in the U.S.A." and that American companies will be in a position to capitalize on this important Federal investment.

I am particularly pleased that this bill contains funds for the Tokamak physics experiment [TPX] that will replace the country's largest fusion device at Princeton. We have not built a major fusion machine in this country since the 1970's and TPX is unique in world fusion efforts. TPX will contribute to ITER, and it will provide the central focus of the U.S. fusion program in the years ahead and will ensure that fusion talent and technology remains in the United States.

The committee also included funding for the super collider [SSC]. The super collider is an important scientific project for the United States to pursue. The SSC will be the most powerful accelerator of its type in the world and we cannot continue to have our heads buried in the sand when it comes to high-technology American research projects.

It is unfortunate that again the funding for this project is spread out. Every time we continue to spread out the funding for these important projects we raise the total cost for the project. We need to stand firm on our commitment so that cost can be kept down.

In addition, this bill also provides funding for a number of critical flood control projects throughout the United States. These important projects will help prevent property damage in areas with recognized flooding problems. It is even more important, however, that these projects move forward in order to save the countless lives lost to devastating floods. This bill provides the needed relief to those areas stricken each year by floods.

Preparing for our future needs is never easy, but H.R. 2445 provides the insight and programs that will make it a little easier. I urge the adoption of this important bill.

□ 1740

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to our friend and colleague, the gentleman from Arizona [Mr. PASTOR], another member of this panel.

Mr. PASTOR. Mr. Chairman, this has been quite an experience for me. This is the first time I have been a member of this particular subcommittee, the Subcommittee on Energy and Water Development of the Committee on Appropriations, and it has been a learning experience.

First of all, Mr. Chairman, I wanted to thank the chairman, the gentleman from Alabama [Mr. BEVILL] and the ranking member, the gentleman from Indiana [Mr. MYERS]. For someone who did not know the details of the committee, they provided us information, tender loving care, and helped us with this subcommittee, so I thank both these Members for being patient with us as we learned the workings of the subcommittee.

It was very interesting, because for me, I spent a number of weeks attending hearings in which the first hearing we had, I had a chance to see the Secretary of the Interior and old friend, Governor Babbitt. He came before us and gave us what he thought was needed through the Bureau of Reclamation. Through this committee hearing, we are going to provide many projects through the Bureau of Reclamation.

One of the things I personally learned through this experience is the extensive inland waterways that we have in this country, a system that provides transportation to many of our goods, agricultural products, to go from where they are grown or developed or manufactured to the ports and harbors where they are taken to foreign lands. It was an extensive impression that it gave me of this extensive inland waterway that we have.

This bill helps the development, it helps the maintenance and the operation of this inland waterway, which I learned how important it is to our country. Through the Corps of Engineers, through their testimony, we are helping Americans recover from disasters. We are also planning for the future, in that we are providing monies to protect Americans in this country from disasters and floods.

We not only deal with the present or past disasters, but we also look to the future to see how we are going to ensure that Americans will not be damaged in disasters, and especially in floods.

The other department that came before us was the Department of Energy. Here I learned how this department is now going to emphasize conservation, something that we have not done in the past 12 years. This department now is looking to how Americans can conserve the use of energy, which is very important, Mr. Chairman. They are also looking at alternative energy sources, solar energy, wind, thermal, so that we can ensure that we develop these renewable sources of energy so that we do not have to be dependent on fossil fuels.

The department also is going to convert our national labs, who in the past have dedicated their research to defense, to weapons, and this department now is going to work with these national labs to see how they can convert to nondefense research.

Mr. Chairman, I support this bill and urge my colleagues to support it.

Mr. MYERS of Indiana. Mr. Chairman, I yield 4 minutes to the gentleman from Kentucky [Mr. ROGERS]. The gentleman is not a new Member of Congress nor a new member of the Committee on Appropriations, but he is a new member of this subcommittee and was a great contributor to the bill we have before us today.

Mr. ROGERS. Mr. Chairman, I thank my colleague for yielding me this time.

Mr. Chairman, I rise in support, as well, of the energy and water development appropriations bill that is before us. At the outset I want to thank and congratulate our chairman, the gentleman from Alabama [Mr. BEVILL], and the ranking Republican on the subcommittee, the gentleman from Indiana [Mr. MYERS], for their work and their support in the interests of the Members of this body, and, consequently, the country in putting this bill together.

As the gentleman from Indiana [Mr. MYERS] has mentioned, I am one of the new members of the panel. I have only joined it this year, although I have served on the Committee on Appropriations now I think 10 years or so. Barely a handful of subcommittees in this body handle the variety of requests from our colleagues that this subcommittee does, I have learned, or on such a vital array of programs.

These two gentleman, whose collective experience and collective wisdom and judgment mean so much to this body, a real valuable asset, years and years of experience that these two Members of Congress have given to this subcommittee and to the country, is indeed a very valuable part of this institution.

Mr. Chairman, I want to say something about the staff work on this subcommittee. I have learned from my experience this year of the tremendous amount of experience this staff has, and the amount of attention to detail that they have devoted to this bill. I am sure this is only the last installment of that. We appreciate the work of the staff and the leaders of the committee.

For those in the country who read about gridlock in Congress, I would like to invite them to come and sit in on a meeting of the Subcommittee on Energy and Water Development of the Committee on Appropriations. It is a bipartisan operating committee. We differ on issues, but we do not differ personally, and we try to work together for the benefit of the country. That is a tribute, again, to the leadership, the chairman and the ranking member, who set such a good example for the rest of us.

Mr. Chairman, the bill before us continues, as has been mentioned, a number of programs and agencies that are truly vital to the country: The water resources work of the Corps of Engineers; the nuclear programs of the country, both civilian and military, on which our national security depends; research to ensure reliable energy for generations to come; and economic development programs that serve the particularly needy regions of the country.

In particular, as we all know, the Corps of Engineers is an enormously important water management agency within the Federal Government. We recognize the corps for its work to improve the navigation of our waterways, to provide water supply, to operate lakes for recreation and hydropower, and a number of other tasks.

In my part of the country, in eastern Kentucky, we rely on the corps for all those things, but first and foremost, we rely upon the corps to protect our communities from damaging flood waters, to make them safe places to live and to do business.

I am pleased, therefore, that under this bill the corps will be able to continue providing vital flood protection work in the communities in my region and throughout the country. The people of eastern Kentucky are just as entitled as those in other parts of the country to watch a dark cloud on the horizon without having to worry that it might be the one that sweeps away their home or business.

Mr. Chairman, I also want to commend the committee for including funds that continue the work of the Appalachian Regional Commission, helping needy areas of the country and the other Appalachian States in addition to Kentucky to help themselves.

□ 1750

The ARC is the helping and innovative hand without which many of our neediest would go underserved. By providing the budget request for the ARC, the bill continues to deliver clean water, better schooling and training, highways and other badly needed basic services to an impoverished region of the country.

Mr. Chairman, this is a very good bill, and it has been put together responsibly and conservatively, and I urge our colleagues to support it when the vote comes.

Mr. BEVILL. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Florida [Mrs. MEEK], who is also a member of this panel.

Mrs. MEEK. Mr. Chairman, I would like to address my remarks to all of the Members of the House, but most distinctly to Chairman BEVILL of our committee and to our ranking minority member, JOHN MYERS, who is a good friend and colleague. This is my first year on this panel and it has been most instructive. The staff has been supportive as well as having taken time to give us personal training and personal guidance in what we do on this committee. So it just has not been a haphazard process for the Committee on Energy and Water. It has been purposeful, it has been deliberate and well-guided in this process.

Certain goals were set and they were met. Certainly this could not have happened if it were not for the good leadership and the good staff. So that gives me a great privilege in my freshman year to be a part of this committee.

This particular bill, H.R. 2445, is a very good bill which each of us as policymakers are distinctly privileged to have a part in making this bill come to the floor today. Because of that we know that we are serving the needs of our country and we know that through this committee we will be serving the water needs of the country and we will be serving the energy needs and the many other needs. If there is one bill in this entire Congress that has a broad, eclectic approach for everyone, it is the Committee on Energy and Water's bill, and our committee has done that. There is something in it for everyone.

I am so happy to know that we are now on the forefront of research and development so our universities can point toward what is necessary for the 21st century, and this Congress has had the foresight to do that.

Certainly I take my hat off to the Corps of Engineers and their disaster control, and how they were the saving grace in south Florida when we were devastated by Hurricane Andrew. It is almost 1 year since that devastation, and if it were not for the U.S. Corps of Engineers, certainly Florida would not be in the position it is in today of recovering from that major disaster. This committee funds the U.S. Corps of Engineers, and I think it is a credible way of funding an agency such as that.

Also, the Department of Energy we see stepping out on the forefront of research and development, and the superconducting super collider came before our committee. We feel that that is a reach into the future, a reach into man being able to look into the future and see what is exactly needed in the area of medical research. How do we know but that one of our lives may be saved by the proton research therapy which comes about because of the superconducting super collider?

But all in all, we will go into the next century as a world leader because of this committee and because of the foresight it has. We have had cooperation and advice from all of these agencies, and we have taken a handle on the water situation in this country. If there has ever been a program or a committee that is nonpartisan and nonideological, it is this particular committee. And I thank the chairman of the subcommittee for giving me this opportunity.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN], one of the newest Members of the House who, although he is not on this subcommittee, came to us early on and started working with this committee.

Mr. PORTMAN. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise today to express my deep concern on that part of the legislation before us that reduces the administration's request for defense environmental restoration and waste management. I am 100 percent behind cutting Government waste, but we cannot take short cuts when dealing with nuclear waste. The Fernald plant located in my district and similar waste sites around the country where people live with the nightmare of nuclear byproducts deserve the full attention of this Congress and full funding for cleanup.

Fernald continues to receive national media attention because of the environmental disaster created by seepage of nuclear waste and the ensuing contamination of ground water and hundreds of acres of land. The careless disposal of waste has elevated health risks and threatened the drinking water of individual citizens and entire communities.

It was unfortunate when we learned a couple of months ago that funding for Fernald would be cut by the administration despite early indications that the cleanup would proceed as planned. It would be a serious setback if the cleanup in progress would now be forced to cut back even further.

The Fernald cleanup is being accomplished using a new vehicle—the Environmental Restoration Management Contract Program. The program offers a new way for the Government to do business—providing incentives for the private sector to complete its work in a timely and efficient manner. We were told this new approach would be the wave of the future—that it could mean that the days of huge cost overruns and years of delay could be over. This promising program, barely a year old, has not had a chance to succeed, and yet we are talking about the possibility of substantially reducing its funding.

In the case of Fernald, reduced funding now means over $1 billion in additional costs later. It means the loss of jobs—300 to 600 starting this October. It means that the citizens of my district must suffer longer with the fears of nuclear contamination. I hope that the issue of funding for this cleanup can be addressed in this legislation or in later actions.

Let us give this new approach being tried at Fernald that has so much promise a chance to succeed and let us give some hope to our citizens that this nightmare may soon be over.

Mr. BEVILL. Mr. Chairman, I yield 2 minutes to our colleague, the gentleman from Ohio [Mr. MANN].

Mr. MANN. Mr. Chairman, I thank the gentleman for yielding me the time, and I congratulate him on the great work that he has done in bringing this bill before us.

I would like to associate myself with the remarks of my friend, the gentleman from Ohio [Mr. PORTMAN].

Mr. Chairman, I too, rise today to express my deep reservation with a portion of the legislation before us, H.R. 2445. This measure, as recommended by the Appropriations Committee, cuts $280 million from the administration's request for Defense environmental restoration and waste management.

The Defense Environmental Restoration and Waste Management Program is critical to those communities that host a Department of Energy nuclear weapons facility. At the height of the cold war, these DOE sites were the front line of our strategic defense. Unfortunately, as a result, many such facilities have experienced significant hazardous contamination of soil, ground water, and surrounding structures. The Government clearly has a responsibility to remediate this impact as much as possible and as soon as possible.

While I note that this recommended appropriation is marginally higher than the fiscal year 1993 appropriation, I am concerned that cleanup efforts at these sites will continue to be postponed. I must point out that these expenditures are not indefinite. Unlike so many Government programs, this one is terminal and has an end in sight. However, the longer we deny adequate funding for the cleanup process, the longer we delay completion. The result is increased community fears and increased DOE costs.

Mr. Chairman, I am acutely aware of the size of this appropriation. However, we owe it to those people and communities that have dedicated so much to our national defense to provide them with a safe and healthy environment in which to live.

I support the administration's full request for Defense environmental restoration and waste management and oppose the $280 million reduction as recommended by the Appropriations Committee. Should we not restore the necessary funding in today's dispensation of H.R. 2445, I am hopeful that we may do so in subsequent action on this, or a similar, measure.

□ 1800

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON], who works with the committee.

Mr. GUNDERSON. Mr. Chairman, we all know that the appropriations subcommittees are facing very difficult choices this year, and I think the gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS] have done a commendable job in putting this bill together and getting it to the floor.

Mr. Chairman I especially want to commend the members of the Energy and Water Subcommittee and the full committee for the support which they have shown in this bill for the Environmental Management Program [EMP] on the upper Mississippi River. The program, which is now in its seventh year of funding, is proving to be not only a highly successful mechanism for fostering a comprehensive and cooperative approach to management of the interjurisdictional resources of the upper Mississippi, but a model for a much broader national program for the management of interjurisdictional river resources. This is a program that has worked and is working for the environment as well as for the people of the five-State upper Mississippi region. Chairman BEVILL and the subcommittee's ranking member, Mr. MYERS, deserve credit for the support they have shown the program.

In addition, I thank the committee on behalf of my constituents in the city of La Crosse, WI, for bringing us one step closer to resolution of a problem which has remained unsolved for too long. By specifically directing the Corps of Engineers to credit the city of La Crosse $1.4 million for the city's share of construction cost of the State road and Ebner Coulees project in the city, the committee directing the corps to do what it was authorized to do in the 1992 reauthorization of the Water Resources Development Act, and again urged to do in committee report language accompanying the fiscal year 1993 energy and water appropriation.

Again, Mr. Chairman, I commend the bipartisan leadership of the Energy and Water Subcommittee for bringing a very good bill to the floor in a very difficult budgetary environment, and I urge all the Members to give it their support.

Mr. BEVILL. Mr. Chairman, I yield 1 minute to our friend and colleague, the gentleman from Oregon [Mr. KOPETSKI].

Mr. KOPETSKI. Mr. Chairman, I would like to engage in a colloquy with the chairman of the subcommittee.

Mr. Chairman, I would like to take this opportunity to discuss the nuclear weapons research, development, and testing accounts. First, let me begin by acknowledging the committee has reduced the budget request for these accounts by over $100 million. Further, the appropriation containing these accounts is $198 million less than the fiscal year 1993 funding level. I support these cuts and applaud the work of the Energy and Water Development Appropriations Subcommittee.

However, I wish to point out the administration has not submitted the report on nuclear weapons testing as required by law contained within last year's Energy and Water Development Appropriations Act, Public Law 102-377. This report was due March 1, 1993.

Additionally, Mr. Chairman, as you know, these programs have not been authorized. When the House considers the Defense authorization bill later this summer, the House may make additional changes in the research, development, and testing funding levels. With this in mind, will the chairman agree to support the position of the House in these areas in conference committee with the Senate?

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. KOPETSKI. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, yes, I will support the House position during conference.

Mr. KOPETSKI. I thank the subcommittee chairman. I look forward to working with him and his staff as this legislation progresses.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there have been a lot of nice words said about the staff and some of the members on this committee, and we all thank you for those nice accolades that you said. I hope they are worthy of the investment.

But I want to close by saying that this is an austere committee bill this year. There were some requests that some of the Members of Congress have made and some of the Governors have made and others have made for funds and programs that the committee just could not find the money to fund this year. Most of the programs sometime hopefully in the future will be funded, but we just could not have the money this year.

In closing, I also want to talk about the SSC, which will be under consideration tomorrow. We may not have time for all to speak on the SSC. This committee has always funded the SSC, has always believed in it.

It is true you can be critical of the SSC, because it is the most sophisticated, the most advanced system for research that this country has ever, ever attempted.

We do not know for sure. We know that it is going to explore matter. We know that there are elements now that we are not sure about, the putting steel together and some of the other chemicals, some of the things that we put together in equipment, and such as fabrics, and we do not know how they are put together, and we do not know how they will wear, or if they will wear longer, so if this country is going to be on the leading edge and we are going to have the research for the next century, we are going to have to advance programs like the SSC.

As has been mentioned by the gentlewoman from Florida [Mrs. MEEK], cancer is growing in this country, and one of the side things that we did not even think about when the SSC came up for discussion was the fact that we could take out of this linear accelerator some beams, proton beams, divert them away, and not interfere with the other experimentation, and be one of the vital new treatments that we have considered in advanced proton treatment of advanced cancer such as tumors of the brain and deep tumors in the body that are hard to reach with normal x-ray or gamma radiation. So we can take some of these protons off and use them for treatment of cancer.

We have already had three reactors working in Loma Linda, CA, treating eye tumors and other deep tumors, so this is a side benefit we did not anticipate when this first was being considered.

But we think that this is an opportunity here with the SSC, advancing out and exploring a whole new area that has not been explored in the past.

At Fermi Lab outside of Chicago, we have, of course, two rings of reactors there. We have learned great things there about the conduct of electricity. We have learned to make better magnets that we use in many, many types of equipment in the country today.

This is a great opportunity that we will have in the SSC if we bring it on line.

Mr. Chairman, I reserve the balance of my time.

Mr. BEVILL. Mr. Chairman, I yield the balance of our time, 4½ minutes, to our friend and colleague, the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Chairman, I want to take a few moments to respond to some things that have been said in the press in the last couple of days about the supercollider. We have had one of the more outrageous things that I have seen in the time that I have been in Congress, and my friend, the gentleman from New York, mentioned the release of an inspector general report.

The report was not released, and it was not a final report. This was the leaking to the press in an unofficial way of a work-in-progress document that is still being commented on internally in the Department of Energy.

Now, you are going to hear a lot of discussion about this IG report in the next couple of days, so I would just like to take a moment or two to talk about what was in that document, what was not in that document, and that it is not a final document and it was not released, it was leaked by critics of the program.

The release of the draft inspector general report on the allowability and propriety of subcontractor expenditures at the SSC has led to criticisms of as much as $216 million of expenditures by the laboratory. Although the report has not yet been officially issued, and although its findings are labeled as tentative, it seems appropriate, in light of the premature release of the report, to respond to some of its alleged findings and conclusions. It must be emphasized that although some public portrayals of the report claim or imply that the $216 million has been wasted, the draft report makes no such claim; rather it suggests problems in the manner in which those expenditures were accounted for and controlled.

The draft report apparently focuses on three particular issues: expenditures at other national laboratories, cost growth in reimbursable contracts, and use of management allowance funds.

Expenditures at other national laboratories: Of the $216 million in expenditures that the draft IG report finds reason to question, $156 million is for work done at other national laboratories in support of the SSC. The IG report apparently states that the SSC Laboratory did not select the other laboratories on a competitive basis and that this resulted in inadequate control and accountability for funds and equipment. Quite apart from the fact that Fermilab, Brookhaven National Laboratory, and Lawrence Berkeley Laboratory were the only places in the United States that possessed both the experience and the facilities necessary to carry out the first stages of the superconducting magnet development program, it is worth noting that the involvement of those laboratories has resulted in a remarkably successful technology development program.

The SSC Laboratory has taken advantage of the unique capabilities in both personnel and equipment available at other national laboratories in order to carry out basic research and development in support of the project. This led to construction of superconducting dipole magnets at Fermilab and Brookhaven and of a superconducting quadrupole magnet at Lawrence Berkeley Laboratory. The completion of the accelerator system string test 6 weeks ahead of schedule is a direct result of the successful collaboration between the SSC Laboratory and the other national laboratories. In general, as soon as the basic research and development on collider systems has been completed, the SSC Laboratory has proceeded to transfer the technology to private industrial firms for the production of those systems.

The use of memorandum purchase orders to obtain work from other national laboratories was reviewed and authorized by the Department of Energy.

Cost growth in reimbursable contracts: The IG questions the use of cost reimbursable contracts even though contracts for major procurements such as those for engineering and construction management services and for development and production of magnets, were placed in accordance with DOE policies and were specifically approved by the DOE.

When initially issued, some of these contracts called for a more restrictive scope of work than was ultimately required. As the scope of the contracts was increased, the total funding increased accordingly, as did the amount of work performed by the contractor. The IG has apparently categorized increases in these contracts, all of which were formally reviewed and approved by the Department of Energy, as uncontrollable growth. To the contrary, the increases have been carefully controlled and, in fact, the ultimate cost of the contracts under consideration is expected to be within the funds budgeted for the activities performed by the contractors.

Use of management allowance funds: The Super Collider Laboratory is run by a nonprofit organization, Universities Research Association, Inc. [URA], which receives no overhead or fee for operating the laboratory. In order to fund expenses that are not directly chargeable to the super collider contract, the DOE, in accordance with its longstanding policy, provides a management allowance to URA. The management allowance for the SSC was about $1.1 million, 0.2 percent of total expenses, for the fiscal year ending September 30, 1992. The management allowance was used to pay for the salaries and expenses of URA's corporate offices and personnel. In addition, it included $264,000 for discretionary expenses of the laboratory director. The largest expense in this category was about $143,000 for meetings, travel expenses, and hospitality, mostly for the many experts from around the world who visit the laboratory regularly—unpaid—to advise and assist the project. The discretionary allowance also provided $66,000 for employee morale activities, examples of which include partial support of a holiday party and maintenance of plants in common areas of laboratory buildings. The laboratory believes that past expenditures have been reasonable and prudent.

Although, as noted here, some of the issues raised by the draft IG report do not constitute valid criticisms of laboratory practices, the report apparently does include a number of useful recommendations and suggestions. When the report is officially issued, the laboratory will carefully review it and fully expects to implement many of the suggestions.

□ 1810

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. I thank the gentleman and appreciate the Chair's indulgence.

Mr. Chairman, let me be perfectly clear: The gentleman from Alabama, [Mr. BEVILL] and the gentleman from Indiana, [Mr. MYERS], have brought to the floor a good bill. We are not surprised that they have brought forward a good bill; that is what we are used to from Chairman BEVILL and Mr. MYERS.

The only problem with it, as I see it, is the provision relating to the superconducting super collider.

I expect the vote tomorrow of the full House to speak to that issue, and then we can all enthusiastically support this fine piece of legislation.

But I think, Mr. Chairman, we should all be aware of the headlines which make it easier to dissolve the SSC cult.

For now, let me just cite a few of the most telling examples. The General Accounting Office new estimates that the SSC will cost a minimum of $11 billion to build, an increase of almost $3 billion over last year's figure. Keep in mind the steady progression; it started out in 1985 at $4.4 billion and then it went to $5.2 billion, then it went to $5.9 billion, and then it went to $8.2 billion.

Now, the General Accounting Office tells us—and it is yet to be more than 17 percent complete—that the projected cost is in excess of $11 billion. So we are talking about 200 percent over the original projection.

Item: The Department of Energy inspector general reports that the SSC managers juggled the books to make it look like they were exceeding their goals for minority contracting, when actually they failed to meet them. And it is very important to note that the Department of Energy accepts these findings.

Item: The Secretary of Energy, who appeared before our Science Committee in her maiden appearance on Capitol Hill, she said at that time that she has no passion for this project—and I can understand why. The Secretary of Energy, echoing her predecessor, acknowledges that foreign contributions for the collider are unlikely to exceed $400 million, considerably less than project supporters have repeatedly promised.

Now keep in mind that this House, by a substantial, overwhelming bipartisan vote 2 years ago, addressed this issue, and we said a minimum 20 percent foreign contribution would be required to go forward. That minimum 20 percent foreign contribution has not been forthcoming.

Item: The latest inspector general's report accuses SSC managers of imprudent spending, a lack of cost controls, which is a recurring lament, and worst of all, a deliberate effort to thwart auditors.

There are going to be some people during this debate who would address the nickels and dimes and suggest that, "Oh, they had a Christmas party for their employees. What is wrong with that?" I am not offended by that. What I am offended by is a project that is billions of dollars in cost overruns.

In short, while the superconducting super collider managers have not yet reached the level of arrogance and self-indulgence and secrecy and undependability exhibited by Rasputin's patron, the czar, they are getting there.

Let us topple this regime, let us put the project to bed and go on with higher priority assignments.

I thank the gentleman from Indiana for yielding to me and thank the Chair for its indulgence.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding. I agree with the Comments of the gentleman from New York [Mr. BOEHLERT] regarding the superconducting super-collider, but I do rise in support of H.R. 2445.

Mr. Chairman, this Member would begin by expressing commendations to the distinguished gentleman from Alabama [Mr. BEVILL], the chairman of the subcommittee, and the distinguished gentleman from Indiana [Mr. MYERS], the ranking member of the subcommittee for their exceptional work in bringing this bill to the floor.

Mr. Chairman, the 1994 energy and water development appropriations bill for fiscal year 1994 includes funding for several related water projects that are important to Nebraska.

Importantly, the bill provides funding for two Missouri River projects which are designed to remedy problems of erosion, loss of fish and wildlife habitat, and sedimentation. First, the bill provides $11.8 million for the Missouri River mitigation project. This funding is needed to restore fish and wildlife habitat lost due to the federally sponsored channelization and stabilization projects of the Missouri River during the Pick-Sloan era. The islands, wetlands, and flat floodplains needed to support the wildlife and waterfowl that once lived along the river are gone. An estimated 475,000 acres of habitat in Iowa, Nebraska, Missouri, and Kansas have been lost. Today's fishery resources are estimated to be only one-fifth of those which existed in predevelopment days.

Second, the bill provides $200,000 for operation and maintenance and $74,000 for construction of the Missouri National Recreation River project. This project addresses a serious problem in protecting the river banks from the extraordinary and excessive erosion rates caused by the sporadic and varying releases from the Gavins Point Dam. These erosion rates are a result of previous work on the river by the Federal Government.

In addition, the bill provides funding for the continuation of studies important to residents of Nebraska's First Congressional District. It provides continued funding for a floodplain study of Antelope Creek which runs through the heart of Nebraska's capital city, Lincoln, and it enables the completion of a flood control benefit study of the Burt Water Drainage District in Burt and Washington Counties.

Finally, Mr. Chairman, this Member recognizes that the bill also provides operation and maintenance funding for the Missouri River Water Control Manual as well as funding for Army Corps and Bureau of Reclamation projects in Nebraska's other two congressional districts at the following sites: Wood River; Papillion Creek and Tributaries Lakes; Gavins Point Dam, and Lewis and Clark Lake, in First and Third Congressional Districts; Harlan County Lake; Salt Creek and Tributaries; Prairie Bend and North Loup Division.

Again Mr. Chairman, this Member commends the distinguished gentleman from Alabama [Mr. BEVILL], the chairman of the subcommittee, and the distinguished gentleman from Indiana [Mr. MYERS], the ranking member of the subcommittee and all the members of the subcommittee for their continued support of these projects which are important to Nebraska and the First Congressional District, as well as to the people living in the Missouri River Basin.

Mr. BOEHLERT. I appreciate those remarks because this is a very good bill coming from the gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS], the ranking member; a very good bill worked out in a bipartisan fashion. That is no surprise to any of us who have served in this institution year after year. We have come to expect that quality of legislation from Chairman BEVILL and Mr. MYERS.

Mr. MYERS of Indiana. Mr. Chairman, I yield the balance of our time to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. I am very pleased, Mr. Chairman, to conclude this general debate. I stand in strong support not only of the legislation authored by the gentleman from Alabama [Mr. BEVILL] and the ranking minority member, the gentleman from Indiana [Mr. MYERS], but also in support of the superconducting super collider.

Mr. Chairman, this is a committee that has been, I think, burdened by a number of increasing demands on it but has yearly come through with a balanced bill that not only meets the Congress's need to tighten funding but does so in a way that allows significant scientific research projects to go forward.

I particularly want to focus on the fact that this is a bill that is below, in budget authority and in outlays, the 1993 appropriation and is a strong statement from this administration about its priorities as well. We have certainly heard a lot on the floor today on the SSC in that regard.

This is an Administration that believes looking into the inner aspects of matter, determining what really caused the creation of Earth and all of the atmosphere around it is just as important as exploring the stratosphere, exploring outer space.

Therefore, I strongly back not only what is in this bill in the general sense for the good of the country, but also for its particular focus on western water needs.

Mr. Chairman, I rise in strong support of the bill H.R. 2445, the bill providing for energy and water development appropriations for fiscal year 1994. This is a fiscally responsible bill and a balanced bill, and I urge my colleagues to support it.

Mr. Chairman, this bill is $285.5 million less than the President's budget request, $63.8 million below the amount approved by Congress in the budget resolution and $126.4 million below the amount appropriated for fiscal year 1993.

Mr. Chairman, for those Members who are interested in reductions in spending over last year's level, I would like to highlight just a few of the key areas where the committee made substantial reductions.

At the same time that the committee made very substantial reductions in a variety of areas, the committee has been able to provide significant additional support for the scientific infrastructure of the country, increase support for renewable energy technologies, and increase support for key water supply and flood control projects throughout the country.

In California alone, the bill provides support for hundreds of projects from flood control to water supply to fishery and natural resource protection.

Mr. Chairman, I would just point in particular that the bill provides the first year of funding to implement the CVP Improvement Act. This provision will yield an estimated $45 million in fiscal year 1994 for improvements in the operation of the CVP to reduce the project's impact on fish and wildlife and at the same time provide a more secure water supply to the farms and cities that depend so critically on this project.

I appreciate the committee's willingness to work with me on this and other problems facing our very diverse State.

The bill also continues the Corps of Engineers leadership in wetlands development as well as its more traditional missions.

And, the bill—through its support for the SSC, general science, and other nuclear and high-energy physics research—will also help maintain our Nation's position as a world leader in science and technology.

Mr. Chairman, I thank Mr. BEVILL and Mr. MYERS for their cooperation and support, and their sensitivity to the many water development and energy-related problems facing the Nation. I urge my colleagues to support the bill.

Mr. HUGHES. Mr. Chairman, I rise in support of H.R. 2445, the fiscal 1994 energy and water development appropriations bill.

I wish to commend subcommittee Chairman BOB BEVILL and ranking member JOHN MYERS for their efforts in crafting this legislation. They did a superb job under very difficult circumstances.

I am delighted that they were able to bring this legislation in some $126 million below last year's funding level, and some $285 million less than the President's request.

This legislation assures that adequate funding will be available for our Nation's highest priority energy and water development projects, and is at the same time fiscally responsible. That is a winning combination which I hope will set the standard for all appropriations bills this year.

The energy and water development bill gets right to the heart of our efforts to rebuild our infrastructure and strengthen our Nation's economy.

The hundreds of projects nationwide which are funded under this bill create jobs, generate tax revenues, enhance the environment, and strengthen the very foundation of our economy.

These projects serve far more than just the parochial interests of the States or communities which sponsor them. They also help to fuel our Nation's economic engine. Putting people back to work, and enlarging our economic pie, is a far better way to reduce the budget deficit than raising taxes.

I am very pleased that the legislation provides funding for seven important navigation and beach-erosion-control projects in my district in southern New Jersey. All of these projects are intended to enhance our multibillion-dollar tourism, boating, and commercial shipping industries, which are a major source of jobs in our region.

These projects include: Maintenance dredging along the Intracoastal Waterway and Cold Spring Inlet; deepening of the Salem River; and the continuation of studies which are aimed at developing low-cost, comprehensive navigation and beach erosion control projects along Brigantine Inlet, Towsends Inlet, Cape May Point, and the Delaware Bay coastline.

I am especially pleased that the committee voted to combine the Cape May Point project with the ongoing flood control survey along the Lower Cape Meadows. This will enable us to cut costs and expedite the completion of this work.

I wish we could do even more to support energy and water development projects around our country. Unfortunately, I understand the realities of our budget crisis, and the need to defer funding for those projects which are not critical.

That is one of the major reasons for my vote for the Slattery-Boehlert amendment, which would terminate all funding for the superconducting super collider project. While I understand the potential scientific benefits of this project, I just don't think we can justify the $11 billion price tag at this time.

In this difficult fiscal climate, it would be more prudent to use those funds for deficit reduction than to continue work on the superconducting super collider.

I urge a yes vote on the Slattery-Boehlert amendment and a yes vote on H.R. 2445, the energy and water development appropriations bill.

The CHAIRMAN. All time has expired.

Mr. BEVILL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose, and the Speaker pro tempore [Mr. HASTINGS] having assumed the chair, Mr. HUGHES, Chairman of the Committee of the Whole House on the State of the Union, reportd that that Committee having had under consideration the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes, had come to no resolution thereon.

☐ 1820

RESIGNATION AS TEMPORARY MEMBER OF COMMITTEE ON NATURAL RESOURCES

The Speaker pro tempore (Mr. HASTINGS) laid before the House the following resignation as a temporary member of the Committee on Natural Resources:

HOUSE OF REPRESENTATIVES,
Washington, DC, June 18, 1993.

Hon. TOM FOLEY,
Chairman, Democratic Steering and Policy Committee, Washington, DC.

DEAR MR. SPEAKER: This letter is to notify you of my intention to resign my position as a temporary member of the House Committee on Natural Resources effective immediately.

I have been very appreciative of the opportunity provided me by the Members of the Steering and Policy Committee to serve on this important body. Thank you very much.

Sincerely,
HOWARD L. BERMAN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

THE SPACE STATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama [Mr. BACHUS] is recognized for 5 minutes.

Mr. BACHUS of Alabama. Mr. Speaker, I rise today in support of final passage of the reauthorization of NASA and the space station.

In doing so, I ask you to reflect today on the advice of two of our former Presidents from opposing political parties. They served our country at uniquely different times in our Nation's history. Yet both made the critical decision to fund the Space Program not for its certainty, but for its uncertainty.

We do not know what our investment in NASA and the space station will achieve in the next 30 years, just as we did not know what our investment would achieve in 1961. That year, President John F. Kennedy appealed to this body to spend an unprecedented $7–$9 billion over 5 years to send a man to the Moon, and to do so during the height of the cold war.

He said in his address,

> Now it is time to take longer strides—time for a great new American enterprise—time for this nation to take a clearly leading role in space achievement, which in many ways may hold the key to our future on earth.

Who, in 1961, could have predicted many of the historic events of our lifetimes? The eradication of smallpox, the rapid spread of AIDS, the fall of the Iron Curtain, the development of personal computers and other electronic devices, organ transplants and medical technology advances such as laser surgery, and sending a man to the Moon and then beyond.

Freeman Dyson, an author and scientist, eloquently expresses my thoughts and hopes,

> The big jumps ahead are taken by people who disregard the conventional wisdom and do something unexpected. The big jumps are unpredictable. And the same unpredictability reigns also in economics and international politics.

The value of the unpredictable spinoffs from space exploration are immeasurable. Among these are the heart monitor, pollution control devices, athletic shoes, smoke detectors, sunglass lens, solar hot water heaters, fire resistant materials, sewage treatment, magnetic resonance imaging, and breast cancer detection.

Who would have predicted these advances and, more importantly, who would suggest we do without them?

This vote is not an easy one in light of our budget deficit, just as it was not easy for President John F. Kennedy in 1961, at the height of the cold war, or for President Ronald Reagan in 1986, after the death of the *Challenger*'s crew. I remember their decisions vividly. I have a sense of what they must have felt then.

A feeling of uncertainty, yet hope. A genuine gratitude for the sacrifices of those in the Space Program who journeyed before us. And, as evidenced by the courageous decisions of Presidents Kennedy and Reagan, a sense of dedication and resolve. A commitment to look forward, to proceed, and to succeed.

As President Reagan said only hours after the death of our *Challenger* astronauts, an event which could have been the end of space exploration and advances, "It's all part of the process of exploration and discovery. It's all part of taking a chance and expanding man's horizons."

Looking back, I could list for you hundreds of products and scientific advances which resulted from the Space Program over the past 30 years. Looking forward, I cannot see future advances with the same clarity, but I know they are there and I know we owe it to future generations to continue this investment in the future. As President Reagan said, "The future doesn't belong to the fainthearted; it belongs to the brave. The *Challenger* crew was pulling us into the future, and we'll continue to follow them." Therefore, in conclusion, my fellow Members, I urge you to join me in this journey by supporting the NASA reauthorization and the space station.

ACCESS AND EFFICIENCY: REBUILDING OUR ESSENTIAL HEALTH CARE FACILITIES

The SPEAKER pro tempore. Under a previous order of the House the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, today I and several of my colleagues are introducing the Essential Health Facilities Investment Act of 1993. This legislation would provide assistance for the capital needs of safety net facilities, support State review of capital expenditures, and expand Federal efforts to facilitate development of health care provider networks. These initiatives are targeted to expand the availability of health care services—basic primary care service and advanced medical procedures—to residents in all the neighborhoods and communities of America.

Much attention has been given over the past several years to the crumbling infrastructure of our Nation's highways and bridges. These are areas requiring greater Government attention. But just as we need to invest resources in ensuring that our roads are maintained, we must also ensure that our health care safety net does not tear apart. The care of our Nation's uninsured falls to these facilities.

In addition to the emergency care services provided, the safety net facilities—those public and not-for-profit hospitals and clinics which serve a disproportionate share of uninsured and low-income patients—provide tremendous volumes of outpatient and primary care. These facilities provide the only source of health care for many uninsured and insured low-income residents. In effect, they have become the family doctor for many in our country.

Many of our safety net facilities have been the victims of chronic under-investment. As such, these hospitals and clinics face a capital infrastructure crisis, and this crisis continues to worsen. Buildings and equipment have been allowed to deteriorate—putting in jeopardy the delivery of quality health care services to large portions of our population. A renewed investment in these facilities is warranted and required as these safety net facilities will continue to play an essential role in our Nation's health system even as we work to extend health insurance coverage to all in our country.

OUTLINE OF THE ESSENTIAL HEALTH FACILITIES INVESTMENT ACT

In title I of this legislation, Medicare's Essential Access Community Hospital Program

[EACH] would be expanded to all States and a new urban Essential Community Provider Program [ECP] would be initiated. A new designation of essential community provider would be established. Funding would be provided for the creating of hospital and community health clinic networks that improve the organization, delivery and access to preventive, primary, and acute care service for underserved populations.

In title II, financial assistance for capital needs would be provided by the Secretary of the Department of Health and Human Services to safety net facilities which serve a disproportionate share of uninsured and low-income patients.

In title III, financial and technical assistance would be provided to States engaged in the review of capital expenditures for health care facilities and high-technology equipment. The reviews would be designed to ensure that the health care needs of all the states' residents are met and that consideration to the availability of alternative, less costly or more effective means of providing services would be sought prior to additional capital expansions.

REBUILDING THE SAFETY NET INFRASTRUCTURE

The provision of high-quality health care services requires that the provider institutions be healthy, vibrant entities. Today, many of the safety net providers have seriously deteriorated physical plants and out-dated equipment. A couple of quick facts. The average age of the physical plant of urban, public hospitals is nearly 26 years, compared to a national average for all hospitals of 7 years. The average capital expenditure for urban hospitals is $12,600 per bed, compared to a national average expenditure per bed for all hospitals of $23,500. The capital ratio for these public facilities is 5.3 percent, compared to a capital ratio of 11 percent for private hospitals.

A national survey of the Nation's safety net hospitals found that a lack of available hospital beds is resulting in serious overcrowding. Hospital corridors surrounding emergency rooms have begun to resemble triage units at the height of a military battle. In 1 month, 50 percent of the hospitals in the three most severely impacted areas, Los Angeles, Detroit, and New York, were forced to restrict emergency department access over 25 percent of the time.

The extreme deterioration of so many of the safety net facilities requires that the Federal Government assist in their rejuvenation. The Essential Health Facilities Investment Act calls for the creation of a capital financing trust fund to assist with the capital needs of these safety net facilities.

It is valuable to remember that while these safety net facilities provide the only access point for many poor and uninsured individuals, the specialty care services provided at these facilities are used by everyone in the community. Burn and neonatal units, trauma care centers, and other highly specialized services are often located only at the safety net hospital. It is a simple fact that all members of a community benefit from well-maintained safety net facilities.

Health care institutions serving high numbers of indigent patients have long encountered barriers to obtaining and repaying necessary capital financing. The high proportion of services provided to low-income patients often leads to operating margins too low to support debt service at market rates. Even when revenue bonds may be supported by local revenues, oftentimes the bond ratings are too low, and thus the interest rate too high, to be feasible. These ratings often have little to do with the ability of hospital administrators to manage their facilities well. It is more often the case that market analysts consider the local appropriations that sustain these facilities too uncertain. As such, the facility is simply prohibited from securing the needed capital.

For the facilities with the greatest demand placed upon them in our inner-city and rural areas, the traditional method of financing—Federal funding—is no longer available. Many of these facilities were originally built with grants or loans under the Hill-Burton Program. These funds have not been available for years. With a lack of Federal moneys available to repair and rebuild these facilities, and the strain on the resources of local governments, the result has been that the capital needs of safety net facilities have gone unmet.

This legislation does not propose that the Federal Government take on a massive rebuilding program commensurate with the Hill-Burton Program. Nor does it propose that the Federal Government take sole responsibility to solve this problem. However, this legislation is designed to support State and local efforts—to work in partnership with State and local governments—to upgrade the capacity of these facilities. In drafting this bill, we recognized that the Federal Government has limited resources it can tap for this purpose. Therefore to fund this program, a 0.5 percent, one-half of 1 percent, tax would be levied against the gross revenues of all hospitals. Hospital revenues received from Medicaid would not be subject to the tax.

Revenue from this relatively modest tax would be used by those inner-city and rural facilities across America with the greatest need for assistance. Eligible facilities would be those designated as essential access community hospitals, rural primary care hospitals, large urban hospitals qualifying for maximum Medicare disproportionate share payments, and hospitals or federally qualified health clinics that are members of community health networks.

Assistance from the capital financing trust fund would be provided in the form of loan guarantees, interest rate subsidies, direct matching loans, and in cases of urgent life and safety needs, direct grants. The Federal assistance would be used to leverage State and local government and private sector financing. Repayment would be made back to the trust fund.

For fiscal years 1995 through 1999, $995 million will be made available each year through the capital financing trust fund for these safety net facilities.

With relatively limited resources available through this legislation and elsewhere to meet the tremendous health facility infrastructure needs across the Nation, decisions to finance the reconstruction, replacement or acquisition of facilities and equipment must be made only after first considering whether existing service capacities could be tapped to meet the needs of the underserved more efficiently. The next section of this bill is designed to ensure that the capital expenditure decisions supported by this legislation are considered within the context of the entire community's needs and capacities.

MAXIMIZING CAPITAL RESOURCES

As discussed above, many communities, particularly those in rural and inner-city areas, lack the facilities and equipment to adequately meet the needs of their residents. Yet, problems with an oversupply of capital resources also characterize our health care system. One area of oversupply is with hospital beds. In 1981, occupancy rates in community hospitals averaged 76 percent nationally. The average dropped to 66.1 percent by 1991. Redundancies in high-technology equipment and services exist as well. An effective remedy to the issue of capital allocation must be able to deal with both the flood and the famine of facilities and equipment.

This legislation would do just that. It would mandate that each State establish a system to require prior approval of capital expenditures for new, or significantly modified beds or services in excess of $1 million. Federal financial assistance would be provided to States for conducting this approval process. If the State did not create such a system, Medicare would not reimburse hospitals in the State for their capital expenditures.

Some may question whether this is a punitive approach, requiring States to perform a federally mandated function or suffer a loss in resources. We do not believe this is the case. Under this proposal, 75 percent of the cost of carrying out the capital reviews will be covered by the Federal Government. For the 39 States currently conducting some sort of capital review process, the Federal funds will enable them to expand their efforts. In the remainder of the States, individuals, and businesses will benefit from the elimination of costs associated with excess capacity.

Two specific examples highlight the tremendous redundancies, and potential savings, that currently exist in the health care sector.

Redundancies of hospital facilities and services are well known. The case of dueling hospitals in Kalamazoo, MI, provides a classic example. In Kalamazoo, a metropolitan area of 200,000, there are two hospitals with two maternity wards, two heart programs, two state-of-the-art emergency rooms, and two radiology services. To top it off, the two hospitals each developed their own helicopter ambulance service. Case after case in city after city across the country can be cited that, while they may not be as extreme as this, mirror the experience in Kalamazoo. Whether anecdotally or in the aggregate, these examples provide strong evidence of the need for more coordinated allocation decisions.

A second example highlights not only the wasted resources resulting from excess capacity but also the threat to the quality of care provided. California currently has 119 separate cardiovascular surgery programs. Twenty-five of these were added after the State abandoned its certificate-of-need [CON] program. One might inquire that while the post-CON expansion was great, was it excessive? A clear answer to this question is provided by a quick comparison of Canada and the former West

Germany with the United States. The United States has twice as many open-heart surgical units per million persons as does Canada and nearly five times as many as West Germany. And the ratio in California? It exceeds the national average. The startup costs for each of these programs are between $6 and $13 million. Annual operating costs average $7 to $10 million at each location. For each open-heart surgery center that is not needed and not created, millions of dollars can be saved each year.

If we move from a consideration of cost to one of quality, this excess capacity can be considered to be even more detrimental. For example, applying the guidelines endorsed by the American Hospital Association and the American College of Cardiologists, 35 percent of the open-heart surgery centers in California perform less than the minimum number of procedures require to achieve an acceptable level of competence and quality.

Another important component of the capital reviews provided in this legislation is their relation to antitrust laws. Quite a bit of debate and legal expense have been expended on the question of antitrust enforcement in the health care sector. This legislation provides much needed clarity as to Federal intent.

The creation of a capital review process by a State—one that meets the criteria described in the Essential Health Facilities Investment Act—would satisfy the requirements for a State to employ the State action immunity doctrine pertaining to Federal antitrust enforcement. As such, implementation of a capital review process would be considered affirmative State policy in this regard and would be considered to provide ongoing, active State supervision as required. The effect of this would be to provide an exemption from Federal antitrust enforcement for those projects approved under the state expenditure review process.

EXPANDING THE EACH PROGRAM

A third provision of this legislation is designed to facilitate the organization, delivery, and access to primary, preventive and acute care services for medically underserved populations by fostering networks of essential community providers.

The Essential Access Community Hospital Program was enacted in 1989. This Medicare initiative provides a unique Federal/State partnership to assure the availability of primary care, emergency services, and limited acute inpatient services in rural areas. The EACH Program was created to maximize resources available to rural residents by establishing regional networks of full-service hospitals [EACH's] connected to limited-service rural primary care hospitals [RPCH's]. Since 1981, over $17 million has been awarded in the seven participating states.

In a recent assessment by the Alpha Center, the strengths of the EACH Program were clearly articulated. Their March 1993 report stated, "The EACH Program has released an enormous amount of creative energy focused on the development of regional networks that link health care providers in remote areas with those in more densely populated communities."

A letter from the project directors of the seven EACH States contained the following comment, "We believe the EACH concept is an alternative of value * * * and will assist policymakers, regulators and changemakers in the long process of refocusing rural health care delivery." I am confident that the EACH Program provides a framework for greatly improving the quality and efficiency of primary care, emergency services, and acute inpatient services in rural areas across the country. Because of this, this legislation would extend the EACH Program to all States.

In addition, creating a new urban Essential Community Provider Program would carry the network concept to our Nation's inner cities. While different from the rural EACH Program, the urban ECP Program would concentrate on networking hospitals with primary care service centers, particularly federally qualified health centers. In addition, ECP networks could combine with rural networks.

A February 1993 report by the General Accounting Office found that "more than 40 percent of emergency department patients had illnesses or injuries categorized as nonurgent conditions." The growth in the number of patients with nonurgent conditions visiting emergency departments is greatest among patients with little or no health insurance coverage—exactly those populations served by essential community providers. Networks of essential community provider hospitals and clinics will help steer clients to more appropriate clinical settings and, as a result, maximize the resources available in both emergency and nonemergency settings.

The concept of inner-city provider networks designed to ease access and improve continuity of care is not new. Initiatives are currently being pursued in urban areas across this country to do just that. This legislation would boost these efforts through critical financial and structured technical assistance.

Funding under the ECP program would be available for the expansion of primary care sites, development of information, billing and reporting systems, planning and needs assessment, and health promotion outreach to underserved populations in the service area. Facilities eligible to participate in the ECP networks—those designated as "essential community providers"—include certain Medicare disproportionate share hospitals, rural primary care hospitals, essential access community hospitals, and federally qualified health centers [FQHCs] or those clinics which otherwise fulfill the requirements for FQHC status except for board membership requirements.

In order to facilitate the integration of hospitals and clinics into these community health networks, physicians at network clinic sites would be provided admitting privileges at network hospitals. As well, the placement of residents at network-affiliated FQHCs would be counted in the total number of residency positions when determining the indirect medical education [IME] reimbursement to hospitals under Medicare. In total, the authorized funding level under the entire program, rural EACH and urban ECP, would be increased 10-fold from the current level of $25 million to $250 million annually.

My colleagues and I are today introducing the Essential Health Facilities Investment Act of 1993 because we believe this legislation is an important and necessary component of the effort to reform our nation's health care delivery system. Irrespective of the final form health reform takes, the initiatives in this bill are essential to ensuring access to high quality, efficient services for everyone in our communities. We urge our colleagues to join in support of this legislation.

HEALTH CARE AND PRIVACY: THE NEED FOR FAIR INFORMATION PRACTICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. CONDIT] is recognized for 5 minutes.

Mr. CONDIT. Mr. Speaker, anyone who reads the newspapers or watches the evening news is aware that health care reform has become a high-priority issue at the White House and in the Congress. I would like to inform my colleagues what the Subcommittee on Information, Justice, Transportation, and Agriculture, which I chair, is doing in anticipation of general health care reform legislation. While the subcommittee has no direct jurisdiction over health care, it does have a role to play in protecting the privacy of health care information.

Privacy is a vital issue because increased use of personally identifiable medical information will be a part of any health care reform. The sensitivity of health care information can hardly be overstated. Misuse of personal health care information can adversely affect employment, insurance, licenses, and other critical opportunities and benefits. Individuals must be able to visit a doctor and know that the information they provide will be fairly used and properly protected. At the same time, we must also recognize that health care providers, insurers, employers, researchers, and others must have effective access to health-record information in order to deliver services and make decisions in a cost-effective and appropriate manner. Balancing these sometimes competing interests will not be easy.

Today, neither patients nor recordkeepers have a clear understanding of their rights and responsibilities with respect to health care information. There is no comprehensive Federal law governing health care information practices, and current State laws are a patchwork of inconsistent and often unsatisfactory provisions. Health care reform will increase the need for uniform rules for the collection, maintenance, use, and disclosure of identifiable patient data.

The development of uniform fair information practices for health care information is a current project of my subcommittee. This is an outgrowth of the subcommittee's general oversight over privacy matters. Working cooperatively with the health subcommittees of the Energy and Commerce Committee and the Ways and Means Committee, we hope to be able to do the hard work necessary for workable legislation. We have begun with an informal consultation with the health care establishment and other interested parties. By the end of the year, I expect to be able to circulate a draft and to consult with everyone concerned about the use of health care records. Eventually, it is my hope that we can hold hearings and then join our work with the overall health care reform effort.

In this environment, I very much welcome the announcement this spring of a comprehensive national survey of public attitudes on a wide range of health care information privacy and confidentiality issues. Equifax, Inc., together with Louis Harris & Associates and Dr. Alan F. Westin of Columbia University, will conduct the poll. Survey topics include: First, the levels of trust Americans have in institutions that use medical information; second, experiences individuals have had with the uses of such information; third, attitudes about the use of medical information for various needs and health care reform; fourth, privacy protection safeguards; fifth, individuals rights of access to their medical records; sixth, employer access to personal medical information; and seventh, how attitudes toward privacy correlate with attitudes toward health care reform.

This will be the fourth in a series of privacy surveys funded by Equifax. Past privacy surveys by Equifax and by Louis Harris have been the subject of hearings before the subcommittee and have provided very useful background for understanding public attitudes. I very much look forward to the result of the new Equifax survey.

In the meantime, anyone with a specific interest in the development of fair information practices for health care information is invited to contact the subcommittee.

HAITIAN IMMIGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Mr. Speaker, I am honored to have a distinguished Member of the delegation from our State in the Speaker's chair.

Mr. Speaker, at the end of last week I came to this well to speak of the enormous problems plaguing our Immigration and Naturalization Service in dealing with people seeking political asylum, and the larger context of enforcing our national immigration laws. Just to recap: INS knows of approximately 1.2 million illegal entries into this country every year; officials estimate the actual number of people coming into this country illegally to be closer to 3 million. In the specific case of Haiti, since the military coup almost 40,000 Haitians fled Haiti seeking refuge in the United States. Of those, more than 10,000 were granted parole and are now in this country—90 percent of them in Florida—awaiting processing of their asylum claims. We are told that those claims are being processed with the help of nongovernmental organizations [NGO's] at a rate of 1 a month—which translates into more than 800 years needed to process all 10,500. Since I last spoke on this issue, the Supreme Court has upheld the current United States policy of intercepting Haitians in international waters and repatriating them. It has been reported that this means we have turned our backs on the Haitians. This is simply untrue. There remains in full force a process for Haitians seeking entry into the United States through the visa process at our consulate in Port-au-Prince. I continue to believe that the Haiti problem must be solved in Haiti, not by encouraging Haitians to take to the seas in leaky boats to make the treacherous journey to America.

Another element of this problem involves the HIV-infected Haitians recently transferred from Guantanamo Base in Cuba into the United States. As a result of unilateral action by a Federal judge in New York. I am deeply troubled by this decision, and by the inexplicable silence we are getting from the Clinton administration regarding our concerns.

By not immediately challenging the judge's order to admit the HIV-infected Haitians, the Clinton administration has left this country open to a dangerous precedent of immigration policy set by judges, not legislators. Bringing these HIV-infected people into this country is in direct violation of legislation recently passed by Congress and signed by President Clinton. This ruling tells would-be immigrants all over the world that, if you can get a foot in the door, even under a fraudulent political refugee asylum request, you are probably home free. I and over 40 of my colleagues urged the President to seek an immediate stay and appeal the decision. So far—silence. There is never a cop around when you need one syndrome.

Second, immigration is clearly a national problem. For too long, citizens of States like Florida have disproportionately borne the brunt of the financial and social costs of resettling immigrants. I have joined an effort with my Florida colleague, Mr. MICA, to send the Federal Government the bill not only for the present wave of Haitians, but also for the amount owed—but never paid—from the Mariel boat lift: $150 million total.

□ 1830

Mr. Speaker, I will wind up by simply saying that there is more on this subject, and more will be heard in the days ahead because this problem is not going to go away until this body deals with it and gets the administration to deal with it.

HEALTH INSURANCE—ONE OF THE MAJOR ISSUES FACING THE UNITED STATES THIS YEAR

The SPEAKER pro tempore (Mr. HASTINGS). Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

Mr. BURTON of Indiana. Mr. Speaker, one of the major issues facing the United States of America this year is the issue of health insurance, and there has been a lot of information put out about this, and there has been a lot of misinformation. Tonight, I and three of my colleagues, the gentleman from Illinois [Mr. HASTERT], the gentleman from Texas [Mr. JOHNSON], and the gentleman from California [Mr. DOOLITTLE], will try to discuss and illuminate this issue just a little bit so that our colleagues, and possibly the American people, will have a better understanding of the problems we face and a little bit more understanding about what is really correct information and what is incorrect.

Mr. Speaker, I would like to refer at the outset to two articles before I turn to my colleagues. One was written in the Wall Street Journal on April 15 of this year, and in this article they point out some very important points that should be known by everybody.

First of all, Mr. Speaker, they say that there are probably 37 million uninsured; at least that is what some of the pundits are saying, but, before turning one-eighth of the economy upside down, they say in this article, to help these souls maybe somebody should try to distinguish between an intriguing problem and a, quote, unquote, crisis. Thirty-seven million sounds like a lot, but that still leaves, and this is very important, 182 million people swimming in the world's best medical care. Some 83 percent of Americans have public or private insurance, or both, including the genuinely poor. Twenty-four million of them have Medicaid.

They go on to talk about how the survey took place that showed we have 37 million uninsured, and what they did was they said at any given point in time is there anybody in your household that is not insured, and, when you start looking at the figures, you find out that many people are uninsured, but for a very short period of time in between jobs, and yet they are counted as part of the uninsured in this country.

They go on to say it turns out that half of the uninsured go without coverage for less than 5 months, and 70 percent for less than 9 months. Among the uninsured capable of or willing to work, three-quarters reacquire coverage within a year. Amazingly this figure holds for both full- and part-time workers.

A lot may be plugging away at low-wage or part-time jobs in industries like retail with high turnover. Eventually their employers will offer them health insurance, but only after a waiting period, and during that waiting period they are without coverage. That is because employers want to make sure that the new hires intend to stick around.

It goes on in another part of the article and says:

> What else do we actually know about the uninsured? They tend to be young, low on the earning curve, but not necessarily poor. Nearly half have household incomes above $20,000 and 17% earn more than $40,000, according to the Employee Benefit Research Institute.
>
> What this suggests is that many young workers are turning down health coverage from their employers. They'd rather have the cash wages and funnel the money toward rent, car payments or a savings account.

In another part of the article it points out that:

> Nobody knows how many of the long-term uninsured are truly needy, how many are just economizing or how many have fallback strategies. They do indeed have a problem, but it isn't that their afflictions will go untreated; it's that if they contract something

> serious while they're uninsured, insurance companies will deny them coverage for what's called a "pre-existing condition." But no way do 36 million people have this problem, or "crisis."

And in conclusion, Mr. Speaker, in this article he says:

> Despite all the media hoopla and handwringing in various medical journals, we think a very strong case can be made that smaller-scale experimentation and innovation would be more apt.
>
> How about medical IRAs, Medicaid vouchers and loosening up state mandates that force companies to goldplate their health benefits, thus driving up health care costs? Each of these would help to lure more folks under the insurance umbrella and trim demand for uncompensated care.

Mr. Speaker, I would like to read a couple more quotes, and then I would be happy to yield to my colleagues.

This is an article from Forbes magazine on June 22, 1992:

> This year's big lie, echoed in numerous political speeches, is that 37 million Americans are completely uncovered by health insurance.
>
> The estimate of 37 million was drawn from a survey for a single point in time. It included many people who lost health insurance for a brief period—there are millions of such people, changing jobs, going back to school, moving, getting married, becoming widows, going off welfare and so on.

□ 1840

For most of these people the period of going benefitless is relatively brief.

> A more realistic picture comes from a 1990 Census Bureau study entitled "Health Coverage 1986-88." Instead of taking a snapshot picture of a single month, this study took a moving picture over 28 months. What it found was that "4 percent of all persons lacked coverage for the entire period." That means 96 percent of the people did have coverage.
>
> Instead of 37 million people who were continuously without insurance, the long-term uninsured amounted to fewer than 10 million.
>
> Who are the long-term benefitless? Over 27 percent of those without health insurance are under age 16, while another 23 percent are between 16 and 25. Most of these young people are dependents who could be insured through their parents' employers, or through college plans, at some cost. If some parents choose to skip such dependent coverage, perhaps only for a few months, that does not mean they would not or could not pay their children's medical bills. And it certainly does not prove lack of "access" to health insurance.

Let me read one more quote here.

> Another study by Katherine Swartz and Timothy McBride of the Urban Institute, finds that "half of all uninsured spells end within four months" while "only 12% to 13% of [the uninsured] have spells that last more than 24 months." It also finds that "people who are employed (either full time or part time) are more likely to have short uninsured spells." That means proposals for federal "play or pay" schemes that focus on requiring employers to provide insurance miss the point entirely. Most of the long-term uninsured have no employers. They are either children, self-employed or living off assets.
>
> Most damaging to the argument that tens of millions of poor Americans lack health coverage is this finding: Swartz and McBride discovered the highest percentage of short-term uninsured was among those with family incomes above $36,000 a year.

Let me conclude by reading the following:

> They also like to argue that more government involvement in health care could somehow lower costs. This is downright silly. The reason medical costs are out of control is not that the government covers too few of the nation's medical bills, but that it covers too many. Taxpayers now pick up the tab for 42% of all medical bills—up from 37% in 1970. Whenever the government subsidizes any purchases, the effect must be to increase demand and bid up prices. If we stifle that effect with price controls, medical care will have to be rationed by waiting lists or by bureaucratic decisions about who lives or dies.
>
> The government could make things easier for the self-employed and temporarily unemployed by allowing a refundable tax credit for premiums on catastrophic medical coverage, and a tax deduction for building an IRA-like account as a health bank that could be used for major medical bills, or left to grow for retirement.
>
> Instead of listening to the empty rhetoric of those who want to federalize medical services, voters should reflect on the probability that a government health scheme is likely to deliver service with the efficiency of the Postal Service and the compassion of the IRS.

I think those are things that ought to be thought about by everyone who thinks we need to have an all-encompassing Federal health care program such as what the administration has been talking about.

With that, I will be happy to yield to the gentleman from California [Mr. DOOLITTLE], who has been working very hard on a plan to deal with this problem.

Mr. DOOLITTLE. Mr. Speaker, I thank the gentleman for yielding. I think the information that the gentleman shared shed some real light on this problem of our health care system.

Make no mistake about it, this health care system that we presently have has real problems. I am convinced of that. There are problems that need to be addressed. There are problems of affordability. There are problems of access in some cases, at least access to insurance, although I think the issue has been confused, perhaps deliberately, perhaps unintentionally, but confused to imply to people that there are people in this country who do not have access to health care.

Of course, I think as everyone is aware, there is a Federal law that actually requires that people who show up at emergency rooms to be diagnosed, to be evaluated and diagnosed, to see if they have a medical need, and if they have such a need, for that need to be dealt with, whether they can or cannot afford it.

Mr. BURTON of Indiana. I wish the gentleman would repeat that, because there is a feeling out in the country that there are a lot of people who are going without access to health coverage if something goes wrong. They may not have health insurance, but if they have a medical emergency or problem, they are going to be taken care of.

Mr. DOOLITTLE. Well, they are indeed. I think America needs to be very sensitive to what one of the primary controversies is going to be during the Clinton administration. Really it is a clash of world views.

This is a President and an administration that has tremendous faith in the power and munificence of government. They have a philosophy that basically says that we need to have more governmental involvement in our lives in order to improve the human condition.

Now, that is in direct contrast, say, to the traditional conservative philosophy, which holds that we ought to have more individual initiative, more individual control of our lives, and more private choice in order to best meet the needs of human beings.

So we are getting an administration that is seeking opportunities to expand the power of government. That is why in this reconciliation bill being debated by the Congress they are advancing the largest tax increases in history and the largest spending increases in history. They are determined to make government the center focus of our economy.

Now, we hear rumors affecting health care, which is, I believe, one-eighth of our entire national economy, which center around this issue of the health care industry. They are whipping up people's concerns over the so-called 37 or 36 million, whatever it is, who do not have health care insurance.

Mr. SAM JOHNSON of Texas. If I may interrupt for a moment, I think we ought to stop talking about 36 or 37 million uninsured, because that number, as the gentleman has just proven from statistics, is not correct. We are talking about the wrong number.

The people are insured. It is just that at one point in time some 36 or 37 million may not have insurance. But it is of their own choosing, for the most part, is it not?

Mr. BURTON of Indiana. That is correct.

Mr. SAM JOHNSON of Texas. Therefore, if they do not want to buy insurance, but would prefer to risk their health in an emergency room where they know they can get health care without buying insurance today, then that is their choice.

I do not believe and I do not think you gentlemen do either that it is the Government's responsibility to force them to buy insurance if they do not want to. Nor is it our responsibility to take care of them. I think that is what the gentleman is pointing at with regard to this monster tax increase that is going to come on everybody. And I think one of the things that has not been told about that is that the tax increase, which, by the way, is 24 times the amount of taxes on the $100,000 group as applied to over $200,000, 48 times the amount on the $75,000 group compared to the $200,000 group, means we are really punishing that guy that is out there able to provide the job for the guy that does not have one and able to give health insurance and benefits to the guy that does not have them.

Now, I think that we have to be very careful about how we structure this health program. But we have to talk in truth and not fiction.

The truth of the matter is there are not 37 million uninsured. I think that if we make this clear to America, then it is going to be our responsibility to point out again that with this monster tax increase that is staring us in the face, we are not even talking about funding a health program such as the administration wants to have. We are talking about another little tax creeping up on us and getting burned again.

Mr. HASTERT. If I could comment on that, first of all I want to congratulate the gentleman from Indiana [Mr. BURTON], the gentleman from California [Mr. DOOLITTLE], and the gentleman from Texas [Mr. JOHNSON], for talking about this issue. It is a big issue. It is something that is one of the hot topics of the time.

I think one needs to take some time and analyze this, and you are doing it. We need to analyze.

The first question, the first statement we want, and the gentleman from Indiana [Mr. BURTON] is exactly accurate, is I do not think Americans are ready for a government health care program. I think that is one of the first red flags that the gentleman raises, and I think that is something we need to do.

Do Americans want to trade off a system which they have today, which is basically a choice system, for a system of big government? We have seen big government and how big government operates. If you go to Canada or England, you will see a health care system that sometimes is touted even here in Washington, but which is less than adequate for the people who have a deal with it.

But who are that 37 million, that number that keeps coming up? The gentleman has hit the nail on the head. A lot of them are people in between jobs or in between health care plans.

Some of those folks are people who are self-employed. And because they do not have tax fairness, and they are farmers and barbers and beauticians, some of them are even doctors and lawyers.

Mr. BURTON of Indiana. Explain why there is not tax fairness. Corporations get a 100-percent writeoff.

Mr. HASTERT. I will get to that.

Mr. SAM JOHNSON of Texas. Do you not need to say that the gentleman from Illinois [Mr. HASTERT] is probably one of the most knowledgeable Members in our House here?

Mr. BURTON of Indiana. He has been working on this for some time.

Mr. SAM JOHNSON of Texas. I am proud to be standing here by him tonight.

Mr. HASTERT. There is not tax fairness because people who are self-employed, proprietorships and partnerships, only have a 12-percent deductibility. And of course, one of the things that you see every time you can identify a problem, you want to be able to identify a solution. And if you gave people tax fairness, if you gave them 100-percent deductibility, when they buy their family a health care policy.

Mr. BURTON of Indiana. Like the corporations.

Mr. HASTERT. Like every other business, not just corporations, but every other business has that deductibility as a business expense, and individuals ought to have it, too. So a lot of those folks, you do solve that problem, get them health care access, if you want to use that word, by changing a very simple law. It is a fairness issue in taxation.

Ironically, other issues out there come to play on this health care. Another group of those folks are people who are people who work for part-time. They work for McDonald's and Sears, big corporations. But they work part-time.

Mr. SAM JOHNSON of Texas. There are some employees in the retail sector, which you are talking about, who do not get insurance right off the bat because the company is trying to see whether they are going to be a long-term employee or just one that is in and out. I can understand the cost of doing business in that way.

Mr. HASTERT. And you will find that a lot, when you get back and start to talk to employers in your district, you find a lot of those people are hiring temporaries, temps, employees, because they do not know what Government is going to do. We talk about big-time unemployment, and we talk about not turning the economy around as fast, employers become very reluctant to hiring more people because they do not know what the Government is going to do to them. Instead of going out and making those new hires, they pay overtime to the folks they already have on board. And I have got a couple of companies who are paying 60 hours, they are keeping people on board 60 hours a week because they do not want to hire new employees.

Some of them are going out and hiring temporary employees, putting them to the test before they hire them.

The issue is, some of them are working for McDonald's and Sears and on a part-time basis. And if you are part-time, they may be feeding a family off that. But they are not covered by insurance.

Some of those people, too, are small business. Of course, I think small business is really the heart of our economy. It drives the economy. And the NFIB tells us, National Federation of Independent Businesses, if you start to mandate Government mandates on small business, we are talking about businesses under 50 folks, 50 employees, the first thing that happens is before half of those businesses will go out of business, as usual, because they already provide health care. Twenty-three percent of those small businesses will pretty much narrow down, the mom-and-pop organizations, they will let people go because they cannot afford to pick up that health care responsibility. And 22 percent of the small businesses will close their doors because they are so marginal. And that is where some of those folks are. So we have to be sensitive to that.

We also have to start to be really sensitive about what we do to businesses when we start to put on huge mandates for those businesses. I think it really comes down to two basic things.

No. 1, how do we start to solve the problem if there are some people out there, and I think the tax fairness is an issue, how do we start to solve the problem of bringing those people into the system, because they, if there is 37 million people out there, they still get sick, they still have automobile accidents, they still have heart attacks and they end up in the hospital, usually in the emergency room, not primary care but in the emergency room, and they get care. And what hospitals do, when you tie your insurance or if you are an employer, they are charging you 140 to 160 percent of what your actual services are to cross subsidize those people who are getting hurt.

Mr. SAM JOHNSON of Texas. So they can write off those that walk in.

Mr. HASTERT. It is a cross subsidization. They have to do it. So that is what our goal is. And we need to find ways to get those people in the system, good American free enterprise ways of doing it. And that is a real challenge.

Mr. BURTON of Indiana. Let me just interrupt for just a second. I think you made some great points. You have been working as chairman of the Health Care Task Force, and we really appreciate the yeoman service you are putting in on behalf of all of us.

But there are two things that I would like to point out. And we can discuss these. I would like to welcome the gentleman from Georgia, who has just come out to the floor.

First of all, in addition to the huge tax increase that is going to be coming to this floor before too long, the Senate is working on it, I guess today, which is going to be somewhere between $300 and $400 billion, they are looking at probably between $100 and $250 billion for this health care scheme that Hillary Clinton will be proposing to the Congress sometime this fall. That is probably double to triple the largest tax increase that we have faced in 1 year in history.

The second thing I would like to point out is, every time this bureaucracy in Washington takes over another function of the private sector, they screw it up. If you do not believe that, look at the S&L crisis and some of the other debacles that have taken place in this country.

I submit to my colleagues, and I would be happy if they would discuss this, what do you think is going to happen if we end up with a national health care program that the bureaucrats are going to be running here in Washington instead of the competition of the private sector?

Mr. SAM JOHNSON of Texas. I talked to a Canadian the other day and I said, "Why don't you go back to Canada?" He said, "I'm not going to. They don't have any health care."

That is a national program up there, and I think everyone fails to realize that everyone is insured, no doubt about it, but you have got to wait in line to find a doctor. You do not get to pick your own hospital. You do not get to pick your own doctor. Many times you probably do not even know what kind of medication you are going to get.

Mr. BURTON of Indiana. I yield to the gentleman from Georgia [Mr. KINGSTON]. I want to tell a story after a while about a friend of mine that went to Canada and got into their health care plan.

Mr. KINGSTON. I want to bounce off the comments of the gentleman from Texas real quick in terms of Canada. The other thing that Americans need to remember is that in 1986, Canadian doctors went on strike. And when I tell the folks back home in Georgia that under the Canadian system, if we go that way, their doctor will go on strike, if he or she wants to, as do Canadian doctors, that does not sit well with people. People do not realize when we are comparing the Canadian system to the American system, we are comparing apples to oranges. It is a much smaller country, I think 26 million people, that have a completely different system in terms of the marketplace. It is just not a good comparison.

I did want to go back on this small business taxes and the deductibility. I do have an insurance background. I sold insurance for 13 years before getting elected.

One of the things that the small mom-and-pops tell me, the pet stores, the beauty shops, the clothes stores, and so forth, which is where most of the jobs come from in the economy, is that they would love to provide the health care benefit to their employees, but the typical scenario is now that the employees that they have a spouse that works for the Government or a large corporation, the school board or something. They are providing health care for the family.

The person who works for the small mom-and-pop shop is covered as a dependent. But if these shops had the 100-percent deductibility that large corporations had, then more of them would purchase health care. And if that happened, then obviously, it would be more accessible to a large number of people.

I believe right now that 60 to 80 percent of the people employed in America work for small business. It is so important, if we help small business, we will be helping them.

Mr. SAM JOHNSON of Texas. Can I just make one quick point? The businesses, small businesses, absolutely need 100 percent deductible on their health care. That is part of the reason why they did not provide insurance and part of the reason we are talking about uninsureds. But I think your point earlier, the gentleman from Indiana [Mr. BURTON], where you talked about 182 million Americans who are insured, have insurance, and of that 182 million, 24 million of them are extremely poor and receive Medicaid, which means that the insurance is out there. It is just that we have not made the laws such as would allow small business, for example, to provide insurance for their employees, as you stated.

Mr. BURTON of Indiana. Mr. Speaker, I yield to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I would like to thank all of the Members for appearing and participating tonight. I think this is exactly the type of a national discussion that we need to have about health care.

□ 1900

There is much that is good with our present health care system. There are some real problems that need to be solved, and you all have just touched upon this. That is the idea that if a person changes jobs, then they lose their health care. Then when they sign up for a new job, then they have to qualify. If they have developed what they call a preexisting condition at their previous job, now they have lost that insurance and they go to the new one, and in many cases they may not even be able to get insurance.

I think one of the goals as we seek to reform our health care system, since employees really have to earn their health insurance, because after all, that is one of their benefits, it is just not given as a gift but it is tied to their working, showing up for work, since they earn that they ought to be able to own it. It ought to be personal to them and portable.

It has been suggested by experts looking into this field that if businesses are not willing to provide that kind of a personal and portable plan, then they ought not to get the tax deduction for providing that type of health insurance.

The gentleman from Illinois and others have commented upon the nature of this 37 million. I think the gentleman from Indiana referenced it. The reality is, 60 percent of this 36 or 37 million, I hear both numbers and I am not sure which one to fix on, but let us say 37 million, 60 percent of that 37 million are under the age of 30. They are the healthiest sector, really, of the job market, and the primary reason these individuals do not have health insurance is because the price is too high.

Why is the price too high? The price is too high because, in many cases, of the government's own involvement with its own regulations, which drive the price up. The irony is that one of the solutions that we hear being advanced to the health care crisis is a law passed that says employers must provide health insurance for their employees, a mandate imposed by the government.

We have heard within the last month figures as high as 12 percent, can you imagine that, a new payroll tax, 12 percent laid on the employer plus about 3 percent for the employee. People who think we do not have enough taxes already in terms of payroll taxes, wait until this hits them.

Mr. BURTON of Indiana. It would drive a lot of companies out of business.

Mr. DOOLITTLE. It will drive a lot of companies out of business, and the ones who can avoid going out of business are going to seek to cut their costs. What is going to go first? Health care, that is what is going to go first. Either the deductibles are going to go up, the cover is going to be limited, or they are just not going to seek to offer it, if there is any way they can avoid it.

One other way they may seek to avoid it is dropping below the threshold, whatever the minimum number of employees is that they have before these Federal standards take effect.

Mr. BURTON of Indiana. Which will cost jobs.

It will cost jobs, and it is going to hurt the very people that we are seeking to help. The gentleman over here has made a very important point. I believe in that study that was done there are only about 9 million or 4 percent of this population that was being looked at that was actually long term without health insurance or, I think 28 months or more. I believe the figure that sticks in my mind was 4 percent. That does not correlate to 9 million. It would have to be more than that.

Mr. SAM JOHNSON of Texas. That is correct, it is 4 percent, but it says 9 million. The gentleman is right, it does not correlate.

Mr. BURTON of Indiana. Fewer than 10 million, they said.

Mr. DOOLITTLE. We are going to have to address this discrepancy in our figures, because that would be about 25 percent. I think the figure from other sources I have read is 4 percent are actually without health insurance for 28 months or more.

What we have to do is reform the system so we preserve individual choice, like we have now; so that we make it more affordable. We can do that by actually getting the Government out of the system. Does the Government do anything well? Look at the different range of activities that the Government is involved in.

Mr. SAM JOHNSON of Texas. The microphones work.

Mr. DOOLITTLE. The microphones work.

Mr. SAM JOHNSON of Texas. The House Administration staff does a good job.

Mr. DOOLITTLE. These folks up here tirelessly toil away in service. The reality is that Government is inherently inefficient. That is why the founders believed in a limited government. That is why they gave us a written Constitution with expressly delegated powers from the people to the Government and they put it in writing so that there could be no mistake about it. At least that was the thought. It is kind of ironic to see how this has all developed over time.

Their desire was to constrain the Government. Why? Because government will sap the lifeblood of the people, if given the opportunity. It naturally tends to grow.

Big government was not invented in the 20th century. We had big government under King George in the 18th century, with hordes of tax collectors and regulators of all sorts from the British Government. They had big government then, and we finally had an American Revolution.

Unfortunately, we have big government again today. It is going to get bigger if they are allowed to seize control of one-eighth of the United States economy, which is indeed the portion that is comprised by the health care industry.

I think we need to look at reforms that broaden the opportunities to get health insurance and that preserve choice and that preserve the high quality of medical care that we actually have.

Mr. BURTON of Indiana. While we are doing it, do not kill the goose that laid the golden egg.

Mr. DOOLITTLE. Yes, or do not throw the baby out with the bath water.

Mr. HASTERT. I think the gentleman from California hit on some interesting philosophy points, some basic philosophical points. I think when we look back at health care, there are some problems in this country. I think we all agree there are some things we will be able to address.

How do we define those problems? We have said there are x number of people who do not have health care, whether because it is transition or whatever, but some of them do not have health care. Like the tax fairness issue, we need to find solutions to address that. I think we can target, we can pinpoint those solutions at those populations of people.

For instance, small business, and I come from a small business situation, I said the statistics of small business drive them out of business if they have to provide health care. That was the NFIB statistics, the National Federation of Independent Businesses. How do we help small businesses? We can do some reform in insurance that small businesses have to do, that they can group together, they can go together into a marketplace. Instead of taking four people to a market, if you were a small business, you can take 400 or 4,000.

The types of not only benefits but the costs you are going to have to pay are going to be a lot less with that approach, because you can purchase en masse, so that is another reform we have to look at, small group reform.

When we are doing it, one of the things that the gentleman from California talked about is the issue of portability. If we make those risk pools bigger when we do reform, then all of a sudden people can move from job to job. They do not have a job lock or the preexisting condition problem that there was before, and we can make some real headway. Those are the types of things we want to focus on.

Mr. SAM JOHNSON of Texas. What we are talking about is if we are doing something like that, we immediately eliminate about 60 percent of the uninsured.

Mr. HASTERT. Absolutely. That is what we want to do, we want to take those people who are uninsured and move them into that insured market. Then we get to the next point, the next issue. That is holding down health care costs.

We said that 40 to 60 percent of our health care cost is legitimate insurance that people have today, and the average company spends $4,700 per employee family on health insurance. A lot of that, we could start to figure that 40 to 60 percent of that is cost subsidy for people who do not have insurance and still get sick and end up in the hospital. We can start holding down health care costs.

Those are the other things we want to look at once we get people involved, how can we hold down health care costs, because that is a problem. It has gone up higher than the rate of inflation, and there are some things we can do.

Another thing we can do, for instance, is one of the huge cost drivers that we have is malpractice insurance. It drives health care costs two ways. The first way is that the cost of insurance, for instance, Fox Valley of Illinois that I represent, if you go to an OB–GYN to deliver a baby, 25 to 30 percent of the cost of that delivery is just health care insurance. It is the malpractice insurance that that doctor has to have before he even thinks about walking into a delivery room.

Also, the hospitals have to pick up riders on top because doctors cannot buy enough. The other side of that issue is defensive medical costs. The same locality, if the doctor is going to suggest that you have a gall bladder surgery, for instance, he can give you up to $5,000 worth of tests, not for a prognosis or not to make you get well quicker or not to do anything that really affects your health, but if he gets hauled into court he has protected himself.

□ 1910

And so those defensive medical costs have driven up health care costs so dramatically over the last few years. So malpractice reform is a common-sense thing. And I think most people agree that it has to be done. There are ways to do it.

People are going to be injured because of doctors or hospitals, and that is part of the process. But there are ways to ask, if somebody signs onto an insurance policy, for instance, you can go into mandatory arbitration and get the thing settled right away, and people are not stuck out in lawsuits for 2 years, 5 years, or 10 years before they get whatever they want to get. And I will conclude real quick on this thing, but you know, they can get their money and go ahead and live the rest of their life. And it makes sense to do things like that.

Mr. BURTON of Indiana. Let me just add one more part to the equation, and that is that one of the problems they have in metropolitan areas like the gentleman's, he is from around the Chicago area?

Mr. HASTERT. Like you are from the Indianapolis area, right.

Mr. BURTON of Indiana. I am from the area. In urban areas you have many hospitals, and they all want state-of-the-art equipment. They all want the latest heart machines, heart-lung machines and so forth, and because of the way the antitrust laws are written, and I am sure you are looking into this, they cannot cooperate to the degree that they really would like to or ought to. As a result they are all buying these multi-hundreds of thousands of dollars' worth of equipment, sometimes million-dollar pieces of equipment, and it drives up the cost of staying in the hospital. And if we could do something legislatively that would allow these antitrust laws to be changed so that they can cooperate, maybe we would only need one heart-lung kind of machine in a given area, or maybe some other kind of machine in another hospital so that they could transport people back and forth across town for specialized procedures, and it would cut down the cost of this equipment, and thus the overall cost that a person incurs in a hospital.

Mr. HASTERT. The gentleman is absolutely right. As a matter of fact, that is point 2 on my script here. Antitrust reform is something, it is the next step if you do malpractice reform, and antitrust is the thing to follow up. You hit the nail on the head.

For instance, in the area I have that encompasses probably 4 major towns and probably 200,000 people you have 6 hospitals. Every one of those hospitals has a MRI. They also have a pulmonary unit, they have a cardio unit, they have an orthopedic unit, and because of the laws that exist today, in order to draw patients to those hospitals they have to have all of the bells and whistles, and the laws says that you cannot not compete. You have to compete. So if you are going to compete you have to buy all of those things.

If you are going to change the antitrust laws, you are saying let us cooperate, let us utilize the stuff that we have. And of course they have an MRI and now, by gosh, for every person that comes through there, they say let us give them an MRI because we have to pay for this thing. And so it really is a huge cost driver, and that is a huge step in trying to get to that solution.

Mr. KINGSTON. If the gentleman will yield, one of the points I have made in some of the meetings I have been in is that when I was a freshman in college at Michigan Stage University in 1973 we voted not to allow pocket calculators because the only one that was out in 1973 was $159. By the time I was a senior you could get a better pocket calculator for $15. The same is true with personal computers, cellular phones and everything else. But the big difference between that and an MRI is you do not have the excessive red tape, the government intervention and regulation that you do on a hospital. So we can reduce that, and this same technology that has helped so much in education and in business, then we can also have it do the same thing in medicine where it does not just improve quality, but it decreases costs.

I want to mention, if I may, I say to the gentleman from Indiana, that unfortunately I have another appointment that I have to scoot to, but I wanted to jump back to something the gentleman from California said about let us not spoil the market system. I think there is another important point, and that is that we should not spoil the territory and the jurisdiction of States, because one of the things that I hear from so many officials is do not give us more mandated, unfunded benefits and so forth.

But there are many things going on in health care right now that the States are doing. For example, South Carolina a couple of years ago passed a portability law that for groups of over 10 they wipe out the preexisting conditions. The insurance companies were against this originally, but now 2 or 3 years later they are OK with it. I think South Carolina should be commended for their action on that.

In the State of Georgia we passed a law in the legislature this year that addressed the issue of doctors having in-house referral fees, and that I think is good. We also passed a law, I say to the gentleman from Illinois, about clustering, allowing small accounting firms and small-lawyer, one- and two-man shops to combine together to purchase and form purchasing groups. This is happening now.

In one of the counties that I represent, Glenn County, we talked about the problem of immunizations. They came up with their own solution to it, because as you know, one of the biggest problems with immunization is not the availability or the affordability, it is the fact that the parents do not take the kids to get immunized under the present program offered by the county health services. And what they did was that they put in an automatic dialing machine, and any parent who had not brought their child in for a free immunization got harassed each and every night through this obnoxious automatic dialing. As a result of it, they got children immunized in Glenn County, GA. And the lady who runs the program, Carol Heisman, was saying that other counties across the Nation want to duplicate that. What was great about it was it was effective and it was inexpensive, and it did not take us, the big bad, know-it-all Federal Government in Washington, DC, to tell the people how to do it. They came up with their own solution.

So one of the things I am really worried about with a sweeping health care law is that we are going to stifle that type of initiative. And I wanted to mention that. Unfortunately I have an appointment that I need to scoot on, but I really appreciate your leadership and everything you all are doing on this.

Mr. BURTON of Indiana. We appreciate the gentleman's comments.

Mr. HASTERT. I think the gentleman brings out a very good point, that the States are the natural laboratories in the country, and there are some States doing some very good things. We need to have flexibility so that the States can do the experimentation. Also on the antitrust things that Mr. BURTON talked about, we need to pass some Federal law to make the laws so that experimentation can move forward on a nationwide basis, because sometimes there are constraints to doing that.

Mr. DOOLITTLE. If the gentleman will yield, I think the gentleman from Georgia needs to go.

Mr. SAM JOHNSON of Texas. Tell everybody that he is from Savannah since we have mentioned a couple of other towns.

Mr. BURTON. Near Savannah, he is from near Savannah, GA.

Mr. HASTERT. What I want to know is why a fellow from near Savannah, GA was going to school in Michigan.

Mr. DOOLITTLE. He makes a very good point, because here we are dealing with one-eighth of the U.S. economy, the health care industry, and we were about, at least if we can believe what is coming out as leaks from the secret Hillary Clinton health care meetings, we are about to rush in and radically reform this whole system without having considered all of the nuances. I think the gentleman from Georgia is saying wait a minute, this is too big without proceeding very carefully. Let us not wipe out some of the experiments going on, as the gentleman from Illinois referenced in the different States. When we are grappling with this, those are sovereign entities. And really the framers intended for domestic issues to be dealt with by the States. But because this has a Tax Code component, there is an element in the Federal law that we have to deal with, and I think antitrust has to be dealt with, as the gentleman from Illinois mentioned. We have to deal with this issue of how we are going to treat tax deductibility of insurance.

Right now it is biased against the self-employed, it is biased against those employed by small employers who do not provide health insurance, and it is biased against the unemployed. We need to change that tax law to allow health care to be personal and portable.

When I got my term life insurance, they sent out someone to do a health exam, and then as long as I pay the premium it does not matter where I work, or where I live, I get to keep that life insurance policy because it is personal to me. And it is portable because it goes anywhere that I go. That I think is what we have got to do with health insurance.

It was purely an accident of history, if you will, that it became tied to employment. It was as a direct result of another government intermeddling during World War II with wage and price controls. And all of a sudden businesses could only pay, could only charge so much for their products and services and only pay so much to employees. So the ever-flexible free enterprise system resulted in businesses thinking OK, let us see how we can attract employees without paying them more in their dollar wages. Oh, we will offer health benefits. And of course, that has really caught on, and expanded to the point where we are today, where we have 83 percent of our people cover their employment. But we have these pockets of people who for no logical reason are really being denied opportunities to have access to health insurance.

☐ 1920

So that is the responsibility at the Federal level, I think, is to change at least that part of it and change the part relating to antitrust and do what we can with malpractice to reduce the costs of so-called defensive medicine. We can do all of these things without having the Government take over the health care system which is the finest in the world as it presently exists. It just is not the fairest in the world because we have these flaws in it.

So we need to make some changes, no question about it. But the gentleman from Georgia, I thought, made a very good point respecting the rights and responsibilities of the States, and others here have made some excellent points.

Mr. BURTON of Indiana. And the initiative.

Mr. HASTERT. If the gentleman will yield, he is right in those issues, and we need to look back.

And what is coming down the pike? Well, quite frankly, we do not know what is coming down the pike. But we know that 80 percent of the people in this country are insured today. Most of them have their insurance through their employer just because of the system that you talked about. It is there.

What we have to ask ourselves in any new system that comes down and any Government system, if we get it, is that there are three questions, I think, that people want to ask themselves: No. 1, what am I going to get; No. 2, what am I going to have to pay for it; and, No. 3, am I going to have any choices?

I think when you start to look at the Government system, probably those choices are not very good. And when they see what they are going to get, especially if we have caps and we have limited benefit packages that they are talking about, they are going to get less, and they are also going to find out that they are going to pay more, and those are not very good solutions at all.

So I think that one of our real challenges is to say how we start to put together a reform of the system that says, you know, we are going to pay about what we are paying now, or somebody is going to pay that, and we are going to, you know, get what we get now or maybe a little bit better, and, by gosh, we are going to have some choices.

That goes into another issue that all of the laws that you need to change in malpractice, and, as the gentleman from Indiana brought up, the ideas of antitrust.

You know, I guess when we really get down to it, we have probably the best, and the gentleman from Texas [Mr. JOHNSON] said this before, that it is the best health care system in the world. I mean, I will hold it up against the Canadians or the Swedes or the Japanese or the Germans or the English or anybody.

When they get sick in those countries, they want to come back to the United States and make sure they have got their doc and their hospital and their pharmaceuticals that are there. But when you look at that, what we want to do with our doctors and systems is say, "Listen, let us give the doctors the ability to go back to what they were trained to do." Right now they are so leashed down and tied down with malpractice laws and antitrust laws that, you know, before they do a decision on a person on how to treat a person if he has cancer or whatever, they know what the symptoms those people have are, they know what maladies they have, but they have to go back and do 37 different tests before they dare give a prescription or a prognosis or a cure.

We need to give docs and the people in the health care profession the ability to do what they were trained to do, and that is to give people their best judgment.

You know, we have to design a system that allows them to use their talents, not to go out and, you know, there are all kinds of stories out there, but, you know, one caution that a doctor told me, who happened to be a top surgeon in a big Chicago hospital, he said, "Every time we give a knee surgery for somebody who twisted their knee playing tennis, an arthroscopic surgery, usually for torn meniscus, we have to do an MRI." He said, "We do not have to do an MRI, and it costs $1,500 to do an MRI, but we have to do an MRI because we may get hauled into court, and we have to have that as part of it, you know, as the service we have given."

Mr. BURTON of Indiana. So it is an additional $1,500 that is unnecessary?

Mr. HASTERT. Absolutely, and everybody pays.

Mr. BURTON of Indiana. That is terrible, terrible.

Anything else? Does anyone else have any comments they would like to make?

If not, I would just like to end by saying that the gentleman who heads the task force for the Republicans here in the House will be presenting a program that we will be looking at in the conference before too long, and the gentleman from California [Mr. DOOLITTLE] is going to be working on one from the study committee, and we will probably be collaborating on a program that we think will be something that our colleagues and the American people will embrace.

Mr. DOOLITTLE. I might just jump in and say that the gentleman from Texas and I are cochairman of the study committee task force.

Mr. BURTON of Indiana. I am sorry. Yes, our colleague, SAM JOHNSON of Texas.

Mr. JOHNSON of Texas. That is all right, I am just from Dallas.

Mr. BURTON of Indiana. The Big D, yes. Well, in any event, we will have a program, and it will be one that is well thought out and will not burden the American people with huge new taxes or a new bureaucracy.

You know, the S&L crisis was caused because we had a bureaucracy that was out of control. We do not want that in health care.

We think we will be able to present a program that will solve our problems without adding another $150 billion or $200 billion in taxes on the backs of the American people.

Mr. HASTERT, I just wanted to say that I appreciate the gentleman from Indiana scheduling this special order tonight, and I think what we need to do is to have more real thoughtful discussions about what the problem is and how we can start to look at ways to start to solve that problem, and this is a great first step.

I certainly appreciate being with you this evening.

Mr. BURTON of Indiana. The one thing I like about a discussion like this, with all of us participating, is it illuminates the issue not only for us and our colleagues, but there are a lot of people who watch these proceedings on C-SPAN. I know that you get calls, and I get calls, from across the country from people saying, "I did not know that," and the American people need to have more in-depth knowledge of the problems and possible solutions.

You know what Lincoln said, that if the people know the facts, the country will be saved, and I think that that is just as true with the health insurance crisis as anything else.

I thank the gentlemen.

THE NORTH AMERICAN FREE-TRADE AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes.

Mr. BONIOR. Mr. Speaker, I have asked for this time this evening to discuss an issue that is very important and very close to me, the North American Free-Trade Agreement.

THE HEALTH CARE CRISIS

But before I do that, I had the occasion to listen to my friends and colleagues on the other side of the aisle discuss health care, and one of the comments that was made in that discussion was that we are rushing in to do radical reform. Well, I do not know that my colleagues understand or perceive the need to do something about reform.

Some people say, "Well, we are rushing into it." We have a health care crisis in this country. Our health care system is out of control.

For a family of four in 1980, the health care cost was about $2,500 a year. Today it is over $6,000, and if we do nothing, nothing, by the end of the decade, it will be $14,000 per family.

That will bankrupt not only families but businesses in this country. We have to do something, and we have to do it this Congress, and I hope this session of Congress.

A country this wealthy, this prosperous, without a national health security plan for its people is an outrage, an absolute outrage. The Germans have had it since 1870, 1870. They have a good system. The French have a good system.

I heard some comments about the Canadian system, and while I do not particularly advocate that system, my district is right across from Canada, and believe me, the vast, vast overwhelming majority of Canadians like that system. They get good service from the system.

So, you know, to do nothing as we have for all of these many years is not the answer. The answer is to engage ourselves and solve this problem to provide people with affordable health care insurance, affordable, that will not bankrupt their families.

The health care crisis is causing us, in the automobile industry in Michigan, today, it costs, for the cost of health care for an autoworker or for someone who is retired in the auto industry, it is $1,100 a year, onto the sticker price of each new automobile, $1,100. The cost of health care on the sticker price of a new automobile in Japan is about $300, in Canada it is about the same, and Germany maybe a little bit more, but not much more.

We are uncompetitive in pricing because of this health care crisis that we have today, and it is going to require that we not only deal with the guestion of reforming malpractice, which we need to do, as my colleagues have indicated in their colloquy, and we certainly obviously need to do tort reform, and it has got to be a part of this package.

But we have to go after the industries that have helped create this crisis, in a responsible way, but nonetheless call them to task.

□ 1930

Mr. Speaker, I am talking about the insurance industry, the pharmaceutical industry.

One of my colleagues mentioned here, "Does the Government do anything well?" And then there was this kind of laughter between my colleagues on the other side of the aisle, "The Government really doesn't do anything well."

Well, you tell that to the people who serve in the U.S. Marine Corps or the Navy or the Air Force and to our men and women who fought in Desert Storm, and you tell them they do not do anything well. You tell the people in my district, the people of the National Guard who served their country in Desert Storm, the people in the Army Tank Command that produced the vehicles that made us successful in Desert Storm, that they do not do anything well. Or tell that to the men and women across this country who carry the mail every day through rain, sleet, snow, storms, so that you can get the communications, both business and personal communications, that are important to your lives. You tell that to the park workers. We have the greatest national park system in the world in this country. You tell them that the Government does not run that well. There are fine people who work in those parks interpreting for young people and making sure people have a pleasurable experience in our national park system. You tell them that the Government does not do anything well. You tell the fine researchers we have at the CDC down in Atlanta, or the NIH here in Washington, who work tirelessly, some of them 12, 14, 15 hours a day in order to come up with the cures for diabetes, cancer, Alzheimer's, and all these other diseases that are ravaging our population. You tell them they do not do a good job. You tell the people who educate your kids. We have the finest university system in the world here. They work for the Government. You tell them they do not do a good job. Or those who work in your communities teaching your young people.

You know, the problem is that we have got a lot of good workers in this country, and I am just getting a little sick and tired of people who put in hard days' work for their Government, getting bashed around on this floor.

My staff works hard. They work tirelessly. They are in their offices right now, some of them putting in 12, 13, 14, 15 hours a day, and they do it well. And they do it so well they help me whip this side of the aisle on a constant basis.

So let's not be too negative about the people that provide these services in education and in health care and police services across the country.

You tell the men and women in blue in this country who protect people on the streets and on the highways of this country that they do not do it well.

Mr. Speaker, you will have to excuse my exuberance here tonight. I listened, and while there were some thoughtful messages from my colleagues in the last special order, there were some things that obviously annoyed me.

NORTH AMERICAN FREE-TRADE AGREEMENT

Mr. Speaker, I would like to go on to another issue, if I could, and that is the North American Free-Trade Agreement.

I am here once again this evening to talk about this thing called NAFTA. If it is ratified, it will lock in the disastrous trends already destroying thousands of jobs in my home State of Michigan and all across the country.

And don't think for a minute that the story announced yesterday, accompanied by a great deal of fanfare and hoopla, I might add, about a single plant General Motors plans to relocate from Mexico to Lansing, MI, is representative of what is going on. The real story is told by more than 200 plants that have shut down United States operation and moved to Mexico in recent years. The real story is told by the advertisements placed in American business publications by the Mexican Government that boast, they boast about Mexico's low wages and weak labor standards.

Here is the truth about NAFTA: It was negotiated purely in the interest of multimillionaire investors and multinational corporations, at the expense of working people and their families on both sides of the border.

And that is what I want to focus on this evening; the loss of American jobs alone, though reason enough, reason enough to stand firmly against this agreement that was negotiated by the last administration and by Mr. Salinas, but proponents of NAFTA are now trying to sell the myth, to sell the myth that ratification of the agreement will be good for the Mexican people.

Just as we must set the record straight on the jobs issue, we have to set it straight on this count also.

The Mexican Government has established a development strategy that revolves almost exclusively around one principle, one principle: Keep wages shamefully low.

An explicit agreement between the Mexican president, coopted labor leaders, and Mexican industrialists has kept Mexican wages at one-tenth of United States wage levels. In spite of rapidly rising productivity, this explicit agreement keeps the vast majority of the Mexican population near or below the poverty line.

Those who want to believe that NAFTA can be a tool to raise wages and living standards in Mexico are really fooling themselves. NAFTA was negotiated by the very same man who designed the wage agreement that keeps wages low, and who enforces that agreement with an iron fist.

Now, NAFTA will not reverse this system of inequity. As far as President Salinas is concerned, this system of depressed wages is dependent on NAFTA, dependent on NAFTA, and NAFTA is dependent on the system.

Last week I delivered a statement that outlined exactly how the political system in Mexico keeps workers from earning the fair wage that they deserve. To begin with, labor unions must be approved, approved by the president and his ruling party, and any attempt to organize without official approval is seen as illegal. It is deemed illegal.

Even approved unions can get into trouble if they step out of line. In the case of Agapito Gonzalez, who brought the Union of Journeymen and Industrial Workers to the brink of a strike in 1992, is a good example. Gonzalez was arrested just days before the strike deadline and held for 6 months before the Government's charges of tax evasion were dropped. The strike, needless to say, was broken.

The Government gets away with these tactics because there is no institutional system of checks and balances in Mexico. The Mexican President and his party are all-powerful. The Congress is set up in such a way that it is nothing more than a rubber stamp of the President's wishes. And the judiciary, the judiciary at virtually every level, is in the President's pocket. The system by which judges are appointed makes sure of that.

Mr. Speaker, I yield to the gentlewoman from Ohio.

Ms. KAPTUR. I thank the gentleman for yielding. I am very much impressed with what the gentleman just said about the nature of the workers in Mexico and how there is forced union organization by the Government, in fact the Government-controlled trade unions.

I am wondering if the gentleman has been as interested as I have been in provisions that might be incorporated in the treaty, since the treaty allows free investment flows, as well as corporations, to operate across borders, transnational corporations, to incorporate within the treaty transnational labor organizations if in fact you are dealing with the same companies that have left the United States.

I am curious as to whether the gentleman has thought about this and has any thoughts.

Mr. BONIOR. I have thought about it, and I could not agree more with my friend from Toledo. Where in the NAFTA text does it say American plants cannot move south to take advantage of low wages and labor standards? Where does it state in this NAFTA text that labor unions in Mexico should have the right to organize so that they toe the ruling party line or not? Where in this text of NAFTA does it say who is going to pay or clean up the environment along the border where the polluter companies have been proven clearly to dump their toxic wastes? None of that is in there on the environment, none of it is in there on labor standards, and none of it is in there on democracy and election fraud.

Election fraud is rampant in Mexico, absolutely rampant. Corruption is everywhere, in law enforcement and throughout the Government. The President and his ruling party manipulate the laws to punish their political enemies without regard for their innocence, while Government officials remain above the law in spite of their guilt.

□ 1940

The scourge of drug trafficking in Mexico spells out just how troubled this Government really is. Law enforcement officials in Mexico are powerless to clamp down on drug traffickers for the very reason they are the same people who are involved in the trafficking themselves. In many cases the drug traffickers are the law enforcement officials.

The gentlewoman from Ohio and my friend, the gentleman from Ohio [Mr. BROWN] I am sure are aware of the assassination that occurred recently. Mexican Cardinal Juan Jesus Posadas Ocampo was killed last month when he was allegedly caught in the crossfire of a gun battle between two drug gangs.

People throughout Mexico and America were deeply saddened to learn of the loss of this person whose voice of reason, of passion, of piety, of moderation, was a real important voice in Mexican life; but those who know the Mexican system know his killers really never will be brought to justice.

I think it would be appropriate at this juncture to once again read the works of the Peruvian author, Mario Vargas Llosa. He described the Mexican political system this way. He said:

> The perfect dictatorship is Mexico because it is a camouflaged dictatorship. It may not seem to be a dictatorship, but it has all the characteristics of a dictatorship. The perpetuation, not of one person, but of an irremovable party, a party that allows sufficient space for criticism provided such criticism serves to maintain the appearance of democracy, but which suppresses by all means, including the worst, whatever criticism may threaten its perpetuation in power.

Ms. KAPTUR. Mr. Speaker, will the gentleman again yield?

Mr. BONIOR. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. I think the American people would be very surprised in view of what the gentleman has said. Mexico is the major drug route to the United States. If this treaty has been negotiated, the issue of drug interdiction has not even been addressed in a 2,000-page document, and with the recent death of the Cardinal, with our own Drug Enforcement agents having been killed down there, with all the corruption that we know exists in the judiciary, I find it inconceivable that this country could negotiate an agreement with a country that has not taken sufficient action to stem that drug trade, and I commend the gentleman for incorporating that in his remarks this evening.

Mr. BONIOR. Mr. Speaker, I thank the gentlewoman.

You know, if this NAFTA thing goes through, if we ratify this, it will be an endorsement, it will be the endorsement that Salinas and his cronies have been looking for in the political system in Mexico that they have created. It will be an endorsement of a political system that represses its own people. It will be an endorsement of a political system badly in need of reform. It will be an endorsement of a free-trade agreement with a society, as the gentlewoman points out, that is not even free, and it will be an endorsement of a system of gross social and economic inequality.

Listen to this. Twenty-one financial groups controlled by 25 families own over 60 percent of Mexico's gross domestic product. Twenty-five families own the vast bulk of Mexico's wealth, while the rest of the country remains impoverished.

The privatization of banks, of airlines, of telecommunications and other sectors of the Mexican economy has only enhanced the power of the wealthy and the elite, and these are the people who are trying to jam this treaty down the throats of the Mexican workers and down the throats of the American workers.

Ms. KAPTUR. Mr. Speaker, will the gentleman yield once again?

Mr. BONIOR. I yield to the gentleman from Ohio.

Ms. KAPTUR. Again, I am glad the gentleman raised that point as well. I represent a community that has been titled for years the Glass Center of the World, and one of the most threatened industries, the loss of jobs in the U.S. glass industry will be immediate upon the signing of that treaty. Thousands more workers in my district will lose their jobs.

I have been studying the ownership structure of these Mexican business families in the weeks that the gentleman is talking about.

What is very interesting if one looks at Vitro Glass, a multi-billion-dollar corporation in Mexico and one looks at its ownership structure, about 35 percent of it is owned by the Ford Motor Co. and another 15 percent by Pilkington Glass out of England. Pilkington Glass owns the major flat glass production facility in my district. If that agreement goes through as negotiated, what is going to happen is that company will close down production in my area and merely expand production in Mexico, because they are already positioned to do that by the agreements they have reached with the Vitro Glass family.

So, I really thank the gentleman for bringing that up tonight. It has been a hidden part of the discussion. It is not incorporated in the document of the treaty itself.

The whole issue of how Mexican business operates, how that society is structured, is not even addressed.

And how do you have free enterprise compete with a nation whose business structure is in fact oligopolistic? There is no way for us to take it to antitrust. There is no way for us to address this House of Horrors, and it is going to hurt the people in my area.

Mr. BONIOR. Exactly. And another hidden fact in all this, it is no wonder that the Mexican Government and the corporate elite supports this, because they have spent upward of $50 million in lobbying efforts designed to sway the American public's opinion in favor of this agreement, $50 million.

Every high-priced law firm in this town lobbying is on the payroll. Maybe not everyone, but boy, they have got a heck of a lot of them downtown on K Street working for this agreement, a lot of them, because there are big bucks at stake here.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I find it curious that the gentleman talks about the $50 million that the pro-NAFTA people and the Mexican Government is spending lobbying us in Congress and lobbying our constituents with the television ads and all that kind of thing that they do to try to put the pressure on us to go with them on NAFTA.

The reason they have that kind of money to do it is obviously the corrupt system that they have been running. The gentleman from Michigan [Mr. BONIOR] has talked before several times about the $25 million contributions that President Salinas has gone to all his business friends, his major business friends in Mexico and asked them for $25 million each to his political party.

The supporters of NAFTA like to tell us that Mexico will get more democratic if NAFTA passes. There is clearly no evidence for that.

The Salinas election itself was fraudulent, most observers say. They have had a one-party system for years and years.

The $50 million they are spending to lobby us in Congress, the $25 million contributions they have basically extorted from their business friends, and there is simply nothing in this agreement, absolutely nothing in this agreement, either that the Bush administration negotiated with Carla Hills last year or the talk of the side agreements, the discussion of the side agreements, there is nothing in there at all in this agreement to push the Mexicans towards any kind of really democratic system.

You simply cannot have free trade without free elections. Mexico has never had free elections. Mexico under this agreement is not in any way pushed to have free elections.

We have no business signing a free-trade agreement until and unless there are free elections and until and unless there are free trade unions, free trade unionism, and all those other things that the gentlewoman from Ohio [Ms. KAPTUR] has talked about and that the gentleman from Michigan has talked about.

Mr. BONIOR. One of the things that amazes me about this issue, and I would like to get the gentleman's reaction if he has one to my comment, is the speed at which this is being perpetrated on the American people, the American worker.

I mean, there are tremendous disparities between the Mexican economy and the American economy, tremendous inequalities built into this system that really does not work in Mexico, and yet here we are over a year-and-a-half or two-year period rushing into this incredible trade agreement.

The Europeans recognized that simple fact when they built their economic development and regional parity measures right into their Common Market Agreement. The European communities worked for decades to address disparities in wages, infrastructure between the wealthiest and poorest nations in that agreement, and the Europeans recognized the importance of regional parity even though their wage differential between the wealthiest and the poorest countries is four to one. It is about 10 to 1, 12 to 1 in the United States and Mexico, and that is being generous.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield further?

Mr. BONIOR. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The timing of it is absolutely amazing. Something curious happened on the way to these NAFTA negotiations.

Last year Carla Hills worked quickly under a deadline, under a self-imposed announced deadline to negotiate this agreement prior to the 1992 elections, knowing and thinking that President Bush needed that for this reelection; more importantly, sending the message to Mexico and to Canada that we are working under a deadline.

You do not negotiate, whether it is a labor-management agreement and I am negotiating with you and I am labor and you are management, I do not say to you, "Well, I got to finish this by midnight tomorrow night," because if I do, then time is on your side. You simply wait it out.

Mickey Kantor is doing the same thing. He is announcing that we want an agreement passed, completed, ready to go into effect by December 31 of this year, and he is saying that by mid-July he wants the side agreements negotiated.

□ 1950

And the old Rolling Stone song, "Time is on Your Side," time is on the side of Salinas, time is on the side of the Prime Minister of Canada, Kim Campbell. All they have got to do is wait, and wait, and wait. We will not get good environmental side agreements because Salinas and Campbell can wait, and wait, and wait. We will not get good truck safety agreements because Salinas and Campbell can wait, and wait, and wait. We will not get good peso devaluation side agreements, we will not have good worker safety, or wages, or child labor laws. All the time is on the side of the Mexicans and the Canadians simply because we are working under a self-imposed deadline, something we would never do in any other kinds of negotiations. It simply does not make sense.

The administration and the former administration want an agreement. They want an agreement regardless of what the side agreements are, and we cannot operate that way. We cannot negotiate that way because we are playing right into their hands.

Mr. BONIOR. I can see a scenario developing in the country if this happens, if this, unfortunately, goes through, in which there will be really a mass exodus out of our area of corporations. I mean the logic of it is too obvious not to happen.

What will keep, especially with the productivity of the Mexican worker increasing, and it is increasing—what will keep them there? Why will keep these companies there if you can forgo paying $10, $12, $14 an hour, and go to Mexico, and pay $1 an hour, and not have to worry about pollution or toxic waste pollution because the Mexican Government does not enforce that, and not have to worry about health standards, not have to worry about environmental standards? Why would they stay? Why would they stay when they could get the same price for their products and a conscionable reduced financial input into the product? There is no incentive for them to save, and what will happen in this country is this:

In negotiations between workers, and industrialists, and companies all over America, those at the table will say, "Well, if you don't agree to giving up this health care benefit, if you don't agree to scaling back wages from $12 an hour to $8 an hour, we're going south."

Ms. KAPTUR. Mr. Speaker, if the gentleman would yield, that has already happened many times in my own district where workers have been told, "Cut your health benefits, take a $3 an hour cut in pay." Let us say they are earning $10 an hour, $9 an hour—"or else we'll move to Mexico," and in one particular company that is, in fact, in the neighborhood I live in they shut their doors and left because the workers refused to go down to $6 an hour and take a cut in their own health benefits that had been a benefit that had been agreed on between the company and the workers.

Mr. BONIOR. But right now there is a penalty for bringing that product back into the country, what is called a tariff. With this treaty the tariff comes off. There is no penalty at all. You are rewarding, you are providing, the incentive for this to happen, and the theory goes, free trade theory, is that, of course, this is going to increase the standards of wage increases for Mexican workers, and their standard of living will increase, and they will be purchasing products here in the United States.

Well, I tried to address that in the beginning of my remarks. The whole system in Mexico is built upon keeping wages low. It is the whole idea of the Mexican system, and until that basic ingredient is addressed none of the theory works.

Ms. KAPTUR. Mr. Speaker, if the gentleman would yield further, I do not think that the average Member of Congress or the ordinary citizens of our country realize, as a result of the Mexican Government's free-trade zone, the northern border of Mexico, the maquiladora program, that in fact over 2,000 United States companies have already relocated down there under this very narrow program.

Mr. BONIOR. Would the gentlewoman talk a little bit about the program and what is this maquiladora thing we keep hearing about?

Ms. KAPTUR. Well, it is interesting. The name, as translated, means "in bond." I always say "in bondage." It reminds me of the reason we fought the War against the States, the Civil War, here in our country.

There is a very difficult economic system that is operating south of our border in Mexico, and essentially in those maquiladora plants the Government of Mexico has said to a United States company, "Look, if you relocate here, and you send materials down here for assembly or processing, you can then under the law here and under a tariff-forgiveness provision in U.S. law send the completed products back to the United States," and so automobiles, textiles, electric wiring materials, automotive parts go down there for such type of value-added production, and then they come back here.

So, they are not really developing a new export market for the United States. What they are actually doing is creating little colonies down there where people do work for very low wages, and they send it back here.

Mr. BONIOR. What kind of wages? What kind of low wages? I ask the gentlewoman, "What are you talking about?"

Ms. KAPTUR. I will say to the gentleman, "Every Member of Congress before voting on this treaty should go and walk on the streets of the villages where I walked and go through those companies. We went to Zenith television which moved out of Springfield, MO, and Chicago, IL, putting thousands of workers out of work in our country. Zenith now employs in Reynosa, Mexico, 12,000 workers. We talked to one woman who cannot afford to buy what she makes, even those little black and white TVs."

Mr. BONIOR. What does she make?

Ms. KAPTUR. After 48 hours of work on a given week, after 10 years of seniority in that plant, she takes home $15.75 a week. Out of her check is deducted money that goes to the Government of Mexico to build housing for which she gets no benefit. They deduct money to clean her street, and with all due respect I must say she does not have an asphalt road. They have a dirt road that is never swept.

I said, "Ma'am, have you ever seen anybody from the Government of Mexico come here to fix your road?"

She said, "No."

They live in little—one cannot call them homes. They are huts made out of tin and cardboard, no running water, no electricity, dirt floors that the people have scooped out with tin cans. When you walk into these little homes that have no door, you just go through the opening. You step down into their home, and they try to keep them as clean as they can, but they spray them down during the day so it is muddy in the house and they do not get the dust on their little tables. There are 12 people living in one room, working in U.S. companies.

I was so hurt when I saw what I saw down there. I thought our companies paid people a living wage that they could afford to buy the television set that they were making, that maybe they would have the hope of buying one of those little automobiles. They absolutely cannot on $15.75 a week, cannot support a family of 5 or 10 people. They have to pay $3 for a little box of rice.

Mr. BONIOR. So this differential and tremendous profit that was gained by leaving 2,000 Americans workless in the United States to employ people in Mexico at below $1 an hour wage level, and to skim from even that buck an hour money so that they could have, quote, unquote, housing and good street cleaning, which basically went into the pockets of the Mexican officials——

Ms. KAPTUR. Right.

Mr. BONIOR. And where did all this profit go? Did Zenith, did they lower their prices of their television sets?

Ms. KAPTUR. No, they sure did not, and we visited one automotive company that in 1 year on wage savings alone this particular company, they saved in wages by going down there, $131 million, and of all the U.S. auto companies located in that band at the northern part of the border, only one, because the community forced them, has built a treatment plant, a $2 million sewage treatment plant, for the sewage and the toxics that they are generating, and that was General Motors only after considerable community pressure. All of the rest of them are down there disgorging their waste into the ditches in northern Mexico. There is a multibillion dollar cleanup problem that our companies have left this continent. I was ashamed to see what I saw down there and the heritage that our companies have left.

Mr. BONIOR. If I could just switch subjects for just a second here, it relates to all of this, but, as my colleagues know, the things that really just burn me, just gets me livid, is the way that much of our academic community and the press has bought into this.

I have been in public service for most of my adult life, elected public service now, going on 22 years. I have never seen a bigger boondoggle than this NAFTA, never, and I have never seen a bigger ripoff, and I cannot for the life of me understand how the academic and journalistic community in this country has bought into this, and, believe me, they have bought into this.

Now one explanation is that the control of many of our institutions, in academia as well as in the press, is run by corporate elites, and they are told to buy into this, and another explanation is that a lot of these people have never worked in a factory, never have gotten their hands dirty, are divorced of reality of what happens in Toledo, and Detroit, and Warren, and Fort Huron, and Lorain, OH. They have no concept of the pain that is going on in these facilities, in these communities, because of plant close-downs so that corporations can go down and rake off these profits in a corrupt political system that Mexico provides.

Ms. KAPTUR. Mr. Speaker, if the gentleman would yield, I have been so disappointed that there has been so little investigative journalism on the part of our newspapers.

□ 2000

I wonder if they sold out to some of their advertisers here in this country. I wonder the same about our television and our news media. I wonder if they are living up to the high principles that they once espoused when they graduated from journalism school.

I also think there are just some folks that are plain lazy. They do not want to take the time to go down there. I remember a wonderful U.S. ambassador from our country, Sargent Shriver, who represented us in Europe. I asked him once what it was like to be an ambassador. He said, "I'll tell you what. If you can manage to get the ambassador out of the cocktail lounge in the Hilton Hotels and get him out into the countryside, you will have a great ambassador."

I wonder sometimes if our university professors and some of our media leaders have managed to walk down the street that we walked down when we were there a month ago.

Mr. BONIOR. How some of these paragons of journalism, who purport to be the conscience of human rights and human work for dignity and decency, can support this, is beyond me, absolutely beyond me.

I guess Salinas has done an incredible job of selling this thing to these people. I mean, he is a nice looking guy. He went to Harvard and is educated. He controls this thing with an iron fist. He controls a corrupt system, and he is a part of it. He is a big part of it.

Mr. BROWN of Ohio. If the gentleman will yield, interestingly, a newspaper editor in a Ohio newspaper told me last week that although he himself understands the human rights violations, he understands that wages in Mexico, even with the maquiladoras and all the American business down there and the American manufacturing, that wages have not gone up in Mexico in the last few years. That even though the proponents say that the wages will go up, they will be able to buy the televisions, and the people that the gentlewoman of Ohio [Ms. KAPTUR] is talking about will be able to buy those televisions and be able to buy those cars, that is clearly not true.

This editor understood all of that. He told me the other day, even though he is an opponent of NAFTA, that his publisher is down the road going to endorse the NAFTA because it is business.

Mr. BONIOR. It is business. It is big, big business. It is elitism. It is big business.

Mr. BROWN of Ohio. The only people in Mexico that really support NAFTA, the only people that really support it are the elitists, the Salinas people, the people that control the government, the people that control the businesses.

Those businesses have that $50 million that those businesses spend. If the elite in this country, if the newspaper publishers, if most of them had not already been captured by this, they have been well organized. They sent out people to talk to newspaper editors.

People tend to agree that free trade in theory is a wonderful thing. Free trade, like free enterprise, is almost an article of faith in this country. Free enterprise absolutely works in this country. We need governmental involvement on environmental issues and free enterprise. We need government involvement on minimum wages and worker safety and all that.

With free trade, these economists and these people that take it as an article of faith just believe that pure free trade is a wonderful thing.

We do not have pure free trade anywhere. And never, as the gentleman knows, never has there been an agreement ever in history between two countries that are economically so far apart. Never has there been that kind of agreement.

The proponents will say, well, they had that in Europe with Portugal and Spain on the one hand and Britain and Sweden and Germany on the other.

The wage differentials were not nearly as high. And as the gentleman pointed out, it was a years and years and years long negotiating process, with free elections, kind of free election side agreements, free trade unionism side agreements, side agreements on wages, side agreements on salary, side agreements on all of that.

Mr. BONIOR. They spent decades doing that. They spent tens of millions of dollars putting it all together. And here we want to spend virtually nothing and do it overnight.

There is an old Abbott and Costello routine that you may have seen growing up, where Bud Abbott says to Lou Costello, "Lou, if you had 50 bucks in one pocket, and 100 in the other, what would you have?" And Lou says, "Somebody else's pants."

Basically that is what we are dealing with here in terms of the American worker.

There is a report floating around that says in the auto industry, the textile industry, the steel industry, we will lose in the United States 40 percent of our workers if this thing goes through. Now, that is going to devastate our region.

Ms. KAPTUR. If the gentleman would yield, the people who will be the most affected by that job loss will be women, women who work in industries like textile industries, where the wages are some of the lowest, even in our country. People who work in manufacturing, at jobs that are very repetitive. And we are told we should accept this, because the United States has to become a high wage society and a high tech society.

Well, I think every society should have a range of jobs, and we should try to strike to uplift everyone in this society.

But women will be the most hurt, and those who have gone into the work force most recently. So women and minorities will be the two groups in our society hurt.

Mr. BONIOR. They have always been expendable in our society. And the newspaper editors and the academicians, I mean, they do not deal with that on a daily basis. I mean, why should they worry about those people in our society who are struggling? They are expendable.

What do they say? How do they answer the question that 40 percent of these people are going to be put out of work. What is their answer to that, that we are going to retrain them? What are we going to retrain them to do? Where are we going to get the money to retrain them?

Ms. KAPTUR. If the gentleman will yield again, in the agreement that has been negotiated for the people of our country, the proposal does not even have extended unemployment benefits for the people here that will lose their jobs. It does not have job retraining. And, quite frankly, the people in my district do not want retraining; they want jobs, period.

They are tired of hearing about retraining. Some of them have been retrained two and three times for jobs that are not there.

Last year these big companies created more jobs in Mexico than they did here in the United States of America. So our people really understand what is going on.

Mr. BROWN of Ohio. If the gentlewoman will yield, earlier this week I was in a job retraining center in Elyria, the second largest city in my district. It was a group of about 30 people that were some of the most committed people you ever saw.

Back in February when they started these classes there was a really bad snowstorm, and everything in Elyria was shut down, except about half the people that were at this job retraining center came in that day. It showed the kind of dedication they have.

These people do not want welfare, they want work. They want jobs. They want the kind of jobs that they had in Toledo, Ohio, and in Michigan and in Lorain, OH, and in Elyria, and all over, the kind of jobs that gave them the self-worth that they deserve, that gave them the chance to send their kids to college, that gave them a decent retirement, that gave them nice homes.

Sending our jobs to Mexico is clearly in the wrong direction. But, as you say, there just does not seem to be much interest among newspaper publishers and among academicians and within large corporate America.

Ms. KAPTUR. If the gentleman will yield again, one of the disappointing features that I have learned in the last year has been that the American Newspaper Publishers had President Salinas before them about a year ago.

Mr. BONIOR. Isn't that a great, progressive organization, the American Newspaper Publishers.

Ms. KAPTUR. What was interesting was they did not allow for those who had a different point of view to also come before them. And one of the people I think they should have allowed to come before them is a woman whose remarks I would like to insert in the RECORD tonight. I would like to call her one of the silent voices of Mexico, Luz Rosales Esteva, who speaks very eloquently on democracy and human rights in Mexico. If you would permit, I would like to read a few paragraphs from material she has given me. She wanted us to tell her story to the American people. She has helped found an organization dedicated to human rights and democracy.

Mr. Speaker, Ms. Esteva asked me to read this into the RECORD for the American people to hear. She says:

> Human Rights and Democracy are inextricably intertwined: where there is no democracy, human rights are not respected and

vice versa. If we are talking about a trade agreement, we need to ask ourselves to what extent it respects the rights of man and our peoples' democracy. I believe that this agreement, the North American Free Trade Agreement, should be ratified provided it helps improve the living conditions of our respective peoples. Up to now in my country this agreement has not been discussed with the majority of the social sectors and an agreement such as this one should have the consensus of a large majority of the citizens.

While I am unable to speak in detail about the problems in the United States and Canada, I can tell you that the reality in my country is that we do not have democracy, and virtually every aspect of human rights is violated: economic, social, cultural and environmental rights, and to an even greater degree political and labor rights.

Due to the economic model currently being implemented—from which NAFTA originates—the living conditions of more than 80% of the population have deteriorated. For example, 50% of all children under 5 years of age are malnourished, workers' salaries have lost 40% of their buying power in the past ten years, and the policy of streamlining the government has resulted in the reduction of public spending in education, health and social security. The International Labor Organization (ILO) states that in Mexico we designate 2.4% of our gross domestic product (GDP) to social welfare costs, while the United States designates 12.3%, and Canada 18%.

The impunity of public officials, accused of corruption, who do not respect people's individual rights of Mexican citizens are violated and there is clear opposition to democratic transformation, denying the people's right to elect its representatives; thus generating a climate of social tension. To give an objective example of this, I can tell you that since August of 1991, 6 governors have been forced to step down because of citizen pressure objecting to the electoral processes which brought them to their posts.

Civil observations of the electoral processes in eight of the ten states observed between August of 1991 and February of 1993 show grave irregularities, which we have documented extensively, for example:

In the zones where the opposition is strong, the electoral authorities erase thousands of names from the election register of people who are not members of the official party, denying them their political rights.

Government funds are used indiscriminately to support official party candidates, especially through the National Solidarity Program—which is used more as a political arm than as a means to eradicate poverty. For example, public works are conditioned on election results in areas where potable water or a certain bridge that needs building are extremely important to the inhabitants. Between 1990 and 1992, Solidarity spent the same amount in the state of Michoacan as it did in its annual budget for the entire country, with the objective of weakening the opposition in the townships where it was strongest.

Excessively high cost political campaigns are carried out in a country where 17 million of the citizens live in extreme poverty.

The communication media is almost totally inclined toward the official candidate.

The electoral process is controlled at every level by the government party, which decides the laws and the electoral officials and declares the results of the voting.

One of the most alarming statistics is the fact that electoral conflicts have cost more than 200 lives in the last 4 years; the huge majority of who were opposed to the official party.

This impunity and the unjust electoral process have generated a lack of confidence and discredited the government, which lacks the backing of the people.

The Free Trade Agreement has been negotiated in this climate of no-confidence and lacking the participation and representation of a large majority of the population. You thus can understand that it does not have a confirmed backing of the Mexican people.

In light of all this, I want to show you the other side of this society—a people struggling in many different ways to conquer a harsh reality. I have been a witness to the wide spread participation of citizens fighting for change. The formation of 60 civic organizations for human rights, citizens' environmental groups, the Mexican Action Network on Free Trade (RMALC), and citizens' movements to defend democracy demonstrate this.

In practically every election since 1992, an average of 400 citizens from all different social classes have come together to observe the development of the elections, with the interest of defending the right to vote. Currently, civil institutions and citizens all over the country are united in the citizens' movement for democracy, and we are proposing reforms in the national electoral law, which defines five points of change necessary to achieve a peaceful transition to democracy. This is what we as mexicans want:

Impartial Electoral Commissions that are independent of the government and made up of citizens and political parties—an electoral branch of government separate from the executive, legislative and judicial branches. Legitimate election registers and voter identification controlled and monitored by citizens and political parties. Prohibition of the use of public funds to benefit candidates. Limits in the expenses of political campaigns. An impartial media.

To summarize, in Mexico there exists a strong citizens' movement to defend democracy and human rights. There are viable proposals being put forth and Mexican citizens are demonstrating the ability to be critical and proactive in all of these issues. Proof of this is the Plebiscite held in Mexico City on the 21st of March, organized by 10,000 city residents, to determine the kind of government people want in the capital. Eight-four percent of the 331,000 who voted in the plebiscite said they want their own government and not one imposed by the President.

The government doesn't want to recognize the plebiscite, but meanwhile in the state of Guerrero, it wants to impose a governor who obtained little more than 200,000 votes (11% of that state's voting age population) via a campaign and elections that were obviously fraudulent.

To know Mexico, it is essential that one listen to the Civil Society, understand it and support it. There is a lot to be done in the field of Democracy and Human Rights, by both our peoples, respecting our own processes and sovereignty.

In the Tri-national relationship between Canada, the United States and Mexico, the Mexican Action Network on Free Trade and its northern counterparts have made proposals that should be analyzed closely in order to improve the social conditions of the three countries. In this respect, we should in our relations: (1) abide by the Multinational Covenants developed by the UN and the OAS to protect and promote human rights; (2) ratify the UN convention for the rights of immigrant workers and their families; (3) consider free transit of peoples; and (4) the creation of bilateral organisms which include the participation of non-governmental human rights organizations to eradicate violence in the U.S./Mexico border region.

I believe these agreements are fundamental and before thinking about ratifying NAFTA, the autonomous human rights organizations should be consulted and these proposals studied carefully. This would help to advance democracy, and hence be a responsible approach toward the future of our peoples, in spite of the months or years of work it may require.

I hope that I have helped you better understand Mexico and the struggle of its people to advance and conquer these problems.

Thank you very much.

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I appreciate the opportunity to speak out on behalf of that silent voice from Mexico that needs to be heard.

Mr. BONIOR. Mr. Speaker, I thank my colleague for her leadership on this issue. She has been such a stalwart to me in providing leadership for the rest of us.

We thank you for all you have given on this issue.

Mr. BROWN of Ohio. Mr. Speaker, I think the people in this country pretty clearly are ready, and in Canada, have begun to speak out on NAFTA. While the elite in Mexico surely support it, are spending $50 million to pass it in the American Government, in the Halls of the American Congress, and while people raise voices, people in Mexico are raising voices like the woman that the gentlewoman from Ohio [Ms. KAPTUR] mentioned, there are the few trade unions in Mexico that are not government operated, that are not owned by the Government or operated in some way by the Government. Those trade unions, I believe, unanimously oppose NAFTA.

Of the three people that negotiated NAFTA, President Bush, Prime Minister Mulroney of Canada and President Salinas, President Bush is out of office, partly because of opposition to NAFTA. Prime Minister Mulroney is out of office in large part because of the Canadian people's opposition to NAFTA. And President Salinas will soon be out of office.

I think people in our countries are speaking on NAFTA while the $50 million is being spent by the Mexican Government to lobby it here, while U.S.A. NAFTA, a corporate group in America, funded by American corporations, is spending tens of millions of dollars in addition to lobbying Congress. I think that the people in this country, the numbers are with us.

The people that feel they are going to lose their jobs to Mexico, as they will, people that are afraid of the environment along the Mexican border, people that do not want to see children exploited on this side of the border and the south side of the border, I think people in large numbers are going to begin to lobby their Members of Congress.

It is important that we get that kind of grassroots input to fight off the kind of corporate big money involvement and corporate big money influence peddling that these law firms in Washington are doing, paid for by large American companies and paid for by the Mexican Government.

Mr. BONIOR. They are trying to buy the jobs of the American worker, this lobbying campaign. They are trying to steal the jobs of the American worker. It would be a tragedy, indeed, if we allowed them to do this in this body.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from Michigan for yielding to me.

Before I engage in this colloquy, I would like to say that at some point in the future we will have a chance to discuss the health care issues, including the gentleman from Michigan in the discussion, because we had a little difference tonight.

Let me just say that I just got back from Mexico. I went down to Miami, FL, to meet with Customs people and DEA agents to talk about the immigration problems and the drug problems that were bad down there and the refugee problem from Haiti and elsewhere. Then we flew to Mexico City, because we wanted to check on three things: the drug problem, the Mexican-American North American Free-Trade Agreement, NAFTA, and also to see what kind of a problem it would create on both sides of the border as far as jobs were concerned.

We found that there are 2,100 companies down there that have gone down there because of the maquiladora program. We found that some of those companies have been infiltrated by the drug cartel people. They have bought into those companies, because they find a conduit to getting drugs into the United States that they did not have before. And I talked to some of our Customs people.

Some of those convoys of trucks bringing supplies in, products in from Mexico, from the maquiladora companies, are miles long. And our Customs people and DEA people at the border are simply overwhelmed by the number of trucks that are coming in, and drugs are coming in through that method, because you simply cannot check all of the cargoes of all of those trucks.

So from the standpoint of drugs, this is going to be an additional problem, if we approve the NAFTA agreement, because there are going to be other companies going down there, probably several thousand.

And when you add to the 2,100 maquiladora companies, these other thousands of companies that will go down there or at least hundreds, it is going to compound the problem. We are going to have convoys of trucks coming up here, many with drugs and other contraband in them that we simply will not be able to catch.

I asked one of the DEA officials down there about how they are going to deal with that. He said that they will catch a number of those people but they will not be able to stop the tidal wave of drugs. I said, "Then what do we need the DEA down there for, if you are not going to be able to stop this tidal wave of drugs?"

He said, simply, that is not their charge. Their charge is to try to enforce the law as much as possible and catch the drug dealers. But this is going to add to the problem.

In addition to that, we went to two companies down there to talk to them about what this would do to their companies. These are American companies. One was Eli Lilly, which has a major company in Indianapolis. That is their major plant. They had a subsidiary down there, because of the import tariffs on American products, drugs coming into that country. So about 40-some years ago, Lilly put a plant down there.

They told me that some companies that they knew of might very well close their doors down there because the import tariffs that are now erected against some of our products going into Mexico would be removed. And as a result, there would be no necessity to keep some American plants down there that are currently there because those protective barriers will not be there.

I said, "What will happen to the employees of many of those companies, including farmers, small campasinos that have farms down there, small truck farms that produce products there in Mexico?" And they said that what many of them would do would be to come to the United States, and they think that this would enhance the illegal immigration problem.

As a matter of fact, they told me that we could expect an increase in illegal immigration into the United States averaging from 6 to 8 percent a year for the next 8 to 15 years. So the illegal immigration problem that we have could be and probably will be compounded, if NAFTA is approved. This is another problem.

I am pointing out the problems with the NAFTA agreement that some people do not see that is really apparent.

Ms. KAPTUR. Do you not find it incredible that in this 2,000-page proposed treaty that the issue of immigration, drug interdictment, is not addressed at all? The border crossing issue? How do we inspect, and also the agricultural migration, where because of changes in Mexico, over 10 million people are being taken off their farms down there?

Mr. BURTON of Indiana. Of course, I would like to say, if the gentleman will continue to yield me just a couple more seconds, you have been covering this very well. I think that this is an issue. I hope the gentleman in the well and others from our side of the aisle will involve ourselves in a bipartisan colloquy, maybe over the next few weeks, about this issue. Not necessarily because everybody will oppose NAFTA, but I think the American people who pay attention to C-SPAN and the news media and others that watch this will find some of these issues that you are raising tonight and that we have just raised now very interesting and illuminating. Because a lot of people are getting one-sided information, as I think you just mentioned a few minutes ago. And we need to make sure that the American people are well aware of all the ramifications of this, not just Mr. Perot's great sucking sound of companies going down there, but the drug problem, the illegal alien problem, job loss on both sides of the border. I think these things ought to be discussed in depth. So I hope that the gentleman from Michigan, with whom I somewhat agree on this issue, and others will take the time to have a bipartisan discussion on this in the weeks to come.

Mr. BROWN of Ohio. The gentleman from Indiana raises the specter of a long line of trucks coming across the Mexican border into Texas and Arizona and New Mexico and into California and then fanning across this country.

One of the issues that is not often raised is not just the drug issue, which is discussed, although not addressed in the agreement, but the issue of these trucks, these by-and-large unregulated trucks with less than well-trained Mexican drivers driving into the United States.

In this country, in every State in the Union, there are regulations on truck length. There are regulations on truck weights. There are regulations saying that no driver may drive more than 10 hours any day. There is random drug testing in most places in this country for truck drivers.

In Mexico, there are no enforced truck weights. There are no enforced truck lengths. There are older trucks in Mexico, not in as good a shape, not in as good a mechanical condition.

The drivers in Mexico only need to be 18 rather than 21 to get a license. Those drivers do not have the testing, can drive as many hours a day as they want. We raise that specter of these trucks coming into the country, when Americans are pretty concerned about truck safety anyway, with some of the triples on the road and some of the longer, bigger trucks.

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I think if we seek trucks from Mexico that are not as well maintained, with drivers that are not as sharp because they have been driving more hours, probably not as well trained and more likely to be substance abusers, because there is not training and testing and all of that, it raises the specter of even an additional problem with NAFTA that again we have not addressed in the side agreements, and we are not going to address in the side agreements, because the administration, as did the previous administration, set an artificial deadline on negotiations.

There is no reason that President Salinas or Prime Minister Campbell would feel like they need to negotiate this, need to give in on anything, because of this self-imposed American deadline.

Ms. KAPTUR. If the gentleman will yield, Mr. Speaker, in closing for myself this evening I just wanted to thank the gentleman from Indiana [Mr. BURTON], who has been a leader on this whole drug interdiction issue, not just as concerns Mexico but many of the other supplier countries. We certainly appreciate his being part of this special order tonight.

I also wanted to thank my very talented colleague, the gentleman from Ohio [Mr. BROWN]. There are some fights that are really worth fighting, and this is one of them. I am really glad to have him.

Mr. BONIOR. You bet it is.

Ms. KAPTUR. To you, I would say to the gentleman from Michigan [Mr. BONIOR], who is helping us reveal to the American people the true dimensions of this agreement, we thank you for your leadership, your persistence, and your intelligence all along.

Mr. BONIOR. I thank the gentlewoman from Ohio.

GENERAL LEAVE

Mrs. MEEK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

EQUAL JUSTICE UNDER THE LAW FOR HAITIANS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Mrs. MEEK] is recognized for 60 minutes.

Mrs. MEEK. Mr. Speaker, I have called this special order today to bring attention to the plight of 142 Haitians, who have suffered enormously over the past several months. They risked their lives in Haiti to support democracy. They were detained and interviewed at Guantanamo Bay Naval Base, Cuba, by Immigration and Naturalization Service officials.

I implore our President to stand firm and to prevent our refugee laws from being exploited by fear. Please do not appeal Judge Johnson's order.

I would now like to thank my colleagues, who have joined with me today to support the Guantanamo Haitians.

It is heartening how many people have come forward to help with the resettlement of these Haitians. I especially appreciate the letter I received from the associate dean of the University of Miami School of Medicine offering to coordinate any necessary health services with Jackson Memorial Hospital to provide services to the Haitians from Guantanamo.

Indeed, not all of the 142 Haitians have tested positive for this virus, as the 142 includes children and HIV-negative spouses. Those who are HIV-positive do not require hospitalization at this time, and are able to work. The Haitians will receive 12-month parole and work authorization papers, allowing them to obtain employment through family contacts and placement programs available to them.

Concern that letting these Haitians enter the United States sets a dangerous precedent, opening the floodgates for those with AIDS to come to the United States is baseless. Public health officials have stated that they present no serious health risk. The Haitians affected by the judge's order do not have AIDS. They have tested positive for the HIV virus.

I would inform my colleagues from Florida that less than half of this number will reside in Florida, and most of them will be provided housing and living expenses by immediate family, friends, and charitable organizations.

They will be eligible for already existing refugee resettlement programs and will not require additional assistance. In fact, the cost of operating the Guantanamo camp was estimated between $7-$8 million a year, far exceeding any cost associated with resettling 142 people.

On June 8, Judge Sterling Johnson of the United States District Court in New York issued an order initiating the immediate closure of the Haitian processing camp at Guantanamo Bay Naval Base, Cuba. On June 9, the Justice Department announced it does not intend to seek a stay pending an appeal. However, the Justice Department has reserved the right to appeal at a later date. The judge's decision was consistent with our current immigration policies and requires our Government to apply those policies uniformly in accordance with U.S. law.

They were found to have a credible fear of persecution in Haiti. They were justified in their flight from military authorities who ousted President Aristide in October 1991. INS officials found that all of these Haitians met the standard of persecution that should have allowed them to come to the United States following their interviews.

But instead of bringing them here, they were incarcerated at Guantanamo because many tested HIV-positive.

Our refugee laws are based on establishing a well-founded fear of persecution, not on the politics of race.

The impact of Judge Johnson's order has been blown out of proportion by some. It only affects 142 people. Concerns raised by some that the Guantanamo Haitians have no financial resources and will strain our economy to the breaking point are unfounded.

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In recent days many have expressed concern about the potential impact of Judge Johnson's ruling ordering the release of the Haitians held at Guantanamo Bay. This concern has been portrayed as a financial and medical threat to U.S. citizens, mainly because of perceived medical costs and a perception that public health would be threatened because the HIV virus would be further spread. Many of my constituents have expressed fear, but most are outraged and incensed at the double standard to which Haitians have been subjected.

Concern that letting these Haitians in sets a dangerous precedent, opening the floodgates for those with AIDS to enter the United States, is baseless. Contrary to what others have suggested, Judge Johnson's decision is not inconsistent with current immigration policy; rather it requires our Government to apply these policies uniformly and to abide by our laws. Our refugee laws are not based on economics or on race, but on the need to protect those who could be subjected to political persecution.

To my knowledge, no other group of asylum seekers have been required to take the HIV test at this stage of the asylum process. Until last year, the United States had never excluded anyone from the asylum program on the basis that they were HIV positive. Indeed, Cubans who have made it to the Guantanamo Naval Base are being brought to the United States and allowed to enter the asylum program without any medical testing at all.

The impact of Judge Johnson's order is being blown way out of proportion. His order only affects 142 people, which public health experts agree will have no significant impact on our economic or public health systems.

Concern that the Guantanamo Haitians will strain our economy to the breaking point is simply unfounded. Closing the camp immediately will result in saving our Government more than $15,000 a day; more than half a million dollars per month; $7 to $8 million a year. Most of the Haitians upon arrival in the United States will be supported by family members, friends, and charitable institutions. Those without families will be resettled initially from exclusively private funding sources; all perhaps will be assisted by Federal moneys in which all refugees are entitled. Eligibility for the Federal refugee benefits will end if political asylum is denied.

The Haitians will be entitled to the same refugee assistance that is available to Cuban and others who wish to begin a new life in the United States. Any incidental cost incurred will be exceedingly smaller than the costs of operating the Guantanamo camp. And, certainly any cost incurred by the State of Florida as a result of the Guantanamo Haitians should be reimbursed out of the savings realized by the Federal Government.

While the Haitians were detained at Guantanamo, the Federal Government paid 100 percent of their housing, food, medical care, and other living expenses. Once the refugees arrive in the United States, they will earn their own wages, and to the extent that they require support, the burden of providing for their living expenses will be shared by their families churches, community groups, and voluntary agencies.

The American people are certainly entitled to know and to have a say regarding the economic impact of our immigration policies. But the sudden focus on costs in this case is clearly a way of justifying our prejudices against these particular asylum seekers. Those voicing their concern over the cost of caring for the Haitians in the United States have said nothing about the cost over the past 20 months of running the Guantanamo camp.

Not all of the Haitians affected by Judge Johnson's order have tested positive for HIV. Indeed the 142 Haitians currently at Guantanamo Bay include the HIV-negative spouses and children of HIV positive Haitians.

The notion that these Haitians pose a public health threat is a scare tactic that plays to the worst prejudices in our society, directed at people of color and against HIV positive people. HIV and AIDS are not airborne diseases. Nor are they transmitted by casual contact. Officials at the Center for Disease Control have said repeatedly that there is no reason to keep HIV positive people out of the country. These HIV positive Haitians pose less of a public health threat than the millions of untested Americans who unknowingly infect others through high risk practices.

None of the affected Haitians has AIDS. A few of them have tested positive for the HIV virus. None are expected to require immediate hospitalization. If they develop AIDS they will need medical treatment—but that is also true of the 1.5 million people in the United States who already have HIV or AIDS. Even if we kept the Haitians at Guantanamo Bay, we would be obliged to provide them with some level of medical care if their condition worsened.

The Haitians at Guantanamo have suffered enormously over the past several months. They have risked their lives in Haiti, fighting for democracy, only to learn in many cases, while at Guantanamo, of the loss of loved ones they were forced to leave behind. All have met the Immigration and Naturalization Services' standard of having a credible fear of persecution, a standard which should have allowed them to be admitted to the United States to pursue their asylum claims. But instead of bringing them here the INS subjected many of them to an even higher standard, which they virtually all passed. Judge Johnson's fair and just decision recognizes the extent to which we have discriminated against the Haitians.

From a humanitarian standpoint and as an act of compassion we must now look ourselves in the mirror and acknowledge what is right and what is just. What is right is to allow bona fide refugees to live in freedom and with dignity. What is just is to treat refugees fairly no matter how loud the voices of prejudice. We should use the same standards for Haitians as we do for other refugees. Our current treatment of the Haitians refugees can—at best—be characterized as discriminatory and un-American. We must move now to end such treatment and end the 20 months of suffering the Haitians have experienced.

Mr. Speaker, I am one of the members of the Congressional Black Caucus that have gone on record with some of the members appealing and asking the President and Mrs. Reno to not pull back on the decision of Judge Johnson. He did what was right, and sometimes we have very tough decisions to make in this country. But if they are based on the law and they are legal, then we can stand by them.

It is to be understood then that if we work very hard we know that the people who are detained and were detained at Guantanamo are political refugees, and they have already been interviewed.

On the health status, I repeat from before, public health officials estimate that 1.5 million people in the United States already have HIV or AIDS. Public health officials agree that the entry of a minimal number of HIV positive Haitians will have no significant economic or public health consequences.

Family unification. Most of the Guantanamo Haitians have immediate family members living lawfully in the United States, many of them living in Florida. These families are eager to provide affection and care and all necessary living expenses to their spouses, siblings, children and parents. Refugees will rejoin their families in Florida, New York, New Jersey, Massachusetts, Pennsylvania, and Maryland.

Employment. The Haitians will receive a 12-month parole and work authorization paper upon arrival, hopefully allowing them to obtain employment through their family contacts. The cost of resettlement will be done at negligible public expense. Refugees who adopt families are being resettled initially from exclusively private funding sources, exclusively private funding sources. Refugees with families will be assisted by a one-time Federal grant of $2,000 per person to their sponsoring agency. This is no more than other refugees who have come to this country.

I have the greatest respect for my colleagues who have expressed concerns of their constituents over the impact of the judge's ruling. However, my phones have also been ringing with calls from my constituents who are outraged and incensed at some of the things they have heard on the floor of this House and the double standard to which Haitian refugees have been subjected. Many of the people who are voicing these concerns know very little about the Haitian input in this country, and I do not think they could care less. No group of asylum seekers, as I said, is required to do what the poor Haitians have done.

I stand here today, Mr. Speaker, asking for some justice and some mercy in this country.

I have a letter here from the Catholic Commission, the Ministry of Christian Service to Attorney General Janet Reno which reads as follows:

Catholic Commission for Christian Ministry of Christian Service,

Miami Shores, FL, June 17, 1993.

Attorney General Janet Reno,
U.S. Department of Justice, Washington, DC.

Dear Ms. Reno: We are disturbed by reports that the Clinton Administration is being pressured to halt the closure of the HIV+ Haitian refugee camp at Guantanamo. The order by Judge Sterling Johnson allowing these Haitians to be brought to the United States is a just and humane one.

Working through the Migration and Refugee Services of the United States Catholic Conference, we have already assisted some 5,500 Haitians admitted from Guantanamo since last year with resettlement and legal services. Our offices are currently handling the arrival of these last few HIV+ detainees at no additional cost to the taxpayers.

At the time that I write, most of the 150 adults and 19 children affected by Judge Sterling's order are already here. Any move to halt arrivals now will only create confusion and subject the few remaining detainees to a cruel hoax of American justice.

Sincerely,

Msgr. Bryan O. Walsh,
Executive Director.

This is signed by Monsignor Bryan O. Walsh, the executive director of the United States Catholic Conference.

I have other letters and also include for the Record a press release from the United States Catholic Conference, which I include as follows:

[Press Release]

Migration and Refugee Services,
Washington, DC, June 8, 1993.

Church Agency Welcomes Court Order Requiring All Remaining Guantanamo Haitians Be Brought to United States

Washington.—In a statement released today, Fr. Richard Ryscavage, S.J. Executive Director of the Catholic Bishops' Office of Migration and Refugee Services, applauded and welcomed the decision of United States District Court Judge Sterling Johnson, Jr. ordering that the remainder of all Haitians still detained at Guantanamo Bay be brought into the United States. The decision affects some 169 Haitians including 150 adults and 19 children. (data as of 6/1/93)

Fr. Ryscavage said "this decision of the court should be applauded and welcomed as a long overdue measure of justice and a humanitarian act of compassion for those who have suffered twice—first in fleeing Haiti where they were subject to human rights abuse and second in being subject to very difficult physical and physiological conditions in the refugee camp at Guantanamo Bay." Fr. Ryscavage had visited the section of Guantanamo reserved for HIV+ Haitians and was "shocked by the camp conditions . . . and deeply moved by the psychological pain of the detainees."

Those affected by the decision have now been in Guantanamo for over a year surrounded by barbed wire and housed in makeshift shelters, which often leak in the rain. All of these Haitians have met the condition of being allowed into the United States—namely, "a credible fear of persecution" if forced to return to Haiti.

Fr. Ryscavage "strongly urges the Administration not to appeal the court order and to allow the remaining Guantanamo Haitians to come into the United States either as refugees or with an indefinite status." The Catholic Bishops' Office of Migration and Refugee Services has already resettled 24 HIV+ Guantanamo Haitians and their family members since April 5, 1993. "Our agency is prepared to help provide the services needed to adequately care for and resettle these Haitians." These services include family counseling, structured orientation, case management, housing and food, employment where applicable, and coordination of medical services. Fr. Ryscavage "hopes that the political will and the necessary leadership will prevail in cooperating with the court decision."

The Office of Migration and Refugee Services has provided resettlement and legal services to some 5,500 Haitians admitted from Guantanamo since last year.

I have many letters from people supporting the fact that we should give some kind of justice and humanitarian care to these Haitians.

It is so important that we use the same yardstick, Mr. Speaker.

Mr. Speaker, I want to yield the rest of my time to the chairman of our Haitian Task Force, our honorable colleague from New York, MAJOR OWENS, who has fought this fight for so many years, and it has given me inspiration to do my very best. Thank you, MAJOR OWENS.

Mr. OWENS. Mr. Speaker, I thank the gentlewoman for yielding. I want to congratulate her for sponsoring this special order and for beginning with a set of facts that I think are very important.

The problem is not a legal problem. The problem is not a financial problem. The presentation of the gentlewoman from Florida has made it quite clear that those problems are being taken care of. There are families, there are organizations assuming responsibility for the Haitians who have returned as a result of Judge Johnson's order. It ought to be quite clear now.

The problem is a moral one, the fact that at this point when the court has ruled there are people who are trying to pressure the White House to appeal the ruling of the judge in order to force these people back into a situation where they cannot get the proper health care.

□ 2040

It is an example of the expression of the worst strains in the American character to have people demanding that the President appeal this ruling.

I would like to see us remain true to the expression of the best that is in the American character, the kind of noble sentiments that are indicated in the way we have treated other refugees in the past.

We not only allowed the Hungarian refugees into this country at the time of the revolution in Hungary when Soviet tanks were used to crush the Hungarian uprising, we not only allowed them in, we sent planes to get them. We paid for their transportation. We allowed them in in large numbers. Nobody was tested for any kind of disease, no restrictions were placed in any way against those people, and we allowed large numbers of Cubans in unrestricted, and no special set of rules were ever generated, no special set of rules were even made.

We have behaved nobly in many ways, and our great Nation is to be congratulated for extending itself for humanitarian reasons, often when we have nothing else to gain. There are people who said we went into Kuwait, and we spent billions of dollars, and we placed American lives in jeopardy because Kuwait was a situation where our interests were very much on the bottom line, that we were concerned about oil, and that may or may not be, but I am glad we extended ourselves.

Definitely there is nothing on the bottom line in the case of Somalia. Somalia is a situation where, for humanitarian reasons, our troops are there strictly for humanitarian reasons, and there are many other examples where the Nation has behaved in a very noble way, and we have demonstrated why we are such a great country.

In the case of the Haitians, it is just the opposite. One incident after another, one example after another have demonstrated the worst in the American character. We have made those double standards which the gentlewoman enumerated before, and those double standards that apply only to Haitians, and we can only conclude that it is racism, that it is because of the color of their skin.

Why are they suddenly subjected to tests? If we are serious about HIV-positive persons and wanted to keep them out of the country, that means we would have a program to test all of the tourists coming into the country. We do not do that. We do not even test immigrants who come in under very strange conditions.

I think that "60 Minutes" exposed the fact that our Immigration Department allows people coming through the airports to come into the airports, especially the one in New York at Kennedy Airport, and if they say they are seeking asylum, political asylum, they are sent out for a few hours, they are questioned, and usually let go, because they only have detention space for about 20 or 30 people. So they have let people by the thousands come into the country, pretend they have lost their passport, say they are seeking political asylum, and in 3 hours they are told to show up at a hearing, and they are allowed to go into the streets of New York. Two-thirds of them they never see again.

We are that careless with our immigration policies. If you are concerned about immigration and if you are concerned about who comes into the country, then let the Immigration Department tighten up those kinds of policies.

Here we have a situation that is a matter related to political asylum. If ever there was a nation that was the subject of terrorism, oppression, abuse, it has been Haiti. If ever there was a group of people who almost automatically qualified without any further questioning, it was the Haitians, and then we have erected this setup of double standards in the case of the Haitians. It can only be attributed to racism.

I think that as soon as possible we should move on to try to get the Haitian problem solved. I would like to see our Nation not set any more precedents of the kind that we have set in the case of the HIV-positive Haitians; we have set a precedent in the case of the Coast Guard boats being used to keep people into the country. We have set that precedent. Nowhere else in the world have people been kept into their country because they were felt that they might try to get out to seek asylum and they might create problems for a nation. That is brand new.

The recent Supreme Court ruling upheld that action by our Government. It is most unfortunate. I do not criticize the Supreme Court. I cannot go into the legalities of it. I am not a lawyer.

I think the Supreme Court should never have been presented with the case. I criticize very much our administration, the present administration, which never should have appealed the case, never should have taken it to the Supreme Court.

There are arguments that are being made among lawyers about the fact that the ruling of the Supreme Court is not correct, but the Supreme Court has the final word. But it is all over with respect to this particular incident.

Justice Blackmun was the only Justice who dissented, and I think it is important to get on the record that fact that here is a Justice of the Supreme Court who really agreed with the Court that preceded him; the Federal court that had ruled before agreed with Justice Blackmun. The numerous lawyers who brought the case, of course, argued, and agreed with Justice Blackmun.

I just wanted to quote a little bit from Justice Blackmun's dissent on this case where Haitian people are being kept into their country by United States forces, and I quote from Justice Blackmun's dissent:

> When in 1968, the United States acceded to the United Nations protocol relating to the status of refugees, it pledged not to "return a refugee in any manner whatsoever" to a place where he would face political persecution. In 1980, Congress amended our immigration law to reflect the protocol's directives, the Refugee Act of 1980. Today's majority nevertheless decides that the forced repatriation of the Haitian refugees is perfectly legal, because the word "return" does not mean return, because the opposite of "within the United States" is not outside the United States. * * *
>
> I believe that the duty of nonreturn expressed in both the Protocol and the statute is clear. The majority finds it "extraordinary" that Congress would have intended the ban on returning "any alien" to apply to aliens at sea. That Congress would have meant what it said is not remarkable. What is extraordinary in this case is that the Executive, in disregard of the law, would take to the seas to intercept fleeing refugees and force them back to their persecutors and that the Court would strain to sanction that conduct. * * *
>
> The refugees attempting to escape from Haiti do not claim a right of admission to this country. They do not even argue that the Government has no right to intercept their boats. They demand only that the United States, land of refugees and guardian of freedom, cease forcibly driving them back to detention, abuse and death. That is a modest plea, vindicated by the Treaty of the statute. We should not close our ears to it.

That is the end of the quote of Justice Blackmun's dissent.

Mr. Speaker, I want to close by just saying that a series of terrible things have been done to the Haitians, unfortunately, by our Government.

Some good things have been done recently. The present administration, listening to the voice of the Congressional Black Caucus, and we met with the President, where we presented him with a six-point program. He did respond on some of those points.

On step 1, he did respond and take steps to freeze the assets of the supporters of the coup and the members of the military. He did say that the passports would be restricted, and they did go to the United Nations and ask for the strongest possible sanctions and an embargo to be placed on the shipment of certain goods and materials to Haiti, especially the all-important commodity of oil and of arms. They took those steps.

It is true it is 21 months late. We do not know why our Government did not go to the United Nations 21 months ago, but the steps have been taken recently and we applaud the President.

We think that there is a window of opportunity to solve the problem, to get on with having the United States Government relieved of the burden of having to make day-to-day decisions about the Haitians who are fleeing the country because of the oppression there.

If the situation in Haiti is corrected, if democracy is allowed to function, if the legally elected President, Jean-Bertrand Aristide, elected by 70 percent of the voters, if he is allowed to return and assume his rightful place, then many of these decisions that we are making which are setting unfortunate precedents and are presenting our country in an unfortunate light, many of these decisions revealing a latent racism in our country that we do not want to have come out, they will not have to be made. Let us do the right thing by Haiti. Let us do the right thing in terms of President Aristide, and we will return the situation to a state where the Haitians have control of their own lives.

It is important to note that during the 7 months that President Aristide was President and left alone by the army, the number of Haitians trying to get out of Haiti to seek refuge somewhere else went down almost to zero.

Let us bring the situation back to that point. There is a window of opportunity here. As of this morning, the U.S. embargo, the sanctions, began. The process is started.

General Cedras, the person who has led the oppression and the terror, who led the assault against Aristide, has agreed for the first time to hold meetings.

I, frankly, think it is an insult to have the legally elected President sit down with a renegade and thug that used force to throw him out of office after he was elected to that position.

□ 2050

But the compromise is that President Aristide has agreed to sit down with General Cedras. For the first time General Cedras is taking the United States seriously; for the first time the world community is being respected. They are really fearful that one step will lead to another.

We hope that the President is prepared to go beyond the U.N. sanctions and embargo; we hope the President is prepared to take the other steps that the caucus has recommended. We hope that we are moving to a point where a date certain for the return of President Aristide will be established.

The international community, the United States, the Organization of American States, and the United Nations, in combination, will say that President Aristide should be returned by a certain date and they will make it quite clear to the military gang in command of Haiti that we are coming.

I hope that they will take the further step of guaranteeing the safety of President Aristide with a corps of bodyguards, not an invading force, but enough people to guarantee the safety of President Aristide, and enough people to guarantee law and order, enough people to guarantee any of Aristide's opponents' safety, people who say they fear the return of Aristide.

All of these things are doable. We do not need to mount an invasion. We do not need to bomb anybody. We do not need to spend millions of dollars. The cheapest thing for the American Government to do now is the right thing. Let us do the right thing by Haiti. Let us get out of the situation where we had been forced by our own political expedience. Certain people have felt they have been forced to do outrageous things to Haiti.

Let us do the right thing: Let us return democracy to Haiti; let us return Jean Bertrand Aristide to this rightful place as the legally elected ruler of Haiti, and let us do it soon.

I thank the gentlewoman for this opportunity.

Mrs. MEEK. Mr. Speaker, I want to thank the gentleman from New York for his remarks and for sharing with this country the historical memory of what has happened and transpired with the Haitians.

Mr. Speaker, I want to end my special order with one special appeal to the American public. I want the American public to understand or to see the scenario that refugees from Cuba, from Nicaragua, from El Salvador, from many, many other countries have been allowed into this United States without the kind of hysteria, harassment, demagoguery and seeming racism that has faced the Haitians.

I appeal to my colleagues, in this special order, to do it fairly, take one measure and that be a measure of justice, that be a measure of law and of truth.

Mr. KENNEDY. Mr. Speaker. I want to thank Representative OWENS for his tireless work on behalf of democracy in Haiti, and for inviting me to participate in this important special order.

I attended the inauguration of President Aristide in April 1991. His election was evidence of the dedication of the Haitian people to live in liberty and democracy, despite decades of foreign occupation and military-backed dictatorship.

For too long after the bloody coup that drove President Aristide from power in 1991, the international community refused to use the resources available to us to remove the illegitimate regime.

Negotiators from the United Nations and OAS have gone the extra mile to offer the illegitimate government and the Haitian military a negotiated way out of the current crisis. Those authorities, time and time again, refused to negotiate in good faith. They rebuffed the international community.

So I am pleased that the United Nations Security Council set a date—certain, midnight tonight, for comprehensive sanctions, covering oil and arms, unless the illegitimate authorities in Haiti agree to reinstate President Aristide.

The Clinton administration deserves praise for backing the U.N. sanctions.

But we must continue to apply pressure.

I have joined with my colleagues, Representatives OWENS, CONYERS, and SERRANO, in calling on the administration to work through the Security Council to use every available measure, including an international blockade if necessary, to ensure compliance. I hope that other Members will join us in sending this message of support to the Clinton administration.

As a first step in this direction we call on the administration to issue regulations to prohibit any land or air vessel that violates the embargo from entrance to any place in the United States, its territories, or commonwealth.

Tough sanctions alone will not return President Aristide to power. An embargo must be combined with negotiations.

In those negotiations, the United States must insist to the Haitian military and coup leaders that they agree on a date certain for the unconditional return of President Aristide. The heroic people of Haiti deserve no less from us.

Mr. DELLUMS. Mr. Speaker, it is with pleasure that I rise to join my honorable colleague, the gentleman from New York [Mr. OWENS], to address the Supreme Court decision upholding the administration's policy regarding the return of Haitians fleeing the military rulers of present Haiti. It is my hope that this body will recognize, consider, and support, the lone, dissenting, and honorable, position of Justice Harry Blackmun, and the earlier ruling of the Federal appeal court in New York, which decision was overturned today.

The President had previously denounced the Bush administration's interdiction against the boat people as cruel and illegal. I believe that this humane response was deeply appreciated by many here and abroad, especially people of color, who view our current policy as cruel and racist, and only possible because these desperate refugees are not Western Europeans.

I am deeply disappointed by the Supreme Court decision and ask my colleagues, as well as the President to exercise their power, their responsibility, in saving the lives of people who would rather face a hostile body of water than the soldiers and police of the military regime.

In the past 21 months, too many of us choose to forget that the military is in power by virtue of an illegal coup, and that we are on record as opposing military takeovers, as we opposed Iraq when they invaded Kuwait.

I have been encouraged to see the President working to strengthen the U.N. Security Council resolution to impose an embargo on shipments of oil and arms to Haiti, and consider sanctions. However, I believe that sanctions are only one response to the present situation in Haiti.

President Aristide and Haitians who are deeply committed to a democratic form of government have repeatedly asked the United States, and the international community to support them in taking these basic steps as a means of building the foundation for a nonmilitaristic, democratic form of government in Haiti.

They ask that these five steps be taken:

First, the military regime remove itself in favor of President Aristide. Please remember that the de facto government is responsible for torturing and killing massive numbers of opponents of their rule.

Second, the United States Government end the flow of cocaine and other drugs from Haiti into the United States.

Third, establish specific sanctions, backed by monitors, for any violations of the United Nations embargo; with special attention to the land boundary shared by Haiti and the Dominican Republic.

Fourth, the United States Government provide the necessary resources to the U.N. and Organization of American States for an international protective force to insure the safe return of President Aristide and the members of his government, and that provisions be made to prosecute the military personnel who participated in the coup as well as to disarm them to prevent an immediate repetition of another coup.

Fifth, the United States, the United Nations, and the Organization of American States announce a date for President Aristide's return to Haiti as mandated by the election 21 months ago.

I stand willing to join with my colleagues and others to assist in addressing this issue and formulating solutions. Our policy in Haiti fails to the degree that we fail to recognize the profound passion that the majority of Haitians have for an independent Haiti. Their history is one of struggle against slave masters, and imposition by dictators by the French and then the United States. Our new world 3 years beyond the end of the cold war, should be committed to the principles of the Declaration of Independence and guided by its wisdom: "We hold these truths to be self-evident, that all [Men] are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. * * *"

We have a new opportunity to take the right steps and I join you in that effort.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MCKEON (at the request of Mr. MICHEL), for today, on account of attending graduation ceremonies for his daughter;

Mr. SKEEN (at the request of Mr. MICHEL), for today and the balance of the week, on account of surgery.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special order heretofore entered, was granted to:

(The following Members (at the request of Mr. PASTOR) to revise and extend their remarks and include extraneous material:)

Mr. STARK, for 5 minutes, today.

Mr. CONDIT, for 5 minutes, today.

Mr. DURBIN, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BEREUTER, in support of H.R. 2446, immediately preceding the vote on final passage.

(The following Members (at the request of Mr. BACHUS of Alabama) and to include extraneous matter:)

Mr. SCHAEFER.

Mr. FIELDS of Texas.

Mr. GUNDERSON in two instances.

Mr. PACKARD.

Mr. OXLEY.

Mr. SAM JOHNSON of Texas.

Mr. CRANE.

Mr. SUNDQUIST.

Ms. DUNN.

Mr. GOODLING.

Mr. STUMP.

(The following Members (at the request of Mr. PASTOR) and to include extraneous matter:)

Mr. HALL of Ohio.

Mr. HOYER.

Mr. JACOBS.

Mr. ROSTENKOWSKI.

Mr. RAHALL.

Mrs. KENNELLY.

Mr. PAYNE of Virginia.

Mr. NEAL of Massachusetts.

Mr. COOPER.

Mr. ANDREWS of Texas.

Mr. KENNEDY.

Mr. LLOYD.

Ms. EDDIE BERNICE JOHNSON of Texas.

Mr. FORD of Michigan in two instances.

Mr. STARK in five instances.

(The following Members (at the request of Mr. BURTON of Indiana) and to include extraneous matter:)

Mr. SLATTERY.

ADJOURNMENT

Mrs. MEEK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 54 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, June 24, 1993, at 9:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1476. A letter from the Acting Assistant Administrator, Environmental Protection Agency, transmitting the annual report on conditional registration of pesticides during fiscal year 1992, pursuant to 7 U.S.C. 136w-4; to the Committee on Agriculture.

1477. A letter from the Chairman, Defense Base Closure and Realignment Commission, transmitting certified materials supplied to the Commission, pursuant to Public Law 101-510, section 2903(d)(3) (104 Stat. 1812); to the Committee on Armed Services.

1478. A letter from the Commissioner, National Center for Education Statistics, transmitting the annual statistical report of the National Center for Educational Statistics [NCES], "The Condition of Education," pursuant to 20 U.S.C. 1221e-1(d)(1); to the Committee on Education and Labor.

1479. A letter from the Secretary, Department of Health and Human Services, transmitting the 13th annual report on the implementation of the Age Discrimination Act of 1975 by departments and agencies which administer programs for Federal financial assistance, pursuant to 42 U.S.C. 6106a(b); to the Committee on Education and Labor.

1480. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment and services sold commercially to Japan (Transmittal No. DTC-32-93), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1481. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on missile proliferation, pursuant to 22 U.S.C. 2797b(a)(1); to the Committee on Foreign Affairs.

1482. A letter from the Department of the Interior, transmitting the annual report on royalty management and collection activities for Federal and Indian mineral leases in 1991 and 1992, pursuant to 30 U.S.C. 237; to the Committee on Natural Resources.

1483. A letter from the Secretary, Judicial Conference of the United States, transmitting the Conference's determination that U.S. District Judge Robert F. Collins of the Eastern District of Louisiana has engaged in conduct which might constitute grounds for impeachment, pursuant to 28 U.S.C. 372(c)(8)(A); to the Committee on the Judiciary.

1484. A letter from the Deputy Executive Director, Reserve Officers Association of the United States, transmitting the Association's financial audit for the period ending March 31, 1993, pursuant to 36 U.S.C. 1101(41), 1103; to the committee on the Judiciary.

1485. A letter from the Secretary of Transportation, transmitting the 11th Annual Report of Accomplishments Under the Airport Improvement Program for the fiscal year 1992, pursuant to 49 U.S.C. app. 2203(b)(2); to the Committee on Public Works and Transportation.

1486. A letter from the Acting Administrator, General Services Administration, transmitting informational copies of various lease prospectuses, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOAKLEY: Committee on Rules. House Resolution 206. Resolution providing for the consideration of the bill (H.R. 2150) to authorize appropriations for fiscal year 1994 for the U.S. Coast Guard, and for other purposes (Rept. 103-151). Referred to the House Calendar.

Mr. DIXON: Committee on Appropriations. H.R. 2492. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103-152). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURBIN: Committee on Appropriations. H.R. 2493. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103-153). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIXON:

H.R. 2492. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1994, and for other purposes.

By Mr. DURBIN:

H.R. 2493. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Programs for the fiscal year ending September 30, 1994, and for other purposes.

By Mr. STARK (for himself, Mr. GIBBONS, Mr. DE LUGO, Mr. MCDERMOTT, Mr. MORAN, Mr. FOGLIETTA, Mr. OWENS, Mrs. CLAYTON, Miss COLLINS of Michigan, and Mr. SCOTT):

H.R. 2494. A bill to amend the Internal Revenue Code of 1986 and title XVIII of the Social Security Act to establish a program of assistance for essential community providers of health care services, to establish a program to update and maintain the infrastructure requirements of safety net hospitals, and to require States to develop plans for the allocation and review of expenditures for the capital-related costs of health care services; to the Committees on Ways and Means and Energy and Commerce.

By Mr. APPLEGATE:

H.R. 2495. A bill to direct the Secretary of the Interior to convey to the State of Ohio, the Senecaville National Fish Hatchery; to the Committee on Merchant Marine and Fisheries.

By Mr. DURBIN:

H.R. 2496. A bill to authorize the Secretary of the Interior to establish an Abraham Lincoln Research and Interpretive Center; to the Committee on Natural Resources.

By Mr. FRANK of Massachusetts:

H.R. 2497. A bill to amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health insurance costs of self-employed individuals and to increase the deduction to 100 percent of such costs; to the Committee on Ways and Means.

By Mr. GOODLING:

H.R. 2498. A bill to assist community, business, and worker readjustment required as a result of the closure of military installations and reductions in defense spending, and for other purposes; jointly, to the Committees on Armed Services, Education and Labor, Banking, Finance and Urban Affairs, Public Works and Transportation, and Small Business.

By Mr. GOODLING (for himself, Mr. MICHEL, Mr. GINGRICH, Mr. ARMEY, Mr. HYDE, Mr. PETRI, Mr. FAWELL, Mr. BALLENGER, Mr. BOEHNER, Mr. BARRETT of Nebraska, and Mr. HOEKSTRA):

H.R. 2499. A bill to make the Age Discrimination in Employment Act of 1967 applicable to the House of Representatives and the instrumentalities of the Congress and to allow House employees and employees of the instrumentalities to bring a civil action in Federal court to vindicate their rights under such act and under the Americans With Disabilities Act, title VII of the 1964 Civil Rights Act, and the Family and Medical Leave Act; jointly, to the Committees on House Administration, Education and Labor, and the Judiciary.

By Mr. GUNDERSON (for himself, Mr. WILLIAMS, Mr. SABO, Mr. JOHNSON of South Dakota, Mr. BEREUTER, Mr. TAUZIN, and Mr. BARLOW):

H.R. 2500. A bill to establish a Council on Interjurisdictional Rivers Fisheries and to direct the Secretary of the Interior to conduct a pilot test of the Mississippi Interstate Cooperative Resource Agreement; to the Committee on Merchant Marine and Fisheries.

By Mr. HALL of Ohio (for himself, Mr. WALSH, Mrs. KENNELLY, Mr. MCCOLLUM, Mr. MCDERMOTT, Mr. SCHIFF, Mr. SYNAR, Mr. COYNE, Mrs. SCHROEDER, Mr. JACOBS, Mr. BEILENSON, Ms. NORTON, Mr. RAVENEL, Mr. BACCHUS of Florida, Mr. DEUTSCH, Mr. SANDERS, Ms. BYRNE, Mr. FILNER, and Mr. PASTOR):

H.R. 2501. A bill to assist in implementing the plan of action adopted by the World Summit for Children; jointly, to the Committees on Education and Labor, Foreign Affairs, and Banking, Finance and Urban Affairs.

By Mrs. KENNELLY:

H.R. 2502. A bill to amend the Internal Revenue Code of 1986 and title I of the Employee Retirement Income Security Act of 1974 with regard to pension integration, participation, and vesting requirements, to provide for division of pension benefits upon divorce unless otherwise provided in qualified domestic relations orders, to provide for studies relating to cost-of-living adjustments and pension portability, and to clarify the continued availability, under provisions governing domestic relations orders, of remedies relating to matters treated in such orders entered before 1985; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. KYL:

H.R. 2503. A bill to amend title 10, United States Code, to require that in any case in which military law enforcement officials are called to a scene of domestic violence at which a weapon is present or there has been obvious physical violence that the officials shall arrest the individual who appears to have committed the offense; to the Committee on Armed Services.

By Mr. KYL (for himself and Mr. SKELTON):

H.R. 2504. A bill to amend title 10, United States Code, to require the Secretary of Defense to adopt centralized procedures for providing notice to victims and witnesses of the status of prisoners in military correctional facilities; to the Committee on Armed Services.

By Mr. MACHTLEY:

H.R. 2505. A bill to extend until January 1, 1998, the existing suspension of duty on stuffed dolls, certain toy figures, and the skins thereof; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 2506. A bill to suspend temporarily the duty on photographic gelatin; to the Committee on Ways and Means.

H.R. 2507. A bill to continue until the close of December 31, 1994, the existing suspension of duties on color couplers and coupler intermediates used in the manufacture of photographic sensitized material; to the Committee on Ways and Means.

H.R. 2508. A bill to suspend temporarily the duty on benzoxazol; to the Committee as Ways and Means.

H.R. 2509. A bill to suspend until January 1, 1995, the duty on ortho aminophenol; to the Committee on Ways and Means.

By Mr. RAMSTAD:

H.R. 2510. A bill to suspend until January 1, 1995, the duty on certain machinery used to recycle mercury; to the Committee on Ways and Means.

By Mr. SLATTERY:

H.R. 2511. A bill to amend title XI of the Social Security Act is allow an adult in a family or household to attest to the citizenship status of any member of the family or household as part of the process for verifying the eligibility of the family member for certain public assistance benefits; to the Committee on Ways and Means.

By Mr. SOLOMON:

H.R. 2512. A bill to amend title II and XVIII of the Social Security Act to ensure the integrity of the Social Security trust funds by reconstituting the Board of Trustees of such trust funds and the Managing Trustee of such trust funds to increase their independence, by providing for annual investment plans to guide investment of amounts in such trust funds, and by removing unnecessary restrictions on investment and disinvestment of amounts in such trust funds; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. STARK (for himself and Mr. ROHRABACHER):

H.R. 2513. A bill to repeal the Military Selective Service Act; to the Committee on Armed Services.

By Mr. STUMP:

H.R. 2514. A bill to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, AZ, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. YATES:

H.J. Res. 217. Joint resolution to authorize the President to proclaim September 1993 as "Classical Music Month"; to the Committee on Post Office and Civil Service.

By Mr. HOYER:

H. Res. 205. Resolution designating majority membership on certain standing committees of the House; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

211. By the SPEAKER: Memorial of the House of Representatives of the State of Louisiana, relative to the Child Abuse Prevention and Treatment Act of 1974; to the Committee on Education and Labor.

212. Also, memorial of the House of Representatives of the State of Louisiana, relative to the Medicaid Program; to the Committee on Energy and Commerce.

213. Also, memorial of the General Assembly of the State of California, relative to the Republic of Armenia; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 18: Mr. RIDGE, Mr. MORAN, Mr. REYNOLDS, Mr. LAFALCE, Ms. CANTWELL, Mr. JOHNSTON of Florida, Mr. CLEMENT, Mr. BATEMAN, Ms. ROS-LEHTINEN, Mr. TUCKER, Mr. COSTELLO, Mr. DEUTSCH, and Mr. KLEIN.

H.R. 163: Mr. SCHAEFER.

H.R. 287: Mr. JOHNSON of South Dakota.

H.R. 410: Mr. MANZULLO.

H.R. 437: Mrs. MORELLA.

H.R. 462: Mr. TUCKER and Mr. QUINN.

H.R. 476: Ms. MARGOLIES-MEZVINSKY.

H.R. 561: Mr. PETERSON of Minnesota, Mr. KIM, Mr. COSTELLO, Mr. DEAL, Mr. VOLKMER, Mr. TANNER, Mr. HALL of Texas, Mr. HUTTO, Mr. JOHNSON of Georgia, Mr. BAESLER, and Mr. PAYNE of Virginia.

H.R. 672: Mr. NADLER and Mr. MINETA.

H.R. 715: Mr. SHAW.

H.R. 727: Miss COLLINS of Michigan and Mr. RANGEL.

H.R. 728: Mr. MENENDEZ.

H.R. 786: Mr. CAMP.

H.R. 881: Mr. CASTLE.

H.R. 882: Mr. MANZULLO.

H.R. 899: Mr. MANZULLO.

H.R. 911: Mr. GORDON, Mr. CARDIN, Mr. VALENTINE, Mr. WALKER, Mr. BAKER of California, Mr. YOUNG of Alaska, and Ms. MOLINARI.

H.R. 1029: Mr. WAXMAN and Mr. DIXON.

H.R. 1036: Mr. WYNN, Miss COLLINS of Michigan, Mr. ABERCROMBIE, and Mr. DEFAZIO.

H.R. 1048: Mr. WYDEN and Mr. SCOTT.

H.R. 1078: Mrs. ROUKEMA.

H.R. 1079: Mrs. ROUKEMA.

H.R. 1080: Mrs. ROUKEMA.

H.R. 1081: Mrs. ROUKEMA.

H.R. 1082: Mrs. ROUKEMA.

H.R. 1141: Mr. WYNN, Mr. GILMAN, and Mr. DARDEN.

H.R. 1152: Mr. GILMAN, Mr. SANGMEISTER, and Mr. LEVY.

H.R. 1153: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1229: Mr. GLICKMAN.

H.R. 1231: Mr. VENTO, Mr. FINGERHUT, Mr. WYNN, and Mr. SHAYS.

H.R. 1276: Mr. HANCOCK and Mr. BARCIA of Michigan.

H.R. 1332: Mr. HASTINGS, Mr. NADLER, Ms. PRYCE of Ohio, and Mr. SHAW.

H.R. 1354: Mr. FOGLIETTA and Miss COLLINS of Michigan.

H.R. 1406: Mrs. VUCANOVICH and Mr. BAESLER.

H.R. 1489: Mr. STUPAK and Ms. BYRNE.

H.R. 1492: Mr. OWENS.

H.R. 1538: Mrs. THURMAN, Mr. KOPETSKI, Mr. KLEIN, Mr. TORRES, and Mr. GUTIERREZ.

H.R. 1596: Mr. BUNNING.

H.R. 1609: Miss COLLINS of Michigan.

H.R. 1627: Mr. BALLENGER, Mr. ZELIFF, Mr. GOODLATTE, Mr. BAKER of California, Mr. ARMEY, and Mr. BREWSTER.

H.R. 1630: Mr. LIPINSKI.

H.R. 1645: Mr. COLEMAN, Mr. GENE GREEN of Texas, Mr. ROMERO-BARCELO, and Mr. BRYANT.

H.R. 1670: Mr. MCCOLLUM.

H.R. 1697: Mr. POSHARD, Mrs. THURMAN, Mr. WYNN, Ms. SNOWE, Mr. SANDERS, Mr. MCCOLLUM, Mr. HUNTER, Ms. MARGOLIES-MEZVINSKY, Mr. COBLE, Mr. HENRY, Mr. BERMAN, Mr. HOCHBRUECKNER, Ms. DELAURO, and Mr. BLUTE.

H.R. 1897: Mr. CALLAHAN, Mr. ENGEL, Mr. LEHMAN, Mr. ENGLISH of Oklahoma, Mr. FOGLIETTA, Mr. JOHNSON of South Dakota, and Mr. WELDON.

H.R. 1901: Mr. SCHIFF.

H.R. 1917: Mr. FINGERHUT.

H.R. 1924: Mr. CLAY, Mr. DELLUMS, and Ms. WATERS.

H.R. 1994: Mrs. MORELLA.

H.R. 1999: Mr. MANZULLO, Ms. LAMBERT, Mr. SUNDQUIST, and Mr. OLVER.

H.R. 2062: Mrs. THURMAN.

H.R. 2095: Mr. MAZZOLI, Mr. NATCHER, Mr. WISE, and Mr. MANN.

H.R. 2119: Mr. KOPETSKI, Mr. WYDEN, and Mr. DELLUMS.

H.R. 2130: Mr. SENSENBRENNER, Mr. BOEHNER, and Mr. POSHARD.

H.R. 2134: Mrs. MALONEY and Mr. RAVENEL.

H.R. 2154: Mr. DARDEN, Mr. RUSH, Mr. BARCIA of Michigan, Ms. BYRNE, Ms. LAMBERT, and Mr. JOHNSON of Georgia.

H.R. 2276: Mr. TUCKER.

H.R. 2346: Mr. OWENS, Mr. TORKILDSEN, Mr. BROWN of California, Mr. HORN, and Mr. DICKEY.

H.R. 2438: Mr. GORDON, Mr. DEUTSCH, Mr. MCCANDLESS, Mr. LIPINSKI, Mr. WAXMAN, Mr. HYDE, and Mr. HOCHBRUECKNER.

H.R. 2449: Mr. REYNOLDS.

H.J. Res. 112: Mr. COSTELLO, Mr. CONYERS, Mr. NEAL of Massachusetts, Mr. PARKER, and Ms. MOLINARI.

H.J. Res. 148: Mr. SCOTT, Ms. SLAUGHTER, Mr. PRICE of North Carolina, Mr. LEVY, Mr. SABO, Mr. PAYNE of New Jersey, Mrs. FOWLER, Mr. LEWIS of Florida, Ms. VELAZQUEZ, Mrs. THURMAN, Mr. PAYNE of Virginia, Mr. YOUNG of Alaska, Mr. POMEROY, Mr. EDWARDS of Texas, Mr. MENENDEZ, Mr. OWENS, and Mr. WELDON.

H.J. Res. 166: Miss COLLINS of Michigan, Mr. NADLER, and Mr. BECERRA.

H.J. Res. 190: Mr. COBLE, Mr. DORNAN, Mr. DREIER, Mr. HASTERT, Mr. MOORHEAD, Mrs. MORELLA, Mr. MYERS of Indiana, Mr. PAYNE of Virginia, Mr. RAVENEL, Mr. ROEMER, Mr. ROHRABACHER, Mr. ROSE, Mr. TAUZIN, Mr. TRAFICANT, Mrs. VUCANOVICH, and Mr. WYNN.

H.J. Res. 194: Mr. THORNTON, Mr. WILSON, Mr. YOUNG of Florida, Miss COLLINS of Michigan, Mr. WAXMAN, Mr. FRANK of Massachusetts, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. EVANS, Mrs. LLOYD, Mr. BATEMAN, Mr. BORSKI, Mr. BRYANT, Mr. CLEMENT, Mr. COBLE, Mr. CRAMER, Mr. HYDE, Mr. KILDEE, Mr. LAUGHLIN, Mr. FORD of Michigan, Mr. PETE GEREN of Texas, and Mr. ACKERMAN.

H.J. Res. 196: Mr. BATEMAN, Mr. DREIER, Mr. GILMAN, Mr. KANJORSKI, Mr. MCHUGH, Mr. MCINNIS, Mr. MCMILLAN, Mr. MILLER of California, Mr. SHAYS, Mr. STENHOLM, Mr. ACKERMAN, Mr. BAESLER, Mr. BAKER of California, Mrs. BENTLEY, Mr. BEVILL, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BISHOP, Mr. BLACKWELL, Mr. BLILEY, Mr. BREWSTER, Mr. BROWDER, Ms. BROWN of Florida, Mr. BROWN of California, Mr. BUNNING, Mr. CALLAHAN, Mr. CARDIN, Mr. CARR, Mr. CASTLE, Mr. CHAPMAN, Mr. CLAY, Mrs. CLAYTON, Mr. CLYBURN, Mr. COBLE, Mr. COLEMAN, Miss COLLINS of Michigan, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. COOPER, Mr. COPPERSMITH, Mr. COSTELLO, Mr. DE LA GARZA, Ms. DELAURO, Mr. DEUTSCH, Mr. DIAZ-BALART, Mr. DICKEY, Mr. DIXON, Mr. EMERSON, Mr. EWING, Mr. FALEOMAVAEGA, Mr. FIELDS of Louisiana, Mr. FIELDS of Texas, Mr. FILNER, Mr. FORD of Tennessee, Mr. FRANK of Massachusetts, Mr. FROST, Ms. FURSE, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GIBBONS, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GORDON, Mr. GUTIERREZ, Mr. HALL of Texas, Mr. HALL of Ohio, Mr. HAMBURG, Mr. HAMILTON, Mr.

HASTINGS, Mr. HOAGLAND, Mr. HOEKSTRA, Mr. HUGHES, Mr. HUTCHINSON, Mr. JACOBS, Mr. JEFFERSON, Mr. JOHNSON of Georgia, Mr. JOHNSON of South Dakota, Ms. KAPTUR, Mr. KENNEDY, Mrs. KENNELLY, Mr. KILDEE, Mr. KING, Mr. KINGSTON, Mr. KLECZKA, Mr. KLEIN, Mr. KOLBE, Mr. KOPETSKI, Mr. KREIDLER, Mr. LAFALCE, Mr. LANTOS, Mr. LAROCCO, Mr. LEACH, Mr. LEVIN, Mr. LEWIS of California, Mr. LEWIS of Georgia, Mr. LIVINGSTON, Ms. LOWEY, Mr. MCCLOSKEY, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCDADE, Ms. MCKINNEY, Mr. MCNULTY, Mr. MACHTLEY, Ms. MALONEY, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MEEHAN, Mr. MENENDEZ, Mrs. MEYERS of Kansas, Mr. MFUME, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. MORAN, Mr. MURPHY, Mr. MURTHA, Mr. NEAL of Massachusetts, Mr. NEAL of North Carolina, Ms. NORTON, Mr. PARKER, Mr. PASTOR, Mr. PAXON, Mr. PAYNE of New Jersey, Mr. PAYNE of Virginia, Ms. PELOSI, Mr. PETERSON of Minnesota, Mr. PETERSON of Florida, Mr. PICKETT, Mr. POMEROY, Mr. PORTER, Mr. POSHARD, Mr. PRICE of North Carolina, Mr. QUILLEN, Mr. QUINN, Mr. RAHALL, Mr. RANGEL, Mr. RAVENEL, Mr. REYNOLDS, Mr. RICHARDSON, Mr. ROSE, Mr. ROWLAND, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SARPALIUS, Mr. SAXTON, Mr. SAWYER, Mr. SCHIFF, Ms. SCHENK, Mr. SCHUMER, Mr. SERRANO, Mr. SHAW, Ms. SHEPHERD, Mr. SISISKY, Mr. SKEEN, Mr. SLATTERY, Ms. SLAUGHTER, Mr. SMITH of Oregon, Mr. SMITH of Iowa, Ms. SNOWE, Mr. SPENCE, Mr. SPRATT, Mr. STOKES, Mr. STUMP, Mr. SWETT, Mr. SYNAR, Mr. TANNER, Mr. TAYLOR of Mississippi, Mr. THOMPSON, Mr. THORNTON, Mr. TORRICELLI, Mr. TUCKER, Mr. UNDERWOOD, Mr. VALENTINE, Mr. VENTO, Mr. VISCLOSKY, Mrs. VUCANOVICH, Mr. WASHINGTON, Ms. WATERS, Mr. WATT, Mr. WAXMAN, Mr. WHEAT, Mr. WHITTEN, Mr. WILSON, Mr. WISE, Mr. YATES, and Mr. YOUNG of Florida.

H. J. Res. 204: Mr. TORKILDSEN. Mr. SAXTON, Mr. JOHNSTON of Florida, Mr. PAYNE of Virginia, Mr. MILLER of Florida, Mr. ROYCE, Mr. MORAN, Mr. KREIDLER, Mr. BISHOP, Mr. PASTOR, Mr. COOPER, Mr. POSHARD, Mr. BLUTE, Mr. CRANE, Mrs. KENNELLY, Mr. FLAKE, Mr. WALSH, Mr. SOLOMON, Mr. HYDE, Mrs. VUCANOVICH, Mr. MURPHY, Mr. GORDON, Mr. TAUZIN, Mr. SKEEN, Mr. WILSON, Mr. SYNAR, Mr. DE LA GARZA, Mr. BEVILL, Mr. DANNER, and Mr. CALVERT.

H. Con. Res. 47: Mr. WAXMAN.

H. Con. Res. 100: Mr. CLAY, Mr. TAYLOR of North Carolina, and Mr. GALLEGLY.

H. Con. Res. 107: Mr. STOKES, Mr. OLVER, Mr. WISE, Mr. QUINN, Ms. ENGLISH of Arizona, Mr. POSHARD, Mr. PARKER, Mr. FILNER, Mr. OBERSTAR, Mr. VENTO, and Ms. EDDIE BERNICE JOHNSON of Texas.

H. Res. 38: Ms. MARGOLIES-MEZVINSKY.

H. Res. 53: Mr. SHAW and Mr. PAXON.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

49. By the SPEAKER: Petition of the Fourth Olbiil Era Kelulau, Republic of Palau, relative to congratulating and commending Ms. Leslis Turner for confirmed as Assistant Secretary of the Interior for Territorial and International Affairs; to the Committee on Natural Resources.

50. Also, petition of the Fourth Olbiil Era Kelulau, Republic of Palau, relative to congratulating and commending Mr. Allen P. Stayman on his appointment to become Deputy Assistant Secretary of the Interior for Territorial and International Affairs; to the Committee on Natural Resources.

SENATE—*Wednesday, June 23, 1993*

(Legislative day of Tuesday, June 22, 1993)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable BEN NIGHTHORSE CAMPBELL, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Righteousness exalteth a nation: but sin is a reproach to any people.—Proverbs 14:34.

God of our fathers, during the Presidential campaign last year, Jesse Jackson reminded us that what is morally wrong cannot be politically right. If we separate morality from politics, we imperil our Nation and threaten self-destruction. Imperial Rome was not defeated by an enemy from without; it was destroyed by moral decay from within.

Mighty God, over and over again You warned Your people, Israel, that righteousness is essential to national health. That to depart from righteousness leads to national destruction. Help us to comprehend that there is no substitute for moral health to keep a nation strong, and there is no way to prevent national weakness if moral order is sacrificed for moral anarchy. If we do not play by the rules, there are penalties to be paid; if we make wrong choices, there are negative consequences; if we reject the law of God, we sacrifice freedom.

Gracious Father in Heaven, awaken us to our cultural descent and revive in us the faith of our fathers.

We pray in the name of Jesus and for the sake of our land. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 23, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BEN NIGHTHORSE CAMPBELL, a Senator from the State of Colorado to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. CAMPBELL thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADERSHIP TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Chair, in his capacity as a Senator from the State of Colorado, suggests the absence of a quorum.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROBERT F. BURFORD

Mr. WALLOP. Mr. President, I rise today with some sadness and respect, to pay tribute to Robert F. Burford, an old friend who passed away on June 17, 1993. Bob was a third-generation Colorado rancher, who served as President Reagan's Director of the Bureau of Land Management from 1981 to 1988. His tenure as BLM Director was one of the longest in the Bureau's history. He resigned just about 4 years ago and returned to his home State of Colorado.

Raised on his family's summer and winter ranges in western Colorado, Bob graduated from the Colorado School of Mines, which later named him an outstanding alumnus. He served in the Marine Corps from 1944 to 1946, and was one of the marines who liberated, beach by beach, the islands of the South Pacific. He served in the Colorado House of Representatives from 1974 through 1980, and was speaker of the house during the last 2 years of his service there. Former Colorado Gov. John Vanderhoof, of Grand Junction, said about Bob Burford that he was the "closest thing to a pioneer land man who went to the top of his profession—that I know." I agree.

Bob Burford, laconic, witty, and intelligent, stood as a symbol of the western legacy. He loved the West and its ideals. He had a generosity of spirit belied by his offhand manner. His loyalty, both to his friends and to his ideals, was legendary. He was a wise man, a man of vision, and a great conservative, in the true sense of preserving what is worth preserving in our heritage.

At times a lightning rod on difficult issues—and my friend in the chair will recall those—Bob served President Reagan and three Interior Secretaries loyally. He was a man of strong beliefs, faithful to his President, and a shrewd politician. Bob Burford, who spent most of his life neither in Washington nor in politics, but in the ranching business, said many times, "I always left every piece of land leased from the Federal Government in better shape than it was in when found it." That, surely, is as good an epitaph as any person could hope for.

Today, Mr. President, I know I join a long list of friends and admirers in saying goodbye to a man of significant character. He served his Nation with distinction, and embodied the western spirit of independence and honor. He will be missed.

When Bob took over the Bureau of Land Management in 1981, he was facing a huge challenge. His calm, firm leadership guided the agency, as he said, "from the 19th century into the 20th." In 1988, he said that his proudest achievement as BLM Director was setting the agency back on track, following the Sagebrush Rebellion of the 1970's. The Federal Land Policy and Management Act of 1976 mandates multiple-use management of BLM's 270-plus million acres of western land. Burford said:

> When I first came to Washington our public lands were being managed, not as belonging to all the taxpayers of this Nation, but more along the lines of private playgrounds for a number of special interests. Will multiple use of the public lands survive? It can, and it should, but it will take more work and a renewed commitment from our elected officials. Multiple use, practiced wisely, is good for all Americans. We have come too far to abandon our efforts now.

In life and in death, Bob Burford gave us things to think about and that last thought is one worth remembering him over, and as our obligation.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceed to call the the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, are we in morning business?

The ACTING PRESIDENT pro tempore. We are in morning business. The Senator is recognized to speak for up to 15 minutes under the order.

Mr. CHAFEE. I thank the Chair.

THE PUBLIC HEALTH AND SAFETY ACT

Mr. CHAFEE. Mr. President, as my colleagues know, in May of this year, I reintroduced my legislation called the Public Health and Safety Act.

This legislation bans the sale, the manufacture, and possession of handguns. We are only talking about handguns. We are not talking about rifles or shotguns. This is to ban the manufacture, the sale, and possession of handguns in the United States of America.

This bill is S. 892. It would establish a grace period of 6 months, during which time handgun owners could turn in their firearms and receive the fair market value of that handgun, or $25, whichever is the greater.

After a 6-month period, no one in the United States may possess a handgun except for law enforcement officers; the military; antique gun collectors; and those who belong to target-shooting clubs and security guards with proper storage facilities.

Mr. President, every single day brings home to us the slaughter that is occurring in our Nation as a result of these handguns. I have here today the Washington Post. This is what happened yesterday right in our city: "Gunman Opens Fire at District of Columbia Swimming Pool. Six Children Wounded in Chaotic Scene."

It was a handgun shooting. A youngster, apparently up in a nearby rise—they estimated some youngster 17 years old—had a handgun. It is so easy to obtain. Anybody can get a handgun. As a matter of fact, you can go over to Virginia and you can buy one once a month. There is a handgun-a-month club over there. That is a result of the fact it could be worse in Virginia. Up until just recently, legislation permitted you to back up a truck and buy all the handguns you wanted. Now you only can get one handgun a month. Think of it: One a month. That took terrific effort by the Governor of Virginia, Governor Wilder, to achieve that limitation.

So we have six young children, 5 to 14 years of age; two of them are in the hospital. They were visited yesterday by the Mayor, the two most seriously injured children. How old were they? Harry Herbert, Jr., 5 years old. Antonio Robinson, 14 years old. There they are. Where can you be safer, presumably, than in the city swimming pool? Those youngsters were shot because somebody had a handgun nearby, and they are so easy to obtain.

Mr. President, I have an article here from the New York Times dated June 10, just a few days ago. It tells about the new rules that are being adopted by the Consumer Product Safety Commission. The Consumer Product Safety Commission is getting tough; on what? Cigarette lighters; cigarette lighters that children might ignite and set fires. So because some children in the United States are being injured by cigarette lighters, they have to be childproof now. The Consumer Product Safety Commission is requiring that all cigarette lighters be childproof, as it were, because some youngsters are being injured by them.

That is right to take that stand. But how many youngsters a year are being injured by fires started from cigarette lighters? Is it 500? Is it 300? It is 150 children and adults, total, throughout the country.

You would think that the Consumer Product Safety Commission would say: Look; if we are going to do something about cigarette lighters, keeping them childproof, we must do something about firearms, about handguns.

But, oh, no. Because the gun lobby has successfully written into the law of the Consumer Product Safety Commission that they cannot do anything about handguns, firearms, and ammunition, that is exempt from the powers of the Consumer Product Safety Commission.

So we have this terrible irony. The Consumer Product Safety Commission can move forcefully to help prevent 150 needless deaths of children and parents—it is not all children—150 a year, when in the United States of America, we have 500 needless deaths of children—500, not 150 total, adults and children—500 deaths a year, of children alone, from accidental firearm shootings.

The Centers for Disease Control and Prevention reports that between 1982 and 1988, 6 years, more than 3,600 children in our country died from unintentional gun-related injuries. This averages out to 500 a year.

Most of these shootings occur in the home, when a curious child finds a parent's loaded handgun in the closet or under the couch cushions or in the bedside table drawer, takes it out, and shoots a sibling—a brother or a sister—a friend, or the child itself, accidentally. And horrible deaths result.

I have one here from your home State, Mr. President, Aurora, CO, June 1993, this month. A 13-year-old boy at home with a friend accidentally shot his friend in the head with a .22-caliber magnum pistol, and then killed himself with another gun. The friend survived, in critical condition. Two youngsters lost because of the prevalence of handguns.

Chicago, May 1993: A 4-year-old girl accidentally fatally shot her 6-year-old brother with her father's .38-caliber revolver, which they found in a bag in a bedroom closet while their father slept. Think of this: A 4-year-old girl finds this handgun and accidentally shoots a 6-year-old brother fatally.

April 1993, New York City: A 15-year-old boy accidentally shot and killed one of his best friends with a revolver he found in a park.

December 1992, Miami: A 3-year-old boy—3 years, Mr. President; we are talking 3 years, practically an infant—was seriously wounded after being shot by his 14-year-old brother, who was playing with a .357 magnum.

Shalimar, FL, September 1992: Less than a year ago, an 8-year-old girl found a .22-caliber derringer in the back seat of the car. She thought it was a toy and accidentally killed her brother, age 13—an 8-year-old girl. And so it goes, Mr. President. All of these needless and terrible and senseless deaths could be avoided if we just did not have this prevalence of handguns in our society.

People say, "Well, is that not a radical suggestion you have, Senator?" There is nothing radical about the legislation I have. The situation we have in the United States of America is the radical situation, with handguns all over the place—70 million in our country alone. How many people do we have in our country? There are about 240 million people, and we have 70 million handguns. That is nearly one for every three people.

There are more than 500 accidental shooting deaths of children each year, with no sign of decline. We add 2 million handguns into our society every year. The National Safety Council report on accidental deaths in 1992 notes that while the death rate for virtually every type of accident—automobile, fires, falling out of trees, all of the things children and others get involved with—every one of these in this year declined except the death rate for accidental shootings, which had increased by 8 percent. Of course, it is going to increase with the prevalence of these weapons. But you would think, well, let us have everybody do something about it. Let us have the Consumer Product Safety Commission do something about it. But they cannot. As I pointed out previously, our laws prevent them from having anything to do with firearms and ammunition.

So, Mr. President, we have what I consider to be an insane policy in our Nation where we do not ban these weapons totally.

Am I talking about shotguns or rifles? Of course not. This has nothing to do with the National Rifle Association. I am talking about handguns alone. I think this policy we have in our country with the prevalence of these weapons must be changed.

So, Mr. President, I urge my colleagues to join me in support of S. 892, the Public Health and Safety Act. Why do we call it the Public Health and Safety Act? We are wrestling with doing something about health care costs in this country. We see the escalating costs. Over $4 billion a year is spent by the taxpayers to care for those who have hospital or doctor costs as a result of the prevalence of handguns and injuries resulting from handguns—$4 billion a year.

So that is the health side of it. If we are serious about doing something about our health bills, we will step up to the mark in this situation and ban these handguns.

I urge my colleagues to join me in support of S. 892, the Public Health and Safety Act.

I thank the Chair, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WOFFORD). Without objection, it is so ordered.

BUDGET SCOREKEEPING REPORT

Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through June 18, 1993. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 287), show that current level spending is below the budget resolution by $2.1 billion in budget authority and $0.5 billion in outlays. Current level is $0.5 billion above the revenue floor in 1993 and above by $1.4 billion over the 5 years, 1993–97. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $392.4 billion, $28.4 billion below the maximum deficit amount for 1993 of $420.8 billion.

Since the last report, dated June 15, 1993, Congress has approved for the President's signature H.R. 890, the Unclaimed Deposits Amendments Act. This action changed the current level of budget authority and outlays.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 22, 1993.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1993 and is current through June 18, 1993. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 287). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated June 14, 1993, Congress has approved for the President's signature H.R. 890, the Unclaimed Deposits Amendments Act. This action changed the current level of outlays.

Sincerely,

ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS., AS OF CLOSE OF BUSINESS JUNE 18, 1993

[In billions of dollars]

	Budget resolution (H. Con. Res. 287)	Current level [1]	Current level over/under resolution
On-budget:			
Budget authority	1,250.0	1,247.9	−2.1
Outlays	1,242.3	1,241.8	−.5
Revenues:			
1993	848.9	849.4	.5
1993–97	4,818.6	4,820.0	1.4
Maximum deficit amount	420.8	392.4	−28.4
Debt subject to limit	4,461.2	4,200.5	−260.7
Off-budget:			
Social Security outlays:			
1993	260.0	260.0	
1993–97	1,415.0	1,415.0	
Social Security revenues:			
1993	328.1	328.1	([2])
1993–97	1,865.0	1,865.0	([2])

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] Less than $50,000,000.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG. 1ST SESS., SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS JUNE 18, 1993

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues	0	0	849,425
Permanents and other spending legislation	764,283	737,413	0
Appropriation legislation	732,061	743,943	0
Offsetting receipts	(240,524)	(240,524)	0
Total previously enacted	1,255,820	1,240,833	849,425
ENACTED THIS SESSION			
CIA Voluntary Separation Incentive Act (Public Law 103–36)	1	1	0
PENDING SIGNATURE			
Unclaimed Deposits Amendments Act (H.R. 890)	0	1	0
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	(7,928)	962	0
Total current level [1]	1,247,893	1,241,796	849,425
Total budget resolution [2]	1,249,990	1,242,290	848,890
Amount remaining:			
Under budget resolution	2,097	494	0
Over budget resolution	0	0	535

[1] In accordance with the Budget Enforcement Act, budget authority and outlay totals do not include the following in emergency funding:

[In millions of dollars]

	Budget authority	Outlays
Public Law:		
102–229	0	712
102–266	0	33
102–302	0	380
102–368	960	5,873
102–381	218	13
103–6	3,322	3,322
103–24	4,000	4,000
Offsetting receipts	(4,000)	(4,000)
Total 1993 emergency funding	4,500	10,333

[2] Includes a revision under sec. 9 of the concurrent resolution on the budget.

Note.—Amounts in parentheses are negative. Detail may not add due to rounding.

IN HONOR OF BOB BURFORD

Mr. BROWN. Mr. President, I rise today to honor the memory of a friend, Bob Burford, former Director of the Bureau of Land Management and Speaker of the Colorado House of Representatives. Bob Burford passed away on Thursday, June 17, 1993, of pancreatic cancer. He was 70 years old.

As a fourth-generation rancher and the father of four children, Bob understood the traditions, history, and values of the West. He was born in Grand Junction, CO on February 5, 1923. He graduated from the Colorado School of Mines and served in the U.S. Marine Corps from 1944 to 1946. In 1974 he joined me as a member of the Colorado General Assembly, where he served until 1980. His sharp intellect and strong character earned him respect and appreciation from his colleagues in the Colorado House, which led to his election as Speaker of the House in 1979. President Reagan appointed him as Director of the Bureau of Land Management in 1981, a post he held until 1988.

Bob was known as a quiet man. He was not long winded. His one-word answers and concise speeches may have been brief, but they were long on wisdom and insight. Behind his western demeanor was an astute and intelligent gentleman. Bob Burford played an integral part in formulating policies to improve the management of public lands, while balancing environmental and commercial interests. As a member of the Colorado House Committee on Agriculture, Natural Resources and Water, he worked closely with the State land board. In addition, he served on the committee that wrote the Colorado Mined Land Reclamation Act. He worked to ensure that the regulations of the act conformed to the intent of the legislation. Bob Burford also chaired the committee that took the lead role in writing Colorado's Coal Mine Reclamation Act. He worked toward developing an equitable and workable compromise that satisfied the interests of industry and environment.

Former Colorado Gov. John Vanderhoof said, upon hearing of his death, "He was probably the last of a Western breed that rose to the top on the State and Federal level. He was down to earth, and lived with the pioneer spirit."

While Director of the Bureau of Land Management, Bob greatly contributed to the development of recommendations for wilderness on BLM lands, improvements in BLM ranges and riparian habitats, as well as the computerization of the Federal Government's land records.

Bob Burford did a great deal to help western Colorado and the Nation. His contributions have been invaluable. My family and I extend our deepest sympathy to his friends and family during this time of sorrow. Colorado has lost a great leader, and those who work to bring forth the bounty of the land in the West have lost a great friend.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt stood at $4,298,022,359,229.61 as of the close of business on Monday, June 21. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capita share is $16,733.

CESAR CHAVEZ

Mr. REID. Mr. President, Cesar Chavez once said:

> When we are really honest with ourselves, we must admit that our lives are all that really belong to us. So, it is how we use our lives that determine what kind of men and women we are. It is my deepest belief that only by giving our lives do we find life. I am convinced that the truest act of courage is to sacrifice ourselves for others in a total nonviolent struggle for justice.

This is how Cesar Chavez lived his life. This is how Cesar Chavez gave his life.

Cesar Estrada Chavez was born on March 31, 1927, near Yuma, AZ, one of five children born to Juana and Librado Chavez, themselves the children of Mexican immigrants of the late 19th century.

He grew up on the 160-acre farm his father owned, but, when Cesar was 10, the bank foreclosed. This was the Depression.

His father packed up the Studebaker and, along with thousands of other families who had lost farms in the Dust Bowl, moved to California.

They found work picking carrots, cotton, and other crops, moving place to place and harvest to harvest.

Chavez never graduated high school and once claimed that he had attended 65 elementary schools for a day, a week, or a month.

In 1939, his family settled in San Jose, where his father became active in an effort to organize workers at a dried fruit packing plant. This was his first taste of unionism.

In fact, both his parents played a crucial role in forming the life of Cesar Chavez. He said his mother taught him to be humane while living in often inhumane conditions. He said, "She sent us to invite hobos to share our tortillas and beans."

Chavez spent 2 years serving in the Navy in World War II, and then returned home to work as a migrant farmer. It was in the fields of the San Joaquin Valley he met his wife Helen who bore him eight children.

In 1952, another influential figure entered Cesar Chavez' life; namely, Saul Alinsky, a self-styled professional radical who spent his life helping poor communities throughout the United States.

Alinsky sent Fred Ross to southern California to start the Community Service Organization. It was Ross who recognized Chavez' abilities and recruited him for the organization. Ross found him in an apricot orchard.

Chavez worked for this organization for 10 years in San Jose in a community called Salsipuedes, which means "Get out if you can." At first he worked as an unpaid volunteer, and later as a $325-a-month staff member. He organized an ongoing voter registration drive and helped people in the community to deal with government agencies.

In 1962, he left the CSO, withdrew his savings of $1,200 from the bank, and launched his drive to organize the United Farm Workers.

Finally, in 1965, the union was formed.

While he was building up the union, he took Sunday ditch-digging jobs, and Helen Chavez worked in the fields when she could. The money was not enough to feed them, however, and Chavez began begging food from the workers he visited on his organizing tours.

A follower of Gandhi, Chavez organized his followers in nonviolent marches, strikes, boycotts, and fasts to force the powerful growers to negotiate with them.

When he began his efforts, the average farmworker in California made less than $1.40 an hour with no benefits in a $4 billion industry.

Under his leadership, the workers won pay increases, medical benefits, pensions, and protection from employer abuse.

In 1968, Chavez led the famous California grape boycott. It is estimated that 20 million Americans stopped buying California grapes, and the growers were forced to negotiate.

And Cesar Chavez had many other successes. In 1974, his efforts led to the first collective-bargaining law for farmworkers outside Hawaii.

He also drew attention to the dangers of pesticides used in the fields—dangers not only to farmworkers, but to consumers. The union found clusters of birth defects in farming communities in the San Joaquin Valley and cancer rates among farmworkers' children that were more than a thousand times higher than the national average.

His union's campaign led to an announcement in 1991 by the EPA that it was taking steps to cut the use of parathion, a commonly used crop pesticide.

Like too many Americans, Cesar Chavez grew up poor and experienced the barbs of discrimination. He grew up in a time when one might see signs in diner windows such as: "No Dogs or Mexicans Allowed."

But Cesar Chavez was one of those people who decide to do something about their situation and not just sit back and let it happen.

Right up until his death he fought for workers' rights, civil rights, and human rights. When asked about the farmworkers movement, he stated:

> This is not a movement for farm workers. This is a movement for human justice and dignity and equality, and it's all the more powerful because it's led by the poorest of the poor.

Cesar Chavezs life ended quietly in his sleep on April 22 in San Luis, AZ, 35 miles from his childhood farm in the Gila River Valley. He was there to testify in a hearing, and he was on a 7-day fast.

Chavez was famous for his fasting. In 1988, he went on a 36-day water-only fast which severely affected his health.

His father lived to be 101, and his mother was 99 when she died. When Chavez died at age 66, many believed, and I believe, that he truly gave his life for the cause of the downtrodden as a result of these fasts.

It was Cesar Chavez who showed Mexican-Americans—and all Americans—that they can rise out of poverty and oppression, and that they can take control of their lives.

Despite his success, Chavez maintained an austere lifestyle. As late as the 1980's, he did not own a house or a car and had an income of about $900 a month.

His typical wardrobe included a plaid shirt and scuffed shoes.

He is a man who will be missed. He is a man some have described as a "secular saint," his name often being mentioned in the same breath as "Gandhi, Martin Luther King, Jr., and Robert Kennedy."

Thursday, I, along with Senators SIMON, BINGAMAN, BRADLEY, and KENNEDY, offered a resolution which simply said that the Senate of the United States recognizes the contributions of Cesar Chavez to the evolution of American democracy and human rights.

I was glad to see the resolution pass quickly. I doubt there would have been a single dissenting voice had there been a rollcall vote.

Mr. SIMON. I am pleased to join my friend HARRY REID in this resolution honoring the late Cesar Chavez, a man who was a giant, not only to the tens of thousands of farmworkers he represented, and not only to the 25 million Americans of Hispanic ancestry he inspired, but to all Americans who know that they must right an injustice when they see it.

Cesar Chavez, through his strong resolve and devotion to his cause, won the admiration and respect of men and women from every walk of life. When he died at the age of 66 in April, he was about to visit the State of Illinois and speak at the Quad City Interfaith Convention in Rock Island. His influence carried far beyond the fields of California and will carry on throughout the Nation.

Cesar Chavez and the people he led made immense progress in farm labor reform. In the early 1960's, when others turned down his pleas for assistance in organizing farm workers, Cesar Chavez took the battle on himself. He empowered other farm workers who were otherwise powerless against the major companies that owned and ran California's rich farmland. They were powerless, except for the justness of their cause and the strength of their ideas.

Allied behind the soaring black eagle that was the symbol of the United Farm Workers Union, American consumers joined Cesar Chavez and the farmworkers in one of the greatest consumer boycotts in the history of the United States. At one point in the 1960s, 17 percent of Americans boycotted nonunion table grapes. Ultimately, this effort led to enactment of the second State law—the only other one being in Hawaii—to permit collective bargaining by agricultural workers.

Cesar Chavez appealed to America's better sense of idealism. His simple message and undeniable plea for fairness carried far beyond the fields. To Mexican-Americans in California, the Southwest and Illinois, he was the catalyst for activism for many civil rights causes.

In the 1960's, he marched with Robert Kennedy and Martin Luther King. The three were inspirations not only in the United States but around the globe. Following Cesar Chavez' death, Pope John Paul II issued a message of condolence. In 1990, President Salinas of Mexico awarded Cesar Chavez the Order of the Aztec Eagle for a lifetime of protecting the interests of Mexican-Americans.

For those he struggled for, Cesar Chavez leaves a legacy of improved lives, better working conditions, and brighter futures. But even more, he leaves generations of people inspired to work for a more caring America. That is the mark of a truly great leader—Cesar Chavez.

Again, I am pleased to be a cosponsor of Senator REID's resolution.

AN INSIDER'S CONVERSATION

Mr. DODD. Mr. President, I rise today to share with my colleagues an extraordinary speech recently given by Mary Fisher, whom we all know to be an articulate and passionate spokeswoman on the subject of AIDS. On June 1, I had the opportunity to introduce Mary Fisher before she delivered the keynote speech at the fifth annual awards dinner for the Stewart B. McKinney Foundation. I ask unanimous consent that Mary Fisher's speech, entitled "An Insider's Conversation," be included in the RECORD at this time. I thank the Chair.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

AN INSIDER'S CONVERSATION

(Speech by Mary D. Fisher, Fifth Annual Awards Dinner, the Stewart B. McKinney Foundation, June 1, 1993, Fairfield, CT)

Good evening and thank you, Senator Dodd, for that most gracious introduction. I'm honored to have a part in this evening's program and in the ongoing work of the Stewart B. McKinney Foundation.

It was just seven months ago, today, that I met Lucie McKinney for the first time—at the urging of our good and mutual friend, June Osborn. We began a conversation over lunch in New York City, a conversation which has not yet ended. As she has so many others, Lucie won my heart with hers in a matter of minutes. Her courage is wrapped in charm, and her energy is endless.

Leaving lunch, it occurred to me what a wonderful contribution to younger women has been made by people like June Osborn and Lucie McKinney.

Charlotte Whitten once wrote that "whatever women do they must do twice as well as men to be thought half as good. Luckily, this is not difficult."

Peter Jennings, Jonathan Mann, and other distinguished men are good evidence that no one gender can stake exclusive claim to courage or accomplishment. Ginger Rogers was great, in part, because of Fred Astaire. But coming off that after-lunch elevator, thinking of Lucie McKinney, I did smile, remembering that "Ginger Rogers did everything Fred Astaire did, but she did it backwards and in high heels."

From time to time I give speeches. Last August I gave a little talk to a politically minded group in Houston; as it turned out, it was actually a minority group known as "Republicans." In a number of respects, this evening is different. The Astrodome is a bit larger than the Hunt Club. Speaking between Senator Dodd and Dr. Osborn feels somehow different than coming between Patrick Buchannan and Marilyn Quayle. But most important, you are an audience of colleagues and peers, of people already informed and concerned for justice and healing in the AIDS community. So I salute you, and I am proud to be with you. And I want to have an insider's conversation with you about what appears to me to be the challenges and the joys set before us.

Before I begin, I bring you both a warning and a comfort. The warning is that I have four points. The comfort is, three of them are brief. Here's the one that's not, the first and by far the longest:

To chart any effective national strategy we must understand the unique history of this epidemic in America. Worldwide, AIDS is a heterosexually transmitted disease. But the American experience of AIDS—since it was first mentioned in a front-page article in the New York Times in July, 1981—has been shaped by the American perspective on its gay-male communities.

For years, beyond the borders of the men's gay communities, Americans felt secure. "I'm straight, not gay," we said, "so this is their disease, not mine." Voices from pulpits thundered the ugly message that this was God's judgment; gentler voices in country clubs whispered rumors just as ugly about who had been stricken and thus proven to be gay.

The nation's glacially slow response to this epidemic is in large measure attributable to an attitude of tolerance toward the death of gay men. Said so starkly, this is an almost intolerable thought. But the evidence of our own history is brutal on this score.

There are those who say the nation's conscience has now been awakened by education. Perhaps. But perhaps what shook us awake was not conscience but fear. It is a remarkable historic coincidence that the nation's slumbering conscience came so fully to life when the virus began leaping all fences, putting us all at risk. For those of us who are women, this chapter of history is laced with irony. Convinced that the disease belonged to gay men, research projects and health priorities had not included us. When the virus moved into our veins, we knew almost nothing of AIDS in women. And we account for this, in part, with history.

Since 1981 the overwhelming majority of Americans who died in this epidemic have been gay men. They were carried to their graves to the sound of political wrangling over the value of their lives and the quality of their morals. In fact, history is likely to ask harder questions of our morals than of theirs. But still today, when the Senate of the United States debates legislation affecting those who are HIV-positive, respectable leaders give regrettable speeches comparing people with AIDS to infected fruit. We account for this, most charitably, with history.

Throughout the life of this epidemic, prejudice has shaped policy. This is brutally apparent when we compare who has been dying and who the nation has accepted as their spokespersons. Against a backdrop of hundreds of thousands of dying gay men, the names America prefers to remember are not theirs. Ryan White, Arthur Ashe, Elizabeth Glaser, Kimberly Bergalis, Magic Johnson * * * and now comes Mary Fisher. We account for this, in part, with history.

In the wake of the holocaust, much was written about history. The great lesson we learned from that experience is that history itself does not shoulder moral responsibility. We do. We who live and die by the choices history merely records, we are responsible. We become the authors of moral confusion and political stigma and scientific paralysis—or we become the heroes who oppose them all. As in all great crises, there is very little room in the middle.

Death is ugly, but inevitable. Evil is uglier, in part because it is not inevitable. The terror families experience when one of their members says, "I am HIV-positive," is a testimony to the inevitable power of death. Given what science knows, and doesn't know, we can do little. But the terror families experience when one of their members says, "I am going public"—this is a testimony to the power of evil. We have enough moral research and ethical weapons to attack this enemy, if we choose.

The nation's funds and priorities, issues of the marketplace and demands of the political system, quiet choices made in the secret councils—each occurs within, not above, our history. And until we take seriously the lessons of evil which continue to be rehearsed in this epidemic, I fear we are condemned to repeat them relentlessly.

This brutal struggle, this painful history, must be faced boldly, or we will never win. The virus has given us the physical struggle between life and death. But we have contributed the moral confusion between good and evil. We have built a history in which the two struggles are one. We need both the cure which comes by science and the compassion which comes by conscience. Neither, alone, will give us a victory.

This long first point—that we have forged a national history which demands clear moral response—is really the stage for three simple conclusions. And they are these:

One, the struggle must become ours. If moral indifference once led many of us to say, referring to the gay community, "This is their struggle, not ours," we're now paying for that indifference with an epidemic which is increasingly at home in all communities.

The million-and-a-half of us already HIV-positive have been drafted into this struggle against out own will; we did not enlist. For us, this is not the cause-of-the-month or a favored year's campaign.

My own convictions in this regard are quite simple. Having discovered that I could not save my own life, I concluded that I would be wise to contribute it. And this is the arena in which I will spend it. This is not a charity in my life, it is a consuming passion—chosen because I would rather burn out with courage than whimper, and lie down.

I regret that my children and I are, given the current state of affairs, unlikely to know each other as adults. This regret can lead me in one of two directions: toward self-pity, or toward action. Self-pity is unattractive, unproductive * * * and extraordinarily boring. Therefore, I've chosen action.

But I am unwilling simply to regret the current state of affairs. I want it changed. And it can be changed—provided more than those who are HIV-positive embrace this epidemic as their own. We need fewer people to be drafted by virtue of infection and a great more to enlist by virtue of conviction.

Physically, this epidemic no longer belongs to the gay community. You know the routes and rates of infection as well as I; we all see the virus having its way in the heterosexual communities. If shameful, moral indifference once led these communities to say, "This is their disease, not ours," common sense and honest statistics can cure that indifference today.

Politically, this epidemic knows no party lines. During the most recent presidential election, most in the AIDS community believed that the Democratic Party offered their best hope for a sympathetic White House. When in October I addressed a Washington gathering of a thousand AIDS community leaders, I observed that our gathering consisted of all kinds of people: gay and straight, Black and White, male and female, young and old, "999 Democrats . . . and me." In truth, the virus doesn't care about human preferences; it merely wants a human host.

Morally, it is no more possible to think of this epidemic as a crisis only for those who are infected than it is to think of slavery as a Black problem, the holocaust as a Jewish problem, or abuse as a child's problem. One cannot be human alone; we cannot live in that kind of isolation. We are bound together, and we break our intrinsic bonds with one another at the price of lonesomeness which turns to alienation which ends in death.

Therefore, I urge you—whether you are HIV-positive or HIV-negative, male or female, Democrat or Republican—I urge you to embrace this issue as your own. Become an ambassador of compassion, a recruiter bringing new people to the cause. Find someone uninvolved and offer them the opportunity to discover new meaning in life.

If one person here tonight still thought of this disease as someone else's, I could promise these gifts: Look into the eyes of a withering young man, and you will see your own soul more clearly. The woman terrified at leaving her children; the child who doesn't understand the meaning of the word "orphan"—it isn't for them that I encourage you to say, "This is our crisis." It is for you. Because when you embrace the epidemic as your own, you will be liberated from your own detachment and lonesomeness.

A second lesson to be drawn from the history of this epidemic is this: Our struggle needs leadership. In the battle against drunk driving, an irate California mother became—and then organized something called—M.A.D.D. Being drunk is no longer funny, and driving drunk will land you in jail. In the battle against smoking, one crusty Surgeon General took on tobacco companies and television ads. C. Everett Koop changed America's mind about the sex appeal of cigarettes. In the battle against breast cancer and alcoholism, Betty Ford opened doors to healing which had long been closed by fear and shame.

In the battle against AIDS, the rank of general is largely vacant. Federal and State governments have been paralyzed by the politics of polarization. The scientific community has been underfunded and overly segmented. Social, cultural and religious communities have been unwilling to go to the front in this war. We are now within a month of the dissolution of the National Commission on AIDS. When the Commissioners fold up their files and go home, does that mean the fight is over? What do we say to those who are HIV-positive then, now that their numbers are vastly greater than when the Commission was first appointed?

We are now one-hundred-and-some days into the new Administration's promises, well beyond the celebration of the Inauguration. And a strange, almost eerie silence has fallen over the AIDS community as a whole. What began as a sense of certainty and optimism has turned to a vague sense of uncertainty and fear. What we hear most from the AIDS community these days is silence.

In part, this can be explained by the gay community which wants no longer to shoulder the burden of this epidemic. They have suffered and died in vast numbers. The rates of infection in their community have declined as rates of infections in other communities shoot upward. With great weariness, and great accuracy, gay community leaders are saying what we all know: though AIDS continues to ravage the gay community, AIDS is not only a disease of those who are gay. The gay community has carried this cross far enough. We must not ask that they continue to do so alone. It would be wise of us to ask that they not leave us, but there is no reason for the gay community to suffer stigma also on our behalf or shoulder responsibility for the health of all our children.

In part, the lack of leadership can be explained by the character of the beast. Those drafted into this fight grow weak and die. Ryan White had no charming smiles last year; Arthur Ashe couldn't be here this evening.

We need leaders, and we need them now. We need them in Congress, but also in congregations; in the great universities and powerful circles of journalism, but also in the Sunday school classrooms and tiny pockets of resistance. We need leadership.

The Foundation's recognition of such heroes as Peter Jennings and Jonathan Mann is important, because it highlights the contributions of leaders. But it is also important to note that many in America would not know why Peter Jennings was selected for this particular honor. Jonathan Mann is a name revered among us, but less recognized nationally than the name of mediocre baseball players with great muscles. And for every American who knows the name of Mary Fisher, there are 312 who confuse it with Amy, the teenaged tabloid terror with the same last name.

We need leadership, which is to say: We need leaders. We have a band of pilgrims who grow weak and die, a set of priorities which has not conquered the political or moral heart of America. We need leaders. Because, in the absence of clear leadership, the nation wonders and the virus wins.

Finally, this conclusion based on real-life experience: The cause can be joyful. One of the problems with AIDS is that it just isn't very funny. But one of the critical tools to living successfully with HIV is humor. Herein lies a great and wonderful lesson.

Earlier this year Paul Rudnick was explaining in The New York Times (January 23, 1993) why gay writers have written comedies about AIDS: "Only money, rage and science can conquer AIDS," he said, "but only laughter can make the nightmare bearable."

If you would like to hear such laughter and see joy, visit one of the housing projects which have been translated from dream to reality by the work of the McKinney Foundation. Talk to a scholarship recipient who is young and eager and full of confidence, now capable of enlisting in this battle with an education which may some day lead to a cure.

Life brings with it an adequate amount of grief. That's true for all of us. HIV has a habit of striking the young more frequently than the old; that tends to create situations of special poignancy. On one extreme, almost nothing is more unhelpful than reading a story about my family which is draped in funeral crepe and decorated with pathos. Those are the moments I'm grateful Max and Zachary, my sons, are too young to read. At the other extreme are the genuine moments of agony and terror which, in common with others who are HIV-positive, I endure. These tend to involve the children, and dying, and these two categories—children and dying—do not mix well under any condition.

But, having said that, I must tell you that my experience within the AIDS community has been one of stunning joy. I don't know another person alive who has received more grace, or more hugs, from teenagers in the past year than I. I've had African-American preachers come out of a crowd to whisper prayers for healing; I've had gay young men find courage to reach for comfort, parents find release to tell the truth of their grief, and moments of unrestrained hilarity.

One reason for joy in the AIDS community is that the virus we hate brings us a gift we love: perspective. One worries a good deal less about the color of one's dress or the texture of one's lawn when this virus is at work. There's something very freeing about knowing what's more and what's less important in life.

Another reason the AIDS community is drenched in joy is that is a community of forgiveness. For each person drafted into the community, all one-and-a-half-million or so folks, there are at least two stories. There is the story of relationship with someone else: an anonymous someone who donated blood knowingly or unknowingly, a lover or spouse who was trusted, a friend or a stranger who wanted to share * * * there is relationship. If we who are HIV-positive cannot conquer the pain or anger or frustration we experience with that relationship, then it is not the virus which ruins our lives. It is our lack of forgiveness.

And the second relationship is with ourselves. We plunge into our own dark night of the soul to rummage through our decisions, especially the one that may cost us our lives. We feel guilt at the pain others suffer on our account. Try as we may to ignore the messages of unworthiness and stigma, they grow loud and shrill in the early morning quiet of our bedrooms. If we who are HIV-positive cannot conquer the guilt or shame or uncertainty we experience within ourselves, the virus will not need to ruin our lives. We will achieve that goal alone.

Proof abounds that these two lessons have been well learned within the AIDS community. In support groups and one-on-one relationships, through prayer meetings and celebrations and festivals; in books that are written and articles that are clipped, plays that are produced and movies now emerging with this theme—in every arena within the AIDS community, the drive to live life forgiven and forgiving is apparent.

And the reason for this is quite simple. At root, the issue is now how we will live life with AIDS; it is how we will live life with meaning.

Lily Tomlin is absolutely right: "The trouble with the rat race is that even if you win, you're still a rat." We work a lifetime to accumulate our millions, and on our deathbed would trade it all for one cooling kiss from a child we no longer know. We grind our way to the top of the ladder and the front of the social section, and we drink ourselves into a stupor so we can fall asleep next to someone who no longer loves us. The question is not, "How do I live life with the virus?" The question is, "How will any of us live life with meaning?"

I can tell you by experience that meaning is rich and thick and available in the AIDS community of this nation. Here is an ambition for life which makes of each day a valued gift, never to be wasted. Here is a community that has tasted the bitterness of discrimination and favors the sweetness of forgiveness. Here is a healing power which outstrips conventional potions, a binding affection and uplifting hope which baffles the casual observer.

You need not be HIV-positive, or wealthy, or powerful to enjoy it. You need only to be committed, to take the vow that this is not "their disease"—or even "my disease"—but that it is "our disease." If we can hug someone whose life is fading, cuddle an infant who cannot understand pain, give a ride to someone now unable to drive—then we can be surprised by joy.

The mad drive to accumulate will leave us impoverished; looking for ways to avoid being vulnerable will leave us weak. But embrace the needs of others, and we watch our own needs fade; lift the burden of someone else, and our burdens grow light. And somewhere in the process, some misty morning, we wake up and notice that there is joy. It finds us when we have found each other.

It's an ancient promise with which to fight a modern epidemic. And with that promise comes an ancient blessing: Grace to you, and peace. Good night.

MANAGED COMPETITION IS SOCIALIZED MEDICINE

Mr. HELMS. Mr. President, 1 year and 20 days ago I had a close encounter with some remarkable medical doctors in Raleigh. That experience prompted me to seek the guidance of these fine physicians in my efforts to make some sense out of health care reform.

A few weeks ago, some of these same physicians—and their colleagues—visited with members of our staff—Elizabeth Seifert and Marilyn Darnell. The message I received was loud and clear: "Get the Government and the lawyers off our backs, so that we can go about doing what we do best—making people healthy." Of course, when it comes to health care reform, "get the Government off our backs" is the same demand we hear from thousands of North Carolinians—from every walk of life.

Mr. President, unfortunately, Hillary Rodham Clinton and her self-appointed health care gurus are proposing to take health care in precisely the opposite direction. The buzz word for their program is managed competition. Mr. President, it's important that everyone understand exactly what this plan is. Managed competition is the first step down the dangerous socialist path traveled by Sweden and Canada, and here are just a few components of this so-called reform.

EMPLOYER MANDATES

Mrs. Rodham Clinton's plan will require every employer to purchase a "minimum package" of health insurance benefits for every employee. All employers must pay "premiums," to State agencies to cover the price of health insurance of each employee. The amount of that premium will, most likely, be set at some percentage of each employee's paycheck. Mrs. Clinton's own staff director, Ira Magaziner, concedes that this premium will mean an added tax burden on businesses of between $100 and $150 billion annually. Employers will have little option but to pass this health care tax on to all of us in the form of higher prices for the goods and services we purchase.

MINIMUM BENEFITS PACKAGE

The Clinton administration plans to establish a "National Health Care Board," which will sit in Washington and decide what benefits should—and should not—be included in the "minimum benefits package." Mr. President, who wants their insurance benefits to be dictated by a gaggle of faceless Washington bureaucrats or Ivy League academics? I don't, nor do the American people.

GLOBAL BUDGETS

To manage or control health care spending on a national level, the President plans to set an annual Federal spending target, called a global budget, for public and private health care spending. Sound familiar? This is exactly what they do in Canada. Under global budgeting each State will be assigned a spending limit. The State must then control its citizens' spending on health care so as to not exceed its established spending limit. Once the State spending limits are reached, no more money can be spent on health care—private or public. What this means, Mr. President, is that if one happens to get sick in November, but the State spending limit was reached in October, he or she would have to wait until the next year for health care.

HEALTH ALLIANCES

The administration's plan also requires each State to set up "health alliances," or super HMO's, that all individuals must join. These alliances would represent individuals in negotiating for the purchase of services from a group of health care providers, or "accountable health partnerships."

ACCOUNTABLE HEALTH PARTNERSHIPS

These will consist of hospitals, doctors, and laboratories that agree to provide the minimum package of health services for a defined premium. The AHP's would be regulated by the National Health Board and in theory would compete with one another to offer the lowest price insurance premiums. Doctors who refuse to join an AHP would effectively go out of business since their patients would be using physicians who do join an AHP.

To ensure the health care system is fully "managed," the National Health Board may also set price controls on insurance companies, doctors, hospitals, dentists, laboratories, prescription drugs—the list goes on and on.

Mr. President, the administration is moving down the wrong path in health care reform because it is focusing on a phantom problem. The Clinton people say that there are 37 million Americans without health insurance. This does not mean—as the media would have you believe—that 37 million Americans are not getting health care. Rather, this is a snap-shot picture—that at any one time, 37 million may have no health insurance. In fact, 50 percent of this 37 million—those actually between jobs—will get insurance within 5 months. Another little known fact—50 percent of the uninsured have household income above $20,000, and 17 percent earn more than $40,000. These are Americans who arguably can afford health insurance but for various reasons choose not to buy it.

Mr. President, to address this phantom problem, Mrs. Rodham Clinton's task force proposes to set up a "Rube Goldberg" arrangement whereby the Government will make health care decisions for you, for me, and every other American.

The answer to health care reform is to keep the Federal Government out of our health care system. The American people need to ponder this question: Do they want the crowd that runs the Post Office telling your doctor what to do? That's precisely what receiving health care will be like if the administration has its way.

There is, however, an old-fashioned alternative to managed competition called consumer choice. It means freedom to choose one's doctor and freedom to choose a health insurance policy without Washington's bureaucratic interference. If the decisions and responsibilities are restored to the American people, they will choose the plans they need, rather than be forced to accept a one-size-fits-all set of benefits that some council dreamed up. Americans would be free to change jobs without the fear of losing health insurance and rest easier knowing they are in control of their own lives.

The centerpiece of the consumer choice reform proposal is the medical savings account [MSA]. Individuals would set up tax-deferred accounts, much like IRA's, to pay for routine medical care and to save for future medical expenses. Employers who currently provide insurance for their employees could deposit into each employee's MSA, funds representing the amount the employer would otherwise have spent on each employee's health insurance. The employee should use this money to buy a high deductible policy to insure against the devastating costs of serious illness. The remainder would be used to: First, spend on other out-of-pocket medical expenses; or second, save for long-term health care needs. Money in these medical savings accounts would roll over from year-to-year.

In addition to establishing the medical savings account option, we must also reform the current medical malpractice system. Today, some doctors have to pay premiums of $100,000 per year, or more, for malpractice insurance. Moreover, in response to the threat of malpractice suits, doctors feel pressure to perform every procedure in the book. Finally, damage awards in medical malpractice suits are sky high. The bottom line is that lawyers are getting rich. Reasonable awards should of course be granted when true negligence exists, but we must not continue a legal system that encourages frivolous lawsuits and encourages our brightest young people to avoid medical careers altogether.

Mr. President, ask yourself this simple question: If you were sick, would you want to go anywhere else in the world for your health care? I would venture to say that your answer is "No." For those who admire Canada's socialist medicine, I ask you why are the best Canadian doctors at work in America, and why do thousands of Canadian patients seek treatment in America?

I'll tell you why, it's because a socialist health care system does not work. Managed competition is the first step to such a socialist system. Mr. President, no one disputes that health care costs are exorbitant; however, increasing the Government's role in health care is not the answer. If we want to retain a health care system that continues to be the envy of the world, we must remain faithful to the principles of free enterprise, not abandon them.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

OMNIBUS BUDGET RECONCILIATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1134, which the clerk will report.

The legislative clerk read as follows:

> A bill (S. 1134) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994.

The Senate proceeded to consider the bill.

Mr. SASSER. Mr. President, on behalf of the majority leader, I yield myself such time as I may require.

Mr. DOMENICI. Would the chairman yield for a question?

Mr. SASSER. I am pleased to yield to my friend.

Mr. DOMENICI. Mr. President, parliamentary inquiry. Is there an agreement with reference to this morning and maybe part of this afternoon already in existence?

The PRESIDING OFFICER. There is an agreement that the first 4 hours shall be equally divided for debate only.

Mr. DOMENICI. For debate only?

The PRESIDING OFFICER. Yes.

Mr. DOMENICI. Could I, then, just say, if the chairman will give me a moment, on our side there are a number of Senators who desire to speak. I have not compiled, in behalf of anyone, a list yet, other than Senator PACKWOOD will obviously follow me for as much time as he wants. Then I told Senator GRAMM of Texas he would proceed next.

But I say to the Republican Senators who are watching, or their chiefs of staff in their offices, I would like to start putting a list together for that first 2 hours on our side in terms of who would like to speak and how much time they would like.

I thank the chairman. That time should come off of my 2 hours.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I thank the distinguished ranking member. We have had a number of requests on our side of the aisle also, from Democratic Senators who wish to speak on this reconciliation bill. I ask them, also, to advise us of their wishes so we could start compiling lists here on our side also.

Mr. President, the Senate today begins consideration of the budget reconciliation bill. The reconciliation bill is really the centerpiece of the President's economic proposal and economic plan. What this reconciliation bill includes is all of the spending cuts that have come from all of the committees stretched across the Senate, the cuts coming from the Committee on Agriculture, the savings coming from the Committee on Commerce, the cuts coming from the Committee on Armed Services, cuts in spending coming from the Committee on Foreign Relations, cuts in spending coming from the Committee on Finance, along with enhanced revenues also coming from the Committee on Finance. All across the Senate the committees and the committee chairmen have done their duties.

I want to express my appreciation to 12 of the Senate committee chairmen for their stalwart work in producing this record reconciliation bill, containing record spending cuts and record revenue increases that we present to the Senate today. I might correct that to say that a record reconciliation bill with regard to the deficit reduction that is included in it would be a more accurate statement.

According to the analysis of the Budget Committee, all but one committee is in compliance. In fact, 9 of the 12 committees of the Senate exceeded their instruction through higher spending cuts than they were charged to do. The Finance Committee came in under their revenue instruction by $23 billion but made up the difference with $27 billion in additional outlay or spending cuts. And the Finance Committee, I think, is to be congratulated for that.

In short, the committees did their duty, and I want to express my appreciation to the committee chairmen, to their committee members who helped craft some of the titles of this bill. This was not an easy task. Deficit reduction never is. We hear a lot of talk—and we have heard it for years: "We must reduce the deficit." Everyone is for reducing the deficit in the general sense. But when you get down to the specifics, no one seems to want to do the specifics that are required to actually reduce the deficit.

Someone said, it is like heaven. Everyone wants to go to heaven but no one wants to do the dying to get there.

So, this is all about deficit reduction. It is not an easy thing to do. It always involves spending cuts, cutting programs that people want, cutting programs that actually serve our citizens, cutting programs that are beneficial to literally millions of our citizens. And it involves raising revenues, raising taxes. And that is never, ever, popular with anyone.

So, deficit reduction is something everybody likes to talk about but no one really wants to do much about it. I think literally hundreds of Academy Awards would be in order for some of the posturing and play acting that I have witnessed over the past few years when it comes to discussing the deficit reduction, posturing around the issue of deficit reduction, and trying to convince the body politic that the actor is really serious about making the hard choices that will lead to deficit reduction. Most of it, I say with great sadness, is just that—posturing.

So, the President of the United States and the committees of the U.S. Senate looked the deficit squarely in the eye and they made some very difficult, some very tough, and some very painful choices in developing this reconciliation bill. The fruits of their labor are before us today. We have produced $347 billion in savings over the next 5 years. And a landmark $516 billion—I say to my friends from South Carolina, $516 billion—in deficit reduction in this total bill when we are through with it.

Mr. President, this is the 10th budget reconciliation bill—only the 10th—ever to come before the Senate. I think it merits a special place in budgetary history. It represents a turning point for our Nation and is a defining moment, I think, for our much-maligned legislative process. Passage of this bill represents our best chance, and perhaps our last chance to make meaningful progress against the deficit.

Sometimes the message of deficit reduction gets drowned out in the gusty winds of rhetoric, but it bears repeating: This is the largest deficit reduction plan ever proposed by any President of the United States. Let me repeat that so there can be no misunderstanding. This is the largest deficit reduction package ever proposed by any President of the United States.

I submit that this is the best deficit reduction package ever proposed by a President. This is the fairest deficit reduction plan ever proposed by a President of the United States.

In my judgment, this represents a profoundly important attack on what many consider to be the No. 1 problem facing this country. It is an important attack on the ever-mushrooming and exploding budget deficits that we have seen over the past 12 years.

This is now a $516 billion deficit reduction package, as I said earlier. I submit that our country desperately needs it. When discretionary spending and interest savings are included, spending reductions account for $267 billion of the $516 billion of deficit reduction, and new revenues make up the difference—$249 billion.

The spending cuts include an additional $28 billion—that is right, $28 billion—beyond those originally submitted by the President and adopted in the budget resolution.

Let me say that again so my colleagues understand. This reconciliation bill that is before us today has $28 billion more in spending cuts than the budget resolution that was adopted by this House in March of this year; $50 billion of additional outlay cuts alone in discretionary accounts was added by the Budget Committee. And I remind my colleagues that on these discretionary accounts, this budget imposes a hard outlay freeze over 5 years. For 5 years, the discretionary accounts will not rise above $547 billion in outlays that were contained in the fiscal 1993 appropriations bills. And that represents a real cut, a cut in dollars corrected for inflation, of 12.5 percent in the discretionary accounts over the next 5 years.

By any fair accounting procedure, I think, done by a dispassionate and informed observer, there is $1 in spending cuts for every 93 cents in new revenue in the overall reconciliation bill; $1 in spending cuts for every 93 cents in new revenue in the overall reconciliation bill. That ratio assumes that changes in Social Security are revenue. Those changes were not counted as revenue in the budgets proposed during the Reagan years. They were counted as spending cuts; but we will count them as revenue in this proposal. It even counts the earned income tax credit as an outlay, and that latter classification is questionable, at best.

So giving any kind of fair, dispassionate, unbiased view of this deficit reduction package, you come up with $1 in spending cuts for every 93 cents of new revenue.

When this bill is enacted and implemented, the deficit, as a percent of gross domestic product, will be cut from 5 percent projected in 1993 to a little over 2.5 percent in the outyears. In other words, this deficit reduction package is calculated by the Congressional Budget Office to reduce the deficit in half over the term of the agreement.

Nevertheless, some Members of the minority would have us continue to drift on a sea of red ink that grows deeper and deeper by the year. They are out to kill this bill, despite the transparent fact that there is absolutely nothing to fill the void of this reconciliation bill.

This is the only deficit reduction train leaving the station, and if you have a serious interest in reducing the deficit, then you ought to get on this train. If you want to continue posturing and continue to talk about the deficit and not do anything about it, then you can simply stay around the train station and watch the old deficit reduction choo-choo pull out.

After months of debate and discussion about the deficit, after the endless press conferences and floor statements and the countless, repetitive Sunday morning talk shows, I have not heard one credible alternative to the President's plan. In all of the months, in all of the speeches, in all of the press conferences, in the blizzard of press releases that have gone out from this Capitol, the talk shows that go on ad infinitum—it seems like day and night now you hear these talking heads saying what ought to be done—not one credible alternative to the President's plan has come to the floor of this Chamber. Our friends on the other side of the aisle do not seem to have any alternatives to the President's proposal.

President Ronald Reagan's Budget Director, David Stockman, said—and this is Stockman speaking, Mr. President; it is not me, chairman of the Budget Committee. Mr. Stockman said, and I quote from an article that appeared within the last 6 weeks in a publication:

> The GOP has neither a coherent program nor the political courage to attack anything but the most microscopic spending marginalia.

That is what David Stockman wrote. That was Ronald Reagan's Budget Director. He was present at the conception of these massive budget deficits. Mr. Stockman was there. He wrote a book about what happened, and he knew that the policies were going to lead to what he thought were catastrophic deficits because things were out of control and mistakes were made in 1982.

He was right about one thing: It did lead to the largest peacetime budget deficits in the history of this country. And that period of time, from 1981 through 1990, saw the national debt triple. So Mr. Stockman was right, that miscalculations, misjudgments, and misguided policy did lead to budget deficits that were catastrophic in their proportions. But now we are coming back and trying to do something about it before it is too late.

To borrow a phrase from the cold war, I believe we should pause for a moment and think the unthinkable. We should examine what would happen to this country if we do nothing about this deficit, if we turn our backs on the only chance for deficit reduction.

You know, the tragedy of it, Mr. President, is some of us on this side of the aisle banded together with some on the other side of the aisle in 1990 because we were genuinely concerned about what these deficits were doing to our country. We were not Republicans and we were not Democrats then, in 1990, when we tried to fashion a concerted and bipartisan approach for dealing with the deficit; we were just simply policymakers concerned about our country and concerned about which direction it was going in. We tried to do it together in 1990, and the deficits would be a lot larger today if it were not for the steps that were taken in a bipartisan way in 1990.

But alas, there has not been much bipartisanship in trying to develop this budget.

We should examine what would happen to our country if we do nothing about the deficit, if we turn our backs on our only chance for deficit reduction. If we do nothing—and we can just do nothing; we should not, but we could—the deficit will rise to $327 billion in 1997 and $400 billion in 1998, and then just continue to grow for as far as the eye can see.

If we do nothing, the national debt will rise by another $1.6 trillion. If we do nothing, the Federal debt will equal 61 percent of the gross domestic product of this country. If we do nothing, the interest on the national debt alone—just the interest—will equal almost 4 percent of the gross domestic product.

If we do nothing, every dollar paid on interest on the accumulated debt is a dollar that cannot be spent on health care; it cannot be spent on highways; it cannot be spent on educating our children; it cannot be spent in modernizing the military as some of our colleagues want to do. No. It will simply be spent paying interest on the exploding deficit. If we do nothing, we are going to lose all of our stature and all of our credibility among our foreign trade partners.

It is interesting to note that when President Clinton and Secretary Bentsen proposed this deficit reduction plan and it was shown to our trading partners in the G–7 nations, they were ecstatic. They were of the view that at long last the U.S. Government, after many, many years, was finally facing up to the hard reality that something had to be done about its exploding deficits because the other governments of the major industrialized countries, the other economies of the major industrialized countries are dependent on our economy to a substantial degree. And they were extraordinarily concerned about what they perceived to be a deterioration taking place in the United States as a result of not having the political will to deal with these exploding budget deficits.

If we do nothing, and we could, we would have failed our fellow citizens who sent us here to Washington to the Nation's Capital, to the Senate, to legislate and to look after their needs. If we do nothing, then we will certainly have failed our children and, indeed, our grandchildren.

I was interested to read an article by one of our former colleagues, the distinguished former U.S. Senator from Arizona, who ran for President in 1964, Senator Barry Goldwater. I remember when Senator Goldwater was referred to as "Mr. Conservative." Barry Goldwater made this striking prediction about what would happen if we do not control the deficit in the next 5 years. Senator Goldwater said, and I quote, "This country won't last 10 years. It will be bankrupt."

So said Senator Goldwater. And what does he have to gain or lose by saying that? He is out of the political arena. He is in the golden years of his life. And his concerns, I am sure, are primarily about his country and about posterity. And he says if we do not do something about the deficit, the country will not last 10 years. It will be bankrupt.

So clearly I say to my colleagues now is the time for action. Something must be done.

Now, luckily for us and luckily for the country, we do not have to just curse the darkness. This bill will address the deficit. The reconciliation bill plus the remainder of the Clinton spending cuts will bring it down to size and reduce this deficit to below $200 billion in 1997, reduce it down to the manageable level of 2.5 percent of gross domestic product. And this is, Mr. President, with no assumption that anything will be done about the exploding cost of health care. If we can pass this deficit reduction package and follow it with a comprehensive health care package that will afford quality affordable health care to the American people with some kind of cost control system, then we stand ready to pass on, in the year 2000, to those who will be here then—and perhaps some of us will still be here—a Federal Government that is fiscally responsible and fiscally solvent.

Health care is an important item. As the distinguished Presiding Officer knows—he is an expert in the field of health care, my friend, Senator WOFFORD, from Pennsylvania—85 percent of the growth in the so-called entitlements is made up of growth in two programs, health care programs, Medicare and Medicaid. Eighty-five percent of the growth in entitlements, I say to my colleagues, is in two programs, health care programs. It is Medicare for our older citizens and Medicaid for our poorer citizens. If we can pass this President's deficit reduction package, that will reduce this deficit by $516 billion over the next 5 years. And if we can follow that with a health program, a health plan that will stabilize the cost of health care, then I say to my colleagues we will have struck a real blow for solvency as far as our National Government is concerned.

Now, this deficit reduction bill that is before us this morning not only addresses the deficit but it puts us back on the road to economic growth. By reducing the deficit, we will keep interest rates down, down lower than they have been in 20 years. That is where they are now. We need to keep them there and get them even lower so that our fellow Americans can once again realize the American dream of buying a new home or realize the American dream of investing in their own business or so they can better afford to send their children to college or even buy a new automobile or a new refrigerator or a new washing machine.

That is what the low-interest rates will do for us. Low-interest rates are vital to economic growth and economic prosperity and job production. This deficit reduction plan will keep interest rates down. Indeed, just in anticipation of this deficit reduction program, we have seen rates come down this year after President Clinton took office and began exhibiting that his administration had the political will and courage to deal with the deficit.

Now, Mr. President, let me make a point about the blunt instrument that we will all be bludgeoned with by the other side over the next 20 hours. I am talking about the tax charge.

Now, reasonable men and reasonable women know that cutting spending alone will not solve the deficit problem. They know that. And again I think David Stockman rightly observed when he wrote just a few weeks ago, and I quote—this is Mr. Stockman now speaking, Ronald Reagan's Director of the Office of Management and Budget. David Stockman wrote, and I quote:

> There is no way out of the elephantine budget deficits which have plagued the Nation since 1981 without major tax increases.

That is what David Stockman said.

Once of the great tragedies of this debate has been an atmosphere that, frankly, I most sadly say has been poisoned by what I perceive to be distortions of the President's economic plan, particularly in the area of taxes.

The minority is fanning the fires of fear. They have been orchestrating a campaign of hysteria. They are playing to insecurities and vulnerabilities born of 12 years of disastrous borrow-and-spend economics and a soaring deficit. Some have been preying upon our fellow citizens' deepest anxieties about their financial and job security. They have been telling our fellow citizens that regardless of your income the new revenues are going to take a big chunk out of your paycheck.

The truth of the matter is, Mr. President, that most Americans, 96 percent of them, have little to fear from the revenues raised in this reconciliation bill. They have little to fear because the only group of Americans who will see their income taxes raised are those who are the wealthiest among us. And their rates will simply be raised back to where they were, slightly lower than they were, before the so-called Reagan tax revolution of 1981. They cut taxes for the very wealthiest among us and left the working people and those in the great middle body to pick up the slack.

For individuals, for example, over 87 percent of the taxes that are in this bill will fall on households with incomes of over $100,000. Let me just repeat that. Eighty-seven percent of the taxes in this bill will fall on households with incomes of over $100,000. That is the top 6 percent of all families.

Fully 79 percent of the individual taxes will come from households with incomes of over $200,000. Let me repeat that. Fully 79 percent of the individual taxes will come from households with incomes of over $200,000.

For those people with taxable incomes of over $250,000, the bill imposes a 10-percent income surtax. Families whose taxable incomes fall below $140,000 a year are immune from the increase of personal income taxes in this bill.

It has been amusing to see some of our friends—not all of them but some of our friends—on the other side of the aisle casting themselves in the role of protecting the working Americans. All the rhetoric coming from the other side about protecting taxpayers and protecting jobs should be understood in the context of what this bill truly does. My friends on the other side of the aisle know that the tax revenues contained in this bill are not going to have any effect or any significant effect on the overwhelming percentage of Americans because at the core of the President's economic plan is the reinstitution of tax fairness.

The distinguished chairman of the Finance Committee, Senator MOYNIHAN of New York, announced when this bill, the reconciliation portion coming from his committee, emerged that they had produced the most progressive, the fairest, the most equitable tax bill since World War II.

I must say to you, Mr. President, upon examining the way these taxes are spread across income brackets and groups, I think our friend, the distinguished chairman from New York is correct.

My friends on the other side of the aisle know that the tax revenues that are contained in this bill are not going to affect most Americans. Middle-income Americans will not have their personal income taxes raised at all. Let me repeat that. Middle-income Americans will not have their income taxes increased at all. That is the truth. It is only the wealthiest, those making over $140,000, who will pay an increased and just share of their income taxes.

The strategy of the minority, Mr. President, is very simple: to protect the wealthy, those who benefited the most from the 12 years of Reagan-Bush. They have to persuade the other 94 percent of the people that they are threatened by this bill.

That is what all of this hullabaloo about taxes is about. It is trying to leverage the 94 percent who really are not affected to any significant degree, trying to get them outraged so that they can protect the 6 percent, the wealthiest, who do have to pay increased taxes. It is the old fable of a wolf dressing in sheep's clothing. I think that is exactly what it is.

We are going to hear a lot of talk today, as we have heard in times past, about the Clinton economic plan and how it affects subchapter S corporations. I think that would fall in the category of another minority tax fable. If you listen to our friends on the other side, every mom and pop grocery store and gas station in America is going to be taxed out of existence.

It is totally inaccurate, nothing to it. Once again our friends on the other side cannot confess what they are really defending, so they use our small businesses as a stalking horse for America's wealthiest citizens.

The revenue changes in this bill will only affect taxpayers organized under subchapter S with taxable incomes above $140,000 or $250,000. And that is taxable income. That is after all exemptions have been taken. That is after all business deductions and business expenses have been deducted. When they have a remainder of $140,000, then they would be affected, after all deductions and after all business expenses have been deducted.

So by any standard, subchapter S is still a very, very generous deal.

The Wall Street Journal quotes Matthew Kessler, a tax partner in the Chicago accounting firm of Grant, Thornton as saying there is "no way" he would advise a client to desert a subchapter S corporation, even after the alleged draconian changes that our Republican counterparts are alleging that this bill will make on subchapter S corporations. This expert in the Wall Street Journal still says no way I would tell my client to desert a subchapter S corporation.

Finally, of course, we are going to hear the inevitable call for more outlay cuts, more spending cuts. That is what they will say: We have to have more spending cuts, and fewer tax increases. We have heard it for months and months and months. But there has been virtually no specifics on the spending cuts until just a week or so ago.

At that point, we finally found out what the spending cuts mean. It means cutting Medicare, it means cutting Medicaid. The bill before us achieves cuts in Medicare and Medicaid, but it is all concentrated on providers. This bill does not cut Medicare beneficiaries, the old folks who are getting Medicare. It does not cut the Medicaid beneficiaries, the poor who are getting medical care.

Those cuts are tough. There is no question about it. But to go any further would be destructive to the seniors and to our Medicare system that has provided our seniors health insurance for a quarter of a century.

The American people simply do not want additional cuts in Medicare and Medicaid. I have not seen a single poll that shows more than one-quarter of the people supporting cuts in Medicare and Medicaid. A Wall Street Journal-NBC poll, a short time ago, asked this question: How many would prefer more cuts in Medicare and Medicaid in lieu of an energy tax? Stated another way, how many would rather cut Medicare and Medicaid and do away with an energy tax? Only 21 percent of the respondents said they supported that trade; 68 percent of them said they would rather have an energy tax and have no cuts in Medicare and Medicaid, as opposed to 21 percent that said throw the energy tax overboard and pay for it by cutting Medicare and Medicaid. By over 3-to-1 margins, Mr. President, in this NBC-Wall Street Journal poll, the American people are saying we do not want to cut Medicare; we would rather have an energy tax instead.

So that is the case whenever the question is asked. If you are specific about what cuts you are talking about, then the American people simply seem to lose their enthusiasm about that specific cut.

Mr. SARBANES. If the Senator will yield, I want to commend the distinguished Senator from Tennessee for the very able work he has done on this reconciliation bill. As I understand the opposition of our Republican colleagues, they assert that there should be no increase in revenues, no taxes, and we ought to try to do all of this deficit reduction with spending cuts.

Of course, one area in which they would do spending cuts, as I understand it, would be in Medicare and Medicaid. Their proposals take various forms, but the practical effect of their proposals would be cuts in Medicare and Medicaid. It is very important to understand—and I ask the chairman is this not correct—that the revenues that are being raised in this bill come primarily from the people at the very top of the income scale in this country. The other side asserts that this is class warfare. But the fact is that this is the very group that benefited so immensely from the Reagan-Bush policies of the last 12 years.

There has been a very significant concentration of income and wealth at the upper end of the scale. In effect, the position taken on the other side of the aisle is that, they would rather cut Medicare and Medicaid; which many of our seniors and poor people depend on in order to get health care, rather than levy some additional taxes on the most advantaged people in our society. That is what it comes down to.

This program that the chairman is now bringing forward seeks to do some of the deficit reduction by raising revenues and some by cutting spending.

The other side says: We do not want to raise the revenues, and the revenues come primarily from the very advantaged. We want to make deeper cuts in spending, including Medicare and Medicaid, which would disadvantage the elderly and the poor in our society, the very people in our society who need the most assistance.

So I ask the chairman, is it not in fact the case that the alternative proposition being put forward or asserted by our Republican colleagues in effect says rather than get some revenues to reduce the deficit from the people at the top end of the income scale, let us make even deeper cuts that are already being made in the health care to be provided to the elderly and the poor?

(Mr. DORGAN assumed the chair.)

Mr. SASSER. Well, the Senator from Maryland is entirely correct; that is the rationale, as I understand it, coming from the other side of the aisle. If the Senator from Maryland will bear with me for a moment, let me explain why the proposal that is before the body today deems it preferable to take revenues from upper income, wealthy Americans to use for deficit reduction, as opposed to cutting Medicare and Medicaid for deficit reduction.

I call the attention of my friend from Maryland to a chart entitled "Change in Income and Tax Rates During the Reagan-Bush Years." This is the 12 years President Reagan and President Bush were in office. We have broken down the taxpayers here into really five groups. But when we get to the fifth group, we have broken them down further into four groups. What we have here, we see in the lowest quintile that pretax income during this 12-year period has shrunk by 5.6 percent, while the effective Federal tax rates on the very bottom end have gone up 1.2 percent. So they have been getting whiplashed from both sides. Their income has gone down, but their tax rate has gone up.

Well, let us look and see what happened here in the fourth quintile. That is generally what we call the middle class, I suppose. We see that their pretax income has gone up 8.2 percent; their effective tax rate has gone up 2.3 percent. We see, as we move on down the line, the pretax income, the wealthier—or the more your income grows, your effective tax rate does not grow correspondingly. But when you get right down to the end, this is where you see the difference. The top 96 to 99 percent, their pretax income has gone up 21.2 percent, while at the same time, their effective tax rate, the tax they pay, has gone down 4 percent. I say to my friend from Maryland, look at what happened here to the top 1 percent. Their pretax income, in the 12-year period, has gone up 47.6 percent.

Mr. SARBANES. I ask the Senator this: In other words, the people at the top 1 percent, their pretax income over this period went up almost 50 percent; is that correct?

Mr. SASSER. That is correct. While their pretax income has gone up almost 50 percent, look what happened to their effective Federal tax rate. The tax rate has declined by almost 25 percent.

Mr. SARBANES. Let me ask the Senator this question, because it is not on this chart. I assume this is pretax income; is that correct?

Mr. SASSER. That is correct.

Mr. SARBANES. This is the drop in the effective tax rate. So I assume that the after-tax income of the top 1 percent would show an enormous jump.

Mr. SASSER. I think it does.

Mr. SARBANES. That is because the pretax income has jumped by 50 percent and their tax rate has dropped by 25 percent.

Mr. SASSER. Logically that would be the case. I think the Senator from Maryland is correct on that.

Using that chart, that is the rationale for the thrust here of this reconciliation bill, and that is to try to raise the revenues to decrease the deficit, to decrease the amount of Government borrowing that is necessary to raise those revenues from these people here who benefited so much over the past 12 years, as opposed to cutting Medicare for our older citizens and cutting Medicaid for our poorer citizens. I think that is a fair and equitable way to try to approach this whole deficit reduction problem.

Mr. SARBANES. Mr. President, will the chairman yield further?

Mr. SASSER. I am pleased to yield.

Mr. SARBANES. I say to the chairman—and I put this in the form of a question—is it not the indication that any proposal here which seeks to reduce the revenues that are being raised in the reconciliation bill and increase the spending cuts needs to be measured in terms of its fairness and desirability by taking both of those things into account? In other words, any additional spending cut which is proposed for purposes of reducing the deficit in place of revenue raising that is in this bill has to be judged weighing both into account. We are going to get a proposal to eliminate the tax on wealthy individuals at the upper end of the income scale and then offset these changes by making further spending cut.

You have to ask the question which is the more reasonable, more fair, and the more appropriate thing to do? Should we raise some revenues from those at the top end who have benefited so enormously by these economic programs of the last 12 years in order to reduce the deficit, or should we let them go free from making a contribution toward deficit reduction and load an even heavier burden on people who receive Medicare, Medicaid, childhood immunizations, or reductional programs?

I do not see how you can escape weighing the relative advantages of the two taken together. The additional spending cuts have to be weighed in light of the fact that they are being proposed in place or raising some revenues from the very top end of the income scale. Would that not be correct?

Mr. SASSER. That is correct. In other words, if you are not going to raise these revenues from the very top end of the revenue scale, primarily here, the top 1 percent, if you are not going to raise those revenues there, then that means you are going to have to turn around and make some spending cuts somewhere in Medicare and Medicaid to hit these deficit reduction targets, because there is no secret to it—I mean the Federal budget is just like the family budget. If your revenues go down, if your paycheck goes down, then you are going to have to make some spending cuts in your family budget. If we do not take in the revenues from these folks here who benefited from the tax policies of the past 12 years, if we do not take in from that paycheck revenues for the Federal Treasury, we are seemingly going to have to cut some programs, and it is going to be primarily Medicare and Medicaid the way it is moving.

Mr. SARBANES. So the last judgment has to be made every time they propose to drop the taxes. You have to say where are you going to get the money to sustain the deficit reduction and you have to then weigh the place where the money is going to come from as against getting it by asking the most advantaged to carry some of the burden of this deficit reduction program.

Mr. SASSER. The Senator from Maryland puts his finger on it. What has got us into this problem is that for 10 years, from 1981 to 1991—in fact, you could make the case for 12 years, from 1991 to 1993, that decision was not made. They simply said let us do not make the cuts, let us go ahead and do the spending, let us do not diminish this tax cut we have given to the upper-income people.

So how are we going to make up the difference? We will just borrow. That was the spend-and-borrow policy of the last 12 years that tripled the national debt.

You know it took us 200 years to build up a national indebtedness of slightly under a trillion dollars, and between 1980 and 1992 we tripled that. We tripled it in 12 years. We tripled the debt that had taken us 200 years to build up prior to 1980, and we did it simply because nobody was willing to make the decisions, gave the upper-income people these massive tax breaks in 1981 that cut Federal revenues by about 20 percent, and the corresponding cuts in programs were not made.

So, the previous administration simply said, well, let us just move along the track we are on and we will make up the difference by borrowing. That is what happened. That is why we have the problem we have now. This deficit reduction program before us today makes the decisions.

Mr. SARBANES. If the chairman will yield, it makes some very tough decisions.

Mr. SASSER. It does.

Mr. SARBANES. This is a deficit reduction program that combines both significant spending cuts which carry pain with them. There is no question about it.

Mr. SASSER. There is no question about that.

Mr. SARBANES. People are being called to make a sacrifice to contribute to addressing this problem, and it raises significant revenues. It is a combination of both. And it tries to do it in a fair and balanced way.

Mr. SASSER. Let me just show the Senator from Maryland, if I may, another chart. He indicated that he thinks we should try to raise the revenues in a fair way in this whole endeavor. Look here. Seventy-nine percent of the taxes in this reconciliation package come from those who make over $200,000 a year. That is 79 percent according to the Congressional Budget Office. Nine percent comes from those who make between $100,000 and $200,000. And look down here. Those who make up to $30,000 get a tax cut. They get a tax cut. Their taxes are not raised at all because those were the ones who really were probably hurt the most by the policies of the past 12 years.

Mr. SARBANES. Is it correct that the medium income in this country is about $30,000 a year?

Mr. SASSER. It is, indeed.

Mr. SARBANES. About half of the American people are at incomes at $30,000 or $35,000 or below; is that not correct?

Mr. SASSER. That is correct. And even those who are above $30,000, $30,000 to $40,000, they are asked to pay 2 percent. They pay 2 percent of the total revenue package which amounts to really in dollars and cents to them a very small amount.

Mr. SARBANES. A few dollars a month, as I understand it.

Mr. SASSER. It is maybe $4 a month or less. I think most would say I am willing to do that if it will guarantee lower interest rates for us so that maybe our children can buy a house or we can buy a house or we can buy a new car or washing machine or refrigerator, or just give us a peace of mind knowing at long last we are doing something about these deficits that they fear are going to destroy the economy not just for themselves but for their children.

Mr. SARBANES. I think it should be understood that this assault on the revenue part of this package is essentially a major effort to protect the people making more than $200,000 a year from carrying a little of the burden to reduce the deficit.

Mr. SASSER. Yes, the Senator is quite right. Lest someone get the idea that the proponents of this package are out to hold up the wealthiest among us, that is not the case.

Let me show this chart here to my friend from Maryland that demonstrates what I am talking about. This chart is the product of the nonpartisan Congressional Budget Office. It shows that the effective tax rate of the top 1 percent in this country—and you recall from the previous chart that the top 1 percent is the group that had benefited the most from the decade of the 1980's—prior to the Reagan years, in 1979, the top 1 percent had an effective tax rate of 33.7 percent. With the present law under which we are operating they have an effective rate of 28 percent. We are simply in this reconciliation bill going to raise their effective rate back up to where it was prior to Ronald Reagan, at 33.6 percent. This top 1 percent represents people that are making over $200,000 a year.

Mr. SARBANES. Am I correct that the national debt in 1979 was not quite $1 trillion?

Mr. SASSER. Not quite $1 trillion in 1979.

Mr. SARBANES. And the national debt at the end of 1992 was about $4 trillion?

Mr. SASSER. That is correct.

Mr. SARBANES. So the national debt grew from $1 trillion to $4 trillion over that period of time.

Of course, that means the interest on the debt has grown enormously as a charge on the budget.

Mr. SASSER. Yes.

If the Senator will let me interrupt just for a moment. The interest charge on the national debt has grown so much over the past 12 years that if you could just take the interest charge and back it out of the whole Federal budget, we would have a budget surplus.

Today, it is the interest charge that is unbalancing the Federal budget. It is the growth of this indebtedness. That is why we must do something about it now.

Mr. SARBANES. I thank the chairman for the opportunity to have this discussion.

Mr. SASSER. I thank the Senator from Maryland. He is always very effective and very helpful in sort of bringing us back down to Earth here and pointing out what are essentially the basics. I think he has done that very, very effectively this morning.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Chair would advise the Senator from Tennessee that he has 58 minutes and 45 seconds remaining.

The minority has 119 minutes.

Mr. SASSER. Mr. President, I have been going on here at some length. I see my distinguished friend from New Mexico is here and listening patiently, as he always does.

So at this juncture, I yield to my friend from New Mexico for his comments.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, under the leadership designation, I will control the time. I yield myself as much time as I use.

I want to indicate to the Senate that Senator PACKWOOD will be next on our side, and Senator GRAMM, and we have a list that is moving along, and we all will have something to say.

I ask if you will remind me when I use 15 minutes.

First, I want to thank a number of people. Normally, we thank staff people and Senators when the war is over, but I want to thank the Republican Senators, and in particular Senator PACKWOOD, who is the ranking member on the Finance Committee; Senator DOLE, our leader; Senator GRAMM of Texas, for his leadership; and all the other Republicans who have joined with us in a very constructive way.

It actually bodes well, it seems to me, for the country, when we can, on our side, stick together and offer alternatives and try, with all the might we can muster, to prevent the Congress from doing some things that we confidently feel will be bad for America, bad for job production, and will put people out of work. We feel that way about this measure.

Having said that, sometime early this afternoon, we will put before the Senate, hopefully, and before the American people, a Republican budget alternative. There will be ample time to discuss it then. Some of the allegations, bordering on accusations, that have been made here in the last 30 to 40 minutes about what it does and does not do, many of them will be dispelled.

I do not choose, on my first opportunity to address the Senate on this major turning point and critical time in our country, I do not choose to talk about the alternative because, to tell you the truth, there is so much to talk about in the plan that is before us that I choose to discuss mostly it in my opening remarks.

First, let me suggest to the other side—we keep referring to "the other side" and they refer to "the other side." Maybe I ought to just say, to the majority of Democrats on the other side who will choose to make this deficit partisan and choose to call it ours, not theirs—Republican, not Democrat—for those who choose to say that the tax package that has been discussed here for the last 15 minutes, the so-called Reagan first tax-cut package, or even the total reform package which was managed so marvelously by the then chairman of the Finance Committee, Senator PACKWOOD, for those on the other side who speak of an era when we wasted money on defense, let me suggest, we have their records here, their voting records.

So when they refer to Republicans, we would like to ask them: Did you vote for the tax cuts that Ronald Reagan recommended, that were buoyed up in this body by a bidding war? Much of the bidding was by Democrats, I might say to my good friend, then chairman of the Finance Committee; is that not correct?

Mr. PACKWOOD. Absolutely.

Mr. DOMENICI. How many Democrats voted for that—my recollection is 83 Senators voted for it; either 83 or 87, but an overwhelming majority voted for those cuts—that are up here saying: Help the rich, hurt the poor.

You can put whatever slant you want on this. The truth of the matter is, on income, the poor were helped during the decade more than previous decades, and truthfully we produced more jobs than we have produced in many a decade. Frankly, if we got just a smidgen of those new jobs, we would all be happy today, because this is a jobless economic recovery.

And is it not interesting, the few bright marks, high spots, that are occurring in this economy, a few of the statistics that you can interpret positively, is it not amazing that we have passed no bill doing anything to the deficit? We have not changed taxes one bit. We have not cut the deficit 1 inch, $1. And there are already people saying the good turn of events comes from this President just proposing something.

So I would just like to make that point. If we are going to get partisan about all of this, there will be "plenty of blame to go around." I quote the President of the United States, for he chose, in his address to the people of this country, to do differently than he is doing today. He said that there is plenty of blame to go around. He did not talk about Presidents Reagan and Bush, and Republicans. He said there is plenty of blame to go around.

Now, let us just make sure, if that is what the issue is going to be, the profligate decade of the 1980's, and pin it on us, then we very much would like to make sure that everybody in America understands that none of the Republican Presidents controlled both Houses of Congress—none—neither of those, neither of those. Only one Republican ever did, and that was Eisenhower; but for just a little, tiny piece of time, 2 years.

So who spends the money? Who spends the money? Do Presidents spend money? Who changes tax laws? Presidents?

It seems to me that if we have a problem—and we do—then everybody shares it, and everybody ought to try to solve it.

Having said that, I want to make sure that Senators understand that we have two problems. We do not just have one problem; to wit, the deficit—which this bill here, some say, will help. We do not just have that problem of the deficit. We have the problem of American business—predominantly, American small business—suffering today because the costs of doing business are so high that they cannot hire any new people.

Now you tell me how taxing small businesses more is going to cause them to hire more people, and I will agree that the laws of capitalism and of free enterprise have no real basis; they can be anything.

With health care costs going up and nothing in this bill doing anything to force reform in the health care programs, such that the spiraling costs will come down—nothing in this bill does that. There are some cuts in what we will pay providers under Medicare, and a little reform here and there, but nothing in this measure will control the expenditures of our Government.

Why? Why, I ask Senator GRAMM? Because it does not do anything permanently to the mandatory expenditures of our Government, which are going to bankrupt this country. Even after you put the $250 billion in new taxes plus $15 billion in user fees, after you put that on the people of this country, as provided in this bill, the country will begin to go bankrupt again in about 10 or 12 years, because we desperately need to reform the entitlement programs of this country.

Notice, I used the word "reform." The Democratic leaders are going to use "cuts." Let me tell you, if anybody wants to stand up here and say that in reforming health care costs we are not going to contain costs, if anybody stands up here and says we are going to have health reform but we are really not going to try to get the cost of health care coming down instead of up, then how are we ever going to control the budget? We are going to propose that, with plenty of time to spare for the work of the President, the work of his wife, the work of the Congress, with plenty of time to spare, we are recommending that there be reform that cuts the spiraling costs of health care, without which you will not get any benefit from this tax package.

Having said that, let me suggest that there will be a train. If you wondered what train there was leaving the station, and if the only one was this one in this bill, which I will explain shortly, if that was the only one, then just wait around. Wait around for about 2 hours and we will have improved the Dole-Domenici-Packwood amendment that we offered when the budget resolution was up. We will make it much more effective.

I can tell you one thing about it. There have been people here, alluding, on the floor, that the only way to get the deficit under control is to use a very big piece of taxes to get it under control. We will just tell you one thing. Without any taxes we will get the deficit, in 1998, down to a level that is almost identical with the President's, and with this package's pronouncements, in the neighborhood of $200 billion. And we will not have put any taxes on.

We will explain it to him in great detail. It can be done. It is not going to dramatically cut programs like Medicare and Medicaid. It is going to force, in the next 3 or 4 years, those who write the new laws to reform it so cost controls are in and it does not continue escalating at 6, 8, 10 percent above inflation every year, which is what is going to bankrupt our country.

Having said that, I also want to talk for a minute about contentions that we have some kind of a fable that we are proposing here. Let me tell you, anybody who would look at the last 6 months, including the first pronouncement by this President when he was a candidate in his little booklet that said, "Put People First," and then looked at his "Vision For Change" statement, which was supposedly an outline of his budget, and then look at this—if somebody would not ask, where are we? Is this Alice in Wonderland?

The President said in his "Put People First," "I will cut middle-income taxes." Middle-income taxes are raised in this bill.

The President said unequivocally he did not want any gasoline tax. Does Senator PACKWOOD remember that? There are gas taxes in this bill and there is a 7.6-cent gas tax in the House bill, and guess what, they are even indexed so they are going to keep going up with inflation. That is going to be a whopping gasoline tax from what I can tell.

Mr. PACKWOOD. Will my good friend yield for a moment?

Mr. DOMENICI. Sure.

Mr. PACKWOOD. That is not the only thing. In this case it is reverse indexed. You are aware in this bill for the first time the Democrats—at the highest levels, they say—have eliminated the indexing where you paid more and more taxes as inflation pushed you into a higher bracket. I will make this bet. They say it is temporary. But I bet it will never be relinquished and we will gradually start to move that elimination of indexing down to the middle-income and poorer classes.

Mr. DOMENICI. The Senator is exactly right. Indexing of tax brackets was a major advance for the American taxpayer because, if inflation was 10 percent, obviously, your real earnings are not 10 percent higher. In fact, they are nothing if you only get 10 percent more. We moved the brackets out to accommodate to inflation. It was about 30 years in coming. In this bill they take credit for $1.6 billion in new revenues—call it a procedural or technical correction, I say to my friend, Senator PACKWOOD—and say it is only temporary. It is such a money-making machine that, for those who think taxes are the answer, it will never go, it will grow.

I thank the Senator for raising that point.

There are a couple of other things. Hopefully, we will get all these out of our system and then we will get on to the difference between the two plans. But there was much allusion, and even kind of direct statements, that somehow or another this side of the aisle bears more blame. I would just like to ask this about the President's proposals and his current posture.

I vividly recall the President saying we are going to end outdated programs. Does Senator GRAMM remember that? And that we were going to reinvent Government. You know, that all ended up in one proposal: The honeybee subsidy program was going to be done away with. The only program that fit that bill of eliminating outdated programs was the poor honeybee.

Mr. GRAMM. Was it eliminated?

Mr. DOMENICI. Lo and behold, the honeybee program has even come back to life in this bill. So now we can say not a single program, out of maybe 2,500 in the kind of litany of American Government expenditures, not a single one was eliminated. And somebody even came to the rescue of the honeybee subsidies.

On defense and defense expenditures in the past decade, again I want to comment, I do believe that was a rather universal, almost bipartisan effort. There may be some who voted against it, but almost everybody thought it was right.

Now, having said that, I want to tell the Senate and those who are interested what I think about the package that is before us from the standpoint of an objective analysis, as best I can.

The PRESIDING OFFICER. The Chair advises the Senator he has consumed 15 minutes.

Mr. DOMENICI. Let us try 7 more minutes and I will be through.

As Chairman MOYNIHAN of the Finance Committee said on Sunday: BOB DOLE's numbers are correct. This bill reduces the deficit by $347 billion over the next 5 years, not $506, not $516.

That would not mean much if it did not have some other qualities about it. The Democratic staff presented yesterday to the committee their analysis of his bill. And it confirms once again that this bill before the committee reduces the deficit by $347 billion over the next 5 years. The Congressional Budget Office, in 12 separate cost estimates, estimate this bill saves $347 billion—this bill.

Taxes—no dispute. There is no dispute. Net taxes: $249 billion. Republicans simply point out that taxes go up by $249 billion, and additional fees for purchasing Government services, park fees and the like, will go up $15 billion. We think those both are revenue raisers, or taxes.

The taxes are front-end loaded compared to the spending cuts; in other words, the opposite of what Americans have indicated they want. They want cuts first, taxes next. This one is the reverse, taxes start up, July 1 they go up. That is not July 1 of next year. It is 8 days from now. They are raised $36.7 billion. And spending is cut in 1994, the sum total of $5.9 billion. That is a pretty healthy ratio, $36 billion in taxes first, $5.9 billion in reducing costs of Government. Even if I use the accounting schemes that the majority party has asked that the people accept, with interest counted as savings and user fees counted as spending, there is an amazing ratio.

And the ratio is $4.42; that is $4.42 in taxes for every $1 in spending. Frankly, I do not use these ratios because in and of themselves they are determinative of anything, but they do seem to, rather vividly, send a message to America that to get the deficit down the majority party thinks you have to put four times as much taxes on as you can cut the growth in Government. In that it even includes cutting defense. Eventually it will be in there, cutting defense, too, and it will be in these figures that we will use.

Let me move on. On the specific tax policy in this bill, which will be addressed, I am certain, by my good friend, Senator PACKWOOD, in short order, the majority party, the Democratic leadership can talk all they want about who gets hit. Let me tell you who gets hit by this income tax increase: $55 billion of the $110 billion in personal income taxes is paid by small businesses who report unincorporated business income on their 1040 tax form. Fifty-five billion dollars will be taken out of the pockets of the small business people and we expect it to do what? To generate jobs and get us out of this mess because without new jobs and new growth, this package of $250 billion in new taxes will be thrown in a sink hole.

You just let the American economy continue to grow at one-tenth of 1 percent and its joblessness continues as it has for the past couple of years—growth without jobs—and the deficit will grow in spite of the taxes, which is what some of our friends are predicting. I think I heard my friend from Oregon say at the end of 5 years, with this plan, he believes the deficit will be up, not down. I am telling you that because I believe if you do not get more jobs and more growth, to run around and say we reduce the deficit with taxes is meaningless.

So this bill before us today does not cut, it does not even hold constant, but actually, on another front, increases capital gains tax rates. I tell you, I do not believe there is an economist around that will tell you now is the time to raise rates on capital gains. But do not worry about it because it is on wealthy capital gainers. It is as if those who exchange assets so they can spend the money and reinvest it in America, which is what we want and we yearn for by way of more capital availability, so we tax some more of that and say "don't worry about it."

This bill eliminates the House bill's provisions even for small business capital gains.

I am going to go on and move over some of these rather quickly. But I do want to say, again, day before yesterday or perhaps yesterday, the President blamed Republicans for the problems of the cities. Just remember that this bill does not even include the empowerment zone included in the House bill, but it did find a way to increase the Presidential election fund checkoff to $3 which will raise $270 million for campaigns.

Finally, the proponents of the Clinton tax increase insist that all of the new taxes will be dedicated to deficit reduction. The House bill went so far as to include language creating—imagine—a deficit reduction trust fund to guarantee the claimed level of deficit. I think that has been deemed by most to be a hoax.

Sixty-five billion dollars of the new taxes in the House and Senate reconciliation bill are already dedicated to other trust funds. The purpose of trust funds is to earmark a tax for a purpose. No one involved in our budget process had figured out a way to dedicate a tax to more than one trust fund. At least $65 billion of these new taxes will not be used to reduce the deficit and, frankly, if the deficit grows, they will not be used at all for that purpose.

So, again, spending cuts, $83.6 billion, spending cut total, excluding user fees, but it is time to move on.

What is most important, 82 percent of the spending cuts come after 1996. Repeat: 82 percent of the spending cuts come after 1996.

Fact: While this bill is somewhat better than the House bill on new spending because we do not have as many increases in spending in this, in fact it still has $19 billion in new program spending while we tax the American people to reduce the deficit.

So of the $83 billion in spending cuts—it is said this is really going to be tough; that people really have to sacrifice—let me give you the truth about it: $30 billion of these cuts comes from nothing more than extending provisions that are already in current law. Of the so-called hard cuts in Medicare, $14 billion come from just extending the current law in place. One of these provisions maintaining the part B premium at 25 percent of the cost, this has been extended six times since 1982 and each time Congress claims savings.

The PRESIDING OFFICER (Mrs. BOXER). The Senator has used up his 2 minutes.

Mr. DOMENICI. Madam President, 1 more minute.

It is almost as if Congress says this: Let us put a 2- or 3-year termination on this increase so that when in 2 or 3 years we can claim that we saved again, it will have been done six times. Forty-five billion dollars in cuts come from delay of benefits, COLA delays, lower inflation increase estimates and shifts in agricultural savings from one year to another.

Frankly, I think that when all is said and done, there is no permanent change in the expenditure pattern of mandatory and entitlement programs. As a result, these taxes will be used to reduce some of the debt during the next 5 years, but when we are finished with them and all their adverse effects, the deficit will still be going up.

Let me just make a couple more comments.

The PRESIDING OFFICER. The Chair advises the Senator he has 93 minutes remaining.

Mr. DOMENICI. First, how much time did the Senator from New Mexico use in total?

The PRESIDING OFFICER. The Senator from New Mexico used 27 minutes.

Mr. DOMENICI. How much time did my good friend, the chairman, use?

The PRESIDING OFFICER. The Senator from Tennessee has consumed 1 hour and 2 minutes.

Mr. DOMENICI. I wonder, since Senator PACKWOOD has been waiting for a long time, if he might proceed for a few moments? I yield as much time as Senator PACKWOOD needs.

The PRESIDING OFFICER (Mr. DORGAN). The Senator is recognized.

Mr. PACKWOOD. Mr. President, I thank my good friend from New Mexico.

After listening to the chairman of the Budget Committee, Senator SASSER, and his good friend Senator SARBANES, from Maryland, I hardly know where to start. But I would like to start with some statistics from the Congressional Budget Office, which is the budget office that advises Congress and on which Senator SASSER and Senator DOMENICI rely for their information.

The argument was made by the majority that during the Reagan years we had a fiscal rape of the poor; that the rich has their taxes lowered and that the poor had their taxes raised. Wrong. I am going to quote from the Congressional Budget Office figures of shares of total Federal taxes paid by all families. Now I am using figures on all Federal taxes because often the argument is made, if you use only income taxes, someone will say, aha, but what about the Social Security tax which went up? There is no exemption for that, every wage earner pays it. What about the cigarette tax? The poor smoke more. What about gasoline taxes? It is a bigger share of the poor's income that the rich. These are all Federal taxes paid.

And to be definitional, tax experts use the word quintile. It means one-fifth. In 1980—this is before President Reagan was inaugurated—the lowest one-fifth of all of the families, in terms of economic income, the lowest one-fifth of the taxpayers in the United Sates were paying 1.6 percent of all of the Federal taxes. Not very much, 1.6 percent. In 1993, after 12 years of Reagan-Bush, they will pay 1.3 percent, not 1.6. And much of what happened in the tax reform bill of 1986 when we took about 6 million low-income Americans off the income tax rolls altogether.

So the lowest fifth, in terms of the percent of total Federal taxes paid by them has gone down during the Reagan-Bush years.

Let us take the second quintile, the second lowest income one-fifth taxpayers. In 1980, the year before President Reagan was inaugurated, they were paying 6.9 percent of all the taxes the Federal Government collected. In 1993, they will pay 6.3 percent—so their share of Federal taxes has gone from 6.9 in 1980 to 6.3 this year.

Let us take the middle quintile, the 40 percent to 60 percent group. In 1980, they were paying 13.2 percent of all the Federal taxes. In 1993, they will pay 12.4.

Let us take the next quintile. Now we are going up toward the upper incomes. This is the next to highest one-fifth income earners. In 1980, they paid 22.2 percent of all the Federal taxes collected. In 1993, they will pay 20.7. Like the lower quintiles, their share of Federal taxes is down.

But now let us come to the rich of the rich. Let us take the upper quintile—the top 20 percent income earners in this country. In 1980, they were paying 56.1 percent of all the taxes the Federal Government collected. In 1993, they will pay 59.1 percent.

But if you really want to get specific, let us take the top 1 percent of income earners. In 1980, they paid 12.9 percent—1 percent of the people paid 12.9 percent of all the taxes collected by the Federal Government. This year they will pay 15.7 percent.

So let us get over this argument that during the Reagan-Bush years somehow the rich escaped and the poor were raped. That is simply not true. Those who dispute those statistics will say that the rate of taxation has dropped, and indeed it has. But the rate of taxation is not the key to how much you collect in taxes.

For example, President Reagan used to refer to the top income tax rate when he first started acting in Hollywood during the World War II years. The rate was 91 percent. Let us round it off to 90 percent. We taxed the very rich 90 percent of all their income, except the rich never paid 90 percent of all their income in taxes. They had tax shelters and dodges and loopholes, and consequently you would see, year after year, a news story that would go something like this: The Internal Revenue Service announced today there were 945 people who made over $500,000 last year who paid no taxes.

They paid no taxes because they made charitable contributions, or they bought tax-free municipal bonds, or they had other loopholes, and their taxable income was zero. So it did not matter that they were in theory in the 90-percent tax bracket; they did not pay it; many did not pay any taxes.

However, if you remove lots of the loopholes that they used, you can lower the rate dramatically and collect more taxes. Take this example: Let us say somebody makes $1 million and the tax rate is 90 percent. And that person has $900,000 in deductions. So they pay 90 percent on $100,000. We collect $90,000 from them on their million dollars of income.

Let us assume we change the tax rate from 90 percent to 20 percent but you allow them no deductions, and they now pay a 20-percent tax rate on $1 million of income—$200,000 we collect. Their taxes go up. Their tax rate went down.

That is the fallacy the majority uses in attempting to show that the rich have escaped taxation. They have not. Their rate has gone down. The total taxes they pay have gone up. The total percent of the total taxes we collect has gone up.

Let us put that aside. I have a way to solve this problem, and I have to thank the chairman of the Budget Committee for calling this to my attention. If, indeed, we want to raise some revenues, then why not raise the top rate on those who make over $200,000 and allow them no deductions to 100 percent? Confiscate all of their income. We just take it all. That will raise us $248 billion—not quite enough to pay off the deficit, but it will make us feel better.

However, my hunch is we will only get that income once because nobody is ever again going to make over $200,000 a year. So we have killed that goose. That is gone.

Now, what do we do next year when the deficit is back up and nobody is making $200,000? We will go back down to $100,000. We will take all the income over $100,000 next year, 100 percent of it.

People can laugh. They can say, "Well, the rich do not care." In this bill, the top Federal income tax rate is going to go from 31 percent to about 44 percent on incomes above $250,000. I have never made that much. I never expect to make that much. I would love to make that much someday, but I do not ever expect I will. If you live in my State of Oregon or New York or California or any other high income tax State, you will pay well over 50 percent in taxes.

Now, at some stage, you say, "It ain't worth it. I don't think I will work quite as hard. I don't think I'll hire as many people." What do you say to Susan, who owns two hardware stores, or Jim, who owns the local dairy? "Hey, Susan, Hey, Jim, tell you what we got for you. We are going to raise your personal taxes. We are going to raise your personal tax, and you, Jim, because you have to deliver your milk, we are going to raise your gasoline taxes in addition. Oh, by the way, please hire some more people." It is not going to work.

But I have a greater quarrel with this bill than the fraudulent statistics about how much the rich pay. The rich are paying more taxes. My real quarrel with this bill is that it raises taxes at all, and we are given the presumption that those taxes are going to go to reduce the deficit.

Mr. President, I wish to put some more statistics in the RECORD. These are from the Budget Bureau figures over the years as to how much in this country we pay in taxes and how much we spend total, all of the governments of the United States: Federal Government, State governments, local governments, fire districts, water districts, school districts, historically what has happened to taxes and spending in this country.

In 1950, all of the governments of the United States, all of them, taxed 21 percent of the gross national product. Roughly $1 in $5 we took for Government. We spent 23 percent. We had a deficit—collecting 21 percent and spending 23 percent.

Forty years later, 42 years later, 1992, all of these same governments are taking 30 percent of all the money in this country and we are spending 34 percent. We still have a deficit.

What historically happens every time we raise taxes in this country, or every time we raise taxes in a State, or every time we raise taxes at the local level, we spend it. The only difference is that every State and every local government in this country is compelled to balance their budget. And when they have a shortfall and they cannot cover it, they either have to raise taxes to cover it or they have to cut spending.

I was telling my good friend from New Mexico, California, the biggest State in the Union with the biggest budget in the Union, has actually cut their spending in the last 2 years. Their general fund spending has gone from $43 billion to $37 billion over the past 2 years, reducing spending because that is what they have to do because they have to balance the budget.

The Federal Government is not so constrained. If we cannot make our income equal our outgo, we borrow. Whether it is foreign governments or insurance companies, or any of you who buy series E savings bonds, or anybody else, as long as people will loan us money, the income does not have to equal the outgo. But that will not go on forever.

My quarrel with this bill is the argument of the majority that they are going to use these increased taxes to narrow the deficit. Mr. President, that has never happened in the history of this country—never. And I want you to picture the situation that we will face in about a year. If this bill passes, and the Democrats may have the votes to pass it, $250 billion in taxes is coming. That is assured. That is written into this bill, and those taxes are never going to end.

Then there is written into this bill about $82 billion in spending cuts. I am not even going to get into the argument about user fees. I think they are increases in revenue. You go to a national park and pay $5; it is $5 out of your pocket. That is a user fee. If we raise that to $10, we call that a spending cut. I have a feeling Americans think of it as a revenue increase. But forget that. The $250 billion in taxes is coming in, and there is about $80 billion in spending cuts in this bill. That is all that is written into this bill.

Now comes the promise. Here I want to distinguished between what we call entitlements and discretionary spending, because it is a term we use inside the beltway that often people do not understand. An entitlement is a payment you are entitled to from the Federal Government, without any change of law on our part. We do not appropriate money for it each year. Social Security is a classic example. You work all of your life and pay money into Social Security, and you reach 65 and retire. You say, how long did I work, how much did I make, and how old am I; and here is the check. We do not have to pass a law; you just get the check. That is true of Medicare, food stamps, and other programs. Those are called entitlement programs. They make up an overwhelming portion of the budget.

Discretionary programs, sometimes called appropriated programs, are what we, every year, pass a bill on as to how much money we will spend—how much we will spend for education; how much we will spend for the Environmental Protection Agency; how much we will spend for foreign aid; how much we will spend for defense. Every year, we appropriate that money. That is discretionary accounts, or appropriated accounts.

This bill says that we are going to cut appropriated spending by $120 billion. That is a promise in the bill. It does not say where. This bill does not do it. What we say is, later on, the committees in Congress, sort of in cooperation with the President, will decide where to cut this $120 billion.

I can tell you what is going to happen. Here we have this $250 billion coming in, and the President says it is going to apply to the deficit. Now comes, later on this year or next year, when we have promised to cut this spending, in these proposed cuts, $120 billion. And every single interest group says: Do not cut us; you have this $250 billion. Keep us whole; do not cut us. Use that money you have.

And I will bet you a dime to a dollar that that is exactly what this Congress will do, and the President will agree. Because that is what we have done from time immemorial when we had money—spend it.

That is why the Republican amendment that will be offered later this afternoon says no taxes. Let us cut spending in the future. And if the Democrats want to say that we do not say where we are going to cut, I say to them that you do not say where you are going to cut it, either. We simply say: Let us cut it in the future totally by reducing spending instead of increasing taxes.

I want to give you an example of this argument about increasing taxes and going for the deficit. Because, within 1 week, the crawfish died. The President has said in his budget message that he wants to eliminate the deduction for lobbying expenses. Do not think of lobbying as some fat-cat interest group that comes to Washington. This is your garden club that wants to go to the State legislature. This is your teachers association, or anybody who objects to spending in the legislature, or any group that goes before a zoning commission. That is lobbying. The President wants to eliminate that as a deduction. I will not get into the merits of this for the moment. He says that money is going to go to help reduce the deficit.

Last week, in this Senate, we passed a campaign reform bill, so-called, and it is a miserable bill. But we have said, if there is public funding in this bill, we are going to take some of your money and give it to us for our campaigns. The Senator from New Mexico knows where that money will come from. We are taking it from the money to be raised by eliminating the lobbying deduction. The President has already said: Wait; that money is going to go for deficit reduction. We say: Oh, well; that was last week. We are going to take it and spend it on us to run our campaigns. That is what we will do with the $250 billion. We are going to spend it.

Now, you will say: Well, do we not reach some limit beyond which our spending will not increase? My first set of figures, about our increase in spending, was from our historical budget figures. Nobody quarrels with those figures. The second set of figures is a comparison of the major industrialized countries of the world, the ones we compete with internationally. These figures are compiled by what is known as the Organization for Economic Cooperation and Development. That is a fancy name for a statistical gathering group headquartered in Paris, which all of the major countries in the world support by giving it money. It gathers statistics on wages, taxes, and everything. It is a fine group.

The same thing that has happened in the United States—you raise taxes, you raise spending—has happened in every country in the world, democracy or dictatorship. A few examples: Norway—bear in mind that our Government now spends about 34 percent of our gross national product, including all of the State governments of the United States; we used to spend 23.

Norway, in 1965, spent 34 percent of its gross domestic product; 34 percent of all the money the country had went to the Government. Twenty-five years later, it is spending 55 percent.

The Netherlands spent 39 percent of its gross domestic product 25 years ago. Now it is spending 56 percent.

Denmark spent 30 percent of its gross domestic product 25 years ago; now it is spending 58 percent.

Sweden spent 36 percent of its gross domestic product 25 years ago; now it is spending 61 percent.

The ultimate question is: In 25 years, do we want to look like Sweden?

Here is what happens: If you are going to tax and spend about 60 percent—that is what Sweden does—of all of the money in the country, and if you are going to forgive the poor from paying any taxes, you cannot raise enough money off of the rich if you confiscate all of their income, assuming they would be happy to make that income every year when you took it all. You cannot make enough money to run the country.

So it is no wonder that in those countries, you have 45-, 50-, or 55-percent tax rates on people that are middle-middle-income people. That is what we ought to be debating. In every one of those countries, what happened is, they would raise their taxes, and then the insatiable appetite to spend it consumed all of the taxes. And there is not a shred of historical proof to indicate that we will do other than spend these taxes we are going to collect.

Already four times this year, President Clinton has declared an emergency and indicated that, for whatever particular reasons, we did not need to constrain ourselves by the so-called budget limitations we now have. One, in January of this year, under the law, the President was entitled to waive the so-called Gramm-Rudman-Hollings deficit totals. I am not going to get into the complications of that. But we passed a law years ago that was named after Senators GRAMM, Rudman, and HOLLINGS, which said that the deficits were only to be so big, and if we were to spend more than that, if the deficits are going to be too big, we were to cut spending right across the board until we got down to the deficit level—right across the board. Aha, but if the President thought that was too onerous, he could waive it. He waived it in January. So we do not have to meet those deficit totals. That was the first one.

Then came the stimulus package, which the Republicans, thank God, successfully defeated. It started out as about a $19 billion package. The President said, "This is an emergency stimulus, and I am waiving the budget limitations. We are going to borrow the $19 billion." That is the second time.

The third was unemployment compensation. The law requires that spending increases in mandatory programs, like the unemployment program, must be offset under what we called pay-go, or pay-as-you-go. The President said it was an emergency. It is in the law that he can waive pay-as-you-go, or skip that. So we skipped that.

Then—and this intrigues me the most in this debate; this is really a waiver—there is $44 billion that the Democrats count as spending reductions that are already in the law.

In 1990, we passed a budget. It was a deal that President Bush, the Republicans and the Democrats agreed to. We met at Andrews Air Force Base, we met there for some period of time and we reached a budget agreement.

We said on these so-called appropriated accounts that I made reference to before, we are not going to spend as much as we thought we were going to spend.

For example, let us say in all of those accounts we were going to spend a thousand dollars. In this budget deal we said in these ensuing years we will only spend $900. If it goes over that, there will be this sequester. We will cut unless an emergency is declared. Democrats in Congress several times wanted to declare an emergency. President Bush would not go along with it. So written into the law in 1990 was an agreement that over these next 5 years, 1990–95, we would reduce spending $44 billion unless there is an emergency declared by Congress and agreed to by the President. That is in the law.

In this budget bill, the Democrats take credit for that $44 billion reduction in spending. It is in the law now. The President counts it twice. He says that is a $44 billion deficit reduction. I am entitled to count.

I am not going to pursue this any further other than to say this: If we want to get into the game of who can gouge the rich the most, that is fine so long as you understand that over the last decade, the amount of revenue they paid has gone up, the amount of taxes they paid has gone up, the percent of taxes they paid has gone up, and the percent that the poor has paid has gone down.

Let us not get into this class warfare about the rich have escaped. Their rates have been higher, their taxes have gone up. I hate to see us degenerate into a class warfare argument. But, more importantly, regardless of whether we get less taxes from the rich, or the poor, or the middle income, because the poor are going to pay a lot more of this gasoline tax proportionally than the rich are. You start levying taxes on a couple with outside income of $40,000, a working couple aged 66 or 77—it does not take very much to have $40,000 of income—their taxes are going up. They are not rich.

But regardless of where you get it, once we have this pot full of money, we will spend it. I do not think that is what America wants us to do. I did not hear Americans say to us to take it from the rich or take it from the poor. What I heard America saying was cut spending.

So I would hope enough Democrats would join us in the amendment we offer this afternoon. We will match you on the deficit reduction but we are going to match it totally from spending cuts. The other side is saying they will get there by increasing our taxes rather dramatically and applying that money to the deficit, and we are saying that will never happen. I do not think America believes it is going to happen. If we pass that, that is what will happen. We will spend the money.

I thank the Chair. I thank my good friend from New Mexico.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are about 10 minutes apart. They used about 10 minutes or more than that. I would like to yield 10 minutes to Senator GRAMM. I yield the 10 minutes to make it equal to Senator GRAMM.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, in looking at the President's economic program that is before us, I feel like a mosquito in a nudist colony. The real question is where to strike first. Let me begin with the trust gap. Never in my lifetime, Mr. President, has there been a bigger gulf between what Government says and what Government is doing than there is on the Clinton economic program.

I remind my colleagues and the American people that in the campaign, then Governor Clinton said he wanted to reinvent Government. He put out a 22-page document outlining all the spending cuts he was going to make and the taxes he was going to cut called "Putting America First." In that document, and in the campaign, then Gov. Bill Clinton said he would cut $3 in spending for every $1 of tax increases.

Then when Leon Panetta, now the OMB Director, came before the Senate for confirmation and was asked what the administration's goal was in spending cuts and tax increases, he said $2 for spending cuts for every $1 of tax increases. Then in that great State of the Union Address—90 percent of which I could have delivered because it had absolutely nothing to do with the President's economic program—the President said $1 of spending cuts for every $1 of taxes.

Then the President's budget came to the Congress, and it had $3.23 in new taxes for every $1 that we cut the growth of Government spending. Then when the bill implementing the President's budget came to the House of Representatives, it had $6 in new taxes for every $1 that we reduced the growth of spending. And the bill before us today has $3.15 of new taxes for every $1 that we cut the growth of spending.

Mr. President, that is a massive gap between what the Clinton administration is telling the American people and what is being done to the American people—and they know it. And as a result, they are reacting to it by feeling that they have been betrayed.

Who can forget in the campaign the rhetoric in the debates when then Governor Clinton was asked who was going to pay more taxes? Only rich people. Only people making $200,000 a year. Those middle-income families, making $60,000 and $70,000 a year would have a tax cut. That was the first promise that the President-elect broke.

Now we have before us a bill that cuts nobody's taxes who is working. It is paying taxes, and raises everybody's taxes—taxes on income, taxes on gasoline—or energy depending on the House or Senate bill—taxes on Social Security benefits, user fees, promises made in the campaign and broken—not unheard of; promises made as President and broken which will no longer be unheard of in the future.

Let me begin my remarks by getting back to the English language. We are having a big debate here about what this budget does, how much spending is cut relative to taxes being increased. Let me begin by explaining that no spending is cut. We have an unusual language we use in Government, in part to confuse. And the language is, if you were going to spend a $1,000 in new spending and you only spend $800, that is a $200 cut.

Here are the figures from the bill before us of the President's program.

Next year, under this budget, total spending will go up by $37 billion. The next year, it will go up by $71 billion. The next year, $51 billion. The next year, $61 billion. And the next year, $75 billion. In no year during the 5 years do we spend less the next year than we did this year.

When Republicans and Democrats are talking about spending cuts, they are talking about spending less than we would have spent, not less than we did spend.

It is sort of like you go out, you buy a shotgun for $800. You come home, your spouse looks at you funny because you already own 20 of them. You say, well, honey, actually, I saved $400. I was going to spend $1,200 but I only spent $800.

Maybe that works in your household. Apparently, it works in this great temple to American democracy. But it does not work in my household, and quite frankly, I believe the American people are on to us.

Another fact that I think is very revealing with all of these tax increases in this bill—and I am going to talk about several of them in a moment—is by the time we get to the last year of the President's budget, Government spending in the last year of this 5-year budget grows by $75 billion and taxes grow by $66 billion, so within the 5 years of the Clinton budget, spending once again is growing faster than taxes are growing.

What is the issue here? The issue here is: Will this bill make things better in America? Will this bill create jobs, growth, and opportunity for our people?

I ask you this: Can we raise taxes on the people who make the investments, that create the jobs, and induce them to invest more? Raising marginal tax rates by over 30 percent—71 percent of all the tax returns filed by the 1 percent of Americans who pay the most in income taxes are filed not by individuals but by proprietorships, partnerships, and subchapter S corporations, small businesses filing as individuals.

When we raise taxes on small businesses and family farms, where their marginal rate is going up by over 30 percent, is this going to induce them to create more jobs?

When we raise taxes on Social Security recipients, people who spent their whole lives building up a nest egg and we come in and, by taxing 85 percent of Social Security benefits, take that nest egg away, will the next generation build up the same nest egg, save tens of billions of dollars a year for their future when they know Government is going to steal it? I think the answer is no.

Tens of billions of dollars of private retirement funds with be lost because of the Social Security taxes and hundreds of thousands of jobs will not be created.

Mr. President, I oppose this bill because you cannot create more investment by taxing investors. You cannot create more savings by taxing savers. You cannot create more jobs by taxing job creators. Hundreds of thousands of Americans will lose their job because of this bill. Bill Clinton will be one of those Americans, but he will deserve to lose his job.

I am opposed to this bill, not because I want to save the President's job, but defeating this bill is a condition necessary to do that. I do not think it is sufficient to do that, but I think it is necessary to do that. But I am opposed to this bill because it will put people in Texas and it will put people in America out of work.

We need to do what the American people want us to do—cut spending first, actually reduce the level of spending in the American economy. That is not being done. Government spending under this bill continues to grow. In the last year of this budget, it grows more rapidly than even the massive taxes we impose will grow.

Finally, let me say something about debt and deficits. Everybody gets confused. The President puts up this chart and people think that we are paying off the debt. If everything that Bill Clinton claims will happen in this budget happens, we will borrow $1.4 billion, because we will be spending that much more than we will be taxing. That will be the largest 5-year increase in Federal borrowing ever promised in any budget in American history. It ought to tell us something.

When the deficit is $290 billion today, at the end of this process, if everything happens exactly as the President says it will happen, the deficit is $250 billion and yet—Mr. President, I ask unanimous consent for 2 additional minutes.

The PRESIDING OFFICER. Does the Senator yield time?

Mr. PACKWOOD. Before I yield, could I ask what the time situation is.

The PRESIDING OFFICER. The Senator from Oregon controls 57 minutes 30 seconds; the Senator from Tennessee 58 minutes.

Mr. SASSER. Mr. President, reserving the right to object, the unanimous-consent request for additional time comes from the minority side, I assume.

The PRESIDING OFFICER. The Senator the Oregon would have a right to yield the time.

Mr. PACKWOOD. I am going to yield only 2 minutes, and we go to their side. We have a lot of speakers on that side. I believe Senator McCAIN wants to ask the Senator from Texas a question in those 2 minutes.

Mr. GRAMM. Mr. President, let me sum up basically saying this: Under this bill, if adopted, we will raise taxes on the people who make the investments, who create the jobs, who do the work, who drive long distances to work. And yet every year in this budget, Government spending continues to rise. Every year under the President's budget we borrow more and more money and, if everything happens exactly as the President says it will happen, taxes will go up every year, taxes will be imposed on Social Security recipients, on investors, on workers, and yet the debt will go up more rapidly than in any other 5 years in American history.

So what do we get out of all this? What we get out of all of this is more taxes, more spending, more debt. And what we lose from all of this is job creation.

Mr. McCAIN. Mr. President, will the Senator yield for a question?

Mr. GRAMM. I am happy to yield.

Mr. McCAIN. I know my friend from Texas is familiar with this "Putting People First, National Economy Strategy," by then-Gov. Bill Clinton. I happened to take a look at that last night. I wonder if the Senator from Texas was aware that "Putting People First," on page 50, says:

> We will lower the tax burden on middle-class Americans by asking the very wealthiest to pay their fair share. Middle-class taxpayers have a choice between a children's tax credit or a significant reduction in their income tax rate.

Does the Senator find that in any of this package that we are considering at the moment?

Mr. GRAMM. Mr. President, not only do I not find this in this package, but while the President kept his commitment to those he promised to mandate gay rights in the military, while he has kept his commitment on mandating that we allow AIDS-infected immigrants into the country, while he kept his commitment to the extreme left in his party, he broke that promise to the working men and women of America.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, the Senator from Nebraska has been here for some time. May I inquire as how much time he wishes?

Mr. KERREY. Five minutes.

Mr. SASSER. And the Senator from Arkansas?

Mr. PRYOR. Mr. President, I have no statement. I was just going to ask if the Senator from Texas will be yielding for questions after his speech. Will the Senator from Texas answer questions?

Mr. GRAMM. I would love to answer questions.

Mr. DOMENICI. On the Senator's time.

Mr. GRAMM. I am happy to answer questions.

Mr. SASSER. Suppose I yield to the Senator from Arkansas 2 minutes to ask some questions.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 2 minutes.

Mr. PRYOR. Mr. President, the Senator from Texas has made a big speech here this morning about this package, and he is talking about needing a lot more spending cuts.

I am wondering if he was aware of the fact that Friday morning in the Finance Committee when the Members on his side of the aisle had an opportunity to present their package and to increase the number of spending cuts, 12 amendments were offered. Here they are. Twelve amendments were offered to the package. Every one of those amendments increased, not decreased the deficit. Was the Senator from Texas aware of that?

Mr. GRAMM. Let me respond by saying on this very floor in the President's budget debate I offered an amendment to freeze spending and shear off add-ons and eliminate the Social Security tax, the Btu tax, and the tax on small business. And I am aware that the Senator from Arkansas voted against that amendment.

Mr. PRYOR. Mr. President, the Senator from Texas basically is talking about an issue that is an issue that is not directly related to this deficit-reduction package.

This is a deficit-reduction package of major magnitude where 78 percent of the revenues paid are going to be paid from those with incomes of over $200,000. This is what we must not lose sight of, and the fact is that we must not lose sight once again of the fact that this is the first President I have seen in a long time around here who has had the courage to even admit there is a deficit, who has had the courage to even try to do something about the deficit, and I think we should support this President. I think we should support this President in this quest to do something about reducing this deficit.

I might say I look forward to the plan that is coming, I understand, this afternoon on the other side of the aisle at long last that we have been waiting for so long to reduce the national deficit.

Mr. GRAMM. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. GRAMM. Let me say——

The PRESIDING OFFICER. The Senator from Tennessee controls the time.

Mr. SASSER. Mr. President, the Senator from Nebraska is seeking recognition, and I yield him 5 minutes at the present time.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 minutes.

Mr. KERREY. I thank the Senator from Tennessee.

Mr. President, the distinguished Senator from Texas began by saying that he felt like a mosquito in a nudist colony and did not know exactly where to strike first. I must say that listening to the comments it appeared more as a nudist in a mosquito colony not knowing what to hide first.

The fact of the matter is the problem that the President of the United States is attempting to address comes as a consequence, as the distinguished Senator from New Mexico said, of a considerable amount of borrowing in the 1980's for which there is a sufficient amount of blame to go around.

The essential question for us here, I hope, during this 20-hour debate will not be whether or not President Clinton kept this or that promise, or whether or not this or that policy is going to work, but the central question for us as Senators and as Americans must be, is the deficit a problem? And are we prepared to do something about it?

There is a ghost, Mr. President, in this debate, in my judgment, and that is the 1990 budget deal, during which the President of the United States at the time, President Bush, was unfairly, in my judgment, criticized for having broken a promise that he made, as well, in the 1988 campaign.

Well, what we found ourselves doing in 1990 was something we are trying to do here again in 1993, saying we are going to deal with the deficit, we are going to deal with it straight on, we are prepared to vote both for tax increases and spending reductions because we see the deficit as a significant drain, not on our standard of living, God knows, but upon the standard of living of our children.

Mr. President, I know it is not likely that Members will do it, but at some point during this year and during our deliberations, I would call Members' attention to a study that was done in the winter of 1991 by the Federal Reserve Bank in New York that now is the basis for the General Accounting Office's analysis of the deficit.

Two researchers, Ethan Harris and Charles Steindel, presented in this article the impact of this deficit. They said, in the 1980's, as a consequence of a binge of consumption, the U.S. economy lost about 15 percent of its capital stock and lowered its potential output by 5 percent; and that by the end of this decade, if the status quo continues—which the President of United States is now urging Americans and us, as their representatives, to stop—the accumulated loss in capital will be 28 percent and output will be down 10 percent.

This is significant, Mr. President. Output will determine what our standard of living is. We are talking about doing something that, indeed, might rein in our current standard of living.

Make no mistake about it, if you raised my taxes—and I suspect most of us on this floor are going to have a tax increase this year; it might drive some of the concern for raising taxes—but the fact of the matter is, if you raise my taxes, it will mean my standard of living, in the short term, will be reduced.

But make no mistake about it, Mr. President, if you reduce spending, the same thing happens.

I have heard a lot of people say that we ought to cut spending, but then appear before the Base Closing Commission and say, "Don't close my base." I have heard a lot of people stand on this floor of the Senate saying, "We have to cut spending," but I will guarantee you, they will be down here in spades, saying, "Don't cut the space station," "Don't cut the super collider," "Don't cut something that is in my State, my congressional district," because they understand, correctly, that reductions in spending will have an impact, a negative impact, on someone's standard of living.

But we have to believe, Mr. President, if we accept this constraint, this reduction in current consumption, that the standard of living of our children out there 10 or 15 years from now will be higher, otherwise we will not muster the requisite political courage. And it does take courage.

I believe the distinguished Senator from New Mexico, citing the President's State of the Union Message where he said there is enough blame to go around, is absolutely correct.

I stand here, as one Democrat, and say I do not like the idea that we have moved away from the central idea of economic growth and now are finding that progressivity is the most important thing. I do not believe that raising taxes on people with over 200,000 dollars' worth of income is doing what some have described, Mr. President; that we are somehow going out and getting money from people who enjoy the benefits of the economic policies of 1980's.

These are the success stories in America, Mr. President; the success stories. If we conclude that we need to raise their taxes, let them participate in deficit reduction as patriots and do not penalize success in some fashion here that might, as a consequence of their small numbers, enjoy some political success.

Mr. President, I thank the distinguished Senator from Tennessee for yielding me time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wonder if I might yield to Senator GORTON.

Let me, from our side, state to Senators, I have an order, and frankly I do not think we can use 10 minutes each, so, if you can, try 6.

The Senator from Washington was here a long time, so I am not going to hold him to it. But Senator GRASSLEY is next, then Senators NICKLES, DURENBERGER, COCHRAN, CRAIG, SHELBY, and GREGG. And we have about enough time for each to have 6 minutes.

And Senator BURNS. That is a mistake. You are right after Senator GORTON, I say to Senator BURNS.

So in the order, for up to 6 minutes, after we leave Senator GORTON, after he is finished.

I will leave the floor for about 30 or 40 minutes, but this is the order that they would be recognized. I give them the authority to designate their own amount of time, and that goes for the occupant of the chair, also.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, from election day last November until February 17, President-elect and then President Bill Clinton possessed what I would consider to be a once-in-a-generation opportunity to deal with the terrible fiscal challenge represented by the budget deficit and our increasing debt.

He was able to tell the American people that he had no part in creating the situation with which he was faced when he became President. He had, from the American people, a vast outpouring of good will and of wishes for a tremendous amount of success, far more than the 43 percent of the American voters who voted for him in November.

He had a great chance to appeal across party lines because of the centrist nature of his Presidential campaign. He had only to keep his own campaign promises that he would reduce the deficit by cutting spending roughly $3 for every $1 in tax increases.

Unfortunately, Mr. President, on the 17th of February, President Clinton blinked. It was just too tough to cut spending. It was just too difficult to be bipartisan.

And as a consequence, President Clinton made the same mistake for which he attacked President Bush. He decided that real deficit reduction could wait until some other time. He appealed only to members of his own party. He proposed, for all practical purposes, only higher taxes on a vast majority of Americans and reductions in spending only for national defense. And, at the same time, he called for massive new spending programs. The result this tax and spend program by his own figures, will be a deficit at the end of this decade larger than the deficit is today.

Early on, the majority party in this body ratified that choice in the budget resolution. Now, fortunately, we can say, partly due to the drumbeat of criticism from this side, that the Senate majority party has seen the error of its ways. It has removed from this program much of the new spending for which President Clinton asked and which the budget resolution authorized. It has actually reduced the tax increases by a modest 10 percent, a reluctant few baby steps on the way toward reality and responsibility.

Clinton ducked. The Senate Democrats have attempted to recover something. But it is too little too late. There is still a good $3 in tax increases for every $1 in spending cuts, and again almost all of those spending cuts are in defense.

Unless of course, Mr. President, unless we accept the bizarre proposition that $44 billion in spending cuts—which are in the law as a result of statutes passed during the Presidency of George Bush—are counted in favor of President Clinton. Unless spending cuts after the end of the Clinton Presidency are counted, 83 percent of the spending cuts in this proposal—more than $100 billion—will not take place until after the Clinton Presidency is over.

Thirty billion dollars will take place during the Clinton Presidency. In fact, this Senator suggests that if $44 billion in spending cuts passed under the Bush Presidency are to be counted, we ought to add $62 billion in tax increases over the next 2 years passed during the Bush Presidency and add them on top of those proposed in this bill.

What of these taxes, of which $55 billion of them, roughly half of all the new income taxes, are on small businesses, the very small businesses that we asked to create new jobs for the American people? These are the taxes which will be imposed on businesses organized as partnerships, as sole proprietorships, or as subchapter S corporations, small corporations in which the participants are taxed as individuals; $55 billion of these taxes will come out of the pockets of the very Americans who have created, net, 100 percent of all of the new jobs in the United States during the course of the last decade.

The Senator from Tennessee and the groups which he leads have shown great faith. They have faith in the proposition that raising taxes on employers will induce them to grow and to employ more people. That is a great leap of faith, a leap of faith without any evidence in reality whatsoever. This faith, the faith that higher taxes will create economic growth and new jobs, has never shown a reality, has never become a truth in the past. It will never become truth in the future.

The one possible course of action that can get us back to where we were between November and February is a rejection of this bill, a request to the President to reread his own campaign promises, to present a balanced proposal to us which does in fact cut spending. The American people do not want this proposal. It will not lead to prosperity. It will not lead to increased employment. It should be rejected.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, on behalf of the manager on this side I yield 10 minutes to the distinguished Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 10 minutes.

Mr. DASCHLE. Mr. President, I begin simply by calling attention to the reason we are here in the first place. The reason we, Republicans and Democrats alike, are here is because we simply cannot go on as we have. We recognize the consequences of doing nothing. We recognize the consequences of a debt that has exploded in the last 12 years. We recognize that if we do nothing, the cost to the average American family in the year 2000 just to pay off interest on the debt could be more than $150,000, were they to pay it off in 1 year. That is what we are talking about.

So everyone understands the consequences of doing nothing. The question is, how do we resolve the problem we find ourselves in today? The Congressional Budget Office lays it out fairly well. The 1993 budget deficit for this year will exceed $300 billion if we do nothing. That is going to increase year after year after year. Why? Because during the past 12 years, we have simply not had the ability, whether because of a lack of courage, or a lack of consensus, to address the deficit. Whatever the problem may have been—and I have been here during this time and I fully accept my share of the responsibility—whatever it was, the fact of the matter is that for that period of time we have seen this deficit explode.

We all recognize that period is over, that we have to find ways to deal with the deficit a lot more effectively than we have in the past.

That is what the President said. The President said let us get real here. You cannot continue to look at those numbers and project them out and not realize that we have only a year or two before this thing is so out of control that there is absolutely no hope of bringing it back. So for good reason he has proposed a deficit reduction plan far beyond anything that has been proposed before.

I might say, the $516 billion in deficit reduction proposed in this budget exceeds that proposed by President Bush by 64 times. I am told President Bush's last two budgets reduced the deficit by about $8 billion. This plan reduces it by $516 billion, 64 times what President Bush had proposed during the last 2 years of his Presidency.

The reason for this is pretty obvious. If we do nothing, as I said, this red here, the inherited debt, takes us to an annual deficit of something over $350 billion by 1998; $350 billion in a 4-year period of time exceeds $1 trillion, which means that, by the year 2000, we could easily see total gross debt of over $6 trillion.

We talk a lot about cuts and whether cuts are adequately represented in this budget plan. This chart, I think, depicts as graphically as any chart can, what we are talking about with regard to spending cuts. In 1993, discretionary spending is approximately $550 billion; we see a reduction over the next 5 years depicted here by white, coming up again but below the freeze level all the way out through 1998. With this budget we are getting below a freeze in real dollars.

Real discretionary cuts tell the story perhaps as well as any can. This is what has happened. This is where we start in 1993 at $550 billion. We see a 12.5-percent real cut in discretionary spending over 5 years—a real cut. So we are not talking about an increase in the aggregate, but we are talking about a huge 12.5-percent cut in discretionary spending over that period of time.

So, to add it up, here is what we get. Here is where we are. I think it is very important to set the record straight. There has been a lot of rhetoric today about cuts and spending, about the effect on the budget, about whether or not this is real. We have $1.93 in spending cuts for every $1 in revenue increases. It scores the discretionary cuts from traditional current services baseline; it counts EITC as a tax credit and Social Security changes as a benefit cut.

The ratio of $1.07 in spending cuts to $1 in revenue scores discretionary cuts from the administration baseline, which assumed the Bush defense cut of $88 billion.

Here is where we are, with the Republican ratio. Zero in spending cuts, not one spending cut was proposed during the Finance Committee deliberations, as my distinguished colleague, the Senator from Arkansas, indicated; zero in revenue increases. So you have zero in cuts, zero in revenue increases, compared to $1.93 in spending cuts to $1 in revenue increases.

The discretionary spending ought to be put in perspective as well. We have talked a lot about the increases in spending and the difficulties we have had in coping with the dramatic decline in discretionary spending. We are talking here about education, we are talking about the programs directly affecting real people in South Dakota, and Kentucky, and Montana—throughout the country. People are affected most by what we see in discretionary spending.

As a percent of gross domestic product, discretionary spending will have gone from approximately 10.5 percent in 1980 down to 6.9 percent, if nothing changes, in 1998—a dramatic decline over that period of time. That is 18 years of virtual constant decline in discretionary spending, affecting those programs that directly affect our people.

We talked as well about tax increases, and the ratio between tax increases and spending cuts. There has been a lot of talk about what effect this has on the middle class. Taking what I have just shown in the last chart in discretionary cuts, and the cuts we have proposed over the next 5 years, and comparing that to what we anticipate to be the middle-class tax increase, you have a 6-to-1 ratio: $267 billion in cuts, $45 billion in increases in taxes on the middle class.

There are those on the other side who have argued that we should not count interest; that the interest is somehow a phony number; that interest, in and of itself, is not necessarily a bona fide budget determinant. I remind my colleagues that we have used interest effect on the debt in virtually every calculation in budget debates in the past.

But just let us assume for the moment that we eliminate interest as a relevant factor in any budgetary consideration. If we eliminated interest completely as a budgetary consideration, the Reagan-Bush era deficit would not be the $2.5 trillion plus that we have seen over the last 12 years. It would instead be $716 billion. That is the accumulated debt, eliminating the interest.

But let us look at what happens using those rules. If we are going to use those rules and ignore the interest on the debt from the last 12 years, let us use those rules for the next 4. If we eliminated the interest from consideration of this budget, it would mean that, for the first time, we would actually have a budget surplus, $127 billion in surplus, under the plan proposed by the President.

So we can do it either way. We can calculate interest in or out. But we should be consistent.

Let us talk about the tax changes because that certainly is a big source of the controversy here. I was interested in a report just issued by Price Waterhouse yesterday. A spokesman for Price Waterhouse, the director of the Federal Budget Analysis, called Clinton's budget presentation the most honest of any budget that he has seen in a decade. Let me repeat that. Price Waterhouse, as reputable an organization as we know in the country, announced yesterday, having reviewed proposals made over the last decade, that this budget is the most honest of any budget Price Waterhouse has seen in the last decade. That says a good deal. We do not have to rely upon the Congressional Budget Office. We do not have to rely upon Democratic Senators. We can turn to the private sector and ask them to analyze this budget plan. And the private sector tells us that this is the most honest, the most realistic, the most effective budget-reducing plan that they have seen in the last decade.

The PRESIDING OFFICER (Mr. KERREY). The Senator's 10 minutes have expired.

Mr. FORD. Mr. President, I yield an additional 5 minutes to the Senator from South Dakota.

Mr. DASCHLE. I thank the Senator for yielding me additional time.

It is important to make a point, Mr. President, of emphasizing that 78 percent of all the taxes paid will be paid by those making more than $200,000. So we hear a lot of cries and a lot of expressions of concern on the other side with regard to the effect of taxes. Virtually 80 percent of all of the taxes to be accumulated over this period of time will fall upon those making more than $200,000—$200,000.

This chart depicts it as well as any can. If you are making less than $30,000, you actually see a tax cut. The vast majority of people in this country make less than $30,000, and, for them, it actually means a tax cut. It is a slight increase for those in that $30,000 to $40,000 category.

We hear a lot of discussion and concern expressed about the motor fuel tax. If that motor fuel tax is implemented, and if you are making $10,000, the amount of that tax on a monthly basis will be about $1. The effect of that tax for those making more than $200,000, according to the Congressional Budget Office, will be about $13 monthly. That is the effect of the motor fuel tax.

We hear a lot about Ross Perot and Ross Perot's budgets, his proposals, his admonition for Congress to come up with yet more effective and progressive and successful ways of reducing the deficit. Our 4.3-cents-per-gallon increase looks pretty small compared to what Mr. Perot has offered, 50-cent-per-gallon tax increase.

So, Mr. President, we really have an opportunity here, and I emphasize that it is an opportunity. There is a good deal of concern about whether or not this bill can reverse the trend for the last 12 years. I do not know whether we can, frankly, given the difficult economic situation the country faces. But, if we do not make this downpayment on the debt and come to grips with the deficit in an effective way with cuts and with revenue, recognizing the need for progressivity and the need for equal sacrifice geographically then, frankly, Mr. President, I do not think we have any chance of strengthening this economy. We must turn the debt around, and do what we know we must to ensure that the American people and all future generations are not saddled with this economic situation. We must not fail in this most important task before us.

I am sure many of us will have a lot more to say as amendments are offered.

I thank the chairman for yielding, and I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, the Senator from Montana has been on the floor for a long period of time, as I think the other Senator has been here for some time, too. We have been alternating back and forth.

Mr. BAUCUS. That is fine; I will yield to my colleague.

Mr. SASSER. Before yielding, the senior Senator from Montana desires how much time?

Mr. BAUCUS. About 10 minutes.

Mr. SASSER. I thank the Senator.

Mr. PACKWOOD. I yield 6 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Mr. President, I thank my ranking member and thank my colleague from Montana.

It is funny what people do with figures, and as we discuss this whole package, I guess my outrage is the ignorance of some people. When they take a look at this package, and we call it anything other than a tax-and-spend bill that has been put before the Senate to deal with really a deficit and to create jobs, let us not lose sight of the ball here.

This is not a $500 billion deficit reduction package; it is a $348 billion deficit package, $249 billion in new taxes, $15 billion in user fees. Some folks would call that spending cuts, as explained awhile ago, but they are really new taxes and $84 billion in spending reductions, reductions in the planned rate of growth in various Federal programs

The thing that is most upsetting to me is the fact that this tax-and-spend plan relies on the largest tax increases in the Nation's history to reduce the Federal deficit instead of attacking the root of the problem, which is Federal spending.

President Clinton first promised to support a $1 in tax increase for $2 in spending cuts. Then it was a 1-to-1 ratio. Package it anyway you want to, but when you take the wrapper off it, this bill is $3 of new taxes for every $1 in spending cuts.

Raising taxes will not reduce the deficit but will instead weaken a fragile economic recovery. It is a faulty premise that higher taxes will lead to more revenue for the Federal Government and lower the Federal deficit and create new jobs.

I have not heard one economist proclaim that. Instead, these new taxes in this bill will penalize small business owners, the very group that created all the new jobs between 1988 and 1990. Large business, big corporations are downsizing.

According to the Small Business Administration, small businesses with fewer than 20 employees created 4.1 million new jobs between 1988 and 1990. During the same period, businesses employing more than 500 employees had a net loss of 500,000 jobs. Now those are pretty hard figures. Yet this tax-and-spend bill penalizes small businesses for succeeding in creating jobs.

Two out of every three Americans get their first job from small business, but in Montana, three out of every four jobs are provided by small businesses. And in Montana, 98 percent of our businesses are considered small businesses and they supply 76 percent of our total employment in our State. In Montana, most jobs are created by those small businesses. There is no doubt that Montana small businessmen and women are the essential part of our economy.

The bill takes away any incentive that small businesses have to create new jobs or to even give an excuse to expand. Not very smart for the sector of our economy that creates all the new jobs.

This bill represents a pink slip to hundreds of Montana men and women who go to work every day, support their families, and pay their fair share of taxes in quest of the American dream.

Before we begin to talk about taxes on small businesses owners and all Americans, we should talk about cutting new and existing spending. If we just eliminate the new programs or the increased funding for 54 of the 100 programs included in President Clinton's budget, we could knock over $100 million off the tax increase right now.

Time after time, spending cut opportunities have come to the floor of the Senate and time after time the majority party votes the party line to stop offering amendments that provide the way to pay for programs and necessary services.

I guess I just do not get it. Have we not figured out it is time to cut up Uncle Sam's credit card? Have we not figured out we cannot tax our way to creating new jobs for our country, unless you think all jobs are in the Government.

I oppose this bill because it increases taxes too much; spending is not cut enough. I oppose the bill because tax increases on small business owners and the transportation tax are bad for our Nation, and I know they are bad for Montana's economy. So we should be cutting the spending first before we talk about any kind of tax increases and work toward reduction.

We should be cutting spending first, and encouraging small business to create jobs nationwide and in Montana. It is the private sector which creates long-term jobs. It is not Government.

Quite simply, the problem is this. The problem with low job creation in our country is Government. We cannot slow it down. It keeps growing, and Government is not the solution. So we should let people keep and invest their money at home as they see fit, and to do that we should not raise taxes but take a long look at the cuts.

I thank the Chair and I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield 10 minutes to the distinguished Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I thank the chairman for yielding time.

Mr. President, I rise today in strong support of the 1993 revenue reconciliation legislation.

This legislation is the largest deficit reduction effort in history. Let me repeat that point, Mr. President. It is the largest deficit reduction proposal in history.

The bill reflects the courage of a President who was willing to begin his tenure by attacking an out-of-control budget deficit that jeopardizes the future of this Nation.

Less than a month after being sworn in, President Clinton unveiled a comprehensive deficit reduction plan that served as the catalyst for this entire process. Without his leadership, we would not be in a position to pass a bill that will result in over $500 billion of deficit reduction. Once enacted, this plan will cut the annual deficit in half.

President Clinton is taking meaningful steps to deal with a deficit that his predecessors chose to ignore.

BALANCE

In addition to reducing the deficit, the budget reconciliation package should be supported because it is balanced and fair.

It is balanced because its sources of deficit reduction are a blend of $267 billion in spending cuts and $249 billion in tax increases. For every $1 in deficit reduction, 52 cents comes from cuts in spending, and 48 cents from new taxes.

FAIRNESS

It is fair because all Americans are asked to sacrifice to get our economy back on the right track. Working people and senior citizens are asked to contribute, but they are not saddled with corporate America's share too. As a result, the combination of an expanded earned income tax credit and an increase in income tax rates on the wealthiest Americans, this reconciliation bill is the most progressive in recent history.

On average, the tax burden on individuals earning up to $50,000 annually will increase by less than $12 per month. In fact, a recent Wall Street Journal table provides that under this package taxpayers earning $100,000 and over will pay 97 percent of the projected annual tax increases.

THE ENERGY TAX

In my opinion, some of the proposals being considered by the Finance Committee earlier were grossly unfair. They would have altered the President's plan to lift the burden of deficit reduction off of corporate America and put it squarely on middle America and senior citizens. But the Finance Committee rejected these proposals.

Could the package be improved? Of course it could. I would like to see the gas tax eliminated entirely. It is a highly regressive tax that is unfair to many regions of the country. Also, it has none of the positive environmental benefits of previous energy tax proposals.

That is why I fought to lower this tax in the Finance Committee deliberations. But we must now make those hard choices we have talked about for so long. And that means reducing the deficit. I would rather not saddle taxpayers with a 4-cent-per-gallon gas tax. But I feel much better about that than I do about saddling their children with a skyrocketing national debt that is projected to reach $5 trillion within a few years.

It is not enough to just oppose taxes. Without an alternative, that represents just avoiding a decision.

In conference, I hope to work toward the principle of everybody pays or nobody pays on the energy tax. By that I mean we adopt either a broad based energy tax that is fair to all income levels and all regions—an energy tax that captures the environmental benefits of the President's original proposal. Or, we could drop the gas tax entirely and offset the revenue through other means.

CONCLUSION

And there are other changes I would like to see in a perfect world. I am not sure corporate America is paying their full share, and I would rather not cut Medicare in this way. But, Mr. President, this is not a perfect world. And I do not intend to let perfection be the enemy of the good.

All the Members of this body are independent thinkers. We all have our differences. But to a person, the one thing we are united in is our zeal to see this Nation grow and prosper. The legislation before us today gives us an opportunity to participate in something that will put the country back on the right course.

Support for this legislation is support for the future of our children and grandchildren. I urge my colleagues to rise to the challenge of investing in America's long-term economic growth. After 12 years of uncontrolled borrowing, give the country a victory it sorely needs.

In closing, Mr. President, I would like to note that I welcome the proposal that will apparently be forthcoming from the other side of the aisle to replace the bill currently before us. Assuming it meets the deficit reduction targets, it will be a positive addition to the debate.

Some of the finest Members of this body—JACK DANFORTH, JOHN CHAFEE, and BOB DOLE—did not fully participate in the Finance Committee's deliberations on this legislation because the ranking minority member of the committee announced early on that no Republicans would vote for the proposal being considered. I hope this is a sign that they will be participating in the process fully from this point on.

I yield my time.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SASSER. Mr. President, we have been alternating back and forth here today. I was discussing this with the Senator from Oregon. The Senator from California [Mrs. BOXER] was here this morning at 10:15. She has been in here for a considerable period of time. I know the Senator from Iowa has been here also. The Senator from California advises me that she has an appointment. I was wondering if I could impose upon the good nature my friends from Oregon and Iowa to allow the Senator to proceed for perhaps 10 minutes.

Mr. PACKWOOD. I will have to leave that up to the Senator from Iowa because we have been going back and forth. He has been siting here for a hour waiting to speak.

Mr. SASSER. I know he has.

I thank the Senator from Iowa.

Mr. PACKWOOD. We can be assured he will go after the Senator from California.

Mr. SASSER. Absolutely.

I yield 10 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I thank my chairman for yielding to me. I thank my colleague and friend, the Senator from Iowa, [Mr. GRASSLEY] for his understanding, and I thank Senator PACKWOOD as well.

Mr. President, today we face a great national crisis. It is a crisis of governance. Can we govern? That is the question before this Senate today after the more than a decade of what I consider to be economic abandonment. The American people are discouraged. They are looking for leadership. They have lost faith in the ability of this Government to manage our economic affairs.

In order to restore this faith that we can govern, we need to address the most pressing and nagging and difficult problem of our time, a problem that developed in the eighties, an era of raging deficits and tax giveaways to the millionaires and the billionaires. We need to fix the problem, and now is the time to do it. It is the moment. Will it be easy? No. Will it take courage? Yes. But I believe that if we deserve to be Members of the U.S. Senate, then we must do what is the hardest thing to do: We must support this bill and we must support limits on Government spending that will be required to bring this deficit down.

The cuts in spending and the taxes on the very wealthiest among us will result in lower interest payments on the debt and it will put us on a path to solvency after a decade of trickle down economics that led us to insolvency. You remember trickle down, do you not? Give it to the millionaires and maybe they will drop their used Gucci shoes for a homeless person to wear. We went through that decade.

And then the other part of trickle down was that the wealthiest citizens were going to invest in job creation. And then, when we lost all of the dollars because we lowered their tax rates, they were going to create all kinds of jobs, and then the coffers of the Federal Government would be overflowing and we would be in the black.

Well, today, we have to face facts. It did not happen that way. And we must pick up the pieces. Yes, it will take courage, Mr. President. Just look at today's New York Times. Headline: "Senators Bracing for Fight on Plan To Increase Taxes; Political Fallout Feared. Democrats Are Sure To Prevail But Republicans Are Hoping To Score Points for 1994."

Republicans are hoping to score points. How are they going to do it, Mr. President? By saying that we should do all this deficit reduction by cuts in spending. They are saying the Democrats are not cutting enough spending, and, frankly, they hate the tax on the millionaires and they want us to get rid of that.

I want to tell you, if you look at the spending cuts that we are making in this program, every program is taking a big hit. Military spending will be cut by $109 billion over the 5-year period, discretionary spending by $101 billion, mandatory spending by $106 billion, interest payments will be reduced by $58 billion. It is a very fair package of cuts. Everyone is taking a hit.

Now the Republicans say cut spending more. Cancel the taxes on the wealthiest, the millionaires and the billionaires. Cancel those taxes. We hear the same trickle down. Do not hurt the richest. Do not hurt the richest, because they will not invest and create jobs. We had that decade, and it did not work.

Republicans want to protect those people who got break after break in the 1980's, those who cashed in big. Well, let me tell you, I know a lot of those people. Their kids have trust funds; their grand kids have trust funds; their grand kids' grand kids have trust funds. Fine for them. But enough is enough. They have to do their fair share, Mr. President—not more than their fair share, but their fair share. Everybody has to do something to get our Nation back on track.

If you look at this tax proposal, it is the most progressive that I have ever seen. Tax cuts for the working poor, those making $20,000 and less, and even a tax cut for those in the $20,000 to $30,000 bracket. Yes, when you get up to $200,000 or more, there is a hit. I might say that the people in that category will benefit when this Government is on track.

So the Republicans want to cancel those tax increases on the wealthiest among us. It is wrong to do that. It would be a continuation of the giveaways of the 1980's. It is also wrong because it would lead to job loss and reduction in the gross domestic product.

I would like to cite a study done by the Wharton Econometrics Group that shows if the tax cuts on the wealthiest are canceled and spending cuts are put in their place, we would lose 200,000 jobs, and the gross domestic product would be reduced by $8 billion.

I ask unanimous consent that this written report of the Wharton Econometrics Group be printed in the RECORD.

There being no objection, the material was to be printed in the RECORD, as follows:

THE WEFA GROUP,
Bala Cynwyd, PA, June 15, 1993.

REDUCING THE BUDGET DEFICIT WITH MORE RELIANCE ON SPENDING CUTS WOULD COST JOBS

A recent WEFA Group analysis shows that if the Clinton plan's personal tax increases on the wealthy over the period 1993 to 1997 were scrapped, and cuts in nondefense spending of the same magnitude were substituted, U.S. economic growth would be weaker and more jobs would be lost. By 1996, the level of real GDP would be about $8 billion lower, and the number of workers on nonagricultural payrolls would be about 200,000 lower.

WEFA Group is a leading econometric modeling and economic forecasting firm based in Bala Cynwyd, PA. Founded in 1963 by 1980 Economics Nobel Prize winner Lawrence Klein, the firm employs about 300 economists, working in offices in Bala Cynwyd, Washington, London, Frankfurt, Toronto, Mexico City, Paris, Milan, and other cities around the world.

Mrs. BOXER. So the Republicans look like they are getting off the sideline. But what are they coming into the game with? Trickle down economics—the very economics that brought us to the situation in the first place.

So let us be clear, Mr. President. We have three choices:

One, we can do nothing and see the deficit eat away at our future even more.

Two, we can do what the Republicans want, which I think is—we have not seen it yet, but we expect to see it—a plan that is all spending cuts, canceling the taxes on the wealthiest and going back to the days of helping the Donald Trumps of the world and kill this fragile economy with 200,000 jobs lost and an $8 billion reduction in the GDP.

Third, we can support the basic premise of this program which I think has been, frankly, improved as it moved through the House and Senate. It brings us spending cuts and tax increases in an equal proportion, resulting in lower interest on the debt, which is important for this economy; it will get our economy back on track; and, as a Nation, we can hold our heads high and move forward.

In closing, let me quote from two newspaper articles. One is the Philadelphia Inquirer.

Clinton's budget presentation is "more honest than any other budget I have seen in a decade," said Stan Colander, director of Federal Budget Analysis for Price Waterhouse, the big accounting firm and author of a book on the Federal budget process. DOLE's attack is "very misleading," said Colander, who believes Clinton's program will achieve $500 billion in deficit reduction by striking a rough 1-to-1 balance between tax increases and spending cuts.

This is not JIM SASSER, the chairman of the Budget Committee, saying this, or BARBARA BOXER; this is a leading expert in this Nation saying it.

Yesterday's Washington Post, I also felt, said it well.

> Mr. Clinton has put forward, and the Democratic Congress has thus far largely adopted over Republican opposition, a plan that would reduce the deficit about as much as a weak economy can withstand over the next 5 years, would do it by progressive means, and would spread the burden as it ought to. It is designed to sweep up the debris left by the 12 years of rule by Mr. Dole's own party.

So, Mr. President, I invite my Republican colleagues to join with us today, not to polarize themselves by going back to the decade of the 1980's, where we lifted up the wealthiest in the country and said if we give them more and more tax breaks, somehow the rest of us will get a crumb.

Let me tell you what we got. We got an unfair tax system. We got one of the worst recession we have ever seen. We are just pulling out of it. We have a system that needs help, Mr. President. I think that today we can take this step. I hope my Republican colleagues will join us in this. I respect their point of view, but I have to say this: We cannot continue what was begun in the 1980's. It is a time for change. It is a time for fiscal responsibility. It is a time for fairness. And we have the path set out for us today.

I am very proud to be in this U.S. Senate. The leadership is not about popularity in the polls. This is a tough, tough vote. The easiest thing to do is sit and jeer on the sidelines, and we are going to hear that hour after hour. Let us stop the jeering; let us get together, and may be we can start cheering for America again, Mr. President. Thank you very much.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Senator GRASSLEY wishes to speak. I yield him 6 minutes.

Mr. GRASSLEY. Mr. President, there is no class in class warfare. There is no future for our country, for our society, for our political system if it is built on political envy.

Through 3 months of this sort of discussion, I notice that the other side has stopped accusing this side of gridlock. So there is some progress. I think that is because their message about gridlock has backfired—probably because when Democrats use the term gridlock, the public now translates that into Republicans stopping irresponsible fiscal policy by the Democratic majority. And the people like that irresponsible fiscal policy being stopped because the people of this country do not believe it is good for the country.

Mr. President, now comes along a new problem. This bill we are debating has $3 of tax increases for each $1 of spending cuts. But the sales pitch by the Democrats say that it is not 3 to 1, but 1 to 1. The bickering about the ratio has, of course, reached fever pitch. It is like two kids on a playground getting in an argument. One kid accuses the other of pushing. The other says, "Did not." The first kid says, "Did, too," and then back and forth they go, "Did not," "Did, too."

In our case, nobody is pushing anybody. It is a bit different. One side is saying 3 to 1. The other one is saying, "Is not," it is 1 to 1. The other side is saying, "No, it is 3 to 1." The other side is saying, "No, it is 1 to 1."

And then, of course, along comes the Congressional Budget Office, supposedly a nonpolitical operative here, to settle the argument. In yesterday's paper, CBO Director Reischauer says, "You are both right; it is 3 to 1, and it is 1 to 1.

Mr. President, that can only be true inside the beltway, inside this place that is not reality that we call Washington, DC. That is exactly what people in this country are revolting against. They are not revolting against gridlock; it is "jawlock" that they are revolting against.

It is doublespeak. Somehow everyone is right, and then somehow no one is right.

Everything is up, and nothing is up. It is a tax increase. The next time it is a spending cut. It is 3 to 1. It is 1 to 1.

And people out in the vast spaces of America watch this debate and they get angry. No wonder the citizens of this country are cynical, cynical about our institutions of Government, cynical about politicians.

The moral of the story is, if you want a straight answer, you will not get that straight answer inside the beltway. The only true litmus test is the people. You ask the people, the people of this great country, if they will raise their taxes and make real spending cuts. They will tell you it is 3 to 1. Period. End of story.

The problem with the other side is that they are not leveling with the American people. The sure-fire way to make people know you are trying to sell them a lemon and pass it off as a new car is to bend the truth. That is what we have here, Mr. President. They are bending the truth. It is also called smoke and mirrors.

My friends on that side of the aisle used to criticize the previous two administrations for using smoke and mirrors. Sometimes I joined them. In fact, I was among the first to do so, back in 1981 during my first budget markup. And for the next 12 years my Democrat colleagues joined me in criticizing smoke and mirrors in the budget process.

But now, for some reason, it is OK on the other side of the aisle to use smoke and mirrors. I feel I have sufficient moral authority to make that critique of the other side, Mr. President, because I was willing to criticize my own Republican Presidents for using smoke and mirrors. And the Democrats joined in.

Now that they on the other side of the aisle control the executive branch, all of a sudden smoke and mirrors are OK. You cannot have it both ways. It is 3-to-1 taxes-to-spending cuts. Period. If you are trying to sell a used car as a brandnew one, the people will see right through it.

There has been a lot of talk about Alice in Wonderland today. This bill resides through the looking glass. The people ask for spending cuts first, and taxes later. And they look through the looking glass, see this bill, and see that it raises taxes first and cuts spending mañana, a mañana that never comes. How is that for being in touch with America.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SHELBY. Mr. President, the Senator from New Mexico yields 6 minutes to me by previous agreement.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SHELBY. Mr. President, I would like to speak for a few minutes about how appropriate the term reconciliation is for what the Senate is doing here today. Indeed, those of us who disagree with the basic economic philosophy embodied in this bill are forced to reconcile ourselves with the reality of $263 billion of net new taxes. In recent days there has been a concerted effort to sell this bill as an economic plan of balanced spending cuts and tax increases. Indeed there are tax increases, but the spending cuts are far less than the promised 1 to 1 ratio. This is not an economic plan, Mr. President. This is a tax bill. If we discount the claim that debt service savings and user fees are cuts, then the entire budget plan has $1.98 in taxes for every dollar in spending cuts.

In particular, this reconciliation bill has $3.15 of taxes for every dollar in spending cuts. In addition, in 1994 the weight of taxes to cuts in the budget plan is 9 to 1. In 1995 that ratio will be 7 to 1. In 1996, that ratio is 2½ to 1. Not until 1998 will we have a 1 to 1 ratio of taxes to cuts in this plan.

This tells us two things, Mr. President. First, we will begin paying these taxes immediately. Nearly all of these tax provisions will be effective in July of this year, or are retroactive to January 1 of this year. Second, in contrast to the immediacy of the tax provisions, promised spending cuts will not occur until after the next Presidential election—82 percent of the spending cuts are to occur after 1996. Mr. President, we have been down this road before.

Every major budget plan or budget agreement has failed to yield any reduction in Government spending. In 1982, 1984, 1987, 1989, and 1990 we had budget deals. Each one of these plans gave us higher taxes. However, as you can see by the chart that I have here, these taxes did nothing to restrain the growth of spending or eliminate deficits. In 1990, the American taxpayer paid $160 billion in new taxes in return for the promise of spending cuts. Now, 3 years later, with an even larger deficit, we are promising them the same thing. And, I might add, we are counting some $40 billion in cuts that we made in the 1990 deal as part of the current package of cuts.

Mr. President, there is a myth about budget deals and summits that holds that tax increases will eventually cover the growth of Government spending and that taxes can be combined with budget cuts to curb the growth of Government spending. As illustrated by the chart that I have here, we can see that increasing taxes does absolutely nothing to restrain the growth of Government spending at any level. We keep paying more taxes, but spending continues to rise. The taxpayer pays but the budget cutter never shows up. Taxes feed the growth of Government spending. Eighty-two percent of the cuts in this budget will occur after 1996. If history is any indicator, that 82 percent will never materialize. More than likely, those cuts will be made irrelevant by the work of our next budget plan or deal.

Now that we are clear that this bill is about taxes and not spending cuts, I would like to talk about the effects that these taxes will have on our economy, and most importantly, on the hard-working individuals who will be paying them.

The idea that this tax plan is balanced or equitable or fair rests on the assumption that industrious, productive members of society, those business people who generate and create this Nation's economic wealth, should be punished for even marginal economic success. This bill, in large part, creates disincentives for and a penalty upon private initiative and productivity.

And I am not talking about millionaires or large corporations. Rather, the brunt of these taxes will all on subchapter S corporations, sole proprietorships, and partnerships which are the backbone of economic growth in this country.

These are the small businesses that provide 80 percent of all new jobs. Yet, this bill targets these businesses for higher tax treatment. In the aggregate, 50 percent of this bill's revenues will come from new taxes on small businesses. This chart shows the cumulative effect that many of the new taxes will have on subchapter S corporations and other small business taxpayers. Add these new taxes up and you see these small businesses are subject to close to a 45-percent effective tax rate. This percentage doesn't even take into account the impact that the meals and entertainment deduction provision will have or the burden of State and local taxes and other fees.

This bill penalizes the largest supplier of new jobs and one of the most productive sectors of the economy. This bill is not balanced, and it is certainly not taxing millionaires.

Small businesses organized as subchapter S corporations, sole proprietorships and partnerships, file their taxes as individual taxpayers. So all of the provisions affecting individual taxpayers will fall upon small businesses. Additionally, those businesses are taxed on their profits and not on the actual income of the business owner. Therefore, businesses will be taxed as millionaires and as high salary individuals even when their business is barely breaking even. Under current law, if a business has a slow year and has a good deal of inventory on hand, the owner's income reflects the value of the unsold inventory. So, a bad year may well inflate the owner's income because of excess unsold inventory. Under the bill, the 10-percent surtax on millionaires will exacerbate this illusion. We will be taxing businesses at a greater rate when their business is slower than when it is more profitable.

These businesses will lose personal exemptions and will pay higher health insurance taxes under this bill. Furthermore, equipment purchases are currently counted as income for these owners. Thus, the bill's higher tax rates will similarly create disincentives to new investments in productivity and efficiency.

Small businesses will be encouraged by these provisions to minimize their taxable income. Their options will include shrinking inventories, foregoing new equipment purchases, and cutting back on labor expenses to offset the costs of these new taxes. These cut backs will no doubt ripple though all levels of the economy. Small businesses operate on a thin line between profits and losses. The taxes contained in this bill will certainly place many of their businesses into a competitive disadvantage and more tenuous economic position.

Mr. President, this bill will put the brakes on the engine of America's economic growth. This is not a jobs bill. This is a job loss bill. So when we talk about progressivity, about fairness, Mr. President, what we really seem to be talking about is punishing the small business owner for attempting to provide for himself and others an income and for making a contribution to the growth and prosperity of this country.

We should not forget that this bill also raises the capital gains tax rate for small business and other individuals. Once again, this bill says that if you invest your money in a manner that will stimulate growth for the entire economy, you should be punished, not rewarded, for your risk.

Finally, we hear about raising the taxes on wealthy Social Security recipients by taxing 85 percent of Social Security benefits for household incomes of $40,000 or $32,000 for single individuals. Mr. President, I submit to you that $40,000 in income does not constitute a wealthy retired couple. These are people who have saved enough money through a pension plan or retirement investments to make their retirement moderately comfortable. This bill sends the message that if a person works hard and saves for their retirement that they should be punished with higher taxes. It does not pay to supplement your Social Security with a retirement plan. Again, this bill provides a disincentive for work and investment.

And lest we forget, in the midst of the talk about fairness, that we have a 4.3-cent transportation fuels tax in this bill.

A tax that falls on every American with equal force, but falls hardest on individuals with lower incomes. This $25 billion tax will bring the total Federal and State taxes on a gallon of gas to one-third of the price of a gallon of gas. Forty cents of every gallon of gas will go to pay taxes. This amounts to a regressive 33-percent sales tax on the people who can least afford it. In addition, the tax will be another burden on business and industry as they will incur higher transportation costs, further eroding their profitability and viability.

Mr. President, this bill sends the wrong message to the enterprising American citizen. These taxes punish productivity and investment at every level of society, from the working small businessman to the retiree who draws a private pension.

I would ask, Mr. President, do we truly believe that the taxpayer is not paying enough already? Unfortunately, as these charts illustrate, the American taxpayer is already at the breaking point with regard to taxes at every level. Yet, the budget is never balanced and spending growth never slows down. Federal, State, and local taxes now absorb 43.7 percent of the average worker's wages. I would suggest that this is enough money being removed from the pockets of the people who earn it. Yet, this bill says that this is not enough. This year the average American worked until May 3, 123 days, to pay his or her taxes. Next year, we can slide this date back a little further. And as Government spending continues to expand, we can be assured that this date will move closer and closer to June as we raise more taxes to cover spending growth.

What we have before us then is a bill that does the following. First, it kills jobs and economic growth by taxing most heavily the most productive sector of the economy, small business. Second, it discourages at every level any initiative that contributes to the economic growth and prosperity of this Nation. And third, it fails to achieve any real spending reductions while raising $263 billion in net new taxes, taxes that will only cover further increases in Government spending. This is indeed a reconciliation bill, Mr. President. It is a bill that attempts to reconcile the incompatibility of taxation and Government spending with economic growth and prosperity. I contend, Mr. President, that this difference is irreconcilable and that this contradiction will cost jobs and will, like past budget fixes, fail to in any way restrain Government spending and reduce budget deficits.

We tried this approach in 1990 with the largest single year tax increase in American history. We were rewarded with a recession. Mr. President, I truly hope that this is not the result of this reconciliation bill. I have every desire to come back here to the floor in 3 years and say that I was wrong. However, history gives me every indication that I am correct in being suspicious about the benefits of taxing productivity and the ability of the Government to restrain spending. I urge my colleagues to approach these taxes with equal caution and skepticism because indeed we will live with the results of this bill for many years to come.

I ask my colleagues to vote against this huge tax bill.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield 6 minutes to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, first I compliment the Senator from New Mexico for his leadership and also his statement as well as Senator PACKWOOD from Oregon, Senator GRAMM, and Senator SHELBY, and others, who spoke on this package, because I think by the cumulative impact that maybe people will get the facts out on the package, and I think the facts are vitally important. There have been distortions.

I heard the President say the other day that there are in this package $250 billion of spending cuts. I do not believe that is the case. I will go over the figures. The figures we have before us in the reconciliation package is kind of heavy and kind of thick.

If you look at the package that was reported out of the Budget Committee, and I serve on the Budget Committee, it says that total deficit reduction is $247 billion; that is not $500 billion. It does not have spending caps, and I understand maybe there is going to be an amendment to add spending caps, and I will talk about that, and I know they are talking about interest expense. I will talk about that for a second. It falls short of $500 billion in deficit reduction.

I heard the chairman of the committee say this is the largest deficit reduction package in history. It is not if compared to 1990, and certainly not if you take out the $44 billion that was agreed to in spending cuts in 1990 that they are counting again.

So if you just look at a couple of facts I think that would be very helpful.

I heard some of my colleagues say there is a dollar in spending cuts for 93 cents in revenue. That is not the case. The facts are the bill that we have before us right now has $3.15 in tax increases for every dollar of spending cuts, in real spending cuts. So I think again putting the facts in the RECORD is vitally important, and I will do that. I will put in several charts that hopefully will help explain that.

I might mention, where are these extra spending cuts? This bill assumes about $70 billion in so-called discretionary spending cuts through caps. I might mention over two-thirds of that happens after the next Presidential election. Forty-four billion dollars is counted because it says, well, we are going to count the caps that were imposed in 1990. Well, that does not make any sense.

In other words, they move the baseline up. I have a letter from CBO that mentions that.

If you use present law baselines, you have $44 billion less savings than in this package. If you take the $44 billion out—and again that is present law—you will find that this package is not as much as the package that was agreed to in 1990.

And let me just touch on the package in 1990. It did not reduce the deficit by $492 billion, as it proclaimed it would. The interest savings that were in the package in 1990 did not come down as it claimed that it would.

The 1990 package said that interest expenses were going to be reduced by $64 billion. That did happen. This package says it is going to reduce interest expense by $56 billion. And I will tell the Presiding Officer, I do not think that is going to happen either. In other words, I think those are bogus savings.

Some people are claiming that is real spending cuts. It is not. It is a wish, it is a hope, but it is not a real spending cut.

I might also mention—and this has been mentioned before—this bill claims $15 billion in user fees and says that is a spending cut. It is not. It is a tax increase and we should count it as a tax increase.

Actually, this bill falls $177 billion short in real spending cuts, $177 billion short, if you add the $70 billion in so-called discretionary caps.

And one of the reasons I say that is because already this administration has four times said, "Let's waive the caps." We have caps in existing law. But in the first 5 months of this year, this administration says, "Let's waive the caps. We don't have to count them."

They did that early in January, they did it on the unemployment bill, they did it on the so-called emergency supplemental. The emergency supplemental was $19.5 billion and they said, "Let's declare an emergency so we will not have to count it against the caps."

So if they could not show any self-control in the first 5 months of this year, why in the world should we give them credit for $70 billion in savings, most of which will not happen until after the next Presidential election? So I do not think we can count those as real savings either.

So, Mr. President, I think if you look at the facts, this bill is very heavily weighted toward tax increases and very light on spending cuts. It is a very unbalanced package. It is not 1 for 1. Actually, it is $3.15 in tax increases for every $1 of real spending cuts.

Mr. President, what will this do? What is the net impact of this package? The net impact is, it is going to put a lot of people out of work. It will not raise the revenues some people have anticipated, because a lot of people really think they are going to sock it to the so-called wealthy people. They are going to change their behavior. They are not going to make the investments. They are not going to generate the income. Therefore, they are not going to pay the taxes. So this package will not raise the taxes that many people anticipate. And yet some of the tax increases are going to put people out of work.

There is a gasoline tax increase, for example, that is going to cost the airlines hundreds of millions. I will have an amendment, as well as with my colleagues Senator SHELBY, Senator KOHL, Senator GRASSLEY, and others to delete the gasoline tax increase.

But if we do not delete it, it is going to put a lot of people out of work—people in agriculture, people in the airlines, people that are really dependent on energy use.

I also heard my colleagues say that this bill has no personal income tax increase for anybody that makes less than $140,000. Mr. President, that is not the truth.

Mr. President, I ask unanimous consent for an additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. I have a father-in-law who has retired who has income that is well below $140,000 but yet, because of the Social Security tax increases, his tax bill will go up by over $100 a month. He is angry about it and he lets me know. He says, "Wait a minute. I thought President Clinton said he wasn't going to increase taxes on middle incomes." He said he is middle income, retired, living on Social Security and a small retirement, and yet his tax bill is going to go up by over $1,000 a year as a result of this tax bill.

What about the people who are driving to work for some distance? Their taxes will go up, as well.

Mr. President, this is not a balanced package. This is a package that is going to put people out of work. The net result is you are not going to see the deficit coming down, I say to the Senator from South Carolina, you are going to see the deficit go up in the outyears because we really did not fix the problem. We really did not contain the growth of suspending which in some cases is exploding like Medicaid exploding at 29 percent last year rate of growth.

Mr. President, we need to contain spending. We cannot afford this kind of tax increase which will surely mean that more people will be out of work.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DURENBERGER. Mr. President, by prior agreement, the ranking member of the committee yields me 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I rise today in opposition to this reconciliation package. I do so because it represents a breach of faith with the American people—the voters who last November took a chance for change.

April Fool, Mr. President. There is not any change in this bill. There is no reinventing government. With the exception of the direct income dependent loans to college students, there is very little creative thinking in this bill. It is nothing but a cruel, practical joke against the 57 percent of America's voters who really believed a vote for change would result in change.

A number of my colleagues have made an excellent case against the broader economic policy this bill imposes on America. Clearly, it is a budget buster and a job killer. I would like to address one specific area in which this bill disappoints the hopes of the

American people and this Senator. I am referring to the so-called health care savings.

These savings are nothing more than short-sighted, budget-motivated quick fixes that will not fix anything. They do not save money—and they do not improve the productivity of our public policies.

If they are any indication of this administration's version of health reform, then I say forget it.

To begin with, they are inequitable. The cuts will penalize the best of our health care providers in this country, some of whom work in States like Minnesota.

There is considerable variance, Mr. President, across States in terms of the level of Medicare expenditures per person. And using Medicare is one indication of the actual cost of health care.

There is considerable variation across the States in terms of the per person expenditures and this chart indicates the rate of growth in Medicare spending.

What the chart indicates is the Medicare hospital costs of a patient when discharged. The national average costs for all Medicare patients is $4,515. But look where the most efficient States come out. This chart is designed to take out geographic disparities, the cost of living, and designed to take out case complexities, so you are just talking about the people who know what they are doing.

The most efficient States is like Utah, most efficient, $3,773; Oregon, $3,786; Minnesota, $3,986.

Contrast those numbers with the high rollers, including Hawaii, $6,043; New Jersey, Louisiana, all ranking in the top six.

This bill has nearly $75 billion in across-the-board health care payment reductions. Whether they be in physician payments or hospital payments, these cuts of reimbursements penalize procedures in States like Minnesota and Oregon and Utah, where people are getting a high value in health care for a very low price.

The party line around this budget—or maybe it is better said the Democratic Party line—is that the cuts hurt providers only, the doctors and hospitals, and will not touch the beneficiaries.

Mr. President, do not believe that for a minute. This package will harm beneficiaries, particularly those in rural areas.

And it will also harm rural residents who have private insurance. The impact is like throwing a stone in a pond and the effect ripples outward to everybody in the community.

And we are going to use a couple of Minnesota examples, so we do not pick on anybody else's community.

On the left side of this chart is Wadena County, a typical rural county in Minnesota, with 20,000 people. Certainly typical of many of the rural counties across our Nation.

The per capita income in Wadena County in 1989 was $8,640. That is what people had to spend on the average. About 22 percent—or one out of every five residents—falls below the poverty line. About 20 percent of the residents are Medicare eligible, and close to 30 percent are eligible for Medicaid.

But 57 percent of the hospital admissions are paid for by Medicare—that is the red on this chart in this county—and another 13 percent are paid for by Medicaid.

So you have 70 percent of the users of the medical care system in that county paying, on the average, only about 82 percent of the total cost of that care.

So you have 70 percent of the users of the medical care system in that county paying on the average only about 82 percent of the cost of that care. Who pays the difference? The costs are shifted, or you attempt to shift all of these cuts onto what is left, the 27 percent with private insurance in a little county like Wadena County, MN. Those are the people who pick up the difference, all the small businesses in Wadena.

Now let us take a bigger city, St. Paul, MN: Medicaid, 10.1 percent; Medicare, 32.1 percent; 57.8 percent is private insurance, so it is a little easier to try to shift it onto private patients.

If I had a third wheel here, which I will get to someday, I would put in Fairfax County, VA, or Montgomery County, MD, where the yellow area here with the private insurers would probably be 85 or 90 percent. And when you cut back Medicare or Medicaid in Fairfax County, VA, nothing happens. When you cut it back in Wadena, MN, or even in St. Paul, the people hurt, the beneficiaries hurt, the private payers hurt, and the small businesses hurt.

Mr. President, this is just simply an effort to say if we are making a 5- or 6-year commitment to health care reform, and we are doing that in this reconciliation bill, then I say forget it. If savings provisions were designed with appropriate provisions for efficient care delivery, if you were going to reward Utah and Oregon and Minnesota, then I would be all for it. I would be all for it. That is what we could do and what we should do.

But in this particular bill, we are doing none of the above. If health care costs are like the city of Rome on fire, this bill is nothing more than 101 strings. It might sound nice, if you have a taste for that kind of music, but it is sure not going to put out the fire.

Last November, the American people demanded we stop playing the old tunes; they demanded we start putting out the fires. Let us do it, and vote against this bill.

Mr. PACKWOOD. Mr. President, I yield 6 minutes to the Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the distinguished ranking member of the Senate Finance Committee for yielding time to me.

This bill is advertised by the Democrats as a deficit-reduction plan, but when you read the fine print on these 880 pages, it turns out to be the largest tax increase in history. It includes a promise to cut spending, but it adds $1.5 trillion to our national debt over the next 5 years.

There are less than $5 billion in spending cuts for fiscal year 1994, the first year of the plan. Incidentally, the taxes in this plan, which were proposed to take effect in January, will be implemented on July 1. Even though the Finance Committee worked it out so these taxes are not retroactive, they will certainly start soon. Interestingly enough, the spending cuts are put off to the distant future.

The logic behind this plan is as follows: Raise taxes, increase spending for some Government programs, and cut others. But as a whole, it makes you wonder whether we are going to stop the recovery in its tracks or finally do something constructive about deficit reduction.

I do not think this bill is going to influence, in any positive way, the prospects for future economic growth. As a matter of fact, I think it is going to slow down business activity. We are already seeing businesses begin to stop and reassess their plans to buy new plants and equipment, to develop new products, and to create new jobs. Why? Because they are uncertain what this tax bill will mean to the day-to-day operation of a business.

So the threat and the fear of new taxes, new regulations, and new paperwork requirements are undermining the economic recovery that has been taking place.

It is important to note that a recovery has been taking place. The President even acknowledges now that 755,000 new jobs have been created in America this year. These jobs have been created without the passage of an economic stimulus package, without the passage of the so-called economic recovery plan and even without the passage of the administration's deficit-reduction plan.

One point is clear: The economy is moving along very nicely, but in terms of expanding the number of jobs and opening markets overseas. But we are going to stop this recovery in its tracks with all these new taxes—taxes which are being piled on businesses, on individual taxpayers and on farmers who also have to endure deep cuts in farm programs.

Let's look at how this program affects education. Consider the new direct-lending program in this package. It purports to save money, but in effect, will cost more because of the new overhead requirements that will be imposed on the Department of Education for administering the program. The new outlays from the Federal Treasury, which directly lends money to students under this plan, will also cost an enormous sum, especially considering that the Federal Treasury does not have any money to borrow.

Does that make good economic sense? Is that a cost-effective way to manage the responsibilities of this Federal Government? I say it is not.

When you boil it all down and go through all the provisions—the new taxes, the spending changes, and the additional programs—you have to ask yourself four simple questions:

Will this bill promote economic growth and investment? No.

Will this bill create new jobs? No.

Will this bill make our Nation more competitive internationally? No.

Will this bill reduce the deficit? Not much.

Take a look at agriculture. I know the current occupant of the chair is interested in agriculture programs. In our Agriculture Committee, we were confronted with the challenge of cutting back the expensive programs under the jurisdiction of the Agriculture Committee. What did we do? We cut programs that will adversely affect farm income. As a result of the passage of this bill, farm income will go down. And when farm income goes down, our exports drop, our production for export potential in the agriculture sector suffers, and jobs are lost. These developments undermine the economic recovery in rural America.

Or what about the proposal to implement a 32-percent cut in the market promotion program in this bill. The market promotion program is targeted to help us sell more of what we produce in the international marketplace by breaking down unfair trade practices and barriers to U.S. agriculture trade. Value-added products are targeted with 80 percent of this money, and those are the ones that create the most jobs in our economy.

Mr. President, this is a bad bill. It does not promote economic growth, and it does not prepare our economy for the challenges that lie ahead. I believe it should be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield 6 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 6 minutes.

Mr. CRAIG. Mr. President, I stand today in opposition to the Budget Reconciliation Act that has been brought to this floor by the Senate Finance Committee. I do so for a lot of reasons.

First of all, the largest tax increase in the history of our country would be enough to drive most sane people away from this approach. I would be attracted to it, if it truly brought down the deficit in a meaningful and responsible way. But it does that in the latter years, the third or fourth or fifth year out, giving this Senate and this Congress the kinds of options that it has always had to walk away from the commitment that it has made during times of tax-increase arguments to the American people. That commitment was that for every dollar of taxes we raised, we were going to reduce spending by a certain amount. And, of course, those promises in 1986 and 1990, were never met.

The American people today cannot believe, nor should they believe, that this Congress and the President will hold to their word. We have no track record to demonstrate that. So why, at this time, should we begin once again to ask the American people to open their pocketbooks and to give of their own effort in behalf of a larger, more inclusive Government?

Let me talk for a few moments about an area in this Budget Reconciliation Act that I think is really the most egregious, and I say that because I cannot believe that at any time we would take any part of our economy and suggest about a 30-percent tax increase on that segment of our economy and expect it to survive. I am going to talk about Main Street, small business, Rupert, ID, or Nezperce, ID, or Grangeville, ID, or any other small rural agricultural community in our Nation that is made up of small businessmen and women who provide goods and services to the local community, who file as individuals or subchapter S's but are truly small business people, who hire four or five or six and if they make a little more money, they might expand their business and hire another two or three.

Mr. President, you know who I am talking about because your State, as all other rural agricultural States of our Nation, are filled with those small business people. How do they operate? They operate because mom and dad run the front desk. They do the bookkeeping and they take from that business just enough to stay alive, to provide for their home and their family, to pay their taxes, and to expand their business and pay their debt. Do you know what? Many of those small businesses gross $200,000 a year, $250,000 a year, but I doubt that they take $25,000 or $30,000 out of that business to put food on their table and drapes on their windows, to pay their local school taxes, and to buy a car for the family because they are usually busy trying to keep their business alive.

And yet this President, and a Democrat Senate, said we are going to tax you 30 percent more. That is reality. That is what we are dealing with in this package. Strip away the fluff, start adding up all of the things that we begin to take away, and that clock ticks very loudly on those small communities and that Main Street of America that provide the goods and services and the vitality of economic energy to my State.

I am not talking about the Hewlett Packards, and I am not talking about the Exxons. I am talking about the hundreds of thousands of jobs that have been created over the last decade by small businessmen, mothers and fathers, husbands and wives, partners who come together with $10,000 or $15,000 and were smart enough and worked 20 hours a day to make something happen in this economy and put people to work and drive this country ahead.

That is not what this President campaigned on, but that is what this President is advocating today. Why? He says he wants to reduce the deficit by that kind of a conclusion. And yet he is proposing that in 1994, he will spend $37 billion more to cause Government to get larger. In 1995, he will spend $71 billion more in new programs to cause Government to get larger. In 1996, he will spend $51 billion. In 1997, $61 billion; in 1998, $75 billion more. And as Government gets larger, these small businesses that fuel the Main Street of rural America and Main Street America see greater rule and regulation that makes it more and more impossible for them to operate.

This is not deficit reduction. This is a grand old scheme that we have heard here for decades.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CRAIG. And that is to tax more and spend more and expect that out of it we will get more. It has not worked and it will not work.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, might I have a word with the chairman? I have Senator GREGG, who wants 6 minutes, and Senator D'AMATO, who wants 4. To my knowledge, that is the extent of ours on the opening round. What is the chairman's pleasure? I would like to add 10 minutes to our time, but I can take it off the bill.

Mr. SASSER. Why do we not just add 10 minutes to a side to the original 4 hours?

Mr. DOMENICI. I request that the original 4 hours for discussion without amendment be extended 20 minutes, with 10 minutes on each side.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Without objection, it is so ordered.

Mr. DOMENICI. I yield 6 minutes to Senator GREGG.

Mr. GREGG. Madam President, I rise to join with the Senator from New Mexico and others on the other side of the aisle who have raised very serious concerns about the direction and implications of this reconciliation bill, specifically the weight of taxes which it brings upon the American people.

The object, obviously, on our side of the aisle is to reduce the deficit. The object of many folks on the other side of the aisle is to reduce the deficit, that being what many of us believe to be the primary problem of this country and for our future generations. The fact is that we have run up over $4 trillion in debt and are running up each year hundreds of billions of dollars in additional debt, which debt must be borne by future generations.

It is totally inappropriate, as many have said on this floor, that we should be borrowing today for the purpose of spending today and passing the costs on to the next generation to pay. It is wrong for us to take a binge of dollars spent today on programs which are transitory and which benefit us for the moment and end up passing the bills for those programs on to the next generation. We should obviously have a government which runs at least fairly close to a surplus and clearly does not run up such a large deficit.

The question, of course, which is raised by this piece of legislation is: Is this the proper way to try to address the deficit, the way that is proposed by the President in his package? As has been mentioned innumerable times today and accurately pointed out, especially by the Senator from New Mexico, this is essentially a tax bill. The deficit reduction which occurs in this bill is primarily done by raising taxes.

There have been a variety of numbers presented today, but CBO numbers make it fairly clear that the increased taxes to the amount of spending cuts represents about $4 to $1. We have about $250 billion in new taxes in this package and, at best, we have about $80 billion in spending reduction, and that is a very generous number.

The practical side of this budget is that what you are seeing is an attempt to address the deficit by dramatically increasing taxes. And if you look at any government at any level in a democracy, you will find that the raising of taxes never leads to a reduction in the size of the government; it leads to an expansion of the government, and that, once again, is occurring here.

If you look through the numbers which have been floated today, you see the amount and the size of Government spending does not go down, it does not even flatten out. It rather increases, and increases rather dramatically, over the next 5 years. I submit, as I think others have submitted, that because of this tax increase, we are going to see an increase even at a greater rate than is proposed in this legislation. The dollars raised in new revenue in this proposal will be spent; it will not go to deficit reduction.

We need to only look at a couple figures to understand this problem. In 1978, the Federal Government was raising about 19 percent of GDP in taxes. It was also spending about 19 percent of gross domestic product on Federal programs. Today, the Federal Government is raising about 19 percent of GDP in taxes, but it is spending 23.5 percent in Federal programs. The problem of the deficit has not been that we have failed to raise revenues enough over the last 12 years, as has been alleged. It is not that there have been tax cuts or tax increases over the last 12 years because the rate of money collected by the Federal Government has remained fairly constant, about 19-percent gross domestic product.

The problem we have as a country and a government is that we have allowed ourselves as a nation and as a government over these last 20 years, or so, to see a dramatic expansion in the size of the spending of the Federal Government. The 4.5-percent increase in spending as a percentage of gross domestic product on a $6 trillion national gross domestic product represents a huge amount of money and its represents the deficit and the debt that has been run up over this period.

We have a spending problem. We are not a fundamentally undertaxed society. We are a society that is spending too much. This reconciliation bill does virtually nothing to address that concern. The alternative that will be offered by the Republicans, by the folks on our side of the aisle, will be to try to address the spending side of the ledger. I think most people understand that that is where we should start. Most folks who run a household account recognize that when they are spending more money than they are taking in, the first place you look is to try to reduce your spending, to try to get your household accounts in order. Certainly State governments understand that. Certainly county governments understand that. Certainly city and town governments understand that.

All these levels of government understand that you must live within your revenues; you cannot always be expanding your revenues; and that you must control your spending if you are going to control the size of your government and the size of your debt.

However, the Federal Government, and specifically the U.S. Government, does not seem to understand.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GREGG. I thank the Chair. I simply make this closing comments.

If we are going to get this deficit under control, if we are not going to be back here in another year or another 5 years addressing the exact same problem, which will be the huge deficit, only it will have been added to by another trillion dollars of debt, we need to address the spending side of the ledger and make the tough decisions on controlling spending. That is where we should be doing it, and that is what the Republican alternative will attempt to do.

I yield back the time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Madam President, I yield 10 minutes to the distinguished Senator from North Dakota and additional time should he require it.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 10 minutes.

Mr. CONRAD. I thank the Chair. I thank the chairman of the Budget Committee for this time.

Madam President, why is it that we are meeting here talking about a deficit reduction package? We are here because we have a crisis: The Federal debt is exploding out of control and threatens the economic health of our country.

I have a series of charts that I think shows clearly the problem at hand. If we look at the growth in the Federal debt since 1950, we see that the debt was very small until around 1980. Since then it has been growing on an ever steeper path. Madam President, if this does not scare our colleagues and if this does not scare our constituents and if this does not scare all of us, I do not know what it would take. The debt in this country has been skyrocketing ever since Reaganomics, when we had the great dream that you could cut taxes, increase spending, and somehow it would all add up. It did not add up. It is not going to add up. So we have to take action.

I am one of those on the Democratic side who insisted on more spending cuts and insisted on doing away with the Btu tax. I did so because I believed very strongly we had to have more spending cuts to have balance in this program. I also believed the Btu tax did not make good economic sense; it would have hurt our competitive position.

Madam President, we succeeded. We got rid of the Btu tax, we also got rid of the barge tax levy, and we got more spending cuts.

For example, let me just show the difference between what was proposed originally and what we have now in terms of the energy tax component of this package.

Many people will recall that, in the last Presidential campaign, Ross Perot said we ought to levy a 50-cent-a-gallon gasoline tax. That would have meant $325 in taxes each year for every man, woman, and child in this country. The House Btu tax proposal would have levied a tax of $113 per person. The alternative that we have devised in the Finance Committee is $28 per person, a dramatic reduction in tax impact. And I might say to my colleagues on the other side of the aisle, a dramatic reduction in taxes on the business community. This change relieves the business community of some $20 billion of tax obligation.

Madam President, the actions we have taken in the budget resolution and in this reconciliation bill produce a dramatic change with respect to the budget deficit, which is really the challenge before us. As this chart shows, starting in fiscal year 1989, we experienced a tremendous increase in budget deficits. In fact, we had record deficits under the Bush administration. Without action, if we just had business as usual, these deficits would continue to increase.

But, if we adopt the Senate package instead, we will see a sharp reduction in the annual operating deficits. This package will not solve the problem. I do not think anyone should be under any illusion about that. More is required. But we will have made a significant start—over $500 billion in deficit reduction.

Madam President, I also want to show what the spending trends have been because I think in order to understand where we are today and where we are going, we also need to understand how we got here. If we look at the major spending categories, I think it is very instructive.

Let's start with defense spending. In 1963, some 30 years ago, we spent about 9 percent of our gross domestic product on defense. Under this plan, in 1998, we will be down to about 3 percent of our gross domestic product on defense.

Next let's look at domestic discretionary spending, another major component of our Federal budget. We can see that 30 years ago we were spending just over 3 percent of gross domestic product on discretionary spending. Under this proposal, we will be back in that same range after fluctuations during the 30-year period. We will be near a 30-year low in terms of domestic discretionary spending at the end of this budget period.

The next area is one that is totally out of control. When we talk about there being too much spending, when we talk about the Federal budget being out of control, Medicare and Medicaid are part of the explanation. In the early 1960's, these programs were at very low levels. They had just been enacted. But the trend has been straight up. Medicare and Medicaid, even with the reductions, the reductions in the increase proposed in the Senate package, keep going straight up.

Next let's look at another major component of our spending, Social Security spending. Over the past 30 years, Social Security spending has increased steadily, although we can see that during the life of this proposal Social Security spending is about flat, just under 4 percent of our gross domestic product.

Another area of spending that has seen significant growth from 1963 to today is interest spending. Interest spending was just over 1 percent of gross domestic product in the early 1960's. Now we see it at almost 3.5 percent of our gross domestic product. Interest on the debt has tripled.

Mr. SASSER. Will the Senator from North Dakota yield at that point for a question and comment?

Mr. CONRAD. I will be happy to yield.

Mr. SASSER. I find the Senator's chart there, tracking the increase in interest spending as a percent of the gross domestic product very interesting. It seems to take a sharp turn up there sometime beginning in the early 1980's, it appears from this angle. I wonder if the Senate was aware that if you disregarded the interest payments that the Federal Government presently has to pay on its national indebtedness, under the Clinton proposal we would be running a $127 billion budget surplus in the out years?

Mr. CONRAD. The Senator makes a very good point. I was not aware of that specific number. But I was aware that if you look, in this 30-year period, at the places where there has been an increase in spending as a percentage of our economy, four areas stand out: Medicaid, Medicare, Social Security, and interest on the debt. That is where there has been an increase in spending. All of the other areas of Federal Government spending have been reduced——

Mr. SASSER. That is correct.

Mr. CONRAD. As a percentage of our gross domestic product—in fact, sharply reduced.

Mr. SASSER. If I may interject, the Senator makes an excellent point. The problem is the interest payment is now starting to eat us alive. As I say, over the period of the Clinton budget proposal, if you backed out the interest payments, we would have a $127 billion surplus. If you look at what would have happened under the same conditions or what actually happened in the Reagan-Bush era, when you back the interest payments out in this 12-year period, you still have a $716 billion deficit.

Mr. CONRAD. I appreciate that information. I think it is significant.

I would like to turn for a moment to the tax increases, because indeed there are tax increases in this package. Those of us who advocate the package ought to be able to stand and defend our decision to recommend tax increases as well as spending cuts. I think again it helps to put some historical perspective on what is happening.

The corporate tax rates in this country from 1960 to 1990 help to provide some context—some perspective. In 1960, we had a corporate rate of 52 percent. Since then, the rate has come down sharply until we reached a rate of 34 percent, which is the current rate. This proposal says we should go up 1 percentage point to 35 percent, far below the earlier rates.

Individual income tax rates illustrate the same point: yes, an increase has been proposed, but it needs to be put in perspective. Where did we come from? Thirty years ago, the top rate in this country was 91 percent. In the mid-1970's and 1980's, we had a rate of 70 percent. That rate was brought down very dramatically during the 1980's to a top rate of 31 percent. And now, under this proposal, it will be adjusted up slightly to 39.6 percent.

Mr. SASSER. May I just inquire of the Senator. If I may, that chart is very interesting, which the Senator is indicating that the top individual tax rates have been coming down over the past 30 years. When we say top individual tax rates, I assume we are talking about, what? The top 1 percent?

Mr. CONRAD. That would be correct, the top 1 percent.

Mr. SASSER. That top 1 percent would be equivalent to what? An income of $200,000 a year or more?

Mr. CONRAD. Under the committee proposal this top rate of 39.6 percent will only apply to those earning over $250,000 a year. That is where the surtax takes effect.

PRIVILEGE OF THE FLOOR

Mr. KERREY. Mr. President, will the distinguished Senator yield? I need to get a staff person on the floor and I need to ask unanimous consent to do that.

I ask unanimous consent that Karen Finley Davenport, a Senate fellow, be allowed on the floor at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

While the Senator has stopped, Senator SASSER asked to be notified when 12 minutes was left. That is the case.

Mr. SASSER. How much time do we have left remaining?

The PRESIDING OFFICER. You have 10 minutes 44 seconds.

Mr. SASSER. I yield the distinguished Senator an additional 2 minutes.

Mr. CONRAD. I thank the Chair. I can sum up very quickly.

It is true we have asked for higher taxes in this proposal. Let me try to put that into some perspective by illustrating the distribution of revenue under the Senate package.

Those who are earning below $30,000 a year are going to experience a tax reduction. That is true primarily because of the earned income tax provisions in this bill. They do not get any attention. But they are very important because they say to working families in this country, you do not have to be in poverty if you work. If you work, you should be able to support yourself and your family. So we are going to give you a tax reduction.

But in order to lift this country out of these massive deficits we are going to ask the rest of our population to pay somewhat more. Those earning $30,000 to $40,000, will pay 2 percent more or about $59. Those earning from $40,000 to $75,000 a year will pay just 3 percent more. Those earning $75,000 to $100,000 a year, 5 percent; $100,000 to $200,000, 9 percent. The vast majority, 79 percent of the increased burden, comes from those earning over $200,000 a year.

Madam President, if I might just close with a final point, which I hope will put this debate into greater perspective. We have heard a great deal from the Republican side about how antibusiness these tax increases are. I do not believe that. And I do not think the other side really believes that. That is what they are saying now, but it is not what they did when they faced a similar circumstance in 1982.

If we look back on the tax increase that the other side advocated in 1982, and we do so on a fair comparison basis, by expressing both tax increases in constant 1993 dollars, the tax increase that our friends on the other side proposed in 1982 was $298 billion. That compares with an increase of $227 billion in 1993 dollars in the Senate Finance Committee package.

So when the other side now says it is antibusiness to increase taxes, I just want the record to reflect that it was not antibusiness when they did it in 1982. It was probusiness then. It was probusiness because it was going to reduce the deficits, and reduce interest rates, and take the debt burden off of our society. We believe that is what our package does now. We believe it deserves support.

I thank the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. I have been assigned the time by the Republican manager on this bill. I yield 4 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MITCHELL. Madam President would the Senator yield for a minute to get a unanimous-consent agreement on which the Republican leader and I talked and which we believe is agreeable?

Mr. D'AMATO. Certainly.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Madam President, I ask unanimous consent that the first amendment offered to this bill be an amendment by the majority leader relative to small business, and that following the disposition of that amendment Senator DOLE, the Republican leader, be recognized to offer a Republican substitute amendment, with no other amendments in order prior to the disposition of these two amendments.

Mr. DOLE. Madam president, reserving the right to object, I shall not object, I assume that amendment would be offered following Senator D'AMATO's. I guess there are only 4 minutes left on this side. That would be the next order of business?

Mr. MITCHELL. That is my intention. As soon as the initial debate is completed, I will be prepared to offer the amendment. That will proceed of course under the agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New York has the floor.

Mr. D'AMATO. Madam President, this budget reconciliation package should be called promises made and promises broken, because the real message being sent today is that Bill Clinton did not keep his promise. He is raising taxes and he is not cutting spending. It is taking place under the Democratic control of the Senate. We are breaking faith with the people. We are increasing spending, we are raising taxes, and that is wrong.

Madam President, Al Smith, the famous Governor from our State, candidate for President, made a famous statement, he said "Let us look at the record." So I say, let us look at the record.

In his book "Putting People First," candidate Clinton wrote:

> A Clinton-Gore administration will encourage small business and enterprise to take risk and reward in the determination to create new jobs.

On the campaign trail, candidate Clinton said:

> My plan will not add new taxes on small businesses, I know that 65 percent of the new jobs in this country are generated by small businesses and I am committed to helping them prosper. (September 8, 1992, USA Today.)

That is the record. That is the record.

Let us take a look at the record in terms of what it contains here in this reconciliation package. I will tell you. Promises made, promises broken. Fifty-five billion dollars' worth of tax increases on small business. That breaks faith. That is not the change the American people asked for. The fact of the matter is, if we are talking about a sluggish economy, it is because the business community has the message. If we are talking about creating jobs, this is not the way to do it. Almost half, 49.8 percent, of the tax rate increases come on small businesses. Promises made, promises broken.

Let us set the record straight. If this bill passes, it is going to pass because of the Democratic control of the Senate. They are going to be voting to raise spending, to raise taxes, and that is wrong. I am going to be fighting against this spending and tax increases, because I want to help President Clinton keep his promises. I am sure he would want nothing less.

The Republicans will propose a plan to freeze taxes, to cut spending, so that Mr. Clinton can continue to keep his word as a President and put forth a program that will help create jobs and not pit one class against the other—a program that will be good for growth and for America.

AMENDMENT NO. 502

(Purpose: To encourage small business)

Mr. MITCHELL. Mr. President, I send an amendment to the desk, pursuant to the previous order, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Maine [Mr. MITCHELL], for himself and Mr. BUMPERS, proposes an amendment numbered 502.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 422, line 24, strike "$15,000" and insert "$18,500".

On page 474, after line 15, insert:

PART VII—CAPITAL GAIN PROVISIONS

SEC. 8181. 50-PERCENT EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1202. 50-PERCENT EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

"(a) 50-PERCENT EXCLUSION.—In the case of a taxpayer other than a corporation, gross income shall not include 50 percent of any gain from the sale or exchange of qualified small business stock held for more than 5 years.

"(b) PER-ISSUER LIMITATION ON TAXPAYER'S ELIGIBLE GAIN.—

"(1) IN GENERAL.—If the taxpayer has eligible gain for the taxable year from 1 or more dispositions of stock issued by any corporation, the aggregate amount of such gain from dispositions of stock issued by such corporation which may be taken into account under subsection (a) for the taxable year shall not exceed the greater of—

"(A) $10,000,000 reduced by the aggregate amount of eligible gain taken into account under subsection (a) for prior taxable years and attributable to dispositions of stock issued by such corporation, or

"(B) 10 times the aggregate adjusted bases of qualified small business stock issued by such corporation and disposed of by the taxpayer during the taxable year.

For purposes of subparagraph (B), the adjusted basis of any stock shall be determined without regard to any addition to basis after the date on which such stock was originally issued.

"(2) ELIGIBLE GAIN.—For purposes of this subsection, the term 'eligible gain' means any gain from the sale or exchange of qualified small business stock held for more than 5 years.

"(3) TREATMENT OF MARRIED INDIVIDUALS.—

"(A) SEPARATE RETURNS.—In the case of a separate return by a married individual, paragraph (1)(A) shall be applied by substituting '$5,000,000' for '$10,000,000'.

"(B) ALLOCATION OF EXCLUSION.—In the case of any joint return, the amount of gain taken into account under subsection (a) shall be allocated equally between the spouses for purposes of applying this subsection to subsequent taxable years.

“(C) MARITAL STATUS.—For purposes of this subsection, marital status shall be determined under section 7703.

“(c) QUALIFIED SMALL BUSINESS STOCK.—For purposes of this section—

“(1) IN GENERAL.—Except as otherwise provided in this section, the term ‘qualified small business stock’ means any stock in a C corporation which is originally issued after December 31, 1992, if—

“(A) as of the date of issuance, such corporation is a qualified small business, and

“(B) except as provided in subsections (f) and (h), such stock is acquired by the taxpayer at its original issue (directly or through an underwriter)—

“(i) in exchange for money or other property (not including stock), or

“(ii) as compensation for services provided to such corporation (other than services performed as an underwriter of such stock).

“(2) ACTIVE BUSINESS REQUIREMENT; ETC.—

“(A) IN GENERAL.—Stock in a corporation shall not be treated as qualified small business stock unless, during substantially all of the taxpayer's holding period for such stock, such corporation meets the active business requirements of subsection (e) and such corporation is a C corporation.

“(B) SPECIAL RULE FOR CERTAIN SMALL BUSINESS INVESTMENT COMPANIES.—

“(i) WAIVER OF ACTIVE BUSINESS REQUIREMENT.—Notwithstanding any provision of subsection (e), a corporation shall be treated as meeting the active business requirements of such subsection for any period during which such corporation qualifies as a small business investment company.

“(ii) SMALL BUSINESS INVESTMENT COMPANY.—For purposes of clause (i), the term ‘small business investment company’ means any eligible corporation (as defined in subsection (e)(4)) which is licensed to operate under section 301 of the Small Business Investment Act of 1958 (as in effect on May 13, 1993).

“(3) CERTAIN PURCHASES BY CORPORATION OF ITS OWN STOCK.—

“(A) REDEMPTIONS FROM TAXPAYER OR RELATED PERSON.—Stock acquired by the taxpayer shall not be treated as qualified small business stock if, at any time during the 4-year period beginning on the date 2 years before the issuance of such stock, the corporation issuing such stock purchased (directly or indirectly) any of its stock from the taxpayer or from a person related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

“(B) SIGNIFICANT REDEMPTIONS.—Stock issued by a corporation shall not be treated as qualified business stock if, during the 2-year period beginning on the date 1 year before the issuance of such stock, such corporation made 1 or more purchases of its stock with an aggregate value (as of the time of the respective purchases) exceeding 5 percent of the aggregate value of all of its stock as of the beginning of such 2-year period.

“(C) ACQUISITIONS BY RELATED PERSONS.—For purposes of this paragraph, the purchase by any person related (within the meaning of section 267(b) or 707(b)) to the issuing corporation of any stock in the issuing corporation shall be treated as a purchase by the issuing corporation.

“(d) QUALIFIED SMALL BUSINESS.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified small business’ means any domestic corporation which is a C corporation if—

“(A) the aggregate capitalization of such corporation (or any predecessor thereof) at all times on or after January 1, 1993, and before the issuance did not exceed $50,000,000,

“(B) the aggregate capitalization of such corporation immediately after the issuance (determined by taking into account amounts received in the issuance) does not exceed $50,000,000, and

“(C) such corporation agrees to submit such reports to the Secretary and to shareholders as the Secretary may require to carry out the purposes of this section.

“(2) AGGREGATE CAPITALIZATION.—For purposes of paragraph (1), the term ‘aggregate capitalization’ means the excess of—

“(A) the amount of cash and the aggregate adjusted bases of other property held by the corporation, over

“(B) the aggregate amount of the short-term indebtedness of the corporation.

For purposes of the preceding sentence, the term ‘short-term indebtedness’ means any indebtedness which, when incurred, did not have a term in excess of 1 year.

“(3) LOOK-THRU IN CASE OF SUBSIDIARIES.—In determining whether a corporation meets the requirements of this subsection—

“(A) stock and debt of any subsidiary (as defined in subsection (e)(5)(C)) held by such corporation shall be disregarded, and

“(B) such corporation shall be treated as holding its ratable share of the assets of such subsidiary and as being liable for its ratable share of the indebtedness of such subsidiary.

“(e) ACTIVE BUSINESS REQUIREMENT.—

“(1) IN GENERAL.—For purposes of subsection (c)(2), the requirements of this subsection are met by a corporation for any period if during such period—

“(A) at least 80 percent (by value) of the assets of such corporation are used by such corporation in the active conduct of a qualified trade or business, and

“(B) such corporation is an eligible corporation.

“(2) SPECIAL RULE FOR CERTAIN ACTIVITIES.—For purposes of paragraph (1), if, in connection with any future qualified trade or business, a corporation is engaged in—

“(A) start-up activities described in section 195(c)(1)(A),

“(B) activities resulting in the payment or incurring of expenditures which may be treated as research and experimental expenditures under section 174, or

“(C) activities with respect to in-house research expenses described in section 41(b)(4),

assets used in such activities shall be treated as used in the active conduct of a qualified trade or business. Any determination under this paragraph shall be made without regard to whether a corporation has any gross income from such activities at the time of the determination.

“(3) QUALIFIED TRADE OR BUSINESS.—For purposes of this subsection, the term ‘qualified trade or business’ means any trade or business other than—

“(A) any trade or business involving the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any other trade or business where the principal asset of such trade or business is the reputation or skill of 1 or more of its employees,

“(B) any banking, insurance, financing, leasing, investing, or similar business,

“(C) any farming business (including the business of raising or harvesting trees),

“(D) any business involving the production or extraction of products of a character with respect to which a deduction is allowable under section 613 or 613A, and

“(E) any business of operating a hotel, motel, restaurant, or similar business.

“(4) ELIGIBLE CORPORATION.—For purposes of this subsection, the term ‘eligible corporation’ means any domestic corporation; except that such term shall not include—

“(A) a DISC or former DISC,

“(B) a corporation with respect to which an election under section 936 is in effect,

“(C) a regulated investment company, real estate investment trust, or REMIC, and

“(D) a cooperative.

“(5) STOCK IN OTHER CORPORATIONS.—

“(A) LOOK-THRU IN CASE OF SUBSIDIARIES.—For purposes of this subsection, stock and debt in any subsidiary corporation shall be disregarded and the parent corporation shall be deemed to own its ratable share of the subsidiary's assets, and to conduct its ratable share of the subsidiary's activities.

“(B) PORTFOLIO STOCK OR SECURITIES.—A corporation shall be treated as failing to meet the requirements of paragraph (1) for any period during which more than 10 percent of the value of its assets (in excess of liabilities) consists of stock or securities in other corporations which are not subsidiaries of such corporation (other than assets described in paragraph (6)).

“(C) SUBSIDIARY.—For purposes of this paragraph, a corporation shall be considered a subsidiary if the parent owns more than 50 percent of the combined voting power of all classes of stock entitled to vote, or more than 50 percent in value of all outstanding stock, of such corporation.

“(6) WORKING CAPITAL.—For purposes of paragraph (1)(A), any assets which—

“(A) are held as a part of the reasonably required working capital needs of a qualified trade or business of the corporation, or

“(B) are held foich more than 10 percent of the value of its assets (in excess of liabilities) consists of stock or securities in other corporations which are not subsidiaries of such corporation (other than assets described in paragraph (6)).

“(C) SUBSIDIARY.—For purposes of this paragraph, a corporation sor periods after the corporation has been in existence for at least 2 years, in no event may more than 50 percent of the assets of the corporation qualify as used in the active conduct of a qualified trade or business by reason of this paragraph.

“(7) MAXIMUM REAL ESTATE HOLDINGS.—A corporation shall not be treated as meeting the requirements of paragraph (1) for any period during which more than 10 percent of the total value of its assets consists of real property which is not used in the active conduct of a qualified trade or business. For purposes of the preceding sentence, the ownership of, dealing in, or renting of real property shall not be treated as the active conduct of a qualified trade or business.

“(8) COMPUTER SOFTWARE ROYALTIES.—For purposes of paragraph (1), rights to computer software which produces active business computer software royalties (within the meaning of section 543(d)(1)) shall be treated as an asset used in the active conduct of a trade or business.

“(f) STOCK ACQUIRED ON CONVERSION OF PREFERRED STOCK.—If any stock in a corporation is acquired solely through the conversion of other stock in such corporation which is qualified small business stock in the hands of the taxpayer—

“(1) the stock so acquired shall be treated as qualified small business stock in the hands of the taxpayer, and

“(2) the stock so acquired shall be treated as having been held during the period during which the converted stock was held.

“(g) TREATMENT OF PASS-THRU ENTITIES.—

"(1) IN GENERAL.—If any amount included in gross income by reason of holding an interest in a pass-thru entity meets the requirements of paragraph (2)—

"(A) such amount shall be treated as gain described in subsection (a), and

"(B) for purposes of applying subsection (b), such amount shall be treated as gain from a disposition of stock in the corporation issuing the stock disposed of by the pass-thru entity and the taxpayer's proportionate share of the adjusted basis of the pass-thru entity in such stock shall be taken into account.

"(2) REQUIREMENTS.—An amount meets the requirements of this paragraph if—

"(A) such amount is attributable to gain on the sale or exchange by the pass-thru entity of stock which is qualified small business stock in the hands of such entity (determined by treating such entity as an individual) and which was held by such entity for more than 5 years, and

"(B) such amount is includible in the gross income of the taxpayer by reason of the holding of an interest in such entity which was held by the taxpayer on the date on which such pass-thru entity acquired such stock and at all times thereafter before the disposition of such stock by such pass-thru entity.

"(3) LIMITATION BASED ON INTEREST ORIGINALLY HELD BY TAXPAYER.—Paragraph (1) shall not apply to any amount to the extent such amount exceeds the amount to which paragraph (1) would have applied if such amount were determined by reference to the interest the taxpayer held in the pass-thru entity on the date the qualified small business stock was acquired.

"(4) PASS-THRU ENTITY.—For purposes of this subsection, the term 'pass-thru entity' means—

"(A) any partnership,

"(B) any S corporation,

"(C) any regulated investment company, and

"(D) any common trust fund.

"(h) CERTAIN TAX-FREE AND OTHER TRANSFERS.—For purposes of this section—

"(1) IN GENERAL.—In the case of a transfer described in paragraph (2), the transferee shall be treated as—

"(A) having acquired such stock in the same manner as the transferor, and

"(B) having held such stock during any continuous period immediately preceding the transfer during which it was held (or treated as held under this subsection) by the transferor.

"(2) DESCRIPTION OF TRANSFERS.—A transfer is described in this subsection if such transfer is—

"(A) by gift,

"(B) at death, or

"(C) from a partnership to a partner of stock with respect to which requirements similar to the requirements of subsection (g) are met at the time of the transfer (without regard to the 5-year holding period requirement).

"(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of section 1244(d)(2) shall apply for purposes of this section.

"(4) INCORPORATIONS AND REORGANIZATIONS INVOLVING NONQUALIFIED STOCK.—

"(A) IN GENERAL.—In the case of a transaction described in section 351 or a reorganization described in section 368, if qualified small business stock is exchanged for other stock which would not qualify as qualified small business stock but for this subparagraph, such other stock shall be treated as qualified small business stock acquired on the date on which the exchanged stock was acquired.

"(B) LIMITATION.—This section shall apply to gain from the sale or exchange of stock treated as qualified small business stock by reason of subparagraph (A) only to the extent of the gain which would have been recognized at the time of the transfer described in subparagraph (A) if section 351 or 368 had not applied at such time.

"(C) SUCCESSIVE APPLICATION.—For purposes of this paragraph, stock treated as qualified small business stock under subparagraph (A) shall be so treated for subsequent transactions or reorganizations, except that the limitation of subparagraph (B) shall be applied as of the time of the first transfer to which subparagraph (A) applied.

"(D) CONTROL TEST.—Except in the case of a transaction described in section 368, this paragraph shall apply only if, immediately after the transaction, the corporation issuing the stock owns directly or indirectly stock representing control (within the meaning of section 368(c)) of the corporation whose stock was exchanged.

"(i) BASIS RULES.—For purposes of this section—

"(1) STOCK EXCHANGED FOR PROPERTY.—In the case where the taxpayer transfers property (other than money or stock) to a corporation in exchange for stock in such corporation—

"(A) such stock shall be treated as having been acquired by the taxpayer on the date of such exchange, and

"(B) the basis of such stock in the hands of the taxpayer shall in no event be less than the fair market value of the property exchanged.

"(2) TREATMENT OF CONTRIBUTIONS TO CAPITAL.—If the adjusted basis of any qualified small business stock is adjusted by reason of any contribution to capital after the date on which such stock was originally issued, in determining the amount of the adjustment by reason of such contribution, the basis of the contributed property shall in no event be treated as less than its fair market value on the date of the contribution.

"(j) TREATMENT OF CERTAIN SHORT POSITIONS.—

"(1) IN GENERAL.—If the taxpayer has an offsetting short position with respect to any qualified small business stock, subsection (a) shall not apply to any gain from the sale or exchange of such stock unless—

"(A) such stock was held by the taxpayer for more than 5 years as of the first day on which there was such a short position, and

"(B) the taxpayer elects to recognize gain as if such stock were sold on such first day for its fair market value.

"(2) OFFSETTING SHORT POSITION.—For purposes of paragraph (1), the taxpayer shall be treated as having an offsetting short position with respect to any qualified small business stock if—

"(A) the taxpayer has made a short sale of substantially identical property,

"(B) the taxpayer has acquired an option to sell substantially identical property at a fixed price, or

"(C) to the extent provided in regulations, the taxpayer has entered into any other transaction which substantially reduces the risk of loss from holding such qualified small business stock.

For purposes of the preceding sentence, any reference to the taxpayer shall be treated as including a reference to any person who is related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

"(k) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the avoidance of the purposes of this section through split-ups, shell corporations, partnerships, or otherwise."

(b) ONE-HALF OF EXCLUSION TREATED AS PREFERENCE FOR MINIMUM TAX.—

(1) IN GENERAL.—Subsection (a) of section 57 (relating to items of tax preference), as amended by section 8171, is amended by adding at the end thereof the following new paragraph:

"(7) EXCLUSION FOR GAINS ON SALE OF CERTAIN SMALL BUSINESS STOCK.—An amount equal to one-half of the amount excluded from gross income for the taxable year under section 1202."

(2) CONFORMING AMENDMENT.—Subclause (II) of section 53(d)(1)(B)(ii), as amended by section 8171, is amended by inserting "and (7)" after "(5)".

(c) PENALTY FOR FAILURE TO COMPLY WITH REPORTING REQUIREMENTS.—Section 6652 is amended by inserting before the last subsection thereof the following new subsection:

"(k) FAILURE TO MAKE REPORTS REQUIRED UNDER SECTION 1202.—In the case of a failure to make a report required under section 1202(d)(1)(C) which contains the information required by such section on the date prescribed therefor (determined with regard to any extension of time for filing), there shall be paid (on notice and demand by the Secretary and in the same manner as tax) by the person failing to make such report, an amount equal to $50 for each report with respect to which there was such a failure. In the case of any failure due to negligence or intentional disregard, the preceding sentence shall be applied by substituting '$100' for '$50'. In the case of a report covering periods in 2 or more years, the penalty determined under preceding provisions of this subsection shall be multiplied by the number of such years."

(d) CONFORMING AMENDMENTS.—

(1)(A) Section 172(d)(2) (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includable on account of gains from sales or exchanges of capital assets; and

"(B) the exclusion provided by section 1202 shall not be allowed."

(B) Subparagraph (B) of section 172(d)(4) is amended by inserting ", (2)(B)," after "paragraph (1)".

(2) Paragraph (4) of section 642(c) is amended to read as follows:

"(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202. In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income)."

(3) Paragraph (3) of section 643(a) is amended by adding at the end thereof the following new sentence: "The exclusion under section 1202 shall not be taken into account.".

(4) Paragraph (4) of section 691(c) is amended by striking "1201, and 1211" and inserting "1201, 1202, and 1211".

(5) The second sentence of paragraph (2) of section 871(a) is amended by inserting "such

gains and losses shall be determined without regard to section 1202 and" after "except that".

(6) The table of sections for part I of subchapter P of chapter 1 is amended by adding after the item relating to section 1201 the following new item:

"Sec. 1202. 50-percent exclusion for gain from certain small business stock."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to stock issued after December 31, 1992.

On page 504, between lines 6 and 7, insert:

(c) SPECIAL RULE FOR PERFORMING ARTS.—Section 274(n) is amended by adding at the end the following new paragraph:

"(3) SPECIAL RULE FOR PERFORMING ARTS.—In the case of any amount paid or incurred for a ticket to a live performance of the performing arts, paragraph (1) shall be applied by substituting '80 percent' for '50 percent'.".

Mr. DOMENICI. Madam President, obviously, from looking at what was sent up, there is a lot of language in this amendment. Does the majority leader have a summary we can see? Obviously, we need to read it. May we have a copy as soon as possible?

Mr. MITCHELL. Yes. Let me just describe it in brief outline, and then other speakers will fill in the details.

If I could have the attention of the Senator from New Mexico, the principal provisions are two. The first is that it takes the targeted capital gains provision that was proposed by the President and included in the House bill and will place it in this bill. That is based upon and similar to, although not precisely identical, a proposal previously made in the Senate by Senator BUMPERS. I am advised that he will be here shortly to describe that in some detail.

Second, it increases the amount of expensing to which small businesses would be entitled from the current level in law, which is $10,000 a year. The House bill is $25,000. The Senate Finance Committee bill is $15,000. This would increase it to $18,500.

So those are the two principal provisions providing a targeted capital gains mechanism and increasing expensing from the committee bill level of $15,000 to $18,500.

Madam President, might I ask in exchange—and we will do this when convenient for the Republican leader and Senator DOMENICI, if we could have a summary also of what we anticipate will be offered as the principal substitute, at whatever time you are able to do that so we can review it.

Mr. DOMENICI. We will do that rather soon.

Mr. PACKWOOD. Mr. President, if the majority leader will yield for a question. Is this the $3.4 billion extra left over from the bill that came out of the Finance Committee?

Mr. MITCHELL. I believe it is $3.6 billion.

Mr. PACKWOOD. Refresh my memory. Was this the money we said we were going to use for deficit reduction?

Mr. MITCHELL. This will go to the—I do not know what anybody said about it. But the bill, as coming out of the committee, has $516 billion in deficit reduction.

Mr. PACKWOOD. It does? I recall in committee the Republicans wanted to offer amendments to spend this $3.6 billion, and we were told it was going to go for deficit reduction. It seems that just in a day or two we are going to spend this money instead of using it for deficit reduction. I fear that will also happen to other presumed deficit reductions that we have in the bill.

Mr. MITCHELL. Since Senator BUMPERS was one of the principal advocates of capital gains tax reduction and stood on the floor and argued how it would raise money and not spend money, I guess it depends upon which perspective one takes as to whether it is spending. But the answer is that the money will go to provide a targeted capital gains tax cut and increase expensing allowances on small businesses.

Mr. PACKWOOD. I want to get the priorities straight. We took the money we were going to save for deficit reduction for eliminating the deduction for lobbyists, and we are going to spend it on public financing of campaigns. Now we are going to take this money we were going to use for deficit reduction and spend it for other purposes. The purposes may be worthy, but I think it is a harbinger of what we are going to do with the other extra money left over after we pass the tax bill. We are going to spend it and not save it. We are starting down that road.

Mr. MITCHELL. All I can say is, if the Senator joins us in voting for the bill, it will produce $516 billion more in deficit reduction than would otherwise be the case.

I yield to the chairman of the Finance Committee.

Mr. DOMENICI. Mr. President, I ask one additional question. Whose amendment is this? Is this the amendment by Senator BUMPERS?

Mr. MITCHELL. He is going to address the capital gains provision.

Mr. DOMENICI. It is sort of like his, but is this a committee amendment?

Mr. MITCHELL. It is my amendment. No; it is not a committee amendment.

Mr. DOMENICI. I wonder, have you added substantive language in this amendment?

Mr. MITCHELL. I think the amendment speaks for itself.

Mr. DOMENICI. I wonder if it is germane, but I do not know whether it is or not at this point.

Mr. MITCHELL. Madam President, I yield to the distinguished chairman of the Finance Committee.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. I thank the majority leader.

To my friend, the ranking member of the Committee on Finance, a simple clarification. It was necessary to leave a certain amount of looseness in our own calculations of costs and consequences in order that we would receive, this morning, from the CBO, the estimate, which binds us, of how much money we have reduced outlays by cutting spending, and how much revenue we have gained by increasing taxes. And, as I am sure the distinguished committee chairman of the Budget Committee would agree, we were informed this morning, and not until this morning, that this was the amount.

Mr. PACKWOOD. I know my good friend is right. I make the same point here. Now that we have this extra money, let us spend it.

Mr. MOYNIHAN. On useful investment purposes.

Mr. PACKWOOD. I understand, and I think that is going to happen to the other $120 billion in this bill. It is going to be spent on useful investments. One of them is not paying off the deficit.

The PRESIDING OFFICER. Who yields time on the amendment?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. If I could have 10 minutes.

Mr. DOMENICI. I yield whatever time the distinguished leader needs.

Mr. DOLE. Madam President, I am not going to address the amendment. I understand Senator BUMPERS is going to discuss that. It was an amendment he had an interest in.

I wanted to discuss, generally, what we are in the process of doing here. We have a fundamental difference here in the philosophy of the two parties. I think we ought to lay it out there.

Everybody wants to reduce the deficit. President Clinton wants to reduce the deficit, and I think everybody on this floor wants to reduce the deficit. I guess the question is: What approach will we use? Some of us have been through deficit reduction battles before, and we have scars to prove it. We have made tough votes and did things people thought we should not have done. I guess that is about where we are starting off today.

I think that if you ask the American people—I do not care whether they are Democrats, Republicans, Independents, Perot supporters, Clinton supporters, or Bush supporters, whatever—they will say to you: Why do you not cut spending first?

I do not believe they are cynical. I think the American people are good. They want to make it work. They want to cut the deficit. They want President Clinton to succeed. We can only have one President at a time. I think what we are seeing now, the more they look at this package—and, again, I commend my colleagues on the other side for pushing this package. It is pretty tough to push a good package. Think of the work they did on this terrible package. They deserve a lot of credit. I commend my colleagues for their great effort.

I am afraid the American people are not going to be as charitable as some of us in the Senate, because we respect each other. We do not agree with each other all the time, but we respect each other and never question anybody's motives. But the American people are looking at us. The last time I checked, the American people did not have a great deal of confidence in the Congress—Democrats or Republicans—and did not have confidence in Government, generally, or in this administration, or the last administration, or whatever.

So they are looking at this debate or watching this debate, listening to this debate. And we are out here arguing about taxes.

The first amendment we have is to spend more money. Maybe it is a good amendment. It is certainly good to help small business a bit because, as the Senator from New York pointed out, they are going to get to pay about 50 percent; 50 percent of the increased tax rates are going to come out of the hides of small business men and women.

What we are talking about calling our plan which is going to be offered, is tax free in 1993—and also 1994, 1995, 1996, and 1997; it is a tax-free plan. We believe it is the taxpayers alternative. No doubt about it, the choice could not be clearer between the President's tax-and-spend package or the taxpayers alternative.

As the Senator from New Mexico pointed out earlier and will point out again later, we are going to get even below the President's deficit number in 1998 without any new taxes.

I want to make certain everybody understands. It is not going to be an easy vote. We have a very tough package. If you like to cut spending, this is the vote to cast. If you are a little weak-kneed about it, you had better vote the other way and say: I would rather vote for taxes than vote to cut spending.

It seems to me that we have heard a lot of talk about this move called "Jurassic Park." I have not seen it, but I heard about it. I think what, in effect, the Democrat plan does is sort of leads the American people into Jurassic Park and feeds their hard-earned money to the dreaded taxasaurus, which is the Clinton plan. I do not know how may people taxasaurus is going to eat up, or how much income it is going to eat, but it has gone wild. Every time we turn around, it is wanting more taxes.

The American people do not like taxes. It seems to me we have to help the President keep his campaign promises. The Senator from New York just pointed out that back in the campaign, the President said he wanted to cut the deficit with $3 of spending cuts for every dollar in tax increases. That was his statement, not mine. Just reverse it: $3.18 in new taxes for every dollar in spending cuts. That is hard for the American people to understand, because they all watched the campaign very carefully, and they cannot understand why it has changed so much in the last 6 months.

So we have had this go through the Senate Finance Committee. The Senator from New York, my colleague, did an outstanding job. He is a great chairman of the Senate Finance Committee, and I predicted even before he took that position that he would do a good job. And, again, he did the best he could with a bad, bad product. So I commend him for getting it to the floor. It is going to pass the Senate, no question about it. There will be a conference. Then it will come back, and we will see what happens.

I though I would take up a couple more of the President's promises. Last September, candidate Clinton said:

> Under my economic plan, middle-class families will get the tax relief you deserve. The only people who will pay more taxes are the wealthiest 2 percent, those living in households that earn more than $200,000 a year.

That was a quote in USA Today, September 8, 1992, before the election. Something happened since then.

President Clinton has changed his definition of rich, dropping it by $60,000, to households earning $140,000 a year. On top of that, he now thinks that middle-income Americans deserve a broad-based energy tax and higher prices at the gas pump and the checkout counter.

In his book, "Putting People First," candidate Clinton wrote, and I quote:

> A Clinton-Gore administration will encourage small business people and entrepreneurs to take risks and reward those with the patience, the courage, and the determination to create new jobs.

That was in the book. On the campaign trail, candidate Clinton said:

> My plan will not add new taxes on small business. I know that 65 percent of the new jobs in this country are generated by small businesses, and I am committed to helping them prosper.

Again, USA Today, September 8, 1992.

President Clinton and Senate Democrats now plan to "encourage small business people and entrepreneurs" to create jobs by raising tax rates on sole proprietors—that is the American out there all by himself, trying to make a little living in a little business, a man or woman or family—partnerships, and what we call subchapter S corporations. They now face a tax increase, not from 3 to 5 percent, but probably from 31 to 45 percent, and maybe a little bit more.

The sad fact is that it is the employees of these small businesses who will suffer the most. They are the ones who are going to suffer.

I brought along just some clips from people around the country. These are small businessmen and women. These are people like Ron Bullock, the president of a corporation in Downers Grove, IL. He has a family-owned business that has 150 employees. They have $24 million in sales. According to President Clinton, they are rich. They cannot plow the money back into the corporation. They are going to get to owe all these new taxes. The President must think all these people are clipping coupons and making millions and millions of dollars a year. It is not true.

Take the case of Earlyn Church, the vice president of Superior Ceramics Corp. in Vermont. It is a 150-year-old family-owned business with 90 employees. Superior invested $160 million last year for employees. With the tax increase, it is not going to be able to do that.

These are facts. This is not Bob Dole, some Republican partisan, dreaming up something about business men and women. These are facts.

Then take the case of Dan McGregor, president of Rose City Manufacturing Corp., Springfield, OH. He primarily is in the stamping business, making, stamping bicycle spokes; $23 million in sales, 180 employees, three plants. The proposed tax increase will reduce his cash-flow by 67 percent, and when he reinvests about 86 percent of cash-flow in plants and equipment, the lost dollars are also not reinvested.

Jobs and opportunities are lost for people trying to get off welfare, trying to find a job in the private sector. Up it goes, because someone wanted to raise taxes.

There are millions—I will say hundreds of thousands—of examples just like the three I read; maybe as many as a million, because there are 1.5 million, I think, subchapter S corporations in America. I do not know how many million sole proprietors and partnerships there are, but a lot.

Mr. DOMENICI. Twenty-two million.

Mr. DOLE. Twenty-two million. So a total of about 12½ million.

These are real people. These are Democrats, these are Republicans, these are independents out there, trying to meet a payroll, trying to make a living, trying to create jobs in the private sector. I think the more they learn about it, the less they like it.

So next April 15, some of these people, if you add on State taxes, will pay more than half of all they earn for taxes; much more than half of all they earn, in some cases. I think there is so much distress, is why the economy is slowing down. Nobody is investing, nobody is buying anything, nobody is hiring anybody, because most employees know and most employers know that after this huge tax increase, next comes health care reform.

I picked up the Los Angeles Times 2 weeks ago, I think, on a Thursday, and the headline was "12 Percent Payroll Tax for Health Care." You put a 12-percent payroll tax on top of all these taxes, and then what do you tell Ron Bullock and Earlyn Church and Dan McGregor? "Go find something else to do, or get on food stamps or do something else." That is not the way it is supposed to work in America.

For all the reasons I can think of, it seems to me we are off on the wrong track. We have had some opportunities. We have had big jumps in productivity. In the last quarter of 1992, we had the economy grow at a 4.7 percent rate. Productivity rose 2.7 percent in 1992, the largest jump in 20 years. Consumer confidence was up; now it is down. Unemployment was moving down. But since that time, with all this talk about taxes and more taxes, and health care reform, it is beginning to affect business decisions.

Do not take my word for it. Read the paper every day, where some business analyst is saying: We are not hiring anybody. Nothing is going to happen because of all the taxes that are coming in this administration.

Nobody has been able to convince me that a record tax increase is good medicine for the economy. And as I heard my colleague from Oregon point out time after time, he cannot find a single instance in any country in the world where a major tax increase has stimulated the economy.

So I guess my point is, we want to reduce the deficit. Some of us have tried in the past and some of us have tried to make it work. It works better when it is bipartisan.

It does not work very well behind closed doors where we shut one party out and tell the other party, "Well, why don't you be bipartisan?"

And today President Clinton is hammering the Republicans. Every time he gets an opportunity in the White House, he tells reporters, "The Republicans are protecting the richest of the rich."

These 23.55 million American business people, these are the rich people. Half of the tax, 49 percent of the tax increases, because of rate increases, are going to be paid by small business. And they are not rich. They are trying to create jobs and make it work in America.

And that is what this is all about. The President can be partisan if he wishes. That is his role.

I am glad to see some recognize this is not a $516 billion package. It is a $347 billion package over 5 years, and only $83 billion in spending cuts, and only $15 billion in spending cuts before the 1996 election. Nobody can make it sound any different. I welcome that opportunity.

Let me just close by saying we have a new spin doctor down at the White House. And he has been spinning and spinning and spinning.

I noticed today they published a four-page document, sort of attacking BOB DOLE. You know, I am flattered I am getting all this attention from the White House. I never got four pages from any other White House, either Bush or Reagan or any other. So I get four pages from this White House, saying I voted for the 1990 budget agreement. Well, I did. But there is a rather major difference between that budget agreement and this one.

They say, since you voted for that, you should not criticize this plan.

First of all, it was a bipartisan effort. Many here participated in it. Some of my Republican colleagues did not like it; some of our Democratic colleagues did not like it. But some of us went out to Andrews Air Force Base. We were there for 2 or 3 weeks, I cannot remember how long. We had President Bush and we had the Democratic leadership trying to come together, and we had a bipartisan agreement. But in that agreement, it was $2.05 in spending cuts for every $1 in taxes over the 5 years. We also had spending caps we could not break.

So I just suggest that this is going to be an exercise and we hope the American people have tuned in. If anybody out there who may be viewing this program wants their taxes raised, stay tuned, because it is going to happen.

But if you are worried about the tax increase, try to find something else on TV. Do not keep C-SPAN tuned in because you are not going to feel good, you are not going to feel good today or tomorrow, because there is going to be a big, big tax increase and you are going to be told it is only the rich. You are also going to be told you are the rich. You may not realize it until this came along.

My colleagues are going to try to accommodate everybody, so everybody is going to be included in some way or another. Everybody is going to pay increased taxes.

We are going to make the best case for our package. It is a tough package. No tax increases. It is spending cuts. And we believe that America wants to cut spending first.

I understand Ross Perot may be coming to town tomorrow to bring in signatures from 1.5 million people saying, "Cut spending first." Well, Ross Perot's package had a lot of taxes in it, too—a 50-cent gas tax, among others. Ross Perot has been out there where the real people are, and he has been listening. Now he is saying, "Cut spending first." He has gotten the message.

I hope my colleagues on the other side will join us when we offer our plan and it will be a unanimous vote to cut spending first.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Madam President, before my esteemed and long-time colleague leaves the floor, may I say that it is a painful fact for both sides that the Finance Committee was not able to work in its usual bipartisan manner with respect to the measures we bring to you today.

But just as a late note and perhaps a note of things to come, this morning, on legislation of great importance, the President's request to extend, to be given fast-track authority so that the epochally important Uruguay round of trade negotiations can be concluded by December 15 of this year so that our President can go to the Tokyo summit of the G-7 with Congress behind him. That bill passed out of the Finance Committee, as the Senator knows, 18 to 2. The Republican support was unanimous. There were Democratic votes against.

The distinguished Senator from Oregon, the ranking member, and I had introduced the bill.

I look forward to this as being the moment at which we all approach the issue of health care when it comes, and shortly it will do. And I want to thank him and all Members on both sides for that fact.

We have not heard from the President yet, but I do not doubt we will. Perhaps we will get a note in that regard.

Mr. DOLE. I think the Senator is correct. It is not very often we do not have bipartisanship. I think some people who may be watching or viewing this think we fight all the time. It does not happen that often. More often than not, it is totally nonpartisan or bipartisan, whichever word you chose.

In this case, I told the President when it comes to fast track on the North American Free-Trade Agreement, there will be as many Republican Senators with him as there may be Democrats.

Mr. MOYNIHAN. As was the case this morning.

Madam President, on behalf of the manager of the bill, I yield 15 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER (Mrs. BOXER). The Senator from Arkansas is recognized for 15 minutes.

Mr. BUMPERS. Madam President, first I want to thank my good friend, the distinguished acting floor manager, Senator DASCHLE, for yielding to me.

A good, big portion of this amendment deals with what has been known in this body as the Bumpers amendment.

Madam President, before I say that and before I describe what the Bumpers bill did and what it does, I would like to say this about this whole bill and some of the rhetoric I have heard here today.

Sometimes I wish I were a Republican, because I would divinely like to vote against this bill. I would like to be able to say to the American people, "Oh, it is a big tax bill. Your taxes are going up. The sky is going to fall," and not offer an alternative, not offer anything about deficit reduction.

I remember hearing George Bush one night in a State of the Union Address say, "The problem with Democrats is that they lie awake at night thinking that somewhere, someplace out there somebody is having a good time, and it worries them."

I would counter that, Madam President, by saying to the other side of the aisle, I wish I could believe that in their more reflective moments at night, just before they go to bed, that somehow or other the deficit actually crosses their mind, that they really worry about the future of my grandchildren—indeed, my own future. I am getting on up there. But I can tell you, Madam President—I am in reasonably good health—that unless this bill passes and more spending cuts go with it later on, I, myself, will pay a very heavy price for the most irresponsible tax and economic policies in the history of the world for the past 12 years.

No, I do not want to vote for this bill. I have said many times to some of my cynical friends who distrust politicians specifically and Government in general, "In your cynicism, what is it that you think about politicians? What do you think politicians want more than anything else in the world?"

"To be reelected."

And they are dead right, I say to the Senator. The Members of this body are consumed—and I do not exclude myself—with being reelected.

And what is the one thing, Madam President, what is the one thing that will almost guarantee you a strong opponent and probably defeat? Voting for a tax increase.

So, I ask everybody within earshot of my voice, when you lie down tonight, do not worry about whether somebody is going to have a good time, or have a fleeting thought about the deficit. You think about people on this side of the aisle who are going to vote for this bill with 250 billion dollars' worth of tax increases in it, and ask yourself do you think they are doing that so they can get defeated next time they run? Do you think they are doing that to see how many people they can alienate and how many enemies they can make?

I tell you why they are doing it. You can call it self-serving, you can call it whatever you want. They are doing it because time is running out on this Nation. A lot of people said, Senator, if they do not put your capital gains provision in there, threaten to vote against the bill. Tell them you are not going to vote for it. That is the only way you get anything around here.

I would like to do that, Madam President. But I can tell you the reason I am not going to is because it would be the height of irresponsibility. You are looking at a person who voted against every bit of it. Eleven of us stood on this floor in 1981 and voted "no." If you want to read a brilliant speech, you write my office and I will send you a copy of a speech I made just before we voted. I said you pass this bill you are going to create deficits big enough to choke a mule. We passed the bill and we created deficits big enough to choke a mule. My colleague from New Jersey is here nodding because he was one of those 11, too.

Now we come to the point where we will separate—I hate to say this—the men from the boys—with a female presiding over the Senate. So the Mitchell amendment, which will, hopefully, pass and become a part of this package, embraces about 60 percent of the Bumpers bill, which is designed to provide an incentive for people to invest in small business.

I wanted to make the limit $100 million. That does not sound like small business, but if you are in California and you are starting a biotech business, $100 million is not very much money. It simply says, if you will invest in a small business and hang onto that investment for 5 years, if you make a profit, you can exclude 50 percent of that profit from payment of capital gains. It is an effective reduction of the capital gains rate to 14 percent from 28 percent.

Madam President, the banks in this country are not loaning money to small business. Venture capitalists have a very difficult time trusting small business. We even let the Small Business Administration principal loan program shut down, from April 26 to today. It is still shut down. And it is essentially the only thing open to small business.

This amendment is going to pass because the primary objection of the Senators from Louisiana and South Dakota and Connecticut and all of us is, it did not do anything for small business. This amendment is designed to rectify that. I can tell you, small business loves the expensing part of this where if they buy a piece of equipment that costs $25,000, instead of depreciating it, they can charge it all off. I can tell you small business people love that. Better than going to heaven. That is a big incentive for small business. And the majority leader is taking some of the money, excess money in this bill, to accommodate all the concerns on this side of the aisle about doing something for small business.

The President of the United States, then candidate Clinton, went from one end of this country to the other, north, south, east, and west, saying I favor the Bumpers small business capital gains provision. It has passed the Senate twice. The House put essentially the same version that we have here on the floor today, in their bill. And, while, as I said, it is not everything I want, I am going to try to get the rest of it later on with another amendment.

Madam President, if I were just standing up here as a former small businessman, as chairman of the Small Business Committee, paying tribute to small business—because they do not traditionally vote Democratic, you know that, do you not, Senator? The shopkeepers of America, as a lot of small business, do not vote heavily Democratic, but that has nothing to do with our obligation to try to help them. And I am not saying this because I am chairman of the Small Business Committee. I am saying this because from 1988 to 1990, small business in this country created 4,016,000 new jobs. While the companies of this country who employ over 500 employees were laying off 500,000 people.

Let me repeat that. You say things around here that are very dramatic and everybody looks at you, you know; it does not seem to soak in. From 1988 to 1990, small business employers who employed 1 to 20 people—1 to 20 people—created 4,016,000 new jobs; and employers who hire 500 or more people laid off 500,000 workers. That is the reason we are trying to help small business.

Federal Express started out in my State; Compaq Computer, Cray Research, Intel, Apple Computer—every one of them started out with a small business investment loan. Small business. You cannot become big until you start off small.

So I am pleased to come over here and say we are going to try to put money in the treasuries of small businesses. Under this provision, the Bumpers bill, the money cannot go through a broker. It has to be paid directly into the treasury of the corporation. We have more language in there than you can shake a fist at to make sure nobody rips this system off. It is unique. It is new. And in my opinion it will work.

I would not invest. I am not a patient investor. I want to be able to get my money out. In order to invest in these things you have to leave your money there for 5 years. That takes a lot of patience.

So, Madam President, I am honored to be here to say these things. I think this amendment is extremely important to the passage of this entire bill.

Finally, on a much greater, macro concept, I am glad to see a President who says the deficit really does matter. It is a threat to all of us, and I am willing to take a lot of political heat—which Lord knows he has done—to try to come up with this proposal. Look at the pie charts about who is going to pay it. I have nothing against the rich, been trying to join them all my life. But if you look at that, you will find that people who make over $200,000—which represents about 1 percent of the people in this country—are going to be paying about 75 percent of the bill.

You want to drop it down to $100,000, you get everybody.

The people who make $30,000 or less under this bill are actually going to be held harmless under this bill. But we have to do something about the deficit. And for the first time in 12 long, agonizing, tedious, suffering years we have an opportunity to prove to the American people that even though they do not like it—you saw that cartoon in the New York Times Sunday—everybody wants to go to heaven but nobody wants to die. That is where we are on this bill.

I yield the floor and I yield the remainder of my time to the distinguished floor manager.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Madam President, I thank the manger of the bill. I intend to use no more than 10 minutes.

Mr. DASCHLE. I yield the Senator from New Jersey 10 minutes.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 10 minutes.

Mr. BRADLEY. Madam President, I have looked at the amendment that is being offered by the leadership on the Democratic side. I must say I am disappointed by the amendment. I think the Finance Committee reported out a bill that was balanced. This goes in the direction of imbalancing the bill. I would like to explain why.

Back in 1986 when we did tax reform, we cut tax rates, and we gave up various loopholes. One of them was capital gains. We had people come to the Finance Committee and half of them said, if you get the rate down to about 28, we do not want a capital gains differential.

The other half said that even if you get the rate down to 12, we still want a capital gains differential. So the pragmatists won, the ideologues lost. We got the rate down to 28 percent and we eliminated the differential between capital gains and ordinary income, no difference between wages or capital income.

The first thing that happened before the ink was yet to dry was that people started coming in saying, "Well, we want to create a differential for capital gains. We want to lower it, the capital gains rate. Twenty-eight percent is not enough. We want a lower rate on capital gains."

When they would come in, I would say to them: "Well, you know you keep going down this road and what is going to happen is, rates are going to go back up, rates are going to go back up."

They kept going down this road and this Congress spent from 1988 to 1992 debating the question of whether we should have a capital gains differential or not. Instead of leaving the rates low and not having a differential, the people who wanted to special capital gains rate came in and pushed, pushed, pushed, pushed, pushed. And what we are seeing today is the inevitable result of that: Rates going up, up, up, up, up until we are almost back to the old system. Not yet, not yet, but at least this is in the wrong direction.

I could respect somebody who would come in and say, "I like 70 percent rates, or 60 percent rates, or 50 percent rates, and very low capital gains." I can respect somebody who said that. I might not agree with them. I prefer lower rates and no capital gains differential, but I can respect somebody who had that position.

But, of course, when politicians go out to speak to audiences, what they want, above all, is an answer to a question. And when Democratic politicians would go to speak to audiences where the capital gains issue was important to them, they would say, "Well, I'm for capital gains. I'm for capital gains." But then they would ask their staff to take a look at it, and they would see that roughly 80 percent of all capital gains go to people with more than $200,000 of income, and then they begin to get a little indigestion and, therefore, they would have to find a way to finesse the issue.

And the issue has been finessed by the so-called small business capital gains which is, above all, the answer to the question at the Rotary Club: "Are you for capital gains?" "Why, yes, I'm for capital gains; I'm for a small business capital gains." So you have escaped that bullet. You are for capital gains but you are not really for capital gains.

Let us take a look at this amendment because in order to try to get something that is reasonable or that you can stand up and defend, it become more and more absurd. This is a small business capital gains, but this does not apply to any corporation of more than $50 million. In other words, you can get a 14-percent rate if you are pretty good and small, but if you succeed and get bigger, you do not get a 14-percent rate. What is the logic?

Also, this only applies to C corporations. So 40 percent of the corporations in America, the subchapter S corporations, the real small businesses that are out there working as individual proprietors, they do not get the benefit of it. They get nothing. They do not get the benefit of a 14-percent capital gains.

And then, of course, what industries are specifically excluded from this? Which are these small businesses that this is supposed to be aimed at? If you are in any services—retail, the drugstore, the hardware store, you have a good insurance business, you have a good real estate business—no, you are not included in this. If you are a farmer, no, you are not included in this. If you are involved in some kind of mining or mineral extraction, no, you are not included in this. If you are in hotels or motels or restaurants, no, you are not included in this. No, you do not get this 14-percent rate, even though you are small business.

So this does not go to small business, this goes to some small business, a very small number of small businesses.

What are we about? This is supposed to be a deficit reduction package. My goodness, we had $3.6 billion—$3.6 billion—above what we needed for deficit reduction. Oh, my gosh, we cannot have that for deficit reduction, we need to spend it. And so here we are, we are spending it, instead of putting the $3.6 billion more in deficit reduction. After all, it is the major aspect of this enterprise. We are going to give it away, we are going to fritter it away, fritter it away.

So, Madam President, this is supposed to be big for venture capital. When people invest in venture capital, they have in mind hitting it big like Microsoft, or hitting it like Sun Microsystems, or hitting it like any other number of companies that have had an incredible idea, got early financing, succeeded, and essentially changed the way we think about our lives. And those individuals are the innovators that this amendment is supposedly aimed at, but they do not get the benefit of this amendment.

I am sorry, they get some benefit. They get the 14 percent on only $10 million. You say only. Well, $10 million is not bad, but if you are Microsoft and you hit it and get it right, you make a lot of money. Why is $10 million OK but $12 million not OK? In terms of incentive for venture capital, I would argue that this is minimal.

Then the last point on deficit reduction. This amendment is crafted so you have to hold this stock for at least 5 years. This amendment says that it costs $952 million but, of course, that is over a 5-year period. But if the amendment says you have to hold if for 5 years, what do we expect to happen in the sixth year? Everybody is going to be cashing in. So it is a budget gimmick because in the sixth year everybody is going to be cashing in at the 14-percent rate. Then you are going to have an incredible increase in the budget deficit.

This does not apply to some of the larger corporations; it is supposed to be small business. What we are going to find is some of the larger corporations are suddenly going to become a lot of smaller corporations. And some of those big corporate executives that this bill is supposedly aiming at preventing from getting over $1 million in compensation, and that this bill is trying to tax at a 36-percent rate plus a surtax, are going to find a nice little loophole in this amendment—in this amendment. A very nice little loophole in this amendment.

If I am a big corporation, I can spin off my plant, 80 percent owned as a subsidiary and give 20 percent to the executives in some form of compensation, which I have an agreement with them to buy back at a specific rate in that instance, they then get a 14-percent rate. So the bulk of their income will not come from salaries, which are limited, supposedly, under this bill, but will come in capital gains at the 14-percent rate as a small business capital gain.

I know major corporations today that are salivating with this amendment. They already have their lawyers planning how they are going to evade the intention here.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PACKWOOD. On my time, will the Senator respond to a question?

Mr. BRADLEY. I will be pleased.

The PRESIDING OFFICER. Is this on the Senator's time?

Mr. PACKWOOD. On my time.

There is nobody more expert to answer this. In his amendment, in addition to what the Senator has referred to, there is a provision exempting the performing arts from the 50-percent limitation on meals and expenses. I do not like the 50-percent idea to begin with, but I am curious about the term "performing arts," as to whether or not that would or would not cover basketball players.

Mr. BRADLEY. Well, that is another good reason for me being against the amendment, I will tell the Senator that.

Mr. PACKWOOD. If it does not, we certainly should defeat that.

Mr. BRADLEY. I would say to the Senator that I am not aware of this element of the amendment, but I do not think this amendment is wise because of the capital gains and because of the expensing. As to what is live performing arts, I think somebody might argue that a U.S. Senator is part of the live performing arts. Somebody might argue that politicians generally are part of the performing arts.

I do not know what the definition is, to be quite frank with the Senator.

Mr. PACKWOOD. I thank my good friend.

Mr. MOYNIHAN. I think it best to keep out of this, but sporting events are not included.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Madam President, I yield the floor.

Mr. DOMENICI. Madam President, where are we timewise on this amendment?

The PRESIDING OFFICER. There is 43 minutes and 19 seconds on the Republican side; there is 27 minutes and 46 seconds remaining on the Democrat side.

Mr. DOMENICI. Could I just take 5 minutes on our time?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I am not sure we are going to use our whole hour. I have already told the Senator that.

Senator PACKWOOD just raised an interesting question. This has a section in it—I do not really know what it has to do with small business but it is very interesting. I guess all the restaurateurs, and those who furnish entertainment of all kinds in this country, should know that somehow or another they are not favored in this country, whatever it is, how many people they employ, but that performing arts are because the 50-percent substitute for the 80 percent, that is going to apply to live performance of the performing arts. They are going to be exempt from the new tax which is going to burden all other entertainment and restaurants in the United States, and all those in related businesses.

Why would the Senate want to do that? It is a question of what kind of live performance. It will really work out to some very interesting IRS determinations, I can tell you.

Why would we want to do that? Why would we not say to all furnishing entertainment in our society, a Bulls basketball game or L.A. Lakers. I know the good Senator was truly a performer the other night. He introduced the great Kareem Abdul Jabbar, and I watched with great interest. I wanted to compliment the Senator, but I was not there so I do now, for the marvelous remarks the Senator made about a great athlete.

But what about the ball games that are occurring out here? People want to go as a business expense. They cannot do that. But they can go find some performing arts somewhere. I do not know what that means. And they will get a very nice, interesting corporate tax deduction. I think that is enough to defeat the measure, coupled with what Senator BRADLEY said about it. I would only make one other remark, if I could have a little order, Madam President.

The PRESIDING OFFICER. The Senate is not in order. The Senator from New Mexico is correct.

Mr. DOMENICI. I have great respect for Senator BUMPERS, and he speaks eloquently on the floor. I do not know why in arguing about a matter like this we have to talk about who has courage and who does not, which side has the men and which side has the kids. Let me suggest if we want to do that we will just take out the one real deficit reduction package in this institution ever passed. It was the so-called Dole-Domenici resolution where we wheeled in Pete Wilson to vote for us and we got one Democrat, so I know it was not Senator BUMPERS. It was Ed Zonrinsky of Nebraska. We cannot even bring him back here to defend us; he has died since then.

But, in any event, if there was a courageous vote, it was that one. Now, he joined on the side of—I guess we were the men and he was among the boys, or the kids. I do not think that is a way to present this case.

We are going to offer a tough budget. Now, if it is tough, if it is tougher to vote for taxes than it is to vote for cuts, then let the public choose. We think it is tougher to vote for cuts than it is for taxes. We really do. And we are going to vote for all deficit reductions, none for taxes, in our proposal, That is tough, too.

So my last remark is about small business. If you want to be for small business, vote for the Dole-Domenici-Packwood substitute because it does not tax small business any more than they are being taxed today. That is a real small-business vote. As my friend, Senator PACKWOOD, has said, if you want a good economic plan, get rid of the taxes on small business for starters. That is a good economic plan. That is a jobs plan.

I yield the floor at this time.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Madam President, before yielding to the distinguished chairman of the Finance Committee, may I inquire of my friend from New Mexico, he referred to the Dole-Domenici plan a moment ago. Could we get a summary of that so we could be examining it? You never know, you may find some votes on this side.

I apologize to my friend. I am advised by staff that we just received it. I thank him for his courtesy.

Madam President, may I inquire how much time remains on the Bumpers amendment?

The PRESIDING OFFICER. Senator SASSER has 27 minutes remaining, and Senator DOMENICI has 39 minutes remaining.

Mr. SASSER. Then we would yield to our distinguished friend from New York, the chairman of the Finance Committee, 1 minute.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 minute.

Mr. MOYNIHAN. Madam President, in the interest of full disclosure to the situation where many texts are moving around and they are necessarily complex, just to expand, I stated earlier to my friend, the ranking member of the committee, that the Congressional Budget Office found that we had $3.6 billion above our reconciliation instruction. We decided to provide a small portion of that to the relief of the performing arts, which we find throughout the Nation—the symphony orchestras, the playhouses, the ballet companies, what you will. They are worthy of public support. They give great support. We will continue to tax them at a form of 20 percent and not increase it to 50 percent.

If there is anything we know, it is that every theater is a small business.

It employs people at small incomes and deserves our support and receives public support as it has received that of the Finance Committee and will, I cannot doubt, receive that of the Senate.

I thank the Chairman.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Madam President, I yield 5 minutes to the distinguished Senator from California.

Mrs. FEINSTEIN. I thank the Senator very much.

The PRESIDING OFFICER. The senior Senator from California is recognized.

Mrs. FEINSTEIN. I thank the Chair very much.

Madam President, I rise to add my voice of support to the Mitchell-Bumpers amendment with this caveat: I believe that for that amendment to really be effective it must have a paid-in capital threshold of at least $100 million to do what it is purported to do. I am hopeful, if this amendment passes in this body, that threshold will be increased in the conference committee.

Madam President, we are passing judgment on a package which, from everything I can see, despite what its critics might say, is the largest deficit reduction package in the history of this Nation. It does make spending cuts. It does have taxes. But it has, to my analysis, more spending cuts than taxes. At the very least, it is one for one.

Those are the two elements: Deficit reduction, spending cuts and taxes. The third element, and where I find the package weak, is that it has eliminated those incentives to fuel an economy such as our State, Madam President, the largest State in the Union, California.

Madam President, I remember hearing Republican conversation, formal and informal, that said it is important to reduce capital gains because, when you begin to reduce capital gains, you create the incentives to invest and create jobs. Madam President, I happen to agree with that. That is why I believe this amendment should actually be bipartisan.

Yes. This package does tax those in the upper-income level. They key to it is to provide the incentive for those people to invest in the economy. So I am disappointed that the package does not have a prudent package of investment tax credits for the purchase of productivity enhancing equipment. I am concerned that it eliminates effectively research and development tax credits. It does not fund them in 1993. It funds them from July to next July and then it drops them. So companies cannot plan with specificity and, more importantly, Madam President, they cannot hire.

What we need to do is put in capital gains, investment tax credits, and research and development tax credits so that for States like California we can say to people, "Have confidence. The incentives are there. Not only are interest rates at an all-time low, but banks are beginning to lend again. The real estate industry is provided with passive loss changes, and we have a substantial package of incentives."

I believe that the Bumpers plan is the first step in this direction. It by no means, as Senator BRADLEY has expressed, goes the full course. We recognize that. But if it is in this bill, it will go to conference.

In talking with the administration last night, the President indicated he wants to take the surcharge off of capital gains. He recognizes the fact that the incentives in this package have been substantively weakened. I believe, and I hope the good Senator from Oregon will agree, that we need to still fuel our economy and reduce capital gains; the development of patient capital, which is what this is aimed at; the accumulation of capital for startup for small business; and, more importantly, for expansion, not turning it over within a year but holding it for 5 years.

So, Madam President, I rise to support this. I believe the amendment will be good for California. I am very hopeful that its capital threshold will be increased to $100 million. And if it is, it can then impact an important industry in California, the biotechnology industry.

Let me just end by saying three big companies that started up, one, Genesen in Cambridge, MA, raised $328 million in equity financing before its first product was approved; Amgen in Thousand Oaks, CA, raised $246 million; Genentech, which was spun out of the University of California Medical Center and established in San Francisco, raised $442 million in equity financing before selling an interest to a Swiss company.

So, what we are doing here is trying to provide the incentive to aid startup industries and also to help companies expand.

I think it is an important part of the package. I hope my colleagues on both sides of the aisle will help us fuel the California economy, the Connecticut economy, and many others in this great Nation.

Thank you, Madam President.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Madam President, the Senator from Louisiana [Mr. BREAUX] is next on our list. The problem here is we have six Senators wishing to speak. We have 20 minutes left on our side.

So, with at caveat, may I yield 4 minutes to my distinguished friend from Louisiana?

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Madam President, I thank the chairman for yielding.

Judgment day is here. There are no more easy days in this Chamber or in the other body with regard to solving the deficit problems. If anybody tells you or anybody else that it is going to be easy to get out of this mess, I suggest they are not telling you the truth.

It is easy when you think about it. When President Reagan was President, he asked us to do two essential things. It was very easy to do both of them. First of all he said, "Let us cut the taxes." We cut taxes down to the 28-percent bracket. That was fun. There was not hardly anybody saying that was a difficult road to march down because it was an easy thing to do. We did it.

The second thing he asked us to do was just as easy. President Reagan said, "Let us spend more money." Congress said, "That is a heck of a good idea. Let us spend more money and cut taxes at the same time." We did both of those things.

Partially as the result of those taxes back in the early days of the eighties, we now have a situation where we have a $4 trillion long-term national debt and a $350 billion-plus deficit that is growing each day.

Yet still we have some people that say, "Don't worry, we have some easy solutions. We have a magical amendment that we are going to come out with on the floor and we are going to present it, and it is going to get us out of this problem. It is not going to have any pain, any suffering, any heavy lifting. Just vote for this and we will get the job done."

We have already heard that the amendment is going to have no new taxes, no new revenues. It is going to have no sacrifice, it is going to call for no pain, and it is going to solve all of our problems.

Come on. It is time that we get serious. I know why Mama used to tell me that if it sounds too good to be true, it is probably not true. I want you to know that anybody who can say that they are going to offer anything that anybody on this Earth can come up with that is going to solve this mess without pain and sacrifice and without some revenues and without some real spending cuts, they are not really looking at a real solution to the problems that we are facing as a nation.

The President asked us to come up with a package that reduces the deficit by approximately $500 billion. And we have done that. The American people say they want it to be done with more spending cuts than taxes, and this committee has, in fact, produced a product that has $267 billion in spending cuts—it is not easily arrived at—and $245 billion in revenues for a deficit package of $512 billion. That is real progress. Is it painful? Yes, it is. But is it aimed at getting the job done? You bet it is.

My constituents in Louisiana said, "We don't want this Btu tax. It is a bad tax. It will not work. It is not going to be manageable. It is too bureaucratic."

This Senate package eliminated it, got rid of it. It is not here, it is gone. It has been replaced by more spending cuts and a 4.3-cents-per-gallon increase on transportation fuels.

The price of oil in this country is cheaper than it has been in a long time. It is over $2 a barrel cheaper than it was last June. Even with this small addition, the price of gas at the pump will be cheaper than it was last year. It will be cheaper than it was in 1990. It will be cheaper than it was in 1980. It will be cheaper than it was in 1970. I could go all the way back to its being cheaper than it was in 1920. Is that sacrifice? Yes. It is too much to ask? No. Does it help reduce the deficit? Yes, it does. I think it is part of a package that I think is fair.

Mr. SASSER. Madam President, I ask unanimous consent that the distinguished Senator from Tennessee [Mr. MATHEWS] and the distinguished Senator from California [Mrs. FEINSTEIN] be added as cosponsors to the Bumpers amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. The next on the list is the Senator from Wisconsin [Mr. FEINGOLD]. May I yield him 4 minutes?

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 4 minutes.

Mr. FEINGOLD. Thank you, Madam President.

Madam President, I want to associate myself with the remarks of the Senator from New Jersey in opposition to this amendment.

Very briefly, I think the President's original package was the best version of this bill I have seen.

Mr. SASSER. Madam President, is the distinguished Senator from Wisconsin speaking in opposition?

Mr. FEINGOLD. Yes.

Mr. SASSER. I was under the impression he was speaking in support. Does my friend from New Mexico wish to yield to the Senator from Wisconsin time to speak in opposition?

Mr. DOMENICI. How much time would he like?

Mr. FEINGOLD. Four minutes.

Mr. DOMENICI. I yield 4 minutes off our time.

Mr. FEINGOLD. Thank you.

Yes, I am in opposition to this amendment. But I am in support of the Finance version of the President's bill.

I was disappointed when the Finance version came out with the $19 billion in Medicare cuts. I am hoping we can still change that. I recognize that this amendment has some very worthy goals behind it. It is not an amendment that I would find disturbing in any context. But in this context, I am concerned. It would be one thing if this had to do with an across-the-board tax cut for middle- and low-income people, surely something we want to do in the long run. That is not what it is.

This establishes or recreates tax breaks for particular uses of capital that, frankly, are uses that have already been distorted by the market. These are tax expenditures. Although I do not think all tax expenditures are bad, I think they should be given the same scrutiny and questioning that spending is given.

I do not think all businesses and business people believe that this type of approach is the most important or top priority of this country. To their credit, the business community has made this argument earlier in the process on the investment tax credit. One of the reasons we are able to meet our goals here of the $500 million is we got rid of the investment tax credit. The biggest job creator in the State of Wisconsin called me and said, "Please don't do that investment tax credit. It does not have anything to do with why I make my business decisions. Please don't waste the money on that. I would rather see you cut taxes across the board."

We have to hold the line on tax expenditures, not just because they are usually ineffective, but because they aggravate the principal problem facing our economy today, the Federal deficit. There is no greater threat to the economic future of business and small business alike than the mushrooming deficit.

Most importantly, this bill is not about creating tax breaks for businesses or for anyone. This bill is not the "economic stimulus package part II." This bill is about deficit reduction. Like everybody else, every Member of this body, I would like to be able to go home and tell the small business owners, the farmers, the mayors, every constituency, that I voted for this amendment to help them out.

That is the path that led us to this fiscal nightmare we face today. Much of the economic woes we face have their roots in the excesses of the 1981 Reagan tax bill. David Stockman, one of the chief architects of that misguided disaster wrote, "The root problem of the economic downfall goes back to excessive 1981 tax bill, which shattered the Nation's fiscal stability."

Madam President, I hope that Members of the Senate will resist the temptation to pile on tax break upon tax break; worthy in principle, but devastating in terms of the impact upon the Federal deficit. That was the mistake of 1981 that we live with today. I am already concerned that the House and the Senate Finance Committees have not closed a number of the tax loopholes that needed to be closed and, certainly, we should not broaden that mistake.

Again, to conclude, Madam President, this is a deficit reduction bill. That is what it is. That is the purpose of it. It is not a bill to provide tax breaks to favorite constituencies. So if there is money laying around here, money to spend, let us either restore those Medicare cuts or make even deeper cuts or changes to the Federal deficit.

Mr. PACKWOOD. Madam President, will the Senator yield me 5 minutes?

Mr. DOMENICI. Yes; I am happy to yield 5 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. PACKWOOD. Madam President, I want to set the record straight on one thing that is alluded to from time to time; that is, the alleged propitious cuts in 1981 when we "cut the taxes for the rich and did not care whether we ran up big deficits."

Let us remember what the situation was at the time, and what we were projecting in 1980 and 1981 for revenues and deficits and surpluses. I will start with the Office of Management and Budget projections. When Jimmy Carter was still President, in January of 1980, they were predicting a surplus of $158 billion by 1985—a surplus.

I will not go through all of the projections from either the Office of Management and Budget or the Congressional Budget Office, except to come up to the critical predictions that were being made at the time we were considering the Reagan budget proposals. I say "budget proposals," not just tax-cutting proposals, because President Reagan had both tax proposals and spending-cut proposals, and the latter he got very few of.

In July of 1981, we had not yet passed the Reagan tax package. The Congressional Budget Office then under the direction of Alice Rivlin—and CBO had not become a Republican bastion of rightwing thought—in July of 1981, the following prediction was made. The Congressional Budget Office baseline predictions—there were no changes in the law, but if we were to continue on as we were going—by 1986 there would be a $209 billion surplus. That was CBO's projection of July 1981.

At the same time, CBO made a second prediction that if the congressional budget resolution, which had already been adopted, were enacted, including the Reagan tax cuts and the spending cuts, CBO predicted then that we would reach a balanced budget in 1985.

What went wrong? Why were they so far off? It is easy to see why. Let us not think we were deliberately trying to create an immense deficit when we passed the bills in 1981. We were right at about 14 percent inflation, and we had not indexed the Tax Code. So that you could normally count on about a 1½-percent increase in revenues versus 1 percent of inflation. So a 14-percent inflation would give us a 21-percent increase in revenues each year. No wonder we were expecting immense increases in revenues.

Two, we had not indexed the Tax Code for inflation. Even with inflation indexing, you would have had a tremendous increase in revenues. But at least they would have been proportionate to inflation.

Next, no one predicted the recession, that in the summer of 1981 we were going to fall off a cliff into a recession and our revenues go kerplunk, and nobody predicted inflation to fall as fast as it went. When you add all that together, it is so wonder we had a fall in revenues.

The purpose of the Reagan tax cuts was to remove from the Federal Government approximately $150 billion to $200 billion in money we thought would be surplus and he was afraid we would spend if we had it. He thought the best way to keep us from spending it was to cut the taxes.

What is the relevance to where we are now? Already, we have had two instances of money we thought we had coming in that we are going to spend. First, there was a relatively modest amount from eliminating the deduction for lobbying expenses, which President Clinton proposed to reduce the deficit. No, we are going to spend that on public financing in the campaign reform bill. There it went. It was not a day apart before we were going to save it, and we spent it.

There is $3.4 billion in this bill of more deficit reduction than called for by the budget resolution. And I will quote from the record in the Finance Committee a few days ago when I was trying to suggest we might do something with the money. I said I think "we have a $3 billion surplus over the 5 years."

The chairman said: "Your figures may be right, but we're trying to reduce the deficit. With great promise and respect, I just have to say that, in my view, I don't know what the others will say."

That is fine. We had to wait for the CBO estimate. And it turns out the bill has $3.4 billion in additional taxes or cuts. We are going to spend it, not reduce the deficit. If we pass this bill, we are not going to have $1 billion in extra money, not $3 billion in extra money; if we pass this bill, we are going to have about $250 billion in extra money from a whopping tax increase. And we are told we are going to reduce the deficit with it. We are told we are going to reduce the deficit when our good colleague from Wisconsin says we have some extra money, and we should not cut Medicare so far.

I will wager that every single one of us—the Senator from Arkansas [Mr. BUMPERS] who wants to use this for the capital gains, and somebody else wants to use it to change the tax status of the performing arts. I even have things I would like to do with it.

I will make this prediction: If this bill passes, very little of the $250 billion in extra taxes we are going to collect—we think we will collect about that much, unless the economy does not perform well—will not go for deficit reduction; it will go for spending increases, and the deficit will end up being bigger than if we had not passed this bill at all.

I thank the Chair, and I thank the Senator from New Mexico.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Madam President, I yield to the distinguished Senator from Connecticut [Mr. LIEBERMAN] 3 minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 3 minutes.

Mr. LIEBERMAN. Madam President, I thank the Chair and I thank the Senator from Tennessee. I will try to make three points in my 3 minutes.

I rise to support the amendment, although I do so with some reservations. I do so, first—and I thank the majority leader for offering this amendment because I think it is a response to those of us who have felt that the bill, as reported out of the Finance Committee, was a good deficit-reduction package, but if it was only that and if it is only that, we have not done our job. We must also do something to stimulate the economy.

This bill will take one-quarter trillion dollars out of the economy in the next 5 years. Unfortunately, we have to do that to pay the deficit down. At the same time, we ought to give some incentives to business to invest and create jobs, which, bottom line, is really what our constituents most want us to do and what the country most needs us to do.

So, in adopting a form of the capital gains amendment of Senator BUMPERS for small business and in giving business the expensing provisions incentive to invest in new equipment, which usually leads to hiring new people, we have taken a step forward.

Second, my friend from New Jersey has criticized the capital gains approach, and there is a certain irony, I must say, in criticizing the limits and conditions that Senator BUMPERS and the rest of us who sponsored it have put into it as that was done only to try to respond to criticisms from the Senator from New Jersey and others that made it impossible to fashion a majority to support the proposal.

This capital gains tax cut I believe in. I supported the one that President Bush put forward in 1989. They are not tax breaks for the wealthy. They are not giveaways. The aim is to get people who have money to put it into productive investments in our society. Every economist I talked to tells me—liberal, moderate, conservative—one of the weaknesses of our economy is the lack of investment, debt, and equity.

This is the way to say to people with money to give it to small businesses, people with ideas, people who want to get rich, people who want to create jobs. Help them to do that and hope our economy will make up for some of those millions of jobs we have lost over the last 4 or 5 years.

Finally, let me say that I have reservations, because this does not go far enough. This does not include corporations capitalized up to $100 million, which includes a lot of important high tech, biotechnical companies that will create most of the new jobs in the future. It does not allow for corporate investments, also an important incentive and source of capital which we need.

I am going to join with my friend and colleague from Arkansas when he comes back to improve this amendment. For now this is a step forward. This is a step toward job creation, and I am proud to support the amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. SASSER. Madam President, I yield 2 minutes to the distinguished Senator from Tennessee [Mr. MATHEWS].

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 2 minutes.

Mr. MATHEWS. Madam President, I rise and join my colleagues this afternoon, those who support this amendment. I want to state as I stand here, I too, have some reservations. I do not believe it goes far enough to do those things that we need to do to stimulate business in this country.

I disagree wholeheartedly that in this amendment we are giving tax breaks to industry, or that we are giving away money to the detriment of some other things that need to be done. Madam President, I thoroughly and strongly believe that small business is the backbone of the economy of this country, that the jobs that are being produced today are being produced by small business.

The compromise, or what I see happening here, is that we are creating an atmosphere where small business can produce the jobs and stimulate the economy that we need to keep this engine running. Our country is beginning to move forward, and we cannot afford not to provide the stimulus that is needed to provide the jobs that do keep us running.

Madam President, I want to support and endorse the amendment and add my support to it.

Madam President, I often learn the most, not from attending official hearings or meetings here in Washington, but rather simply by reading my constituent mail.

I am sure most of my colleagues here in the Senate feel the same way.

Inside the beltway we can spend too much time debating public policy issues in the abstract, talking about billions of dollars here, and millions of dollars there.

It is our constituents who force us to think about political issues in personal, not abstract, terms. Not in billions and millions of dollars, but in a few dollars here, and a few dollars there—and to realize what kind of impact those sums can have on the millions of American families already living from paycheck to paycheck, and on small business already operating on tight budgets.

I wanted to share with my colleagues an especially thoughtful letter I received from a constituent last week, who is concerned about the effects of increased taxes on small business growth throughout the country.

This constituent is particularly concerned about changes in the Tax Code affecting subchapter S companies, but he makes very good points about small business in general, pointing out that it is that sector that will fire up our economy and create all the net job growth in the country for the rest of this decade, and into the 21st century.

This constituent writes about Tennessee jobs growth in his industry, which happens to be motor carriers. He writes, "my company has increased its number of employees 10 percent annually since 1989. Affiliated carriers have increased jobs annually by 16 percent since 1989."

He cites examples of other small subchapter S companies with 8 percent annual job growth and writes of one small motor carrier which increased jobs from 220 in 1989 to over 600 currently, for an annual increase of 34 percent since 1989.

In contrast, this constituent writes that large corporations in this particular business have had job growth of less than 1 percent annually in recent years. This is only one small example of one industry in one State, but I think the point is clear: Small Businesses are now the economic engines that fuel job growth in this country.

Tax provisions that place unfair or undue burdens on small businesses are lousy tax provisions.

In the bill before us, we're going to call on small business to make a substantial contribution to deficit reduction.

The reconciliation bill will increase the tax rate on these businesses, whether organized as sole proprietorships, partnerships, or subchapter S corporations, to 36 percent for taxable income over $115,000 for individuals, $127,500 for heads of households, and $140,000 for joint filers.

Many small business owners will be subject to a 10-percent surtax if their income is above $250,000. In addition, the meals and entertainment deduction will decrease from 80 to 50 percent.

If small business is to survive, we must offer positive incentives for growth. Oftentimes, the unintended consequences of our actions wind up constituting a depressing force on small business. For instance, the luxury tax on automobiles places an undue burden on auto dealers—most of whom are classified as small businesses—versus leveling this tax over the life of the vehicle through a fuel tax or annual registration fees.

Small businesses are going to need encouragement to reinvest their earnings and produce jobs. They will also need some provision that recognizes their cost of business.

We can do that by increasing expensing, in lieu of depreciation, from $15,000 to a more reasonable amount similar to the House version. We can also adopt provisions similar to those Senator BUMPERS proposes, to provide a 50-percent reduction on capital gains for investments in small businesses held for 5 years.

I know that we must address the deficit: Running in the red to the tune of $300 billion annually is also lousy economic policy. I applaud those who are willing to take the politically difficult steps necessary to begin reducing the deficit. After 12 years of ignoring—and adding to—the problem, it's time.

But I strongly believe that the deficit reduction burden must be fairly distributed. We cannot ask small business to bear the brunt of our years of neglect.

As the full Senate tackles the budget reconciliation bill this week, I ask of my colleagues that we all pay particular attention to the effects of our actions on the small busnesss sector.

Let us never forget that this sector is the primary creator of jobs in the United States. Our economic policies should be designed to stimulate the growth and health of small business.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Madam President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. SASSER. Madam President, I yield 4 minutes to the distinguished Senator from Massachusetts [Mr. KERRY] and then Senator PRYOR is next.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from Massachusetts.

Mr. KERRY. I thank the Senator from Tennessee.

Mr. President, I point out to my colleagues that a recent 2-year study by the Council on Competitiveness and the Harvard Business School said that the American system of capital investment in the United States is threatening the competitiveness of this country and the long-term growth of the American economy.

The Council on Competitiveness and Harvard report points out that leading American firms in many industries are simply outinvested by their Japanese and European competitors, that the R&D portfolios of firms include a smaller and smaller share of long-term capital investment than European and Japanese firms and that American firms invest at a lower rate than both Japanese and German firms is nontraditional forms of investment.

Now, we can either understand the reality of what is happening in the American economy or we can ignore it. What Senator BUMPERS and others of us are trying to do is acknowledge that reality. President Clinton ran on that reality. He has suggested again and again that there are two deficits in this country. One is the budget deficit, but the other is the investment deficit. And the investment deficit is significant.

This is a tax bill. And, if by passing a tax bill, we have a disincentive for investment, we are guilty of taking away the tax base of this country and denying us the ability of not reducing the deficit on the budget side by denying our ability to provide the long-term jobs the people in the country need.

All you have to do is look at what has happened in the economy. Real wages of American families are down. Net investment in the country is at a lower rate than any time since World War II. The kind of jobs that Americans are finding between the ages of 18 and 34 are of less high wage and less upward mobility than at any time in recent American history. The fact is, States like California, Massachusetts, Connecticut, New Jersey, and others, which are always your startup companies, going from nothing up to the size of the Digitals, or the Wangs, or the prime computers, or any number of new technologies, are not.

Lester Thurow and others pointed out we are in a whole new world of a new kind of competition. The Japanese and Germans have targeted every single one of the key technologies that we hope to provide new high value-added jobs in. Microelectronics, artificial intelligence, robotics, advanced materials, biotechnology, aviation, you name the area of our future job hope, and they are in it.

So the question is, are we going to be in a market where increasingly the capital pool of this country that goes into venture risks is diminishing? Are we going to provide an incentive for anybody in America, someone who has $20,000 of savings, someone who has $100,000 to take the risk of putting it into a new startup with the hope that, in accordance with the American dream, they may make a lot of money down the road?

I think, Mr. President, this is a good amendment because it says to people, we are going to reward you for taking that risk. We are not asking the Government to take the risk. We are not soaking the taxpayer for the risk. We are simply saying we will reward you by not taxing you at as high a rate if you will invest that money.

So, Mr. President, when we have a credit crunch as significant as we do with SBA guarantees down, the entire spectrum of capital diminished and the banks buying Treasuries instead of lending, this makes sense, and I strongly urge my colleagues to adopt the amendment.

The PRESIDING OFFICER. The time has expired.

Mr. DASCHLE. Mr. President, how much time remains?

The PRESIDING OFFICER. Five and one-half minutes remain.

Mr. DASCHLE. I yield 2 minutes to the distinguished Senator from Arkansas.

Mr. PRYOR. I thank the Chair and manager of the bill.

Mr. President, basically I rise to support this bill and say that I, too, wish it went a little bit further than it is going.

Really, the chief author, I think, and mover of this issue in capital gains in the Senate, with a special provision for small business is Senator BUMPERS. We know that small business is the engine of job growth. Also, we know that the individual who has basically shaped this issue of capital gains for small business has been the distinguished chairman of the Small Business Committee of the Senate, my distinguished colleague and senior Senator, Senator DALE BUMPERS. He has long championed this.

This proposal does not go as far as Senator BUMPERS would have it go, but I do believe, Mr. President, that it is a definite start in the right direction.

There is a little bit of pain in this legislation for all citizens of our country. What we are trying to do is alleviate some of the pain of small business that creates the jobs throughout America.

We are doing this in two areas. One is the capital gains differential for small business, to help capital gains be the creating force of small business in creating jobs; and, second, Mr. President, to help in the expensing, up to $18,500.

Mr. President, I am just proud to be a supporter of this amendment. I once again attribute a great deal of this to my colleague, Senator BUMPERS.

I yield back the remainder of my time.

Mr. DASCHLE. Mr. President, I yield 2 minutes to the distinguished Senator from California.

Mrs. BOXER. I thank my colleague for yielding.

I feel this is a good amendment, Mr. President.

I have to say I am a little perplexed by my Republican friends who spoke out against it, because all morning I have listened carefully to them and they have been saying small business is not treated fairly in this bill, small business is getting hurt, and yet here we have an amendment that is targeted to small business and they speak out against it.

I kind of get the sense is that they are going to be against anything that may come from this side of the aisle. I hope that I am wrong. I think too much is at stake.

But I supported this Bumpers—the Matsui bill in the House—for quite a while and I am very pleased to see it come out in this amendment.

I have to say, from the standpoint of my home State, that the best and most competitive in growth-oriented companies in California started with nothing more than some great ideas and a lot of hard work. I have seen those businesses from one end of the State to the other.

Across the Silicon Valley, you see businesses that are at the cutting edge of the computer technology in computer graphic imaging. In southern California, you will find world leaders in biotechnology and medical devices that advance our ability to diagnose and treat disease. And up and down my State you will find manufacturers in the most sophisticated environmental technology that will clean our air and rivers and our coasts.

Let me say that I think this bill is not only aimed at helping small business, but it is in fact aimed at helping our balance of trade.

I hope we will support it. I think it is important.

When you put people back to work, you will reduce the deficit. Every 1 percent of unemployment adds $30 billion to the deficit. So this is a job creator. I am very proud to be a cosponsor of this amendment.

Mr. FORD. Mr. President, will the Senator from South Dakota, the manager of the bill let me have 10 seconds?

Mr. DASCHLE. I am happy to yield to the distinguished Senator from Kentucky.

Mr. FORD. Mr. President, I have been listening to all the opponents say this amendment only does this for small business, this amendment only does this for small business, this amendment only does this for small business. When you add it up, it does a whole lot.

So I ask unanimous consent that I may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. How much time remains?

The PRESIDING OFFICER. One-and-a-half minutes.

Mr. DASCHLE. I yield the remainder of the time to the Senator from Wisconsin.

Mr. KOHL. Thank you very much.

Mr. President, I also rise in support of this amendment by the Senator from Arkansas.

There is no question that small business is the engine that drives our economy. And to the extent that we can help, we should be helping.

Yes, we can make arguments that maybe this is not as good as we would like. No one knows exactly how it will turn out. Some call it a tax break or a giveaway. No one knows for certain if it is 100-percent helpful or 50 percent. That is the nature of the kind of decisions we make here in the Senate. We do not know what it is going to do.

No one will argue that it is going to hurt. The question is only how much it will help.

Small business is so important in our country that I am willing to take that chance. And the help will be considerable. It is not going to be negligible. It is not going to be negative. It is going to be good or very good. It seems to me, when we can move capital gains opportunities for people who are willing to invest in small business and invest to grow their small business and employ more people and grow our economy, this is an opportunity we have to take, particularly when we are contemplating putting in place a bill which is a heavy tax bill, a bill which is going to impose some heavy taxes on small business. We need to indicate to them that we care about their future and the future of our country.

This is precisely the kind of amendment that offers them that reassurance and that incentive to continue to work at growing their business.

So I support it. I think it would be a good thing for small business, certainly a good thing for this Government by way of providing a clear indication to small business that we are on their side.

Thank you very much.

The PRESIDING OFFICER. I would note that the time for the manager of the bill has expired.

The Senator from New Mexico.

Mr. DOMENICI. Not the time on the amendment, the time on the majority side, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I yield to the Republican leader.

Mr. DOLE. Mr. President, if I might just have a couple minutes to ask a question. I am not sure I fully understand this amendment.

My first question is, does this eliminate that 10-percent surtax on the capital gains?

Mr. PACKWOOD. No, it does not.

Mr. DOLE. I do not know, I do not quite follow that. We say we want to get people going, get all these things going, but we still have the surtax on capital gains of 10 percent which, in my view, is nothing but a damper on the same people we have talked about.

If you eliminate the surtax, it would make this a lot more attractive. The surtax is still there and would even apply in this case.

It seems to me, when it comes to the expensing of small business, I am not a rocket scientist, but I know at $15,000 in the Senate bill and $25,000 in the House bill, I have a feeling it is probably going to be about $20,000 when it comes back from the conference.

So this is just sort of a freebie to put this $18,500 on and I am not sure how much revenues.

I was interested in the Hollywood Bowl amendment, the one that says you can on the live concerts or whatever, where you play different instruments, you get 80 percent, but if you are watching the Kansas City Royals or Kansas City Chiefs, you can only deduct 50 percent.

Do I understand that correctly? I am at a loss to understand why there would be that distinction when you have services employees who are about to lose their jobs because of the cutbacks on meals and entertainment.

Mr. PACKWOOD. Baseball and eating do not count as entertainment.

Mr. DOLE. Baseball is not entertainment?

Mr. PACKWOOD. And eating is not entertainment.

Mr. DOLE. Eating is not.

What about football?

Mr. PACKWOOD. Absolutely not.

Mr. DOLE. Hockey?

Mr. PACKWOOD. Possibly.

Mr. DOLE. What about saxophone players? [Laughter.]

Mr. PACKWOOD. I think it is a 100-percent deduction for that.

Mr. DOLE. You get 80 under here. You ought to get 100.

But in any event, as I understand this amendment, this sort of little add-on at the end, this sort of thing and it is going to cost $211 million, as I understand it.

I am for it, but I would like to include everybody else. Is there a chance to modify the amendment just to put everybody in at 80 percent? Then I think this amendment would have a lot of appeal on this side of the aisle and we would create some jobs and at least not lose 165,000 jobs in the meals and entertainment area.

Is there a chance we could modify the amendment to put everybody at 80 percent?

Mr. MOYNIHAN. In conference, yes.

Mr. DOLE. Is that a promise?

Mr. MOYNIHAN. It is a commitment to try, an undertaking to try in return for support.

Mr. DOLE. Let us see now: Will Republicans, we will be inside the room in the conference or outside the room?

Mr. FORD. The same way we were when you had it.

Mr. DOLE. We will be outside the room?

Mr. FORD. Yes.

Mr. DOLE. I was always in there with Chairman ROSTENKOWSKI, so you never were alone.

But it will be all Democrats. Before it was bipartisan, which is a major difference.

Mr. MOYNIHAN. We want your help on this one.

Mr. DOLE. If we could try to figure out how to do this and take care of a lot of people who have been in to see me, like to create jobs and keep their jobs in the hotel industry.

I spoke with the Hotel and Motel Association. They do not like 50 percent at all, particularly in States like California, Hawaii, Florida, Kansas, and other big tourism States. You know, that is a matter of major concern.

I am for this part of the amendment, do not misunderstand me. I hope to be able to attend one of those functions at some time later on. I regret it does not apply to football, baseball, hockey, or all the things that most people watch or participate in.

Mr. DOMENICI. Mr. President, I am going to yield back the remainder of our time. I believe that this whole amendment is not germane to the provisions of the bill before us.

So, pursuant to section 305(b)(2) of the Budget Act, I raise a point of order against the pending amendment.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Pursuant to section 904 of the Congressional Budget Act, I move to waive title III of that act for purposes of considering this amendment.

Mr. DOMENICI. Does the Senator want to yield back time on the motion and vote?

Mr. DASCHLE. We retain our time at this point.

The PRESIDING OFFICER. Who yields time on the motion to waive?

The Senator from Tennessee.

Mr. SASSER. Mr. President, there would be an hour on this amendment under the ordinary rules, to be equally divided. I suggest, subject to the approval of my friend from New Mexico, that we yield back 40 minutes and each side retain 10 minutes, or 20 minutes to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. After which time a vote will take place on the germaneness issue?

Mr. SASSER. Well, on the motion to waive the germaneness issue, yes.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. The Senator has a right to yield back time. That is agreed to.

Mr. SASSER. Mr. President, I yield the Senator from Arkansas 2 minutes, or as much time as he wishes to consume.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I never cease to be amazed in this body about how important issues can be made light of, how people can obfuscate the issue and distract people's attention from what we are trying to do here.

There is not, really, anything humorous about this. I would like to divide this amendment and vote on it in three separate parts. There are parts of it I do not like. My bill is not part of it. But you can sit here and, as I say, you can think up every single, little, minuscule thing that a fertile mind can imagine to distract people's attention and to denigrate a really significant effort to help small business in this country.

I have worked on this amendment for 4 years. It has passed the U.S. Senate twice. It was vetoed in S. 11 last year by President Bush, not because of this. He was for it. President Bush was for it. President Clinton was for it. President Clinton is for it. And, God knows, every small businessman in America is for it.

You can say this is just a further erosion of capital gains and revenues. We trying to balance the budget. I can tell you that small business in this country is hurting like no other segment of the economy, and here is a very small, embryonic effort to do something about it. To say if you are willing to invest in a startup, small business or to expand a small business and hold on to an investment 5 years—that is not small potatoes. I would not do it. I would not invest for 5 years. Otherwise you are not going to get people who can go buy IBM, or some other stock on the market, and hold on to it for 1 year with no risk and pay a 28-percent tax on that. Anybody can do that. If you are going to ask somebody to be patient and invest for 5 years until a corporation can begin to return a profit so they are not strapped by principal and interest payments for the first 5 years and have a fighting chance of making it—and you say 14 percent, plus the alternative minimum tax which has been raised to 28 percent in this bill—that is a giveaway? You are giving it away to the economy, the segment of the economy of this country that generates jobs. Do not talk about jobs in one breath and denigrate the efforts to the attract investment capital in small business, the generator, the locomotive of all jobs in this country.

So, a point of order? We do not have 60 votes. I assume every person on that side of the aisle will vote "no." No, we do not have 60 votes. We had 48 cosponsors last year on this bill.

Of course some of these things will be corrected in conference. You can talk about the Hollywood Bowl. I do not know anything about the Hollywood Bowl provisions on this amendment. That is not mine. It probably would not withstand conference. But I can tell you one thing, the small business community is looking to Congress for help. They cannot borrow money from the banks. When a bank can loan $1 million for no more expense and a lot less risk than they can loan $100,000, why would they mess with a small business? The answer is they do not. They will not.

So those of us who favor this expensing provision, which is so important to small business—I am talking about small business—also want to try to attract investment capital.

I have been chairman of the Small Business Committee for 6 years and have held dozens of hearings. Every hearing degenerates to the same proposition: "We cannot borrow money. We cannot attract capital. Nobody has any faith in us."

It is risk capital. Do you think somebody is going to invest in my son's cookie business, which the Senator enjoys the largess of every Tuesday at noon? Do you think you are going to invest in a small business like that and pay a 28-percent tax when you can invest in Wal-Mart or IBM and pay the same tax? It is the same corollary of why banks do not loan money to small business. If you do not give them the incentive, you do not get the investment; if you do not get the investment, you do not create the jobs.

At a time when we are walking a tightrope, trying to keep interest rates down and inflation under control, trying to create jobs and keep the economy growing while we slurp $500 million out of it, we are trying to keep this economy on an even keel.

So I hope people will think about that, at least, before they cast a "no" vote.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield 3 minutes to the Senator from Utah.

Mr. BENNETT. Mr. President, I yield to no one in this body in my admiration for small business. It is because of small business that I am here, because of my success as a small businessman I can afford to run for the Senate. Under normal circumstances, I would be in favor of this amendment. But I must rise in opposition to it because it is neither soon enough or large enough to make a difference, and it strikes me as being something of a Band-aid where what we really need, if we are going to help small business attract capital and do the job it has to do, is to recognize that in this bill we are raising the effective rate on a small businessman who is organized under an S corporation status to a tax rate, maximum, of 43.2 percent.

We have talked about small business and capital. If I may be autobiographical for just a moment, the small business I presided over had four employees at the time I joined it. It financed its own growth with internally generated funds. The reason we were able to do that is because those funds were taxed at the maximum rate of 28 percent under the tax bill we had before because we were an S corporation.

Now, if our business were operating under the proposal in this bill, we would be taxed at 43.2 percent, and we simply could not generate the internally generated funds that created the business that is trading on the New York Stock Exchange currently, which created 1,350 jobs in less than 10 years from a standing start of 4.

So while I am in favor of the proposal, and I am in favor of anything that cuts the capital gains tax rate, I must consistently say until we are willing to face the fact that the destruction of the S corporation status by virtue of the millionaire surtax that is put in this bill will destroy small business. Until we are willing to face up to that, I will not accept a mandate that makes this supposedly small-business friendly when, in fact, it is the greatest devastation of small business that this body could put forward.

So I regretfully say I will be voting against this amendment, because I want to register a protest over the fact that this bill is the most strong anti-small-business bill that this body could possibly consider with its destruction of the S corporation opportunities.

Thank you, Mr. President.

Mr. PACKWOOD. I thank the Senator from Utah. I yield 2 minutes to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, the senior Senator from Arkansas made a statement where every small business in America is for this amendment. The hardware store owners are not for it; the drugstore owners are not for it; the hotel owner is not for it; the small restaurant owner is not for it. And I can go on and on. Why? Because they are not covered by this amendment.

If you run a subchapter S corporation, you are not covered. That is 40 percent of all businesses. What percent of the other 60 percent is covered, I do not know; but I cannot imagine it is very much. So I doubt every small business in America is for this amendment.

Second, he said if this amendment were adopted, he would not invest because of the 5-year holding period. Indeed; and nobody else in America is going to invest, either, because it has a lock-in effect for 5 years.

So, Mr. President, I hope that we will not support this amendment. It excludes many people and small businesses that we come to think of as small businesses. It limits entrepreneurship in terms of the corporation that would hit it big. You can only hit it big on $10 million, not more, even though you invent the new Microsoft.

There will also be a giant deficit increase; a 5-year holding period, and in the sixth year, everybody cashes in and the deficit mushrooms.

So, Mr. President, I hope we reject this amendment and get back to the serious business that is truly embodied in this bill: Deficit reduction.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. Will the Senator from Tennessee yield me a couple minutes?

Mr. SASSER. How much time remains?

The PRESIDING OFFICER. Four minutes 48 seconds.

Mr. SASSER. I yield 3 minutes to the distinguished Senator from Massachusetts.

Mr. KERRY. Mr. President, let me answer, if I may, quickly, the comments of the Senator from New Jersey.

First of all, as to 5 years, if nobody is going to invest, then you should not worry about the expense of this. You cannot have it both ways. You cannot say nobody is going to invest but there is going to be a big deficit at the end. If they are going to invest at 5 years, it is because they are willing to take a risk at real job creation.

The Senator is absolutely correct that it is not going to apply to the drugstore owner or the hardware store owner. They are not the people in America who are going to create the new high-value-added jobs in the future.

The fact is, you will not have a huge deficit at the back end because you will only have capital gains, if you have a new product that has created jobs, that has raised the value of the business. And if you raise the value of the business sufficiently to have the kind of capital gains that would bother the deficit, you have also increased the tax base of this country. You have thousands, maybe millions, of people working.

The fact is that that is the only way we are going to do it for countless companies. I talk to these people every day of the week. This is their only form of remuneration. When they leave a good company at a high salary and take the risk of going out to start something in their garage, and scrounge for a few years, and they do not have the money to pay for their vacations, kids, cars whatever, they are betting on the future of the product which they are willing to leave that company for to start a new business. If they make it then, indeed, for those years where their salary is really being invested in the stock that finally pays off, they ought to be repaid for taking that risk.

That is the only way you are going to create jobs in this country. If what we read is true, the only really important jobs, that are going to raise the standard of living of this Nation, are going to be the creation of the high-value-added products that come from breaking the technology curve.

So we have a choice here: Either we create an incentive for people to take their private savings and put it into risk taking, or we can watch the Japanese and the Germans, who do not have a tax on their gains, who encourage it through subsidy, through the keiretsu, through Deutsch Bank, through countless other combines that we outlaw under our antitrust laws, and we can all hold hands and get poorer together. That is the choice here: We get smart and invest for the long run, rather than getting a short-term hit.

The Harvard Business School study shows that in 1962, we used to hold stock for 8 years in America. Now it is down to below 2 years. If you talk to most investors who are working on the quarter strategy, they will tell you they have to be in and out as fast as they can, and there is nothing about that that encourages a creation of jobs.

There is double deficit in this country: a deficit on the budget and an investment deficit. This bill addresses the investment deficit.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield 3 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DOLE. Mr. President, I want to point out again, $55 billion of this income tax rate increase is going to be paid by small business. We ought to get this thing in perspective.

The first provision of this so-called targeted capital gains is going to cost $17 million in 1994. That is not a great big boost to the small business community—$17 million—when we are taking $55 billion away from small business; subchapter S, partnerships, and sole proprietors.

The total cost of the Bumpers amendment is about $1 billion over 5 years. So let us not get carried away with all that we are going to do with $1 billion. We are taking $55 billion away, and we are going to give you $1 billion back. That does not sound like a very good trade to me.

Then, with a reference to the expensing from $15,000 to $18,500, that is about $2.3 billion. As I indicated, it is $25,000 in the House bill and $15,000 in the Senate bill. It is going to be $20,000 when it is all over. That is $2 billion we could have put on No. 3, which is exception of the meals and entertainment provision relative to the performing arts. I am for that part of it.

Why not make it 80 percent across the board? Why not make it 80 percent, so if you buy tickets for the Bulls, the Chicago Bulls—I know people have heard of them in this Chamber; at least I have—why can they not get the 80 percent? Why do they only get 50 percent? If they have a concert in that same place, they can get an 80-percent deduction. What about the 165,000 people who are going to lose jobs if this is dropped from 80 percent to 50 percent?

I commend Senator BUMPERS. This is a small step in the right direction, though it is very limited, as pointed out by the Senator from New Jersey. If you want to really help the small business people, let us just cut some of the taxes; let us exempt them—there is going to be a chance later to vote for that—exempt small business from the higher tax.

That would really be a tax break and help provide jobs and opportunities for a lot of small business men and women out there not doing anything because they are scared about this big tax bill.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Will the Senator from Tennessee yield 1 minute?

Mr. SASSER. I yield the distinguished Senator 1 minute, providing that I retain 30 seconds for myself. How much time remains?

The PRESIDING OFFICER. One minute forty seconds.

Mr. BUMPERS. Mr. President, I have a study here by the Joint Tax Committee that says of the nearly 7 million taxpayers whose business income exceeds their wages—of that number, 7 million—only 4.2 percent would be subject to higher marginal rates under this entire bill.

I can tell you, that 4.2 percent are people who are making quite a bit of money, and they are people that I am not really concerned about in this bill. I am trying to help the small business who is struggling, who has been in business for 2 or 3 years, maybe, and thinks he is going to become profitable next year but still has not turned the corner.

Those are the people who need patient capital. They need investors who do not bail out on them every time every little adversity comes along.

I have worked on this for 4 years, and I have thought about every conceivable alternative. I have never come up with anything that I thought would do it any better than this. This is an opportunity for this crowd not to just go home and tell the Chamber of Commerce your heart is with small business, but to come back to the Senate and prove it.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. PACKWOOD. How much time do we have remaining, Mr. President?

The PRESIDING OFFICER. Two minutes forty-five seconds.

Mr. PACKWOOD. Mr. President, I will yield myself 2 minutes. I will say again what I have said before, but I am not the only one in this body who has repeated themselves today.

We have a $3 billion, roughly, surplus which we could dedicate to deficit reduction, but we are going to spend it. The argument is we are going to spend it on a good cause. A good cause is always in the eye of the beholder. Every one of us has good causes, whether that is the performing arts, which I, frankly, have a preference for, or capital gains or, as the Senator from Wisconsin [Mr. FEINGOLD] would say, we should not reduce Medicare so much.

Each one of us says the most important thing this bill is trying to do is reduce deficits, and yet when we have $3 billion that we could use to reduce the deficit, what do we do? Spend it.

Now, it is only $3 billion. I do not want to be cavalier, but in the entire parameter of a $1.5 trillion budget, $3 billion is not a lot. But in this bill, we are going to raise about $250 billion in new taxes. They are not delayed. They are going into effect. And we say we are going to dedicate that $250 billion to deficit reduction.

I tell you this, Mr. President. When we get 1 month, 2 months, 3 months down the road and we start getting to these discretionary accounts where we are going to cut education or cut environmental protection or clean water, there is going to be a demand beyond belief that instead of using this $250 billion for deficit reduction, we use it for good things.

As sure as we are here today, what we are going to do, if we pass this amendment, what we are going to do with this $3 billion is what we will do with the $250 billion, and that is why we should pass the Republican amendment, which has no tax increase in it at all.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Will the Senator from Tennessee yield to me?

Mr. SASSER. Mr. President, I would be pleased to yield to my friend from Arkansas, but I wish to retain at least enough time myself to say one sentence.

Mr. BUMPERS. May I make one point then in 30 seconds?

The PRESIDING OFFICER. The Senator has 45 seconds.

Mr. SASSER. One point.

Mr. BUMPERS. People are concerned about the cost of revenue and what is going to happen in this bill. Over the past several years, Cray Research, Apple Computer, Compaq Computer, Intel, and six other companies that got money from the Small Business Administration that would not have made it except for venture capital, last year paid $1.7 billion in income taxes to this country.

Mr. SASSER. Mr. President, we have heard a lot of talk about helping small business. Now, the facts are, if you want to help small business, you are going to vote for this Bumpers amendment. It is a vote to either help small business or ignore small business' needs. That is what this vote is about.

The PRESIDING OFFICER. The Senator's time on the motion has expired. The Senator from New Mexico has 28 seconds remaining.

Mr. DOMENICI. I yield it back, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LAUTENBERG. Mr. President, I rise in support of the Mitchell-Bumpers amendment.

Each day I hear from small businesses in my State, and they share a common lament: There is not enough capital available for entrepreneurs who want to build companies and create jobs.

Banks and other lenders are reluctant to lend to small businesses. The SBA's main loan guarantee program has been dry since April. Venture capital contributions have tapered off.

This credit crunch is stifling growth and inhibiting innovation.

My State is home to thousands of high-technology companies—biotechnology electronics, software—where the risks are high and the rewards uncertain. These companies are the essence of growth and innovation, the main sources of high-wage jobs now and in the future.

But these companies will never get off the ground if they lack startup capital. This amendment offers a way to help get these companies the funds they need to thrive and create jobs.

The amendment accomplishes this goal by providing an incentive to invest in small business. Under the proposal, someone who invests in a corporation that has less than $50 million of aggregate capitalization, and who keeps the money in the company for at least 5 years, is taxed on only half of his or her capital gains.

Unlike many other capital gains provisions this body has considered, the Mitchell-Bumpers amendment is carefully targeted. It applies only to smaller companies, not to big ones already flush with funds.

And the amendment rewards only patient capital, precisely what emerging companies need. Investors do not receive any tax break unless their money remains in the company for at least 5 years. That restriction prevents investors from quickly cashing out and offers small companies capital for the long haul.

In the context of the entire budget, this amendment emphasizes jobs—not taxes. So on behalf of small companies in my State—the entrepreneurs and workers who make the economy go—I am happy to support and be one of the sponsors of this amendment.

The PRESIDING OFFICER. The question is on waiving title III of the Budget Act in consideration of the pending amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 54, nays 44, as follows:

[Rollcall Vote No. 164 Leg.]

YEAS—54

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Breaux
Brown
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Exon
Feinstein
Ford
Glenn
Graham
Gregg
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Wofford

NAYS—44

Bennett
Bond
Bradley
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Feingold
Gorton
Gramm
Grassley
Hatch
Hatfield
Helms
Hutchison
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Murkowski
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Stevens
Thurmond
Wallop
Warner
Wellstone

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. On this vote, The yeas are 54, the nays are 44. Three-fifths of the senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment is not germane. The point of order is sustained.

The amendment falls.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, under the unanimous-consent agreement, as I understand it, it is now our opportunity to offer an amendment on this side of the aisle; is that correct?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 506

Mr. DOLE. Mr. President, I send an amendment, which is a complete substitute, to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 506.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DOLE. Mr. President, we are going to try to accommodate all of our colleagues here and proceed as quickly as we can to this amendment. We will have a discussion of it and, hopefully, maybe it will be accepted on a voice vote, and maybe we can move on.

President Clinton has been asking Republicans, "Where is the beef?" Where is the alternative to his tax-and-spend budget plan? When we put this package together, our No. 1 priority was to lay the groundwork for a sound economic future by controlling Government spending, holding the line on taxes, and creating good private-sector jobs that will last.

Well, here is the package he has been waiting for. More important, this cut-spending-fist amendment may be the tax-free deficit reduction plan that most Americans have been waiting for. This taxpayers' alternative makes $329 billion in tough, enforceable cuts in Federal spending. Let me repeat $329 billion in Government spending cuts.

Our plan gets the deficit under control without raising taxes, and without going on a new taxpayer-financed spending spree.

It is tough medicine, but we believe that it is the right medicine for the economy.

REAL, LASTING DEFICIT REDUCTION

There are lots of problems with the Clinton plan, but there is one that most Americans do not know about. Look at this chart. In 1998, after all the bills from the Democrats' world-record tax increase have been collected, and assuming all of their promised cuts occur, the deficit starts climbing again.

Let me point it out with this big spending-cut pencil that I got from Bob's Big Pencil Co. in Hays, KS. If you will notice—I do not want to cut the chart—this is a real pen simulator.

Mr. SASSER. It has an eraser.

Mr. DOLE. It goes up, as opposed to the Republican plan where it continues to downward slide. I think we will find in the outyears there is much more saving in the Republican plan—and that will be explained in more detail by the distinguished Senator from New Mexico [Mr. DOMENICI] and the Senator from Oregon [Mr. PACKWOOD].

I would just take a look at our plan.

We hope we are going to have some support on the other side. We are serious about this. After they asked me all week "Where is your plan? The same people asked "why are you offering this plan?" You do not have the votes. Why are you offering it?" We are offering it because we think the American people believe we have the best approach to deficit reduction—cut spending first.

So look at this plan. No tax increases and it gets the deficit down lower than the President's plan by 1998. In fact, in our plan we will produce lower deficits than the President's plan and move toward a balanced budget.

We accept every single cut in the Senate Democrats' bill. I want to make that very clear—every single cut in the Democrats' bill—why, it ought to have bipartisan support—is accepted in our plan, every single cut in the so-called Clinton plan is in our plan. We add an enforceable, 5-year budget-authority freeze on nondefense discretionary spending. And, on top of the President's mandatory spending cuts, we limit the growth of non-Social Security entitlement spending beginning in 1996. This entitlement cap will allow to grow for population, plus increases in inflation, plus an additional 1 percent.

So we are going to hear a lot more about entitlement caps from the distinguished Senator from New Mexico and I hope colleagues on the other side who have been supporting this concept for a long, long time. But the impact of the cap does not occur until 1997 which would provide everybody ample time for us to put into place the policy reforms we all know to be needed.

Mr. President, we are serious about this amendment. We spent a lot of time on it. It is pretty much the same as we offered in the debate on the budget resolution—we were asked then, "Where is the Republican alternative?" This is the Republican alternative. This is a Republican alternative. We believe the people who have a real interest in deficit reduction who are concerned about the economy, concerned about big taxes on small business—and let me repeat, there are $55 billion in taxes on small business in the Democrats' plan and we just had a little Band-Aid approach here to take $4 billion or about $4 billion out of that $55 billion.

We do not have any taxes. We do not tax small business, we do not tax small businessmen or small businesswomen in Idaho or California or Illinois or New York or anywhere else in America. This is a small business approach—no taxes, no user fees—and we believe it is right. No new spending programs, but spending cuts.

So, from the American people the message is correct, and again whether it comes from Democrats or Republicans or Independents around the country it is to cut spending first.

We believe that our plan, if enacted, will help keep the economy moving, would create thousands of jobs, and restore some faith in the Government.

So let us give the taxpayers a chance. This is the taxpayers' alternative. We can call this "tax free in '93"—and that is not a bad idea either. So let us just call it tax free in 1993. It is also tax free in 1994, 1995, 1996, 1997, and 1998. Compare this to the President's plan.

There has been a lot of talk back and forth and the President today saying, well, we do not want to tax the rich. We want the economy to grow. We want people to be successful in America. We do not want to go after small business to the tune of $55 billion—49 percent I think the Senator from New York said earlier. Forty-nine percent of the increased tax rates hit small business. And that is not the way to get the economy moving.

So, Mr. President, we think we have a good plan. We doubt it will pass. It should be passed, but we doubt it will pass, because we only have 43 votes and our colleagues have 56 votes. We expect some support from that side. We hope every Republican will support this bill.

So I am proud to offer it on behalf of myself, the Senator from Oregon [Mr. PACKWOOD]; the Senator from New Mexico [Mr. DOMENICI]; and all other Republicans on this side of the aisle.

I yield the floor.

The PRESIDING OFFICER (Mr. KOHL). Who yields time?

Mr. DOMENICI and Mr. SASSER addressed the Chair.

Mr. DOMENICI. I sought recognition first.

Mr. SASSER. Go ahead.

Mr. DOMENICI. I thank the Senator.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, let me move over by this chart.

Mr. SASSER. Watch out for the pencil.

Mr. DOMENICI. Mr. President, I yield myself 15 minutes. Please advise me when I use 15 minutes.

Mr. President, our distinguished leader has called this the taxpayers' alternative and, frankly, I want to tell the U.S. Senate that when the staff and this Senator started putting this together, I truly do not believe that it was possible to do what we have done here and to bring before the American people and this U.S. Senate this plan.

I did not see how it was possible to get the deficit in 1998 to the same point that the President is or lower without taxes. I just did not think it was possible. Let me tell you it is, and that is what this plan is.

In 1998, the deficit under this plan is below $200 billion. The interesting thing about it is, that in 1998, if this plan is adopted and no taxes are passed, the deficit continues downward, as this yellow arrow indicates, and what happens if we adopt the Democratic plan, with $250 billion in real taxes and $15 billion in user fees, notice the red arrow. This is what the American people ought to be worried about after we have taxed them and cut very little. Here the deficit goes back up, while the deficit under the Republican plan continued downward.

Frankly, the answer is obvious. Taxes do not reduce entitlement and mandatory spending. Taxes put money in the coffers. But if programs of the Government are growing faster than the taxes, you eat the taxes you want on spending, which my friend from Oregon, Senator PACKWOOD, spoke of so eloquently in terms of what always happens when you raise taxes. Deficits do not go down, they go up.

I say to Senator PACKWOOD this is a living bona fide example that with all the taxes proposed on the American people, they will all be spent and the deficit will start back up. But if you take on the non-Social Security mandatory and entitlement programs, a whole package of them, and if you say only one thing, Mr. President, No. 1, you will take all of the cuts in the reconciliation package, whatever was done there on Medicare is done, excepting no new spending is provided but you take those cuts, and then put on top of that a mandate for reform, a mandate that those mandatory programs be reformed in the very simple way. Not next year. That is too quick. We will take the cuts in the Finance Committee bill for 1994, not in 1995—that is too quick for reform—but starting in 1996, 3 years from now.

This sends a mandatory message to the committees of this Congress that the whole package of mandatory expenditures cannot go up more than all of the new people—we refer to that as demographics—inflation plus 1 percent. They are not being cut; they are just not going to go up as fast as they have.

Now let me ask, before it is said on the other side that we are going to cut Medicare—we are going to have to cut programs that affect those who get entitlements, let me add—are they going to stand before the U.S. Senate and say, when we are finished with reform of health care—health care is going to keep going up like this arrow—to what end did we tax our people? Or are they going to stand up and say, we are going to reform health care and Medicaid and the other health programs of the Government so that they are not growing so fast?

We submit that while health care is in the news, while it is on our minds, while we want reform, there is no better time than during that 5 years, the 5 years that the President has spoken of, that this budget reconciliation speaks of, no better time is at the right stage for reform than to say to all of those programs what was said by the Nunn-Domenici amendment on the budget resolution.

And for those who are wondering whether this a good amendment, I remind you that 48 U.S. Senators voted for that; 48 U.S. Senators voted for that. It could not be all Republicans. We do not have that many.

What did they say on that one? They said, unless you get health care under control, here is what happens to the Democratic budget plan, right here, in red. The deficit turns right around after we put in all these taxes for you. You see here, this big reduction here in this chart is because we are whopping the taxes on the public during that period of time.

But then, when it gets up here, the entitlements package—not Social Security, but the other package—is going so fast through the roof that you just could not keep pace. And all of these went for naught as the deficit goes back up.

Now, it does not sound right that the Republican package does a better job with the deficit, because it sounds so great to say 250 billion dollars' worth of taxes is just necessary; we just have to have them. We need to sacrifice and pay them. Well, I ask: Why?

In 1998, the Republican deficit, right here, by this amendment, will be lower than the President's, and will continue to come down even without taxes. I believe it has a better chance in this plan, the Republican plan, to accommodate for growth. I believe the jobless recovery may turn into a job recovery, because you are going to take away all those taxes from small business.

Take those taxes away from Social Security. You are going to leave it where it is. You are not going to tax gasoline.

Now, I believe, if you are so interested in taxes, that you ought to do what the American people have asked you to do—cut first. Put this package in. Put this taxpayers alternative plan in.

There is a provision in it that says it is the sense of the Congress that there will be no taxes, no new taxes, until that plan is adopted and implemented. That means cut first, and that is what our people want to see.

Now, some are going to stand up and deride this plan by saying: Where are the cuts? We want to see the specifics. Well, I am going to tell you, shortly after this amendment is disposed of, unless we were to win this Dole-Domenici-Packwood substitute, the Democrats are going to come along and they are going to say: We are going to put a cap on.

We have discussed their cap, I say to Senator PACKWOOD, their 5-year cap on the discretionary accounts of this Government. And if they rise and say where are your cuts in the form of entitlements, we will rise and say where are your cuts, 112 billion dollars' worth of credit for cuts? We are going to ask where are your cuts, because they are in caps to be followed by sequesters by across-the-board cuts if not implemented.

We are going to adopt that very plan. But we are going to have a wall between domestic and defense so that, as we cut defense, we do not continue to take it away from defense to pay for other programs in the ensuing 5 years. But we get just the same savings with the 5-year budget authority freeze that we have in ours that the Democrats will get in theirs. And our entitlement cap, our reform mandate cap, does precisely what the Nunn-Domenici amendment did.

So if the Democrats want to come down and play the game of taking each program and taking it out from under that cap, we will merely say that only if the program exceeds—exceeds—this cap does it get cut. And there are only two or three that do. The rest can stay right within the cap, just as they are.

So, in summary, it is, believe it or not, we reduce the deficit below $200 billion without raising taxes. And because the source of the problem is controlled by mandating spending reform, the deficit continues downward. We extend the current caps on discretionary spending for defense, international and domestic, through 1998. And I assume the Democratic leadership amendment is going to do the same thing on their side.

And then we eliminate all spending increases. That is only $18 billion, but that is a lot of change. We take all the spending reductions that are reported in this reconciliation bill.

So if they were tough, we are biting the same bullet. We are taking every one of them, but we are also taking one step further. We are saying, rather than put $250 billion in new taxes on, we would rather turn this deficit around where it is truly going downward. So we are going to mandate reform of the entitlement programs by commencing 3 years from now.

So for those who wonder whether we can do it, what are we going to cut next week or next year—nothing; none. We give the Congress and the President 2 full years to get the health care programs under control. Now, if you want to vote against this on that score, you are sending a signal to the American people that when health care reform is over, it is going to cost more, not less. I do not think that is the right message.

The President of the United States very recently said he knew, he understood, unless and until you get health care costs under control, you cannot solve this budget problem. Why wait? Why not now? Not no new taxes, but rather a sense of the Congress that no new taxes will be imposed until all cuts are in place and have been implemented. The total deficit reduction over 5 years exceeds $367 billion.

Mr. President, I want to close by saying honestly to the U.S. Senate, when I asked my staff to put this together with numbers, I would have felt very, very glad and happy, and presented the amendment, if the deficit were $50 billion higher in 1998 than it is going to be under our amendment.

I had no idea that what happens to the President's taxes is that they get eaten up in here and then they have no effect out here because the entitlement programs gobble them up. I really did not think the lines would cross and a no-tax budget would reduce the deficit for 1998.

Nobody should misuse my words. I did not say it is the same in each and every year. But I said in 1998, the 5-year plan, the deficit will be lower with no taxes in that year as we start the next 5 years than it will after you impose all the taxes.

Frankly, there are a lot of skeptics around. There are a lot of people who have said why offer it, after kind of baiting us for weeks to offer something—right? I do not think they really believe that these numbers would come out this way. But this deficit number I am giving you of less than $200 billion, that is confirmed. We believe it is just as accurate as theirs, and, consequently, we offer this to the American people as the taxpayers' alternative. And we are confident when we vote for it that it will not harm jobs, it will not cost jobs, and it will get the deficit to the same point in 1998 as does the Democratic plan.

Mr. President, I yield 12 minutes to my cosponsor and then we will be through.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I am going to come at this from only a slightly different standpoint but reaching the same conclusions my friends from New Mexico and Kansas have reached.

We have used the word "entitlements" frequently. Those of us who missed it would have seen a good presentation by Senator CONRAD, of North Dakota, when he used some charts, where he showed defense spending went down, down, down. Then what he called "domestic discretionary spending," things we appropriate money for every year like environmental protection, education, that kind of thing that we vote the money for over the year, his chart showed over the next years that spending is flat, it does not vary much.

Then he showed what we call the entitlement programs. Entitlement programs are those to which recipients are entitled to receive money from the Federal Government and we do not vote anymore; it is automatic. Social Security is one. When you reach 65: How old are you? How long did you work? How much money did you make? Here is your money. And it goes up with the cost of living every year. Medicare is one. Medicaid is one. Federal retirement for military and civilian employees is one. Food stamps is one. These are programs that just automatically disgorge money from the Federal Government with no further action on our part.

I am going to take just four programs plus interest and show what has happened. Those four programs are the biggest four entitlement programs: Social Security; other retirement, Federal, civilian, and military retirements; Medicare; Medicaid. And then interest on the debt, which is the ultimate entitlement. That we have to pay.

Those five, the four programs plus interest, in 1963 were 24 percent of all of the money that the Federal Government spent. That was in 1963. In 1973 those four programs plus interest had gone from 24 to 37 percent of all we spent. Ten years later, in 1983, they had gone to 47 percent of all we spent. This year they will be 54 percent of all we spend. And in 10 years, if the law is not changed and we just keep going on automatic pilot the way we are, those four programs plus interest will be 69 percent of all of the money that the Federal Government spends.

I emphasize, this is before a single person born in the baby boom years retires. The baby boom was 1945 to 1965. The first of them do not retire until the year 2010. From 2010 until 2030 is when this immense explosion comes in the payout of Social Security and Medicare with that aging population.

Now, if we do not control the rate of increase in those programs, they are going to eat us alive, and there will be less and less money to spend on all of the other programs that the Federal Government has, whether you are a defense hawk, whether you are an educational nut, whether you are an environmental protection zealot, no matter what. We are going to have less money to spend on everything else unless we increase taxes, in which case, if we increase the taxes, we spend the money; we do not use it to narrow the deficit. Or, if we increase the taxes to narrow the deficit, we do not have it to spend on these programs. If we spend it on these big four programs, we shrink, shrink, shrink everything else we spend.

So it is easy enough to say, let us cut those programs. Again, we emphasize "cut" does not mean we are reducing the spending. If we were spending $100 on a program today and we are projected to spend $110 next year as an entitlement program, and then we passed a law and said we are only going to spend $105, in Government language we call that a $5 cut. In business you would call it a $5 increase. We call it a $5 cut. Whenever we use the word "cut" around here we are not normally talking cuts, we mean reducing the rate of spending increases.

So people say, all right, those big entitlement programs will have to take a cut; that is, reduce the rate of increase. Take it from the rich, of course. We have had a lot of comments about the rich today, people making $100,000 and $200,000. But here is the problem, both when it comes to taxing the rich and taking benefits from the rich. There are not enough rich. The bulk of the taxes in this country come from the middle-income group because that is where the bulk of the people are. And the bulk of the benefits in this country that are paid out go to the same group.

In the next 5 years, Medicare is scheduled to pay out $1.59 trillion; $1.59 trillion. If we were to say we are going to eliminate the benefits from every individual who makes over $100,000 a year or a couple that makes over $175,000—they would get nothing; no Medicare part A for hospital care, or no part B for doctors—out of that $1.59 trillion we would save $26 billion by eliminating it for all of those people with incomes over $100,000 for singles and $175,000 for couples. That is not much of a saving out of over $1 trillion.

If we were to do the same thing to Social Security, if we were to say, we do not care if you worked all your life, we do not care if you paid into the Social Security fund, you do not get Social Security if you make over $100,000 single or $175,000 as a couple, we would save $44 billion out of $1.758 trillion that is projected to be spent in the next five years. That's not very much.

Therefore, if we are serious about wanting to reduce Government spending, we must not fool ourselves as to who we are talking about. Remember Pogo? "We have met the enemy and he is us." If we really want to reduce Government spending, it is going to affect all of us, and we are going to have to say, in the Medicaid and the Medicare programs, we cannot afford to continue to provide at public taxpayer expense the level of medical benefits that we have been providing in the past. That is a harsh thing to say. But unless we face up to that, we will not achieve our goals by eliminating the benefits for the rich. We will not achieve our goals by saying we are going to squeeze it out of rural hospitals and doctors. That is fooling ourselves. That is nibbling around the edges, very frankly.

So this amendment that Senator DOLE and Senator DOMENICI and I are offering says: As far as these entitlement programs are concerned—not Social Security, that is the one increasing relatively predictably—spending can only go up with the cost of living. Medical programs go up any place from 5 to 10 to 15 percent over the cost of living every year.

Our amendment says, starting in 1996, all of the entitlement programs but Social Security, can go up only what we have been spending plus inflation plus 1 percent. That sounds generous, but to a program that is going up by inflation plus 15 percent, that is a significant reduction in the increase. Until we face the fact that is what we are going to have to eventually do, we are not going to get these programs under control.

The only other alternative, if we want to keep funding these programs the way we are, is to increase taxes and increase taxes and increase taxes and increase the spending to take care of these programs, until we are taxing not roughly 31 or 32 percent of the gross national product, but 51 or 52 percent, the way Scandinavian countries do, or close to 60 percent the way Sweden does.

Of all the money in Sweden, the Government takes about 60 percent of it so they can provide the level of benefits that we will be driven to if we do not rein in these entitlements. That is the issue that should be put before the American public and let them make the decision.

Maybe we want to look like Sweden. That is not my preference. But in that case, remember the axiom: You are probably going to excuse the poor from taxes and in Sweden or the United States or anyplace else, there are not enough rich, if you confiscated their income, to pay the benefits for the poor and the middle income. So at some stage, you get to the place where you are prepared to tax people who make $20,000, $25,000, $30,000, $35,000 a year and your tax rate is going to be 45, 50, 55 percent of all the income you make so that we can provide the benefits that you want.

The Republicans would prefer to keep taxes lower. We are willing to take the heat for reducing these benefits, and we will put that case to the American public. We are not touching Social Security. The Democrats would say we want to increase taxes $250 billion and they do not touch these entitlement programs very much; increase the taxes $250 billion and allegedly apply it to the deficit. But, Mr. President, that has never happened; we have never applied tax increases to the deficit before; we spend it.

The pressure to spend it, not just on these entitlement programs, but the pressure to spend it on education and environmental protection and defense, if we ever have another serious problem, is going to become greater and greater and greater because if we do not bring these entitlement programs under control, there is going to be less and less and less and less money to spend on the other necessities of Government. At that stage, the pressure to take the money that we are raising in this bill in taxes, which the President says is going to go to the deficit, and spend it on education and environmental protection or clean water or defense, is going to be inexorable.

So that is the issue that is posed by this amendment. This is not an easy amendment, and I am very frank to say when these entitlement cuts come in 1996 and 1997, it is not just going to be doctors and hospitals, it is going to be all of us.

Maybe the Republicans are on the wrong side of this issue. Maybe the public wants this money spent and is willing to pay the taxes. We are willing to gamble and put the case to the public that we think this country and the citizenry of this country will be better off if we face the problem and say we are going to limit the benefits and we are going to limit the taxes. At last we are going to have a vote on an issue that significantly differentiates Republicans from Democrats. They would tax, they would spend; we would not tax and we will rein in spending. The ultimate decision between the two is going to be made by the American public in the future elections. I thank the Chair.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Mr. President, listening to my colleagues on the other side of the aisle, I am reminded of something that Yogi Berra said years and years ago—or at least it is credited to Yogi Berra. He said, "It is deja vu all over again."

All I have to say to my colleagues is, if you liked the 1980's, then you will love this proposal that is being advanced from across the aisle. If you like sacrificing the benefit of the majority of the people of this country to benefit a few wealthy people, then you will love this program.

First and foremost, this plan has as its focal point maintaining the tax breaks to the wealthy that occurred during the days of Reagan-Bush.

Let me just draw my colleagues' attention to this chart that I used earlier today, and let us see where those tax breaks went during the Reagan-Bush years. The top 1 percent in this country, as their income went up 47 percent during the Reagan-Bush years, their effective tax rate was reduced almost 25 percent. As their income went up 47 percent, their effective tax rate was reduced almost 25 percent.

That is what this proposal is all about. We are going to throw everybody else on the bonfire, but we are going to protect those wealthy people who got those enormous tax cuts and tax breaks during the 1980's.

How do they go about doing it? First, if you want to compare apples to applies and not apples to oranges, they actually save or reduce the deficit by $410 billion over the period from 1994 to 1998. President Clinton reduces the deficit by $516 billion over the same period. So, for starters, they are light by $100 billion.

Where do they go to get these so-called spending cuts? The first thing they do is they go to discretionary spending. That is spending for roads, bridges, education, police protection—the whole host of things that fall under the category of domestic spending.

Let us just look and see what has happened to domestic spending as a percentage of gross domestic product over the past 10 years, 12 years, and what is projected to happen in 1995, even under the President's proposal.

You see that discretionary spending has been coming down as a percentage of gross domestic product steadily—steadily—and that is why you have mayors complaining about bridges falling apart, sewer systems not working, the highways in desperate need of maintenance, not adequate police protection across the country, the educational system going to pot.

How do they respond to that? They say we are going to cut another $84.9 billion out of domestic discretionary spending.

Mr. President, if this proposal of theirs should become law, weeds will be growing in the streets and the cities across this country. It is dangerous enough now, but I daresay with the reductions in police forces that would occur, you would have to have a Thompson submachinegun to go down the street with any degree of safety, if these domestic discretionary cuts actually went into effect.

Where do they get the rest of their savings or cuts? They get them from entitlement caps. What are entitlements? Entitlements are a whole host of programs, but the ones that are growing principally are Medicare and Medicaid. They account for 85 percent of the growth of entitlements, as I said earlier. If you add in Social Security, then those three programs—Social Security, Medicare, and Medicaid—account for 95 percent of the growth in entitlements.

Now, they do not have Social Security in their entitlement cap. I think they learned their lesson on that, Mr. President, in 1986. They learned that the American people simply were not going to stand for any kind of cap or COLA reduction to be put into Social Security. So what do they do about it? They go after Medicare and Medicaid.

What we have is $50 billion in unspecified Medicare and Medicaid cuts in 1997 and 1998. That is $50 billion. Now, that $50 billion in Medicare cuts comes on top of the Medicare cuts that are already proposed by President Clinton.

Now, you can impose the Clinton cuts by putting them on providers, and they do not get to the beneficiaries. But if you impose this additional $50 billion that they want to impose, then you are getting right into the beneficiaries' pocket and you are simply depleting the Medicare trust fund.

So with regard to further entitlement cuts, you have $31 billion in 1997 and $36 billion in 1998.

So that is $45 billion in Medicare and Medicaid cuts in 1997 and $73 billion in 1998, again out of Medicare and Medicaid. So when you add it all up over the course of their program, in 3 years you have $108 billion in reductions in Medicare and Medicaid.

Now, if that is not going to adversely and dramatically affect millions of elderly citizens and sick senior citizens in this country, I do not know what will. And if that will not dramatically deprive the poor and poor children of health care, I do not know what will.

And what is it all about? It is all about protecting the tax breaks of those who got those lucrative tax breaks in the 1980's during the Reagan-Bush years. Oh, yes, they say we are going to do it without taxes. If you try to do it, if you focus all of your attention, all of your efforts on protecting these tax breaks for the wealthy and you still are moving down the line of trying to do something about the deficit, the only way you can get there is to literally gut domestic discretionary spending in this country and to literally do away with Medicare and Medicaid.

These are draconian cuts. They could not possibly be enacted. I mean we saw some of this during the decade of the 1980's in the budgets presented by President Reagan. Our friends on the other side of the aisle would not even call that budget up for a vote, would not even call the Reagan budgets up for a vote. And I think we called them up one time and asked them to vote for their Medicare cuts, vote for those Medicaid cuts, vote for those cuts in domestic discretionary spending. Why, those Reagan budgets did not get enough votes on the other side of the aisle to wad a shotgun. People are simply not going to vote for them. This is political hocus-pocus.

Now, Mr. President, I have talked enough here today. Many of my colleagues are here ready to speak, and I will defer now to the distinguished senior Senator from South Carolina [Mr. HOLLINGS].

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. I thank the distinguished chairman of the Budget Committee. As he said earlier in the day when we commenced debate, this is the one budget reduction train that's going to leave the station and we better get on if there is going to be any real budget reduction this year.

In that spirit, I commend the distinguished Senator from Tennessee and the superb leadership and work he has given. It has been awfully difficult. I have served in that role as chairman of the Budget Committee. When they mention reconciliation, I note that I was chairman when we passed the first reconciliation bill which actually reduced the deficit back in December 1980.

The Senator from New Mexico's statements and charts simply confirm what this Senator from South Carolina has long known, and that is that this deficit-reduction job cannot be done without new taxes in addition to spending cuts.

The Senator from New Mexico puts up a chart here and he claims that after 5 years we will be down to a deficit of $197 billion. Well, heavens above, try bragging about that to the people around the famous kitchen table in Texas. After these proposed catastrophic cuts in Medicare for the poor and elderly, and you still have a huge deficit. That is nothing to crow about. You have not gotten in the black. And meanwhile how much have you added to the national debt? You give yourself credit, and show these charts with arrows zooming downward, but meanwhile the Republican alternative would add another $1.549 trillion to the national debt.

Now, on our side of the aisle, we add $1.4 trillion to the national debt. So it is not an easy job. And my point here is that you cannot truly end the deficits without taxes. The fact is even the Republican's $197 billion target for 1998 is not an accurate figure in the context of the law with respect to deficits. I know they objected when I made the motion to put Social Security off budget and to prohibit it from being computed in the deficits. But it is the law nonetheless.

So in 1998 you must add $88 billion to the Republican's $197 billion figure, not disputing his figure of $197 billion. So you still have a deficit of $285 billion. And then if you add the other trust funds for highways, airports, unemployment, others, you add yet another $20 billion to the 1998 deficit. This is the best estimate of the Budget Committee and the Congressional Budget Office. So the Republican proposal without any new taxes at best keeps the deficit over $300 billion by 1998. How grand, wonderful.

This only proves my point that you cannot solve the budget mess without new taxes. I have no better authority than the fellow who got us into this soup in 1981. David Stockman, in the New Perspective magazine—this is indeed a new perspective for that fellow:

> The root problem goes back—

I am quoting him. He wrote this just last month—

> to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction of Republicans has willfully denied this giant mistake of fiscal governance and their own culpability in it ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of antitax venom while pretending that economic growth and spending cuts alone could cut the deficit.

Heaven's above. Where is there a better authority on the true nature of the Republicans' supply-side hoax in the 1980's? I opposed Reaganomics, along with McC. Mathias, Republican from Maryland. On this side of the aisle others, the Senator from Arkansas, the Senator from Connecticut, we opposed this nonsense back in 1981. I am very delighted, of course, to read Mr. Stockman's mea culpa.

I quote further from David Stockman:

> There is no way out of the elephantine budget deficits which have plagued the Nation since 1981 without major tax increases. In this regard, the full-throated antitax cries emanating from the GOP since February 17th of this year amount to no more than deceptive gibberish.
>
> Indeed, if Congressman—

I divert here for a minute. I have nothing particular against NEWT GINGRICH, I am just quoting:

> Indeed, if Congressman NEWT GINGRICH and his playmates had the parental supervision they deserve, they would be sent to the nearest corner wherein to lodge their Pinnochio-sized noses until this adult task of raising taxes is finished.

On that realistic score, the Senator from South Carolina has recommended a value-added tax. I worked with OMB Director Panetta three times, with Secretary of Treasury Bentsen, I went over to talk to Dr. Alice Rivlin, the Vice President, and then the President himself—arguing for a broad-based consumption tax dedicated to reduce the deficit and the debt. We made the motion in the Budget Committee for a VAT just 5 years ago and we got eight votes. We had bipartisan support.

The distinguished Senator from Minnesota, the distinguished Senator from Missouri on the other side of the aisle allied with six of us on the Budget Committee trying to avert the deception we now see, all the wailing and weeping, Republicans coming with Pinnochio noses and gibberish, their nonsense about how we are going to be tax free in 1993, all of their pollster politics, trading in silly slogans.

They have no shame. They have no embarrassment. If we were to adopt this particular Dole-Domenici proposal, we would ruin the country—we would ruin the country.

You are talking to a fellow that knows something about freezes. I first proposed a freeze back in 1981 and 1982 with Senator Howard Baker. I will never forget. He was the majority leader. He said, now, Fritz, you go this morning, and I cannot come directly out supporting it, but I will say some laudatory comments that we ought to really give it serious study, because he was for the freeze. I was for it. So I proposed it, and Don Regan, the Secretary of Treasury, tackled us both from behind. He said no, we are not going to have a freeze. We tried 5 years for a freeze. This crowd now pontificates that they have an alternative. No one in his right mind would go for a 5-year freeze for heaven's sakes.

Mr. D'AMATO. Will the Senator yield?

Mr. HOLLINGS. No. I will finish my thoughts and I would be delighted to yield thereafter.

Less than 24 hours ago, last night, in my appropriations bill, the panel attorneys, the Justice Department, and the Federal judges said that if they do not get an additional $50 million, they cannot try the cases. But this alternative says freeze, do not give them the $50 million. We can hold our breath. We can hold our salaries for 1 year. We can do it. But 5 years is outrageous nonsense.

The Small Business Administration, $175 million, trying to get jobs. The FCC, that is the one bill we overrode President Bush on; two-thirds of the National Congress told the President, go bag it.

We got a cable TV bill, and then we cut off the money. So we had to put $12,234,000 to fund implementation—delayed it until October for the enforcement of the law because we do not have the money to administer it.

The U.S. Trade Representative, you can go right on down the list, community policing, FBI, they have Waco, they have the bombing in New York, they have the killing at the CIA, they have the attempt on President Bush—they request $32 million in additional funds.

Government is a dynamic. Heaven's above. This is an opportunity for investment. The entire defense budget, generally, is dynamic. It is an investment to save us when we have threats to our national security. We do not know whether we are going to be in Bosnia, Somalia, or wherever, but it is a total investment that really no one questions. That is the primary function of your Federal Government.

And you come around to education, to Head Start, and say freeze it for 5 years. Just keep it there. We only are funding half of Head Start right now. Women, infants and children feeding, we're funding only half of it. We must rebuild get the Government moving, and get things going in this country of ours.

This alternative would freeze medical research. Secretary Shalala recently told me she has a wonderful Noble Prize winner coming into NIH. We have the Decade for the Brain, the human genome study, the breakthroughs we are making with the genes. For every dollar we spend out there at NIH in Bethesda, MD, we save $13.50. It is an investment. For every dollar of WIC, we save $3. For every dollar of Head Start, we save $4.50. But the opposition acts like it is a monkey show here. They jump with these blooming charts and holler, look, here, I have an arrow pointing down to the ground, tax free in 1993. You know why I am for taxes? I am for taxes to stop the daily increase of taxes that Republicans caused.

Yes. I opposed Reaganomics in July of 1981. You could see it coming. Heaven's above. I got the triple A credit rating for my own State; the first southern government to do so. I am proud of that. I know a little bit about fiscal sense. They came here in 1981 and said they were going to cut revenues 25 percent, which Stockman himself now acknowledges was a mistake. He calls it "the excessive and imprudent tax cutting that shattered the Nation's fiscal stability" is his wording of it.

We do not come around here with promises, what President Clinton promised. For heaven's sake, that crowd still thinks the election is going on—saying President Clinton this, President Clinton that. I can tell you Clinton got elected on one promise, and that was the promise that George Bush made to do nothing. Clinton promised the opposite: to get the country moving again. Does anybody have the guts and character to stand up and say here is what President Bush would have done? No way. Nobody is that asinine.

Good heaven's above. We had been on a 12-year binge. We have had our fill of these little slogans like "tax free in 1993," "Read my lips. Read my lips. No, I won't do it again, I won't do it again." Come on.

Mr. PRYOR. Mr. President, I am just trying to get the Senator some more time if he would let me interrupt him for just a moment.

Mr. HOLLINGS. I have gone already 30 minutes?

Mr. PRYOR. No. Let me inquire.

Mr. President, I am authorized to yield to the Senator from South Carolina 20 minutes off of the bill so that additional time at this point may not be taken from the amendment inasmuch as we have about eight speakers who would like to speak on the amendment, if that suits the Senator.

Mr. HOLLINGS. I appreciate it. Yes.

Mr. PRYOR. Therefore, I yield from the bill 20 minutes to the Senator from South Carolina.

Mr. HOLLINGS. As I was saying, President Reagan, what was his promise? His promise was that he was going to balance the budget and put the Government in the black the first year. I can give it to you in black and white numerous times. He came here and said, oops, I never knew it was this bad. I will have it balanced not in 1981, but I will have us in the black in 1983. That was his promise.

What are we doing? We are living with the consequences of Reagan's broken promise. He was the President. You had the Senate, my Republican colleagues, you had the majority, and you would not go with a 1-year freeze much less a 5-year freeze, but now you presume to run out with your little charts, tax free in 1993. It was you who gave us the first $100 billion deficit, the first $200 billion deficit.

And President George Bush gave us the first $300 billion, and this year, right now, we are at $340 billion and add the other $50 billion—again from the military, Medicare retirees, airport, highway trust funds, we are right up at $400 billion deficit this minute. That is the Reagan-Bush legacy.

That is our dilemma. Those were the promises made. We had never had a trillion dollar debt before Reagan, and we had 38 Presidents—Republican and Democrat—over 200-some years of history, all the wars, from the Revolution, World Wars I, II, Korean, Vietnam, right on down. And we had not accumulated $1 trillion in debt. Then we entrusted power to this crowd that is now bringing out these funny little charts; it is they who gave us a $4.1 trillion debt. It is up now to $4.2 trillion, and going up every day, which means the gross interest cost is $310 billion now. That is with low interest rates. You wait until November, when the rates start going back up.

But right now, every day this year, except Sundays, the Republican taxes go up each day at a rate of $1 billion a day. That is who I am going to attribute the fault to. I am tired of them preaching about freezes when they were opposed to them. I am tired of them calling for Gramm-Rudman-Hollings-style cuts when the Senator from Texas voted to do away with Gramm-Rudman-Hollings.

Mr. FORD. I thought you got a divorce.

Mr. HOLLINGS. I asked for a divorce trying to expose the abuse of Gramm-Rudman-Hollings. I certainly did. I said it was supposed to be truth in budgeting, a spur to get us to fiscal responsibility; not a shield to hide behind, as we did in 1990, which was a fraud if there ever was one. Both sides agreed that if we could finesse the figures, repeal Gramm-Rudman-Hollings, then we can all get by the 1992 election. That is what it was for.

I have heard none other than former President Bush say he has been given the wrong history. The recession was not after the 1990 summit deal; actually, the recession started in July of 1990, and we did not pass that silly summit, that fiscal fraud, that hoax of a document, until November of 1990.

And now we do not want to get into the same mistake, the same promised $500 billion reduction of the deficits, while, meanwhile, taxes are going up $1 billion a day. As Lewis Carroll wrote in "Through the Looking Glass"—"To stay where you are, you have to run as fast as you can; and to get ahead, you have to run even faster."

So it is a desperate circumstance that we are in; trying to run even faster. We need all of the above. Yes, we need more cuts—cut the super collider, the space station, the V–22 Osprey, and all of those toys. Yes, we need more freezes; and, yes, we are going to have to have, as Stockman said when he hit the world of reality up on New York, we are going to have to have what he describes as "major tax increases." That is why I recommended the VAT tax.

Let us not wreck the Government. Let us not devastate our society with a 5-year freeze. Actually, these figures are nothing but generalized, utterly nonspecific equations. The entitlement cap of $50 billion is put in the last 2 years to give us a figure. It claims that 4 years out, we will cut some $13.9 billion. And the next year we cut $35 billion. It does not say where we will get it. It says anybody under Medicare cannot get a dollar in 1997 and 1998. You cannot do that in this land of ours. We have to quit playing games to get a headline in the Washington Post that "we put up an alternative that can do the job without taxes."

Anybody who tells the American people it can be done without paying the bill, without stopping the tax hemorrhage of interest taxes of $1 billion a day, is defrauding the American people. They know it; they cannot do it. You can cut all $240 billion in discretionary spending and all $21.6 billion in international affairs spending, then subtract it from next year's deficit of $360 billion, and you are still left with a deficit of roughly $100 billion. And, mind you, that assumes eliminating every last dollar of domestic discretionary and international spending.

I would be delighted to do this without taxes, but the taxes are increasing as we talk. The Republicans are the ones that caused it, yet they dare to come around here now with their 5-year freeze when they would not even agree to a 1-year freeze. And they know it is absolutely out of the whole cloth; they know it would wreck all of the programs, the dynamics of Government, the needs of the American people, at a time when we are trying to rebuild the infrastructure after a 12-year binge of not paying the bill; let it all go to the national debt, quadruple it—$4 trillion—and then come around here and say "What about President Clinton's promise?" The unmitigated gall.

I think we promised to do a better job than this, and we had better quit playing this game and realize that what we need is—as Stockman and others say—we are going to have to enact a broad-based consumption tax. The Clinton plan hits the ball. It uses true figures, and it makes tough decisions. And I support it strongly.

But I say in the same breath, it hits the ball but does not follow through. We are still going to have to get on top of the deficit, because we are adding—if we bam-bam and voted, 100 Senators, the proposal of the Finance Committee and the reconciliation bill by the Budget Committee—we would still add $1.4 trillion to the debt over 6 years, and we would still be running a deficit almost as large as we inherited from President Bush.

That is why I have had to recommend taxes. When I have to do that, it galls me to come and listen to the monkeyshines—if I have a minute more, I will yield to the Senator from New York, if he has a question. I did not want to sound rude, but I tried to complete a thought around here.

There is a difference in philosophy, I have heard. They say, we Republicans believe you have to cut spending and pay the bill, but where have they been for the last 12 years? And now they belatedly come along with this 5-year freeze that would wreck the Government economically.

(Mr. WELLSTONE assumed the chair.)

Mr. D'AMATO. Mr. President, if I might make an observation, I wanted to say that I have said to the distinguished Senator from South Carolina more than once that had we undertaken his proposal, in a bipartisan manner, which was made back in 1981, to freeze spending, which he put forth, we could have avoided a lot of this plan.

I think the Senator was right then. I want him to know that.

Mr. DODD. If the Senator will yield——

Mr. D'AMATO. If I might, I wanted to make that observation.

Mr. HOLLINGS. Mr. President, I appreciate that very much. To the Republicans' credit, they brought poor, little Pete Wilson in here on a stretcher, and we voted for that. President Reagan sabotaged it, saying "I got together with Speaker O'Neill, and I am taking his Social Security increase because he is taking my defense increase."

That is why we later had to resort to Gramm-Rudman-Hollings.

Mr. DODD. If the Senator will yield, Mr. President. What we could have done, as well, was vote for a proposal that put the budget on a pay-as-you-go basis; in other words, if you wanted to increase spending, you must pay for it.

That proposal was made, and we got only 22 votes for that in 1981, I think. It said that from now on, we will just pay for any increases in any spending. And in a Republican-controlled Senate, we got only 22 votes for a pay-as-you-go proposal. That would have balanced the budget by 1985.

Mr. HOLLINGS. Mr. President, one other thought.

The distinguished Senator from New Mexico came in 1986, when they had a majority of Republicans controlling the Senate, and made a motion for 43 budget cuts by President Reagan. You remember the Stockman hit list, citing an "economic Dunkirk." He took the 43 cuts and moved them to a vote, and he got exactly 14 votes on spending cuts, and that was in a Republican Senate.

We have to operate in the real world and cut out the pollstar game here, with bogus charts, and ignoring the dilemma we are in of a $1 billion daily increase in taxes, which increased yesterday, and is being increased today, and will increase tomorrow and Saturday.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, first of all, let me say that I agree with many of the things that our distinguished colleague from South Carolina has spoken to. I think, had we had the political courage back in 1981–82 to impose a freeze across the board, we would have had a far different situation today. We still would have had the problem of dealing with the entitlements, and that is what the legislation that is before us today does. It takes courage. It can be misconstrued very easily.

Let me say, Mr. President, President Clinton said that he wanted to do a number of things, and he promised repeatedly, and I can quote him, the one thing he was not going to do and I will quote: "I am not going to raise taxes on the middle class."

Under our program we do not raise taxes on the middle class, but we achieve the spending reductions, we bring the deficit down, we keep the economy strong, and we keep faith with the middle class. Let me tell you, the gasoline tax alone, the tax proposal in the Democratic plan, will be raising $24 billion worth of taxes, and 80 percent of that or more is paid by the middle class.

Mr. President, I want to help President Clinton keep his promise. That is what this plan does. If we really want to raise taxes $24 billion—and that is what the gasoline tax does—on 80 percent of the working middle class of America, I do not think so. Let us help him keep his promise. We adopted a plan, there is a spending freeze, we have a spending freeze, and save real money and involve enforcement mechanisms to do it and cut spending $239 billion.

You ask Americans what they want. They will tell you they do not want more taxes, they do not want new programs; they want us to cut spending.

That takes guts and it is tough. We have got a methodology of doing it, and we have 40-plus Republicans who will vote for it. Now we have an opportunity, and I say to my colleagues on the Democratic-controlled side, do not do the same thing that we did, that the Republicans did in 1981. You know what? You have to read my book to see who said it, but there were some people in the administration, that FRITZ HOLLINGS could get too much credit back in 1981. That is a fact. They were afraid maybe he would be looking to run for President. That is true. That is a fact.

Let us make the tough decision and the right one. Let us stop this class warfare, "Get the rich guy; we are going to get him." Stop the nonsense. You can confiscate and take all the money from all the millionaires and you are not going to deal with the program here unless you cap spending, cap entitlements, cut spending. And that is what we do. When you begin this business of taxing the productive ends of America, the small business community—I am going to touch on that in a second—you stifle economic growth.

So this plan is not going to produce this kind of reduction in the deficit. It is going to throw hundreds and hundreds of thousands of people out of work. You are going to pay more in social service costs. You are going to lag in the income that is produced. Whenever you raise taxes, that is what takes place. Let us wake up. That is why the markets are reacting the way they are. That is why business is lagging. People understand and people know.

We did not even get into the health care reform area. Do you really believe that is not going to be accompanied by a big tax? President Clinton said, and I want to quote: "I am a friend of small business." He wants to reward them, encourage and help them. He was not going to tax them. He said in USA Today, September 1992: "I am not going to raise taxes on small businesses." And here in this bill, the Democratic proposal raises taxes on small businesses $55 billion. That is, 49 percent of the tax rate increase comes from small business out of $110 billion.

Let me ask you, do you really think raising taxes $55 billion is going to move this economy forward, is going to reduce the deficit? Not if you are putting in new spending programs and what it does. The best thing you can do is stop fooling around with the tax rates, keep them the way they are, hold the line on spending, and you will see America grow, you will see the market place expand, you will see real productivity. That is what it is about.

By the way, all I am trying to do is help President Clinton keep his promise. The Democratic package flies in its face—$24 billion gasoline tax on the little guy, $55 billion on small businesses. And I suggest to you that this nonsense of demagoguery of saying, "Let's get the rich guy," somehow there is something that is wrong. A lot of people who have just begun to make some money this year, or last year, are they evil because they are successful? Are we going after people now, punish them because they are successful? Is that what America is about? I did not think it was. I think we play a dangerous, demagogic game.

But I want to help the President. I want to help him when appropriate. I know he would not want it any other way. The President said, "You show me how you make the cuts." Here it is. Here is the plan that makes the cuts. And it keeps his promises; it does not raise taxes on working middle-class families. It does not raise the gas tax. It does not raise the tax on small businesses. Let us have the courage to do what maybe we should have done in 1981. This is long overdo, and that is why I am supporting this program. It is a plan that will see to it that we keep faith with the American people.

The PRESIDING OFFICER. Who yields time?

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, we are going back and forth. Is there anybody on that side that wants to go now?

Mr. PRYOR. Mr. President, I am authorized to yield to the distinguished Senator from Connecticut [Mr. DODD] 5 minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I thank my colleague from Arkansas.

Mr. President, I just want to remind our colleagues here—I have tried to keep time here the last little bit—that it was about 180 minutes ago when we were presented with the proposal we are now going to be asked to vote on in the next hour or so. On February 17, President Clinton submitted an economic package, a budget deficit reduction package, and that was 4 months ago; 180 minutes ago we got presented with an alternative. The distinguished Senator from South Carolina said it is tax free in 1993. It is "read my lips." It is all the same old sloganeering all over again.

With all due respect to colleagues on the other side, this amendment is not responsibility; this is dereliction in one's responsibility to deal with an extremely serious issue that requires hard thinking and hard work. And just to come up and create out of the air a proposal and lay it out here with charts, with arrows going in all sorts of different directions, and then suggest to the American people that this is a serious alternative, I think should be received in the spirit in which it was offered. This is politics, despite all the talk we will hear about base lines and scoring and all sorts of different methodology around here that cause the eyes of most Americans to glaze over.

What people have said is that they want real deficit reduction because they understand that, without it, we are not going to have real economic growth.

For the past 12 years we have been sold basically this same bill of goods. It began in 1981.

The Senator from South Carolina is absolutely correct. There were eight of us over here 12 years ago that said that years budget plan did not make any sense, and in those days we had a $1 trillion national debt. The deficit that year was roughly $100 billion. For 12 years we have tried that same formula as in 1981. For 12 years we have gone down that road again and again. Now that snake oil salesman is coming again. Now fool me once, fool me twice, fool me 8 times, 10 times. Well, how many times do we have to be fooled? And yet here it is again with this amendment. And the message is try it one more time, gang. It only gets better.

Well, listen. If we want to get serious, if we want to get real, if you really want to put us on a track here, we have to come up with a proposal that gets us $516 billion in deficit reduction.

I do not know of anybody that takes any joy in taxing anyone. Let us get off that game. I do not know of a single Member of this body that has ever taken pleasure in asking any American to have their taxes increased.

And let me say to my colleagues on this side, I do not think it helps our cause to go out and say that someone who has made over $100,000 or $200,000 a year is somehow evil. They are not at all. All we are saying with our budget plan is, "will you help?" That is all.

The 1980's produced some great wealth in this country. And God bless the people who made it legally. Today they are in a wonderful position financially. But as part of this deficit reduction we have asked for $75 billion in cuts in Medicare and Medicaid. We know that hurts. Those are not affluent people. These cuts hurt, for the most part, poor people who are going to be in a very difficult situation trying to pay medical bills.

And so we are also asking, in addition to additional cuts, for almost 80 percent of the tax increase to come from people who make $200,000 a year or more. Not because they are evil, not because they did something terribly wrong, but because they are in a position to help as we try to reduce deficits.

Frankly, if we pass this amendment, and then we come back here every year and engage in the same charade, we will be worse off.

The Senator from South Carolina said it well. Every time the hand on that clock goes around 24 hours, the Government borrows $1 billion more. That is a tax. Every single day it is $1 billion. Every single day of the year, every Saturday, every Sunday. It does not stop when we leave here. And that is the worst tax of all.

Right now, net interest is about 14 percent of our budget. If we sit on our duffs and engage in the gridlock, play the silly games, and tell the American people there is a painless way to cut the deficit, then in 10 years from now net interest will be almost 18 percent of the budget. Almost one out of every five tax dollars by the year 2000, or thereabouts, will go to interest payments on the national debt.

Is that what we want as a record? Is that going to be the legacy of this Congress? Will that be the legacy of our generation when they write the history of our time? Where were you? Where was the intestinal fortitude? Where was the honesty to stand up and say, "how about a decent balance here, and how about asking those who can to participate not because you are evil, and not because you are wrong, but because you can help? And how about asking those, as well, on the other side of this aisle to participate in responding to the responsibility, the collective responsibility, of our generation. But to accept the amendment before us is to walk away from that responsibility.

To try the Democratic budget plan will at least, for the first time in more than a decade, put us on the right track.

Let us get serious. Our constituents and the American people demand nothing less of us.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. I thank the Chair.

Mr. President, 2½ weeks ago KAY BAILEY HUTCHISON was elected as the new Republican Senator from Texas. I am delighted to yield to her 10 minutes now to make her first speech on the floor of the U.S. Senate.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Thank you, Mr. President.

Being No. 100 in this body does give me a unique vantage point. As the newest Member of the U.S. Senate, I have just spent 5 months all over Texas talking to the hardworking people of that State, talking to the taxpayers who are trying to make ends meet, and I can tell you that the people of this country are a lot smarter than Congress gives them credit for.

Time and time again, Congress has told the public: Just let us raise taxes now, and the spending cuts will come later. Time and time again, the spending cuts do not come. The taxes go up, the deficit soars, but the spending cuts do not come. This time the American people are giving us a message. I bring that message from Texas and from all Americans—cut spending first.

They know we do not have a deficit in this country because we are being taxed too little. They know we have a deficit in this country because Government is spending too much. They $347 billion package we are considering tonight includes $250 billion in net tax increases and $83 billion in spending reductions. It includes $3.18 of tax hikes for every $1 in spending cuts. In fact, as our distinguished colleague from New Mexico, Mr. DOMENICI, said earlier today, 82 percent of the spending reductions in this bill will not even take effect until after 1996.

Mr. President, the taxpayers will not be fooled again. They know what it is like to work hard every day and see almost 50 percent of their paychecks going to pay taxes to the local, State, and Federal Government. Most small businesses, as you know, file their tax returns as individuals. So the taxes in the bill we are considering tonight will affect small business people and will make their taxes even higher than the taxes large corporations pay.

I have visited the small businesses in my State who are scraping to get by. I know that taxation, and the cost of regulation and litigation, is taking away from the bottom line of American small businesses and forcing them to quit hiring or to lay off their employees.

Eighty percent of the new jobs in this country are created by small business. So what happens when we add these new taxes onto their bottom line? They have to make cuts, and the cuts come in the form of new jobs. It is the new jobs that will get this economy going again; It is new jobs in the private sector.

We all know that if small businesses can grow and prosper, small business people will put their profits right back into the small business and thus create new jobs. I think we should adopt the substitute amendment to the budget reconciliation bill because the tax cuts and spending cuts in the amendment are going to free our small businesses to grow. We must keep taxes down so that small businesses can grow and prosper and create new jobs.

Let us talk about the gasoline tax—4.3 cents a gallon. Who does that hurt? It does not hurt the rich people. It hurts the working person who is driving long distances in an urban or rural area of my State, and in every one of yours. That is who is hurt by the gasoline tax.

Mr. President, I have heard people on our side and I have heard people on the other side of the aisle talk about whose responsibility the deficit is. This is not a Republican deficit. This is not a Democratic deficit. This is an American deficit. So let us stop the political bickering. The people who are thrown out of work do not care if it was liberals who threw them out of work or conservatives who threw them out of work. They just know they are out of work. They are looking to those of us on my side of the aisle and those on the other side of the aisle to do something about jobs and the deficit. And I think it is time that Republicans and Democrats sit down together, roll up our sleeves, and get to work.

But let us not talk about tax increases at all. Instead, let us take taxes off the table and talk about spending cuts that are fair. It will be tough. There is no question about it. But our constituents elected us to make tough choices, and we should do it together—Republicans and Democrats. We should do what every American does every day in their homes and their businesses, and that is live within their means. Like every American, the Federal Government can live within its means, too. I think we owe this to the people: We must set our budget priorities, live within our means, and let the free entrepreneurial spirit grow and prosper in this country. That is what is going to get this economy going again.

Mr. President, I hope that we will adopt this substitute. I hope that we will take taxes off the table. I hope Republicans and Democrats will sit down together, cut spending, and get the deficit down. The substitute does that. It has the same impact on the deficit, as the reported bill, but unlike the reported bill, it will put Americans back to work and make the economy grow.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Again, if we are going back and forth——

Mr. NICKLES. If the Senator will withhold, will the Senator give me a half a minute?

Mr. PACKWOOD. Yes, 30 seconds.

Mr. NICKLES. Mr. President, I wish to congratulate our colleague from Texas for an outstanding speech. Not only was it her maiden speech but it was a speech that spoke directly to this bill, to her campaign, and I believe to this entire economic process. I thought it was an outstanding speech and I wish to congratulate her for it.

The PRESIDING OFFICER. Who yields time?

Mr. PRYOR. Mr. President, I yield at this time 4 minutes to the distinguished Senator from California [Mrs. BOXER].

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I also want to congratulate my colleague, the junior Senator from Texas, on her first speech, an exciting moment indeed. I notice she is very interested in cutting spending first. I hope she will work with us when we look at that super collider.

I am really very glad to see that we have a Republican budget before us. I am very pleased because that Republican budget shows what is important to them. We are off the rhetoric now. We have a document. And do you know what is important to our friends over there on that side? The millionaires. That is who they want to protect, the millionaires.

They say they are for the middle class, yet they destroy Medicare. They say they are for small business, but they voted against the Bumpers amendment to help small business. They say they are for the middle class, but they gut education in their plan. They say they are for the middle class, and they kill law enforcement. The middle class cannot afford to hire private security guards and have big gates around their houses. They need law enforcement. That is what their budget does. It will kill veterans' programs.

How would I name this Republican budget? We have bills that have names around here. So I think we have a few options here. One would be the Millionaires Protection Act of 1993. I think that would fit. Or how about the Bail Out Donald Trump Act of 1993? That would be good. Or Kill the Senior Citizens Act of 1993? Or how about the Permanent Recession Budget, because that is what we are going to get with this because we cannot absorb the kind of cuts that our colleagues on that side say we should absorb.

As the WEFA group study I have cited before shows: 200,000 jobs we would lose and a fall in the GDP of $8 billion if you cancel those tax increases on the millionaires and substitute spending cuts. Seniors would have to choose between health care and eating. Is that America? Is that the kind of America my colleague saw in Texas? I doubt it. Yet that is what this budget will do.

Oh, Donald Trump will be happy with this budget. I am sure he is on the line on someone's office saying vote for it. And Leona Helmsley and Ivan Boesky, the winners of the war on poverty. Those are who are for this alternative budget, the ones whose idea of social justice is bringing their designer clothes to a homeless shelter. They love this budget. It continues the greed of the eighties.

Our colleagues are cutting into Medicare and Medicaid, education, all the things we hold dear, and all the things Americans hold dear. And for what? To protect the billionaires and the millionaires. I am glad we have this budget before us.

A lot of people say what is the difference between the Democrats and the Republicans? This debate points it out as clearly as any other. I will not vote for a budget that will kill the human and physical infrastructure of our Nation, all to protect the millionaires and the billionaires.

Vote "no," this is an irresponsible and a reckless budget. It is radical.

I will say to my colleagues, I am glad you got off the sidelines and now we know what is important to you. I hope we will reject this overwhelmingly, Mr. President.

Mr. SARBANES. Will the Senator yield? I want to commend the Senator from California for her statement, and particularly for focusing on the interconnection of what is happening here. In order to understand this proposal by the Republican leader, which talks about caps and freezes—you have to go beneath the rhetoric. Caps and freezes means deeper cuts for Medicare which helps provide the elderly with health care; you are talking about deeper cuts for education in order to train the work force of the next generation; you are talking about deeper cuts in our infrastructure which needs upgrading not downgrading. These are the things that are reflected in these deeper spending cuts.

You then say we have to do something about the deficit. We do have to do something about the deficit. And they say let us do it by having these even deeper spending cuts in order to go even harder into these programs which are already being trimmed back and cut under the proposal that came from the Finance Committee.

But then you say to yourself, why are they doing this? Why are they changing the package that came from the Finance Committee to try to accomplish deficit reduction with these even deeper spending cuts? Does not everyone want spending cuts?

They say, just let us look at the spending cuts and the fairness of it. Then you say, what is at work here? What is at work here is they do not want the taxes, the revenue increases that are in the Finance Committee bill, 80 percent of which come from people at the top 1 percent of the income scale. What this proposal does from the Republican side is it gives a free pass to those who have benefited the most from the workings of the economic system over the last decade in terms of trying to meet the deficit reduction problem. The Republicans say, take a pass, we are not going to ask you to make a contribution. In order to give the wealthy a free pass, people making $150,000, $200,000, $250,000 a year and on up—but still meet these deficit reduction targets, they say let us cut more deeply in the Medicare for senior citizens, into education for our children, into improving the Nation's infrastructure.

That is what this is all about. The Senator has put it together very well indeed. I ask the chairman of the Budget Committee, what percent of the revenues——

Mr. NICKLES. If the Senator would yield, I thought the Senator from California had the floor.

Mr. SARBANES. I withdraw the request. How much time does the Senator have remaining?

The PRESIDING OFFICER. If the Senator will yield, the Senator from California has consumed her time.

Mr. SARBANES. Will the Senator yield me 2 minutes?

Mr. PRYOR. I yield 2 minutes to the Senator from our side of the bill.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. SARBANES. I would like to put a question to the chairman of the Budget Committee.

What percent of the revenues in the Finance Committee bill come from the people at the top end of the income scale?

Mr. SASSER. To be precise, 79 percent of the revenues come from those who make over $200,000 a year; 89 percent of the revenues come from those who make over $140,000 a year.

Mr. SARBANES. That is 89 percent from those making over $140,000 a year?

Mr. SASSER. Yes.

Mr. SARBANES. As the Senator pointed out very clearly in her analysis, the proposal from the other side says we want to drop those revenues from the people at the top end of the income scale. But to meet the deficit we are going to throw even heavier burdens on the retired, on working people, and on middle-class people.

I do not think that is fairness. That is not fairness. Fairness would dictate that the people who have reaped great benefits pay their fair share. If you earn it legally, as the Senator put it, more power to you. But at least pick up some share of this burden. The Republican proposal allows them to walk away with a free pass from deficit reduction. They do not need Medicare to meet their medical bills. As the Senator pointed out, they do not need the money for police to meet their security needs. They are meeting those privately. The middle-class and the working people cannot meet their security needs privately. They do not need the education money. They are meeting those needs privately. But the working people need the education money for their children if they are going to train them for the next generation.

Yet this proposal gives them a free pass. What burden will they pick up to help meet the deficit reduction? The Republicans drop their contribution, with their proposal, and load it on those who are less able to carry the burden.

I commend the Senator from California for her statement. I strongly support her in urging opposition to this amendment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Might I inquire, we have been going back and forth. Is it our turn on our side?

Mr. PRYOR. As I understand it, it is your time, to answer the Senator from New Mexico.

Mr. DOMENICI. Let me say to my friend from Arkansas, I will not object, nor will I take time off the bill, but I do think when we are having Senators wait thinking there is 10 minutes on a side, I have been judicious; I have done that very little on the bill. We can be here all night taking it off the bill. I hope we will not do it regularly during the remaining 30 or 40 minutes.

Mr. NICKLES. Will the Senator yield me 10 minutes?

Mr. DOMENICI. Mr. President, I yield 10 minutes to the Senator from Oklahoma.

Mr. NICKLES. I thank my friend and colleague from New Mexico for his leadership.

Mr. President, there have been a lot of statements about the facts of history. I think it may be prudent to give a little history. I think you will find over the last 12 years—this decade of greed that many of my colleagues have been talking about—you will find that revenues have grown rather significantly over the last 12 years, but outlays have grown even faster.

So when we talk about all the tax cuts, and evidently many of our colleagues on the other side of the aisle are upset about reducing tax rates, they should be pleased that by reducing tax rates, tax revenues increased. It is interesting, all the charts my colleagues on the other side of the aisle have used show that the top 1 percent had a big reduction in their tax rates, I do not guess they looked at the facts. The facts are, the top 1 percent paid a lot more taxes. I would think that they would really be pleased with that fact: The Government got more money from the top 1-percent income.

IRS data shows that the average income tax payments for the top 1 percent of taxpayers jumped 48 percent between 1981 and 1988. Meanwhile, the average tax payment of the lowest 50 percent fell 26 percent.

I hope people can absorb that, that we are talking about dollars expended by the top 1 percent. From 1981 through 1988, their taxes paid went up 48 percent. I will grant you, they had a rate reduction, but then they quit sheltering so much income, therefore generating more income and which resulted in them paying more taxes.

Incidentally, I might say they hired more people. We ended up employing over 18 million people, new jobs were created in the eighties. Now the lower 50 percent, their tax burden fell 26 percent. I would again think that my colleagues who have a primary emphasis in income redistribution would think that that is a good thing.

I might mention, though, there is a significant problem in the bill that is facing us now. The bill that has been offered by the Democrats is going to put a lot of people out of work because it hits small business right between the eyes.

Mr. DORGAN. Mr. President, I wonder if the Senator will yield.

Mr. NICKLES. I will not yield. I have several things and have only 10 minutes to make my statement. I apologize. I will at the conclusion of my time.

This package that is offered by our colleagues on the Democratic side of the aisle is an assault on small business. They say it is an assault on the rich, but frankly it is an assault on small business. I will just give some examples.

In 1991 IRS data, there were 20.5 million business tax returns; 16 million of those are S corporations or sole proprietorships. Eighty percent of small business file as individuals. They filed a subchapter S, they filed sole proprietorships and partnerships.

That 80 percent, or those 16 million returns, are going to find out that they are going to have a new tax rate, thanks to our Democratic colleagues and President Clinton. Their current rate is 31 percent. A couple years ago, it was 28 percent but it was raised to 31 percent.

I might say, it did not help the economy and it really did not generate revenues. But now they find they are going to have an increase in their marginal rate to 36 percent, and have a millionaire's surtax—but "millionaire" is defined as a business that makes $250,000—another 3.6 percent on top of that, that is, 39.6 percent. They have a self-employment tax, and there is no limit on that; another 4.5 percent for the employee and employer, 2.9 percent. That takes it up to 42.5 percent, and then we eliminate the deductions and that takes it up to 44.5 percent, compared to present law of 31 percent.

My colleagues on the Democratic side of the aisle seem to think that is not going to have any negative consequences on the economy. That is not the case. That is going to cost jobs. That is a 43-percent increase in their marginal tax rate, in their dollars that they make decisions with, in their incremental dollars of revenue. That, I might mention, Mr. President, does not count State taxes. When you add State taxes on top of this, you find—in my State of Oklahoma, it is usually around 7 percent. That is well over 50 percent.

I will tell you, a lot of people will make decisions not to build, not to expand, not to grow, not to add employees because Uncle Sam or Government is getting over half of it.

I might also mention that the bill that is proposed by the Democrats taxes small business a whole lot higher than they tax corporations. They increase tax on corporations from 34 to 35 percent. Some on the other side of the aisle want to increase that to 36. My point is there is still a 9.5-percent higher rate for small business where the real job creation and growth really is in America under the Democratic plan, than there is on the corporate side. They seem to think there is no negative economic impact. I just beg to differ.

Mr. President, to look at the budget proposal that we have before us—and I hear all this discussion on cuts—I would just like to say I beg to differ. If you look at the facts, in 1960, the Federal Government spent less than $100 billion. In 1970, 10 years later, the Federal Government spent, and this includes everything—Social Security, unified budget—the Federal Government spent a little less than $200 billion. During the seventies to 1980, we spent a little less than $6 billion, so it tripled in that decade. Between 1980 and 1990, it doubled. We spent a little less than $1.2 trillion in 1990. So you see spending rising and rising rather substantially. This year we are going to spend about $1.443 trillion. Under President Clinton's budget, spending continues to escalate, and escalate rather dramatically.

The point I am making is that there are not real spending cuts in the Clinton budget. What we are talking about is restraining the growth of spending. Under President Clinton's plan, if this plan is adopted with all the massive spending cuts we have heard people whining about and all the massive tax increases, Federal spending will still rise from $1.4 trillion today to $1.756 trillion. So spending continues to escalate.

So, yes, there are a lot of new taxes, but there is also a whole lot of new spending.

The Republican alternative, on the other hand, does not rely on new taxes. We know there is a deficit problem but we think the problem is not that we are undertaxed but we are overspent. Today, Mr. President, in 1993, we will spend $1.44 trillion. That is the equivalent of about $6,000 for every man, woman and child in the United States. Think of that figure. It is hard to comprehend.

Under President Clinton's proposal, spending will increase to $1.75 trillion. We are already spending $6,000 for every man, woman, and child in the United States. He want us to spend $7,000 for every man, woman, and child in the United States. He wants more money to spend. He wants a massive amount of new taxes; actually, the largest tax increase in history.

President Clinton has said he does not want to increase taxes on middle-income taxpayers. As a matter of fact, he had a campaign pledge that said he would cut taxes on middle-income taxpayers. I will tell you, the facts are, this gasoline tax is not only a tax on upper income, it is a tax on middle income and it is a tax on low income.

This morning, I heard Senator SASSER say, "The income tax increases in this bill only apply to those people who make over $140,000." That is not true. The Social Security tax increase applies to anybody who has income above $32,000, and that is not the super wealthy. These seniors are going to find their Social Security income is going to be taxed, 85 percent of the Social Security income is going to be taxed. Before it was 50 percent. That is a Social Security income tax increase.

People on Social Security, like my father-in-law, are counting on that money for retirement purposes. They are going to experience a big tax increase of over $1,000 a year. We hear on the floor that this bill is not going to impact them, that it only impacts people who have six-figure incomes. Not the case.

The point I am trying to make, Mr. President, is there are a lot of things in this package that are going to put people out of work. There are a lot of provisions in this package that are going to allow Federal spending to continue to escalate, and escalate rather dramatically.

The Republican package, on the other hand, works on the spending side. Since we are already spending $1.5 trillion per year, let us try to reduce the deficit. We agree the deficit needs to be reduced. Let us reduce it by cutting spending, not by raising taxes. That is the real difference in philosophy. That is the real difference in budget proposals.

If Senators believe that we need to reduce the deficit by cutting spending instead of raising taxes, they will support this initiative offered by Senator DOLE, Senator DOMENICI, myself and others.

I hope they will. Unfortunately, I am afraid they will not. And the real loser, in my opinion, will not be the Republican Party and the real winner will not be President Clinton and the Democrats. The real loser will be the American economy. The real loser will be the employee who works at American Airlines, a company that is already losing money and now will find themselves saddled with a tax of about $100 million per year. I think the real loser will be the American economy.

I hope my colleagues will adopt Senator DOLE's package and defeat the Democrat package.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PRYOR addressed the Chair.

Mr. SIMPSON. On behalf of the floor manager, I yield 5 minutes from the bill, on this side of the aisle, to Senator BENNETT, if I may.

Mr. PRYOR. Mr. President, I believe that it is now the time for our side of the aisle to present a speaker, if the Senator from Utah will withhold while the Senator from Oklahoma [Mr. BOREN] is yielded 5 minutes.

Mr. SIMPSON. Mr. President, that is perfectly appropriate.

Mr. PRYOR. Mr. President, off of the amendment, not from the bill.

Mr. SIMPSON. All right. Certainly.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I yield 1 minute to the Senator from Maryland out of my time.

Mr. SARBANES. Mr. President, I appreciate the Senator doing that.

I wish to respond to one point the junior Senator from Oklahoma made, which I think is very important. He said that over this period of time, the top 1 percent have paid more in Federal taxes. That is a correct statement as far as it goes. But what he did not tell us is that the reason they paid more taxes is that they had far, far more income. In fact, their income over this period rose by 85 percent—85 percent. Their taxes rose by 50 percent. And because of the tax cuts which they received their after-tax income rose by 105 percent.

So it is true they paid more taxes, but they had much, much more income and they were paying lower rates on the income.

Mr. NICKLES. Will the Senator yield?

Mr. SARBANES. So I say to the Senator, the logical extension to that is someone who has all the income and pays all the taxes and says to you, "Well, I paid more taxes," of course; he had more income.

Mr. NICKLES. Will the Senator yield?

Mr. SARBANES. Not just part of the story.

Mr. NICKLES. Will the Senator yield?

Mr. SARBANES. Certainly.

Mr. NICKLES. I appreciate the Senator acknowledging my statement that the upper 1 percent had paid 48 percent more in income taxes. Will the Senator also agree that the lower 50 percent saw their income tax liability fall by 26 percent?

Mr. SARBANES. Yes, because their incomes fell. It works the other way. It works at the other end of the scale, I say to the Senator. Yes, their incomes fell. You cannot relate the contribution you are making on the tax side if you do not address what is happening to you on the income side.

And if you have someone who is paying a little more Federal income taxes but has a huge jump in their income and an even larger jump in their after-tax income, you need to address the fairness of that situation.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. BOREN. Mr. President, how much time do I have remaining to me?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. I ask that the previous time be charged against the amendment on our side, and that the Senator from Oklahoma now have the full 5 minutes charged against the amendment on our side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I thank the leader. I thank Senator PRYOR and my colleague, Senator SARBANES, because I think he pointed out a very important fact: The after-tax incomes of those in the top 1 percent of this country have gone up enormously in the last decade, while the incomes of those in the bottom 25 percent of this country—the families that are struggling to educate their children and to buy a home—have been going down.

Mr. President, when the American people, watch us, they get very frustrated with us. That is why they express a lack of confidence in the Congress of the United States as we deal with these difficult problems. One of the reasons they lose confidence in us is because they see us deal in political charades when we are talking about one of the most serious problems facing this country. What is going on tonight is a political charade. That is why I cannot support the amendment that has been offered from the other side of the aisle.

We have a desperate problem. The American people know it. Federal deficits are destroying the future for our children and our grandchildren.

I will tell you something else. The American people are willing to make a sacrifice to do something about this problem. They do not want to sell out this country from under our children. They know that 58 percent of all the private savings in this country already are taken up just to pay the interest on the Federal debt. They know what that is going to do to this country; they will have no money left in the private sector to create jobs for their children in the next generation. They know if we do nothing—if we do nothing—the deficit will consume 100 percent of all the private savings in this country by the year 2000.

Now it is time for us to stop this political charade. The American people are telling us to do something about it. We have a plan before us, put forward by the Finance Committee and the Budget Committee, that will reduce the deficit by $516 billion. Those spending cuts are spelled out. Those revenue changes are spelled out. We have as an alternative not $516 billion of deficit reduction, which we so desperately need; we have an alternative $367 billion in deficit reduction, and only about a third of those cuts are spelled out at all. The rest of it occurs under the operation of so-called caps. Mr. President, When I offered an entitlement cap proposal with my colleagues Mr. DANFORTH, Mr. JOHNSTON, and Mr. COHEN, we provided specific program changes that resulted in savings sufficient to meet the entitlement cap. That is the only responsible course in the context of the budget reconciliation.

Now, Mr. President, only with about a third of the $367 billion—which is not nearly enough in deficit reduction, by the way is spelled out, there is no guarantee we will get anywhere. History teaches us this lesson. We have had Gramm-Rudman. We have had other mechanisms that were supposed to work.

What happened during that decade? During the decade of the 1980's, the national debt of this country went from $1 trillion to $4 trillion. The American people want this behavior stopped. They do not want more political hot air. They do not want $367 billion of deficit reduction instead of $500 billion in deficit reduction. They do not want a plan that does not spell out two-thirds of the cuts, two-thirds of the reductions. They want something that will work. They want real deficit reduction for their children.

I will tell you something else. They want the deficit reduction package to be fair. They want to have a one-boat plan. Yes, people are telling me at home: We do not mind having our taxes raised if you people will really do the job and cut spending. If you will really cut spending, if you will really get the deficit down, we are willing to make our sacrifice for our children. We know we are destroying this country if we continue on this course. And, please, don't go back to your old tax-and-spend ways.

We have changed this proposal, Mr. President. The proposal before us now keeps faith with our commitment to responsibly reduce the deficit. It cuts spending more than it raises taxes.

Now how in the world would a deficit reduction package be fair—how would it be fair, Mr. President—if it said that those who have gained most from this country, who profited most from it, should not even contribute back to the deficit reduction?

As my colleagues have said, 87 percent of the increased taxes in this bill now before us are levied upon those with taxable incomes—net gross incomes—over $100,000 a year; 79 percent on those with taxable incomes over $200,000 a year.

I was brought up to believe that if the country is good to you, you ought to pay your dues. You ought to give something back. You ought to give it back in community service. You ought to give it back by supporting your schools and building the roads and doing the other things that a society needs.

Now, Mr. President, it is right for us to call on all Americans—all Americans, according to their ability—to pay and to sacrifice and to share. All Americans must sacrifice. We must make tough choices. Entitlements should not be off the table. All Americans are going to have to sacrifice.

But for goodness sake, the American people are smart enough to know that we cannot reduce the deficit with a plan that does not even specify two-thirds of the cuts and that does not even call upon the top 1, 2, 3, or 5 percent of the people in this country who have been the most fortunate, who profited the most, to do their share to give back, while asking those at the bottom end to do nearly all of it.

That is not fair, Mr. President. We have to have a one-boat plan. All of us are going to have to stop being Republicans and Democrats, upper-income Americans and lower-income Americans. It is time for us to get together. It is time to stop the political games.

There are only two ways to reduce the deficit. There are only two ways to balance the budget. You have to cut your spending, and you have to get your income up. Every family in America knows that it has to be done that way. That is also what we have to do as a nation.

Let us stop the political games. Let us pass a bill that specifies the cuts instead of putting them out there in some vague terms. And let us ask all the Americans, especially the Americans who have the greatest ability to make that sacrifice, to join in.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, on behalf of the manager, I yield 5 minutes from the bill to the Senator from Utah [Mr. BENNETT].

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, there is a monument within a few hundred yards of here to the late Senator Taft. It was said of him that he was often outvoted, but he was seldom outargued.

I expect we will be outvoted tonight. But I wish to make a few observations in the hope we may not be outargued, a few items to put on the table and to put in the RECORD.

We have just heard that this is a 1-to-1 deal. We have heard that there are going to be spending cuts, talking about the majority proposal. I quote from this morning's Wall Street Journal an article entitled "The Budget, Fun With Numbers," where the author says the White House has been arguing and some Senate Democratic leaders have been repeating that the budget deal is a 1-to-1 deal, evenly divided between spending cuts and tax increases. The Congressional Budget Office estimates that the deficit reduction legislation is a 2.5-to-1 deal, precisely $2.53 cents in tax increases for every $1 in cuts. Senate Republicans, for their part, argue that the real ratio is $3.15 to $1. By my math—I will show some of this below—the true ratio is $4.66 in new revenue for every $1 in spending cuts. I commend that to my colleagues to read the details later on.

There is another item that I think belongs in this debate. We have been hearing about the top 2 percent. The top 2 percent are going to pay 70 percent, 75 percent, whatever it is. I would put into the mix, Mr. President, the fact that 69 percent of the tax returns filed by the top 2 percent are filed on behalf of sole proprietorships, partnerships, and S corporations, which means 70 percent of the 70 percent are going to be paid by these corporations.

To put it into a face, a real individual, I can describe to you an S corporation where the chief executive pays himself a salary of less than $100,000. The corporation, to survive, is earning $300,000 pretax, out of which they finance inventories, they finance receivables, et cetera. Instantly, that $300,000 goes onto his personal tax return. He is listed as $400,000. He is earning less than $100,000 that he is taking home. But he is going to be taxed at a rate, as the Senator from Oklahoma pointed out, an effective rate of 43.5 percent. Let me tell you, you put that onto the salary that he actually takes home, you automatically wipe out all of the deductions for his children, you wipe out all of the deductions for his mortgage, you wipe out all of his deductions for charitable contributions because he is pushed into the very highest rate there.

Finally the comment that I will make about the great consternation we have seen on the other side of the aisle about the fact that the rich paid more money in taxes, but they had more money to do it with. Did it ever occur to anyone that the lowering of the tax rate allowed them to have more money to do it with? As a businessman, I know full well that you do not spend percentages. You spend the money that comes in. The Federal Government did not spend the percentages that came out of the top 1 percent. They spent the money that came in, and the bottom line is, they got that much more money.

You talk about people in the top 1 percent. I will confess personally to being in the top 1 percent. I will confess to having prospered during the 1980's. But I will repeat again on the floor that the business that I presided over, that took me from a circumstance in 1980 where I was missing mortgage payments and having my credit cards cut up because I was late to the point that I got into this top 1 percent which came about because the business that I presided over was an S chapter business and we were paying taxes at the 28-percent rate. If we had been faced with the 43-percent rate, I would not make it into the top 1 percent, I would not be paying the taxes I am paying now and the 1,300 jobs that we created would not have come to pass and those employees would not be paying taxes. And we could be standing here on the floor saying, "Isn't it fair? Isn't it wonderful how fair, that all of these people are equally poor," instead of saying, "Gee, we have to punish Senator BENNETT because he got into the top 1 percent."

I will pay my fair share. I will not complain about my fair share. But the point I think we must keep in mind as we compare these two plans is that one of them says, "Raise taxes now and trust us on the spending cuts 3 years later." And all we are saying is, let us do the reverse. Let us do the spending cuts now and trust us to do the right thing on taxes 3 years later. I am willing to make that deal.

I thank the Chair.

(Mr. FEINGOLD assumed the chair.)

Mr. PRYOR. Mr. President, I yield to the Senator from Montana 2 minutes.

Mr. BAUCUS. I thank the Senator from California [Mrs. FEINSTEIN] for yielding time.

Mr. President, we are faced with the Republican substitute as an alternative. That is an antijobs alternative. It is antieconomic growth. It means people's incomes will fall. Why? Very simple. Because it is not credible. The financial markets will not believe it. They will not believe it at all. It is a big package here, several inches high. Nobody has read it. Nobody knows what is in it. It is before this body for only several hours. Even then, nobody knows what is in it. It does not specify the spending cuts. Therefore, the financial markets know that is not credible. It puts the burden on seniors, to the tune of $60, $70, $80 billion. The financial markets know that is probably not credible either. It says the deficit reduction is accomplished with no taxes whatsoever. It says that the wealthy, who have been getting off scot-free, are not going to contribute. That is not credible. They know that is not going to happen. This is not a credible package. It is not believable.

The financial markets are going—you are going to see interest rates go up. Long-term rates are going to go up if this were to pass tonight. Short-term rates would go up. That is going to hurt businesses. It is going to hurt this country dramatically. It is not credible, and the financial markets know it is not credible. The American people know it is not credible. It is very simple. It is a package. It is a glossy package on the surface, nice, big, colored paper, wrapped in a big red ribbon, but you do not know what is on the inside. We do not know what is on the inside. We have not read it. But it sounds nice on the outside. The people are pretty smart. They are pretty shrewd. They have seen a lot of fancy packages on the outside not knowing what is on the inside. They think probably, since they do not know what is on the inside, they believe it is not credible. It is not. That is the option for us. You are either for it or against it. It is not credible. It will raise rates. It is antijobs. I urge all to not support it.

Mr. PRYOR. Mr. President, I believe it is time for the other side.

Mr. SIMPSON. Mr. President, let me review with my good colleague from Arkansas. Perhaps, as I see it here, there would be only two more speakers on this side of the aisle. At least that is my present knowledge. So I think that perhaps one of those may yield back time and then there will be 3 minutes for the Senator from New Mexico.

So I yield to myself not more than 10 minutes from the bill, and then I believe that the other two Senators may decline.

Mr. President, I want to commend Senator HUTCHISON for her fine entry into the RECORD of this Chamber in debate a few minutes ago. I thought she presented some very fine arguments. I certainly commend her. I know all of us do on both sides of the aisle as we do our initial speeches in this Chamber.

I also commend our leader, BOB DOLE, for his work in presenting this together with these charts.

Let me say that I have been absolutely bemused today listening to the debate as it unfolded on this day. No one in America would ever be able to understand what it is we are doing because the passion on both sides about the rich and the poor is so magnificent.

I have heard my fine colleagues on the other side explain why it is necessary to raise taxes on the American people. That is what this proposal does. There is no mistaking that. They have laid it all out for all to hear, apparently saying, and very clearly, that anyone who seeks to enact spending cuts here beyond what is envisioned in this package has some hidden agenda to protect the rich, and to deprive needy and ragged Americans of all sizes and varieties, a deprived entire Nation, of their rightful share of Federal spending. That is the way I hear it.

It all sounded strangely familiar. I think the American people will find it so as well. They send us postcards by the hundreds of thousands, and they say: Cut spending first. We come back and say: Oh, no, that is impossible, absolutely impossible, because $1.5 trillion a year is not enough to spend each year on Government. We have to keep that going or the needy will suffer, or the seniors will suffer, or the veterans will suffer, or you ring up the scorecard and you name it, they will suffer.

Of course, there is a way to solve this terrible suffering, and that is to get the rich. Then all will be well, because they are not paying their fair share. Their taxes have gone down. We will fix it. We will get the rich to pay their fair share, and we will not have to deal with anything so cruel, so heartless, so fundamentally unfair as a restraint on entitlement spending.

Mr. President, unless we get a grip on the entitlements spending in the United States, in the year 2030, your grandchildren will be picking grit with the chickens. We just sit here while Medicaid goes up 29 percent and Medicare goes up 12 percent, and when we try to cut it back so it only goes up 10 percent, the American public is told we are cutting Medicare. How stupid. A 10-percent increase is not a cut in any vernacular or any language.

I would like to take my colleagues on just a short trip down memory lane to the debate over the 1986 Tax Reform Act. I voted against it. I thought it was a confusing morass of nothing. I voted against it. That was 7 years ago when Government spending was significantly less than today, as was Government taxation. We did not do anything then to slow down the growth of Government—nothing. We did not have to. The only real problem was that "the rich were getting a tax break." That is what that debate was about. Remember it?

So let me share with you some quotations from my colleagues in the House on that tax debate. Here is one from my old friend DANNY ROSTENKOWSKI—a great guy, a lovely friend—speaking during the House debate about how fairness had finally been restored to the tax system:

> Tax reform is the great equalizer between income classes. * * * We have restructured—

Under the 1986 bill—

> the rest of the code in such a way as to leave the new income tax system more progressive than today's. Again—the Tax Reform Act of 1986 promises a more progressive tax in every income range than does present law.

Reading those is strange. But 7 years later, here we are in desperate need of sticking it to the rich to solve all of America's problems, so that we do not have to cut any spending.

Then my friend, DANNY ROSTENKOWSKI, continued to enthuse. I thought he was at full flight on this one:

> Tax reform's political appeal and its political force is its promise of fairness to working families. No other theme could have gained the support of such a broad spectrum of taxpayers * * * It is a bill that reaches deep into our national sense of justice.

Stirring words.

> It gives us back a trust in Government that has slipped away in the maze of tax preferences of the rich and the powerful.

I find it difficult to reconcile those glowing words with the grisly portrait of a class warfare tax system, as displayed by Senators SARBANES and SASSER in their remarks earlier today. It is hard to really reconcile that. Let us hear majority leader GEPHARDT's opinion of the 1986 tax bill:

> This bill has got the best minimum tax that we have ever had. It makes me angry that 250 families earned over $1 million last year and paid no taxes. * * * This bill makes sure that does not happen anymore.

Then what my fine friend, a man I devoutly respect, Speaker O'Neill, said about the 1986 tax bill:

> This is the best antipoverty bill that has been in this House, I would have to say, in at least half a dozen years. * * * It shifts the burden of taxation from the average individual taxpayer to those, who have avoided taxes through the years.

Even more inspiring is the statement from the Speaker:

> When you were elected to the Congress of the United States, you accepted a duty to ensure that this country has the best and the fairest Tax Code. Now the time has come.

So, again, the time has come. Back in 1986 and, unfortunately, for the poor, old taxpayer, rich or destitute, the time had come again in 1990, and it is coming again in 1993 and is going to keep right on coming and coming, and maybe again in 1996 when the time comes to enact the cuts promised here, which we will never do. You know we will never do it. All the stuff is loaded on the out end, and when it comes time to do it, we will just raise taxes on the poor bums again, for most of the spending cuts are not even made effective in this legislation.

Again, in 1996, we will make the Tax Code fair by getting the rich to pay their fair share, and then maybe again in 2000, and all of this will go on and on.

Then I hear the talk of posturing on this side of the aisle. I think, it is the truest form of posturing to assume that the American public is so sappy, so stupid, to forget that every few years we have saved these poor souls from the rich by getting them to cough up more to pay their fair share. And the deficit keeps going up, spending goes up, and taxes keep going up.

If there is any posturing in this Chamber, it is in the form of the claim that taxes and spending are doing anything other than going up, up, up, on ward and outward, and to make a gullible public believe it cannot be stopped or cannot be slowed; "No, no, we must not slow it. We simply cannot arrest the growth of taxes or spending, because that would be protecting the rich."

What rubbish, absolute rubbish. We have all been down this old road before. We are going to pass the legislation. We know perfectly well we will be back here in a few years to raise taxes again. The American public knows it, too, and we will keep coming back to it again until at long last we get it through the collective thicknesses of our skulls that the public is unerringly right. It is long past time to do what they ask, and that is: Cut spending first. They often add the phrase: Stupid.

So if we need to get "the rich" let us take it all. Why fiddle with tax rates. Confiscate everything the rich have. Take the Forbes 400, lay them all in there in one great grave, and take every yacht and every villa and the whole works, and guess what, that is about $310 billion, and that will run the country for 12 weeks. Up and at 'em here. Let us pay attention. Take it all. Why fiddle with it.

The budget is $1.5 trillion. If you took every penny from the rich, it would be $310 billion, and that would run the country for 12 weeks.

If you want to do something, I am ready to do some voting. Let us cut the COLA on Social Security for people who get over $40,000 or $50,000 in retirement income. I am ready to cast that vote. Let us make people on Medicare Part B pay 100 percent of their premium instead of 25 percent, when they earn over $100,000. I am ready to cast that vote.

Anyone else?

Let us do something with veterans. Let us take care of the service-connected disabled veteran like every other country does. Then let us not do the same thing with people who served 6 months, and never left the United States. Let us do something different with them and save $37 billion in the budget. Let us take care of the people who need it.

Let us do some means testing of every entitlement program in the United States. If you are up there at a level of a certain designation, and we will set that, then you are not entitled to something out of the Federal Government. Eighty percent of the programs that are sucking away at this country are not means tested.

I am ready to cast every one of those, and I cast them before. The rest of this is pure apple sauce from that side of the aisle.

When you get into the entitlement programs and get into Social Security, those COLA's amount to $9 to $14 to $22 billion a year. And it goes to people regardless of their net worth or their income.

Is anybody going to step up to the plate on that one?

If we are going to posture, and we all do it beautifully, let us at least let the American public know how they are getting destroyed, and forget whether Ronald Reagan, or Lyndon Johnson, or the Great Society, or whoever did it. We are being destroyed by our failure to step in here and take on some of the interest groups like the AARP—39 million people bound together tightly by a bond of airline discounts, car discounts, theater discounts, pharmacy discounts, you name it.

Now step up to the plate and do something with the Committee for the Preservation of Social Security that is still working on notch babies. I have a notch for them! I will give them a notch that they will not appreciate. Come on, let us all sober up. It is evening. Nobody has been down to the pub. Let us quit fooling each other on this issue.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, how much time remains on this side?

The PRESIDING OFFICER. Twenty-four minutes on the amendment.

Mr. PRYOR. Mr. President, I yield 4 minutes to the Senator from California [Mrs. FEINSTEIN].

Mrs. FEINSTEIN. Mr. President, in the short time I have been here, this is the hardest vote I will have to cast. This reconciliation bill is not an easy bill for anyone in this Chamber, and it certainly is not an easy bill for me.

I do not sit on the committee of jurisdiction over this legislation. I have not had an opportunity to shape it the way I would have liked to have shaped it, and I find some things that I would rather not have in this bill.

Yet, as I have sat here now for well over 3 hours and listened carefully to both bills being presented, one by the majority, and one by the opposition, I can easily see the contrast.

I was looking through the majority bill on spending cuts, something which I think we all believe must happen. I see some specifics this year: $24 million for preventative planning; the milk and butter program, $56 million; the honey program down $12 million; food stamps down $15 million; land reserves programs down $18 million; Forest Service down $6 million; COLA's delayed for military retirees, $540 million. And it goes on and on like this, Mr. President, hard rock mining holding fees down $54 million; recreation fees down $27 million.

There are pages of specific cuts. So when we cast a vote on this program we know what our specific spending cuts will be. We also know what the tax increases will be.

Now, this is not an easy bill, and I thought a lot about it. My husband's and my own personal taxes go up substantially.

I do not mind putting my divot back. I do not mind doing my part to allow the country to do the right thing. It was my hope that the Republicans might come up with a bill with specific recommendations.

So I have carefully reviewed their package, and I see no specific spending cuts. I see our cuts accepted pro forma, and I see then adding on top of those cuts a freeze or spending for the next 5 years. Then I see 3 years out, entitlement caps with no specifics. And yet in the little time I have been here my sense is that I know what will happen. We will have a health care reform package before this body, and the Republicans will vote against it. And yet the caps will be there and they will expect them to go into play.

So I must say that I cannot help but conclude that there is no there-there in these two pages of cuts, there is no specificity, and frankly the old adage that one Vice President said applies here: Where is the beef?

I know this, Mr. President. I know that my granddaughter age 8 months has no future unless we take a bite out of the deficit. I know that for sure. I know she will never be able to buy a house in this country and she will probably, regardless of what her educational achievement, find it difficult to get a job unless we do what we are elected to do, and that is to take a bite out of this deficit.

I must say I think that the program offered by the Finance Committee contains specifics, all of it not to our liking; maybe sometimes we even have to gulp very hard to agree with some of it. But it will take that bite out of the deficit, and I believe this: It may even drop the prime interest rate further.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. FEINSTEIN. I want to say in a sentence that we have before us in this vote the American dream. That dream is that our children can do better than we did, that they can buy a home and that they can get an education.

The only plan to me that has the specificity in it to enable Americans to realize this dream is the one on this side of the aisle.

Thank you very much, Mr. President.

Mr. SIMPSON. Mr. President, may I inquire of my friend from Arkansas and the Chair, what is the time situation and is there some time set for the vote that I am not aware of or what is that?

The PRESIDING OFFICER. The vote has not been set at a time certain.

Mr. SIMPSON. Mr. President, of course we are yielding time from the bill. All time has expired on the amendment, is that not correct, on our side?

The PRESIDING OFFICER. The minority controls 2 minutes on the amendment.

Mr. SIMPSON. Two minutes remaining on the amendment.

The PRESIDING OFFICER. The majority has 19 minutes.

Mr. SIMPSON. On the amendment?

The PRESIDING OFFICER. On the amendment.

Mr. SIMPSON. So I can tell my friend from Arkansas I want 5 minutes for Senator BOND, 5 minutes for Senator MURKOWSKI, and 5 minutes for Senator DOMENICI, and that will conclude our debate.

Mr. GRAMM. I would not mind 3 minutes.

Mr. SIMPSON. And 3 minutes for Senator GRAMM.

Mr. SASSER. How much is that total?

Mr. SIMPSON. That totals 18 minutes.

Mr. SASSER. I inquire of our distinguished friend from Arkansas how many Senators we have still wishing to speak?

Mr. PRYOR. Three or four Senators, but they are going to take just about 3 to 4 minutes each. I think what we will do is use our approximately 19 minutes remaining.

Mr. SIMPSON. Mr. President, I yield 5 minutes from the bill to Senator BOND of Missouri.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. BOND. Mr. President, I thank our distinguished whip and I thank the Chair.

I also would like to say a very hardy congratulations to our newest colleague. I had the privilege of listening to her first speech on the floor. The new Senator from Texas, obviously, has been listening to the people of her State. She more than any of us here has had the opportunity to test out economic theory, to take what has been inside the beltway logic and try it out on people in the real world who have to live and work under the laws we pass. It is very clear what she said. And the people of America are saying we have problems, not because we do not tax enough but because we spend too much.

I spent last year talking to the people of Missouri, extensively all over the State, asking them about their views on the deficit situation which they regard as a very serious problem. From those people came the wisdom that somehow some inside the beltway do not hear, and that is cut spending first. Spending has gotten out of control. It is not that our tax collections have gone down.

We are consuming too much money in entitlement programs and in other programs up here.

I have listened to some of the claims by my friends on the other side of the aisle who said: "Oh, we have these new programs we need to fund, and we cannot fund them unless we either increase the deficit or raise taxes."

I have a revolutionary idea. Why not cut out some of the old programs, almost eliminate some programs? I do not see any programs eliminated in this measure that has come from the Finance Committee.

I tell you, if you are in State government, as I was, you would have to cut out something if you had new needs. If you are in business and you have new needs and high priority programs, you have to cut out something. If you have a family that has new needs for the family, you have to cut spending somewhere, where it is the lower priority, to spend money on the higher priority.

This bill before us does not really do that. That is why I think the amendment offered by the Republican leadership is so important, because it gets some common sense back into the debate on economics in this country.

The bill currently before us relies on new taxes on families, small businesses, and individuals and puts over the tough decisions we need to make in reducing spending.

Instead of encouraging jobs and opportunity, this bill taxes jobs and stifles opportunity. It raids the Social Security Trust Fund.

And, contrary to the President's campaign pledge, it raises gas taxes, not to go for highway and transportation, but to go to the deficit; and it provides tax incentives for Puerto Rico.

A column in the Kansas City Times on Saturday June 19 by Jerry Heaster quotes Mr. Gigot in a Wall Street Journal article:

> The insane logic of such a move, Gigot noted, was acknowledging that while Puerto Rico may need lower tax rates to ensure economic health, America does not.

Jerry Heaster goes on to say:

> The proposed tax increases will not generate the added revenues predicted for a couple of reasons: One is that as marginal tax rates rise, national people find ways to control their tax outlays. The second is that the legislation's disincentives to work, save and invest will slow the economy and revenue growth.

Mr. President, I will ask unanimous consent that this column be printed in the RECORD at the conclusion of my remarks.

He points out that small business, the real engine of job creation and faces the biggest and highest tax increases of all, as their rates jump from 31 percent to over 44 percent—as my colleague, Senator NICKLES from Oklahoma, has pointed out—while taxes on the large corporations only increase from 34 to 35 percent. That at a time when we recognize over the past 4 years small businesses have created over 4 million net new jobs, while large businesses, most of whom are taxed at the corporate tax rate, have had a net loss of jobs.

We cannot put the burdens of these massive tax increases on small business. And a very significant part of the higher income individual taxes are actually taxes on businesses. Small businesses will be taxed at the individual rates.

The PRESIDING OFFICER. The Senator's time has expired

Mr. BOND. I ask unanimous consent that the article by Jerry Heaster be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE GOP WAITS IN THE WINGS

> If the Senate Finance Committee's version of the budget package becomes law, it will be like an early Christmas present for any Republican who aspires to national elective office during the next three years.
>
> Although the tax package is being sold as a deficit-reduction mechanism, the legislation designed to achieve this would bring unintended consequences guaranteeing the worst of all worlds.
>
> The proposed tax increases will not generate the added revenues predicted for a couple of reasons: One is that as marginal tax rates rise, rational people find ways to control their tax outlays. The second is that the legislation's disincentives to work, save and invest will slow the economy and revenue growth.
>
> The result of all this will be just the opposite of what supporters claim: There will be higher deficits rather than lower deficits, accompanied by a generally diminished quality of life for most Americans.
>
> Meanwhile, as the electorate's mood moves from sullen to mutinous, GOP fortunes will rise accordingly as Americans begin to realize how they're being double-crossed by many congressional leaders who sold them the Tax Reform Act of 1986. That overhaul of the tax code promised the equity of significantly lower tax rates in return for the elimination of many deductions used to shelter income from the tax man.
>
> My fear—expressed in a column seven years ago this month—was that such a "reform" would prove to be a Trojan horse.
>
> "If Congress can use the promise of low rates to (justify eliminating) many of the tax (breaks) that confound the process of raising more revenue," that column noted, "it shouldn't be any challenge to break that promise by raising rates in the future."
>
> This is exactly how it's playing out as supporters of the tax package contend that fairness demands higher marginal rates. Although the rich are the target, virtually all Americans will be negatively affected by the resulting economic slow down.
>
> The increase in the capital gains tax not only will be a dud as a revenue-enhancer, but also will slow the economy's job-creation capabilities. The so-called millionaire's tax not only hurts small-business operators, but also punishes young up-wardly mobile professional couples whose only crime is reaping the payoff of years of hard work and striving. Meantime, raising taxes on Social Security benefits simply punishes seniors who were responsible enough to save for their later years.
>
> To give you an idea of the cynicism driving this tax package, Paul Gigot's Washington column in *The Wall Street Journal* explained Friday why New Jersey Sen. Bill Bradley lobbied behind the scenes for a 10 percent surtax on capital gains for those who make over $250,000. It seems that Bradley's state is home to several pharmaceutical companies with plants in Puerto Rico that benefit from the island's tax incentives. Bradley fought to save those tax breaks for drug companies by "paying" for them with even higher capital gains taxes than had been proposed.
>
> The insane logic of such a move, Gigot noted, was acknowledging that while Puerto Rico may need lower tax rates to ensure economic health, America does not.
>
> "As taxpayers at all levels begin to understand how they're being cynically fleeced in the name of deficit reduction, the political backlash will be horrendous for those responsible.
>
> Which is why so many Republicans are licking their chops these days.

Mr. BOND. I urge the support of this amendment.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I have been discussing the evening's schedule with the distinguished Senator from New Mexico. I would propose the following unanimous-consent request.

Mr. President, I ask unanimous consent that a vote on the pending amendment occur no later than 7:55 p.m. this evening, following the raising of a point of order and the motion to waive that point of order—that will be the vote that would occur at 7:55—and the time to be equally divided between now and then.

The PRESIDING OFFICER. Is there objection?

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

Mr. MURKOWSKI. Reserving the right to object, and I shall not object, may I check with the floor manager relative to the statement that was made previously by the Senator from Wyoming relative to the time allotted.

Mr. DOMENICI. There will not be enough time for all of the speakers. What I have been asked to do by Senator DOLE is to agree to this unanimous consent agreement and indicate that the remaining time on our side will be subject to the control of the minority leader, Senator DOLE.

Mr. MURKOWSKI. Might I ask if there might be some time reserved for those that have indicated that they want to be heard on our side? I think the initial assurances were given that we would be accommodated, and I am not so sure of that.

Mr. DOMENICI. That was given because we were trying to accommodate a whole group of other Senators at this point.

Mr. MURKOWSKI. I understand.

Let me ask the Senator this. I believe I am the next speaker on this side. I have asked for 5 minutes. Might I be accommodated?

Mr. DOMENICI. I say to Senator DOLE, we have time equally divided between the Democrats and Republicans. Could we yield the Senator from Alaska 3 minutes of his time?

Mr. DOLE. Yes.

Mr. DOMENICI. We will agree with that. The Senator will have 3 minutes of our time.

The PRESIDING OFFICER. Is their objection to the unanimous consent request of the Senator from Tennessee?

If not, it is so ordered.

Who yields time?

Mr. SASSER. May I inquire which side spoke last?

The PRESIDING OFFICER. The Senator from Missouri was the last Senator recognized.

Mr. PRYOR. Mr. President, I yield 3 minutes to the Senator from Iowa [Mr. HARKIN].

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I thank the Senator from Arkansas for yielding.

Mr. President, a few minutes ago, I heard the distinguished minority whip talk about applesauce and gibberish and rubbish. I wrote it all down.

Well, he did not produce anything to show that applesauce or rubbish or gibberish.

It is called the Dole and others amendment—383 pages of rubbish and gibberish; 383 pages of applesauce, according to the minority whip, right here.

And, if they are really serious about this, we would have had this to read a few days ago. The amendment was offered about 5 o'clock. I just got my copy. It is still hot. It is still warm, right off the press. So I started looking at it.

I remember back in 1981, when I was a Member of the other body, we had the 1981 reconciliation bill, the so-called Gramm-Rudman. And they brought it out onto the floor of the House just like this. It was still warm, a lot of handwriting in it.

Well, they passed it. They even passed a phone number that was written in it.

So I started leafing through this amendment here.

Here is page 365. There is a whole lot of hen scratching on that. Lord only knows what it is.

And here is page 371. Some more hen scratching. Page 237, there are some things crossed out and some handwriting in there. Lord only knows what it says.

Here is page 134. Some more hen scratching. Who knows what is in there? Maybe we are going to enact some more phone numbers like we did back in 1981. So again they are not serious.

Mr. President, this is a political document. The distinguished minority leader is a great political leader. This is a political document. That is all it is.

But I will tell you, I know the Republicans are going to follow their leader and they are all going to vote for it. That is the way they do things over there. I understand that. They will all march behind it and all vote for it.

But I just wanted to again bring back to Senators' memories here that in 1985, when I first came to the Senate, the distinguished minority leader was then the majority leader and Republicans controlled the Senate. And he offered an amendment on the budget to freeze all COLA's—to freeze all COLA's.

Why, they had to wheel poor old Pete Wilson in here in a wheelchair so he could cast the deciding vote. They passed it by one vote. The Republicans passed it by one vote in 1985, and they thought they won this big great victory.

Fortunately, the House Members would not take it in conference. We dropped the COLA.

But do you know how the people remembered that vote? The people of America remembered that in 1986 when the Democrats took back control of the United States Senate.

So I say to my friends on other side: Follow your leader. It is a nice political document. Follow your leader.

I will tell you how it is going to be remembered this time.

Put it on the trash heap of history, along with Gramm-Rudman I and Gramm-Rudman II. Put it in your trash bag.

The PRESIDING OFFICER. Who yields time? The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I think this debate deserves close examination. Both sides are saying we want to cut the deficit. But one side says we can reduce the deficit by increasing revenue or increasing taxes. The other side suggests the way to address the deficit is very simple, and that is to cut spending. The latter position is clearly the one preferred by the American people.

If we go back and reflect on the President's promises, he promised a bipartisan approach to dealing with the deficit and the national debt. He promised $3 in spending cuts for every $1 in new taxes. He promised to cut the deficit in half over 4 years. These three promises could have led to a bipartisan effort to address both the deficit and the national debt. Unfortunately, those promises have nothing to do with the reality of what we are debating here today.

Instead, we have a plan which was drafted in secret—behind closed doors. Conservative and moderate Republicans were all shut out of the process, and the fact that they were shut out clearly shows in the substance of what we are debating today.

There are not the President's promised $3 in spending cuts for every $1 in new taxes. In fact, the ratio is reversed. There are some $3 in new taxes for every $1 cut out of the deficit. That is right; there are 264 billion dollars' worth of new taxes.

Incredibly, we are asking the small business community to pay $55 billion, 49 percent of those taxes. And, what sort of cuts are we getting? Only 83 billion dollars' worth.

This is not the sort of ratio that Alaskans or any other Americans can support. Americans thought they were going to see shared sacrifice. The President asked us to invest in America. He asked us to sacrifice. There is sacrifice here all right. Except it is the American people being sacrificed. Sacrificed on the Democrats' altar of tax increases and minimal spending cuts.

What about cutting the deficit in half over 4 years? Our President made a statement in his book "Putting people First," on page 4. He promised that he would cut the deficit in half over 4 years. This proposal simply cuts one-third off if everything goes right—if the interest rates go down, if inflation stays down, and if this Congress ever really makes some of the promised cuts down the road.

In 1992, the Federal budget deficit was $290 billion.

Under the Democrat passed budget resolution which is implemented by the bill we are debating here today, the Federal budget deficit will be some $200 billion in 1998, and guess what, it will be on the rise.

So not only does the President not keep his promise, we will be faced with the same situation 5 years from now as what we are faced with today—a growing Federal budget deficit.

Why is that?

Simply enough, because there is no real effort to control the growth of entitlements in this bill. Everyone in this body knows that the only way to really get Federal spending under control is to get a handle on the growth in entitlement spending.

But no such attempt is in this bill.

I repeat, Mr. President, that if we were considering today what the President promised during his campaign, this Senator would be prepared to support him.

Unfortunately, that is not the case, and I will vote against the pending bill.

I ask my colleagues to support the position of the Republicans, which is simply to cut spending and not address the deficit by increasing taxes.

Mr. PRYOR. Mr. President, first I ask for order in the Senate; and second, I yield 3 minutes to the Senator from Pennsylvania [Mr. WOFFORD].

The PRESIDING OFFICER. The Senate will come to order.

The Senator from Pennsylvania.

Mr. WOFFORD. Mr. President, I have heard almost everything here in the last 2 years of filibuster and gridlock. But I can hardly believe my ears tonight that the other side of the aisle now, at this last minute, proposes—actually with straight faces—to destroy the largest deficit reduction plan in U.S. history, and to do it by meat ax, a meat ax that cuts primarily Medicare and Medicaid—above all, those two—a meat ax on the backs of those least able to bear it, the older people and poorer people.

But that itself is a fraud, a fraud on the American people. Because the poor and the old are not the only victims of this phony plan. The working people; the middle class; businesses, large and small; local governments are the victims because capping Medicare and Medicaid, before we get comprehensive health care reform across the board, shifts the costs.

For every $1 we as a nation spend on health care, Medicare and Medicaid together represent only 25 cents. It is like a balloon: Squeezing one end of the system will only result in the costs bulging out on the other side. And that other side that will bear the increased costs of this plan are families and companies, and State and local governments.

Remember, the majority of our total health care costs, reaching almost $1 trillion now—the majority—are not Government costs of any kind, but the private sector. Maybe we should call it a shell game instead of a balloon. Either way, the point is, you are kidding yourselves and kidding the American people if you think capping Medicare and Medicaid is the cure for rising health care costs.

That is dealing with the symptom, not the illness. Of course, we have to stop the increasing costs in our medical system—but all the costs; the costs that people are feeling as they discover the direct correlation between the shifting of reduced spending in Government programs and the increased cost they are feeling as citizens.

To get to that next main order of business, we have to move ahead with this historic deficit reduction plan that is before us. You, my friends on the other side of the aisle, have had your chance. For a straight 12 years, you have had a chance to deal with this problem and you failed to tell the truth to the people; 12 straight years of talking about balanced budgets without once actually proposing one. You had your chance; you did not use it. You made your balanced budget proposals and never fulfilled them.

It is time to get on with the job of leadership that thinks about the next generation, and not the next election.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, how much time do we have on this side?

The PRESIDING OFFICER. The minority has 6 minutes.

Mr. DOLE. I yield the Senator from Texas 1 minute.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, this amendment gives us the clearest choice that America could have. Our amendment is very simple. It eliminates all of the new spending programs that Bill Clinton would put into his budget. Second, it freezes discretionary spending. Finally, it limits the growth of entitlements to the number of people who qualify for those programs times the inflation rate plus 1 percent. It is a program that simply seeks to control the growth of spending and to cut spending first.

The alternative that the Democrats have proposed is to tax Social Security, to tax gasoline, to tax small business, and to tax the people who do the work, pay the taxes, and pull the wagon in America.

If you want more taxes and more spending, you want to vote against our amendment. But if you want to cut spending first, vote for it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOLE. Mr. President, I yield myself a couple of minutes, and I yield the remainder of the time to the Senator from New Mexico.

The Senator from Iowa held up our bill and did not seem to think much of it. But most of it is their bill. We have every one of those 200 spending cuts in our package—every one of President Clinton's spending cuts in our package. We also have an enforcement mechanism, where we get real spending cuts in the outyears.

We took out the tax title because nobody wants to raise taxes—well, I do not know why Democrats always smile when we say the word "taxes," but it seems to get them all revved up on the other side. But the American people are not smiling when we talk about taxes. We like to say cut spending first and do not raise all these taxes; give people a chance in America.

In our bill, actually, we took out the taxes, kept the spending cuts, and put in some enforcement mechanism. That is really what our bill is all about. We did not get the final package yesterday from the Budget Committee, so I apologize to my colleagues for not getting it to them earlier. You know, we have to have a little time to cut and paste and take out all those taxes. It takes a while to get $271 billion worth of taxes out of that package. You cannot do that in 15 or 20 minutes. It does not take long to vote for those taxes, but it takes a long time to get them out of the system.

We are going to offer an amendment to sunset all taxes after 5 years. I hope we can get a bipartisan vote on that. It seems to me it will make a lot of sense, and give people a little confidence on what may happen after the 5 years.

My point is, we have a good package here. It is pretty much the same package we had when we discussed the budget resolution. It adopts every spending cut President Clinton has. We have entitlement caps. And that is about it.

So all the people on the other side who are surprised about our bill apparently have not read theirs.

I yield the remainder of my time to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I just want to address my comments to the distinguished majority leader or to Senator SASSER, the chairman.

I understand a point of order might be raised. I really would ask, in behalf of everyone who has suggested that we have an alternative, that the point of order not be raised.

We have an alternative that will not raise taxes. I know the other side does not believe it. But I can guarantee the deficit will be as low in 1998 as under the President's plan, and it will not cause as much economic harm because there is far less taxes in it.

I think the people would like us to have a chance to vote up or down in this body on whether we want our plan or yours.

I am prepared to move to waive, but I would very much ask, in your generosity and sense of justice and fairness, that you let us have an up-or-down vote on our proposal.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, may I respond to the Senator from New Mexico, every day a new definition of chutzpah is reached in the Senate. But we reached a new level now when the Senator from New Mexico, who just a little while ago raised a point of order to my amendment, now gets up and asks in a spirit of generosity and fairness that I not raise a point of order to his amendment. I congratulate the Senator. He has raised the level of chutzpah to a new record level in the Senate. The answer, with fairness and generosity and respect, is, No. [Laughter.]

Mr. DOMENICI. And, Mr. President, I expected it. Thank you very much.

The PRESIDING OFFICER. The majority leader has 2 minutes and 30 seconds.

Mr. MITCHELL. Mr. President, last Friday the Senate Finance Committee debated the budget. Every Republican Senator made a speech about the need for more spending cuts. Then when the time came to offer amendments, not a single amendment was offered by a Republican to cut a single dollar of spending. And when asked why not, the answer was: We do not want to be on record in favor of politically unpopular spending cuts. That was last Friday.

This amendment today is more of the same, nothing specific, no program is mentioned, caps, freezes, other euphemisms, but no fingerprints on a specific spending cut that our colleagues will stand up and say they are for. That is what is at issue here.

The other issue here, and this is an important issue, who bears the burden of deficit reduction? All of us agree that we must deal with the deficit, and the question presented by this amendment is who bears the burden?

Under the President's plan, 80 percent of the tax increases will be borne by those whose incomes exceed $200,000 a year. So when our Republican colleagues come here and say there should be no taxes, their intent and their purpose and their effect is clear: Protect those whose incomes exceed $200,000 a year. Exempt from the burden of deficit reduction those whose income exceed $200,000 a year. Shift the burden on to who else? The middle class.

The Republican philosophy in the last decade was clear: If you make more than $200,000 a year, you should not participate in meeting the burden of deficit reduction in this country, you should be exempt, you should be protected. If you are in the middle class, you get socked, and that is what the Republican alternative does. It is more of the same.

Those Americans who make more than $200,000 a year are asked to share in the burden under the Democratic alternative. Everybody is asked to share in the burden according to ability to pay. Under the Democratic plan, if you make $40,000 a year, you participate, but not as much as if you made $400,000 a year. And if you make $400,000 you participate not as much as if you make $4 million a year. Everybody shares according to ability to pay. The Republican alternative is more of the same policies of the last decade: Do anything to protect those whose incomes exceed $200,000 a year. Do not ask them to do anything to reduce the deficit, put the whole burden right on the middle class.

Well, Mr. President, socking it to the middle class is over. The election of President Clinton ended the socking it to the middle class. We say, let all Americans share in the burden. Let everyone meet this national objective and do it on the basis of ability to pay, and those who make $200,000 a year or more, we wish them the best. They are great Americans. They have done well. They have succeeded. They should participate in sharing the burden. That is what the difference is in these two proposals.

The PRESIDING OFFICER. All time has expired.

Mr. SASSER. Mr. President, all time has expired, but, Mr. President, has all time expired on both sides?

The PRESIDING OFFICER. Yes.

Mr. SASSER. Mr. President, I raise a point of order that the pending amendment violates the provisions of section 410 of the Congressional Budget Act of 1974.

Mr. DOMENICI. Mr. President, pursuant to section 904 of the Budget Act, I move to waive the point of order against the pending amendment.

Have the yeas and nays been ordered? I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I now ask unanimous consent that upon disposition of the pending amendment, the majority leader be recognized to offer an amendment on the subject of small business and that the amendment not be subject to any second-degree amendment; that upon the disposition of that amendment, Senator NICKLES be recognized to offer an amendment striking the increase in the fuel tax; that when the Senate resumes consideration of the bill at 9 a.m. tomorrow, there be 30 minutes for debate remaining on the Nickles amendment; that a vote on, or in relation to, the Nickles amendment occur tomorrow morning at 9:30 a.m.; that no other amendment be in order prior to the disposition of the Nickles amendment; and that when the Nickles amendment is disposed of, there be 8 hours remaining for debate on S. 1134, under the statutory time limitation.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Reserving the right to object.

Mr. MITCHELL. Mr. President, before I ask if there is agreement in the Senate on this, let me explain. I anticipate that there will be debate tonight on the Nickles amendment for as long as Senators wish to debate it. The Senate will stay in session as long as Senators wish to debate it. There will be 30 minutes of debate tomorrow.

I also anticipate that my amendment on the subject of small business will be accepted without a rollcall vote. I understand there is no opposition to it.

So if this amendment is agreed to, the vote that is about to occur will be the last vote this evening. We will then take up and adopt my amendment by voice vote. We will then take up the Nickles amendment, debate it for as long as Senators wish to debate tonight, then debate it again tomorrow from 9 to 9:30 and vote on it at 9:30. And after the Nickles vote, there will be 8 hours remaining on the bill.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the motion of the Senator from New Mexico to waive section 904 of the Congressional Budget Act.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "no."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER (Mr. GRAHAM). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 43, nays 55, as follows:

[Rollcall Vote No. 165 Leg.]

YEAS—43

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NAYS—55

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. On this vote, there are 43 yeas and 55 nays. Three-fifths of the Senators duly chosen, and sworn not having voted in the affirmative, the motion is rejected.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The adoption and enactment into law of the pending amendment would have the effect of decreasing the net level of deficit reduction in the jurisdiction of the Committee on Finance below the level of such deficit reduction in that jurisdiction as set forth in the concurrent resolution on the budget, in violation of section 310(d)(2) of the Congressional Budget Act of 1974. The point of order is sustained. The amendment falls.

Under the previous order, the majority leader is to be recognized for purposes of offering an amendment.

AMENDMENT NO. 507

(Purpose: To encourage small business investment and promote economic growth)

Mr. MITCHELL. Mr. President, pursuant to the previous agreement, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL] proposes an amendment numbered 507.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 422, line 24, strike "$15,000" and insert "$20,500".

Mr. MITCHELL. Mr. President, Members of the Senate, I previously——

Mr. FORD. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate is not in order.

The majority leader.

Mr. MITCHELL. Mr. President, I previously proposed a unanimous-consent agreement to which no objection was made, which provided that I would now be recognized to offer the amendment which I have just offered, that that amendment would be disposed of and then Senator NICKLES would be recognized to offer his amendment, which would be debated this evening and tomorrow morning, and then a vote on his amendment would occur at 9:30.

I then stated independent of the agreement that it was my understanding that no Senator would request a rollcall vote on my amendment, and that therefore we could complete disposition of it this evening and then proceed as previously stated.

I have since been advised that one or more Senators on our side do not support the amendment, and have requested a recorded vote. Of course, that is the right of every Senator under such circumstances.

So what I suggest we do—I hope this will be agreeable to our colleagues—that we now have the amendment pending. I intend to make only a very brief statement. Anyone wishing to speak on that amendment of course can do so, and then get an agreement to schedule that vote for tomorrow morning just prior to the vote on the Nickles amendment.

So nothing would change with respect to this evening or with respect to the time at which votes would begin in the morning except that there would then be two votes as opposed to one. I will shortly propound a request for that purpose.

For now, let me describe the amendment briefly. Earlier today, I offered an amendment which, as I stated upon its introduction, included two principal provisions. One was a targeted capital gains tax cut similar to that proposed and advocated vigorously by Senator BUMPERS. The other was to increase the amount of expensing to which small business would be entitled from the $15,000 annually in the pending bill to $18,500.

A point of order was raised against that amendment by one of our colleagues on the grounds that the Bumpers capital gains provision was not germane. The point of order was sustained in that the motion to waive the Budget Act was not approved by a vote of three-fifths of the Senate and, therefore, the entire amendment fell.

What I have done now is to return and offer only that portion of the amendment that relates to expensing, which I am advised by staff is germane, and it had been my understanding and impression that there was no opposition to it and no demand for a recorded vote. I have now been advised to the contrary and, therefore, I think it is rather simple and straightforward with respect to the expensing and needs no further discussion on my part.

I will yield to any Senator who wishes to discuss this particular amendment, either for or against; and all Senators should be aware that as soon as the debate is concluded, then this amendment will be set aside, I will get an agreement to vote on it tomorrow morning, and Senator NICKLES will be recognized to offer his amendment.

Mr. METZENBAUM. If the Senator will yield for a question, will he tell us what impact this will have with respect to the budget? What will be the cost of this amendment?

Mr. MITCHELL. The total cost will be $3.6 billion. That will have the effect of reducing the amount of increased revenues in the bill from $249 billion to approximately $245.4 billion. Excuse me, those figures are all over a 5-year period.

Mr. METZENBAUM. How much difference would the cost be as far as this bill is concerned and the previous amendment which was not adopted?

Mr. MITCHELL. There is no difference. The $3.6 billion is in the aggregate amount identical to the previous amendment. The previous amendment was allocated among three subjects—the capital gains tax cut, the provision relating to the performing arts, and small business expensing. The first two subjects are not included in this amendment. It is related solely to expensing. As a result, the amount of expensing will go up to a higher level than that which was in the previous amendment. The pending bill is $15,000 annually. The previous amendment would have taken expensing up to $18,500. This takes expensing up to $20,500.

Mr. METZENBAUM. Would the majority leader be good enough to explain why, if he is taking expensing up to $18,500 on the previous amendment, what good reason is there for taking it up to $20,000 when we are trying to find the dollars in order to keep Medicare from being cut?

Mr. MITCHELL. The principal reason is that the President proposed, and the House approved, increasing the amount of expensing to which small business would be entitled from the current level of $10,000 to $25,000. There is very broad support in the Senate for increasing it to that level. And, indeed, I do not know this for certain, but I think the vote tomorrow will be substantial in favor of the amendment. I am so advised by Senators who have been discussing it with others, because there is very broad support for it as a means of encouraging investment by small businesses, which are the principal job creators in our society.

That is an economic theory on which all Senators do not agree, but it is the same principle as the investment tax credit and other mechanisms which are intended to induce investment by businesses—in this case, small businesses—to encourage them to invest in new plant and equipment and to create jobs and hire people.

Mr. METZENBAUM. Not going into a lengthy debate, I can only say to my colleague from Maine that I was in a lot of small businesses. I do not remember any time that I ever thought about going into one or not going into one on the basis of whether you could expense it or could not expense it.

I certainly would consider what the maximum tax rates would be, but I do not think we worried about such things as whether it could or could not be expensed. The Senator from Maine is well aware that a number of us are concerned with trying to find the dollars in order to take care of the Medicare problem. We have worked hard, zealously, and assiduously and vigorously, contentiously in some respects, cooperatively in some respects, in order to find those dollars.

I want to say that the previous amendment failed. That had cost the same as this one. The reason the cost is the same as this one is because—the expensing on the previous one, as I understand was $18,500, I think the Senator from Maine has said. This one goes up to $20,000. My real question is: When we are trying to find dollars to do something about the Medicare problem, to keep the Medicare cuts from being as great as they are, why would the majority leader come forward with an amendment that goes further than the previous amendment which provided for $18,500, which I myself do not believe has any merit at all?

I do not believe it causes small business to go into business or not to go into business. I do not think it has any real impact on the economy. I do not think there is a small businessman or woman in the country that is all aware of what this issue is about or thinks it is that important. I am not sure where it has gotten this excitement, whether it is some organizational activity or not. I do not know.

But all I can say is, I know there are millions of Americans who are concerned about the Medicare cut. We could have moved a little bit closer to cutting back on that Medicare cut, if we did not have, A, this amendment and let the matter rest, but even if we had this amendment and did not go any further than the previous amendment provided. And I do not know why we have this sense of generosity at 9 o'clock in the evening that causes us to go beyond where we were in the previous amendment.

Mr. MITCHELL. Mr. President, first let me say that we have had many discussions on the subjects to which the Senator referred. I have the greatest admiration and respect for the Senator from Ohio. There is no Member of this Senate who believes in and fights harder for the interests of what President Roosevelt described as the common man, the working citizens in our society who do not have the time nor the inclination to hire lobbyists and to have their views presented in a formal and organized way, but rely upon their elected representatives to do that for them.

I think no Senator better does that and deserves credit—many other Senators do it, but I do not think any other Senator does it as well and as effectively and as accurately as the Senator from Ohio.

Mr. METZENBAUM. I thank the majority leader.

Mr. MITCHELL. We occasionally disagree on some interests and principal issues, but the disagreements are civil and reasonable.

I would only say to the Senator from Ohio, I am trying very hard to get a reconciliation bill passed.

Mr. METZENBAUM. And, I want the majority leader to do that.

Mr. MITCHELL. There is a lot of controversy about every provision. Different Senators have different interests and different concerns.

I am also trying not to bring this to a conclusion this evening. The bill as presented is not precisely as I would have written it were I king for a day, or for a week. It is not precisely as any Senator would have presented it. Every Senator is an individual. Every Senator is a responsible individual, and every Senator has interests, constituents, concerns, and convictions which he or she seeks to advance in this process.

I am doing the best I can to achieve the balance that will enable us to get a meaningful, fair, and balanced reconciliation bill passed.

That is my answer.

Mr. METZENBAUM. I appreciate the very kind comments of the majority leader. But I do not think we have an answer, because my question is, why could the majority leader not have let it just stay at the $18.5 billion, instead of going to the $20 billion? It had to have some monetary value. It may be $1 billion, $500 million, or $300 million. I do not know the number.

Had he done that, we might have been able to use those dollars to help reduce the cuts in Medicare.

My real question is not that the majority leader is advancing the amendments, but why did he change the numbers in this amendment from the previous amendment that was considered by the Senate? What was the crying need to do that, rather than to at least use those dollars in the Medicare area?

Mr. MITCHELL. Because, in my judgment, that is the best way to advance the bill and to attempt to gain the support necessary for its enactment.

Mr. NICKLES. Mr. President, will the majority leader yield?

Mr. MITCHELL. Yes.

Mr. NICKLES. Mr. President, I wish to congratulate the majority leader on his amendment.

I ask unanimous consent to be named as a cosponsor to his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. I thank the colleague, and ask that any Senator who wishes to do so be added as a cosponsor.

Mr. BENNETT. Mr. President, I ask unanimous consent that I be allowed to be a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maine has the floor.

Mr. FORD. Will the Senator from Maine add me as a cosponsor? I appreciate it.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senator from Kentucky [Mr. FORD] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Does the Senator from Wisconsin wish to address this subject?

Mr. FEINGOLD. Yes.

Mr. MITCHELL. Then, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I am glad this amendment is getting at least a few questions and some discussion. I do not want to join in the amendment.

I thought earlier in the day that we had established that this, in fact, can be viewed as more spending. When something is done to the Tax Code that ends up benefiting certain elements of the business community and not others, and costs the public dollars, that causes the deficit to go up, too.

I think the purpose of this bill is deficit reduction. This is another $3.6 billion of new spending. For those Members of the opposition here who just joined as cosponsors, they have just signed on to a $3.6 billion new spending program. It is not a spending cut. It is money out of the public treasury that is going to go to make the deficit worse, that is going to make this bill less in the direction of deficit reduction.

I have been here for the last 5 hours and I listened to all the talk on that side of the aisle about how they want across-the-board spending cuts and believe they can reduce the Federal deficit.

But this item spends public dollars—not across the board, not for all individuals, not for an across-the-board income tax cut.

I find it hard to understand, in the context of a bill that is about deficit reduction, how this helps us. I think it hurts us. We should either leave it in for deficit reduction, or we should use it to minimize the Medicare items that I would like to see removed.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, I will just take a moment to explain to my fellow friend and colleague, Senator FEINGOLD, why with all the rhetoric we have had about this side—and I have joined as a cosponsor to this bill—I am one who believes that the scoring process that we get out of the Congressional Budget Office has only a slight acquaintance with reality in the business world. And I believe that if small businesses flourish more as a result of this circumstance, they will create more jobs; the people who work at those jobs will pay more taxes; and that, in the 5-year period, as a result of encouraging small business in the way the distinguished majority leader seeks to do with this amendment, the Federal Government will receive more—not less—revenue.

It cannot be scored, because the Congressional Budget Office does not have a crystal ball that equips them to adequately forecast human behavior.

But my experience with the business community tells me that anything that will encourage job creation among small business, however difficult it is to score will, in fact and in reality, create more tax revenue for the Federal Government.

So I see this as a move to reduce the deficit and produce greater Federal revenues.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, one, I wish to compliment my friend and colleague, the Senator from Utah, for his statement, and also for the fact that he has some private-sector experience and expertise and he has created a lot of jobs.

I might mention I have a little business background as well.

This is a provision—in my opinion, probably one of the few provisions in this entire tax bill—that will have a positive economic impact.

I might also tell my colleagues, we are telling people, yes, they can expense it; but they have to write a check. We are not talking about large amounts. We are talking about up to $20,000.

I would like to see it even higher, so if you have a business person that is making a purchase, a capital item that is more than $20,000, if they have to write the check immediately, they will be able to expense it immediately.

I tell you, when you are on the business side of the equation, you want to write the check. You want to be able to expense items as rapidly as possible, particularly when you are writing those checks.

I think this is a provision that will have a positive stimulative impact on the economy.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I thank the Chair.

Something bothers me about the opposition to this amendment. Either we are being held hostage for something, or they do not believe in helping small business.

My judgment is that those who are concerned about Social Security, those who are concerned about Medicare and Medicaid, should think that this is a wise investment of our tax dollars, because the wise investment here will create jobs.

When you create jobs, you are able to then have Social Security payments. Instead of having fewer paying into Social Security, you will have more paying into Social Security. We want to do it tonight and collect tomorrow.

And in this Government of ours, we have an attitude of people, they want to get rich overnight. Somehow or other, we are going to have to look at the long-term.

So if you can help a small business—and I say to my friend from Utah, who understands it well. Not many in this Senate had their credit cards, only a few years ago, cut up; could not pay; were looking for help. But he got some help, and he was able to make it.

So he is bringing his experience, as it relates to the wise use of tax dollars, to the Senate. He says: "I have experienced this, and it works." He is a cosponsor now of the amendment.

So I would think and I would hope that those who would be opposed to this amendment for other reasons—not particularly against the amendment itself, but against it for other reasons—ought to look at the long-term effect.

I see many small business people in my State struggling, as they do, to have, rather than $10,000, a $20,000 or $25,000 line of credit.

So I hope that those who are holding up this amendment, that are holding us for a vote, will let us go ahead and do it by voice vote. Even those who oppose our budget said that the expenses would be at least $20,000 when it came back from conference. So when it gets into conference, what we lose here or gain here is going to be changed there, anyhow.

With the influence of several people that are on the floor, I understand what is going on.

This is an amendment that needs to be passed. This is an amendment that I think we can be proud of, because it is going in the right direction to develop and encourage small business people to employ people and invest in their business.

So I hope we can get on with this. If we have to, we will vote on it tomorrow. I think there will be an overwhelming vote. The only thing is that we will have another 20 minutes we will have to stay here on the floor to vote on another amendment, which we could do well by voice vote tonight.

Mr. FEINGOLD. Mr. President, I want to assure the Senator from Kentucky that my purpose in opposing this amendment has nothing to do with anything other than my desire not to see this $3.6 billion in deficit reduction go by the wayside.

If it is approved, I will still vote for the President's package, with the Finance Committee package. I am not holding it hostage in any sense. I simply do not want to see another $3.6 billion that can be used in deficit reduction go away.

I realize the Senator from Utah has tremendous business experience, and I do respect that. It is possible, maybe likely, that if we had this provision in effect, the result he is talking about would occur, but it is not for sure. It is no more for sure when you look at the trickle down economic philosophy that the investment business community will always produce the result that will ultimately reduce the deficit.

Similar arguments were made in the economic stimulus package. Many people with an awful lot of experience suggested the items in that package would result in job creation, that it would create income and, therefore, would create revenue and, therefore, would create deficit reduction. But it was not for sure.

The only thing I know here is that there is $3.6 billion that we can have for deficit reduction. And if we do avoid this amendment, that is more in that direction for sure. That is a bird in the hand. The rest is hopeful, but it is speculative. The history of the last 12 years is that these kinds of mechanisms may work, but they may not. In the meantime, the deficit has gone out of control.

Perhaps later in the year, if things go well, this kind of a provision would be appropriate. But this bill is about deficit reduction.

So I do not understand what a $3.6 billion upper that will take us away from deficit reduction has to do with this process. That is why I have opposed it. It has nothing to do with trying to accomplish some other end. It is only that I would like to see that money left for that purpose.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I just want to address myself to this amendment for 1 minute, because everybody is anxious to jump on it. It is going to be a great amendment for small business.

It is going to cost $3.6 billion. And I want to stand here on the floor of the Senate and say that not one single businessman or women in this country has any real interest in this amendment. Oh, they will take the tax deduction, but if anybody thinks there is somebody who is going to go into business because that is now in the law, you are kidding yourself.

The Senator from Oklahoma was a small businessman, and I say to him, you are not going into a new business. You know that you are in that business. You have been in the business for quite a while, and there is nothing that exciting about the fact you are going to get a chance to write it off in the first year instead of being able to expense it over 5 years or 7 years or 10 years, as the case may be.

So I think this is a figment of the imagination. This is taking a flag, walking down the street, and saying: "Small business people, we are doing a wonderful thing for you. We are going to pass this amendment and we are going to affect the budget by $3.6 billion."

Now the votes will be here for it tomorrow, because it looks like it is something special. But if you went out across America tonight or tomorrow or any other time and asked the small business people: "Did you know we were considering that?"

"No."

"Did you know what you can do?"

"That sounds good."

There will not be any new business people saying, "Well, I am going into business because of this amendment." That is just not within the realm of reality.

So what you are doing is affecting the budget. As the Senator from Wisconsin has pointed out, it is $3.6 billion that we could be using to either reduce the deficit or to reduce the whole question of Medicare deductions that are provided for in this measure.

I say, we are kidding ourselves. We are sitting in the Senate and playing in the world of make believe. We think that somehow we are doing something, we are doing something for the small business persons of this country. They do not know about it. Some of them may have asked about it. Their professional organizations may send out a bulletin saying all the great things they did by getting this amendment in.

But I say, in the world of reality, in the world that is out there, in the communities of Oklahoma and New York and Kentucky and Wisconsin and Ohio and Maine and all the other places, this is a meaningless amendment. It is $3.6 billion that we could be using to reduce the deficit.

Will the small business people say, thank you? Probably so, when they get around to filing their tax returns. But tonight, when they go to bed or tomorrow morning when they wake up and they hear we passed this amendment, they will probably say, "That is nice." But they would say it is a lot nicer if we were to pass the budget reconciliation bill and reduce the deficit a substantial amount more than $3.6 billion, as in this instance.

Mr. FORD. Will the Senator yield?

Mr. METZENBAUM. Yes.

Mr. FORD. If this amendment is not passed, will the Senator then support the bill in total?

Mr. METZENBAUM. Will I support it?

Mr. FORD. If this amendment is not passed, does that satisfy the Senator?

Mr. METZENBAUM. It very well may.

Mr. FORD. The Senator said, "it very well may." I learned from the distinguished Senator a long time ago that you had an amendment the question was, was it good enough to get him on the bill. I just use some of the experience I learned from him.

Mr. METZENBAUM. I say this to the Senator from Kentucky: "If there are no Medicare cuts, the answer is an unequivocal, yes, I will."

Mr. FORD, Well, there are already some cuts in there that came over from the House.

Mr. METZENBAUM. There is $50 billion over there from the House and $19 billion more in the Senate. I am hoping we could eliminate that $19 billion additional.

Mr. FORD. I am not sure it is $19 billion more. I think it used the $19 billion from the President's $47 billion and not added to the $50 billion; is that not correct? It is $19 billion from the $47 billion that the President had in his bill and not the $50 billion. So when you subtract $3 billion from the $19 billion, I think you have already saved $3 billion. I think I am correct on that.

Mr. METZENBAUM. The answer to my friend from Kentucky is, I definitely will support the bill if it did not have any Medicare cuts, and I very well may support it notwithstanding that. But I will say this: That does not answer the argument as to why we should be giving away $3.6 billion.

Mr. FORD. I say to my friend, there are a lot of amendments he has in this bill I do not like and my business people do not like.

Mr. METZENBAUM. I have?

Mr. FORD. Yes; that came out of the Labor Committee.

So there are some things I do not like that the Senator wants and a lot of thing I want the Senator does not. Somewhere, as Henry Clay said, "Let us compromise." And compromise is a negotiated hurt.

Mr. METZENBAUM. I have been spending more hours today on trying to compromise than the Senator from Kentucky would care to count. I have been in meetings all day trying to compromise.

Mr. FORD. I know that. The Senator is good. I have been with him at 2 or 3 o'clock at night to hear him pound the table. So I understand how good the Senator is and how well he negotiates.

Mr. METZENBAUM. I do not say I am good. I say I am willing to compromise.

Mr. FORD. We have a compromise.

I just want to make one point, and I know we are going here too long and I should not do it, but I am going to do it anyhow.

Nothing is for certain. They say you cannot guarantee this. Well, if you can guarantee anything, you are in the wrong place. We are just hopeful, and we are making the best point we can to help small business people.

The Senator from Ohio talked about Kentucky. Nobody there wanted it; nobody is interested in it. Let him speak for Ohio. I am representing Kentucky, and I think I have a lot of small business people this means a lot to. I have talked with them, and they asked me to raise it. So I know a little bit about my State and my small business people, and I have some struggling ones. And if they are in business and get a chance to have a tax break that will expand their business and given them an opportunity to have a breakthrough, why not? That is my point.

We will work out these other things. But small business will create jobs. Small businesses will give more Social Security. Small business will do the things that I think will increase the substance and economic development of this country.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I will try not to prolong this discussion. I would just like to make a few comments about the bill that is before us, and specifically the provision that is before us that is called expensing.

There are not many benefits in the Tax Code that are increased by 50 percent in 1 year. You talk about depreciation. Is depreciation increased 50 percent in a single year? No. Is the benefit for research and development increased by 50 percent in 1 year ever? No. Are benefits for low-income housing increased 50 percent? No.

In this bill that is before us now, expensing is increased by 50 percent. Currently, you can expense $10,000. This bill will allow expensing of $15,000. That is a 50-percent increase. What the amendment before us now suggests is that we move that to $20,000. And the rationale offered is that it will encourage investment.

If someone is already investing $20,000 a year, this will not encourage investment. He has been investing $20,000 a year anyway. He makes the investments because he needs to improve his business. With new investments, new business, he makes money. On the margin the only company this is going to affect, possibly, is the company that is investing under $20,000.

It is simply a gift. It is not an investment incentive. It is a gift to those companies—many of them are small businesses, but some are not so small—that already invest every year, because when they invest money they make money. This simply says: You get a bigger gift.

A lot of these are subchapter S corporations. I lot of them are doing pretty well, pretty well indeed. In fact, with this provision the 36 percent rate will not increase your taxes until you get to $125,000 in income. With this expensing provision, in such a subchapter S corporation, it means that the 36 percent rate will increase your taxes zero. So the proponents of this amendment argue this is really a small business amendment.

What it really is is a relief amendment for small business people incorporated in a subchapter S form that makes more than $125,000 a year. That is what it is pure and simple. It is a direct transfer. They will not have to pay any more tax with a 36-percent rate. And there we are, back to the point made earlier on the floor. We can all beat our chests and say, "We raised the rates on the rich, we raised the rates on the rich."

That is true. You raised the rates on the rich but you gave it right back. They do not have to pay it. So what is the purpose? It is kind of ludicrous, argue higher rates and then give the money right back. Earlier in this tax bill, of course, we were going to raise corporate rates two points, $30 billion, and then give it all back to people with an investment tax credit.

Wisdom prevailed and we decided not to do that. But this is a mini version of that. Raise the rate to 36 percent—oh, we hit the rich, hit those rich people making more than $140,000, or more than $200,000. You hit them with the rates but, then, if they are making under $125,000 they are not paying it now because you have given it right back to them. I do not have any doubt that this is going to be a rather decisive vote, when we take it tomorrow. But I think it is important to at least make the record and lay it out for people to know that this is essentially not a small business amendment. It is relief for those making between $125,000 and $260,000 a year.

It would be much better if we had been satisfied with the 50 percent increase up to $15,000, which is what we have in the bill, as opposed to trying to go one step more and get it to $20,000. And those people who think that, given the criticism—I think unjustified—about small business taxes in this bill, that that criticism is going to be allayed by saying oh, no, I gave you expensing from $15,000 to $20,000, I think that is not going to be a big winning argument in the rooms of some of the subchapter S companies of this country.

So I look forward to tomorrow. I do not think there will be a long debate. I know the majority leader wants to move on. We will see tomorrow.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I see no other Senator seeking recognition to comment on this amendment. If there is none, I therefore ask unanimous consent that my amendment now be set aside and that Senator NICKLES be recognized to offer his amendment; that on Thursday, June 24, when all time is used on the Nickles amendment, that amendment be temporarily set aside and the Senate then return to the Mitchell amendment, No. 507, with no time remaining for debate on the amendment, and that no amendment be in order to the amendment nor any language which may be stricken; that without any intervening action or debate the Senate vote on the Mitchell amendment, No. 507, to be followed by a vote on or in relation to the Nickles amendment.

Mr. SASSER. Mr. President, reserving the right to object and I shall not object, I want to inquire of the distinguished Senator from Oklahoma, how long he would anticipate speaking on his amendment this evening?

Mr. NICKLES. In response to the Senator, I know Senator SHELBY, Senator KOHL, Senator GRASSLEY, Senator D'AMATO, and Senator BOND did want to. So I would say 40 minutes.

Mr. MITCHELL. May I suggest, then, the possibility of getting a time agreement and limitation tonight so we could know when it is we are going to finish? Would that be agreeable with the Senator?

Mr. NICKLES. I would be happy to enter into that, if our side gets 40 minutes tonight and then I am told we get 30 minutes tomorrow, equally divided?

Mr. MITCHELL. That is right.

Mr. NICKLES. That is fine with me.

Mr. SASSER. So, 40 minutes this evening equally divided?

Mr. NICKLES. No, 40 minutes on this side. We might be able to do it shorter than that. I will try to accommodate the Senator from Tennessee. I know he is tired and has had a long day. I will try to be brief as well.

Mr. MITCHELL. I renew my request.

The PRESIDING OFFICER. Without objection the unanimous-consent request is agreed to.

Mr. MITCHELL. Mr. President, I inquire of the Chair, is it in order now for me to get the yeas and nays on my amendment, the vote on which will now occur at 9:30 tomorrow?

The PRESIDING OFFICER. The amendment of the majority leader has just been set aside by consent.

Is there objection to requesting the yeas and nays on the majority leader's amendment?

Without objection, it is so ordered.

The majority leader requests the yeas and nays on his amendment?

Mr. MITCHELL. I do. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Mr. President, I now ask unanimous consent that Senator NICKLES be recognized to offer his amendment and that there be a total of 60 minutes for debate on that amendment this evening, 40 minutes under the control of Senator NICKLES, 20 minutes under the control of Senator SASSER, and that when all that time is used or yielded back, the Senate stand in recess until 9 a.m. tomorrow, at which time the Senate will proceed pursuant to the previous agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma is recognized for the purpose of offering an amendment.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. Is the Senator from Oklahoma prepared to offer an amendment?

Mr. NICKLES. I think I am, but I think he is going to ask to make a unanimous-consent request.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that I be allowed to proceed for 5 minutes as in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SASSER. Mr. President, reserving the right to object, now some of us have been here since 10 o'clock this morning. It is 9 o'clock in the evening. I know of nothing that could be so urgent that we would have to take it up this evening.

Mr. President, I am advised that the leadership staff was advised of this some time ago, so I shall not object.

The PRESIDING OFFICER (Mr. SIMON). Without objection, the Senator from Idaho is recognized for up to 5 minutes.

COMMUNITY REGULATORY RELIEF ACT

Mr. KEMPTHORNE. Mr. President, I appreciate the indulgence of all the Senators. I know the hour is getting late. But on May 20, 1993, I introduced the Community Regulatory Relief Act. The act itself would stop unfunded Federal mandates.

Since this introduction, mayors, county commissioners, Governors throughout the United States have been calling in support of this act. They have been asking for our help to deal with this issue of unfunded Federal mandates.

We have received the endorsement of a number of mayors from throughout the United States, and to mention just a few, we have received the endorsement of the mayor of Chicago, Rich Daley, Maynard Jackson of Atlanta; Victor Ashe of Knoxville; Jerry Abramson of Louisville and president of the U.S. Conference of Mayors, Bill Althaus from York; David Dinkins from New York; Paul Helmke of Fort Wayne; Ed Rendell of Philadelphia; Brent Coles of Boise; and Greg Lashutka of Columbus.

The President of the U.S. Conference of Mayors, Jerry Abramson, has now established to task force designed to help us with this legislation to stop unfunded Federal mandates.

At the U.S. Conference of Mayors this weekend, they passed a resolution which now establishes the "National Unfunded Federal Mandates Day." Later in September, a thousand mayors are going to be asked to stand in front of their city halls and to help us explain to the citizens the dilemma of unfunded Federal mandates. For too long, Mr. President, I believe that Congress has been passing the bill and then passing the buck to local units of government and State governments, and that practice truly needs to stop.

Another State official stated at that same U.S. Conference of Mayors that he was opposed to unfunded Federal mandates and has been a long-time outspoken spokesman against these unfunded Federal mandates. That statement was made by the President of the United States, President Clinton, the former Governor of Arkansas.

Mr. President, I ask unanimous consent that the article from the Washington Post referencing the President's comments be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 23, 1993]

CLINTON EXTENDS HAND TO MAYORS

(By William Claiborne)

NEW YORK, June 22.—President Clinton vowed today to form a "new relationship" with the big-city mayors with whom he formed a new relationship about this time last year.

"I'll never forget what you did," Clinton told the mayors today in a satellite address from the White House, referring to their bipartisan support for his economic program. "And I don't want you to think that the battle you waged more ferociously than any other single group in the United States * * * was for nothing, because the battle you waged was about an idea that we're still going to have to fight to get back into our national consciousness."

Avoiding any direct reference to criticism by some mayors the last several days that his administration has moved too slowly and cautiously on its urban agenda, Clinton promised "a new relationship, a new partnership" with the nation's cities that would be based on "an understanding that you ought to have more flexibility to do your work without so much micromanagement and regulation from the national government."

The president's remarks echoed many of the promises that he made when he unveiled his "Putting People First" economic plan at last year's annual meeting of the U.S. Conference of Mayors in Houston.

Clinton said today that he will work more closely with mayors to modify federal programs that are putting a strain on city budgets at a time when expenses are increasing.

He paid particular attention to the mayors' growing anxiety over unfunded federal mandates—burdensome federal regulations that are imposed on state, city and local governments. The mayors have complained that unfunded mandates cost cities hundreds of billions of dollars each year and threaten to bankrupt their budgets unless they get some relief. Conference officials estimated that federal environmental regulations alone are costing cities $2.6 billion a year.

Clinton said that as a former governor he was opposed to unfunded federal mandates, and he promised to consider supporting a bill introduced by Sen. Dirk Kempthorne (R-Idaho), former mayor of Boise, that would require the federal government to fund such regulations.

In response to a question by Mayor Paul Helmke (R) of Fort Wayne, Ind., Clinton said, "I have told our administration clearly that I don't want us up there on the Hill supporting bills to load up a bunch of new burdens on the mayors and the governors when they're broke, when we're not increasing funding to the states and the cities as we should."

Clinton appeared receptive to a request by New York Mayor David N. Dinkins (D) that funding for federal transportation programs and other programs be channeled directly to the cities, and not through state governments, which, he said, often skim off the bulk of the money. The president suggested that the mayors designate a task force to make specific proposals for grant changes to Vice President Gore's task force on reinventing government.

Clinton warned that there might be opposition to such a proposal. "But I think it's very important that we examine this," he said, "because one of the things that I'm concerned about is the colossal amount of money we waste every year trying to micromanage these grants, trying to have extra layers of regulation, and I think that a lot of these things need to be reexamined."

The newly elected president of the conference, Mayor Jerry E. Abramson (D) of Louisville, said Clinton's speech was a "reaffirmation of where the president has been since day one" on issues crucial to cities. Dinkins, speaking of the legislative obstacles facing funding for cities, said he was "hopeful there are things that can be done by executive fiat and imagination."

Mr. KEMPTHORNE. Mr. President, I appreciate the President saying that he is opposed to unfunded Federal mandates and that he will consider supporting the Community Regulatory Relief Act. I look forward to the bipartisan support that will be necessary for passage, and with the President and Members of the other side of the aisle helping, we can accomplish this.

Mr. President, I ask to add, through unanimous consent, the following Senators as cosponsors of this bill: Senators HARLAN MATHEWS, MITCH MCCONNELL, DAVE DURENBERGER, LAUCH FAIRCLOTH and ALAN SIMPSON.

Too often, as cities struggle to comply with Federal mandates, they must make the difficult decision of what local services to cut or delay in meeting the needs of a community, such as not adding police officers in crime-torn neighborhoods because you cannot meet all the financial costs of more officers to protect the community and the Federal mandates. But there is not really a decision for the local officials to make, because the Federal mandate has been dictated by the Federal Government and compliance is demanded. So while the crime rate may rise, the compliance of the unfunded Federal mandates is the priority. This ignores what may be the priority in the cities because the mandates debate is conducted in a vacuum dealing only with the particulars of the issues at hand, as deemed appropriate in Washington, DC.

Only by putting responsibility squarely where it belongs by requiring Congress to pay for Federal mandates can this Nation truly begin to establish the national priorities of this country.

I thank the Chair for the time. I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to congratulate my colleague for his statement. I also ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

OMNIBUS BUDGET RECONCILIATION ACT OF 1993

The Senate continued with the consideration of the bill.

AMENDMENT NO. 508

(Purpose: To eliminate the imposition of the 4.3 cents deficit reduction rate)

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself, Mr. SHELBY, Mr. GRASSLEY, Mr. KOHL, Mr. HELMS, Mr. BURNS, Mr. BOND, Mr. PRESSLER, Mr. D'AMATO, Mr. COVERDELL, Mr. CRAIG, Mrs. HUTCHISON, and Mr. MURKOWSKI proposes amendment numbered 508.

Mr. NICKLES. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 614, line 23, strike all through page 625, line 10.

On page 627, lines 2 and 3, strike ", and" and all that follows to the period.

On page 636, lines 17 and 18, strike ", and" and all that follows to the period.

Mr. NICKLES. Mr. President, the amendment that I offer today on behalf of myself and Senator SHELBY, Senator GRASSLEY, Senator KOHL, Senator HELMS, Senator BURNS, Senator BOND, Senator PRESSLER, Senator D'AMATO, Senator COVERDELL, Senator CRAIG, Senator HUTCHISON, and Senator MURKOWSKI, is very simple. It strikes the gasoline tax that is proposed in this package.

The package has a gasoline tax increase. It has tax increases on diesel fuel. It has a tax increase of 4.3 cents per gallon on aviation fuel. It will cost a lot of money. It will cost some people money they cannot afford. It will put some people out of work. It hits the aviation industry especially hard. It hits people who live in rural communities especially hard. It hits certain areas of the country a little harder than others.

Mr. President, I have a lot of cosponsors. Many are staying late this night, so I am going to be very brief. But I will say President Clinton, as a candidate, spoke out against an increase in gasoline tax. I noticed in his book, "Putting People First," on page 91 dealing with his energy policy it says, "oppose Federal excise gas tax increase."

Very simple, very plain, he states that he is opposed to Federal excise gas tax increase. But this bill has a gas tax excise increase. I think we should be consistent. I might mention the House has an even larger tax increase. Some of my colleagues have told me that they might support me, but, well, it is less than a nickel a gallon and they would support maybe up to a nickel but not above that. I will tell my colleagues that when this bill comes back from the House of Representatives, it is going to have more than 4.3 cents per gallon. The House-passed package has a Btu tax that has the equivalent of about 8 cents per gallon, and if you are making a compromise between 4.3 cents per gallon and 8 cents per gallon, you are going to see an increase. So our colleagues should be aware of that.

I might mention, too, President Clinton not only said it in "Putting People First," but he mentioned it several times. As a matter of fact, I am looking at 14 different quotes—I will enter these into the RECORD—where he stated during debates that he was opposed to a gasoline tax increase. I am opposed to it as well. I think most of the American people are opposed to it. I might mention, I for one do not think it will be used for deficit reduction. I think it will be used for Congress to have more money to spend.

I am also especially concerned about what it does to certain industries. I do not know if my colleagues noticed in the paper the other day, Northwest Airlines was talking about taking bankruptcy. The cost to Northwest over a 5-year period of time is $233 million.

In my State of Oklahoma, American Airlines is the largest private employer. Last year, they lost $975 million. They are very big in Illinois. The cost to American Airlines at 4.3 cents per gallon over 5 years is $478 million. The cost to United, again very big in Chicago and Illinois, the cost to United over a 5-year period of time is $355 million. Collectively, the airline industry has been losing billions of dollars. Actually, I think they have lost $10 billion over the last 3 years.

So this is a punitive tax that is going to cost jobs. It is a punitive tax that is going to cost rural areas. It is a punitive tax that is going to increase prices and be inflationary. It is a regressive tax that hits high income, it hits middle income, it hits low income. It hits my daughter who is 17 years old who has almost no income. She has a part-time job and makes minimum wage and she has to pay for gasoline in her car, so it costs her as well.

But she is not going to get an earned income tax credit. She is not going to get the other so-called safety net incentives such as food stamps or other things in this package. This is going to increase her tax bill. It is going to increase anybody's tax bill who drives a car. It is going to increase anybody's tax bill who drives a truck. It is going to increase anybody's tax bill who flies an airplane, and it is going to increase the losses to the airline industry.

So I make these comments, Mr. President. Again, this amendment is very simple. It strikes the 4.3-cent transportation tax. And I might mention, too, if this amendment does not pass, I will almost bet that when it comes back from the House of Representatives, it will be a much higher tax.

I might also point out to my colleagues that different parts of the country are impacted quite heavily. The Northwest-Central area of the country is 54 percent what it is throughout the average part of the country. In the mountain areas, about the same thing, about 50 percent more. The same thing out in the Southwest-Central part. That is in my part of the country. Southeast-Central, Northeast-Central. It impacts these areas and impacts them very strongly.

Mr. President, I hope my colleagues will concur. I hope they will listen to their constituents. I hope they will also keep in mind that States which have historically had the majority of the gasoline tax have been able to take care of local highway needs.

This bill is not for highways. This bill is not to raise money to fix roads and bridges. This is a gasoline tax to send the money to Washington, DC, so we can spend it in other areas. I happen to disagree with that.

Mr. President, I ask unanimous consent to insert in the RECORD several quotes from President Clinton.

I also ask unanimous consent to insert in the RECORD an itemized list of the cost of this tax to various airlines throughout the country.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CLINTON SPEAKING OUT AGAINST A GAS TAX

(1) "I just get—it is frustrating to me to be told that the only morally appropriate way to wean America off cheap foreign oil is a nickel-a-gallon gasoline tax on the middle class and the family farm for a decade."—South Dakota Primary Debate, February 23, 1992.

(2) Gov. Brown: ". . . This is a substitution, no Social Security tax, no gasoline tax as our friend Paul Tsongas wants—" Gov. Clinton: "Oh, I agree with that."—ABC News Special, the Super Tuesday Debate, March 5, 1992.

(3) "The only people you [Tsongas] asked to do more in your plan are the poor working stiffs that you want to raise the gas tax on 5 cents a year for a decade."—Chicago Primary Debate, March 13, 1992.

(4) "This country doesn't need a new program for every problem, and we won't get change simply by spending more on programs already on the books."—Wharton School of Business, Philadelphia, PA, April 16, 1992.

(5) "After telling the 1988 Republican Convention: 'Read my lips: no new taxes,' Bush agreed to the second-largest tax hike in U.S. history, including higher taxes on the middle class like $25 billion in increased gas taxes." The Senate Finance Committee gas tax will raise $24.2 billion in gas tax revenues over five years.—Clinton campaign release, Little Rock, Arkansas, August 6, 1992.

(6) "Oppose federal excise gas tax increases. Instead of a backbreaking federal gas tax, we should try conservation, increased use of natural gas, and increased use of alternative fuels."—Putting People First, September 1992, p. 91–92.

(7) "I think—you know, raising taxes on Social Security recipients or middle class people, the fifty cent gas tax and all these tax increases when the economy is not growing is an error."—Remarks to press pool at Drake Field Airport in Fayetteville, Ark., October 23, 1992.

(8) "I recommend that we adopt a BTU tax on the heat context of energy . . . unlike a gas tax that's not too tough on people who drive a long way to work."—State of the Union address, February 17, 1993.

(9) "People have been arguing for years that America ought to have a big increase in the gas tax, because we have the lowest gas tax in the world. . . . And I don't want a big increase in the gas tax because I don't think that was fair to people who lived in rural areas or people who had long commuting times and no options for mass transit. It's great if you live in the city and get on the subway every day, but if you have to drive to and from work and you drive long distances, it can be very burdensome."—Santa Monica, CA, February 22, 1993.

(10) "For years there have been those who say we ought to reduce the deficit by raising the gas tax a whole lot. That's fine if you live in a city and ride mass transit to work. It's not so good if you live in he country and drive yourself to work. There are a lot of working people in America today that have no access to mass transit and can't carpool, so I rejected a big gas tax."—Boeing Company, Everett, Washington, February 22, 1993.

(11) "There were those, principally in the east, who said we needed a huge gas tax. I can hear the groan from my folks up there in the gallery. It's tough on people who live in the west or who have to drive long distances to work where there's no public transport, where there's no practical carpooling. It really could have an adverse impact on sectors of our transportation economy."—U.S. Chamber of Commerce rally, Washington, DC, February 23, 1993.

(12) "Then there were people who said, 'We have real low gas taxes.' We do, but states also set gas taxes. 'We have real low gas taxes. You ought to have a gas tax.' I thought that was unfair to the rural areas, particularly west of the Mississippi where they have much higher per-vehicle usage."—Cleveland, Ohio, May 10, 1993.

(13) "A 4.3 percent tax flat is not nearly as onerous as that. I wish we didn't have to do that."—Press conference, Washington, DC, June 17, 1993.

(14) "* * * I did not want just a big old gas tax; I thought that was unfair."—Clinton interview with Phil Adler of KRLD Radio, Dallas, June 21, 1993.

[From Aviation Forecasting & Economics]

FUEL TAX WOULD "DEVASTATE" AIRLINE INDUSTRY; ANALYSIS SHOWS "LOSE-LOSE PROPOSITION" FOR ALL CARRIERS

ARLINGTON, VA, June 22, 1993.—The transportation fuel tax pending before the U.S. Senate would be a disaster for the U.S. airline industry, thwarting its much-hoped-for financial comeback and falling most heavily on financially distressed carriers.

A careful examination of the proposed 4.3-cent-per-gallon tax by Aviation Forecasting & Economics projects financial losses of approximately $2.5 billion over five years and job losses equivalent to the work force of a medium-size airline.

The analysis found that financially distressed, Chapter 11, and smaller "niche" carriers would be hit three times as hard as other airlines by the proposed tax. Because those carriers depend on low prices to be competitive, their passenger and revenue losses stand to be proportionately greater if they attempt to pass the higher tax on to consumers.

"There is a tragic irony in the fact that just as a blue-ribbon commission is considering how to revitalize the airline industry, Congress is considering a proposal that could further devastate it," said Darryl Jenkins, Aviation Forecasting's managing partner for statistical analysis.

"This is a lose-lose proposition for the airlines and for any policy designed to restore vitality to the airline industry," Jenkins said. "No matter how the airlines respond to such a tax, the results are horrendous—creating losses that few carriers, if any, are in a position to bear."

Airlines can deal with the higher cost of fuel in two ways; they can try to pass it on to consumers in the form of higher ticket prices or a special surcharge, or they can absorb it as part of their operating costs. Using a proprietary airline-specific computer model that assumed 2 percent real annual GDP growth, Aviation Forecasting found little difference in the financial outcome, regardless of actions taken by the airlines.

Without a ticket surcharge, the tax would add an estimated $2.3 billion to airline operating costs over the next five years. With a surcharge, it would deprive the airlines of an estimated $2.8 billion in cash flow loss.

"If they try to pass the tax on, higher ticket prices mean fewer passengers, which means less revenue. If they don't, they're saddled with higher costs. Either way, the impact is enormous, especially when viewed against the record losses of the last few years," said Michael Lowry, Aviation Forecasting's managing partner for financial analysis. "If you compare these projected revenue losses with the equity levels of some of these airlines, it becomes painfully apparent that this tax poses one of the greater threats at present to the U.S. airline industry," Lowry added.

"It is a fact of the price-sensitive nature of the airline industry that higher fares, especially during a soft economy, result in less traffic and less revenue," Jenkins said. "For carriers struggling to emerge from Chapter 11, this could prove fatal. For others, it could jeopardize their efforts to avoid bankruptcy."

"Even for larger carriers, this would result in a serious erosion of equity," Jenkins said. "Due to the importance of the airline industry to the national economy and the important contribution these carriers make to local economies across the country, we strongly urge Congress to reconsider this ill-timed and ill-advised legislation."

The fuel tax analysis was conducted as part of an ongoing investigation by Aviation Forecasting & Economics of the financial effects of bankruptcy on the U.S. airline industry. Its exhaustive study, titled The Bankruptcy Virus in the U.S. Airline Industry: Causes and Cures, was published in April in cooperation with the International Institute of Tourism Studies at The George Washington University.

LOSSES FROM PROPOSED FUEL TAX ON U.S. AIRLINES PROVIDING DOMESTIC SERVICE OVER 5 YEARS

[Alternative scenarios, in millions of dollars]

	Ticket surcharge	Added fuel cost without pass-thru
Carrier:		
Alaska	$76	$43
America West	191	63
American	406	478
Continental	291	205
Delta	365	419
Northwest	279	233
Southwest	157	86
TWA	257	146
United	386	355
USAir	320	243
Others	78	67
Total	2,806	2,338

Mr. NICKLES. Mr. President, I also ask unanimous consent that Senator GRAMM of Texas and Senator MCCAIN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I yield the Senator from Wisconsin 10 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KOHL. I thank you, Mr. President.

I would like to join with my colleague, Mr. President, to offer this amendment to strike the gas tax.

Mr. President, let us not be mistaken about what this tax is. Some people call it a gas tax because it sounds innocent. It suggests that we are going to tax gas and not people.

Mr. President, no matter what we call it, it is really nothing but a tax on middle-income Americans. I oppose that tax on middle-income people for two basic reasons: the first is a matter of principle, and the other is a matter of economics.

First, the principle. Middle-income Americans are hurting, Mr. President. They look at their budgets and they do not know how to make ends meet, how to meet all their responsibilities and satisfy a few of their desires. There are their kids who need clothes, mortgages and rents that need to be paid, birthdays and anniversaries to celebrate, vacations that they want to take, presents they want to buy, and just a few movies they perhaps want to see.

They have seen their wages fall while their costs increase. In more and more families, both parents have been literally driven into the work force in order to just keep their heads above water. These are people who are losing the ability to achieve the American dream—losing the ability to even believe in the American dream. They are people Government ought to help, people Government ought to care about and ought to reach out to.

In many ways, this bill does reach out to them, and I support those elements of the bill and congratulate the President for offering them. But the gas tax does not reach out. It reaches in—into their pockets—and it takes out $24 billion, money that middle-income Americans cannot afford and ought not to be asked to pay.

What bothers me most is that we all know it is not just $24 billion. That is what the Senate may pass, but the House has over $70 billion in energy taxes. And the final result that comes from conference will surely be more than we are asked to approve today. So today is the time to stop it. And let middle-income Americans who have given so much and asked so little finally be left alone. That is the principle on which I am proud to stand.

But in addition to principle, there is a strong economic argument. Let us look at the economic impact that a gas tax will have on certain sectors of our economy. Airlines have lost $11 billion in the last 5 years. They will spend an additional $2.53 billion of their already depleted funds on higher fuel costs. Those who work in the industry may see their jobs threatened yet again. Those who fly will see the price of tickets go up yet again. And everyone who hopes for an economic recovery will see their hopes dashed yet again.

Look at trucking. This industry uses 12 billion gallons of gasoline and 24 billion gallons of diesel. Take out your calculators and add it up. The net result is higher costs, lower profits, fewer jobs, and less economic growth.

And it is not just airlines or trucking. It spills over. The truck stop folks have told me what they think would happen to their industry if gas taxes increase—cab drivers, gas station owners, rural folks, people who need to drive to work. It spills over. The gas tax hurts everybody.

I do not generally put a lot of faith in economic studies. There are too many of them that reach too many different conclusions, motivated by too many different political interests, but there are a lot of them which say that a gas tax will harm the economy.

The Republican staff of the Joint Economic Committee said that in 1991, a 5-cent gas tax would reduce GNP by $32 billion over 5 years and cost 233,000 jobs in the first 2 years. You do not have to accept the conclusions of a Republican staff study, but I suspect that it was the dampening economic impact which lead the DRI to conclude that we only get 27 cents for deficit reduction from every dollar we raise through gas taxes. And I suspect that is what led Secretary of Transportation Peña to say that a gas tax was not the way to go.

Mr. President, I commend President Clinton for his commitment to deficit reduction. He is the first President in 12 years who has had the courage to bring a serious deficit reduction package to Congress. But I believe there are other ways to achieve real deficit reduction without a gas tax.

We could, for example, cancel the space station. That would save us $10 billion. We could cancel the superconducting super collider. That would save us $2.3 billion. We could cancel the D–5 missile. That would save us $3 billion. We could cancel the advanced solid rocket motor. That would save us $1.6 billion. We could stop testing nuclear weapons. That would save $1 billion. We could cut Federal overhead by 2 percent and that would save us $15 billion. And right there is more than $30 billion total, more than enough to offset the revenues we would take in under this gas tax.

Mr. President, if I offered those offsets, it would violate the Senate rules, but in this case those rules have nothing to do with the rule of reason. That kind of offset is precisely what the American people want, not new taxes but less spending. In my view, these are programs on which we ought to spend less. But the Senate rules say that if we offer to pay for eliminating the gas tax, we then need 60 votes to prevail. Well, we do not have 60 votes, but I hope we have 50 votes to eliminate the gas tax.

We do not need to look to a $24 billion gas tax to reach $500 billion in deficit reduction. We can, if we have the will, find an additional $24 billion in savings.

Mr. President, there are a lot of reasons to oppose the gas tax, but I think it comes down to this: Middle-income people cannot afford a gas tax and should not be asked to pay it. The economy will suffer if we impose the gas tax, and we do not need to raise the gas tax to get the deficit reduction we need.

I thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. D'AMATO. Mr. President, I yield 3 minutes to myself.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. D'AMATO. Mr. President, I support this amendment. I support it for two important reasons: No. 1, President Clinton said that he was opposed—I am quoting him. He said, "I oppose Federal excise tax increases. Instead of a black-breaking Federal Gas tax"—back-breaking Federal gas tax—"we should try conservation, increased use of natural gas and increased use of alternative fuels."

I wish to help President Clinton keep that promise and that commitment. I wish to help working class, middle-income families who Senator KOHL has so aptly described what will take place as it relates to the airline industry, the trucking industry, jobs, and working middle-class families who struggle and who have no alternative but to use their automobile. Let me tell you, for the people in upstate New York, it is not uncommon for them to travel 50, 60, 70, 80 miles one way to a job. People who live in Long Island, many of them of necessity, people in sales, travel at least 50, 60, 70, 80, 100, 100-plus miles, from the island, Westchester, up the Hudson. This does not make sense.

I did not make the promise; Clinton did. He said: Putting people first. He is right. He said, of a back-breaking Federal gas tax; we should try other measures. I suggest that it is as true today as it was when he made that statement.

I know 4.3 cents on a gallon does not sound like much. But that is a 31-percent tax increase as it relates to what the Federal tax is now. That is a pretty hefty tax increase.

You know something: We are not going to be satisfied with that. Because when you get to conference, again as Senator NICKLES from Oklahoma said, that tax is going to up up. They are in there for about 8.5 cents; we are at 4.3. Believe me, the taxasaurus monster is going to want more, he is going to be hungrier, because there are programs they will not want to cut. So why not make this more? It will not be 4.3 cents. So taxasaurus comes and eats. Whenever he can get that money to feed his appetite, he is going to do that.

I just think we are making a great mistake. That is why we should pass this amendment. We should then, in conference, look for offsetting cuts. That is what we have to do. We have to cut spending. We cannot do it here—point of order—but we have to cut spending. By the way, that is going to mean some of us are going to have to lose some of our favorite programs. I understand all of that. I think that is why we have to have the best of capping spending, curtailing that growth in spending. If we do not do that in a bipartisan manner, we are kidding ourselves.

Next year, we will come back here and the taxasaurus dinosaur is going to be bigger, and he will want to eat more, and we will raise the taxes again. After all, we will have a 10 percent surtax on wealthy people; why not 15 percent? Before you know it, the taxasaurus monster is going to eat everything up that produces, and we will have a denuded forest, so to speak. We will have an economy that does not have the ability to sustain itself. We then become a Third World economic power. That is what happens if we continue to feed the taxasaurus.

Now is the time to say no. So that is why I support this amendment.

I yield the floor

Mr. SHELBY addressed the Chair.

Mr. D'AMATO. I yield such time as the Senator from Alabama may require.

The PRESIDING OFFICER. How much time is yielded to the Senator from Alabama.

Mr. D'AMATO. Ten minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. SHELBY. Mr. President, in March Senator NICKLES and I stood on the Senate floor during the consideration of the budget resolution and offered an amendment to kill the Btu tax. That amendment was defeated. Since that time, the Senate has seen the reason in the arguments that Senator NICKLES and I made about the disastrous effects that the Btu tax would have on our economy. The motor fuels tax is different from the Btu tax in form only. Like the Btu tax, this tax will hurt economic competitiveness and cost this Nation jobs. The Btu tax would have raised $73 billion in revenue. The transportation fuels tax would raise an estimated 25 billion dollars. The Btu tax was a job killing measure. The transportation fuels tax is similarly an antijobs tax.

Instead, this tax will be only one third as devastating as the previous energy tax. Tonight we are here to eliminate that final third.

Mr. President, I have stated that I believe that this tax plan as a whole will hurt American productivity and economic growth. The plan proposes higher taxes which strike directly at the heart of our economy, the small business enterprisewhy I support this amendment.

I yield the floor

Mr. SHELBY addressed the Chair.

Mr. D'AMATO. I yield3-percent tax on all transportation fuels. This bill presumes that it is not enough that consumers and producers be asked to pay higher taxes on the economic wealth that they create for the economy. In addition, they must assume more costs in producing and consuming this wealth.

The repercussions of this tax alone, as well as its combined effect with the multitude of other taxes contained in this bill, would have wide-spread and long-lasting effects on our economy. Transportation costs are critical to the profitability of many businesses. So, in raising the cost as well as the price of transportation, the tax ripples throughout the economy resulting in decreases in output, employment and income.

Mr. President, this excise tax will place many small businesses in economic jeopardy. Consider the trucking industry. Most of the trucking industry is comprised of small business owners. This tax raises what is invariably their most sensitive cost component. Trucking is part of the backbone of this country's productivity and growth and transportation expenses are an integral cost factor for much of this country's goods and services.

Thus, not only does it devastate the trucking industry, but it inflates the costs of all goods and services and shrinks this country's overall productivity. This tax keeps on going and going and going. It does not stop at the production level and it doesn't end at the pump.

Mr. President, this tax will also severely impact the airline industry. Again, like trucking, it is a vital industry which supports economic productivity and efficiency. It is projected that this tax will cost the domestic airline industry $2.5 billion alone. The airline industry cannot bear this additional tax burden especially in light of the 3 year $10 billion loss the industry has recently experienced.

Not only does this tax threaten to injure our country's economic growth and production, but it hurts consumers who can least afford it. It is regressive.

This tax penalizes lower income Americans and rural communities. As consumers, the cost of motor fuel is critical to these Americans. The tax not only raises the cost of transportation itself but increases the cost of all other goods and services to them. Consumers already pay an average of 34 cents per gallon in Federal and State taxes on gasoline. It has been estimated that this tax could cost as much as $204 per household on average. Again, consider lower income Americans and rural communities. CBO has projected that a tax like this would affect these households significantly more than higher income households. This is because they spend almost twice as much of their income on fuel.

The revenue projected to be gained from this tax is $25 billion.

However, this estimate does not take into account the fact that the resulting decrease in employment and gross domestic product would affect how much the tax generates in revenues. Estimates that consider these real economic effects place the revenue at something like $5 billion rather than $25 billion. Nonetheless, this tax will still cost the economy at least $20 billion, excluding costs resulting from the loss of employment and economic output. What a tax costs the economy and what a tax generates in revenue is never the same. There is no such thing as an economy-neutral tax.

Mr. President, if public opinion on this tax matters, and I hope it does, I would bring to my colleagues attention a recent AAA survey which found that 70 percent of all Americans would oppose an increase in the gasoline tax even if it would reduce the deficit.

Mr. President, this tax is a job killer. It kills a few less jobs than the Btu, but it still kills. It is another tax aimed at the infrastructure of our Nation's economy that will further limit competitiveness and job growth. This tax, like this entire tax bill, is full of disincentives. It cries out, "Don't produce as much, don't consume as much, don't earn as much." Because if you do, the taxman cometh and taketh away.

Mr. President, I would like to conclude by encouraging my colleagues to support this amendment and I thank the Senator from Oklahoma for his continuing leadership on this issue.

Mr. MITCHELL. Mr. President, I yield myself such time as I may use.

Mr. NICKLES. If the Senator will yield for a minute.

Mr. MITCHELL. Mr. President, we have had four speakers on that side.

Mr. NICKLES. I thank my colleague for his leadership and for his excellent statement.

Mr. MITCHELL. Mr. President, when Dorothy traveled the yellow brick road to the land of Oz, she was in a wonderland, but that wonderland could not compare with the U.S. Senate—especially with some of the statements we have just heard. The very people who have filled this Chamber with speech after speech after speech on the need for reducing the Federal budget deficit now stand here and say: Let us reduce the amount of deficit reduction in this program by $24 billion.

The very people who say over and over and over again in press releases, press conferences, speeches back home, speeches on the Senate floor, "We have to cut spending," will not specify what spending they want to cut. They will vote against the specific spending cuts that are in the bill. They will not specify what spending they will cut. And so, in their view, they have the best of all possible political worlds—for spending cuts in the abstract, against spending cuts in the specific; for deficit reduction in the abstract, against any effort to reduce the deficit. And so we see it on this amendment.

Mr. President, this is the height of partisanship and raw politics. When George Bush was President of the United States, in this very Senate Chamber there was a debate and a vote on a 9-cents-a-gallon gas tax increase. More than half of the Republican Senators voted for that gas tax increase. More than half of the Republican Senators. Now, not a single one will vote for a gas tax increase, because the President is a Democrat, Bill Clinton.

What could be more raw politics than to say that when a proposal is made and there is a Republican President, Republicans are for it, and when a similar proposal, actually less than half of that gas tax proposal, is now before us and a Democrat is President, they are against it.

Mr. President, there is only one conclusion that anyone can draw, and it is the truth. The Republican position is, if President Clinton is for it, they are against it. It does not make any difference what the proposal is. If it has to do with the budget, if Bill Clinton is for it, they are against it.

Mr. President, if President Clinton tomorrow sent a bill up here to praise apple pie and motherhood, I predict to you that the Republicans would offer an amendment that says apple pie is evil and motherhood is insidious.

Nowhere in American life is the gap between word and deed, between rhetoric and action more evident than on the budget deficit. The very same Senators who have filled this Chamber with rhetoric have given speech after speech, hour after hour, day after day about the need to reduce the Federal budget deficit. When it comes to vote to reduce the budget deficit, they will not do it. And, to this moment, they will not specify what the spending cuts are that they will vote for.

They offer a vague alternative, nonspecific, changing the mechanisms, using euphemisms like "caps," "freezes," anything to prevent their having to stand up squarely in front of the American people and say: "I voted to cut your spending." They will not say that.

This is pure, raw politics. It is not surprising, Mr. President, that every poll on the subject in recent months shows that about 60 to 70 percent of the American people believe that the Republican opposition to President Clinton is purely political in nature. They do not have an alternative. All they are is against—against this, against that, against the other, against any meaningful effort to reduce the budget deficit, so long as they can keep giving speeches about reducing the Federal budget deficit.

The gap between the rhetoric on the budget deficit and action on the budget deficit makes the Grand Canyon look like a little creek.

Mr. President, every single dollar of this tax will go to reduce the deficit—every one. What does this ask of Americans? It asks $29 per person per year, on average, to reduce the deficit. We all know what our colleagues are most concerned about. They know that President Clinton's plan requires that 80 percent of the deficit burden be borne by those with incomes above $200,000 a year, that those whose incomes are below $20,000 a year are not going to have to bear the burden, and those in the middle class will bear only an average of $29 a year per person.

In their desperate efforts to protect those whose incomes are above $200,000 a year, they are trying to sabotage the whole program. They are saying to the American people: Come on down here and join in the fight against deficit reduction. But if you make more than $200,000 a year, you should not have to participate in deficit reduction. If you are in the middle class, they want to sock it to you.

We are saying that this is a serious national problem. All Americans have to participate, and they should participate according to their needs. And this is a modest request of the American people, people whose incomes are $40,000 to $50,000 a year, a couple who pay about $4 or $5 a month. Is that asking too much to contribute to reducing the national deficit, to reducing the national debt? I think most Americans would say no. Yet, we have this rhetoric, this fog of rhetoric asking us not to cut the deficit, because there can be no dispute about it; if this amendment is adopted, the amount of deficit reduction in the bill goes down by $24 billion. The deficit is $24 billion larger than it otherwise would be. That is indisputable. That is the effect of this amendment.

Mr. President, I ask the American people to consider who is serious about this deficit. We have had 12 years during which this deficit has exploded. We now must confront reality. And reality demands that we have a serious plan that combines substantial spending cuts with some tax increases and that the tax increases be based upon ability to pay so that everyone is asked to contribute and everyone is asked to contribute according to their ability to pay.

For those who succeed in American life, we applaud that, we commend it, and we encourage it. It is a signal part of the American dream—the chance to rise and succeed. All we say is that, if you do succeed, you ought to be willing to help the country meet this serious problem. Our colleagues say that, if you make less than $200,000 a year, you ought to bear the whole burden of deficit reduction, and those making more than $200,000 a year should be permitted to stand on the sidelines, free of any requirement, free of any burden, free of any participation in the effort.

I think it is wrong. I think it is unfair. I believe when most Americans understand it they will agree.

With respect to this amendment, the spectacular irony of this whole debate is that it is supported by those people who most talk about reducing the deficit.

I want to read you off the names of those Republican Senators who voted for a gas tax increase more than twice as large as this one when the President was a Republican: BOND, Boschwitz, CHAFEE, COCHRAN, DANFORTH, DOLE, DOMENICI, DURENBERGER, Garn, HATCH, Heinz, JEFFORDS, KASSEBAUM, LUGAR, McClure, MURKOWSKI, PACKWOOD, RUDMAN, SIMPSON, SPECTER, STEVENS, THURMOND, and WARNER.

Almost all of them are still here. Every one of those still here will vote for this amendment, because a Democrat is the President.

What was good when a Republican is President is bad when a Democrat is President.

Mr. President, that is one of the things that is wrong with this whole system and with this whole approach.

Anything President Clinton is for our colleagues are against, with speeches about deficit reduction, and no votes for deficit reduction. Talk about spending cuts, no, no. No proposals for spending cuts. As long as it is vague, as long as the mechanism is vague, as long as they are not affected by it, the colleagues vote for it. When you get down to where the rubber meets the road, where we actually vote to reduce the deficit, where we take the tough votes that will actually bring about a reduction in the deficit, our colleagues are AWOL.

Mr. President, the Senate should reject this amendment. We have to deal with the deficit—painful, difficult, tough, yes. That is why we were sent here to do what is right for the country. Whether the President is Republican, whether the President is a Democrat, whether the President is from one part of the country or another, whatever party we are, whatever State we represent, for once, just once why cannot we say let us do what is right for this country?

And everybody in this Chamber knows we have to deal with the deficit, and the only plan that is going to do that is the plan that is now before the Senate.

If that plan goes down, if that plan is sabotaged by amendments like this, we are not going to have any deficit reduction, and our colleagues know that.

Mr. President, for once, let us do what is right for the country. And I think the country will not only respect it, they will applaud it.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Oklahoma has 15 minutes and 50 seconds, and Senator MITCHELL has 6 minutes and 50 seconds.

Mr. NICKLES. Mr. President, I wish to respond to the majority leader.

One, I think he made the allegation that Republicans have not had the courage to make tough votes on spending cuts. I just totally disagree.

We had an amendment offered earlier today on behalf of Senator DOLE, and I believe all Republicans voted for it, all but one maybe, that had $367 billion in spending cuts. It had caps on entitlements. It had caps on entitlements for good reason, because of lot of these entitlement programs have been growing totally out of control.

Mr. President, I have inserted in the RECORD a chart showing outlays for the last several years including last year. It will show that Medicaid last year grew at 29 percent. It will show the earned income tax credit grew last year by 55 percent, unemployment compensation grew last year by 47 percent, food stamps grew last year by 20.9 percent, AFDC aid for families with dependent children grew last year by 15.6 percent, and Medicare grew last year by 14.3 percent.

Yes, Republicans had the guts to say we think there should be caps on the growthof these for inflation plus 1 percent. That saves big money.

I am glad the najority leader could not read my name on the list of the 1990 budget which raised gasoline taxes by 5 cents, if my memory serves me correctly.

Mr. MITCHELL. Would the Senator like me to read what it said?

Mr. NICKLES. I believe the final package had a 5-cent gasoline tax increase. I may stand corrected. If I am incorrect, will the Senator please correct me?

Mr. MITCHELL. I will just read the Senator the provision from the description of the bill.

Mr. NICKLES. The final passage had more than 5 cents?

Mr. MITCHELL. I am reading a document that I believe describes the bill as passed finally. It does not say that on this document. But I believe it is correct. It was provided to me by staff.

Mr. NICKLES. I will double check it. It is not that significant in this debate.

This Senator voted against the 1990 budget package, because it had big tax increases, but it did not really have anything to contain entitlements which is about half the Federal budget and which were growing out of control.

So the budget resolution the Republicans offered today did have caps on entitlements. Frankly, if you do not cap them we are wasting our time. That is like saying half the Federal budget is going to continue to grow and accept how much it costs at the end of the year. I do not think that is responsible, and many Republicans do not think that is responsible.

Many Republicans did support the 1990 budget package which I might refer to, because the 1990 budget package said it was going to reduce the deficit by almost an identical amount as the package we had before us. It said it was going to reduce the deficit by $492 billion.

I might also tell my colleagues that it proposed that two-thirds of that was going to be in spending cuts, but frankly those spending cuts did not happen. Some of those caps were waived by this administration. This administration when it put caps in earlier this year said we should waive the caps for the urgent supplemental, we should waive the caps for unemployment compensation, we should waive the caps at the beginning of the year where the administration had some discretion whether or not we would have additional funds apply towards caps or not. They had that discretion and waived the caps.

That is the reason many of us say the spending cuts proposed in this package are bogus, they are not real. And many of the cuts that were proposed in the 1990 package were not real.

Those spending cuts that were proposed in 1990 some of those were to take effect in 1994 and 1995. This administration said those do not count. Forty-four billion dollars of the so-called spending cuts were under the existing law; this administration said no, they are going to use the higher baseline so we can recapture those $44 billion.

I find that policy misleading and very deceptive.

My point is we are quite willing to make the tough decisions to cut spending, and I think we have shown that time and time again. We are also willing to cut and cap entitlements. Frankly we need to do both. The budget package we had had a 5-year hard discretionary spending freeze.

The only thing I really found that this administration wants to cut is defense. Some of us think we need to cut defense and cut other areas and cut entitlements.

This amendment that we have pending eliminates the gasoline tax increase. And again I heard the majority leader say that the rhetoric is quite different from the votes and the actions.

I will say where the rhetoric is different from reality is in President Clinton as compared to Candidate Clinton. And I will say that if Candidate Clinton campaigned on this economic package he would still be a candidate. He would not be President.

When he was a candidate he was against the gasoline tax increase. When he was a candidate he was for tax reductions for the middle class. When he was candidate he said he wanted to reduce the deficit by one-half in 4 years. The deficit in 1992 was $292 billion. One-half of that is $146 billion. The budget resolution we have pending does not reduce the deficit to $146 billion by the year 1996 or 1997. No, it is still around $200 billion. That is assuming that everything happens as they allege it will happen.

The majority leader also said that, we believe in having taxes by the ability to pay. I will tell the majority leader there are a lot of airlines that do not have the ability to pay, that if we do not pass this amendment to eliminate the gasoline tax you are going to be pushing more airlines towards bankruptcy. Northwest may already be there, and this just may push them over the edge. This tax increase that is proposed in the Senate bill will cost Northwest airlines, $233 million. It will cost United $355 million. Airlines are not making money. Maybe they can pass some of this along to their customers. Maybe they cannot. American Airlines, which I believe is certainly one of the largest if not the largest, lost almost $1 billion alone last year, and this is going to cost $80 million to $100 million. This will cost American Airlines $478 million over a 5-year period of time. If they can pass that on they would not have lost $1 billion last year. They may be able to pass some of it on. I do not know. This tax is not based on ability to pay. This is a tax on my daughter who buys gasoline. She does not have the ability to pay. She just has a minimum wage job.

So my point is, when I hear this comment, "Well, we are only socking it to the wealthy," this gasoline tax is not just on the wealthy. It is on the airlines, it is on the truckers, it is on the farmers, it is on anybody that lives out in the rural areas. It is punitive. It is a regressive tax. It is a tax that is going to cost jobs. I hope it is a tax that will be deleted from this package.

I also will repeat my statement that we are not only talking about 4.3 cents per gallon. I know, and my colleagues should know, this is a $24 billion tax.

The majority leader is right. The House has an energy package that has $72 billion. when this goes to conference, my guess is we are going to be looking at a tax package that will probably be compromised and you are going to be looking at a revenue component of around $50 billion. And how they raise the $50 billion, if it is the Btu tax, I do not know, but I will tell you, the Btu tax will cost jobs. If it is a gasoline tax, that also costs jobs.

To raise the $50 billion, they are going to have to increase the tax to at least 10 cents a gallon. The way to deal with this, and eliminate that possibility, is to pass this amendment, hopefully tomorrow morning.

Mr. President I reserve the remainder of my time.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I suppose Americans sitting at home watching this on television might ask themselves: "How can I know who is right? Charges, countercharges, statistics one way, statistics another. We do not believe any of those politicians anyway."

Let me just read a brief comment from today's Philadelphia Inquirer on the question of honesty in budgeting. I now quote the article:

> Clinton's budget presentation is "more honest than any other budget I have seen in a decade," said Stan Collender, director of Federal budget analysis for Price Waterhouse, the big accounting firm, and author of the book on the Federal budget process.

The article goes on to describe the Republican attacks on President Clinton's program as "'very misleading,' said Collender, who believes Clinton's program will achieve $500 billion in 5-year deficit reduction by striking a rough 1 to 1 balance between tax increases and spending cuts."

I do not know Mr. Collender. I have never met him. He is presented as an expert. He has written a book on the subject.

What he said is President Clinton's budget is "more honest than any budget I have seen in a decade," and the Republican attacks on that budget are "very misleading."

And I think we have heard that documented here this evening.

Mr. President, let us talk about the Republican alternative. First, the only specifics in the Republican proposal were those that they lifted from the Democrat proposal. No other specifics.

Then they added on top of that something called mandatory cap savings. That is so vague, so indefinite, so meaningless, the Congressional Budget Office stated: "These savings are not scoreable for purposes of the Budget Enforcement Act of 1990."

Translated into simple English, that means this is so vague, so indefinite, so uncertain, nobody can say whether it will save a dollar or not.

And these claims to save those large sums with caps, limits, and other mechanisms that avoid the real cuts do not mean anything. They are not worth the paper they are written on. They are a transparent political effort to avoid the responsibility for meaningful action, so that our colleagues can keep saying, "We are for more spending cuts," but never have to define where those spending cuts are; so our colleagues can keep saying, "We are for more deficit reduction," but always vote against any meaningful deficit reduction plan.

It is a transparent effort to bridge the chasm, the huge gap between their words and their inaction.

Mr. President, I just want to say again, this is a tougher package that is before us, the first time we really have to do something about the deficit, as opposed to just talk about the deficit.

This Chamber is filled with masters of deficit speeches. There is not anybody in the world who can give a better speech about the need to reduce the Federal budget deficit than a Republican Senator in the U.S. Senate. There has been a lot of practice at it. Day after day, night after night, they get up here and say, "Oh, this deficit is so awful hanging over our heads."

Some of the most gripping statements I have heard about how horrible the future will be if we do not do something about the deficit come from my Republican colleagues. And I grant them that—the best deficit speech makers in the country.

But when it comes to actually voting to reduce the deficit, when it comes to actually doing something about the deficit, when it comes to actual bringing the deficit down, when it comes to actually cutting spending or raising taxes, the speech makers are nowhere to be found. The speech makers become the "do-nothingers," who will not vote in a manner consistent with their speeches.

Mr. President, let me say to my colleague, on the issue of the amount of the gas tax in 1990, I think we were both right. I was reading from the document dated October 19, 1990, final passage of the bill in the Senate, which was a 9-cent gas tax, and there were 23 Republican Senators who voted for that.

The Senator was no doubt—although he did not have the document—referring to the vote on October 27, 1990, which was the conference report on the bill, which was the 5-cent gas tax for which 19 Republican Senators voted.

Mr. NICKLES. I appreciate the clarification.

Mr. MITCHELL. I think that is correct.

Mr. President, I reserve the remainder of my time.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. How much time remains?

The PRESIDING OFFICER. The Senator from Oklahoma has 7 minutes and 30 seconds remaining.

Mr. NICKLES. Mr. President I wish to thank my friend and colleague, Senator MITCHELL, for his clarification, because we did find that we did have a 9½-cent gasoline tax increase as part of the Senate-passed package, which had bipartisan support. I might mention, it did not have this Senator's support, but it did have bipartisan support. And final passage did have a nickel a gallon gasoline tax.

I might also add a historical note, we had a big battle, my colleague from Kentucky will remember, in December 1982, prior to the Christmas break, over a nickel a gallon gasoline tax.

The Senator might remember we had a significant filibuster. I remember Senator Baker was majority leader at that time, and it was a very long, very difficult debate. I happened to be one who participated in that filibuster for some period of time. Our arguments were against raising gasoline taxes a nickel, thinking that should be a prerogative of the State, that the money should not be sent to Washington, DC, with its added rules and regulations that would be tacked on. Ultimately, that nickel a gallon tax passed, I might mention. But there was a long, significant debate for several days—if I remember, at least 3 days, if not 4 days—over the issue of whether or not we would have a nickel a gallon gasoline tax in December 1982.

Mr. President, I yield to my friend and colleague, Senator BURNS from Montana, 2 minutes.

The PRESIDING OFFICER. The Senator from Montana is recognized for 2 minutes.

Mr. BURNS. Mr. President, I thank my colleague from Oklahoma. I just want to bring up one point. Remember back in 1980, we talked about inflation and how it picked the pockets of a lot of our citizens in this country and why there was a change, a massive change in this Government?

If there is one tax that feeds inflation, it is this one. Because everything we touch, everything we wear, and everything we eat has to be transported and processed, and the use of gasoline is at every stage of that chain—every stage. Some of us can pass that along. Some of us cannot. But this hits at the necessities of life, not at those things that we buy that we could probably live without. This is probably the basis to light the torch of inflation again.

Agriculture at the production level cannot pass it along. I advise my colleagues, if they take a look at this, it also erodes the State's ability to levy taxes against gasoline in their own States. What is driving State budgets? Why is every State budget in trouble? It is because of their inability, sometimes, to levy taxes, maybe on gasoline. Taxes on gasoline in my State of Montana will be the fourth highest in the Union. We travel more distances, have longer winters. My goodness, we do not have to look around very long. But this trips inflation and inflation robbed us all and led to the eighties: High inflation, high interest rates, and a lot of broke people on our farms and ranches in the State of Montana. Why was it a lot of people sat around when that happened? Because they did not see it. They did not witness it. That makes a lot of difference on the way we make decisions.

So I wanted to make that point tonight as we go down to the vote on this. I do not think we want to trip that inflation again.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The majority leader is recognized.

Mr. MITCHELL. Mr. President, I believe all time has been used, or we are prepared to yield it back.

Mr. NICKLES. We yield back the remainder of our time.

Mr. MITCHELL. We yield any time we have remaining.

The PRESIDING OFFICER. All time has been yielded back.

THE NICKLES AMENDMENT NO. 508

Mr. BOREN. Mr. President, I cannot support the amendment before the Senate that would strike the tax on transportation fuels. My opposition stems principally from the fact that this amendment would reduce revenues by $24.2 billion without replacing it with other revenues or spending cuts. The budget reconciliation legislation before us now reduces the Federal budget deficit by approximately $510 billion over 5 years. Because the Nickles amendment includes no offset for the $24.2 billion revenue loss, the deficit would be reduced by only $492 billion if it were adopted. I simply cannot support any amendment that results in our falling short of the deficit reduction target set by the President and by the budget resolution.

We are at a critical point in our country's history. We must turn around the economic health of the country now and not wait until it is too late to make a difference. The people want real deficit reduction now so that the future of our country and our children will not be imperiled by a growing mountain of debt. The Federal debt has quadrupled over the last 12 years—growing from under $1 trillion in 1980 to over $4 trillion in 1992. Unchecked, interest alone will eat up 25 percent of Federal spending by the year 2000, and 43 percent by 2010.

As part of the effort to address the Federal deficit, the American people are willing to pay more taxes. They are willing to make this sacrifice in the context of a package that reduces the deficit more through spending cuts than through tax increases. Our challenge as legislators is to raise revenues in as a progressive a way as possible. Moreover, we must be aware of the effect of tax provisions on the ability of our Nation's companies to do business productively and to compete effectively in the global marketplace. I believe that the tax on transportation fuels that has been proposed by the Senate Committee on Finance better meets these goals than the Btu tax proposed by the President and adopted by the House of Representatives.

Inherent in the Btu tax was a tax on all fuels used for transportation, and this tax was significantly greater than the transportation fuels tax in this package. The Btu tax would have resulted in a gas tax of over 8 cents per gallon; the transportation fuels tax is set at only 4.3 cents per gallon. And we cannot forget the dirty little secret of the Btu tax, Mr. President. This tax would have increased automatically every year beginning in 1998 as inflation increased. Who knows how high the Btu tax on motor fuels would have been in the future—10 cents, 12 cents, even higher. Of course, as the tax increased the price of products, inflation would rise, the tax would increase automatically, prices would go up futher—it is clear that this tax would feed on itself.

I also opposed the Btu tax because it was anti-competitive and incompatible with a strong and growing economy. Although the Btu tax would have increased the costs of production for all businesses in the United States, it was not constructed so that it could be imposed on imported products or removed from our goods as they entered the world market. One study indicated that a Btu tax at half the level of the one proposed by the administration would reduce GNP by $17 billion a year and result in the loss of 300,000 jobs within 10 years of implementation. Moreover, the tax was so riddled with exemptions and multiple rates that it would result in market distortions that we could not even begin to imagine.

I am concerned that any tax on the consumption of energy would fall heavily on low- and middle-income Americans. The Finance Committee has attempted to alleviate the tax burden on these Americans by reducing the size of the energy tax by $47 billion. A study by the Congressional Research Service indicates that a Btu tax is more regressive than a tax on motor fuels because that ratio of total energy expenditures to income declines more rapidly as income rises than the ratio of transportation fuels expenditures to income. In part because of the modification to the comprehensive energy tax and because of the progressive earned income tax credit, the tax burden on Americans with incomes lower than $30,000 is actually reduced by the budget reconciliation bill.

Finally, Mr. President, the change from the Btu tax to a transportation fuels tax is an improvement because the administration of the latter is infinitely more efficient than the administration of the ill-conceived Btu tax. The administrative system for the transportation fuels tax has been in place for over 60 years. We know how to collect this tax and can do so with very little increase in costs to the Treasury. The Btu tax, with its plethora of exemptions and multiple rates, was an entirely new kind of tax. We were told that it would cost approximately 20 percent of the money that we collected from the tax simply to administer it.

Mr. President, there is no magic way to reduce the deficit. But the American people know that we have to increase taxes, as well as cut Federal spending, before we can make any dent in the Federal deficit. They do not want us to act irresponsibly by eliminating revenues in this bill without offering alternate sources of money to allow us to meet our deficit reduction targets. I must therefore oppose this amendment.

Mr. WOFFORD. Mr. President, yesterday, I proposed cutting almost $65 billion in Government spending over the next 5 years beyond the approximately $500 billion in deficit reduction proposals put forth by President Clinton and enacted by the Congress in the budget resolution.

I support the President's deficit reduction plan. But he has challenged us to find ways to go even further. I have looked through the Federal budget to identify spending on Government programs which are wasteful, inefficient, overlapping, or just plain not important enough to pay for in these lean times. We can't afford to continue programs just because the were in last year's budget. And while most Americans are struggling harder to make ends meet, we certainly can't accept expensive perks for current and former elected officials.

Just like any family, government has to live within its means. This means making hard choices. This means going beyond the easy cuts of wasteful programs and government perks and cutting even those programs which have merit, but which we can no longer afford.

Despite their prospective economic and scientific value, the NASA space station and the superconducting super collider research project are such programs. Given the magnitude of the deficit problem and the importance of minimizing the need for new taxes, the space station's $10.5 billion 5-year price tag and the super collider's $2.8 billion price tag are simply too steep. I have decided to withdraw my past support for the space station and the super collider.

In addition, I am proposing cuts in funding to Congress itself along with a wide range of Federal programs. The list includes Federal tobacco subsidies, helium reserves, foreign broadcasting, and military spending. It also would reduce the amount Congress spends on itself through free mass mailing privileges, furniture discounts for departing members, and expenses for former Speakers of the House, as well as for former Presidents.

I have already pledged not to use taxpayer financed, self-promotional mass mailings at a savings of some $550,000 for the American taxpayers. By eliminating funding for taxpayer-financed "junk-mail," the Congress could save upwards of $7 million a year.

I urge my colleagues to support these deeper spending cuts. At a time when it's critical for us to increase our public investment in jobs, education, technology, and other building blocks of economic growth, we have to make the hard choices the taxpayers demand of us. We have to cut bureaucracy and slash Government spending on programs which may be useful, but aren't essential to our country's future.

Mr. President, I ask unanimous consent that the full list of my proposed spending cuts be inserted into the RECORD following my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SENATOR HARRIS WOFFORD PROPOSED DEEPER SPENDING CUTS—JUNE 22, 1993

	Years	
	1	5
Space, Science:		
Cancel the NASA space station	$2,29B	10.5B
Cancel the superconducting Collider	640m	2.8B
Cancel NASA's advanced motor rocket (The advanced motor rocket is designed to replace the rocket currently used to launch the space shuttle)	280m	1.95B
Government operations:		
Cut payments to former Presidents	1m	5m
Cut payments to former Speaker of the House (Each past President receives $600,000 each year for their pension and to maintain an office staff. We are currently spending also approximately $600,000 per year on staff and office expenses for former Speaker of the House)	0	1.2m
Eliminate funding for taxpayer financed political "junk-mail" (Currently members of Congress can send self-promotional mass mailings to their constituents paid for by taxpayers)	7m	35m
Eliminate departing members' discounts on government office equipment and furniture	1m	5m
Defense:		
Eliminate the Trident II D-5 Missile (Upgrading existing Trident I missiles is more cost-effective than this program. Also, the Trident II was designed using cold war strategies. Its purpose is to strike "hard" targets in the former Soviet Union.)	900m	5.6B
Reduce intelligence budget (Intelligence is performed by a number of agencies that often duplicate each other's functions. The Intelligence budget is secret, but estimated at 29–30 B, and masks expensive and wasteful programs.)	1.26B	21.87B
Reduce star wars budget (This proposal would cut $1.8 billion from the current star wars budget of $3.8 billion. There are questions of whether SDI would be effective. Also, cutting the budget would enable us to comply with the anti-ballistic missile treaty we have signed with Russia while allowing us to deploy a limited ground-based system)	1.8B	10B
Halt development and production of all new weapons systems for 1 year (The Clinton administration is planning a study and analysis of our defense and weapon system needs. Freezing spending of this kind for 1 year would yield savings until we had adequate information to assess and prepare for our defense needs)	600m	600m
Reduce nuclear research and end nuclear testing (This proposal would cut nuclear research and development by 10 percent until 1996 and 40 percent after. Also all nuclear testing would be ceased. An American commitment to no further nuclear testing will be crucial in negotiating an expanded Non-Proliferation Treaty which will be up for renewal in 1995.)	132m	1.45B
Eliminate Minutemen III missiles (This land based missile is designed to hit target deep within the former Soviet Union. They cost approximately $1 billion per year to keep operational. The Start II agreement, which the United States recently signed, would very likely require us to dismantle these soon. Without these missiles, the United States would still maintain sufficient nuclear deterrence.)	290m	3.29B
Cancel the Ground Wave Emergency Network Program (This program would create an electromagnetic communications system that would operate in the aftermath of a nuclear war, when conventional radio communications might be inoperable.)	7m	35m
Agriculture:		
End subsidies to tobacco producers	70m	350m
Cancel the Tobacco Loan Program (These proposals would eliminate both direct subsidies and government loan to tobacco farmers. Currently, with these loans, farmers are guaranteed minimum market prices if they adhere to specific production quotas. The priorities of two Government agencies, the Department of Health and Human Services, which has launched an aggressive anti-smoking campaign, and the Department of Agriculture, which continues to support tobacco production, are in direct conflict.)	15m	75m
Reform the Western Water Subsidy Program (Under the current program, farmers from western states receive access to federally subsidized water to produce in desert areas. Farmers should not receive subsidized water to grow subsidized crops.)	110m	600m
Commerce:		
Cut 50 percent of the U.S. Travel and Tourism Administration (The work of this agency, which promotes tourism, duplicate efforts by private travel agents and transportation industries.)	11m	55m
Eliminate the Federal Information Center (This agency provides information on the Federal Government that is readily available elsewhere.)	3m	15m
Energy:		
Close or Privatize Federal Helium Reserves (The Federal Government has supported helium reserves since the 1960's when it believed that helium was critical to our national security and that supplies in this country were limited. Today, we know that helium reserves greatly exceed projected need.)	34m	170m
Transportation:		
Eliminate the Essential Air Service Program (This program provides grants to States for small, rural airports.)	39m	195m
Foreign affairs:		
Cut government funded broadcasting	26m	125m
Limit unobligated foreign economic assistance (This proposal would return any foreign economic assistance funds that have not been spent in three years unless the President waives this requirement.)	2B	5B
Total savings	10.5B	64.7B

DIRECT LOAN SERVICING CONTRACTS AND STATE AGENCIES

Mr. HARKIN. I would like to enter into a colloquy with the distinguished chairman of the Labor and Human Resources Committee concerning direct student loans. Is it the intent of the legislation that the Federal Government seeks to implement the direct student loan program in a manner which maximizes services to students and postsecondary educational institutions within the various States?

Mr. KENNEDY. Yes. The direct student loan program shall be implemented to provide the maximum level of service to students and postsecondary educational institutions.

Mr. HARKIN. Is it the intent of the legislation that those agencies of State government whose employees are civil servants and which currently are effective in providing superior service to students and postsecondary educational institutions in their States be given some opportunity to continue such appropriate services within the direct student loan program in their State?

Mr. KENNEDY. State agencies will be eligible to bid on contracts from the Department of Education to provide services as determined by the Secretary. Such contracts will be awarded on a competitive basis.

Mr. HARKIN. Is it also the intent of the legislation that, in letting the contracts for supplies and services in section 456 of the bill, the Secretary shall give consideration to, and in no way shall discriminate against, the State financial aid agency in such State for such contracts for purposes such as training, information services, policy interpretation, program reviews, loan origination, debt counseling, default prevention, and loan servicing and collection for students and postsecondary educational institutions approved to participate in the direct student loan program in that State?

Mr. KENNEDY. That is correct. It is the intent of the legislation that the Secretary shall give consideration to and shall not in any way discriminate against the State financial aid agency for such contracts.

Mr. HARKIN. One final question. Is it the intent of the legislation that nothing in section 456 of said bill shall be construed as a limitation of any State agency to enter into an agreement for the purposes of that section as a member of a consortium of State agencies?

Mr. KENNEDY. Yes. That is the intent of the legislation.

EFFECT OF INCREASED TAXES ON AVIATION INDUSTRY

Mr. BOREN. Mr. President, the commercial airline industry of this country is in serious trouble. Last year alone, the airline industry suffered collective losses of more than $4 billion. Over the past 3 years, these losses have totaled more than $10 billion. The condition of the aircraft manufacturing industry is not much better, because of the defense build down, canceled or delayed commercial airline orders, and increased competition from abroad.

These losses have resulted in serious job loss in the industry. In the past 2½ years, 50,000 airline workers—about 10 percent of the total—have been laid off. The loss of these jobs has had a ripple effect of the economy because many industries are dependent on selling their products and services to the airlines. Indeed, for every airline job that is lost, it is estimated that five additional jobs are lost in related industries.

Because of the current economic conditions and the dim prospects for a short-term recovery in the airline and aircraft industries, Congress created the National Commission to Ensure a Strong Competitive Airline Industry. This Commission is charged with identifying the problems of these industries and recommending solutions to the Congress and the President. The Commission must accomplish its mission within 90 days from May 24, when the first meeting of the Commission was held.

The Commission is off to a fine start. Under the leadership of former Virginia Governor, Gerald Baliles, the Commission appears to be well on course to meet its demanding schedule. However, while the Commission is evaluating the financial condition of the industry and before it has released its recommendations, the Congress is considering whether or not to levy additional taxes on the industry.

Mr. President, we are working now on a bill designed to assist our ailing economy. Unfortunately, the transportation tax in this bill would mean an additional tax burden of more than $1 billion on the airline industry. This industry already makes a huge contribution to the Federal treasury. For example, in fiscal year 1992 alone, the airline industry paid a total of $5.389 billion in taxes, including domestic ticket taxes, cargo waybill taxes, international departure taxes, and various user fees. Additionally, the industry paid a total of $1.56 billion in payroll taxes and alternative minimum taxes.

Mr. President, we must remember that the Senate version of the comprehensive energy tax is a vast improvement from the House Btu energy tax. The House tax would have placed a tremendous burden on the airline industry. Inherent in the Btu tax is a 8.5 cent tax on fuel that increases with inflation every year after 1996. The transportation tax is less than half this figure and will not automatically increase. Nonetheless, I am still concerned about the effect of the transportation tax on the economic well-being of this important domestic industry.

The Commission is now evaluating whether there is a need for tax relief rather than an increase in taxes. Tax increases will simply increase costs for this industry. As ticket prices increase, passenger loads decrease and the financial problems of the industry multiply. One problem for the industry today is that not enough people are flying; higher ticket prices will mean that even fewer people will fly.

These issues are critically important. Although the administration and the Congress are committed to a broad-based energy tax, I urge the conferees to consider the tax's impact on the airline industry and to work to find responsible ways to alleviate the burden on this desperately ill industry.

ESTATE AND GIFT TAXES—EFFECTIVE DATE

Mr. BOREN. Mr. President, I am pleased that as a matter of fundamental fairness the Committee on Finance followed its traditional practice of eliminating the retroactive application of changes in individual income tax rates. We were not able within the committee to achieve the same result with respect to the reinstatement of the top estate and gift tax rates. These rates were reduced in accordance with existing law on January 1, 1993. It would be especially unfair to apply the reinstated higher rates with respect to the estates of individuals who died earlier this year before we acted to raise the rates again. The executors of these estates have had to make plans based on the law as it exists—not as it may be—when they sold assets to pay taxes, which are due 9 months after death. We should not now change the rules of the game for these estates.

We discussed this issue within the Committee on Finance on a bipartisan basis. I am pleased to inform the Senate that with the concurrence of our chairman, the distinguished Senator from New York, we agreed that this issue should and can be addressed in the forthcoming conference with the House. I know a number of Senators who do not sit on the Committee on Finance are concerned about this issue and I will work with the chairman and others in the conference to achieve this result.

Mr. President, I was also somewhat disappointed that we made these higher tax rates permanent without considering proposals to reform our estate and gift tax system and to make other changes to protect our Nation's independent businesses and to promote a renewed level of savings and investment. The time for structural reform of our tax system is drawing close, and estate and gift tax reform should be part of this effort.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent there now be a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE 10TH ANNIVERSARY OF SECTION 119

Mr. PELL. Mr. President, 10 years ago the Congress enacted my legislation creating a new mandate for the Agency for International Development; to conserve biological diversity. The initiative grew out of a controversy during the previous year within the U.S. delegation attending the World Environmental Conference marking the 10th anniversary of the United Nations Environment Program. Under Secretary of State James Buckley, one leader of the delegation, sought to commit the United States to the principle that biological diversity was worth conserving. He was ultimately thwarted by the then EPA Administrator Ann Gorsuch who doubted the value of biological diversity. By my legislation, I resolved to settle a policy debate that was proving embarrassing to the United States and simply mandate the protection of biological diversity.

My bill created a new provision, section 119 of the Foreign Assistance Act, making the conservation of biological diversity an important objective for U.S. foreign assistance. At that time so little was known of the issues related to biological diversity that one of my colleagues, upon encountering the term, asked in jest whether the bill had been cleared with the moral majority. AID, however, embraced section 119 and from its very modest beginnings it has now become a $10 million a year program. It operates in countries ranging from Thailand and Nepal to Kenya and Costa Rica. Because of this legislation there are species still around that might otherwise have been exterminated, many without ever being identified.

On this occasion, the 10th anniversary of section 119, the endangered species provision of the Foreign Assistance Act, I ask unanimous consent that my original proposal be reprinted in the RECORD. I would also like to acknowledge the contribution of Peter W. Galbraith, the long-time staff member of our committee and now our new Ambassador to Croatia, who attended the 1982 UNEP Conference on my behalf. It was he who brought the issue to my attention and he who crafted the language that ultimately became section 119.

There being no objection, the proposal was ordered to be printed in the RECORD, as follows:

SEC. 119. ENDANGERED SPECIES.—(a) The Congress finds the survival of many animal and plant species is endangered by overhunting, by the presence of toxic chemicals in water and air, and by the destruction of habitats. The Congress further finds that the extinction of animal and plant species is an irreparable loss with potentially serious environmental and economic consequences for developing and developed countries alike. Accordingly, the preservation of animal and plant species through the regulation of the hunting and trade in endangered species, through limitations on the pollution of natural ecosystems, and through the protection of wildlife habitats should be an important objective of the United States development assistance.

(b) In order to preserve biological diversity, the President is authorized to furnish assistance under this part to assist countries in protecting and maintaining wildlife habitats and in developing sound wildlife management and plant conservation programs. Special efforts should be made to establish and maintain wildlife sanctuaries, reserves, and parks; to enact and enforce anti-poaching measures; and to identify, study, and catalog animal and plant species, especially in tropical environments.

(c) The Administrator of the Agency for International Development, in conjunction with the Secretary of State, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chairman of the Council on Environmental Quality, and the heads of other appropriate Government agencies, shall develop a United States strategy, including specific policies and programs, to protect and conserve biological diversity in developing countries.

(d) Each annual report required by section 634(a) of this Act shall include, in a separate volume, a report on the implementation of this subsection. Not later than one year after the date of enactment of this section, the President shall submit a comprehensive report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on the United States strategy to protect and conserve biological diversity in developing countries.

TRIBUTE TO COMDR. MARY ANN KING

Mr. PELL. Mr. President, I rise today to commend Comdr. Mary Ann King, who will soon retire from a distinguished 20 year career in the U.S. Navy. Commander King's dedicated service has been an invaluable asset to our country and to the proud institution in which she serves. She has demonstrated outstanding leadership in several offices, including Chief of Intelligence in Northwood, United Kingdom; Executive Officer in Puget Sound, WA, and Director of Manpower and Personnel Readiness in Norfolk, VA. These positions represent only a few highlights of her faithful service to the Navy.

Commander King's unselfish devotion to duty and to her country has not only maintained, but helped raise our Armed Forces' commitment to excellence. She has served as a teacher and a role model for young men and women. She has been a leader; and in leading she has instilled a sense of purpose and pride in those around her. I believe, Mr. President, that Commander King's legacy in the Navy will continue through those she has taught.

I am particularly delighted to note that Commander King began her career at the highly selective Officer Candidate School in Newport, RI, and that she decided to return to Rhode Island to teach English at the Naval Academy Preparatory School, where she is also a senior academic adviser.

Mr. President, Commander King's accomplishments show the multitude of her talents. Her work from an analyst, to a director of personnel readiness, to a chief of intelligence, to an instructor of English, indicate this diversity. I further believe that Commander King's service exemplifies the kind of dedication and ability that epitomizes our country's ideals and potential. That is why, Mr. President, on behalf of all those who have served with and had an opportunity to learn from Commander King, I wish to commend her for her dedication to the Navy and thank her for her tireless service to the United States.

CONFERENCE ON "TAIWAN IN THE NEW ERA"

Mr. PELL. Mr. President, I am unable to attend today's conference in Taiwan but I wish to thank my Taiwanese friends for inviting me to the very timely conference occurring today on recent developments in Taiwan. I apologize for not being able to make this speech in person, but as a long time student of Taiwan political affairs, I am pleased to note dramatic changes occurring there.

On December 19, Taiwan held the first full legislative elections in its 40 year history. All life-long members who were originally from mainland China retired and their seats were open for election. As a result of these dramatic steps forward, a significant minority of the legislature is now composed of members of the opposition, the Democratic Progressive Party [DPP]. The legislature has become more accountable to the people, acting as a greater check on other branches of the government.

Another encouraging development is that, among native Taiwanese as well as among those of Chinese descent, there is a growing sense of Taiwanese identity, separate from that of China. Native Taiwanese are being appointed and elected to senior political positions. The first Taiwanese Premier in Taiwan's history, Lien, was elected following the resignation of Premier Hau Pei-tsun, a mainlander. These developments give me a new sense of optimism about the opportunities for peaceful political evolution elsewhere in the world.

The rapid political developments in Taiwan have been accompanied by great economic change, as economic policies must increasingly be accountable to the people of Taiwan. There are many positive developments such as President Lee Teng-hui's initiation of a $50 billion development plan. Other economic problems such as the need for greater social welfare, the growing deficit, and the deteriorating trade relations with other countries, will have to be addressed by the new legislature and the President.

I applaud Taiwan's democratization and encourage its further development. The peaceful evolution of this island nation toward democracy is a model to which other countries, struggling to improve their systems of government, should look.

TEX RICKARD'S MINISTRY

Mr. RIEGLE. Mr. President, today I rise in the Senate to celebrate Reverend William Rickard's elevation to emeritus status in the United Methodist Church of Michigan. This event culminates nearly half a century of ministering to the people of Michigan. It is fitting that as Reverend Rickard—"Tex" to his innumerable friends—is elevated to emeritus status he is serving the congregation which licensed him to begin his ministerial studies 54 years ago. I understand that during his long and faithful ministry more than 27,000 people joined his congregations and he performed wedding ceremonies for more than 4,000 couples.

In addition to serving individual congregations throughout the State, Reverend Rickard served as one of the youngest district superintendents in the history of the Detroit Conference, supervising over 100 churches and riding an annual circuit that took him from the northern Detroit metropolitan area to Port Austin in the Thumb.

Mr. President, I am happy to join thousands of people throughout the State of Michigan in wishing him well as he celebrates the culmination of his distinguished career. I wish also to congratulate his wife, Mary Rickard, who has been an active and essential partner in his ministry.

RECOGNIZING THE NOTABLE CONTRIBUTIONS MADE BY THOMAS L. NOTTINGHAM

Mr. MITCHELL. Mr. President, I send to the desk and ask for immediate consideration a resolution expressing the Senate's appreciation for the services of Thomas Nottingham upon his retirement. This resolution is offered on behalf of myself, Senator DOLE, Senator FORD and Senator SIMPSON.

The PRESIDING OFFICER. The resolution will be stated by title.

The bill clerk read as follows:

A resolution (S. Res. 125) relating to the retirement of Thomas Nottingham.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, Tom retires at the end of June after 31 years of service to the Congress. He first came to Capitol Hill as a member of the U.S. Capitol Police force, but most to his years on Capitol Hill have been with the U.S. Capitol Guide Service.

The Capitol Guide Service has evolved significantly in the 30 years that Tom has worked there. Among the most significant of those changes are the ones he made.

When he first joined the office, it charged a small fee for guided tours. Today, Americans who come to see their Government in action can tour the Capitol for free. This is appropriate for the holders of the sovereign power in a system of government that rests on the consent of the governed. It was the result of legislation passed in 1971, at Tom's urging, to professionalize the Guide Service and bring it fully under congressional control.

Tom became chief of the Guide Service in 1971 and it is from that position that he will soon retire.

Tom's affection for the Capitol Building and his respect for its history have guided his leadership of the service. Every day of the year, and especially during school break periods and vacation weeks, each of us has seen a group of enthralled Americans gathered around a Capitol guide, learning something of their Nation's history, and its civic traditions.

I know each of us has, in his or her files, enthusiastic letters of praise for the Guide Service from constituents who have visited Washington and toured the Capitol Building.

Tom's enthusiasm for the work of the Guide Service has been the driving inspiration which makes our guides the pleasant, helpful professionals they are. The formal training and classes for guides he established have helped them learn the facts and gain the skills that result in interesting and informed tours of the Capitol.

Few of us realize that over 1½ million Americans visit the Capitol Building each year. No other working legislature in the world is as accessible to its people as is the Capitol where the U.S. Congress does it work. Tom Nottingham has presided over the guide services to this immense flow of visitors with efficiency and great skill. His dedicated staff of guides work long hours and earn the praise they receive. He has earned our thanks for his efforts in making this service what it is today.

All who have had the pleasure of working with Tom will miss him, but his retirement is a well-deserved reward for his many years of service. I expect his retirement will allow him to spend more time with Carol, his wife of 35 years and his children, Joseph and Dawn. I am confident he looks forward to that opportunity.

I hope Tom leaves Congress with a sense of pride over his accomplishments with the Capitol Guide Service. He certainly should. Adoption of this resolution would be a fitting and appropriate tribute to his long and successful career. I ask unanimous consent that the resolution be adopted.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 125) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 125

Whereas the Senate has been advised of the retirement of Thomas L. Nottingham, Chief of the United States Capitol Guide Service effective June 30, 1993, and

Whereas a professional Capitol Guide Service has been essential in expanding learning and appreciation about the Capitol to the million and a half Americans who visit each year, and

Whereas Thomas L. Nottingham worked tirelessly for passage of legislation in 1971 to establish a professional salaried Guide Service, and

Whereas he has devoted 30 years of his life to promoting the Capitol and educating the American people about the historic building housing the Congress, and

Whereas he has gained the admiration and respect of his associates and the Members of the United States Senate: Now, therefore, be it

Resolved, That the United States Senate recognizes the notable contributions made by Thomas L. Nottingham to the Senate and to his country and expresses to him its appreciation and gratitude for his long, faithful and outstanding service.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to Thomas L. Nottingham.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar 233. Judith Heumann, to be Assistant Secretary for Special Education and Rehabilitative Services;

Calendar 234. Augusta Souza Kappner, to be Assistant Secretary for Vocational and Adult Education;

Calendar 236. Karen Beth Nussbaum, to be Director of the Women's Bureau;

Calendar 237. Olena Berg, to be an Assistant Secretary of Labor; and

Calendar 238. John D. Donahue, to be an Assistant Secretary of Labor.

I further ask unanimous consent that the nominess be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF EDUCATION

Judith Heumann, of California, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education.

Augusta Souza Kappner, of New York, to be Assistant Secretary for Vocational and Adult Education, Department of Education.

DEPARTMENT OF LABOR

Karen Beth Nussbaum, of Ohio, to be Director of the Women's Bureau, Department of Labor.

Olena Berg, of California, to be an Assistant Secretary of Labor.

John D. Donahue, of Indiana, to be an Assistant Secretary of Labor.

STATEMENT OF JUDY HEUMANN

Mr. HARKIN. Mr. President, I rise in strong and enthusiastic support for Judy Heumann, who has been nominated by President Clinton to serve as the Assistant Secretary for Special Education and Rehabilitative Services in the U.S. Department of Education.

I first met Judy in 1988 when she presented powerful testimony before the Subcommittee on Disability Policy, which I chair, regarding the discrimination she has faced over her lifetime and the urgent need to enact the Americans with Disabilities Act. Since that time, we have worked together on numerous projects and as a result I know that Judy will be an exceptional Assistant Secretary.

Judy has the vision, experience, leadership, and consensus-building skills necessary to implement President Clinton's national disability policy. According to the President, this policy will be based on three simple creeds: Inclusion, not exclusion; independence, not dependence; and empowerment, not paternalism. Judy enjoys the respect of parent groups, service providers, as well as groups representing individuals with disabilities.

I look forward to working with Judy to make the promise of inclusion, independence, and empowerment realities for all individuals with disabilities.

Judy contracted polio at age 2. Her first encounter with discrimination was at the age of 5 when, because of her wheelchair, she was declared a fire hazard by the public school in her Brooklyn, NY, neighborhood. Four years later, her parents managed to get her enrolled in public school which held health conservation classes for special children in the basement.

After graduation from Long Island University with a bachelor of arts in speech and theater, she faced a major battle for equality when she was denied a position as a school teacher because of her disability. She refused to be discriminated against and filed a lawsuit against the board of education of the city of New York. She subsequently became the first person using a wheelchair to be hired to teach in the New York City school system. She enjoyed teaching elementary school for 3 years.

Judy received her masters in public health in administration and planning from the University of California at Berkeley, School of Public Health. She was later honored by the school as Alumni of the Year.

Judy also served as a legislative assistant for nearly 2 years to Senator Harrison Williams, who was then chair of the Committee on Labor and Public Welfare. In that capacity she worked on the Education for All Handicapped Children Act and section 504 of the Rehabilitation Act of 1973.

In 1975, Ms. Heumann accepted the position of deputy director at the first independent living center in the world, the Center for Independent Living in Berkeley. She was a key figure in expanding the scope of the organization to encompass the needs of people with disabilities of all ages and people with various types of disabilities. Ms. Heumann helped design the California and Federal independent living legislation which has resulted in the creation of more than 200 such programs.

Gov. Jerry Brown appointed Ms. Heumann in 1982 as special assistant, community affairs, to the director of the California Department of Rehabilitation. She was the liaison between community agencies and the State.

In 1983, Ms. Heumann was the cofounder of the World Institute on Disability, the first public policy, research, and training organization with a primary focus on issues affecting people with disabilities. As the current vice president and the director of the Research and Training Center on Policy and Independent Living, she has been instrumental in the development of this organization from a staff of 3 to 32. During this time, she has also contributed chapters for several major books concerning disability and has written articles for national publications.

Over the years, Ms. Heumann's professional strengths lie in the areas of communication, coalition development, planning, and development, and government relations. She enjoys working in challenging situations and on issues that are multifaceted. She played a major role in the passage of such civil rights legislation as section of title V—the Rehabilitation Act—and the American with Disabilities Act [ADA].

The breadth of Ms. Heumann's experience is indicated by the many boards on which she serves. They include: Assistant National Secretary, U.S. Council on International Rehabilitation; Adviser, President's Committee on Employment of People with Disabilities; Adviser, National Council on Disability; member, board of directors, National Council on Independent Living; chairperson, Disabled People's International, USA; board member, Center for Independent Living; board member, Over 60's Health Center Project; director, Research and Training Center on Public Policy in Independent Living. She was a cofounder of the American Coalition of Citizens with Disabilities.

Ms. Heumann has received numerous awards, including the prestigious Henry B. Betts Award; the Disability Rights Education and Defense Fund Edward M. Kennedy Life Achievement Award; and designation by Ms. magazine as one of the "80 women to watch in the 80's."

I urge my colleagues to support the nomination of Judy Heumann to serve as the Assistant Secretary for Special Education and Rehabilitative Services in the Department of Education.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

GOVERNMENT PERFORMANCE AND RESULTS ACT OF 1993

Mr. FORD. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar 96, S. 20, the Government Performance and Results Act of 1993.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (S. 20) to provide for the establishment, testing, and evaluation of strategic planning and performance measurement in Federal Government and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 20) to provide for the establishment, testing, and evaluation of strategic planning and performance measurement in the Federal Government, and for other purposes which had been reported from the Committee on Governmental Affairs with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 20

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Performance and Results Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) waste and inefficiency in Federal programs undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs;

(2) Federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance; and

(3) congressional policymaking, spending decisions and program oversight are seriously handicapped by insufficient attention to program performance and results.

(b) PURPOSES.—The purposes of this Act are to—

(1) improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;

(2) initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;

(3) improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;

(4) help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;

(5) improve congressional decisionmaking by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and

(6) improve internal management of the Federal Government **[**and the intent of this Act is not to create any right or benefit, substantive or procedural, enforceable at law by any party against the United States, or any agency or office of the United States**]**.

SEC. 3. STRATEGIC PLANNING.

Chapter 3 of title 5, United States Code, is amended by adding after section 305 the following new section:

"§ 306. Strategic plans

"(a) No later than September 30, 1997, the head of each agency shall submit to the Director of the Office of Management and Budget *and to the Congress* a strategic plan for program activities. Such plan shall contain—

"(1) a comprehensive mission statement covering the major functions and operations of the agency;

"(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agency;

"(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

"(4) a description of how the performance goals included in the plan required by section 1115(a) of title 31 shall be related to the general goals and objectives in the strategic plan;

"(5) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and

"(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

"(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

"(c) The performance plan required by section 1115 of title 31 shall be consistent with the agency's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing a strategic plan, the agency shall consult with the Congress, and shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan.

"(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of strategic plans under this section shall be performed only by Federal employees.

"**[**(e)**]** *(f)* For purposes of this section the term 'agency' means an Executive agency defined under section 105, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission.".

SEC. 4. ANNUAL PERFORMANCE PLANS AND REPORTS.

(a) BUDGET CONTENTS AND SUBMISSION TO CONGRESS.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(29) beginning with fiscal year 1999, a Federal Government performance plan for the overall budget as provided for under section 1115.".

(b) PERFORMANCE PLANS AND REPORTS.—Chapter 11 of title 31, United States Code, is amended by adding after section 1114 the following new sections:

"§ 1115. Performance plans

"(a) In carrying out the provisions of section 1105(a)(29), the *Director of the* Office of Management and Budget shall require each agency to prepare an annual performance plan covering each program activity set forth in the budget of such agency. Such plan shall—

"(1) establish performance goals to define the level of performance to be achieved by a program activity;

"(2) express such goals in an objective, quantifiable, and measurable form unless **[**permitted**]** *authorized to be in* an alternative form under subsection (b);

"(3) *briefly* describe the operational processes, skills and technology, and the human, capital, information, **[**and**]** *or* other resources required to meet the performance goals;

"(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(b) If an agency, in consultation with the *Director of the* Office of Management and Budget, determines that it is not feasible to express the performance goals for a particular program activity in an objective, **[**and**]** quantifiable, *and measurable* form, the *Director of the* Office of Management and Budget may authorize an alternative form. Such alternative form shall—

"(1) include separate descriptive statements of—

"(A)*(i)* a minimally effective program, and

"**[**(B)**]** *(ii)* a successful program, *or*

"(B) such alternative as authorized by the Director of the Office of Management and Budget, with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of **[**either**]** *the* description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(c) **[**In preparing a comprehensive and informative plan under**]** *For the purpose of complying with* this section, an agency may aggregate, disaggregate, or consolidate program activities, **[**provided**]** *except* that any aggregation or consolidation **[**does**]** *may* not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

"(d) An agency may prepare a classified or non-public annex to its plan covering program activities or parts of program activities relating to—

"(1) national security;

"(2) the conduct of foreign affairs; or

"(3) the avoidance of interference with criminal prosecution or revenue collection.

"(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of performance plans under this section shall be performed only by Federal employees.

"**[**(e)**]** *(f)* For purposes of this section and sections 1116 through 1119, and **[**section**]** *sections 9703 and* 9704 the term—

"(1) 'agency' **[**means an Executive agency defined under section 105 of title 5, United States Code, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission;**]** *has the same meaning as such term is defined under section 306(f) of title 5;*

"(2) 'outcome measure' **[**refers to**]** *means* an assessment of the results of a program activity compared to its intended purpose;

"(3) 'output measure' **[**refers to**]** *means* the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

"(4) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement **[**shall**]** *can* be compared, including a goal expressed as a quantitative standard, value, or rate;

"(5) 'performance indicator' **[**refers to**]** *means* a particular value or characteristic used to measure output or outcome;

"(6) 'program activity' means a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government; and

"(7) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

"§ 1116. Program performance reports

"(a) No later than March 31, 2000, and no later than March 31 of each year thereafter, the head of each agency shall prepare and submit to the President and the Congress, a report on program performance for the previous fiscal year.

"(b)(1) Each program performance report shall set forth the performance indicators established in the **[**departmental or**]** agency performance plan *under section 1115*, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

"**[**(2) If performance goals are specified by descriptive statements of a minimally effective program activity and a successful program activity, the results of such program shall be described in relationship to those categories, including whether the performance failed to meet the criteria of either category.**]**

"(2) If performance goals are specified in an alternative form under section 1115(b), the results of such program shall be described in relation to such specifications, including whether the performance failed to meet the criteria of a minimally effective or successful program.

"(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

"(d) Each report shall—

"(1) review the success of achieving the performance goals of the fiscal year;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;

"(3) explain and describe, where a performance goal has not been met**[**,**]** *(including when a program activity's performance is determined not to have met the criteria of a successful program activity under* **[**section 1115(b)(2)**]** *section 1115(b)(1)(A)(ii) or a corresponding level of achievement if another alternative form is used)*—

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

"(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under section 9703 of this title; and

"(5) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

"(e) **[**The**]** *An* agency head may include all program performance information required annually under this section in an annual financial statement required under section 3515 if any such statement is submitted to the Congress no later than March 31 of the applicable fiscal year.

"(f) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of program per-

formance reports under this section shall be performed only by Federal employees.

"§ 1117. Exemption

"The Director of the Office of Management and Budget may exempt from the requirements of sections 1115 and 1116 *of this title* and section 306 of title 5, any agency with annual outlays of $20,000,000 or less.".

SEC. 5. MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.

(a) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Chapter 97 of title 31, United States Code, is amended by adding after section 9702, the following new section:

"§ 9703. Managerial accountability and flexibility

"(a) Beginning with fiscal year 1999, the performance plans required under section 1115 may include proposals to waive administrative procedural requirements and controls, including specification of personnel staffing levels, limitations on compensation or remuneration, and prohibitions or restrictions on funding transfers among budget object classification 20 and subclassifications 11, 12, 31, and 32 of each annual budget submitted under section 1105, in return for specific individual or organization accountability to achieve a performance goal. In preparing and submitting the performance plan under section 1105(a)(29), the *Director of the* Office of Management and Budget shall review and may approve any proposed waivers. A waiver shall take effect at the beginning of the fiscal year for which the waiver is approved.

"(b) Any such proposal under subsection (a) shall describe the anticipated effects on performance resulting from greater managerial or organizational flexibility, discretion, and authority, and shall quantify the expected improvements in performance resulting from any waiver. The expected improvements shall be compared to current actual performance, and to the projected level of performance that would be achieved independent of any waiver.

"(c) Any proposal waiving limitations on compensation or remuneration shall precisely express the monetary change in compensation or remuneration amounts, such as bonuses or awards, that shall result from meeting, exceeding, or failing to meet performance goals.

"(d) Any proposed waiver of procedural requirements or controls imposed by an agency (other than the proposing agency or the Office of Management and Budget) [shall be] *may not be included in a performance plan unless it is* endorsed by the agency that established the requirement, and the endorsement included in the proposing agency's performance plan.

"(e) A waiver shall be in effect for one or two years *as specified by the Director of the Office of Management and Budget in approving the waiver*. A waiver may be renewed for a subsequent year. After a waiver has been in effect for three consecutive years, the performance plan prepared under section 1115 may propose that a waiver, other than a waiver of limitations on compensation or remuneration, be made permanent.[".]

"(f) For purposes of this section, the definitions under section 1115(f) shall apply.".

SEC. 6. PILOT PROJECTS.

(a) PERFORMANCE PLANS AND REPORTS.—Chapter 11 of title 31, United States Code, is amended by inserting after section 1117 (as added by section 4 of this Act) the following new section:

"§ 1118. Pilot projects for performance goals

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency, shall designate not less than ten agencies as pilot projects in performance measurement for fiscal years 1994, 1995, and 1996. The selected agencies shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall undertake the preparation of performance plans under section 1115, and program performance reports under section 1116, other than section 1116(c), for one or more of the major functions and operations of the agency. A strategic plan shall be used when preparing agency performance plans during one or more years of the pilot period.

"(c) No later than May 1, 1997, the Director of the Office of Management and Budget shall submit a report to the President and to the Congress which shall—

"(1) assess the benefits, costs, and usefulness of the plans and reports prepared by the pilot agencies in meeting the purposes of the Government Performance and Results Act of [1992] *1993*;

"(2) identify any significant difficulties experienced by the pilot agencies in preparing plans and reports; and

"(3) set forth any recommended changes in the requirements of the provisions of Government Performance and Results Act of [1992] *1993*, section 306 of title 5, sections 1105, 1115, 1116, 1117, 1119 and [9704] *9703* of this title, and this section.".

(b) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Chapter 97 of title 31, United States Code, is amended by inserting after section 9703 (as added by section 5 of this Act) the following new section:

"§ 9704. Pilot projects for managerial accountability and flexibility

"(a) The Director of the Office of Management and Budget shall designate not less than five agencies as pilot projects in managerial accountability and flexibility for fiscal years 1995 and 1996. Such agencies shall be selected from those designated as pilot projects under section 1118 and shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall include proposed waivers in accordance with section 9703 for one or more of the major functions and operations of the agency.

"(c) The Director of the Office of Management and Budget shall include in the report to the President and to the Congress required under [section 1118(b) the following] *section 1118(c)*—

"(1) an assessment of the benefits, costs, and usefulness of increasing managerial and organizational flexibility, discretion, and authority in exchange for improved performance through a waiver; and

"(2) an identification of any significant difficulties experienced by the pilot agencies in preparing proposed waivers.

"(d) For purposes of this section the definitions under section 1115[(c)]*(f)* shall apply.".

(c) PERFORMANCE BUDGETING.—Chapter 11 of title 31, United States Code, is amended by inserting after section 1118 (as added by section 6 of this Act) the following new section:

"§ 1119. Pilot projects for performance budgeting

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency shall designate not less than five agencies as pilot projects in performance budgeting for fiscal years 1998 and 1999. At least three of the agencies shall be selected from those designated as pilot projects under section 1118, and shall also reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall cover the preparation of performance budgets. Such budgets shall present, for one or more of the major functions and operations of the agency, the varying levels of performance, including outcome-related performance, that would result from different budgeted amounts.

"(c) The Director of the Office of Management and Budget shall include, as an alternative budget presentation in the budget submitted under section 1105 for fiscal year 1999, the performance budgets of the designated agencies for this fiscal year.

"(d) No later than March 31, 2001, the Director of the Office of Management and Budget shall transmit a report to the President and to the Congress on the performance budgeting [pilots] *pilot projects* which shall—

"(1) assess the feasibility and advisability of including a performance budget as part of the annual budget submitted under section 1105;

"(2) describe any difficulties encountered by the pilot agencies in preparing a performance budget;

"(3) recommend whether legislation requiring performance budgets should be proposed and the general provisions of any legislation; and

"(4) set forth any recommended changes in the other requirements of the Government Performance and Results Act of [1992] *1993*, section 306 of title 5, sections 1105, 1115, 1116, 1117, [1118, and 9704] *and 9703* of this title, and this section.

"(e) After receipt of the report required under subsection (d), the Congress may specify that a performance budget be submitted as part of the annual budget submitted under section 1105.".

SEC. 7. UNITED STATES POSTAL SERVICE.

Part III of title 39, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 28—STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

"Sec.
"2801. Definitions.
"2802. Strategic plans.
"2803. Performance plans.
"2804. Program performance reports.
"2805. Inherently Governmental functions.

"§ 2801. Definitions

"For purposes of this chapter the term—

"(1) 'outcome measure' refers to an assessment of the results of a program activity compared to its intended purpose;

"(2) 'output measure' refers to the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

"(3) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement shall be compared, including a goal expressed as a quantitative standard, value, or rate;

"(4) 'performance indicator' refers to a particular value or characteristic used to measure output or outcome;

"(5) 'program activity' means a specific activity related to the mission of the Postal Service; and

"(6) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Postal Service programs achieve intended objectives.

“§ 2802. Strategic plans

“(a) No later than September 30, 1997, the Postal Service shall submit to the President and the Congress a strategic plan for its program activities. Such plan shall contain—

“(1) a comprehensive mission statement covering the major functions and operations of the Postal Service;

“(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the Postal Service;

“(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

“(4) a description of how the performance goals included in the plan required under section 2803 shall be related to the general goals and objectives in the strategic plan;

“(5) an identification of those key factors external to the Postal Service and beyond its control that could significantly affect the achievement of the general goals and objectives; and

“(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

“(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

“(c) The performance plan required under section 2803 shall be consistent with the Postal Service's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

“(d) When developing a strategic plan, the Postal Service shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan, and shall advise the Congress of the contents of the plan.

“§ 2803. Performance plans

“(a) The Postal Service shall prepare an annual performance plan covering each program activity set forth in the Postal Service budget, which shall be included in the comprehensive statement presented under section 2401(g) of this title. Such plan shall—

“(1) establish performance goals to define the level of performance to be achieved by a program activity;

“(2) express such goals in an objective, quantifiable, and measurable form unless an alternative form is used under subsection (b);

“(3) *briefly* describe the operational processes, skills and technology, and the human, capital, information, [and] *or* other resources required to meet the performance goals;

“(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

“(5) provide a basis for comparing actual program results with the established performance goals; and

“(6) describe the means to be used to verify and validate measured values.

“(b) If the Postal Service determines that it is not feasible to express the performance goals for a particular program activity in an objective [and], quantifiable, *and measurable* form, the Postal Service may use an alternative form. Such alternative form shall—

“(1) include separate descriptive statements of—

“(A) a minimally effective program, and

“(B) a successful program,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of either description; or

“(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

“(c) In preparing a comprehensive and informative plan under this section, the Postal Service may aggregate, disaggregate, or consolidate program activities, [provided] *except* that any aggregation or consolidation [does] *may* not omit or minimize the significance of any program activity constituting a major function or operation.

“(d) The Postal Service may prepare a nonpublic annex to its plan covering program activities or parts of program activities relating to—

“(1) the avoidance of interference with criminal prosecution; or

“(2) matters otherwise exempt from public disclosure under section [401] *410*(c) of this title.

“§ 2804. Program performance reports

“(a) The Postal Service shall prepare a report on program performance for each fiscal year, which shall be included in the annual comprehensive statement presented under section 2401(g) of this title.

“(b)(1) The program performance report shall set forth the performance indicators established in the Postal Service performance plan, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

“(2) If performance goals are specified by descriptive statements of a minimally effective program activity and a successful program activity, the results of such program shall be described in relationship to those categories, including whether the performance failed to meet the criteria of either category.

“(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

“(d) Each report shall—

“(1) review the success of achieving the performance goals of the fiscal year;

“(2) evaluate the performance plan for the current fiscal year relative to the performance achieved towards the performance goals in the fiscal year covered by the report;

“(3) explain and describe, where a performance goal has not been met[,] *(including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 2803(b)(2))*—

“(A) why the goal was not met;

“(B) those plans and schedules for achieving the established performance goal; and

“(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended; and

“(4) include the summary findings of those program evaluations completed during the fiscal year covered by the report.[”.]

“§2805. Inherently Governmental functions

“The functions and activities of this chapter shall be considered to be inherently Governmental functions. The drafting of strategic plans, performance plans, and program performance reports under this section shall be performed only by employees of the Postal Service.”.

SEC. 8. CONGRESSIONAL OVERSIGHT AND LEGISLATION.

(a) IN GENERAL.—Nothing in this Act shall be construed as limiting the ability of Congress to establish, amend, suspend, or annul a performance goal. Any such action shall have the effect of superseding that goal in the plan submitted under section 1105(a)(29) of title 31, United States Code.

(b) GAO REPORT.—No later than June 1, 1997, the Comptroller General of the United States shall report to Congress on the implementation of this Act, including the prospects for compliance by Federal agencies beyond those participating as pilot projects under sections 1118 and 9704 of title 31, United States Code.

SEC. 9. TRAINING.

The Office of Personnel Management shall, in consultation with the Director of the Office of Management and Budget and the Comptroller General of the United States, develop a strategic planning and performance measurement training component for its management training program and otherwise provide managers with an orientation on the development and use of strategic planning and program performance measurement.

SEC. 10. APPLICATION OF ACT.

No person who is not an officer or employee of the United States acting in such capacity shall have standing to file any civil action in a court of the United States to enforce any provision or amendment made by this Act. No provision or amendment made by this Act may be construed as creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity.

SEC. 11. TECHNICAL AND CONFORMING [AMENDMENT] AMENDMENTS.

(a) AMENDMENT TO TITLE 5, UNITED STATES CODE.—The table of sections for chapter 3 of title 5, United States Code, is amended by adding after the item relating to section 305 the following:

“306. Strategic plans.”.

(b) AMENDMENTS TO TITLE 31, UNITED STATES CODE.—

(1) AMENDMENT TO CHAPTER 11.—The table of sections for chapter 11 of title 31, United States Code, is amended by adding after the item relating to section 1114 the following:

“1115. Performance plans.
“1116. Program performance reports.
“1117. Exemptions.
“1118. Pilot projects for performance goals.
“1119. Pilot projects for performance budgeting.”.

(2) AMENDMENT TO CHAPTER 97.—The table of sections for chapter 97 of title 31, United States Code, is amended by adding after the item relating to section 9702 the following:

“9703. Managerial accountability and flexibility.
“9704. Pilot projects for managerial accountability and flexibility.”.

(c) AMENDMENT TO TITLE 39, UNITED STATES CODE.—The table of chapters for part III of title 39, United States Code, is amended by adding at the end thereof the following new item:

“28. Strategic planning and performance management .... 2801”.

[SEC. 12. EFFECTIVE DATES AND PROCEDURES.

[(a) IN GENERAL.—The provisions of this Act and amendments made by this Act shall take effect on the date of the enactment of this Act, except sections 3, 4, 5, 6(c), and 7 of this Act, and the amendments made by such sections, shall take effect on the date of enactment of the resolution described in subsection (b).

[(b) RESOLUTION APPROVING PERFORMANCE PLANS.—

[(1) RESOLUTION DESCRIBED.—A resolution referred to in subsection (a) is a joint resolution the matter after the resolving clause of which is as follows: "That Congress approves the development of departmental and agency strategic plans, performance plans and reports pursuant to section 306 of title 5, United States Code, sections 1105(a)(29) and 9703 of title 31, United States Code, sections 1115, 1116, 1117, and 1119 of title 31, United States Code, and chapter 28 of title 39, United States Code (as amended by sections 3, 4, 5, 6, and 7 of the Government Performance and Results Act of 1992).".

[(2) INTRODUCTION OF RESOLUTION.—No later than 30 days after the transmittal by the Comptroller General of the United States to the Congress of the report referred to in section 7(b), a resolution as described in paragraph (1) shall be introduced in the Senate by the chairman of the Committee on Governmental Affairs of the Senate, or by a Member or Members of the Senate designated by such chairman, and shall be introduced in the House by the chairman of the Committee on Government Operations of the House of Representatives, or by a Member or Members of the House designated by such chairman.

[(3) REFERRAL.—A resolution described in paragraph (1), shall be referred to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be. The committee shall make its recommendations to the Senate or the House of Representatives, respectively, within 30 calendar days following the date of such resolution's introduction.

[(4) DISCHARGE OF COMMITTEE.—If the committee to which is referred a resolution introduced pursuant to paragraph (2) (or, in the absence of such a resolution, the first resolution introduced with respect to the same departmental or agency plans and reports) has not reported such resolution or identical resolution at the end of 30 calendar days after its introduction, such committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

[(5) PROCEDURE AFTER REPORT OR DISCHARGE OF COMMITTEE; VOTE ON FINAL PASSAGE.—(A) When the committee has reported, or has been deemed to be discharged (under paragraph (4)) from further consideration of a resolution described in paragraph (1), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion shall not be subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

[(B) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between individuals favoring and individuals opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is passed or rejected shall not be in order.

[(C) Immediately following the conclusion of the debate on the resolution and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

[(D) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in paragraph (1), shall be decided without debate.

[(E) If, prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to departmental or agency strategic plans, performance plans and reports from the other House, then—

[(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

[(ii) the vote on final passage shall be on the resolution of the other House.

[(F) It shall not be in order in either the Senate or the House of Representatives to consider a resolution described in paragraph (1), or to consider any conference report on such a resolution, unless the Comptroller General of the United States transmits to the Congress a report under section 7(b).

[(6) RULEMAKING POWER OF CONGRESS.—The provisions of this section are enacted by the Congress—

[(A) as an exercise of the rulemaking power of the Senate and the House of Representatives and as such shall be considered as part of the rules of each House, and shall supersede other rules only to the extent that they are inconsistent therewith; and

[(B) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.]

Amend the title so as to read: "A bill to provide for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes.".

AMENDMENT NO. 509

(Purpose: To provide that certain portions of performance plans may be in an appendix, to clarify the application of the Act, and for other purposes)

Mr. NICKLES. Mr. President, I ask unanimous consent that it be in order to consider, en bloc, two Roth amendments, which I now send to the desk. I ask unanimous consent that the amendments be agreed to, en bloc, and the motion to reconsider be laid upon the table, en bloc; and I ask unanimous consent that a ROTH statement regarding the amendments and the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 509) was agreed to, as follows:

On page 8, strike out lines 15 through 21, and insert in lieu thereof the following:

"(d) An agency may submit with its annual performance plan an appendix covering any portion of the plan that—

"(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

"(2) is properly classified pursuant to such Executive order.

On page 27, strike out lines 24 through line 5 on page 28, and insert in lieu thereof the following:

No provision or amendment made by this Act may be construed as—

(1) creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity, and no person who is not an officer or employee of the United States acting in such capacity shall have standing to file any civil action in a court of the United States to enforce any provision or amendment made by this Act; or

(2) superseding any statutory requirement, including any requirement under section 553 of title 5, United States Code.

Mr. GLENN. Mr. President, I rise today to urge my colleagues to support the Government Performance and Results Act of 1993, which I cosponsored with Senator ROTH. This bill is very similar to legislation passed by the Senate last year. And, just as that bill was strongly supported by the Bush administration, this legislation is strongly endorsed by the Clinton administration.

The Government Performance and Results Act will help to improve the effectiveness of Federal programs by promoting a new focus on results and on ensuring that agencies have the capacity to deliver promised services to the American public. The act will also improve our own decisionmaking here in the Congress, by providing us with more objective information about agency progress toward statutory goals, which in turn will help us make wiser spending choices.

This legislation is important not only for its specific requirements, but also for its relation to other laws that have also originated in the Committee on Governmental Affairs. As my colleagues know, the committee is authorized to oversee the efficiency and economy of operations of all branches and functions of the Government. While for some this jurisdiction is a MEGO [my eyes glaze over], we know that it is the only forum capable of addressing the demand for financial accountability and program performance across the Federal Government.

Throughout the years I have served on the committee, and since 1987 as chair, we have been instrumental in building a management framework that can serve and deliver for the Federal Government. Some of our most important legislation have been:

The Chief Financial Officers Act of 1990, which established a Federal financial management system to produce accurate, useful and timely information on agency financial performance. This included creating an OMB Office of Federal Financial Management and Chief Financial Officers in 23 major Federal agencies. The act also consolidated OMB's management responsibilities under a Deputy Director for Management to create a single OMB official directly responsible for Government management;

The Cash Management Improvement Act of 1990, which required the creation of equitable cash transfer procedures to ensure more efficient management of the billions of dollars transferred each year between the Federal and State Governments;

The Inspector General Act of 1978 and the Inspector General Act Amendments of 1988, which established inspectors general across the Federal Government with independent authority for audit and investigation to fight waste, fraud and abuse involving Government programs;

The Single Audit Act of 1984, which streamlined audit requirements for grants to States and local governments;

The Federal Managers Financial Integrity Act of 1982, which requires agency heads to report annually to Congress and the President on the state of internal controls that should prevent or detect fraud, waste, abuse, or misappropriation of funds;

The Prompt Payment Act of 1982 and the Prompt Payment Act Amendments of 1988, which required the Federal Government to pay its bills on time; and

The Paperwork Reduction Act of 1980, which consolidated agency responsibility for an OMB supervision of Federal information resources management, particularly as it involves reducing paperwork burdens on the public.

When it is enacted into law, as I hope it will soon be, the Government Performance and Results Act will join with these other laws to integrate attention to program performance with existing financial and general management requirements. Let me stress that I am confident of its complementary nature, given that the committee has considered the legislation in three Congresses. We have had a number of hearings, considered several models for the legislation, and consulted with the General Accounting Office, OMB, academic specialists, in government administration, and officials in State, local, and foreign governments. We have also consulted with our counterpart committee in the House, the Committee on Government Operations.

This consultation with the House leads me to offer two amendments at this time to bring the language of the relevant sections of S. 20 into conformance with those of the now-passed House bill (H.R. 826). They represent no major, substantive changes to the bill reported out of our Committee.

The amendment to subsection 4(d) would allow an agency to submit with its annual performance plan a classified appendix covering goals dealing with the national defense or foreign policy, pursuant to criteria established by Executive order. As reflected in the committee's report on S. 20, it is conceivable that other performance reporting might reveal strategies relating to criminal prosecution or revenue collection, to the detriment of those interests if publicly stated. These interests may be protected, however, through the appropriate aggregation, disaggregation, or consolidation of program activity information as authorized under subsection 4(c).

The amendment to section 10 clarifies that this legislation is not intended to provide any person who is not a Federal officer or employee any right, privilege, benefit, or entitlement, or standing to file any civil action to enforce any provision of the act; nor is the act intended to supersede any of the rulemaking notice and comment requirements of 5 U.S.C. 553.

With Senate enactment of S. 20, as amended in this manner, the House and Senate bills will be identical but for our bill's separate treatment of the Postal Service. It is our understanding and hope that upon passage of the amended S. 20, the House will take up the legislation and pass it, thus obviating the need for further amendments or conference.

Again noting the administration's strong support for S. 20, and its agreement with the amendments and plan of action I have just described, I urge my colleagues to vote for my amendments and for S. 20 as amended.

Mr. ROTH. Mr. President, this legislation, the Government Performance and Results Act of 1993, represents a major and fundamental reform in the way the Federal Government does business. It will bring about a new form of accountability to the American taxpayers—accountability by Federal agencies for the results they achieve when they spend tax dollars.

For much too long, this focus on program performance and results has been missing from the Federal Government. Agencies and managers are expected to follow proper procedures and spend their funds in an appropriate manner—to cross all the t's and dot all the i's—but rarely are their programs held accountable for achieving measurable results toward any preestablished goals. Is it any wonder, then, that program performance suffers, and that public frustration with Government increases?

In an effort to address this problem, I introduced S. 20, the Government Performance and Results Act. A similar version of the bill was passed by unanimous consent in the Senate last year. The bill has over 20 cosponsors this year—with an even partisan balance that spans the entire ideological range of the Senate. And I am pleased to acknowledge the interest and support of the chairman of our committee, Senator GLENN, in this bill and in helping to shape the final product and bring it to the floor.

The legislation also has the strong support of the administration, and has been described by OMB Director Leon Panetta as being "the foundation for much of what we seek to do as we go about the task of reinventing government."

That this bill is really aimed at improving Government performance in a positive way, is reflected in the strong support this reform has received from the National Academy of Public Administration and the American Society for Public Administration. Both organizations, whose members include many esteemed present and former Government managers, not only endorsed the need for this type of legislation, but also made valuable suggestions in the shaping of the bill now before us.

This is because most Government managers truly do want to do a good job. But to do this, they need a clear understanding of specifically what it is their program should accomplish, and then accurate, timely information on program performance. In this way, they are no different than managers in the private sector.

So too does Congress need information on program performance and results—especially for purposes of oversight. We need an objective way for determining whether a program is working well—for measuring its efficiency and effectiveness. Unfortunately, all too often that information is not available or is difficult to obtain, and its interpretation is entirely too subjective.

What is needed is for each agency to develop a strategic plan, with a set of specific, long-term goals. Each agency should then develop an annual performance plan, with measurable program goals, aiming its day-to-day activities at achieving the long-term objectives. And then each agency needs to publish an annual performance report, showing what it achieved compared to those goals.

This is what the Government Performance and Results Act is all about. It begins by implementing these concepts—5-year strategic plans, annual performance plans, and annual performance reports—on a pilot project basis, in 10 agencies for 3 years. These pilot programs would then serve as role models for other agencies, as the requirements are implemented governmentwide.

The legislation also provides for managerial flexibility waivers. Program managers could ask that certain administrative restrictions on their discretion, such as in the use of resources, be waived—in return for a commitment to a specific level of increased program performance. In other words, managers would be encouraged to be innovative, in an effort to do more with less. Accountability would still exist, but its emphasis would be less on following a complex set of rigidly mandated procedures, and more on what the manager's program actually accomplished.

And finally, the legislation would set the Federal Government on the road toward performance-based budgeting. After governmentwide implementation of the bill's other provisions, there would begin five 2-year pilot projects in incorporating program performance levels directly into the budget. This would include indicating alternative levels of performance for alternative levels of funding. A program performance budget is a much more effective policymaking document and management tool, because it shows not just what activities the money will be spent on, but also what results each dollar should help achieve.

Mr. President, this reform is long overdue. The American people are demanding change in the way Government operates in Washington. They want more value for their tax dollars—more bang for the buck. This legislation is a major reform, which will go a long way toward bringing us to that better governmental performance. It truly is the foundation for reinventing Government—instilling a new emphasis on program effectiveness, service quality, and responsiveness to the customers of Government, the American people.

I ask unanimous consent that an article from the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 5, 1993]

LEGISLATION WOULD JUDGE AGENCIES BY HOW THEIR OWN GOALS ARE MET

(By Stephen Barr)

The Financial Management Service is like the government's personal banker.

It writes checks for Social Security and veterans' benefits and pays many a federal worker each month through an electronic fund transfer. It also handles deposits and collects money. On average, the service has a cash flow of more than $10 billion a day.

But this Treasury Department bureau, the last stop on 14th Street before the bridge to Virginia, is trying to do more than just balance the federal checkbook. The bureau has taken on the mission of improving the quality of government financial management, starting with itself.

The agency, looking inward, has focused on developing "performance measurements"—setting goals or objectives and measuring the progress made toward achieving them.

The Senate is expected to take up a bill fairly soon that would extend performance measurement to virtually every corner of the federal government. The Clinton administration has endorsed the legislation, and House approval is expected later.

For federal managers who have been content to live by the rules of the budget process, emphasizing specific, measurable objectives represents a major bureaucratic shift. For the bad manager, it also represents potential threat to his or her career.

For members of Congress concerned about why programs become scandal-ridden, stay on "high-risk" lists or never seem to improve, performance measurement would give them a better way to redirect or re-orient programs.

Sen. William V. Roth Jr. (R-Del.), who introduced a bill on the topic in 1990, believes the management shift will make the government more accountable to taxpayers.

When the bill was approved by the Senate governmental Affairs Committee, Roth said, "Too often in Washington, there is a tendency to focus just on how a program is spending its money and whether it is following proper procedures—with little concern over what the program is actually achieving. The notion that government should set specific goals when funding a program is just common sense."

At a House hearing on the bill, Office of Management and Budget Director Leon E. Panetta called it "the foundation for much of what we seek to do as we go about the task of reinventing government."

The consensus to move toward performance measurement has been reinforced by recent studies that show, as Comptroller General Charles A. Bowsher put it, "management in federal government is not in good shape."

Since World War II, the federal government has increasingly relied on private-sector consultants, contractors and local municipalities to carry out its work.

As a result, "most federal programs increasingly are becoming a function of the quality of performance by nonfederal entities [which] do not necessarily share federal program objectives," Bowsher said.

The government's traditional management principles need to be reassessed, he added, in order for federal managers to effectively design and manage programs that rely on outsiders, especially in an era of rapidly changing technologies and information systems.

To start the reassessment, Roth's bill would require the government to set up 10 three-year pilot projects to measure program performance and five two-year pilot projects that allow managers more flexibility if they improve program performance at the same funding level.

The bill also calls for experiments in performance-based budgeting, a system pioneered two decades ago in Sunnyvale, Calif., and celebrated in "Reinventing Government," the book written by David Osborne and Ted Gaebler that has influenced the Clinton administration's approach to reshaping the bureaucracy.

Under performance-based budgeting, a program's funding would be linked to measurable objectives developed by an agency. Subsequent reviews would be used to measure how close the program came to reaching its goals.

Joining Roth as original cosponsors are Sens. John Glenn (D-Ohio), Bob Graham (D-Fla.), Howard M. Metzenbaum (D-Ohio), John McCain (R-Ariz.), Daniel K. Akaka (D-Hawaii), Charles S. Robb (D-Va.) and Richard G. Lugar (R-Ind.). Leading the effort in the House are Reps. John Conyers Jr. (D-Mich), William F. Clinger Jr. (R-Pa.) and Joseph M. McDade (D-Pa.).

The administration seems comfortable with the legislation partly because the government has some experience with financial performance measures developed under the 1990 Chief Financial Officers Act, which required agencies to establish effective accounting systems, create internal controls and prepare audited financial statements.

Russell D. Morris, the commissioner at Treasury's Financial Management Service, said that as his agency worked at defining its mission and performance goals, it learned "to more and more look at our measurements through the eyes of our customers."

The service now signs customer contracts with other federal agencies, such as the Social Security Administration and the Office of Personnel Management, to collect and pay out funds more efficiently.

"One of our measures is the degree to which we meet customer expectations," Morris said, adding that "there are some surprises in things that we didn't know were important to them are important to them and we ought to be measuring."

Internally, the service has used an agency team to identify and recommend standards for performance: how to increase the number of electronic deposits as a percentage of total payments, for example.

The agency has found that it costs 36 cents to produce a check and less than a penny for an electronic direct deposit. "The operational savings are incredible," said Karen Pedone, project manager for program performance.

Morris said federal managers historically have focused on process, rather than results, because of legislative and regulatory requirements and because during program reviews the auditors and Congress always want to know if the prescribed procedures were followed.

"There's an awful lot of prescriptiveness that assumes people have to be told exactly what to do and how to do it. . . . Then there are requirements that they report on what they did, and the fact that they did it, and a lot of that is wasteful," Morris said.

Panetta has told congressional committees that he does not want performance measurement to create a new paperwork burden or create more bureaucracy. The administration also hopes that when the time comes to implement the law, the approach will be "bottom up," with agencies taking the lead on drawing up plans.

The administration also hopes that as the process gets going, Congress will not punish federal managers who err and will avoid a too-common reaction—mandating more rules.

Whether performance measurement succeeds, however, will be decided in large part by the group most affected by the legislation—federal managers.

As R. Scott Fosler, president of the National Academy of Public Administration, asked earlier this year, "Can OMB provide unbiased leadership in implementing this bill? And can federal managers do the same in evaluating their programs' performance?"

MAJOR PROVISIONS

Strategic plans: To establish "performance measurement" in the government, each department and agency would draw up a five-year plan setting forth its mission and long-term goals. The plans must be submitted to the Office of Management and Budget by Sept. 30, 1997.

Performance plans: Each agency would prepare annual program performance plans showing what short-term goals need to be achieved to meet the long-term goals in the strategic plan. The performance plans, also mandated by 1997, would establish benchmarks to measure effectiveness and efficiency. Key elements would be included in a governmentwide performance plan that OMB would submit as part of the budget, beginning with fiscal 1999.

Annual reports: All agencies would issue public reports on how well they achieved their goals or the reasons why goals were not met. The reports would begin with fiscal 1999.

Managerial waivers: OMB would be allowed to grant waivers to agencies seeking flexibility on personnel levels, salaries and budget constraints. In turn, federal managers would be expected to show improved program results for the same level of funding.

PILOT PROJECTS

To test these concepts before implementing them governmentwide in 1997, the legislation would set up a series of pilot projects.

For fiscal years 1994, 1995 and 1996, OMB would organize 10 pilot projects designed to focus on annual performance plans and reports. The projects would reflect various government functions—from social policy to infrastructure to defense.

For fiscal 1995 and 1996, five pilot projects would examine the use of managerial flexibility waivers.

By mid-1997, OMB and the General Accounting Office would submit reports to Congress on the pilot projects.

PERFORMANCE-BASED BUDGETING

Under the legislation, the federal government also would take its first big step toward "performance-based budgeting."

For fiscal 1998 and 1999, five pilot projects would explore the concept, testing the link between expected program performance and funding. Proponents argue that rather than relying on the traditional line-item budget accounts, Congress could use performance-based budgeting to tie program achievement with resources.

The fiscal 1999 budget would include the pilot projects and show their budget process. OMB would have until March 2001 to issue its evaluation of performance-based budgeting.

Mr. ROTH. Mr. President, I would just like to reiterate Senator GLENN's explanation of the two amendments to this legislation. They are minor changes to the bill, modifying already existing provisions. Their adoption will make the language of the two amended sections identical to that passed by the other body. With these two amendments, the only difference between S. 20 and H.R. 826 will be our inclusion of a section dealing with the Postal Service.

It is my understanding that the Postal Service has no objection to this section, which deals with strategic plans and performance plans and reports for its operations. It is also my understanding that with the addition of these two amendments to this bill, there would be no reason why the House could not take up S. 20 and pass it. In that case, there would be no need for a conference on the legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall the bill pass?

So the bill (S. 20), as amended, was passed as follows:

S. 20

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Performance and Results Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) waste and inefficiency in Federal programs undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs;

(2) Federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance; and

(3) congressional policymaking, spending decisions and program oversight are seriously handicapped by insufficient attention to program performance and results.

(b) PURPOSES.—The purposes of this Act are to—

(1) improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;

(2) initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;

(3) improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;

(4) help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;

(5) improve congressional decisionmaking by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and

(6) improve internal management of the Federal Government.

SEC. 3. STRATEGIC PLANNING.

Chapter 3 of title 5, United States Code, is amended by adding after section 305 the following new section:

"§ 306. Strategic plans

"(a) No later than September 30, 1997, the head of each agency shall submit to the Director of the Office of Management and Budget and to the Congress a strategic plan for program activities. Such plan shall contain—

"(1) a comprehensive mission statement covering the major functions and operations of the agency;

"(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agency;

"(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

"(4) a description of how the performance goals included in the plan required by section 1115(a) of title 31 shall be related to the general goals and objectives in the strategic plan;

"(5) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and

"(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

"(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

"(c) The performance plan required by section 1115 of title 31 shall be consistent with the agency's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing a strategic plan, the agency shall consult with the Congress, and shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan.

"(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of strategic plans under this section shall be performed only by Federal employees.

"(f) For purposes of this section the term 'agency' means an Executive agency defined under section 105, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission.".

SEC. 4. ANNUAL PERFORMANCE PLANS AND REPORTS.

(a) BUDGET CONTENTS AND SUBMISSION TO CONGRESS.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(29) beginning with fiscal year 1999, a Federal Government performance plan for the overall budget as provided for under section 1115.".

(b) PERFORMANCE PLANS AND REPORTS.—Chapter 11 of title 31, United States Code, is amended by adding after section 1114 the following new sections:

"§ 1115. Performance plans

"(a) In carrying out the provisions of section 1105(a)(29), the Director of the Office of Management and Budget shall require each agency to prepare an annual performance plan covering each program activity set forth in the budget of such agency. Such plan shall—

"(1) establish performance goals to define the level of performance to be achieved by a program activity;

"(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form under subsection (b);

"(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;

"(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(b) If an agency, in consultation with the Director of the Office of Management and

Budget, determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Director of the Office of Management and Budget may authorize an alternative form. Such alternative form shall—

"(1) include separate descriptive statements of—

"(A)(i) a minimally effective program, and

"(ii) a successful program, or

"(B) such alternative as authorized by the Director of the Office of Management and Budget,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of the description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(c) For the purpose of complying with this section, an agency may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

"(d) An agency may submit with its annual performance plan an appendix covering any portion of the plan that—

"(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

"(2) is properly classified pursuant to such Executive order.

"(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of performance plans under this section shall be performed only by Federal employees.

"(f) For purposes of this section and sections 1116 through 1119, and sections 9703 and 9704 the term—

"(1) 'agency' has the same meaning as such term is defined under section 306(f) of title 5;

"(2) 'outcome measure' means an assessment of the results of a program activity compared to its intended purpose;

"(3) 'output measure' means the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

"(4) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate;

"(5) 'performance indicator' means a particular value or characteristic used to measure output or outcome;

"(6) 'program activity' means a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government; and

"(7) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

"§ 1116. Program performance reports

"(a) No later than March 31, 2000, and no later than March 31 of each year thereafter, the head of each agency shall prepare and submit to the President and the Congress, a report on program performance for the previous fiscal year.

"(b)(1) Each program performance report shall set forth the performance indicators established in the agency performance plan under section 1115, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

"(2) If performance goals are specified in an alternative form under section 1115(b), the results of such program shall be described in relation to such specifications, including whether the performance failed to meet the criteria of a minimally effective or successful program.

"(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

"(d) Each report shall—

"(1) review the success of achieving the performance goals of the fiscal year;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;

"(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 1115(b)(1)(A)(ii) or a corresponding level of achievement if another alternative form is used)—

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

"(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under section 9703 of this title; and

"(5) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

"(e) An agency head may include all program performance information required annually under this section in an annual financial statement required under section 3515 if any such statement is submitted to the Congress no later than March 31 of the applicable fiscal year.

"(f) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of program performance reports under this section shall be performed only by Federal employees.

"§ 1117. Exemption

"The Director of the Office of Management and Budget may exempt from the requirements of sections 1115 and 1116 of this title and section 306 of title 5, any agency with annual outlays of $20,000,000 or less.".

SEC. 5. MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.

(a) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Chapter 97 of title 31, United States Code, is amended by adding after section 9702, the following new section:

"§ 9703. Managerial accountability and flexibility

"(a) Beginning with fiscal year 1999, the performance plans required under section 1115 may include proposals to waive administrative procedural requirements and controls, including specification of personnel staffing levels, limitations on compensation or remuneration, and prohibitions or restrictions on funding transfers among budget object classification 20 and subclassifications 11, 12, 31, and 32 of each annual budget submitted under section 1105, in return for specific individual or organization accountability to achieve a performance goal. In preparing and submitting the performance plan under section 1105(a)(29), the Director of the Office of Management and Budget shall review and may approve any proposed waivers. A waiver shall take effect at the beginning of the fiscal year for which the waiver is approved.

"(b) Any such proposal under subsection (a) shall describe the anticipated effects on performance resulting from greater managerial or organizational flexibility, discretion, and authority, and shall quantify the expected improvements in performance resulting from any waiver. The expected improvements shall be compared to current actual performance, and to the projected level of performance that would be achieved independent of any waiver.

"(c) Any proposal waiving limitations on compensation or remuneration shall precisely express the monetary change in compensation or remuneration amounts, such as bonuses or awards, that shall result from meeting, exceeding, or failing to meet performance goals.

"(d) Any proposed waiver of procedural requirements or controls imposed by an agency (other than the proposing agency or the Office of Management and Budget) may not be included in a performance plan unless it is endorsed by the agency that established the requirement, and the endorsement included in the proposing agency's performance plan.

"(e) A waiver shall be in effect for one or two years as specified by the Director of the Office of Management and Budget in approving the waiver. A waiver may be renewed for a subsequent year. After a waiver has been in effect for three consecutive years, the performance plan prepared under section 1115 may propose that a waiver, other than a waiver of limitations on compensation or remuneration, be made permanent.

"(f) For purposes of this section, the definitions under section 1115(f) shall apply.".

SEC. 6. PILOT PROJECTS.

(a) PERFORMANCE PLANS AND REPORTS.—Chapter 11 of title 31, United States Code, is amended by inserting after section 1117 (as added by section 4 of this Act) the following new section:

"§ 1118. Pilot projects for performance goals

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency, shall designate not less than ten agencies as pilot projects in performance measurement for fiscal years 1994, 1995, and 1996. The selected agencies shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall undertake the preparation of performance plans under section 1115, and program performance reports under section 1116, other than section 1116(c), for one or more of the major functions and operations of the agency. A strategic plan shall be used when preparing agency performance plans during one or more years of the pilot period.

"(c) No later than May 1, 1997, the Director of the Office of Management and Budget shall submit a report to the President and to the Congress which shall—

"(1) assess the benefits, costs, and usefulness of the plans and reports prepared by the pilot agencies in meeting the purposes of the Government Performance and Results Act of 1993;

"(2) identify any significant difficulties experienced by the pilot agencies in preparing plans and reports; and

"(3) set forth any recommended changes in the requirements of the provisions of Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, 1119 and 9703 of this title, and this section.".

(b) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Chapter 97 of title 31, United States Code, is amended by inserting after section 9703 (as added by section 5 of this Act) the following new section:

"§ 9704. Pilot projects for managerial accountability and flexibility

"(a) The Director of the Office of Management and Budget shall designate not less than five agencies as pilot projects in managerial accountability and flexibility for fiscal years 1995 and 1996. Such agencies shall be selected from those designated as pilot projects under section 1118 and shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall include proposed waivers in accordance with section 9703 for one or more of the major functions and operations of the agency.

"(c) The Director of the Office of Management and Budget shall include in the report to the President and to the Congress required under section 1118(c)—

"(1) an assessment of the benefits, costs, and usefulness of increasing managerial and organizational flexibility, discretion, and authority in exchange for improved performance through a waiver; and

"(2) an identification of any significant difficulties experienced by the pilot agencies in preparing proposed waivers.

"(d) For purposes of this section the definitions under section 1115(f) shall apply.".

(c) PERFORMANCE BUDGETING.—Chapter 11 of title 31, United States Code, is amended by inserting after section 1118 (as added by section 6 of this Act) the following new section:

"§ 1119. Pilot projects for performance budgeting

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency shall designate not less than five agencies as pilot projects in performance budgeting for fiscal years 1998 and 1999. At least three of the agencies shall be selected from those designated as pilot projects under section 1118, and shall also reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall cover the preparation of performance budgets. Such budgets shall present, for one or more of the major functions and operations of the agency, the varying levels of performance, including outcome-related performance, that would result from different budgeted amounts.

"(c) The Director of the Office of Management and Budget shall include, as an alternative budget presentation in the budget submitted under section 1105 for fiscal year 1999, the performance budgets of the designated agencies for this fiscal year.

"(d) No later than March 31, 2001, the Director of the Office of Management and Budget shall transmit a report to the President and to the Congress on the performance budgeting pilot projects which shall—

"(1) assess the feasibility and advisability of including a performance budget as part of the annual budget submitted under section 1105;

"(2) describe any difficulties encountered by the pilot agencies in preparing a performance budget;

"(3) recommend whether legislation requiring performance budgets should be proposed and the general provisions of any legislation; and

"(4) set forth any recommended changes in the other requirements of the Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, and 9703 of this title, and this section.

"(e) After receipt of the report required under subsection (d), the Congress may specify that a performance budget be submitted as part of the annual budget submitted under section 1105.".

SEC. 7. UNITED STATES POSTAL SERVICE.

Part III of title 39, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 28—STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

"Sec.
"2801. Definitions.
"2802. Strategic plans.
"2803. Performance plans.
"2804. Program performance reports.
"2805. Inherently Governmental functions.

"§ 2801. Definitions

"For purposes of this chapter the term—

"(1) 'outcome measure' refers to an assessment of the results of a program activity compared to its intended purpose;

"(2) 'output measure' refers to the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

"(3) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement shall be compared, including a goal expressed as a quantitative standard, value, or rate;

"(4) 'performance indicator' refers to a particular value or characteristic used to measure output or outcome;

"(5) 'program activity' means a specific activity related to the mission of the Postal Service; and

"(6) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Postal Service programs achieve intended objectives.

"§ 2802. Strategic plans

"(a) No later than September 30, 1997, the Postal Service shall submit to the President and the Congress a strategic plan for its program activities. Such plan shall contain—

"(1) a comprehensive mission statement covering the major functions and operations of the Postal Service;

"(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the Postal Service;

"(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

"(4) a description of how the performance goals included in the plan required under section 2803 shall be related to the general goals and objectives in the strategic plan;

"(5) an identification of those key factors external to the Postal Service and beyond its control that could significantly affect the achievement of the general goals and objectives; and

"(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

"(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

"(c) The performance plan required under section 2803 shall be consistent with the Postal Service's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing a strategic plan, the Postal Service shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan, and shall advise the Congress of the contents of the plan.

"§ 2803. Performance plans

"(a) The Postal Service shall prepare an annual performance plan covering each program activity set forth in the Postal Service budget, which shall be included in the comprehensive statement presented under section 2401(g) of this title. Such plan shall—

"(1) establish performance goals to define the level of performance to be achieved by a program activity;

"(2) express such goals in an objective, quantifiable, and measurable form unless an alternative form is used under subsection (b);

"(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;

"(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(b) If the Postal Service determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Postal Service may use an alternative form. Such alternative form shall—

"(1) include separate descriptive statements of—

"(A) a minimally effective program, and

"(B) a successful program,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of either description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(c) In preparing a comprehensive and informative plan under this section, the Postal Service may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation.

"(d) The Postal Service may prepare a nonpublic annex to its plan covering program activities or parts of program activities relating to—

"(1) the avoidance of interference with criminal prosecution; or

"(2) matters otherwise exempt from public disclosure under section 410(c) of this title.

"§ 2804. Program performance reports

"(a) The Postal Service shall prepare a report on program performance for each fiscal year, which shall be included in the annual comprehensive statement presented under section 2401(g) of this title.

"(b)(1) The program performance report shall set forth the performance indicators established in the Postal Service performance plan, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

"(2) If performance goals are specified by descriptive statements of a minimally effective program activity and a successful program activity, the results of such program shall be described in relationship to those categories, including whether the performance failed to meet the criteria of either category.

"(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

"(d) Each report shall—

"(1) review the success of achieving the performance goals of the fiscal year;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved towards the performance goals in the fiscal year covered by the report;

"(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 2803(b)(2))—

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended; and

"(4) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

"§ 2805. Inherently Governmental functions

"The functions and activities of this chapter shall be considered to be inherently Governmental functions. The drafting of strategic plans, performance plans, and program performance reports under this section shall be performed only by employees of the Postal Service.".

SEC. 8. CONGRESSIONAL OVERSIGHT AND LEGISLATION.

(a) IN GENERAL.—Nothing in this Act shall be construed as limiting the ability of Congress to establish, amend, suspend, or annul a performance goal. Any such action shall have the effect of superseding that goal in the plan submitted under section 1105(a)(29) of title 31, United States Code.

(b) GAO REPORT.—No later than June 1, 1997, the Comptroller General of the United States shall report to Congress on the implementation of this Act, including the prospects for compliance by Federal agencies beyond those participating as pilot projects under sections 1118 and 9704 of title 31, United States Code.

SEC. 9. TRAINING.

The Office of Personnel Management shall, in consultation with the Director of the Office of Management and Budget and the Comptroller General of the United States, develop a strategic planning and performance measurement training component for its management training program and otherwise provide managers with an orientation on the development and use of strategic planning and program performance measurement.

SEC. 10. APPLICATION OF ACT.

No provision or amendment made by this Act may be construed as—

(1) creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity, and no person who is not an officer or employee of the United States acting in such capacity shall have standing to file any civil action in a court of the United States to enforce any provision or amendment made by this Act; or

(2) superseding any statutory requirement, including any requirement under section 553 of title 5, United States Code.

SEC. 11. TECHNICAL AND CONFORMING AMENDMENTS.

(a) AMENDMENT TO TITLE 5, UNITED STATES CODE.—The table of sections for chapter 3 of title 5, United States Code, is amended by adding after the item relating to section 305 the following:

"306. Strategic plans.".

(b) AMENDMENTS TO TITLE 31, UNITED STATES CODE.—

(1) AMENDMENT TO CHAPTER 11.—The table of sections for chapter 11 of title 31, United States Code, is amended by adding after the item relating to section 1114 the following:

"1115. Performance plans.
"1116. Program performance reports.
"1117. Exemptions.
"1118. Pilot projects for performance goals.
"1119. Pilot projects for performance budgeting.".

(2) AMENDMENT TO CHAPTER 97.—The table of sections for chapter 97 of title 31, United States Code, is amended by adding after the item relating to section 9702 the following:

"9703. Managerial accountability and flexibility.
"9704. Pilot projects for managerial accountability and flexibility.".

(c) AMENDMENT TO TITLE 39, UNITED STATES CODE.—The table of chapters for part III of title 39, United States Code, is amended by adding at the end thereof the following new item:

"28. Strategic planning and performance management .... 2801".

Mr. FORD. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1876. An act to provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional fast-track procedures to a bill implementing such agreements.

MEASURE PLACED ON THE CALENDAR

The following measure was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1876. An act to provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional fast-track procedures to a bill implementing such agreements.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-110. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Energy and Natural Resources.

"SUBSTITUTE SENATE JOINT MEMORIAL 8009

"Whereas the cause of democracy around the world is the cause of the United States; and

"Whereas the United States extends self-determination especially to those peoples in territories under its jurisdiction; and

"Whereas the Washington State Legislature supports the efforts of each United States territory to attain the political status best suited to its people; and

"Whereas Guam became a territory of the United States in the last century without its people being given the opportunity to freely choose a political status; and

"Whereas Guam became an organized territory of the United States in 1950 with the signing of the Organic Act; and

"Whereas during the past two decades, neighbor island groups in the former Trust Territory of the Pacific Islands have successfully negotiated new political status arrangements with the United States, which have resulted in the formation of the Commonwealth of the Northern Mariana Islands, the Republic of Belau, the Republic of the Marshall islands, and the Federated States of Micronesia; and

"Whereas the people of Guam chose by plebiscite in 1976 the political status of commonwealth; and

"Whereas, after extensive public debate, the people of Guam ratified the draft Guam Commonwealth Act in 1987; and

"Whereas the Guam Commonwealth Act will be debated in the United States Congress; and

"Whereas the people of Guam are United States citizens and should be given all the rights of citizens under the United States Constitution; and

"Whereas Guam seeks to establish through commonwealth status a just political relationship between its people and the United States Government; and

"Whereas commonwealth status would provide for the rights of the people of Guam in areas of vital interest, including land use, immigration, taxation, and the applicability of federal laws constraining Guam development; and

"Whereas there is growing national support for commonwealth status for Guam, including policy statements and resolutions from Members of Congress, the federal administration, the National Governors Association, the National Conference of State Legislatures, the Western Legislative Conference of the Council of State Governments, and the United States Conference of Mayors; and

"Whereas the Washington State Legislature supports the efforts of the people of Guam to achieve commonwealth status within a just and permanent relationship with the United States: Now, Therefore, your memorialists respectfully pray that the United States Government allow the people of Guam to determine their own political, social, and economic future.

"*Be it resolved,* That copies of this Memorial be immediately transmitted to the Honorable Bill Clinton, President of the United States, the Governor of Guam, the Speaker of the Guam Legislature, the Guam delegate to Congress, the President of the United States Senate, the Speaker of the House of Representatives, and each Member of the Congress from the State of Washington."

POM–111. A resolution adopted by the House of the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources.

"HOUSE RESOLUTION NO. 58

"Whereas, on January 17, 1993, we were reminded of events that occurred one hundred years ago when armed United States Marines landed in Honolulu; the American-dominated Committee on Public Safety conspired to overthrow the Hawaiian Monarchy, and a provisional government was established without the consent of the indigenous Hawaiian people; and

"Whereas, on January 19, 1893, just two days after the overthrow of the Hawaiian Monarchy, the newly formed Revolutionary government sent five members to Washington, D.C. to negotiate for a peaceful annexation which resulted in Hawaii becoming a territory of the United States; and

"Whereas President Grover Cleveland withdrew the bid for annexation and demanded that Queen Liliuokalani be restored to the throne, saying the Unites States had unduly aided in the overthrow; but President Sanford B. Dole, of the provisional government refused to yield, maintaining President Cleveland had no authority; and

"Whereas, after a few years of negotiations, annexation was achieved by the passing of a joint Resolution by both houses of Congress; and the transfer for sovereignty occurred on August 12, 1898, with the raising of the American flag over Iolani Palace, and all lands belonging to the Hawaiian Monarchy passed to negotiations between the Federal and Revolutionary governments, and later sold for $5.00 an acre; and

Whereas, during World War II as American fighting men liberated the Philippines, Italy, France, Germany, and other lands, the United States did not confiscate lands from any country, other than Hawaii; as facts show that the United States leases areas in the Philippines for naval and airfield uses; and

"Whereas, through the negotiation efforts of Prince Kuhio, Congress passed the Hawaiian Homes Commission Act, stipulating that Hawaiians with fifty percent or more native blood be eligible for 99 year leases at a nominal fee; and

"Whereas people in the sugar and pineapple businesses were allowed to import laborers of other ethnic backgrounds, thereby increasing the number of inter-marriages wherein many Hawaiians had their blood quantum reduced below fifty percent; and

"Whereas Congress did not appropriate any Federal funds for the rehabilitation program provided for by the Hawaiian Homes Commission; and

"Whereas, as a condition of statehood, the Federal Government transferred the responsibility of the Hawaiian Home Lands Trust to Hawaii; however, the Trust was not whole, due to a number of wrongful acts previously committed; now, therefore, be it

"*Resolved by the House of Representatives of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993,* That Congress place the awarding of Hawaiian homestead lands to native Hawaiian people high on its agenda, review the wrongs done to them, and provide direct Federal resources to address the following needs:

"(1) Funding for the Hawaiian Home Lands Program;

"(2) Infrastructure for Hawaiian home lands;

"(3) Compensation for past and present federal use of Hawaiian home lands; and

"(4) Accurate inventory of Hawaiian home lands on all islands and restoration of trust lands where necessary.

"*Be it further resolved,* That all aspects of the Hawaiian Home Lands Program be reviewed quarterly by the United States Department of the Interior and reviewed annually by the United States Congress; and

"*Be it further resolved,* That certified copies of this Resolution be transmitted to the United States Department of the Interior, President of the United States Senate, Speaker of the United States House of Representatives, the Governor, the Department of Hawaiian Home Lands, and the Office of Hawaiian Affairs."

POM–112. A resolution adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources.

"Whereas, in the early 1900's, widespread concern for the plight of the Hawaiian people began to emerge as many had moved to urban areas and were without the means of making a living and without decent shelter; and

"Whereas the number of full-blooded Hawaiians had declined from an estimated 142,650 in 1826 to 22,600 in 1919; and

"Whereas the Hawaiian Homes Commission Act of 1920 was enacted by the United States in 1921 to provide for the rehabilitation of "native Hawaiians," persons of at least 50% Hawaiian blood; and

"Whereas the Hawaiian Homes Commission Act set aside 200,000 acres, more or less, of public lands to be administered as a trust for the exclusive benefit of native Hawaiians; and

"Whereas, when the State of Hawaii took over the responsibility for the Hawaiian Home Lands Trust in 1959, the Trust turned over to its management was not whole because a number of wrongful acts had occurred before statehood, when the federal government was responsible for the Trust; and

"Whereas wrongful acts that occurred before statehood included illegal use of Hawaiian home lands, the use of lands without compensation to the Trust, and the sale of lands belonging to the Trust; and

"Whereas the State of Hawaii has acted to compensate the Trust for the illegal use of Hawaiian home lands that had been set aside for public purposes and is acting to resolve other claims covering the period from statehood to the present time, but the federal government has yet to recognize its responsibilities to the Trust; and

"Whereas the Solicitor of the Department of the Interior on January 19, 1993, the eve of his departure from office, issued an opinion that the United States did not ever have any trust responsibilities under the Hawaiian Homes Commission Act, thereby overruling the previous position of the Department of the Interior as expressed in an opinion letter sent in 1979 to the Western Regional Office of the U.S. Civil Rights Commission; and

"Whereas, the 1979 opinion letter by a Deputy Solicitor of the Department of the Interior concluded that the role of the United States under section 5(f) of the Hawaii Admission Act, with respect to the Hawaiian Home Lands is essentially that of a trustee; and

"Whereas, both the Bush and Reagan administrations have viewed native Hawaiians as a "racial class" and not as indigenous native American people, thereby questioning the constitutionality of federal assistance to native Hawaiians; now, therefore, be it

"*Resolved by the Senate of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993,* That President William Clinton and the U.S. Congress are requested to establish a simple administrative process by which claims relating to the Hawaiian Home Lands Trust can be expeditiously resolved with the federal government; and be it further

"*Resolved,* That President Clinton and Congress are requested to formally recognize native Hawaiians as an indigenous native American people and not as a racial class; and be it further

"*Resolved,* That President Clinton and Congress are urged to formally affirm, honor, and fulfill the federal trust obligations to the native Hawaiian people as provided under the Hawaiian Homes Commission Act; and be it further

"*Resolved,* That certified copies of this Resolution be transmitted to President William Clinton, the Secretary of the Interior, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and to each member of Hawaii's Congressional Delegation."

POM–113. A resolution adopted by the House of the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources.

"HOUSE RESOLUTION NO. 24

"Whereas, upon the annexation of the Republic of Hawaii by the United States, the United States received approximately 1.8 million acres of government and crown land under the terms of the Joint Resolution of Annexation of 1898, with the condition that the revenues of such lands, subject to national needs, be used 'solely for the benefit of the inhabitants' of Hawaii; and

"Whereas, in 1921, the Congress of the United States enacted the Hawaiian Homes Commission Act which designated native Hawaiians as beneficiaries and which set aside approximately 203,000 acres of public lands to be awarded to native Hawaiians, that is, persons of at least 50% Hawaiian blood, through the 99-year leases at a nominal fee; and

"Whereas, Congress enacted the Hawaiian Homes Commission Act to rehabilitate native Hawaiians by returning them to the land through leases for homesteads, ranches, and pastures, because the social and economic conditions of the native Hawaiians were rapidly deteriorating after contact with western culture; and

"Whereas, the Hawaiian Homes Commission Act established a trust relationship between the United States and native Hawaiians whereby Congress set aside certain designated parcels of land for the use and benefit of the native Hawaiians; and

"Whereas, the United States became the trustee of these lands, with the Territory of Hawaii acting as agent for the trustee; and

"Whereas, the Hawaiian Homes Commission Act manifested an intention to construct a fiduciary relation between the Federal government and the native Hawaiians which gave rise to equitable duties by the Federal government to deal with the lands for the benefit of the native Hawaiians; and

"Whereas, the United States retained legal title to the Hawaiian homes lands from 1921 until 1959 when Hawaii became a State; and

"Whereas, although the Hawaiian Homes Commission Act was the responsibility of the federal government from 1921 to 1959, federal financial support for the program was non-existent; and

"Whereas, thousands of native Hawaiian beneficiaries of the Hawaiian Homes Commission Act were unable to obtain homesteads during the period from 1921 to 1959 due to the failure of the trustee to carry out the terms of the Act; and

"Whereas, the President of the United States appointed Hawaii's territorial governor from 1990 through 1959, with the advice and consent of the United States Senate; and

"Whereas, although the citizens of Hawaii, including native Hawaiians, did not elect their territorial governor, the territorial governor was the chairman of the Hawaiian Homes Commission from 1921 to 1935; and

"Whereas, although the United States transferred title to Hawaiian home lands to the State of Hawaii in the Admission Act of 1959, under sections 4 and 5 of the Admission Act, the federal government continued its trustee responsibilities by retaining oversight responsibility for aspects of the administration of the Hawaiian Homes Commission Act, including the requirements of congressional concurrence for any state legislative amendments to the Hawaiian Homes Commission Act and the approval of the U.S. Secretary of Interior for any land exchanges involving Hawaiian home lands; and

"Whereas, the federal government also retained the power to review and approve amendments to the provisions of the Hawaiian Homes Commission Act and the power to sue to enforce its terms; and

"Whereas, the United States continues to occupy, for nominal rent of $1.00 for a term of 65 years, more than 320 acres of Hawaiian home lands in Kekaha, Kauai and Pohakuloa, Hawaii; and further claims ownership of 1,498 acres of valuable Hawaiian home lands at Lualualei, Oahu that were illegally set aside and for which no payment has ever been made; and

"Whereas, the United States Constitution permits Congress to exercise plenary power in enacting legislation to benefit aboriginal and indigenous people of America based upon the unique historical and legal status of native peoples within the United States; and

"Whereas, like American Indians, Alaskan natives, and Aleuts, native Hawaiians: (a) inhabited and once exercised absolute sovereignty over lands now within the United States; (b) never voted to or affirmatively approved annexation of Hawaii's former public, crown, and government lands; and (c) enjoy a culture, language, and practices which exist only in Hawaii; and

"Whereas, Congress has long recognized native Hawaiians as a distinct aboriginal group and has dealt with them in a manner similar to other native American groups; and

"Whereas, Congress has recognized its fiduciary responsibilities to native Hawaiians in legislation requiring native Hawaiians to be included in programs for Native Americans and in the funding of native Hawaiian programs in employment training, educational improvement, health promotion, and library services; and

"Whereas, a former Deputy Solicitor of the U.S. Department of the Interior, Mr. Frederick Ferguson, in an August 27, 1979 opinion letter to the Director, Regional Office, U.S. Commission on Civil Rights, concluded that under the Hawaiian Homes Commission Act, the United States was a trustee between 1920 and 1959 and that it retained this role after statehood; and

"Whereas, the betterment of the conditions of native Hawaiians is a public purpose which the United States required of Hawaii in the 1959 Statehood Act which enjoys broad support as well as substantial legislative funding in the State of Hawaii; and

"Whereas, the State of Hawaii has intensified its effort to correct the problems that have occurred in the administration of the Hawaiian home lands since statehood in 1959 and to better the conditions of native Hawaiians through programs to preserve Hawaiian culture and to improve the health and education of all Hawaiians; now, therefore,

"*Be it resolved by the House of Representatives of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993,* That the United States President and Congress of the United States are urged to formally affirm, honor, and fulfill the federal trust obligations to the native Hawaiian people as provided under the Hawaiian Homes Commission Act; and

"*Be it further resolved,* That the Legislature requests the Secretary of the Interior to rescind the January 19, 1993 opinion by former Solicitor of the Department of the Interior, Thomas L. Sansonetti, which denies any federal trust responsibility towards the Hawaiian Homes Commission Act, 1920, as amended, which was released on the last day of the Bush Administration; and

"*Be it further resolved,* That the Legislature declares its support and authorization of the State's vigorous pursuit of federal claims to restore and strengthen the Hawaiian home lands trust; and

"*Be it further resolved,* That certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Chair and members of the United States Senate Committee on Energy and Natural Resources, and the members of the Hawaii Congressional Delegation."

POM-114. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Energy and Natural Resources.

"ASSEMBLY JOINT RESOLUTION NO. 22

"Whereas, The Nevada Legislature passed Senate Joint Resolution No. 18 during the 1991 legislative session, urging Congress to reject legislation which would have repealed and reformed the general mining law as amended to the extreme disadvantage of many businesses and communities in the western states; and

"Whereas, The 103rd Congress has seen the reintroduction of two bills, one in the House of Representatives, H.R. 322, and one in the Senate, S. 257, which would again attempt to repeal and reform the general mining law as amended; and

"Whereas, H.R. 322 and S. 257 are in direct contradiction with the basic tenants of the general mining law which are essential to a viable mining industry, specifically granting freedom of access and the assurance that development and mining of mineral deposits can proceed according to all applicable laws and regulations without undue intervention; and

"Whereas, Both bills provide for a royalty on the gross income from mineral production of not less than 8 percent, an extreme level which would result in the closure of mines and a significant reduction in exploration for new mines; and

"Whereas, In 1992, approximately 58 percent of Nevada's total hardrock mineral production was produced on public lands and would be subject to proposals currently being considered in Congress; and

"Whereas, The State of Nevada estimates, based on a survey of the producers of 98 percent of Nevada's nation-leading production of gold and silver, that an 8 percent royalty on the gross value of production would result in the following decreases in the first year from current levels:

	From	To	Percent decline
Direct mine employment	8,930	7,480	16
Production in ounces of gold	6,541,000	6,091,000	7
Mineable reserves in ounces	81,961,000	72,061,000	12
Number of mining claims held	40,362	23,856	41
Net proceeds of mine tax paid	$23,639,000	$23,140,000	13
Sales and use tax paid	$44,617,000	$41,435,000	7
Exploration expenses	$88,884,000	$62,245,000	30
Capital expenditures	$620,064,000	$582,868,000	6
Expenditures on goods and services	$1,046,351,000	$950,357,000	9

and long-term declines are anticipated to be more severe; and

"Whereas, Other hardrock minerals produced in the state, including copper, lead, zinc, gypsum, barite and diatomite, together with substantial resources of tungsten, antimony, molybdenum and mercury would be similarly affected; and

"Whereas, Any higher royalty on the gross value of production, such as the 12.5 percent royalty proposed in the Administration's budget, would result in even higher decreases in employment, economic activity, revenues to the State of Nevada, loss of exploration and the shortening of mine lives; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly,* That the Nevada Legislature continues its rigorous objection to the proposed reformation of the general mining law and hereby urges Congress to reject the concept of a gross value royalty which is proposed in H.R. 322 and S. 257, and work toward a reasonable compromise with the mining industry; and be it further

"*Resolved,* That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President as presiding officer of the Senate, the Speaker of the House of Representatives, and each member of the Nevada Congressional Delegation; and be it further

"*Resolved,* That this resolution becomes effective upon passage and approval."

POM-115. A joint resolution adopted by the Legislature of the State of Nevada; to the

Committee on Energy and Natural Resources.

"SENATE JOINT RESOLUTION NO. 13

"Whereas, Congress enacted the provisions of 16 U.S.C. §§1331 et seq., otherwise known as the Wild Free-Roaming Horses and Burros Act of 1971, to protect wild horses and burros on public lands from capture, branding, harassment or death; and

"Whereas, The Wild Free-Roaming Horses and Burros Act of 1971 requires the management of the wild horses and burros on public lands and authorizes the Secretary of the Interior to address problems of overpopulation; and

"Whereas, Over 65 percent of the wild horses and burros in the United States are located in the State of Nevada and that population is increasing at a rate of 18 percent each year; and

"Whereas, The control of the reproduction of wild horses is necessary to preserve the integrity of the genetic composition and bloodlines of the wild horses; and

"Whereas, The Bureau of Land Management is currently recommending the creation of a program to control the fertility of wild horses and burros on public lands and the establishment of a national center for wild horses and burros in Northern Nevada; and

"Whereas, Both projects would greatly benefit the State of Nevada and the wild horses and burros located within its borders; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly*, That the Legislature of the State of Nevada hereby supports the proposed creation of a program to control the fertility of wild horses and burros on public lands and the establishment of a national center for wild horses and burros in Northern Nevada; and be it further

"*Resolved*, That the Bureau of Land Management and the United States Forest Service are hereby encouraged to expedite the establishment of these projects; and be it further

"*Resolved*, That Congress is hereby urged to provide adequate funding for the creation of such a program and the establishment of such a center in Northern Nevada; and be it further

"*Resolved*, That the Secretary of the Senate prepare and transmit a copy of this resolution to the Secretary of the Interior, the Director of the Bureau of Land Management, the Chief of the United States Forest Service, the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives, each member of the Nevada Congressional Delegation and the Commission for the Preservation of Wild Horses; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM–116. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Energy and Natural Resources.

"SENATE JOINT RESOLUTION NO. 11

"Whereas, The Western Area Power Administration of the United States Department of Energy owns, operates and maintains a 230-kilovolt transmission system in southern Nevada, extending from the 230-kilovolt bus at Mead Substation to Basic Substation, and including Amargosa Substation, Basic Substation, Clark Tie, and the Hoover-Basic, Hoover-Mead and Mead-Basic transmission lines, for the purpose of transmitting electricity to the State of Nevada through the Colorado River Commission; and

"Whereas, The Western Area Power Administration, as the entity which manages the federal network for the transmission of electricity in the western United States, plans to replace a portion of the 230-kilovolt transmission system with other facilities which would not adequately meet the requirements for electricity of the residents of southern Nevada; and

"Whereas, Upon the completion of the facilities that have been planned to replace a portion of the 230-kilovolt transmission system, the Western Area Power Administration intends to operate the 230-kilovolt transmission system in a manner which would not maximize the efficiency of the transmission of electricity in southern Nevada; and

"Whereas, Since 1990, the rates for the transmission of electricity from the 230-kilovolt transmission system have substantially increased and additional increases in the rates are planned for the near future; and

"Whereas, Transferring the ownership of the 230-kilovolt transmission system from the Western Area Power Administration to the Colorado River Commission would reduce the expenses of Western Area Power Administration relating to the operation and maintenance of its network for the transmission of electricity; and

"Whereas, The customers provided electricity from the Colorado River Commission, which include five utilities that provide electricity to all of Clark and Lincoln counties and part of Nye County, have formally requested that the Commission acquire the 230-kilovolt transmission system from the Western Area Power Administration; and

"Whereas, The Colorado River Commission has the statutory authority to purchase facilities for the generation or transmission electricity for the greatest possible benefit to this state, and the Commission has determined that it is in the best interests of this state for the Commission to acquire the 230-kilovolt transmission system; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly*, That the Nevada Legislature urges Congress and the President of the United States to adopt legislation authorizing the transfer of all property and improvements, including equipment, structures and rights of way, associated with the 230-kilovolt transmission system in southern Nevada extending from the 230-kilovolt bus at Mead Substation to Basic Substation, from the Western Area Power Administration to the Colorado River Commission on behalf of the State of Nevada; and be it further

"*Resolved*, That the Secretary of the Senate prepare and transmit copies of this resolution to the President of the United States, the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM–117. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources.

"HOUSE JOINT MEMORIAL NO. 6

"Whereas, western United States territories, before and after joining the Union of States, presented unique transportation and settlement challenges with little or no governmental oversight; and

"Whereas, the 1800's saw this western settlement occur with sometimes unorganized surges of immigrants who had no governmental authority to guide them in the establishment of roads, schools, village boundaries, township lines and related infrastructure; and

"Whereas, economic opportunities attracted thousands of settlers who traversed the lands in search of gold and other minerals, furs and homesteads and who caused to be constructed roads, paths and trails for the common use; and

"Whereas, Congress in 1866 amended the mining law in order to recognize legal rights-of-way for those roads, paths and trails by adding Section 2477, commonly referred to as Revised Statute 2477; and

"Whereas, many of the surface trails for horses, dog teams and man became permanent transportation links between settlements; and

"Whereas, the phases of exploration, settlement and transportation did occur concurrently, in intervening years, and in current times in Alaska and other western states where the Revised Statute 2477 grants are still applicable; and

"Whereas, there is a growing threat to surface access to private "inholding" properties in some conservation units, certain national parks and wildlife designations, and in other federal land withdrawals; and

"Whereas, there are increased efforts to pressure Congress to extinguish the Revised Statute 2477 authorization and grants.

"*Now, therefore, be it resolved by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein*, That we urge Congress to recognize its legal and historic commitment, under Revised Statute 2477, to rights-of-way access to unreserved, or formerly unreserved, public lands.

"*Be it further resolved*, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho, in the Congress of the United States."

POM–118. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources.

"HOUSE JOINT MEMORIAL NO. 4

"Whereas, on February 4, 1992, the National Parks and Conservation Association and the Hells Canyon Conservation Council jointly called for a special congressionally-authorized study to evaluate prospects for the proposed Hells Canyon National Park/Chief Joseph National Preserve; and

"Whereas, the proposal asked Congress to do a study to consider creating a 1.52 million acre complex of two national parks, a new recreation area and a national preserve; and

"Whereas, Forest Service officials, who currently manage the area, and agricultural officials have the opinion that if the proposed land became a national park/reserve, it would be detrimental to the biodiversity of the area due to the far greater amount of people impacting the land; and

"Whereas, the National Parks Service lacks money to adequately oversee existing parks, let alone be able to fund a new park to the system; and

"Whereas, multiple use of the area such as ranching, logging, mining, and power boating has worked well, we want to continue these activities which would be prohibited in a park; and

"Whereas, there are large areas of trees existing now that are disease infested and prohibiting these areas from management would create a greater hazard for wildfires; and

"Whereas, increased tourism will not make up for the loss of natural resource jobs.

"*Now, therefore, be it resolved by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein,* go on record as being against any proposal for a national park in the Hells Canyon area.

"*Be it further resolved,* That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-119. A concurrent resolution adopted by the Legislature of Hawaii; to the Committee on Environment and Public Works.

"HOUSE CONCURRENT RESOLUTION NO. 118

"Whereas, in recent years, the number of federal "riders" or conditions attached to federal funds earmarked for the states has increased dramatically; and

"Whereas, these riders threaten the state with subsequent loss of the federal funds if the state does not adopt certain policies or laws; and

"Whereas, this practice of conditional funding, impacting non-compliant states in a significantly negative way; amounts to de facto extortion and greatly diminishes the states' abilities to manage their own affairs; and

"Whereas, a recent federal law requires states to revoke or suspend the driver's licenses of all convicted drug offenders or risk losing part of their federal highway funds is only the latest instance in which states are being coerced to adopt an externally imposed measure; and

"Whereas, the law contains a nullification clause that provides that federal funds would not be withheld if both the Governor and the State Legislature provide written certification that they are opposed to the federal law requiring states to enact a mandatory driver's license revocation or suspension law; and

"Whereas, because the first certification of compliance is required by April 1, 1993, the Legislature and the Governor must act this year to reject the federal mandate; now, therefore,

"*Be it resolved by the House of Representatives of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993, the Senate concurring,* That the federal government's use of monetary penalties to coerce states to adopt federal laws and implicitly, federal ideologies is vilified as a violation of the philosophy of state's rights and the very concept of federalism upon which this nation is based; and

"*Be it further resolved,* That federal law 23 U.S.C. §519(a)(3)(A) which requires states, in the absence of compelling circumstances warranting an exception, to revoke or suspend the driver's licenses of drug offenders or suffer the loss of part of their federal funds is specifically rejected as an unwelcome and offensive intrusion by the federal government into the rights of the states to manage their own affairs; and

"*Be it further resolved,* That the adoption of this Concurrent Resolution serve as written certification that the Legislature of the State of Hawaii is opposed to the federal law which requires states to enact or enforce a law requiring the revocation, or suspension for at least six months, of the driver's license of any individual who is convicted of any violation of the Controlled Substances Act or any drug, offense, or a delay in the issuance or reinstatement of a driver's license to such an individual for at least six months after the individual applies for the issuance or reinstatement of a driver's license if the individual does not have a driver's license, or the license of the individual is suspended, at the time the individual is convicted, as described in 23 U.S.C. §159(a)(3)(A); and

"*Be it further resolved,* That certified copies of this Concurrent Resolution be transmitted to the President of the United States, the Secretary of Transportation, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of Hawaii's Congressional Delegation, and the Governor of the State of Hawaii."

POM-120. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on the Environment and Public Works.

"HOUSE JOINT MEMORIAL NO. 3

"Whereas, the people of the State of Idaho are diligent, hardworking citizens who exemplify the characteristics which typify the spirit of America; and

"Whereas, Idahoans, like people throughout America, have experienced the challenges posed by economic slowdown, and are anxious now to return to the work of building America; and

"Whereas, under the auspices of the Endangered Species Act, the Bruneau Hot Springs Snail (Pyrgulopsis bruneauensis) has been listed as endangered; and

"Whereas, the Endangered Species Act requires the determination for listing a species be based upon the best scientific data available; and

"Whereas, scientific data showing additional colonies of the Bruneau Hot Springs Snail (Pyrgulopsis bruneauensis) was not considered in the listing of this species as endangered, thus placing this listing in a questionable position.

"*Now, therefore, be it resolved by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein,* That we urge the United States Fish and Wildlife Service to withdraw the endangered listing under the auspices of the Endangered Species Act for the Bruneau Hot Springs Snail (Pyrgulopsis Bruneauensis).

"*Be it further resolved,* That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, the Honorable Bill Clinton, the Secretary of the United States Department of Interior, Bruce Babbitt, the President of the Senate and Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-121. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on the Environment and Public Works.

"HOUSE JOINT MEMORIAL NO. 2

"Whereas, the people of the state of Idaho are diligent, hard working citizens who exemplify the characteristics which typify the spirit of America; and

"Whereas, Idahoans, like people throughout America, have experienced the challenges posed by economic slow down, and are anxious now to return to the work of building America; and

"Whereas, within the operation of the Endangered Species Act, various species in Idaho have been studied, listed or protected; and

"Whereas, the protection afforded by the Endangered Species Act is important to maintaining the quality of life which we treasure in Idaho; and

"Whereas, recent conflicts involved in protection of various species have raised important issues regarding the necessity of considering and protecting social and economic welfare along with environmental welfare; and

"Whereas, it is in the interests of Idahoans and citizens of the nation that we resolve these conflicts to the advantage of all concerned.

"*Now, therefore, be it resolved by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein,* That we do hereby urge the administration to propose and the Congress to enact appropriate revisions to the Endangered Species Act which give the necessary consideration to social and economic issues faced by the people who live and work in Idaho. Every alternative must be examined for ways to assure that the economic impact of listings under the Endangered Species Act be given full consideration along with the need and justification for protection.

"*Be it further resolved,* That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, the Honorable Bill Clinton, the Secretary of the United States Department of Interior, Bruce Babbitt, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-122. A concurrent resolution adopted by the Legislature of the State of Idaho; to the Committee on the Environment and Public Works.

"HOUSE CONCURRENT RESOLUTION NO. 33

"Whereas, in recent years the number of federal riders or conditions attached to federal funds earmarked for the states has increased dramatically; and

"Whereas, these riders threaten the states with subsequent loss of the federal funds if they do not adopt certain policies or laws; and

"Whereas, according to the National Governors' Association, states currently face thirteen different financial penalties under which they can lose from five to one hundred percent of their highway funds for failure to comply with federal requirements; and

"Whereas, the government of the United States has a difficult time conceiving of the proposition that each state is a sovereign general purpose government and the proposition that the government of the United States is a limited purpose government; and

"Whereas, it is imperative that the State of Idaho assist in the education of the government of the United States with regard to the concept of sovereignty of the states; and

"Whereas, under the provisions of Section 333 of the Department of Transportation and Related Agencies Appropriations Act of 1991, the Congress of the United States has mandated that the Secretary of Transportation is required to withhold five percent of a state's portion of the federal aid to highways funds where the state has not enacted a law which complies in every respect with the federal concept of revoking or suspending the driving privileges of convicted drug offenders; and

"Whereas, under the provisions of Section 333 of the Department of Transportation and Related Agencies Appropriations Act of 1991, the Congress of the United States has provided that so as not to lose its federal aid to highways funds a state's legislature may adopt a resolution expressing its opposition to being coerced by the federal government into enacting a law to revoke or suspend the driving privileges of convicted drug offenders; and

"Whereas, in order not to lose federal aid to highway funds, the governor of the state must also certify to the Secretary of Transportation that his state is opposed to being forced by the federal government into the enactment and enforcement of a law revoking or suspending the driving privileges of convicted drug offenders solely for the purpose of avoiding federal sanctions.

"*Now, therefore, be it resolved by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein,* That the Idaho Legislature certifies to the Secretary of Transportation, under the provisions of Section 333 of the Department of Transportation and Related Agencies Appropriations Act of 1991, that it is opposed to the enactment and enforcement of a law relating to the revocation, suspension, issuance and reinstatement of the driving privileges of persons convicted of violations of the Idaho Uniform Controlled Substances Act simply for the purpose of complying with another federal mandate; and

"*Be it further resolved* That the Idaho Legislature, so as not to lose federal aid to highways funds, and in order to help the government of the United States understand its limited mission, urges the Governor of the State of Idaho also to certify to the Secretary of Transportation that this state is opposed to being forced by the federal government to enact and enforce a law revoking or suspending the driving privileges of convicted drug offenders; and

"*Be it further resolved* That certified copies of this Concurrent Resolution be transmitted to the Secretary of Transportation, the President of the Senate and the Speaker of the House of Representatives of Congress, the congressional delegation representing the State of Idaho in the Congress of the United States and the Governor of the State of Idaho."

POM-123. A concurrent resolution adopted by the General Assembly of the State of Indiana; to the Committee on Environment and Public Works.

"HOUSE CONCURRENT RESOLUTION 75

"Whereas, the 1991 Federal Intermodal Surface Transportation Efficiency Act, P.L. 102-240, Section 1105(c)(18), designated Indianapolis through Bloomington and Evansville, Indiana to Memphis, Tennessee, as a National High Priority Corridor and appropriated $23,700,000 to be spent over the next six years on engineering, location and design studies on a portion of this corridor which extends Interstate 69 southwestward from Indianapolis to Memphis.

"Whereas, the United States Department of Transportation Appropriation Act of 1993, P.L. 102-388, Section 351, extends the National High Priority Corridor from Memphis, Tennessee, through Shreveport and Bossier City, Louisiana, to Houston, Texas, where another National High Priority Corridor continues to Laredo, Texas, and to the Republic of Mexico; and

"Whereas, construction of a highway built to Interstate standards along a corridor extending from the city of Indianapolis to Houston and to the Republic of Mexico would greatly enhance the economic well-being of the United States; and

"Whereas, the region served by this highway represents the largest and most diverse concentration of manufacturing capacity anywhere in the world and that forty percent of the manufacturing output of this nation is produced in the ten states served by this highway; and

"Whereas, a unique combination of circumstances magnifies the importance of the highway beyond that of any major transportation project undertaken in more than two decades; and

"Whereas, with the recent signing and eventual ratification of the free trade agreement between the United States, Mexico and Canada, the way will be open for much closer economic ties between the three major powers on the North American Continent; and

"Whereas, by the accident of geography, the most direct surface transportation link between the major centers of population and production in Canada and Mexico happens to be the I-69 Mid-Continent Highway through the center of Indiana; and

"Whereas, manufacturing industries located along the road in the United States will have improved access to markets for their products in these countries and, furthermore, have greater access to productive resources in these countries which will contribute significantly to their competitiveness in both domestic and foreign markets; and

"Whereas, the highway has the potential to be the most important addition to the Interstate System since the original basic system grid was laid out in the 1950's because of its tremendous economic impact; and

"Whereas, the number of jobs created in industries such as transportation; food; lodging; entertainment; retail trade and tourism as well as construction could easily number 5,000, perhaps significantly more; and

"Whereas, it will contribute significantly to the efficiency and productivity of businesses using the highway and the cost savings they realize; and

"Whereas, construction of this highway will replace miles of outmoded and unsafe roads in 13 southwest Indiana counties on which, according to the Indiana State Police, 4,214 persons have been killed and 215,356 injured in traffic accidents from 1972 to 1991; and

"Whereas, the most significant locational effect will be increased growth and development in depressed rural areas along the route because these counties are not presently well served by modern transportation systems. Now, therefore,

"*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

"Section 1. That the House of Representatives urge the Congress to take speedy and appropriate action to ensure that Interstate 69 will be extended along a National Highway Priority Corridor from Indianapolis through Bloomington and Evansville, Indiana; Western Kentucky; Western Mississippi; Southern Arkansas to Shreveport; to Houston and the Republic of Mexico, and that adequate funding to plan and construct this highway should be authorized and appropriated.

"Section 2. That the Principal Clerk of the House of Representatives shall transmit copies of this Resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of Transportation and all members of the Indiana Congressional delegation."

POM-124. A concurrent resolution adopted by the Legislature of the State of Kansas; to the Committee on Environment and Public Works.

"HOUSE CONCURRENT RESOLUTION NO. 5020

"Whereas, The United States Environmental Protection Agency has established October 9, 1993, as the effective date for all minimum federal criteria for municipal solid waste landfills except the financial assurance criteria which are effective April 9, 1994; and

"Whereas, The Environmental Protection Agency required seven years to adopt these criteria in response to the 1984 Hazardous and Solid Waste Amendments to the Resource and Conservation Recovery Act; and

"Whereas, Only two years' time was allowed the states to adopt necessary rules and regulations and implement measures to comply with the criteria; and

"Whereas, The state of Kansas and its citizens have made a good faith effort to comply with the federal requirements; and

"Whereas, The criteria may require solid waste transfer stations and regional landfills to be established, which would cost counties between $300,000 and $2,000,000, more than the 1% increase in county budgets considered by the Environmental Protection Agency to be a significant economic impact that may exceed the practicable capacity of many counties; and

"Whereas, The problems that areas have low density population face in complying with the federal requirements cannot be resolved within the time allowed for compliance: Now, therefore,

"*Be it resolved in the House of Representatives of the State of Kansas, the Senate concurring therein:* That the Legislature urges Congress to extend the effective date of the financial assurance criteria for municipal solid waste landfills (40 CFR part 258, subpart G) to April 9, 1996, and to extend the effective date for the state to implement all other minimum federal criteria for municipal solid waste landfills (40 CFR part 258, subparts A through F) to October 9, 1995; and

"*Be it further resolved:* That the Legislature urges Congress to take appropriate action to assure that no municipal solid waste landfill unit shall be considered an open dump under the Resource Conservation and Recovery Act by reason of failure to comply with the new minimum federal criteria for municipal solid waste landfills (40 CFR part 258) until on or after October 9, 1995, unless the landfill unit does not comply with the federal criteria which were in effect on October 8, 1991; and

"*Be it further resolved:* That the Secretary of State be directed to send enrolled copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, all members of the congressional delegation from the State of Kansas, the Administrator of the United States Environmental Protection Agency and the Regional Administrator, Region VII, of the United States Environmental Protection Agency."

POM-125. A concurrent resolution adopted by the Legislature of the State of Louisiana;

to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION NO. 115

"Whereas, original plans for the construction of Interstate 10 included two lanes exiting the Mississippi River Bridge going east from the western side of the river; and

"Whereas, such plans were changed resulting in a single lane exit going east across the Interstate 10 Mississippi River Bridge; and

"Whereas, such exit is the only single-lane exit on the national interstate highway system; and

"Whereas, the effect of such planning has resulted in the need for three lanes of traffic to converge into one lane in a very short time span; and

"Whereas, the continued development and growth of the metropolitan Baton Rouge area, West Baton Rouge Parish, and the surrounding area parishes has meant increased traffic congestion, both private and commercial, crossing the Mississippi River Bridge and entering Interstate 10 south; and

"Whereas, the poorly planned, single-lane access is inadequate impeding traffic flow on a daily basis resulting in seemingly interminable traffic jams and accidents endangering the welfare and safety of those persons required to travel across the bridge.

"*Therefore, be it resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to study the traffic problem at Interstate 10 traveling from the western region of the state eastwardly across the Mississippi River Bridge and take whatever steps are necessary to correct the problem.

"*Be it further resolved*, That a copy of this Resolution shall be transmitted to the Secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-126. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION NO. 106

"Whereas, the United States Army Corps of Engineers, New Orleans District, under the authority of a resolution adopted on April 30, 1992, by the Committee on Public Works and Transportation of the United States House of Representatives, is initiating a comprehensive water and related land resources study of the area bounded by the west bank Mississippi River levee on the north, the Bayou Lafourche ridge on the east, and the East Atchafalaya Basin Protection levee on the west, from Morganza, Louisiana, to the Gulf of Mexico; and

"Whereas, such study will address flood control, hurricane protection, navigation improvements, wetlands conservation and restoration measures, wildlife habitat improvements, commercial and recreational fishing enhancement and improvements designed to provide freshwater and sediment diversion within the study area; and

"Whereas, the area to be studied has suffered significant damage due to increased rainfall and hurricanes; and

"Whereas, immediate assistance in and solutions to these problem areas are essential to the well-being of the area and the safety of its residents.

"*Therefore, be it resolved*, That the Legislature of Louisiana memorializes the United States Congress to take all necessary steps to expedite the study and report of the United States Army Corps of Engineers relative to comprehensive water and related land resources from Morganza, Louisiana, to the Gulf of Mexico.

"*Be it further resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-127. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Environment and Public Works.

"JOINT RESOLUTION

"Whereas, the State of Maine has previously enacted legislation, commonly referred to as the Maine Endangered Species Act, aimed at protecting and promoting the recovery of threatened and endangered species, in part through evaluation of activities that affect habitat essential to those species; and

"Whereas, that legislation has made possible significant progress in restoration of the bald eagle population and that of other endangered species, and the continued success of these critical conservation efforts and similar efforts in states across the nation depends on federal support under the federal Endangered Species Act; and

"Whereas, Congress is considering legislation this year to reauthorize the federal Endangered Species Act; and

"Whereas, biodiversity, the fundamental objective of federal and state endangered species laws, ensures preservation and sustainable use of ecosystems upon which the well-being and natural heritage of the people of our State and of all Americans depend; and

"Whereas, experience at both federal and state levels has shown that this vital conservation effort has not significantly impeded economic growth, as only one project reviewed under Maine's endangered species habitat protection laws and 18 of 17,650 projects under federal endangered species review from 1987 to 1991 have been prevented due to endangered species concerns; and

"Whereas, state and federal endangered species laws involve economic and social considerations beyond the biological question of whether a species should be listed; and

"Whereas, despite concerted state and federal efforts, dozens of species across the nation are at increased risk of extinction due to delays in the federal listing process, inadequate funding for states, stalled efforts to designate habitats necessary for the recovery of species and inadequate enforcement; now, therefore, be it

"*Resolved*, That, We, your Memorialists, take this occasion to urge the Congress of the United States to reauthorize the federal Endangered Species Act with provisions to streamline the bureaucratic process for listing threatened and endangered species, to improve critical habitat designation and enhance recovery planning efforts, to ensure adequate funding for vital conservation activities at all levels, to strengthen enforcement provisions and to broaden the scope of the Act to prevent further degradation of biodiversity; and be it further

"*Resolved*, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William Clinton, President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Maine Congressional Delegation."

POM-128. A resolution adopted by the Hamilton County, Tennessee Board of Commissioners relative to the Chickamauga Lock; to the Committee on Environment and Public Works.

POM-129. A resolution adopted by the Henry County, Tennessee Board of Commissioners relative to the proposed Interstate 69 extension; to the Committee on Environment and Public Works.

POM-130. A resolution adopted by the House of the General Assembly of the Commonwealth of Virginia; to the Committee on Environment and Public Works.

"HOUSE RESOLUTION NO. 65

"Whereas, the Port of Hampton Roads is the world's leading exporter of coal, in 1992, 60,300,000 tons of coal were exported through the Port of Hampton Roads; in 1992, there were 2,971 vessel arrivals at the Port of Hampton Roads; and the Port is continuously engaged in international competition for such trade; and

"Whereas, to enhance the Port's competitive position, certain channels were dredged to a depth of 50 feet so as to permit the larger colliers to load at the Port; and

"Whereas, since a significant number of colliers load to a depth of up to 50 feet, there are no adequate deep draft anchorages; and

"Whereas, there are presently insufficient anchorage grounds within the Port of Hampton Roads for vessels with a 50-foot draft; now, therefore, be it

"*Resolved by the House of Delegates*, That the Congress of the United States be hereby memorialized speedily to take all necessary steps to provide for the dredging of anchorages in Hampton Roads having a minimum depth adequate to safely maneuver and accommodate 50-foot draft vessels; and, be it

"*Resolved further*, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia delegation to the United States Congress that they may be apprised of the sense of the House of Delegates in this matter."

POM-131. A joint resolution adopted by the Legislature of the General Assembly of the Commonwealth of Virginia; to the Committee on Environment and Public Works.

"HOUSE JOINT RESOLUTION NO. 567

"Whereas, on October 9, 1992, the United States Environmental Protection Agency promulgated new regulations pursuant to Subtitle D of the Federal Resource Conservation and Recovery Act (RCRA) which establish stringent standards for the location, design and operation of solid waste landfills; and

"Whereas, financial assurance requirements will require local governments to demonstrate the ability to meet the financial costs of closure, 30-year postclosure monitoring, and corrective action; and

"Whereas, financial assurance requirements are expected to impose extreme and unnecessary financial burdens upon local governments; and

"Whereas, local governments will require additional time to develop strategies for meeting financial, assurance requirements; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the Congress of the United States is hereby memorialized to direct the United States Environmental Protection Agency to restore the exemption of local governments from demonstrating financial assurance regarding the ability to meet the financial costs of closure, postclosure monitoring and corrective actions at solid waste landfills; and, be it

Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the Virginia Congressional Delegation so that they may be apprised of the Sense of the General Assembly."

POM-132. A joint resolution adopted by the Legislature of the General Assembly of the Commonwealth of Virginia; to the Committee on Environment and Public Works.

"HOUSE JOINT RESOLUTION NO. 514

"Whereas, in 1991, 130,000 volunteers collected 2,878,913 pounds of trash from 4,347 miles of beach in a three-hour nationwide effort, with 1,211 volunteers in Virginia collecting 18,027 pounds from 56 miles of beach; and

"Whereas, sources of the trash collected include United States-operated vessels, commercial garbage/trash vessels, foreign vessels, commercial fishing vessels, merchant shipping vessels, offshore platforms, passenger vessels and recreational and sport fishing vessels; and

"Whereas, the international agreement known as the London Dumping Convention (LDC), which was adopted by the United States through the Maine Protection, Research, and Sanctuaries Act (MPRSA), regulates, while allowing, the ocean dumping of material taken to sea for that purpose while recognizing the need to continue ocean dumping of dredged spoils from rivers, bays, and harbors; and

"Whereas, Annex V of the International Convention for the Prevention of Pollution from Ships (MARPOL), which was adotped by the United States through the Marine Plastic Pollution Research and Control Act (MPPRCA), prohibits the disposal into the oceans of all plastics and regulates, while allowing at certain distances from shore, the disposal of other refuse produced incidental to the operation of a vessel; and

"Whereas, the MPPRCA applies to all United States vessels anywhere they are located and to foreign vessels found within the United State's 200 mile Exclusive Economic Zone and United States navigable waters, but exempts until the end of 1993 warships, naval auxiliary vessels and other noncommercial ships operated by the United States; and

"Whereas, the LDC, MARPOL, MPRSA and MPPRCA have provisions for the enforcement of their prohibitions; and

"Whereas, these national and international efforts have failed to solve the problems of trash and debris washing onto the shores of the Commonwealth and other coastal states of the nation; and

"Whereas, trash washed ashore injures humans and wildlife, degrades coastal areas and necessitates the expenditure of funds and effort to clean up coastal areas; and

"Whereas, increased enforcement efforts by the states, total bans on ocean disposal by the states and the federal government, and increased public education and citizen participation in reporting violations of the laws and agreements relating to ocean disposal would help to alleviate this problem; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the Congress of the United States be memorialized to take action to ban all ocean dumping whether such material is taken onto the seas for that purpose or is generated incidental to the operation of a vessel and to repeal the exemption from MARPOL of warships, naval auxiliary vessels and other noncommerical ships operated by the United States; and, be it

"*Resolved further*, That the coastal states of the United States be memorialized to take action which will ban ocean dumping of materials generated within their borders or created incidental to the operation, of vessels in their waters; and, be it,

"*Resolved further*, That the coastal states of the United States by memorialized to take educational and enforcement actions which will aid in the implementation of the prohibitions against the disposal onto the oceans; and, be it.

"*Resolved finally*, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Virginia Congressional Delegation and the Governors of the coastal states of the United States so that they may be apprised of the sense of the General Assembly."

POM-133. A joint resolution adopted by the General Assembly of the State of Vermont; to the Committee on Environment and Public Works.

"JOINT RESOLUTION NO. 45

"Whereas, Vermont has established ambient air standards for 382 hazardous contaminants, and

"Whereas, such standards prohibit the emission of any hazardous air contaminant from a stationary source if local ambient air levels exceed the levels established by regulation, or if such emission would cause ambient air concentrations to exceed the levels established by regulation, and

"Whereas, ambient air quality in Vermont is greatly affected by emission in other states, over which Vermont has no control, and

"Whereas, there is a great need for national uniformity in ambient air standards, and

"Whereas, the Clean Air Act Amendments of 1991 gave the Environmental Protection Agency the authority to establish ambient air standards which would apply to all states, and

"Whereas, the Environmental Protection Agency has exercised its authority on only a limited number of hazardous air contaminants, and

"Whereas, clean air is an essential factor to the health and quality of life of Vermonters, and

"Whereas, clean air is essential to a healthy economy, now therefore be it

"*Resolved by the Senate and House of Representatives:* That the Environmental Protection Agency should move expeditiously to establish federal ambient air standards for a broad range of hazardous air contaminants, and be it further

"*Resolved:* That the Vermont Congressional Delegation should work towards providing the Environmental Protection Agency with the necessary resources to prepare federal ambient air standards, and be it further

"*Resolved:* That the Secretary of State is directed to send copies of this resolution to the Vermont Congressional Delegation, the President of the United States, the Vice President of the United States and the Director of the United States Environmental Protection Agency."

POM-134. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Environment and Public Works.

"HOUSE JOINT MEMORIAL 4003

"Whereas, As many as fifteen million wild salmon used to return annually to the Columbia-Snake River system; and

"Whereas, Currently only about two million five hundred thousand salmon return each year; and

"Whereas, Wild salmon are important to the environmental and cultural heritage of the citizens of the State of Washington; and

"Whereas, Certain species of salmon have been designated as threatened or endangered under the authority granted by the Federal Endangered Species Act; and

"Whereas, Fisheries biologists from a variety of disciplines have identified a range of causes of mortality at each stage of the salmon's life cycle, and have agreed that recovery measures must address causes of mortality at each stage of the life cycle; and

"Whereas, Your Memorialists recognize that successful implementation of the comprehensive regional salmon recovery plan will require sacrifices by all economic stakeholders and substantial investment by the citizens of the region; and

"Whereas, The Columbia-Snake River system provides substantial economic benefits to the citizens of the State of Washington in the areas of agriculture, navigation, fisheries, energy, industry, recreation, and flood control; and

"Whereas, Stream flow augmentation is generally believed to provide biological benefits to migrating salmon, but there is continued uncertainty regarding the biological benefits to salmon of flow augmentation achieved by drawing down reservoir levels below minimum operating pool; and

"Whereas, Drawdowns below minimum operating pool on the Snake River, conducted in March 1992 for the limited purpose of evaluating impact to physical structures and facilities, caused the loss of resident fish, altered wildlife habitat, and increased risks of predation, disrupted navigation, and caused physical property damage to public and private facilities; and

"Whereas, Salmon migrating upstream to spawn are unable to pass through fish ladder systems when reservoirs are maintained at levels substantially below minimum operating pool; and

"Whereas, Drawing down Columbia-Snake River system reservoirs below minimum operating pool for extended periods causes substantial economic impacts, including increased costs for Washington's agricultural producers and shippers which jeopardize their ability to compete in global markets; and

"Whereas, Maintaining reservoir levels at minimum operating pool, with modifications to existing irrigation pump stations on the John Day reservoir, enables the river system to support critical economic activity;

"Now, therefore, Your Memorialists respectfully pray that the officials charged with developing the regional salmon recovery plan carefully consider the biological needs of endangered salmon species, and before drawing down reservoirs below minimum operating pool as part of the regional salmon recovery plan, give the strongest consideration to the economic impact of such drawdowns on the citizens of the State of Washington; and

"*Be it resolved*, That copies of this Memorial be immediately transmitted to the Honorable Bill Clinton, President of the United States, the Director of the National Marine Fisheries Service, the Assistant Secretary of the Army for Civil Works, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

POM-135. A joint resolution adopted by the Legislature of the Northern Marianas Commonwealth; to the Committee on Environment and Public Works.

"HOUSE JOINT RESOLUTION 8-16

"Whereas, the Federal Government has enacted the "Fiscal Year 1991 United States Department of Transportation Appropriation Act" which mandates withholding of federal aid to highways in the Commonwealth unless the Commonwealth Legislature and the Governor act pursuant to Section 333 of that law (23 U.S.C. Section 159) to enact legislation requiring the revocation or suspension of an individual's drivers license upon conviction of any drug related offense; and

"Whereas, while drug abuse is a very serious problem in need of urgent attention and remedy, the imposition of federal highway fund sanctions upon the Commonwealth does not appropriately address or respond to the problem; and

"Whereas, the Commonwealth Government is immediately responsive to the needs of its unique culture and population, and as such is more qualified to regulate and control the privilege of operating motor vehicles upon Commonwealth roads and highways; and

"Whereas, the enactment of Public Law 7-46 recently increased penalties for drug related offenses in the Commonwealth; and

"Whereas, legislation is currently pending which would impose sanctions virtually identical to those required under 23 U.S.C. Section 159; and

"Whereas, the Commonwealth does not currently possess the technological capability for state to state and state to federal exchanges of drug conviction data required under 23 U.S.C. Section 159; and

"Whereas, 23 U.S.C. Section 159(a)(3)(B)(ii) states that the Commonwealth of the Northern Mariana Islands may avoid federal sanctions by submitting an approved and certified joint resolution of both Houses of the Commonwealth Legislature expressing opposition to the application of that Act to the Commonwealth; now; therefore

"*Be it resolved by the House of Representatives of the Eighth Northern Marianas Commonwealth Legislature, the Senate concurring*, That the Legislature hereby expresses its opposition to the enactment and enforcement within the Commonwealth of the Northern Mariana Islands of a law which would conform to all federal compliance criteria under 23 U.S.C. Section 159; and

"*Be it further resolved*, That this resolution is intended to satisfy the requirement under 23 U.S.C. 159(a)(3)(B)(ii) which will protect the Commonwealth of the Northern Mariana Islands from the loss of Federal Highway funds under 23 U.S.C. 159(a)(3); and

"*Be it further resolved* by the House of Representatives of the Eighth Northern Marianas Commonwealth Legislature, the Senate concurring, that the Legislature shall require that the Department of Public Works shall conduct public hearings in each of the senatorial districts once per year to address the expenditure of federal highway funds appropriated to the Commonwealth; and

"*Be it further resolved* by the House of Representatives of the Eighth Northern Marianas Commonwealth Legislature, the Senate concurring, that the Legislature shall require that a minimum of one-eighth of such funds shall be allocated each to the First and Second Senatorial Districts for highway projects in those districts; and

"*Be it further resolved* that the Speaker of the House of Representatives and the President of the Senate shall certify and the House Clerk and the Senate Legislative Secretary shall attest to the adoption of this joint resolution and thereafter transmit certified copies to the President of the United States; the Governor of the Commonwealth of the Northern Mariana Islands; the Speaker of the U.S. House of Representatives; to the President of the U.S. Senate; the U.S. Secretary of Transportation; and to the Resident Representative to the United States."

POM-136. A resolution adopted by the Municipal Assembly of the City of Mayaguez, Puerto Rico relative to Section 936 of the Federal Internal Revenue Code; to the Committee on Finance.

POM-137. A resolution adopted by the Board of Clark County, Illinois relative to the proposed Btu tax; to the Committee on Finance.

POM-138. A resolution adopted by the City Council of the City of Keene, New Hampshire relative to the proposed Btu tax; to the Committee on Finance.

POM-139. A resolution adopted by the Board of Commissioners of Yadkin County, North Carolina relative to cigarette sales taxes; to the Committee on Finance.

POM-140. A resolution adopted by the Board of Commissioners of Beaufort County, North Carolina relative to cigarette sales taxes; to the Committee on Finance.

POM-141. A resolution adopted by the Board of Commissioners of Lenoir County, North Carolina relative to cigarette sales taxes; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 409. A bill to extend the terms of various patents, and for other purposes (Rept. No. 103-64).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 577. A bill to resolve the status of certain lands relinquished to the United States under the Act of June 1897 (30 Stat. 11, 36), and for other purposes (Rept. No. 103-65).

By Mr. MOYNIHAN, from the Committee on Finance, without amendment:

S. 1003. A bill to provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply Congressional "fast track" procedures to a bill implementing such agreements (Rept. No. 103-66).

Mr. MOYNIHAN. Mr. President, I am pleased to report to my colleagues that the Finance Committee today ordered favorably reported, by a vote of 18 to 2, S. 1003, a bill renewing the President's negotiating authority for the Uruguay round of multilateral trade negotiations and extending fast-track legislative procedures to a bill implementing the results of the round. I am pleased to file today the committee's report on the bill.

At the same time that the committee took up this measure, the Finance Committee also approved a letter to the President expressing the committee's views on the objectives that the United States should pursue in eight major areas of the negotiations. I ask unanimous consent that a copy of the committee's letter be placed in the RECORD.

Mr. President, it was the consensus of the committee that the President should be granted his request for fast-track authority in order to make one final attempt to conclude the Uruguay round negotiations. The President's goal, endorsed by the committee, is to conclude the round by mid-December. The committee's bill would, indeed, require that the President do so if he wants the implementing bill for the round to benefit from our fast-track legislative procedures. Under the bill, the President must notify the Congress by December 15, 1993, of his intention to enter into the agreement, and actually sign it before April 16, 1994.

United States Trade Representative Kantor has reported to the committee that there is a ray of hope in the Uruguay round. The administration is working with our major trading partners to try to complete a market access package by the time of the G-7 summit in early July. Under the best of circumstances, this would be a formidable task. But it will be an impossible task if the Congress does not grant the President the authority to negotiate.

By today's action, the committee, by an overwhelming margin, has indicated its support for the President's request. I urge my colleagues in the Senate to approve this measure promptly, so that the President may proceed to the G-7 summit with his negotiating authority fully in hand.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, June 23, 1993.

The President,
The White House, Washington, DC.

DEAR MR. PRESIDENT: The Committee on Finance has closely monitored the progress of the Uruguay Round negotiations since they were launched at Punta del Este in September 1986. As you know, the Congress set forth the principal negotiating objectives for the Round in the Omnibus Trade and Competitiveness Act of 1988. These have been, and will continue to be, the overall benchmarks against which we will measure the outcome of these negotiations.

Since then, however, the negotiations have evolved and the issues have become more clearly defined. In particular, in December 1991, GATT Director General Arthur Dunkel tabled his "Draft Final Act," the document which has since become the basis for much of the negotiations.

It is therefore appropriate, as the Congress considers the President's request to renew negotiating authority and "fast track" procedures for the Uruguay Round, to consider once again our goals and objectives in light of the specific issues raised, or left unaddressed, in the Draft final Act. We set forth below the views of the Committee on Finance on the goals it believes the United States should pursue with respect to eight key areas of the negotiations. It is the Committee's intention to review any final Uruguay Round agreement against these objectives, as well as the objectives set forth in the 1988 Trade Act.

First, as negotiations on market access move forward in anticipation of the July meeting of the leaders of the Group of Seven countries, the Committee reaffirms its longstanding belief that the Uruguay Round must result in more open, equitable, and reciprocal access for U.S. exporters of goods and services. With respect to manufactured products, the United States should seek an agreement that will substantially reduce tariff and non-tariff barriers to U.S. exports and eliminate tariffs where our private sector favors such an action and significant trading partners concur.

In the negotiations on services trade, the United States should seek substantial market access commitments that provide for national treatment, right of establishment, and equivalent competitive opportunities for our firms; countries that fail to make such commitments should be denied the benefits of the services agreement. In addition to a substantial reduction in existing trade barriers, the Round should also establish rules to prevent countries from erecting new ones.

Market access is also an important objective in the negotiations on agricultural trade, where we should seek to obtain meaningful commitments that will expand export opportunities for U.S. producers. In addition, we should aim for significant reductions in export subsidies and in farm support programs that distort world market prices by promoting overproduction and dumping of excess production on the world market. We should also ensure that unjustified sanitary and phytosanitary measures are disciplined, while preserving our right to maintain legitimate measures to protect health, safety, and the environment.

The government procurement negotiations also provide an opportunity for greater market access for U.S. firms. In addition to seeking to reduce barriers in foreign markets, the United States should work to expand the coverage of the Government Procurement Code and improve the fairness and transparency of administrative procedures.

The Committee continues to believe that the United States should seek a stronger GATT dispute settlement mechanism that will ensure, within set timeframes, the prompt and effective enforcement of our rights. At the same time, we must retain the ability to use our trade laws to remedy trade agreement violations and address the unfair trading practices of our competitors. In that connection, the Committee believes that dispute settlement panels hearing challenges to our antidumping or countervailing duty actions should be precluded from substituting their own judgment for the judgment of the U.S. International Trade Commission, the Department of Commerce, or U.S. courts.

The Committee strongly believes that our antidumping and countervailing duty laws must be preserved as effective tools for fighting unfair dumping and government subsidies. We are concerned, in particular, with the provisions of the Draft Final Act on standing, cumulation, cost and profit methodologies, *de minimis* exceptions, non-actionable subsidies, and the termination of antidumping and countervailing duty orders. We should seek stronger disciplines against export and domestic subsidies (including equity infusions, and natural resource and regional subsidies), as well as effective measures to prevent circumvention of antidumping and countervailing duty orders and diversionary dumping. At the same time, we should work toward greater transparency in the antidumping and countervailing duty actions taken by our trading partners, as well as a clarification of substantive rules and stronger procedural standards to prevent the misuse of these rules against U.S. exporters.

In the intellectual property negotiations, the Committee believes that our overarching goal should be an agreement that provides adequate protection and effective enforcement of all forms of intellectual property rights. We believe, however, that the Draft Final Act is deficient in several respects. The transition periods, particularly as they apply to developing countries, should be shortened. The agreement should provide for pipeline patent protection for products subject to pre-market regulatory review. The rules regarding the use of compulsory licenses should be strengthened. And the agreement should fully recognize contractual agreements and transfers, and provide for comprehensive national treatment for U.S. owners of intellectual property rights.

Finally, in the textile and apparel negotiations, we believe that the United States should ensure that all countries provide equitable access to their domestic markets and that measures are put in place to prevent such trade-distorting practices as transshipment, false declarations, smuggling, and other forms of trade rule circumvention. In addition, we believe strongly that any country that does not adhere to the overall Uruguay Round agreement should not benefit from the phase-out of the Multifiber Arrangement (MFA). We also urge you to take into consideration, in any negotiations on textile and apparel tariff reductions, the significant trade-liberalizing effect of the phase-out of the MFA, as well as the impact on employment.

We urge you to keep these objectives, along with those in the 1988 Trade Act, in mind as you work to conclude the Uruguay Round by the end of this year. We look forward to working with you as these negotiations move forward, and stand ready to provide whatever assistance or advice you may find useful.

Sincerely,

BOB PACKWOOD,
Ranking Member.
DANIEL PATRICK MOYNIHAN,
Chairman.

By Mr. KENNEDY, from the Committee on Labor and Human Resources, without amendment:

S. 1150. An original bill to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high levels of educational achievement for all American students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications; and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Sharon Porter Robinson, of Kentucky, to be Assistant Secretary for Educational Research and Improvement, Department of Education, vice Diane S. Ravitch, resigned.

Maria Echaveste, of New York, to be Administrator of the Wage and Hour Division, Department of Labor, vice Paula V. Smith, resigned.

Judith A. Winston, of the District of Columbia, to be General Counsel, Department of Education, vice Jeffrey C. Martin, resigned.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DECONCINI:

S. 1144. A bill to enhance the authorities and responsibilities of the Office of National Drug Control Policy, and for other purposes; to the Committee on the Judiciary.

By Mr. JEFFORDS (for himself and Mr. AKAKA):

S. 1145. A bill to prohibit the use of outer space for advertising purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN:

S. 1146. A bill to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, Arizona, and for other purposes; to the Committee on Indian Affairs.

By Mr. KEMPTHORNE (for himself, Mr. BENNETT, Mr. BROWN, Mr. COATS, Mr. COVERDELL, Mr. CRAIG, Mr. DOMENICI, Mr. FAIRCLOTH, Mr. GRASSLEY, Mr. GREGG, Mr. HELMS, Mrs. KASSEBAUM, Mr. LOTT, Mr. NICKLES, Mr. MACK, Mr. MURKOWSKI, Mr. SMITH, Mr. STEVENS, Mr. THURMOND, Mr. WALLOP, Mr. HATFIELD, Mr. MCCAIN, Mr. MATHEWS, Mr. MCCONNELL, Mr. DURENBERGER, Mr. SIMPSON, and Mr. COHEN):

S. 1147. A bill to prohibit Presidential nominees from performing certain governmental functions, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BROWN (for himself, Mr. MACK, Mr. D'AMATO, Mr. SMITH, Mr. SIMPSON, and Mr. CRAIG):

S. 1148. A bill to allow for moderate growth of mandatory spending; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other have thirty days to report or be discharged.

By Mr. DOMENICI (for himself and Mr. INOUYE):

S. 1149. A bill to establish in the Department of the Interior the Office of Indian Women and Families, and for other purposes; to the Committee on Indian Affairs.

By Mr. KENNEDY:

S. 1150. An original bill to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high levels of educational achievement for all American students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications; and for other purposes; from the Committee on Labor and Human Resources; placed on the calendar.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself, Mr. DOLE, Mr. FORD, and Mr. SIMPSON):

S. Res. 125. Relating to the retirement of Thomas L. Nottingham; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI:

S. 1144. A bill to enhance the authorities and responsibilities of the Office of National Drug Control Policy, and for other purposes; to the Committee on the Judiciary.

OFFICE OF NATIONAL DRUG CONTROL POLICY AMENDMENT ACT OF 1993

• Mr. DECONCINI. Mr. President, today I am introducing a bill which I feel is long overdue on an issue of ongoing concern for this Senator.

The time has come to shine a light on the so-called war on drugs. Historically, the Government has paid lip service to this war while those fighting in the trenches have had to rely on limited resources and support. Mr. President, there are scores of Federal, State, and local law enforcement officers, teachers, counselors, and health care professionals working at cross purposes. We tell them we want an all-out effort and then leave them dangling by a thread.

The Office of National Drug Control Policy [ONDCP], better known as the drug czar's office, was created in 1988 by the Anti-Drug Abuse Act. It was originally intended, as its commonly known name implies, to be headed up by a czar. And what does it mean to be a czar? It means to have absolute authority. This czar, from Washington, DC, is supposed to reign over a national drug control strategy that would rid our schools, playgrounds, and street corners of this plague of drugs.

Unfortunately, the original intent of this Office has been lost to rhetoric. It has been politicized, paid lip service to, and left impotent with no sustainable mission or direction. Since this Office's inception in 1988, methods to fight the drug war have constantly changed. No sooner do we develop drug control strategies than the narcotrafficker changes his methods.

This is not just a matter of being outgunned from a technical standpoint. The greater issue is the commitment at the top. All the money, resources, and technology in the world will do no good without a commitment and vision. And where does this lack of commitment and vision leave the millions of men, women, and children who die each and every year from overdoses and drug-related violence? What do we say to the thousands of children who walk to and from school each day past parks and alleys filled with drug dealers and addicts? Mr. President, it is time to change how we fight this war in Washington.

It gives me no pleasure to criticize the current administration's attitude toward this epidemic. However, I feel it is most unfortunate that the Office of Drug Control Policy has had to bear the brunt of the administration's personnel cuts. The ONDCP has gone from a staff of 112 to 25. It is beyond my comprehension how a staff reduction of this magnitude can permit this Office to fulfill the same mission. Let me add that I wholeheartedly support downsizing and reorganization during these tough budgetary times, but at what cost? Furthermore, I am very pleased with the administrations' choice of Dr. Lee Brown to head up the Office of National Drug Control Policy. However, I fear that without the administration's strong commitment, Dr. Brown will be left understaffed, underbudgeted, overworked, and ignored. A spot at the Cabinet table is no guarantee that he will have the authority he needs. I sincerely hope that the drug czar's status is not just an attempt by the administration to pacify those of us who care so deeply about this problem.

Mr. President, I have long believed that without the necessary authority to coordinate this Nation's comprehensive drug policy, the drug czar's office is largely ineffective, spending more of its time fighting turf battles than it does fighting drug smugglers. I believe the drug czar's office needs to have more flexibility in terms of putting personnel and resources where they are needed most. With that in mind, I would like to review some of the major components of the legislation I am introducing today.

First, many of the problems the drug czar's office faces stems from a lack of input and review when the varying agencies involved in the drug war submit their budgets to OMB. In order to enhance the authority of the Office, my bill would authorize the drug czar to request the head of a department or agency to include in each agency budget submission to OMB specific initiatives that are consistent with the President's priorities for the national drug control policy.

I have also included in my bill a provision which authorizes the Director of ONDCP to request the head of a department or agency to place their personnel who are engaged in drug control activities on temporary detail to another department or agency to better implement the national drug control strategy. I have included this provision because it is important that the drug czar have more control over the drug-related resources of the Government. I have also included a provision which gives the Director of ONDCP authority to transfer funds from one drug control agency to another to better combat the changing methods of the drug trafficker.

In addition, previous administrations have stockpiled ONDCP with political appointees directly affecting the Office's effectiveness. My bill would limit to 10 percent the number of political appointees in the drug czar's office. Furthermore, it would prohibit any Federal officer in ONDCP, who is appointed by the President, to make any public appearance for political campaigns. This bill also contains statutory language to elevate the Office to Cabinet level status and reauthorizes the Office for another 5 years.

Mr. President, it is my strong belief that in order to wage this so-called war on drugs, we need to give our proclaimed drug czar the tools needed to implement a comprehensive and balanced drug control strategy utilizing all the necessary resources. I believe this bill will do exactly that. I urge my colleagues to support this bill. I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1144

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NATIONAL DRUG CONTROL PROGRAM BUDGET.

Section 1003(c) of the National Narcotics Leadership Act of 1988 (21 U.S.C. 1502 et seq.) is amended—

(1) by redesignating paragraphs (5), (6), and (7), as paragraphs (6), (7), and (8), respectively; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) The Director shall request the head of a department or agency to include in the department or agency's budget submission to the Office of Management and Budget funding requests for specific initiatives that are consistent with the President's priorities for the National Drug Control Strategy and certifications made pursuant to paragraph (3), and the head of the department or agency shall comply with such a request.".

SEC. 2. CONTROL OF DRUG-RELATED RESOURCES.

Section 1003 of the National Narcotics Leadership Act of 1988 (21 U.S.C. 1502) is amended—

(1) in subsection (d)—

(A) by amending paragraph (2) to read as follows:

"(2) request the head of a department of agency to place department or agency personnel who are engaged in drug control activities on temporary detail to another department or agency in order to implement the National Drug Control Strategy, and the head of the department or agency shall comply with such a request;

(B) by striking "and" at the end of paragraph (6);

(C) by striking the period at the end of paragraph (7) and inserting a semicolon; and

(D) by adding after paragraph (7) the following new paragraphs:

"(8) except to the extent that the Director's authority under this paragraph is limited in an annual appropriation Act by specific reference to this paragraph, transfer funds appropriated to a National Drug Control Program agency account to a different National Drug Control Program agency account in an amount that does not exceed 2 percent of the amount appropriated to either account, after having received the approval of the Committee on Appropriations of each House of Congress; and

"(9) in order to ensure compliance with the National Drug Control Program, issue to the head of a National Drug Control Program agency a funds control notice described in subsection (f)."; and

(2) by adding at the end the following new subsections:

"(f) FUNDS CONTROL NOTICES.—(1) A funds control notice may direct that all or part of an amount appropriated to the National Drug Control Program agency account be obligated by—

"(A) months, fiscal year quarters, or other time periods; and

"(B) activities, functions, projects, or object classes.

"(2) An officer or employee of a National Drug Control Program agency shall not make or authorize an expenditure or obligation contrary to a funds control notice issued by the Director.

"(3) In the case of a violation of paragraph (2) by an officer or employee of a National Drug Control Program agency, the head of the agency, upon the request of and in consultation with the Director, may subject the officer or employee to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office.

"(g) LIMIT ON NUMBER OF POLITICAL APPOINTEES.—Not more than 10 percent of the members of the officers and employees of the Office of National Drug Control Policy (including the Director, Deputy Directors, and Associate Directors) may be in positions that are—

"(1) positions of a confidential or policy-determining character under Schedule C of subpart C of part 213 of title 5, Code of Federal Regulations;

"(2) Senior Executive Service positions filled by noncareer appointees; or

"(3) positions on the Executive Schedule under subchapter II of chapter 53 of title 5, , United States Code.

"(h) PROHIBITION ON POLITICAL CAMPAIGNING.—No Federal officer in the Office of the National Drug Control Policy who is appointed by the President, by and with the advice and consent of the Senate, may use his official authority or influence for partisan political purposes.".

SEC. 3. SPECIAL FORFEITURE FUND AMENDMENTS.

(a) ESTABLISHMENT OF FUND.—Section 6073 of the Asset Forfeiture Amendments Act of 1988 (21 U.S.C. 1509) is amended—

(1) by amending subsection (b) to read as follows:

"(b) TRANSFERS FROM OTHER FUNDS.—

"(1) DEPARTMENT OF JUSTICE DEPOSITS.—(A) On October 1 of each of fiscal years 1994, 1995, 1996, 1997, and 1998, the Attorney General shall estimate, with the concurrence of the Director, the excess unobligated balance anticipated as of September 30 in the Department of Justice Assets Forfeiture Fund established under section 524(c) of title 28, United States Code. For fiscal year 1993, the excess unobligated balance as of September 30 shall be estimated within 15 days after the date of enactment of this paragraph.

"(B) In each of fiscal years 1993, 1994, 1995, 1996, 1997, and 1998, the Attorney General shall transfer to the Fund the excess unobligated balance estimated under subparagraph (A). Such transfers shall be made at the end of each quarter of a fiscal year on a pro rata basis. In order to account for unanticipated fluctuations in the Department of Justice Assets Forfeiture Fund balance during a fiscal year, the transfer at the end of the fourth quarter of each fiscal year shall be adjusted by the Attorney General, with the concurrence of the Director, so that the transfer is equal to the actual remaining excess unobligated balance in the Department of Justice Assets Forfeiture Fund on September 30. Transfers under this subparagraph shall be made only to the extent that the aggregate amount of such transfers during a fiscal year does not exceed $150,000,000.

"(2) DEPARTMENT OF THE TREASURY DEPOSITS.—(A) On October 1 of each of fiscal years 1994, 1995, 1996, 1997, and 1998, the Secretary of the Treasury shall estimate, with the concurrence of the Director, the excess unobligated balance anticipated as of September 30 in the Department of the Treasury Forfeiture Fund established under section 9703 of title 31, United States Code. For fiscal year 1993, the excess unobligated balance as of September 30 shall be estimated within 15 days after the date of enactment of this paragraph.

"(B) In each of fiscal years 1993, 1994, 1995, 1996, 1997, and 1998, the Secretary of the Treasury shall transfer to the Fund the excess unobligated balance estimated under subparagraph (A). Such transfers shall be made at the end of each quarter of a fiscal year on a pro rata basis. In order to account for unanticipated fluctuations in the Department of the Treasury Forfeiture Fund balance during a fiscal year, the transfer at the end of the fourth quarter of each fiscal year shall be adjusted by the Secretary of the Treasury, with the concurrence of the Director, so that the transfer is equal to the actual remaining excess unobligated balance in the Department of the Treasury Forfeiture Fund on September 30. Transfers under this subparagraph shall be made only to the extent that the aggregate amount of such transfers during a fiscal year does not exceed $150,000,000.

(B) by redesignating subsections (c), (d), (e), and (f), as subsections (e), (f), (g), and (h), respectively; and

(3) by inserting after subsection (b) the following new subsection:

"(c) SUPER SURPLUS.—(1) Any unobligated balance up to $20,000,000 remaining in the Fund on September 30 of a fiscal year shall be available to the Director, subject to appropriation and subject to paragraph (2), to transfer to, and for obligation and expenditure in connection with drug control activities of, any Federal agency or State or local entity with responsibilities under the National Drug Control Strategy.

"(2) A transfer may be made under paragraph (1) only with the advance written approval of the Committee on Appropriations of each House of Congress.".

(b) CONFORMING AMENDMENTS.—

(1) DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(9) of title 28, United States Code, is amended—

(A) by striking subparagraph (B) and inserting the following new paragraph:

"(B) The Attorney General shall make transfers from the Fund to the Office of National Drug Control Policy's Special Forfeiture Fund in the manner provided in section 6073(b)(1) of the Asset Forfeiture Amendments Act of 1988 (21 U.S.C. 1509(b)(1)).";

(B) by striking subparagraph (C); and

(C) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(2) DEPARTMENT OF THE TREASURY FORFEITURE FUND.—Section 9703(g) of title 31, United States Code, is amended by striking paragraphs (3) and (4) and inserting the following new paragraph:

"(3) The Secretary of the Treasury shall make transfers from the Fund to the Office of National Drug Control Policy's Special Forfeiture Fund in the manner provided in section 6073(b)(2) of the Asset Forfeiture Amendments Act of 1988 (21 U.S.C. 1509(b)(2)).".

SEC. 4. COORDINATION WITH EXECUTIVE BRANCH AGENCIES.

Section 1004 of the National Narcotics Leadership Act of 1988 (21 U.S.C. 1503) is amended—

(1) in subsection (a) by amending paragraph (1) to read as follows:

"(1) Each Federal Government program manager, agency head, or department head with responsibilities under the National Drug Control Strategy shall provide such information (including reports, memoranda, letters, studies, surveys, and information maintained in data collection systems) for purposes of drug control as the Director may request. Information shall be transmitted timely and in such manner and format as may be prescribed by the Director.";

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(3) by inserting after subsection (a) the following new subsection:

"(b) NATIONAL DRUG CONTROL DATA COLLECTION SYSTEMS.—(1) For each National Drug Control Program agency, the Director may designate certain data collection systems as being essential for drug control purposes.

"(2) The Director may require data collection systems designated under paragraph (1) to be modified in accordance with standards established by the Director to ensure appropriate scope and coverage of data collection."; and

(4) by striking subsection (c)(2) (as redesigned by paragraph (2)) and inserting the following new paragraph:

"(2) An officer or employee of a National Drug Control Program Agency shall not take any action to implement a change in the drug control policy of the agency unless the policy change has been certified in advance by the Director under paragraph (1) as being consistent with the National Drug Control Strategy.".

SEC. 5. TERMINATION OF OFFICE OF NATIONAL DRUG CONTROL POLICY.

Section 1009 of the National Narcotics Leadership Act of 1988 (21 U.S.C. 1506) is amended by striking "the date which is 5 years after the date of the enactment of this subtitle" and inserting "September 30, 1998".

SEC. 6. DIRECTOR AS A MEMBER OF THE CABINET.

The Director of National Drug Control Policy shall be a member of the President's Cabinet.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

Section 1011 of the National Narcotics Leadership Act of 1988 (21 U.S.C. 1508) is amended by striking "4" and inserting "9".●

By Mr. JEFFORDS (for himself and Mr. AKAKA):

S. 1145. A bill to prohibit the use of outer space for advertising purposes; to the Committee on Commerce, Science, and Transportation.

SPACE ADVERTISING PROHIBITION ACT

● Mr. JEFFORDS. Mr. President, a few weeks ago a new technology was brought to my attention, that of space billboards. The technology now exists to float billboards in space that would be plainly visible from Earth. What a ghastly thought.

To give credit where credit is due, I take my hat off to the ability of this technology's architects to discern a need where I did not know one existed. Oh, but how I wish that the need for this legislation did not exist.

Without such legislation, I fear that "Moonlight in Vermont" could become "Bud Lite in Vermont."

Mr. President, there are very few places you can go without being subjected to advertising. It's on shopping carts, taxis, buses; it's in airports, on our roadsides, on blimps; it's on our clothing; it's at every public event, even the Olympics. And now, some want to put advertising in the heavens. You won't even be able to go to one of our wilderness areas now and escape commercialism.

"Imagine hiking 20 miles into the wilderness, 3 miles up on the side of a mountain. There's not a soul around. Just you, the Moon, the stars, and a beer ad." These are the words of one space advertising opponent, and what a chilling thought they bring to mind.

The heavens are a common, Mr. President, and one that should not be used for advertising.

For those who are skeptical that someone might want to advertise in space, think about this. Companies will pay $1.7 million to advertise for one minute on the Super Bowl to reach an audience of millions. A space billboard could reach billions for days. At the Superbowl rate, a space billboard is worth about $12 billion. If we don't stop this, Madison Avenue will be selling space in the heavens.

The bill I am introducing today would ban advertising in space. This legislation prohibits the Secretary of Transportation from issuing a license for the launch of any payload containing space advertising. A penalty roughly equivalent to the cost of a launch would be assessed for anyone who finds a way to violate this act. Should our foreign competitors decide to advertise in space, then the importation of their products would be prohibited. Finally, Mr. President, this legislation asks the President to seek an international agreement against the use of space for advertising. We've reached similar agreements in the past on common areas like Antarctica and would hope that, given the few countries with space launch capability, such an agreement would be easy to reach. It is my understanding that the British Government strongly supports such a prohibition.

Mr. President, over two decades ago, I helped lead the effort to remove billboards from Vermont's highways. Vermonters don't like billboards on the ground, let alone in the sky. I think my colleagues will find that most Americans are repulsed by the idea of space billboards. Thus, I see little need to take up much of my colleagues' time on this issue today. We don't need advertising in space.

I look forward to working with my colleagues on the Commerce Committee on this issue, and I hope we can move quickly on this issue.●

By Mr. MCCAIN:

S. 1146. A bill to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, AZ, and for other purposes; to the Committee on Indian Affairs.

YAVAPAI-PRESCOTT INDIAN TRIBE WATER RIGHTS SETTLEMENT ACT

● Mr. MCCAIN. Mr. President, I am very pleased to introduce legislation to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, AZ. This settlement is a further effort to implement the policy of the United States, in fulfillment of its trust responsibility to Indian tribes, to settle tribal water rights claims fairly and honorably, without lengthy and costly litigation.

The original version of this legislation, which I introduced last year as S. 2975, was the subject of a hearing before the Committee on Indian Affairs. The committee subsequently amended the bill to address concerns that were raised by the administration, the State of Arizona, and other concerned parties, and the Senate passed it as amended. The text of the bill I introduce today is the same as S. 2975 as the Senate passed it, except for minor word changes requested by the settlement parties for purposes of accuracy and clarity.

The history of the Yavapai Apache Tribe in Arizona is a long story of a tenacious struggle to remain and survive on a small portion of the large area that was once considered their territory. In 1935, the United States established a reservation for the tribe adjacent to the city of Prescott. This reservation now includes 1,400 acres of land which is crossed by Granite Creek, a small stream that flows into the Verde River.

The Yavapai-Prescott Tribe's claims to water, like those of other water users in the Verde River basin, are currently before Arizona Superior Court as part of the general adjudication of the Gila River system and source. Initiated by the State of Arizona in 1978, this litigation is intended to determine the respective rights of more than 20,000 claimants who have brought more than 66,000 claims to the waters of the Gila system. As trustee for the Yavapai-Prescott Tribe, the United States has filed claims in the Gila adjudication for 2,670 acre-feet of water annually for domestic, municipal, commercial, industrial, and irrigation purposes.

The Gila adjudication, which is expected to take decades to complete, will eventually quantify and confirm the tribe's reserved water rights. In all likelihood, the water source or sources for this reserved right would be among those already used for the city of Prescott's water supply, and the tribe's water would be taken from that supply. If so, the tribe and the United States might have to build a separate water treatment and distribution system which would needlessly duplicate the city's existing system, at a cost of millions of taxpayers' dollars.

As an alternative to the uncertain and likely unsatisfactory outcomes of litigation, the tribe, the city, the Chino Valley Irrigation District, which has claims to the waters of Granite Creek, and the State of Arizona and the United States negotiated a settlement agreement to resolve all water rights claims between and among them.

The cornerstone of the settlement agreement provides for the tribe's existing water service agreement with Prescott to be continued in perpetuity, with the Tribe having priority access to 550 acre-feet annually during times of severe water shortage. Prescott also will execute a trust agreement whereby it shall hold grandfathered groundwater rights it has under Arizona law as security for its performance of the water service agreement.

A key part of the settlement involves Colorado River water from the Central Arizona Project [CAP]. In the early 1980's, the Secretary of the Interior allocated 500 acre-feet of CAP water to the tribe, and 7,167 acre-feet to the city, assuming that those allocations would be exchanged with downstream Verde River water users for water from the Verde River. It is now clear that for Prescott, a city of 28,000 people, and the tribe, with an enrollment of less than 200 members, the costs of pumping exchange water are prohibitive. In addition, such pumping from the Verde River could have adverse impacts on threatened or endangered species in and along the river.

Without a means to exchanging their CAP water, the need for the city and the tribe to secure adequate water supplies to meet future requirements, while complying with the requirements of Arizona law, remains acute. To address this need, the settlement agreement contemplates that the tribe and Prescott will negotiate with the Secretary of the Interior for the purchase by the Secretary of the Tribe's contract and the city's subcontract for CAP water. Prescott would use the funds it would receive to acquire water supplies to replace the CAP water relinquished to the Secretary, and thus ensure its ability to continue to serve the Tribe in perpetuity and supply its own future development. The Tribe could use its funds to defray its water service costs or to develop or maintain on-reservation water facilities. The State of Arizona would contribute $200,000 to the Tribe's settlement trust fund.

The Secretary would be able to use the acquired CAP water in his efforts to settle the water rights claims of other tribes in Arizona for whom the United States is also advancing claims in the general stream adjudication. Because the acquired water is categorized as Indian and municipal/industrial priority, it is considered a firm supply compared to other potential supplies, which makes it more valuable to the Secretary as he seeks to secure as much firm water as possible in the settlement of tribal water claims in Arizona.

The settlement agreement provides for the tribe's on-reservation use of ground water for municipal, industrial, recreational, and agricultural purposes to continue pursuant to a water use plan to be developed by the Secretary, in consultation with the tribe. Except as needed to be consistent with the water service agreement, the settlement agreement and the legislation, the plan must be compatible with the groundwater management plan in effect for the Prescott Active Management Area, which was established under Arizona's Groundwater Management Act. The tribe also will have a right to divert and use up to 1,000 acre-feet of the surface waters in Granite Creek, and effluent generated on the reservation could be used either on the reservation or sold to users located off the reservation.

Mr. President, this settlement will advance the goals of Federal Indian policy and will fulfill the trust responsibility of the United States to the Yavapai-Prescott Tribe. It is therefore appropriate that the United States assist in implementing the settlement agreement and contribute funds to firm up Prescott's and the tribe's long-term water supplies.

The cost of this settlement to the United States is, as stated by an administration witness at last year's committee hearing, "probably the lowest-cost way of providing water to the tribe in settlement of their water claims". CBO has estimated that enactment of this settlement legislation would increase federal spending by $5 to $9 million over the next 5 years, assuming appropriation of the necessary funds. This cost is less than a third of an alternative for providing water to the Yavapai-Prescott Tribe that was authorized in the Fort McDowell Indian Community Water Rights Settlement Act of 1990. The bill I introduce today would strike the $30 million authorized for that alternative.

This settlement will enable the tribe to utilize fully its water entitlements in developing a diverse, efficient reservation economy, and thereby give a substantial boost to the tribe's determined efforts to achieve economic self-sufficiency and self-determination.

It will eliminate uncertainties as to Prescott's and the Chino Valley Irrigation District's future water supplies, and reduce litigation expenses of all parties.

Mr. President, the Yavapai-Prescott settlement has broad support within Arizona. Although the Clinton administration has not yet taken a position on the settlement, I am confident that a fair review of its provisions, which satisfactorily addressed the concerns raised by the previous administration, will merit the new administration's support, as well as expeditious consideration by the Congress.●

By Mr. DOMENICI (for himself and Mr. INOUYE):

S. 1149. A bill to establish in the Department of the Interior the Office of Indian Women and Families, and for other purposes; to the Committee on Indian Affairs.

OFFICE OF INDIAN WOMEN AND FAMILIES ACT OF 1993

Mr. DOMENICI. Mr. President, today I am joined by the chairman of the Senate Committee on Indian Affairs, Senator DANIEL K. INOUYE, in introducing a bill to create the Office of Women and Families in the Bureau of Indian Affairs [BIA], U.S. Department of the Interior. I am grateful for the chairman's support of this concept to improve Federal Government attention and services to the condition and programmatic efforts to improve daily living conditions for Indian women and their families. This new office will be responsible for addressing the special needs and Federal policy requirements of Indian women and families within the cultural context of each tribe or village.

The Office of Women and Families in the BIA will be responsible for integrating the needed policy and program changes in the BIA programs and coordinating with other Federal agencies and tribal governments to improve the living conditions of Indian women and their families.

I would like to quote from a letter I received in support of this concept from Dr. Carolyn M. Elgin, president of the Southwestern Indian Polytechnic Institute and Federal Women's Program Manager for the BIA's Albuquerque area. Dr. Elgin says:

> Throughout the National Indian Community, the diverse and specialized needs of Indian women and Indian families need to be comprehensively addressed (congressional attention, budget appropriations, program development and policy consideration within the Bureau). Again, I applaud your sensitivity and fully support your legislative efforts on behalf of Indian women and families.

Mr. President, the Federal Government spends over $5 billion per year for Indian programs in several key departments including Interior, Health and Human Services, Labor, Education, Housing and Urban Development, Transportation, Commerce, and other agencies like the Small Business Administration. While the BIA is the theoretical center of our country's efforts to improve the daily lives of 2,000,000 American Indians—about half of whom reside on federally recognized Indian reservations. Most Federal departments or agencies have some involvement with Indians. There is, however, too little coordination among these Federal agencies serving the same target population.

While this bill will establish the new office in the BIA, its thrust will include all major programs affecting Indian women and families. Before I explain more about these programs, I would like to focus on the need to pay special attention to Indian women and families.

In brief, Indians are the poorest of the poor. Elsie Zion of the Women Studies Program at the University of New Mexico describes it this way: "Indian women are the poorest of the poorest group. While American women come up against a glass ceiling, Indian women have problems getting off the floor." In this case, she means that too many Indian women have a hard time getting jobs outside the fields of cleaning, cooking, or clerking.

Regarding Indian family members, some of the highest youth suicide rates in America occur on Indian reservations. I know this is true for the Jicarilla Apache Tribe and the Navajo Nation. Many Pueblo Indians also have disproportionately high suicide rates. Substance abuse is a severe problem among young Indians.

By examining program and policy failures, it is our hope that new methods can be tried to inspire, educate, and employ more young Indian people. We want to keep them away from the dangers of drugs, alcohol, and other self-destructive behaviors. An Office of Women and Families can certainly go far in helping to identify weaknesses in the fabric of Federal programs intended to improve the quality of life on Indian reservations.

The Office of Women and Families is not simply another BIA program. It is a built-in, permanent policy mechanism to shape programs and enhance the potential for direct benefits to Indian women and families within existing and new programs of the BIA and the Federal Government as a whole.

This new policy program should focus on Federal Government policies relating to such concerns as job opportunities for Indian women and Indian youth suicide. The Office could also focus on such related employment issues as trade between Indian reservations and Japan or Europe. The idea is to identify those problem areas that require new policy attention, better programmatic effort, or enhanced coordination with other Federal programs like the Minority Business Development Administration of the Department of Commerce and small business development programs of the Small Business Administration. We are also very concerned that basic BIA programs be better targeted to reach Indian women. Indian women-owned businesses, for example, can be encouraged more often through startup grants and guaranteed loans. BIA social service, drug and alcohol abuse prevention, and child protection programs can be enhanced and improved.

INVISIBLE WOMEN

Due mainly to their strong cultural traditions, it is often difficult to determine the impact of these Federal efforts on the living standards of Indian women and their families. Indian women remain an enigma to most of us. In Santa Fe, NM, we can see the famous scenes of Indian women at the Palace of the Governors selling their pots and jewelry. At Pueblo feast days and public dances, we were impressed by their elaborate dress and serene dancing styles. These women clearly have a strong presence and influence in the daily lives of New Mexico Pueblo, Navajo, and Apache Tribes of New Mexico.

Yet, there remains the fact that we have a difficult time identifying many of the indicators of social well-being for Indian women precisely because the contributions of Indian women remain undervalued and overlooked in the policies and programs of the Bureau of Indian Affairs and other Federal agencies with programs designed to help all Indian people.

As the National Advisory Council on Women's Educational Programs once observed:

> To date there has been no specific Federal recognition of the special educational and training needs of Indian women and girls. As a result, Indian women are often relegated to positions which do not reflect their capacity and potential contribution not only to tribal governments but to the general society.

Elsie Zion of the Women's Studies Program at the University of New Mexico, who I quoted above, has searched for statistics to back her observations. Indians, she concludes, "fall at the very bottom of indicators of status and well-being."

Elsie is skeptical that the "Great White Father," in the form of the BIA, will actually help Indian women. That is one reason this office is designed to reach out into the reservations themselves to encourage female participation in the forming and implementation of BIA policy and programs.

Wherever key Federal policies exist that directly impact on the social conditions of Indian women, the BIA Office of Women and Families can have a policy impact, and hence a direct impact on the lives of Indian women and families who could be, or should be, participating.

INDIAN CHILDREN AND YOUTH IN DISTRESS

The Indian Child Welfare Act, Public Law 95–608, and the Indian Child Protection Act, Public Law 101–630, are two good recent examples of congressional attempts to improve conditions for young Indians. The Child Welfare Act creates a grant system to tribes for child and family service programs to prevent the breakup of Indian families and provide for the protection of Indian children. The Child Protection Act is designed to protect Indian children from family violence or abuse by bureau or tribal contract employees. Background checks, a reporting system, and other child protective services are mandated by the act.

The director and the policy task force of the proposed Office of Women and Families could help refine the reporting system to assure solid measurement of progress made to minimize abuse or violence to Indian children and youth. If the proposed system is found to be adequate, the results will certainly help in the annual reports to the Congress on the well-being of Indian families as measured by the increased safety factors required by these acts.

Other problems of young Indians can also be identified and reported. Substance abuse, alcoholism, school dropout rates or teenage pregnancy are examples of additional indicators to be monitored by the new Office of Women and Families. Summer youth employment and vocational education potential are examples of other Department of Labor and BIA programs available to young Indians to enhance their potential and minimize problems like substances abuse and school dropouts.

BACKGROUND ON FEDERAL PROGRAMS FOR AMERICAN INDIANS

Mr. President, the Federal Government has wide-ranging policies and programs intended to improve the living conditions on some 250 Indian reservations and about 300 Native Alaskan villages. These programs include education, health care, business development, housing, job training, tribal government, transportation, law enforcement, and social services. Several Federal departments and agencies are primarily involved in the delivery of services to Native Americans—Interior, Health and Human Services, Housing and Urban Development, Labor, and Education.

The two major providers of services to Native Americans are the Indian Health Service of the Public Health Service in the Department of Health and Human Services [HHS] and the Bureau of Indian Affairs [BIA] in the Department of Interior. The Indian Health Service had a budget of $2.0 billion in fiscal year 1993; the BIA's budget was $1.5 billion for the same fiscal year.

Public housing for Indians in the HUD budget was about $257 million in fiscal year 1993; Labor committed $84.6 million for job training and summer jobs; HUD's Community Development Program for Indians totaled $65.4 million; and construction of Indian reservation roads was about $190 million.

Clearly, there are many Federal Government programs that have direct impact on the daily lives of about 1.959 million Indian people in America—up from 1.42 million in 1980. About half of them live on Indian reservations.

There is also no doubt that Indians lag seriously behind other ethnic groups in several key areas. Overall, they have lower household incomes, higher unemployment and less schooling than the rest of the United States.

Indian birth rates, 28.8 per 1,000 population, are almost twice that of the country as a whole, 15.9 per 1,000. Prenatal care accompanying live births are lower than the United States as a whole, 56.5 percent to 74.2 percent. More Indians die from accidents, alcoholism, diabetes, homicide, and tuberculosis than others in the country as a whole.

Fortunately, the Congress passed, and the President signed, a bill, the Indian Health Care Improvements Act of 1992, to improve the health programs and policies of the Indian Health Service [IHS], Public Health Service, U.S. Department of Health and Human Services. This act includes my amendment establishing an Office of Indian Women's Health in the IHS.

This new IHS office will certainly enhance and focus the good efforts of the IHS to identify and collect data about the health status of American Indian Women. While there is clearly room for improvement, the IHS is at least aware of the gaps in health care between Indian women and American women as a whole.

Obviously, Mr. President, the policies and programs of the U.S. Government have a greater impact on American Indians than most people realize. Hundreds of treaties and a large body of law define our special government-to-government relationship with Indian tribes. Their special trust status with our Government also plays a critical role in defining the responsibility of the U.S. Government to American Indians and Alaska Natives.

EDUCATION AND EMPLOYMENT

Educational attainment is a key indicator of well-being in America. For American Indian women there is a large lag in high school graduates compared to the population in general. The high school graduation rate for Indian females is about 65.3 percent compared to 74.8 for all American women. For college graduates the gap widens considerably. Only 8.6 percent of Indian women graduate from college compared to 17.6 percent for all American women.

Unfortunately employment statistics are hard to get for Indians, and the figures vary greatly. The BIA has often affirmed common unemployment rates of 30 percent to 60 percent on many reservations. New Mexico pueblos often have unemployment rates in the 40 percent to 50 percent range. This data is not readily available by sex. As a key indicator of general well-being, I hope the Office of Women and Families will be able to influence the collection of data regarding employment and unemployment among Indian women and teenagers.

From the 1990 census we have some encouraging data about Indian-owned businesses in New Mexico. The latest information from the 1990 census reflects 1987 data. These data show that almost 800 Indian men and almost 500 Indian women own their own businesses. I would like to see this new office encourage more direct assistance to Indian women who are eligible for many BIA and Small Business Administration programs.

OFFICE OF INDIAN WOMEN AND CHILDREN

It seems to me, Mr. President, that the Indian women of this country are in a particularly valuable position to offer good advice to our Government about ways to conduct policies and programs that are intended to improve conditions that affect these women and their families. No one has yet called our national Indian policies a success. It is time to expand our efforts to reach out, in culturally appropriate ways, to solicit their thoughts about improving Federal programs so that a real difference is made in daily reservation life.

In similar ways, young Indians can be included in designing and improving current programs to increase their effectiveness. The American Indian family is a vital structure to strengthen and preserve and we seek to enhance our national policies for the their well-being.

To accomplish this goal, I am introducing this bill to establish the Office of Women and Families in the Bureau of Indian Affairs of the U.S. Department of Interior. The fundamental purpose of this new office is to promote the participation and integration of Indian women and families into BIA policy and program structures.

Initially, a temporary Policy Task Force would be established to develop a policy paper to articulate a clear set of goals, objectives, management strategies, and monitoring systems for the improvement of key quality of life indicators for Indian women and families like the ones I have mentioned. There are, of course, many other areas of concern to be identified by the new office and its related Policy Task Force.

Once articulated, these indicators could tell us about the degree to which Indian women are participating in economic development and benefiting from new job opportunities on Indian reservations. Policymakers and program managers would have better data on educational achievement and needs of Indian children and youth. Health statistics—from the Office of Women's Health at the Indian Health Service—could, for example, tell us how serious alcoholism is among Indian women and what program improvements are needed to enhance treatment.

A Director of the Office of Women and Families would be responsible for integrating the needed changes in the BIA programs and coordinating with other Federal agencies to meet the policy goals and objectives established by the Policy Task Force.

This new office and its related policy mechanisms will have the flexibility to look into such areas as education, health, employment, economic development, housing, social, and other services of the BIA and other relevant Federal programs serving Indian women and families. By focusing on Indian women and families, the work of the BIA and other relevant Federal programs will be enhanced by their participation in the design and improvement of ongoing programs for Indian beneficiaries.

As we prepare to strengthen our democracy and our economy for the 21st century, we must not overlook any potential for a greater America. There is a growing awareness of the need to pay close attention to the interrelationships between our national strength and the well-being of all women. Key factors are health, education, employment, housing, child care, business potential, and culture.

There is no doubt that Indian women have long been essential to the well-being of Indian people and their families. As we strive to attain new levels of education, health, business involvement, employment, and housing quality for American Indians, we clearly need the ongoing participation and direct involvement of Indian women.

I believe the strong family ties and responsibilities of Indian women can be enhanced by more attention to specific policies and programs now designed generally for American Indians without any special regard for the differing cultural roles and responsibilities of Indian women.

I thank the Chair, and ask unanimous consent that the Office of Indian Women and Families Act of 1993, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Office of Indian Women and Families Act of 1993".

SEC. 2. FINDINGS.

Congress finds that:

(1) The primary responsibilities of the Bureau of Indian Affairs are to encourage and assist Indian people to manage their own affairs under the trust relationship between Indians and the Federal Government, and to facilitate, with maximum involvement of Indian people, full development of their human and natural resource potential.

(2) The Bureau of Indian Affairs coordinates its activities with Indian tribal governments, Federal agencies and departments, and other organizations and groups who share similar interests and programs related to Indians.

(3) Bureau of Indian Affairs policies, programs and projects impact directly and significantly on the lives of America's Indian people.

(4) The unique roles and responsibilities of Indian women contribute culturally, socially, and economically to the well-being of Indian people, but these contributions are often not fully realized and are undervalued and overlooked within the policies, programs, and projects of the Bureau of Indian Affairs.

(5) Indian children have special educational and social service needs to prepare them for traditional tribal responsibilities and nontribal social and employment opportunities.

(6) The particular responsibilities, contributions, and needs of Indian women and families can and should be taken into account to improve Bureau of Indian Affairs policy formulation and program operations for the direct benefit of Indian women and families and Indian people as a whole.

(7) Bureau of Indian Affairs policies, programs and projects, including its coordination and liaison with other Federal, State, and local entities, can be more responsive and enhanced when Indian women and families are considered an integral element of the process as well as contributors to the success of these policies, programs, and projects.

(8) There is a need for an Office of Indian Women and Families in the Bureau of Indian Affairs for the purpose of encouraging and promoting the participation and integration of Indian women and families into Bureau of Indian Affairs policies, programs, projects, and activities, thereby improving the effectiveness of its mandate and the status and lives of Indian women and families.

SEC. 3. PURPOSES.

The purposes of this Act are:

(1) To identify and integrate the issues related to Indian women and families into all Bureau of Indian Affairs policies, programs, projects, and activities.

(2) To establish an office to serve as a focal point for all Federal Government policy issues affecting Indian women and families for purposes of both economic and social development.

(3) To collect data related to the specific roles, concerns, and needs of Indian women, and Indian families, and use such data to

support policy, program, and project implementation throughout all offices of the Bureau of Indian Affairs and other Federal agencies, and to monitor the impacts of these policies, programs and projects.

(4) To enhance the economic and social participation of Indian women and families in all levels of planning, decisionmaking, and policy development within the Bureau of Indian Affairs, its area offices, and tribal governments and reservations.

(5) To conduct research and collect relevant studies relating to special needs of Indian women and families.

(6) To develop pilot programs and projects to strengthen activities of the Bureau of Indian Affairs involving Indian women and families, and serve as models for future endeavors and planning.

(7) To ensure a liaison with other Federal departments and agencies, State and local governments, tribally controlled community colleges, other academic institutions, any public or private organizations, and tribal governments that serve Indian peoples.

(8) To ensure training endeavors for Bureau of Indian Affairs offices and agencies at the national, area, and local levels to ensure Bureau personnel and any other beneficiaries of Bureau and other governmental programs understand the purposes and policies of the office established by this Act.

(9) To develop policy-level programs, with the assistance of the Assistant Secretary and other senior-level personnel of the Bureau of Indian Affairs, to ensure that systems, directives, management strategies and other related methodologies are implemented to meet the purposes of this Act.

(10) To strengthen the role of Indian women and families by developing and ensuring culturally appropriate policies and programs.

(11) To encourage other actions that serve to more fully integrate Indian women and families as participants in and agents for change in the Federal policy and program activities of the Bureau of Indian Affairs.

SEC. 4. DEFINITIONS.

As used in this Act:

(1) The term "Indian woman" means a woman who is a member of an Indian tribe.

(2) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians.

SEC. 5. ESTABLISHMENT OF OFFICE OF INDIAN WOMEN AND INDIAN FAMILIES.

(a) ESTABLISHMENT.—There is established in the Department of the Interior the "Office of Indian Women and Families" (hereinafter referred to as the "Office").

(b) DIRECTOR.—The Office shall be under the management of a director (hereinafter referred to as the "Director"), who shall be appointed by the Assistant Secretary of Indian Affairs. The Director shall report directly to the Assistant Secretary of Indian Affairs.

(c) COMPENSATION.—The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule under section 5313 of title 5, United States Code.

(d) TENURE.—The Director shall serve at the discretion of the Assistant Secretary of Indian Affairs.

(e) VACANCY.—A vacancy in the position of Director shall be filled in the same manner as the original appointment was made.

(f) DUTIES.—The Director shall administer the Office and carry out the purposes and functions of this Act. The Director shall take such action as may be necessary in order to integrate Indian women and family issues into the Bureau of Indian Affairs policies, programs, projects and activities.

SEC. 6. FUNCTIONS OF OFFICE.

It shall be the function of the Office to develop a Policy Paper for Indian women and families to articulate the objectives of the Office, to serve as a guideline for systematically integrating Indian women and families issues into the Bureau of Indian Affairs policies, programs, projects, and activities, and to establish and detail indicators and benchmarks for measuring the success of the Office.

SEC. 7. POLICY TASK FORCE.

(a) ESTABLISHMENT OF A POLICY TASK FORCE.—The Director, in consultation with the Assistant Secretary of Indian Affairs, shall establish a temporary policy task force on Indian women and families.

(b) MEMBERSHIP.—Members of the task force shall be appointed by the Director. The task force shall include representatives from Federal agencies and departments, relevant Indian organizations, State agencies and organizations, Indian tribal governments, institutions of higher education, and nongovernmental and private sector organizations and institutions.

(c) FUNCTIONS.—The policy task force shall:

(1) Ensure that the Policy Paper for Indian women and families prepared by the Bureau of Indian Affairs articulates a set of goals, objectives, management strategies, and monitoring systems for the improvement of all Federal programs, including programs of the Bureau of Indian Affairs, designed to improve the quality of life of Indian women and families.

(2) Recommend a permanent policy mechanism to be established in the Bureau of Indian Affairs for the continuous monitoring and refinement of policy and programs designed to improve the quality of life of Indian women and families.

(3) Recommend a permanent policy mechanism to be established in the Bureau of Indian Affairs for the purpose of collecting and disseminating to Congress and the public information and other data relevant to the progress of the policy and programs designed to improve the quality of life of Indian women and families.

(d) TERMINATION.—The task force shall terminate upon the expiration of 14 months following the date of the enactment of this Act.

SEC. 8. ASSISTANT SECRETARY OF INDIAN AFFAIRS.

The Assistant Secretary of Indian Affairs shall:

(1) Ensure that the Office receives adequate resources to carry out the purposes of this Act.

(2) Ensure that senior-level staff members and other employees of the Bureau of Indian Affairs are participants in and responsible for assisting in carrying out the purposes of this Act relating to the improvement of policies and programs of the Bureau of Indian Affairs.

SEC. 9. REPORTING.

The Secretary of the Interior, acting through the Bureau of Indian Affairs, shall, on or before March 15 of each of the 2 calendar years next following the calendar year in which this Act is enacted, and biennially thereafter, report to Congress on the progress of achieving the purposes of this Act. Such report shall include, but not be limited to, information relative to the current status of progress of the Bureau of Indian Affairs' policy on Indian women and Indian families in fulfilling its objectives, programs and projects, including how well the Bureau of Indian Affairs has operationally integrated the issue of Indian women and families into its overall policies, programs, projects and activities. Such report shall include a review of data gathered to assess and improve the quality of life of Indian women and families, including specific recommendations to improve the education, health, employment, economic, housing, social, and other services within the Bureau of Indian Affairs relating to Indian women and families.

SEC. 10. AUTHORIZATIONS.

Commencing with fiscal year 1994, and each fiscal year thereafter, there are authorized to be appropriated for carrying out the provisions of this Act, $2,000,000.

ADDITIONAL COSPONSORS

S. 11

At the request of Mr. HATCH, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 11, a bill to combat violence and crimes against women on the streets and in homes.

S. 466

At the request of Mr. DASCHLE, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 466, a bill to amend title XIX of the Social Security Act to provide for medicaid coverage of all certified nurse practitioners and clinical nurse specialists services.

S. 579

At the request of Mr. SMITH, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 579, a bill to require Congress to comply with the laws it imposes on others.

S. 586

At the request of Mr. GRASSLEY, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 586, a bill to raise the asset limit for AFDC recipients engaged in a microenterprise business, and for other purposes.

S. 636

At the request of Mr. KENNEDY, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 636, a bill to amend the Public Health Service Act to permit individuals to have freedom of access to certain medical clinics and facilities, and for other purposes.

S. 868

At the request of Mr. BRADLEY, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 868, a bill to amend the Internal Revenue Code of 1986 to increase the tax on handguns and assault weapons, to increase the license application fee for gun dealers, and to use the proceeds from those increases to pay for medical care for gunshot victims.

S. 925

At the request of Mr. INOUYE, the name of the Senator from Kansas [Mrs.

KASSEBAUM] was added as a cosponsor of S. 925, a bill to require the Secretary of the Interior to pay interest on Indian funds invested, to authorize demonstrations of new approaches for the management of Indian trust funds, to clarify the trust responsibility of the United States with respect to Indians, to establish a program for the training and recruitment of Indians in the management of trust funds, to account for daily and annual balances on and to require periodic statements for Indian trust funds, and for other purposes.

S. 936

At the request of Mr. CHAFEE, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 936, a bill to amend title XVIII of the Social Security Act to eliminate the annual cap on the amount of payment for outpatient physical therapy and occupational therapy services under part B of the Medicare Program, and for other purposes.

S. 1004

At the request of Mr. BROWN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 1004, a bill to limit amounts expended by certain government entities for overhead expenses.

S. 1056

At the request of Mrs. FEINSTEIN, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1056, a bill to require that defense reinvestment and economic growth funds be allocated among communities on the basis of the relative levels of reductions in employment experienced in such communities as a result of reduced spending for national defense functions.

S. 1071

At the request of Mr. COCHRAN, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1071, a bill to provide that certain civil defense employees and employees of the Federal Emergency Management Agency may be eligible for certain public safety officers death benefits, and for other purposes.

S. 1082

At the request of Mr. COCHRAN, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 1082, a bill to amend the Public Health Service Act to revise and extend the program of making grants to the States for the operation of offices of rural health, and for other purposes.

S. 1130

At the request of Mr. PRYOR, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 1130, a bill to provide for continuing authorization of Federal employee leave transfer and leave bank programs, and for other purposes.

SENATE JOINT RESOLUTION 40

At the request of Mr. KENNEDY, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of Senate Joint Resolution 40, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for women and men.

SENATE JOINT RESOLUTION 95

At the request of Mr. PELL, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Delaware [Mr. ROTH], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Maryland [Ms. MIKULSKI], the Senator from North Dakota [Mr. CONRAD], the Senator from Missouri [Mr. BOND], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of Senate Joint Resolution 95, a joint resolution to designate October 1993 as "National Breast Cancer Awareness Month."

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. SHELBY, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of Senate Concurrent Resolution 16, a concurrent resolution expressing the sense of Congress that equitable mental health care benefits must be included in any health care reform legislation passed by Congress.

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. LEAHY, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Concurrent Resolution 27, a bill to express the sense of Congress that funding should be provided to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Head Start programs and to expand the Job Corps program, and for other purposes.

AMENDMENT NO. 479

At the request of Mr. BUMPERS the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of amendment No. 479 proposed to H.R. 2118, a bill making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

SENATE RESOLUTION 125—RELATIVE TO THE RETIREMENT OF THOMAS L. NOTTINGHAM

Mr. MITCHELL (for himself, Mr. DOLE, and Mr. SIMPSON) submitted the following resolution; which was considered and agreed to:

S. RES. 125

Whereas the Senate has been advised of the retirement of Thomas L. Nottingham, Chief of the United States Capitol Guide Service effective June 30, 1993, and

Whereas a professional Capitol Guide Service has been essential in expanding learning and appreciation about the Capitol to the million and a half Americans who visit each year, and

Whereas Thomas L. Nottingham worked tirelessly for passage of legislation in 1971 to establish a professional salaried Guide Service, and

Whereas he has devoted 30 years of this life to promoting the Capitol and educating the American people about the historic building housing the Congress, and

Whereas he has gained the admiration and respect of his associates and the Members of the United States Senate: Now, therefore, be it

Resolved, That the United States Senate recognizes the notable contributions made by Thomas L. Nottingham to the Senate and to his country and express to him its appreciation and gratitude for his long, faithful and outstanding service.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to Thomas L. Nottingham.

AMENDMENTS SUBMITTED

BUDGET RECONCILIATION FOR FISCAL YEAR 1994

LIEBERMAN AMENDMENTS NOS. 500 AND 501

(Ordered to lie on the table.)

Mr. LIEBERMAN submitted two amendments intended to be proposed by him to the bill (S. 1134) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994, as follows:

AMENDMENT NO. 500

On page 422, line 24, strike "$15,000" and insert "$25,000".

AMENDMENT NO. 501

On page 421, beginning with line 21, strike all through page 422, line 17, and insert:

SEC. 8115. MODIFICATION TO MINIMUM TAX DEPRECIATION RULES.

(a) GENERAL RULE.—Paragraph (1) of section 56(a) (relating to depreciation) is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) TREATMENT OF CERTAIN PERSONAL PROPERTY PLACED IN SERVICE AFTER 1993.—

"(i) IN GENERAL.—In the case of any property to which this subparagraph applies, the depreciation deduction allowable under section 167 shall be determined as provided in section 168(a), except that the method of depreciation used shall be—

"(I) the 120 percent declining balance method switching to the straight line method for the 1st taxable year for which using the straight line method with respect to the adjusted basis as of the beginning of the year will yield a higher allowance, or

"(II) the straight line method in the case of property for which the applicable depreciation method under section 168(a) is the straight line method.

"(ii) PROPERTY TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply to any tangible property placed in service after December 31, 1993, except that this subparagraph shall not apply to—

"(I) any residential rental property or nonresidential real property (within the meaning of section 168(e)), and

"(II) any other property for which the depreciation deduction provided by section

167(a) for purposes of the regular tax is computed under the alternative depreciation system of section 168(g).

"(iii) COORDINATION WITH SUBPARAGRAPH (A).—Subparagraph (A) shall not apply to any property to which this subparagraph applies."

(b) ELIMINATION OF ACE DEPRECIATION ADJUSTMENT.—Clause (i) of section 56(g)(4)(A) (relating to depreciation adjustments for computing adjusted current earnings) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any property to which subsection (a)(1)(B) applies, and the depreciation deduction with respect to such property shall be determined under the rules of subsection (a)(1)(B).".

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 168(b) is amended to read as follows:

"(2) SPECIAL RULE FOR DECLINING BALANCE METHOD IN CERTAIN CASES.—

"(A) 150 PERCENT METHOD FOR CERTAIN PROPERTY.—Paragraph (1) shall be applied by substituting '150 percent' for '200 percent' in the case of—

"(i) any 15-year or 20-year property, or

"(ii) any property used in a farming business (within the meaning of section 263A(e)(4)).

"(B) ELECTION TO USE MINIMUM TAX METHOD.—In the case of any property (other than property described in paragraph (3)) with respect to which the taxpayer elects under paragraph (5) to have the provisions of this subparagraph apply, paragraph (1) shall be applied by substituting '120 percent' for '200 percent' (and subparagraph (A) of this paragraph shall not apply)."

(2) Paragraph (5) of section 168(b) is amended by striking "paragraph (2)(C)" and inserting "paragraph (2)(B)".

(3) Subsection (c) of section 168 is amended—

(A) by striking paragraph (2), and

(B) by striking so much of such subsection as precedes the table contained in paragraph (1) and inserting the following:

"(c) APPLICABLE RECOVERY PERIOD.—For purposes of this section, the applicable recovery period shall be determined in accordance with the following table:".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 1993.

(2) COORDINATION WITH TRANSITIONAL RULES.—The amendments made by this section shall not apply to any property to which paragraph (1) of section 56(a) of the Internal Revenue Code of 1986 does not apply by reason of subparagraph (D)(i) thereof (as redesignated by subsection (a) of this section).

Mr. LIEBERMAN. Mr. President, I regret to say that I continue to have serious reservations about the agreement reached by the Senate Finance Committee. While I am pleased the bill that they have crafted achieves true deficit reduction, I remain disappointed that the committee weakened or eliminated the economic incentives contained in the President's economic package. I know this is a tough economy and we can't do everything. But those economic incentives are something we most emphatically should be doing if we want to keep and create jobs in this country.

I intend to support my colleague from Arkansas, Senator BUMPERS, in his effort to restore the capital gains provision to this package. In addition, I am prepared to offer language on empowerment zones and amendments to restore the President's proposals on small business expensing and alternative minimum tax [AMT] reform.

Mr. President, deficit reduction is our goal. It is an investment in our future. But deficit reduction cannot be our only goal. Investment incentives are also needed to get our economy going again. I urge my colleagues to support efforts to restore those incentives.

MITCHELL (AND OTHERS) AMENDMENT NO. 502

Mr. MITCHELL (for himself, Mr. BUMPERS, Mr. KERRY, Mr. BINGAMAN, Mr. MATHEWS, Mrs. FEINSTEIN, Mr. BRYAN, Mr. LAUTENBERG, Mrs. BOXER, and Mr. FORD) proposed an amendment to the bill (S. 1134), supra, as follows:

On page 422, line 24, strike "$15,000" and insert "$18,500".

On page 474, after line 15, insert:

PART VII—CAPITAL GAIN PROVISIONS

SEC. 8181. 50-PERCENT EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1202. 50-PERCENT EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

"(a) 50-PERCENT EXCLUSION.—In the case of a taxpayer other than a corporation, gross income shall not include 50 percent of any gain from the sale or exchange of qualified small business stock held for more than 5 years.

"(b) PER-ISSUER LIMITATION ON TAXPAYER'S ELIGIBLE GAIN.—

"(1) IN GENERAL.—If the taxpayer has eligible gain for the taxable year from 1 or more dispositions of stock issued by any corporation, the aggregate amount of such gain from dispositions of stock issued by such corporation which may be taken into account under subsection (a) for the taxable year shall not exceed the greater of—

"(A) $10,000,000 reduced by the aggregate amount of eligible gain taken into account under subsection (a) for prior taxable years and attributable to dispositions of stock issued by such corporation, or

"(B) 10 times the aggregate adjusted bases of qualified small business stock issued by such corporation and disposed of by the taxpayer during the taxable year.

For purposes of subparagraph (B), the adjusted basis of any stock shall be determined without regard to any addition to basis after the date on which such stock was originally issued.

"(2) ELIGIBLE GAIN.—For purposes of this subsection, the term 'eligible gain' means any gain from the sale or exchange of qualified small business stock held for more than 5 years.

"(3) TREATMENT OF MARRIED INDIVIDUALS.—

"(A) SEPARATE RETURNS.—In the case of a separate return by a married individual, paragraph (1)(A) shall be applied by substituting '$5,000,000' for '$10,000,000'.

"(B) ALLOCATION OF EXCLUSION.—In the case of any joint return, the amount of gain taken into account under subsection (a) shall be allocated equally between the spouses for purposes of applying this subsection to subsequent taxable years.

"(C) MARITAL STATUS.—For purposes of this subsection, marital status shall be determined under section 7703.

"(c) QUALIFIED SMALL BUSINESS STOCK.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this section, the term 'qualified small business stock' means any stock in a C corporation which is originally issued after December 31, 1992, if—

"(A) as of the date of issuance, such corporation is a qualified small business, and

"(B) except as provided in subsections (f) and (h), such stock is acquired by the taxpayer at its original issue (directly or through an underwriter)—

"(i) in exchange for money or other property (not including stock), or

"(ii) as compensation for services provided to such corporation (other than services performed as an underwriter of such stock).

"(2) ACTIVE BUSINESS REQUIREMENT; ETC.—

"(A) IN GENERAL.—Stock in a corporation shall not be treated as qualified small business stock unless, during substantially all of the taxpayer's holding period for such stock, such corporation meets the active business requirements of subsection (e) and such corporation is a C corporation.

"(B) SPECIAL RULE FOR CERTAIN SMALL BUSINESS INVESTMENT COMPANIES.—

"(i) WAIVER OF ACTIVE BUSINESS REQUIREMENT.—Notwithstanding any provision of subsection (e), a corporation shall be treated as meeting the active business requirements of such subsection for any period during which such corporation qualifies as a small business investment company.

"(ii) SMALL BUSINESS INVESTMENT COMPANY.—For purposes of clause (i), the term 'small business investment company' means any eligible corporation (as defined in subsection (e)(4)) which is licensed to operate under section 301 of the Small Business Investment Act of 1958 (as in effect on May 13, 1993).

"(3) CERTAIN PURCHASES BY CORPORATION OF ITS OWN STOCK.—

"(A) REDEMPTIONS FROM TAXPAYER OR RELATED PERSON.—Stock acquired by the taxpayer shall not be treated as qualified small business stock if, at any time during the 4-year period beginning on the date 2 years before the issuance of such stock, the corporation issuing such stock purchased (directly or indirectly) any of its stock from the taxpayer or from a person related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

"(B) SIGNIFICANT REDEMPTIONS.—Stock issued by a corporation shall not be treated as qualified business stock if, during the 2-year period beginning on the date 1 year before the issuance of such stock, such corporation made 1 or more purchases of its stock with an aggregate value (as of the time of the respective purchases) exceeding 5 percent of the aggregate value of all of its stock as of the beginning of such 2-year period.

"(C) ACQUISITIONS BY RELATED PERSONS.—For purposes of this paragraph, the purchase by any person related (within the meaning of section 267(b) or 707(b)) to the issuing corporation of any stock in the issuing corporation shall be treated as a purchase by the issuing corporation.

"(d) QUALIFIED SMALL BUSINESS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified small business' means any domestic corporation which is a C corporation if—

"(A) the aggregate capitalization of such corporation (or any predecessor thereof) at all times on or after January 1, 1993, and before the issuance did not exceed $50,000,000,

"(B) the aggregate capitalization of such corporation immediately after the issuance (determined by taking into account amounts received in the issuance) does not exceed $50,000,000, and

"(C) such corporation agrees to submit such reports to the Secretary and to shareholders as the Secretary may require to carry out the purposes of this section.

"(2) AGGREGATE CAPITALIZATION.—For purposes of paragraph (1), the term 'aggregate capitalization' means the excess of—

"(A) the amount of cash and the aggregate adjusted bases of other property held by the corporation, over

"(B) the aggregate amount of the short-term indebtedness of the corporation.

For purposes of the preceding sentence, the term 'short-term indebtedness' means any indebtedness which, when incurred, did not have a term in excess of 1 year.

"(3) LOOK-THRU IN CASE OF SUBSIDIARIES.—In determining whether a corporation meets the requirements of this subsection—

"(A) stock and debt of any subsidiary (as defined in subsection (e)(5)(C)) held by such corporation shall be disregarded, and

"(B) such corporation shall be treated as holding its ratable share of the assets of such subsidiary and as being liable for its ratable share of the indebtedness of such subsidiary.

"(e) ACTIVE BUSINESS REQUIREMENT.—

"(1) IN GENERAL.—For purposes of subsection (c)(2), the requirements of this subsection are met by a corporation for any period if during such period—

"(A) at least 80 percent (by value) of the assets of such corporation are used by such corporation in the active conduct of a qualified trade or business, and

"(B) such corporation is an eligible corporation.

"(2) SPECIAL RULE FOR CERTAIN ACTIVITIES.—For purposes of paragraph (1), if, in connection with any future qualified trade or business, a corporation is engaged in—

"(A) start-up activities described in section 195(c)(1)(A),

"(B) activities resulting in the payment or incurring of expenditures which may be treated as research and experimental expenditures under section 174, or

"(C) activities with respect to in-house research expenses described in section 41(b)(4),

assets used in such activities shall be treated as used in the active conduct of a qualified trade or business. Any determination under this paragraph shall be made without regard to whether a corporation has any gross income from such activities at the time of the determination.

"(3) QUALIFIED TRADE OR BUSINESS.—For purposes of this subsection, the term 'qualified trade or business' means any trade or business other than—

"(A) any trade or business involving the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any other trade or business where the principal asset of such trade or business is the reputation or skill of 1 or more of its employees,

"(B) any banking, insurance, financing, leasing, investing, or similar business,

"(C) any farming business (including the business of raising or harvesting trees),

"(D) any business involving the production or extraction of products of a character with respect to which a deduction is allowable under section 613 or 613A, and

"(E) any business of operating a hotel, motel, restaurant, or similar business.

"(4) ELIGIBLE CORPORATION.—For purposes of this subsection, the term 'eligible corporation' means any domestic corporation; except that such term shall not include—

"(A) a DISC or former DISC,

"(B) a corporation with respect to which an election under section 936 is in effect,

"(C) a regulated investment company, real estate investment trust, or REMIC, and

"(D) a cooperative.

"(5) STOCK IN OTHER CORPORATIONS.—

"(A) LOOK-THRU IN CASE OF SUBSIDIARIES.—For purposes of this subsection, stock and debt in any subsidiary corporation shall be disregarded and the parent corporation shall be deemed to own its ratable share of the subsidiary's assets, and to conduct its ratable share of the subsidiary's activities.

"(B) PORTFOLIO STOCK OR SECURITIES.—A corporation shall be treated as failing to meet the requirements of paragraph (1) for any period during which more than 10 percent of the value of its assets (in excess of liabilities) consists of stock or securities in other corporations which are not subsidiaries of such corporation (other than assets described in paragraph (6)).

"(C) SUBSIDIARY.—For purposes of this paragraph, a corporation shall be considered a subsidiary if the parent owns more than 50 percent of the combined voting power of all classes of stock entitled to vote, or more than 50 percent in value of all outstanding stock, of such corporation.

"(6) WORKING CAPITAL.—For purposes of paragraph (1)(A), any assets which—

"(A) are held as a part of the reasonably required working capital needs of a qualified trade or business of the corporation, or

"(B) are held for investment and are reasonably expected to be used within 2 years to finance future research and experimentation in a qualified trade or business or increases in working capital needs of a qualified trade or business,

shall be treated as used in the active conduct of a qualified trade or business. For periods after the corporation has been in existence for at least 2 years, in no event may more than 50 percent of the assets of the corporation qualify as used in the active conduct of a qualified trade or business by reason of this paragraph.

"(7) MAXIMUM REAL ESTATE HOLDINGS.—A corporation shall not be treated as meeting the requirements of paragraph (1) for any period during which more than 10 percent of the total value of its assets consists of real property which is not used in the active conduct of a qualified trade or business. For purposes of the preceding sentence, the ownership of, dealing in, or renting of real property shall not be treated as the active conduct of a qualified trade or business.

"(8) COMPUTER SOFTWARE ROYALTIES.—For purposes of paragraph (1), rights to computer software which produces active business computer software royalties (within the meaning of section 543(d)(1)) shall be treated as an asset used in the active conduct of a trade or business.

"(f) STOCK ACQUIRED ON CONVERSION OF PREFERRED STOCK.—If any stock in a corporation is acquired solely through the conversion of other stock in such corporation which is qualified small business stock in the hands of the taxpayer—

"(1) the stock so acquired shall be treated as qualified small business stock in the hands of the taxpayer, and

"(2) the stock so acquired shall be treated as having been held during the period during which the converted stock was held.

"(g) TREATMENT OF PASS-THRU ENTITIES.—

"(1) IN GENERAL.—If any amount included in gross income by reason of holding an interest in a pass-thru entity meets the requirements of paragraph (2)—

"(A) such amount shall be treated as gain described in subsection (a), and

"(B) for purposes of applying subsection (b), such amount shall be treated as gain from a disposition of stock in the corporation issuing the stock disposed of by the pass-thru entity and the taxpayer's proportionate share of the adjusted basis of the pass-thru entity in such stock shall be taken into account.

"(2) REQUIREMENTS.—An amount meets the requirements of this paragraph if—

"(A) such amount is attributable to gain on the sale or exchange by the pass-thru entity of stock which is qualified small business stock in the hands of such entity (determined by treating such entity as an individual) and which was held by such entity for more than 5 years, and

"(B) such amount is includible in the gross income of the taxpayer by reason of the holding of an interest in such entity which was held by the taxpayer on the date on which such pass-thru entity acquired such stock and at all times thereafter before the disposition of such stock by such pass-thru entity.

"(3) LIMITATION BASED ON INTEREST ORIGINALLY HELD BY TAXPAYER.—Paragraph (1) shall not apply to any amount to the extent such amount exceeds the amount to which paragraph (1) would have applied if such amount were determined by reference to the interest the taxpayer held in the pass-thru entity on the date the qualified small business stock was acquired.

"(4) PASS-THRU ENTITY.—For purposes of this subsection, the term 'pass-thru entity' means—

"(A) any partnership,

"(B) any S corporation,

"(C) any regulated investment company, and

"(D) any common trust fund.

"(h) CERTAIN TAX-FREE AND OTHER TRANSFERS.—For purposes of this section—

"(1) IN GENERAL.—In the case of a transfer described in paragraph (2), the transferee shall be treated as—

"(A) having acquired such stock in the same manner as the transferor, and

"(B) having held such stock during any continuous period immediately preceding the transfer during which it was held (or treated as held under this subsection) by the transferor.

"(2) DESCRIPTION OF TRANSFERS.—A transfer is described in this subsection if such transfer is—

"(A) by gift,

"(B) at death, or

"(C) from a partnership to a partner of stock with respect to which requirements similar to the requirements of subsection (g) are met at the time of the transfer (without regard to the 5-year holding period requirement).

"(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of section 1244(d)(2) shall apply for purposes of this section.

"(4) INCORPORATIONS AND REORGANIZATIONS INVOLVING NONQUALIFIED STOCK.—

"(A) IN GENERAL.—In the case of a transaction described in section 351 or a reorganization described in section 368, if qualified small business stock is exchanged for other stock which would not qualify as qualified small business stock but for this subparagraph, such other stock shall be treated as qualified small business stock acquired on the date on which the exchanged stock was acquired.

"(B) LIMITATION.—This section shall apply to gain from the sale or exchange of stock treated as qualified small business stock by reason of subparagraph (A) only to the extent of the gain which would have been recognized at the time of the transfer described in subparagraph (A) if section 351 or 368 had not applied at such time.

"(C) SUCCESSIVE APPLICATION.—For purposes of this paragraph, stock treated as qualified small business stock under subparagraph (A) shall be so treated for subsequent transactions or reorganizations, except that the limitation of subparagraph (B) shall be applied as of the time of the first transfer to which subparagraph (A) applied.

"(D) CONTROL TEST.—Except in the case of a transaction described in section 368, this paragraph shall apply only if, immediately after the transaction, the corporation issuing the stock owns directly or indirectly stock representing control (within the meaning of section 368(c)) of the corporation whose stock was exchanged.

"(i) BASIS RULES.—For purposes of this section—

"(1) STOCK EXCHANGED FOR PROPERTY.—In the case where the taxpayer transfers property (other than money or stock) to a corporation in exchange for stock in such corporation—

"(A) such stock shall be treated as having been acquired by the taxpayer on the date of such exchange, and

"(B) the basis of such stock in the hands of the taxpayer shall in no event be less than the fair market value of the property exchanged.

"(2) TREATMENT OF CONTRIBUTIONS TO CAPITAL.—If the adjusted basis of any qualified small business stock is adjusted by reason of any contribution to capital after the date on which such stock was originally issued, in determining the amount of the adjustment by reason of such contribution, the basis of the contributed property shall in no event be treated as less than its fair market value on the date of the contribution.

"(j) TREATMENT OF CERTAIN SHORT POSITIONS.—

"(1) IN GENERAL.—If the taxpayer has an offsetting short position with respect to any qualified small business stock, subsection (a) shall not apply to any gain from the sale or exchange of such stock unless—

"(A) such stock was held by the taxpayer for more than 5 years as of the first day on which there was such a short position, and

"(B) the taxpayer elects to recognize gain as if such stock were sold on such first day for its fair market value.

"(2) OFFSETTING SHORT POSITION.—For purposes of paragraph (1), the taxpayer shall be treated as having an offsetting short position with respect to any qualified small business stock if—

"(A) the taxpayer has made a short sale of substantially identical property,

"(B) the taxpayer has acquired an option to sell substantially identical property at a fixed price, or

"(C) to the extent provided in regulations, the taxpayer has entered into any other transaction which substantially reduces the risk of loss from holding such qualified small business stock.

For purposes of the preceding sentence, any reference to the taxpayer shall be treated as including a reference to any person who is related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

"(k) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the avoidance of the purposes of this section through split-ups, shell corporations, partnerships, or otherwise."

(b) ONE-HALF OF EXCLUSION TREATED AS PREFERENCE FOR MINIMUM TAX.—

(1) IN GENERAL.—Subsection (a) of section 57 (relating to items of tax preference), as amended by section 8171, is amended by adding at the end thereof the following new paragraph:

"(7) EXCLUSION FOR GAINS ON SALE OF CERTAIN SMALL BUSINESS STOCK.—An amount equal to one-half of the amount excluded from gross income for the taxable year under section 1202."

(2) CONFORMING AMENDMENT.—Subclause (II) of section 53(d)(1)(B)(ii), as amended by section 8171, is amended by inserting "and (7)" after "(5)".

(c) PENALTY FOR FAILURE TO COMPLY WITH REPORTING REQUIREMENTS.—Section 6652 is amended by inserting before the last subsection thereof the following new subsection:

"(k) FAILURE TO MAKE REPORTS REQUIRED UNDER SECTION 1202.—In the case of a failure to make a report required under section 1202(d)(1)(C) which contains the information required by such section on the date prescribed therefor (determined with regard to any extension of time for filing), there shall be paid (on notice and demand by the Secretary and in the same manner as tax) by the person failing to make such report, an amount equal to $50 for each report with respect to which there was such a failure. In the case of any failure due to negligence or intentional disregard, the preceding sentence shall be applied by substituting '$100' for '$50'. In the case of a report covering periods in 2 or more years, the penalty determined under preceding provisions of this subsection shall be multiplied by the number of such years."

(d) CONFORMING AMENDMENTS.—

(1)(A) Section 172(d)(2) (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includable on account of gains from sales or exchanges of capital assets; and

"(B) the exclusion provided by section 1202 shall not be allowed."

(B) Subparagraph (B) of section 172(d)(4) is amended by inserting ", (2)(B)," after "paragraph (1)".

(2) Paragraph (4) of section 642(c) is amended to read as follows:

"(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202. In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income)."

(3) Paragraph (3) of section 643(a) is amended by adding at the end thereof the following new sentence: "The exclusion under section 1202 shall not be taken into account.".

(4) Paragraph (4) of section 691(c) is amended by striking "1201, and 1211" and inserting "1201, 1202, and 1211".

(5) The second sentence of paragraph (2) of section 871(a) is amended by inserting "such gains and losses shall be determined without regard to section 1202 and" after "except that".

(6) The table of sections for part I of subchapter P of chapter 1 is amended by adding after the item relating to section 1201 the following new item:

"Sec. 1202. 50-percent exclusion for gain from certain small business stock."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to stock issued after December 31, 1992.

On page 504, between lines 6 and 7, insert:

(c) SPECIAL RULE FOR PERFORMING ARTS.—Section 274(n) is amended by adding at the end the following new paragraph:

"(3) SPECIAL RULE FOR PERFORMING ARTS.—In the case of any amount paid or incurred for a ticket to a live performance of the performing arts, paragraph (1) shall be applied by substituting '80 percent' for '50 percent'.".

McCAIN AMENDMENT NO. 503

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill (S. 1134), supra, as follows:

"Strike title VIII, section 8171."

JEFFORDS AMENDMENTS NOS. 504 AND 505

(Ordered to lie on the table.)

Mr. JEFFORDS submitted two amendments intended to be proposed by him to the bill (S. 1134), supra, as follows:

AMENDMENT NO. 504

At the appropriate place, insert the following:

SEC. . DEFICIT AND DEBT REPORTING ACT.

(a) SHORT TITLE.—This section may be cited as the "Deficit and Debt Reporting Act".

(b) FINDINGS.—The Congress makes the following findings:

(1) Recent Federal budget deficits have resulted in more than a tripling of the Federal debt. With prospects for enormous Federal budget deficits for the next several years, the debt is a burden that affects the present and future generations of Americans.

(2) The actual financial performance of the Federal Government often differs from the budget by tens, even hundreds, of billions of dollars. For example, the fiscal year 1991 budget was to result in a deficit of $63,000,000,000. Instead, the actual deficit for the year was $268,700,000,000.

(3) The growing Federal debt is hindering economic growth and competitiveness, and ultimately, reduces the standard of living of all Americans.

(c) ANNUAL REPORT.—Section 3513 of title 31, United States Code, is amended by adding at the end thereof the following:

"(d) In the case of any booklet of instructions for Form 1040, 1040A, or 1040EZ prepared by the Secretary for filing individual income tax returns for taxable years beginning in any calendar year, the Secretary shall include on the front inside cover of such booklet of instructions (in addition to the information required in subsection (a) of section 7523 of the Internal Revenue Code of 1986)—

"(1) a graphical representation of the cumulative Federal debt at the end of each of the 10 preceding fiscal years expressed in total dollars and in dollars per capita; and

"(2) a graphical representation of the Federal deficit for each of the 10 preceding fiscal years expressed in total dollars and dollars per capita.

Such information shall be presented in a manner that is easily comprehensible to a taxpayer.".

AMENDMENT NO. 505

At the appropriate place, insert the following:

SEC. . AMERICAN CITIZENS ANNUAL REPORT ACT.

(a) SHORT TITLE.—This section may be cited as the "American Citizens Annual Report Act".

(b) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress makes the following findings:

(A) Publicly owned corporations provide shareholders with an annual report on the financial status of the corporation.

(B) Americans are entitled to an annual report on the financial status of the Federal Government, as all citizens share an interest in the financial well-being of our Federal Government. Accurate, consistent, and broadly distributed reporting on the Nation's finances are central to the conduct of democracy.

(C) Recent Federal budget deficits have resulted in more than a tripling of the Federal debt. With prospects for enormous Federal budget deficits for the next several years, the debt is a burden that affects the present and future generations of Americans.

(D) The actual financial performance of the Federal Governmental often differs from the budget by tens, even hundreds, of billions of dollars. For example, the fiscal year 1991 budget was to result in a deficit of $63,000,000,000. Instead, the actual deficit for the year was $268,700,000,000.

(E) The Chief Financial Officers Act is leading agencies to develop reliable and relevant financial information that is to be useful to the public, including audited financial statements.

(F) The Federal Government continues to lose billions of dollars each year through fraud, waste, abuse, and mismanagement. Standardized reporting to the public is essential to the improvement of accountability of public programs.

(G) The growing Federal debt is hindering economic growth and competitiveness, and ultimately, reduces the standard of living of all Americans.

(2) PURPOSES.—The purposes of this section are to—

(A) provide the American taxpayer with an annual report on the financial status of the Federal Government;

(B) increase the participation and awareness of the public in finding solutions to the Federal Government's budget problems;

(C) require the President, Congressional leaders, and the chief financial officers of the Government to report to the public on the wellbeing of the Federal Government's finances as a part of their fiduciary responsibilities; and

(D) bring a public focus to efforts already underway that seek to develop and improve Financial standards, annual reporting, and systems in the agencies of the Federal Government.

(c) ANNUAL REPORT.—Section 3513 of title 31, United States Code, is amended by adding at the end thereof the following:

"(d)(1) The Secretary of the Treasury shall distribute to all taxpayers described in paragraph (6) an annual report (referred to in this subsection as the 'annual report') containing—

"(A) the most recent 5-year actual trends in Federal receipts, expenditures, fund balances, assets and liabilities, and debts by major category or source, along with a brief description of those trends for the most recent year;

"(B) a comparison of the actual Federal spending and revenues by major category or source for the most recent fiscal year—

"(i) to the budget request estimates as submitted by the President for that year; and

"(ii) to the enacted budget,

along with notes explaining differences;

"(C) statements from the President, the Majority Leader of the Senate, and the Speaker of the House of Representatives regarding significant aspects of the Government's financial performance; and

"(D) any other relevant information on the Government's performance and contributions to economic growth, productivity, and investment in infrastructure recommended for inclusion by the advisory committee and deemed appropriate by the Director of the Office of Management and Budget.

"(2)(A) Preparation and content of the annual report shall be supervised and directed by the Director of the Office of Management and Budget.

"(B) There is established an advisory committee to provide the Director of the Office of Management and Budget with comments and suggestions on the design and content of the annual report. The advisory committee shall consist of 9 members as follows:

"(i) 3 members to be appointed by the President.

"(ii) 2 members to be appointed by the Majority Leader of the Senate.

"(iii) 1 member to be appointed by the Minority Leader of the Senate.

"(iv) 2 members to be appointed by the Speaker of the House of Representatives.

"(v) 1 member to be appointed by the Minority Leader of the House of Representatives.

"(3) The annual report shall contain a statement of assurance by the Director of the Office of Management and Budget and an audit opinion the Comptroller General attesting to the reliability and relevancy accuracy of the information contained in the annual report.

"(4) The annual report shall be prepared annually in a timely fashion after the close of each fiscal year. If the final annual report for a fiscal year is not available within 3 calendar months after the close of that fiscal year, a preliminary annual report shall be prepared and published within that period containing substantially all the material described in subparagraphs (A) and (B) of paragraph (1) and the final annual report shall be prepared and published as soon as possible thereafter.

"(5)(A) In the case of any booklet of instructions for Form 1040, 1040A, or 1040EZ prepared by the Secretary for filing individual income tax returns for taxable years beginning in any calendar year, the Secretary shall include on the front inside cover of such booklet of instructions (in addition to the information required in subsection (a) of section 7523 of the Internal Revenue Code of 1986) a summary of the annual report prepared by the Director.

"(B) The summary referred to in subparagraph (A) shall—

"(i) include the cumulative Federal debt at the end of each of the 10 preceding fiscal years expressed in total dollars and in dollars per capita;

"(ii) include the Federal deficit for each of the 10 preceding years expressed in total dollars and dollars per capita; and

"(iii) be presented in a manner that is easily comprehensible to a taxpayer.

"(6)(A) A taxpayer is described in this paragraph if such taxpayer designates on the form for the return of the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for any taxable year that such taxpayer desires a copy of the annual report described in this subsection and, in cases where a taxpayer requests more than one copy of the report, submits a processing fee (if any) as described in paragraph (7).

"(B) Space shall be made available for the designation referred to in subparagraph (A) on the first page of the tax return forms for such tax.

"(7) Notwithstanding any other provision of law, the Secretary of the Treasury may impose a processing fee or may accept contributions from corporations, foundations, and other private entities for distribution or preparation of the report, or both.".

(d) AUTHORIZATION.—For the purpose of carrying out the provisions of the amendment made by this section, there are authorize to be appropriated to the Secretary of the Treasury and the Director of the Office of Management and Budget $10,000,000 for fiscal year 1994, and such sums as may be necessary for fiscal years 1995, 1996, 1997 and 1998. These amounts shall include any funds raised through the authority established in section 3513(d)(7) of title 31, United States Code, as added by this section.

DOLE (AND OTHERS) AMENDMENT NO. 506

Mr. DOLE (for himself, Mr. DOMENICI, Mr. PACKWOOD, Mr. FAIRCLOTH, Mr. GRAMM, and Mr. THURMOND) proposed an amendment to the bill, (S. 1134), supra, as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Omnibus Budget Reconciliation Act of 1993".

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

TITLE II—COMMITTEE ON ARMED SERVICES

TITLE III—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

TITLE IV—COMMUNICATIONS AND TRANSPORTATION

TITLE V—COMMITTEE ON ENERGY AND NATURAL RESOURCES

TITLE VI—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

TITLE VII—FINANCE COMMITTEE RECONCILIATION PROVISIONS RELATING TO MEDICARE, MEDICAID, AND OTHER PROGRAMS

TITLE VIII—ACHIEVEMENT OF SPENDING CUTS PRIOR TO CONSIDERATION OF ANY NEW TAXES

TITLE IX—COMMITTEE ON FOREIGN RELATIONS

TITLE X—COMMITTEE ON GOVERNMENTAL AFFAIRS

TITLE XI—COMMITTEE ON THE JUDICIARY

TITLE XII—COMMITTEE ON LABOR AND HUMAN RESOURCES

TITLE XIII—VETERANS' PROGRAMS

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

SEC. 1001. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Agricultural Reconciliation Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 1001. Short title and table of contents.

Subtitle A—Commodity Programs

Sec. 1101. Wheat program.
Sec. 1102. Feed grain program.
Sec. 1103. Upland cotton program.
Sec. 1104. Rice program.
Sec. 1105. Dairy program.
Sec. 1106. Tobacco program.
Sec. 1107. Sugar program.
Sec. 1108. Oilseeds program.
Sec. 1109. Peanut program.
Sec. 1110. Honey program.
Sec. 1111. Wool and mohair program.

Subtitle B—Food Stamp Program

Sec. 1201. Uniform reimbursement rates.

Subtitle C—Agricultural Trade

Sec. 1301. Market promotion program.
Sec. 1302. Acreage reduction requirements.
Sec. 1303. Sense of Congress regarding the export of vegetable oil.

Subtitle D—Miscellaneous

Sec. 1401. Federal crop insurance.
Sec. 1402. Environmental conservation acreage reserve program amendments.
Sec. 1403. Admission, entrance, and recreation fees.
Sec. 1404. Sense of the Senate regarding deficit reduction.

Subtitle A—Commodity Programs

SEC. 1101. WHEAT PROGRAM.

Section 107B(c)(1)(E) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(c)(1)(E)) is amended—

(1) in the subparagraph heading, by striking "0/92 PROGRAM" and inserting "0/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (vii)),", and by adding at the end of the subparagraph the following new clause:

"(vii) EXCEPTIONS TO 0/85.—In the case of each of the 1994 and 1995 crops of wheat, producers on a farm shall be eligible to receive deficiency payments as provided in clause (ii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(I)(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster); and

"(bb) the producers elect to devote a portion of the maximum payment acres for wheat (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the wheat acreage, to conservation uses; or

"(II) the producers elect to devote a portion of the maximum payment acres for wheat (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the wheat acreage, to alternative crops as provided in subparagraph (F).".

SEC. 1102. FEED GRAIN PROGRAM.

(a) 0/92 PROGRAM.—Section 105B(c)(1)(E) of the Agricultural Act of 1949 (7 U.S.C. 1444f(c)(1)(E)) is amended—

(1) in the subparagraph heading, by striking "0/92 PROGRAM" and inserting "0/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (vii)),", and by adding at the end of the subparagraph the following new clause:

"(vii) EXCEPTIONS TO 0/85.—In the case of each of the 1994 and 1995 crops of feed grains, producers on a farm shall be eligible to receive deficiency payments as provided in clause (ii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(I)(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster); and

"(bb) the producers elect to devote a portion of the maximum payment acres for feed grains (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the feed grain acreage, to conservation uses; or

"(II) the producers elect to devote a portion of the maximum payment acres for feed grains (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the feed grain acreage, to alternative crops as provided in subparagraph (F).".

(b) TECHNICAL AMENDMENT.—Section 105B(c)(1)(B)(iii)(IV)(bb) of such Act is amended by striking "clause (i)(I)" and inserting "clauses (i)(I) and (ii)(I)".

SEC. 1103. UPLAND COTTON PROGRAM.

(a) 50/92 PROGRAM.—Section 103B(c)(1)(D) of the Agricultural Act of 1949 (7 U.S.C. 1444-2(c)(1)(D)) is amended—

(1) in the subparagraph heading, by striking "50/92 PROGRAM" and inserting "50/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (v)(II)),", and in clause (v)—

(A) by striking "(v) PREVENTED PLANTING.—If" and inserting the following:

"(v) PREVENTED PLANTING AND REDUCED YIELDS.—

"(I) 1991 THROUGH 1993 CROPS.—In the case of each of the 1991 through 1993 crops of upland cotton, if"; and

(B) by adding at the end the following new subclause:

"(II) 1994 AND 1995 CROPS.—In the case of each of the 1994 and 1995 crops of upland cotton, producers on a farm shall be eligible to receive deficiency payments as provided in clause (iii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster) and the producers elect to devote a portion of the maximum payment acres for upland cotton (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the upland cotton acreage, to conservation uses; or

"(bb) the producers elect to devote a portion of the maximum payment acres for upland cotton (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the upland cotton acreage, to alternative crops as provided in subparagraph (E).".

(b) ACREAGE LIMITATION PROGRAM.—Section 103B(e)(1)(D) of such Act is amended by inserting after "30 percent" the following: "for each of the 1991 through 1994 crops, and 29½ percent for the 1995 crop".

SEC. 1104. RICE PROGRAM.

Section 101B(c)(1)(D) of the Agricultural Act of 1949 (7 U.S.C. 1441-2(c)(1)(D)) is amended—

(1) in the subparagraph heading, by striking "50/92 PROGRAM" and inserting "50/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (v)(II)),", and in clause (v)—

(A) by striking "(v) PREVENTED PLANTING.—If" and inserting the following:

"(v) PREVENTED PLANTING AND REDUCED YIELDS.—

"(I) 1991 THROUGH 1993 CROPS.—In the case of each of the 1991 through 1993 crops of rice, if"; and

(B) by adding at the end the following new subclause:

"(II) 1994 AND 1995 CROPS.—In the case of each of the 1994 and 1995 crops of rice, producers on a farm shall be eligible to receive deficiency payments as provided in clause (iii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster) and the producers elect to devote a portion of the maximum payment acres for rice (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the rice acreage, to conservation uses; or

"(bb) the producers elect to devote a portion of the maximum payment acres for rice (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the rice acreage, to alternative crops as provided in subparagraph (E).".

SEC. 1105. DAIRY PROGRAM.

(a) IN GENERAL.—Section 204(c)(3) of the Agricultural Act of 1949 (7 U.S.C. 1446e(c)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking "The Secretary" and inserting "Subject to subparagraph (B), the Secretary";

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) GUIDELINES.—In the case of purchases of butter and nonfat dry milk that are made by the Secretary under this section on or after the date of enactment of this clause, in allocating the rate of price support between the purchase prices of butter and nonfat dry milk under this paragraph, the Secretary may not—

"(i) offer to purchase butter for more than $0.65 per pound; or

"(ii) offer to purchase nonfat dry milk for less than $1.034 per pound.".

(b) CONFORMING AMENDMENTS.—Section 204 of such Act is amended—

(1) in the section heading, by striking "1995" and inserting "1996";

(2) by striking "1995" each place it appears (other than in subsection (h)(2)(B)) and inserting "1996"; and

(3) in subsection (g)(2), by striking "1994" and inserting "1995".

SEC. 1106. TOBACCO PROGRAM.

(a) BUDGET DEFICIT ASSESSMENT.—

(1) IN GENERAL.—Section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended—

(A) in subsection (g)(1), by striking "1995" and inserting "1998"; and

(B) by adding at the end the following new subsection:

"(h)(1) Effective only for each of the 1994 through 1998 crops of tobacco, an importer of tobacco that is produced outside the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to the product obtained by multiplying—

"(A) the number of pounds of tobacco that is imported by the importer; by

"(B) the sum of—

"(i) the per pound marketing assessment imposed on purchasers of domestic Burley tobacco pursuant to subsection (g); and

"(ii) the per pound marketing assessment imposed on purchasers of domestic Flue-cured tobacco pursuant to subsection (g).

"(2) An assessment imposed under this subsection shall be paid by the importer.

"(3)(A) The importer shall remit the assessment at such time and in such manner as may be prescribed by the Secretary.

"(B) If the importer fails to comply with subparagraph (A), the importer shall be liable for a marketing penalty at a rate equal to 37.5 percent of the sum of the average market price (calculated to the nearest whole cent) of Flue-cured and Burley tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.

"(C) The Secretary may reduce an assessment in such amount as the Secretary determines equitable in any case in which the Secretary determines that the failure was unintentional or without knowledge on the part of the person concerned.

"(D) Any assessment provided for under this subsection shall be assessed by the Secretary after notice and opportunity for a hearing.

"(4)(A) Any person against whom a penalty is assessed under this subsection may obtain review of the penalty in an appropriate district court of the United States by filing a civil action in the court not later than 30 days after the penalty is imposed.

"(B) The Secretary shall promptly file in the court a certified copy of the record on which the penalty is based.

"(5) The district courts of the United States shall have jurisdiction to review and enforce any penalty imposed under this subsection.

"(6) An amount equivalent to any penalty collected by the Secretary under this subsection shall be deposited for use by the Commodity Credit Corporation.".

(2) IMPORTER ASSESSMENTS FOR NO NET COST TOBACCO FUND.—Section 106A of such Act (7 U.S.C. 1445–1) is amended—

(A) in subsection (c), by inserting "and importers" after "purchasers";

(B) in subsection (d)(1)(A)—

(i) by striking "and" at the end of clause (i); and

(ii) by inserting after clause (ii) the following new clause:

"(iii) each importer of Flue-cured or Burley tobacco shall pay to the appropriate association, for deposit in the Fund of the association, an assessment, in an amount that is equal to the product obtained by multiplying—

"(I) the number of pounds of tobacco that is imported by the importer; by

"(II) the sum of the amount of per pound producer contributions and purchaser assessments that are payable by domestic producers and purchasers of Flue-cured and Burley tobacco under clauses (i) and (ii); and";

(C) in subsection (d)(2)—

(i) by inserting "or importer" after "or purchaser";

(ii) by striking "and" at the end of subparagraph (B);

(iii) by inserting "and" at the end of subparagraph (C); and

(iv) by adding at the end the following new subparagraph:

"(D) if the tobacco involved is imported by an importer, from the importer."; and

(D) in subsection (h)(1)—

(i) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(ii) by inserting after subparagraph (A) the following new subparagraph:

"(B) Each importer who fails to pay to the association an assessment as required by subsection (d)(2) at such time and in such manner as may be prescribed by the Secretary, shall be liable, in addition to any amount due, to a marketing penalty at a rate equal to 75 percent of the average market price (calculated to the nearest whole cent) for the respective kind of tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.".

(3) IMPORTER ASSESSMENTS TO NO NET COST TOBACCO ACCOUNT.—Section 106B of such Act (7 U.S.C. 1445–2) is amended—

(A) in subsection (c)(1), by striking "producers and purchasers" and inserting "producers, purchasers, and importers";

(B) in subsection (d)(1)—

(i) by designating the first and second sentences as subparagraphs (A) and (B), respectively; and

(ii) by adding at the end the following new subparagraph:

"(C) The Secretary shall also require (in lieu of any requirement under section 106A(d)(1)) that each importer of Flue-cured and Burley tobacco shall pay to the Corporation, for deposit in the Account of the association, an assessment, as determined under paragraph (2) and collected under paragraph (3), with respect to purchases of all such kind of tobacco imported by the importer.";

(C) in subsection (d)(2), by adding at the end the following new subparagraph:

"(C) The amount of the assessment to be paid by importers shall be an amount that is equal to the product obtained by multiplying—

"(i) the number of pounds of tobacco that is imported by the importer; by

"(ii) the sum of the amount of per pound producer and purchaser assessments that are payable by domestic producers and purchasers of the respective kind of tobacco under this paragraph.";

(D) in subsection (d)(3), by adding at the end the following new subparagraph:

"(D) If Flue-cured or Burley tobacco is imported by an importer, any importer assessment required by subsection (d) shall be collected from the importer."; and

(E) in subsection (j)(1)—

(i) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(ii) by inserting after subparagraph (A) the following new subparagraph:

"(B) Each importer who fails to pay to the Corporation an assessment as required by subsection (d) at such time and in such manner as may be prescribed by the Secretary, shall be liable, in addition to any amount due, to a marketing penalty at a rate equal to 75 percent of the average market price (calculated to the nearest whole cent) for the respective kind of tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.".

(b) FEES FOR INSPECTING IMPORTED TOBACCO.—The second sentence of section 213(d) of the Tobacco Adjustment Act of 1983 (7 U.S.C. 511r(d)) is amended by inserting before the period at the end the following: ", and which shall be comparable to fees and charges fixed and collected for services provided in connection with tobacco produced in the United States".

(c) EXTENSION OF QUOTA REDUCTION FLOORS.—

(1) BURLEY TOBACCO.—Section 319(c)(3)(C)(ii) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(c)(3)(C)(ii)) is amended—

(A) by striking "1993" and inserting "1996"; and

(B) by inserting before the period at the end the following: ", except that, in the case of each of the 1995 and 1996 crops of Burley tobacco, the Secretary may waive the requirements of this clause if the Secretary determines that the requirements would likely result in inventories of the producer-owned cooperative marketing associations for Burley tobacco described in section 320B(a)(2) to exceed 150 percent of the reserve stock level for Burley tobacco".

(2) FLUE-CURED TOBACCO.—Section 317(a)(1)(C)(ii) of such Act (7 U.S.C. 1314c(a)(1)(C)(ii)) is amended—

(A) by striking "1993" and inserting "1996"; and

(B) by inserting before the period at the end the following: ", except that, in the case of each of the 1995 and 1996 crops of Flue-cured tobacco, the Secretary may waive the requirements of this clause if the Secretary determines that the requirements would likely result in inventories of the producer-owned cooperative marketing association for Flue-cured tobacco described in section 320B(a)(2) to exceed 150 percent of the reserve stock level for Flue-cured tobacco".

SEC. 1107. SUGAR PROGRAM.

Section 206(i) of the Agricultural Act of 1949 (7 U.S.C. 1446g(i)) is amended—

(1) in paragraph (1), by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of marketings during each of fiscal years 1992 through 1994, .18 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

"(B) in the case of marketings during each of fiscal years 1995 and 1996, .198 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing)."; and

(2) in paragraph (2), by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of marketings during each of fiscal years 1992 through 1994, .193 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

"(B) in the case of marketings during each of fiscal years 1995 and 1996, .2123 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.".

SEC. 1108. OILSEEDS PROGRAM.

(a) LOAN LEVEL.—Section 205(c) of the Agricultural Act of 1949 (7 U.S.C. 1446f(c)) is amended—

(1) in paragraph (1), by inserting after "$5.02 per bushel" the following: "for each of the 1991 through 1993 crops and $4.92 per bushel for each of the 1994 and 1995 crops"; and

(2) in paragraph (2), by inserting after "$0.089 per pound" the following: "for each of the 1991 through 1993 crops and $0.087 per pound for each of the 1994 and 1995 crops".

(b) LOAN MATURITY.—Section 205(h) of such Act is amended by striking "mature on the last day of the 9th month following the month the application for the loan is made." and inserting the following: "mature—

"(1) in the case of each of the 1991 through 1993 crops, on the last day of the 9th month following the month the application for the loan is made; and

"(2) in the case of each of the 1994 and 1995 crops, on the last day of the 9th month following the month the application for the loan is made, except that the loan may not mature later than the last day of the fiscal year in which the application is made.".

(c) LOAN ORIGINATION FEE.—Section 205(m) of such Act is amended by adding at the end the following new paragraph:

"(3) APPLICABILITY.—This subsection shall apply only to each of the 1991 through 1993 crops of oilseeds.".

SEC. 1109. PEANUT PROGRAM.

Section 108B(g) of the Agricultural Act of 1949 (7 U.S.C. 1445c–3(g)) is amended—

(1) in paragraph (1), by inserting after "1 percent" both places it appears the following: "for each of the 1991 through 1993 crops, and 1.1 percent for each of the 1994 and 1995 crops,"; and

(2) in paragraph (2)(A)—

(A) in clause (i), by striking "½ percent" and inserting ".5 percent for each of the 1991 through 1993 crops, and .6 percent for each of the 1994 and 1995 crops,"; and

(B) in clause (ii), by striking "½ percent" and inserting ".5 percent".

SEC. 1110. HONEY PROGRAM.

(a) REDUCED SUPPORT RATE.—Section 207(a) of the Agricultural Act of 1949 (7 U.S.C. 1446h(a)) is amended by striking "than 53.8 cents per pound." and inserting the following: "than—

"(1) 53.8 cents per pound for each of the 1991 through 1993 crops; and

"(2) 47 cents per pound for each of the 1994 through 1997 crops.".

(b) PAYMENT LIMITATIONS.—Section 207(e)(1) of such Act is amended—

(1) by striking "and" at the end of subparagraph (C); and

(2) by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) $125,000 in the 1994 crop year;

"(E) $100,000 in the 1995 crop year;

"(F) $75,000 in the 1996 crop year; and

"(G) $50,000 in the 1997 crop year.".

(c) CONFORMING AMENDMENTS.—Section 207 of such Act (as amended by subsection (b)) is further amended by striking "1995" each place it appears (other than in subsection (e)(1)(E)) and inserting "1997".

SEC. 1111. WOOL AND MOHAIR PROGRAM.

(a) PAYMENT LIMITATIONS.—Section 704(b)(1) of the National Wool Act of 1954 (7 U.S.C. 1783(b)(1)) is amended—

(1) by striking "and" at the end of subparagraph (C); and

(2) by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) $125,000 for the 1994 marketing year;

"(E) $100,000 for the 1995 marketing year;

"(F) $75,000 for the 1996 marketing year; and

"(G) $50,000 for the 1997 marketing year.".

(b) SUPPORT PRICE FOR SHORN WOOL.—Paragraph (3) of section 703(b) of such Act (7 U.S.C. 1782(b)(3)) is amended to read as follows:

"(3) Effective only for each of the 1994 through 1997 marketing years, the support price for shorn wool shall not exceed the support price for shorn wool for the 1993 marketing year.".

(c) MARKETING ASSESSMENT.—Section 704(c) of such Act (7 U.S.C. 1783(c)) is amended by striking "through 1995" and inserting "and 1992".

(d) MARKETING CHARGES.—Section 706 of such Act (7 U.S.C. 1785) is amended by inserting after the second sentence the following new sentence: "In determining the net sales proceeds and national payment rates for shorn wool and shorn mohair, the Secretary shall not deduct marketing charges for commissions, coring, or grading.".

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) TECHNICAL AMENDMENT.—Section 703(b)(2) of such Act (7 U.S.C. 1782(b)(2)) is amended by striking "1982" and inserting "1990".

(2) CONFORMING AMENDMENTS.—Section 703 of such Act (7 U.S.C. 1782) is amended by striking "1995" both places it appears in subsections (a) and (b) and inserting "1997".

Subtitle B—Food Stamp Program

SEC. 1201. UNIFORM REIMBURSEMENT RATES.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) in the first sentence of subsection (a)—

(A) by striking "and (5)" and inserting "(5)";

(B) by inserting before ": *Provided*," the following: ", (6) automated data processing and information retrieval systems subject to the conditions set forth in subsection (g), (7) food stamp program investigations and prosecutions, and (8) implementing and operating the immigration status verification system established under section 1137(d) of the Social Security Act (42 U.S.C. 1320b–7(d))"; and

(C) in the proviso, by striking "authorized to pay each State agency an amount not less than 75 per centum of the costs of State food stamp program investigations and prosecutions, and is further";

(2) in subsection (g)—

(A) by striking "an amount equal to 63 percent effective on October 1, 1991, of" and inserting "the amount authorized under subsection (a)(6) for"; and

(B) by striking "automatic" and inserting "automated";

(3) by striking subsection (j); and

(4) by redesignating subsection (k) as subsection (j).

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective with respect to calendar quarters beginning on or after April 1, 1994.

(2) BIENNIAL LEGISLATURES.—In the case of a State whose legislature meets biennially, and does not have a regular session scheduled in calendar year 1994, and that demonstrates to the satisfaction of the Secretary of Agriculture that there is no mechanism, under the constitution and laws of the State, for appropriating the additional funds required by the amendments made by this section before the next such regular legislative session, the Secretary may delay the effective date of all or part of the amendments made by subsection (a) until the beginning date of a calendar quarter that is not later than the first calendar quarter beginning after the close of the first regular session of the State legislature after the date of enactment of this Act.

Subtitle C—Agricultural Trade

SEC. 1301. MARKET PROMOTION PROGRAM.

(a) REDUCTION OF FUNDING LEVEL.—Section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended—

(1) in paragraph (1)—

(A) by striking "1995" and inserting "1993"; and

(B) by striking "and" at the end;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

"(2) in addition to any funds that may be specifically appropriated to implement a market development program, for each of fiscal years 1994 and 1995, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation—

"(A) not less than $33,000,000 for—

"(i) branded promotion activities involving small-sized commercial entities and medium-sized commercial entities that are beginning exporters; and

"(ii) activities other than branded promotion activities that only benefit small-sized commercial entities and medium-sized commercial entities, or (as determined by the Secretary) small-sized agricultural producers and medium-sized agricultural producers; and

"(B) in addition to funding specified in subparagraph (A), not less than $77,000,000 for program activities by any eligible trade organization, including organizations specified under subparagraph (A); and".

(b) DEFINITIONS.—Section 102 of such Act (7 U.S.C. 5602) is amended by adding at the end the following new paragraph:

"(9) COMMERCIAL ENTITY.—

"(A) IN GENERAL.—The term 'commercial entity' means a cooperative or private organization that exports or promotes an agricultural commodity, including an entity that controls, is controlled by, or is under common control with such a cooperative or private organization.

"(B) MEDIUM-SIZED COMMERCIAL ENTITY.—The term 'medium-sized commercial entity' means a commercial entity that employs not less than 51, nor more than 500, individuals.

"(C) SMALL-SIZED COMMERCIAL ENTITY.—The term 'small-sized commercial entity' means a commercial entity that employs not more than 50 individuals.".

SEC. 1302. ACREAGE REDUCTION REQUIREMENTS.

(a) IN GENERAL.—Section 1104 of the Omnibus Budget Reconciliation Act of 1990 (7 U.S.C. 1445b–3a note) is amended—

(1) in subsection (a), by striking paragraph (2) and inserting the following new paragraph:

"(2) corn under which the acreage planted to corn for harvest on a farm would be limited to the corn crop acreage base for the farm for the crop reduced by not less than 7½ percent."; and

(2) in subsection (b)(2), by striking "grain sorghum, and barley,".

(b) READJUSTMENT OF SUPPORT LEVELS.—Section 1302 of such Act (7 U.S.C. 1421 note) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(2) in subsection (c), by striking "and other programs"; and

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in paragraph (2), by striking "(A), (B), and (C)" and inserting "(A) and (B)"; and

(C) in paragraph (3)—

(i) by striking "measures specified in subparagraph (A) of paragraph (1) and"; and

(ii) by striking "(B) or (C)" and inserting "(A) or (B)".

SEC. 1303. SENSE OF CONGRESS REGARDING THE EXPORT OF VEGETABLE OIL.

It is the sense of Congress that the Secretary of Agriculture should continue aggressively to promote the export of vegetable oil through all available authorities, including but not limited to the export enhancement program established under section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5651).

Subtitle D—Miscellaneous

SEC. 1401. FEDERAL CROP INSURANCE.

(a) ACTUARIAL SOUNDNESS.—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended by adding at the end the following new subsection:

"(n) ACTUARIAL SOUNDNESS.—The Corporation shall take such actions as are necessary to improve the actuarial soundness of Federal multiperil crop insurance coverage made available under this title to achieve, on and after October 1, 1995, an overall projected loss ratio of not greater than 1.1, including—

"(1) instituting appropriate requirements for documentation of the actual production history of insured producers to establish recorded or appraised yields for Federal crop insurance coverage that more accurately reflect the associated actuarial risk, except that the Corporation may not carry out this paragraph in a manner that would prevent beginning farmers from obtaining adequate Federal crop insurance, as determined by the Corporation;

"(2) establishing in counties, to the extent practicable, a crop insurance option based on area yields in a manner that allows an insured producer to qualify for an indemnity if a loss has occurred in a specified area in which the farm of the insured producer is located;

"(3) establishing a database that contains the social security account and employee identification numbers of participating producers and using the numbers to identify insured producers who are high risk for actuarial purposes and insured producers who have not documented at least 4 years of production history, to assess the performance of insurance providers, and for other purposes permitted by law; and

"(4) taking any other measures authorized by law to improve the actuarial soundness of the Federal crop insurance program while maintaining fairness and effective coverage for agricultural producers.".

(b) CONFORMING AMENDMENTS.—

(1) REINSURANCE.—Section 508(h) of such Act (7 U.S.C. 1508(h)) is amended by striking the fifth sentence and inserting the following new sentence: "The Corporation shall also pay operating and administrative costs to insurers of policies on which the Corporation provides reinsurance in an amount determined by the Corporation.".

(2) AREA YIELD PLAN.—Section 508 of such Act (7 U.S.C. 1508) is amended by adding at the end the following new subsection:

"(n) AREA YIELD PLAN.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, the Corporation may offer, only as an option to individual crop insurance coverage available under this Act, a crop insurance plan based on an area yield that allows an insured producer to qualify for an indemnity if a loss has occurred in an area, as specified by the Corporation, in which the farm of the producer is located.

"(2) LEVEL OF COVERAGE.—Under a plan offered under paragraph (1), an insured producer shall be allowed to select the level of production at which an indemnity will be paid consistent with terms and conditions established by the Corporation.".

(3) YIELD COVERAGE.—Section 508A of such Act (7 U.S.C. 1508a) is amended—

(A) in subsection (a)(1), by striking "may" and inserting "shall"; and

(B) in subsection (b)—

(i) in paragraph (1)(A)—

(I) by striking "A crop insurance contract" and all that follows through "producer—" and inserting "Under regulations issued by the Corporation, a crop insurance contract offered under this title to an eligible insured producer of a commodity with respect to which the Corporation provides crop insurance coverage shall make available to the producer either—";

(II) by striking "or" at the end of clause (i);

(III) in clause (ii)—

(aa) by striking "5" and inserting "4 building to 10"; and

(bb) by striking the period at the end and inserting "; or"; and

(IV) by adding at the end the following new clause:

"(iii) yield coverage based on—

"(I) not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual experience), as specified in regulations issued by the Corporation based on production history requirements; or

"(II) the area yield under section 508(n) for the crop established under the program for the commodity involved.";

(ii) in paragraph (1)(B)—

(I) by striking "two" and inserting "3"; and

(II) by inserting after "subparagraph (A)" the following: ", where available (as determined by the Corporation),";

(iii) in paragraph (2)—

(I) by striking "5" and inserting "4 building to 10"; and

(II) by inserting after "previous crops," the following: "not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual experience), or the area yield,"; and

(iv) in paragraph (3)(A)(i), by inserting after "farm program yield" the following: ", not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual experience), as specified in regulations issued by the Corporation based on production history requirements, or the area yield under section 508(n), whichever is applicable,".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall become effective on October 1, 1993.

(2) REGULATIONS.—Not later than 30 days after the date of enactment of this Act, the Secretary of Agriculture shall publish, for public comment, proposed regulations to implement the amendments made by this section.

SEC. 1402. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM AMENDMENTS.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended—

(1) in section 1230(b) (16 U.S.C. 3830(b)), by striking "to place in" and all that follows through "acres";

(2) in section 1231(d) (16 U.S.C. 3831(d))—

(A) by striking "may" and inserting "shall";

(B) by striking "the amount of acres specified in section 1230(b)" and inserting "a total of 38,000,000 acres during the 1986 through 1995 calendar years"; and

(C) by striking "each of calendar years 1994 and 1995" and inserting "the 1995 calendar year";

(3) in section 1237 (16 U.S.C. 3837)—

(A) by striking subsection (b) and inserting the following new subsection:

"(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

"(1) a total of not less than 330,000 acres by the end of the 1995 calendar year; and

"(2) a total of not less than 975,000 acres during the 1991 through 2000 calendar years."; and

(B) in subsection (c), by striking "1995" and inserting "2000"; and

(4) in section 1241 (16 U.S.C. 3841)—

(A) in subsection (a)—

(i) by striking "(a)(1) During each of the fiscal years ending September 30, 1986, and September 30, 1987" and inserting "(a) During each of fiscal years 1994 through 2000"; and

(ii) by striking paragraph (2); and

(B) in subsection (b), by striking "(A) through (E)" and inserting "A through E".

SEC. 1403. ADMISSION, ENTRANCE, AND RECREATION FEES.

(a) DEFINITIONS.—As used in this section:

(1) AREA OF CONCENTRATED PUBLIC USE.—The term "area of concentrated public use" means an area administered by the Secretary that meets each of the following criteria:

(A) The area is managed primarily for outdoor recreation purposes.

(B) Facilities and services necessary to accommodate heavy public use are provided in the area.

(C) The area contains at least one major recreation attraction.

(D) Public access to the area is provided in such a manner that admission fees can be efficiently collected at 1 or more centralized locations.

(2) BOAT LAUNCHING FACILITY.—The term "boat launching facility" includes any boat launching facility, regardless of whether specialized facilities or services, such as mechanical or hydraulic boat lifts or facilities, are provided.

(3) CAMPGROUND.—The term "campground" means any campground where a majority of the following amenities are provided, as determined by the Secretary:

(A) Tent or trailer spaces.

(B) Drinking water.

(C) An access road.

(D) Refuse containers.

(E) Toilet facilities.

(F) The personal collection of recreation use fees by an employee or agent of the Secretary.

(G) Reasonable visitor protection.

(H) If campfires are permitted in the campground, simple devices for containing the fires.

(4) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(b) Authority To Impose Fees.—The Secretary—

(1) may charge admission or entrance fees at national monuments, national volcanic monuments, national scenic areas, and areas of concentrated public use administered by the Secretary;

(2) acting through the Forest Service, shall reimburse the Agricultural Stabilization and Conservation Service for administrative costs incurred under the Stewardship Incentive Program for the actual cost of services provided by the Agricultural Stabilization and Conservation Service, except that the actual costs shall not exceed 10 percent of the total annual appropriation for the program; and

(3) may charge recreation use fees at lands administered by the Secretary in connection with the use of specialized outdoor recreation sites, equipment, services, and facilities, including visitors' centers, picnic tables, boat launching facilities, and campgrounds.

(c) Amount of Fees.—The amount of the admission, entrance, and recreation fees authorized to be imposed under this section shall be determined by the Secretary.

SEC. 1404. SENSE OF THE SENATE REGARDING DEFICIT REDUCTION.

It is the sense of the Senate that—

(1) farmers should pay no more than their fair share of any budget reduction necessary to achieve the goal of deficit reduction; and

(2) the level of budget reduction should take into account and be adjusted to reflect any BTU or energy taxes, any other taxes, reduction in interest rates, and other user fees.

TITLE II—COMMITTEE ON ARMED SERVICES

SEC. 2001. LIMITATION ON COST-OF-LIVING ADJUSTMENTS FOR MILITARY RETIREES.

Paragraph (2) of section 1401a(b) of title 10, United States Code, is amended to read as follows:

"(2) Pre-August 1, 1986 members.—

"(A) General rule.—The Secretary shall increase the retired pay of each member and former member who first became a member of a uniformed service before August 1, 1986, by the percent (adjusted to the nearest one-tenth of 1 percent) by which—

"(i) the price index for the base quarter of that year, exceeds

"(ii) the base index.

"(B) Special rules for fiscal years 1994 through 1998.—

"(i) Fiscal years 1994 through 1997.—In the case of an increase in retired pay that, pursuant to paragraph (1), becomes effective on December 1 of 1993, 1994, 1995, or 1996, the initial month for which such increase is payable as part of such retired pay shall (notwithstanding such December 1 effective date) be September of the following year.

"(ii) Fiscal year 1998.—In the case of an increase in retired pay that, pursuant to paragraph (1), becomes effective on December 1, 1997, the initial month for which such increase is payable as part of such retired pay shall (notwithstanding such December 1 effective date) be August 1998.

"(C) Inapplicability to disability retirees.—Subparagraph (B) does not apply with respect to the retired pay of a member retired under chapter 61 of this title.".

TITLE III—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

SEC. 3001. NATIONAL DEPOSITOR PREFERENCE.

(a) In General.—Section 11(d)(11) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(11)) is amended to read as follows:

"(11) Depositor preference.—

"(A) In general.—Subject to section 5(e)(2)(C), amounts realized from the liquidation or other resolution of any insured depository institution by any receiver appointed for such institution shall be distributed to pay claims (other than secured claims to the extent of any such security) in the following order of priority:

"(i) Administrative expenses of the receiver.

"(ii) Any deposit liability of the institution.

"(iii) Any other general or senior liability of the institution (which is not a liability described in clause (iv) or (v)).

"(iv) Any obligation subordinated to depositors or general creditors (which is not an obligation described in clause (v)).

"(v) Any obligation to shareholders or members arising as a result of their status as shareholders or members (including any depository institution holding company or any shareholder or creditor of such company).

"(B) Effect on State law.—

"(i) In general.—The provisions of subparagraph (A) shall not supersede the law of any State except to the extent such law is inconsistent with the provisions of such subparagraph, and then only to the extent of the inconsistency.

"(ii) Procedure for determination of inconsistency.—Upon the Corporation's own motion or upon the request of any person with a claim described in subparagraph (A)(i) or any State which is submitted to the Corporation in accordance with procedures which the Corporation shall prescribe, the Corporation shall determine whether any provision of the law of any State is inconsistent with any provision of subparagraph (A) and the extent of any such inconsistency.

"(iii) Judicial review.—The final determination of the Corporation under clause (ii) shall be subject to judicial review under chapter 7 of title 5, United States Code.

"(C) Accounting report.—Any distribution by the Corporation in connection with any claim described in subparagraph (A)(vi) shall be accompanied by the accounting report required under paragraph (15)(B).".

(b) Technical and Conforming Amendments.—

(1) Section 11(c)(13) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(13)) is amended—

(A) in subparagraph (A), by striking "subject to subparagraph (B),";

(B) by inserting "and" after the semicolon at the end of subparagraph (A);

(C) by striking subparagraph (B); and

(D) by redesignating subparagraph (C) as subparagraph (B).

(2) Section 11(g)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1921(g)(4)) is amended by striking "If the Corporation" and inserting "Subject to subsection (d)(11), if the Corporation".

(c) Effective Date.—The amendments made by this section shall apply with respect to insured depository institutions for which a receiver is appointed after the date of the enactment of this Act.

SEC. 3002. TRANSFER OF FEDERAL RESERVE SURPLUSES.

(a) In General.—The 1st undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 289) is amended to read as follows:

"(a) Dividends and Surplus Funds of Reserve Banks.—

"(1) Stockholder dividends.—

"(A) In general.—After all necessary expenses of a Federal reserve bank have been paid or provided for, the stockholders of the bank shall be entitled to receive an annual dividend of 6 percent on paid-in capital stock.

"(B) Dividend cumulative.—The entitlement to dividends under subparagraph shall be cumulative.

"(2) Deposit of net earnings in surplus fund.—That portion of net earnings of each Federal reserve bank which remains after dividend claims under subparagraph (A) have been fully met shall be deposited in the surplus fund of the bank.

"(3) Payment to treasury.—During fiscal years 1997 and 1998, any amount in the surplus fund of any Federal reserve bank in excess of the amount equal to 3 percent of the total paid-in capital and surplus of the member banks of such bank shall be transferred to the Board for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury.".

(b) Additional Transfers for Fiscal Years 1997 and 1998.—

(1) In general.—In addition to the amounts required to be transferred from the surplus funds of the Federal reserve banks pursuant to section 7(a)(3) of the Federal Reserve Act, the Federal reserve banks shall transfer from such surplus funds to the Board of Governors of the Federal Reserve System for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury, a total amount of $106,000,000 in fiscal year 1997 and a total amount of $107,000,000 in fiscal year 1998.

(2) Allocation by fed.—Of the total amount required to be paid by the Federal reserve banks under paragraph (1) for fiscal year 1997 or 1998, the Board of Governors of the Federal Reserve System shall determine the amount each such bank shall pay in such fiscal year.

(3) Replenishment of surplus fund prohibited.—No Federal reserve bank may replenish such bank's surplus fund by the amount of any transfer by such bank under paragraph (1) during fiscal years 1997 and 1998.

(c) Technical and Conforming Amendments.—

(1) The penultimate undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 290) is amended by striking "The net earnings derived" and inserting "(b) Use of Earnings Transferred to the Treasury.—The net earnings derived".

(2) The last undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 531) is amended by striking "Federal reserve banks" and inserting "(c) Exemption From Taxation.—Federal reserve banks".

SEC. 3003. USE OF RETURN DATA FOR INCOME VERIFICATION UNDER CERTAIN HOUSING ASSISTANCE PROGRAMS.

(a) Amendments to Housing Acts.—Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended as follows:

(1) Definition.—In subsection (a), by adding at the end the following:

"(4) Program of the Department of Housing and Urban Development.—The term 'program of the Department of Housing and Urban Development' includes Indian housing programs assisted under title II of the United States Housing Act of 1937.".

(2) CONSENT FORMS.—In subsection (b)—

(A) in paragraph (1), by striking "and" at the end;

(B) in paragraph (2), by striking the period at the end and inserting "; and";

(C) by inserting after paragraph (2) the following new paragraph:

"(3) sign a consent form approved by the Secretary authorizing the Secretary to request the Commissioner of Social Security and the Secretary of the Treasury to release information pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 with respect to such applicant or participant for the sole purpose of the Secretary verifying income information pertinent to the applicant's or participant's eligibility or level of benefits."; and

(D) in the last sentence, by striking "This" and inserting the following: "Except as provided in this subsection, this".

(2) APPLICANT, PARTICIPANT, AND PUBLIC HOUSING AGENCY PROTECTIONS.—In subsection (c)(2)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by inserting after "compensation law" the following: "or pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 from the Commissioner of Social Security or the Secretary of the Treasury"; and

(II) by inserting "(in the case of information obtained pursuant to such section 303(i))" before "representatives"; and

(ii) in clause (ii), by inserting "or public housing agency" after "owner" each place it appears; and

(B) in subparagraph (B), by inserting after "wages" each place it appears the following: ", other earnings or income,".

(3) PENALTY.—In subsection (c)(3)—

(A) in subparagraph (A), by inserting "or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986" after "Social Security Act"; and

(B) in the first sentence of subparagraph (B)—

(i) by striking clause (i) and inserting the following: "(i) a negligent or knowing disclosure of information referred to in this section, section 303(i) of the Social Security Act, or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 about such person by an officer or employee of any public housing agency or owner (or employee thereof), which disclosure is not authorized by this section, such section 303(i), such section 6103(l)(7)(D)(ix), or any regulation implementing this section, such section 303(i), or such section 6103(l)(7)(D)(ix), or"; and

(ii) in clause (ii), by inserting "such section 6103(l)(7)(D)(ix)," after "303(i),".

(4) CONFORMING AMENDMENT.—The heading of subsection (c) of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 is amended by striking "STATE EMPLOYMENT".

(5) OPERATING SUBSIDY ADJUSTMENTS.—Section 9(a) of the United States Housing Act of 1937 (42 U.S.C. 1437g(c)) is amended by adding at the end the following:

"(4) Adjustments to a public housing agency's operating subsidy made by the Secretary under this section shall reflect actual changes in rental income collections resulting from the application of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.".

(b) CONFORMING INTERNAL REVENUE CODE AMENDMENTS.—

(1) IN GENERAL.—Subparagraph (D) of section 6103(*l*)(7) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(*l*)(7)(D); relating to the disclosure of return information to Federal, State, and local agencies administering certain programs) is amended—

(A) in clause (vii), by striking ", and" at the end and inserting a semicolon;

(B) in clause (viii), by striking the period at the end and inserting "; and";

(C) by inserting after clause (viii) the following new clause:

"(ix) any housing assistance program administered by the Department of Housing and Urban Development that involves initial and periodic review of an applicant's or participant's income, except that return information may be disclosed under this paragraph only to the Secretary of Housing and Urban Development and only with respect to applicants for and participants in such programs who have signed consent forms under section 904(b)(3) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988."; and

(D) by adding at the end the following: "Clause (ix) shall not apply after September 30, 1998.".

(2) AMENDMENT TO THE HEADING.—The heading of paragraph (7) of section 6103(l) of the Internal Revenue Code of 1986 is amended by inserting after "1977," the following: "CERTAIN HOUSING ASSISTANCE PROGRAMS,".

SEC. 3004. GNMA REMIC GUARANTEE FEES.

Section 306(g)(3) of the National Housing Act (12 U.S.C. 1721(g)(3)) is amended by adding at the end the following new subparagraph:

"(E)(i) Notwithstanding subparagraphs (A) through (D), fees charged for the guarantee of, or commitment to guarantee, multiclass securities backed by a trust or pool of securities or notes guaranteed by the Association under this subsection, and other related fees shall be charged by the Association in an amount the Association deems appropriate. The Association shall take such action as may be necessary to reasonably assure that such portion of the benefit, resulting from the Association's multiclass securities program, as the Association determines is appropriate accrues to mortgagors who execute eligible mortgages after the date of the enactment of this subparagraph.

"(ii) In its annual report, the Association shall provide a summary of each activity of the Association pertaining to the Association's multiclass securities program. Each summary shall contain a description of the activity and shall include—

"(I) information pertaining to the size of the transactions closed, the number of mortgages involved, the amount of fees charged, those persons or entities receiving payments for services provided and the amounts of such payments; and

"(II) an estimate of the portion of the benefit of the multiclass securities program accruing to mortgagors as well as a description of any action taken by the Association to ensure such accrual.

"(iii) The Association shall provide for the initial implementation of the program for which fees are charged under the first sentence of clause (i) by notice published in the Federal Register. The notice shall be effective upon publication and shall provide an opportunity for public comment. Not later than 12 months after publication of the notice, the Association shall issue regulations for such program based on the notice, comments received, and the experience of the Association in carrying out the program during such period.

"(iv) The Association shall consult with persons or entities in such manner as the Association deems appropriate to ensure the efficient commencement and operation of the multiclass securities program.

"(v) No State or local law, and no Federal law (except Federal law enacted expressly in limitation of this clause after the effective date of this subparagraph) shall preclude or limit the exercise by the Association of its power to contract with persons or entities, and its rights to enforce such contracts, for the purpose of ensuring the efficient commencement and continued operation of the multiclass securities program.

"(vi) Prior to the commencement of the multiclass securities program, the Association shall provide to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report describing the Association's design of the multiclass securities program, including program elements that ensure the minimization of risks arising from the operation of the multiclass securities program, such as—

"(I) any industry proven safeguards, including capital standards for sponsors and provisions for indemnification from private parties for events that may result in the Association's liability under its guaranty or commitment to guaranty; and

"(II) the sufficiency of the Association's staff resources to administer the multiclass securities program.".

SEC. 3005. MUTUAL MORTGAGE INSURANCE FUND PREMIUMS.

To improve the actuarial soundness of the Mutual Mortgage Insurance Fund under the National Housing Act, the Secretary of Housing and Urban Development shall increase the rate at which the Secretary earns the single premium payment collected at the time of insurance of a mortgage that is an obligation of such Fund (with respect to the rate in effect on the date of the enactment of this Act). In establishing such increased rate, the Secretary shall consider any current audit findings and reserve analyses and information regarding the expected average duration of mortgages that are obligations of such Fund and may consider any other information that the Secretary determines to be appropriate.

TITLE IV—COMMUNICATIONS AND TRANSPORTATION

Subtitle A—Spectrum Allocation and Auction

SEC. 4001. SHORT TITLE.

This subtitle may be cited as the "Emerging Telecommunications Technologies Act of 1993".

SEC. 4002. FINDINGS.

The Congress finds that—

(1) the Federal Government currently reserves for its own use, or has priority of access to, approximately 40 percent of the electromagnetic spectrum that is assigned for use pursuant to the Communications Act of 1934;

(2) many of such frequencies are underutilized by Federal Government licensees;

(3) the public interest requires that many of such frequencies be utilized more efficiently by Federal Government and non-Federal licensees;

(4) additional frequencies are assigned for services that could be obtained more efficiently from commercial providers or other vendors;

(5) scarcity of assignable frequencies for licensing by the Commission can and will—

(A) impede the development and commercialization of new telecommunications products and services;

(B) limit the capacity and efficiency of telecommunications systems in the United States;

(C) prevent some State and local police, fire, and emergency services from obtaining urgently needed radio channels; and

(D) adversely affect the productive capacity and international competitiveness of the United States economy;

(6) a reassignment of these frequencies can produce significant economic returns;

(7) a reassignment of Federal Government frequencies can be accomplished without adverse impact on amateur radio licenses that currently share allocations with Federal Government stations;

(8) current spectrum assignment procedures—comparative hearings and lotteries—can be expensive and time consuming, can strain the limited resources of the Federal Communications Commission, and can result in an inefficient distribution of spectrum and an unjustified windfall to speculators;

(9) competitive bidding could reduce the cost in time and money—and increase the efficiency—of the spectrum assignment process for certain radio services, discourage speculative applications, encourage the efficient use of spectrum by licensees, and fairly compensate United States taxpayers for use of a scarce public natural resource;

(10) competitive bidding should be structured to—

(A) facilitate introduction of new spectrum-based technologies and services and entry of new companies into the telecommunications market;

(B) recognize the legitimate needs of rural telephone companies in providing spectrum-based, common carrier services in rural markets in which they provide telephone exchange service by wire;

(C) give appropriate consideration to small businesses and minority-owned businesses that want to participate in the competitive bidding process;

(D) recognize the need to make reasonably priced mobile communications services available to businesses in rural areas;

(E) recognize the need to ensure that adequate spectrum continues to be available for public safety services; and

(F) otherwise further the public interest;

(11) competitive bidding should apply only to the granting of new spectrum licenses and should not—

(A) disrupt the operations of existing spectrum licensees;

(B) alter existing spectrum allocation procedures;

(C) apply to certain services governed by public interest regulations;

(D) diminish the existing authority of the Federal Communications Commission to regulate or reclaim spectrum licenses;

(E) prevent or discourage the allocation of spectrum to meet the current or future needs of public safety services; or

(F) grant any right to a spectrum licensee different from the rights awarded to licensees who obtain their license through assignment methods other than competitive bidding;

(12) in appropriating revenues received from competitive bidding, priority should be given to—

(A) funding spectrum management, planning, monitoring, and enforcement and other activities of the Federal Communications Commission, the National Telecommunications and Information Administration, and other Federal agencies aimed at increasing the efficiency and effectiveness of spectrum use, facilitating the introduction of new spectrum-based technologies and services, and enhancing the international competitiveness of the United States and the ability of American companies to enter new markets; and

(B) extending the reach of public radio and television to underserved areas of the United States and underserved groups of Americans and enhancing the ability of public telecommunications to deliver needed original, high-quality public service programming; and

(13) because commercial mobile services require a Federal license and the Federal Government is attempting to promote competition for such services, and because providers of such services do not exercise market power vis-a-vis telephone exchange service carriers and State regulation can be a barrier to the development of competition in this market, uniform national policy is necessary and in the public interest.

SEC. 4003. COMPETITIVE BIDDING.

(a) COMPETITIVE BIDDING.—

(1) IN GENERAL.—

(A) FIVE-YEAR AUTHORIZATION.—The Commission shall, during fiscal years 1994 through 1998, use the competitive bidding process authorized under the amendment made by subsection (b) to grant all radio spectrum licenses for which two or more mutually exclusive applications have been filed, including the 200 megahertz of spectrum made available to the Commission under this subtitle, and including the licenses issued for a personal communications service established pursuant to the proceeding entitled "Amendment to the Commission's Rules to Establish New Personal Communications Services", or any successor proceeding, except for those licenses identified in subparagraphs (A) through (E) of section 309(j)(4) of the Act and those licenses that the Commission determines should in the public interest be issued by comparative hearing under section 309(a) through (f) of the Act. To the extent possible, and consistent with the purposes of this subtitle, the Commission shall seek to ensure that revenues received pursuant to the competitive bidding process are received before the end of fiscal year 1998.

(B) EXPIRATION OF REQUIREMENTS.—The requirements of subparagraph (A) shall expire either—

(i) upon a determination by the Secretary of the Treasury that competitive bidding has resulted in or is reasonably expected to result in the receipt of $7,200,000,000 by the end of fiscal year 1998, or

(ii) at the end of fiscal year 1998, whichever is earlier.

(C) REPORT TO PRESIDENT AND CONGRESS.—The Commission shall prepare, in consultation with the Assistant Secretary of Commerce for Communications and Information, and submit to the President and the Congress, not later than March 31, 1997, and March 31, 1999, reports on the use of competitive bidding under subparagraph (A). Such reports shall examine, in addition to any other matters deemed appropriate by the Commission, whether and to what extent—

(i) competitive bidding significantly improved the efficiency and effectiveness of the process for granting radio spectrum licenses;

(ii) competitive bidding facilitated the introduction of new spectrum-based technologies and the entry of new companies into the telecommunications market;

(iii) the needs of rural spectrum users were adequately addressed in the competitive bidding process;

(iv) small businesses and minority-owned businesses were able to participate successfully in the competitive bidding process; and

(v) statutory changes are needed to improve the competitive bidding process.

(2) RETENTION OF REVENUES.—Notwithstanding paragraph (6) of section 309(j) of the Act, as added by this subtitle, the salaries and expenses account of the Commission shall retain as an offsetting collection such sums as may be necessary from the receipts received pursuant to such section for the costs of developing and implementing the program required by subsection (a)(1)(A). Such offsetting collections shall be available for obligation subject to the terms and conditions of the receiving appropriations account, and shall be deposited in such accounts on a quarterly basis. Any funds appropriated to the Commission for fiscal years 1994 through 1998 for the purpose of assigning licenses using random selection under section 309(i) of the Act shall be used by the Commission to implement section 309(j) of the Act.

(b) COMPETITIVE BIDDING AUTHORIZATION.—Section 309 of the Act (47 U.S.C. 309) is amended by adding at the end the following new subsection:

"(j)(1) Subject to the exemptions and conditions set forth in the other provisions of this subsection, if there are two or more mutually exclusive applications for any construction permit or initial license which will involve any use of the electromagnetic spectrum, the Commission shall have authority to use competitive bidding in the granting of such construction permit or initial license.

"(2)(A) The Commission shall, within 6 months after the date of enactment of the Emerging Telecommunications Technologies Act of 1993 and following public notice and comment proceedings, issue rules establishing competitive bidding procedures under this subsection. Such rules shall include safeguards to protect the public interest in the use of the spectrum and shall ensure the opportunity for successful participation by small businesses and minority-owned businesses.

"(B)(i) In the rules issued pursuant to subparagraph (A), the Commission shall require potential bidders to file a first-stage application indicating an intent to participate in the competitive bidding process and containing such other information as the Commission finds necessary. After conducting the bidding, the Commission shall require the winning bidder to file a second-stage application. After determining that such application is acceptable for filing and that the winning bidder is qualified as described in clause (ii), the Commission shall grant the permit or license to the winning bidder.

"(ii) No permit or license shall be granted to a winning bidder pursuant to clause (i) unless the Commission determines that such winning bidder is qualified pursuant to section 308(b) and subsection (a) of this section, on the basis of the information contained in the first-stage and second-stage applications submitted pursuant to clause (i).

"(iii) Each participant in the competitive bidding process shall be subject to the schedule of charges contained in section 8.

"(C) In the rules issued pursuant to subparagraph (A), the Commission, in addition to other actions it finds necessary to implement competitive bidding fairly and effectively, shall—

"(i) establish the method of bidding (including but not limited to sealed bids) and the basis for payment (such as installment or lump sum payments, royalties on future income, a combination thereof, or other reasonable forms of payment specified by the Commission); and

"(ii) establish other appropriate conditions on such permits and licenses that serve the public interest.

"(3)(A)(i) If the Commission decides to use competitive bidding to grant two or more national, regional, or local licenses per market in a terrestrial service that will compete with telephone exchange service provided by a qualified common carrier, the Commission shall designate one such license per market as a rural program license.

"(ii) The Commission shall define the geographic boundaries of the rural program license to correspond to the geographic area of the telephone exchange service by which the qualified common carrier became eligible for the rural program license under subparagraph (E)(ii).

"(B)(i) Except as provided in subparagraph (D), the Commission shall either grant a rural program license to the qualified common carrier providing telephone exchange service in the area covered by such license, or grant a license to a consortium of such qualified carriers.

"(ii) No qualified common carrier that receives a rural program license shall be eligible to—

"(I) receive any other license to provide the same service in such area; or

"(II) own any equity interest in, become a creditor of, or otherwise become affiliated with any entity that holds a license to provide the same service in such area.

"(iii) Any qualified common carrier that receives a rural program license shall (I) provide to all other licensees providing the same service in such area the same quality of access to its wire network that it provides itself, and (II) shall interconnect its wireless service with the wireless service provided by another licensee providing the same service on the same frequency in a different geographic area. Such other licensee shall provide an equivalent interconnection with the wireless service of such rural program licensee.

"(iv) The Commission may establish other rules or conditions for the award of a rural program license, consistent with the intent of this paragraph.

"(C)(i) Upon the grant of a rural program license to a qualified common carrier, such carrier shall pay a fee (in lump sum or installment payments, in royalties on future income, in a combination thereof, or on any other reasonable basis specified by the Commission) equal to the value of such license. The value of such license shall be the average of the amounts paid by persons granted licenses through competitive bidding to provide the same service in such area, except that the Commission shall determine the value of such license by any reasonable means when the geographic area served by the rural program license is not congruent with the geographic area served by the other license or licenses. The Commission shall ensure that the total amount paid by qualified common carriers for all the licenses issued to them under the rural program shall equal the total value, as determined under clause (ii), of such licenses.

"(ii) The Commission shall determine the total value of the licenses issued under the rural program to qualified common carriers by first adding the amounts paid for the licenses not subject to the rural program, and dividing that sum by the number of licenses per market that are not subject to the rural program. The Commission shall then subtract from the amount found in the previous calculation the total amount paid for the licenses issued for the non-rural areas under bidding subject to the rural program and the total amount paid for licenses issued pursuant to subparagraph (D). The amount remaining shall be the total value of all the licenses issued under the rural program to qualified common carriers.

"(D) If no qualified common carrier applies for a rural program license in a particular market and the Commission awards the non-rural program licenses through competitive bidding, the rural program shall not apply for that particular market and the Commission shall use competitive bidding to award the licenses for the former rural program areas, either separately or as part of larger license areas.

"(E) For purposes of this paragraph—

"(i) the term 'rural area' means any geographic area that does not include either—

"(I) any incorporated place of 10,000 inhabitants or more, or any part thereof; or

"(II) any territory, incorporated or unincorporated, included in an urbanized area (as defined by the Bureau of the Census as of the date of enactment of the Emerging Telecommunications Technologies Act of 1993); and

"(ii) the term 'qualified common carrier' means a common carrier that—

"(I) either provides telephone exchange service by wire in a rural area, provides telephone exchange service by wire to less than 10,000 subscribers, or is a telephone utility whose income accrues to a State or political subdivision thereof; and

"(II) submits an application for a rural program license that meets the standards established by the Commission to determine ability to provide the service covered by the license.

"(F) The provisions of subparagraph (A)(ii) do not limit the Commission's discretion to determine, for licenses issued other than under this paragraph, the size of any market area or the number of licensees for any service.

"(4) The competitive bidding authority provided to the Commission in paragraph (1) shall not—

"(A) because of the need to avoid excessive service disruption, extend to license renewals and modifications;

"(B) because of the essential services they provide, extend to licenses reserved for the United States Government and State or local government entities;

"(C) because of their public service obligations, extend to licenses to provide amateur operator services, over-the-air terrestrial radio and television broadcast services, public safety services, and radio astronomy services;

"(D) because they do not involve mutually exclusive applications, extend to private radio end-user licenses, including Specialized Mobile Radio Service (SMRS), maritime, and aeronautical end-user licenses;

"(E) because of the need to avoid excessive service disruption, extend to any license grant to a non-Federal licensee being moved from its current frequency assignment to a different one by the Commission in order to make spectrum available for new technologies; and

"(F) extend to any other service, class of services, or assignments that the Commission determines, after conducting public notice and comment proceedings, should be exempt from competitive bidding because of public interest factors warranting an exemption to the extent the Commission determines the use of competitive bidding would jeopardize appropriate treatment of those factors.

"(5) No provision of this subsection or of the Emerging Telecommunications Technologies Act of 1993 shall be construed, in any way, to—

"(A) alter spectrum allocation criteria and procedures established by the other provisions of this Act;

"(B) allow the Commission to consider potential revenues from competitive bidding when making decisions concerning spectrum allocation;

"(C) diminish the authority of the Commission under the other provisions of this Act to regulate or reclaim spectrum licenses;

"(D) grant any right to a spectrum licensee different from the rights awarded to licensees who obtained their license through assignment methods other than competitive bidding; or

"(E) prevent the Commission from awarding licenses to those persons who make significant contributions to the development of a new telecommunications service or technology.

"(6) Moneys received from competitive bidding pursuant to this subsection shall be deposited in the general fund of the Treasury."

(c) STATE AND LOCAL TAX TREATMENT OF LICENSES AND PERMITS.—Title VII of the Act (47 U.S.C. 601 et seq.) is amended by adding at the end the following new section:

"SEC. 714. STATE AND LOCAL TAX TREATMENT OF LICENSES AND PERMITS.

"A license or permit issued by the Commission under this Act shall not be treated as the property of the licensee for property tax purposes, or other similar tax purposes, by any State or local government entity.".

SEC. 4004. DEADLINES FOR PCS ORDERS AND LICENSING.

The Commission shall—

(1) within 180 days after the date of enactment of this Act, issue a final report and order (A) in the matter entitled "Redevelopment of Spectrum to Encourage Innovation in the Use of New Telecommunications Technologies" (ET Docket No. 92-9); and (B) in the matter entitled "Amendment of the Commission's Rules to Establish New Personal Communications Services" (GEN Docket No. 90-314; ET Docket No. 92-100); and

(2) within 270 days after such date of enactment, commence issuing licenses and permits in the personal communications service.

SEC. 4005. DEFINITIONS.

As used in this subtitle:

(1) The term "allocation" means an entry in the National Table of Frequency Allocations of a given frequency band for the purpose of its use by one or more radiocommunication services.

(2) The term "assignment" means an authorization given to a station licensee to use specific frequencies or channels in a particular geographic area.

(3) The term "commercial carrier" means any entity that uses a facility licensed by the Federal Communications Commission pursuant to the Communications Act of 1934 for hire or for its own use, but does not include Federal Government stations licensed pursuant to section 305 of the Act (47 U.S.C. 305).

(4) The term "Commission" means the Federal Communications Commission.

(5) The term "Secretary" means the Secretary of Commerce.

(6) The term "the Act" means the Communications Act of 1934 (47 U.S.C. 151 et seq.).

Subtitle B—Vessel Tonnage Duties

SEC. 4101. EXTENSION OF VESSEL TONNAGE DUTIES.

(a) EXTENSION OF DUTIES.—Section 36 of the Act of August 5, 1909 (36 Stat. 111; 46 App. U.S.C. 121), is amended—

(1) by striking "and 1995," each place it appears and inserting in lieu thereof "1995, 1996, 1997, and 1998,";

(2) by striking "place," and inserting in lieu thereof "place;"; and

(3) by striking "port, not, however, to include vessels in distress or not engaged in trade" and inserting in lieu thereof "port. However, neither duty shall be imposed on vessels in distress or not engaged in trade".

(b) CONFORMING AMENDMENT.—The Act of March 8, 1910 (36 Stat. 234; 46 App. U.S.C. 132), is amended by striking "and 1995," and inserting in lieu thereof "1995, 1996, 1997, and 1998.".

(c) TECHNICAL CORRECTION.—

(1) CORRECTION.—Section 10402(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388–398) is amended by striking "in the second paragraph".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on and after November 5, 1990.

TITLE V—COMMITTEE ON ENERGY AND NATURAL RESOURCES

Subtitle A—Recreation and Commercial Use Fees

SEC. 5001. ADMISSION FEES.

Section 4(a) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–6a(a)), is amended:

(1) by inserting in the first sentence of the first paragraph after the words "National Park System" the words "and for fiscal years 1994 through 1998, the Bureau of Land Management" and by inserting after the words "National Recreation Areas" the words ", and for fiscal years 1994 through 1998, National Monuments, National Volcanic Monuments, National Scenic Areas, and areas of concentrated public use"; and

(2) by adding at the end the following new paragraph:

"(13) For the purposes of this subsection, 'areas of concentrated public use' shall meet each of the following criteria:

"(A) be managed primarily for outdoor recreation purposes;

"(B) provide facilities and services necessary to accommodate heavy public use;

"(C) contain at least one major recreation attraction including, but not limited to, a lake, river, historical site, or geologic feature; and

"(D) provide public access such that admission fees can be efficiently collected at one or more centralized locations.".

SEC. 5002. RECREATION USE FEES.

(a) IN GENERAL.—The first sentence of section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–6a(b)) is amended by striking out "visitors' centers," and all that follows down through the period at the end thereof and inserting the following: "scenic drives, or toilet facilities: *Provided*, That in no event shall there be any charge for the use of any campground not having a majority of the following: tent or trailer spaces, picnic tables, drinking water, access road, refuse containers, toilet facilities, fee collection by an employee or agent of the Federal agency operating the facility, reasonable visitor protection, and simple devices for containing a campfire (where campfires are permitted). For purposes of this subsection, the term 'specialized outdoor recreation site' includes but shall not be limited to campgrounds, swimming sites, boat launch facilities, and managed parking lots.".

(b) COSTS OF COLLECTION.—Section 4(i) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–6a(i)) is amended by inserting "(A)" after "(1)" and by adding the following at the end of paragraph (1):

"(B) Notwithstanding subparagraph (A), in any fiscal year, the Secretary of Agriculture and the Secretary of the Interior may withhold from the special account established under subparagraph (A) such portion of all receipts the fees collected in that fiscal year under this section as such Secretary determines to be equal to the additional fee collection costs for that fiscal year. The amounts so withheld shall be retained by the Secretary of Agriculture or the Secretary of the Interior and shall be available, without further appropriation, for expenditure by the Secretary concerned in the fiscal year in which collected to cover such additional fee collection costs. The Secretary concerned shall deposit in the special account established pursuant to subparagraph (A) any amounts so retained which remain unexpended and unobligated at the end of such fiscal year. For the purposes of this subparagraph, for any fiscal year, the term 'additional fee collection costs' means those costs for personnel and infrastructure directly associated with the collection fees imposed under this section which exceed the costs for personnel and infrastructure directly associated with the collection of such fees during fiscal year 1993.".

(c) COMMERCIAL TOUR USE FEES.—(1) For fiscal years 1994 through 1998, in the case of each unit of the National Park System for which an admission fee is charged under section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–4), the Secretary of the Interior shall establish, by October 1, 1993, a commercial tour use fee to be imposed on each vehicle entering the unit for the purpose of providing commercial tour services within the unit. Fee revenue derived from such commercial tour use fees shall be deposited into the special account established under section 4(i) of the Land and Water Conservation Fund Act of 1965.

(2) The Secretary shall establish the amount of fee per entry as follows:

(A) $25 per vehicle with a passenger capacity of 25 persons or less, and

(B) $50 per vehicle with a passenger capacity of more than 25 persons.

(3) The commercial tour use fee imposed under this subsection shall not apply to either of the following:

(A) Any vehicle transporting organized school groups or outings conducted for educational purposes by schools or other bona fide educational institutions.

(B) Any vehicle entering a park system unit pursuant to a contract issued under the Act of October 9, 1965 (16 U.S.C. 20–20g) entitled "An Act relating to the establishment of concession policies in the areas administered by the National Park Service and for other purposes.".

(d) NON-FEDERAL GOLDEN EAGLE PASSPORT SALES.—Section 4(a)(1)(A) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–6a(a)(1)(A)) is amended by redesignating the paragraph as 4(a)(1)(A)(i) and adding at the end thereof the following new paragraph:

"(ii) For fiscal years 1994 through 1998, the Secretary of the Interior and the Secretary of Agriculture may authorize businesses, non-profit entities, and other organizations to sell and collect fees for the Golden Eagle Passport subject to such conditions as the Secretaries may jointly prescribe. The Secretaries shall develop detailed guidelines for promotional advertising of non-Federal Golden Eagle Passport sales and shall monitor compliance with such guidelines. The Secretaries may authorize the sellers to maintain an inventory of Golden Eagle Passports for periods not to exceed 6 months, and to withhold amounts up to, but not exceeding 7 per centum of the fees of the gross fees collected from the sale of such passports as reimbursement for actual expenses of the sales.".

SEC. 5003. RADIO AND TELEVISION COMMUNICATION SITE FEES.

(a) Notwithstanding any other provision of law, the Secretary of Agriculture and the Secretary of the Interior (hereinafter referred to as "the Secretaries"), shall assess and collect charges for utilization of radio and television communications sites located on Federal lands administered by the Forest Service or the Bureau of Land Management at such rates as the Forest Service and the Bureau of Land Management shall establish or at such modified rates as are established pursuant to the provisions of subsection (b) of this section.

(b) The schedule of charges established under this section shall be reviewed by the Forest Service and the Bureau of Land Management on an annual basis, and shall be adjusted by the Forest Service and the Bureau of Land Management to reflect changes in the Consumer Price Index. Increases or decreases in charges shall apply to all categories of charges, but any increase or decrease shall not total less than 3 percent or more than 5 percent of the charge assessed to the user in the preceding year. The Bureau of Land Management and the Forest Service shall transmit to the Congress notification of any such adjustment not later than 60 days before the effective date of such adjustment.

(1) Under the schedule of charges established under the section, if any radio or television communications site user is to be charged an amount that is greater than $1,000 more than the amount such site user pays to the Bureau of Land Management or the Forest Service as of January 1, 1993, then during the first year in which the schedule of charges is in effect, such site user shall pay an amount equal to the amount it paid to the Bureau of Land Management or the Forest Service as of January 1, 1993 plus $1,000. Each year thereafter, such site user shall pay the full amount under the schedule of charges, as modified pursuant to the subsection.

(2) Under the schedule of charges established under this section, if any radio or television communications site user is to be charged an amount that is less than the amount such site user paid to the Bureau of Land Management or the Forest Service as of January 1, 1993, such site user shall continue to pay the higher amount until such time as the charge to the site user in the schedule of charges equals or exceeds that amount, as modified pursuant to this subsection.

(c)(1) If the radio or television communications site user is permitted under the terms of its site use authorization from the Bureau of Land Management or the Forest Service to grant access to the site to additional users, then the radio or television communications site user shall pay annually to the Bureau of Land Management or the Forest Service an amount equal to 25 percent of the gross income it receives from each such additional user during that year.

(2) Authorizations to radio and television communications site users shall require such site users to provide the Bureau of Land Management or the Forest Service with a certified list which identifies all additional users of such sites and all gross revenues received from such additional users. The Bureau of Land Management and the Forest Service shall not require any additional user

of a radio or television communications site to obtain a separate authorization to use such a site.

(d)(1) The Secretaries shall prescribe appropriate rules and regulations to carry out the provisions of this section.

(2) Ten years after the date of enactment of this section, the Secretaries shall establish a broad-based advisory group, including representatives from the radio and television broadcast industry, to review the schedule of charges and other acceptable criteria for determining fair market value for radio and television communications site users. The advisory group shall report its findings to the Congress no later than 1 year after it is established.

(e)(1) Until modified pursuant to subsection (b) of this section, the schedule of charges for television communications site users which the Secretaries shall prescribe pursuant to subsection (a) of this section shall be as listed in exhibit 3, (television rental fee schedule) in the report of the radio and television broadcast use fee advisory committee dated December 1992.

(2) Until modified pursuant to subsection (b) of this section, the schedule of charges for radio communications site users which the Secretaries shall prescribe pursuant to subsection (a) of this section shall be as listed in exhibit 4, (radio rental fee schedule) in the report of the radio and television broadcast use fee advisory committee dated December 1992.

Subtitle B—Hardrock Mining Claim Maintenance Fee

SEC. 5101. FEE.

(a) Except as provided in section 2511(e)(2) of the Energy Policy Act of 1992, for each unpatented mining claim, mill or tunnel site on federally owned lands, whether located before or after enactment of this Act, each claimant shall pay to the Secretary of the Interior, on or before August 31 of each year, for years 1994 through 1998, a claim maintenance fee of $100 per claim to hold such unpatented mining claim, mill or tunnel site for the assessment year beginning at noon on the next day, September 1. Such claim maintenance fee shall be in lieu of the assessment work requirement contained in the Mining Law of 1872 (30 U.S.C. 28–28e) and the related filing requirements contained in section 314(a) and (c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(a) and (c)).

(b)(1) The claim maintenance fee required under this section shall be waived for a claimant who certifies in writing to the Secretary that on the date the payment was due, the claimant and all related parties—

(A) held not more than 10 mining claims, mill sites, or tunnel sites, or any combination thereof, on public lands; and

(B) have performed assessment work required under the Mining Law of 1872 (30 U.S.C. 28–28e) to maintain the mining claims held by the claimant and such related parties for the assessment year ending on noon of September 1 of the calendar year in which payment of the claim maintenance fee was due.

(2) For purposes of paragraph (1), with respect to any claimant, the term "all related parties" means—

(A) the spouse and dependent children (as defined in section 152 of the Internal Revenue Code of 1986), of the claimant; or

(B) a person affiliated with the claimant, including—

(i) a person controlled by, controlling, or under common control with the claimant; or

(ii) a subsidiary or parent company or corporation of the claimant.

(c)(1) The Secretary shall adjust the fees required by this section to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor every 5 years after the date of enactment of this Act, or more frequently if the Secretary determines an adjustment to be reasonable.

(2) The Secretary shall provide claimants notice of any adjustment made under this subsection not later than July 1 of any year in which the adjustment is made.

(3) A fee adjustment under this section shall begin to apply the calendar year following the calendar year in which it is made.

(d) Monies received under this section shall be deposited as miscellaneous receipts in the Treasury.

SEC. 5102. LOCATION.

(a) Notwithstanding any provision of law, for every unpatented mining claim, mill or tunnel site located after the date of enactment of this subtitle and before September 30, 1998, the locator shall, at the time the location notice is recorded with the Bureau of Land Management, pay to the Secretary of the Interior a location fee, in addition to the fee required by section 5101, of $25.00 per claim.

(b) Moneys received under this section shall be deposited as miscellaneous receipts in the Treasury.

SEC. 5103. CO-OWNERSHIP.

The co-ownership provisions of the Mining Law of 1872 (30 U.S.C. 28–28e) will remain in effect except that the annual claim maintenance fee, where applicable, shall replace applicable assessment requirements and expenditures.

SEC. 5104. FAILURE TO PAY.

Failure to pay the claim maintenance fee as required by section 5101 of this subtitle shall conclusively constitute a forfeiture of the unpatented mining claim, mill or tunnel site by the claimant and the claim shall be deemed null and void by operation of law.

SEC. 5105. OTHER REQUIREMENTS.

(a) Nothing in this subtitle shall change or modify the requirements of section 314(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(b)), or the requirements of section 314(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(c)) related to filings required by section 314(b), which remain in effect.

(b) The third sentence of 2324 of the Revised Statutes (30 U.S.C. 28) is amended by inserting after "On each claim located after the 10th day of May, 1972," the following: "that is eligible for a waiver under section 5101 of the Omnibus Budget Reconciliation Act of 1993,".

SEC. 5106. REGULATIONS.

The Secretary of the Interior shall promulgate rules and regulations to carry out the purposes of this subtitle as soon as practicable after the date of enactment of this subtitle.

Subtitle C—Commonwealth of Northern Mariana Islands Agreement

SEC. 5201. COMMONWEALTH OF NORTHERN MARIANA ISLANDS AGREEMENT.

Public Law 94–241 (90 Stat. 263), as amended, is further amended by striking "law" in subsection 4(b) and inserting in lieu thereof the following: "law: *Provided*, That for fiscal years 1994 through 1998, payments shall be limited to the amounts and for the purposes set forth in the Agreement of the Special Representatives on Future Federal Financial Assistance of the Northern Mariana Islands, executed on December 17, 1992 between the special representative of the President and the special representatives of the Governor of the Northern Mariana Islands: *Provided further*, That after 1998, the amount shall continue at the annual amount of $27.720 million.

Subtitle D—Mineral Receipts

SEC. 5301. AMENDMENT TO THE MINERAL LEASING ACT.

Section 35 of the Mineral Leasing Act, as amended (30 U.S.C. 191) is amended as follows:

(1) by deleting the last sentence and redesignating the remaining language as subsection (a);

(2) by amending subsection (a) by inserting the words "and, subject to the provisions of subsection (b)," between the words "United States;" and "50 per centum";

(3) by adding a new subsection (b) as follows:

"(b)(1) In calculating the amount to be paid to States during any fiscal year under this section or under any other provision of law requiring payment to a State of any revenues derived from the leasing of any onshore lands or interest in land owned by the United States for the production of the same types of minerals leasable under this Act or of geothermal steam, 50 per centum of the portion of the enacted appropriation of the Department of the Interior and any other agency during the preceding fiscal year allocable to the administration of all laws providing for the leasing of any onshore lands or interest in land owned by the United States for the production of the same types of minerals leasable under this Act or of geothermal steam, and in enforcing such laws, shall be deducted from the receipts derived under those laws in approximately equal amounts each month (subject to paragraph (4)) prior to the division and distribution of such receipts between the States and the United States.

"(2) The proportion of the deduction provided in paragraph (1) allocable to each State shall be determined by dividing the monies disbursed to the State during the preceding fiscal year derived from onshore mineral leasing referred to in paragraph (1) in that State by the total money disbursed to States during the preceding fiscal year from such onshore mineral leasing in all States.

"(3) In the event the deduction apportioned to any State under this subsection exceeds 50 per centum of the Secretary of the Interior's estimate of the amounts attributable to onshore mineral leasing referred to in paragraph (1) within that State during the preceding fiscal year, the deduction from receipts received from leases in that State shall be limited to such estimated amounts and the total amount to be deducted from such onshore mineral leasing receipts shall be reduced accordingly.

"(4) If the amount otherwise deductible under this subsection in any month from the portion of receipts to be distributed to a State exceeds the amount payable to the State during that month, any amount exceeding the amount payable shall be carried forward and deducted amounts payable to the State in subsequent months. If any amount remains to be carried forward at the end of the fiscal year, such amount shall not be deducted from any disbursements in any subsequent fiscal year.

"(5) All deductions to be made pursuant to this subsection shall be made in full during the fiscal year in which such deductions were incurred.

"(6) All amounts deducted under this subsection from monies otherwise payable to a

State shall be credited to miscellaneous receipts in the Treasury.".

SEC. 5302. CONFORMING AMENDMENTS.

(a) Section 6 of the Mineral Leasing Act for Acquired Lands, as amended (30 U.S.C. 355), is amended by adding the following words "Subject to the provisions of 30 U.S.C. 191(b)," at the beginning of the first sentence.

(b) Section 5(a) of the Geothermal Steam Act, as amended (30 U.S.C. 1019), is amended by adding the words "Subject to the provisions of 30 U.S.C. 191(b)," at the beginning of that section.

TITLE VI—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SEC. 6001. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking "September 30, 1995" and inserting "September 30, 1998".

SEC. 6002. CORPS OF ENGINEERS RECREATION USER FEES.

(a) IN GENERAL.—Section 210 of the Flood Control Act of 1968 (16 U.S.C. 460d-3) is amended—

(1) by inserting "(a)" before "No entrance";

(2) by striking the second sentence; and

(3) by adding at the end the following new subsection:

"(b)(1) Except as provided in paragraph (2), notwithstanding section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(b)), the Secretary of the Army may charge fees for the use of developed recreation sites and facilities, including campsites, swimming beaches, and boat launching ramps.

"(2) The Secretary may not charge fees for the use or provision of drinking water, wayside exhibits, general purpose roads, overlook sites, toilet facilities, or general visitor information.

"(3) Fees collected under this subsection shall be deposited into the special account established in the Treasury of the United States for the Army Corps of Engineers under section 4(i) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(i)).".

(b) CONFORMING AMENDMENT.—Section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(b)) is amended by striking the second sentence.

TITLE VII—FINANCE COMMITTEE RECONCILIATION PROVISIONS RELATING TO MEDICARE, MEDICAID, AND OTHER PROGRAMS

SEC. 7000. AMENDMENTS TO SOCIAL SECURITY ACT; REFERENCES; TABLE OF CONTENTS.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this title, the terms "OBRA-1986", "OBRA-1987", "OBRA-1989", and "OBRA-1990" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), respectively.

(c) REFERENCES TO OMNIBUS BUDGET RECONCILIATION ACT OF 1993.—Any reference in this title (or in any amendment made by this title) to the Omnibus Budget Reconciliation Act of 1993 shall be deemed to be a reference to this title.

(d) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 7000. Amendments to Social Security Act; references; table of contents.

Subtitle A—Medicare

PART I—PROVISIONS RELATING TO PART A

Sec. 7101. Payment updates for inpatient hospital services.
Sec. 7102. Payment for indirect costs of medical education.
Sec. 7103. Elimination of return on equity for proprietary skilled nursing facilities.
Sec. 7104. Extension of 10 percent reduction in payments for capital-related costs of inpatient hospital services.
Sec. 7105. Skilled nursing facility cost limits.
Sec. 7106. Payments for hospice care.

PART II—PROVISIONS RELATING TO PART B

SUBPART A—PHYSICIANS' SERVICES

Sec. 7201. Reduction in default update for conversion factor for 1994.
Sec. 7202. Reduction in performance standard rate of increase and increase in maximum reduction permitted in default update and classification of primary care services as a separate category of services.
Sec. 7203. Phased-in reduction in practice expense relative value units for certain services.
Sec. 7204. Limitation on payment for the anesthesia care team.

SUBPART B—OUTPATIENT HOSPITAL SERVICES AND AMBULATORY SURGICAL SERVICES

Sec. 7221. Extension of 10 percent reduction in payments for capital-related costs of outpatient hospital services.
Sec. 7222. Extension of reduction in payments for other costs of outpatient hospital services.
Sec. 7223. Changes to payment formulas for certain outpatient hospital services.
Sec. 7224. Reduction in payments for intraocular lenses.

SUBPART C—DURABLE MEDICAL EQUIPMENT

Sec. 7231. Revisions to payment rules for durable medical equipment.
Sec. 7232. Treatment of nebulizers and aspirators.
Sec. 7233. Payment for surgical dressings.
Sec. 7234. Payments for tens devices.

SUBPART D—PART B PREMIUM

Sec. 7251. Part B premium.

SUBPART E—OTHER PROVISIONS

Sec. 7261. Reduction in update for certain part B services.
Sec. 7262. Payments for clinical diagnostic laboratory tests.

PART III—PROVISIONS RELATING TO PARTS A AND B

Sec. 7301. Payments for direct graduate medical education costs.
Sec. 7302. Revision of home health agency cost limits.
Sec. 7303. Medicare as secondary payer.
Sec. 7304. Extension of self-referral ban to additional specified services.
Sec. 7305. Reduction in payment for erythropoietin.

Subtitle B—Medicaid Program

PART I—PROGRAM SAVINGS PROVISIONS

SUBPART A—REPEAL OF MANDATE

Sec. 7401. Personal care services furnished outside the home as optional benefit.

SUBPART B—OUTPATIENT PRESCRIPTION DRUGS

Sec. 7411. Permitting prescription drug formularies under State plans.
Sec. 7412. Elimination of special exemption from prior authorization for new drugs.
Sec. 7413. Modifications to drug rebate program.

SUBPART C—RESTRICTIONS ON DIVESTITURE OF ASSETS AND ESTATE RECOVERY

Sec. 7421. Medicaid estate recoveries.
Sec. 7422. Transfers of assets.
Sec. 7423. Treatment of certain trusts.

SUBPART D—IMPROVEMENT IN IDENTIFICATION AND COLLECTION OF THIRD PARTY PAYMENTS

Sec. 7431. Liability of third parties to pay for care and services.
Sec. 7432. Medical child support.
Sec. 7433. Offset of payment obligations relating to medical assistance against overpayments of State and Federal income taxes.

SUBPART E—ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS

Sec. 7441. Assuring proper payments to disproportionate share hospitals.

SUBPART F—ANTI-FRAUD AND ABUSE PROVISIONS

Sec. 7451. Application of medicare rules limiting certain physician referrals.

Subtitle C—Income Security Programs

Sec. 7601. Matching of State administrative costs.
Sec. 7602. State paternity establishment programs.
Sec. 7603. Fees for Federal administration of State supplementary payments.

Subtitle D—Miscellaneous Provisions

PART I—TRADE PROVISIONS

Sec. 7701. Extension of authority to levy customs user fees.
Sec. 7702. Extension of, and authorization of appropriations for, trade adjustment assistance programs.

PART II—IMPROVED ACCESS TO CHILDHOOD IMMUNIZATIONS

Sec. 7801. Medicaid immunization provisions.

PART III—DISCLOSURE PROVISIONS

Sec. 7901. Disclosure of return information for administration of certain veterans programs.
Sec. 7902. Use of return information for health coverage clearinghouse.

PART IV—OTHER PROVISIONS

Sec. 7950. Disallowance of interest on certain overpayments of tax.
Sec. 7951. Fees for applications for alcohol labeling and formula reviews.
Sec. 7952. Increase in public debt limit.

Subtitle A—Medicare

PART I—PROVISIONS RELATING TO PART A

SEC. 7101. PAYMENT UPDATES FOR INPATIENT HOSPITAL SERVICES.

(a) REDUCTION.—

(1) PPS HOSPITALS.—

(A) IN GENERAL.—Section 1886(b)(3)(B)(i) (42 U.S.C. 1395ww(b)(3)(B)(i)) is amended—

(i) in the matter preceding subclause (I), by striking "fiscal year" and inserting "particular time period",

(ii) in subclause (VIII), by inserting "and the 3 succeeding months" after "fiscal year 1993",

(iii) in subclause (IX)—

(I) by striking "fiscal year",

(II) by inserting "minus 2.18 percentage points" after "market basket percentage increase" the first place it appears, and

(III) by striking "plus 1.5 percentage points" and inserting "minus .68 percentage point",

(iv) in subclause (X)—

(I) by striking "fiscal year",

(II) by inserting "minus 2.27 percentage points" after "market basket percentage increase", and

(III) by striking "and" at the end,

(v) in subclause (XI)—

(I) by striking "for fiscal year 1996 and each subsequent fiscal year" and inserting "for 1996",

(II) by inserting "minus 2.0 percentage points" after "market basket percentage increase", and

(III) by striking the period and inserting a comma, and

(vi) by adding at the end the following new subclauses:

"(XII) for 1997, the market basket percentage increase minus 1.0 percentage point for hospitals in all areas, and

"(XIII) for 1998 and each subsequent year, the market basket percentage increase for hospitals in all areas.".

(B) ADJUSTMENT OF LABOR AND NON-LABOR PORTIONS OF STANDARDIZED AMOUNTS.—Section 1886(d)(3)(A) (42 U.S.C. 1395ww(d)(3)(A)) is amended by adding at the end the following new clause:

"(vi) For discharges occurring on or after January 1, 1995, the Secretary shall adjust the ratio of the labor portion to non-labor portion of each average standardized amount to equal such ratio for the national average standardized amount.".

(2) OTHER HOSPITALS.—Section 1886(b)(3)(B)(ii) (42 U.S.C. 1395ww(b)(3)(B)(ii)) is amended—

(A) by striking ", (C), (D),"

(B) by striking "and" at the end of subclause (III),

(C) by striking subclause (IV) and inserting the following new subclauses:

"(IV) fiscal years 1988 through 1993 and the 3 succeeding months, is the market basket percentage increase,

"(V) 1994, is 75 percent of the difference between the market basket percentage increase and 1.0 percentage point,

"(VI) 1995 through 1997, is the market basket percentage increase minus 1.0 percentage points, and

"(VII) 1998 and each subsequent year, is the market basket percentage increase.".

(3) SOLE COMMUNITY AND MEDICARE-DEPENDENT, SMALL RURAL HOSPITALS.—

(A) IN GENERAL.—Section 1886(b)(3)(B) (42 U.S.C. 1395ww(b)(3)(B)) is amended by adding at the end the following new clause:

"(iv) For purposes of subparagraphs (C) and (D), the applicable percentage increase for discharges occurring during—

"(I) cost reporting periods beginning in fiscal year 1986 through fiscal year 1993 and the 3 succeeding months, is the increase specified in clause (ii),

"(II) for 1994, is 75 percent of the difference between the market basket percentage increase and 2.0 percentage points,

"(III) for 1995, is the market basket percentage increase, minus 2.0 percentage points, and

"(IV) for 1996 and each subsequent year, is the increase described in clause (i) for such year.

For purposes of subclause (I), the annual update applied for a cost reporting period beginning during calendar year 1993 is adjusted to reflect only the time period occurring from the beginning of the hospital's cost reporting period through December 31, 1993.".

(B) TARGET AMOUNT ADJUSTMENT.—

(i) SOLE COMMUNITY HOSPITAL.—Section 1886(b)(3)(C) (42 U.S.C. 1395ww(b)(3)(C)) is amended—

(I) in clause (i)(II), by striking "or",

(II) in clause (ii)—

(aa) by inserting "or portion of a cost reporting period occurring before December 31, 1993," before "the target amount",

(bb) by striking "subparagraph (B)(ii)" and inserting "subparagraph (B)(iv)", and

(cc) by striking the period at the end and inserting a comma, and

(dd) by adding at the end the following new clauses:

"(iii) with respect to discharges occurring in 1994, the target amount for the cost reporting period beginning in 1993 increased by the applicable percentage increase under subparagraph (B)(iv), or

"(iv) with respect to discharges occurring in 1995 and each subsequent year, the target amount for the preceding year increased by the applicable percentage increase under subparagraph (B)(iv).".

(ii) MEDICARE-DEPENDENT, SMALL RURAL HOSPITAL.—Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)) is amended—

(I) in clause (i)(II), by striking "or",

(II) in clause (ii)—

(aa) by inserting "or portion of a cost reporting period occurring before December 31, 1993," before "the target amount",

(bb) by striking "subparagraph (B)(ii)" and inserting "subparagraph (B)(iv)", and

(cc) by striking the period at the end and inserting ", or" and

(dd) by adding at the end the following new clause:

"(iii) with respect to discharges occurring in 1994, the target amount for the cost reporting period beginning in 1993 increased by the applicable percentage increase under subparagraph (B)(iv).".

(4) DELAY IN INCREASE IN DISPROPORTIONATE SHARE PAYMENTS FOR CERTAIN URBAN HOSPITALS.—Section 1886(d)(5)(F)(vii)(II) (42 U.S.C. 1395ww(d)(5)(F)(vii)(II)) is amended—

(A) in subdivision (b), by striking "September 30, 1993" and inserting "December 31, 1993", and

(B) in subdivision (c), by striking "October 1, 1993" and inserting "January 1, 1994".

(5) REGIONAL FLOOR EXTENDED.—Section 1886(d)(1)(A) (42 U.S.C. 1395ww(d)(1)(A)) is amended—

(i) in clause (ii), by striking "or" at the end;

(ii) in clause (iii), by striking "September 30, 1993, " and inserting "December 31, 1993"; and

(iii) by adding at the end the following new clause:

"(iv) beginning on and after January 1, 1994, is equal to the national adjusted DRG prospective payment rate determined under paragraph (3) for such discharges.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1886(b)(3)(B)(iii) (42 U.S.C. 1395ww(b)(3)(B)(iii)) is amended—

(A) by inserting "beginning in" after "cost reporting periods",

(B) by striking "fiscal year" the first place it appears and inserting "particular time period",

(C) by striking "or fiscal year" the first and second place it appears, and

(D) by striking "cost reporting period or fiscal year" and inserting "period".

(2) The first sentence in the matter in section 1886(d)(3) (42 U.S.C. 1395ww(d)(3)) preceding subparagraph (A) is amended by inserting "or calendar" after "fiscal" the first place it appears.

(3) Section 1886(d)(3)(A)(ii) (42 U.S.C. 1395ww(d)(3)(A)(ii)) is amended—

(A) by striking "1994," and inserting "1992, in the 15-month period beginning on October 1, 1992, and in 1994,", and

(B) by striking "fiscal year" the second and third place it appears and inserting "time period".

(4) Section 1886(d)(3)(A)(iii) (42 U.S.C. 1395ww(d)(3)(A)(iii)) is amended by striking "the fiscal year beginning on October 1, 1994" and inserting "1995".

(5) Section 1886(d)(3)(A)(iv) (42 U.S.C. 1395ww(d)(3)(A)(iv)) is amended—

(A) by striking "fiscal year beginning on or after October 1, 1995" and inserting "year beginning on or after January 1, 1996",

(B) by striking "and within each region", and

(C) by striking "fiscal" each place it appears.

(6) Section 1886(d)(3)(D) (42 U.S.C. 1395ww(d)(3)(D)) is amended—

(A) by inserting "or calendar" after "fiscal" each place it appears, and

(B) by inserting "for each fiscal year through 1993" after "and shall establish".

(7) Section 1886(d)(3)(E) (42 U.S.C. 1395ww(d)(3)(E)) is amended—

(A) in the second sentence, by striking "October 1, 1993" and inserting "January 1, 1994", and

(B) in the last sentence, by inserting "or calendar" after "fiscal" the first and last place it appears.

(8)(A) Section 1886(d)(4)(C)(iii) (42 U.S.C. 1395ww(d)(4)(C)(iii)) is amended—

(i) by inserting "or calendar" after "fiscal" the first place it appears, and

(ii) by deleting "fiscal" the third place it appears.

(B) The requirements of paragraphs (3)(E) and (4)(C)(iii) of section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)(4)(C)(iii)) shall be applied on a 15-month basis for the period beginning on October 1, 1992, and ending on December 31, 1993.

(9) Section 1886(d)(4)(E) is (42 U.S.C. 1395ww(d)(4)(E)) is amended by striking "October 1, 1993" and inserting "January 1, 1994".

(10)(A) Section 1886(d)(5)(A)(iv) (42 U.S.C. 1395ww(d)(5)(A)(iv)) is amended by inserting "or calendar" after "fiscal".

(B) The requirement of section 1886(d)(5)(A)(iv) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(A)(iv)) shall be applied on a 15-month basis for the period beginning on October 1, 1992, and ending on December 31, 1993.

(11) Section 1886(d)(5)(B)(i) (42 U.S.C. 1395ww(d)(5)(B)(i)) is amended by striking "or, if applicable, the amount determined under paragraph (1)(A)(iii)" and inserting "or, the amount determined under paragraphs (1)(A)(iii) or (1)(A)(iv), as applicable".

(12) Section 1886(d)(5)(E)(ii) (42 U.S.C. 1395ww(d)(5)(E)(ii)) is amended by inserting "or calendar" after "fiscal".

(13) Section 1886(d)(6) (42 U.S.C. 1395ww(d)(5)(6)) is amended by striking "the September 1 before each fiscal year (beginning with fiscal year 1984)" and inserting "December 1 each year".

(14) The matter in section 1886(d)(9)(A) (42 U.S.C. 1395ww(d)(9)(A)) preceding clause (i) is amended by striking "fiscal year" and inserting "particular time period".

(15) Section 1886(d)(9)(C)(i) (42 U.S.C. 1395ww(d)(9)(C)(i)) is amended—

(A) by striking "fiscal year" the first place it appears and inserting "time period", and

(B) by striking "fiscal years" and inserting "time periods".

(16) Subparagraphs (A) and (B) of section 1886(e)(3) (42 U.S.C. 1395ww(e)(3)) are each amended by striking "that fiscal year" and inserting "the coming fiscal or calendar year".

(17) The first sentence of section 1886(e)(4)(A) (42 U.S.C. 1395ww(e)(4)(A)) is amended by inserting "or calendar" after "fiscal" the first and last place it appears.

(18) Section 1886(e)(4)(B) (42 U.S.C. 1395ww(e)(4)(B)) is amended by inserting "or calendar" after "fiscal".

(19) Section 1886(e)(5)(A) (42 U.S.C. 1395ww(e)(5)(A)) is amended by striking "that fiscal year" and inserting "the coming fiscal or calendar year".

(20) The second and third sentences of section 1886(e)(5) (42 U.S.C. 1395ww(e)(5)) are each amended by inserting "or calendar" after "fiscal" each place it appears.

SEC. 7102. PAYMENT FOR INDIRECT COSTS OF MEDICAL EDUCATION.

Section 1886(d)(5)(B)(ii) (42 U.S.C. 1395ww(d)(5)(B)(ii)) is amended to read as follows:

"(ii) For purposes of clause (i)(II), the indirect teaching adjustment factor is equal to c (((1+r) to the nth power) -1), where 'r' is the ratio of the hospital's full-time equivalent interns and residents to beds and 'n' equals .405. For discharges occurring on or after—

"(I) May 1, 1986, and before January 1, 1994, 'c' is equal to 1.89,

"(II) January 1, 1994, and before January 1, 1996, 'c' is equal to 1.728, and

"(III) January 1, 1996, 'c' is equal to 1.605.".

SEC. 7103. ELIMINATION OF RETURN ON EQUITY FOR PROPRIETARY SKILLED NURSING FACILITIES.

(a) Repeal of Requirement for Return on Equity.—(1) Section 1861(v)(1)(B) (42 U.S.C. 1395x(v)(1)(B)) is amended to read as follows:

"(B) In the case of extended care services, the regulations under subparagraph (A) shall not include provision for specific recognition of a return on equity capital.".

(2) Section 1878(f)(2) (42 U.S.C. 1395oo(f)(2)) is amended by striking "the rate of return on equity capital established by regulation pursuant to section 1861(v)(1)(B) and in effect at the time" and inserting "the average of the rates of interest on obligations issued for purchase by the Federal Hospital Insurance Trust Fund for each of the months any part of which is included in the cost reporting period in which".

(3) Section 1881(b)(2)(C) (42 U.S.C. 1395rr(b)(2)(C)) is amended by striking all that follows "capital" up to the period.

(b) Effective Date.—The amendments made by subsection (a) apply to portions of cost reporting periods occurring on or after October 1, 1993.

SEC. 7104. EXTENSION OF 10 PERCENT REDUCTION IN PAYMENTS FOR CAPITAL-RELATED COSTS OF INPATIENT HOSPITAL SERVICES.

The second sentence of section 1886(g)(1)(A) (42 U.S.C. 1395ww(g)(1)(A)) is amended by striking "1995" and inserting "1998".

SEC. 7105. SKILLED NURSING FACILITY COST LIMITS.

(a) In General.—Section 1888(a) (42 U.S.C. 1395yy(a)) is amended by striking "112 percent of the mean" and inserting "110 percent of the median" each place it appears.

(b) Effective Date.—The amendments made by paragraph (1) shall apply to cost reporting periods beginning on or after October 1, 1993.

SEC. 7106. PAYMENTS FOR HOSPICE CARE.

Section 1814(i)(1)(C) (42 U.S.C. 1395f(i)(1)(C)) is amended—

(1) in clause (ii), by striking "during a subsequent fiscal year" and inserting "during fiscal years 1991, 1992, and 1993 (and the 3 succeeding months)"; and

(2) by adding at the end the following new clause:

"(iii) With respect to routine home care and other services included in hospice care furnished during calendar years 1994, 1995, 1996, 1997, and 1998, the payment rates for such care and services shall be the payment rates in effect under this subparagraph during the previous calendar year increased by the market basket percentage increase (as so defined) otherwise applicable to discharges occurring in the calendar year, reduced by 1 percentage point.".

PART II—PROVISIONS RELATING TO PART B

Subpart A—Physicians' Services

SEC. 7201. REDUCTION IN DEFAULT UPDATE FOR CONVERSION FACTOR FOR 1994.

Section 1848(d)(3)(A) (42 U.S.C. 1395w-4(d)(3)(A)) is amended—

(1) in clause (i), by striking "clause (iii)" and inserting "clauses (iii) and (iv)", and

(2) by adding at the end the following new clause:

"(iv) Adjustment in percentage increase for 1994.—In applying clause (i) for services (other than primary care services) furnished in 1994, the percentage increase in the appropriate update index shall be reduced by—

"(I) 8 percentage points for surgical services (as defined for purposes of subsection (j)(1)), and

"(II) 4.4 percentage points for other services.".

SEC. 7202. REDUCTION IN PERFORMANCE STANDARD RATE OF INCREASE AND INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE AND CLASSIFICATION OF PRIMARY CARE SERVICES AS A SEPARATE CATEGORY OF SERVICES.

(a) Reduction in Performance Standard Factor.—Section 1848(f)(2)(B) (42 U.S.C. 1395w-4(f)(2)(B)) is amended to read as follows:

"(B) Performance standard factor.—For purposes of subparagraph (A)—

"(i) In general.—Except as provided in clause (ii), the performance standard factor—

"(I) for 1993 is 2 percentage points,

"(II) for 1994 is 3½ percentage points, and

"(III) for each succeeding year is 4 percentage points.

"(ii) Primary care services.—The performance standard factor for primary care services (as defined in section 1842(i)(4)) is 0 percentage points.".

(b) Increase in Maximum Reduction Permitted in Default Update.—Section 1848(d)(3)(B)(ii) (42 U.S.C. 1395w-4(d)(3)(B)(ii)) is amended—

(1) in subclause (II), by striking "or 1995", and

(2) in subclause (III), by striking "3" and inserting "5".

(c) Classification of Primary Care Services as Separate Category of Services.—

(1) In general.—Section 1848(j)(1) (42 U.S.C. 1395w-4(j)(1)) is amended by inserting ", primary care services (as defined in section 1842(i)(4))," after "Secretary)".

(2) Effective date.—The amendment made by paragraph (1) shall apply—

(A) to volume performance standard rates of increase established under section 1848(f) of the Social Security Act for fiscal years beginning on or after October 1, 1993, and

(B) to updates in the conversion factors for physicians' services established under section 1848(d) of such Act for physicians' services to be furnished in calendar years beginning after 1995.

SEC. 7203. PHASED-IN REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.

Section 1848(c)(2) (42 U.S.C. 1395w-4(c)(2)) is amended by adding at the end the following new subparagraph:

"(E) Reduction in practice expense relative value units for certain services.—

"(i) In general.—Subject to clause (ii), the Secretary shall reduce the practice expense relative value units applied to services described in clause (iii) furnished in—

"(I) 1994, by 25 percent of the number by which the number of practice expense relative value units (determined for 1994 without regard to this subparagraph) exceeds the number of work relative value units determined for 1994,

"(II) 1995, by an additional 25 percent of such excess, and

"(III) 1996, by an additional 25 percent of such excess.

"(ii) Floor on reductions.—The practice expense relative value units for a physician's service shall not be reduced under this subparagraph to a number less than 110 percent of the number of work relative value units.

"(iii) Services covered.—For purposes of clause (i), the services described in this clause are physicians' services that are not described in clause (iv) and for which—

"(I) there are work relative value units, and

"(II) the number of practice expense relative value units (determined for 1994) exceeds 110 percent of the number of work relative value units (determined for such year).

"(iv) Excluded services.—For purposes of clause (iii), the services described in this clause are services which the Secretary determines at least 75 percent of which are provided under this title in an office setting.".

SEC. 7204. LIMITATION ON PAYMENT FOR THE ANESTHESIA CARE TEAM.

(a) Limit on Payment to a Physician for Medical Direction.—

(1) In general.—Section 1848(a) (42 U.S.C. 1395w-4(a)) is amended by adding at the end the following new paragraph:

"(5) Special rule for medical direction.—

"(A) In general.—With respect to physicians' services furnished on or after January 1, 1994, and consisting of medical direction of 2, 3, or 4 concurrent anesthesia cases, the fee schedule amount to be applied shall not exceed one-half of the amount described in subparagraph (B).

"(B) Amount.—The amount described in this subparagraph, for a physician's medical direction of the performance of anesthesia services, is the following percentage of the fee schedule amount otherwise applicable under this section if the anesthesia services were personally performed by the physician alone:

"(i) For services furnished during 1994, 120 percent.

"(ii) For services furnished during 1995, 115 percent.

"(iii) For services furnished during 1996, 110 percent.

"(iv) For services furnished during 1997, 105 percent.

"(v) For services furnished after 1997, 100 percent.".

(2) Elimination of reduction for medical direction of multiple nurse anesthetists.—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by striking paragraph (13).

(b) PAYMENT TO A CERTIFIED REGISTERED NURSE ANESTHETIST FOR MEDICALLY DIRECTED SERVICES.—Subparagraph (B) of section 1833(l)(4) (42 U.S.C. 1395l(l)(4)) is amended—

(1) in clause (i), by inserting "and before January 1, 1994," after "1991,";

(2) in clause (ii)—

(A) by adding "and" at the end of subclause (II),

(B) by striking the comma at the end of subclause (III) and inserting a period, and

(C) by striking subclauses (IV) through (VII); and

(3) by adding at the end the following new clause:

"(iii) In the case of services of a certified registered nurse anesthetist who is medically directed or medically supervised by a physician which are furnished on or after January 1, 1994, the fee schedule amount shall be 50 percent of the amount described in section 1848(a)(5)(B) with respect to the physician.".

Subpart B—Outpatient Hospital Services and Ambulatory Surgical Services

SEC. 7221. EXTENSION OF 10 PERCENT REDUCTION IN PAYMENTS FOR CAPITAL-RELATED COSTS OF OUTPATIENT HOSPITAL SERVICES.

Section 1861(v)(1)(S)(ii)(I) (42 U.S.C. 1395x(v)(1)(S)(ii)(I)) is amended by striking "fiscal year 1992, 1993, 1994, or 1995" and inserting "fiscal years 1992 through 1998".

SEC. 7222. EXTENSION OF REDUCTION IN PAYMENTS FOR OTHER COSTS OF OUTPATIENT HOSPITAL SERVICES.

Section 1861(v)(1)(S)(ii)(II) (42 U.S.C. 1395x(v)(1)(S)(ii)(II)) is amended by striking ", 1992, 1993, 1994, or 1995" and inserting "through 1998".

SEC. 7223. CHANGES TO PAYMENT FORMULAS FOR CERTAIN OUTPATIENT HOSPITAL SERVICES.

(a) AMBULATORY SURGICAL CENTER PROCEDURES.—Section 1833(i)(3) (42 U.S.C. 1395l(i)(3)) is amended—

(1) in subparagraph (A), by striking clause (ii) and inserting the following:

"(ii) the lesser of—

"(I) the aggregate blended amount, less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A), or

"(II) 80 percent of the aggregate blended amount.";

(2) in subparagraph (B)—

(A) in clause (i), by striking "The blend amount" and inserting "For purposes of subparagraph (A), the aggregate blended amount",

(B) in subclause (I) of clause (i), by striking "the amount described in subparagraph (A)(i)" and inserting "the lesser of the reasonable cost of such services (as determined under section 1861(v)) or the customary charges with respect to such services", and

(C) in subclause (II) of clause (i), by striking "of 80 percent".

(b) RADIOLOGY SERVICES AND DIAGNOSTIC PROCEDURES.—Section 1833(n) (42 U.S.C. 1395l(n)) is amended—

(1) in paragraph (1), by redesignating subparagraph (B) as paragraph (2) and by redesignating clauses (i) and (ii) of such paragraph (as so redesignated) and subclauses (I) and (II) of such clauses as subparagraphs (A) and (B) and clauses (i) and (ii), respectively;

(2) in paragraph (1), by striking "(A) The aggregate amount" and inserting "The aggregate amount";

(3) in paragraph (1), by redesignating clause (i) as subparagraph (A) and by striking clause (ii) and inserting the following:

"(B) the lesser of—

"(i) the aggregate blended amount, less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A), or

"(ii) 80 percent of the aggregate blended amount."; and

(4) in paragraph (2) (as so redesignated)—

(A) in subparagraph (A) (as so redesignated), by striking "The blend amount" and inserting "The aggregate blended amount",

(B) in subparagraph (A)(i) (as so redesignated) by striking "(as defined in clause (ii)) of the amount described in subparagraph (A)(i);" and inserting "the lesser of the reasonable cost of such services (as determined under section 1861(v)) or the customary charges with respect to such services",

(C) in subparagraph (A)(iii) (as so redesignated) by striking "(as defined in clause (ii)(II))", and

(D) in subparagraph (B) (as so redesignated), by striking "In this subparagraph" and inserting "For purposes of subparagraph (A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to portions of cost reporting periods occurring on or after October 1, 1993.

SEC. 7224. REDUCTION IN PAYMENTS FOR INTRAOCULAR LENSES.

(a) PAYMENT FOR INTRAOCULAR LENS.—Section 4151(c)(3) of OBRA–1990 is amended—

(1) by striking "center" and all that follows and inserting "center—

"(A) on or after the date of the enactment of this Act and on or before December 31, 1993, shall be equal to $200; and

"(B) on or after January 1, 1994, and on or before December 31, 1998, shall be equal to $150."; and

(2) in the heading, by striking "2-YEAR FREEZE IN ALLOWANCE" and inserting "ALLOWANCE".

(b) CONFORMING AMENDMENTS.—

(1) PAYMENT AMOUNTS FOR SERVICES FURNISHED IN AMBULATORY SURGICAL CENTERS.—(A)(i) Section 1833(i)(2)(A)(i) (42 U.S.C. 1395l(i)(2)(A)(i)) is amended by striking the comma at the end and inserting the following: ", as determined in accordance with a survey (based upon a representative sample of procedures and facilities) taken not later than January 1, 1995, and every 5 years thereafter, of the actual audited costs incurred by such centers in providing such services,".

(ii) The second sentence of section 1833(i)(1) (42 U.S.C. 1395l(i)(1)) is amended by striking the period and inserting the following: ", in consultation with appropriate trade and professional organizations.".

(B) Section 4151(c)(3) of OBRA–1990, as amended in subsection (a), is amended by striking "for the insertion of an intraocular lens" and inserting "for an intraocular lens inserted".

(2) BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—

(A) IN GENERAL.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(i) by striking "for reporting" and inserting "for portions of cost reporting"; and

(ii) by striking "and on or before" and inserting "and ending on or before".

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect as if included in the enactment of OBRA–1990.

Subpart C—Durable Medical Equipment

SEC. 7231. REVISIONS TO PAYMENT RULES FOR DURABLE MEDICAL EQUIPMENT.

(a) BASING NATIONAL PAYMENT LIMITS ON MEDIAN OF LOCAL PAYMENT AMOUNTS.—

(1) INEXPENSIVE AND ROUTINELY PURCHASED ITEMS; ITEMS REQUIRING FREQUENT AND SUBSTANTIAL SERVICING.—(A) Paragraphs (2)(C)(i)(II) and (3)(C)(i)(II) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking "1992" the first place it appears and inserting "1992, 1993, and 1994"; and

(ii) by striking "1992" the second place it appears and inserting "the year".

(B) Paragraphs (2)(C)(ii) and (3)(C)(ii) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking "and" at the end of subclause (I);

(ii) by redesignating subclause (II) as (IV); and

(iii) by inserting after subclause (I) the following new subclauses:

"(II) for 1992 and 1993, the amount determined under this clause for the preceding year increased by the covered item update for such subsequent year,

"(III) for 1994, the local payment amount determined under clause (i) for such item or device for that year, except that the national limited payment amount may not exceed 100 percent of the median of all local payment amounts determined under such clause for such item for that year and may not be less than 85 percent of the median of all local payment amounts determined under such clause for such item or device for that year, and".

(2) MISCELLANEOUS DEVICES AND ITEMS.—Section 1834(a)(8) (42 U.S.C. 1395m(a)(8)) is amended—

(A) in subparagraph (A)(ii)(III), by striking "1992" and inserting "1992, 1993, and 1994"; and

(B) in subparagraph (B)—

(i) by striking "and" at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

"(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

"(iii) for 1994, the local purchase price computed under subparagraph (A)(ii) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local purchase prices computed under such subparagraph for the item for the year; and".

(3) OXYGEN AND OXYGEN EQUIPMENT.—Section 1834(a)(9) (42 U.S.C. 1395m(a)(9)) is amended—

(A) in subparagraph (A)(ii)(II), by striking "1991 and 1992" and inserting "1991, 1992, 1993, and 1994"; and

(B) in subparagraph (B)—

(i) by striking "and" at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

"(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

"(iii) for 1994, the local monthly payment rate computed under subparagraph (A)(ii) for the item for the year, except that such national limited monthly payment rate may not exceed 100 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year; and".

(b) Payment for Prosthetic Devices and Orthotics and Prosthetics.—

(1) In general.—Section 1834(h)(2) (42 U.S.C. 1395m(h)(2)) is amended—

(A) in subparagraph (A)(ii)(II), by striking "1992 or 1993" and inserting "1992, 1993, or 1994";

(B) in subparagraph (B)(ii), by striking "each subsequent year" and inserting "1993";

(C) in subparagraph (C)(iv), by striking "regional purchase price computed under subparagraph (B)" and inserting "national limited purchase price computed under subparagraph (E)";

(D) in subparagraph (D)(ii), by striking "a subsequent year" and inserting "1993"; and

(E) by adding at the end the following new subparagraph:

"(E) Computation of national limited purchase price.—With respect to the furnishing of a particular item in a year, the Secretary shall compute a national limited purchase price—

"(i) for 1994, equal to the local purchase price computed under subparagraph (A)(ii)(II) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices for the item computed under such subparagraph for the year, and may not be less than 85 percent of the median of all local purchase prices for the item computed under such subparagraph for the year; and

"(ii) for each subsequent year, equal to the amount determined under this subparagraph for the preceding year increased by the applicable percentage increase for such subsequent year.".

(c) Effective Date.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 7232. TREATMENT OF NEBULIZERS AND ASPIRATORS.

(a) In General.—Section 1834(a)(3)(A) (42 U.S.C. 1395m(a)(3)(A)) is amended by striking "(such as ventilators, aspirators, IPPB machines, and nebulizers)".

(b) Payment for Accessories Relating to Nebulizers and Aspirators.—Section 1834(a)(2)(A) (42 U.S.C. 1395m(a)) is amended—

(1) by striking "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii), and

(3) by inserting after clause (ii) the following new clause:

"(iii) which is an accessory used in conjunction with a nebulizer or aspirator,".

(c) Effective Date.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 7233. PAYMENT FOR SURGICAL DRESSINGS.

(a) In General.—Section 1834 (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(i) Payment for Surgical Dressings.—

"(1) In general.—Payment under this subsection for surgical dressings (described in section 1861(s)(5)) shall be made in a lump sum amount for the purchase of the item in an amount equal to 80 percent of the lesser of—

"(A) the actual charge for the item; or

"(B) a payment amount determined in accordance with the methodology described in subparagraphs (B) and (C) of subsection (a)(2) (except that in applying such methodology, the national limited payment amount referred to in such subparagraphs shall be initially computed based on local payment amounts using average reasonable charges for the 12-month period ending December 31, 1992, increased by the covered item updates described in such subsection for 1993 and 1994).

"(2) Exceptions.—Paragraph (1) shall not apply to surgical dressings that are—

"(A) furnished as an incident to a physician's professional service; or

"(B) furnished by a home health agency.".

(b) Conforming Amendment.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended—

(1) by striking "and" before "(N)", and

(2) with respect to the matter inserted by section 4155(b)(2)(B) of OBRA-1990—

(A) by striking "(m)" and inserting ", and (o)"; and

(B) by transferring and inserting it (as amended) immediately before the semicolon at the end;

(3) by striking "and" before "(o)", and

(4) by inserting before the semicolon at the end the following: ", and (P) with respect to surgical dressings, the amounts paid shall be the amounts determined under section 1834(j)".

(c) Effective Date.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 7234. PAYMENTS FOR TENS DEVICES.

(a) In General.—Section 1834(a)(1)(D) (42 U.S.C. 1395m(a)(1)(D)) is amended by striking "15 percent" the second place it appears and inserting "45 percent".

(b) Effective Date.—The amendment made by subsection (a) shall apply to items furnished on or after January 1, 1994.

Subpart D—Part B Premium

SEC. 7251. PART B PREMIUM.

Section 1839(e) (42 U.S.C. 1395r(e)) is amended—

(1) in paragraph (1)(A), by striking "December 1983 and prior to January 1991 shall be an amount equal to 50 percent" and inserting "after December 1995 and prior to January 1999 shall be an amount equal to 50 percent", and

(2) in paragraph (2), by striking "1991" and inserting "1998".

Subpart E—Other Provisions

SEC. 7261. REDUCTION IN UPDATE FOR CERTAIN PART B SERVICES.

(a) Durable Medical Equipment.—Section 1834(a)(14) (42 U.S.C. 1395m(a)(14)) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking "a subsequent year" and inserting "1993", and by striking the period and inserting a semicolon; and

(3) by adding at the end the following new subparagraphs:

"(C) for 1994 , no percentage change;

"(D) for 1995, 1996, 1997, and 1998, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year, reduced by 1 percentage point; and

"(E) for any subsequent year, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year.".

(b) Orthotics and Prosthetics.—Section 1834(h)(4)(A) (42 U.S.C. 1395m(h)(4)(A)) is amended—

(1) in clause (i), by striking "and";

(2) in clause (ii), by striking "a subsequent year" and inserting "1992 and 1993", and by striking the semicolon and inserting a comma; and

(3) by adding at the end the following new clauses:

"(iii) for 1994, 0 percent,

"(iv) for 1995, 1996, 1997, and 1998, the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year, reduced by 1 percentage point, and

"(v) for any subsequent year, the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year;".

(c) Ambulatory Surgical Centers.—

(1) No update in 1994.—Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B) of section 1833(i)(2) of the Social Security Act, the Secretary of Health and Human Services shall not provide for any inflation update in the payment amounts under such subparagraphs (A) and (B) for 1994.

(2) Automatic application of inflation adjustment.—Section 1833(i)(2) (42 U.S.C. 1395l(i)(2)) is amended—

(A) in the second sentence of subparagraph (A) and the second sentence of subparagraph (B), by striking "and may be adjusted by the Secretary, when appropriate,"; and

(B) by adding at the end the following new subparagraphs:

"(C) Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B), if the Secretary has not updated amounts established under such subparagraphs with respect to facility services furnished during 1995, 1996, 1997, or 1998, such amounts shall be increased by the percentage increase in the Consumer Price Index for all Urban Consumers (U.S. city average) as estimated by the Secretary for the 12-month period ending with the midpoint of the fiscal year involved, reduced by 1 percentage point.

"(D) Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B), if the Secretary has not updated amounts established under such subparagraphs with respect to facility services furnished during any subsequent year (beginning with 1999), such amounts shall be increased by the percentage increase in the Consumer Price Index for all Urban Consumers (U.S. city average) as estimated by the Secretary for the 12-month period ending with June of the previous year.".

(d) Rural Health Clinic Services; Federally-Qualified Health Center Services; Comprehensive Outpatient Rehabilitation Facility Services.—In determining the amount of payment made for rural health clinic services, Federally qualified health center services, or comprehensive outpatient rehabilitation facility services furnished under part B of title XVIII of the Social Security Act for services furnished—

(1) in 1994, the Secretary of Health and Human Services shall provide that any inflation update, in the applicable limits used to determine the costs which are reasonable and related to the cost of furnishing such services under section 1833(a)(3) of such Act, that would otherwise have applied for 1994 shall be deemed to be 0 percent; and

(2) in 1995, 1996, 1997, and 1998, the Secretary of Health and Human Services shall provide that any inflation update in such applicable limits shall be such update that would otherwise have applied for such year, reduced by 1 percentage point.

(e) Dialysis Services.—In determining the amount of payment made for dialysis services furnished under part B of title XVIII of the Social Security Act—

(1) in 1994, the Secretary of Health and Human Services shall provide that any inflation update, in the payment amounts determined under section 1881(b)(2)(B) of such Act or the rates determined under section

1881(b)(7) of such Act, that would otherwise have applied for 1994 shall be deemed to be 0 percent; and

(2) in 1995, 1996, 1997, and 1998, the Secretary of Health and Human Services shall provide that any inflation update in such payment amounts or rates shall be such update that would otherwise have applied for such year, reduced by 1 percentage point.

(f) PARENTERAL AND ENTERAL NUTRIENTS, SUPPLIES, AND EQUIPMENT.—In determining the amount of payment under part B of title XVIII of the Social Security Act during 1994, the charges determined to be reasonable with respect to parenteral and enteral nutrients, supplies, and equipment may not exceed the charges determined to be reasonable with respect to such nutrients, supplies, and equipment during 1993.

(g) OTHER PART B ITEMS AND SERVICES.—

(1) In determining the amount of payment made for an item or service furnished during 1994 under part B of title XVIII of the Social Security Act, other than physicians' services, clinical laboratory services, or an item or service to which a preceding provision of (or amendment made by) subsection (a), (b), (c), (d), (e), or (f) applies, the Secretary of Health and Human Services shall provide that any inflation update in the fee schedule amount for the item or service established under such part B of such title, or (if applicable) any applicable limit used to determine the actual charge, reasonable charge, or reasonable cost for the item or service under such part, that would otherwise have applied for 1994 shall be deemed to be 0 percent.

(2) In determining the amount of payment made for an item or service furnished in 1995, 1996, 1997, and 1998 under part B of title XVIII of the Social Security Act, other than physician's services, clinical laboratory service, or an item or service to which a preceding provision of (or amendment made by) subsection (a), (b), (c), (d), or (e) applies, the Secretary of Health and Human Services shall provide that any inflation update in such fee schedule amount, or (if applicable) such applicable limit, shall be such update that would otherwise have applied for such year, reduced by 1 percentage point.

SEC. 7262. PAYMENTS FOR CLINICAL DIAGNOSTIC LABORATORY TESTS.

(a) LOWER CAP.—Section 1833(h)(4)(B) (42 U.S.C. 1395l(h)(4)(B)) is amended—

(1) by striking "and" at the end of clause (iii),

(2) in clause (iv), by inserting "and before January 1, 1994," after "1990,",

(3) by striking the period at the end of clause (iv) and inserting ", and", and

(4) by adding at the end the following:

"(v) after December 31, 1993, is equal to 76 percent of the median of all the fee schedules established for that test for that laboratory setting under paragraph (1).".

(b) NO UPDATE FOR 1994 THROUGH 1998.—Section 1833(h)(2)(A)(ii)(II) (42 U.S.C. 1395l(h)(2)(A)(ii)(III)) is amended by inserting "1994, 1995, 1996, 1997, and 1998" after "1988".

PART III—PROVISIONS RELATING TO PARTS A AND B

SEC. 7301. PAYMENTS FOR DIRECT GRADUATE MEDICAL EDUCATION COSTS.

(a) WEIGHTING FACTORS.—Section 1886(h)(4)(C) (42 U.S.C. 1395ww(h)(4)(C)) is amended to read as follows:

"(C) WEIGHTING FACTORS FOR CERTAIN RESIDENTS.—Subject to subparagraph (D), such rules shall provide, in calculating the number of full-time-equivalent residents in an approved residency program—

"(i) with respect to residents entering an approved medical residency training program before September 1, 1993—

"(I) for a resident who is in the resident's initial residency period, the weighting factor is 1.00, and

"(II) for a resident who is not in the resident's initial residency period, the weighting factor is .50; and

"(ii) with respect to residents entering an approved medical residency training program on or after September 1, 1993—

"(I) for a resident who is in the resident's initial residency period, and is in—

"(aa) a primary care residency, the weighting factor is 1.10, and

"(bb) any other residency, the weighting factor is 0.70, and

"(II) for a resident who is not in the resident's initial residency period, the weighting factor is 0.50.".

(b) INITIAL RESIDENCY PERIOD.—

(1) IN GENERAL.—Section 1886(h)(5)(F) (42 U.S.C. 1395ww(h)(5)(F)) is amended by striking "plus one year".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on and after July 1, 1995.

(c) PRIMARY CARE RESIDENCY.—Section 1886(h)(5) (42 U.S.C. 1395ww(h)(5)) is amended by adding at the end the following new subparagraph:

"(I) PRIMARY CARE RESIDENCY.—The term 'primary care residency' means a residency training program in family medicine, general internal medicine, general pediatrics, preventive care, geriatric care, or osteopathic general practice.".

(d) PREVENTIVE CARE SERVICES AS PART OF INITIAL RESIDENCY PERIOD.—Section 1886(h)(5)(F)(ii) (42 U.S.C. 1395ww(h)(5)(F)(ii)) is amended by inserting "or a preventive care residency or fellowship program" after "fellowship program".

(e) SUCCESSOR EXAMS INCLUDED IN DEFINITION OF FMGEMS EXAMINATION.—

(1) IN GENERAL.—Section 1886(h)(5)(E) is amended by inserting "or any successor examination" after "Medical Sciences".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply as if included in the enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272).

SEC. 7302. REVISION OF HOME HEALTH AGENCY COST LIMITS.

(a) IN GENERAL.—Section 1861(v)(1)(L) (42 U.S.C. 1395x(v)(1)(L)(i)) is amended—

(1) in clause (i), by striking "for cost reporting periods" and all that follows through to the period and inserting "110 percent of the median of the labor-related and nonlabor per visit costs for home health agencies.", and

(2) in clause (ii), by striking "specific basis," and all that follows through "agencies." and inserting "specific basis.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to cost reporting periods beginning on or after October 1, 1993.

SEC. 7303. MEDICARE AS SECONDARY PAYER.

(a) EXTENSION OF AND MODIFICATIONS TO DATA MATCH PROGRAM.—(1)(A) Section 1862(b)(5)(C)(iii) (42 U.S.C. 1395y(b)(5)(C)(iii)) is amended by striking "1995" and inserting "1998".

(B) Section 6103(l)(12)(F) of the Internal Revenue Code of 1986 is amended—

(i) in clause (i), by striking "1995" and inserting "1998",

(ii) in clause (ii)(I), by striking "1994" and inserting "1997", and

(iii) in clause (ii)(II), by striking "1995" and inserting "1998".

(2)(A) Section 6103(l)(12)(B)(i) of the Internal Revenue Code of 1986 is amended by inserting ", above an amount (if any) specified by the Secretary of Health and Human Services," after "section 3401(a))".

(B) The matter in section 6103(l)(12)(B)(ii) of such Code preceding subclause (I) is amended by inserting ", above an amount (if any) specified by the Secretary of Health and Human Services," after "wages".

(C) The heading to section 6103(l)(12) of such Code is amended by striking "TAXPAYER IDENTITY" and inserting "RETURN".

(3)(A) Section 6103(l)(12) of the Internal Revenue Code of 1986, as amended by paragraph (1), is amended—

(i) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and

(ii) by inserting after subparagraph (D) the following new subparagraph:

"(E) DISCLOSURE CONCERNING ENFORCEMENT ACTIVITIES.—The Secretary shall, upon written request from the Secretary of Health and Human Services, disclose to the Secretary of Health and Human Services the status of any activities undertaken (with respect to persons specified by the Secretary of Health and Human Services) to enforce the requirements of section 5000.".

(B) Section 6103(l)(12)(D)(i) of such Code is amended by striking "this paragraph" and inserting "subparagraphs (A) through (C)".

(C) The heading to section 6103(l)(12) of such Code is amended by inserting "AND FOR FACILITATION OF ENFORCEMENT OF MEDICARE SECONDARY PAYER REQUIREMENTS" before the period.

(D) Section 1862(b)(5)(C)(i) (42 U.S.C. 1395y(b)(5)(C)(i)) is amended by striking "6103(l)(12)(D)(iii)" and inserting "6103(l)(12)(F)(iii)".

(b) PERMANENT APPLICATION TO DISABLED ACTIVE INDIVIDUALS.—Section 1862(b)(1)(B) (42 U.S.C. 1395y(b)(1)(B)) is amended by striking clause (iii).

(c) APPLICATION OF ESRD RULES TO CERTAIN AGED AND DISABLED BENEFICIARIES AND INCREASE IN MEDICARE SECONDARY PAYER COVERAGE FOR ESRD SERVICES TO 24-MONTHS.—(1) Subparagraphs (A)(iv) and (B)(ii) of section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) are each amended—

(A) by striking "Clause (i) shall not apply" and inserting "Subparagraph (C) shall apply instead of clause (i)", and

(B) by inserting "(without regard to entitlement under section 226)" after "individual is, or".

(2) Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended—

(A) in the second sentence, by striking "on or before January 1, 1996" and inserting before "January 1, 1994", and

(B) by adding at the end the following: "Effective for items and services furnished on or after January 1, 1994, and before October 1, 1998, (with respect to periods beginning on or after July 1, 1992), this subparagraph shall be applied by substituting '24-month' for '12-month' each place it appears.".

(d) APPLICATION OF EXCISE TAX TO FAILURE TO REIMBURSE FEDERAL GOVERNMENT.—

(1) IN GENERAL.—Section 5000(c) of the Internal Revenue Code of 1986 is amended by striking "of section 1862(b)(1)" and inserting "of paragraph (1), or with the requirements of paragraph (2), of section 1862(b).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to demands for repayment issued after the date of the enactment of this Act.

(e) RETROACTIVE EXEMPTION FOR CERTAIN SITUATIONS INVOLVING RELIGIOUS ORDERS.—Section 1862(b)(1)(D) of the Social Security Act (42 U.S.C. 1395y(b)(1)(D)) applies, with respect to items and services furnished before October 1, 1989, to any claims that the Secretary of Health and Human Services had not identified before that date as subject to the provisions of this subsection.

(f) UNIFORM RULES FOR SIZE OF EMPLOYER.—(1) Section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) is amended by adding at the end the following new subparagraph:

"(E) GENERAL PROVISIONS.—

"(i) EXCLUSION OF GROUP HEALTH PLAN OF A SMALL EMPLOYER.—Subparagraphs (A) through (C) shall not apply to a group health plan unless the plan is a plan of, or contributed to by, an employer or employee organization that has 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year.

"(ii) EXCEPTION FOR SMALL EMPLOYERS IN MULTIEMPLOYER OR MULTIPLE EMPLOYER GROUP HEALTH PLANS.—Subparagraphs (A) through (C) shall not apply with respect to individuals enrolled in a multiemployer or multiple employer group health plan if the coverage of the individuals under the plan is by virtue of current employment status with an employer that does not have 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year; but the exception provided in this clause applies only if the plan elects treatment under this clause.

"(iii) SPECIAL RULES.—For purposes of clauses (i) and (ii)—

"(I) all employees of corporations which are members of a controlled group of corporations (within the meaning of section 1563(a) of the Internal Revenue Code of 1986, determined without regard to section 1563(a)(4) or section (e)(3)(C) of such Code), shall be treated as employed by a single employer,

"(II) all employees of trades or businesses (whether or not incorporated) which are under common control (under regulations prescribed by the Secretary of the Treasury under section 414(c) of such Code) shall be treated as employed by a single employer,

"(III) all employees of the members of an affiliated service group (as defined in section 414(m) of such Code) shall be treated as employed by a single employer, and

"(IV) leased employees (as defined in section 414(n)(2) of such Code) shall be treated as employees of the person for whom they perform services to the extent they are so treated under section 414(n) of such Code.

In applying sections of the Internal Revenue Code under this clause, the Secretary shall rely upon regulations and decisions of the Secretary of the Treasury respecting such sections.".

"(iv) GROUP HEALTH PLAN DEFINED.—For purposes of this subsection, the term 'group health plan' has the meaning given such term in section 5000(b) of the Internal Revenue Code of 1986, without regard to section 5000(d) of such Code.

"(v) CURRENT EMPLOYMENT STATUS DEFINED.—For purposes of this subsection, an individual has 'current employment status' with an employer if the individual is an employee, is the employer, or is associated with the employer in a business relationship.

"(vi) EMPLOYER DEFINED.—For purposes of this subsection, the term 'employer' includes a self-employed person.".

(2)(A) Section 1862(b)(1)(A)(i)(I) (42 U.S.C. 1395y(b)(1)(A)(i)(I)) is amended to read as follows:

"(I) may not take into account that an individual (or the individual's spouse) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(a), and".

(B) Section 1862(b)(1)(A)(i)(II) (42 U.S.C. 1395y(b)(1)(A)(i)(II)) is amended to read as follows:

"(II) shall provide that any individual age 65 or over (and the individual's spouse age 65 or older) who is covered under the plan by virtue of the individual's current employment status with an employer shall be entitled to the same benefits under the plan under the same conditions as any such individual (or spouse) under age 65.".

(C) Section 1862(b)(1)(A) (42 U.S.C. 1395y(b)(1)(A)), as amended by subsection (c)(1), is amended—

(i) by striking clauses (ii), (iii), and (v), and

(ii) by redesignating clause (iv) as clause (ii).

(3)(A) Section 1862(b)(1)(B) (42 U.S.C. 1395y(b)(1)(B)(i)) is amended—

(i) by striking the heading and inserting the following new heading:

"(B) DISABLED INDIVIDUALS UNDER GROUP HEALTH PLANS.—", and

(ii) by striking clause (i) and inserting the following new clause:

"(i) IN GENERAL.—A group health plan may not take into account that an individual (or a member of the individual's family) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(b).".

(B) Section 1862(b)(1)(B) (42 U.S.C. 1395y(b)(1)(B)) is amended by striking clause (iv).

(4) Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended—

(A) in the matter preceding clause (i), by striking "(as defined in subparagraph (A)(v))",

(B) by striking "solely" each place it appears,

(C) by striking "by reason of" and inserting "under" each place it appears, and

(D) by inserting "or eligible for" after "entitled to" the first and last place it appears.

(5) The second sentence of section 1862(b)(2)(A) (42 U.S.C. 1395y(b)(2)(A)) is amended by striking "or large group health plan".

(6)(A) Subsection (a) of section 5000 of the Internal Revenue Code of 1986 is amended by inserting "(including a self-employed person)" after "employer";

(B) Subsection (b) of section 5000 of such Code is amended to read as follows:

"(b) GROUP HEALTH PLAN.—The term 'group health plan' means a plan (including a self-insured plan) of, or contributed to by, an employer (including a self-employed person) or employee organization to provide health care (directly or otherwise) to the employees, former employees, the employer, others associated or formerly associated with the employer in a business relationship, or their families."; and

(C) Subsection (c) of section 5000 of such Code by striking "or large group health plan".

(D) Section 6103(l)(12)(F)(ii) of such Code (as redesignated by subsection (a)(3)(A)(i) of this section) is amended to read as follows:

"(ii) GROUP HEALTH PLAN.—The term 'group health plan' means any group health plan (as defined in section 5000(b)).".

(g) EFFECTIVE DATE.—The amendments made by subsections (c)(1), (d), and (f) apply to items and services furnished after the third calendar month beginning after the date of enactment of this Act.

SEC. 7304. EXTENSION OF SELF-REFERRAL BAN TO ADDITIONAL SPECIFIED SERVICES.

(a) EXTENSION TO DESIGNATED HEALTH SERVICES.—

(1) IN GENERAL.—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by adding at the end the following new paragraph:

"(8) DESIGNATED HEALTH SERVICES.—The term 'designated health services' means—

"(A) clinical laboratory services;

"(B) physical or occupational therapy services;

"(C) radiology or other diagnostic services;

"(D) radiation therapy services;

"(E) the furnishing of durable medical equipment;

"(F) the furnishing of parenteral and enteral nutrition nutrients, supplies, and equipment;

"(G) home health services; and

"(H) the furnishing of prosthetics, orthotics, and prosthetic devices.".

(2) CONFORMING AMENDMENTS.—Section 1877 (42 U.S.C. 1395nn) is amended—

(A) by striking "clinical laboratory services" and "CLINICAL LABORATORY SERVICES" and inserting "designated health services" and "DESIGNATED HEALTH SERVICES", respectively, each place either appears in subsections (a)(1), (b)(2)(A)(ii), (d)(1), (d)(2), and (d)(3); and

(B) by striking "clinical laboratory service" and inserting "designated health service" each place it appears in subsections (g)(1) and (h)(7)(B).

(b) MODIFICATION TO EXCEPTION FOR IN-OFFICE ANCILLARY SERVICES.—Section 1877(b)(2) (42 U.S.C. 1395nn(b)(2)) is amended—

(1) by inserting "(other than durable medical equipment and parenteral and enteral nutrition equipment and supplies)" after "services" the first place it appears; and

(2) in subparagraph (A)(ii)(II), by striking "centralized provision" and inserting "provision of some or all".

(c) TREATMENT OF COMPENSATION ARRANGEMENTS.—

(1) RENTAL OF OFFICE SPACE AND EQUIPMENT.—

(A) IN GENERAL.—Paragraph (1) of section 1877(e) (42 U.S.C. 1395nn(e)) is amended to read as follows:

"(1) RENTAL OF OFFICE SPACE; RENTAL OF EQUIPMENT.—

"(A) OFFICE SPACE.—Payments made by a lessee to a lessor for the use of premises if—

"(i) the lease is set out in writing, signed by the parties, and specifies the premises covered by the lease,

"(ii) the space rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental and is used exclusively by the lessee when being used by the lessee, except that the lessee may make payments for the use of space consisting of common areas if such payments do not exceed the lessee's pro rata share of expenses for such space based upon the ratio of the space used exclusively by the lessee to the total amount of space (other than common areas) occupied by all persons using such common areas,

"(iii) the lease provides for a term of rental or lease for at least one year,

"(iv) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(v) the lease would be commercially reasonable even if no referrals were made between the parties, "(vi) the lease covers all of the premises leased between the parties for the period of the lease, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

"(B) EQUIPMENT.—Payments made by a lessee of equipment to the lessor of the equipment for the use of the equipment if—

"(i) the lease is set out in writing, signed by the parties, and specifies the equipment covered by the lease,

"(ii) the equipment rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental and is used exclusively by the lessee when being used by the lessee,

"(iii) the lease provides for a term of rental or lease of at least one year,

"(iv) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(v) the lease would be commercially reasonable even if no referrals were made between the parties,

"(vi) the lease covers all of the equipment leased between the parties for the period of the lease, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(B) CONFORMING AMENDMENT.—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by striking paragraphs (5) and (6) and by redesignating paragraphs (7) and (8) (as added by subsection (a)(1)) as paragraphs (5) and (6), respectively.

(2) BONA FIDE EMPLOYMENT RELATIONSHIPS.—Section 1877(e)(2) (42 U.S.C. 1395nn(e)(2)) is amended—

(A) by striking "AND SERVICE" and "WITH HOSPITALS";

(B) by striking "An arrangement" and all that follows through "if" and inserting "Any amount paid by an employer to a physician (or an immediate family member of such physician) who has a bona fide employment relationship with the employer for the provision of services if";

(C) in subparagraphs (A), (B), and (D), by striking "arrangement" and inserting "employment relationship";

(D) in subparagraph (C), by striking "hospital" and inserting "employer"; and

(E) by adding at the end the following new flush sentence:

"Subparagraph (B)(ii) shall not be construed as prohibiting the payment of remuneration in the form of a productivity bonus based on services performed personally by the physician (or an immediate family member of such physician).".

(3) PERSONAL SERVICE ARRANGEMENTS.—Section 1877(e)(3) (42 U.S.C. 1395nn(e)(3)) is amended to read as follows:

"(3) SERVICE ARRANGEMENTS.—

"(A) PERSONAL SERVICE ARRANGEMENTS.—Remuneration from an entity under an arrangement if—

"(i) the arrangement is set out in writing, signed by the parties, and specifies the services covered by the arrangement,

"(ii) the arrangement covers all of the services to be provided,

"(iii) the aggregate services contracted for do not exceed those that are reasonable and necessary for the legitimate business purposes of the arrangement,

"(iv) the term of the arrangement is for at least one year,

"(v) the compensation to be paid over the term of the arrangement is set in advance, does not exceed fair market value, and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(vi) the services to be performed under the arrangement do not involve the counseling or promotion of a business arrangement of other activity that violates any State or Federal law, and

"(vii) the arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

"(B) OTHER SERVICE ARRANGEMENTS.—Remuneration from an entity under an arrangement if—

"(i) the arrangement is—

"(I) for specific identifiable services as the medical director or as a member of a medical advisory board at the entity pursuant to a requirement of this title,

"(II) for specific identifiable physicians' services to be furnished to an individual receiving hospice care if payment for such services may only be made under this title as hospice care,

"(III) for specific physicians' services furnished to a nonprofit blood center, or

"(IV) for specific identifiable administrative services (other than direct patient care services), but only under exceptional circumstances specified by the Secretary in regulations;

"(ii) the requirements described in subparagraphs (B) and (C) of paragraph (2) are met with respect to the entity in the same manner as they apply to an employer; and

"(iii) the arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(4) HEALTH SERVICES FURNISHED UNDER CERTAIN HOSPITAL ARRANGEMENTS.—Section 1877(e) (42 U.S.C. 1395nn(e)) is amended by adding at the end the following new paragraph:

"(7) CERTAIN GROUP PRACTICE ARRANGEMENTS WITH A HOSPITAL.—

"(A) IN GENERAL.—An arrangement between a hospital and a group under which designated health services are provided by the group but are billed by the hospital if—

"(i) the group would be a group practice, but for the fact that it bills for such services through the hospital;

"(ii) with respect to services provided to an inpatient of the hospital, the arrangement is pursuant to the provision of inpatient hospital services under section 1861(b)(3);

"(iii) the arrangement began before December 19, 1989, and has continued in effect without interruption since such date;

"(iv) the group provides substantially all of the designated health services furnished under the arrangement to the hospital's patients;

"(v) the arrangement is pursuant to an agreement that is set out in writing and that specifies the services to be provided by the parties and the compensation for services provided under the arrangement;

"(vi) the compensation paid over the term of the agreement is consistent with fair market value and the compensation per unit of services is fixed in advance and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties;

"(vii) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity; and

"(viii) the arrangement between the parties meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(5) ADDITIONAL EXCEPTION.—Section 1877(e) (42 U.S.C. 1395nn(e)) is further amended by adding at the end the following new paragraph:

"(8) PAYMENTS BY A PHYSICIAN FOR ITEMS AND SERVICES.—Payments made by a physician—

"(A) to a laboratory in exchange for the provision of clinical laboratory diagnostic tests, or

"(B) to an entity as compensation for other items or services if the items or services are furnished at a price that is consistent with fair market value.".

(6) REFERRING PHYSICIANS.—Subparagraph (C) of section 1877(h)(5) (42 U.S.C. 1395nn(h)(5)), as redesignated by subsection (c)(1)(B), is amended—

(A) by inserting "a request by a radiologist for diagnostic radiology services, and a request by a radiation oncologist for radiation therapy," after "examination services,", and

(B) by inserting ", radiologist, or radiation oncologist" after "pathologist" the second place it appears.

(7) CONFORMING AMENDMENT.—Section 1877(b) (42 U.S.C. 1395nn(b)) is amended by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

(d) REQUIREMENTS FOR GROUP PRACTICE.—

(1) ADDITIONAL REQUIREMENTS.—Section 1877(h)(4) (42 U.S.C. 1395nn(h)(4)) is amended to read as follows:

"(4) GROUP PRACTICE.—

"(A) DEFINITION OF GROUP PRACTICE.—The term 'group practice' means a group of 2 or more physicians legally organized as a partnership, professional corporation, foundation, not-for-profit corporation, faculty practice plan, or similar association—

"(i) in which each physician who is a member of the group provides substantially the full range of services which the physician routinely provides, including medical care, consultation, diagnosis, or treatment, through the joint use of shared office space, facilities, equipment and personnel;

"(ii) for which substantially all of the services of the physicians who are members of the group are provided through the group and are billed in the name of the group and amounts so received are treated as receipts of the group;

"(iii) in which the overhead expenses of and the income from the practice are distributed in accordance with methods previously determined by members of the group;

"(iv) except as provided in subparagraph (B)(i), in which no physician who is a member of the group directly or indirectly receives compensation based on the volume or value of referrals by the physician;

"(v) in which, on average, there are no less than 5 physicians per office location, but if a group has less than 15 physicians such group may have up to 3 office locations any one of which may have less than 5 physicians;

"(vi) in which members of the group personally conduct no less than 75 percent of the physician-patient encounters of the group practice; and

"(vii) which meets such other standards as the Secretary may impose by regulation.

"(B) SPECIAL RULES.—

"(i) PROFITS AND PRODUCTIVITY BONUSES.—A physician in a group practice may be paid a share of overall profits of the group, or a productivity bonus based on services personally performed or services incident to such personally performed services, so long as the share or bonus is not determined in any manner which is directly related to the volume or value of referrals by such physician.

"(ii) Faculty practice plans.—In the case of a faculty practice plan associated with a hospital, institution of higher education, or medical school with an approved medical residency training program in which physician members may provide a variety of different specialty services and provide professional services both within and outside the group, as well as perform other tasks such as research, subparagraph (A) shall be applied only with respect to the services provided within the faculty practice plan.

"(C) Definition of office location.—For purposes of this paragraph, the term 'office location' means an office where physician services are offered to patients except that—

"(i) such term does not include—

"(I) a location consisting solely of a diagnostic facility, nursing facility, or treatment facility such as a physical or occupational therapy center, or a facility providing administrative services affiliated with the group practice; or

"(II) an office located in a rural area (as defined in section 1886(d)(2)(D)) if at least 85 percent of the physicians' services furnished at the location are furnished to individuals who reside in such a rural area; and

"(ii) any office location which is located immediately adjacent to another office location shall be treated as the same office location.".

(2) Use of billing numbers, etc.—Section 1877 (42 U.S.C. 1395nn) is amended—

(A) in subsection (b)(2)(B), by inserting "under a billing number assigned to the group practice" after "member",

(B) in subsection (h)(4)(A)(ii), as added by subsection (d)(1), by inserting "and under a billing number assigned to the group" after "in the name of the group", and

(C) in subsection (h)(4)(A)(iii), as so added, by striking "by members of the group".

(3) Conforming amendment.—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by striking "Definitions.—" and inserting "Definitions and Special Rules.—".

(e) Expanding Rural Provider Exception To Cover Compensation Arrangements.—

(1) In general.—Section 1877(b) (42 U.S.C. 1395nn(b)) is amended—

(A) by redesignating paragraph (4), as redesignated by subsection (c)(7), as paragraph (5), and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) Rural providers.—In the case of designated health services if—

"(A) the services are furnished in a rural area (as defined in section 1886(d)(2)(D)), and

"(B) substantially all of the services furnished by the entity furnishing the services described in subparagraph (A) are furnished to individuals entitled to benefits under this title who reside in such a rural area.".

(2) Conforming amendments.—Section 1877(d) (42 U.S.C. 1395nn(d)) is amended—

(A) by striking paragraph (2), and

(B) by redesignating paragraph (3) as paragraph (2).

(f) Exemption of Compensation Arrangements Involving Certain Types of Remuneration.—Section 1877(h)(1) (42 U.S.C. 1395nn(h)(1)) is amended—

(1) in subparagraph (A), by inserting before the period at the end the following: "other than an arrangement involving only remuneration described in subparagraph (C)", and

(2) by adding at the end the following new subparagraph:

"(C) Remuneration described in this subparagraph is any remuneration consisting of any of the following:

"(i) The forgiveness of amounts owed for inaccurate tests or procedures, mistakenly performed tests or procedures, or the correction of minor billing errors.

"(ii) The provision of items, devices, or supplies of minor value that are used to—

"(I) collect, transport, process, or store specimens for the entity providing the item, device, or supply, or

"(II) communicate the results of tests or procedures for such entity.".

(g) Exception for Publicly-Traded Securities.—Section 1877(c) (42 U.S.C. 1395nn(c)) is amended—

(1) in the matter preceding paragraph (1), by striking "on terms generally available to the public" and inserting "through public trading on a public exchange or which were inherited"; and

(2) in paragraph (2), by striking "total assets exceeding $100,000,000" and inserting "stockholder equity exceeding $75,000,000".

(h) Miscellaneous and Technical Corrections.—Section 1877 (42 U.S.C. 1395nn) is amended—

(1) in subsection (b)(2)(A)(i), by striking "who are employed by such physician or group practice and who are personally" and inserting "who are directly";

(2) in the fourth sentence of subsection (f)—

(A) by striking "provided" and inserting "furnished", and

(B) by striking "provides" and inserting "furnish";

(3) in the last sentence of subsection (f)—

(A) by striking "providing" each place it appears and inserting "furnishing",

(B) by striking "with respect to the providers" and inserting "with respect to the entities", and

(C) by striking "diagnostic imaging services of any type" and inserting "magnetic resonance imaging, computerized axial tomography scans, and ultrasound services"; and

(4) in subsection (a)(2)(B), by striking "subsection (h)(1)(A)" and inserting "subsection (h)(1)".

(i) Effective Dates.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to referrals made on or after January 1, 1992.

(2) The amendments made by subsection (a) apply with respect to a referral by a physician for designated health services (as defined in section 1877(h)(6) of the Social Security Act) made after December 31, 1994.

SEC. 7305. REDUCTION IN PAYMENT FOR ERYTHROPOIETIN.

(a) In General.—Section 1881(b)(11)(B)(ii)(I) (42 U.S.C. 1395rr(b)(11)(B)(ii)(I)) is amended—

(1) by striking "1991" and inserting "1994", and

(2) by striking "$11" and inserting "$10".

(b) Effective Date.—The amendments made by subsection (a) apply to erythropoietin furnished after 1993.

Subtitle B—Medicaid Program

PART I—PROGRAM SAVINGS PROVISIONS

Subpart A—Repeal of Mandate

SEC. 7401. PERSONAL CARE SERVICES FURNISHED OUTSIDE THE HOME AS OPTIONAL BENEFIT.

(a) In General.—Section 1905(a) (42 U.S.C. 1396d(a)), as amended by subsection (b), is amended—

(1) in paragraph (7), by striking "including personal care services" and all that follows through "nursing facility";

(2) in paragraph (23), by striking "and" at the end;

(3) by redesignating paragraph (24) as paragraph (25); and

(4) by inserting after paragraph (23) the following new paragraph:

"(24) personal care services furnished to an individual who is not an inpatient or resident of a nursing facility or other medical institution that are (A) authorized by a physician for the individual in accordance with a plan of treatment, (B) provided by an individual who is qualified to provide such services and who is not a member of the individual's family, (C) supervised by a registered nurse, and (D) furnished in a home or other location; and".

(b) Redesignations to Paragraphs Added by OBRA-1990.—Section 1905(a) (42 U.S.C. 1396d(a)) is amended—

(1) by striking "and" at the end of paragraph (21);

(2) in paragraph (24), by striking the comma at the end and inserting "; and"; and

(3) by redesignating paragraphs (22), (23), and (24) as paragraphs (24), (22), and (23), respectively, and by transferring and inserting paragraph (24), as so redesignated, after paragraph (23), as so redesignated.

(c) Conforming Amendments.—(1) Section 1902(a)(10)(C)(iv) (42 U.S.C. 1396a(a)(10)(C)(iv)) is amended by striking "through (21)" and inserting "through (24)".

(2) Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking "through (22)" and inserting "through (25)".

(d) Effective Date.—The amendments made by this section shall take effect as if included in the enactment of OBRA-1990.

Subpart B—Outpatient Prescription Drugs

SEC. 7411. PERMITTING PRESCRIPTION DRUG FORMULARIES UNDER STATE PLANS.

(a) Elimination of Prohibition Against Use of Formularies.—Paragraph (54) of section 1902(a) (42 U.S.C. 1396a(a)) is amended to read as follows:

"(54) in the case of a State plan that provides medical assistance for covered outpatient drugs (as defined in section 1927(k)), comply with the applicable requirements of section 1927;".

(b) Standards for Formularies.—Section 1927(d) (42 U.S.C. 1396r-8(d)), as amended by section 7412(a), is amended—

(1) by adding at the end of paragraph (1) the following new subparagraph:

"(C) In the case of a State that establishes a formulary in accordance with paragraph (6), the State may exclude coverage of a covered outpatient drug that is not included in the formulary."; and

(2) by inserting after paragraph (5) the following new paragraph:

"(6) Requirements for formularies.—A State may establish a formulary only if the following requirements are met:

"(A) The formulary is developed by a committee consisting of physicians, pharmacists, and other appropriate individuals appointed by the Governor of the State or, at the option of the State, the State's drug use review board established under subsection (g)(3).

"(B) The formulary includes each covered outpatient drug of a manufacturer which has entered into and complies with an agreement under subsection (a) unless the drug is contained in the list referred to in paragraph (2) or excluded in accordance with subparagraph (C).

"(C)(i) The committee may exclude a covered outpatient drug with respect to the treatment of a specific disease or condition for an identified population (if any) only if the committee finds that the excluded drug does not have a significant, clinically meaningful therapeutic advantage in terms of safety, effectiveness, or clinical outcome of such treatment for such population over other drugs included in the formulary.

"(ii) The committee's finding under clause (i) shall be based on—

"(I) the drug's labeling, or

"(II) in the case of a drug the prescribed use of which is not approved under the Federal Food, Drug, and Cosmetic Act but is a medically accepted indication, on information from the appropriate compendia described in subsection (k)(6).

"(D) With respect to a recommendation to exclude a covered outpatient drug from the formulary or to exclude a prescribed use of such a drug, the committee issues a written explanation of its recommendation that is available to the public.

"(E) The State plan permits coverage of a drug excluded from the formulary pursuant to a prior authorization program that is consistent with paragraph (5) unless the drug is contained in the list referred to in paragraph (2).

"(F) The formulary meets such other requirements as the Secretary may impose.".

(c) Effective Date.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 7412. ELIMINATION OF SPECIAL EXEMPTION FROM PRIOR AUTHORIZATION FOR NEW DRUGS.

(a) In General.—Section 1927(d) (42 U.S.C. 1396r–8(d)) is amended by striking paragraph (6).

(b) Conforming Amendment.—(1) Section 1927(d)(1)(A) (42 U.S.C. 1396r–8(d)(1)(A)) is amended by striking "Except as provided in paragraph (6), a State" and inserting "A State".

(2) Section 1927(d)(3) (42 U.S.C. 1396r–8(d)(3)) is amended by striking "(except with respect" and all that follows through "of this paragraph)".

(c) Effective Date.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 7413. MODIFICATIONS TO DRUG REBATE PROGRAM.

(a) Elimination of Additional Rebate Based on Weighted Average Manufacturer Price.—Paragraph (2) of section 1927(c) (42 U.S.C. 1396r–8(c)) is amended to read as follows:

"(2) Additional rebate for single source and innovator multiple source drugs.—

"(A) In general.—The amount of the rebate for a calendar quarter with respect to each dosage form and strength of a single source drug or an innovator multiple source drug, is increased by an amount equal to the product of—

"(i) the total number of dosage units dispensed after December 31, 1990, for which payment was made under the State plan for the period reported by the State under subsection (b)(2), and

"(ii) the amount (if any) by which—

"(I) the average manufacturer price for the dosage form and strength of the drug for the period, exceeds

"(II) the average manufacturer price for such dosage form and strength for the calendar quarter beginning July 1, 1990, increased by the percentage by which the average of the consumer price indices for all urban consumers (U.S. city average) for months during the calendar quarter exceeds such index for September 1990.

"(B) Special rule.—In the case of a covered outpatient drug approved by the Food and Drug Administration after October 1, 1990, subclause (II) of subparagraph (A)(ii) shall be applied by substituting 'the first full calendar quarter after the drug was marketed' for 'the calendar quarter beginning July 1, 1990' and 'the month prior to the first month of the first full calendar quarter after the drug was marketed' for 'September 1990'.".

(b) Base Date for Covered Outpatient Drug Sold or Transferred.—Paragraph (2) of section 1927(c) (42 U.S.C. 1396r–8(c)), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

"(C) Base date for covered outpatient drug sold or transferred.—For purposes of computing the additional rebate under this paragraph for any covered outpatient drug that is sold or transferred to any entity, including a division or subsidiary of a manufacturer, the base date for such drug after such sale or transfer shall be the original base date established for such drug.".

(c) Maximum Allowable Cost Limitations.—Section 1927 (42 U.S.C. 1396r–8) is amended by adding at the end the following new subsection:

"(l) Maximum Allowable Cost Limitations.—This section shall not supersede or affect provisions in effect prior to January 1, 1991, relating to maximum allowable cost limitations for payment by States for covered outpatient drugs, and rebates under this section shall be made without regard to whether or not payment by the State for such drugs is subject to such limitations or the amount of such cost limitations.".

(d) Effective Dates.—(1) The amendments made by subsections (a) and (c) shall be effective as if included in the enactment of section 4401 of OBRA–1990.

(2) The amendment made by subsection (b) shall be effective on the date of the enactment of this Act.

Subpart C—Restrictions on Divestiture of Assets and Estate Recovery

SEC. 7421. MEDICAID ESTATE RECOVERIES.

(a) Mandate To Seek Recovery.—The matter preceding subparagraph (A) of section 1917(b)(1) (42 U.S.C. 1396p(b)(1)) is amended to read as follows: "The State agency shall seek adjustment or recovery of any medical assistance correctly paid on behalf of an individual under the State plan—".

(b) Hardship Waiver.—Section 1917(b) (42 U.S.C. 1396p(b)) is amended by adding at the end the following new paragraph:

"(3) The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency shall waive the application of this subsection if such application would work an undue hardship as determined on the basis of criteria established by the Secretary.".

(c) Definition of Estate.—Section 1917(b) (42 U.S.C. 1396p(b)), as amended by subsection (b), is amended by adding at the end the following new paragraph:

"(4) Definition.—For purposes of this section, the term 'estate', with respect to a deceased individual—

"(A) shall include all real and personal property and other assets included within the individual's estate, as defined for purposes of State law with respect to inheritance, and

"(B) may include, at the option of the State, any or all other real or personal property or other assets in which the individual had any legal title or interest at the time of death, including such assets conveyed to a survivor, heir, or assign of the deceased individual through joint tenancy, tenancy in common, survivorship, life estate, living trust, or other arrangement.".

(d) Effective Date.—(1)(A) Except as provided in subparagraph (B), the amendments made by this section shall apply to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements imposed by such amendments solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply to individuals who died before October 1, 1993.

SEC. 7422. TRANSFERS OF ASSETS.

(a) Mandatory and Optional Periods of Ineligibility.—Section 1917(c) (42 U.S.C. 1396p(c)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) In order to meet the requirements of this subsection for purposes of section 1902(a)(18), the State plan shall provide that any institutionalized individual (or the spouse of such individual) who disposes of assets for less than fair market value on the date specified in subparagraph (B)(ii), or at any time thereafter during such individual's lifetime, is ineligible for medical assistance for—

"(i) nursing facility services,

"(ii) a level of care in any institution equivalent to that of nursing facility services, and

"(iii) home or community-based services under subsection (c) or (d) of section 1915,

during any and all applicable periods specified in paragraph (2).

"(B)(i) The date specified in this clause, with respect to an institutionalized individual, is the first date as of which the individual—

"(I) is an institutionalized individual, and

"(II) has applied for or is receiving medical assistance under the State plan.

"(ii) The date specified in this clause, with respect to an institutionalized individual, is the date 30 months before the date specified in clause (i) (or, at the option of the State, such earlier date as provided by the State in accordance with paragraph (3)(A)(iii)).";

(2) by redesignating paragraphs (2) through (5) as paragraphs (4) through (7) and by inserting after paragraph (1) the following new paragraphs:

"(2) The period of ineligibility required under paragraph (1) with respect to an institutionalized individual—

"(A) shall be a number of months equal to—

"(i) the total uncompensated value of all assets transferred by the individual or the individual's spouse on or after the date specified in paragraph (1)(B)(ii), divided by

"(ii) the average cost to a private patient of nursing facility services in the State (or, at the option of the State, in the community in which the individual is institutionalized) on the date specified in paragraph (1)(B)(i) based on costs which include the cost of services included in the State's nursing facility reimbursement rate; and

"(B) shall begin with the first month in which—

"(i) the individual—

"(I) is an institutionalized individual,

"(II) is (or but for the provisions of this subsection would be) entitled to have medical assistance paid under the State plan for services specified under paragraph (1), and

"(III) is receiving or is an applicant for such medical assistance, and

"(ii) the State has become aware that assets have been transferred.

"(3)(A) The State plan may include, in accordance with this paragraph, any or all of the following provisions concerning eligibility for medical assistance of individuals who (or whose spouses) dispose of assets for less than fair market value:

"(i) The State plan may provide for periods of ineligibility for medical assistance for long-term care services specified by the State and approved by the Secretary for any or all individuals (or groups of individuals) otherwise eligible for such medical assistance, in addition to the individuals specified in paragraph (1).

"(ii) Subject to such restrictions as the Secretary may impose, the State plan may provide for periods of ineligibility for medical assistance for any long-term care services (in addition to the services specified in paragraph (1)(A)) for which medical assistance is otherwise available under the plan.

"(iii) The State plan may provide for a date on and after which transfers of assets are subject to review earlier than the date specified in paragraph (1)(B)(ii), but not earlier than 4 years before—

"(I) in the case of an institutionalized individual, the date specified in paragraph (1)(B)(i), or

"(II) in the case of any other individual, the date on which the individual applied for medical assistance under the State plan.

"(B)(i) The period of ineligibility imposed by the State pursuant to this paragraph for services other than those specified in paragraph (1)(A) shall not be longer than the period of ineligibility that would have resulted if the individual had expended the assets transferred for the costs of medical care furnished on and after the date the individual applied for medical assistance, as determined by the State in accordance with clause (ii).

"(ii) In determining the period of ineligibility of an individual pursuant to clause (i), the State—

"(I) may presume that the individual's cost of medical care furnished is equal to the average cost to a private patient for such care on a daily, monthly, or other basis, or

"(II) may use any other method approved by the Secretary.";

(3) in paragraph (4), as redesignated—

(A) by amending subparagraph (B) to read as follows:

"(B) the resources—

"(i) were transferred to the individual's spouse or to another for the sole benefit of the individual's spouse and did not exceed the amount permitted under section 1924(f)(1);

"(ii) were transferred from the individual's spouse to another for the sole benefit of the individual's spouse and did not exceed the amount permitted under section 1924(f)(1); or

"(iii) were transferred to the individual's child described in subparagraph (A)(ii)(II);";

(B) in subparagraph (C)—

(i) by striking "any";

(ii) by striking "or (ii)" and inserting "(ii)"; and

(iii) by striking "; or" and inserting ", or (iii) all assets transferred by an individual for less than fair market value have been returned to the individual;";

(C) by amending subparagraph (D) to read as follows:

"(D) the State determines (in accordance with regulations promulgated by the Secretary) that denial of eligibility would work an undue hardship; or";

(D) by adding at the end the following new subparagraph:

"(E) the State determines that the total fair market value of all of the assets transferred by the individual during the period between the date specified in paragraph (1)(B)(i) and the date specified by the State under paragraph (1)(B)(ii) are below an amount determined appropriate by the State and approved by the Secretary."; and

(E) by adding at the end the following flush sentence:

"In determining whether an individual has made a satisfactory showing to the State under subparagraph (C)(ii), the State shall consider the individual's health status at the time of the transfer of assets and whether, at the time of such transfer, the individual retained assets sufficient to meet the individual's foreseeable future health care needs based on such health status.";

(4) by striking paragraph (5), as redesignated, and inserting the following:

"(5) For purposes of this subsection, in the case of an asset held by an individual in common with another person or persons in a joint tenancy, tenancy in common, or similar arrangement, the asset (or the affected portion of such asset) shall be considered to be transferred by such individual when any action is taken, either by such individual or by any other person, that reduces or eliminates such individual's ownership or control of such asset, except to the extent an action taken by a person other than the individual is an action consistent with partial ownership of the asset, as provided in regulations issued by the Secretary.";

(5) by adding the following at the end of paragraph (6), as redesignated: "In the case of a transfer by the spouse of an institutionalized individual which results in a period of ineligibility for medical assistance under a State plan for the institutionalized individual, a State shall apply a reasonable methodology to transfer all or a portion of any such period of ineligibility to such spouse if the spouse becomes an institutionalized individual."; and

(6) by amending paragraph (7), as redesignated, to read as follows:

"(7) For purposes of this subsection:

"(A) The term 'assets', with respect to an individual, includes all income and resources of the individual and of the individual's spouse, including any income or resources which the individual or such individual's spouse is entitled to but does not receive because of action—

"(i) by the individual or such individual's spouse,

"(ii) by a person, including a court or administrative body, with legal authority to act in place of or on behalf of the individual or such individual's spouse, or

"(iii) by any person, including any court or administrative body, acting at the direction or upon the request of the individual or such individual's spouse.

"(B) The term 'income' has the meaning given such term in section 1612.

"(C) The term 'resources' has the meaning given such term in section 1613, without regard (in the case of an institutionalized individual) to the exclusion described in subsection (a)(1) of such section.

"(D) The term 'institutionalized individual' means, and the term 'individual is institutionalized' refers to, an individual receiving any of the services specified in paragraph (1)(A).".

(b) CONFORMING AMENDMENTS.—(1) Section 1902(a)(51) (42 U.S.C. 1396a(a)(51)) is amended—

(A) by striking "(A)"; and

(B) by striking ", and (B)" and all that follows and inserting a semicolon.

(2) Section 1924(f)(1) (42 U.S.C. 1396r–5(f)(1)) is amended by striking "transfer an amount" and inserting "transfer an amount sufficient to make the resources of the community spouse".

(c) EFFECTIVE DATE.—(1)(A) Except as provided in subparagraph (B), the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements imposed by such amendments solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply with respect to assets disposed of before the date which is 60 days after the date of the enactment of this Act.

SEC. 7423. TREATMENT OF CERTAIN TRUSTS.

(a) IN GENERAL.—Section 1917 (42 U.S.C. 1396p) is amended by adding at the end the following:

"(d)(1) For purposes of determining an individual's eligibility for, or amount of, benefits under a State plan under this title, the following rules shall apply to a trust established by such individual:

"(A) In the case of a revocable trust—

"(i) the corpus of the trust shall be considered resources available to the individual,

"(ii) payments from the trust to or for the benefit of the individual shall be considered income of the individual, and

"(iii) any other payments from the trust shall be considered a transfer of assets by the individual subject to subsection (c).

"(B) In the case of an irrevocable trust—

"(i) the portion of the corpus from which, or the income on the corpus from which, payment to the individual could be made shall be considered resources available to the individual, and payments from that portion of the corpus or income—

"(I) to or for the benefit of the individual, shall be considered income of the individual, and

"(II) for any other purpose, shall be considered a transfer of assets by the individual subject to subsection (c); and

"(ii) any portion of the trust from which, or any income on the corpus from which, no payment could under any circumstances be made to the individual shall be considered, as of the date of establishment of the trust (or, if later, the date on which payment to the individual was foreclosed) a transfer of assets by the individual subject to subsection (c), and payments from such portion of the trust after such date shall be disregarded.

"(2)(A) For purposes of this subsection, an individual shall be considered to have established a trust if—

"(i) any of the following individuals established such trust other than by will:

"(I) the individual,

"(II) the individual's spouse,

"(III) a person, including a court or administrative body, with legal authority to act in place of or on behalf of the individual or the individual's spouse, or

"(IV) a person, including any court or administrative body, acting at the direction or upon the request of the individual or the individual's spouse; and

"(ii) assets of the individual were used to form all or part of the corpus of the trust.

"(B) In the case of a trust the corpus of which includes assets of an individual (as determined under subparagraph (A)) and assets of any other person or persons, the provisions of this subsection shall apply to the portion of the trust attributable to the assets of the individual.

"(3) This subsection shall apply without regard to—

"(A) the purposes for which a trust is established,

"(B) whether the trustees have or exercise any discretion under the trust,

"(C) any restrictions on when or whether distributions may be made from the trust, or

"(D) any restrictions on the use of distributions from the trust.

"(4)(A) This subsection shall not apply to any of the following trusts:

"(i) A trust containing the assets of a disabled individual (as determined under section 1614(a)(3)) established for the benefit of such individual by a parent, grandparent, legal guardian of the individual, or a court if the State will receive all amounts remaining in the trust upon the death of such individual up to an amount equal to the total medical assistance received by the individual under a State plan under this title.

"(ii) A trust established in a State for the benefit of an individual if—

"(I) the trust is composed only of pension, Social Security, and other income to the individual (and accumulated income in the trust),

"(II) the State will receive all amounts remaining in the trust upon the death of such individual up to an amount equal to the total medical assistance received by the individual under a State plan under this title, and

"(III) the State makes medical assistance available to individuals described in section 1902(a)(10)(A)(ii)(V), but does not make such assistance available to individuals for nursing facility services under section 1902(a)(10)(C).

"(B) For purposes of this subsection, the term 'trust' includes any legal instrument or device that is similar to a trust but includes an annuity only to such extent and in such manner as the Secretary specifies.

"(C) The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency waives the application of this subsection with respect to an individual if the individual establishes that such application would work an undue hardship on the individual as determined on the basis of criteria established by the Secretary.

"(5) For purposes of this subsection, the terms 'assets', 'income', and 'resources' shall have the meaning given to such terms under subsection (c)(7).".

(b) CONFORMING AMENDMENTS.—(1) Section 1902(a)(18) (42 U.S.C. 1396a(a)(18)) is amended by striking "and transfers of assets" and inserting ", transfers of assets, and treatment of certain trusts".

(2) Section 1902 (42 U.S.C. 1396a) is amended by repealing subsection (k).

(c) EFFECTIVE DATE.—(1)(A) Except as provided in subparagraph (B), the amendments made by this section shall apply to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements imposed by such amendments solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply with respect to trusts established before the date which is 60 days after the date of the enactment of this Act.

Subpart D—Improvement in Identification and Collection of Third Party Payments

SEC. 7431. LIABILITY OF THIRD PARTIES TO PAY FOR CARE AND SERVICES.

(a) LIABILITY OF ERISA PLANS.—(1) Section 1902(a)(25)(A) (42 U.S.C. 1396a(a)(25)(A)) is amended by striking "insurers)" and inserting "insurers, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, and health maintenance organizations)".

(2) Section 1903(o) (42 U.S.C. 1396b(o)) is amended by striking "regulation)" and inserting "regulation and including a group health plan (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974)), a service benefit plan, and a health maintenance organization".

(b) REQUIRING STATE TO PROHIBIT INSURERS FROM TAKING MEDICAID STATUS INTO ACCOUNT.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)) is amended—

(1) by striking "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding after subparagraph (G) the following new subparagraph:

"(H) assurances satisfactory to the Secretary that the State has in effect laws which prohibit any health insurer (including a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a service benefit plan, and a health maintenance organization), in enrolling an individual or in making any payments for benefits to the individual or on the individual's behalf, from taking into account that the individual is eligible for or is provided medical assistance under a plan under this title for such State, or any other State;".

(c) STATE RIGHT TO THIRD PARTY PAYMENTS FOR RECIPIENT.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)), as amended by subsection (b), is amended—

(1) by striking "and" at the end of subparagraph (G);

(2) by adding "and" at the end of subparagraph (H); and

(3) by adding after subparagraph (H) the following new subparagraph:

"(I) assurances satisfactory to the Secretary that the State has in effect laws under which, to the extent that payment has been made under the State plan for medical assistance for health care items or services furnished to an individual, the State is considered to have acquired the rights of such individual to payment by any other party for such health care items or services;".

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsections (a)(1), (b), and (c) shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(3) The amendment made by subsection (a)(2) shall apply to items and services furnished on or after October 1, 1993.

SEC. 7432. MEDICAL CHILD SUPPORT.

(a) STATE PLAN REQUIREMENT.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by subsection (c), is amended—

(1) by striking "and" at the end of paragraph (58);

(2) by striking the period at the end of paragraph (59) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(60) provide that the State agency shall provide assurances satisfactory to the Secretary that the State has in effect the laws relating to medical child support required under section 1908.".

(b) MEDICAL CHILD SUPPORT LAWS.—Title XIX (42 U.S.C. 1936 et seq.) is amended by inserting after section 1907 the following new section:

"REQUIRED LAWS RELATING TO MEDICAL CHILD SUPPORT

"SEC. 1908. (a) IN GENERAL.—The laws relating to medical child support, which a State is required to have in effect under section 1902(a)(60), are as follows:

"(1) A law that prohibits an insurer from denying enrollment of a child under the health coverage of the child's parent on the ground that—

"(A) the child was born out of wedlock,

"(B) the child is not claimed as a dependent on the parent's Federal income tax return, or

"(C) the child does not reside with the parent or in the insurer's service area.

"(2) In any case in which a parent is required by a court or administrative order to provide health coverage for a child and the parent is eligible for family health coverage through an insurer, a law that requires such insurer—

"(A) to permit such parent to enroll under such family coverage any such child who is otherwise eligible for such coverage (without regard to any enrollment season restrictions and subject to the requirements under paragraph (1)); and

"(B) if such a parent fails to provide such health insurance coverage for any such child, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this title or part D of title IV.

"(3) In any case in which a parent is required by a court or administrative order to provide health coverage for a child and the parent is eligible for family health coverage through an employer doing business in the State, a law that requires such employer—

"(A) to permit such parent to enroll under such family coverage any such child who is otherwise eligible for such coverage (without regard to any enrollment season restrictions and subject to the requirements under paragraph (1));

"(B) if such a parent fails to provide such health insurance coverage for a child, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this title or part D of title IV;

"(C) not to disenroll (or eliminate coverage of) any such child unless the employer is provided satisfactory written evidence that—

"(i) such court or administrative order is no longer in effect, or

"(ii) the child is or will be enrolled in comparable health coverage which will take effect not later than the effective date of such disenrollment; and

"(D) to withhold from such employee's compensation the employee's share (if any) of premiums for health coverage and to pay such share of premiums to the insurer.

"(4) A law that prohibits an insurer from imposing requirements on a State agency, which has been assigned the rights of an individual eligible for medical assistance under this title and covered for health benefits from the insurer, that are different from requirements applicable to an agent or assignee of any other individual so covered.

"(5) A law that requires an insurer, in any case in which a child has health coverage through the insurer of a noncustodial parent—

"(A) to provide such information to the custodial parent as may be necessary for the child to obtain benefits through such coverage;

"(B) to permit the custodial parent (or provider, with the custodial parent's approval) to submit claims for covered services without the approval of the noncustodial parent; and

"(C) to make payment on claims submitted in accordance with subparagraph (B) directly to such custodial parent, the provider, or the State agency.

"(6) A law that permits the State agency under this title to garnish the wages, salary, or other employment income of, and requires withholding amounts from State tax refunds to, any person who—

"(A) is required by court or administrative order to provide coverage of the costs of health services to a child who is eligible for medical assistance under this title,

"(B) has received payment from a third party for the costs of such services to such child, but

"(C) has not used such payments to reimburse, as appropriate, either the other parent or guardian of such child or the provider of such services,

to the extent necessary to reimburse the State agency for expenditures for such costs under its plan under this title, but any claims for current or past-due child support shall take priority over any such claims for the costs of such services.

"(b) SPECIAL RULE.—The Secretary may provide by regulation for such exceptions to the requirement under subsection (a)(3) as the Secretary determines necessary to ensure compliance with the conditions of any order referred to in such subsection or with the maximum amounts permitted to be withheld under section 303(b) of the Consumer Credit Protection Act.

"(c) DEFINITION.—For purposes of this subsection, the term 'insurer' includes a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a health maintenance organization, and an entity offering a service benefit plan.".

(c) REDESIGNATIONS TO PARAGRAPHS ADDED BY OBRA–1990.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (54);

(2) in the paragraph (55) inserted by section 4602(a)(3) of OBRA–1990, by striking the period at the end and inserting a semicolon;

(3) by redesignating the paragraph (55) inserted by section 4604(b)(3) of OBRA–1990 as paragraph (56), by transferring and inserting it after the paragraph (55) inserted by section 4602(a)(3) of such Act, and by striking the period at the end and inserting a semicolon;

(4) by placing paragraphs (57) and (58), inserted by section 4751(a)(1)(C) of OBRA–1990, immediately after paragraph (56), as redesignated by paragraph (3);

(5) in the paragraph (58) inserted by section 4751(a)(1)(C) of OBRA–1990, by striking the period at the end and inserting "; and"; and

(6) by redesignating the paragraph (58) inserted by section 4752(c)(1)(C) of OBRA–1990 as paragraph (59) and by transferring and inserting it after the paragraph (58) inserted by section 4751(a)(1)(C) of such Act.

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section apply to calendar quarters beginning on or after April 1, 1994.

(2) In the case of a State plan under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 7433. OFFSET OF PAYMENT OBLIGATIONS RELATING TO MEDICAL ASSISTANCE AGAINST OVERPAYMENTS OF STATE AND FEDERAL INCOME TAXES.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Section 6402 of the Internal Revenue Code of 1986 is amended—

(A) by redesignating subsections (e), (f), (g), (h), and (i) as subsections (f), (g), (h), (i), and (j), respectively; and

(B) by adding after subsection (d) the following new subsection:

"(e) COLLECTION OF CERTAIN DEBTS OWED TO STATES.—

"(1) IN GENERAL.—Upon receiving notice from any State under section 1931(b)(1) of the Social Security Act that a named person owes a legally enforceable debt for any payment obligation relating to medical assistance, the Secretary shall—

"(A) reduce the amount of any overpayment payable to such person by the amount of such debt;

"(B) pay the amount by which such overpayment is reduced under subparagraph (A) to such State; and

"(C) notify the person making such overpayment that such overpayment has been reduced by an amount necessary to satisfy such debt.

"(2) PRIORITIES FOR OFFSET.—Any overpayment by a person shall be reduced pursuant to this subsection after such overpayment is reduced pursuant to subsections (c) and (d) and before such overpayment is credited to the future liability for tax of such person pursuant to subsection (b). Any overpayment by a person shall be applied against any debts described in paragraph (1) in the order in which such debts accrued.

"(3) NOTICE; PROTECTION OF OTHER PERSONS FILING JOINT RETURN.—For purposes of this subsection, rules similar to the rules described in clause (i) and the first sentence of clause (ii) of subsection (d)(3)(B) shall apply.

"(4) DEFINITION.—For purposes of this subsection, the term 'medical assistance' means medical assistance provided under title XIX of the Social Security Act.".

(2) CONFORMING AMENDMENT.—Section 6402(f) of the Internal Revenue Code of 1986, as redesignated, is amended by striking "(c) or (d)" and inserting "(c), (d), or (e)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall be effective for taxable years beginning after December 31, 1993.

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) STATE PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by section 7432, is amended—

(A) by striking "and" at the end of paragraph (59);

(B) by striking the period at the end of paragraph (60) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(61) provide that recovery of any legally enforceable debt for any payment obligation relating to medical assistance provided under this title shall be made in accordance with a program for the collection of such debt from State and Federal tax refunds in accordance with section 1931.".

(2) PROGRAM FOR COLLECTIONS FROM STATE AND FEDERAL TAX REFUNDS.—Title XIX (42

U.S.C 1936 et seq.) is amended by adding at the end the following new section:

"COLLECTION OF PAYMENT OBLIGATIONS RELATING TO MEDICAL ASSISTANCE FROM STATE AND FEDERAL TAX REFUNDS

"SEC. 1931. (a) STATE TAX REFUNDS.—If a State with a State plan approved under this title has a State income tax system, such State shall require the State agency administering the State plan and the State agency responsible for administering the States income tax system to develop and implement a program under which any person determined appropriate by the State agency administering the State plan who owes a legally enforceable debt for any payment obligation relating to medical assistance provided under this title will have withheld an appropriate amount from any refund otherwise payable to such person under the State income tax system.

"(b) FEDERAL TAX REFUNDS.—

"(1) NOTICE TO THE SECRETARY OF THE TREASURY.—

"(A) IN GENERAL.—If a State with a State plan approved under this title—

"(i) implements a program described in subsection (a), or

"(ii) is a State that does not have a State income tax system,

the State agency administering such plan may provide a notice to the Secretary of the Treasury regarding any person determined appropriate by such State agency who owes a legally enforceable debt for any payment obligation relating to medical assistance provided under this title and the Secretary of the Treasury shall withhold an appropriate amount from any refund otherwise payable to such person in accordance with section 6402(e) of the Internal Revenue Code of 1986 (hereafter in this section referred to as the 'Code').

"(B) REGULATIONS RELATING TO NOTICES.—The Secretary of the Treasury shall issue regulations, after consultation with the Secretary, which—

"(i) prescribe the timing by which State agencies may submit notices of payment obligations relating to medical assistance,

"(ii) specify the manner in which such notices must be submitted,

"(iii) specify the necessary information that must be contained in or accompany such notices,

"(iv) specify the minimum payment obligation relating to medical assistance to which the offset procedures may be applied,

"(v) specify the fee that a State must pay to reimburse the Secretary of the Treasury for the full cost of applying the offset procedure, and

"(vi) provide that the Secretary of the Treasury will advise the Secretary, not less frequently than annually, of the States which have furnished notices under this subsection, the number of cases in each State with respect to which such notices have been furnished, the total amount of payment obligations sought to be collected under this subsection by each State, and the amount of such collections actually made in the case of each State.

"(2) NOTICE.—Prior to notifying the Secretary of the Treasury under paragraph (1), the State agency shall send a notice to the person owing the legally enforceable debt for a payment obligation relating to medical assistance provided under this title which—

"(A) explains that a withholding may be made under 6402(e) of the Code from any refund otherwise payable to such person,

"(B) instructs the person having the payment obligation of the steps which may be taken to contest the State's determination that such payment obligation is owed or the amount of the payment obligation, and

"(C) provides information with respect to procedures to be followed, in the case of a joint return, to protect the share of the refund which may be payable to another person.

"(3) EXCESS WITHHOLDING.—In any case in which an amount was withheld under section 6402(e) of the Code and the State subsequently determines that the amount certified as owing with respect to medical assistance was in excess of the amount actually owed at the time the amount withheld is distributed to the State, the State shall pay the excess amount withheld to the named person determined to have the payment obligation (or, in the case of amounts withheld on the basis of a joint return, jointly to the parties filing such return).".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this paragraph shall apply to calendar quarters beginning on or after December 31, 1993.

(B) SPECIAL RULE.—In the case of a State which the Secretary determines requires State legislation (other than legislation authorizing or appropriating funds) in order to comply with the amendments made by subparagraph (A), the State shall not be regarded as failing to comply with such amendments solely on the basis of its failure to meet the requirements of such amendments before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Subpart E—Assuring Proper Payments to Disproportionate Share Hospitals

SEC. 7441. ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS.

(a) DISPROPORTIONATE SHARE HOSPITALS REQUIRED TO PROVIDE MINIMUM LEVEL OF SERVICES TO MEDICAID PATIENTS.—Section 1923 (42 U.S.C. 1396r–4) is amended—

(1) in subsection (a)(1)(A), by striking "requirement" and inserting "requirements";

(2) in subsection (b)(1), by striking "requirement" and inserting "requirements";

(3) in the heading to subsection (d), by striking "REQUIREMENT" and inserting "REQUIREMENTS";

(4) by adding at the end of subsection (d) the following new paragraph:

"(3) No hospital may be defined or deemed as a disproportionate share hospital under a State plan under this title or under subsection (b) or (e) of this section unless the hospital has a medicaid inpatient utilization rate (as defined in subsection (b)(2)) of not less than 1 percent.";

(5) in subsection (e)(1)—

(A) by striking "and" before "(B)", and

(B) by inserting before the period at the end the following: ", and (C) the plan meets the requirement of subsection (d)(3) and such payment adjustments are made consistent with the fourth sentence of subsection (c)"; and

(6) in subsection (e)(2)—

(A) in subparagraph (A), by inserting "(other than the fourth sentence of subsection (c))" after "(c)",

(B) by striking "and" at the end of subparagraph (A),

(C) by striking the period at the end of subparagraph (B) and inserting ", and", and

(D) by adding at the end the following new subparagraph:

"(C) subsection (d)(3) shall apply.".

(b) LIMITING AMOUNT OF PAYMENT ADJUSTMENTS FOR STATE OR COUNTY HOSPITALS TO UNCOVERED COSTS.—Subsection (c) of section 1923 (42 U.S.C. 1396r-4) is amended by adding at the end the following: "A payment adjustment during a year is not considered to be consistent with this subsection with respect to a hospital owned or operated by a State (or by an instrumentality of, or a unit of government within, a State) if the payment adjustment exceeds the costs incurred during the year of furnishing hospital services (as determined by the Secretary and net of payments under this title, other than under this section, and by uninsured patients) by the hospital to individuals who either are eligible for medical assistance under the State plan or have no health insurance (or other source of third party coverage) for services provided during the year. For purposes of the preceding sentence, payments made to a hospital for services provided to indigent patients made by a State or a unit of local government within a State shall not be considered to be a source of third party payment.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments to States under section 1903(a) of the Social Security Act which are for payments to hospitals made under State plans after the end of the State fiscal year that ends during 1995.

Subpart F—Anti-Fraud and Abuse Provisions

SEC. 7451. APPLICATION OF MEDICARE RULES LIMITING CERTAIN PHYSICIAN REFERRALS.

(a) IN GENERAL.—Section 1903(i) (42 U.S.C. 1396b(i)), as amended by subsection (b), is amended—

(1) in paragraph (12), by striking "or" at the end,

(2) in paragraph (13), by striking the period at the end and inserting "; or", and

(3) by inserting after paragraph (13) the following new paragraph:

"(14) with respect to any amount expended for an item or service for which payment would be denied under section 1877(g)(1) if the item or service were furnished to an individual entitled to benefits under title XVIII.".

(b) REDESIGNATIONS.—Section 1903(i) (42 U.S.C. 1396b(i)), as amended by section 2(b)(2) of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, is amended—

(1) by redesignating the paragraph (12) inserted by section 4752(a)(2) of OBRA–1990 as paragraph (11), by transferring and inserting it after the paragraph (10) inserted by section 4401(a)(1)(B) of OBRA–1990, and by striking the period at the end and inserting a semicolon;

(2) by redesignating the paragraph (14) inserted by section 4752(e) of OBRA–1990 as paragraph (12), by transferring and inserting it after paragraph (11), as redesignated by paragraph (2), and by striking the period at the end and inserting "; or"; and

(3) by redesignating the paragraph (11) inserted by section 4801(e)(16)(A) of OBRA–1990 as paragraph (13) and by transferring and inserting it after paragraph (12), as redesignated by paragraph (3), and by striking "; or" and inserting a period.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items and services furnished on or after October 1, 1993.

Subtitle C—Income Security Programs

SEC. 7601. MATCHING OF STATE ADMINISTRATIVE COSTS.

(a) AFDC MATCHING.—Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amended to read as follows:

"(3) in the case of any State, 50 percent of the total amounts expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan, except that no payment shall be made with respect to amounts expended in connection with the provision of any service described in section 2002(a) of this Act other than services furnished pursuant to section 402(g); and".

(b) TERRITORIAL PROGRAMS FOR AGED, BLIND, AND DISABLED.—Sections 3(a)(4), 1003(a)(3), 1403(a)(3), and 1603(a)(4) (42 U.S.C. 303(a)(3), 1203(a)(3), 1353(a)(3), and 1383 note) (as in effect as provided by section 303 of the Social Security Amendments of 1972) are each amended by striking "the sum of" and all that follows and inserting "50 percent of the total amounts expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall be effective with respect to calendar quarters beginning on or after April 1, 1994, and

(2) SPECIAL RULE.—In the case of a State whose legislature meets biennially, and does not have a regular session scheduled in calendar year 1994, the amendments made by subsections (a) and (b) shall be effective no later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

SEC. 7602. STATE PATERNITY ESTABLISHMENT PROGRAMS.

(a) PERFORMANCE STANDARDS FOR STATE PATERNITY ESTABLISHMENT PROGRAMS.—Section 452(g) (42 U.S.C. 652(g)) is amended—

(1) in paragraph (1)—

(A) by striking "1991" and inserting "1994";

(B) by inserting "is based on reliable data and" before "equals or exceeds"; and

(C) by striking subparagraphs (A), (B), and (C) and inserting the following new subparagraphs:

"(A) 75 percent;

"(B) for a State with a paternity establishment percentage of not less than 50 percent but less than 75 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 3 percentage points; or

"(C) for a State with a paternity establishment percentage of less than 50 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 6 percentage points."; and

(2) in paragraph (2)—

(A) by striking "(or under all such plans)" each place it appears;

(B) by inserting "or part (E)" after "under part A" each place it appears;

(C) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) the term 'reliable data' means the most recent data available which are found by the Secretary to be reliable for purposes of this section.";

(D) by inserting "unless paternity is established for such child" after "the death of a parent"; and

(E) by inserting "or any child with respect to whom the State agency administering the plan under part E determines (as provided in section 454(4)(B)) that it is against the best interest of such child to do so" after "cooperate under section 402(a)(26)".

(b) STATE PLAN REQUIREMENTS FOR THE ESTABLISHMENT OF PATERNITY.—Section 466(a) (42 U.S.C. 666(a)) is amended—

(1) in paragraph (2)—

(A) by striking "at the option of the State,"; and

(B) by inserting "or paternity establishment" after "support order issuance and enforcement";

(2) in paragraph (5) by adding at the end the following new subparagraphs:

"(C) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that the rights and responsibilities of acknowledging paternity are explained and ensure that due process safeguards are afforded. Such procedures must include (i) a hospital-based program for the voluntary acknowledgment of paternity during the period immediately preceding or following the birth of a child, and (ii) the inclusion of signature lines on applications for official birth certificates which, once signed by the father and the mother, constitute a voluntary acknowledgment of paternity.

"(D) Procedures under which the voluntary acknowledgment of paternity creates a rebuttable, or at the option of the State, conclusive presumption of paternity, and under which such voluntary acknowledgment is admissible as evidence of paternity.

"(E) Procedures under which the voluntary acknowledgment of paternity must be recognized as a basis for seeking a support order without first requiring any further proceedings to establish paternity.

"(F) Procedures which provide that (i) any objection to genetic testing results must be made in writing within a specified number of days before any hearing at which such results may be introduced into evidence, and (ii) if no objection is made, the test results are admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy.

"(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability of the alleged father being the father of the child.

"(H) Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law."; and

(3) by inserting after paragraph (10) the following new paragraph:

"(11) Procedures under which a State must give full faith and credit to a determination of paternity made by any other State, whether established through voluntary acknowledgment or through administrative or judicial processes.".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective with respect to a State on the later of—

(1) October 1, 1993 or,

(2) the date of enactment by the legislature of such State of all laws required by such amendments,

but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 7603. FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY PAYMENTS.

(a) IN GENERAL.—

(1) OPTIONAL STATE SUPPLEMENTARY PAYMENTS.—Section 1616(d) (42 U.S.C. 1382e(d)) is amended—

(A) by inserting "(1)" after "(d)";

(B) by inserting ", plus an administration fee assessed in accordance with paragraph (2) and any additional services fee charged in accordance with paragraph (3)" before the period; and

(C) by adding after and below the end the following:

"(2)(A) The Secretary shall assess each State an administration fee in an amount equal to—

"(i) the number of supplementary payments made by the Secretary on behalf of the State under this section for any month in a fiscal year; multiplied by

"(ii) the applicable rate for the fiscal year.

"(B) As used in subparagraph (A), the term 'applicable rate' means—

"(i) for fiscal year 1995, $1.67;

"(ii) for fiscal year 1996, $3.33;

"(iii) for fiscal year 1997, $5.00; and

"(iv) for fiscal year 1998 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to criteria established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

"(C) All fees collected pursuant to this paragraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

"(3)(A) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this section.

"(B) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in subparagraph (A).

"(C) The additional services fee shall be payable in advance or by way of reimbursement.

"(4) All administration fees and additional services fees collected pursuant to this subsection shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.".

(2) MANDATORY STATE SUPPLEMENTARY PAYMENTS.—Section 212(b)(3) of Public Law 93-66 (42 U.S.C. 1382 note) is amended—

(A) by inserting "(A)" after "(3)";

(B) by inserting ", plus an administration fee assessed in accordance with subparagraph (B) and any additional services fee charged in accordance with subparagraph (C)" before the period; and

(C) by adding after and below the end the following:

"(B)(i) The Secretary shall assess each State an administration fee in an amount equal to—

"(I) the number of supplementary payments made by the Secretary on behalf of the State under this subsection for any month in a fiscal year; multiplied by

"(II) the applicable rate for the fiscal year.

"(ii) As used in clause (i), the term 'applicable rate' means—

"(I) for fiscal year 1995, $1.67;

"(II) for fiscal year 1996, $3.33;

"(III) for fiscal year 1997, $5.00; and

"(IV) for fiscal year 1998 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to regulations established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

"(iii) All fees collected pursuant to this subparagraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

"(C)(i) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this subsection.

"(ii) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in clause (i).

"(iii) The additional services fee shall be payable in advance or by way of reimbursement.

"(D) All administration fees and additional services fees collected pursuant to this paragraph shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.".

(b) Effective Date.—The amendments made by this section shall apply to supplementary payments made pursuant to section 1616(a) of the Social Security Act or section 212(a) of Public Law 93-66 for any calendar month beginning after September 30, 1994, and to services furnished after such date, regardless of whether regulations to implement such amendments have been promulgated by such date, or whether any agreement entered into under such section 1616(a) or such section 212(a) has been modified.

Subtitle D—Miscellaneous Provisions

PART I—TRADE PROVISIONS

SEC. 7701. EXTENSION OF AUTHORITY TO LEVY CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking out "1995" and inserting "1998".

PART II—IMPROVED ACCESS TO CHILDHOOD IMMUNIZATIONS

SEC. 7801. AVAILABILITY OF MEDICAID PAYMENTS FOR PEDIATRIC VACCINE REPLACEMENT PROGRAMS.

(a) In General.—Section 1902(a)(32) (42 U.S.C. 1396a(a)(32)) is amended—

(1) by striking "and" at the end of subparagraph (B),

(2) by striking the period at the end of subparagraph (C) and inserting "; and", and

(3) by adding at the end the following new subparagraph:

"(D) in the case of payment for a pediatric vaccine administered to individuals entitled to medical assistance under the State plan, the State plan may make payment directly to the manufacturer of the vaccine under a voluntary replacement program agreed to by the State pursuant to which the manufacturer (i) supplies doses of the vaccine to providers administering the vaccine, (ii) periodically replaces the supply of the vaccine, and (iii) charges the State the manufacturer's bid price to the Centers for Disease Control and Prevention for the vaccine so administered plus a reasonable premium to cover shipping and handling of returns;".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

PART III—DISCLOSURE PROVISIONS

SEC. 7901. DISCLOSURE OF RETURN INFORMATION FOR ADMINISTRATION OF CERTAIN VETERANS PROGRAMS.

(a) General Rule.—Subparagraph (D) of section 6103(l)(7) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local agencies administering certain programs) is amended by striking "September 30, 1997" in the second sentence following clause (viii) and inserting "September 30, 1998".

(b) Authority for Secretary of Veterans Affairs To Obtain Information.—Section 5317(g) of title 38, United States Code, is amended by striking out "September 30, 1997" and inserting "September 30, 1998".

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 7902. USE OF RETURN INFORMATION FOR HEALTH COVERAGE CLEARINGHOUSE.

(a) Establishment of Health Coverage Clearinghouse.—Part A of title XI (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"THIRD PARTY LIABILITY CLEARINGHOUSE

"Sec. 1144. (a) Establishment of Clearinghouse.—

"(1) In general.—The Secretary shall establish and operate a Third Party Liability Clearinghouse (hereafter in this section referred to as the 'Clearinghouse') for the purpose of identifying third parties responsible for payment for health care items and services furnished to beneficiaries of the medicare program under title XVIII and the medicaid program under title XIX.

"(2) Director.—The Clearinghouse established pursuant to paragraph (1) shall be headed by a Director.

"(b) Data Bank.—

"(1) Maintenance of information.—The Clearinghouse shall maintain a data bank containing information obtained pursuant to section 6103(l)(12) of the Internal Revenue Code of 1986. Information in the data bank shall be retained for not less than 1 year after the date the information was obtained.

"(2) Disclosure of information in data bank.—The Director is authorized (subject to the restriction in section 6103(l)(12)(E)(i) of the Internal Revenue Code of 1986) to disclose any information in the data bank established pursuant to paragraph (1) to the Commissioner of Social Security, the Secretary of the Treasury, employers, group health plans, the administrator of the medicare program under title XVIII, and the administrators of the medicaid program under title XIX, to the extent necessary to assist the administration of such programs.

"(c) Requirement That Employers Furnish Information.—

"(1) In general.—An employer shall furnish to the Director the information requested pursuant to section 6103(l)(12)(C)(i) of the Internal Revenue Code of 1986 within 60 days after receipt of such a request.

"(2) Civil money penalty for failure to cooperate.—An employer (other than a Federal or other governmental entity) who willfully or repeatedly fails to provide a timely and accurate response to a request for information pursuant to paragraph (1) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not to exceed $1,000 for each individual or individual's spouse with respect to which such a request is made. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to such civil money penalty in the same manner as such provisions apply to penalties or proceedings under section 1128A(a).

"(d) Collections From Third Parties.—The Director is authorized, upon request by the administrator of the medicare program under title XVIII or any administrator of the medicaid program under title XIX, to assist in the collection of amounts due from liable third parties to reimburse costs incurred by such program for health care items and services.

"(e) Fees for Clearinghouse Services.—The Director shall establish fees for services provided under section 6103(l)(12)(C)(ii) of the Internal Revenue Code of 1986 and subsection (d) which are designed to cover the full costs to the Clearinghouse of providing such services. Clearinghouse services under such section and subsection shall be available subject to payment of such fees.

"(f) Evaluation Responsibilities.—The Director shall evaluate methods for improving—

"(1) procedures for the collection, management, and appropriate disclosure of health care coverage information, and

"(2) Federal laws and policies concerning third party liability for medical care.

"(g) Definitions.—For purposes of this section, the term 'group health plan' has the meaning given to such term in section 6103(l)(12)(G) of the Internal Revenue Code of 1986.".

(b) Disclosure of Tax Return Information.—

(1) In general.—Paragraph (12) of section 6103(l) of the Internal Revenue Code of 1986, as amended by section 7303, is amended to read as follows:

"(12) Disclosure of certain taxpayer return information for purposes of identifying health insurance coverage of certain individuals and spouses.—

"(A) Return information from Internal Revenue Service.—The Secretary shall, upon written request from the Commissioner of Social Security (referred to in this subparagraph as the 'Commissioner'), disclose to the Commissioner available filing status and taxpayer identity information from the individual master files of the Internal Revenue Service relating to whether any individual identified by the Commissioner was a married individual (as defined in section 7703) for any specified year after 1986, and, if so, the name of the spouse of such individual and such spouse's TIN.

"(B) Return information from Social Security Administration.—The Commissioner shall, upon written request from the Director of the Third Party Liability Clearinghouse (referred to in this subparagraph as the 'Director'), disclose to the Director the following information with respect to the individuals, and the spouses of such individuals, specified in subparagraph (A):

"(i) For each such individual who is identified as having received wages (as defined in section 3401(a)) above an amount (if any) specified by the Secretary of Health and Human Services from an employer in a previous year—

"(I) the name and TIN of the individual,

"(II) the name, address, and TIN of the employer, and

"(III) the information reported under section 6051(a)(10).

"(ii) For each individual who was identified as married under subparagraph (A) and whose spouse is identified as having received wages above an amount (if any) specified by the Secretary of Health and Human Services from an employer in a previous year—

"(I) the name and TIN of the individual, "(II) the name and TIN of the spouse,

"(III) the name, address, and TIN of the spouse's employer, and

"(IV) the information reported under section 6051(a)(10) with respect to the spouse.

"(C) DISCLOSURE BY THIRD PARTY LIABILITY CLEARINGHOUSE.—The Director may (subject to the provisions of subparagraph (E)) disclose—

"(i) with respect to the information disclosed under subparagraph (B), to the employer referred to in such subparagraph the name and TIN of each individual identified under such subparagraph as having received wages from the employer (hereafter referred to in this subparagraph as the 'employee') for purposes of determining during what period such employee or the employee's spouse may be (or have been) covered under a group health plan of the employer and what benefits are or were covered under the plan (including the name, address, and identifying number of the plan),

"(ii) to the administrator of the medicare program under title XVIII of the Social Security Act or to any administrator of the medicaid program under title XIX of such Act the information disclosed under subparagraph (B) and clause (i) for purposes of providing information concerning employment and group health coverage of individuals and individual's spouses who are program beneficiaries,

"(iii) to any agent of such Director the information referred to in subparagraph (B) for purposes of carrying out clauses (i) and (ii) on behalf of such Director, and

"(iv) to any person specified in subsection (b)(2) of section 1144 of the Social Security Act, information in the data bank established pursuant to subsection (b)(1) of such section, for the purposes specified in such subsection.

"(D) DISCLOSURE BY CERTAIN PROGRAMS TO GROUP HEALTH PLANS.—The administrator of the medicare program under title XVIII of the Social Security Act or any administrator of the medicaid program under title XIX of such Act may (subject to the provisions of subparagraph (E)) disclose information concerning an employee or spouse disclosed to the Director pursuant to subparagraph (B) and redisclosed to such administrator pursuant to subparagraph (C)—

"(i) to any group health plan which provides or provided coverage to such employee or spouse, and

"(ii) to any agent of such administrator,

for purposes of identifying, or collecting on claims under coverage of such employee or spouse under such group health plan.

"(E) SPECIAL RULES.—

"(i) RESTRICTIONS ON DISCLOSURE.—Information may be disclosed under subparagraphs (A) through (D) only for purposes of, and to the extent necessary in, determining the extent to which any individual is covered under any group health plan.

"(ii) TIMELY RESPONSE TO REQUESTS.—Any request made under subparagraph (A) or (B) shall be complied with as soon as possible but in no event later than 120 days after the date the request was made.

"(F) DISCLOSURE CONCERNING ENFORCEMENT ACTIVITIES.—The Secretary shall, upon written request from the Secretary of Health and Human Services, disclose to the Secretary of Health and Human Services the status of any activities undertaken (with respect to persons specified by the Secretary of Health and Human Services) to enforce the requirements of section 5000.

"(G) DEFINITIONS.—For purposes of this paragraph, the term 'group health plan' means any group health plan (as defined in section 5000(b)).".

(2) REPORTING OF GROUP HEALTH PLAN INFORMATION.—Section 6051(a) of the Internal Revenue Code of 1986 is amended—

(A) by striking "and" at the end of paragraph (8),

(B) by striking the period at the end of paragraph (9) and inserting ", and", and

(C) by inserting after paragraph (9) the following new paragraph:

"(10) whether a group health plan (as defined in section 6103(l)(12)(G)) is available to the employee and the plan coverage (single or family) elected by such employee (if any).".

(c) CONFORMING AMENDMENT.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)), as amended by section 7303, is amended to read as follows:

"(5) IDENTIFICATION OF SECONDARY PAYER SITUATIONS.—In addition to any other information provided under this title to fiscal intermediaries and carriers, the Administrator shall disclose to such intermediaries and carriers (or to such a single intermediary or carrier as the Secretary may designate) the information received under section 6103(l)(12)(C)(ii) of the Internal Revenue Code of 1986.".

(d) EXCEPTION FROM PRIVACY ACT REQUIREMENTS.—Subsection (a)(8)(B) of section 552a of title 5, United States Code, is amended—

(1) in clause (v), by striking "; or" at the end;

(2) in clause (vi), by striking the semicolon at the end and inserting "; or"; and

(3) by adding at the end the following new clause:

"(vii) matches performed pursuant to section 6103(l)(12) of the Internal Revenue Code of 1986 and section 1144 of the Social Security Act for the purpose of identifying third parties responsible for payment for health care items and services furnished to beneficiaries of certain Federal and federally assisted programs;".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on April 1, 1995.

PART IV—OTHER PROVISIONS

SEC. 7950. DISALLOWANCE OF INTEREST ON CERTAIN OVERPAYMENTS OF TAX.

(a) GENERAL RULE.—Subsection (e) of section 6611 of the Internal Revenue Code of 1986 (relating to income tax refund within 45 days after return is filed) is amended to read as follows:

"(e) DISALLOWANCE OF INTEREST ON CERTAIN OVERPAYMENTS.—

"(1) REFUNDS WITHIN 45 DAYS AFTER RETURN IS FILED.—If any overpayment of tax imposed by this title is refunded within 45 days after the last day prescribed for filing the return of such tax (determined without regard to any extension of time for filing the return) or, in the case of a return filed after such last date, is refunded within 45 days after the date the return is filed, no interest shall be allowed under subsection (a) on such overpayment.

"(2) REFUNDS AFTER CLAIM FOR CREDIT OR REFUND.—If—

"(A) the taxpayer files a claim for a credit or refund for any overpayment of tax imposed by this title, and

"(B) such overpayment is refunded within 45 days after such claim is filed,

no interest shall be allowed on such overpayment from the date the claim is filed until the day the refund is made.

"(3) IRS INITIATED ADJUSTMENTS.—If an adjustment initiated by the Secretary, results in a refund or credit of an overpayment, interest on such overpayment shall be computed by subtracting 45 days from the number of days interest would otherwise be allowed with respect to such overpayment."

(b) EFFECTIVE DATES.—

(1) Paragraph (1) of section 6611(e) of the Internal Revenue Code of 1986 (as amended by subsection (a)) shall apply in the case of returns the due date for which (determined without regard to extensions) is on or after January 1, 1994.

(2) Paragraph (2) of section 6611(e) of such Code (as so amended) shall apply in the case of claims for credit or refund of any overpayment filed on or after January 1, 1995, regardless of the taxable period to which such refund relates.

(3) Paragraph (3) of section 6611(e) of such Code (as so amended) shall apply in the case of any refund paid on or after January 1, 1995, regardless of the taxable period to which such refund relates.

SEC. 7951. FEES FOR APPLICATIONS FOR ALCOHOL LABELING AND FORMULA REVIEWS.

(a) IN GENERAL.—The Secretary of the Treasury or his delegate (hereinafter in this section referred to as the 'Secretary') shall establish a program requiring the payment of user fees for—

(1) requests for each certificate of alcohol label approval required under the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) and for each request for exemption from such requirement, and

(2) requests for each formula review, and requests for each statement of process (including laboratory tests and analyses), under such Act or under chapter 51 of the Internal Revenue Code of 1986.

(b) PROGRAM CRITERIA.—

(1) IN GENERAL.—The fees charged under the program required by subsection (a) shall be determined such that the Secretary estimates that the aggregate of such fees received during any fiscal year will be $5,000,000.

(2) MINIMUM FEES.—The fee charged under the program required by subsection (a) shall not be less than—

(A) $50 for each request referred to in subsection (a)(1), and

(B) $250 for each request referred to in subsection (a)(2).

(c) APPLICATION OF SECTION.—Subsection (a) shall apply to requests made on or after the 90th day after the date of the enactment of this Act.

(d) DEPOSIT AND CREDIT AS OFFSETTING RECEIPTS.—The amounts collected by the Secretary under the program required by subsection (a) (to the extent such amounts do not exceed $5,000,000) shall be deposited into the Treasury as offsetting receipts and ascribed to the alcohol compliance program of the Bureau of Alcohol, Tobacco, and Firearms.

TITLE VIII—ACHIEVEMENT OF SPENDING CUTS PRIOR TO CONSIDERATION OF ANY NEW TAXES

SEC. 8001. FINDINGS.

The Congress finds that—

(1) that the root cause of the Federal deficit is that the Congress spends too much of the taxpayers' money; and

(2) that the appropriate course of congressional action is to focus upon enacting legislation which slows the growth in Federal Government spending as provided in this Act.

SEC. 8002. SENSE OF THE CONGRESS.

It is the sense of the Congress that no new taxes should be imposed on the American public until the spending restraints specified in this Act have been enacted and achieved under the binding, enforceable procedures called for under this Act.

TITLE IX—COMMITTEE ON FOREIGN RELATIONS

SEC. 9001. DELAY IN COST-OF-LIVING ADJUSTMENTS IN FOREIGN SERVICE RETIREMENT BENEFITS DURING FISCAL YEARS 1994, 1995, AND 1996.

(a) APPLICABILITY.—This section shall apply with respect to any cost-of-living increase scheduled to take effect under section 826 or 858 of the Foreign Service Act of 1980 during fiscal year 1994, 1995, or 1996.

(b) DELAY IN EFFECTIVE DATE OF ADJUSTMENTS.—A cost-of-living increase described in subsection (a) shall not take effect until the first day of the third calendar month after the date such increase would take effect but for this subsection.

(c) RULE OF CONSTRUCTION.—

(1) SIZE OF COST-OF-LIVING ADJUSTMENT.—Nothing in this section shall be considered to affect the size of the cost-of-living adjustment under section 8340(b) or section 8462(b) of title 5, United States Code, in the same fiscal year as a cost-of-living increase described in subsection (a).

(2) DETERMINATIONS OF ELIGIBILITY.—The delay in the effective date of cost-of-living adjustments under subsection (b) shall not affect any determination relating to eligibility for an annuity increase or the amount of the first increase in an annuity under section 826 or 858 of the Foreign Service Act of 1980.

SEC. 9002. ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION UNDER THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM EXCEPT FOR INDIVIDUALS WITH CRITICAL MEDICAL CONDITIONS.

(a) IN GENERAL.—Section 807(e)(1) of the Foreign Service Act of 1980 (22 U.S.C. 4047(e)(1)) is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect January 1, 1994.

TITLE X—COMMITTEE ON GOVERNMENTAL AFFAIRS

Subtitle A—Civil Service

SEC. 10001. DELAY IN COST-OF-LIVING ADJUSTMENTS IN FEDERAL EMPLOYEE RETIREMENT BENEFITS DURING FISCAL YEARS 1994, 1995, AND 1996.

(a) APPLICABILITY.—This section shall apply with respect to any cost-of-living increase scheduled to take effect, during fiscal year 1994, 1995, or 1996, under—

(1) section 8340(b) or 8462(b) of title 5, United States Code; or

(2) section 291 of the Central Intelligence Agency Retirement Act (50 U.S.C. 2131), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102–496; 106 Stat. 3196).

(b) DELAY IN EFFECTIVE DATE OF ADJUSTMENTS.—A cost-of-living increase described in subsection (a) shall not take effect until the first day of the third calendar month after the date such increase would otherwise take effect.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be considered to affect any determination relating to eligibility for an annuity increase or the amount of the first increase in an annuity under section 8340(b) or (c) or section 8462 (b) or (c) of title 5, United States Code, or comparable provisions of law.

SEC. 10002. PERMANENT ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION EXCEPT FOR INDIVIDUALS WITH A CRITICAL MEDICAL CONDITION.

(a) CIVIL SERVICE RETIREMENT SYSTEM; FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Sections 8343a and 8420a of title 5, United States Code, are each amended—

(1) in subsection (a) by striking "an employee or Member may," and inserting "any employee or Member who has a life-threatening affliction or other critical medical condition may,"; and

(2) by striking subsection (f).

(b) CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.—Section 294(a) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2143(a)), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102–496; 106 Stat. 3196), is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1995, and shall apply with respect to any annuity commencing on or after that date.

SEC. 10003. DISTRICT OF COLUMBIA GOVERNMENT CONTRIBUTIONS FOR CERTAIN EMPLOYEE AND ANNUITANT HEALTH BENEFITS.

(a) CONTRIBUTIONS AFTER 1993.—

(1) IN GENERAL.—Section 8906(g) of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(3) The Government contributions authorized by this section for health benefits for an annuitant shall be paid by the government of the District of Columbia, in the case of an annuitant whose eligibility for an annuity is based on a separation from service with such government, or who is a survivor of such an annuitant or a survivor of an employee who died while employed by such government.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1993, and shall apply with respect to amounts payable for periods beginning on or after that date.

(b) CONTRIBUTIONS FOR PERIOD BETWEEN 1975 AND 1993.—

(1) IN GENERAL.—The government of the District of Columbia shall pay into the Employees Health Benefit Fund, as payment for any amounts which would, for the period beginning on January 1, 1975 through September 30, 1993, have been payable under the provisions of section 8906(g)(3) of title 5, United States Code (as added by subsection (a)(1) of this section) if such provision had been in effect as of January 1, 1975, of which—

(A) at least 25 percent of the total of such amounts shall be paid no later than January 1, 1994;

(B) at least 25 percent of the total of such amounts shall be paid no later than January 1, 1995;

(C) at least 25 percent of the total of such amounts shall be paid no later than January 1, 1996; and

(D) any remaining balance shall be paid no later than January 1, 1997.

(2) PRORATED PAYMENTS.—In determining any amount for which the government of the District of Columbia is liable under paragraph (1), the amount of the liability shall be prorated to reflect only that portion of total service which is attributable to civilian service performed (by the former employee of the government of the District of Columbia or by the deceased individual referred to under section 8906 (g)(3) of title 5, United States Code, as the case may be) during the period beginning on January 1, 1975, through September 30, 1993, as estimated by the Office of Personnel Management.

Subtitle B—Postal Service

SEC. 10101. PAYMENTS TO BE MADE BY THE UNITED STATES POSTAL SERVICE.

(a) RELATING TO CORRECTED CALCULATIONS FOR PAST RETIREMENT COLAS.—In addition to any other payments required under section 8348(m) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Civil Service Retirement and Disability Fund a total of $693,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1996;

(2) at least two-thirds shall be paid not later than September 30, 1997; and

(3) any remaining balance shall be paid not later than September 30, 1998.

(b) RELATING TO CORRECTED CALCULATIONS FOR PAST HEALTH BENEFITS.—In addition to any other payments required under section 8906(g)(2) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Employees Health Benefits Fund a total of $348,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1996;

(2) at least two-thirds shall be paid not later than September 30, 1997; and

(3) any remaining balance shall be paid not later than September 30, 1998.

Subtitle C—Miscellaneous

SEC. 10201. FEDERAL EMPLOYEES' SURVIVOR ANNUITY IMPROVEMENTS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) REDUCTION FOR SPOUSAL ANNUITY.—Section 8339(j) of title 5, United States Code, is amended—

(A) in paragraph (3)—

(i) in the second sentence, by striking out ", within such 2-year period,"; and

(ii) by striking out the fourth sentence and inserting in lieu thereof the following: "The Office shall, by regulation, provide for payment of the deposit required under this paragraph by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under this paragraph, except that the total reductions in the annuity of an employee or Member to pay deposits required by the provisions of this paragraph, paragraph (5), or subsection (k)(2) shall not exceed 25 percent of the annuity computed under subsections (a) through (i), (n), and (q), including adjustments under section 8340. The reduction, which shall be effective on the same date as the election under this paragraph, shall be permanent and unaffected by any future termination of the entitlement of the former spouse. Such reduction shall be independent of and in addition to the reduction required under the first sentence of this paragraph."; and

(B) in paragraph (5)(C)—

(i) in clause (ii), by striking out ", within 2 years after the date of the remarriage or, if later, the death or remarriage of the former spouse (or of the last such surviving former spouse),"; and

(ii) by amending clause (iii) to read as follows:

"(iii) The Office shall, by regulation, provide for payment of the deposit required under clause (ii) by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under clause (ii), except that total reductions in the annuity of an employee or Member to pay deposits required by the provisions of this paragraph or paragraph (3) shall not exceed 25 percent of the annuity computed under subsections (a) through (i), (n), and (q), including adjustments under section 8340. The reduction required by this clause, which shall be effective on the same date as the election under clause (i), shall be permanent and unaffected by any future termination of the marriage. Such reduction shall be independent of and in addition to the reduction required under clause (i).”.

(2) REDUCTION RELATING TO FORMER SPOUSE.—Section 8339(k)(2) of title 5, United States Code, is amended—

(A) in subparagraph (B)(ii), by striking out “Within 2 years after the date of the marriage, the” and inserting in lieu thereof “The”; and

(B) by amending subparagraph (C) to read as follows:

“(C) The Office shall, by regulation, provide for payment of the deposit required under subparagraph (B)(ii) by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under subparagraph (B)(ii), except that total reductions in the annuity of an employee or Member to pay deposits required by this subsection or subsection (j)(3) shall not exceed 25 percent of the annuity computed under subsections (a) through (i), (n), and (q), including adjustments under section 8340. The reduction required by this subparagraph, which shall be effective on the same date as the election under subparagraph (A), shall be permanent and unaffected by any future termination of the marriage. Such reduction shall be independent of and in addition to the reduction required under subparagraph (A).”.

(3) DEPOSITS.—Section 8334(h) of title 5, United States Code, is amended by striking out “and by section 8339(j)(5)(C) and the last sentence of section 8339(k)(2) of this title”.

(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—Section 8418 of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out “, before the expiration of the 2-year period involved,”; and

(2) by amending subsection (b) to read as follows:

“(b) The Office shall, by regulation, provide for payment of the deposit required under subsection (a) by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under subsection (a), except that the total reductions in the annuity of an employee or Member to pay deposits required by this section shall not exceed 25 percent of the annuity computed under section 8415 or section 8452, including adjustments under section 8462. The reduction required by this subsection, which shall be effective at the same time as the election under section 8416 (b) and (c) or section 8417(b), shall be permanent and unaffected by any future termination of the marriage or the entitlement of the former spouse. Such reduction shall be independent of and in addition to the reduction required under section 8416 (b) and (c) or section 8417(b).”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the first day of the first month beginning 30 days after the date of the enactment of this Act and shall apply to all deposits required under section 8339(j) (3) and (5), 8339(k)(2), or 8418 of title 5, United States Code, on which no payment has been made prior to such effective date.

(2) PARTIAL DEPOSIT.—For any deposit required under section 8339(j) (3) and (5), 8339(k)(2), or 8418 of title 5, United States Code, or section 4 (b) and (c) of the Civil Service Retirement Spouse Equity Act of 1984 that has been partially, but not fully, paid before the effective date of this Act, the Office shall by regulation provide for determining the remaining portion of the deposit and for payment of the remaining portion of the deposit by a prospective reduction in the annuity of the employee or Member. The reduction shall be similar to the reductions provided pursuant to the amendments made under this section.

TITLE XI—JUDICIARY

SEC. 1101. PATENT AND TRADEMARK FEES.

Section 10101 of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended—

(1) in subsection (a) by striking “1995” and inserting “1998”;

(2) in subsection (b)(2) by striking “1995” and inserting “1998”; and

(3) in subsection (c)—

(A) by striking “through 1995” and inserting “through 1998”; and

(B) by adding at the end the following:

“(6) $111,000,000 in fiscal year 1996.

“(7) $115,000,000 in fiscal year 1997.

“(8) $119,000,000 in fiscal year 1998.”.

TITLE XII—COMMITTEE ON LABOR AND HUMAN RESOURCES

Subtitle A—Student Loan Provisions

SEC. 12001. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the “Student Loan Reform Act of 1993”.

(b) REFERENCES.—References in this subtitle to “the Act” are references to the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

CHAPTER 1—FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 12011. FEDERAL DIRECT STUDENT LOAN PROGRAM.

Part D of title IV (20 U.S.C. 1087a) is amended to read as follows:

“PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

“SEC. 451. PURPOSE; PROGRAM AUTHORIZATION.

“(a) PURPOSE.—It is the purpose of this part—

“(1) to simplify the delivery of student loans to borrowers and eliminate borrower confusion;

“(2) to provide a variety of repayment plans, including income contingent repayment, to borrowers so that borrowers have flexibility in managing their student loan repayment obligations, and so that those obligations do not foreclose careers in community or public service for those borrowers;

“(3) to replace, through an orderly transition, the Federal Family Education Loan Program under part B of this title with the Federal Direct Student Loan Program under this part;

“(4) to avoid the unnecessary cost, to taxpayers and borrowers, and administrative complexity associated with the Federal Family Education Loan Program under part B of this title through the use of a direct student loan program; and

“(5) to create a more streamlined student loan program that can be managed more effectively at the Federal level.

“(b) PROGRAM AUTHORITY.—There are hereby made available, in accordance with the provisions of this part, such sums as may be necessary to make loans to all eligible students in attendance at participating institutions of higher education selected by the Secretary (and the eligible parents of such students), to enable such students to pursue their courses of study at such institutions during the period beginning July 1, 1994. Such loans shall be made by participating institutions, or consortia thereof, that have agreements with the Secretary to originate loans, or by alternative originators designated by the Secretary to make loans for students in attendance at participating institutions (and their parents).

“SEC. 452. FUNDS FOR ORIGINATION OF DIRECT STUDENT LOANS.

“(a) IN GENERAL.—The Secretary shall provide funds for student and parent loans under this part—

“(1) directly to an institution of higher education that has an agreement with the Secretary under section 454(a) to participate in the direct student loan program under this part and that also has an agreement with the Secretary under section 454(b) to originate loans under this part; or

“(2) through an alternative originator designated by the Secretary, on the basis of the need and the eligibility of students at each participating institution, and parents of such students, for such loans.

“(b) FEES FOR ORIGINATION SERVICES.—

“(1) FEES FOR INSTITUTIONS.—The Secretary shall pay fees to institutions of higher education or consortia thereof having agreements under section 454(b), in an amount established by the Secretary, to assist in meeting the costs of loan origination. Such fees—

“(A) shall be paid by the Secretary based on all the loans made under this part to a particular borrower in the same academic year;

“(B) shall be subject to a sliding scale that decreases the amount of such fees as the number of borrowers increases; and

“(C)(i) for academic year 1994–1995, shall not exceed a program-wide average of $10 per borrower for all the loans made under this part to such borrower in the same academic year; and

“(ii) for succeeding academic years, the Secretary shall establish such average fee pursuant to regulations.

“(2) FEES FOR ALTERNATIVE ORIGINATORS.—The Secretary shall pay fees for loan origination services to alternative originators of loans made under this part in an amount established by the Secretary in accordance with the terms of the contract described in section 456(b) between the Secretary and each such alternative originator.

“(c) NO ENTITLEMENT TO PARTICIPATE OR ORIGINATE.—No institution of higher education shall have a right to participate in the program authorized by this part, originate loans, or perform any program function under this part. Nothing in this subsection shall be construed so as to limit the entitlement of an eligible student attending a participating institution (or the eligible parent of such student) to borrow under this part nor limit the borrower's contractual right against the United States to receive any loan for which the student (or parent) is eligible.

“(d) DELIVERY OF LOAN FUNDS.—Loan funds shall be paid and delivered to an institution by the Secretary prior to the beginning of the payment period established by the Secretary in a manner that is consistent with payment and delivery of basic grants under subpart 1 of part A.

"SEC. 453. SELECTION OF INSTITUTIONS FOR PARTICIPATION AND ORIGINATION.

"(a) PHASE-IN OF PROGRAM.—

"(1) GENERAL AUTHORITY.—The Secretary shall enter into agreements pursuant to section 454(a) with institutions of higher education to participate in the direct student loan program under this part, and agreements pursuant to section 454(b) with institutions of higher education, or consortia thereof, to originate loans in such program, for academic years beginning on or after July 1, 1994. Alternative origination services, through which an entity other than the participating institution at which the student is in attendance originates the loan, shall be provided by the Secretary, through 1 or more contracts under section 456(b) or such other means as the Secretary may provide, for students attending participating institutions that do not originate direct student loans under this part. Such agreements for the academic year 1994-1995 shall, to the extent feasible, be entered into not later than January 1, 1994.

"(2) TRANSITION PROVISIONS.—In order to ensure an expeditious but orderly transition from the loan programs under part B of this title to the direct student loan program under this part, the Secretary shall, in the exercise of the Secretary's discretion, determine the number of institutions with which the Secretary shall enter into agreements under subsections (a) and (b) of section 454 for any academic year, except that the Secretary shall exercise such discretion so as to achieve the following goals:

"(A) For academic year 1994-1995, loans made under this part shall represent 5 percent of the new student loan volume for such year.

"(B) For academic year 1995-1996, loans made under this part shall represent 30 percent of the new student loan volume for such year.

"(C) For academic year 1996-1997, loans made under this part shall represent 40 percent of the new student loan volume for such year.

"(D) For academic year 1997-1998 and fiscal year 1998, loans made under this part shall represent 50 percent of the new student loan volume for such years.

"(3) NEW STUDENT LOAN VOLUME.—For the purpose of this part, the term 'new student loan volume' means the estimated sum of all loans that will be made, insured or guaranteed under this part and part B in the year for which the determination is made. The Secretary shall base the estimate described in the preceding sentence on the most recent program data available.

"(4) CASH MANAGEMENT.—The requirements of sections 3335, 6501, and 6503 of title 31, United States Code (the Cash Management Improvement Act of 1990) shall apply to the program under this part only to the extent specified in a schedule established by the Secretaries of Education and the Treasury, except that such schedule shall provide for the application of all such requirements not later than July 1, 1998.

"(b) SELECTION CRITERIA.—

"(1) APPLICATION.—Each institution of higher education desiring to participate in the direct student loan program under this part shall submit an application satisfactory to the Secretary containing such information and assurances as the Secretary may require.

"(2) SELECTION CRITERIA.—The Secretary shall select institutions for participation in the direct student loan program under this part, and shall enter into agreements with such institutions under section 454(a), from among those institutions that submit the applications described in paragraph (1), and meet such other eligibility requirements as the Secretary shall prescribe, by, to the extent possible—

"(A)(i) categorizing such institutions according to anticipated loan volume, length of academic program, control of the institution, highest degree offered, size of student enrollment, percentage of students borrowing under part B, geographic location, annual loan volume, default experience and composition of the student body; and

"(ii) beginning in academic year 1995-1996 selecting institutions that are reasonably representative of each of the categories described pursuant to clause (i); and

"(B) if the Secretary determines it necessary to carry out the purposes of this part, selecting additional institutions.

"(c) SELECTION CRITERIA FOR ORIGINATION.—

"(1) IN GENERAL.—The Secretary may enter into a supplemental agreement with an institution (or a consortium of such institutions) that—

"(A) has an agreement under subsection 454(a);

"(B) desires to originate loans under this part; and

"(C) meets the criteria described in paragraph (2).

"(2) TRANSITION SELECTION CRITERIA.—For academic year 1994-1995, the Secretary may approve an institution to originate loans only if such institution—

"(A) made loans under part E of this title in academic year 1993-1994 and did not exceed the applicable maximum default rate under section 462(g) for the most recent fiscal year for which data are available;

"(B) is not on the reimbursement system of payment for any of the programs under subpart 1 or 3 of part A, part C, or part E;

"(C) is not overdue on program or financial reports or audits required under this title;

"(D) is not subject to an emergency action, or a limitation, suspension, or termination under section 428(b)(1)(T), 432(h), or 487(c);

"(E) in the opinion of the Secretary, has not had significant deficiencies identified by a State postsecondary review entity under subpart 1 of part H of this title;

"(F) in the opinion of the Secretary, has not had severe performance deficiencies for any of the programs under this title, including such deficiencies demonstrated by audits or program reviews submitted or conducted during the 5 calendar years immediately preceding the date of application;

"(G) provides an assurance that such institution has no delinquent outstanding debts to the Federal Government, unless such debts are being repaid under or in accordance with a repayment arrangement satisfactory to the Federal Government, or the Secretary in the Secretary's discretion determines that the existence or amount of such debts has not been finally determined by the cognizant Federal agency; and

"(H) meets such other criteria as the Secretary may establish to protect the financial interest of the United States and to promote the purposes of this part.

"(3) REGULATIONS GOVERNING APPROVAL AFTER TRANSACTION.—For academic year 1995-1996 and subsequent academic years, the Secretary shall promulgate and publish in the Federal Register regulations governing the approval of institutions to originate loans under this part in accordance with section 458(a)(2).

"(d) CONSORTIA.—Subject to such requirements as the Secretary may prescribe, eligible institutions of higher education with agreements under section 454(a) may apply to the Secretary as consortia to originate loans under this part for students in attendance at such institutions. Such institutions shall each be required to meet the requirements of subsection (c) with respect to loan origination.

"SEC. 454. AGREEMENTS WITH INSTITUTIONS.

"(a) PARTICIPATION AGREEMENTS.—An agreement with any institution of higher education for participation in the direct student loan program under this part shall—

"(1) provide for the establishment and maintenance of a direct student loan program at the institution under which the institution will—

"(A) identify eligible students who seek student financial assistance at such institution in accordance with section 484;

"(B) estimate the need of each such student as required by part F of this title for an academic year, except that, any loan obtained by a student under this part with the same terms as loans made under section 428H (except as otherwise provided in this part), or a loan obtained by a parent under this part with the same terms as loans made under section 428B (except as otherwise provided in this part), or obtained under any State-sponsored or private loan program, may be used to offset the expected family contribution of the student for that year;

"(C) provide a statement that certifies the eligibility of any student to receive a loan under this part that is not in excess of the annual or aggregate limit applicable to such loan, except that the institution may, in exceptional circumstances identified by the Secretary, refuse to certify a statement that permits a student to receive a loan under this part, or certify a loan amount that is less than the student's determination of need (as determined under part F of this title), if the reason for such action is documented and provided in written form to such student;

"(D) set forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G (other than subsection (b)(1) of such section); and

"(E) provide timely and accurate information—

"(i) concerning the status of student borrowers (and students on whose behalf parents borrow under this part) while such students are in attendance at the institution and concerning any new information of which the institution becomes aware for such students (or their parents) after such borrowers leave the institution, to the Secretary for the servicing and collecting of loans made under this part; and

"(ii) if the institution does not have an agreement with the Secretary under subsection (b), concerning student eligibility and need, as determined under subparagraphs (A) and (B), to the Secretary as needed for the alternative origination of loans to eligible students and parents in accordance with this part;

"(2) provide assurances that the institution will comply with requirements established by the Secretary relating to student loan information with respect to loans made under this part;

"(3) provide that the institution accepts responsibility and financial liability stemming from its failure to perform its functions pursuant to the agreement;

"(4) provide that students at the institution and their parents (with respect to such students) will be eligible to participate in the programs under part B of this title at the discretion of the Secretary for the period during which such institution participates in the direct student loan program under this part;

"(5) provide for the implementation of a quality assurance system, as established by the Secretary and developed in consultation with institutions of higher education, to ensure that the institution is complying with program requirements and meeting program objectives;

"(6) provide that the institution will not charge any fees of any kind, however described, to student or parent borrowers for origination activities or the provision of any information necessary for a student or parent to receive a loan under this part, or any benefits associated with such loan; and

"(7) include such other provisions as the Secretary determines are necessary to protect the interests of the United States and to promote the purposes of this part.

"(b) ORIGINATION.—An agreement with any institution of higher education, or consortia thereof, for the origination of loans under this part shall—

"(1) supplement the agreement entered into in accordance with subsection (a);

"(2) include provisions established by the Secretary that are similar to the participation agreement provisions described in paragraphs (1)(E)(ii), (2), (3), (4), (5), (6), and (7) of subsection (a), as modified to relate to the origination of loans by the institution or consortium;

"(3) provide that the institution or consortium will originate loans to eligible students and parents in accordance with this part; and

"(4) provide that the note or evidence of obligation on the loan shall be the property of the Secretary.

"(c) WITHDRAWAL AND TERMINATION PROCEDURES.—The Secretary shall establish procedures by which institutions or consortia may withdraw or be terminated from the program under this part.

"SEC. 455. TERMS AND CONDITIONS OF LOANS.

"(a) IN GENERAL.—

"(1) PARALLEL TERMS, CONDITIONS, BENEFITS, AND AMOUNTS.—Unless otherwise specified in this part, loans made to borrowers under this part shall have the same terms, conditions, and benefits as loans made to borrowers under sections 428, 428B, and 428H of this title.

"(2) DESIGNATION OF LOANS.—Loans made to borrowers under this part that, except as otherwise specified in this part, have the same terms, conditions, and benefits as loans made to borrowers under—

"(A) section 428 shall be known as 'Federal Direct Stafford Loans';

"(B) section 428B shall be known as 'Federal Direct PLUS Loans'; and

"(C) section 428H shall be known as 'Federal Direct Unsubsidized Stafford Loans'.

"(b) INTEREST RATE.—

"(1) RATES FOR FDSL AND FDUSL.—(A) For Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent,

except that such rate shall not exceed 8.25 percent.

"(B)(i) Notwithstanding the provisions of subparagraph (A), with respect to any Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest for interest which accrues—

"(I) prior to the beginning of the repayment period of the loan; or

"(II) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall not exceed the rate determined under clause (ii).

"(ii) For purposes of clause (i) the rate determined under this clause shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(I) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction prior to such June 1; plus

"(II) 2.5 percent,

except that such rate shall not exceed 8.25 percent.

"(2) RATES FOR FDPLUS.—For Federal Direct PLUS Loans for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 52-week Treasury bills auctioned at final auction held prior to such June 1; plus

"(B) 3.1 percent,

except that such rate shall not exceed 9 percent.

"(3) PUBLICATION.—The Secretary shall determine the applicable rates of interest under this subsection after consultation with the Secretary of Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.

"(c) ORIGINATION FEE.—The Secretary shall charge the borrower of a loan made under this part an origination fee of 6.5 percent of the principal amount of the loan.

"(d) REPAYMENT PLANS.—

"(1) DESIGN AND SELECTION.—Consistent with criteria established by the Secretary, the Secretary shall offer a borrower of a loan made under this part a variety of plans for repayment of such loan, including principal and interest on the loan. The borrower shall be entitled to accelerate, without penalty, repayment on the borrowers loans under this part. The borrower may choose—

"(A) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time;

"(B) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, except that the borrower shall annually repay a minimum amount determined by the Secretary in accordance with section 428(b)(1)(L);

"(C) a graduated repayment plan, with annual repayment amounts established at 2 or more graduated levels and paid over a fixed or extended period of time, except that the borrower's scheduled payments shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan; and

"(D) an income contingent repayment plan, with varying annual repayment amounts based on the income of the borrower, paid over an extended period of time, not to exceed 20 years, except that the plan described in this subparagraph shall not be available to the borrower of a Federal Direct PLUS loan.

"(2) SELECTION BY SECRETARY.—If a borrower of a loan made under this part does not select a repayment plan described in paragraph (1), the Secretary may provide the borrower with a repayment plan described in subparagraph (A), (B), or (C) of paragraph (1).

"(3) CHANGES IN SELECTIONS.—The borrower of a loan made under this part may change the borrower's selection of a repayment plan under paragraph (1), or the Secretary's selection of a plan for the borrower under paragraph (2), as the case may be, under such terms and conditions as may be established by the Secretary.

"(4) ALTERNATIVE REPAYMENT PLANS.—The Secretary may provide, on a case by case basis, an alternative repayment plan to a borrower of a loan made under this part who demonstrates to the satisfaction of the Secretary that the terms and conditions of the repayment plans available under paragraph (1) are not adequate to accommodate the borrower's exceptional circumstances. In designing such alternative repayment plans, the Secretary shall ensure that such plans do not exceed the cost to the Federal Government, as determined on the basis of the present value of future payments by such borrowers, of loans made using the plans available under paragraph (1).

"(5) REPAYMENT AFTER DEFAULT.—The Secretary may require any borrower who has defaulted on a loan made under this part to—

"(A) pay all reasonable collection costs associated with such loan; and

"(B) repay the loan pursuant to an income contingent repayment plan.

"(e) INCOME CONTINGENT REPAYMENT.—

"(1) INFORMATION AND PROCEDURES.—The Secretary may obtain such information as is reasonably necessary regarding the income of a borrower (and the borrower's spouse, if applicable) of a loan made under this part that is, or may be, repaid pursuant to income contingent repayment, for the purpose of determining the annual repayment obligation of the borrower. The Secretary shall establish procedures for determining the borrower's repayment obligation on that loan for such year, and such other procedures as are necessary to implement effectively income contingent repayment.

"(2) REPAYMENT BASED ON ADJUSTED GROSS INCOME.—A repayment schedule for a loan made under this part and repaid pursuant to income contingent repayment shall be based on the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the borrower or, if the borrower is married and files a Federal income tax return jointly with the borrower's spouse, on the adjusted gross income of the borrower and the borrower's spouse.

"(3) ADDITIONAL DOCUMENTS.—A borrower who chooses, or is required, to repay a loan made under this part pursuant to income contingent repayment, and for whom adjusted gross income is unavailable or does not reasonably reflect the borrower's current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine an appropriate repayment schedule.

"(4) REPAYMENT SCHEDULES.—Income contingent repayment schedules shall be established by regulations promulgated by the Secretary and shall require payments that vary in relation to the appropriate portion of the annual income of the borrower (and the borrower's spouse, if applicable) as determined by the Secretary.

"(5) CALCULATION OF BALANCE DUE.—The balance due on a loan made under this part that is repaid pursuant to income contingent repayment shall equal the unpaid principal amount of the loan, any accrued interest, and any fees, such as late charges, assessed on such loan. The Secretary may promulgate regulations limiting the amount of interest that may be capitalized on such loan, and the timing of any such capitalization.

"(6) NOTIFICATION TO BORROWERS.—The Secretary shall establish procedures under which a borrower of a loan made under this part who chooses or is required to repay such loan pursuant to income contingent repayment is notified of the terms and conditions of such plan, including notification of such borrower that if a borrower considers that special circumstances, such as a loss of employment by the borrower or the borrower's spouse, warrant an adjustment in the borrower's loan repayment as determined using the information described in subparagraph (A), or the alternative documentation described in paragraph (3), the borrower may contact the Secretary, who shall determine whether such adjustment is appropriate, in accordance with criteria established by the Secretary.

"(f) DEFERMENT.—

"(1) EFFECT ON PRINCIPAL AND INTEREST.—A borrower of a loan made under this part who meets the requirements described in paragraph (2) shall be eligible for a deferment, during which periodic installments of principal need not be paid, and interest—

"(A) shall not accrue, in the case of a Federal Direct Stafford Loan or a Federal Direct Consolidation Loan that consolidated only Federal Direct Stafford Loans, or a combination of such loans and Federal Stafford Loans for which the student borrower received an interest subsidy under section 428; or

"(B) shall accrue and be capitalized or paid by the borrower, in the case of a Federal Direct PLUS Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct Consolidation Loan other than loans described in subparagraph (A).

"(2) ELIGIBILITY.—A borrower of a loan made under this part shall be eligible for a deferment during any period—

"(A) during which the borrower—

"(i) is carrying at least one-half the normal full-time work load for the course of study that the borrower is pursuing, as determined by the eligible institution (as such term is defined in section 435) the borrower is attending; or

"(ii) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for individuals with disabilities approved by the Secretary,

except that no borrower shall be eligible for a deferment under this subparagraph, or a loan made under this part (other than a Federal Direct PLUS Loan or a Federal Direct Consolidation Loan), while serving in a medical internship or residency program;

"(B) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment;

"(C) not in excess of 3 years during which the Secretary determines, in accordance with regulations prescribed under section 435(o), that the borrower has experienced or will experience an economic hardship, regardless of the reason for such hardship.

"(g) FEDERAL DIRECT CONSOLIDATION LOANS.—A borrower of a loan made under this part may consolidate such loan with the loans described in section 428C(a)(4) and section 428C(d)(1)(C) only under such terms and conditions as the Secretary shall establish pursuant to regulations promulgated under this part. Loans made under this subsection shall be known as 'Federal Direct Consolidation Loans'.

"(h) BORROWER DEFENSES.—Notwithstanding any other provision of law, the Secretary shall specify in regulations (except as authorized under section 458(a)), which acts or omissions of an institution of higher education a borrower may assert as a defense to repayment of a loan made under this part, except that in no event may a borrower recover from the Secretary, in any action arising from or relating to a loan made under this part, an amount in excess of the amount such borrower has repaid on such loan.

"(i) NONDISCHARGEABILITY IN BANKRUPTCY.—Notwithstanding any other provision of law, a loan made under this part shall not be dischargeable in any Federal or State bankruptcy proceeding.

"(j) LOAN APPLICATION AND PROMISSORY NOTE.—The common financial reporting form required in 483(a)(1) shall constitute the application for loans made under this part. The Secretary shall develop, print, and distribute to participating institutions a standard promissory note and loan disclosure form.

"(k) LOAN DISBURSEMENT.—

"(1) IN GENERAL.—Payments of loan proceeds to students under this part shall be made by crediting the student's account for tuition and fees, and, in the case of institutionally owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student's account. Loan proceeds that remain after the application of the previous sentences shall be delivered to the borrower in accordance with section 427(a)(3).

"(2) PAYMENT PERIODS.—The Secretary shall establish periods for the payments described in paragraph (2) in a manner that is consistent with payment of basic grants under subpart 1 of part A.

"(l) FISCAL CONTROL AND FUND ACCOUNTABILITY.—

"(1) IN GENERAL.—(A) An institution shall maintain financial records in a manner consistent with records maintained for other programs under title IV.

"(B) An institution may maintain loan funds under this part in the same account as other Federal student financial assistance.

"(2) PAYMENTS; REFUNDS; ENROLLMENT STATUS.—Payments, refunds and enrollment status shall be reconciled in a manner and schedule that is consistent with the manner and schedule set forth for the quarterly submission of a payment summary report required of institutions participating in the program assisted under subpart 1 of part A.

"(3) TRANSACTION HISTORIES.—All transaction histories under this part shall be maintained using the same system designated by the Secretary for the provision of basic grants under subpart 1 of part A.

"(m) ENTITLEMENT PROVISION.—Except as provided in section 454(a)(1)(C), an eligible student in attendance at a participating institution (or a parent borrower) shall have a contractual right against the United States to receive any loan under this part for which such student (or parent) is eligible.

"SEC. 456. CONTRACTS.

"(a) CONTRACTS FOR SUPPLIES AND SERVICES.—

"(1) IN GENERAL.—The Secretary may award 1 or more contracts for services and supplies described in subsection (b). The entities with which the Secretary may enter into such contracts shall include entities which the Secretary determines are qualified to provide such services and supplies and will comply with the procedures applicable to the award of such contracts. In the case of awarding contracts for the servicing of loans under this part, the Secretary shall only enter into contracts with entities that have extensive experience and a demonstrated record in loan servicing and collection.

"(2) EXEMPTION.—The Secretary may award, through June 30, 1998, contracts under this section without regard to the requirements in section 303 of the Federal Property and Administrative Services Act of 1949, section 18 of the Office of Federal Procurement Policy Act, and section 8(e) of the Small Business Act, and the corresponding requirements of the Federal Acquisition Regulations, if the Secretary determines, on a case-by-case basis, that exemption from such requirements is in the public interest and necessary for the orderly transition from the loan programs under part B to the direct student loan program under this part.

"(3) APPLICATION OF REQUIREMENTS.—On and after July 1, 1998, all statutory and regulatory requirements described in paragraph (2) shall apply to the award of a contract under this section.

"(b) CONTRACTS FOR ORIGINATION, SERVICING, AND DATA SYSTEMS.—The Secretary may enter into 1 or more contracts for—

"(1) the alternative origination of loans to students attending institutions with agreements to participate in the program under this part (or their parents), if such institutions do not have agreements with the Secretary under section 454(b);

"(2) the servicing and collection of loans made under this part;

"(3) the establishment and operation of 1 or more data systems for the maintenance of records on all loans made under this part;

"(4) services to assist in the orderly transition from the loan programs under part B to the direct student loan program under this part; and

"(5) such other aspects of the direct student loan program as the Secretary determines are necessary to ensure the successful operation of the program.

"SEC. 457. SECRETARIAL ACTIVITIES.

"(a) REGULATORY ACTIVITIES.—

"(1) NOTICE IN LIEU OF REGULATIONS FOR FIRST YEAR OF PROGRAM.—The Secretary shall publish in the Federal Register whatever standards, criteria, and procedures, consistent with the provisions of this part, that the Secretary, in consultation with members of the higher education community, determine are reasonable and necessary to the successful implementation of the direct student loan program under this part in academic year 1994–1995. Section 431 of the General Education Provisions Act shall not apply to the publication of such standards, criteria, and procedures.

"(2) NEGOTIATED RULEMAKING.—Beginning with academic year 1995–1996, all standards, criteria, procedures and regulations implementing this part shall be subject to negotiated rulemaking, including all such standards, criteria, procedures and regulations promulgated from the date of enactment of this part.

"(b) CLOSING DATE FOR APPLICATIONS FROM INSTITUTIONS.—The Secretary shall establish a date not later than October 1, 1993, as the closing date for receiving applications from institutions of higher education desiring to participate in the direct loan program under this part in academic year 1994–1995.

"(c) PUBLICATION OF LIST OF PARTICIPATING INSTITUTIONS AND CONTROL GROUP.—Not later than January 1, 1994, the Secretary shall publish in the Federal Register a list of the institutions of higher education selected to participate in the direct loan program under this part in academic year 1994–1995.

"SEC. 458. REPORTS.

"(a) ANNUAL REPORTS.—The Secretary shall submit to the Congress not later than July 1, 1994, and each July 1 for the 4 succeeding years an annual report describing the progress and status of the direct loan program.

"(b) RESEARCH, DEMONSTRATION, AND EVALUATION.—The Secretary may use a portion of the funds made available pursuant to section 460 for research on, or the demonstration or evaluation of, any aspects of the program authorized by this part, including flexible repayment plans.

"SEC. 459. FUNDS FOR ADMINISTRATIVE EXPENSES.

"(a) IN GENERAL.—In each fiscal year beginning with fiscal year 1994, there shall be available to the Secretary of Education from funds not otherwise appropriated, funds to be obligated for administrative costs under this part, including the costs of the transition from the loan programs under part B to the direct student loan program under this part and transition support for the expenses of guaranty agencies in servicing outstanding loans in their portfolios and in guaranteeing new loans, not to exceed $20,000,000 in fiscal year 1994, $70,000,000 in fiscal year 1995, $170,000,000 in fiscal year 1996, $305,000,000 in fiscal year 1997, and $480,000,000 in fiscal year 1998. If in any fiscal year, the Secretary determines that additional funds for administrative expenses are needed as a result of such transition, or the expansion of the direct student loan program under this part, the Secretary is authorized to use funds available under this section for any succeeding fiscal year for such expenses, except that the total expenditures by the Secretary shall not exceed $1,045,000,000 in fiscal years 1994 through 1998.

"(b) AVAILABILITY.—Funds made available under subsection (a) shall remain available until expended.

"(c) BUDGET JUSTIFICATION.—The Secretary shall include in the Department of Education's annual budget justification to Congress a detailed description of the specific activities for which the funds made available by this section have been used in the prior and current years (if applicable), the activities and costs planned for the budget year, and the projection of activities and costs for each remaining year for which administrative expenses under this section are made available.

"(d) NOTIFICATION.—In the event the Secretary finds it necessary to use the authority provided to the Secretary under subsection (a) to draw funds for administrative expenses from a future year's funds, the Secretary shall immediately notify the Committees on Appropriations of the Senate and of the House of Representatives, and the Labor and Human Resources Committee of the Senate and the Education and Labor Committee of the House of Representatives, of such action and explain the reasons for such action.

"SEC. 459A. NATIONAL STUDENT LOAN REFORM COMMISSION.

"(a) ESTABLISHMENT.—There is hereby established a bipartisan commission to be known as the National Student Loan Reform Commission (hereafter in this section referred to as the 'Commission').

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Commission shall be composed of 15 members appointed by the President with the advice and consent of the Senate who are representative of a broad combination of types of institutions of higher education, of whom at least 8 members shall be financial aid administrators.

"(2) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

"(3) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

"(4) MEETINGS.—The Commission shall meet at the call of the Chairman.

"(5) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

"(6) CHAIRMAN AND VICE CHAIRMAN.—The Commission shall select a Chairman and Vice Chairman from among its members.

"(c) DUTIES.—The Commission shall—

"(1) advise the President and the Congress on the operation of the Federal Direct Student Loan Program and the Federal Family Education Loan Program;

"(2) evaluate and report to the Congress regarding such programs on not less than an annual basis; and

"(3) not later than January 1, 1997, report to the President and the Congress with final recommendations on the advisability of replacing the Federal Family Education Loan Program with direct lending.

"(d) POWERS OF THE COMMISSION.—

"(1) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this section.

"(2) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this section. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

"(3) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

"(4) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

"(e) COMMISSION PERSONNEL MATTERS.—

"(1) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

"(2) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

"(3) STAFF.—

"(A) IN GENERAL.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

"(B) COMPENSATION.—The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

"(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

"(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

"(6) AUTHORITY TO CONTRACT.—Subject to the Federal Property and Administrative Services Act of 1949, the Commission is authorized to enter into contracts with Federal and State agencies, private firms, institutions and individuals for the conduct of activities necessary to the discharge of its duties and responsibilities.

"(7) SOURCE OF ADMINISTRATIVE SUPPORT.—Financial and administrative support services (including those related to budget and accounting, financial reporting, payroll, and personnel) shall be provided to the Commission by the General Services Administration (or other organization the Commission determines appropriate) for which payment shall be made in advance or by reimbursement, from funds of the Commission, in such amounts as may be agreed by the Chairman of the Commission and the Administrator of General Services (or head of another organization the Commission determines appropriate).

"(f) TERMINATION OF THE COMMISSION.—The Commission shall terminate 18 months after the date on which the Commission submits its report under subsection (c)(3).".

CHAPTER 2—STUDENT LOAN SAVINGS

SEC. 12021. SECRETARY'S EQUITABLE SHARE.

Section 428(c)(6)(A)(ii) of the Act (20 U.S.C. 1078(c)(6)(A)(ii)) is amended by striking "30 percent" and inserting "27 percent".

SEC. 12022. INTEREST RATES.

Section 427A of the Higher Education Act of 1965 (20 U.S.C. 1077a) is amended—

(1) in subsection (c)(4), by adding at the end the following new subparagraph:

"(E) Notwithstanding subparagraphs (A) and (D) for any loan made pursuant to section 428B for which the first disbursement is made on or after July 1, 1994—

"(i) subparagraph (B) shall be applied by substituting "3.1" for "3.25"; and

"(ii) the interest rate shall not exceed 9 percent.";

(2) by redesignating subsections (f), (g) and (h) as subsections (g), (h) and (j), respectively;

(3) by adding after subsection (e) the following new subsection:

"(f) INTEREST RATES FOR NEW LOANS AFTER JULY 1, 1994.—

"(1) IN GENERAL.—Notwithstanding subsections (a), (b), (d) and (e) of this section, with respect to any loan made, insured, or guaranteed under this part (other than a loan made pursuant to sections 428B and 428C) for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(B) 3.10 percent,

except that such rate shall not exceed 8.25 percent.

"(2) CONSULTATION.—The Secretary shall determine the applicable rate of interest under paragraph (1) after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination."; and

(4) by inserting after subsection (h) (as redesignated in paragraph (2)) the following new subsection:

"(i) IN-SCHOOL AND GRACE PERIOD INTEREST RATES.—

"(1) APPLICABLE RATE.—Notwithstanding any other provision of this section, with respect to any loan for which the first disbursement is made on or after October 1, 1993, the applicable rate of interest for interest which accrues—

"(A) prior to the beginning of the repayment period of the loan; or

"(B) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall not exceed the rate determined under paragraph (2).

"(2) METHOD OF CALCULATION.—For purposes of paragraph (1) the rate determined under this paragraph shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction prior to such June 1; plus

"(B) 2.5 percent,

except that such rate shall not exceed 8.25 percent.".

SEC. 12023. LENDER AND STUDENT LOAN FEES.

Section 438 of the Act (20 U.S.C. 1087-1) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) LOAN FEES FROM LENDERS.—

"(1) DEDUCTION FROM INTEREST AND SPECIAL ALLOWANCE SUBSIDIES.—Notwithstanding subsection (b), the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, to any holder shall be reduced by the Secretary by a loan fee in an amount determined in accordance with paragraph (2) of this subsection. If the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, is less than the amount of such loan fee, then the Secretary shall deduct such excess amount from subsequent quarters' payments until the total amount has been deducted.

"(2) AMOUNT OF LOAN FEES.—With respect to any loan under this part (other than loans made under sections 428B, 428C and 439(o)) for which a note or other written evidence of the loan was sent or delivered to the borrower for signing on or after October 1, 1993, the amount of the loan fee which shall be deducted under paragraph (1) shall be equal to .50 percent of the principal amount of the loan.

"(3) PLUS, CONSOLIDATION, SLMA LOANS.—With respect to any loans made under section 428B, 428C, and 439 on or after October 1, 1993, each eligible lender under this part shall pay to the Secretary a loan fee of .50 percent of the principal amount of the loan.

"(4) DISTRIBUTION OF LOAN FEES.—The Secretary shall deposit all fees collected pursuant to paragraph (3) into the insurance fund established in section 431.".

SEC. 12024. OFFSET FEE.

Subsection (h) of section 439 of the Act (20 U.S.C. 1087-2(h)) is amended by adding at the end the following new paragraph:

"(6) OFFSET FEE.—(A) The Association shall pay to the Secretary, on a monthly basis, an offset fee calculated on an annual basis in an amount equal to 0.30 percent of the principal amount of each loan made, insured or guaranteed under this part which the Association holds on or after the date of enactment of this paragraph.

"(B) The Secretary shall deposit all fees collected pursuant to subparagraph (A) into the insurance fund established in section 431.".

SEC. 12025. ELIMINATION OF TAX EXEMPT FLOOR.

Section 438(b)(2)(B) of the Act (20 U.S.C. 1087-1(b)(2)(B)) is amended by adding at the end the following new clause:

"(iv) Notwithstanding clauses (i) and (ii), the quarterly rate of the special allowance for holders of loans which are financed with funds obtained by the holder from the issuance of obligations originally issued on or after October 1, 1993, the income from which is excluded from gross income under the Internal Revenue Code of 1986, shall be 85 percent of the quarterly rate of the special allowance established under subparagraph (A). Such rate shall also apply to holders of loans which were made or purchased with funds obtained by the holder from collections or default reimbursements on, or interests or other income pertaining to, eligible loans made or purchased with funds described in the preceding sentence of this subparagraph or from income on the investment of such funds.".

SEC. 12026. REDUCTION IN INTEREST RATE FOR CONSOLIDATION LOANS; REBATE FEE.

(a) AMENDMENT.—Section 428C of the Act (20 U.S.C. 1078-3) is amended—

(1) in paragraph (1) of subsection (c)—

(A) in subparagraph (A), by striking "or (C)";

(B) by amending subparagraph (B) to read as follows:

"(B) A consolidation loan made on or after October 1, 1993, shall bear interest on the unpaid principal balance of the loan, during any 12-month period beginning on July 1 and ending on June 30, determined on the preceding June 1, which interest shall be equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.10 percent,

except that such rate shall not exceed 9 percent."; and

(C) by striking subparagraph (C); and

(2) by adding at the end the following new subsection:

"(f) INTEREST PAYMENT REBATE FEE.—

"(1) IN GENERAL.—Each holder of a consolidation loan under this section shall pay to the Secretary, on a monthly basis and in such manner as the Secretary shall prescribe, a rebate fee calculated on an annual basis equal to 0.70 percent of the principal plus accrued unpaid interest on such loan.

"(2) DEPOSIT.—The Secretary shall deposit all fees collected pursuant to subsection (a) into the insurance fund established in section 431.".

(b) ENFORCEMENT.—Subsection (d) of section 435 of the Act (20 U.S.C. 1085(d)) is amended—

(1) in the matter preceding subparagraph (A) of paragraph (1), by striking "(5)" and inserting "(6)"; and

(2) by adding at the end the following new paragraph:

"(6) REBATE FEE REQUIREMENT.—To be an eligible lender under this part, an eligible lender shall pay rebate fees in accordance with section 428C(f).".

SEC. 12026A. INSURANCE PREMIUM.

(a) INSURANCE PREMIUM.—Section 428(b)(1)(H) of the Act (20 U.S.C. 1078(b)(1)(H)) is amended by striking "3 percent" and inserting "1 percent".

(b) REINSURANCE FEES.—Section 428(c) of the Act is amended—

(1) by striking paragraph (9); and

(2) by redesignating paragraph (10) as paragraph (9).

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on July 1, 1994.

SEC. 12027. LOAN TRANSFER FEE.

Section 428(b)(2) of the Act (20 U.S.C. 1078(b)(2)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(G) provide that, if a lender or holder, on or after October 1, 1993, sells, transfers, or assigns a loan under this part, then the transferee shall pay to the Secretary a transfer fee in an amount equal to 0.25 percent the principal and accrued unpaid interest of the loan, which transfer fee shall be deposited into the insurance fund established in section 431, except that the provisions of this subparagraph shall not apply to any such sale, transfer or assignment by a lender or holder to such lender's or holder's affiliate or pursuant to—

"(i) a merger or other consolidation transaction; or

"(ii) a sale or other transfer of all or any substantial portion of such lender's or holder's business or student lending business.".

SEC. 12028. RISK SHARING.

(a) GUARANTY AGENCY REINSURANCE PERCENTAGE.—Section 428(c)(1) of the Act (20 U.S.C. 1078(c)(1)) is amended—

(1) in subparagraph (A), by striking "100 percent" and inserting "98 percent";

(2) in subparagraph (B)(i), by striking "90 percent" and inserting "88 percent";

(3) in subparagraph (B)(ii), by striking "80 percent" and inserting "78 percent"; and

(4) by adding at the end the following new subparagraphs:

"(E) Notwithstanding any other provisions of this section, in the case of a loan made pursuant to a lender of last resort program, the Secretary shall apply the provisions of—

"(i) the fourth sentence of subparagraph (A) by substituting '100 percent' for '98 percent';

"(ii) subparagraph (B)(i) by substituting '100 percent' for '88 percent'; and

"(iii) subparagraph (B)(ii) by substituting '100 percent' for '78 percent'.

"(F) Notwithstanding any other provisions of this section, in the case of an outstanding loan transferred to a guaranty agency from another guaranty agency pursuant to a plan approved by the Secretary in response to the insolvency of the latter such guarantee agency, the Secretary shall apply the provision of—

"(i) the fourth sentence of subparagraph (A) by substituting '100 percent' for '98 percent';

"(ii) subparagraph (B)(i) by substituting '90 percent' for '88 percent'; and

"(iii) subparagraph (B)(ii) by substituting '80 percent' for '78 percent'.".

(b) RISK SHARING BY THE STUDENT LOAN MARKETING ASSOCIATION.—Section 428(b)(1)(G) of the Act (20 U.S.C. 1078(b)(1)(G)) is amended by inserting before the semicolon at the end thereof the following: ", except that for loans held by the Student Loan Marketing Association (other than loans made with advances to guaranty agencies pursuant to section 439(p)) such percentage shall be 95 percent".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any loan made on or after October 1, 1993.

SEC. 12029. PLUS LOAN AMOUNTS AND DISBURSEMENTS.

(a) LOAN AMOUNTS.—

(1) AMENDMENT.—Section 428B(b) of the Act (20 U.S.C. 1078–2(b)) is amended to read as follows:

"(b) LIMITATIONS ON AMOUNTS OF LOANS.—

"(1) ANNUAL LIMIT.—Subject to paragraph (2), the maximum amount parents may borrow for one student in any academic year or its equivalent (as defined by regulation of the Secretary) is $10,000.

"(2) LIMITATION BASED ON NEED.—Any loan under this section may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any parent under this section for any academic year in excess of (A) the student's estimated cost of attendance, minus (B) other financial aid as certified by the eligible institution under section 428(a)(2)(A). The annual insurable limit on account of any student shall not be deemed to be exceeded by a line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective for loans made on or after July 1, 1994.

(b) MULTIPLE DISBURSEMENT REQUIRED.—

(1) AMENDMENT.—The matter preceding paragraph (1) of section 428B(c) of the Act (20 U.S.C. 1078–2(c)) is amended by inserting "shall be disbursed in accordance with the requirements of section 428G and" after "under this section".

(2) CONFORMING AMENDMENTS.—Section 428G(e) of the Act (20 U.S.C. 1078–7(e) is amended—

(A) by striking "PLUS, CONSOLIDATION," and inserting "CONSOLIDATION"; and

(B) by striking "section 428B or 428C" and inserting "section 428C".

CHAPTER 3—CONFORMING AMENDMENTS

SEC. 12041. PRESERVING LOAN ACCESS.

(a) PURPOSE.—It is the purpose of the amendments made by this section to provide the Secretary with flexible authority as needed to preserve access to student and parent loans under part B of title IV of the Act during the transition from the Federal Family Education Loan Program under such part to the Federal Direct Student Loan Program under part D of such title.

(b) ADVANCES TO GUARANTY AGENCIES FOR LENDER-OF-LAST-RESORT SERVICES.—

(1) AMENDMENT.—Section 428(j) of the Act (20 U.S.C. 1078(j)) is amended by adding at the end the following new paragraph:

"(4) ADVANCES TO GUARANTY AGENCIES FOR LENDER-OF-LAST-RESORT SERVICES DURING TRANSITION TO DIRECT LENDING.—(A) In order to ensure the availability of loan capital during the transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title, the Secretary is authorized to provide a guaranty agency with additional advance funds in accordance with section 422(c)(7), with such restrictions on the use of such funds as are determined appropriate by the Secretary, in order to ensure that the guaranty agency will make loans as the lender-of-last-resort. Such agency shall make such loans in accordance with this subsection and the requirements of the Secretary.

"(B) Notwithstanding any other provision in this part, a guaranty agency serving as a lender-of-last-resort under this paragraph shall be paid a fee, established by the Secretary, for making such loans in lieu of interest and special allowance subsidies, and shall be required to assign such loans to the Secretary on demand. Upon such assignment, the portion of the advance represented by the loans assigned shall be considered repaid by such guaranty agency.".

(2) CONFORMING AMENDMENT.—Section 422(c)(7) of the Act (20 U.S.C. 1072(c)(7)) is amended by striking all beginning with "to a guaranty agency" through the period and inserting "to a guaranty agency—

"(A) in accordance with section 428(j), in order to ensure that the guaranty agency shall make loans as the lender-of-last-resort during the transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title; or

"(B) if the Secretary is seeking to terminate the guaranty agency's agreement, or assuming the guaranty agency's functions, in accordance with section 428(c)(10)(F)(v), in order to assist the agency in meeting its immediate cash needs, ensure the uninterrupted payment of claims, or ensure that the guaranty agency shall make loans as described in subparagraph (A);".

(c) LENDER REFERRAL SERVICES.—Section 428(e) of the Act (20 U.S.C. 1078(e)) is amended—

(1) in paragraph (1)—

(A) by amending the paragraph heading to read as follows: "IN GENERAL; AGREEMENTS WITH GUARANTY AGENCIES.—";

(B) by inserting the subparagraph designation "(A)" immediately before "The Secretary";

(C) by striking "in any State" and inserting "with which the Secretary has an agreement under subparagraph (B)"; and

(D) by adding at the end the following new subparagraph:

"(B)(i) The Secretary may enter into agreements with guaranty agencies that meet standards established by the Secretary to provide lender referral services in geographic areas specified by the Secretary. Such guaranty agencies shall be paid in accordance with paragraph (3) for such services.

"(ii) The Secretary shall publish in the Federal Register whatever standards, criteria, and procedures, consistent with the provisions of this part and part D of this title, the Secretary determines are reasonable and necessary to provide lender referral services under this subsection and ensure loan access to student and parent borrowers during the transition from the loan programs under this part to the direct student loan programs under part D of this title. Section 431 of the General Education Provisions Act shall not apply to the publication of such standards, criteria, and procedures.";

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking "in a State" and inserting "with which the Secretary has an agreement under paragraph (1)(B)";

(B) by amending subparagraph (A) to read as follows:

"(A)(i) such student is either a resident of, or is accepted for enrollment in, or is attending, an eligible institution located in a geographic area for which the Secretary (I) determines that loans are not available to all eligible students, and (II) has entered into an agreement with a guaranty agency under paragraph (1)(B) to provide lender referral services; and";

(3) in paragraph (3), by striking "The" and inserting "From funds available for costs of transition under section 460 of the Act, the"; and

(4) by striking paragraph (5).

(d) STUDENT LOAN MARKETING ASSOCIATION.—Section 439(q) of the Act (20 U.S.C. 1087–2(q)) is amended—

(1) in paragraph (1)(A)—

(A) in the first sentence, by striking "the Association or its designated agent may begin making loans" and inserting "the Association or its designated agent shall, not later than July 1, 1994, begin making loans to such eligible borrowers"; and

(B) by striking the second sentence:

(2) in paragraph (2)(A), by striking "the Association or its designated agent may" and inserting "the Association or its designated agent shall, not later than July 1, 1994,"; and

(3) in paragraph (3), by striking all beginning with "that—" through the period at the end of subparagraph (B) and inserting "that the conditions that caused the implementation of this subsection have ceased to exist."

SEC. 12042. GUARANTY AGENCY RESERVES.

Section 422 of the Act (20 U.S.C. 1072) is amended by adding at the end the following new subsection:

"(g) PRESERVATION OF GUARANTY AGENCY RESERVES.—

"(1) AUTHORITY TO RECOVER FUNDS.—Notwithstanding any other provision of law, the reserve funds of the guaranty agencies, and any assets purchased with such reserve funds, regardless of who holds or controls the reserves or assets, shall be considered to be the property of the United States to be used in the operation of the program authorized by this part or the program authorized by part D of this title. However, the Secretary may not require the return of all reserve funds of a guaranty agency to the Secretary unless the Secretary determines that such return is in the best interest of the operation of the program authorized by this part or the program authorized by part D of this title, or to ensure the proper maintenance of such agency's funds or assets or the orderly termination of the guaranty agency's operations and the liquidation of its assets. The reserves shall be maintained by each guaranty agency to pay program expenses and contingent liabilities, as authorized by the Secretary, except that the Secretary may direct a guaranty agency, or such agency's officers or directors, to cease any activities involving expenditure, use or transfer of the guaranty agency's reserve funds or assets which the Secretary determines is a misapplication, misuse, or improper expenditure of such funds or assets.

"(2) TERMINATION PROVISIONS IN CONTRACTS.—(A) To ensure that the funds and assets of the guaranty agency are preserved, any contract with respect to the administration of a guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency, or any other party on behalf of or with the concurrence of the guaranty agency, after the date of enactment of this subsection shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section.

"(B) The Secretary may direct a guaranty agency to suspend or cease activities under any contract entered into by or on behalf of such agency after January 1, 1993, if the Secretary determines that the misuse or improper expenditure of such guaranty agency's funds or assets or such contract provides unnecessary or improper benefits to such agency's officers or directors.

"(3) PENALTIES.—Violation of any direction issued by the Secretary under this subsection may be subject to the penalties described in section 490 of this Act.".

SEC. 12043. ASSIGNMENT OF LOANS.

Section 428(c)(8) of the Act (20 U.S.C. 1078(c)(8)) is amended—

(1) in the first sentence, by inserting the subparagraph designation "(A)" before "If the";

(2) by striking the second and third sentences; and

(3) by adding at the end the following new subparagraph:

"(B) An orderly transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title shall be deemed to be in the Federal fiscal interest, and a guaranty agency shall promptly assign loans to the Secretary under this paragraph upon the Secretary's request.".

SEC. 12044. TERMINATION OF GUARANTY AGENCY AGREEMENTS; ASSUMPTION OF GUARANTY AGENCY FUNCTIONS BY THE SECRETARY.

Section 428(c)(10) of the Act (20 U.S.C. 1078(c)(10)) is amended—

(1) in subparagraph (C), by inserting ", as appropriate," after "the Secretary shall require";

(2) in subparagraph (D)—

(A) by inserting the clause designation "(i)" before "Each";

(B) by striking "Each" and inserting "If the Secretary is not seeking to terminate the guaranty agency's agreement under subparagraph (E), or assuming the guaranty agency's functions under subparagraph (F), a";

(C) by adding at the end the following new clause:

"(ii) If the Secretary is seeking to terminate the guaranty agency's agreement under subparagraph (E), or assuming the guaranty agency's functions under subparagraph (F), a management plan described in subparagraph (C) shall include the means by which the Secretary and the guaranty agency shall work together to ensure the orderly termination of the operations, and liquidation of the assets, of the guaranty agency.";

(3) in subparagraph (E)—

(A) in clause (ii), by striking "or" after the semicolon;

(B) in clause (iii), by striking the period and inserting a semicolon; and

(C) by adding at the end the following new clauses:

"(iv) the Secretary determines that such action is necessary to protect the Federal fiscal interest;

"(v) the Secretary determines that such action is necessary to ensure the continued availability of loans to student or parent borrowers; or

"(vi) the Secretary determines that such action is necessary to ensure an orderly transition from the loan programs under this part to the direct student loan programs under part D of this title.";

(4) in subparagraph (F)—

(A) in the matter preceding clause (i), by striking "Except as provided in subparagraph (G), if" and inserting "If";

(B) by amending clause (v) to read as follows:

"(v) provide the guaranty agency with additional advance funds in accordance with section 422(c)(7), with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to—

"(I) meet the immediate cash needs of the guaranty agency;

"(II) ensure the uninterrupted payment of claims; or

"(III) ensure that the guaranty agency will make loans as the lender-of-last-resort, in accordance with subsection (j)(4);";

(C) in clause (vi)—

(i) by striking "and to avoid" and inserting ", to avoid";

(ii) by striking the period and inserting a comma and "and to ensure an orderly transition from the loan programs under this part to the direct student loan programs under part D of this title."; and

(iii) by redesignating such clause as clause (vii); and

(D) by inserting after clause (v) the following new clause:

"(vi) use all funds and assets of the guaranty agency to assist in the activities undertaken in accordance with this subparagraph and take appropriate action to require the return, to the guaranty agency or the Secretary, of any funds or assets provided by the guaranty agency, under contract or otherwise, to any person or organization; or";

(5) by striking subparagraph (G);

(6) by redesignating subparagraphs (H), (I), and (J) as subparagraphs (I), (J), and (K), respectively;

(7) by inserting after subparagraph (F) the following new subparagraphs:

"(G) Notwithstanding any other provision of law, if the Secretary has terminated or is seeking to terminate a guaranty agency's agreement under subparagraph (E), or has assumed a guaranty agency's functions under subparagraph (F)—

"(i) such guaranty agency may not file for bankruptcy;

"(ii) no State court may issue any order affecting the Secretary's actions with respect to such guaranty agency;

"(iii) any contract with respect to the administration of a guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency, or any other party on behalf of or with the concurrence of the guaranty agency, after the date of enactment of this subparagraph shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section; and

"(iv) no provision of State law shall apply to the actions of the Secretary in terminating the operations of a guaranty agency;

"(H) Notwithstanding any other provision of law, the Secretary's liability for any outstanding liabilities of a guaranty agency (other than outstanding student loan guarantees under this part), the functions of which the Secretary has assumed, shall not exceed the fair market value of the reserves of the guaranty agency, minus any necessary liquidation or other administrative costs."; and

(8) in subparagraph (K) (as redesignated by paragraph (5)), by striking all beginning with "system, together" through the period and inserting "system and the progress of the transition from the loan programs under this part to the direct student loan programs under part D of this title.".

SEC. 12045. CONSOLIDATION LOANS.

(a) AMENDMENT.—Section 428C of the Act (20 U.S.C. 1078-3) is amended—

(1) in subsection (a)(3)(A), by striking all beginning with "(A)" through the period at the end of clause (ii) and inserting "(A) For the purpose of this section, the term 'eligible borrower' means a borrower who, at the time of application for a consolidation loan is in repayment status, or in a grace period preceding repayment, or is a delinquent or defaulted borrower who will reenter repayment through loan consolidation.";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A)(ii), by inserting "with income-sensitive repayment terms" after "obtain a consolidation loan";

(ii) by redesignating subparagraph (E) as subparagraph (F); and

(iii) by inserting after subparagraph (D) the following new subparagraph:

"(E) that the lender shall offer an income-sensitive repayment schedule, established by the lender in accordance with the regulations promulgated by the Secretary, to the borrower of any consolidation loan made by the lender on or after July 1, 1994; and";

(B) in paragraph (4), by amending subparagraph (C) to read as follows:

"(C)(i) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid in accordance with clause (ii), during any period for which the borrower would be eligible for a deferral under section 428(b)(1)(M), and that any such period shall not be included in determining the repayment schedule pursuant to subsection (c)(2) of this section; and

"(ii) provides that interest shall accrue and be paid—

"(I) by the Secretary, in the case of a consolidation loan that consolidated only Federal Stafford Loans for which the student borrower received an interest subsidy under section 428: or

"(II) by the borrower, or capitalized, in the case of a consolidation loan other than a loan described in subclause (I);"; and

(C) by adding at the end the following new paragraph:

"(5) DIRECT LOANS.—In the event that a borrower is unable to obtain a consolidation loan from a lender with an agreement under subsection (a)(1), the Secretary shall offer any such borrower who applies for it, a direct consolidation loan to be repaid pursuant to income contingent repayment under part D of this title or pursuant to any other repayment provision under this section, except that the Secretary shall not offer such loans if, in the Secretary's judgment, the Department of Education does not have the necessary origination and servicing arrangements in place for such loans."; and

(3) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in the matter preceding clause (i), by striking "income sensitive repayment schedules. Such repayment terms" and inserting "income sensitive repayment schedules, established by the lender in accordance with the regulations of the Secretary. Except as required by such income sensitive repayment schedules, or by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5), such repayment terms";

(II) by redesignating clauses (i), (ii), (iii), (iv), and (v) as clauses (ii), (iii), (iv), (v), and (vi), respectively; and

(III) by inserting before clause (ii) (as redesignated by subclause (II)) the following new clause:

"(i) is less than $7,500, then such consolidation loan shall be repaid in not more than 10 years;";

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraph (C) as subparagraph (B); and

(B) in paragraph (3)(A), by inserting "except as required by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5)," before "the lender".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for loans made on or after July 1, 1994.

SEC. 12046. CONSOLIDATION OF PROGRAMS.

(a) IN GENERAL.—Section 428H of the Act (20 U.S.C. 1078–9) is amended—

(1) in the matter preceding paragraph (1) of subsection (b), by inserting "(including graduate and professional students as defined in regulations promulgated by the Secretary)" after "484";

(2) in subsection (d), by inserting ", except that—

"(1) the maximum annual amount of loans under this section an independent student (or a student whose parents are unable to borrow under the Federal Direct PLUS Loan Program) may borrow in any academic year or its equivalent or in any period of 7 consecutive months, whichever is longer, shall be as follows:

"(A) In the case of such a student attending an eligible institution who has not completed such student's first 2 years of undergraduate study, the amount determined in accordance with section 428(b)(1), plus—

"(i) $4,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(ii) $2,500, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(iii) $1,500, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year.

"(B) In the case of such a student attending an eligible institution who has completed the first 2 years of undergraduate study but who has not completed the remainder of a program of undergraduate study, the amount determined in accordance with section 428(b)(1), plus—

"(i) $5,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(ii) $3,325, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(iii) $1,675, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year.

"(C) In the case of such a student who is a graduate or professional student attending an eligible institution, the amount determined in accordance with section 428(b)(1), plus $10,000; and

"(2) the maximum aggregate amount of such loans such student may borrow shall be adjusted to reflect the increased annual limits described in paragraph (1)" before the period;

(3) in subsection (e), by adding at the end the following new paragraphs:

"(5) AMORTIZATION.—The amount of the periodic payment and the repayment schedule for any loan made pursuant to this section shall be established by assuming an interest rate equal to the applicable rate of interest at the time the repayment of the principal amount of the loan commences. At the option of the lender, the note or other written evidence of the loan may require that—

"(A) the amount of the periodic payment will be adjusted annually; or

"(B) the period of repayment of principal will be lengthened or shortened,

in order to reflect adjustments in interest rates occurring as a consequence of section 427A(c)(4).

"(6) REPAYMENT PERIOD.—For purposes of calculating the 10-year repayment period under section 428(b)(1)(D), such period shall commence at the time the first payment of principal is due from the borrower."; and

(4) by adding at the end the following new subsection:

"(h) REFINANCING.—

"(1) REFINANCING TO SECURE COMBINED PAYMENT.—An eligible lender may at any time consolidate loans held by such lender which are made under this section to a borrower, including loans which were made under sections 428A and 428B as such sections were in effect prior to the date of enactment of the Higher Education Amendments of 1986, under a single repayment schedule which provides for a single principal payment and a single payment of interest, and shall calculate the repayment period for each included loan from the date of the commencement of repayment of the most recent included loan. Unless the consolidated loan is obtained by a borrower who is electing to obtain variable interest under paragraph (2) or (3), such consolidated loan shall bear interest at the weighted average of the rates of all included loans rounded to the nearest whole percent. The extension of any repayment period of an included loan pursuant to this paragraph shall be reported (if required by such loan) to the Secretary or guaranty agency insuring the loan, as the case may be, but no additional insurance premiums shall be payable with respect to any such extension. The extension of the repayment period of any included loan shall not require the formal extension of the promissory note evidencing the included loan or the execution of a new promissory note, but shall be treated as an administrative forbearance of the repayment terms of the included loan.

"(2) REFINANCING TO SECURE VARIABLE INTEREST RATE.—An eligible lender may reissue a loan which was made under this section before July 1, 1987, or under sections 428A and 428B as such sections were in effect prior to the date of enactment of the Higher Education Amendments of 1986 in order to permit the borrower to obtain the interest rate provided under section 427A(c)(4). A lender offering to reissue a loan or loans for such purpose may charge a borrower an amount not to exceed $100 to cover the administrative costs of reissuing such loan or loans, not more than one-half of which shall be paid to the guarantor of the loan being reissued to recover costs of reissuance. Reissuance of a loan under this paragraph shall not affect any insurance applicable with respect to the loan, and no additional insurance fee may be charged to the borrower with respect to the loan.

"(3) REFINANCING BY DISCHARGE OF PREVIOUS LOAN.—A borrower who has applied to an original lender for reissuance of a loan under paragraph (2) and who is denied such reissuance may obtain a loan from another lender for the purpose of discharging the loan from such original lender. A loan made for such purpose—

"(A) shall bear interest at the applicable rate of interest provided under section 427A(c)(4);

"(B) shall not result in the extension of the duration of the note (other than as permitted under subsection (e)(5)(B));

"(C) may be subject to an additional insurance fee but shall not be subject to the administrative cost charge permitted by paragraph (2) of this subsection; and

"(D) shall be applied to discharge the borrower from any remaining obligation to the original lender with respect to the original loan.

"(4) CERTIFICATION IN LIEU OF PROMISSORY NOTE PRESENTATION.—Each new lender may accept certification from the original lender of the borrower's original loan in lieu of presentation of the original promissory note.

"(5) NOTIFICATION TO BORROWERS OF AVAILABILITY OF REFINANCING OPTIONS.—Each holder of a loan made under this section or under section 428B as in effect prior to the date of enactment of this Act shall, not later than October 1, 1993, in the case of loans made before the date of enactment of this paragraph, notify the borrower of such loan—

"(A) of the refinancing options for which the borrower is eligible under this subsection;

"(B) of those options which will be made available by the holder and of the practical consequences of such options in terms of interest rates and monthly and total payments for a set of loan examples; and

"(C) that, with respect to any option that the holder will not make available, the holder will, to the extent practicable, refer the borrower to an eligible lender offering such option.".

(b) REPEAL.—

(1) REPEALER.—Section 428A of the Act is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on July 1, 1994.

(c) TERMS, CONDITIONS AND BENEFITS.—Notwithstanding the amendments made by this section, with respect to loans provided under sections 428A and 428H of the Higher Education Act of 1965 (as such sections existed on the date preceding the date of enactment of this Act) the terms, conditions and benefits applicable to such loans under such sections shall continue to apply to such loans after the date of enactment of this Act.

SEC. 12047. ORIGINATION FEE; INSURANCE PREMIUM.

Section 428H of the Act (20 U.S.C. 1078–8) is amended—

(1) in subsection (f)—

(A) in the subsection heading, by striking "INSURANCE PREMIUM" and inserting "ORIGINATION FEE";

(B) in the heading of paragraph (1), by striking "/INSURANCE PREMIUM";

(C) in paragraph (1)—

(i) by striking "a combined origination fee and insurance premium in the amount of 6.5 percent" and inserting "an origination fee in the amount of 3.0 percent"; and

(ii) by striking the second sentence;

(D) in paragraph (2), by striking "combined fee and premium" and inserting "origination fee";

(E) in paragraph (3), by striking "combined origination fee and insurance premium" and inserting "origination fee";

(F) in paragraph (4)—

(i) in the heading, by striking "INSURANCE PREMIUM" and inserting "ORIGINATION FEE";

(ii) by striking "combined origination fee and insurance premiums" and inserting "origination fees"; and

(iii) by striking "and premiums to pay" and inserting "to pay"; and

(G) in paragraph (5)—

(i) in the heading, by inserting "ORIGINATION FEE AND" before "INSURANCE"; and

(ii) in the second sentence—

(I) by striking "6.5 percent insurance premium" and inserting "combined origination fee under this subsection and the insurance premium under subsection (h)"; and

(II) by inserting "origination fee and" before "insurance"; and

(2) by adding at the end the following new subsection:

"(h) INSURANCE PREMIUM.—Each State or nonprofit private institution or organization having an agreement with the Secretary under section 428(b)(1) may charge a borrower under this section an insurance premium equal to not more than 1 percent of the principal amount of the loan, if such premium will not be used for incentive payments to lenders."

SEC. 12048. DISBURSEMENTS FOR FIRST YEAR STUDENTS.

Section 428(G) of the Act (20 U.S.C. 1078–7) is amended—

(1) in the heading for subsection (b), by striking "AND ENDORSEMENT"; and

(2) in subsection (b)—

(A) by striking paragraph (1);

(B) in paragraph (2)—

(i) by striking "other than a student described in paragraph (1)"; and

(ii) by striking "(2) OTHER STUDENTS.—".

CHAPTER 4—COST SHARING BY STATES

SEC. 12061. COST SHARING BY STATES.

(a) AMENDMENT.—Section 428 of the Higher Education Act of 1965 (20 U.S.C. 1078) is amended by adding at the end the following new subsection:

"(n) STATE SHARE OF DEFAULT COSTS.—

"(1) IN GENERAL.—In the case of any State in which there are located any institutions of higher education with cohort default rates that exceed 20 percent, such State shall pay to the Secretary an amount equal to—

"(A) the new loan volume attributable to all institutions in the State for the current fiscal year; multiplied by

"(B) the percentage specified in paragraph (2); multiplied by

"(C) the quotient of—

"(i) the sum of the amounts calculated under paragraph (3) for each such institution in the State; divided by

"(ii) the total amount of loan volume attributable to current and former students of institutions located in that State entering repayment in the period used to calculate the cohort default rate.

"(2) PERCENTAGE.—For purposes of paragraph (1)(B), the percentage used shall be—

"(A) 12.5 percent for fiscal year 1995;

"(B) 20 percent for fiscal year 1996; and

"(C) 50 percent for fiscal year 1997 and succeeding fiscal years.

"(3) CALCULATION.—For purposes of paragraph (1)(C)(i), the amount shall be determined by calculating for each institution the amount by which—

"(A) the amount of the loans received for attendance by such institution's current and former students who (i) enter repayment during the fiscal year used for the calculation of the cohort default rate, and (ii) default before the end of the following fiscal year; exceeds

"(B) 20 percent of the loans received for attendance by all the current and former students who enter repayment during the fiscal year used for the calculation of the cohort default rate.

"(4) FEE.—A State may charge a fee to an institution of higher education that participates in the program under this part and is located in that State according to a fee structure, approved by the Secretary, that is based on the institution's cohort default rate and the State's risk of loss under this subsection. Such fee structure shall include a process by which an institution with a high cohort default rate is exempt from any fees under this paragraph if such institution demonstrates to the satisfaction of the State that exceptional mitigating circumstances, as determined by the State and approved by the Secretary, contributed to its cohort default rate.".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective on October 1, 1994.

CHAPTER 5—GENERAL EFFECTIVE DATE

SEC. 12071. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall be effective on October 1, 1993.

Subtitle B—Public Health Service Act Provisions

SEC. 12101. DELAY IN COST-OF-LIVING ADJUSTMENTS IN FEDERAL EMPLOYEE RETIREMENT BENEFITS DURING FISCAL YEARS 1994, 1995, AND 1996.

(a) APPLICABILITY.—

(1) IN GENERAL.—This section shall apply with respect to any cost-of-living increase for any person described under paragraph (2) scheduled to take effect, during fiscal year 1994, 1995, or 1996, under section 8340(b) or 8462(b) of title 5, United States Code.

(2) ANNUITANTS.—The provisions of paragraph (1) shall apply to any annuitant who on the date preceding the date of retirement was a member of the National Health Service Corps.

(b) DELAY IN EFFECTIVE DATE OF ADJUSTMENTS.—A cost-of-living increase described in subsection (a) shall not take effect until the first day of the third calendar month after the date such increase would otherwise take effect.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be considered to affect any determination relating to eligibility for an annuity increase or the amount of the first increase in an annuity under section 8340(b) or (c) or section 8462 (b) or (c) of title 5, United States Code, or comparable provisions of law.

SEC. 12102. PERMANENT ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION EXCEPT FOR INDIVIDUALS WITH A CRITICAL MEDICAL CONDITION.

(a) CIVIL SERVICE RETIREMENT SYSTEM; FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—A member of the National Health Service Corps who is covered under chapter 83 or 84 of title 5, United States Code, and has a life-threatening affliction or other critical medical condition may elect annuity benefits under section 8343a or 8420a of title 5, United States Code, as the case may be.

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1995, and shall apply with respect to any annuity commencing on or after that date.

TITLE XIII—VETERANS' PROGRAMS

SEC. 13001. PERMANENT EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.

Section 5503(f) of title 38, United States Code, is amended by striking out paragraph (7).

SEC. 13002. POLICY REGARDING COST-OF-LIVING ADJUSTMENT IN COMPENSATION RATES.

The fiscal year 1994 cost-of-living adjustments in the rates of and limitations for compensation payable under chapter 11 of title 38, United States Code, and of dependency and indemnity compensation payable under chapter 13 of such title will be no more than a percentage equal to the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1993, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)), with all increased monthly rates and limitations (other than increased rates or limitations equal to a whole dollar amount) rounded down to the next lower dollar. The effective date of such adjustments shall not be earlier than December 4, 1993.

SEC. 13003. REDUCTION IN BASIC PAY AND INCENTIVES OF MONTGOMERY GI BILL PARTICIPANTS.

(a) ACTIVE DUTY.—Section 3011(b) of title 38, United States Code, is amended—

(1) by inserting "(1)" after "(b)";

(2) by designating the second sentence as paragraph (2); and

(3) in paragraph (1), as so designated, by striking out "shall be reduced by" and all that follows through the period and inserting in lieu thereof "shall be reduced by—

"(A) in the case of an individual who first enters on active duty before October 1, 1993, $100 for each of the first 12 months that such individual is entitled to such pay;

"(B) in the case of an individual who first enters on active duty during the fiscal year beginning on October 1, 1993, $137 for each of the first 12 months that such individual is entitled to such pay; and

"(C) in the case of an individual who first enters on active duty during any fiscal year beginning after September 30, 1994, an amount for each of the first 12 months that such individual is entitled to such pay that is equal to the amount of the monthly pay reduction of an individual under this paragraph during the previous fiscal year increased by the same percentage, if any, as the percentage by which monthly rates of educational assistance are increased for such fiscal year under section 3015(g)(3) of this title.".

(b) SELECTED RESERVE.—Section 3012(c) of such title is amended—

(1) by inserting "(1)" after "(c)";

(2) by designating the second sentence as paragraph (2); and

(3) in paragraph (1), as so designated, by striking out "shall be reduced by" and all that follows through the period and inserting in lieu thereof "shall be reduced by—

"(A) in the case of an individual who first enters on active duty before October 1, 1993, $100 for each of the first 12 months that such individual is entitled to such pay;

"(B) in the case of an individual who first enters on active duty during the fiscal year beginning on October 1, 1993, $137 for each of the first 12 months that such individual is entitled to such pay; and

"(C) in the case of an individual who first enters on active duty during any fiscal year beginning after September 30, 1994, an amount for each of the first 12 months that such individual is entitled to such pay that is equal to the amount of the monthly pay reduction of an individual under this paragraph during the previous fiscal year increased by the same percentage, if any, as the percentage by which monthly rates of educational assistance are increased for such fiscal year under section 3015(g)(3) of this title.".

(c) ENROLLMENT BEFORE INVOLUNTARY SEPARATION.—Section 3018A(b) of such title is amended by striking out "$1,200" and inserting in lieu thereof "an amount equal to 12 times the amount of the monthly pay reduction determined for the individual in accordance with section 3011(b)(1) or section 3012(c)(1) of this title. For the purposes of such determination, the date of the individual's election to receive assistance under subsection (a)(5) shall be considered the date that the individual first enters on active duty.".

(d) ENROLLMENT BY VOLUNTARY SEPARATION INCENTIVE RECIPIENTS.—Section 3018B(b)(1) of such title is amended by striking out "$1,200" and inserting in lieu thereof "an amount equal to 12 times the amount of the monthly pay reduction determined for the individual in accordance with section 3011(b)(1) or section 3012(c)(1) of this title. For the purposes of such determination, the date of the individual's election to receive assistance under subsection (a)(1)(E) shall be considered the date that the individual first enters on active duty.".

SEC. 13004. PERMANENT EXTENSION OF PROCEDURES APPLICABLE TO LIQUIDATION SALES UPON DEFAULT OF HOME LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.

(a) INCLUSION OF RESALE LOSSES IN NET-VALUE CALCULATION.—Paragraph (1)(C) of section 3732(c) of title 38, United States Code, is amended by inserting "(including losses sustained on the resale of the property)" after "resale".

(b) PERMANENT EXTENSION OF AUTHORITY.—Paragraph (11) of such section is repealed.

SEC. 13005. INCREASE IN CERTAIN LOAN FEES.

(a) FEE INCREASE.—Paragraph (2) of section 3729(a) of title 38, United States Code, is amended—

(1) in the matter above subparagraph (A), by striking out "1.25 percent" and inserting in lieu thereof "2 percent";

(2) in subparagraph (A), by striking out "one percent" and inserting in lieu thereof "1 percent";

(3) in subparagraph (B), by striking out "0.75 percent" and inserting in lieu thereof "1.50 percent";

(4) in subparagraph (C), by striking out "0.50 percent" and inserting in lieu thereof "1.25 percent"; and

(5) in subparagraph (D)—

(i) by striking out "two percent" in clause (i) and inserting in lieu thereof "2.75 percent";

(ii) by striking out "one percent" in clause (ii) and inserting in lieu thereof "1 percent";

(iii) by striking out "1.50 percent" in clause (iii)(I) and inserting in lieu thereof "2.25 percent"; and

(iv) by striking out "1.25 percent" in clause (iii)(II) and inserting in lieu thereof "2 percent".

(b) FEE FOR MANUFACTURED HOMES.—Such paragraph is further amended—

(1) in subparagraph (A), by striking out "or for any purpose specified in section 3712 of this title (other than section 3712(a)(1)(F))";

(2) by striking out "and" at the end of subparagraph (D);

(3) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

(4) by adding at the end the following:

"(F) in the case of a loan made for any purpose specified in section 3712 of this title (other than subsection (a)(1)(F) of such section), the amount of such fee shall be one percent of the total loan amount.".

(c) REPEAL OF TEMPORARY INCREASE IN FEES.—Such section is further amended—

(1) in paragraph (2), by striking out "Except as provided in paragraph (6) of this subsection, the" in the matter above subparagraph (A) and inserting in lieu thereof "The"; and

(2) by striking out paragraph (6).

SEC. 13006. PERMANENT EXTENSION OF MEDICAL CARE COST RECOVERY AUTHORITY.

Section 1729(a)(2)(E) of title 38, United States Code, is amended by striking out "before August 1, 1994,".

SEC. 13007. PERMANENT EXTENSION OF REQUIREMENT THAT CERTAIN VETERANS MAKE COPAYMENTS FOR HEALTH-CARE SERVICES.

(a) MEDICATION COPAYMENT REQUIREMENT.—Section 1722A of title 38, United States Code, is amended by striking out subsection (c).

(b) HEALTH-CARE CATEGORIES AND COPAYMENTS.—Section 8013 of the Omnibus Budget Reconciliation Act of 1990 (38 U.S.C. 1710 note) is amended by striking out subsection (e).

SEC. 13008. PERMANENT AUTHORITY TO VERIFY INCOME ELIGIBILITY FOR NEED-BASED BENEFITS.

(a) AUTHORITY FOR SECRETARY OF VETERANS AFFAIRS TO OBTAIN INFORMATION.—Section 5317 of title 38, United States Code, is amended by striking out subsection (g).

(b) AUTHORITY FOR SECRETARY OF TREASURY TO PROVIDE INFORMATION.—Section 6103(*l*)(7)(D) of the Internal Revenue Code of 1986 is amended by striking out the last sentence.

TITLE XIV—BUDGET PROCESS REFORM

SEC. 14001. SHORT TITLE.

This title may be cited as the "Budget Enforcement and Spending Control Act of 1993".

Subtitle A—Congressional Budget Process and Gramm-Rudman

SEC. 14101. IMPOSITION OF A MAXIMUM DEFICIT AMOUNT AND DISCRETIONARY SPENDING LIMITS EXTENDED THROUGH FISCAL YEAR 1998.

(a) MAXIMUM DEFICIT AMOUNTS.—

(1) AMOUNTS.—Section 601(a)(1) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and inserting the following:

"(D) with respect to fiscal year 1994, $336,100,000,000;

"(E) with respect to fiscal year 1995, $332,600,000,000;

"(F) with respect to fiscal year 1996, $313,000,000,000;

"(G) with respect to fiscal year 1997, $292,500,000,000; and

"(H) with respect to fiscal year 1998, $288,100,000,000.".

(2) 60 VOTE POINT OF ORDER.—Section 904 of the Congressional Budget Act of 1974 is amended—

(A) in the second sentence of subsection (c) by striking "and 606(c)" and inserting "605(b), and 606(c)"; and

(B) in the third sentence of subsection (d) by striking "and 606(c)" and inserting "605(b), and 606(c)".

(b) DISCRETIONARY SPENDING.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and inserting the following:

"(D) with respect to fiscal year 1994—

"(i) for the defense category: $264,051,000,000 in new budget authority and $279,262,000,000 in outlays;

"(ii) for the international category: $21,311,000,000 in new budget authority and $21,406,000,000 in outlays; and

"(iii) for the domestic category: $209,071,000,000 in new budget authority and $238,212,000,000 in outlays;

"(E) with respect to fiscal year 1995—

"(i) for the defense category: $262,624,000,000 in new budget authority and $272,744,000,000 in outlays;

"(ii) for the international category: $21,287,000,000 in new budget authority and $21,167,000,000 in outlays; and

"(iii) for the domestic category: $208,880,000,000 in new budget authority and $239,980,000,000 in outlays;

"(F) with respect to fiscal year 1996—

"(i) for the defense category: $254,139,000,000 in new budget authority and $265,742,000,000 in outlays;

"(ii) for the international category: $21,270,000,000 in new budget authority and $21,053,000,000 in outlays; and

"(iii) for the domestic category: $216,212,000,000 in new budget authority and $239,823,000,000 in outlays;

"(G) with respect to fiscal year 1997—

"(i) for the defense category: $248,490,000,000 in new budget authority and $249,705,000,000 in outlays;

"(ii) for the international category: $21,263,000,000 in new budget authority and $21,088,000,000 in outlays; and

"(iii) for the domestic category: $219,633,000,000 in new budget authority and $239,925,000,000 in outlays; and

"(H) with respect to fiscal year 1998—

"(i) for the defense category: $254,260,000,000 in new budget authority and $253,173,000,000 in outlays;

"(ii) for the international category: $21,090,000,000 in new budget authority and $20,854,000,000 in outlays; and

"(iii) for the domestic category: $216,722,000,000 in new budget authority and $240,498,000,000 in outlays.".

(c) EXTENSION THROUGH FISCAL YEAR 1998.—

(1) POINT OF ORDER.—Section 601(b)(1) of the Congressional Budget Act of 1974 is amended by striking "or 1995" and inserting "1995, 1996, 1997, and 1998".

(2) SECTION 602(c) AND (d).—Subsections (c) and (d) of section 602 of the Congressional Budget Act of 1974 are amended by striking "1995" and inserting "1998".

(3) BUDGET RESOLUTIONS.—Section 606(a) of the Congressional Budget Act of 1974 is

amended by striking "and 1995" and inserting "1995, 1996, 1997, and 1998".

(4) SCORING OF EMERGENCIES.—Section 606(d)(2) of the Congressional Budget Act of 1974 is amended by striking "251(b)(2)(C), 251(b)(2)(D), and 252(e)" and inserting "and 251(b)(2)(C)".

(5) EFFECTIVE DATE FOR TITLE.—Section 607 of the Congressional Budget Act of 1974 is amended by striking "1995" and inserting "1998".

SEC. 14102. ENFORCEMENT OF LIMITS.

(a) DEFINITIONS.—

(1) CATEGORY.—Paragraph (4) of section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(4) The term 'category' means for fiscal years 1991 through 1998 any of the following subsets of discretionary appropriations: defense, international, or domestic. Discretionary appropriations in each of the 3 categories shall be those so designated in the joint statement of managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1990. New accounts or activities shall be categorized in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate.".

(2) BUDGET RESOURCES.—Paragraph (6) of section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(6) The term 'budgetary resources' means new budget authority; unobligated balances; direct spending authority; and obligation limitations.".

(3) OUT YEAR.—Section 250(c)(14) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking beginning with "fiscal years" through the period and inserting "4 fiscal years that follow the budget year.".

(b) ENFORCING DISCRETIONARY SPENDING LIMITS.—

(1) COVERAGE.—Section 251(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) by striking the caption and inserting "FISCAL YEARS 1993–1998 ENFORCEMENT.—"; and

(B) striking "252" and inserting "252, section 252A,".

(2) ADJUSTMENTS.—Subsection (b) of section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in paragraph (1) in the matter before subparagraph (A)—

(i) by striking "budget year 1992, 1993, 1994, or 1995" and inserting "each budget year for fiscal years 1993 through 1998"; and

(ii) by striking "outyear through 1995" and inserting "outyear through 1998"; and

(B) by amending paragraph (2)(D) to read as follows:

"(D) If, for any fiscal year 1994 through 1998, appropriations for discretionary accounts are enacted that the President designates as emergency requirements and that the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays flowing in all years from such appropriations.".

(c) PAY-AS-YOU-GO.—

(1) IN GENERAL.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended in the caption by striking "1995" and inserting "2003".

(2) SEQUESTRATION.—Section 252(b) of such Act is amended—

(A) by striking "and the prior fiscal year";

(B) in the matter before paragraph (1) by striking "251" and inserting "251, section 252A,"; and

(C) in paragraph (2) by striking "or section 253".

(3) OMB ESTIMATES.—Section 252(d) of such Act is amended by striking "1995" each place it appears and inserting "2003".

(4) EMERGENCY LEGISLATION.—Section 252(e) of such Act is amended by—

(A) striking ", for fiscal year 1991, 1992, 1993, 1994, or 1995,"; and

(B) striking "through 1995" and inserting "through 2003".

(5) LOOK-BACK.—Section 252 of such Act is amended by adding at the end thereof the following:

"(f) LOOK-BACK.—If legislation is enacted providing direct spending or receipts that cause a net deficit increase for the current year that was not included in the final sequester report for that year, the deficit increase shall be included in the next fiscal year.".

(d) ENFORCING MANDATORY SPENDING LIMITS.—

(1) DEFINITIONS.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in paragraph (3) by inserting after "may be" the following: ", or, for any fiscal year, the amount (if any) by which outlays for that year (for mandatory spending) exceed the mandatory spending limit for that year"; and

(B) by adding at the end thereof the following:

"(22) The term 'mandatory spending' means direct spending excluding Social Security, net interest, and deposit insurance.".

(2) ENFORCEMENT.—Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 252 the following new section:

"SEC. 252A. ENFORCING MANDATORY SPENDING LIMITS.

"(a) DETERMINING MANDATORY SPENDING LIMITS.—

"(1) IN GENERAL.—When the President submits a budget for 1996 pursuant to section 1105(a) of title 31, United States Code, OMB shall determine the limits on mandatory spending for fiscal years 1996 through 2003 in accordance with this subsection.

"(2) MANDATORY SPENDING LIMITS.—For each fiscal year, the mandatory spending limit shall equal the sum of—

"(A) the baseline levels in such fiscal year for mandatory accounts providing benefits that are not projected to grow faster than allowable growth in such fiscal year;

"(B) the allowable growth level in such fiscal year for mandatory accounts providing benefits that are projected to grow faster than allowable growth in such fiscal year; and

"(C) the baseline levels in such fiscal year for mandatory spending accounts not providing benefits to individuals.

"(3) ALLOWABLE GROWTH.—

"(A) IN GENERAL.—For each mandatory spending account that provides benefits to individuals (including programs that provide matching funds to States that provide benefits to individuals), the allowable growth level for fiscal year 1996 and each fiscal year thereafter shall be the baseline amount for the prior fiscal year multiplied by 1 plus the sum of the following percentages:

"(i) inflation;

"(ii) the percentage change in the number of beneficiaries from the prior year; plus

"(iii)(I) 1 percent for fiscal year 1996;

"(II) 1 percent for fiscal year 1997; and

"(III) 0 percent for fiscal year 1998 and each fiscal year thereafter.

"(B) BASELINE.—Under subparagraph (A)—

"(i) for fiscal year 1996, the baseline shall be the baseline for fiscal year 1995; and

"(ii) for fiscal years after 1996, the baseline shall be the lower of the baseline for the previous fiscal year or the allowable growth level for the previous fiscal year.

"(b) FISCAL YEARS 1996–2003 ENFORCEMENT.—

"(1) SEQUESTRATION.—Within 15 calendar days after Congress adjourns to end a session and on the same day as a sequestration (if any) under sections 251, 252, and 253, there shall be a sequestration to eliminate a budget-year breach, if any, of the mandatory spending limit.

"(2) DETERMINING A BREACH.—

"(A) NECESSARY SAVINGS.—When the President submits the budget for a fiscal year under section 1105(a) of title 31, United States Code, OMB shall calculate—

"(i) the mandatory spending baseline for the fiscal year and compare the baseline to the mandatory spending limit as adjusted pursuant to subsection (c) to determine the savings in mandatory spending necessary to avoid a sequester; and

"(ii) for each mandatory spending account, the amount, if any, by which such amounts exceed allowable growth using the same formula applied under subsection (b)(3).

"(B) REDUCTIONS IN LEGISLATION.—The Office of Management and Budget shall sum the estimates of changes in mandatory spending (as provided by paragraph (5)) in the fiscal year caused by mandatory spending legislation enacted during the session of Congress and compare that amount to the necessary savings in mandatory spending required by subparagraph (A). Legislative provisions that increase or decrease mandatory spending due to increases or decreases in payments from one account in the government to another shall not be counted in estimating a breach.

"(3) ELIMINATING A BREACH OF THE MANDATORY SPENDING LIMIT.—

"(A) IN GENERAL.—The amount required to be sequestered in a fiscal year under paragraph (2) shall be obtained by—

"(i) first reducing mandatory spending accounts estimated by OMB to be growing faster than allowable growth in that year by a uniform percentage, except that no such account shall be reduced below the level equal to the allowable growth level for each such account; and

"(ii) if additional reductions are necessary, by reducing all mandatory spending accounts, including accounts reduced pursuant to subsection (i), a uniform percentage.

"(B) EXEMPTIONS.—The following accounts and activities shall be exempted from sequestration under this section:

"(i) Prior legal obligations.

"(ii) Payments from one direct spending account to another.

"(iii) Offsetting receipts.

"(4) LOOK-BACK.—If legislation is enacted providing mandatory spending that causes a breach for the current year that was not included in the final sequester report for that year, the mandatory spending limit for the next fiscal year shall be reduced by the amount of that breach.

"(5) OMB ESTIMATES.—

"(A) IN GENERAL.—As soon as practicable after Congress completes action on any mandatory spending legislation enacted after OMB determines the original limits in mandatory spending pursuant to subsection (a), after consultation with the Committees on the Budget of the House of Representatives and the Senate, CBO shall provide OMB with an estimate of the amount of change in outlays and the number of beneficiaries in each fiscal year through fiscal year 2003 resulting from that legislation. Within 5 calendar days after the enactment of any mandatory spending legislation enacted after OMB determines the original limits on mandatory spending pursuant to subsection (a), enactment of this section, OMB shall transmit a report to the House of Representatives and to the Senate containing such CBO estimate of that legislation, an OMB estimate of the amount of change in outlays and the number of beneficiaries (pursuant to subsection (c)(1)(B)) in each fiscal year through fiscal year 2003 resulting from that legislation, and an explanation of any difference between the two estimates. Those OMB estimates shall be made using current economic and technical assumptions.

"(B) SCOREKEEPING.—The Office of Management and Budget and the Congressional Budget Office shall prepare estimates under this subsection in conformance with scorekeeping guidelines determined after consultation among the House and Senate Committees on the Budget, the Congressional Budget Office, and the Office of Management and Budget.

"(c) ADJUSTMENTS TO MANDATORY SPENDING LIMITS.—

"(1) IN GENERAL.—When the President submits the budget under section 1105(a) of title 31, United States Code, for budget years 1997 through 2003, OMB shall calculate and the budget shall include, adjustments to mandatory spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear through 2003 to reflect the following:

"(A) CHANGES IN CONCEPTS AND DEFINITIONS.—After consultation with the House and Senate Committees on the Budget, any changes in concepts and definitions shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions minus those levels using the concepts and definitions in effect before such changes.

"(B) CHANGES IN BENEFICIARIES.—The adjustment produced by changes in beneficiaries shall equal the sum of the following calculation for each account providing benefits to individuals:

"(i) the current assumption of the number of beneficiaries for each fiscal year (budget year and outyears) minus the assumed number of beneficiaries from the most recent prior adjustment for that fiscal year, multiplied by

"(ii) the per capita spending amount for that fiscal year as determined by OMB at the time the original mandatory spending limits were determined, and assuming that each account was limited to the allowable growth level used in calculating the mandatory spending limit for that fiscal year.

Adjustments under this subparagraph shall exclude any changes in beneficiaries due to the enactment of legislation after the determination and submission of the original mandatory spending limits pursuant to subsection (a).

"(C) CHANGES IN INFLATION.—The adjustment produced by changes in inflation shall equal—

"(i) the current assumption of inflation for each fiscal year (budget year and outyears) minus the inflation rate assumed for that fiscal year from the most recent prior adjustment, multiplied by

"(ii) the mandatory spending limit for that fiscal year, as adjusted in the President's budget from the prior year, plus the adjustment required pursuant to subparagraph (B). Inflation shall be measured by the average of the estimated gross domestic product implicit price deflator index for a fiscal year divided by the average index for the prior fiscal year.

"(2) ADJUSTMENTS FOR EMERGENCIES.—

"(A) IN GENERAL.—When OMB submits a sequestration report under section 254(g), OMB shall calculate, and the sequestration report, and subsequent budget submitted by the President under section 1105(a) of title 31, United States Code, shall include, adjustments to mandatory spending limits for emergency legislation as provided in subparagraph (B).

"(B) ADJUSTMENT.—If a provision of mandatory spending legislation is enacted that the President designates as emergency requirements and that the Congress so designates in statute, the adjustments shall be the total budget authority and outlays flowing from such legislation.".

(3) PRESIDENT'S BUDGET AND CONGRESSIONAL BUDGET RESOLUTION.—

(A) PRESIDENT'S BUDGET.—If the President submits the budget for a fiscal year 1996 through 2003 in which baseline mandatory spending exceeds the spending limit established in paragraph (2), the budget shall include specific proposals to reduce mandatory spending to comply with the mandatory cap without a sequester.

(B) CONGRESSIONAL BUDGET.—

(i) CONGRESSIONAL BUDGET.—Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following:

"(j) MANDATORY SPENDING LIMIT.—It shall not be in order in the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on such a resolution) or a bill or resolution (or amendment, motion, or conference report on such bill or resolution), that provides for mandatory spending for any fiscal year 1996 through 2003, in excess of the limit established in section 252A of the Balanced Budget and Emergency Deficit Control Act of 1985.".

(ii) POINT OF ORDER.—The second sentence of section 904(c) of the Congressional Budget Act of 1974 is amended by inserting after "301(i)", the following "301(j)".

(4) SPECIAL RULE FOR FISCAL YEAR 1995 PAY-AS-YOU-GO AND MANDATORY CAP SCORECARD.—The scoring of mandatory spending and revenues in fiscal year 1996 and the application of sections 252 and 252A of the Balance Budget and Emergency Deficit Control Act of 1985, as added and amended by this Act shall be modified on the date of the President's budget submission for fiscal year 1996 as follows:

(1) Any changes in direct spending enacted after such date shall be scored only against the mandatory cap under section 252A.

(2) Any deficit in the pay-as-you-go spending scorecard for section 252 on such date shall be eliminated and the amount of such deficit shall be subtracted from the mandatory cap under section 252A.

(f) ENFORCING DEFICIT TARGETS.—

(1) MANDATORY CAP.—Section 253(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by—

(A) striking "and section 252" and inserting "252, and 252A";

(B) striking "or section 252" and inserting ", section 252, or section 252A"; and

(C) inserting after "pay-as-you-go)," the following: "or section 252A (enforcing mandatory spending caps),".

(2) EXCESS DEFICIT.—Section 253(b)(2) of such Act is amended by inserting after "section 252(e)" the following: "or under section 252A".

(3) ADJUSTMENTS.—Section 253 of such Act is amended—

(A) in subsection (b) by amending paragraph (3) to read as follows:

"(3) the deposit insurance reestimate for that year, if any, calculated under subsection (g).";

(B) in subsection (h) by striking "for fiscal year 1994 and fiscal year 1995" each time it appears and inserting "for fiscal years 1994 through 1998"; and

(C) by striking subsection (g) and redesignating subsection (h) as subsection (g).

(g) REPORTS.—Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (d)(2) by striking "through 1995" and inserting "through 1998";

(2) in subsection (d) by—

(A) redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(B) inserting after paragraph (3) the following:

"(4) MANDATORY SPENDING SEQUESTRATION REPORTS.—The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

"(A) The amount of reduction in mandatory spending, if any, required under subsection 252A.

"(B) A list identifying each law enacted and sequestration implemented after the date of enactment of this section included in the calculation of the amount of spending excess and specifying the budgetary effect of each such law.

"(C) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to eliminate the excess under section 252A.";

(3) in paragraph (2)(A) by striking "through 1995" and inserting "through 1998"; and

(4) in paragraph (3) by striking "through 1995" and inserting "through 2003".

(h) For the purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act, OMB shall not include the net deficit impact of this Act in its pay-as-you-go estimates and reports for fiscal years 1993 through 2003.

SEC. 14103. GENERAL EXTENSION THROUGH FISCAL YEAR 1998.

(a) IN GENERAL.—The provisions of the Congressional Budget Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, the Budget Enforcement Act of 1990, and any other related statute, as modified by this title, are extended through fiscal year 1998 for purposes of enforcing the budget limits set forth in this title.

(b) GRAMM-RUDMAN.—Section 275(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "September 30, 1995" and inserting "September 30, 1998".

MITCHELL (AND BOXER) AMENDMENT NO. 507

Mr. MITCHELL (for himself, Mrs. BOXER, Mr. NICKLES, Mr. BENNETT, and Mr. FORD) proposed an amendment to the bill (S. 1134), supra, as follows:

On page 422, line 24, strike "$15,000" and insert "$20,500".

NICKELS (AND OTHERS) AMENDMENT NO. 508

Mr. NICKLES (for himself, Mr. SHELBY, Mr. GRASSLEY, Mr. KOHL, Mr. HELMS, Mr. BURNS, Mr. BOND, Mr. PRESSLER, Mr. D'AMATO, Mr. COVERDELL, Mr. CRAIG, Mrs. HUTCHISON, Mr. MURKOWSKI, Mr. GRAMM, and Mr. MCCAIN) proposed an amendment to the bill (S. 1134), supra, as follows:

Beginning on page 614, line 23, strike all through page 625, line 10.

On page 627, lines 2 and 3, strike ", and" and all that follows to the period.

On page 636, lines 17 and 18, strike ", and" and all that follows to the period.

GOVERNMENT PERFORMANCE AND RESULTS ACT OF 1993

ROTH AMENDMENT NO. 509

Mr. NICKLES (for Mr. ROTH) proposed an amendment to the bill (S. 20) to provide for the establishment, testing, and evaluation of strategic planning and performance measurement in the Federal Government, and for other purposes, as follows:

On page 8, strike out lines 15 through 21, and insert in lieu thereof the following:

"(d) An agency may submit with its annual performance plan an appendix covering any portion of the plan that—

"(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

"(2) is properly classified pursuant to such Executive order.

On page 27, strike out lines 24 through lines 5 on page 28 and insert in lieu thereof the following:

No provision or amendment made by this Act may be construed as—

(1) creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity, and no person who is not an officer or employee of the United States acting in such capacity shall have standing to file any civil action in a court of the United States to enforce any provision or amendment made by this Act; or

(2) superseding any statutory requirement, including any requirement under section 553 of title 5, United States Code.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for an executive session to consider S. 636, the Freedom of Access to Clinic Entrances Act of 1993; and the nominations of Maria Echeveste, to be Administrator of the Wage and Hour Division at the Department of Labor; Sharon Porter Robinson, to be Assistant Secretary for Educational Research and Improvement at the Department of Education; and Judith Winston, to be general counsel at the Department of Education, during the session of the Senate on Wednesday, June 23, at 9 a.m. in SD-430.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Senate Armed Services Committee be authorized to meet on Wednesday, June 23, 1993, at 9:30 a.m. in open session to receive testimony on the Defense Conversion and Reinvestment Program in review of the Defense authorization request for fiscal year 1994 and Future Years Defense Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 2 p.m. on Wednesday, June 23, 1993, in open session, to receive testimony on counterproliferation, weapons reduction, and the implementation of arms control treaties in review of the Defense authorization request for fiscal year 1994 and the Future Years Defense Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet today at 9:30 a.m. to mark up S. 1003, legislation extending fast-track authority to the Uruguay round.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Wednesday, June 23, at 2:30 p.m., for a hearing on the nomination of Benjamin Erdreich, to be Chairman and member of the U.S. Merit Systems Protection Board.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Wednesday, June 23, 1993, at 10 a.m. to hold a nomination hearing on Penn Kemble, to be Deputy Director of the U.S. Information Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Wednesday, June 23, 1993, at 2 p.m. to hold ambassadorial nomination hearings on Robert Hunter to be Ambassador to NATO and Raymond Flynn to be Ambassador to the Holy See.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. The Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on legislation concerning VA health care programs at 10 a.m. on Wednesday, June 23, 1993. The hearing will be held in room 418 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on June 23, 1993, 1:30 p.m. on nominations of Albert J. Herberger to be Administrator of the Maritime Administration and Everett M. Ehrlich to be Under Secretary of Commerce for Economic Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, June 23, 1993, at 10 a.m. to hold a hearing on the Department of Commerce's first annual report on the international economic position of the United States, which will focus on current efforts to improve America's international trade position.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TOXIC SUBSTANCES, RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Toxic Substances, Research and Development, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, June 23, beginning at 9:30 a.m., to conduct a hearing on reauthorization of the Clean Water Act, focusing on State revolving fund, stormwater, and combined sewer overflow issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1993

• Mr. DURENBERGER. Mr. President, I rise in support of H.R. 2118, the supplemental appropriations for fiscal year 1993. The bill combines the two House supplemental bills and reduces the pricetag to $1.9 billion versus $2.7 billion for the two House bills. Although there are a number of very legitimate funding requests in this bill, Mr. President, I'm particularly pleased that the legislation supplements previously approved appropriations for the current fiscal year for the Pell Grant Program and for summer youth jobs.

The legislation—as reported by the Appropriations Committee—includes $360 million to help cover what is now almost $2 billion in past shortfalls in the Pell program. Because of these past shortfalls, the average Pell grant awarded low-income students has actually declined over the past several years—during a time when Congress has approved significant increases in the authorized maximum Pell grants that may be awarded.

This additional funding must be considered only a downpayment on fulfilling the commitment we have made to this vital program and I look forward to working with the Appropriations Committee to continue pursuing this commitment in the normal appropriations cycle.

I should also note, Mr. President, that the House has appropriated less than half the $360 million the Senate Appropriations Committee has included in this legislation. Assuming the higher number remains in the bill now before us, I would hope that Senate conferees would vigorously defend the Senate position.

A second provision that is a high priority for me, Mr. President, is the additional $200 million which is appropriated for summer youth jobs. My own State is ready, willing, and able to offer additional young people meaningful work experiences that, in many cases are linked to career exploration, community service, and education programs in their local communities. I'm strongly committed to making sure it remains in this important piece of legislation.

In the best of all worlds, Mr. President, I would oppose supplemental appropriations—which are an indication that the Congress is unable to do its job during the normal appropriations process. However, because the bill's funding is either offset or within the current allocations, I will support the bill.

This does not mean that I would not want to see the bill improved. I was disappointed that the Appropriations Committee chose to strike the administration's request for additional SBA loan authority, which was included in the House bill.

Past experience has demonstrated the significant impact that expansion of small businesses has on job growth in this country. Because there is so obvious a shortfall in loans—as related to loan demand in my own State and others, as well—I intend to support Senator BUMPERS' amendment to provide $181 million to fund this program.

There are several other amendments being offered which would further cut the funding of this bill. At this time, several such amendments appear to be positive, and I will look forward to the debate on these issues.

I would also expect that we will see amendments offered during this debate that will provide additional nonemergency funding for worthwhile programs—shifting funds from unallocated sources in other programs or through shifts in overall priorities among and between different categories of spending.

Among the potential candidates for amendments to increase spending for such worthwhile programs are Chapter 1, TRIO programs and perhaps others.

To my colleagues—and my constituents in Minnesota—I must say I face these types of amendments with very mixed feelings.

In many cases, these are programs that I strongly support and programs that I'm confident could make very effective use of additional funding—even this late in the fiscal year.

On the other hand, I have a great deal of respect for the priority setting and allocation that goes on through our normal budgeting and appropriations process. And, I have a great deal of reluctance to tamper with that process—especially without the benefit of hearings and an opportunity to fully understand the relative needs and competing priorities of all the worthwhile programs that could make effective use of additional funding.

I offer these comments not to foreclose the possibility of supporting nonemergency spending requests from individual programs as we consider amendments to this bill. But, I do believe it's important for both my colleagues—and my constituents to know how, in general, I approach these kinds of requests.

And, particularly in cases where I will vote to oppose nonemergency spending requests during this debate, I pledge to work with both my colleagues and constituents to do whatever is fiscally possible to address those unmet needs through the normal process of setting budget and appropriations spending priorities.

Finally, Mr. President, I feel compelled to point one other important difference between the legislation now before us and the previously passed House bill. Unlike the House bill, the Senate legislation does not include a $72 million rescission in the State Student Incentive Grant Program.

In my State—and many others—these funds are already committed to assist lower income students finance their higher education. To rescind those funds now—particularly with the funding crisis that's facing the Pell program—would be totally inconsistent with strong bipartisan support in this body for expanding financial access for all Americans who can benefit from a college education.

On this issue, as well, Mr. President, I believe Senate conferees should forcefully defend the Senate's position.

With that brief explanation of my own priorities in this legislation and how I intend to approach this debate, Mr. President, I urge the support of my colleagues.•

MONBERG SETS EXAMPLE OTHERS SHOULD FOLLOW

• Mr. BROWN. Mr. President, Washington journalist Helene Monberg, a Colorado native, continues to serve as an example for others. Long recognized for her active role in improving the lives of others, Helene recently established a scholarship fund for students attending college in Colorado in honor of her late parents.

Although she is far from a wealthy person, Helene believes each of us has an obligation to try to help those less fortunate. She says the problems of our country are so great, all of us must pitch in, whatever our financial status. If all of us follow Helene Monberg's example, our country will be a far better place to live.

I commend the following article from Helene's hometown paper, the Leadville Herald Democrat, to my colleagues.

The article follows:

MONBERG ENDOWS SEVERAL SCHOLARSHIP FUNDS

Helene C. Monberg, a veteran newswoman, announced at a reception given in her honor Jan. 28 in Washington, D.C., by the American Water Resources Association that she is establishing a scholarship fund for students attending college in her home state of Colorado.

The Association "roasted" Ms. Monberg for her long career in writing about natural resource problems, programs and issues that affect the 17 Western reclamation states. She is the editor of Western Resources Wrap-up which she has published for the past 28 years.

Ms. Monberg said, "I am setting up a scholarship fund in my will in honor and in memory of my parents, Luther and Helene Denzler Monberg, longtime residents of my hometown of Leadville, Colorado. Initially, annually there will be six starter scholarships of $5,000 each, two to go to financially-needy students attending the University of Colorado at Boulder; two to go to financially-needy students attending the University of Southern Colorado in Pueblo; two to go to two graduating seniors from Lake County High School who need financial aid to attend college. All must be highly-motivated students with good grades."

The reception raised about $300 for the Achievement Scholarship Program (ASP) which Ms. Monberg founded in 1973 and operated through 1989 to provide scholarships for Washington-area youths on parole and probation to attend college and trade schools. To assure ASP's future, Ms. Monberg turned the program over to the Arch Training Center of Washington, D.C., to operate.

Ms. Monberg was the Washington correspondent for the Pueblo Chieftain and Star-Journal from 1947–84 while she operated a news bureau. She is a graduate of the University of Colorado and of Leadville High School and is a Leadville native.•

TRIBUTE TO WILLIAM ANTHONY BROWN

• Mr. McCONNELL. Mr. President, I rise today to pay tribute to a truly caring Kentuckian. William Anthony Brown is executive director of the largest hospital in Kentucky, Audubon Regional Medical Center.

A native of New York City, Bill Brown is a transplanted Louisvillian who really makes a difference in his community. As CEO of recently formed Galen Health Care's largest Kentucky facility, he has come a long way from his early professional life. In fact, Mr. President, it was a setback early in his career that helped Bill Brown get where he is today.

After receiving his bachelor's in economics from Fordham University, Mr. Brown worked as a high school teacher in New York. It was an occupation he enjoyed as well as one which he believes gave him the confidence to speak to large groups and convey his ideas. But his exciting early career came to an abrupt halt when he opened the paper one morning to find that he along with 600 other teachers had been laid off.

True to his nature, he took this potential setback and turned it into a positive event. In fact, he now believes it was the best thing that could have happened to him. It was at this time that he began his affiliation with work in the health care industry; this in turn led to his eventual position with the Audubon Regional Medical Center.

Bill Brown has a presence that others recognize and admire. Some describe it as an aura which says he is a caring person. He knows well how to mix the business part of his industry with the equally important aspect of caring and understanding.

His work ethic is to be admired as well, Mr. President. He often works 7 days a week and his hours are as varied as the 24-hour business he serves. Helping him with this hectic schedule is what his wife calls a photographic memory.

Remarkably, this Kentuckian has time to serve many charitable organizations as well. Since 1986, he has been active with Home of the Innocents, Louisville Central Area, and the Action League for Physically Handicapped Adults. As if that were not enough, he and his wife Mickey are the proud parents of three young children.

Mr. President, I ask my colleagues to join me in paying tribute to this special Kentuckian. Bill Brown is truly someone who exemplifies the many things that are good in our health care system. In addition, I ask that an April 5, 1993, article from Business First be included in the RECORD.

The article follows:

HEALTH CARE WAS SECOND CHOICE FOR AUDUBON BOSS

(By Eric Benmour)

When William Brown was growing up in New York City, he didn't dream about being a hospital administrator.

In fact, it was only because he was laid off as a teacher in New York that he even pursued a career in the health care field.

His decision to take a job with a New York hospital eventually led him to Louisville, where he now serves as executive director of Audubon Regional Medical Center, which is owned by Galen Health Care Inc.

Brown, 43, says he has been lucky.

"Opportunities have presented themselves at opportune times," he says.

"I'm really excited about the future of this hospital and the future of Galen," Brown says. "I'm the CEO of the largest hospital in Kentucky. If there's something beyond that, that's great. When the time is right it will happen."

And those who work with him are glad he came to Louisville.

"He's been a wonderful adviser to us on a lot of different issues," says Amy Eady Spears, president of the board of directors for Home of the Innocents.

Brown has served as a board member of the organization, including chairing a search committee that found Home of the Innocents' current chief executive director.

Brown has a demeanor that serves him well in any stressful situation, Spears says. "Bill would say this is not a problem, this is an opportunity," she says. "That's the essence of leadership."

Brown's skills will be tested by the ongoing cost pressures in the health care system and by Humana Inc.'s split into two organizations—one to focus on hospitals and one to sell insurance.

"There's a lot more autonomy now at the individual facilities, and that is clearly being felt," Brown says. Before, "you had to make decisions" thinking about both a hospital and an insurance strategy.

Brown says he doesn't know if this will be harder—because of having more autonomy—or easier—because he can focus on the hospital business without worrying about its impact on insurance.

Dr. Robert Goodin says Brown took a creative approach to cost control after he took the job as administrator of Audubon in 1990.

Brown hired a consultant to analyze some of the prices and physician practices at the hospitals, says Goodin, director of cardiology at Audubon.

The consultant was supposed to determine what part of the charges come from Humana and what were a result of physician habits, Goodin says.

For example, a heart surgeon may always lay out extra supplies in case he needs them during surgery.

That could add $5,000 to a bill.

In 1992, the hospital reduced charges for heart catheterization and balloon angioplasty.

Brown says he hired the consultant because he recognized that major employers and insurance companies would be contracting directly with physicians and hospitals for some services in an attempt to control costs. He says he wanted to make Audubon's costs competitive.

In August 1991, ABC-TV aired a report alleging overcharges at Humana hospitals.

Brown says his cost-control efforts started before the report aired. He says he thought the report wasn't fair because it discussed hospitals' charges, which only one patient out of 10 actually pays.

As a result of the consultant's work, Audubon put in "clinical pathways" for its cardiovascular procedures.

"It has great potential to cut into costs," Goodin says. "That's the type of creative leadership I think Bill exhibits. He's a very personable individual and a little on the quiet side."

Brown's wife, Mickey, says her husband grew up with the belief that hard work has its rewards.

"I think his reward is from self-satisfaction, knowing 'I did the best I could do,'" she says.

William Brown says his rewards are self satisfaction, but says "It's hard to quantify."

Brown grew up in New York City, one of five children raised by Anthony William and Loretta Reilly Brown. His father was president of a family-owned manufacturer that made aircraft parts and fire-alarm boxes. His mother was a homemaker and stayed home with the children.

Brown's parents are retired and live in New York.

"We're a very close family," William Brown says.

Once a year they all meet at Hilton Head Island, S.C.

"My parents emphasized the importance of education," Brown says. "All five of us have college degrees and master's degrees. We were always taught to work as hard and diligently as possible, whether it was doing homework or doing a part-time job. That has really influenced me."

Also, Brown says his parents taught their children to be as "helpful as we could to other people."

Brown thinks that attitude lends itself well to health care.

"It's very rewarding to be able to see positive outcomes for people," Brown says. "Even if the outcome isn't so positive, at least to be able to be there to support family members during a crisis."

As a youth, brown attended a college prep school in Wisconsin, which members of his mother's family had attended.

He then returned to New York, where he got a bachelor's degree in economics from Fordham University in 1971. He also obtained a teachers certificate to teach junior high and high school.

"I enjoyed it," Brown says. "Teaching really prepared me to be able to have a lot of confidence in talking with groups of people and presenting my ideas."

Brown was teaching social studies and economics when he read a headline in the New York Daily News about 600 New York City teachers being laid off.

"I was the first one laid off," he says.

When asked where he would be today if not for that layoff, Brown says he doesn't know. "It was probably the best thing that ever happened to me," he says.

He had a friend who referred him to the president of St. Vincent's Hospital and Medical Center. In 1973, Brown began working at that facility as assistant director of purchasing.

He went from there to a job with The Brooklyn Hospital.

"When I got into it (health care), I really liked it," Brown says. "What appealed to me then and what appeals to me now is the interaction with a lot of different people."

He moved to Louisville when he was recruited to take the post of director of shared materials management for both Jewish Hospital and NKC (Norton Hospital and Kosair Children's Hospital).

"I came out for an interview and really liked it," he says of Louisville.

Brown, who was 30 at the time, wasn't married yet. He says he wanted to get married and start a family. He thought Louisville would be a nicer environment than New York for doing so.

He started working in Louisville in October 1979. Shirley Powers, Norton's administrator, remembers why Jewish and NKC hired Brown.

"He's got a certain presence," she says. He made good eye contact, was articulate, dressed well, and had the experience, she says.

"He had all the criteria we were searching for," Powers says.

She says Brown has been successful in his career because he has "an aura about him that says he's a caring person," which is important in health care.

"You have to mix the business part with the concern part" to be an effective administrator, Powers says.

While serving in the director's position, Brown met his wife, Mary Brady, who is known as Mickey.

She met Brown when she stared working at NKC. She remembers him as being nice and thinking to herself, "This guy has got two jobs."

Mickey Brown says she also has been impressed with the fact her husband doesn't have to write anything down. "He has a photographic memory," she says.

In 1982, Jewish and NKC dissolved the joint program and William Brown took a job as assistant vice president of Jewish Hospital.

He was promoted to a vice president and senior vice president of the organization. He was also president and chief executive officer of Frazier Rehab Center when he left to take a job at Humana Hospital-Audubon in 1990.

Brown won't say if he was looking for a job or if Humana approached him.

Neither will James D. Bohanon, president of Galen Health Care Inc.

He says only that "we were looking for someone at that time" and learned Brown was available.

"He's clearly moved the hospital forward," Bohanon says. "There's no moss that grows on anything Bill's involved with."

He says the reduction in prices is an example of Brown's leadership.

Bohanon says Brown is well-prepared for working with Galen.

"I'm really excited about the future of this hospital and the future of Galen," Brown says.

He says he plans more marketing efforts this year. Last summer, Brown established a regional market outreach team to visit every county in central Kentucky and Southern Indiana biweekly.

They go to physicians offices and hospitals, where they talk with nursing directors and discharge planners about Audubon's services.

As the head of a business that runs nonstop, his hours and demands on his time can be unpredictable.

"I like to drop in on weekends and different shifts periodically," he says.

Brown even makes calls on vacations.

"I feel I'm fully responsible for the hospital," he says. "That's just part of the job. You sleep better when you know what's going on and you know everything is under control. My staff always knows how to reach me."

But he's no workaholic, his wife says.

"I think the highlight of his day is to see his children," she says.

The Browns have adopted three children—Blaine, 4, from Korea; Carey, 7, from Ecuador; and Katie Anne, 7 months, from Korea.

The couple adopted William Blaine when he was 4 months old; Carey when he was 6; and Katie Anne when she was 5 months old.

Brown says adopting the children hasn't changed his work schedule, but has affected his free time.

"The three kids have made my free time less free," he says. But he adds that the time is "more valuable and rewarding."

Sometimes he takes the two boys "fish shopping" to find new inhabitants for their fish tank. They may ride bikes or visit the zoo or other local sites.

In addition, Brown does volunteer work. He has worked with the Home of the Innocents since 1986; was active with the Louisville Central Area from 1987 through 1990; and the Action League for Physically Handicapped Adults from 1987 through 1990.

He is currently active with the Boy Scouts of America, as an executive board member, and the Judge's Growth Council.

He loves cooking, traveling and gardening around the Browns' River Fields home.

"His dream would be to live on the beach," Mickey Brown says.•

A VIEW FROM ABROAD

• Mr. DURENBERGER. Mr. President, the poets tell us that one of the greatest gifts that God can give us is to see ourselves as others see us. In the most recent issue of the Economist of London, there is an extremely perceptive analysis of where America stands in today's world.

According to the Economist, we are poised at a turning point in the history of our international relations. While we "can no more disengage from the world" than we "could dispatch California into the ocean," we nonetheless face some fundamental choices about how we are going to remain involved in a multipolar post-cold-war world. The Economist contends that we might consider a return to the balance-of-power politics of the early years of the Republic.

There is some excellent food for thought in this Economist article, and I ask that it be included in the RECORD.

The article follows:

[From the Economist, June 19, 1993]

THE RELUCTANT SHERIFF

Sometimes slumbering, sometimes springing to its guns, America has always treated the world with a mixture of involvement and disengagement. Self-absorbed for much of the 19th century, America finally plunged into the first world war in 1917; nervously isolationist for much of the 1920s and 1930s, it rose to the occasion in the 1940s. Now, after four decades of leading the free world, Americans are increasingly wondering whether they still want, or need, the job. The answer to both questions is yes—albeit with qualifications.

Recent events seem, at first, to support the disengagers. Since its high point in 1985–86, American military spending as a percentage of GNP has been shrinking steadily. Manpower is being cut, both at home and abroad; bases are being closed. The end of the cold war not only gives America a chance to tighten its military belt, but emboldens some of its crankier politicians to ask openly for disengagement. Almost all Americans agree that their country cannot be the world's lone sheriff, that Europe and Japan should do more to shoulder common burdens of defense, and that America's own domestic problems are more pressing than anything, however bloody or heart-wrenching, that flickers over the television screen from places far away.

This is not surprising. On the contrary, it is normal. Most countries construct their foreign policy, without apology, on the basis of national interest. After 1945, the cold war placed America in the position, unique in its history, of being the free world's guardian, spokesman and cheerleader. Over the years the rest of the free world became so used to this, so confident of the American sheriff, that it came to accept this aberration as a permanent truth. It should do so no longer.

AN INWARD GAZE

In fact, when the walls crashed down in Eastern Europe in 1989, American foreign policy had already shifted. Vietnam had taught the generals to avoid, as far as possible, wars where the aims were unclear and the exits unmarked. After the end of the cold war foreign policy is shifted again towards greater selectivity and calculation, and toward a multilateralism in which America could sometimes lead about sometimes hide. Hemispheric and global trading treaties—NAFTA and the GATT—have been held up, or picked at, because America is no longer prepared to act as a free-trade champion at the cost (or so it thinks) of jobs in Michigan or Texas. Bosnia, offering no prospect but expense, entanglement and death, failed the national-interest test spectacularly.

Is the United States therefore moving, in Thomas Jefferson's phrase, to a state of "remaining disengaged until necessity compels us"? That would put it too strongly. At this point in its history, bound by a thousand ties of trade, communication, investment, language, culture and imitation, America can no more disengage from the world than it could dispatch California into the ocean. It remains, because it is so huge, so prosperous and still so armor-plated, the place to which eyes automatically turn when the world's order is disrupted.

Yet with an economy barely creeping towards recovery and a $300 billion budget deficit, America does not feel like the engine of world growth, let alone world peace. With collapsing inner cities, high rates of violence and a society in danger of being balkanised by group interests, it is all too aware of its failures as the chief repository of democratic values. Lastly, America has its own problems with leadership; an impatience with politicians of all stripes, a cynicism about solutions, preference for the maverick path. This hardly equips it to impose a unifying discipline on others

SHERIFF AS CHAIRMAN

Some would argue that this is fine. Military might is no guarantee of skill, or subtlety, or right reading of a problem; multiaterlism seems safer. It is, but the limits of that approach, too, must be understood. The world of the next decade, stripped of its cold-war stabilisers, is likely to be a turbulent and frightening place. Medium-sized countries will more often be fighting medium-sized wars, and Bosnias may multiply. Protectionism is on the rise; trade wars, too, are in prospect.

This is not a world in which the democratic powers can afford to stumble round in disagreement, Multilateral institutions, such as NATO, the United Nations or the GATT, can be only as effective as their members. They need a leader who both believes in their aims and abides by their rules. Western Europe is not ready to act as unit in foreign policy. Japan is not yet prepared, and might never be trusted, to lead a security alliance in the Pacific. That is why the world needs America.

The United States has always fuelled its foreign policy with a sense of moral obligation as well as self-interest. Americans can still be persuaded to a course of action abroad simply because it is "right"; because a Calvinist sense of divine appointment compels it to set the world straight. It is this conviction, as much as sheer protective strength, that the world is hungry for. Nor is the need one-sided. At some point America pays a price, at home as well as aboard, when to fails to stand up for things it believes in.

Americans know this; and, in the baffling new world, they agonise over it. How is the balance to be struck between America's moral impulse, and its narrower interest? And how is America to judge what its best interests are? All foreign policy must involve leaps in the dark. A short-term cost may bring long-term benefits; to stay uninvolved may bring dangers of its own. In Somalia (see next article), are America's interests better served by a short-term engagement or by staying until the job is done? In Bosnia, should it have got involved at all?

The answer might lie, as much of the best of America lies, in the early history of the republic. The Founding Fathers saw their new country as preserver of equilibrium among competing nations. In 1918–19 this balancing role, of first among equals, fell to America quite naturally. It could do so again. Fundamentally, America's broadest interest—peace, freedom and free trade—are also global ones. The health of institutions like the UN and, especially, the GATT also help America; and that health depends on a greater and less self-interested measure of American support. For the most part, America could indeed content itself with running with the herd, acting through steady diplomacy trade, aid and quiet influence. But it should retain the prerogative of leaders: to act swiftly decisively and with force when circumstances require it, or when moral lines must be drawn.

What of America's own self-confidence? The strength America had, and will have again, is not a crudely military one. It lies in the democratic example, in liberal convictions, and in a certain tenderness of conscience. Recover faith in those, and true leadership will look after itself. This studying role will not come to America overnight; nor with Europe and Japan soon stop hiding behind America's broad back. But they must learn to. A mixture of firm diplomacy, altruism and action based on principle cannot be America's alone. Nor should it be; for in this new, case-by-case world, America will take the lead only when impelled to. If the other democracies wish to keep America on board, they too must learn to show initiative, and pull their weight. The nerve-wracking new world disorder is not a place for shirkers.●

A BICENTENNIAL TRIBUTE TO THE OLD KANAWHA BAPTIST CHURCH

● Mr. ROCKEFELLER. Mr. President, I would like to take this time to recognize a truly historical event that occurred this past June 13, 1993, in my State of West Virginia. On this date, the Old Kanawha Baptist Church of Pratt, WV, celebrated its 200th birthday in the Kanawha Valley. This church, one of seven Baptist churches in West Virginia organized before 1800, has played a monumental role in providing service to the southern region of the State.

Recognized as the oldest functioning church in the Kanawha Valley, Old Kanawha Baptist was founded in 1793, the same year Eli Whitney invented the cotton gin. Founding father Elder James Johnson was the first Baptist minister to penetrate the Kanawha Valley area on a religious mission. His sphere of influence was well received over a region filled with individuals hungry for knowledge, and driven by strong convictions. It is well known that many of the early members of his denominational persuasion were unable to read or write.

As far as documentation is concerned, the oldest existing written record of the Old Kanawha Baptist Church has this entry: "May, 1797; after prayer and preaching, proceeded to business." It is believed that the Pratt congregation was formed when George Washington was President and Philadelphia was the Capital of our great Nation.

As the church grew, its field of service extended from Gauley Bridge in Fayette County, some 60 miles northwest, to the State capital of Charleston on both sides of the Kanawha River. In its first century of existence, the congregation did not have any permanent meetinghouse in which to hold worship services and discussions. These were generally held in the homes of its members.

From 1834 to 1857, the congregation met in a building which belonged to Mr. John Hansford, Sr. About 1859, Mr. Felix G. Hansford, Sr., provided the community with another building which was used until the Civil War. Soon after the outbreak of the war, in 1861, the church held occasional services, as it was on the road used by the contending armies. However, during the fighting, misfortune befell the church as many of its earliest records were ravaged and destroyed by soldiers.

The Old Kanawha Baptist members began a building fund in May 1889, and in that same year, a plot of land for the church was kindly donated by Mrs. Julian E. Dickinson. Unfortunately, in July of the following year, just before its completion, the entire $800 building was destroyed by arson. Undaunted, the members began anew, and after devoted community involvement and support, the congregation was able to dedicate their first church on the fifth Sunday in October 1892.

Throughout the years, the congregation has grown immensely. It has expanded from its original humble structure, particularly within the past half century, to a wonderfully large, multiuseful building to accommodate its rapidly growing membership. For instance, in 1957, an educational building was constructed to meet the needs of the church's service and vocational events.

By the mid-1960's, the membership had outgrown the church's sanctuary. Under the direction of the current pastor, Rev. Kenneth Brougham, a spacious, brick edifice was erected and dedicated on August 11, 1968. The church has survived to personify strength, perseverance, and dignity in an ever-dynamic society.

Old Kanawha is an independent Baptist Church with a strong missionary focus. At this moment, under the auspices of Rev. Richard A. Johnson, the church has 167 registered members, and helps support some 14 various missionaries, not only in the West Virginia area but throughout the world.

Mr. President, I would like to close by saying congratulations to the Old Kanawha Baptist Church for two eventful, yet highly appreciated, centuries of unselfish devotion and religious and community service to the State of West Virginia. Indeed, you have much to be proud of, and with the good Lord's blessing, I hope you will be able to provide many more centuries of service. You have made us so very proud.●

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Thursday, June 24; that following the prayer, the Journal of proceedings be deemed approved to date, and the time for the two leaders reserved for their use later in the day; that the Senate then resume consideration of S. 1134, the reconciliation bill, as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, I ask unanimous consent the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 10:08 p.m., recessed until Thursday, June 24, 1993, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 23, 1993:

DEPARTMENT OF JUSTICE

PATRICK H. NEMOYER, OF NEW YORK, TO BE U.S. ATTORNEY FOR THE WESTERN DISTRICT OF NEW YORK FOR THE TERM OF 4 YEARS VICE DENNIS C. VACCO, TERM EXPIRED.

MARY JO WHITE, OF NEW YORK, TO BE U.S. ATTORNEY FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE TERM OF 4 YEARS VICE OTTO G. OBERMAIER, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 23, 1993:

DEPARTMENT OF EDUCATION

JUDITH HEUMANN, OF CALIFORNIA, TO BE ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION.

AUGUSTA SOUZA KAPPNER, OF NEW YORK, TO BE ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION.

DEPARTMENT OF LABOR

KAREN BETH NUSSBAUM, OF OHIO, TO BE DIRECTOR OF THE WOMEN'S BUREAU, DEPARTMENT OF LABOR.

OLENA BERG, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF LABOR.

JOHN D. DONAHUE, OF INDIANA, TO BE AN ASSISTANT SECRETARY OF LABOR.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

CONGRESSMAN TONY P. HALL INTRODUCES WORLD SUMMIT FOR CHILDREN IMPLEMENTATION ACT

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. HALL of Ohio. Mr. Speaker, today, along with the gentleman from New York [Mr. WALSH] and numerous cosponsors, I am introducing the World Summit for Children Implementation Act of 1993. The purpose of this bill is to help fulfill the promise of the world summit for children through funding key international and domestic children's accounts.

In September 1990, 71 heads of state and delegates from a total of 159 countries committed themselves to improving the quality of life of the world's children. When they signed the Declaration and Plan of Action at the summit, they pledged, by the year 2000 to reduce child and infant death rates by one-third, to reduce maternal deaths by half, to reduce severe to moderate child malnutrition by half, to provide children with universal access to basic education, and to protect children in especially difficult circumstances. The world leaders also said in the Declaration, "We are prepared to make available the resources to meet these commitments.* * *"

Despite the rhetoric and promises, the United States is not implementing a multiyear plan "to make available the resources to meet these commitments." While some programs have received increases in the years since the 1990 summit, there is no sense of direction, no comprehensive plan to target the funding increases needed to meet the summit goals and to leverage increased contributions from other nations.

The World Summit for Children Implementation Act proposes the sustained funding commitments necessary to make the world summit for children a reality. At home, the bill seeks added funding in fiscal 1994 and fiscal 1995 for both the Special Supplemental Food Program for Women, Infants, and Children [WIC] and Head Start. The bill urges a Federal commitment to achieve full participation in WIC by fiscal 1996 and full participation of all eligible 3- and 4-year-old children in Head Start by fiscal 1999.

On the international front, the World Summit for Children Implementation Act seeks increases in fiscal 1994 and fiscal 1995, through reallocations within the foreign aid budget, for a variety of essential children's and human needs programs. Among these programs are: child survival, basic education, UNICEF, vitamin and other micronutrients, refugees, and AIDS prevention. In the midst of a foreign aid budget of over $14 billion, surely we can find the funding to allow modest increases in programs that can both save and improve the lives of the world's most vulnerable children.

If the administration is given great discretion in terms of foreign aid spending priorities, the sponsors of this bill and I are urging the administration to spend the kinds of levels on children's basic needs programs suggested in the World Summit for Children Implementation Act. We cannot expect to make progress in addressing the serious challenges to the health and well-being of the world's children by treading water with respect to our financial commitments to programs that have a demonstrated record of achievement.

In addition to proposing specific funding commitments, the bill asks the President to call upon other countries to do their fair share to help meet the goals of the summit. The legislation also requests an annual report from our Government on the progress being made to implement the summit, and an accounting of our spending to achieve the goals.

We have it in our power to significantly reduce the suffering of children all around the world. One of the dividends of the post-cold war era is the opportunity to join with other nations to tackle the global plight of the most vulnerable among us. The World Summit for Children Implementation Act provides a blueprint for concrete action. I urge my colleagues to join in cosponsoring this bill and in participating in the debate about the proper allocation of foreign aid dollars to help children, the poor, and the hungry.

For the benefit of my colleagues, the text of the World Summit for Children Implementation Act follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "World Summit for Children Implementation Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) The United Nations Children's Fund (UNICEF) estimates that 35,000 children die each day from malnutrition and preventable disease.

(2) The World Summit for Children held in 1990, the largest gathering of heads of state and heads of government up until that time, united the world in a commitment to protect the lives of children, diminish their suffering, and enhance their futures.

(3) This commitment is reflected in specific goals that require international cooperation and the commitment of all nations, goals which were incorporated in Agenda 21 at the 1992 Earth Summit and which were also endorsed in the World Declaration on Nutrition adopted at the 1992 International Conference on Nutrition. The World Summit for Children goals include cutting child deaths by at least ⅓, halving maternal mortality and child malnutrition, providing all children access to a basic education, and providing all families access to clean water, safe sanitation, and family planning services.

(4) The United Nations Children's Fund estimates that these goals could be implemented by the year 2000 with a global commitment of just $25,000,000,000 annually, to be achieved through reallocation of resources to increase the proportion of resources going to meet basic human needs, with ⅔ of those resources coming from the developing nations themselves and ⅓ from the industrialized nations.

(5) The United Nations Children's Fund estimates that currently only 10 percent of developing country budgets and less than 10 percent of all international assistance for development is devoted to meeting basic human needs.

(6) If that proportion were doubled to just 20 percent, through reallocation of current resources and without requiring additional resources, this would provide the additional $25,000,000,000 the United Nations Children's Fund estimates is required annually to achieve by the year 2000 the goals of the World Summit for Children.

(7) The United States Government participated in the World Summit for Children and signed the Declaration and Plan of Action adopted at that Summit.

(8) Participants in the Summit committed themselves and their governments—

(A) to prepare, before the end of 1991, national programs of action to help implement the goals and objectives of the Summit, and

(B) to take steps to ensure that child survival, protection, and development programs will have a priority in the allocation of resources.

(9) The United States Government should implement a plan of action to fulfill its commitment to children, both at home and abroad.

(b) PURPOSES.—The purposes of this Act are—

(1) to help fulfill the commitment of the United States Government to children; and

(2) to provide the necessary authorities to implement the United States plan of action.

SEC. 3. SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC).

(a) FINDINGS.—The Congress finds the following:

(1) In 1990, the Surgeon General and the United States Public Health Service announced Healthy People 2000 goals for America's children. These goals include reducing the United States infant mortality rate and the incidence of low birthweight by ⅓ by the year 2000, as well as the initiation of breastfeeding by 75 percent of mothers and the continuation of breastfeeding at 6 months postpartum by 50 percent of mothers.

(2) The special supplemental food program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (in this section referred to as the "WIC Program") is intended to benefit low-income women at risk of delivering low birthweight babies, low-income infants and children at risk of malnutrition, and low-income nursing mothers.

(3) It has been demonstrated that participation in the WIC Program reduces, in a

cost-effective manner, the number of premature births and the percentage of infants born at low birthweight, a major cause of infant mortality and developmental disabilities, and decreases the prevalence of iron deficiency anemia in children, and improves children's cognitive development.

(4) Increasing the rate of breastfeeding among mothers participating in the WIC Program would result in greater improvements in the health of infants and mothers, further reductions in infant mortality, and decreases in health care costs and infant formula expenditures.

(5) Particular attention needs to be given to promoting breastfeeding within the WIC Program through activities which include support of peer counselors working through the WIC Program, utilization of lactation consultants in WIC Program clinics and in hospitals, and training of health professionals in lactation management and development of education materials.

(6) The WIC Program currently serves 58 percent of the eligible population and actions need to be taken to move toward service to the entire eligible population.

(b) FULL PARTICIPATION IN THE WIC PROGRAM.—It is the sense of the Congress that—

(1) the United States Government should make a commitment to achieving full participation in the WIC Program by fiscal year 1996; and

(2) in order to reach the goal of full participation, not less than $3,287,000,000 for fiscal year 1994 and not less than $3,564,000,000 for the fiscal year 1995 should be appropriated to carry out the WIC Program.

SEC. 4. PROGRAMS UNDER THE HEAD START ACT.

(a) FINDINGS.—The Congress finds the following:

(1) In 1990, the President and the Governors of the 50 States met at the Education Summit and set United States education goals for the year 2000, including the goal that all children start school ready to learn.

(2) Since their inception in 1964, programs under the Head Start Act have established an impressive record in providing preschool-age children from low-income families with comprehensive services to address educational, social, nutritional, and health needs.

(3) Head Start programs serve only about ⅓ of eligible children between 3 and 5 years of age.

(b) FULL FUNDING FOR THE HEAD START ACT.—It is the sense of the Congress that—

(1) the Federal Government should make a commitment to achieving full participation of all eligible 3- and 4-year-old children in Head Start programs by the fiscal year 1999, and

(2) in order to reach the goal of such full participation, not less than $4,150,000,000 for the fiscal year 1994, and not less than $4,970,000,000 for the fiscal year 1995, should be appropriated to carry out the Head Start Act.

SEC. 5. INTERNATIONAL INFANT AND CHILD MORTALITY.

(a) FINDINGS.—The Congress finds the following:

(1) During the last decade the international campaign to save the lives of children has resulted in dramatic increases in the adoption of low-cost measures to save children's lives, such as immunizations and oral rehydration therapy.

(2) In September 1991, the United Nations Children's Fund and the World Health Organization were able to report that the goal of 80 percent childhood immunization had been achieved, saving over 12,000,000 young lives during the last decade and continuing to save over 3,000,000 children's lives each year.

(3) The Plan of Action adopted by the World Summit for Children calls for the reduction of under-5 mortality rates by at least ⅓ by the year 2000.

(4) Such progress is possible by consolidating gains already made, and by pursuing new goals and effective programs in such areas as measles, neonatal tetanus, poliomyelitis, and acute respiratory infections.

(5) Efforts should focus on the delivery of community-based primary health care and health education services which directly benefit the poorest of the poor, with an emphasis toward small scale projects rather than large scale infrastructure projects. Such assistance should be provided through private and voluntary organizations and international organizations whenever possible.

(6) Both the United Nations Children's Fund and the United States Agency for International Development have provided strong leadership as well as financial and technical support for these goals.

(b) CONTRIBUTIONS TO UNICEF.—To carry out section 301 of the Foreign Assistance Act of 1961 (22 U.S.C. 2221; relating to voluntary contributions to international organizations and programs), there are authorized to be appropriated $115,000,000 for fiscal year 1994 and $130,000,000 for fiscal year 1995 for contributions to the United Nations Children's Fund for activities to promote child health and other assistance programs on behalf of children.

(c) CHILD SURVIVAL ACTIVITIES.—Section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2); relating to the Child Survival Fund) is amended—

(1) in subparagraph (B), by striking out "$25,000,000 for fiscal year 1986 and $75,000,000 for fiscal year 1987" and inserting in lieu thereof "$150,000,000 for fiscal year 1994 and $210,000,000 for fiscal year 1995"; and

(2) by inserting after subparagraph (C) the following:

"(D) Of the aggregate of the amounts made available to carry out subparagraph (B) of this paragraph, sections 103(a) and section 106 of this chapter, chapter 10 of this part, and chapter 4 of part II and for the Multilateral Assistance Initiative for the Philippines, not less than $405,000,000 for fiscal year 1994 and not less than $490,000,000 for fiscal year 1995 shall be available only for activities described in subparagraph (A), with a particular emphasis on delivery of community-based primary health care and health education services which benefit the poorest of the poor. Such assistance shall be provided through private and voluntary organizations and international organizations whenever possible.".

SEC. 6. GLOBAL MALNUTRITION.

(a) FINDINGS.—The Congress finds the following:

(1) Malnutrition (including protein-calorie malnutrition and micronutrient deficiencies), which is currently the underlying cause of death in the vast majority of childhood diseases, is preventable at low cost.

(2) Vitamin A deficiency remains a scourge of children in developing countries. If access to vitamin A is not increased, an estimated 2,000,000 children face blindness in the 1990s and tens of millions more face increased risk of infection and death. Vitamin A intake has been associated with significant reductions in infant mortality rates.

(3) One billion people are at risk of iodine deficiency disease, with the very young being most vulnerable. Iodine deficiency is a major cause of mental retardation worldwide.

(4) Two billion people suffer from some degree of iron deficiency anemia, particularly women of childbearing age and young children.

(5) The Plan of Action adopted at the World Summit for Children calls for halving severe and moderate malnutrition among children under 5 years of age by the year 2000, for the virtual elimination of vitamin A deficiency and iodine deficiency disorders by the year 2000, and for the reduction of iron deficiency anemia among women of childbearing age by ⅓ of the 1990 levels.

(6) The Congress has already undertaken substantial action to address this problem in the Food, Agriculture, Conservation, and Trade Act of 1990, which established food security for the poorest and the prevention of malnutrition as priorities in food assistance programs administered by the Agency for International Development under the Agriculture Trade Development and Assistance Act of 1954.

(7) Child survival activities are also key to reducing child malnutrition and must be pursued in conjunction with efforts to ensure food security.

(8) Section 411 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736e), as amended by the Food, Agriculture, Conservation, and Trade Act of 1990, authorizes the forgiveness of Public Law 480 debt owed by least developed countries that are pursuing national economic policy reforms that would promote long-term economic development, but the exercise of that authority requires further action by the Congress in an appropriations Act.

(b) PUBLIC LAW 480 DEBT AUTHORITY.—It is the sense of the Congress that authority, in such amounts as may be required, should be granted to the President in an appropriations Act to exercise the debt authority with respect to least developed countries that is provided in section 411 of the Agricultural Trade Development and Assistance Act of 1954.

(c) VITAMIN A DEFICIENCY PROGRAM.—Section 103 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a; relating to development assistance for agriculture, rural development, and nutrition) is amended by adding at the end the following new subsection:

"(h) VITAMIN A DEFICIENCY PROGRAM.—(1) The Congress finds that—

"(A) vitamin A deficiency is a major cause of childhood mortality;

"(B) vitamin A intervention programs are inexpensive, practical to administer, and cost-effective in terms of human productivity; and

"(C) the Agency for International Development is already implementing a Vitamin A Deficiency Program.

"(2) Of the amounts made available to carry out this section, not less than $28,000,000 for fiscal year 1994 and not less than $42,000,000 for fiscal year 1995 shall be available only for Vitamin A supplementation and fortification through the Vitamin A Deficiency Program.".

(d) OTHER MICRONUTRIENT DEFICIENCIES.—In addition to amounts otherwise available for such programs, there are authorized to be appropriated $22,000,000 for fiscal year 1994 and $33,000,000 for fiscal year 1995 for iodine and iron fortification programs, and for iron supplementation programs for pregnant women, under part I of the Foreign Assistance Act of 1961.

SEC. 7. MATERNAL AND CHILD MORTALITY RESULTING FROM AIDS.

(a) FINDINGS.—The Congress finds the following:

(1) As of 1992, nearly 5,000,000 women of childbearing age and over 1,000,000 children were infected with the human immunodeficiency virus (HIV), the virus that causes the acquired immune deficiency syndrome (AIDS). The vast majority of these women and children live in developing countries.

(2) The maternal and child mortality rate in many developing countries will increase dramatically, as will the number of orphans infected with the human immunodeficiency virus, until prevention and control efforts are successful.

(3) The most effective efforts to respond to the human immunodeficiency virus and acquired immune deficiency syndrome are based at the community level and involve nongovernmental organizations as well as government agencies.

(4) The Agency for International Development should expand its assistance to developing countries for community-based prevention, care, and control programs and activities relating to the human immunodeficiency virus and acquired immune deficiency syndrome, and should participate in coordinated efforts with other donors.

(5) Coordination of efforts of bilateral, multilateral, and nongovernmental agencies and organizations is essential.

(b) International AIDS Prevention and Control Fund.—Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c); relating to development assistance for health related activities) is amended by adding at the end the following new paragraph:

"(4)(A) In carrying out this subsection, the President shall promote, encourage, and undertake community-based prevention, care, and control programs and activities relating to the human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS) in developing countries, including research as to the effectiveness of such programs and activities.

"(B) There are authorized to be appropriated $100,000,000 for fiscal year 1994 and $120,000,000 for fiscal year 1995 for use in carrying out this paragraph, which shall be in addition to amounts made available under subsection (g) or otherwise available for such purpose. Amounts appropriated under this subparagraph are authorized to remain available until expended.

"(C) Appropriations pursuant to subparagraph (B) may be referred to as the 'International AIDS Prevention and Control Fund'.".

SEC. 8. INTERNATIONAL BASIC EDUCATION.

(a) Findings.—The Congress finds the following:

(1) Primary education, early childhood development activities, and programs to achieve literacy, are essential for increasing the productive capacity of people and their ability to earn income.

(2) At least 130,000,000 children of primary school age, ⅔ of them girls, are not enrolled in school. Thirty-four countries have literacy rates of 40 percent or less.

(3) The share of government resources devoted to education in more than half of the 40 poorest countries in the world has decreased since 1980.

(4) The Plan of Action adopted by the World Summit for Children calls for basic education for all children and for completion of primary education by at least 80 percent of all children.

(5) United States assistance for basic education in developing countries has accounted for less than 2 percent of all United States foreign assistance in recent years.

(b) International Basic Education.—Section 105 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151c; relating to development assistance for education and human resource development) is amended by adding at the end the following new subsection:

"(c) Basic Education.—Of the aggregate of the amounts made available to carry out this section, chapter 10 of this part, and chapter 4 of part II and for the Multilateral Assistance Initiative for the Phillipines, not less than $225,000,000 for fiscal year 1994 and not less than $380,000,000 for fiscal year 1995 shall be available only for programs in support of basic education, including early childhood education, primary education, teacher training, and other necessary activities in support of early childhood and primary education, and literacy training for adults.".

SEC. 9. INTERNATIONAL FAMILY PLANNING AND CHILD SPACING.

(a) Findings.—The Congress finds the following:

(1) Universal access to voluntary family planning could save the lives of several million children each year and could significantly improve the health of children throughout the developing world by reducing prematurity and low birthweight and allowing longer breastfeeding.

(2) The risk of maternal death or illness in the developing world is highest for women who bear children when they are under the age of 18 or over the age of 35, for pregnancies spaced less than 2 years apart, and for women who already have 4 or more children. Universal access to voluntary family planning could prevent up to ⅓ of the 500,000 maternal deaths annually.

(3) The inability of couples to plan births decreases the quality of women's lives and undermines their opportunities for education, for earning income, for improving the care of children, and for community activities and personal development.

(4) Rapid world population growth, combined with unsustainable patterns of natural resource consumption, has become an urgent economic, social, and environmental problem.

(5) Demographic and health surveys indicate that if all women in the developing world who do not wish to become pregnant were empowered to plan the size of their families, then the rate of population growth would fall by approximately 30 percent.

(6) The Plan of Action adopted at the World Summit for Children calls for voluntary family planning services and education to be made available to all couples to empower them to prevent unwanted pregnancies and births which are "too many and too close" and to women who are "too young or too old".

(b) Authorizations of Appropriations.—In addition to any other amounts made available for such purposes, there are authorized to be appropriated to the President for United States population assistance programs and activities under part I of the Foreign Assistance Act of 1961 $725,000,000 for fiscal year 1994 and $800,000,000 for fiscal year 1995.

SEC. 10. REFUGEES.

(a) Findings.—The Congress finds the following:

(1) The number of refugees worldwide has grown from 10,000,000 in 1985 to 17,400,000 in 1993. In addition, there are estimated to be more than 24,000,000 internally displaced persons. More than half of these refugees and internally displaced persons are children.

(2) The dramatic growth in the number of refugees and displaced persons has resulted in serious reductions in legal assistance and protection, health, nutrition, and basic education services available to them.

(3) Refugee children are particularly vulnerable in first asylum camps from Africa to Southeast Asia where they languish without the comfort of a parent or adult guardian.

(b) Funding for Refugee Assistance Programs.—It is the sense of the Congress that—

(1) not less than $760,000,000 for each of fiscal years 1994 and 1995 should be appropriated for the "Migration and Refugee Assistance" account, of which not less than $420,000,000 for each fiscal year should be available only for programs of refugee assistance overseas (in addition to the amounts available for programs for refugees from the former Soviet Union, Eastern Europe, and elsewhere who resettle in Israel); and

(2) not less than $100,000,000 for each of fiscal years 1994 and 1995 should be appropriated for the "United States Emergency Refugee and Migration Assistance Fund" account.

SEC. 11. THE WORLD BANK.

(a) Instructions to U.S. Executive Directors.—The Secretary of the Treasury shall instruct the United States Executive Director of the World Bank to promote vigorously that the World Bank take action—

(1) to ensure that poverty reduction and support of basic human needs become a higher priority within the Bank, specifically through increasing the proportion of International Development Association investments that fall within the program of targeted interventions against poverty to 40 percent of all International Development Association investments by fiscal year 1994 and to at least 50 percent of all International Development Association investments by fiscal year 1995;

(2) within the field of water and sanitation, to ensure that the majority of water and sanitation projects fall within the program of targeted interventions against poverty and to increase significantly the proportion of World Bank lending for projects utilizing basic low-cost technologies to provide water and sanitation to underserved poor populations in deprived rural and periurban areas; and

(3) to increase the proportion of total World Bank lending which supports primary health care and basic education, with a minimum of 5 percent of total lending devoted to each area.

(b) Definition.—As used in this section the term "World Bank" means the International Bank for Reconstruction and Development and the International Development Association.

SEC. 12. EFFORTS BY OTHER COUNTRIES.

The President shall call upon the governments of other countries to provide their share of the resources required to achieve the World Summit for Children goals by the year 2000, specifically through giving highest priority to increasing the proportion of public expenditures and foreign assistance devoted to priority human needs areas outlined in the Declaration and Plan of Action of the World Summit for Children.

SEC. 13. ANNUAL REPORT.

(a) Requirement for Report.—In order that the Congress and the American people may be fully informed of efforts undertaken by the United States Government to fulfill agreements signed by the United States at the World Summit for Children, the President shall report annually to the Congress on United States contributions to the achievement of the goals of the World Summit for Children. Each such report should include—

(1) a discussion of efforts by the United States to achieve those goals both within the United States and in other countries; and

(2) a comparative analysis of current and past funding levels and planned funding levels for the next 2 fiscal years.

(b) SUBMISSION DATE.—The reports required by this section shall be submitted to the Congress no later than February 1 of each year.

DEFENSE DIVERSIFICATION AND COMMUNITY ADJUSTMENT ACT OF 1993

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. GOODLING. Mr. Speaker, the changes in the former Soviet Union, Eastern Europe, and throughout the world have forced Members of Congress and the new President and administration to reevaluate where the lines on defense spending will be drawn. Both the administration and the Congress must address the problems that this country will face as we move to reduce the amount of money we spend on defense. Today, I am introducing the Defense Diversification and Community Adjustment Act of 1993 to help facilitate the diversification of defense-related businesses and the adjustment of defense-related workers.

Economic conversion will have to occur, and I believe that Congress and the administration must act accordingly to aid the businesses and workers that helped this country win the cold war. The Congress, in particular, must take positive and constructive action to aid in this process.

There are Members of Congress who believe that all of the defense moneys we save should be spent on domestic needs. They call this the peace dividend. Frankly, I believe there is no peace dividend for a person who is handed a pink slip because of a canceled contract or a closed plant. With this in mind, we need to utilize some of the projected savings to offset the hardships that businesses and workers involved in the production of defense material will experience. We have to provide the resources for defense-related business to convert their energies to the production of commercial goods or to stay in business until their special skill is needed again. This money would be better spent on these workers and businesses now, not later. If we continue to wait and address the need when these workers are unemployed, the economic and social costs will be extensive.

Mr. Speaker, the Department of Defense already operates an office that has the skill needed to deal with the conversion issues affecting our defense producers. The Office of Economic Adjustment is currently working in communities across America providing limited financial and technical assistance to businesses, workers, and communities affected by defense downsizing. I believe we can enhance this Office by providing an Assistant Secretary for Economic Adjustment to work in coordination with the Secretary of Defense. My bill creates this position.

This new Assistant Secretary of Economic Adjustment will also have four Directors to assist in critical areas which need to be addressed as our defense industrial base diversifies. These Directors will be responsible for community assistance grants, diversification and adjustment, dislocated workers, and coordination and informational activities. They will work with communities, businesses, and potentially dislocated workers to encourage and facilitate long-range planning to ease the problems that have, and will, occur as a result of defense downsizing.

The Director of Community Assistance Grants will be responsible for aid to communities that are substantially or seriously affected by defense cuts. This individual will also aid in the formation of a community adjustment committee that will include representatives from the different sectors of the communities. The community adjustment committee will then be eligible for direct assistance in grants from the Department of Defense to aid in planning adjustment.

The Director of Diversification and Adjustment will be responsible for the facilitation of aid to businesses as well as aid to businesses to retain critical technologies. This director will work to effectively assist defense-related businesses in the conversion of commercial production and will also be able to provide technical experience to aid in this area. Finally, this director will be instructed to work with Defense Advanced Research Products Agency [DARPA] to help retain critical technologies of certain weapon systems.

The Director of Dislocated Workers will be responsible for improved worker notification and also in working with the Department of Labor to develop a means to assist in the adjustment of the defense-related workers. This would also entail identifying areas where businesses and workers would be substantially and seriously affected. This director will also work with the Secretary of Labor to develop a grant system to provide States with adequate resources to assist eligible defense workers.

The Director of Coordination and Information will be responsible for the coordination and the assembly of a listing of all Federal programs offered to communities, business, and workers. The director will also be equipped to provide antitrust information to defense contractor and subcontractors when they consider entering into partnerships and joint ventures. The director will also be ready to provide information to the Federal Trade Commission regarding the merging of defense companies facilities in the manufacturing of a product.

I believe we need to address some of the current barriers to small business conversion to commercial production. My legislation would amend the Department of Defense application of the Federal Acquisition Regulators [FAR] as they apply to defense contractors that use defense machinery to do nongovernment work. I believe we have to change the regulations to provide the Secretary of Defense with more flexibility to allow businesses to have the flexibility to pay back the Government at a phased in rate to be determined by the Secretary of Defense. I believe this language would help the smaller contractors and subcontractors jump into the competitive market with their ideas to move into the commercial market from defense production.

Title II of my bill would provide an additional $50 million for employment and training assistance to defense-related dislocated workers. This legislation would build on the current program that was put in place in the National Defense Authorization Act for Fiscal Year 1993. This legislation would also amend section 325A of the Job Training Partnership Act. This bill would provide for the timely transfer of authority from the Department of Defense to the Department of Labor for the provision to services to workers losing jobs through a closure or realignment of a military facility or the cancellation of a defense contract. This provision would put all job training programs back in the Department of Labor.

My bill expands eligibility for employment and training assistance under this program for those losing directly through the cancellation of a contract, or the closing of a defense facility, extending eligibility to people in a seriously affected community, whose job loss can be attributed to defense cutbacks in that community. Finally, my bill also makes changes to the current Dislocated Worker Program to make the program more applicable to defense-related dislocated workers.

I believe we have an obligation to help the large and small businesses that have provided this nation the best and most technologically advanced products for our Nation's defense. My legislation would provide aid to most large and small businesses that have a stake in converting their defense production to commercial industry. This legislation would provide the new Assistant Secretary of Economic Adjustment with $300 million for conversion activities. This bill would also provide $50 million for conversion programs under the National Institute of Technology [NIST], $25 million for manufacturing extension centers and $25 million for procurement technical assistance centers. Finally, my bill would authorize $50 million for the Department of Labor to be used for JTPA programs authorized under this act. The total cost of this conversion legislation would be $450 million for fiscal year 1994.

The Defense Diversification and Community Adjustment Act will move to make necessary changes to provide small businesses with a chance to provide new job opportunities to displaced defense workers. This bill would instruct the new Assistant Secretary to coordinate activities with the Administrator of the Small Business Administration to provide assistance to qualified small businesses. This bill would also make defense dependent small businesses eligible for all conversion assistance that the larger defense contractors already enjoy.

Mr. Speaker, my bill attempts to improve upon many programs which we already have in place. It attempts to provide a solution to many of the problems that economic conversion will cause for policymakers and elected officials. We need to act now to provide an effective response to any future cuts in defense. We have to act responsibly and constructively for our communities, our businesses, and our workers to provide appropriate diversification and adjustment assistance. I urge my colleagues to examine the issues involved and to lend their support to this urgently needed legislation.

RETIRE THE SELECTIVE SERVICE SYSTEM

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STARK. Mr. Speaker, today my colleague, Mr. ROHRABACHER, and I are introducing legislation to repeal the Military Selective Service Act.

The purpose of the Selective Service System is to be ready to supply the Armed Services with eligible personnel should the draft be reinstated. But we haven't seen a need to reinstate the draft since 1973 and I am confident that if a crisis arises, Americans will volunteer to serve as they have in other times of national peril.

The Selective Service has served us well in the past, but after 20 years of nonuse it is time to retire this agency. The Federal budget is being squeezed for every last penny. Military bases in our communities are being closed, military personnel are seeing their careers cut short, and senior employees of defense contractors are finding themselves unemployed and unmarketable in their fields of expertise. We must make every effort to eliminate idle Federal agencies such as the Selective Service.

This agency employs 267 civilians and over 600 military personnel who are trained to maintain a nationwide data processing system to store registration records, and to issue them should the President and Congress reinstate the draft. The fiscal year 1993 budget for the Selective Service was $28.6 million. Over 65 percent of its budget is absorbed by personnel compensation.

Certainly, the advanced technology and high-speed computers of today can quickly provide us with lists of potential draftees should a need arise to reinstate the draft. In fact, the Selective Service System currently uses a compliance program that identifies possible nonregistrants using data from State and Federal agencies, such as high school and voter registration lists, the Social Security Administration, the Office of Personnel Management, the U.S. Postal Service, and the Immigration and Naturalization Service. The primary source for identifying potential registrants, however, is driver's license data which make up 86 percent of the potential registrant records processed by the Selective Service under the compliance program. From 1982 through 1992, 4.3 million men were contacted through this automated compliance program.

The Selective Service System was established for good reason in 1940. The power to enforce registration was revoked in 1975 and reestablished in 1980. If we encounter serious problems in the future, it can be reestablished, or reinstituted once more. The times have again changed and it is time to retire the Selective Service System again—hopefully for a long, long time.

THE UNIVERSITY OF VIRGINIA WINS THE 1993 COLLEGE BOWL CHAMPIONSHIP

HON. L.F. PAYNE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. PAYNE of Virginia. Mr. Speaker, it is my honor and privilege to recognize the University of Virginia as the 1993 winners of the College Bowl National Championship.

The College Bowl is a question and answer game of knowledge and recall that has been termed "The Varsity Sport of the Mind." It provides students a chance to excel on the playing field of knowledge and demonstrate their skills under the fire of varsity competition.

In four decades of competition, the College Bowl has received citations from six U.S. Presidents, earned every major educational and media award, including an Emmy, and is the only game ever to be honored with a Peabody Award.

The University of Virginia team members—John H. Harris, F. Burton "Burt" Kann, Charles Odell, Brian Rostron and James M. "Jamie" Weiss—were named champions after an exciting competition. They were supported by long-time coach Tom Michael, and the University Union co-chairs, Kathleen Kelly and Phil O'Donoghue.

The UVA team members accurately responded to questions on a wide range of topics including history, literature, science, multiculturalism, religion, geography, arts, current events, social science, sports and popular culture.

Team captain John Harris and Brian Rostron both qualified for the All-Star game, and Brian Rostron was the tournament's leading scorer.

Mr. Speaker, this is the 250th anniversary of the birth of Thomas Jefferson, who founded the University of Virginia. I am certain that Jefferson would have been proud of the success of these able students. And he would have applauded the College Bowl competition for furthering the pursuit of multidisciplinary knowledge.

Our recognition today of these academic heirs of Thomas Jefferson is a timely affirmation that knowledge should be consumed, life savored, and dreams achieved with the same poise and courage exemplified by these fine University of Virginia students.

COMMENDING THE INSTITUTE IN BASIC LIFE PRINCIPLES

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. JOHNSON of Texas. Mr. Speaker, in accordance with the spirit of the Taiwan Relations Act passed by Congress in 1979, a delegation of 163 young people and parents traveled from America to the Taiwan Republic of China Capital of Taipei for a series of high-level conferences and school visits.

Among the official meetings conducted by the Taiwan Government for these American citizen-ambassadors was a meeting with President Lee Teng-hui in his Presidential offices. In addition to conveying his appreciation for the example of these youth among the Chinese school children and families, the President expressed his own desire for personal counsel in applying character and Biblical principles to his leadership. A channel was opened by him for direct, daily contact for this input to be given.

Other government meetings and briefings of significance included a historic conference with the Republic of China Ministry of Education, meetings with the Republic of China Ministry of Foreign Affairs, and the Taipei Cit Bureau of Education. The Taipei Education Bureau also hosted an official full-day training seminar for 1,000 of their principles and educators to attend and learn from the American youth and teachers how to implement principles and concepts of successfully dealing with teenage conflicts and juvenile delinquency problems. In addition to these official meetings, teams of young people gave training and had personal interaction with literally tens of thousands of Taiwanese children through daily school and university visits and a citywide youth rally.

An all-day training seminar was also provided for over 1,000 pastors, and the group was further invited to present a week-long seminar on character and basic life principles for an unprecedented audience of over 3,000 from the general public of Taiwan.

It is amazing to consider that within the 7-day period of May 23–29, 1993 at least 25,000 Taiwanese, including the president of the nation, national and city government officials, and also school teachers, pastors, families, and children.

The delegation also spent a week in Singapore to meet with the Senior Minister of the State for Education and to respond to similar training requests as Taiwan for Singapore leaders and families. Hundreds of parents, youth, business executives, and national leaders also traveled from seven other Asian countries to meet with the group as they were in Singapore.

The 163 individuals who presented a most exemplary representation of American ideals should be commended for their efforts.

THE DEATH PENALTY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. JACOBS. Mr. Speaker, I thought the membership might like to see this extraordinary article from the Indianapolis Star:

[From the Indianapolis Star, May 30, 1993]

THREE WHO HAVE BEEN TOUCHED BY MURDER UNITE IN STAND AGAINST DEATH PENALTY

(By Rob Schneider)

Marietta Jaeger was a mom, Bill Pelke was a steel worker, and Sam Sheppard was a 7-year-old boy without a care in the world.

Living in different parts of the country, chances are their paths never would have crossed.

But murder has brought them together. In different times and places, each lost family members to crimes of stunning viciousness.

This week, all three will journey to Indiana to take part in a statewide demonstration—a two-week "Journey of Hope," sponsored, in part, by the families of murder victims.

And they, along with members of other organizations, participating in the event, have a most astonishing goal:

An end to the death penalty.

Ask Marietta Jaeger, and she will tell you about anger.

It overflowed within her one June day in 1973.

Her 7-year-old daughter, Susie, had been missing for days, kidnapped from her tent in a Montana campground.

The FBI, local authorities and volunteers had combed the area for clues. But they found nothing.

Finally, the searchers tuned their attention to a river that ran next to the campground, dragging it for signs of the girl's body.

"The boat would move and it would stop. Every time it would stop, my heart would stop because I was so afraid they would find Susie," Jaeger said.

As she watched, it began to dawn on Jaeger that she might never see her daughter again.

And the anger began to well up inside her.

"Finally, I just couldn't keep it squelched anymore," Jaeger said. Her image of herself as a "good Catholic girl" began to crack.

By the time she went to bed that night, she could barely contain her rage.

"I said to my husband . . . 'I could kill him,'" said Jaeger, who now lives in Detroit. "I meant it with every fiber of my being. I'm sure I could have done it with my bare hands and a smile on my face.

"I felt it was a matter of justice, that he needed to pay for what we had already gone through and for whatever Susie had to endure."

So today, when Jaeger hears people talk of wanting revenge, she understands perfectly.

But don't expect her to agree.

A torturous internal struggle to reconcile her urge for revenge with her religious beliefs left Jaeger certain of one thing: Society must resolve its problems through something other than violence.

Which is why Jaeger will be part of the Journey of Hope.

"I know people think this lady is off the wall," she said. "Or they think—and this really hurts me so—they think I must not really have loved my little girl."

But that couldn't be further from the truth. Because Jaeger's opposition, ultimately, was born of love.

TUSSLING WITH GOD

"I argued and argued with God and really had a wrestling match. I gave God permission to change my heart."

First, though, would come a test—agonizing and heartbreaking.

Within days of the disappearance, police received a call from the kidnapper offering to exchange Susie for a ransom. Other calls would follow, but the suspect could never decide how to make the exchange.

The family's hopes rose and fell as reports of possible suspects and tips surfaced, then fizzled.

During that time, Jaeger took an unusual step.

"I began to pray for him every day, which initially was the last thing I felt like doing," she said.

"I worked hard to discipline myself, to remind myself this man was a son of God, even if he hadn't behaved like one."

Then, after a wire service story about Susie's disappearance appeared a day before the one-year anniversary, the kidnapper called again.

"It became clear he was calling to taunt me," Jaeger said. "But in spite of the fact he was being very smug and very nasty, to my own amazement, I realized that I was feeling genuine concern and compassion for him."

A LONG TALK WITH KIDNAPPER

That concern stunned the kidnapper. He broke down and wept and the two began a conversation that would last an hour.

Jaeger flooded him with questions about her daughter: "How are you keeping her? Is she getting any education? How are you fixing her hair? What kind of clothes is she wearing?

The call provided investigators with some much-needed clues. Coupled with other information—and details gleaned from another call to Jaeger—police arrested a 25-year-old man named David Meirhofer nearly three months later.

A search at an abandoned Montana ranch turned up a chilling hint of Susie's fate, however; part of a backbone experts believed came from a young female child.

Later, Meirhofer admitted he had killed Susie about a week after he'd taken her.

Even so, Jaeger said she had no interest in revenge. She wanted Meirhofer treated, not executed.

"To have him killed in Susie's name would be to violate the goodness, the sweetness and beauty of who Susie was," her mother reasoned.

Meifhofer accepted an offer from federal authorities to plead guilty in exchange for life imprisonment. Four hours later, though, he committed suicide.

"It was not what I wanted for him," Jaeger said. "It was another terrible blow."

Since her daughter's death, Jaeger has met many parents who have lost children to acts of violence.

And she has seen the effects of keeping a vindictive mind-set.

"While I've been there and know it is a normal, valid human response, I also know we have to get beyond that," Jaeger said.

"I'm not saying you forgive and forget, because you never forget."

And she certainly doesn't believe people who commit violent crimes should be put back on the street.

But Jaeger rejects the notion that putting killers to death is a measure of justice for their victims' families.

"There are," she said, "no amount of retaliatory deaths that will compensate for the loss of our loved ones."

A CHANGE OF HEART

Bill Pelke is a steel worker in Portage who hadn't given the death penalty a second thought.

Until 1985.

That was the year his 78-year-old grandmother—Ruth Pelke of Gary—was beaten and stabbed to death by a group of girls who knocked on her door requesting Bible lessons.

A 15-year-old girl named Paula Cooper was arrested and charged as the ringleader.

At the time, Bill Pelke wanted nothing less than her death.

"My thoughts were, they were handing out the death penalty for serious crimes and if she didn't get it, it would devalue the life of my grandmother," Pelke said.

He thought his prayers and been answered when the teenager was convicted and sentenced to die.

Four months later, he had a change of heart.

LOOKING AT LIFE AND DEATH

Personal troubles had set Pelke thinking about his life, his grandmother's life and her death.

He pictured tears running down his grandmother's face—tears he believed could stem only from love and compassion she felt for her young assailant, now sitting alone in a jail cell.

Convinced that his grandmother would want a family member to speak out against Cooper's execution, Pelke became active in the anti-death penalty movement. He participated in protest marches in Florida in 1990 and in Texas in 1991.

During the Texas march, Pelke suggested a march be held in Indiana and that Murder Victims' Families for Reconciliation—on whose board he serves—should be its sponsor.

The Indiana event is expected to be one of the largest anti-death penalty events in recent years, drawing participants from across the country.

"Murder is a horrible crime," Pelke insisted. "But there has to be some other way than the death penalty."

PAINFUL CHILDHOOD MEMORIES

When Sam Sheppard talks about executions, childhood pain from long ago still seeps through.

In 1954, his father, Dr. Sam Sheppard, was a 30-year-old surgeon who owned a Dutch Colonial home in suburban Cleveland, a sporty Jaguar and a Lincoln Continental convertible.

His mother, Marilyn Sheppard, was 31 and four months' pregnant.

Life, in short, was good.

But in July of that year, Sheppard's world was turned upside down.

"My mother was murdered when I was 7 years old. Within five to six months (of the murder) the State of Ohio asked the jury to execute my father for a crime he didn't commit," Sheppard said.

DAD FACED POSSIBLE EXECUTION

"So my view is I lived through the trauma of a murdered parent and then was terrorized by the state with the threat of the execution of my father," said Sheppard, also a board member of Murder Victims' Families for Reconciliation.

A jury ultimately found the elder Sheppard guilty of second-degree murder, instead of first-degree, which meant the death penalty could not be imposed.

Eventually, Sheppard won a new trial and was exonerated in 1966. He died four years after being released from prison.

His son still shudders at the thought of what could have happened.

"I know that if they had convicted him of first-degree murder and executed him within six to 18 months, which they were doing in those days, I would not be alive.

"I could not have withstood another trauma of that magnitude in my life."

Like Pelke and Jaeger, Sheppard believes violence—whether in the form of guns on the street or electric chairs in state penitentiaries—is not the solution to violent crime.

"I sincerely believe it hurts people more, particularly the children." said Sheppard, who lives in Cambridge, Mass.

And so he will participate in the Journey of Hope and trust that Hoosiers will consider its message.

"I went to high school in Indiana, to Culver Military Academy, know first-hand that people in Indiana are decent, solid people." he said.

"I think if they are exposed to the truth, they will be able to decide for themselves."

TRIBUTE TO PHILIP G. HALL

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. SCHAEFER. Mr. Speaker, the employee-owned, 5,000-person international consulting engineering firm of CH2M Hill, whose operational headquarters is located in my district, completed the final step in its multiyear, three-part senior management transition with Philip G. Hall becoming chairman of the board on February 5, 1993. Phil's election completes the firm's new management team, which includes Ralph R. Peterson as president and chief executive officer of CH2M Hill Companies, Ltd., and Lyle G. Hassebroek as CH2M Hill, Inc., president. James W. Poirot, CH2M Hill's Chairman since 1983, retired from that post with the well-deserved title of chairman emeritus. He remains active in the firm performing specialized roles of his and the company's choosing.

Mr. Hall's 26-year tenure with the firm began in 1966 as a project engineer in CH2M Hill's Seattle office. During an extensive career he has held positions as the firm's San Francisco regional office manager, southwest district manager, central district manager and vice chairman of the board. His varied technical and project experience, combined with challenging management roles and four terms on the firm's board of directors, have given him a solid foundation for the challenges that lie ahead.

A native of Michigan, Phil and his wife Dani, their son Scott and daughter Tracy, live in the Denver area. Prior to becoming chairman, he completed the advance management program at Harvard Business School. His engineering education includes a M.S. in environmental engineering and a B.S. in civil engineering—both from the University of Michigan. He belongs to numerous professional organizations, including the Western Regional Council, where he is vice chairman. Hall indicates that one of the greatest influences in his life was his service in the Peace Corps from 1963 through 1965, where he worked in rural Ecuador to meet water supply needs.

My heartiest congratulations to Phil and his family and I wish them the best of luck.

CONGRESSIONAL COVERAGE FOR DISCRIMINATION AND FAMILY LEAVE ACT INTRODUCED

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. GOODLING. Mr. Speaker, today I am introducing the Congressional Coverage for Discrimination and Family Leave Act. With this bill, and it is only a first step, I hope we will be that much closer to actually covering ourselves with the same laws we impose on others.

Yes, it is true that, as of late, the House and Senate have been more sensitive to the need to be even handed, and Congress has recently extended coverage of certain laws to itself.[1] But the devil is in the fine print, and we see that, at least in the House, enforcement of these laws has been left to our own internal Office of Fair Employment Practices [OFEP], with its own set of procedures and remedies. At this point it would be stating the obvious to argue that the office is ineffective. The May 27, 1993, GAO report finding that only seven employees have filed formal complaints since November 1988 and that only one of four final decisions made a finding of discrimination—awarding only $18,000 including attorney fees, I understand—is enough to indicate that something is wrong here. Compare those facts to the massive litigation and damages which characterize litigation in the private sector. Of course, I suppose that one could argue that those statistics indicate that discrimination is virtually nonexistent on the Hill, and that explains the absence of complaints—but I won't be the one to do so.

But even if the OFEP appeared to be a reasonable forum for the resolution of employee complaints, it would not be enough. We are dealing with a more fundamental question: that is, should we in Congress conduct ourselves under a different set of requirements—including enforcement and damages—than what we impose on the private sector? I say that, absent manifest constitutional limitations, the answer is no. What this means is that, for example, if the law that applies to the private sector provides for punitive and compensatory damages in employee civil actions, with jury trials, then the law that applies to Congress should provide the same avenues of redress. There is no magic in this idea, only equal treatment. This is the approach I took last Congress in H.R. 4815 which amended the Age Discrimination in Employment Act [ADEA] to, among other things, apply the act to the House, and this is the approach I took this January in the Republican substitute on House rules.

The bill I am introducing today follows this theme. In a nutshell, this bill will extend the ADEA to the House. It would also add to this extension and to those provisions of the Americans with Disabilities Act [ADA], title VII of the 1964 Civil Rights Act, and the Family and Medical Leave Act, which extended coverage under these laws to the House, a private cause of action by House employees in Federal district court against Members, including the same procedures, including jury trials, and the same damages, attorney fees, and court costs as would be available against private sector employers.

A detailed explanation of the bill follows. I should note, however, that it provides for personal liability on the part of Members in the sense that Members must reimburse the fund which pays damages on their behalf to an aggrieved employee and that it includes agents as part of the definition of covered employers. Hence, administrative assistants, staff directors, and similar staff with managerial-type responsibilities could be personally liable under this bill. Agents have been included because the definition of employers covered under title VII, the ADEA, and the ADA includes agents. The private sector has suffered much litigation over the meaning of this provision, and it would be wrong to avoid the issue here. I recognize these are controversial areas, but they need to be addressed as part of the real nuts and bolts of congressional coverage. I hope their inclusion in this bill will get that debate moving.

The instrumentalities of Congress have been treated similarly. It bears special mention that apparently none of the instrumentalities were covered under the recently passed Family and Medical Leave Act. This bill corrects that omission, including, of course, a private cause of action in court.

Is a private cause of action constitutional? I'm no lawyer, but CRS prepared an analysis of this issue at my request and concluded that the weight of the case law indicates that it is. I do, however, realize that executive branch enforcement against the Congress does raise serious constitutional concerns, as another CRS analysis has confirmed, and that, in any event, executive branch enforcement is not politically achievable. Hence, this bill does not provide for such enforcement.

Mr. Speaker, this legislation will mark but one milestone in the long process of bringing Congress under the workplace laws of this country, and I recognize that other laws remain to be addressed, but passage of this legislation will establish an important precedent, and with it, Congress will be one step closer to transforming rhetoric into substance. I look forward to working toward passage of this legislation.

CONGRESSIONAL COVERAGE FOR DISCRIMINATION AND FAMILY LEAVE ACT

1. Summary.—The bill would extend the Age Discrimination in Employment Act (ADEA) to the House. (ADEA currently applies to Senate but not the House.) Also adds to this extension and to those provisions of the Americans with Disabilities Act, Title VII of the 1964 Civil Rights Act, and the Family and Medical Leave Act, which extended coverage under these laws to the House, a private cause of action by House employees in Federal district court against Members, including the same procedures (including jury trials) and the same damages, attorney fees, and court costs as would be available against private sector employers. (Note: Jury trials are not available under the ADA and Title VII in so-called "disparate impact," i.e., unintentional discrimination cases.)

2. Private cause of action.—This private cause of action could be initiated within 90 days of exhausting procedures under the House Office of Fair Employment Practices (OFEP) or 180 days after the filing of a complaint with the OFEP. This requirement will help reduce the number of cases going to court, assuming the OFEP process is prompt, meaningful, and fair, providing for adequate damages. Similarly, the threat of court action will place institutional pressure on OFEP to become a truly effective remedial process.

3. Executive branch enforcement.—Because of serious Constitutional concerns (and political realities), the executive branch agencies would not have an enforcement role. (Memoranda by the Congressional Research Service

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[1] For example, the House has extended coverage to itself under Title VII of the 1964 Civil Rights Act, the Americans with Disabilities Act, the Fair Labor Standards Act, and the Family and Medical Leave Act. The Occupational Safety and Health Act and the Age Discrimination in Employment Act are examples of employment laws not extended to the House at all.

requested by Mr. Goodling have concluded that private law suits against Members arising from employment are probably Constitutional but that executive branch enforcement does raise serious concerns.)

4. Personal liability; caps.—The bill provides for personal liability on the part of Members in the sense that a Member would be required to reimburse the House fund which compensates an aggrieved employee. This approach is patterned after a similar provision adopted in the Senate in the Civil Rights Act of 1991 (a provision later repealed in the closing days of the 102nd Congress.)[1] Damages under Title VII and ADA cases would, however, be capped at $50,000 for compensatory and punitive damages plus lost backpay/benefits—the cap applicable to small businesses (15–100 employees) imposed under the Civil Rights Act. As personal liability is being provided for, this cap seems appropriate. There would be no cap of damages under the ADEA or the FMLA, as there are none in these statutes as applicable to the private sector. Damages under the ADEA are limited to lost backpay and benefits, plus double such damages in "willful" cases, and under the FMLA basically double lost backpay and benefits unless the employer shows that he or she acted in good faith (all of which can be considerable.)

This provision is, obviously, controversial and is intended to engender debate over whether personal liability is appropriate at all and, if so, whether the House should be financially responsible to the employee at all, even if the Member is required to reimburse the fund. These are difficult questions which need close examination.

5. Agents.—"Agents" of Members are included for coverage under Title VII, the ADA, and the ADEA because the definition of covered private sector employers under these laws expressly includes agents. Hence, administrative assistants, staff directors, etc., would be covered under this bill and would likely to subject to law suits and damages. This is another controversial area, but one which should be raised for debate. The private sector has endured much litigation over the meaning of the agency provision under Title VII, and it would not be proper to avoid the issue here. Further, the Supreme Court in the seminal 1986 Vinson case concerning sexual harassment relied on the agency provision in Title VII in concluding that employers should not be automatically liable for the acts of their agents in such cases, depending on other circumstances. The concept is, therefore, important to discrimination law.

6. Instrumentalities.—Although coverage of the so-called instrumentalities of Congress (e.g., the Architect of the Capitol, CBO, GAO, OTA, etc.) receives little attention, there is no good policy reason (and certainly no Constitutional reason) why employees of these entities should have less rights than House employees. Hence, they are covered (with allowance for private law suits) in a similar manner as outlined above for House employees. The concept of agency has been included, but not personal liability.

7. Guidelines.—Finally, the bill requires that any guidelines issued to implement the Act be published in the CONGRESSIONAL RECORD for at least 60 days to allow comment by interested parties. Thus, any effort to deviate from its requirements will be subject to public scrutiny.

DRUG PRICE REVIEW BOARD ROLLS BACK EXCESSIVE PRICES

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STARK. Mr. Speaker, earlier this month, the Canadian Patented Medicine Prices Review Board [PMPRB] announced that Genentech Inc., a biotechnology company based in south San Francisco and Genentech Canada Inc., have agreed to comply with the PMPRB's finding that the price of their product, activase, also known as tPA or tissue plasmogen activator, was sold at an excessive price. To comply with the PMPRB's order, Genentech agreed to lower its price to the U.S. price and refund $1.755 million in excess profits. Under the Canadian legislation, this money can be paid back to the purchasers.

This example shows how a Drug Prices Review Board can work. I personally think that the U.S. price remains much too high. Many United States made drugs are priced substantially lower in Canada and I am surprised that the Canadians did not insist on an even lower price. Many Western European nations certainly pay much less for identical brand name drug products. One of our Nation's leading cardiac specialists has just written in to express his support of a much lower price for activase. Regardless of the price adjustment in Canada, this example clearly shows how a board can save the public and the consumer huge sums of money and not jeopardize R&D.

Activase costs about $2,400 per dose in the United States and is similarly priced in Canada. You may recall that Genentech Inc., recently published the results of $55 million study which compared the drug with its nearest competitor, a drug called streptokinase, which costs $240 per dose. Both of these substances act to dissolve blood clots that are associated with a heart attack. Ideally the drug is injected into a patient as soon as possible after a heart attack. The study found that use of activase resulted in a 14-percent reduction in mortality. Note that a major difference between these two drugs is the price—activase costs 10 times more than streptokinase.

In its May 1, 1993 article on the activase study, the New York Times noted that, "following the usual practice of pharmaceutical companies, Genentech has not released the costs on which the price of tPA is based and has given no indication that the price could be reduced." The article quotes Dr. Eric Topol, the head of cardiology at the Cleveland Clinic Foundation and director of the study, who said the new findings, rather than mandating a shift in clinical practice were information "to be put into context with the other trials and the available data in the field." On the issue of pricing of activase and the need for a statutory price review mechanism, Dr. Topol has written to me and said:

> Our trial of over 40,000 patients with heart attack documented very clearly the advantage in life-saving capacity of tPA over established, standard clot-dissolving drugs. Unfortunately, the price is very high and remains now the singular issue for why all patients with heart attack suitable for clot-dissolving therapy (presenting early with no contraindications) would be receiving this advance in biotechnology. Accordingly, it would be ideal for there to be a substantive decrease in the cost of tPA and it is noteworthy that in other countries such as most of Western Europe, the price is half of that in the United States. Collectively, our trial's findings along with the pivotal societal issues indicate the need for a Prices Review Board.

What we have here is another example of an extremely highly priced drug that lacks any clear justification for such an excessively high price. Even though some of these drugs may have demonstrable benefits in terms of a therapeutic comparison with other therapeutic agents, when costs are considered, many of them are not cost-effective because of their excessive prices.

In addition to ordering a price reduction and imposition of a fine on Genentech's activase, the Canadian PMPRB has protected consumers, pharmacists, insurers, and taxpayers by ordering price reductions on a number of other drugs:

Brand name, manufacturer, and action:

Imovane, Rhone-Poulenc Rorer, $1.63 million fine.

Capoten, Bristol-Myers Squibb, price reduction.

Desyrel, Bristol-Myers Squibb, price reduction.

Tenormin, ICI Pharmaceutical, price reduction.

The PMPRB's annual reports indicate that price reductions have been made on over 70 other drugs. I imagine that Canadian consumers and insurers have been banging on the drug companies' doors to claim their refunds for the excessive profits which the board has ordered must be paid.

An important point to note concerns the impact of the price review mechanism on research and development [R&D] expenditures. The Canadian PMPRB reports that the pharmaceutical industry has been consistently increasing its expenditures on R&D even with the actions of the price review mechanism. Obviously, the findings of the Office of Technology Assessment are correct—multinational drug companies are making more than enough money to continue their R&D activities and still run their lavish advertising and marketing campaigns.

The Prescription Drug Prices Review Board, as proposed in bill H.R. 916, would create a review mechanism in the United States similar to that in operation in Canada. It would likely consider products' relative cost-effectiveness, using methodologies currently employed in Australia and under development in Canada and the European Community. This board would review the prices of drugs used both in hospitals and in the out-patient prescription market to ensure that consumers and taxpayers have some recourse against the type of price gouging that is currently undermining our efforts to contain health care costs and ensure that necessary medicines are available at fair prices.

I hope that Congress will heed the recommendations of Dr. Topol and a variety of other health and consumer advocacy groups and give serious consideration to my proposal for a prescription drug prices review board.

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[1] The Senate continues to provide for limited court review of determinations arising from civil rights cases processed through its own internal body but does not provide for a full hearing in court. Further, Senate employees may not recover punitive damages.

PENSION REFORM ACT OF 1993 INTRODUCED

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mrs. KENNELLY. Mr. Speaker, I rise today to introduce the Pension Reform Act of 1993.

There can be no doubt that the status of women in America has changed dramatically in this century with these changes having profound implications for the long-term economic security of women. Whereas, heretofore extended families cared for the aged, both male and female, women today are increasingly likely to be alone as they age due to the disappearance of the extended family, mortality rates, and the increased incidence of divorce and single parenthood. And when one considers the average woman earns 68 cents for every dollar earned by the average man, it is easy to understand why the poverty rate is so much higher among older women than older men, 15 percent versus 9 percent. Even more striking is that the median income of women aged 65 and older is $6,425, 56 percent lower than the median income of older men—$11,544.

The Retirement Equity Act of 1984 made an important start. It improves the chance of widows actually receiving a pension by offering survivors protection to employees as soon as they become vested and requiring a wife's notarized signature before her husband can sign away her right to receive a survivor's benefit. The law also makes it easier for a divorced wife to get a share of a court awarded pension directly from a former spouse's pension plan; lowers the age at which plans begin counting service for vesting credit, and extends the amount of time women can take off for childrearing without losing credit for prior service.

But the Retirement Equity Act did not go far enough. Women divorced before its passage have no pension rights. That means that a 56-year-old woman divorced in 1980 is now 65 and has no pension rights. That means we could have a whole new class of poor elderly women. The Pension Reform Act of 1993 would allow pensions not divided at the time of divorce, to be divided now, pursuant to a court order thereby effectively making the Retirement Equity Act retroactive. The Pension Reform Act of 1993 would also require the division of pension assets prospectively unless a domestic relations order provides otherwise.

The Tax Reform Act of 1986 continued the trend of enhanced retirement security for women. It reduced the vesting period, the period of service which must be completed before an employee has a nonforfeitable right to a pension, to 5 years for single employer pensions. This means that employees must be 100-percent vested after 5 years of service or, using an alternative vesting schedule, 20-percent vested after 3 years and 20 percent for each year thereafter. In general, therefore, employees who have been covered by an eligible pension plan for 5 years and work at least 1 hour after January 1, 1989, are automatically vested. This change is particularly important for women as it is estimated that approximately 1.9 million additional workers are now entitled to pensions. Multiemployer pension plans, however, are not covered by these new vesting rules. The Pension Reform Act of 1993 would extend the 5-year vesting period to these types of plans as well. This provision was contained in H.R. 4210 and H.R. 11 last year—both were vetoed by the President. It is also contained in Chairman ROSTENKOWSKI's H.R. 13. It is my hope that we can at least enact this provision this year.

Faster vesting also leads the way to greater portability, the ability to carry one's credit for service in an employer sponsored pension plan from job to job. This is of particular importance to women as they are much more likely to change jobs and interrupt their participation in the work force at one or more times in their lives. The Pension Reform Act of 1993 would also require the General Accounting Office to study pension portability and make recommendations on how portability could be enhanced, the joint and survivor annuity form of benefit be preserved, and on the costs to employers of establishing such a mechanism.

The Tax Reform Act of 1986 also limited integration, a little known, but potentially devastating, mechanism whereby employers may reduce pension benefits by the amount of Social Security to which an employee is entitled. Although originally intended to offset the employer contribution to Social Security, integration has often had the effect of eliminating an employee's entire private pension. In 1986, after much struggle, it was determined that Social Security benefits do not adequately replace the pre-retirement earnings of low- and middle-income workers. Today, therefore, the law limits integration and assures that all eligible employees receive some minimum level of benefits. However, this protection only applies to benefits earned in plan years beginning after December 31, 1988. The Pension Reform Act of 1993 would extend this protection to all benefits earned since January 1, 1987, and eliminate integration entirely by January 1, 2000.

I would urge my colleagues to support this vital piece of legislation.

JIM FISCHER SALUTED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. SUNDQUIST. Mr. Speaker, I ask my colleagues to join me in recognizing and saluting Jim Fischer of Nashville, TN, who was recently inducted into the National Association of Home Builders' Hall of Fame.

Jim Fischer is a homebuilder and residential developer who served as National Association of Home Builder's president in 1987. Fischer's active role in the building industry at all levels has made him a respected voice for the housing industry.

Fischer owns his own homebuilding company and has been involved in residential and land developing for more than 30 years. Fischer began building in 1960. In 1963, he and Bob Short formed Fischer and Short Construction Co. His companies have built more than 500 single-family homes and 8 apartment complexes and has developed 5 subdivisions in Nashville and the surrounding areas. Fischer Construction Co. is still active in residential and land development in middle Tennessee.

Fischer is an active member of National Association of Home Builders, and he has served in a variety of leadership positions ranging from committee chairman to area vice president to president. Fischer was Tennessee's State president in 1978 and was named "State Builder of the Year" in 1976. In recent years, Fischer has returned to local service and just completed a third term as president of the Nashville Middle Tennessee Home Builders Association. In 1990, the local homebuilders voted him "Person of the Decade" for his work on housing issues.

In his local community, Fischer has served as vice chairman of the Tennessee Housing Development Agency. He has served on the Metropolitan Nashville Planning Commission and is currently serving as chairman of the commission.

In addition to housing, Fischer is a diversified businessman. He is a partner in Standard Candy Co., makers of the world famous goo goo candy. He also owns 11 business schools throughout the country.

TRIBUTE TO LONGMEADOW'S DYNAMIC DUO

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. NEAL of Massachusetts. Mr. Speaker, it gives me great pleasure to recognize before my distinguished colleagues two talented tennis champions from Longmeadow, MA.

These two girls, Kate Leonard and Carolyn Knight, won the high school girls' tennis State championship in doubles on June 13. Many nonbelievers had written Kate and Carolyn off when they lost the second set despite leading 5 to 3 and the match was called off by darkness.

Those who really know these girls wisely had faith in Carolyn and Kate's ability to rise from the brink of defeat, look defeat in the eye, and conquer it. They did just that in the third set, capturing it in an exciting and heartstopping tiebreaker.

Kate and Carolyn believe in giving their spectators their money's worth, and again proved that they have nerves of steel when they trailed in the third set 5 to 3 and even faced two match points. Snatching victory from their opponents, Carolyn and Kate rose to the occasion and demonstrated inspired play.

Having nothing to lose, they crushed the ball with dazzling serve-and-volley play and capitalized on their opponents' mistakes. Carolyn and Kate proved not only do they have athletic talent and superior tennis skills, but also that they have the determination and drive to win, no matter how high the odds seem.

I would like to salute the accomplishment of Kate and Carolyn and ask that my honored colleagues do the same.

TRIBUTE TO ROMAN PUCINSKI

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. ROSTENKOWSKI. Mr. Speaker, I rise today to pay tribute to a distinguished public servant, Roman Pucinski of Chicago, IL, who is retiring at the end of June.

Born to Polish immigrants, Mr. Pucinski was instilled with a strong sense of pride and commitment to excellence. His strength of character manifested itself throughout his 14 years in Congress. While serving in the Congress from the 11th Congressional District, he was an effective and diligent worker, and a well respected member of the Illinois delegation.

Passing over 20 bills, many of Mr. Pucinski's major accomplishments came in the area of education. As chairman of the Subcommittee on General Education, he was responsible for the legislation establishing the Head Start Program. In addition, Mr. Pucinski, initiated a number of other programs aimed at granting Federal education aid for the disadvantaged.

As a World War II pilot, Mr. Pucinski also took a deep interest in aeronautical safety issues and was the author of legislation requiring air crash recorders, now known as "Black Boxes," to be put aboard all American airline carriers to aid in fact-finding after any air crash.

It is thus with great pleasure that I commend my friend, Roman Pucinski, as he concludes a most distinguished and successful career.

MEDIGAP INSURANCE COMPANY MISLEADS SENIORS IN MAILING

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STARK. Mr. Speaker, a constituent recently sent me a letter he had received from Monumental General Insurance Group of Baltimore, MD, blaming the Federal Government for major increases in its Medigap premiums.

Baloney.

If Members have constituents receiving a similar letter, I would like to provide the following answer. Any constituent who gets a letter from this company would be well advised to shop around for a better policy. At least in California, there are better deals than offered by Monumental.

Following are the letters:

MONUMENTAL GENERAL
INSURANCE GROUP,
Baltimore, MD, May 10, 1993.

Re Medicare supplement rate change.

DEAR ——— ———: Effective January 1, 1993, the Federal Government has increased the deductibles and co-payments under the Medicare program. You have previously received information from Monumental Life Insurance Company outlining these increases and how your Medicare Supplement policy helps cover these charges.

Under the direction of the Federal Government, the state insurance departments enacted sweeping changes in 1992 to their Medicare Supplement insurance regulations. One of the impacts of these new regulations is that Monumental Life Insurance Company must now charge the same group rates to all residents of the same state. In the past, your rates were based on the national claims experience for your particular group.

The combined effect of the new regulations and your 1993 benefit increases result in the following premium rates.

Current Premium: $110.00.
New Premium: $183.20.

The rate change will apply to premiums due on or after July 1, 1993.

Please feel free to call our knowledgeable and courteous customer service representatives if you have any questions concerning your benefit or rate changes for 1993. Call us toll-free at 1-800-752-9797.

Thank you for allowing Monumental Life Insurance Company to serve your Medicare Supplement needs.

Sincerely,

DAVID COLLIER,
Assistant Vice President,
Direct Response Operations.

COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON HEALTH,
Washington, DC, June 23, 1993.

DEAR ——— ———: Thank you very much for your letter regarding your Medicare supplemental insurance policy. I appreciate your contacting me about this matter.

It seems to me that the letter you received from the Monumental General Insurance Group is deceptive. The Monumental letter blames their large rate increases for 1993 on two actions taken by the Federal government. Neither of these changes should have resulted in such a large rate increase.

The Monumental letter suggests that the rate increase is a result of changes in Medicare law with regards to supplemental insurance policies enacted as part of the Omnibus Budget Reconciliation Act of 1990 (OBRA 90). There is no reason why the provisions of OBRA 90 would require a company to raise their rates in order to be in compliance with the law.

According to the General Accounting Office, Monumental Life was consistently below target loss ratios in 1988, 1989, and 1990. Data was not available for more recent years, but if low loss ratios were a concern for Monumental Life, the more likely response would be for them to lower their premiums, rather than increase them.

The suggestion in the Monumental letter that attributes their rate increase to higher Medicare deductibles and copayments is also misleading. While Monumental raised their rates by 66 percent between 1992 and 1993, a survey of Blue Cross and Blue Shield of California shows a maximum increase of 14 percent during the same period of time.

Furthermore, I have researched the premiums charged by California AARP Prudential for Medicare supplemental insurance policies for 1993. Ten plans are offered, with premiums ranging from $46 to $147:

Plan A—$46.00.
Plan B—$71.50.
Plan C—$80.25.
Plan D—$77.50.
Plan E—$79.75.
Plan F—$96.75.
Plan G—$92.00.
Plan H—$101.00.
Plan I—$114.75.
Plan J—$147.00.

As you can see, even the most generous plan sold by AARP, Plan J, which includes a prescription drug benefit, is cheaper than the premium charged to you by Monumental Life.

I hope that you find this information useful. Please do not hesitate to contact me again if I can be of further assistance.

Sincerely,

PETE STARK,
Chairman.

ASIA'S BALKAN WAR

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. KENNEDY. Mr. Speaker, I include the following excerpt on Sri Lanka from the Wednesday, May 5, edition of the Boston Globe in the CONGRESSIONAL RECORD.

[From the Boston Globe, May 5, 1993]

ASIA'S BALKAN WAR

In the new world order's current configuration, the island nation of Sri Lanka may come to be known as Yugoslavia East.

The spectacular and terrifying assassination of President Ranasinghe Premadasa—by a young suicide bomber who drove his bicycle into the chief of state—illustrates the pathology of ethnic and religious warfare that has tormented Sri Lanka for the past decade.

The assassin's mode of operation suggests that he was converted into a human bomb by the Tamil Tigers, the secessionist organization that has been fighting the central government relentlessly in a war distinguished by atrocities on both sides.

After years of social and political oppression at the hands of Sri Lanka's Buddhist Sinhalase majority (75 percent of the population), the Tamils (18 percent Hindu and 7 percent Muslim) took up arms in the northern and eastern provinces, where they constitute a majority. The political goal of the fanatical Tigers has been to establish a separate Tamil state in those provinces.

Other Tamil voices have propounded a solution that would achieve self-government within a unitary state, a formula that might satisfy the needs of the Tamil minority without provoking the Sinhalese majority to continue fighting for the preservation of Sri Lanka's territorial integrity.

The Elam Tamil Association of America, an organization of Tamils in the United States, proposes a federal constitution for Sir Lanka. The central government could implement such a constitution unilaterally. The Tigers might not reject a form of self-government just short of independent statehood, and Sinhalese hotheads would find it difficult to persuade their war-weary people to prolong a conflict that could be resolved constitutionally.

If such a solution is not tried, the United States should take the initiative and bring the conflict in Sri Lanka before the United Nations. Asian victims of ethnic or religious conflict deserve the same protection as European victims.

ON THE ONGOING TURMOIL IN AZERBAIJAN

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. HOYER. Mr. Speaker, I have been following with regret and growing concern the rebellion in Azerbaijan. The uprising began on June 4, and some 70 persons are reported to have been killed so far. Insurgents led by military commander Surat Huseynov have essentially forced the downfall of the Popular Front government and have taken control of over half the country. Though most rebel forces are still outside the capital city of Baku, Huseynov has now publicly stated his intention to take all power in Azerbaijan. Meanwhile, though President Abulfaz Elchibey, the only democratically elected representative of the people of Azerbaijan, has not resigned, he has fled Baku to his home region of Nakhichevan. Azerbaijan's National Assembly, according to the latest dispatches, is urging him to return, but for the probable purpose of impeaching him.

The turmoil in Azerbaijan is extremely regrettable for many reasons. President Elchibey's election as president last June, which Helsinki Commission staff observed, was free and fair, and offered hope of Azerbaijan's future democratization. It is extremely disheartening now to watch him flee before armed rebels, who have disdained and trampled on the democratic process in their grasp for power.

Second, apart from Kyrgyzstan, Azerbaijan is the only Muslim republic of the former USSR which is not ruled today by former Communist Party leaders. The Popular Front government and President Elchibey represented a noncommunist past and, it was hoped, a noncommunist future. Instead, Haidar Aliev, former Communist Party and KGB boss of Azerbaijan, has returned to power through his election as chairman of parliament. He has pledged adherence to democratic norms, but his past careers frankly do not inspire confidence in his commitment to democracy.

Third, the uprising has placed in grave doubt any prospects for an early cease-fire in the Nagorno-Karabakh conflict. Armenia, Azerbaijan, and the Armenians of Nagorno-Karabakh had just recently accepted a tripartite plan designed to end the fighting and begin negotiations. Now, unfortunately, it appears the resolution of the conflict will be delayed.

Fourth, there appears to be a growing power struggle between Surat Huseynov and Haidar Aliev. Though they at first seemed to be allies, Aliev has condemned Huseinov's stated intention of taking power in Azerbaijan. To complicate matters farther, ousted former President Ayaz Mutalibov, who has been in Moscow since his May 1992 power grab collapsed, has reportedly returned to Baku. It is possible that armed groups and individuals loyal to all these competing power seekers will begin attacking each other. In the worst case scenario, this could lead to civil war—which could give Russia a pretext to intervene while pleading the urgency of peacekeeping.

Mr. Speaker, the Popular Front government of President Elchibey has been beset by problems, both in the military and economic spheres. Calls to bring over political forces into policymaking, and the creation of a coalition government, deserve serious consideration in Azerbaijan's straitened circumstances. But the rebellion by Surat Huseynov brings discredit on himself and his allies. His actions have undermined, after a promising start, Azerbaijan's hopes of establishing a democratic tradition after seven decades of Soviet communist misrule, have bolstered tendencies to resort to arms as a way of resolving political crises, and have betrayed the cause of peace in a deeply troubled country.

AMERICAN GI FORUM OF CALIFORNIA HOLDS STATE CONVENTION

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STARK. Mr. Speaker, I would like to recognize the American GI Forum and its upcoming State convention to be held in Newark, CA, from June 25 to June 27. The American GI Forum has been a leader in identifying and correcting discrimination endured by Mexican-American veterans over the past 45 years. The forum now acts as a promoter of greater educational and employment opportunities and a protector of civil rights for all Hispanics.

The American GI Forum, equipped with more than 500 chapters in the United States and Puerto Rico and a volunteer force of dedicated leaders, works for greater participation in civic affairs, increased educational opportunities, higher employment, and equitable income and health services for all Hispanics.

The American GI Forum has been in the forefront of recent civil rights struggles. This includes the desegregation of schools, making voter registration more accessible, ensuring fair judicial proceedings, and reducing mass media stereotypes and distortions.

We have come a long way in reducing discrimination in the classroom, the workplace, and the courts. However, there is much still to be done to ensure that all Americans are treated equally. I hope my colleagues will join me in saluting the American GI Forum for protecting the rights of our Hispanic communities.

REV. A. RICHARD SMITH HONORED

HON. JIM COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. COOPER. Mr. Speaker, I rise today to honor Rev. A. Richard Smith, a dedicated minister and tireless leader in his community. Pastor Smith, who founded Trinity Lutheran Church in Tullahoma, TN, is retiring after 41 years of faithful service. He is a long-time friend and mentor of mine, and he christened both of my children.

Pastor Smith is a graduate of Vanderbilt University in Nashville, and he attended Hamma Divinity School in Springfield, OH. In addition to leading Trinity Lutheran Church since its founding in 1953, he was a dean of the Cumberland District of the Southeastern Synod of the Lutheran Church in America and served on the executive committee of the synod's board of directors. He is also former secretary of the Lutheran Theological Southern Seminary in Columbia, SC.

Perhaps Pastor Smith's most outstanding accomplishment is his dedication not only to his own parishioners but to those people in his community who have suffered misfortune and deprivation. He established the first school for the mentally and physically handicapped in his area, and he helped organize halfway houses and units of Alcoholics Anonymous.

Trinity Lutheran Church and the entire Tullahoma community will greatly miss the leadership of this devoted minister and outreaching counselor. I join them in expressing my heartfelt gratitude and admiration for Pastor Smith's innumerable contributions to his community, and I wish him a relaxing and enjoyable retirement.

RENOWNED HEART SURGEON SEEKS STATION'S APPROVAL

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. ANDREWS of Texas. Mr. Speaker, anyone who doubts the importance of the U.S. space station should read the following testimony of Dr. Michael DeBakey, distinguished surgeon and honored medical innovator who implanted the first artificial heart in a patient.

A winner of the United States' highest civilian honor, the Medal of Freedom, and the National Medal of Science, Dr. DeBakey testified before the House Space Subcommittee yesterday on the impact our space program has had on his research and ability to repair damaged hearts.

Most specifically, Dr. DeBakey discusses his current collaboration with NASA on a implantable heart pump for the nearly 100,000 Americans whose hearts need either pulmonary or systemic support.

Although he has been working on this device for nearly three decades, DeBakey credits his work with an engineer at the Johnson Space Center as the real turning point.

> "Why do we need space exploration? You do not have to convince me. More progress was made in the 3 years I worked with the engineering team at NASA on LVAD than in the previous 35 years of effort . . . I believe we are very close to making a breakthrough that will revolutionize heart surgery."

The testimony of this exceptional surgeon and researcher is proof of the space station's importance, and I hope will encourage others to vote with me in support of the space station.

STATEMENT OF MICHAEL E. DEBAKEY, M.D., CHANCELLOR AND CHAIRMAN, DEPARTMENT OF SURGERY, BAYLOR COLLEGE OF MEDICINE

Mr. Chairman and Members of the Subcommittee, knowledge, science, and human advancement have always been a reflection of their time. Recorded history began some

5,000 years ago. From those earliest writings we know that humans wondered about their world and sought to learn more about it. The first treatise on surgery was written in Egypt about 2,700 B.C. by Imhotep, the Pharaoh's grand prime minister whose status was so great that after his death he was declared a god.

Surgery in western culture originated with the peoples of Greece and Asia Minor. Hipprocates, known as the father of medicine, was one of the first physicians to view medicine as a systematic science. Medicine and surgery achieved great peaks during the third and fourth centuries B.C., especially in Alexandria. But in the early history of Rome the story was different. Before the Romans conquered the Greeks in 146 B.C., medicine and surgery were considered such lowly pursuits that no Roman citizen would undertake them. Pliny the Elder wrote that because Romans had gotten along without doctors for more than 600 years, they should be able to survive without "the cult of Aesculapius," the Greek-Roman god of medicine, a reference to the medical community.

In the fourth century A.D., the Dark Ages, which lasted nearly an entire millennium, the pursuit of knowledge, new ideas, technology, and science was heresy. Miracles replaced medicine as the form of healing. Civilization regressed to an era of ignorance and fear.

These historical examples underscore the tenuous position science, medicine, and research—the quest for knowledge—sometimes hold in society. In the early Roman days and the later Middle Ages, the decline of medicine and science was due to ill intentions of societies' leaders, but to other priorities considered at the time as more important: conquest and power for the Romans and faith and religious predominance for citizens of the Middle Ages.

Today, the world and, at its forefront, the United States, are far more enlightened about the critical roles science, research, education, and medicine play in the welfare of our people and of our future.

But today our leaders—you among them—also face the issue of priorities. The Cold War that required much of our attention and resources for half a century is over. Defense as a priority is being replaced by increasingly urgent issues concerning our economic security, social well-being, and future welfare.

I am well aware that with each passing day our country's deficit makes our priorities more difficult to set and our choices harder to make. My profession of health care has been placed squarely under the microscope of fiscal scrutiny.

But I am here today not only as a physician and surgeon, but as an explorer, a researcher, a participant in today's quest for knowledge. Medicine, after all, is about exploration, the exploration of the human body. I am the explorer of a world composed of microscopic cells and a researcher of systems far more complex than mankind can create. The human body is a world of wonder and discoveries, and we have many, many more discoveries to make in medicine and in surgery.

In times of competing priorities, I hear calls to eliminate what some have called "frivolous big science" programs, such as a space station. Under deficit-imposed pressure, I hear "choices" described that pit possible cutbacks in vitally important programs, such as medicare and medical assistance to our elderly and disabled against so-called "big science" programs like a space station in a heated, either-or financial competition.

Better health care for our citizens is not at odds with a space station. As a physician, teacher, and explorer, I must emphasize that our space program and space station are not frivolous, because they may provide keys to solving some of the most vexing problems that affect our people. Health care is improved not only by such immediate proposals as providing more accessible care to our citizens, but also promoting the research that will lead to far-reaching advances in the field.

For example, you, our leaders, should not see programs such as Medicare and a space station as a choice. Rather, the goal should be to use the unique microgravity laboratory of a space station to research ways to treat or prevent the deteriorating physical conditions that affect the elderly and disabled.

Many health problems that affect the aged—bone density loss, breakdowns in immune response, changes in the cardiovascular system—also affect very young, very healthy astronauts once they are in weightlessness. A space station provides a facility unavailable on Earth to observe these processes and develop countermeasures that could be applicable to the aged and the feeble, as well as astronauts. Such advances could, in turn, potentially lower future health care costs.

More than anything else, I believe a space station will teach us about ourselves, about how humans adapt, live, and work in an entirely new and challenging environment. The space station is not a luxury any more than a medical research center at Baylor College of Medicine is a luxury.

If fiscal priorities do not allow research into the medical mysteries of the human body at the best available research centers, whether they are 200 miles outside of Washington, D.C. or 200 miles above Earth, we are in a worse and likely more prolonged national health care crisis than any of us have imagined.

One way we will ultimately overcome the economic problem associated with medical care is to obtain the knowledge needed to prevent diseases and find new means to treat patients, especially as our population ages. We cannot always predict the outcome of scientific activity, especially efforts as broad and untried as space. One reason some scientists and political leaders question the efficacy of space research is that we have had limited opportunity for multiple experimentations and trial runs in space. Significant return on science research requires an ability to acquire information in both quantity and quality.

Present technology on the Shuttle allows for stays in space of only about two weeks. We do not limit medical researchers to only a few hours in the laboratory and expect cures for cancer. We need much longer missions in space—in months to years—to obtain research results that may lead to the development of new knowledge and breakthroughs.

There are concrete examples of technologies awaiting long-term research in space, and they demonstrate the benefits a space station holds for medicine.

Tissue modeling—producing exact replicas of human tissues—is a relatively new field that promises important insights for cancer research, organ transplant research, and human virus culturing. But on Earth, we have only a two-dimensional understanding of how human cells work and replicate in the body. A tissue modeling device, called a rotating wall vessel, recently developed by NASA at the Johnson Space Center in Houston, imitates certain microgravity properties.

Quite simply, by emulating those microgravity processes, this device has grown the largest three-dimensional cultures of normal and cancerous human tissues ever developed outside the body. This new technology provides an impressive research tool that may greatly advance cancer research and may even allow for the development of transplantable human tissues. Demonstrations on the Space Shuttle have shown great promise for this culture system.

But, quite literally, its full potential won't get off the ground until there is a space station where it can be researched for long periods.

In another area, crystalline structures have important research applications for medicine, pharmacology, and biotechnology. Space-grown crystals are usually large, more developed, and more uniform than those grown on Earth. Earth-bound crystals tend to be distorted by convection and gravity and are therefore poorly suited for study.

The superior space-grown crystals allow for a more complete and exact analysis of their molecular and cellular structures. The analysis then can be used to design and test specific treatments for diseases. Protein crystals for research on the HIV virus, insulin, cancer, rheumatoid arthritis, and emphysema are only a few examples of experiments already flown on the Shuttle. All of them can significantly benefit from long duration access to microgravity on a space station.

Unexpected and unpredictable side benefits for the private sector have stemmed from the technological developments achieved by the U.S. space program since its inception, and many of these involved clinical medicine. Before they were developed, I couldn't have testified to you that if you fund the space program, this will be the result. And I can't tell you now that if you build a space station, you will specifically get this side benefit from some new technology or that side benefit. The only thing I can tell you is what we in medicine have received from space technology thus far. But I don't know how anyone could look at these benefits and imagine similar advances wouldn't occur in turn as a byproduct of a space station.

NASA did not develop these new medical aids, but it did develop and transfer these potential technologies to the private sector. In many cases, NASA researchers actively collaborated with scientists in private and public research laboratories to obtain beneficial results.

The space program's requirements for miniaturized and highly reliable instrumentation and sensors were the precursors of cardiac pacemakers. The development of bi-directional telemetry for satellites resulted in programmable pacemakers in which heart rate could be adjusted by the physician as necessary without additional surgery.

The need to monitor astronauts' vital signs while hundreds of thousands of miles away from Earth has led to medical telemetry for monitoring ward patients' vital signs. The same telemetry has permitted paramedics to save countless lives while en route to hospitals. Space telemetry also has spurred the development of "telemedicine" that allows clinical consultation and support in disaster-stricken areas worldwide. "Telemedicine" has opened health care opportunities to remote sites such as Native American reservations. Telemedicine is now being adapted for long-distance medical specialty consultation and for medical education, and the result has the potential to lower health care costs.

Space imaging technology is used for computer-assisted tomography, or CAT scans, position-emission tomography, or PET scans, and Magnetic Resonance Imaging—technologies that diagnose tissue abnormalities without intrusive measures. Space imagery processing technology is used in the now common treatment known as "balloon angioplasty." This procedure makes use of a tiny balloon on the tip of a catheter that creates internal compression of narrowed heart arteries, opening them to improve circulation of the blood to the heart muscle. Heart attacks may be averted completely by this process.

These are just a few of the thousands of medical applications that have been derived from space technology and now touch lives daily. They were never expected when the space program began, and their original applications were not intended for the purposes that have now saved countless lives.

All of these advances are the serendipitous outcome of scientific and technological research. We investigate to uncover questions we do not yet know how to ask and do discover answers we never expected. These advances are now common, but they still deserve the label of recent. And the unexpected benefits of space exploration continue today. In my work they have been invaluable.

I have devoted my entire professional career to furthering knowledge in cardiovascular medicine and surgery. Before the first human ever flew in space, I was researching the development of a Left Ventricular Assist Device (LVAD) as a life support system for heart failure. This device assists the muscle-damaged heart in pumping blood and provides similar assistance for patients awaiting a hear transplant. The Institute of Medicine estimates that early in the next century, as many as 60,000 patients each year will require the support of an LVAD. If we include circulatory crippled patients, the number increases to 150,000 patients annually. Currently, the only means of circulatory support is through the use of large, complex and expensive pulsatile LVAD's that provide about one year of circulatory support. Such devices cost as much as $50,000 each and, therefore, are not practical for use of large populations.

I had been working on a non-pulsatile pump that could be compact enough and cost-efficient enough for widespread clinical use. Unfortunately, currently available heart pumps of this type have a limited life span of just a few days. Another motivation for the development of a simple LVAD system is the scarcity of available donor hearts. In the past, about 2,000 heart transplants were performed annually in the United States. In the future, fewer transplants will likely be performed each year, regardless of the search for donors and an expanded criteria for acceptance. A simple, lower cost, portable heart pump is vital for patients risking heart failure and its complications. If an appropriate system can be developed, transplants will be more successful or not always necessary; the synthesis of anti-rejection drugs can be more effective; and post-transplant complications may be minimized. Early LVAD designs, unfortunately, were experiencing fluid flow problems that damaged blood cells during pumping. I am a surgeon, a researcher, and an explorer, but not an engineer. I needed engineering help with the heart pump, but did not know where to go.

In 1984, a Johnson Space Center engineer named David Saucier was in heart failure. We performed a heart transplant on him. During his convalescence, Saucier and I discussed the similarities between the heart and a spacecraft life support system. Both feature closed-loop systems, pumping fluids at various rates and pressures. Both receive and act upon electric impulses. Both have extensive networks to carry messages and send commands to all parts of the vessel. Saucier returned to work at NASA and put together a four-person team to work with our investigators at the Baylor College of Medicine to develop a prototype unit for an LVAD that eventually would be implanted inside the chest, between the heart and aorta.

Using their knowledge of electronic control systems, computational fluid dynamics, miniaturized spacecraft pump designs, power-efficient small motor designs, computer modeling, and engineering design parameters, the NASA team has helped our Baylor researchers develop an axial flow device. It consists of a spinning impeller, a fixed flow inducer, and a fixed diffuser within a flow tube. The first stage flow inducer for the LVAD was adapted from downsizing a liquid hydrogen inducer used on a Shuttle main engine. The impeller has six blades and is designed to rotate at 10,000 to 12,000 revolutions per minute depending upon the required flow output. The flow tube has an internal diameter of 0.5 inches and a length of 2.25 inches. Rare earth magnets implanted in the impeller blades allow the impeller to act as the rotor of a brushless direct current motor. The motor controller uses a back electromotive force principle for commutation control.

One of the most serious problems with the LVAD design was hemolysis, or trauma to the red blood cells that can occur if conditions are not optimal. Using their state-of-the-art test equipment developed for use in spacecraft design, the NASA team explored sheer force factors acting on the blood as it passes through the tiny impellers and how they correlated to the speed of passage and pressures involved in the process.

The design strengths of the NASA/Baylor LVAD include the small size of the device enabling easy implantation, low power consumption, and absence of blood seals. Thrombus formation, or blood clotting, and blood leakage problems associated with the seals are therefore avoided.

Current pump performance has demonstrated the planned flow rate of 5 liters per minute against a pump head of 1000 mm-Hg while using 9 watts of power. In vitro hemolysis using cow blood tests has been reduced from a high value of .189 to the current value of .031 grams of liberated hemoglobin per 100 liters of blood pumped. Studies of a prototype unit in calves will continue through this summer. The eventual goal of the project is to perfect the device and to obtain Food and Drug Administration approval for clinical trials.

Why do we need space exploration? You do not have to convince me. More progress was made in the three years I worked with the engineering term at NASA on LVAD than in the previous 35 years of effort on the design and development of this heart pump. I believe we are very close to making a major breakthrough that will revolutionize heart surgery.

Space exploration is human exploration. The knowledge we gain in space is not only from sending people beyond Earth, but also from marshalling the human resources on Earth that make space flight possible. Such people, like David Saucier, come from a variety of science and engineering disciplines and dedicate their lives to the challenge of space and to applying their space expertise for the benefit of those on Earth. Their efforts affect fields far beyond the focus of NASA. They truly are conducting human exploration.

The reason we conduct research is not so much to come up with the right answers as to ask the right questions. The more questions we uncover, the better the research. In the history of science and technology development, the great advances were made by the single person who wondered why and sought to discover how. That is why we go into space. That is why we explore. That is the genius of humanity.

We can be sure of one thing. If we stop researching, searching for answers and asking more questions, we won't expand our store of knowledge, and we will not grow as a civilization. Our priorities may emphasize the bottom line today, but that may not be enough to reach the finishing line as a nation in the future.

Our space program is a symbol to the rest of the world that the United States looks to the future and plans to maintain its leadership role in science, technology, and research. It demonstrates that our leaders have the foresight to look beyond today's challenges and make a commitment to the promise of a better world. The space program, and specifically the space station, is an investment in knowledge that does not exist today and will not exist tomorrow without a commitment now.

We can't predict the outcome of scientific research or the knowledge to be gained. But what we can foresee is that no new knowledge, no new solutions to our concerns will be gained without it.

CLINTON VERSUS PEROT

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. OXLEY. Mr. Speaker, the following Op-Ed by Philip Trezise, which appeared in yesterday's edition of the Washington Post points out fallacies in Ross Perot's arguments against the North American Free Trade Agreement. I recommend this for all of my colleagues and anyone else who is truly interested in an accurate picture of the impact of NAFTA.

CLINTON VERSUS PEROT: ON FREE TRADE, CLINTON HAS THE BETTER CASE

(By Philip Trezise)

The North American Free Trade Agreement has become a test of strength between Ross Perot and Bill Clinton—but time is on the side of Perot.

For the moment the president is understandably preoccupied with the fate of his economic plan and other problems. In due course, however, he will have to go to Congress for the votes to ratify the agreement made with Mexico and Canada.

Meanwhile, with the luxury of time, Perot has chosen to make opposition to NAFTA his cause. Whenever he is not attacking Clinton's competence and character, he is busily predicting the devastation of American industry if NAFTA is allowed to come into force.

This is a battle that Clinton can ill afford to lose. Perot may be afflicted with an incurable case of hubris, but the polls tell us that he remains a formidable political phenomenon. If he wins this one, the impact on the political scene can hardly be trivial.

On the merits, Clinton has overwhelmingly the better case. NAFTA is a good agreement. Much of the debate and all of Perot's emphasis have been on the feared employment consequences of free trade with a low-wage country like Mexico. All of the estimates of these consequences, and most especially the preposterous numbers offered by Perot, must be taken with wholesale skepticism. Right now, only Canada has more complete access to the U.S. market than Mexico. NAFTA's carefully phased and safeguarded elimination of the remaining U.S. barriers cannot possibly change matters very much.

The central feature of NAFTA is Mexico's quickening retreat from Third World economic dogmas. Here is a country until recently notable for its high levels of protection at the border, its distrust of foreign investment, its array of costly state enterprises and its perpetually poverty stricken, low-productivity agriculture. President Salinas, with NAFTA as his vehicle, has shown himself ready—in fact, anxious—to broaden and deepen his predecessor's start on a program of market reform. If NAFTA is anything, it is the endorsement by Mexico of the free market economics that the United States has been so industriously peddling in Latin America, Eastern Europe and elsewhere around the globe.

Consider that in NAFTA the Mexican authorities are committed to opening to foreign competition its hitherto fiercely protected farm sector. The NAFTA agriculture chapter was negotiated by Mexican and the United States with great caution in deference to the sensitivities on both sides of the border. Nevertheless, it will be the first genuine breakthrough anywhere in farm trade negotiations since the Second World War.

Again, to free international trade in services has been a U.S. goal for more than a decade. Under NAFTA, Mexico and Canada will agree to a set of core rules for the services trade stronger than those in the earlier U.S-Canada free trade pact and better than whatever may come out of the continuing negotiation, the so-called Uruguay Round.

Banking, financial and insurance services are treated separately in NAFTA, as demanded by the finance ministry bureaucracies. Mexico had the most to concede. It did so. After transition periods, American and Canadian financial institutions will have wide if not complete access to until now a largely closed Mexican market.

Cross-border land transportation services—trucking, bus and rail—are also treated separately. Once more, Mexico will do most of the liberalizing.

Foreign direct investment has been a Mexican phobia, as it has been in Latin America generally. Under NAFTA, Mexico will open to all comers new sectors, including petrochemical portions of the hitherto sacrosanct energy industry. In the investment chapter, Mexico explicitly abandons the Calvo doctrine, under which Latin American governments have long insisted that disputes with foreign investors could be decided only in local courts. In other respects the chapter goes well beyond what is hoped for from the Uruguay round. A U.S-Mexico tax treaty parallels the NAFTA investment provisions. And prior and comprehensive Mexican law for the protection of intellectual property goes along with NAFTA.

All these are Mexican "concessions," in the jargon used by trade negotiators. Actually, except for some quite small prospective benefits from reductions in American tariffs, Mexico could get practically all that is to be gained from NAFTA by its independent action. In that case, the disasters that Perot so fears would still follow.

Perot's antics have raised the NAFTA political stakes considerably. Perhaps that is as well. NAFTA is not a partisan issue. Clinton can look for Republican votes to help ratify an agreement that was negotiated, after all, by George Bush. Ratification, though, will be Clinton's achievement—and not a small one for him and for rationality in foreign affairs.

PLAYING WITH FIRE

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. GUNDERSON. Mr. Speaker, I would like to bring a very interesting article from the June 21 edition of Newsweek to the attention of the House. As many of my colleagues know, I have long been interested in promoting labor-management cooperation efforts, and I am the sponsor of legislation—H.R. 1529—which would remove current ambiguities in labor law which have called the legality of these so termed "employee participation programs" into question.

While the attached article presents a very positive endorsement of labor-management cooperation programs overall, it points out some of the real difficulties and challenges which are involved in setting the program up.

I also think it presents an indirect but good argument, against mandated, one-size-fits-all programs. The argument for mandated programs is built largely around the notion that labor-management cooperation is good, but without a statutory mandate not enough companies will recognize it as such or do it the right way.

This article suggests two key fallacies in the argument. First, companies need to be allowed to progress at their own pace on this, and to adapt programs to their own particular situations and workplace cultures. Second, American business writ large is coming to recognize the economic necessity of employee participation—note the article's closing paragraph in particular—and doesn't need to follow Washington's lead.

PLAYING WITH FIRE

(By Marc Levinson)

The 115 employees of Overly Manufacturing Co. had never seen anything like it. Amid rumors of layoffs, owners Terry and David Reese invited the workers at their Greensburg, Pa., company, along with their spouses, to a roast-beef buffet at the Garden Civil Center. After dessert came the entertainment: a 20-minute videotape making the case for greater worker participation—and promising that managers would listen to what workers had to say about making the company more efficient. "You'll tell us how it's supposed to be done rather than us telling you," said president Jon Harts, appearing on a 12-foot screen at the front of the hall. There'd be no guarantees; the only way to secure jobs was to keep overly competitive. As the workers filed out, each was offered a copy of the tape to take home and ponder.

On that cold night last February, Overly Manufacturing joined the most far-reaching economic trend of the 1990s, the restructuring of the American workplace. From Maine to California, regimented, standardized mass production is out. Flexibility, quality, low costs and quick response to customer needs are the orders of the day. To achieve those goals, employers big and small are enlisting frontline workers as active participants in rethinking the business, organizing the work and even hiring new employees (page 48). Washington is enthusiastic, too: Labor Secretary Robert Reich insists that worker participation is vital to improving the performance of U.S. business, and the Clinton administration's new commission on employee relations is looking at ways to promote it. The real battle over worker empowerment, however, is taking place not in Washington but in thousands of workplaces. There, tumult reigns as bosses used to giving orders and workers trained to follow them grope toward a new style of management. "It's like Pandora's box," Harts says. "You open up the door and everything comes out."

The poster children of the move to worker empowerment are household names like AT&T, General Electric and Hewlett-Packard. For these leading-edge companies, there is no alternative to radical change: foreign competition is so intense, customers' quality demands so stringent and product development so fast that a traditional hierarchical organization simply can't keep track of it all. But most Americans work in very different circumstances, far from the leading edge. The success of these small factories and machine shops, construction firms and service companies is even more crucial to America's economic future than the sagas of a few high-technology superstars, because smaller companies are where the new jobs are. As Overly Manufacturing's story reveals, transforming a small company can be as tough as transforming an IBM—and for the people involved, it can be every bit as traumatic.

There's nothing high tech about Overly's business. In an aging red-brick plant in the mountains of western Pennsylvania, the 105-year-old company makes doors for laboratories, dormitories, nuclear plants and government vaults, as well as metal roofs for structures like the Astrodome. Each door is custom designed, but the manufacturing process is pretty much unchanged since the 1950s: workers weld metal members to a steel skin, lay insulation around them, weld the other door skin on top and attach knobs, locks and hinges. Customers, mostly construction contractors, don't demand electronics-industry precision. Fast delivery isn't an issue, either. No one buys a $1,000 door on the spur of the moment.

DEEP TROUBLE

When brothers Terry and David Reese bought Overly from its longtime owner in 1991, they quickly made clear that they intended to change things. The Reeses envisioned building the staid, $12 million company into a $50 million company, and they believed that Overly's authoritarian, nose-to-the-grindstone culture couldn't accommodate such growth. They broke with tradition by giving workers monthly sales figures and quarterly financial reports to help them understand the company's woes. Harts, the 41-year-old door-industry veteran who runs the operation, told anyone who would listen that the business was in deep trouble. With construction slow, other doormakers were entering Overly's niches, and prices had fallen by half. Articles in the business press convinced him worker empowerment might help.

Four months ago he took the plunge, naming a team of a dozen designers, salespeople, welders, press operators and plant foremen and giving them one assignment: take the company's new, low-cost method for making sound-retardant doors and get it into production. After a few days of training in teamwork, the members scoped out the task—and found it far more complex than any of them had imagined. Where to put the line? Team members found ways to eliminate piles of metal taking up floor space. Then a consultant suggested putting the entire operation in one small area and moving workers among the different jobs. The team was enthusiastic, but some supervisors and coworkers were not: having press operators install sound insulation would complicate relations with the Steelworkers' union. Production planning got complicated, too. While the team had figured on building doors no wider than four feet, salespeople were bringing in orders for larger doors. "It's nice to talk about, 'Let's make only 36-inch and 48-inch doors,' but that's not going to happen," interjected designer Bill Hugus, the team leader, at the group's weekly meeting. When the equipment arrived, the first doors off the new line took far too long to assemble, blowing the cost projections.

Things were even more tense elsewhere in the plant. A separate team had taken on one of Overly's chronic problems, backups in the shop that makes heavy bank-vault and blast doors. After three months of discussion, the welders, engineers and salespeople proposed installing an overhead crane, allowing welders to move two-ton doors without long waits for a lift truck. The objections were instant. How much time would be saved? Isn't the roof too low? Wouldn't individual welders hog the crane? In management meetings, executives' reviews were scathing. Instead of praise, the team received an unwanted assignment to gather yet more data. The discouragement in Overly's sole conference room was almost palpable. Said Ken Guidas, a second-generation Overly welder, "It's going to take a lot longer than anyone thought to get it accomplished."

ATOM BOMB

If these first stabs at worker participation were frustrating to Overly's workers, they were alarming to managers. "There's so much going on it's like an atom bomb ready to explode," said production manager Rick Brown, who came to Overly as a draftsman 16 years ago. Suddenly, everybody had ideas and suggestions. Telling the troops to knock it off and get back to work was no longer an option. Managers saw the company spiraling into self-directed anarchy. "I know there's a customer there who needs his product and I have responsibility for getting it to him," fretted plant manager Mike McConville. "I knew I could get it to him. I don't know that anymore." Gene James, the bearded 48-year-old who runs the company's computer systems, saw confusion spreading fast. "There's some vague idea that Overly wants to become a new democratic organization, empowering people," he said "But we've lost the old structure before the new structure is in place, and the chaos scares the shit out of me." Such hesitations only added to workers' doubts about the depth of Overly management's commitment to change. "Every time we came up with what we thought was a good idea, somebody higher up in the company thought it wasn't a good idea," complained Joe Smith, a computer programmer. One team even resorted to guerrilla warfare. After managers nixed its proposal to scrap the cards that engineers used to record the time spent on each job, the team arranged to collect the cards—and store them under a desk. Months elapsed before managers realized that the supposedly vital data weren't being logged into the computer.

After four months, teamwork no longer seems like such a hot idea to many at Overly. "Ideas are presented to upper management, and we don't know how fast they're going to be implemented," says union leader Tim Crossman, a press operator. "That's probably the biggest problem we have right now. Things are put on the back burner." Orders are slow and some white-collar workers have been laid off, souring the atmosphere. Although the union has filed no objections, older workers are resisting the pressure to learn several jobs. Most confusing of all is the slowly dawning recognition that the chaos will have no end, that being an innovative, high-quality, low-cost manufacturer is not a one-shot effort. "We upped the hours, increased sales and thought we were doing the right thing," says production manager Brown. "They said it wasn't good enough. People aren't sure now what's expected of them." Some are ready to dump employee involvement altogether.

Co-owner Terry Reese counsels patience. It takes a while, especially when you've been in an environment where it's 'Sit down, shut up and do what I tell you'," he says. And the chaos has not been without payoffs. Perhaps the biggest has been better communication between the blue-collar folks on Overly's plant floor and the engineers upstairs, who, thanks to team meetings, are paying more heed to the difficulties of manufacturing their designs. The myriad small suggestions have helped to shave costs by reducing inventory, improving storage and repositioning equipment. And earlier this month the first regular production run rolled off the new-product team's sound-retardant door line. "The product looks great!" Harts exults. "It's going to knock the market dead."

Maybe. Like many another company, Overly has learned that a total corporate makeover doesn't guarantee profits—and that a partial makeover is an oxymoron. But by putting its emphasis on using people better instead of loading up on fancy machinery, Overly is riding one of the most promising trends in U.S. business today. Amid his company's turmoil, Terry Reese offers a prediction: "In 10 years, anybody who runs a business on the hierarchical model isn't going to be in business." A lot of futures depend on his being right.

YAVAPAI-PRESCOTT INDIAN TRIBE WATER RIGHTS SETTLEMENT OF 1993

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STUMP. Mr. Speaker, today, I join my Arizona colleague in the Senate, Mr. MCCAIN, in introducing the Yavapai-Prescott Indian Tribe Water Rights Settlement of 1993. The bill is identical to legislation which he introduced last year, and which was passed by the Senate.

The legislation represents a negotiated settlement to resolve the water rights claims among the Yavapai-Prescott Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona, and the United States. The agreement provides for the continuation in perpetuity of the tribe's existing water service agreement with the city of Prescott, assures the city of Prescott the ability to not only continue that service agreement but also the ability to acquire water supplies to supply its own future development, and clarifies the water rights of Granite Creek for the district.

The cost of this settlement is estimated by the CBO to be $5 to $9 million over the next 5 years. During the Senate hearing last year on the bill, the administration testified that the cost of this settlement to the United States is, "probably the lowest-cost way of providing water to the Tribe in settlement of their water claims." As important, the legislation provides for the deauthorization of the $30 million in the Fort McDowell Indian Community Water Rights Settlement Act of 1990 authorized for an alternative to provide water to the Yavapai-Prescott Tribe.

I commend the parties for their work to reach this settlement, as well as Senator MCCAIN for his work in this matter, and urge the favorable and timely consideration of the bill.

A section-by-section summary of the legislation follows:

SECTION-BY-SECTION ANALYSIS OF H.R. —

Section 1 cites the Short Title as the "Yavapai-Prescott Indian Tribe Water Rights Settlement Act of 1993."

Section 2 (a) enumerates Congressional Findings that:

(1) the policy of the United States, in fulfillment of its trust responsibility to Indian tribes, is to promote Indian self-determination and economic self-sufficiency and to settle, wherever possible, water rights claims of Indian tribes without lengthy and costly litigation;

(2) meaningful Indian self-determination and economic self-sufficiency depend on the development of viable Indian reservation economies;

(3) quantification of rights to water and development of facilities needed to utilize tribal water supplies effectively is essential to the development of viable Indian reservation economies, particularly in arid western states;

(4) in 1935 the United States established a reservation for the Yavapai-Prescott Indian Tribe in Arizona adjacent to the city of Prescott;

(5) proceedings to determine the full extent of the Yavapai-Prescott Tribe's water rights are pending before Arizona Superior Court as part of the general adjudication of the Gila River system and source;

(6) recognizing that final resolution of the general adjudication will take years and entail great expense to all parties, prolong uncertainty as to the Tribe's full water entitlement and the availability of water to fulfill that entitlement, and impair orderly planning and development by the Tribe and Prescott, the Tribe, Prescott, the Chino Valley Irrigation District, Arizona and the United States have sought to settle claims to water between and among them;

(7) the Tribe, Prescott, the Chino Valley Irrigation District, Arizona and the United States have negotiated a Settlement Agreement to resolve all claims between and

among them and provide the Tribe with long term, reliable water supplies;

(8) under the Settlement Agreement, water made available to the Tribe under an existing water service contract between the Tribe and Prescott will be secured, the water service agreement will be continued in perpetuity, and the Tribe's continued on-reservation use of water for municipal and industrial, recreational and agricultural purposes will be provided for;

(9) to advance Federal Indian policy goals and fulfill the U.S. trust responsibility to the Tribe, it is appropriate for the United States to participate in implementing the Settlement Agreement and contribute funds to firm up Prescott's and the Tribe's long-term water supplies;

(10) providing funds for the acquisition and development of replacement water for the Tribe and for Prescott in exchange for Tribe's contract for Central Arizona Project (CAP) water and Prescott's CAP subcontract is a cost-effective means to ensure reliable, long-term water supplies for the Tribe and to promote efficient, environmentally sound use of available water supplies in the Verde River basin.

(b) declares the purposes of the legislation to be:

(1) to approve, ratify and confirm the Settlement Agreement among the Yavapai-Prescott Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona and the United States;

(2) to authorize and direct the Secretary of the Interior to execute and perform the Settlement Agreement;

(3) to authorize the actions and appropriations necessary for the United States to fulfill its legal and trust obligations to the Yavapai-Prescott Tribe as provided in the Settlement Agreement and this Act;

(4) to authorize appropriation of such sums as may be agreed upon by the Secretary, the city and the Tribe as necessary for the Secretary to acquire the contract of the Yavapai-Prescott Tribe for 500 acre-feet of CAP water and the subcontract of the city of Prescott for 7,167 acre-feet of CAP water for use in settlement of water rights of other Indian tribes having claims to the water in the Salt and Verde River system.

(5) to require that expenditures of such appropriations by the Tribe and by Prescott for the acquisition and/or development of replacement water supplies in the Verde River basin shall not be inconsistent with the goals of the Prescott Active Management Area, preservation of riparian habitat, flows and biota of the Verde River and its tributaries;

(6) to authorize the Secretary to substitute all or part of CAP Indian and non-Indian municipal and industrial priority water acquired pursuant to this Act for CAP water of agricultural or municipal and industrial priority acquired by the Secretary pursuant to Public Law 101-628, the Fort McDowell Indian Community Water Rights Settlement Act, and allocated to that Community; and,

(7) to repeal Section 406(k) of Public Law 101-628 which authorized $30,000,000 in appropriations for the Acquisition of land and water resources in the Verde River basin and for the development thereof as alternative or replacement water for the Fort McDowell Indian Community.

Section 3 defines the terms "CAP" (Central Arizona Project); "CAWCD" (Central Arizona Water Conservation District); "Community"; "CVID" (Chino Valley Irrigation District); "Prescott AMA" (Active Management Area); "Prescott"; "Reservation"; "Secretary"; "Settlement Agreement"; "Tribe"; and "Water Service Agreement".

Section 4(a) approves, ratifies and confirms a Settlement Agreement among the Yavapai-Prescott Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona and the United States.

(b) requires that the Settlement Agreement ensure that water service to be provided to the Tribe under the Water Service Agreement is secure in perpetuity. Notwithstanding the provisions of 25 U.S.C. 81, the Secretary is authorized and directed to approve the Water Service Agreement with a perpetual term.

Section 5(a) authorizes the Secretary to acquire the CAP contract of the Tribe and the CAP subcontract of the city of Prescott in exchange for funds authorized to be appropriated in section 6.

(b) gives the Secretary the discretion to allocate CAP water acquired under 5(a) to the Fort McDowell Indian Community in lieu of any water he may have previously acquired from the Harquahala Valley Irrigation District and allocated to the Community, and to reallocate the HVID water to one or more other Arizona Indian tribes, bands, or communities with claims to the waters of the Salt and Verde River system.

(c) provides that water acquired by the Secretary shall retain its original CAP priority and allows the Secretary to reassign HVID water either with an agricultural or converted agricultural water priority. It further provides that the allocattee of such water, or the Secretary, shall pay CAWCD the associated operation, maintenance and replacement charges, and that any other charges associated with the water shall be non-reimbursable.

(d) requires the Secretary, in determining allocation and repayment costs of the CAP, to exclude costs associated with the acquired water from the CAWCD's repayment obligation, thus reflecting the change in the acquired water's category from CAP municipal and industrial water to CAP Indian water.

Section 6(a) requires the Secretary to establish a Verde River Basin Water Fund to provide replacement water for the CAP water relinquished by the Tribe and by Prescott. All moneys in the Fund shall be available without fiscal year limitations.

(b) provides that the Fund shall consist of moneys appropriated to it pursuant to the authorization in section 9(a) and any moneys returned to it pursuant to section 6(d).

(c) requires the Secretary to pay from the Fund to the Tribe and to Prescott, subsequent to the publication of findings pursuant to section 12(a), an amount equal to the number of acre-feet of CAP water relinquished times a value to be negotiated by the Secretary with the Tribe and Prescott, respectively, as provided in section 9(a), together with interest as provided in section 9(b).

(d) requires, as a condition to receiving any funds for CAP water relinquished, that the Tribe and Prescott agree, by contract with the Secretary, to (1) establish trust accounts for the funds; (2) to use the funds consistent with the purposes set forth in section 7; (3) to provide for audits of the trust around and, (4) to provide for repayment to the United States, with interest, any funds found not to have been used consistent with the purposes set forth in section 7.

Section 7(a) limits the use of funds paid to the city of Prescott to defraying expenses associated with the investigation, acquisition or development of alternative sources for such water. "Alternative sources" is defined to include, but not be limited to, retirement of agricultural land and acquisition of associated water rights, development of ground water resources outside the Prescott Active Management Area, and artificial recharge.

(b) limits the use of funds paid to the Tribe to defraying its water service costs under the Water Service Agreement or developing and maintaining facilities on-reservation for water and effluent use.

(c) bars the Tribe and Prescott from distributing any money from the Fund in the form of per capita payments or dividends.

(d) exempts the United States for liability for any claim or cause of action arising from the use of funds by the Tribe or by Prescott, effective with payment of such funds pursuant to section 6(c).

Section 8 requires the Secretary, the Tribe and Prescott to comply with all applicable Federal environmental and State environmental and water laws in developing alternative water sources pursuant to section 7(a). Development of such alternative sources shall not be inconsistent with the goals of the Prescott Active Management Area, preservation of riparian habitat flows and biota of the Verde River and its tributaries.

Section 9(a)(1) authorizes appropriation of such sums as may be required to meet to amount agreed upon by the Secretary, the city of Prescott and the Tribe as necessary for the acquisition of the CAP contract of the Tribe and the CAP subcontract of the city of Prescott, plus interest in accordance with subsection 9(b).

(a)(2) authorizes appropriation of such sums as may be necessary, but not to exceed $200,000, to the Secretary for the Tribe's costs associated with judicial confirmation of the settlement.

(a)(3) authorizes such sums as may be necessary to provide for the study required under section 11(d).

(a)(4) authorizes such sums as may be necessary to establish, maintain and operate the gauging station required under section 11(e).

(b) provides for interest to accrue on the amounts authorized in (a)(1) beginning October 1, 1993, or the date of the agreement referred to in (a)(1) is entered into, whichever last occurs, to accrue until appropriated, at rates determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Federal obligations of comparable maturity.

(c) provides for the State of Arizona to contribute $200,000 to the trust account established by the Tribe pursuant to the Settlement Agreement and section 6(d) for uses consistent with section 7.

(d) repeals subsection 406(k) of the Act of November 28, 1990, the Fort McDowell Indian Water Rights Settlement Act. The subsection authorized $30,000,000 for the acquisition of land and water resources in the Verde River basin and development thereof as alternative or replacement water for the Fort McDowell Indian Community.

Section 10(a) provides that the benefit realized by the Tribe and its members under the Settlement Agreement and this Act constitute full satisfaction of all members' past, present and future claims to water rights (including ground water, surface water and effluent) under Federal and State laws, and that nothing in the Act recognizes or establishes any right of any tribal member to water on the reservation.

(b) authorizes and requires the Tribe and the Secretary, as a condition precedent to implementation of the Act, to waive and release all claims of water rights or injuries to water rights (including ground water, surface water and effluent) from and after the effective date of the Act, which the Tribe and its members may have against the United States, the State of Arizona or any of its agencies or political subdivisions or against any other person, corporation, or municipal corporation, under federal or state law, except as provided in section 9(d).

(c) bars the United States, in its own right or on behalf of the Tribe, from asserting any claims arising under federal or state law based upon water rights or injuries to water rights of the Tribe and its members, against the State of Arizona or any of its agencies or political subdivisions, or against any other person, corporation or municipal corporation, except as provided in section 9(d).

(d) reserves the right of the Tribe, and the United States on behalf of the Tribe, to assert past and future water rights claims as to all reservation lands if the requirements of section 12(a) are not timely met and the Act does not become effective.

(e) provides that the U.S. District Court for the District of Arizona shall have original jurisdiction of all actions arising under this Act, the Settlement Agreement and the Water Service Agreement, including review pursuant to title 9, U.S. Code, of any arbitration award under the Water Service Agreement.

(f) asserts the right of the Tribe, or the United States on behalf of the Tribe, to assert and maintain any claims for the breach or enforcement of the Settlement Agreement or the Water Service Agreement.

(g) states that this Act shall have no effect on the water rights or claims related to any trust allotment located outside the exterior boundaries of the reservation of any member of the Tribe.

(h) states that payments made to Prescott under the Act shall be in full satisfaction of any claims which Prescott may have that are related to the allocation, reallocation, relinquishment or delivery of CAP water.

Section 11(a) waives the sovereign immunity of the United States and the Tribe with respect to any lawsuit brought in Federal District Court relating only and directly to the interpretation or enforcement of the Settlement Agreement or this Act. In the event Prescott submits a dispute under the Water Service Agreement to arbitration or seeks review by the United States District Court for the District of Arizona of an arbitration award under the Water Service Agreement, any claim by the Tribe to sovereign immunity from such arbitration or review is waived.

(b) bars the United States from making any claims or assessments against any of the Tribe's reservation lands for reimbursement of costs arising out of the implementation of the Settlement Agreement or this Act.

(c) authorizes the Secretary, in consultation with the Tribe, to establish a ground water management plan for the reservation which, except as necessary to be consistent with the Water Service Agreement, Settlement Agreement and this Act, will be compatible with the ground water management plan in effect for the Prescott Active Management Area. In establishing a ground water management plan, the Secretary may consult with the Arizona Department of Water Resources or the Prescott Active Management Area Director.

(d) authorizes and directs the Secretary to study the sources and costs of water supplies which may be available to fulfill the trust responsibility of the United States to the Tonto Apache Tribe of Arizona with respect to water. Sources to be studied shall include water service from the town of Payson, Arizona. The study is to be commenced within 180 days after enactment of this Act and shall be completed within one year after it is commenced. Copies of the study shall be provided to the Committee on Interior and Insular Affairs in the House of Representatives and the Select Committee on Indian Affairs of the Senate.

(e) directs the Secretary, acting through the U.S. Geological Survey, to establish, maintain and operate a gauging station at the State Highway 89 bridge across Granite Creek adjacent to the reservation to assist the Tribe and the Chino Valley Irrigation District in allocating the surface flows of Granite Creek as provided in the Settlement Agreement.

Section 12(a) makes the effectiveness of the Tribe's and the United States' waiver of claims authorized in section 10(b) contingent upon the Secretary publishing in the Federal Register a statement of findings that:

(1) the Secretary has executed contracts for the acquisition of the Tribe's CAP contract and the city of Prescott's CAP subcontract as provided in section 6(d);

(2) the Arizona Superior Court has approved, no later than December 31, 1994, a stipulation providing for dismissal of the Tribe's water rights claims, such approval condition upon appropriation and deposit into trust accounts of funds authorized to be paid the Tribe and the City of Prescott in section 9(a)(1);

(3) the Settlement Agreement has been modified to the extent it may be in conflict with this Act and has been executed by the Secretary;

(4) the State of Arizona has appropriated and deposited into the Tribe's trust account $200,000 as required by the Settlement Agreement.

(b) provides that if the actions described in paragraphs 12(a)(1), (2), (3), and (4) have not occurred by December 31, 1995, any contract between Prescott and the United States entered into pursuant to section 6(d) shall not thereafter be effective, any funds appropriated pursuant to section 9(a)(1) shall revert to the Treasury, and any funds appropriated by the State of Arizona pursuant to the Settlement Agreement shall be returned by the Tribe to the State of Arizona.

Section 13(a) disclaims any interpretation of the Settlement Agreement and this Act as quantifying or otherwise adversely affecting the land and water rights, claims or entitlements to water of any Arizona Indian tribe, band or community, other than the Tribe.

(b) disclaims any interpretation of this Act as affecting the water rights or the water rights claims of any Federal agency other than the Bureau of Indian Affairs on behalf of the Tribe.

THE UNITED STATES MUST AVOID THE BOSNIAN QUAGMIRE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. CRANE. Mr. Speaker, the devastating civil war continues to plague Bosnia, and we are confronted with daily reminders of the terrible price this conflict is exacting on civilians. Previously, the Clinton administration advocated lifting the arms embargo and initiating allied air strikes, but the European Community rebuffed these proposals. Now the President, in his eagerness to contribute to the U.N. effort to stop the killing, has offered United States troops to Macedonia ostensibly to prevent the conflict from spreading. In light of this recent decision, I urge my colleagues to read the following editorial which discusses the probably futility of any form of United States armed intervention in the Balkans.

The editorial follows:

[From the Chicago Tribune, Apr. 29, 1993]

The Bosnian War: Easier to Get in Than to Get Out

(By Stephen Chapman)

Bill Clinton knows it is extremely foolish to jump head first into a bog of quicksand. So if he ventures in, it will be one step at a time, in the touching confidence that he can always jump out if he should start to sink.

The calls for American military intervention in Bosnia grow louder and more numerous every day. Margaret Thatcher says the West has the duty "not to appease the aggressor but to fight him." Holocaust survivor and Nobel laureate Elie Wiesel declared at last week's dedication of the Holocaust Memorial Museum, "We must do something to stop the bloodshed in that country!" Jimmy Carter's national security adviser, Zbigniew Brzezinski, says anyone who opposes Western action is guilty of "moral cowardice."

The administration, which is supposed to unveil its new policy next week, has sounded alternately warm and cool to the idea. Clinton announced Monday that the United States and its allies need "a stronger policy" in the Balkans. But the next day, Secretary of State Warren Christopher insisted that any proposal to intervene would have to pass "some very severe tests."

At this stage, Clinton clearly isn't willing to send American ground troops to Bosnia, but he also resists the option of staying out entirely. His most likely choice is something in between—launching air strikes against Serbian gun positions in Bosnia, supplying arms to the Bosnian Muslims or both.

This is a compromise on the order of jumping halfway across a chasm. It goes far enough to get in trouble but not far enough to get someplace worth going. It offers little chance of ending the bloodshed in the Balkans, while creating the real possibility we will be pulled further into the fight.

The assumption of those advocating air power is that it can do serious damage to the Serbs, who will be cowed into submission at the first show of American might: It's safe, quick and easy.

Oh, no, it's not. Knocking out the artillery that have been shelling cities is a formidable job. The Serbian guns are small, highly mobile, easily camouflaged and hard to see in the mountainous forests of Bosnia, where hiding places abound. Remember the difficulty the U.S. had locating and destroying Saddam Hussein's Scuds—fat targets sitting in desert terrain.

What do we use to hit the Serbs? B-52s could engage in saturation bombing, but only at the price of killing lots of innocent civilians. Attack helicopters could try to search out Serbian positions, but they need soldiers on the ground to be most effective and, in any case, would be highly vulnerable to hostile fire.

As Adm. David Jeremiah, vice chairman of the Joint Chiefs of Staff, warns, "It's not simple or easy to use air strikes in guerrilla warfare against lightarmed partisans moving around the countryside." No one has managed to unearth an example from history of a guerrilla force being effectively coerced by air power alone.

The Serbs have taken their share of casualties in this war. They are not going to collapse in tears at the sight of their own blood—particularly when the U.S. has already ruled out what they fear most, a ground invasion.

Arming the Muslims has its own drawbacks. First, it would undoubtedly spur the Serbs into a frenzy of violence to get everything they can before the weapons arrive. Among the targets would be UN peacekeeping troops guarding relief convoys. Second, getting the arms to the intended recipients could be hard: They may have to be trucked across territory controlled by Croats, who have their own reasons to prefer poorly armed Muslims.

Lifting the arms embargo also would prolong the agony by helping the Muslims to keep fighting—which is clearly a higher priority with Bosnian leaders than saving Muslim lives by negotiating a settlement. The "humanitarian" policy of sending ordnance to Bosnia may increase the death toll without changing the outcome.

Those who favor intervention say this approach will work. The question they never answer is: What if it doesn't? Can the U.S. enter the war on one side, watch its initial efforts fail, shrug and say, "Never mind"? Not likely. Raising the ante in a war is a lot easier than lowering it.

And by that time, we may have to deal with maddening complications, such as American POWs in Serbian hands or Serbian-sponsored terrorism against American targets. Then the only option left will be putting U.S. ground troops into the middle of a fratricidal civil war to fight an enemy who can melt into the population—Vietnam and Lebanon revisited.

Clinton may believe he can step just so far into the Bosnian war and then get out whenever he wants. But the best way to avoid drowning in quicksand is to stay away from it.

ARRIVAL OF HOCKEY IN SOUTHERN WEST VIRGINIA

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. RAHALL. Mr. Speaker, in the fall of 1993, the State of West Virginia will welcome it's second minor league hockey team, the Huntington Blizzard. The sport first arrived in West Virginia last year with the maiden season of the Wheeling Thunderbirds and met with phenomenal success. Hockey, often dubbed as the sport of the 1990's, has truly become very popular in the Mountain State. During the drive to bring minor league hockey to Huntington, more than 1,400 pledges were taken for season tickets.

Thanks to the efforts of Mr. Jim Burlew and others, who worked tirelessly for months to promote the addition of a new franchise in the region, the Huntington Blizzard is expected to meet with tremendous success in the coming year. The team will field 34 home games during the upcoming season, and many West Virginians expect a friendly in-State rivalry to develop between the Blizzard and the Wheeling Thunder birds.

Undoubtedly, the arrival of hockey in Huntington will mean jobs and economic opportunity to the community. In an area with a wonderful sports tradition, the new team is indeed a welcome addition that will improve the quality of life in southern West Virginia. I salute the dedicated men and women, who helped to bring this new franchise to the State, for their hard work on behalf of this successful campaign. They deserve our recognition and respect for their commitment to economic development and to their community.

SERVING NOTICE

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. FORD of Michigan. Mr. Speaker, pursuant to the rules of the Democratic Caucus, I wish to serve notice on my colleagues that I may seek less than an open rule for the consideration by the House of Representatives of the bill H.R. 2010, the National Service Trust Act of 1993.

LEGISLATION TO SIMPLIFY ELIGIBILITY REQUIREMENTS FOR RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN AND MEDICAID

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. SLATTERY. Mr. Speaker, I rise today to offer very simple legislation to simplify eligibility requirements for recipients of aid to families with dependent children [AFDC] and Medicaid.

I was contacted 2 years ago by Ms. Donna Whiteman, secretary of the Kansas Department of Social and Rehabilitation Services, who advised me that Federal law requires every adult member of a family to attest personally to their U.S. citizenship in order to qualify for AFDC and Medicaid. The law also requires the adult to formally declare that any newborn child is a U.S. citizen, even if the infant is born in the United States. These two requirements delay unnecessarily benefits to eligible individuals. According to Secretary Whiteman, the law creates a tremendous potential for purely technical errors. The problem is particularly acute in rural areas like my district in eastern Kansas, where families may have to travel a considerable distance to reach the nearest Social Security office.

Congress recognized this problem in the 1990 farm bill, when we amended the Food Stamp Program, with support from the administration, to allow a single household member to attest to the citizenship status of all members of the household. In addition, in the case of a newborn child, the farm bill provision permitted an adult to sign a declaration on behalf of the child no later than the date of the next redetermination of the eligibility of the family or household.

Last year, I contacted the Department of Health and Human Services' Administration for Children and Families, where officials informed me they would support a similar revision to the AFDC and Medicaid programs. I introduced such legislation in the House, and Senator BOB DOLE introduced a similar measure in the Senate, where he successfully inserted his language in the Revenue Act of 1992. President Bush vetoed the tax bill, however, which is why we are at it again in the 103d Congress.

I was pleased that the Omnibus Budget Reconciliation Act [OBRA] of 1993, which the House passed on May 27, included this revision to the AFDC Program. Since all AFDC recipients are automatically eligible for Medicaid, the OBRA provision nearly solves the problem. I am introducing my bill, however, in the hope that during conference on the reconciliation bill, we can amend the language to explicitly include Medicaid.

Mr. Speaker, this is a very minor change. It does not increase welfare rolls. The bill simply allows this country's less fortunate, those already eligible for AFDC and Medicaid, especially newborn children, to obtain benefits more quickly. I urge its adoption.

IN MEMORIAM: MAYOR DAVE KARP

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STARK. Mr. Speaker, a spirited and dedicated leader has been lost by San Leandro and San Francisco's East Bay. Mayor Dave Karp recently passed away at his home.

Dave Karp will be remembered in many fond and loving ways by his wife Marcia, and their children, Dennis and Judy. But today, I would like to remember Mayor Dave Karp.

Mayor Karp's enthusiasm for public service was always apparent. Mayor Karp was elected to the San Leandro City Council in 1982. He became mayor of San Leandro in 1986, and was reelected in 1990. Mayor Karp was very active in the U.S. Conference of Mayors, focusing on transportation issues.

"Mayor Karp was a true friend and leader of the U.S. Conference of Mayors," said J. Thomas Cochran, executive director, U.S. Conference of Mayors. "He was elected to the leadership of the organization by his fellow mayors and worked hard to build the organization and give it a strong voice on urban transportation issues. We will miss his presence and appreciate his contributions."

Jerry Abramson, mayor of Louisville, KY, and incoming USCM president remembers the mayor this way. "Dave Karp was a reliable and conscientious contributor to the work of the Conference of Mayors, and a good example of the creative and energetic leadership of America's cities. We will miss him, and send our sincere condolences to Mrs. Karp and the people of San Leandro."

Mayor Karp lobbied Washington in support of local projects. "Mayor Dave Karp was a strong advocate for his city and tireless in his pursuit of Federal support for San Leandro's needs," said Dick Sullivan, former staff director for the House Public Works Committee. "He stood out as a clear voice for California and for local governments, and was a well-known visitor to Congress. He fought the good fight for his people and always remembered his friends, just as we will always remember him."

Mr. Speaker, Mayor Karp was a dedicated public servant. He worked tirelessly on behalf of what he believed in and for the City of San Leandro. We are going to miss him in the East Bay.

THE COOPERATIVE INTERJURISDICTIONAL RIVERS ACT OF 1993

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. GUNDERSON. Mr. Speaker, today I am introducing the Cooperative Interjurisdictional Rivers Act of 1993. The bill is intended to take an important step forward in preserving and protecting the future well-being of the interjurisdictional rivers of the United States, and the fishery resources of those rivers.

THE NEED FOR LEGISLATION

Interjurisdictional rivers flow between, or are common to, two or more State boundaries or a State. These rivers form large ecosystems that are important to the Nation in terms of both their economic and intrinsic values.

Individual State natural resource agencies have difficulty managing these rivers because, when State boundaries are crossed, State-sponsored scientific investigations are hampered, as is development of management strategies of a scale and scope sufficient to address problems. Consequently, these rivers are often left without management continuity and their ecosystems are threatened by potential mismanagement, or by complete lack of management. A federally supported, cooperative interjurisdictional resource management strategy involving the States is needed to correct this situation.

Interjurisdictonal rivers and associated wetlands provide habitat critical to fish and wildlife, including but not limited to fish, birds, mammals, endangered species, and animal communities of unique biological diversity. These species are unique in that their movements transcend political boundaries. Even more unique are riverine fish which, unlike birds and mammals, are confined within the water medium.

These same waters provide conduits for most of the Nation's industrial and domestic wastes, and for transport of the Nation's raw materials and manufactured goods. Consequently, large rivers and large river fisheries are impacted, both directly and indirectly, by a wide variety of waterway developments—many of which are Federal—including navigation, flood control, water level fluctuation, power generation, irrigation, and water depletion. These developments are accelerating and increasingly degrading large rivers and large river fishery habitats.

As a result, many of the Nation's once rich assemblages of riverine fish fauna and habitats have been lost, and many formerly abundant native fish species are now threatened or depleted. The fact that many of the impacting developments are federally sponsored requires a new federal role in coordinating Federal and State cooperative fishery research and management on interjurisdictional river systems.

Federal programs are in place to address the needs of migratory waterfowl, anadromous fish, and endangered species; including the North American Waterfowl Management Plan, the Migratory Bird Treaty Act, the Anadromous Fish Conservation Act, and the Endangered Species Act, among others. Similar programs, jointly run by the Federal Government and State agencies, are needed to protect and manage interjurisdictional fisheries resources.

PURSUING TWO GOALS

This bill pursues two goals: First, to develop a strategy that maximizes protection and conservation of interjurisdictional river resources. Second, to test effectiveness of the existing Mississippi Interstate Cooperative Resource Agreement for management of interjurisdictional fisheries.

The first goal is pursued under the legislation through creation of a council, chaired by the Secretary of Interior and consisting of heads of appropriate Federal and State agencies, to develop an interjurisdictional river management strategy. The strategy will identify needed Federal actions, minimize duplication of effort, and maximize effectiveness of existing Federal, State, and local commitments to river resource management. The strategy will also aim to prevent further depletion of valuable riverine resources and species, thus helping to prevent future conflict between environmental and developmental interests. Finally, the strategy will establish comprehensive plans for the five highest priority interjurisdictional rivers, to be identified.

This goal is based on the success of an existing interjurisdictional river management plan now in effect on the upper Mississippi River. The Environmental Management Program [EMP] was authorized by Congress in 1986 (Public Law 99–662) to foster cooperative interagency management of the river over a five State area. The success of the EMP has demonstrated that bureaucratic entities and political interests can work together to protect both developmental and environmental interests on large rivers.

The second goal is pursued under the legislation by establishing a pilot test of the Mississippi Interstate Cooperative Resource Agreement [MICRA] entered into by 29 States of the Mississippi River Basin, and the U.S. Fish and Wildlife Service (August 1991). MICRA coordinates management of interjurisdictional fisheries. Under the Comprehensive Strategic Plan developed by the MICRA signators, fisheries managers have agreed to share facilities and funding for implementation of management efforts.

The Mississippi River Basin is the Nation's largest interjurisdictional river basin. It includes portions of Alabama, Arkansas, Colorado, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Virginia, West Virginia, Wisconsin, and Wyoming. In addition to the Mississippi River mainstem, the Mississippi River Basin includes the Missouri, Ohio, Tennessee, Arkansas, and Red rivers, and their tributaries.

The management concepts proposed by the MICRA show great promise. State fisheries managers in the Mississippi River Basin have already identified more than 90 major rivers and 80 riverine species which both fall under interjurisdictional management, and require immediate attention.

The MICRA does not duplicate any existing organizational network. Nor will it under this legislation. Rather, coordinated resources will be used to enhance existing programs, institutions, and facilities. In addition to Federal agencies, the MICRA managers have invited participation of interested federally chartered entities, Indian tribes, and utility companies which manage natural resources in the Basin.

ADDRESSING STATE'S CONCERNS

Great care has been taken in this legislation to address concerns expressed by the States over the degree to which State prerogatives will be maintained under both the Strategy and the MICRA evaluation.

Under the legislation, the Secretary of the Interior shall chair a national council consisting of 13 members, seven of whom will be directors of State fish and wildlife agencies. The Secretary will be directed to strive for consensus in developing a strategy, and will publish all minority views in the final report to Congress.

Similarly, while the MICRA evaluation will be funded through the U.S. Fish and Wildlife Service under this legislation, the States specifically sought Federal support of this effort by inviting the Service to enter into the MICRA agreement, and by requesting coordination assistance from the agency. It is intended that the funding and coordination relationship between the Service and MICRA will continue under this legislation.

THE ROLE OF THE U.S. FISH & WILDLIFE SERVICE

Funding for implementation of this legislation will be provided to the Secretary of the Interior, acting through the Director of the U.S. Fish and Wildlife Service. The traditional role of the Service has been to manage and protect migratory waterfowl, anadromous fish, and endangered species. In addition, the Service is responsible for facilitating restoration of depleted, nationally significant interjurisdictional fish and wildlife resources; providing mitigation of fish and wildlife resources impaired by Federal water related development; and maintaining a Federal leadership role in scientifically based management of fishery resources. The Service is therefore the appropriate agency to carry out the mandates of this bill.

It is our hope that funding for implementation of this legislation will be in addition to current funding levels for programs already administered by the U.S. Fish and Wildlife. Without such a Federal commitment to the improvement of the Nation's interjurisdictional rivers and fisheries, the American public will face diminished opportunities for recreational, commercial, and subsistence use of these important river systems and their resources.

SUPPORT FOR THE BILL

This legislation is the result of over 2 years of consultations between myself, the U.S. Fish and Wildlife Service, and national and local chapters of the major river resource management organizations.

Copies of endorsement letters from many of these groups follow:

UPPER MISSISSIPPI RIVER
CONSERVATION COMMITTEE,
Rock Island, IL, May 19, 1993.

Congressman STEVE GUNDERSON,
House of Representatives, Washington, DC.

DEAR MR. GUNDERSON: Thank you for your response to our comments regarding the Cooperative Interjurisdictional Rivers bill you drafted for the last session of Congress. The Upper Mississippi River Conservation Committee (UMRCC) Executive Board reviewed the latest version of your bill that is to be introduced in the 103rd Congress. We were pleased to see that additional language was inserted into the bill that addressed one of our major concerns regarding state approval of strategic plans. At our 49th Annual Meeting, the UMRCC Executive Board voted to fully endorse the bill.

I believe that your bill incorporates several concepts for large river management that are similar to goals and objectives that the UMRCC have been striving to attain for many years. The UMRCC looks forward to working cooperatively with the Mississippi Interstate Cooperative Resource Agreement (MICRA) staff in pursuing these worthwhile goals.

Sincerely,

BILL BERTRAND,
Chairman.

IZAAK WALTON LEAGUE OF AMERICA,
Arlington, VA, January 31, 1992.

Hon. STEVE GUNDERSON,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN GUNDERSON: On behalf of the 54,000 members of the Izaak Walton League from across the country, I am writing to express the League's enthusiastic support for your "Cooperative Interjurisdictional Rivers Fisheries Resources Act," the draft bill that you have developed to address the pressing need for accelerated research and management of fisheries in the large inland river systems of the country.

As you have recognized, management of fisheries on our large inland rivers has been uncertain, inadequate, and ill-coordinated. Rivers like the Mississippi, the Missouri, or the Ohio flow through the jurisdiction of many states. An individual fish or the population in a given river frequently falls under the management of several states. This pattern of fragmented jurisdiction has impeded coordinated management and frustrated the management efforts of individual states.

Improved management and restoration of depleted fish stocks will require expanded research on the fisheries or large river systems, better information on current fish populations and trends, new cooperative strategies for coordinated fisheries management, and a strengthened partnership of federal and state entities engaged in fisheries management and research. Your proposed legislation meets those needs head-on, at minimal cost. It is a timely, carefully crafted, and badly needed proposal.

The native fisheries associated with America's large river ecosystems are of great economic value to the nation and form an irreplaceable piece of our shared natural heritage. We are pleased to join with you in support of your Cooperative Interjurisdictional Rivers Fisheries Resources Act of 1992. We will look forward to working with you to seek broad support and prompt passage of this important initiative.

Sincerely yours,

JACK LORENZ,
Executive Director.

AMERICAN FISHERIES SOCIETY,
Bethesda, MD, January 31, 1992.

Congressman STEVE GUNDERSON,
Rayburn House Office Building; Washington, DC.

DEAR CONGRESSMAN GUNDERSON: My purpose in writing is to express the American Fisheries Society's support for your "Cooperative Interjurisdictional Rivers Fisheries Resources Act." We feel strongly that the large inland rivers of our country have suffered from waterway developments, including navigation, flood control, water level fluctuation, power generation, and irrigation withdrawals. The once rich assemblages of fish fauna and diverse habitats have been lost and the formerly abundant native fish now exist only as endangered or depleted populations. The result is that the American public is faced with reduced opportunities for recreational, commercial, subsistence, and aesthetic uses of these large river systems.

The legislation proposes a strong federal/state partnership to coordinate and facilitate cooperative research and restoration programs to regain the former productivity of the river ecosystems. In addition it supports the Mississippi Interstate Cooperative Resource Agreement under which state, federal, and local fishery managers will share resources, facilities, and information in carrying out long-range strategic plans for management of the basin's interjurisdictional fisheries.

We applaud your leadership in introducing this bill and pledge our support in getting an interjurisdictional river conservation bill enacted into law.

Sincerely,

PAUL BROUHA,
Executive Director.

AMERICAN FISHING TACKLE
MANUFACTURERS ASSOCIATION,
Washington, DC, January 31, 1992.

Hon. STEVEN GUNDERSON,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE GUNDERSON: On behalf of the member companies of the American Fishing Tackle Manufacturers, I am writing to express our support for the Cooperative Interjurisdictional Rivers Fisheries Resource Act.

Congratualtions and thanks to you and your staff for your attention to this issue. I am sure that the Fishnet community will continue to work with you throughout the legislative process to see the bill fine tuned and ultimately passed.

Sincerely,

DALLAS MINER,
Vice President for Government Affairs.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, June 24, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 25

9:00 a.m.

Governmental Affairs

Permanent Subcommittee on Investigations

To hold oversight hearings to examine the Blue Cross/Blue Shield's Empire Insurance Plan of New York.

SD-342

10:00 a.m.

Labor and Human Resources

To hold hearings on the nomination of Sheldon Hackney, of Pennsylvania, to be Chairperson of the National Endowment for the Humanities.

SD-430

JUNE 28

2:00 p.m.

Finance

International Trade Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1994 for the U.S. Customs Service, the Office of the U.S. Trade Representative, and the International Trade Commission.

SD-215

4:00 p.m.

Foreign Relations

To hold hearings on the nomination of Daniel K. Tarullo, of Massachusetts, to be an Assistant Secretary of State for Economic and Business Affairs.

SD-419

JUNE 29

9:30 a.m.

Energy and Natural Resources

To hold oversight hearings to examine the Administration's program for meeting the stabilization goals for greenhouse gases and the ongoing work on the National Action Plan.

SD-366

Environment and Public Works

Toxic Substances, Research and Development Subcommittee

To hold hearings on S. 729, to revise the Toxic Substances Control Act to reduce the levels of lead in the environment.

SD-406

10:00 a.m.

Armed Services

Regional Defense and Contingency Forces Subcommittee

To resume hearings on proposed legislation authorizing funds for fiscal year 1994 for the Department of Defense and to review the future years defense program, focusing on Navy programs.

SR-232A

Foreign Relations
Business meeting, to consider S. Con. Res. 28, regarding the Taif agreement and urging Syrian withdrawal from Lebanon, and pending nominations.
SD-410

Judiciary
To hold hearings to examine current programs for women in prisons.
SD-226

Joint Organization of Congress
To resume hearings to examine congressional reform proposals.
H-5, Capitol

10:30 a.m.

Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1994 for foreign assistance programs.
SD-419

11:00 a.m.

Agriculture, Nutrition, and Forestry
To hold hearings to examine a National Academy of Science report on pesticides and their effect on children.
SR-332

2:00 p.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Joint Organization of Congress
To continue hearings to examine congressional reform proposals, focusing on legislative and judicial relations.
H-5, Capitol

2:30 p.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1994 for foreign assistance, focusing on refugee programs.
Room to be announced

JUNE 30

9:30 a.m.

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for programs of the Magnuson Fishery Conservation and Management Act.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Clean Air and Nuclear Regulation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal years 1994 and 1995 for the Nuclear Regulatory Commission.
SD-406

Governmental Affairs
Permanent Subcommittee on Investigations
To resume oversight hearings to examine the Blue Cross/Blue Shield's Empire Insurance Plan of New York.
SD-342

JULY 1

9:30 a.m.

Energy and Natural Resources
To hold hearings on the nomination of Tara Jeanne O'Toole, of Maryland, to be Assistant Secretary of Energy for Environment, Safety and Health.
SD-366

10:00 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings to examine issues relating to toy safety, and on S. 680, to require warning labels on the packaging of children's toys and games with small parts, balloons, small balls, or marbles, and to require bicycle helmets to meet Consumer Product Safety Commission standards.
SR-253

Veterans' Affairs
Business meeting, to mark up S. 843, to improve reemployment rights and benefits of veterans and other benefits of employment of certain members of the uniformed services, and pending legislation on VA health care programs.
SR-418

Joint Organization of Congress
To resume hearings to examine congressional reform proposals.
S-5, Capitol

11:00 a.m.

Veterans' Affairs
To hold hearings on the nomination of Victor P. Raymond, of the District of Columbia, to be Assistant Secretary of Veterans Affairs (Policy and Planning).
SR-418

CANCELLATIONS

JULY 1

2:00 p.m.

Indian Affairs
To hold hearings on S. 1021, to assure religious freedom to Native Americans.
SR-485

POSTPONEMENTS

JUNE 24

10:00 a.m.

Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on proposals to reform private enforcement of the Federal securities laws.
SD-538

Indian Affairs
To hold hearings on the President's proposed budget request for fiscal year 1994 for Indian programs within the Department of Education and the Administration for Native Americans.
SR-485

HOUSE OF REPRESENTATIVES—*Thursday, June 24, 1993*

The House met at 9:30 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Give us, O gracious God, a broader experience of the meaning of service. Help us to realize that every situation in life presents opportunities for us to assist others in their cares or concerns. You have called us, O God, to express our humanity by helping and healing the afflictions of the day and by strengthening the bonds of respect that make us Your people. We pray that we will be faithful in the tasks You have given us now and evermore. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California [Mr. KIM] please come forward and lead the House in the Pledge of Allegiance.

Mr. KIM led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that it will limit 1-minute requests to 15 requests on each side.

FAILURE OF REPUBLICAN PLAN IS A VICTORY FOR AMERICA'S PEOPLE

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, last night the vast majority of Americans won a great victory when a Republican economic plan to protect the privileged failed.

The Republican plan would have continued the inequities of the past 12 years. It would have shielded the wealthy from doing their fair share to reduce the deficit and create jobs. It would have placed that burden squarely on the shoulders of the middle class, our children, and the elderly.

In short, the Republican plan was business as usual—protecting the privileged while offering vague caps and freezes to cut the budget and get the Nation back on track.

In contrast to the Republican plan, President Clinton has offered a real change. His plan reduces the deficit by $500 billion. President Clinton's plan fairly distributes the burden of deficit reduction and makes specific cuts to secure a productive future for America's working men and women.

Mr. Speaker, last night's Republican failure was a great victory for the American people.

IT JUST AIN'T SO, MR. PRESIDENT

(Mr. KIM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KIM. Mr. Speaker, the President has been making the rounds of the various radio talk shows talking about his budget bill. What he has been saying has not been altogether accurate.

The President maintains that his spending cuts match his tax increases dollar for dollar. Wrong. Wrong. Wrong. The fact is that he raises taxes $3.18 for every dollar in spending cuts.

He counts as spending cuts $44 billion mandated by the budget agreement of 1990.

He counts as spending cuts $55 billion in anticipated reductions in interest payments.

He counts as spending cuts $15 billion in user fees.

He counts as spending cuts $70 billion in discretionary spending reductions which may or may not come later.

But one thing is certain in this smoke and mirrors budget, Mr. Speaker: Taxes, lots of taxes; $250 billion in brand new taxes.

CALLING FOR REVERSAL OF VOTE ON DISTRICT OF COLUMBIA FIRE DEPARTMENT FEATHERBEDDING

(Ms. NORTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, yesterday an unconscionable vote in the Committee on Appropriations forced millions of dollars on District taxpayers to maintain one of the worst cases of fire department featherbedding in the country. Today the District dispatches double the national average of personnel to fires. Even with the planned reductions we will remain far ahead of the national average.

This vote, opposed by Committee on Appropriations leadership, was mandated not by safety but by the International Fire Fighters Association, whose special interest greed knows no bounds. These firefighters live in southern Maryland and Virginia but make their living in the District. They have helped force on the District a congressional exemption from commuter taxes while demanding wholly unnecessary staffing from a tax base to which they make no contribution.

Worse, this vote comes when Congress reads daily that the District's deficit has left it unable to meet its minimal obligations, and thousands of vital employees are being laid off. How much must one struggling city be forced to take? How much unprincipled interference with home rule can Congress justify? To retrieve its own self-respect and afford respect for democracy at the Capitol's doorstep, this decision must be reversed.

PUTTING TAXES FIRST

(Mr. HASTERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HASTERT. Mr. Speaker, we are going through a time where we are seeing a lot of charts and graphs and we are hearing a lot of statistics, and we are talking about tax packages that are passed in the Senate, and reconciliation bills that are going to be in conference.

However, the American people should not be fooled, Mr. Speaker. When it really comes down to it, we are talking about raising people's taxes. We hear rhetoric on the other side of the aisle that we as Republicans just want to protect those people over $200,000. I will tell the Members, that is poppycock, because when we are back in the town meetings and we are talking to real people day in and day out, they know that the taxes on gasoline or Btu taxes or whatever is going to come down in that formula are going to be taxes on real people.

Mr. Speaker, statistics can be used any way by almost anybody, but one thing cannot be denied. The President plans the largest tax increase in history. Those taxes will start hitting the middle class by the beginning of next month, and before any spending cuts are even considered. There are more taxes by a quantity of three, if we look

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☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

at the Senate bill, or by a quantity of six, if we look at the House bill, than there are spending cuts. This is what the American people are most concerned about.

CONGRATULATIONS TO CHAIRMAN WILLIAM NATCHER

(Mr. MAZZOLI asked and was given permission to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, it was earlier this week when the gentleman from Kentucky [Mr. NATCHER], the dean of our delegation, was honored for having cast 18,000 consecutive votes here in the House of Representatives. It is a record not only for this body, which will live forever, but for any parliamentary body in the entire world.

Mr. Speaker, I, as a member of the Kentucky delegation for over 20 years, have been happy to walk in the shadows of the gentleman from Kentucky [Mr. NATCHER], because he is exemplary not only as a legislator but as a human being and as a lawmaking leader. It is also a tribute to him, despite the pressures on him and the long days, that by the end of our work week next week, Mr. Speaker, we will have completed our work on, I believe, all of the appropriations bills which run Government.

Once again, not only is the gentleman from Kentucky [Mr. NATCHER], my dean and friend, carving a record that will never be excelled in the history of this planet, but, even as he is doing that, he is continuing the hard, mundane, but very important work of this House. Again, it is a pleasure to extend congratulations to Chairman NATCHER, and to tell him how much of a pleasure it is to have him as our leader in this House of Representatives.

TAX PROPOSAL

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, wouldn't it be nice if Congress could learn from its mistakes. Instead the Democrats offered the same so-called deficit reduction plan that didn't work in 1990. I don't know about anyone else, but if I grab a hot pan and get burned I certainly would not grab it again, with the same rhetoric of 1990.

In 1990, the gasoline tax was raised 5 cents per gallon, in 1993 it will be raised 5 cents again. In 1990, income taxes were raised and in 1993, income taxes will be raised again.

Recently, a restaurant owner wrote to USA Today saying he had already planned who to lay off due to the President's plan. He is planning for higher energy taxes, higher taxes on small business, more Federal regulations, a health care payroll tax for the President's new socialized medicine scheme, and the list goes on and on.

Does this sound like an economy boosting plan? Working people, watch out—you are about to get burned again.

PRESIDENT CLINTON'S PLAN THE ONLY GAME IN TOWN

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, yesterday in the Senate we saw a clean loss for the Republicans, but a huge win for the American people. The Republican alternative to the President's reconciliation package went down in flames because it did not offer any substance, just more smoke and mirrors.

Once again it is clear President Clinton's plan is the only game in town.

Mr. Speaker, these statistics are relevant: 78.2 percent of the tax burden in the President's plan is borne by those that make over $200,000, the privileged. The privileged are paying more than their fair share.

The Republican plan once again shows its true colors and exempts totally those who make over $200,000.

Mr. Speaker, the President's plan is the only game in town. It is a serious deficit-reduction effort. It will get us toward more positive roads to economic recovery.

Once again, the Republicans have shown that they like to tax everyone except the rich.

CUTTING THROUGH THE CLAIMS AND COUNTERCLAIMS

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, I do not know about the rest of my colleagues, but I am getting kind of tired of smoke and mirrors. We are talking about the same thing, but you would never recognize it when everyone gets up here to talk.

Can Members imagine what someone out at home in Greybull, WY, is thinking about what we are doing with taxes?

Let me read just a little bit from the New York Times, which is not exactly a conservative chronicle, but I think they intend to really deal with it.

It says:

> The ratio of tax increases to spending cuts. The Democrats say their package is evenly divided between the two. Republicans say the Democrats are more interested in raising taxes, and contend that the spending reductions may never come to pass.
>
> In fact, the higher-income taxes would go into effect this year, and most of the other taxes would become effective in January. But most of the spending cuts would come much later.
>
> Spending will be lowered this year and only 7 percent of reductions will take place in the next fiscal year. More than three-fifths of the spending cuts, $165 billion out of $267 billion, will take place in fiscal years 1997 and 1998, after the end of the presidential term.

That gives Members some idea of where we are when we talk about the facts.

CUT SPENDING FIRST ACT OF 1993

(Ms. HARMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, again and again, I have heard from my constituents about the need to cut spending first. If we are to eliminate the catastrophic deficit that is eating away at our future, and if we are going to run the Government more like a business, we must cut out programs that can no longer be justified.

That is why I voted for the line-item veto. That is why I voted for the budget reconciliation package that had over 200 individual spending cuts. And that is why today I am introducing the Cut Spending First Act of 1993, which has a baker's dozen of individual spending program eliminations that will save our Nation over $21 billion during the next 5 years.

Among the programs to be eliminated in my bill are huge, ill-conceived projects like the superconducting super collider and farm programs that benefit only a privileged few like the honey price support program. Beyond canceling the super collider and the honey program, this bill will:

Cancel NASA advanced solid rocket motor program.

Eliminate the market protection program which subsidizes foreign advertising of agriculture products.

Eliminate the tobacco price support program.

Eliminate the World War II-era price supports for wool and mohair.

Eliminate the peanut price support program.

Institute mining royalties on Federal land.

Increase grazing fees on Federal land to market rates, which was part of the original Clinton economic package, but was eliminated due to lobbying pressure.

Increase below-cost timber sales on Federal lands to market rates.

End the Federal Crop Insurance Program.

Make our NATO and Far East allies pay 75 percent of the labor costs for U.S. bases in their nations.

Big and small, every program in the budget needs to be scrutinized and justified. If it cannot pass muster, we should eliminate it.

I firmly believe that we will never grow our economy and allow the private sector to retain and build high-skill, high-wage jobs until we get our deficit under control. I urge this Congress to adopt the proposals in the Cut Spending First Act so that we can build the economy instead of the Government.

MORE RHETORIC ABOUT CUTTING THE DEFICIT

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, once again we hear the wonderful rhetoric about how the President's proposed tax increases are going to reduce the deficit. If this were not so serious it would be laughable. It is ludicrous.

Last week in Japan the Prime Minister lost a vote of confidence because he could not deliver on political reform. And even the liberal Washington Post said, "Every politician here," meaning Japan, "supports political reform, verbally, at least as much as American politicians say they support cutting the deficit."

That is what we are doing. We are saying we support cutting the deficit by hiking the taxes immediately and by promising future spending cuts.

We have tried this approach before in 1982, in 1984, in 1987, in 1989 and in 1990. We got every dime of the promised tax increase and not a penny of the promised future spending reductions.

Here we are in 1993 ready to go through the same charade once again.

Mr. Speaker, the President's economic plan may fool people inside the beltway, but the American people are not fooled. They know a tax increase when they see it. They know empty rhetoric when they hear it.

It is a formula for failure, a tragedy for America, and I just pray that we can quickly turn this situation around.

CANCEL THE SUPERCONDUCTING SUPER COLLIDER

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, in the past few weeks several Members have offered minor amendments for deficit reduction which I have supported. I urge Members today to cast their votes on significant deficit reduction.

A lot of people talk a good game about cutting spending. Enough of nickel and dime cuts. Make the cuts that will make a difference.

Today we have an opportunity to save taxpayers in this Chamber over $8 billion. The real issue is whether we can afford the superconducting super collider. Taxpayers have already spent $1.6 billion on what was originally estimated by the Department of Energy to be a $4 billion project. Since the super collider was first proposed to Congress in 1987, costs have nearly tripled to more than $11 billion.

Canceling the super collider will save American taxpayers $8.7 billion, money that can go toward debt retirement.

Earlier this month, the voters of Texas voted resoundingly to slash Federal spending. Let the real cuts begin.

MOVE FORWARD WITH COLLINS IMPEACHMENT

(Mr. CANADY asked and was given permission to address the House for 1 minute.)

Mr. CANADY. Mr. Speaker, today I rise to call on the House to act quickly to impeach U.S. District Judge Robert F. Collins of the Eastern District of Louisiana.

The disgrace of a convicted bribe-taker drawing paychecks from the taxpayers has continued long enough.

One month ago I introduced a resolution calling for Judge Collins' impeachment.

And this week the Judicial Conference of the United States certified to the Speaker that "the impeachment of Judge Collins may be warranted."

The fact is that Judge Collins has been found guilty of taking a bribe from a convicted drug smuggler.

He exhausted his last appeal more than 2 months ago.

Yet he continues to draw his salary as a Federal judge.

And he could eventually retire on full salary unless we in the House impeach him.

It is essential that the House carry out its responsibility under article 1, section 2 of the Constitution.

Mr. Speaker, the House should move forward with impeachment proceedings against Judge Collins without further delay.

NINETEEN COUNTRIES DUMP STEEL IN THE UNITED STATES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, secret documents prove that 19 foreign countries conspired to dump steel in America. Twelve of those countries also subsidize their steel industry. The countries include Japan and Germany. Does that ring a bell? We provide $100 billion a year for the defense of those countries.

It also includes Canada and Mexico, you know, North American free trade? How about North American ripoff.

And guess what? We have given the ITC 45 days to see if this dumping all these years has hurt the American steel industry. Beam me up. We have gone from boom towns to ghost towns rusting away, thousands of families lost their homes, lost their jobs, and we are going to study it.

To all you free traders, let me say this: Free trade has to be a two-way street. It is time to hit these countries in their pocketbook for ripping us off. Nothing less will work.

□ 0950

HIV BAN LIFTED

(Mr. HUTCHINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTCHINSON. Mr. Speaker, the United States denies permanent immigration status to individuals with communicable diseases of public health significance. Examples of this include syphilis, leprosy, and infectious tuberculosis. Recently, as a body, 356 Members voted to extend this immigration ban to HIV-infected individuals. The President signed legislation codifying this ban on HIV-infected immigration.

Recently, a Federal judge effectively ruled that we have no jurisdiction over who enters our borders and ordered that the HIV/AIDS-infected Haitians in Guantanamo Bay, Cuba, be released from there and taken to the United States. This ruling is another attempt to give a disease civil rights protection at the expense of the American taxpayer. The Clinton administration has said it will abide by the decision of this Federal judge.

Mr. Speaker, I consider this to be a dangerous precedent to set. Why is the President showing such a low regard for the views of the Members of the House by not defending the law which had such bipartisan support on the Hill?

Mr. Speaker, I call on my colleagues to ask the President to fulfill his duty as the Chief Executive of the laws of the land by fighting this unconstitutional ruling of a lower court judge. The American people deserve to be protected from the expense and possible health risk which this judge's order tries to enforce.

THE ASPIN COMPROMISE

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, we are now hearing the first reports from the Pentagon's recommendations for gays and lesbians in the military.

Mr. Speaker, with regard to "don't ask/don't tell": Don't ask us to support it. Don't tell us that it's fair.

The Pentagon proposal says being gay is incompatible with military service.

This proposal is incompatible with the Bill of Rights.

This plan would prohibit gays from declaring in any way they were gay and would prohibit any homosexual conduct on/or off base.

How does the Pentagon plan to enforce a prohibition on private speech? Would this not be a flagrant violation of the first amendment?

I oppose the ban. I want it lifted completely.

Let the military get on with its real job—defending the rights of citizens, not taking their rights away.

DO NOT REPEAL THE HYDE AMENDMENT

(Mr. BACHUS of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BACHUS of Alabama. Mr. Speaker, for the last 16 years, the Hyde amendment has prevented Federal Medicaid tax dollars from funding most abortions. For the first time in those 16 years, it is in serious danger of being repealed.

I strongly support the Hyde amendment, and I honestly believe that if the Clinton administration is successful in its efforts to repeal the Hyde amendment, we will see a dramatic increase in the number of abortions in this country.

Additionally, States will lose the flexibility they currently have to limit their own tax dollars from being spent on abortions and, finally, and perhaps most disturbing of all, the door will be open to make abortion on demand a part of the new national health care plan.

Mr. Speaker, I think it is wrong to force American taxpayers to pay for abortions. President Clinton said he would like to see fewer abortions. I fear that if the Hyde amendment is repealed, we will see quite the opposite. The number of abortions will grow, and tragically those taxpayers most opposed to abortion will be forced to pay the bill.

Mr. Speaker, that is not right.

THE NATIONAL SERVICE TRUST PROGRAM

(Mr. MCHALE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCHALE. Mr. Speaker, 25 years ago Robert Kennedy spoke to the best of our national character when he said:

> Let no one be discouraged by the belief their is nothing one man or one woman can do against the enormous array of the world's ill—against misery and ignorance, injustice and violence * * *. Few will have the greatness to bend history itself; but each of us can work to change a small portion of events and in the total of all those acts will be written the history of this generation.

When the House considers H.R. 2010, President Clinton's National Service Trust Program, we will have an important opportunity to breathe new life into that historic ideal of public service. This legislation would allow a student to earn up to $10,000 in educational assistance by spending 1 or 2 years working in a full-time commitment to improve our country—providing shelter for the homeless, teaching in tough urban schools, expanding child care, conserving our natural resources, establishing elder-care, and most important, restoring a sense of national community and purpose.

Mr. Speaker, I urge my colleagues to support President Clinton's National Service Trust Program, as we remind ourselves and our country that a healthy democracy requires not only a recognition of rights but a willing individual acceptance of responsibilities. That is what Bobby Kennedy taught all of us a quarter century ago.

INTEGRITY OF FEDERAL CIVIL SERVICE SYSTEM THREATENED

(Mr. LAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAZIO. Mr. Speaker, I take this opportunity to inform my colleagues of a serious threat to the integrity of the Federal Civil Service System.

The Legis Fellows Program, operated by the Federal Office of Personnel Management since its inception in 1979, is perhaps the premier program run by the Federal Government for the professional development of promising middle managers. It has always been operated in a bipartisan manner and run with the utmost professionalism.

I have learned and I have confirmed that the Department of Health and Human Services has told its newest participants in the Legis Program that they may not take assignments in Republican offices on Capitol Hill. These employees may only work in Democratic offices.

Mr. Speaker, this is nothing less than outrageous. It is wrong to politicize the civil service. The public demands and has every right to expect a civil service system operated without political interference, free of partisan manipulation.

Mr. Speaker, I want my colleagues to know that I have sent a letter to Secretary Shalala and to the chairman and ranking Republican of the Post Office and Civil Service Committee asking for an investigation of this matter.

INTRODUCTION OF LEGISLATION BANNING ENTRY INTO THE UNITED STATES OF MEMBERS OF TERRORIST GROUPS

(Mr. DEUTSCH asked was given permission to address the House for 1 minute and to revise and extend his remark.)

Mr. DEUTSCH. Mr. Speaker, this morning at 1 a.m., six terrorists were arrested in New York. They were arrested for plotting to kill Senator D'AMATO, to kill an assemblyman in New York, to kill the U.N. Secretary, to blow up the Holland Tunnel.

About 2 months ago, Senator D'AMATO of New York and I introduced legislation to ban any member of the terrorist group Hamas from entering this country. Hamas members are able to operate in this country. The FBI has publicly reported instances of them doing fundraising. Their spokesman has testified or spoken out of northern Virginia.

Unfortunately, in this country we have gotten to the point where terrorism is within our shores. We must take strong action. We must ban any terrorists or members of terrorist organizations from entering our shores at any time under any circumstances.

I urge the support of that bill and urge the Members of this Congress and the entire country to support that legislation, to be aware of those things that we need to do to prevent this terrorist-type activity.

TAX PLAN HURTS SMALL BUSINESS

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, when they took over the White House, the Democrats said they were going to get America moving again. We thought they meant forward.

They have now put into place one of the most deadly tax plans in the history of this country. A number of speakers this morning have talked about the Democrats taxing the privileged. Well, many of those so-called privileged are small business people. They employ people.

Most of the growth in our jobs comes from small business. When a small businessman has greater taxes, he is not going to expand his institution, his factory, his facility. He is not going to buy that extra piece of equipment, and, most importantly, he is not going to hire those extra workers.

Mr. Speaker, this perpetuates the Democrat philosophy that somehow if you burn down the factory you help the workers.

THE COMPETING BUDGET PLANS

(Mr. REYNOLDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REYNOLDS. Mr. Speaker, it never ceases to amaze me at the interpretations that the Republicans will try to play or put on things that are so obvious.

The previous speaker just talked about how the Democrats want to make small business pay more in taxes.

As a member of the Committee on Ways and Means, when we presented the plan to this body, we wanted to have $25,000 in expensing for small business. The Republican plan from the Senate lowered that, cut into what we were trying to do for small business, brought it back down from $25,000. That is just a fact. That is just how it is.

You see, there is a fundamental difference in this country between Democrats and Republicans. There is a fundamental difference in this country about the way we view the world, Republicans and Democrats.

In the 1980's the Republicans allowed the rich in this country to get away without paying their taxes, and we, as Democrats in society, have decided that we are not going to do that. That is why we are having this problem with the Republicans today.

Mr. Speaker, I rise to again point out the fundamental difference between who Democrats have asked to bear the burden of the budget bill and who the Republicans have asked to bear that burden.

The President and the Democratic Members of Congress have shaped a budget that asks the wealthiest in this country to pay their fair share.

Republicans hollered that it was all so unfair. In response, they attempted to place the burden on the backs of those who paid in the 1980's.

In the Republican view of the world, the poor have not paid enough, the elderly have more to give, and family farmers and small businesses can take another hit. But the rich have been tapped dry. It would be unfair, in the Republican view of things, to ask them to pay more—to pay their fair share.

□ 1000

SPENDING CUT LITE

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, Bill Clinton is trying to convince the American people that he wants to cut spending as he raises the largest tax increase in history.

But his budget is more like spending cut lite: It makes less cuts than the Republican alternative, but it tastes great to the American people—or so the President thinks.

Only 30 percent of the President's spending cuts are real. The rest are either already approved, promised in the future, user fees or interest savings.

In fact, of the President's budget package, as passed by the other body, 72 percent is made up of new taxes, while only 24 percent in spending cuts. That is a 3-to-1 ratio.

The President thinks spending cut lite is just what the American people want. I think, however, that this tax-heavy package will leave a bitter taste in mouths of most Americans.

CUT THE SUPER COLLIDER

(Mr. KREIDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KREIDLER. Mr. Speaker, today we will consider an amendment from Mr. SLATTERY and Mr. BOEHLERT to cut funding for the superconducting super collider. I urge my colleagues to support this amendment.

First, we just cannot afford this project.

How can we cut billions of dollars from critical programs for children and the elderly, ask our middle class to share responsibility for deficit reduction, and then turn around and spend $12 billion on a science project?

I cannot tell my constituents that their very real benefits must be cut to pay for some merely possible benefits years down the road.

Second, this project is a classic funding black hole.

The General Accounting Office found that the project is already 51 percent over budget on construction alone.

The Department of Energy's Inspector General recently found that almost $400 million already has been mismanaged.

Finally, if we are serious about deficit reduction, we have to make tough choices. That means putting parochial interests aside and tackling the deficit problem head-on. This is where the buck stops. Here and now.

Mr. Speaker, I urge my colleagues to support the Slattery/Boehlert amendment.

DEMOCRATIC DEFICIT REDUCTION PLAN SEEN AS FAIR AND BALANCED

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, the news is that 78.5 percent of the revenue generated in the Clinton economic plan will be paid by the super wealthy in this country—those making over $200,000 a year.

USA Today, in a front page story, said it best:

> Parties clash on who'll pay the budget bill tab. Democrats say the rich; Republicans say elderly, middle class will get stuck.

The Senate Republican plan was a fiasco—aimed at protecting, once again, the super wealthy. The Democrats have wisely shot it down.

The Democratic plan has more deficit reduction than any other alternative offered. For every one dollar in revenue there is a companion dollar in spending cuts.

The Democratic plan is fair and embraces the national interest while rejecting a protection plan for the wealthy and special interests.

Mr. Speaker, this week the stakes are high, but rest assured the burden on the middle class and our senior citizens will be low. The super wealthy will now have to shoulder their responsibility.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT OF 1994

Mr. BEVILL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

□ 1004

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2445, with Mr. HUGHES in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, June 23, 1993, all time for general debate had expired.

Pursuant to the rule, no amendment affecting the subject of the superconducting super collider is in order except the one offered by the gentleman from Kansas [Mr. SLATTERY], or his designee, which shall be debatable for 1 hour and shall not be subject to amendment or to a demand for a division of the question.

The Clerk will read.

The Clerk read as follows:

H.R. 2445

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1994, for energy and water development, and for other purposes, namely:

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes.

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, restudy of authorized projects, miscellaneous investigations, and when authorized by laws, surveys and detailed studies and plans and specifications of projects prior to construction, $207,540,000, to remain available until expended, of which funds are provided for the following projects in the amounts specified:

Central Basin Groundwater Project, California, $750,000;

Los Angeles County Water Conservation, California, $100,000;

Los Angeles River Watercourse Improvement, California, $300,000;

Norco Bluffs, California, $150,000;

Rancho Palos Verdes, California, $80,000;

Biscayne Bay, Florida, $700,000;

Tampa Harbor, Alafia River and Big Bend, Florida, $250,000;

Indianapolis, White River, Central Waterfront, Indiana, $4,000,000;

Lake George, Hobart, Indiana, $200,000;

Little Calumet River Basin (Cady Marsh Ditch), Indiana, $310,000;

Ohio River Shoreline Flood Protection, Indiana, $400,000;

Hazard, Kentucky, $250,000;

Brockton, Massachusetts, $350,000;

Passaic River Mainstem, New Jersey, $17,000,000;

Broad Top Region, Pennsylvania, $400,000;

Juniata River Basin, Pennsylvania, $450,000;

Lackawanna River Basin Greenway Corridor, Pennsylvania, $300,000;

Pocotaligo River and Swamp, South Carolina, $400,000;

Jennings Randolph Lake, West Virginia, $400,000;

Monongahela River Comprehensive, West Virginia, $600,000; and

West Virginia Comprehensive, West Virginia, $500,000.

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction), $1,389,138,000, to remain available until expended, of which such sums as are necessary pursuant to Public Law 99-662 shall be derived from the Inland Waterways Trust Fund, for one-half of the costs of construction and rehabilitation of inland waterways projects, including rehabilitation costs for the Lock and Dam 25, Mississippi River, Illinois and Missouri, and GIWW-Brazos River Floodgates, Texas, projects, and of which funds are provided for the following projects in the amounts specified:

Rillito River, Arizona, $4,200,000;

Red River Emergency Bank Protection, Arkansas, $3,500,000;

Coyote and Berryessa Creeks, California, $4,000,000;

Sacramento River Flood Control Project (Glenn-Colusa Irrigation District), California, $400,000;

San Timoteo Creek (Santa Ana River Mainstem), California, $12,000,000;

Sonoma Baylands Wetland Demonstration Project, California, $4,000,000;

Central and Southern Florida, Florida, $17,850,000;

Kissimmee River, Florida, $5,000,000;

Melaleuca Quarantine Facility, Florida, $1,000,000;

Casino Beach, Illinois, $820,000;

McCook and Thornton Reservoirs, Illinois, $13,000,000;

O'Hare Reservoir, Illinois, $5,000,000;

Des Moines Recreational River and Greenbelt, Iowa, $2,700,000;

Barbourville (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $3,868,000;

Harlan (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $15,432,000;

Pike County (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $5,000,000;

Salyersville, Kentucky, $1,000,000;

Williamsburg (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $700,000;

Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana, $24,119,000;

Lake Pontchartrain and Vicinity (Jefferson Parish), Louisiana, $200,000;

Red River Waterway, Mississippi River to Shreveport, Louisiana, $65,000,000;

Anacostia River, Maryland and District of Columbia, $700,000;

Clinton River Spillway, Michigan, $2,000,000;

Silver Bay Harbor, Minnesota, $2,600,000;

Stillwater, Minnesota, $2,400,000;

Sowashee Creek, Mississippi, $3,240,000;

Molly Ann's Brook, New Jersey, $1,000,000;

New York Harbor Collection and Removal of Drift, New York and New Jersey, $3,900,000;

Rochester Harbor, New York, $4,000,000;

Wilmington Harbor Ocean Bar, North Carolina, $5,266,000;

West Columbus, Ohio, $5,000,000;

Lackawanna River Greenway Corridor, Pennsylvania, $2,000,000;

South Central Pennsylvania Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, Pennsylvania, $10,000,000;

Fort Point, Galveston, Texas, $1,500,000;

Lake O' The Pines—Big Cypress Bayou, Texas, $300,000;

Red River Basin Chloride Control, Texas and Oklahoma, $4,000,000;

Wallisville Lake, Texas, $1,000,000;

Richmond Filtration Plant, Virginia, $1,000,000;

Southern West Virginia Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, West Virginia, $3,500,000; and

State Road and Ebner Coulees, LaCrosse and Shelby, Wisconsin, $1,467,000.

AMENDMENT OFFERED BY MR. DUNCAN

Mr. DUNCAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DUNCAN: Page 4, line 16, strike "$1,389,138,000" and insert "$1,384,138,000".

Page 5, strike line 14.

Mr. DUNCAN. Mr. Chairman, my amendment would strike the $5 million presently in this bill for the Kissimmee River restoration project. The last Army Corps of Engineers estimate for the total cost of this project is $745.5 million.

The Palm Beach Post on April 11 of this year estimated that it may take $2 billion over the next 15 years to complete this project. The 200,000 member National Taxpayers Union has voted this as the No. 1 boondoggle—the most wasteful project—in this Congress. This project is also opposed by the 85,000 member Florida Farm Bureau, which felt strongly enough about it to come to Washington to testify against it.

It was also opposed by unanimous votes of the three most-affected county commissions—Highlands, Glades, and Okeechobee Counties. According to the Army Corps of Engineers feasibility study, 356 homes will be lost, along with 5 farms, and 38 buildings. All this to put curves back in a river on which the corps spent $30 million to straighten out between 1961 and 1970.

This project was featured by ABC News a few months ago in a series they are doing on wasteful government spending. The project has also been written about critically in Insight magazine and Jack Anderson's syndicated column. A university economics professor, in a study of this project, has estimated that it will eventually cause the loss of 38,500 jobs.

This is being done primarily to keep from interfering with the migratory patterns of the coot, the blue-winged teal, and the ring-tailed duck, none of which is endangered. We are starting down a slippery slope towards some very great costs in the years ahead if we do not stop this project now. If the project is really needed, then let the State of Florida pay for it. They are in much better shape financially than is our Federal Government.

I respectfully request a "yes" vote on my motion to strike.

□ 1010

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding to me.

I just want to take a second to say that I strongly support the gentleman's amendment.

I think the primary reason for doing this is because of the simple fact that the country is going broke, and very quickly. We are spending about 58 cents out of every personal tax dollar now on interest alone on the national debt. If this truly is a conservation project, and the gentleman mentioned the species that are to be conserved, I think we must first conserve our children and our grandchildren and their ability to enjoy the Kissimmee River and other projects like it is going to be greatly mitigated and reduced by the enormous debt that we are placing on their shoulders with increased Federal spending.

Even the Clinton plan increases spending dramatically in the next several years.

So Mr. Chairman, I support the gentleman on his amendment. The species that he mentioned that are to be saved or to be supported by the Kissimmee River project, I know at least that two of them, the blue-winged teal and the American coot are legal game and hunters bag literally hundreds of thousands of them each year across the length and breadth of the United States in duck blinds every year; so they are not endangered and we do not need to spend $745 million to propagate those species.

Mr. DUNCAN. Mr. Chairman, I thank the gentleman from California for those very appropriate comments.

I might mention that this project is going to destroy three valuable fishing areas as well if it is carried out.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from Tennessee brought this to my attention and I think he does this country a real service by focusing attention on this project.

Between 1961 and 1971, our Government spent $30 million to take the curves out of this river.

Now, think about that. We spent $30 million to take the curves out of this river because they said that is what we should do.

Now they want to spend $745 million to put the curves back in the river.

Now, think about that. They spent $30 million to take the curves out of the river and they said, "Oh, my gosh, we make a mistake. Now we have to spend $745 million to put the curves back in the river."

I will tell you, Mr. Chairman, the American people have got to be crying in their beer. They certainly are not going to laugh at this. This is absolutely insane.

Why would we do what the Army Corps of Engineers wanted to do from 1961 to 1971 and then come back and spend 12 or 13 times as much trying to put the curves back in the river?

This boondoggle should not be approved by this body, and the $5 million that is in here to study this should be removed.

This boondoggle has been exposed by ABC World News Tonight with Peter Jennings in the Euro money segment. Jack Anderson did a national column on this boondoggle. The Washington Times Insight Sunday magazine did. The National Taxpayers Union Newsletter and Dollars and Cents, and the letters from citizens along the river.

And who opposes this $745 million waste? Three country commissions which border the river, Highlands, Glades, Okeechobee County Commissions, the Florida Farm Bureau, 85,000 members, the National Taxpayers Union, 200,000 members; farmers who live along the river, small business people who live along the river, grass roots citizens groups along the river, and even some environmentalists.

I can tell you, the American taxpayers are against it. They do not want to spend $30 million 20 years ago, 15 years ago, for a project and then have it all reversed and put back the same way at a cost to them of $745 million.

It makes no sense, Mr. Chairman. We should support the amendment of the gentleman from Tennessee.

Mr. LEWIS of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Duncan amendment and in support of the committee's request for restoration funding.

Last year Congress confirmed its commitment to the project with the passage of the Water Resources Development Act of 1992.

Under a shared 50-50 cost agreement the State of Florida and the U.S. Army Corps of Engineers have initiated the necessary steps to begin restoration efforts.

The unique Kissimmee River Restoration project is indeed a tremendous environmental undertaking. The restoration project is part of an overall program to restore Florida's ecosystem and provide much-needed habitat conservation areas—which are diminishing at a dangerous rate.

Mr. Chairman, unlike Mr. DUNCAN of Tennessee, I represent approximately 80 percent of the restoration project.

I share the remaining 20 percent with my colleagues Congressman CANADY and Congressman BACCHUS. The majority of those constituents who the gentleman from Tennessee [Mr. DUNCAN] suggests he is protecting are mine.

I know well their concerns. In fact as the gentleman from Tennessee [Mr. DUNCAN] knows, I spent all day Monday discussing one-on-one those concerns during my visit to the impacted area.

And as I have shared with the gentleman from Tennessee [Mr. DUNCAN], I understand their apprehension regarding the effort. However, I believe it is the responsibility of myself and the members of the Florida delegation to ensure these doubts are eased.

And as I promised the residents of Highlands Glades and Okeechobee Counties, I will personally discuss these matters with the U.S. Army Corps of Engineers and Florida's South Florida Water Management District.

This $5 million is critical to the process of negotiating land acquisitions necessary to the restoration with the State of Florida.

I believe these are the same farmers, ranchers, and business people who the gentleman from Tennessee refers to in the literature distributed throughout the House.

Should the Federal Government not live up to its fiscal responsibilities and maintain the commitment to meeting its obligations, the State's pursuit of future land acquisitions could be diluted.

Needless to say, the impact of such a signal from the Federal Government could send land prices plummeting and leave numerous landowners in an unfair and unjust state of flux.

Numerous statements have been made by the gentleman from Tennessee [Mr. DUNCAN] regarding the project which I would like to clarify at this time.

First, the project costs prior to inflation adjustments will amount to approximately $372 million which will be equally shared by the State of Florida and the Federal Government.

With inflation adjustments, this amount may increase to approximately $490 million, again to be equally split between the State of Florida and the Federal Government.

The gentleman from Tennessee uses numbers from the Army Corps which inappropriately included funding levels for several locally preferred options which if implemented would be the fiscal responsibility of the State and the State only.

For the gentleman's information, I have a letter from the corps which should put this matter to rest and eliminate any further misinformation from being distributed.

In terms of flood control. I can personally assure the gentleman that his claim is inaccurate, given the fact that I authored an amendment which was approved by the House mandating that no restoration measure could be taken which would lessen the flood control levels which are currently enjoyed today.

I want to thank the gentlemen for offering his amendment today. Healthy debate on an issue of this magnitude is in my opinion a necessary process.

However, I believe the information he uses to make his point is out-of-date and not accurate.

I support the need to move ahead on this important environmental effort and assure the gentleman, given his personal interest in this Florida project, that I will keep him apprised of our progress.

However, I do not intend to support his amendment, believing it will be a significant setback to the State's environmental restoration efforts.

I urge my colleagues to vote against the amendment.

□ 1020

Mr. JOHNSTON of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I feel that a picture is worth a thousand words, so I brought a road map of south Florida here, and I would like to go through little history of this.

The gentleman from Tennessee [Mr. DUNCAN], tampering with the ecosystem and the water system of south Florida, would be somewhat like me getting up here and moving to dynamite all of the dams in the Tennessee Valley Authority, because it would have the same effect on the State of Florida. I say to the gentleman, "You're really tampering with the water supply of about 6 million people in south Florida. Let me give you a little history."

This problem was created by the Federal Government when the Corps of Engineers decided to channel and channelize the Kissimmee River here, and what happened is a nutrient in the north part of the Kissimmee River at Orlando, it would take it about 2 years for that nutrient to meander through the Kissimmee River and hit Lake Okeechobee. Once the river was channelized, it took 3 days, so none of the nutrients from the farms on both sides of the Kissimmee River were able to leach out, and what happened to Lake Okeechobee? A new term came into our definition called "eutrophication," and the lake started dying on us, and so right now we are trying to do what God, in Her wisdom, did in the beginning, rechannelize or remeander the river so that these nutrients can leach out so Lake Okeechobee does not die like Lake Apopka just north of that.

This, my colleagues, is the water supply of all south Florida. We have the Palm Beach Canal that goes into Palm Beach County, we have the Miami Canal that goes into Dade County, we have the Caloosahatchee River which I am sure the gentleman from Florida [Mr. GOSS] will speak about which goes into the west coast, which is Lee County and Collier County, and we are dealing with millions and millions of people here.

This was created by the Federal Government. Now it is their responsibility to correct the problems there, and I strongly urge my colleagues not to get involved and to do something that would destroy this system here. This is the lifeblood of south Florida. Lake Okeechobee, in turn, drains into the Everglades, and the Everglades is dying right now. Why? Because we are not getting the proper amount of water in there. The Everglades drains into Florida Bay at the base of here. Florida Bay is dying right now, and, if my colleagues talk to any environmentalist or anybody involved with the hydro problems of south Florida, they will say that we have got to correct the system at the north, which is the origin of the Kissimmee River Valley there.

I ask my colleagues to strongly defeat this amendment. It will have great consequences on about 6 million people.

Mr. DOOLITTLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I find this a remarkable debate. It is just amazing to me, having spent 30-some million dollars to take out the curves in the river, now we are proposing to spend $745 million to put them back in again, and I would just observe, Mr. Chairman, that this, in microcosm, is what is causing the terrible financial problems of this country.

We all, as a Congress and the executive branch, incorporate the deficit into our political discourse, and it is as if we think that simply by referencing the deficit and having a flurry of words that we can make people feel good, and feel that we are doing something about it, but the reality is, as my colleagues know, the budget of the United States is filled with expenditures like this one.

Mr. Chairman, this one is a particularly graphic example, and I am not going to get into the details of whether this proposal is an environmentally sound idea or not. I will just observe that the county commissions of the affected areas, as I understand it, including the Okeechobee County Commission, is opposed to this idea, as are the County Commissions of Highlands and Glades. The Farm Bureau of the State of Florida, 85,000 members strong, is opposed to this idea, and other speakers have pointed out the absurdity of spending hundreds of millions of dollars to undo what was only very recently done.

What is our cumulative national debt today? It is over $4 trillion. Under the plan being advanced by the President, being debated in the other body now, having passed out of this body, over a 5-year period using the administration's numbers, another trillion dollars in cumulative national debt will be added. It is just amazing to me.

Mr. Chairman, the Washington Post on June 16 observed in its article on the crisis in Japan "every politician here—meaning Japan—supports political reform verbally, at least as much as American politicians say they support cutting the deficit." Clearly no one outside the beltway believes that we are serious about cutting the deficit.

Mr. Chairman, it is tragic, and here we have another example of a huge project being funded by the Congress. Why are we borrowing money, burdening our children and future generations to do things like this? Should we not first eliminate the debt, eliminate the deficit? When we have a surplus and after we have taken care of Americans struggling families, if we have money after that, maybe we can consider projects like this one. But to me, Mr. Chairman, this expenditure typifies everything that is wrong with the way this Government process works. All we do is give lipservice to the idea of saving money, but the reality is that it is business as usual here in Washington.

I think this is a very worthy amendment and would urge Members to support it.

Mr. GOSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I understand the concerns raised by my colleague and friend from Tennessee over the cost of the Kissimmee River restoration project, and I very much share his goal of restoring fiscal responsibility to the Federal Government and removing the waste from our budget, as several of the other opponents have talked about. But it seems to me that what might be appropriate here is to remember that an expert is always somebody who is defined as somebody from out of town, and my colleagues are hearing some testimony from some Members of Congress who actually live in the area, who understand the issue and understand the dollars of the issue as well as the quality of life issues, and they understand we are talking about a national treasure, and I want to focus a little bit on some of that.

The restoration of the Kissimmee River and the Everglades has been properly identified as a national priority. These vital water resources that we are talking about have been subjected to a lot of planning, a lot of debate, a lot of lawsuits in the State of Florida, and I would hope that my good friend, the gentleman from Tennessee [Mr. DUNCAN], would agree that Florida and its congressional delegation, as well as the Nation's leadership and those responsible for these water bodies, deserve a strong voice in deciding how best to proceed, just as, I think, Tennesseans deserve a strong voice in making decisions where Tennessee-based projects are concerned.

Mr. Chairman, the U.S. Government turned the Kissimmee River into a canal a lot of years ago, as we heard, and did an awful lot of damage to the Kissimmee River and the Everglades ecosystems and to the quality of life around them. We have a responsibility to act here, to fix what has been broken. The State of Florida has committed to carrying its share of the burden, and it is a giant share, much bigger than the Federal share, but Florida cannot do it alone, and in fact I must point out that, contrary to what some critics have charged, this project is mostly being supported by non-Federal—mostly Florida—resources. This is something the Federal Government broke, yet the State of Florida and other parties are ready to pick up the lion's share of fixing, and it is a project that matters not just to Florida, but to the whole Nation, if not the world. The damage is reversible, but only if we act fairly soon.

□ 1030

The project has been delayed for a long time. The Kissimmee River is an integral part of the recovery plan for the Florida Everglades. Should we fail in our efforts to revive the dying everglades, the cost to the environment, to the American taxpayer, and to the world in lost natural resources is literally incalculable.

I am sensitive to the ongoing concerns of Florida residents who are most directly impacted by the restoration, and I realize there are some problems. We have heard testimony on that from the honorable Members of this body who live there and are dealing with these problems and have them under control.

The current plan is not perfect. It is better than what we have now, and it will be better yet. I think if we do not recognize that this is going to be a self-defeating vote on this amendment if it is supported, we are making a mistake. It will not save us 745 million Federal dollars. I repeat, it will not save $745 million to vote for the Duncan amendment. On the contrary, this is a $5 million Federal item in the budget this year, and Florida's share of this budget to fix it is $500 million. That shows the degree of commitment the State of Florida has in this.

The State supports this, the water management district supports it, the Coalition of the Everglades supports it, the Audubon Society supports it. The League of Women Voters supports it, and a long list of others support this project. I suggest it is a terribly shortsighted, nonvisionary approach to cut this project right now.

Mr. SHAW. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if there ever was a vote that will be put down as an environmental vote, it is this one.

What we are trying to do and what the committee is trying to do by putting this money into this bill is simply to say that we have to turn the clock back on the Everglades. It is important to realize that what we are talking about is the salvation of one of the Nation's greatest treasures.

Everglades itself means River of Grass. It starts up at the headwaters of the Kissimmee River, it comes south, it goes into Lake Okeechobee, and then it flows south into the Florida Bay.

It is vital that we look at what mankind has done to the Everglades, what we have done to Florida Bay, what we have done to Lake Okeechobee.

It was said by one of the previous speakers that members of the Farm Bureau are against this. This is a very hotly debated issue in the State of Florida because there are farmlands that will be flooded by this project. But what we re talking about is putting the river back to what it was, as closely as we can, and yet minimize the damage to surrounding property owners. It is a forward-looking project.

When I was a youngster, you could almost read the date on a dime on the bottom of Lake Okeechobee. Now you cannot see the bottom of the lake because it is so murky. Why is it murky? Because the runoff into the Kissimmee River, which is flowing directly, unfiltered, goes back into Lake Okeechobee.

The is the result of a project of the Army Corps of Engineers, a well-intentioned project, many, many years ago, probably predating all of us in this Chamber. We must restore it.

Then you get, after that, the damage we have done to the lake. Then it goes through more agricultural land, it picks up more nutrients and runs south, where we find the whole ecosystem of the Everglades is now changing, and where there once was sawgrass, now we find that these nutrients are bringing in all other kinds of vegetation, including cattails and other things, and that is greatly changing the ecosystem of the Everglades.

Then as it gets further south, we find the rechannelization, which is something we are going to have to be talking about later, and this does impact upon Florida Bay, where we find the turtle grass is dying and where we find that the only living reef in the United States is dying because of this runoff.

This is all because of the damage that has been done by mankind through development, through agriculture, and through engineering. We are simply saying, let us turn the clock back. Let us restore the original flow of this once great river, which was flowing in a filtered fashion into Lake Okeechobee. It is time that we do the right thing.

I can tell the Members that there has never been a project that I think is more deserving than this one. There has never been one that is more economically sound, because of the damage the present channelization is doing to the area south of it, and there is not one that has been more environmentally sound, because what we are trying to do is to restore a great natural resource.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield for a question?

Mr. SHAW. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I have been informed that there has been a suit on whether or not the State of Florida has been guilty of polluting this river, and it has been going on for some time. I have been informed the State of Florida spent about $20 million on the suit, and the Governor just recently admitted that the State of Florida has been guilty of polluting that river and that is one of the major causes of the problem. Is that correct?

Mr. SHAW. Mr. Chairman, the suit the gentleman refers to is more on the south side of the lake, and it is in regard to the sugar cane grown down on the south side. That is another subject, one which has been very controversial.

This suit was brought, incidentally, by the Federal Government through the State's attorney's office. In fact, it was U.S. Attorney Latham who brought this against the State of Florida. It is trying to project exactly what we are trying to accomplish as a result.

But the lawsuit itself—and some Member from Florida can correct me if I am misstating it—but the lawsuit itself, I believe, is anchored on the south side of the lake. It has nothing to do with the project. I am sure there will be other lawsuits because there is land that is going to be flooded. But that land that would be flooded would be the land that was historically flooded. We are not going back and doing anything to land that was never under water.

Mr. BURTON of Indiana. Mr. Chairman, if the gentleman will yield further, I guess what I am trying to find out is this: The pollution problems that have taken place along that river, are they part of the cause of the environmental damage to Lake Okeechobee?

Mr. SHAW. What we have is the river itself being channelized, and that gives a straight shot now into Lake Okeechobee.

Mr. BURTON of Indiana. I understand that.

Mr. SHAW. That has agricultural runoff on both sides. As land became more valuable in south Florida, the dairy industry was pushed up into an area north of the lake.

The CHAIRMAN. The time of the gentleman from Florida [Mr. SHAW] has expired.

(On request of Mr. BURTON of Indiana, and by unanimous consent, Mr. SHAW was allowed to proceed for 1 additional minute.)

Mr. BURTON of Indiana. Mr. Chairman, if the gentleman will yield further, the point I am trying to make is, the State of Florida has admitted that they are responsible for the pollution or a large part of the pollution in that river, and I just wondered if the Federal Government should be picking up the tab for a problem that the State of Florida has admitted they are responsible for.

Mr. SHAW. Mr. Chairman, to my knowledge, the State of Florida does not own any of those dairy herds that are flooding or draining into the river. The State of Florida acquiesced in the Corps of Engineers' channelization of this river many, many years ago, there is no question about this, but I think the important thing to remember is the environmental soundness of this particular project, which is supported by the State of Florida, and a big part of the bill is being picked up by the State of Florida. The State of Florida is not out there saying, "Federal Government, come and fix this problem for us." We have committed many taxpayer dollars of the State of Florida to this project.

Mr. BURTON of Indiana. Mr. Chairman, may I ask the gentleman, how much have they committed? I am just curious.

Mr. SHAW. Five hundred million dollars. The previous speaker, the gentleman from Florida [Mr. GOSS], stated that.

Mr. BURTON of Indiana. And the Federal share you are asking for is $745 million?

Mr. SHAW. No; that figure is incorrect.

The CHAIRMAN. The time of the gentleman from Florida [Mr. SHAW] has again expired.

(By unanimous consent, Mr. SHAW was allowed to proceed for 1 additional minute.)

Mr. SHAW. Mr. Chairman, let me yield to the gentleman from Florida [Mr. GOSS], if I may, because he made that point very clear in his statement.

Mr. GOSS. Mr. Chairman, I believe the understanding on this is that the total project, if it were done the way it is conceived now, in the future, or the Federal share would be in the vicinity of $250 million over the years. The State's share would be in the vicinity of $500 million. The amount of money we are talking about for fiscal year 1994 is $5 million.

Mr. SHAW. Mr. Chairman, I would just like to sum up by saying that there is no question that this will be scored as an environmental vote. This, in my opinion, is the biggest environmental vote of the entire session. This vote could very well determine the future of the Everglades, the water supply for all of south Florida, and the restoration of the southern holdings of the United States in the Everglades, including the Everglades National Park and Florida Bay, which is part of the Everglades.

Mr. DUNCAN. Mr. Chairman, I did not use my full 5 minutes when I spoke before, and, therefore, I ask unanimous consent that I be granted 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DUNCAN. Mr. Chairman, there have been some environmental concerns raised here, and I would like to quote from the testimony presented to the subcommittee of the Committee on Appropriations by Michael Joyner, Director of Local Affairs for the Florida Farm Bureau Federation. At one point he said this:

> Two decades after its channel was straightened by the Corps, the river has "healed itself." Water quality in the Kissimmee which empties into Lake Okeechobee is of good quality. The South Florida Water Management District has indicated that water quality is no longer a justification for the project.

In addition, as was stated by an earlier speaker, a Palm Beach article I referred to earlier had this quote concerning this whole matter of the pollution of the Everglades:

> The legal battle cost taxpayers an estimated $20 million before Governor Lawton Chiles acknowledged in 1981 that the State was polluting the Everglades.

□ 1040

In addition, there have been some concerns or questions raised about the cost. The $745.5 million cost that I earlier referred to came to us from the Army Corps of Engineers in a letter from Mr. Richard Bonner, Deputy District Engineer for Project Management, dated December 16, 1992.

Finally, Mr. Chairman, I will conclude with this, quoting from Al Cors, chairman of the National Taxpayers Union.

"In our view, that $1 billion expenditure," which is the estimate by the National Taxpayers Union on the total cost, "will be spent quite simply to build a swamp in Florida. This would be an outrage at any time. But now when President Clinton is calling for a massive tax increase as well as budget cuts to reduce the deficit, funding this project would approach the outer limits of absurdity."

Mr. Chairman, I urge my colleagues to vote yes on this amendment.

Mr. BEVILL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Tennessee [Mr. DUNCAN].

Mr. Chairman, this project has been authorized. It has been approved by the authorizing committee, by the Congress, and the authorization bill was signed by the President. The appropriation for this project has been approved by the subcommittee and has been approved by the full Committee on Appropriations without any objections whatsoever. We realize the importance of this project. In addition, the local government is paying about two-thirds of the cost of this project.

We are talking about a project that created a problem in the State of Florida, a serious problem, so this restoration project is one that is very important.

As was pointed out, this is an environmental project. And that is what we are trying to do, clean up Lake Okeechobee and clean up this problem that was created, unfortunately and unintentionally, by the Corps of Engineers. So this is probably the most important environmental restoration project in the country, and we deal with all of them.

The local sponsors are doing their part. We need to do our part at the Federal level.

Actually, as has been pointed out, the project is important to the survival of the Everglades, and also, of course, to the water supply for all of south Florida.

Mr. Chairman, I urge all my colleagues to vote no on the Duncan amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. DUNCAN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DUNCAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 100, noes 324, not voting 15, as follows:

[Roll No. 264]

AYES—100

Allard
Archer
Baker (CA)
Baker (LA)
Ballenger
Bartlett
Bereuter
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Camp
Castle
Coble
Collins (GA)
Crane
Cunningham
Danner
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Everett
Fawell
Gekas
Goodlatte
Goodling
Grams
Grandy
Hall (OH)
Hancock
Hastert
Hefley
Herger
Hoekstra
Hoke
Hunter
Hutchinson
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Kasich
Kim
King
Kingston
Knollenberg
Kyl
Levy
Linder
Manzullo
Martinez
McCrery
McHugh
McInnis
McKeon
Minge
Moorhead
Murphy
Nussle
Packard
Paxon
Petri
Pombo
Porter
Pryce (OH)
Quinn
Ramstad
Ridge
Rohrabacher
Roth
Royce
Sangmeister
Santorum
Schaefer
Schenk
Sensenbrenner
Smith (OR)
Smith (TX)
Solomon
Stump
Sundquist
Tanner
Taylor (NC)
Thomas (WY)
Torkildsen
Upton
Volkmer
Walker
Weldon
Wolf
Young (AK)
Zeliff

NOES—324

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Barton
Bateman
Becerra
Beilenson
Bentley
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Bonior
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Calvert
Canady
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crapo
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
English (AZ)
English (OK)
Eshoo
Evans
Ewing
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Goss
Green
Greenwood
Gunderson
Gutierrez
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hoagland
Hobson
Hochbrueckner
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutto
Hyde
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Klug
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Lewis (CA)

Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McDermott
McHale
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Portman
Poshard
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Roberts
Roemer
Rogers
Romero-Barceló (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sarpalius
Sawyer
Saxton
Schiff
Schroeder
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Snowe
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Talent
Tauzin
Taylor (MS)
Tejeda
Thomas (CA)
Thornton
Thurman
Torres
Torricelli
Traficant
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zimmer

NOT VOTING—15

Borski
Engel
Faleomavaega (AS)
Gingrich
Hansen
Henry
Hinchey
Mfume
Schumer
Skeen
Smith (MI)
Synar
Thompson
Towns
Tucker

□ 1105

Messrs. RUSH, ARMEY, INSLEE, JOHNSON of Georgia, EWING, FRANKS of Connecticut, and PORTMAN changed their vote from "aye" to "no."

Mr. BEREUTER, Mr. PAXON, Mrs. JOHNSON of Connecticut, Mr. ZELIFF, and Ms. PRYCE of Ohio changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. DE LA GARZA. Mr. Chairman, I move to strike that last word.

Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, included in the fiscal year 1994 energy and water appropriations package are two projects of interest to me and for which I support funding. They are as follows:

Corpus Christi ship channel, Texas, is a navigation project which is budgeted for operation and maintenance at $10,315,000. Continued funding of this project is essential due to the impact on the local economy. The project provides for widening and deepening the existing channels—40.5 miles—and basins from the Gulf of Mexico to deepwater ports at Harbor Island, Ingleside, and Corpus Christi, and a branch channel to the port of La Quinta to provide a project depth of 45 feet. It also includes the construction of mooring areas and dolphins at Port Ingleside, one mooring area and six dolphins constructed initially with seven others deferred to be constructed when required.

Lower Rio Grande Basin, south main channel, Texas, is a flood control project which is budgeted at $1,500,000 for preconstruction engineering and design. It provides the major outlet component of an overall flood protection plan for Willacy and Hidalgo Counties. The authorized plan calls for construction of a major channel extending from near McAllen to the Laguna Madre, and related fish and wildlife mitigation measures. The authorized plan would provide 2-year protection to rural areas which drain into the south main channel, 100-year flood protection to the cities of Edinburg, McAllen, and Lyford, and 50-year flood protection for the cities of La Villa and Edcouch.

Mr. Chairman, many of these areas are now under water from recent heavy rains. We still have much more to do, but this is a good step forward. I thank my colleagues.

Mr. POMEROY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to join my colleagues from North Dakota and Montana in a colloquy with the distinguished chairman of the Energy and Water Appropriations Subcommittee, Mr. BEVILL, and the chairman of the Public Works and Transportation Committee, Mr. MINETA. I will first pose a question to Chairman BEVILL.

Mr. Chairman, I appreciate this opportunity to clarify some committee report language that we are very concerned about. The language has to do with the Corps of Engineers review of the Missouri River master manual which guides the management of the river. As you know, Mr. Chairman, the upstream reservoirs on the Missouri River still have not recovered from several years of severe drought. Low water levels, the result of excess releases from the dams by the corps, have had a devastating effect on the recreation industry associated with the reservoir in our State. The corps agreed in 1989 to conduct an objective be review of the master manual to determine whether the manual, last updated in 1979, reflects the contemporary water needs of the basin.

That fair and objective review process now underway has included Representatives of each of the affected States on the Missouri River.

Mr. Chairman, among the other things, the committee report calls on the corps to follow the legislative priorities and regulatory guidelines expressed in its current master manual until a new management plan is approved by Congress.

□ 1110

The question for the chairman, the gentleman from Alabama [Mr. BEVILL], is: Does the aforementioned report language have the force of law, and does it, in fact, require Congress to actually approve any changes to the master manual that the corps may find appropriate?

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. POMEROY. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, the answer is no. It does not. But our committee urges all those who are involved in this, the upstream and downstream interests on the Missouri River, to get together and work out a solution. We have had this come up in other parts of the country, and this is the way have approached it, and we hope that you will do the same.

Mr. POMEROY. I thank the chairman. This is not an attempt at legislative preemption of the administrative review under way?

Mr. BEVILL. It is not.

Mr. POMEROY. It is not a legislative preemption? I thank the chairman very much.

Mr. Chairman, I yield to the gentleman from South Dakota [Mr. JOHNSON] for the purposes of participating in a colloquy.

Mr. JOHNSON of South Dakota. Mr. Chairman, I would like to direct a question to the chairman of the Committee on Public Works and Transportation, the gentleman from California [Mr. MINETA].

Is it the view of the chairman of the authorizing committee that as the corps continues its administrative review of the master manual, that it should not be influenced by the language in the energy and Water Appropriations Committee report?

Mr. MINETA. Mr. Chairman, will the gentleman yield

Mr. POMEROY. I yield to the gentleman from California.

Mr. MINETA. Mr. Chairman, the gentleman from South Dakota is correct. It is vitally important that the Corps of Engineers remain objective, and that their review remain objective, one driven only by the findings that are uncovered during the review process. Political considerations, in my view, should play no role in the final determination as to whether operational changes are warranted on the Missouri River.

Mr. JOHNSON of South Dakota. I thank the chairman.

Mr. POMEROY. Mr. Chairman, I yield to my colleague, the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I join today with my upstream colleagues, the three of us who represent the headwaters of the great Missouri River, to express my concern about the committee report language regarding the review of the Missouri River Master Control Manual.

This report language, as we know carries no weight of law.

I would observe, and I suggest to the committee chairman, that the assumption stated in the committee report that: "the Corps management of the river may reflect a disregard for the priorities and project purposes set forth by Congress in the Flood Control Act of 1944" is misleading. It is widely agreed, and this is confirmed by the Justice Department, that Congress expressly has not assigned priorities or ranking to the purposes of these Missouri River projects. Congress has not assigned priorities in the past, and we do not do so now.

Mr. POMEROY. Mr. Chairman, I would again like to thank the distinguished chairman of the Energy and Water Appropriations Subcommittee and the chairman of the Committee on Public Works and Transportation for their participation in this colloquy.

Mr. WHEAT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to commend the chairman's outstanding work on this legislation and wish to engage the gentleman from Alabama in a brief colloquy regarding report language approved by the committee regarding the corps' management of the Missouri River.

In the interests of clarifying just what this provision is and what it is not, am I right to interpret, Mr. Chairman, that the committee's statement in the report regarding the Army Corps' water management of the Missouri River is a reaffirmation of current law and regulations and a reassertion of ongoing congressional oversight and review into a process of great interest to States up and down the Missouri and Mississippi Rivers?

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. WHEAT. I am happy to yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, the gentleman is correct.

Mr. WHEAT. Mr. Chairman, I thank the gentleman very much. I appreciate his work on this legislation and on this provision in particular.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g-1), $352,475,000, to remain available until expended, of which $2,400,000 is provided for the Eastern Arkansas Region, Arkansas, project.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; and removal of obstructions to navigation, $1,691,350,000, to remain available until expended, of which such sums as become available in the Harbor Maintenance Trust Fund, pursuant to Public Law 99-662, may be derived from that fund, and of which $18,000,000 shall be for construction, operation, and maintenance of outdoor recreation facilities, to be derived from the special account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601), and of which funds are provided for the following projects in the amounts specified:

Tucson Diversion Channel, Arizona, $550,000;

Los Angeles River (Sepulveda Basin to Arroyo Seco), California, $400,000;

Oceanside Experimental Sand Bypass, California, $4,000,000;

Los Angeles County Drainage Area (Hansen Dam), California, $2,790,000;

Flint River Flood Control, Michigan, $2,500,000;

Sauk Lake, Minnesota, $40,000; and

New Madrid County Harbor, Missouri, $250,000:

Provided, That not to exceed $7,000,000 shall be available for obligation for national emergency preparedness programs.

REGULATORY PROGRAM

For expenses necessary for administration of laws pertaining to regulation of navigable waters and wetlands, $92,000,000, to remain available until expended.

FLOOD CONTROL AND COASTAL EMERGENCIES

For expenses necessary for emergency flood control, hurricane, and shore protection activities, as authorized by section 5 of the Flood Control Act approved August 18, 1941, as amended, $20,00,000, to remain available until expended.

OIL SPILL RESEARCH

For expenses necessary to carry out the purposes of the Oil Spill Liability Trust Fund, pursuant to Title VII of the Oil Pollution Act of 1990, $35,000, to be derived from the Fund and to remain available until expended.

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Coastal Engineering Research Board, the Humphreys Engineer Center Support Activity, and the Water Resources Support Center, $148,500,000, to remain available until expended: *Provided*, That not to exceed $54,855,000 of the funds provided in this Act shall be available for general administration and related functions in the Office of the Chief of Engineers: *Provided further*, That no part of any other appropriation provided in Title I of this Act shall be available to fund the activities of the Office of the Chief of Engineers.

ADMINISTRATIVE PROVISIONS

During the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed 100 for replacement only) and hire of passenger motor vehicles.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

SEC. 101. None of the funds provided in this Act may be used to close any Corps of Engineers District Office.

SEC. 102. None of the funds provided in this Act may be used to transfer any functions of any Corps of Engineers District Office.

SEC. 103. None of the funds provided in this Act may be used to fund the activities of the Office of the Assistant Secretary of the Army for Civil Works.

SEC. 104. Any funds heretofore appropriated and made available in Public Law 100-202 to carry out the provisions for the harbor modifications of the Cleveland Harbor, Ohio, project contained in Public Law 99-662; and in Public Law 102-104 for the development of Gateway Park at the Lower Granite Lock and Dam Project, Washington, may be utilized by the Secretary of the Army in carrying out projects and activities funded by this Act.

SEC. 105. None of the funds provided in this Act shall be used to implement Defense Management Review Decision No. 918, dated September 15, 1992, to transfer from the Corps of Engineers property accountability of automated data processing equipment and software acquired with funds from the revolving fund established by the Act of July 27, 1953, chapter 245, 33 U.S.C. 576.

Mr. BEVILL (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. Are there points of order against the remainder of title I?

If not, are there any amendments?

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 12, after line 5, insert the following new section:

SEC. 106. Each amount appropriated or otherwise made available by this title that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 6.00355 percent.

Mr. BURTON of Indiana. Mr. Chairman, the committee has done a very good job overall in holding the line on spending in this bill. The overall bill is about $126 million less than fiscal year 1993, and it is also about $285.476 million less than the President's request, and that is good. I want to congratulate the committee, both the majority and minority, for their hard work on that.

However, under title I, they have had an increase of 6.4 percent above fiscal year 1993, which is about $234.22 million.

At a time when we are having these severe fiscal problems and the deficit running as high as it is and the national debt being $4.3 trillion, we ought to economize everywhere we can.

The amendment we have before us here would reduce the spending for the water projects by $234.22 million, and that would amount to a freeze at last year's spending levels.

I would submit to my colleagues that with the fiscal problems that we have that it is in order for us to have a freeze at last year's spending levels on these water projects.

Mr. FAZIO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appreciate the gentleman from Indiana pointing out that this bill is not only significantly below the level requested by the Executive but also, in terms of budget authority, significantly below last year's level. This is a very tight bill, one that deserves the support of Members across the spectrum.

Specifically as it relates to the Corps of Engineers, I think it is important for Members to realize that we continue to have serious flooding problems in this country, hurricanes and other natural disasters that continue to bring pressure on local communities.

Since we, earlier in the last decade, provided for a very significant shift in our Federal policy toward cost sharing with local and State governments, an end to the theoretical pork-barreling of corps projects that had no local cost share, no local support from communities affected has occurred. And despite that authorization that changed the way in which we carried out these kinds of public works projects, we now continue to have a tremendous drain on the committee's resources from people in every corner of the country, people in this body of both political parties, who have asked for a great deal more than this committee has been able to provide.

Committee staff estimates that we were asked by Members to do twice as much to add to the President's budget in this area as we were able to do.

□ 1120

We did less because we realized that we needed to keep the overall bill down, that we could not allow the Corps of Engineers' project demands, however legitimate, however based on sound cost-benefit ratios, to take control of the overall funding in this bill.

So we only added $234 million to the President's request of $3.9 billion. I think to eliminate that kind of funding would set back projects that are authorized—and every one of them in this bill is—would set back timetables of communities across the country who are taxing their local property owners, their local taxpayers, to come up with the funds to match these Federal dollars.

Now, one thing that we continue to do at the Federal level is try to reduce our exposure to the costs of disaster relief that we inevitably pay when we do not fix the problems that end up dislocating families and businesses and, in fact, killing people because communities are not prepared for the kind of flash floods that still exist all across the Nation.

This particular bill has done a great deal to do what I think the Members generally in this Chamber want us to do on water resources. We have not been profligate. We have been tightfisted. But we have had to respond to the legitimate needs of communities which have identified problems, and attacked them with their own dollars before they came to the Federal Government for our cost-share contribution.

I really think this gentleman's amendment is an unwise amendment from the standpoint of putting the Federal Government in much greater risk of paying far more money out for disaster relief than would otherwise be necessary. All of us understand that putting upfront money into existing flood control projects now saves us a great deal down the road when we still have the problem but yet have to bail out, literally and figuratively, individuals and businesses who have the dilemma that faces them after a serious natural disaster.

If we make the reductions the gentleman suggests in his amendment, many of the projects in this bill will be delayed. While they are delayed, citizens will be subject to pain and suffering caused by flooding. Our economy regionally will suffer around the Nation. This, in addition, will mean that these project costs will go up because, as we stretch them out, push them out further into the future, the construction index will go up and we will end up paying more money to get the fix that we ultimately know we are going to have to make.

So, while I understand Mr. BURTON's desire to appeal to our desire for economy, it's important to note this bill has already attained that goal, and I think it would be a serious mistake if we allow this across-the-board, meat-ax approach to undo the good that has been done by the committee chaired by Mr. BEVILL.

Mr. LIVINGSTON. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. I thank the gentleman for yielding.

Mr. Chairman, perhaps the gentleman can enlighten me: If this 6 percent cut across the board would be passed by this body, in fact a lot of projects which have been authorized and have been appropriated to the fullest extent requested would have to be cut back, would they not? Coming from Louisiana as I do, in the Mississippi River basin, living in a city like New Orleans, which is actually below sea level, I can tell this body that some three-quarters of a million people live in an environment contained by levees which, if they did not exist, would flood over. They would all be displaced.

There are canal projects in this bill which provide hurricane and flood protection, and they would not go forward if this amendment was passed.

Mr. FAZIO. The gentleman is correct, and I think his region of the country knows this issue as well as any.

Ms. LAMBERT. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

I would certainly like to applaud the chairman of the subcommittee, the gentleman from Alabama [Mr. BEVILL] and his staff for the hard and diligent work that they have put into this bill, as well as the fiscal responsibility which they have exemplified. I certainly rise in opposition to the amendment.

Coming from an area like many of my colleagues along the Mississippi Delta, where these issues of flood control are simply not a 1-day issue but a life-and-death issue affecting the future of the areas involved, it is one thing to live within the realm of things that are beyond your control, which most flood control is, I think it is very important that as we look forward to these issues, as a cost-effective measure they are something that will enable us in those areas of the Nation to be productive, to be independent, and in the long run they certainly are cost-effective.

They avoid, as the gentleman from California [Mr. FAZIO] mentioned, the complications down the road that could be much more costly.

So I rise in opposition. I do not think the amendment is a good one. I think it limits the capability of an industry within the Armed Forces, the Army Corps of Engineers, to do the fine job as they continue to do.

Mrs. MEEK. Mr. Chairman, I move to strike the requisite number of words.

I want to oppose the amendment. I would like to tell this body why.

The U.S. Corps of Engineers has distinguished itself by service, not so much great, great gratitude across this country, but quiet, dedicated, capable service. We need to continue this.

When we have something good that works in Government, we should not eliminate it, nor should we reduce its effects.

We would reduce the effects of this fine body, the U.S. Corps of Engineers, if we cut its funding. I come from an area in Florida devastated by a hurricane, and if it were not for the work of the U.S. Corps of Engineers, much of the hurt and harm and alienation which we experienced there would have prevailed. But the corps came in, they did not lose any time; their efforts of prohibiting flooding, their efforts in removing trees, their efforts in removing all of the housing that was destroyed, it is just amazing what the corps did. They removed the debris, which was beginning to be a health hazard, a huge hazard.

We need to defeat this amendment for the very reason that if it were not for the Corps of Engineers, whenever we have a natural disaster in this country, they move in quickly with great efficacy. So it is important we not cut their funding, but in some way seek to keep it stabilized throughout the life of this Congress.

I thank the chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The amendment was rejected.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. BURTON of Indiana. Page 12, after line 5, insert the following new section:

SEC. 106. Each amount appropriated or otherwise made available by this title that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 4.12363 percent.

Mr. BURTON of Indiana. Well, Mr. Chairman, we did not pass that last one, which was a freeze at last year's spending levels. One of the Republican alternatives to the budget which was passed by this House was a freeze plus 2 percent. When we looked at that freeze plus 2 percent drafted by the Republican study committee, which I authored, we would have reached a balanced budget without tax increase—I say this to my colleagues again—without a tax increase in about 6½ years.

□ 1130

Now, if we take a reasonable approach to these spending bills and reduce them to last year's spending level, plus a 2-percent growth, not freeze them at last year's level, but freeze them at last year's level plus a 2-percent growth, we could balance the Federal budget without the Clinton tax package that they are talking about in 6½ years.

Now, Mr. Chairman, I submit that this is a reasonable approach. On these water projects, if we freeze at last year's level plus 2 percent, the amount would be $3.74 billion and that would be a reduction from the proposed spending level this year of $161 million.

I submit to my colleagues this is a reasonable approach. It is not a meat-ax approach. We will have to prioritize spending; but I say to my colleagues, if we really want to have a balanced budget, we have got to make these hard choices and this should be one of them.

Mr. LIVINGSTON. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to my colleague, the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Chairman, the gentleman knows that I support his budget amendment. I think frankly the Government has to live within its means and everybody ought to share the burden equally, but as I understand it this particular bill is already $126 million below last year's level. So even if the gentleman's budget amendment were to pass and were to be enforced by this Congress, this bill would not be affected because it is already below last year's level.

Mr. BURTON of Indiana. I understand the point my colleague is trying to make, Mr. Chairman, the fact of the matter is within the bill, within the confines of the bill, we have a large increase in water projects.

I am just saying to be consistent with the philosophy we talked about, we ought to limit the growth in these water projects across the country to no more than 2 percent. I think that is reasonable.

Now, if they can economize in other parts of the bill below that 2-percent level, so much the better, because we have a fiscal timebomb that we are facing, so if they can reduce spending in other areas within this bill below the 2-percent level, fine; but the water projects, in my opinion, should be also reduced and they should be reduced down to no more than a 2-percent growth rate.

Mr. LIVINGSTON. Mr. Chairman, if the gentleman will yield further, I appreciate his being so kind as to give me the time; but the fact is that this subcommittee met. There were tradeoffs and they did cut other parts of the bill in order to provide room for the needed growth in water projects.

Now, you cannot say that the country only has needs that grow at 2 percent a year. You make tradeoffs. You cut in other areas that are not necessary.

I will tell the gentleman that my flood protection problems in Louisiana do not grow at the rate of 2 percent a year. People get flooded or they do not get flooded.

Mr. BURTON of Indiana. Mr. Chairman, if I might reclaim my time, I understand. Let me just say that we do have to make a lot of hard choices. One of the hard choices that is going to be made today is the superconducting super collider. That involves thousands of jobs. We had to make very difficult decisions on base closures which involved thousands of jobs and a lot of heartache and in a lot of areas of this country.

We had to make a very difficult choice yesterday on the space program, the space station, which passed by 1 vote.

So within these bills, we have to make hard choices.

Now, I am not saying the project of the gentleman from Louisiana is not a top priority. Maybe it should be one we should fund; but I am saying that if we cut spending in this bill to no more than a 2-percent growth over last year, that is reasonable and the committee can go back to the drawing board and prioritize.

That does not mean that projects that are not approved this year cannot be approved next year. They can be set in a priority way so that they are approved in a timely fashion, and maybe that of the gentleman will be at the top of the list, and I hope for the gentleman's sake that it is.

With that, Mr. Chairman, I yield back the balance of my time.

Mr. MYERS of Indiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I share the concern of my colleague and friend, the gentleman from Indiana, that this Congress and our Government has to trim back and control its spending; but this amendment takes one title, one section of this bill only, and does not look at the whole bill. Last year we did not have the money available to do some of these water projects. Some were already under construction and there were a few that were delayed the last 2 years because we just did not have the money in this area because of the firewalls set up between Defense and discretionary spending. So we were arbitrarily forced last year to withhold funding on some of these projects that are very badly needed by the local communities, both for flood control and for water supply. Those are two principal reasons why we have these projects in the bill.

So we delayed these; but if we adopt this amendment, we really have not saved the taxpayers of the country any money.

The inflation rate right now, I am advised by the gentleman, is 3.1 percent. Now, that would be added on to the cost of these if we wait a year from now. If we wait more than 2 years, this really has lost money for the American taxpayers, because no one has said these projects will not be built. I have not heard one soul here today say we are going to stop these projects. We are always going to put them on the back burner. We are going to wait awhile.

So if we should do what the gentleman is attempting to do, and I share his concern about cutting spending, but if we are going to build them somethime, the inflation rate is going to cost a lot more than this 12-percent reduction would because inflation just in 1 year was nine-tenths of 1 percent and who is to say what the inflation may be by the time this goes into effect for the fiscal year 1994. It might well be over 4 percent. So we have not saved one penny for the American taxpayer by the gentleman's amendment.

When we have an amendment that will actually save money, I will share with the gentleman and vote for it, but this would not save any money.

So Mr. Chairman, I urge a "no" vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The amendment was rejected.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 12, after line 5, insert the following new section:

SEC. 106. Each amount appropriated or otherwise made available by this title that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 2.9967 percent.

Mr. BURTON of Indiana. Well, Mr. Chairman, we tried to freeze at last year's spending levels these water projects, which I thought was reasonable. That did not pass.

Then we tried to freeze at last year's levels plus a 2-percent growth rate and prioritize spending of these water projects, and that did not pass.

So now I have a freeze at last year's spending level plus the rate of inflation, which is 3.2 percent.

Now, for goodness sakes, this has got to be reasonable. My colleague, the gentleman from Indiana, just said, well, you know, if we do not do some of these projects that are very important and we wait, they will go up at the rate of inflation and they are going to cost more.

You know, that argument has been made before on weapons systems, on a lot of other projects, the superconducting super collider and other things; but the bottom line is we have to prioritize spending. We cannot do everything for everybody every day all the time. We have to make hard decisions on what this Nation should be spending its taxpayers' dollars for.

I submit to my colleagues that if we freeze the spending for water projects at last year's level, plus a growth rate that matches inflation, we are being fair. We are being reasonable, and we can prioritize these projects in such a way that nobody really gets hurt. Some of them will have to be done at some point in the future instead of doing them today, but we cannot spend all this money that everybody wants for all these projects, many of which are pork barrel projects, indefinitely.

Now, let me just tell my colleagues if they do not remember, that the national debt has gone from $1 trillion 10 years ago, took us 200 years to get there, to $4.3 trillion, and the interest on the national debt is one of the largest expenditures in the budget.

If we do not start prioritizing around here, our kids and our grandkids are not going to have the same quality of life we have had because we are going to have hyper-inflation. The Federal Reserve Board will have to print money to pay off a large part of the debt just so that we can stay even with the board.

I mean, the interest on the debt some people believe before the turn of the century will be $600 or $700 billion a year, well over half the budget.

We cannot take care of our needs for Social Security, for the health care problems of the Nation, the infrastructure and the military, if we do not get control of this runaway budget.

So I say to my colleagues, and I know you have heard this rhetoric before, we have to make some hard choices.

Now, my first amendment, which was a freeze, I felt was reasonable. That did not pass.

The second amendment was a freeze plus 2 percent, which would have got us to a balanced budget, if we did that on spending, in 6½ years without a tax increase; that did not pass.

So now we are talking about a freeze plus the rate of inflation.

Now, that is reasonable. That is something we should do. If we did that on every bill, we would get that deficit reduced in a reasonable way over a reasonable period of time and we would not face the economic apocalypse that many of us feel we are going to face if we do not make these hard choices.

So I would like to end, Mr. Chairman, by saying to my colleagues, you did not like the first one. We had strike one.

You did not like the second one. That was strike two.

But let us hit a homerun with this one and cut some of these projects and reduce the growth in these water projects to no more than 3.2 percent over last year.

With that, Mr. Chairman, I yield back the balance of my time.

Mr. BEVILL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I was opposed to amendment No. 1. I was opposed to amendment No. 2, and I am opposed to amendment No. 3.

I say to the gentleman from Indiana, my friend and colleague, that I do not believe he really realizes the impact that his amendment would have. To print 9 percent does not sound like much, and I know it is important to go back home and be able to tell the people that we voted for cuts.

□ 1140

As my colleagues know, that impresses everybody, and that impresses me, but I want to say that my colleagues should also tell them, when they do that, that they voted to cut funds for flood control projects which delayed those flood control projects. Historically it has shown that for every dollar that is invested in flood control projects in this country, $7 in benefits are returned, but that is not the important part. Think of the lives that are saved.

I ask my colleagues, would you not hate to go back home and say, "You know, I voted to delay that project, and, if it had been built, if I had not delayed it, just think of the lives and the property that could have been saved."?

The same thing is true for hurricane protection projects. I ask my colleagues, do you want to go back and say, "I voted for a cut. I'm sorry I voted for it now because, after seeing the results of that cut, I wish I had not done it."

So, Mr. Chairman, let me tell my colleagues this: This is the only bill you're going to get to vote on today, or tomorrow, or this week, or this month, where projects are actually studied to determine whether or not your dollars that are invested are beneficial and that the benefits exceed the cost. You do not have that opportunity anywhere else.

And let me tell my colleagues this: We have cut this bill to the bone, and the gentleman did not point this out, but I believe the gentleman from Louisiana did, that this bill is actually $285 million below the President's request. It is $126 million below last year. And we have cut it to the bone. We are not playing games with you. We are being honest. Yes, we could have added some more money to this bill and then say, "Take your 2-percent cut." Do you want to play games, or do you want to be honest with the people?

My colleagues, let us tell them like it is. We have seen politics on this budget deficit. We have been watching that for 12 years, and now it is time to quit playing politics on this budget deficit and all this talk about phony cuts. Let us just be realistic, and let us be honest.

I remember I helped put in effect the truth in lending bill, as my colleagues know. We really need a truth in budgeting bill. We really need to get honest with the people and tell them like it is.

We have got problems, yes, but this is a bill where we have stayed within every limitation. We are within the 602(b) allocation. We are under the President's budget. He wanted more money. We would not let him have it. But, for goodness sake, I say to my colleagues, do not come around here and cut flood control and hurricane protection. We have got 25,000 miles of inland waterways, navigable inland waterways, in this country, and those projects create jobs. We ought to live up to what we tell the people: We are trying to create jobs. This is really our priority in this country right now.

Mr. KLECZKA. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Wisconsin.

Mr. KLECZKA. Mr. Chairman, I agree with what the gentleman from Alabama [Mr. BEVILL] says on the amendment, and I plan to support him, but I find it quite puzzling that the gentleman who offered the amendment, and he spoke, the gentleman from Indiana, only yesterday, when we had a vote up to do some real serious cutting and curtailment of Federal spending, that involving the space station where we could have saved some $12 billion——

Mr. BEVILL. Mr. Chairman, reclaiming my time——

Mr. KLECZKA. The gentleman voted against that amendment.

Mr. BEVILL. Mr. Chairman, I take back my time here because the gentleman is talking about another bill. I just want to say that, actually, this 2.9-percent cut would be devastating to our 25,000 mile inland waterway system, the greatest in the world. People from all over the world come to see this inland waterway system. Eighty percent of all the exports in this Nation go through our 25,000 miles of inland waterways to the ports.

What is the significance there? We are talking about jobs. Every time we export coal, it creates jobs. Every time we export anything, Mr. Chairman, it creates jobs, and 80 percent of the exports go through our inland waterways system.

Now, do we want to delay those projects? Do we want to delay the dredging? Do we want to delay the maintenance? And that is exactly what would happen.

Mr. Chairman, I urge a no vote against this amendment. It is a phony amendment. Vote against it.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to oppose the amendment offered by the gentleman from Indiana [Mr. BURTON], and I am sorry I must oppose my colleague from Indiana again, but he made an issue that it was necessary for Congress to prioritize our appropriations, and I would not disagree. I do not think any Member here would disagree.

But, Mr. Chairman, I say to my colleague, that is what your subcommittee here has done already. Here are four volumes of testimony that this committee received, almost 7,000 pages, 7,000 pages of testimony from more than 250 of our colleagues here, a number of Governors, mayors, State legislators, businessmen, who testified that these programs are very necessary.

Mr. Chairman, we prioritized. There are more people in this Chamber right here who did not get projects that requested them than got them. We have already made those hard decisions.

So, yes, we have made the hard decisions, and I know it is very easy to say, "Oh, I voted to cut," and just blindly say that, but it has already been said, and my friend from Indiana recognizes it, that we did reduce the overall size of this bill, but our priorities were slightly different than the administration's were. They did not like some of these projects. But we here in this Chamber live with the projects out there, we live with the problem. The administration does not. And this is not a partisan issue. They do not see the issues like our Members here do.

But we could not fulfill every request that our colleagues made, Mr. Chairman. We did prioritize. Here are 7,000 pages that we had to prioritize. So, we made the hard choices.

I urge a "no" vote on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 96, noes 329, not voting 14, as follows:

[Roll No. 265]

AYES—96

Allard
Archer
Armey
Ballenger
Bartlett
Bereuter
Blute
Boehner
Bonilla
Burton
Buyer
Camp
Canady
Coble
Collins (GA)
Combest
Cooper
Cox
Crane
Crapo
Doolittle
Dreier
Duncan
Dunn
Ewing
Fawell
Franks (CT)
Gekas
Gingrich
Glickman
Goodling
Grandy
Greenwood
Hancock
Hansen
Hefley
Herger
Hoagland
Hoekstra
Houghton
Hunter
Inglis
Inhofe
Istook
Jacobs
Johnson, Sam
Kim
Kingston
Klug
Knollenberg
Kyl
Leach
Lewis (FL)
Manzullo
McCandless
McCollum
McHugh
McInnis
McKeon
McNulty
Mica
Miller (FL)
Murphy
Nussle
Oxley
Paxon
Penny
Petri
Porter
Portman
Ramstad
Ridge
Roberts
Rohrabacher
Rostenkowski
Roth
Royce
Sensenbrenner
Shays
Slattery
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Torkildsen
Upton
Walker
Weldon
Wolf
Young (FL)
Zeliff
Zimmer

NOES—329

Abercrombie
Ackerman
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Barton
Bateman
Becerra
Beilenson
Bentley
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Byrne
Callahan
Calvert
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Coyne
Cramer
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Dornan
Durbin
Edwards (CA)
Edwards (TX)
Emerson
English (AZ)
English (OK)
Eshoo
Evans
Everett
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (TN)
Fowler
Frank (MA)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Gordon
Goss
Grams
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastert
Hastings
Hayes
Hefner
Hilliard
Hobson
Hochbrueckner
Hoke
Holden
Horn
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Hyde
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
King
Kleczka
Klein
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (CA)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCrery
McDade
McDermott
McHale
McKinney
McMillan
Meehan
Meek
Menendez
Meyers
Mfume
Michel
Miller (CA)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Roemer
Rogers
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Schaefer
Schenk
Schiff
Schroeder
Scott
Serrano
Sharp
Shaw
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torres
Torricelli
Traficant
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)

NOT VOTING—14

Andrews (ME)
Engel
Faleomavaega (AS)
Ford (MI)
Henry
Hinchey
McCurdy
Saxton
Schumer
Skeen
Synar
Thompson
Towns
Tucker

☐ 1206

Messrs. KING, LEVY, LAZIO, SMITH of Michigan, and OWENS, and Mrs. ROUKEMA changed their vote from "aye" to "no."

Mr. RIDGE changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. MCNULTY. Mr. Chairman, on rollcall vote No. 265 which was just taken, I inadvertently voted yes. I wish to be recorded in the negative.

The CHAIRMAN pro tempore (Mr. KLECZKA). Are there further amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II

DEPARTMENT OF THE INTERIOR

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

For the purpose of carrying out provisions of the Central Utah Project Completion Act, Public Law 102–575 (106 Stat. 4605), $25,770,000, to remain available until expended, of which $15,920,000 shall be to carry out the activities authorized under title II of the Act, and of which $9,850,000 shall be deposited into the Utah Reclamation Mitigation and Conservation Account: *Provided*, That of the amounts deposited into the Account, $5,000,000 shall be considered the Federal Contribution authorized by paragraph 402(b)(2) of the Act and $4,850,000 shall be available to the Utah Reclamation Mitigation and Conservation Commission to carry out the activities authorized under title III of the Act: *Provided further*, That, notwithstanding any other provision of law of the amounts available for activities authorized under title II of the Act, not to exceed $500,000 shall be available for necessary expenses incurred in carrying out the responsibilities of the Secretary of the Interior under the Act.

BUREAU OF RECLAMATION

For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau as follows:

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects, to remain available until expended, $13,109,000: *Provided*, That, of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That funds contributed by non-Federal entities for purposes similar to this appropriation shall be available for expenditure for the purposes for which contributed as though specifically appropriated for said purposes, and such amounts shall remain available until expended.

CONSTRUCTION PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For construction and rehabilitation of projects and parts thereof (including power transmission facilities for Bureau of Reclamation use) and for other related activities as authorized by law, to remain available until expended, $464,423,000 of which $46,507,000 shall be available for transfer to the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (43 U.S.C. 620d), and $160,470,000 shall be available for transfer to the lower Colorado River Basin Development Fund authorized by section 403 of the Act of September 30, 1968 (43 U.S.C. 1543), and such amounts as may be necessary shall be considered as though advanced to the Colorado River Dam Fund for the Boulder Canyon Project as authorized by the Act of December 21, 1928, as amended: *Provided*, That of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That transfers to the Upper Colorado River Basin Fund and Lowe Colorado River Basin Development Fund may be increased or decreased by transfers within the overall appropriation under this heading: *Provided further*, That funds contributed by non-Federal entities for purposes similar to this appropriation shall be available for expenditure for the purposes for which contributed as though specifically appropriated for said purposes, and such funds shall remain available until expended: *Provided further*, That no part of the funds herein approved shall be available for construction or operation of facilities to prevent waters of Lake Powell from entering any national monument: *Provided, further*, That all costs of the safety of dams modification work at Coolidge Dam, San Carlos Irrigation Project, Arizona, performed under the authority of the Reclamation safety of Dams Act of 1978 (43 U.S.C. 506), as amended, are in addition to the amount authorized in section 5 of said Act.

OPERATION AND MAINTENANCE

For operation and maintenance of reclamation projects or parts thereof and other facilities, as authorized by law; and for a soil and moisture conservation program on lands under the jurisdiction of the Bureau of Reclamation, pursuant to law, to remain available until expended, $282,898,000: *Provided*, That of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund, and the amount for program activities which can be derived from the special fee account established pursuant to the Act of December 22, 1987 (16 U.S.C. 460l–6a, as amended), may be derived from that fund: *Provided further*, That of the total appropriated, such amounts as may be required for replacement work on the Boulder Canyon Project which would require readvances to the Colorado River Dam Fund shall be readvanced to the Colorado River Dam Fund pursuant to section 5 of the Boulder Canyon Project Adjustment Act of July 19, 1940 (43 U.S.C. 618d), and such readvances since October 1, 1984, and in the future shall bear interest at the rate determined pursuant to section 104(a)(5) of Public Law 98–381: *Provided further*, That funds advanced by water users for operation and maintenance of reclamation projects or parts thereof shall be deposited to the credit of this appropriation and may be expended for the same purpose and in the same manner as sums appropriated herein may be expended, and such advances shall remain available until expended: *Provided further*, That revenues in the Upper Colorado River Basin Fund shall be available for performing examination of existing structures on participating projects of the Colorado River Storage Project.

In addition, to remain available until expended, such sums as may be necessary to cover the cost of work associated with rebuilding the Minidoka Powerplant, Minidoka Project, Idaho, to be offset by funds provided by the Bonneville Power Administrator as authorized by section 2406 of Public Law 102–486. Such offset will result in a final appropriation estimated at no more than $282,898,000.

BUREAU OF RECLAMATION LOANS PROGRAM ACCOUNT

For the cost, as defined in section 13201 of the Budget Enforcement Act of 1990, of direct loans and/or grants, $11,563,000, to remain available until expended, as authorized by the Small Reclamation Project Act of August 6, 1956, as amended (43 U.S.C. 422a–422l): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $18,726,000.

In addition, for administrative expenses necessary to carry out the program for direct loans and/or grants, $600,000: *Provided*, That of the total sums appropriated, the amount of program activities which can be financed by the reclamation fund shall be derived from the fund.

CENTRAL VALLEY PROJECT RESTORATION FUND

For carrying out the programs, projects, plans, and habitat restoration, improvement, and acquisition provisions of the Central Valley Project Improvement Act, to remain available until expended, such sums as may be assessed and collected in the Central Valley Project Restoration Fund in fiscal year 1993 and such sums as become available in, and may be derived from, the Central Valley Project Restoration Fund in fiscal year 1994, pursuant to sections 3407(d), 3404(c)(3), 3405(f) and 3406(c)(1) of Public Law 102–575: *Provided*, That the Bureau of Reclamation is directed to levy additional mitigation and restoration payments totaling $30,000,000 (October 1992 price levels), as authorized by section 3407(d) of Public Law 102–575: *Provided further*, That the Bureau of Reclamation is directed to assess and collect payments, revenues and surcharges in the amounts and manner authorized by sections 3404(c)(3), 3405(f) and 3406(c)(1) of Public Law 102–575, respectively.

GENERAL ADMINISTRATIVE EXPENSES

For necessary expenses of general administration and related functions in the office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, $54,034,000, of which $1,171,000 shall remain available until expended, the total amount to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U.S.C. 377): *Provided*, That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses.

EMERGENCY FUND

For an additional amount for the "Emergency fund", as authorized by the Act of June 26, 1948 (43 U.S.C. 502), as amended, to remain available until expended for the purposes specified in said Act, $1,000,000, to be derived from the reclamation fund.

SPECIAL FUNDS

(TRANSFER OF FUNDS)

Sums herein referred to as being derived from the reclamation fund or special fee account are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391) or the Act of December 22, 1987 (16 U.S.C. 460l–6a, as amended), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the head "General Administrative Expenses" shall revert and be credited to the reclamation fund.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed 13 passenger motor vehicles for replacement only.

Mr. BEVILL (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

EXPLANATION OF VOTING PROCEDURE YESTERDAY

(By unanimous consent, Mr. HEFNER was allowed to proceed out of order.)

Mr. HEFNER. Mr. Chairman, the reason I ask for this time is that there was a letter that went out this morning to a group of people in the House alluding to the fact that there was a fast gavel yesterday on my military construction bill that we passed here in about 25 minutes, which we are very proud of. We are proud of the work product and proud we had bipartisan support for this bill. There was an amendment that was scheduled to be ordered.

I just want to inform the House that nothing was done and there was not a quick gavel on this. We had the customary notification. It was on television. The gentlewoman from Nevada [Mrs. VUCANOVICH] made her opening statement and I made my opening statement. Members spoke on the Republican side in support of the military construction bill and Members spoke on the Democratic side in support of our position.

The gentleman from Ohio [Mr. TRAFICANT] offered an amendment that was accepted to the bill. There was ample time that was awarded for Members to offer amendments that were in order.

I would not want the impression to go out to the majority of this House and the news media that we had a quick gavel and that the Member in the chair would gavel a quick gavel to pass this bill.

Mr. Chairman, I want to allay the fears of Members of this House by stating that everything was done in very short order and in very good order. I am proud of the work product and proud of the people that worked with me on the Republican side who supported our work product and the people on the Democratic side, and to assure the American people and the Members of this House that there was no short, quick gavel on the military construction bill yesterday.

□ 1210

The CHAIRMAN pro tempore (Mr. KLECZKA). Are there points of order against title II?

Are there further amendments to title II?

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 19, after line 20, insert the following:

REDUCTION OF AMOUNTS

Each amount appropriated or otherwise made available by this title that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 10.07787 percent.

Mr. BURTON of Indiana. Mr. Chairman, this series of amendments is consistent with the series of amendments I had just proposed on the Corps of Engineers water projects. The Bureau of Reclamation water projects for fiscal year 1994 in the bill, the amount is $908.274 million. We believe with the spending problems this country faces, that there should be some hard choices made. We believe, or I believe, that we ought to reduce the spending level on these projects to last year's level.

Mr. Chairman, I have a series of amendments, if this one does not pass, that I will propose, one at a 2-percent level. With the deficit problems we are facing and the interest on the national debt being what it is, and the possible economic problems we are going to face if we do not get control of spending, this is one area that I think we ought to make some hard choices and set some high priorities for spending.

For that reason, Mr. Chairman, I urge my colleagues to support this. It is a freeze at last year's spending level; not a cut, it is a freeze at last year's spending level.

Mr. FAZIO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, again, I think it is important that the Members realize this bill is very tight. Of course, it is below the 1993 level in budget authority, and it certainly is below the budget as submitted by the executive branch.

As it relates to the Bureau of Reclamation, I think it is particularly important to point out that we are no longer in a mode of developing irrigation facilities for inclusion of new agricultural lands. Increasingly, the Bureau of Reclamation's funding is for reclamation of water, for better use of water, for environmental purposes, really, and in some areas for a municipal water supply that goes to communities, to industrial and commercial purposes.

This is not the Bureau of Reclamation that helped settle the West. Those days have come and gone. Because this is still, however, a means by which many of our Western States' Representatives and their communities are served with water, I think it is important we be very careful about the kind of across-the-board amendments that we have had leveled at the Bureau of Reclamation just as we saw on the corps projects, which, of course, are in every State in the Union.

It is important to point out that the Bureau of Reclamation's construction program in our bill is $6 million below last year. That shows that this committee is not aggressively developing new water resources, as much as it is operating and maintaining in a cost-shared way those projects that are already out there.

We are mitigating problems dealing with environmental degradation when it has occurred in some of our wildlife refuges. We are doing things that I think are broadly supported.

This is not an amendment that would be backed by environmental groups who are intimately involved with the committee in finding the funds to do what we can to improve some of the projects that were built years ago without sufficient concern for the environment. This is simply an effort, I know, on the part of some to say "Here is another vote to cut," and because it is not the Corps of Engineers, because it will not affect Members east of the Mississippi, because it will only apply in the western reclamation States, I am concerned that there may be some people who would take a different approach here than they did on the Burton amendment relating to the Corps of Engineers. It would be terribly inconsistent and it would be unfair to those regions of the country that are using reclamation, that are using the Bureau because that is what they have available to them.

I know there will be other Members speaking on this issue. I can only say that in this period, when droughts continue to beset us, when we have tremendous pressure to improve our environment all across the West, it would be penny wise and pound foolish to delay work on these projects. It will simply increase the cost down the road and no benefit will accrue.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The amendment was rejected.

The CHAIRMAN. Are there other amendments to title II?

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 19, after line 20, insert the following:

REDUCTION OF AMOUNTS

Each amount appropriated or otherwise made available by this title that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 8.27943 percent.

Mr. BURTON of Indiana. Mr. Chairman, this is a freeze at last year's spending level plus a 2-percent growth rate. As I said earlier, if we froze all Government spending at last year's level plus a no-more-than-2-percent growth rate, we could balance the Federal budget in about 6 years without any new taxes. We are talking about humongous tax increases right now, as everybody knows, which I think is going to have a debilitating impact on the economic growth of this country.

Some of the people in the well have gone down and said, "Let us be honest, these cuts are not necessary and we are misleading people." I am not trying to mislead anybody. We are not trying to make political pluses here.

The fact of the matter is, spending in this country is out of control, and everybody in the country knows it. If we can make economies in any one of these bills, these appropriation bills that come before the floor, we should try to do it.

What this amendment does, and it is not taking a meat-ax approach, as my friend, the gentleman from California [Mr. FAZIO] just said, it is merely saying we are going to freeze spending at last year's level, which would be $816.715 million plus another $21 million, which would bring it up to $833 million. We are going to save with this amendment, we will save the taxpayers $75.2 million, and we will allow a 2-percent growth rate.

I hope my colleagues got that. We will save the taxpayers $75 million and still allow a 2-percent growth rate in spending for the title II section, Bureau of Reclamation water projects.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. Of course, I am happy to yield to my colleague, the gentleman from California.

Mr. FAZIO. Mr. Chairman, I thought, rather than rise in opposition, that I would perhaps ask the gentleman to yield on his time.

The gentleman is aware, these are all cost-shared except for the projects that relate to Indian tribes, is that correct, I would ask the gentleman?

Mr. BURTON of Indiana. I understand many of them are, yes.

Mr. FAZIO. If the gentleman will yield further, so the local taxpayer is already committing to these programs, not simply because it provides some development scheme or some new acreage available to agriculture, it really in almost every case is a matter of these local communities taking care of their water supply problems or mitigating some environmental problem that has occurred over a long period of time.

I would ask, why would the gentleman want to reduce the capability of these local communities by some $75 million, simply pushing the problem and the cost, because the construction index goes up, out into the future?

Mr. BURTON of Indiana. Let me just say to my colleague that we have all kinds of requests from local and State governments for projects, and we are taking more and more of the responsibility of doing these things on the Federal Government, not just in this particular bill but a lot of other bills.

It seems to me rather than enlarging the bureaucracy here in Washington and enlarging Federal spending, we ought to be reducing Federal spending and putting the responsibility back where our forefathers thought it should be, at the State and local level.

Let me just finish. I feel very, very strongly that the Federal Government and this bureaucracy in Washington cannot do everything. I am not blaming Government workers, as some of my colleagues on the other side, I think have said last night. We have a lot of fine Federal workers, but the fact of the matter is that Government cannot do it better at the Federal level than we can do at the State level, and it seems to me we have to start addressing the real problems facing this Congress and this country.

□ 1220

And the real problem is spending is out of control. And anyplace where we can make economies and prioritize spending we should do so.

Mr. FAZIO. Mr. Chairman, will the gentleman yield again?

Mr. BURTON of Indiana. Of course, I am happy to yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I think it is important to point out that the Bureau of Reclamation is a good example of a shrinking agency of the Federal Government in terms of expansion of the West. Using water developed with Federal dollars is a thing of the past. The Bureau of Reclamation is downsizing, its staff capability has been reduced. When we included the provisions in the 1980's for costsharing, we brought local government to the table. Their money is now what is driving a Federal match. This is not somebody's good idea here in Washington that is being foisted on people who do not want it. We are working cooperatively with local governments providing the direction and the leadership so that we know where our resources can do the most good.

Mr. BURTON of Indiana. I appreciate that from the gentleman, and that is why this amendment allows a 2-percent growth in spending. It is not a freeze. It is a 2-percent growth.

We are not cutting, we are allowing spending to go on at no more than a freeze plus 2 percent. As I said before, if we do that across the board in Government we could balance the budget without the huge tax increases that my colleague and others are going to be supporting that the President is going to be sending up to the Hill.

The CHAIRMAN pro tempore (Mr. KLECZKA). The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The amendment was rejected.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 19, after line 20, insert the following:

REDUCTION OF AMOUNTS

Each amount appropriated or otherwise made available by this title that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 7.20036 percent.

Mr. BURTON of Indiana. Mr. Chairman, we tried a freeze in this section at last year's spending levels. To me that seems reasonable. That failed.

We tried a freeze plus 2 percent growth rate, which if we imposed on all spending in this Government we could balance the budget, as I said before, without a tax increase. And I think most of the people in this country are for a freeze across the board in all Government spending. And we were going to allow an extra 2-percent growth rate, which would still get us to a balanced budget without a tax increase. But unfortunately, we have not been able to get the votes necessary to pass that amendment.

So what this amendment does is it freezes Government spending at last year's spending level, plus a 3.2-percent increase, which is the inflation rate over last year. I do not know how anybody can oppose that.

It is going to save $65.4 million and still allow a growth rate of 3.2 percent. To me that makes sense.

Some of my colleagues say we take a meat axe to spending when we take this approach. We had an amendment a while ago by the gentleman from Tennessee in title 1 on a project down in Florida, the Kissimmee River project. From 1961 to 1971, this Government spent $30 million to straighten out a river because they said that that was the way to control flood problems down there. So we spend $30 million to straighten out that river. Now they are coming back and they want $750 million to cut the curves back in the river. That does not make sense to me. But nevertheless, the amendment of the gentleman from Tennessee was defeated. We are going to appropriate $5 million to study, and I guarantee once that study takes place they are going to go ahead and spend the $750 million to cut the curves back in the river that we spend $30 million a few years ago to take out.

Now some people might say that that is a priority, and that may be. I do not know. But I do know that spending is out of control in this place, and we have got to control it. We have to prioritize.

My colleague from Indiana, whom I have great respect for, held up about four or five books a while ago and said this is testimony on projects many of which were not approved. And I congratulate them on prioritizing on some of those projects. But you can go to every committee in this House and show testimony on project after project, issue after issue where there was huge testimony and many of them were not approved.

I am just saying that we need to really get down to brass tacks and prioritize to such a degree that we are not going to allow spending to get out of control any further than it already is. And the way to do that is to put a cap on spending.

That is what this amendment does. For these reclamation projects it says that we are going to allow spending to increase, but no more than the rate of inflation over last year.

I wish my colleagues, when they go home, and I do not think my amendment is going to pass, but I am going to get a vote on it, but I wish my colleagues when they go home would ask their constituents in addition to do they want more roads, do they want more water projects, do they want more buildings and so forth, more post offices, I wish they would ask them this question: Do you want your taxes to go up? Do you want the deficit to go up or do you want us to start making hard decisions, real hard decisions on where to cut spending? I guarantee that 75 percent or more of the people in this country are going to say cut spending first, prioritize spending, put a cap on that stuff, and that is what I am trying to do with this amendment.

I hope my colleagues will look favorably upon it. It is not a cut. It is a freeze at last year's spending level plus 3.2 percent growth rate. That is reasonable, and I hope my colleagues support it.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I appreciate the gentleman yielding because he knows he is yielding to someone who does not agree with him, and Members do not always do that.

I wanted to point out that in 1989 the Bureau of Reclamation's budget was about $700 million for construction. The 1994 request was only $432 million. It has been coming down dramatically. So the gentleman by targeting this area of the budget to bring down the deficit is targeting an agency that has been making its contribution to deficit reduction, to leaner budgets, and certainly this bill which the gentleman has indicated is below last year in budget authority has met that test. So I think the gentleman by targeting his amendment at this section is targeting an inappropriate place.

Mr. BURTON of Indiana. Let me ask one question. Is this section on reclamation above last year's spending level?

Mr. FAZIO. The gentleman indicated that it is and I believe it is.

Mr. BURTON of Indiana. It is.

Mr. FAZIO. But because most of the work being done in the Bureau these days is more labor-intensive, most of the work is going into management of water, not of new construction, and we are getting a greater yield, as a matter of fact. We are getting more benefit from the dollars that we have already spent than from construction in the past.

The CHAIRMAN pro tempore. The time of the gentleman from Indiana [Mr. BURTON] has expired.

(By unanimous consent, Mr. BURTON of Indiana was allowed to proceed for 1 additional minute.)

Mr. BURTON of Indiana. Mr. Chairman, I would just like to say I have a high regard for my colleague from California. We have worked closely on a number of issues around here. I do have a little disagreement here. I think a freeze plus 3.2 percent is reasonable, and I hope he and my colleagues will see fit to support it.

Mr. BEVILL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to point out that now we are talking about the U.S. Bureau of Reclamation. This applies, as Members know, to the western part of the country, and it applies to a part of our Nation that has actually suffered a great deal already from a lack of an adequate drinking water supply, clean water.

We are going to have the same amount of water in this Nation a thousand years from now as we have today, but the question is going to be how much of it is clean. This is what we have seen happen. I am very familiar with every project of any size of the Bureau of Reclamation in California and the other Western States, and I can tell Members that it amazes me how they have been able to actually survive, especially during the great 7-year drought that just ended in some areas a few months ago.

So they have problems in that part of the country, and it is our duty to help that part of the country and to work with them. I cannot imagine anyone wanting to cut those people 7 percent on their drinking water, with the pain and suffering that would cause.

These projects are matched by local funds. These projects have already been authorized by Congress, by both houses of Congress, and by the President. These projects have been approved for funding after extensive hearings with the Governors from our Western States, and the Members of Congress testifying. Any one of them will tell you that a 7-percent cut would be devastating.

□ 1230

So I urge you to vote against this. We are still talking about a bill that is $285 million below the President's budget request and $126 million below last year's appropriation.

The Bureau of Reclamation's construction program is actually over $6 million below last year's level. We have done our work. We have made those cuts, and we are at the bottom figure that will allow these areas in the western part of our country to actually survive and have adequate water supply. This is what we are talking about.

Do you want to cut their water supply 7 percent? Well, let me tell you, you are going to be cutting it more than that when you cut the money 7 percent. That is going to mean some of these projects may be stopped and will definitely be delayed, and the people are going to have to dig up more local money, and we are going to have to dig up more Federal money in the long run, because these projects are necessary and they are needed.

We are not playing games here. This is serious business. I do not believe you could find anybody from the West who would not tell you that a 7-percent cut would be disastrous for them on these projects that we tell you are necessary and are needed.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I am happy to yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I appreciate the gentleman yielding to me.

The gentleman indicated that this was a 7-percent cut. It may be a 7-percent cut, if I am correct, over what the gentleman has in the bill, but it is still a 3.2-percent increase, my amendment, over last year's spending level? Is that correct?

Mr. BEVILL. The gentleman is taking it piece by piece. We did not do that. We are talking about the whole bill. That is what we are going to be voting on today. We are not going to be voting on every little item in this bill. We would be here for a year if we did do that. There are over 800 projects in this bill. We always have that many, and actually, I guess, we have even had more, because we have been constantly cutting our bill and trying to do our part to keep this country within its budget. We have done our share. We have done this every year. We have given the President of the United States less money than he has asked for in his budget.

We have had extensive hearings. We have 2,000 people who come in our committee room every year with their spokesmen to testify. We have never turned anybody down. We want to hear the opposition. We want to hear the pros and cons and we never refuse to hear anybody.

We have eight volumes of testimony.

As I say, the Congress has already acted once on these programs during the authorization process. We are just talking about funding something that has already been determined to be needed, and certainly we feel like it would be a slap in the face to hit the Bureau of Reclamation with a 7-percent cut.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. BEVILL] has expired.

(At the request of Mr. FAZIO and by unanimous consent, Mr. BEVILL was allowed to proceed for 1 additional minute.)

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I am happy to yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I wanted to thank the gentleman for his comments and point out once again that this year the construction budget is $6 million below last year, and half of the increase in the total Bureau budget is in the loan program which provides local communities with the financing to do their own projects. They are 100-percent paid back by those local communities. We are simply helping them with affordable loans. They are all repaid. There is no commitment of the Federal taxpayer to do this work.

So most of the increase in this bill, beyond the construction reduction, is simply going to help local communities develop their water supplies, and I think that is going to be in conformance with many Federal and State laws which we have imposed on them. We owe it to them to allow them to be in compliance in an affordable way.

I thank my chairman, the gentleman from Alabama, for his comments.

Mr. BEVILL. Mr. Chairman, the gentleman from California, who is a member of this panel, is very much aware of these projects and very knowledgeable on them. He is correct, there is no question about it.

I urge a vote "no" on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 135, noes 287, not voting 17, as follows:

[Roll No. 266]

AYES—135

Allard
Andrews (TX)
Archer
Armey
Baker (CA)
Baker (LA)
Ballenger
Bartlett
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Camp
Canady
Castle
Coble
Collins (GA)
Combest
Condit
Cooper
Cox
Crane
Crapo
Cunningham
Deal
DeLay
Diaz-Balart
Doolittle
Dornan
Dreier
Dunn
Eshoo
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Gallegly
Gilchrest
Gilman
Gingrich
Glickman
Goodlatte
Goodling
Goss
Grandy
Greenwood
Gunderson
Hancock
Hoekstra
Houghton
Hunter
Hutto
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kim
King
Kingston
Klug
Knollenberg
Kyl
Lazio
Leach
Levy
Lewis (FL)
Lightfoot
Linder
Manzullo
McCandless
McCollum
McDade
McMillan
Meyers
Michel
Miller (FL)
Minge
Molinari
Moorhead
Murphy
Nussle
Orton
Oxley
Payne (VA)
Penny
Peterson (MN)
Petri
Porter
Portman
Quillen
Quinn
Ramstad
Ridge
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schroeder
Sensenbrenner
Shaw
Shays
Slattery
Smith (MI)
Smith (TX)
Snowe
Solomon
Stearns
Stenholm
Stump
Sundquist
Talent
Taylor (NC)
Torkildsen
Upton
Walker
Weldon
Wolf
Young (FL)
Zeliff
Zimmer

NOES—287

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Bachus (AL)
Baesler
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Barton
Bateman
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Callahan
Calvert
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dickey
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
English (AZ)
English (OK)
Evans
Everett
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (NJ)
Frost
Furse
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gonzalez
Gordon
Grams
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Hefner
Herger
Hilliard
Hoagland
Hobson
Hochbrueckner
Hoke
Holden
Horn
Hoyer
Huffington
Hughes
Hutchinson
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCrery
McCurdy
McDermott
McHale
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Parker
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Pickett
Pickle
Pombo
Pomeroy
Poshard
Price (NC)
Pryce (OH)
Rahall
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Roberts
Roemer
Rogers
Romero-Barcelo (PR)
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schiff
Schumer
Scott
Serrano
Sharp
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Spence
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swift
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torres
Torricelli
Traficant
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)

NOT VOTING—17

Duncan
Engel
Faleomavaega (AS)
Hefley
Henry
Hinchey
Hyde
McHugh
Mica
Paxon
Skeen
Swett
Synar
Thompson
Towns
Tucker
Washington

□ 1256

Mr. SCOTT, Mr. SPENCE, and Ms. PRYCE of Ohio changed their vote from "aye" to "no."

Mr. ANDREWS of Texas, Mrs. SCHROEDER, and Messrs. CASTLE, PAYNE of Virginia, and PETERSON of Minnesota changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SAXTON. Mr. Chairman, unfortunately, today, during consideration of the energy and water appropriations bill, I was unavoidably detained at the base closure and realignment hearing. Consequently, I missed two rollcall votes on Mr. BURTON's amendments. Had I been here, I would have supported Mr. BURTON's amendment to freeze funding at last year's rate plus inflation for the Army Corps of Engineers rollcall No. 265, and the Bureau of Reclamation, rollcall No. 226.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for energy supply, research and development activities, and other activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 24, of which 18 are for replacement only), $3,224,534,000 to remain available until expended.

AMENDMENT OFFERED BY MR. COPPERSMITH

Mr. COPPERSMITH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COPPERSMITH: Page 20, line 9, strike "$3,224,534,000" and insert "$3,192,634,000".

Mr. COPPERSMITH. Mr. Chairman, the amendment I offer with my colleagues, the gentleman from Indiana [Mr. SHARP] and the gentleman from New Jersey [Mr. ZIMMER] is simple. The amendment cuts $31.9 million intended to operate the Department of Energy's advanced liquid metal reactor [ALMR] and related fuel cycle programs.

The advanced liquid metal reactor program presents serious economic, environmental and proliferation concerns. Despite the fact that an internal analysis by the DOE's policy office during the Bush administration ranked this technology 21st out of 23 priorities, based on energy contribution and economic, technical and environmental factors, the ALMR program just keeps going, and going, and going.

The taxpayers already have spent over $1.3 billion and will continue to have to pay substantially more for many more years. Even after the completion of the current program, at a cost of several hundred million dollars, taxpayers then will have to pony up to build a prototype ALMR, already estimated to cost about $1 billion in current dollars, before industry ever will consider using this type of technology.

Also, using ALMR technology requires assorted new facilities, reprocessing plants, fuel fabrication plants, and perhaps surface storage facilities, all of which are fabulously expensive.

However, even if taxpayers could manage to pay for all that, we have no guarantee that industry will adopt this technology. ALMR's will continue to be less economical than new light-water reactors for the foreseeable future. ALMR's depend on an expensive plutonium reprocessing cycle, while advanced light-water reactors depend on uranium now cheap and abundant.

ALMR's simply cannot compete in the marketplace, and that is why the nuclear industry has staked its future on and put its own money into the new generation of light water reactors, not ALMR's.

Even if we assume that sometime in the far future the economics do shift, making plutonium more competitive with uranium, by that time the current technology will be obsolete.

Mr. Chairman, this amendment is not antinuclear. What we seek to do is cut only one advanced reactor program, leaving five research programs, four involving light water reactors and one involving gas-cooled reactor technology, which have far, far more industry support, working to assure our Nation's energy future.

□ 1300

The prospect of funding ALMR development over many years with mushrooming cost estimates reminds many of the budget nightmare created by another breeder reactor program, the Clinch River breeder reactor, which Congress terminated in 1983 for economic, environmental and proliferation reasons. I was not here for that battle, but I know that cost estimates for the last breeder had soared from $699 million to over $8 billion before Congress finally killed the project. No one knows how high costs for a prototype ALMR could go, but, when we are still years away from the commercial prototype stage, and estimates are already in the billion dollar range, history tells us that huge porkers from little piglets grow, and we should recognize the markings of fiscal meltdown.

In addition to these economic problems, Mr. Chairman, ALMRs also present serious environmental and proliferation concerns. Independent scientists believe that ALMR's will not substantially decrease the need for or the environmental risks from a high-level radioactive waste depository. ALMR's will create large amounts of new lower-level waste. ALMR's also pose a proliferation threat because they both produce plutonium from reprocessing and can breed it from a reactor blanket, and anyone capable of operating this type of breeder reactor can separate out the plutonium.

President Clinton first indicated that the administration would seek to eliminate the entire ALMR program. Many Members have stated, with varying degrees of vehemence, that the administration did not go far enough in cutting spending that does not measure up to the high standards all our constituents now demand. Instead, now those people who demand additional spending cuts want to preserve their own programs and even increase them over what President Clinton requested.

Today we have a fairly easy opportunity to reject business as usual by cutting a program that simply does not measure up. Today we can cut wasteful spending, protect the environment and prevent nuclear proliferation all at once. Reduce the deficit, protect the environment, bag the breeder.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. HASTERT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Arizona [Mr. COPPERSMITH].

The centerpiece of DOE's advanced reactor program is the integral fast reactor [IFR]. The IFR is a revolutionary technology still under development that has truly remarkable next-century characteristics; walk-away safety, easier waste management, proliferation resistance, potentially favorable economics and the fuel efficiencies necessary to allow nuclear power to supply our Nation's energy needs for the next century.

In the past it has been implied that the light-water reactors are the only reactors for which there is commercial interest. More properly there is no commercial interest at this time in any new reactor designs because of the vexing problems posed by nuclear waste disposal. Light-water reactors do not address the waste problem, but the IFR does. In addition, the IFR program has garnered significant commercial interest with direct funding from both Japanese and American utilities.

Moreover, the IFR technology specifically addresses the major shortcoming of the light-water designs, waste disposal. The IFR is designed to operate on recycled fuel, thus the need to enrich uranium or produce it is eliminated.

The IFR technology permits practical actinide recycling, which reduces the effective lifetime of high-level radioactive waste from millions of years to a few hundred years. The IFR is designed to recycle and burn its own actinides, providing technical solutions for the long-term high-level nuclear waste disposal problem. The IFR is also a very effective burner of actinides generated in light water reactors.

The IFR fuel cycle has strong proliferation-resistant characteristics. The IFR process does not produce a pure plutonium product steam, rather its product is still highly radioactive and would require reprocessing for any use other than IFR usage.

I am encouraged by the IFR's rapid technical progress. A prototype demonstration of the entire IFR fuel cycle is scheduled to begin soon; fuel manufacture in October 1993 and spent fuel processing in February 1994.

Despite their significance, these benefits are just ancillary to a much more important goal, the IFR's environmentally clean large energy supply capability, which makes it a true next-generation reactor. For this reason alone the program should be strongly endorsed.

Mr. SHARP. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to note that issue was first brought before this body in the form of an amendment by Congressman Howard Wolpe to end this program last year. Congressman Wolpe is to be greatly commended for first raising this issue for our consideration. I believe that we should vote for this amendment to cut this program out.

First, we must understand that this is not a vote on nuclear power in this country. Many of us support the work that this committee supports, the administration supports, and that we have supported for many years, which are the five advanced reactor designs, that are in the legislation. This does not touch those. Those are the designs that the private sector tells us have the most likelihood for having value to produce electricity in this country. We are talking about the liquid metal reactor, an entirely different approach.

Mr. Chairman, this question is whether or not my colleagues are for plutonium or against plutonium, not whether they are for nuclear power, as we know it, with uranium, or against nuclear power.

Now let us understand the three historical roots of this program. The first is the production of plutonium for bombs in this country. That, of course, is not what it is designed to do now, but that is what it is capable of doing.

Second of all, Mr. Chairman, this is driven by the fear that we will somehow run out of uranium to fuel our current and future generations of light-water reactors, advanced or the current generation. This has proven time and time again not to be the case, and now the projections for oversupplying uranium go well into the second half of the next century.

Third, this is driven by a vision that is very appealing, my colleagues, that we will have a limitless, cheap energy supply for this country. For 50 years this vision has driven the nuclear programs in this Government, and we have paid billions of dollars, and we have gotten some return on those billions. But again and again the vision has been enormously flawed, and in many instances it has turned out to be a nightmare.

Today much of the budget of the Department of Energy has to go to clean up uranium mill trailing, has to go to clean up the bomb facilities, has to go to clean up reprocessing facilities, has to go to clean up powerplants and other sites that are associated with the Federal Government. We are stuck with enormous costs of cleanup.

Now, my colleagues, what we have to understand here is that this program is not economically smart, not environmentally smart, and not smart for taxpayers at this point.

Commercially we do have the private sector engaging in advanced light-water designs that are in this legislation and supported by me. But over and over again members of the private sector say they have serious questions, or they will not put up money, or they will not have anything to do with the liquid-metal reactor. This is part of the test for us today as to whether this is commercially viable.

But something that needs to be understood is a fourth issue that has come into the picture in recent years, not just bomb production, not just a fear of a uranium shortage, not just a fear of limited energy. It is a fourth claim: that this is a solution to nuclear waste. I say to my colleagues, if you have a nuclear powerplant in and around your district before this, my colleagues, you should be against this technology.

There is no way this technology is going to be the solution to nuclear waste in this country. If the advocates are right, it might, for our great-grandchildren, reduce a portion of the highly toxic part of the waste. But it does not reduce enough of it to alleviate the need for Nevada or somebody else to be the site of a deep geological site.

Not only does it not do that, the fact is it also costs more, perhaps $84 billion more, to the current program we have to dispose of the waste in our backyard. And do my colleagues know how that cost will have to ultimately be raised? Off of our electricity consumers.

The waste disposal program is already set up, not for this piece of it, but for everything else, to be paid for by a fee on electric rate bills in this country. Now, if we go forward with this research and development program, as the advocates want, my colleagues, the logical step is to put its cost on the backs of the consumers of nuclear power in the current systems around this country. That is the proper logic to sustain this program financially. But there is another part of it that seems to be overlooked, and that is this process actually generates additional amounts, by up to 30 percent more, of the other kinds of nuclear waste we call low-level.

☐ 1310

Guess who is dealing with that today? Perhaps your State, because it is the States' responsibility to get rid of it. And perhaps there is a fight going on in your State right now over building a low-level waste repository, that must be built. And guess what? No State yet has been able to find a place for its repository for the stuff. The State of Idaho wants us to take what we have there now and get it out. The State of South Carolina says take what you have there now and get it out. But we have no State that has yet met the terms of the act that requires States to come up with disposal sites. So not only is it not going to solve the long-term problem for the waste in your backyard, it is going to generate additional kinds of low-level waste.

The DOE is developing an advanced liquid metal reactor [ALMR] that will use plutonium as a fuel. This program is unnecessary, dangerous, and expensive. As a result the Coppersmith-Sharp-Zimmer amendment to terminate funding for this program has been endorsed by taxpayer organizations, environmentalists, and arms control groups.

ALMR'S ARE NOT NECESSARY TO PRESERVE THE NUCLEAR OPTION

There are basically two different kinds of nuclear power reactors: First, light-water reactors that use uranium as a fuel with a once-through fuel cycle; and, second, liquid-metal reactors that use plutonium as a fuel with reprocessing of used fuel.

Currently, utilities rely on uranium light-water reactors. The nuclear power industry has indicated that its future depends upon the success of a new generation of advanced light-water reactors that will be safer and more economical than present plants. The DOE currently has a program to develop advanced light-water reactors which is industry cofunded.

In fact, the 1992 study by the National Academy of Sciences gave advanced light-water reactors the highest ranking for overall performance in its evaluation.

The capital costs of producing plutonium fuel are necessarily higher than those of uranium fuel because of the extra costs of reprocessing. As a result, the price of uranium ore would have to increase fifteenfold before plutonium would be competitive. However, uranium is so cheap and abundant that U.S. uranium miners and fuel fabricators are actually going out of business.

Therefore, plutonium reactors are not expected to be competitive with uranium reactors for at least 40–60 years, if ever. By that time, the ALMR technology currently being developed would be obsolete.

ALMR WILL NOT BE ENVIRONMENTALLY BENEFICIAL

There are two kinds of high-level radioactive wastes in spent fuel from nuclear power plants: actinides and fission products. Actinides are elements with an atomic number of 89 or higher, including plutonium. Fission products are elements that result from the fissioning process and cannot be split further to release energy.

The DOE program for the disposal of spent fuel will rely on placing wastes in a deep, geologic repository that will have to be safe for thousands of years. Currently, the actinides and the fission products in spent fuel would be kept mixed together and would be directly disposed of in the repository.

Supporters of the ALMR program contend that ALMR's could help solve the waste disposal problem by recycling actinides into fuel. However, independent scientists, including a team of researchers headed by experts from Lawrence Livermore National Laboratory, agree that actinide recycling would not be environmentally beneficial or cost effective.

The greatest environmental risk from the repository comes from those fission products that are long-lived and water soluble, such as technetium-99 and iodine-129—not actinides. Furthermore, actinide recycling would not help expand the capacity of the repository since the current limit is not physical space, but rather a legal restriction.

In addition, actinide recycling transmutes actinides into fission products as an extremely slow rate. Lawrence Livermore National Laboratory estimates that it would take about 1,000 years to completely recycle projected spent fuel from light-water reactors through an ALMR recycling system. During this lengthy period of time, high-level radioactive wastes would have to be kept at surface storage sites or other retrievable facilities.

Furthermore, the reprocessing process itself generates tremendous amounts of low-level radioactive wastes that would have to be disposed of at local sites. The Lawrence Livermore study estimated that reprocessing of high-level wastes could generate up to a 30 percent greater volume of low-level wastes than direct disposal of comparable light-water reactor wastes.

Finally, the most comprehensive economic assessment to date, conducted by the industry's electric power research institute concluded that actinide recycling would not be cost-effective for waste disposal.

Actinide recycling would greatly increase the current cost of the disposal program—estimated at $34 billion—since it would add the expense of plutonium reprocessing to the expense of the repository. The added cost of reprocessing 84,000 metric tons of spent fuel would range from $25 billion—at the program target of $350/kilogram—to $84 billion—at current costs of $1,000/kilogram.

ALMR'S PRESENT A MAJOR PROLIFERATION CONCERN

Supporters of ALMR contend that the new plutonium reprocessing technology—pyroprocessing—is more proliferation-resistant than current chemical reprocessing methods. This argument has three flaws: First, the true comparison should be to a uranium light-water reactor with a once-through fuel cycle, which is almost proliferation-proof; second, pyroprocessing is actually worse than chemical reprocessing in some respects; and third, the ALMR can be used directly as a plutonium breeder apart from the reprocessing technology.

Light-water reactors do not use military-grade uranium as fuel. In addition, the plutonium contained in light-water reactor spent fuel is mixed with other wastes—such as fission products—that prevent it from being militarily useful. As a result, light-water reactors are almost proliferation-proof.

An ALMR system can produce plutonium in one of two ways. First, the reprocessing of spent fuel produces plutonium by separating it from fission products. Although the DOE technology—pyroprocessing a plutonium that is less pure than current reprocessing technology—chemical separation—it would still be possible to convert the plutonium mixture to military use.

Furthermore, according to a report prepared for the DOE and the Department of State, in some respects pyroprocessing actually suffers from proliferation deficiencies compared to chemical separation. Specifically, inspectability and material accountability is more difficult for pyroprocessing than current reprocessing technology.

Finally, plutonium can be produced directly by placing a uranium blanket around the reactor and subjecting it to neutron bombardment. This process is called breeding because of its ability to produce more fissionable material than it consumes as fuel. The ALMR was originally developed as a military technology because of its potential use as a breeder.

THE ALMR WILL NOT BE USEFUL FOR THE DISPOSAL OF MILITARY PLUTONIUM

The ALMR system is a plutonium producer. Therefore, it does not make sense to develop the ALMR if the purpose for developing it is to get rid of plutonium. In fact, the ALMR would create an electricity system permanently dependent on plutonium.

In addition, ALMR's will not be able to dispose of military plutonium in a timely fashion. First, it will take another 20 years for ALMR's to be commercially available. Then, they would have to recycle military plutonium through their reactor cores for 100 years to transmute the plutonium into fission products. Meanwhile, the plutonium stockpiles would have to be carefully stored and safeguarded.

Many other safer and more cost-effective alternatives for plutonium disposal exist, including: First, conversion into a mixed oxide fuel that is run through a light water reactor and then disposed of; and second, mixing with spent fuel wastes, followed by vitrification and then disposal.

Madam Chairman, this is a smart budget vote to vote for this amendment. It does not meet our needs for the future. It is a luxury we cannot afford.

Mr. ZIMMER. Madam Chairman, I move to strike the last word.

Madam Chairman, I rise in strong support of this amendment and want to recognize the fine work done by the gentleman from Arizona [Mr. COPPERSMITH], the gentleman from Indiana [Mr. SHARP], whom I have joined in offering this amendment, and also the efforts of a freshman from my State, the gentleman from New Jersey [Mr. KLEIN].

Madam Chairman, the advanced liquid metal reactor [ALMR] is simply not justifiable on any economic grounds. It is not an efficient source of electricity, and it will not effectively recycle our current nuclear waste. Industry will not support it and there is no reason for the taxpayers to do so instead.

Commercial nuclear companies have shown no interest in contributing their resources to this research because they know that there will be no return for them. It will not provide cheap energy or waste disposal. This is largely why we abandoned the Clinch River breeder reactor nearly a decade ago.

Proponents will tell you how vital this project is to the Nation. But if that's true, if the nuclear industry could really dispose of its waste more efficiently with this approach, why hasn't the industry supported this project? It should be willing to share the costs of development if it has any interest in the technology. However, the total private contribution to this project comes from only one utility and amounts to only $2 million.

Far from supporting this project, the nuclear industry has made clear its interest in committing all available resources to further study of advanced light water reactors [ALWR] instead of liquid metal reactors. The president of the American Nuclear Energy Council told the Subcommittee on Energy that the utilities "believe the ALWR—light water reactors—is the nuclear energy option that must take top priority in both industry and the federal programs in the near future." And on the recycling issue he said, "we see no benefit in considering transuranic burning—the liquid metal technology—as a waste solution for current fuel."

Even if we were to develop and build enough liquid metal reactors to recycle all of our current stores of high-level radioactive wastes, we will not have reduced, even by one, the number of waste storage facilities we will need to build.

The international scientific community regards this technology as inferior for waste management purposes. Let me read to you what the International Atomic Energy Agency wrote about the prospects for this approach. "Indeed the incremental costs of introducing liquid metal technology appear to be unduly high in relation to the prospective benefits."

In 1980, Dr. Croff from Oak Ridge National Laboratory said there were "no cost or safety incentives for—liquid metal technology—waste management purposes."

And in a 1992 report, Dr. Ramspott of Lawrence Livermore National Laboratory said "There remain no cost or safety incentives to introduce liquid metal technology into the HLW [high-level waste] management system. The economics of other options for producing electrical power, including nuclear, are far more favorable than liquid metal technology and will remain so for the foreseeable future."

So what we will be voting on today is whether we should develop a technology that industry has rejected for any use. It is not an effective energy-generation technology. It is not an efficient method of waste management. It does not merit a subsidy from American taxpayers.

Vote "yes" on Coppersmith-Sharp-Zimmer.

Mrs. LLOYD. Madam Chairman, I move to strike the last word.

Madam Chairman, I rise in opposition to the amendment.

I support the administration's position that we continue the research and development effort on actinide recycle. I do so because I believe it is important that we make a realistic assessment of the potential of this technology to address a part of our nuclear waste problem.

My support for continuation of this actinide recycle R&D program, should not be construed as an endorsement of the continuation of the ALMR design effort. At this time I do not believe we should continue work on this effort. Nevertheless, the issue is the vote on the amendment.

Because I believe it is important to carry on the actinide recycle research project, I have no choice but to oppose the amendment offered by Mr. COPPERSMITH whom I very much admire. I respect his commitment to his principles and look forward to working closely with him on other important issues in the future.

Nevertheless, at this time, I must oppose this amendment.

Mr. MOORHEAD. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I rise in opposition to the Coppersmith amendment. This amendment would eliminate all funding for the Department of Energy's actinide recycle and advanced liquid metal reactor R&D program.

Development of an integral fast reactor capable of burning or reducing nuclear waste is critical to the future of nuclear power in this country. Actinide recycling and advanced liquid metal reactors may hold the key to technology capable of burning high-level nuclear waste from commercial reactors and plutonium from our weapons stockpile. In the past 8 years, the Department of Energy has spent $700 million on this program. This year, only 3 years from final proof of the technology, Mr. COPPERSMITH would like to scrap the entire project.

I believe that when we are this close to an answer on a question this important to our future, we would be shortchanging ourselves to not finish the job. Moreover, by abandoning the program before it is completed in return for only moderate budgetary savings this year, we waste the $700 million already spent.

More importantly, we may be shutting the door on the possibility of nuclear power for the future. Although we are in difficult budgetary times, I believe it would be shortsighted of us to turn our backs on research which would keep the nuclear option open. Without some sort of prospective program to address the nuclear waste problem, I believe we will foreclose the possibility of nuclear power for future generations.

Thus, I urge a "no" vote on the Coppersmith amendment.

Mr. MINETA. Madam Chairman, I move to strike the requisite number of words.

□ 1320

Mr. BILIRAKIS. Madam Chairman, I move to strike the requisite number of words.

I certainly endorse the remarks of the previous speaker, the gentleman from California [Mr. MINETA], his very well-thought-out remarks. I think it is important that we all realize that this amendment would strike all funding, all funding for the Department of Energy's actinide recycle research and development program.

I rise in opposition to the Coppersmith amendment, which proposes to strike all funding for the Department of Energy's actinide, recycle R&D program.

We are facing tough economic times, but this only means it is more important than ever not to engage in false economies. It is likewise important for us to carefully examine how Federal money is spent and to make sure we are investing it wisely in the future.

While reducing the deficit is an important goal, we must not, in our zeal to cut spending, shortchange our future.

I believe that money spent on securing safe and environmentally sound energy supplies is a valuable and necessary investment. furthermore, as the supply of fossil fuels decreases—and it inevitably will—we must look for new ways to produce larger quantities of electricity cleanly and cheaply and safely.

Madam Chairman, the design of the IFR incorporates passive safety features that have been tested and demonstrate that this reactor is much safer than technology already in use. Safety is a primary concern of the public regarding nuclear power, and if we can achieve a safer program, then we should.

Furthermore, the IFR is a recycle technology, one that will provide a nuclear waste treatment alternative for DOE waste and commercial spent fuel. It can reduce the lifetime of high-level nuclear waste from millions to hundreds of years. This could significantly expand the usable capacity of a geologic repository for nuclear waste.

Finally, Madam Chairman, we in this Chamber frequently like to look abroad when we seek confirmation of our judgment. I might point out that strong international support exists for this technology, in both France and Japan. Should we abandon this project, these nations and perhaps others will be quick to fill the void. Japanese utilities alone are contributing $46 million for initial program costs.

This is an important, safe, environmentally sensitive energy program with great potential for our Nation's future, but which faces a critical test here and now—today.

I urge my colleagues to vote "No" on the Coppersmith amendment.

Mr. BEVILL. Madam Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto be limited to 30 minutes, equally divided between the gentleman from Arizona [Mr. COPPERSMITH] and the gentleman from California [Mr. MINETA].

The CHAIRMAN pro tempore (Mrs. MINK). Is there objection to the request of the gentleman from Alabama?

Mr. WALKER. Madam Chairman, reserving the right to object, could we determine how many Members might be included in that half hour before making a determination?

The CHAIRMAN pro tempore. The Chair sees standing seven Members on the majority side and five Members on the minority side.

Mr. WALKER. Madam Chairman, continuing my reservation of objection, all of the time is going to be assigned out of the majority, by two majority Members. All Members here on the floor are involved in that.

The CHAIRMAN pro tempore. The Chair will attempt to recognize those for and those against the pending amendment. The Members who have been named would have the responsibility of recognizing Members, the gentleman from Arizona [Mr. COPPERSMITH] on the proponents' side and the gentleman from California [Mr. MINETA], on the opposition side.

Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN pro tempore. The time will be limited to 30 minutes, 15 minutes on each side, proponents and opponents. The gentleman from Arizona [Mr. COPPERSMITH] is in control of 15 minutes.

The Chair recognizes the gentleman from Arizona [Mr. COPPERSMITH].

Mr. COPPERSMITH. Madam Chairman, for purposes of debate, I yield 2 minutes to the gentleman from New Hampshire [Mr. SWETT].

Mr. SWETT. Madam Chairman, we have a massive Federal deficit. We have got to eliminate unnecessary government spending. The advanced liquid metal reactor program—ALMR—is precisely the kind of program we should be terminating.

The nuclear industry does not consider the ALMR a priority because breeder reactors are simply not cost effective compared to light water reactors. Given the current glut in uranium, the size of uranium reserves, and any realistic projection of nuclear power usage in the foreseeable future, uranium-fueled light water reactors will continue to be far cheaper than the plutonium-based advanced liquid metal reactor.

We should not be spending our research dollars on new nuclear reactors. We should be spending the limited amount we do have on energy efficiency and conservation, and alternate and renewable energy.

Madam Chairman, we never seem to be able to kill programs once they get funded. This has got to stop. We should shut down the ALMR before it demands billions more taxpayer dollars.

Madam Chairman, I urge my colleagues to join me in supporting the Coppersmith amendment to kill the ALMR program.

Mr. MINETA. Madam Chairman, I yield 3 minutes to our very fine colleague, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Madam Chairman, I thank the gentleman for yielding time to me.

I must admit that I am somewhat surprised that the gentleman from Indiana has brought this amendment today. I was one of those who sat through those long conferences on his energy bill last year, and one of the things that we wrote in that energy bill, when it became public law, is:

To encourage the deployment of advanced nuclear reactor technologies, to facilitate the completion of submission, by September 30, 1996, for preliminary design approvals of standardized designs for the modular high temperature gas cooled reactor technology and the liquid metal reactor technology, and, to evaluate by September 30, 1996, actinide burn technology to determine if it can reduce the volume of long-lived fission byproducts.

□ 1330

We spent a lot of time deliberating on that authorization bill. A lot of us put a lot of time and effort in that effort, and now to have the man who basically, it was his bill, come to the floor and say that we want to abandon that, it strikes me as something where I am not certain I should have spent all those hours sitting around in a room somewhere trying to work out this bill.

I think we need to focus on the fact that the actinide burning, which is capable of consuming nuclear waste from existing light water reactors, offers every Member here who has a nuclear reactor powerplant in their State a means of reducing and getting rid of that nuclear waste now stored in pools all the way around this country and in all those plants.

Actinide burning offers the capability of consuming plutonium from dismantled nuclear weapons and significantly extending the uranium resources of the country. The actinide burning offered by the advanced liquid metal reactor technology is part of President Clinton's own budget request.

The amendment offered today not only kills the advanced reactor programs, but practically eliminates the entire request that the President has up here in that area. This amendment also would leave some of our top research facilities as nothing but empty shells without any mission and would backtrack from this Nation's need to have advanced research. If we are going to be an advanced nation, we need every energy option for our future economic growth, and this amendment throws one away completely. The one they are throwing away happens to represent 22 percent of the energy in this country today. To throw that away unnecessarily on this floor, and to do so in total violation of the authorization bill that we put in effect just a few months ago, seems to me is beyond penny wise and pound foolish, it is just foolish.

Mr. COPPERSMITH. Madam Chairman, I yield 1 minute to the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN. Mr. Chairman, I rise in support of the amendment. I am in general supportive of the provisions in this bill dealing with nuclear energy, which is a key component of the jurisdiction of my Energy and Mineral Resources Subcommittee.

I support the continued funding for development of advanced light water reactors, as recommended by the administration. Advanced light water reactors are the main near-term objective of the utility industry in the energy R&D budget, and benefit from industry's financial support, as well.

The liquid metal reactor, in contrast, does not enjoy significant near-term interest on the part of the utility industry. The waste management mission which has recently been put forward for this technology does not appear to have any prospect of being cost effective. Finally, the worldwide glut of uranium for the foreseeable future makes resorts to a plutonium fuel cycle, with all its downside risks, both unnecessary and uneconomic.

Under the circumstances, I do not believe taxpayers today should have to underwrite development of a technology that does not appear to have any practical benefits for at least 50 or 60 years, if then.

Madam Chairman, in response to the gentleman from Pennsylvania [Mr. WALKER], if this measure was really going to shut down the nuclear industry, we would have lobbyists clamoring for its defeat all over this building today. We do not. There is no support for this. Eliminate the program. Support the Coppersmith amendment.

Mr. MINETA. Mr. Chairman, I yield 4 minutes to a very fine colleague, the gentleman from Idaho [Mr. CRAPO].

Mr. CRAPO. Madam Chairman, I stand in strong opposition to this amendment. There has been a lot of discussion today on the floor about whether this is scientifically justified or scientifically not justified, but I hold in my hand here the report by the National Academy of Sciences. I want to tell the Members what they said in the introduction of this report.

They were asked by the U.S. Congress to prepare a comparative analysis of the nuclear options for this country.

The question they were supposed to answer was, "If nuclear power is to be retained as an option for meeting U.S. electric energy requirements, what technological options are those that we should be seeking?" A lot of discussion has been put into the fact that advanced light water reactors are the ones that should be focused on, and yes, this report did say that advanced light water reactors for the short term are the ones that are in the best position to meet our immediate short-term needs.

However, the Academy's report on the long-term needs for the nuclear industry in this country and for our nuclear energy needs in this country said, "The committee believes that the LMR, the liquid metal reactor, should have the highest priority for long-term nuclear technology development."

The committee that studied this and has put this bill forward on the floor has said for the nuclear energy option in America to remain viable, we must continue this research. The Department of Energy has recently sent us a letter stating they need to continue this research, that the actinide technology we are discussing is the high level importance, and is important to helping us continue to address our nuclear needs in the country.

The science is there. The question is, why are we facing this opposition. I am convinced that it will have the impact of eliminating the nuclear option in this country long-term.

It has been said that this technology will breed the possibility for more plutonium. Yet we faced this question in the hearings on this issue. This is not a breeder reactor. The attacks on this kind of reactor are focusing on a reactor version that is years behind us. This reactor consumes plutonium, it consumes spent nuclear fuel, and it is part of the answer to the many difficult questions we will be facing long-term. It is also a part of the answer to our Nation's energy needs.

As has already been mentioned, the reactor technology that we are looking at is going to be a critical part of our future electricity needs. Those who are concerned about the environment and the need to rely on fossil fuels will have to focus on long-term nuclear energy as a part of our Nation's long-term energy solutions.

It has been stated that there is not support in the commercial industry. That also is not accurate. As we know today, it is very difficult to get nuclear technology licensed, and the United States must participate in that process in its research at the initial stages. Yet already at these early stages of this development there are those in the commercial industry and those overseas who are indicating their willingness to become involved.

Mr. Chairman, this technology is critical. It has been identified by the National Academy of Sciences as our highest long-term priority if we are to maintain a nuclear option. We must oppose this amendment.

As to the comments that this is a cut, it is unnecessary expenditure, this appropriation already has been cut deeply beyond previous years. The question now is whether to eliminate it entirely. The effort is to take away our long-term nuclear options. We have to oppose this amendment.

Mr. COPPERSMITH. Madam Chairman, I yield 1 minute to the gentleman from California [Mr. MILLER].

Mr. SHARP. Madam Chairman, will the gentleman yield?

Mr. MILLER of California. I am happy to yield to the gentleman from Indiana.

Mr. SHARP. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, quickly, brief points about those reports, and the one from the National Academy of Sciences. In fact, the NAS report makes it very clear that, of course, as my colleague said, it is not of use in the short term, but in fact it is only of use economically if we go to the breeder option. Meanwhile, our colleague and others are trying to deny that this is a breeder technology.

The key about breeding is: We create more plutonium than we destroy, and we enhance the risk of nuclear proliferation, which is a whole other issue that some of our speakers are going to address.

I might add that a private sector study of this industry by the Electric Power Research Institute, says this technology is simply not cost-effective for waste disposal. That is, in respect to those arguments about the pools of nuclear waste in our back yards, it is not cost-effective as part of a program to dispose of that.

Mr. MILLER of California. Madam Chairman, I rise in strong support of the Coppersmith-Sharp-Zimmer amendment, and urge our colleagues to support it, because we simply must choose priorities, and the payoff here is so remote and the deficit is so immediate that we must accept this amendment.

Madam Chairman, I rise in strong support of the amendment. Even if liquid metal reactors were technically all that their boosters claim, any possible commercial application of this technology is so remote that the expenditure of $32 million in scarce taxpayer funds is not justified.

Liquid metal reactors do not represent the next generation of reactor technology. That generation consists of the advanced light water reactors that still receive full funding in the proposed budget. Whether any light water reactors will be ordered and built in the next 20 years is problematic at best.

The world market is glutted with uranium for the foreseeable future, and the decommissioning of nuclear weapons both here and in the former Soviet Union will greatly exacerbate that glut. Consequently, there is no near-term need for plutonium reactors. Unless hundreds of additional uranium reactors are built—an unlikely scenario given their economics and unpopularity—the plutonium recycle technology inherent in the ALMR will not be economic.

Supporters of the ALMR claim that it would be an inexhaustible energy supply. For that to be the case, it would have to be used as a breeder reactor, which converts uranium into plutonium, the raw material for nuclear weapons. By promoting a fuel cycle based on plutonium, the ALMR represents a serious nuclear proliferation threat.

Finally, independent experts at Lawrence Livermore National Laboratory estimate that the proposed nuclear waste management mission for the ALMR would roughly quadruple the cost of waste disposal.

Since the potential payoff for this program is so remote, and the budget deficit is so immediate, I do not believe that the ALMR Program deserves any taxpayer funds at this time. I urge passage of the amendment.

Mr. COPPERSMITH. Mr. Chairman, I yield 2 minutes to our fine colleague, the gentleman from Washington [Mr. INSLEE].

Mr. INSLEE. Mr. Chairman, I rise in strong opposition to this motion for two reasons, because of the two deficits, not the one deficit, the two deficits that our country has.

The first deficit that this debate has largely ignored is the environmental deficit, the deficit we have created in leaving a legacy for our great-great-great-grandchildren of leaving high-level nuclear waste around this country and around this world. When we have an option to convert high-level nuclear waste that will be with our grandchildren for 10,000 years into a low-level product that can last only for 100 years, what course should this Nation take?

□ 1340

This Nation should spend a dollar today to develop a technology to save the multiple generations 10,000 years from now, and let it only last for 100 years. This is an environmental deficit issue.

Secondly, it is a Federal budget deficit issue. Let me tell Members where we are spending the money today. The Federal Government is spending over $1 billion a year in my district. By the way, this project is not in my district. But we are spending over $1 billion a year taking care of high-level nuclear waste in my district.

If we can spend a dollar today to reduce that to low-level nuclear waste and save money, this is well worth it. This is a rifle shot aimed at the breeder reactor that is going to miss, and if it hits, it is going to kill something that can help our grandchildren, and our grandchildren's grandchildren, and our grandchildren's grandchildren's grandchildren.

Oppose this amendment.

Mr. COPPERSMITH. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I thank the gentleman from Arizona for offering this amendment. This is a good amendment for three reasons.

One, this program is bad fiscal policy. The Clinch River breeder started it off at $700 million. It wound up at $8 billion of taxpayers' money. That was lost. This program is going to wind up at $2 billion. Adam Smith spins in his grave as he looks at this Congress appropriating money for a private-sector endeavor, because the second point is also valid.

This is bad energy policy. There has not been a new nuclear power plant ordered in the United States which has been constructed for 18 years. But at the same time, the electric utility industry is the wealthiest industry in the United States. If they think this is a good idea, then the wealthiest industry in the United States should fund it, not the taxpayers of our country.

But most importantly, this is bad nonproliferation policy. This is a solution that really is creating a new problem. It is disguised as a solution. In fact, the Department of Energy in a report which the chairman of our subcommittee had to have released, because it had been kept classified last week, reveals in fact that the unsolved problems with this technology include safeguards, plant inspectability, material accountability for the purposes of verification meaning that we are creating a plutonium economy across the planet. Just so Members understand what we are talking about, dozens of these reactors would have to operate for hundreds of years in order to consume all of the plutonium in all of the nuclear weapons in the Soviet Union or the United States, if that was the purpose of it. We are talking dozens of reactors for hundreds of years.

But we have no way of guaranteeing that the plutonium would not be diverted into nuclear weapons programs in countries that do not have them. The safeguards do not work.

The problem no longer, ladies and gentlemen, is the vertical arms race between the United States and the U.S.S.R. It is the horizontal arms race as it spreads from country to country and subnational group to subnational group.

This is the worst possible program that we could be subsidizing with taxpayer money.

Mr. MINETA. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, I rise in opposition to the amendment.

The argument has been made this afternoon that this may not be the future of nuclear energy. Does anyone question that nuclear energy is going to be a part of our future for this country?

The argument against this seems to be not whether this is appropriate technology, but whether we are going to have nuclear energy in our future. Most of the utilities who today have not bought any type of nuclear generation have not done so because they do not believe in it. It is because of two factors. First, the safety factor and second, what are we going to do with the waste.

This is a complement to the light-water reactors or any other reactor. First, it is passively more safe than other reactors we have in the inventory or that are likely to come into the inventory. Second, is the fact that it is going to do away with the waste. It accommodates both reasons why it will be in the future of some utilities. So it is not cost effective or may not be. We do not know.

But I am concerned that some Members, including my colleague from Indiana who was one of the architects of the Energy Act last year, which supported this technology, now opposes it. Something is wrong.

Mr. COPPERSMITH. Mr. Chairman, I yield myself 30 seconds. I would just note in response that this amendment does not close the nuclear option. This bill funds five other advanced reactor programs. I support those programs. Industry supports those programs through cost-sharing. I urge Members to support the bill—once we take out the one reactor research program that simply does not measure up.

Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, if truth in advertising laws had to apply to the Federal budget, Congress would probably have to write the following ad for the advanced liquid metal reactor funding request:

> Wanted: $21.9 million for a technologically and economically unsound program almost identical to one Congress rejected at taxpayers' insistence 10 years ago, when the national debt was about one-third what it is today. This "handyman's special" can be brought up to its intended capacity with a cash infusion of a few billion.

How would America's taxpayers react to an ad like this. Their first reaction would be disbelief—after all, who would propose such a costly project at a time of unparalleled fiscal crisis? Yet, this is exactly what the 103d Congress is prepared to do: Throw good money after bad on the advanced liquid metal reactor, a project in search of a mission.

In 1983, Congress voted to terminate the Clinch River breeder reactor, which would have been our first full scale liquid metal fast breeder reactor. We did not need the CRBR and the environmental problems that traveled with it.

Although Congress scuttled construction of the liquid metal reactor that was to be built at Clinch River, we have continued to spend millions on research. I never suspected how much money could be won in beating long-dead horses, but the advocates of the advanced liquid metal reactor have turned it into a pension program.

The advanced liquid metal reactor is the same old turkey dressed up in different feathers. In fact it is a dodo. But the taxpayers see through it.

Mr. Chairman, enough is enough.

Mr. MINETA. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Arizona [Mr. COPPERSMITH] and his colleagues.

Let me first preface my remarks by saluting my colleagues for their sincere desire to reduce the deficit. The elimination of any program accomplishes this, and I totally agree that reducing the deficit should be one of our top priorities. However, the administration is proposing to increase spending for DOE civilian programs by nearly $1.2 billion in fiscal year 1994—an increase of almost 17 percent over the current level of funding. DOE's fiscal year 1994 budget request is not about deficit reduction—it is about a calculated and radical shift away from nuclear energy—a vital technology that supplies more than one-fifth of our Nation's electricity without emitting any greenhouse gases, and a technology that must be maintained if there is any hope of meeting the President's Earth Day commitment to reducing our emissions of greenhouse gases to their 1990 levels by the year 2000.

I want to take a few moments to address the advanced liquid metal reactor [ALMR] integral fast reactor [IFR] fuel cycle program. The IFR program has been the centerpiece of the Department of Energy's [DOE's] advanced reactor R&D program. This revolutionary technology, still under development, offers a safe, economically promising, and environmentally sound solution to many of the concerns raised about nuclear power. It has also received the resounding endorsement from the most respected members of the scientific community: The June, 1992, National Academy of Sciences' study on the future of nuclear power, "Nuclear Power: Technical and Institutional Options for the Future," recommended that the IFR should be the highest long-term nuclear option and called for expansion of the existing design activity.

The IFR's advantages include passive, walk-away safety; proliferation resistance; dramatically reduced waste-disposal problems; a fuel cycle that is integral, self-contained and potentially less expensive; and a fuel supply that is nearly inexhaustible:

Passive, walk-away safety. The IFR technology is much safer than current reactor designs. Its inherent passive safety characteristics were demonstrated in 1986 in a landmark series of tests at Argonne's IFR prototype reactor [EBR–II] in Idaho, where simulations of the Three Mile Island and Chernobyl-type accidents resulted in immediate and harmless system shutdown without any damage to the reactor or the environment and with no risk of radioactive release.

Proliferation resistance. The IFR fuel cycle has strong proliferation-resistance characteristics because it does not produce a pure plutonium product stream; its product is still highly radioactive and would require sophisticated reprocessing for anything other than IFR usage.

Dramatically reduced waste-disposal problems. The IFR technology permits practical radioactive by-product—actinide—recycling, which reduces the effective lifetime of high-level nuclear waste from millions of years to a few hundred years and the high-level waste volume by a factor of 4 or more. The IFR is also designed to recycle and burn its own actinides, the actinides generated in traditional light water reactors [LWR's] or even excess plutonium available due to nuclear disarmament, providing solutions for the long-term high-level nuclear waste disposal problem.

Integral, self-contained, and potentially less expensive fuel cycle. In the IFR fuel cycle, a relatively high-temperature, metal-based batch process—the pyroprocess—has the potential to be carried out in small, relatively inexpensive facilities.

Nearly inexhaustible fuel supply. The IFR has the capability to breed more fuel than it consumes, thereby providing a nearly inexhaustible fuel supply and allowing nuclear power to supply America's energy needs for centuries without producing any greenhouse gases.

The IFR program is making rapid technical progress, and is at a critical juncture. A prototype demonstration of the entire IFR cycle is scheduled to begin soon—fuel manufacture in October 1993, and spent fuel processing in February 1994. The IFR fuel cycle demonstration will be a major accomplishment that will assure the United States its international leadership role in safe nuclear power development. The demonstration schedule is on target to meet the Energy Policy Act of 1992 mandate assessment of the actinide burning technology by the end of fiscal year 1996.

The IFR program is now strongly supported by international participation. Japanese utilities are contributing $46 million for the initial phase of the technology demonstration, including $13.5 million this year, and the prospects for much broader international cooperation appear excellent.

The U.S. utility industry, including the Electric Power Research Institute [EPRI], has also begun to take an interest in the IFR technology. As a start, Southern California Edison has indicated its intent to start to provide some financial support, estimated to be about $2 million this year, a landmark event in long-term reactor development.

We have invested billions of dollars in the liquid metal reactor technologies over the years—investments which were supported by both Democrat and Republican administrations and by both Democrat and Republican Congresses, on a bipartisan basis. In my view, it simply does not make sense to turn our backs on the ALMR option now that we are so very near the threshold of success—particularly in light of the President's national commitment to reduce greenhouse emissions at 1990 levels by the year 2000, and the major implications of this commitment for the Nation's energy future.

Mr. Chairman, I urge my colleagues to vote "no" on this amendment.

Mr. COPPERSMITH. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. Mr. Chairman, I thank the gentleman for yielding the time, and I rise in strong support of the amendment.

I am not an expert on all of these technologies that have been debated, but what we have here is an unusual coalition of groups that have come together in support of this amendment. We have the National Taxpayers Union, which is not known for their concern about the environment. In support of the amendment then we have all of the environmental groups, which are not noted for their concern about the deficit, coming together to support this amendment.

Number 2, people tell me in this body that programs never die, they just develop new rationales. I understand that we killed this program a long time ago because it was about breeder reactor technology, and now it comes back to this floor today to save us from the future of the hazards of nuclear waste.

The gentleman from Florida [Mr. BILIRAKIS] pointed out earlier that other countries are involved in this. I would just note that Japan has put up $46 million, $7 million per year, and we have put up $700 million to $1.2 billion, and my friend, the gentleman from Massachusetts [Mr. MARKEY] tells me that it will probably be $2 billion.

We have an obligation here to put an end to this right now.

Mr. COPPERSMITH. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. TORKILDSEN], cochair of the Republican Task Force on Reform.

Mr. TORKILDSEN. Mr. Chairman, I thank my friend, Mr. COPPERSMITH, for yielding the time.

Mr. Chairman, I rise in support of the Coppersmith-Sharp-Zimmer amendment.

Nuclear power plays an important role in our country's energy policy. But we, as Members of Congress, must start critically evaluating programs. We have to start making hard decisions over what types of research we can afford and whether there is a real future for the technologies we are developing.

When we look at the future of advanced liquid metal reactors, the justification for this type of appropriation diminishes greatly. In the commercial nuclear sector, there have been no new permits for construction of nuclear powerplants in over a decade. Even if a permit were requested and granted, the success of light water reactors around the country, the experience utilities have had with the technologies associated with uranium reactors, and the high cost of breeder technology would indicate that light water reactors will be preferred over the advanced liquid metal reactors, at least for the foreseeable future.

Even in the Navy, where the Government is a significant user of nuclear energy, there are no plans to use advanced liquid metal reactors. Because of the volatility of this type of reactor, and the advances made by the Navy to maintain light water reactors even under the most adverse conditions, the Navy has shown no interest in changing to this new type of technology.

In this year of the deficit, we must constantly evaluate whether we can afford having the Government invest in every type of project. While I believe the research being done in this case would be useful, I cannot vote to keep spending money on a project with an uncertain future value.

Mr. Chairman, I urge my colleagues to support this fiscally responsible amendment.

□ 1350

Mr. MINETA. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. BARTLETT].

Mr. BARTLETT of Maryland. Mr. Chairman, I thank the gentleman for yielding me this time.

As a fiscal conservative who votes over and over again to hold the line and cut programs, you might expect that I might be voting for this amendment. But I rise in strong opposition to the amendment.

You know, this feeding frenzy of cost-cutting should not bring us to do dumb things, and if we stop this research, that is going to be a dumb thing for this country.

There are all sorts of reasons that we need to vote "no" on this amendment.

The gentleman from California [Mr. MINETA] has very eloquently given a number of reasons, primary among them economic reasons, for doing it. I would just like to stress that we are the world's leader. We need to remain the world's leader. We need to hold open the option of nuclear as a strong source of power in our future. If we are going to do this, we cannot vote for this amendment. We have to vote against it.

A "no" vote on this amendment for a great number of reasons is the right vote.

Mr. COPPERSMITH. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, since I am going to be advocating conservation of our financial resources, I have also been asked to advocate and to recognize conservation of time resources involved here.

The advanced liquid metal reactor is a program that does not have support from an economic point of view. It does not have support from an environmental point of view. It does not have support from a scientific point of view.

Indeed, the National Academy of Sciences and the Lawrence Livermore National Laboratory found there was no justification for it and did not recommend continuation of the project.

It does not have support from the energy and power industries who would normally be expected to support it.

Indeed, we have a project that started out with a purpose but failed, and now we are asked to continue it with no purpose and no justification whatsoever. It does not satisfy the needs for cleaning up nuclear waste. Its benefits in that regard are illusory.

I think that if ever there was a project that deserved to be cut, this one is it.

I rise strongly in support of the amendment to strike this.

Mr. MINETA. Mr. Chairman, I yield 3 minutes, the remainder of our time, to our very fine chairman of the Subcommittee on Energy and Water, the gentleman from Alabama [Mr. BEVILL], who has been so helpful not only on this issue but others.

Mr. BEVILL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I recall that Admiral Rickover and President Carter made a statement that is still true today, that this country cannot afford the luxury of not having nuclear energy. I think that is even more true today.

We have over 100 nuclear plants today, and they are storing the nuclear waste at the plants. It is a problem that we are facing and we are working on and hope to move the waste to a central area.

I mentioned that because this is a project we are supporting and the committee has supported this program. The authorization committee has supported it and the Congress has authorized it and the President signed the bill. Now we are with the appropriation.

This advanced liquid metal reactor, in my judgment, is a good program, and has the potential to burn the long-lived radioactive waste that is going to cost so much money, so many billions of dollars to dispose of. It will burn this radioactive waste and utilizing the plutonium from the dismantled nuclear weapons, and has the potential of extending the supply of uranium fuels while producing electricity safely and economically.

The program has many benefits and potential. We on the committee have held hearings, and we have heard witnesses from all parts of the country on this and they support it. I urge everyone to vote "no" on this amendment.

Mr. COPPERSMITH. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana [Mr. SHARP], who has helped me with this amendment.

Mr. SHARP. Mr. Chairman, this is not about the nuclear option. Many of us support having the nuclear option.

If you vote for this bill, you will have enhanced, with the advanced light water reactor design, four of them in the bill, and an additional gas-cooled reactor design, the option of nuclear power for this country and, indeed, for the entire planet.

What we are talking about here is whether it is the smart economic decision to also go for the liquid metal reactor. The industry itself tells us the smart way is to go with the other designs.

Second, what this is about is plutonium, and we know something very simple about this: Uranium, which the other designs are based on, is cheap. Plutonium is dangerous.That is why we are worried about North Korea. That is why we are worried about proliferation around the world.

Guess what the fundamental goal of this program is designed to do? It is primarily designed to make it cheaper and easier to transmute uranium, or take the plutonium out of the waste stream. Guess who would like most of all to be able to do that right today? North Korea.

Why make it cheaper? Why make it easier for anybody anywhere around the world?

But finally, the notion that this solves our waste problem is absolutely a siren song that takes us right on the rocks of wasted money and, worst, additional low-level waste. It only would reduce a portion of the long-lived waste products. We still have the fission products. We still have iodine-29 and technetium-99 which will require thousands of years of disposal. So those who do not like any of this nuclear waste, regrettably will still have to find a place for it.

Mr. COPPERSMITH. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise today in support of the Coppersmith-Sharp-Zimmer amendment to the fiscal year 1994 energy and water appropriations bill which terminates funding for the advanced liquid metal reactor [ALMR].

According to the National Taxpayers Union, the ALMR is simply a waste of taxpayers dollars. This amendment would save taxpayers $31.9 million in fiscal year 1994 alone.

According to the Department of Energy and Public Citizen, the ALMR would generate more tons of high-level waste than it would consume.

And environmental groups, like Friends of the Earth and Sierra Club, are also opposed to ALMR. Breeder reactors like ALMR are a major source of plutonium which is a major threat to the environment.

Again, I urge members to support the Coppersmith-Sharp-Zimmer amendment.

Mr. COPPERSMITH. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this program is an example of a technology in search of a mission.

The NAS study cited by the gentleman from Idaho [Mr. CRAPO] said that the ALMR is feasible for electrical generation only if used as a breeder. However, the opponents of this amendment are saying now that the ALMR is not a breeder despite the fact that the scientists at Argonne and the officials at DOE all call it a breeder. Then, last year the Bush administration Department of Energy Policy Office ranked 23 electrical generation strategies and ranked the ALMR as 21st out of 23 options.

So the ALMR is no longer proposed as an electrical generation strategy, and the respected chairman of the subcommittee now advances it as a waste reduction technique. But page 152 of the National Academy of Sciences report, cited by my friend, the gentleman from Idaho [Mr. CRAPO], says, "The actinide recycling * * * feature is not considered justification * * * for advancing the program at this point."

This is not just a technology issue, however. This is a budget issue.

Let me quote the words of my colleague from Illinois [Mr. HASTERT] who opened this debate on the other side, from July 1 of last year. On the floor of the House, he said, "We are sinking in debt. We have a real serious fiscal policy problem. Is part of the solution to cut spending? You had better believe it is. How do we cut spending? It is hard to do."

Similarly, my colleague, the gentleman from Idaho [Mr. CRAPO], said on March 17 of this year, "To revitalize the economy, we need real substantial and sustained cuts in Government spending." The ALMR is a budget issue, because this is a program that does not measure up.

This amendment does not foreclose the nuclear option. I support the other five research programs that will be better uses of our money to advance nuclear science and protect our Nation's energy future. Again, my colleagues, let us reduce the deficit. Let us protect the environment. Let us bag the breeder.

Please vote "yes" on this amendment.

Mr. PORTER. Mr. Chairman, I rise in opposition to the amendment offered by my colleagues, Representatives COPPERSMITH, SHARP, and ZIMMER, to H.R. 2445, the energy and water appropriations bill for fiscal year 1994. I believe that their amendment, to eliminate the modest funding that remains for the integral fast reactor, is irresponsible and shortsighted.

The $21.9 million included in the energy and water appropriations bill for the IFR will allow the scientists of Argonne National Laboratories to test and prove the effectiveness of a technology to recycle spent nuclear fuel known as the actinide recycling. Funds to terminate the IFR are also included in the bill. But the administration and the Appropriations Committee realize the importance of allowing Argonne National Laboratories to test the fuel recycling program, the most important aspect of the IFR project, while it prepares for termination. We have a commitment to see this project through.

The actinide recycling technology offers a practical solution to the Nation's nuclear waste disposal problems. By employing this recycling process, the IFR burns radioactive byproducts, known as actinides, for fuel. Actinides are the radioactive, heavy metals in spent fuel rods that must be isolated from the air and water for thousands of years. The waste produced by this burning process remains radioactive for only a few hundred years, whereas nuclear waste generated by existing nuclear power plants is radioactive for thousands of years. The volume of waste is also reduced fourfold, making it far easier to manage than the spent rods of current nuclear plants.

Furthermore, by recycling actinides, the IFR has the amazing capacity to burn used fuel from existing plants and nuclear waste sites and can totally consume plutonium from dismantled nuclear weapons. Last Congress, we made a commitment to test actinide recycling as a way to reduce nuclear waste in the omnibus energy bill of 1992. We should not back down on that commitment.

Mr. Chairman, the IFR, including the actinide recycling process, is a revolutionary technology that has the potential to offer the country a safe and lasting means of generating electricity while reducing the stockpile of existing nuclear waste and weapons-grade plutonium. The IFR addresses the public's concerns about the safety and security of nuclear power—it is far, far safer than the technology employed in current nuclear power plants. The IFR is inherently safe and will shut down automatically without human or mechanical intervention if the reactor should overheat. These safety features have been demonstrated in actual tests of a prototype reactor.

To those who contend that the IFR is a breeder reactor with the capacity to transform uranium into plutonium for nuclear weapons, I argue that the purpose of the IFR is exactly the opposite: the IFR burns plutonium and other actinides to generate power. Contrary to what opponents of the IFR say, the IFR does not produce pure plutonium. A highly sophisticated reprocessing technology would be needed to use the plutonium output for any other purpose than refueling the reactor itself.

Mr. Chairman, we should not cut funding for the IFR as it tests its most important feature—the actinide recycling process. As America pursues greater energy efficiency and as nuclear weapons are increasingly being dismantled, we cannot afford to abandon this vitally important program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. COPPERSMITH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. COPPERSMITH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 267, noes 162, not voting 10, as follows:

[Roll No. 267]

AYES—267

Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Bachus (AL)
Baesler
Ballenger
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bishop
Blute
Boehlert
Borski
Boucher
Brewster
Brown (CA)
Brown (OH)
Bryant
Bunning
Byrne
Calvert
Cantwell
Cardin
Castle
Clay
Clayton
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cunningham
Danner
Darden
de Lugo (VI)
Deal
DeFazio

DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Duncan
Dunn
Edwards (CA)
Edwards (TX)
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fields (LA)
Filner
Fingerhut
Fish
Flake
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Furse
Gejdenson
Geren
Gilchrest
Gillmor
Gilman
Glickman
Goodlatte
Gordon
Grandy
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hefley
Hefner
Herger
Hoagland
Hobson
Hoekstra
Hoke
Holden
Hughes
Hutto
Inglis
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kim
King
Kleczka
Klein
Klink
Klug
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
Lazio
Lehman
Levin
Levy
Lewis (GA)
Linder
Lipinski
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
McCandless
McCloskey
McCurdy
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Moran
Morella
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Parker
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (MN)
Petri
Pomeroy
Poshard
Price (NC)
Pryce (OH)
Quillen
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roemer
Romero-Barcelo (PR)
Ros-Lehtinen
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Santorum
Sarpalius
Sawyer
Saxton
Schenk
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slattery
Slaughter
Smith (MI)
Smith (NJ)
Snowe
Spratt
Stark
Stearns
Stenholm
Studds
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Thurman
Torkildsen
Towns
Underwood (GU)
Unsoeld
Upton
Velazquez
Vento
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Williams
Wise
Woolsey
Wyden
Wynn
Young (FL)
Zeliff
Zimmer

NOES—162

Abercrombie
Applegate
Archer
Armey
Baker (CA)
Baker (LA)
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehner
Bonilla
Bonior
Brooks
Browder
Brown (FL)
Burton
Buyer
Callahan
Camp
Canady
Carr
Chapman
Clement
Clinger
Coleman
Combest
Cramer
Crane
Crapo
de la Garza
DeLay
Dornan
Dreier
Durbin
Emerson
Everett
Ewing
Fawell
Fazio
Fields (TX)
Foglietta
Franks (NJ)
Frost
Gallegly
Gallo
Gekas
Gephardt
Gibbons
Gingrich
Gonzalez
Goodling
Goss
Grams
Green
Gunderson
Hancock
Hansen
Hastert
Hayes
Hilliard
Hochbrueckner
Horn
Houghton
Hoyer
Huffington
Hunter
Hutchinson
Hyde
Inhofe
Inslee
Istook
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Kildee
Kingston
Knollenberg
Kolbe
LaRocco
Laughlin
Leach
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Manzullo
Matsui
Mazzoli
McCollum
McCrery
McDade
McHugh
McKeon
McMillan
Meek
Mica
Michel
Mineta
Mollohan
Montgomery
Moorhead
Murphy
Murtha
Myers
Natcher
Ortiz
Oxley
Packard
Pastor
Paxon
Peterson (FL)
Pickett
Pickle
Pombo
Porter
Portman
Quinn
Roberts
Rohrabacher
Rose
Rostenkowski
Sangmeister
Schaefer
Schiff
Shaw
Shuster
Skelton
Smith (IA)
Smith (OR)
Smith (TX)
Solomon
Spence
Stokes
Strickland
Stump
Swift
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Torres
Torricelli
Traficant
Valentine
Visclosky
Volkmer
Vucanovich
Walker
Wilson
Wolf
Yates
Young (AK)

NOT VOTING—10

Engel
Faleomavaega (AS)
Henry
Hinchey
Rogers
Skeen
Synar
Thompson
Tucker
Whitten

☐ 1420

Mr. VALENTINE and Ms. EDDIE BERNICE JOHNSON of Texas changed their vote from "aye" to "no."

Mr. KASICH, Mr. LEVY, Mrs. COLLINS of Illinois, and Messrs. HERGER, MORAN, and BACHUS of Alabama changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ROGERS. Mr. Chairman, I was unavoidably detained during rollcall No. 267. Had I been present, I would have voted "nay."

☐ 1420

AMENDMENT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARKEY: Page 20, line 9, strike $3,192,634,000 and insert "$3,167,634,000".

Mr. BEVILL. Mr. Chairman, I ask unanimous consent that debate on the amendment offered by the gentleman from Massachusetts [Mr. MARKEY], and all amendments thereto, be limited to 30 minutes, to be equally divided between the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Indiana [Mr. MYERS].

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. Debate on this amendment and any amendments thereto will be limited to 30 minutes, to be divided between the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Indiana [Mr. MYERS].

The gentleman from Massachusetts [Mr. MARKEY] will be recognized for 15 minutes in support of his amendment, and the gentleman from Indiana [Mr. MYERS] will be recognized for 15 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment I have offered will terminate spending on the SP-100 space-based nuclear reactor. I offer it on a broad bipartisan basis with our colleagues JIM RAMSTAD, TIM PENNY, RON MACHTLEY, RON WYDEN, SCOTT KLUG, PETE STARK, and WAYNE GILCHREST. This may seem like a large number of cosponsors, and it is. Which, I believe is an indication of the merits of this amendment, and the lack of merit of the SP-100.

Our amendment is quite simple. It puts into law President Clinton's budget request regarding the SP-100. It decreases by $25 million the amount available in title III of the energy and water appropriations bill for the SP-100 space nuclear reactor and thermionics program. This program is allotted $30 million in the committee report and our amendment would lower that amount to $5 million for program termination purposes only, just as the administration has requested.

Mr. Chairman, as we consider the tightest budget that has come before Congress in many years, I say it is time to shoot down the SP-100 program. No one wants it, no one needs it, and no one can afford it. Anyone in this Chamber who, like me, wants to cut sky-high wasteful Federal spending should start right now, right here, and cut the SP-100.

The SP-100 nuclear satellite began in 1984 as a joint program of the Energy Department, the Defense Department and NASA to develop nuclear reactors for use in space. The Defense Department was then interested in a high-power nuclear reactor for use in the strategic defense initiative. And NASA was potentially interested in power sources for colonies on the Moon and Mars.

But when SDI was phased down, the Defense Department pulled out its support for the SP-100. And DOE has been trying to pull out for several years now because the SP-100 has absolutely no relevance whatsoever to domestic energy needs. And now NASA has formally shelved its current plans to colonize the Moon and Mars.

And it is not like this has been a model Federal program. According to the GAO, costs have quadrupled and the program is 13 years behind schedule. Over $400 million has been spent to date and DOE has estimated that it would take at least another $1.6 billion and 12 years just to complete construction. That does not even begin to pay for flight testing and deployment.

This is why the Clinton administration has called for terminating the SP–100; in the statement of administration policy issued Tuesday by OMB they state: "Included in this [bill] is the SP–100 space reactor that will not likely be deployed by any Government agency or by private industry."

This is why the League of Conservation Voters, Friends of the Earth, and other environmental groups have said: The SP–100 is too risky to continue.

This is why the National Taxpayers Union and the Council for Citizens Against Government Waste have said: Stop throwing good money after bad.

But, unfortunately, the SP–100, like Rasputin, having been shot, poisoned, and strangled, refuses to die.

In a time of tough budget decisions, Mr. Chairman, this vote is easy. The SP–100 space-based nuclear reactor is unneeded, unwanted, expensive, and dangerous—it must not be continued.

For many of us this spring has been filled with many difficult budget choices. Because of our enormous Federal budget deficit, Members of Congress have been forced to decide whether or not to increase income taxes, whether or not to support an energy tax, to cut Medicare, to limit spending on other vital programs, to fund or to cut the space station and the superconductor. None of those decisions are easy. None of those decisions are fun.

Let me offer a stark contrast to those other budget votes. Let me offer the Markey-Ramstad amendment. This one isn't hard, this one is easy.

Our amendment will cut wasteful Federal spending for fiscal 1994 and future years by terminating spending of the SP–100 space-based nuclear reactor.

Before I review the record on the SP–100 I would like to commend the important investigatory work done on this program by our former colleague, Howard Wolpe of Michigan. When Howard was the chairman of the Oversight Subcommittee of the Science Committee he was tireless in getting to the bottom of all matters, such as the SP–100. He established a thorough record on the SP–100 and he offered an amendment to the fiscal 1993 energy and water appropriations bill. Although the Wolpe amendment failed narrowly last year, the record established by Howard has been enormously helpful in understanding this program.

This is what we now know about the SP–100:

First, the SP–100 has no mission: Not defense, not energy, not space.

Second, spending on it has been sky-high—it is three times over budget and 12 years late.

Third, it will take $1.6 billion just to complete the construction phase of the program.

Fourth, the SP–100 reactor is potentially very dangerous.

Fifth, it has been abandoned by its lead sponsor agency, the Defense Department, and by its primary contractor, General Electric; and

Sixth, it is actively opposed by the administration, environmental groups, and taxpayer groups.

It would appear that the SP–100 is the Energizer bunny of the Federal budget. Despite its severe shortcomings, lack of a mission, inherent dangers and mismanagement, spending on this program goes on and on and on.

Mr. Chairman, quite simply, there is no reason on earth for the SP–100 satellite. Let us stop wasting taxpayers' money.

Even though we do not have enough money to spend on our space program or any other Federal programs, some would suggest that we have enough for the SP–100. They will suggest that with just a little more money, maybe just a year or two more spending, then they will finally have something to show. We have heard this before so many times about Federal spending, that so much as been invested already and just a little more will bring them to fruition.

Unfortunately, just the opposite is the case for the SP–100. Its supporters may list several potential future applications for it—if and when it ever gets off the ground. But the administration summed it all up when OMB stated just this week: "The SP–100 space reactor * * * will not likely be deployed by any Government agency or by private industry."

If you still think that success for the SP–100 is just around the bend, take a look at this chart prepared by the General Accounting Office.

In 1986, the SP–100 was supposed to cost approximately $500 million and be completed by 1991.

By June 1990, the project cost had begun to rise to $800 million and its date of completion had begun to slip to 1995.

Unbelievably, from June 1990 to June 1991—the space of just one year—the project had slipped 7 years further behind and more than doubled in projected cost up to $2 billion.

By February of last year, the estimated cost of the project had risen once again, to over $2 billion—and slipped another 2 years further behind schedule; $2.1 billion, still counting, and still climbing.

Even at that point—should we ever get there—all we will have for our money is a space nuclear reactor system that will not even have been flight tested. All at a cost of over $2 billion—more than 4 times the original estimate.

The SP–100 space-based nuclear satellite should have been ended a long time ago. Let us end it today, before any more of the American taxpayers' money is wasted. Vote aye on the Markey-Ramstad-Penny-Machtley-Upton-Klug-Stark-Gilchrest-Wyden amendment.

Mr. Chairman, this vote is easy.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, June 22, 1993.

STATEMENT OF ADMINISTRATION POLICY

* * * * *

PRESIDENT'S INVESTMENT PROGRAM

* * * * *

The Committee has added $52 million for nuclear reactor programs that the Administration has proposed phasing out. Included in this is the SP–100 space reactor that will not likely be deployed by any government agency or by private industry.

COUNCIL FOR CITIZENS AGAINST GOVERNMENT WASTE, SIERRA CLUB U.S. PUBLIC INTEREST RESEARCH GROUP, PUBLIC CITIZEN, ENVIRONMENTAL ACTION NATURAL RESOURCES DEFENSE COUNCIL, SAFE ENERGY COMMUNICATION COUNCIL, NUCLEAR INFORMATION & RESOURCE SERVICE,
June 23, 1993.

DEAR REPRESENTATIVE: We urge you to support two important amendments to the Energy And Water Appropriations bill.

The Markey-Ramstad-Penny-Machtley amendment would terminate funding for the Energy Department's pork-barrel SP–100 space nuclear reactor program. This would save the taxpayers $1.6 billion in coming years, and also help protect the environment. President Clinton proposed in his budget to terminate the program, but the Appropriations Committee is attempting to revive its funding. The amendment would cut the $30 million provided by the Committee to the $5 million requested by the President for shut-down costs only.

Since 1984, $420 million has been sunk into this program to develop nuclear reactors for space applications, with little to show as a result. GAO reports that the program's costs have tripled, and that it is 13 years behind schedule. DOE previously tried to zero its contribution in 1989. Almost all of DOE's partners in the SP–100 program have tried to bail out. It's time for taxpayers to do the same.

The Federation of American Scientists has testified to Congress that "the SP–100 space reactor program is in serious trouble * * * nearly ten years after its inception, it remains a technology without a mission." Originally intended to support activities of the Department of Defense (DOD) and NASA, the SP–100 now has no mission to support in either agency. DOD pulled out in 1991, complaining of high costs, delays and mismanagement by the Department of Energy (DOE). NASA has not given related program work more than $10 million per year. The Office of Management and Budget's Statement of Administration Policy of June 22, 1993 said that the SP–100 "will not likely be deployed by any government agency or by private industry." In addition, there are potential environmental dangers from launching nuclear reactors in space or placing them in earth orbit. A failure during launch, or reentry into the atmosphere while in orbit, could spread radioactivity from the SP–100's highly enriched uranium fuel. Such environmental risks are unjustified given the lack of a clear mission for the program.

We also remind you to support the amendment by Reps. Coppersmith, Sharp and Zimmer that would eliminate funding for the Advanced Liquid Metal Reactor (ALMR) breeder program at the Department of Energy.

We would like to alert you that the League of Conservation Voters' political advisory committee will consider both of these votes in the process of compiling the 1993 National Environmental Scorecard at the end of this session.

Please support these two important amendments to eliminate these unneeded programs.

Sincerely,

RALPH DE GENNARO,
Director, Appropriations Project, Friends of the Earth.
JILL LANCELOT,
Director, Congressional Affairs, National Taxpayers Union.

On behalf of: Jim Maddy, Executive Director, League of Conservation Voters; Daniel A. Lashoff, Senior Scientist, Natural Resources Defense Council; Melanie Griffin, Washington Director, Economic Program, Sierra Club; Bill Magavern, Director, Critical Mass Energy Project, Public Citizen; Martin Gelfand, Research Director, Safe Energy Communication Council; Anna Aurilio, Staff Scientist, U.S. Public Interest Research Group; Tom Schatz, President, Council for Citizens Against Government Waste; Leon Lowery, Director, Energy Government Relations, Environmental Action; and Michael Mariotte, Executive Director, Nuclear Information & Resource Service.

SECRETARY OF ENERGY,
Washington, DC, June 24, 1993.

Hon. EDWARD J. MARKEY,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN MARKEY: The purpose of this letter is to express opposition to the recent action taken by the Committee on Appropriations, which provided an additional $25 million for the Space Reactor Power Systems program in H.R. 2445, the Energy and Water Development Appropriations Bill. We are opposed to this funding as the Administration has not identified a near-term application for the SP-100 and thermionics programs that justifies continued development at this time.

We would therefore support an amendment to delete the additional $25 million from the bill.

Sincerely,

HAZEL R. O'LEARY.

Mr. Chairman, I reserve the balance of my time.

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman from Indiana [Mr. MYERS] for yielding this time to me.

Mr. Chairman, I am somewhat confused here. I am not certain whether I am in the House of Representatives anymore or a convention of Luddites because it appears to me that anything that deals with R&D in this country at the present time is in jeopardy of being killed by the House of Representatives in their undertaking here today.

Let us talk about the SP-100. For one thing, my colleagues just bought a lot of bad information. It takes $70 million to complete this project. It does not make $2.1 billion. It is nowhere close. That is when the whole thing was to power up an entire SDI system. That obviously is no longer even in the calculation. This is a $70 million program to completion.

I ask colleagues, "What do you get for that?" Is it unneeded? Well, what you get, all of you who thought yesterday when you came to the floor and said, "I am against space station, but I am for a great space program. What I want to do is go out with robotic probes."

□ 1430

This is what powers the robotic probes. When you go out and try to orbit a planet, you cannot do it with solar rays, because solar rays cannot give you enough battery power in deep space to give you the ability to orbit a planet.

The only way you can orbit a planet is to have a nuclear reactor on board. This is the reactor. This is what we are doing. We are trying to come up with the technology to allow us to do the deep space probe.

So if you voted against space station yesterday and you are going to vote against this program today, you are for no space program. You are for zilch, none. You are for wiping out the space program and closing down NASA.

I would suggest that that ought to be a fairly serious decision. Please, nobody come to the floor then and tell me how you are for a space program, it is just not space station. You are not for anything if you vote for both killing this program and space station.

It is also important to recognize that when you hear talk about air traffic control systems that can be used from outer space in the future, that would be much safer than anything we have, this is the power system for them.

When you talk about the large communications satellites that are going to be done in the future, this is the power plant for them. You cannot do solar power at above 15 kilowatts. This is a program that will produce a reactor at 20 to 40 kilowatts for $70 million.

So you are really talking now about taking away from the future our ability to do commercial work in space and to do deep space probes if you take away this program. If we do, I will say again, I am not certain that we are any longer a Congress; we have become simply Luddites.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Rhode Island [Mr. MACHTLEY].

Mr. MACHTLEY. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, unlike the distinguished colleague who just spoke, I do not feel that this is the end of our space program. Nor did I feel that not voting for the space station was the end of our space program.

This is a fiscal vote, one of responsibility. The SP-100 space-based nuclear reactor is a program that has no useful life, and now, because certain individuals want to see this program extended, they are trying to develop a useful life.

DOE does not want it; DOD does not want it; OMB does not want it. I think it is time we make it dead. There is not in fact a useful purpose for this program. It has been lost in space.

The American Federation of Scientists recently reported after a decade and nearly $400 million, "It is still hard to predict when, if ever, the program might produce a useful reactor, and when, if ever, a reactor might be used."

More simply, we should spend our money on programs that we have a clear purpose for, perhaps it has a clear, identified goal, and perhaps which we will see completed in the next several years.

This program has gone on too long. It is much too dangerous economically and environmentally. It is time to end it.

Each of us are looking at ways to cut the deficit. If we put $5 million in this budget, we can terminate this program. If we put an additional $25 million, for a $30 million program, it will continue its life unabated.

I would ask my colleagues to consider the economic importance of this program relative to the economic need to cut our deficit. I would ask Members to vote to support this amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, I rise in opposition to the Markey amendment which would end funding for the SP-100 space-based nuclear reactor.

The goal of the SP-100 program is to develop a safe, compact, durable, lightweight, and high-performance reactor which could serve a wide range of space applications including solar exploration. Importantly, this is not technology without a mission. The SP-100 program can accomplish many missions including: NASA planetary exploration missions, large commercial communications satellites, air traffic control, and military surveillance.

Although we are in difficult budgetary times, I believe that it is important that we do not shortchange our future. The United States has been a leader in space-based technology. The SP-100 power system is necessary for future and more intricate space exploration to the outer planets, asteroids, and comets. We should be careful that in our zeal to reduce the deficit that we do not narrow our vision.

Contrary to the information which has been circulated about this program, first-generation technology developed by this program will be completed within 1½ years if it is funded. By the end of 1994, fully tested hardware will be available. If completed, the technology will provide a national capability of lasting value. Terminating the program at this time would mean a loss of the technology and a more costly restart in the future.

I believe the SP-100 is consistent with President Clinton's technology initiative. It promotes U.S. world leadership in basic science, mathematics, and engineering and it is investment in applied R&D. These are important objectives which must be accomplished if America is to remain competitive in the global economy.

Mr. Chairman, let us not waste the money we have put into this program. Let us put in the small amount that is necessary to give us these broad goals for the future, that will enable us to go out into outer space and do the things that we need to do to be involved in the commercial world. That is what these things are needed for.

We cannot afford to fall behind in research and development. We cannot afford to fall behind in the space program. I urge my colleagues to vote for this amendment.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. RAMSTAD], the cosponsor of this amendment.

Mr. RAMSTAD. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of the Markey-Ramstad-Penny-Machtley-Upton-Wyden-Klug-Stark-Gilchrest amendment to terminate the SP-100 space-based nuclear reactor program.

First of all, I commend Mr. MARKEY's bipartisan effort to cut a wasteful spending program. Beyond the need to reduce the massive budget deficit and address important environmental concerns, what is most striking is the lack of support for this program.

In the early 1980's, the Departments of Defense, Energy, and NASA began a joint effort to develop the SP-100 Program. Reflecting changed priorities, and recognizing the growing cost estimates and schedule delays, the Department of Defense pulled out of the program 2 years ago. And this year, no money for the SP-100 Program was requested by the President.

So here we are, debating the appropriations bill for the Department of Energy—and you guessed it—DOE is also against funding the SP-100.

Could the message be any clearer?

How can we justify to our constituents funding a program that no agency of the Government wants?

This amendment takes the obvious step required and terminates the SP-100. The savings this year will be $25 million. But more importantly, this amendment will save at least $1.6 billion in coming years.

When faced with a $4 trillion Federal debt, it is clear that we in this body must set priorities. Let us follow the lead of the Departments of Defense, Energy, NASA, and OMB and cut off funding now for this unneeded, unwanted, and wasteful program.

The amendment is strongly supported by the National Taxpayers Union, Citizens Against Government Waste, as well as numerous environmental organizations.

Mr. Chairman, if Congress has trouble canceling this wasteful project, then I fear there is no hope that we can ever balance the budget.

I urge my colleagues to support this bipartisan amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, I want to make it very clear that I am adamantly opposed to this amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. LIVINGSTON], a member of the committee.

☐ 1440

Mr. LIVINGSTON. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I have to tell my colleagues, I almost tripped coming into the well here. There are bodies all over the place. There are Members strewn in bent positions, sticking their heads in the sand. This place is filled with ostriches. Members are closing their eyes to reality.

I heard the term "Luddites" used a little while ago, and I think it is very appropriate.

What in the world would Jack Kennedy say today, if he heard the gentleman from Massachusetts say, "Let's not have nuclear expansion into space, or let's not have nuclear propulsion units or nuclear generators in space, and ultimately, let us not go to space?"

Jack Kennedy, President of the United States, sent the first man to the Moon, and that is as far as we will ever go if the gentleman from Massachusetts has his way. "This program might as well be scrapped," he says. "Scrap the super collider. Scrap the space station. Let us all go back to our grass shacks and just forget about progress. We will all be better off living in the 18th century by Walden Pond."

Mr. Chairman, I am absolutely astounded at the narrow-minded approach of Members of Congress who want to stand here in the well and speak against progress for the United States of America and the rest of the world. We are the leaders of progress, and it is important that we faced up to it and continue to invest in the title we so well earned in the last 100 years.

If the Queen of Spain had said to Columbus, 500 years ago, "No, Columbus, I am sorry, we all know the world is flat; don't take the ships. I can't spare the ships; they are going to fall off the end of the world, and it is a foolish mission," then she would have had the same attitude as the Members who promote this amendment. I urge my colleagues to vote against it.

Mr. MARKEY. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. KLUG], a cosponsor of the amendment.

Mr. KLUG. Mr. Chairman, I would like to thank the gentleman from Massachusetts for yielding time to me.

Let me make it clear that I have three little boys at home. One of the reasons I voted for the space station yesterday is because I think a vision in space is still very important to this country's future. My three little boys are also big fans of the Muppets. There used to be a running Muppet Show called "Pigs in Space," with Miss Piggy.

I would now like to welcome my colleagues to the real-life version of "Pigs in Space," because this is a pig in space.

Only one nuclear reactor has ever been launched by the U.S. Government into space, and it was done back on April 3, 1965. And then the program was terminated, because there was no definable mission.

We went back to the idea of a nuclear reactor in space because of the needs of the SDI, but SDI, as we all know, is dead. We have already spent $416 million in joint funding since 1986 on a program which today has absolutely no definable mission.

Now, we have kicked around numbers a lot, but in the spring of 1992, the Defense Department, the Energy Department, and NASA tried to put a final price tag on what it would take to complete this program and finally get a nuclear reactor into space. If the first launch was in the year 2000, the price tag would be somewhere between $750 and $825 million.

My colleague from Louisiana is right in the sense that we may need at some point to consider nuclear power and research for outer space, and that is exactly what the Department of Defense is doing in the TOPAZ Program.

The TOPAZ Program, to refresh my colleagues, is a Soviet nuclear reactor that we bought in 1992. The Air Force now says that it may cost as little as $70 million, one-tenth the cost of the SP project, to get a nuclear reactor into space. So we can have the best of both worlds. We can cancel a project that has no definable mission and trade it in on a Soviet reactor at just one-tenth of the cost.

One final point, Mr. Chairman. A lot of times I think we can gauge what we are doing in government by what is happening in the private sector. In September 1992, General Electric, the prime contractor for the SP-100, put its Space Power business up for sale. According to trade publications, as of today there is not a single buyer for the system.

In early 1992, Rockwell International and Space Power entered into negotiations with DOE to do research and work on reactors other than the SP-100 program.

Mr. Chairman, I do support space research. I, however, do not support this particular program.

I urge the adoption of the Markey amendment, because I think it makes good sense. It is time to bring this pig in space back down to Earth.

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I just want to put into perspective what the gentleman just mentioned about the TOPAZ project. In order to do the TOPAZ project at the cost the gentleman referred to, we would have to fly the Soviet reactor as is. The Soviet reactor as is does not have the kind of safety devices on it that we could even put aboard our spacecraft.

And so the gentleman is talking about flying a Soviet reactor with safeguards totally eliminated, the kinds of things that we would not do. To put a nuclear reactor into space with the Soviet technology would not be something that we could possibly do.

If we want to make the Soviet reactor comply with our safety standards, it costs as much, if not more, than completing the SP-100.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER. Mr. Chairman, on one of the rather famous episodes of "Pigs in Space," Miss Piggy was given the opportunity to choose between the meaning and purpose of life or swill Stroganoff. And tragically, she made the choice of swill Stroganoff.

It seems to me that we are maybe not going to quite have the opportunity to discover the meaning and purpose of life, but I believe, as my friend, the gentleman from California [Mr. MOORHEAD] does, that this amendment should be defeated.

Why? Because as one looks at the Preamble of the Constitution, something else that the gentleman from California [Mr. MOORHEAD] mentioned about the SP-100 is that we are going to have tremendous developments in the area of military surveillance. I see this as constitutionally a national security issue.

I can sympathize with my friends and I am one who, too, is concerned about budgetary matters. But clearly, as we recognize that this is a global economy, it would be a very, very bad step for us to move backward rather than forward as we deal with this challenge.

Let us not choose swill Stroganoff. Let us move closer and closer to the meaning and purpose of life.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Chairman, I suppose I would have chosen myself the meaning and purpose of life, if I had watched the program "Miss Piggy Flies in Space." I think that is what we are doing here. This is a perfect reflection, in my estimation, of a bipartisan debate about what is right and what is wrong, maybe not even what is right and what is wrong, but taking the limited resources that we have and prioritizing the best programs that will benefit as a Nation and as we fit together with the rest of the world and, yes, even on into the next frontier, which is space.

So we do have to be concerned about the budget and how much money we have to spend, and we do not have all the money we need. Any maybe if we did, maybe we could spend the surplus which we do not have on a program like this that NASA has not requested, the Pentagon does not want, and there is no commercial value for this particular type of technology.

Let us be concerned about national security, as we are, and the limited resources that we have to spend on it. Let us be concerned about the budget. I request my colleagues to vote in favor of this amendment.

Mr. Chairman, I rise today in support of the amendment from the gentleman from Massachusetts.

This amendment is to delete $25 million for the SP-100 space-based nuclear reactor. We have practical, fiscal, and environmental reasons to terminate this project. Circumstances that justified this project have changed. The SP-100 space-based nuclear reactor is an idea whose time has come and gone.

When the SP-100 was begun in the 1980's, it was intended to provide a power source for a space-based missile defense system. This mission is no longer needed.

The Department of Defense, NASA, and the Department of Energy were partners on SP-100. Today, neither NASA nor DOD want this project. The Department of Energy is left holding the bag.

A March 1992 report by the Office of Management and Budget indicated that SP-100 was troubled with cost overruns, had no civilian purpose, and might not work. An additional $1.6 billion is the estimated cost of completion. Over $400 million has been spent to date.

Mr. Chairman, one could, in watching this debate, reach the conclusion that our Government is running a massive surplus, and that we are desperately looking for programs to fund. Nothing could be further from the truth.

If we continue funds for SP-100, we are funding a NASA project which NASA didn't request, a defense project that the Pentagon can't use, a science project with no commercial application, and a Department of Energy project which will provide no significant help in meeting our energy needs.

Mr. Chairman, as we all know, it is rare that the Sierra Club and the National Taxpayers Union agree on something. This project makes no sense from an environmental standpoint, from a fiscal standpoint, or even from a technology standpoint, as it diverts funds from other projects. Let's listen to the taxpayer groups, the environmental groups, the GAO, OMB, and the Department of Energy. I urge my colleagues to vote to terminate this program.

Mr. MINETA. Mr. Chairman, I rise today in strong opposition to the amendment offered by my colleague from Massachusetts to kill the SP-100 Program.

Mr. Chairman, the SP-100 Program is a ground research program that focuses on the development of components and technology that could be used for a future space demonstration of space power. The program is being managed by the Department of Energy and cofunded by NASA, and consists of the development of a small, advanced, space qualified reactor power system that can be utilized for many space applications including exploration of our solar system.

The current phase of the SP-100 Program was initiated in 1985 and is now within a year-and-a-half of completing a system that will be capable of meeting several near-term NASA mission objectives.

To date, approximately $450 million have been spent for development of the SP-100 Program. By the end of fiscal year 1994 fully tested hardware will be available.

Mr. Chairman, terminating this program prematurely would mean a very cost-ineffective restart in the future.

In addition, the program has made excellent technical progress under very difficult start/stop funding and also has been designed with safety as its primary concern.

Finally, Mr. Chairman, although there are no current missions for the SP-100 Program, there are a number of future civil and defense missions that will require this program. The Jet Propulsion Laboratory planners are evaluating an early mission using SP-100 to map the particle and radiation fields of the Van Allen belts. Other agencies also are evaluating the SP-100 for future deep space missions. Very simply, we will need the nuclear power for these missions.

I would ask my colleagues not to throw away the $450 million investment that already has been made in this project. The funding in this bill will allow the SP-100 Program to be documented and put on the shelf. No one is asking for the $1 billion demonstration as is asserted by the authors of the amendment. It is apparent in these tight budget times that we cannot afford this expense.

But we also cannot afford the expense and waste that would result if the SP-100 Program is terminated.

I strongly urge my colleagues to defeat this amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself the time I have remaining.

The CHAIRMAN. The gentleman from Indiana [Mr. MYERS] has 3 minutes remaining, and the gentleman has the right to close.

Mr. MYERS of Indiana. Mr. Chairman, I am shocked today at the direction, as the gentleman from Pennsylvania [Mr. WALKER] has already said, that this House is going. It seems that we do not realize that in less than 7 short years we are going to move into the 21st century. But if we continue today, as we are, we will be walking into the 21st century with a horse and buggy and with a candle, because we just seem to be completely ignoring research that will be able to make us competitive with the rest of the world.

Now, to talk about this SP-100, it has been before our committee for a number of years. I must say that the Department of Energy never has been too excited about it. But up until this year, the Department of Defense and NASA have been. For some reason, just this year, both of those agencies have lost interest in it.

□ 1450

When we look at what the possibilities are for the SP-100 as it is developed, we see that, as the gentleman from Pennsylvania [Mr. WALKER] also said, NASA will be going into planetary exploration in the future, and today we will not have the onboard power if we do not have this type of SP-100 vehicle to power those planetary explorations

There is expected to be a large commercial use as far as commercial communications satellites. There may be other commercial uses for this particular power plant. Air traffic controllers all over the world are envisioning some time in the future they are going to need satellites in the atmosphere to be able to navigate and direct air traffic. How are we going to power them when they get behind the Sun if we do not have this type of reactor?

Mr. Chairman, it seems that we are swept up today in a frenzy, the antinuclear sentiment. This group, put together with a handful of people here who want to blindly save money, are misdirected today.

If we do this we are not saving $25 million, as the proponents suggest we will not be spending $25 million, but we will be wasting half a billion dollars through the years that DOD, DOE, and NASA have spent on the development of this.

We have hardware today ready to be put in place to start developing what we have been talking about, the various types of satellites that can use this type of powerplant. It would not be saving money, we will be wasting the half a billion dollars we have already spent.

Earlier we talked about Clinch River, on an earlier amendment. Yes, we wasted about $2.5 billion on Clinch River. If we started itemizing all the things where Congress has spent money and then changed their mind, we would be here all afternoon. This is something, there is no question in my mind, there are going to be future needs for our country if we are to move in and be competitive with the rest of the world in the 21st century. This is one of the powerplants where we have so much invested, and we have such a small amount to go here. After this year's appropriations are expended, we will have a workable approach and solve some of the problems with less than $50 million. It would be a terrible mistake to not continue this program this year.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair would advise that the gentleman from Massachusetts [Mr. MARKEY] has 2 minutes remaining.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the SP-100 is a technology without an identifiable mission. Begun in 1984 as a joint Department of Energy-Department of Defense-NASA program to develop nuclear reactors for use in space, this program was initially envisioned to meet the needs of the strategic defense initiative [SDI]. DOD is no longer interested and no firm mission has been identified that will use an SP-100 space reactor by either NASA or DOD.

Over $400 million has been spent to date. DOE has estimated that it would take $1.6 billion and 12 years to complete the current phase of the program. According to the General Accounting Office, projected costs have tripled and the program is 13 years behind schedule.

It makes absolutely no sense to spend $30 million a year on a program that will cost $2 billion to complete. We are throwing good money after bad. In the current fiscal environment, we cannot afford such waste.

Mr. Chairman, I urge a "yes" vote on the Markey amendment.

Mr. MARKEY. Mr. Chairman, I yield myself the final minute.

Mr. Chairman, this is a program that has no mission: not defense, not energy, not space. Future rockets will be powered by radioisotope thermal generators. It is the technology of preference by NASA. The other agencies will no longer have any use for this technology.

Spending has been sky-high. It has already doubled. It is going to double again over existing projections. The project is 12 years behind schedule already. There is absolutely no justification for taking a program which has not worked and has no constituency to continue.

If we cannot cut this program, then I do not think there is a program in the House that it is possible for us to in fact cut. The National Taxpayers Union and environmental groups join on this issue. It has to end. There is no earthly reason why we should continue to fund a program to put the SP-100 in the heavens. We have to end it.

This is the time, this is the place. Let us show that we have the will to make the easy decisions, because the tough decisions coming down the line are going to be much, much more difficult if we punt on this kind of an issue. It is bipartisan. Please support the Markey amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARKEY].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MARKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 333, noes 98, not voting 8, as follows:

[Roll No. 268]

AYES—333

Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Baesler
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Becerra
Beilenson
Berman
Bilbray
Bishop
Blackwell
Blute
Boehlert
Bonior
Borski
Boucher
Brewster
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Crane
Cunningham
Danner
Darden
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
English (AZ)
English (OK)
Eshoo
Evans
Ewing
Farr
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Goodlatte
Goodling
Gordon
Goss
Grandy
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hancock
Harman
Hastert
Hefley
Hefner
Herger
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Houghton
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Inglis
Inhofe
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman

Levin
Lewis (GA)
Linder
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDermott
McHale
McHugh
McInnis
McKinney
McMillan
McNulty
Meehan
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Montgomery
Moran
Morella
Murphy
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (NJ)
Snowe
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (WY)
Thurman
Torkildsen
Towns
Underwood (GU)
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Wheat
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NOES—98

Abercrombie
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Boehner
Bonilla
Brooks
Browder
Brown (CA)
Brown (FL)
Callahan
Chapman
Coleman
Combest
Cramer
Crapo
de la Garza
DeLay
Diaz-Balart
Dornan
Dreier
Everett
Fields (TX)
Fowler
Franks (NJ)
Frost
Gallo
Gingrich
Gonzalez
Grams
Green
Hall (TX)
Hansen
Hastings
Hayes
Hilliard
Horn
Hunter
Hyde
Inslee
Johnson, E.B.
King
Kyl
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
McCollum
McDade
McKeon
Meek
Mica
Michel
Mineta
Mollohan
Moorhead
Murtha
Myers
Natcher
Oxley
Packard
Pickett
Rogers
Rose
Schenk
Schiff
Shaw
Shuster
Smith (IA)
Smith (MI)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Thomas (CA)
Thornton
Torres
Torricelli
Traficant
Unsoeld
Walker
Weldon
Whitten
Wilson
Young (FL)

NOT VOTING—8

Engel
Faleomavaega (AS)
Henry
Hinchey
Skeen
Synar
Thompson
Tucker

□ 1516

The Clerk announced the following pair:

On this vote:

Mr. Tucker for, with Mr. Skeen against.

Mr. SMITH of Michigan changed his vote from "aye" to "no."

Messrs. CUNNINGHAM, PETERSON of Florida, ROSTENKOWSKI, TEJEDA, and CANADY changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 20, line 10, before the period insert the following: ", of which $10,000,000 shall be for hydrogen research and development".

Mr. WALKER. Mr. Chairman, I hope this will be a noncontroversial amendment. It adds no money, but it is designed to permit us do a research and development program in hydrogen which I think is absolutely essential for the future of the country.

It allows us to do clean fuels and clean energy for the future. So what we are doing is assigning up to $10 million for that purpose.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, we agree to the gentleman's amendment.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Indiana.

Mr. MEYERS of Indiana. Mr. Chairman, the author has discussed this with the committee, with all of us. He has been a long proponent of the use of hydrogen energy. We support it, and we thank him for the offer.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding.

I just wanted to use this time to express my thanks to the chairman and the ranking member and to point out that the gentleman from Pennsylvania [Mr. WALKER] frequently, with my cooperation, has pursued this line of research for a number of years. We think it is very important, and we appreciate the help he has given us.

Mr. WALKER. I thank the chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The amendment was agreed to.

Mr. BARTON of Texas. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise for the purpose of engaging in a colloquy with the distinguished chairman of the Committee on Science, Space, and Technology.

Mr. Chairman, in the last 48 hours we have witnessed a carefully orchestrated campaign to leak charges of questionable costs incurred by DOE contractors at the SSC. Opponents of the SSC want to divert attention from the merits of the project by claiming impropriety on the part of DOE's contractors with regard to reimbursements of costs incurred as part of their contracts. They hope to divert the attention of Members from the merits of the project.

I would like to ask a series of questions about this issue so we can put the matter to rest, because I want the Members to judge the matter of the super collider on its merits and not on any false allegations of impropriety.

□ 1520

Mr. Chairman, I understand that the Department of Energy Inspector General is currently conducting a review of this contract.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. BARTON of Texas. I yield to the chairman of the committee.

Mr. BROWN of California. I thank the gentleman for yielding.

Mr. Chairman, that is true.

Mr. BARTON of Texas. Has the Inspector General issued its report?

Mr. BROWN of California. No. The report has not yet been issued.

Mr. BARTON of Texas. In that case, we are talking about preliminary findings in a report that was prematurely released?

Mr. BROWN of California. That is correct.

Mr. BARTON of Texas. Mr. Chairman, is it the gentleman's understanding that this contract, which is cost-reimbursable contract, is in strict accordance with Department of Energy contracting policies for such contracts?

Mr. BROWN of California. That is my understanding of the situation, yes.

Mr. BARTON of Texas. So what we are talking about here are contracting practices that are used throughout all Department of Energy facilities for such cost-reimbursable contracts?

Mr. BROWN of California. Yes.

Mr. BARTON of Texas. Is it not true that these expenses are legal and allowable under the terms of Department of Energy contracting practices and that in fact the Department of Energy approved these expenditures?

Mr. BROWN of California. The gentleman is absolutely correct on that.

Mr. BARTON of Texas. Mr. Chairman, I think it is important that all Members understand that there is no illegality or wrongdoing here and that these are contracting practices that exist for all Department of Energy contracts in all national laboratories.

Now, if the Department of Energy or the Congress want to change these practices, let us develop a policy that will apply to all Department of Energy contracts and not single out this project. Let us debate the science, the cost, and the benefits of the project; let us not get sidetracked on false allegations of improprieties.

Mr. BROWN of California. Let me add that in the Committee on Science, Space, and Technology we have a very aggressive oversight program on this, conducted in the past Congress by the chairman of the oversight committee, Mr. WOLPE, who is an opponent of the project. And while he uncovered a number of things which he did not like, it is my own view that none of the practices that have been observed and reported constitute illegal actions, although in some cases I disagree with what they have been doing.

Mr. BARTON of Texas. I thank the chairman.

Mr. BEVILL. Mr. Chairman, I ask unanimous consent that the remainder of title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The text of the remainder of title III is as follows:

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

For expenses of the uranium program, including payment to the Tennessee Valley Authority under the settlement agreement filed with the United States Claims Court on December 18, 1987, $160,000,000, to remain available until expended.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out uranium enrichment facility decontamination and decommissioning, remedial actions and other activities of Title II of the Atomic Energy Act of 1954 and Title X, Subtitle A of the Energy Policy Act of 1992, $286,320,000 to be derived from the fund, to remain available until expended; and in addition, $49,679,000 in unexpended balances, consisting of $6,267,000 of unobligated balances and $43,412,000 of obligated balances, are transferred from the Uranium Supply and Enrichment Activities account, to be available for such expenses.

GENERAL SCIENCE AND RESEARCH ACTIVITIES

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for general science and research activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 15 for replacement only), $1,594,114,000, to remain available until expended: *Provided*, That no funds may be obligated for construction of a B-factory until completion, by October 31, 1993, of a technical review of the Cornell and Stanford linear accelerator proposals by the Department of Energy and the National Science Foundation.

NUCLEAR WASTE DISPOSAL FUND

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, $260,000,000, to remain available until expended, to be derived from the Nuclear Waste Fund. To the extent that balances in the fund are not sufficient to cover amounts available for obligation in the account, the Secretary shall exercise her authority pursuant to section 302(e)(5) of said Act to issue obligations to the Secretary of the Treasury: *Provided*, That of the amount herein appropriated, within available funds, not to exceed $5,500,000 may be provided to the State of Nevada, for the sole purpose in the conduct of its oversight responsibilities pursuant to the Nuclear Waste Policy Act of 1982, Public Law 97-425, as amended: *Provided further*, That of the amount herein appropriated, not more than $7,000,000 may be provided to affected local governments, as defined in the Act, to conduct appropriate activities pursuant to the Act.

ISOTOPE PRODUCTION AND DISTRIBUTION PROGRAM FUND

For Department of Energy expenses for isotope production and distribution activities, $3,910,000, to remain available until expended.

ATOMIC ENERGY DEFENSE ACTIVITIES

WEAPONS ACTIVITIES

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense weapons activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.) including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansions; the purchase of passenger motor vehicles (not to exceed 109 for replacement only, including one police-type vehicle), and the purchase of one rotary-wing aircraft, $3,572,472,000, to remain available until expended.

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense environmental restoration and waste management activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansions; and the purchase of passenger motor vehicles (not to exceed 125 of which 122 are for replacement only including 9 police-type vehicles), $5,185,877,000, to remain available until expended.

MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense materials support, and other defense activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and the purchase of passenger motor vehicles (not to exceed 45 for replacement only), $2,046,592,000, to remain available until expended: *Provided*, That the New Production Reactor Appropriation Account shall be merged with and the balances made available to this appropriation.

DEFENSE NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, $120,000,000, to remain available until expended, all of which shall be used in accordance with the terms and conditions of the Nuclear Waste Fund appropriation of the Department of Energy contained in this title.

DEPARTMENTAL ADMINISTRATION

For salaries and expenses of the Department of Energy necessary for Departmental Administration and other activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed $35,000), $401,238,000 to remain available until expended, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511, et seq.): *Provided*, That such increases in cost of work are offset by revenue increases of the same or greater amount, to remain available until expended: *Provided further*, That moneys received by the Department of miscellaneous revenues estimated to total $239,209,000 in fiscal year 1994 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3302 of title 31, United States Code: *Provided further*, That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year 1994 so as to result in a final fiscal year 1994 appropriation estimated at not more than $162,029,000.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $31,757,000, to remain available until expended.

POWER MARKETING ADMINISTRATIONS

OPERATION AND MAINTENANCE, ALASKA POWER ADMINISTRATION

For necessary expenses of operation and maintenance of projects in Alaska and of marketing electric power and energy, $4,010,000, to remain available until expended.

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for official reception and representation expenses in an amount not to exceed $3,000.

During fiscal year 1994, no new direct loan obligations may be made.

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, $29,742,000, to remain available until expended.

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, and for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed $1,500 connected therewith, in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, $33,587,000, to remain available until expended; in addition, notwithstanding the provisions of 31 U.S.C. 3302, not to exceed $5,583,000 in reimbursements, to remain available until expended.

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C. 7101, et seq.), and other related activities including conservation and renewable resources programs as authorized, including official reception and representation expenses in an amount not to exceed $1,500, the purchase, maintenance, and operation of one fixed-wing aircraft for replacement only, $287,956,000, to remain available until expended, of which $275,400,000 shall be derived from the Department of the Interior Reclamation fund; in addition, $5,000,000 is appropriated for deposit into the Utah Reclamation Mitigation and Conservation Account pursuant to Title IV of the Reclamation Projects Authorization and Adjustment Act of 1992: *Provided further*, That the Secretary of the Treasury is authorized to transfer from the Colorado River Dam Fund to the Western Area Power Administration $7,168,000, to carry out the power marketing and transmission activities of the Boulder Canyon project as provided in section 104(a)(4) of the Hoover Power Plant Act of 1984, to remain available until expended.

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including services as authorized by 5 U.S.C. 3109, including the hire of passenger motor vehicles; official reception and representation expenses (not to exceed $3,000); $165,375,000 to remain available until expended: *Provided*, That hereafter and notwithstanding any other provision of law, not to exceed $165,375,000 of revenues from fees and annual charges, and other services and collections in fiscal year 1994, shall be retained and used for necessary expenses in this account, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced as revenues are received during fiscal year 1994, so as to result in a final fiscal year 1994 appropriation estimated at not more than $0.

AMENDMENT OFFERED BY MR. BARTON OF TEXAS

Mr. BARTON of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTON of Texas: Page 21, line 22, strike the period and insert in lieu thereof the following: ": *Provided further*, that none of the funds made available under this section for Department of Energy facilities may be obligated or expended for food, beverages, receptions, parties, country club fees, plants or flowers pursuant to any cost-reimbursable contract."

Mr. BARTON of Texas. Mr. Chairman, I do not think this will take 5 minutes. This is in response to the colloquy that we just had with the distinguished chairman of the Committee on Science, Space, and Technology, the gentleman from California [Mr. BROWN].

There have been a number of concerns raised about the superconducting super collider and the discretionary account that the laboratory director has. He has used that account for some Christmas parties, some plants, and things of this sort. That is totally legal within the contract; it is legal within the Department of Energy practices. But because some Members have expressed concern, I have checked with the laboratory and they have absolutely no problem to my offering this amendment.

Mr. Chairman, I do offer the amendment. It would say that not only at the superconducting super collider, but all Department of Energy facilities, none of the nonreimbursable contract money can be used for those purposes.

I would support that this will save some money, it will certainly send a signal that we are going to be more tight-fisted. I would hope that we could accept this by unanimous consent, or at least by voice vote, and get on with the business at hand.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BARTON].

The amendment was agreed to.

AMENDMENT OFFERED BY MS. DANNER

Ms. DANNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. DANNER: Page 23, line 14, strike "$3,572,472,000" and insert "$3,572,198,000".

Ms. DANNER. Mr. Chairman, I appreciate your consideration and the opportunity to offer this amendment.

The amendment I offer today is the first step toward eliminating an outdated and costly program that exists, in the words of the Department of Energy, solely to answer the question "What if?"

The program, known as Safeguard C, was instituted in 1963 as a part of the Limited Test Ban Treaty and exists just in case the United States resumes atmospheric or other prohibited nuclear testing. The Departments of Energy and Defense are spending millions of dollars, as much as $20 million per year, on the admittedly remote chance that we may decide to resurrect the insane practice of detonating nuclear bombs in the atmosphere, the ocean, or above ground.

This program has outlived its usefulness—we have learned the painful results of atmospheric testing: radioactive snow in the South Pacific that poisoned thousands in the 1940's and 1950's, and did untold damage to our environment. We know that such tests will never be resumed and therefore that Safeguard C is not necessary.

Although it only cuts $274,000 from the Department of Energy, this amendment is the necessary first step if we are to be serious, and taken seriously, about cutting spending and eliminating needless programs.

I intend to take the next step, the elimination of all Safeguard C funding in the Department of Defense authorization and appropriations bills.

Today, Mr. Chairman, let us take the first step to stop spending money on expensive, rhetorical, useless questions like "What if?"

Mr. BEVILL. Mr. Chairman, will the gentlewoman yield?

Ms. DANNER. I yield to the chairman of the subcommittee, the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. I thank the gentlewoman for yielding to me.

Mr. Chairman, we have reviewed the amendment, and we have no objection to the amendment offered by the gentlewoman.

The CHAIRMAN. Is there further debate on the amendment? If not, the question is on the amendment offered by the gentlewoman from Missouri [Ms. DANNER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SLATTERY

Mr. SLATTERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SLATTERY: Page 21, line 16, strike "$1,594,114,000" and insert "$1,194,114,000".

The CHAIRMAN. Pursuant to House Resolution 203, the amendment is not subject to amendment or to a demand for division of the question.

Under the rule, the gentleman from Kansas [Mr. SLATTERY] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Does any Member seek recognition in opposition?

Mr. CHAPMAN. Mr. Chairman, I am opposed to the amendment.

The CHAIRMAN. The gentleman from Texas [Mr. CHAPMAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Chairman, I yield myself such time as I may consume.

Before we commence the debate on the superconducting super collider this afternoon, I want to pay tribute to my friend from New York [Mr. BOEHLERT], who has worked tirelessly with me on this effort.

I also recognize a former Member of this body, the gentleman from Ohio, Dennis Eckert, who also worked tirelessly in previous years in attempting to terminate the super collider.

Mr. Chairman, science has served our Nation well. It has made us the economic leader we are today. We have a responsibility to ensure that we will have scientists and engineers capable of meeting the challenges of the next century. It is for this reason I strongly support continued, increased funding for our Nation's broadly based scientific research programs.

But I must strongly oppose continued funding for the super collider, and I do so for the following reasons, and I ask my colleagues to listen carefully to these reasons:

First of all, let us look at the cost. Under all the technological jargon and scientific hype, the debate on the super collider comes down to a very simple question: What does it cost, and what are the benefits?

This vote, in one word, is about money, and a lot of it. If we did not have a $300 billion deficit, my friends, we would not have to be so concerned about these kinds of issues, I suppose. But we do, and we must.

The cost of the super collider has grown from $4.4 billion in 1987, with a $2.9 billion Federal contribution, to over $11 billion today, with over a $10 billion Federal contribution. That is a threefold increase in the Federal contribution to this project.

Second, the SSC will drain funding from other, urgent science projects. Let there be no doubt about it, and do not take my word for it, take the word of the Congressional Budget Office, take the word of the chairman of the Science, Space, and Technology Committee and rely a little bit on common sense.

Point No. 3: When we embarked on this great endeavor, we are promised that the administration would find $1.7 billion in foreign contributions. Well, my friends, as we stand here today, more than 3 years after these promises were made, what do we have in the bank? The best I can find is that we have approximately $53 million promised from the Russian Federation and $7.1 million from the People's Republic of China.

□ 1530

That is nowhere near the $1.7 billion that was promised.

As we talk about this cost question, I want also to draw the attention of my colleagues to the good debate that we had on this issue last year. If you want to reference it, it was June 17, 1992, in the CONGRESSIONAL RECORD on page H4807. Let me read to you some of the comments by the chairman of the Committee on Science, Space, and Technology. He asked the rhetorical question: "Can we afford the super collider?"

This is the chairman of the Committee on Science, Space, and Technology, 1 year ago in the well of this House. And what did he say? He said:

> Mr. Chairman, after studying this issue closely, my conclusion is "no—not by ourselves." This Nation no longer has the resources to go it alone on big science projects.

The chairman continued by saying:

> It has long been apparent that the Federal Government cannot afford to pay the full $8.2 billion cost of the SSC by itself.

That was last year, my friends. Now it is $10 billion, if not $11 billion.

And listen to what he then said, and this is very important. He said:

> To do so would require massive reductions in other critical science programs, including other high-energy physics program.

That is the chairman, my friends, of the Committee on Science, Space, and Technology.

Let me further point out that the American Physical Society endorsed this project conditioned upon it not draining funds from other projects.

I cannot help but wonder, my friends, if they have read what the chairman of the committee has told us in this well a year ago.

Now, another point. The General Accounting Office testified last month, May 26, 1993, that the super collider is behind schedule and over budget and does not yet have in place an adequate cost control system. That is not me dreaming this up. That is the General Accounting Office.

Here is the report. If you want to read it, I will have it at the desk.

Earlier this year the General Accounting Office came to similar conclusions when they reported in February 1993.

Now, in addition to that, there have been investigations by the General Accounting Office and the inspector general of the Department of Energy, and they have looked at the question of how our tax dollars have been spent on this project.

It has already been pointed out in the debate that the inspector general's report that was released prematurely in the last few days, is a tentative finding and recommendation. In all fairness, these are tentative findings, but they are worthy of note.

And listen, please. They concluded:

> There was a pattern of unreasonable cost that went unchallenged and cost growth that was not adequately dealt with. We concluded that $216 million, or about 40 percent of the $508 million in subcontractor expenditures we examined were unreasonable because they were unnecessary, excessive or represented uncontrolled cost growth.

Now, my friends, granted this is a premature report. They want to look at it again, but I do not think it should be ignored.

Indeed, it is fair for us in this body to consider the best evidence available as we make these decisions, and this is some of the best evidence available.

Let us move on. For those who are tempted to vote for the super collider because of a few jobs in your districts, and I know a number of my colleagues have said, "I would vote for your amendment, Jim, I agree with you, but I have a few jobs in my district that I am concerned about."

Well, let me just draw this to your attention. Please consider how much it is going to cost your respective States to pay for this project. Kansas is going to get a few hundred thousand dollars.

But do you know what it is going to cost Kansas in taxes to pay for this project? It will cost $103 million.

What is it going to cost California? $1.449 billion.

The State of New York, $940 million.

The State of Massachusetts, $312 million.

So please keep in mind the cost per State for this project, and if you want to know what it is going to cost your state, we have the whole list right here, put together by the Tax Foundation, not by my office.

The last point that I would like to make before we move on in the debate is that these are the simple, hard, irrefutable facts. We cannot ignore this information any longer. In my judgment, this simple, irrefutable evidence demands a basic verdict right now, a verdict against the super collider.

I hope, Mr. Chairman, that we will do what we did last year when this body voted 232 to 181 to kill the super collider. Let us do it again this evening with a bigger vote and send an even stronger message to the body across the rotunda.

Mr. Chairman, I reserve the balance of my time.

Mr. CHAPMAN. Mr. Chairman, I yield 15 minutes to my colleague, the gentleman from Texas [Mr. BARTON], and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BARTON of Texas. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I appreciate my colleague yielding this time to me.

I must say that my friends on both sides of the aisle may want to hear that last year I voted against the superconducting super collider. I did so for many of the same kinds of questions and concerns expressed by the gentleman from Kansas [Mr. SLATTERY] again today.

Then I was encouraged by my colleagues from Texas to travel down and visit the superconducting super collider and examine carefully where the SSC was going.

Frankly, I do not pretend to be a scientist, but sometimes you have to put things in very simple terms so folks like me can understand them.

A constituent of mine in California is the beneficiary of the kind of research that is a direct spinoff of this project. Let me describe it to you. Loma Linda University, working with the Fermi Lab in Illinois, went through an experiment that led to the development of a small proton accelerator in a building that is some five stories tall. That facility is a synchrotron which ships protons out of hydrogen gas and accelerates them around a go-foot ring of powerful magnets. It is a great recipient of high concentration of radiation. You can then rifle that beam at cancer tissue and it does not have the flash point on the other side, so the tissue on the other side does not die as with the most often used radiation treatment.

A woman in my district, the beneficiary of this treatment, had been told by three different centers that she was going to lose her eye because of a tumor behind it. Using the proton beam, they treated her and the tumor was removed. She did not have to have the eye removed from her head.

In the meantime, she is living a healthy and happy life. That kind of spinoff from this sort of technique has phenomenal results that will make a difference that is worth a lot of money to all the States in this country.

Mr. Chairman, I urge my colleagues to think long and hard about America's continued leadership in science. The SSC is one of the areas that will allow us to continue that leadership.

Mr. CHAPMAN. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. BROWN], the distinguished chairman of the Committee on Science, Space, and Technology.

Mr. BROWN of California. Mr. Chairman, I thank the distinguished gentleman for yielding this time to me.

Mr. Chairman, the distinguished gentleman from Kansas, who is sponsoring the amendment to strike the superconducting super collider, cited remarks that I had made in the past with regard to the superconducting super collider, and I think in every case he quoted me correctly.

I voted for the superconducting super collider. I have consistently over the years, but I have also said, because my concern fundamentally is for the health of the scientific establishment of this country, that it would be unwise to continue funding the superconducting super collider if it was actually taking funds from smaller science projects within the Department of Energy or from any other source.

□ 1540

I have said, and, as a matter of fact I am on record in this House as having said, and our committee is on record as having said, that to complete this project we need a major international partner. The bill which we reported from our committee and which this House passed called for authorizing the program, but with a 20-percent foreign contribution, which has never been achieved.

Now that is the situation that faces us in this imperfect world. I do not want the lack of foreign participation to force us to make expenditures which will draw money from other research.

I wrote to the Secretary of Energy over a year ago and said, "My support for the continuation of this project depends upon protecting the small science projects which you are funding in the Department of Energy." I still feel that way. I think we cannot afford to starve one section of science in order to support another section.

Now why is it that we are unable to get firm commitments for the full amount of the foreign participation that we need? One reason is that foreign partners do not believe we are serious about doing this project, and they justify that position by pointing to the fact that the House of Representatives killed this project last year.

The point that I am trying to make here is that we bear a responsibility not only for the additional cost, by stretching this out for another 2 or 3 years we have added another couple of billion dollars, but by not knowing whether we want to go ahead means that foreign partners are not enthusiastic about participating in this. I have come to the position that we have got to show resolve; we have got to demonstrate that we are committed to finishing this project. We have got to keep the heat on the Department of Energy not to starve other science projects, and we intend to do that in the Committee on Science, Space, and Technology.

Mr. Chairman, the United States has long been a world leader in high energy physics, a field of research that delves into the nature of the elements that make up the universe around us, and seeks to rationalize the complex forces and particles that comprise all matter. To continue our leadership in the field we must move on to the next generation of particle accelerator—the basic research tool of the high energy physicist. We must build the superconducting collider.

Today, however, some of our colleagues would have us believe that we can no longer afford to pursue this type of fundamental scientific inquiry. If that is true, it will be a sad day for this country.

This view is not endorsed by the administration. The President has requested $640 million in his budget for the super collider, and he continues to support the project.

Nor is this view endorsed by the National Academy of Sciences. The Academy has just released a report entitled, "Science, Technology, and the Federal Government." In that report the Academy unequivocally maintains that, "The United States should be among the world leaders in all major areas of science." This means, the report continues, "That the United States should have capabilities and infrastructures of support that are not exceeded elsewhere."

Why do we need to be among the world leaders in all major areas of science? The answer is relatively simple: We need to maintain scientific preeminence because it represents a critical national investment that fuels technological advances that in turn drive the productivity growth that is responsible for our continued economic well-being. The correlation between investment, both public and private, and productivity is striking and well documented. As our national investment in infrastructure, education, and civilian R&D grew in the 1950's and 1960's, so did the country's productivity; as it flagged in the 1980's, so did productivity.

Mr. Chairman, opponents of the SSC tell us that we need not maintain our leadership in all areas of science. Some skeptics believe that we should no longer devote our energies toward finding out what the universe is all about and concentrate on less expensive, and supposedly more practical research projects, such as health and advanced technologies.

Is the SSC really a worthy but nonessential project that should be put aside until we can afford to fund such scientific luxuries? Is the research to be done at the SSC tangential and less potentially useful than other scientific pursuits? One thing we do know, is that we cannot predict in advance which areas of science will contribute to important new technologies. For example, basic research in electromagnetism, thought to have no practical benefit at the time, was an essential element in the development of modern communications. And, mathematics, usually considered highly abstract, has made possible powerful computer software to design aircraft and predict storms.

The conviction that nature will prove to be fundamentally simple, if only we can penetrate its outward complexity, is the hallmark of scientific thought. The super collider is the most powerful tool ever designed to pursue that goal. The quest to understand the nature of matter does not lie at the periphery of scientific esoterica; it is right at the center of the scientific mainstream.

Mr. Chairman, opponents of the SSC like to emphasize its cost. Some would have us believe that SSC is a large portion of the Nation's R&D budget and that it drains resources from other scientific endeavors, particularly health research. This is simply not true. SSC funding is less than 1 percent of a total Federal R&D budget of $76 billion. It is dwarfed by the nearly $10 billion National Institutes of Health budget, and it is only a small portion of the civilian basic research budget of $13 billion.

Mr. Chairman, I believe it would be folly to abandon the super collider now. This machine was first proposed in 1982. Research and development has continued for more than a decade, and in 1989 we made a commitment to build this project. Yet, each year we come to the floor and reconsider that decision. Each year we decide whether or not we made the right decision last year. Each year young particle physicists wonder whether they will be able to make a career in this field or whether they will have to abandon it. Each year the 7,000 people now working for the SSC laboratory, on related research at 100 universities, and at industrial enterprises throughout the country wonder whether or not they will have a job next year. Each year potential foreign partners wonder if they can afford to become involved in a project that may never be finished.

This is no way to fund scientific research. We owe it to young scientists who are attempting to make rational career decisions to come to our own decision on the super collider and stick with it. We owe it to the thousands of employees and their families who have made a commitment to design and build this machine to come to a decision and stick with it. And most of all, we owe it to the American taxpayer, who has been willing to fund scientific research generously, even in relatively hard times, not to waste the money that has already been spent to bring this project to completion.

If we do not build the SSC, it will never be built. No other nation, or group of nations, is capable of undertaking this project. The SSC will be the most powerful scientific machine ever built, and it is something only the United States can achieve. We cannot afford to indulge in this type of myopia which would have us concentrate only on short-term goals. We need to make better use of our world leadership in science, not to lose heart and abandon that leadership.

COMMITTEE ON SCIENCE, SPACE,
AND TECHNOLOGY,
June 21, 1993.

CONFIDENTIAL MEMO

To: George E. Brown, Jr., Chairman.
From: Christine Wegman.
Subject: Potential SSC dipole magnet contract cost overrun.

On Tuesday, June 15, officials from General Dynamics (GD) briefed Science Committee staff on the status of the SSC dipole magnet program. GD, the contractor, said that they had identified additional costs necessary to ensure that the magnets meet SSC specifications and American Society of Mechanical Engineers code standards. These new costs had increased GD's Estimated Cost At Completion (EAC), revised semi-annually, and most recently in May 1993. DOE acceptance of the revised EAC could lead to an increase in the contract ceiling, that is, a cost overrun. At the time of the briefing GD was unable to estimate the amount of the possible cost overrun. GD has fired three company vice presidents and two senior managers as a result of this problem. The contract problem has become public because investigators with Mr. Dingell's O&I Subcommittee called GD officials in to question them about a possible overrun.

I next spoke with SSC lab staff members, Ed Siskin, the SSC Project General Manager, and Tom Bush of the magnet lab. They each stated emphatically that no cost overrun has occurred or is anticipated with this contract and that they are questioning the basis of the revised EAC with GD. Siskin noted that in March 1993 he was required by GAO and Energy and Commerce staff to make public the amount of money the lab had reserved internally for this contract. This amount was $288 million, $45 million more than the current contract ceiling of $239 million. On May 19, General Dynamics informed the SSC lab staff that the revised EAC could amount to as much as $288.5 million, an amount surprisingly close to the now public SSC internally budgeted amount.

Tom Bush, whose staff is questioning the new EAC, item by item, stated that the EAC revision is three or four months late and the SSC lab has had great difficulty with GD staff over its tardiness. He noted that a new general manager at the GD magnet plant in Hammond, LA was brought in at the beginning of this calendar year because of this and other contract problems. Bush stated that GD has "over-specified" the contract, that is, engineers have been overly conservative in procurement specifications in order to ensure virtually a zero magnet failure risk, going well beyond normal commercial practice. Bush says this is normal at the engineering and procurement level, and that generally management will question cases where the specifications are too conservative, thus too costly. He characterizes the potential cost overrun as a management failure at GD. SSC lab staff are reviewing all procurement and specification decisions with GD engineers and procurement staff. Bush said the process is going well, with both sides working amicably together, and that it should be completed in August. Bush said he is certain that they will come out within $1 million of the original $239 million EAC.

The chronology of events is as follows. In March 1993 SSC lab made public to GAO and Energy and Commerce Committee staff the amount of money in the budget for this contract ($288 million). On May 19 GD staff contacted Tom Bush at the SSC lab, stating they had identified new costs which could increase the contract ceiling to as much as $288.5 million. On June 7 Energy and Commerce staff contacted the SSC lab and at about the same time requested GD to explain the problem. On June 14 GD met with Energy & Commerce staff. On June 15 GD briefed us.

At this time, GD has made no request for an increase in the contract ceiling and SSC lab has not agreed to any increased procurement costs. My own opinion is that the potential increase in this contract to $288.5 million is too close to the SSC lab's internal estimate of $288 million to be a coincidence. It may be that GD top management is attempting to take advantage of the SSC lab's internal budget assumption being made public. The management problems at GD, however, are real and predate SSC's disclosure of their budget assumption. Tom Bush thinks "over-specifying" at this stage in a contract is normal and will usually be weeded out by management. I see no reason to question that opinion at this time. By August we should have a better idea where the contract stands. The timing of GD's public disclosure of the problem was forced by an Energy and Commerce staff inquiry. It is unfortunate and premature that the dispute should be made public just as the appropriation bill goes to the floor; however, at this time there is no cost overrun and there is every reason to believe SSC lab staff is on top of the problem.

Mr. BARTON of Texas. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Chairman, I rise to speak against this amendment. Contrary to what the proponents description of this as a fiscally responsible vote, it would be fiscally irresponsible for us to walk away from a $2 billion investment already made by the American taxpayers.

Why? Well, here are a few things to consider before we tell the American public that we are going to throw away $2 billion of their dollars.

Killing the SSC would result in termination costs in the hundreds of millions of dollars to cover the phaseout of 2,000 employees, canceling contracts, jobs, land recovery and more—hundreds of millions of dollars that would bring no return to taxpayers.

Over 7,000 jobs across the country would be lost along with their contracts. Many of these jobs are in critical technical and manufacturing areas, helping to provide a conversion from defense spending in many cases.

U.S. industry would lose the opportunity to develop an infrastructure for superconductivity in this country. This is a market that an international conference in Japan estimated will reach $8 to $12 billion by the year 2000.

Further, superconductivity will play a major role in our technological competitiveness. Applications for superconductivity include transportation—especially the maglev trains—energy conservation, developing motors and magnetic storage systems. Beyond that, there is the telecommunications industry, where microprocessors and sensors will have a major impact in the global marketplace, and the area of medicine where magnetic resonance imaging, already helping to save lives, will continue to be a growth market.

In terms of electrical power, upon which the Pacific Northwest depends, superconducting magnetic energy storage will one day help our utilities control power fluctuations that now cost business roughly $12 billion per year in lost productivity time. Magnetic energy storage will help local communities maintain backup energy during peak power use, thus avoiding dangerous blackouts.

Mr. Chairman, every time you turn on your TV, use your PC, or make long-distance calls, you have entered the world of technology made possible by our research into the atom. Already, computer systems are being developed that will process in one second the information contained on 10,000 floppy discs. This technology will soon be available commercially.

And beyond all the business and globally competitive reasons to support the continuing of the superconducting super collider project, there is tremendous impact the SSC is having on education in America today.

Each year, more than 20,000 students and teachers across the Nation participate in SSC education programs designed to improve math and science skills. At this moment, there are more than 120 universities involved in SSC research. Imagine, the most brilliant minds in our Nation, coming together in one place to unlock the mysteries of our world, and share in the wonder of each other's discoveries. They are exploring the frontiers of human knowledge, asking the next question, and searching for answers that will change the world.

In my State, the University of Washington departments of physics, mechanical engineering, and industrial engineering are deeply involved in the design and construction of the two particle detectors at the superconductor lab. Many undergraduates and graduate students are involved in these projects, and are extraordinarily excited to be participating in such a critically important project.

Mr. Chairman, there is no question that the collider will find what it is being built to find; the particles yet unseen that were abundant during the beginning of the universe. The SSC essentially represents an opportunity to develop a microscope that is 50 times more powerful than anything else we have at present. And that will enable us to discover those particles so we can study the fundamental principles that govern all types of matter and force. In a nutshell, we will be able to read the book of rules for our universe.

In his testimony before the Science, Space, and Technology Committee, Dr. Steven Weinberg, noted physicist from the University of Texas, discussed the breakdown of the standard model theory that has been used to account for all the forces and particles we have been able to study with existing facilities. We know that the standard theory is not final because there are some things it cannot explain. And that tells physicists where to look for clues to a deeper theory.

When the standard theory was used to predict what would happen at energies that are 20 times greater than what we can create today, the theory broke down. It failed, and produced nonsense. In doing this, the standard theory exposed the fact that new energies yet discovered must be in existence. And in order to find them, particle collisions 20 times greater than those we can create at present must take place—and the SSC is designed to do just that. In short, the collider will be able to discover something really new and important.

Now, I am not a scientist, and I am the first to admit that the study of high energy physics has never been a goal in my life. But I do know that we have the capability to create a collider that will find the next building blocks of the universe, encourage research in fundamental science and next level technologies, and keep America where it should be—as the world's leader in fundamental research. Our brightest students and scholars will remain here to study, remain here to apply this new knowledge to better our lives and the lives of others around the world. Ultimately, the economic returns of this investment will be significant. And having already spent billions of their dollars, the U.S. taxpayers deserve no less than that.

Columbus knew and never doubted the world was round. And he had the courage to go defy the naysayers who argued against throwing money at an adventure that was doomed to fail. Did he know exactly what he would discover? Not really, but his calculations showed with mathematical certainty that something was there, that the world was not flat. And as he sailed into the unknown, the question was never whether he would find something. The only question was what extraordinary discovery would be made.

Mr. SLATTERY. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. BOEHLERT] control 15 minutes of the 30 minutes allotted to this gentleman from Kansas.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BOEHLERT] for 15 minutes.

Mr. BOEHLERT. Mr. Chairman, I yield myself such time as I may consume.

Mr. BOEHLERT. Mr. Chairman, all the debate over the SSC really boils down to one question: Is this project a high enough priority to merit continuing—and escalating—funding as we struggle to reduce the deficit? The House answered that question with a resounding "no" last year, and events since then should only have strengthened our resolve.

Weighing priorities is a matter of assessing costs and benefits—so let me take each in turn. Costs are easy to talk about: the whole spending history of this project can be summed up with one phrase from a Grateful Dead song: "trouble ahead, trouble behind."

This chart makes the "trouble behind" abundantly clear. The chart displays the ever escalating cost estimates for the collider—estimates that sometimes seem shorter-lived than the protons that will be streaming inside the machine. The current $11 billion figure is a GAO rough estimate because the administration admits that it won't have its own reliable cost estimate until the fall. So now we're expected to keep shoveling money into this project without even knowing how big a hole in the budget it represents.

The open-ended cost estimate is a sign of trouble ahead—trouble inherent in the proposed stretch out of construction. We're expected to take on faith that the stretch out schedule is realistic. Yet, as this chart shows, the new schedule would require annual appropriations of at least $1 billion after 1998—just at the point when the administration's own estimates show the deficit creeping back up.

I might also point out that the decision to stretch out the project, is in itself a sign that the SSC isn't considered an immediate priority. That's why SSC supporters argued so vociferously against a stretchout just last year.

But then SSC supporters have had to eat a lot of their own words. They've promised us in the past that the project would be killed if it would cost Federal taxpayers more than $5 billion, if the total price exceeded $5.9 billion, if foreign contributions did not cover 20 percent of the costs, if foreign contributions by this year did not equal $650 million. Now DOE finally admits that foreign contributions are unlikely ever to total more than $400 million, despite years of begging. We are left with a string of broken promises.

SSC supporters have matched their overblown promises concerning costs with overblown descriptions of the project's benefits. Most recently, they have touted the SSC as a cancer research facility because the project could be—just could be—used for an experimental treatment known as proton beam therapy. But guess what? For the cost of the collider, we could build 500 proton beam facilities. So the collider hardly turns out to be a boon to cancer patients.

Then there's the claim that the SSC will help our economy. But collider research is the most indirect route to developing commercially viable techniques and products. Perhaps that's why foreign governments have been unwilling to ante up. The collider isn't even a useful way to develop commercially viable superconducting magnets because the machine uses such uniquely expensive technology.

Finally, there is the claim that killing the collider would doom science as we know it. SSC supporters keep invoking Columbus; they make it sound sometimes that a few years without the SSC, and we'll all be believing that the earth is flat.

I suggest you talk to some scientists. Many scientists—including Nobel Prize winners and a past president of the physicists' professional society—fear that it is the SSC itself that is most likely to doom science in this country. While the Federal agencies that train and fund most of the scientists in this country are turning down more than two-thirds of their applications, the SSC—a single project in a single subfield of science—the SSC is eating up $11 billion.

And to add insult to injury, we now find that some of this $11 billion is being used for such urgent expenditures as buying and insuring great art works for the walls of SSC managers' offices. What ever happened to C.P. Snow's concerns that art and science had become two unbridgeably separate cultures?

In short, the costs are immediate, real, uncontrolled, and escalating; the benefits are distant, theoretical, and limited. You don't have to be an atomic scientist to figure how that calculation works out. We can't afford the SSC right now. Let us reiterate what this body said last year, and vote to kill it.

Mr. Chairman, I reserve the balance of my time.

□ 1550

Mr. SLATTERY. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. BROWN], to whom I would like to express appreciation for his hard work on this project.

Mr. BROWN of Ohio. Mr. Chairman, welcome to Jurassic Pork. Like the dinosaurs of old, the super collider is lumbering once again across the legislative landscape, searching, foraging, seeking more dollars for its survival.

Proponents paint a picture of the super collider which reminds us of Barney, the dinosaur friend of kids nationwide. Yet the super collider is more like the mighty Tyrannosaurus rex, devouring everything in its path; soaking up billions of dollars and crowding out other important science funding.

The latest estimates show that the super collider will cost upward of $12 billion to construct and half a billion each year to operate. Cost overruns promise to drive the price even higher.

With our massive Federal deficit still hovering over our economy like pterodactyls, we simply cannot afford this behemoth of a science experiment. My constituents sent me here to make tough spending decisions. Five years from now we will look back and see the fabled fossil, the super collider, and say we made a good vote in 1993.

Early this month Texas voters voted overwhelmingly to slash Federal spending. Let the cuts begin.

Mr. BARTON of Texas. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Maryland [Mr. BARTLETT], a member of the committee.

Mr. BARTLETT of Maryland. Mr. Chairman, how can you pretend to be the world's leader without being the world's leader? And this includes science, and this includes the SSC.

Properly managed and properly articulated, this program will be an inspiration to our young people, more of whom will become scientists, mathematicians, and engineers, which we desperately need in our economic struggles in the world.

But I will tell you, there is another reason to vote for this and to continue it, that is both it is exciting and emotional, as far as I am concerned, and that is Stephen Hawking, the British theoretical physicist, who has what may be the best scientific mind in a millenium, trapped in a body wracked by disease, waging a desperate battle to finish his research before he is totally incapacitated.

I am told that the results from experiments in the SSC, with 20 times the energy of the Fermi accelerator, may very well provide just the data he needs to finish his calculations, solving many of the mysteries of the universe, inspiring our young people, and placing our country in the forefront of technology and science.

Please support this program.

Mr. CHAPMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Chairman, I rise in support of the SSC, and in opposition to the reduction in the superconducting super collider.

The benefits of the SSC range from near-term benefits derived from building the high-technology components of the SSC to the long-term benefits forthcoming from basic research and discoveries to be made with the SSC.

In the near term, the SSC is already having an impact on the technological competitiveness of the country. For example, the large-scale use of superconducting magnets at the SSC is greatly strengthening the capabilities of U.S. industries in this field.

In the area of electronics, the detector collaborations are already working with industry to develop specialized integrated circuits to efficiently handle the enormous amount of data expected at the very high event rates of the SSC.

An idea of some of the potential benefits of the SSC can be seen from our past experience with particle accelerators. The brilliant x-rays used to determine the structure of the AIDS virus came from electron synchrotrons that were first used in high energy physics research. Proton beams that can be targeted to specific areas of the body without damaging surrounding healthy tissue are used for treatment of certain types of cancer and other diseases. Even the television screen and computer monitor are direct descendants of the very first particle accelerator. It does not take a leap of faith to conclude that discoveries with the SSC may produce even more profound changes and adaptations of the world around us in the future, rather it would be extraordinary if it did not.

Of more immediate importance, the SSC is providing high-technology jobs in many areas ranging from underground construction technology to superconducting magnets to high-speed electronics and computing. Presently, approximately 7,000 people are working directly on the SSC, many of them for industrial firms which have in the past been defense oriented. The demands of high-technology projects such as the SSC will play a vital role in the transition to a stronger civilian industrial base in the wake of the end of the cold war.

The SSC also is already having a substantial and growing impact on science education at all levels. Approximately 25,000 students and teachers participated directly in SSC educational activities in fiscal year 1992. In addition, university faculty and students from over 100 university groups across the United States are involved in the SSC scientific program. The SSC has a dramatic appeal that can inspire American youth to pursue careers in science and technology, a highly important contribution to the health of the Nation.

The most profound effects of the SSC on our culture are expected to come from basic research using the facility to probe the heart of matter.

Through Einstein's famous relation $E=Mc^2$ this concentrated energy can create new massive particles not presently known. Some of these particles will help to explain where mass comes from, why some particles have it and others do not. Other new particles may tell us whether all the forces of nature were once unified by the high energies at the beginning of time.

At present, it is difficult to understand what these SSC discoverers could mean in terms of everyday life. This was also the case when electricity and magnetism were finally understood in the 19th century and when quantum mechanics was discovered in the early part of this century. The discoveries of these great fundamental truths would be amazed by the present-day consequences of their work.

I urge your opposition to reducing the funding of the SSC. The SSC is an important and far-reaching investment in the Nation's future. Our leadership position in the world and our economic competitiveness depend on this kind of investment.

Mr. CHAPMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Chairman, I rise in strong support of the superconducting super collider.

Yesterday I spoke on the important investment we are making by promoting our high-technology research capabilities.

Today I would like to emphasize our need for making responsible choices. As a country we must prioritize what we believe to be important investments for our future. We must live within our means. We must reduce and eliminate the Federal deficit. But at the same time, we must continue to plan and invest in our future. The SSC is exactly that kind of investment.

We do not have to look too far to begin to see some of the real benefits of investing in this new technology: SSC technologies are enhancing a cancer treatment known as photon beam therapy; SSC magnet technology is being explored as a means of providing cheaper, cleaner and more efficient energy for cities; SSC technology is being used to test prototype trains that levitate and travel at speeds up to 300 miles per hour.

I urge my colleagues to oppose the Slattery amendment. Invest in our future. Support the superconducting super collider.

Mr. CHAPMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. GENE GREEN].

Mr. GENE GREEN of Texas. Mr. Chairman, I rise today in support of the super collider and I urge my fellow Members to vote in favor of its continued funding.

The super collider not only represents the future of our scientific knowledge, it represents the future of our economy by providing high-skilled jobs for our work force.

There are those who point to the super collider as an easy budget-cutting target, but the super collider represented only .6 percent of all Federal research and development dollars in 1992 and continues to be only a small percentage of Federal research funding.

This project means 15,000 jobs all over the country and should not be abandoned due to a temporary downturn in our economy. I ask my fellow Members to imagine where we would be if we had abandoned all of our major scientific ventures in the past because they appeared to be too expensive at the time.

Think for a moment about all that has already been built and imagine it sitting useless, not realizing any of its potential while our understanding of the nature of matter and the origins of our universe stands still. Members, I urge you to vote in favor of this project because it will ensure that we continue to move forward in our scientific endeavors.

Mr. CHAPMAN. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. HOCHBRUECKNER].

Mr. HOCHBRUECKNER. Mr. Chairman, I come from a technical background and over 20 years in the aerospace community. Let me tell you, we need the SSC. Our future in the trade world is in producing high tech products, and the way you produce high tech products is you do your homework, you do the research, and that is where the products come from.

We cannot compete anymore in many of the basic industries. High tech is our future; research is the way to go.

This is a computer chip. Right now it is today's technology. It is 1 million bits of storage on this little piece of silicon in the middle. This was produced because 12 years ago we were willing as a nation to fund the synchrotron, which is the predecessor to the SSC.

We are about to announce the next generation of smaller and faster computer chips through x-ray lothography using the synchrotron. Clearly, the SSC is that next generation of device that will allow us to produce those products that we need in America to compete in the world.

Research is the key to our future in the world of products. Please support the SSC. America needs it.

Mr. BARTON of Texas. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from the great State of Louisiana [Mr. LIVINGSTON], a member of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I only have 2 minutes, so let me be brief. President Bill Clinton is for the SSC. I will put a letter in the RECORD. Former President George Bush is for the SSC. I will put a letter in the RECORD. Congressman BOB LIVINGSTON is for the SSC. I will put my statement in the RECORD.

But I would like to add that there are a couple of points to which I would like to speak today. There has been much talk about the costs. There has been a statement to the effect that not enough countries are coming through for this project.

We have been trimming this project back since it started. No country in their right mind wants to come up with an upfront expenditure for their costs unless we demonstrate we are serious. And we are certainly not demonstrating we are serious in some of the debate today.

Second, the gentleman from New York says that the project is expected to cost $11 billion to $14 billion. I have come to the well earlier today, and pointed out that this floor is littered with ostriches, or people who have their heads in the sand. Now it appears we are littered with red herrings. I am beginning to smell them.

There was an $8.2 billion cost estimate for the SSC prepared in 1990. It has not changed since it was released.

The cost estimate includes $850 million for contingencies and $875 million in contributions from the State of Texas. A recently released GAO report, which includes data examined in August 1992, only looked at a small portion of the conventional construction activities, and yet projected a $630 million cost overrun in the entire conventional construction project.

They extrapolated from that, just as the gentleman from New York has done. They extrapolated from small figures and made them into big figures. Using the same extrapolation today, the final construction figures actually would be $261,000 below the original cost estimates.

Mr. Chairman, for the RECORD I include the letters and statement referred to earlier.

THE WHITE HOUSE,
Washington, DC, June 22, 1993.

HON. BOB LIVINGSTON,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE LIVINGSTON: Thank you very much for your letter urging my continued support of the Superconducting Super Collider.

Although these are tough economic times, my Administration supports this project as a part of its broad investment package in science and technology.

I welcome and appreciate your support and urge you to enlist that of your colleagues as well.

With best wishes,
Sincerely,
BILL CLINTON.

KENNEBUNKPORT, ME, *June 18, 1993.*

DEAR JOE, I am writing to you about a fight you are properly and effectively waging; namely, the fight to keep the Supercollider moving ahead.

I know that all of you in office are facing tough calls on the budget; but it is my strongly held view that it would be wrong to stop the Supercollider project. It is hard to convince non-scientists of the absolutely fundamental importance of Supercollider; but please keep on trying. Generations of Americans to come will be grateful for your foresight.

I am out of politics, out of the public arena. But, I feel so strongly on this project that I wanted to encourage you and all Republicans to vote to keep the project moving forward.

I read with dismay that some Republicans, who have heretofore been in favor of The Supercollider, were now considering a "no" vote. I hope that is not the case.

I hope things are going well for you, Joe. You are a wonderful Congressman and all of Texas is lucky to have you there fighting for our interests and for what is right.

Sincerely,
GEORGE BUSH.

Mr. LIVINGSTON. Mr. Chairman, others have eloquently outlined the practical uses for the supercollider. Already, more than 1,000 scientists and graduate students of 120 colleges and universities are participating in supercollider research. These scientists are gaining direct access to the forefront of particle physics, which is the core to understanding the origin of matter.

Many of our most important scientific discoveries have come from the work of physicists who have used particle accelerators to research atoms and the particles that make-up atoms. However, existing colliders have reached their limit. There are theories to explain what we don't know about the basic building blocks and forces of nature, but without the SSC, physicists will not be able to prove their theories with experiments and evidence. To turn our back on existing progress of the study of the basic structure of matter and energy would be a monumental mistake.

The famous Stephen Hawking, distinguished professor of mathematics from the University of Cambridge, says:

"Without the SSC, fundamental physics in the United States is likely to stagnate in the future. This would be a great pity because it has done so much in recent years to move us closer towards the goal of a complete knowledge of the basic laws that govern the universe."

But what would our Founding Fathers say. Men such as Thomas Jefferson and Benjamin Franklin, men to whom the practice of science and the pursuit of knowledge were almost as dear as liberty itself. Scientists themselves, men with extraordinary talents in both science and civics.

Ben Franklin, in his famous experiment, held a kite and key to the sky to probe the electricity of lighting. For the 18th century, it was a bold and breathtaking experiment, a crucial discovery for the progress of mankind.

Today, in the latter part of the 20th century, the supercollider is the equivalent to Ben Franklin's kite and key. In the name of Franklin and in the spirit of a mind which is in a constant quest for knowledge and discovery, I hope we continue funding this project and keep America first.

Nationally, more than 45,000 SSC procurement awards and contracts have been made in 47 States and the District of Columbia. Most of these procurement awards have been made outside of the State of Texas.

In 1993, the SSC laboratory will directly employ over 2,000 people and between 1,200 and 1,400 people in construction jobs. When adding jobs as a result of contract awards across the country, the SSC employs over 7,000 people.

The land acquisition for the SSC is nearing completion and tunneling of the ring is well underway, with 30 miles already under contract to five U.S. firms. Prototype magnets have successfully passed all critical tests and are in production at three U.S. industrial facilities. It would be foolish to waste the tremendous progress that has already been accomplished by cutting the funding for this vital project.

The $8.2 billion cost estimate for the SSC prepared in 1990 has not changed since it was released. The cost estimate includes $850 million for contingency and $875 million in contributions from the State of Texas.

The recently released GAO report, which includes data examined in August of 1992, only looked at a small portion of the conventional construction activities and yet projected a $630 million cost overrun in the entire conventional construction budget.

Using the same extrapolation today would show that final conventional construction figures could actually be below original estimates.

Instead of being over budget, the construction contract, approximately 14 percent complete, is now $261,000 under budget. DOE made this information available to GAO and SSC opponents but it was apparently ignored.

The Wall Street Journal, June 22, 1993, said:

> Supercollider officials disputed the report's findings. "We are in control of costs," said Ed Siskens, general manager of the SSC Laboratory, which runs the supercollider project. He said the alleged cost overruns were the result of a disagreement between the inspector general's office and the supercollider office concerning the nature of contracts.
>
> According to Mr. Siskens, the supercollider allots less money up front to subcontractors

than their likely costs, fully expecting to make additional reimbursements later as needed. He said that the inspector general recorded all reimbursements beyond the original allotment as cost overruns, even though they weren't necessarily unexpected.

Finally, the argument about neglecting other scientific research and about not funding enough grants at NIH does not hold water.

The annual bill is about to come to the floor to provide NIH in just 1 year—over $11 billion.

We annually fund just NIH $10 to $11 billion a year.

Where is the neglect to other science? Give me a break.

We fund over 6,000 new NIH grants a year. National Science Foundation—over $3 billion coming in next week; National Cancer Institute, $2 billion; heart/lung and blood, $1.2 billion; diabetes, $716 million; neurological disorders, $630 million; infectious disease, $1 billion; general medical sciences, $875 million; dental research, $169 million; child health, $555 million; Eye Institute, $290.2 million; environmental health, $264.2 million; aging, $420 million; arthritis, $223 million; deafness, $162 million; alcohol, $185 million; drug abuse, $425 million; mental health, $613 million; general research, $328 million; and all other NIH accounts, $600 million.

Mr. SLATTERY. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, in 1985 when this project was first announced, it was supposed to cost $4.5 billion. By 1991 it has risen to $5.9 billion. Only $4.1 billion of that was supposed to be Federal money. Secretary of Energy Watkins said, "We won't support the SSC if it is a dime over $5.9 billion. We promise."

In 1992 the official cost rose to $8.25 billion. The Federal share was supposed to be $5.65 billion.

Now independent cost estimates tell us this turkey is going to cost us at least $11 billion, plus at least $2 billion in stretch-out costs. And at most, according to the administration, only $400 million in foreign contributions are expected, in comparison to what was supposed to be $1.7 billion.

I know that the Government has salted SSC contracts around in 47 States, including my own, to try to save this program politically. But, frankly, it is time to say enough. The deficits are too big, other needs are too urgent. The super collider might be nice to have someday, but for now we need to put it on the shelf until we can afford it.

The CHAIRMAN. The Chair will advise Members that the gentleman from Kansas [Mr. SLATTERY] has 3½ minutes remaining, the gentleman from Texas [Mr. CHAPMAN] has 13½ minutes remaining, the gentleman from Texas [Mr. BARTON] has 8 minutes remaining, and the gentleman from New York [Mr. BOEHLERT] has 9 minutes remaining.

□ 1600

Mr. CHAPMAN. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Chairman, I rise in strong opposition to the Slattery/Boehlert amendment to terminate funding for the SSC.

This House has heard a great deal of exaggerated rhetoric against this project in recent days. Let's get to the heart of the matter—this is an extremely important scientific project, but is it one we can afford as a Nation? The answer is yes.

Let's look at the facts.

During fiscal year 1992, the SSC accounted for 0.6 percent of the total Federal research and development budget. Let me say that again. The SSC accounted for 0.6 percent less than 1 percent of the money spent by our Government on research and development.

And what do we as a nation get in return for this expenditure?

We get an installment on the most significant scientific research project that will be undertaken by our country in the remainder of the 20th century.

No one can make precise predictions about all the knowledge to be gained from the SSC; however, we do know that already it has led to the production of faster computers, more sophisticated computer chips and cheaper, better superconducting wire.

It has been estimated that 25 percent of our Nation's current GNP is directly attributable to advances in quantum mechanics over the past 100 years. The SSC could well make a similar contribution to the productive capacity of the United States during the remainder of our life time.

President Clinton said it best in a letter to BILL NATCHER last week.

> The most important benefits of the increased understanding gained from the SSC may not be known for a generation. We can, however, be certain that important benefits will result simply from making the effort. The SSC project will stimulate technologies in many areas critical to the health of the U.S. economy. * * * Abandoning the SSC at this point would signal that the United States is compromising its position of leadership in basic science—a position unquestioned for generations.

Listen to what Stephen Hawking, the most eminent scientist of our day has to say about the SSC:

> The economic success of the U.S. since the last war has in large part been due to its technological lead over the rest of the world. This has been based on its pre-eminence in basic science, particularly physics. * * * Without the SSC, fundamental physics in the U.S. is likely to stagnate in the future. This would be a great pity because it has done so much in recent years to move us closer toward the goal of a complete knowledge of the basic laws that govern the universe.

Mr. Chairman, make no mistake about the impact of this vote. We are deciding today whether we will go forward as a nation or whether we will settle for being an also ran on the world stage.

We, as a country, have always chosen to go forward—to lead. I do not want to be part of a generation that loses its nerve, that concedes that America is no longer a great country, that we are incapable of exploring the unknown and finding new solutions for the economic problems that will confront my children.

I urge my colleagues to vote against the Slattery-Boehlert amendment.

Mr. BOEHLERT. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. SENSENBRENNER], a ranking member of the committee of jurisdiction. I point out that every ranking member of the Committee on Science, Space, and Technology is in support of this amendment and opposed to SSC funding.

Mr. SENSENBRENNER. Mr. Chairman, several years ago, when the House authorized the SSC, there were two parameters put in. One was that the total Federal contribution to the SSC would not exceed $5 billion, and second, that foreign contributions would be 20 percent of the total cost of the SSC. Those were the parameters upon which the SSC proceeded forward several years ago. And there was an ironclad commitment to proceed along those lines.

The reason I am standing here today is because the SSC and its supporters have met neither of those parameters in the bill that they sponsored when this House originally authorized this plan.

The Federal contribution is much over the $5 billion if the SSC is to be completed, and the most generous outline of foreign contributions would be $400 million out of an $11 billion project.

When we passed the authorization bill, a deal was struck. A deal is a deal. And now, because the supporters of the SSC cannot come through with their part of the bargain, that is, getting the foreigners to contribute 20 percent and holding the Federal taxpayer contribution to no more than $5 billion, I believe the time has come to pull the pin on the SSC.

They have had their chance. They had the commitment that they wanted. They could not do the job within the parameters that this House overwhelmingly set several years ago. Now is the time to say that the deal is broken and the SSC ought to be defunded.

Mr. CHAPMAN. Mr. Chairman, I reserve the balance of my time.

Mr. BARTON of Texas. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Louisiana [Mr. MCCRERY].

Mr. MCCRERY. Mr. Chairman, I thank the gentleman for yielding time to me.

I noted that a previous speaker remarked that Secretary Watkins had made a promise. Secretary Watkins, of course, was a supporter of the SSC, but he is no longer with us. Secretary Hazel O'Leary is, though, and she also supports continued funding for the SSC.

I think it is worth noting that both a Republican President and a Democratic President, the current Democratic President, supported continued funding for the superconducting super collider. It certainly is notable that the administrations of George Bush and Bill Clinton, who have studied this matter in detail, in depth, consulted the scientific community, both support this project.

Now, some may disagree about the scientific benefits of the SSC. We have heard testimony or remarks here today that there are scientists who believe that there are more worthy scientific projects. That is true.

There is also a large body of scientists who believe that the SSC is extremely important for our future in this country, and that body of scientists will tell us that this project is providing unique educational opportunities which will help meet this Nation's critical need for more scientists and engineers.

Educators will tell us the same thing. That body of scientists will tell my colleagues that SSC-related research has already yielded a significant improvement in the magnetic resonance imaging technology used widely in medical diagnostics. They will also tell my colleagues that advances in superconductivity from the project will have an important impact on the energy, transportation, and manufacturing fields. And that same body of scientists will tell my colleagues that building the superconducting magnets for the project will help provide U.S. industry with the infrastructure needed to expand and open new commercial markets for superconductivity.

No matter who we believe, which set of scientists we believe, we should know that even counting this project, the United States is still spending less on basic science research as a percentage of GNP than either Germany or Japan.

Mr. BOEHLERT. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise today in strong support of the amendment offered by Representatives SLATTERY and BOEHLERT to terminate the superconducting super collider [SSC]. This vote is about fiscal integrity, it is about setting spending priorities, it is about judgment. We do not need any more pseudo-historical lectures on vision and Isabel telling Columbus, "We can't afford it this year."

I taught history myself. Historical vision is not what this decision is about. And here I address myself to all of my colleagues who rail against deficit spending and repeat the mantra of no new taxes, ad nauseam, and then will not cut a penny in pork, but will vote to throw senior citizens out of nursing homes.

The time has come to stop wasting taxpayers' money on this enormous pork barrel project. In fact, if the other body and the conference committee had heeded the will of the House, last June, and terminated the SSC, we would have already saved the taxpayers money and we would not be spending time on this debate today.

When the Department of Energy [DOE] first sold the SSC to Congress in 1985, we were told its total cost would not exceed $4.4 billion. Two years later, Congress was told the cost would not exceed $5.3 billion. And so the trend has continued. This year, the Department of Energy is telling Congress that the SSC's total construction costs will exceed $11 billion.

The General Accounting Office [GAO] recently reported considerable cost overruns, contractor abuses, and the absolute failure of DOE to monitor and account for the expenses associated with the SSC. Yet, Congress continues to build an $11 billion toy for a select number of high-energy physicists.

Now, I might judge the value of this project differently, if I thought that many of these same Members who champion SSC would ever vote to raise the taxes to pay as you go.

Mr. Chairman, how will future generations of Americans view this Congress as they struggle to pay down our Nation's $4 trillion, and growing, national debt? Terminating the wasteful SSC project is long overdue and we owe it to all American taxpayers present and future. Support the Slattery-Boehlert amendment to kill the SSC.

Mr. CHAPMAN. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Subcommittee on Defense of the Committee on Appropriations, the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. Mr. Chairman, let me say that until I talked to some of the scientists in Texas about this project, I was lukewarm about it. I really did not understand the parameters of what they are doing.

When I saw so many people assembled, so many brilliant scientists assembled, I began to recognize the potential of what we have in this project.

I know we have priorities. For instance, in defense, one of the things that we are keeping as a high priority is research and development, because we know from past experience how many beneficial things have come from the projects that we have funded.

I think this is a perfect example. I could not understand a lot of this technical language that they used in promoting the project, but I understood one thing: When we bring together the former president of the Soviet Academy of Scientists, when we bring together seven Nobel Laureates, when we bring together the best scientists from all over the world, we are going to have some beneficial results in this country to keep this country in the forefront of the technological advances that we need to compete worldwide.

□ 1610

I rise in strong support. I do not have any jobs in my district. I am willing to raise whatever is needed to pay for this project. I feel very strongly that this House would be making a mistake if we do not defeat this amendment and fund the super collider.

Mr. SLATTERY. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. STRICKLAND].

Mr. STRICKLAND. Mr. Chairman, I rise in support of the Slattery-Boehlert amendment, in order to eliminate $8.7 billion in Federal spending for the superconducting super collider, and to send a message to taxpayers that the U.S. Congress is serious about deficit reduction. While the superconducting super collider's potential for helping humankind better understand the basis of matter could eventually help develop new products, there are issues other than the SSC's scientific value that are of equal importance to this country.

The U.S. Congress must begin to decide our Nation's priorities. How can we continue to ask taxpayers for their help when we are investing in costly projects that have limited immediate use, create an extremely limited number of jobs, and have alarmingly high cost overruns?

Millions of Americans need our assistance to receive basic necessities: health care, an education, or a job. Until we reduce our massive Federal deficit, and invest Federal money in products with immediate large-scale uses, we will continue to hurt taxpayers who have already sacrificed so much for this country.

Mr. Chairman, we need to start somewhere in reducing our Nation's expenditures. I urge my colleagues to join me in voting in favor of this amendment in order to slay an expendable budgetary giant. For those of us who stand in this House and cry out against wasteful Government spending, I say it's time to make our vote consistent with our rhetoric.

Mr. Chairman, I urge my colleagues to vote in favor of this amendment, and to put our vote where our rhetoric is.

Mr. CHAPMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS of Texas. Mr. Chairman, I rise in support of the SSC.

In this time of fiscal austerity, it is obvious that projects such as the SSC should and will be carefully examined and evaluated. It is paramount that the public's funds be wisely and prudently spent.

Mr. Chairman, let me begin by saying that I commend the gentlemen from New York and Kansas for their diligent efforts to reduce Federal spending. I, too, have long supported that endeavor, as a cosponsor of a balanced budget amendment and as a supporter of an expedited rescission process for the President.

In this vein, I feel that we should concentrate on cutting wasteful spending and address the Federal Government's budget process as we set expenditures for next year and formulate an overall long-term economic plan. However, my definition of reducing wasteful Government spending does not include arbitrarily cutting so-called big ticket items such as the SSC. Indeed, such arbitrary cuts defeat the underlying reasoning behind eliminating Government waste. We have only limited Federal resources, and we must allocate these resources to projects and programs which merit our support. I believe that the SSC is an example of such a program.

The funding level the committee has proposed for the SSC represents only 1.7 percent of all Federal civilian research and development and less than 1 percent of total Federal research and development.

The SSC is the most recent component of an ongoing American high energy physics research enterprise which was started over 60 years ago. It represents an investment in our future that will eventually lead to a better understanding of the way the universe works, thereby raising our scientific awareness of the world around us and improving the quality of life. It is for our children's sake, if for nothing else, that we must continue to push the edge of the envelope of human knowledge.

By searching to unlock the mysteries of elementary particle physics, the SSC will not only prove to be of great interest and benefit to scientific efforts to converge on a final theory on the principles of matter, but it also will provide technological breakthroughs and spinoffs that will translate into everyday uses and commercially advantageous applications, thus boosting our economic competitiveness abroad. Technologies such as a superconducting wire, supercomputing, cryogenics, superconducting magnets, and noninvasive medical diagnosis and treatment are just some of the tangible advancements which are direct results of the SSC. And there are surely further advancements to come. Rarely has a significant technological breakthrough that has led to great economic advancements been the designed result of a particular project. Rather, the discoveries and subsequent windfalls have usually come as an unexpected but much welcomed surprise, a product of delving into the unknown with open minds and brave visions. The invention of the transistor was, for example, a product of studies of quantum mechanics in the 1930's. The transistor revolutionized electronics and facilitated the development of television, computers, and telecommunications, yet it was hardly the designed end to these experiments. Surely the SSC provides similar opportunity and potential for scientific innovation. We should not let this opportunity pass by.

The SSC will also provide jobs. The Department of Energy estimates that the SSC supports over 15,000 jobs around the country. Work on the SSC's giant detectors is being performed at over 100 universities around the Nation. Most of the procurement awards have been made outside the State of Texas. Over 45,000 awards and contracts, in excess of $1 billion to date, have been made in 47 States and the District of Columbia.

Mr. Chairman, the issue of jobs is an issue on everyone's mind. The current economic recovery differs from other post-war recoveries in that significant numbers of new jobs are not being created. It is critical that we focus on our Nation's unemployment rate as we craft an economic policy for our Nation's future.

However, the realities of a post-cold-war world are not to be ignored, and we will appropriately reduce our Nation's military spending, which will affect a great number of Americans involved in our defense industry. I know that many colleagues of mine in this body represent constituents who never dreamed that their efforts over the past two decades to make the United States the world's foremost superpower would eventually help lead to the termination of their jobs. This, unfortunately in too many cases, is now a reality.

But, is a pink slip our thanks for the diligent efforts of the tens of thousands who helped the free world withstand the threat of Communist aggression? I think not. And I would assume that all of my colleagues agree with me. That is why we must concentrate on defense conversion as we reduce our defense spending. The superconducting super collider can play a major role in this effort. Already the SSC has contributed over $500 million to defense conversion, representing nearly 30 percent of all SSC project subcontract dollars. By project completion, this number is expected to rise to over 50 percent. In this time of pervading talk about reinventing government to streamline it and make it more efficient, doesn't it just make plain sense that we continue to support a program which on its own can help to ease the burden of those who would normally be left without a job because of reduced military spending? I think the answer is clear.

Mr. Chairman, as everyone clearly knows, this project is located in Texas and does bring great benefits to Texas. But, let us not forget the contributions that Texas has made to the SSC. My State has pledged to pick up $1 billion of the total cost of the project and has already provided $390 million in funding, a major sacrifice. Texas' economy is dependent not only on the defense industry, but also on the energy industry. And we are all well aware of what has happened in that industry over the past decade. The State is just now coming out of the worst recession it has experienced since the Great Depression, and yet, even at the depth of this recession, Texas pledged $1 billion for the superconducting super collider. Indeed, money from the State often has kept operations on schedule and running smoothly during times of uncertainty due to irregular funding provided by waffling Federal legislators. What kind of message does Congress send to the States if it cancels programs after aggressively pursing and securing financial support from them? What kind of message does it send to our neighbors abroad? Or to the world's scientific community? Can America's scientific efforts be taken seriously in the future if we cannot make the necessary long-term commitments to them?

Mr. Chairman, I recognize that we are clearly in difficult budgetary times, and we can no longer afford to postpone the day of financial reckoning further into our children's future. Some say that the time has come to turn our backs on projects such as the SSC, that the American age of leadership and exploration is a luxury of the past that we can no longer afford. I could not disagree more. The SSC is a project which represents not our glorious past, but rather our hopeful future. It should be viewed as an investment, a step toward a higher level of understanding about the world and universe in which we live, a catalyst for economic advancement which will strengthen our global competitiveness, and a symbol of our Nation's commitment to maintaining its global lead in the field of high energy physics. I think it would be shortsighted and mistaken to undermine America's technological future by killing this project, and I urge my colleagues to reject this amendment.

The CHAIRMAN. The Chair would advise the Members that the gentleman from Kansas [Mr. SLATTERY] has 2½ minutes remaining, the gentleman from New York [Mr. BOEHLERT] has 5 minutes remaining, the gentleman from Texas [Mr. CHAPMAN] has 10 minutes remaining, and the gentleman from Texas [Mr. BARTON] has 6 minutes remaining.

Mr. BOEHLERT. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. HOAGLAND], one of the most articulate opponents of the SSC.

Mr. HOAGLAND. Mr. Chairman, we have been working as hard as we can this session to reduce the Federal deficit. I need not remind anybody that we are asking Americans to reduce Medicare, to reduce our defense capability to what we call "fight one, hold one," to raise revenues, on the promise of significant deficit reduction.

Mr. Chairman, this project is going to cost $11 billion before it is over. It is going to require $62.7 million of taxes out of the State of Nebraska to fund. We hear about spinoffs, but if we need a cancer therapy machine, let us invest in a cancer therapy machine, or a super computer, or a magnetic resonance imaging machine. Let us invest directly in those machines. Let us not spend $11 billion on the hope and the prayer that some of those advances are going to result.

Mr. Chairman, I think this clearly has become the Lawrence Welk home of this session. This is a symbol of our resolve to reduce the deficit. I urge my colleagues to support this amendment.

Mr. CHAPMAN. Mr. Chairman, I yield 3½ minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I rise in strong opposition to this amendment offered by my numerous friends who have all spoken, and there are many: The gentleman from Kansas [Mr. SLATTERY], the gentleman from New York [Mr. BOEHLERT], the gentleman from Nebraska [Mr. HOAGLAND], and I should mention the others, because they would want the publicity, but I will not.

Mr. Chairman, I firmly believe that SSC may be the most important scientific project of our lifetime, certainly the most important one we will pass judgment on as Members of this Congress.

Frankly, it is even more important for us economically to be exploring the innermost particles of matter than visit the corners of outer space. The history of investments in particle physics shows beyond a doubt that the payoffs from the SSC will be enormous. For example, quantum mechanics and related physics discoveries made earlier in this century are said to be responsible for about 20 to 25 percent of our current gross national product.

The SSC is also making a difference today. The SSC is generating employment for more than 15,000 workers nationwide, many of whom are former defense workers who would otherwise be dislocated and underemployed.

As someone from California, I cannot ignore that factor.

Let us be honest about what we are fighting about here today. We have a bit of a bias that results from the fact that this is a project for Texas in the minds of some. It did not look that parochial when there were 43 different sites around the country in competition for it. There was tremendous support here on the floor. However, as we now find ourselves focused on one project in one part of our country, it certainly has lost a lot of its attraction for some of us.

I think we are now seeing ourselves as victims of a reverse NIMBY syndrome. What we are saying is that we want the benefits of this project but we simply do not want to pay for it, unless of course it is gong to be built in our back yard. I think that is not the kind of leadership we need to be showing. It is certainly not the kind of leadership we are seeing in Germany or Japan, where they are not allowing these kinds of parochial judgments to enter into their decisionmaking process.

Mr. Chairman, we hear a lot about little science versus big science. This big machine does thousands of little science projects by thousands of people from all across the world, particularly from 100 research universities in this country. We do not do big science on big science machines, we let scientists who need time on this machine do little science projects they conceive of at home.

This project is, as the gentleman from Texas [Mr. FROST] has said, is just six-tenths of 1 percent of our national research budget. It ought to be funded. We have heard a great deal about the cost estimate, but if we had not stretched out the cost in the appropriations process, in real dollars, we would be on target with the 1990 funding. In fact, I think there are a number of elements of this project that are under budget. It in some ways is setting an example.

The real cost here, if we fail to support this, is for future generations who will not get the benefits of the kinds of investments made in the past that are creating jobs today. If we talk about cheating future generations by adding to the national debt, I understand the point, but we had better understand that the national penchant to avoid investment is also cheating future generations.

This kind of research investment is not going to get done with a reduction in the capital gains tax, Mr. Chairman. This is not going to get done by the private sector. This is the kind of longtime public research investment that must be done if the private sector in the future is to flourish.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Kansas [Mr. SLATTERY], and in support of the superconducting super collider [SSC].

The SSC may be the most important scientific project of our lifetime.

There is simply no way of knowing, with any precision, the full range of benefits that will accrue to our country as a result of this investment.

We can, however, look at the history of investments in particle physics and know that the payoff will likely be enormous.

When the basic secrets of electricity and magnetism were discovered in the 19th century, the consequences—electric lights, air conditioners, worldwide communication, and computers, just to name a few—were unforeseeable.

The discovery of quantum mechanics in the early part of this century provided the basis for lasers and solid state electronics. Quantum mechanics and related physics discoveries alone are said to be responsible for 20 to 25 percent of the current U.S. gross national product.

And, the SSC is already making a difference. The SSC is generating employment for more than 15,000 workers nationwide, many of them former defense workers who would otherwise be dislocated.

General Dynamics, for example, is converting its Connecticut submarine facility to construct the SSC's detectors.

At the SSC facilities, IBM is currently developing a computer system that will process the information from 10,000 floppy disks or 3.7 million pages of information in a single second. This cooperative effort is expected to accelerate the entry of high performance, ultrafast U.S. electronics into the commercial marketplace.

The SSC is also creating the infrastructure needed to provide the United States with the tools to compete in the emerging superconductivity market. An international symposium held last month in Japan estimated that the market for superconductivity will rise from $1.5 billion currently to $8 to $12 billion by the turn of the century.

The SSC will also continue to contribute to the development of new cancer treatments, like proton beam therapy, and enhance other health technologies like magnetic resonance imaging or MRI.

The SSC is also driving other superconducting magnet uses in the energy and transportation fields, including the development of commercially viable magnetically levitated trains.

Even though the SSC is not yet operational, it is already moving these advanced technologies forward and building a solid foundation for strong, economic growth in the future.

In spite of these many benefits, recent attention has focused on alleged cost overruns and management problems.

But what are the facts?

Wipe away all of the half truths and misleading statements, and it becomes clear that the SSC is both under budget and on schedule.

For example, the most recent data from the Department of Energy shows the construction contract, which is approximately 14 percent complete, is now under budget.

Tunneling costs are coming in under budget while also setting world records for tunneling efficiency.

With 17 percent of the project completed, the SSC has had to tap only 3.5 percent of its contingency funds.

This is a great testament to the Department of Energy and the SSC management, and it is the kind of record that is the envy of projects one-hundredth its size.

The SSC has enormous benefits, both near- and long-term. It is under budget. It is on schedule.

But it remains a substantial investment that requires a certain leap of faith to support—a leap not unlike those that our predecessors had to make for our benefit.

Mr. Chairman, in 1831, following a demonstration of the new miracle of electricity, Dr. Michael Faraday was asked of electricity "What use is it?" He is said to have responded, "Sir, of what use is a newborn babe?"

Like a newborn, the full range of contributions that could emerge from the SSC include those we cannot even fathom. We cannot fathom where the SSC will lead us and what benefits it will yield anymore than a new parent can fathom the unequaled joy and love a child can bring.

We are crossing a threshold into the unknown. We are constructing a world-class scientific instrument that will help build a better future for our children and our children's children.

It is an investment we must make. It is a challenge we must meet. And, its reward will be a more competitive America in the future.

I urge a "no" vote on the amendment. I urge a vote for the SSC and a brighter future.

Mr. BARTON of Texas. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. MYERS], the ranking member of the Subcommittee on Energy and Water Development of the Committee on Appropriations.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman for yielding time to me, and I rise in strong support of the SSC and in opposition to the amendment offered by the gentleman from Kansas [Mr. SLATTERY] and the gentleman from New York [Mr. BOEHLERT].

The SSC is the most expensive research machine and program this Nation has ever undertaken. Everyday, we use equipment and technology that someone before us had had the courage to explore and try. We take new metals, plastic, and many other materials for granted.

Scientists tell us the exploration the SSC will be capable of will help us to keep competitive with the world. We owe it to future generations to do this now. Better medical diagnosis will be possible. Treatment of cancer tumors found deep in the body can be treated at the site. The proton beam generated by the SSC's linear accelerator will be used without interrupting physics research. This type of treatment is now successfully being used at both Harvard and Loma Linda University Research Center in California. Because of the SSC's more powerful beam, the most inaccessible areas of the human body will be treated which cannot be treated today with the less powerful beams available.

The CHAIRMAN. The Chair would state that the gentleman from Kansas [Mr. SLATTERY] has 2½ minutes remaining, the gentleman from New York [Mr. BOEHLERT] has 4½ minutes remaining, the gentleman from Texas [Mr. CHAPMAN] has 6½ minutes remaining, and the gentleman from Texas [Mr. BARTON] has 6 minutes remaining.

Mr. BOEHLERT. Mr. Chairman, I yield 2 minutes to my distinguished colleague, the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I am speaking in support of the Slattery-Boehlert amendment. I am working for its passage. I believe passionately in what they are trying to achieve. We have a $4 trillion national debt, and it will increase to $6 trillion in the next 4 years; a budget deficit this year of about $390 billion; interest on the national debt this year of over $300 billion; and this $11 billion public works project.

□ 1620

The United States of America is a science-creating machine without parallel, and the Japanese and the Asian Rim nations are science-consuming machines without parallel.

What we really have is a public works project. The superconducting super collider is basic research. We cannot own it. We will do the work. We will spend the money. But the whole world will learn from this project what we learn.

They are going to spend their money and put it to practical consumer use.

I urge my colleagues to cut this project out now. It is going to go sometime. If it is not this year, it is going to be next year. We simply do not have the money.

Mr. BARTON of Texas. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, before I get into the substance of my comments, let me make a few statements as regards some of the comments that opponents of the SSC have made. One gentleman said that there was an ironclad commitment made the first time we passed an authorization bill on the SSC on the House floor. We did pass that bill, in the House, but it did not go anywhere in the Senate. That bill said that we would build the SSC by 1996, not by 1999 or the year 2003.

It also set goals, not caps, but goals in terms of foreign participation. That is not quite the ironclad commitment that one of my colleagues talked of.

The super collider project is a project that has been under consideration since 1982. The National Science Foundation, and the High Energy Physics Advisory Panel to the Secretary of Energy issued a report in 1983 or 1984 that said that the project should be a national priority, and that the project was technically feasible. The Congress held oversight hearings in 1985 and voted in the Science, Space, and Technology Committee to begin researching the project. In 1986 President Ronald Reagan said that it should be a national priority. In 1987 the Department of Energy began a site selection competition to determine where the project should be located. Over 40 States participated in the site selection process. In 1988 the Department of Energy chose Texas as the site where it would be built.

In 1989 President Bush said that it should be a national priority. Our current President, Mr. Clinton, has also committed to it and said that it should be a national priority.

We spend $76 billion on basic research for the Federal Government. The super collider is six tenths of 1 percent of the basic research budget, six tenths of 1 percent. The SSC is now 17 percent complete, and we will have spent almost $2 billion on the project by the end of this fiscal year.

As we speak, there are four tunnel-boring machines in operation. They have already bored over 9 miles of tunnel. They are boring approximately 1 mile a week, and are setting world records in the process.

Of the contingency fund of $860 million, only 3 percent has been used.

The research conducted by the SSC is something that people cannot do for themselves. If we do not invest in this basic research project at the Federal level, it simply will not be done.

The SSC is our future. We have over 2,000 of the very best minds in the world today working on the super collider, and these minds are not just in Texas, they are at over 100 research universities in this country, and research centers around the world. Many of them have moved to Texas, over 1,600. They have risked their future, and committed their lives to this project. We cannot turn our backs on them. I do not want to be the one to go to the laboratory in Waxahachie, TX, and say I am sorry that you believed us last year, and the year before, and the year before, and that you have moved your family and committed your future, and that you want to be a part of something that will make the world a better place in the 21st century, but the U.S. Congress does not have the guts to fund it.

The SSC is something we know will work. The magnets have been proven to work. The scientists guarantee that in the energy range that the super collider is going to operate at they will discover something. And if past history is any guide, what they will discover will be commercialized, and will make our world a better place in the 21st century.

Please do not vote to kill this project. Let us keep hope alive.

Mr. CHAPMAN. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK. Mr. Chairman, I come before the Congress to say do not turn your back on something that works, do not turn your back on research and development which is going to cause us to keep our place in American society and in world society.

Some have talked about a lot of short-term gains. They look very apparent at this time that they are going to be good. But they are not. Think of the long-term disaster that we are going to face if we do not support the super collider.

I stand in support of the super collider, and if you are wondering why, let me tell you. I am in support of the super collider because it is the only hope for the future for the people I represent. It gives us a chance, the minorities in this country who helped to build this country, a chance to get into jobs that are developed by technology and science, learning how to create new jobs, learning how to go up to the technological barriers that have been there before.

So the excellence in science and in technology has enabled us in America to come to the high standard of living where we are today. Support minority business and support our going further in science and technology.

Mr. CHAPMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, every Member of this institution has developed their own concern about how we do the Nation's business. I would like to share with you mine. Is there not a time when any debate in this institution on any issue ever comes to a closure? I came to this institution hearing about the superconducting super collider. It was an interesting discussion. Through the years I witnessed the debate and cast a vote thinking the judgment had been made.

Then we made it again. And then we made it again. And then we made it again, and $2 billion later I find myself in the well making the same speech about the same judgment.

At some point in every institution you make a final decision. This one was made by Ronald Reagan. This judgment was made and 9,000 people went to work, and a thousand scientists started their work, and $2 billion was spent, and international commitments were made.

The judgment that was made over these 10 years was made for sound reasons, not because we do not understand our economic problems or debts, but because we do. Our economic problems will be solved by growth and by science.

Stay with this judgment. I know it is hard. But the only way out of our economic problems is to grow out of them. Those thousands of scientists, those 9,000 workers, that $2 billion investment are the answer.

Defeat the amendment. Support the super collider. It is the answer.

□ 1630

Mr. BOEHLERT. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. UPTON], who is on the subcommittee and who next week will conduct oversight hearings on the mismanagement of this project.

Mr. UPTON. Mr. Chairman, I might remind the gentleman from New Jersey that it was only last year that this House, in fact, voted to kill the super collider. It was a decision that we all made here, and we hope this year that decision will stick when it gets to the other body.

Mr. Chairman, it is time to end business as usual. That has to end.

Folks, we have a $300 billion deficit. The country coast to coast is demanding that we begin to cut spending.

How many letters does it take to get that message through here? For all of you who demand that we do not raise taxes, I hope that you will be with us as we try to cut spending, because a decision to go ahead with construction of the SSC would be a decision to send good money after bad.

Federal spending continues to run amuck. We are slipping into debt at the rate of $1 billion a day. We cannot afford the things we need let alone the things that we merely want.

The super collider is a want, not a need, and I would urge my colleagues to vote "yes" on this amendment.

Mr. Chairman, a decision to go ahead with construction of the SSC would be a decision to send good money after bad.

Federal spending continues to run amuck. We are slipping into debt at the rate of a billion dollars per day. We can no longer afford the things that we need, let alone those we merely want.

The super collider is a want, not a need. It would be nice to have. I don't doubt that there would be some scientific benefit to having it, but we cannot afford it. It's as simple as that.

The greatest challenge facing this government and this body is to restore America's fiscal health. We can't do this by taxing more or by running the printing presses down at the Treasury Department faster. We can only do it by controlling spending.

Next week, the Committee on Energy and Commerce will hold hearings on the Department of Energy's management of SSC construction. This follows release of a GAO finding that the project is over budget, behind schedule and likely to cost far more than original estimates.

It also follows the unauthorized leak of the DOE inspector general's draft report on sloppy management and inappropriate expenditures related to the SSC. If the IG's findings are accurate, the project has been a daisy chain of questionable expenditures—including plants, Christmas parties, and employee morale. These are serious charges and those of us on the committee will investigate them fully.

If the charges are true, they will further undermine the case for going ahead with the project. Nonetheless, funding the SSC is still an unwise investment. It's meager economic benefits accrue only to the tiny group of people directly involved in its construction and operation.

Mr. Chairman, we're going to get nowhere on controlling Federal spending until we have the guts to cut this kind of spending.

Mr. BARTON of Texas. Mr. Chairman, I yield my remaining 3 minutes to the distinguished gentleman from Texas [Mr. CHAPMAN], and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CHAPMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I support the SSC.

Mr. Chairman, I rise in support of continued funding for the superconducting super collider. The super collider is important for many reasons and makes contributions to many sectors of society.

Not only will the SSC provide for significant advancements in high-energy physics, manufacturing technology, and education in general, it will provide thousands of jobs and hone the skills of thousands who have lost their jobs due to the defense drawdown. The SSC is creating job opportunities for engineers, scientists, and technicians who have lost jobs because of cutbacks in the defense industry. For instance an engineer who lost a job when General Dynamics cut back because of the defense drawdown could easily transfer that talent to the super collider. I honestly believe that the technologies and industries that will be created from the SSC will expand our economic base and provide thousands of jobs.

This project will provide a basis for students' interest in engineering and the sciences. In order to maintain our economic competitiveness in the world, we must continue to be technologically adept. Technological inventiveness requires a steady supply of bright new minds entering the field. Unfortunately, we have seen a drop in the number of students enrolling in science and engineering programs in our universities. We must encourage the youth of our Nation to enter these disciplines to guarantee a foundation for the future.

The superconducting super collider is a project that will stimulate enrollment in these important areas. It will improve higher education both regionally and nationally. This project has recruited top-notch scientists to colleges and universities all over the United States that have taken an active role in this project. Visiting researchers from around the globe will use and improve this facility, rather than our scientists going to other nations. The SSC will have a dramatic appeal to inspire young people to pursue careers in science and engineering. The technology required to build and operate such a project will stimulate high-technology industry, causing a greater need for these students.

If we are to keep pace in today's high-technology world economy, projects such as the super collider are a necessity. It is with a sense of urgency that I call upon my fellow Members to support super collider funding this year, before we lose our competitive advantage.

Mr. CHAPMAN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I rise today in strong opposition to this amendment to kill the super conducting super collider.

Mr. Chairman, the United States has always led the world in scientific research and technological achievement. The SSC will help physicists discover the fundamental nature of matter and energy, which will lead to major advancements in almost every field of technology. Some of the future applications of technology include: High-speed magnetic levitation trains; magnetic energy storage systems for fuel conservation; magnetically propelled ships; and low-loss electric power transmission systems.

Without the SSC, U.S. industry would lose the opportunity to develop an infrastructure for superconductivity in this country, which represents a market estimated to reach $8 to $12 billion by the turn of the century.

Furthermore, a failure to follow through with the SSC will profoundly disturb the credibility of the DOE and the U.S. Government to both the world at large and to our own science community. A failure to build the SSC will disrupt the Nation's current high-energy physics program. This is a balanced program and the SSC is an integral part of its focus.

Mr. Chairman, we need to cut the deficit. But we also need to secure our economic future. The investment in the superconducting super collider represents less than 1 percent of our total Federal research and development budget, yet it is an investment in an area of science that has a proven record of economic return.

I urge my colleagues to defeat this amendment.

Mr. SLATTERY. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. McCURDY], a member of the committee.

Mr. McCURDY. Mr. Chairman, I rise in support of the Slattery amendment.

Mr. SLATTERY. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. KREIDLER].

Mr. KREIDLER. Mr. Chairman, I rise today to urge that we eliminate funding for the superconducting super collider. This multibillion-dollar science project is the kind of runaway spending my constituents want to stop.

As a new Member, I approached this project with an open mind. However, I have come to believe that the SSC is simply too expensive and the benefits are too uncertain to justify spending almost $12 billion in this time of tight budgets. Let me address one argument in particular that the supporters of this project have made.

Some have argued that cutting the SSC will not result in true deficit reduction, because the money would simply be reallocated by the Appropriations Committee. In fact, my colleague from Arkansas, Mr. DICKEY, and I wanted to offer an amendment to ensure that these funds would be used for deficit reduction only, but, were unable to do so due to rules of the House which prohibit legislation on an appropriations bill.

However, even without our amendment, I want my colleagues to be assured that a vote for the Slattery/Boehlert amendment is a vote for short- and long-term deficit reduction. It will save taxpayers almost $12 billion over the next several years.

It is my hope that should this amendment pass, the Congress will be able to engage in a little self-discipline and ensure that this money goes toward deficit reduction, nor further spending.

I urge Members of this body to support the Slattery/Boehlert amendment to cut the SSC. We simply cannot afford it.

Mr. BOEHLERT. Mr. Chairman, I yield myself 1½ minutes, the remainder of my time.

Mr. Chairman, I want to, first of all, compliment the proponents of the SSC. They have very cleverly limited the debate for a very obvious reason. The weight of the evidence is in support of the Slattery-Boehlert amendment to kill this project.

Let me sum up: This is a project that started out in 1985 with a projected cost of $4.4 billion. Here we are in 1993, less than 20 percent completed, and the projected cost now exceeds $11 billion.

The General Accounting Office in a report issued in February of this year said the project is behind schedule and over budget.

The House in 1990 overwhelmingly, by a bipartisan vote, approved a floor of 20 percent foreign contribution. Now, if you are talking about an $11 billion project, that 20-percent foreign contribution should exceed $2 billion, and Japan is supposed to be the biggest contributor. Guess what, we have not seen the first yen yet from the Japanese. As a matter of fact, of the more than $2 billion projected for foreign contributions, we only have $65 million in hand.

This is good science. I will not quarrel with that. It is not priority science, and the message from the American people is absolutely clear: They want this Congress to stick to priorities. They want us to reduce unnecessary spending.

The biggest argument comes from the scientific community itself: Nobel laureates opposed to this project. Why? Because it is crowding out other important areas of science. The National Science Foundation is not able to fund all the worthy applications it receives, neither is the National Cancer Institute.

Put this project to rest. Keep faith with the American people.

Mr. SLATTERY. Mr. Chairman, I yield 30 seconds to my friend, the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, there used to be an old Texas politician named Pappy Daniels. Pappy was later elected Governor and served in Texas.

He used to go around Texas with a little band. He would shake hands with every constituent he could find, and the band would play, and then he would give a speech, and he would promise everybody everything.

Occasionally somebody would say to him, "Pappy, how are we going to pay for all of this?" And he would turn to the band and say, "Fellas, play another tune."

Well, there are people in this country, particularly in certain States, that want the spending but they are absolutely against paying the taxes. So those that do not want to pay the fiddler should have the music stop. If you do not want to pay the piper, enjoy the sounds of silence.

Mr. SLATTERY. Mr. Chairman, I yield 30 seconds to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, if the will of the House had prevailed last year, we would not need to be here debating this same issue this year. While we debate, to no one's surprise, the big ditch in Texas has gotten deeper and our Nation is deeper in debt.

GAO reports:

"Management problems continue to hinder * * * construction * * *" of the SSC.

"As of August 1992 * * * the SSC project was over budget and behind schedule."

"Because of these management problems, affordability issues have arisen * * *"

Just this week a preliminary DOE inspector general's report was released which only served to demonstrate why SSC is and continues to be a budget buster. Some of the bills submitted by the main contractor to DOE included: $18,403 for coffee, $21,369 for green plants for offices, $1,626,605 for relocation costs over 15-months, which is equivalent to $10,844 per person, and $293,668 for car rental and leasing.

This report points out that 40 percent, or $216 million, of the spending represented unnecessary or excessive costs.

Regardless of the scientific merit of this project, the management issues are a matter of grave concern.

The total estimated cost is not yet known, but the project's total cost will exceed $11 billion—more than double the original estimate.

And the foreign contributions that have repeatedly been promised are still mostly illusory. Although the Department of Energy set a goal of $1.7 billion in foreign contributions to the SSC, it is confident of obtaining only about $400 million.

Little of this information is really news—only the numbers have changed. And, the spending continues.

In our family budgets, we know that our wants always exceed our needs. It is the same with the Federal budget. In the case of the SSC, it is not protons that are colliding—it is our Nation's needs and wants.

Let us say "No" to SSC and say it now.

Mr. SLATTERY. Mr. Chairman, I yield myself the balance of my time.

In summary, my friends, let us look at the basic irrefutable facts again. Fact No. 1, this project was projected to cost $4.4 billion. It is now going to cost at least $11 billion.

The General Accounting Office says this project is over budget and behind schedule.

□ 1640

The inspector general of the Department of Energy says this has been ill-managed at best in the last few years.

In addition to that, last year, and in previous years, we were told there would be $1.7 billion in foreign contributions. We do not have that money, my friends. Last year, this body voted 232 to 181 to kill the super collider. Last year, we also passed the Walker-Brown amendment. It said if we did not have $650 million in the bank by April 1 from foreign countries, we would unplug the super collider. Let us keep our word, this body's word, with the American people and unplug the super collider like we said we would.

Mr. CHAPMAN. Mr. Chairman, it is my understanding the debate time has expired for the other side.

I yield such time as he may consume to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS of Texas. Mr. Chairman, I rise in support of the superconducting super collider and in opposition to this amendment.

Mr. CHAPMAN. Mr. Chairman, I yield the balance of our time to the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman and Members of the House, I urge you to vote against this amendment and for the continuation of this project. I first want to argue that this should not necessarily be a debate about the budget. I understand my friend, the gentleman from Kansas [Mr. SLATTERY] and others who would argue that if the money can be cut out, we can cut the deficit by that much this year and in the years ahead. I understand that.

I think the likelihood is that the money would not go toward the deficit. This budget is under its cap. In fact, it is $64 million under its cap. The likelihood is that if the money is knocked out for this project, knowing the feelings of some in the other body, it would be likely that at the end of the day the money would be spent on water projects.

Now, some may argue that water projects are better than this project, but I would urge you to understand that this is probably not a debate about the budget or the budget deficit; it is a debate about whether or not this is a good project.

That is what the debate is about. And I want to urge Members to understand, or at least to consider, that this is a good project that is vital to the economic future of this country.

Mr. Chairman, I was at the graduation ceremony at Northwestern University a year ago; I was honored with an honorary degree. One of the other people being honored there was Bob Galvin, chairman of the board at Motorola.

During the graduation exercise, he turned to me and said, "I certainly hope," and this is a year ago, "that the Congress will vote for the collider project." I said, "Bob, why do you even care about it? You are in the cellular phone business and the pager business." He said, "What you need to understand is that the success of my company," which has doubled and tripled and quadrupled in sales over 20 years, "is directly related to the basic research that has gone on at the Fermilabs and the collider that is in Illinois." He said, "When you were a young man in chemical class in high school, there were probably 90 elements that were on the chart of physical elements. Today, there are many more than that because of the basic research in physics that has been done with these collider projects."

He said, "The whole development of newer products and new technology comes from our ability to break down atomic particles, to have more information about the subatomic particles." He said, "The problem with it is a 20-, 30-year lead time. If you will give our scientists the basic research information, which we can never afford to produce, they will find the new products."

He said, "I can't guarantee it to you, I can't show it to you in black and white, but I know it to be true." And then he said this, "America has always been the leader and, therefore, had a high standard of living because we have always had the leadership, courage to spend the money to make the investments in basic research projects like this one."

Ladies and gentlemen of the House, this is a vote about our future. I am deeply worried about the standard of living in this country, where it is going, where it is, and will be 20 years from now.

We face the toughest competition we have ever faced. Japan and Germany and others on one side, Thailand, China, Mexico, and others on the other side. A lower standard of living in one case, a higher standard of living in the other. But I know one thing, if we are to compete and we are to have a higher standard of living, we have got to make these long-term investments in the basic scientific knowledge that lies at the heart, at the heart of our economic ability, and our ability to have a high standard of living.

Mr. Chairman, I urge Members to reject the idea that somehow we are going to save a lot of money and stand for voting this project, for our children and our grandchildren and their jobs and their standard of living. That is what is at stake.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in strong support of the amendment offered by the gentlemen from Kansas and New York, which would reduce the energy and water development appropriations bill by $400 million by terminating the superconducting super collider project.

I do not call for this project's termination because I believe that it is in any way unimportant. It is clearly important and the research generated by it may provide many beneficial byproducts at some point in the future. My problem with the superconducting super collider is that at this time we simply cannot afford it.

Over the past few weeks, the Members of this House and the Members of the other body have been going through a wrenching debate on our national priorities. A discussion about many of the programs that the most vulnerable of my Chicago district constituents count on for help, have been proposed for dramatic retrenchment. Programs like Medicare and Medicaid, which allow us to provide minimal health care to some of our poor and elderly, and empowerment zones which stimulate job growth where it is needed most in our center cities, suburban and rural communities have all been on the chopping block. I cannot support this project and at the same time watch as some in Congress dismantle the programs that would help the poor residents in my district on the west side of Chicago redevelop their neighborhoods. I cannot support this project as we dramatically decrease the disproportionate share payments to hospitals which provide the most basic health care services for many residents in my community like Cook County General Hospital.

Our job as Members of Congress is to rank the priorities of our Nation. That process by its nature causes us to make very difficult tradeoff decisions. When we stack up all of the instances that we are being forced to cut back and all of the needs that are slated to go unfulfilled, I do not believe that the super collider, in spite of its benefits, can take precedence over our many immediate problems.

Mr. Chairman, after I listen to all of the claims about this project's benefits and possible future usefulness I am left unmoved. Not because I do not believe it is useful because I am sure it has usefulness. I am unmoved because I am not convinced that a superconducting super collider is one of our most important priorities. I urge the Members of this House to think carefully about all of our real needs when they cast their vote. If they do, I believe they will come to the same conclusion that I have. Cut the collider.

Mrs. MALONEY. Mr. Chairman, I rise in strong support of the amendment.

Mr. Chairman, the super collider is a super mess and a recent Government audit confirms it.

The inspector general of the Energy Department has found that over $216 million—over 40 percent—of super collider contracts were either overpriced or unnecessary.

In fact, the only collision to date has been between the original budget estimates and fiscal realities.

Yesterday, we debated ending the biggest pork barrel ever shot into space; today we're debating an end to the biggest pork barrel ever dug underground.

The super collider will cost over $11 billion; that is more than $7 billion over the original estimated cost of $4.4 billion.

That cost overrun has included: $54,000 for tropical plants; $35,000 for a staff Christmas party; and, $122,000 for unspecified staff moral support.

I'm opposed.

I urge my colleagues to support the Slattery-Boehlert amendment.

Mr. VENTO. Mr. Chairman, I rise today in support of the amendment and to reaffirm my opposition to continued funding for the superconducting super collider [SSC].

During the last 2 days the talk on this floor has centered on what is best for the country, on what is best for Americans. Supporters of the SSC, like the supporters of the space station *Freedom*, want us to believe that these projects hold the very key to our continued prosperity; without them we will have no future because our children will lose faith in our Nation's commitment to greatness. This is erroneous; such symbolism is no substitute for commonsense programs that deal with the needs of future generations.

Mr. Chairman, the children of America do not fall asleep at night dreaming of being the next Issac Newton, Albert Einstein, or Stephan Hawking. No doubt this is our failure. We need inspired, visionary men and women to lead us in all our endeavors, especially the sciences. But the super conductor is simply the wrong star to which to attach our dreams. While the idea of living in space and traveling among the heavens in a space station may capture a child's imagination, I doubt very much that the thought of particle science spinning out of Waxahachie, TX, will ever prove as captivating.

On the other hand, if the real goal is to excite children to learn math and science again, we should then seriously address the problems and hurdles that distract us from achieving such goals. For instance, we have all heard by now about the systemic barriers that exist and prevent our young women from reaching their full potential in math and science. Perhaps we can agree today to support and fund the Gender Equity in Education Act and enfranchise the 50 percent of the population that is discouraged. Another important early intervention action could come through Head Start pre-school programs. Despite its proven effectiveness and authorization for full funding of this program, we are barely halfway in meeting the needs of Head Start. The same can be said for the insufficient funding of the Pell grant program. There is no better way to ensure our Nation a continuous supply of bright, innovative new scientists than to ensure that everyone with the potential and desire to be scientists has access to the necessary education. Why don't we agree to better fund these vital programs today rather than continuing to support the super collider? Our current policy path of funding the elite science projects based on political horsepower, while increasing numbers of kids, one in four who live below the poverty level, can't get an education is morally wrong and personifies our fiscal and human deficits with all their inequities.

Mr. Chairman, it is not that I am opposed to funding for the SSC because it lacks scientific merit. I think most Members here would agree that, from a strictly scientific standpoint, the super collider is a worthwhile endeavor. And under different circumstances I have no doubt that there would be very little opposition to this project. In fact, as a science educator, my inclination is to provide strong support for most research. But before funding grandiose projects designed to answer the most basic question "What are the constituent parts of matter?" we must do more to address the basic needs that keep our public constituency intact. Mr. Chairman, that is where our priority should be focused. We cannot just wish for a brighter future, we must act to shape our future.

If the physics behind the SSC is good, the management has, unfortunately, fallen far short. The hoped-for commitments from other nations have not materialized and, of course, the marketplace can't or won't fund the SSC program. Rather, the great entrepreneurs who like only the profits and not the risk part of the free market look to the U.S. taxpayer yet once again. It disturbs me that so many Members continue to decry "government waste," yet when a blatant example of real waste is staring them in the face they refuse to recognize it. The Department of Energy inspector general's report has not been officially released, but the facts in the report are clear and should not be disregarded by this House. The report says in all "forty percent of the expenditures on the SSC so far have been unnecessary, excessive, or represent[s] uncontrolled costs." How does that jive with the constant and renewed promises of low-cost and efficiency by the advocates of the SSC project? If we ignore this report and vote today to continue funding for the super conductor, well then, we really will be sending our children an unfortunate message: Thanks for the party. Please clean up and pay the bill on your way out.

Mr. Chairman, I urge my colleagues to support the Slattery-Boehlert amendment and vote to kill the superconducting super collider. The taxpayer price is simply too high.

Mr. EWING. Mr. Chairman, I rise in support of the Slattery-Boehlert amendment to cut funding for the superconducting super collider [SSC].

The SSC project was originally expected to cost $4 billion and the taxpayers have already spent $1.6 billion. Now we are told that the program will cost more than $11 billion in construction and operating costs could be as much as $1 billion per year.

This program is extremely expensive, and the cost estimates keep rising. If the Congress is going to continue to pour billions of tax dollars into it, we had better be sure this is a program which will have some clear benefit to the taxpayers. The SSC does not pass this test. In fact, the Department of Energy ranked the SSC 10th in its list of priority programs. This is hardly a vote of confidence in the merits of the program.

Reports on the SSC conducted by the General Accounting Office and the Congressional Budget Office have raised questions about the program such as schedule performance and cost monitoring. If we are going to spend the taxpayers' money on this program we had better be sure the money is being spent wisely. Once again, the SSC fails the test.

When the SSC project was begun it was expected that a large part of the funding would come from foreign contributions. However, foreign cash contributions so far have been less than 1 percent. If our foreign partners do not find the program worthy of their financial support, why should the United States?

This program continues to consume more and more of the Federal dollars available for scientific research, taking away resources which would otherwise be available for programs with clear merit and clear benefit.

Mr. Chairman, the American people are demanding that Congress and the President cut spending and balance the budget and make the tough choices necessary to get our fiscal house in order. Almost every day I hear my colleagues on both sides of the aisle come to the floor to talk about cutting spending. Now is the time to make good on those promises to make tough choices.

Mr. Chairman, I urge my colleagues to support the Slattery-Boehlert amendment to put an end to the SSC. Let's cut our losses and do the taxpayers a favor.

Mr. BEREUTER. Mr. Chairman, this Member rises in strong support of the Slattery-Boehlert amendment to terminate funding for the superconducting super collider. It would be acceptable to fund this massive project if we had the resources, and if it didn't delay or prevent other valuable research and development projects; however, despite any assurances to the contrary, that obviously is not the case.

Last year, this Member and others voted in a bipartisan effort to eliminate funding for the superconducting super collider. However, Senate and House conferees ignored this important House mandate and restored funding for the project in the House-Senate compromise legislation.

This Member has consistently opposed funding for the SSC because it is a project we simply cannot afford. The massive amount of funds the SSC project requires—undoubtedly underestimated like all huge, boondoggle public works and science projects—will drain funds from other worthy science and research and development programs.

In their report entitled, "SSC is Over Budget and Behind Schedule," the GAO notes that in 6 years the Department of Energy [DOE] has increased its estimated cost of the SSC project from $5.3 to $8.25 billion. Now, GAO reports that cost estimates for the SSC will exceed $11 billion.

Mr. Chairman, it is clear that these cost estimate increases will not be covered by foreign contributions for the SSC project. The DOE admits there is likely to be a shortfall of $1.3 billion in these contributions. In February of this year, Taiwan—a significant contributor—wisely withdrew its support for the project.

Mr. Chairman, for these reasons and more, this Member remains opposed to funding the superconducting super collider project. It is a giant gopherhole we cannot afford at a time when we have huge deficits and many more important priorities. Furthermore, we will forgo many other valuable scientific research and development projects and programs America desperately needs to maintain its technological competitiveness. Therefore, I support the amendment offered by the distinguished gentlemen from New York and Kansas.

Mr. KLECZKA. Mr. Chairman, I rise in strong support of the Slattery amendment to end funding for the superconducting super collider.

It's bad enough that this $11 billion physics experiment drains millions of taxpayer dollars each year, but now I am hearing some very disturbing reports about this project.

According to the Los Angeles Times and Wall Street Journal, our constituents' tax dollars being poured into this project have been wasted on Christmas parties, catered lunches, and office plants.

Additionally, a draft audit of the super collider by the inspector general of the Energy Department questions as much as 40 percent of the funds paid to subcontractors for this project. According to this audit, $216 million in expenditures examined by the inspector general were excessive or unnecessary, or represented uncontrolled growth of cost. For example, taxpayers bought four $725 lounge chairs for this project. I can't, in good conscience, support a project which has engaged in such waste.

If this mismanagement is typical of how the super collider is being constructed then there is no wonder that the project is behind schedule and over budget.

Our Nation has some tough choices to make. It's time that we realize that we have to cut wasteful projects that don't deliver. Yesterday, 112 Members from the other side of the aisle—Members who voted against budget reconciliation claiming that there were not enough spending cuts—voted for wasteful spending. Well you can't have it both ways. If you claim to be against wasteful spending then you must vote for the Slattery amendment. I hope those 112 Members don't make the same mistake today.

The time has come for every person in this House to realize that when the people of America demand cut spending, they are talking about programs like the space station and the super collider. I urge all Members who oppose wasteful spending to join me in voting for passage of the Slattery amendment and putting some of this wasteful spending to an end.

Mr. SMITH of Texas. Mr. Chairman. I supported the Republican budget alternative plan earlier this year that would reduce the deficit by $430 billion over the next 5 years.

It was very difficult in formulating this budget to decide which programs to keep and which to cut. Yet the Republican budget alternative retained funding for the superconducting super collider.

Funding was maintained because the SSC represents an investment in the technological future of the Nation.

The wealth of nations rests upon their abilities to harness new technologies. And building and operating the SSC will push American superconducting technology to the cutting edge. It will open new frontiers of science. And it will answer questions regarding the fundamental nature of the universe.

The SSC represents only six-tenths of 1 percent of the entire basic research budget of the United States. But it will become the world's focus for high-energy physics research.

I urge my colleagues to vote against the Slattery amendment and support America's future competitiveness—support the SSC.

Mr. KANJORSKI. Mr. Chairman, I rise today in support of the amendment offered by Representatives SLATTERY and BOEHLERT to eliminate funding for the superconducting super collider project for many of the same reasons I supported Representatives ROEMER, ZIMMER, SHAYS, and other, yesterday in their efforts to eliminate funding for the space station. I believe that we as a nation cannot afford to fund either the space station or the SSC at this time.

As a strong supporter of scientific progress, I am fascinated by the technology behind both the SSC and the space station. I share the enthusiasm of the researchers working on these projects, which may ultimately lead to tremendous scientific advances which will improve the quality of all of our lives.

However, those advances are still highly speculative and come at an extraordinarily high price. I have heard supporters of these two programs argue that spinoff technology can lead to advances in manufacturing, sciences, medical breakthroughs, and other valuable innovations.

I believe the Federal Government can play an important role in encouraging scientific research and development, but we must be prudent in our expenditure of funds and focus on those areas of research which provide the greatest potential for improving the quality of life for our citizens.

If we had adequate resources, I would support funding the space station and the SSC. Unfortunately, we are dealing with fiscal limitations and constraints that require us to make tough choices about how we spend our limited Federal dollars. I cannot justify having the Federal Government fund either of these programs while we are struggling to cut $500 billion over 5 years from our deficit and congressional leaders are discussing cuts in Medicare, which provides health care to our elderly citizens.

The fact of the matter is that we can no longer fund each and every project that is put before us. We must establish our priorities, and we must stick to those priorities until the deficit is brought under control.

Mr. Chairman, colleagues, there is a difference between programs we should eliminate because they are a waste of the taxpayers' money and programs we should stop funding, perhaps only temporarily, because of the precarious financial situation we as a nation find ourselves in. Both the SSC and the space station fall into the latter category.

It is clear that we can not, at this point, continue to fund the space station or the SSC. For this reason, I support the amendment by Representatives SLATTERY and BOEHLERT and I urge my colleagues to do the same.

Mr. REED. Mr. Chairman, I rise in strong support of the Slattery-Boehlert amendment to cut funding for the superconducting super collider [SSC], the Coppersmith-Sharp amendment to cut funding for the advanced liquid metal reactor [ALMR], and the Markey amendment to cut funding for the SP–100 space-based nuclear reactor.

Much like the vote to eliminate the space station, there are votes about saving the taxpayers' money and making tough choices on our Nation's budget priorities.

I agree with supporters of the SSC that scientific research is important and that examining the nature of the universe is a worthwhile endeavor. However, the economy and the deficit are far more important.

The SSC is a program whose cost has increased 90 percent over the last 3 years. It is a project that consumes proportionally more and more of our Nation's scientific research budget, much to the detriment of the more cost-efficient, small-scale basic research that is performed in thousands of labs by far more scientists than are involved in the SSC. It is a project that is too much, too soon.

In addition, as my colleagues know, last year, the House voted to end the SSC Program, but the project was revived in the other Chamber. It is my hope that this year the other body continues its recent trend of concentrating on spending cuts and eliminates the SSC.

I also plan to support the Coppersmith amendment to eliminate the advanced liquid metal reactor [ALMR]. First, I oppose the ALMR because it is not a national priority. Indeed, the Department of Energy rated the ALMR as number 21 out of 23 national research projects. Second, the ALMR increases the chances of nuclear proliferation because its nuclear fuel cycle uses plutonium, the basis of nuclear explosives. In the early 1980's, the integral fast reactor program, the predecessor of the ALMR, was terminated for this very reason. Third, claims that the ALMR is important to private industry are dubious because the private sector has avoided the program and because there are more productive methods of nuclear waste disposal.

In the case of the SP–100, it is simply another project without a mission. The SP–100 was originally developed as a power source for star wars, and over time each Federal agency involved in the SP–1100 has turned its back on the projects. Like the SSC, the SP–100's costs have continually exceeded cost projections. Most important the administration has recommended terminating the program.

Mr. Chairman, in a perfect world with no budget deficit and a vibrant economy, we could afford projects that excite the explorer in all of us. However, we have a budget deficit and sluggish economy, and we simply cannot afford these projects.

The CHAIRMAN pro tempore (Mr. KLECZKA). All time on the amendment has expired.

The question is on the amendment offered by the gentleman from Kansas [Mr. SLATTERY].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SLATTERY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 280, noes 150, not voting 9, as follows:

[Roll No. 269]

AYES—280

Abercrombie
Allard
Andrews (ME)
Applegate
Archer
Baesler
Baker (CA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Boehlert
Brewster
Brown (OH)
Bunning
Burton
Byrne
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Crane
Danner
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dickey
Dingell
Dooley
Doolittle
Duncan
Durbin
Edwards (CA)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Ewing
Farr
Fawell
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Gejdenson
Gekas
Gillmor
Gilman
Glickman
Goodling
Gordon
Goss
Grandy
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hancock
Harman
Hastert
Hefley
Hefner
Herger
Hoagland
Hobson
Hoekstra
Hoke
Holden
Houghton
Huffington
Hughes
Hutchinson
Hutto
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink

Klug
Knollenberg
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
Lazio
Leach
Lehman
Levin
Levy
Lewis (FL)
Lewis (GA)
Linder
Lipinski
Long
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Mazzoli
McCandless
McCurdy
McDermott
McHugh
McInnis
McKeon
McKinney
McMillan
Meehan
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Montgomery
Morella
Murphy
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Parker
Paxon
Payne (NJ)
Pelosi
Penny
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Richardson
Ridge
Rohrabacher
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Sabo
Sanders
Sangmeister
Sawyer
Saxton
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Slattery
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Snowe
Solomon
Spratt
Stark
Stearns
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Thomas (WY)
Thornton
Thurman
Torkildsen
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Walker
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Young (FL)
Zeliff
Zimmer

NOES—150

Ackerman
Andrews (NJ)
Andrews (TX)
Armey
Bacchus (FL)
Bachus (AL)
Baker (LA)
Bartlett
Barton
Bateman
Bentley
Bevill
Bishop
Blackwell
Blute
Boehner
Bonilla
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Bryant
Buyer
Callahan
Chapman
Coleman
Combest
Cox
Coyne
Cramer
Crapo
Cunningham
Darden
de la Garza
de Lugo (VI)
DeLay
Derrick
Diaz-Balart
Dicks
Dixon
Dornan
Dreier
Dunn
Edwards (TX)
Emerson
Everett
Fazio
Fields (LA)
Fields (TX)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gephardt
Geren
Gibbons
Gilchrest
Gingrich
Gonzalez
Goodlatte
Grams
Green
Hall (TX)
Hansen
Hastings
Hayes
Hilliard
Hochbrueckner
Horn
Hoyer
Hunter
Hyde
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Kolbe
Kopetski
LaRocco
Laughlin
Lewis (CA)
Lightfoot
Livingston
Lloyd
Lowey
Matsui
McCloskey
McCollum
McCrery
McDade
McHale
McNulty
Meek
Mica
Michel
Mineta
Mollohan
Moorhead
Moran
Murtha
Myers
Nadler
Natcher
Ortiz
Oxley
Packard
Pastor
Payne (VA)
Peterson (FL)
Pickett
Pickle
Quillen
Reynolds
Roberts
Roemer
Rogers
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rush
Santorum
Sarpalius
Schaefer
Schenk
Schiff
Scott
Skelton
Smith (IA)
Smith (TX)
Spence
Stenholm
Stump
Taylor (NC)
Tejeda
Thomas (CA)
Torres
Torricelli
Towns
Traficant
Underwood (GU)
Volkmer
Vucanovich
Whitten
Wilson
Yates
Young (AK)

NOT VOTING—9

Faleomavaega (AS)
Henry
Hinchey
Kasich
Manton
Skeen
Synar
Thompson
Tucker

□ 1709

The Clerk announced the following pair:

On this vote:

Mr. Tucker for, with Mr. Manton against.

Messrs. PASTOR, RUSH, and YATES changed their vote from "aye" to "no."

Mr. MCDERMOTT, Mr. SPRATT, Ms. NORTON, and Messrs. ALLARD, MONTGOMERY, KLEIN, FARR of California, STOKES, and CLAY changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title III?

□ 1710

Mr. BEVILL. Mr. Chairman, I ask unanimous consent that the remainder of the bill through page 38, line 19, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The text of the bill through page 38, line 19, is as follows:

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, as amended, notwithstanding section 405 of said Act, and for necessary expenses for the Federal Cochairman and the alternate on the Appalachian Regional Commission and for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by section 3109 of title 5, United States Code, and hire of passenger motor vehicles, to remain available until expended, $189,000,000.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the Defense Nuclear Facilities Safety Board in carrying out activities authorized by the Atomic Energy Act of 1954, as amended by Public Law 100-456, section 1441, $15,060,000, to remain available until expended.

DELAWARE RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Delaware River Basin Commission, as authorized by law (75 Stat. 716), $333,000.

CONTRIBUTION TO DELAWARE RIVER BASIN COMMISSION

For payment of the United States share of the current expenses of the Delaware River Basin Commission, as authorized by law (75 Stat. 706, 707), $488,000.

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

CONTRIBUTION TO INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

To enable the Secretary of the Treasury to pay in advance to the Interstate Commission on the Potomac River Basin the Federal contribution toward the expenses of the Commission during the current fiscal year in the administration of its business in the conservancy district established pursuant to the Act of July 11, 1940 (54 Stat. 748), as amended by the Act of September 25, 1970 (Public Law 91-407), $498,000.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act of 1954, as amended, including the employment of aliens; services authorized by section 3109 of title 5, United States Code; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms, official representation expenses (not to exceed $20,000); reimbursements to the General Services Administration for security guard services; hire of passenger motor vehicles and aircraft, $542,900,000, to remain available until expended, of which $22,000,000 shall be derived from the Nuclear Waste Fund: *Provided*, That from this appropriation, transfer of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That moneys received by the Commission for the cooperative nuclear safety research program, services rendered to foreign governments and international organizations, and the material and information access authorization programs, including criminal history checks under section 149 of the Atomic Energy Act of 1954, as amended, may be retained and used for salaries and expenses associated with those activities, notwithstanding the provisions of section 3302 of title 31, United States Code, and shall remain available until expended: *Provided further*, That revenues from licensing fees, inspection services, and other services and collections estimated at $520,900,000 in fiscal year 1994 shall be retained and used for necessary salaries and expenses in this account, notwithstanding the provisions of section 3302 of title 31, United States Code, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 1994 from licensing fees, inspection services and other services and collections, excluding those moneys received for the cooperative nuclear safety research program, services rendered to foreign governments and international organizations, and the material and information access authorization programs, so as to result in a final fiscal year 1994 appropriation estimated at not more than $22,000,000.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, including services authorized by section 3109 of title 5, United States Code, $4,800,000 to remain available until expended; and in addition, an amount not to exceed 5 percent of this sum may be transferred from Salaries and Expenses, Nuclear Regulatory Commission: *Provided*, That notice of such transfers shall be given to the Committees on Appropriations of the House and Senate: *Provided further*, That from this appropriation, transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That revenues from licensing fees, inspection services, and other services and collections shall be retained and used for necessary salaries and expenses in this account, notwithstanding the provisions of section 3302 of title 31, United States Code, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 1994 from licensing fees, inspection services, and other services and collections, so as to result in a final fiscal year 1994 appropriation estimated at not more than $0.

NUCLEAR WASTE TECHNICAL REVIEW BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Nuclear Waste Technical Review Board, as authorized by Public Law 100–203, section 5051, $2,160,000, to be transferred from the Nuclear Waste Fund and to remain available until expended.

OFFICE OF THE NUCLEAR WASTE NEGOTIATOR

SALARIES AND EXPENSES

For necessary expenses of the office of the Nuclear Waste Negotiator in carrying out activities authorized by the Nuclear Waste Policy Act of 1982, as amended by Public Law 102–486, section 802, $1,000,000 to remain available until expended.

SUSQUEHANNA RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Susquehanna River Basin Commission as authorized by law (84 Stat. 1541), $308,000.

CONTRIBUTION TO SUSQUEHANNA RIVER BASIN COMMISSION

For payment of the United States share of the current expenses of Susquehanna River Basin Commission, as authorized by law (84 Stat. 1530, 1531), $298,000.

TENNESSEE VALLEY AUTHORITY

TENNESSEE VALLEY AUTHORITY FUND

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. ch. 12A), including purchase, hire, maintenance, and operation of aircraft, and purchase and hire of passenger motor vehicles, $138,973,000, to remain available until expended.

UNITED STATES ENRICHMENT CORPORATION FUND

(INCLUDING TRANSFER OF FUNDS)

An amount not to exceed $10,000,000 collected from foreign customers at the rate of $5 per separative work unit shall be transferred by the United States Enrichment Corporation to the Department of Energy on September 30, 1994; and, in addition, all collections in excess of $10,000,000 shall be credited to this appropriation.

TITLE V—GENERAL PROVISION

MINORITY PARTICIPATION IN THE SUPERCONDUCTING SUPER COLLIDER

SEC. 501. (a) PROGRAM IMPROVEMENTS.—Section 304 of the Energy and Water Development Appropriations Act, 1993 (Public Law 102–377; 106 Stat. 1339) is amended—

(1) in subsection (a)—

(A) by striking "owned or controlled" and inserting "that (1) are owned and controlled";

(B) by inserting after "Native Americans" the following: "; or (2) are small business concerns that are at least 51 percent owned by 1 or more women and whose management and daily business operations are controlled by 1 or more women"; and

(C) by striking the last sentence;

(2) by inserting "and (d)" after "(6) each place it appears; and

I3) by adding at the end the following new subsection:

"(c) ADMINISTRATION OF PROGRAM.—

"(1) CERTIFICATION REQUIREMENT.—A business concern or other organization shall be eligible for participation under this section only if it has been certified as meeting the requirements specified in subsection (a) by the Small Business Administration, or by a State, local, regional, or other organization designated by the Small Business Administration.

"(2) RECORDS AND REPORTS.—The Secretary of Energy, with respect to the Superconducting Super Collider project, shall—

"(A) submit to the Congress copies of—

"(i) each subcontracting report for individual contracts (SF294) required under the Federal Acquisition Regulation (48 CFR chapter 1) to be submitted by a contractor or subcontractor with respect to the project; and

"(ii) each summary subcontract report (SF295) required under the Federal Acquisition Regulation (48 CFR chapter 1) to be submitted by a contractor or subcontractor with respect to the project; and

"(B) maintain accurate information and data on the amount and type of subcontracts awarded by each contractor or subcontractor under the project and the extent of participation in the subcontracts by socially and economically disadvantaged individuals and economically disadvantaged women referred to in subsection (b).

"(3) CATEGORIES OF WORK TO BE INCLUDED.—The Secretary of Energy shall, to the fullest extent possible, ensure that the categories of work performed under contracts entered into pursuant to this section are representative of all categories of work performed under contract for the Superconducting Super Collider project.

"(4) AUDITS.—The Secretary of Energy shall conduct periodic audits to verify the continuing compliance of prime contractors and subcontractors with the requirements of this section. For such purpose, the Secretary shall have access to such reports and records of prime contractors and subcontractors as the Secretary determines to be necessary.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fiscal year 1994 and thereafter.

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. DINGELL. Mr. Chairman, I rise to make a point of order on the energy and water appropriations bill, H.R. 2445, regarding language in title IV, on page 35, lines 17 through 25, inclusive.

Mr. Chairman, this is violative of the rule against legislating in an appropriation bill. This provision, which is entitled "United States Enrichment Corporation Fund," is legislation in an appropriation bill, in violation of rule XXI, clause 2, of the House of Representatives.

Mr. Chairman, this provision directs the corporation to collect $10 million from its foreign customers at a specified rate and to transfer the funds to the Department of Energy, DOE, on September 30, 1994.

Mr. BEVILL. Mr. Chairman, I concede the point of order.

The CHAIRMAN (Mr. HUGHES). For the reasons advanced by the distinguished gentleman from Michigan [Mr. DINGELL], the point of order is sustained.

Mr. STARK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had intended to offer an amendment at the conclusion of the reading, and I shall not, in the interest of time and a speedy conclusion. I would like, however, to suggest what the amendment was and engage in a brief colloquy with the distinguished chairman of the subcommittee.

The amendment would have prohibited funding nearly $2 million for what is called PLYWHD, the precision low yield warehouse design. I can sum that up by suggesting that these are called mini- or micronukes, the Uzis of the nuclear weapons arsenal.

There is no need for these, Mr. Chairman, and indeed they would send the wrong message to many people.

Let me talk briefly about three issues that concern me if we were to develop these mininukes. There is currently a law against testing new weapons in this country, so that any money we might spend would be wasted, because if a weapon were developed, we could never be sure of its efficacy without testing, and I hope we would not change the law against new testing.

Second, these weapons are intended to be used against personnel in the field or in combat situations, indeed, used against the very Third World nation forces who we are now trying to convince to stop nuclear proliferation. It would send the wrong signal.

One, it would not work; two, it would send the wrong signal to the very nations that we are trying to convince not to expand their nuclear weaponry.

It is the opinion of this gentleman and the purpose of the amendment that the development of low-yield nuclear weapons by the United States or any other country which this would encourage should be strongly discouraged. It is my hope that the authorizing committee will seek to eliminate this, or that the other body may not indeed authorize the appropriation.

Mr. Chairman, I would like at this point to inquire of the distinguished chairman, the gentleman from Alabama [Mr. BEVILL], that had I offered this amendment, if the gentleman might have found it meritorious and been inclined to support it?

Mr. BEVILL. Mr. Chairman, if the gentleman will yield, I certainly commend the gentleman from California [Mr. STARK] for his amendment. I think it has a lot of merit, and I do appreciate the gentleman not offering it.

Mr. STARK. Mr. Chairman, I know there is one other gentleman in the Chamber who appreciates my not offering it because he would oppose it. I would like to yield at this time to the distinguished gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to bring to the attention of Members that I will not seek additional time because both of us are aware of everyone's schedule this evening.

Mr. Chairman, I would have opposed the amendment had it been offered, because had it been offered, it might have precluded the briefing of the Nuclear Weapons Council on the study that the gentleman from California [Mr. STARK] referred to.

There has been great interest in studying options for low yield nuclear weapons for precision strikes such as strikes against deeply buried targets.

As the gentleman from California [Mr. STARK] indicated, there was no money last year, there is no money this year, and there will be no money next year. So an amendment that would have excluded the expenditure of money for this purpose is really unnecessary, and, therefore, I do not think we need to spend any additional time on the matter.

Had the amendment been offered, I would have opposed it.

Mr. STARK. Mr. Chairman, as I say, $2 million may not be a lot of money, but it certainly in this bill would have been an ounce of prevention.

The CHAIRMAN. Are there further amendments to titles IV and V?

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 38, after line 19, add the following new sections:

SEC. 502. COMPLIANCE WITH BUY AMERICAN ACT

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. 503. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 504. PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, this is a buy-American amendment.

Mr. Chairman, I yield to the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Chairman, we are familiar with this amendment, and I have no objection to it.

Mr. TRAFICANT. Mr. Chairman, I yield to the ranking member, the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, the gentleman has discussed this amendment with us. With the exception of the last section, it has been in the law before. We accept it.

Mr. TRAFICANT. Mr. Chairman, I ask for the cooperation of the House in accepting the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read the last two lines of the bill.

The Clerk read as follows:

This Act may be cited as the "Energy and Water Development Appropriations Act, 1994".

Ms. MOLINARI. Mr. Chairman, I rise in support of H.R. 2445, the Energy and Water Appropriations Act for fiscal year 1994. This legislation will help move the country forward in the areas of energy, environment, and transportation. For their work on this legislation, I commend the chairman of the subcommittee, Mr. BEVILL, and the ranking Republican, Mr. MYERS.

H.R. 2445 specifically addresses some of the most pressing needs in my district. The bill provides $475,000 to the Army Corps of Engineers to revise the hurricane protection plan for the south shore of Staten Island. Staten Island's south shore has been pounded by two majors storms in the last 8 months. Hundreds of homes were devastated when a northeaster hit New York in early December 1992. I appreciate the committee's recognition of the need to protect the thousands of families that reside in the south shore community.

The Howland-Hook Marine Terminal is one of Staten Island's most promising economic development opportunities. Unfortunately, the facility has been vacant for several years. Now the New York-New Jersey Port Authority is ready to place a new tenant in the facility. H.R. 2445 provides $500,000 for a study to dredge the channel to Howland-Hook Marine Terminal. With this funding, we will be able to assure the new tenant that even the largest container ships will be able to use the Howland-Hook Terminal.

The legislation also provides $2.9 million for the New York Harbor collection and removal of drift project. These funds will be used to collect rotting piers before they break apart and become a navigational hazard for ships in the harbor. These funds will be used for Shooters Island and the southwest Brooklyn waterfront. The project also helps keep this debris off New York and New Jersey beaches.

While I respect the work of the committee on this legislation, I was heartened that the House voted to remove the costly superconducting super collider. Our Nation's growing deficit makes this a project we cannot now afford to proceed with.

Again, I thank the chairman and the ranking Republican for their work on this excellent bill.

Mr. CRANE. Mr. Chairman, with our annual Federal deficits and looming national debt all elements of the budget will require belt tightening. The belt tightening must extend to all appropriation bills and will require the various appropriation subcommittees to set priorities.

It is within this context that I would like to discuss the energy and water development appropriations bill for fiscal year 1994 which funds hundreds of energy and water related projects. This $22 billion bill is reported to be $126 million less than last year's bill. Although I do not want to get into the debate here of whether the bill could be reduced even further, I do want to discuss the priorities in the bill. In particular, I was disappointed that the legislation did not contain funding for the Des Plaines wetlands demonstration project in Wadsworth, IL, a project which the committee has funded in the past.

I believe the Des Plaines wetlands project is of significant importance to our understanding of wetlands and our environment. Scientists involved with the project are demonstrating how wetlands can not only be restored, but create in such places as abandoned farm lands and gravel pits. This is a proven project, and Don Hey, the project's director, and his staff have worked tirelessly in their efforts to fully understand the nature of wetlands. Their efforts have convinced me that this research will derive significant long-term benefits for all those concerned about preservation, restoration, and creation of wetland areas. Indeed, the Des Plaines wetlands project will help bridge the gap between development and environmental protection by showing us how wetlands can be created to replace wetland areas deemed necessary for commercial or residential development.

The Des Plaines project receives funding from local, State, and private sources; however, the project relies heavily on funds contributed by Federal agencies involved with the project. Although I realize that we are dealing with limited funds, I had hoped that this project would have been funded in light of its environmental contributions. In any event, I urge my Senate colleagues to support this project, and urge those House Members who may be on the conference committee to reconsider their position on this matter.

Mr. PACKARD. Chairman, as we consider the fiscal year 1994 energy and water appropriations bill this morning, I would like to commend the chairman of the Energy and Water Subcommittee, TOM BEVILL and the ranking republican, JOHN MYERS for their hard work and diligence on this legislation. They have put together a tight bill, below the administration's request that I feel this House can comfortably support.

I would also like to thank my colleague VIC FAZIO for his efforts on behalf of projects in this legislation for my area and for California.

Mr. FRANKS of New Jersey. Mr. Chairman, today I rise in strong support of H.R. 2445, the fiscal year 1994 energy and water appropriations bill. I would like to commend Chairman BEVILL and ranking minority member Mr. MYERS for their fine work in bringing this fiscally responsible bill to the House floor.

Although H.R. 2445 contains many worthy provisions, I would like to bring to my colleagues' attention a project contained in the bill of particular importance to the people who reside in New Jersey's Middlesex, Somerset, and Union Counties. The project to which I refer is called the Green Brook flood control project.

As my colleagues may recall, this project was authorized by Congress under the Water Resources Development Act of 1986, Public Law 99–662, section 401. During the past 8 fiscal years, Congress has appropriated over $14 million for this project. In fiscal year 1986, Congress appropriated $484,000; in fiscal year 1987, $1.37 million; fiscal year 1988, $1.4 million; fiscal year 1989, $1.5 million; fiscal year 1990, $1.2 million; fiscal year 1991, $2 million; fiscal year 1992, $3.169 million; and fiscal year 1993, $3.5 million. For fiscal year 1994, the House is providing $2.8 million to continue the following tasks: preconstruction engineering and design—including hydraulic and hydrologic analysis—environmental investigations and data collection; topographic mapping; and layout of levee alignments.

Completion of this project is vital if we are to prevent the enormous damage that another flood could bring. My colleagues may recall the great flood of 1973 that occurred in what is now largely the Seventh Congressional District of New Jersey. This flood claimed the lives of six people and caused tens of millions of dollars in damage. I would venture that if a similar flood occurred today, the damage could exceed $1 billion dollars.

That flood, coupled with an earlier one that occurred in 1971, provided the impetus for the Green Brook flood control project. Since this project is so encompassing, we must proceed now before another devastating flood arrives. It has been almost 20 years to the day since the last great flood in this area, and it is only a matter of time before such a flood occurs again. Completion of this project ensures that this area will be adequately prepared for such an event.

Mr. Chairman, in conclusion, I would like to thank my good friend and fellow New Jersey colleague, Congressman DEAN GALLO, for his assistance and guidance on this project. This project's success is due in large part to DEAN's tireless work as a member of the House Energy and Water Appropriations Subcommittee. Another individual who richly deserves recognition for their efforts on behalf of this project is Vernon A. Noble, the chairman of the Green Brook Flood Control Commission. Because of Vernon's leadership and tenacity, I am confident this project will be brought to fruition.

Mr. Chairman, I urge all of my colleagues to vote "aye" on H.R. 2445, and to vote "no" on any weakening amendments.

Mr. VENTO. Mr. Chairman, I rise to express my support for the continued construction funding in this bill for the St. Paul flood control project. I especially want to thank Chairman BEVILL and the members of the Appropriations Subcommittee on Energy and Water Development for their continuing support of this worthy project.

The bill provides $3.6 million for continued construction of the St. Paul flood control project. The total estimated Federal cost for this project of $11.3 million is to be leveraged against $8.9 million in local cost sharing.

This project is located directly across the Mississippi River from downtown St. Paul. The project will raise the existing 3-mile flood barrier by 4 feet which includes the flood control features of 1,335 feet of raised floodwalls, 2,400 feet of stepped floodwalls, 12,280 feet of levees, six closures, upgrades of three pumping stations, with additional recreational trails and associated features which benefit from these necessary flood control features.

The existing flood barrier protects 448 acres which are prone to flooding. In 1965, and again in 1969, this area experienced major floods which exceeded the previous record flood of 1952.

Mr. Chairman, this appropriation is particularly timely in light of recent heavy rainfall in western and central Minnesota which has raised the levels of the Minnesota and Mississippi Rivers significantly. The Mississippi is expected to reach flood crest level, based upon current rainfall, sometime Saturday in St. Paul and yet more rain is expected. This recent and continuing rainfall underscores the importance of proper flood control planning which is exemplified in this legislation. It also highlights the important work being done by the men and women of the U.S. Army Corps of Engineers St. Paul district office. Their important work in forecasting floods and making preparations for these situations is vital to the residents and businesses in these affected areas.

I also want to recognize and express my appreciation for the inclusion in this bill of $2.4 million for the Stillwater flood control project on the St. Croix River in Stillwater, MN. The original levee built in 1937 has suffered extensive deterioration due to ice and spring runoffs to the extent that some 200 feet of the original levee has washed away, thus threatening the remaining floodwall. A failure of this floodwall would pose serious harm to downtown Stillwater, Minnesota's oldest community; in the event of a flood failure and serious environmental consequences for the St. Croix River with possible discharges of sewage and other debris into this National Park Service designated scenic river. I support this effort to address this problem now to rehabilitate and repair the Stillwater floodwall before it becomes a more serious and expensive problem in the future.

Mr. LAZIO. Mr. Chairman, an examination of H.R. 2445, the energy and water development appropriations for fiscal year 1994, reveals a disturbing fact. The bill provides $6.2 billion for environmental cleanup of Department of Energy nuclear research sites, despite the fact that the Department has not proven itself capable of performing this important task.

Despite its recommendation for this multi-billion-dollar appropriation, the Appropriations Committee reports that it is concerned about the increasing costs of the environmental restoration and waste management program, the apparent lack of significant progress in cleanup activities, and the Department of Energy's failure thus far to comply with a requirement for an annual report on program expenditures and accomplishments. The committee apparently sees no relationship between program success and resource allocation. I think they have it backward.

I strongly support the cleanup of nuclear research sites, but I oppose poor management and wasteful Government spending. Congress deserves assurances on the part of the committee and the Department of Energy that this program will be goal oriented and an accountable one.

Mr. COLEMAN of Texas. Mr. Chairman, I rise in opposition to the Slattery-Boehlert amendment and in strong support of the superconducting super collider [SSC]. We are at a crossroads in modern physics; today we have a choice of whether we will continue to move forward in scientific research in this country or whether we will simply stop and leave so many important scientific questions unanswered. I know many of my colleagues will argue that this project costs too much, that we simply cannot afford to fund the SSC. To the contrary, the SSC is so important that we simply cannot afford not to fund it.

The problem, of course with science is that it always yields as many new questions as it does answers. As a nation, we have always striven to find the answers to the increasingly difficult and complex questions science has presented us. To stop our search for the answers to profound questions would only serve to relegate the United States out of its position as a world leader in scientific research and discovery. We are a superpower, the only one left in the world; we cannot relinquish leadership in the field of science.

Our children cannot afford to have their knowledge of the universe to be stifled because we decided we could not afford to continue to ask the simple question "why?" and then seek to answer that question. On the basis of pure science alone, I say to my colleagues that this is a meritorious project which deserves our support. I believe the United States should continue to lead the world in scientific research.

I understand that pure research science is not of interest to everyone and therefore appeal to my colleagues for their continued support for the SSC not on the grounds of pure scientific knowledge; rather on the many practical benefits the project has had and is expected to yield with continued research. We know from our experience with NASA that the research involved in designing the components for the SSC will yield many technological advances which have piratical applications in every aspect of our daily lives. Continued research will improve our quality of life. How do I know this? Let me share with you some of the breakthroughs which have already been achieved which will benefit us all.

The field of medicine has benefited enormously from superconductivity research. Superconducting magnets are now being used in both magnetic resonance imaging [MRI] and computerized axial tomography [CAT] scans, which have greatly improved doctors' ability to diagnose medical problems. Indeed, I am sure every Member of this body is personally acquainted with someone who has benefited from these techniques. It is expected that superconducting wire, being developed for the SSC, will improve efficiency and reduce the costs of these diagnostic techniques. Additionally, the SSC site is expected to have a proton therapy clinic on site in order to treat cancer patients.

I urge all Members to consider how beneficial this new treatment will be for those who suffer from cancer.

Commercially there are numerous benefits. Information technology has and will continue to benefit from continued funding of the SSC. The computing needs of the project have led to the development of ultrafast computing systems. These systems can process literally thousands of pieces of data every second and can perform numerous tasks simultaneously.

Advances of this type have myriad applications, including education and the dissemination of information. The new computing capabilities are expected to facilitate the entry of high performance electronics into the commercial marketplace. Moreover, transportation will be revolutionized by the advent of magnetically levitated trains and magnetically propelled ships, making transportation far more energy efficient.

Finally, scientists have developed a reconfiguration assembly system. Manufacturing industries will now be able to reconfigure their production lines quickly in order to respond to changes in the market. In this era of increasing competition in the world marketplace, this technology is essential to keep American industries at the forefront and provide American workers with highly skilled, highly paid jobs. Given the level of competition in the world market, we cannot afford to relinquish our technological advantage to others.

I am reminded of the saying "Penny wise, Pound foolish" and I think it is important that we remember to balance the supposed saving today against the cost of lost competitive and technological advantage, and job opportunities for our children's future.

I support the SSC and urge my colleagues to defeat the Slattery-Boehlert amendment.

Mr. MAZZOLI. Mr. Chairman, I rise today in strong support of H.R. 2445, a bill making fiscal year 1994 appropriations for energy and water development.

I congratulate the gentleman and my longtime friend from Alabama [Mr. BEVILL], as well as my friend from Indiana [Mr. MYERS] for doing yeoman's work given very difficult budget constraints.

H.R. 2445 includes funding for three programs of much importance of my community of Louisville and Jefferson County, KY.

The bill provides $2.18 million for the continuation of preconstruction and engineering design work on a 1,200-foot lock at the McAlpine Locks and Dam on the Ohio River. Upon completion of this 6-year modernization project, an antiquated 600-foot lock and an inactive 360-foot lock will be replaced by twin 1,200 locks and make possible the uninterrupted flow of barge traffic along the Ohio.

Appropriations are also recommended for two much needed flood control projects in Louisville and Jefferson County: $300,000 to initiate the feasibility phase of the Metropolitan Louisville Beargrass Creek flood control project; and, $1.25 million to begin the preengineering and design phase of the Metropolitan Louisville Pond Creek flood control project. Both projects will provide protection for many homes and businesses in Louisville and Jefferson County.

Mr. Chairman, maintaining funding for these projects is critical, and I urge my colleagues to join me in supporting H.R. 2445.

Ms. SHEPHERD. Mr. Chairman, I rise today in support of the Energy and Water appropriations bill because it represents the culmination of untold hours of work by countless Utahns to authorize and fund a program that has become synonymous with growth and vitality in my desert State of Utah: the Central Utah Water project.

The CUP is the most important water conservation and development project in Utah's history. It will ensure that Utah's families retain their fair share of water rights from the Colorado River, while enabling Utah to protect its unmatched fish and wildlife resources through unprecedented environmental mitigation programs.

I want to point out that this remarkable legislative achievement can only be described as a hallmark piece of the legislative legacy of my predecessor in the House: Wayne Owens. Make no mistake, we would never have succeeded in passing and funding the CUP without Wayne's tireless efforts, and he deserves the heartfelt thanks of every Utahn today.

Let me also thank Chairman TOM BEVILL, whose vision and leadership has permitted this critical initiative to move forward. I deeply appreciate the chairman's assistance in this effort, and I applaud him for his work in crafting this important bill.

Funding for the CUP will enable Utah's economy to grow with vigor as we enter the 21st century. I thank my fellow Utah Representatives Mr. ORTON and Mr. HANSEN for their assistance in this effort, and I urge my colleagues in the House to support the energy and water appropriations bill.

Mr. FRANKS of Connecticut. Mr. Speaker, I rise today to express my opposition to the Slattery-Boehlert amendment which would terminate the superconducting super collider [SSC].

I recognize that the SSC is a challenging and costly project, but I also realize that the scientific data gained from the SSC will give our scientists the technological superiority necessary as we head into the 21st century.

The SSC will provide vital research in the areas of science and medicine. I believe the potential long-term benefits of the SSC far outweigh the immediate costs of the program. Over the years, research conducted in high-energy physics has significantly advanced our knowledge of fields important to all Americans, such as atomic medicine and superconductivity. And again, the SSC is a vital component in our Nation's drive to remain technologically competitive in a global economy.

The SSC is a large and ambitious project during a difficult fiscal time. Like other ambitious research projects in our Nation's history, the super collider is challenging our industrial, scientific, and technological capabilities. I believe it is through such challenges that technological progress is made. We must not lose sight of our responsibility to invest in programs today which will prepare us for the competitive environment of tomorrow.

If we vote to terminate the SSC project today, I believe we place U.S. scientific leadership in extreme jeopardy. Many of our Nation's leading physicists have indicated that they will not hesitate to take their research to Europe if the SSC is canceled.

I urge my colleagues to recognize the significant importance of the SSC project. Please vote against the Slattery-Boehlert amendment.

Mr. BEVILL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The CHAIRMAN. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

□ 1720

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCNULTY) having assumed the chair, Mr. HUGHES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

Mr. SOLOMON. Mr. Speaker, I respectfully request that we have a separate vote on the Coppersmith-Sharp-Zimmer amendment, the Markey-

Ramstad-Penny-Machtley amendment, and the Slattery-Boehlert amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SOLOMON. Mr. Speaker, does the Chair intend, if votes are ordered on the next two amendments, to reduce them to 5 minutes?

The SPEAKER pro tempore. The Chair intends to do that, if the votes are ordered.

Mr. SOLOMON. Mr. Speaker, I thank the Chair for being so reasonable.

The SPEAKER pro tempore. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 20, line 9, strike "$3,224,534,000" and insert "$3,192,634,000".

Mr. SOLOMON (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. The Chair will state that subsequent votes on the other amendments, if ordered, will be 5-minute votes.

The vote was taken by electronic device, and there were—ayes 272, noes 146, not voting 16, as follows:

[Roll No. 270]

AYES—272

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (TX)
Bacchus (FL)
Baesler
Ballenger
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Berman
Bishop
Blackwell
Blute
Boehlert
Borski
Boucher
Brewster
Brown (CA)
Brown (OH)
Bryant
Bunning
Byrne
Calvert
Cantwell
Cardin
Castle
Clay
Clayton
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Danner
Darden
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Duncan
Dunn
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Furse
Gejdenson
Geren
Gilchrest
Gillmor
Gilman
Glickman
Goodlatte
Goodling
Gordon
Grandy
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hefley
Hefner
Herger
Hoagland
Hobson
Hoekstra
Hoke
Holden
Hughes
Hutto
Inglis
Inhofe
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kim
King
Kleczka
Klein
Klink
Klug
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (GA)
Linder
Lipinski
Long
Lowey
Machtley
Maloney
Mann
Margolies-Mezvinsky
Markey
Martinez
Mazzoli
McCandless
McCloskey
McCurdy
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Menendez
Meyers
Mfume
Miller (FL)
Minge
Mink
Moakley
Molinari
Montgomery
Moran
Morella
Murphy
Nadler
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (MN)
Petri
Pomeroy
Poshard
Price (NC)
Pryce (OH)
Quillen
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roemer
Ros-Lehtinen
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Santorum
Sarpalius
Sawyer
Saxton
Schenk
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (MI)
Smith (NJ)
Snowe
Spratt
Stark
Stearns
Stenholm
Stokes
Studds
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Thornton
Thurman
Torkildsen
Torres
Towns
Unsoeld
Upton
Valentine
Velazquez
Vento
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Williams
Wise
Woolsey
Wyden
Wynn
Young (FL)
Zeliff
Zimmer

NOES—146

Applegate
Archer
Bachus (AL)
Baker (CA)
Baker (LA)
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bonior
Brooks
Browder
Brown (FL)
Burton
Buyer
Callahan
Camp
Canady
Carr
Chapman
Clement
Clinger
Coleman
Combest
Cramer
Crane
Crapo
de la Garza
DeLay
Dornan
Dreier
Durbin
Emerson
Everett
Ewing
Fawell
Fazio
Fields (TX)
Franks (NJ)
Frost
Gallegly
Gallo
Gekas
Gephardt
Gibbons
Gingrich
Gonzalez
Goss
Grams
Green
Gunderson
Hancock
Hansen
Hastert
Hayes
Hilliard
Hochbrueckner
Horn
Houghton
Hoyer
Huffington
Hunter
Hutchinson
Hyde
Inslee
Istook
Johnson (CT)
Johnson, E. B.
Kildee
Kingston
Knollenberg
Kolbe
LaRocco
Leach
Lewis (FL)
Lightfoot
Livingston
Lloyd
Manzullo
Matsui
McCollum
McCrery
McDade
McHugh
McKeon
McMillan
Meek
Mica
Michel
Mineta
Mollohan
Moorhead
Murtha
Myers
Natcher
Oxley
Packard
Pastor
Peterson (FL)
Pickett
Pickle
Pombo
Porter
Portman
Quinn
Roberts
Rogers
Rohrabacher
Rose
Rostenkowski
Sangmeister
Schaefer
Schiff
Shaw
Shuster
Smith (IA)
Smith (OR)
Smith (TX)
Solomon
Spence
Strickland
Stump
Swift
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Torricelli
Traficant
Visclosky
Volkmer
Vucanovich
Walker
Whitten
Wilson
Wolf
Yates
Young (AK)

NOT VOTING—16

Andrews (NJ)
Armey
Beilenson
Cox
Cunningham
Dingell
Henry
Hinchey
Kasich
Lewis (CA)
Manton
Miller (CA)
Skeen
Synar
Thompson
Tucker

□ 1742

Mr. STRICKLAND and Mr. EVERETT changed their vote from "aye" to "no."

Mr. HALL of Texas changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MCNULTY). The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 20, line 9, strike "$3,224,534,000" and insert "$3,199,534,000".

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 329, noes 91, not voting 14, as follows:

[Roll No. 271]

AYES—329

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Baesler
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Becerra
Berman
Bilbray
Bishop
Blackwell
Blute
Boehlert
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Camp
Canady
Cantwell
Cardin
Carr
Castle
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Crane
Danner
Darden
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dickey
Dicks
Dingell

Dixon
Dooley
Doolittle
Duncan
Dunn
Durbin
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Ewing
Farr
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Goodlatte
Goodling
Gordon
Goss
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hancock
Harman
Hastert
Hefley
Hefner
Herger
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Inglis
Inhofe
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kim
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Lewis (GA)
Linder
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDermott
McHale
McHugh
McInnis
McKinney
McMillan
McNulty
Meehan
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Montgomery
Moran
Morella
Murphy
Nadler
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (MI)
Smith (NJ)
Snowe
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (WY)
Thurman
Torkildsen
Towns
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Wheat
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NOES—91

Archer
Bacchus (FL)
Bachus (AL)
Baker (CA)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Boehner
Bonilla
Brooks
Browder
Brown (FL)
Callahan
Chapman
Coleman
Combest
Cramer
Crapo
de la Garza
DeLay
Diaz-Balart
Dornan
Dreier
Edwards (CA)
Emerson
Everett
Fields (TX)
Fowler
Franks (NJ)
Frost
Gallo
Gingrich
Gonzalez
Grams
Hall (TX)
Hansen
Hastings
Hayes
Hilliard
Horn
Houghton
Hyde
Inslee
Johnson, E. B.
King
Kyl
Levy
Lewis (FL)
Lightfoot
Livingston
McCollum
McDade
McKeon
Meek
Mica
Michel
Mineta
Mollohan
Moorhead
Murtha
Myers
Natcher
Oxley
Packard
Pickett
Rogers
Rose
Schiff
Shaw
Shuster
Smith (IA)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stump
Thomas (CA)
Thornton
Torres
Torricelli
Traficant
Walker
Weldon
Whitten
Young (FL)

NOT VOTING—14

Armey
Beilenson
Calvert
Cox
Cunningham
Henry
Hinchey
Kasich
Lewis (CA)
Manton
Skeen
Synar
Thompson
Tucker

□ 1751

The Clerk announced the following pairs:

On this vote:

Mr. Tucker for, with Mr. Skeen against.
Mr. Manton for, with Mr. Armey against.

Mr. HILLIARD changed his vote from "aye" to "no."

Mrs. UNSOELD and Mr. TEJEDA changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNULTY). The Clerk will report the next amendment on which a separate vote was demanded.

The Clerk read as follows:

Amendment: Page 21, line 16, strike "$1,594,114,000" and insert $1,194,114,000".

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. There will be additional votes following, and Members are requested to remain in the Chamber.

The vote was taken by electronic device, and there were—ayes 280, noes 141, not voting 13, as follows:

[Roll No. 272]

AYES—280

Abercrombie
Allard
Andrews (ME)
Applegate
Archer
Baesler
Baker (CA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Becerra
Bereuter
Berman
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Brewster
Brown (OH)
Bunning
Burton
Byrne
Camp
Canady
Cantwell
Cardin
Carr
Castle
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Crane
Danner
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dickey
Dicks
Dingell
Dooley
Doolittle
Duncan
Durbin
Edwards (CA)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Ewing
Farr
Fawell
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Gejdenson
Gekas
Geren
Gillmor
Gilman
Glickman
Goodling
Gordon
Goss
Grandy
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hancock
Harman
Hastert
Hefley
Hefner
Herger
Hoagland
Hobson
Hoekstra
Hoke
Holden
Houghton
Huffington
Hughes
Hutchinson
Hutto
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
Lazio
Leach
Lehman
Levin
Levy
Lewis (FL)
Lewis (GA)
Linder
Lipinski
Long
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Mazzoli
McCandless
McCurdy
McDermott
McInnis
McKeon
McKinney
McMillan
Meehan
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Montgomery
Morella
Murphy
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Parker
Paxon
Payne (NJ)
Pelosi
Penny
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Richardson
Ridge
Rohrabacher
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Sabo
Sanders
Sangmeister
Sawyer
Saxton
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Slattery
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Snowe
Solomon
Spratt
Stark
Stearns
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Thomas (WY)
Thornton
Thurman
Torkildsen
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Vucanovich
Walker
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Young (FL)
Zeliff
Zimmer

NOES—141

Ackerman
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Bachus (AL)
Baker (LA)
Bartlett
Barton
Bateman
Bentley
Bevill
Bishop
Blute
Boehner
Bonilla
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Bryant
Buyer
Callahan
Chapman
Coleman
Combest
Cox
Coyne

Cramer
Crapo
Cunningham
Darden
de la Garza
DeLay
Derrick
Diaz-Balart
Dixon
Dornan
Dreier
Dunn
Edwards (TX)
Emerson
Everett
Fazio
Fields (LA)
Fields (TX)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gephardt
Gibbons
Gilchrest
Gingrich
Gonzalez
Goodlatte
Grams
Green
Hall (TX)
Hansen
Hastings
Hayes
Hilliard
Hochbrueckner
Horn
Hoyer
Hunter
Hyde
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Kolbe
Kopetski
LaRocco
Laughlin
Lightfoot
Livingston
Lloyd
Lowey
Matsui
McCloskey
McCollum
McCrery
McDade
McHale
McNulty
Meek
Mica
Michel
Mineta
Mollohan
Moorhead
Moran
Murtha
Myers
Nadler
Natcher
Ortiz
Oxley
Packard
Pastor
Payne (VA)
Peterson (FL)
Pickett
Pickle
Quillen
Reynolds
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Rush
Santorum
Sarpalius
Schaefer
Schenk
Schiff
Scott
Skelton
Smith (IA)
Smith (TX)
Spence
Stenholm
Stump
Taylor (NC)
Tejeda
Thomas (CA)
Torres
Torricelli
Towns
Traficant
Volkmer
Whitten
Wilson
Yates
Young (AK)

NOT VOTING—13

Armey
Beilenson
Calvert
Henry
Hinchey
Kasich
Lewis (CA)
Manton
McHugh
Skeen
Synar
Thompson
Tucker

□ 1759

The Clerk announced the following pair:

In this vote:

Mr. Tucker for, with Mr. Manton against.

Mr. DIXON changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this time in order that I might inquire of the distinguished majority leader about the program for next week. If we can keep ourselves in order, we can do it tout suite, in a hurry.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Speaker, I will be very, very brief. I know that Members want to leave.

We will have votes on Monday. There will be a vote, I am told, on the rule that will occur about 1:30 on Monday. The next vote after that will occur about 3 o'clock.

We have the VA-HUD bill. We will have some suspensions. But the votes will be postponed until Tuesday.

Tuesday, Wednesday, and Thursday we will have a number of appropriation bills. We will finish Thursday night.

Mr. MICHEL. Mr. Speaker, I thank the distinguished gentleman.

□ 1800

The SPEAKER pro tempore (Mr. MCNULTY). The question is on the passage of the bill.

MOTION TO RECOMMIT OFFERED BY MR. WOLF

Mr. WOLF. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

The WOLF. Mr. Speaker, I am, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WOLF moves to recommit the bill, H.R. 2445, to the Committee on Appropriations with instructions to report back the same to the House with the following amendment:

On page 38, after line 19, insert the following new section:

SEC. . Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act this is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1 percent.

The SPEAKER pro tempore. The gentleman from Virginia [Mr. WOLF] is recognized for 5 minutes in support of his motion to recommit.

Mr. WOLF. Mr. Speaker, this motion to recommit is simple and straightforward. It applies a 1-percent reduction to programs in this bill.

This motion takes into consideration that this body just achieved savings of $400 million by agreeing to the termination of the super conducting supercollider and achieves additional savings of $200 million through a modest 1-percent reduction.

Clearly, this is not a meat ax approach. There is not a program in here that could not absorb a 1-percent cut. There is not a program or activity funded by this bill that will even feel the pinch.

Mr. Speaker, overall, I think this bill is a good one. The subcommittee had done a commendable job staying within its section 602(b) allocation.

My issue is not with whether or not this subcommittee is at it's allocation, my issue is with total spending above the 1993 enacted level. And this bill was above 1993 outlays by $166 million, prior to the last vote.

Mr. Speaker, while this might not seem like such a big deal, it becomes a big one when you start adding up all 13 appropriations bills.

By the time all 13 bills are passed, we will have increased spending by $3.8 billion over 1993.

I just do not believe this level of spending is what we can afford as a Nation.

When the full appropriations committee considered the section 602(b) allocations for each of its subcommittees, the ranking Republican members offered an alternative allocation that would have saved $10.2 billion in budget authority and $4.6 billion in outlays during the upcoming fiscal year.

Obviously, that alternative was not agreed to.

This motion to recommit is consistent with the alternative allocation offered by the Republicans and represents, overall, a reduction of less than 3 percent below the 1993 enacted levels.

Mr. Speaker, even after this motion to recommit, funding for the nondefense programs will increase by almost 9 percent above the 1993 enacted levels.

The reason the nondefense numbers are so high is because the subcommittee took savings of $1.2 billion from the defense programs in this bill and applied them to the nondefense programs.

As the bill appears before us now, nondefense programs are up by $600 million over 1993.

I am not here to debate the merits of defense versus nondefense spending. What I am here to say is that, on a day when the other body is debating by how much to raise taxes, we ought to take this one step toward reducing spending first.

We are just talking about tightening our belts by one notch.

Mr. Speaker, I urge the adoption of my motion to recommit.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. BEVILL] is recognized for 5 minutes in opposition to the motion to recommit.

Mr. BEVILL. Mr. Speaker, I rise in opposition to this motion to recommit. I point out that we have added tremendously already with these three amendments to the cuts.

I just want to remind the House of what it will do to navigation, which is exports, which is jobs, what it will do to the flood control projects, what it will do to the local Governments that have to raise more money to participate.

I urge a "no" vote on the motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MYERS of Indiana. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 350, noes 73, not voting 11, as follows:

[Roll No. 273]

AYES—350

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Bachus (AL)
Baesler
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Bliley
Blute
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Byrne
Callahan
Camp
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Grams
Grandy
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hoagland
Hobson
Hochbrueckner
Hoekstra
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutto
Hyde
Inslee
Istook
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murtha
Myers
Nadler
Natcher
Neal (MA)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas (WY)
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zimmer

NOES—73

Archer
Baker (CA)
Baker (LA)
Bartlett
Barton
Bilirakis
Boehner
Bonilla
Burton
Buyer
Canady
Coble
Collins (GA)
Combest
Crane
Crapo
Cunningham
Dreier
Duncan
Dunn
Fawell
Fields (TX)
Franks (CT)
Gekas
Gillmor
Gingrich
Goss
Greenwood
Hancock
Hoke
Hunter
Hutchinson
Inglis
Inhofe
Jacobs
Johnson, Sam
Klug
Knollenberg
Lewis (FL)
Manzullo
McCollum
McKeon
McMillan
Mica
Michel
Miller (FL)
Minge
Moorhead
Murphy
Neal (NC)
Oxley
Paxon
Petri
Pombo
Portman
Quillen
Ramstad
Roberts
Roth
Royce
Saxton
Sensenbrenner
Smith (MI)
Solomon
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (CA)
Torkildsen
Walker
Wolf
Zeliff

NOT VOTING—11

Armey
Calvert
Henry
Hinchey
Kasich
Lewis (CA)
Manton
Skeen
Synar
Thompson
Tucker

□ 1818

The Clerk announced the following pairs:

On this vote:

Mr. Manton for, with Mr. Thompson against.

Mr. Lewis of California for, with Mr. Armey against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ENGEL. Mr. Speaker, I was unavoidably detained on rollcall votes 265, 266, 267, and 268. Had I been present, I would have voted "yea" on rollcall Nos. 267 and 268. Additionally, I would have voted "nay" on rollcall votes 265 and 266.

PERSONAL EXPLANATION

Mr. SKEEN. Mr. Speaker, I was on leave of absence for the following date in which roll-call votes occurred in the House of Representatives: June 24.

Had I been present, I would have cast my votes as noted for the following roll-call votes which occurred during my absence. Votes on which I was paired and announced in the CONGRESSIONAL RECORD are noted by an asterisk:

Rollcall No. 264, Duncan amendment to H.R. 2445, Energy and Water Appropriation Act, Army Corps of Engineers, funding for Corps of Engineers, funding for Kissimmee, FL, "nay."

Rollcall No. 265, Burton amendment to H.R. 2445, Energy and Water Appropriation Act, 2 percent across-the-board cuts in Army Corps of Engineers projects, "nay."

Rollcall No. 266, Burton amendment to H.R. 2445, Energy and Water Appropriation Act, 7.2 percent across-the-board cuts in Bureau of Reclamation projects, "nay."

Rollcall No. 267, Coppersmith amendment to H.R. 2445, Energy and Water Appropriation Act, terminating Department of Energy's advanced liquid metal reactor project, "nay."

Rollcall No. 268, Markey amendment to H.R. 2445, Energy and Water Appropriation Act, terminating the Department of Energy's SP-100 space reactor program, "nay*."

Rollcall No. 269, Slattery amendment to H.R. 2445, Energy and Water Appropriation Act, terminating the SuperCollider, "nay."

Rollcall No. 270, Coppersmith amendment to H.R. 2445, Energy and Water Appropriation Act, terminating Department of Energy's advanced liquid metal reactor project, "nay."

Rollcall No. 271, Markey amendment to H.R. 2445, Energy and Water Appropriation Act, terminating the Department of Energy's SP-100 space reactor program, "nay*."

Rollcall No. 272, Slattery amendment to H.R. 2445, Energy and Water Appropriation Act, terminating the SuperCollider, "nay."

Rollcall No. 273, final passage H.R. 2445, Energy and Water Appropriation Act, "aye."

EXPLANATION OF MISSED VOTES

Mr. SYNAR. Mr. Speaker, due to a personal family matter in my district, I was unable to be present for rollcall votes numbered 264 to 273. Had I been here I would have cast the following votes:

Roll No. 264, "no."
Roll No. 265, "no."
Roll No. 266, "no."
Roll No. 267, "aye."
Roll No. 268, "aye."
Roll No. 269, "aye."
Roll No. 270, "aye."
Roll No. 271, "aye."
Roll No. 272, "aye."
Roll No. 273, "aye."

My votes to oppose the space station and the superconducting supercollider—Roll No. 263 and Roll No. 269, respectively—merit further comment. Taxpayers in my district and across the country are demanding that we get Federal spending under control and more wisely decide how to spend their tax dollars. There is no easier way to respond to this demand than to kill the funding for the space station and the superconducting supercollider. Our country cannot afford to continue to spend the billions of dollars demanded by these projects when they drain resources from other desperately needed programs and show little promise of a profitable payoff for the many billions invested.

While there is a need for space exploration, funding for the space station should not continue if its at the expense of other proven

NASA programs, Federal science projects, public housing subsidies, and other critical Government programs. In addition, design modifications aimed at cutting the cost of the space station have reduced the proposed station's capabilities, and several scientific review boards now are questioning the scientific justification for spending such large sums on such limited uses. In light of budget constraints and the significant narrowing of the space station's mission, I cannot support a program that is estimated to cost $140 billion to build and operate.

According to the GAO, the SSC is already 51 percent over budget for routine, conventional constructions activities alone. Government audits of SSC expenditures have shown that tax dollars have been wasted on perks for contractor employees, including $12,000 Christmas parties at posh hotels, $25,000 in catered lunches, and $21,000 a year to buy and water office plants. It's no wonder that a project that was originally estimated to cost $4.4 billion is now expected to cost $13 billion. What do we get for all of these billions? Many experts agree that the practical spinoffs from this research will be negligible. In a recent survey, corporate heads of research and development ranked the SSC dead last in importance among major science projects. The plain fact is that Federal money would be better spent on more promising projects in the biomedical, transportation, energy, and other research field.

Quite simply, we need to kill both these programs and the sooner we do it, the sooner our constituents will thank us for prudently managing their money.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 20. An act to provide for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes.

REPORT ON H.R. 2518, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATION BILL, 1994

Mr. NATCHER, from the Committee on Appropriations, submitted a privileged report (Rept. No. 103–156) on the bill (H.R. 2518) making appropriations for the Departments of Labor, Health and Human Services—except the Food and Drug Administration, Indian Health Service, and the Office of Consumer Affairs—and Education—except Indian Education—Action, the Corporation for Public Broadcasting, the Federal Mediation and Conciliation Service, the Federal Mine Safety and Health Review Commission, the National Commission on Libraries and Information Science, the National Council on Disability, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, the Prospective Payment Assessment Commission, the Physician Payment Review Commission, the Railroad Retirement Board, the United States Soldiers' and Airmen's Home, the United States Institute of Peace and the United States Naval Home for the fiscal year ending September 30, 1994 and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. ROGERS reserved all points of order on the bill.

REPORT ON H.R. 2519, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 1994

Mr. NATCHER, from the Committee on Appropriations, submitted a privileged report (Rept. No. 103–157) on the bill (H.R. 2519) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year 1994, which was referred to the Union Calendar and ordered to be printed.

Mr. ROGERS reserved all points of order on the bill.

REPORT ON H.R. 2520, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1994

Mr. NATCHER, from the Committee on Appropriations, submitted a privileged report (Rept. No. 103–158) on the bill (H.R. 2520) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1994, which was referred to the Union Calendar and ordered to be printed.

Mr. ROGERS reserved all points of order on the bill.

□ 1820

ADJOURNMENT TO MONDAY, JUNE 28, 1993

Ms. PELOSI. Madam Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore (Ms. ENGLISH of Arizona). Is there objection to the request of the gentlewoman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Ms. PELOSI. Madam Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

PROPOSED NEW TAXES HURT THE POOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. KIM] is recognized for 5 minutes.

Mr. KIM. Madam Speaker, despite all the talk about budget reform and the so-called new, improved plan in the Senate, the Clinton budget's bottom line still remains the same: More new taxes.

Our economy cannot absorb these new taxes. The American taxpayer cannot afford these new taxes. No nation has ever taxed its way into prosperity.

Despite the rhetoric in the Senate and in the White House, this harmful gas tax still exists. Some days it is called a transportation tax. Other days it is called a Btu tax.

How many Americans actually know what a Btu really is? Or how many millions of Btu's are in a gallon of gas?

We are calling it a Btu tax so that average Americans are confused into thinking this is a tax on someone else. It is not.

The American consumers, senior citizens, small business owners, middle-class workers, and even the urban poor are the people who will pay the tab for the Clinton Btu tax—every time they fill up their car, turn on a light, heat their home, or even cook their dinner.

The Btu tax is equivalent to 8 cents a gallon. That may not sound like much. But it is. The President said that an $80 billion Btu tax directly affecting the middle class is not much money. We are told that $450 of new Btu taxes per year per family is not that big a deal to the average American family.

And if this isn't enough, it gets worse. Because the Btu tax is indexed annually for inflation.

The only thing that is guaranteed once this new tax is in place is that it will grow higher and higher each year, no doubt exceeding 10 cents a gallon by next June.

Who gets hurt the most by this new tax? Lower income Americans. Not the rich; the rich can afford the dime-a-gallon increase. But, those who get hurt the most are those who live paycheck to paycheck and our fellow Americans who must live on fixed incomes.

In California—like most of America—a car is not a luxury. It is a necessity. It is the only way people get to work and buy their food. Why are we penalizing working Americans and the poor?

Supporters of the gas tax argue that the Clinton budget has new spending programs and tax credits for lower income Americans. However, the daily cost of the Btu tax to these citizens far outweighs any so-called benefit they have been promised.

Rather than increase spending to try to offset the negative effects of new taxes, why not just cut wasteful Government spending?

That is what I support—cutting spending. We can attack the deficit through serious and meaningful spending cuts. We simply do not need any new Btu taxes. We know from previous experience that a new gas tax will hurt investment, competitiveness, and economic recovery. Why is President Clinton insisting on repeating this economic mistake? The Btu tax will cost us something that we have too little of in this country—jobs.

Reducing the size of Government and cutting wasteful spending will help the economy and help the private sector to create millions of new, permanent jobs at no additional cost to the taxpayer.

Madam Speaker, I urge my fellow Americans to make their voices heard. They should call their Senators and the White House and demand no more taxes. No Btu tax. No transportation tax.

A COURSE ON RENEWING AMERICAN CIVILIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 5 minutes.

Mr. GINGRICH. Madam Speaker, on January 25 I outlined the concept of renewing American civilization in a speech on the House floor. I argued that our unique civilization was in trouble and that we could not maintain civilization with 12-year-olds having babies, 15-year-olds killing each other, 17-year-olds dying of AIDS, and 18-year-olds getting diplomas they could not read.

Further, I suggested that the welfare state had failed and that anyone who doubted that should watch any three evenings of any big cities television news. In the length of time it took for 3 Americans to be killed in Somalia 48 Americans had died in the District of Columbia. The level of violence, brutality, and destructive behavior captured by local television news in every big city is proof positive of the failure of the welfare state.

Finally, I asserted that we are in the business of replacing rather than repairing the welfare state. We have to replace it because the basic assumptions of the welfare state about human nature are profoundly wrong. When human beings are reduced from citizens to client and subordinated to bureaucrats who promulgate rules that are antifamily, antiwork, antiproperty, and antiopportunity why should we be surprised that antisocial pathologies emerge as a consequence.

The challenge to our generation is to replace the welfare state. Developing a blue print to replace the welfare state is a daunting intellectual challenge that will take a tremendous team effort. Many people from many backgrounds, many experiences, and many disciplines will have to collaborate to develop a blueprint to replace the welfare state.

One step toward creating a blueprint will be a 4-year dialog: renewing American civilization by replacing the welfare state with an opportunity society.

This dialog will be focused and clarified in four annual sets of lectures on renewing American civilization which will be given on the House floor as special orders and at Kennesaw State College in Kennesaw, GA, as a course with the same title beginning September 18. Then I hope to rewrite the course with a great deal of advice and help and reteach it in 1994, 1995, and 1996 with significant improvements and modifications each time.

There will be 10 topics covered in the lectures and special orders. They are:

Week 1: Introduction to renewing American civilization and the five pillars of renewal.

Week 2: Pillar one: Personal strength as the essential foundation of a free society and a free market.

Week 3: Pillar two: The system of quality and profound knowledge developed by Edwards Deming.

Week 4: Pillar three: Technological progress as the force which has shaped American history and which could dramatically enhance our society by emphasizing the spirit of invention and discovery.

Week 5: Pillar four: Entrepreneurial free enterprise as the essential element of America's past and future economic productivity and success.

Week 6: Pillar five: The lessons of American history which enable us to preserve individual freedom and expand opportunities.

Week 7: Applying the five pillars to maximizing economic growth and job creation.

Week 8: Applying the five pillars to health.

Week 9: Applying the five pillars to saving the inner city.

Week 10: Citizenship for the 21st century: Rethinking the lessons of our Founding Fathers within a global economy and an era of change.

I want to invite all of my colleagues in the House and Senate of both political parties and of all ideological persuasions to participate in helping think through the process of creating a blueprint for replacing the welfare state.

If you and/or your staff have a chance to read my January 25 special order and you agree with the general principles and direction of that speech, I would really appreciate your thoughts, critique, examples, et cetera.

Similarly, if anyone on the committee staffs or anyone who reads the CONGRESSIONAL RECORD has some ideas they would like considered I would very much appreciate their participation. Developing a blueprint for replacing the welfare state is a team undertaking. No one person has the knowledge, the experience or the insights to develop this by themselves. I might mention that Nancy Desmond at Kennesaw State College is the content coordinator for the course and she would also love to hear from anyone with new ideas, good examples, or constructive criticism.

Finally, if you or your staff or constituents would be interested in participating in the course and in developing the dialogue over the next 4 years we would be delighted to work with you. The basic ideas will be outlined both in the CONGRESSIONAL RECORD and in material available by satellite from Kennesaw State College at no cost to anyone who has a downlink. They will also be available by videotape, audiotape, and computer. We want to encourage the widest possible participation in thinking through the development of a blueprint for replacing the welfare state.

As our ideas become better developed I will from time to time share them with my colleagues.

□ 1830

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess, subject to the call of the Chair.

Accordingly (at 6 o'clock and 35 minutes p.m.) the House stood in recess subject to the call of the Chair.

□ 1840

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. GORDON] at 6 o'clock and 40 minutes p.m.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2491, VA, HUD, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–159) on the resolution (H. Res. 208) waiving certain points of order against the bill (H.R. 2491) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TUCKER (at the request of Mr. GEPHARDT) on June 24, on account of official business.

Mr. THOMPSON (at the request of Mr. GEPHARDT) on June 24, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KIM to revise and extend their remarks and include extraneous material:)

Mr. HASTERT, for 60 minutes each day, on June 29 and July 1.

Mr. HORN, for 60 minutes each day, on June 30 and July 12.

Mr. DREIER, for 5 minutes today.

(The following Members (at the request of Ms. PELOSI to revise and extend their remarks and include extraneous material:)

Mr. LAFALCE, for 60 minutes, today.

Mr. MATSUI, for 60 minutes each day, on June 29 and July 15 and 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KIM) and to include extraneous matter:)

Mr. GILMAN in five instances.
Mr. SUNDQUIST.
Mr. OXLEY in three instances.
Mr. DORNAN.
Mr. CRANE.
Mr. SMITH of Oregon.
Mr. MCDADE in two instances.
Ms. SNOWE.
Mr. SAXTON.
Mr. RAMSTAD.
Mr. KLUG.
Mr. MCKEON.
Mrs. BENTLEY.

(The following Members (at the request of Ms. PELOSI) and to include extraneous matter:)

Mr. LAFALCE in two instances.
Mr. MAZZOLI.
Mr. GEJDENSON.
Mr. WYDEN.
Mr. HOYER.
Mr. BARCIA in two instances.
Mr. STARK in five instances.
Mr. PAYNE of New Jersey.
Mr. BROOKS.
Mr. JOHNSON of South Dakota.
Mr. RAHALL.
Mr. HILLIARD.
Mr. ANDREWS of Texas.
Mr. BROWN of California.
Mr. MENENDEZ.
Mr. VENTO.
Mr. SWETT.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 80. An act to increase the size of the Big Thicket National Preserve in the State of Texas by adding the Village Creek corridor unit, the Big Sandy corridor unit, and the Canyonlands unit.

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 41 minutes p.m.), under its previous order, the House adjourned until Monday, June 28, 1993, at noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STUDDS: Committee on Merchant Marine and Fisheries.

H.R. 1522. A bill to authorize expenditures for fiscal year 1994 for the operation and maintenance of the Panama Canal, and for other purposes; with an amendment (Rept. 103–154). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee on Education and Labor.

H.R. 2010. A bill to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes; with an amendment (Rept. 103–155). Referred to the Committee of the Whole House on the State of the Union.

Mr. NATCHER: Committee on Appropriations.

H.R. 2518. A bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1994, and for other purposes. (Rept. 103–156). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Appropriations.

H.R. 2519. A bill making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103–157). Referred to the Committee of the Whole House on the State of the Union.

Mr. YATES: Committee on Appropriations.

H.R. 2520. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103–158). Referred to the Committee of the Whole House on the State of the Union.

Ms. SLAUGHTER: Committee on Rules.

House Resolution 208. Resolution waiving certain points of order against the bill (H.R. 2491) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103–159). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WYDEN (for himself, Mrs. COLLINS of Illinois, Mr. MOORHEAD, Mr. COOPER, Mr. FIELDS of Texas, Mr. LEHMAN, Mr. OXLEY, Mr. RICHARDSON, Mr. HASTERT, Ms. MARGOLIES-MEZVINSKY, Mr. GILLMOR, Mr. SYNAR, and Mr. GREENWOOD):

H.R. 2515. A bill to amend the Securities Exchange Act of 1934 with respect to the extension of unlisted trading privileges for corporate securities, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SWETT:

H.R. 2516. A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to provide for the dissemination of source reduction and energy efficiency technologies; to the Committee on Science, Space, and Technology.

By Mr. GONZALEZ (for himself and Mrs. ROUKEMA):

H.R. 2517. A bill to establish certain programs and demonstrations to assist States and communities in efforts to relieve homelessness, assist local community development organizations, and provide affordable rental housing for low-income families, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NATCHER:

H.R. 2518. A bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1994, and for other purposes.

By Mr. SMITH of Iowa:

H.R. 2519. A bill making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1994, and for other purposes.

By Mr. YATES:

H.R. 2520. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1994, and for other purposes.

By Mr. GILMAN:

H.R. 2521. A bill to direct the President to implement and enforce certain economic sanctions against the Government of the Socialist Republic of Vietnam until such time as the United States Government has received from the Government of the Socialist Republic of Vietnam the fullest possible accounting of American POW/MIA's from the Vietnam conflict, and for other purposes; jointly, to the Committees on Foreign Affairs, Ways and Means, and Banking, Finance and Urban Affairs.

By Mr. BROWN of California:

H.R. 2522. A bill to authorize appropriations for the design and construction of a hypersonic research airplane as part of the National Aerospace Plane Program, and for other purposes; to the Committee on Science, Space, and Technology.

By Mr. CANADY:

H.R. 2523. A bill to amend section 2119 of title 18, United States Code, to authorize imposition of the death penalty if death results from a carjacking, and for other purposes; to the Committee on the Judiciary.

By Ms. HARMAN:

H.R. 2524. A bill to eliminate certain Federal programs in order to significantly reduce annual budget deficits; jointly, to the Committees on Science, Space, and Technology, Agriculture, Natural Resources, and Foreign Affairs.

By Mr. KOPETSKI:

H.R. 2525. A bill to amend the Internal Revenue Code of 1986 to phase out the occupational taxes relating to distilled spirits, wine, and beer; to the Committee on Ways and Means.

By Mr. MINGE (for himself, Mr. Grandy, and Ms. Danner):

H.R. 2526. A bill to provide for the delayed repayment to the Government of advance deficiency payments received by producers who are prevented from planting a crop due to weather or related conditions; to the Committee on Agriculture.

By Mr. MINGE:

H.R. 2527. A bill to forgive the repayment to the Government of advance deficiency payments received by producers who are prevented from planting a crop due to damaging weather or related condition; to the Committee on Agriculture.

By Mr. REGULA (for himself, Mr. Murtha, Mr. Visclosky, and Mrs. Bentley):

H.R. 2528. A bill to provide equity and fairness to U.S. industries, and for other purposes; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. SMITH of Oregon:

H.R. 2529. A bill to amend the Public Health Service Act to provide grants to entities in rural areas that design and implement innovative approaches to improve the availability and quality of health care in such rural areas, and for other purposes; to the Committee on Energy and Commerce.

By Mr. VENTO:

H.R. 2530. A bill to amend the Federal Land Policy and Management Act of 1976 to authorize appropriations for programs, functions, and activities of the Bureau of Land Management, Department of the Interior, for fiscal year 1994; and for other purposes; to the Committee on Natural Resources.

By Mr. GILMAN:

H.J. Res. 218. Joint resolution designating October 16, 1993 and October 16, 1994, each as World Food Day; to the Committee on Post Office and Civil Service.

By Mr. GILMAN:

H.J. Res. 219. Joint resolution designating September 17, 1993, as "National POW/MIA Recognition Day" and authorizing display of the National League of Families POW/MIA flag; jointly, to the Committees on Post Office and Civil Service and Veterans' Affairs.

By Mr. BROOKS (for himself and Mr. Fish):

H. Res. 207. Resolution impeaching Robert F. Collins, judge of the United States District Court for the Eastern District of Louisiana, of bribery and other high crimes and misdemeanors; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under Clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 25: Mr. Kennedy and Mr. Torricelli.

H.R. 50: Mr. Bonior, Mr. Thompson, Mr. Stark, Mr. Beilenson, Mr. Frank of Massachusetts, Mr. Blackwell, Mrs. Unsoeld, Mr. Matsui, Ms. Eddie Bernice Johnson of Texas, Mr. Miller of California, Mr. Clay, Mr. Serrano, Mr. Studds, Mr. Owens, Mr. Johnston of Florida, Mr. Watt, and Mr. Hilliard.

H.R. 174: Mr. Dellums, Mr. Jefferson, Ms. Norton, and Mr. Thompson.

H.R. 214: Mr. Murtha.

H.R. 291: Mr. Rangel, Mr. Camp, Mr. Holden, Mr. Sanders, Mr. Peterson of Minnesota, Mr. Kildee, Ms. Thurman, Mr. Washington, Mr. Quinn, Mr. Buyer, and Mr. Kopetski.

H.R. 300: Mr. Sangmeister.

H.R. 369: Mr. Manzullo.

H.R. 385: Mr. DeLay.

H.R. 455: Mr. Richardson.

H.R. 500: Mr. Darden.

H.R. 535: Mr. Crane and Mr. Goss.

H.R. 558: Mr. Brewster and Mr. Paxon.

H.R. 591: Mr. Torkildsen.

H.R. 595: Mr. Holden.

H.R. 602: Mr. Penny, Ms. Byrne, Mr. Frank of Massachusetts, Ms. Thurman, Mrs. Roukema, Mr. Dellums, and Mr. Peterson of Minnesota.

H.R. 604: Mr. Kopetski.

H.R. 606: Ms. Byrne.

H.R. 615: Mr. Bryant.

H.R. 660: Mrs. Lloyd, Mr. Goodling, and Mr. Pastor.

H.R. 690: Mr. Porter.

H.R. 739: Mr. Kingston and Mr. Gilchrest.

H.R. 787: Ms. Fowler and Mr. Payne of Virginia.

H.R. 894: Mr. Manzullo and Mr. Baker of California.

H.R. 895: Mr. Fields of Texas.

H.R. 957: Mr. Hamburg, Mr. Hilliard, Mrs. Schroeder, Mr. Jefferson, Mr. Swift, and Mr. Jacobs.

H.R. 962: Mr. Gilchrest, Mr. Mollohan, and Mr. Nussle.

H.R. 1114: Mr. Frank of Massachusetts.

H.R. 1121: Mr. Barlow.

H.R. 1141: Mr. Kim and Mr. Linder.

H.R. 1200: Mr. Farr.

H.R. 1205: Mr. Armey.

H.R. 1322: Mr. Johnson of Georgia and Ms. Cantwell.

H.R. 1353: Mr. Pombo, Mr. Stump, Mr. Baker of California, and Mr. Smith of Michigan.

H.R. 1419: Mr. Mfume, Mr. Ravenel, and Mr. Gutierrez.

H.R. 1423: Mr. Linder, Mr. Manzullo, Mr. Lewis of California, Mrs. Morella, Mr. Wynn, Mr. Hughes, Mr. Ramstad, Ms. Pryce of Ohio, Mr. Ackerman, Mr. Manton, Mr. Rahall, Mr. Canady, Mr. Barcia of Michigan, Mr. Goodlatte, Mr. Bevill, and Mr. Taylor of Mississippi.

H.R. 1455: Mr. Porter.

H.R. 1481: Mr. Ballenger.

H.R. 1504: Mr. Torkildsen and Mr. King.

H.R. 1552: Mr. Johnston of Florida, Mr. Armey, Mr. Manzullo, and Mr. Baker of California.

H.R. 1565: Mr. Stump, Mr. Moorhead, Mrs. Roukema, and Mr. Levy.

H.R. 1595: Ms. Norton, Mr. Stokes, and Mr. Valentine.

H.R. 1608: Mr. Kanjorski, Ms. Roybal-Allard, Mr. Sangmeister, Mr. Saxton, Mr. Brown of California, Mr. Gunderson, Mr. Gutierrez, Mr. Hamilton, Mr. Hilliard, Mr. Natcher, and Ms. Waters.

H.R. 1670: Mr. Hutchinson and Mr. Crane.

H.R. 1671: Mr. Borski.

H.R. 1709: Mr. Canady.

H.R. 1753: Mr. Owens.

H.R. 1754: Mr. Owens.

H.R. 1755: Mr. Owens and Mr. Inglis of South Carolina.

H.R. 1883: Mr. Natcher, Mr. Lazio, Mr. Manton, Mr. Stokes, Ms. Molinari, Ms. DeLauro, Mr. Gallegly, Mr. Dixon, Mr. Sangmeister, Mr. Skeen, Mr. Gilchrest, Ms. Lowey, Mr. Bilirakis, Mr. Moorhead, Mr. Traficant, and Mr. English of Oklahoma.

H.R. 1898: Mr. Schiff, Mr. Ballenger, Mr. Paxon, Mr. Moorhead, Mr. Doolittle, Mr. Cunningham, and Mr. Packard.

H.R. 1928: Mr. Barton of Texas and Mr. Paxon.

H.R. 1981: Mr. Smith of Michigan, Mr. Leach, Mr. Hoagland, Mr. Linder, Miss Collins of Michigan, Mr. Gordon, Mr. Collins of Georgia, Mr. Klein, Mr. Roemer, Mr. Mann, Mr. Bereuter, Mr. Knollenberg, and Mr. Ewing.

H.R. 2010: Mr. Blackwell, Mr. Barca of Wisconsin, Mr. Borski, Mr. Farr, Mr. Hamburg, and Ms. Margolies-Mezvinsky.

H.R. 2019: Ms. Woolsey.

H.R. 2120: Mr. Levy and Mr. Baker of Louisiana.

H.R. 2121: Mr. Laughlin, Mr. Boucher, Mr. Brewster, Mr. Cramer, Ms. Shepherd, Mr. Glickman, Ms. Eshoo, Mr. Hutto, Mr. Hall of Texas, Mr. Lancaster, Mrs. Mink, Mr. Penny, Mr. Rowland, Mr. Obey, Mr. Murphy, Mr. Chapman, Mr. Taylor of North Carolina, Mr. Callahan, Mr. Oxley, Mr. Dickey, Mr. Roberts, Mr. Upton, Mr. Barton of Texas, Mr. Manzullo, Mr. Roth, Mr. Knollenberg, Mr. Quinn, Mr. Lightfoot, Mr. Leach, Mr. Fawell, Mr. Boehner, Mr. Gingrich, Mr. Goss, Mr. Hoke, Mr. Kingston, Mr. Myers of Indiana, Mr. Bunning, and Mr. Schiff.

H.R. 2137: Mrs. Roukema, Mr. Gejdenson, Mr. Meehan, Mr. Frank of Massachusetts, Mr. Sabo, Mr. Kildee, Mr. McHugh, Mr. Hunter, Mr. Clay, Mr. Williams, Mr. Dellums, Mr. Peterson of Minnesota, Mr. Levy, Mr. Bonior, Mr. Tucker, Ms. Shepherd, Mr. Fingerhut, and Mr. Schumer.

H.R. 2142: Mr. Romero-Barcelo.

H.R. 2147: Mr. Hansen, Ms. Pelosi, Mrs. Roukema, Mr. Torres, Mr. Jacobs, Ms. Maloney, Mr. LaFalce, Mr. McDermott, Mr. Meehan, Mr. Foglietta, Mr. Beilenson, Mr. Castle, Mr. Markey, Mr. Swett, and Mr. Stark.

H.R. 2152: Mr. Dellums.

H.R. 2157: Mr. Baker of Louisiana.

H.R. 2276: Mr. Lewis of Georgia.

H.R. 2319: Mr. Berman, Mr. Stearns, Mr. Smith of New Jersey, Mr. Lazio, Mr. Horn, and Mr. Gutierrez.

H.R. 2355: Mr. Parker, Mr. Porter, Mr. Hyde, and Mr. Lightfoot.

H.R. 2378: Mr. Parker, Mr. Walker, and Mr. Torkildsen.

H.R. 2394: Ms. Slaughter, Miss Collins of Michigan, and Mr. Gutierrez.

H.R. 2395: Ms. Slaughter and Mr. Gutierrez.

H.R. 2434: Mr. Kyl.

H.R. 2488: Mr. Brown of California and Mr. Washington.

H.R. 2498: Mr. Greenwood.

H.J. Res. 1: Mr. Watt and Mr. Menendez.

H.J. Res. 44: Mr. Sundquist, Mr. Blute, Mr. Doolittle, Mr. Moorhead, Mrs. Roukema, Mr. Levy, and Mr. Diaz-Balart.

H.J. Res. 131: Mr. Schiff, Mr. Volkmer, and Mr. Thomas of Wyoming.

H.J. Res. 139: Mr. Darden and Mr. McDade.

H.J. Res. 149: Mr. Martinez, Mr. Quillen, Mr. Klein, Ms. Dunn, and Mr. Pallone.

H.J. Res. 162: Mr. Sharp, Mr. Burton of Indiana, Mr. Sabo, Mr. Scott, Mr. Hyde, Mr. Serrano, Ms. Woolsey, Mr. Hansen, Mr. Franks of New Jersey, Mr. Edwards of Texas, Mr. Ravenel, Mr. Kleczka, Mr. Emerson, Mr. Myers of Indiana, Mr. Gallegly, Mr. Franks of Connecticut, Mr. Quillen, Mr. McNulty, Mr. Pomeroy, Ms. Roybal-Allard, Mr. Smith of New Jersey, Mr. Owens, Mr. Rose, Mr. Torricelli, Mr. Clement, Mr.

KLUG, Mr. FAZIO, Mr. TAUZIN, Mrs. LOWEY, Mr. LAFALCE, Mr. HOCHBRUECKNER, Mr. ORTON, Mr. HASTERT, Mr. YOUNG of Alaska, Mr. ROEMER, Mr. SHAW, Ms. MCKINNEY, Mr. WYDEN, Mr. DE LUGO, Mr. ACKERMAN, Mr. BISHOP, and Mr. MATSUI.

H.J. Res. 173: Mr. BATEMAN, Mr. HOEKSTRA, and Mr. ISTOOK.

H.J. Res. 196: Mr. DICKS, Mr. FORD of Michigan, Mr. GALLO, Mr. HILLIARD, Mr. ROMERO-BARCELO, Mr. SMITH of Texas, Mr. TEJEDA, and Mr. THOMAS of California.

H.J. Res. 204: Mr. WOLF, Mr. BORSKI, Mr. RAHALL, Mr. DE LUGO, Mr. HAYES, Mr. PETERSON of Florida, Mr. TOWNS, Mr. BROWN of California, Ms. PELOSI, Mr. FRANK of Massachusetts, Mr. SARPALIUS, Mr. MANTON, Mr. COYNE, Mr. HOLDEN, Mr. FILNER, Mr. MARKEY, Mr. BUYER, and Mr. HEFNER.

H. Con. Res. 88: Mr. HUTCHINSON and Mr. SWETT.

H. Con. Res. 100: Mr. GOODLING and, Mr. PAYNE of Virginia.

H. Con. Res. 113: Mr. DICKS, Mr. KREIDLER, Mr. BEREUTER, and Mr. UNDERWOOD.

H. Res. 134: Mr. SHAYS, Mr. KLUG, Mr. GREENWOOD, and Mr. MILLER of Florida.

H. Res. 175: Mr. HANCOCK, Mr. RAMSTAD, Mr. PAXON, and Mr. ALLARD.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2491

By Ms. BYRNE of Virginia:

—Page 50, line 20, strike "That" and all that follows through "*further*," on line 25.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; purchase, lease, charter, maintenance, and operation of mission and administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration; not to exceed $35,000 for official reception and representation expenses; and purchase (not to exceed thirty-three for replacement only) and hire of passenger motor vehicles; $7,475,400,000, to remain available until September 30, 1995, including not to exceed $2,100,000,000 for space station, of which (1) not to exceed $172,000,000 shall be for space station operations/utilization capability development and (2) not to exceed $99,000,000 shall be for space station supporting development: *Provided*, That none of the funds in this Act may be used for space station engineering and integration contract activities: *Provided further*, That none of the funds in this Act may be used for space station technical and management information systems contract activities: *Provided further*, That none of the funds in this Act may be used for space station NASA headquarters level one support service contracts.

SPACE FLIGHT, CONTROL AND DATA COMMUNICATIONS

For necessary expenses, not otherwise provided for, in support of space flight, spacecraft control and communications activities of the National Aeronautics and Space Administration, including operations, production, services, minor construction, maintenance, repair, rehabilitation, and modification of real and personal property; tracking and data relay satellite services as authorized by law; purchase, lease, charter, maintenance and operation of mission and administrative aircraft; $4,882,900,000, to remain available until September 30, 1995.

CONSTRUCTION OF FACILITIES

For construction, repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and for facility planning and design not otherwise provided, for the National Aeronautics and Space Administration, and for the acquisition or condemnation of real property, as authorized by law, $545,300,000 to remain available until September 30, 1996: *Provided*, That, notwithstanding the limitation on the availability of funds appropriated under this heading by this appropriations Act, when any activity has been initiated by the incurrence of obligations therefor, the amount available for such activity shall remain available until expended, except that this provision shall not apply to the amounts appropriated pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design: *Provided further*, That no amount appropriated pursuant to this or any other Act may be used for the lease or construction of a new contractor-funding facility for exclusive use in support of a contract or contracts with the National Aeronautics and Space Administration under which the Administration would be required to substantially amortize through payment or reimbursement such contractor investment, unless an appropriations Act specifies the lease or contract pursuant to which such facilities are to be constructed or leased or such facility is otherwise identified in such Act: *Provided further*, That the Administrator may authorize such facility lease or construction, if he determines, in consultation with the Committees on Appropriations, that deferral of such action until the enactment of the next appropriations Act would be inconsistent with the interest of the Nation in aeronautical and space activities.

RESEARCH AND PROGRAM MANAGEMENT

For necessary expenses for personnel and related costs, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902) and travel expenses, $1,637,500,000: *Provided*, That contracts may be entered into under this appropriation for training, investigations, costs associated with personnel relocation, and for other services, to be provided during the next fiscal year.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $15,391,000.

SENATE—*Thursday, June 24, 1993*

(Legislative day of Tuesday, June 22, 1993)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable HARRIS WOFFORD, a Senator from the State of Pennsylvania.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Behold, how good and how pleasant it is for brethren to dwell together in unity!—Psalm 133:1.

Gracious God, how desperately we need unity in Washington. The Nation is on the edge of a precipice, and we can't seem to get it together.

God of love and peace, it is exciting to contemplate the potential power of the United States Senate when, with all its diversity, it is united. Conversely, it is a sad situation when the diversity of the body is fragmented. The Nation is strong when government is united; the Nation is weakened by brokenness.

These are critical days, Father—critical economically, spiritually and morally—critical politically. Make real the words engraved on the Dirksen Building: "The Senate is a Living Symbol of the Union of the States."

Gracious God, give to the leadership of our Nation the desire, the will to unite that, in such awesome power, they might address the crises we face.

We pray in the name of Jesus, Prince of Peace. Amen.

APPOINTMENT OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 24, 1993.

To the Senate:

Under the provisions of rule 1, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRIS WOFFORD, a Senator from the State of Pennsylvania, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. WOFFORD thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

OMNIBUS BUDGET RECONCILIATION ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1134, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1134) to provide for reconciliation pursuant to Section 7 of the concurrent resolution on the budget for fiscal year 1994.

The Senate resumed consideration of the bill.

Pending:

(1) Mitchell amendment No. 507, to increase the capital equipment expensing allowance for small businesses, and allow small businesses to deduct an increased level of capital purchases from their taxes.

(2) Nickles amendment No. 508, to eliminate the transportation fuels tax and the imposition of the 4.3 cents deficit reduction rate.

AMENDMENT NO. 508

The ACTING PRESIDENT pro tempore. There will now be 30 minutes of debate remaining on the Nickles amendment No. 508.

Who yields time?

Mr. BREAUX. Mr. President, I understand that the circumstances are that we each have 15 minutes to allocate on the Nickles amendment.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BREAUX. Under that agreement, Mr. President, I yield 5 minutes to the distinguished Senator from Montana, [Mr. BAUCUS].

Mr. BAUCUS. Mr. President, I rise in strong opposition to the Nickles amendment. I oppose it not because I favor a gas tax but because I believe we must reduce the budget deficit by $500 billion as we promised the American people. As a member of the Senate Finance Committee, I have been involved in the debate on this so-called gas tax for several weeks. In my opinion, some of the proposals originally considered by the Finance Committee were grossly unfair. They would have altered the President's plan to lift the burden of deficit reduction off of corporate America and put it squarely on middle America and senior citizens.

Fortunately, the Finance Committee rejected those proposals. Could the package still be improved? Of course, it could. I would like to see the gas tax eliminated entirely. It is a highly regressive tax that is unfair to many regions of the country. Moreover, it has none of the positive environmental benefits of previous energy tax proposals. That is why I fought to lower or eliminate the gas tax in the Finance Committee deliberations. But this motion seeks to eliminate this tax without including any offsetting method of reducing the deficit. I see that as the height of budgetary irresponsibility. We must now make those hard choices we have talked about for so long, and that means reducing the deficit. I would rather not saddle taxpayers with a 4-cents-per-gallon gas tax, but I feel much better about that than I do about saddling our children with a skyrocketing national debt projected to reach $5 trillion within a few years.

It is not enough to just oppose taxes. Without an alternative, that opposition represents just avoiding a decision.

In conference, I hope to work toward the principle of everybody pays or nobody pays on the energy tax. And by that I mean we adopt either a broad-based energy tax that is fair to all income levels and all regions, an energy tax that captures the environmental benefits of the President's original proposal, or we could drop the gas tax entirely and offset the revenue through other means.

But we simply cannot strike the gas tax at this juncture and offer no offset. That would leave a $25 billion hole in the budget and open the door to more budget irresponsibility. For those reasons, I strongly oppose this motion and urge my colleagues to do the same.

I yield the remainder of my time to the Senator from Louisiana.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. NICKLES addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I yield the Senator from Iowa 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I strongly support this effort by my colleague, Senator NICKLES, from Oklahoma, to strike the gas tax increase from this reconciliation bill. I have always thought, as I have heard talk about increasing the gas tax over the years around this Congress, both in the House and Senate, if you would take out of the debate those people who are proposing the gas tax and who have chauffeur-driven limousines and never

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

pay the gas tax in the first place, or people who come from areas of the country where they have mass transit that we do not have in rural areas, you take those people out of the debate and you would never have anybody around this town suggesting increases in the gas tax because, obviously, they do not know how difficult it is to pay the tax or how dependent people in rural areas of America are upon the car and other forms of transportation to get around where we do not have mass transit or chauffeur-driven limousines.

There is no question that the tax increase on fuels is regressive and hits the middle class and the poor the hardest.

A 1987 Peat Marwick study found that those making less than $20,000 paid 23 percent of the total in gas taxes. In comparison, those higher income people making $100,000 or more pay only 5 percent of the total. So it is regressive.

Moreover, a Congressional Budget Office study shows that the lowest income group, those making under $5,000, spends, as a share of income, seven times more on gas taxes than those in the highest income groups over $50,000.

In addition, fuel taxes impose an unequal and unfair burden on rural areas. CBO reports that rural families spend twice as much on motor fuels as urban families in the Northeast and 40 percent more than all families nationwide.

Secretary Bentsen said, on June 3, 1993:

> There is no regional balance in the gas tax. In some parts of the country it becomes quite punitive. That's particularly true of those States that have substantial rural areas or don't have extensive mass transit.

Now, if, on June 3, former Senator Bentsen, now Secretary Bentsen, had this to say about the gas tax, what is the White House doing backing this gas tax increase? And it is interesting to remember what President Clinton, as candidate Clinton, had to say about the gas tax increase. Candidate Clinton referred to this tax as "back breaking" and that it would "grind the middle class and lower middle-income class into the dirt."

But as with many issues, the President has failed to follow through with his promises. What about the President's pledge to create jobs and the detrimental impact that this gas tax will cost jobs and will increase consumer costs?

I received a recent letter from a constituent in Clinton, IA, by coincidence, that says it all. I want to quote from an April 30 letter.

> Since 1986, my firm has created over 400 new permanent jobs in our community of 28,000. Because of numerous disincentives to investment being discussed or proposed we have decided to postpone our plan for $7.5 million 2-year plant expansion that would have created an additional 150 jobs.

He says strongly, and underlining:

> The proposed Btu tax pushed us over the edge. Our new game plan will be to adapt to a shrinking economy by possibly shrinking our business. Our budding export program of 5 percent sales will certainly be destroyed.

If that is not proof that the Clinton tax bill will destroy jobs and hurt the economy, I do not know what else it would take. And I do not think that the Btu tax is necessarily dead with the White House just this weekend speaking in support of it, even considering this compromise in the Senate.

With all the problems that this gas tax will create, my greatest concern is what this energy component of the tax bill is going to look like when the conference committee gets done cutting all of its deals. It concerns me when Budget Director Panetta, Secretary Bentsen, and President Clinton have all recently indicated that they prefer the House Btu tax to the Senate gas tax, and Chairman ROSTENKOWSKI has made it very clear that he supports it as well.

So, it looks to me like this 4.3 cent fuel tax is really just a smokescreen that is being used to get this tax bill through the Senate so that some version of the House's dreaded Btu tax can be resurrected in conference.

This makes it even more important to strike the fuels tax from this tax bill, Mr. President. We in the Senate, as well as the American taxpayer, need as much leverage in conference with the House as possible. Otherwise, when we go up against President Clinton, Secretary Bentsen, Director Panetta, and Chairman ROSTENKOWSKI in conference, we, the American people, are going to lose.

I, therefore, urge our colleagues to support this amendment and get rid of this gas tax.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BREAUX. Mr. President, I yield 5 minutes to the distinguished Senator from New York.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in the distinguished company of our colleagues and the members of the Committee on Finance who reported this measure to the Committee on the Budget, from whence it now comes to the floor.

We have proposed a modest, some would say a minuscule, increase in the gasoline tax. And the response we have here—I do not know whether it is disproportionate, given how small the revenue measure is, or deserved because of our lack of a capacity to produce something serious.

Mr. President, on the front page of the Washington Post today you will see an affectionate, wonderful profile of our beloved President pro tempore, Senator ROBERT C. BYRD of West Virginia. It is by Helen Dewar and Eric Pianin, respected members of the Press Gallery. Describing an address by the President pro tempore. It begins, "First he invoked images of ancient Romans." We have treasured his wonderful graphic extracts from Roman history as we stand in the Senate with Roman statements all about us, "Novus Ordo Seclorum," "Annuit Coeptis," "E Pluribus Unum."

There is one thing to be recalled of the Roman Empire, an account of the decline and face the leakage of reality.

The time came when the rulers of Rome, the Senate and people of Rome, S-P-Q-R, Senate—still on the signs of the city of Rome, "The Senate and People of Rome"—could not assess the real facts of their strengths, their weakness, and their danger.

The United States is endangered by insolvency. We have lived a fantasy life of increasing borrowing and resisting taxation to the point where we are no longer free to make the decisions which had never occurred to us that anyone else could influence not 15 years ago.

We have done that on this floor with sometimes infantile—that word infantile is used in Newsweek by Joe Klein this week—infantile self-indulgence. Here are some of the facts.

We import oil. When oil is threatened, our imports are threatened, we must go to war half a world away. When oil is embargoed, our automobile industry unprepared, evidently unaware of it, finds it loses a quarter of its market share to the Japanese. And we wonder, what do the Japanese do to us and what do we do to them?

We import oil, and yet gasoline is at the lowest price it has been since 1918 in our records; the lowest price it has been since Senator ROCKEFELLER'S great grandfather began selling it as a byproduct of kerosene. And we cannot add 4.3 percent. That is a leakage, sir, of reality. Canada, which exports oil, has half again the price we have, sir.

Let us come to terms with reality.

As regard regional impact the Treasury Department has very simple numbers. The amount per capita impact of this measure, is highest in New England, lowest in South Central, average in West North Central. The highest measure is in the New England States. This notion of farmers driving 1,000 miles to town is a folk myth, again a leakage of reality.

Mr. President, I ask unanimous consent that the chart to which I referred entitled "7.3 Cents Per Gallon Tax on Transportation Fuels" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

7.3-CENTS PER GALLON TAX ON TRANSPORTATION FUELS

Census region	Tax increase	
	Amount per capita	As a percent of income
New England	$48	0.22
Middle Atlantic	45	.21
South Atlantic	48	.26

7.3-CENTS PER GALLON TAX ON TRANSPORTATION FUELS—Continued

Census region	Tax increase	
	Amount per capita	As a percent of income
East North Central	46	.25
East South Central	45	.30
West North Central	47	.27
West South Central	46	.29
Mountain	46	.28
Pacific	47	.24

Source: Treasury Department.

Mr. NICKLES. Mr. President, I yield to Senator KOHL 4 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. KOHL. Thank you very much.

Mr. President, I would like very much to see a deficit reduction program passed in the Senate. I think it is very important. But I think it is equally important that we pass it without the gas tax. The gas tax, by anybody's addition, is a tax on virtually everybody in this country. It is certainly a huge tax, $24 billion, falling primarily on the middle-class and lower income people in our country.

That is precisely what we said we would not do during the campaign. It is precisely what our President said he would not do during the campaign.

It seems to me that we have a much, much stronger package, much more acceptable to the American people who, after all, are the people we are here representing, if we do not have a gas tax. They talk about it as a 4.3-cent gas tax now. We all know it will soon become, if it is passed in the Senate, something quite more than 4.3 cents. So we are talking about a significant increase in taxes on the middle-income people of this country.

Twenty-four billion dollars is what it is in this body, and if we want enough and sufficiently not to tax middle-income people, we can find $24 billion without a great deal of difficulty. We have all talked about the precarious value of the superconductor, super collider, the space station, a variety of defense procurement programs. There are many ways in which we can find $24 billion, as significant as it is, if, in fact, we do not want to tax middle-income America at this time.

I do not think we should. I think it weakens the package that we are trying to get passed here in the Senate. For that reason, I cannot and do not support it.

It will have a ripple effect throughout our economy. It will affect the trucking industry and prices that people pay and jobs. It will affect the airline industry and what people pay for tickets, as well as jobs. It will have a real negative affect on the economy. It will cost jobs and tax middle-income America—something we do not wish to do at this time. So I cannot support the gas tax.

I urge that we reject the gas tax at this time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BREAUX. Mr. President, I yield myself up to 5 minutes.

The ACTING PRESIDENT pro tempore. Senator BREAUX is recognized.

Mr. BREAUX. Mr. President, let us make it very clear as to what we are talking about here. Nobody likes any taxes. But if the amendment of the Senator from Oklahoma, my good friend, was adopted, we will have increased the deficit by $24 billion.

It is easy to stand up on the floor and say we do not want anything difficult to do in this bill. We want to feed the American people pablum and say it is going to solve the deficit problem.

Well, Mr. President, the American people have had enough pablum. I think they would be willing to make sacrifices if it is fair across the board and makes a difference in reducing the deficit. We are not going to get it just by magic. My mama used to tell me, "If something looks too good to be true, it probably is." I think that is what we saw yesterday—some magical amendment that is somehow going to put everything back in order with no pain, with no heavy lifting, with no suffering or sacrifice.

I suggest that is what Congress has given the people for two decades. We have given a lot of easy proposals and solutions and great political speeches, but we never have given them anything that works, anything that will really solve the problem.

Today we are here with a package I think is fair. Eighty percent of the tax increases are going to be paid for by the people who can best afford them—those making over $200,000 a year. This broad-based transportation tax is an effort to try to reach those goals.

People in my State said the Btu tax proposal is not a good idea. You would have to create a bureaucracy in order to enforce it. It was bad for exports and good for imports, which is bad for America. It was going to be five taxes: A tax on manufacturing, a tax on consumer goods, a tax on heating and cooling, a tax on transportation fuels. It was a combination of taxes that tax everybody and particularly hurt the middle-income people of this country.

The Btu tax is dead, and I predict it is not going to come back, because people now realize it is a bad idea. We have to replace it with something more than smoke and mirrors. Some of these proposals I have seen around here give smoke and mirrors a bad name. We have to have proposals that are real and that work.

What we have is a proposal for a 4.3 cent transportation tax, not just gas that you use in cars, but gas used by all forms of transportation in the United States of America. The effect of it is to raise $24 billion to use for deficit reduction.

Is that going to be harmful to the folks? I suggest if you have to have this type of an increase in revenues, this is the best time to do it. The chart clearly indicates if you look at the price of gas in the United States—and our chairman made this point—with the increase, the tax, gasoline at the pump will be cheaper than it was in 1990, cheaper than it was in 1985, be cheaper than it was in 1980, 1975, 1970, 1965; and, yes, it will even be cheaper with the tax than it was in real terms in 1920.

I think the American people are willing to make a sacrifice if it results in serious deficit reduction. This is a small sacrifice. When you add the other features of this bill—some people say it is regressive. If you look at it by itself, perhaps that is true. But if you consider what this bill does with the earned income tax credit, for people who are middle-income people, it more than offsets any increase in a fuels transportation tax.

Let me give you one example: a family of four making $25,000 a year. That is hardworking family, getting by, but they are not doing that well. This would raise $116 a year from that family. That is not good. But let us see what the earned income tax credit would do for that family of four. It would give them $318 a year back—more than offsetting any increase in a transportation tax by $202. That family of four, at $25,000, would be to the good by $202 at the end of the year, even with this broad-based transportation tax they would pay. The average person pays $29 a year. But if we can help them by this earned income tax credit, I suggest that we have done them a very good deal.

We talk about job loss. What about the deficit? Increasing the deficit by voting for the amendment of the Senator from Oklahoma increases it by $24 billion. That is going to cost jobs. That is not good for middle-income people. They do not want to have a higher deficit and fewer jobs.

People in Louisiana told me they would rather pay a little bit and have a good job than to have to pay a so-called Btu tax and perhaps lose their job. So I think we have done what is needed. We got rid of the Btu tax, and we have replaced it with a transportation tax at 4.3 cents. I suggest that this is levied at the best possible time in the history of this country to really raise money for deficit reduction.

I reserve the remainder of my time.

Mr. NICKLES. How much time remains?

The ACTING PRESIDENT pro tempore. Seven minutes, four seconds.

Mr. NICKLES. I yield 2 minutes to the Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair. We have heard that we need to raise $24 billion to reduce the deficit by putting on a transportation tax. Clearly, there is a another alternative: Simply to cut spending.

This particular tax would hurt American jobs. There is no question about it. Our country's last great competitive advantage is our low energy costs in this country. Yet, the 4.3-cents-per-gallon fuel tax is another step down the road of simply throwing that advantage away.

This tax is going to steal American jobs and make us less competitive overseas. We are going to be exporting our jobs, and that is simply not what we want. This tax also discriminates against the poor and middle class.

I have heard during the debate some of our colleagues say that the Republicans only care about the rich. Well, the rich do not care about 4 cents a gallon. It is the poor and middle class who drive and take the airlines and use the trucking industry. All segments of American industry are going to be hurting. Our airline industry is already in a tailspin.

This is a regressive tax, and all those who claim to care about the effect of taxes on America's poor, America's middle class should support the Nickles amendment. This tax discriminates against the West. We have big distances in my State of Alaska. It is going to cost us more for foodstuff and industrial gas, and the price of every single product sold in my State will rise because of this tax, and every single Alaskan will pay a disproportionate share of this tax.

This is not a shared sacrifice, Mr. President. This is discrimination against just not Alaskans but an entire western region of our State. This tax is a rifle shot aimed at American jobs, the working people of this Nation and the West.

I urge my colleagues to support the Nickles amendment. I thank the Chair.

Mr. NICKLES. I yield to the Senator from Oregon 1 minute.

Mr. PACKWOOD. Mr. President, first, the argument is that if we vote for the Nickles amendment, we will widen the deficit by $24 billion. That is not true. The deficit will be the same whether or not we have this gasoline tax.

If we have the money, we will spend it. If we do not have the money, we will not spend it. The deficit will be the same.

Second, if by chance, passing the Nickles amendment will cause this bill to unravel, I am delighted to vote for it. There are enough other taxes in here that ought to cause it to unravel, but if this can be the start, so be it. I am happy to support it.

Mr. NICKLES. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. Four minutes, twenty-four seconds.

Mr. NICKLES. Mr. President, I will make a couple of comments and then ask my friend and colleague and cosponsor, Senator D'AMATO, to close.

I have heard many colleagues on the floor say we do not want to do anything that is going to hurt the low-income people. This gasoline tax does hurt the low-income people. Mr. President, it also hurts some industries that really cannot afford it.

It hurts the airline industry, and it hurts the airlines bad. The airline industry is losing lots of money, and this is going to cost all major airlines hundreds of millions of dollars. It is going to cost American Airlines $478 million in additional taxes over the next 5 years, and they are already losing hundreds of millions of dollars.

Mr. President, I also think we should hold our candidates and elected officials accountable. President Clinton has stated repeatedly he is opposed to a gasoline tax. In his book "Putting People First," he says on page 91, "I opposed Federal excise gas tax increases." He said it time and time again. He even castigated President Bush for increasing gasoline taxes. He said, after telling the 1988 Republican Convention, "Read my lips—no new taxes," President Bush agreed to the second largest tax hike in U.S. history, including a higher tax on the middle class like a $25 billion increase in gas taxes. It just so happens that is exactly what we have right here, a $25 billion gasoline tax increase.

Mr. President, if this amendment passes, I will offer an amendment to strike the earned income tax credit. I will offer offsets. I think we should reduce spending, and I am more than happy to do it.

We cannot afford to put this punitive tax that will put lots and lots of people out of work, and it strikes the rural areas especially hard.

I yield the remained of my time to the Senator from New York.

Mr. D'AMATO. Mr. President, how much time do I have?

The ACTING PRESIDENT pro tempore. Two minutes and twenty-five seconds.

Mr. D'AMATO. Mr. President, I remember the 1990 budget reduction program, the largest budget reduction package in the history of the world. Boy, that was 2 years ago, and here we are back again with the same thing. It was a nickel a gallon. Now it is down to 4 cents. I tell you when it comes back from committee who knows how much it will be.

Let me tell you something. Now is the time to kill the taxasaurus monster, kill him down, because you do know he is back and will eat more and more jobs, want more money. And do you know what? You are not going to have a deficit reduction. You are going to have some.

So take this lead pencil and give him lead poison. Kill him right through. If you do that, you are going to save jobs and going to save money. Then let us do what President Clinton said, "cut spending."

I want to help the President keep his program. So let us kill the taxasaurus, finish it. If you finish it, you will be helping the people reduce the deficit by cutting spending. We are not kidding the American people.

I want to help President Clinton keep his promises when he says he would not raise the taxes on gasoline.

Kill the taxasaurus monster. He is hemorrhaging now. He is hemorrhaging only, and with about six or seven good people on the other side, let say let us kill it.

Do not do the same thing we did with the turkey in 1990, that Budget Reduction Act, that was going to be great biggest deficit reduction in history. I tell you we had Republicans and Democrats vote for it. I tell you politically what we are doing is an exercise in camouflage so he can come back and eat the rest of the forest. He will be back sooner rather than later unless we finish him and pass the amendment.

Mr. NICKLES. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. Twenty-three seconds.

Mr. NICKLES. I yield to the Senator from Missouri the remainder of the time.

The ACTING PRESIDENT pro tempore. The Senator from Missouri is recognized.

Mr. BOND. Mr. President, gas taxes ought to go for highways and transportation needs. That is what the people of America expect when they pay gas taxes.

This tax is a burden on farmers and on people in rural areas who have to drive a long distance. We ought to get rid of this tax. We need to cut out spending. We can cut the earned income tax credit, as my colleague from Oklahoma has said. This is an opportunity to do something constructive to cut out a tax that will burden the middle class.

Mr. President, I rise in strong support of the amendment offered by Senator NICKLES, myself, and others. It would strike the 4.3-cent gas tax in this bill, and would strike a blow for the working people of this country.

As one who was actively involved in the highway bill reauthorization we passed several years ago, I can tell you that maintaining adequate roads and bridges remain a vital component to the economic development of any community.

Without a good transportation infrastructure, communities—particularly smaller or rural communities—stand little chance to retain or attract growing businesses. That's why it remains so important to fully fund the highway bill, and why it is so vital that we do not use gas tax dollars for any other purpose.

We have had this fight before. Remember the charges that the highway trust fund wasn't being spent out in order to mask the deficit? Remember the huge fight over a one-time 2.5-cent diversion, which would then revert to the trust fund or cease?

Well, not only does this bill continue the so-called one-time diversion of the 2.5 cents, but it goes even further. It dumps yet another Clinton campaign promise overboard and supports increasing the gas tax—for anything but highways.

The gas tax is regressive. It is unfair to large States of the West and Midwest. It hurts agriculture and rural areas. And it will devastate an industry the Clinton administration has said it wants to help—the airline industry.

So why is it in this bill? Because the Democratic leadership and the President can't seem to get over their affinity to raise taxes first, cut spending later.

Was there no program in the budget, not even one, that the Clinton team could have found to terminate? In a $1.5 trillion budget, couldn't they have found one out-of-date program to just say no more?

No. And that is why this bill combs the Tax Code for every possible nickel. And that is why this unfair, ill-conceived tax on working Americans is part of this bill, because the Democrats and the President can't shake the habit—of raising taxes first.

Mr. President, I urge my colleagues to oppose this $25 billion burden on middle-class Americans and to restore the principle that gas taxes are for roads and bridges.

Mr. DOMENICI. Mr. President, the 1,081,000 drivers in New Mexico operate more than 1,320,000 registered vehicles and drove 16.7 billion miles on more than 1 billion gallons of motor fuel in 1990.

The State of New Mexico Department of Finance and Administration has done a study on incomes, which concluded that a gasoline tax costs New Mexicans more than residents in 46 other States. New Mexicans rank near the top—No. 3 out of 50 States in terms of gasoline consumed per $1,000 of income.

New Mexicans consume 41.2 gallons of gasoline for every $1,000 in income that New Mexicans earn. This puts us at 59 percent above the national average. This underlines the regressivity of this tax. It also underlines the regional unfairness of a gasoline tax.

New Mexico ranks seventh highest among States in gasoline consumption per capita partially because of the State's sparsity. Distances are vast. We drive a lot and we have few mass transit alternatives.

New Mexicans are not alone. Americans spend $800 billion a year for transportation products and services. This is 19 percent of all consumer spending.

A 1987, Peat Marwick study found that 23 percent of total gasoline excise taxes are paid by those making less than $20,000 a year. In comparison, high-income earners, those making more than $100,000, account for 5 percent of the total.

A 1990 CBO study found that people in the lowest one-fifth of the income scale spend 6.9 percent of their posttax income on motor fuels. This is 4½ times the share of income than the wealthiest one-fifth spends on gasoline.

A gasoline tax is a tax on earning a living. You can't cash a paycheck if you don't get to work every day. Surveys by the Department of Transportation have found that 31 percent of trips made by people earning between $10,000 and $30,000 are directly related to earning a living.

CBO found that rural families spend nearly twice as much on gasoline than urban families in the Northeast and 40 percent more than all families nationally.

Businesses use one-third of all gasoline and most diesel fuel. This is another example of a tax hurting small business—a group we supposedly want to help.

This is a tax on lower and middle-income families. Whereas the supporters of this package say the taxes fall mainly on the wealthy, the transportation fuels tax, when looked at alone, hits the lowest incomes the hardest.

More than half of the new fuels tax will be paid by families with less than $50,000 in income. The new fuels tax is a bill these families are not prepared to pay.

There is new spending in this reconciliation bill that is supposed to offset the effect of the tax on low-income families—$16.5 billion in new spending for the EITC. This is the ultimate in tax and spend—add a new tax and add some more spending to counteract the effect of the tax. Is this efficient government in action?

But what about the elderly? Most elderly people do not work, so they would not benefit from the earned income tax credit.

President Clinton warned us that more taxes were coming during the campaign, but he said he would only raise taxes on the wealthy, who should pay their fair share.

Mr. HELMS. Mr. President, our friends from the other side of the aisle met last week and agreed to raise taxes once more on the middle-income people of the United States.

They propose a 4.3-cent gas tax that is regressive, which will hurt the farmers, the truckers, the commuters, and the small businessmen of North Carolina and of this country.

Mr. President, this gas tax will pluck money right out of the pockets of farmers and truckers. Farmers in North Carolina must use a great deal of gasoline to plant and harvest their crops and then to move them to market.

So, under the Democrat plan, the American people are going to have it socked to them again. They are going to be gouged with more taxes to pay for the new spending programs. Let me emphasize, this proposed gasoline tax is unfair and unnecessary.

The Democrats have removed the Btu energy tax and they have replaced it with a 4.3-cent gasoline tax increase. They have changed the name, but a tax is a tax is a tax no matter what anybody tries to call it, no matter from which pocket you try to take it.

Mr. President, the American people want the Congress to cut spending. They do not want this Democrat-controlled Congress to raise taxes again. This proposed gasoline tax, and the rest of the $300 billion in taxes in the Democrat bill, will cause more inflation. It will cause the loss of more jobs. It is going to slow the economy.

I saw a study by the Joint Economic Committee that concluded that a 5-cents-a-gallon gasoline tax increase will cost more than 300,000 jobs during the next 2 or 3 years. That is fearful to contemplate.

The Senate should support this amendment to strip out the gas tax.

THE GAS TAX HAS GOT TO GO

Mr. PRESSLER. Mr. President, I rise as a cosponsor of this amendment to strip away the proposed transportation tax, better known as the gasoline tax, or even more correctly the rural America tax. The gasoline tax will punish people who choose to live in places like my home State of South Dakota, because distances are significantly greater and people are forced to drive farther for work, pleasure, and basic living. Everyone from small businesses and middle-class families, to truckers, farmers, and ranchers will pay the price of the ill-conceived gasoline tax.

Mr. President, this is one of the most unfair taxes I have ever seen. It is harshly regressive. According to the U.S. Census Bureau, States with the lowest per capita incomes are some of the highest gasoline consumers in the country. For example, in terms of total personal income, South Dakota ranks fourth lowest in the country. However, South Dakota is the third highest consumer of gasoline per capita at approximately 700 gallons. South Dakotans each drive approximately 1,000 miles more per year than the national average and use 15 percent more gasoline than the national average. These figures come from the Federal Highway Administration.

On the other hand, four of the Nation's wealthiest States, Connecticut, New York, Pennsylvania, and New Jersey, rank among the lowest, nationwide, in terms of gas consumption. Residents of the District of Columbia use less than half the gas than that of the average South Dakotan.

I have a chart here that more clearly shows that this tax places an unfair, highly disproportionate amount of the burden directly on those least able to afford another tax increase. The green columns denote yearly income per capita. The red columns show yearly gas consumption per capita.

All this from a majority party whose leader promised a tax cut for the middle class. As a matter of fact, President Clinton campaigned against a gas tax increase saying "instead of a backbreaking Federal gas tax, we should try conservation, increased use of natural gas, and increased use of alternative fuels."

Our former colleague, and current Treasury Secretary Lloyd Bentsen, has even said there is no regional balance in the gas tax and that "in some parts of the country, the gas tax becomes quite punitive. That's particularly true of those States that have substantial rural areas." OMB Director Leon Panetta has been quoted as saying, "A gasoline tax would tend to hit rural areas harder." Judging from these quotes, the administration should be supportive of our effort to knock the gas tax out of this bill.

Mr. President, the gasoline tax also clearly hits hardest people and families who can least afford it. The lower a family's income, the larger the percentage that goes to fixed-rate taxes. Those with annual incomes of $10,000 spend nearly three times as much in terms of percentage of their income on gasoline than do those with incomes above $50,000. Many of the these low-income Americans will not qualify for the earned-income tax credit—the elderly and others without qualifying earned income.

As ranking member of the Senate Subcommittee on Aviation, I am concerned that the imposition of the transportation tax on the airline industry would serve only to exacerbate the industry's currently poor financial situation. During consideration of the President's budget resolution last March, I voted in favor of an amendment to exempt the aviation industry from the Btu tax. Since airlines and general aviators already face their fair share of registration fees and certificate charges, the proposed transportation fuel tax is not equitable. During a time when we are trying to help the aviation industry prosper, this transportation tax is counterproductive.

Mr. President, I also am concerned that America's travel and tourism industry also will be greatly affected by an increase in transportation fuel taxes. It is unfortunate the economic importance of travel and tourism in America is being overlooked.

Tourism is our Nation's largest export earner. Just as important, travel and tourism is the Nation's second largest employer. In fact, it ranks either as the first, second, or third largest employer in 37 States. Further, the travel and tourism industry leads the Nation in the employment of women and minorities.

We should be working to strengthen and build this vital sector of our economy, instead of imposing additional taxation that would diminish the industry's success.

The tourism industries in rural States could be particularly affected by increased taxes on transportation fuels. For example, in my home State of South Dakota tourism is the second largest industry. The Mount Rushmore National Memorial alone attracts more than 2 million visitors annually. In fact, according to National Park Service officials, 97 percent of visitors to Mount Rushmore are nonlocal visitors. That is, 97 percent of visitors to the memorial travel from distances greater than 50 miles. Certainly, our tourism industry will be adversely affected by increased fuel taxes.

As a member of the Senate Subcommittee on Foreign Commerce and Tourism, I am committed to ensuring the continued prosperity of America's travel and tourism industry. In fact, I have requested the subcommittee chairman, Senator JOHN KERRY, to hold hearings to assess the impact of higher energy taxes on our travel and tourism industry. Should not Congress closely scrutinize the impact of any higher energy tax before such a proposal is enacted? This last minute energy tax alternative is simply not a sound legislative approach.

Recent election results, in Texas, Los Angeles, and Jersey City, NJ, demonstrate that Americans are opposed to new taxes, regardless of their label. The American people want to see significant spending cuts—cuts they do not believe either the President or the Congress has yet proposed.

I urge my colleagues to support this amendment and strip away this antirural, extraordinarily regressive transportation tax.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. BREAUX. Mr. President, they told me in law school if you did not have the facts on your side, you should argue something else. Senator D'AMATO has taken it to a new height. Since he does not have the facts on his side, he presented us with cartoons.

I suggest cartoons are not going to solve the deficit problem of America. If you want to increase the deficit by $25 billion, vote for the Nickles amendment because it removes $24 billion of deficit reduction from this bill. The American people are tired of cartoons. They want facts and deficit reduction.

Mr. President, I move on behalf of the majority leader and myself to table the Nickles amendment.

Mr. NICKLES. I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 507

The ACTING PRESIDENT pro tempore. Under the previous order, the vote will now occur on the amendment offered by the majority leader, amendment no. 507.

The question is on agreeing to the amendment (No. 507) of the Senator from Maine.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 93, nays 5, as follows:

[Rollcall Vote No. 166 Leg.]

YEAS—93

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
Mathews
McCain
McConnell
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Simpson
Smith
Stevens
Thurmond
Wallop
Warner
Wofford

NAYS—5

Bradley
Feingold
Metzenbaum
Packwood
Wellstone

NOT VOTING—2

Murray
Specter

So the amendment (No. 507) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. SASSER. Mr. President, parliamentary inquiry, what is the next order of business?

The ACTING PRESIDENT pro tempore. The Senate will now vote on the motion to table the Nickles amendment.

Mr. SASSER. I thank the Chair.

AMENDMENT NO. 508

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Louisiana to lay on the table the amendment of the Senator from Oklahoma. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTOR] is absent due to illness.

The result was announced—yeas 50, nays 48, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—50

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Leahy
Levin
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—48

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Kohl
Lautenberg
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Murray
Specter

So the motion to lay on the table the amendment (No. 508) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER addressed the Chair.

The VICE PRESIDENT. The Senator from Tennessee.

AMENDMENT NO. 510

(Purpose: To create a mechanism to monitor and control direct spending programs)

Mr. SASSER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for himself, Mr. MITCHELL, and Mr. DODD, proposes an amendment numbered 510.

Mr. SASSER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. CAMPBELL). Without objection, it is so ordered.

(The amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. SASSER. Mr. President, I ask unanimous consent that following the disposition of my entitlement cap amendment, which I have just sent to the desk, Senator LOTT be recognized to offer his amendment striking the Social Security tax provisions, and that no other amendments be in order prior to the disposition of these two amendments.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, and I will not, Mr. President, was the Senator not going to propound another part to this that would say we are limiting the time on our amendments to an hour equally divided instead of an hour on each side?

Mr. SASSER. I say to my friend that has not been discussed with me.

Mr. DOMENICI. I thought it had. Excuse me. Proceed. We will discuss it.

The PRESIDING OFFICER. Are there objections? Without objection, it is so ordered.

Mr. SASSER. Mr. President, in the next few hours, I will, in conjunction with others, offer amendments which I believe are crucial to enforcing the savings contained in the budget resolution and in the reconciliation bill.

Now, these three amendments that we will present will have as their thrust forming a bulwark against any possible savings erosion that we achieve in this reconciliation agreement.

They constitute a tough new system of spending controls. These amendments will prevent any of the spending cuts and new revenues contained in this reconciliation bill from being used for anything but deficit reduction. They will thoroughly ensure to the maximum degree permitted by statute that the $500 billion in savings is as thoroughly enforceable as anything we have ever seen in a budget statute.

Mr. President, over the past few months there has been a rash of misinformation and accusations about the President's economic plan. We have heard insinuations that new revenues will not go toward deficit reduction. We have heard accusations that billions of dollars earmarked to reduce the deficit would somehow lose their wings and end up in new spending programs. In fact, we have even heard assertions, which I can only characterize as ridiculous, that the Clinton economic plan will not lower the deficit at all.

I think it is extremely important that we lay to rest these charges and fears, important that the American people and the financial markets know that we are serious about deficit reduction, and that the savings we are making in this reconciliation bill will be locked into law; they will be enforceable; they will happen.

The amendments that we are proposing will do just that. Although the budget resolution already contains spending restraints and points of order, our amendments, like a redundant safety system, will codify the statute—those points of order with additional points of order, as well as sequestrations. One of the amendments does so by extending in three ways the appropriations caps and the pay-as-you-go discipline.

First, it continues the controls enacted in 1990 on the discretionary spending accounts enforced through sequesters and points of order.

This amendment will maintain one single cap, a lid, if you will, Mr. President, on discretionary spending for fiscal years 1994 through 1998.

There is absolutely, I submit—some will say, well, yes, yes, we are for maintaining a lid on discretionary spending but we want to have a separate lid for military spending, spending on foreign aid and other matters, and then a separate lid for domestic spending. This is the so-called walls theory. There is no reason to maintain walls now in 1994 through the length of this agreement, the length of this reconciliation instrument. There is no need to retain walls anymore.

I know there are some Senators who welcome the return to the walls system. However, with the end of the cold war, there is absolutely no reason to grant special protection to military spending, there is absolutely no reason to grant special protection to spending for foreign operations or foreign aid. The privileges and treatments awards that these two accounts have had have long outlived their usefulness. It is time that our budget process reflects the world that we live in.

I also believe that most Americans want military spending, as spending for foreign operations, foreign endeavors, foreign aid, to compete on an equal plane against domestic spending, on a fair and unbiased basis. It is time that we had a level playing field in the so-called discretionary accounts that include military spending, spending for domestic needs, and spending for foreign needs, and that they compete fairly and equitably one with the other and not have an artificial wall that prevents commingling of military funds and foreign aid funds.

Second, I think perhaps more importantly, the amendment extends the pay-as-you-go system. Pay-go, as we have come to shorten it, ensures that new entitlements and tax legislation will have to be deficit neutral. As with the appropriations cap, the pay-go system is enforced by sequestration.

Third, and, last, this amendment adjusts the balances under the pay-go system to ensure that the savings achieved by the reconciliation bill cannot be spent. In other words, if we enact this proposal that I am laying out now, savings that accumulate under the reconciliation bill, someone could then not run in and try to spend them on some other program no matter how well meaning or well deserved that program might be.

As I just noted, the pay-go system will prevent entitlements and tax legislation from adding to the deficit. But unless we wipe the slate clean after enacting this bill, the pay-go system will have a large credit balance available for spending. This amendment will ensure that the savings in this bill simply cannot be spent. And again, the enforcement is both points of order and sequestration written into statute.

Mr. President, I believe there is an amendment which all Senators—Democrats and Republicans—can agree upon. All who are interested in reducing the deficit, all who are interested in having an enforceable agreement, all who are interested in seeing the total $516 billion in this President's plan go to reducing the deficit, I think that they will support this.

To my knowledge, it is still virtually all of the enforcement arguments from both sides of the aisle into one simple and resilient set of constraints. And it ought to be able to win bipartisan approval.

Of course, some of my colleagues may seek even greater restraints beyond the savings achieved here. But, frankly, they cannot muster, in my judgment, a supermajority for cuts beyond those already in the President's budget plan. No one should be under the illusion that the amendments offered here are weak. They are as strong as anything yet written into statute.

Mr. President, I cannot imagine anyone opposing this amendment. Given its nonpartisan nature, I would be at a loss to come up with any rationale for opposing this. Oh, I suppose there might be some who might have some cynical desire to weaken this entire package by weakening its enforcement so that the argument can be made that it is not strong enough. But I hope that that sort of cynicism does not crop up here on the floor of the U.S. Senate today. Let us hope for the good of the American people that we can rise above such partisanship and pettiness. I think we all want to see the deficit reduced.

As I previously mentioned, this amendment forms the trunk of deficit reduction enforcement and from this trunk two sturdy branches can grow.

The first of these would create a deficit reduction trust fund. This is a simple concept. It is well known, one which has been endorsed by the President, one that has been endorsed by the Senate. And our good friend and colleague, Senator DECONCINI, led the fight for the trust fund during the consideration of the budget resolution and the Senate wholeheartedly endorsed this DeConcini trust fund amendment by a unanimous vote, and he will be offering his amendment here today very shortly.

The reconciliation bill, as amended, would require a transfer from the general fund to the deficit reduction trust fund of an amount equal to the deficit reduction that the budget resolution requires Congress to achieve in reconciliation.

This amendment ensures that not a dime of the money in the trust fund can be spent. Rather, it must be used exclusively to redeem securities previously issued by the Treasury.

The other branch of this growing out of this sturdy trunk of enforcement provisions is essentially the Senate's answer to the entitlement cap procedures incorporated in the House reconciliation bill.

The amendment takes entitlement programs off of autopilot and provides yet another safeguard to check rising entitlement costs. It ties direct spending growth to the levels in the budget resolution.

Many Senators justly complain that entitlements continue unchecked, that entitlement spending continues unrestrained. And they observe that Congress must annually address appropriate spending. But they also state accurately that entitlements escape scrutiny.

This amendment will force annual review. The amendment will enact in the statute direct spending targets that cannot be exceeded without the President's acquiescence and a vote by the Congress allowing the overage. This amendment will require the President and the Congressional Budget Office to perform an annual review of direct spending and receipts. If spending exceeds the targets, the President must propose how to address the overage, and Congress must then vote on that proposal.

I believe my colleagues will find this amendment incorporates the formula approach previously built into other entitlement caps, such as the one offered by Senator DOMENICI and Senator NUNN on previous occasions.

We have changed the cap structure in such a way as to allow for more flexibility. The controls can, therefore, be used in a far less constraining fashion, while still enforcing an annual spending review and a vote on any excess. The concept of this flexible restraint will become crucial later on in this session when the Senate turns to health care reform. It will allow a free and full consideration of health care reform, without prejudging what shape the final package will take.

Mr. President, we already have an excellent deficit reduction package contained in the budget reconciliation bill, in addition to these amendments, safeguarding the bill's spending disciples that provides the ironclad deficit enforcement that we think people want.

These amendments will hold the line on spending and provide tough new procedures to contain the entitlement programs. In these amendments, all Senators will have an opportunity to vote to lock in deficit spending or to lock out deficit spending. I trust we will not let that opportunity slip through our fingers.

Mr. President, we will be offering the amendments I have just discussed in the following order: We will first consider the entitlement constraint amendment. At a later point, I will lay down an amendment that imposes the discretionary caps and extends pay-go.

Let me be clear about that. The amendment we vote on next will be our own variation of the entitlement cap construction passed by the House during their consideration of the reconciliation process.

Mr. PACKWOOD. Will the Senator yield for a question?

Mr. SASSER. I am pleased to yield.

Mr. PACKWOOD. I am interested in the enforcement cap. I want to know how this varies from the House. Let me explain the way I think the House one works, and you can explain it.

As I recall the House entitlement cap, you project it on a baseline, basically, and then you said if the entitlement increased by more than 0.5 percent above the baseline, the President had three alternatives, and he had to do one: He had to raise taxes; cut spending; or suggest that we were going to do nothing and, in essence, raise the debt ceiling, I assume.

Do I have the House one correct?

Mr. SASSER. Well, as I understand it, the Senator is essentially correct in how he has stated it.

Mr. PACKWOOD. Congress would have to act on it, but if the choice was just to raise the debt ceiling, we could do that. How does yours differ from the House's?

Mr. SASSER. Well, we have built in a larger revenue cushion than the House has, for example. They, as I understand it, have a 0.5-percent revenue cushion. We have a 1-percent cushion, and they have a 0.5-percent cushion. But beyond that, there is not a great deal of difference.

Mr. PACKWOOD. It is not so much a revenue cushion, as I understand it. You take all of the entitlements. I assume, like food stamps——

Mr. SASSER. It is an entitlement growth.

Mr. PACKWOOD. Food stamps, unemployment compensation, Social Security and Medicare, all entitlements. Social Security is reasonably predictable; we should not miss our prediction on that very much. So probably to go over in the House—at least 0.5 over—you are probably either taking a guess that there is going to be an emergency unemployment situation, or health care costs could go up and up.

Mr. SASSER. I say that the Senator is correct. In all likelihood, it would be the health care costs that would drive it up. In the event of a severe economic downturn, the unemployment situation——

Mr. PACKWOOD. Considering the payout of Social Security and Medicare and Medicaid, it would have to be a whale of an unemployment downturn to drive it up. Your figure is 1 percent. Theirs is 0.5 percent.

Mr. SASSER. I make this point. Social Security is excluded.

Mr. PACKWOOD. OK. That is fine, because in terms of the predicting, that is so predictable, you did not have to worry about it anyway. So if all of the collective entitlements exceed 1 percent of the projection, then this enforcement mechanism goes into effect, and if it is like the House, the President first has to act, and he has to make findings as to why we are above it; and then he says, "Here is the way I suggest we handle it," and he has three choices: "I suggest we raise revenues; I suggest we cut spending."

But the House says they could cut appropriated spending——

Mr. SASSER. We do not allow cutting of appropriated spending.

Mr. PACKWOOD. It is within the entitlement then. The President could say: "I think this is great enough, and I suggest that we borrow the money and raise the debt ceiling." He could say that, and we would have to act on it?

Mr. SASSER. The Senator is correct. The President has three options. And if he said we want to go ahead and borrow the money to do it, then the Congress would have to acquiesce in that. We would have to actively vote on it.

What we are trying to do here—as the Senator, I think, has very skillfully pointed out—is we are trying to establish some responsibility and oversight over the role of entitlements.

Mr. PACKWOOD. Assuming we wanted to borrow the money, could we meet the qualification by simply increasing the debt ceiling? Would that satisfy this requirement?

Mr. SASSER. No. You would have to have a separate vote on it.

Mr. PACKWOOD. I thank the chairman very much.

Mr. SASSER. I thank the Senator. Let me just say I am going to go ahead and explain this further, but the distinguished Senator from Oregon did an excellent job of explaining it in his questions. I thank him for that. Let me make just a few more explanations here.

Mr. President, the amendment really takes entitlement programs off auto pilot and requires the President and Congress to take responsibility for their growth. I believe that most of my colleagues would agree that if we are to have serious and credible deficit reduction, we must first find some way to discipline entitlement spending. As my friend from Oregon pointed out, we must find a way to discipline it in the area of health care, particularly.

I personally believe that the only way to do that is from the ground up, a restructuring or reforming of this country's health care system. A simple top-down cap will not address the causes of the problem.

If you try to just put a cork in the bottle of health care spending on the part of the Government, and Medicare or Medicaid, or in the veterans hospital system, what you are going to find is that the pressure is going to blow the top of that cork out of the bottle, because, as the rest of health care costs go up in the private sector, it is going to inexorably drive up health care costs that the Government has to buy and pay for.

So you cannot just look at it from the point of view we have to fix the problem of exploding health care costs just by limiting the amount the Government is going to pay for health care, because, if we do that, these health care costs are going to be transferred more and more out into the private sector. We are going to find more and more people are uninsured as health insurance premiums go up, up, and up. We are going to find more and more people are being turned away by physicians and hospitals who simply will not honor Medicare or Medicaid applicants because the programs do not pay enough. So, a top-down gap is not going to solve the problem. We need to have an overall ground-up reform.

But having said that, a flexibility restraint that ensures general control by allowing for fundamental overhaul is preferable, I think, to mindless caps that would dictate unspecified and unachievable Medicare and Medicaid cuts.

Still it is true that Medicare and Medicaid that would provide benefits by formula are not subject to yearly congressional oversight. Congress annually reviews appropriated spending, but entitlements escape any serious scrutiny. Over the next 5 years, 90 percent of all entitlement program growth will be to Medicare, Medicaid, and Social Security. The Congressional Budget Office baseline projections show growth in this sensitive and necessary support program to be a staggering $281 billion. Of this growth, these three programs account for a whopping $253 billion. So it you break it down even further, just two programs, Medicare and Medicaid, account for $180 billion.

Once again, the cost of health care is the issue. The President will soon propose and Congress will soon consider comprehensive health care reform. This crucial legislation will be the only sensible and realistic way to deal with long-term problems of health care costs. The reconciliation bill already contains unprecedented reductions in Medicare and Medicaid, reductions that I find very difficult to swallow and support very grudgingly, and I think that is the attitude of many of my colleagues here today. But support it we must if we are going to have deficit reduction.

The President has proposed serious deficit reduction, particularly in health care entitlements, $56 billion in health programs savings over the next 5 years. This bill adds another $19 billion in cuts for a total of $75 billion in Medicare and Medicaid, principally Medicare, over the next 5 years. In the context of this historic amount of deficit reduction in the reconciliation bill, it might be useful to point out that this is six times the savings that President Bush proposed in his last budget. As large as the President's cuts may be, more is needed to bring entitlement costs under control.

Our colleagues in the House took a step last month when they passed an amendment requiring Congress and the President to address annually unanticipated entitlement growth through an annual review process. They are to be applauded for their initiative, but in my opinion the amendment before the Senate improves upon the House language.

Let me just once again briefly outline what our amendment does.

First, it will enact into statute direct spending targets reflecting the levels set forth in the budget resolution. In this regard, the President will make annual adjustments for a number of factors, notably growth in population and inflation, variables that are also part of the formulas used in the entitlement cap proposals earlier offered by Senator DOMENICI and by our esteemed colleague, Senator NUNN.

Second, it will require the Congressional Budget Office and the President to review direct spending and receipts every year. If spending exceeds the targets, the President must propose to address the coverage.

Our friend, the distinguished ranking member of the Finance Committee, has grasped this very quickly, but I am running over it again simply because others of our colleagues who might not be as familiar with these procedures with entitlements need to hear this in order to get themselves more familiar with it.

Third, the amendment ensures that Congress must act on the spending overage. The majority leader must introduce a budget control resolution implementing the President's recommendations, and then that resolution is referred to the Budget Committee. If the Budget Committee chooses, it may address the overage in a separate title of the budget resolution. However, if the committee fails to report out such resolution by April 1, then the President's budget control resolution is automatically discharged from the Budget Committee and the full Senate must vote on it by May 1.

So, the Budget Committee cannot just sit on it. If we do not act on it, it is automatically discharged out here to the floor and the full Senate must work its will on it. Now, if the Budget Committee does report a budget resolution to address the overage but the Senate fails to adopt it by June 1, then the Budget Committee is automatically discharged of the President's budget control resolution and the Senate must vote on it before July 1. So it requires that the Senate must vote, and there is no dodging this issue.

Again, my colleagues will vote that this amendment incorporates some of the formula approaches built into the previous entitlement caps, but there are some distinct differences which, in the bill, make our amendment, I think, more attractive than other entitlement caps.

Under the amendment, if the limits on entitlement growth are breached, specific program proposals would be required to slow spending growth. This amendment does not rely on a mechanical, unthinking sequester mechanism which forces across-the-board cuts in programs without regard to policy constraints. We have tried that approach. We have tried it in Gramm-Rudman-Hollings, and it simply does not work. It does not happen. We find countless ways—Congress, the Office of Management and Budget, various administrations find countless ways—to avoid these automatic across-the-board cuts in programs that come about regardless of policy considerations.

So ours is not the type of unthinking mechanical sequester. I for one have never understood, for example, the rationale for cutting veterans programs, cutting child support or even cutting farm price programs simply because health care costs are going through the roof. It just does not make sense that the veterans should suffer or the children should suffer or that our farmers should suffer simply because health case costs are going through the roof.

The flexibility of the constraints in this amendment will most benefit the upcoming debate on health care reform.

Under competing entitlement cap proposals, the only way comprehensive health care reform could be accommodated would be through 1-to-1 corresponding cuts in all entitlement programs. In effect, we would be locked in a policy box with no options. There would be no way to provide for reasoned policy tradeoffs. There would be no way to provide for cost containment incentives, for examples, on the revenue side of the ledger.

However, this amendment allows for a full and free consideration of health care reform without prejudging the final shape of the program. Under our amendment, if health care reform is passed, it is fully paid for under the pay-as-you-go system. The direct spending limits would be adjusted to accommodate the new program.

Mr. President, I think this amendment stands out as a compelling choice, the only choice among all the entitlement cap proposals. Once again, it ensures that entitlements are both constrained and subject to annual review. Yet it is flexible enough to allow for full consideration without prejudice of crucial programs such as health care reform.

I believe that is a winning combination, Mr. President, that deserves the Senate's support.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first of all, let me congratulate Senator SASSER on the effort he is making here.

Frankly, I am having a great deal of difficulty finding out what this really does, but I think I will have it kind of patched together here in the next 20 or 30 minutes, and maybe I can make some sense out of it for myself and perhaps share that with my fellow Senators.

First of all, let me make sure that the Senators on our side, be they here or be they listening—we only have now on the entire bill, I say to Senator PACKWOOD, we have a total of a little over 7 hours for both sides. Under the requisite rules, we will get no more than half of that, and it will be shared among amendments under the current situation, an hour on each side on an amendment and half an hour on a second-degree amendment.

We are hoping to get that reduced after this vote to an hour, equally divided, thus giving more time.

On our side, we have now succeeded in getting the next amendment to be in order. It will not be subject to amendment. It will be the Lott amendment to strike the Social Security tax.

After that, we intend to have at least two highly preferred amendments on our side. One will have to do with a Wallop amendment on small business and the Tax Code and another will have to do with tax on airlines.

From that point on, we will be working together to see how many amendments fit under the normal sequence and the normal time allotment.

Some Senators want to speak and have not been able to. I do not think we need all the time on each amendment, either myself or Senator PACKWOOD, and, therefore, if someone wants to use some of our time on amendments to express their views on what has been going on yesterday and today, we will try our very best to accommodate them.

Having said that, I understand that the other side, the Democrats, have their agenda here on the floor and their policy issues that they want to get up, and we will all be trying to follow the rules in that regard.

Now, back to the amendment. I just said I compliment the chairman and those in leadership on the other side for this 48-page amendment. I compliment the chairman for what he is trying to do.

But I must say to my friend from Tennessee that the thing that bothers me, and the reason that I tried to make a point yesterday that if you do not get the rising, spiraling cost of the direct spending programs—which is what we are going to now call them since that is what the chairman calls them; that is, all of the mandatory and entitlement programs that are not Social Security, because it is exempt—the problem is, if you do not get their cost under control and move that cost from where it is now, which is inflation demographics plus around 8 percent—and in some cases, in some immediate past years, has gone up 13 percent, some of those—if we do not cause that to come down, here is the dilemma for the budget for United States. You can tax the public $250 billion—and this red arrow saying the deficit is going back up is directly, directly the result of the uncontrolled spending on the direct spending part of this budget.

Now, having said that, let me tell the Senate what has happened in the past.

First, everybody is talking about the 1990 agreement. Actually, so there is no misunderstanding in terms of how big our budget cut proposal is, the chairman has been very, very specific about the grandiose nature of the President's package by saying it is the largest that any President has submitted. But let me remind everyone that a bipartisan group put together a $496 billion deficit-reduction plan in 1990—$496 billion. I would think one could say it is about as big as any we have had.

The end product, Mr. President, and fellow Senators, is that the entitlements programs that we are talking about right here, believe it or not, went up $221 billion—I repeat, went up $221 billion—over the estimates for those programs in that agreement—$221 billion.

Now, if this amendment does not really control and begin to reduce the costs of the entitlement programs and direct spending, we will not achieve significant deficit reduction, even after the $250 billion in new taxes.

So, Mr. President, I have a couple of questions of the chairman, if he would answer them now, or perhaps I could just state them and as he retorts to me he might answer them.

Where do you get the estimates in your bill for this entire package of direct spending on an annual basis? Where does it come from? Where does the number for 2 years now come from? What is it? Is it current policy? Is he expecting to happen exactly what is happening?

If that is the case, here you are. You have not cut anything. You have just said it will not go up. But if it does not come down, it breaks the bank, because it is the current policies of those programs, the current nature of those benefits, the current nature of that growth, that causes the deficit to go wild.

So where do those annual estimates come from?

Second, after you add demographics, new people, and inflation, how much are you allowing those programs to increase? That is very important because, if you allow them to increase as they are currently increasing but say there will be no more, the current increases are sufficient to turn this entire Presidential package from a deficit-reduction plan to a plan where the deficit is growing again.

So, how do you get the estimates for this package of direct spending?

I read somewhere in this bill that any future tax increases all go for higher spending. Now, maybe I am not reading it right. But I gather, after we finish this one big deficit package, that if we are going to have any more new taxes, they are applied to the direct spending programs to either pay for their increases or allow for even an increase beyond that to be paid for by taxes.

I am not at all sure that the American people, when they have this package of $250 billion in new taxes, are not operating off the assumption that, if we are going to have more taxes, they would go to deficit reduction in the future. We still have, under the President's plan, a $225 billion deficit at the end of 5 years; pretty big.

If there are going to be new taxes and it is going to go to direct spending to more programs, how is the deficit ever going to come down?

New concepts—which I imagine these are the words that will permit adjustments, I say to my friend, Senator PACKWOOD. There are certain things that will permit adjusting these numbers up, and one is new concepts.

What does that mean? Does that mean, if you come up with a new program or if you come up with a different way to handle Medicare that costs more, it is directed upward automatically? That is what I read into it.

Then, last but not least, to compare this approach which I have just reviewed—I understand only in a cursory manner—to the Domenici-Nunn, or Nunn-Domenici, it has a very big, big leap of faith. The only thing we have found thus far that controls spending, unequivocally and really, are appropriated caps that say if you break them, two things can happen. One, an across-the-board cut occurs, that is No. 1; and, if you want to increase them you have to get a supermajority to do it. That has been pretty good except for the last 3 or 4 months when this President uses the emergency clause to break them. The sequester, the threat of a cut, is what has caused Congress to sit up and say, "Uh oh, we do not want all the programs cut across the board. Let us fix something."

The Nunn-Domenici does the same thing in the out years, 1996, 1997, 1998, to this package of direct spending that my friend from Tennessee says is going to be brought under control by saying by that point in time you have reformed the system. And if the reform does not work and the costs go up, that program is sequestered and cut across the board. Giving Congress plenty of opportunity and the most effective way to correct the problem.

What we want to do is not cut the programs across the board, but to get some reform and changes which are desperately needed and that will work. I remind everyone, the fallacy in the 1990 agreement was we did not really try to control entitlements, the direct spending. As a result they went up $221 billion—most of it Medicare, I must say, and Medicaid, which were rising at many times the rate of inflation. In one case it was rising at 2.5 times the rate of inflation, after you put in new people.

My last observation is that it seems to me this is no stronger an enforcement mechanism than adopting a budget resolution every year. So let me see if I have it right. You are saying we are going to control this direct spending but next year in the budget resolution if you want to raise the amount you just do it in the budget resolution. If I am wrong on that, the Senator might correct me.

Frankly, that is what has been wrong all along. We just change the budget resolution the next year. What good is that going to do to the spiraling cost increases of the direct spending programs? What are we going to do, with a budget resolution looking out 2 years, if we say: Finance Committee, we have to reform health care, it is outlandish, it is still going up even after reform, we have to have some targeted kind of impact on that program and that is going to be tough? We are going to have 51 people vote for a budget resolution, it seems to me, that will raise those levels.

So in a very real sense I do commend the chairman for trying. But I do not believe it is nearly enough to say we are going to control the spending of entitlement programs to their current level and if they go above that then the President issues a report. We can get a report on our own, Senator PACKWOOD, on how much the entitlements are breaching the cap. We do not need the President. We can ask the Congressional Budget Office, they will tell us. So I do not know what that does except the President has to acknowledge it.

What happens if it is breaching the title? If it is going above the limit? What do we do? I do not see anything in this that says we will get them under control. I think what it says is we will raise taxes to pay for that increase, and that is precisely the entire premise and philosophy that Senator PACKWOOD so eloquently, yesterday, disposed of by saying the more you tax the more you spend, and it has been true. I believe that is what we are inviting here.

My closing remarks are—and this graph shows it as best you can—you cannot just let the entitlement programs grow as they are and say we are not going to let them—we are just not going to break that. They are going to keep on like they are but they are not going up any more. You do not get the deficit under control.

I think my friend, the comanager here, wants to speak, and I yield to him as much time as he needs.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from Oregon.

Mr. PACKWOOD. I want to compliment the Senator from Tennessee, the chairman of the Budget Committee, for attempting to put enforceable caps in the bill. But I want to lay out a little bit, if I can, the problem we face, both as to the magnitude and then as the enforceability. We use the term mandatory programs, direct spending, entitlement programs. They all mean the same thing. They are basically programs which require the Federal Government to pay out money without any change in law. Social Security is one. When you are eligible for Social Security we do not have to vote anything for it. We do not vote any new taxes for it. We do not change the law. You just say, "I am 65, I worked for 30, 40 years. This was my salary. I am entitled to x amount of money." And you get it automatically.

The same with Medicare. The same with Medicaid, the Federal-State program of health care for the poor. The same with farm supports, unemployment compensation.

These so-called entitlement programs, direct spending programs—whatever you wish to call them—mandatory programs are the overwhelming part of all the money that we spend in Government. To so-called nonentitlement programs, or as we call them appropriated programs, are a relatively small part of Government. And we have to appropriate the money each year. Vote for it each year. Education is one. Defense is another. Environmental protection is another. Any moneys we spend for clean water and clean air, every year we vote for this.

The problem has come over the years that the mandatory programs, the direct spending programs, the entitlement programs, call them what you want, each year are becoming a bigger and bigger part of the whole.

I will take just four of the programs: Medicare, Medicaid, Social Security, and then other Federal retirement—that is either civilian employees or military employees of the Federal Government. Just those four programs plus interest—and interest, I suppose, is the ultimate entitlement program. If you buy a bond and we say we will pay you 6 percent interest, we have to pay you. So those four programs plus interest, in 1963 were 24 percent of all of the money that the Federal Government spent.

I know the argument will be raised Medicare was not passed until 1967. I know that, it did not even count in 1963, but do not worry about that. We did not spend any money on Medicare therefore in 1963. But the programs were 24 percent of the budget. Then we enacted Medicare. The rest were already in law.

In 1973, this is 10 years later, instead of 24 percent of all the money the Federal Government spent, those four programs plus interest had leaped to 37 percent.

In 1983 they had leaped to 47 percent.

In 1993, they are 54 percent. And, 10 years from now, assuming no change in the law, we just continue to spend as we have been spending, they will be 69 percent of all the money that the Federal Government spends.

I might emphasize this is before any of the so-called baby boom has started to retire. The baby boomers were born 1945 to 1965, a tremendous explosion in our birth rate following World War II.

The first of those baby boomers do not retire, assuming they retire at 65, until the year 2010, and then you have 20 years of slow draw on the Social Security trust fund and the Medicare fund, assuming no change in law. We reach 69 percent of all the money that the Federal Government will spend will be spent on these four programs by the year 2003, before any of the baby boom has started to retire.

This is my prediction. I do not have a projection from anybody else but I would judge, by the year 2010, it will not be 69, it will be close to 75 percent, and 10 years after that closer to 80 to 85 percent of all the money the Federal Government spends if we do not change the law.

Herein comes the problem. If we are going to attempt to fund what we would regard as a decent amount for education, or defense, or environmental protection, and the whole is not growing fast enough—the whole—and if these entitlement programs are taking a bigger and bigger portion of the whole, then we do not have the money to spend on education, and defense, and environmental protection, and clean water, and highways, and airport safety, and everything else that we spend money on unless we increase taxes.

Then we get into the spiral that we have been in before: We raise taxes, we increase spending; we increase taxes, we increase spending. We do not narrow the deficit with the taxes. All of us who deal with the budget problem know how much the budget is growing for these entitlement programs, but they are very politically sensitive programs.

There is an axiom in politics: Social Security is like the third rail on the subway—touch it and you die.

Medicare, if you ever talk about reducing—and I should not say reducing; no one is talking about reducing, that is a mistaken word we use. What we mean is we are going to increase the rate of spending more than we thought.

For example, let us say we were spending $100 a year on a program, and we were projecting next year to spend $110. We then said, no, we are not going to spend $110, we are only going to spend $105. Many people would say that is a cut. I do not know any business that would say that is a cut. They would say it is a $5 increase. Those in Government say it is a $5 cut. When anybody talks about cuts in Medicare, Medicaid, and Social Security, they do not mean cuts; it is going to go up like that.

We all know, regardless of what you call it, that any touching of those programs is very politically sensitive and so we dance about it and attempt not to talk about it or do anything or pretend we are going to do something.

Now let us come to the enforcement mechanism that the Senator from Tennessee, the chairman of the Budget Committee, is attempting to pass. I want to say I congratulate him. Let us see how it might work. This year, the big four entitlement programs, Social Security, Medicare and Medicaid, and other entitlements, are about $840 billion, and those four are about 75 percent of all the entitlement programs. All the rest of them put together are about 25 percent.

So just for purposes of illustration—and I am off $100 billion, but I like to divide things by 10 easily—let us assume that all of the entitlement programs in the Federal Government are a trillion dollars. A trillion. And under the enforcement mechanism that the chairman is proposing, not significantly different from the House, but what somewhat, we estimate the cost of those programs each year in the future.

Social Security is easy to estimate. You know how many people are 65. You know how many people are going to become 65 next year. You know pretty accurately what the rate of inflation is for the year. You know how many are going to die before they get their Social Security, and it is relatively easy to predict what it is going to pay out. Likewise, it is true for other retirement programs. It is like any insurance program, actuarially, you can reasonably estimate it.

Medicaid and Medicare we are terrible at estimating. No matter how we estimate, the programs escalate more than we ever thought. They do not escalate at the cost of living, or at the cost of living plus 1 percent or 2 percent or 3 percent in the worst case. They were going 5, 10, and 15 percent above the cost of living each year. Anyone can realize, with that kind of an increase, it does not take long before it eats you alive.

Programs like farm supports are often hard to estimate. It is an entitlement program. They are entitled to certain payments for crops. Normally, the way it works is if the farmer is able to sell his or her product, produce for above the support price, then they do not take the farm subsidy; they just sell it on the market. When things are good for the farmers, the subsidy program is down. When things are down, they would rather have the Government buy it at a higher price than the market, so the Government buys it and then they go up.

It is the same as unemployment compensation. You are entitled to a certain amount of money. If employment is good and few people are applying for it, we do not spend much money. If times are bad and unemployment is up, we spend a lot of money, but it is difficult to predict what it is going to be.

Here is what the chairman's program, I think, would do.

Let us take this trillion dollars in entitlements and we predict what they are going to be. Let us say next year we predict a 10-percent increase, and that all of them put together are going to be $1.1 trillion. That is what we call baseline. Then the rule that the chairman proposes says if those programs next year exceed our prediction, if they exceed $1.1 trillion by more than 1 percent, that being roughly $11 billion, if they exceed it by more than that, then this enforcement mechanism goes into effect. And this is the way the enforcement mechanism works:

Let us say instead of the $1.1 trillion it turns out they are going to cost us $1.2 trillion. We are $100 billion over what we thought. Then the enforcement mechanism says we have to bring that spending down to the $1.1 trillion, or we are supposed to.

We have three alternatives as to how to get it there: The President can suggest we are $100 billion over, and I suggest out of the entitlement programs, not elsewhere, we cut $100 billion from the $1.2 trillion. That is going to make lots of people mad, and I assume we are not going to touch Social Security and other retirement programs. We are going to take it out of Medicare and Medicaid, he can say that. Or he can say, "That will be too heartless; I recommend we increase the payroll tax from 7 percent to 8 percent, so we have enough money to pay it and that is the way I would suggest we take care of it and we will spend $1.2 trillion, instead of $1.1 trillion."

Or he can say it will be heartless to cut the programs and it would be harmful to the business development of this country to raise the taxes, so I suggest we borrow it and we borrow the extra $100 billion, we make the deficit $100 billion bigger next year. He makes whatever recommendation he chooses. Congress has to act on it. We have to face one of those three alternatives if we choose to follow the law.

Here is where it bothers me when we do not have a constitutional amendment to compel us to do it. Any law can be repealed by a subsequent law, and even if we put in the law that we can only repeal it or we can only exceed this figure, if we declare an emergency and the President agrees, we pass a bill and it says this is an emergency, we do not want to cut the benefits and we do not want to increase the taxes and we do not want to really borrow the money—by law, we do not want to say we are going to borrow it. This is an emergency, pay it. That means we are going to borrow it. It means we lump it into our vote on the debt ceiling each year; when the debt goes up, we lump it into that and we borrow it.

But the biggest problem is this. I have used this example several times. In 1978, we passed, and this was a law—this was not a rule of the House or a rule of the Senate—this was a law, 18 words. It was passed at the suggestion of Senator Harry Byrd, of Virginia:

> Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

It is 18 words, very simple. We will not spend any more than we take in. We passed this in 1978 and it did not have to come into effect until 3 years later. We got to 1980 and it became obvious we were not going to make it. So in 1980, we changed that law very slightly. We kept the same 18 words, but we added six new words in front of it:

> The Congress reaffirms its commitment that beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

By adding those words, it is no longer a binding law. It is just our commitment, our resolve, our intention, our hope, not the law. So that is the way we got rid of that law.

And that is the way we can get rid of any other law that says we are going to bind ourselves to spending. It is what we have done year after year after year in the past. I do not know how many resolves and speeches have been made on the floor that we are going to balance the budget. I do not know anybody who wants to unbalance the budget. But when it comes right down to the very tough decisions, we find one way or another to get around it.

I do not mean this in any way critically of the chairman of the Budget Committee. He is doing the best he can within the confines of attempting to do this by rule or by law. By rule, the House and Senate have separate rules that govern how we operate internally in our own bodies. But even rules can be changed. It is why 15 years ago I finally came to the conclusion we should have a constitutional amendment to compel us to balance the budget because I do not think we will ever get there without it. We may adopt the rules that the chairman of the Budget Committee is suggesting, and he will have some subsequent amendments that will deal with what we call the appropriated items.

But I do not want any of us to fool ourselves. Bear in mind that the entitlement programs—Social Security, Medicare, Medicaid, other retirement programs, food stamps, unemployment compensation, farm supports—are the overwhelming part of our budget. These are the automatic spending programs. These go on. If we never vote on a thing, they go on. All we have to do is vote to get the money somehow and that means borrow. And unless we change the public's entitlement to those programs one way or another, we will not reduce spending. And if we say that the biggest of them are off limits for all practical purposes, political purposes, whatever you want, we are not going to balance this budget out of farm supports or unemployment compensation.

So I admire the chairman. I have some questions, however, as to whether or not any enforcement mechanism we pass as a matter of rule or law would really work based upon past experience.

I have serious questions that any law we pass which says we are going to set up a trust fund and we are going to take the taxes we raise and they are going to go to the trust fund to pay off the deficit will work because that trust fund is just a law. And if, next year, we feel we have more urgent needs than paying off the deficit, we will pass another law that says we meant to put this money in the trust fund, but we are going to take $10 billion of it for defense or $5 billion of it for education or $15 billion of it for environmental protection, and that supersedes the law we passed last year.

I will close with some figures I have used before. The history of taxing and spending in the United States and all other major industrial democracies in the world is as follows: When taxes go up, spending goes up, and we do not narrow the deficit. In 1950, all of the governments of the United States—Federal Government, State governments, local governments, fire districts, cities, counties, water districts, school districts, all of the governments of the United States put together—taxed about 21 percent of the gross domestic product. So if we had $100 all in gross domestic product of the United States, all the governments taxed $21 of it. All of the governments of the United States spent $23 of it—23 percent. So we taxed 21 percent, we spent 23 percent, and collectively we had a deficit. Forty years later, all of these same governments are now taxing about 33 percent of the gross national product, and we are spending about 36 percent of it.

So over the 40 years, have taxes gone up rather significantly? Yes, they have. Has spending gone up rather significantly? Yes, it has.

Did we have a deficit 40 years ago? Yes. Do we have a deficit now? Yes. Has the spending been for some odious, immoral, unethical programs? Only if you define Social Security and Medicare and Medicaid as odious, immoral, and unethical. We have spent it on programs people like.

The bill we are now voting on—not the amendment that the Senator from Tennessee, the chairman of the Budget Committee, is presenting; the bill we are now voting on—is going to levy about $250 billion in new taxes. Do not worry about those being permanent. They will be.

In the bill itself, we reduce spending about $80 billion. So if this bill passes, we are going to have a potful of money left over that we have not spent, and we say we are going to apply that to deficit reduction. And in order to try to ensure that we are going to have a deficit reduction trust fund and in order to try to ensure that we do not spend this money in other programs, we are going to have enforcement mechanisms in this bill which will prevent us from spending more than we say we are going to spend.

But I would ask you to look at history, and see if you can find in our history or the history of any other industrialized democracy where they have ever narrowed their deficit when they increased their taxes.

Let us say the bill passes. It is now next year. The President is presenting his new budget and we now have $250 billion in taxes coming in over the next 5 years, most of it is uncommitted for the moment except to the deficit reduction trust fund. And in comes the Department of Defense saying: We have an international emergency that requires an immediate military response. We need an increase for airlift capacity. We need to urgently lease some ships and mobilize our Armed Forces overseas. In comes the Drug Enforcement Agency saying: Mr. President, narcotics are coming across the border in ever-increasing quantities. In comes the Immigration and Naturalization Service saying: Mr. President, in addition to drugs, illegal aliens are coming in and they are bringing in drugs. In comes the Department of Education saying: Mr. President, if we increase spending on Head Start, it will provide benefits 5 or 10 years hence.

We have this potful of money that we have not committed. Do you really think we are going to say: Those are tough problems. We are sorry about the international emergency; those are tough problems. We are sorry about the drugs that are coming in; those are tough problems. We are sorry about the kids who do not have access to Head Start, but we are going to pay off the deficit with it.

It will never happen. It will never happen. And that is why, as much as I admire my good friend from Tennessee and the enforcement mechanisms—and I pray that they will work—there is nothing in the past that we have ever done which would ever give any indication they will work. And there is nothing in the past to indicate we will do other than spend any extra money we have.

That, very frankly, is why I am opposed to this whole bill, because it guarantees the taxes all right, and it guarantees the revenues. Do not worry about those. And then it says we will try to restrain the spending. And what we will end up doing is what we did with Senator Byrd's law which we passed in 1978, which said we had to balance the budget by 1981. We will get up to a showdown, and we will say it is more important that we spend than we save.

For those reasons, Mr. President, I will strongly oppose this bill.

I thank the Chair.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, on our side, I want a minute, and then I wish to yield 10 minutes to Senator GRAMM. And I think that is all we need, Mr. President, on our side, depending on what the Senator wants to do. We would be ready to proceed.

Mr. SASSER. Before yielding that 10 minutes to Senator GRAMM, I would like to be recognized.

Mr. DOMENICI. Why not proceed, and then I will use a minute and yield to the Senator.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I thank the distinguished Senator from Oregon [Mr. PACKWOOD] for this very thoughtful—indeed, I would characterize it almost as a scholarly analysis—of the problems we have over the entitlement programs in this country.

The distinguished Senator from Oregon has served as both the chairman and the ranking member of the Senate Finance Committee so he is, indeed, very, very conversant with the growth of entitlement programs and the problems that we face in dealing with them.

Now, I think the Senator from Oregon is quite correct. There is absolutely no way we can guarantee that this particular provision I am espousing today to try to deal with entitlement spending will be effective. Indeed, there is really no way that we can guarantee any human endeavor will carry through over a long period of time.

Those who make laws can certainly change them. But what we are seeking to do, we are acknowledging the fact that entitlements are growing at a very fast rate. And the two that are really driving the overall growth are Medicare and Medicaid.

Social Security is part of the entitlement growth, but it is not really part of the problem because in our anguish over overall entitlement growth, we sometimes forget that some of the entitlements, like Social Security, actually bring in more than they pay out every year.

Social Security this year, if memory serves me correctly, will have about a $600 billion surplus. So the real crux of the problem is Medicare and Medicaid, and they account for about 85 percent of the entitlement growth.

What occurs now is they just continue to grow. Nothing happens. We pay the bills by operation of law. If we do not have the money, we go out and borrow the money and it is all going to matter.

What we are seeking to do here is, as the entitlements grow, if they start growing beyond the projections, then we are placing a burden on the President to deal with it. He cannot ignore it, or she cannot ignore it. They have to take some kind of action. They have three options. Then the ball is passed to the Congress, and we have to take some action. We cannot ignore it.

That is not to guarantee that we are going to take the action that would actually pay for the entitlement growth. That is not to guarantee we are going to take some action that would curtail the entitlement growth because there is really no stomach here very much for reducing dramatically Medicare and Medicaid payments. There is really no stomach here for raising taxes to pay for it. But, increasingly, there is no stomach for borrowing the money for dealing with the problem here. We have tried that. We have tried that over the past 12 years. And we now know intellectually and we are starting to feel it emotionally, that we are reaching the end of the road on this. Unless we start dealing with some of these problems and assigning priorities and making some of the tough choices, we are literally running out from under it. I think that is being felt in this body. I think it is being felt all across the country and perhaps accounts for the rise of such phenomenon as Ross Perot, for example.

So what we are saying here with this amendment is simply saying, look, we are not going to stand aside now and just let the things continue to grow and borrow the money to pay for them. We are going to have to face the issue. And we can face it in a number of ways. We can either curtail the program, we can raise the taxes to pay for it, or, if we want to, we can continue to borrow the money to pay for it. But we cannot just ignore it, sweep it under the rug, and forget about it as we have done in times past.

That is all I am seeking to do with this amendment.

My friend from Oregon said that he, over his years of service in this body, has become very skeptical that we will ever really balance the budget, that we will ever really be able to say no to some of these well-intentioned persons who come to us to meet some of these really very pressing needs of the country, both domestically and internationally.

That may be the case. A study of American history indicates that we have battled over these budgets now for over 200 years. I was just reading the other day about some of the campaign rhetoric in the 1932 campaign that pitted Hoover against Franklin Delano Roosevelt. Believe it or not, one of the greatest issues in that campaign was balancing the budget. They both took the issue to the people saying, if we will just balance this budget, we will do something about this depression.

We know now, at least economic historians tell us now, that President Hoover was going down the wrong track in trying to curtail Government spending and trying to balance the budget as the economy was falling over into the recession and then a deep recession. He should have been pursuing a countercyclical policy. At least that is what the economists tell us now. Interestingly enough, they were arguing about balancing the budget, the primary issue in the campaign of 1932. So it is something that will be with us, I think, as long as this Government is here, and it will be with any freely elected democratic form of government, I think, around the world. We see this same drama being played out in the industrial democracies of Western Europe and in other areas of the world.

Indeed, my friend from Oregon says he has gotten to the point that he thinks a constitutional amendment is the only way to deal with the problem. Well, I say to my friend, what happens if we pass a constitutional amendment to balance the budget and nobody obeys it? That will be, I think, the upshot of that, just as when we passed the Gramm-Rudman-Hollings with the automatic sequester. When we got right up to it, when we all stared at that sequester, there were very few, in either the executive branch of the Congress, that said, let us just stand back, let this thing work, and see what happens. I remember the countless meetings between myself and others, the distinguished ranking member of the Budget Committee, the distinguished member of the Finance Committee, then OMB Director, Mr. Darman, other executives in the administration, trying to work out some way to avoid the sequester and put it off and deal with the problem.

So I just say to my friend from Oregon, there is another good-faith effort, and we are not going to be able to really make these tough decisions and assign these very difficult priorities until we have the will to do it. I think there is a will developing in the country and in this body to do it, and perhaps this particular entitlement cap provision will act as a catalyst in making that out.

I thank the Senator from Oregon for his very interesting and, I thought, very informative discussion here on the floor.

Mr. PACKWOOD. Mr. President, if I might respond just a moment, because the chairman of the Budget Committee has posed the ultimate question. He said, if we had a constitutional amendment and we did not obey it, what happens? Perhaps the Senator from Texas will refresh my memory. Was it Jackson who denied Justice Marshall's decision? He said, "Let him enforce it." I cannot remember what it was about.

But I suppose if we reach a place in this country where a court makes a decision, and the executive branch—the court has not the ability on its own to carry out the decision—if the President of the United States were to say in the face of a court decision that you had to do something, and he said, "I am not going to do it," and the court attempts to hold him in contempt, he says, "Fine, go ahead, I will not do it," then we have reached the end of democracy in our Government.

Eisenhower faced that decision in 1956 when the Court finally said the Little Rock schools were to be integrated by law, and then Governor Faubus says, "I am not going to enforce it," and he stood on the steps. And Eisenhower said, "I am going to enforce the law." He sent the Federal troops in to enforce the law.

If all this happened after we had a constitutional amendment, if this were the ultimate situation, I imagine that we would have reached the end of government as we know it. If we have a constitutional amendment that says you have to balance the budget and we write into law and the amendment, if necessary, to determine whether or not you are in balance, you then write into it a clause that says who has standing to sue so that you do not have every Tom, Dick, and Harry filing in every court in the United States, who has standing to sue, Governors, then you say the court will be allowed to have only one remedy. You can do this. That remedy is that if a court finds that the Government is in violation of the balanced budget requirement, the court may issue an injunction prohibiting spending. It does not become the budget director. He does not decide where to cut spending. It just says you cannot spend at all.

If we live by the laws, and if the President were to say, "I do not like that decision, I do not agree with that decision, but I will enforce it," and there will be no spending on Social Security, there will be no spending on Medicare, no spending on defense, I will make you this bet. In a month we would balance our budget because we would have everybody in this country at our doorstep complaining.

I think it would work. I think it would be enforceable. I think we would come to our senses. But if that is not enough to do it, then there is no hope. I mean, if we are going to obey a constitutional amendment and a court order, then do not worry about passing any rules or legislation here that says we are going to enforce it.

So that is why I think that is the only hope that something would work and that the pressure of the public, when we could spend no money on them at all, no grants for the States for their highways, you would have every Governor, mayor on our necks, every Social Security recipient, every hospital that we are not paying for Medicare down on our backs. I wager that we would balance the budget and jolly quickly.

I yield.

Mr. DOMENICI. Mr. President, I think the chairman wants to propound a unanimous-consent request that we have worked out.

Mr. SASSER. Yes. Mr. President, I want to return to the procedural issue that the distinguished Senator from New Mexico, the manager on the Republican side raised a while back with regard to the time on amendments.

The following unanimous-consent agreement has been cleared on both sides, as I understand it, and I will not propound it:

Mr. President, I ask unanimous consent that time for debate of any first-degree amendment be limited to 1 hour, and that time for debate on any debatable or second-degree amendment be limited to half an hour, each equally divided as under the Budget Act.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I will soon yield to Senator GRAMM for 10 minutes. But I want to make two points. This discussion was interesting to me because I will tell you in all deference to the chairman and his efforts here, as I read this the bottom line is that the only enforcement mechanism in this is that Congress cannot go on recess unless the overage is addressed.

Let me remind everybody that there is a statute in being right now that says there will be no recesses in the U.S. House, unless and until a reconciliation bill is passed. Let me ask this: Do you think that they are not going to go out for a Fourth of July recess? I mean, it is done. We will not have a reconciliation bill that has passed both Houses. I believe the ultimate is that there is no enforcement here.

Second, it is a floating cap. Each year in the budget resolution, I say to my friend, you can change the cap with immunity. That means 51 Senators can decide that we are not going to have an enforcement under this. With that, we will never get it enforced.

I yield 10 minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, I am going to make a point of order against this amendment. And I am going to do it because, while it pains me to do so, I do not see this as a good-faith effort. Never have I seen so many pages and so much paper—48 pages—used to construct such a small fig leaf. This provision is aimed at confusing the American public and convincing them we are doing something that we are not doing.

Let me explain why. First of all, let me just take the limit on entitlement growth between 1994 and 1995, as an example. People back home were saying: Boy, this is like the budget constraint I face. This is the kind of decision I have to make when I am deciding whether to send Sarah to Texas A&M University, or to buy a new car, or to fix the leak in the basement. We are getting down to real business.

Listen to this constraint:

Between 1994 and 1995, unless we change the law between now and then, or pass a resolution altering the numbers between now and then, entitlement spending can grow by 8.1 percent, plus new spending for new beneficiaries, new spending for new programs, inflation, emergencies, new programs that are paid for, new programs that are not paid for, higher interest rates, more bank failures, other congressional action, plus 1 percent—all of that, unless we change our minds.

What happens if, in fact, we do not change our minds and entitlements grow faster than all of these things that we allow to grow? What happens is the President has to submit to us a proposal. We give him the option to propose yet another tax. I do not believe that Bill Clinton needs more excuses to propose new taxes. He is doing a great job on his own of doing that. He proposed we raise taxes. We can accept it or reject it. He can propose that we cut spending.

Well, all I know is, looking at this reconciliation bill, looking at his budget, that seems to me very unlikely.

Finally, he can propose that we simply borrow the money.

Well, where is the option we do not already have? The reality of this amendment is that this amendment came from the House. You had about 40 so-called moderate Democrats in the

House who wanted an excuse to vote for the budget. Originally they came up with a real proposal that would have set out a real entitlement cap, and here is how it would have been different: Their cap would have set out in law how much you can spend, and if you spend more than that, there would have been an automatic across-the-board cut. Then Congress and the President would have to do something to overturn it, and 40 percent of the Members could object to it and stop it from happening. That is a real proposal. That is real strength. That is a real constraint. But that is not what they ultimately offered nor what the House passed. Instead the House passed a fig leaf with the same objective as this proposal: create the impression that we are doing something when, in reality, we are doing absolutely nothing. We can increase spending by 8½ percent plus what we spend on new beneficiaries, new programs, inflation, emergency, higher interest rates, more bank failures, congressional action, plus 1 percent.

What else is there in the world that could happen? What else in the world could happen that is not one of these things that is listed? Emergencies, act of God—it is covered. Congressional action—it is covered. What else could happen to make spending grow faster than this? Maybe somebody is more clever than I and could figure it out. I see this as a teeny little fig leaf for people who want to deceive the people back home. They want to go back home and say, "I did something; we did something to control entitlements." Of course they are not going to say that unless we spend more money and unless we change our mind and unless there is an emergency, we are going to have limits.

Well, Mr. President, if we are going to do something, let us do something for real. This is not for real, and as a result I am going to raise a point of order and try to defeat it, because we have an opportunity on a bipartisan basis to do something real.

I am willing to vote for and support a real limit, and I think we ought to adopt it. We ought to have a real cap on entitlements. In our Republican substitute, the Senator from New Mexico offered real caps. Every Member of the Senate that is a Democrat, except one, voted against it. They had a chance to have real caps. Now they want to have caps that provide a fig leaf, and these are caps that bind unless we create new programs, new beneficiaries, unless we pass new laws, unless there is an act of God. I do not know of anything not covered here, except the Second Coming which would render our deliberations and this budget and everything else we do irrelevant.

Finally, let us go back to what our dear colleague from Oregon said about constraints. A mention was made of Gramm-Rudman, and I want to make a point here, not because I am the "Gramm" of Gramm-Rudman, but I want to remind people that Gramm-Rudman had the fate of diets that work. Diets that do not work, we stay with them; we feel good about them. Diets that do work, we cheat on, and finally we give up on.

I remind my colleagues that between 1985 and 1990, before Gramm-Rudman was effectively set aside by the 1990 budget summit agreement, we used Gramm-Rudman, with all of its imperfections, to reduce the deficit by 43 percent, and to reduce the size of the Federal Government relative to the private sector of the economy by 16 percent. But how is it different than this fig leaf?

It was different from this fig leaf, because, first of all, if you spent over the deficit targets there was an automatic cut in deficit spending. That was the law of the land, and Congress and the President would have to come back and reverse it. On two occasions the cuts were made, and we did not reverse it.

You had a 60-vote point of order in the Senate if you violated the deficit targets. So a determined minority could prevent you from violating it, and dozens of times they did that until finally after having cheated around the edges with the recession and the S&L bailout, it was set aside, and a provision was put into it to let the new President decide if he wanted to bring back the binding constraints of Gramm-Rudman. That new President turned out to be Bill Clinton. His first official act was to suspend fixed targets.

So Gramm-Rudman worked until it was killed. This provision could not work, would not work, and is not intended to work. This provision is intended to create an impression that we are acting when we are not acting, that we are making tough decisions when we are not making tough decisions.

Since I would like to see us make tough decisions, since we have already voted on real caps as part of the Republican substitute, and since they were voted down, I do not think we ought to confuse the American people into thinking that, having rejected the real McCoy, we are doing something by putting in a provision that will cap spending. I cannot imagine any act that is not covered that would prevent you from breaching them. And if you do breach them, the President can propose taxing or borrowing or spending cuts. All those options we have now. So I can see no objective for these many pages of text, 48 pages, other than the construction of a small fig leaf to allow us to confuse the people back home.

Let us either do something real or let us not do something. Let us not try to confuse people.

As a result, Mr. President, when it is appropriate with the timing and the time agreed upon I will make a point of order on germaneness against this amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I wonder if we are ready to vote. I think if we have any time we could yield it back.

Mr. SASSER. I am sorry. I was distracted from the distinguished Senator.

Mr. DOMENICI. I did not inquire yet, but if I have any time I am prepared to yield it back if the Senator is.

Mr. SASSER. We are prepared to yield ours back also.

Mr. DOMENICI. Mr. President, I yield back the remainder of the time, if any, on the amendment.

Mr. SASSER. I yield back the remainder of time I have.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, the pending amendment is not germane under the provision of the bill. Pursuant to section 502(b)(2) of the Budget Act I raise a point of order against the pending amendment.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I move to waive title 3 of the Congressional Budget Act for the consideration of this amendment, the language of this amendment if offered as a part of an amendment to H.R. 2264, and language on the same subject matter—procedures to review entitlements—in the conference report on H.R. 2264.

The PRESIDING OFFICER. The question is on the motion to waive.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, I yield back the time we have.

Mr. DOMENICI. I yield back any time we have.

The PRESIDING OFFICER. The question is on agreeing on the motion of the Senator from Tennessee to waive the Budget Act. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from South Dakota [Mr. PRESSLER] is necessarily absent.

I further announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER (Mr. KERREY). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 54, nays 43, as follows:

[Rollcall Vote No. 168 Leg.]

YEAS—54

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—43

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NOT VOTING—3

Murray
Pressler
Specter

The PRESIDING OFFICER. On this question the yeas are 54, the nays are 43. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. SASSER. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The amendment of the Senator from Tennessee is ruled not to be germane.

The Senator from Tennessee is recognized.

The Senate will please come to order.

Mr. SASSER. Mr. President, under the unanimous-consent agreement, the next amendment to be considered will be the amendment of the Senator from Mississippi [Mr. LOTT]. However, I am advised that the Senator from California [Mrs. FEINSTEIN] has an amendment that is acceptable on both sides and she has requested to be able to explain the amendment to the Senate for not more than 1 minute.

I was wondering if the Senator from Mississippi would allow us to dispose of this piece of very short business.

Mr. LOTT. If I may inquire of the Senator from Tennessee, this is acceptable to both sides?

Mr. DOMENICI. Yes, it is.

Mr. SASSER. I am advised that it is.

Mr. LOTT. I have no objection at all.

Mr. DOMENICI. I thank the Senator.

Mr. SASSER. I yield, then, to the Senator from California for the purposes of introducing an amendment which will be accepted, and a 1-minute explanation.

I thank the Senator from Mississippi for his courtesy.

The PRESIDING OFFICER. The Chair asks the Senate to come to order so the Senator from California can be heard.

AMENDMENT NO. 515

(Purpose: Sense of the Senate regarding permanent extension of research credit)

Mrs. FEINSTEIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN], for herself, Mr. MOYNIHAN, Mr. BAUCUS, Mrs. BOXER, Mr. GRAHAM, Mr. LIEBERMAN, Mr. BOREN, Mr. REID, Mr. EXON, Mr. FORD, Mr. LEVIN, Mr. CONRAD, Mr. DASCHLE, Mr. KERRY, Mr. SIMON, Mr. BINGAMAN, Mr. DOMENICI, Mr. GRAMM, Mrs. HUTCHISON, Mr. PACKWOOD, Mr. MACK, Mr. STEVENS, Mr. THURMOND, and Mr. HATCH, proposes an amendment numbered 515.

On page 421, between lines 18 and 19 insert:

SEC. 8114. SENSE OF SENATE REGARDING PERMANENT EXTENSION OF RESEARCH CREDIT.

It is the sense of the Senate that the research credit under section 41 of the Internal Revenue Code of 1986 be extended permanently.

Mrs. FEINSTEIN. Mr. President, this amendment is presented with the cosponsorship of Senators MOYNIHAN, BAUCUS, BOXER, GRAHAM, LIEBERMAN, BOREN, REID, EXON, FORD, LEVIN, CONRAD, DASCHLE, KERRY, SIMON, and BINGAMAN on the Democratic side; and DOMENICI, GRAMM, HUTCHISON, PACKWOOD, MACK, STEVENS, THURMOND, and HATCH on the Republican side.

Mr. President, as Members on my side of the aisle know from our caucus, I have been very concerned that the research and development tax credits, which are so important to the biotechnology and high technology industries of our country, will not be funded this year. This credit is extended only from this July to next July, and no further. The credit is permanent in the House bill, as the President requested. This amendment would cite that the sense of the Senate is, for conference, that this research and development tax credit be made permanent.

It is an important tax credit. I have received letters from major technology firms which state the importance of these tax credits. I would like to make these letters a part of the RECORD.

I ask unanimous consent these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SILICONGRAPHICS,
Mountain View, CA, June 21, 1993.

Hon. DIANNE FEINSTEIN,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: It was a pleasure to see you last week when I was in Washington. In particular, I appreciate your continuing interest in facilitating the establishment and success of innovative and high-growth companies, which not only lead the nation in the development of technology, but also provide an expanding base of challenging and high quality jobs.

As I mentioned to you last week, I believe that one of the primary reasons for America's technological leadership is the consistent investment by U.S. companies in research and development. As you know, since 1981 the R&D credit has been extended and/or changed five times. While we are encouraged by the continuing interest of the Federal Government in facilitating research and development, its failure to make the R&D credit a permanent part of the tax code results in short-term planning, and penalizes those riskier projects whose development life may extend beyond what has become a "normal" two-years extension.

The normal R&D planning cycle at least two years. In looking at our research projects and their budget, a company such as Silicon Graphics will plan as if the incremental R&D credit were not in existence. It wouldn't be prudent to hire engineers and structure a spending program based upon a tax credit which could be changed midstream during the research program. Thus, we cannot budget for those very projects which the credit was designed to encourage.

This pattern creates a planning uncertainty which obviates the credit's intended benefits. As you know, we are fairly aggressive in our own R&D spending, committing approximately 12% of our revenues to research spending. Since the proposed R&D credit generally would add incentives only for our incremental spending above the prior four years' average spending, the failure to make this credit permanent services only to restrain spending on the most adventuresome projects.

As the system now stands, if the credit is implemented in a particular year, we will utilize it to the extent we can, and reduce our tax liability accordingly. However, the very purpose of the credit, encouraging companies to plan for and embark upon aggressive long term R&D, will not have been served.

Silicon Graphics will spend about $135 million on R&D this fiscal year. We will continue to innovate, and I'm convinced that our products will continue to be leading-edge. However, we depend on other companies, most of them much smaller than Silicon Graphics, for components, applications software, and complementary technologies. These smaller companies also are in need of every incentive available to put their best and brightest on the most innovative projects. A permanent R&D tax credit is as essential for them as it is for us. I urge you to give it your support.

Sincerely,

EDWARD R. MCCRACKEN,
President and Chief Executive Officer.

TANDEM COMPUTERS INC.,
Cupertino, CA, June 21, 1993.

Hon. DIANNE FEINSTEIN,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: I am writing to express our support for a permanent R&D tax credit as proposed in President Clinton's Economic Plan. Tandem is primarily concerned that there may be efforts in the Senate opposing enactment of a permanent credit and to have a break in continuity. These two issues are fundamentally important to the competitiveness of high-tech industries.

Tandem strongly opposes any suggestions to let the credit lapse from July 1, 1992, to a subsequent date and believes that a temporary extension would be misguided. U.S. high-tech companies hold a strong R&D leadership position and your support is critical to guard against legislation that would adversely affect this position.

As you know, the R&D tax credit expired on June 30, 1992. President Clinton's Economic Plan includes a provision to provide both continuity and certainty by making this credit permanent effective from June 30, 1992. The House of Representatives has included this provision in its tax bill passed just before the Memorial Day recess. For the reasons below, we feel strongly that continuity and permanence of the R&D credit are key parts of U.S. tax policy which must remain in the final tax bill.

First, although previous R&D spending behavior cannot be changed, a break in continuity will cause high-tech companies, including Tandem, to rethink future R&D spending commitments. This is due to the negative earnings impact if a break in continuity is permitted. Although 1992 financial results for many companies have been reported, 1993 business plans are based on the assumption that there will be continuity for the R&D tax credit. This is well-founded given that the R&D credit has never had a break in continuity since it was originally enacted in 1981. Any break in continuity can have an impact on incremental R&D spending. R&D is a controllable expense both in amount and location. For example, high-tech companies when looking at their next incremental R&D project may reduce (or not approve) incremental R&D spending, or look in countries other than the U.S. to perform their next incremental R&D project.

Second, Tandem, like other high-tech companies, have been anticipating continuity of the R&D credit based on prior legislative patterns and consistent indications by the Clinton Administration and Congress. In this regard, Tandem continued in good faith to incur increasing levels of R&D spending in the U.S. during the last half of 1992 and during 1993. This was done with the understanding that it would take some period of time to draft and enact legislation extending the credit.

In addition, the time has come to not only extend this expiring provision but to make the R&D credit permanent. Foreign-based high-tech competitors which perform R&D in their home countries generally receive R&D tax benefits without the uncertainty of expiring effective dates, or the threat of breaks in continuity.

Finally, certain countries provide attractive financial incentives for newly created R&D jobs. Further, their economic development agencies actively and aggressively seek U.S.-based multinationals to locate R&D in their jurisdictions.

For these reasons, Tandem urges your continued support for enactment of the R&D credit with continuity and permanence from June 30, 1992.

I look forward to working with you in continued support of President Clinton's Economic Plan. Please do not hesitate to call me if you need additional information.

Yours very truly,
JAMES G. TREYBIG,
President and CEO,
Tandem Computers Inc.

GENENTECH, INC.,
June 22, 1993.
Hon. DIANNE FEINSTEIN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: As the Senate proceeds to vote on the Budget Reconciliation package, the views of the biotechnology and biomedical industries should be heard. In providing these views, I do so not only for Genentech, but as Chairman of the Biotechnology Industry Organization and the California Healthcare Institute.

We are supportive of the goals that the President has set out in the areas of deficit reduction and investment. As a result, we were pleased with the inclusion of a permanent R&D credit and a targeted capital gains provision in the House-passed bill. We were deeply disappointed, however, by the failure of the Senate Finance Committee to include these provisions.

Specifically, the Finance Committee version of an R&D credit is awful. It provides, for the first time since the credit went into effect in 1981, a gap in the coverage of the credit. Thus, biotechnology firms—who are, according to this week's Business Week survey, the most R&D intensive industry in the United States—will receive no R&D credit for any research and development undertaken between June of 1992 and June of 1993. Moreover, instead of extending the R&D credit permanently, the credit is only extended for one year. The cavalier treatment of R&D—the seed corn of our future industrial competitiveness—is short sighted, dangerous and wrong headed. What kind of signal will businesses have about the reliability of "permanent" government incentives when they are treated as an expedient political football? Our international trading competitors should be very pleased with this change.

The failure to include a targeted capital gains provision is similarly disruptive and counterproductive to our risky, entrepreneur-based industry. The increase in the tax treatment of capital gains added insult to injury. One is tempted to ask the Senate Finance Committee what ever happened to the notion of rewarding patient capital that leads to more jobs in the high wage, high skill industries?

Finally, despite your best efforts on deferral, the provisions pending before the Senate are still pointed in exactly the wrong direction. According to our understanding, the Joint Committee on Taxation has estimated that this "reform" will produce $250 million in revenue over 5 years at a cost of $2 to $4 billion in additional foreign investment. How can a provision that was motivated by a desire to address the real problems of run-away plants have been perverted to create an incentive to invest outside the United States? At this point, anything that could improve this provision would be a help, but frankly, the provision is so ill-conceived that it is all but impossible to cure it, unless it is deleted or the Administration is convinced to go to a straightforward income test. Short of those changes, any upgrading of the multipliers used in the Committee reported bill would be an improvement.

Thank you in advance for your advocacy on behalf of California's high technology industry. In the area of biomedical science and industry (biotechnology, pharmaceuticals and medical devices, including university and private sector researchers), about 150,000 Californians are engaged in trying to grow the California economy. Correction of the pitfalls created by the Senate Finance Committee in these three areas would be a great help to all of us.

Sincerely yours,
G. KIRK RAAB,
President and Chief Executive Officer.

SUN MICROSYSTEMS, INC.,
Mountain View, CA, June 22, 1993.
Senator DIANNE FEINSTEIN,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR FEINSTEIN: I am writing to bring to your attention my deep concern regarding two tax act provisions being considered by the Senate Finance Committee, the Research and Development (R&D) tax credit and the Foreign Earnings Deferral provision.

As you may know, I have supported making the R&D tax credit permanent and was pleased that the House tax bill permanently extended the credit from July 1, 1992. Unfortunately, the Senate Finance Committee has not followed the House's lead. Their failure to make the Credit permanent singles out the Credit for the weakest treatment of any of the expiring provisions. Only extending the Credit for twelve months repeats the on-again, off-again tax policies that have plagued the Credit since 1977.

By making the R&D tax credit permanent, businesses such as Sun Microsystems will have the ability to make long term decisions, something that is all too often lacking in the current business climate. I would urge you to help lead the fight on the Senate floor to make the R&D tax credit permanent from July 1, 1992.

With regard to the Foreign Earnings Deferral provision, the current Senate language will be detrimental to the high tech industry. While it may not be possible to eliminate this provision, proposals to extend the base period for capitalization of R&D expenditures from three to five years would do much to improve this provision. By making this change, high tech companies would be able to more accurately value one of their most important assets, their technology. Indeed, the Foreign Income Deferral issue is of major importance to the long term health of both Sun Microsystems and the computer industry.

I welcome any opportunity to discuss these issues with you in greater detail. Thank you for your consideration and your support of our industry.

Sincerely,
SCOTT G. MCNEALY,
President and CEO.

INTEL INTERNATIONAL,
Santa Clara, CA, June 22, 1993.
Hon. SENATOR DIANNE FEINSTEIN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: The purpose of this letter is to express Intel's concerns regarding the Senate Finance Committee bill's treatment of the research tax credit. As you are aware, unlike the Clinton Administration proposal and the House bill, the Finance Committee bill extends the R&D tax credit for only one year, and only after a one-year gap. As indicated in the enclosed letter, which Intel and eight other companies sent to the authors of S. 666 (a bill that would extend the credit on a continuous and permanent basis, as well as improve the credit in other ways), Intel believes it is important that the credit maintain its continuity and be made a permanent part of the tax code.

The credit, over its life since 1981, has unfortunately experienced on-and off-again temporary extensions, but even so, the credit has never suffered a gap in continuity. These limited extensions have made R&D planning, based on the credit, difficult. Based on the past and the expressed intentions of the Clinton Administration and members of Congress, it is reasonable to expect continuity would be maintained. Research efforts play a vital role in Intel, our industry, other high-tech companies, and the U.S. maintaining competitiveness in the world marketplace.

We urge you to address the issues of continuity and permanence of the research credit, if the opportunity to do so arises during Senate floor consideration of the Finance Committee bill. Your help in this important matter is very much appreciated.

Sincerely,

ROBERT H. PERLMAN,
Vice President,
Tax, Licensing and Customs.

AMERICAN ELECTRONICS ASSOCIATION,
Washington, DC, June 21, 1993.

DEAR SENATOR: As you can see by the attached position paper, the American Electronics Association strongly opposes the Senate Finance Committee's tax proposal in its current form. We believe the proposal discourages U.S. research and development, increases the cost of capital, and will not effectively create jobs in our industry.

We are particularly concerned by two actions by the Committee. One is the decision to reduce the Research and Development Tax Credit from a permanent credit—as proposed by President Clinton and approved by the House—to a one year extension. Equally troubling was the decision to extend the R&D Credit on a prospective basis. As you know, all of the other extenders were made applicable on a retroactive basis.

Secondly, we are greatly concerned by the Committee's decision to abandon the targeted capital gains provision for small growth companies. This provision is critical in encouraging long-term investment in emerging technologies. It is a key component of the Clinton economic agenda.

We believe there will be an effort to address these two issues on the Senate floor and strongly urge your support. For further information on AEA's efforts, please contact Ed Hatcher at 202-682-4457.

Sincerely,

J. RICHARD IVERSON,
President and CEO.

ELECTRONIC INDUSTRIES ASSOCIATION,
June 22, 1993.

Hon. DIANNE FEINSTEIN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: As President of the Electronic Industries Association (EIA), and as a member of the Council on Research and Technology (CORETECH), I am writing to bring to your urgent attention the fact that the R&D credit was not given adequate or fair treatment in the Senate Finance Committee's consideration of the legislation.

As you know, we strongly support a permanent R&D tax credit and were pleased that such a provision was included in the House tax bill. The Senate Finance Committee's proposal does not include a permanent R&D tax credit; it singles out the R&D credit for the weakest treatment of any of the expiring provisions. The Finance Committee's proposal does not allow for retroactivity of the expired R&D tax credit and only extends it for 12 months. This would revert R&D to an on-again off-again policy that has plagued this policy area since 1977.

EIA members were also pleased that the House tax bill included a provision to permanently resolve the 861-8 research allocation rules. The Senate Finance Committee's proposal reduces the deduction of domestic R&D to 50% in the context of a 12-month extension. The R&D community would only consider such a level acceptable if it was in the context of a permanent legislative solution. This level of deduction in the context of a 12-month extension would create a serious disincentive to R&D conducted in our country.

We all know that American R&D is vital to maintaining and enhancing our position in the global economy. A permanent R&D tax credit and a permanent solution to the 861-8 research allocation rules are important steps toward ensuring the future of U.S. competitiveness. At the very least, we ask you to give the R&D tax credit the same treatment as has been provided the other expiring provisions in the tax bill by making it retroactive to its expiration date of June 30, 1992, extending the R&D credit for 12 additional months, and increasing the deduction level in the temporary extension of 861-8 to 64%.

If you or your staff wishes to discuss this matter in greater detail, please contact Ms. Kim King, Manager, Government Relations at (202) 457-8787. Thank you for your consideration of this matter.

Sincerely,

PETER MCCLOSKEY,
President.

COUNCIL ON RESEARCH AND TECHNOLOGY,
June 22, 1993.

Hon. DIANNE FEINSTEIN,
U.S. Senate, Washington, DC.

DEAR SENATOR FEINSTEIN: On behalf of the Council on Research and Technology (CORETECH), I am writing to bring to your urgent attention the fact that the R&D community is very concerned about the treatment given to research and development in the Senate Finance Committee's version of the tax bill.

As you know, we strongly support a permanent R&D tax credit and were pleased that such a provision was included in the House tax bill. The Senate Finance Committee's proposal does not include a permanent R&D tax credit, and furthermore, it singles out the R&D credit for the weakest treatment of any of the expiring provisions. While other expiring provisions received two year extensions, the Finance Committee's proposal only extends the R&D tax credit for 12 months and does not apply retroactivity to the expired provision. This proposal would revert R&D policy to its sorry and checkered history of on-again off-again policies that has plagued this policy area since 1977.

The members of CORETECH were also pleased that the House tax bill included a provision to permanently resolve the 861-8 research allocation rules. The Senate Finance Committee's proposal reduces the deduction of domestic R&D to 50% in the context of a 12 month extension. The R&D community would only consider such a level acceptable if it was in the context of a permanent legislative solution. This level of deduction in the context of a 12-month extension would create a serious disincentive to R&D conducted in our country.

We all know that American R&D is vital to maintaining and enhancing our position in the global economy. A permanent R&D tax credit and a permanent solution to the 861-8 research allocation rules are important steps toward ensuring the future of U.S. competitiveness. At the very least, we ask you to give the R&D tax credit the same treatment as has been provided the other expiring provisions in the tax bill by making it retroactive to its expiration date of June 30, 1992, extending the R&D credit for 12 additional months, and increasing the deduction level in the temporary extension of 861-8 to 64%.

We hope you will do everything in your power to restore the unfair treatment given to R&D and to promote long-term stable policies that can lead to U.S. productivity and growth. These steps are the very minimum the Senate should do to send the signal to America's R&D community that the Congress wants American industry to continue to make investments that will spur innovation and economic growth.

Sincerely,

ROLAND W. SCHMITT,
Chairman.

Enclosure.

MEMBERSHIP LIST

Companies (26)

Abbott Laboratories
American Cyanamid
Apple Computer, Inc.
Bristol Myers Squibb
Cray Research
Digital Equipment
DuPont-Merck Pharmaceutical
Eli Lilly & Company
Genentech, Inc.
Glaxo
Hewlett-Packard
IBM
Johnson & Johnson
Medtronic
Merck & Co.
Millipore Corporation
Motorola
Pfizer, Inc.
Pharmaceutical Resources
Sandoz Pharmaceuticals
Schering-Plough
SmithKline Beecham
Southwestern Bell Corp.
TRW, Inc.
Upjohn
Warner-Lambert

Universities (42)

Brown University
Carnegie-Mellon
Cornell University
Drexel University
Duke University
GA Inst. of Technology
Harvard University
Indiana University
Iowa State University
Johns Hopkins University
Massachusetts Institute of Technology (MIT)
Michigan State University
North Carolina State
Northern Illinois Univ.
Penn State University
Purdue University
Rensselaer Polytechnic Institute
Rice University
Rutgers University
Southern Illinois Univ.
SUNY/Research Foundation
Syracuse University
Tulane University
University of California at San Diego
University of Florida
University of Georgia
University of Houston
University of Illinois
University of Iowa
University of Kentucky
University of Michigan
University of Minnesota
University of North Carolina/Chapel Hill

University of North Carolina/Gen. Admin.
University of Pennsylvania
University of Texas
University of Washington
Vanderbilt University
Virginia Polytechnic Institute
Washington University
Wayne State University
Yale University

Public/Private Assns. (5)

Assoc. of American Universities
C.B.E.M.A.
Electronic Industries Assn.
American Auto Mfrs. Assn.
Pharmaceutical Mfrs. Assn.

Research Institutes/Consortiums (3)

BELLCORE
MCC
Semiconductor Research Corp.

Affiliates (5)

Brandeis University
Council on Competitiveness
Industrial Research Inst.
National Biomedical Research Foundation
NEC America, Inc.

R&D TAX CREDIT: PROVIDING AN INCENTIVE FOR AMERICAN INNOVATION

Recent analyses and news reports have indicated that U.S. research and development spending is on the decline and, in fact, that industrial spending in Japan has, for the first time, topped U.S. industrial spending. Now, more than ever before, all sectors of the U.S. research community must make a commitment to maintaining our national research base and international technological leadership.

To that end, promoting American innovation is critical. If we, as a nation, are to enhance our domestic economic situation and international standing, we must encourage the U.S. research community to continuously invest more in R&D. One of the most significant steps Congress could take to help the U.S. research community meet this challenge is to make the Research & Development (R&D) tax credit permanent once and for all.

Background—The R&D tax credit was credited in 1981 as part of the Reagan Administration's first tax package. The R&D tax credit provides an incentive for companies to increase their spending on R&D because companies are only eligible for the credit when they increase their R&D spending above a certain threshold of previous spending.

As originally passed, the R&D credit was a 25 percent incremental credit extending through 1985. Over the years, the credit has been temporarily extended many times, and has been changed as well. In 1986, the credit was extended, but the rate was cut from 25 to 20 percent. In 1988, the credit was extended for one year. Again, in 1989, Congress extended the credit for one year at a nine-month value, but made changes that increased the incentive effect for established as well as start-up companies. In the 1990 budget reconciliation bill, the credit was extended again, this time until December 31, 1991. At the end of 1991, legislation was enacted to extend the R&D credit for six more months, through June 1992. The credit expired at the end of June 1992 and has not been extended.

University basic research credit—Since 1981, the R&D tax credit has included a companion incentive provision, the university basic research credit. The basic research credit facilitates the commercialization and marketing of new ideas by encouraging corporate and academic collaboration. Under the credit, companies receive a 20 percent tax credit for grants, contributions and contract payments (above a certain fixed base amount) that are paid to colleges, universities and nonprofit research institutes for basic research. This credit also expired at the end of June 1992 and has not been extended.

The need for a permanent credit—The full incentive effect of the R&D tax credit can only be realized if the R&D credit is made permanent. Despite the fact that legislation calling for a permanent extension for the R&D tax credit has received strong bi-partisan support during the past three Congresses, last minute fiscal constraints have repeatedly forced only short-term extensions.

This legacy of six and nine month extensions runs counter to the nature of the research enterprise. R&D projects are long-term in nature, often spanning 8–10 years. Without permanence, research planners are reluctant to rely on the R&D credit because they have no guarantee that the policy in place at the beginning of a project will be in place at the end of a project. A permanent R&D tax credit will enable the research community to make plans today which will ensure future economic growth.

The effectiveness of the R&D tax credit—Economists Martin Baily of the University of Maryland and Robert Lawrence of Harvard University have found that tax incentives have a very strong effect on R&D performance. For example, in a study released on January 28, 1992, Baily and Lawrence report that the ratio of R&D spending to output went up over 40 percent in the 1980s when the R&D tax credit was in effect. During the time when the R&D credit had its maximum impact (1982–1985), company funded R&D had the highest growth rate (8.1% annually) of any four year period between 1960 and 1990.

The R&D tax credit gives U.S. companies a 20% credit for increases in R&D spending over an historical base. Baily and Lawrence estimate that the current R&D credit, if made permanent, would increase R&D spending by $25.7 billion over a five year period.

New legislation, S. 666, has been introduced that will not only make the credit permanent, but the legislation will also increase the incentive effect of the credit by improving its provisions. Key improvements made in the new legislation include: (1) allowing the credit to have an incentive effect on virtually all R&D budgets by improving the alternative minimum tax offset provision; (2) liberalizing the base period rule to strengthen the credit's effectiveness; (3) revising the basic research credit to strengthen its effectiveness; (4) providing a flat rate credit for small businesses; (5) providing incentives to encourage cooperative research efforts; and (6) priority assistance for companies impacted by defense conversion.

Mr. LIEBERMAN. Mr. President, I rise in support of this resolution to put the Senate on record as favoring a permanent R&D credit. Research and development is directly linked to the survival of our Nation's most critical industries—electronics, biotechnology, aerospace, and defense to name a few. If companies in these industries cannot do R&D in a timely and sufficient way, they will fall behind. Ultimately they will fail. The R&D tax credit is an important tool because it gives companies real additional financial resources to begin or to accelerate a project that is worthy but can't be done with limited resources. Since research can't be turned off like a light switch, corporate managers need to know that financial resources will be available over time. This is precisely why the R&D credit should be made permanent.

There are a few points that should be considered in the debate on the R&D credit.

First, people not machines produce bright ideas. When we talk about R&D, what we are really talking about is people. That is to say people with R&D jobs. The incentives to encourage more R&D are really incentives to employ more people to engage in R&D. More than 70 percent of qualifying expenses for the R&D tax credit go for the salaries of researchers and technicians.

In today's high-technology world, R&D does require more expensive and more complex equipment. The workbench of an electrical engineer or a computer scientist is vastly more capital-intensive than 20 or even 10 years ago. But the most advanced engineering work station can't produce anything unless someone is there to operate that work station.

Second, teamwork is key to R&D success. Today's scientific research is characterized more by extensive teams cooperating on solving complicated problems and less by eccentric individuals working on exotic equipment in rarefied attics. And today's breakthroughs are less the legacy of luck or a silver bullet discovery and more the outcome of hours of hard, concentrated work by teams of dedicated researchers.

Third, good R&D must be timely R&D. In addition to the natural aggravation of trying to discover the unknown or find the right combination of factors to make something work, researchers today also face the pressure of time. R&D in a corporate setting is not an intramural sport, it is big time athletics. What counts is scoring first and scoring most often.

Fourth, financial pressures shape the R&D agenda. In any economy, but particularly in the tight one we are in today, U.S. corporate managers must take economic factors into account. In today's belt-tightening environment, R&D budgets are increasingly under scrutiny and at risk of cutbacks.

Put simply, R&D is critical to the success of leading edge businesses. Without R&D these leading edge industries would not exist, let alone prosper.

The role of R&D in our industry and worldwide has changed dramatically and will undoubtedly change even more. We have already seen changes—R&D is more intensive and subject to growing pressures of time and financial expectations. It is becoming at once more capital-intensive and more labor intensive as team approaches are needed to break down and resolve huge, complex problems.

These are but a few of the reasons we need to enact a permanent R&D credit. While the Senate Finance Committee has gone part of the way with a temporary extension of the credit, we need to signal our desire to go further. I urge my colleagues to join me, and the Senator from California, in supporting this resolution.

Mrs. BOXER. Mr. President, permanent extension of the R&D credit is crucial to the research-intensive industries of California and of this Nation.

The R&D credit is about competitiveness in the world economy. California's companies, and companies around this country, are struggling to compete with foreign competitors that receive Government subsidies and large taxbreaks. Every day, companies face foreign market barriers while their competitors have open access to the U.S. market.

We must provide our companies with tools to fight back. It is vitally important that we provide American companies with incentives to put their profits back into research activities that will put them at the cutting edge as we move toward the 21st century. Our standing in the world economy depends on it.

The R&D credit is also about jobs. We need to provide incentives for industries to pour their resources back into the kind of research activities that will create new jobs. Some of California's high-technology industries spend as much as 50 percent of their profits on new research activities. This research leads to production of new products which creates more jobs for California's workers.

Research and development will make the companies in this country better able to compete in the world economy. Research and development will put our people back to work. For this reason, it is vital that we extend the R&D credit on a permanent basis.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DOMENICI. There is no objection on our side.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 515) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 516

(Purpose: To eliminate the increase in the taxation of Social Security benefits)

Mr. LOTT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for himself, Mr. GRASSLEY, Mr. MACK, Mr. MCCAIN, Mr. PRESSLER, Mr. NICKLES, Mr. COCHRAN, Mr. ROTH, and Mr. WARNER, proposes an amendment numbered 516.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 519, line 19, strike all through page 523, line 22.

Mr. LOTT. Mr. President, before I enter into a discussion about the substance of our amendment, I do want to thank the distinguished Senator from Iowa [Mr. GRASSLEY] for making an effort in the Senate Finance Committee to have this unfair tax on elderly Social Security retirees knocked out. He made a valiant effort on a divided vote of, I believe, 14 to 6. This was defeated, but he certainly made a good effort, and he will be joining us in the debate later today.

Mr. President, my amendment is very simple. It deletes the new tax increase on Social Security recipients proposed in this bill. I offered a similar amendment when we were debating the budget resolution, and some Senators said, "Well, this resolution is just a guideline; this is not for real." Mr. President, this one counts. We are shooting with real bullets today.

Unfortunately, the people who will be hit are elderly, retired Social Security recipients. Increasing this tax is wrong in principle, and it is unfair to the elderly. Although the Finance Committee has modified the proposal somewhat from the President's proposal, which was agreed to by the House, this is still blatantly unfair. I believe it is wrong in concept, regardless of income level or the number of people affected. I believe the thresholds will be lowered again in the conference to go back to as low, perhaps, as $25,000.

Under the bill that is before us, the benefits of Social Security retirees who make $32,000 as an individual or $40,000 for a couple would be taxed at 85 percent. I want to emphasize, first of all, that if you are a retiree living basically on Social Security and your income as an individual is $32,000, this is not wealthy. I continue to wonder about the definition of what is "wealthy." I thought wealthy would be in the hundreds of thousands. Then, during the campaign last fall, it dropped to $200,000. Then it was $100,000. Now we are down to $32,000. You will have your taxes increased if you are an elderly person living basically on Social Security, or $40,000 as a couple. These are middle-income people.

But I think the thing that offends me the most about this tax on the elderly is that the revenues will not go into the Social Security trust fund; they will not go to reduce the deficit; they will be used to pay for other programs.

So here we are attacking elderly Social Security retirees and not putting the revenues from the tax increase on them into the Social Security trust fund. We are going to move it around to other programs. It is a new precedent. So my colleagues need to understand for the first time, not only are we going to increase taxes on Social Security retirees—we have done that before—but for the first time, we are going to move it over into the HI trust fund. These funds will be used to pay for other Government programs. Once we start down this path, we will not be able to return it back to what is fair. If there is any tax increase, the revenues should be for the Social Security trust fund.

Remember, these are the working elderly poor. These are the ones who have worked, and paid into Social Security, many of them since 1939. Now that they have retired, the Congress begins to change the rules on them. First, we started taxing 50 percent of what they made; now we go all the way up to 85 percent.

The Finance Committee did raise the threshold from $25,000 for individuals to $32,000, and from $32,000 for couples to $40,000. But it would still raise $26.273 billion over 5 years. Think about that. Almost $27 billion will be taken from elderly retirees in the form of new taxes to go into other programs. This would add as much as 10 percent to the annual tax bill of many of these elderly retirees. For some, the change would be as much as $1,000.

Who will pay this $26 billion in Social Security tax bill? Is it going to be just a small number of really wealthy people? This chart illustrates just who will bear the burden of this proposed tax. As a matter of fact, 69 percent of the new taxes will be paid by Americans earning between $32,000 and $100,000 a year. In other words, 69 percent of this $26 billion would come from people making under $100,000. This is a pretty staggering chart when we are being told over and over again, "Oh, the tax increases in this bill are going to affect only the wealthy; the wealthy will pay 79 or 89 percent of the tax increase in this bill." In reality, the elderly making under $100,000 would pay 69 percent of the money that would be collected.

And these estimates are skewed because they are based on the concept of family economic income, which is very different from what most of us consider as our income. To come up with this number, you add the imputed rental value of a home; in other words, if you own your home, retired and living in it, they impute to you a rental value. It also includes the value of employer-provided benefits and the inside buildup of annuities. So, in truth then, people earning under $32,000 will really be affected.

So, Mr. President, this is one that really counts. The seniors of America are going to know how we vote on this today. This is an opportunity for the

Senate to strike a blow the way they should. In the past, many people have risen on the floor and said, "Oh, don't freeze the Social Security COLA, don't mess with Social Security, it's a trust fund." I agree, it is not causing the deficit problem. It actually has a $52 billion surplus. It is not the problem. So why are we raiding the Social Security retirees? Why are we making the elderly pay more taxes?

The people tell me when I go home, "Cut spending first, don't raise my taxes," and of all ages they say, "For goodness sake, do not put a higher burden on the elderly." The elderly are those who have worked all their lives, many of whom would like to still work. The elderly who do work are already penalized by the earnings test that they have to pay. For every $3 earned above $10,560, they lose $1 in their Social Security benefits. So we are already discouraging them from working. If they worked all their life and saved a little money, then we are going to tax them 85 percent above $32,000.

Let us strike this out. There are plenty of places where we can cut spending. We can do it in administrative costs. We can eliminate some of the reserves we have. There are a whole long list of domestic spending programs and entitlement programs we can change, reform, cap. We should not do this to our senior citizens who are retired and worked all their lives.

So I urge my colleagues to stand up and be counted. We should strike this tax increase on the elderly and we must do it today. If we do not, when it comes back from conference, I predict it will be an even higher tax.

Mr. President, since we have limited time, I want to give as many Senators as possible a chance to be heard on this subject because a lot of them are very interested in it. I would like to yield at this time to the distinguished Senator from Iowa, who has been a real leader in trying to eliminate this very unfair tax. I yield 8 minutes to the distinguished Senator from Iowa.

The PRESIDING OFFICER (Mr. BRYAN]. The Senator from Iowa [Mr. GRASSLEY] is recognized. What was the amount of time that was requested?

Mr. LOTT. I yield 8 minutes. Can I inquire how much time I used?

The PRESIDING OFFICER. The Senator has under his control 22 minutes.

Mr. GRASSLEY. Mr. President, I hope the Members of this body appreciate the hard work Senator LOTT has put into this effort, both on this bill and on the budget resolution, to bring a very important issue that is going to hurt, be very detrimental to retired people in America, to the attention of Senators. So, obviously, I support the amendment offered by Senator LOTT.

This tax increase is a very bad idea. It is simply an income-reduction program for the elderly. This is one of those things dealing with Social Security taxes that, if Democrats propose it and reduce the Social Security income, it is politically correct. If the Republicans were to do something like this, it would be bad, bad, bad. It is a bad idea, let me assure you, because it raises taxes on older people who can ill afford to pay more taxes.

According to the Treasury Department, and I got these statistics from them as a result of the debate we had in the committee—I am a member of that committee—there are going to be 4.6 million more returns having to report this additional taxable income. Since there are more joint filers than single filers, the total number of people who are going to be affected by this Democratic tax increase will come close to 7 million people.

These people are not rich. Many of them are even in the 15-percent tax bracket and most of them were not rich during their working lives. They are just solid, middle-class American citizens.

It is also a bad idea, not only because so many are going to be taxed, but because it is an unfair tax.

The other income tax increase in this bill that the Democratic majority is crowing about is increased taxes on people with over $115,000 of taxable income. But the Social Security beneficiaries affected by this big tax increase are at income levels as low as $32,000 in taxable income.

The Democrats talk about soaking the rich. Well, with this part of the tax bill you are soaking the nonrich. It is a bad idea because it is going to raise marginal tax rates sky high for those Social Security beneficiaries who must work. And about 17 percent of the income of Social Security beneficiaries comes from wages. For these people who are working, this could be a marginal tax rate at a little over 100 percent.

At that level of taxation, I do not think it is right to call it taxation anymore. It is confiscation. And so you see the egalitarian philosophy of the Democrats taken to the extreme, taking from the producer and giving to the nonproducer. And pretty soon, ladies and gentlemen, if you do that for very long you do not have any producers left and pretty soon you do not have any America left.

These retired people of America, these 7 million people who are going to pay more taxes, are the people who worked and produced and saved for a rainy day, saved for their retirement so they would not be dependent upon children or Government to live well in retirement or just to live in retirement without being dependent. This egalitarian philosophy that runs rampant in the other political party is going to wipe out the savings of some of these people, and it is just plain wrong.

Now, there is another argument of some of the proponents in favor of this tax. It is that it is OK because it will simply make the tax treatment of Social Security beneficiaries just like the tax treatment of private pension income. So, in other words, as I understand this argument—that I do not agree with—income that is not attributable to the beneficiary's own contributions would be taxed as comparable private pension income is taxed.

But the problem with this argument, Mr. President, is that as we all know, plain and simple, the Social Security Program is not like a private pension program. If it were, we would not always have to bail it out politically. In the first place, Social Security is mandatory. In the second place, the benefit calculation formula replaces a larger percentage of preretirement income for low-income workers than it does for middle income and higher income workers.

So there is a regressivity in how Social Security contributions are paid back. So imposing this tax increase on those who were in the middle class during their working years reduces still much further the financial return on their contributions. In other words, making it more regressive than it already is and as it was intended to be.

In other words, private pensions are voluntary and are taxed on their earnings. The Social Security Program is mandatory and the benefits for the middle income are already discounted relative to lower income groups before the tax on them gets levied.

It is also the case that much of the private pension income was sheltered from taxes during the years in which it was accumulated if you include IRA's, Keogh plans, and the like.

Now, the most galling argument I have heard in support of this tax increase on senior citizens, middle-income senior citizens, is that the beneficiaries who will be affected by it must really be rich. After all, the only reason they are subject to this new tax is that they have a huge bundle of money generating interest income. This was an argument that was advanced in the Finance Committee's consideration of this legislation.

There are at least two problems with this reasoning, Mr. President. First, the total income of many of these individuals is not great. These people are not Donald Trumps. I wish the other side would get that out of their heads.

Second, if these people have savings, those savings are necessary for them to maintain what is certainly not more than an adequate standard of living. It really distorts the reality of what has happened here to say that you are going after rich people. They are not the Jack Kent Cookes of this world, as one of the Finance Committee members alleged. These people are not supporting their living standard by drawing down an inexhaustible supply of savings. They are maintaining their standard of living by relying on income that those savings can generate. It is critical that they maintain that pool of savings if they are to maintain a reasonable living standard. What the Democrats are saying with this proposal is that these retired people are living too well. So we have to reduce their standard of living because they have taken the trouble to save.

There is a second problem. The typical older person who will be subject to this tax, at income levels of $32,000 for an individual and $40,000 for a couple, will have income from a variety of sources, not just interest and capital gains.

An analysis was recently done by Price Waterhouse for the American Association of Retired Persons. According to the study, those with adjusted gross incomes of from $30,000 to $50,000 received 24 percent of their income from Social Security, 21.5 percent from pensions, 17 percent from wages, and 31 percent from interest, dividends, and capital gains.

How much money must an older individual or couple have in the bank before they make 31 percent of their income from interest, dividends, and capital gains? If this typical individual receives, say, $40,000 in annual income, he or she would receive about $9,600 in social security, $8,400 in pension income $6,800 in wages, and $12,400 in interest.

If the individual were making 7 percent on his or her savings, the total amount of those savings would be around $180,000. Is a person rich who has accumulated this amount of money over a lifetime of working and saving?

I don't think so. Middle class, maybe, but certainly not rich. For example, an individual could have saved the maximum permissible IRA amount since 1975 when tax-favored IRA's first became available. They could have earned 7½ percent on those savings. That person would have perhaps $66,500 in IRA savings in 1992.

If they then sold a house at the average value of a home sale, which was around $170,000 last year, they could have a total of $236,500. If they purchased a small retirement condominium at $50,000 to $60,000, they would then have $176,500 to $186,500 left on which to draw interest.

An individual might have a larger social security benefit, more earnings, and a larger private pension. They could then find themselves subject to the new tax with even smaller savings.

I am sorry, but I do not think that such people were rich. And they are certainly not rich now.

Mr. President, I think the elderly have been singled out in this budget for unfair treatment. This is an income reduction plan for the elderly. They are taxed more heavily through the personal income tax than much higher income groups. They will pay confiscatory marginal tax rates on their wage income. The revenues raised by the tax will be dedicated to the health insurance trust fund, meaning that these social security beneficiaries are effectively paying more for the Medicare Program. They will pay the additional energy tax, but will not receive any benefits from the earned income tax credit.

For all these reasons, I strongly support the amendment.

Mr. President, I ask unanimous consent that a table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EFFECT OF ALTERNATIVE 85 PERCENT SOCIAL SECURITY INCLUSION PROPOSAL ON TAXABLE BENEFICIARIES, 1994

[$32,000 single/$40,000 couple]

Adjusted gross income class[1]	Average increase in tax[2,3]								
	Single returns			Joint returns			Married separate returns		
	Amount	Percent	Returns with tax increase (thousands)	Amount	Percent	Returns with tax increase (thousands)	Amount	Percent	Returns with tax increase (thousands)
$0 to $10,000			0			0	$409	59.9	11
$10,000 to $20,000	$86	7.5	13	$213	30.2	10	388	44.0	23
$20,000 to $30,000	21	.9	90	20	1.0	19	482	22.5	16
$30,000 to $40,000	361	8.5	425	57	1.8	225	420	8.4	6
$40,000 to $50,000	832	12.5	280	360	7.7	620	1,477	22.1	3
$50,000 to $75,000	953	9.5	311	1,173	14.8	971	1,211	10.1	14
$75,000 to $100,000	1,064	6.4	76	1,518	11.3	409	1,530	8.5	2
$100,000 to $200,000	1,308	4.4	66	1,702	6.3	277	1,513	4.1	5
$200,000 plus	1,439	1.0	32	2,117	1.5	143	1,489	0.4	1
Total	472	5.7	1,293	820	6.0	2,674	694	5.7	79

[1] AGI includes 50 percent of benefits above the current law threshold.

[2] Includes returns with taxable Social Security benefits under current law. Some of these returns are not subject to higher taxes under this proposal.

[3] Calculated at current law tax rates.

Note. Proposal: Add a second and higher Social Security threshold of $32,000 single return, $40,000 joint return.

The PRESIDING OFFICER. Who yields time?

Mr. LOTT. Mr. President, I ask unanimous consent that Senators McCONNELL and HELMS be added as original cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I ask unanimous consent that two letters that I received opposing this Social Security tax increase and a CBO table illustrating the distribution of this tax be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Telegram sent to all U.S. Senators]

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE,
Washington, DC., June 23, 1993.

A vote to support the Lott amendment to eliminate the Social Security tax increase in S. 1134 is a critically important vote to seniors and the nearly six million members of the National Committee to Preserve Social Security and Medicare.

MARTHA A. MCSTEEN,
President.

UNITED SENIORS ASSOCIATION, INC.,
Fairfax, VA, June 23, 1993.

DEAR SENATOR LOTT: We understand that you will offer an amendment to eliminate President Clinton's proposed tax increase on Social Security benefits. United Seniors Association, Inc. wholeheartedly endorses your amendment.

USA, Inc. has sent all members of the United States Senate a letter urging them, in the name of fairness, to support your amendment or similar measures. We believe the President's proposal is especially unfair to seniors because:

It asks 10% of America's population, most of whom are on fixed incomes, to pay for 20% of the so-called deficit reduction.

It increases Medicare Part B premiums by 68% over five years and cuts a total of $69 billion out of Medicare.

It would increase up to 70% the Social Security benefits tax paid only by seniors. Some middle-income seniors will pay outrageous marginal tax rates of 80% or 90%.

The President's new "seniors" tax is sometimes "justified" by saying seniors' Social Security benefits add to the deficit. This is simply not true. USA, Inc. has repeatedly reminded members of Congress that the Social

Security Trust Fund runs a billion dollar-a-week surplus, and actually reduces the deficit by that amount.

On behalf of USA, Inc.'s 400,000 members, I want to thank you for defending seniors. Let's remember, our seniors have stood by America through good times and bad. Now we must stand by them!

I hope that your colleagues will support your amendment and eliminate the unfair and misguided "seniors" tax increase on Social Security benefits.

Respectfully,

SANDRA L. BUTLER,
President.

DISTRIBUTIONAL EFFECT OF OPTION ON FAMILIES WITH SOCIAL SECURITY (1994 INCOME LEVELS AND 1998 LAW)

[Using January 1993 economic assumptions; Option: Make up to 25% of Social Security taxable above $32,000/$40,000]

	All Federal taxes			Income after tax		Effective tax rates		
	Average	Change	Percent change	Average	Percent chance	Current law	With option	Total change
Families by adjusted family income:								
All families:								
1st	268	0		8,074		3.2	3.2	
2d	933	0		16,583		5.3	3.3	
3d	2,787	3	0.1	26,846		9.4	9.4	
4th	6,003	43	.7	38,718	−0.1	13.4	13.5	5.9
5th	24,371	836	3.4	85,790	−1.0	22.1	22.9	93.7
All quintiles	5,370	127	2.4	29,794	−.4	15.3	13.6	100.0
Top 10	36,220	1,110	3.1	114,846	−1.0	24.0	24.7	65.0
Top 5	33,168	1,259	2.4	155,006	−.5	25.5	26.1	39.5
Top 1	161,296	1,437	.9	403,639	−.4	28.6	28.3	8.3
81 to 90 percent	11,418	538	4.7	54,026	−1.0	17.4	18.3	28.8
91 to 95 percent	14,609	937	3.6	68,375	−1.4	19.5	50.6	25.4
96 to 99 percent	28,700	1,219	4.2	98,743	−1.2	23.3	22.3	31.2
Families with children:								
1st	499	0		12,605		3.8	3.8	
2d	2,370	0		26,290		8.3	8.3	
3d	7,063	30	.4	39,898	−.1	15.0	15.1	9.1
4th	12,265	148	1.2	56,803	−.3	17.8	18.0	32.5
81 to 90 percent	20,838	359	1.7	77,258	−.5	21.2	21.6	26.4
Top 10	60,649	618	1.0	166,105	−.4	26.7	26.9	31.9
All quintiles	7,198	67	.9	32,647	−.2	18.1	18.2	100.0
Families with head age 65+:								
1st	195	0		7,449		2.5	2.5	
2d	684	0		13,442		4.2	4.2	
3d	2,053	0		25,224		7.5	7.5	
4th	4,826	31	.6	36,316	−.1	11.7	11.8	3.5
81 to 90 percent	9,755	622	6.4	51,350	−1.2	16.0	17.0	27.6
Top 10	36,525	1,249	3.4	116,098	−1.1	25.9	24.7	68.8
All quintiles	3,061	147	2.9	29,712	−.5	14.6	15.0	100.0
Other families:								
1st	402	0		7,203		5.3	5.3	
2d	1,336	0		16,487		7.5	7.5	
3d	3,706	1		26,687		12.2	12.2	.2
4th	7,749	43	.6	40,080	−.1	16.2	16.3	11.9
81 to 90 percent	13,807	325	2.4	55,385	−.6	20.0	20.4	40.3
Top 10	27,332	315	1.9	93,262	−.6	22.8	23.2	47.5
All quintiles	5,696	72	1.3	28,566	−.3	16.6	16.6	100.0
Families by dollar income (measured after corporate and employee payroll taxes):								
Less than $10,000	211	0		6,878		3.0	3.0	68.9
$10,000 to $20,000	665	0		14,340		4.5	4.5	68.9
$20,000 to $30,000	1,988	0		23,622		7.9	7.9	68.9
$30,000 to $40,000	3,953	17	.4	32,131	−.1	11.4	11.5	68.9
$40,000 to $50,000	6,376	118	1.8	40,315	−.3	14.3	14.6	68.9
$50,000 to $75,000	10,737	432	4.5	53,014	−.9	17.8	18.6	68.9
$75,000 to $100,000	18,196	840	4.6	72,227	−1.2	21.3	22.2	23.0
$100,000 to $200,000	31,717	1,005	3.2	107,468	−.9	24.3	25.1	22.7
$200,000 or more	37,881	1,399	.9	398,227	−.4	30.8	31.0	2.4
All incomes	5,370	127	2.4	29,794	−.4	16.0	16.4	100.0

Mr. LOTT. Mr. President, I yield 4 minutes to the distinguished Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona [Mr. MCCAIN], is recognized for 4 minutes.

Mr. MCCAIN. Mr. President, recently I have been reading with some interest the campaign document put out by then Gov. Bill Clinton called "Putting People First, a National Economic Strategy for America." And with careful reading by me and my staff, I have seen nowhere in "Putting People First" a measure that anywhere near would be comparable to this incredible attack on retired Americans we are seeing as part of this proposal. In fact, his proposal says, "Shut the door on the something-for-nothing decade by making the wealthiest Americans pay their fair share in taxes, ending tax breaks for American companies that shut down their plants and ship jobs overseas, eliminate deductions for outrageous executive pay, crack down on foreign companies who prosper here.

I can find nothing in "Putting America First" that in any anyway equates to this, frankly, unconscionable, incredible attack on senior citizens.

Mr. President, senior citizens are being subjected to a triple whammy. You combine the other proposed tax increases such as the fuel tax where people will have to pay added bills in my State for air-conditioning, others for heating oil, gasoline, then you put onto it the Social Security earnings test, which I have unsuccessfully but will continue to attempt to repeal—and we will succeed in that at some time or another—and, of course, this now would give seniors $1.01 taxes for every $1 they earn. It is incredible, incredible that we have developed a society where we penalize our senior citizens to the degree that we are going to charge them a $1.01 taxes for every $1 they earn.

Let me also point out, Mr. President, in 1983, when I first came to the Congress of the United States, the major crisis facing America—and, frankly, it is our citizens—was the insolvency of the Social Security trust fund. All the experts told us that the Social Security trust fund was going to go bankrupt, and we would not be able to maintain the contract we had made with senior citizens.

So what did we do? As part of a grand compromise that was a bipartisan compromise, we asked our senior citizens to make certain sacrifices. Among those were certain senior citizens at a certain level would pay taxes on their income in order to ensure the solvency of the Social Security trust fund.

Now we promised them that we will not do anything more to them, that the Social Security trust fund would be solvent, that they would not be subjected to any more taxes.

Now we are not only increasing their taxes, but we are taking those funds. And are we putting it into the Social Security trust fund. No; we are putting it into general revenue. These people are awakening in horror when they find out that they make $32,000 a year, that they are rich, that they are the wealthy ones that made all this money during the decade of greed and now we are going to penalize them by increasing their taxes. It especially penalizes those who seek to work, who have to work, because of increasing health care costs or other reasons.

Mr. President, this plan is awful. I think it is time that the amendment by the Senator from Mississippi says "no" to Washington's desire to rob our Nation's seniors of their Social Security benefits by raising the taxes on them. And if some situation arises at some point where we have to raise their taxes, those taxes should go back into the Social Security trust fund, which many of the working men and women today do not believe will be there at the time of their retirement.

I have two additional amendments which will not have time to be debated. One is to take this money, if the amendment of the Senator from Mississippi is turned down, and put it into the Social Security trust fund. And, of course, we will have another opportunity to vote on eliminating the onerous, unfair, outrageous Social Security earnings test.

Mr. President, I want to thank my friend from Mississippi for proposing this amendment. Those senior citizens throughout our country deserve not having this additional burden laid on them. I am confident that this Congress will reject such an outrageous proposal. I yield the floor.

Mr. MOYNIHAN. Mr. President, who manages the time?

Mr. FORD. Mr. President, I understand that we have Senator FEINGOLD, Senator BUMPERS, and Senator BAUCUS, who are asking for some time. Does the Senator from New York wish time on this amendment?

Mr. MOYNIHAN. It depends on the managers. I really have to be somewhere else.

Mr. FORD. We have several speakers. I will be glad to yield the Senator some time, if he wishes.

Mr. MOYNIHAN. Will he allow the chairman of the Finance Committee to speak?

Mr. FORD. Yes; how much time would he like to have? We have 30 minutes total.

Mr. MOYNIHAN. I would like to have as much as I require, which will not be much. Why not let other Senators speak and let me know what time is remaining?

Mr. FORD. I yield 5 minutes to the Senator from Montana [Mr. BAUCUS].

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I think it is important first to remember that this amendment increases the Federal budget deficit by at least $26 billion. It increases the budget deficit by at least $26 billion over 5 years.

Second, it is important to remember what this amendment in the Finance Committee bill really does. First, it affects only 13 percent of our senior citizens, only 13 percent. It does not affect the person who has saved up over the years, who does not receive high Social Security benefits, who does not have additional income, who is not in a very good position financially. It does not affect those people at all. It only affects 13 percent of senior citizens. And 87 percent of senior citizens are totally unaffected by this provision in the Finance Committee bill.

So the amendment of the Senator from Mississippi is directed only at 13 percent of the seniors in this country. Let us ask ourselves, who are those 13 percent? Who are the 13 percent for whom the Senator from Mississippi wishes to increase the budget deficit another $26 billion over 5 years? Who are they?

Mr. President, they are our Nation's most wealthy seniors. They are the seniors with high incomes and high assets. On average, Mr. President, the 13 percent who are affected by this amendment are senior citizens whose net worth on average is over $1 million.

It only affects people in our country who are over age 65 and whose net worth on average is over $1 million.

How many seniors have a net worth of over $1 million? How many? Not very many at all. Just 13 percent have an average net income of over $1 million.

So, Mr. President, I think that we should call it as it is. Say what is really happening here. This is an amendment which only benefits the most wealthy seniors. Yet, under the Finance Committee provision, these seniors are not going to be paying much more in taxes. Frankly, the provision simply increases the amount of Social Security benefits which seniors must include as taxable income. Current law requires that 50 percent of Social Security benefits are subject to taxation, and this provision simply increases this to 85 percent. It also raises the thresholds so that middle-income Americans are not hit by this provision.

I must say, Mr. President, I think most seniors want to help reduce the budget deficit. They want to be part of the solution. They do not want to be exempt from the solution. I go to town meetings in my State at senior citizens centers. I explain what we have to do to get this Federal budget deficit under control.

A few year ago I advocated an across-the-board freeze on all Federal spending including Social Security COLA's, defense, everything. Senior citizens in the State of Montana would stand up to me and say: "You mean you are not going to increase my COLA?"

I said: "That is right."

"Are you sure nobody else is going to get an increase either?"

I said: "That is right."

They would say to me: "Well, OK. As long as nobody else is getting an increase, I will pay my fair share too. I will contribute to the solution."

So again, Mr. President, it is very, very important to remember that this amendment increases the budget deficit by at least $26 billion. I do not think the most wealthy seniors in our country want to increase the budget deficit.

For those reasons I urge our colleagues to exercise common sense, be responsible, do what is right here, and reject the Lott amendment.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, how much time is remaining on the——

The PRESIDING OFFICER. The majority controls 24 minutes 30 seconds.

Mr. MOYNIHAN. I yield myself such time as I may require, Mr. President.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, since 1938, Social Security beneficiaries with adjusted gross incomes of more than $25,000 for the individual, or $32,000 for a couple, have been required to pay taxes on their retirement benefits in the exact mode that persons receiving benefits from a private retirement fund pay taxes, the only difference being that Social Security recipients have been paying at a much lower rate.

How have we gotten into this stage? Very simply: in 1979, the Advisory Committee on Social Security, a body that is appointed every 5 years—and has been since 1939—proposed that the time had come to begin taxing retirement benefits received from Social Security, earned benefits, in the same way that other retirement benefits were taxed.

This was a clear proposal of the council of fine practice that we have had now for about 60 years of reviewing our Social Security System, so to ask what changes should be made. That is 1979.

In 1983, the National Commission on Social Security Reform, of which the distinguished Republican leader was a member; I was a member; Senator John Heinz, our beloved former colleague was a member; Alan Greenspan, the current eminent Chairman of the Federal Reserve Board was the chairman; and it is widely known as the Greenspan Commission. That Commission recommended the legislation which we now have in place which said: Begin the taxation of Social Security retirement benefits in the same method that other earned retirement benefits are taxed.

Now we are going from 50 to 85 percent subject to taxation, which is about the amount that most private pension funds are taxed at, the point being that the employee's contribution is taxed at the time it is made and, therefore, ought not to be subject to double taxation. It works out in a familiar arrangement, and millions of Americans are retired on that basis.

Lest we change the situations for persons expecting the 50-percent rate to continue indefinitely, we have moved the numbers up to $32,000 and

$40,000 for a couple. This proposal means that of the present 9 million persons, 9.2 million, who pay benefits, 2.9 will not, because they will still be within that earlier range; and 4.9 will; for a total of 6.3 million paying either the 15-percent rate or the 22-percent rate.

The point is, Mr. President, that this is a progressive measure which asks that persons with medium to large incomes, from either retirement benefits or savings or whatever, pay taxes on their benefits the way anybody else does. We have to make the distinction between paying the tax on 85 percent of your benefit and the tax itself, which is to be 15 percent, 28 percent, 36 percent.

There is a rather striking fact, Mr. President, and I would like the body to hear this. The average net worth of those paying additional tax under the Finance Committee proposal is over $1 million. I will say that once again. There will be a certain number of people who will pay at the normal rate at which earned retirement benefits are taxed—the proportion that is taxed—those who pay up to that average proportion now have an average net worth of over $1 million.

That is a very nice thing. There are a lot of retired persons in this country, couples, who have a net worth of over $1 million. That is good. They are asked to pay on this particular income stream about the same taxes they would pay on other private pension arrangements. This is an absolutely normal standard.

In the course of the hearings we had on this subject earlier in the year, we talked with a range of persons with great experience with our social insurance system, including Robert Ball, who was Social Security Commissioner since the 1930's, was Commissioner under Presidents Johnson and Nixon; Robert Myers, who came to Washington in 1934 to work in the Commission which proposed the legislation we now know as Social Security.

These two eminent authorities both said, of course, we should treat this earned benefit the way we treat other earned benefits, because it is an earned benefit, not something the Government gives you. It is something you have paid into during your working years. You have an account number and you have an account. I urge citizens to write for their cumulative payments and prospective benefits statement that can be gotten for the price of a stamp. This is an earned benefit, and we are treating it like any other. We are making it special, however, in that only persons with medium to large incomes, and as we learned, very large net worths, will be affected.

Mr. President, to do this, vote for the amendment before us, is to undermine the Social Security principle that these are earned benefits.

To sustain the Finance Committee and the National Commission on Social Security Reform is to vote against this amendment.

Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. The majority controls 15 minutes, 48 seconds.

Mr. MOYNIHAN. Mr. President, I see that the distinguished Senator from Wisconsin has risen. Does he wish to speak for 5 minutes?

Mr. FEINGOLD. Yes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Thank you, Mr. President.

This is an amendment having to do with whether or not we are going to get serious about the Federal deficit. I had the opportunity to hear the Republican leader on television yesterday, and he indicated—about the plan he was putting forward—that his plan, the one we voted on last night, would be one the American people would like.

Well, I think that is part of the problem. A deficit reduction plan should not be one that the American people will like; it should be one that they will understand and support. That is because deficit reduction is a painful process, one that involves sacrifice.

In the past decade, in sharp contrast, the Reagan and Bush administrations have produced the 10 largest budget deficits in our history. This bill is very different. The Senate budget reconciliation bill retains the key elements of President Clinton's proposal for $500 billion in deficit reduction, a significant reduction in Government spending, and it also restores some measure of tax equity.

Of course, reducing the Federal deficit is not easy, it is not fun, and it will cause real pain and sacrifices throughout the Nation. But it is something that must be done if we are going to restore America's economic security.

As a nation, we have spent the last decade living beyond our means, spending more than our income, and borrowing to cover the difference. That has to stop. That is why the whole purpose of this bill is really just one thing: deficit reduction.

One very concrete manifestation of the adverse results of this deficit spending is the ever-growing cost of interest to the national debt. During the 1980's, interest payments on the Federal debt became the fastest growing Government spending program. It increased almost fourfold. Net interest payments, Mr. President, have risen from 8.9 percent of our total Federal outlays in fiscal year 1980 to 14.3 percent in fiscal year 1992. These claim an increased share of our Federal income. It cripples investment in needed programs, and it locks future generations into paying off the tremendous bills that our generations have created.

The only way to restore fiscal stability and economic growth is to do what this bill does today: To start the difficult unpleasant task of reversing the disastrous economic policies of the past two administrations. As I have said, and now as I have now experienced, cutting the Federal deficit is not a pleasant task. Those who pretend we can eliminate the deficit by just reducing Government waste and abuse, or by just reducing Government spending, are not being entirely candid.

I say the same thing to anybody who says we can solve the whole problem by just raising taxes. That would be wrong, too. The truth is that we need a combination of spending cuts and revenue increases. That is exactly the kind of budget that the President has proposed and that the Senate is considering today, a tough, disciplined deficit reduction bill.

Mr. President, business leaders in my home State of Wisconsin have told me candidly that they know taxes have to be raised to bring down the deficit. It is only politicians in Washington who like to pretend that we can cure our economic woes without tough, often unpopular measures and new revenues, items that people may not like but will understand and support if it means reducing the deficit.

How does this get accomplished? I think on the floor there has been a tremendous amount of very effective discussion on our side about the revenue side, about the fact that the vast majority of the revenue in this package comes from those who can and should pay more. I think that is something that needs to be constantly reiterated.

The attempt has been made to suggest that this is an across-the-board $250 billion package on lower and middle income people. That is simply false. Even more importantly, there are some very serious spending cuts. The deficit reduction package includes $267 billion in spending cuts, including $102 billion in discretionary spending cuts provided for under the budget resolution, $107 billion in mandatory and entitlement changes, and $59 billion in interest savings.

I am already hearing complaints about people who do not like the pain this involves.

As a member of the Senate Agriculture Committee, I had to vote for $3 billion in cuts in agriculture programs. These will have a direct and immediate impact upon farmers' income in my own State and throughout rural America. I have already heard from the honeybee keepers and sheep herders in Wisconsin who are not happy with the cuts in the honey program and the wool support program. They know it will have an impact. Even our dairy farmers in Wisconsin will have to take their share of $250 million in cuts in the dairy support program.

Mr. President, these are cuts. These are not false statements. These are not bookkeeping games. They are true cuts.

The PRESIDING OFFICER (Mr. Kerrey). The Senator's time has expired.

Mr. MOYNIHAN. The Senator from Wisconsin is making such good sense that I would like for him to continue for another 3 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 3 additional minutes.

Mr. FEINGOLD. I thank the Senator.

Mr. President, the cuts the Agriculture Committee approved in the Federal share of administering the food stamp program will have an immediate and real impact in urban communities.

I heard complaints from people in Wisconsin about each of these spending cuts and, yes, the subject of this amendment, too. Some senior citizens are going to face reductions in income because of the increased tax on Social Security, benefits, for recipients in certain income categories.

Although the Finance Committee made every effort to put the changes on the higher income, the definition is in the eyes of the beholder. I know I am going to face many unhappy senior citizens in town meetings I hold throughout Wisconsin, who tell me the real difficulties they face each month in paying bills and living off limited, fixed incomes with constantly rising Medicare costs.

I do not enjoy voting for this, either, having been chairman of the Senate Aging Committee in Wisconsin for 10 years. But painful provisions are necessary to reduce the Federal deficit that affects everyone, young and old, working or retired, urban or rural.

I think it is important to stand out here and say what this really is. It is not, as Senator Dole indicated, a bill that the American people will like. But it is one that, after it is passed, they will take a good look at, and they will say: Well, then; we did elect a new President who took this issue seriously, and we are grateful for his willingness to take a true leadership role and not just make another excuse for not dealing with the Federal deficit.

Thank you, Mr. President.

Mr. MOYNIHAN. Mr. President, I think you heard an extraordinary, straightforward, courageous speech from the Senator from Wisconsin. I thank him for that.

I would like to make a point that the revenues raised from this measure, some $26 billion over 5 years, will be deposited into the hospital insurance fund, a special provision that revenues which would not ordinarily be taxable will go, even so, to the Social Security trust fund.

I repeat the point the Senator from Wisconsin made: 92 percent of the persons affected here will have had incomes in excess of $50,000 a year and an average net worth of over $1 million. If the question is ability to pay, we have answered that question. If the question is the legitimacy of this revenue under our tax laws, it is very simple.

In 1979, we said this earned benefits will be taxed along with any other earned income, and should be, because it belongs to the individuals, and is not a gift from Government. In 1983, the Republican leader, Senator Dole; our beloved former colleague, Senator Heinz; and Senator Moynihan all proposed this be done.

It is now being done.

Madam President; I yield the floor, reserving such time as we may have.

The PRESIDING OFFICER (Mrs. Boxer). The Senator has 6 minutes 2 seconds remaining.

Mr. MOYNIHAN. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Madam President, I ask unanimous consent that the distinguished Senator from Virginia [Mr. Warner] be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Madam President, I yield 2 minutes to the Senator from Oklahoma [Mr. Nickles].

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Madam President, I congratulate Senator Lott for his leadership on these issues.

I hope the American people will really pay attention to what is happening. Senator Lott's amendment seeks to strike, in my opinion, an unfair tax penalty on senor citizens. I might mention it is a tax diametrically opposed to what candidate Bill Clinton said he was for during the campaign.

During the campaign, candidate Bill Clinton said he wanted to eliminate the so-called earnings test, or the earnings penalty for Social Security recipients, which right now is basically a tax surcharge of 33 percent.

Instead of limiting that onerous penalty on senior citizens,what he is doing is trying to increase the tax on senior citizens' Social Security income they receive, income over $32,000 for an individual or $40,000 for a couple. Now they will be taxed on 85 percent of their Social Security income. That is a significant tax increase. I know because my father-in-law falls into that category, and he is not superwealthy.

I heard the chairman of the Budget Committee yesterday say no one will have tax increases or income tax increases unless they have incomes of over $115,000 or $140,000. That is not true, because my father-in-law does not have that kind of income. But he is going to have a tax increase because of this provision, unless the Lott amendment is approved.

The tax is not a small tax. This is not a couple dollars a month, as someone said the gasoline tax was. This is a tax increase. If someone has about $40,000 of income from their pension, or other savings, or whatever, this is a tax increase of over $100 a month. We are talking about real money. We are talking about a heavy hit on senior citizens. And, I might add, if one had the marginal rate.

Madam President, I ask unanimous consent to print in the Record two tables that show the marginal rate increases will exceed or can exceed 100 percent for senior citizens.

There being no objection, the tables were ordered to be printed in the Record, as follows:

CURRENT MARGINAL TAX RATES ON THE WAGES OF ELDERLY WORKERS[1]

[In percent]

Tax	15 percent bracket	28 percent bracket
Ages 65–70:		
Income tax	15.00	28.00
FICA tax	7.65	7.65
Social Security earnings penalty	33.33	33.33
Social Security benefit tax[2]	6.25	11.67
Total Federal tax	62.23	80.65
Ages 62–64:		
Income tax	15.00	28.00
FICA tax	7.65	7.65
Social Security earnings penalty	50.00	50.00
Social Security benefit tax[2]	5.63	10.50
Total Federal tax	78.28	96.15

[1] Workers are assumed to be below the caps on the FICA tax, the Social Security benefit tax and the Social Security earnings penalty (which becomes zero once all benefits are lost).

[2] The Social Security benefit tax rate is lower than the rate shown in table 1 because of the loss of benefits due to the earnings penalty.

MARGINAL TAX RATES ON THE WAGES OF ELDERLY WORKERS UNDER THE CLINTON PLAN

[In percent]

Tax	15 percent bracket	28 percent bracket
Ages 65–70:		
Income tax	15.00	28.00
FICA tax	7.65	7.65
Social Security earnings penalty	33.33	33.33
Social Security benefit tax[2]	10.63	19.83
Total Federal tax	66.61	88.81
Ages 62–64:		
Income tax	15.00	28.00
FICA tax	7.65	7.65
Social Security earnings penalty	50.00	50.00
Social Security benefit tax[2]	9.56	17.85
Total Federal tax	82.21	103.50

[1] Workers are assumed to be below the caps on the FICA tax, the Social Security benefit tax and the Social Security earnings penalty (which becomes zero once all benefits are lost).

[2] The Social Security benefit tax rate is lower than the rate shown in table 1 because of the loss of benefits due to the earnings penalty.

Mr. LOTT. Madam President, I yield 2 minutes to the distinguished Senator from New Mexico, the ranking member of the Budget Committee.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 2 minutes.

Mr. DOMENICI. Madam President, I just want to take a very short time to talk from our side of the aisle about a subject that has been spoken about so much on that side that I wonder how much more we have to hear; that is, that the Republicans are here to protect the rich.

I think Senator Lott's amendment is here to show to the American people that that is a sham; that the tax proposals that are before us are in some way to be protected by us because they are taxing the rich. What about the thousands of Social Security recipients who are going to be taxed under this bill?

Are the Democrats prepared to run across America saying: They are rich; we want to tax them because they are the millionaires in America; they are the affluent 1 percent?

Frankly, the seniors know better. And this is the only way that we know to put the facts on the table instead of the rhetoric in the air. And the facts are, these are not superrich people; they are retired people in this country.

The interest rates are going down. Inflation has already hit them. And now we are saying: Let us tax more of their benefits.

I hope Senator LOTT's amendment is adopted, but from what has been happening, it will probably get just short of the requisite number of votes.

But the American people will understand that we were not for protecting the rich. We were for protecting senior citizens until we get a real budget plan. Clearly, we should not be taxing them.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOYNIHAN. Madam President, I yield 3 minutes to the able and revered Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 3 minutes.

Mr. BUMPERS. Madam President, I would like to say to the Senator from New Mexico, I did not say the Republicans protected the rich. Kevin Phillips is the one who said that. Kevin Phillips said the historic mission of the Republican Party has been to keep the rich from being taxed. Now, I do not agree with that. I saw the people on that side vote to freeze COLA's on Social Security, probably to their everlasting chagrin and regret.

But under this particular bill, we take off an awful lot of people on Social Security who have been paying income tax. Is that not correct, I say to the Senator?

In the past, 20 percent of the Social Security recipients, because of the low threshold, have been paying income tax on 50 percent of their income. Under this proposal, only 13 percent will be taxed. That is, 7 percent in the middle are being taken off the tax roles. And we are raising the thresholds so that those who do pay tax are much better able to pay it.

Now what is wrong, I say to the Senator, with taxing 1 out of 10 people on Social Security, some of them making $1 million a year, some of them making $100,000, some of them making only, say, $50,000? But that is not exactly what you would call tax-the-poor-folks-or-the-middle-class amendment.

Finally, I think what probably chagrins me more than anything else and what the people of this country at some point ought to be asked to reflect on is, do you think I enjoy going home and telling my senior citizens we are going to raise their taxes? I have a lot of rich friends, wealthy friends. Do you think I enjoy going home and telling them that we are going to raise their taxes to 36 percent? Well, you have to be crazy.

One way to get beat around here and the one thing every politician fears above everything else is to raise taxes. So you have to have a lot of people on this side who think this Nation is at risk.

Our problem is very simple. From that side of the aisle you hear, "No, no, no. No, you can't do it that way," whether you are raising taxes or cutting spending. If you are going to cut the super collider or the space station, you cannot do that. You cannot cut SDI. You cannot cut intelligence. I do not know how many votes we are going to get on those issues from the other side of the aisle this fall.

If you are going to cut Medicare entitlements—that amendment yesterday afternoon, the so-called substitute, was devastating to Medicare, much more devastating than this bill.

Madam President, the time has come for 100 Senators to face up to their responsibility. We had 12 years of snake oil that gave us a $4 trillion debt. Nobody else is going to pay it off. Like that Times cartoon said the day before yesterday, "Everybody wants to go to Heaven, but nobody wants to die."

Everybody wants the budget balanced, as long as they do not have to do anything about it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LOTT. Madam President, how much time remains on each side?

The PRESIDING OFFICER. On the majority side, there are 2 minutes 57 seconds remaining; on the minority side, there are 4 minutes 13 seconds remaining.

Mr. LOTT. Madam President, I yield 3 minutes to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida.

Mr. SASSER. Will the distinguished Senator yield for a unanimous-consent request?

Mr. MACK. Yes.

Mr. LOTT. It will not count against the time, will it?

The PRESIDING OFFICER. It will not count against the Senator's time or the time of the minority.

UNANIMOUS-CONSENT AGREEMENT

Mr. SASSER. Madam President, I ask unanimous consent that, upon the disposition of the Lott amendment, the Senator from Nebraska [Mr. KERREY] be recognized to offer an amendment creating a health care trust fund; that upon disposition of the Kerrey amendment, the Senator from Delaware [Mr. ROTH] be recognized to offer an amendment on behalf of himself and Senators WALLOP and PRESSLER regarding small business; and that no second-degree amendments be in order to either of these two amendments.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. SASSER. I thank the Senator for yielding.

Mr. DOMENICI. I yield myself 30 seconds off the bill.

Madam President, could I have the parliamentarian instruct us, through you, as to how much time remains on the overall bill as of now?

The PRESIDING OFFICER. Overall, there were 6 hours and 16 minutes prior to consideration of this amendment. Assuming that all time is used, there will be 5 hours 16 minutes.

Mr. DOMENICI. I thank the Chair.

I hope Senators on our side understand that we are doing our very best, but time is running and we are going to try to sequence a couple more amendments and then we will see where we go from there.

I thank the Chair and I thank the Senator.

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. MACK. Madam President, I am pleased to join Senator LOTT and Senator GRASSLEY in proposing this amendment.

Let me remind President Clinton and Democrat Senators of a statement Candidate Clinton made during a campaign stop in Macon, GA, on September 1, 1992.

> We don't need to tamper with Social Security. We are not going to fool around with Social Security. It's solid. It's secure. I'm going to keep it that way.

Yet, on the first opportunity that presents itself, President Clinton and Senate Democrats propose a huge tax hike on middle-class Social Security recipients.

Let me just stop here for a moment and make this point. This is not a group of greedy millionaires that are being affected. There are some 4.6 million people with $32,000 or more that are going to be affected by this tax hike. And the message that we hear from Democrats on the other side is: "Oh, don't worry. The taxes we are talking about are only going to affect the wealthy of this country."

Well, I have to tell you something. A grandma and grandpa living on $32,000 a year, with grandma in the hospital or in a nursing home with Alzheimer's disease, with the husband having to find some work to pay the bills, they do not consider themselves to be wealthy even if they are making $50,000 a year.

The kind of money it takes to take care of a spouse under those conditions is tremendous. And if you do not think that this bill is not going to have a significant impact upon those individuals, you are absolutely wrong.

The bottom line is, everybody in America is going to feel the effects of this bill.

A young man came up to me in an airport down in Florida and said, "Senator, you have to stop them from raising the Btu tax."

Now, granted the Btu tax is in the House version of this bill. Nevertheless, I wondered why in the world would he raise the issue of the Btu tax. I asked him, "What do you do?"

He said, "I'm a chef on a yacht."

I asked, "Why would you be concerned about taxes on your employer?"

He said, "Everything I buy that comes onto the yacht increases his cost. Everything that he will buy is going to increase his cost. This is especially true of the fuel we use to run the ship. And, do you know what? The Btu tax puts my job at risk."

So I say to my friends on the other side of the aisle, you who keep wanting to make the case that only the wealthy are going to pay these new taxes, well, that is just plain wrong; 4.6 million Americans are going to be affected by this new tax.

We have heard a great deal of talk from the Democrats about making the wealthy pay their fair share. Well, let me tell you something. Seniors earning $32,000 are not wealthy.

This amendment focuses on three fundamental questions:

First, "should 85 percent of Social Security benefits be taxed?"

Put another way: "Should we impose an effective marginal tax rate of up to 104 percent on America's senior citizens?"

Or, put yet another way, "Should we destroy incentives for younger workers to save for their retirement?"

The Senate should answer these questions with a resounding "No."

There are several basic reasons why this is flawed policy.

First, the President should cut spending, not raise taxes. With this elderly tax and the energy tax-of-the-day charade, it's clear the President just doesn't get it: Cut spending first.

The President has said he agrees. During his State of the Union Address he said that he "seeks to earn the trust of the American people by paying for these plans first with cuts in Government waste and inefficiency * * * not gimmicks."

He reinforced his commitment in an address to the U.S. Chamber of Commerce:

> If we don't cut spending, the deficit reduction package has no credibility, and besides that, a lot of this spending needs to be cut. * * *
>
> We have to tighten our belts before we ask Americans to tighten theirs. * * *
>
> Before we get to any tax increases, I want to know that the spending cuts are going to be there. I will not sign a tax increase without the spending cuts. * * *
>
> I want to say again I don't want to raise one penny of this money unless we have the spending cuts. Not a penny.

Well, this bill shows he can't be trusted to cut spending.

Second, this proposed tax hike is an unacceptable burden on working middle-class seniors. It will mean an effective marginal tax rate of more than 103 percent for some seniors. The President should be thinking of new ways to retire taxes, not tax retirees.

Now I cite the significant size of this tax increase proposal because it really represents a major sacrifice for many Americans. And the American people are willing to make sacrifices to reduce the deficit, but they want to see spending cuts first. My constituents are calling my offices with a consistent message: Cut spending first. They want to see a meaningful, significant plan for the Government to tighten its belt.

Let me cite yet another compelling reason for opposing this onerous tax hike. It's not just a tax on grandparents—young working Americans will also be feeling the effect of this tax hike and so will the economy at large.

Let me explain:

The Tax Code currently encourages people to save for their retirement through a variety of tax-deferred pension plans, including IRA's. People can defer taxes until retirement with the expectation that tax rates will be lower for most people after they retire.

If the President gets his way and this plan is adopted, retirees will be surprised by a big increase in their tax rate.

The Government is sending Americans of all ages the message that if they save for their retirement years, they'll be punished with a government poised to snatch that savings away. That's wrong. We should reward savings, not punish it.

Why are the Democrats angry about people being successful? Why do they want to punish success?

Remember the catastrophic health care plan that was supposed to tax only wealthy seniors, but wouldn't hurt middle-class older Americans?

When the ink was dry on the legislation, however, seniors found they had been taken. Supplemental premiums were increased for those with taxable incomes of around $8,000.

Well, middle class older Americans shouldn't be surprised that the same group that called them wealthy during the catastrophic care debate is calling them wealthy again during this debate on Social Security taxes. Older Americans have had to cut back on spending during their lives to save for the future. The Government must be willing to do the same.

But we simply can't trust President Clinton to cut spending first. As we all remember, he repeatedly promised not to tax the middle class. "Those making more than $200,000 have to pay more. The rest of us get a break."

But he broke these promises. His Social Security tax increase that this amendment would prevent is directed toward middle-class seniors.

The President should dump this tax like he did the Btu tax. If he spent as much time looking for ways to cut spending as he does looking for tax increases, America will be far better off.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MACK. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LOTT. Madam President, how much time do we have remaining on each side?

The PRESIDING OFFICER. The minority has 56 seconds and the majority has 2 minutes and 57 seconds.

Mr. LOTT. I presume the distinguished chairman of the committee would like to close, so I yield the remainder of my time for a strong closing by the distinguished Senator from New York [Mr. D'AMATO].

Mr. DOMENICI. Madam President, since 56 seconds is hardly enough time for the Senator to get started, I yield a minute off the bill to go along with the 56 seconds.

The PRESIDING OFFICER. The Senator is recognized for 1 minute and 56 seconds.

Mr. D'AMATO. I thank the Senator and I thank my distinguished colleague, Senator LOTT.

Madam President, promises made, promises broken. How many times have we heard it said, "Well, that was the campaign. It is not serious."

But I think the American people were very serious when they said that they were voting for change. And the change they wanted was not more taxes. It was not more spending. They wanted someone who would call it the way it is.

And here we have now today a promise that was made by Candidate Clinton that he would not raise taxes on those who receive Social Security. As a matter of fact, it was just a little more than a week before the campaign came to an end. It was not a campaign promise made because he was attempting to woo votes. He had that election sewed up. The polls showed him well ahead.

So in a little airport in Arkansas, on the 23d, he said:

> I think you know that raising taxes on Social Security recipients or middle class people when the economy is not growing is an error.

That is exactly what we are doing now. Let me suggest to you that the statistics show the economy is not growing, that we are in trouble.

Why would you want to raise taxes on working, middle-class families as opposed to doing what may be tougher but the right thing, and that is to cut spending?

We have the spendasaurus dinosaur as well as the taxasaurus dinosaur on the loose. I do not know who is going to get whom. But I will tell you what is happening, the middle-class senior citizen is getting hurt. That is why we should vote for this amendment and see to it we help President Clinton keep the promises he made when he was Governor.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from New York.

Mr. MOYNIHAN. Madam President, I yield to the very able member of the Senate Committee on Finance, 1 minute to add to his earlier forcible remarks.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I thank the chairman. Madam President, it is very simple. This is not an amendment that affects the middle class as the previous speaker indicated. This amendment only affects 13 percent of seniors in this country. Those 13 percent are the most wealthy seniors. They are seniors, on average, who have net worth of over $1 million.

So, really, the speaker was in error in the statement he made. Again, this affects only 13 percent of seniors, not the middle-class seniors, but the most wealthy; that is seniors who have, on average, net worth of over $1 million.

Point 2, the benefits received from this go back to seniors. They go to the hospital insurance trust fund. It is earmarked for their benefit. I thank the Chair.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROCKEFELLER. Mr. President, as a member of the Senate Finance Committee, I have a keen appreciation of the importance of maintaining confidence in our Social Security System. I have fought to protect seniors and Social Security for years.

In fighting to do so, I have learned how people use the politics of Social Security to score political points.

The Finance Committee, under the leadership of Chairman MOYNIHAN who knows more about Social Security than anyone else in this Chamber, held a hearing exclusively on the Social Security provision in reconciliation. We heard from three panels, including a series of experts on Social Security.

Mr. Bob Ball, a man who has dedicated his professional career to Social Security, gave strong testimony in support of such a provision. Let me share a bit of Mr. Ball's testimony with my colleagues:

> * * * I see taxing Social Security benefits, not only as fair but as a way to identify the program with all other earned retirement income, and therefore another way of making clear that Social Security is not welfare but similar to all other earned pensions.
>
> [Bob Ball said:] I believe that taxing Social Security benefits as other retirement income is taxed strengthens the philosophical foundation of the program as an earned right and helps to hold off proposals for means-testing or cutting basic benefits or the cost-of-living-adjustment.
>
> Treating Social Security just like all other benefits paid as a right, rather than giving it special tax treatment emphasizes its special character as a contributory system paying its own way.

None of us in this Chamber like this provision or any provision raising taxes. But if we are honest, we know it must be done to reduce the deficit that is choking our economy and our country.

Fundamental fairness is what is needed in the massive reconciliation package, and I believe our provisions on Social Security changes pass that fairness test.

We protect poor and moderate income seniors by raising the thresholds on taxation. And we earmark the revenue raised from seniors to the Medicare hospital insurance [HI] trust fund, a basic support program for our seniors.

In 1983 before I came to the Senate, a historic bipartisan commission came together to fix the Social Security System. They imposed the current 50-percent taxation level on benefits above a certain threshold. They did it because Social Security was in a financial crisis—people didn't like it, but it had to be done.

A decade later in 1993, we are facing another fiscal crisis—but it's not just our Social Security System—it's our Federal budget. Again, we need to take action to reduce our deficit and avert an economic crisis. None of us like individual pieces of this bill, but it must be done.

I oppose this Republican amendment, and urge my colleagues to do the same.

Mr. GORTON. Mr. President, I rise today in strong support of the amendment offered by my distinguished colleague from Mississippi, Senator LOTT. His amendment will right one of the most egregious portions of the reconciliation bill, it deletes the proposed increase in the portion of Social Security income subject to taxation.

Earlier this year, I asked thousands of my constituents what they thought about President Clinton's proposal to raise the portion of Social Security benefits subject to tax. The overwhelming response from these Washington State residents was clear. They say: Don't raise the tax on Social Security benefits.

I have listened to my constituents and I wholeheartedly agree. Seniors who have paid into the system over their entire working life are seeing their investment slowly erode as the Federal Government takes more and more out of their Social Security check. It has got to stop.

Mr. President, I will continue to be a strong voice for seniors in the U.S. Senate and will continue to work to eliminate this increased taxation on Social Security benefits. I urge my colleagues to stand up for seniors and vote for this amendment.

Mr. PRESSLER. Mr. President, I rise in strong support for this amendment to strike the proposed tax increase on Social Security benefits. As a member of the Senate Aging Committee, I am pleased to be a cosponsor of this amendment. We must ensure tax fairness for our Nation's senior citizens.

Throughout the past few months, I have been inundated with phone calls and letters from concerned South Dakota seniors who are up in arms against this proposed Social Security tax increase. Let me point out that almost 20 percent of South Dakotans are senior citizens, well above the national average of 12.4 percent.

South Dakota seniors are patriotic Americans. They are not opposed to doing their fair share to help reduce the enormous budget deficit. However, South Dakota seniors are angry. Why? Because they will be forced to bear a disproportionate burden in the deficit reduction effort. They have good reason to be angry.

The reality of this budget reconciliation measure is that America's seniors are getting a double-edged sword. First, this budget plan will raise taxes on Social Security benefits from 50 to 85 percent for seniors who earn over a given threshold—$32,000 for individuals and $40,000 for couples. Under current law, these thresholds are $25,000 and $32,000.

Second, our Nation's seniors also will be forced to endure higher gasoline prices due to the proposed 4.3-cent-per-gallon tax increase on transportation fuels. Citizens in my rural State of South Dakota will be severely impacted by this gasoline tax increase. My State does not have the luxury of mass transportation or other alternative means of travel that many urban States enjoy.

In total, these tax increases on top of the other provisions contained in the economic plan will adversely affect the livelihood of America's senior citizens who already are living on limited incomes.

Mr. President, under current law, senior citizens are penalized for remaining in the work force by receiving reduced Social Security benefits. Retirees between 65 and 69 lose 33 percent of their Social Security benefits for every dollar earned over the earnings limitation. I am proud to be a cosponsor of legislation to repeal this unfair practice. S. 30, the Older Workers Freedom To Work Act, would remove the earnings limitation for those who have reached retirement age.

I encourage my colleagues to support this measure. In the meantime, Congress should not impose yet another earnings disincentive.

Let me point out that many seniors cannot afford or do not wish to withdraw completely from the work force.

Some need additional earnings to meet living and health care expenses at a time when their principal sources of income are fixed. Frankly, the proposed Social Security tax increase is just one more penalty imposed on seniors—punishing those earning over a limited income, yet facing unlimited expenses.

During the Senate's consideration of the budget resolution, 47 Senators supported an amendment similar to the amendment we are considering today. At that time, we were only a few votes short of striking the Clinton administration's proposal to raise taxes unfairly on America's seniors.

That vote was one of particular concern to the majority party. In fact, the Senate leadership postponed voting on that amendment until the morning after it was offered in order to have sufficient time to pressure several members of their party who might support our amendment. Guarantees to raise the earnings thresholds were the only way the Democrats could attain enough votes to defeat our amendment to strike the tax increase.

Mr. President, Congress must develop and implement sound, bipartisan approaches to reduce the enormous Federal deficit. Partisan promises for future cuts do not represent long-term answers. There are no easy or painless solutions. However, our Nation's senior citizens should not be unfairly singled out. I urge my colleagues to support this amendment.

Mr. GRASSLEY. Mr. President, the table I have included with my statement today shows the number and percentage of tax returns at particular income levels which will experience a tax increase as a consequence of this legislation.

Note that 705,000 single filers in the income ranges between $30,000 and $50,000, out of 1,293,000, or 54.5 percent, will experience a tax increase as a consequence of this legislation. And note that 1,816,000 joint filers in the income ranges between $30,000 and $75,000, out of 2,674,000, or 68 percent, will experience tax increases.

Mr. President, the chairman of the Finance Committee and the Senator from Montana stated in our debate on this question that the average net worth of the people who would be affected by the proposed tax increase is a million dollars or more. I believe that this figure comes from the Treasury Department.

The clear implication is that most of the people who are going to be affected by this tax are millionaires.

That just isn't true, Mr. President, as I think the tables I included demonstrate. One of the main problems with the figure provided by the Treasury is that it is an average. And it is an average of a very large number of people. The average in this case, I would remind my colleagues, is the total assets held by a particular class, in this case those over 65 years of age, divided by the number of individuals in the class. It is skewed by the small number of ultra high asset people at the high end of the asset and income scale.

And I think most of us understand that assets are highly concentrated in this country. In an article called "Estimates of Household Net Worth" which appeared in the April 1992 edition of a publication of the Board of Governors of the Federal Reserve, the author, Arthur B. Kennickell, concluded that the top 1 percent of the population holds 33 percent of its assets.

The median is a much better indicator of the numbers of people who fall in particular asset ranges. The median is the number below which 50 percent of the individuals in a class falls and above which 50 percent falls.

Let me give an example of how this works for the value of assets. According to an article entitled "Changes in Family Finances From 1983 to 1989," which appeared in the Federal Reserve Bulletin in January 1992, the median value of the assets of those over 55 years of age who were not working was $94,000. In other words, 50 percent of those over 55 who were not working held assets over $94,000 and 50 percent held assets worth less than $94,000. The mean, however, was $211,000, more than twice as much as the median figure.

In an article called "Household Wealth and Asset Ownership, 1988," published as part of the household economic studies by the Bureau of the Census in December 1990, the author, Judith Eargle, found that the top 8 percent in income of those over 65 years of age had a median net worth of $209,000, excluding home equity.

Finally, Mr. President, I want to include with my statement another table. This table is from the 1989 survey of consumer finances done for the Federal Reserve Board. Tabulations were done by Price Waterhouse. This table shows the net worth of people 65 to 74 and 75 and over. For those between 65 and 74, the net worth for those in the $30,000 to $50,000 range varies from $129,836 to $324,679. These figures include the current value of a home. If that value is deducted, the net worth varies from $75,580 to $182,233.

For those 75 and over in these income ranges, the net worth varied from $210,234 to $368,616. If the current value of a home is deducted from those figures, the net worth varies from $94,220 to $245,516.

I am sorry, Mr. President, it is not millionaires who are going to be paying these tax increases. These are not poor people. But neither are they rich by any stretch of the imagination. As I said before, they are the solidly middle class, who worked and saved during their worklives.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SUMMARY OF 1989 SURVEY OF CONSUMER FINANCES DATA

[All dollar values are means]

Age group and income class (thousands)	Sample size	Population	Current value of home	Other real assets	Stocks and mutual funds	Bonds	IRA and Keogh	Total paper assets	Net worth
65 to 74:									
Below 10	75	2,714,465	14,685	106,387	2,569	676	535	9,312	130,841
10 to 15	66	2,598,822	50,275	281,392	2,574	856	1,859	22,767	352,216
15 to 20	46	1,898,331	70,611	12,609	5,494	3,745	6,297	36,548	117,251
20 to 25	37	1,395,512	59,389	2,128	4,673	2,839	4,017	46,090	100,790
25 to 30	15	394,379	81,430	648,105	24,386	14,638	21,857	112,148	838,002
30 to 35	18	798,386	54,256	1,240	23,209	16,315	4,491	76,054	129,836
35 to 40	10	282,620	93,534	1,269	19,770	32,008	36,903	202,773	283,488
40 to 50	21	574,917	142,446	50,911	25,795	35,767	23,963	190,015	324,679
50 to 75	25	447,220	129,816	48,665	72,841	45,806	45,552	292,941	450,557
75 to 100	17	291,756	179,506	41,063	45,361	81,972	39,341	270,388	482,282
100+	88	248,055	391,357	1,338,093	385,524	232,981	119,228	1,109,890	2,758,574
All	417	11,644,464	66,874	145,894	18,946	14,233	10,450	83,718	288,649
75 +									
Below 10	81	3,206,933	23,209	538	665	489	0	13,802	37,268
10 to 15	42	1,579,592	50,442	0	3,095	2,393	47	32,856	80,205
15 to 20	33	1,281,913	63,612	0	6,839	7,123	107	53,492	127,178
20 to 25	18	504,617	67,705	4,798	7,937	10,467	427	93,213	165,659
25 to 30	19	491,421	71,321	28,917	6,693	4,127	4,771	85,016	184,552
30 to 35	8	366,237	116,014	0	10,931	7,534	39,786	95,328	210,234
35 to 40	5	168,398	67,858	24,302	55,182	8,215	4,445	181,207	273,284
40 to 50	10	327,656	123,100	37,434	80,348	7,982	1,163	213,461	368,616
50 to 75	9	120,938	131,117	79,802	130,816	40,871	11,899	362,094	569,540
75 to 100	5	53,780	238,446	72,224	111,606	58,082	2,735	690,755	134,479

SUMMARY OF 1989 SURVEY OF CONSUMER FINANCES DATA—Continued

[All dollar values are means]

Age group and income class (thousands)	Sample size	Population	Current value of home	Other real assets	Stocks and mutual funds	Bonds	IRA and Keogh	Total paper assets	Net worth
100 +	31	135,974	242,164	105,399	523,767	384,958	15,131	1,228,410	1,564,385
All	261	8,237,461	55,930	7,597	18,907	10,799	2,685	77,316	135,498

Source: Price Waterhouse calculations.

Mr. MOYNIHAN. Madam President, if I may just conclude. To repeat what the Senator from Montana has said, 92 percent of the people involved here have retirement incomes above $50,000 a year, and the average have a net worth about $1 million.

We are not doing anything more than putting in place a principle that was first proposed in 1979 by the advisory commission and partially put in place in 1983. It was the recommendations of the Greenspan Commission, in which Senators participated, now going fully into effect to establish, again, this essential fact that Social Security retirement benefits are earned benefits. They come because of contributions made. And they are taxed as are all other such forms of retirement benefit.

The trust funds are in solid condition. They will grow by $490 billion in the 5-year window of this bill, this budget reconciliation measure; and that partial increase by the revenues from this measure go to the hospital insurance fund.

We have a solid Social Security System and we are keeping it that way.

Madam President, I move to table the amendment of the Senator from Mississippi and I ask for the yeas and nays on the motion to table.

Would the Senator from Mississippi like a voice vote?

Mr. LOTT. I think not.

Mr. MOYNIHAN. Then perhaps the Senator would have the goodness to raise his hand?

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. I yield back all remainder of my time.

Mr. LOTT. Madam President, I wish to add the name of Senator HUTCHISON as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Did we get the yeas and nays on the motion to table? That is the parliamentary procedure on the motion to table?

The PRESIDING OFFICER. That is correct.

Mr. LOTT. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from New York to lay on the table the amendment of the Senator from Mississippi.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announced that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Utah [Mr. BENNETT] is necessarily absent.

I also announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The result was announced—yeas 51, nays 46, as follows:

[Rollcall Vote No. 169 Leg.]

YEAS—51

Akaka
Baucus
Biden
Boren
Boxer
Bradley
Breaux
Bumpers
Byrd
Campbell
Conrad
Danforth
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—46

Bingaman
Bond
Brown
Bryan
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeConcini
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NOT VOTING—3

Bennett
Murray
Specter

So the motion to lay on the table the amendment (No. 516) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. Under the previous order, the Senator from Nebraska [Mr. KERREY] is recognized to offer an amendment.

Mr. METZENBAUM addressed the Chair.

The VICE PRESIDENT. The Senator from Nebraska.

Mr. KERREY. Mr. President, I thank the Chair.

Mr. METZENBAUM. Will the Senator from Nebraska permit me to go forward to eliminate a portion of the bill that has been agreed upon between the Republicans and the Democrats?

Mr. KERREY. How long will the distinguished Senator need to do that?

Mr. METZENBAUM. Two and a half minutes.

Mr. KERRY. Two and a half minutes.

Mr. METZENBUAM. No more.

I thank the Senator.

Mr. FORD. Madam President, I ask unanimous consent that the Senator from Ohio may proceed and that the Senator from Nebraska then follow after that.

The PRESIDING OFFICER (Mrs. BOXER). Is there objection?

Without objection, it is so ordered. The Senator from Ohio.

Mr. METZENBAUM. Madam President, I thank my friend and colleague from Nebraska very much.

AMENDMENT NO. 517

Mr. METZENBAUM. Madam President, I at this time, along with Senator KASSEBAUM and Senator KENNEDY, offer an amendment to strike the provisions in the Budget Reconciliation Act relating to civil penalty authority for violations of ERISA.

Several weeks ago, the Supreme Court, in an unexpected 5-to-4 decision, held that ERISA did not clearly articulate the relief available for violations of the pension and welfare benefits law and a majority of the Court refused to impute the money taken in damages to make aggrieved individuals whole.

The Department of Labor believes that this decision may have serious effects on its ability to enforce the law and to protect the tens of millions of workers and retirees covered by employee benefit plans, and particularly the Department is concerned that litigation pending against individuals who bought speculative retirement annuities from the now bankrupt Executive Life Insurance Co. may be jeopardized.

The Senate Labor Committee included provisions in the budget reconciliation bill, the bill we are presently considering, to remedy this decision.

Now, upon the agreement of Senator KASSEBAUM and myself and Senator KENNEDY, the chairman of the committee, we have agreed not to seek relief through the budget process and instead introduce legislation next week to ensure that litigation for improper annuity purchases is not jeopardized. We plan to hold hearings and move the bill as quickly as possible. Eighty-four thousand workers and retirees are holding on to Executive Life annuities and have been waiting for over 2 years for assurances that their retirement security will be protected.

Senator KASSEBAUM and I have worked together on this issue in the past. We are both committed to protecting workers and retirees. It is our intention to move quickly to protect these individuals. I also expect the Labor Committee to move expeditiously to favorably consider more comprehensive legislation to amend ERISA to make its protections meaningful to workers and retirees.

Mrs. KASSEBAUM. Mr. President, during the markup by the Senate Committee of Labor and Human Resources, several Senators, who voted against inclusion of this provision as part of the budget reconciliation package, stated their willingness to address the Executive Life retirement annuity situation in a separate piece of legislation and to do so on an expedited basis.

I am pleased that the sponsors of this legislation have decided to withdraw the provision. We will seek to address the Executive Life annuity situation in a targeted manner and on expedited basis. I am confident that we can all agree on legislation that will accomplish this goal and to mutually work toward its swift enactment.

Mr. KENNEDY. Mr. President, I rise in support of Senator METZENBAUM and Senator KASSEBAUM's motion to strike those provisions in title 12, subtitle D, chapter 2 of the Budget Reconciliation Act. These provisions would have added a new civil penalty for violations of the pension and welfare benefits laws in civil suits brought by private litigants and would have clarified the availability of certain kinds of monetary relief for violations of the pension and welfare benefits laws.

A week ago, because of a June 1 decision of the Supreme Court in Mertens versus Hewitt, the Labor and Human Resources Committee, at the request of the Department of Labor, voted in our markup of the Labor Committee portion of this bill, to address the problems created by the Mertens decision as quickly and as cleanly as possible. We did so particularly in order to ensure that the plaintiffs in cases stemming from the collapse of the Executive Life Insurance Co., which left thousands of workers holding retirement annuities purchased from Executive Life, would be able to salvage their pensions.

As many of my colleagues are well aware from a number of hearings Senator METZENBAUM has held and because of the impact on hundreds and thousands of pensioners in their States, Executive Life involved a situation where employer-fiduciaries terminated their company pension plans and purchased in their stead insurance annuities to pay out the workers' pension benefits. The employers did this despite the fact that it was well-known that Executive Life was over 60 percent funded by junk bonds.

In 1991, Executive Life was forced into bankruptcy. As a result, the beneficiaries have lost some of their pension benefits and they live month to month not knowing if they will be able to collect the full value of the pensions they were promised.

The responsible fiduciaries who had been advised that the substitution was not a safe investment, and who are themselves persons of significant means, should be held responsible for their actions and should be required to provide the full worth of the pensions which these working men and women were promised.

In Massachusetts alone, at least 404 workers from Grinnell Corp., 115 workers from Henry Hanson and 196 workers from Widden Hospital worked for companies who purchased Executive Life annuities.

Other litigants are in similar positions. Their ability to obtain the full value of their annuities is also threatened by recent court decisions which provide that beneficiaries of retirement plans which have been terminated no longer have standing to challenge those violations.

Instead of seeking relief through the budget process, we have agreed to work together on what we hope will be bipartisan legislation to address these pension annuity problems. We intend to hold hearings expeditiously, and to seek early action on such legislation by the committee and the full Senate.

I commend both Senator METZENBAUM and Senator KASSEBAUM for their cooperation in this matter. I am hopeful that the committee will soon bring forward legislation to ensure that pension promises are kept.

Mr. DODD. Mr. President, I rise in strong support of the agreement reached by Senators METZENBAUM, KENNEDY, and KASSEBAUM on this important provision.

First, I must compliment them on their efforts to hammer out this compromise. ERISA is not a simple issue, but few issues are of more importance to workers and to businesses—it impacts on employee benefits across the board from pensions to health care.

Nothing demonstrates this as clearly as the issue before us today, involving the pensions of thousands of Americans affected by the collapse of the Executive Life Insurance Co. several years ago. I would note that this is an issue of deep concern to me, because nearly 2,400 pensions in Connecticut are awaiting the outcome of one of the suits possibly affected by the Mertens decision.

However, the Mertens decision is only a few weeks old and I for one appreciate the extra time this agreement provides us with to continue to work on this matter in a reasoned and constructive way.

I look forward to continuing to work on this matter and assuring a fair and equitable result for these workers.●

Mr. METZENBAUM. Madam President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk red as follows:

The Senator from Ohio [Mr. METZENBAUM], for himself, Mrs. KASSEBAUM, and Mr. KENNEDY, propose an amendment numbered 517:

On page 865, strike from line 16 through to page 870, line 24.

The PRESIDING OFFICER. If there is no objection, all time is yielded back.

The question is on agreeing to the amendment.

The amendment (No. 517) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Madam President, I very much appreciate the Senator allowing me to move forward on this matter.

The PRESIDING OFFICER. Under the order, the Senator from Nebraska is recognized.

Mr. DOMENICI. Will the Senator from Nebraska give me 30 seconds on my own time?

Mr. KERREY. I will be glad to yield 30 seconds.

Mr. DOMENICI. I thank the Senator very much.

I wish to thank Senator METZENBAUM. This could have been a very contentious issue. I believe he will have time to make his case in the normal manner. It did not belong in this bill, and he has graciously consented here today to do the removal himself. I thank him for that.

Mr. METZENBAUM. I thank the Senator.

The PRESIDING OFFICER. The Senator from Nebraska is now recognized.

AMENDMENT NO. 518

(Purpose: To amend the Internal Revenue Code of 1986 to establish a National Health Care Trust Fund)

Mr. KERREY. Madam President, I send an amendment to the desk and ask it be considered.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 518.

Mr. KERREY. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title VIII and the following new subtitle:

Subtitle C—National Health Care Trust Fund

SEC. 8301. NATIONAL HEALTH CARE TRUST FUND.

(A) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

"SEC. 9511. NATIONAL HEALTH CARE TRUST FUND.

"(a) TRUST FUND ESTABLISHED.—

"(1) IN GENERAL.—There is established in the Treasury of the United States a trust fund to be known as the 'National Health Care Trust Fund', consisting of such amounts as may be transferred or credited to such Trust Fund as provided in this section, section 9602(b), and section 1840 of the Social Security Act.

"(2) TRANSFER OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—There are hereby transferred to the National Health Care Trust Fund amounts equivalent to—

"(A) 100 percent of the taxes imposed under sections 1401(b), 3101(b), and 3111(b),

"(B) 100 percent of the taxes imposed under chapters 51 and 52,

"(C) 19 percent of the taxes imposed under sections 3201(a), 3211(a), and 3221(a), and

"(D) 29.125 percent of the taxes imposed under chapter 1.

"(3) TRANSFER OF FUNDS.—All amounts, not otherwise obligated, that remain in the Federal Hospital Insurance Trust Fund and the Federal Supplemental Medical Insurance Trust Fund on the first day of the fiscal year 1994 shall be transferred to the National Health Care Trust Fund.

"(4) APPROPRIATION OF ADDITIONAL SUMS.—There are hereby authorized to be appropriated and are appropriated to the National Health Care Trust Fund such additional sums as may be required to make expenditures referred to in subsection (b).

"(b) EXPENDITURES.—

"(1) IN GENERAL.—All expenditures to meet the obligations of the United States to provide, directly or indirectly, health care (including the provision of health care facilities and of education or educational assistance related to health care professions) under any provision of law, including—

"(A) under the provisions of title XIX of the Social Security Act, and

"(B) in accordance with the provisions of authorization and appropriations Acts that relate to programs, projects, and activities, under the provisions of—

"(i) title XVIII of the Social Security Act,

"(ii) chapter 55 of title 10, United States Code,

"(iii) chapter 17 of title 38, United States Code,

"(iv) chapter 89 of title 5, United States Code,

"(v) the Indian Health Care Improvement Act, and

"(vi) the Public Health Service Act,

shall be made only from amounts in the National Health Care Trust Fund.

"(2) INCORPORATION OF MEDICARE TRUST FUND PROVISIONS.—The provisions of subsections (f) through (i) of section 1817 of the Social Security Act (42 U.S.C. 1385i) and subsections (f) through (i) of section 1841 of such Act (42 U.S.C. 1395t), as in effect on the day before the date of the enactment of this section, shall apply to the National Health Care Trust Fund in the same manner as such provisions apply to the Federal Hospital Insurance Trust Fund and the Federal Supplemental Medical Insurance Trust Fund, respectively, except that any reference to the Managing Trustee shall be deemed a reference to the Secretary.

"(c) ANNUAL REPORT.—The Secretary shall make the annual report required by section 9602(a) not later than March 1 of each year. Such report shall be submitted to the Committee of Ways and Means and Committee on Energy and Commerce of the House of Representatives and the Committee on Finance and Committee of Labor and Human Resources of the Senate."

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE.—

(1) Sections 1817 and 1841 of the Social Security Act (42 U.S.C. 1395i and 1395t) are hereby repealed.

(2) The Social Security Act is amended by striking "Federal Hospital Insurance Trust Fund" and "Federal Supplemental Medical Insurance Trust Fund" each place they appear and inserting "National Health Care Trust Fund".

(c) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 9510 the following new item:

"Sec. 9511. National Health Care Trust Fund."

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1993.

Mr. KERREY. Madam President, the object of this effort, this budget reconciliation effort, is to reduce this Nation's dependence upon the debt-financed purchases that we decide we want to make very single year here in Washington. The idea is that, by relying less upon debt, we will increase the amount of savings in America, that savings will translate into an increase in the amount of capital stock in America, and that capital stock will result in an increase in output, and that output will translate into the standard of living for the American people. That is the object of this exercise, I assume.

Madam President, in 1990, when we had a similar adventure, we passed a piece of legislation. At that time President Bush signed the legislation. There was a great deal of political turmoil because he ended up breaking a promise that he had made in the Presidential campaign. He took a lot of heat for having done it—done, in my judgment, the right thing, finally saying the deficit is a terrible drain upon savings and, as a consequence, a drain upon output and, as a consequence, it reduces long-term standard of living.

I must say, Madam President, that one of the things that troubles me about the current debate is that we very rarely reference that 1990 budget agreement for a variety of reasons. One of the reasons is that we do not want to acknowledge that the reduction of long-term interest rates today might be connected to that vote. For obvious political reasons we, as Democrats, want to lay claim that lower interest rates have occurred as a consequence of some statements that Secretary Bentsen made in December 1992 about this administration's seriousness regarding deficit reduction.

I do not doubt that President Clinton's commitment to deficit reduction has had a positive impact upon the bond market and long-term interest rates. I also believe that the budget agreement of 1990 had an impact upon long-term interest rates as well. If it did not, if there are some here, particularly on this side of the aisle, who are prepared to argue that it did not have an impact, that all we need to do is make a statement about being serious about deficit reduction, why would I ever want to vote for deficit reduction? It is far more beneficial for me merely to talk about deficit reduction.

I believe the 1989 budget agreement did have an impact, not as great as was promised, but not as great for one very important reason; that is, we failed in 1990 to put in place mechanisms that would control the cost of Federal spending on health care.

We have had several attempts—a recent amendment offered by the Senator from Tennessee earlier on the budget resolution, and an unsuccessful effort on behalf of Senators NUNN and DOMENICI, which I supported—to put a cap on the growth of spending of the Federal health care program.

Some of my colleagues on the other side of the aisle have said that the additional $19 billion over the next 5 years that we are proposing to reduce out of Medicare spending will be draconian, will fall particularly heavy upon providers. Senator DURENBERGER yesterday had, I thought, some very good points to make about the potential negative impact on rural hospitals that have a high percentage of patients that come with Medicare reimbursement.

Madam President, the issue at hand is, do we spend $950 billion over the next 5 years or $930 billion over the next 5 years? Hardly, it seems to me, a difference that would cause people to say that one is particularly onerous and the other is not. The fact is, I think we hyperventilate far too often when it comes to health care spending. But I must say, Madam President, if this particular proposal still contains the same kind of flaws the 1990 budget dead had, we cannot really expect, unless we pass campaign health care reform—and we have not done that yet—unless we pass comprehensive health care reform, we cannot expect that this 1993 deal will solve the problem that we had in 1990. I must tell you that those of us who voted for the 1990 proposition, promising to produce $450 or so billion of record deficit reduction, now have a little egg on our face because, in fact, it did not work, because the health care expenditures grew much more rapidly than we anticipated.

This amendment is a Federal health care trust fund. It works in a rather simple way. It says that we will put all health care spending at the Federal level into a single account, allowing the programs to continue unchanged. We will have some that will be mandatory, some that will be discretionary.

I will get to the problems that that creates—not problems to me, I must say—to hear once again the argument, well, this will louse up the legislative process or something like that.

What we simply do for the American people is to say we will account for every single health care dollar, and that, as a principle, we agree as citizens that we are going to have a pay-as-you-go system. If the American people demand from us *x* amount of spending on health care, we are obligated to say to the American people that we are going to raise *x* dollars in taxes and pay for that expenditure.

We will say that with health care, at least, it is wrong to sell bonds to pay the bill, it is wrong for us to deficit finance health care. This year, that ends September 30, we will spend about $284 billion total for all Federal health care spending, and given that we have deficit financed somewhere around 17 to 20 percent of everything that we spend, one can then extrapolate from that and say approximately $60 billion of the spending on health care is done as a consequence of a bond sale.

We may go home to our good citizens and say to them that we are not going to cut their programs. That is all well and good. But I do not think we should cause them to suffer under the illusion that they are paying the bill because they are not. Sixty billion—let us assume that you can sell those bonds at 4 or 5 percent interest rate today, let us assume it is 4 percent. That means $2.4 billion of additional interest will be added to the national debt to pay doctor and hospital bills for us in this current year.

Madam President, I simply say that is wrong. I am proposing with this health care trust fund that we end it. It will do three things. It will say to the American people, first of all, here is how much we are spending. Do not suffer under the illusion we are not spending a lot of money. A lot of people will say, we do not want a big Government takeover of health care. I have heard audiences rise to their feet and give a warm, thunderous round of applause when the speaker says, "Let us get the Federal Government out of health care." On average 40 percent of the hospital operating revenue comes directly from the Federal Government. Another 50 percent, Madam President, comes as a consequence of a subsidy that we provide because health insurance is tax deductible. Ninety percent of the hospital's revenue is third-party pay, hardly what I would call a free market system. The Federal Government's expenditures for health care this year represents $284 billion. We should present a full bill of lading to the American people so they can see how the money is being spent.

I secondly say, Madam President, that we should designate which taxes we are going to use. I believe that also produces a healthy argument. Which taxes do we want to use to pay the health care bill? Do we want to use the payroll tax? Do we want to use the income tax, cigarette, alcohol tax? Which tax do we want to use and which taxes are we prepared to designate to pay the bill rather than getting in the argument, as I have often heard people say, "We don't want new taxes to pay for health care." They do not understand how many of their tax dollars are currently being used.

As you see in this proposal, I designate the 3 percent payroll tax that is currently in place to pay for Medicare part A. I have actually had people say to me, "I am against the 3-percent payroll tax," not realizing that 2.9 percent of their payroll today is already being collected, brought to the Federal Government and used for health care spending.

These charts have been on the floor before in many different hands and many different shapes and configurations and colors. One more time.

This is current Federal health care spending and how we are collecting and paying for those bills. We are borrowing about $37 billion, using general revenues of $140 billion, and we have payroll taxes for $91 billion.

Madam President, what I am proposing with this health care trust fund is very specific. I am saying we should create the fund, but in all the spending accounts in this account, we should designate a 3-percent payroll tax that is already being collected. We should designate a Federal health insurance premium that is already being collected. We should designate all alcohol and cigarette taxes that are already being collected. We should designate 29 percent of the income taxes being collected and the corporate income taxes already being collected.

Madam President, I am not calling for new taxes with this proposals. I am arguing that it is time for us to designate which tax it is we are going to use and not fool the American people into believing that somehow we do not use tax revenue to pay the bills.

If we put all health care spending into one account, just so the American people understand what is going on with health care, and why the 1990 deal did not work, and why 1993's Budget Reconciliation Act is also in jeopardy of being successful, this is what will happen with all spending.

Beginning next year, 1994, it is about $318 billion. We go to $350 billion the following year, and we grow until 1998 when we are almost at 500 billion dollars' worth of total spending.

I need to get my friend some glasses so he can see it from a distance, or write my charts larger.

That is the growth of all of the Federal health care spending.

I call my colleagues' attention to this because, very often, in the enthusiasm of talking about the draconian cuts under the worst-case scenario, we are proposing to shave these expenditures back merely at the margin. We have a dramatic increase forecast in spending for all of Federal health care, under all scenarios, over the next 5 years.

Madam President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 18 minutes remaining.

Mr. KERREY. Madam President, the next thing I would like to show my colleagues is the impact of saying we have a pay-as-you-go system; we will pay the bills as we go. These are the estimated impacts by the Congressional Budget Office—a very dramatic increase in greenbacks, stacked up there. The specific numbers are that over the course of a 5-year period, under which we are now forecasting revenues and expenditures under this Budget Reconciliation Act, merely balancing our accounts for health care expenditures would produce an additional $150 billion over that 5-year period of deficit reduction.

But most importantly, we can say with certainty to the people—and not with draconian caps, or some phony gimmickry, but with real budgeting and taxing—we are going to pay for our health care bills. And, at least with this account, we may not be able to be certain that these new taxes are going to generate the revenue; we may not be certain that this is going to work. At least, we will no longer have to fear, with this account, that our voting is going to come unraveled as a consequence of rapid increases.

(Mr. REID assumed the chair.)

Mr. KERREY. Mr. President, these are the deficit projections that we have been given. These are the baseline figures that CBO has provided us, without any action on the part of President Clinton.

These yellow bars on the chart are the actions suggested by President Clinton, if we pass this reconciliation bill, down through 1994, 1995, 1996, and 1997; and starting back up in 1998 and 1999. With the health care trust fund, it continues on down, and the deficit not only is $150 billion lower over the course of that 5-year period, the deficit will continue to go down in the outyears.

I see others here who, I suspect, want to offer observations in the negative about this.

I reserve the remainder of my time and will allow some rebuttal, if they choose to.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. Mr. President, I rise to oppose this amendment. I do so with more than ordinary regret, because as I stand here looking at my friend from Nebraska, I see not only a friend who is a very important and personal friend to me as a Senator, but also as a human being. And I see somebody who went out on the trail, so to speak, when a lot of others declined to do so, and fought the health care fight when others would not. He was passionate.

I can remember, in one of the Presidential debates—my wife runs WETA, a public television station in Washington, DC—the Senator from Nebraska was there debating with Candidate Clinton, Candidate Tsongas, and Candidate HARKIN. I remember, because I was watching him in his passion and his commitment, and it was deep and real.

When I look at the Senator and talk about the Senator, that is one of the things that comes to me—that there is honesty, integrity, and commitment about health care, and about everything else we do, which I say is classic midwestern; and I say that in part because of the nature of my wife, who is from Illinois, and the honesty and integrity of all that.

I still have to oppose it, because I think what the Senator is doing is putting more faith in our colleagues on major budget decisions than I can. If you look at all of the entitlement programs, in general, since 1975, I think I am correct in saying that, other than Medicaid and Medicare, they have risen only at about 1.1 percent a year, which is pretty good. They are pretty much under control. But Medicare and Medicaid are an entirely different story. The Senator knows they are now enormous programs.

It is my view, in opposing this amendment, reluctantly, that what the Senator is in effect doing is creating the same type of entitlement cap situation that we have voted on before in this body. And what the Senator is in effect doing is saying that all of the other entitlements are basically at about a 1.1 percent annual increase, and that is pretty much under control; that all the weight of the cuts will be on Medicare and Medicaid.

That is a battle that I have been living with for the last 3 weeks; and was living with up until about half an hour ago; and am still living with, because that involves the poor, the elderly, the frail, the disabled, and the people that my friend from Nebraska knows so well.

Therefore, what I fear is that these areas would take savage cuts underneath what the Senator is proposing. The Senator, because he is a good person and an honest person, believes, I think, that by putting this to our body and saying let us face up to this—to what the amount is, and how it is we are going to pay for these, and what we are going to cut and how—putting them together in one package so we see the entire framework is the honest thing to do.

But in the 8 years I have been in the Senate, I have seen, time, after time, after time, our colleagues who maybe do not have the same honesty or the same—I use this word figuratively, so to speak—integrity in the terms of programs that the Senator from Nebraska has, come in and see a large pot of money at the end of reconciliation, and they have to make mass decisions; they see lots of dollars in Medicare and Medicaid, and they just cut them.

They just cut. And they just chop off. There is no real sense as to allocation based upon what is the right thing to do, how much should we spend on this particular program, on that particular program, or on Medicaid. Last year, a disproportionate share of hospitals, for example, went from $1 billion in 1991, to $16 billion 1992, as part of the point that my friend is talking about, this disproportionate share of hospitals—that would say that if the Senator would come in and really cut that.

My proposal is that we should look at what the Senator is talking about within the context of health care reform.

The Senator knows—and I think the Senator feels—approximately the same way about me as I do about him, but I will leave him just to make up his mind on that. I think the Senator knows how committed we both are to health care reform. This is a matter which belongs in this arena. It belongs in that arena.

And for us to put this on a pay-as-you-go basis, it is all there so we can see it, and our colleagues, therefore, will raise the taxes as necessary, because it is going to be pay as you go, and our colleagues will do the right thing. The Senator overestimates our colleagues. If our colleagues were all as the Senator from Nebraska, there would be no problem, but they are not.

I sit on the Finance Committee, and I know what happens to the Medicare cuts and to the Medicaid cuts. Medicare is $150 billion, in effect, and Medicaid is $80 billion—$230 billion. That is an enormous target, and budget cutters, Finance Committee members, and others and Members of the Senate will see that, and they will chop.

It will be the old, it will be the poor, it will be the elderly, and it will be the disabled who will suffer, not because the Senate will want that to happen but because the Senate, in its lack of attention, will just simply have that happen.

The Senator knows as well as I do that the problems in health care have a lot to do with inflation—health care inflation—and it has to do with the new numbers of people who qualify; new numbers of people who qualify for Medicare, new numbers of people who qualify for Medicaid, new technology, new all kinds of things, which we cannot control unless we do all of this in the context of health care reform.

So, what I would appeal to my colleagues is to say that what the Senator is proposing makes sense in theory, but is very, very dangerous in fact. My judgment would be, that if we did that, Medicaid and Medicare would take the kind of cuts that are disproportionate to what ought to be done, and in addition to that, our colleagues in the Senate would not raise the taxes to do the pay-as-you-go approach that the Senator from Nebraska contemplates.

That would be a terrible tragedy. Lumping all the funds together could provide some of our colleagues with the chance to do what they do best, which is to talk in terms of the large numbers which are out there, the large numbers, and then they would make changes and cuts, not based on families, not based on cities, not based on individual programs, not based upon the intricacies that lie in Medicare A or B or Medicaid. As the Senator knows, there are endless numbers of parts of these programs. Senators would come in, and they would just slash blindly and cause, I think, great destruction.

Having said that, there are other factors. I understand why the Senator includes the Veterans' Administration in this particular amendment. But I want the Senator to understand, as chairman of the Veterans' Committee, that the 27 million veterans of the United States are afraid of one thing more than anything else; that is, what we are going to do and what, in fact, is done in this amendment, is include the Veterans' Administration together with all other national health care programs. That is what 27 million veterans fear more than anything else, because they saw it happen in Canada.

When Canada moved into a single-payer system, in fact, they absorbed the veterans administration system in Canada, and the veterans lost the health care system which, in fact, is a good health care system, which produces health care at 30 percent less per incident than is done in non-VA hospitals.

But the VA would be included in this. There would be a terrible reaction on the part of veterans in this country for doing that.

So I want to suggest that this is very much of a top-down approach as opposed to a bottom-up approach, and as such I think is of great concern.

I agree with what the Senator is talking about, to discipline Federal health expenditures by requiring all spending to be done on a pay-as-you-go basis. That is great. But I do not believe that the Senate, or the Congress, is ready to do that properly. I would like to say I think they would, but I do not think they will. The theory is good, but the practice would be bad and people would suffer needlessly, plus that fact that I really think that is what ought to be done in health care reform.

So, I would respectfully suggest to my friend from Nebraska that I admire what he is trying to do here; that he is doing it in good faith; he is doing it with an honorable conscience. But he is doing it with potentially devastating results given the nature of the political process as it now is.

So the question is, can the Senate and the House be taught fast enough by the instruction that the Senator from Nebraska gives to us through his amendment, so that all of these pay-as-you-go and lumping everything in together could be handled fairly, calmly, wisely. They could be, but by the Senator from Nebraska. But we are not at the point yet where they can by the Congress as a whole.

When we do health care reform, then we take on all these matters. But we cannot get to health care reform until we get past this.

So I rise to oppose the Senator's amendment. But I do so, again, repeating the profoundly deep respect that I have for the Senator from Nebraska, both in his intent and what it is he is putting before us today.

The PRESIDING OFFICER. The Senator from West Virginia has 18 minutes remaining. The Senator from Nebraska has 15 minutes remaining.

Mr. KERREY. Mr. President, in the amount of time I have remaining, I return the compliment the Senator from West Virginia just paid me. I also have a great deal of respect, admiration, appreciation, and shared interest in trying to form comprehensive health care for the United States of America so that those of us who have been given a right to health care, which is most of us here in this body, can go to bed at night with comfort knowing that all Americans are in the same boat. I share that interest, though I am not quite certain I would rather have him dislike me and support the proposal. I appreciate very much that he and I are on the same side trying to fight for comprehensive health care that would establish a right to health care for all Americans.

I say to my colleagues who are interested in health care reform and would like to see it enacted this year, next year, or as soon as possible, that one of the largest barriers we have in persuading the American people we ought to do this, is that they do not trust the Federal Government. Indeed, dare I say, they do not trust the Members of Congress can do the right thing. I mean, I fear that some of the arguments in opposition to this proposal are the very arguments that will be used by opponents of comprehensive health care reform.

Mr. President, I just believe strongly that until we are able to say to the American people we are being honest with you, here is how much we are spending; until we can say to the American people we are being honest with you, we are paying for all the bills and here is how we are paying for the bills; until we can say to the American people we are being honest with you, we are not deficit financing health care any longer, I just must tell you I think we are going to have a difficult time persuading the American people that we ought to do health care reform.

I see this amendment as something that not only constructively reduces the deficit, which is why I am adding to this to cut away some of the misgivings that some of us have based upon having voted for the 1990 budget agreement, after which we saw health care expenditures rise rapidly wiping out—in some instances, not all—the benefits we thought would occur.

This lays a foundation for health care reform because it puts us in a position where we are being absolutely clear to the American people where the expenditures are, absolutely clear to the American people that we will not deficit finance health care, absolutely clear to the American people which taxes we are going to use to pay the bill.

I appreciate the concern that the distinguished Senator from West Virginia has.

I acknowledge the possibility for mischief. But I must say, Mr. President, that the mischief that already goes on with health care is so large that it is hard for me to imagine a situation where we are required to tell the American people the truth that mischief alone, or bad intentions alone, could cause our health care accounts to be abused in the fashion that was just described by my good friend, the Senator from West Virginia.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Will the Senator from West Virginia yield me 5 minutes?

The PRESIDING OFFICER. The Senator from West Virginia controls 18 minutes.

Mr. ROCKEFELLER. I am happy to yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 5 minutes.

Mr. KENNEDY. I thank the Senator from West Virginia.

Mr. President, I want to commend my colleague from Nebraska for the commitment and effort he has put into the issue of health care reform. He cares deeply about this issue, he has worked hard within the Senate and in the country to move it forward, and I know he will continue to give high priority to comprehensive health care reform when we take up the President's proposal.

Nevertheless, I disagree strongly with him on this amendment, and I urge its rejection.

The proposal has four serious flaws. First, it would seriously undermine vitally important health care programs—including Medicare and Medicaid, the National institutes of Health, childhood immunization, community health centers, and health prevention.

Second, it would distort congressional decisionmaking on the budget by forcing health programs to be considered in isolation.

Third, it would hold the health of the American people hostage to the business cycle.

Fourth, it perpetuates the myth that the problem is excessive increases in Federal health spending, rather than the out-of-control health system itself. It would divert attention from the need for real reform.

Under this proposal, there will be a shortfall in revenues to fund health care by $13 billion in the first year. The shortfall will unquestionably grow to even larger dimensions in future years. The impact of that shortfall will be severe if this amendment is adopted.

We could raise taxes under the amendment, but we all know how difficult that will be. We could cut Medicare and Medicaid. But we could not make cuts on this scale without devastating these programs. Most of us—including some on the other side of the aisle—feel that the cuts in Medicare and Medicaid, included in the bill we are considering today, are already too deep. Next year these cuts add up to $3.8 billion. To make up the shortfall under this amendment would require cuts three times as deep next year as those included in the reconciliation bill this year.

To cut an additional $13 billion out of these programs in just 1 year would require us to deny senior citizens the care they have earned by a lifetime of hard work. We would have to tell poor women and children that there is no room at the health care inn. And, after doing all that, we still would not have done enough to meet the requirements of this amendment.

What else could we do to meet the targets under this amendment? We could wipe out the National Institutes of Health—that would save $10 billion, not enough to cover the shortfall. We could eliminate the Centers for Disease Control—that would save an additional $2 billion. And if we threw in the Community and Migrant Health Centers, Family Planning, Healthy Start, and the National Health Service Corps, we would finally reach the $13 billion target.

Then we would have to make good an even larger shortfall the following year. We could turn to health professions, the Ryan White AIDS Care Program, Health Care for the Homeless, and the Food and Drug Administration. We might raise $1 or $2 billion that way.

Pitting one health program against another health program, as this amendment requires, would distort any attempt to determine national priorities rationally. It would say that we should cut health care without considering whether cuts in other spending would make more sense. It would say that we should deny senior citizens the care they have earned before we reduce other subsidies. It would say that poor children should be denied the health care they need before we would consider other programs. It would say that medical research is unimportant. We may in fact make all these judgments in this Chamber. But this amendment would put all those determinations on automatic pilot—and that does not make sense. We would be denied the opportunity to consider these programs in light of our overall priorities.

The amendment would also hold health care hostage to the swings in the business cycle. Veterans, senior citizens, the disabled, and the poor continue to need health care, even if the economy is in one of its periodic downturns. But under this amendment, if revenues decline or grow more slowly—as they always do in a downturn—health care would have to be cut back. And a tax increase during a downturn, even if it could be passed, would not make economic sense.

Worst of all, this amendment ignores the basic problem. Federal health care spending is not going up too fast because we have not put all the health programs in a trust fund. It is not driving up the budget deficit because senior citizens of low-income mothers and children are getting more health care than they deserve. It is going up too fast because the health care system is out of control, and the cure for that problem is comprehensive reform.

So I urge my colleagues to vote against this amendment. It will hurt the poor and elderly. It will dry up our medical research effort. And it will not solve the problem.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who now yields time?

Mr. KERREY. Mr. President, I yield 5 minutes, or whatever time is needed, to the senior Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for whatever time remains.

Mr. EXON. I thank my colleague from Nebraska.

Mr. President, I have a rather unique position. Therefore, what I say today on health care should be accepted from that rather unique position.

I had a meeting last week—a very interesting meeting—for an hour and a half with the First Lady of the United States to discuss health care. I opened our conversation, when I said, "Mrs. Clinton, I come here as a rather unique individual. I am one person who has no health care plan that I have advanced."

And the First Lady said to me something like: "You are one in a million."

I said "No, I am only one of 535 people that have the authority to make introductions of health care legislation."

I say that to try and put in perspective the brief remarks that I am going to be making in support of the amendment offered by my great friend and colleague from Nebraska, Senator KERREY.

I have been studying the various health care plans. I am convinced that there is an overwhelming demand and an overwhelming anticipation from the American people that if there is one thing we are going to do in this Congress sometime, hopefully, this year—if not this year, next year—is come forth with some kind of a health care plan as was envisioned, authorized, and talked about during the campaign for President of the United States, first by my colleague from Nebraska, and then certainly by the then Governor of Arkansas and now the distinguished President of the United States, Bill Clinton, and others. Therefore, the issue is at hand.

I guess I have been somewhat dismayed that it has taken us so long to come up with at least the formula, the framework, if you will, of some kind of a plan that we could then begin discussion on.

What my colleague from Nebraska is attempting to do with the amendment he is offering to the U.S. Senate—hopefully, if it is accepted here, likewise it would be accepted on the House of Representatives side—is to restore some confidence in the American public that we are not going to break the Federal bank or their bank with health care costs.

I suspect that health care costs may exceed what the fund that my colleague from Nebraska would create with this amendment. But that does not mean it is not a good idea.

What the Senator from Nebraska is simply saying with his amendment is that if we are serious about health care reform, then it is not too early right now to begin building the confidence of the people of the United States by recognizing and setting aside initially how much money we are taking in now, to set that aside in a trust fund, if you will. I hope that we can build some steep walls 2 miles high and 15 or 20 feet wide so that we cannot get in there and take the money out.

But, in any event, the basic thrust of the amendment of the Senator from Nebraska is simply that he is trying to create a reasonable trust fund, based on what moneys we are currently spending for health care in the United States, as a pot, if you will, a designated fund, if you will, that has the people of the United States understand how much we are spending at the present time and, therefore, better educate them as to the give and take that is going to have to be moving forward in both the Senate and the House if we are going to get anywhere with health care reform.

The building block that my friend from Nebraska is advancing here today is a very sound building block. I think he would be the first to concede it does not answer all the questions. The plan that he offers is not the end of anything, but it is a beginning. And the beginning is that we are never going to create a universal health care system in the United States unless we begin to give some assurances to and thereby obtain the confidence of the American people as we move forward.

I recognize my colleague from Nebraska has put in a great amount of time on this issue. He understands it very well. We may not all agree with everything he will advance but certainly the first step forward that is being made today on this important issue is one that will pay handsome dividends in the future for all of us as we try to move forward with this very difficult problem.

I thank my friend from Nebraska for yielding the floor and I reserve the remainder of any time remaining.

The PRESIDING OFFICER. The Senator from Nebraska controls 6½ minutes. The Senator from West Virginia controls 13½ minutes.

Who yields time?

Mr. DOLE. Mr. President, will the Senator from West Virginia yield?

Was leaders' time reserved?

The PRESIDING OFFICER. It has been reserved.

Mr. DOLE. I wonder if I might use 5 minutes of my leader's time without it being changed to either side.

The PRESIDING OFFICER. The Senator has that right individually. The Senator may proceed.

THE PRESIDENT'S DEFICIT REDUCTION PACKAGE

Mr. DOLE. Mr. President, during the ongoing debate on the President's deficit-reduction package, there have been no shortage of comments from all sides about the plan. That is to be expected. But when certain critics try to masquerade their own bias, or start assigning motives to Senators, then it is time to set the record straight.

Let's start with some of the phony analysis we're hearing from some of the phony experts.

Yesterday, the Philadelphia Inquirer ran an article that supposedly weighed the pros and cons of the Clinton plan and the Republican alternative. Not surprisingly, the Clinton plan is judged the winner. And not surprisingly, my good friend, the distinguished majority leader, Senator MITCHELL, used the Inquired story during an interview on CNN to back up his claim that the President's plan was a winner.

Now, that is a tough chore, I will admit, but the comments he quoted in the news story sounded persuasive. Senator MITCHELL read a quote from a Mr. Stanley Collender, who is identified in the inquired article as the Director of Federal Budget Analysis for Price Waterhouse. Mr. Collender says that President Clinton's budget is—and I quote—"More honest than any other budget I've seen in a decade." And then he goes on to say that Senator DOLE's attack is—and I quote again— "very misleading."

No wonder Senator MITCHELL smiled as he read these comments.

Well, as Paul Harvey says, here is the "rest of the story."

While it is true Mr. Collender is an analyst for Price Waterhouse, we did not hear anything about this politics from the Philadelphia Inquirer. Of course, I can see why the Inquirer did not want to get into all that when it had a nice bash-Republican article. That is why it is time to tell the people what the newspaper does not want you to know. I am afraid this is being repeated in many newspapers around the country.

Mr. Collender is a big-time Democrat. In fact, he contributed $1,000 to the Democratic National Committee just this past election cycle. Now, does this sound like a credible source on the merits of the Clinton plan?

But wait, there is more. Mr. Collender—this objective analyst, this credible source for the Philadelphia Inquirer—has worked for years on Capitol Hill for what can only be described as a liberal hall of fame of congressional Democrats: Tom Downey, FORTNEY STARK, and Elizabeth Holtzman.

Now that we know "the rest of the story," we can judge Mr. Collender's comments for what they are: Partisan cheerleading disguised as expert analysis.

Let us hope the news organizations that seem to rely on Mr. Collender for analysis—and that includes CNN, NPR, and network morning shows—finally figure out that they are not getting objective information. If they want to use Mr. Collender, they should put his name on the screen, with a big "D" in front of it. "D" is for Democrat.

Mr. President, I would also like to put in the RECORD at this point an analysis of the net impact of the Clinton plan as described by Eugene M. Freedman, chairman of Coopers & Lybrand. I have not checked whether Mr. Freedman made any political contribution, but if he did, we will take the article out. In the meantime, I will put it in the RECORD. It has a few little things about the Clinton plan that ought to be recognized.

I ask unanimous consent that the Blade article and the Freedman piece be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Toledo (OH) Blade, June 24, 1993]

RIEGLE CHARGES GOP LOOKING TO '96, HALTING TAX PACKAGE IN SENATE

(By Jack Torry)

WASHINGTON.—Sen. Don Riegle (D., Wash.) complained yesterday that the presidential ambitions of Minority Leader Bob Dole (R., Kan.) and other Republicans have made it impossible for the Senate to gain bipartisan approval for a package to reduce the nation's budget deficit.

Although Majority Leader George Mitchell (D., Me.) predicted that the Senate this week will approve a bill that reduces the deficit by $516 billion during the next five years, it will pass without the support of any of the Senate's 44 Republicans.

Mr. Dole and other Senate Republicans have charged that the bill relies far too heavily on tax increases and not enough on spending cuts. But Mr. Riegle told reporters from northwest Ohio and Michigan the Republicans were simply trying to gain an advantage for the 1994 off-year elections and the 1996 presidential campaign.

"I listened to Bob Dole today on television, and it was 100 per cent obstructionism," Mr. Riegle, who was joined in his office by Mr. Mitchell, said, "Now, I realize that he and a lot of other people are running for president in 1996 because they've all been up in New Hampshire."

Mr. Riegle said the battle for the 1996 GOP nomination is "playing back into the politics of what's is going on on the Senate floor today.

"I think that that's regrettable," he said. "This did not happen with Ronald Reagan or George Bush. They got a lot of cooperation from Democrats in the first year of their presidencies.

"I wish the Republicans were working with us right now. And frankly, if this presidential-nomination race for '96 were not fully under way right now, I think we'd be getting more cooperation."

Mr. Mitchell, who is pushing his members to support the tax increase just one year before 20 Senate Democrats face the voters, added, "Our Republican colleagues are very good at making speeches about the need for spending cuts but won't propose specific spending cuts."

Walt Riker, press secretary to Mr. Dole, said Mr. Riegle's charges show "how desperate the Democrats are who have to run in '94 to be seen with President Clinton in support of his punishing tax policy."

Mr. Riegle faces a difficult reelection struggle next year. Michigan Republicans have accused him of being too willing to support the package which includes $249 billion in tax increases in the next five years.

Although the bill would raise the top personal income tax rate from 21 per cent to 36 and the corporate income tax rate from 34 per cent to 35, it also includes a 4.3-cent-a-gallon increase in the gasoline and diesel fuel tax. The current gasoline tax is 14.1 cents a gallon.

Senate Democrats argue that 75 per cent of all new taxes would be shouldered by families with incomes above $100,000. But the middle-class taxpayers—whom President Clinton promised a tax cut in his 1992 campaign—would pay a large share of the gasoline tax. Republicans are anxious to hit Mr. Riegle and other Democrats with a barrage of critical advertisements.

"I expect to see that campaign ad," Mr. Mitchell said, pointing out that he faces reelection next year. "But . . . we are elected to do what's right for the country and, on occasion, that means taking action that can be used in campaign ads."

Mr. Riegle said the Senate version of the bill is much more fair to middle-class taxpayers than the bill approved last month by the House of Representatives.

The House measure included a broad-based energy tax that would have raised $72 billion over the next five years. The Senate Finance Committee, of which both Mr. Riegle and Mr. Mitchell are members, substitute the smaller gasoline and diesel tax for the energy tax.

Mr. Riegle said the House energy tax would have cost the average family of four in Michigan $400 a year. By comparison, he said, the gasoline tax in the Senate bill would cost the average Michigan family about $100 a year.

In addition, despite predictions this week by Budget Director Leon Panetta that a conference committee of the Senate and House would increase the Senate's gasoline tax, Mr. Riegle said, "I don't think, despite what Leon Panetta said yesterday, that we're going to go back to the [energy] tax.

Mr. Riegle said the bill would make "a substantial reduction in the deficit. And moreover, we're going to make more spending cuts. Mark that down—there will be more spending cuts than what's now in the package."

CAN THIS COUNTRY, OR ANY COUNTRY, REALLY TAX ITS WAY OUT OF A DEFICIT?

In recent weeks, we've observed the Administration's new tax package with considerable concern, if not outright alarm.

As people who provide tax advice to many global companies, as well as emerging and small businesses, we know to look beyond the short-term effects of tax legislation to the long-range implications.

And it is our belief that the long-range implications of these proposals will actually discourage the capital formation necessary for economic growth and the creation of jobs.

In the name of "tax fairness," the Administration wishes to raise individual tax rates in the upper bracket, potentially by 45 percent. And true, these days, those with higher incomes make an inviting political target.

But from our experience, we fear these proposals will have a chilling effect on our struggling economy. And send an ominous signal to American business.

Repeatedly, the President has declared his reliance on small businesses to create jobs and grow the economy. Yet, potentially, the proposals will hurt small business the most, as they create a tax disincentive to the entrepreneurs and others who risk their capital. And dollars that go into higher taxes can't be reinvested into businesses or create new jobs.

In effect, the legislation will kill the goose that the President himself is counting on to lay the golden eggs.

If the Administration truly wishes to reduce the deficit and grow the economy, it must pursue expenditure reductions and other, more meaningful tax legislation.

We in the United States must stimulate savings and investment. And provide real incentives for risk-taking. To that end, we recommend the White House and Congress work together toward the following:

Reduce federal expenditures. Or at least reduce the rate of growth. Without this, everything else is pointless.

Rather than tax income at such high rates as the Administration is proposing, explore new revenue sources, such as consumption or VT taxes, which would tap into more than $150 billion in taxes not paid by the "underground economy."

Remove discriminatory, anti-investment, and ultimately, anti-job tax rules that limit the deductions of economic losses and real investment expenses. Tax profits, yes. But encourage people to risk their capital by letting them deduct their economic investment losses against their earnings and business profits.

Provide tax relief on earnings from savings. This is our only real source of investment funds that doesn't rely on foreign capital. Yet the current proposal will act only to discourage domestic saving because of the excessive rates at which they will tax earnings.

We also believe it's unfair and very short sighted to put a surtax on capital gains, especially when the tax rules do not permit capital losses, such as from real estate or business ventures, to be deducted against earned incomes. It's a game where the government says "Heads, I win. Tails, you lose."

What we need now, and in any new tax recommendations, are rules that stimulate savings and investment, not penalize them.

Unusual as it may seem, we at Coopers & Lybrand are publicly asking the Administration to act on these suggestions. And we implore readers who agree with our views to contact members of Congress.

Because short-term disincentives for savings and investment will not reduce the deficit. Nor will they create jobs or get the economy back on track.

Long-term incentives will.

EUGENE M. FREEDMAN,
Chairman, Coopers & Lybrand.

Mr. DOLE. Finally, I want to say to my good friend from Michigan, Senator RIEGLE—I read this morning in the Toledo Blade, which is not in Michigan—where he indicates that we are obstructing this because of 1996 Presidential politics. I am flattered by his particular reference to me, that we are making this impossible because we are bogged down on this side because of 1996.

We are not bogged down because of 1996. We are bogged down because this thing is just killing us with taxes, taxes, taxes, taxes. There will not be any 1996 if this bill passes, probably. There may be a few politicians left, but there will not be any small business men and women left.

I know this is a tough sell in Michigan, Senator RIEGLE. But do not get up and question our motives or ascribe motives to any of us on this side of the aisle and say we are obstructing this, something that never happened in the Reagan-Bush years, because we know better. We read the RECORD. We have the votes.

I recall how this Senator voted in 1985 when we had a deficit reduction plan on the floor. We did not stand up and say this must be referenced to 1988 Presidential campaigns.

This is such a bad, bad package that my colleagues on the other side are looking for any little reason to divert attention. I do not think the American people are really interested in 1996. They are interested in killing this big, big, big tax bill that is $3.18 in taxes for every $1 in spending cuts. It is not a $500 billion package, it is $347 billion; and it is not going to get any bigger just because someone says it is bigger on radio, television, or in the newspapers.

To my friend from Michigan, a lot of us are going to go to Michigan next year to try to help elect Republicans in that State. We hope to see him there.

The PRESIDING OFFICER. The minority leader has 5 minutes left of his time.

Mr. DOLE. I will reserve that.

The PRESIDING OFFICER. Who now yields time? The Senator from Nebraska has 6 minutes remaining.

Mr. KERREY. Mr. President, my heart was fluttering, hoping the Republican leader was going to speak in favor of my amendment.

The distinguished Senator from Rhode Island will speak?

Mr. CHAFEE. Mr. President, what I would like to do is take 5 minutes off the bill, not particularly addressing this amendment, and I would ask unanimous consent—unless the Senator from Nebraska had something lined up that he wanted to say—I will take 5 minutes from the bill and ask unanimous consent to do that.

The PRESIDING OFFICER. Is there objection to allowing the Senator from Rhode Island to take 5 minutes off the bill to speak?

Mr. ROCKEFELLER. Reserving the right to object, but probably not planning to object, what would be the effect of that as to the 13 minutes which remains to the Senator on this side?

The PRESIDING OFFICER. The action on the underlying amendment would be suspended, pending this speech of the Senator from Rhode Island.

Mr. ROCKEFELLER. So there would be no effect?

The PRESIDING OFFICER. The Senator from Nebraska has 6 minutes left; the Senator from West Virginia has 13½ minutes.

The Senator from Rhode Island is recognized without objection for 5 minutes.

TRUE FOCUS OF THE DEBATE

Mr. CHAFEE. Mr. President, I think it is important the American public recognize the true focus on this debate, and I am talking about the overall bill, not addressing the amendment of the Senator from Nebraska. The true focus of this debate does not involve whether or not we want to reduce the deficit. Senators on both sides of the aisle have long recognized that we must take action now about this deficit if we want to give our children and our grandchildren any hope of having the same standard of living that we have enjoyed ourselves.

Where the difference of opinion occurs is how we go about reducing the deficit. Do we attempt to reduce the deficit by steeply increasing taxes as this particular bill does? Or do we rely upon deep cuts in spending? Or do we rely on a portion of both? It is my belief that the American public expected us to produce a bill that included a reasonable combination of both: additional revenues and less spending.

President Clinton campaigned very effectively last year on just such a platform. In the outline of his economic plan called A Vision for Change in America, he called for "a serious, fair, and balanced deficit reduction plan to stop the Government from draining the private investments that generate jobs and increase incomes."

That is what President Clinton—candidate Clinton said last fall. The American public expected him to put together just such a proposal. But the bill before us today bears no resemblance to the proposal outlined by candidate Bill Clinton. This bill will, indeed, reduce the deficit over what it otherwise would have been over the next 5 years, by $348 billion. More than 75 percent of the deficit reduction will come from new taxes and new user fees.

The proposal promises further deficit reduction by limiting discretionary spending in future years, but the enforcement mechanism to achieve this spending reduction from the appropriated accounts, the enforcement mechanism is, indeed, dubious.

The Republican alternative we voted on last night was far from perfect, in my judgment. It attempted to reduce significantly the deficit without so much as a dollar of new taxes, and I seriously question whether we can reduce the deficit substantially without any new revenue.

It is said we are in this predicament today: The President wants to reduce the deficit; the Democrats want to reduce the deficit; the Republicans want to reduce the deficit. With such unanimity, how could we possibly have failed to do the right thing?

It was apparent early on that the Democrats had made the decision to put this package together without any input from Republicans. The Finance Committee's portion of the bill was crafted solely by the 11 Democrats on the committee. The Republicans on the committee were completely shut out from the process.

I am a member of that committee. We are not invited to any of the sessions. We are just plain left out.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHAFEE. Mr. President, I ask that I might have 5 more minutes off the bill.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. May I ask a question? If we take 5 minutes off the bill, is that equally counted against both sides against the bill as the time is reduced?

The PRESIDING OFFICER. The interpretation of the Parliamentarian, thus the Chair, is that it will be taken from the proponents and opponents of the legislation.

Mr. PACKWOOD. I have no objection.

Mr. CHAFEE. May I proceed?

The PRESIDING OFFICER. Without objection, the Senator will proceed for 5 more minutes.

Mr. KERREY. Reserving the right to object, is the Senator saying he is going to speak in opposition to the underlying bill and time equally will be charged?

The PRESIDING OFFICER. Unless there is some objection, that will be the order.

Mr. PACKWOOD. Let me say in response, this is the way it is done: The time is taken equally off both sides. It would be the same as if somebody took 10 minutes over here by unanimous consent to speak against the Republican side of the bill; it would be taken off equally.

That is why I hesitated to see if there is any objection. In essence, that is what happens.

The PRESIDING OFFICER. There is a unanimous-consent request pending to allow the Senator from Rhode Island to proceed for 5 minutes. Is there objection?

Mr. FORD. Reserving the right to object, and I do not think I will, I say to the Senator from Oregon, he makes a good point. Up to now, I do not think that question has arisen.

I think we want to be fair to each side. If he is opposing this side, and we give that Senator time, it seems a little ironic that we would do that.

Mr. PACKWOOD. Historically, the reason we have done it is that both sides have gotten down to the end and wanted to have an equal amount of time. In the past, we got into a situation of one side or another not having the time.

For 5 minutes, I am not going to object to it.

Mr. FORD. My judgment is we would be losing 2½ minutes. We have 4½, 5 hours left. As you say, when we get down to the crunch, there will be enough time left, and we will be looking at amendments here for a while.

I say to my friend from Nebraska, if he want some time off the bill, we can also give him some time. So I think we will equalize it on that basis, I say to my friend from Oregon.

Mr. PACKWOOD. We are not actually taking any of his time off the amendment right now.

Mr. FORD. That is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island? Without objection, it is so ordered.

The Senator may proceed for 5 more minutes.

Mr. CHAFEE. Mr. President, I think it was wrong for the President of the United States and for the Senate Democratic leaders to assume Republicans would not be a constructive voice in this procedure. We have demonstrated time and time again our willingness to take tough votes in the name of deficit reduction.

Clearly, we differ on the approach taken on this package, but that should not have precluded us from being consulted as to how to make the package better. I yearn, Mr. President, for some middle ground. In fact, I had considered putting together a proposal which would have included real spending cuts, with enforcement mechanisms that would ensure that these cuts are achieved. And I would have included new revenues.

Unfortunately, I quickly came to the conclusion that, given the political realities that are existing now and how this debate has been shaped, this reasonable approach would have perhaps garnered 10 votes.

I am particularly concerned about the new taxes included in this bill. The top rate, as has been pointed out, for corporations goes from 34 to 35 percent, but it is the small businesses that are hit. The top income rate for these businesses is increased from 31 percent to as much as 44.5 percent. For my State, this means a very hefty tax increase for the majority of our employers.

According to the latest census of the 27,700 businesses in our State, more than 26,000 of those have fewer than 50 employees. These are truly small businesses, and they provide for 175,000 jobs for Rhode Islanders. It is this segment of the economy that has produced the few new jobs over the last few years created in our State.

Mr. President, these small businesses will not be able to generate new jobs if they are saddled with huge tax increases. Money that would otherwise be used to increase productivity, to increase our competitiveness, and to increase employment would go instead to the U.S. Treasury.

Yesterday, we heard a good deal about concerns for small business from Members on the other side. They went out of their way to support an amendment that would increase the so-called section 179 expensing allowances. I supported those proposals, but I do not think we ought to rationalize the validity of this entire package on the basis of a few dollops of tax goodies that are handed out in a last-ditch attempt to win a few votes. This bill started out bad for small business and it will end up bad for small business.

In conclusion, Mr. President, I hope that the President of the United States and the Democratic leadership over the next few days will see the wisdom in including Republicans in this effort to put together an effective deficit reduction package. Not only will that generate a better package than the one before us, but, Mr. President, it would bode well for the future.

We have some big issues coming up that are going to require cooperation. Whether you are talking the North American Free-Trade Agreement, or you are talking the health care reform, it is my belief that America will benefit if both sides can get together and we can have a bipartisan approach to these very difficult problems.

I want to thank the Chair, and I want to thank the Members on the other side for giving me this time.

The PRESIDING OFFICER. The Senator's time has expired. Who now yields time?

Mr. FORD. Mr. President, I ask unanimous consent to yield 5 minutes to the proponents of the amendment.

The PRESIDING OFFICER. The Senator from Kentucky is informed that the proponents of the amendment have 6 minutes.

Mr. FORD. I understand. That would then give them 11 minutes, and we just yielded 5 minutes. This equals the time off the bill on both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Nebraska will be given an additional 5 minutes.

Mr. KERREY. Mr. President, I thank my friend from Kentucky.

Let me try to make it clear to Members who have talked with me privately—and I talked with most of the Members, one on one, and I have communicated on the floor before—about what this proposal does. A lot of people will be afraid this is going to unnecessarily cut or restrict the growth of health care.

Mr. President, this proposal simply says to us, as Congress people, that we have to decide: Do we want to spend more or do we want to constrain the growth? We have to make a conscious, up-front, clear decision to the American people.

I review, again, this is the growth of all Federal health care spending that I have designated in this trust account, $318 billion this year. We spent $284 billion in the current fiscal year. Thus, for those who are concerned about how this is going to squeeze out other spending, it already is. We will have a $34 billion increase in Federal health care spending from our current fiscal year to next fiscal year.

The only reason it does not squeeze it even harder is we can deficit finance. If we were not allowed to deficit finance, we would be having to take that $34 billion, every single dollar, out of other programs. As it is, Mr. President, what it does is sort of gradually graze over and feed on other pastures. It happens every single year, and that number is going up extremely rapidly.

I am merely saying that we have to say to the citizens of this great country that with health care, we are going to pay the bills; that with health care—the most rapidly growing account in the Federal budget—we are going to pay the bills; that we are not going to go to the bond market in New York City and sell $34 billion or $70 billion, or whatever it takes. This health care trust fund, over the entire 5-year course of this budget reconciliation, will, by CBO estimates, reduce the deficit an additional $180 billion.

Mr. President, the last year we will reduce it in a single year by $82 billion.

We can spend as much as we want on health care, Mr. President. This proposal does not say that we are constrained in some fashion. We can spend as much as we want to on health care.

However, if we decide we will respond and increase spending, then we have to raise the revenue for it. And unless we are prepared to raise the revenue, then we have to cut the spending on health care to bring this thing into balance.

I hear my good friend from West Virginia being concerned that this will slow down, perhaps, the reform of health care itself. Mr. President, upon this proposal one could do nothing and just allow whatever is happening in the private sector to happen; there is acceleration to do something about cost control already out in the market. Or we could build socialized medicine on this foundation; if it is the desire of the American people to own the means of production, to have the hospitals and the doctors work for the taxpaying citizens of this country. Or we could adopt a Heritage Foundation plan on top of this proposal.

We need not decide today which comprehensive health care reform model we are going to select. I am prepared to argue, regardless of what we do with health care reform, that we ought to have a pay-as-you-go system. It is appropriate to discuss it now because it will have a dramatic impact upon the deficit. It will ensure that those of us who voted for the 1990 budget deal, who are being asked to vote for this budget deal, can say with certainty at least we are not going to make the mistake we did in 1990. We will do something about the rapidly increasing costs of health care, which obliterated, along with an error made by Treasury, a great deal of the deficit reduction that we promised the American people as a consequence of tax increases and cuts we enacted that year.

Mr. President, I just say calmly that I think this is a responsible amendment. It will reduce the fiscal deficit of the United States of America. It will increase savings. It will increase the fund of capital that we need in order to generate additional output in this country. And, most importantly for me, Mr. President, it lays a foundation now so that we can, in fact, do health care in an honest fashion by presenting the American people a clear bill of what we are spending, by saying to the American people, let us decide which taxes we are going to use to pay for whatever we decide the Federal share will be, and by saying to the American people we are going to require that our health care spending be in balance with our revenue.

Mr. President, I yield the floor. If nobody wants to say anything else, I am prepared at some point rather quickly to yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I do not know whether there are others who wish to speak. I do not wish to prolong this, and I suggest that we just have an up-or-down vote on the matter if that is all right with the Senator from Nebraska.

I would like to make a couple of closing comments unless there are others who would like to comment. If not, then let me just say again as I started off saying, I have a profound respect for the Senator from Nebraska. And I do not say that in the sense that we get teased about on the Senate floor for saying nice things to each other but we probably do not mean it. This is a Senator who, when he says good things about people, tends to mean it. And I sure do when I talk about the Senator from Nebraska.

But I have to say that this amendment has substantial danger built into it, and I want my colleagues, as they are considering how they are going to vote on this amendment, to understand that.

In a sense, what we are doing is locking in some kind of an automatic pilot, aggregating all of the entitlements together, making it much more clear, therefore, what they are, as on the Senator's chart. But that is nice. Once we know that, we then have to know what we are going to do with them. It would be my judgment, based upon two facts, that the result will be we will unknowingly but nevertheless savage Medicare and Medicaid, which this Senator has spent his last number of years under the previous administration trying to save as much as possible and has spent the last 3 weeks engaged with colleagues from my own side of the aisle trying to save as much as possible, also.

CBO makes the point that, in the absence of broader changes, any attempt to control public sector spending in an arbitrary way would have the effect of doing an awful lot of cost shifting, by which I mean that huge cuts would be made in Medicare and Medicaid and therefore taxes would be, in effect, levied on private payers, institutional payers who are not covered by Medicaid and Medicare as they receive their services from hospitals and doctors.

That is what is happening now. Because Medicare and Medicaid are very large, they do not reimburse at the cost of the service which is performed at the hospital or by the physician, so the cost is shifted to the private payer who is not on Medicare or Medicaid. This is, in effect, a real tax on people who do not know that they are being taxed.

Second, it seems to me that the reasons for the increase in Medicare and Medicaid are fairly well known. One is inflation, medical inflation, which is much, much greater than regular inflation. Second is the growth in the number of poor people. And third, the growth in the number of disabled individuals.

That is what has caused these programs to grow. People are getting older, more people on Medicaid, more people are poorer, more people are losing health insurance. In fact, 100,000 Americans lose their health insurance every month. These people, obviously, therefore, have to apply for other kinds of service, in particular Medicaid, in order to get benefits for themselves and for their families.

Mr. President, we cannot repeal inflation. I would like to do it, but we cannot do it. We cannot control the number of disabled or the number of poor arbitrarily in an amendment or all of a sudden. What we do need to do is in a systemic way look at the entire problem of health care and reform it, and in doing that take into account what the Senator from Nebraska is presenting to us.

I repeat, if you remove Medicare and Medicaid entitlements, all other entitlements of the Federal Government are increasing only at about 1 percent annually. But if you include Medicare and Medicaid, they are increasing much faster. As a result, the cuts that would come, the body politic's reaction to these Medicare and Medicaid numbers would be to slash them, to cut them, to savage them, with no consideration as to the effects.

I wish to control the increase in the cost of Medicare and Medicaid. The Senator from Nebraska knows I am genuine in my approach, and have been for a long time, to controlling health care costs. I am one who believes that 25 percent of everything we do in health care is either unnecessary and/or inappropriate, and I am one who believes we are going to spend about $1 trillion in health care. And if 20 to 25 percent of that is unnecessary and/or inappropriate, we are talking about $200 to $250 billion that we can squeeze out of the system.

But we cannot do it all at once. We cannot do it on automatic pilot. And we cannot do it by a formula which attaches itself to a single amendment. This is that single amendment. It is for that reason I fear it, and it is for that reason I respectfully oppose it.

Having said that, Mr. President, I yield back the remainder of my time.

Mr. KERREY. Mr. President, do I still have some time remaining?

The PRESIDING OFFICER. The Senator has 6 minutes.

Mr. KERREY. I will just take a couple minutes to conclude and then I am prepared to vote.

Again, undoubtedly, I have great respect and admiration for the distinguished Senator from West Virginia, but I expect and look forward to that day when he and I, as allies, are arguing on the same side of health care reform on this floor, which I expect, as a result of President Clinton's leadership, will happen sooner rather than later.

I respectfully say that I have given a great deal of thought of this problem of automatic pilot and have crafted this amendment carefully so that it does not require us to be on automatic pilot.

This is not an automatic sequester. This is a permanent appropriation that puts us in the position where we have to make a decision. This amendment merely puts us in a status where we have to keep our accounts in balance. We can spend twice as much if we choose to, 50 percent more, or whatever.

As to the danger of the amendment, I say again with great respect to the distinguished Senator from West Virginia, that I am offering this amendment because of the danger that I feel if we do not do something in this budget reconciliation that gets health care costs under control.

Mr. President, I again call the attention of my colleagues, where the forecasts are right now with CBO numbers for health care spending over the course of this 5-year period. Remember, it was just 3 years ago, in 1990, that we passed a budget reconciliation package, a budget summit agreement that proposed to reduce the deficit $400 billion. And one of the biggest reasons that did not occur was health care spending was not under control, so it obliterated a large piece of potential savings.

We are going to spend over $300 billion in this next fiscal year. But in 1996, 3 years from the time this is all being debated, we are going to be close to $375 to $380 billion of annual spending.

My fear is that we will be back here 3 years from now explaining to the taxpayers, once again, why the $500 billion deficit reduction package did not produce $500 billion worth of deficit reduction. If I have to stand here 3 years from now and say it is because health care costs are out of control, I think the citizens will say, Senator, if you make a mistake once, I can understand it, but do it twice in a row, 3 years separating those decisions, Senator we do not understand how you can do it.

So, Mr. President, what I am trying to do in a responsible fashion is essentially take what I consider to be a tough vote. The Nunn-Domenici proposal on cap on entitlements I supported this year—I did not support it in the past because of my concern for cost-shifting—I have attempted to take that amendment and improve it so it does not produce the draconian cuts and the automatic pilot which could destroy Medicare and Medicaid as a consequence of fiscal action.

This will reduce the deficit for 5 years by $180 billion more than what we have right now; more than what is being proposed; so that not only can we say with certainty that health care costs are not going to be responsible for undoing again a budget proposal, a deficit reduction proposal, but we are going to be able to say with confidence that we will be able to go further than the current budget resolution.

Mr. President, I am prepared to yield the remainder of my time.

The PRESIDING OFFICER. All time is yielded.

Mr. KERREY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 19, nays 79, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—19

Bingaman
Boren
Bumpers
Daschle
DeConcini
Dodd
Exon
Ford
Gregg
Hollings
Jeffords
Kerrey
Lieberman
Mathews
Mitchell
Nunn
Reid
Sasser
Simon

NAYS—79

Akaka
Baucus
Bennett
Biden
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Dorgan
Durenberger
Faircloth
Feingold
Feinstein
Glenn
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Heflin
Helms
Hutchison
Inouye
Johnston
Kassebaum
Kempthorne
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Mikulski
Moseley-Braun
Moynihan
Murkowski
Nickles
Packwood
Pell
Pressler
Pryor
Riegle
Robb
Rockefeller
Roth
Sarbanes
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

So the amendment (No. 518) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Delaware is to be recognized.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I thought we had worked out that Senator STEVENS could offer an acceptable amendment that would take 1 minute. If that is all right, could we do that now and then proceed to the Roth amendment?

Mr. SASSER. Of course. That has been discussed with us. We are pleased to accommodate the Senator.

AMENDMENT NO. 524

Mr. STEVENS. Madam President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for himself, and Mr. INOUYE, proposes an amendment numbered 524.

Mr. STEVENS. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 138, immediately before line 1, insert the following new paragraph:

"(7) As part of any proceeding under this subsection the Commission (i) shall consider in such proceeding the ability of new entrants to compete in the services to which such proceeding relates, and (ii) shall have the flexibility to amend, modify, or forbear from any regulation of new entrants under this subsection, or, consistent with the public interest, take other appropriate action, to provide a full opportunity for new entrants to compete in such services.".

On page 138, line 1, strike "(7)" and insert in lieu thereof "(8)".

Mr. STEVENS. Madam President, I am joined by the Senator from Hawaii in presenting this amendment.

At the time the bill was in the Commerce Committee, I raised concerns about the regulatory parity provision in this bill.

I thank the Senator from Hawaii and his staff working with me and my staff to produce this amendment that is acceptable to both sides.

I am pleased to join my good friend Senator INOUYE, the chairman of the Communications Subcommittee, in offering this amendment to address concerns I raised during the Commerce Committee's consideration of the regulatory parity provision in this bill. I thank the Senator and his staff for working with me to produce an amendment that is acceptable to both sides.

The regulatory parity provision reported by the Commerce Committee could give existing providers of commercial mobile services a tremendous competitive advantage over new entrants seeking to provide competition in these services. This amendment directs the Federal Communications Commission to consider the ability of new entrants to compete in these services and to take appropriate action—either through appropriate modifications of the commercial mobile services regime or through other appropriate means available under the law—to provide a full opportunity for new entrants to compete in these services. In simpler terms, it directs the Commission to provide a level playing field for those seeking to provide commercial mobile services.

Again, I thank my colleague, Senator INOUYE, and urge the adoption of this amendment.

Mr. INOUYE. Madam President, I rise in support of the amendment by Senator STEVENS. The amendment builds upon the regulatory parity provision of the reconciliation measure reported by the Commerce Committee. At the committee markup, Senator STEVENS expressed concerns over the regulatory parity provisions and I agreed to try and work out a compromise provision. I am pleased that we have been able to work out a provision that addresses his concerns in a way that is fair to all the providers of commercial mobile services.

The FCC is about to issue licenses for personal communications services [PCS] in the next year. I believe that these new services should be regulated under the same framework as the cellular services. The regulatory parity provisions ensure that all mobile services carriers, including cellular and PCS, are treated as common carriers. I also believe that the primary authority for regulating mobile services carriers should rest with the FCC, not with the States. This amendment does not change the need to create a similar regulatory framework for all mobile services carriers.

At the same time, I agree with Senator STEVENS that the FCC should have the flexibility to tailor its regulations to ensure that new entrants have the opportunity to compete. Overly burdensome regulations may hinder the development of these new services. Senator STEVENS' amendment will clarify that the Federal Communications Commission [FCC] has the flexibility in implementing the regulatory parity provisions to amend, modify, or forbear from any regulation of new entrants in the mobile services marketplace, such as personal communications services. I believe that this provision is a workable compromise between the interests of the cellular industry and new entrants in the PCS market.

Finally, I would like to clarify what this amendment is not about. This provision is not intended to take any view concerning how much spectrum should be allocated to PCS, and it does not express a view about who should be eligible for PCS licenses. These are matters that are better left to the FCC to decide, and I believe that it is inappropriate for the Congress to express a view on these technical matters.

Once again, I appreciate the opportunity to work with my good friend Senator STEVENS. I am pleased that we have been able to work out this language and I urge my colleagues' support.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment (No. 524) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. COHEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Delaware is recognized.

AMENDMENT NO. 525

(Purpose: To limit the tax rate for certain small businesses, and for other purposes)

Mr. ROTH. Madam President, on behalf of myself, Mr. WALLOP, Mr. PRESSLER, Mr. SHELBY, Mr. D'AMATO, Mr. HATCH, Mr. MACK, Mr. BURNS, Mr. COATS, Mr. BENNETT, Mr. BOND, Mr. STEVENS, and Mr. MURKOWSKI, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself, Mr. WALLOP, Mr. PRESSLER, Mr. SHELBY, Mr. D'AMATO, Mr. HATCH, Mr. MACK, Mr. BURNS, Mr. COATS, Mr. BENNETT, Mr. BOND, Mr. STEVENS, and Mr. MURKOWSKI, proposes an amendment numbered 525.

Mr. ROTH. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 486, between lines 3 and 4, insert the following new section:

SEC. 8203B. MAXIMUM SMALL BUSINESS TAX RATE.

(a) IN GENERAL.—Section 1 (relating to tax imposed), as amended by this subtitle, is amended by adding at the end the following new subsection:

"(j) MAXIMUM SMALL BUSINESS TAX RATE.—

"(1) IN GENERAL.—Except as provided in paragraph (4), if a taxpayer has taxable small business income for any taxable year to which this subsection applies, then the tax imposed by this section shall not exceed the sum of—

"(A) a tax computed at the rates and in the same manner as if this subsection had not been enacted on the greater of—

"(i) taxable income reduced by the amount of taxable small business income, or

"(ii) the amount of taxable income taxed at a rate below 31 percent, plus

"(B) a tax of 31 percent of the amount of taxable income in excess of the amount determined under paragraph (1).

"(2) TAXABLE SMALL BUSINESS INCOME.—For purposes of this subsection, the term 'taxable small business income' means, with respect to any taxable year, the least of—

"(A) the taxable income of the taxpayer for such year attributable to the active conduct of any trade or business of an eligible small business in which the taxpayer materially participates (within the meaning of section 469(h) (other than paragraph (4))),

"(B) the net earnings from self-employment (within the meaning of section 1402(a), applied without dollar limitation) of the taxpayer for such year attributable to the active conduct of such trade or business, or

"(C) the taxpayer's share of additions for such taxable year to the qualified retained earnings account of such trade or business.

For purposes of determining net earnings from self-employment under subparagraph (B), an S corporation shall be treated as if it were a partnership.

"(3) QUALIFIED RETAINED EARNINGS ACCOUNT.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified retained earnings account' means an account established by a trade or business—

"(i) which is designated as a qualified retained earnings account for purposes of this subsection,

"(ii) additions to which may only be made in cash,

"(iii) distributions from which may only consist of qualified distributions, and

"(iv) any earnings on which are not allocated to the account.

"(B) QUALIFIED DISTRIBUTIONS.—For purposes of subparagraph (A), distributions from a qualified retained earnings account shall be treated as qualified distributions if used—

"(i) to pay ordinary and necessary expenses paid or incurred in carrying on the trade or business of the eligible small business to which the account relates, and

"(ii) to pay the tax imposed under this subtitle on amounts in the account.

"(4) ADDITIONAL TAX ON NONQUALIFIED DISTRIBUTIONS.—

"(A) IN GENERAL.—If—

"(i) a distribution other than a qualified distribution is made from a qualified retained earnings account, and

"(ii) such distribution is made from additions to the account for a taxable year with respect to which paragraph (1) applied to the taxpayer by reason of such additions,

then the tax imposed by this section for the taxable year of the taxpayer with or within which the taxable year of the eligible small business in which the distribution was made ends shall be increased by the amount determined under subparagraph (B).

"(B) AMOUNT OF ADDITIONAL TAX.—The amount of tax determined under this subparagraph is an amount equal to the sum of—

"(i) the product of the taxpayer's pro rata share of the distribution described in subparagraph (A)(i) and the number of percentage points (and fractions thereof) by which the highest rate of tax in effect under this section for the taxpayer's taxable year exceeds 31 percent, plus

"(ii) the product of—

"(I) the amount by which the taxpayer's pro rata share of such distribution, when added to the taxpayer's pro rata share of previous distributions from additions to the account for the same taxable year, exceeds $135,000, and

"(II) the rate of tax imposed by section 1401(b) for the taxpayer's taxable year.

"(C) ORDER OF DISTRIBUTIONS.—For purposes of this paragraph, distributions shall be treated as having been made from the qualified retained earnings account on a first-in, first-out basis.

"(D) TREATMENT OF HEALTH INSURANCE TAX.—For purposes of this title, the tax described in subparagraph (B)(ii) shall be treated as if it were a tax imposed by section 1401(b).

"(5) ELIGIBLE SMALL BUSINESS.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'eligible small business' means for any taxable year a sole proprietorship, partnership, or S corporation the average annual gross receipts of which do not exceed $10,000,000 for any 3-taxable-year period ending before or with the preceding taxable year.

"(B) APPLICABLE RULES.—

"(i) SOLE PROPRIETORSHIP.—In the case of a sole proprietorship, only receipts in connection with a trade or business shall be taken into account.

"(ii) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as 1 person for purposes of subparagraph (A).

"(iii) SPECIAL RULES.—The rules of subsections (c)(3) and (d)(8) of section 448 shall apply for purposes of subparagraph (A).

"(6) YEARS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to any taxable year if the highest rate of tax set forth in subsection (a), (b), (c), (d), or (e) (whichever applies) for the taxable year exceeds 31 percent.

"(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations preventing the characterization of distributions for purposes of compensation or personal use as qualified distributions under paragraph (3)(B)(i)."

(b) CERTAIN TAXABLE SMALL BUSINESS INCOME NOT SUBJECT TO HI TAX.—Section 3121(a) (defining wages) is amended—

(i) by striking "or" at the end of paragraph (20),

(ii) by striking the period at the end of paragraph (21) and inserting "; or", and

(iii) by adding at the end the following new paragraph:

"(22) any taxable small business income (as defined in section 1(j)), to the extent such income exceeds $135,000.".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1992.

(d) EXTENSION OF CAPS.—

(1) FISCAL YEARS 1994 AND 1995.—The overall discretionary spending limits established in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 and 1995 as in effect on the date of enactment of this Act are reduced by—

(A) $4,452,000,000 in outlays for fiscal year 1994; and

(B) $5,233,000,000 in outlays for fiscal year 1995.

(2) FISCAL YEARS 1996, 1997, AND 1998.—

(A) IN GENERAL.—For fiscal years 1996, 1997, and 1998, there shall be caps on discretionary spending as provided in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 and 1995, subject to the provisions of subparagraphs (B) and (C).

(B) LEVEL OF LIMITS.—The discretionary limits on new budget authority and outlays for fiscal years 1996, 1997, and 1998 shall be—

(i) the levels assumed in H. Con. Res. 64, agreed to March 31, 1993, for such fiscal years, reduced by

(i)(I) $5,630,000,000, in outlays for fiscal year 1996;

(II) $6,031,000,000, in outlays for fiscal year 1997; and

(III) $6,352,000,000, in outlays for fiscal year 1998.

(C) EXTENSION OF LAW.—The provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 and the Congressional Budget Act of 1974 relating to the enforcement of the discretionary spending limit for fiscal years 1994 and 1995 are extended through fiscal year 1998 for the purpose of enforcing the limits set forth in this paragraph.

Mr. ROTH. Madam President, we all know the story about the goose that lays the golden egg. In the interest of time, I will spare you the details and take you right to the climax. The goose's owner, who now has become a greedy caretaker, kills the goose in an attempt to extract the eggs even before they are laid. And, in ironic consequence, he loses the very source of revenue he was seeking.

Today there are over 20 million small businesses in America. These valiant men and women were the exclusive source of all net new jobs from 1988 to 1990. In fact, they provide two of every three American workers with their first jobs and are expected to create 75 percent of the 43 million jobs needed over the next 25 years. Small business men and women represent over 99 percent of all employers and they employ over 65 percent of our Nation's private work force. Last year, alone, they created 40 percent of our Nation's new high-technology jobs. Not only is small business the primary source of American jobs, but as small businesses were putting people to work, big businesses, to become competitive in the global economy, were laying people off. Big business has laid off some 500,000 in the last few years alone.

Indeed, American small business is the goose that lays the golden egg. And now? Now President Clinton, with his tax increases, is trying to step in and kill the source of our Nation's good fortune. He is proposing to raise the top marginal tax rate for our small business men and women from 31 to 42.5 percent. This amounts to a 37-percent increase. And, in fact, for some, he wants to increase taxes to 45.9 percent. The simple truth is, small business cannot afford this kind of attack; the burden they are called on to bear is already onerous; this, for many, will prove fatal.

The facts are, Mr. President, that 80 percent of businesses in America are unincorporated; they pay taxes as individuals. President Clinton's proposal to increase taxes on these individuals will have a direct influence on their ability to hire and expand. Not only is he proposing to increase income tax rates from 31 to 36 percent for individuals earning over $115,000 and couples earning over $140,000, but he is eliminating the wage cap on the hospital insurance portion of FICA, which will also raise the tax rate of many self-employed business owners by another 2.9 percent.

But President Clinton does not stop here. Can you just see this poor goose laid out on the table? I sure can. On top of these tax increases, President Clinton is trying to place a 10-percent surtax on those who are most successful, usually those who are also employing the most people.

On top of all these increases, President Clinton and those supporting him in the Senate also want to hit small business men and women with a gas tax, increased paperwork and penalties. The President has now reneged on the promises he made during his campaign to help nourish and strengthen this precious source of revenue. As I have said, all told, the taxes President Clinton proposes will increase the top marginal rate for sole-proprietorships, S corporations and partnerships to 42.5 percent—and in some cases to 45.9 percent—rates much higher than that borne by our Nation's largest corporations.

Madam President, if you look at this table here, it shows that big business will pay a tax rate of 35 percent. That is an increase of 1 percent, from 34 to 35 percent. Mr. President, I ask unanimous consent that a copy of this table appear at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TAX RATES ON RETAINED BUSINESS PROFITS

[In percent]

	Clinton tax rate	Roth-Wallop-Pressler tax rate
Family farm earning $150,000	38.9	31
Family run restaurant earning $250,000	42.5	31
Small manufacturer earning $300,000	42.5	31
Big corporations earning $250 million	35	35

Mr. ROTH. Look what is happening to small business. A small manufacturer earning $300,000 will pay a top rate of 42.5 percent—42.5 percent—compared with 35 percent, which is what would be paid by big business.

Is that fair? Is that equitable? Does that make good sense when one stops and thinks that it is small business that is the creator of jobs and growth?

This is not only true on the small manufacturer, it is true on the family-run restaurant. There again, they will pay 42.5 percent, top rate, and big business will only pay 35 percent. Where is the fairness in that, Madam President?

Look at the family farm. The family farm that earns $150,000 will pay a tax rate of 38.9 percent. Its tax rates will go up from 31 to 38.9 percent, while big business—General Electric, IBM, and so forth—will only go from 34 to 35 percent.

Again, where is the fairness? Where is the equity?

Well, what President Clinton and his supporters in Congress are proposing is to make American small family businesses, farmers, restaurants, manufacturers, and others pay tax rates that are 21 percent more than the rates paid by our largest corporations, including foreign corporations.

This is a travesty, Madam President, one that we cannot allow to happen. The way to prosperity, the way to jobs, opportunity and growth, is by creating conditions in which American small business can thrive. And that is what we are proposing today with the Roth-Wallop-Pressler small business amendment. Rather than kill the goose, this amendment will allow it to go on producing; it will allow it to go on creating opportunities; it will allow for modernization, expansion, and jobs.

That is what we should be about here in the U.S. Senate. And let us begin with this amendment. The purpose of this amendment is to allow small business men and women to retain or reinvest their income in their businesses or family farms without subjecting that money to individual tax rate increases proposed by Clinton or to his unlimited Medicare hospital insurance wage tax.

In other words, this amendment exempts, from these higher rates, the active trade or business income that is retained or reinvested in the small business. And this amendment is completely paid for. It's paid for by reducing Federal spending by $27 billion. These cuts are enforced through caps on discretionary spending through 1998.

This amendment will cover businesses organized as sole proprietorships, family farms, subchapter S corporations or partnerships with $10 million or less in gross receipts. This amendment will limit growth in the public sector to create growth in the private sector.

The way this amendment works is straight forward, the profits that a small business man or woman chooses to leave in the business or farm will be taxed at the current rate of 31 percent rather than the higher rates that President Clinton's bill calls for. These reinvested profits will also be exempt from the 2.9-percent self-employment hospital insurance tax.

This amendment will not change the tax rates on wages or profits distributed for business owners or partners. It will, however, allow profits from these businesses to continue to be taxed at today's rates if they are properly retained or invested in the business.

Under this amendment, in order for a small business income to qualify for the reduced tax rate, the income must come from the active conduct of a trade or business in which the taxpayer is a material participant. This means that the taxpayer must actually work in that business.

There is no loophole here for investors, or those who do not spend a significant amount of time working in that business. This requirement means that the true entrepreneur will gain the benefit of this amendment, and not some taxpayer taking advantage of a loophole.

This amendment also requires that the lower rates only apply to active income. In other words, passive income or portfolio income will be taxed at the proposed higher rates, while profits that remain in the business will be subject to the current lower tax rates. Consequently, there is no way this amendment can be misconstrued as a tax break for the wealthy.

Let me give you an example of how it would work.

Let us assume a small manufacturer has $275,000 of taxable income. The $90,000 the businessowner takes out in wages will be taxed at the applicable tax rate, but the $150,000 that is spent on new machinery and the $35,000 that is kept in a retained account for future use and to pay tax liabilities will be taxed at the 31-percent rate.

This, Mr. President, is only fair. These industrious, risk-taking, men and women deserve not only our support, but our accolades. They are the men and women who are moving America forward. We have to listen to them. And here's what they're saying. From Michael Homlish in Dover, DE, I received this letter:

> DEAR SENATOR ROTH: I realize that it is an overuse of the parental term, but I am willing to use it again, especially as a parent of a family where both my wife and I work, and as a business owner overburdened by taxes, forms, and time-draining regulations. I am sick and tired!
>
> A.M. Matthews is a small business (under 100 employees) started in 1985. Government intervention into my endeavors takes me away from my primary goals, to make money, to expand, and to create jobs.
>
> (Government intervention) deprives me of the time I would enjoy in contributing artistically and culturally to our society. You can understand the amount of time required to raise children, work full-time, plus, participate constructively in our community and still reserve three hours out of every twenty-four for sleep.
>
> My wife works as a special education teacher for the State of Delaware. She graduated in 1976, and has worked as a teacher since her graduation. She devotes herself to improving the prospects of our children in the future. This is not a small endeavor. Her income enables us to do things we would not ordinarily be able to do. In our society, there is no easy way to exist without her income.* * *
>
> How can more taxes be good for me. (Because of them) my work force has decreased in the past two years. The government is not doing anything to help make more capital available to me to increase my endeavors, expand my services, or lighten my tax liabilities.
>
> The loss of jobs has affected my business, the economy has reduced my gross receipts, and the prospects of increased taxes, energy taxes, sin taxes, any kind of taxes is detrimental to my business. How am I to give raises with reduced incomes and increased expenditures?
>
> One of the greatest joys I have experienced was the day I realized that my endeavor had created jobs, and the resultant contributions to my community. Honestly, though, after eight years, I am enjoying now more headaches than happiness!

Mr. President, I hope my colleagues were listening to this letter. This is what the people at home are saying; it is what they're writing. Their frustration is tangible, and rightly so. We need to get Government off the backs and out of the pockets of hardworking Americans. People are willing to pay their fair share. But when Government spending is out of control, when Congress cannot make the hard choices, and when the President and his followers know of nothing more—despite their promises—than to go back and ask for more, it is time for Americans to say, "enough!" And that is what we see happening from Anchorage, Alaska to Wilmington, Delaware.

Now let's get the message; let us pass this amendment—it is paid for by reducing the growth of government spending—and let us get the economy moving again. According to the National Federation of Independent Businesses, or NFIB, this amendment:

> successfully addresses one of the most onerous effects of the higher rates—the fact that small business owners have to pay these high rates on money they have already reinvested back into their businesses. (This) amendment will allow business owners to pay lower taxes on business earnings that are plowed back in to the business. This will encourage business investment and will result in greater job growth. NFIB strongly supports (this) amendment. The vote on this amendment will be considered a Key Small Business Vote for the 103rd Congress.

Mr. President, let us pass this amendment. I have said it before, and I will conclude by saying it now: small business can survive without Government, but Government cannot survive without small business.

I ask unanimous consent a number of letters in support of my amendment be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL FEDERATION OF
INDEPENDENT BUSINESSES,
Washington, DC, June 24, 1993.

Hon. WILLIAM ROTH,
U.S. Senate,
Washington, DC.

DEAR SENATOR ROTH: On behalf of the over 600,000 members of the National Federation of Independent Business (NFIB), I want to commend you for offering an amendment to limit the tax rate for certain small businesses.

As you know, the reconciliation bill currently being debated by the Senate will dramatically increase the top marginal tax rate on successful small business owners. The top rate will jump from 31% to almost 45% for these businesses. Dramatically increasing the tax burden of our nation's employers will have an equally dramatic impact on their ability to employ.

Your amendment successfully addresses one of the most onerous effects of the higher rates—the fact that small business owners have to pay these high rates on money they have already reinvested back into their businesses. Your amendment will allow business owners to pay lower taxes on business earnings that are plowed back in to the business. This will encourage business investment and will result in greater job growth.

NFIB strongly supports your amendment and we will actively encourage your colleagues in the Senate to lend it their support. The vote on this amendment will be considered a Key Small Business Vote for the 103rd Congress.

Sincerely,

JOHN J. MOTLEY III,
Vice President,
Federal Governmental Relations.

AMERICAN FARM,
BUREAU FEDERATION,
Washington, DC, June 24, 1993.

Hon. LARRY PRESSLER,
U.S. Senate,
Washington, DC.

DEAR SENATOR PRESSLER: We have read, with interest, your description of the proposed amendment to the Senate Omnibus Budget Reconciliation Act sponsored by yourself, Senator Wallop and Senator Roth.

As we understand the amendment, it would allow profits from farm and ranches to be taxed as today's maximum rate of 31 percent if the profits were reinvested in the business. Since most of our farms are sole proprietorships, partnerships and subchapter S corporations, this would be much fairer than counting these reinvested profits as personal income.

The American Farm Bureau supports the adoption of this amendment and believes it would be an excellent incentive for reinvestment in American agriculture.

Sincerely,

RICHARD W. NEWPHER,
Executive Director, Washington Office.

NATIONAL ASSOCIATION
OF MANUFACTURERS,
Washington, DC, June 24, 1993.

Hon. WILLIAM ROTH, Jr.,
U.S. Senate, Washington, DC.

DEAR SENATOR ROTH: On behalf of the 8,000 small manufacturers who are members of the National Association of Manufacturers, I commend you on your efforts to amend the Senate tax bill currently under consideration to prevent the unfair and disproportionate tax burden to be levied on small business, including proprietorships, partnerships and S corporations. The National Association of Manufacturers strongly supports your investment incentive and job preservation amendment.

The amendment you will introduce with Senators Wallop and Pressler will prevent the taxation of earnings reinvested in the 21 million small businesses nationwide of which most, eight out of 10, will pay taxes as individuals rather than as corporations. As you know, the bill passed by the Senate Finance Committee will raise the current tax rate from 31 to 36 percent for most small businesses, while taxes for the largest businesses, those earning more than $10 million, would rise from 34 to 35 percent. This hardly seems like shared sacrifice for deficit reduction when the engine of job growth during the past decade has been small business, creating 11 million new jobs.

The NAM estimates that $45 billion of the $135 billion in total individual tax increases in the Senate Finance Committee-passed tax bill will be paid by small businesses. Thus, approximately a third of this tax increase will be borne by small business. Your amendment will help to rectify this unfair tax burden.

Sincerely,

JERRY J. JASINOWSKI.

STATEMENT OF JULIE LEIGH GACKENBACH, DIRECTOR, TAX POLICY, UNITED STATES CHAMBER OF COMMERCE

WASHINGTON, D.C., June 24, 1993.—The United States Chamber of Commerce on behalf of its 215,000 businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 65 American Chambers of Commerce abroad congratulates Senators Roth, Wallop and Pressler for highlighting a critical problem facing small business in the budget reconciliation bill.

The Chamber is particularly pleased that Senators Roth, Wallop and Pressler have embraced an approach recommended by the Chamber early in the budget process. The Chamber, whose membership is over 95 percent small business, was the first to identify the anomaly of the effect of the higher individual rates on small businesses. Chamber representatives brought this issue to the attention of the White House and the Treasury Department shortly after the President's economic plan was presented in February. In March testimony before the Ways and Means Committee, the Chamber outlined the problem, and first proposed the idea of applying the current law rate of 31 percent to retained earnings of small businesses.

More than 21 million small businesses operate as Subchapter S corporations, partnerships or sole proprietorships and pay taxes as individuals rather than corporations. As such, the proposed increase in the top individual income tax rate to 36 percent and the 10 percent surtax will be particularly punitive to these businesses. In fact, these businesses will experience over a 27 percent increase in their maximum tax rate.

These small businesses are the engines of economic recovery. In ordinary times, small businesses account for one-half of all new job creation; in times of recovery, this number jumps to 75 percent. Increasing the tax on the retained earnings of these businesses leaves them with less capital to invest, grow and create new jobs. Providing an exemption from the proposed new individual income tax rates and the medicare self-employment tax would help ensure that these businesses have the capital needed for expansion.

As American businesses struggle to recovery from a recession and to meet the financial demands of new regulatory initiatives, imposing dramatic increases in their tax liability would penalize these companies at the very time when they can least afford the additional burden. As we said in our June 23rd letter, we urge the Senate to return the entire bill to committee to be redrafted to incorporate the small business relief suggested by Senators Roth, Wallop and Pressler, as well as other changes necessary to create a package which will improve the environment for small business and encourage long-term economic growth.

BUSINESS AND
INDUSTRIAL COUNCIL,
Washington, DC, June 24, 1993.

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U.S. Senate, Washington, DC.

DEAR SENATOR ROTH: I write to endorse your Small Business Amendment to the tax bill, which you have offered with Senators Wallop and Pressler. The Roth-Pressler-Wallop amendment will exempt income reinvested or retained in a small business or family farm from tax rate increases proposed by the Clinton Administration and approved by the Senate Finance Committee.

Of course, we would prefer to see all these tax increases struck from the bill. But like you, we recognize the special importance of the sole proprietorships, partnerships, S corporations and other small businesses your amendment would protect. By some estimates, the Clinton/Finance Committee package would hike taxes for such taxpayers to 44.5%, a breathtakingly high level reminiscent of the "malaise days" of the late 1970s. It is truly astonishing how quickly Washington forgets the lessons of the recent past.

I would like to take this opportunity to reiterate our belief that any tax hike will only fuel deficit spending and hamper American competitiveness. I hope the Senate will support your amendment. If you have any questions or comments, please feel free to call our offices at (202) 662-8744.

Sincerely yours,

KEVIN L. KEARNS,
President.

I yield the floor.

Madam President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 14 minutes and 9 seconds remaining.

Mr. PRYOR. Madam President, it is my understanding the chairman of the Finance Committee, Senator MOYNIHAN, is going to manage our time. I do not see Senator MOYNIHAN at this time. I see the chairman of the Budget Committee, Senator SASSER, coming.

Mr. SASSER. Let me say to my friend from Arkansas, this falls within the Finance Committee's jurisdiction, as he knows. The distinguished chairman of the Finance Committee was here just a moment ago.

In his absence—here he is at the moment. I will turn this matter over to the distinguished chairman. I might say the distinguished Senator from Arkansas requested time to speak.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Madam President, may I inquire of my colleague, would the Senator from Arkansas wish to go first?

Mr. PRYOR. I will be glad to go first.

Mr. MOYNIHAN. I yield 5 minutes to the distinguished and able Senator from Arkansas, following which there will be 10 minutes to the Senator from New Jersey. The Senator from Louisiana will, I believe, wish to speak, and then so shall I.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. I thank the distinguished chairman for yielding to me this 5 minutes. I will keep my remarks within that 5-minute scope, I hope, Madam President.

Madam President, let us talk about what is going on here today and yesterday. This is something that is truly not a serious effort, nor do they expect a serious result, I think, from the other side of the aisle as to the approval of this particular amendment.

I would like, if I might, Madam President, to give a scorecard of what would have happened to the deficit, if in the last several days each amendment offered by the other side of the aisle been accepted and approved either by the Finance Committee or by the U.S. Senate.

First, last Friday morning, the Republicans on the Finance Committee, when they had their opportunity to do something serious about deficit reduction offered nine amendments in the committee. Had all of those nine amendments been accepted, the deficit would have increased by $46 billion.

Then we get to the floor when Senators DOLE and PACKWOOD and DOMENICI offered their particular substitute amendment—just yesterday, Madam President. Had that amendment been accepted, our deficit, relative to the Clinton plan, would have increased, not decreased, increased by $140 billion.

Madam President, on yesterday afternoon, Senator NICKLES, our good friend from Oklahoma, offered an amendment to totally strike the transportation fuel tax from this deficit reduction program; $25.3 billion would have been lost had the Nickles amendment been accepted—$25.3 billion added to the deficit.

And then our friend this morning, Senator LOTT, from Mississippi, comes and offers his amendment to strike the so-called Social Security tax on the very upper income of Social Security recipients. Had that amendment been agreed to, $26 billion would have been added to the deficit.

And now here we are in the final hours of this debate on the most massive deficit-reduction program proposal ever proposed to the U.S. Congress by any President of the United States. It is now before us about ready to be voted on. We see our friends from the other side of the aisle come forward with an amendment to strike all of the small business taxes, as they call it. What is the cost of this amendment, Madam President? Twenty-seven billion dollars in increases to the Federal deficit, with no specific spending offsets.

So the total, had we accepted, in the Finance Committee and on the floor, all of the amendments proposed by the other side of the aisle, had we accepted those amendments and this amendment offered at the present time, we would see our deficit not decrease, we would see our deficit increase by the grand total of $274 billion, relative to the Clinton plan.

So the question is, Is their proposal serious? Have any of their proposals been serious about deficit reduction? The answer is, of course, a resounding no.

The question is, are their proposals fair? Of course, Madam President, they are not fair to the hard-working middle class.

Mr. SASSER. Will the Senator from Arkansas yield for a question?

Mr. PRYOR. I will be glad to yield.

Mr. SASSER. I was just sitting here looking at that chart and was struck by it. In other words, that chart indicates that our Republican colleagues offered nine amendments in the Finance Committee that would have raised the deficit by $46 billion?

Mr. PRYOR. That is correct.

Mr. SASSER. This happened in the committee?

Mr. PRYOR. That was in the committee.

Mr. SASSER. Then when we came to the floor, the Dole-Packwood-Domenici Republican alternative had over $140 billion less deficit reduction than the Clinton plan.

Mr. PRYOR. The Senator is correct.

Mr. SASSER. Then that was followed by the Nickles amendment to strike the transportation tax that would have raised the deficit an additional $25 billion?

Mr. PRYOR. That is correct.

Mr. SASSER. Then the Lott amendment on Social Security would have raised the deficit an additional $26.3 billion if it had passed?

Mr. PRYOR. The Senator from Tennessee is absolutely correct.

Mr. SASSER. Now the Roth amendment would raise the deficit by another $27 billion, is that correct?

Mr. PRYOR. By $27 billion.

Mr. SASSER. So, if our Republican colleagues had been successful with all of these tax breaks, or tax writeoffs that they were offering, we would be $274 billion more in debt than we will be if they do not pass?

Mr. PRYOR. The Senator has accurately reflected this chart.

Mr. SASSER. I just must say to my friend from Arkansas, I had visions of 1981. This is exactly what happened in 1981: All of these great measures to reduce taxation but no spending cuts. I ask my friend from Arkansas, in these measures that they have offered that raise the deficit and cost revenue, do you know of a single specific spending cut that our Republican friends have offered?

Mr. PRYOR. I will respond to the Senator from Tennessee. I have been anxiously waiting not only in the committee but also on the floor, but I have seen no specific cuts.

Mr. SASSER. I must say to my friend, that is passing strange to me that a group that has been talking for days, weeks, months about not enough spending cuts, we have not been cutting spending enough, offered not one single specific spending cut, yet they want to raise the deficit by an additional $274 billion through deleting those revenues from the Treasury.

Mr. PRYOR. The Senator is absolutely correct.

Mr. SASSER. I will just conclude by saying this to my friend from Arkansas. This is exactly what got us in this soup in 1981, when they reduced revenues by 20 percent but there were no cuts to compensate.

Mr. PRYOR. Madam President, could I have 20 additional seconds from the chairman?

Mr. MOYNIHAN. Most assuredly.

Mr. PRYOR. Madam President, I will say, in conclusion, after watching this whole week develop and seeing what the President is proposing, seeing what the Republicans have offered, it just reminds me of the old belief that I have always had that Republicans, as good as they are, as friendly as they might be, really do not oppose taxes; they just oppose rich people paying taxes. And that is what this debate is about this afternoon. I thank the Chair.

Mr. ROTH. Will the distinguished Senator yield for a question?

Mr. PRYOR. On your time. I have no time left.

Mr. MOYNIHAN. My dear friend from Delaware wishes——

Mr. ROTH. I will wait until later.

The PRESIDING OFFICER. The Senator from New Jersey has the floor for 5 minutes.

Mr. BRADLEY. Madam President, I would like to take my time to ask the sponsor of the amendment a few questions. Will he be willing to answer a few questions about this amendment?

Mr. ROTH. On your time.

Mr. BRADLEY. Absolutely on my time.

Madam President, I find it sometimes interesting when proposals that come to the floor are described one way but the effect is quite a different way. I would like to just get a clearer idea of what the amendment is that the Senator is proposing.

Could you succinctly describe what the amendment does?

Mr. ROTH. What my amendment does, is to provide that profits that are retained in the business will be taxed at the current rate of 31 percent. Wages or profits that are distributed to the owner will pay taxes at the higher rate proposed by the administration.

Mr. BRADLEY. Do you think that this arrangement could be handled by any subchapter S corporation without the help of a tax accountant or a tax lawyer, or do you think they will need a tax lawyer and tax accountant?

Mr. ROTH. I find that there is very little you can do tax-wise today without a tax lawyer.

Mr. BRADLEY. Good. I think it is very important then that we make that clear. As I understand, you are saying that if a business, a subchapter S corporation makes $500,000 but puts $100,000 into a retained account, that retained account will have a tax of only 31 percent and the rest will have a tax, the other $400,000, of 36 percent; is that correct?

Mr. ROTH. Basically, that is correct.

Mr. MOYNIHAN. I wonder if my friend from New Jersey will allow me to ask him a question on our time?

If you were a prospering law firm, which is typically an S corporation, would this not enable you to take what would otherwise be personal income taxed at 36 percent and put it into an account which earns interest on which you pay nothing?

Mr. BRADLEY. If a law firm is an S corporation.

Mr. MOYNIHAN. And many are.

Mr. BRADLEY. It would certainly, as I read it, allow that.

Mr. MOYNIHAN. Would you describe this as tax avoidance?

Mr. BRADLEY. I think it is clearly avoidance of a higher rate of tax and, therefore, tax avoidance; yes. I think it needs to be clear. The real question is, you make $500,000 and you decide to take $100,000 and put it in a retained account. How long can the money stay in the account before you have to buy something?

Mr. ROTH. There is no time limit placed on that.

Mr. BRADLEY. No time limit, so it can stay in there forever.

Mr. ROTH. But I point out to the distinguished Senator that any interest made on that would be taxed at the higher rate because the funds have to be used actively.

Mr. BRADLEY. How long must the money stay in the retained account in order to get the 31-percent rate?

Mr. ROTH. There is no specific time.

Mr. BRADLEY. How long must it stay in the account?

Mr. ROTH. Until the end of the year.

Mr. BRADLEY. So you can put it in on December 31 and take it out on January 1?

Mr. ROTH. If you do that, when you take it out, of course, you become liable for the higher tax rate. And we do provide for authority for the IRS to establish whatever regulations are necessary to ensure that the funds are used for the purpose intended.

Mr. BRADLEY. Can you take money out of a savings account and put it into a retained account?

Mr, ROTH. I am sorry, I did not hear you.

Mr. BRADLEY. Can you take money out of a savings account and put it into a retained account?

Mr. ROTH. No, that would not be correct because that would not be "profits" of the company.

Mr. BRADLEY. In this retained account, what kind of assets can you buy? You are paying 31 percent on this $100,000. What can you buy now with this money in your retained account?

Mr. ROTH. It would have to be business assets.

Mr. BRADLEY. Business assets.

Mr. ROTH. Relevant to the business.

Mr. BRADLEY. And that could be anything?

Mr. ROTH. It would have to be assets relevant to the business.

Mr. WALLOP. If the Senator will yield, I think the phrase in there is "active trade or business."

Mr. BRADLEY. So you can invest in Treasury bills?

Mr. WALLOP. Clearly not, Senator, and I think the Senator well knows that.

Mr. BRADLEY. I do not know; that is why I am trying to ask these questions.

Mr. ROTH. Whatever is spent has to be spent for ordinary and necessary expenses of the business.

Mr. BRADLEY. So you cannot spend the money on any kind of business trip or vacation?

Mr. ROTH. No; that is correct.

Mr. BRADLEY. You cannot. OK. How do you keep track of this money in the account? Do you have to keep track of it forever?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BRADLEY. Oh.

Mr. MOYNIHAN. You have 1 further minute.

Mr. BRADLEY. I have only one more question—I have a lot of questions but clearly there are aspects of this amendment that have not been thought out. There is a limit here. The company cannot earn more than $10 million and be eligible for this; is that right?

Mr. ROTH. That is correct—$10 million in gross receipts.

Mr. BRADLEY. So if they make 10 million and 1 dollars, they are automatically at the 36-percent rate. There is no kind of phaseout, right? You automatically get to the top?

Mr. ROTH. It is an average over 3 years, for the $10 million test.

Mr. BRADLEY. So you reach back? You have to average $10 million over 3 years?

Mr. ROTH. That is correct.

Mr. BRADLEY. The deductions you take against the total amount of your income—do you take it against the 31 percent or the 36 percent rate? You make $500,000, you put $100,000 into——

Mr. ROTH. Thirty-one percent.

Mr. BRADLEY. So you would have to set up two separate tables for deduction: One table against the 31 and one table against the 36?

Mr. ROTH. The income and expenses are both subject to the 31-percent rate.

Mr. BRADLEY. So you would only get a 31-percent deduction even if you are making $500,000, and you are paying a 39-percent rate on $400,000?

Mr. ROTH. As you understand, it has to be left in the business to be eligible for the 31 percent.

Mr. BRADLEY. So you are saying, therefore, it requires two sets of deduction tables: One against the 31 percent rate and one against the 36-percent rate, adding complexity to the whole system.

Mr. ROTH. If I might say so, the complexity comes about because of the proposal of the Clinton administration. I would be very, very happy to do away with all these higher rates which I think are creating the complexity that you are complaining about. So that all we are trying to do is take a complex situation and provide a means of enabling our small businesses to continue to grow, expand, and create jobs. The easiest way to do that would be to eliminate all of the increases in tax rates, and I would be happy to urge that, if the Senator would join me.

Mr. BRADLEY. I thank the Senator for attempting to clarify this. It still is not crystal clear in my own mind how this will work. I am sure if it becomes law, a lot of tax lawyers will tell us how it will work. I hope it does not become law.

The PRESIDING OFFICER (Mr. AKAKA). Who yields time?

Mr. ROTH. Mr. President, I yield the Senator from South Dakota 3 minutes.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. PRESSLER. Mr. President, we have heard many arguments, but I think the basic summary of what is happening is that this bill should be called the Small Business Tax Act of 1993. The Federal tax rate is going to 42.5 percent for small businesses. With other taxes, most small businesses in this country will be in the 50 percent tax range.

Now, big business frequently likes Government. Big business enjoys regulation. It enjoys subsidies. Small business gets neither. Why have we not heard that this is the Small Business Tax Act of 1993? It is because the media and the Washington culture do not like the culture of small business, entrepreneurship, profit making, and job creation. These are the things that have built our country.

This bill will bring our small businesses into the 50 percent tax range. It is not a bill that taxes the rich. It taxes small business and nobody in the country knows about it or understands that. Let us remember that the President's budget reconciliation bill should really be called the Small Business Tax Act of 1993.

Mr. President, I have here statements from several organizations: The National Federation of Independent Business, the American Farm Bureau Federation, the National Association of Manufacturers, U.S. Chamber of Commerce, U.S. Business Industrial Council, Independent Insurance Agents of America, Associated Builders and Contractors, and others, all talking about the rate of taxation that is going to fall on small business.

This bill could also be entitled the "50 Percent Tax Rate for Small Business in the United States" bill. For the first time in history, our small businesses will be paying taxes at a higher rate than our large corporations. For the first time, small businesses and family farms will be paying 50 percent income taxes when you add in the State, local and energy taxes on their profits.

Mr. President, I ask unanimous consent to have printed in the RECORD letters from these various groups.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE ISSUE IS JOBS—SUPPORT SMALL BUSINESS AMENDMENTS

DEAR SENATOR: On behalf of the over 600,000 members of the National Federation of Independent Business (NFIB), I urge you to support amendments that may be offered to help mitigate the impact of S. 1134, the Omnibus Budget Reconciliation Act of 1993, on small business owners.

This bill will have a serious and deleterious impact on our nation's small business community. The increase in taxes and the resulting economic downturn will slow what the President has referred to as "our nation's job generator." NFIB supports amendments that would—

(1) reduce the impact of the *personal rate increases* by increasing section 179 expensing, by allowing small business owners to use cash accounting, and/or by excluding them from the rate increase altogether;

(2) eliminate the provision of the bill that will create a *paperwork nightmare* for small business owners by requiring them to fill out form 1099 on corporations that provide them services; and

(3) permanently extend the *25% deduction for health insurance* for self-employed business owners.

NFIB encourages you to support these and any other amendments to help small business owners contend with the tax increases of S.1134. Votes on these amendments will be considered Key Small Business Votes for the 103rd Congress.

Sincerely

JOHN J. MOTLEY III,
Vice President,
Federal Governmental Relations.

JUNE 23, 1993.

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
Washington, DC, June 24, 1993.

Hon. LARRY PRESSLER,
U.S. Senate, Washington, DC.

DEAR SENATOR PRESSLER: On behalf of the over 600,000 members of the National Federation of Independent Business (NFIB), I want to commend you for offering an amendment to limit the tax rate for certain small businesses.

As you know, the reconciliation bill currently being debated by the Senate will dramatically increase the top marginal tax rate on successful small business owners. The top rate will jump from 31% to almost 45% for these businesses. Dramatically increasing the tax burden of our nation's employers will have an equally dramatic impact on their ability to employ.

Your amendment successfully addresses one of the most onerous effects of the higher rates—the fact that small business owners have to pay these high rates on money they have already reinvested back into their businesses. Your amendment will allow business owners to pay lower taxes on business earnings that are plowed back in to the business. This will encourage business investment and will result in greater job growth.

NFIB strongly supports your amendment and we will actively encourage your colleagues in the Senate to lend it their support. The vote on this amendment will be considered a Key Small Business Vote for the 103rd Congress.

Sincerely,

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Vice President,
Federal Governmental Relations.

AMERICAN FARM
BUREAU FEDERATION,
June 24, 1993.

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As American businesses struggle to recover from a recession and to meet the financial demands of new regulatory initiatives, imposing dramatic increases in their tax liability would penalize these companies at the very time when they can least afford the additional burden. As we said in our June 23rd letter, we urge the Senate to return the entire bill to committee to be redrafted to incorporate the small business relief suggested by Senator Roth, Wallop and Pressler, as well as other changes necessary to create a package which will improve the environment for small business and encourage long-term economic growth.

NATIONAL ASSOCIATION
OF MANUFACTURERS,
Washington, DC, June 23, 1993.

DEAR SENATOR: There is no more important issue facing the U.S. Congress today than the creation of jobs for Americans. This is a stated goal of the Clinton Administration and a key objective of the 12,000 members of the National Association of Manufacturers.

The deficit reduction plan currently before the Senate contains a fundamental flaw in the way it treats the nation's small businesses, which, as you know, have been the principal engine of job growth in this country for well over a decade. Crazy as it sounds, under this budget plan small businesses will pay a higher effective tax rate than Fortune 500 companies.

The bill passed by the Senate Finance Committee will raise the current tax rate from 31 to 36 percent for Subchapter S corporations, while taxes for the largest businesses would rise from 34 to 35 percent. Subchapter S firms with taxable income over $250,000 will be hit with an additional 10 percent surtax, plus an increase in their Social Security tax, thereby hiking their effective tax rate to a whopping 42.5 percent. This increased tax burden even applies to income reinvested in the business! This is no way to create jobs or spur investment.

The NAM has calculated that, at a minimum, small businesses will pay $45 billion of the $135 billion in increased "individual" taxes that purportedly will be collected from "the rich." That's $45 billion that otherwise would be invested in new plants and equipment, R&D and, most importantly, new jobs. The disproportionate burden imposed on small businesses would stifle the very engine of our economic recovery at the time we most need it.

The NAM is making a broad appeal for a bipartisan fix to this anti-competitive and unfair tax increase. We need to distinguish between business and individual income earned by Subchapter S corporations, holding the taxation of reinvested income at the original 31 percent rate. This money is needed to grow businesses; to invest in new equipment, to hire additional workers, to provide profit-sharing and other benefits, to expand exports, and so forth.

It makes absolutely no sense that the increase in the tax bite for many small businesses could be up to 12 times higher than for larger corporations. We urge your support of provisions to eliminate the punitive nature of the tax bill on our nation's chief job creators.

Sincerely,

JERRY J. JASINOWSKI.

U.S. BUSINESS AND INDUSTRIAL COUNCIL,
Washington, DC, June 24, 1993.

Hon. LARRY PRESSLER,
U.S. Senate,
Washington, DC.

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Of course, we would prefer to see all these tax increases struck from the bill. But like you, we recognize the special importance of the sole proprietorships, partnerships, S corporations and other small businesses your amendment would protect. By some estimates, the Clinton/Finance Committee package would hike taxes for such taxpayers to 44.5%, a breathtakingly high level reminiscent of the "malaise days" of the late 1970s. It is truly astonishing how quickly Washington forgets the lessons of the recent past.

I would like to take this opportunity to reiterate our belief that any tax hike will only fuel deficit spending and hamper American competitiveness. I hope the Senate will support your amendment. If you have any questions or comments, please feel free to call our offices at (202) 662-8744.

Sincerely yours,

KEVIN L. KEARNS,
President.

INDEPENDENT INSURANCE AGENTS
OF AMERICA, INC.,
Washington, DC, June 23, 1993.

Hon. LARRY PRESSLER,
Senate Hart Building,
Washington, DC.

DEAR SENATOR PRESSLER: The Independent Insurance Agents of America (IIAA), comprised of nearly 300,000 small business people, strongly supports the Roth-Wallop-Pressler small business amendment. We commend you and your colleagues for offering a proposal that will help small business expand, modernize and create jobs.

The Finance Committee proposal severely penalizes Subchapter S corporations, sole proprietorships and partnerships. Your proposal, which recognizes the role small business plays in the economy, maintains more equitable tax treatment for small entrepreneurs.

Sincerely,

ROBERT A. RUSBULDT,
Vice President,
Federal Government Affairs.

ASSOCIATED BUILDERS
AND CONTRACTORS, INC.,
Rosslyn, VA, June 23, 1993.

DEAR SENATOR: Associated Builders and Contractors (ABC) opposes the Senate Finance Committee Budget Reconciliation bill. We believe the higher and new taxes will unfairly fall on small businesses, which make up a large part of the ABC membership. These rate increases and additional taxes will not help the economy or drive down the deficit, reduced spending will. We urge more spending cuts and point out that the cuts outlined for the "out-years" are vague and unspecified. President Clinton started out with a package he thought would contribute to the prosperity of small businesses and the growth of jobs. Instead, ABC suggests that the Senate version of this bill will result in job loss, extraordinary costs to small businesses and an economic downturn without measurable deficit reduction.

Our chief concerns with the Senate bill are as follows:

The addition of a 4.3 cents per gallon tax on all transportation fuels. ABC has always opposed the diversion of transportation taxes away from their dedicated purpose. ABC believes it is logical that those who benefit most from the use of transportation systems pay for the construction and upkeep of the infrastructure. Our position on this issue has been that if there has to be an energy tax to generate revenue, it should be one that is truly broad-based and applied evenly to all forms of energy. Simply put, higher gasoline prices and the continued diversion will have a direct bearing on the Highway Trust Fund. If a higher price at the pump yields less in gas tax receipts and no increase in the monies going to the Trust fund, full funding of ISTEA is then jeopardized, as are other planned surface transportation projects.

The new higher individual rates will affect S-corporations. Many of our smaller members or family-owned businesses select this tax status. ABC urges your support of the Roth-Wallop-Pressler amendment which exempts active trade or business income reinvested or retained in a small business from the increased individual tax rates and the unlimited Medicare hospital insurance wage tax. This amendment is directed at sole proprietorships, S corporations and partnerships with $10 million or less in gross receipts.

Not only will S-corporations get hit with a rate increase of 36 percent, they will also be affected by the 10 percent surtax on taxable incomes over $250,000 and capital gains. In addition, the increase in the individual alternative minimum tax (AMT) rate to 26 or 28 percent will also be levied on them.

We oppose the lower rate of $15,000 for direct expensing of equipment by small businesses. As you recall, the House version of this provision was well-received by the small business community as a substitute for the Administration's investment tax credits.

ABC opposes the elimination of the deduction for lobbying expenses. Should this proposal pass, it will do a disservice to millions of small businesses who depend on national, state or regional associations that represent them in their legislatures. This measure will effectively exclude many constituencies who may be large in number but limited in terms of resources such as time, knowledge and money.

Thank you for your consideration and the opportunity to express our views on these important tax issues facing small business.

Sincerely,

CHARLOTTE W. HERBERT,
Vice President,
Government Affairs.

Mr. PRESSLER. Mr. President, I rise today, as an original sponsor of this amendment and the ranking member of the Small Business Committee, to urge adoption of this important measure. This amendment is absolutely critical to the success of small business and job creation in our country.

The reconciliation measure before the Senate strikes small businesses like a double-edged sword. It would require small businesses to pay higher taxes than America's largest corporations. In return, it gives them no significant reductions in Government spending.

After studying the President's tax bill and watching the actions of the House of Representatives, I had to ask myself, could there be a tax plan any worse for America's small businesses? I didn't think it was possible. I was wrong. The Senate Finance Committee has modified the President's plan to make it even worse for this Nation's No. 1 job creator—the small business sector.

The only good news for small business in the House-passed tax bill was the $25,000 expensing allowance designed to replace the President's promised investment tax credit. But, the Finance Committee took care of that and lowered the expensing allowance to $15,000—raising it on the Senate floor to $20,500. In addition, it imposed a surtax on capital gains for those who earn more than $250,000 per year—a direct assault on family-owned businesses and farms passed from one generation to the next. Mr. President, there is nothing left for small business in this bill.

Eighty percent of businesses in this country pay taxes as individuals, not corporations. They are sole proprietorships, subchapter S corporations, and partnerships. A great majority of the so-called wealthy who are targeted for increased taxes under the President's plan are small businesses.

The new top income tax rate for small businesses will increase from the current 31 percent of an effective rate of nearly 45 percent, after adding up the impact of the two new brackets, an unlimited Medicare tax and the phasing out of various deductions. All this comes, don't forget, before America's entrepreneurs are asked to pay the cost of mandated health care.

By increasing the top effective small business tax rate, the President's plan punishes the very people we are counting on to get our economy moving again. As a matter of fact, 52 percent of those making over $100,000 are small businesses—and 66 percent of those making over $200,000 are small businesses.

As a result of President Clinton's proposed tax increases and new Government mandates, small business optimism recently nosedived, pushed downward because of broad uncertainty among entrepreneurs and consumers. The result? Small business owners are afraid to hire new people. The temporary help industry in this country is booming. Businesses are afraid of higher taxes and all that comes with them—lower profits, increasing Government mandates, and an overpowering regulatory environment.

According to statistics from the Department of Labor, what businesses are now paying in overtime to current employees alone could provide over 1 million new jobs. Mr. President, Congress is doing nothing to inspire confidence among America's small business women and men.

In addition, Mr. President, this tax plan is absolutely unfair. How much will corporations with taxable incomes of $250 million be taxed in the President's plan? The answer is 35 percent—up from 34 percent. At what rate will small businesses earning $250,000 be taxed in the President's plan? Almost 45 percent—up from 31 percent. Does this sound fair to you?

Our amendment will allow businesses to continue paying at the current tax rate of 31 percent for all active trade or business income retained or reinvested in the business or family farm. This amendment will help small businesses expand, modernize, and create jobs. I am proud to say this amendment encompasses many of the provisions of legislation I introduced last month—S. 947, the Small Business Tax Fairness Act of 1993. It has evolved from an amendment I offered to the original budget resolution on March 23 of this year.

Opponents of this amendment will tell you this amendment will be a tax break for the wealthy. This is one of the oldest and most overused arguments in the Senate—and it simply is not true.

Our amendment was carefully crafted. Profits that are reinvested or retained in the business or farm will continue to be taxed at the current 31 percent rate, rather than the proposed 36- or 39.6-percent rate. Those profits also would be exempt from the 2.9-percent self-employment hospital insurance tax.

This amendment would not change the tax rate on wages for business owners or partners, so no fat cat law firm partners or investment bankers would get a reduced rate on the income they take home. In addition, the 31-percent rate would apply only to active income.

The President and certain members of Congress do not seem to grasp the simple proposition that small businesses respond to incentives and disincentives. Additional taxes and more Government intervention represent serious disincentives. Our Tax Code should encourage small businesses to start up, expand, and create jobs. This bill does not.

On a related matter, I want to mention an amendment I plan to file shortly to eliminate new, onerous paperwork requirements being placed on small businesses by this bill.

Hidden deep within the tax bill is a provision that will come to be known as the section 89 of the 1993 reconciliation bill. It will require businesses to compute, complete, and send billions of pages of new information to the IRS. The IRS admits it won't be able to use this information for as long as 6 years. The New York Times has aptly described this initiative as a blizzard of paperwork. Forcing small business to comply with the bureaucracy and inefficiency of this new paperwork initiative put forth by our friends across the aisle will add yet another unnecessary burden on small business in America.

Small businesses and family farmers have made it very clear they want the Federal Government to stop reckless spending before asking for new taxes. Spending cuts are hard, but absolutely necessary. I am willing to work together in a bipartisan effort to get our deficit under control. However, I will fight to the end attempts to sacrifice small businesses, farms, and middle-class families to excessive new taxes before we have exhausted every possible means of cutting spending.

Mr. President, this amendment has nothing to do with tax breaks for the wealthy. It has everything to do with providing incentives for our small businesses to expand and create jobs. I urge all of my colleagues to look beyond the rhetoric to the facts. If they do, they quickly will understand the benefits of the approach taken by this amendment and support its passage.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. I yield 5 minutes to the able and learned Senator from Montana.

Mr. BAUCUS. I thank the Senator.

The PRESIDING OFFICER. The Senator from Montana [Mr. BAUCUS] is recognized.

Mr. BAUCUS. Mr. President, a couple of points. No. 1, this is a deficit increase amendment. This cost $27 billion. There are ostensibly offsets in this amendment. The offsets are just a cap to discretionary spending. There is not a Senator who believes those offsets are valid. Therefore, this is a $27 billion deficit increase amendment.

That is very significant because small business depends mightily on low interest rates, low long-term rates, low short-term rates. If this amendment passes, it will increase the deficit by $27 billion, and this budget deficit reduction will begin to unravel. The financial markets in this country and in the world are going to believe this country cannot get its house in order, cannot get its financial house in order. We are going to see interest rates begin to go back up, devastating small business.

Point No. 2.

Mr. ROTH. Will the Senator yield?

Mr. BAUCUS. Not yet. I do not have time. I would like to.

Point No. 2. Although it is true unincorporated businessmen, partnerships, and subchapter S individuals would pay a higher rate, that is, about 40 percent, as opposed to the corporate rate in this bill of 35 percent, that is only a part of the story. That is not the whole story.

There is a very good reason, Mr. President, why these business people who, by the way, earn an average about $500,000 a year, do not convert to seed corporations. This is the standard garden variety corporations. That is the reason why they stay subchapter S and partnerships. The reasons are simple. Because even though they pay a slightly higher rate than corporations on their income, they pay only once. The 40 percent is once.

The corporation, on the other hand, has to pay the slightly lower rate but the individual, if he is to realize the income, must receive his income in dividends and he must pay a second time.

Take two companies. A subchapter S receives $100 in income, a corporation receives $100 in income. Forty percent to the subchapter S in tax. That means $60 is left over for the partner, for the individual; 35 percent rate to the regular corporation, $65 left to the regular corporation. If that is distributed, the shareholders must pay taxes on that. He gets $39.

So subchapter S partnership individuals in the end have much more income taxed at a much lower combined rate than corporate individuals.

So I say this, Mr. President. If we look at who really is affected by this, the fact is that nearly 7 million individual tax returns reflect business income in excess of wage income. And of that number only 4.2 percent would be subject to higher rates under this bill. I must say the average income of these individuals as represented by their tax returns is $560,000—the average return of businessmen whose business income is nonseed corporation but subchapter S and regular partnership income, the average income is $560,000.

So this amendment would be saying OK, if you are in that special category, you are very wealthy and you are not, and your income is not received from the corporation but in partnership form, you get a break.

What about other people who receive income in that amount or a lower amount, a higher amount? They do not get the same break. Why should this particular category receive such a break? And these are not your garden variety ma and pa hardware stores that we are led to believe. We are talking here essentially about bankers, investment bankers, doctors and lawyers and lobbyists, who incorporate not as regular corporations but as subchapter S corporations and receive their income in partnership form or other nonincorporated form.

So however you slice it, however you cut it, this is not a little guy, small business, hardware amendment at all. This is a big guy business amendment for he or she who is going to get more income, after-tax income than any other individual, whether you are even more wealthy or less wealthy and more after-tax income, receive your income as an executive from a corporation.

What gives? What is the point? It makes no sense, particularly when it is an amendment which is not paid for. It will increase the budget deficit another $27 billion and start to push up interest rates, which is the bane of small business, of real small business let alone all business in America.

So I strongly urge all of us to think through this amendment, see it for what it really is and reject it.

I yield the remainder of my time to the Senator from New York.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware [Mr. ROTH] is recognized.

Mr. ROTH. Mr. President, I simply say that this amendment is paid for in full.

I yield 2 minutes to the distinguished Senator from Alaska.

Mr. STEVENS. Mr. President, I am appalled at what I am hearing on the floor today. I represent the frontier. Capital is formed in my State by retained earnings. For example, I know of one woman doctor, who has come to the Bethel area to practice medicine. She comes into Alaska with $100,000 in outstanding student loans, and she needs to set up a medical practice. How does she pay back her old and new loans? She pays it from after-tax dollars. Take the trucker who works along the pipeline. He pays for his trucks with after-tax dollars. Or the boat owner in Kodiak. I know one who has had to trade in his boat after 10 or 12 years in the industry. He now has a $2 million mortgage. How does he pay that? With after-tax dollars?

I just cannot understand the concept that is in this bill. Does the Senate not understand how those who do not have capital build capital? You build capital with after-tax dollars. You pay off the equity loans you have received.

The small logger has the same problem. I know one. He has a company that employs 15 people. The provisions in this bill, if not modified by this amendment, are going to take an additional $18,000 a year from his retained earnings. There is no way that American small business can live with the kind of concept in this bill unless we have a retained earning concept so that people who are working hard to build a future for themselves and their children and are providing employment for other people can retain those earnings.

I was told that the Small Business Administration estimates that 100 percent of the new jobs between 1988–90 were created by small business. This amendment is a pro small business amendment. It makes sense. The people who vote against this do not understand how we develop the capital base on the frontier or anywhere else in America.

I urge bipartisan support of this amendment.

Mr. ROTH. I yield 1 minute to the distinguished Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, I thank the Senator for yielding.

Mr. President, I find it ironic that the Senator from New Jersey was just asking questions about the complexity of this particular provision. He was in the forefront in reforming our Tax Code, to simplify it by reducing rates in order to avoid the very kind of complexity he is now complaining about.

We are hearing a lot of time-worn rhetoric here today. The Democrats are saying we are out to protect the rich. The Republicans are saying we are killing the goose laying not the golden but at least the brass egg.

Let me remind you about what happened with the luxury tax legislation. The Democratic majority said let us soak the rich. They passed a tax on luxury items. They put blue-collar workers out of work. Now they are trying to repeal it because they have seen the damage done to the economy.

Forget the charts here. Forget the charts over there—all the charts—and just take a walk on the wild side. You will find vacant buildings, boarded up stores, unemployment lines, and bankruptcy filings, and you ask yourself, "Is the way to correct that situation to impose another $55 billion upon the people that we are asking to create the jobs?"

I submit to you I cannot support a policy which is tax you now and we will cut you later. That is the policy which is being offered by the majority.

I am one who is willing to increase taxes but not until we have a more serious deficit reduction that is promoted by the bill before the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I yield 5 minutes to my able colleague on the Finance Committee, the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. I thank my distinguished colleague very much for yielding.

I want to make a couple of points.

Number one, we are talking about small business as the backbone of this country in terms of creating jobs, and I certainly totally agree with that. Most of the jobs indeed are not created by the giants of international business, they are created by the small business, the mom-and-pop stores, the small shops, the small businesses located throughout America. But I want to say that you cannot isolate and pick one thing from any piece of legislation and say it is bad because of this.

I think what our colleagues on their side are doing is they are clearly picking. They are only picking the problems. They are only highlighting the bad things in a piece of legislation, which are the things that cause a little pain, and say the whole thing "ain't" worth a thing because of this one isolated incident.

You cannot do that and be fair. When you look at what we are trying to do for small business, I think you will see some positive features of this legislation which I think more than offset some of the negatives.

Number one, we are trying to have deficit reduction. There is not a small businessperson that has ever come to my office and said to me that the best thing you can do for us is to not reduce the deficit. No matter what you do, the best thing is to reduce the deficit. This legislation will reduce the Federal deficit by over $500 billion, meaning what most small businesses would like to see us do in this country.

And why? Because it is not a handout. It is the right thing to do because it is going to lower interest rates in this country. You have seen already some of the lowest rates we have ever seen in a long period of time because they think Congress, alas, is getting ready to do something about the problem. Lower interest rates means they are going to have more capital to borrow and to invest and to hire more employees. No one has said that we are removing the deductibility for employees. That is 100 percent deductible. They will have lower interest rates, more money to borrow, and, therefore, more ability to expand their businesses and to hire more employees.

Second, we have increased the expensing provisions for small businesses, all of them, not just the ones that are in a lower category or higher category. But we have increased expensing by more than doubling what is now currently available for the purchase of equipment to expand and to grow, to be able to be more productive, more competitive, and indeed to hire more people. It used to be $10,000. This legislation raises that to $20,500 in expensing for small business men and women to allow them to expand, to grow, and to hire more employees. That covers all small businesses, no matter what their income happens to be.

This provision we are talking about, according to the charts that we have, show that only 4.2 percent of the small businesses would be subject to it. But the advantages of lower interest, the advantages of more capital, the advantages of expensing more than being doubled in this bill applies to everybody.

The only thing we are saying in this bill is that 4.2 percent are those who are small businesses in this country that earn roughly over $180,000 a year adjusted gross income which would be subject to the increase.

When we write legislation, we cannot write it for individuals. We write legislation for this country. We write legislation for everybody in America. And there are some times that some things will have an adverse impact in this area, and you have to look at the big picture. You cannot take one snapshot. You have to look at the whole movie to determine whether the product is good or whether the product is bad.

I would suggest in the committee's product what we do on expensing by more than doubling it, what we do by reducing the deficit are good things for small business. And we have tried to say that the majority, the bulk, almost 95 percent, in fact, 95 percent-plus of the small businesses would not be affected by this bad feature but would certainly get the benefit of the good bill.

Mr. MOYNIHAN. Mr. President, will the Senator yield? Did he say that only 5 percent of S corporations would be affected?

Mr. BREAUX. I respond to the chairman by saying that the individual rate increases will apply only to taxpayers with adjusted gross incomes of $180,000 for a joint return. Of that number, only 4.2 percent of the small businesses would be subject to the tax.

Mr. MOYNIHAN. 4.2 percent.

Mr. BREAUX. The other point is that means 95.8 percent will not be subject to the higher tax but will get all of the benefits of the lower interest rates, more capital being available, and all of them would get the benefit of the more than doubling of the expensing provision which most of the small businesses say if you can give me something to allow me to expand my business, that is it. And I am willing to accept the increase in the expensing and the lower interest rates and a lower deficit and in the interest of this country as well as in the interest of my business.

I yield the remainder of my time which is zero.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield a minute to the distinguished junior Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. I thank you, Mr. President.

Mr. President, small business is the backbone of our country. Eighty percent of the new jobs created in America will be created by small business. Small business has brought unique opportunities for women to be part of our economic systems and the prosperity of our country. In fact, Mr. President, I am proud to say that women-owned businesses last year hired more people than all the Fortune 500 companies in this country. I am very proud of that. I want to make sure that the women and the men who are the entrepreneurs that are making this country grow have the opportunity to make their business grow by allowing them to put money back into their small business. When small business people put money back into their business they buy new equipment, they create new marketing they create new jobs and their small business grows. That is what is going to get our economy going again; that is why I hope that all of our colleagues will support this very good amendment. This amendment will encourage our entrepreneurs to rebuild this country.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield 1 minute to the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I would like to follow up on a point which Senator COHEN made a few minutes ago and which Senator CHAFEE made earlier in the afternoon and state my general views with respect to the budget deficit.

It is my view and has always been my view that it is not possible to have an effective effort dealing with a budget deficit unless it is bipartisan. It is my position that a mix of spending cuts and tax increases is necessary for an effective program.

I do not share the view of some that it can be done only with spending cuts, although I think that this package is totally out of balance. It is my view that a necessary component of a significant deficit reduction program must be capping the growth of entitlements, and that is missing from this program.

For all those reasons, I associate myself with the views previously expressed by Senator COHEN and Senator CHAFEE.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I yield the remainder of our time to the distinguished Senator from North Dakota, the former tax commissioner of North Dakota, who is going to talk about a factual, real-life experience.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. CONRAD], is recognized.

Mr. CONRAD. Mr. President, I thought it might add something to the debate to find out from the Treasury Department the actual effect on businesses of the item that is before us right now. I think this first chart demonstrates that most taxpayers with S corporation income will not pay the surtax. We have had a lot of talk about the surtax.

The fact is that only 16 percent of taxpayers with S corporation income make $200,000 or more; 18 percent do not. This chart shows what happens in terms of an effective tax rate—not the marginal tax rate, but the effective tax rate—for people with $500,000 of S corporation income a year. Under current law, they would have a tax rate, effective tax rate, of 27.2 percent. Under the Senate plan, they would have an effective tax rate—what they actually pay, not the marginal rate—of 32.7 percent.

For those taxpayers with $250,000 of S corporation income, Mr. President, they would go from, under current law, an effective rate of 26.6 percent to, under the Senate plan, a rate of 28.9 percent.

Mr. President, these are the facts, not the horror stories, not conjuring up the absolute worst-case scenario, talking about marginal rates. This is the effective tax rate people would pay with large amounts of S. corporation income. I think it is important for our colleagues to understand this before we take this vote.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. How much time is remaining on each side?

The PRESIDING OFFICER. The Senator from Tennessee has 5 minutes remaining. The Senator from New York has 20 seconds. The Senator from Delaware has 5 minutes and 20 seconds.

Mr. SASSER. The Senator from Delaware has 5 minutes 20 seconds. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield 4 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. I thank the Senator.

Mr. President, I find myself deeply offended by the remarks that I have heard on the floor this afternoon from the Senator from Tennessee and the Senator from Arkansas, who refuse at all to talk on the substance and instead prattle about Bill Clinton's politics of envy—the rich, the poor, the special interests. I only point out that in the bill that lies before us, there are more special interests dealt with by Bill Clinton and his friends than you could imagine, starting with movie stars, athletes, and people who do not have to pay the same high taxes that executives do.

The Senator from New Jersey said there are aspects of this amendment that have not been thought out. I ask any member of the Finance Committee to tell me there are not aspects of the bill before us that have not been thought out.

The Senator from Louisiana was talking about the expensing provision, and how valuable it was to small business. I say to my friends that expensing is not worth a tinker's dam to small business, unless you have income from which to expand the cost of capital. The whole point of this amendment is the need to protect capital.

The Senator from North Dakota talked about the subchapter S corporations. For heavens sake, there are other taxpayers besides subchapter S corporations affected in our small business amendment. Only about 10–12 percent of all small businesses are subchapter S corporations. Many of the rest are sole proprietorships and partnerships.

This package before us is the largest tax increase in American history. It is premised on the politics of envy, but it will not fall on the wealthy. It puts America, Mr. President—if you can believe this—at England's tax rate. Look at their economy today, and look at the economy that would be created by the Clinton-Mitchell tax plan before us.

I ask unanimous consent that an editorial from today's Washington Times be printed in the RECORD. He shows the 1990 budget agreement, with its increased taxes, failed to achieve its projected deficit reduction.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 24, 1993]

THE BUSH-CLINTON TAX PLAN

Remember President Clinton's State of the Union ad-lib about the reliability of the number crunchers at the Congressional Budget Office? He got a lot of laughs at Republican expense that night, but as the chart below indicates, Republicans are sort of having the last laugh—"sort of" because they were accomplices to the economic disaster known as the 1990 budget deal.

That was the year that the George Bushes, the George Mitchells, the Bob Doles and the CBOs all bought into the notion that government can tax the nation into prosperity. The biggest tax increase in the nation's history was supposed to reduce the deficit, which was supposed to reduce interest rates, which was supposed to, well, whatever.

In a December 1990 report following the budget deal, CBO enthusiastically projected a $200 billion deficit in 1990 that would rise to $262 billion in 1992 before dropping sharply to just $29 billion in 1995. As is clear from a somewhat less optimistic prediction from CBO in January of this year, higher taxes have instead led to even higher deficits, Mr. Clinton himself has acknowledged that higher deficits lie ahead (see accompanying chart).

In other words, based on the more recent projections, CBO was off by, oh, 879 percent in its estimate for 1995, assuming that the new projection is correct, of course. Now if you are CBO, you explain the budget deal's failure by saying, "Revenues are lower because real economic growth was less than anticipated." If you are The Washington Post, you (memorably) explain the failure of the 1990 budget deal by explaining that the economy had the "bad luck" to fall into recession after the deal was approved. Has anybody considered the possibility that higher taxes are bad luck for economic growth?

The current budget controversy serves as another reminder of the 1990 debacle. One of the disputes between the administration and Senate Republicans concerns some $44 billion in budget cuts approved in the 1990 deal but never implemented. Mr. Clinton says he is now working to achieve those cuts and ought to be able to claim them for his own. That's dubious enough. The real lesson here, however, is that in those deals promising so many spending cuts in exchange for so many tax increases, only the tax increases are assured. The cuts, usually in the "out" years of the deal, somehow never happen. When Congress gets more money, it spends more money. Delaware Sen. William Roth says that's why studies show that Congress increases spending by $1.58 for each new dollar in taxes.

If the cuts in programs don't happen, if the deficit doesn't decrease, how then can Mr. Clinton claim as another "spending cut" the $55 billion in savings from lower interest payments? Mr. Clinton claims that past Republican administrations counted interest savings as spending cuts, so why can't he? That's an odd question coming from a president who promised "change." But the more serious point is that the 1990 budget deal "grew" the deficit. So there was no interest savings and no "spending cut". How can the president claim that as a precedent for what he is doing now?

If Mr. Clinton had any mandate with 43 percent of the popular vote last November, it was this: Don't be George Bush. On the campaign trail he wasn't, but in office he has become George Bush and more, out-spending him, out-regulating him, out-taxing him. If and when his tax plan strangles the economy, he will pay the same political price as Mr. Bush. But it won't approach the price of lost jobs and lost wages that the American people will pay:

CBO DEFICIT PROJECTIONS

[In billions of dollars]

	1990	1991	1992	1993	1994	1995
1990 CBO deficit estimates	200	253	262	170	56	29
1993 CBO deficit estimates	....	....	....	310	291	284

Mr. WALLOP. The Democratic Party is enamored with the seductive appeal of class envy and the need to go after the wealthy. The Democratic Party believes that revenues are raised by higher tax rates and not by growth rates.

This bill kills growth rates in the small business community, make no mistake about it. It will have the same effect as the luxury tax, where the majority leader of the Senate of the United States is coming in here begging us for relief from a program that he instituted.

Mr. President, we have already started to see the pandering to special constituencies in this bill and to the "friends of Bill." One need only look at the list of companies who signed on early to this tax package, and compare it to those who did not, to see who are the winners and losers.

NFIB and other small business groups spoke out against the plan early in the process, and now they alone face substantially higher marginal tax rates than some of America's largest corporations who, in the spirit of Faust, signed on to the President's plan.

Now corporations, in President Clinton's tax plan, pay less of a marginal tax increase than do America's productive people. Entertainers are going to be paying less than America's productive people. What is wrong with the people who create jobs in America, I ask my colleagues? What is wrong with them? Why should they be singled out as unfair players in America's economic picture?

In his book, "Putting People First," President Clinton said:

> Small businesses create most of the new jobs in this country and they need to flourish if we are all to prosper. America cannot afford another four years without a strategy to make our economy grow again.

He was right then, even if he does not believe it now.

I ask unanimous consent that quotes from Senate Democrats about small business, transcribed from the floor debate on the reconciliation bill, be printed in the RECORD to show that they care, even if their vote may not show it.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUOTES FROM SENATE DEMOCRATS ON SMALL BUSINESS

(Transcribed from floor debate on reconciliation bill June 23, 1993)

1. Sen. Dianne Feinstein (D–CA) "So, what we're doing here is trying to provide the incentive to aid start-up industries and also to help companies expand. I think it's an important part of the package, and I hope my colleagues on both sides of the aisle will help us fuel the California economy, the Connecticut economy and many others in this great nation."

2. Sen. Joseph Lieberman (D–CT) "At the same time we ought to give some incentives to business to invest and create jobs which bottom line our constituents most want us to do, and what the country most needs us to do."

"Every economist I talk to tells me, liberal, moderate or conservative, one of the weaknesses of our economy is a lack of investment, debt and equity. This is a way to say to people with money, give it to small businesses. People with an idea; people who want to get rich; people who want to create new jobs. Help them to do that and help our economy make up for some of those millions of jobs that we've lost over the last four or five years."

"This is a step toward job creation and I'm proud to support this amendment."

3. Sen. Harlan Mathews (D–TN) "I thoroughly and strongly believe that small business is the backbone of the economy of this country. That the jobs being produced today are being produced by small business. The compromise, or what I see happening today is that we're creating an atmosphere where small business can produce the jobs and stimulate the economy that we need to keep this engine running."

4. Sen. David Pryor (D–AR) "We know that small business is the engine of job growth and we also know that the individual who has basically shaped this issue of capital gains for small business has been the distinguished Chairman of the Small Business Committee of the Senate, my distinguished colleague and senior Senator, Senator Dale Bumpers."

"There's a little bit of pain in this legislation for all citizens of our country. What we're trying to do is alleviate some of the pain for small business that creates jobs throughout America."

5. Senator Barbara Boxer (D–CA) "I have to say from the standpoint of my home

state, that the best and most competitive in growth-oriented companies in California started with nothing more than some great ideas and a lot of hard work."

"In southern California, you'll find the world leaders in bio-tech and medical devices that advance our ability to diagnose and treat disease and up and down my state you'll find manufacture of the most sophisticated environmental technology that will clear our air and our rivers and our coast, and let me say that I think that this bill is not only aimed at helping small business, but is in fact aimed at helping our balance of trade."

"When you put people back to work, you will reduce the deficit. Every one percent of unemployment adds $30 billion to the deficit. So this is a job creator."

6. Sen. Herbert Kohl (D-WI) "Seems to me when we can offer capital gains opportunities where people who are willing to invest in small business and expensing advantages to people who are willing to invest to grow their small business and employ more people in our economy, grow our economy, this is an opportunity we have to take particularly when we are contemplating putting into place a bill which is a heavy bill, a bill which will impose some heavy taxes on small business, we need to indicate to them that we care about their future and the future of our country."

"I support it and I think it will be a good thing for small business for this government by way of providing a clear indication to small business that we are on their side."

7. Senator Dale Bumpers (D-AR) "The small business community is looking to Congress for help."

Mr. MOYNIHAN. Mr. President, do I have 20 seconds?

The PRESIDING OFFICER. Yes.

Mr. MOYNIHAN. Mr. President, may I offer a proposition which I believe most small business owners would agree with: You are never going to make money borrowing money to pay interest. That is what we have been doing for 12 years, and that is what we want to stop.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I yield myself 3 minutes off the bill.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. DOMENICI. Mr. President, I want to congratulate the sponsors of this bill. I believe that this country is presently suffering some of its joblessness because of the anticipation of the taxes on small business that this amendment seeks to adjust. I would like to read parts of a letter I got last night faxed to me from a new constituent in New Mexico. The distinguished Senator from New York might be interested. This person lived all 72 years of his life in the State of New York, and he finally decided that he was going to leave there. Let me just read what he says.

My wife and I have recently relocated from the Big Apple where I lived for 72 years. However, the threat of the Clinton new confiscatory and discriminatory taxing policies when added to David Dinkins' already onerous burdens on small business finally caused us to decide to close down two businesses and move. The risk had become too great to want the continued risk of our already severely depleted capital base. One decision was to put 35 highly paid professionals out of work. Someone else can find work for them in New York. By forcing us out of business, the President has created a most negative impact on the very people he professes he is seeking to help.

Listen to this:

Our employee group included Asians, Haitians, Gays, Hispanics, Italian-Americans, Jamaicans, Lesbians, Greeks, Yugoslavs and African-Americans, as well as Caucasians of Western European ancestry. We always hired without regard to race, color, creed, age, national origin or sexual preference. Our staff ran the spectrum from an affirmative classmate of Anita Hill at Yale Law School to recent arrivals from Communist China, HIV positive young men, an accountant who did not fit in with anyone because he was small enough to be called a dwarf.

He goes on to say: "As you said on the floor of the Senate * * * 55 billion"—of this tax increase will come on the backs of people like him. They are going to be laid on the backs of those who create new jobs and they will stop performing.

He goes on to say that he predicts slow business growth and an exodus of more and more small business people if and when this bill passes.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Delaware has 42 seconds remaining.

The Senator from Tennessee.

Mr. SASSER. Mr. President, I yield myself 2 minutes off the bill.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I listened carefully to my friend from Wyoming, and, frankly, I am at a loss why he would take umbrage at the statements made by myself and my distinguished friend from Arkansas. What we have simply sought to point out here as simply as we could is that those who have been lamenting the fact and are trying to make the case really for days, weeks, months, hour after hour on this floor that we need more spending cuts if we are going to make any progress on this deficit, have not offered a single specific cut.

My friend from Arkansas, the very able Senator who serves on the Finance Committee, simply has been compiling a list of the costs of these various amendments offered by our friends from the other side. There were 46 billion dollars' worth of revenue losses on Republican amendments offered in the Finance Committee. Not a single specific cut was offered, to my knowledge.

The proposal offered by the distinguished minority leader, in conjunction with Senator DOMENICI and Senator PACKWOOD, had over $140 billion less definite reduction than that in the President's program. The Nickles amendment to strike the transportation tax—I would like to have voted with Senator NICKLES on that. I do not like transportation taxes. You know, I think we have to pay the bill in this country, I say to my friend from Wyoming. That costs us $25.3 billion. The Lott amendment on Social Security I give ground to no one in my defense and respect and affection and dedication to our senior citizens and the Social Security. But that amendment would have raised the deficit by $26.3 billion.

I would like to go down the line for so-called small business, but this amendment, the Roth amendment, would raise the deficit by an additional $27 billion. That is $274 billion that this deficit would be raised if we subscribe to what our friends from the other side of the aisle are offering. It is the same psychology that put this country almost in insolvency, and it is that nobody pays any taxes because we do not want to have the wealthiest among us bear their fair share so we just will not impose any taxes, and we will not impose any cuts on anyone because we do not want the political anger that might arouse, so we just put it on the cuff, we just borrow the money.

My friends, what we are saying to you today is the borrow-and-spend policies are over and this business of trying to deal with this deficit, as David Stockman said, is the business for grownups to handle. This is for grownups to handle. And those who cannot stomach it just ought to retire and let those who can stomach it just retire from the field here and let those stalwart individuals who are going to do their duty, let them do it. And we are going to do it, and we are going to bring this deficit down by $518 billion.

Mr. President, I see the distinguished Senator.

Mr. DORGAN. Is the Senator from Tennessee saying those who insist we are going to reduce the deficit are actually offering a proposal to radically increase the Federal deficit?

Mr. SASSER. No question about it. The scorecard the Senator from Arkansas produced demonstrates it very graphically. But, I say to my friend from North Dakota, not a single spending cut is in it. Now is that not one for the books?

Mr. President, how much time to I have remaining?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. SASSER. I thank the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, I understand I have 5 minutes leader time I might use.

The PRESIDING OFFICER. The leader is correct.

Mr. DOLE. Mr. President, I have been wondering about all these rich people. I have been looking for them. I guess they have all been hanging out down at the White House. I picked this up in the Washington Post this morning. It is about all the dinners they are having every day for America's fat-cats. I did not write this headline, but it says "White House Hosts Flurry of Private Soirees"—I am not sure I pronounce that right; we do not use that word much in Russell, KS—"for the Elite." For the elite. All those rich people we have been hearing about are all down at the White House. No wonder Republicans cannot reach any of them. They are all down at the White House eating the free dinners and luncheons and all down there talking to President Clinton.

So I hear all these anguished cries. And the names are here in case you need them for your fundraisers. They are all right here. If we check the FEC reports, we will find a lot of those rich people on the other side at least must know. They make contributions.

So we get all these stories about the rich, but we do not have many of those people in my State. We do not have many in the Midwest. We have a lot of small business in my State. And there are a lot of small business men and women who are very concerned about what we are trying to do. I have got some information here about my State. Maybe it does not apply to North Dakota or South Dakota, or anywhere else, but it does apply to at least my State of Kansas.

There are about 1.5 million S corporations, and the other day in the Finance Committee the Treasury Department cited 50 S corporations that had gross receipts over $500 million. So they, in fact, wrote off all S corporations. That is about 0.003 percent that made over $500 million. What about the other 99 percent? What did they earn?

According to the Small Business Administration my home State of Kansas in 1989 had 65,692 business establishments; 94 percent were small businesses, and nationally almost 93 percent of all business establishments were owned by small business men and women.

We do not have much big business in our part of the country, and we are concerned about jobs. We are not concerned about how much taxes we are going to put on these people. We are not raising the deficit. We are cutting the tax loads on the business men and women all over America, and they are Democrats and Republicans and they are Independents, and they are not rich.

You do not see a single small business man or women on this list in the Washington Post down having lunch with President Clinton. They will probably have another group today. See tomorrow's list. It will be out tomorrow. You do not see any small business men and women here. Maybe they will be invited since we mentioned it, and I hope they are.

But I want to talk about a fellow out in Topeka, KS. His name is Les Brandt. He has been in the heating and air conditioning business for 20 years. He owns and operates an eight-man operation called Modern Air of Topeka. He wanted to expand his business and move to a different location, but he is not going to do it. Why? Because he worries about "decisions made in Washington" can take his whole business away. That is not my quote. That is Mr. Brandt's quote.

What did he have to say about this? What he is saying is they are not going to expand, create jobs and was not interested in talking about the possibility of loss of jobs. He had good things to say about President Clinton. I want to read it.

I said: "What would you tell the President if you had a chance?"

He said, and I agree with this: "I first would probably tell him I honestly believe he has the interest of all the people in the United States at heart, that I think his approach is not the right way to go. We need for private enterprise to create the jobs that he is talking about. We need not more Government, but less."

And, by the same token, we need not more taxes but less. This is true all over America.

You can go to another place in Massachusetts and talk to Ben Bailey, the cofounder of Computer Boards, Inc., in Mansfield, MA. He is so concerned over the tax increases, he ran an ad campaign in local newspapers against the President's tax proposal. They have managed to double in size every year since 1990, when they posted sales just under $1 million. Last year, they had revenues of $4.5 million.

This is a small company. They want to expand. They want to grow. They want to create more jobs. They are not going to do it. They are worried about cutting back 25 percent.

So we can stand here all day and point fingers about the rich people. We do not know where they are. They are out there somewhere.

Everybody is rich under President Clinton's plan. Everybody is rich in America. Everybody is going to pay more taxes.

This is not a $518 billion deficit reduction package. It is $347 billion, and $250 billion of that is taxes. Only $83 billion are spending cuts and only about 20 percent of those go into effect before 1996.

So I just suggest that I certainly strongly support the amendment of Senator ROTH.

Again I would mention, in case you missed it, "Clinton's Feeding Frenzy." It is all in the Washington Post today. Not a single small business man or woman there; not a subchapter S person.

These are all referred to by the Washington Post—and they should know—they use the word "elite," something not many of us use. But they use it in the Washington Post. And I guess some of the Post's owners were there. Mrs. Graham, I think, has an interest in the Post.

Mr. KENNEDY. Will the Senator yield?

Mr. DOLE. Would you like to have a copy?

Mr. KENNEDY. No.

Is Senator COHEN, a Republican from Maine, not on that list? Is Colin Powell on that list? Is David Gergen on that list?

Mr. DOLE. I do not think you are on the list.

Mr. KENNEDY. Read a little closer.

Mr. DOLE. I have not read the whole list. All I do is read the headlines.

But if you would like to go, Senator KENNEDY, I would be happy to try to get you an invitation. [Laughter.]

He is already on there?

Mr. FORD. Yes.

Mr. DOLE. Maybe he can get me an invitation.

We are going to go down there one of these days and see the President. And we wish him well.

So, in any event, if you want to help small business, you vote for this amendment.

Mr. MACK. I am pleased to join Senators ROTH, WALLOP, and PRESSLER in introducing this amendment to assist small businesses in their ability to grow and create new jobs.

Mr. President, let me read a quote to my colleagues:

> The small business community is the major generator of jobs in America, [and] has been for the last 12 years. Their job-generating capacity has slowed recently because it costs a lot of extra money to hire an employee and because of uncertainties in the economy.

I think the author of this quote is right on the money. First, it is an accurate statement that small business has been the engine of job growth over the past decade. Since 1980, 150 percent of the net new jobs have been created by small businesses. According to the Small Business Administration, small businesses created more than 4.1 million net new jobs between 1988 and 1990. By contrast, businesses employing more than 500 workers actually had a net loss of 500,000 jobs.

Second, I agree with the observation that the job-generating capacity of small businesses has slowed. Any small business owner will tell you that the costs of complying with Federal laws on workers are skyrocketing. Regulations, taxes, and heightened uncertainty about the economy make them very skittish about hiring workers.

So you might conclude that the author of this quote would prescribe a public policy toward small business that would lower taxes, reduce the regulatory burden, and foster a positive climate for business expansion.

Well, you would be wrong. These words were spoken last week by President Clinton.

This is the same President Clinton that has sent to Congress an economic package that is a disaster for small business. In the words of the National Federation of Independent Business, the President's package would have a—"devastating impact on small business owners"—by increasing the tax burden on them and impairing their ability to expand.

The President wants to saddle small businesses—primarily sole proprietorships, partnerships, and subchapter S corporations—with a supertax. He wants to add a new top marginal tax rate of 36 percent, up from the current rate of 31 percent.

Why are small businesses singled out?

Because small businesses pay taxes even on profits that are reinvested in the business. And if you raise taxes on those profits, you will grow fewer small businesses.

So the real question is this: In whose hands do you want the profits? Should it stay in the small business, which will expand and create new jobs? Or, should it go to the Federal Government to spend?

President Clinton, what is going on? How can your rhetoric be so at odds with your actions? Why do you advocate one thing, and then do precisely the opposite?

This supertax will mean a larger marginal tax rate for a family-owned retailer than large corporations such as General Motors and IBM. Where is the motivation to expand and thereby create new jobs? There is none.

But the supertax does not end at 36 percent. The President wants to add a 3.6-percent surtax on incomes of $250,000. This is not a tax on salary, but a tax on income for both the owner and the business.

He wants to eliminate the wage cap on the hospital insurance portion of FICA, which will effectively add an additional 2.9 percent of tax liability.

He wants to increase the alternative minimum tax and extend the limits on itemized deductions and personal exemptions, which adds another 2 percent.

Add it all up and it comes to a whopping tax rate of 44.5 percent marginal tax rate on small businesses within income of $275,000.

The amendment we offer today exempts active trade or business income which is either retained or reinvested in a small business or family farm from the increased individual tax rates and the wage tax proposed by the administration.

This amendment does not change the tax rate on the wages a small business or family farm owner pays himself or herself. It simply keeps in place the current tax rates for profits which are retained or reinvested in the business. This way, the owner has more working capital to invest in the business or family farm and thereby create new jobs.

There simply is no connection between what the President promises, and what he produces. He says he wants to help small businesses, but proposes the kind of policies that will destroy them.

The best policy he can make right now to help small businesses is to cut Government spending. This is what small businesses want; this is what American voters want. Forget the rest of your tax bill just like you have forgotten your Btu tax.

The shot in the arm the U.S. economy needs is a major cut in Government spending, not a gigantic boost in taxes.

I ask that an editorial from the Washington Times of June 24, 1993, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 24, 1993]

THE BUSH-CLINTON TAX PLAN

Remember President Clinton's State of the Union ad-lib about the reliability of the number crunchers at the Congressional Budget Office? He got a lot of laughs at Republican expense that night, but as the chart below indicates, Republicans are sort of having the last laugh—"sort of" because they were accomplices to the economic disaster known as the 1990 budget deal.

That was the year that the George Bushes, the George Mitchells, the Bob Doles and the CBOs all bought into the notion that government can tax the nation into prosperity. The biggest tax increase in the nation's history was supposed to reduce the deficit, which was supposed to reduce interest rates, which was supposed to, well, whatever.

In a December 1990 report following the budget deal, CBO enthusiastically projected a $200 billion deficit in 1990 that would rise to $262 billion in 1992 before dropping sharply to just $29 billion in 1995. As is clear from a somewhat less optimistic prediction from CBO in January of this year, higher taxes have instead led to even higher deficits. Mr. Clinton himself has acknowledged that higher deficits lie ahead (see accompanying chart).

In other words, based on the more recent projections, CBO was off by, oh, 879 percent in its estimate for 1995, assuming that the new projection is correct, of course. Now if you are CBO, you explain the budget deal's failure by saying, "Revenues are lower because real economic growth was less than anticipated." If you are The Washington Post, you (memorably) explain the failure of the 1990 budget deal by explaining that the economy had the "bad luck" to fall into recession after the deal was approved. Has anybody considered the possibility that high taxes are bad luck for economic growth?

The current budget controversy serves as another reminder of the 1990 debacle. One of the disputes between the administration and Senate Republicans concerns some $44 billion in budget cuts approved in the 1990 deal but never implemented. Mr. Clinton says he is now working to achieve those cuts and ought to be able to claim them for his own. That's dubious enough. The real lesson here, however, is that in those deals promising so many spending cuts in exchange for so many tax increases, only the tax increases are assured. The cuts, usually in the "out" years of the deal, somehow never happen. When Congress gets more money, it spends more money. Delaware Sen. William Roth says that's why studies show that Congress increases spending by $1.58 for each new dollar in taxes.

If the cuts in programs don't happen, if the deficit doesn't decrease, how then can Mr. Clinton claim as another "spending cut" the $55 billion in savings from lower interest payments? Mr. Clinton claims that past Republican administrations counted interest savings as spending cuts, so why can't he? That's an odd question coming from a president who promised "change." But the more serious point is that the 1990 budget deal "grew" the deficit. So there was no interest savings and no "spending cut." How can the president claim that as a precedent for what he is doing now?

If Mr. Clinton had any mandate with 43 percent of the popular vote last November, it was this: Don't be George Bush. On the campaign trail he wasn't, but in office he has become George Bush and more, out-spending him, out-regulating him, out-taxing him. If and when his tax plan strangles the economy, he will pay the same political price as Mr. Bush. But it won't approach the price of lost jobs and lost wages that the American people will pay.

CBO DEFICIT PROJECTIONS

[In billions of dollars]

	1990	1991	1992	1993	1994	1995
1990 CBO deficit estimates	200	253	262	170	56	29
1993 CBO deficit estimates	....	....	....	310	291	284

Mr. BURNS. Mr. President, today, I rise to support the Roth-Wallop-Pressler amendment to the budget reconciliation bill.

This amendment is designed to hold the current tax rate on those small businesses that reinvest their profits in their business.

While this is a normal practice for small businessowners, to avoid borrowing capital unnecessarily and paying interest on that borrowed money, it is rarely a topic of conversation at the dinner table or on the floor of the U.S. Senate.

It is a little dull for table talk, but, it does keep jobs open, bills paid, and food on the table for the employee and the employer.

Now that is not what the current administration and my friends on the other side of the aisle say they want? Jobs. Income. Bills paid by families in this country.

Doesn't anyone get it? You have to leave the money in the cash cow. Otherwise she cannot produce the jobs that produce the income that pays the bills.

The budget bill before us would increase the current tax rate on those folks that run the businesses on main street, and the farms and ranches in this country. They pay the bills—they provide the resource that provides the jobs that many of us rely on to feed our families and ourselves.

Maybe the other little-known fact that we never discuss is that some, not all, of these rich people who own these businesses are running on such a thin profit margin that this increase in taxes will be the difference between whether or not they will decide to keep their doors open.

And if this does not ring a bell—let me spell it out for you. Whether the business employs 1 person or 499, those people will be out of a job. Period. Then we can prepare to hear that old familiar howl. Let us raise the taxes on the rich to make enough money to pay out more program money for those poor people that don't have a job.

Let us pump more money into this region, or that one, to help these poor people that have lost their jobs.

Well, this is not the first time we have heard this figure this week, but I am not afraid to be redundant, if that is what it takes to drive this point home.

The small businesses in the United States have created 4.1 million new jobs from 1988 to 1990. Corporations on the other hand laid off 500,000 workers.

Again, why are we killing the cash cow?

Why are we taking away the job supplier?

Businesses are not confident right now. They are reluctant to expand their job base during the current climate of Government policy changes. They are listening intently to determine how hard they are going to get hit with additional taxes.

This amendment will maintain a 31-percent tax rate if a business returns those profits to the business for reinvestment. This is in lieu of increasing their tax rate to 36 percent. These profits would also be exempt from the 2.9-percent self-employment health insurance tax.

This amendment will not change the tax rates on wages in this package for businessowners or partners. The income that is returned to the business is the only money that would be taxed at the 31-percent level.

In addition, the lower rates apply only to active income. Passive or portfolio income would be taxed at the proposed higher tax rates. This is not a tax break for the wealthy.

This will tax the money the businessowners want to take home and spend on their families, but not the money that they reinvest in their businesses that provide the jobs for employees.

Now, I dare say it is a little hard for me to say that I will be comfortable taking away any incentive that will keep a businessperson enthused about keeping the doors open. But it seems that we may have to start with the basics and build from there.

We have to learn from our history. The President's bill is a sure-fire prescription for economic stagnation. It will strangle the confidence of the small businessowner in this country to the point that it will discourage even the would be business developer. Then there goes the cash cow.

Mr. LUGAR. Mr. President, the President's economic plan is, to put it bluntly, a recipe for disaster. Grounded in an economic philosophy which holds that the Government is somehow more capable than private enterprise of creating meaningful and productive jobs, this plan threatens the very sector of the economy that has done the most in recent years to add jobs to our economy. I am speaking of the small businesses which from 1988 to 1990 created 4.1 million jobs.

The President does not explain his economic proposals in these terms, preferring instead to say that his tax increases are aimed only at the very wealthy and that his investments will benefit all Americans. What he fails to say, however, is that the very individuals he targets are the same individuals responsible for creating the 4.1 million jobs I mentioned earlier.

They are not, as the President would have us believe, greedy deep pockets stockpiling cash to squander on luxury items out of the reach of ordinary Americans. Indeed, they are ordinary Americans in every way; characterized by exceptional drive and fortitude which allow them to employ 53 percent of the work force while fighting against nearly insurmountable odds to turn innovation and hard work into more jobs.

There are 21 million small businesses in America today, and 80 percent of them file individual tax returns as a proprietorship, partnership, or subchapter S corporation. These small businesses constitute the majority of the wealthy who are targeted for tax increases under the President's plan. As a matter of fact, 52 percent of those making more than $100,000, and 66 percent of those making greater than $200,000 are small businesses. Thus, while not all of those who fit the President's definition of wealthy are small businesses, and all small businesses are certainly not wealthy, it is clear that raising individual tax rates to tax the rich will directly impact small business, and therefore multitudes of their employees.

If the President's plan is implemented, the base tax rate for these small businesses will rise from 31 to 36 percent—higher than the tax rate proposed for General Motors and IBM. This added tax burden will fall not only on the money that is taken from the business as income for the owner, but on the entirety of the business profits shown. Instead of plowing this money back into the business to buy a new machine, hire a new employee, or expand the businesses' marketing capability, small business owners will, under the Clinton plan, send the rewards of their labor straight to the Federal Government.

So despite the President's rhetoric championing investment in America, his tax policies will strike hardest at an important segment of the economy with a successful track record of creating jobs and growth—small business. It does not have to be this way. There is a credible alternative to the President's proposal.

The small business tax fairness amendment encourages small business managers to continue adding new employees to the payroll. The measure caps the tax rates for small businesses and family farms at current levels. The provision also guards against its use as a tax dodge for the wealthy; it states that taxable small business income must be "attributable to the active conduct of any trade or business in which the taxpayer materially participates."

Some have argued, under the rubric of putting an end to gridlock Government, that we should step back and let the President have free reign to implement his economic program in its entirety. In this way, so the argument goes, the American people will finally be able to see beyond the partisan blame game and will know, with some degree of certainty, which side is right about the proper economic course to follow.

Underlying this argument is the assumption that the Nation's economy is so vast and so complex that only through implementing a policy can we judge its merits. Even in the current debate, the cacophony of competing claims about the likely results of implementing the President's plans is enough to drown out most logical thought on the matter. Under the circumstances, it is perhaps inviting to let the President have his way—to stop the bickering—if for no other reason.

The gap between what has been promised and what has been delivered in the way of fiscal prudence is mirrored in the gap between what the Government spends each year and the revenue that it collects. Thus, we are confronted with a deficit of public trust in its institutions that rivals the budget deficit, and both are growing rapidly.

Some propose that those of us who oppose the President should let him press on and suffer the consequences. To do so, however, would be irresponsible. If the President, and those who share his penchant for high taxes and even higher spending, were the only ones who would suffer the consequences of this ill-conceived plan, then perhaps we could sit idly by and watch this plan fail to achieve its stated aims. But the truth of the matter is that the consequences of that failure extend far beyond the White House and Capitol Hill, out into the heartland of America where countless hardworking citizens will pay the price with higher taxes and declining living standards.

There is, however, a common sense projobs alternative, an alternative based on the realization that small business plays a vital role in job creation in our economy. That alternative is the Roth-Pressler amendment and I am pleased to have the opportunity to be an original cosponsor and to speak on behalf of small business job creation in America.

Mr. GRASSLEY. Mr. President, I submit two letters from a constituent as real-life evidence of how egregious the Democrat/Clinton tax package is on small business. The end result is an antijobs policy of this administration because it takes resources from the job creating machine of America—small business.

I ask that they be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ENGINEERED PRODUCTS CO.,
Waterloo, IA, May 26, 1993.

President CLINTON,
The White House, Washington, DC.

DEAR PRESIDENT CLINTON: Over the last two years we have developed and tested a new adaptation of our air cleaner Filter Minder. The Fuel Filter Minder will significantly lengthen the life cycle of fuel filters on truck and tractor diesel engines (see the attached page). It will also reduce the amount of hazardous waste, dumped in overburdened land fills, from partially contaminated filters . . . save time and reduce costs for owners.

Several of the large fleet operators have told us that the Fuel Filter Minder is badly needed. It could double our business . . . and the jobs it would take to produce it.

Now I am faced with a dilemma. It has taken me 14 years of work, investment, and risk to develop my small business entrepreneurship, Sub S corporation to its present point where it puts me in your classification of the rich.

To put our new Fuel Filter Minder on the market will require me to risk several hundred thousand dollars additional investment in development, tooling, equipment, facilities, market development . . . payroll and jobs.

If I put this new product on the market, your proposed new "Invest and Contribute" plan will immediately take .466 cents tax out of every dollar of profit that it produces . . . .396 cents federal and .7 cents net Iowa tax. Then if I save or reinvest the remaining .534 cents instead of consuming it, the federal and state estate taxes will confiscate 55%, leaving only .254 cents for my heirs to invest to continue and grow the business . . . and to provide even more jobs.

At present we have 14 full time happy employees, who are paid above average wages and benefits, including pension, profit sharing, and . . . company paid hospitalization at over $1 an hour cost. If I add one more employee, it will trigger my business size to being subject to a steadily increasing number of costly government controls.

As you can see, the government is the major beneficiary of my entrepreneurship . . . my no risk partner. Please provide us with sufficient incentive for me to assume the risk in our new product and to invest and provide these new jobs. *Reduce* my tax and savings confiscation rate so that I can double our business and pay even more total tax.

In the meantime, I shall delay this new product until I see what action you take.

Very truly yours,
H.D. LEIGHTY,
Chairman of the Board.

ENGINEERED PRODUCTS CO.,
Waterloo, IA, May 26, 1993.

ROBERT J. LUDWICZAK,
c/o Senator CHARLES GRASSLEY,
Hart Senate Office Building
Washington, DC.

DEAR SENATOR GRASSLEY: If the government is going to depend on small business to jump start the economy by providing more jobs, it would seem to make more sense to increase incentives for those established, proven small businesses that are in a position to innovate and invest in new products and new jobs . . to encourage small businesses to "invest and contribute", rather than decrease the incentive by increasing the rate of confiscation of any profits that might be made.

According to the Clinton Tax Plan, this is the way it works out for taxpaying, successful entrepreneurs that are considering risking investment in new products and jobs:

Profit	$1.00
Federal income tax	−.36
	.64
10 percent surtax	−.036
	.604
Iowa income tax	−.07
	.534
Federal estate tax @ 55 percent maximum	−.26
	.274
Iowa inheritance tax	−.02
Incentive left to risk, invest and grow the business	.254
the government takes	+.746
	1.00

As you can see, the government is the silent, risk-free partner—the chief beneficiary of established, successful and growing entrepreneurships—those that are in a position to risk the investment in new products—and provide more jobs without government subsidies.

Please help us to grow the economy instead of harvesting it. Increase our incentives to create more tax paying jobs and to pay more total tax.

Very truly yours,
H.D. LEIGHTY,
Chairman of the Board.

Mr. DASCHLE. Mr. President, the pending amendment advanced by Senators ROTH, WALLOP, and PRESSLER would provide a special small business/farmer exemption to the proposed increase in the top individual tax rate. It is a well-intended effort to help two groups that clearly deserve a hand.

Unfortunately, while this amendment is intended to provide a small business/farmer exemption, what it actually provides is an exemption for the very wealthy. It does not help ordinary farmers. It does not help typical South Dakota small businesses. It just helps the rich pay less taxes.

That, Mr. President, is not a claim. It is a fact. The devil here is in the details.

A look at the details of Roth-Wallop-Pressler amendment shows that its typical beneficiary is not a farmer at all. It is a Manhattan lawyer who has gross receipts of $9 million, pays himself a modest $500,000 salary on which he pays the proper individual tax rate, but then uses what is supposed to be a small business/farmer exemption to retain his remaining $8.5 million in income in a special small business account to be taxed at a lower rate than he deserves.

And it is not just lawyers who do this—it is doctors, bankers, and lobbyists, too.

I want everyone to understand exactly who it is we are protecting here if we pass this amendment, because the figures that are being tossed out by those who mistakenly feel this amendment actually helps average farmers and small business people are exceedingly misleading.

They say that 8 out of 10 small businesses pay taxes as individuals, rather than as corporations—some 21 million small businesses nationwide. But they fail to point out that only a tiny handful of these small businesses will be affected by the proposed increase in the individual tax rate, and many of them are small businesses in name only; rich lawyers who claim small business status to evade taxes.

Let us look at the facts. The individual rate increase will apply only to taxpayers with adjusted gross income—that is income after subtracting business expenses, capital losses, and contributions to individual retirement accounts and pension plans—of roughly $180,000 or more. This translates to 1.2 percent of all tax returns—1.2 percent. Of that 1.2 percent, a large number are not even small businesses.

Let's look at it another way. There are nearly 7 million tax returns filed each year that reflect business income in excess of wage income rough measure of who is a small businessperson. Of that number, only 4.2 percent—about 300,000 individual returns nationwide—would be subject to the higher tax rate contained in the underlying bill. Given that a significant number of these are investment bankers, doctors, lawyers, and lobbyists, I find it very hard to believe that many farmers, let alone corner grocery store or hardware store owners, will be subject to the new tax rate.

So, when you hear the other side say that 67 percent of the revenue paid by the top 2 percent of taxpayers is paid by businesses, it is obvious that we are talking about a whole lot of income concentrated among a small number of people.

Who is kidding whom? Let us not be misled by the sleight-of-hand statistics thrown out by the supporters of this amendment.

The fact of the matter is that this amendment, while aimed by well-intended Senators at a group of small business and farm families that deserve help, misses the mark. It actually benefits only a handful of wealthy individuals who do not need help.

This is not an amendment to help farmers and small businesses, it is an amendment to let rich lawyers call themselves farmers and thus get out of paying what everybody else must pay. And that, I submit, is not good policy.

Mr. ROTH. Mr. President, in the time that I have remaining, I just want to emphasize one point, and that is the fact that this proposal is fully paid for.

Time and again, those speaking in opposition to this amendment have claimed that we have not paid for it. I would advise them to turn to page 8, where we spell out the extension of caps that would fully pay for the $27.7 billion that my amendment would cost.

Mr. SASSER. Will the Senator yield for a question?

Mr. ROTH. I have no time remaining at this time.

I would say that those figures are wrong that are cited over there because the Roth amendment is paid for.

The PRESIDING OFFICER. All time has expired.

Mr. SASSER. Mr. President, at this juncture, I wish to yield 5 minutes off the bill to the distinguished Senator from Michigan [Mr. RIEGLE].

Mr. RIEGLE. I thank the Senator.

Mr. President, earlier today, my good friend the minority leader made a reference to comments that I made yesterday, which were published today in the Toledo Blade.

I ask unanimous consent that the text of that article that he made reference to be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIEGLE. It makes reference to the fact that the 1996 Republican Presidential nomination, in my judgment, has inserted itself into this debate and it is causing the obstructionism that we are seeing on this package.

It is very different from what we say back in 1981, the first year of the Reagan Presidency, very different from what we saw in 1989, the first year of the Bush Presidency, when we had our differences across party lines. We fought those out but, in the end, there was a willingness to give the new Presidents, President Reagan and President Bush, the opportunity to try to put into effect the basic thrust of the program that they had run on in their Presidential elections where they had been successful and to give them a chance to try to carry out their pledges to the voters of this country.

Now I think it is fair to say, too, further on down the line, at the end of those administrations, when they had had their chance to go ahead and try their programs and their programs had failed and had damaged the country—particularly so in the case of President Bush, the last year of the Bush administration—there was pretty heavy shelling in here, as we went over those issues, as properly we should have. And I fully expect that assessment at the end of Bill Clinton's term.

But it is a lot different when the heavy shelling goes on in the fourth year of the term or the third year of the term rather than in the first 6 months or the beginning of the term when the new President is trying to get started.

I am very much of the view that the Presidential sweepstakes on that side of the aisle for 1996 are very much involved in this. I will tell you why I think that.

There is a little newspaper that comes out each day around here called the Hotline. It keeps track of what is going on all around the country. They keep track of who all is going up to New Hampshire now in 1993, in the spring of this year. New Hampshire is an interesting State. It is no garden spot in the spring of any year. And we particularly see so many of our Republican friends, some in the Senate, some outside, all migrating up to New Hampshire.

In fact, so many have been up there, it is hard to get a motel room in New Hampshire these days because so many people who want to run for the Republican nomination in 1996 are up there.

Unfortunately that vacuum in their party, based on the scale of the loss of Bush and Quayle last year and this wide open early start for the Presidential nomination in 1996, is playing itself back into the deliberations here on this budget package. I think it is just plain for everybody to see and I think it is regrettable.

Let me give you what I base that on. Here is a map of the United States. But if you look on here, here is the District of Columbia down here.

Now, the Senator from Kansas has raised this issue. The Senator from Kansas, of course, has been up in New Hampshire.

He has not been the only one up there. I will get to the list in a minute.

But here is the District of Columbia and here is Kansas. So if you are flying from the District of Columbia to Kansas—which is out here—you do not have to go up here to New Hampshire to get to Kansas.

The same thing is true if you represent the State of Texas. Here is the District of Columbia. If you are going to Texas, this is how you go. This is not a shortcut to go to New Hampshire in order to get to Texas.

Now let me tell you who has all been up in New Hampshire since the first of the year.

The Senator from Kansas raised the issue. Of course, he has been up there, as well he might be, because he has run for President before. And I do not say it disrespectfully that he may want to run again. I think, in effect, he is out there now, sort of rolling out his thoughts in that kind of setting; as are others in that regard.

But it is a little early. It is a little early. And it is unfortunate, I think, that that is playing itself back to this debate.

Let me tell you who has all been up there so far. We have had the Senator from Kansas. We have had the Senator from Texas [Mr. GRAMM]. Senator LUGAR apparently either has been there or about to go. Jack Kemp has been up there. Congressman BOB DORNAN has been up there. The former Defense Secretary, Dick Cheney, has been up there. Lamar Alexander has either been there or about to go, a former Governor of one of our States and former Cabinet officer. Bill Bennett, former Cabinet officer, has been up there and is about to go. Now Lynn Martin has just indicated that she thinks she will go up there, another former member of the Bush Cabinet. By rough count, that is nine. That is nine people that are up there, rolling out the early version of their 1996 campaigns. Every Republican whose name has been mentioned has been up there now except former Gov. Harold Stassen. And I fully expect one of these days we will read that he has been up there, too.

So that is what is going on. That is part of this problem here. The other part of it is the folks on that side of the aisle——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SASSER. I yield the Senator an additional 6 minutes.

Mr. RIEGLE. I thank the Senator.

They are in here to try to sell a continuation of 12 years of trickle-down economics, which was first labeled voodoo economics by George Bush. And they like it on that side of the aisle.

The American people see through it, and they voted it out last November. They want to get on a new economic track. They want to get these deficits down. They want more job growth and they want more fairness in the economic policies of this country. So the public last November said: No, we have enough voodoo economics, let us get rid of it.

The folks on that side of the aisle cannot give it up. They like that trickle-down economics. It is what they want to defend and argue for. Frankly, it is what they are up arguing for right now in New Hampshire and, I suspect, although I do not have the records right now in terms of Iowa, but I have the feeling they are out probably in the other States, the early primary States for 1996.

This issue is about whether we are going to change the economic direction and get some fairness in the economic policies of this country and start investing in the American people again. George Bush had an economic program for every country in the world except this one. And the people said they were sick of that, they want a new economic plan. We are giving them one here: $500 billion worth of deficit reduction, a much fairer Tax Code, and an effort to help lift the job base of this country.

Is it perfect? No, it is not perfect. It is not perfect. There are things in it that I wish were different. I think that is true of every Member here on our side of the aisle. But if we are going to tackle this problem head on, we are going to have to do some difficult things. I wish there were easy answers, there are not any. But the fact of the matter is this plan moves this country in a better and fairer direction, and I say the President deserves credit for it and it is time the Republicans gave this new President——

Mr. WALLOP. Regular order.

Mr. RIEGLE. Might I have an additional minute?

Mr. SASSER. I yield 1 more minute.

The PRESIDING OFFICER. The Senator is recognized for an additional minute.

Mr. RIEGLE. I think it is time for those on the other side of the aisle to think in a more bipartisan way to help this President do a good job for this country in the early months of his Presidency.

This President deserves the same degree of cooperation that this Senate gave Ronald Reagan back in 1981, and gave George Bush in 1989. We had our debates and we had our differences. But we did not obstruct their programs, and we did not mount filibusters, and we did not divide solidly on party-line votes on those critical issues, and we should not now.

Let us put the 1996 Presidential race to the side. There will be plenty of time for that later. Let us do what is right for America today. Let us concentrate on strengthening this economy.

I thank the chairman for yielding the time.

EXHIBIT 1

[From the Toledo (OH) Blade, June 24, 1993]

RIEGLE CHARGES GOP LOOKING TO 1996, HALTING TAX PACKAGE IN SENATE

(By Jack Torry)

WASHINGTON.—Sen. Don Riegle (D., Mich.) complained yesterday that the presidential ambitions of Minority Leader Bob Dole (R., Kan.) and other Republicans have made it impossible for the Senate to gain bipartisan approval for a package to reduce the nation's budget deficit.

Although Majority Leader George Mitchell (D. Me.) predicted that the Senate this week will approve a bill that reduces the deficit by $516 billion during the next five years, it will pass without the support of any of the Senate's 44 Republicans.

Mr. Dole and other Senate Republicans have charged that the bill relies far too heavily on tax increases and not enough on spending cuts. But Mr. Riegle told reporters from northwest Ohio and Michigan the Republicans were simply trying to gain an advantage for the 1994 off-year elections and the 1996 presidential campaign.

"I listened to Bob Dole today on television, and it was 100 per cent obstructionism," Mr. Riegle, who was joined in his office by Mr. Mitchell, said. "Now, I realize that he and a lot of other people are running for president in 1996 because they've all been up in New Hampshire."

Mr. Riegle said the battle for the 1996 GOP nomination is "playing back into the politics of what's going on on the Senate floor today.

"I think that that's regrettable," he said. "This did not happen with Ronald Reagan or George Bush. They got a lot of cooperation from Democrats in the first year of their presidencies.

"I wish the Republicans were working with us right now. And frankly, if this presidential-nomination race for '96 were not fully under way right now, I think we'd be getting more cooperation."

Mr. Mitchell, who is pushing his members to support the tax increase just one year before 20 Senate Democrats face the voters, added, "Our Republican colleagues are very good at making speeches about the need for spending cuts but won't propose specific spending cuts."

Walt Riker, press secretary to Mr. Dole, said Mr. Riegle's charges show "how desperate the Democrats are who have to run in '94 to be seen with President Clinton in support of his punishing tax policy."

Mr. Riegle faces a difficult reelection struggle next year. Michigan Republicans have accused him of being too willing to support the package, which includes $249 billion in tax increases in the next five years.

Although the bill would raise the top personal income tax rate from 31 per cent to 36 and the corporate income tax rate from 34 per cent to 35, it also includes a 4.3-cent-a-gallon increase in the gasoline and diesel fuel tax. The current gasoline tax is 14.1 cents a gallon.

Senate Democrats argue that 75 per cent of all new taxes would be shouldered by families with incomes above $100,000. But the middle-class taxpayers—whom President Clinton promised a tax cut in his 1992 campaign—would pay a large share of the gasoline tax. Republicans are anxious to hit Mr. Riegle and other Democrats with a barrage of critical advertisements.

"I expect to see that campaign ad," Mr. Mitchell said, pointing out that he faces reelection next year. "But * * * we are elected to do what's right for the country and, on occasion, that means taking action that can be used in campaign ads."

Mr. Riegle said the Senate version of the bill is much more fair to middle-class taxpayers than the bill approved last month by the House of Representatives.

The House measure included a broad-based energy tax would have raised $72 billion over the next five years. The Senate Finance Committee, of which both Mr. Riegle and Mr. Mitchell are members, substituted the smaller gasoline and diesel tax for the energy tax.

Mr. Riegle said the house energy tax would have cost the average family of four in Michigan $400 a year. By comparison, he said, the gasoline tax in the Senate bill would cost the average Michigan family about $100 a year.

In addition, despite predictions this week by Budget Director Leon Panetta that a conference committee of the Senate and House would increase the Senate's gasoline tax, Mr. Riegle said, "I don't think, despite what Leon Panetta said yesterday, that we're going to go back to the [energy] tax."

Mr. Riegle said the bill would make "a substantial reduction in the deficit. And moreover, we're going to make more spending cuts. Mark that down—there will be more spending cuts than what's now in the package."

Mr. DOMENICI. Mr. President, I think we ought to have a lot of latitude to speak on the floor. I think we are trying very hard to give people an opportunity to get amendments and we have been working at that with limited time. I am not so sure that we are going to stick to speeches that have to do with this budget. But in light of Senator RIEGLE'S remarks, my friend from Oklahoma has asked that I yield him 3 minutes.

I really hope we would get onto the amendments as we had planned them heretofore. We have a series of them. Senators are waiting around to get them done. Senator INOUYE is ready, others are ready. But I yield 3 minutes to Senator NICKLES from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. NICKLES] is yielded 3 minutes.

Mr. NICKLES. I thank my colleague from New Mexico.

If candidate Clinton or if President Clinton had run on this economic program, he would not be President Clinton. I do think that politicians should be held accountable. When Bill Clinton was a candidate he said—in New Hampshire I might mention, he said—"middle-class taxpayers will have a choice between a children's tax credit or a significant reduction in their income tax rate." That is what he said as a candidate. That is what he said in his book. But that is not in the economic package.

Candidate Bill Clinton said he was opposed to a gasoline tax increase. This package has a gasoline tax increase.

I just make those points. I am not trying to be partisan, but I think my colleagues, when they start talking about New Hampshire, I think we should just look back a year ago, some of the comments that were made in New Hampshire and other States.

I would like to discuss the amendment that is before us, because the bill that we have before us is an assault on small business. There are a lot of people who are self-employed who are sole proprietors, who are subchapter S's, that are going to see their rates go up from 31 to 36 or 42.5 percent. And if you talk about elimination of Pep and Pease, up to 44 percent. That is a 43-percent increase in their marginal rates.

My friend and colleague from North Dakota said marginal rates do not mean much. Let us talk about effective rates. I will tell my colleague as a business person you make your incremental decisions on marginal rates: Should

I have this plant expansion? What is the incremental effect on my income and on my employees?

If your marginal rate is at 42 or 44 percent, and that is before you pay your State income tax, you pay your State income tax you are over 50 percent, that has a very suffocating impact on your incremental decisions to expand, to build, to grow.

So I would just say I think there is something inherently wrong, to have small manufacturers or have a family run restaurant taxed at 10 or 11 percent more than the present rate, or to have the rates almost 10 percent more than the corporate rate.

I hope my colleagues will pass the Roth amendment. And I might add, too, the Roth amendment does have offsets. It does call for curtailing spending. It is paid for. It is responsible. It is reduction in taxes and in spending. And I believe it is a giant step in the right direction.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, is there time remaining on the other side?

The PRESIDING OFFICER. All time has expired.

Mr. SASSER. Then, Mr. President, I raise a point of order that the pending amendment violates section 310(D)(2) of the Congressional Budget Act.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, pursuant to section 904 of the Budget Act, I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, is there time remaining on the motion?

The PRESIDING OFFICER. Yes.

Mr. SASSER. Mr. President, I yield back the time on our side.

Mr. DOMENICI. We yield our time.

The PRESIDING OFFICER. All time is yielded.

The question is on agreeing to the motion of the Senator from Delaware to waive section 310(D)(2) of the Congressional Budget Act. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER (Mr. KOHL). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 56, nays 42, as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—56

Bennett
Biden
Bingaman
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dodd
Dole
Domenici
Durenberger
Exon
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Kerrey
Kerry
Kohl
Lieberman
Lott
Lugar
Mack
Mathews
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NAYS—42

Akaka
Baucus
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dorgan
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Johnston
Kennedy
Lautenberg
Leahy
Levin
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The amendment of the Senator from Delaware would cause the deficit reduction attributable to the Finance Committee to fall below the level of deficit reduction that the Finance Committee was instructed to achieve by the concurrent resolution on the budget.

The point of order is well taken.

The amendment falls.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

ORDER OF PROCEDURE

Mr. SASSER. Mr. President, I ask unanimous consent that the distinguished Senator from Hawaii [Mr. INOUYE] next be recognized to offer his sense-of-the-Senate amendment on entertainment and meals; that there be a limit of 7 minutes for the Inouye amendment; that upon disposition of the Inouye amendment, Senator GREGG be recognized to offer a technical amendment on higher education; that there be a limit of 1 minute for Senator GREGG on his amendment; and that no other amendments be in order prior to the disposition of these two amendments.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object, I gather that Senator GREGG's 1-minute amendment does not count as a Republican full amendment. We are going back to the Democrat side, because that is where it is supposed to be at this point after these two, and then back to us.

Mr. SASSER. That is correct.

Mr. DOMENICI. Mr. President, how much time remains on the bill?

The PRESIDING OFFICER. Two hours 40 minutes remaining on the debate for the bill.

Mr. SASSER. Parliamentary inquiry. Did we get the consent, Mr. President?

Mr. DOLE. Mr. President, reserving the right to object——

Mr. DOMENICI. Reserving the right to object, Mr. President, could I say to Chairman SASSER that we need to confer on the technical amendment of Senator GREGG? Could we hold that and go with Senator INOUYE and we will get right back to him?

Mr. SASSER. Of course.

Mr. DOMENICI. We do not object to the part of the unanimous consent that sends the Inouye amendment to the desk now as the matter before us, 6 minutes debate.

The PRESIDING OFFICER. Without objection, it is so ordered. The request as modified is agreed to.

The Chair recognizes Senator INOUYE.

AMENDMENT NO. 529

Mr. INOUYE. Mr. President, I am offering a sense-of-the-Senate resolution on behalf of myself——

Mr. FORD. Mr. President, I make a point of order that the Senate is not in order.

The PRESIDING OFFICER. The Senate is not in order.

The Senator may proceed.

Mr. INOUYE. I am offering the sense-of-the-Senate resolution in behalf of myself, Senators HATCH, DOLE, BRYAN, REID, AKAKA, EXON, GRAHAM, HOLLINGS, DURENBERGER, GREGG, COATS, BROWN, MACK, COVERDELL, WALLOP, KERRY, BURNS, DOMENICI, and BREAUX.

The purpose of this resolution is to urge the House and Senate conferees to retain the 80-percent deductibility on business meals and entertainment expense.

The PRESIDING OFFICER. Would the Senator please send his amendment to the desk?

Mr. INOUYE. Yes, I will. This amendment has been cleared by managers on both sides.

AMENDMENT NO. 529

(Purpose: To express the sense of the Senate that the conferees on the bill should reduce or eliminate the proposed reduction in the 80-percent deduction of business meals and entertainment expenses)

Mr. INOUYE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Hawaii [Mr. INOUYE] for himself, Mr. HATCH, Mr. DOLE, Mr. BRYAN, Mr. REID, Mr. AKAKA, Mr. EXON, Mr. GRAHAM, Mr. HOLLINGS, Mr. DURENBERGER, Mr. GREGG, Mr. COATS, Mr. BROWN, Mr. MACK, Mr. COVERDELL, Mr. WALLOP, Mr. KERRY, Mr. BURNS, Mr. DOMENICI, and Mr. BREAUX, proposes an amendment numbered 529.

Mr. INOUYE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . SENSE OF THE SENATE RELATING TO THE DEDUCTIBILITY OF BUSINESS MEALS AND ENTERTAINMENT EXPENSES.

(a) FINDINGS.—The Congress finds the following:

(1) That—

(A) travel and tourism is the third largest retail industry in the United States and accounts for 11 percent of the total value of goods and services exported by the United States;

(B) in 1992, the tourism industry produced revenues in the amount of $369,000,000,000 which produced $44,000,000,000 in tax revenues; and

(C) of such tax revenues, the Federal Government received $24,000,000,000.

(2) The restaurant industry provides thousands of jobs in the United States.

(3) The American performing arts community supports, develops, and exports world-class performing arts.

(4) The reduction in the rate of the tax deductibility of business meals and entertainment expenses from 80 percent to 50 percent may have a negative impact on the United States restaurant, entertainment, and tourism industries.

(5) Any loss of revenues due to the reduction described in paragraph (4) may result in the loss of jobs in the restaurant, entertainment, and tourism industries, many of which are filled by young individuals in their first jobs and by members of minority groups.

(6) The unemployment rate among individuals and members described in paragraph (5) greatly exceeds the national unemployment rate of 6.9 percent.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the conferees with respect to this title will make every effort to reduce or eliminate the proposed reduction in the deductibility of business meals and entertainment expenses.

Mr. INOUYE. Mr. President, I wish to yield 3 minutes to Senator BRYAN of Nevada.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. BRYAN. Mr. President, I thank the Chair.

Mr. President, I also thank the distinguished Senator from Hawaii, who has labored in behalf of a number of us to craft this amendment.

Mr. President, I had intended to offer today an amendment to strike the provisions of this bill which further limit the deductibility of business meal and entertainment expenses. I will not offer this amendment, but I would like to make some brief comments on this subject, and encourage Chairman MOYNIHAN to revise or eliminate this harmful provision in the conference committee.

Mr. President, the provision contained in this legislation would have a devastating effect on my State and the rest of the Nation. An estimated 165,000 jobs will be lost in the foodservice industry alone if the deduction is lowered to 50 percent; in my State alone, over 4,500 jobs could be at risk. The State of Nevada cannot afford this price tag.

I understand that the chairman of the Senate Finance Committee has expressed an interest in improving this provision. I truly hope this is the case because a reduction to 50 percent would be devastating to my States economy, and I am sure to the chairman's New York constituency.

Mr. President, we are all concerned about jobs and the economy. And coming from a tourism State I am particularly concerned about tourism jobs that as you know are directly impacted by business meal deductibility. In 1986, the Congress lowered the business meal deductibility from 100 to 80 percent. This hurt my State. It hurt many States. As a matter of fact, since 1986 the foodservice industry nationwide created 700,000 fewer jobs than it had in the previous 6-year period.

The foodservice industry is the largest retail employer in the country with over 9 million employees. In my own State of Nevada, our foodservice industry employs over 34,000 people. Business meals generate over $1 billion annually. About $104 million in lost business meal revenue would occur if this provision becomes law.

We hear rhetoric that this is a fat cat issue. Mr. President, nothing could be further from the truth. This is a legitimate business expense. I ask that you consider these facts:

A majority of those purchasing business meals are small business people. A National Restaurant Association survey shows that 70 percent of those purchasing business meals had incomes below $50,000 and 39 percent had incomes below $35,000.

Fully one-quarter of those purchasing business meals are self employed.

The average amount spent on a business meal, per person, is $9.39 for lunch and $19.58 for dinner.

Many small businesses rely on business meals as the only marketing tool available.

The fact of the matter is Mr. President, this is a jobs issue. The people who will be hurt the most are the people who can least afford it. People who want to work, like Kris Constentine and Valentina Paz, both mothers of two children who work at the Cousins Cafe in Las Vegas. As a matter of fact a majority of those employed in the food service industry are women, 12 percent are Hispanic, 12 percent are African-Americans, and 20 percent are teens—all of those least likely to withstand economic dislocation.

Mr. President and my colleagues, we started this process trying to create jobs during a slow economy. The best way to prevent further job loss is to strike the reduction of business meal deductibility from 80 to 50 percent in the budget reconciliation package. I urge you to support my amendment.

For all these reasons, I urge Chairman MOYNIHAN and the other members of the conference committee to eliminate this harmful provision during conference.

The deductibility of business meals and entertainment expense is a serious matter for those of us who come from States whose industry is primarily tourism. For those of us in Nevada each year some 30 million visitors come to our State. The largest retail employers in our own State would be those that are involved in the food service industry.

The effect of reducing the deductibility from 80 percent to 50 percent will have a national impact of a loss of 165,000 jobs and, in my own State of Nevada, some 3,400 jobs. All of us are concerned about jobs, and the restriction contained in this bill which limits the deductibility to 50 percent is, frankly, the wrong medicine for the economy.

The people that are most affected by this are the very people that we ought to be most concerned about. The majority of them are women, 12 percent are Hispanic, 12 percent are African-American, some 20 percent are teenagers. So these are the folks who can be most easily dislocated in the job market and who have historically found the greatest difficulty in seeking reemployment.

I commend my colleague for his effort in our behalf. I know that the distinguished chairman of the Senate Finance Committee also recognizes the impact on his own State. It is my hope that in conference we can ameliorate the impact of this, if not repeal entirely the provisions which reduce that deductibility. I thank my good friend.

Mr. INOUYE. Mr. President, I yield 1 minute to the distinguished Senator from Utah [Mr. HATCH].

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I rise in support of the amendment from the Senator from Hawaii to instruct the conferees to retain the current 80-percent deductibility of business meals and entertainment expenses.

Mr. President, I hope my colleagues note that this amendment is a bipartisan one. I commend the Senator from Hawaii for his willingness to speak out on this issue. I offered an amendment to strike this provision from the bill last week in the Finance Committee. Unfortunately, it was defeated along party lines.

I sincerely hope that my Senate colleagues today and also the conferees note that this is not a partisan issue. This is a jobs issue.

The provision in the tax bill before us to lower the deductibility of business meals from 80 to 50 percent will be counterproductive to deficit reduction and economic growth. Although this provision is ostensibly aimed at large corporations, it will primarily hurt women and minority workers and small businesses.

Estimates prepared for the National Restaurant Association indicate that over 165,000 jobs will be lost nationwide by this provision. This is based on a projection that business meal sales will drop by almost $3.8 billion, which is nearly 10 percent.

In the 4 years following the 1986 Tax Reform Act, where the deduction for business meals was limited to 80 percent, real sales declined almost 6 percent in establishments with per person checks of $15. In fact, the 6 years since the 1986 Tax Act have been the worst the restaurant industry has seen in decades. From 1986 to 1992, restaurants generated 700,000 fewer jobs that they had in the previous 6 years.

Mr. President, most restaurants are small businesses with very thin profit margins. Seventy-two percent have annual sales of less than $500,000. Even small drops in revenue will go right to the bottom line, and often exceed the entire profit that many restaurants show each year. Since prices usually cannot be increased and labor is often the only controllable cost that restaurants have, the only way for many to deal with this will be to lay off workers.

Another important factor to note is that almost 60 percent of employees in the food service industry are women; 20 percent are teenagers, and 12 percent each are African-Americans and Hispanic. These groups are often the least able to economically stand the dislocation this provision will force.

Contrary to what many might believe, most individuals who purchase businesses meals are small business persons. Seventy percent have incomes below $50,000 and 39 percent have incomes below $35,000. Twenty-five percent are self-employed. Moreover, 78 percent of business lunches and 50 percent of business dinners are purchased in low to moderately priced restaurants.

The average amount spent on a business meal, per person, is only $9.39 for lunch and $19.58 for dinner. The business meal deduction is hardly the exclusive realm of the fatcats, Mr. President.

The restaurant industry in Utah employs 43,000 people and pays annual wages of $300 million. It is an important sector of our State's economy. Some 917 jobs are estimated to be lost in the State from this provision. What do I tell a person who has been laid off from his or her job because of this provision, Mr. President? That this tax increase is merely closing a corporate loophole?

Much of the $15.3 billion in revenue that has been scored for this provision will not be realized. Like the luxury tax, this provision will hit the providers of business means much harder than the purchasers. The result will be fewer business meals purchased, which translates into lost jobs.

The loss of 165,000 jobs will also reduce the Treasury's intake of payroll and income taxes and increase the outlay of unemployment taxes.

I see no need to offset this provision with other tax increases. The President's plan has billions of dollars of new spending; let's cut some of that out before we raise anyone's taxes, especially taxes that will result in so many lost jobs.

I want to cut the deficit as badly as my colleagues in the majority do. But I don't think the way to do is through lost jobs—especially lost jobs to those in our society least able to afford it: women, often single mothers, and minorities.

Mr. President, this is an important amendment. We found that the Hatch amendment, during the debate before the Finance Committee, which would do this, was defeated. But I think, upon reflection, everybody in this body realizes that if we literally change the 80 percent rule down to 50 percent, we will cost at least 165,000 jobs at a time that they are very, very important.

The provision in the tax bill before us to lower the deductibility of business meals from 80 to 50 percent would be counterproductive to deficit reduction and economic growth. Although this provision is aimed ostensibly at large corporations, it will primarily hurt women and minority workers and small business people.

Like I said, it could cost us upwards of 165,000 jobs in an industry that, because of the 80-percent rule, has remained basically stagnant over the last 6 years. So this is a wise thing that the distinguished Senator from Hawaii is doing. I commend him for it.

Mr. DOLE. If the Senator will yield, I rise in support of the amendment. I wish we had the real amendment. This is a sense-of-the-Senate, but at least it is a signal to the conferees, and I commend the Senator from Hawaii and others for their support of this amendment. It is very important all across America.

Mr. HATCH. We hope that our conferees will hold fast to keeping this sense-of-the-Senate resolution intact in this particular bill, because it is absolutely critical to our country, to jobs, and to our economic development and small business. I thank my colleague from Hawaii, and I am happy to cosponsor the amendment.

Mr. INOUYE. I yield 3 minutes to the Senator from Nevada [Mr. REID].

Mr. REID. Mr. President, prior to coming back to the Congress, I had a small business. This small business had a score or two of employees. My employees and a I were encouraged—at least some of my key employees—to do what they could to maintain the business that I had and to develop new business. One of the ways of doing this was to buy meals for people, to entertain people. I was generous with my employees and allowed them to do this, because at that time you could deduct the cost of those entertainment expenses.

As a result of my generosity, Mr. President, cooks were employed, as were waiters, waitresses, dishwashers, linen workers, food suppliers, farmers, fuel suppliers, accountants, and janitors; a wide range of people had jobs as a result of that.

I think the Finance Committee was shortsighted in the information in the language they have in this bill, because the people I mentioned, from the cooks to the janitors, many would be put out of business. This provision in the finance bill we are going to vote on, in conference, should be eliminated. There is no reason for it. It is shortsighted, and it will cause the loss of about 165,000 jobs. It is wrong. I think that we should go with this sense-of-the-Senate resolution, which I hope will be accepted—and I am sure it will be—and have the Finance Committee report back in conference with a bill we can all live with.

Mr. INOUYE. Mr. President, do we have time remaining?

The PRESIDING OFFICER. One minute, ten seconds.

Mr. INOUYE. I yield to the Senator from Louisiana [Mr. BREAUX].

Mr. BREAUX. Mr. President, I thank the Senator for offering this amendment. I think it is absolutely essential to make changes in this area. This Senate passed a FICA-type tax credit that was vetoed by President Bush. I think that is one of the other things that needs to be done to help small businesses, particularly restaurant owners and operators. I think that would be as important as this. This is a major step, and I support it with enthusiasm.

Mr. INOUYE. Mr. President, I ask that the following Senators be listed as cosponsors: Senators KOHL, CHAFEE, WARNER, ROTH, and KERRY of Massachusetts.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. This measure has been cleared on both sides. I call for the vote.

Mr. GORTON. Mr. President, I rise today in support of the regulatory parity provisions contained in the Omnibus Budget Reconciliatory Act of 1993.

The overall purpose of regulatory parity for commercial mobile services is to ensure that like services are treated in a like regulatory manner. The committee took steps to fashion this legislation because disparities in the current regulatory scheme, if allowed to persist, could impede the continued growth and development of commercial mobile services.

Under the regulatory parity provision, the Commission has wide discretion to fashion appropriate rules for commercial mobile services in order to ensure parity in the regulatory treatment of providers of all commercial mobile services that offer services that are substantially similar.

The amendment offered today by Senators STEVENS and INOUYE purports to give the Commission the flexibility to amend, modify, or forbear from regulation of new entrants. In my view, this amendment does not in any way require the Commission to treat providers of like services differently. Rather the intent of this amendment is to give the Commission the discretionary authority to fine tune its regulatory scheme for commercial mobile services, consistent with the purposes of the regulatory parity provisions of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 529) was agreed to.

Mr. INOUYE. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 30 seconds. I wholeheartedly support the Inouye amendment. Yesterday, I raised a question as to whether we should target and just make the performing arts all over America subject to the full corporate deduction for entertainment. That did not mean that I do not strongly favor the performing arts. I think this amendment is better.

Mr. SASSER. Mr. President, the next amendment in order—and we do not have it as part of the unanimous-consent request, but the Senator from New Hampshire [Mr. GREGG] has an amendment dealing with education that will take a minute.

AMENDMENT NO. 530

(Purpose: To require a State to charge institutions of higher education within the State a fee to offset the State's share of default costs)

Mr. GREGG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 530.

Mr. GREGG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 809, line 24, strike "may" and insert "shall".

Mr. GREGG. Mr. President, I would like to ask the distinguished chairman of the Committee on Labor and Human Resources, Senator KENNEDY, if he will continue to work with me to explore, before this budget reconciliation bill is taken up in conference with the other body, potential options to the State cost-sharing provisions contained in section 12061 of the budget reconciliation measure.

Mr. KENNEDY. Mr. President, I will be pleased to continue working with the Senator from New Hampshire to determine whether we might identify alternative cost-savings that will be sufficient to generate the $300 million in budgetary savings anticipated from section 12061 of S. 1134. I certainly share the Senator's desire to find another way to generate these same savings as long as this can be accomplished without penalizing students or destabilizing the student loan system.

Mr. PELL. Under Senator GREGG's amendment, each State would charge a fee to schools with high cohort default rates according to a fee structure developed by the State and approved by the Secretary of Education. Each State's fee structure would include a process for exempting from cohort default rate fees those institutions that can demonstrate that exceptional mitigating circumstances contributed to their cohort default rates.

It is also my understanding that the committee intends that institutions such as historically black colleges and universities [HBCU's], tribally controlled community colleges, Navajo community colleges, be considered to meet the exceptional mitigating circumstances criteria developed by individual States for the purposes of carrying out section 12061. I further understand that other institutions with large minority enrollments, such as Hispanic-serving institutions, would also be considered to meet this exceptional mitigating circumstances criteria where appropriate.

Mr. KENNEDY. The chairman of the Subcommittee on Education, Arts, and Humanities is correct. Should the State cost-sharing provisions before us be retained by the conferees, the committee intends that in approving individual States' fee structures, the Secretary shall ensure that the special circumstances of HBCU's, tribally controlled community colleges, Navajo community colleges, and other institutions with large minority enrollments are recognized in each State's criteria for determining which institutions will be exempt from cohort default rate fees.

Mr. PELL. I thank the full committee chairman for clarifying this important matter.

Mr. GREGG. Mr. President, I, too, wish to thank Senator KENNEDY for his willingness to continue working with me to explore possible alternatives to the State cost-sharing provisions in the bill.

Mr. President, the purpose of this amendment is to eliminate the unfunded mandate language contained in the cost sharing part of the direct student loan language within the reconciliation bill. Many of us in this Chamber are very concerned about not shifting costs to States. This amendment accomplishes that goal and eliminates the unfunded mandate that would be in this bill.

Therefore, I urge approval of my amendment.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 530) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER. Mr. President, I ask unanimous consent that Senator DECONCINI now be recognized to offer an amendment—let me withhold that for a moment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST

Mr. SASSER. Mr. President, I ask unanimous consent that Senator DECONCINI now be recognized to offer an amendment on the subject of Social Security wage threshold; that there be 20 minutes, equally divided, on the DeConcini amendment; that following the disposition of Senator DECONCINI's amendment, Senator GORTON of Washington be recognized to offer his amendment dealing with aviation fuel; that there be 25 minutes, equally divided, for debate on the Gorton amendment; and that no other amendments be in order prior to the disposition of these two amendments.

Mr. DOMENICI. Reserving the right to object, Mr. President. I cannot agree to the unanimous consent because some Members on our side have not had a chance to review the DeConcini amendment. Part of the consent we will agree to now, and that is that Senator DECONCINI will have 20 minutes equally divided, and Senator GORTON will have 25 minutes, equally divided. The question of whether second-degree amendments are in order is not agreed to.

Mr. DECONCINI. Mr. President, I send an amendment to the desk——

Mr. BRYAN. Mr. President, point of order. Reserving my right to object.

Mr. SASSER. I think there has been objection.

Mr. BRYAN. Mr. President, I will not interpose an objection, but if I am recognized, I would like to inquire. I have, as the distinguished Senator from Tennessee knows, been waiting since 9:30 this morning for some indication of when I might offer an amendment; when might that be considered?

I am not trying to complicate the floor leader's very difficult challenge in accommodating all of the interests, but seemingly, for reasons I am not altogether clear of, events are occurring, and we are hearing so and so is authorized to go forward with their amendment. I have certainly no objection to the request being made on behalf of the Senator from Arizona or the Senator from Washington. But can I inquire, how does one get to a hearing on his own amendment?

Mr. SASSER. Well, I thank my friend from Nevada for his inquiry, and it is indeed a legitimate inquiry, I might say.

As always, Mr. President, we are simply deluged with amendments here, and we are trying to work them off in the best way that we can. We have been trying to establish an orderly process of compiling a list of amendments and then trying to take some of those amendments first of which there will be disagreement or some that can be accepted.

I was of the opinion that the amendment of the Senator from Nevada was on the list. At this juncture I cannot tell you when the list of the amendments might come up. But I suggest we get into the DeConcini amendment and then we will make a genuine effort to try to ascertain when the Senator's amendment might come up.

Mr. BRYAN. I thank my friend.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I would like to pursue the same question of my friend from Nevada. We are dealing with a dwindling resource here which is time. There are obviously many amendments to be offered. None of us want to get in a situation being in the cattle car at the end of this process where we are unable to even make the briefest explanation of our amendments. Would it be possible to see a list of all of those who wish to offer amendments, the Senator from Nevada has an amendment, I have an amendment, and then some indication of how much remaining time is going to be allocated so we will know whether it appears to be a fairness and equity in the distribution of this dwindling resource being applied.

Mr. SASSER. I think that is a request that is reasonable and we will try to comply with that. I say to the Senator from Florida I do not think he will be encouraged when he sees the list of amendments and matches those against the remaining time. But we will endeavor to see if we cannot compile such a list and discuss it with our friend from Florida.

Mr. GRAHAM. We would just like to be enlightened if we are also going to be depressed.

Mr. SASSER. We will do our best to keep the Senator out of cattle car at the end but there are no guarantees.

Mr. DOMENICI. Mr. President, I object to the unanimous agreement but I have no objection to the Senator proceeding.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona [Mr. DECONCINI].

Mr. DECONCINI. The floor is open for amendment, am I correct?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 531

(Purpose: To increase the threshold levels that apply for determining whether a taxpayer is subject to tax on 85 percent of such taxpayer's Social Security benefits and reduce the threshold level for the surtax)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arizona [Mr. DECONCINI] for himself, Mr. LAUTENBERG, and Mr. KOHL proposes an amendment numbered 531.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DECONCINI. Mr. President, I send this amendment to the desk on behalf of the Senator from New Jersey [Mr. LAUTENBERG] and the Senator from Wisconsin [Mr. KOHL] and I am pleased to get an opportunity to discuss this amendment.

We are offering this amendment to protect America's middle-income seniors from an inequitable increase in the taxation of our Social Security benefits. This amendment is straightforward. It seeks only to raise a threshold, nothing more, to protect the 2.5 million seniors in the lowest income tax bracket from alarming unfair increases in their Federal income tax.

Mr. President, I strongly commend the efforts of the administration, especially President Clinton and Secretary Bentsen and Director Panetta for facing a difficult deficit dragon head on, no smoke and mirrors, difficult decisions for everybody here. While many of our colleagues can oppose part of this bill, and I have to oppose part of it, no one can argue that the administration has not faced up and really brought to us a deficit reduction plan. It certainly is a refreshing change from what we have seen in the past.

Mr. President, I also commend the chairman of the Finance Committee, Senator MOYNIHAN, and his colleagues on that committee for the important contribution that they have made here. The bill is certainly better than what came from the House, even though I have some serious problems with this bill before us.

Chairman MOYNIHAN responded to an overwhelming vote on the Lautenberg-Exon amendment in the fiscal year 1994 budget resolution. The Finance Committee raised the threshold for increased benefit taxation to $32,000 from $25,000 for singles and to $40,000 from $32,000 for couples filing jointly. In doing so the Finance Committee amendment succeeded in protecting roughly 3.8 million middle-income seniors in the 15-percent tax bracket. That was necessary and very proper.

From the increase of taxation of Social Security benefits for the 50 percent to the 85 percent that was part of that budget increase and is part of this reconciliation bill. However, everybody with the finance modifications almost 2.5 million middle-income seniors in the 15-percent tax bracket are being asked to bear a disproportionate share of deficit reduction. An older widow with $30,000 to $40,000 in adjusted gross income will face an average tax increase of 8.5 percent. And one with $40,000 to $50,000 adjusted gross income will have a 12.5-percent tax increase. Whereas a single, nonelderly worker with $115,000 of adjusted gross tax income has no income tax, no income tax increase under this bill.

That is simply not fair no matter what side of the aisle you are on. It does not make sense. If we do not enact this amendment an older couple with $50,000 in essence will be asked to pay a surtax that is greater than we are asking couples with 4 times that income. Where is the equity here? This proposal is not progressive; it is abusive and we need to change it.

The simple fact is the only Americans who will be paying higher taxes, income taxes, under this bill—excluding the energy tax—are moderate-income Social Security recipients and high-income individuals and couples earning over $115,000 and $140,000, respectively. Those are the ones who are going to pay a greater tax for these $50,000 income people, whereas the people in the $115,000 and $140,000 income level will not.

Mr. President, I support some parts of this bill. I agree that some taxes are going to be necessary in order to curb this runaway deficit. Under the bill as it is today all Americans are going to have to pay some energy tax if this becomes law. Though I have problems as a Westerner with this particular energy tax, I am prepared to vote for some taxes if indeed they are all dedicated to deficit reduction. However, I cannot support a proposal asking middle-income older Americans to sacrifice even more because of cuts in Medicare taxes on top of additional tax on Social Security benefits.

Taxing Social Security benefits at 85 percent for married couples with incomes of $40,000 and single individuals with incomes of $32,000 does not meet my test of imposing tax on the wealthy. I do not believe many Americans would construe income of $40,000 or $32,000 as being wealthy. Our elderly have extraordinary health and drug expenses that quickly eat away at income. Our American seniors know we can do better and that is why the American Association of Retired Persons, the Nation's largest organization representing 35 million seniors, strongly supports this amendment.

Mr. President, I ask unanimous consent that a letter dated June 22, 1993, from the executive director, Mr. John Rother be printed in the RECORD at an appropriate place following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DECONCINI. Mr. President, this amendment raises the threshold for increased taxation of benefits to $37,000 for singles and $54,000 for couples filing jointly. If enacted virtually no senior in the lowest income tax bracket today will be subjected to a greater tax on their Social Security benefits. There have been scores of speeches in the past year about how the wealthy have to pick up the burden for the excess of the 1980's and some of the 1970's.

The President ran on a platform last year that called for those who profited in the 1980's to pay for the 1990's. I agree. In the last few days, we have had more emphatic speeches from the minority and the majority alike urging us to protect middle-income Americans, particularly seniors. The fundamental question here is the same question that President Clinton and Majority Leader MITCHELL have repeatedly stated yesterday afternoon: Will the Senate impose the burden of deficit reduction on those making over $200,000 a year or the middle-income seniors?

Let there be no mistake. If you vote against this amendment, you are voting to protect those making $200,000 or more at the expense of the middle-income senior. Our amendment asks that burden of $5.3 billion in taxes be shifted from the middle-income elderly to the wealthy earning over $200,000. Our amendment would be paid for by lowering the income level at which the surtax proposed by the President kicks in from $250,000 a year to $200,000 or more a year. Our amendment merely asks the Senate to protect the middle-income older Americans instead of the wealthy.

Beyond the fairness issue, we must also question the long-term ramifications of taxation of retirement income. We already impose a hefty penalty on working beneficiaries whose wages exceed the Social Security threshold. Now we are adding to this by reducing the benefit of those who have put aside a little extra to be able to have a decent standard of living in retirement.

EXHIBIT 1

AARP,
June 23, 1993.

Hon. DENNIS DECONCINI,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR DECONCINI: The American Association of Retired Persons supports your proposed amendment to the Budget Reconciliation bill that would raise the thresholds for increased taxation of Social Security. Under your proposal, middle-income older Americans will experience significant tax relief from the disproportionate tax burden they face under the Senate package.

The Finance Committee package, which improved on the President's original proposal, would tax 85 percent of Social Security benefits that exceed modified adjusted gross incomes of $32,000 (single) and $40,000 (joint). This provision would raise over $26 billion over the 5-year period. Although the rationale for this tax is that it is a tax on the "wealthy elderly," about one-third of the older taxpayers experiencing a tax increase are currently in the 15 percent tax bracket. While many would debate what is "wealthy," surely those in the 15 percent tax bracket are not wealthy by any standard.

Your proposed amendment would raise to $37,000 (single) and $54,000 (joint) the thresholds at which Social Security benefits would be taxed at the higher rate. Your amendment would protect almost all of the taxpayers in the 15 percent tax bracket. In addition, your amendment would largely prevent older taxpayers from being pushed into the higher 28 percent tax bracket simply as a result of the change in the taxation of benefits.

Older Americans are willing to support fair and responsible deficit reduction legislation. However, middle-income older persons should not be asked to bear a disproportionate share of the tax burden. In contrast to the other income tax increases in the package that affect only wealthy persons (above $115,000 of taxable income), middle-income older persons face substantial tax increases at far lower income levels. For example, a single person with $40,000 of adjusted gross income (AGI) or an older couple with $50,000 in AGI can experience tax increases over $1000.

This tax is especially onerous to those who, while not "wealthy," have saved enough to be middle-income in their retirement. We should not penalize those who saved for retirement, nor should we levy high marginal tax rates on these who choose to supplement their retirement incomes with additional wages.

Achieving deficit reduction requires shared sacrifice, but that sacrifice must be borne fairly. By raising the income levels for the increase in Social Security taxation to protect those in the 15 percent tax bracket, your amendment would restore a large degree of fairness to the package. The Association strongly supports your efforts to alleviate the disproportionate tax burden on middle-income older taxpayers.

If there are any further questions or we can be of further assistance, please have your staff call David Certner or Evelyn Morton in our Federal Affairs office at 434-3762.

Sincerely,

JOHN ROTHER,
Director,
Legislation and Public Policy.

Mr. DECONCINI. Mr. President, I have other remarks here, but I know the Senator from New Jersey, a cosponsor of this legislation, wants to make some comments.

I ask unanimous consent that I may yield to the Senator from New Jersey for a period of 5 minutes, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Jersey is recognized for 5 minutes.

Mr. LAUTENBERG. Thank you very much, Mr. President.

I thank the distinguished Senator from Arizona for yielding me this time. I am pleased to work with him in offering this amendment to protect middle-income senior citizens from tax increases on their Social Security benefits.

Mr. President, for the last 12 years, more and more of the Federal tax burden has been shifted from the wealthy to the ordinary American. It is fundamentally wrong and it is time to do something about that.

Mr. President, middle-class Americans are struggling—struggling to pay their health care bills, struggling to pay their food bills, struggling to keep their heads above water.

This struggle is often particularly difficult for our elderly. Living on a fixed income is not easy, especially for those who may need long-term care, nursing home care, and especially when seniors have to rely on some income that yields from dividends, whether it is interest or otherwise, when the rates paid on these instruments are low as they are today.

Mr. President, this amendment presents the Senate with a choice—a choice about priorities. When you get right down to it, the choice is this: Whose needs are greatest, elderly Americans with moderate incomes or individuals with incomes between $200,000 and $250,000 annually? I say that we protect the moderate-income seniors first, and that is the bottom line.

Mr. President, in some parts of the country, individuals making $32,000 a year might be considered wealthy. But I can tell you this: Regrettably, it is not so in New Jersey. My constituents have some of the highest costs of living in the country. Taxes are high, health care costs are soaring, housing costs are going through the roof, and $32,000 just does not go that far.

To those who disagree, I would point out that the bill in its current form would still leave unprotected many senior citizens who are in the lowest tax bracket. And it is hard to say, if you are in the 15 percent tax bracket, that you are well-off.

Mr. President, I think it makes sense to protect those in the lowest tax bracket, and that is what this amendment is designed to do. The case for protecting these people is particularly compelling when you look at this bill as a whole.

The bill before us hits middle-income seniors not only with new taxes on their Social Security benefits, not only with $50 billion in Medicare cuts proposed in the House bill, not only with new taxes on gasoline, but with an additional $19 billion in Medicare cuts.

Mr. President, I know that these Medicare cuts are designed to affect primarily the providers—doctors, hospitals, health care providers—but there is no way to guarantee that it will not hit seniors, and that right around the corner is some restriction that is going to reduce their ability to get their health taken care of. And no one can guarantee that it will not adversely affect their ability to get the medical attention that they need and deserve. Many of us have real concerns about that.

Why are we hitting Medicare so hard? Well, from all appearances, it is to protect the oil and gas industry. And that will not wash with my constituents in New Jersey. It is designed to continue to fund the space station, designed to continue funding the super collider.

Under the circumstances, Mr. President, I think it is appropriate that we here go the extra mile and see if we can protect more middle-income seniors from the tax increase on their Social Security benefits.

I recognize that the bill before us does have thresholds above those originally proposed and uses the minimum threshold in the sense of the Senate amendment that I proposed to the budget resolution. So there is no question that progress has been made, and I appreciate the Finance Committees efforts in this area.

Now that we have the whole bill before us, however, this amendment provides us with a new choice. And I think the choice should be clear, except perhaps for those who care more about protecting the wealthy than protecting the middle-class seniors.

Mr. President, Social Security represents a compact among all Americans, a compact that reflects some basic values of our Nation. As a society, we have decided that senior citizens, who have worked hard and contributed to building our Nation, should enjoy at least a minimum level of security in their later years, so that senior citizens do not have to live in constant fear of a financial catastrophe and, not insignificantly, so that the sons and daughters and family members of the elderly can also rest assured that their loved ones will at least have a bare minimum level of security. And I do mean bare minimum, Mr. President. Nobody ever got rich off of their Social Security checks.

The point is that the care of the elderly is not just another policy goal.

I would ask the Senator from Arizona if I could have 2 more minutes.

Mr. DECONCINI. I yield, with the understanding under the unanimous consent agreement that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, care of the elderly is a fundamental value. It tells us a lot about what kinds of people we are and what kind of society that we live in.

In conclusion, I want to repeat the real choice that this amendment presents to each and every Senator: Who do we care about most? Middle-income seniors, or those with incomes above $200,000?

I think at this point all have heard what Senator DECONCINI and I are proposing by way of an offset for this program. I hope, after brief consideration, our colleagues are going to stand with the middle-class senior citizens and support this amendment.

I yield the time back, and I thank the Senator from Arizona for his work.

Mr. DECONCINI. Mr. President, I thank the Senator from New Jersey for his involvement in this. Actually we are here because of my friend from New Jersey, Senator LAUTENBERG, along with my distinguished colleague from Nebraska, Senator EXON. They were the first to raise this threshold during the budget time. We here are, once again, working together to see that the elderly who are receiving Social Security benefits under $50,000 are not going to pay extra taxes on those benefits. As the Senator from New Jersey has pointed out, $50,000 for an elderly couple does not make them wealthy Americans. Senior citizens have a lot of additional expenses.

Here is an example that will give just a little idea of what we are talking about.

Under the current law, the tax liability on Social Security is 50 percent. Now, a couple who has an adjusted gross income of $50,000, under the administration's proposal will now pay an additional $1,700 in income taxes or about a 31-percent increase over current law.

The Finance Committee raised the threshold level where the 85 percent kicked in to $40,000. The Finance proposal brought the added taxes down to $938. That is a good improvement.

However, by raising it to $54,000 as we do in our proposal, the elderly couple with an income of $50,000 is not going to pay anything.

I do not think that is asking too much. As the Senator from New Jersey pointed out, this is what is fair. These are the people who should not be paying. That sounds like a lot of money if you are only making $20,000, or not making anything, but $50,000 for senior citizens is a very small amount of funds.

This, indeed, is an issue of fairness. We already impose a hefty penalty on working beneficiaries whose wages exceed the Social Security threshold. Now we are adding to that by reducing the benefits of those who have put aside a little extra money to be able to have a decent standard of living and to pay for those medical costs that may not be covered by Medicare or by their insurance.

These middle-income seniors have sacrificed throughout their working lives, scrimping here and there, pinching pennies day after day, to protect themselves and their families when the time came for them to retire.

They have lived the American dream, and lived up to the American dream. They survived the Great Depression, fought the wars for the freedoms we all enjoy today, and raised a new generation of workers. They did their duties as citizens. And, after they paid their taxes, including Social Security taxes, they managed to sock away a little something to protect against being a liability to their children or their nation. In sum, the middle-income older Americans have done everything we have ever asked them to do. Now we are going to reward them with a tax?

These beneficiaries have planned carefully for their retirement based on a different set of rules. They cannot adjust for the lost income through work. If they could find a job, they would be penalized anyway under the existing law. They cannot adjust for the lost income from restructuring of income since most of that comes from non-inflation-adjusted sources. In short, we are changing the rules of retirement after the players have left the playing field. In my book, that is a technical foul.

Now, I know we change the rules around here many, many times more than we leave them alone. Change by itself is not the problem. Change by itself can be constructive. But it also can be very destructive, and it would be very destructive if we enact this legislation. Our constituents expect change and they expect taxes, but they do not want to take advantage of anyone who has followed all the rules.

The vast majority or our constituents also work and pay Social Security taxes. The vast majority will live long enough to retire. Many American workers already think that Social Security will not be around for them. If we continue to cut Social Security benefits to achieve the deficit reduction, we are sowing more seeds of doubt about the Social Security system in the minds of those who are not in it yet, not to mention those who are recipients of it.

Naturally, there are going to be those who will oppose this provision because they perceive that increased taxes on the wealthy will stymie job creation. Even if I would concede that fact, which I will not, such analysis fails to credit retirement savings for the importance that it plays in our economic well-being in this country. Institutional investments have played an integral role in the financial market, providing stability as well as enormous assets for business development.

Who is to say the current provisions regarding Social Security benefit taxation will not cost more jobs in the long run? How great a disincentive will this provision be to millions of current workers if the trend towards increased taxation of Social Security benefits continues?

My distinguished colleague, who had an amendment up here not long ago, the Senator from Mississippi [Mr. LOTT] reminded us earlier today and reminded us earlier this year of the humorous little quip made by the late Senator Sam Ervin many, many years ago.

He said:

> You can shear a sheep every spring, but you can only skin him once.

Mr. President, these middle-income Social Security recipients deserve better treatment than we have thus far provided in this budget package. They are willing to lose a little off the top, but they do not want to get skinned. These middle-income Americans merely want us to live up to their expectations that Congress is there for them just as they were when we called upon them to make sacrifices for their country. They are calling upon us to lift this burden from them today. This amendment does just that. And no more. I urge my colleagues to support our amendment to fulfill an obligation which our middle income seniors have earned.

The PRESIDING OFFICER (Mr. HARKIN). Who yields time? Does the Senator from Arizona yield the floor?

Mr. DECONCINI. I do not yield the floor, Mr. President.

Mr. President, I have the distinct pleasure of having a number of senior citizens in my State who fall into this category. My estimates indicate roughly 100,000 senior Arizonans will be affected by the Social Security tax increase if we do not enact this amendment.

Mr. SASSER. Mr. President, parliamentary inquiry. How much time is remaining for the proponents of the DeConcini amendment?

The PRESIDING OFFICER. Just 3 minutes 37 seconds.

Mr. SASSER. Let me say to my distinguished friend from Arizona, the very able chairman of the Finance Committee is here and, I think, wishes to speak in favor.

Mr. DECONCINI. I am glad to yield to the Senator.

Mr. MOYNIHAN. I am not going to speak in favor.

Mr. SASSER. I misunderstood. He is going to speak in opposition. I misunderstood. I am not controlling the time in opposition.

Mr. DOMENICI. Under the existing situation, we have a half hour, is that right?

Mr. DECONCINI. Will the Chair state again how much time is remaining on both sides?

The PRESIDING OFFICER. The Senator from Arizona has 3 minutes 37 seconds; the Senator from New Mexico has 29 minutes 25 seconds. Who yields time?

Mr. DOMENICI. I yield myself 1 minute.

Mr. President, I want the other side to know we do not have any desire to use our 30 minutes at this point. What we are trying to do—we just got this amendment about 40 minutes ago. It is a very important amendment, and there are people with strong feelings on each side. We are trying to decide what we want to do. That takes a little while when people come in from outer space, headquartered everywhere. We need a little time.

While we are doing this, let me yield, nonetheless, 5 minutes to Senator SMITH off the 30 minutes on the amendment to speak on the bill or on the amendment.

The PRESIDING OFFICER. How much time?

Mr. DOMENICI. Five.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 5 minutes.

Mr. SMITH. Mr. President, I thank my colleague for yielding this time to speak briefly on the pending bill, not specifically on the DeConcini amendment.

I would like to take a moment to talk about this budget without spouting the endless stream of mind-numbing facts and figures and numbers that we have heard in this debate over the past several days.

I could talk to you about where the national debt will be in 5 years under this plan, which will be substantially close to $6 trillion, or what percentage of the budget will go to interest on that debt, which will probably be in the vicinity of 20 percent. I could show my colleagues bright, colorful charts, as some have done, that show deficits and spending and taxes, like so many we have seen on this floor, charts that squarely place the blame for this problem one place or the other. But I am not going to do that because, if I did, I would miss the fundamental point about which this debate centers. This debate, like so many others in this Chamber, is about a philosophical division between the two political parties in America. I repeat, Mr. President, a philosophical division between the two political parties. It has never been more obvious than it is in this debate.

A budget just is not a set of numbers. It is not just numbers, it is priorities, where we want this country to go or not go in the next few years. The Clinton budget is over 1,000 pages thick, and I do not know how many have read it from page to page. I know I have not. If you want to know what President Clinton is all about, what he stands for and what he stands against, read it, look at the budget.

The word "reconciliation" makes it sound like we are trying to balance a checkbook. That is certainly part of what we are doing, but there is much, much more. We should call this legislation what it is: It is the Clinton plan for America. That is what it is. Separate all the debate, all of the conversation, all of the verbiage, and you will see this in the Clinton plan for America.

And what is the Clinton plan for America all about? Steering away here from the numbers for a moment, No. 1, the Clinton plan for America is about more taxes, not less spending, which is what the American people are telling us in letters and phone calls every day. It is not about that. The Clinton plan for America is about more taxes, lots of new taxes. I have been here for 9 years in the U.S. Congress as a Member of the House and Senate, and I have seen big tax increases; I have seen bigger tax increases. This is the biggest tax increase in American history.

Let me give the President the benefit of the doubt. I will say that the Clinton plan for America is about reducing the deficit. Those are parts, but we still have not touched upon the heart of the President's program. The Clinton plan for America is really about systematically and methodically increasing the size and the scope of the Federal Government. When you give more tax dollars out of the pockets of Americans to the U.S. Treasury, you expand the size and scope of Government.

This is not Chinese arithmetic. This is not a course in molecular biology. This is a debate about the appropriate role of the Federal Government in American life. That is what this debate is about. The President and most of his colleagues—not all, but most—in the other party want to dramatically expand that role. We have before us the fruits of their labor: A breathtaking expansion of the power of the Government over the people. That is what this bill is. That is not my opinion, Mr. President, that is a fact.

As I said earlier, this is a philosophical division.

The PRESIDING OFFICER. The Senator's time has expired?

Mr. SMITH. Have we gone through 5 minutes already? Will the Senator yield 2 additional minutes?

Mr. DOMENICI. I will. I yield 2 minutes to the Senator.

The PRESIDING OFFICER. The Senator from New Hampshire has 2 additional minutes.

Mr. SMITH. Mr. President, I am sure my colleagues on the other side believe an activist, expanded Federal Government will go a long way toward solving many of society's problems, but how can one explain this legislation? If you believe in a limited role for the Government, you do not propose a slew of new spending programs that are going to cost billions.

This plan does provide a new direction for budget policy, but it is the wrong direction. It does represent change, but it is the wrong change. We may end gridlock, but what good does it do if we drive off the cliff in ending gridlock? And that is where we are going. The cliff is debt, more debt, more deficits, on and on, and more interest on the national debt.

Where is this country heading if we do not tackle the spending addiction of the Federal Government, particularly in the area of entitlements? We are headed off a cliff and you cannot avoid it by filling the gas tank with more taxes. That will just put us over the cliff a lot quicker.

I am disappointed, frankly, that the Senate rejected the Republican alternative last evening. It was the only plan that would have slashed the deficit not only over the next 5 years but in the outyears as well. That is the key here. This plan that we propose took the deficit on a downward spiral and kept it going down. The Clinton plan takes it down briefly and then takes it back up like the hockey stick.

So that is what the difference is in this debate, Mr. President. That is the difference between the two plans. It is the difference between the two parties.

All over America and all over New Hampshire, I hear people saying to me: "cut spending first." I attended a rally this afternoon with Mr. Perot. Two-and-a-half million petitions were presented and people were cheering and saying: "cut spending first; cut it first; cut it second; cut it third; cut it fourth; and cut it." That is not what we are doing with this legislation, Mr. President.

I thank my colleague from New Mexico for yielding.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I want to yield 4 minutes off the bill to the distinguished chairman of the Finance Committee.

Mr. DOMENICI. Can we get the unanimous-consent agreement and include Senator MOYNIHAN in it, please?

UNANIMOUS-CONSENT AGREEMENT

Mr. SASSER. Mr. President, I ask unanimous consent that no second-degree amendments be in order to the DeConcini amendment; that all but 10 minutes under the control of the minority be yielded back on the amendment; that on the disposition of the DeConcini amendment, Senator GORTON be recognized to offer an amendment; that there be 15 minutes equally divided; and that there be no second-degree amendment to Senator GORTON's amendment.

I also ask unanimous consent that I be allowed to yield 4 minutes off the bill to Senator MOYNIHAN.

Mr. DOMENICI. Do we have an understanding then that there will be no other time off the bill on either side? We will vote as the Senator indicated?

Mr. DECONCINI. Mr. President, I would respectfully suggest that I might want a few more minutes. I only have 3 minutes remaining, depending on what the debate is on the other side.

Mr. DOMENICI. We are only asking for 10. I believe the Senator has had 28.

Mr. DECONCINI. Is the Senator from New Mexico only asking for 10 minutes?

Mr. DOMENICI. Yes.

Mr. DECONCINI. I am sorry. I thought the Senator was asking for more. I withdraw that objection.

Mr. DOMENICI. I thank the Senator.

Mr. SASSER. I thank the Senator.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from New York is recognized.

Mr. MOYNIHAN. I believe the Senator from Texas had asked.

Mr. DOMENICI. The Senator from Texas——

The PRESIDING OFFICER. Who yields time.

Mr. DOMENICI. Two minutes to the Senator from Texas off our 10 minutes.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I rise in opposition to the DeConcini amendment. As I look at the DeConcini amendment, it is a pretty straightforward amendment. As compared to current law, it raises two taxes. One, it imposes a new tax on Social Security recipients.

I have already voted to eliminate the new Social Security tax in this bill. I do not want to raise taxes on Social Security recipients, imposing a tax on their benefits, period.

And the amendment before us will impose a new tax relative to current law on 3 million Social Security recipients.

Second, the amendment before us will impose a surcharge on small businesses and family farms that earn $200,000 a year. So Joe Brown & Son Hardware Store that earns $200,000 a year files as an individual under subchapter S of the IRS Code, they are going to see a surcharge of 10 percent imposed on them.

They are the very people we are hoping will create new jobs, new growth, and new opportunity. So I am voting against this amendment for two reasons. One, I do not want to impose Social Security taxes, period. And secondly, I certainly do not want more taxes on small business. I think this is a bad amendment.

We had an opportunity to eliminate the whole Social Security tax. I voted for it. I think we ought to eliminate it. I think it is unfair. I think it will discourage people from building up a retirement nest egg. But to come back now to vote for this amendment is to vote for Social Security taxes on 3 million people. That may be fewer than the alternative, but it is still too many for me.

Second, I am opposed to imposing taxes on small business and family farmers.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I understand that I am to have 4 minutes at this point on the bill.

The PRESIDING OFFICER. The Senator is correct. The Senator is recognized for 4 minutes.

Mr. MOYNIHAN. I thank the Chair.

I rise simply and briefly to restate the propositions I set forth early today when my distinguished friend from Mississippi offered a similar measure, which is to say why was it that every member of the Finance Committee who voted for this bill voted to raise the level of taxation on earned retirement benefits to the actuarial average for the country as determined by the Internal Revenue Service.

The reason, Mr. President, is that Social Security benefits as an earned retirement are similar to benefits from the private sector and should be treated as benefits from the private sector.

On May 4, our committee held a hearing on this matter, with two of the most venerable and respected authorities in social insurance in the world: Robert G. Meyers, who came to Washington in 1934 to work with Witte of Wisconsin, who drew up the proposals that were sent to the Congress by President Roosevelt, and to this day is a creative, active participant in these debates. He was executive director of the National Commission on Social Security Reform, which Senator DOLE and myself, with our beloved former colleague, Senator Heinz, remember. And we proposed the 50-percent level as a stage up to the 85-percent level. That is, 85-percent of earnings are subject to tax, which is true of the private pension. And Bob Ball, Social Security Commissioner under Presidents Johnson and Nixon testified alongside to the same effect.

Now, Mr. President, this will seem an abstract argument to make in the midst of such a painfully self-interested, worried, concerned debate, but there are principles of social insurance, the principal that you pay in, that you have a number.

Ask anybody in the Chamber; ask anyone watching us, listening to us what is their Social Security number? They will know it. Why? Because President Roosevelt said I want everybody to have an account, a number on it, a name on it, just as you have a savings account in a bank, an insurance account with an insurance agency. It is yours. It is not something given you by the Government. It is yours. And it may not be taken away from you. It is yours.

If you ever get the idea that it is something that can be treated differently from other earned benefits, the day will come when you will find it is no longer your Social Security retirement benefit, old-age and survivors disability insurance; it is an entitlement. An entitlement is an all-purpose phrase. In a wonderful remark by Mr. Wessel of the Wall Street Journal, he said it is one of those antiseptic euphemisms that Washington likes when they start describing anything they do not want, they want to get rid of.

You can cut entitlements, Mr. President. You cannot cut Social Security benefits. They are earned. And taxing them like other earned benefits establishes that status.

I thank the Chair.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, on our remaining time, I wish to yield—how many minutes do we have?

The PRESIDING OFFICER. Seven minutes thirty-six seconds.

Mr. DOMENICI. Two minutes to Senator PACKWOOD, 4 minutes to Senator DOLE and the remaining time to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 minutes.

Mr. PACKWOOD. I thank the Chair. I thank my good friend from New Mexico.

The amendment of the Senator from Arizona [Mr. DECONCINI] is one more shot at the American family in terms of a marriage penalty. As we are well aware, in the bill as we were considering it, the marriage penalty would be full, 100 percent of the $250,000. Always in the past we have had a 40-percent differential between marrieds and singles because we did not want to penalize people who were single making roughly the same amount of money and getting married and paying more married than when they were single.

Under the amendment of the Senator from Arizona, the marriage penalty will go up in just the $50,000 bracket about $4,500 more than they would pay under the bill as it is. That is bad enough as it is. But he adds another $4,500, on average, penalty to a two-earner couple. This is not anything that can be called something that is oriented toward the family.

I thank the Chair.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time? The distinguished minority leader is recognized for 5 minutes.

Mr. DOLE. Mr. President, I just wanted to indicate, I think anybody who voted for the Lott amendment earlier today will certainly vote against this amendment. If we are opposed to raising taxes on senior citizens who receive Social Security, it is still going to be 3 million included. This is double taxation. You are going to tax Social Security recipients. Then you are going to tax all these small business people at a lower level than we talked about this afternoon. There were 56 votes for the small business amendment.

If they knew this was coming, there probably would have been over 60 and they probably would have prevailed.

This is not a good amendment. Once you decide to go down the road of getting more taxes from senior citizens to spend on some other program, that is the first mistake. Everybody is going to try to find some way: How am I going to please a few?

You are still not going to please enough. There are still going to be 3 or 4 million under the old rule paying taxes. Now there are going to be 3 million more. I do not believe it is a very good idea.

In addition, after all the debate we had on the impact to small business men and women in America, this is even going to compound that.

So for all the reasons I can think of, and I am certain there are many more I have not thought of, this is not an amendment that should be adopted. This is double taxation. This is a double whammy on both seniors and small business.

I yield back any time I have remaining.

The PRESIDING OFFICER. The Senator from New Mexico has 4 minutes 50 seconds.

Mr. DOMENICI. I will not use it all. Mr. President, let me just suggest for those who are wondering about this vote, if you voted for the Lott amendment today or even if you were tempted to vote for it, which would eliminate any new tax on Social Security recipients, you already voted right.

No new tax on Social Security.

Why would you want to support now a bill that puts a tax on some Social Security recipients and then does the double injustice of treating small business people who earn $200,000 a year as if they were millionaire wage earners, million-dollar income earners?

Senator KERREY of Nebraska has said a lot of good things on the floor. One I remember vividly as he was talking about do not be so anxious and excited about putting a tax on success.

It is a very interesting thing. If we do not have success in this country, we do not have jobs. Here we are saying to business people you have been successful, so we are going to give you a surtax on top of your income tax, which I assume is this new bracket, 10 percent on top of that. I do not know why anyone would vote for this amendment.

I yield any time I have. I assume we have the yeas and nays on the amendment.

Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. The Senator from Arizona has no time remaining on the amendment.

Mr. DECONCINI. Mr. President, I was under the impression that the Senator had 3 minutes under this unanimous consent.

The PRESIDING OFFICER. The unanimous consent agreement that was propounded by the Senator from Tennessee yielded back all time except for 10 minutes that was left with the Senator——

Mr. DECONCINI. Mr. President, I was under the impression that there was 3 minutes left to the Senator from Arizona. That is why I objected. Then when the Senator from New Mexico said they were only asking for 15 minutes, I said fine, I do not need any more time off the bill. Did the Senator from New Mexico agree to that?

Mr. DOMENICI. I thought what the Senator said is that he will not need any time since we were only using 10 minutes.

Mr. DECONCINI. Three minutes that I had remaining. I thought that was the understanding. I could be mistaken.

The PRESIDING OFFICER. Would the Senator ask unanimous consent to proceed for 3 minutes?

Mr. DECONCINI. I ask unanimous consent to proceed for 2 minutes for the purpose of only one response because I truly thought there was remaining 3 minutes. That is why I did not ask for time off the bill.

Mr. DOMENICI. I am going to agree to a minute and a half if the Senator wants it. What we are doing to the rest of the people is nobody is going to get a chance to have any amendments. I do not have any objection to the 3 minutes.

Mr. DECONCINI. I thank the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 2 minutes.

Mr. DECONCINI. Mr. President, I voted for the Lott amendment. There are a lot of us in this body who do not think we should ever tax Social Security. Nonetheless, Social Security is in the bill that is before us. Right now, we have a chance to lower that. So if this bill passes, no matter how many vote against it, we are going to see a tax on Social Security.

So if you want to lower that tax on Social Security, vote for the DeConcini amendment because 2.5 million Social Security recipients are not going to have to pay tax. So if you vote against this, and the bill passes, then you are going to have a tax and you will have helped no one.

So the best thing you can do folks, if you want to vote for taxes on Social Security, vote against this amendment. No ifs, ands, or buts. You have a chance right now to lower taxes. The largest organization that represents retired people, AARP, supports the DeConcini amendment. AARP believes this amendment is good for them because if we do end up taxing Social Security this removes some of the pain of deficit reduction for those least able to make up for the loss in income.

So tell me it is not fair. Tell me what is fair—do we tax people who are making over $200,000, or tax people who are making $50,000 or less and are on Social Security?

Mr. President, it is clear to me that this amendment squarely deals with the problem in the existing bill. I hope my colleagues will vote to correct some of the problem.

Mr. President, I would like to acknowledge the assistance of a couple of representatives from the American Association of Retired Persons in preparation of this amendment. Evelyn Morton and David Certner were of enormous help to myself and to Tim Gearan of my staff on this very difficult amendment. I thank them all.

Mr. President, I would also like to express my appreciation again to my friend from New Jersey, Senator LAUTENBERG and my friend from Wisconsin, Senator KOHL for their leadership and cosponsorship of this very worthy amendment.

I yield the floor.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DECONCINI. Mr. President, I thank the Senator from New Mexico for yielding.

Mr. MCCAIN. Mr. President, I oppose this amendment for one simple reason. It raises taxes on 3 million senior citizens relative to current law.

A short while ago, I voted for the amendment offered by Senator LOTT, myself and others to strip the Social Security tax increase from this bill. I am not now going to turn around and vote for imposing new taxes on our Nation's senior citizens, even though the amendment is marginally less burdensome than the underlying bill.

We do not need to raise taxes on Social Security benefits and we should not. This amendment would increase taxes on low- and moderate-income elderly citizens, and, for that reason, it is unfair and irresponsible. I oppose the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. INOUYE (after having voted in the negative). On this vote I have a pair with the distinguished Senator from Washington [Mrs. MURRAY]. If she were present and voting, she would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

On this vote, the Senator from Hawaii [Mr. INOUYE] is paired with the Senator from Washington [Mrs. MURRAY].

If present and voting, the Senator from Washington would vote "yea" and the Senator from Hawaii would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 51, as follows:

[Rollcall Vote No. 172 Leg.]

YEAS—46

Akaka
Biden
Boren
Boxer
Bradley
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hutchison
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Nunn
Pryor
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—51

Baucus
Bennett
Bingaman
Bond
Breaux
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dodd
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hollings
Kempthorne
Lott
Lugar
Mack
Mathews
McCain
McConnell
Moynihan
Murkowski
Nickles
Packwood
Pell
Pressler
Reid
Robb
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Inouye, against

NOT VOTING—2

Murray
Specter

So the amendment (No. 531) was rejected.

Mr. DECONCINI. Mr. President, I move to reconsider the vote.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Washington [Mr. GORTON] is recognized to offer an amendment.

The Senator from Washington.

AMENDMENT NO. 532

(Purpose: To eliminate the imposition after 1993 of the 4.3 cents deficit reduction rate on aviation fuel)

Mr. GORTON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for himself, Mr. BRYAN, Mr. DANFORTH, Mr. MCCAIN, Mrs. HUTCHISON, Mr. HATCH, Mr. PRESSLER, Mr. MATHEWS, and Mr. DURENBERGER, proposes an amendment numbered 532.

Mr. GORTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 636, lines 17 and 18, strike ", and" and all that follows to the period.

Mr. SASSER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SASSER. Mr. President, has the Senator from Washington offered his amendment yet?

Mr. GORTON. It has been read.

Mr. SASSER. It has been sent to the desk?

Mr. GORTON. It has been sent to the desk and read.

Mr. SASSER. I see.

Mr. President, we have no objection on this side to accepting the Senator's amendment.

Mr. GORTON. I am sorry. I did not hear the Senator.

Mr. SASSER. May we have order?

The PRESIDING OFFICER. The Senate will please be in order. Senators please clear the aisles and cease audible conversations on the floor of the Senate.

The Senator will withhold while the Senate is not in order.

Will Senators please cease audible conversation on the floor of the Senate?

The Senator from Tennessee will continue with the parliamentary inquiry.

Mr. SASSER. I thank the Chair for establishing order.

Mr. President, I am familiar with the amendment of the Senator from Washington. I think he is cosponsoring the amendment with Senator BRYAN, on our side. There are a number of Senators who wish to be added as cosponsors.

We find the amendment to be very meritorious, and we are willing to accept it on our side.

Mr. GORTON. Mr. President, I certainly thank the distinguished Senator from Tennessee for that generous offer, which this Senator will be happy to take up.

This Senator would like perhaps, under these circumstances, just 2 minutes to explain the nature of the amendment, and the Senator would inquire of his friend from Tennessee, simply because of the technical nature of this bill.

This amendment covers tax years after the present fiscal year 1993.

I have a second identical amendment to the 3 months of this year. May that be included as a single amendment with this?

Mr. SASSER. Yes. We have no objection to that.

Mr. GORTON. I thank the Senator. I will send that amendment to the desk.

Mr. SASSER. Could the distinguished Senator from Hawaii be added as a cosponsor?

Mr. GORTON. I am delighted to do that. The distinguished Senator from Oklahoma [Mr. NICKLES] has asked to be added as a cosponsor. I ask unanimous consent that the Senator from Hawaii [Mr. INOUYE] and the Senator from Oklahoma [Mr. NICKLES] be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Before the Senator from Washington proceeds, could we get an agreement, in consideration for accepting the Senator's amendment, that he limit himself to 2 minutes? We are really running out of time.

Mr. GORTON. Yes.

Mr. DOMENICI. I ask the Senator, did you yield back your time?

Mr. GORTON. I agreed to take just 2 minutes.

Mr. DOMENICI. Mr. President, might I just say, I have been asking my friend, Senator JEFFORDS, to patiently wait here for an opportunity to speak for 3 minutes. I was going to use part of the amendment time if we agreed to that.

I was wondering if we might not ask Senator GORTON if he would agree that we could add 3 minutes to his time and let the distinguished Senator speak. I propound that request.

The PRESIDING OFFICER (Mr. BINGAMAN). Is there objection to that request?

Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, this amendment arises out of the desperate nature of the domestic airline industry in the United States and the recognition of that desperate nature by the President of the United States in helping to create a national commission to ensure a strong, competitive airline industry.

Nothing could do more to undercut the efforts of that commission than to add another $1/2 billion in taxes each year to the burdens which the airline industry has undertaken.

It is for that reason that this amendment to strike the fuel tax as it applies to jet fuel for the airlines has been proposed and now is a bipartisan proposal, originally by Senator BRYAN, from Nevada, and now several others Members on that side of the aisle, as well as on this side of the aisle.

Mr. BRYAN. Mr. President, I rise in support of the amendment offered by the Senator from Washington [Mr. GORTON].

As Senator GORTON has described, our amendment exempts jet fuels for commercial airlines from the transportation fuel tax contained in this legislation.

As we all know, the airlines have lost enormous amounts of money in recent years—$10 billion since 1990. In response, Congress has created a blue ribbon commission to evaluate the difficulties in the airline industry, and to report back to Congress with recommendations of actions that can be taken to address the problems in the industry. I am supporting this amendment because I believe it is inappropriate under these circumstances to impose additional taxes on the commercial aviation industry.

Tourism is the lifeblood of the Nevada economy, and a healthy, competitive airline industry is vital to our continued growth. In the last few years, the rapid growth in number of hotel rooms in Las Vegas has been unprecedented. While many of our tourists still arrive by automobiles, the airports and airlines will obviously be the major source of tourists to support our economy's future growth.

Mr. President, the airlines currently pay a number of fees and taxes in addition to their normal corporate tax liabilities. Foremost among these taxes is the 10 percent ticket tax, ostensibly to fund such programs as the Airport Improvement Program. In reality, all of these funds are not spent on airports, and instead go to reducing the deficit. To add another $2.5 billion to the airlines already large tax burden at a time when nearly every airline is losing billions of dollars a year will clearly not help create a healthier airline industry.

The National Commission to Ensure a Strong Competitive Airline Industry is charged evaluating and creating a policy to ensure a future of safe, efficient, and cost-effective air travel. Enacting a new fuel tax on the airline industry at this point will undoubtedly subvert the work of this commission. I urge my colleagues to vote in favor of this amendment.

Mrs. HUTCHISON. Mr. President, I urge my colleagues to support the Gorton amendment, amendment No. 532, which I am cosponsoring, and which exempts jet fuel used by the Nation's commercial airlines from the additional 4.3-cent/gallon transportation tax.

There are only a few carriers left in this country's commercial airline industry, and those that are left are facing staggering losses from having been the most heavily regulated and taxed industry in America.

Mr. President, allow me to illustrate my point. In the last 3 years, since the last tax increase on the airline industry in 1990, U.S. airlines have lost a combined total of $10.5 billion. This in turn resulted in the loss of 70,000 airline jobs in the same period.

To put matters into perspective, the airline industry has lost a cumulative total of $7 billion since the time the Wright brothers first took flight at Kitty Hawk in 1903 to the current decade. As I just stated and let me reemphasize it, the industry has lost $10.5 billion in this decade alone.

The proposed tax on jet fuel would cost the airline industry more than $500 million per year, or $2.53 billion over 5 years.

This tax burden is passed on to the American consumer. The relationship between increased taxes and increased ticket prices cannot be overstated. Figures show that a $170 ticket becomes a $200 ticket after factoring in taxes. Yet, we are affected beyond mere ticket price.

The airline industry employs more than 500,000 people who collectively earn wages of $20 billion a year.

The industry's vendors and suppliers provide an additional 8 million jobs.

And, let me say, although I was thrilled to see the space station authorization pass in the House yesterday, you don't need to be a rocket scientist to see the impact of the loss of these jobs.

The American people cannot afford it, and the American economy cannot absorb it.

Mr. President, let me close by saying that enough is enough. We cannot continue these tax and destroy policies.

And, therefore, I urge my colleagues to support the Gorton amendment to exempt jet fuel from the additional 4.3-cent/gallon transportation tax included in the reconciliation bill.

Mr. MATHEWS. Mr. President, I rise today to ask the indulgence and request the counsel of my colleagues, as this freshman Member of this body seeks to resolve a basic economic conflict.

A friend of mine in Tennessee is found of quoting Churchill. It is reported that Churchill said on one occasion:

> If you are 20 and not a liberal, you have no heart. If you are 40 and not a conservative, you have no mind.

This statement says a lot for where we are today. Perhaps we are 30 and feeling the opposing forces.

I speak today of the conflict between the need to aggressively address our out-of-control spending programs—particularly the deficit and ballooning national debt—and the recognition that unwise tax actions could very well bring down a hail storm on the economy, perhaps draining the remaining life blood from some of our basic industry.

Mr. President, I rise not to seek tax relief for this industry, but rather request that we at least hold in abeyance any further taxing until the patient exists the recovery room.

Mr. President, I speak today about the impact of an aviation fuel tax and the further harm such a tax will visit upon our country's ailing commercial airline industry.

There can be no doubt that our airlines are in serious trouble. Several major carriers have gone out of business. Others continue to struggle under chapter 11 protection. Annual dollar losses in recent years number in the billions including a $4 billion loss last year alone.

Nevertheless, Mr. President, the airline industry is not asking the Federal Government for affirmative assistance, such as a Chrysler-like bailout. The airlines simply ask that we hurt them no further. Yet the proposed transportation fuel tax, while appearing to be only pennies per gallon, will hurt the airlines adding billions more to the industry's already debt-ridden bottom line.

Additionally, a loss at the bottom line hurts more than shareholders and directors. It means that thousands more of the 500,000 U.S. airline workers will lose their jobs. Such a job loss has a known ripple effect in the economy, bringing further reductions an losses to the many industries that are dependent on selling their products and services to the airlines. It has been estimated that for every airline job lost, as many as five more are lost in related industries.

I would like to remind my colleagues that we are talking about an industry that paid over $7 billion in taxes last year. Even while losing money, the airline industry continues to incur huge tax liabilities because the main taxes on the industry do not rely on net income. In fiscal year 1992, the biggest single tax was a 10-percent Federal tax on all domestic tickets that totaled $4.5 billion.

Just 2 months ago, President Clinton named a national commission to ensure a strong competitive airline industry, calling on that group to provide a vision for a competitive future.

The Commission, led by former Virginia Governor Baliles, has made a promising start and we expect their report to be released on August 23d. The panel of experts advising the commission are extraordinarily capable and I am confident they will identify solutions to the crisis that can be implemented swiftly.

I am therefore asking this Chamber to withhold further taxing the industry, until the Commission report is available. If we do not wait, Congress risks having to face this issue once again before the summer is over. And I do not believe it will be a wise use of our time to consider such a tax twice.

In my own State of Tennessee, Mr. President, we have two airline hubs: Northwest in Memphis and American Airlines in Nashville. These two airlines are important components of our transportation infrastructure.

Mr. President, It is no secret that one of these two is experiencing serious financial problems. This week, this airline initiated what is commonly referred to as a fare war to generate immediate cash flow. The other line has followed suit. These short-term measures do not bode well for long-term financial stability both in Tennessee and across this Nation. With potential solutions pending on the immediate horizon, I cannot believe it is fair to further encumber the budgets of these airlines with an added fuel tax.

We have an ultimate responsibility to restore this essential transportation industry to a strong and competitive position in our own economy and further ensure this country's rightful place in the global economy.

With that responsibility in mind, I urge my colleagues to withhold making a decision on the aviation fuel tax and delay additional discussion of the matter until the Commission's report is available in August.

Mr. GORTON. Mr. President, I ask unanimous consent that Senator AKAKA and Senator NUNN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is it the Senator's intention to modify his amendment?

Mr. GORTON. The Senator will send his modification to the desk.

The PRESIDING OFFICER. The amendment is modified as indicated in the Senator's modification.

The amendment (No. 532), as modified, reads as follows:

On page 636, lines 17 and 18, strike ", and" and all that follows to the period.

Beginning on page 615, line 22, strike all through page 616, line 15.

Mr. GORTON. Mr. President, one of the few causes uniting President Clinton and both parties in Congress this year is the search for relief for a domestic airline industry in terrible shape and in need of help fast. Congress and the President moved quickly to establish the National Commission To Ensure a Strong Competitive Airline Industry and immediately charged the Commission with the task of reversing the rapid decline of the airline industry. As a member of that Commission, it is clear to me that in our attempt to reach that goal, the greatest single roadblock is a huge additional tax burden. That roadblock is exactly what this bill will impose.

When the President's Chief of Staff, Mac McLarty, solicited my views on the role of the Commission, he asked whether I had any concerns about the Commission's ability to attain its goals. I responded with one central concern: The Commission would report too late in the congressional year and that critical decisions affecting the airline industry might be taken before the Commission could issue its report. That fear is about to become reality.

This tax package includes a tax on airline fuels which will impose more than $500 million more a year in costs on our airlines—$2.53 billion over the next 5 years. This may be the straw that breaks the camel's back for that industry.

In addition, the House of Representatives has already passed its budget reconciliation bill. That version of the legislation includes a new, phased-in, Btu tax that would cost the airline industry more than $3 billion during the next 5 years.

One administration official, the Secretary of Transportation, Federico Peña, has pointed out the foolish nature of these burdensome taxes on an airline industry almost flat on its back. After Secretary Peña spoke out against this new tax, I testified last week to the Commission and made the very same points. Let us hope that these pleas do not fall on deaf ears and that the Commission quickly speaks out on this subject.

Given the urgent nature of this challenge, which cannot wait until the Commission issues its report on August 22, I am offering this bipartisan amendment with Senators BRYAN, DANFORTH, MCCAIN, HUTCHISON, HATCH, PRESSLER, MATHEWS, DURENBERGER, and others to strike from the bill the new 4.3-cents-per-gallon tax on jet fuel.

Since 1990, the airline industry has lost more than $10 billion. Major carriers—Eastern, Midway, Pan Am, People Express—have gone out of business. America West and TWA are in bankruptcy.

Today's headlines show that Northwest's board will meet tomorrow to review its options as it teeters on the edge of bankruptcy. If the Senate passes this crushing new tax on airlines in its current form, we will drive a stake further into the hearts of these struggling companies. Thousands of people in the airline industry will lose their jobs. Passenger fares may increase to the point at which air travel is unaffordable for many. This is hardly a result that we in Congress should encourage.

The Commission has been charged with revitalizing the airline industry for good reason. Entire communities have already been disrupted and the effect of airline unemployment on people's lives is devastating. I cannot begin to estimate the revenue loss caused by the change of former airline employees from taxpayers to unemployment recipients. This spiral must be stopped. The far-reaching effects of a rapidly declining airline industry is what this debate is about: Is it wise to drive companies out of business and put people out of work through a self-defeating tax?

A study released 2 days ago by the Aviation Forecasting and Economics Co. confirms that view. It stated:

> The transportation fuel tax pending before the U.S. Senate would be a disaster for the U.S. airline industry, thwarting its much-hoped-for financial comeback and falling most heavily on financially distressed carriers.

Opponents may assert that it is unfair to exempt airlines while other transportation users must pay the new transportation fuel tax. While I oppose imposing this new tax on any industry sector, the airlines clearly are in a different category than other users, in a uniquely perilous state. Airlines already pay more than $5.1 billion a year in Federal passenger related taxes and user fees and $2.4 billion in income and payroll taxes for a combined total of $7.5 billion. These include a 10-percent domestic ticket tax which raises $4.5 billion, corporate income and payroll taxes that raise $2.4 billion, a $6 international departure tax for $225 million, a $5 immigration user fee that raises $210 million, a $5 customs user fee for $120 million and $1.45 agriculture inspection user fee that raises $74 million, all for a combined total of over $7.5 billion. $7.5 billion in taxes is a lot of money to pay for an industry that lost $4 billion last year.

The Aviation Forecasting and Economics Group also found that airlines have little opportunity to pass these costs along to passengers. It found that:

> If they try to pass the tax on, higher ticket prices mean fewer passengers, which means less revenue. If they don't they're saddled with higher costs. Either way, the impact is enormous, especially when viewed against the record losses of the last few years.

The group estimated that without a ticket surcharge, the tax would add an estimated $2.3 billion to airline operating costs over the next 5 years; with a surcharge, it would deprive the airlines of an estimated $2.8 billion in cash flow.

How can we expect our domestic airlines to climb out of bankruptcy and find the right track if we continue to drive their customers away and choke them with taxes? That is exactly what piling $500 million more a year in taxes on this industry will do.

It is not simply the health of the airline industry alone that this tax will affect. The airline industry depends on many different businesses to keep it running. While the industry itself employs more than 500,000 people, the industry's vendors and suppliers provide an additional 8 million jobs. The failing health of the airline industry has taken a terrible toll on these suppliers.

In my own State, Washington, Boeing has announced layoffs totaling 19,000 people because of major cutbacks in the production of all four of its commercial jet airplane programs. Thousands of other good people have lost jobs in engine manufacturing and in companies that produce other aircraft components. The travel and tourism industry, which generates nearly $700 billion in revenues a year and employs 8 percent of our work force, also suffers when airline travel is depressed.

Mr. President, the budget reconciliation bill is likely soon to be in conference. Unless we act today, the conferees will be faced with resolving the difference between a $3 billion Btu tax on the airlines or a $2.5 billion fuel tax. Either one of these options is deadly for the airline industry—the difference between taking cyanide or hemlock. Let's send a strong message to America this afternoon. Let's tell America that we care about jobs, that we care about our vital industries like aviation—vote for the Gorton-Bryan amendment and vote to strike the fuel tax on aviation.

Mr. McCAIN. Mr. President, I rise in support of the amendment offered by Senator GORTON, myself, and others to eliminate the tax on aviation fuel.

The proposed tax would add more than $500 million annually to the operating costs of an already financially decimated industry. To make matters worse, the House-passed tax bill proposed by President Clinton would add another $850 million to the airline's annual operating deficit.

This tax will also hit hard in my home State of Arizona. By one estimate, the tax would cost America West approximately $15 million each year. This year, America West earned a first quarter profit of $2.1 million. If this were annualized, it would earn $8.5 million for 1993. This is only two-thirds of the money they'll need to pay their new tax bill—leaving the airline with about a $6.6 million shortfall. It completely wipes out the profit they need to get out of chapter 11 bankruptcy. America West hardly needs this kind of "help" from the Federal Government as they fight to emerge from chapter 11 protection.

This is irrational and irresponsible public policy and will undoubtedly result in additional airline failures, less competition, higher fares, and, most importantly, additional job losses. One industry estimate projects that the tax hike will cost the airlines 4.7 million passengers per year, slow the industry's fiscal recovery, and terminate 26,500 jobs.

The effect of the transportation tax in Arizona will likely be even more broad ranging than the problem for America West. To the extent that airlines are able to pass the costs on to consumers, Americans will undoubtedly fly less, cancel vacations, and cut back business trips. The full impact in Arizona and the rest of the United States is still unknown but the domino effect is certain to hurt employment and any economic recovery.

Travel and tourism in the United States will generate nearly $800 billion in gross output in 1993, or more than 5.7 percent of GDP, and create employment for 8.8 million Americans—more than 7 percent of the total work force. With the arrival of many visitors to Arizona during the winter months each year, the impact of the airlines as the driving force of the travel and tourism industry is fully felt. Unfortunately, an increased fuel tax will have an immense, negative effect on this essential sector of our economy.

Mr. President, if Members don't believe that we need a healthy, competitive airline industry, then they should vote against this amendment. But I think we do, and they should.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

AMENDMENT NO. 505

Mr. JEFFORDS. Mr. President, I thank my colleagues for their courtesy.

Last year, my colleague from North Dakota, Senator CONRAD, and I introduced measures to give the American people the facts about how we are managing our money. We combined our approaches and offered an amendment to last year's tax bill. This approach was adopted by both the Senate and the House of Representatives. As we all know, however, the tax bill was vetoed. So here we are again debating tax increases.

Therefore, I have offered the amendment from last year to the present package. It was a good idea last year, and it is a good idea this year. Both Houses have passed this measure. I see no reason why we should not do so this year.

This amendment, No. 505, is the American Citizens Annual Report Act, which requires the Federal Government to do two things. First, we have to issue an annual report on our finances and make it available to the public. Every public corporation in America is required to provide such a report to its shareholders. Should we not provide the same for our shareholders? If we are going to ask the American taxpayer to pay more to reduce the deficit, we owe them no less than a means to track our progress.

The second requirement is that we give the taxpayer a summary of the annual report in the tax booklets we mail out each year. This summary will have to show the trend in the debt and the deficit. What better time to show the taxpayers how we are doing than when we ask them to write the check?

Mr. President, I will not have a chance to call this amendment up for debate. But I am going to ask for a vote, once time for debate has expired. Thus, I am using this time to put my colleagues on notice as to what is in this amendment. It appears on page S7768 of yesterday's CONGRESSIONAL RECORD. It is amendment No. 505.

If someone wants to debate this however, I would be happy to agree to a 5- to 10-minute, equally divided, time limit.

A vote for the amendment and against any points of order means you believe your constituents have a fundamental right to a report on what we are doing with their money. We have enacted worker right-to-know and community right-to-know, it is about time we had taxpayer right-to-know.

We passed this amendment when George Bush was president. We should pass it this year when Bill Clinton is President. When this package makes it to the President's desk, this amendment should be part of the package. Unless, of course, some feel we have something to hide.

This amendment will guarantee that every citizen can obtain a financial statement for the United States of America. We passed it last year. I urge its adoption this year.

Last, I want to commend my colleague from North Dakota. He is a cosponsor of the amendment and if not for the flu would be speaking today in support.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

The question is on agreeing to the Gorton amendment No. 532, as modified.

The amendment (No. 532), as modified, was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I now ask unanimous consent that Senator ROCKEFELLER be recognized to offer an amendment regarding Medicare; that there be 20 minutes, equally divided, on that amendment; that upon the disposition of the Rockefeller amendment Senator DOLE be recognized to offer an amendment regarding sunsetting taxes; that there be 10 minutes, equally divided, on that amendment; that no other amendments be in order prior to the disposition of these two amendments; and that the Rockefeller amendment be in order notwithstanding the fact that it strikes the bill in more than one place.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the majority leader?

Mr. BUMPERS. Mr. President, reserving the right to object, and I am quite sure I will not, how much time will be left on the bill at the expiration of the unanimous-consent request?

The PRESIDING OFFICER. Approximately 68 minutes will remain.

Is there objection to the unanimous-consent request?

If not, it is so ordered.

The Senator from West Virginia is recognized.

AMENDMENT NO. 533

(Purpose: To eliminate certain provisions)

Mr. ROCKEFELLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia [Mr. ROCKEFELLER], for himself, Mr. MITCHELL, Mr. HARKIN, Mr. SASSER, Mr. KENNEDY, Mr. WOFFORD, Mr. PRYOR, and Mr. RIEGLE, proposes an amendment numbered 533.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 178, strike lines 5 through 20.

On page 185, strike lines 11 through 16.

On page 186, beginning with line 14, strike all through page 187, line 6.

On page 212, beginning with line 7, strike all through page 214, line 24.

On page 227, beginning with line 6, strike all through page 233, line 10.

Mr. ROCKEFELLER. Mr. President, I am really happy and pleased to be able to say we have been able to further reduce the number of Medicare cuts that existed heretofore. This amendment would reduce the overall level of Medicare cuts from $67 billion to $58 billion. It would reduce the $19 billion in additional Medicare cuts—that were included in this package above what the Finance Committee was required to do—to $10 billion.

First, I would like to start out by emphasizing that the President's proposal called for $56 billion in Medicare and Medicaid cuts. The debate over the past several months has led people to believe that the President didn't make painful choices, painful cuts.

During the committee process, the Finance Committee increased the level of cuts from $48 billion to $67 billion, an increase of $19 billion. That is what it took to get this bill out of the Finance Committee. It was a compromise package, and I supported it. But as we moved the bill to the floor for debate, we needed to make additional adjustments. I congratulate my colleagues, including Senators HARKIN, WOFFORD, MIKULSKI, BOB GRAHAM, PAUL WELLSTONE, HOWARD METZENBAUM, CAROL MOSELEY-BRAUN, HOWELL HEFLIN, and PAUL SIMON, for their determination to further reduce the cuts down to the level of $10 billion. I am extremely pleased we found a way to accommodate their concerns.

Because of the nature of this amendment, it was very tricky to do. Because of the nature of this amendment and Parliamentarian rules, we could only strike full sections and not modify certain parts. In any event, what we did, we tried to do fairly. We restored funding to both rural and urban hospitals, rural health clinics and urban community health centers, and other medical providers such as hospice care and home health care.

Because of the budget rules we were not able to restore much in the way of payment to physicians, which I personally would have liked to have done. But I hope that can be addressed in conference.

While I share the concern expressed by many of my colleagues over the past day and a half about the projected growth of the Medicare Program, I continue to believe very strongly the way we get at that is in the overall context of health care reform.

Very importantly, I hope this amendment will help restore faith among many of the health care providers who earlier this year accepted the $48 billion in Medicare cuts that were in the President's package in the spirit of shared sacrifice. Some of that spirit began to evaporate, however, as we increased the Medicare cuts. I am very pleased that they are now down to only $10 billion in additional to our budget resolution instructions.

Specifically, and in conclusion, this amendment would restore reductions in payment for hospital capital, restore the full update for hospice services, restore special payments for teaching hospitals, delete a provision that would have limited hospital outpatient payments, and restore updates for some part B services, such as home health care, community health care centers, and rural health clinics.

Overall this amendment restores $9 billion in Medicare cuts. I hope all of my colleagues will support the amendment.

Mr. KENNEDY. Mr. President, I join my colleagues in the Senate in supporting this amendment by the leadership to reduce the severe cuts in Medicare proposed by the Senate Finance Committee.

This amendment reduces the Medicare cuts by almost $9 billion. It represents a solid step forward in the budget negotiations. I hope we can agree to further reduce the depth of Medicare cuts in the conference.

Medicare providers—and the elderly and disabled citizens who depend on Medicare—should not be disproportionately burdened with severe budget cuts, just as we are about to consider comprehensive health care reform for the first time in many years.

I am particularly pleased that, with the support of the majority leader and

Senator HARKIN, this amendment will prevent deep and unjustified cuts exceeding $2 billion for teaching hospitals. Our academic medical centers are a priceless national resource. Other insurance payers help to subsidize the costs of essential medical education and research, and Medicare should continue to fund its share.

These cuts would have been especially harsh for Massachusetts and other States which have some of the finest medical centers in this country and the world. They are training the health professionals of the future. They are the sites of the most complicated and most advanced care, and much of the Nation's cutting edge clinical research. Massachusetts is a net importer of patients and a net exporter of physicians. Our academic medical centers have a key role in the national health care system and in our local economy.

Boston teaching hospitals employ 41,800 people. Without this amendment, they would have lost $87 million in Medicare funds over the next 5 years. Restoring these funds will continue Medicare's commitment to pay its fair share of medical education and training, rather than passing these costs on to the private sector.

Clearly, we need to train more primary care physicians, and achieving that priority is one of the principal goals of comprehensive health reform. But it makes no sense to use a meat-axe approach to slash funds for teaching hospitals that train the best specialists in the Nation. I urge the Senate to approve this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER. Mr. President, I will be delighted. The Senator from Maryland would wish how much time?

Ms. MIKULSKI. Three minutes.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 3 minutes.

Ms. MIKULSKI. Mr. President, I rise in support of the manager's amendment to reduce the cuts in Medicare to $10 billion and leave intact Medicaid.

I rise in behalf of this amendment as the subcommittee chair on aging in Senator KENNEDY's Committee on Education and Human Resources.

I chair the subcommittee that will do many things to help the elderly of the United States of America and have studied these issues in great depth. In looking at the original proposals to cut Medicare, I was shocked to find many of our colleagues in their eagerness to cut the deficit were about to gouge Medicare and sabotage the efforts to achieve health insurance reform later on this year.

I, and the coalition who raised this issue, absolutely do support deficit reduction. But we also support the need to do health insurance reform, which will be true deficit reduction because it will be the way to get the handle on ever-escalating Medicare and Medicaid funding.

The reason I support the manager's amendment is I think it achieves several important accomplishments.

No. 1, from the standpoint of being a beneficiary, there will be no means testing in Medicare, and I think that is a significant victory.

There will be no additional premiums on senior citizens, and I believe that is a significant victory. And there will be no cost shifting on the elderly that would cause them to bear an even greater burden.

Also, this does something else that is important. Because of the way it has been structured, it will not place at risk the solvency of urban and rural hospitals and health care facilities that often share and provide the most significant care to the elderly and to the uncompensated cases.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Ms. MIKULSKI. I wish to conclude that I support this because it leaves Medicaid intact and leaves Medicare strong enough to do health insurance reform. I am willing to swallow the strong medicine and support the manager's amendment.

Mr. ROCKEFELLER. Mr. President, I yield 2 minutes, if I might, to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. WELLSTONE. I do not know whether I will even need 2 minutes. This has been a long process of negotiation. I would just like to make three points.

The first point I would like to make is that I do not think what we do here in Washington is just about strategy or playing poker—all the rest. I think it has to do with people's lives. I feel very good about this agreement because I think by lessening the cuts in Medicare we have done something very positive and important to hospitals and providers and the people they serve. I feel very strongly about this.

The second point I want to make is one of just thank you. I would like to thank the majority leader, I would like to thank Senator ROCKEFELLER, and I would like to thank the President who was more than willing to listen; who was more than willing to sit down and talk with us, and was more than willing to try and work out an agreement that I think is agreeable to all.

I think, for me, having been here in the U.S. Senate about 2½ years, this is one of the finer moments, because I think we have really taken an important step forward. I have most appreciated the process of working with my colleagues.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I yield 1 minute, 1½ minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. Mr. President, I support this amendment. I think it is extremely important for medical research and for the long-range health care. I think several of us in this Chamber are exhibits to the improved medical care of teaching hospitals and the research that has gone on. I support this amendment.

The PRESIDING OFFICER. The Senator from West Virginia has 1 minute and 22 seconds.

Mr. ROCKEFELLER. I yield all of that to the Senator from Iowa.

Mr. HARKIN. I thank the distinguished Senator from West Virginia for his leadership in this area. This is a wonderful amendment. I support it wholeheartedly. It is a victory for seniors throughout America. I think it is a step in the right direction. I thank the distinguished majority leader for his help in very tough negotiations.

I know we are working on very tight margins on this bill and I know the Senator from West Virginia [Mr. ROCKEFELLER], worked very hard to hammer out an agreement and compromise that really does protect senior citizens in America. There were tough negotiations. I just want to say thank you very much to the Senator from West Virginia for protecting seniors in America from getting cut any more than they had to. This is a tremendous step in the right direction. I compliment him for his leadership in this area.

As you may know, I was prepared to offer an amendment on behalf of myself and Senators DECONCINI, MIKULSKI, WELLSTONE, METZENBAUM, FEINGOLD, and SIMON to reduce the Medicare cuts from $19 billion to $10 billion. This amendment accomplishes the same goal and deserves the support of every Member of this body.

Mr. President, the package before us is extremely important and I want to commend Senator MOYNIHAN for the job he did in bringing his committee together. We simply have to get our deficit under control, and this bill provides needed tough medicine for our economy. This package contains real deficit reduction of over $500 billion over the next 5 years, the largest deficit reduction package in history. Gone are the days of trickle down and smoke and mirrors. This package instead asks those that got the breaks over the past 12 years to pay their fair share and reduces the deficit by making tough choices.

However, Mr. President, as I have said repeatedly, the cuts to Medicare contained in the pending bill are simply not acceptable. The Senate bill cuts the health program for America's elderly and disabled by $67 billion, about $19 billion more than the House bill. Included in the cuts are significant reductions in payments to vulnerable rural hospitals and increases in beneficiaries' costs.

The additional Medicare cuts have a number of damaging implications. First, some of the cuts will indirectly result in increased out-of-pocket health costs for the elderly and disabled. Cuts in payments to doctors, hospitals, and other health professionals will lead to more of these providers charging over and above the amount Medicare will pay, leaving seniors with a greater share of the costs. While most seniors have private supplemental insurance coverage for Medicare copayments and deductibles, these balance-billing costs hit them directly in the pocketbook.

Second, without controls on overall health costs, many of these cuts will be passed on in higher charges to younger Americans with health insurance, simply shifting costs from the Government to the middle class. So without the comprehensive health care reform that we need, at best, these cuts are simply shifting costs health costs, not lowering them.

Third, for rural and urban areas with high numbers of elderly residents and shortages of health providers, the cuts will most likely reduce access to care by forcing some hospitals to close and increasing the number of doctors refusing to accept new Medicare patients. These providers can not simply shift the costs to patients with private insurance, because they just do nothave them. Take Greene County Medical Center in Jefferson, IA, a small rural hospital. Last year, 93 percent of their patient days involved hospitalizations of Medicare or Medicaid patients. Of the other 7 percent, 4 were bad debt cases—they had no insurance. 3 percent of the patient days that were paid for were for privately insured patients. So when Medicare payments that already fail to meet their costs are further reduced to hospitals like Greene County, the result is direct—fewer staff, fewer services, and all too often closure. And in Iowa, at least one in 10 of our hospitals are teetering on the edge of closure. And in rural, small town America, hospital closure means reduced access to care and the loss of a major economic force in the community.

Fourth, every dollar we cut from Medicare is a dollar we cannot apply to health care reform. This extreme level of cuts will make a difficult job that much tougher. And we simply cannot afford to put more hurdles on that track.

Mr. President, this amendment would take a significant step towards reducing the excessive level of Medicare cuts in the bill and preventing their adverse consequences. I would have preferred to have eliminated all the additional cuts, but this is a critical first step.

Mr. President, our amendment is a modest step to protect senior citizens and the middle class. If we can cut the added $19 billion to $10 billion here, we can get the cut down to a more acceptable level in the upcoming conference.

It is a fair and greatly needed change and I urge all my colleagues to join us in supporting it.

Mr. ROCKEFELLER. Mr. President, if there is any time left I yield such time to the Senator from Ohio.

The PRESIDING OFFICER. There are 15 seconds left.

Mr. METZENBAUM. Mr. President, I join my colleagues in saying this is a major move in the right direction. It helps the senior citizens. It was very difficult and hard negotiation. I appreciate the help and assistance the Senator from West Virginia and majority leader gave. I think we have made this bill a far better bill than it was before and I thank them for their cooperation.

The PRESIDING OFFICER. All time has expired on the proponents side.

There are 9 minutes and 40 seconds on the opponents side.

The majority leader is recognized.

Mr. MITCHELL. Mr. President, I yield to the distinguished Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. ROCKEFELLER. Will the Senator from New Mexico yield just so I may add Senator AKAKA as a cosponsor to the amendment?

Mr. DOMENICI. Of course.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that Senator AKAKA be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, we yield back any time we have on the amendment. Do you want to proceed to the adoption of the amendment?

Mr. CHAFEE. Mr. President, I ask unanimous consent that I be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time is yielded back.

The question is on agreeing to the amendment.

The amendment (No. 533) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Republican leader is to be recognized to offer an amendment.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I am advised that the Republican leader is on his way and will be here momentarily to offer the amendment, pursuant to the previous order.

Mr. DOMENICI. Mr. President, while we are waiting for the minority leader, he is going to offer a sunsetting amendment with reference, I think, to all of the taxes in this bill. How much time is left on the bill?

The PRESIDING OFFICER. Approximately 72 minutes remain.

Mr. DOMENICI. I thank the Chair.

AMENDMENT NO. 536

(Purpose: To sunset the tax hikes)

Mr. DOLE. Mr. President, I send an amendment to the desk for myself and Senators WALLOP, GRAMM, COHEN, and DOMENICI and ask that it be read.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

> The Senator from Kansas [Mr. DOLE], for himself, Mr. GRAMM, Mr. WALLOP, Mr. DOMENICI, and Mr. COHEN, proposes an amendment numbered 536.
>
> At the appropriate place, add the following: "All changes in revenues contained in this bill which raise revenues, shall cease to be effective, and the tax rates shall revert to the status quo ante this bill, on September 30, 1998."

Mr. DOLE. Mr. President, this is a very simple amendment, very short. Maybe it can be accepted. It just says in 5 years the largest tax increase in the history of the world would end with sunset. The sun goes down on the largest tax increase in world history. Then we can take a look at it. If it does all these things we have been told it is going to do with the deficit, then I assume we will have a chance to reexamine it and extend it at that time.

We do a lot of that from time to time. It seems to me it gives the package 5 years to prove itself. We have had all this great rhetoric about how we are going to reduce the deficit. The taxes are bad enough. We do not want them for 1 minute, but this bill says 5 years. So it seems the best thing we can do to be constructive and to help the American people in the event this awful package should pass—we hope it fails—is to have some safety net there so that at the end of 5 years, we start over. The President comes back, whoever the President may be in 5 years—there probably will be a different President—but whoever the President might be, he will come back and start over and have to convince the Congress this was a good idea in the first place.

Mr. MOYNIHAN. Mr. President, may we have order? The Republican leader is speaking.

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. The Republican leader may proceed.

Mr. DOLE. Mr. President, how much time do I have left on the amendment?

The PRESIDING OFFICER. Four minutes remain on the amendment and 5 minutes on the opponents side.

Mr. DOLE. Mr. President, I was sorry I was not on the floor earlier when the distinguished Senator from Michigan [Mr. RIEGLE] had a map of the United States showing how you get to Kansas by going through New Hampshire.

I have been in touch with the airlines, and I learned it is easier to go through Detroit, so I think I may be changing my itinerary. And you get a layover there for about an hour and that will give you enough time to have a press conference in Detroit and then go on to Topeka or Kansas City.

So I wanted to accommodate the Senator from Michigan. We will be happy to work it out with him if he is interested.

I would like to yield 2 minutes to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 2 minutes.

Mr. GRAMM. Mr. President, if there is another seat on the plane, I would like to make that trip to Detroit with the Republican leader.

Mr. President, I think it is very interesting, there are tax provisions in this bill that are temporary. The R&D tax credit, 12 months, temporary. It ends and we have to come back and do it again. The targeted jobs tax credit, little bitty provision but it only lasts 12 months. Then it is sunsetted and we have to do it again.

But is it not interesting that every one of these big tax increases—the tax on Social Security, the tax on gasoline, the tax on small business, the tax on family farms, the tax on income—all those are permanent.

What this amendment does is simply this: It says let us sunset them at the end of this budget and go back and see if, in fact, these spending cuts promised in 1997 and 1998 will ever be made. If they are made, if we have made progress, if this really does put America first, then we can debate it and decide whether it was a good idea.

But if, as many of us on this side of the aisle and almost everyone in America believes, that this is a put-Americans-out-of-jobs program, then we ought to have it so that these taxes are not forever and that we get an opportunity to go back and look at them again. If we did not get the spending cuts, then it ought to be a burden on those who want these taxes to explain to us why they ought to stay in effect.

The PRESIDING OFFICER. The Senator's 2 minutes has expired.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. I ask I be yielded 1 minute.

Mr. MOYNIHAN. Honored to do.

Mr. MITCHELL. Mr. President, I think way down deep that the distinguished Republican leader wants this bill to pass because he keeps talking about the world record tax increase and, since 1982 and continues this very moment, the world's record tax increase is the one, of course, that he pushed through as chairman of the Senate Finance Committee during the Reagan administration.

Mr. DOLE. Will the Senator yield?

Mr. MITCHELL. Yes, I will yield.

Mr. DOLE. That is the year we closed all those loopholes. [Laughter.]

Mr. MITCHELL. Mr. President, that is a record that is a long one. Eleven years he has held the record for pushing through the biggest tax increase in American history. I think way down deep—if he can give us a little help to pass this bill, we are going to relieve him of that world record.

Mr. DOMENICI. Mr. President, I might say—I have some time left—I might say, you cannot blame him for the whole thing. I was chairing the Budget Committee, and we ordered him to. [Laughter.]

Mr. DOLE. He made me do it.

Mr. MOYNIHAN. That is my excuse.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I yield myself 2 minutes.

I am glad to see the debate coming to a conclusion on an agreeable and understanding note that we have to do this and that we will do it.

Why do we have to do it, Mr. President? Because after 12 years of mounting deficits and devastatingly increased debt, we are sending a message to the financial markets of the United States and of the world, which now have as much effect on our affairs in a manner never before known because of the debt we have incurred, that we are going to stop it.

That message has already brought long-term interest rates to the lowest level since the 1970's; long-term interest rates. Those are the calculations that really lead to business investment and individual savings. And the people—those investors, those manufacturers, those business leaders—have to know that this is for real; it is not for 5 years; it is for the rest of this century. It is for a new era in the American political economy in which we pay our bills, meet our obligations and retire the debt of the last decade and more.

This is a permanent measure for long-term growth and long-term low-interest rates. The rates must be permanent.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Will the Senator yield for a question?

Mr. DOMENICI. How much time do I have left, Mr. President?

The PRESIDING OFFICER. One minute and nine seconds.

Mr. DOMENICI. How much time does the Senator want?

Mr. CHAFEE. Fifteen seconds.

Mr. DOMENICI. I will give you 1 minute off the bill and then I am going to accommodate another Senator.

Mr. CHAFEE. My question to the distinguished Senator of the Finance Committee is, taking all his assumptions, when he is through, if this bill should pass, will not the debt of the Nation increase 1 trillion in the next 4 years?

Mr. MOYNIHAN. Unless the interest rates continue downward, stay down, the cost of servicing $3 trillion of debt incurred in 12 years will continue to go up because now we are borrowing money to pay interest. The object of this bill is to put an end to that in the law. This is a bill for the long term, and so, sir, must the rates be.

Mr. CHAFEE. Is the answer "yes"?

Mr. MOYNIHAN. The answer depends upon the outcome tonight.

Mr. CHAFEE. Under the Senator's assumption——

Mr. MOYNIHAN. The answer is——

Mr. CHAFEE. Yes.

Mr. MOYNIHAN. Yes; and the answer is it would be worse absent that, and if we do not know it, you may be sure financial markets do.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I would like to ask consent to take my 1 minute and 9 seconds, and we have agreed on an amendment—both sides have agreed on an amendment that Senator MCCAIN and Senator INOUYE have. In fact, the agreement is with Senator MOYNIHAN, the chairman of the Finance Committee, Senator PACKWOOD is ranking, that the Indian incentive amendment of Senator INOUYE would be adopted.

Mr. MOYNIHAN. That is right. We will do that next.

Mr. DOMENICI. I was going to do it right now.

Mr. MOYNIHAN. Fine.

Mr. DOMENICI. Then I will not use my additional time for it. I do not want any time on this amendment.

Mr. MOYNIHAN. That is fine.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 537

(Purpose: To provide tax credits for Indian investment and employment, and for other purposes)

Mr. MCCAIN. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Arizona [Mr. MCCAIN], for himself, Mr. INOUYE, Mr. DOMENICI, and Mr. STEVENS, proposes an amendment numbered 537.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in the RECORD under "Amendments Submitted.")

Mr. McCAIN. Mr. President, I would like to express my appreciation to the managers of the bill, and Senator INOUYE.

I offer this amendment that was passed last year as part of H.R. 11. It has to do with tax credits for investment and employment, tax incentives for Indian reservations.

As we all know, Mr. President, many reservations throughout this Nation suffer from staggering unemployment, nagging poverty, and huge infrastructure deficiencies.

I believe that this amendment will at least in some way attempt to address endemic and severe problems that exist on Indian country, and they exist because of a failure of this Nation to live up to treaty obligations.

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the McCain amendment.

Is there further debate?

Mr. MOYNIHAN. Mr. President, may I say on behalf of the chairman of Indian Affairs, we are happy to accept this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 537) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. There remains 1 minute 40 seconds on the side of the Senator from New York on the Dole amendment.

Mr. MOYNIHAN. There is how much time?

The PRESIDING OFFICER. One minute 40 seconds.

Mr. MOYNIHAN. Mr. President, given that 1 minute and 40 seconds, may I just offer and ask to be put in the RECORD the interest rates on 30-year Treasury bonds.

A year ago, in April 1992, they were at 8 percent, 8.0. April 1993, they were at 6.75. That is an extraordinary change in the expectations of the world financial markets, and with that manufacturing, investment, saving. That is what deficit reduction is about. Is it easy? No; we would have done it before. Will it happen? It will happen tonight, Mr. President. This is a moment to do it. This is the moment to decide. We will make this decision on a most succinct point right now.

Mr. President, if the Senator from New Mexico will yield back time, I will too. I have to make a point of order.

The PRESIDING OFFICER. The Senator yields back all time.

The question is on the——

Mr. MOYNIHAN. No; I have a point of order, Mr. President.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I raise the point of order that the Dole amendment violates section 310(d) of the Congressional Budget Act of 1974.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Parliamentary inquiry. I wonder if I might be advised in what way it violates that provision?

The PRESIDING OFFICER. The Chair has not yet been advised of the budgetary scoring of this amendment.

The sunsetting of the tax provisions of the bill will cause taxpayers to change their behavior resulting in less revenues to the Federal Government.

Mr. DOLE. Parliamentary inquiry. Then if you eliminate somebody's taxes, they will be so depressed that it will lose money to the Government.

The PRESIDING OFFICER. The Chair's understanding is that the amendment, as drafted, would lose revenues to the Federal Government over the 5-year period.

Mr. DOLE. Further parliamentary inquiry. Would it lose more than the $4 billion, or has that been used up, the little surplus?

Mr. MOYNIHAN. The Senator just voted to do so.

Mr. DOLE. Me?

Mr. MOYNIHAN. Yes.

The PRESIDING OFFICER. There presently is no surplus revenue.

Mr. DOLE. Mr. President, pursuant to section 904 of the Budget Act, I move to waive the point of order against the pending amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY], is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY], would vote "nay".

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER], is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 48, nays 50, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—48

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Kohl
Lautenberg
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NAYS—50

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Leahy
Levin
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. On this vote the yeas are 48, the nays are 50. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. ROBB. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The amendment would reduce the savings attributable to the Finance Committee below the level they were directed to achieve and would therefore violate section 310(d) of the Budget Act.

The point of order is sustained, and the amendment falls.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT REQUEST

Mr. MITCHELL. Mr. President, I ask unanimous consent that the following be the sequence of first-degree amendments under the following time limitations:

An amendment by Senators BRYAN and KERRY of Massachusetts, regarding mohair, 7 minutes equally divided; an amendment by Senators DOMENICI and NUNN regarding discretionary caps, 8 minutes equally divided; an amendment by Senator BRADLEY regarding the line-item veto, 10 minutes equally divided; an amendment by Senator McCONNELL to strike the Presidential checkoff, 5 minutes equally divided; an amendment by Senator GRAHAM, of Florida, regarding Medicare, 10 minutes equally divided; an amendment by Senator DANFORTH regarding a point of order, 10 minutes equally divided; an amendment by Senator BRYAN regarding section 936, 7 minutes equally divided; that following the disposition of the Bryan amendment, Senator REID be recognized to offer amendments and to speak for 2 minutes and then to withdraw the amendments; that the amendments be debated and laid aside until all have been debated, after which the Senate begin voting, back to back, on or in relation to each amendment in the order in which they were offered, and that no other amendments be in order prior to their disposition.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object. Does this limit second degrees on all of the amendments? I did not understand that.

Mr. MITCHELL. I am advised that it does. That is the intention.

Mr. DOMENICI. We would agree at this particular moment that we could accept most of this, but I need a few minutes on the second-degree part. We have to leave the second-degree part open while I talk to the Senators.

Mr. MITCHELL. Mr. President, I will withhold the request until the Senator has an opportunity to do that.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FEINGOLD). Without objection, it is so ordered.

AMENDMENT NO. 539

(Purpose: To extend the authority to collect certain fees)

AMENDMENT NO. 540

(Purpose: To restore 2.5 cents of the Highway Trust Fund financing rate to the Aquatic Resources Trust Fund)

Mr. SASSER. Mr. President, I send to the desk an amendment by Senators WOFFORD and SPECTER and also an amendment by Senators BREAUX and WALLOP and I ask unanimous consent that both be deemed agreed to and that the motions to reconsider the vote by which they were agreed to be laid upon the table, all this action occurring en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

So, the amendment (No. 539) was agreed to, as follows:

On page 149, between lines 7 and 8, insert the following:

SEC. 5002A. EXTENSION OF AUTHORITY TO COLLECT FEE.

The third undesignated paragraph under the heading "ADMINISTRATIVE PROVISIONS" in chapter VII of title I of Public Law 98-63 (97 Stat. 329) is amended by striking paragraph (3).

So, the amendment (No. 540) was agreed to, as follows:

Section 9503(b)(6) of the Internal Revenue Code of 1986, as added by section 8244(b)(6), is amended to read as follows:

"(6) RETENTION OF CERTAIN TAXES IN GENERAL FUND.—

"(A) IN GENERAL.—There shall not be taken into account under paragraphs (1) and (2)—

"(i) the tax imposed by section 4081 on diesel fuel used in any train, and

"(ii) so much of the nonhighway recreational fuel taxes (as defined in subsection (c)(6)(D)) as are attributable to 2.5 cents of the Highway Trust Fund financing rate.

"(B) TRANSFERS FROM HIGHWAY TRUST FUND.—For purposes of determining the amount paid from the Highway Trust Fund under subsection (c)(6), the Highway Trust Fund financing rate shall be treated as being 2.5 cents less than the otherwise applicable rate."

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. SASSER. Mr. President, there is a unanimous-consent request pending that has been previously propounded.

Mr. DOMENICI. We have no objection to the majority leader's unanimous-consent request.

Mr. EXON. Mr. President, reserving the right to object, may I make inquiry? I do not believe I heard the majority leader say there would be 10-minute votes after the first. Was that agreed to, 10-minute votes after the first?

Mr. SASSER. I ask unanimous consent that the unanimous-consent request be altered or amended by saying that the first vote be 15 minutes with each succeeding vote 10 minutes in duration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there any objection to the unanimous-consent request, as amended, of the majority leader?

Hearing none, without objection, it is so ordered.

Mr. SASSER. I thank the Chair.

Mr. President, I see the distinguished Senator from Connecticut [Mr. LIEBERMAN] seeking recognition. I yield to him now and ask him to be very brief.

Mr. LIEBERMAN. Mr. President, I thank the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 541

(Purpose: Expressing the sense of the Senate that the Congress should adopt Federal enterprise zone legislation)

Mr. LIEBERMAN. Mr. President, I have an amendment which I send to the desk at this time and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN], for himself, Mr. DORGAN, Mr. MACK, and Mr. COATS, proposes an amendment numbered 541.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. . SENSE OF THE SENATE WITH RESPECT TO FEDERAL ENTERPRISE ZONES AND RURAL DEVELOPMENT INVESTMENT ZONES.

(a) FINDINGS.—The Senate finds that—

(1) The crisis of poverty, high unemployment, out-migration, and job loss in America's inner-cities, rural areas and Indian reservations demands an appropriate and timely response from Congress;

(2) Manufacturing and industry has largely disappeared from many U.S. inner cities and rural areas. This, in turn, has led to the severe decline in good high-wage jobs, wholesale trade, retail businesses, and a large source of local tax revenues;

(3) Encouraging small and medium-sized businesses, which create the majority of new jobs in the U.S. economy, to locate and invest in poor areas is one of the keys to revitalizing urban and rural America;

(4) Enterprise Zones will help attract businesses to build and grow in poor areas; they will give people incentives to invest in such businesses and to hire and train both unemployed and economically disadvantaged individuals; they will create jobs and stimulate entrepreneurship; and they will help restore the local tax revenue base to these communities;

(5) The decline of small industry in rural areas has caused thousands of people to leave such areas, thus hastening the decay of rural communities and leaving the elderly in particular stranded without the help of family and younger neighbors;

(6) Enterprise Zones have been tested in 37 States since 1982 and have proven to be successful, having generated capital investments in poor neighborhoods in excess of $28 billion and having created more that 258,000 jobs; and

(7) Enterprise Zones have been endorsed by, among others, the National Governors Association, the National Council of State Legislators, the Council of Black State Legislators, the Conference of Mayors, and the Conference of Black Mayors.

(b) DEFINITIONS.—

(1) The term "enterprise zone" means any economically distressed urban area, rural area, or Indian reservation designated by the Secretaries of Housing and Urban Development, Agriculture or Interior for special regulatory and tax treatment, and for the targeting of Federal, state, and local programs for the purposes of providing economic revitalization, economic development, and job creation;

(2) The term "empowerment zone" means any designated enterprise zone which is designated to receive the full package of regulatory and tax relief and targeted programs as provided for by the enterprise zone program; and

(3) The term "enterprise community" means any area eligible for enterprise zone designation and ultimately designated by the Secretaries of Housing and Urban Development, Agriculture, or the Interior but does

not receive the full package regulatory relief, tax relief and targeted programs.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that—

(1) enterprise zones are a vital, proven tool for inner-city, rural, and Indian reservation revitalization and that Congress should adopt Federal enterprise zone legislation;

(2) to insure cooperation and coordination among Federal agencies and to provide targeted regulatory relief, such legislation shall include the establishment of an Enterprise Board to develop the selection criteria and to waive any provision of Federal law or regulation administered by the Secretary of the Departments of Housing and Urban Development, Agriculture, Health and Human Services, Labor, or Education, if the Board determines the waiver is necessary for achievement of the comprehensive strategic plan of an enterprise zone;

(3) to adequately and substantially address the crisis in urban and rural America, such legislation shall include at least 75 empowerment zones; and

(4) each empowerment zone shall include each of the following provisions:

(A) Enterprise Grants for implementing local coordinated strategic plans such as:

(1) creating new, coordinated delivery systems for relevant government services;

(2) creating community lending or microenterprise loan funds;

(3) providing technical assistance, entrepreneurial support, workforce skill programs, and job-search and job matching networks in the labor market;

(4) leveraging private matching support; and

(5) matching funds for community development corporations;

(B) Community Policing Grants to increase police presence, expand cooperative efforts between law enforcement and the community, and to assure public safety;

(C) Innovative programs and zone priority investments of existing Federal agency funds targeted toward empowerment zones;

(D) Tax incentives aimed at reducing both capital and labor costs associated with operation of a business in an empowerment zone;

(E) Tax incentives aimed at attracting equity investments, including venture and seed capital, in start-up or small enterprise zone businesses; and

(F) Tax incentives to encourage the hiring and training of economically disadvantaged individuals;

(5) Because the mitigation of jobs from rural areas has caused many families to migrate too, the indications of distress are different for rural than for urban areas. Specifically, in determining whether a rural area is eligible for an enterprise zone, the factors shall include job loss and out-migration, rather than just the poverty rate, which is an appropriate factor for urban areas.

Mr. LIEBERMAN. Mr. President, after more than a decade of debate, I rise today to offer a sense of the Senate resolution urging the Congress to finally adopt Federal enterprise zone legislation. I offer this amendment after more than 12 years of neglect of our urban centers; after last year's riots in Los Angeles that brought urban policy to the top of the congressional agenda; after three successful times passing the Senate—once in 1982, again in 1984, and most recently in 1992; and after enterprise zones were most recently dropped from the Senate's version of the budget reconciliation package. This provision was dropped despite the fact that a $5.1 billion program was included in the House bill, and that President Clinton has made enactment of this program a priority.

Mr. President, if there is any one point on which we can all agree, it is that the desperate conditions which exist in too many of America's inner cities—the crime, the poverty, the drugs, the unemployment, and the homelessness—have gone on for far too long.

I believe that enterprise zones offer us an opportunity to break this cycle of decay by directly countering the one most important cause of urban decline—namely the reduction of business activity, and therefore, investment and jobs.

We have now had more than 10 years' worth of experience with enterprise zones and we know they work. At the State level, 36 States have adopted enterprise zone programs. I am proud to say that the State of Connecticut led the Nation in establishing enterprise zones in 1982, offering a wide range of State and local incentives, as well as administrative support to help develop distressed urban areas.

In total, according to the 36 State economic development offices, enterprise zones have created more than 250,000 jobs and have attracted more than $28 billion in capital investments. This has all been obtained without Federal incentives, which are critical to the maximum possible enterprise zone success.

The State experience provides evidence that, if properly designed, enterprise zones will help convince businesses to build and grow in poor neighborhoods. They will give people incentives to invest in such businesses and to hire and train both unemployed and economically disadvantaged individuals. They will create jobs and stimulate entrepreneurship. Perhaps most importantly they will help restore the tax base to communities that have been forced to provide increasing social services with decreasing sources of revenue.

That is why—among many others—enterprise zones have been endorsed by the National Governors Association, the National Council of State Legislators, the Council of Black State Legislators, the Conference of Mayors, and the Conference of Black Mayors. These organizations have called for the adoption of enterprise zones across the country.

But, Mr. President, this amendment not only urges the Senate, in essence, to yield to the House in conference and to finally pass an enterprise zone program, it sets some fundamental benchmarks on how this program should work. I want to go through some of my concerns with both the House and the administration's proposal to urge the conferees on the reconciliation bill to make some modifications in conference.

NUMBER OF ZONES

To begin, Mr. President, the administration's proposal calls for only 10 urban and rural communities around the country to be designated as enterprise—empowerment—zones. Of the 10 zones, 6 will be designated in urban areas; 3 will be designated in rural areas; and 1 will be designated on an Indian reservation.

While the President's proposal does purport to create 100 enterprise communities and 10 empowerment zones, the 100 cannot really be characterized as enterprise zones and do not get a package of incentives that would make enterprise zones work.

This is not an adequate response to the crisis in our urban areas and rural communities. In fact, it guarantees that the vast majority of distressed areas in this Nation will have no chance of being designated an enterprise zone.

Under the administration's proposal my State, which has three of the poorest cities in the country, and has had a number of successful and proven enterprise zones for a decade, will have no chance of getting even one real enterprise zone. We would have to compete among many hundreds of applications. Other states have the same problem. In fact there are hundreds of metropolitan cities which are in need of our assistance—only 10 of which will receive enterprise zone designation under the administration proposal. This amendment says that we create a minimum of 75 full enterprise zones with a full array of incentives and programs.

Second, Mr. President, the administration proposal will provide these 10 enterprise zones with approximately $3.2 billion worth of incentives over the next 5 years. Assuming equal distribution of the incentives, this proposal provides 320 million dollars' worth of tax benefits to each enterprise zone. Frankly this is too rich a subsidy per zone. Enterprise zones are not going to attract major existing employers, they are going to attract startup and small businesses. The $320 million per zone simply can't be utilized by those kinds of firms. In fact, it is highly unlikely, based on the experience of the State programs, that anywhere near this level of tax subsidy is necessary. The key to the enterprise program is the ability to use limited Federal tax dollars to leverage private capital. You do not need $320 million per zone to achieve this. A more carefully targeted amount spread to a larger number of zones is going to achieve a better result.

The administration has suggested that their program is designed with this level of generosity—and with this limited number of zones—in order to test the enterprise zone concept. But, as I have said and still believe, enterprise zones have already been thoroughly tested in 36 States and in more than 2,200 communities since 1982. And, they have been successful. We know what works and we know what doesn't. There have been 56—56—enterprise zone bills introduced in Congress over the last 12 years. There have been dozens upon dozens of hearings in both the House and Senate. The Senate has passed this program three times—once in 1982, again in 1984, and again just last year under the leadership of now-Secretary Bentsen.

According to the American Association of Enterprise Zones, in a letter sent to President Bush last year, "Never in the history of domestic policymaking have literally hundreds of cities demonstrated the principles of a Federal program before Congress has authorized its full operation. We are confident that we understand the way enterprise zones perform; thus we can confidently urge Congress to implement the Federal policy in more than a handful of communities."

It is important to note that enterprise zones do not represent a radical departure from traditional, long practiced, and accepted economic development activities. From the State and local perspective, the notion of using incentives to attract business, development, investment, and jobs is not new. Democrats and Republicans—Liberals and Conservatives—have all embraced this concept. Enterprise zones represent a slightly different spin on traditional State economic development activities by targeting incentives specifically to smaller economically distressed areas.

Mr. President, I think it is also important to note the precedent problem the administration is setting with this proposal. When we eventually come to the determination that this program is indeed successful—as we surely will—it will cost us enormous sums of money to expand the program to all eligible areas without creating serious inequities. For example, under the administration proposal it will cost us an additional $30 billion to expand this program to an additional hundred communities among the thousands that probably need it.

INCENTIVES

Finally, Mr. President, let me address the issue of incentives. In my opinion, the objective of the enterprise zone program is to use tax incentives—and other forms of public policy—to direct investment and employment opportunities to distressed urban and rural areas that would otherwise not occur. The increased investment and employment, spurred by the package of incentives should promote the revitalization, over time, of these distressed areas. Therefore in order for the program to achieve its desired results, the package of incentives, including State and local incentives, must be of a strong enough and practical enough nature to attract the necessary business and investment activity. The package of incentives must also reduce capital as well as labor costs to a sufficient level that a firm would be willing to forgo other factors that impact location decisions including access to markets, quality infrastructure, efficient transportation, a skilled labor force, quality of life, and security.

I cannot stress enough the importance of capital incentives. They must be a component of any program and should be targeted toward small businesses. They should encourage equity over debt. And, they should be focused on seed capital and cash-flow—two of the most common barriers to small business creation. Labor incentives alone will not be sufficient to attract business investment. While there are some capital incentives in the administration's plan—aimed largely at the acquisition of tangible assets—they do not adequately address the problems of access to capital.

These capital incentives are also important because they allow the Government to leverage limited resources and tap the vast resources of private investment capital, not to mention the benefit of attracting this capital into some of America's poorest communities. This provides a multiplier effect for Federal tax dollars and pays dividends to the community in terms of additional sources of tax revenue. This is in stark contrast to direct public spending programs which rarely pay dividends beyond their intended purpose.

On the labor incentive side, if the objective is to encourage employers to hire new employees from within zones, there appears to be limited utility to the key element in the proposal. Unless the employer credit is designed to be refundable, few small firms have the level of tax liability required in the administration proposal to take advantage of a $5,000 tax credit per employee.

CONCLUSION

Mr. President, it is time to do something substantial on a national scale about urban decay and chronic unemployment. Unemployment and decay that not only encompasses whole sections of every one of our inner cities and so many of our rural areas but also, in too many cases, spans generations. It is a cloud over our Nation's future. The unemployed and the poverty stricken, and the places where they live are in need of our help and they all deserve our help.

Mr. President, very briefly, one of the incentives for investment that I regret was left out of the bill before us—and it is in the House bill—is a system of enterprise and empowerment zones to use the power of tax incentives to bring private capital into the poorest urban and rural areas to create growth and jobs.

This sense-of-the-Senate amendment simply puts the Senate on record in support of that concept and hoping it will be adopted by the conference committee. It also specifically asks that the number of zones be increased from 10 to 75 to cover needy areas of our country, and there be emphasis on capital cost incentives to bring capital into our poor areas.

Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (No. 541) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote.

Mr. LIEBERMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER. Mr. President, under the unanimous-consent request previously ordered, I will move now to a Bryan-Kerry amendment on which 7 minutes has been authorized.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

AMENDMENT NO. 543

(Purpose: To eliminate the price support program for wool and mohair)

Mr. BRYAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN], for himself, Mr. KERRY, Mr. REID and Mr. FEINGOLD proposes an amendment numbered 543.

Mr. BRYAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 32, strike line 19 and all that follows through page 34, line 10, and insert the following new section:

SEC. 1111. ELIMINATION OF WOOL AND MOHAIR PRICE SUPPORT PROGRAM.

(a) IN GENERAL.—The National Wool Act of 1954 (7 U.S.C. 1781 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—Section 256(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906(a)) is amended——

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(c) TRANSITION PROVISIONS.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the effective date of this section.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall apply beginning with the marketing year beginning January 1, 1994.

Mr. BRYAN. I yield myself 1½ minutes.

Mr. President, if there is a test of our ability, our willingness, and our determination to meaningfully reduce the deficit, it is with this amendment that I am joined in by my distinguished colleagues, Senators JOHN KERRY and HARRY REID.

The wool and mohair program had its genesis back in 1954 when wool was a natural strategic reserve. There was justification.

It is a classic example of a program that continues year after year, decade after decade, without justification. This bill will cost the American taxpayers about $760 billion over a 5-year period.

The amendment which my colleagues and I urge adoption this evening will save $675 million, all of which goes to deficit reduction. It is absolutely an outrage. Individual producers can receive as much as $300,000. Less than 1 percent of producers receive 54 percent of all payments.

If we cannot eliminate this program here, there is no national strategic impact, it is simply a subsidy and a bailout—and to those who say, look, Senators are always quite willing to impose limitations on others but not themselves, there are Nevada ranchers that are affected by this.

Mr. President, I am proposing an amendment with my colleagues, Senator JOHN KERRY and Senator HARRY REID, to the Omnibus Reconciliation bill. The bill we are debating contains $500 billion in deficit reduction—through a combination of spending cuts and additional revenues. Our deficit is a stranglehold on government—and a drain on our economy. In order to reduce the deficit, we MUST reduce spending. We MUST evaluate where our dollars can no longer afford to go. We MUST ask those who can, to pay their fair share to stop the red ink and stop saddling our children with greater debt.

Mr. President, deficit reduction is a burden to be shared by all. Indeed, this bill asks many with little to give, to help in this effort. The bill asks Social Security recipients—individuals with incomes of $32,000 and couples with incomes of $40,000—to pay an additional 30 percent tax on their Social Security benefits. No one must be reminded that a $40,000 income for a couple is not wealthy. The bill asks all individuals to pay an additional 4.3 cents per gallon for gasoline, this increase takes more out of the budget of a family of four with $30,000 income, than it does for the millionaire.

When President Clinton addressed the Joint Session of Congress and the Nation in February, he presented an economic plan that included $5.86 billion in spending cuts for agriculture. However, when we passed the Budget Resolution in March, the cuts in agriculture were reduced to $3.2 billion. While I voted for the Budget Resolution, I believe that more spending can be cut. Agriculture is one of those areas. For example, the reconciliation bill exempts agriculture from the transportation fuels tax. The economy in Nevada is tourism-centered and dependent on the airlines. America's airlines, so crucial to our economy, are in terrible condition, yet they are not exempt from the transportation fuels tax. Deficit reduction must be shared by all.

Mr. President, agriculture can take a greater share in the deficit reduction burden. These tight budget times necessitate that we must reevaluate who receives government funds and what programs are no longer required.

These amendments, if adopted, would save the U.S. Treasury about $1 billion over 5 years. This additional deficit reduction is just the beginning of rethinking our Government spending priorities. I intend to offer and support additional amendments during the appropriations process to stop funding the space station, the super conducting super collider, and the market promotion program. Tight budget times require bold measures and difficult choices—we can abide by extravagance no longer and must terminate antiquated expenditures.

In 1954, a program was authorized to encourage the production of wool, then considered a strategic material. Wool is no longer a strategic material, and the program must be reconsidered. When President Clinton sent his budget to Capitol Hill, he proposed to limit payments on wool and mohair to $50,000. This proposal would have saved the taxpayers nearly $270 million over 5 years. The Senate Agriculture Committee revised the President's proposal to reduce the payment limitation for wool and mohair producers from $125,000 in 1994, to $100,000 in 1995, to $75,000 in 1996, and to $50,000 in 1997. There is more that can be done with this program. The 1993 payment limitation is currently $150,000 each for both wool production and mohair production to a maximum of $300,000 per producer. In 1991, less than 1 percent of producers received 54 percent of the payment. Producers on average receive from the Federal Government almost 210 percent of the market value of their production. Over the years, the cost of this program has continued to rise. According to a report in the New York Times in February 1993:

> Market prices have collapsed, partly because mohair went out of fashion in the 1980's * * * Yet the Agriculture Department continues to guarantee mohair producers a fixed price based on a complex formula of average farm costs in recent years and in the late 1950s. The formula, which is unique in American agriculture, locks in profits by virtually insuring that prices rise as fast as costs.

Earlier this year, I cosponsored a bill introduced by Senator FEINGOLD to eliminate the price support program for wool and mohair. This amendment would accomplish this purpose. This would reduce Federal spending an additional $640 million. This program has outlived its usefulness, and should be abolished.

The wool and mohair program, is outdated. Supplements for the market price are no longer needed, and domestic production continues to be protected by the imposition of a tariff on foreign wool.

Mr. President, I urge my colleagues to support the amendment.

I yield now to the Senator from Massachusetts 1 minute.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. BRYAN. Ordinarily, I would be happy to yield, but because I have only 2½ minutes I decline the invitation of my colleague and yield 1½ minutes to the Senator from Massachusetts.

Mr. KERRY. Mr. President, I would just like to share with my colleagues quickly—and that is all I can do—an article from the Washington Post dated April 6 of this year.

> In a place buffeted by the whims of nature, the $180 million-a-year program illustrates an axiom of the Federal budget that holds true even in a year when concern about the deficit is suddenly fashionable: Once you're in the budget, you're in, and almost nothing can force you out.

The subsidy we are talking about has been here for 39 years, even though the General Accounting Office in 1982 said that it serves no useful purpose. And in 1991 again it said it serves no useful purpose.

So, Mr. President, I would join with my colleagues in saying, "Look, if we cannot cut $675 million from a subsidy where we are paying 4 times the world market price for, something that has no strategic value, which was the original reason it was put in, then we are going to have a hard time being serious about anything.

A lot of folks here talk about cutting, not doing this with taxes. Here is the opportunity—$675 million over 5 years of deficit reduction.

The PRESIDING OFFICER. Who yields time?

Mr. BRYAN. Mr. President, I yield to the Senator from Nevada 1 minute of the remaining time.

The PRESIDING OFFICER. The Senator has 29 seconds.

Mr. REID. This amendment would eliminate welfare at its worst. There may have at one time been a reason for this subsidy, but that is even debatable. This will save almost $750 million during the term of this bill. If we are serious about reducing the yearly deficit, there would be no better way to do it than to eliminate this wasteful subsidy.

The PRESIDING OFFICER. Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. We have 3½ minutes, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I yield 1 minute to the Senator from Colorado.

Mr. BROWN. Mr. President, I want to say to my good friend from Nevada, "I know he is sincere in his efforts to work on this problem".

There are a couple of concerns I have that may not have come up and he did not spell them out. The funds for this assistance, this wool payment, do not come from the Treasury. They come from an import duty tariff on the imported wool. It is an effort to level the playing field on wool.

I must say, as someone from a State that produces wool and has been associated with the industry, I favor the President's proposal. The President's proposal dramatically cuts the program's payments under the wool program in this bill already. I favored that.

But to eliminate the program without insisting on concessions from our competitors is unilateral disarmament. The way to eliminate this program, if you want to eliminate it, is to trade it off for trade concessions from our trading partners, not eliminate it unilaterally. This is nothing more than unilateral disarmament.

Should we eliminate programs like this? Absolutely. But we ought to eliminate them in conjunction with eliminating the kinds of programs our exporters run into overseas. It would be a tragic mistake to do this without getting concessions from our competitors.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I yield the remaining time to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I think it is a very interesting paradox that we have $10 billion worth of farm programs, with virtually none of those farm programs self-funding, that we are eliminating a payment that is not paid for by the taxpayer but, in fact, has a dedicated import tariff.

Now, if we did not have an agreement to limit second-degree amendments, I would offer an amendment to give our colleagues an opportunity to vote to eliminate real subsidies.

Mr. KERRY. Will the Senator yield for a question?

Mr. GRAMM. I do not yield, because I have a very short period of time.

I would simply like to say this. If our colleagues had offered an amendment to eliminate the tariff and eliminate the spending, you would at least have a logical amendment.

But what we have now is a selective fee that is paid to cover this payment, basically, to wool producers, west of the Mississippi. This is a very tiny program, but the important thing is it does not contribute one nickel to the deficit. It is a program that is funded by a fee on foreign wool. You cannot argue that this program raises the deficit.

Let me yield the remainder of my time to our colleague from South Dakota.

Mr. PRESSLER. Mr. President, I strongly oppose the amendment by the Senator from Nevada. I would like to very quickly say that I have voted to reduce farm subsidies on a 5-year basis twice in the farm bill. I am a free-trader, for the Farm Bureau's approach of trade and am concerned about the GATT trade agreement going forward.

But the Wool and Mohair Price Support Program is not costing the taxpayers money. Indeed, it is not like the other farm programs. Let me tell you the facts about this program.

The Wool and Mohair Price Support Program is vital to the survival of 4,000 South Dakota sheep growers. South Dakota is the sixth largest sheep-producing State in the Nation. The Wool and Mohair Price Support Program assures a vital domestic sheep industry in South Dakota and all other States. The program provides supplemental income to farm and ranch families at no net cost to taxpayers. It enables these families to compete in the international market place on a level playing field. More important, the program helps support many rural communities in South Dakota that exist on income generated by the sheep industry. If this amendment becomes law, several things would happen.

First, farmers and ranchers would have lower income. Second, there would be reduced supplies of wool. Third, consumers would pay more for wool products. Finally, the United States would have to rely on foreign suppliers for wool. These are four effects that we simply cannot live with.

Nationwide, 70,000 wool producers receive program payments of various amounts. United States sheep ranches range from 15 to 15,000 head. The sheep industry has done its parts to help reduce the deficit and includes payment caps. Large payments are not the norm. The program supports the overall infrastructure of the sheep industry and related rural communities.

Mr. President, the benefits of the Wool and Mohair Price Support Program are many. In the West, sheep are raised on land that would not otherwise be productive. The program supports the people who work on that land, supports the surrounding communities and is important for rural development. I ask my colleagues to defeat this amendment.

I thank my friend from New Mexico.

Mr. SIMPSON. Mr. President, Senator BRYAN's proposal to eliminate the wool program is shortsighted at best. The Wool Act works. It does not rely on the U.S. Treasury. It costs taxpayers nothing. It provides a reasonable economic stimulus for rural America. It stabilizes rural economies.

This program does not add to the deficit. The tariffs supporting the Wool Act actually put money into the U.S. Treasury—more than $4 billion during the life of the program—which has been used to fund a full array of social and economic programs. Payments to growers of wool are derived from tariffs on foreign wool and wool products. Growers receive an average of 30 percent of the wool tariffs which flow into the United States. The remainder goes back into the tax coffers to bolster Federal revenues. This is not like other enormously expensive crop subsidy programs.

The Wool Act is unique because it has a dedicated source of funding through these tariffs.

Products grown and processed in the United States help balance the trade deficit. The sheep industry accounts for 350,000 jobs, many of the jobs for minorities in areas where other employment options are limited. The sheep industry puts $6.7 billion a year into the GNP from the farm through retail.

I urge the rejection of the Bryan amendment.

TERMINATION OF WOOL AND MOHAIR PROGRAM

Mr. FEINGOLD. Mr. President, I am pleased to support the Senator from Nevada [Mr. BRYAN] and the Senator from Massachusetts [Mr. KERRY] in moving to terminate the Wool and Mohair Support Program. On March 2, 1993, I introduced legislation, S. 477, a bill to eliminate these programs. According to estimates provided by the Congressional Budget Office in its 1993 report on options for reducing the deficit, elimination of this program would result in savings of some $760 million over 5 years. Although President Clinton included spending reductions in this program in his budget proposal by limiting support payments to $50,000 per person, there are strong arguments for total termination of the program. As a Member of the Senate Agriculture Committee, I pushed for deeper cuts in this program, and was pleased that the committee added a support payment freeze at the fiscal year 1993 level. Although I recognize that it will be very difficult to terminate this program, I hope that the vote for this amendment will send a strong signal to the conference committee that this program should be substantially reduced, if not terminated.

This program was initiated in 1954 when wool was thought to be a strategic material. Mohair never was. The program has continued long after the original need. Moreover, the benefits of the program are heavily concentrated on a handful of producers. In 1991, less than 1 percent of the producers received 54 percent of the payments while 30 percent of all producers received payments of $100 or less. This clearly represents a program which benefits a very few people. In a time of deficit reduction, it is simply inappropriate to continue this subsidy.

Mr. BRYAN. Mr. President, I ask for the yeas and nays.

Mr. DOMENICI. Has all time been yielded back?

The PRESIDING OFFICER. All time has expired.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. I want to make sure that the other side understands that when it comes time to vote——

Mr. BRYAN. I thought all time had expired. I am happy to give my distinguished friend additional time, if I have additional time.

Mr. DOMENICI. I am not going to debate anything. I just wanted to make sure you know that I am going to raise a point of order when it comes up for a vote so you will be ready to make your motion to waive. I do not want you to think I am catching you by surprise. I apologize. I have been told by the Parliamentarian that it is subject to a point of order.

Mr. SASSER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, the next amendment to be considered under the unanimous-consent agreement is an amendment to be offered by Senators DOMENICI and NUNN. There will be 8 minutes on that amendment, evenly divided.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I believe—I do not know if I am wrong or not—but I suggest we have to set this amendment aside.

Mr. SASSER. No. I would advise my friend from Massachusetts, under the unanimous-consent agreement we will, after all time has expired on debate—which it has on your amendment——

Mr. KERRY. Proceed immediately to the next one.

Mr. SASSER. We will proceed immediately to the next amendment and then dispose of all amendments.

Mr. KERRY. I thank the distinguished manager of the bill.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have 5 minutes. I want to yield 2½ of those minutes to my colleague, Senator NUNN, and 2½ to myself.

I yield myself 1 minute, then yield to the Senator, and I will wrap up.

AMENDMENT NO. 544

(Purpose: To extend the discretionary caps on defense, international, and domestic spending through fiscal year 1995)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself, and Mr. NUNN, proposes an amendment numbered 544.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . DISCRETIONARY CAP EXTENSION.

(a) DISCRETIONARY SPENDING.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and inserting the following:

"(D) with respect to fiscal year 1994—

"(i) for the defense category: $264,051,000,000 in new budget authority and $279,262,000,000 in outlays;

"(ii) for the international category: $21,721,000,000 in new budget authority and $21,660,000,000 in outlays; and

"(iii) for the domestic category: $215,192,000,000 in new budget authority and $237,835,000,000 in outlays;

"(E) with respect to fiscal year 1995—

"(i) for the defense category: $262,624,000,000 in new budget authority and $272,744,000,000 in outlays;

"(ii) for the international category: $21,315,000,000 in new budget authority and $21,416,000,000 in outlays; and

"(iii) for the domestic category: $222,348,000,000 in new budget authority and $247,112,000,000 in outlays.".

(b) DEFINITIONS.—Paragraph (4) of section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(4) The term 'category' means for fiscal years 1991 through 1995 any of the following subsets of discretionary appropriations: defense, international, or domestic. Discretionary appropriations in each of the 3 categories shall be those so designated in the joint statement of managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1990. New accounts or activities shall be categorized in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate.".

Mr. DOMENICI. Mr. President, this amendment is an amendment that intends to give the Defense Department of the United States and all of our Military Establishment and our Joint Chiefs 2 years of assurance that they will not be cut more than the President has submitted in his budget. So what it does, for the years 1994 and 1995——

Mr. METZENBAUM. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will come to order.

The Senator will proceed.

Mr. DOMENICI. What this amendment does for the years 1994 and 1995, it establishes three caps in the discretionary accounts of our Government. They are identical to those in the budget resolution. Defense has its cap and its wall. If you want to cut more, you put it on the deficit, you do not spend it somewhere else.

The same for foreign aid and the same for all the rest of the domestic programs. It is time we have some common sense about defense and give them 2 years of assurance that these dramatic reductions are not going to be further eaten away in the appropriations process.

I yield to my friend from Georgia.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. I will not even take 2½ minutes.

I just strongly support the Senator from New Mexico's amendment and his explanation. I think it is important for everyone to realize that this amendment will carry out the President's defense budget. It will say we are not going to cut the President's defense budget and put it in other programs.

If anybody wants to cut defense, they will have a right to cut defense, but it will go to the deficit. It will not be poured over into other programs. That is what we call the wall.

So this does not preclude cuts in defense. It does preclude cuts in defense to be poured over into other areas. We simply cannot use the defense budget as a bank. That is what happens around here over and over again.

This amendment is entirely consistent with President Clinton's defense budget. As a matter of fact, it reinforces it and protects it. We already have seen a serious erosion in the President's own defense numbers since we passed the budget resolution. We are battling right now on some technical matters to determine whether that reduction is going to be in the neighborhood of $4 to $6 billion in outlays, or $1 to $2 billion in outlays. That converts to very large budget cuts below the President's number.

So this is absolutely essential if we are going to avoid a serious readiness problem later on this year and certainly next year.

I strongly support the amendment sponsored by the Senator from New Mexico and myself.

I ask unanimous consent the Senator from Virginia [Mr. ROBB] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. President, to reiterate, this amendment would reestablish the separate caps on defense, international and domestic discretionary spending that existed from fiscal year 1991 to fiscal year 1993. These caps are completely consistent with the funding levels we adopted in the budget resolution earlier this year. This amendment would not change the spending priorities we have already agreed to. In effect, this amendment simply reinstates the so-called firewall between defense and nondefense discretionary spending in the Federal budget for fiscal years 1994 and 1995.

Mr. President, I know that many of my colleagues objected to the idea of a firewall between defense and nondefense discretionary spending in the original 1990 budget summit agreement. I wish we did not need this kind of a barrier, but we do.

The administration proposed deeper cuts than I would have preferred in the defense budget this spring. I discussed this at length with both the President and the Vice President, and they assured me that they were committed to holding the line for a strong defense. I still believe they are personally committed to a strong defense.

This spring I gave a speech on the defense budget and offered an amendment expressing the sense of the Senate that the defense budget should not be cut lower than the level specified in the budget resolution. This amendment was adopted by a 56 to 43 margin.

Unfortunately, unless we take steps to reverse course, the fiscal year 1994 defense budget is increasingly likely to be cut below the level we all agreed to in the budget resolution. But this is only evidence of a more important problem. It is increasingly clear that the combination of forces in the administration and in the Congress—because of the fiscal squeeze and because of the strong desire to fund other programs—continues to erode the defense budget substantially below President Clinton's proposal. The defense budget is not being attacked directly. Instead, it is being mugged quietly in the dark alleys of the legislative process.

I believe there is no choice other than to reinstate the firewalls that have protected the defense budget in recent years.

DEFENSE IS ONLY PART OF BUDGET CARRYING ITS FAIR SHARE OF BUDGET SUMMIT CUTS

Mr. President, again let me state, as I did this spring, I believe that defense must contribute its fair share to deficit reduction, consistent with the threats that we now face in the world. But for the last several years, defense has been the only part of the budget where we have achieved any significant deficit reduction.

The budget summit agreement in 1990 was supposed to produce $500 billion in deficit reductions by 1995. This agreement not only failed to reduce the deficit by $500 billion, but the deficit is expected to actually increase by $500 billion during this period, a total shortfall of $1 trillion. This was in major part caused by the economic recession.

Despite this, the defense budget was cut just as planned in the 1990 budget summit agreement. All the defense cuts were made as planned, but the rest of the savings have not materialized.

The discretionary part of the budget—because it includes both defense and nondefense spending—has delivered its fair share of the savings. None of the other categories of the 1990 budget summit—entitlements, interest payments, or revenues—have met their share of the savings required by the budget summit. In part, but only in part, this is because of the recession. It is clear, Mr. President, that the discretionary category is meeting its share only because defense spending has been cut more than originally planned.

Defense continues to do more than its share of the deficit reduction in the Clinton budget. The defense budget is contributing over two-thirds of the total real spending cuts in the President's plan, even though defense spending is less than 20 percent of the Federal budget.

Now people will say there is a lot more than defense cuts in this budget plan. They will say entitlements are being cut, and taxes are being increased. That is all true, Mr. President. But that was also true of the 1990 budget summit agreement. The problem is in making sure that the entitlement savings actually materialize.

I know there are a number of Senators today who are strongly opposed to the reductions in entitlement spending contained in this reconciliation bill. But I would point out that these largely are not budget cuts at all, but "reductions in the increases." Most parts of the budget will not grow as much as their proponents want them to grow, and they call that a cut. But defense is different. Here the cuts are real and deep.

Even then, I am prepared to accept reductions in the defense budget. Whatever the Congress decides should be spent on defense in the budget resolution should be followed by the Congress. But that has not happened. As I pointed out this spring, what is happening is not a frontal attack, but rather a quiet back-alley mugging. What has happened this year illustrates this point.

OUTLAY CRISIS

Last week the Armed Services Committee held a hearing with the Deputy Secretary of Defense, Dr. William Perry. Dr. Perry pointed out that there are a number of technical scoring problems that could cause the Congress to make deep program reductions in the fiscal year 1994 defense budget.

Dr. Perry pointed out that the biggest problem is caused by the so-called 602(d) allocation process, where the Appropriations Committees take the funding assigned to them by the budget resolution and allocate it to the various subcommittees. The House decided to cut the defense budget by $2.5 billion, and the Senate Appropriations Committee decided to cut an additional $300 million, for a total of $2.8 billion. These reductions are in outlays, which means that far more has to be cut in budget authority in 1994—from three to four times as much—in order to generate these outlay savings.

TWO FACTORS CONTRIBUTING TO OUTLAY CUTS

Two factors primarily contributed to the cuts imposed in the 602(b) process. The first is the Congressional Budget Office reestimate of the defense budget. The second is the administration's overall budget submission which exceeded the spending caps in the first place. I will discuss each one briefly.

CBO REESTIMATE OF DEFENSE BUDGET

As required by law, the Congressional Budget Office estimated the administration's fiscal year 1994 budget proposals. CBO concluded that the defense budget had nearly $1.6 billion more in outlays than estimated by the administration. For example, without any explanation of its analytic basis, CBO decided that the defense budget would not generate the $3.1 billion cash balances in the Defense Business Operations Fund anticipated in the fiscal year 1994 budget, and instead decided DOD would generate only $1.5 billion. The DOD budget projected receipts of $3.1 billion in cash, all of which would be transferred to the operations and maintenance accounts. Even though CBO assumed that DOD would not generate more than $1.5 billion, CBO still assumed that $3.1 billion would be transferred to the services' operations and maintenance accounts. This is clearly a mistake, yet if we don't correct this mistake, it will force us to slash critical defense programs.

In another instance, CBO reversed its original position on scoring the outlay savings from the administration's decision to freeze Federal employee pay in fiscal year 1994, and refused to let DOD get credit for all of the outlay savings associated with eliminating the pay raise. CBO originally worked out a method for scoring those savings with DOD and with OMB, and later reversed itself and disallowed nearly $500 million in outlays.

Mr. President, there are scorekeeping disconnects like this every year. In previous years, CBO has caught the administration trying to play a fast game with outlays. We need to have CBO provide an honest reassessment of the budget. The Budget Committees have final authority to resolve these technical disputes. But the Budget Committees have refused to consider these scorekeeping problems this year. And if things don't change, $4 to $6 billion in defense programs will have to be eliminated to satisfy a narrow technical beancounters dispute.

Thus far, the administration has not made a strong case to CBO to get this resolved. Secretary Aspin and Deputy Secretary Perry have been ringing the alarm bells, but up to this point the firetrucks haven't left the White House.

ADMINISTRATION DISCRETIONARY BUDGET EXCEEDED CEILING

The second factor causing the Appropriations Committee to cut the defense budget outlays originated in the administration's own budget proposal. As I pointed out this spring, the administration's budget exceeded the allowable spending caps in the discretionary accounts. All of the excess was in the nondefense area. All told, the administration submitted a budget that exceeded the caps by $5.7 billion.

Congress cut back on the discretionary accounts and lowered this excess. But when all was said and done, the defense budget had to be reduced by over $700 million in outlays just to make room for the excess spending in the nondefense area.

Mr. President, this excess in the nondefense accounts is not just a fiscal year 1994 problem. I am told that nondefense discretionary spending in the administration's fiscal year 1995 budget exceeds the caps by over $13 billion.

We are making hard budgetary choices, but primarily only in the defense budget. The domestic discretionary caps did not require any real spending cuts, and the other half of the Federal budget—entitlement spending—continues to run on autopilot.

NO OTHER SOLUTION THAN REINSTATING THE FIREWALLS

Mr. President, I am led to the obvious conclusion that there is no other solution than to reinstate the separate spending caps—the firewalls—for defense spending and nondefense spending. Reinstating the firewalls does not keep the defense budget from being cut. Indeed, I understand the Defense Department is going through a wrenching review in order to hit the $120 billion defense spending reductions mandated by the administration.

No other department in the executive branch is going through such sharp reductions. Indeed, most departments that complain of cuts are really complaining that their budget is not increasing as much as they want it to.

Reinstating the firewalls doesn't stop defense cuts. It would remove the incentive to cut the defense budget quietly through complex legislative and budgetary maneuvering. It would put real discipline on the nondefense elements of the discretionary budget, since if they come in $13 billion over the caps next year they can't just fund the excess through deeper reductions in the defense budget.

Mr. President, this amendment supports President Clinton's budget. I know the President is committed to a strong defense. Unfortunately, however, the forces at work in the Congress and in his own administration have already undercut his budget number in defense, and more changes are on the way.

Mr. President, we continue to need a strong and ready defense establishment. We have American soldiers, sailors, airmen, and marines in combat conditions flying watch over southern Iraq, patrolling off the coast of Bosnia, and enforcing the no-fly zone, enforcing the U.N. peace process in Somalia. American forces around the world are operating in combat conditions in order to wage peace. We must have ready forces. But the readiness of our forces is seriously threatened by these outlay cuts. I gave great credit to Secretary Aspin and Deputy Secretary Perry for committing to avoid a return of a hollow military. Someone has to send a wakeup call that the readiness of our forces is threatened by these outlay cuts and the diversion of funds to nondefense programs.

Mr. President, this amendment is the wakeup call. This amendment endorses the administration's defense spending plans. It endorses the decisions the full Congress has already made concerning defense and domestic spending in the budget resolution.

But most important, this amendment removes the incentive for those who would risk a strong defense and raid the defense budget for other purposes. This amendment does not prevent a single Member from cutting the defense budget. This amendment does not exempt DOD from the normal scrutiny the Armed Services Committee and the Defense Appropriations Subcommittee give the defense budget. This amendment does not prevent a single Member of the Senate from offering an amendment to cut a program that he or she believes is ill-advised. This amendment permits the full operation of the normal legislative process.

This amendment does, however, remove the incentive to cut the defense budget just so that money can be diverted to other forms of Federal spending. This amendment permits defense cuts, so long as the savings go to reducing the deficit. And that really is what this entire bill is all about. I believe this is precisely the kind of legislation the President wants and needs to hold together his overall program and maintain a strong defense.

This is an amendment that upholds the integrity of the legislative process and instills the right fiscal discipline.

Mr. SASSER. Mr. President, how much time do the opponents have?

The PRESIDING OFFICER. Four minutes.

Mr. SASSER. Mr. President, what we are seeing here is, once again, an effort to artificially protect military spending from having to take its chances in the appropriations process with the other discretionary spending that takes place there.

We had an agreement in the 1990 summit agreement that we would artificially protect military spending with walls for 3 years. As a result of those artificial protections, defense spending was held at an artificially high level even after the cold war was over. These walls were imposed prior to the disintegration of the Soviet Union. Yet we found after the disintegration of the Soviet Union, our principal adversary, we were still stuck with these walls separating military spending from other discretionary spending.

There is no reason that military spending cannot be prioritized just like other discretionary spending. And the proponents of this amendment are seeking to reinstitute these walls because they do not have much faith that the American people and the Congress of the United States are going to maintain military spending at the artificially high levels that it has been maintained at in prior years by the walls.

So I simply say, this is an archaic device to artificially protect and keep military spending from being subject to the prioritization of the Appropriations Committee like anything else.

Mr. SARBANES. Will the chairman yield?

Mr. SASSER. I will be pleased to yield to the Senator.

Mr. SARBANES. As I understand this amendment, it does the same thing for foreign aid. I serve on that committee. I may well be here trying to argue for a foreign aid bill, but I see no reason why that particular area of spending, along with military and domestic—why the judgments ought not to be made amongst them as to what ought to obtain priority treatment instead of creating, as it were, a safe haven or a safe harbor at certain figures that are going to be provided regardless, which is what this would do, as I understand it, not just for military. There is a separate category in this amendment for foreign aid and then a third category for domestic spending.

Mr. SASSER. The Senator is correct.

Mr. SARBANES. If you support this amendment, you are not going to be able to take foreign aid money and put it in other categories. Just like you will not be able to do it with military money.

Mr. SASSER. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute and 10 seconds.

Mr. SASSER. I yield the remainder of my time to the distinguished chairman of the Appropriations Committee.

Mr. BYRD. Mr. President, I strongly oppose this amendment. To the extent that we return to separate categories, Congress will be beholden to the bureaucrats at OMB on the one hand, or the political needs of the White House in determining what is a defense expenditure. The experience that we have had under the 3 years of walls between discretionary spending categories should have instructed us not to shortchange our flexibility in light of the rapidly changing requirements that are occurring both on the international and domestic scenes.

I hope that the Senate will reject this unwise amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I yield 30 seconds to the Senator from Arizona.

Mr. MCCAIN. Mr. President, I stongly support this amendment. I associate myself with the remarks of the chairman of the Senate Armed Services Committee. I do not know the perception of others of the world situation today but we have gone from a very, very dangerous but very predictable world to a much less dangerous but very unpredictable world. There are conflicts taking place in 28 places throughout the world. We are drastically cutting the defense budget as it is. I say this amendment is vital in preserving our vital national security interests.

I might add, Mr. President, since World War II we have, several times, precipitously cut defense and paid in treasure and blood for our mistakes.

Mr. DOMENICI. Mr. President, the only thing really being cut in this budget on the discretionary side is defense—$120 billion in the next 5 years.

There are many who are saying that is too much. There are Senators around saying: We do not think it should be that much. Let me tell you, if you do not put a wall up, it is going to be more than that. Because if you think we in Congress, when there is a domestic need that somebody just thinking we ought to have, are going to cut a domestic program—we are going to cut defense some more.

The military deserves 2 years to plan a build-down without constant changes. That is all we are asking for; nothing more, nothing less. I believe it is the right thing to do.

I am on the Appropriations Committee. I have great respect for it. But the Defense Department and the President deserve a 2-year plan, not one that is constantly looked at to see what else can be taken out of it, and then we ask them to plan well and spend well when they just cannot do it unless they have a 2-year period.

That is what we are trying to give them.

Mr. NUNN. Will the Senator from New Mexico yield to me?

Mr. DOMENICI. I yield what time I have left.

Mr. NUNN. Mr. President, in response to the argument of the Senator from Tennessee, the artificial level of defense spending that he alludes to is the number that the President of the United States sent up here. It is his number. That is what we are talking about when we say artificial. It is a dramatic reduction from the past; we are going down but that is the number we are trying to protect.

Mr. SASSER. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. Fifteen seconds.

Mr. SASSER. I yield to the Senator from West Virginia.

Mr. BYRD. I thank the distinguished Senator.

Mr. President, the distinguished Senator from New Mexico said there were no cuts in domestic spending. I call attention to the fact that in 1994, there will be $2.183 billion in cuts in outlays, and in 1995, $3.39 billion in cuts in outlays.

So the Senator's statement is not correct.

The PRESIDING OFFICER. All time is expired.

Mr. SASSER. Mr. President, before moving on to the next—has all the Senator's time expired?

Mr. DOMENICI. All our time has expired.

Mr. President, I want to take 10 seconds off the bill, of the remaining time.

The PRESIDING OFFICER. The Senator may proceed.

Mr. DOMENICI. I say to my friend, the chairman of the Appropriations Committee, I understand the reductions; but those reductions, cuts, are to get to the previously established cap.

Mr. BYRD. These are cuts in the baseline.

Mr. DOMENICI. I stand corrected. If those are under baseline, there are that many cuts in domestic. I do not challenge the chairman.

Mr. SASSER. Mr. President, parliamentary inquiry. This amendment offered by Senators DOMENICI and NUNN is subject to a point of order. Under the unanimous-consent request, we are not precluded from offering a point of order at the point of voting, as the votes come in order as they are stacked, are we?

The PRESIDING OFFICER. The Senator from Tennessee is correct.

Mr. SASSER. In other words, I do not waive my right to make a point of order if I do not make it right now.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I ask for yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, the next amendment is a Bradley amendment dealing with the line-item veto. There is 10 minutes allocated to this amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 542

(Purpose: To create a legislative item veto by requiring separate enrollment of items in appropriations bills and tax expenditure provisions in revenue bills)

Mr. BRADLEY. Mr. President, I call up amendment No. 542.

The PRESIDING OFFICER. The Clerk will report.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself, Mr. HOLLINGS, Mr. COATS, Mr. MCCAIN, Mr. ROBB, and Mrs. FEINSTEIN, proposes an amendment numbered 542.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . LEGISLATIVE APPROPRIATIONS AND THE EXPENDITURE LINE ITEM VETO.

(a) IN GENERAL.—The Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new title:

"TITLE XI—LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURES LINE ITEM VETO

"LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE LINE ITEM VETO SEPARATE ENROLLMENT AUTHORITY

"SEC. 1101. (a) SEPARATE ENROLLMENT.—

"(1) Notwithstanding any other provision of law, when—

"(A) any general or special appropriation bill or any bill or joint resolution making supplemental, deficiency, or continuing appropriations; or

"(B) any revenue bill containing a tax expenditure provision,

passes both Houses of the Congress in the same form, the Secretary of the Senate (in the case of a bill or joint resolution originating in the Senate) or the Clerk of the House of Representatives (in the case of a bill or joint resolution originating in the House of Representatives) shall cause the enrolling clerk of such House to enroll each item of appropriation or tax expenditure provision of such bill or joint resolution as a separate bill or joint resolution, as the case may be.

"(2) A bill or joint resolution that is required to be enrolled pursuant to paragraph (1)—

"(A) shall be enrolled without substantive revision;

"(B) shall conform in style and form to the applicable provisions of chapter 2 of title 1, United States Code (as such provisions are in effect on the date of the enactment of this title); and

"(C) shall bear the designation of the measure of which it was an item of appropriation or tax expenditure provision prior to such enrollment, together with such other designation as may be necessary to distinguish such bill or joint resolution from other bills or joint resolutions enrolled pursuant to paragraph (1) with respect to the same measure.

"(b) PREPARATION AND PRESENTMENT.—A bill or joint resolution enrolled pursuant to subsection (a)(1) with respect to an item of appropriation or tax expenditure provision shall be deemed to be a bill under clauses 2 and 3 of section 7 of article 1 of the Constitution of the United States and shall be signed by the presiding officers of both Houses of the Congress and presented to the President for approval or disapproval (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.

"(c) DEFINITIONS.—For purposes of this title—

"(1) the term 'item of appropriation' means any numbered section and any unnumbered paragraph of—

"(A) any general or special appropriation bill; and

"(B) any bill or joint resolution making supplemental, deficiency, or continuing appropriations; and

"(2) the term 'tax expenditure provision' means a division of a bill that amends current law or is free standing and that is scored by the Joint Committee on Taxation as losing revenue over the 5-year period after the provision takes effect.".

(b) EFFECTIVE PERIOD.—The amendment made by subsection (a) shall apply to bills and joint resolutions agreed to by the Congress during the 103d Congress.

Mr. BRADLEY. Mr. President, this is an amendment offered on behalf of myself and Senators HOLLINGS, COATS, McCAIN, ROBB, and FEINSTEIN.

This is a line-item veto for the President of the United States. It would apply to appropriations and to tax expenditures. It has a 2-year sunset in order to give this a chance to see if it will work, to see if it is abused and to see if it will have a constitutional challenge. It also provides for separate enrollment of the line items in appropriations and tax bills.

I do not believe we will eliminate the budget deficit with the line-item veto, but I do believe that it will allow a President, if he chooses, to pose the narrow special interests against the general interests, and I believe, in that sense, it is a very important initiative.

I reserve the remainder of my time. I am prepared to yield to the distinguished Senator from Indiana for 1 minute.

The PRESIDING OFFICER. The Senator from Indiana has 1 minute.

Mr. COATS. Mr. President, if we are to achieve serious deficit reduction, we need more than what is before us today. We actually need structural reform of how we do business.

The most serious proposal that we have had before us in the last several years, that Senator McCAIN and I have offered, has been the line-item veto to structurally reform the way in which we attempt to eliminate—or at least reduce—pork barrel spending.

I am very pleased that the Senator from New Jersey has offered this amendment, has initiated the process; and adding with it special-interest tax breaks that also cost the taxpayer a great deal of money. If we can enact this line-item veto, we can fundamentally change the way in which we do business.

Senator McCAIN and I have offered this only to see it falls short. We are joining in a bipartisan effort with Senator BRADLEY and others on that side of the aisle. We can tonight send a very, very strong message to the American taxpayer that we are serious about dealing with the deficit.

I am pleased today to join my colleague, senator BRADLEY in a new bipartisan push to give the President line-item veto authority.

I have been fighting this battle since I came to congress because I believe the President desperately needs this tool if we are to cut wasteful congressional spending. Congress has proven that it cannot accomplish this objective on its own.

I have concentrated my efforts thus far on giving the President authority over wasteful spending tucked away in appropriations bills.

However, I am now convinced that we need to supplement this effort by giving the President authority over unnecessary special interest expenditures within tax bills.

The Bradley amendment intends to shed the light of debate on questionable spending and tax expenditures. It provides the President authority to veto line items in appropriations bills and to veto tax expenditures in revenue bills.

The amendment is simple. Each item in an appropriations bill and each item in a revenue bill that is scored as a net revenue decrease, would be enrolled as a separate bill and presented to the President.

As a result, all appropriations items and tax expenditures would be subject to a Presidential veto. If vetoed by the President, Congress would have an opportunity to override.

The line-item authority would sunset in 2 years. This should give us ample opportunity to show how effective the authority is in cutting wasteful expenditures.

This amendment is exactly the same as the sense of the Senate resolution which received the support of 73 Senators on March 25 of this year.

The Bradley amendment will require advocates to justify certain projects or tax expenditures to the American taxpayer.

ISSUE HAS BROAD BIPARTISAN SUPPORT

This is a nonpartisan issue. I, for one, supported a line-item veto for President Reagan; I supported a line-item veto for President Bush. And today, my support for giving President Clinton a line-item veto could not be stronger.

As President Clinton observed, the line-item veto "is one of the most powerful weapons we could use in our fight against out-of-control deficit spending."

Poll after poll clearly shows that a vast majority of Americans support giving the President this authority. Governors in 43 States have it. A recent study by the Cato Institute found that 92 percent of present and former Governors, of both parties, believe that a line-item veto would help the President restrain Federal spending.

President Calvin Coolidge once said, "nothing is easier in the world than spending public money. It does not appear to belong to anybody." The line-item veto would remind Congress that the money belongs to the American taxpayers, and that wasteful spending will not be permitted to go unchecked.

If President Clinton had the line-item veto, the savings may not be miraculous but they could be substantial. The GAO argues in a January 1992 report that, on the appropriations side alone, $70 billion could have been saved in the last half of the 1980's if the President had the power to apply this scalpel to congressional spending.

Think of what $70 billion over 5 years could cover. It could easily pay for WIC and Head Start, and then some; $70 billion could cover a doubling of the personal exemption to $4,000 for dependents under age 18 for 5 years; $70 billion would come close to paying for the entire student loan program for 5 years. It could apply $70 billion to the debt and reduce our interest obligations.

The line-item veto works because executive officials, representing broader constituencies, are often willing to oppose spending inserted in legislation by powerful lawmakers or narrow coalitions.

As President Clinton stated at a town meeting in Senator BRADLEY's home State:

> I keep telling my friends in Congress, they'd be better off [with the line-item veto]. They think they've got to pass some piece of pork barrel for the folks back home. Let me take the heat.

I hope my colleagues will vote for fiscal responsibility and vote to give the President line-item veto authority.

Mr. BRADLEY. I yield 1 minute to the distinguished Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I would like to thank the Senator from New Jersey and others who are cosponsoring this amendment, this very vital amendment. I also would like to thank my friend from Indiana who, along with me, for many years now has attempted to achieve this goal that we may be on the verge of reaching.

Let me remind my colleagues, Mr. President, that the President of the United States has said that he wanted a line-item veto, and I quote him, "* * * to eliminate pork barrel projects and government waste." The President of the United States supports this.

I think the addition of the loophole-closing provision that Senator BRADLEY has put to it is a vital part of it, and, Mr. President, I will remind my colleagues that on March 25, Senator BRADLEY had a sense-of-the-Senate resolution which was exactly the same language. Seventy-three Senators voted in favor of this as a sense-of-the-Senate resolution. Now it is time to shoot with real bullets.

I yield back the remainder of my time.

Mr. BRADLEY. I yield 1 minute to the Senator from Virginia.

Mr. ROBB. Mr. President, I thank my colleague, Senator BRADLEY, and others, for offering this amendment. We are in a very serious situation, in my judgment. If we do not find a way to curb our appetite for deficit spending, we are truly a nation at risk.

This will not solve the problem. This will simply provide the President with another tool in his arsenal which he can use to try to reduce the level of the deficit. Will it or could it be used in some way that would be abusive or, in a political sense, be contrary to the legislative needs? Perhaps, but anything else could.

I applaud the President for his leadership in dealing with real numbers and putting a courageous budget deficit reduction plan on the table, and I think this is what it needs to help him complete his task.

I yield whatever time remains.

Mr. BRADLEY. Mr. President, how much time remains on the proponents' side?

The PRESIDING OFFICER. Fifty seconds.

Mr. BRADLEY. I reserve the remainder of my time.

Mr. SASSER. Mr. President, I yield such time as I have remaining to the distinguished Senator from West Virginia.

Mr. BYRD. I thank the Senator from Tennessee.

Mr. President, the amendment before the Senate does not—I repeat, does not—provide the President a line-item veto. Senators need just simply to read the amendment to see that that is the case.

It does not give him the authority to veto specific items in an appropriations bill or in a revenue bill. I believe that any statutory effort to provide the President with such authority in its raw and pure form, such as a real line-item veto amendment, would be unconstitutional.

To get around these objections, Senator BRADLEY's amendment mandates that those bills, those appropriations bills, or revenue bills, be taken apart, separately enrolled, and sent to the President.

So if Senators think that by voting for this amendment they are voting to give the President the line-item veto, they ought to think again.

Simply put, what this amendment does, is to require the enrolling clerk of the House, or the Senate, to take an appropriations bill, or a revenue bill containing tax expenditures, and break that bill down into several parts after it has been passed by both Houses. How many parts would depend on how many numbered sections and unnumbered paragraphs the clerk found in the complete bill. The several smaller parts would then be enrolled as separate bills and sent to the President for his signature.

It should not be too difficult for anyone to see how that kind of requirement would create a logistical nightmare and result in a completely unworkable situation. Separately enrolling each numbered section and each unnumbered paragraph of appropriation bills or tax bills could produce literally thousands of smaller bills. And in the case of the 13 annual appropriations bills, many of which are not finalized until the last 2 weeks of the fiscal year, it would do this at the very time when the need to have prompt action on those bills is greatest.

This amendment, then, would have the effect of bringing the appropriations process to a virtual standstill. It would be impossible for the President to approve these vital bills before the start of the new fiscal year because there is just no practical way that that many bills could be processed and sent to the White House, let alone signed by the President, in such a short period of time.

Under this amendment, what the American people would be left with is a Congress and a President that could not, through no fault of their own, complete the important business of the country in a timely fashion. I do not believe that is what the public is clamoring for. No one is asking us to think up ways of complicating an already complex process.

Mr. President, beyond its practical problems, I oppose this amendment because it is nothing more than another attempt to substitute a process fix for the difficult job of making policy choices. As we are seeing with this debate on the reconciliation bill, those choices are not easy. They are not fun. But they must be made if we are going to make progress toward reducing Federal deficits.

On that point, let me say that while I do oppose this amendment, I applaud Senator BRADLEY for at least bringing tax expenditures into the debate. For too long, this body has turned a blind eye to the billions of dollars that are lost to the Federal Treasury through tax expenditures, many of which go to special interest groups and do nothing to help the average taxpayer. As we debate the difficult choices that must be made, tax expenditures can no longer be ignored.

Finally, let me point out that I believe this amendment raises serious constitutional questions.

As Senators will see, under article I, section 7, clause 2 of the U.S. Constitution, we read these words:

> Every Bill which shall have passed the House of Representatives and the Senate, shall, before it become a Law, be presented to the President of the United States; if he approve he shall sign it.

Now, Mr. President, if we allow a clerk, if we give a clerk the power to break out these items, enroll them separately, send them to the President separately, how are those separate bills going to be numbered? If the House sends to the Senate a bill numbered H.R. 1000, and the clerk, in enrolling the bill, breaks it out into 500 different bills, how are they going to be numbered, H.R. 1000–1, H.R. 1000–2, H.R. 1000–3? Not any one of which, not any one of which will have passed both Houses.

The Constitution says every bill which shall have passed the House of Representatives and the Senate, shall, before it become a law, be presented to the President of the United States; if he approve he shall sign it, but if not he shall return it, with his objections to the House in which it shall have originated, who shall enter the objections at large on their journal, and proceed to reconsider it. These are not bills that will have passed the House and Senate. They are simply pieces of paper that an enrolling clerk shall have enrolled, put some subnumber designation on and sent down to the President. Not one would have been passed by both Houses.

And, second, if the President should decide to veto 25 of these, let us say, he would have to send back up 25 bills with his reasons for having vetoed them. And then the House, in which the appropriations bill originated, would have to vote to override each of those vetoes, if it sought to do so. And the yeas and nays under the Constitution are ordered. That means the House would have to vote 25 times to override the President's veto, and they would have to send 25 bills over here for the Senate to attempt to override.

It is a monstrosity. It is a clerical and administrative nightmare. Mr. President, I hope that the Senate will not stigmatize itself by voting for this amendment. The Senate would be the laughingstock of the Nation as far as anyone is concerned who can read a bill or an amendment and the language thereof and understands the language of the Constitution.

I urge Senators to vote against the amendment.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The sponsors have 47 seconds.

Mr. BRADLEY. Mr. President, I submit for the RECORD a letter from Laurence Tribe, distinguished constitutional scholar at Harvard University, who essentially supports this approach to the line-item veto and argues by stating:

> Courts construing the Rules Clause of Article I Section 5 have interpreted it in expansive terms, and I have little doubt that the sort of individual presentment envisioned by such rules change would fall within the Congress' broad authority.

Mr. President, this is obviously an issue of which there will be a discussion and dispute. I know that we will have long debate about this, if this fails to pass, on future occasions. As the distinguished chairman of the committee knows, I am very serious about it applying to the whole bill but also the tax expenditures. This is the time for that vote.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HARVARD UNIVERSITY LAW SCHOOL,
Cambridge, MA, January 13, 1993.
Hon. BILL BRADLEY,
U.S. Senate, Washington, DC.

DEAR BILL: I was delighted to see your Op. Ed. piece on the line-item veto in this morning's Wall Street Journal. Like you, I've changed my mind on this subject in light of the crisis we face.

You are certainly right to note the constitutional obstacles to any attempt by Congress to confer actual line-item veto authority on the President. I can think of a number of ways of advancing a constitutional defense to such a statute, but the struggle would be steeply uphill, and rightly so.

Although you don't discuss the enhanced rescission authority that Tom Foley has proposed, I share your implicit conclusion that it's not an idea worth spending much time on. Such increased rescission power is a chimera both because of the enormous practical difference between a majority vote and a two-thirds vote and because either House of Congress could at any time renege on its supposed promise to consider presidential rescission proposals on an expedited basis or indeed its promise to vote on those proposals at all.

Commitments regarding internal congressional procedures are, of course, not judicially enforceable, given the constitutional guarantee to each House "to determine the Rules of its Proceedings." Article I, §5, cl. 2. Both the Supreme Court and Congress have indicated in a wide range of contexts that the power of the House and the Senate to formulate their own internal rules cannot constitutionally be abridged by statute. The same result would obtain if anyone were to challenge the failure of Congress, under an enhanced rescission statute, to hold a supposedly obligatory vote within a specified period of time. This flaw is especially serious because it would come into play only after the President had signed an appropriations or tax measure into law and then requested specific rescissions. There'd be nothing but a sense of shame—something Congress often lacks—to prevent it from inducing the President to sign a controversial omnibus bill by promising to consider his rescission proposals and, after the bill had become law, simply changing its mind. Thus, the Foley suggestion—even though a version of it passed the House in October 1992 as H.R. 2164—should probably be treated as little more than a cosmetic suggestion for an informal and extra-constitutional agreement between Congress and the President. In my view, it does not really advance the dialogue much.

The most promising line-item-veto idea by far is the suggestion you endorsed today—namely, that Congress itself begin to treat each appropriation, and each tax measure, as an individual "bill" to be presented separately to the President for his signature or veto. Such a change could be effected simply, and with no real constitutional difficulty, by a temporary alternation in congressional rules regarding the enrolling and presentment of bills.

Courts construing the Rules Clause of Article I, §5 have interpreted it in expansive terms, and I have little doubt that the sort of individual presentment envisioned by such a rules change would fall within Congress's broad authority. See, for example, UNITED STATES v. BALLIN, 144 U.S. 1,5 (1892); FIELD v. CLARK, 143 U.S. 649, 669–73 (1892).

Although such a congressional rules change would be revocable by Congress at any time and might therefore lack the dramatic appeal that some evidently see, this very lack of permanence might be just the feature that enables the proposal to overcome the predictable resistance on Capitol Hill that any such mechanism would trigger. Much of that resistance is the product of reflex rather than reflection, and it has been understandably exacerbated by the accretion of troublesome power in the hands of reckless Presidents over the past two decades. Happily, the Clinton presidency should be different.

I'm particularly drawn to your suggestion that the line-item veto that you propose remain in effect for at most two years. Such a built-in "sunset clause" seems to me the best answer to the argument that this fiscal tool would unduly weaken Congress in the struggle for power with the White House, or that it would not prove useful enough to warrant a long-term institutional change.

I don't have any idea how those who are advising the President-elect on this matter will react to your idea, or whether Bill Clinton himself will find it attractive enough to overcome the concerns that have already been voiced about any shift of authority in this area. Still, I'm hopeful that your support for the notion might make enough difference to put it over the top as a worthwhile experiment. If I can be of any help, don't hesitate to let me know. In the meantime, please feel free to share this letter with Senator Hollings or anyone else you think appropriate.

Sincerely,

LAURENCE H. TRIBE.

The PRESIDING OFFICER. The Senator's time has expired.

All time has expired.

The Senator from Tennessee.

Mr. SASSER. Mr. President, I shall raise a point of order against this amendment also when we have concluded all amendments.

The next amendment is the amendment offered by Senator MCCONNELL dealing with a Presidential checkoff, which has been allocated 5 minutes.

AMENDMENT NO. 547

(Purpose: To strike the section increasing the Presidential election campaign fund checkoff)

Mr. MCCONNELL. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL] for himself, Mr. LOTT, and Mr. GRASSLEY, proposes an amendment numbered 547.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 7953.

Mr. MCCONNELL. Mr. President, on the heels of last week's campaign finance debacle, the Senate is now considering finance debacle, the Senate is now considering a bill that not only contains the largest tax increase in history, but also triples taxpayer funding of the Presidential Candidate Entitlement Program.

Let me repeat what I said for the benefit of beleaguered C-SPAN viewers. This bill contains the largest tax increase in history, and it triples the hit taxpayers will take for the presidential system—by raising the income tax checkoff from $1 to $3.

I draw my colleagues' attention to section 7953 of the bill, which triples the amount that tax filers can earmark, from the U.S. Treasury, for the Presidential campaign fund.

The checkoff is a unique device in our Tax Code, which gives private citizens who file tax forms the power to appropriate money from the U.S. Treasury.

Under the current checkoff, for each taxpayer who checks yes, $1 is diverted from the Treasury into the Presidential fund—thereby reducing the total funds available for deficit reduction or other needs.

Checking yes does not raise one's taxes or reduce one's refund. It simply takes $1 out of the Treasury and earmarks it for the specific purpose of financing Presidential elections.

Last year, the number of people who were willing to divert $1 from the Treasury to Presidential campaigns declined to an all-time low of 17.7 percent—down from a high of 29 percent in the late 1970's.

In other words, roughly 83 percent of American taxpayers felt there was a better use for their tax dollars than financing political campaigns.

The tiny minority of taxpayers who check yes are actually spending everyone's tax money—not just their own. As I said earlier, the funds appropriated through the checkoff come out of the General Treasury, and are diverted from other needs.

Therefore, the vast majority of taxpayers who choose not to checkoff are forced to pay for the few who do.

Even worse, raising the checkoff amount to $3 actually triples the power of this tiny minority to spend the undesignated funds of the majority. In other words, if someone is willing to spend tax dollars for the almost universally despised purpose of financing campaigns, their relative power will be enhanced by a factor of three under this bill.

This proposal to triple the checkoff—in the face of massive public resistance to taxpayers financing—is a direct repudiation of the will of the vast majority of Americans not to have their tax dollars used to fund political campaigns.

Since most taxpayers oppose this idea, the bill before us seeks to vastly increase the power of the few who believe that checking yes is the good-government thing to do. This is elitism in its most blatant form.

My amendment seeks to preserve the will of the people, expressed year after year on their tax returns, that they don't want their money spent on political campaigns—period.

The best possible way to achieve that would be to eliminate the checkoff ripoff altogether; simply close down this shell game once and for all. This could be done by getting rid of the check-off entirely, or by making it an add-on instead of an earmark of taxes already owed.

Either option would be more intellectually and financially honest than the current checkoff scam. Unfortunately, however, neither of these options are available to us in this context.

As the next best step then, to protect the interests of taxpayers who check no on using tax dollars to pay for political campaigns, my amendment simply strikes the increase in the checkoff amount from $1 to $3.

Even better, my amendment will save money—a precious commodity in our struggling economy and in these tight budgetary times.

The best estimate of the savings that my amendment would generate is about $60 million a year. I can think of a lot better uses for $60 million a year than paying for political TV ads. I am sure most of my colleagues can, too.

But the most important reason to support my amendment is to extend simple fairness and honesty to the American taxpayers.

The current check-off is deceitful. While a few may get an illusory good-government buzz from checking yes, the checkoff is not voluntary for all of those who check no, but whose tax dollars get diverted anyway.

It's time to stand up for the rights of the vast majority of taxpayers who do not want their taxes taken away from deficit reduction, from health care, from education, from job training, and spent instead on 30-second political ads and the party conventions.

The truth is this amendment ultimately is not about campaign finance reform or taxpayer financing of elections; it's about fundamental fairness and respect for the rights of American taxpayers.

Further, my limited amendment will not end the unfairness and dishonesty of the current checkoff. But it will prevent the checkoff ripoff from getting a whole lot worse—by striking the provisions in this bill which triples the checkoff amount.

About 17 percent of American taxpayers support the checkoff, and about 83 percent do not. So I ask my colleagues now: Whose side are you on?

I urge my colleagues to stand up for taxpayer rights, and support my amendment.

In conclusion, Mr. President, the Presidential election checkoff fund is a unique part of the Internal Revenue Code. It essentially allows the participant to appropriate money. The taxpayer, once a year by checking the box indicating that the particular taxpayer wants to divert a dollar of taxes already owed to the Presidential election fund, has, in effect, been granted the authority by the Congress to appropriate money—a good deal of power that we have granted to that taxpayer.

Back in the late 1970's, when this process began, about 29 percent of American taxpayers chose to check off a dollar of taxes they already owed, to divert that from other Government uses, and to spend it on political campaigns for candidates for President.

In the intervening years, Mr. President, the enthusiasm for this has waned dramatically. It has gone from 29 percent in the late 1970's down to 17 percent last year. Eighty-three percent of American taxpayers choose not—choose not—to appropriate money by checking off to the Presidential election campaign fund.

The fund is dying, and so in this underlying budget reconciliation an effort has been made to grant to the mere 17 percent who check off even more power by giving them the authority to check off $3 instead of $1 to move out of the Treasury and into politics.

What we are doing, Mr. President, is trying to grant to a diminishing minority of American taxpayers more power to appropriate money out of the Treasury to spend on political campaigns. My amendment simply would strike that. It would save $60 million a year for deficit reduction or for childhood immunization or for anything else that the 83 percent who are not checking off presumably would rather see this money spent on.

So, Mr. President, we should not attempt to prop up this Presidential election fund, which is losing public support. It is dying on the vine because people are not willing to divert tax dollars to this purpose. If we wanted to be honest about it, what we ought to do is have the checkoff add $1 to the taxpayer's tax return. Then the taxpayer would really have to demonstrate that he supported taxpayer funding of elections.

Under the current system, we, however, are giving the taxpayer the authority to appropriate money, directly appropriate money to politics to pay for political campaigns. And now we want to take that diminishing group, that mere 17 percent, and allow them to appropriate even more money.

So, Mr. President, I hope that my amendment will be approved. This ripoff should not be expanded.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SASSER. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. Two and a half minutes.

Mr. SASSER. Mr. President, I see no one on our side wishing to speak in opposition to the Senator's amendment.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. As I understand this amendment, it would repeal the checkoff altogether?

Mr. McCONNELL. No. I am out of time.

Mr. SARBANES. The Senator repeals the increase to it.

Mr. McCONNELL. Simply eliminate the increase.

Mr. SARBANES. Well, of course, I support the public funding of Presidential elections, and I think it is an important step forward that was achieved. It has been used now in a number of Presidential campaigns actually by both parties. With all due respect to my colleague—and I know his view on public funding—their own nominees have used it when it was available to them. They could have rejected it but they have chosen to use it.

I frankly think that we ought to try to keep the public funding of Presidential campaigns as part of our political system.

Mr. McCONNELL. Mr. President, will the Senator yield for an observation?

Mr. SARBANES. Yes.

Mr. McCONNELL. My amendment does not kill the Presidential——

Mr. SARBANES. I understand that. But as I understand it, the amendment is an effort to help ensure that enough money draws into that fund in order to be able to underwrite the cost of the campaigns. Otherwise, you will be back out with a cry for private financing and back into all of the difficulties that led to the enactment of this in the first place.

Mr. McCONNELL. Will the Senator yield? I would just say——

Mr. SARBANES. I always yield to my friend from Kentucky.

Mr. McCONNELL. The only reason the Presidential fund is in trouble is because fewer and fewer people are checking off. It has dropped down to 17 percent. That is the reason it is in trouble. People are simply choosing against diverting the dollar.

Mr. SARBANES. I understand that. The fact remains, the question is whether you want to keep this feature in terms of how we deal with Presidential elections. We just had a big argument over the Senate elections. But I do not think we ought to intrude into the Presidential system.

Mr. SASSER. Mr. President, under the unanimous-consent agreement, the next amendment is an amendment by Senator GRAHAM dealing with Medicare, which has 10 minutes allocated.

The PRESIDING OFFICER. The Senator from Florida.

AMENDMENT NO. 548

(Purpose: To eliminate the reduction of payment updates for inpatient hospital services, the reduction in payment for indirect costs of medical education, the extension of medicare-dependent small rural hospital payments, the reduction in skilled nursing facility cost limits, the changes in payment for hospice care, and the changes to payment formulas for certain outpatient hospital services and to pay for the provisions eliminated)

Mr. GRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself and Ms. MOSELEY-BRAUN, and Mr. HARKIN, proposes an amendment numbered 548.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Insert the following: Page 166, beginning with line 3, strike all through page 178, line 20.

On page 181, beginning with line 1, strike all through page 184, line 13.

On page 185, beginning with line 17, strike all through page 187, line 6.

On page 212, beginning with line 7, strike all through page 214, line 24.

On page 524, line 13, strike "35 percent" and insert "36 percent".

On page 524, line 24, strike "35 percent" and insert "36 percent".

On page 525, lines 2 and 3, strike "65 percent" and insert "64 percent".

On page 525, line 6, strike "35 percent" and insert "36 percent".

On page 525, line 9, strike "35 percent" and insert "36 percent".

Mr. GRAHAM. Mr. President, when the President submitted his economic proposal, I felt there were three principal questions that should be asked. One, would it make a substantial dent in the burgeoning Federal annual deficit and move us toward the day when we could begin to see some regression in our enormous national debt?

Second, would it contribute to the strengthening of the Nation's economy?

Third, was it fair?

I have sent out literally thousands of letters in support of the President's original plan because I thought it met those tests. I am concerned about the bill that is before us tonight as to whether it continues to meet those standards. One area in which I am especially concerned relates to the deep cuts that were made in the Medicare Program by the Senate Finance Committee.

I am not just concerned about the impact of these on the well-being of older Americans who depend upon this program for their health care, although I am very concerned about that.

I am also apprehensive about what the adoption of these deep cuts will mean to our ability to achieve meaningful health care reform, and what the failure of achieving meaningful health care reform will mean to our ability to sustain significant deficit reductions.

Mr. President, if I could draw your attention to a chart—similar charts have been shown throughout this debate—this illustrates the dilemma that we face. The blue line is President Clinton's economic plan for the next 10 years. It has a gradual decline in terms of the deficit from this year's $319 billion down to a low of $205 billion in 1996.

The discerning feature of this line is that after 1996 it begins to turn upward again, and by the end of the century we are about back to where we are today in terms of a level of annual deficit.

How are we going to keep that curve from inclining upward? The answer is we must adopt health-care reform during this period of the mid 1990's in order to keep that line going downward toward our objective of a balanced Federal budget.

I am concerned that by adopting these deep Medicare cuts we are going to make it much more difficult to achieve health-care reform, and therefore fail to accomplish one of our fundamental missions which is to reduce the annual Federal deficit.

The amendment that I have sent to the desk, Mr. President, restores the Medicare cuts to the level that was originally suggested by President Clinton.

I want to indicate that we are, even with the adoption of this amendment, still calling for reductions in Medicare below what would otherwise have been the case of some $50 billion over the next 5 years. This is not a program that escapes the scalpel, but we, by this amendment, would make that cut somewhat less severe.

Let me give an example of an area in which, if this amendment is not adopted, there will be serious pain inflicted.

We reimburse—we, the Federal Government reimburse—hospitals for their costs based on a complex formula. Frankly, Mr. President, if you have visited, as I have and many of us have, particularly rural hospitals and look at what they get reimbursed under the current formulas and what it actually costs them to provide the services, it is no wonder that so many of our rural hospitals, particularly in areas that have a high percentage of elderly population, are going out of business; because we are systematically funding them through Medicare reimbursements at less than their actual cost of delivering services.

Contributing to that has been that we have been reducing the annual reimbursement below what we state to be the equivalent of the cost of living for hospitals. There is a market basket of factors that lead to the determination of how much a hospital's expenses have increased.

Mr. President, this current bill would cut that even further, driving more hospitals, rural and urban, into distress. This amendment would restore those funds and would do so as the President has suggested, by increasing the corporate rate from 35 to 36 percent in order to fill that gap. I urge the adoption of this amendment.

Mr. ROCKEFELLER. Mr. President, it is with reluctance and great respect for my very close friend, Senator GRAHAM of Florida—he and I served together as Governors for a number of years—so I know very well of his deep commitment to health care. But I have to say that I rise to oppose this amendment because basicaly, with the disparate nature of this body, and in that it is generally agreed that everybody on the other side is going to be voting no, and therefore it is a very delicate balance as to how to achieve enough to get a positive vote on this side. That even being in question, I believe we have done as well as we can do.

Some of my colleagues in the Senate have proposed to cut $114 billion from Medicare and Medicaid. We took that down to 35. Then we took it down to 21. Then we got rid of all of the cuts in Medicaid, which also affects hospitals. Then we went down to $19 billion. Then this day, with the help of the Senator himself, we reduced it further not just to $19 billion but down to $10 billion. And of the $9 billion that we gave back to hospitals, of the $9 billion that we gave back, over $7 billion goes to hospitals. And we are going to go to conference where I hope we are going to reduce even further from $10 billion.

So I urge my colleagues to vote against this amendment because we have done everything humanly possible including, with the help of my friend from Florida, to try to reduce this to the lowest possible Medicare cut that we could possibly achieve, and we have done that. It is $10 billion. We cannot go any further within the disparate nature of this side of the body.

Mr. MOYNIHAN. Will the Senator yield 15 seconds?

Mr. ROCKEFELLER. Certainly.

Mr. MOYNIHAN. I certainly thank him for this body for a superb performance in the negotiation today, which brings us to this point, a point where we provide in this measure that Medicare outlays will increase by 49.1 percent in 5 years. It could not have been done without the Senator from West Virginia, and he has my deep gratitude.

I am sure the Senator from Florida recognizes that what we provide here is for a huge increase in Medicare within the constraints hoped for by the Budget Committee.

Mr. ROCKEFELLER. I add in closing for my purpose, the chairman of the Finance Committee is, of course, correct. As people listen to our debate, they think we are really talking about cuts in Medicare. Of course we are not talking about cuts in Medicare. We are talking about cuts in rates of growth.

So I hope my colleagues will reject this amendment. I say that sadly because I know the Senator is trying to do a good thing.

I urge my colleagues to oppose the amendment.

Mr. GRAHAM. How much time remains, Mr. President?

The PRESIDING OFFICER (Mr. LAUTENBERG). The time of the sponsor has expired. The opposition has a minute and a half remaining.

Mr. ROCKEFELLER. Mr. President, I yield back the minute and a half that remains.

Mr. GRAHAM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. I am advised that at the appropriate time a point of order will lie against the amendment of the Senator from Florida. It will be raised after concluding debate on all amendments.

The next amendment is an amendment to be offered by Senator DANFORTH. There is a 10-minute time limitation on this amendment.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Subparagraph (c) of section 1105 violates section 313(b)(1)(A) of the Budget Act, because it does not produce a change in outlays or revenues.

I raise a point of order that this provision is extraneous.

Mr. SASSER. Will the distinguished Senator from Missouri yield for a question?

Mr. DANFORTH. Yes.

Mr. SASSER. I ask the Senator what he raises a point of order against, specifically.

Mr. DANFORTH. Mr. President, the bill authorizes the Secretary of Agriculture to continue a prohibition on the commercial use of bovine growth hormone beyond a period in the bill that I understand would be ruled germane.

This point of order raises the question of the Byrd rule with respect to a prohibition on the sale of a biotechnological product, which prohibition has nothing to do with the budget. Therefore, it is not appropriately in this legislation.

Mr. SASSER. I thank the Senator.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. If the Senator from Wisconsin will withhold. Will the Senator from Missouri please restate and identify the page and the line to which he refers.

Mr. DANFORTH. Page 12, lines 3 through 13.

Mr. KOHL. Mr. President, at the appropriate time, pursuant to section 904 of the Congressional Budget Act, I will move to waive section 313 for the purposes of section 1105(c) in the bill.

Mr. SASSER. Mr. President, how much time is remaining on our side?

The PRESIDING OFFICER. The Senator from Tennessee has 5 minutes remaining.

Mr. SASSER. I yield the remainder of the time to the Senator from Wisconsin.

Mr. KOHL. Mr. President, today I rise to support the Agriculture Committee's provision to place a temporary moratorium on bovine growth hormone [BGH/BST].

I believe this moratorium is important because BGH would have profoundly negative effects on the taxpayers and dairy farmers of this Nation if it were to be cleared for commercial use at this time. One concern that I believe the American people have about BGH is the possible effects on U.S. dairy product exports. If the United States were to permit dairy products from BGH-treated cows to be marketed now, the United States would be the only major dairy-exporting nation to be doing so.

The European Community has a temporary moratorium on commercial use of BGH. Australia has prohibited commercial use of BGH until other major dairy exporting nations are also using it. Neither New Zealand nor Canada have approved BGH for commercial use.

If the United States decides unilaterally to use BGH in its dairy products, it could potentially become the source of a trade barrier against exports of U.S. dairy products, even after BGH has gone through the full FDA approval process. At this time, there are no effective trade mechanisms to prevent such trade barriers from being imposed.

The concern about trade barriers is not unfounded. For example, the European Community has placed a ban on U.S. beef products because of the United States use of hormones in beef production, and efforts by U.S. trade officials to dispute that ban have been futile.

The dairy supply-demand and price balance in the United States has become extremely sensitive as the dairy price support level has been reduced to levels well below average market prices. As a result, the loss of sales to potential BGH-embargoing nations could cause a 5-percent erosion of U.S. average farm prices and a loss of U.S. dairy farm income of approximately $1 billion annually.

Corresponding to these losses in dairy farmer income would be large increases in the cost to taxpayers, as the Federal dairy price support program would be responsible for purchasing any surplus created by the lost markets.

While U.S. dairy product exports are not as large as some other agricultural products, they are significant. During fiscal year 1992, the United States exported $638 million worth of dairy products. Analysis of these markets shows that at least one quarter of these exports would be at risk of restriction or embargo.

I urge my colleagues to support the BGH moratorium by voting to waive the point of order. In doing so, my colleagues will be voting to save the taxpayers millions of dollars.

This provision is supported, among others, by the National Milk Producers Federation, the American Agricultural Movement, ASPCA, Ben and Jerry's Homemade Ice Cream, Inc., Community Nutrition Institute, Consumers Union, Consumer Federation of America, Food and Water, Inc. Friends of the Earth, Humane Society of the United States, Institute for Agriculture and Trade Policy, National Family Farm Coalition, National Farmers Organization, National Farmers Union, Rural Coalition, Sierra Club, Storyfield Farm Yogurt, Sustainable Agricultural Coalition, United Methodist Church, General Boards of Churches Society.

I yield the floor.

Mr. DANFORTH. Mr. President, first let me correct what I previously told the Chair. The relevant part of the bill is on page 13, lines 15 through 25.

Mr. President, just to explain the situation, a constituent of mine, Monsanto Co., has done what most of us have hoped businesses would be doing for a long time. Instead of looking only at the next profit and loss statement, they have looked down the road, and they have invested in research and development. They have invested, over the past decade, approximately $1.5 billion in biotechnology, and they have never sold a product. They have never returned a nickel on their investment.

Mr. President, they are now getting in the process of having cleared through FDA, and they have no reason to suspect they will not get FDA approval, the first products to be generated from $1½ billion of investment. The product is called BST and it is a hormone inplant for dairy cows.

Now we have in this legislation two different moratorium on the marketing of this product, one is a 1-year moratorium that is said to produce $15 million in saved money on the dairy program. I think that that is not much of a saving for the major premise of putting a moratorium on a new high-technology product. But I am not raising it on that 1-year moratorium because the Chair would rule against me because of the $15 million.

I am raising the Byrd rule on that part of the moratorium that extends it beyond the year and for which there has been no scored revenue effect whatsoever and which provides the Secretary of Agriculture with the authority to simply keep a product off the market because the product is viewed as being threatening. Maybe, we in Congress want to legislate to keep products off the market that are high-technology products because they threaten someone. The computer threatens the abacus manufacturers.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. DANFORTH. I thank the Chair.

Mr. President, may I inquire, has there been a ruling on the moratorium?

The PRESIDING OFFICER. The Chair is inquiring as to that.

The Chair knows that there has not been a motion to waive proffered. If one is offered, we would have to then vote on the motion.

Unless there is a point made, the Chair will be prepared to rule.

Mr. KOHL. Mr. President, pursuant to section 904 of the Congressional Budget Act, I do move to waive section 13 for purposes of section 1105(c) of the bill.

The PRESIDING OFFICER. Does the Senator seek a rollcall vote to sustain?

Mr. KOHL. At the appropriate time, I will seek a rollcall vote. If right now is appropriate, I seek a rollcall vote right now.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Then the vote will be stacked in the order of the schedule as developed earlier, and at the appropriate time, the Chair will call for a rollcall vote on the Senator's request.

Mr. KOHL. I thank the Senator.

The PRESIDING OFFICER. Thank you very much.

Mr. MOYNIHAN. Mr. President, I believe we are to understand that Mr. BRYAN has an amendment.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 551

(Purpose: To repeal the section 936 credit and to express the sense of the Senate that the resulting increase in revenues be used to limit the reductions in Medicare)

Mr. BRYAN. Mr. President, on behalf of Senator REID and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Nevada [Mr. BRYAN], for himself and Mr. REID, proposes an amendment numbered 551.

Mr. BRYAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 560, line 1, strike all through page 575, line 24, and insert:

SEC. 8227. REPEAL OF SECTION 936 CREDIT.

(a) REPEAL.—

(1) IN GENERAL.—Section 936 is amended by adding at the end the following new subsection:

"(i) TERMINATION.—No credit shall be allowed under this section for any taxable year beginning after December 31, 1993."

(2) CONFORMING AMENDMENT.—Section 27(b) is amended by adding at the end the following new sentence: "No credit shall be allowed under this subsection for any taxable year beginning after December 31, 1993."

(b) SENSE OF THE SENATE REGARDING USE OF THE RESULTING INCREASE IN REVENUES.—It is the sense of the Senate that the increase in revenues resulting from the repeal made by subsection (a) should be used to limit the reductions in spending under the medicare program under title XVIII of the Social Security Act otherwise made by amendments made by subtitle A of title VII of this Act.

Mr. BRYAN. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. BRYAN. Mr. President, let me say the purpose of the amendment which I have offered on behalf of Senator REID and myself accomplishes two things:

One, it eliminates entirely provisions under 936 of the Tax Code which I will try to explain in greater detail but with more particularity.

And, second, with the savings received, there would be an additional $12½ billion over a 5-year period of time and expresses a sense-of-the-Senate resolution that those moneys be allocated to Medicare.

I do so for these reasons.

Mr. President, I am concerned about the cuts in Medicare. I acknowledge that the architects of the measure that is before us have labored mightily to reduce the impact of those. Nevertheless, there is a $50 billion cut in the House, and even after the adjustments, that have been made earlier on the floor this evening, the Senate cut an additional $10 billion. It is argued that those really do not have an impact on the Medicare recipient.

With regret I respectfully disagree with that analysis and would say with my colleague that enough of my fellow Nevadans are having great difficulty accessing the Medicare system. Part of the consideration in the bill is weighing the balance in fairness. I want to speak specifically to the provisions of section 936, an obscure provision in the Tax Code.

I think most Americans would be shocked and outraged. And I am told there is a documentary later on this evening which will discuss this at some length. Suffice it to say, what section 936 says to American corporations that locate and establish businesses in our possessions, primarily Puerto Rico, is they will pay no corporate income tax at all, none. The measure is not designed or predicated upon the number of jobs that may be created as a consequence.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Who yields time?

Mr. MOYNIHAN. Mr. President, it is 7 minutes equally divided.

The PRESIDING OFFICER. Yes. There is 1 minute and 30 seconds remaining on the proponents' side. There are 3 minutes and 30 seconds remaining on the opponents' side.

Mr. MOYNIHAN. I yield to the Senator the time.

Mr. BRYAN. Mr. President, let me yield myself the remainder of the time in the 7 minutes that has been allocated.

It is almost impossible to develop it, and I appreciate the distinguished chairman of the Finance Committee yielding.

Section 936, in effect, says a corporation that may have a tax liability of $30 million if you go to Puerto Rico or one of the possessions you pay nothing.

I see on the floor my distinguished senior colleague from California trying to rebuild the inner city in Los Angeles, South-Central Los Angeles. Any businessman involved in a manufacturing enterprise who today chooses to leave South-Central Los Angeles and go to Puerto Rico will pay no corporate income tax as a result of the profits generated by that enterprise.

I wish there was a provision like we provide for the possessions for my own State or any other States, but there is no such provision. I would respectfully submit it is totally unfair and indefensible in the sense that it is not in any way premised expressly upon the creation of new jobs or the amount of the investment. It is simply a shelter from the tax liability and profits generated.

My colleagues will recall, I am sure, that our distinguished colleague, Senator PRYOR, released a GAO study last year in which it was pointed out that the primary beneficiaries of this provision are the large pharmaceutical companies that have located in Puerto Rico.

Mr. President, today I am proposing an amendment to the budget reconciliation package to eliminate a large part of the additional $19 billion in proposed Medicare cuts, by repealing the section 936 tax credit allowed U.S. companies operating and hiring workers in U.S. possessions.

Seniors across my State have made it clear they feel Medicare is taking too great a hit in this budget proposal. Seniors have been consistent—they are willing to share, but not to bear, an unfair burden of the needed revenue cuts. Seniors understand these proposed Medicare cuts are basically being made on the backs of hospitals and doctors in the form of reduced reimbursement. But let us not fool ourselves, these seniors also understand very well how these cuts are going to directly affect them—through decreased health care access, and ultimately through cost shifting.

The seniors in Nevada have already experienced the difficulty of finding a physician willing to take new Medicare patients. My own State offices have frequently been contacted by seniors unable to find a physician willing to take new Medicare patients. I know each of my colleagues has heard the lament for years coming from physicians and hospitals that Medicare reimbursement does not cover the full costs incurred in providing care to Medicare beneficiaries, and that they are going to cut back or even withdraw their participation in the Medicare Program. Under these proposed Medicare cuts, I think the point is rapidly being reached where this lament will become a reality.

I want the seniors in Nevada, and across this country to be reassured of their access to health care through the Medicare Program. To cut another $19 billion in cuts already proposed is just too much. Cutting Medicare by nearly $70 billion, seriously jeopardizes health care access.

For a Medicare eligible senior, the first step to entering the Medicare system is usually through a physician. To encourage physicians to not reduce their acceptance of Medicare eligible patients, the physician inflation update percentages have been increased. Likewise, to encourage hospitals to not reduce their acceptance of Medicare patients, the hospital payment updates have been raised. These changes account for approximately $7.2 billion in reduced cuts.

I have also included striking the proposal to reduce Medicare payments for services performed in outpatient hospital settings by changing how the payments are calculated. The Senate Medicare cut proposal set as a goal to ensure Medicare beneficiaries would not be directly impacted through premium, deductible and copayment increases, and I commend the success of that effort.

However, the proposed formula for lowering Medicare's payment for hospital outpatient services creates an unintended consequence. It will impact Medicare beneficiaries directly by encouraging hospital outpatient services to shift greater costs to them. The Senate proposal does not correct the inequity in the beneficiary coinsurance amount that currently exists, as coinsurance will continue to be based on the amount the hospital charges for a service instead of the amount Medicare agrees to pay. This means Medicare seniors will likely pay even more than they should for hospital outpatient services. Striking the outpatient hospital payment proposal accounts for approximately $5 billion in reduced cuts.

Mr. President, the offset I have chosen to include with these changes in the Finance Committee's Medicare cuts pays for the changes completely, raising $12.5 billion over the next 5 years. in addition, I believe this particular revenue raiser also represents sound public policy.

The amendment I am offering completely repeals the Section 936 possessions tax credit.

As we are all aware, Section 936 effectively exempts from the United States corporate income tax all profits earned by United States corporations by their subsidiaries operating in United States possessions, primarily Puerto Rico.

There are a number of reasons why a repeal of Section 936 is justified. First and foremost, during a time when we are asking nearly every American to make some sort of sacrifice to bring the deficit under control, we simply cannot afford to continue to offer this overly generous, and much abused credit, to a relatively small number of large American corporations.

Ostensibily a tax credit to encourage economic development in U.S. possessions, the Section 936 tax credit has developed into a huge corporate boondoggle, providing a mutlibillion offshore tax shelter for some of America's most profitable companies.

The huge Section 936 credit claimed by a number of U.S. pharmaceutical firms are a case in point. A GAO study requested by our colleague Senator DAVID PRYOR, chair of the Special Committee on Aging, last year reveals a number of shocking details. According to the GAO:

> The pharmaceutical industry received about half the total tax benefits from section 936, and provided between 15 and 18 percent of the jobs of all section 936 corporations in Puerto Rico.

Since section 936 is intended to be an employment and economic development program for Puerto Rico, the GAO measured the tax credit provided companies for each employee. For pharmaceutical companies, the credit amounted to over $70,000 per employee—267 percent of the wages actually paid the average employee. One pharmaceutical company, Pfizer, received a tax credit equivalent to over $150,000 per employee—amounting to 636 percent of the typical wage paid to its Puerto Rican workers.

Under current law, there is absolutely nothing illegal in these companies taking these huge tax credits. The wide disparity between the wages paid Puerto Rican employees and the tax credit claimed by the corporations is a clear sign that there is something wrong with the section 936 tax credit program. It is obvious to me that the supposed intent of section 936, increasing employment in Puerto Rico, has been subverted to the much less justifiable goal of avoiding corporate income tax for American corporations.

Over the past decades, several efforts were launched to try and bring the section 936 tax credit under control. Rules regulating the allocation of income derived from intangible assets were tightened, but to little avail. Additional loopholes were created, which allow companies to continue the long established practice of shifting income derived from intangible assets created on shore to Puerto Rico. The Treasury Department produced a proposal to reconfigure the section 936 credit as a wage based credit, but that proposal was killed. Over the 1980's the abuses of the program continued to grow, and corporations continued to reap billions of dollars in ill advised and inefficient tax credits.

President Clinton is to be commended for his proposal to limit the excesses which have become commonplace among section 936 companies. By capping the section 936 credit at a fixed percentage of the wages paid in the possession, the Clinton proposal at least eliminates many of the abuses we have witnessed in the program, and more closely ties the credit to its nominal purpsoe—to provide employment opportunities in U.S. possessions. The Clinton proposal raises nearly $7 billion over the next 5 years—nearly half of the total cost of the credit.

Unfortunately, the Senate Finance Committee saw fit to significantly soften the reform proposed by President Clinton and approved by the House of Representatives. The Senate Finance Committee provision raises far less revenue than the Clinton/House proposal, and significantly complicates the administration of the credit—a fact which I am certain will lead to more loopholes in the future.

I had considered offering the Clinton section 936 proposal as an alternative to the far inferior Senate Finance version. The Clinton proposal provides real reform, and reduces the section 936 credit significantly. If I thought it was in our best interests to continue this credit at all, I would support the Clinton proposal.

The time has come, however, to pull the plug on this corporate welfare program. At the same time we are being told we need to swallow significant cuts in Medicare and increases in taxation of Social Security benefits, at the same time we are being asked to raise the gas tax on all Americans, at the same time we are told we cannot raise enough money to establish enterprise zones in our troubled cities, we somehow find the funds to continue a multi-billion dollar tax credit of questionable merit and effectiveness, the prime beneficiaries of which are a small number of large, profitable drug companies.

Mr. President, an amendment to repeal section 936 could stand on its own merits. The continuation of this credit is simply bad public policy. My amendment today couples the repeal of this wasteful tax loophole with some relief from the draconian Medicare cuts contained in the Senate Finance Committee bill. I urge my colleagues to vote in favor of this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from New York is recognized.

Mr. MOYNIHAN. I thank the Presiding Officer.

I say again, sir, in the bill before us, the benefits of the 936 program as it is known dates back to the 1920's. Our cut to 40 percent of the present level is over a 5-year period.

We cut in half the President's proposal and clearly anticipate the phasing out finally of this measure.

We are dealing with the economy of Puerto Rico, 3.6 million United States citizens who are not represented on this floor. It falls to the Committee on Finance, the chairman, the ranking member, to speak for them.

I say that an economy with 18 percent unemployment could not sustain this blow. It would be contrary to all our understandings of what our citizens are entitled to.

I ask unanimous consent to have printed in the RECORD at this point a very careful letter from Governor Rosselló, the Governor of Puerto Rico.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 23, 1993.

Hon. DANIEL PATRICK MOYNIHAN,
Chairman, Committee on Finance, U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the community of 3.6 million United States citizens in Puerto Rico that lacks representation in the U.S. Senate, I wish to express profound gratitude for the leadership that you and the Finance Committee displayed in aiding the cause of Puerto Rico with respect to Section 936 of the Internal Revenue Code, in the Revenue Reconciliation Bill that has been reported to the Senate.

The Finance Committee's action constitutes a major step in the right direction * * * toward ensuring that Puerto Rico's share of the nation's sacrifice is fair and appropriate * * * and toward preserving our capacity to forge greater economic self-sufficiency.

We in Puerto Rico support the President's objectives, and are fully prepared to assume our proportionate share of the burden of deficit reduction. Indeed, we strongly endorse the President's specific proposal, including the rebuilding of our nation's infrastructure and the reform of the health care system. However, the President's proposal and the House-passed provision with respect to Section 936 would run counter to one of the President's principal goals—jobs for American citizens. Nowhere is the need for jobs greater than in Puerto Rico, where unemployment exceeds 18 percent—2½ times the national average, and where the proportion of families subsisting on poverty level incomes approaches 60 percent.

Far from addressing that need, the Administration and House-passed provision on Section 936 would actually cripple our island's capacity to attract—and even to retain—job-creating private sector investments. Absent the changes that you have crafted to Section 936, the jobs of many of the 105,000 Puerto Rico residents who are employed by Section 936 firms would be imperiled, causing grave harm to our economy. However, Section 936 can continue to be an effective economic incentive for Puerto Rico, if it remains as it has been constructed by the Finance Committee.

We emphasize that even as the Finance Committee has structured a more finely crafted tax incentive than the existing Section 936 provision, this change, nevertheless, would generate new federal revenues of $3.7 billion from the citizens of Puerto Rico. Any greater revenues extracted from Section 936 would jeopardize the essential balance between compensation and income that has been structured by the Committee. In order to maintain and attract both labor-intensive and high-technology, capital-intensive industries, it is critical that Section 936 retain these two components.

Moreover, retention of a viable income component to Section 936 is equally essential to protect the revenues of the Puerto Rico Treasury from fiscal collapse, and to preserve the important passive income provisions of Section 936 that permit the financing of projects throughout Puerto Rico and the Caribbean Basin. Without an income component, all of these benefits would be lost.

Finally, the Finance Committee has crafted a modification that is politically balanced. This November, the American citizens of Puerto Rico will participate in a plebiscite to express their preference with regard to the long-term political status of the Commonwealth. Any dismemberment of Section 936, or massive reduction in the ability of the Commonwealth to attract and retain jobs, would have a seriously disruptive effect on this plebiscite that would be both unpredictable and distorting. The provision that the Committee has crafted will avoid, to the extent possible, such disruption.

We stand ready to support the passage of this modification to Section 936 and urge you to reject changes in the Senate or in the House/Senate Conference Committee. We hope that others in the Senate and the House will see the need to treat the American citizens of Puerto Rico fairly and with the understanding of our need for economic development that you have demonstrated by your leadership on this issue.

Sincerely,

PEDRO ROSSELLÓ,
Governor of Puerto Rico.

Mr. MOYNIHAN. Mr. President, in a moment, I will make a point of order that the measure is not germane. But my distinguished friend and former chairman wishes to speak, as well, for 1 minute.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I thank the Chair.

I find the proponents of this amendment to speak as if Puerto Rico is a foreign country of some kind, for whom we have no obligation. The chairman is right. These are American citizens. They fight in our wars, they die in our wars, and they get no representation here.

So what we tried to do, we tried to come up with a plan that is more or less an enterprise zone and said: Can we get people to invest in Puerto Rico and possibly save the rest of us from having to appropriate money to provide welfare or other benefits that we would not have to provide if jobs were provided?

And this section had worked.

I am tired of us dumping on the pharmaceutical companies as if they were some kind of Machiavellian monster. They are some of the most inventive, innovative companies we have, with a balance of trade that is surplus. They are the best in the world. They locate in Puerto Rico and provide some of the highest paying jobs in Puerto Rico, and we want to cut it off. I think it is a mistake.

I hope this amendment is defeated.

Mr. MOYNIHAN. I would add, in confirmation, that the per capita receipts of Federal aid in Puerto Rico is one-half that of the lowest other State.

Mr. President, I make a point of order, with the full understanding of my friend, the author and sponsor of the legislation, that under title III of the Congressional Budget Act, the pending amendment is not in order because it is not germane. It changes the Tax Code. As the Senator correctly says, it strikes a section of the code.

I do make that point of order, and I ask for the yeas and nays.

The PRESIDING OFFICER. The request for the yeas and nays by the Senator is for what purpose?

Mr. MOYNIHAN. I withdraw that request. I simply make the point of order.

Mr. BRYAN. Mr. President, I move to waive the Budget Act and would ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will take place at the appropriate time when the votes begin.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I rise to make a comment on an amendment adopted earlier. It is amendment No. 532, the Gorton amendment on aviation fuel. It was passed by unanimous consent.

Mr. President, I wish the RECORD to reflect that had I been here and a recorded vote occurred, I would have voted in the negative.

Mr. MOYNIHAN. I yield such time as the distinguished Senator from California has used off the bill.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 552

(Purpose: To impose a gross sales limitation for agricultural payments)

AMENDMENT NO. 553

(Purpose: To amend title XVIII of the Social Security Act to increase the inpatient hospital deductible to $2,000 for any individual whose annual adjusted gross income equals or exceeds $100,000 ($125,000 in the case of an individual filing a joint return))

Mr. REID. Mr. President, I send two amendments to the desk and ask unanimous consent that they be reported en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

The Senator from Nevada [Mr. REID] proposes amendments numbered 552 and 553, en bloc.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 552

At the end of subtitle A of title I, add the following new section:

SEC. 1112. GROSS SALES LIMITATION FOR AGRICULTURAL PAYMENTS.

The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308–5) the following new section:

"SEC. 1001F. GROSS SALES LIMITATION.

"(a) GENERAL RULE.—Notwithstanding any other provision of law, a person (as defined pursuant to section 1001(5)) who has an average amount of qualifying gross sales during the 5 preceding crop years in excess of $500,000, as determined by the Secretary, shall not be eligible to receive a payment described in paragraph (1) or (2) of section 1001.

"(b) DEFINITION OF QUALIFYING GROSS SALES.—For purposes of this section, the term 'qualifying gross sales' means—

"(1) if a majority of the annual income of the person is received from farming, ranching, and forestry operations, the gross sales from the farming, ranching, and forestry operations of the persons; and

"(2) if less than a majority of the annual income of the person is received from farming, ranching, and forestry operations, the gross sales of the person from all sources.".

AMENDMENT NO. 553

At the end of part I of subtitle A of title VII, add the following new section:

"SEC. 7109. INCREASE IN INPATIENT HOSPITAL DEDUCTIBLE FOR ANY INDIVIDUAL WHOSE ANNUAL ADJUSTED GROSS INCOME EQUALS OR EXCEEDS $100,000 ($125,000 IN THE CASE OF AN INDIVIDUAL FILING A JOINT RETURN).

(a) IN GENERAL.—Section 1813(b)(1) (42 U.S.C. 1395e(b)(1)) is amended—

(1) by striking "(1) The inpatient" and inserting "(1)(A) Except as provided in subparagraph (B), the inpatient";

(2) by adding at the end the following new subparagraph:

"(B) In the case of an individual who has adjusted gross income (within the meaning of section 62 of the Internal Revenue Code of 1986) equal to or exceeding $100,000 ($125,000, in the case of an individual filing a joint return under section 6013 of such Code) for a taxable year ending with or within a calendar year, the inpatient hospital deductible under this paragraph shall be $2,000 for the succeeding calendar year.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to inpatient hospital services furnished on or after January 1, 1994.

The PRESIDING OFFICER. The Senator has 2 minutes.

Mr. REID. Mr. President, one amendment is on behalf of Senator BRYAN and myself. That amendment is to end agriculture subsidies to those farmers with over $500,000 in gross sales, average, over the last 5 years.

The other amendment is to increase the Medicare inpatient hospital deductible from $697 to $2,000 to individuals filing a joint return whose income equals or exceeds $125,000.

If adopted, my amendments to this bill will save about $1½ billion. Both amendments were an effort to means test Federal programs. It is about time Federal programs are designed to go to the people that need them.

For instance, one of my amendments would have discontinued agriculture subsidies to those farmers that have over $500,000 in gross sales per year. Farmers with operations of this size have average incomes of $621,000, according to USDA statistics.

My second amendment would ask those individuals receiving Medicare with incomes above $125,000 to pay more for a hospital stay. Currently, all these beneficiaries pay is $697 for a hospital stay, no matter what their income. My amendment would ask those individuals filing jointly that earn over $125,000 to contribute the first $2,000 to the hospital stay.

I brought these issues to the attention of the chairman of the Finance Committee, Senator MOYNIHAN, and the chairman of the Agriculture Committee, Senator LEAHY, and they have told me that these issues will be addressed in their committees.

The PRESIDING OFFICER. The Chair regrets to inform the Senator that the 2 minutes has to be equally divided. The Senator had 1 minute, which he has already used.

Mr. REID. That was not the unanimous consent agreement. The unanimous consent agreement was that I had 2 minutes.

The PRESIDING OFFICER. The Senator is correct. He shall not be penalized for the dialog that just took place.

Mr. REID. I now, therefore, Mr. President, withdraw these amendments, due to the time constraints we all have here and upon the statements of the two chairman indicating that they will review these in their full committees.

Mr. President, if the Congress is going to cut spending, means testing is the most equitable way to do it.

Mr. MOYNIHAN. I thank the distinguished Senator, and I absolutely agree.

The PRESIDING OFFICER. The Chair notes the amendments are withdrawn.

Who seeks recognition?

If the Chair may have the attention of Senators, under the previous order, the time has arrived for the votes to commence.

The first question is on the amendment numbered 543, offered by Senators BRYAN and REID.

Mr. SASSER addressed the Chair.

The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I am presently conferring with the distinguished ranking member in an effort to try to construct an effort to get some more amendments disposed of before we go to the votes. We are trying to prepare a list now.

I ask unanimous consent that the votes under the previous unanimous consent be deferred for no longer than 4 minutes.

Mr. DOMENICI. Mr. President, before the chairman does that, I wonder if I might make a point of order against the amendment that is first pending and get it in a position where we will be ready to vote on a motion to waive, if that is what Senator REID or Senator BRYAN wants.

Mr. BUMPERS. Mr. President, what was the unanimous-consent request of the Senator from Tennessee?

The PRESIDING OFFICER. The request was that the votes be deferred for 4 more minutes, and the Chair believes that that is the request pending.

The Senator from New Mexico apparently has objected for the moment.

Mr. DOMENICI. Yes, Mr. President. The pending amendment, the one that is on the top of the list, is not germane to the provisions of the bill. That is pursuant to 305(b)(2) of the Budget Act. I raise a point of order against it.

Mr. REID. Mr. President, pursuant to section 904 of the Budget Act, I move to waive the point of order against the pending amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Parliamentary inquiry, Mr. President, we may raise the point of order against the remaining amendments in succession as they come before the Senate?

The PRESIDING OFFICER. The Senator is correct.

Mr. SASSER. Mr. President, let me renew my unanimous-consent request and say to my friend from Oregon, I am trying to get another list of amendments, and his amendment is in that list.

The PRESIDING OFFICER. Did the Senator renew his request?

Mr. SASSER. I renew my request.

The PRESIDING OFFICER. Hearing no objection, the unanimous-consent request is agreed to.

Mr. SASSER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Will the Senator from Tennessee withhold for just a moment so we can get order in the Chamber, please? If we can terminate the side conversations that are taking place, it would facilitate the votes that we have pending and permit the evening's work to move on.

The Senator from Tennessee is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. SASSER. Mr. President, I ask unanimous consent that the following be the sequence of first-degree amendments to be debated immediately under the following time limitations. They are a DeConcini deficit reduction trust fund, 3 minutes; a Brown highway trust, 3 minutes; a Bumpers immunization, 3 minutes; a McCain hospital insurance trust fund, 3 minutes; a budget enforcement amendment by myself, 3 minutes; an amendment by Senator GRAMM, dealing with Gramm-Rudman-Hollings, 3 minutes; that the amendments be debated and laid aside until all have been debated and that after the votes stacked under the previous order the Senate begin voting back to back on, or in relation to, each amendment in order in which they were offered and that no other amendments be in order prior to their disposition.

Mr. DOMENICI. Reserving the right to object.

Mr. BUMPERS. Mr. President, reserving the right to object, I have two immunization amendments. They were originally just one that had to be severed because of a parliamentary problem. In the 3-minute debate that the Senator is offering me, I will describe both amendments. I have still a third amendment, which I think will be accepted.

Mr. SASSER. I thank the Senator.

Mr. DOMENICI. Did the unanimous-consent request include a prohibition against second-degree amendments on these?

Mr. SASSER. It did.

Mr. DOMENICI. I have no objection.

Mr. BUMPERS. Mr. President, further reserving the right to object, I want it fully understood now I am offering three amendments. I am accepting 3 minutes total debate time, but I am offering three amendments.

Mr. SASSER. The Senator may offer three amendments, but, as I understand it, under our unanimous consent, only one amendment will be voted on. The Senator says a second amendment might be accepted, and we will certainly try to accommodate the Senator on that. But with regard to the third amendment, it is not on our unanimous consent list.

Mr. BUMPERS. Mr. President, I say to the distinguished Senator from Tennessee that I have offered to debate two amendments, which I had to sever. I am offering to debate 3 minutes, which I had to sever. I am offering to debate 3 minutes and describe both amendments and call the second one up without debate and the third one up without debate.

Mr. SASSER. The Senator is certainly entitled to call them all up without debate. But they would not come in sequence with these amendments here.

Mr. BUMPERS. When the Senator said no other amendments would be in order, I wanted to make sure the unanimous consent understood that.

Mr. SASSER. After these amendments are disposed of, then amendments will be in order until they are exhausted.

Under the rules there may be no debate on some of them.

Mr. BUMPERS. That is fine.

The PRESIDING OFFICER. If we can have the attention of the Senators to my left, please? There is enough confusion in the Chamber without conversation going on on the side. If Senators will take their seats, it will facilitate the debates here.

The Senator from Tennessee has a request. Does the Senator from Tennessee want to repeat that unanimous-consent request? Or is the comment by the Senator from Arkansas sufficient to be included in the unanimous-consent request so the Chair may rule on it?

Mr. SASSER. I do not think there is really any need to include it in the unanimous-consent request. I think we have an understanding outside the unanimous-consent request, as I understand it.

Mr. DOMENICI. I understand it.

The PRESIDING OFFICER. Is the time to be equally divided on each of these amendments?

Mr. DOMENICI. It is.

Mr. SASSER. It is.

The PRESIDING OFFICER. If so, is there objection? Hearing none, the unanimous-consent request is agreed to.

Mr. SASSER. Mr. President, I ask unanimous consent that Senator BROWN be allowed to go out of order and that he be followed then by Senator DECONCINI, and then we pick up the regular sequence. Senator DECONCINI is not in the Chamber at the moment. That might expedite matters.

So the understanding is Senator BROWN will go first—I want to be sure my friend from New Mexico understands this—then we come to Senator DECONCINI and then we go back to the regular sequence. That would pick up with BUMPERS and then alternate down from there.

Mr. DOMENICI. We have no objection to that.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to. The Senator from Colorado is recognized. If the Senator will suspend until we have order so the Senator can be heard.

The Senator from Colorado is recognized.

AMENDMENT NO. 549

(Purpose: To transfer the 4.3 cent deficit reduction rate to the highway trust fund or the airport and airway trust fund, respectively)

Mr. BROWN. Mr. President, I call up amendment No. 549.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 549.

Mr. BROWN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 620, strike lines 12 through 21, and insert the following:

(3) Section 9502(b)(3) is amended by inserting "and the deficit reduction rate" after "financing rate".

(4) Section 9503(b)(4)(B) is amended by inserting "and the deficit reduction rates under such sections to the extent such rates do not exceed 4.3 cents per gallon" after "such sections".

(5) Section 9503(c)(4)(D) is amended by inserting "and the deficit reduction rates under such sections to the extent such rates do not exceed 4.3 cents per gallon" after "such sections".

(6) Section 9503(c)(5)(B) is amended by inserting "and the deficit reduction rate under such section to the extent such rate does not exceed 4.3 cents per gallon" after "such section".

(7) Section 9503(c)(6)(D) is amended by inserting "and the deficit reduction rate to the extent such rate does not exceed 4.3 cents per gallon" after "financing rate".

(8) Section 9506(b) is amended by inserting "and the deficit reduction rate" after "financing rate".

Mr. BROWN. Mr. President, this amendment is very straightforward, very simple. All it does is take the new revenue that comes with regard to transportation—that is the gasoline tax and other aviation taxes—and puts them in the trust funds. In other words, we follow the precedents that have long been followed in this Chamber and this country of having funds coming from taxes applied to fuels, going to the highway users trust fund or the aviation trust fund, as it has been done in the past. This simply says we will follow that same precedent in the future.

The issue is simple; it is basic; it does not change the deficit reduction numbers that are included in the package. It does not change the package in any way, except that it reserves these revenues for use in the appropriate trust funds. I believe it is important, the President believes that it is important we properly service our infrastructure with regard to highways and transportation. If we are going to do that, it is vital the money be in the fund. That is what this amendment does.

I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who seeks recognition?

Mr. SASSER. Mr. President, I see no one wishing to speak in opposition to the Brown amendment. I am sure there will be opposition at the appropriate time when we get to a vote. But at this juncture, I see no Senator on the floor who wishes to speak in opposition to the Brown amendment.

So we are prepared to yield back all of our time if the Senator from Colorado is prepared to yield back his time.

Mr. BROWN. Mr. President, I yield back the remainder of my time.

Mr. SASSER. Mr. President, the next amendment in order will be—has Senator DECONCINI arrived in the Chamber?

Mr. BROWN. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, the Senator from Arizona [Mr. DECONCINI] has not yet arrived in the Chamber. So I ask unanimous consent that Senator BUMPERS be allowed to proceed and that Senator DECONCINI fall in sequence when he arrives in the Chamber.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas is recognized.

AMENDMENT NO. 545

(Purpose: To condition AFDC payments on the receipt of immunizations)

Mr. BUMPERS. Mr. President, I call up amendment No. 545.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 545.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 389 insert the following prior to line 8.

SEC. 7803. STATE OPTION TO PROVIDE THAT CERTAIN PAYMENTS UNDER AFDC ARE CONDITIONED ON RECEIPT OF IMMUNIZATIONS.

(a) IN GENERAL.—Section 402 (42 U.S.C. 602) is amended—

(1) in paragraph (44), by striking "; and" and inserting a semicolon;

(2) in paragraph (45), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(46) at the option of the State, provide that if a family receiving aid to families with dependent children for any month includes a child under the age of 6 who has not received appropriate immunizations (as determined by the State), the State will take actions to encourage the timely immunization of such child including, but not limited to, reducing the total benefits received by such family for such month by all or a portion of the benefits allocable to the parent or guardian of such child and either—

"(A) placing all or a portion of such amount in an account until the family demonstrates to the State that such child has been appropriately immunized; or

"(B) using all or a portion of such amount to provide services to such family intended to ensure that such child receives appropriate immunizations.".

(b) STATE PROGRAMS TO ENCOURAGE APPROPRIATE IMMUNIZATIONS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (hereafter referred to in this subsection as the "Secondary") shall provide for the establishment of programs intended to ensure the appropriate immunization of children to be operated in the State electing to take actions to encourage the timely immunization of children described in section 402(a)(46) of the Social Security Act.

(2) PAYMENTS TO STATES AND LIMITS ON FUNDING.—

(A) PAYMENTS TO STATES.—Except as provided in subparagraph (B), the Secretary shall pay to each State conducting a program under this subsection for each quarter in which such program is conducted an amount equal such State's Federal percentage (as determined under section 403(a) of the Social Security Act) of the expenditures incurred by such State during such quarter in conducting such program.

(B) LIMITS ON FUNDING.—In conducting programs under this subsection, the Secretary shall limit the total amount of the Federal share of expenses incurred under title IV and section 1903 of the Social Security Act to no more than $250,000 for each State in any year.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) and the provisions of subsection (b) shall become effective on the date of the enactment of this Act.

Mr. BUMPERS. Mr. President, as I told the Senate a moment ago, I have two amendments. The first amendment permits, but does not require, States to allow a requirement that AFDC women have their children immunized. The State of Maryland has done a pilot program that is 4 months old. They have raised the immunization levels in Maryland from 50 to 90 percent.

There is not anything intrusive or abusive about it. I have been in this immunization business for 22 years. Since I have been in the U.S. Senate, we have gotten about $6 to $300 million a year, and immunization levels are right where they were 18 years ago.

If you are going to immunize children, you are going to have to use this kind of a stick. It is working in Maryland. It is working in New York in the WIC Program, and it gives the States the right to do the same thing.

The second amendment I will offer, which I will just call up, requires the pharmaceutical companies not to raise their rates for 5 years above CPI. It allows every State to buy vaccines at the national CDC price and the whole thing saves over $180 million over the next 5 years. I will be happy to yield to the Senator from Idaho.

Mr. CRAIG. Mr. President, I thank my colleague. I want to associate myself with the first Bumpers amendment as it relates to withholding portions of AFDC payment. I think the only way we are going to get the children of America immunized is to deal with the parent and cause the parent to react, as this amendment does, in the appropriate fashion to bring that child to a point of immunization.

I congratulate my colleague for offering this amendment. It is very appropriate.

Mr. BUMPERS. Mr. President, the third amendment, which I will describe briefly, provides a bonus to the States for so much per child over 50 percent. If they get up to 80 percent, they get more money; from 60 to 75, they get less. Britain has done this. It has been a fantastic success. I am telling you that with the AFDC amendment and the bonus amendment, 3 years from now you will see a dramatic reduction in the incidence of childhood diseases if we adopt those two amendments.

The PRESIDING OFFICER. All time has expired.

Mr. RIEGLE. Mr. President, all time has expired on one side of the amendment, I think.

Mr. SASSER. Mr. President, I yield such time as the opponents of the amendment have.

The PRESIDING OFFICER. The Chair will state that there is 1 minute 30 seconds for the opponents to use.

Mr. RIEGLE. I thank the Chair.

Mr. President, I will share that with the Senator from Massachusetts. Let me say on the first Bumpers amendment that it is not germane, and at the appropriate point I will raise the germaneness point of order.

The third amendment is acceptable to this Senator. That is on the bonus issue.

But the second one would do great damage to the package that has been developed in the Finance Committee on a bipartisan basis with the help of Senators CHAFEE, DANFORTH, DURENBERGER, Chairman MOYNIHAN, Senator BRADLEY, and others. That provision in the bill saves $48 million over 5 years. It provides immunization vaccines at a lower price to children who are in lower income situations, but not eligible for Medicaid. It is very important it stay intact.

It moves in the direction of what the President has laid out, but it has the support of the Finance Committee.

Mr. KENNEDY. Mr. President, I join Senator RIEGLE in opposition to this program. In the Finance Committee, there is a pilot program for five States.

This has only been in effect for 5 months. There is absolutely no evidence that across this country the clinics and the delivery systems are available to meet this kind of a requirement.

This compromise has been worked out in a bipartisan way in the Finance Committee, supported by the administration. It may very well be a good idea somewhere down the line. But there is absolutely no assurance that any AFDC parent who gets the notification is guaranteed that they are going to be able to get an immunization before they lose support for their children.

The way this is devised within the Finance Committee makes sound public policy sense. It makes good public health policy sense. The administration supports it. It had bipartisan support. I think that we should defer this kind of action and take the action that has been supported in the Finance Committee.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. RIEGLE. Mr. President, parliamentary inquiry. Is this the appropriate point now for me to lodge the germaneness point with respect to the first Bumpers amendment?

The PRESIDING OFFICER. It is the appropriate time.

Mr. RIEGLE. Then, Mr. President, I raise a point of order that the Bumpers amendment, the first one, violates section 305(B) of the Congressional Budget Act of 1974.

Mr. BUMPERS. Mr. President, pursuant to section 904, I move that the Budget Act be waived in order to consider this amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIEGLE. Mr. President, not to take time that we do not have, but the third amendment I think is one that would not require a vote. I think clearly a vote is required on the second one.

Mr. BUMPERS. That is correct. I think the third amendment will be accepted. That is not yet the case, but I think it will be.

Mr. KENNEDY. Is there any time remaining?

The PRESIDING OFFICER. No. The Chair informs the Senator there is no more time for debate. The Chair is trying to resolve the sequence question.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. We had previously laid aside the DeConcini amendment in anticipation of Senator DECONCINI's arrival in the Chamber. He is here now and we will under my previous agreement turn to the DeConcini amendment.

Mr. DECONCINI. I thank the Senator.

The PRESIDING OFFICER. If the Senator would withhold for just 1 minute.

The Senator from Arizona is recognized.

AMENDMENT NO. 555

(Purpose: To create the Deficit Retirement Account)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration. I ask also unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. The clerk will report the amendment by number. The unanimous-consent request on reading is agreed to.

The bill clerk read as follows:

The Senator from Arizona [Mr. DECONCINI], for himself, Mr. SASSER, and Mr. FEINGOLD, proposes an amendment numbered 555.

The amendment is as follows:

At the end of the bill, insert the following new title:

TITLE XIV—DEFICIT RETIREMENT ACCOUNT

SEC. 14001. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This part may be cited as the Deficit Retirement Account Act of 1993.

(b) PURPOSE.—The Congress declares that it is essential to guarantee that the net deficit reduction achieved by this Act is dedicated exclusively to reducing the deficit.

SEC. 14102. ESTABLISHMENT OF DEFICIT RETIREMENT ACCOUNT.

(a) ESTABLISHMENT OF THE ACCOUNT.—Chapter 11 of title 31, United States Code, is amended by inserting at the end thereof the following new section:

1115. Deficit Retirement Account

(a) There is established a separate account in the Treasury, known as the Deficit Retirement Account, into which the deficit reduction achieved by the Omnibus Budget Reconciliation as called for in section 1115(b).

(b) Immediately upon enactment of the Omnibus Budget Reconciliation Act of 1993, any increases in total revenues resulting from enactment of such Act, shall be deposited by the Secretary of the Treasury on a daily basis into the Deficit Retirement Account. In addition, on a daily basis, the Secretary of the Treasury shall deposit to such account an amount equivalent to the sum of net deficit reduction achieved as a result of all spending reductions resulting from such Act. The cumulative Fiscal Year amounts for the combination of all revenue increases and spending reductions shall be equal to:

(1) for fiscal year 1994, $55,878,000,000;
(2) for fiscal year 1995, $71,320,000,000;
(3) for fiscal year 1996, $99,102,000,000;
(4) for fiscal year 1997, $133,737,000,000;
(5) for fiscal year 1998, $156,066,000,000.

(c) Notwithstanding any other provision of law, the amounts in the Deficit Retirement Account—

(1) shall not be available for appropriation, obligation, expenditure, or transfer, except as specified in subsection (c)(2) below;

(2) shall be used exclusively to redeem maturing debt obligations of the Treasury of the United States held by foreign governments in the amounts specified for each fiscal year in subsection (b);

(3) shall be excluded from, and shall not be * * * into account for purposes of, any budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1983 (2 U.S.C. 901–922).

(d) Establishment of and transfers to the Deficit Retirement Account shall not affect trust fund transfers that may be authorized or required by provisions of the Omnibus Reconciliation Act of 1993 and/or any other provision of law.

(b) LISTING OF THE ACCOUNT AMONG GOVERNMENT TRUST FUNDS.—Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Deficit Retirement Account.".

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY ON THE STATUS OF THE ACCOUNT.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(29) information about the Deficit Retirement Account, including a separate statement of amounts in and Federal debt redeemed by that Account.".

Mr. DECONCINI. Mr. President, this is an amendment that insists that the new revenues in this reconciliation act shall be used for one purpose only. They will be set aside in a separate fund that cannot be used for appropriations or for any expenditures and has a trust obligation to be used for one purpose only, and that is to retire the debt of the U.S. Government.

That is doable by this fund, taking the revenues that are in this fund and going and purchasing the debt from the market daily or whenever the market is open to sell Treasury bills.

That is what this particular fund does. A retirement debt fund it is called, not a trust fund. Indeed, to me it will bring about some stability and demonstrate to the American public that whatever revenues are increased here are going to be used for debt reduction.

Mr. President, the amendment I offer today I offer on behalf of millions of taxpayers across this country who are being asked to make sacrifices in order to reduce the growing national debt.

My amendment would guarantee that the net deficit reduction required by this act be dedicated exclusively to reducing the debt.

These funds would be deposited in a deficit retirement account to be established within the Department of the Treasury that could only be used to purchase outstanding debt obligations of the Treasury of the United States held by foreign governments in the annual amounts specified in this bill.

This amendment specifies that these amounts are: First, for fiscal year 1994, $55.878 billion; second, for fiscal year 1995, $71.320 billion; third, for fiscal year 1996, $99.102 billion; fourth, for fiscal year 1997, $133.737 billion; and fifth, for fiscal year 1998, $156.066 billion.

The net result will be $516 billion in deficit reduction over the 5-year period.

None, I repeat none, of the revenues deposited in this account would be available for appropriation for new or additional spending programs.

To ensure that these funds are deposited in this deficit retirement account, this amendment: First, directs the Secretary of the Treasury to deposit, on a daily basis, into this account any increases in total revenues resulting from enactment of the act. Second, it further directs the Secretary of the Treasury to deposit in this account, again on a daily basis, the amount equivalent to the sum of net deficit reduction achieved as a result of all spending reductions resulting from the act.

This amendment ensures that an actual transaction occur—a transaction where actual tax dollars are deposited every day into this account with the sole purpose of reducing the debt. This amendment will show the American public that their sacrifices will actually result in real deficit reduction.

THE BACKGROUND

Mr. President, this is not a new idea. It is not even a new proposal. I believe this proposal has merit. How can we ask the American people to sacrifice in order to reduce the debt if we don't do everything in our power to ensure that their sacrifices will result in real deficit reduction?

THE SPECIFICS

President Clinton's comprehensive 5-year proposal reduces the Federal debt by $516 billion in both tax increases and spending reductions. By creating a deficit retirement account we can ensure that new revenues and savings from spending reductions required by this bill would be used exactly for what they are intended—deficit reduction not additional Government spending.

PRESIDENT CLINTON'S CALL TO ARMS

President Clinton has asked the American people to answer the call to arms for shared sacrifice in combating our national debt. The American people have responded in kind indicating time and time again that they are willing to sacrifice for the future of their country and their children's futures if we are serious about tackling the deficit monster.

Mr. President, I would offer one caveat to the American people's willingness to accept the notion that there will no longer be the proverbial free lunch. In my home State of Arizona, I have spoken to many people who are willing to pay more now to ensure a better future, but they want to ensure that increased taxes and reduced Government spending are directed at deficit reduction.

CONCLUSION

The American people understand that the current budgetary system has built-in loopholes. They also understand that these loopholes are large enough to drive a truck through. Clearly, you cannot create a $4 trillion national debt without these loopholes.

I believe this amendment will close those loopholes and show the American people that we in Congress get it. If we really want to ensure deficit reduction then I urge my colleagues to support this amendment.

First, it requires that the Secretary of the Treasury deposit in the deficit retirement account on a daily basis any increases in total revenues resulting from enactment of this act; and an amount equivalent to the sum of the net deficit reduction resulting from enactment of this act.

Second, at the end of each of the 5 fiscal years covered by this act, the totals deposited into these accounts during the fiscal year must equal the total deficit amounts outlined in the Omnibus Reconciliation Act of 1993.

Third, the amounts in the deficit retirement account will be used exclusively to redeem maturing debt obligations of the Treasury of the United States held by foreign governments. These foreign debt obligations mature on Thursday of each week.

Fourth, the amounts in the deficit retirement account shall not be available for appropriation, obligation, expenditure, or transfer except as specified in this bill.

Fifth, the bill requires that the President report annually, including a separate statement of amounts in and Federal debt redeemed by the deficit retirement account.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I thank the Senator for offering the amendment. The President also thanks the Senator.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, $65 billion in this bill is dedicated to trust funds. I have never heard of anybody in budgeting who figured out a way to dedicate money to two trust funds. This $65 billion goes to existing trust funds. We have another trust fund, except we call it deficit reduction.

Frankly, my friend from Arizona is such a good friend of mine that I hate to call his amendment what I must, but it is an absolute sham. It does nothing. If the budget works, the taxes will go where they are supposed to go. If the budget does not work and we incur more deficits, then we are going to borrow the money to pay for it whether there is a trust fund or not.

So when the time comes, I will raise a point of order under the Budget Act.

Mr. GREGG. Will the Senator yield?

Mr. DOMENICI. I will be glad to yield.

Mr. GREGG. Is not the practical effect of this amendment that you have to forward borrow, you have to borrow the money now to pay for the money that is going into the trust fund, to pay for the activity that that money would have naturally paid for? So this actually aggravates the deficit. On its face, it must aggravate the deficit because you are going to have to borrow further in order to pay for expenditures you are going to incur in order to cover the money that goes into the trust fund. So the practical effect of this is that the deficit is going to be increased.

Mr. DOMENICI. The practical effect is whatever you put in the trust fund, if you need money to pay the bills, you are going to borrow the money. So it could clearly turn out the Senator's way. I think that is an excellent question.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, anybody who will read this will see that these revenues are deposited into this fund. You do not borrow anything. Let me just read it: "None of the funds in this act shall be available for appropriation, obligation, or transfer except as specified. They shall be used exclusively to redeem maturing debt obligations of the Treasury of the United States."

My friend from New Mexico knows what a sham is all right, and he knows when the Republicans propose trust funds it is no sham. It is OK. But let the Democrats do so and all of a sudden it is a sham.

The PRESIDING OFFICER. All time is used.

Mr. DECONCINI. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I raise a point of order that the amendment is not germane.

The PRESIDING OFFICER. The point of order has been raised based on germaneness.

Mr. DECONCINI. Mr. President, I move to waive the germaneness rule of the Budget Act.

The PRESIDING OFFICER. The motion to waive the Budget Act has been made.

Mr. DECONCINI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will occur on the motion to waive the Budget Act.

Who yields time?

The next amendment in order is the McCain amendment. The Senator from Arizona is recognized.

AMENDMENT NO. 519

(Purpose: To restore to the Social Security trust funds the revenues resulting from the aggregate increase in tax liabilities attributable to the amendments made to section 86 of the Internal Revenue Code of 1986)

Mr. MCCAIN. Mr. President, I will try not to take but 3 minutes. The amendment dictates that all funds that are collected from this increase in taxes on Social Security——

The PRESIDING OFFICER. The Senator must, if I may remind him, send the amendment to the desk.

Mr. McCAIN. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The 3 minutes is equally divided.

Mr. McCAIN. Mr. President, I call up amendment 519 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arizona [Mr. McCain], for himself and Mr. Brown, proposes an amendment numbered 519.

Mr. McCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike subsection (c) of section 8215.

Mr. McCAIN. Mr. President, the amendment requires that moneys raised as a result of the increase in Social Security taxes be——

The PRESIDING OFFICER. The Senator will suspend. The Senator is entitled to be heard. Please clear conversations out of the well and take your seats. It is very difficult to be heard.

The Senator from Arizona.

Mr. McCAIN. I thank the Chair.

Mr. President, the amendment requires that the Social Security taxes that are collected as a result of the passage of this legislation, rather than being diverted for any other use, must be placed in the Social Security trust fund.

Mr. President, the Social Security trust fund in 1983 was hemorrhaging in the amount of $1 million a day.

The fact is that the Social Security trust fund in the view of many experts is by no means sound. We made a deal with the people of this country, the senior citizens of this country, in 1983, in return for raising their taxes, we would ensure the solvency of the Social Security trust fund. We are breaking that deal we made with them as we speak. These funds should and must go in order to make sure that the Social Security trust fund is solvent well into the next century. We have no confidence of that at this time. Instead, we are now raising the Social Security taxes on the American people and diverting them for other uses. In my view, that is not acceptable and this amendment will correct that inequity.

I reserve the remainder of my time.

Mr. MITCHELL. Mr. President, this is a thinly disguised attempt to kill this whole bill. Under the law, a change in the Social Security trust fund provision, the OASDI trust fund, if included in the reconciliation bill, renders the entire bill subject to a point of order.

This amendment has nothing to do with the Social Security Act; it has to do with trying to kill this bill by making it subject to a point of order.

The fact is that the trust fund that will be insolvent in a few years is the hospital insurance trust fund, the Medicare trust fund, and it is to that trust fund which the funds are directed under the bill.

This amendment would remove them and put them into the retirement and disability trust fund which is not on the verge of insolvency and in the process subject the entire bill to a point of order.

This amendment has one purpose and one purpose only, to defeat the overall reconciliation bill.

Mr. President, I reserve the remainder of my time.

Mr. McCAIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arizona has 21 seconds remaining.

Mr. McCAIN. This amendment is not an attempt to do anything except to preserve the solvency of the Social Security trust fund and preserve the commitment that we made to all the Americans that contributed to the Social Security trust fund, are contributing, and will need to draw from it in the future. If there are problems with the hospital trust fund, let us fix it. Let us not break and destroy the Social Security trust fund in order to fix another fund that is broken.

Mr. MITCHELL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 19 seconds remaining.

Mr. MITCHELL. I yield to the Senator from West Virginia.

The PRESIDING OFFICER (Mr. Bryan). The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. I thank the majority leader.

Mr. President, I will say to my colleagues on this side of the aisle that I hope they heard the words of the majority leader very, very clearly. In spite of what the Senator from Arizona has said, this is an absolute bill killer. It is intended for no other reason. It is subjected to a point of order, and I hope all of my colleagues are listening and will not be for one moment fooled by the purpose of this amendment, that they will defeat the amendment presented by the Senator from Arizona.

Mr. MITCHELL. Mr. President, is it in order now to make a motion to table the McCain amendment?

The PRESIDING OFFICER. The motion to table is appropriate at this time. If a vote is ordered, it would be taken up at the appropriate time in sequence.

Mr. MITCHELL. Mr. President, I move to table the McCain amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 556

(Purpose: To extend and strengthen the Budget Enforcement Act of 1990)

Mr. SASSER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. Sasser], for himself, Mr. Mitchell, and Mr. Dodd, proposes an amendment numbered 556.

Mr. SASSER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following new title:

TITLE XIV—ENFORCEMENT PROCEDURES.

Part A—Extension of Budget Enforcement

SEC. 14001. PURPOSE.

The Congress declares that it is essential to—

(1) preserve the deficit reduction achieved by this Act;

(2) extend the system of discretionary spending limits for the single discretionary category set forth in section 601 of the Congressional Budget Act of 1974;

(3) extend the pay-as-you-go enforcement system; and

(4) prohibit the consideration of direct spending or receipts legislation that would decrease the pay-as-you-go surplus achieved by this Act and created under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 14002. DISCRETIONARY SPENDING LIMITS.

(a) Definition of Discretionary Spending Limit.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended—

(1) in subparagraph (D) by striking the word "and"; and

(2) by inserting after subparagraph (E) the following:

"and

"(F) with respect to fiscal years 1996, 1997, and 1998, for the discretionary category, the amounts set forth for those years in section 12(b)(1) of House Concurrent Resolution 64 (One Hundred Third Congress);".

(b) Point of Order in the Senate.—Section 601(b)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

"(1) Except as otherwise provided in this subsection, it shall not be in order in the Senate to consider any concurrent resolution on the budget for fiscal year 1995, 1996, 1997, or 1998 (or amendment, motion, or conference report on such a resolution) that would exceed any of the discretionary spending limits in this section.".

(c) Conforming Amendments.—(1) Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in subsection (a) by striking "Fiscal Years 1991-1995 Enforcement.—" and inserting "Fiscal Years 1991-1998 Enforcement.—";

(B) in subsection (b)(1)—

(i) in the matter before subparagraph (A), by—

(I) striking "When the President submits the budget under section 1105(a) of title 31, United States Code, for budget year 1992, 1993, 1994, or 1995" and inserting "When the President submits the budget under section 1105(a) of title 31, United States Code, for budget year 1992, 1993, 1994, 1995, 1996, 1997, or 1998"; and

(II) striking "the budget shall include, adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear through 1995" and inserting "the budget shall include, adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear through 1998";

(ii) in paragraph (1)(B), by inserting at the end thereof the following new clause:

"(iii) For a budget submitted for budget year 1996, 1997, or 1998, the adjustments shall be those necessary to reflect changes in inflation estimates since those of March 31, 1993, set forth on page 46 of House Conference Report 103-48."

(iii) in the matter before subparagraph (A) in paragraph (2) by—

(I) striking "When OMB submits a sequestration report under section 254 (g) or (h) for fiscal year 1991, 1992, 1993, 1994, or 1995" and inserting "When OMB submits a sequestration report under section 254 (g) or (h) for fiscal year 1991, 1992, 1993, 1994, 1995, 1996, 1997, or 1998"; and

(II) striking "for the fiscal year and each succeeding year through 1995," and inserting "for the fiscal year and each succeeding year through 1998,";

(iv) in paragraph (2)(D)(i), by striking "for fiscal year 1991, 1992, 1993, 1994, or 1995," and inserting "for any fiscal year,";

(v) in paragraph (2)(E), by—

(I) striking the final word "and" in subparagraph (ii); and

(II) inserting before the final period the following:

"; and

"(iv) if, for fiscal years 1994, 1995, 1996, 1997, and 1998, the amount of new budget authority provided in appropriation Acts exceeds the discretionary spending limit on new budget authority due to technical estimates made by the Director of the Office of Management and Budget, the adjustment is the amount of the excess, but not to exceed an amount (for any one fiscal year) equal to 0.1 percent of the adjusted discretionary spending limit on new budget authority for that fiscal year"; and

(vi) in paragraph (2)(F), by inserting immediately before the final period the following:", and not to exceed 0.5 percent of the adjusted discretionary spending limit on outlays for the fiscal year in fiscal year 1996, 1997, or 1998".

(2) REPORTS.—Sections 254(d)(2) and 254(g)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 are each amended by striking "1995" and inserting "1998".

(3) EXPIRATION.—(A) Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, sections 250, 251, 252, and 254 through 258C of that Act shall expire on September 30, 1998.

(B) Section 607 of the Congressional Budget Act of 1974 is amended by striking "shall apply to fiscal years 1991 to 1995" and inserting "shall apply to fiscal years 1991 to 1998".

SEC. 14003. ENFORCING PAY-AS-YOU-GO.

(a) Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (a), by striking "FISCAL YEARS 1992–1995 ENFORCEMENT." and inserting "FISCAL YEARS 1992–1998 ENFORCEMENT.";

(2) in subsection (d), by striking "estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1995" both places that it appears and inserting "estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1998" both places; and

(3) in subsection (e), by striking "for fiscal year 1991, 1992, 1993, 1994, or 1995," and inserting "for any fiscal year from 1991 through 1998,".

(b) Section 254(g)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "1995" and inserting "1998".

(c) Upon enactment of this Act, the Director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net deficit reduction achieved through the enactment in this Act of direct spending and receipts legislation for that year.

SEC. 14004. EXERCISE OF RULE-MAKING POWERS.

The Congress enacts the provisions of this part—

(1) as an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such these provisions should be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

Mr. SASSER. Mr. President, the purpose of this amendment is simply to lock in the domestic discretionary savings and also will lock in the pay-as-you-go savings that we have achieved here through reconciliation.

First, through sequesters and points of order, the amendment will continue the controls enacted in the 1990 budget agreement on the discretionary spending accounts. There will be one cap, and one cap alone on all discretionary spending.

Second, the amendment extends the so-called pay-go. The pay-go will ensure that new entitlement and tax legislation will be deficit neutral. As we saw in the appropriations cap, pay-go will also be enforced through sequestration.

Third, and last, the amendment adjusts the balances under the pay-go to assure that any savings achieved in reconciliation cannot be spent.

So, in essence, what this amendment does is simply preserve the savings that we say we are going to make under reconciliation. We throw out a lasso and get the discretionary accounts that move through the Appropriations Committee and place a discretionary cap over those so that we can indeed achieve the over $500 billion in savings that we are promising.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, might I ask the chairman a question?

The Nunn-Domenici amendment phases in with an amendment of the type that the Senator has. I gather that just as the Senator's amendment is a subject to a point of order, that he intends to raise the point of order again on the Domenici-Nunn amendment. Is that correct?

Mr. SASSER. That is my present intention, I say to my friend from New Mexico. If I did not raise a point of order on the Domenici-Nunn amendment, others would on my side.

Mr. DOMENICI. Mr. President, could I ask a question? In other words, we are going to be treated with a different requirement in terms of votes unless we make a point of order against yours even though we are talking about the same kind of budget restraint?

Mr. SASSER. I think there is a substantial difference because what we are talking about doing here is putting a cap on all discretionary accounts. What the Nunn-Domenici amendment seeks to do, as I understand it, is reinstitute the walls between defense, domestic, and foreign aid spending—have three caps.

Mr. DOMENICI. Might I ask the chairman? We currently operate with one major cap if the law is not changed for the next 3 years—2 years.

Mr. SASSER. Unless the law is changed——

The PRESIDING OFFICER. Under the agreement, the time has expired.

Mr. DOMENICI. Mr. President, I can reserve the opportunity to make a point of order to just prior to the vote, can I not?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I reserve that right.

The PRESIDING OFFICER. Under the previous order, the Senator from Texas [Mr. GRAMM] is recognized.

AMENDMENT NO. 557

(Purpose: To guarantee deficit reduction)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 557.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . RESTORATION OF MAXIMUM DEFICIT AMOUNTS.

(a) MAXIMUM DEFICIT AMOUNTS.—

(1) AMOUNTS.—Section 601(a)(1) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and inserting the following:

"(D) with respect to fiscal year 1994, $253,800,000,000;

"(E) with respect to fiscal year 1995, $236,900,000,000;

"(F) with respect to fiscal year 1996, $205,000,000,000;

"(G) with respect to fiscal year 1997, $192,600,000,000; and

"(H) with respect to fiscal year 1998, $201,900,000,000.".

(2) Definition.—(A) Section 250(c)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by—

(i) striking "terms 'maximum deficit amount' and" and inserting "term"; and

(ii) striking "sections 251 and 252" and inserting "section 251".

(B) Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end thereof the following:

"(22)(A) The term 'maximum deficit amount' means the amount set forth in section 601(c)(1) of the Congressional Budget Act of 1974.

"(B) For purposes of this paragraph, the term 'deficit' means, with respect to any fiscal year, the amount by which total budget outlays for such fiscal year exceed total revenues for such fiscal year. In calculating the deficit for purposes of section 253 of such Act (notwithstanding section 710(a) of the Social Security Act or any other provision of law), for any fiscal year, the receipts of the Federal Old Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for such fiscal year and the taxes payable under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954 during such fiscal year shall be included in total revenues for such fiscal year, and the disbursements of each such Trust Fund for such fiscal year shall be included in total budget outlays for such fiscal year. Notwithstanding any other provision of law except to the extent provided by section 710(a) of the Social Security Act, the receipts, revenues, disbursements, budget authority, and outlays of each off-budget Federal entity for a fiscal year shall be included in total budget authority, total budget outlays and total revenues and the amounts of budget authority and outlays set forth for each major functional category, for such fiscal year. Amounts paid by the Federal Financing Bank for the purchase of loans made or guaranteed by a department, agency, or instrumentality.".

(3) No margin or adjustments.—Section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in subsection (a) by striking "if it exceeds the margin";

(B) in subsection (b)—

(i) in paragraph (1) by inserting "and" after the semicolon;

(ii) in paragraph (2) by striking "; and" and inserting a period;

(iii) by striking paragraph (3) and the text that follows; and

(C) by striking subsection (g) and redesignating subsection (h) as subsection (g).

(4) 60 vote point of order.—Section 904 of the Congressional Budget Act of 1974 is amended—

(A) in the second sentence of subsection (c) by striking "and 606(c)" and inserting "605(b), and 606(c)"; and

(B) in the third sentence of subsection (d) by striking "and 606(c)" and inserting "605(b), and 606(c)".

(5) Elimination of social security deficit.—Not later than October 1, 2000, Congress may adopt budget procedures for the elimination of the non-Social Security deficit by not later than September 30, 2005. The non-Social Security deficit shall be defined as the Federal budget deficit excluding the receipts and outlays of the Social Security Trust Fund.

(6) Extension of procedures and points of order.—The procedures and points of order provided in the Congressional Budget Act of 1974 and the Balanced Budget and Emergency Deficit Control Act of 1985 applicable to the enforcement of the maximum deficit amount for fiscal year 1993 set forth in section 601(a)(1) of the Congressional Budget Act of 1974 shall apply to the enforcement of the maximum deficit amount imposed by the amendment made by paragraph (1) as modified by this subsection and subsection (c).

(b) Look-Back Sequester.—Section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end thereof the following new subsection:

"(i) Look-Back Sequester.—

"(1) In general.—On July 1 of each fiscal year, the Director of OMB shall determine if laws effective during the current fiscal year will cause the deficit to exceed the maximum deficit amount for such fiscal year. If the limit is exceeded, there shall be a preliminary sequester on July 1 to eliminate the excess.

"(2) Permanent sequester.—Budget authority sequestered on July 1 pursuant to paragraph (1) shall be permanently canceled on July 15.

"(3) No margin.—The margin for determining a sequester under this subsection shall be zero.

"(4) Sequestration procedures.—The provision of subsections (c), (d), and (e) of this section shall apply to a sequester under this subsection.".

Mr. GRAMM. Mr. President, if you look at the Democratic budget which has now been adopted, you see that this budget promises the American people that the deficit in fiscal year 1994 will be $253.8 billion; in 1995, it will be $236.8 billion; in 1996, $205 billion; in 1997, $192.5 billion; then in 1998, it starts to go back up, at $201.9 billion.

The problem is there is no enforcement mechanism to see that these deficit targets are actually met. To show we mean what we say, I have sent an amendment to the desk that would reimpose the fixed targets of the Gramm-Rudman law to guarantee the deficit reduction claimed in the budget before us.

If we really mean it when we say we are going to achieve these levels of deficit reduction, then let us enforce it with the only mechanism that we have ever had that has truly reduced the deficit. I remind my colleagues in the 5 years before the Gramm-Rudman-Hollings law was repealed, that the deficit was reduced by 43 percent because we had a sequester process, and we had an enforcement mechanism.

What I suggest we do is put it back into place. This does not change the Clinton deficit targets.

It simply says: Let us mean it when we say it, and let us enforce it by making it the law of the land; and let us have a process that cuts spending to achieve those deficits, if we fail to do it.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, what we are talking about here is a reextension of Gramm-Rudman-Hollings. I am not sure Senator Hollings would want his name associated with it now. But the history of Gramm-Rudman-Hollings—or Gramm-Rudman—has been a sorry one of unrealistic promises and inevitable failure.

The deficit, in 1986, when Gramm-Rudman was passed, stood at $221 billion. In the last year of Gramm-Rudman being effective, or in existence, we still had the same deficit of $221 billion. So there were no deficit reductions, and all it led to was episodes of trickery, budget dishonesty, of using exaggerated economic assumptions, and juggling the books. It went a long way, I think, toward discrediting the budget process here in the legislative branch of Government, operating in conjunction, in those days, with the executive branch.

I do not think we want to go down that road again, Mr. President. Fool me once, shame on you; fool me twice, shame on me. I do not think we are going to let ourselves be fooled twice on this Gramm-Rudman business.

How much time is remaining?

The PRESIDING OFFICER. All time has expired.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Parliamentary inquiry, Mr. President. Does not the question now recur on the Bryan amendment?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 543

The PRESIDING OFFICER. The question is on the motion to waive the Budget Act offered by the Senator from Nevada. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Nebraska [Mr. Kerrey] is necessarily absent.

I also announce that the Senator from Washington [Mrs. Murray] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. Murray] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. Specter] is absent due to illness.

The PRESIDING OFFICER (Mr. Mathews). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 52, nays 45, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—52

Akaka
Biden
Boren
Boxer
Bradley
Bryan
Bumpers
Byrd
Coats
Cohen
Danforth
Dodd
Exon
Feingold
Feinstein
Glenn
Gorton
Graham
Gregg
Harkin
Hollings
Inouye
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Levin
Lieberman
Lugar
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nickles
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Simon
Smith
Warner
Wellstone
Wofford

NAYS—45

Baucus
Bennett
Bingaman
Bond
Breaux
Brown
Burns
Campbell
Chafee
Cochran
Conrad
Coverdell
Craig
D'Amato
Daschle
DeConcini
Dole
Domenici
Dorgan
Durenberger
Faircloth
Ford
Gramm
Grassley
Hatch
Hatfield
Heflin
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Leahy
Lott
Mack
McCain
McConnell
Murkowski
Packwood
Pressler
Shelby
Simpson
Stevens
Thurmond
Wallop

NOT VOTING—3

Kerrey
Murray
Specter

The PRESIDING OFFICER. On this vote, the yeas are 52, the nays are 45, three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

The amendment contains additional subject matter not contained in this bill and falls for that reason.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER (Mr. BRYAN). If the majority leader will suspend, the Senate is not in order.

The majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, and Members of the Senate, there will now be 12 votes in succession. They will be 10 minutes each.

I ask, I implore, Senators to remain in the Chamber out of courtesy to their colleagues so that we do not have to extend these votes. They are going to be cut off at 10 minutes.

Everybody should understand that now. That was previously agreed to by unanimous consent. So at no longer than 10 minutes, each of these votes will be cut off, and no Senator will be accommodated because of a request of on the way, or enroute, or on the subway, or some other such formulation.

These will be no more than 10 minutes. We can get through this civilly and with respect to our colleagues if we do it as promptly as possible and Senators remain in the Chamber.

Mr. President, I want to make that clear. There is no 5 minutes extra. These are 10 minute votes. Ten minutes means 10 minutes. Everybody should understand that. Every Senator is on notice. Every Senator should remain in the Chamber. There will be 12 votes in succession.

I thank my colleagues for their courtesy.

I ask unanimous consent that the Chair state, prior to each vote, the subject matter of the vote.

The PRESIDING OFFICER. Without objection, that will be the order.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

AMENDMENT NO. 544

Mr. SASSER. Mr. President, the next amendment, I believe, is the Domenici-Nunn amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. SASSER. Mr. President, I raise a point of order that the pending amendment violates section 313(b)(1)(A) of the Congressional Budget Act of 1974.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, pursuant to the appropriate section of the Budget Act, I move to waive the point of order against the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, would you state what the amendment is?

The PRESIDING OFFICER. The Chair will do so.

The question is on agreeing to the motion to waive the Budget Act to the Domenici-Nunn amendment numbered 544, which deals with defense international and domestic spending for the fiscal year 1995.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. Murray] is absent because of illness.

I further announce that if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the chamber who desire to vote?

The yeas and nays resulted—yeas 53, nays 45, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—53

Bennett
Bingaman
Bond
Boren
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dole
Domenici
Durenberger
Faircloth
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Hatch
Heflin
Helms
Hutchison
Kassebaum
Kempthorne
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NAYS—45

Akaka
Baucus
Biden
Boxer
Bradley
Breaux
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Harkin
Hatfield
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Pell
Pryor
Reid
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. On this vote the yeas are 53, the nays are 45. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment has no budgetary effect and violates section 313(b)(1)(A) of the Budget Act, and falls for that reason.

The Senator from Tennessee is recognized.

AMENDMENT NO. 542

Mr. SASSER. Mr. President, I raise a point of order that the pending amendment violates section 313(b)(1)(A) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. BRADLEY. Pursuant to the appropriate section of the Budget Act, I move to waive the Budget Act.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on the motion to waive section 313(b)(1)(A) of the Budget Act.

Under the unanimous-consent agreement, the Chair announces that the underlying amendment propounded by Mr. BRADLEY is to create a legislative item veto by requiring separate enrollment of items in appropriations bills and tax expenditure provisions in revenue bills.

The clerk will call the roll.

Mr. BYRD. Mr. President, I ask the clerk will repeat the vote of each Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY], is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER], is absent due to illness.

The PRESIDING OFFICER (Mr. DASCHLE). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 53, nays 45, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—53

Bennett
Biden
Bond
Boren
Bradley
Brown
Burns
Chafee
Coats
Coverdell
Craig
D'Amato
Danforth
Dole
Durenberger
Faircloth
Feinstein
Gorton
Graham
Gramm
Grassley
Gregg
Hatch
Helms
Hollings
Hutchison
Kassebaum
Kempthorne
Kennedy
Kerry
Kohl
Lautenberg
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Shelby
Simon
Simpson
Smith
Thurmond
Wallop
Warner
Wofford

NAYS—45

Akaka
Baucus
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Campbell
Cochran
Cohen
Conrad
Daschle
DeConcini
Dodd
Domenici
Dorgan
Exon
Feingold
Ford
Glenn
Harkin
Hatfield
Heflin
Inouye
Jeffords
Johnston
Kerrey
Leahy
Levin
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Pell
Pryor
Reid
Riegle
Rockefeller
Sarbanes
Sasser
Stevens
Wellstone

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

The amendment offered by the Senator from New Jersey has no budgetary effect and violates section 313 of the congressional Budget Act. The amendment falls for that reason.

Mr. MITCHELL. I move to reconsider the vote.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 547

Mr. MITCHELL. Mr. President, it is my understanding that the next amendment is the McConnell Amendment, and I will at the appropriate time move to table that amendment and ask for the yeas and nays.

Mr. McCONNELL. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MITCHELL. Mr. President, I move to table the McConnell amendment, and I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the McConnell amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The result was announced—yeas 55, nays 43, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—55

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—43

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Murray
Specter

So the motion to table the amendment (No. 547) was agreed to.

AMENDMENT NO. 548

Mr. ROCKEFELLER. Mr. President, I raise a point of order that the pending amendment violates section 310(d)(2) of the Congressional Budget Act.

Mr. GRAHAM. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive title III of the act for the consideration of my amendment. And I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER], is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 15, nays 83, as follows:

[Rollcall Vote No. 178 Leg.]

YEAS—15

Bumpers
DeConcini
Feingold
Graham
Harkin
Heflin
Jeffords
Lautenberg
Mathews
Metzenbaum
Mikulski
Moseley-Braun
Pell
Simon
Wellstone

NAYS—83

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feinstein
Ford
Glenn
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hollings
Hutchison
Inouye
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. On this vote, the yeas are 15, the nays are 83. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment would have the effect of decreasing the net level of deficit reduction in the jurisdiction of the Committee on Finance, below the level of such deficit reduction in that jurisdiction as set forth in the concurrent resolution on the budget, in violation of section 310(d)(2) of the congressional Budget Act of 1974.

The point of order is sustained, and the amendment fails.

Mr. SASSER. Mr. President, I move to reconsider the vote.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DANFORTH POINT OF ORDER

The PRESIDING OFFICER. The next vote is on a motion to waive the budget act. The motion was made in response to a point of order made by Senator DANFORTH against page 13, lines 15 through 25, on the grounds that those provisions violate section 313 of the budget act.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 38, nays 60, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—38

Akaka
Baucus
Bingaman
Boxer
Bryan
Bumpers
Campbell
Cohen
Daschle
DeConcini
Dodd
Feingold
Feinstein
Ford
Glenn
Graham
Heflin
Hollings
Inouye
Jeffords
Johnston
Kohl
Leahy
Levin
Mathews
Mikulski
Mitchell
Moseley-Braun
Pell
Pryor
Reid
Riegle
Robb
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—60

Bennett
Biden
Bond
Boren
Bradley
Breaux
Brown
Burns
Byrd
Chafee
Coats
Cochran
Conrad
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Gorton
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Helms
Hutchison
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Lautenberg
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Metzenbaum
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pressler
Rockefeller
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. On this vote, the yeas are 38, the nays are 60. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

The provision on page 13, lines 15 through 25, has no budgetary effect and thus violates section 313(b)(1)(A) of the Budget Act. The point of order is sustained and the provision is stricken from the bill.

AMENDMENT NO. 551

The PRESIDING OFFICER. The question occurs on the motion to waive the Budget Act for the consideration of amendment numbered 551 offered by Senators BRYAN and REID.

The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 20, nays 78, as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—20

Biden
Bond
Brown
Bryan
DeConcini
Dorgan
Exon
Faircloth
Feingold
Glenn
Hollings
Kassebaum
Leahy
Levin
Lott
Mathews
Metzenbaum
Nickles
Reid
Sasser

NAYS—78

Akaka
Baucus
Bennett
Bingaman
Boren
Boxer
Bradley
Breaux
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
Dodd
Dole
Domenici
Durenberger
Feinstein
Ford
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hutchison
Inouye
Jeffords
Johnston
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Lieberman
Lugar
Mack
McCain
McConnell
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Nunn
Packwood
Pell
Pressler
Pryor
Riegle
Robb
Rockefeller
Roth
Sarbanes
Shelby
Simon
Simpson
Smith
Stevens
Thurmond
Wallop
Warner
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. On this vote, the yeas are 20, the nays are 78. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment is nongermane and falls for that reason.

AMENDMENT NO. 549

The PRESIDING OFFICER. The question occurs on the Brown amendment No. 549. The yeas and nays have been ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I understand this amendment is acceptable to the majority and I ask unanimous consent to vitiate the request for the yeas and nays.

The PRESIDING OFFICER. Is there objection?

Mr. CHAFEE. Mr. President, this amendment puts it all in, the gasoline tax, into the highway trust fund. I do object to that.

The PRESIDING OFFICER. Objection is heard.

Mr. SASSER. It is my understanding that the amendment offered by the Senator from Colorado simply puts the funds that are collected into the highway trust fund, into the appropriate trust funds.

Mr. CHAFEE. It takes it from the general—money that was going into the general funds to pay for general purposes of the country and puts it into a restricted fund where it is going to be appropriated out solely for highways. We have already done that in the bill. There was a 2.5 cent gasoline tax that has been going into the general fund. That is now diverted to the highway trust fund.

The PRESIDING OFFICER. The Chair will remind Senators debate is not in order.

Is there an objection to the request made by the Senator from Colorado?

Mr. CHAFEE. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will call the roll.

Mr. BENNETT. Mr. President, what is the issue? Are we voting up or down or voting on a motion to table? What is the issue?

The PRESIDING OFFICER. The question occurs on the Brown amendment No. 549. The yeas and nays have been ordered on the amendment.

Mr. BENNETT. Thank you.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 66, nays 32, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—66

Baucus
Bennett
Bingaman
Bond
Boren
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Gorton
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Helms
Hollings
Hutchison
Jeffords
Kassebaum
Kempthorne
Kerrey
Kohl
Lautenberg
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mitchell
Murkowski
Nickles
Nunn
Pressler

Pryor
Reid
Riegle
Sarbanes
Sasser
Simpson
Smith
Stevens
Thurmond
Wallop
Warner
Wofford

NAYS—32

Akaka
Biden
Boxer
Bradley
Breaux
Chafee
DeConcini
Dodd
Feingold
Feinstein
Ford
Glenn
Graham
Heflin
Inouye
Johnston
Kennedy
Kerry
Leahy
Mathews
Metzenbaum
Mikulski
Moseley-Braun
Moynihan
Packwood
Pell
Robb
Rockefeller
Roth
Shelby
Simon
Wellstone

NOT VOTING—2

Murray
Specter

AMENDMENT NO. 545

The PRESIDING OFFICER. The question is on agreeing on the motion to waive the Budget Act for consideration of the Bumpers amendment numbered 545. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER (Mr. LEVIN). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 69, nays 29, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—69

Baucus
Bennett
Biden
Bingaman
Bond
Boren
Brown
Bryan
Bumpers
Burns
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
Dole
Domenici
Exon
Faircloth
Feinstein
Ford
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inouye
Johnston
Kassebaum
Kempthorne
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lott
Lugar
Mack
Mathews
McCain
McConnell
Mikulski
Murkowski
Nickles
Nunn
Packwood
Pressler
Pryor
Reid
Roth
Sarbanes
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NAYS—29

Akaka
Boxer
Bradley
Breaux
Byrd
Campbell
Chafee
Danforth
DeConcini
Dodd
Dorgan
Durenberger
Feingold
Glenn
Jeffords
Kennedy
Lieberman
Metzenbaum
Mitchell
Moseley-Braun
Moynihan
Pell
Riegle
Robb
Rockefeller
Sasser
Simon
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER (Mr. LEVIN). On this vote the yeas are 69, the nays are 29. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 545) was agreed to.

AMENDMENT NO. 555

The PRESIDING OFFICER. The question now occurs on the motion to waive the Congressional Budget Act for consideration of the DeConcini amendment, No. 555.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY], is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 55, nays 43, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—55

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Wellstone
Wofford

NAYS—43

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. On this vote, the yeas are 55, the nays are 43. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to. The amendment is not germane. It falls for that reason.

AMENDMENT NO. 519

The PRESIDING OFFICER. The question now occurs on the motion to table the McCain amendment No. 519. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The yeas and nays resulted—yeas 57, nays 41, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—57

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Chafee
Conrad
Daschle
DeConcini
Dodd
Dorgan
Durenberger
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—41

Bennett
Bond
Brown
Burns
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Murray
Specter

So the motion to lay on the table the amendment (No. 519) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote.

Mr. BREAUX. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 556

The VICE PRESIDENT. The next question is on amendment No. 556 offered by Mr. SASSER and others.

The Senator from Tennessee.

Mr. SASSER. Mr. President, I ask unanimous consent that the Senate waive title III of the Congressional Budget Act for the consideration of this amendment, that the language of this amendment if offered as part of an amendment to H.R. 2264, and language on the same subject matter—that is extension of current budget process law—in the conference report on H.R. 2264.

The VICE PRESIDENT. Is there objection?

Mr. DOMENICI. Reserving right to object, Mr. President, I do not understand why we need unanimous consent. I have told the chairman we would accept the amendment so I am still willing to do that. Unless I understand some reason to have unanimous consent I am going to object. If you can convince me we can do something more by unanimous consent than by us accepting your amendment—we are saying we want to help you make the bill, as bad as we think it is, enforceable. We are willing to do that. We have talked about it on our side and that is ready.

What is the unanimous consent requirement? What is that about?

Mr. SASSER. The unanimous consent requirement, I am advised by counsel, is necessary if we are to protect the bill from a point of order later on down the line as we substitute the House bill for the Senate bill, and later as we go to conference and bring it back.

Mr. DOMENICI. I think on that score I am going to object. I do not understand it. Maybe you can convince me and I will let you have a unanimous consent later.

We will accept the amendment but I object to a unanimous consent.

The VICE PRESIDENT. Objection is heard.

Mr. SASSER. Then I move to waive title 3 of the Congressional Budget Act for consideration of this amendment, the language of this amendment if offered as part of an amendment to H.R. 2264, and language on the same subject matter—extension of current budget process law—in the conference report of H.R. 2264.

Mr. DOMENICI. You have so moved, so you are entitled to that, I assume. Could you give the Senator from New Mexico—I think that is debatable. I do not want to take any time.

Mr. SASSER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President I——

Mr. SASSER. Is there time?

The VICE PRESIDENT. The Senator from Tennessee is recognized.

Mr. SASSER. Is there time for debate on this particular issue?

The VICE PRESIDENT. The Chair will advise that there are 11 minutes remaining to the Senator from New Mexico for the purpose of general debate. The Senator from New Mexico is recognized if he wishes.

Mr. DOMENICI. I thank the Chair. Let me just say to my friend, I am not sure what this is all about but I was trying to be accommodating and I do not know whether I should just ask the Republican Senators to vote no, in which event you will lose because you need 60 votes. I might do that because it seems to me we are trying to be helpful but we do not understand. I do not want to waste the 11 minutes that we have, but I do think it is only fair that we find out what this is really about. Maybe it is serious. Maybe it is serious enough for us to defeat the amendment? Whichever you prefer.

I suggest the absence of a quorum. Perhaps we could take a minute or two and talk about it.

Mr. SASSER. That is satisfactory.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. MATHEWS). Without objection, it is so ordered.

Mr. SASSER. Mr. President, rather than delay our colleagues any more than is absolutely necessary, it has been suggested that we move forward and dispose of the next amendment, which is a Gramm amendment, and then return to the Sasser amendment, laying it aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 557

Mr. SASSER. Mr. President, I raise a point of order on the Gramm amendment, that it violates the pertinent section of the Congressional Budget Act of 1974.

Mr. GRAMM. Mr. President, I move to waive the relevant part of the Budget Act.

The PRESIDING OFFICER. The question is on the motion to waive the relevant part of the Congressional Budget Act.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to waive the relevant part of the Congressional Budget Act. The clerk will call the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 43, nays 55, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—43

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NAYS—55

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Chair would request of the Senator from Tennessee to specify the section of the Budget Act.

Mr. SASSER. Mr. President, let me clarify. Section 313(b)(1)(A) of the Budget Act of 1974.

The PRESIDING OFFICER. The amendment of the Senator from Texas has no budgetary effect, and for that reason violates section 313(b)(1)(A) of the Congressional Budget Act of 1974.

The point of order is sustained.

The amendment falls.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. As we are waiting, I wonder if I could make a parliamentary inquiry about what will be the status of how we will proceed after we vote on the one remaining amendment? Do we have word on that? Do we have other amendments that will be in order?

Mr. SASSER. Mr. President, I am sorry; I cannot respond to the Senator from Mississippi because I cannot hear him.

The PRESIDING OFFICER. The Senate will be in order.

Mr. LOTT. I was just inquiring about what will be the procedure once we dispose of this one remaining amendment that has been agreed to.

Mr. SASSER. Once we dispose of this last remaining amendment, the Sasser amendment, then may I inquire of the Chair how much time will be remaining on the bill at that juncture?

The PRESIDING OFFICER. There are 6 minutes remaining at this time.

Mr. SASSER. We are virtually out of time.

The 6 minutes is allocated to the minority, as I understand it. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. SASSER. So the minority has 6 minutes. And with the exhaustion of that time, we are ready to go to final passage, unless there are individual amendments out there which Senators may call up. There will be no time for debate. They can simply call up the amendment, and we vote it up or down and that is it.

Now, in view of the lateness of the hour, it is now 1:20. We have to dispose of the Sasser amendment here, and I am hopeful we would not see any additional amendments emerging at this late hour.

I see the majority leader is on his feet, and I certainly want to yield to him.

Mr. DOMENICI. Mr. President, I understand that I have 6 minutes remaining. As I indicated before, I am trying to work out something on that other proposition.

Could I yield 2 minutes of my 6 minutes to Senator BURNS for purposes of discussing an amendment that he will either offer now or at some point? He may offer it when we are out of time, but he will have 2 minutes of my time to explain his amendment.

The PRESIDING OFFICER. The Senator has that right.

Mr. BURNS. I thank the Chair and I thank the Senator from New Mexico.

I will be offering an amendment. It is pretty simple. I ask my colleagues for support. It merely says that all language contained in this bill which raises revenue shall become effective no earlier than the date of the enactment. So in other words, I believe we just do not need retroactive taxes. If we are going to pass this bill, then they will go into effect only on enactment, whenever the President signs it into law. The effective date for individuals is July 1, 1993. They would like you to believe that is not retroactive, but it really becomes a retroactive rate.

So I will be offering that amendment upon the action taken on the amendment that is pending.

Mr. President, I yield the floor and reserve the remainder of my time.

Mr. SASSER. Mr. President, does the Senator want to offer his amendment at this time?

Mr. BURNS. If I would not be out of order, I would call it up.

Mr. SASSER. Well, I think we have laid aside the Sasser amendment, so——

Mr. BURNS. Then I will soon send it to the desk. I will ask to send it to the desk and ask for its immediate consideration and then ask for the yeas and nays.

Mr. President, I add that this amendment is offered in my name and Senator HUTCHISON of Texas, with cosponsors Senators DOLE, MCCONNELL, MACK, DURENBERGER, CRAIG, COATS, SMITH, GREGG, BROWN, LOTT, NICKLES, WARNER, THURMOND, HATFIELD, and ROTH of Delaware.

The PRESIDING OFFICER. The Sasser amendment is set aside.

AMENDMENT NO. 558

Mr. BURNS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BURNS], for himself, Mrs. HUTCHISON, Mr. DOLE, Mr. MCCONNELL, Mr. MACK, Mr. DURENBERGER, Mr. GRAIG, Mr. COATS, Mr. SMITH, Mr. GREGG, Mr. BROWN, Mr. LOTT, Mr. NICKLES, Mr. WARNER, Mr. THURMOND, Mr. HATFIELD, and Mr. ROTH, proposes an amendment numbered 558.

At the appropriate place, add the following:

All changes in revenues contained in this bill which raise revenues, shall become effective no earlier than the date of enactment.

Mr. BURNS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, I raise a point of order that the pending amendment violates section 310(d)(2) of the Congressional Budget Act.

Mr. BURNS. I make a motion to waive that and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to waive the Budget Act.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "Nay.".

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER], is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 46, nays 52, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—46

Bennett
Bingaman
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NAYS—52

Akaka
Baucus
Biden
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. On this vote, the yeas are 46, the nays are 52. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment of the Senator from Montana will cause the deficit reduction attributable to the Finance Committee to fall below the deficit reduction that the Finance Committee was instructed to achieve by the concurrent resolution on the budget. The point of order is well taken. The amendment falls.

The Senator from Tennessee.

Mr. SASSER. Mr. President, I have been conversing at some length here with the distinguished ranking member and with the distinguished minority leader and others on their side of the aisle.

I would like now once more to propound the unanimous-consent request.

Mr. DOMENICI. Mr. President, we are ready to move along and accept that.

I wonder, in the interest of making sure we are going to finish here tonight, if we could not just agree on—I understand the Senator knows which amendments are going to be offered on his side, and we know which ones are going to be offered on our side—when they are offered, we have no time left, or whatever we agree; those are the only amendments, at least, with that.

Mr. SASSER. That is correct with me.

Mr. DOMENICI. On our side we only have three: Senator PRESSLER, Senator JEFFORDS, and Senator HUTCHISON. They need 30 seconds, or no time; whatever is available.

Mr. SASSER. No time, I say to my friend.

Mr. DOMENICI. Maybe I have a little time.

Mr. SASSER. On our side, I say to my friend from New Mexico, we have a Bumpers amendment dealing with, again, immunization.

Mr. BUMPERS. Mr. President, would it be in order for me to offer the amendment now?

Mr. SASSER. There is also the possibility of a Lieberman amendment. And I know of no other amendments on our side.

I am now told Senator BUMPERS has two amendments, and one is acceptable, I am advised.

Mr. DOMENICI. All right.

Mr. SASSER. And then the possibility of a Lieberman amendment.

Mr. DOMENICI. I think the Lieberman amendment is going to be acceptable if the Pressler amendment is acceptable.

Could we get on the record now, by unanimous consent, that those are the amendments and there will be no others?

Mr. SASSER. That is satisfactory to me.

Mr. DOMENICI. I so propound a request.

The PRESIDING OFFICER. Is there objection?

Hearing none, without objection, it is so ordered.

Mr. DOMENICI. Now, Mr. President, did the Chair rule?

Mr. FORD. Could we get the subject matter?

Mr. SASSER. Yes. The Chair has ruled that those amendments are the only ones that will be in order. In other words, the Chair has treated the Senator's request as a unanimous-consent request and, as I understand it, it has been ordered that there will be three amendments on the Republican side in order.

Mr. DOMENICI. Pressler on paperwork; Jeffords on an annual report as to how well we are doing on the deficit; and Senator HUTCHISON's 10-percent cut in administrative costs of Government.

Mr. SASSER. On our side, we have a Bumpers amendment on immunization; a second Bumpers amendment on immunization, which I am advised will probably be accepted; a Lieberman amendment dealing with mortgage revenue bonds. It is a sense-of-the-Senate amendment or sense-of-the-Senate resolution dealing with mortgage revenue bonds.

Mr. DOMENICI. That is it?

Mr. SASSER. That is it.

Mr. DOMENICI. Might I indicate to Senator LIEBERMAN, we think we are prepared to accept his, but we would like very much for you all to consider Senator PRESSLER's amendment. Maybe we could agree to both of them, at some point. That would help. It would help us, also.

Mr. SASSER. Let us consider those.

Mr. DOMENICI. Mr. President, I yield 30 seconds to Senator PACKWOOD, who has a motion to strike some extraneous material.

The PRESIDING OFFICER. The Senator is recognized.

POINT OF ORDER

Mr. PACKWOOD. Mr. President, I intend to raise a point of order under section 313(b)(1)(A) of the Budget Act, the so-called Byrd rule, that the following provisions in titles VII and VIII, the Finance Committee titles, are extraneous to the reconciliation bill because they produce no change in outlays or revenues:

Section 7801, dealing with immunizations;

Section 7803, provisions in the new Social Security title created by this section,

Sections 2106 and 2108(b)(2), which deal with State and Federal purchases of vaccines;

Section 8252(a)(2), (b), and (c), dealing with tax return preparer standards.

The PRESIDING OFFICER. The points of order raised by the Senator from Oregon are well taken.

Mr. SASSER. The Senator from Oregon has raised points of order. Have the points of order been raised?

The PRESIDING OFFICER. Is the Senator from Tennessee seeking to waive?

Mr. SASSER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the pending matter be temporarily set aside and that we proceed for—how much time does the Senator from New Mexico have?

The PRESIDING OFFICER. Two minutes.

Mr. DOMENICI. I yield 30 seconds to Senator PRESSLER for his amendment.

AMENDMENT NO. 526

(Purpose: To eliminate increased paperwork burdens and unnecessary requirements on small businesses, and others, relating to compliance for certain payments to corporations)

Mr. PRESSLER. Mr. President, I call up amendment No. 526 and ask for its immediate consideration.

I have heard this will be an NFIB key vote for this year. I have a large number of cosponsors including Senators BURNS, NICKLES, D'AMATO, FAIRCLOTH, KEMPTHORNE, ROTH, COVERDELL, and WARNER. This amendment involves eliminating the requirement of small business owners to supply the IRS with hundreds of thousands of forms on services purchased from companies. The IRS does not have the equipment to absorb this information. This is a paperwork amendment. It eliminates the increased paperwork burdens on small business.

Mr. President, I urge the adoption of amendment 526.

The PRESIDING OFFICER. The clerk will report

The legislative clerk read as follows:

> The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 526.
>
> Beginning on page 660, line 12, strike all through page 661 line 3.

Mr. PRESSLER. Mr. President, I rise as the ranking member of the Senate Small Business Committee to offer an amendment designed to strike a seemingly small, innocent-sounding provision, hidden deep in this bill. If implemented, this section actually will unlash a tidal wave of costly paperwork for small business. I am talking about the service industry noncompliance initiative that, under section 8251 of this legislation, would greatly expand the burden of IRS Form 1099 by demanding that all businesses report payments made for services performed by corporations. If left in this bill, this provision will be known as the section 89 of the 1993 reconciliation bill.

Section 89 of the 1986 tax legislation imposed extensive reporting and auditing requirements on all businesses with respect to their health care plans. Few noticed this onerous section in the giant 1986 tax bill until later when the IRS began to notify businesses of their new responsibilities under the law. The imposed requirements would have been so costly for small businesses that many small companies would have been forced to eliminate their employee health care benefits altogether. Congress caught and eliminated that wasteful provision just in time, but it never should have been voted into law in the first place. We have an opportunity today to stop a similar addition to the Tax Code that, when implemented, will thrust a tremendous paperwork burden and cost upon small businesses.

Current law requires businesses to report any payments made for services to an unincorporated individual if the payments exceed $600 in 1 year. These payments are reported on IRS Form 1099. Businesses do not have to file a 1099 for payments made for goods. They also do not have to fill out a form for service payments made to corporations. This process is meant to cut back on tax fraud by service companies through unreported income. As a result of current law, businesses file one billion 1099 forms with the IRS every year. Again, section 8251 of this bill would require business to fill out 1099's not only for payments made for services by unincorporated individuals, but also for payments made for services by corporations.

This process would become very complicated. A business owner first would have to ask for a taxpayer identification number every time he or she purchased a service from a corporation. Then the business owner would have to separate out corporations that might provide similar services. For example, records of payments made to Federal

Express would have to be kept separately from records of payments made to United Parcel Service. However, it is not yet over for the business owner. He or she would then have to aggregate all payments for these services for each company and fill out a 1099 for any corporation paid more than $600 a year. This seems more like a accountant relief plan than a tax reporting plan.

What does the Government get for this extreme diligence? The answer is, not much. We are supposed to catch more tax cheats and raise more revenue. However, there are so many flaws in this plan that it renders the new 1099 form useless.

The system used to identify companies uses long numbers that are easy to fake and prone to miscopying. Federal agencies alone reported 150,000 incorrect numbers to the IRS in 1990. If Federal agencies cannot get the system right, who can? In addition, the IRS admits it will not be able to use this information for as long as 6 years. The New York Times has aptly described this initiative as a blizzard of paperwork and I ask unanimous consent to include that New York Times article in the RECORD immediately following my remarks.

As far as raising money, contrary to the administration's belief, Congress estimates that this provision will only bring in around $400 million. This new revenue for the Government, if indeed it is even realized, will cost small businesses millions of dollars in work-hours and unrealized employment—workers that would have been hired with the money spent on compliance.

It is hard to believe that a section taking up less than a page in a 880-page bill could cause so much trouble with so little return, but it is true. The Senate needs to stop this now before any damage is done. Otherwise this issue will come back to haunt us in the future. In a tax bill that penalizes small business in so many ways, the Senate needs to finally take a stand for the small business owner and knock out this costly and misdirected paperwork burden. I urge adoption of my amendment to strike section 8251 from this bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 21, 1993]

A PLAN TO CATCH TAX CHEATS IN A BLIZZARD OF PAPERWORK

(By Michael Wines)

Special to The New York Times

WASHINGTON, June 20.—The Internal Revenue Service has long suspected that lots of service businesses—taxi fleets, print shops, plumbers—are hiding income from the Government. But it has never had the resources to prove it.

Now the Clinton Administration, ever in search of revenue, has hit on a way to find out; deputize every company in America to track the money down.

Getting businesses to inform on their peers, to help the I.R.S. find tax cheats, is the aim of an obscure provision in the budget package that the House passed and the Senate will take up this week. It would require all businesses to report money they spend on one especially suspect group—service corporations—and to send annual reports to the I.R.S. In duplicate.

BILLIONS OF TRANSACTIONS

The I.R.S. says this would be a minimal inconvenience. Business groups, of course, disagree. They and a slew of tax experts say it would force companies to collate billions of transactions with millions of companies—airlines, hotels, taxi fleets, bicycle messengers, print shops, you name it. And much of the information, they say, would be useless.

That is because many of the nation's service companies—airlines and car-rental companies, for instance—are major-league corporations, rigorously audited by the Government and not suspected of squirreling away income. Millions of reports on such mammoth companies would effectively be tossed into the computer equivalent of a landfill.

And the data on small service businesses, where the problem lies, would provide such an incomplete picture of their income that only the clumsiest evaders would be caught, the critics say.

"The problems are legion," said Paula Porpelia, a Maryland accountant who sits on an I.R.S. advisory board that studied the proposal this spring and recommended that it be sent back for an overhaul. "There are tremendous problems. And nobody I know of, including the I.R.S., has a solution to those problems."

Not so, said John Devlin, the head of information reporting for the agency, who asserted that most companies would be able to comply with the new law with merely a few twists in their computer software. "We've done a lot of discussion with industry groups about this proposal," he said, "and after we explained it there has been an awful lot of support."

Neither side in this red-tape tug-of-war disagrees that the Government should do more to find small-business tax cheats, who thrive in the current tax-collecting regime. According to the General Accounting Office, small corporations—about 80 percent of the nation's business—voluntarily reported only 61 percent of the taxes they owed in 1987, down 25 percent from 1980. Among service companies, the compliance rate is even worse.

But how much money the proposal would raise is in dispute. The Administration estimated that the plan would bring in $6.1 billion through 1998. Congress has whittled that down to $400 million and change.

Opponents of the plan dubbed SINC, for the name Service Industry Non-Compliance, say its results would not begin to compensate for the costs, the inefficiencies, the bureaucratic pain and the indignity of dragooning business into snitching on one another. Among the critics are the I.R.S.'s advisory board; the Tax Executive Institute, an association of corporate officials who handle tax issues, and several small-business groups.

The I.R.S. concedes some of their points. But it says the mere spectacle of millions of reports on income flowing into Government computing centers will frighten many tax-skirting businesses into paying in full.

The I.R.S. anticipates "a substantial increase in voluntary compliance" by service companies once word of the new reporting plan gets around, an agency official said last week, and "most of the revenue projected comes from this anticipated increase."

The issue has received little publicity because almost no one knows about the proposal, which comprises four inscrutable sentences buried on page 252 of the budget bill.

SINC, A VERSION OF BIRP

But the I.R.S. and a core of supporters in Congress and the General Accounting Office have been considering the idea for several years. In fact, SINC is a whittled-down version of BIRP, or Business Income Reporting Plan, a proposal that would have extracted a broader range of financial data on all companies but was dismissed as too unwieldy.

By comparison, SINC would aim only at incorporated service companies, and even then only at companies that sell more than $600 in services to any one customer. There is no estimate on how much SINC would cost to administer, but an I.R.S. estimate put the BIRP program's cost at $1 billion a year.

Using a car service as an example, here is how the new program would work: Each time a business paid for a cab ride across town, its accountants would tally the payment and the cab company's Taxpayer Identification Number, or T.I.N., in its ledger.

At year's end, the T.I.N.'s that provided more than $600 in cab rides over 12 months would be culled out and recorded in duplicate on I.R.S. Form 1099. One 1099 would be mailed to the I.R.S. Another would go to the taxi company, largely as a friendly reminder that the Government has been told all about these particular rides.

MATCHING BY COMPUTER

For its part, the I.R.S. says, it would plug the data into its computers, and compare the income reported on the 1099's with the income that each service company declares on its tax return. When there is a mismatch between the two, bingo—a tax cheat has been flagged.

But then there is the time spent compiling and recording the data. For businesses, it means establishing a system to track purchases up to the $600 threshold. Companies would have to sort scads of invoices, for example, to separate purchases of goods, such as a copier, from purchases of services, such as a copier repair contract. Some might have to change their accounting systems to make the reporting in their fiscal years match the I.R.S.'s January-to-December tax year.

Businesses must also identify each transaction with the Taxpayer Identification Number of the company providing the service. And taxpayer numbers are long, easy to fake and notoriously prone to miscopying—so much so that Federal agencies alone reported 150,000 incorrect numbers to the I.R.S. in 1990. A 1992 survey turned up incorrect identification numbers in up to 77 percent of Federal contracts.

At a House committee hearing 11 days ago that touched on the SINC proposal, Robert H. Perlman, the vice president for tax matters at the Intel Corporation, the huge semiconductor maker, noted that his company alone did business with more than 38,000 other companies.

WOULD SEND THE WHOLE FILE

Whether those companies sell services of goods, are independent or incorporated, or are paid more or less than $600 is not a matter of prime concern to Intel. Rather than sort it all out, "We'd probably just send the whole file to the I.R.S." and let them crunch the numbers, Mr. Perlman said.

Mr. Devlin of the I.R.S. argues that critics have stretched the proposal out of proportion. He said that existing regulations already required every business in America to send a 1099 to the I.R.S. whenever it purchases more than $600 in services from an independent tradesman who is not incorporated—such as, say, a hack who owns his own cab instead of working for a fleet owner. The pending proposal would simply extend the requirement to cover corporations.

The critics argue that the Government is updating a bad law, and to no good end. For one thing, they contend, the existing requirement is both little known and often ignored. Millions of such transactions go unreported each year, they say.

The I.R.S. insists that the new plan would result in substantially increased reporting, enabling it to match the 1099's with service companies' tax returns, just as the agency does now with 1099's involving interest dividends and stock sales.

And compliance with the reporting requirements would be no guarantee that the I.R.S. could catch all cheats, they say.

HOTEL AS AN EXAMPLE

Take, for example, companies whose employees patronize a certain hotel. Their forms would tell the I.R.S. how much money that hotel made from business clients. But it would say nothing about its income from tourist trade or other nonbusiness lodgers, much less whether any of that income is being hidden from the tax man. The total income reported on the 1099's would likely bear little resemblance to the income that the hotel would declare on its tax return. And the I.R.S. would still be left with no way to prove that the hotel earned more than it reported.

Since information from the largest businesses will be of little interest anyway, Mr. Devlin said the I.R.S. would like to exempt them from the reporting rule. But it may choose not to, as the businesses that have to prepare the 1099's would have no way of knowing who is exempt and who is not.

The I.R.S. has thought about that too, and suggested one solution. It's a toll-free hotline that businesses could call whenever they purchased a service, to determine whether the purchase required a SINC 1099, a Taxpayer Identification Number or anything else.

Mark Isakowitz, a lobbyist for the National Federation of Independent Business, who is fighting the SINC proposal, said that it was an intriguing notion, but that Government had done enough for small businesses already.

"I was thinking about how a Government hotline would work the other day," he said. "While I was standing in line at the post office."

Mr. DOMENICI. Could we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Senators will please take their seats.

Mr. SASSER. Mr. President, we have not seen a copy of the amendment. If we see a copy of it, perhaps we could expedite this matter and accept the amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 526

Mr. SASSER. Mr. President, it appears we are not going to be able to work out an acceptance of the amendment offered by the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. SASSER. Mr. President, I move to table the amendment of the Senator from South Dakota and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee to lay on the table the amendment of the Senator from South Dakota, Mr. Pressler.

The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The result was announced, yeas 0, nays 98, as follows:

[Rollcall Vote No. 187 Leg.]

NAYS—98

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
Mathews
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Simpson
Smith
Stevens
Thurmond
Wallop
Warner
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The motion to lay on the table the amendment (No. 526) was rejected.

Mr. SASSER. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered.

Mr. DOMENICI. I ask unanimous consent that the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Without objection, the amendment is agreed to.

So the amendment (No. 526) was agreed to.

POINT OF ORDER

The PRESIDING OFFICER. The Chair is prepared at this time to rule on the points of order propounded by the Senator from Oregon.

The point of order against section 7801 is sustained.

The point of order against that part of section 7803 proposing a new section 2106 is sustained.

The point of order against section 8252 (a)(2), (b), and (c) is sustained.

These provisions are therefore stricken from the bill.

The point of order against that part of section 7803 proposing a new section 2108(b)(2) is not sustained.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

AMENDMENT NO. 556

Mr. SASSER. Mr. President, at this point, I wish to renew my unanimous-consent request, as modified, that I have discussed at some length with the distinguished ranking member. I shall now propound the unanimous-consent request.

Mr. President, I ask unanimous consent that the Senate waive title III of the Congressional Budget Act for the consideration of this amendment, consideration of my amendment, the language of this amendment if offered as part of an amendment to H.R. 2264, and the language of this amendment in the conference report on H.R. 2264.

Mr. DOMENICI. Reserving the right to object, and I will not object, Mr. President, we are going to make it very clear, and I do in this statement, that we are waiving the point of order only on this exact language, and we reserve our rights to bring points of order against the conference report if it contains any language other than the language in this amendment, plus we reserve rights on any extraneous matters.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SASSER. Mr. President, I ask unanimous consent that I be able to withdraw my previously made motion to waive.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, is my amendment now the pending business?

The PRESIDING OFFICER. Yes, it is.

Mr. DOMENICI. We have no objection to the pending amendment, the process amendment of the chairman.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

So the amendment (No. 556) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Do I have a couple minutes remaining?

The PRESIDING OFFICER. The Senator has 1 minute and 52 seconds.

Mr. DOMENICI. Senator JEFFORDS has an amendment he has been waiting to offer.

I yield 30 seconds to Senator JEFFORDS.

AMENDMENT NO. 505

(Purpose: To require that an annual Federal financial report be submitted to American citizens)

Mr. JEFFORDS. Mr. President, I will take little time. I call up amendment No. 505 and ask unanimous consent that Senators CONRAD and DORGAN be added as original cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. I ask immediate consideration of the amendment.

The PRESIDING OFFICER. The Clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], for himself, Mr. CONRAD, and Mr. DORGAN, proposes an amendment numbered 505.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert. AMER

SEC. . AMERICAN CITIZENS ANNUAL REPORT ACT.

(a) SHORT TITLE.—This section may be cited as the "American Citizens Annual Report Act".

(b) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress makes the following findings:

(A) Publicly owned corporations provide shareholders with an annual report on the financial status of the corporation.

(B) Americans are entitled to an annual report on the financial status of the Federal Government, as all citizens share an interest in the financial well-being of our Federal Government. Accurate, consistent, and broadly distributed reporting on the Nation's finances are central to the conduct of democracy.

(C) Recent Federal budget deficits have resulted in more than a tripling of the Federal debt. With prospects for enormous Federal budget deficits for the next several years, the debt is a burden that affects the present and future generations of Americans.

(D) The actual financial performance of the Federal Government often differs from the budget by tens, even hundreds, of billions of dollars. For example, the fiscal year 1991 budget was to result in a deficit of $63,000,000,000. Instead, the actual deficit for the year was $268,700,000,000.

(E) The Chief Financial Officers Act is leading agencies to develop reliable and relevant financial information that is to be useful to the public including audited financial statements.

(F) The Federal Government continues to lose billions of dollars each year through fraud, waste, abuse, and mismanagement. Standardized reporting to the public is essential to the improvement of accountability of public programs.

(G) The growing Federal debt is hindering economic growth and competitiveness, and ultimately, reduces the standard of living of all Americans.

(2) PURPOSES.—The purposes of this section are to—

(A) provide the American taxpayer with an annual report on the financial status of the Federal Government;

(B) increase the participation and awareness of the public in finding solutions to the Federal Government's budget problems;

(C) require the President, Congressional leaders, and the chief financial officers of the Government to report to the public on the wellbeing of the Federal Government's finances as a part of their fiduciary responsibilities; and

(D) bring a public focus to efforts already underway that seek to develop and improve financial standards, annual reporting, and systems in the agencies of the Federal Government.

(c) ANNUAL REPORT.—Section 3513 of title 31, United States Code, is amended by adding at the end thereof the following:

"(d)(1) The Secretary of the Treasury shall distribute to all taxpayers described in paragraph (6) an annual report (referred to in this subsection as the 'annual report') containing—

"(A) the most recent 5-year actual trends in Federal receipts, expenditures, fund balances, assets and liabilities, and debts by major category or source, along with a brief description of those trends for the most recent year;

"(B) a comparison of the actual Federal spending and revenues by major category or source for the most recent fiscal year—

"(i) to the budget request estimates as submitted by the President for that year; and

"(ii) to the enacted budget,

along with notes explaining differences;

"(C) statements from the President, the Majority Leader of the Senate, and the Speaker of the House of Representatives regarding significant aspects of the Government's financial performance; and

"(D) any other relevant information on the Government's performance and contributions to economic growth, productivity, and investment in infrastructure recommended for inclusion by the advisory committee and deemed appropriate by the Director of the Office of Management and Budget.

"(2)(A) Preparation and content of the annual report shall be supervised and directed by the Director of the Office of Management and Budget.

"(B) There is established an advisory committee to provide the Director of the Office of Management and Budget with comments and suggestions on the design and content of the annual report. The advisory committee shall consist of 9 members as follows:

"(i) 3 members to be appointed by the President.

"(ii) 2 members to be appointed by the majority Leader of the Senate.

"(iii) 1 member to be appointed by the Minority Leader of the Senate.

"(iv) 2 members to be appointed by the Speaker of the House of Representatives.

"(v) 1 member to be appointed by the Minority Leader of the House of Representatives.

"(3) The annual report shall contain a statement of assurance by the Director of the Office of Management and Budget and an audit opinion by the Comptroller General attesting to the reliability and relevant accuracy of the information contained in the annual report.

"(4) The annual report shall be prepared annually in a timely fashion after the close of each fiscal year. If the final annual report for a fiscal year is not available within 3 calendar months after the close of that fiscal year, a preliminary annual report shall be prepared and published within that period containing substantially all the material described in subparagraphs (A) and (B) of paragraph (1) and the final annual report shall be prepared and published as soon as possible thereafter.

"(5)(A) In the case of any booklet of instructions for Form 1040, 1040A, or 1040EZ prepared by the Secretary for filing individual income tax returns for taxable years beginning in any calendar year, the Secretary shall include on the front inside cover of such booklet of instructions (in addition to the information required in subsection (a) of section 7523 of the Internal Revenue Code of 1986) a summary of the annual report prepared by the Director.

"(B) The summary referred to in subparagraph (A) shall—

"(i) include the cumulative Federal debt at the end of each of the 10 preceding fiscal years expressed in total dollars per capita;

"(ii) include the Federal deficit for each of the 10 preceding years expressed in total dollars and dollars per capita; and

"(iii) be presented in a manner that is easily comprehensive to a taxpayer.

"(6)(A) A taxpayer is described in this paragraph if such taxpayer designates on the form for the return of the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for any taxable year that such taxpayer desires a copy of the annual report described in this subsection and, in cases where a taxpayer requests more than one copy of the report, submits a processing fee (if any) as described in paragraph (7).

"(B) Space shall be made available for the designation referred to in subparagraph (A) on the first page of the tax return forms for such tax.

"(7) Notwithstanding any other provision of law, the Secretary of the Treasury may impose a processing fee or may accept contributions from corporations, foundations, and other private entities for distribution or preparation of the report, or both.".

(d) AUTHORIZATION.—For the purpose of carrying out the provisions of the amendment made by this section, there are authorized to be appropriated to the Secretary of the Treasury and the Director of the Office of Management and Budget $10,000,000 for fiscal year 1994, and such sums as may be necessary for fiscal years 1995, 1996, 1997 and 1998. These amounts shall include any funds raised through the authority established in section 3513(d)(7) of title 31, United States Code, as added by this section.

Mr. SASSER. Mr. President, we are prepared to accept the amendment of the distinguished Senator. We have previously accepted this amendment, I think, on other matters that have come before the Senate, perhaps in the last budget resolution if I am not mistaken. So it is a meritorious amendment. We are prepared to accept it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 505) was agreed to.

Mr. SASSER. Now, Mr. President, I think the Senator from Connecticut wishes to offer an amendment.

AMENDMENT NO. 560

(Purpose: To express the sense of the Senate that the extension of qualified mortgage bonds be permanent)

Mr. LIEBERMAN. Mr. President, I have an amendment which I believe is acceptable to both sides. It has been accepted. I send it to the desk at this time.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN] for himself and Mr. CHAFEE, proposes an amendment numbered 560.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 429, between lines 3 and 4, insert:

SEC. . SENSE OF THE SENATE REGARDING PERMANENT EXTENSION OF QUALIFIED MORTGAGE BONDS.

(a) FINDINGS.—The Senate finds that:

(1) Low and moderate income families often have difficulty in obtaining affordable mortgage financing.

(2) The mortgage revenue bond provisions of the Internal Revenue Code are an important tool in providing affordable financing for first-time home buyers.

(3) The tax-exempt status of mortgage revenue bonds have enabled State and local housing agencies to finance home mortgages for first-time buyers at rates below conventional market rates. This cost differential enables buyers, who otherwise might not be able to get mortgage financing, to obtain a loan at an affordable rate.

(4) Mortgage revenue bonds are targeted to families with the greatest need. In 1992, the average income of a mortgage revenue bond borrower was 74 percent of median income. Mortgage revenue bonds are only available to buyers who have not owned a home within the past 3 years, earn 115 percent or less of the applicable median income, and buy a principal residence that does not exceed 90 percent of the average home purchase price.

(5) Prior to its expiration in June, mortgage revenue bonds were the only Federal assistance targeted to first-time home buyers. During the past 15 years, mortgage revenue bonds have financed more than 2 million home purchases and accounted for 1 out of every 12 mortgages made to first-time buyers.

(6) In the last decade, mortgage revenue bonds have been scheduled to sunset 7 times, making administration and timing of bond issues extremely difficult and costly. The mortgage revenue bond program lapsed on June 30, underscoring the need for permanent extension.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that mortgage revenue bonds are a vital, proven tool for providing affordable home ownership opportunities for low- and moderate-income families and that Congress should adopt a permanent extension of the mortgage revenue bond program as part of the Internal Revenue Code.

Mr. LIEBERMAN. Mr. President, in one sentence, this amendment expresses the sense of the Senate that the mortgage revenue bond program tax-exempt status be permanently extended.

I ask its adoption.

Mr. SASSER. Mr. President, I believe this amendment is acceptable on both sides.

Mr. DOMENICI. We are prepared to accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 560) was agreed to.

Mr. LIEBERMAN. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I yield 30 seconds to the distinguished junior Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 513

(Purpose: To reduce Federal overhead costs by 10 percent)

Mrs. HUTCHISON. Mr. President, I call up amendment 513 and ask for immediate consideration of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON] proposes an amendment numbered 513.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . TEN PERCENT REDUCTION IN GOVERNMENT OVERHEAD COSTS.

(a) IN GENERAL.—Subchapter II of chapter 15 of title 31, United States Code, is amended by adding at the end the following:

"§ 1520. Reducing the salaries and expenses within an appropriation by apportionment

"(a) All appropriations for salaries and expenses shall be apportioned as necessary to carry out this section.

"(b)(1) Except as provided by paragraph (2), in apportioning any appropriation for salaries and expenses for a fiscal year under this section, the amount shall be reduced by an amount equal to 5 percent of the actual amount incurred for those salaries and expenses in the immediately preceding fiscal year.

"(2) The reduction required under paragraph (1) for a fiscal year shall (if applicable) be reduced by a dollar amount equal to the amount by which that fiscal year's appropriation for salaries and expenses is less than the actual amount incurred for those salaries and expenses in the immediately preceding fiscal year.

"(c) For purposes of this section, the term 'expenses' means the object classes identified by OMB in Object Classes 20-26 as follows:

"(1) 21.0: Travel and Transportation of Persons.

"(2) 22.0: Transportation of Things.

"(3) 23.1: Rental Payments to GSA.

"(4) 23.2: Rental Payments to Others.

"(5) 23.3: Communications, Utilities, and Misc.

"(6) 24.0: Printing and Reproduction.

"(7) 25.1: Consulting Services.

"(8) 25.2: Other Services.

"(9) 26.0: Supplies and Materials.".

(b) EFFECTIVE DATE.—The amendments made by this section shall only apply to fiscal years 1994 and 1995 and shall have no force or effect after September 30, 1995.

Mrs. HUTCHISON. Mr. President, this is a 10-percent reduction in Federal overhead costs over 2 years, 5 percent in 1994, 5 percent in 1995. This is not program cuts. It is salary and administrative allocation for Federal agencies.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, I raise a point of order against the pending amendment under section 305(b) of the Congressional Budget Act.

The PRESIDING OFFICER. A point of order is made.

Mrs. HUTCHISON. I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 58, nays 40, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—58

Bennett
Bingaman
Bond
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Gorton
Graham
Gramm
Grassley

Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Kerrey
Kohl
Lautenberg
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Robb
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NAYS—40

Akaka
Baucus
Biden
Boren
Boxer
Bradley
Breaux
Bumpers
Byrd
Daschle
Dodd
Feingold
Feinstein
Ford
Glenn
Harkin
Hollings
Inouye
Johnston
Kennedy
Kerry
Leahy
Levin
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

The PRESIDING OFFICER. On this vote, the yeas are 58, the nays are 40. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment by the Senator from Texas introduces new subject matter and is not germane and falls for that reason.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

CHANGE OF VOTE

Mr. AKAKA. Mr. President, on vote No. 187, I was recorded in the affirmative. I ask unanimous consent that I be recorded in the negative. This change will not affect the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

CHANGE OF VOTE

Mrs. BOXER. Mr. President, on vote No. 187, I was reported in the affirmative. I ask unanimous consent that I be recorded in the negative. This change will not affect the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

CHANGE OF VOTE

Mr. GRAHAM. Mr. President, on vote No. 187, I was recorded in the affirmative. I ask unanimous consent that I be recorded in the negative. This change will not affect the outcome of the vote.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

Mr. DOMENICI. Mr. President, reserving the right to object, and I do not know that I will object, I think we at least should have an opportunity to know what these votes Senators are changing on are. This is unheard of. We have three or four Senators changing their votes this evening on something they voted on today.

Mr. MOYNIHAN. The Pressler amendment.

Mr. DOMENICI. The Pressler amendment.

Mr. SASSER. Mr. President, is that all right with the Senator from South Dakota?

Mr. PRESSLER. All right.

Mr. DOMENICI. Senator PRESSLER said, "All right."

Mr. PRESSLER. There were over 200 votes cast for the Pressler amendment today. [Laughter.]

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. DOMENICI. Wait a minute.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, will the Senator yield for a moment?

Mr. MOYNIHAN. Yes.

Mr. MITCHELL. Mr. President, I simply want to state it is a matter of courtesy and policy that no Senator who sought ever to change his vote under these circumstances has ever been denied that opportunity—No Senator of either party.

Mr. DOMENICI. We did not object.

Mr. DOLE. There is no objection.

The PRESIDING OFFICER. The Senator from New York.

CHANGE OF VOTE

Mr. MOYNIHAN. Mr. President, on vote No. 187, I was recorded in the affirmative. I ask unanimous consent that I be recorded in the negative. This change will not affect the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair.

[The foregoing tally has been changed to reflect the above orders.]

AMENDMENT NO. 561

(Purpose: To strike certain medicaid immunization provisions and provisions relating to the central bulk purchasing program for pediatric vaccines and insert provisions relating to medicaid reimbursement of vaccine manufacturers)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 561.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 337, beginning with line 1, strike all through page 389, line 7, and insert the following:

SEC. 7802. REIMBURSEMENT TO VACCINE MANUFACTURERS.

(A) IN GENERAL.—Section 1902(a)(32) (42 U.S.C. 1396a(32)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(D) nothing in this paragraph shall be construed to prevent the making of such payment to a manufacturer of a childhood vaccine under a contract with the State pursuant to which the manufacturer participates in a vaccine replacement program described in subsection (z)."

(b) State Vaccine Bulk Purchase Program.—Section 1902 (42 U.S.C. 1396a) is amended by adding after paragraph (58) the following new paragraph:

(59) provide for the establishment of a State vaccine bulk purchase program for the purchase of pediatric vaccines." and by adding at the end of the following new subsection:

(z)(1) For purposes of section 1396(a)(59), a vaccine replacement program described in this subsection is a vaccine bulk purchase program under which a State with a State plan approved under this title on tracts with each manufacturer of childhood vaccines selling such vaccines in the State to—

"(A) supply doses of childhood vaccines to providers (or in the case of a State medicaid vaccine program, the State) administering such vaccines to individuals eligible to receive medical assistance under the State plan and replace such vaccines as needed; and

"(B) charge the State agency for such doses of childhood vaccine the price under the most recent bid (determined once such a bid price is made public) submitted by a manufacturer which receives the Centers for Disease Control and Prevention contract with respect to the childhood immunization program under the Public Health Services Act, plus a reasonable fee to cover shipping and handling of returns for such doses.

(2) Any manufacturer of childhood vaccines selling such vaccines in a State which does not participate in a vaccine replacement program described in paragraph (1) which is operated in such State shall be ineligible to bid for Centers for Disease Control and Prevention Immunization contracts under section 317(j) of the Public Health Service Act."

(c) DEFINITION OF STATE VACCINE BULK PURCHASE PROGRAM.—Section 1902 (42 U.S.C. 1396d) is amended by adding at the end of the following new subsection:

(t) VACCINE BULK PURCHASE PROGRAM.—The term "vaccine bulk purchase program" means a State program which purchases vaccines at prices negotiated by the Centers for Disease Control and Prevention's childhood immunization program and distributes such vaccines free of charge to entities providing medical assistance to individuals eligible for such medical assistance under this title."

(d) AGREEMENT WITH THE STATE.—Section 1902(a)(27)(42 U.S.C. 1396a(a)(27) is amended—

(1) by striking "under the State plan", and inserting "under the State plan and with any entity that is a manufacturer of a childhood vaccine under a contract with the State pursuant to which the manufacturer participates in a vaccine replacement program described in subsection (z)"; and

(2) by striking "such person or institution" each place it appears and inserting "such person, institution, or entity."

(e) CDC PRICE PLUS CPI.—To the extent that, at the date of enactment, a specific vaccine is purchased under contract with the Centers for Disease Control and Prevention as provided in the Public Health Service Act, no bid for the purchase of such vaccine shall be accepted by the Centers for Disease Control and Prevention if the price per dose of such vaccine exceeds the price in effect on the date of enactment increased by the percentage increase in CPI from date of the contract in effect on the date of the enactment to the date of the contract. This provision shall be in effect for contracts made in Fiscal Year 1994 through Fiscal Year 1998.

(f) MULTIPLE SUPPLIERS.—The Public Health Service provisions relating to the Centers for Disease Control and Prevention purchase of vaccine may not be construed as prohibiting the Secretary from entering into a contract with each manufacturer of a vaccine that meets the terms and conditions of the Secretary for an award of such a contract (including terms and conditions regarding safety, quality, and price).

Mr. BUMPERS. Mr. President, there is no time for debate on this. I spoke on this on the first amendment. I will be down in the well passing out all that great legislature.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY], is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY], would vote "nay."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER], is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 39, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—59

Baucus
Bennett
Bond
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Daschle
Dole
Domenici
Durenberger
Exon
Faircloth
Ford
Gorton
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inouye
Johnston
Kassebaum
Kempthorne
Kerrey
Lott
Lugar
Mack
Mathews
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Pryor
Reid
Sasser
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NAYS—39

Akaka
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Chafee
Conrad
Danforth
DeConcini
Dodd
Dorgan
Feingold
Feinstein
Glenn
Graham
Jeffords
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Pell
Riegle
Robb
Rockefeller
Roth
Sarbanes
Simon
Wellstone
Wofford

NOT VOTING—2

Murray
Specter

So, the amendment (No. 561) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 559

(Purpose: To provide for the establishment of a performance based grant program with respect to childhood immunizations)

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I call up amendment No. 559 which has been carefully crafted by the chairman of the Labor Committee.

I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 559.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 863, between lines 13 and 14, insert the following new section:

SEC. 12205. PERFORMANCE BASED GRANT PROGRAM.

(a) ANNUAL REPORT.—Not later than July 1 of each year, a State shall prepare and submit to the Director of the Center for Disease Control and Prevention a report that contains an estimate (based on a base population sample) of the percentage of 2 year old residents of the State who have been fully immunized as described in subsection (c).

(b) PAYMENTS TO STATES.—

(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary of Health and Human Services shall provide to a State that has submitted an annual report under subsection (a) that demonstrates that the State has fully immunized at least 50 percent of the 2 year old residents of that State, with respect to the year for which the report was prepared, a payment in an amount equal to—

(A) with respect to a State that has demonstrated the full immunization of at least 50 and less than 65 percent of all 2 year old residents of the State, $50 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 50 percent amount;

(B) with respect to a State that has demonstrated the full immunization of at least 65 and less than 70 percent of all 2 year old residents of the State, $75 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 65 percent amount; and

(C) with respect to a State that has demonstrated the full immunization of at least 70 and less than 91 percent of all 2 year old residents of the State, $100 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 70 percent amount.

(2) AS A CONDITION OF RECEIVING AMOUNT UNDER THIS SECTION.—

(i) States which combine State and Federal funds to reach immunization goals shall agree to reinvest in activities related to improving immunization services that percentage of the payment under (b)(1) which is equal to the Federal contribution to immunization services in the State proportional to the State contribution to such services; and

(ii) States which verify that State-only funds are responsible for the increase in immunization rates that qualifies such State for payment under (b)(1) may use amounts awarded under this section for other purposes at the State's discretion.

(3) VERIFICATION.—Prior to making a payment to a State under this subsection, the Secretary of Health and Human Services shall, in collaboration with the Centers for Disease Control and Prevention, verify the accuracy of the State report involved.

(c) DEFINITION.—For purposes of this section, the term "fully immunized" means a 2 year old child that has received four doses of DTP vaccine (diphtheria, tetanus, pertussis), three doses of polo vaccine, and one dose of MMR (measles, mumps, rubella) vaccine.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment (No. 559) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER. Mr. President, according to my calculation those are all the amendments.

The Senator from Ohio, I think, has one amendment that will be accepted by both sides.

Mr. METZENBAUM. It is acceptable by both sides. It is a very small amendment involving $6 million. There is no objection. It has to do with orphan drugs. There is no objection that I know of. I send the amendment to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. No more amendments.

The PRESIDING OFFICER. The Chair notes objection.

Mr. D'AMATO. I object. I object.

Mr. SASSER. I ask unanimous consent the Senator from Ohio be recognized for the purpose of offering an amendment that has been cleared by both sides and will be acceptable.

Mr. GRAMM. If you do not take it let us not debate it.

Mr. D'AMATO. Mr. President, I would like to say we have been trying to negotiate.

Mr. SASSER. Mr. President, I think I have the floor.

Mr. D'AMATO. I reserve the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. D'AMATO. I object.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

Mr. GRAMM. A quorum is present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, could we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

MCCAIN-INOUYE INDIAN ENTERPRISE ZONE AMENDMENT

Mr. DOMENICI. Mr. President, there is one amendment to this bill that has been a long time coming. It is the amendment offered by Senators MCCAIN, INOUYE, and myself.

We have been working on this legislation for almost 5 years now. And I am delighted that the Senate is going to accept this amendment.

The media's recent attention to the mysterious Four Corners Disease on the Navajo Reservation has put a spotlight on the Indian reservations and Indian life. It has awakened the conscience of this great Nation and focused it on the plight of the America Indians.

A number of us in the Senate have been concerned for a long, long time.

American Indians are by far America's poorest ethnic group. About one-half of America's 1,400,000 Indians live on reservations. To justify the need for reform, consider that the average rate of unemployment on Indian lands is 52 percent.

The reservations are remote. Economic opportunity sparse.

Alcoholism, drug abuse, and highway death statistics paint a dire picture.

Housing conditions on a reservation are just a notch above homelessness.

Long before I came to the U.S. Senate, the Federal Government had shown concern for its Indian people. We created Indian education, and Indian health. We established a Bureau of Indian Affairs to oversee programs for economic development, for irrigation, and a host of other needs.

It was all Government, and the results were never what we envisioned.

There is a large Indian population in New Mexico. I believe that the future of the State depends in part on the economic well being of our diverse Pueblo people and Indian tribes. Some of the Pueblos have shown an aptitude for entrepreneurship.

Their activities prompted me to hold two Indian economic summits which brought together Indian leaders, entrepreneurs, high-technology company representatives, and other leaders. Our task was to determine what was needed to bring economic opportunity to the reservations.

At those summits we learned about the highly skilled, predominately untapped potential of the Indian population. I have long admired the beauty of Indian pottery, silver jewelry work, and intricate beading. This commitment to quality and attention to detail are highly sought after traits for many types of manufacturing. Yet this Indian aptitude seemed to be overlooked by American companies.

My first conclusion was that too many American firms were unaware of the potential workers on the Indian reservations.

My second conclusion was that the lack of infrastructure, and the remote locations of the reservations justified Federal tax incentives to help these people make their own Indian economic opportunity.

I did a survey of various incentive models. I looked at 10 years of enterprise zone proposals. I examined the history of section 936 and its contribution to Puerto Rico's development. I looked at the targeted jobs tax credit, and a wide array of job training programs.

The proposal that seemed the most promising was one originally developed by the Treasury Department to reward companies that create jobs.

This is the wage credit portion of this amendment. It rewards employers for hiring Indian Americans.

To help develop the infrastructure certain investment tax credits are also created.

I want to thank Senators MCCAIN and INOUYE who have been tireless in their commitment to getting this legislation enacted.

I hope one day in the near future to stand on this Senate floor and report to this Chamber the positive impact we have had by enacting this legislation. I hope to tell you of the economic activity created, the jobs provided, the lives improved and the prosperity that we brought to Indian country by enacting this program tonight.

Tonight we are investing $209 million in this plan for Indian economic development. I predict it will be the first nurturing step to help each and every Indian reservation blossom like a rose.

This is one amendment that will truly make a positive difference in the lives of many American Indians.

Mr. DOLE. Mr. Chairman, I am particularly concerned with the provisions of the Senate Finance Committee bill which would cut back from 100 percent to 75 percent the amount of intangible assets that taxpayers can amortize. These provisions now raise over $5 billion of new revenue, principally from small business taxpayers, by denying taxpayers the ability to amortize assets which the House bill would permit them to amortize. This provision began as a tax simplification which was supposed to be revenue neutral and it is running out of control as a way to raise money from small business owners throughout the United States in a wide variety of businesses. In my own State of Kansas, the provision would negatively impact every independent insurance agent, every cable television business, every bank and savings and loans, and thousands of other businesses, particularly those in the service industries. I believe it is essential that while in conference the Senate conferees modify the legislation to provide for 100 percent amortization of these assets.

Mr. DODD. Let me say that I particularly agree with Senator DOLE's comments on this matter. The legislation contained in the House bill is a simplification which is intended to eliminate many taxpayer controversies. It was originally intended to be revenue neutral although now it raises $2 billion as a result of the recent Supreme Court decision. Let me, in particular, emphasize how this will affect many small service businesses, like those in the insurance or banking industry. Many of these businesses have customer lists which current law permits them to amortize over a 5 to 7 year period. The House legislation attempts to simplify this area of the law by permitting the amortization of those customer lists plus goodwill but over a much longer period, 14 years. The Senate Finance Committee bill leaves taxpayers with the longer recovery period of 14 years but only allows them to amortize 75 percent of the basis. In many cases, for my small businesses in Connecticut, this will impose a tremendous hardship compared with what they are permitted to do under current law. It is obvious the provision will impose a particular hardship because it would increase revenues by $5 billion. Moreover, as Senator DOLE has correctly recognized, much of this revenue would come from small business men and women. I, too, believe it is essential the conferees on this matter accept the House position to allow 100 percent amortization of these assets.

Mr. KOHL. Mr. President, I cannot say that I like this bill.

I do not like the fact that the gas tax will cost middle-income Americans $24 billion. I do not like the fact that too many people receiving Social Security will have to pay more taxes. I do not like the fact that spending on Medicare will be reduced while the cost of health care will continue to increase. I do not like the fact the small businesses will, in some ways, bear an unfair burden. I do not like the fact that the bill relies on too many taxes and too little on spending cuts. I voted for amendments designed to address these problems; but those efforts did not prevail; these problems remain.

Mr. President, I can say that I like this bill better than the one the President originally proposed and the House passed.

I like the Senate bill better because the Btu tax is gone. I like the Senate bill better because the energy tax has been cut by almost two-thirds. I like the Senate bill better because the ratio of spending cuts to tax increases has been improved. I like the Senate bill better because the retroactivity of the tax increases has been eliminated. I like the Senate bill better because we protect more senior citizens from Social Security tax increases. I had a role in making those improvements in the Senate bill: I discussed these issues with the President, with the majority leader, with the chairman of the Finance Committee, with other Members of the Senate.

Mr. President, I can say—I must say—that this bill is a serious deficit reduction initiative.

This bill will reduce the projected increase in the deficit by $500 billion, one-half a trillion dollars. That, Mr. President, is not small change. And it makes a big contribution to dealing with a huge problem.

The deficits we are running, the debt we are accumulating, are destroying our country. Four trillion dollars of debt. Annual deficits of close to $300 billion a year. An ever increasing percentage of our national budget squandered on interest payments rather than protecting the interests of our children, our cities, our environment. Financing our debt dries up capital and drives up the interest rates we pay for the cars, and homes, and consumer goods we buy; it increases the cost of doing business, it restricts economic growth, it reduces employment.

Before I came to the Senate, I was in business. My concern about the deficit is not academic. It is practical. It is real. I know that every business, large and small, suffers as a result of the deficit. Every family that buys anything on credit, every person who has to finance a major purchase, every student who must borrow money to pay for a college education, virtually every American, pays a price as a result of the deficit. It is a price that we cannot afford to pay as a nation or as individuals.

It is a price that this bill reduces.

We have talked about deficit reduction for years. We have waited for a President who would exert leadership and demand action. Well, we have one now. The plan he presented was not perfect. We have improved it and it still is not perfect. But it is reasonable. Almost 80 percent of the tax increases called for will be paid by people earning over $200,000 a year. It cuts spending—cuts so real that total Federal spending, excluding health care costs, will be just about the same next year as they are this year. And that, Mr. President, is the first time that has happened in years. The balance between tax increases and spending cuts, while not as heavily tilted to spending restraint as I would like, is minimally acceptable.

So, Mr. President, I will swallow my reservations. I will place my criticisms and complaints in perspective. I will not let the perfect be the enemy of the good. I will vote for this bill.

But let me make it clear that this bill is, in my view, on the edge. The good that it does outweighs the evil it causes by only a modest amount. Before this legislation can become law, our version must be conferenced with the House version. And when that conference report comes before us, when we are voting not just for a bill, but for a law, I tell my colleagues that the standards of evaluation I will use before deciding how to vote will be very stringent. I want to make sure that the balance between taxes and spending cuts remains at least where it is and I hope we will have even more spending cuts and fewer taxes. The burden we have imposed on middle-income Americans with the gas tax is about as much as I can tolerate. The incentives we provide to business, and the relief we offer to small business, should increase. In voting for the Senate bill, I am voting to continue the search for better legislation. When the conference report comes back to us, there will be no chance to improve it. My vote on the conference report will depend on how well it balances and blends the best elements of the House and Senate bills. How well it achieves those ends is yet to be determined. And my vote on that issue is still to be decided.

APPLICATION OF INTANGIBLES PROVISIONS TO VIDEOTAPES PURCHASED AS PART OF THE ACQUISITION OF A TRADE OR BUSINESS

Mr. MITCHELL. Mr. President, I would like to ask the chairman of the Finance Committee his view as to the application of section 8261 to the bill, the provisions dealing with the amortization of acquired intangible assets, to mass-produced videotapes, recordings, books, and other similar items that are readily available for purchase by the public, have not been substantially modified, and are acquired without the acquisition of the copyright or any right to copy or other exclusive license. It is my understanding that when such items are purchased as part of the acquisition of a business that sells or rents such items, the items are not section 197 intangibles.

Mr. MOYNIHAN. That is correct.

Mr. LEAHY. Mr. President, what a difference 12 years make. Back in 1981, President Reagan spoke often of the dangers of our then $50 billion Federal deficit. He spoke ominously of dollar bills stacked up to the Moon to illustrate the perils of deficit spending. He then offered an economic plan of huge tax cuts and spending increases that he promised would balance the Budget. In fact, Reaganomics took that stack of dollar bills past the Moon, past the Sun, and up into the stars.

In 1981, I was 1 of 11 who opposed Reaganomics because it seemed to good to be true. And it was. It led to $3 trillion of red ink and annual interest payments of over $200 billion to pay for that debt. It led us directly to this day, 12 years later, to this painful budget, to this vote.

The difference is, today we have an administration in the White House that doesn't just talk the talk about deficit reduction. We have an administration that looks beyond the easy answers to face up to the problems posed by these deficits.

President Clinton has not offered Congress a plan that is politically popular. This is a bill that a lot of people are going to have a lot of fun hating. This is a package that will begin to turn back the tide of red ink. It is tough medicine for tough times.

The Clinton budget plan offers specifics about cutting the deficit—specific spending cuts, specific tax increases. The problem with offering specific proposals is that special interest groups can more easily pick apart the package. As one journalist wrote: "The best measure of the program's fairness is the range of groups that have found things not to like." The special interest groups have been working overtime the last 3 months.

I support the Clinton budget plan and I will vote for the reconciliation bill. This is not a perfect bill, far from it. There are things in this bill that I object to—both on the side of tax increases and on the side of program cuts. Again, this debate is about making tough choices—the tough choices that were not made in the 1980's.

I support this reconciliation bill for three basic reasons. First, it is part of a budget package which cuts spending more than it raises taxes. Since the release of the Clinton budget proposal, Vermonters have told me they want more spending cuts than tax increases. This budget has been altered to include $1.04 in spending cuts for every $1 in tax increases.

The spending cuts in this bill will be painful. As chairman of the Senate Agriculture Committee, I was charged with cutting $3 billion out of agriculture programs. We cut a broad range of farm subsidies to cotton, grains, sugar, honey, peanuts, wool, mohair, and dairy products.

As chairman of the Subcommittee on Foreign Operations, I will be charged with cutting $1.5 billion in foreign aid below last year's funding levels. That is a foreign aid cut of more than 10 percent in 1 year.

I am troubled by the $60 billion in Medicare and Medicaid cuts in this bill—an amount I find too draconian and arbitrary. It is not fair to place so much of the deficit reduction burden on Medicare beneficiaries and vulnerable rural health care providers.

The additional $10 billion in Medicare cuts the Senate bill makes over the cuts in the House bill may endanger the survival of the already fragile health care systems in rural areas. These cuts are particularly unfair in Vermont where hospitals and doctors have acted responsibly to keep costs down. The effect of these cuts will inevitably be to increase the out-of-pocket costs for the elderly and disabled.

I will be working with like-minded Senators and Members of Congress to ensure a fairer outcome when the conference report comes before the Senate.

Anybody who says spending isn't cut in this bill doesn't know the truth—or more likely, doesn't care about the truth.

Second, the taxes in this bill are fair and progressive. No one wants to pay more taxes. But the simple fact remains: we cannot make a meaningful reduction in the budget deficit absent increased taxes.

David Stockman, President Reagan's OMB Director, misjudged the calamity of Reaganomics. Back then, he spoke of $200 billion deficits "as far as the eye can see." He clearly couldn't see too far. This year the deficit tops $300 billion, and without this deficit reduction plan will continue skyward.

Earlier this year, with the zeal of a reborn traveling preacher Stockman said that "on one thing [President Clinton] has told the unvarnished truth. There is no way out of the elephantine budget deficits which have plagued the Nation since 1981 without major tax increases."

So, this budget increases revenues by nearly $250 billion over 5 years to pay for deficit reduction. Who pays these new taxes? Seventy-nine percent of these taxes fall on taxpayers making over $200,000 a year. Eighty-seven percent will be paid by those making over $100,000 a year.

This is a progressive tax bill because it raises taxes on the highest earning Americans and reduces the taxes on working Americans making less than $30,000. This legislation turns the corner on the regressive changes made in the Tax Code over the last decade when the tax rates on the wealthiest 1 percent of Americans saw their effective tax rates halved, while the poorest Americans saw their rates increase.

This tax bill raises the tax rate to 35 percent on corporate profits over $10 million. It limits business deductions for entertainment expenses, for executive salaries over $1 million, and limits the tax deductibility of moving expenses.

I am disappointed that this bill contains a 4.3-cent tax on gasoline. A gas tax hurts rural States like Vermont. Many Vermonters have no access to mass transit, and must drive long distances to and from work.

This bill also contains important investment incentives. The low-income housing tax credit is permanently extended in this legislation, something I have fought for for years. Low-income Americans that work would get expanded tax relief under the Earned Income Tax Credit. This is one of the most important tax provisions on the books because it encourages families to get off welfare and make it on their own.

While I would like to have seen permanent extension, at the very minimum this bill extends the targeted jobs tax credit, the R&D credit, and the authority to issue mortgage revenue bonds. There is even tax relief here through the repeal of the luxury tax.

Third, and most importantly, I will support his bill because it reduces the deficit by over $500 billion. Republicans have criticized it for not having enough deficit reduction, though the same warmed over alternatives they offer would do no better—while doing it in a mindless way.

If we stay the course on the Reagan-Bush budget model, we will be running $400 billion annual deficits by 1998. The Clinton budget plan does not eliminate the deficit, but it does cut it in half compared to where we were headed under Reaganomics.

This budget plan is the first push for deficit reduction by a 5-month old administration trying to correct 12 years of fiscal mismanagement. Let us not forget one important fact: After 12 years of Republican administrations—which requested more Government spending than Congress appropriated—the Federal budget and the American taxpayer are saddled with $3 trillion in additional debt. The interest on the Republican debt amounts to roughly $150 billion annually, or half our current deficit.

The Clinton budget plan takes a direct, honest approach to cutting the deficit. No caps. No freezes. No gimmicks. The President has asked the American people to sacrifice programs where they can be cut. He has asked Americans to pay more taxes, commensurate with their ability to pay, to reduce the deficit.

There is no magic here or grandiose promises. We don't have a President who talks nostalgically about Morning in America. It is getting late in the day. The clock is ticking. It is time we did something for the good of this country to get this deficit down.

THE RECONCILIATION BILL

Mr. PELL. Mr. President, the reconciliation bill before us takes a huge step in the right direction, and I fully support it, notwithstanding the fact that many of us might like to see it go further. The bill is the centerpiece of a remarkable watershed in our national political life—an historic time of change as we move to a new set of progressive national priorities.

As I have observed previously, only twice in my lifetime has the Nation faced such a critical turning point—once in 1932 and again in 1960.

The bill provides the largest deficit reduction program in the Nation's history. At long last, it brings to an end an era of reckless borrowing and spending. It demonstrates that when there is reasonable philosophical agreement between the executive branch and Congress, responsible results will ensue. Approval of this bill will be one more signal that the era of gridlock is behind us.

This massive redirection of national priorities and resources is based on one essential element, and that is fairness. At the core is the concept that those who have benefited the most from the workings of the economy over the past 12 years should now pay their fair share of the burden of public debt which should have been retired while the good times were booming.

The general plan of taxation proposed by the President and embodied to a considerable degree by this bill conforms to that essential element of fairness, both in terms of the progressive rates on higher incomes and the broad based energy tax on transportation fuels.

I will be frank to say that I much prefer the Btu tax because I believe it spreads the burden across a broader base of fuels and probably is the fairest plan in terms of regional interests. And I would note that the Btu tax would have raised $72 billion, instead of the $24 billion provided by the tax on transportation fuel.

Had the Btu tax been retained, we would not be faced with the $19 billion additional cuts in Medicare which I must say detracts from the basic fairness of the bill. I hope that there will be a serious effort in conference to reduce the cuts in the Medicare program.

This is but one area in which the bill before us, as epochal as it is, unfortunately does not live up to the full promise of President Clinton's program. While the bill does indeed change national priorities in terms of fiscal responsibility and deficit reduction, it seems to have lost, along the way, some of the initial promise of creative action to promote economic growth.

Lost in the process of political compromise are incentives for corporate investment and provisions for public investment in such programs as technology research and worker training. History may well record that we became so stampeded by the deficit cutting frenzy that we lost sight of the pro-active part of President Clinton's economic program. Hopefully, this will prove to be a temporary lapse.

In this connection, I would note that the bill fails to make appropriate allowance for the major mechanism for economic growth and that is capital gains. The bill provides for a 10-percent surtax on capital gains for those whose income exceeds $250,000, effectively increasing the tax rate on capital gains from 28 percent to 30 percent.

To my mind, this is folly because it diminishes the pool of resources which is most likely to stimulate the economy. And I might note in this regard that by far the greatest portion of capital gains comes to those whose income exceeds $250,000. As our venerable former colleague John O. Pastore was wont to say this provision "kills the goose that lays the golden egg." So it would be my hope that this legislation in its final form would make a more positive recognition of a role of capital gains.

Finally, in my capacity as chairman of the Subcommittee on Education, Arts and Humanities, I would like to note a bright spot in the bill with respect to the student aid provisions. I am very pleased indeed with the compromise proposal agreed to in the full Labor Committee which contributes over $4 billion in savings to the bill, with an additional $2 billion or more in direct benefits to students through reduction of origination fees and insurance premiums.

Under the compromise, we will test the concept of direct government loans on an expanded basis. But through the National Commission on Student Loan Reform we have a way of assessing the program without reaching a point of no return. We also provide a series of program safeguards to assure students and families that will have access to the loans they need to help pay for a college education. And we streamline the operation of the student loan program. On the whole, the student aid provisions are sound and deserve the support of the Senate.

In summary, Mr. President, the legislation before us, like all products of compromise, does not have in it everything that it should have. But it is a massive instrument of change notwithstanding its imperfections. I congratulate the President for setting us on this course and the Senator from New York [Mr. MOYNIHAN] for the critical role he played in securing agreement on the core provisions of the bill. I support its passage and hope for a constructive and productive conference with the House.

LEGISLATIVE LINE-ITEM VETO SEPARATE ENROLLMENT AUTHORITY

Mr. HOLLINGS. Mr. President, I rise today in support of the Bradley-Hollings amendment which will allow the President to control wasteful and unnecessary spending and thereby reduce the Federal deficit. This amendment, which would provide a statutory, separate enrollment line-item veto, would apply both to items of appropriation as well as to tax expenditures. In addition, it would use the same mechanism as measures previously considered by the 99th Congress and reported favorably by a bipartisan vote out of the Senate Budget Committee on July 25, 1990.

Currently, 43 States allow their chief executive to limit legislative spending through some form of the line-item veto. As a former Governor who inherited a budget deficit in a poor State, I can testify that a line-item veto is invaluable in imposing fiscal restraint.

The fiscal problems of our Nation have been painfully documented. The Federal Government currently faces annual deficits approaching $400 billion and a total debt eclipsing $4 trillion. For years now, we have been toying with freezes, asset sales, and sham summits, but the deficit and debt continue to grow.

The American taxpayer, as well as the Congress, have grown weary of finger-pointing and are past ready for a serious deficit reduction package. If ever there was a problem that needed to be attacked from every possible angle, it is this deficit. By restoring accountability and responsibility to both the appropriations process and the tax code, the line-item veto would force Members of Congress and the President to stop fixing the blame and to start fixing the problem.

This amendment provides that each item shall be enrolled as a separate bill and sent to the President for his approval. Therefore, each item of an appropriations or tax bill would be subject to veto or approval, just like any other bill, and the override provisions found in article I of the Constitution would apply in the case of a veto. The enrolling clerk would merely break an appropriations or tax bill down into its component parts and send each separately enrolled provision to the President.

Finally, this measure also contains a 2-year sunset provision allowing for a reasonable testing period and requiring an evaluation of the line-item veto's success. During the debate on the budget resolution, 73 Senators voted for an amendment introduced by Senator BRADLEY and myself which expressed the sense of the Senate that the President should be given the authority provided in this legislation. I have no question but that it will be demonstrated to be a modest, but effective method of restraining fiscal profligacy. I hope that Senators will join us in this effort and allow the President to go into battle against the deficit well armed.

Mr. ROCKEFELLER. Mr. President, I rise in support of the Omnibus Budget Reconciliation Act of 1993; not because of all the spending cuts it makes, and certainly not because of the taxes included, but because it represents a historic step down a long road that will put our great Nation back on track toward progress and prosperity.

None of us, including President Clinton, are happy about some of the tough choices and sacrifice required to change our country's course and attack the Federal deficit that is strangling our future. But we cannot ignore these problems, and we cannot afford to continue the pattern of inaction set by the past 12 years. I believe President Clinton has shown the courage to offer an honest plan to change course, and the Senate must do its part to help foster the same sense of responsibility for the future.

President Clinton is asking all Americans to help change the country's direction, and commit themselves to this effort with courage and will. It will take that to shoulder—fairly—the job of repairing the damage done to the country over the past decade. Over the long haul, the benefits of President Clinton's overall deficit reduction and economic recovery program should far outweigh the initial sacrifices needed. In fact, families across the country, and in my State of West Virginia, have already benefited from the lower interest rates that have come about because of President Clinton's plan.

I did not make the decision to vote for this package lightly. Immediately after the President first unveiled his economic and budget plan, I held a series of meetings all over the State of West Virginia. Officials of the Clinton administration traveled to these forums, to explain the goals of the President's program and the reasons for each of the main elements of that program. We also assessed the consequences of ignoring the deficit, keeping the blinders on, and pretending that the ideologs and obstructionists are right.

At the meetings in West Virginia, and in hearing from constituents over the past months, I heard the same points made over and over again. West Virginians said they were willing to do their fair share for deficit reduction if and only if their Government leaders could assure them that the burden would be spread fairly and that a serious effort would be made to cut waste in every single part of Government.

Mr. President, I agree that our top priority should be to cut spending and waste in Government, instead of raising taxes. But, and I am sure everyone in this Chamber will agree, we should make sure we cut responsibly and fairly. Unfortunately, to get the same sort of deficit reduction without measures like an energy tax, we would have to enact other measures that could be even more burdensome to Americans who are struggling the most to make ends meet. That was why I fought excessive cuts in Medicare and Medicaid. While I do believe that we have to reign in the cost of mandatory programs, I don't think we should put the burden of deficit reduction on the backs of those least able to pay. And let me be clear, this plan does not do that—87 percent of the new taxes will be paid by families earning over $100,000, and about 79 percent will be paid by families making over $200,000.

As I said before, tackling the deficit does not begin with new taxes—it begins with cutting waste and unnecessary spending on all fronts. And while it is simplistic to reduce this debate to a political soundbite, at the heart of this proposal there are 92 cents in deficit reducing taxes for every $1 in spending cuts.

Mr. President, opponents of this plan—many of them the same people who championed the borrow and spend policies of the 1980's—have said over and over again how they are against raising taxes even on the wealthiest Americans, but when asked how they would cut spending, they almost always offer only generalities and evasions. Mr. President, supporters of this plan have made a lot of tough decisions, including cutting approximately $269 billion in both mandatory and discretionary spending. In all, this plan will mean $500 billion in deficit reduction over the next 5 years.

And President Clinton is determined that Government make the first contribution to deficit reduction by cutting Government spending. I am pleased that the President has already cut the White House staff by 25 percent, saving an estimated $40 million over 4 years. And Mr. President, Congress has responded in kind, by initiating a plan to cut its staff and budgets in proportion to the President's.

Under the budget plan, as proposed by President Clinton, we will cut Government programs where there is waste and taxpayer's hard-earned money could be better spent elsewhere. The administrative costs of Government will be cut by $11 billion. Education programs will be streamlined. Agriculture programs will be scaled back. Unnecessary commissions will be eliminated. The budget axe will be used in program after program, with the insistence that the Government's fiscal house must be put in order.

Moreover, President Clinton has taken aggressive and bold steps to streamline the Federal Government by ordering administrative cuts in the budgets of agencies and departments, and by cutting wasteful spending, such as the use—and abuse—of Government-owned aircraft, cars, executive dining facilities, and stays at vacation resorts that have in the past meant unjustifiable costs to taxpayers. President Clinton has issued Executive orders requiring the elimination of many perks or extras enjoyed by past administrations—often at taxpayer expense. The President has banned unnecessary air travel and the use of Government-owned aircraft where commercial air travel is available. He has also called for reducing the number of motor vehicles owned by the Federal Government, by at least 50 percent by the end of 1993.

All of these measures are aimed toward reducing Government wastefulness and unnecessary spending, and to guarantee a Federal Government that will efficiently deliver services to the American people, who, after all, are those for whom the Government exists to serve.

It is impossible to craft a bold plan to make the country stronger and more prosperous and please everyone on every detail. My own tests involved judging whether the President's plan was fair, workable, and the beginning of a new course that would benefit our Nation and my State of West Virginia. I believe that this plan fulfills those tests, and I am certain that if we all agree to pitch in and do our part to help ease the burden imposed on us by the deficit, the Clinton administration will confront—head-on—national problems like health care, crime, education, the economy, and the environment.

I have commented in other parts of this debate on my strong views about the role that Medicare and Medicaid should play in deficit reduction. I am extremely proud of the collective effort made to shield these health care programs from harmful cuts and blows to the extent possible. It is true that these programs are spending money at a rate of growth that's unsustainable. But the time and the place to resolve that problem is called health care reform. In this budget package, we turned to Medicare and Medicaid to make a sizable contribution toward deficit reduction.

Mr. President, as I said before, this bill represents a major leap down a long road toward putting our great Nation back on track toward progress and prosperity. The next necessary step is health care reform, and I am confident that with the help and participation of all Americans, we will usher in a new era of hope, a renewed sense of pride and well-being in our Nation, and the restoration of progress and prosperity in the lives of the American people.

OMNIBUS BUDGET RECONCILIATION ACT OF 1993

Mr. HEFLIN. Mr. President, I rise today in support of S. 1134, the Omnibus Budget Reconciliation Act of 1993. I do so with the firm belief that this economic plan is the very best hope we have now or will have in the next 4 years of finally getting a handle on our massive budget debt and yearly deficits.

We stand at a unique place and time in history with regard to addressing our most pressing structural economic problems. The American public, through countless opinion surveys, consistently ranks deficit reduction as its paramount concern. Of course, there are many reasons offered for this seemingly new-found determination to do something about the deficit. Ross Perot's plain talk and colorful charts and the educational efforts of many others undoubtedly deserve some of the credit.

But I believe in the inherent good sense of the American people, and I believe that good sense has opened millions of eyes and even hearts to the fact that America has been victimized by more than a dozen years of borrow and spend Federal fiscal policies that have run up a horrendous $4 trillion national debt. The public is saying, "Enough is enough. This irresponsibility must stop." There is a sense of urgency for protecting the future of our children and grandchildren. The question is whether we will act now to reduce the deficit. If we don't, the only real opportunity we've had in 12 years will be wasted.

Unfortunately, our viable alternatives are few. We must finally begin to service and reduce our debt or our Nation will face the miserable consequences of bankruptcy.

We are deeply and sincerely committed to doing something about deficit reduction. The American people, by all accounts, are prepared to do their part. This is really the first time in my more than 14 years in the Senate that I have seen such an array of forces converged in an attempt to address this pervasive problem. Indeed, it is rare that we ever have a committed President, public, and majority of Congress aligned on any issue, much less one that strikes at the very soul of our free republic.

By no means is this a perfect plan. Like all of my colleagues, I have strong reservations about certain provisions of the reconciliation bill. I am deeply concerned, for example, about the effect business taxes will have on small entrepreneurs. I remain opposed to the Btu tax, which in this bill has been replaced by an additional tax on gasoline. It is a 4.3 cents-a-gallon tax instead of the 50 cents-a-gallon advocated by Ross Perot.

I am not necessarily for a gasoline tax. But, as with anything in this body, it comes down to a matter of choosing among alternatives, and the choice for me was simple. Do we go with the President's proposed Btu tax, or a higher gasoline tax such as that offered by Ross Perot, or with the Senate plan. I chose the Senate plan of 4.3 cents-per-gallon.

The bottom line is this: For the first time since the debt began mounting, we have the momentum to take bold and decisive action to begin reducing it. I am fearful that if we do not act now, we will lose that momentum, perhaps not regaining it until a severe economic crisis slaps us in the face. This package contains $516 billion in deficit reduction, the largest in history: If we choose to do nothing, in 5 years our deficit will be 50 percent more than it will be if this plan is in place.

Contrary to what some Americans still believe, spending cuts alone will not do the job. As our colleague from South Carolina, Senator HOLLINGS, has stated in his own unique way, "To grasp the inadequacy of this approach, imagine not just cutting domestic discretionary spending, but eliminating every last dime of it, including foreign aid, food stamps, Congress, the judiciary, the White House, and every department in Washington except defense. We would save $250 billion" with such draconian cuts—which would never be acceptable to the public—the Senate plan cuts $260 billion over 5 years.

And so, Mr. President, we can continue to wring our hands and play the blame game, or we can act. As the President stated so well in his address to Congress back in February when he unveiled his economic plan,

> There is plenty of blame to go around, in both branches of Government and both parties. The time has come for the blame to end. I did not seek this office to place blame. I come here tonight to accept responsibility, and I want you to accept responsibility with me. And if we do right by this country, I do not care who gets the credit for it.

Similar sentiments were echoed quite eloquently just last evening by our newest colleague, Senator KAY BAILEY HUTCHISON, when she said,

> This is not a Republican deficit. This is not a Democratic deficit. This is an American deficit. So let us stop the political bickering * * * [the people] are looking to those of us on my side of the aisle and those on the other side of the aisle to do something about jobs and the deficit.

While the junior Senator from Texas favors a different approach, I applaud her strong appeal for bipartisanship.

I want to clear up a few things before concluding. There has been a lot of talk and concern regarding additional taxes and cuts in medical programs for the elderly. I want to make perfectly clear what we are doing.

We have been accused of drastic cuts in Medicare, of taking health care away from our American elderly who need it the most. However, the cuts in this package are directed toward the provider—the hospitals and doctors—not at our senior citizens. I would also add that the Republican alternative offered earlier this week would have actually cut $20 billion more from Medicare than the package we are considering now.

There is another item, Mr. President, that I think needs to be clarified. This package is being presented only as a massive tax bill. Let's be specific about the income tax. The only increase in the personal Federal income tax rate is on those families with an income in excess of $140,000, or, if you are single, an income tax increase for those making in excess of $115,000, or, if you are single, an income tax increase for those making in excess of $115,000. I sincerely believe that wealthy Americans have had a free ride for the last 123 years: It is time for these fortunate citizens to pay their fair share.

Winston Churchill once said, "If we open a quarrel between the past and the present, we shall find we have lost the future." We can argue forever about what might have been done in the past to avoid the economic mess we are in. We do not have the luxury of replaying the past, but we do have the present. And the quarreling of the present will only impact our future security. Let us heed Churchill's warning and cast a vote for the future.

I implore all of my colleagues to stop the blame game and wringing of hands and vote for a new beginning. We are in this together. I urge you to support this historic effort at deficit reduction by stepping up to the plate and accepting responsibility. It is what we have been elected to do. The economic soul of our Nation depends on us fulfilling that responsibility.

I thank the Chair.

Mr. DURENBERGER. Mr. President, I rise today to express my profound disappointment with the budget reconciliation process.

I am disappointed with the result of that process so far—and also with the position in which it has left both the U.S. Senate and the American people.

Last year, I supported George Bush for President. I hoped he would win. He did not. But I reconciled myself to our election loss by hoping that the Clinton administration would live up to the most important promises that then-Governor Clinton made during the campaign. He promised us that he would bring to Washington what he called the courage to change.

And in those promises I found cause for optimism.

The 1992 campaign established beyond any doubt that we have to do things differently. We have to make government better—more efficient and more user friendly.

In short: We have to reinvent Government. Candidate Clinton appealed to that and the American people responded.

This reconciliation bill was our first opportunity to fulfill that promise—and it leaves me profoundly disappointed.

Because the American people demand more than spending cuts and 5-year deficit reduction. These things would be the beneficial result of doing things differently.

The election was about precisely this—doing things differently. That is the way to create long-term change and progress. That is the way to curb the huge Federal appetite for tax dollars. And that is the only way we can restore the confidence of the American people in the institutions of their government.

In spite of all the rhetoric, this budget does not represent change. It is not a new way of doing things. And it is not a new way of looking at Government. This budget takes the same government services, delivered in the same way, delivered by the same agencies to the same people.

Some of my colleagues on this side of the aisle have described this bill as the same old tax and spend philosophy of the past. Of course, they are right. There are some courageous decisions in this bill, but precious few. And there are absolutely no challenges to business as usual in the nation's capital.

On the other side of the aisle, some of my colleagues have criticized the Republican alternative as the same old slash and freeze Republican reaction to overspending. And they are right, too.

The Republican alternative is clearly superior to the Democratic bill, in that it kept faith with America's desire to cut Federal spending first. But even the Republican alternative does not contain any bold initiatives or innovative ways to deliver services better or more efficiently and consequently address the long-term budget and deficit problems.

I have an alarming sense of deja vu about all this. In fact, this is precisely where I came in. When I was elected to the Senate back in 1978, the Democrats were taxing and spending. And the Republicans were attacking spending.

It is true that there is an old proverb saying, "the more things change, the more they stay the same." But the American people thought last November that they were repealing that proverb.

With this bill, the U.S. Senate is doing its best to prove the people wrong.

What would I have done differently? Exactly what I tried to do in my own capacity as 1 Senator among 100.

I wanted—from day one of this administration—to set aside all the partisanship and all the posturing and credit claiming. If we in this body decided to work together instead of endlessly trying to score partisan points off each other, we could have reached a compromise far superior to this bill.

The price of our failure is the inevitable party line vote later this evening that will have us—and all Americans—all disappointed and angry.

We can still set this right. But not by tomorrow, and not before the July recess. We can set it right if we get to work on the really important issues of health care reform, welfare reform, education reform, and all the rest of the opportunities to really save money and cut spending by doing things differently and doing them better.

So I ask my colleagues to join me in spending the recess listening yet again to the message of the voters. They want us to drop the partisanship. They do not care who wins between Democrats and Republicans. They want us to accomplish something for them.

If we come back from the July recess with a renewed sense of bipartisanship and purpose, we could build on the success of new departures like the income-based education proposal.

That is one of the very few real reforms contained in this bill—it is a bipartisan achievement that will reduce our costs while increasing benefits because it delivers service in a different way.

We could do this in health care. We could do it in education. We could do it in welfare reform.

On all these issues, we are close to broad bipartisan agreement.

But I caution my colleagues: If the pattern of partisanship set by this bill is the pattern to be followed, we will not accomplish the kind of reform the American people want. This reconciliation bill just does not cut it. And the patience of the voting people in this country is not limitless. When we come back from the July recess, we had better have the courage to change—or the voters are going to have the courage to change us.

CONCORD COALITION

Mr. DURENBERGER. Mr. President, I rise today to alert my colleagues to the excellent work being done by the Concord Coalition in raising public awareness about the Federal budget deficit and other key problems of government in the United States.

In a recent letter, Darren Chase, the Minnesota State director of the Concord Coalition, made it extremely clear that the American people demand a reinvention of government. They want our public policies to be more productive, efficient, and accountable—and they will not take no for an answer.

I ask unanimous consent that a copy of this letter, along with a Washington Post op-ed by David Broder, be included in the RECORD at the conclusion of my remarks.

THE CONCORD COALITION,
Minneapolis, MN, June 23, 1993.

Senator DAVE DURENBERGER,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR DURENBERGER: I am writing you on behalf of the 3,000 members of The Concord Coalition of Minnesota and the thousands of others who share our concerns about the deficit. Since meeting with you in March, I have been extremely successful educating people about this issue and empowering them to demand results from our leaders. Recently, David Broder highlighted our efforts in the Washington Post.

It is plainly clear that eliminating the deficit stands as the most important issue for many thousands of concerned Minnesotans. We want our representatives to demonstrate non-partisan leadership in developing a comprehensive long range plan for balancing the budget. We accept that a balanced budget requires significant spending cuts as well as increased taxes and health care cost controls. We are prepared to sacrifice to achieve this goal.

Here is a sample of some of the recurring themes we are hearing:

"Spending should be cut before taxes are raised."

"I want better, smarter, more efficient government."

"The government gives too much money in entitlements to people like myself. I don't need it; I shouldn't get it. New spending should benefit the truly needy."

"I'm willing to do my part and pay higher taxes if they go to reduce the deficit."

"The AARP doesn't speak for me. I'm concerned about the future I'm leaving for my children and grandchildren."

"We are saddling our kids with a bill they shouldn't have to pay and may be unable to pay."

"I understand these are hard choices, and I will support my Congressman or Senator if he makes them. I will judge their actions based on their effects on the deficit."

President Clinton's deficit reduction plan and the Republican alternative announced by Senator Dole are equally unacceptable. Neither is a comprehensive long term plan to balance the budget. Both delay the real hard decisions until the future. Our Nation stands at an economic crossroads. The time for decisive leadership is now. We cannot afford to wait. We rely on you as our senior Senator to demonstrate courageous leadership during the coming days and hope that you work with other influential members of Congress to craft a bi-partisan plan to eliminate the deficit.

Senator Durenberger, know that an increasing number of Minnesotans share our convictions and beliefs. The time has come for us as a nation to make the hard choices and move forward. I look forward to meeting with you to discuss this matter further when you return to the Twin Cities. If you have any questions or desire additional information, please call me at work or home. Good luck!

Sincerely,

DARREN CHASE,
State Coordinator.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, April 21, 1993]

TRILLION DOLLAR BILL

(By David S. Broder)

Late last year Darren Chase was a 20-year-old Navy lieutenant with a fine seven-year record and a Pentagon assignment that promised a bright future. But he had a problem. "'My friends and fellow officers were good people," he recalled, "but there were thousands of us, spending every working hour defending our little piece of program and budget—and nobody was thinking about the country."

Chase decided to leave the Navy. After chancing unto a radio broadcast featuring former senator and former presidential candidate Paul E. Tsongas, he became a volunteer at the Concord Coalition. The organization was launched by Massachusetts Democrat Tsongas and fomer New Hampshire Republican senator Warren B. Rudman to build public support for strong measures to reduce the federal budget deficit.

Now the paid Concord Coalition organizer in Minnesota, Chase asked the key question at last week's initial national policy forum held by the coalition here in Washington. Cutting through a fog of economic forecasts and analyses, he said: "The people I talk with, outside Washington, are asking one question: Why don't we have a plan that gets the budget deficit to zero?"

President Clinton, Chase said, talks about how much he is cutting the deficit, and Congress says it is doing even more. But look at the numbers and the deficit is still slated to be $212 billion four years from now—and then increase!

Chase put his finger on the central weakness in the economic battle plan of the new Democratic administration. "We need something out there that the public can understand," Robert Reischauer, head of the nonpartisan Congressional Budget Office, told the Concord meeting a few hours after Chase had asked his focal question. "I doubt if the space program would have gone very far if President Kennedy had asked for the capacity to get a man 239,000 miles into space and back. We needed the moon."

Reischauer gave the relevant numbers: If you want to wipe out the budget deficit in 10 years, you will have to achieve an additional $48 billion of spending cuts and/or tax increases each year from now to 2003. If you want to do it in five years, it will take $12 billion a year more than that. By way of comparison, the five-year budget summit agreement of 1990 (which Congress has enforced, despite its repudiation by Bush in last year's campaign) saved $28 billion each year. Clinton is proposing $20 billion a year—less than half what it would take to eliminate the deficit in a decade by Reischauer's estimate.

The president and his advisers argue that they have gone as far as they can go, that steeper cuts might tip a fragile recovery back into recession. That is a legitimate policy view—but it is disputed across the political spectrum. Reischauer said a five- or 10-year plan to eliminate the deficit would "slow the economy perhaps one half percent a year, but not enough to abort the recovery."

At the same meeting, Paul Volcker, the former Federal Reserve Board chairman and symbol of financial caution, said, "I do not lose sleep worrying that we may cut the deficit too much." And Charles Schultze, the former Budget Bureau chief under President Carter and a Democratic partisan, said that while Clinton "has done a very good job of public education on why the budget deficit is important," his actual cuts are minimal. In a $6 trillion economy, Schultze said, "certainly something more would do no harm" to economic growth.

Officially, the Clinton administration is planning its hopes for additional deficit reduction on enactment of a health reform plan that will cut fast-rising medical costs. But privately, senior administration economic officials acknowledge that Schultze is right when he says that "in the next five years, even a highly successful health care cost control initiative will not produce any significant net savings to be used for debt reduction," once the costs of providing health care for the millions now uninsured are factored into the equation.

So there is no Clinton plan extant to eliminate the budget deficit. Instead, Clinton intends to join Ronald Reagan and George Bush as another of history's great budget-busters. He plans to add $937 billion to the national debt in four years. Given the history of underestimating deficits, he will almost certainly go into the books as "Trillion-Dollar Bill."

Shrewd as he is politically, Clinton has consistently been one beat behind the music in understanding that the public is ready to accept tough measures in order to stop the hemorrhage of deficit spending. In New Hampshire more than a year ago, he thought he had to sugarcoat the message by promising a middle-class tax cut—and was outflanked by Tsongas. Last fall, he was outflanked again on the deficit issue by Ross Perot. And now he is showing less courage on this issue than Congress.

He is leaving Darren Chase's question unanswered and denying himself the stature of bold leadership his hero John Kennedy acquired when he said, "I think we should go to the moon."

In years to come, he and the nation will see this as a great opportunity lost.

PFIC

Mr. DASCHLE. Mr. President, I would like to engage the Senator from New York, the distinguished chairman of the Finance Committee Mr. MOYNIHAN, in a colloquy to clarify an outstanding issue from last year. The Finance Committee report accompanying H.R. 11, dated August 4, 1992, stated that equity issues had been raised with regard to the application of the passive foreign investment company [PFIC] rules to export trade corporations and that the committee would schedule consideration of this matter at the earliest possible date.

Could the chairman reconfirm that the committee will take up this issue at an appropriate time?

Mr. MOYNIHAN. Yes, that is the committee's intention.

TAX-EXEMPT BOND FINANCING FOR HIGH-SPEED GROUND RAIL

Mr. GRAHAM. Mr. President, as part of his original budget and later his reconciliation legislation submitted to Congress, President Clinton proposed to remove the volume cap limitation on the use of tax exempt financing for high-speed rail and magnetic levitation systems. This measure is included in the House reconciliation bill, and the Senate voted to approve this same provision in the last Congress.

Not only is this tax exempt bond measure modest in cost, it has been identified as a key to leveraging the necessary private investment to develop these innovative and environmentally sound forms of transportation. In many areas of the country, there is a critical need to develop infrastructure and transportation systems that will help relieve the burden on the existing system.

In Florida, for instance, there is agreement at all levels of government on the corridor which should be developed and widespread excitement about bringing a high-speed system on line. Yet, Federal, State, and local governments simply do not have the financial resources to build these projects, so private participation is essential. At the same time, private industry is reluctant to take the lead without a signal from government that these projects are a priority; the tax exemption is just the right incentive.

As part of the effort to scale back the tax portion of reconciliation in the Finance Committee, the high-speed rail provision unfortunately became one of the many private-sector incentives that were eliminated from the bill. The chairman of the Finance Committee, the distinguished Senator from New York, has been a supporter of this amendment in the past. He is a leader in encouraging the development of innovative transportation systems. These new systems will be an important component of the defense conversion effort that the President has identified has a highigh priority.

Although I do not intend to offer an amendment today to restore the President's provision lifting the volume cap on high-speed rail and maglev projects, I remain hopeful that the House language will prevail in the conference. I would like to encourage the Senator from New York to accede in the conference negotiations the House position on this matter of tremendous concern to advocates of high-speed rail.

TITLE XIII OF S. 1134—VETERANS PROGRAMS.

Mr. ROCKEFELLER. Mr. President, as chairman of the Committee on Veterans' Affairs, I rise to comment on title XIII of the fiscal year 1994 budget reconciliation measure.

Title XIII contains provisions to comply with instructions contained in section 7(b)(12) of the concurrent resolution on the budget for fiscal year 1994, House Concurrent Resolution 64, requiring the Committee on Veterans' Affairs to report changes in laws within our jurisdiction sufficient to reduce outlays for veterans' programs by $266 million in fiscal year 1994 and a total of $2,580,250,000 during fiscal years 1994–1998.

Pursuant to section 7(b)(12) of the budget resolution and action by the committee at a June 10, 1993, meeting, the Committee on Veterans' Affairs submitted legislation to the Budget Committee on June 14, 1993, recommending the required reductions. Estimated savings from that legislation would exceed the 5-year period required savings of $2.58 billion by approximately $29 million. According to CBO estimates, the committee legislation would produce net savings of $2.609 billion in outlays during fiscal years 1994 through 1998.

SUMMARY OF PROVISIONS

Mr. President, title XIII of the bill contains provisions that would make changes in laws relating to VA compensation and pensions, health care, educational assistance, home loan guarantees, and income eligibility for certain programs. These provisions would:

First, in section 13001, make permanent the current $90 limitation on monthly pension payments for veterans and surviving spouses who have no dependents and are receiving Medicaid-covered nursing home care.

Second, in section 13002, require that the fiscal year 1994 cost-of-living adjustment for veterans disability compensation and dependency and indemnity compensation be rounded down to the next lowest whole dollar. Section 13002 also would require that the effective date of the fiscal year 1994 COLA be no earlier than December 4, 1993.

Third, in section 13003, increase, effective October 1, 1993, the amount of the pay reduction servicemembers must make to qualify for educational assistance under the Montgomery GI bill [MGIB]. For fiscal year 1994, the amount would be increased from $100 to $137 a month for the first 12 months of military service, total contribution increase from $1,200 to $1,644. After fiscal year 1994, the pay reduction would be increased by the same percentage as the automatic cost-of-living adjustment in MGIB benefits.

Fourth, in section 13004, make permanent the current requirement that VA consider its average resale loss in the formula VA uses to determine, upon foreclosure of a VA-guaranteed home loan, whether to acquire the property and resell it or simply pay off the guaranty.

Fifth, in section 13005, increase the fee that borrowers pay for certain VA-guaranteed home loans by 0.75 percent of the loan amount, which would increase the basic fee for veterans from 1.25 percent to 2 percent of the loan.

Sixth, in section 13006, make permanent VA's current authority to recover from a veteran's private medical insurance the cost of medical care provided to service-disabled veterans for non-service-connected conditions.

Seventh, in section 13007, make permanent VA's authority to collect co-payments from certain veterans for certain health care services and for medications furnished on an outpatient basis.

Eight, in section 13008, make permanent VA's current authority to verify veteran's eligibility for VA need-based benefits using Internal Revenue Service and Social Security Administration income data.

DISCUSSION

Mr. President, if it were not for the reconciliation requirements and the enormous—and growing—need for deficit reduction, I would not recommend any of the provisions in this package. The task of cutting programs and charging fees for veterans benefits and services certainly is not a pleasant one, but our committee has satisfied its reconciliation instructions with provisions that are the least harmful to veterans of any alternatives available to us.

Mr. President, most of the credit for the humane manner in which veterans are being asked to contribute to deficit reduction must go to the best friend veterans have ever had in the White House—Bill Clinton—and to one of their own who is doing a great job heading the Department of Veterans Affairs—Secretary Jesse Brown.

Mr. President, all but one of the provisions in our committee's reconciliation package were included in the President's proposed reconciliation package, which formed the basis of the reconciliation instructions Congress adopted in the budget resolution.

Mr. President, the vote in our committee on this package demonstrates the skill and fairness that President Clinton and Secretary Brown put into the deficit-reduction package that they proposed in the administration's budget. The vote was unanimous—all of our committee's Democrats and all of our committee's Republicans joined together in an overwhelming show of support for this package. I commend each of my colleagues on the committee for this bipartisan accomplishment.

Mr. President, all of my colleagues are painfully aware of the enormous difficulties we face in cutting Federal spending for popular, important programs such as veterans benefits. Those who refer to this legislation as a tax bill are conveniently ignoring the real spending cuts it contains.

Those who say that President Clinton is not making the tough choices he promised to make ought to take a look at the veterans programs portion of this bill. There couldn't be any tougher choices—either politically or in practical, human terms—than the choices President Clinton and our committee made in constructing this part of the reconciliation bill.

Mr. President, there is no other part of this bill that demonstrates so clearly how this administration has made the bold, courageous choices that no one previously had been willing to make.

This is leadership.

This is political courage.

And, if you look carefully at these provisions, this is budget cutting with compassion and concern for the real people who will feel its effects.

Mr. President, we should not forget that the real heroes in this process are—not surprisingly, perhaps—veterans themselves. Veterans organizations indicated at the beginning of this process that veterans are ready and willing to contribute their fair share toward deficit reduction. The legislation approved by our committee reflects veterans' commitment to share in the sacrifices and reflects our commitment to ensure that those sacrifices are fair.

COMPARISON WITH HOUSE PROVISIONS

Mr. President, the alternatives that our committee rejected actually highlight the fairness of the package we approved.

The veterans programs package in the House-passed reconciliation measure contained several provisions that were not part of the administration's proposals—provisions veterans strongly oppose. Our committee did not adopt these provisions.

Mr. President, one of the House provisions we did not adopt would authorize VA to seek reimbursement from a veteran's private medical insurance for medical care VA provides for service-connected conditions. There was considerable discussion of this House provision during our committee's markup. Members universally opposed the idea of shifting responsibility for paying the costs of service—connected care from the government to private insurers. Members of our committee agreed that this would abrogate one of our government's most fundamental responsibilities. Many of us also were concerned about the effects this might have on the availability and cost of private health insurance for disabled veterans.

Mr. President, another House provision would eliminate the cost-of-living adjustment for veterans' survivors who receive dependency and indemnity compensation according to the payment system that existed prior to the major DIC reforms we enacted last year in Public Law 102-568. When Congress enacted that law, we in the Senate indicated that we intended to provide COLA's to all DIC recipients, regardless of the formula under which they receive benefits. The House provision is not fair and would contradict the promises we made last year.

Mr. President, the House also included a provision that would reduce the automatic cost-of-living adjustment in educational assistance benefits under the Montgomery GI bill by 1 percentage point, thus scaling back the expected 3-percent increase to 2 percent. The Senate package does not include this provision, either.

Finally, the House also included a provision to restrict chapter 35 education benefits for dependent children to the natural and adopted children of veterans. This would eliminate eligibility for veterans' stepchildren, who currently may qualify for these important benefits. The Senate legislation contains no equivalent provision.

The final difference between this package and the House bill is that the House legislation extends certain expiring, spending-reduction provisions derived from the Omnibus Budget Reconciliation Act of 1990 only through fiscal year 1998, while the Senate bill would make these provisions permanent.

CONCLUSION

Mr. President, as I noted earlier, I would not recommend any of these proposals under other circumstances. However, we are obligated to meet our reconciliation instructions and I believe that this package constitutes the most appropriate and least-harmful means of fulfilling our obligation.

Mr. President, I urge my colleagues to support this measure in the same bipartisan manner our committee demonstrated in adopting the veterans programs portion of this bill.

ERISA VIOLATIONS AND CIVIL PENALTIES

Mr. DODD. Mr. President, I rise in strong support of the agreement reached by Senators METZENBAUM, KENNEDY, and KASSEBAUM on this important provision.

First, I must compliment them on their efforts to hammer out this compromise. ERISA is not a simple issue, but few issues are of more importance to workers and to businesses—it impacts on employee benefits across the board from pensions to health care.

Nothing demonstrates this as clearly as the issue before us today, involving the pensions of thousands of Americans affected by the collapse of the Executive Life Insurance Co. several years ago. I would note that this is an issue of deep concern to me, because nearly 2,400 pensioners in Connecticut are awaiting the outcome of one of the suits possibly affected by the Mertens decision.

However, the Mertens decision is only a few weeks old and I for one appreciate the extra time this agreement provides us with to continue to work on this matter in a reasoned and constructive way.

I look forward to continuing to work on this matter and assuring a fair and equitable result for these workers.

TITLE 12, SUBTITLE D, CHAPTER 2

Mr. KENNEDY. Mr. President, I rise in support of Senator METZENBAUM and Senator KASSEBAUM's motion to strike those provisions in title 12, subtitle D, chapter 2 of the Budget Reconciliation Act. These provisions would have added a new civil penalty for violations of the pension and welfare benefits laws in civil suits brought by private litigants and would have clarified the availability of certain kinds of monetary relief for violations of the pension and welfare benefits laws.

A week ago, because of a June 1 decision of the Supreme Court in Mertens versus Hewitt, the Labor and Human Resources Committee, at the request of the Department of Labor, voted in our markup of the Labor Committee portion of this bill, to address the problems created by the Mertens decision as quickly and as cleanly as possible. We did so particularly in order to ensure that the plaintiffs in cases stemming from the collapse of the Executive Life Insurance Co., which left thousands of workers holding retirement annuities purchased from Executive Life, would be able to salvage their pensions.

As many of my colleagues are well aware from a number of hearings Senator METZENBAUM has held and because of the impact on hundreds and thousands of pensioners in their States, Executive Life involved a situation where employer-fiduciaries terminated their company pension plans and purchased in their stead insurance annuities to pay out the workers' pension benefits. The employers did this despite the fact that it was well known that Executive Life was over 60 percent funded by junk bonds.

In 1991, Executive Life was forced into bankruptcy. As a result, the beneficiaries have lost some of their pension benefits and they live month to month not knowing if they will be able to collect the full value of the pensions they were promised.

The responsible fiduciaries who had been advised that the substitution was not a safe investment, and who are themselves persons of significant means, should be held responsible for their actions and should be required to provide the full worth of the pensions which these working men and women were promised.

In Massachusetts alone, at least 404 workers from Grinnell Corp., 115 workers from Henry Hanson, and 196 workers from Widden Hospital worked for companies who purchased Executive Life Annuities.

Other litigants are in similar positions. Their ability to obtain the full value of their annuities is also threatened by recent court decisions which provide that beneficiaries of retirement plans which have been terminated no longer have standing to challenge those violations.

Instead of seeking relief through the budget process, we have agreed to work together on what we hope will be bipartisan legislation to address these pension annuity problems. We intend to hold hearings expeditiously, and to seek early action on such legislation by the Committee and the full Senate.

I commend both Senator METZENBAUM and Senator KASSEBUAM for their cooperation in this matter. I am hopeful that the committee will soon bring forward legislation to ensure that pension promises are kept.

CLARIFY THE EMPLOYMENT STATUS OF CERTAIN FISHERMEN

Mr. KENNEDY. Mr. President, for the past 4 years we have been trying to resolve a tax problem that threatens the overall economy of southeastern Massachusetts, and particularly the hardworking fishing families of New Bedford, a city with an unemployment rate of 13.7 percent.

The problem arose in 1988, when the Internal Revenue Service adopted an unexpected and controversial interpretation of the status of crew members on small fishing vessels. When the IRS abruptly changed its rules and attempted to enforce the new interpretation retroactively for several years, it chose New Bedford as a test case, subjecting the boatowners there to an action for back taxes, penalties, and interest amounting to about $11 million.

Since that time, the IRS has agreed to hold off on its action, in the expectation that Congress would clarify its intent with respect to these rules. From 1989 through 1991, there were no tax vehicles to which we could attach the corrective provision needed to provide relief to the family fishing businesses that are the backbone of the southeastern Massachusetts economy. Last year, we were able to get the necessary language included in both tax bills that were approved by Congress—section 7705 of H.R. 11—but those bills were vetoed by President Bush. I would be very interested in the views of the chairman of the Committee on Finance on this issue.

Mr. MOYNIHAN. I am sympathetic with efforts by the Senator from Massachusetts to resolve this longstanding problem, and I support the corrective provision that was contained in last year's tax bills. I would have included this same provision in the tax legislation currently before the Senate, but for the possibility of a point of order arising under the budget rules that restrict what can be contained in reconciliation packages. It is my hope and expectation that the Finance Committee will include this provision in the earliest available tax bill, or that even before that opportunity arises, we will be able to convince the IRS to interpret the law as Congress clearly intends, based on last year's legislation.

Mr. KENNEDY. I greatly appreciate the chairman's support and understanding of the urgency of resolving this problem. This unfair action by the IRS has plagued the hard-working fishing families of New Bedford for too long. I look forward to settling this dispute fairly once and for all.

CIAC

Mr. REID. I believe the chairman of the Finance Committee is familiar with an issue that is very important to me, namely the taxation of capital contributions made to water utilities. S. 289 is a bill of mine that seeks to restore the historical treatment of this capital known a CIAC. In fact, he was a cosponsor of my legislation to repeal this tax during the 102d Congress, if I am not mistaken.

Mr. MOYNIHAN. The Senator is correct. I was a cosponsor of this legislation last Congress.

Mr. REID. Is the chairman aware that the legislation is revenue neutral, and that the offset for this amendment would raise more than $30 million over the life of the estimate by the Joint Tax Committee.

Mr. MOYNIHAN. Yes.

Mr. REID. I am aware that the chairman is asking that Senators refrain from offering nongermane amendments, a request I have respected. However, I would ask for the chairman's positive consideration of S. 289, or as part of a larger package, later this year.

Mr. MOYNIHAN. The Senator has my assurance regarding his request.

Mr. REID. I thank the distinguished chairman.

INDIAN EMPLOYMENT AND INVESTMENT ACT OF 1993

Mr. BOREN. Mr. President, I rise in support of the Indian Employment and Investment Act of 1993, legislation sponsored by my distinguished colleagues, Senators INOUYE and MCCAIN, and which I and others have cosponsored. This important tax proposal is promoted by the Navajo Nation, the Cherokee Nation of Oklahoma, and many other tribes across the United States. It would provide essential tax credits for businesses that create employment and invest in equipment and other property on or near Indian reservations. I am proud to support this critical legislation because I firmly believe that it will ameliorate the deplorable condition in Indian country. It will help stimulate the development of viable reservation and other tribal economies and more fully integrate them with the national economy. Furthermore, the legislation would extend the benefits of the investment tax credit to Oklahoma tribes and other tribes in similar situations by allowing one-half of the otherwise available credit on Indian reservations whose unemployment rate is between 150 and 300 percent of the national average.

Last year the Senate adopted, by a lopsided vote of 79 to 16, an amendment to H.R. 11 that incorporated the provisions of the Indian Employment and Investment Act of 1992—identical to the legislation reintroduced in 1993. These tax provisions were accepted in conference and would be law today but for President Bush's veto of H.R. 11 last fall.

Mr. President, the Senate Finance Committee did not include the empowerment zones proposal in the revenue provisions of this bill because they were subject to challenge under the budget rules. It is my hope that when the conference considers the empowerment zones provision that was passed by the House of Representatives, the conferees will replace the Indian portion of the provision with the Indian investment and employment tax credit. This provision would provide more meaningful relief to economically distressed areas populated mainly by native Americans.

Mr. LEVIN. Mr. President, listening to this debate on the budget reconciliation bill reminds me of watching two great armies firing barrage after barrage at each other. Amidst the exploding shells filled with charges of fiscal irresponsibility and the rumblings of recriminations for actions taken and not taken over the past decade, it is important to keep a few simple facts in mind and, then, move on to solutions.

First, the economic legacy of the 1980's is a combination of Presidential misdirection and congressional approval that produced an explosion of debt. Why? Spending increased and revenues were cut at the same time. This was a sure recipe for increased debt, unless you believe in magic or supply-side economics. As a percentage of GDP, all Federal revenues dropped from 19.6 percent in 1980 to 18.6 percent in 1992. All Federal spending increased from 22.3 percent in 1980 to 23. 5 percent in 1992. In order words, revenues declined by 5 percent and Federal spending increased by 5 percent.

Second, if we pass this legislation, the public debt 5 years from now will be hundreds of billions of dollars lower than it otherwise would be. True, in absolute terms the public debt will still continue to grow during these years because we would still be running annual deficits. That is true of any comprehensive budget plan offered during this debate, whether that plan be Republican or Democratic. But, the rate of growth of the public debt will slow down. That slowing in the growth of the public debt is the first essential step to putting our fiscal house back in order.

Third, spending cuts are necessary if we are to have serious and credible deficit reduction.

But, if our goal is to have a deficit reduction package that is not only substantial but also shares the burden, some tax increases will be necessary. For example, a plan without any tax increases could exempt from the deficit reduction effort a 50-year-old corporate executive making several hundred thousands of dollars a year. I do not feel comfortable—and I do not think that the American people will feel comfortable—with an economic plan in which the wealthiest among us would stand on the sidelines as middle-income people carry the burden of deficit reduction. As I see it, the slogan that "all tax increases are evil" is about as valid as the slogan "no more spending cuts are possible." If we are going to beat this deficit and beat it fairly and squarely, we will have to hit it with both fists, spending cuts and tax increases.

Fourth, substantial deficit reduction is essential if we are to have any hope of keeping long-term interest rates down and driving them even lower. With lower long-term interest rates, businesses will have the incentive and the ability to invest in long-term improvements and create jobs, and individuals will have a greater capacity to purchase items like homes and appliances and cars. Moreover, substantial deficit reduction is essential if we are to leave our children and grandchildren a promise of opportunity and not the prospect of oppressive debt.

The budget reconciliation bill before us today recognizes these realities. When combined with the remainder of the Clinton deficit reduction plan, it will cut the deficit by more than $500 billion over 5 years with more than half of the deficit reduction coming in the form of spending cuts. These spending cuts include cuts in defense and nondefense discretionary programs as well as cuts in agricultural subsidy programs, Federal retirees' COLA's, Medicare, and from student loan reform.

At the same time, the revenue increase in this bill is focused on the wealthiest taxpayers. Almost 80 percent of the tax increases will fall on people with incomes of over $200,000. These are the people who saw their income increase the most and their effective tax rates cut the most during the 1980's. For several years now, I have supported the restoration of fairness in the Tax Code that was eroded during the Reagan years. I am pleased to see that this bill has taken some significant steps in that direction. As for the remaining revenue increases, no one likes to legislate a broad-based tax.

Mr. LAUTENBERG. Mr. President, I will be voting against the reconciliation bill. This has been a very difficult decision for me, because I, too, want to shatter the Washington gridlock. But, I refuse to use the people of New Jersey as a battering ram.

Mr. President, as a member of the Senate's Budget and Appropriations Committees, I have worked hard to reorder our budget priorities. I have worked to cut out wasteful spending and to allocate a far greater share of our scarce resources to investing in a stronger and more competitive economy, regional equity, and a more just society.

Instead, as the budget and appropriations process unfolds, we are getting more of the same. We have a budget that still provides for massive subsidies to agribusiness and for miners, ranchers, and others profiting from the use of public lands. We have a tax system that leaves the oil, gas, and mineral industries with preferential tax treatment, but a proposal to raise taxes on small businesses, middle-class Americans, and our senior citizens.

We are moving to spend billions of dollars for the space station and super collider—projects without a mission—but we are cutting Medicare and rejecting incentives to revitalize our cities and encourage investment in small businesses—the source of the lion's share of new jobs in New Jersey and the Nation. As our infrastructure crumbles, we spend less per capita than 54 other nations to invest in the building blocks of a sound economy and environment.

My concern is very fundamental. This bill, and the budget of which it is a part, would shortchange the hard-pressed people of my State, their needs and their hopes for an economic recovery.

This bill is a bad deal for New Jersey. While it is hard to shoot at a moving target, every study I've seen indicates that New Jersey will get the short end of the stick in this package, paying a relatively large share of the taxes collected and getting very little in return.

Mr. President, the people of New Jersey are hurting. We are suffering through the longest recession since the Depression. Unemployment in New Jersey remains high, well over the national average. In the last year, New Jersey had a rate of business failures three times the national average. The state has lost 325,000 jobs in recent years.

If this is deemed a recovery, it is a jobless recovery. Confidence is low. Weak consumer spending is placing a real drag on business activity. At the current rate of job growth, it will take 6 years just to gain back the jobs New Jersey has lost. Those who still have jobs face some of the highest living costs in the Nation. They know, without reading any statistics, that their incomes are lagging behind the increased costs of living.

We face an urgent need to get our economy growing again. Create jobs. Put people back to work. Invest in our future.

Earlier this year, the President proposed a package of measures to stimulate the economy. I supported that plan vigorously. In fact, I called for a targeted job-creating infrastructure stimulus proposal over 18 months ago. But it stalled. And our economy remains stalled.

The budget before us does not, in my view, hold the promise of getting our economy going. Instead of reinvigorating our economy and getting people back to work, this bill would take money out of our pockets and could further threaten any recovery.

Missing from the budget are the kinds of things that benefit our economy and my region—investments in infrastructure, technology, our cities, education, our kids. Incentives for small business to prosper. The kinds of investments that could get the economy moving.

Instead, it would raise taxes on middle-class and older Americans. Gas taxes will increase. Taxes on Social Security benefits for many middle-class Americans will go up. And owners of many small businesses will be hit with a significant tax hike. And this is being proposed without cutting spending for programs that may have strong lobbies, but which we cannot afford. Programs that contribute nothing to our future. Taxes will be raised, and hundreds of millions of dollars will flow out of New Jersey to pay for things that have no place in a budget.

The message I'm getting from back home is: Senator, stand up for us. Take the steps needed to get the economy moving. Cut unnecessary spending and don't raise taxes until you do.

Can we honestly say that the Congress has really gone the extra mile, and really done all it can to eliminate wasteful spending? I don't think so.

Not when we're still spending billions to provide a defense shield for our allies, who hide behind it and invest their resources in ways that disadvantage us in the international marketplace.

Not when we are still apparently going to fund low-priority projects like the superconducting super collider, the space station, and the advanced solid rocket motor.

Not when we can't bring ourselves to end the subsidies for huge, profitable agribusinesses.

Not when we cave into interests defending the giveaway of our public lands to the mining industry.

And not while we continue to have a tax system that leaves the oil and gas industries with their tax loopholes while defending them against energy tax increases.

I know it is hard to eliminate the spending and the special interest tax breaks. But until we do, middle-class people in New Jersey don't want to pay the price. And, I don't blame them.

The people of my State already are sending more money to Washington, and getting less money back, than most Americans. They really resent that. I resent that. And this bill would make the situation worse.

New Jerseyans are willing to sacrifice for a better future for their kids and for our country, but they reject tax increases before we have ended wasteful Government spending. Today I stand with them in protest.

I still hope that as this session of Congress unfolds that we will do the things our citizens asked for last November—support the kinds of investments in our economy and people that can build a better future. Reduce the deficit by cutting out programs that may make sense here, but make no sense outside the beltway. Take steps that will create jobs and get our economy back on track.

I will work hard to accomplish those goals. But, I cannot, in good conscience, ask my people to pay the price exacted in this proposal. Mr. President, I yield the floor.

Mr. GLENN. Mr. President, like many of my colleagues here today I was willing to give Ronald Reagan's experiment in supply-side economics a chance. But unlike some of my colleagues, I soon recognized that Reaganomics was a time bomb. A time bomb that has exploded into debt and deficits that will prove fatal to our economy.

Over the last few days, I have heard arguments all too reminiscent of the early eighties. Well, you can draw me chart after chart, graph after graph, but you will never draw me back into the fairy tale land of feel-good solutions. Our Nation's fiscal crisis is dead serious. It cannot be cured by sound bites and one liners. Let us close the door on that era of hollow promises and harsh consequences. Our situation requires tough action.

And that is why I voted against the alternative offered by my colleagues on the other side of the aisle. That is not change. It is just more of the same. More rhetoric. More sound bites. Hollow promises and harsh consequences. I am not going to vote for something that is not real. Cuts that are not specific.

But there is more at play here on the Senate floor. I just had an election in my State where Washington spin doctors supplied my opponent with ammunition to be used against me. And what was that ammunition? Partisan rhetorical votes just like the votes that we are going through today. Votes on amendments that were offered not for any legislative goal. No, the goals were only political—create campaign fodder for attack ads. That is what it is all about.

And do not tell me that the spending cuts in this bill are not real. They are real all right. They are real for the Ohio farmer who will see his farm payments go down. Real for military retirees in Ohio who will see their income fall. Real for the Federal worker and Federal retiree in Ohio. They are not happy about the cuts in this bill. Tell them these cuts are not real. And they will tell you a thing or two. And do not tell me the Medicare and Medicaid cuts in this bill are not real.

Yes, this budget includes taxes. Call them revenues, call them whatever you want. All of us here know that they are necessary. Necessary, that is, if you are serious about getting our fiscal house in order. A significant reduction in the deficit will require a mix of spending cuts and tax increases. You cannot do it with spending cuts alone. We all know that.

But it is important to note that this bill does contain more spending cuts than tax increases. It is a $516 billion deficit reduction package. And the majority of that—52 percent—is made up of spending cuts. That is $267 billion in spending cuts.

And still we stand here and argue back and forth while the national debt looms out there like the muffler repairman who says, "You can pay me now, or pay me later." But in this case, it is our children and our grandchildren who will be paying the bill.

In April, I held a series of economic conferences in Ohio. I went to every corner of my State and heard a lot of different things. One of these things, was that the Btu tax was bad for Ohio. And I do believe that this tax disproportionately impacted my State. I told the President so. And I am relieved that it is not part of this package.

But there is one view that was shared by all Ohioans who attended these conferences—something has got to be done. Ohioans knew it would be a bitter pill. But one they knew they had to take.

And it is high time that we asked those who reaped the benefits of the high rolling credit card eighties to take their dose of this bitter medicine. And they will with this budget. Eighty percent of the individual tax burden will be borne by America's wealthiest citizens—those making over $200,000. It is not class warfare. It is just fair. The middle class has been picking up the tab for 12 long years.

It is time we reverse this trend. A trend in which the wealthiest 1 percent of Americans—Americans who saw their incomes rise by almost 50 percent—had their taxes cut by almost 25 percent. And a trend where middle and lower income Americans saw their tax burden increase—while their incomes were stagnant.

We all hear time and time again that we were sent to Congress to cast the tough votes. That is what I heard during my reelection contest last year. Ohioans said, "We're willing to do our fair share. Just be honest with us. Be honest about our Nation's problems." That is why the people of Ohio sent me back to the Senate and that is what I intend to do.

And the honest truth is that our national debt is a cancer on our economy. In effect, interest payments on this monstrous debt constitute a tax on our economy that is gobbling up America's prosperity. And it has a stranglehold on the American dream—the dream of opportunity that I want to pass on to my grandchildren. That is what we face. And its time we confronted it head on. Not with charts and graphs. Not with cartoons and one-liners. But with real action.

Mr. President, it is the unfortunate, sad truth that Americans have grown skeptical about our actions here in the Congress. They have grown weary of the bickering. Weary of the shenanigans. They expect honesty. And that's what they deserve. No more bells and whistles. No more gimmicks, no smoke and no mirrors. Just the facts. And politicians who will face up to the facts, and make the hard choices.

And supporting this bill is a hard choice. I do not like every page, every provision, every punctuation point. I do not think this bill is Nirvana. It is not. In fact, there is a great deal here I don't like. There are things that I hope will get worked out in conference—and you can bet that the conferees will be hearing from me.

But there is one thing that is far worse than even the most distasteful provision in this bill. And that is inaction. It is time to act. And it is high time for honesty here in this town. It is time to come clean about what needs to be done. It is no fun voting for taxes. It is much easier to oppose them.

And it is not easy to vote for spending cuts that will hit the elderly, that will hit retirees, that will hit farmers, that will hit Federal workers. It is much easier to oppose these cuts. But I am not here to take the easy way out.

I am here to make the hard choices. To do what is right for my State—and for the Nation. And, Mr. President, that is why I am going to vote for this bill.

BUDGET RECONCILIATION

Mr. JEFFORDS. Mr. President, I rise today to oppose the entire bill. During the past few months, the Senate has been carefully reviewing the President's economic proposal and we are presently considering the newest installment in this process, the omnibus budget reconciliation bill, S. 1134, which contains many aspects of that proposal. This proposal does not meet my goal, or the President's, of matching every dollar in increased taxes with a dollar in reduced Government spending.

First, I would like to make it clear that there are many provisions within this proposal that I could support. But, as I learned from the 1990 budget agreement, where there was supposed to be some $500 billion in budget reductions over a 5-year period, the tax increases were immediately implemented, but the spending cuts never seemed to materialize. The 1990 tax package, sought to enforce strict budgetary limits and targeted spending reductions. I can only hope that the bill we are currently considering will place enforceable budgetary caps and spending reductions.

Furthermore, I would have supported the administration's original goal of about $2 in spending cuts for every $1 in tax increases. It is understandable that this goal slipped, and indeed I would have been satisfied with a proposal that had an equal amount of tax increases and spending cuts. It strikes me as fair to ask the American people to pay more in taxes if the Government will reduce its spending by the same amount, in effect meeting the public half way.

Unfortunately, this measure fails to even come close to this goal. It contains close to $270 billion in tax increases and user fees over the next 5 years, and just over $80 billion in spending cuts over the same period. I think a 3-to-1 ratio of tax increases to spending cuts is just too steep.

The bulk of budget savings, approximately $76 billion in the proposal, come from Medicare and Medicaid. I can not, and will not support any measure that unfairly singles out one group or groups for deficit reduction, particularly those individuals who can least afford it, such as the elderly and the poor. The fact is that much of this reduction in Federal spending, if enacted into law, will be simply cost-shifting to people covered by private health insurance.

In 1998, at the end of the President's program, the deficit is expected to be around $240 billion, just about what it was in 1990. From that point on, it is expected to rise steadily. For these reasons, this proposal does not make the fundamental structural changes in Federal domestic spending necessary to create viable and sustained deficit reduction.

Further, this proposal in fiscal year 1994 has $9 in tax increases for every $1 in spending cuts. It does not meet the goal of $1 in tax increases for every $1 in spending cuts, the President's pledge, until fiscal year 1998. To borrow a phrase from the President: We can do better and we must do better in our efforts to change America's economic future. We must ensure that real spending cuts at least equal the tax increase in this proposal.

I had hoped that Congress would improve upon the original proposal offered by the President. Instead, we have a Senate bill that proposes tax increases on Social Security benefits, as well as a 4.3-cent tax increase on transportation fuel. I feel an increase in the tax on Social Security benefits is not the place to start. Furthermore, I believe that the proceeds from any tax on energy, such as the proposed gas tax increase, must be dedicated to two purposes: improving our infrastructure and developing a viable alternative fuels industry to reduce our dependency on imported oil.

In order to truly address the Federal deficit, all Americans, senior citizens included, should share in the necessary sacrifice. However, eliminating Social Security benefits disproportionately affects individuals on a fixed income. While Social Security should not be excluded from the debate on deficit reduction, we must assure that our efforts to reduce the deficit not lead to a disproportionate sacrifice by the needy.

For all these reasons, I must vote no on this measure. We have got to start making the hard choices instead.

Moreover, as many of my colleagues have stated throughout this debate, to significantly lower the Federal deficit, budget reform must go hand in hand with health care reform. We can no longer afford to deceive ourselves into thinking that tinkering with Medicare and Medicaid is the answer to our country's deficit problem. Health care plays such an important role in our economy, that without overall health care reform, not only will the deficit continue to grow, but the economy will continue to suffer. Health reform can only be achieved if it is complete, including all segments of society, working people in addition to the Medicare and Medicaid population.

I believe both my Republican and Democratic colleagues understand that we need a seamless system for good health policy. Yet, the budget proposals offered today contradicts what we know is necessary for good health policy.

We have heard a great deal about the 37 million uninsured and the inequities in our current health care policy. What we don't focus enough on is the fact that Federal entitlements and the deficit are growing largely due to the impact of health care inflation. By the end of this year, we will spend more than $912 billion on health care. That's a lot of health care, more than any other industrialized nation in the world. The public sector currently spends $422 billion on health care, $286 billion in Federal spending. The private sector spends $490 billion. The bill cut Medicare and Medicaid by $76 billion in public health care spending. But without any more reform, this will simply shift health care spending, adding to the already numerous health care cost problems in the private sector. We should not forget that private sector spending results in substantial foregone Government revenue, too. This is due to the fact that health care is tax deductible by businesses. In fact, CBO predicts that if we continue with our current health care system and spending habits, by the year 2000, the public sector will spend $832 billion on health care, $583 billion of which will be in Federal spending. Private sector will grow to $800 billion.

That means that by the year 2000, we will spend $1.6 trillion on health care. In percentage terms, this will represent 27 percent of the overall Federal budget. State and local governments will be spending an additional 18 percent on top of this amount. How much spending on health care is enough?

Well, we already spend $3,100 per person on health care. By comparison, we spend $1,700 per person on education and $1,200 per person on national defense. In fact, per capita health care spending has and will continue to increase twice as fast as per capita GDP growth unless health care reform is enacted. This is bad news for both the budget and the economy. Moreover, we are spending more on health care than any other country in the world. On a per capita basis, we spend 1.5 times more than Canada, 1.7 times more than West Germany, and $2.6 billion more than Great Britain.

We are spending a great deal on health care, but we are financing and delivering health care in a very inequitable and irrational way. We need to rationalize the system, give health care to everyone, and pay for health care for everyone, in a straight forward, across the board fashion. When we do this, we will find that health care can be provided so that all but the poor will pay 6 percent of a person's adjusted gross income. For most people, this could be collected in the form of a payroll premium, 4 percent paid by the employer, 2 percent paid by the employee.

This is much less than the 22 percent of payroll many auto companies and small employers currently pay for health care. Costs are high for many companies because everyone is not paying their fair share and the costs of uncompensated care and very sick individuals are not evenly borne by all.

With an all inclusive health care financing scheme, businesses will be able to reduce product prices and become more competitive. Additional workers could be hired. Fair financing for health care will also free up money to be used to provide pensions, education benefits and higher wages to employees. This translates into a higher standard of living and better quality of life for all American families.

But we can't stop there. We also need a health care budget. We have too many inefficiencies in our current health care system. Americans currently pay for administrative waste, fraud and abuse in claims processing and defensive medicine, that should not be in the system. This is the kind of health care spending nobody needs. Many people believe managed competition will squeeze much of the waste out of our health care system. However, a health care budget will ensure that waste is eliminated. Over the next decade, if growth in health care spending were limited to growth in GDP, we could cut the federal deficit in half.

Finally, health care delivery systems must be created and evaluated at the State level. States are more accountable and able to respond more quickly to the needs of the people than the Federal Government. States must have the flexibility to design the delivery system that works best given each State's demographic and geographic needs. We are a diverse country with diverse needs. State flexibility will account for this and ensure that everyone's health care needs are met in the best possible way.

I have incorporated all these elements of good health care policy that translates into good budget policy in S. 1057, the MediCORE Health Act of 1993. The bill ensures that every citizen has access to a CORE set of health services. It provides a broad based financing scheme to pay for these benefits. Moreover, it sets strict budget goals to be administered by the States, to make sure health care is affordable. Finally, it gives States the flexibility to design the health care delivery system that is most ideally suited to the needs of its people.

Mr. President, once Congress tackles health care costs, our Federal budget problems should largely be under control. Therefore, the next choice Congress must address is reprioritizing expenditures in the Federal budget. The area needing the most attention is American education.

Dealing with the budget process, the reconciliation instructions to the Senate Committee on Labor and Human Resources was to reduce $4.6 billion from covered expenditures. The administration planned to achieve these savings by completely replacing the current Federal Family Loan Program with a Federal Direct Student Loan Program by 1997-98. After long negotiations and with the assistance of my colleagues Senators PELL, KASSEBAUM, DODD, MIKULSKI, and Chairman KENNEDY the committee has crafted a compromise to the President's initial bill.

The committee compromise now include the replacement of only half of the current guaranteed lending program with direct lending in the next 5 years. It also establishes a Commission to study the advisability of moving fully into direct lending before the end of the fifth year.

For those of us who support a more cautious approach to direct lending this compromise represents a step in the right direction. The committee's compromise allows the concept of direct lending to be tested before moving full speed ahead into uncharted waters. I believe that direct lending may be the best way to deliver loans to students. However, I believe just as firmly that we need to test that assumption and move slowly so that the beneficiaries of this program—the students—are not left without access to needed loan money. The committee's compromise does just that.

However, the committee compromise does more than just move cautiously to a new delivery system for student financial aid. It also saves $4.6 billion. It does that by a combination of moving 50 percent of new loan volume to direct lending, decreasing subsidies paid to lenders and guaranty agencies, and by assessing fees on lenders and Sallie Mae.

While I am pleased that the committee was able to meet the budget instructions and reduce many of the excessive costs paid to participants in the current program, I am very concerned that this money is not being funneled back into education programs but is instead going to pay off our debts.

For years we have been told that the threat from foreign enemies demanded massive defense buildup. Without question, this country threw itself behind that call and spent hundreds of billions of dollars on warplanes, submarines, and battleships. But now that threat has receded and has been replaced by a new threat—just as serious and just as frightening.

The new threat is not somewhere across the Atlantic—it is here, in our own country. It is the threat that our children are not getting a fair shot at what they deserve. Just today, the National Research Council released its 3-year study suggesting that the serious problems of the Nation's adolescents—drug use, school failure, delinquency, and violence—have grown to tragic proportions. The reasons are clear—the programs designed to assist children have come under siege over the past two decades. But teenagers are not the only losers in our country—young children and babies are also being ignored. When 1 in 5 children—14.3 million—lived in poverty in 1991 there is little wonder why children fail in school and become disillusioned with the future.

We have a clear and present danger in this country—just as we did decades ago with our foreign enemies—but we have yet to take that threat seriously. We have not—as we did with our defense buildup—understood that now is the time to build up education, health, and social services programs in the same way that we committed ourselves to the cold war buildup.

The problems of this country have moved from being a distant threat to a frightening reality. We must begin to reevaluate our priorities and devote our funding to solving the crisis at home.

AMT REFORM

Mr. LIEBERMAN. Mr. President, yesterday, I filed an amendment to this bill which would restore one of the President's investment proposals to his economic package—the President' alternative minimum tax reform provision. I did so because I believed—and I continue to believe—that the Congress must deliver three things to the American people—deficit reduction, spending cuts, and job creating investment incentives.

We are two-thirds of the way there. The bill sent to this floor by the Senate Finance Committee cuts spending and reduces the deficit by a significant amount over the next 5 years.

But the bill falls short on the investment side. While I am delighted we have worked to increase the small business expensing provision, I am sorely disappointed that a capital gains cut is not included in this bill. I very much hope that at some point in this long and fluid process of making law, we work to include a capital gains provision and work to improve the Senate Finance Committee's proposal on the AMT.

Specifically, the President has stated that capital intensive companies making investments should not be penalized for doing the right thing. We need more investment in this country—not less and the current law alternative minimum tax law is part of the reason more investment cannot be made. This was never the intention when Congress enacted the AMT in 1986.

The AMT was meant to operate as a backstop—to prevent profitable companies from escaping taxation and to ensure that everyone paid their fair share. Of course we all support that objective. What no one intended was for companies that are losing money to be forced to borrow more money to pay their AMT liability just because they made a new investment which would make them more productive and more competitive. That is the effect of the current law. We are taking capital away from productive investment in plant and equipment which will put more people to work and simultaneously create new economic growth for this Nation.

The President proposed a fair system which would bring the balance we originally sought into the alternative minimum tax. He did so by providing relief to those assets which are hit hardest by the AMT. Specifically, the

President sought to encourage investment in assets which will modernize and improve the productivity of our Nations manufacturers.

The Finance Committee bill spends about half as much revenue as the President proposed, but it provides only about one quarter of the benefit that the President would to encourage investment in these assets that are necessary for increased productivity and modernization of our Nation's factories. Consequently, I am extremely concerned that this proposal has lost much of its value in encouraging new job creating investments.

In short, I want to restore the President's AMT reform proposal. That proposal ensures that companies who are making a profit pay their fair share. But, unlike the Finance Committee version, I join the President in seeking to target relief to those investments which will prove most productive and will produce good jobs.

AMT REFORM

Mr. HEFLIN. Mr. President, the tax bill presented to us by the Finance Committee does some good things, namely reduce the deficit. I am quite concerned, however, that many of the job-creating provisions which were in the President's original request have been seriously cut back.

There is one provision that would have allowed capital intensive companies to make new investments in Alabama, namely the reform of the alternative minimum tax. I am concerned that it has been cut back so much that it will have little impact on creating new jobs in important industries in Alabama, particularly the paper industry and the steel industry.

In the President's State of the Union Address, he asked us to change the law so that companies making job-creating investments would not be penalized for doing the right thing—making new investments. It has been shown time and again that new investment creates new jobs and makes workers more productive. This was the President's objective, yet the proposal before us largely fails to meet that objective.

While the Finance Committee proposal provides some very limited relief, it clearly does not fix the problem. In fact, for investments in most manufacturing equipment, the Finance Committee only provides about 20 percent of the benefit of the President's proposal.

As I understand it, the President targeted his proposed relief to those assets that are most penalized by current law—long lived basic manufacturing assets. The current law tax penalty imposed on these assets is as high as a 25-percent increase in the cost of capital for these investments as compared to about 10 percent for some shorter lived assets. Unfortunately, the Finance Committee proposal does not target the same assets for relief as the President's proposal.

Unless we create new jobs, our long-term deficit picture will not get better—it will get worse. That is why I would hope that before this process is complete, this body would consider reinstating the President's original AMT proposal. I would certainly support that effort and hope my colleagues would join me.

RECONCILIATION INSTRUCTIONS

Mr. McCAIN. Mr. President, as the Senate considers the budget reconciliation bill, we can look upon the actions of the Senate Finance Committee last week in meeting their reconciliation instructions, and allowing this bill to be brought to the floor, as a classic good news, bad news situation.

The good news is that the 11 Democrats on the committee substantially revised President Clinton's plan. The good news is that the plan is an improvement over the House-passed $6.35 in taxes to $1 in spending cuts ratio. The good news is that Btu tax was given a proper burial.

The bad news is that their alternative budget plan still raises over $3 in taxes for every $1 in spending cuts. The bad news is that the supposed spending cuts are questionable and back-ended. The bad news is that small businesses, the principal job creators in this country, take it on the chin. The bad news is that the Nation's seniors get socked in the pocketbook. The bad news is that the proposed transportation fuels tax hits especially hard at the already overburdened airline industry.

The bottom line, Mr. President, is that the budget reconciliation bill is bad news for America. It raises taxes and user fees by $263 billion, it will increase the level of the national debt, and it discourages savings and investment by increasing income tax rates and imposing a capital gains tax surcharge. And, most importantly, the budget reconciliation bill will chill job creation, particularly in defense related industries and small businesses.

As former CEA chairman Michael Boskin noted in the Wall Street Journal this week, "Contrary to the President's claims that his program will spur growth and create jobs, there is nothing to help the economy grow—no real attempts to remove the tax barriers to saving, investment, and entrepreneurship, nothing to improve the incentive to start or expand a business and create jobs."

A closer look behind the numbers in the budget reconciliation bill dispels the administration created myths and uncovers the hard truth; that this measure represents nothing more than a return to the tax and spend policies of the late 1970's. It is a commitment to bigger government and additional Federal involvement in the lives of ordinary Americans.

A CLOSER LOOK AT THE NUMBERS

In view of the statements emanating from the administration this week, the public might be understandably confused about the mix of taxes and spending cuts contained in the bill the Senate will now be considering. After finally understanding that the plan introduced by President Clinton in February contained nearly $4 in tax increases for every dollar in spending cuts, and seeing that the House-passed bill contained over $6 in tax increases for every dollar in spending cuts, they are now told by the White House that the Senate bill will reduce the deficit by $500 billion, evenly divided between tax increases and spending cuts.

If the American people are confused, their confusion pales next to that of the administration. Remember, President Clinton also claimed, when first unveiling his economic plan, that there was $1 of spending cuts for every $1 of tax increase. He was wrong then—as determined by the Congressional Budget Office—and he is wrong now.

The first thing we should get straight is this idea that the Senate bill will reduce the deficit by $500 billion over 5 years. It's a fiction. Both the CBO and Joint Tax Committee estimate that the measure will reduce Government borrowing over the next 5 years by a little less than $350 billion—30 percent less than suggested by the President—and this is assuming that the proposed spending "cuts" actually materialize.

What about those spending cuts. Do they represent a real reduction in the size of government? Hardly. Fifty-five billion dollars in savings is lower interest payments on the national debt, not a cut in Federal programs. Moreover, the reconciliation bill includes as part of the spending cuts $44 billion in discretionary spending cuts that are already required by the 1990 budget agreement.

Furthermore, most of the proposed programmatic cuts, some 77 billion dollar's worth, are not scheduled to occur until 1997–98, well after the tax increases have kicked in. As we know all too well from past experience, spending cuts promised in future years rarely, if ever, materialize. During each of the most recent budget summits, substantial spending cuts and deficit reduction was promised, but never occurred. Not surprisingly, there are no enforcement mechanisms to ensure that these cuts will ever occur. That is exactly the kind of budget legerdemain that President Clinton assured the American people would never be permitted.

The most important number to remember, however, is not the deficit, but the national debt. Under this bill, the level of the national debt will increase by nearly $11 trillion by 1998—the largest such 4-year increase in history. And if this bill is enacted, then the budget deficit, and thus the debt, will be shooting upwards again after 1998. Even viewed in the best light, this is not a plan for the future.

Mr. President, while a discussion of budgetary numbers is necessary and enlightening, I fear that we often focus too much of the numbers and forget that this budget reconciliation bill has a human dimension—it will have a direct and dramatic affect on the every day lives of people and American businesses. I would like to briefly discuss this measure's impact on small businesses, our country's senior citizens, and one particular business sector, the airline industry.

THIS BILL IS BAD FOR SMALL BUSINESS

President Clinton has often said that his No. 1 priority is creating jobs. It is beyond comprehension then that he would propose policies which will almost certainly lead to a significant reduction in job growth. But that is exactly what this bill would do—by dramatically increasing the tax burden on small businesses, this country's primary job creators. This is surprising, because in putting people first, his campaign manifesto, President Clinton said he would not raise taxes on small businesses.

Notwithstanding his earlier commitment, President Clinton has proposed, and this bill adopts, an increase in the marginal income tax rate from 31 percent to well over 40 percent—an increase of over 40 percent. This includes a top marginal rate of 36 percent on individuals, a 2.9-percent Medicare tax on salaries and self-employment income, and a surtax on people with incomes of over $250,000. At first blush, it might seem like this is a progressive plan that only socks it to the rich.

The facts are otherwise. In America, 80 percent of the all the businesses file on individual income tax returns, as proprietorships, partnerships, and subchapter S corporations, and will be directly affected by a crushing new tax burden. Annual cash flow of small businesses is often the primary source of working capital and new investment financing for business growth and job creation.

Some might argue that small businesses that make over $115,000 or over $250,000 should pay their fair share. Fine, but we can't then turn to them and complain that they aren't doing enough new hiring. Simple math and logic will tell you that if a business, any business, has less money to invest, it won't hire more employees; it might even reduce employment levels. Does anyone honestly believe that raising taxes on some small businesses by as much as 40 percent will encourage them to hire more workers?

This is crucial, because as I noted above, small business is the principal source of all new job creation in the United States—not the Fortune 500. In fact, small businesses created over 4 million net new jobs from 1988 to 1990, while businesses with more than 500 employees had a net loss of 500,000 employees during this same period.

Our country's 20 million small businesses employ 56 percent of the private work force, contribute 44 percent of all sales, and are responsible for 47 percent of GNP. By some estimates, small businesses are expected to be responsible for three-quarters of all the jobs that will be created during the next quarter century.

Mr. President, we should be adopting policies which encourage small businesses to invest in their enterprises and fuel the engine of economic growth—not chill it as the budget reconciliation bill will do.

DEVASTATING EFFECT ON SENIORS

Mr. President, as part of his economic plan, President Clinton initially proposed an increase in the tax on Social Security benefits for those with incomes over $25,000—or $32,000 for couples. The House adopted this proposal while the bill before us increases the threshold to $32,000—$40,000 for couples.

This plan, which the administration claims was designed to promote fairness and economic growth—hits a group that is hardly rich with a triple-whammy of new taxes and undermines the purpose and, perhaps future, of Social Security. What's more, it is a disincentive to those seniors who could further contribute to our economic growth by continuing to work.

While the President has called for sacrifice—which is really code for more taxes—on the part of all Americans, he is, in fact, proposing that certain segments of our society make a disproportionately larger sacrifice.

During his campaign, President Clinton assured the American people that he would only tax those who made more than $200,000 per year. At another stop on the campaign trail, the President stated that families making less than $80,000 would be immunized from any tax increases. When President Bush pointed out that his proposals could raise the tax burden on families making as little as $36,000 per year, candidate Clinton called President Bush shameless.

Thus, many senior citizens were understandably astounded to wake up the morning after the President announced his plan to find out that those elderly in our society that make as little as $25,000 and elderly couples making as little as $32,000 are now classified as rich and will have their taxes increased.

Mr. President, when I was first elected to Congress, in 1983, the Social Security trust funds were in terrible shape—losing over $1 million an hour. That year we adopted the recommendations of the bipartisan National Commission on Social Security Reform.

We made a deal with our Nation's seniors in enacting the recommendations of the Commission, and we did it for the purpose of saving the Social Security system from financial disaster. We increased their taxes, in return for which the senior citizens of this country were assured that they would receive the benefits from the Social Security system; a social contract that they entered into with the Federal Government. This administration is proposing that we break that deal. If we accept President Clinton's proposal we are going to tax our Nations seniors more and the taxes are not going to go into the Social Security trust funds. No, they are going to go into general revenues so that Congress and the administration can find another way to spend them.

I find this plan to tax 85 percent of Social Security benefits as a way to collect $32 billion in new taxes to help fund the new spending programs President Clinton would like to bring on line troubling for a number of reasons.

First, plans to balance the budget on the backs of our Nation's seniors assume that Social Security is mortgaging our children's future. But Social Security is not the problem. The problem is Congress' insatiable appetite for new spending. Were it not for the spending increases contained in the so-called investment and stimulus package, these revenues would not be needed in the first place.

Second, Social Security is being used to obscure the true size of the deficit. The Federal Government's accounting procedure, which includes all revenues and expenses in calculating the size of the deficit, uses the Social Security trust fund reserves to make the deficit appear smaller than it really is. My hope had been that the President would have joined those of us who have tried to eliminate this practice, rather than perpetuate the charade.

Third, the administration has found a way to raid the trust funds to finance new Federal spending, without technically touching the funds. They will just confiscate benefits.

Fourth, the administration's proposal will, in effect, turn Social Security into a means-tested program—a severe breach of faith with the American people.

What most don't realize is that not only Social Security, but interest, pension, dividend, tax-exempt bond, and wage income as well, are included in the calculation of this tax. Thus, many seniors with incomes over $25,000—a figure that will have fallen to $15,000 in today's dollars by 2010, when baby boomers begin to retire—will find that they effectively get no Social Security benefits at all. In short, Government will penalize instead of reward those who have sacrificed during their working years to save money for their retirement.

The most disturbing consequence of the President's proposal is that it continues to punish those seniors who still need to work in order to make ends meet. They would be hit with both the tax on their benefits and the Social Security earnings test penalty, which forces them to forfeit $1 in benefits for every $3 in income they earn over $10,560—a combined marginal tax rate that approaches 100 percent for some. During the campaign, he indicated he intended to address this confiscatory policy. I am sure few thought what he really intended to do was increase the taxes on elderly workers, as this proposal would do.

It is certainly true that our Nation's seniors—as a group—are better off today than they were when Social Security was created in 1935. It is also true that many other groups in our society are suffering from declining standards of living. Deficit reduction and economic growth are proper imperatives for the new administration. But, despite their sales job to the contrary, the administration's proposal to increase the taxation of Social Security benefits is neither an appropriate nor effective way to achieve them.

THE TRANSPORTATION FUEL TAX AND THE AVIATION INDUSTRY

As anyone who has flown regularly knows, the past few years have not been particularly good ones for the airline industry. Well-known nameplates such as Midway, Pan Am, Eastern, Peoples Express, Frontier, Braniff, Republic, Air Florida, and National, are no longer flying, having merged into larger carriers or gone out of business completely. With the passing of each of these carriers, this Nation's airline industry has lost tens of thousands of jobs.

More recently, USAir announced that it expected to show another substantial loss in 1993, and Northwest Airlines states that it will be forced to file for bankruptcy protection within the next few weeks. And testimony before the recently constituted National Commission to Ensure a Strong and Competitive Airline Industry indicated that the industry has lost $10 billion since 1990.

While structural problems, foreign competition, and extremely high wage rates account for part of the airlines' difficulties, the biggest problem has been dealing with the enormous tax burden placed upon the industry. I'm not referring to just the 34 percent—soon to be 34 or 36 percent—corporate tax rate, or property taxes and user fees, paid by all businesses.

As a matter of fact, last year, the airline industry and airline passengers paid a total of $29 billion in Federal passenger-related taxes. A list of some of those taxes includes a 10-percent domestic ticket tax of $4.5 billion, an airport passenger facility charge of $11.3 billion, payroll taxes of $1.5 billion, a $6 international departure tax, and the list goes on and on.

It is small wonder, then, that the airline industry has been suffering. What is surprising, and deeply disturbing, is that the budget reconciliation bill will greatly exacerbate the airlines' problems by imposing a new 4.3 cents per gallon tax on transportation fuels to replace President Clinton's broad-based energy tax.

This would add more than $500 million annually to the operating costs of an already financially decimated industry. To make matters worse, the House-passed tax bill would add another $850 million to the airlines' annual operating deficit.

This is irrational and irresponsible public policy and will undoubtedly result in additional airline failures, less competition, higher fares, and, most importantly, additional job losses. One industry estimate projects that the airlines will lose 4.7 million passengers per year, slow the industry's fiscal recovery, and cost 26,500 jobs.

What is particularly tragic is that this additional burden is being imposed on the airline industry to support substantial new Government spending. Proponents of the industry have said they want to do all they can to help the airlines, but with friends like this, the industry certainly doesn't need to worry about its enemies.

I had the pleasure of serving as the ranking Republican on the Aviation Subcommittee in the Senate for 4 years, and had the opportunity to study, discuss, and hear testimony from many well-qualified experts and representatives in the airline industry. More recently, I testified before the National Airline Commission on some of the problems confronting the aviation industry. I also was able to hear and read the testimony of other witnesses before the Commission. Every domestic airline executive who spoke to the Commission said the industry is overburdened by taxes and fees that are difficult to pass on to consumers.

The answer for the airline industry is fewer taxes, not more. A new tax on transportation fuels is misguided. Only by helping our Nation's air carriers improve their fiscal health can we hope to maintain a competitive airline industry and create new American jobs. Unless we think we can do without domestic airlines, we should do without a transportation fuel tax.

Mr. PRESIDENT. President Clinton said he wanted to "put people first." Unfortunately, this bill puts a lot of people last, especially those in our society who, as the distinguished Senator from Texas says, pull the wagon. It hurts most those who most help this country grow, who create the jobs, and who have already given much to this country.

The Clinton economic plan and the budget reconciliation bill is bad for America. It will, at best, only marginally reduce the budget deficit in the short term, will do nothing to lower the national debt, it does not significantly cut Government spending, it institutionalizes bigger Government, and it will result in fewer jobs being created and weaker economic growth.

RURAL PROGRAM IN THE COMPETITIVE BIDDING PROVISIONS

Mr. INOUYE. Mr. President, I rise to offer certain explanatory comments concerning the rural program included in the competitive bidding provisions of the reconciliation bill. The rural program ensures that rural telephone companies will be able to obtain communications licenses in those cases where the FCC uses auctions, as long as the rural telephone companies pay for the licenses. The amount that the rural telephone companies will pay will be equal to the average of the amounts paid by auction winners for similar licenses. The Congressional Budget Office [CBO] has indicated that inclusion of the rural program in this legislation does not prevent the committee from reaching its target of $7.2 billion.

The purpose of the rural program is to ensure that consumers in rural areas are able to obtain access to new technologies when competitive bidding is employed. These provisions ensure that, when the FCC uses competitive bidding to award two or more licenses for services that compete with the telephone exchange service provided by a qualified common carrier, the FCC shall reserve one license in each rural market for the telephone company serving that market. Although these provisions are almost identical to the provisions included in the substitute to S. 335 as ordered reported by the committee on May 25, 1993, a few clarifications have been made to the language concerning the valuation of rural licenses to ensure that the rural program does not result in any loss of revenue to the Federal Government.

To illustrate the operation of the rural program, consider a hypothetical example where the FCC decides to award three personal communications services [PCS] licenses per market using competitive bidding. Assume further, again for illustration only, that the FCC elects to award all three licenses for statewide geographic service areas. For each State market, the FCC would designate three blocks of frequencies, which in this example are designated block A, block B, and block C. Since PCS will compete with terrestrial local exchange service, the FCC would designate one block, for example block C, as subject to the rural program.

The FCC would first auction statewide licenses for the block A and block B frequencies in each State. The FCC next would identify areas within the statewide market that meet the legislation's definition of rural—that is, nonurbanized areas containing no incorporated place with more than 10,000 inhabitants or areas served by small—10,000 or fewer access lines—or municipal carriers. Any otherwise eligible carrier that had already been awarded a PCS license in the block A and block B bidding would not be qualified for the rural program. The FCC then would use competitive bidding to award the license for the block C nonrural program frequencies in each State, excluding areas that remained eligible for rural program licenses.

A qualified carrier then could rely on the value set by the FCC for the rural program license for its rural service area in deciding to file an application under the rural program. There is no intention to force any rural carrier to commit itself to paying an unknown fee for its license as the price of proceeding under the rural program. However, the program is not intended to reduce the revenues obtained through the spectrum licensing authorized by this legislation.

Therefore, should any qualified common carriers fail to apply or be ineligible to apply for their rural program licenses, the FCC would award licenses for those areas by competitive bidding pursuant to section 309(j)(3)(D). The intent is to recover the same amount from the block C licenses (including rural program licenses, the nonrural licenses, and the licenses issued pursuant to subsection (j)(3)(D)) as the average of the amounts received for the block A license and the block B license.

The previous example hypothetically assumed State markets. The identical process would apply using whatever local, regional or national service area the FCC chooses.

As an additional example, if the FCC has issued three licenses per market, and the rural program license(s) are cut out of the C license, the result might be as follows. License A, which covers the entire market, is awarded via competitive bidding for $98. License B, which also covers the entire market, is awarded via competitive bidding for $102. The average license value for the licenses not subject to the rural program would be $100. License C, which does not include that geographic area served by any qualified common carrier, is awarded via competitive bidding for $80. The total value of the remaining rural program license or licenses is therefore $20. If the market contains two rural areas served by qualified common carriers, and the nonrural C license is awarded via competitive bidding for $80, the total value of both rural program licenses would be $20. The two licenses would not necessarily be valued equally at $10 each. The FCC is given the discretion to value each license individually.

Thus, the prices of each rural license may vary so long as the aggregate value of all the rural program licenses in a given market is equal to the aggregate value set through the procedure described in subsection (c)(i).

Since otherwise qualified common carriers may become ineligible for the rural program by winning a license to provide service within their local exchange area through competitive bidding, or for some reason may choose not to apply for the rural license, there is a slight possibility that there would be no qualified common carrier eligible to apply for a rural program license even if the area were to qualify as a rural area. In this instance, the FCC shall award the license for that area under section 309(j)(3)(D). I anticipate that any revenue shortfall that would otherwise be created because of the ineligibility of a common carrier serving a rural area shall be recovered through this procedure. Prices initially set for rural licenses by the FCC shall not be altered to make up for these licenses.

Finally, the provisions on competitive bidding clarify that potential revenues from competitive bidding are not to affect the FCC's decisions to allocate spectrum. The provisions further clarify that persons awarded a license through competitive bidding do not gain rights any different from the rights obtained by persons who gain licenses through methods other than through competitive bidding. The FCC has been undertaking efforts to encourage the provision of new technologies and services by entrepreneurs and innovators. Consistent with the FCC's statutory obligation and its prior efforts in that regard, the Committee included language in this subsection which states that nothing prevents the FCC from awarding licenses to companies or individuals who make significant contributions to the development of a new telecommunications service or technology. The legislation makes clear that communications licenses shall not be treated as the property of the licensee for property tax purposes or other similar tax purposes by any State or local government entity.

One additional point needs to be made clear. The legislation states that a telephone company that receives a license pursuant to the rural program shall not be eligible to receive any other license to provide the same service in such area. The intention of this provision is to bar telephone companies from holding more than one PCS license, for instance. Nothing in this provision prohibits a telephone company that holds a cellular license from participating in the rural program for the purpose of obtaining a PCS license.

REGULATORY PARITY

Section 409 is intended to ensure that providers of commercial mobile services are regulated in a similar, if not identical, fashion. These provisions are almost identical to the provisions contained in the substitute amendment to S. 335, order reported by the committee on May 25, 1993. Under the legislation, all commercial mobile services would be treated as common carriers. The term "commercial mobile services" is not intended to include all providers of land mobile services. For instance, providers of specialized mobile radio service that do not compete with cellular service are not intended to be covered under the definition of commercial mobile services. The FCC is given the authority to determine who will be included in the definition of a commercial mobile service provider. In general, the legislation would forbid States from regulating the entry of or the rates charged by these commercial mobile services providers.

At the executive session at which this committee ordered this budget reconciliation legislation to be reported, the committee agreed to an amendment offered by Senator BRYAN to give added consideration to States that currently regulate cellular service. This amendment is not contained in the substitute amendment to S. 335, ordered reported by the committee on May 25, 1993.

Under subparagraph (C), as added by the amendment, a State that has in effect, on June 1, 1993, regulation concerning the rates for any commercial mobile service may petition the FCC to continue exercising authority over such rates within 1 year after the date of enactment of this legislation. The FCC is directed to grant or deny any petition within 270 days of its submission. The FCC's review of any such petition must be fully consistent with the overall intent of section 409. It is intended that in making a determination under subparagraph (C), the FCC will examine whether a State demonstrates that, in the absence of rate or entry regulation, market conditions (including levels of competition) fail to protect subscribers from unjust and unreasonable rates or rates that are unjustly or unreasonably discriminatory. Under subparagraph (D), if the FCC grants a State's petition to continue regulating the rates for commercial mobile services, any interested party may, after a reasonable amount of time following the FCC decision, petition the FCC for a determination that the exercise of the State authority is no longer necessary to ensure that rates are just and reasonable and not unjustly or unreasonably discriminatory. The FCC, after opportunity for public comment, shall issue an order that grants or denies such petition within 9 months of the filing of the petition.

Finally, I understand that there is some concern that the competitive bidding provisions of this legislation could cause harm to the people who have already submitted lottery applications for communications licenses. As required by the reconciliation instructions issued to the Commerce Committee by the Budget Committee, the legislation requires the FCC to use competitive bidding—except in certain circumstances—for all communications licenses issued after October 1, 1993. The FCC is currently in the process of conducting lotteries for several new communications services, and several thousand applications have already been submitted to the FCC for these lotteries. I understand that the applicants for these services, who have already spent money to file these applications, would be disappointed if the FCC were no longer able to conduct lotteries after October 1, 1993. I am exploring the possibilities of helping these current applicants as long as there is no budgetary impact. I will continue to examine this question once the conference convenes on this legislation.

Mr. President, I appreciate the opportunity to present these clarifying views on some of the provisions of this legislation.

COMPETITIVE BIDDING PROVISIONS

Mr. GORTON. Mr. President, I rise today concerning the competitive bidding provisions in the Budget Reconciliation Act. I am a strong supporter of competitive bidding but wanted to bring attention to one concern that I have about the Senate provision which I hope will be addressed in conference.

The Senate provision provides that competitive bidding will be held after October 1, 1993 for the assignment of new spectrum. It is vitally important that the Federal Communications Commission has sufficient flexibility to determine how to implement this new licensing scheme, especially with respect to spectrum that has already been allocated to specific telecommunications services and for which the Commission has already commenced licensing processes. As Federal Communications Chairman James Quello said in a letter to me dated June 23, 1993:

> In some services in which licenses are currently awarded by lottery, the Commission has tentatively selected winning applicants, but will not be in a position to grant licenses until later this year. To change our position to grant licenses midstream for these services would greatly complicate our licensing procedures and likely give rise to legal challenge.

It is my understanding that this is the case with the 220–222 MHz tentative selectees who have yet to be issued a license by the FCC. There are also a number of other proceedings currently underway at the FCC that are in various stages. In some cases, applications have been filed but the FCC has not acted upon them such as is the case with some cellular licenses. These issues will need to be addressed in conference.

Furthermore, the bill makes certain exemptions from comparative hearings. The conferees should also be aware that there are other services that also serve the public interest which need to be examined for possible exemption. These include multipoint distribution service applications which I understand there are over 2,000 applications pending. Instructional television fixed service such as that operated by the Washington State University in Spokane and by KCTS, a public television station in Seattle. Additionally, the conferees should consider private operational fixed microwave service which are used for example by the Washington Higher Education Telecommunications System to serve classrooms in Pullman, Richland, Seattle, Spokane, Vancouver, and soon, Wenatchee and Yakima.

I ask unanimous consent that the attached letter from Chairman Quello be included after my statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, DC, June 23, 1993.
Hon. SLADE GORTON,
U.S. Senate, Hart Office Building, Washington, DC.

DEAR SENATOR GORTON: I write to offer some thoughts concerning pending legislation authorizing the Federal Communications Commission to use a system of competitive bidding for spectrum allocations. First and foremost, let me emphasize that I recognize the importance and great benefits that can be derived from competitive bidding, and I fully support its use as a means of raising significant revenue for the U.S. Treasury. I regard competitive bidding as an efficient tool for management of this valuable national resource, and look forward to implementing the law as ultimately adopted by the Congress.

There are, however, two potential problem areas to which I wish to draw your attention. First, it is vitally important that any competitive bidding legislation provide the Commission with sufficient flexibility in determining how to implement this new licensing scheme, especially with respect to spectrum that has already been allocated to specific telecommunications services and for which the Commission has already commenced licensing processes. Please be assured that the Commission will work to utilize competitive bidding wherever practicable. However, a sudden mandatory change to competitive bidding from existing licensing procedures could impede the development and, ultimately, the viability of these services. In some services in which licenses are currently awarded by lottery, the Commission has tentatively selected winning applicants, but will not be in a position to grant licenses until later this year. To change our licensing rules midstream for these services would greatly complicate our licensing procedures and likely give rise to legal challenges.

Indeed, requiring the Commission to use competitive bidding across the board could have unintended consequences. For example, the wireless cable industry, which may provide effective competition to cable television, has developed using a complex process of acquiring multiple licenses and leasing capacity from other licensees. A change in the licensing procedure in this service could render wireless cable prohibitively expensive, thereby reducing its potential as a competitor to cable. For these and other reasons, it is crucial that the Commission be allowed the flexibility to determine the best means of awarding licenses so as to ensure efficient use of the spectrum and encourage the development of competitive and innovative communications systems.

In addition, in your consideration of competitive bidding legislation, I would also urge you to be mindful of the potential ramifications on international telecommunications service providers who utilize spectrum in other countries as well as in the United States. For example, requiring use of competitive bidding for low earth orbiting satellite system licenses in this country might subject those licensees to exorbitant payment requirements for access to spectrum in other countries. I am particularly concerned that some foreign governments opposed to the use of our international telecommunications accounting and auditing standards could use our competitive bidding requirement as a justification for retaliatory measures.

I greatly appreciate your attention to these concerns, and I welcome the opportunity to provide any assistance you may need in considering this important legislation.

Sincerely,
JAMES H. QUELLO, *Chairman.*

AMENDMENT TO RESTRAIN ENTITLEMENT GROWTH

Mr. ROCKEFELLER. Mr. President, I rise to address the amendment offered by the Senator from Tennessee concerning restraining the growth of entitlement spending. This amendment is a well-intentioned, thoughtful response to a building consensus in the Congress and in the country that we must try to slow the growth of entitlement spending. And what is probably most important is what this amendment, as opposed to many of the prior proposals that arbitrarily cap entitlement spending, does not do.

This amendment does not put an artificial cap on entitlement spending that would force automatic, harmful cuts in programs that serve the Nation's elderly, the sick, the poor, and the disabled. It tries to retain some flexibility in how we achieve cuts if Congress and the President determine they are needed. The Senator's amendment recognizes that we already have a cap on spending because of the pay-as-you-go requirements in the Budget Enforcement Act, and the amendment extends the requirements of that act. The amendment also clearly recognizes the fact that this Budget Reconciliation bill does more to restrain entitlement spending than any bill in history—to the tune of about $100 billion. We cut $65 billion in health spending alone. It wasn't easy. I wish it hadn't been necessary, but the chairman of the Finance Committee worked doggedly to make sure that we met the challenge. And we tried to do so as fairly and responsibly as possible.

Importantly, this amendment does not totally abdicate our duty as elected representatives to act responsibly to help control our health care spending while protecting the interests of the beneficiaries of these Federal programs. It says that if cuts are needed, we will have to take a serious look at the policy considerations before we cut. A flat entitlement cap arbitrarily locks us into an automatic pilot procedure that runs the very real risk of undermining the protection that Medicare and Medicaid provide and aggravating the health cost spiral for all Americans.

This amendment does not set the caps at a level that will guarantee that deep cuts in current benefits will have to be made, regardless of our success in significantly curbing the growth of these programs. Importantly, it does not make Veterans, farmers and civil servants suffer because of the excesses in health programs.

I think we all should be honest about why we are debating this issue today. We know the real motivation behind the entitlement cap movement is to control the growth of the two fastest increasing entitlement programs—Medicare and Medicaid. And for the record, every Senator knows who these programs serve—our Nation's most vulnerable populations: the elderly, poor pregnant women and children, and the disabled. Consequently, very few Senators are willing to take them on directly. It would look too mean-spirited. Instead, a device, something seemingly innocuous called an entitlement cap, is used to achieve the same result: cuts in those programs, cuts in benefits.

I ask my colleagues not to believe the rhetoric that under any one of these garden variety entitlement cap proposals that we are just controlling growth, so any cuts would just reduce the increases in these programs. All those proposals that I have seen would result in cuts to beneficiaries—higher out of pocket costs for Medicare beneficiaries, less services for the Medicaid population. They would mean less access to health care. They would mean less care. We must not kid ourselves. That is why the chairman's proposal to constrain entitlement growth is a valuable alternative to what I consider to be callous, irresponsible approaches to this issue.

It is my judgment that the best attribute of this amendment is that it will allow us to finally get to the real solution to these underlying problems—health care reform. The entitlement cap movement is in essence a plea for what I have long been begging for—all-out health care reform with stringent cost containment. That is because across-the-board health cost controls are the only way to curb the excessive growth in health care costs.

In a recent report the Congressional Budget Office states, "* * * in the absence of other changes, further attempts to control public sector spending would probably produce additional cost-shifting to the private sector * * *" The reasons for the increase in health entitlement are simply these: First, health inflation; second, growth in the number of poor people; and third, growth in the number of disabled individuals. We can't repeal inflation. We can't control the number of disabled and poor people. The Federal Government's own health budget problems cannot be addressed in isolation—they can only be addressed as part of systemwide, comprehensive health care reform.

We can reform our health care system to address these underlying problems. We can do that this year, in this Congress. And we can give the American people something while we are doing it: a more efficient health care system that works for every American and that America can afford to sustain.

IMPACT ON CALIFORNIA

Mrs. FEINSTEIN. Mr. President I have thought long and hard about this legislation. Unquestionably, it is the most important bill we will consider this year. What we do today will have a great impact on the people of this country—people who need jobs and who desperately want to believe that this Congress and this administration can turn the economy around.

Nowhere in this country is the impact of the recession felt more strongly than in California. The unemployment rate in California stands at 8.7 percent—nearly two percentage points higher than the national unemployment rate. Today, 1.3 million Californians are out of work and throughout this country 8.8 million people today are unemployed.

Two separate economic reports released this week add to the gloomy economic conditions in California, according to a Los Angeles Times story from today that I would like to submit for the RECORD. Let me highlight just a few points:

A report by the Federal Reserve Board released Wednesday showed that California's economy continues to lag behind the rest of the country. Manufacturing is "in a serious slump," activity in the high-technology electronics industry is down, and sales remain flat.

The report says: "The majority of our respondents expect the economy to expand. Most contracts in California and Washington, however, expect their regions to under perform the national average."

A separate report, by UCLA's Business Forecasting Project, said that the three trends needed for California's rebound still have not occurred: higher housing starts, a healthier national economy, and stronger demand for California's goods and services. In fact, this report shows that 150,000 new housing units in California must be constructed just to meet demand. The current rate of construction will only bring 100,000 new units by next spring. I am pleased that low-income tax credit are extended permanently. This can provide the incentives necessary for builders and non-profits to build affordable units for families.

This Congress and this administration have a responsibility. And that responsibility is to turn this economy around.

Mr. President, I applaud Chairman SASSER, the distinguished floor manager, Chairman MOYNIHAN, and the majority leader for putting together this budget reconciliation bill. With our colleagues on the other side of the aisle content to simply play politics with the country's economy, this was no small achievement.

By decreasing taxes and cutting additional spending from the President's proposal, I believe that the Finance Committee has significantly improved the bill. The committee also achieved a better than 1 to 1 ratio of spending cuts to tax increases. This was crucial. We cannot nor should not ask the American people to sacrifice unless the Government is willing to sacrifice as well.

I am pleased the Btu tax has been eliminated—it was ill conceived, too cumbersome to implement and would have cost my State jobs we cannot afford to lose. Most importantly, by reducing the deficit by over $500 billion, this bill will help keep long-term interest rates low, an important factor in improving the economy.

I intend to vote for the bill now before us, but no one should misconstrue that vote as an indication that I will support the final bill that comes out of the conference committee unless there are significant changes in the legislation.

I am troubled by this bill because it would eliminate nearly all of the President's investment incentives.

Let me mention a few concerns I want to see addressed in the conference committee.

First, I am concerned about the Finance Committee's treatment of the research and experimentation tax credit. The President requested, and the House approved, a permanent extension of the credit. The Senate Finance Committee's bill, however, includes only a temporary 1-year extension and does not make the credit retroactive to the date of its expiration.

I was pleased to introduce a sense of the Senate today, co-sponsored by 23 Senators, that expressed the united view that R&D tax credits should be permanent.

Several chief executive officers from firms in California have written to me to express their deep concern about the Finance Committee's treatment of the credit. The normal R&D planning cycle for high technology companies spans at least 2 years. A temporary credit, particularly one that is not retroactive, will not induce new research and development nor will companies be able to hire new employees.

As you know, the goal of the R&E credit is to induce additional research and development to increase productivity and to create jobs. Substantial research shows that without proper incentives, U.S. companies, particularly small companies, will not adequately invest in research and development. Hence the need for this credit.

I hope and expect that the Senate conferees will reexamine the treatment of the R&E credit during the conference committee on this legislation in light of my sense of the Senate. I strongly support an expansion of this credit. It is good policy, good business, and good common sense.

Second, I am concerned that this legislation does not include a targeted capital gains exclusion for small businesses. I voted to include it in this bill. I hope the bill that returns from conference will include this important provision. The development of patient capital to aid in the start-up and expansion of small and mid-size businesses is vital to job creation.

Third, I am also concerned about the formula used to calculate the tax on excess passive assets. By limiting the asset base to tangible goods and 3 years of R&D and royalty costs, I believe that this bill unfairly discriminates against high-technology companies whose value is underrepresented by this formula.

It would be a terrible mistake to handicap our Nation's most important and dynamic sector with this formula. I would suggest that, at a minimum, the asset base include 5 years of R&D and royalty costs, not just 3 years. This would better reflect the true value of the high-technology industry's assets.

It is my view that these changes would produce a better bill.

This budget really comes down to whether or not Congress will protect the American Dream. The dream of earning a living, buying a home, and enabling our children and grandchildren to have a better life than ours. Today, the American Dream is in jeopardy unless we invest in our economy.

Unless you have been unemployed, you cannot know how devasting it is.

A twelve-year-old girl from Quartz Hill, CA, wrote me one of the most touching letters I have ever received. Her letter expresses the fears and concerns of so many Californians and so many Americans.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MELISSA KALBACHER—COMMON CAUSE AND CONCERNS, INC.

My name is Melissa Kalbacher. I am twelve years old. I am a resident of Quartz Hill, California, where I attend Joe Walker Middle School.

Our organization, Common Cause and Concerns, Inc. came to Washington to help the unemployment and homeless of our community.

I know first hand about this problem. My father was an aerospace machinist at Lockheed, Burbank with seventeen years experience when he was laid off. It has been almost three years since he has had a steady, full-time job. He finally decided after all this time to go back to school and is retraining as an automobile technician full time, but that won't be finished until February 1994. My mother, who has been an accountant for twenty years has also been unable to find work. It is very hard for us to cope. There are too many bills, not enough money, and too many arguments.

I can't tell you how wonderful it is for a girl my age to visit her Senator to express my fears, feelings and anguish. We came here after selling raffle tickets to pay our way. We travelled by Greyhound Bus for three (lovely) days, because the other ways of travel were too expensive.

If it were not for my grandfather who has been paying our mortgage, my family and I would be on the street, homeless, like so many others in our city.

We came from so far away to ask for your help in finding jobs for the unemployed, homes for the homeless and food for those who are hungry. Common Cause and Concerns has some jobs programs and ideas that can help our area, but we need your help and direction to accomplish more.

My mom and I worked very hard on your campaign, in an area where we are a definite minority, and I am very glad you were elected. Your being in office gives me hope for my future and the future of all women in this country.

Coming to Washington, D.C. has been a once in a lifetime opportunity, and I thank you for seeing me and my friends, and look forward to any help and ideas or assistance you may suggest.

Mrs. FEINSTEIN. Melissa and her family are not alone. Like many Americans, there are few available jobs and little hope that things will get better soon. That is why I support additional investment incentives.

I have raised these concerns with the Democratic leadership, the Secretary of the Treasury, and the President. They know how I feel. And I must say, the President told me he would like to see many of these incentives in the final bill.

This bill is not perfect—but I will vote for it because it is essential that we move the process in the right direction. As I said earlier, I am deeply concerned by the lack of incentives for businesses. I expect that the final proposal that comes out of the conference committee will address these issues.

Today, it is time for progress. Yet the inadequacies of this bill must be addressed before it is finally adopted.

I praise my distinguished colleagues who have labored hard and successfully to put together this important legislation. Their task was Herculean, but they have managed well. I thank them for their work.

I ask that a column from the Los Angeles Times of June 24, 1993, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CALIFORNIA'S OUTLOOK STILL GLOOMY, TWO SURVEYS SHOW

(By Greg Miller)

WASHINGTON.—Economic activity in California continues to lag behind the rest of the country, while uncertainty about federal taxes and health care reform appears to be restraining the national recovery, the Federal Reserve Board reported Wednesday.

California's gloomy outlook was echoed in a separate forecast by UCLA's Business Forecasting Project, which reiterated its earlier prediction that the state's economy will not begin expanding again until next spring at the earliest.

In a survey of economic conditions around the nation, the Fed said it found that businesses are hiring fewer workers and delaying potential investments in response to predictions of higher taxes and health care changes.

In addition, it said the unsettled political outlook may be inhibiting consumer spending, while potential changes in U.S. trade policy are producing anxiety among importers.

The "beige book" report, based on anecdotal evidence compiled by the 12 regional Federal Reserve Banks, said the economy is growing at a "slow to moderate pace" in most areas of the country and should continue to do so.

California, however, continues to lag. Sales remain flat, manufacturing is "in a serious slump" and activity in high-tech electronics is down, the report says.

"The majority of our respondents expect the economy to expand," its says. "Most contacts in California and Washington, however, expect their regions to under-perform the national average."

The report by UCLA, sponsored by its Business School, said in its latest quarterly survey that the three trends needed for California's rebound still have not occurred: higher housing starts, a healthier national economy and stronger demand within the state for California's goods and services.

The housing industry, for instance, remains "flat on its back," the report says. "The window of opportunity for California to emerge from the recession this year has probably closed," said study director David G. Hensley.

In the meantime, UCLA again predicted major layoffs among state and local government workers later this year because of the state's fiscal problems. But its forecast of 21,000 layoffs was revised down from the 31,000 seen in its study from the previous quarter.

An economist at the Federal Reserve Bank in San Francisco attributed California's sluggishness to declining defense spending, an overbuilt commercial real estate market and the restructuring of financial institutions.

The Fed's observations were supported by private analysts.

"What we're seeing is that the Southern California economy is still declining but at a slower rate than it has been declining," said Michael Penzer, senior economist at Bank of America in San Francisco. "We don't know if it's hit bottom yet."

The report is the latest of several recent indications that the U.S. economy, though expanding moderately, is growing more slowly than previously expected.

The Commerce Department reported Wednesday that gross domestic product—the basic measure of the country's total output of goods and services—grew at a revised annual rate of just 0.7% from January through March, far slower than the 4.7% growth rate of the previous three months.

In a separate report, the Commerce Department said orders to U.S. factories for autos, appliances and other expensive durable goods fell 1.6% in May, the third consecutive monthly decline and an indication of continuing problems in the manufacturing sector.

The Fed's "beige book" report is prepared eight times a year for the Federal Open Market Committee, which determines short-term interest rate policy. The Fed, which controls the interest rates at which banks may borrow money, usually lowers rates to spur investment and economic growth and raises them to stem inflation.

Despite the slow growth, recent signs of rising prices have created concern that the Fed might raise interest rates soon to keep inflationary pressures in check. Asked about that possibility Wednesday, President Clinton said he sees no need for a rate increase.

"There's no inflation in this economy," the President said. "I think long-term interest rates will stay down. That's the key to the economy."

The Fed report echoes the claims of some business groups that the Administration's deficit-reduction and health care initiatives have had a chilling effect on private-sector activity.

"The concerns about fiscal and health care policy are already damaging the economy and offsetting some of the positive impacts of lower interest rates," said Lynn Reaser, chief economist for First Interstate Bancorp in Los Angeles.

Reaser said the lack of confidence has had its greatest impact on employment practices. "We're seeing companies using record amounts of overtime and relying on temporary help," she said.

Others said the uncertainty surrounding federal policy has undermined the economic momentum established late last year following the presidential election.

"The 'Clinton effect' has waned and people are worried about tax increases," said Penzer, the Bank of America analyst. "Until the coast clears, there is a tendency to hold back."

Mr. GRASSLEY. Mr. President, one of the many provisions in the current tax bill before us that disturbs me is the provision that increases estate taxes. Estate taxes have an entirely different impact on the economy than income taxes. Family business owners, farmers, and ranchers will be most seriously affected by death taxes because the preponderance of such estates consist principally of a single non-liquid asset. In many cases, the asset is a business built over the years with a great deal of capital investment and a maximum of sweat equity.

Mr. President, estate taxes are not only being increased, but, to add insult to injury, they're being raised retroactively to January 1, 1993. It's unfortunate that the majority has not at least made the estate tax increase prospective from July 1, 1993, like the other rate increases in the bill. Since the 1916 enactment of the estate tax, no estate tax rate change has ever been made retroactively.

As a leading proponent of taxpayers' rights, I have opposed the retroactive application of IRS regulations, as well as the tax laws. Retroactivity undermines confidence in the system and the Government.

What we need to be doing is reducing the estate tax to provide relief for family-owned businesses and farms, not increasing rates retroactively. Families need to be able to hold onto their businesses and farms so the economy can grow and jobs can be created.

I just hope those who are proposing these tax increases will come to their senses before it's too late and understand the devastating effect these increases will have on the economy and our Nation.

PAPERWORK REDUCTION ACT

Mr. LIEBERMAN. Mr. President, there is one provision in this bill that I would like to discuss further with my good friend the Senator from New York. That is the third party coverage clearinghouse and the information collection it requires. I do not question the need for the information collected. In fact, my Subcommittee on Regulation and Government Information held a hearing on this issue, and GAO is following up with a more detailed study. It is important that the Health Care Finance Administration [HCFA] have accurate information of dual coverage when it processes Medicare and Medicaid claims. I do have questions about the way in which the information is collected.

It is my understanding that the reconciliation bill amends the tax code to require all employers to indicate whether or not the employee has access to health care coverage, whether they exercised that option, and whether any dependents are covered. All of this would be recorded on the W-2 form. This information would be collected for all persons who work during the year and kept in a data base for at least a year. Even though, according to the HCFA, this information is needed for only about 5 percent of the work force.

The Paperwork Reduction Act requires that before an agency begins or revises an information collection they must: Make sure that the information is not collected elsewhere in the Federal Government, and reduce to the extent practicable and appropriate the burden on persons who will provide information to the agency. It goes on to specify that the Director of the Office of Information and Regulatory Affairs at OMB can cancel information collections that do not follow these procedures.

I am concerned that this collection has not been subjected to these considerations. I have heard from several businesses that compiling this information for all employees would be expensive and burdensome. HCFA should look for a solution to their data needs that collects information for only those individuals who have double coverage. Further, by placing this information collection in statute, if the administration does find a less burdensome or more timely way of collecting the information, legislative change may be required to eliminate duplicate collection.

Mr. MOYNIHAN. There is no intent on the committee's part to bypass the requirements of the Paperwork Reduction Act. I share the Senator's concern about the burden of this requirement, and I urge the administration to continue its search for better ways to collect this information—one that collects information only for the individuals where it is necessary. I look forward to legislative proposals in the future that would move us toward a less burdensome collection of this information.

Mr. LIEBERMAN. Some have characterized this proposal as a way of ending the pay-and-chase system that now exists, a system where HCFA pays Medicare claims and then spends a great deal of time chasing after the insurer or employer who should have paid the claim. And it is often the case that the insurer or employer never knew about the claim in the first place. This W-2 collection does not eliminate the pay-and-chase process.

The information collected on the W-2 will be 18 to 24 months old by the time it gets to HCFA. It will be used to replace only one step of the eight-step data match. It will replace one questionnaire to employers who have been identified as having employees who are eligible for Medicare or Medicaid. That questionnaire asks only if the employer provides health care for the employees. This is one of the simpler steps in the process, and the remaining seven will still be required. In other words, we are setting up an elaborate and burdensome system to replace one step in another elaborate system. I wonder which is less burdensome—collecting health insurance coverage from all employers on all employees, or asking a subset of employers whether or not they provide health insurance?

Finally, I would urge that HCFA begin to develop a pilot program modeled after the New York Single Payer Demonstration project. Information is exchanged electronically between health care providers and insurance companies. Such a system could provide HCFA with coverage information at the time a claim is processed rather than 18 to 24 months later. This would completely eliminate the pay-and-chase process, obviate the need for the data match, and reduce the cost to both HCFA and the providers.

Mr. President, I would like to thank the Senator from New York for the opportunity to explore these issues and I yield the floor.

Mr. MOYNIHAN. Mr. President, I would like to thank my colleague from Connecticut for his thoughtful comments on the third-party coverage clearinghouse. I join him in urging HCFA to move quickly to develop a pilot project that builds on what we have learned in the New York project, and to eliminate as quickly as possible the need for the data match and the W-2 collection.

S. 1134

Mr. CRAIG. Mr. President, I rise to oppose S. 1134, the Omnibus Budget

Reconciliation Act of 1993, for fiscal year 1994.

I also want to express my strong support for the amendments offered by the Senator from Oklahoma [Mr. NICKLES], to strike the fuels tax; by the Senator from Mississippi [Mr. LOTT], to strike the provision to increase income taxation of Social Security benefits; and by the Senator from Hawaii [Mr. INOUYE], in opposition to reducing the deduction for legitimate business meals. I also commend the Republican leader, Mr. DOLE, and the ranking member of the Budget Committee, Mr. DOMENICI, for their efforts yesterday, which I supported, to substitute a tax-free deficit-reduction plan for the tax-and-spend bill before us.

Mr. President, I have been truly impressed by the intense opposition to this tax bill that the American people are demonstrating. In a recent visit to my home State of Idaho, the sentiment against a policy of "tax first, and spend some more," was intense. But my office has been receiving phone calls and faxes from all around the country in the last few days.

Their message is clear: "Cut spending first. Balance the budget. Tax-and-spend business as usual has to end."

One of my constituents, just earlier today, with great earnestness and frustration inquired, "Can't you explain to those other Senators how much this bill will hurt us?" We on our side have tried to do that, Mr. President. I rise now to try again.

Why is there such opposition to the budget and tax program offered by the President and the Democratic leadership? The constituent I just mentioned said that he would not have voted for President Clinton if he had known this bill would be the result.

Candidate Clinton promised to focus on the economy like a laser beam. A major part of that was understood to mean the new administration would focus on the Federal budget deficit like a laser beam.

But now, it's become more and more obvious the laser beam is focused on the pocketbooks of the middle class.

In other words, the dissatisfaction we are hearing over this bill is because of the difference between promise and performance, between expectation and delivery.

The American people are saying, loud and clear: "Cut spending first!"

Unfortunately, the President and Democratic leadership, first in the budget resolution, and now in this budget reconciliation and tax bill, are saying:

"We'll cut spending after the next Presidential election—maybe;"

"We'll tax first; we'll spend more first."

"We can't cut spending and reduce the deficit too fast; they 'stimulate the economy'."

If more spending and larger deficits really stimulated the economy, then the economy should be roaring along now.

Aren't $300 billion deficits, $4.1 trillion in debt, and $1.5 trillion per year in spending stimulation enough?

If total Federal spending just stayed constant, we could have a balanced budget in 5 years. That time frame and that method of getting there strikes most Idahoans as more than reasonable. I believe it strikes most Americans everywhere as reasonable.

Even if total spending grew at 2 percent a year, the budget would be balanced by 2001. Including the peace dividend, that 2 percent total growth would allow domestic programs to grow 3 percent a year or more.

On taxes and who pays them; candidate Clinton promised:

In January of 1992, a tax cut for the middle class;

In September, that the middle class would be able to elect between a children's tax credit or a significant reduction in their income tax rate; and

In his book, Putting People First, that he would oppose increasing the gasoline excise tax, and he criticized President Bush for agreeing to such an increase in 1990.

In contrast, the performance has featured:

The largest tax increase in history: This bill still contains $249 billion in net new taxes and fees over 5 years, and will go to conference with a House-passed, $291 billion tax bill;

A proposal to raise by 70% the income taxes on Social Security paid by single seniors with incomes above $32,000 and couples above $40,000; (in the House, $25,000 and $32,000, respectively);

A 4.3-cent transportation fuels tax, plus extending through 1999 the 2.5-cent gasoline tax set to expire in 1995;

Statements that families with incomes under $30,000 won't be hurt, but that's still based on an imputed "Family Economic Income," not on traditional, statutory definitions like Adjusted Gross Income or taxable income; in fact, the Treasury Department has not responded to requests from several of us on the Joint Economic Committee to produce tables showing the distributional impact of the new taxes based on AGI;

A hard tax hit on small business owners, who make up the majority of individual filers with more than $100,000 AGI;

A hard tax hit on every worker who, of necessity, has his or her meals provided by an employer.

On deficit reduction/balancing the budget; the promise was: A 5-year plan to balance the budget (in June 1992); and to cut the deficit in half in 4 years (again, in June 1992).

The performance? Deficits that dip slightly, based on higher taxes, but swell back up as future spending again overtakes future taxes, as this table shows, based on Budget Committee data:

Deficits ($ billions): Est. 1993—$302; 1998—$202; 2001—about $300; 2003—about $400.

Interest ($ billions): $295 in 1993 and $381 in 1998.

Gross debt ($ trillions): End of 1993—$4.4; 1994—$5.8; 1998—$6.2.

This administration's own budget documents and the Democratic leadership's own budget legislation promise the biggest increase in deficit spending and buildup of debt in history.

PAST PROMISES: TAXES TO REDUCE THE DEFICIT?

The President and his congressional leadership argue that massive tax increases are necessary to reduce the deficit. But will that deficit reduction happen?

Keeping in mind that those who ignore history are doomed to repeat it, let's look at what happened the last four times Congresses and Presidents tried that approach:

1982: Democrats in Congress promised President Reagan $3 in spending cuts for every $1 in new revenues (in TEFRA—the Tax Equity and Fiscal Responsibility Act);

Next year: Spending was up 8.4%, and the deficit went up 62.4%.

1985: Congress passed $50 billion in taxes for a "down payment" on the deficit;

Next year: Spending was up 4.6%, the deficit was up 4.2%, and taxes went up 10.1%

1987: After a stock market plummet, a budget summit agreed to raise taxes and cut spending $1-for-$1;

Next year: Spending was up 6.0%, the deficit up 3.6%, and taxes up 9.0%.

1990: The budget summit sought to raise $150 billion in new taxes, and was supposed to cut spending twice as much;

New year: Spending went up 9.4%, the deficit up 43.7%, and taxes up 4.1%.

Among other things, this experience shows why we need a balanced budget amendment to the Constitution.

Our system is fundamentally broken; virtually all the political rewards are for more spending, so Congresses and Presidents will tend to do whatever is easier at the moment: Tax, spend more, and borrow; or just spend more and borrow.

And Congresses and Presidents will just repeal, delay, or game whatever deficit reduction plan or budget process reform laws we pass, if they begin to pinch. What we enact with a simple majority we can avoid or undo with a simple majority.

On spending "cuts"; candidate Clinton promised to:

Reject the approach of "a program for every problem, and that you can tax and spend our way to prosperity." (August 1992.)

"Reinvent government," because, "we won't get change simply by spending more on programs already on the books." (April 1992.)

What has the performance been like?

First, let's keep in mind, that in Congress, a spending cut is not a spending cut, it's just a lower rate of increase.

That's true of the President and Democratic leadership's budget. That was true of the Dole-Domenici substitute we should have passed yesterday.

Every time someone tries to scare the American people with dire predictions of spending cuts, or pretends that a bill like the one before us today cuts the size of government, a truth-in-budgeting alarm ought to go off. We could balance the budget as early as 5 years from now by reducing the rate of increase in Government spending, that's how explosive that growth in spending is.

How does this budget plan respond to the call to cut spending first? Some 83 percent of the assumed Clinton/Democratic leadership spending cuts are scheduled to occur after the 1996 election.

Net spending under this plan actually goes up almost 1 percent in fiscal year 1994, in addition to inflation and changing caseloads under current law.

The President originally requested $165 billion over 5 years in new domestic spending:

This included $148 billion for programs already on the books;

The Budget Resolution included $153 billion in new spending;

And $19.3 billion in new spending is in this reconciliation bill alone (not counting $17 billion in new Earned Income Tax Credit [EITC] spending that the other side now calls a tax cut).

It's claimed that this budget plan, overall, including all future legislation and assumptions, comprises $260 billion in spending restraint over 5 yrs.

But that includes:

$44 billion previously saved under legislation signed into law by President Bush;

$55 billion assumed from interest savings;

$15 billion in user fees that are called spending cuts, even though they feed the growth of the bureaucracy;

$70 billion in hoped-for appropriations savings, almost all in future years;

And it doesn't count $17 billion in new EITC spending.

Real, net spending savings in Reconciliation amount only to $83 billion over 5 years—less than one-fourth of the projected year-to-year growth in spending.

TRANSPORTATION FUELS TAX

The $24 billion fuel tax in this bill, bad enough in its own right, will go to conference with the $72 billion Btu tax in the House bill. How do we actually expect that to come out?

And remember: The President has said he'd like to see the conference restore something of the House's Btu tax.

That Btu tax would destroy 600,000 to 700,000 jobs—according to estimates by the National Association of Manufacturers and the American Petroleum Institute.

The Finance Committee/Democratic Leadership's 4.3-cent tax, when added to the extension through 1999 of the 2.5-cent 1990 gasoline tax (scheduled to expire in 1995), would:

Reduce Gross Domestic Product by $9 billion in 1994 and $16 billion in 1998;

Destroy 110,000 jobs by 1998—according to the Institute for Research on the Economics of Taxation [IRET];

Increase inflation;

Increase the costs of other goods and services that are sensitive to transportation costs;

Be regressive, hitting low- and middle-income families disproportionately hard;

Punish Americans in the Midwest and West, where it's necessary to travel greater distances to work, go to school, and carry out life's activities, in general.

This tax would not produce the revenues its supporters project. Higher unemployment and lower economic growth resulting from the fuels tax would, in turn, depress income tax revenues and higher costs and inflation would increase the Federal Government's cost of doing business.

At best, according to IRET, this tax would produce only $5.5 billion a year, instead of $8 billion per year after it's fully phased in, as projected by the committee.

This tax would have an unfair impact on State governments, who depend on gasoline taxes as a mainstay of financing.

Finally, what revenues do come in from this fuels tax would be inequitably allocated; such revenues should go into the highway and infrastructure trust funds, and not to finance new spending in other programs.

SMALL BUSINESS TAX INCREASES

The President and Democratic leadership have made a lot of hay out of the soak the rich approach they purport to take with this tax bill. But there's a truth-in-packaging violation here.

The majority of individual tax returns showing Adjusted Gross Incomes of more than $100,000 actually are small business proprietorships, Subchapter S corporations, and partnerships.

Raising their income tax rates and Medicare taxes would not tax real individual income; it taxes working capital, cash flow, and job-creation.

Medicare taxes, for example, are supposed to apply to wages and payrolls.

But, for a small business owner, tax law doesn't distinguish between what the owner draws out to live on and what actually amounts to retained earnings, to be reinvested in the business.

For the small business owner who, technically, shows more than $250,000 in individual income, under this bill: the marginal income tax rate goes from 31 percent to 36 percent; the 10 percent Surtax takes the effective rate to 39.6 percent; repealing the $135,000 Medicare wage base cap adds 2.9 percent to the effective tax rate; and the 3 percent reduction in itemized deductions, for incomes greater than $100,000.

The cumulative effect of all these changes would take the small business man or woman's effective tax rate as high as 44.5—an increase of 43—from 31 percent to 44.5 percent.

It's incredible that this bill would tax successful mom-and-pop operations at 44.5 percent, but would hold the top tax rate for a General Electric, or General Motors, or Time Warner, to 35 percent.

Despite paying much lipservice to the contributions and concerns of small business, President Clinton and the Democratic leadership's taxes hit this sector disproportionately hard. This, even though small businesses created 4.1 million net new jobs in 1988–90, employ 55 percent of the private work force, account for almost 50 percent of GDP, and had been expected to create up to 75 percent of all new jobs in the coming years.

Is this a soak the rich tax bill? No, it would tax jobs and job creation, innovation, and entrepreneurship.

BUSINESS MEALS AND ENTERTAINMENT DEDUCTION

Despite a willingness to change some of the other provisions in the President's tax program, and despite all the evidence that it's a bad idea, this bill still reduces business meal and entertainment deductibility from 80 to 50 percent.

Contrary to the image spun by the bill's supporters, this provision doesn't just affect lobbyists, high rollers, and skybox entertaining.

Among the ordinary Americans, the workers, affected are: truck drivers; traveling sales persons; traveling service employees; vending business employees with large geographical territories; construction workers traveling to distant sites; and workers in other venues where employer-provided meals are a virtual necessity.

The jobs imperiled by this provision number 150,000 to 165,000—according to the Hotel Employees and Restaurant Employees International Union and the National Restaurant Association.

Who else would be affected adversely by this $15.5 billion tax increase? Not the persons the rhetoric surrounding this bill would lead you to expect. Some 78 percent of business lunches occur at low to moderately priced restaurants; and the average business lunch is $9.39.

Of those purchasing business meals: 70 percent have incomes of less than $50,000; 39 percent have incomes below $35,000; a majority are small business persons; and 25 percent are self-employed.

Among food service employees: A majority are women; 24 percent are African-American or Hispanic; and 20 percent are teens.

CONCLUSION

All these facts and profiles related to the business meals deduction underline points to be made throughout this tax bill.

This budget and tax program will injure middle-class, working-class Americans. It will destroy the jobs held by the very individuals on whose behalf it supposedly is offered. It will depress the economy. Government spending will increase, deficits will continue to grow, and an ever-larger mountain of indebtedness will be passed on to depress our children's standard of living.

I call on my colleagues to defeat this bill, and to start over in the budget process, this time in a bipartisan, constructive manner.

Mr. President, I ask unanimous consent that I may include in the RECORD the following information on tax increases and on provisions in S. 1134:

"The Futility of Raising Tax Rates," a Policy Analysis for the CATO Institute, by former Deputy Assistant Treasury Secretary Bruce Bartlett;

"Conservation at Any Cost: Increasing Excise Taxes on Motor Fuels," an Institute for Research on the Economics of Taxation [IRET] Congressional Advisory, by Stephen Entin and Roy Cordato;

A June 21 Letter to me, regarding the business meals deduction, from General President Edward Hanley and Robert Juliano, of the Hotel Employees and Restaurant Employees International Union; and

"Employment Impact of Reducing the Business Meal Tax Deduction," a state-by-state study by the National Restaurant Association.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Policy Analysis, Apr. 8, 1993]

THE FUTILITY OF RAISING TAX RATES

(By Bruce Bartlett)

EXECUTIVE SUMMARY

President Clinton has proposed a major increase in federal income tax rates, especially for the rich. His stated reason for that action is that the rich benefited disproportionately from the tax-rate reductions of the 1980s and thus are not paying their fair share. In fact, lower tax rates in the 1980s led to higher, not lower, revenues from the rich. The top 1 percent of taxpayers ranked by income, for example, paid over 25 percent of all federal income taxes in 1990, compared to less than 18 percent in 1981.

The history of tax-rate increases shows that they seldom produce much revenue. Their principal effect is to make higher taxes on the poor and the middle class more palatable. In fact, because of inflation and real growth of the economy, in just a few years tax rates originally imposed on the rich often apply to those with middle incomes. The rich, meanwhile, often evade higher rates by making increased use of deductions and other legal tax shelters. Moreover, higher rates tend to encourage Congress to add new deductions to the tax code.

The Clinton plan, therefore, is based on false premises and is unlikely to achieve the goal of increasing the tax burden on the wealthy. It will probably lead, instead, to higher taxes on the poor and the middle class, as higher revenues from the rich fail to materialize. In the end, the burden of higher taxes must fall largely on the middle class because that is where the bulk of income is. Thus, maintaining a low top tax rate is the best way to ensure that tax rates remain reasonable for those with low and moderate incomes.

INTRODUCTION

During the 1980s the goal of tax reformers on both the left and the right was to reduce marginal tax rates as much as possible. To a large extent, that was accomplished. At the beginning of the 1980s, the top marginal income tax rate was 70 percent; by the end it had fallen to just 28 percent. Moreover, support for low marginal tax rates was so widespread that virtually every major nation on earth followed the U.S. example and cut marginal tax rates in the 1980s. The following are among the reasons for the cuts.

High marginal rates were producing little revenue.

High rates led to a proliferation of legal tax deductions, which created complexity and distorted economic decisionmaking, as well as encouraged tax evasion.

Inflation was pushing many people of moderate means into tax brackets originally intended for the wealthy.

The growing international mobility of both capital and labor put nations with high tax rates at a competitive disadvantage.

Now President Clinton has proposed a reversal of policy in an economic program that explicitly raises marginal tax rates. A new top rate of 36 percent will apply to single individuals with incomes above $115,000 and to married couples who file jointly and have incomes above $140,000. In addition, a surtax of 10 percent will apply to individuals with incomes above $250,000, raising the effective top rate to 39.6 percent.[1]

TAX FAIRNESS?

It is not entirely clear what the true purpose of Clinton's proposal is; in his original plan, which was part of his campaign, he talked only about "forcing the very wealthy to pay their fair share of taxes."[2] He also expressed concern that during the 1980s "the wealthiest 1 percent of Americans got 70 percent of income gains." Although that "fact" is not related directly to higher taxes, the revenue figures are included in a section entitled "Tax Fairness." Those figures indicate that higher tax rates for the top 2 percent of taxpayers, an increase in the Alternative Minimum Tax, and a surtax on millionaires would raise $82.9 billion over four years (1993–96).[3] In the administration's budget document, those revenues are estimated at $96.8 billion between 1994 and 1997.[4] According to the Department of the Treasury, the proposal "would increase the fairness of the tax system by ensuring that upper income taxpayers pay their fair share of federal income taxes."[5]

None of those rationalizations is a valid justification of higher tax rates. First, it is absurd to say that the rich do not "pay their fair share." The share of federal income taxes paid by those with upper incomes has been rising, not falling. Indeed, the top 1 percent of taxpayers now pay more than one-fourth of all federal income taxes, as shown in Table 1.

TABLE 1.—SHARE OF TOTAL FEDERAL INCOME TAX BURDEN BY ADJUSTED GROSS INCOME PERCENTILE

[Amounts in percent]

Tax year	Top 1	Top 5	Top 10	Top 25	Top 50
1980	19.0	36.8	49.3	73.0	92.9
1981	17.6	35.0	48.0	72.3	92.5
1982	19.0	36.1	48.6	72.5	92.6
1983	20.3	37.3	49.7	73.1	92.8
1984	21.1	38.0	50.6	73.5	92.6
1985	21.8	38.8	51.5	74.1	92.8
1986	25.0	41.8	54.0	75.6	93.4
1987	24.6	43.1	55.5	76.8	93.9
1988	27.5	45.5	57.2	77.8	94.3
1989	25.2	44.0	55.9	77.4	94.3
1990	25.6	44.1	55.8	77.4	94.4

Source: Internal Revenue Service, unpublished data.

The second rationalization is also flawed in several ways. First, the statement that the rich got 70 percent of the income gains in the 1980s is flatly wrong. The source for that assertion was, apparently, a calculation made by Professor Paul Krugman of MIT, which was quoted in the New York Times.[6] According to the Times, Krugman's calculation showed that "60 percent of the growth in after-tax income of all American families between 1977 and 1989—and an even heftier three-fourths of the gain in pretax income—went to the wealthiest 660,000 families, each of which had an annual income of at least $310,000 a year, for a family of four."

That statement, which appeared in early editions of the Times, implies that 60 percent of the aggregate income growth of all Americans went to the top 1 percent of taxpayers. Had that been the case, it would have meant that the top 1 percent of Americans got 60 percent of $830 billion, which was the increase in aggregate after-tax family income in the United States between 1977 and 1989. According to the Congressional Budget Office, the top 1 percent of taxpayers actually got about one-fourth of the increase in aggregate income during that period. However, the CBO cautions that even the correct figure can be misleading.

"The rise in overall income says nothing about whether the average family at any point in the income distribution was better off as a result or how any improvements in well-being were distributed among families. If average family income had not changed, the 27 percent increase in the number of families alone would have increased aggregate income by that percentage or about $580 billion; that amounts to more than two-thirds of the total actual increase.[7]"

In fact, Krugman was talking about *average* income growth. The *Times* clarified that point in later editions of the same day, although no comment or correction notice ever appeared. The revised editions stated, "An outsized 60 percent in *the average* after-tax income of all American families between 1977 and 1989—and an even heftier three-fourths of the gain in *average* pretax income—went to the wealthiest 660,000 families" (emphasis added).[8]

KRUGMAN ANALYSIS FLAWED

Krugman, it turns out, was wrong on several points. First, he apparently made a mathematical error in recalculating some data originally published by the CBO. According to his methodology, the "correct" figure is 70 percent, rather than 60 percent. However, even that number turns out to be wrong because Krugman's methodology failed to adjust for changes in family size over the period. Between 1977 and 1989 average family size declined by 10 percent, with the largest reduction in families in the middle-income quintiles. That is significant because small families need less income than do large families to maintain a given standard of living. Table 2 shows the "correct" data based on Krugman's original methodology and the revised figures adjusted by the CBO for changes in family sizes. As one can see, the revised data indicate that the rich did much less well than Krugman stated, and the poor and the middle class did much better. Yet, as noted earlier, Governor (now President) Clinton continued to use the incorrect numbers to justify his case for higher taxes on the rich.

TABLE 2.—SHARE OF AFTER-TAX INCOME AND DISTRIBUTION OF CHANGES IN AVERAGE INCOME AMONG INCOME CATEGORIES

[Amounts in percent]

Income category	Krugman			Revised		
	1977	1989	Gain[1]	1977	1989	Gain[1]
Bottom 20 percent	6	4	−11	6	4	−7
Second 20 percent	12	10	−7	11	10	3
Middle 20 percent	16	15	2	15	15	11
Fouth 20 percent	23	22	8	22	21	15
81st to 90th percentiles	16	15	11	16	15	11
91st to 95th percentiles	10	10	10	10	10	8
96th to 99th percentiles	11	12	25	12	13	19

Footnotes at end of article.

TABLE 2.—SHARE OF AFTER-TAX INCOME AND DISTRIBUTION OF CHANGES IN AVERAGE INCOME AMONG INCOME CATEGORIES—Continued

[Amounts in percent]

Income category	Krugman			Revised		
	1977	1989	Gain[1]	1977	1989	Gain[1]
Top 1 percent	7	12	70	8	13	44

[1] Share of gain in average after-tax income.

Source: Congressional Budget Office, "Measuring the Distribution of Income Gains," CBO staff memorandum, March 1992, pp. 3–4.

Even with all the adjustments, however, the data are still conceptually flawed, insofar as they purport to reflect a redistribution of income from lower income and middle-income Americans to the rich. As Michael Boskin, chairman of President Bush's Council of Economic Advisers, explains:

"Mr. Krugman's calculation *bears no relation to how gains from economic growth are distributed*. Suppose an economy has two workers with annual incomes of $20,000 and $30,000, respectively. A few years later, these same workers earn $30,000 and $40,000, respectively, and two new workers obtain jobs earning $20,000 each, all figures adjusted for inflation.

"Total real income increased by $60,000. One-sixth accrued to the worker now representing the top 25 percent of income earners. One-sixth accrued to the worker in the next 25 percent of income earners. And two-thirds accrued to the bottom 50 percent of earners.

"Average income increased by $2,500 (from $25,000 to $27,500) while average income in the top half of the distribution increased by $5,000 (from $30,000 to $35,000). Mr. Krugman's calculation of the gain in average income would indicate that people in the top *half* accounted for *100 percent* of the gains from economic growth—of the gain in average income—even though the two original workers received equal raises, one moved from the bottom half to the top half of the distribution, and two new workers found jobs and now constitute the bottom half (emphasis in original).[9]"

It should also be noted that the data Krugman used are for money income; thus, the value of all in-kind government transfers, such as those for Medicaid and public housing, is excluded. Those and other transfers, as well as the tax system, have a substantial effect on income distribution, reducing incomes of the wealthy and increasing those of the poor. Table 3 illustrates that effect.

TABLE 3—EFFECTS OF TAXES AND TRANSFER PAYMENTS ON HOUSEHOLD INCOME BY INCOME QUINTILE, 1990

Quintile	Before taxes and transfers	After taxes and transfers
Average income:		
Lowest	$2,096	$10,904
Second	14,664	18,676
Third	28,836	27,017
Fourth	45,836	38,780
Highest	93,966	71,944
Income share (percent):		
Lowest	1.1	6.5
Second	7.9	11.2
Third	15.5	16.1
Fourth	24.7	23.2
Highest	50.7	43.0

Source: Council of Economic Advisers, "Economic Report of the President, 1992" (Washington: U.S. Government Printing Office), p. 136

Last, note that, contrary to Clinton's statement about the 1980s, Krugman was looking at income changes beginning in 1977, well before the beginning of the Reagan Republican era, which Clinton obviously meant to impugn. As the late Warren Brookes and others have shown, the common use of 1977 as a base year for comparison has the effect of making it appear that the Reagan administration was responsible for declining incomes, rising income inequality, and the like, when the Carter administration (1977–80) was actually to blame.[10] In fact, the CBO implicitly admits that bias, as shown in Table 4.

TABLE 4.—SHARES OF AFTER-TAX INCOME AND DISTRIBUTION AMONG INCOME CATEGORIES OF CHANGES IN AVERAGE INCOME

[Amounts in percent]

Income category	1977–89[1]	1980–89	1985–89
Bottom 20 percent	−7	−3	2
Second 20 percent	3	3	12
Middle 20 percent	11	11	15
Fourth 20 prcent	15	15	12
81st to 90th percentiles	11	14	12
91st to 95th percentiles	8	8	1
96th to 99th percentiles	19	19	13
Top 1 percent	44	38	37

[1] Share of gain in average after-tax income.

Source: Congressional Budget Office, "Measuring the Distribution of Income Gains," p. 7.

TAXES AND REDISTRIBUTION

At this point, one might well ask what the chances are that increasing the top federal income tax rate—say, on the top 2 percent, those with incomes over $200,000—will actually achieve the apparent goal of equalizing the distribution of income. Clearly, much redistribution already takes place, as indicated in Table 3. But how much more could be achieved solely on the tax side?

History shows that the ability to extract higher revenues from the rich is extremely limited. Higher rates simply cause the rich to shift their income from taxable forms to nontaxable forms or to forms that are taxed at a lower rate. The former would include tax-free municipal bonds, the latter capital gains.[11] Other probable effects include increased use of deductions already in effect, such as business losses to reduce taxable income, and the growth of tax evasion, both of which have been directly related to marginal income tax rates.[12]

Additional economic effects include a decline in labor supply as those affected by higher tax rates substitute leisure for labor by, for example, retiring earlier.[13] They also shift their compensation from wages to nontaxed benefits, such as pensions and insurance.[14] They shift from wage labor to self-employment, because self-employment provides greater opportunities for tax avoidance and evasion and because they can incorporate and thus pay tax at the corporate tax rate if it is lower.[15] In fact, there is strong evidence that the Tax Reform Act of 1986, by reducing the top individual income tax rate below the corporate rate, encouraged de-incorporation; many corporations became partnerships or Subchapter S corporations, income for both of which is taxed at the individual rather than the corporate tax rate.[16] Presumably, the reverse effect would occur if Congress raised the top individual rate to 39.6 percent (41 percent on earned income) and set the corporate rate at 36 percent. As a result, the revenue yield from any increase in marginal tax rates would be far less than expected.[17]

Figure 1 illustrates the history of the top federal income tax rate since inception of the tax in 1913. As one can see, the top rate began at 7 percent, rose sharply during World War I, and peaked at 77 percent in 1918. The top rate fell during the 1920s, reaching a low of 24 percent in 1929, before rising steadily during the Roosevelt era. The top rate peaked at 94 percent at the height of World War II. The World War II rates stayed relatively intact during the 1950s and did not decline until the Kennedy-Johnson tax cut of the early 1960s, which brought the top rate down to 70 percent. The Reagan tax cut brought the top rate down to 28 percent.[18] The 1990 budget agreement increased the top rate to 31 percent, where it stands today.[19]

(Figure 1 not reproducible in the RECORD.)

ORIGIN OF HIGH RATES

World War I was a godsend for statists of the time, giving them an excuse to raise tax rates far higher than anyone had imagined they could ever go when the income tax was instituted in 1913. As Princeton historian Arthur Link puts it: "Progressives used the necessity for vastly increased revenues as the occasion for putting their * * * tax theories into effect. The new income and inheritance taxes constituted, for that day, a powerful equalitarian attack on great property, unrivaled even by Lloyd George's 'Tax on Wealth' of 1909."[20] Historian Gerald Carson adds, "World War I built an acceptance for the income tax that might have never existed otherwise."[21]

Clearly, wars are the major factors that lead to increases in tax rates and legitimatize tax systems.[22] Even Alexander Hamilton recognized that. As he told Robert Morris in 1781, "The object of the war * * * would supply the want of habit, and reconcile the minds of the people to paying to the utmost of their ability."[23]

Unfortunately, governments never seem to raise rates temporarily for the duration of a war; instead they impose permanent tax increases. It is then difficult to get tax rates back down to their prewar levels. There are always war debts to pay, veterans' benefits to pay, and any number of "pressing social needs" that require the maintenance of wartime tax rates.[24] Albert Gallatin, Thomas Jefferson's treasury secretary, recognized that and urged that all taxes be temporary because otherwise some new purpose for which to spend the money would always be found.[25]

In his 1919 State of the Union message, President Woodrow Wilson recognized that continuation of the wartime tax rates would harm the economy and ultimately reduce government revenues.

"The Congress might well consider whether the higher rates of income and profits taxes can in peace times be effectively productive of revenue, and whether they may not, on the contrary, be destructive of business activity and productive of waste and inefficiency. There is a point at which in peace times high rates of income and profits taxes discourage energy, remove the incentive to new enterprise, encourage extravagant expenditures and produce industrial stagnation with consequent unemployment and other attendant evils.[26]"

Wilson's treasury secretary, Carter Glass, was equally emphatic about the need for lower taxes. As he stated in his Annual Report for 1919:

"The upper brackets of the surtax have already passed the point of productivity, and the only consequence of any further increase would be to drive possessors of these great incomes more and more to place their wealth in the billions of dollars of wholly exempt securities heretofore issued and still being issued by States and municipalities, as well as those heretofore issued by the United States. This process not only destroys a source of revenue to the Federal Government, but tends to withdraw the capital of very rich men from the development of new enterprises and place it at the disposal of State and municipal governments upon terms so easy to them (the cost of exemptions from taxation falling more heavily upon the Federal Government) as to stimulate wasteful and nonproductive expenditure by State and municipal governments.[27]"

Throughout 1920 the Wilson administration pressed hard for tax reduction, especially of surtaxes, emphasizing that high wartime rates were actually reducing the government's revenue.[28] However, then as now, congressional Democrats were obsessed with holding on to as much of the people's income as possible, the better to spend it themselves. It was also argued that high statutory tax rates were necessary for reasons of "fairness." As a result, no action was taken, and Republicans picked up many House and Senate seats. In his inaugural address, Harding said that his highest priority was the reduction of wartime tax rates, "which have become unproductive and are so artificial and burdensome as to defeat their own purpose."[29]

During the 1920s tax rates were cut massively, with the amazing result that revenues actually increased, especially from the wealthy.[30] That was due to the vast expansion of the tax base as a result of the general economic expansion of the 1920s that was caused largely by the tax cuts.[31] Table 5 presents data on that point.

TABLE 5.—FEDERAL INCOME TAX REVENUE BY INCOME CLASS, 1921 AND 1926

Income class	Revenue collected[1]		Percent of total	
	1921	1926	1921	1926
Less than $10,000	155.1	32.5	22.5	4.6
$10,000–$25,000	121.8	70.3	17.6	9.9
$25,000–$50,000	108.3	109.4	15.7	15.4
$50,000–$100,000	111.1	136.6	16.1	19.2
Over $100,000	194.0	361.5	28.1	50.9
Total	690.2	710.2	100.0	100.0

[1] Millions of constant 1929 dollars.

Source: James Gwartney and Richard Stroup, "Tax Cuts: Who Shoulders the Burden?" Federal Reserve Bank of Atlanta "Economic Review," March 1982, p. 25.

THE ROOSEVELT ERA

The onset of the Great Depression in 1929 led to a sharp decline in tax revenues, as the economy contracted. President Herbert Hoover's response was to push for a major tax increase. The Revenue Act of 1932 raised tax rates across the board, with the top rate rising from 25 percent to 63 percent. That increase was justified on the grounds that the budget needed to be balanced to restore business confidence. Yet the $462 million deficit of 1931 jumped to $2.7 billion by 1932 despite the tax increase. Interestingly, the major cause of the deficit's rise was a sharp decline in income tax revenue, which fell from $1.15 billion in 1930 to $834 million in 1931, $427 million in 1932, and just $353 million in 1933. Moreover, as Table 6 demonstrates, the higher tax rates on the wealthy actually caused the tax burden to be shifted to the nonwealthy.

TABLE 6.—FEDERAL INCOME TAX REVENUE BY INCOME CLASS, 1931 AND 1932

Income class	Revenue collected[1]		Percent of total	
	1931	1932	1931	1932
Less than $25,000	51.6	134.0	21.0	36.5
$25,000–$50,000	40.1	48.1	16.3	13.0
$50,000–$100,000	44.8	51.7	18.2	14.1
$100,000–$300,000	51.9	66.2	21.1	18.0
Over $300,000	57.8	67.4	23.5	18.4

[1] Millions of constant 1931 dollars.

Source: James Gwartney and Richard Stroup, "Tax Cuts: Who Shoulders the Burden?" p. 27.

Economists today recognize Hoover's tax increase as a terrible blunder, which deepended and prolonged the depression.[32] In the 1932 campaign Franklin D. Roosevelt attacked Hoover for his error. In a speech in Pittsburgh on October 19, for example, Roosevelt blamed the economic malaise on Hoover's tax policy.

"Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive, they are reflected in idle factories, in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay. They pay in deductions from wages, in increased cost of what they buy, or—as now—in broad unemployment throughout the land. There is not an unemployed man, there is not a struggling farmer, whose interest in this subject is not direct and vital. It comes home to every one of us![33]"

Upon taking office, however, Roosevelt made no effort to reduce taxes but instead pressed for still higher rates on the rich. The 1935 tax bill, in particular, was especially aimed at the very wealthy, despite strong reservations on the part of Roosevelt's advisers that the result would be a deepening of the depression.[34] In the end, the top rate was raised to 79 percent, estate taxes were raised, and a wide variety of other taxes increased as well. However, altogether the bill raised just $250 million.[35] In fact, it was said that only one person in America, John D. Rockefeller, actually paid any tax at the top rate.[36]

The limited impact of the 1935 tax bill in terms of dollars, however, greatly understates its significance. Joseph Schumpeter, for one, believed that the advent of "taxation for taxation's sake and regardless of insignificance of results for the Treasury" would, within a few years, have a seriously negative effect on the economy.[37] In fact, the U.S. economy suffered a sharp setback in 1937. That and Democratic losses in 1938 eventually led to a scale-back of overt "soak-the-rich" tax policies. However, rather than cut rates, Congress expanded tax shelters, thus mitigating much of the redistributive impact of earlier tax bills.[38]

The onset of World War II led to a further increase in tax rates. Of much greater significance, however, was the fact that the vast bulk of population was required to pay income taxes. Before World War II, the federal income tax had been a very limited tax—on the eve of war fewer than 14 percent of workers even filed returns. By the end of the war, three-quarters of all workers did so.

As noted earlier, wartime tax rates tend not to be reduced afterward. Such was the case with the World War II rates. President Harry S Truman fought the Republican Congress in 1947 and 1948 to prevent any reduction in tax rates. Although modest cuts were finally enacted over his veto, they proved to be short-lived, as the onset of the Korean conflict in 1950 again required an increase in taxes.

EISENHOWER AND KENNEDY

With the election of Republican Dwight D. Eisenhower as president and a Republican Congress in 1952, a golden opportunity to cut the wartime tax rates was created. Unfortunately, Eisenhower believed that taxes could not be cut until the budget was balanced. "We cannot afford to reduce taxes, reduce income," he said. "until we have in sight a program of expenditure that shows that the factors of income and outgo will be balanced."[39]

Although Eisenhower's sentiment was admirable, losses in the 1954 election cost the Republicans control of Congress. The return of Democratic control meant that any chance of reducing wartime tax rates was lost for the balance of the 1950s. It took the election of a Democratic president in 1960 to finally bring that about.

Eisenhower's fiscal conservatism carried a heavy price. There were three recessions during his administration—July 1953 through May 1954, August 1957 through April 1958, and April 1960 through February 1961—and real growth of the gross domestic product averaged just 2.5 percent over those eight years. In large part, that sluggish growth was due to high tax rates, not just on the wealthy but on the middle class as well. In fact, as Figure 2 shows, increasing tax rates on the wealthy led to increases in tax rates on middle-class incomes (defined as $50,000 for a family of four in 1992) as well.[40]

(Figure 2 not reproducible in the RECORD.)

Thus, Democrat John F. Kennedy was able to run as the candidate of growth in 1960, promising to "get the economy moving again." Republican Richard M. Nixon, saddled with the legacy of slow growth during the Eisenhower years, paid the price, loss of a close election.

Kennedy understood, as Eisenhower had not, that tax cuts have a better chance of bringing about a balanced budget than does the continuation of confiscatory wartime tax rates. He spelled that out in a speech before the Economic Club of New York on December 14, 1962.

"Our true choice is not between tax reduction, on the one hand, and the avoidance of large Federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as our national security needs keep rising, an economy hampered by restrictive tax rates will never produce enough revenue to balance our budget, just as it will never produce enough jobs or enough profits. Surely the lesson of the last decade is that budget deficits are not caused by wild-eyed spenders, but by slow economic growth and periodic recessions, and any new recession would break all deficit records.

"In short, it is a paradoxical truth that tax rates are too high today and tax revenues are too low, and the soundest way to raise the revenue in the long run is to cut the rates now. The experience of a number of European countries and Japan has borne this out. This country's own experience with tax reduction in 1954 has borne this out. And the reason is that only full employment can balance the budget, and tax reduction can pave the way to that employment. The purpose of cutting taxes now is not to incur a budget deficit, but to achieve the more prosperous, expanding economy which can bring about budget surplus.

"I repeat: our practical choice is not between a tax-cut deficit and budgetary surplus. It is between two kinds of deficits: a chronic deficit of inertia, as the unwanted result of inadequate revenues and a restricted economy; or a temporary deficit of transition, resulting from a tax cut designed to boost the economy, increase tax revenues, and achieve—and I believe this can be done—a budget surplus. The first type of deficit is a sign of waste and weakness; the second reflects an investment in the future.[41]"

On January 24, 1963, Kennedy sent his tax cut proposal to Congress. It called for reducing the top marginal income tax rate from 91 percent to 70 percent, reducing the lowest income tax rate from 20 percent to 14 percent, and cutting the corporate income tax rate from 52 percent to 47 percent.[42] Interestingly, Kennedy's tax plan was opposed by some of his more liberal advisers, such as John Kenneth Galbraith.[43] They favored stimulating the economy by increasing government spending. But Kennedy held firm, not just on the need for tax cuts, but on cuts in marginal tax rates.

Although he did not live to see his proposal enacted into law, Kennedy's plan passed Congress essentially as proposed in early 1964. Subsequent analysis strongly indicates that, as Kennedy believed it would, the tax cut led to an increase in federal revenue, especially from the rich, and a significant increase in economic growth.[44] The data in Tables 7 and 8 support that view.

TABLE 7.—ESTIMATED AND ACTUAL FEDERAL RECEIPTS, 1964–67

[Dollars in billions]

Year	Estimated	Actual	Difference
1964	$109.3	$112.7	+$3.4
1965	115.9	116.8	+0.9
1966	119.8	130.9	+11.1
1967	141.4	149.6	+8.2

Source: Congressional Budget Office, "A Review of the Accuracy of Treasury Revenue Forecasts, 1963–1978" (Washington: U.S. Government Printing Office, February 1981), p. 4.

TABLE 8.—TAX REVENUE FROM THE WEALTHY, 1961–66

[Dollars in millions]

Income class	1961	1962	1963	1964	1965	1966
$100,000 to $500,000	1,970	1,740	1,890	2,220	2,752	3,176
$500,000 to $1 million	297	243	243	306	408	457
Over $1 million	342	311	326	427	603	590

Source: Michael K. Evans, "The Truth about Supply-Side Economics" (New York: Basic Books, 1983), p. 199.

Unfortunately, the positive economic effects of the Kennedy tax cut were not long-lived. The outbreak of inflation in the late 1960s pushed people into higher tax brackets and thus increased average marginal tax rates. Figure 3 shows the relentless growth of the average marginal tax rate for all taxpayers.[45]

(Figure 3 not reproducible in the RECORD.)

Despite few legislated tax increases during the late 1960s and 1970s, rising inflation and lack of indexing meant that higher nominal incomes pushed taxpayers into higher and higher tax brackets. The result was, as theory predicts, an increase in tax evasion and avoidance, which shrank the tax base.[46] For that reason, many economists predicted that a cut in tax rates had the potential to expand the tax base by reducing the incentive to evade or avoid taxation and thereby increasing government revenue.

Although the notion that a tax cut might increase revenue is often derided, we have already seen evidence from the 1920s and 1960s that tax cuts do, indeed, increase revenue. Conversely, tax increases may lose revenue. As John Maynard Keynes put it:

"Nor should the argument seem strange that taxation may be so high as to defeat its object, and that, given sufficient time to gather the fruits, a reduction of taxation will run a better chance than an increase of balancing the budget. For to take the opposite view today is to resemble a manufacturer who, running at a loss, decides to raise his price, and when his declining sales increase the loss, wrapping himself in the rectitude of plain arithmetic, decides that prudence requires him to raise the price still more—and who, when at last his account is balanced with naught on both sides, is still found righteously declaring that it would have been the act of a gambler to reduce the price when you were already making a loss."[47]

When Ronald Reagan was elected president in 1980, his principal campaign promise was to cut tax rates. In 1981 that promise was fulfilled, and the top marginal income tax rate was reduced from 70 percent—where it had been since Kennedy's day—to 50 percent. Taxpayers in other tax brackets received similar rate reductions. Although it is often asserted that the Reagan administration predicted an increase in revenue from that tax cut, all revenue figures released by the Reagan administration followed standard revenue-estimating procedures, which assumed a dollar of revenue loss for every dollar of tax "cut."[48] Nevertheless, considerable research has been done on the revenue effects of the Reagan program, including the effects of the Tax Reform Act of 1986, which lowered the top rate from 50 percent to 28 percent, and there is strong evidence that revenues from the wealthy did, indeed, increase.[49]

Although the Clinton administration assumes substantial revenues will be generated by an increase in the top rate, as Clinton's campaign documents did, the evidence from theory and history strongly suggests that projected revenue targets will not be met. Not only will a higher top rate encourage tax evasion and avoidance, but higher tax rates will raise the cost of capital, thus lowering investment and increasing unemployment in the long run. Recent analyses of Clinton's campaign proposals support that view.[50] As a consequence, it is now widely reported that higher tax rates for the rich may not necessarily raise much revenue.[51]

CONCLUSION

President Clinton's proposal to raise taxes on the rich is based on false premises:

The rich got richer in the 1980s at the expense of the poor and the middle class.

That was the result of Reagan's tax cuts, which also caused revenue from the wealthy to fall.

Higher tax rates will both increase government revenue from the rich and redistribute income from the rich to the poor and the middle class.

In fact, the rich did not getter richer at the expense of anyone. All income classes benefited from the prosperity of the 1980s. Moreover, the data on which Clinton has relied to support his proposal are deeply flawed.

In addition, authoritative data from the Internal Revenue Service clearly demonstrate that the tax cuts of the 1980s led to higher, not lower, revenues from the rich. Both logic and the experience of history strongly suggest that the opposite result would occur if tax rates were increased.

Last, there is no evidence that higher taxes on the rich would do anything to benefit the economic position of the poor and the middle class. On the contrary, there is strong evidence that higher taxes on the rich would eventually lead to higher taxes on the middle class.

FOOTNOTES

[1] Actually, the top rate on earned income (wages and salaries) would be even higher because Clinton has proposed eliminating the current $135,000 cap on the 1.45 percent Medicare tax. Thus, for earned income, the top rate would be over 41 percent. Moreover, for married couples filing separately, the threshold for the surtax would be only $125,000.

[2] Bill Clinton and Al Gore, "Putting People First: How We Can All Change America (New York: Times Books, 1992), p. 4.

[3] Ibid., p. 31.

[4] Office of Management and Budget "A Vision of Change for America" (Washington: U.S. Government Printing Office, 1993), p. 139.

[5] Department of the Treasury, "Summary of the Administration's Revenue Proposals" (Washington: Department of the Treasury, 1993), p. 34.

[6] Sylvia Nasar, "Even among the Well-Off, the Richest Get Richer," New York Times, March 5, 1992. It was later reported that when Clinton saw that figure in the Times, he "went crazy" according to his press secretary Dee Dee Myers. See Sylvia Nasar, "However You Slice the Data the Richest Did Get Richer," New York Times, May 11, 1992.

[7] Congressional Budget Office, "Measuring the Distribution of Income Gains," CBO staff memorandum, March 1992, p. 2.

[8] The first quote appeared in editions of the New York Times distributed in the Washington area. The second quote is from the article as it now appears in a Nexis printout. Subsequently, Krugman published several articles explaining what he had said or meant to say in the first place. See Paul Krugman, "Disparity and Despair," U.S. News & World Report, March 23, 1992, pp. 54–55; idem, "Ignorance and Inequality," U.S. News & World Report, June 1, 1992, pp. 48–49; and idem, "The Right, the Rich, and the Facts," American Prospect, no. 11 (Fall 1992): 19–31.

[9] Michael Boskin, Letter to the editor, Wall Street Journal, July 3, 1992.

[10] See Warren Brookes, "Hiding a Boom in a Statistical Bust," Wall Street Journal, August 6, 1987; and idem, "Trying to Blame Carter on Reagan," Washington Times, February 8, 1988. The Clinton administration is continuing the fraud; see Office of Management and Budget, pp. 7, 18.

[11] Throughout most of U.S. history, capital gains have been taxed at a lower rate than ordinary income. It is widely believed that the differential was abolished by the Tax Reform Act of 1986. However, the 1990 budget agreement, which raised the top income tax rate from 28 percent to 31 percent, fixed the maximum capital gains tax at 28 percent. Even that small increase, however, has been enough to motivate tax-shelter activity by wealthy individuals who, in effect, convert ordinary income into capital gains. That trend will certainly accelerate in the future, given the Clinton administration's proposal to keep the maximum capital gains tax rate at 28 percent.

[12] See James Long, "Tax Rates and Tax Losses: A Preliminary Analysis Using Aggregate Data," Public Finance Quarterly 12, no. 4 (October 1984): 457–72; Charles Clotfelter, "Tax Evasion and Tax Rates: An Analysis of Individual Returns," Review of Economics and Statistics 65, no. 3 (August 1983): 363–73; Roger Waud, "Tax Aversion and the Laffer Curve," Scottish Journal of Political Economy 33, no. 3 (August 1986): 213–27; Richard McKenzie, "The Micro and Macro Economic Effects of Changes in the Statutory Tax Rates," Review of Social Economy 31, no. 1 (April 1973): 20–30; James Alm, Roy Bahl, and Matthew N. Murray, "Tax Structure and Tax Compliance," Review of Economics and Statistics 72, no. 4 (November 1990): 603–13; and Steven Crane and Farrokh Nourzad, "Tax Rates and Tax Evasion: Evidence from California Amnesty Data," National Tax Journal 43, no. 2 (June 1990): 189–99.

[13] Jerry Hausman, "Labor Supply," in How Taxes Affect Economic Behavior, ed. Henry Aaron and Joseph A. Pechman (Washington: Brookings Institution, 1981), pp. 27–64; and Harvey Rosen, "What Is Labor Supply and Do Taxes Affect It?" American Economic Review 70, no. 2 (May 1980): 171–76.

[14] James E. Long and Frank Scott, "The Income Tax and Nonwage Compensation," Review of Economics and Statistics 64, no. 2 (May 1982): 211–19; Stephen A. Woodbury, "Substitution between Wage and Nonwage Benefits," American Economic Review 73, no. 1 (March 1983): 166–82; James E. Long and Frank A. Scott, Jr., "The Impact of the 1981 Tax Act on Fringe Benefits and Federal Tax Revenues," National Tax Journal 37, no. 2 (June 1984): 185–94; and Frank Sloan and Killard W. Adamache, "Taxation and the Growth of Nonwage Compensation," Public Finance Quarterly 14, no. 2 (April 1986): 115–37.

[15] James E. Long, "Income Taxation and the Allocation of Market Labor," Journal of Labor Research 3, no. 3 (Summer 1982): 259–76.

[16] Roger H. Gordon and Jeffrey K. Mackie-Mason, "Effects of the Tax Reform Act of 1986 on Corporate Financial Policy and Organization Form," in Do Taxes Matter? ed. Joel Slemrod (Cambridge, Mass.: MIT Press, 1990), pp. 91–131; Myron S. Scholes and Mark A. Wolfson, "The Role of Tax Rules in the Recent Restructuring of U.S. Corporations," in Tax Policy and the Economy, vol. 5, ed. David Bradford (Cambridge, Mass.: MIT Press, 1991), pp. 1–24; James M. Poterba, "Why Didn't the Tax Reform Act of 1986 Raise Corporate Taxes?" in Tax Policy and the Economy, vol. 6, ed. James M. Poterba (Cambridge, Mass.: MIT Press, 1992), pp. 43–58.

[17] Edgar K. Browning, "Elasticities, Tax Rates, and Tax Revenue," National Tax Journal 42, no. 1 (March 1989): 45–58.

[18] Due to the phase-out of some deductions, some people paid a marginal rate of 33 percent. However, for those with the highest incomes, 28 percent was the top rate.

[19] Although 31 percent is the top statutory rate, because of anomalies in the interaction of various features of the tax code, some people may actually pay as much as 52 percent federal income tax on each additional (marginal) dollar earned, according to some experts. See Philip J. Harmelink and Phyllis V. Copeland, "'Hidden Taxes' through Phaseouts and Floors: Assessment and Policy Implications," *Tax Notes*, January 4, 1993, p. 83.

[20] Author Link, "Woodrow Wilson and the Progressive Era, 1910–1017" (1954; reprint, New York: Harper Torchbooks, 1963), pp. 195–96.

[21] Gerald Carson, "The Golden Egg: The Personal Income Tax, Where It Came From, How It Grew" (Boston: Houghton Mifflin, 1977), p. 106.

[22] See Edward Ames and Richard T. Rapp, "The Birth and Death of Taxes: A Hypothesis," Journal of Economic History 37, no. 1 (March 1977): 161–78; C. Northcote Parkinson, "The Law and the Profits" (Boston: Houghton Mifflin, 1960), pp. 38–50; and Bruce D. Porter, "Parkinson's Law Revisited: War and the Growth of American Government," Public Interest, no. 60 (Summer 1980): 50–68.

[23] Quoted in Dall W. Forsythe, Taxation and Political Change in the Young Nation, 1781–1833 (New York: Columbia University Press, 1977), p. 51.

[24] The Democrats and the House Ways and Means Committee, for example, colorfully described their opposition to the tax reduction bill of 1921 as follows: What an impregnable position would it be and what an appeal it would make to the sense of right and justice of the people for the Democrats to take the position that *not a dollar of taxes should be reduced on these profiteering corporations and on the millionaires and multimillionaires that reaped harvests of wealth during the war, as long as there is a single disabled or wounded soldier or a single widow or orphan of a dead soldier or a single veteran in need* (emphasis in original). In U.S. Congress, House of Representatives, "Minority Views," Report no. 350, part 2, 67th Cong., 1st sess., p. 4.

[25] Quoted in Forsythe, p. 53.

[26] Congressional Record, 66th Cong., 2d sess., December 2, 1919, vol. 59, part 1, p. 53.

[27] "Annual Report of the Secretary of the Treasury on the State of the Finances, for the Fiscal Year Ended June 30, 1919" (Washington: U.S. Government Printing Office, 1920), p. 24.

[28] See "Annual Report of the Secretary of the Treasury on the State of the Finances, for the Fiscal Year Ended June 30, 1920" (Washington: U.S. Government Printing Office, 1921), pp. 25–47.

[29] Congressional Record (April 12, 1921), p. 170.

[30] For details, see Randolph E. Paul, "Taxation in the United States" (Boston: Little, Brown, 1954), pp. 131–42; John F. Witte, "The Politics and Development of the Federal Income Tax" (Madison: University of Wisconsin Press, 1985), pp. 88–96. Interestingly, one historian has concluded that the Republican tax policies of the 1920s were based essentially on proposals generated by Wilson's Treasury Department. Thus, at least at the presidential level, there was far more continuity on tax policy between Wilson and the subsequent Harding, Coolidge, and Hoover administrations than is commonly believed. See Lawrence L. Murray, "Bureaucracy and Bi-partisanship in Taxation: The Mellon Plan Revisited," Business History Review 52, no. 2 (Summer 1978): 200–25.

[31] Robert B. Ekelund, Jr., and Mark Thornton, "Schumpeterian Analysis, Supply-Side Economics and Macroeconomic Policy in the 1920s," Review of Social Economy 44, no. 3 (December 1986): 221–37. See also Benjamin G. Rader, "Federal Taxation in the 1920s: A Re-examination," Historian 33, no. 3 (May 1971): 415–35.

[32] E. Carey Brown, "Fiscal Policy in the 'Thirties: A Reappraisal," American Economic Review 46, no. 5 (December 1956): 857–79; and Herbert Stein, "The Fiscal Revolution in America" (Chicago: University of Chicago Press, 1969), pp. 26–38.

[33] "The Public Papers and Addresses of Franklin D. Roosevelt," vol. 1, "The Genesis of the New Deal, 1928–1932" (New York: Random House, 1938), p. 798.

[34] Raymond Moley, "After Seven Years" (New York: Harper & Brothers, 1939), pp. 310–11.

[35] Roy G. Blakey and Gladys C. Blakey, "The Revenue Act of 1935," American Economic Review 25, no. 4 (December 1935): 676.

[36] Mark Leff, "The Limits of Symbolic Reform: The New Deal and Taxation, 1933–1939" (New York: Cambridge University Press, 1984), p. 145.

[37] Joseph A. Schumpeter, Business Cycles, 2 vols. (New York: McGraw-Hill, 1939), vol. 2, p. 1039.

[38] Thomas M. Renaghan, "Distributional Effects of Federal Tax Policy, 1929–1939," Explorations in Economic History 21, no. 1 (January 1984): 50–56.

[39] "Public Papers of the Presidents of the United States: Dwight Eisenhower, 1953" (Washington: U.S. Government Printing Office, 1960), p. 12.

[40] As F. A. Hayek has argued, the main purpose of high statutory tax rates on the wealthy is to justify higher tax rates on the masses than they would otherwise be willing to tolerate. Hayek, "The Constitution of Liberty" (Chicago: University of Chicago Press, 1960), p. 311.

[41] "Public Papers and Addresses of the Presidents of the United States: John F. Kennedy, 1962" (Washington: U.S. Government Printing Office, 1963), pp. 879–80. See also "Economic Report of the President, 1963" (Washington: U.S. Government Printing Office, 1963), p. xiv.

[42] "Public Papers and Address of the Presidents of the United States: John F. Kennedy, 1963" (Washington: U.S. Government Printing Office, 1964), pp. 73–92.

[43] Arthur Schlesinger, "A Thousand Days" (Boston: Houghton Mifflin, 1965), pp. 648–50, 1003–4; John Kenneth Galbraith, Ambassador's Journal (Boston: Houghton Mifflin, 1969), p. 381; and Otto Eckstein, "The Economics of the 1960's—A Backward Look," Public Interest, no. 19 (Spring 1970): 89–90.

[44] Among the many economic analyses of the Kennedy tax cut are the following: Council of Economic Advisers, "Economic Report of the President, 1965" (Washington: U.S. Government Printing Office, 1965), pp. 65–66; Arthur M. Okun, "Measuring the Impact of the 1964 Tax Reduction," in Perspectives on Economic Growth, ed. Walter W. Heller (New York: Random House, 1968), pp. 25–49; Lawrence R. Klein, "Econometric Analysis of the Tax Cut of 1964," in The Brookings Model: Some Further Results, ed. James S. Duesenberry et al. (Chicago: Rand McNally, 1969), pp. 459–72; U.S. Congress, House Committee on the Budget, Joint Economic Committee, and Congressional Research Service, "Economic Stabilization Policies: The Historical Record, 1962–76," Joint Committee Print, 95th Cong., 1st sess. (Washington: U.S. Government Printing Office, 1978), pp. 6–9, 15–19, 70–91; and Victor A. Canto, Douglas Joines, and Robert Webb, "The Revenue Effects of the Kennedy Tax Cuts," in Foundations of Supply-Side Economics: Theory and Evidence, ed. Victor A. Canto, Douglas Joines, and Arthur Laffer (New York: Academic Press, 1983), pp. 72–103.

[45] Data are for the income tax only and are taken from Robert J. Barro and Chaipat Sahasakul, "Average Marginal Tax Rates from Social Security and the Individual Income Tax," Journal of Business 59, no. 4, part 1 (October 1986): 562–63.

[46] James D. Gwartney and Richard Stroup, "Marginal Tax Rates, Tax Avoidance, and the Reagan Tax Cut," in Supply-Side Economics in the 1980s: Conference Proceedings (Westport, Conn.: Quorum Books, 1982), pp. 197–209.

[47] "The Collected Writings of John Maynard Keynes, vol. 9, Essays in Persuasion" (London: Macmillan, 1972), p. 338.

[48] See White House, "A Program for Economic Recovery" (Washington: U.S. Government Printing Office, February 18, 1981), p. 7.

[49] Daniel R. Feenberg and James M. Poterba, "Income Inequality and the Incomes of Very High Income Taxpayers: Evidence from Tax Returns," Working Paper no. 4229, National Bureau of Economic Research, Washington, December 1992; Lawrence B. Lindsey, "The Growth Experiment" (New York: Basic Books, 1990); U.S. Congress, Joint Economic Committee, "Fairness and the Reagan Tax Cuts," 98th Cong., 2d sess. (Washington: U.S. Government Printing Office, 1984); and U.S. Congress, Joint Economic Committee, "Tax Reform, Tax Rates, and Tax Revenues," 99th Cong., 1st sess. (Washington: U.S. Government Printing Office, 1985).

[50] Even the Joint Committee on Taxation, which is controlled by the Democratic majority of Congress, has estimated much lower revenues from raising the top rate than has the Clinton Treasury. See David Rogers, "Revised Figures on Deficit Spur Search for Cuts," Wall Street Journal, March 4, 1993; and Eric Pianin and Steven Mufson, "Clinton Economic Plan Gains Support," Washington Post, March 4, 1993. See also Aldona Robbins and Gary Robbins, "Bill Clinton's Economic Plan," Policy Backgrounder no. 120, National Center for Policy Analysis, Dallas, 1992; and Republican Staff, Joint Economic Committee, "Putting People Out of Work: First—Year Growth and Employment Effects of the Clinton Economic Plan," August 1992, Mimeographed.

[51] Sylvia Nasar, "Tapping the Rich May Prove Tricky," New York Times, December 12, 1992; and Brett Fromson and John Mintz, "The Hitch in Taxing the Rich," Washington Post, November 29, 1992.

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188. "The Myth of America's Underfunded Cities" by Stephen Moore and Dean Stansel (February 22, 1993)

187. "Caveat Emptor: The Head Start Scam" by John Hood (December 18, 1992)

186. "How Governors Think Congress Should Reform the Budget: Results of a Survey of U.S. Governors and Former Governors" by Stephen Moore (December 9, 1992)

185. "The CIA as Economic Spy: The Misuse of U.S. Intelligence after the Cold War" by Stanley Kober (December 8, 1992)

184. "Health Care Reform: The Good, the Bad, and the Ugly" by Michael Tanner (November 24, 1992)

183. "Doing What We Can for Haiti" by Ian Vásquez (November 5, 1992)

182. "Crime of the Century: The 1990 Budget Deal after Two Years" by Stephen Moore (October 15, 1992)

181. "Equal Protection for Economic Liberty: Is the Court Ready?" by David Bernstein (October 5, 1992)

180. "A Society of Suspects: The War on Drugs and Civil Liberties" by Steven Wisotsky (October 2, 1992)

179. "American Forfeiture Law: Property Owners Meet the Prosecutor" by Terrance G. Reed (September 29, 1992)

178. "Will the Gentleman Please Yield?—A Defense of the Constitutionality of State-Imposed Term Limitations" by Neil Gorsuch and Michael Guzman (September 24, 1992)

177. "The "Green Peril": Creating the Islamic Fundamentalist Threat" by Leon T. Hadar (August 27, 1992)

176. "The Burden of Government-Sponsored Enterprises: The Case of the Federal Home Loan Mortgage Corporation" by James F. Gatti and Ronald W. Spahr (August 13, 1992)

175. "Sustaining Development and Biodiversity: Productivity, Efficiency, and Conservation" by Indur M. Goklany and Merritt W. Sprague (August 6, 1992)

174. "The Permissible Uses of Forced Union Dues: From *Hanson* to *Beck*" by Charles W. Baird (June 30, 1992)

173. "Crisis? What Crisis? George Bush's Never-Ending Domestic Budget Build-Up" by Stephen Moore (June 19, 1992)

172. "America: What Went *Right*" by Richard B. McKenzie (June 1, 1992)

171. "Pentagon Myths and Global Realities: The 1993 Military Budget" by Jeffrey R. Gerlach (May 24, 1992)

170. "Foreign Aid and India: Financing the Leviathan State" by Shyam J. Kamath (May 6, 1992)

169. "The Myth of Predatory Pricing" by Thomas J. DiLorenzo (February 28, 1992)

168. "The Truth about Ozone and Urban Smog" by K.H. Jones (February 19, 1992)

167. "A Fiscal Policy Report Card on America's Governors" by Stephen Moore (January 30, 1992)

166. "Bigger is Not Better: The Virtues of Decentralized Local Government" by Sam Staley (January 21, 1992)

165. "The District of Columbia: America's Worst Government?" by William A. Niskanen (November 18, 1991)

164. "The Myth of Fair Trade" by James Bovard (November 1, 1991)

163. "Replacing the Ruble in Lithuania: Real Change versus Pseudoreform" by Kurt Schuler, George Selgin, and Joseph Sinkey, Jr. (October 28, 1991)

162. "False Dreams and Broken Promises: The Wasteful Federal Investment in Urban Mass Transit" by Jean Love and Wendell Cox (October 17, 1991)

161. "Contrived Distinctions: The Doctrine of Commercial Speech in First Amendment Jurisprudence" by Jonathan W. Emord (September 23, 1991)

160. "Sweden: from Capitalist Success to Welfare-State Sclerosis" by Peter Stein (September 10, 1991)

159. "'Ancient History': U.S. Conduct in the Middle East since World War II and the Folly of Intervention" by Sheldon L. Richman (August 16, 1991)

158. "The Americans with Disabilities Act: Time for Amendments" by Robert P. O'Quinn (August 9, 1991)

157. "Alcohol Prohibition Was a Failure" by Mark Thornton (July 17, 1991)

156. "The Drug War vs. Land Reform in Peru" by Melanie Tammen (July 10, 1991)

155. "Only Freedom of Education Can Solve America's Bureaucratic Crisis of Education" by Jack D. Douglas (June 17, 1991)

154. "Extricating America from Its Middle Eastern Entanglement" by Leon T. Hadar (June 12, 1991)

153. "When Business 'Adopts' Schools: Spare the Rod, Spoil the Child" by John Hood (June 5, 1991)

152. "State Spending Splurge: the *Real* Story behind the Fiscal Crisis in State Government" by Stephen Moore (May 23, 1991)

151. "The Poison of Professional Politics" by Mark P. Petracca (May 10, 1991)

150. "Intelsat and the Separate System Policy: Toward Competitive International Telecommunications" by Milton Mueller (March 21, 1991)

149. "Judging the 1991 Reform Effort: Do U.S. Banks Have a Future?" by Catherine England (March 12, 1991)

148. "How Rising Tax Burdens Can Produce Recession" by William C. Dunkelberg and John Skorburg (February 21, 1991)

147. "The Profligate President: A Midterm Review of Bush's Fiscal Policy" by Stephen Moore (February 4, 1991)

146. "Slower Is Better: The New Postal Service" by James Bovard (February 1, 1991)

145. "What Now for U.S. Energy Policy? A Free-Market Perspective" by Robert L. Bradley, Jr. (January 29, 1991)

144. "Long-Term Care: Why a New Entitlement Program Would Be Wrong" by Peter J. Ferrara (December 13, 1990).

CONSERVATION AT ANY COST: INCREASING EXCISE TAXES ON MOTOR FUELS

The Democrats on the Finance Committee are about to endorse a 4.3 cents per gallon increase in the federal excise taxes on gasoline and diesel fuels, and an extension of the 2.5 cents per gallon portion of the existing gasoline tax that was due to expire in October, 1995. These motor fuels tax hikes would reduce GDP by some $9 billion in 1994 and $16 billion by 1998. They would reduce employment by about 80,000 jobs in 1994 and 110,000 jobs in 1998.

The Committee hopes to raise about $7.6 billion per year from these gasoline and diesel provisions by the late 1990s. The reduced use of motor fuels would offset about 8% of the revenue the tax increases would otherwise generate (an amount that may have been factored into the revenue estimate prepared for the Finance Committee). Not accounted for in the Congressional estimates, however, is the fact that the reduced employment and GDP growth would reduce payroll and income taxes, offsetting roughly 30% of the expected are revenue form the motor fuels tax increases. The Committee would be lucky if the net revenues reached $5.5 billion per year. The GDP would fall by roughly three times the amount the tax would take in, making the fuel tax increase an extraordinarily inefficient way to raise revenue. There is no excuse for costing the private sector in excess of $20 billion in taxes and lost output when an equal amount of deficit reduction could be had by cutting government spending by abut $5.5 billion.

One reason that President Clinton gives for insisting on including some form of energy tax in his deficit reduction package is that it would encourage energy conservation. The conservationist justification for this tax increase invokes the paternalistic view that Americans use motor fuels in a wasteful manner.

Conservation is not simply a matter of not consuming. It concerns the optimum timing of production and consumption of exhaustible resources. At issue, therefore, is whether the private market costs up correct or misleading signals concerning present and future demand, current and future costs of production, and the costs of storage. Although they never state it in this manner, the excise tax advocates are arguing that oil companies and are charging too little for their product. This underpricing, so the argument goes, causes too much motor fuels to be consumed. The implication is that government can step in with an excise tax that would help establish the correct, i.e., higher, price.

The tax hike advocate presume that the government can know enough about other people's needs to be able to judge for them what level of consumption is wasteful. The corollary is that the government is more farsighted than market participants and could establish the appropriate consumption rate with higher taxes. This argument is based on what Nobel prize winning economist FA. Hayek has described as a "pretense of knowledge." In order to come to these conclusions and implement such policies the government would be have to "pretend" that it had information that it could not possibly possess. For example, just to know whether individuals are wasting motor fuels the government has to know the purposes for which individuals in society use the fuels and the relative importance that those individuals place on those purposes—obvioulsy an impossible task.

Beyond this, insurmountable informational problems are encountered in attempting to displace entrepreneurial decision-making with governmental decision-making in allocating resources over time. All motor fuels companies face the challenge of optimally timing production. In other words they must decide upon the correct rate at which resources should be depleted. These decisions depend on many factors, including interest rates, current and future production costs, current and expected future demand, the extent to which future discoveries of crude oil might add to reserves and at what cost, and the extent to which new technologies could bring forth substitutes for motor fuels.

Private entrepreneurs face strong incentives to make accurate estimates with regards to all of these factors. If they are wrong the long-run profitability and survival of their businesses will be threatened. But those conservationists who want increased motor fuels taxes are suggesting that producers systematically err in production decisions. Supposedly, the government can obtain better information than the market provides to entrepreneurs, and it can make better decisions about the allocation of motor fuels over time. This challenges credulity. Those who propose raising the motor fuels taxes should be required to prove that private markets fail to cast up correct cost and price data and that their proposal would result in a better rate of resource utilization.

The conservationist argument for new motor fuels taxes is even more incredible, given the terrible record that the government has in regulating motor fuels markets in the past. In the 1970's the government decided that gasoline was overpriced and put caps on both gasoline and crude oil prices. The result was severe shortages. The government then imposed rationing schemes that saw motorists in some parts of the country waiting in line for hours to fill up while other areas had surpluses of gasoline.

Higher taxes on motor fuels would cause new problems. First, it would result in additional misallocations in a market that is already distorted by federal and state taxes that average 34 cents per gallon. These taxes drive a wedge between the price paid by consumers and the price received by producers. Consumers pay a higher price than they would in the absence of the tax but sellers receive a lower price. So not only is consumption discouraged but so is production, bringing about a reduction in drilling for new oil. The likely outcome is smaller reserves in the future. Additional excise taxes on motor fuels would exacerbate these distortions.

Furthermore, this higher tax would increase transportation expenses for all businesses and households. This would result in higher production costs throughout the economy, with losses of output, employment, and income. The tax hike advocates need to explain why society should bear these costs in order to realize the reduction in motor fuels usage that they deem to be required.

Free markets do not encourage the overutilization of motor fuels. Since the late 1800's when petroleum products first became the dominant source of energy in this country private enterprise has done well in efficiently rationing its use. Major misallocations of oil and motor fuels have only occurred when the government has made a conscious attempt to alter the outcomes that have occurred as a result of free choices made by consumers and producers. More interference with market prices by imposing higher excise taxes on motor fuels would have similar misallocating effects.

STEPHEN E. ENTIN,
Resident Scholar.
ROY E. CORDATO,
Senior Economist.

HOTEL EMPLOYEES & RESTAURANT EMPLOYEES INTERNATIONAL UNION,
Washington, DC, June 21, 1993.

Hon. LARRY CRAIG,
U.S. Senate, Washington, DC.

DEAR LARRY: Since our International Union opened an office here in the Nation's Capital 20 years ago, we have tried to be a progressive and positive force, operating perhaps just a little differently than most people would expect.

Working with both Houses of Congress and with members from both sides of the aisle, it has been a privilege to be directly involved with so many pieces of legislation which have had a major impact on the country, fashioning working groups on a bipartisan basis and establishing coalitions which reflect the broadest base of support possible. Seldom have we opposed legislation, usually working through the legislative process to solve our own unique problems so that we could always support final passage and help the leadership and the Administration move in a positive fashion for the overall benefit of the country.

Now, for the first time, we find ourselves in a dilemma. We must let you know that this International Union cannot support a bill which drops the business meal deductibility from 80 percent to 50 percent—a move which will cause a loss of 160,000 jobs for the industry and approximately 40,000 for our union.

Having done everything humanly possible to urge all of you to focus on the merits of the business meal deduction issue, it has been virtually impossible to move anyone away from the symbolic aspects which have plagued us since this issue first reared its ugly head in 1975. So, as two people who were born on the west side of Chicago, and to this day maintain the highest respect for our country, the Presidency, and the Congress, we have decided that we should ignore the fact sheets which conclusively support our arguments and instead speak to you from our hearts.

We need your help! Since 1987, the Hotel Employees and Restaurant Employees International Union (HEREIU) has lost 35,000 members. The actual figure is really 50–55,000, but we have made some positive strides in our organizing efforts, so the net loss of members from 1987 to the present is 35,000 (10–12 percent of our total membership). These figures are not from a study. they are from the actual membership rolls of the union. So please pardon our frustration when the Treasury Department, through its spokesperson Sam Sessions, says: Congress, don't worry—when the deductibility was lowered from 100 percent to 80 percent, in 1987, not one job was lost and not one penny was changed in consumer spending. Since we try not to be spurious in our representations to the Congress, and we acknowledge that there has been a sluggish economy and other mitigating factors, we are not alleging that our entire membership loss was due solely to dropping the business meal deductibility from 100 percent to 80 percent. But there remains one immutable fact—we have lost 35,000 members, and since we represent about 25 percent of the industry, the job loss since 1987 is obviously much higher. So much for the allegation that not one job was lost when the deductibility was lowered from 100 percent to 80 percent.

Contrary to Treasury's and Congressional Research Service's inane comments, a reduction in the deductibility of legitimate business meal and entertainment expense deductions from 80 percent to 50 percent will, in our judgment, result in a nationwide job loss of 150,000 to 165,000. Our membership would suffer a loss of approximately 25 percent of those jobs, or roughly 40,000 workers. Obviously, we can ill afford this.

Now, the same people in the Administration would have you believe that, in fact, there has been an increase in jobs in the food service industry. Well, there has been—in the fast food area. We believe that you would agree as an objective observer that McDonald's, Burger King, et al. are not really impacted by the business meal deductibility issue.

In many instances, the Administration has been confronted with the fact that the tourism industry, of which we are a part, is still today the largest employer of females and minorities in the country. Their response, direct from the White House, has been to ignore this fact and instead indicate that our kind of jobs are not important, and, in fact, we subjugate people to "dead-end careers". After all, they say, who wants to clean a room or wait on tables for a living. They will be retrained, as part of the President's empowerment program, to get high-paying jobs in high-tech and computer industries. While intellectual arrogance and elitism is one thing, denigrating an entire group of honest, decent, hard-working people is something we cannot let slip idly by. The Administration's attitude smacks of the notion that this is a "Harvard case study". You cannot ignore that you have real human beings, namely your constituents, whose lives and careers are threatened by this proposal.

So, it comes down to this. We have the highest regard for Majority Leader George Mitchell, Republican Leader Bob Dole, the Senate Finance Committee and its new Chairman, Senator Daniel Patrick Moynihan, and the entire Senate. We are not asking for or supporting any floor amendments. In our considered judgment, the Majority Leader, through the floor manager, will move to table all amendments, the votes will be procedural and partisan, and we have no chance in that mix. Thus, we are asking those whose states are most dramatically impacted in a negative way to vote against the bill. We are not against an economic package per se, but if the bill failed and the Finance Committee was asked to go back to the drawing board, the entire package could be re-worked.

We know we will be accused of being selfish. After all, you have asked, what about the revenue impact of your issue? We have to support the President's bill. My God, 15 billion dollars is the revenue estimate on the business meal issue. Chairman Rostenkowski, nobly supporting the President's package, dropped a little acorn off the table called the investment tax credit. How could that happen? Well, I don't remember one voice being raised about the revenue impact of that issue ($30 billion), or the President's package having to remain intact.

The Senate Finance Committee, through lengthy deliberations, realized the political problems of the B.T.U. tax and jettisoned it (a $72 billion item). Alternative measures were put in place but the major part of the President's program was discarded, with the consent of the White House.

Thus, the only major issue left intact, and the one the White House is actively lobbying to retain, is the business meal deduction. Why not balance the bill on the back of working people? The President can demagogue that it is a fat-cat lobbyist issue and big business issue. Forget about the loss of jobs.

We appreciate the difficulty of voting against the entire package. If you cannot do so, you should know that Chairman Moynihan was sincerely sympathetic enough to add a compliance provision to the business meal deductibility issue so that it can be addressed within the "scope" of the conference and not become technically nonconferenceable. If you could express your concern to the Majority Leader and the Chairman of the Senate Finance Committee that they need to fix this in conference or you will vote against the Conference Report or for a motion to recommit with instructions, we would be most grateful.

As always, we extend our hand to you in strength and friendship, not in weakness. Please help us preserve the jobs of thousands of American workers and preserve the vitality of the tourism industry. Together, let us forge ahead to develop programs which will truly improve the economy and provide jobs.

Your consideration and assistance will never be more appreciated.

Thank you.

Cordially,

EDWARD T. HANLEY.
ROBERT E. JULIANO.

NATIONAL RESTAURANT ASSOCIATION,
Washington, DC, June 16, 1993.

EMPLOYMENT IMPACT OF REDUCING THE BUSINESS MEAL TAX DEDUCTION

The following is based on an analysis of the impact of reducing the business meal deduction from 80% to 50% as proposed in President Clinton's economic package. The estimated loss of jobs and sales is based on the assumption that spenders will maintain the same after-tax expenditures for business meals which would result in less business meal spending. Consumer surveys done by the National Restaurant Association show that most business meal spenders would reduce business meal activity despite the fact that they believe meals serve an important purpose in meeting their marketing and sales objectives.

1993 business meal market—$38,038,715,000.

Expenditures by nontaxable entities (nonprofits, governments, etc.)—$4,488,568,000.

Expenditures by taxable entities—$33,550,147,000.

Loss in sales for 1993—$3,764,163,000.

Loss in jobs—165,198.

Estimates prepared by Malcolm Knapp, Inc.

STATE-BY-STATE IMPACT OF LIMITING BUSINESS MEAL DEDUCTIBILITY FROM 80 TO 50 PERCENT, 1993

[Dollar amounts in thousands]

	Business meals	Amount loss	Job loss
United States	$38,038,715	$3,764,163	165,198
Alabama	407,804	40,363	1,771
Alaska	128,603	12,726	558
Arizona	645,775	63,892	2,804
Arkansas	215,932	21,371	937
California	5,229,231	517,508	22,711
Colorado	603,866	59,752	2,622
Connecticut	512,126	50,684	2,225
Delaware	104,289	10,321	453
D.C.	305,297	30,196	1,326
Florida	2,582,744	255,544	11,215
Georgia	1,006,916	99,641	4,373
Hawaii	624,574	61,775	2,711
Idaho	113,261	11,208	491
Illinois	1,616,834	160,003	7,022
Indiana	645,102	63,847	2,802
Iowa	299,363	29,628	1,301
Kansas	291,628	28,863	1,266
Kentucky	431,136	42,670	1,872
Louisiana	521,732	51,630	2,266
Maine	197,548	19,549	858
Maryland	671,253	66,433	2,916
Massachusetts	1,236,479	122,360	5,370
Michigan	1,116,589	110,512	4,850
Minnesota	629,350	62,279	2,733
Mississippi	206,613	20,448	897
Missouri	744,576	73,681	3,234
Montana	107,618	10,649	467
Nebraska	184,900	18,299	803
Nevada	1,056,688	104,453	4,584
New Hampshire	220,410	21,810	959
New Jersey	1,323,597	130,952	5,747
New Mexico	212,161	20,995	921
New York	2,623,115	259,583	11,392
North Carolina	893,049	88,388	3,879
North Dakota	78,170	7,735	340
Ohio	1,311,536	129,807	5,696
Oklahoma	361,642	35,789	1,573
Oregon	444,258	43,969	1,930

STATE-BY-STATE IMPACT OF LIMITING BUSINESS MEAL DEDUCTIBILITY FROM 80 TO 50 PERCENT, 1993—Continued

[Dollar amounts in thousands]

	Business meals	Amount loss	Job loss
Pennsylvania	1,551,378	153,517	6,737
Rhode Island	147,589	14,608	642
South Carolina	487,117	48,206	2,115
South Dakota	75,950	7,516	329
Tennessee	613,373	60,701	2,664
Texas	2,271,001	224,749	9,864
Utah	211,178	20,898	917
Vermont	121,630	12,033	528
Virginia	981,780	97,152	4,264
Washington	744,528	76,657	3,365
West Virginia	176,087	17,425	765
Wisconsin	639,713	63,313	2,779
Wyoming	81,625	8,075	354

Notes and Sources: To reach state-by-state estimates, U.S. totals were distributed as follows: Total dollar volume, dollar volume loss and job loss for lodging places were distributed based on state-by-state proportion of total meal and nonalcoholic beverage sales plus alcoholic beverage sales for 1987 from the "Census of Service Industries, Subject Series, Hotels, Motels and Other Lodging Places." Bureau of the Census. Total dollar volume, dollar volume loss and job for the remainder, excluding lodging places, were distributed based on state-by-state eating place sales estimates for 1993 from "National Restaurant Association 1993 Foodservice Industry Forecast". A detailed description of U.S. estimate is given in "Assessing the Impact of Limiting Business Meal Deductibility to 50 Percent." Dollar loss and job loss estimates for the U.S. are based on the assumption that business will maintain the same after tax expenditures at 50 percent deductibility as at 80 percent.

Mr. MACK. Mr. President, I would like to first of all thank my colleague Senator LIEBERMAN for his leadership in the continuing struggle to bring forth a viable enterprise zone program. It came as no surprise to me that the Democratic compromise which we are currently debating makes no mention of enterprise zones or empowerment zones as the administration likes to call them. It is ironic that the party that claims to stand up for the poor continues to ignore the policies most likely to be effective in helping the poor. Once again we see the Democratic leadership's willingness to squelch an initiative that seeks to help people in disadvantaged communities improve their lives and climb the economic ladder. They evidently prefer their temporary stopgap Government programs which only socialize continued poverty. However, I am not here to debate the ideological differences of my colleagues as it relates to assisting our urban or rural poor.

Despite this reluctance from the Democratic leadership, few domestic issues over the last decade have had more bipartisan support than the idea of enterprise zones. Yet we find ourselves today without an action plan on how we should implement Federal enterprise zones. There is disagreement on everything from the number of zones that should be created, to what kinds of tax incentives will do the best job at attracting investment to these economically distressed areas. We must also keep in mind that our ability to develop an aggressive enterprise zone program is hampered by the current budgetary scoring rules. I am convinced that enterprise zones will, in actuality, generate new tax revenues from the economic growth that would not otherwise occur.

Despite these obvious problems, I am optimistic that we can craft a bipartisan plan of action that will provide relief for many of our economically distressed areas in the form of enterprise zones.

But the President's plan of creating empowerment zones and enterprise communities is not the answer. It has several shortcomings. First of all, only 10 communities would receive the bulk of the assistance. This would leave out too many of the most seriously distressed communities in this country. In addition, these 10 empowerment zones would receive $3 billion of the $4 billion being provided in this package, or an astronomical $300 million per zone.

In addition, the President's plan provides a significant amount of its benefits in the form of labor cost relief, without providing any capital investment incentives. Although I support an employee wage credit, we must balance this stimulus with a stimulus to create capital. A capital gains tax cut for individuals who invest in these often risky businesses would not only be appropriate, but vital.

This amendment makes it clear that the Senate wants at least 75 enterprises zones, in lieu of the 10 empowerment zones included in the House version. In addition, this amendment would address the need for capital incentive to insure that a flow of private capital, as well as a flow of Government money, will reach our distressed communities.

INDIAN EMPLOYMENT INCENTIVES

Mr. PRESSLER. Mr. President, I rise in support of the McCain-Inouye-Domenici amendment and am proud to be a cosponsor. This amendment would create Indian employment and investment tax incentives which will help empower the Indian community.

The effectiveness of this amendment is in the fact that it targets the employment credit and investment tax credit where it can provide the greatest benefit. We need to focus on entrepreneurship and job creation on and around Indian reservations. There is tremendous unrealized potential on Indian reservations, and this proposal will help develop that potential.

I recently received a letter from the Cheyenne River Sioux Tribe from South Dakota. In their letter they voiced support for this amendment and criticized the administration's enterprise zone proposal because so few zones will be designated. I doubt South Dakota would receive the single Indian reservation enterprise zone if the administration's plan were enacted. I agree with this criticism and would add that the administration's proposal has other flaws, such as concentrating too many financial resources on each zone—some $300 million per zone.

The Senate passed this legislation last year, so I see no reason why we should not pass it again and start working hand-in-hand with Indian reservations in every State. Each federally recognized tribe in my home State of South Dakota would reap the benefits of this legislation.

Mr. President, I ask unanimous consent that the letter from the Cheyenne River Sioux Tribe be included in the RECORD at the conclusion of my remarks. I urge adoption of the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHEYENNE RIVER SIOUX TRIBE,
Eagle Butte, SD, June 2, 1993.

Re support for Indian country tax incentives in 1993 tax bill.

Hon. LARRY PRESSLER,
Hart Senate Office Building,
Washington, DC.

Dear Senator: On behalf of the Cheyenne River Sioux Tribe in South Dakota, I request your support for including the 1993 tax legislation the identical Indian Employment and Investment Tax Incentives that Congress last year passed as Sections 1131 and 1132 of H.R. 11, the vetoed tax bill.

In 1993, the Senate Finance Committee can improve the current tax legislation by substituting the Indian country tax incentives in place of the pending proposal to establish only 1 Indian empowerment zone and 5 Indian enterprise communities. In so doing, the Committee would replace provisions that might possibly help just 6 tribes, with meaningful tax incentives that can help all reservations and that are widely supported by Indian country. (This was the same course taken by the Senate in 1992, when it added these incentives to H.R. 11 by substituting them in lieu of the then-pending proposal to establish just ten Indian enterprise zones.)

The average Indian reservation unemployment rate is 56% nationwide. (Our unemployment rate on the Cheyenne River reservation is 86%.) Under those circumstances, these urgently-needed Indian Employment and Investment Act Incentives cannot properly be viewed as either a partisan issue or a special interest issue, but a human issue deserving of bipartisan support.

It is our understanding that Senator Baucus is taking the lead in working with the Finance Committee in support of the Indian country tax incentives as preferred alternative to the pending Indian empowerment/enterprise zone proposal. The Cheyenne River Sioux Tribe respectfully requests that you actively support those efforts during Committee deliberations. In addition, we have contacted Chairman Moynihan and request that you contact him as well.

Hopefully, with your help, the senate can again provide the leadership to craft a legislative response that fits Indian country's unique circumstances. Please help to perfect the pending tax proposal by replacing the very limited empowerment/enterprise zone approach with the Indian Employment and Investment Tax Incentives—innovative tools that can potentially help all Indian tribes, including those in our State.

Sincerely,

GREGG J. BOURLAND,
Chairman, Cheyenne River Sioux Tribe.

INFORMATION REPORTING SYSTEM

Mr. LIEBERMAN. Mr. President, one of the provisions of the reconciliation bill calls for the IRS to develop an information reporting system for service industry companies. The concern is that corporate compliance in reporting income has declined over the years, and that this is particularly a problem in the service industry. I applaud this effort to assure that everyone carry their fair share of the load, and I encourage the IRS to look for innovative ways to collect taxes on unreported income. However, I would like to issue one caution. While this is a laudable problem, the way the regulations are written can make this tremendously burdensome, or can minimize the burden and make a workable system.

Let me first urge the IRS to make any regulations on this issue clear and readily understandable to those among us who are not tax lawyers. we must begin to write regulations that make sense to the average American. For it is usually the average American who has to comply with those regulations.

Second, the IRS should consider carefully which companies need to receive these information forms, and write the regulations accordingly. For example, the IRS should incorporate present exemptions contained in the law, exempting companies paid by employees on expense reimbursements, certain regulated industries—such as telephone companies, electric gas and water utilities, and banks and financial institutions—and certain transportation businesses such as airlines. Also exempted from this program should be those large corporations which are continually under IRS audit.

Third, there should be no enforcement of this program until preliminary regulations have been issued, commended on, revised, published, and distributed. and even then, enforcement through penalties should be used as a last resort for those avoiding compliance, not on those showing a good faith effort to comply.

Finally, I urge the IRS in the regulation process to listen carefully to the concerns of those who will have to comply with this program. The concerns they have, if real, should be addressed. The fears they have should be allayed.

SENSE OF THE SENATE RESOLUTION ON ENTERPRISE ZONES

Mr. LIEBERMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration. I am pleased to be joined in offering this amendment by Senators DORGAN, PRESSLER, WOFFORD, MACK, LOTT, SIMON, DODD, KERRY, and COATS.

Mr. President, after more than a decade of debate, I rise today to offer a sense of the Senate resolution urging the Congress to finally adopt Federal enterprise zone legislation. I offer this amendment after more than 12 years of neglect of our urban centers; after last year's riots in Los Angeles that brought urban policy to the top of the congressional agenda; after three successful times passing the Senate—once in 1982, again in 1984, and most recently in 1992; and after enterprise zones were most recently dropped from the Senate's version of the budget reconciliation package. This provision was dropped despite the fact that a $5.1 billion program was included in the House bill, and that President Clinton has made enactment of this program a priority.

Mr. President, if there is any one point on which we can all agree, it is that the desperate conditions which exist in too many of America's inner cities—the crime, the poverty, the drugs, the unemployment, and the homelessness—have gone on for far too long.

I believe that enterprise zones offer us an opportunity to break this cycle of decay by directly countering the one most important cause of urban decline—namely, the reduction of business activity, and therefore, investment, and jobs.

We have now had more than 10 years worth of experience with enterprise zones and we know they work. At the State level, 36 States have adopted enterprise zone programs. I am proud to say that the State of Connecticut led the Nation in establishing enterprise zones in 1982, offering a wide range of State and local incentives, as well as administrative support to help develop distressed urban areas.

In total, according to the 36 State economic development offices, enterprise zones have created more than 250,000 jobs and have attracted more than $28 billion in capital investments. This has all been obtained without Federal incentives, which are critical to the maximum possible enterprise zone success.

The State experience provides evidence that, if properly designed, enterprise zones will help convince businesses to build and grow in poor neighborhoods. They will give people incentives to invest in such businesses and to hire and train both unemployed and economically disadvantaged individuals. They will create jobs and stimulate entrepreneurship. Perhaps most importantly they will help restore the tax base to communities that have been forced to provide increasing social services with decreasing sources of revenue.

That is why—among many others—enterprise zones have been endorsed by the National Governors Association, the National Council of State Legislators, the Council of Black State Legislators, the Conference of Mayors, and the Conference of Black Mayors. These organizations have called for the adoption of enterprise zones across the country.

But, Mr. President, this amendment not only urges the Senate, in essence, to yield to the House in conference and to finally pass an enterprise zone program, it sets some fundamental benchmarks on how this program should work. I want to go through some of my concerns with both the House and the administration's proposal to urge the conferences on the reconciliation bill to make some modifications in conference.

NUMBER OF ZONES

To begin, Mr. President, the administration's proposal calls for only 10 urban and rural communities around the country to be designated as enterprise—empowerment—zones. Of the 10 zones, 6 will be designated in urban areas; 3 will be designated in rural areas; and 1 will be designated on Indian reservations.

While the President's proposal does purport to create 100 enterprise communities and 10 "empowerment zones", the 100 cannot really be characterized as enterprise zones and do not get a package of incentives that would make enterprise zones work.

This is not an adequate response to the crisis in our urban areas and rural communities. In fact, it guarantees that the vast majority of distressed areas in this Nation will have no chance of being designated an enterprise zone.

Under the administration's proposal my State, which has three of the poorest cities in the country, and has had a number of successful and proven enterprise zones for a decade, will have no chance of getting even one real enterprise zone. We would have to compete among many hundreds of applications. Other States have the same problem. In fact there are hundreds of metropolitan cities which are in need of our assistance—only 10 of which will receive enterprise zone designation under the administration proposal. This amendment says that we create a minimum of 75 full enterprise zones with a full array of incentives and programs.

Second, Mr. President, the administration proposal will provide these 10 enterprise zones with approximately $3.2 billion worth of incentives over the next 5 years. Assuming equal distribution of the incentives, this proposal provides $320 million worth of tax benefits to each enterprise zone. Frankly this is too rich a subsidy per zone. Enterprise zones are not going to attract major existing employers, they are going to attract start up and small businesses. The $320 million per zone simply can't be utilized by those kinds of firms. In fact, it is highly unlikely, based on the experience of the State programs, that anywhere near this level of tax subsidy is necessary. The key to the enterprise program is the ability to use limited Federal tax dollars to leverage private capital. You do not need $320 million per zone to achieve this. A more carefully targeted amount spread to a larger number of zones is going to achieve a better result.

The administration has suggested that their program is designed with this level of generosity—and with this limited number of zones—in order to test the enterprise zone concept. But, as I have said and still believe, enterprise zones have already been thoroughly tested in 36 States and in more than 2,200 communities since 1982. And, they have been successful. We know what works and we know what doesn't. There have been 56—56—enterprise zone bills introduced in Congress over the last 12 years. There have been dozens upon dozens of hearings in both the House and Senate. The Senate has passed this program three times—once in 1982, again in 1984, and again just last year under the leadership of now-Secretary Bentsen.

According to the American Association of Enterprise Zones, in a letter sent to President Bush last year, "Never in the history of domestic policy making have literally hundreds of cities demonstrated the principles of a Federal program before Congress has authorized its full operation. We are confident that we understand the way enterprise zones perform; thus we can confidently urge Congress to implement the Federal policy in more than a handful of communities."

It is important to note that enterprise zones do not represent a radical departure from traditional, long practiced, and accepted economic development activities. From the State and local perspective, the notion of using incentives to attract business, development, investment, and jobs is not new. Democrats and Republicans—liberals and conservatives—have all embraced this concept. Enterprise zones represent a slightly different spin on traditional State economic development activities by targeting incentives specifically to smaller economically distressed areas.

Mr. President, I think it is also important to note the precedent problem the administration is setting with this proposal. When we eventually come to the determination that this program is indeed successful—as we surely will—it will cost us enormous sums of money to expand the program to all eligible areas without creating serious inequities. For example, under the administration proposal it will cost us an additional $30 billion to expand this program to an additional 100 communities among the 1,000 that probably need it.

INCENTIVES

Finally, Mr. President, let me address the issue of incentives. In my opinion, the objective of the enterprise zone program is to use tax incentives—and other forms of public policy—to direct investment and employment opportunities to distressed urban and rural areas that would overwise not occur. The increased investment and employment, spurred by the package of incentives should promote the revitalization, over time, of these distressed areas. Therefore in order for the program to achieve its desired results, the package of incentives, including State and local incentives, must be of a strong enough and practical enough nature to attract the necessary business and investment activity. The package of incentives must also reduce capital as well as labor costs to a sufficient level that a firm would be willing to forgo other factors that impact location decisions including access to markets, quality infrastructure, efficient transportation, a skilled labor force, quality of life, and security.

I cannot stress enough the importance of capital incentives. They must be a component of any program and should be targeted toward small businesses. They should encourage equity over debt. And, they should be focused on seed capital and cash-flow—two of the most common barriers to small business creation. Labor incentives alone will not be sufficient to attract business investment. While there are some capital incentives in the administration's plan—aimed largely at the acquisition of tangible assets—they do not adequately address the problems of access to capital.

These capital incentives are also important because they allow the Government to leverage limited resources and tap the vast resources of private investment capital, not to mention the benefit of attracting this capital into some of America's poorest communities. This provides a multiplier effect for Federal tax dollars and pays dividends to the community in terms of additional sources of tax revenue. This is in stark contrast to direct public spending programs which rarely pay dividends beyond there intended purpose.

On the labor incentive side, if the objective is to encourage employers to hire new employees from within zones, there appears to be limited utility to the key element in the proposal. Unless the employer credit is designed to be refundable, few small firms have the level of tax liability required in the administration proposal to take advantage of a $5,000 tax credit per employee.

CONCLUSION

Mr. President, it is time to do something substantial on a national scale about urban decay and chronic unemployment. Unemployment and decay that not only encompasses whole sections of every one of our inner cities and so many of our rural areas but also, in too many cases, spans generations. It is a cloud over our Nation's future. The unemployed and the poverty stricken, and the places where they live are in need of our help and they all deserve our help.

Mr. BRADLEY. Mr. President, my constituents want to know why I am supporting this deficit reduction plan. They deserve a straight answer.

For 12 years, with the complicity of both major political parties, we had fundamentally dishonest government in this country. That is a harsh statement, but I believe it is a statement justified by the record.

I'm not going to spend a lot of time rehashing the Reagan-Bush years or trying to assign blame for the deficit. Members of both political parties participated in these economic policies back in 1981, and members of both political parties spent the following 12 years in a conspiracy of silence about the devastating result of those 1981 votes—the gigantic debt we've laid on this country.

In 1981, I was one of only six Senators who voted for the Reagan spending cuts but against the Reagan tax cuts. In making the votes, I told New Jerseyans that I felt the result of trickle-down economics would be "little or no relief from inflation, and the budget deficit will grow out of control." By 1985, we had created a Tax Code so riddled with breaks for narrow interests that Americans no longer believed in the fairness of our system or raising revenue. For that reason, I worked for the 1986 Tax Reform Act. That bill eliminated over $190 billion of tax breaks for special interests in order to replace a tax system with 14 brackets and a 50 percent top rate with a system of 2 tax brackets and a 28 percent top rate. Middle-class income taxes were cut by 8 percent, and 6 million of the working poor were taken off of the rolls. In 1990, I opposed the budget act, because it raised taxes on middle-income families in order to give away new tax breaks for wealthy investors. I also felt that the spending cuts planned in that bill would simply not materialize.

Last year, voters in this country voted overwhelmingly for change. There was no clear mandate for any specific set of policies, but between Bill Clinton and Ross Perot nearly 60 percent of the people of New Jersey said they'd had enough. They'd had enough of pretending that things were OK when they were not, and they demanded that we start dealing with the big problems.

Our national debt is $4 trillion. That's a big number, a big debt, and a big problem. I challenge you to find a problem any bigger than $4 trillion in debt. It's enough to pay Michael Jordan's salary for 1.3 million years. And that debt belongs to everybody in this country—$13,700 a person.

I believe that creating economic growth and high paying jobs is the No. 1 economic challenge facing our Nation. The first indispensable step in that process is to reduce the deficit. There is no economic stimulus package, no job program, no tax incentive for industry, that will mean more in the long run for getting our economy growing and back on track than reducing the deficit and our debt.

The deficit reduction package before us is not the magic bullet that overnight makes the problem go away. There is no miracle drug to cure this illness immediately. Indeed, even after $500 billion in deficit reduction the national debt will go up $900 billion in the next 5 years. This package is a first step only, and we have a long way to go.

The bill is the largest part of an over $500 billion deficit reduction package, half coming from spending cuts and half coming from taxes. The deficit reduction is this bill asks for everyone's participation in our national effort to reduce the debt—Federal workers, seniors, doctors, middle-class families, and the most well off in our society. But not everyone participates at the same level—80 percent of the taxes fall on people with over $100,000 in income.

This is an easy bill to oppose, and a tough bill to support. I don't want to raise our taxes—I've spent much of my Senate career trying to cut taxes by getting rid of special interest tax breaks. But I won't insult your intelligence by pretending that we can get real deficit reduction in this country without both spending cuts and tax increases. The spending cuts are going to hurt, and we're going to feel the taxes, but those who oppose this package must offer an alternative with the same amount of deficit reduction, or be suitably rejected by voters who are tired of politicians assigning blame and passing the buck.

This is not a perfect package. It's real deficit reduction, but as I said, we'll have to do more. We got rid of some of the tax loopholes, but not all of them.

We need more spending reductions, and I'm going to work on cuts over and above what the President requested and the Congress authorized. I think it's only fair that, if we ask for more of your money for deficit reduction, it goes for deficit reduction and not wasteful spending. That's why I want a deficit reduction trust fund.

So I support this package. It begins the process of deficit reduction. Keep in mind that those who say "I want deficit reduction but just not this package" or "we should only cut spending" or "It's not fair to my region" are taking a pass on deficit reduction, practicing the politics of sound bites and pollsters, the something-for-nothing politics that created our deficit problem.

Altogether, 1.8 percent of New Jersey taxpayers will pay more in income tax. Those who have more should pay more in order to reduce the deficit. To vote against the package requires you to explain why you think they should not.

All of the political posturing in the world won't cut the deficit. Only tough choices—and tough votes—are going to get us going in the right direction again. You may not agree with the vote, but I hope you'll understand the consequences of not casting it.

Mr. DORGAN. Mr. President, I am a cosponsor of the Bradley Line-item Veto bill. I support it, but I do not believe it is appropriate to waive the budget act restrictions to consider it on the budget reconciliation bill. I voted on a procedural motion to refuse to waive the restriction in the budget act, but I want to be clear that I intend to vote for the Bradley bill when it is considered on its own merits in the U.S. Senate in the months ahead.

TAX FAIRNESS AND JOBS FOR AMERICANS IN PUERTO RICO

Mr. D'AMATO. Mr. President, this plan raises taxes on all Americans, especially those who can least afford it, Americans in Puerto Rico. If section 936 is repealed as the House proposes, the people of Puerto Rico will be burdened with a tax increase that would cost $7 billion or $2,000 per person. The House plan will throw tens of thousands of Americans out of work. In the Senate, a more reasonable plan with a balanced wage and income credit has been proposed. The tax increase in the Senate version would cost Puerto Rico $3.8 billion or $1,000 per person.

Americans in Puerto Rico are willing to pay their fair share of taxes to reduce the deficit. A move away from the Senate package and toward the House version will prove devastating to the national economy, and even more damaging to Puerto Rico's economy.

The 936 tax credit is the backbone of the Puerto Rican economy which is already hurting with an unemployment rate of 18 percent. Section 936 is the critical incentive that brings all forms of manufacturing, financial, and investment services to Puerto Rico.

Section 936 supports 105,000 jobs directly and thousands of jobs indirectly. It accounts for 70 percent of the manufacturing jobs and 11 percent of the island's total employment. A significant portion of manufacturing and other jobs will be lost if taxes are increased.

A strong and prosperous Puerto Rico is essential to a strong and prosperous America—the two are inextricably intertwined. Simply stated, we will destroy American companies and wipe out American jobs if we allow section 936 to be repealed.

Puerto Ricans are willing to do their fair share, and they are ready to help the President achieve his goals, but the burden they are being asked to bear is disproportionate and unfair.

We cannot sacrifice the tens of thousands of workers and their families who depend on section 936 for their livelihood, for a small amount of revenue which will not be used for the deficit, but will be used for more spending.

We should be creating jobs, not eliminating jobs. We should be cutting taxes on Americans, not increasing them, especially when we know the money raised will only go for more spending. Raising taxes is not the answer. Cutting spending is. And if we cut spending we won't have to raise taxes.

Most importantly we cannot raise taxes that cost Americans tens of thousands of jobs. That is just wrong.

SUPPORT FOR SMALL BUSINESS TAX FAIRNESS

Mr. D'AMATO. Mr. President, today I rise in support of tax fairness for the small business men and women of America. They are the backbone of our country. They create and sustain our Nation's job base. They are truly the engine of prosperity. Small companies are the testing and proving grounds for new ideas and technologies that have been America's greatest strength.

The reconciliation plan before us raises $55 billion on the backs of small businesses. The plan has within it something that, if enacted, will destroy small businesses throughout the country. The plan proposes to increase tax rates on small businesses by up to 37 percent, that is, proprietorships, partnerships, or subchapter S corporations. This is a tax rate increase from the current 31 to 42.5 percent. In contrast, the tax rate on corporations will increase from 34 to only 35 percent. That means a mom and pop store will be subject to a higher tax rate than General Electric. That is not tax fairness.

This doesn't make sense when you consider that during the 1980's, it was the entrepreneurial business that created 88 percent of the new jobs nationwide. The small businesses created 17 million new jobs while Fortune 500 companies lost 3.1 million jobs. Under this plan the small business, the engine of economic growth will be stalled.

Of the Nation's 22.8 million businesses, 20 million operate as small businesses. In New York State alone there are an estimated 650,000 small businesses employing approximately 3.4 million people. Whether in New York or nationwide, small businesses employ over half of this country's workforce and contribute 40 percent to the Nation's GNP.

Our country has always recognized and held a special place for hard working store owners, shop keepers, small manufacturers, and professional people and the role they have played in the growth of America. Taxing small businesses is a direct attack upon those who have made this country great: the independent, productive, entrepreneurial Americans who operate our Nation's small businesses and who create the jobs that put Americans to work. Clinton's plan penalizes the success of these small business men and women and it will cost millions of lost jobs to our already beleaguered economy.

Bigger government and more taxes will not create prosperity. Never before in the history of this country has increasing taxes created jobs. Governments don't create jobs, the private sector creates jobs. The luxury tax of 1990 made that very clear. Bill Clinton did not learn because Bill Clinton is allowing history to repeat itself. He will do to small business what the luxury tax did to the boating, airline, jewelry, fur, and auto industry. It threw thousands upon thousands of middle class, blue collar workers out of their jobs.

Mr. President, I opposed the luxury tax and the tax the rich rhetoric then and I oppose this tax the rich anti-small business approach now. I will not stand by and be silent while some allow history to repeat itself. Millions of good, decent Americans will be thrown out of work if this plan is enacted.

Mr. President, we need small businesses for job creation and for economic recovery. Without the small business there will be no economic recovery.

Mr. D'AMATO. Mr. President, during last fall's Presidential campaign, candidate Bill Clinton told the American people that he was going to put people first. He told the American people that he would honor the values that make America great by providing opportunity, taking responsibility and rewarding work.

He promised the middle class a tax cut. He told the people that he was going to cut spending, put America to work and give her back to her people. Mr. President, I want to help Bill Clinton keep his promises. We should cut wasteful spending and help the economy to grow by preserving and creating new jobs.

But as I stand before you today, focused on the economy, all I can tell you is that the choice that the Senate and House reconciliation plans give us is no choice at all. They do not represent real deficit reduction. They are a continuation of the same old tax and spend practices that have plagued our country for decades and that have left us with today's deficit of $300 billion. Eighty-six percent—$291 billion—of so-call deficit reduction in the House and 72 percent—$264 billion—in the Senate is in the form of new taxes.

The House passed tax plan raises taxes $6.35 for every $1.00 in spending cuts over 5 years. The Senate passed tax plan raises taxes $3.18 for every $1.00 in spending cuts over the same period. Since they raise taxes immediately and delay most of the spending cuts until the last 2 years, the ratio is even more frightening if taken year by year. In fiscal year 1994, the House bill increases taxes by $35 billion and cuts spending by less than $2 billion. That is a ratio of $20.70 in tax increases to every $1 in spending cuts.

The Senate Democratic leadership claim that the Senate package will reduce the deficit by $508 billion and that 50 percent of the deficit reduction in the Senate plan comes from spending cuts. They say that spending cuts account for $260 billion in deficit reduction. But, if you take away the smoke and mirrors, you find that $184 billion of the $260 billion does not represent spending cuts at all. You find that spending cuts account for only 14 percent of deficit reduction, not 50 percent. The $184 billion sham includes the following:

Seventy billion dollars in future, promised spending cuts. These cuts are not in this package and there is no enforcement mechanism to ensure they will ever occur as part of future appropriation processes.

Forty four billion dollars in savings was part of the 1990 budget agreement. These savings have already been counted once and the American people have already paid the taxes for these savings.

Fifteen billion dollars in user fees. These are not spending cuts, they are tax increases.

Fifty-five billion dollars in interest savings is claimed as a spending cut. Interest savings are not cuts. Interest savings are proportionate to the level of taxes and spending cuts in the bill.

With or without the Democratic tax plan, the U.S. budget deficit will continue to soar. Sure, initially you will hear that the deficit goes down, and it does. That is thanks to new revenues from massive new tax increases. But, after a few years, the deficit goes right back up again. It does so because there is no real structural change in the way government operates. Tax increases are used as a substitute for spending cuts and entitlements are not brought under control.

The American people have given us a clear message. They want us to cut spending and reduce the deficit. A ratio of 6 to 1 or even 3 to 1 does not reflect his commitment to cut spending and reduce the deficit. The House plan which creates three new entitlement programs does not reflect that commitment either, that is, health care for illegal aliens, immunizations, and Medicare expansion. It merely reflects a tax and spend philosophy and the desire to grow government at the expense of her people.

This government expansion philosophy will impede job creation and small business expansion and creation. The very backbone of America is the small business men and women. They create the jobs. They are truly the engine of economic prosperity. They are part of the American dream.

Bigger government and more taxes does not create prosperity. Never before in the history of this country has increasing taxes created jobs. Governments don't create jobs, the private sector creates jobs. The luxury tax of 1990 made that very clear. This tax plan will do to small business what the luxury tax did to the boating, airline, jewelry, fur, and auto industry. It threw thousands upon thousands of middle-class, blue collar workers out of their jobs.

The Democratic tax plan proposes to increase tax rates on small businesses by up to 37 percent. The tax rate will increase from 31 percent to a high of 42.5 percent. In contrast, the tax rate on corporations will increase from 34 to 35 percent. The Clinton plan also increases the capital gains tax, thereby, further restricting the amount of money that can be reinvested in a company or used to create jobs. This is ridiculous when you consider that during the 1980's small businesses created 17 million new jobs while the big corporations lost 3.1 million jobs. Whether in New York or nationwide, small businesses employ over half of this country's work force.

Mr. President, in closing, each generation has the obligation to pass on to the next generation the dreams and opportunities that were presented to them. Our Democratic leaders in Washington have no right to steal the dreams from today's young people and from future generations. They do not have the right to doom future generations to hopeless debt. They do not have the right to take away jobs and prosperity. They just don't have the right. They do have the responsibility to address today's problems head-on. Those problems are obvious. Government is too big and spends too much.

Raising taxes is not the answer. Cutting spending is. We must cut spending and we must do it now. For today's generations and for our future generations.

BUDGET RECONCILIATION BILL

Mr. HATCH. Mr. President, I rise today to express my strong opposition to the bill before us today and to let my constituents and my colleagues know my views as to why this bill should be rejected.

If the Senate passes this bill today, it will mark another tragic step down a path of misguided policy decisions that is leading this great Nation toward fiscal deterioration. I deeply regret this, and I regret the partisanship that has marked this year's entire budget process. The entire process has been carried out by the administration and by the majority side in both Houses of Congress without any consultation with this side of the aisle. It is obvious that there are many in the majority who have serious reservations about this bill but are going along only for the sake of party unity.

I think we have missed an historic opportunity, Mr. President, to forge the kind of deficit reduction package that could lead this Nation out of its perilous deficit crisis to long term financial security. To be successful, though, such an effort must be a bipartisan one. That chance was missed when the President decided early on to cut the Republicans out of the process. The result has been predictable and tragic.

I and my Republican colleagues are just as concerned about reducing the deficit as are those on the majority side. It is true that many of our solutions are different than those proposed by the President, but there has been no serious attempt to address our concerns in this entire process.

The Senate has attempted to improve this budget bill since it left the House of Representatives. But, unfortunately, Mr. President, the basic ingredients of this bill are still badly flawed. First of all, the mix of spending cuts and tax increases is simply not acceptable—to me or to the taxpayers of Utah. The one thing I hear again and again in talking to the folks at home is that they are willing to pay more in taxes, if necessary, to cut the deficit, but only after spending has been cut as much as possible. And, they certainly are not willing to pay more taxes to finance new spending.

The bill before us reflects a better ratio of spending cuts to tax increases than does the House-passed bill. Frankly, this modest improvement was necessary to even get the bill passed in the Senate. But we are still raising taxes far too much and cutting spending far too little in this bill. And the results will be opposite from what is intended.

One of the major problems with the heavy reliance on tax increases in this bill, Mr. President, is the negative effect they will have on the job creating capabilities of our economy. By throwing hundreds of billions of dollars in new taxes on America's employers, we are making it almost impossible for the engine of job growth to run on all its cylinders—and the engine has been sputtering for months already in anticipation of these tax hikes.

Frankly, I am getting a little weary of this worn-out let's-tax-the-rich mantra. Under this bill, if you drive a car, you must be rich. If you are a senior citizen who saved for retirement, guess what? You're rich. If you are married, you must be rich, because this bill takes a Tax Code that already unfairly places penalties on marriage, and makes them worse. It is time we were honest with the American people. This bill will tax everyone.

High marginal tax rates discourage work, savings, investment, and risk-taking. Taxes aimed at the so-called wealthy always end up hitting the working man and woman.

Moreover, Mr. President, it is highly unlikely that the revenue expected from these tax rate increases will ever materialize. Some noted economists have warned us that individuals facing these higher rates will take action to avoid paying more tax by shifting investments and by working and risking less. Like with the ill-fated luxury taxes of 1990, the Treasury will realize far less revenue in the real world than on the paper estimates before us.

I fear that, like with the infamous 1990 budget deal, we will look back on this legislation with regret because it just simply will not be effective in cutting the deficit. If any of my majority colleagues doubt this, they should recall that George Bush said that the 1990 agreement was his worst mistake.

I would like to outline, Mr. President, some of the specific reasons why the bill before us will not be effective and should be rejected.

REASON NO. 1: TOO HEAVY ON TAXES—TOO LIGHT ON SPENDING CUTS

When then Governor Clinton was campaigning for the Presidency last year, he set forth his plan of deficit reduction using $3 of spending cuts to every $1 in tax increases. This, of course, helped to get him elected because the American people clearly want deficit reduction to come first from spending cuts and second from tax increases.

By Inauguration Day, the President's tune had changed so that he was then advocating $2 of spending cuts to every $1 in tax increases. In February's State of the Union Address, the ratio had changed to $1 in spending cuts to $1 in tax increases. Unfortunately, Mr. President, the budget proposal submitted by the administration did not reflect that same ratio. Instead, it showed $4 of tax increases to every $1 in spending cuts, more than just the opposite the President started with. The House-passed version of budget reconciliation made it even worse—$6.35 in tax increases to every $1 in spending reduction.

Senate Democrats have recognized, to an extent, that the House-passed bill just could not be justified and now the bill before us has an improved ratio of $3.18 in tax increases to every $1 in spending cuts. Although this represents a good step toward the right direction, it is still not sufficient, Mr. President.

The administration has clearly stated that its goal is to increase taxes so it can increase spending. My view, and the view of my constituents, is that this is like going on an eating binge before going on a diet. Mr. President, Utahns would rather forego this new spending so we don't have to raise the taxes.

This deficit reduction legislation should cut spending without adding tax increases that will only put the economy in further jeopardy. The economy, if allowed to grow without the restraint of additional taxes, will deliver plenty of new revenue each year to cover added spending needs.

In the years from 1983 to 1990, Federal revenues increased an average of $62 billion per year. At the same time, our economy created 18 million new jobs. While it is true that our deficits increased during this time, the reason is clearly because spending was out of control.

Even without tax increases, Federal receipts are projected to increase by an average of $72 billion each year. To cut the deficit, we need to protect the vibrancy of our economy by passing growth incentives, not punish it by adding oppressive new taxes. The U.S. economy can be the goose that lays the golden egg, if we feed it and nurture it. Let's not kill it by choking it with all of these taxes.

REASON NO. 2: THE TRANSPORTATION FUELS TAX IS COUNTERPRODUCTIVE AND UNFAIR

While I am pleased, Mr. President, that the Senate chose not to include the ill-conceived energy tax on Btu's that the House bill featured, the 4.3 cent a gallon transportation tax is not a good replacement. A tax on transportation fuels is little more than a fancy name for a gasoline tax. And a gasoline tax has several major problems, not the least of which is that it discriminates against geographically large and rural States like Utah.

Why should Utahns and other westerners shoulder more of the burden of deficit reduction than those in other States? People in States like Utah must drive farther to work, to school, and to the grocery store.

Proponents of this idea feel that a tax on transportation fuels is better than a Btu tax because it exempts manufacturers and farmers from higher production costs. This is inaccurate, Mr. President. There is not a product made or bought in America that doesn't have an element of transportation cost in it. Often, transportation is one of the most significant factors in the total cost of products.

Nearly every business in America relies heavily on transportation to deliver its products or services to the consumer. To say that shifting the tax from the Btu content of fuels to a tax on transportation fuels takes care of the concerns of this country's business and production sectors is misrepresentation.

Every single product you can name is brought to the consumer by either truck, train, ship, or airplane—often a combination of these. Transportation companies will pass on the added costs of this tax to increase the price of every product in the land. In cases where the costs cannot be passed on, job losses will result.

If ever there were a sure-fire prescription for added inflation, this tax is it. The increased cost of every product and service will increase the consumer price index, resulting in higher mandatory Federal spending outlays and thus reducing the deficit reduction potential of the tax hike.

The overall macroeconomic effects of a 4.3 cent per gallon increase will certainly be very harmful, and while perhaps not as damaging overall as the Btu tax, it would be more concentrated in its effect on certain economic sectors and on regions of the Nation.

A 1991 study on the gasoline tax by the minority staff of the Joint Economic Committee demonstrates that each 5-cent-per-gallon increase in the tax would eliminate over 637,000 jobs over 5 years. And this is from the gasoline portion of the proposal alone.

It is ironic that the proponents of this bill talk about how its so-called progressive features will restore tax fairness to our tax code. A transportation fuels tax is one of the most regressive taxes imaginable. The poor spend a much higher percentage of their incomes on these necessities than do those with higher incomes. In fact, based on 1989 consumption patterns, gasoline and oil purchases amounted to 8.1 percent of the before-tax income of the lowest fifth of households, but only 2.1 percent of the income of the top fifth of households, based on income. In other words, the gasoline share of the household budget is four times as large for the bottom quintile as for the top quintile.

We may as well put a Federal tax on food, Mr. President.

These regressive features of the gasoline tax are only made worse in rural western and southern States, where there are a disproportionately larger number of low income families that must drive more miles each year.

It is also ironic that a tax on fuel should be proposed at the same time a Government commission is studying ways to help the struggling U.S. airline industry survive. Jet fuel, of course, is one of the largest costs that our airlines face—and one that cannot be passed on and must be paid whether the airline is making money or not. Hitting airlines with a tax on jet fuel at a time that many carriers are either in bankruptcy or fighting to stay out of it is particularly foolish.

Again, Mr. President, we all want to reduce the deficit. But the last thing we can afford to do is to weaken our economy with new taxes. We should instead be focusing on ways to create jobs, to strengthen economic growth. This will increase the tax base, lower unemployment and welfare outlays, and do far more to increase revenues to the Treasury than will these tax ideas.

REASON NO. 3: INCREASED TAXES ON SOCIAL SECURITY BENEFITS RAISE MARGINAL TAX RATES UNCONSCIONABLY AND UNFAIRLY HIT THE ELDERLY

Mr. President, when telling the American people about his economic plan this past February, President Clinton said that this proposed income tax increase would only affect those with adjusted gross incomes above $100,000, and that only 1.2 percent of American families would see their income taxes increase.

However, the proposal to tax 85 percent of Social Security benefits would increase the taxes paid by senior American individuals earning as little as $32,000 a year and by couples earning only $40,000 a year. This is a fraction of the $100,000 figure he quoted during his State of the Union Address—not to mention the $200,000 figure he cited during last year's campaign.

This tax increase will affect millions of our senior citizens who receive Social Security benefits and, since the income thresholds are not indexed for inflation, the number of seniors affected by the proposal will increase simply because inflation will bring their taxable income to higher levels.

Mr. President, increasing the portion of benefits subject to tax will increase the marginal tax rate for middle income retirees by 5 to 30 percentage points, and some working seniors will face marginal tax rates in excess of 100 percent. This tax is not really a tax on Social Security benefits, but a tax on other income. It punishes those who have worked hard to save for their retirement. It is just not fair to saddle senior citizens with additional taxes simply because they have carefully put away savings to supplement their Social Security.

Let me share with you two examples of how this proposal will affect Utah seniors. The first example is a couple who worked hard all of their lives side-by-side running a small furniture store in a northern Utah town. They were moderately successful and have now retired on their Social Security benefits, a salary from the wife's part-time job, and the dividends and interest they earn each year from their savings and IRA's. Under the tax bill before us, which would increase the amount of their Social Security benefits taxed to 85 percent, they would pay $2,038 more in taxes than under present law. Non retired taxpayers with the same amount of income would face no additional income taxes.

Why are we putting a heavier burden on the backs of our seniors than on the very wealthy?

The second example is a senior who continues to work as a self-employed carpenter and who manages to earn enough to land in the 28-percent tax bracket. Under this proposal, of every additional dollar he earns, he would not only lose 33.3 cents in Social Security benefits, due to the earnings limit, but also would have to pay 28 cents in Federal income tax, 15.3 cents in Social Security payroll tax, 20 cents under this new proposal, and 7.2 cents in Utah State income tax.

The bottom line is that for each additional dollar of income this senior would pay more than $1.03 in taxes. By earning another dollar, he would actually end up .03 cents poorer than before. Do we want to punish senior citizens for working?

I believe that we should be repealing the earnings limit, not increasing the penalty for those working toward retirement. The current tax treatment of retirees already creates enormous disincentives to work and save. This tax bill only exacerbates this flaw and further penalizes those who have saved to provide for their retirement.

This bill provides that the taxes raised by this provision is to go to the Medicare trust fund. I question why this proposal is in this so-called deficit reduction bill. Bailing out the Medicare trust fund is a separate problem, more properly handled with health care reform. Let's not raise funds from our seniors in the name of deficit reduction and then not use it for that purpose.

Mr. President, this provision will push many senior citizens into a higher tax bracket, create disincentives for seniors to work, and punish those who have worked and saved for their retirements. We should not require senior citizens to shoulder more than their share of the deficit reduction burden.

REASON NO. 4: HIGHER INDIVIDUAL TAX RATES HIT SMALL BUSINESSES AND WILL HURT JOB CREATION

The tax bill before us relies heavily on higher income tax rates on the so-called wealthy to raise revenue. These tax rate increases are based on a false notion that somehow, these with higher incomes in our society have cheated those with lower incomes and now it is time to get them to pay their fair share.

Although these tax increases are aimed at the wealthy, Mr. President, they will hit the lower and middle-class worker with job losses. This is exactly the result we saw after we enacted the ill conceived luxury taxes in 1990.

High marginal tax rates discourage hard work, risk-taking, investment, savings, and job creation. Consequently, there will be less capital available to invest in new business formation. The biggest losers will be the working class who need jobs.

Moreover, it is highly unlikely that the revenue expected from these tax rate increases will ever materialize. Some noted economists have warned us that individuals facing these higher rates will take action to avoid paying more tax by shifting investments and by working less. Economist Martin Feldstein estimates that if the so-called wealthy were to react to the increased tax rates by reducing only 10 percent of their taxable income, 75 percent of the estimated revenue will never come to the Treasury.

In fact, Mr. President, studies since World War II have shown that average Federal revenue, as a percentage of gross domestic product, have not changed much over the years, averaging around 19.5 percent, regardless of the tax rates in effect. It is clear that no matter what we do with tax rates, taxpayers will adjust their behavior and total revenue will not change very much. Thus, if we raise tax rates, economic activity will go down because people will work less and risk less and earn less. The higher rates will be offset by this lessening of economic activity. On the other hand, if we lower the tax rates, the opposite occurs and we end up with more economic activity that more or less compensates for the lower rates. It is futile to attempt to solve the deficit problem through tax rate increases.

This bill's higher income tax rates are particularly unfair for small business owners who operate through partnerships, S corporations, and sole proprietorships. Because more than three-fourths of U.S. businesses are organized in one of these three forms, and report their taxes as individuals, there is far more to consider here than just the inaccurate idea that the rich have unfairly benefited from too low taxes and should now pay more. Many of these small business owners pay taxes on income that they never receive. Because small businesses are often undercapitalized, owners find themselves plowing their earnings back into the business to finance growth and expansion. These higher rates will simply cut back the ability of many of these businesses to grow and create jobs.

Again, Mr. President, we should be focusing on nurturing our small and growing businesses—not punishing them with higher tax rates that will dampen growth and job creation.

Another area in which this bill misses the target is in its noticeable lack of a capital gains provision. Even the small provision that was contained in the House-passed version has been removed from the Senate bill. If we are truly concerned about the health of this Nation's economy, we should be addressing the issue of capital gains taxation. We can do more to help create jobs in this Nation by lowering the capital gains tax rate than by any other single provision.

REASON NO. 5: THIS BILL WORSENS THE MARRIAGE PENALTY

Mr. President, it seems that one of the underlying premises of the tax bill before us today is that the so-called wealthy in our Nation have not been paying their fair share of taxes and it is now time to rectify this supposed inequity. Indeed, many of the job killing tax hikes in this bill are justified in the name of tax fairness. Unfortunately, the word fairness has become a code word for tax increases—increases that will hit everyone either now or later.

There is another tax fairness issue, though, that has been largely missed by most—the inequities of marriage penalties.

In this country, we are, in effect, financially punishing married couples merely because they want to form the basis of society's most fundamental and important unit—a marriage and a family. Marriage penalties are essentially a Federal tax on marriage licenses that families must pay year after year after year.

Families are the emotional, social, and financial building blocks of our society—and they nurture America's most important resource, our children. If the family fails, the Nation will fail.

Mr. President, over the years, many of our colleagues on both sides of the aisle have expressed their concerns on this floor about what is happening to our families. They have pointed to the high divorce rate, the growth in single parent families, the number of women and children living in poverty, and the difficulty that many two-parent families have in making financial ends meet.

At the same time we have been expressing our alarm about the direction of American families, the Federal Tax Code has been undermining the family through marriage penalties. The code already imposes marriage penalties on almost every income and age group. The bill before us today makes them worse—far worse in some cases.

Let me give you some examples, Mr. President.

TWO LOW INCOMES WITHOUT CHILDREN

Take two single individuals, let's call them Jim and Marsha. Each makes the minimum wage, $8,500 a year, working in a retail store. Suppose Jim and Marsha decide to get married. Under the tax bill before the Senate, they would have to pay a 25-percent marriage penalty for that privilege. Two single individuals making $8,500 each and taking the standard deduction would owe Federal tax of $368 each, for a combined tax of $736. If they get married, their Federal income tax would go up to $916, an increase of $180, or 25 percent.

The cause of this marriage penalty is the standard deduction that allows single taxpayers to deduct $3,700 each. Therefore, two individuals who decided not to get or stay married would have a standard deduction of $7,400. As a married couple, their standard deduction is reduced to $6,200, resulting in a $1,200 increase in taxable income.

TWO LOW INCOMES WITH CHILDREN

Mr. President, that is bad enough. But, now let's look at the devastating marriage penalties for two-earner low income families with children.

Consider the following situation. John, a widower with two small children, makes $13,500 a year as a custodian with the public school system. John has been dating Becky, a divorced mother of two who makes $13,500 a year as a supermarket checker. John and Becky want to get married, but are not sure if they can afford to.

Under the tax bill before us, John's and Becky's income tax returns would show zero tax due if they filed as single individuals. In fact, because they both qualify for the head of household rate and for the earned income tax credit, Uncle Sam would be sending them each a check for $2,002 or $4,004 total.

If John and Becky were to marry, however, not only would they get nothing back from the Treasury, but combined, they would actually be required to pay $1,005 in Federal income taxes—a $5,009 marriage penalty. This is a penalty of nearly one-fifth of their total income—just for being married.

I hope each of my colleagues understands this point. Our Tax Code provides that two single parents making $13,500 with two kids each will be penalized $5,000 each year if they get married. Stated another way, a family of six with both parents working and making $13,500 each will be rewarded with over $5,000 a year in Federal tax benefits if they get divorced and each take two of the children.

There are really two marriage penalties affecting two-earner low-income couples with children. The first is the same one we saw with the couple with no children—the standard deduction. In this case, the standard deduction for a single head of household is $5,450—$10,900 for two heads of household. But because the standard deduction for a married couple is only $6,200, the married couple has $4,700 more in taxable income than if they were single.

The other marriage penalty is related to the earned income tax credit that low-income taxpayers with qualifying children can receive. In the case of an individual making $13,500 with two children, he or she could receive a $2,152 credit under the tax plan now before the Senate. This credit is lost entirely, however, when two individuals get married, because the credit is not adjusted for marriage.

MIDDLE CLASS FAMILY

The marriage penalty problem is not confined to families with low incomes, Mr. President. In fact, middle-class couples with children are often the victims, too.

Let us look at the case of Harold and Sue. Harold earns $30,000 a year as the manager of a gas station. His wife, Sue, works part time as a substitute teacher and makes $12,000 a year. They have two kids.

The combined income of Harold and Sue is $42,000, from which they deduct $8,000 in itemized deductions. After their exemptions, they owe a Federal income tax of $3,690 on their joint return, under the proposal before us.

However, if Harold and Sue were to divorce, and she were to claim the two kids as dependents, their combined tax would only be $857, for a savings of $2,833.

Is it really our policy that we should punish this family for being married, Mr. President?

SOCIAL SECURITY RECIPIENTS

Unfortunately, Mr. President, families with children are not the only ones hurt by marriage penalties in the Tax Code. Senior citizens receiving Social Security can also be hit hard by them. Under current law, single individuals can exclude 100 percent of their Social Security benefits from taxation if they make less than $25,000. But if they are married, rather than letting them exclude $50,000, we only allow them to exclude $32,000.

Take seniors Joe and Martha. Joe, a 71-year-old college professor still teaches some courses and does a little consulting. He earns $35,000 a year. He also draws $12,000 in Social Security benefits. Martha retired last year at age 65 from her bookkeeping job and also receives $12,000 a year in Social Security. Martha also has a pension that pays her $20,000 a year.

Their joint tax return show a total tax due of $10,911. Because their combined income exceeds the current law threshold for Social Security benefit taxation, they are both taxed on one-half of their Social Security income. If Joe and Martha were to divorce, however, Martha could avoid paying tax on most of her Social Security and their combined single tax liabilities would be only $9,081, a marriage penalty of $1,830.

Under the bill before us, however, the marriage penalty for Joe and Martha gets much worse.

Because the percentage of Social Security benefits increases from 50 to 85 percent under the bill, the marriage penalty for Joe and Martha increases to $3,006, a 64-percent increase.

HIGHER INCOME EARNERS

One of the most destructive effects of the marriage penalty is found with higher income earners, Mr. President. Consider the case of Ted and Karen. Ted is a successful financial planner and makes $135,000 a year. Karen earns $145,000 a year as an attorney. They each have itemized deductions of $15,000.

Under current law, Ted and Karen pay taxes of $71,446 as a married couple. As singles, however, they would pay a combined total of only $67,933, a difference of $3,513.

Under the tax bill we are now considering, Ted and Karen's marriage penalty increases to $8,505, an increase of 142 percent in the marriage penalty.

The marriage penalty at the higher earner scale is particularly bad, Mr. President, because there is no differential in the threshold for the new surtax between those who are single and those who are married. In other words, you get hit with the new higher rate of 39.6 percent at taxable income of $250,000 whether you are single or married.

This is extremely poor tax policy and, in my view, was put in the bill this way for one reason only—to raise revenue.

I realize that many of my colleagues do not have a lot of sympathy for a couple making over $250,000 combined. But let us think about this for a minute, Mr. President. What kind of messages are we sending taxpayers? That we do not want them to become educated or take risks or work hard and become successful? Or that if they are successful, we want them to stay single and not form families? This is not a tax because they are wealthy, but because they are married.

And let us get one more thing straight, Mr. President. The bill before us raises taxes on everyone in one way or another. It also exacerbates an existing flaw in the Tax Code—the marriage penalty—for millions of families in many income categories, not just for the rich.

In essence, the marriage penalty is a penalty for forming a family unit. So, as long as we are attempting to make our Tax Code more fair, Mr. President, we ought to correct this antifamily tax.

I ask unanimous consent that an article from the March 10, 1993, Wall Street Journal and an editorial from the June 18, 1993, Wall Street Journal be reprinted in the RECORD. These highlight the marriage penalty issue. We cannot allow additional marriage penalties to be added to the backs of our families.

Mr. President, there are a number of different marriage penalties in the current Tax Code, and several of them are made worse by the tax bill. The current law's marriage penalties include the following:

The standard deduction: The 1993 standard deduction for single taxpayers is $3,700, thus two single individuals would have a combined standard deduction of $7,400. But, the standard deduction for married taxpayers is only $6,200, $1,200 less than the combined standard deduction of two singles. This alone creates a marriage penalty of $1,200 times the effective tax rate.

The tax rate schedule: The tax rate schedule produces a large marriage penalty from the different threshold amounts of the tax brackets. Single individuals move from 15 percent to the 28 percent tax bracket at taxable income levels of $22,100. For married individuals, the 28-percent tax bracket begins at $36,900. Two single individuals could have combined incomes of $44,200 before the 28 percent tax bracket takes effect. That is $7,300 more than the threshold for married individuals.

Social Security: Social Security recipients may or may not have to pay taxes on the Social Security benefits they receive, depending on their total income. Under current law, the threshold amount for taxation of benefits for single individuals receiving Social Security is $25,000. Fifty percent of a single individual's Social Security over the $25,000 threshold must be included as taxable income. The threshold for married individuals, however, is $32,000. Two single individuals can have income other than Social Security, plus one-half of their Social Security, of up to $25,000 each, or $50,000 combined, and they will still would not have to pay any taxes on their Social Security benefits. But a married couple with income over $32,000 would have to pay tax on 50 percent of their Social Security for income over $32,000.

Limitation of itemized deductions: Itemized deductions begin to be limited for incomes over $108,450 for single and for married couples. Therefore, two high-income single individuals would not have their itemized deductions limited until they made $108,450 each or potentially up to $216,900, but they would start to lose itemized deductions at $108,450 if they are married.

Phaseout of personal exemptions: Personal exemptions are phased out over $108,450 for single individuals, $135,600 for head of household, and $162,700 for married couples. Therefore, while a married couple starts to lose their personal exemption at $162,700, if they are not married, they potentially would not start to lose their personal exemption until $216,900, or if they have children, until they made over $271,200.

Passive loss: Individuals and married couples can deduct up to $25,000 of certain real estate losses. This deduction is phased out above $100,000 in income. Because this rule is the same for both married couples and individuals, a married couple could only make up to $100,000 and still deduct up to $25,000 for these real estate losses. If the same couple gets divorced, they could potentially deduct up to $50,000 and not start to lose the deduction until they make over $200,000.

In addition to the current law's marriage penalties listed above, Mr. President, the following marriage penalties are worsened by the tax bill before us today:

Tax rate schedule: The marriage penalty is greatly exacerbated for those with high incomes because of the new 36-percent tax bracket and the 10-percent surtax on incomes over $250,000. The 36-percent tax bracket begins for married individuals at $140,000 and for single individuals it begins at $115,000. Thus, two singles may make up to $115,000 each or a combined income of $230,000 before the 36-percent bracket would become effective, but a married couple faces the higher rate at $140,000. This marriage penalty is even greater for those affected by the 10-percent surtax in incomes over $250,000. This surtax does not distinguish between single or married individuals. Therefore, a married couple with taxable income of $500,000 would have $250,000 taxed at the higher rate. However, if they were to get divorced and each made $250,000, they would not fall within the surtax level.

Social Security: This tax bill increases the threshold for the taxation of Social Security benefits to $32,000 for single individuals and $40,000 for married couples. Although the threshold amounts are increased from the current law's levels, the amount of Social Security subject to tax over the threshold is 85 percent rather than 50 percent. This results in a worsening of the current law's marriage penalty.

Overall, Mr. President, the marriage penalties represent the worst kind of unfairness. Before we attempt to make the so-called wealthy pay their fair share, let us make sure we are not making families pay more just because they have solidified those families with a legal marriage.

REASON NO. 6: THE BUSINESS MEALS LIMITATION WILL LOSE JOBS

Mr. President, the tax bill before us contains a provision to reduce the deductible portion of the meals and entertainment expenses from 80 to 50 percent. This will be counterproductive to deficit reduction and economic growth.

Although this provision is ostensibly aimed at large corporations that have an unfair reputation of abusing the meals and entertainment deduction, it will primarily hurt women and minority workers and small businesses. Estimates prepared by Malcolm Knapp, Inc., for the National Restaurant Association indicate that over 165,000 jobs will be lost nationwide by this provision. This is based on a projection that business meal sales will drop by almost $3.8 billion, which is nearly 10 percent.

In the 4 years following the 1986 Tax Reform Act, where the deduction for business meals was limited to 80 percent, real sales declined almost 6 percent in establishments with per-person checks of $15. In fact, the 6 years since the 1986 tax act have been the worst the restaurant industry has seen in decades. As a matter of fact, Mr. President, from 1986 to 1992, restaurants generated 700,000 fewer jobs than they had in the previous 6 years.

Most restaurants are small businesses with very thin profit margins; 72 percent have annual sales of less than $500,000. Even small drops in revenue will go right to the bottom line, and often exceed the entire profit that many restaurants show each year. Since prices usually cannot be increased and labor is often the only controllable cost that restaurants have, the only way for many to deal with this will be to lay off workers.

Another important factor to note, Mr. President, is that almost 60 percent of employees in the foodservice industry are women, 20 percent are teenagers, and 12 percent each are African-Americans and Hispanic. These groups are often the least able to economically stand the dislocation this provision will force.

Contrary to what many might believe, most individuals who purchase business meals are small businesspersons; 70 percent have incomes below $50,000 and 39 percent have incomes below $35,000 and 25 percent are self-employed. Moreover, 78 percent of business lunches and 50 percent of business dinners are purchased in low to moderately priced restaurants. The average amount spent on a business meal, per person, is only $9.39 for lunch and $19.58 for dinner. The business meal deduction is hardly the exclusive realm of the fatcats, Mr. President.

The restaurant industry in Utah employs 43,000 people and pays annual wages of $300 million. It is an important sector of our State's economy—917 jobs are estimated to be lost in the State from this provision. What do I tell a person who has been laid off from his or her job because of this, Mr. President? That this tax increase is merely closing a corporate loophole?

Much of the $15.3 billion in revenue that has been estimated to be raised from this provision will not be realized. Like the luxury tax, this provision will hit the providers of business meals much harder than the purchasers. The result will be fewer business meals purchased, which translates into lower deductions and less revenue. The loss of 165,000 jobs will also reduce the Treasury's intake of payroll and income taxes and increase the outlay of unemployment taxes. Let us cut out some of the billions of dollars of new spending before we raise anyone's taxes, especially taxes that will result in so many lost jobs.

I want to cut the deficit as badly as my colleagues in the majority do, Mr. President. But I do not think the way to do it is through lost jobs—especially lost jobs to those in our society least able to afford it: women, often single mothers, and minorities.

REASON NO. 7: CONCERNS REGARDING MEDICARE AND MEDICAID

Mr. President, we simply must constrain Federal spending, and we cannot ignore the fact that the health care component of the Federal budget has been growing so rapidly. This is a fact recognized on both sides. It is time to deal with the growth of all entitlement spending.

However, there are a number of grave problems evident in the specific Medicare and Medicaid changes embodied in S. 1134. For example, I believe that many of the specific cuts in the finance package do not fairly spread the deficit reduction. Others have flaws in drafting or in concept that can be corrected and still achieve the same level of savings. There are errors both of omission and commission.

Unless corrected in conference, these Medicare and Medicaid cuts can have an adverse impact on the delivery of quality health care services to our citizens. In addition, there are a number of health provisions that I believe should have been added to the bill, some of which were contained in H.R. 11 last year.

Let me be more specific:

Magnitude of Medicare cuts: Before I discuss my concerns with some of the specific provisions, let me highlight my deep objection to the way these cuts were targeted. It was a small gratification that the Committee majority sought to reduce the level of tax increases prior to markup. That they went back and cut an additional $19 billion from Medicare to make up those revenue losses—an additional $19 billion, I might add, that was targeted mainly at hospital services—was simply the wrong way to go.

What I am concerned about, Mr. President, is the impact on health care services in our country. Already, we have a substantial number of providers who do not want to treat Medicaid patients. Why? Because they are not being paid adequately for their services.

With the bill being considered here today, providers may start turning Medicare beneficiaries away as well. And who knows what will happen after health care reform? Providers may just leave the market altogether.

The medical community in Utah is extremely concerned that certain of the cuts in Medicare will further limit the currently constrained access patients have to services, especially primary care services, and services in rural areas. Primary care physicians are having great difficulty in covering their current caseloads. One small ray of sunshine in this otherwise gloomy picture is the Committee provision to allow a full update for primary care. But that alone is not enough.

Let me quote from a letter I recently received from a hospital CEO in Utah:

> As you are probably aware, Medicare currently reimburses only slightly more than half of hospital patient care charges. This leaves hospitals with the dilemma of covering the gap of unmet expenses incurred in caring for Medicare patients. Unfortunately, a large portion of these excess expenses must be covered through cost-shifting to patient groups who are carrying more traditional insurance plans or who are self-insured. In effect, this situation has created a "hidden-tax" on all other health care consumers.
>
> The facts I have presented represent just one hospital in Utah. The effect statewide and nationally would be staggering.

What is important for my colleagues to keep in mind, Mr. President, is that these reductions are not doing anything to cut costs, they are merely cutting reimbursements. And when we cut reimbursements without any meaningful reform in the underlying programs, we are merely fostering cost-shifting.

I will just give one example of how we could work to avoid this. Home health reimbursement. I know the Finance Committee staff was looking at a proposal to change the reimbursement policy from a cost-based system with an upper cap of 112 percent, to prospective reimbursement at a lower, such as 90 percent of the mean. Such a change would provide the incentive for cost-effective services and hold down costs. This is the type of reform we should be considering instead of the slash-and-burn approach.

I will just highlight some of my specific concerns about the health provisions, most of which pertain to the Finance Committee language:

Home health: As my colleagues are aware, I raised this issue at the markup, and I continue to be concerned about the impact of the committee's recommended language on the provision of quality home health services.

I have been a vocal advocate of home health care. I was a strong supporter of the initial inclusion of home health care services under Medicare, and I continue to feel they are a critical element in our continuum of care for this Nation's elderly population.

As technology has advanced, it has become possible to provide more and more services that were once available only within an institutional setting in the home where patients are more comfortable and where they are surrounded by family and friends whose presence contributes to a successful recovery.

In many rural areas, such as those in Utah, patients have come to rely on home health, which is the linchpin of the delivery infrastructure. When given a choice between receiving treatment in an institution or at home, patients frequently choose home care, for the obvious reasons.

In this context, it seems to me that we should be doing all we can to encourage home care. This bill moves totally in the wrong direction.

I am gravely concerned that approval of the home health provision in this bill before us today could limit patients' ability to receive services. Indeed, this situation is so serious that I cannot believe Committee members were fully aware of the impact of the chairman's mark when we voted last week.

Under current law, payments to freestanding home health agencies are limited to 112 percent of the mean labor-related and nonlabor per visit costs. Hospitals receive an additional add-on. This reimbursement level, the cost limits of which are calculated annually, has been in place since enactment of the Omnibus Budget Reconciliation Act of 1987.

S. 1134 would significantly alter that payment methodology. The cost limit would be lowered to 110 percent of the median, not mean, Mr. President. This may appear to be a simple change, a simple two percent reduction in an upper limit. But that is not the case at all.

The impact of this measure will not be marked in terms of an esoteric mathematical calculation; rather, it will be felt by home health agencies throughout the country, and more importantly, by the elderly patients they serve.

A change of this type deserves a full examination and careful deliberation before it is voted upon. There has been no such consideration or deliberation. We have had no hearings. No debate during markup. And our limited time here today precludes that examination.

I do not believe we should endorse and approve a provision whose ramifications are so uncertain.

I have looked into this in some depth, and I understand that the change from mean to median translates to a reduction in reimbursement rates in the 8 to 10 percent range. In dollars and cents, comparing the cost limits under current law to those under this Senate proposal, the effect would be to produce a reduction of more than $6.75 for skilled nursing visits in rural areas, and about $6.00 in cities.

For home health aides who provide personal care services, the reductions amount to more than $5.50 per visit in urban areas, and over $5.80 in a rural area. It is questionable whether or not agencies that serve patients in rural areas and the inner cities will be able to continue to operate given these reductions. Certainly, some will not.

The ultimate effect of this proposal could be to reduce the amount of reimbursement that home health agencies receive, not only this year, but in each subsequent year. Instead of reimbursement rates being frozen for 2 years, as the House-passed provision would do, rates could continue to be ratcheted down each year, if home health agencies with the highest costs over the limits drop out of the program. Most likely, these would be those serving Medicare beneficiaries in rural areas. As this happens the median would continue to drop, and the consequences would be disastrous.

I cannot attempt to examine all of the possible consequences of approving this unwise proposal. It is clear to me that the House language is far more preferable and should be retained in conference.

I hope that the chairman will agree to hold hearings on home health care later this year. We need to examine the issue of how to appropriately reimburse such services and encourage their use, not discourage their provision.

Childhood immunizations: Mr. President, this is an extremely important issue—we do need to take responsible steps to boost our low childhood immunization rates—and an issue which deserves careful deliberation. This is of some concern to me. We have before us today language from two committees on which I serve, Finance, and Labor and Human Resources.

At the outset, let me state my appreciation to the staff of both committees for working so diligently to pare back Secretary Shalala's original proposal, which I thought was misdirected and overly broad. As I believe our hearing amply indicated, this is a complicated issue, and the problem with childhood immunization rates is not really one of dollars and cents.

Many States have been moving to correct the problem in a host of creative fashions. In Utah, for example, our State immunization task force has been exploring what appears to be a very promising public/private partnership. And whatever we adopt here today should build on that creativity, rather than stifle it. A good example is the Labor Committee tracking system, which modified the administration's proposal substantially to allow that flexibility. Other important changes were made by the Labor Committee, such as those to enhance privacy protections.

As I indicated at the markup last week, I do have concerns about the approach embodied in the Senate Finance Committee approach.

Means testing is an important step in the right direction and does substantially improve the administration's bill. I know that the eligibility standard for free vaccines—75-percent of median household income—was based on the child care bill.

While this would seem to be a good basis for compromise, there are some important differences. Child care is not an entitlement, and the 75-percent figure was a ceiling. States could lower that amount, and would have an incentive to do so because there is a State match.

State median incomes vary tremendously. I am told that in the highest State we would be providing free vaccines to families with incomes of $42,000. In the lowest State, I understand we would only cover families with incomes of around $22,000. This range in coverage is troublesome.

Another concern is that the bill changes the Secretary's negotiating authority, in particular to review the books and records of vaccine manufacturers. I think this sets a horrible, horrible precedent, and I have been unable to find an administration representative who can adequately explain to me why it is needed.

One HHS representative actually told us that the provision was needed so that the agency could ensure manufacturers were making an honest profit. The idea of HHS being the profit police for business is most troublesome to me and I hope to the majority of my colleagues as well.

Under the current Centers for Disease Control and Prevention contract, HHS has the usual authority of a Secretary under Federal procurement law to review business records within appropriate confines. Why do they need additional authority? I think that this open book provision should be dropped.

Physical therapy: The bill before us today is flawed because it does not consider a very important amendment authored by our colleague, Senator CHAFEE. Under current law, outpatient physical and occupational therapy services provided by independent therapists are limited to $750 annually. The Chafee proposal would raise the cap $900. I think this is a good proposal. I was heartened that Chairman MOYNIHAN has indicated his support for the measure and his willingness to advance the proposal on a separate bill if the House provision cannot be retained in conference. This is very important to many physical therapists in my State of Utah.

Eye services: Mr. President, earlier this month I had the wonderful opportunity to participate in the dedication of the new John Moran Eye Center in Salt Lake City. This state-of-the-art eye center was undertaken completely with private contributions, and is expected to help as many as 40,000 people a year from all 50 States and the rest of the world.

It seems ironic that at the very time the Moran Center is opening in Utah, we are back here in Washington debating severe cuts for ophthalmologic services. As the head of the Moran Eye Center wrote to me recently:

> Of all of the many problems with the Clinton administration's budget proposal, there is a very controversial change in how Medicare practice expenses will be reimbursed. This is another way to directly take a shot at the surgical subspecialities. We have seen cataract surgery reimbursement plummet by approximately 40% in the last four years and this appears to be very unfair in targeting a small group such as ours again. We depend on our surgical fees in support of our education and research missions.

Mr. President, Medicare has made drastic cuts in ophthalmology services over the last several years. Already enacted legislation will increase that cut to 44 percent, and the committee is proposing to make those cuts total 56 percent by 1996.

The proposal to alter the methodology used to calculate the practice expense component of physician fees under Medicare is also of concern. There are simply no data on which to base such a calculation. Imposing an interim, arbitrary reduction is not consistent with the whole premise behind the resource-based relative value scale system. The proposal is premature at best, and it is of great concern to Utah ophthalmologists. I hope it can be dropped.

And there is another aspect to this issue which is not being widely discussed: reimbursement for intraocular lenses [IOL's]. The IOL industry is an extremely competitive one globally. It has been one of our success stories. Eighty percent of the world market is supplied by the United States.

Medicare is the dominant payor of IOL's, since cataracts are largely a problem of the aging. A precipitous change in reimbursement such as the Finance Committee reduction from $200 per lens to $150 will have dramatic economic repercussions for manufacturers. It is not a well-known fact, but nearly every U.S. firm is now operating at break-even. What will happen when Congress ratchets these rates down so much? This could have significant ramifications in several congressional districts, where the IOL industry is a significant economic factor. Congress should rethink this one. These cuts will abruptly change the IOL manufacturers' competitive posture globally. It makes bad economic sense and questionable health policy.

I hope that my colleagues are not letting their interest in cutting spending cloud their vision. This is not the right way to go; eye care services are too important.

Long-term care: I would also like to focus the Senate's attention on this bill's provisions affecting an important component of our health care system: long-term care. This is extremely important to the elderly and indeed all of us who have elderly relatives. It is unfortunate that the Congress does not always pay as much attention to the issue as our constituents do.

A small but significant portion of the Medicare savings in this bill would come from cuts in reimbursement to skilled nursing facilities [SNF's]. First, this legislation would eliminate return on equity [ROE] payments to SNF's, a provision which is intended to encourage private investment in such facilities.

The Senate should consider—and reconciliation conferees should bear in mind—that ending ROE payments would have two unintended consequences. It would encourage current investors to substitute borrowed money for their equity in SNF's, thereby raising Medicare reimbursement for facility mortgage interest costs. More importantly, it would discourage private investment in the construction and improvement of SNF's, which flies against the face of demographic trends that guarantee there will be a need for much greater capacity.

Second, the bill would reduce from 112 percent of the mean per diem routine service costs to 110 percent of the median per diem routine service costs Medicare's routine cost limits for SNF's. In the short run, for facilities whose costs are at or near the current cost limit, this reduction would threaten the quality of care provided to Medicare beneficiaries. In the long run, the reduction in Medicare SNF routine cost limits would threaten the financial viability of our SNF providers and, therefore, beneficiary access to skilled nursing care.

Finally, I would like to address a provision that appears in S. 1134 concerning the rights of nursing facility operators to obtain financial information from either residents or prospective residents of their facilities. This change was made with no hearings or other open discussions.

Briefly, section 7422(c) of the bill prohibits nursing facility operators from seeking any financial information from an applicant or their family regarding their ability to pay for care. I understand the purpose of this provision: To ensure equitable access to nursing facility services for Medicaid beneficiaries as well as those with the means to finance their own care. That is a laudable purpose.

The immediate consequences of the proposal, however, would be to send the nursing facility industry into an economic tailspin. This asks long-term care providers to ignore the ability of their residents to pay for the services they provide. This is contrary to the primary principle of business enterprise, which we all know is to ensure that you are compensated for the services or goods you provide.

I fail to see what sense it makes to instigate this economic chaos. The predictable result of such a proposal would be an increased reliance on State Medicaid programs to finance this care. I seriously doubt whether our overtaxed State Medicaid agencies can pick up this slack.

If we are to seriously address the financial inequities in America's long-term health care delivery system, it is my sincere hope that we do it within a comprehensive context, not in this piecemeal fashion.

ProPAC representation: In a related issue, I would like to discuss the current composition of the Prospective Payment Assessment Commission [ProPAC]. I had intended to offer an amendment on this, but understand that it would violate the Byrd rule and thus cannot be considered.

At present ProPAC is comprised of 17 individuals who are authorized to provide Congress with recommendations regarding the range of Medicare payment issues. While their original goal was to review hospital reimbursement issues, ProPAC's role has been broadened to examine payment policies for other types of facilities, including nursing homes. One good example is a provision in this bill which requires ProPAC to study and report to Congress on the impact of applying the routine per diem cost limits for SNF's on a regional basis.

Unfortunately, there is no SNF representation on the ProPAC Advisory Committee. When talented, experienced nursing home candidates are recommended for ProPAC openings, they are denied because the statutorily mandated makeup of ProPAC does not include their representation.

I strongly support adding nursing home representatives to the ProPAC Advisory Board. I had intended to offer an amendment to modify the statute to accomplish this, but since I cannot, I would like to seek the support of the chairman and ranking minority member of the Finance Committee to include this amendment in another bill or to work with ProPAC to ensure adequate representation by the nursing home industry. I will continue to pursue this, because it is important to me.

Renal dialysis: Mr. President, for years I have had a strong commitment to helping patients with renal failure, whether through dialysis or transplant. Now, 20 years after implementation of Medicare's End-Stage Renal Disease

[ESRD] program, the Federal Government is covering 93 percent of patients through Medicare. This is a real success story.

I recently was contacted by the administrator of the University of Utah dialysis program who urged adoption of ProPAC's recommendation for a 2.5 percent update in dialysis reimbursement. I agree with her completely.

ESRD is the only Medicare program which has not had routine increases. In fact, there have even been decreases. That is not the way to go. I hope this can be remedied in conference.

By the way, Mr. President, for those of my colleagues who are not aware of the University of Utah's program, I would just like to relate that this is a real success story. It is a very good program; Utah is now treating several patients who have survived on dialysis for more than 22 years.

Hemophilia pass-through: Last year, I worked to include in H.R. 11 a provision extending authorization for separate payment for the costs of administering a blood clotting factor to hospitalized Medicare beneficiaries with hemophilia. I was extremely disappointed that the Finance Committee could not accommodate my request this year to include that provision in this legislation. I hope that the Ways and Means provision can be retained in conference or that it can be accomplished through other legislation on an expedited basis.

Mammography services: The House bill contains a minor, but important, provision which I believe makes a good deal of sense. It requires that any mammography service covered by Medicaid or Medicare be conducted by a facility which is appropriately credentialed under the new Mammography Quality Standards Act of 1992. This new law was intended to ensure that women have access to high-quality mammography services; surely, this should apply to Medicare and Medicaid beneficiaries, and I hope it can be retained in conference.

Orphan drug tax credit: Another provision contained in H.R. 11, but not in this year's bill, is the extension of the tax credit for orphan drug research. I am extremely concerned that the provision could not be brought forward to S. 1134 and I hope that this can be remedied. The tax credit is not costly—$6 million per year at most—but it is so necessary in supporting vital research. To remove this tax incentive from the Orphan Drug Act would be a drastic mistake.

Antifraud efforts: In addition to some of my earlier comments on Medicaid provision, I would like to note that the Finance Committee bill did not incorporate a House provision which is of great concern to Utah. In a move that flies in the face of health care reform efforts, the House voted to cut funds for State Medicaid fraud control units. Just while we are working to make health care more efficient, to weed out fraud and abuse, the House adopts language which would severely cripple Utah and other States who are working so hard to fight fraud in the delivery of health care services. I hope that this will not be retained in conference.

Biotechnology: I would like to express my outrage at the inclusion of the prohibition on sale, marketing, or use of bovine growth hormone. This was in the agriculture title of the bill, but it has severe implications for health care.

Adoption of this provision by the Congress will destroy support for the U.S. biotechnology industry and virtually hand over to our worldwide competitors this fledgling industry. The United States is the current world leader in biotechnology, an industry employing more than 80,000 employees and annually generating sales of around $5 billion.

The Agriculture provision not only prohibits the use of this new biotechnology product, but also permits the Secretary of Agriculture to continue the prohibition beyond the statutory period until the President certifies to Congress that other major milk and dairy exporting countries have approved the commercial use of bovine growth hormone. In this self-destructive approach, the United States would be required by law to lag behind other countries' application of an important new technology.

This action by the Congress raises the specter of safety concerns that have been found unsupported in reviews conducted by the Food and Drug Administration. Indeed, it is the likelihood that the FDA was soon to issue its conclusion of safety and efficacy that may have prompted this statutory language.

It is time that we try to put aside some of the parochial interests of certain States and look to maintaining the U.S. competitiveness that benefits all of us.

Medicaid formulary: Finally, Mr. President, there is one questionable provision contained in both the House and Senate bills, and I urge my colleagues to give this a second thought before allowing it to become law.

The Finance Committee title allows States to establish prescription drug formularies under Medicaid. During markup, Chairman Moynihan agreed with my concerns that this language could be more carefully written to safeguard the rights of Medicaid beneficiaries. Unfortunately, my suggestions to improve the committee language were not incorporated.

Let me be clear, Mr. President. I realize that we must do what we can to hold down Medicaid spending. The State of Utah has written to me and said they are interested in establishing a formulary.

At the same time, though, a number of us have been concerned about the potential downside to formularies, especially with respect to the access of beneficiaries to high-quality medical care. I do not believe that any good purpose is served by enacting a flawed program. Consequently, I have come to the conclusion that it would be in the best interests of Medicaid beneficiaries, the poor and the aged, many of them minorities, to strike this language from the bill.

Mr. President, these are not my concerns alone. Just last month, our learned House colleague from New York, Representative TOWNS, the new Chair of the Government Operations Subcommittee on Human Resources and Intergovernmental Relations, held an enlightening hearing on this issue. The substantial body of testimony presented at his hearing showed a real potential for creating a two-tiered system of medicine if formularies are instituted.

Here's an excerpt from Representative TOWNS' subsequent letter to Chairman MOYNIHAN:

> Because of recent complaints by patient groups and health care providers, on Wednesday, June 9th I held a hearing to review the efficacy of restrictive formularies. The testimony of researchers and patient groups was particularly compelling. First, a study by Louisiana State University researchers found that in states where formularies have previously been instituted, overall Medicaid expenditures have actually increased rather than decreased. When patients could no longer receive the necessary medication for their health condition, they became sicker and as a result there were increased hospitalizations and increased visits to physicians. Secondly, access to a variety of drugs is absolutely necessary to control or ameliorate many illnesses. Given the evidence that racial and ethnic groups respond differently to various medications, this situation is of particular concern.

Representative TOWNS went on to say:

> Medicaid recipients already experience a differential standard of care in terms of their access to prescription medications. An April 1993 survey by the Campaign for Women's Health discovered that: "Medicaid patients lack access to medication prescribed by physicians. Women complain about restrictive access and the need for prior approval of prescription drugs. More than a quarter of recipients have reported that a pharmacist has refused to fill her prescription because the drug is not covered under [M]edicaid."

Mr. President, this is not the only significant body of evidence indicating that restrictive drug formularies have the potential of seriously degrading the quality of medical care provided to Medicaid clients, especially those most vulnerable in our society. Members of the African American Religious Leaders for Medicaid Access such as the Reverend Jesse Jackson have written to me urging that the formulary provision be stricken. They said:

> As African American religious leaders who represent more than 14 million God fearing

> Americans, we appeal to the Committee to reject this ill-advised proposal that will likely result in untold human suffering. We beseech the Committee members to fulfill their moral obligation to protect the least of these, God's little ones—the vulnerable young, seniors, women, the disabled and the poor—and remove this proposal from the deficit reduction package.
>
> While this plan is designed to cut the Medicaid budget, studies show that it would actually increase health care costs under both Medicare and Medicaid. Deprived of appropriate medicines, poor people will get sicker. They will be forced into already overcrowded and under-staffed emergency rooms. They will stay in hospitals longer and require more operations. Some may even die.
>
> All taxpayers will eventually pay for this short-sighted plan, however, the biggest cost will be in the indignities and human suffering endured by our nation's poorest and often least healthy citizens. People of color will suffer in disproportionate numbers.

Equally compelling, recent studies have questioned the cost-effectiveness of formulary programs, but I will discuss these in more detail later.

There is another important reason why this formulary provision is unfair. When Congress established the current prescription drug rebate system in the 1990 Omnibus Budget Reconciliation Act, we told drug manufacturers that we would preclude States from being able to restrict drugs through formularies or requiring prior authorization before a drug had been on the market for 6 months.

That we promised manufacturers this quid pro quo is not to be questioned. The Finance Committee markup document itself reflects this agreement. It notes that the present law:

> Requires drug manufacturers to provide rebates to State Medicaid programs in exchange for coverage of their products. The rebates required by current law include (1) a basic rebate designed to ensure that states are paying less than the average manufacturer price [AMP] for a product, and (2) an additional rebate designed to ensure that increases in Medicaid's prescription drug costs will not exceed inflation in the general economy. In return, states are not permitted to establish formularies and they must permit the coverage of all products of a manufacturer who has a rebate agreement in effect except for those classes of drugs expressly listed in law which a state can exclude or otherwise restrict.

It is important to note that the pharmaceutical industry has provided three times the amount in rebates that CBO originally estimated this provision would generate. They are willing to do their share for deficit reduction, and, in fact, are being asked to do more in this bill through the provision eliminating the weighted average manufacturers' price calculation in the rebate. That alone is a $60-million revenue loss.

Two benefits come out of the rebate system. First, it guarantees access by Medicaid recipients to all drugs on the market. Second, it restrains costs of pharmaceuticals provided under the Medicaid system. Reneging on our commitment to the industry when we initiated the rebate system and installing a restrictive formulary program threaten both of these advantages.

The irony in all this is that the Finance Committee proposal is not even supported by the top drug utilization review official in the State of New York. Under the language of Chairman MOYNIHAN's proposal, this pharmaceutical use expert, and eminently experienced physician, Dr. Richard S. Blum, may actually be in the position of running the formulary that he believes is so ill-crafted.

Testifying earlier this month before the Towns hearing, Dr. Blum offered heart-rending, real-life examples of just how formularies led to additional hospitalization costs and increased suffering for his Medicaid patients.

Mr. President, this is the crux of the issue: A formulary program may save a few cents up front, but when we look at the entire spectrum of medical costs—all of which are going to be paid by Medicaid—those few cents of savings may be swallowed up and overwhelmed by the additional dollars spent by not allowing the most appropriate medications to be prescribed.

Yet, as dangerous as those potential cost increases are, there is an even subtler, more insidious harm that may arise out of drug formularies, and that, Mr. President, will be the de facto creation of a second class health care system for America's disadvantaged populations.

Simply put, drug formularies mean that Medicaid recipients may not have access to the newest and best medicines that you or I are able to obtain simply because we are currently in a better financial position. I believe that every Medicaid recipient has the right to appropriate medical care, including the most beneficial drugs as prescribed by a licensed physician.

The potential degradation of medical care for Medicaid beneficiaries should be reason enough for adopting my amendment. But there is another compelling reason for rejecting formularies—the increased costs they can bring to the health care system. I have already touched on this issue, so let me summarize.

By denying patients the most appropriate medications, other less effective and more expensive procedures must be used. A 1991 study published in the October 10, 1991, New England Journal of Medicine highlights my point. Reading from its conclusion, the researchers stated that "limiting reimbursement for effective drugs puts frail, low-income, elderly patients at increased risk of institutionalization in nursing homes and may increase Medicaid costs."

Mr. President, there are other scientific, highly reputable studies such as the one done by Dr. Frank A. Sloan at Vanderbilt University that have arrived at similar conclusions. The evidence continually builds that drug formularies implemented at the State level can be a no-win course of action.

As Chairman TOWNS cited, studies indicate that when a formulary was established in Louisiana, there was a 34-percent increase in the number of hospitalized patients, a 10.7-percent increase in their length of stay, and a corresponding increase in the number of physician visits.

And guess what happened? Louisiana repealed its program. If this is an example of the cost savings formularies will bring to our Nation, Mr. President, then I want nothing to do with it.

The bottom line is that Medicaid drug formularies aren't always such a good idea. Unless written very, very carefully, they can potentially cause additional pain and lengthened illnesses for Medicaid recipients. They can actually increase overall medical costs. And, they will potentially segregate our society into those who can pay for the latest and best that the medical industry has to offer and those who are forced to use yesterday's drugs. Mr. President, I urge my colleagues to reject drug formularies.

Coverage of benzodiazepines: The problem with the formulary provisions touches on another restriction that in my view has been short-sighted—Members of Congress exercising medical judgment that has the potential to deprive patients of needed drug therapy.

OBRA '90 allows States to exclude a class of important drugs from Medicaid reimbursement. Prior to OBRA '90, permissible restrictions allowed Medicaid to prevent reimbursement for various nonmedical treatments such as hair loss. In OBRA '90 the critical benzodiazepine drugs used for mental health treatment were added for possible exclusion.

These drugs are used to treat anxiety disorders that affect more than 8 percent of the population. These disorders occur at increased rates among the poor. Benzodiazepines are the most effective antianxiety drug for treatment for anxiety disorders, and in at least one case of one particular drug, for panic disorders, the only available treatment. Anxiety disorders are often severely distressing and handicapping. Yet, they are among the most treatable illnesses physicians confront. For the mentally ill, the need for these drugs is the same as the need of the diabetic for insulin.

Almost all of these drugs are now off patent and of minimal cost. Nonetheless, I understand that these drugs are not available in all States. Thus, I believe that certain mentally ill individuals will not get the very medicine known to work well and instead they will unnecessarily suffer, and society will bear the additional costs associated with their continued illness. Other medications, unfortunately, are not only more costly, but are also not nearly as effective.

The Congress should not have precluded Medicaid from denying these medicines to patients in need. Let me quote from the executive director of the Utah Pharmaceutical Association,

> The benzodiazepines from our professional opinion are an important part of the physician's armamentarium in the treatment of mental illness, and should not be withheld under any circumstances. Many of our customers could not properly function in society without the continuous use of these most effective and safe medications.

The Congress should not deprive physicians of the opportunity to make therapeutic decisions. I do believe that repeal of this exclusion would save money and improve lives. I hope that we will be able to correct this defect in OBRA '90 as soon as possible. In the meantime, I hope that States will not inappropriately decide to limit these medications to the detriment of their citizens.

REPUBLICAN ALTERNATIVE

Mr. President, yesterday my colleagues and I offered an alternative budget plan that would reduce the deficit even more than the bill before us, without relying on tax increases. Unfortunately, this alternative was rejected by the majority.

Mr. President, the key difference to these two approaches to deficit reduction is one of taxes versus spending cuts. History has shown us that increasing taxes does not reduce the deficit. Time after time, taxes on the American people have been raised and time after time, the deficit has increased. In fact, the Congress passed tax increases as part of a deficit-cutting package in each of the years 1982, 1984, 1987, and 1990. Obviously, that approach did not work because the deficit has gone up each time. Mr. President, let's not repeat the same mistake we made during the budget agreement of 1990. That agreement raised taxes while promising future spending cuts and deficit reduction and look where it got us, we are slowly recovering from a recession and the deficit is higher. Mr. President, all the precedents are against raising taxes to reduce the deficit.

Mr. President, the problem is not a lack of revenues, it is the unbridled growth of Government spending. When taxes are raised, Congress continually spends the additional revenues and more. We have shown again and again that Congress does not have the discipline to make the tough decisions required to control the growth of spending and reduce the deficit. We must find this discipline and begin to make these tough choices now, and that amendment would have given us the chance to do it. Unfortunately, it failed.

Mr. President, the American people understand that reducing spending is the true way to reduce the deficit in the long term. I am told every day through numerous letters, visits, and phone calls that my constituents want us to cut spending first. I believe that this is probably the experience of most of my colleagues as well.

I was elected to this great body to represent the interests of the constituents in Utah. Their clear message to me was to cut spending first and raise taxes later, if necessary.

In summary, Mr. President, the bill before us is a recipe for fiscal disaster and I will vote against it.

SENSE OF THE SENATE ON MORTGAGE REVENUE BONDS—AMENDMENT NO. 560

Mr. RIEGLE. Mr. President, I rise to support the amendment which expresses the sense of the Senate that mortgage revenue bonds [MRB's] and mortgage credit certificates [MCC's] should become a permanent provision of the Internal Revenue Code.

Earlier this year, I introduced S. 348, a bill that would make the MRB and MCC programs a permanent part of the Tax Code. This bill currently has 61 Senate cosponsors.

The Federal tax-exempt status of MRB's has enabled State and local housing agencies to finance home mortgages for first-time home buyers at rates below the market—sometimes as much as 2.5 percent below conventional rates. This means that a low or moderate income family can save up to $100 more on their monthly mortgage payment than if they had obtained conventional financing. This cost differential enables buyers who otherwise might not be able to get mortgage financing to obtain a loan at an affordable rate.

MRB's are targeted to families with the greatest need. MRB's are only available to buyers who have not owned a home within the past 3 years, earn 100 percent or less of the applicable median income, and buy a principal residence that does not exceed 90 percent of the average home purchase price. In 1992, the average income of an MRB borrower was 74 percent of median income. Furthermore, the National Council of State Housing Agencies reported that the average purchase price on an MRB-assisted home was approximately $64,000 as compared to a conventional first-time buyer average of $131,000.

Prior to its expiration in June, MRB's were the only Federal assistance targeted to first-time home buyers. During the past 15 years, MRB's have financed more than 2 million home purchases and accounted for 1 out of every 12 mortgages made to first-time buyers. MRB's finance approximately 130,000 new loans for first-time buyers annually.

In my home State of Michigan, MRB's and MCC's have enabled more than 50,000 families to buy homes. Furthermore, 57 percent of all MRB loans in Michigan were made in distressed inner city neighborhoods. The average income of persons assisted under the MCC program is $25,000 and the average income of persons assisted under the MRB single-family program is $23,000. I am proud to say that Michigan has been an innovator in using these programs to assist thousands of families realize the dream of home ownership.

MRB's are also powerful job-generating tools. In 1992, new homes financed with MRB loans produced 27,000 jobs and generated over $750 million in wages and tax revenues.

In the last decade, MRB's have been scheduled to sunset seven times, making administration and timing of bond issues extremely difficult and costly. The MRB program lapsed on June 30, 1992, underscoring the need for permanent extension.

We also need to permanently extend the mortgage credit certificate [MCC] program, which is part of the MRB program. Like MRB's, MCC's are also issued by State and local housing agencies to provide financial assistance to first-time home buyers. With an MCC, a home buyer may take a credit each year against his or her tax liability for a portion of mortgage interest paid.

I am a long time supporter of MRB's and MCC's and as a conferee on the budget reconciliation package, I will fight to ensure this provision becomes permanent.

I urge my colleagues to join me in expressing the sense of Senate that these two valuable programs—which promote first-time home ownership throughout the Nation—should become permanent.

Mr. LIEBERMAN. Mr. President, I rise to introduce a sense-of-the-Senate that mortgage revenue bonds [MRB's] and mortgage revenue certificates [MRC's] should become a permanent provision of the Internal Revenue Code.

Unfortunately, because we lack the money in this bill to pay for a permanent extension, this bill provides an extension, but only through June 1994. I am hoping that the conference will figure out a way to extend it permanently in the final package. At present, S. 348, which provides for a permanent extension, has 61 cosponsors. Last year, it had the bipartisan support of approximately 90 Senators.

The low-income housing credit was permanently extended. MRB's are related and address a similar market—affordable housing. MRB's provide mortgages for low-income, first-time home buyers. My State of Connecticut tells me that MRB's are crucial to its efforts to add to the affordable housing stock. Certainly, this is also the case in virtually every other State in the country.

MRB's have provided financing for more than 130,000 homes. The average MRB home buyer has an average income of $28,000 compared to $43,000 for conventional home buyers. Just as importantly, MRB's create jobs by the thousands. In 1992, estimates indicate that MRB's provided 27,000 jobs. If made permanent, 37,000 new jobs would be created in 1993 and 63,000 new jobs would be created in 1994 and years thereafter.

This tax credit is tested and proven. It is a program that works and it does so using incentives in the private market rather than Government handouts. That, in my mind, is what the Government should do—encourage private markets to operate to the benefit of those who need assistance.

This sense-of-the-Senate simply asks the conferees to make their best effort to work it into the final bill. This provision has expired and been put back into the law seven times. For the sake of the people it serves and the jobs it creates, we need to make this program permanent and this is our opportunity. It's one of those amendments that just makes sense, and because of that, most of us in this Chamber have supported it multiple times.

Again, I urge my colleagues to join me in support of this instruction to the conferees.

SUPPORTING ENTERPRISE ZONE LEGISLATION

Mr. RIEGLE. Mr. President, I rise to support this amendment to express the sense-of-the-Senate that the Congress should adopt Federal enterprise zone legislation.

Last spring's violence in south-central Los Angeles was a clear indication of the persistent social and economic problems confronting America's distressed urban and rural communities. In addition to other provisions to assist distressed communities, the President's economic package called for a Federal Enterprise Zone Program to stimulate business development and job creation in poor neighborhoods.

This program is a crucial experiment in promoting economic opportunity in our inner cities and depressed rural communities. It is a central component of the administration's urban policy. The reconciliation bill passed by the House includes an expanded version of the Enterprise Zone Program. As a conferee to this bill, I will strongly support inclusion of an Enterprise Zone Program in the conference agreement that we reach on this legislation.

I have long supported enterprise zones as an experiment worth trying to stimulate economic development in our most distressed communities. Thirty-six States and the District of Columbia have enacted enterprise zone programs. A Federal Enterprise Zone Program—with targeted public investment enhancements to complement tax incentives—would strengthen these local efforts dramatically, increasing economic opportunity, and promoting healthy and vibrant communities.

At the start of this session, I introduced the Enhanced Enterprise Zones Act of 1993 with Senators KENNEDY, BIDEN, and KERRY as cosponsors. That legislation would have established 50 enterprise zones with tax incentives paired with public investment enhancements. The bill was modeled on the enhanced enterprise zone legislation that passed Congress as part of the Revenue Act of 1992 that was vetoed by former President Bush. I added the public investment enhancements included in that act in an amendment I offered along with Senator KENNEDY.

I added the public investment enhancements to the enterprise zone provisions crafted by the Finance Committee last year because I was convinced that enterprise zones as traditionally conceived are only half a strategy. And half a strategy is doomed to fail unless it is made whole.

In crafting the investment enhancements, I built on what I saw and heard in Benton Harbor, an inner-city community in my home State of Michigan. Benton Harbor is Michigan's only State-sponsored enterprise zone. The lesson that Benton Harbor has learned from its enterprise zone experience is one we here in Washington should heed as we craft Federal enterprise zone legislation: Tax incentives are helpful, but tax incentives alone will not provide an adequate new economic start for the poor and minority residents of our inner cities.

Benton Harbor's enterprise zone has been credited with attracting 100 new or expanded businesses and creating 700 jobs—but only a small fraction of those jobs have gone to the residents of Benton Harbor who are largely unskilled, poor, and minorities.

The people of Benton Harbor and of similar communities throughout the Nation must have the means to improve their job skills before they can fully take advantage of new employment opportunities. They also need better access to capital to start businesses of their own and to buy or upgrade their homes. Job skills and access to capital—along with targeted tax breaks for entrepreneurs—can be the foundation for true economic empowerment. In addition, distressed communities cannot begin to turn themselves around while most of the work force lives in dilapidated housing, has inadequate access to needed child care, and is afraid to work the streets at night because of high crime rates and a shortage of needed police.

The public investment enhancements included in our bill would provide enterprise zone communities with resources they need to address these barriers to economic opportunity. President Clinton's enterprise zone proposal also contains public investment enhancements. I would urge that public investment enhancements be enacted either at the same time as, or promptly following, enactment of tax incentives for enterprise zones.

Enterprise zone legislation is a beginning but it is not enough. Putting America's cities on an upward path demands a concerted national commitment to reach all distressed communities. We must make this commitment so the residents of our cities can become full participants in the social and economic mainstream of our Nation. We do this not just for reasons of equity and compassion but out of concern for our Nation's future competitiveness in the world economy. For, by the year 2000, 57 percent of the new entrants to America work force will be drawn from the minority populations concentrated in our inner cities. With world class work skills and economic opportunities to apply those skills, these new participants in our work force will ensure that America continues its leadership role in the world economy.

Mr. MCCAIN. Mr. President, I rise today on behalf of myself and Senators INOUYE, DOMENICI, and STEVENS, to offer an amendment that is specifically designed to meet the economic development needs on Indian reservations. The McCain-Inouye amendment provides a program of investment and employment tax incentives that can assist tribal efforts to attract private industry and capital, expand existing industry, and make the private sector a permanent source of economic development on Indian reservations. The McCain-Inouye amendment is identical to the Indian tax incentive language adopted by the Senate last year and included in H.R. 11.

Mr. President, I am well aware that anyone can raise a point of order against my amendment on the grounds that it is not germane. If the Senate wants to defeat my amendment by using such a point of order, that is fine with me. But let my colleagues understand that it is the Indian people to whom they will be doing the greatest harm.

Mr. President, Indian reservations throughout this Nation are characterized by staggering unemployment, nagging poverty, and huge infrastructure deficiencies. These conditions are simply a national disgrace. And it is most unfortunate—indeed shameful—that the Senate and House reconciliation bills and the administration's budget proposal fail to offer any meaningful form of economic development assistance to Indian tribes.

The Senate bill provides no tax incentives for urban, rural, or Indian areas. The House bill—which largely reflects the administration's empowerment zone proposal—provides for only one Indian empowerment zone. Only one. It is simply preposterous for anyone to believe—and for the Indian people to accept—that the Congress can't muster the will to assist more than one Indian tribe. It might interest my colleagues to know that there are over 500 federally recognized Indian tribes in 32 States across the Nation.

On the other hand, the McCain-Inouye amendment would apply to all federally recognized Indian tribes.

Let me emphasize, particularly to the Senators from the 32 reservation States, that it should come as no surprise that as a result of our longstanding failure to adequately support the development of viable Indian reservation economies Indian tribes have turned to other revenue-generating activities such as gambling and the consideration of proposals to locate commercial waste facilities on their lands.

What other choices have we given to native Americans? What does it say about us as a Nation when the only viable revenue-generating activities on Indian lands comes down to a choice between gaming or garbage?

What does it say about us as a Nation when the only choices for economic activity on Indian lands run the risk of being infiltrated by organized crime, or that unscrupulous parties can exploit Indian lands in the apparent belief that they can degrade the environment without regard to established environmental standards?

I challenge those Members who say they are concerned about the proliferation of Indian gaming to vote for the McCain-Inouye amendment.

I challenge those Members who are concerned about the potential for the introduction of environmentally unsound waste facilities on Indian lands to vote for the McCain-Inouye amendment.

I challenge those Members who say they want to help the poor to remember the Indian people, perhaps the poorest members of our society, and vote for the McCain-Inouye amendment.

We have a chance today to take a bold step to eliminate poverty on Indian reservations, to reduce welfare dependency, and to bring a renewal of the human spirit to the lives of Indian people who have been tragically scarred by generations of poverty and unemployment.

Mr. BRADLEY. Mr. President, 2 years ago, I introduced, with Senator LIEBERMAN and others, a bill to create a new way to pay for college by using the income that students will gain from college in order to pay for that education. Self-reliance loans were designed to help students of all ages take responsibility for their own education by providing loans to all students, regardless of their family's income, and allowing repayment as a percentage of the student's income after graduation.

After some twists and turns, with tremendous help from my colleagues Senator KENNEDY, Senator SIMON, and Senator DURENBERGER, we passed self-reliance loans in a tax bill, only to see the bill vetoed by President Bush. And last year, in the Higher Education Act reauthorization, the Senate guaranteed something like self-reliance as a part of the direct-lending demo, but only for students who attend one of a few hundred schools.

We were making progress toward guaranteeing income-contingent repayment of loans, but only slowly, until we found an ally in Bill Clinton. The President's promise that every student should be able to pay for college with national service or by repaying a small percentage of his or her income after graduation laid the groundwork for the sweeping reform of the student loan system that is one of the least-noticed provisions of this bill, but one that is central to restoring our economic future.

The most controversial piece of the reform is direct lending, a new process for providing loans under which the Federal Government would provide its own capital for loans directly, rather than subsidizing loans through private-sector lenders. This change has been a subject of long controversy, constructive negotiations, and finally a welcome bipartisan compromise, under which we would phase in the reform for only 50 percent of the Nation's students over 4 years. Senators PELL and KASSEBAUM deserve our thanks, along with the Senators I have mentioned, for their long work to make sure that direct lending is phased in at a measured pace to ensure that it makes student loans more efficient and less expensive.

We are concerned that the intense focus on direct lending has diverted attention from the other major reform in the bill, which will mean more to students and their families: income-contingent repayment of loans. By paying off their student loans as a percentage of income, ideally collected through the IRS, graduates will gain the freedom to pursue their dreams with payments automatically adjusted to their income. Students who would otherwise default will instead pay a manageable portion of their monthly income. Income-contingent repayment will also allow nontraditional students, returning to school after several years in the workplace or the home, to budget intelligently for their education based on the income they will gain from retraining.

Although I support the compromise developed in the Committee on Labor and Human Resources, the decision to phase in direct lending at only 50 percent of all colleges and universities by the fourth year also means that at the other 50 percent, students will not be guaranteed an opportunity to repay their loans as a percentage of income, without defaulting first. There are plenty of reasons to go slowly with direct lending, which is essentially a change in process, but no reason to deny half the Nation's students the advantaged of income-contingent repayment.

When we sponsored a new income-contingent loan program, self-reliance loans, 2 years ago, we worked from the assumption that direct lending was the best vehicle for income-contingent repayment, because a single lender could balance high- and low-earners to minimize risk in a way that a bank cannot. But this year, during the long debate on direct lending, we heard often from private-sector participants in the current system that they could, if Congress asked, provide income-contingent loans on their own. I believe Congress should take that offer seriously.

Today, Senator LIEBERMAN and I intended to offer an amendment to ensure that all students have access to income-contingent loans by establishing a straightforward test between direct lending and the current system of private-sector guarantees. Our amendment would have required every school not participating in direct lending to identify for students a lender who will offer loan repayment as a percentage of income, on terms comparable to those offered in direct lending. Any school that could not locate such a lender in the private sector would, by the fourth year of phase in, be incorporated into the direct lending program, without regard to the 50 percent cap on direct lending.

The test between direct lending and guaranteed private-sector loans would be clear and simple: If the private-sector can offer students repayment as a percentage of income, banks and secondary markets continue to have a role to play in student loans. If they cannot offer income-contingent repayment, then in our view, that is reason enough to phase in direct lending at all schools.

I am disappointed that the amendment we had intended to offer would be subject to a point of order under the rules, for no other reason than that it has no budget impact, an unfortunate technicality of the rules applicable to the budget reconciliation bill. But much work remains to be done on the student loan provisions in conference, because of the wide difference between President Clinton's proposal as passed by the House, which phases direct lending in at all institutions, and the Senate language, which includes the 50-percent limit along with other controversial changes to the current system. We would urge the conferees who support direct lending to look at this proposal as a responsible, middle ground between the two bills. And we would ask the Senate conferees who have advocated caution in shifting toward direct lending to look at this proposal as just the kind of clear-cut test between direct and guaranteed lending they have spoken for so eloquently.

We finally have a chance to ensure that all students, at any age, have the right not only to borrow for education regardless of their family's income, but to repay those loans as a percentage of the income they will gain from that education. I hope my colleagues will join me in urging the conference to make this promise a reality as quickly as possible.

INCOME-CONTINGENCY REPAYMENT OPTIONS

Mr. LIEBERMAN. Mr. President, I had hoped that Senator BRADLEY and I would be offering an amendment today to expand access to income-contingent repayment of student loans. Unfortunately, under the rules of the budget reconciliation process this amendment would be subject to a point of order simply because it has no budget impact. I am pleased, however, that Senator BRADLEY and I were able to enter into a colloquy with the distinguished chairman of the Labor and Human Resources Committee, Senator KENNEDY, and that our proposal will be considered by the conferees. I am also pleased that Senator KENNEDY has committed to assisting us in expanding access to income-contingent repayment programs under provisions passed last year in the Higher Education Reauthorization Act.

In the last Congress I was pleased to join Senator BRADLEY as a cosponsor of the self-reliance loans legislation. The self-reliance bill was designed to accomplish several goals—provide assistance to middle-class families struggling to send their children to college; enable students to take responsibility for their education by borrowing under an income-contingent repayment program; and reduce the default rate by providing students with loans that they could afford to pay back.

The response to the self-reliance proposal from my constituents was overwhelming. They were and continue to be concerned that they would not be able to afford to send their children to college. They supported the notion that their children should be able to borrow money for college which they would be able to afford to pay back after graduation based on their income.

Although the Higher Education Reauthorization Act of 1992 greatly expanded access by raising the income limits on Pell grants and allowing students to borrow under the unsubsidized loan program regardless of whether their families meet the financial need criteria, families still worry that their children will be so buried in debt they will have to struggle to make ends meet even with a college education. This year the University of Connecticut is seeking a double digit tuition increase for the sixth straight year and around the country college applicants are facing rising tuition. We owe it to all these students and their families to ensure that students who borrow money to attend college do not find that their career and family choices are driven by unmanageable student loan payments. We also must ensure that we have constructed a system which prevents students from defaulting on loans by providing them with loans they can afford to repay.

We have made significant progress or income-contingent repayment over the past 2 years. The reauthorization act established a direct lending demonstration program which would have allowed students at 35 percent of the participating schools to repay their loans as a percentage of income. The student loan package included in the reconciliation package further expands the direct lending program to 50 percent of the colleges and universities and requires that their students have access to income-contingent repayment. I support this legislation, but I am disappointed that only 50 percent of students will have the option to repay their loans as a percentage of income. I believe this is an option to which all students are entitled. It is the best way to ensure that students are able to shoulder responsibility for their student loan burden and are, in fact, able to repay it.

The amendment we had planned to offer today would have guaranteed all students access to income-contingent repayment not just those who attend the 50 percent of schools in the direct lending group. We propose that all schools be required to offer students an opportunity to repay their loans on an income-contingent basis. Those schools not participating in the direct lending program would be required to identify a lender who will offer loan repayment as a percentage of income as an option. During the debate on direct lending, the private-sector participants in the student loan program asserted that they could, if asked to do so by Congress, provide income-contingent loans, without direct lending. This proposal would have given them an opportunity to do just that and provide those schools not participating in direct lending with income-contingent repayment programs for their students. In the event that a school cannot find a lender to provide this option to its students it would be incorporated into the direct loan program regardless of the 50-percent cap.

This program would not only provide students the vital option of repaying their loans as a percentage of income, but at the same time provide an important basis for a comparison of the ability to provide income-contingent repayment programs under direct lending and under the current system.

Income-contingent repayment provides us with a unique opportunity to curtail defaults because the amounts being paid will fairly reflect the graduate's earnings. It also protects against driving people out of public service because they cannot pay their loan bills—teachers will not have to move to Wall Street to pay their student loan bills; doctors will not have to opt for private practice rather than working in a community health center. Adults with families will also find it easier to return to school to complete their education or upgrade their skills. It is often difficult for adults to return to school because they have families to support and mortgages to pay. By guaranteeing them a loan repayment schedule which is tailored to their income level, this program allows them to return to the classroom and improve their ability to compete in today's job market.

We cannot afford to become a society where only the rich are able to attend college. Everyone in this Nation, no matter what their income level, should have the opportunity to pursue an education. An educated population is the most critical factor in enabling this country to succeed in a competitive international market. Income-contingent repayment can assist all students attending school. It is the necessary complement to the expanded access Congress enacted last year and the reduced costs and efficiency direct lending will bring. The recent high school graduate whose parents cannot afford tuition, the single mother struggling to support a family and get an education, the 40-year-old worker who needs to update his skills in order to remain in the work force, all will benefit from this program. And so will our country.

Mr. SIMON. Mr. President, I want to commend my colleagues for their leadership on this issue. Their close analysis of the details of the Student Loan Reform Act is impressive. I support and appreciate the constructive suggestions that they have made.

I, too, came to be a supporter of direct loans because of my interest in income-contingent repayment. Too many students find themselves forced by student debt into jobs or careers that do not fit their interests. Our Nation will be richer if those who are interested in teaching or community service are given that chance to contribute to society.

Past income-sensitive loan programs have not been successful because of the difficulty of confirming the income of borrowers as they make their payments. That is why collection through the IRS makes so much sense. President Clinton's student loan proposal moves us in that direction.

But my colleagues are right that, even under the legislation before us today, many students may be denied income-contingent repayment because there is no assurance that it will be offered by banks and secondary markets in the guaranteed loan program. The amendment before us makes sense: If students are being denied this important repayment option, then more schools should be allowed to become part of the direct loan program.

It is no secret that I was disappointed with the compromise that we reached in the Labor Committee on this issue. I will work in the conference committee to move closer to President

Clinton's proposal, so that all students have simpler, cheaper direct loans and an income-contingent repayment option.

Mr. BRADLEY. Mr. President, earlier this week, Senator LIEBERMAN and I informed our colleagues that we planned to offer an amendment to the Student Loan Reform Act, which the Labor Committee reported out as part of this reconciliation package.

Although we support the compromise developed in the Committee on Labor and Human Resources, the decision to phase in the most controversial reform, the shift to direct lending, at only 50 percent of all colleges and universities over 4 years also means that at the other 50 percent of schools, students will not be guaranteed an opportunity to repay their loans as a percentage of income, without defaulting first.

Our amendment would have ensured that all students have access to income-contingent loan repayment. It would have established a straightforward test between direct lending and the current system of private-sector guarantees. Our amendment would have required every school not participating in direct lending to identify for students a lender who will offer loan repayment as a percentage of income, on terms comparable to those offered in direct lending. Any school that could not locate such a lender in the private sector would, by the fourth year of phase-in, be incorporated into the direct lending program, without regard to the 50-percent cap on direct lending.

Mr. LIEBERMAN. Senator BRADLEY and I both came to the cause of student loan reform through our interest in allowing all students to pay for their education based not on their family's income, but on the income they will gain from that education on their own. Income-contingent loans make students responsible for their own education. By paying off their student loans as a percentage of income, ideally collected through the IRS, graduates will gain the freedom to pursue their dreams with payments automatically adjusted to their income. Students who would otherwise default will instead pay a manageable portion of their monthly income. Income-contingent repayment will also allow nontraditional students, returning to school after several years in the workplace or the home, to budget intelligently for their education based on the income they will gain from retraining.

Mr. BRADLEY. We have been informed that this amendment would be subject to a 60-vote point of order under the rules simply because it has no budgetary impact. While we understand the rationale for limiting amendments under reconciliation, it does not seem reasonable that the full Senate should not have a chance to perfect substantial new legislative initiatives reported out of committee. But understanding the rules, we will not offer the amendment.

I have heard no substantive opposition to this amendment, and I would urge the conferees on this section of the bill to consider our proposal carefully. There is a substantial difference between President Clinton's proposal as passed by the House, which phases direct lending in all institutions, and the Senate language, which includes the 50 percent limit along with other controversial changes to the current system. We would urge the conferees who support direct lending to look at this proposal as a responsible, middle-ground between the two bills. And we would ask the Senate conferees who have advocated caution in shifting toward direct lending to look at this proposal as just the kind of clear-cut test between direct and guaranteed lending they have spoken for so eloquently.

Mr. KENNEDY. I thank my colleagues for their thoughtful work on this amendment, and their leadership on income-contingent student loans, going back to the self-reliance loan proposal in the last Congress, which I cosponsored. I believe they have offered a promising new option which the conference should consider carefully.

I regret that the Senate rules do not allow us to take up this amendment under normal procedures. I have always been a strong supporter of income-contingent repayment and I have no doubt that a majority of Senators would support a guarantee that all students should have the opportunity to repay student loans as a percentage of income.

I will make two commitments to my colleagues. First, I would note that language in last year's reauthorization of the Higher Education Act requires lenders to offer students an income-sensitive repayment option, and gives the Secretary of Education the discretion to develop income-sensitive repayment schedules for lenders. The Department of Education has not yet written regulations for this provision, but I expect them to clarify that income-sensitive will mean repayment as a percentage of income, not simply extended repayment for borrowers with low incomes.

In the conference I will seek to clarify that the provision requiring lenders to offer income-sensitive repayment means that lenders must offer borrowers income-contingent repayment as one of their options. I will also seek to ensure that repayment under this requirement will be comparable to the income-contingent repayment plan that the Secretary will be required to develop for EXCEL accounts under direct-lending. With these modifications, all students will have the same income-contingent repayment terms whether they attend a school that is participating in direct lending or not.

Mr. BRADLEY. I thank the chairman of the Committee on Labor and Human Resources for his consideration of our proposal. I appreciate his commitment to link the income-sensitive repayment under current law with the income-contingent repayment to be developed for direct lending. That commitment goes a long way toward the intent of our amendment.

We continue to believe that we should also have a simple, clear test between direct lending and guaranteed private-sector loans. We have heard advocates of direct-lending argue that banks cannot offer income-contingent repayment, and we have heard private-sector participants in the current system argue that they would. If the private-sector can offer students repayment as a percentage of income, banks and secondary markets continue to have a role to play in student loans. If they cannot offer income-contingent repayment, then in our view, that is reason enough to phase in direct lending at all schools.

Mr. LIEBERMAN. We will continue to urge the conference to adopt the test proposed in our amendment. If private-sector lenders cannot comply with the income-contingent regulations put out by the Secretary of Education, then, we should move more quickly toward direct lending. If they can provide income-contingency, then we have no objection to a limited phase-in of direct lending.

We thank the chairman of the Committee on Labor and Human Resources for his continued efforts to make student loans work better for students and their families, and we look forward to working together as this provision goes to conference and finally becomes reality.

Mr. BRADLEY. Mr. President, I rise to enjoin my distinguished colleague from Michigan, Senator RIEGLE, in a colloquy on the childhood immunization program in this budget reconciliation bill. My friend from Michigan has worked diligently in a bipartisan way to fashion this program, and this effort has been commended by both sides of the aisle in the Finance Committee. But there remains one provision that needs to be resolved which has been referred to as the books and records provision. I ask my colleague from Michigan if it is his intention to make the necessary changes to this part of the bill when it goes to conference, so that this provision, which describes the process the Secretary will engage in to purchase vaccine, will be consistent with the Federal Acquisition Regulations, and will not permit unnecessary and unwarranted intrusion into the books of the manufacturers from whom the vaccine is purchased.

Mr. RIEGLE. I thank the senior Senator from New Jersey for his kind words and especially for his efforts in crafting this childhood immunization program. I appreciate the opportunity to assure my distinguished colleague from New Jersey that what has come to be known as the books and records provision will be changed so that it will be consistent with the Federal Acquisition Regulations and protect against any unwarranted intrusions into the books of the manufacturers.

Mr. DODD. I appreciate the assurance that my colleague from Michigan has given to the senior Senator from New Jersey regarding the books and records provision of the childhood immunization program. I strongly agree with my colleague from New Jersey that the Federal purchase provision should be consistent with current Federal Acquisition Regulations. I see no justification for changing the rules in this particular case. This sort of expansion of authority would set a bad precedent.

I ask my colleague from Michigan whether the administration supports the change.

Mr. RIEGLE. I understand that Department of Health and Human Services agrees with this change.

THE OMNIBUS RECONCILIATION BILL

Mr. NUNN. Mr. President, I will vote against the Senate reconciliation bill. I give President Clinton high marks for recognizing the magnitude of the deficit and its impact on our country's future. I commend the efforts of the chairman, Senator MOYNIHAN, and the other members of the Finance Committee for their efforts to craft this bill. The bill is better than the House bill in the ratio of spending cuts to tax increases and in its overall deficit reduction. However, the bill does not significantly restrain the runaway growth in entitlement programs, provide incentives for economic growth, or place meaningful controls on discretionary spending.

I announce my opposition to this bill reluctantly. The Federal deficit is an issue of such importance that if we as a Nation do not begin to bring it under control we may be the first generation of Americans to sacrifice the standard of living of our children and grandchildren for our own.

Mr. President, last year Senator DOMENICI and I cochaired the Strengthening of America Commission. Our report concluded that in order to get America's house in order, the most important thing we need to do is lock in a long-term plan to get the Federal budget in balance. But we also concluded that deficit reduction alone is not enough. We need both deficit reduction and economic growth. We will not achieve that growth unless we shift the incentives in the Tax Code from consumption to investment. We must invest in people and technology, and we must completely overhaul the Tax Code to remove the bias against savings and investment that has contributed to our meager rates of saving and investment. Low saving leads to low investment. Low investment leads to low productivity, which causes us to be less competitive. The bottom line is that low investment leads to lower wage levels and less real income for American workers.

This bill, which largely reflects the President's plan, contains some positive elements which are similar to the Strengthening of America report.

The President recognizes that we have a serious deficit problem, and he is willing to put his reputation and his administration on the line to do something about it. He has tried to explain the costs of the status quo. He is trying to make people understand the tragic costs of doing nothing about the deficit and about health care. These problems require strong medicine. If all the focus is on how bad the medicine tastes, and none of the focus is on what the disease is doing to us, then we're not going to be able to pass a tough deficit reduction plan that will really control costs.

The President uses most economic assumptions, instead of assuming higher growth which would produce painless deficit reduction. I don't think many people realize how easy it is to just assume the problem away, or at least give the illusion of significant progress, by assuming higher economic growth. If you let me pick the economic assumptions, I can balance the budget every time. President Clinton did not take that easy road.

President Clinton recognizes that the deficit reduction requires us to address three primary elements together: spending cuts, tax increases, and economic growth. This combination is one of the reasons I opposed the Republican alternative last night. It had many elements I have supported—more spending cuts, entitlements caps, and extension of the so called firewalls between defense, international and domestic discretionary spending—but it perpetuated the myth that you can bring the budget into balance without raising additional revenues or providing economic growth incentives. The Republican alternative also would force the middle-class and below to again foot the whole bill for deficit reduction. In my view, that is not shared sacrifice. It does not meet the fairness test. There is no doubt the middle-class must do their share for deficit reduction, but it must not be a disproportionate share.

The President is also trying to deal with the social deficit at the same time as he is trying to reduce the budget deficit. I particularly applaud his emphasis on children.

Mr. President, these are the positive side of the President's plan, but they are outweighed in my view by the negative side of the reconciliation bill which we must vote on this evening.

The President has proposed a 5-year economic plan. This is too short a timeframe to really deal with the deficit in a decisive way. We need a 10-year plan, something similar to the CSIS Strengthening of America report, to commit both the legislative and executive branches to getting the budget in balance. The President knew he couldn't balance the budget in his first term, and he wisely did not promise what he couldn't deliver. But the problem is we don't have a clear goal to point to so that people know why we are raising their taxes and cutting spending. I think the advantage of a 10-year plan which would balance the budget is that you have a goal that people understand and can measure progress toward. Getting the deficit down to $200 billion by 1998 is not that kind of goal.

Second, the ratio of spending cuts to tax increases, although better than the House bill, is still too low, in my view. At best, it's 1-to-1, that is, $1 of spending cuts for $1 of tax increases. I think a 2-to-1 ratio, which is what OMB Director Panetta originally indicated they were looking for, and which was what we had in our Strengthening of America plan, is essential to keep the deficits from turning upwards in the late 1990s.

Third, this bill contains no substantive mechanism to control entitlement spending. There is no amount of tax increases that will get the deficit under control without wrecking the economy as long as entitlement spending—which is 50 percent of the budget—continues to increase at two or three times the rate of GNP growth. The arithmetic just doesn't add up.

This plan does have some cuts in entitlements, but the difficulty has always been in making sure we actually deliver the entitlement savings—and the revenue increases—that we are promising to make. The danger is that these savings won't materialize, which is what happened to the Gramm-Rudman-Hollings and the 1990 budget agreements. Particularly in the health programs, history has shown that the health care delivery system is ingenious in responding to cuts in one area by finding other ways to increase spending. Without an overall cap, and an enforcement mechanism, there is no way to enforce the mandatory savings in this bill. I think the worst of all worlds is to call for sacrifice, raise taxes, but then the lower deficits never materialize.

Earlier this year, I cosponsored an entitlement cap along with Senators DOMENICI, ROBB and DANFORTH. The House bill has a provision sponsored by Congressman STENHOLM of Texas, which the President agreed to, that tries to lock in the entitlement savings we are agreeing to in this reconciliation bill. It was not as strong as the Nunn-Domenici version, but it is a start. It is unfortunate that we could not strengthen the Stenholm provision in the Senate.

Without some controls on entitlement spending, we have no guideposts for health care reform.

Fourth, as I have made clear in my floor speeches and my amendments earlier this year, I have some serious concerns about the defense cuts we are undertaking. Defense represents about two-thirds of the net spending cuts in the President's plan. Congress has already signed up to large defense cuts but we still do not know what the administration will submit in their Bottom Up Review proposals on how the force can be restructurued to achieve these savings.

The fiscal year 1994 defense budget is increasingly likely to be cut below the level we all agreed to in the budget resolution. This is evidence of a critical problem. It is increasingly clear that the combination of forces in the administration and in the Congress—because of the fiscal squeeze and because of the strong desire to fund other programs—continues to erode the defense budget substantially below President Clinton's proposal. The defense budget is not being attacked directly. Instead, it is being mugged quietly in the dark alleys of the legislative process.

Senator DOMENICI and I offered an amendment earlier today that would remove the incentive for those who would put at risk a strong defense and raid the defense budget for other purposes. The amendment did not prevent a single Member from cutting the defense budget. The amendment did not exempt DOD from the normal scrutiny the Armed Services and the Defense Appropriations Subcommittee give the defense budget. The amendment would not have prevented a single Member of the Senate from offering an amendment to cut a program that he or she believed was ill advised. This amendment would have permitted defense cuts, so long as the savings go to reducing the deficit. And that really is what this entire bill is all about. I believe this is precisely the kind of legislation the President wants and needs to hold together his overall program and maintain a strong defense. I deeply regret that this firewalls amendment that Senator DOMENICI and I offered was not adopted.

Last, I want to highlight my concerns about the lack of savings and investments for the private sector in the Finance Committee bill.

Mr. President, in my opinion, there are two ways to approach our problem of low savings and investment through changes to the Tax Code. One is to try to make incremental changes in the current Tax Code, such as investment tax credits and lower capital gains rates.

The other approach is to undertake a fundamental restructuring of the entire Federal Tax Code, to replace our individual and corporate income tax systems with a new system that exempts savings and investment from taxation, while maintaining the progressivity of the income tax system. I am not talking here about adding a VAT on top of an income tax, I am talking about a tax on income that is consumed for individuals, and on cashflow for corporations. Savings by individuals would not be taxed, and business investments would be expended, or written off, up front.

I strongly believe we must do major surgery on the Tax Code rather than applying more Band-Aids. The President proposed some incremental fixes to the current Tax Code, including an investment tax credit, the R&E tax credit, more generous capital gains and investment expending for small business, passive loss relief for the real estate industry, changes in the alternative minimum tax [AMT] for corporations and empowerment zones to create jobs in depressed areas. In my view, these would provide a modest but useful growth stimulus.

But the Finance Committee bill has scaled back or eliminated so many of the President's proposals that I am concerned that we now have very little in the way of private investment incentives left in this package. The broad-based investment tax credit is gone. The targeted capital gains provision for small business is gone. The capital gains rate for higher income taxpayers has actually been increased by adding a 10-percent surtax. I am not averse to taxing the rich were necessary for fairness, but I do not believe we help the poor and middle class by locking in capital and creating incentives for people not to sell assets that have appreciated.

We need to focus on the long term: What is our goal? Is this package moving us toward our goal or away from it?

In my view, our goal should be to make the fundamental changes necessary to strengthen the economy so that we are in a sound position for the 21st century to compete in the global economy and at the same time to deal with the retirement of the baby boomers.

To achieve this goal we must take two fundamental steps. First, controlling entitlement spending—that half of the budget that is on automatic pilot—and second, undertaking a fundamental overhaul of our tax system to encourage savings and investment.

Mr. President, fundamental change in the area of taxes and entitlement restraint cannot come without strong support by the American public, the Congress and by the President. Without support from the centrists of both political parties, it will not happen.

When the Republican party refuses to participate—when most Republicans refuse to find a single tax increase they will support—when the Republican party retires to the sideline in the hope they will benefit in the next election—then we end up in the kind of situation we face today. We have a package that was designed to pass with only Democratic votes. The result is that the balance in the Congress shifts to the left and this economic package is a result of that shift. I cannot support this result.

Mr. GRASSLEY. Mr. President, the other side's characterization of the ratio of taxes-to-spending cuts is not the only erroneous information they are disseminating. They also have said repeatedly that our side failed to offer amendments in the Finance Committee to lower spending. This is a factual error, Mr. President. There were two such amendments offered by Republicans. I offered one myself.

Also erroneous is the charge that this bill does not hurt the middle class. This is a bold-faced misstatement of fact. This bill does not only hurt the middle class, it hits them square on the head with a two-by-four.

Just look at what it does to small business. It sharply raises marginal tax rates on income and capital gains.

It also raises taxes on anyone who drives a car; anyone who flies the friendly skies; anyone who farms; and, retired couples on Social Security who make more than $40,000.

Perhaps the hardest hit of the middle class is not in their pocketbooks, but in their trust in Government. This President promised them he would cut their taxes. And he said if the deficit got larger, he wouldn't raise their taxes—he would cut new spending to make up the difference.

Did he do that?

Did he do that, Mr. President?

No, he did not. And so this breach of faith is what hurts the middle class most. It's not just the Federal deficit that is soaring. So is the trust deficit.

So, Mr. President, anyone who tries to kid himself and says this bill does not hurt the middle class is in for a rude awakening. Because this bill will hit this country right in its pocketbook, and right in its craw. And they'll know exactly which party to blame.

Let me just say to my colleagues: if you think this is the cure for what ails the Nation, then you're destined for a long-term bout with political psychosis.

Mr. President, as a member of both the Finance Committee and the Budget Committee, I've been involved in the current budget reconciliation process from the beginning. I must say, this has been one of the most disappointing and aggravating budget processes I've dealt with as a Member of Congress.

This President's budget package has been a constantly moving target of ups and downs and indecisions—and one special interest deal after another.

First, the President compaigned on the themes of a middle-class tax cut and spending reductions. He attacked those advocating tax hikes, including a backbreaking gas tax. That helped get him elected, although by a less-than-impressive margin. Once in office, his promises were abandoned, and now we have what will be one of the largest tax increases in history, along with historical spending increases. It's no wonder the President's approval ratings are at an historical low.

Last year, I ran for reelection at the same time Mr. Clinton ran for President. In my campaign, among other issues, I ran against deficit spending and against tax increases. My opponent attacked me over and over on my positions. Well, the people of Iowa sent me back to Washington with an historical 72-percent of the vote. My mandate in November was to cut spending and hold down taxes, and that's what the people back home are still telling me in or overwhelming numbers. And unlike some, I feel like I have an obligation to do what I promised the people I was going to do.

The majority may complain about how they had to produce a bill on their own. Well, we Republicans have been offering suggestions and alternatives throughout the process, and even talking with the President up to a day or so before the Finance Committee met on how to make this process work. It's clear to me that if the President's budget reflected the promises he ran on, we Republicans would be strongly supporting his package.

Unfortunately, this bill was put together in secret behind closed doors. All too often, this has become a dangerous way to legislating that leads to problems down the road.

To the finance chairman's credit, there have been some important improvements made by him in this bill compared to the House bill. The onerous barge tax has been drastically reduced and more spending cuts have been made. The Social Security tax in the bill has been improved, but it's still a tax on middle-income retirees, and I hope to help address that in more detail later.

But, here we are, still with more than $3 in tax increases to every $1 in spending cuts. And, remember that most of the overall cuts don't even come until after the President's term is over.

Now, contrary to what the President pledged in his campaign, we have another backbreaking gas tax before us, as the President put it in the campaign. This is a consumer tax that will be especially hard on rural America. Many of us till haven't learned the lesson from the disastrous 1990 tax bill. As I've said before, if Reagan-Bush economics were called voodoo, then this package is surely deja voodoo.

It's my hope that the Congress will finally listen to the people who elected them by starting over and cutting spending first, not sometime in the distant future, it even then. I hope that, eventually, we will all be able to work together toward this goal.

Mr. EXON. Mr. President, I want to take a few minutes to express my thoughts and views on this very important bill.

Like many of my colleagues, I previously served as Governor before I was elected to the U.S. Senate. As Governor of Nebraska, I had to balance the State's budget on an annual basis and frankly I have always believed that our Federal Government should be operated much the same.

Despite my many documented attempts to stop the continued mad dash of additional spending resulting in trillions of dollars in additional borrowing and billions of additional interest expense, we continue to travel that road. Republicans and Democrats alike have talked a good talk but, despite an almost universal agreement that our deficits are too large, have been stunningly unable to seriously address the issue.

If there is one thing we should be able to agree upon, it is that President Clinton did not create the problem. Instead, he inherited a deficit estimated to be well over $300 billion. Coming from a Governor's office himself, that must have come as somewhat of a shock. Nearly 20 percent of the budget he inherited depends on borrowed money.

Mr. President, I have talked to many Nebraskans about our Federal fiscal situation and I have found that many people believe that our deficit is our only problem. That is, if we get our budget balanced, we are out of the woods. Nothing could be further from the truth.

For in addition to a $300-plus billion deficit, President Clinton inherited a national debt of over $4 trillion. To put some perspective on that number, President Reagan inherited a debt of under $1 trillion in 1980. President Bush inherited a debt of about $2.7 trillion. If President Clinton only had a debt of $1 trillion, or even $2 trillion, he would have a problem but certainly not a near crisis as we now have.

National debts are not merely an accounting ledger. Total interest payments, which were not a major problem for President Reagan, are a major problem for President Clinton. As he noted in his economic address, interest payments are nearly 15 percent of his budget and will surely rise to 20 percent of his budget unless changes are made. Money spent on interest cannot be spent on new programs. It can't even be spent on old programs. It is just spent.

So, when President Clinton announced his economic plans several months ago, I found his actions to be highly responsible and commendable. If he did not know then, he knows now that solving our Federal budget is somewhat like moving a hornet's nest. Everywhere you poke, you are going to get stung right back. We reached this point exactly because it has been the path of least resistance, not because the hard choices have been faced.

Despite my respect for his leadership, I was disappointed with our President's plan in many respects. I thought then, and still do, that by only addressing our deficit spending with a deficit reduction package our President failed to direct enough of our public's attention on our $4 trillion debt. Our President's proposals relied too heavily on tax increases, particularly by including a new Btu tax, and did not adequately address spending. Although the plan, in general, called for shared sacrifice as it should do, it did not pass a fairness test in my view in some respects.

In the many weeks that have passed since our President announced his plans, Congress and the American people have greatly influenced its contents. This has not been a pretty process but that is how our Government works. I have stirred up a few hornets myself. The end result, however, is that we are now working on a product that is much different from what was proposed by our President and, in my view, much better.

The most important change is of course that the Btu tax is out of the package. This is not the time or the place for such a tax. It would have had a major impact on middle-income Americans and while it may be possible to craft such a tax without unfairly hurting agriculture, I am not convinced that had been done.

By eliminating the Btu tax and replacing it largely with additional spending cuts, we have greatly improved the ratio of spending cuts to tax increases in our overall package. We are now better than $1 of spending cuts for each $1 of tax increases. In my view, some tax increases are appropriate but only if they are used to leverage spending cuts.

Here are some facts. We spend money in three categories of our budget; discretionary, entitlement, and interest. We have a discretionary spending freeze in place for the next 5 years. It is enforceable through the budget resolution already passed. We hope to accept the entitlement spending cap as passed by the House of Representatives as well. In the future, we will have much better budget enforcement than ever before.

Nevertheless, I am not convinced that we have done all that we possibly can do to hold the line on spending but this bill surely is a major step in the right direction. To say that it is not is simply ignoring the facts.

Our President's plan did indeed include tax increases. But, the Senate Finance Committee reduced the taxes in this bill as compared to the President's plan.

The Btu tax has been dropped and its substitute, the 4.3-cent transportation fuels tax, is much less burdensome on our average citizen. The personal tax increases fall most heavily, as they should in my view, on those with incomes of over $200,000, with nearly $4 out $5 in taxes coming from those individuals.

I am particularly pleased that this bill includes my proposal to make the proposed increase in Social Security taxation fall only on those who are most able to afford such an increase. By excluding those couples whose income including Social Security is less than $40,000 from paying additional taxes, the proposal now passes the fairness test and many of the additional Medicare cuts that would have hurt rural health care and hospitals have been restored.

Contrary to those who claim that our elderly are greedy and irresponsibly spending the next generation's money, I have found that some of the strongest support for deficit reduction and responsible spending comes from our seniors and that they are willing to pay their fair share.

And, finally, I am very pleased with the improvements to our President's plan as it affected agriculture. The Btu tax has been eliminated. The huge increase in the barge tax has been completely dropped. Along with the Btu tax, that tax would have had a devastating effect on our farmers. The irrigation surcharge has been killed. There is now no energy tax on agriculture, period.

Farm programs are the one area of direct spending that has decreased in recent years. Agriculture has already taken hits and the additional hits that our President recommended were unfair. This bill has agriculture cuts; however, the cuts are about half of those recommended by the President. I successfully pushed in our earlier Budget Committee deliberations to ensure that agriculture was treated fairly.

Another improvement as a result of this bill regards my budget enforcement proposal to help ensure that we do not exceed our annual deficit and national debt projections. My proposal has now been endorsed by the Clinton administration, the Senate majority leader, and the chairman of the Senate Budget Committee. A majority of the Senate just voted for it. Unfortunately, Senate Republicans defeated it because of the requirement for 60 votes rather than 50 votes. However, the issue has gained important endorsements and I will see it through.

In sum, Mr. Ross Perot has said that the devil is in the details and the details of this bill are not perfect but have certainly been improved over the past few weeks. That process can and should continue in the conference with the House of Representatives.

As I indicated earlier, we have two problems, a $300 billion deficit and a more serious $4 trillion debt. President Clinton's opponents have derisively claimed that his budgets will add over $1 trillion to our national debt. While that is technically correct, it is also misleading. President Clinton never had a choice between a balanced budget and one with a $300 billion deficit. He was handed the latter.

President Clinton's choice, and the one now facing our Congress, is between a continuation of the borrow and spend policies that have been mutually beneficial for both political parties over the past 12 years or to begin the difficult and tough process of balancing Government spending with Government revenues. If we fail to follow President Clinton's lead, we will add $500 billion more to our debt over the next 5 years.

One of the lies of the past several years has been that we are going to solve our Federal fiscal problem without asking some Americans to sacrifice. The only people deficit reduction was going to hurt would be the Federal employees who lost their jobs. President Clinton was the first President that I can recall who laid it on the line and told the American people that sacrifices would be needed across the board.

The issue is no longer whether sacrifices are necessary, they are, but whether the sacrifices proposed are shared and fair. Everyone has their own view of what is fair and reasonable but this bill, while not perfect, comes closer than any other plan I have seen. The new taxes fall most heavily on those who can most afford to pay. The spending cuts are not isolated to any one group.

I remain very concerned, however, that we have not done enough. Even with this bill, our deficit spending decreases to only slightly under $200 billion. Our debt will continue to increase. I hope that the American people do not think that we have solved both our deficit spending and Federal debt problems when in fact we have at best only solved part of one. Even with those problems, this is a very important bill for the Congress, our President, and the American people. If this bill fails, we fail and the country will suffer in the long run.

President Clinton took the first step with his proposals and Congress has taken the next step by changing and improving his plan. There remains steps to be taken, such as cutting the space station and superconducting super collider, but those cannot be taken as part of this legislation. But, when we begin considering appropriation bills later this year, I will keep cutting and cutting and cutting.

For today, I believe we must be responsible to do something. We elected a new President. We have debated his package for months. We have made many significant changes to his recommendations. And now is the time to act. I will vote for this bill and urge my colleagues to do the same.

Mr. DOMENICI. Mr. President, it is late and I don't want to prolong the time, but there is an issue I need to discuss briefly. Under the Budget Act there is a provision known as the Byrd rule. This rule was designed to eliminate extraneous, nonbudgetary type provisions from a reconciliation bill.

Compared to past reconciliation bills—while I dislike the overall policy in this one—it is relatively free of extraneous material. But there are a few items.

I am submitting a list of those to the RECORD tonight—and putting the Senate on notice that if the conference comes back with these items—assuming the bill still makes it to conference—I will exercise my rights to bring the point of order against those items and they will be removed from the conference report. The conference report will then have to go back to the House and be voted on again.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

POTENTIALLY EXTRANEOUS PROVISIONS IN SENATE-REPORTED RECONCILIATION BILL

Provisions Without Deficit Effect (Byrd Rule § 313(b)(1)(A))

TITLE I—AGRICULTURE

Subtitle B—Restructuring of Loan Programs

Sec. 1201. Electric and telephone loan programs.

TITLE IV—COMMUNICATIONS AND TRANSPORTATION

Subtitle A Spectrum Allocation and Auction

Sec. 403. National Spectrum Planning.

Sec. 404. Recommendations for Reallocation of Certain Frequencies.

Sec. 405. Withdrawal or Limitation of Assignment to Federal Government Stations.

Sec. 406. Allocation and Assignment of Frequencies by the Commission.

Sec. 407. Authority to Reclaim Reassigned Frequencies.

TITLE VII—MEDICARE, MEDICAID, AND OTHER PROGRAMS

Subtitle A—Medicare

Sec. 7224(b)(2). Intraocular lenses.

Subtitle B—Medicaid Program

Sec. 7422(c). Requirements on nursing facilities.

Subtitle D—Miscellaneous Provisions

Sec. 7702. Extension of, and authorization of appropriations for, Trade Adjustment Assistance program.

Sec. 7801. Childhood findings.

Sec. 7802(a). Recommended pediatric vaccines.

Sec. 7802(e). Coordination with maternal and child health programs.

Sec. 7802(i). Transition rule.

Sec. 7803. Section 2110(c)(2) Exemption from GRH.

Sec. 7952. Use of Harbor Maintenance Trust Fund amounts for administrative expenses (subject to appropriations).

TITLE XIV—FINANCE REVENUES

Sec. 8174. Certain transfers to the Railroad Retirement account made permanent.

TITLE XII—COMMITTEE ON LABOR AND HUMAN RESOURCES

Subtitle A—Student Loan Provisions

Chapter 3—Conforming Amendments

Subchapter A—Conforming Amendments to the Higher Education Act of 1965

Sec. 12047. Authority to Use Optically Imaged Documents.

Subtitle B—Public Health Service Act Provisions

Sec. 12102. Physician Ownership Study.

Sec. 12105. Federal Tort Claims Amendments.

Mr. MITCHELL. Mr. President, in every human endeavor, there comes a time for action, a time when the words must end and the deeds begin. For those who have so loudly endorsed making real spending cuts and making real deficit reductions, that time is now.

How did we get here? When President Clinton took office, he inherited a national debt that, in 12 years, had increased from $900 billion in 1981 to over $4 trillion today. That's a fivefold increase in the debt in 12 years.

President Clinton came into office determined to change that pattern, to halt the ever-escalating deficits, the ever-growing debt, the soaring interest costs that are coming out of the pockets of every working American family. He came into office to stand up, show some courage, and deal with a serious national problem.

It's not surprising that those comfortable with the status quo have done everything in their power to oppose his effort, to try to pick this bill to pieces bit by bit, to misrepresent what it is, to distort who will pay, to misstate the facts.

The truth is that restoring fiscal responsibility is not easy or comfortable or painless for anyone.

The deficit reduction plan before us will help to restore fiscal responsibility. The deficit reduction plan totals $500 billion over the next 5 years, the largest, most comprehensive, most balanced package of spending cuts and revenues offered by any President.

I urge everyone who truly wants to reduce the deficit to vote for this proposal.

It contains explicit, clear and tough proposals for spending cuts and needed revenues.

The plan is balanced and fair. Everyone is asked to share the burden. Everyone is asked to bear a fair share, according to their ability. Nearly 80 percent of the revenues will be paid by those earning more than $200,000. The average share for families earning between $40,000 and $50,000 a year is about $10 a month, about three-tenths of 1 percent of their income.

Those able to pay more are asked to pay more. Those unable to pay much more aren't asked to pay much more. Those unable to pay anymore at all aren't asked to pay anymore at all. As a result, families with incomes under $30,000 will see a net tax reduction.

I repeat: No other plan asks all Americans to share, according to their ability, in the goal of restoring broad economic growth and prosperity to working people.

The choice the Senate faces—the choice America faces—isn't between this plan and a better plan. This is not a choice between credible alternatives. It's this deficit reduction plan or no deficit reduction plan.

The opponents of this plan have one purpose: To embarrass and defeat the President.

But this President is the first one willing to step up to his responsibility and to stand up for a realistic program that will cut the deficit. He is not ducking the responsibilities of leadership.

It is now time to fish or cut bait.

A vote for this bill is a vote to reduce the deficit by $500 billion. A vote against this bill is a vote for more of what we've had for a decade—skyrocketing deficits, rising debt, a bleak future for our people.

This is an honest, balanced and serious proposal. It is the largest single deficit reduction package offered by any President. It deserves the support of the Senate—not for the President, but for the American people.

Mr. DOLE. Mr. President, we are coming to the end of what could turn out to be the most important debate of the year. There's no doubt in my mind that it is a debate that will stand as a defining issue for many years to come. When taxpayers want to find out who was on their side, they'll take a look at this vote and they'll know who earned their trust, and they'll know who earned a place on "Mount Tax-More." Because the choice couldn't be any clearer: a vote for President Clinton's plan is a vote for classic, big time tax-and-spend Government.

Make no mistake, if you like big taxes and big spending, then President Clinton's plan is for you. If you like sending more of your hard earned tax dollars to Washington, then President Clinton's plan is for you. If you like the biggest tax increase in history, then you can start your celebration.

But if you're sick and tired of the status quo, sick and tired of big Government and big taxes, and sick and tired of all those phony promises about change and reform, then you're pretty mad right now about what's going to happen in the Senate tonight.

When the American people look back at this vote, they will remember that Senate Republicans offered a much better approach to deficit reduction. That's why we called our alternative the taxpayers alternative. It was a main street, common sense approach: it said, cut spending first. It was a taxpayer-friendly solution: it said, cut spending first. It was an antidote to the Clinton administration's rampant tax fever: it said, cut spending first.

Unfortunately, 54 Senate Democrats voted yesterday to defeat our taxpayers alternative. I guess old tax and spend habits are hard to break.

It's too bad. Our cut-spending-first plan contained $329 billion in tough, enforceable spending cuts, and not one dime in tax increases. Without any tax increases, our plan reduced the deficit more than the President's plan by 1998. In fact, beginning in 1998, our proposal would have continually produced lower deficits than the President's plan. And, in stark contrast to the Democrats' tax-now cut-later plan, our cut-spending-first plan would move toward a balanced budget in future years.

That's the kind of economic plan that would restore confidence in our free enterprise system. But when I ask businessmen and women across the country how the President's policies have affected their decisions to hire new workers, invest in new equipment or expand, they're quick to tell me they can't afford to expand or hire new workers.

Earlier today, I mentioned Les Brandt of Topeka, KS, a small businessman who told me he's not going to expand his business this year. Mr. Brandt owns Modern Air of Topeka, an eight-man operation in the heating and air-conditioning business. But he says he won't expand because, and I quote, "Decisions in Washington could take the whole business away." In other words, he's heard about the Clinton tax agenda, and he's scared to death.

And it's not only Kansas. Employers and investors all across the Nation are worried. Just ask the good folks at Superior Technical Ceramics Corp., a 100-year old family-owned business in St. Albans, VT. According to Earlyn Church, vice president of Superior, of the $300,000 the company made in profits last year, it invested $160,000, that's more than half of its profits, into a profit-sharing plan for their 90 employees, working Americans who are probably surprised to learn that they are now considered rich by the President. With the new Clinton tax increases, the company will be unable to contribute anything this year.

It's no wonder so many businesses say the President's tax plan will force them to lay off workers, and scale back their operations.

And remember, these employers—these job creators—are worried that the world record Clinton tax plan is just the first installment. They realize that even if they manage to survive this first tax avalanche, they could be buried alive by the soon-to-be-released White House health care plan, another massive tax solution to a national problem.

Mr. President, let's set the record straight. This deficit reduction effort has been a one-way street; a one-party monopoly, designed to lock out Republicans, lock out competition, and to lock out the taxpayers. This process has been a one-party affair—if you're not a congressional Democrat, don't bother coming to the party, you're not invited. Meanwhile, a disgusted main street America watched from afar, and didn't like what it saw.

Let the record show that there were many Republicans who made it clear to the President, Secretary Bentsen, Chairman MOYNIHAN, and others, that Republicans were ready and eager to work with the President to get the deficit under control.

But time and time again, our offers to sit down to hammer out a bipartisan deficit reduction plan were rejected.

So here we are, paralyzed by Democratic gridlock. It's the kind of take-it-or-leave-it gridlock which has infuriated the American people, the kind of paralysis that freezes out all alternative solutions. The Democrats have gone back to the future—gridlocking back to the days of good old-fashioned tax and spend. They love it.

The choice tonight couldn't be more clear: Senators can vote for President Clinton's recordbreaking tax increase, or they can cast a vote for America's taxpayers, and send a wake-up call to the White House.

The President has tried to make this a defining moment of his Presidency. He's right, it is and will be for years to come: he's already earned his place on "Mount Tax-More."

The taxpayers are watching. When the votes are counted, they'll remember who was on their side.

Mr. MITCHELL. Mr. President, this has been a very long 2 days and a difficult and controversial bill. But I ask all my colleagues to continue to conduct the proceedings of the Senate with dignity and civility and we can get through this in a reasonable time.

I am advised the amendment will not be offered.

I would like now to ask the distinguished chairman of the committee and managers of the bill to proceed so we can bring this matter to a conclusion.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of H.R. 2264, the House companion bill, all time be yielded back, the text of S. 1134, as amended, be substituted in lieu thereof, the bill be advanced to third reading, and that a vote occur on the passage of the bill without intervening action or debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The majority leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Republican leader be recognized for 1 minute, following which I be recognized for 1 minute.

The VICE PRESIDENT. Without objection, it is so ordered. The Republican leader is recognized.

Mr. DOLE. Mr. President, the choice tonight could not be more clear. Senators can vote for President Clinton's recordbreaking tax increase or they can cast a vote for America's taxpayers and send a wake up call to the White House and to the Congress. The President has tried to make this a defining moment of his Presidency. He is right. It is and will be for years to come. He has already earned his place on Mount Taxmore.

The VICE PRESIDENT. The majority leader.

Mr. MITCHELL. Mr. President, for 12 years we have laughed as the national debt has gone up. We have had jokes, not deeds. We have had talk, not action. It is now time for action.

This Chamber has been filled to overflowing with speeches about the need to reduce the deficit and there is only one way to reduce the deficit and that is to vote for this package. There is no other alternative. No other serious or credible alternative has been presented in either Chamber. If you mean to reduce the deficit you must vote for this package.

Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. The yeas and nays have been requested.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall the bill pass?

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington, [Mrs. MURRAY] is absent because of illness.

I further announce that if present and voting,the Senator from Washington [Mrs. MURRAY], would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania, [Mr. SPECTER] is absent because of illness.

The yeas and nays resulted, yeas 49, nays 49, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—49

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Kennedy
Kerrey
Kerry
Kohl
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Simon
Wellstone
Wofford

NAYS—49

Bennett
Bond
Brown
Bryan
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Jeffords
Johnston
Kassebaum
Kempthorne
Lautenberg
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Shelby
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Murray
Specter

The VICE PRESIDENT. On this vote, the yeas are 49, the nays are 49. The Senate being equally divided, the Vice President votes in the affirmative and the bill (H.R. 2264) is passed.

The bill (H.R. 2264), as amended, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 2264) entitled "An Act to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Omnibus Budget Reconciliation Act of 1993".

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

TITLE II—COMMITTEE ON ARMED SERVICES

TITLE III—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

TITLE IV—COMMUNICATIONS AND TRANSPORTATION

TITLE V—COMMITTEE ON ENERGY AND NATURAL RESOURCES

TITLE VI—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

TITLE VII—FINANCE COMMITTEE RECONCILIATION PROVISIONS RELATING TO MEDICARE, MEDICAID, AND OTHER PROGRAMS

TITLE VIII—FINANCE COMMITTEE REVENUE PROVISIONS

TITLE IX—COMMITTEE ON FOREIGN RELATIONS

TITLE X—COMMITTEE ON GOVERNMENTAL AFFAIRS

TITLE XI—COMMITTEE ON THE JUDICIARY

TITLE XII—COMMITTEE ON LABOR AND HUMAN RESOURCES

TITLE XIII—VETERANS' PROGRAMS

TITLE XIV—ENFORCEMENT PROCEDURES

TITLE XV—MISCELLANEOUS PROVISIONS

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

SEC. 1001. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Agricultural Reconciliation Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 1001. Short title and table of contents.

Subtitle A—Commodity Programs

Sec. 1101. Wheat program.
Sec. 1102. Feed grain program.
Sec. 1103. Upland cotton program.
Sec. 1104. Rice program.
Sec. 1105. Dairy program.
Sec. 1106. Tobacco program.
Sec. 1107. Sugar program.
Sec. 1108. Oilseeds program.
Sec. 1109. Peanut program.
Sec. 1110. Honey program.
Sec. 1111. Wool and mohair program.

Subtitle B—Restructuring of Loan Programs

Sec. 1201. Electric and telephone loan programs.

Subtitle C—Food Stamp Program

Sec. 1301. Uniform reimbursement rates.

Subtitle D—Agricultural Trade

Sec. 1401. Market promotion program.
Sec. 1402. Acreage reduction requirements.
Sec. 1403. End-use certificates.
Sec. 1404. Sense of Congress regarding the export of vegetable oil.

Subtitle E—Miscellaneous

Sec. 1501. Federal crop insurance.
Sec. 1502. Environmental conservation acreage reserve program amendments.
Sec. 1503. Admission, entrance, and recreation fees.
Sec. 1504. Sense of the Senate regarding deficit reduction.

Subtitle A—Commodity Programs

SEC. 1101. WHEAT PROGRAM.

Section 107B(c)(1)(E) of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a(c)(1)(E)) is amended—

(1) in the subparagraph heading, by striking "0/92 PROGRAM" and inserting "0/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (vii)),", and by adding at the end of the subparagraph the following new clause:

"(vii) EXCEPTIONS TO 0/85.—In the case of each of the 1994 and 1995 crops of wheat, producers on a farm shall be eligible to receive deficiency payments as provided in clause (ii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(I)(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster); and

"(bb) the producers elect to devote a portion of the maximum payment acres for wheat (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the wheat acreage, to conservation uses; or

"(II) the producers elect to devote a portion of the maximum payment acres for wheat (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the wheat acreage, to alternative crops as provided in subparagraph (F).".

SEC. 1102. FEED GRAIN PROGRAM.

(a) 0/92 PROGRAM.—Section 105B(c)(1)(E) of the Agricultural Act of 1949 (7 U.S.C. 1444f(c)(1)(E)) is amended—

(1) in the subparagraph heading, by striking "0/92 PROGRAM" and inserting "0/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (vii)),", and by adding at the end of the subparagraph the following new clause:

"(vii) EXCEPTIONS TO 0/85.—In the case of each of the 1994 and 1995 crops of feed grains, producers on a farm shall be eligible to receive deficiency payments as provided in clause (ii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(I)(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster); and

"(bb) the producers elect to devote a portion of the maximum payment acres for feed grains (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the feed grain acreage, to conservation uses; or

"(II) the producers elect to devote a portion of the maximum payment acres for feed grains (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the feed grain acreage, to alternative crops as provided in subparagraph (F).".

(b) TECHNICAL AMENDMENT.—Section 105B(c)(1)(B)(iii)(IV)(bb) of such Act is amended by striking "clause (i)(I)" and inserting "clauses (i)(I) and (ii)(I)".

SEC. 1103. UPLAND COTTON PROGRAM.

(a) 50/92 PROGRAM.—Section 103B(c)(1)(D) of the Agricultural Act of 1949 (7 U.S.C. 1444–2(c)(1)(D)) is amended—

(1) in the subparagraph heading, by striking "50/92 PROGRAM" and inserting "50/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (v)(II)),", and in clause (v)—

(A) by striking "(v) PREVENTED PLANTING.—If" and inserting the following:

"(v) PREVENTED PLANTING AND REDUCED YIELDS.—

"(I) 1991 THROUGH 1993 CROPS.—In the case of each of the 1991 through 1993 crops of upland cotton, if"; and

(B) by adding at the end the following new subclause:

"(II) 1994 AND 1995 CROPS.—In the case of each of the 1994 and 1995 crops of upland cotton, producers on a farm shall be eligible to receive deficiency payments as provided in clause (iii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster) and the producers elect to devote a portion of the maximum payment acres for upland cotton (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the upland cotton acreage, to conservation uses; or

"(bb) the producers elect to devote a portion of the maximum payment acres for upland cotton (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the upland cotton acreage, to alternative crops as provided in subparagraph (E).".

(b) ACREAGE LIMITATION PROGRAM.—Section 103B(e)(1)(D) of such Act is amended by inserting after "30 percent" the following: "for each of the 1991 through 1994 crops, and 29½ percent for the 1995 crop".

SEC. 1104. RICE PROGRAM.

Section 101B(c)(1)(D) of the Agricultural Act of 1949 (7 U.S.C. 1441–2(c)(1)(D)) is amended—

(1) in the subparagraph heading, by striking "50/92 PROGRAM" and inserting "50/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (v)(II)),", and in clause (v)—

(A) by striking "(v) PREVENTED PLANTING.—If" and inserting the following:

"(v) PREVENTED PLANTING AND REDUCED YIELDS.—

"(I) 1991 THROUGH 1993 CROPS.—In the case of each of the 1991 through 1993 crops of rice, if"; and

(B) by adding at the end the following new subclause:

"(II) 1994 AND 1995 CROPS.—In the case of each of the 1994 and 1995 crops of rice, producers on a farm shall be eligible to receive deficiency payments as provided in clause (iii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster) and the producers elect to devote a portion of the maximum payment acres for rice (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the rice acreage, to conservation uses; or

"(bb) the producers elect to devote a portion of the maximum payment acres for rice (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the rice acreage, to alternative crops as provided in subparagraph (E).".

SEC. 1105. DAIRY PROGRAM.

(a) IN GENERAL.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(1) in subsection (c)(3)—

(A) in the first sentence of subparagraph (A), by striking "The Secretary" and inserting "Subject to subparagraph (B), the Secretary";

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) GUIDELINES.—In the case of purchases of butter and nonfat dry milk that are made by the Secretary under this section on or after the date of enactment of this clause, in allocating the rate of price support between the purchase prices of butter and nonfat dry milk under this paragraph, the Secretary may not—

"(i) offer to purchase butter for more than $0.65 per pound; or

"(ii) offer to purchase nonfat dry milk for less than $1.034 per pound."; and

(2) in subsection (h)(2)—

(A) by striking "and" at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(C) during calendar year 1996, 10 cents per hundredweight of milk marketed, which rate shall be adjusted on or before May 1 of calendar year 1996 in the manner provided in subparagraph (B).".

(b) SALE, MARKETING, OR USE OF BOVINE GROWTH HORMONE.—Section 204 of such Act is amended—

(1) by redesignating subsection (k) as subsection (l); and

(2) by inserting after subsection (j) the following new subsection:

"(k) SALE, MARKETING, OR USE OF BOVINE GROWTH HORMONE.—

"(1) DEFINITION OF BOVINE GROWTH HORMONE.—As used in this subsection, the term 'bovine growth hormone' means a synthetic growth hormone produced through the process of recombinant DNA techniques that is intended for use in bovine animals.

"(2) PROHIBITION ON SALE, MARKETING, OR USE.—During the period beginning on the date of enactment of this paragraph and ending on September 30, 1994, it shall be unlawful for a person to sell, market, or use bovine growth hormone for commercial agricultural purposes.

"(3) ENFORCEMENT.—Not later than 30 days after the date of enactment of this paragraph, the Secretary shall issue regulations to provide for the enforcement of the prohibition contained in paragraph (2).".

(c) CONFORMING AMENDMENTS.—Section 204 of such Act is amended—

(1) in the section heading, by striking "**1995**" and inserting "**1996**";

(2) by striking "1995" each place it appears (other than in subsection (h)(2)(B)) and inserting "1996"; and

(3) in subsection (g)(2), by striking "1994" and inserting "1995".

SEC. 1106. TOBACCO PROGRAM.

(a) DOMESTIC MARKETING ASSESSMENT.—Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is amended by adding at the end the following new section:

"SEC. 320C. DOMESTIC MARKETING ASSESSMENT.

"(a) CERTIFICATION.—A domestic manufacturer of cigarettes shall certify to the Secretary, for each calendar year, the percentage of the quantity of tobacco that the manufacturer uses to produce cigarettes during the year that is produced in the United States.

"(b) PENALTIES.—

"(1) IN GENERAL.—A domestic manufacturer of cigarettes that has failed, as determined by the Secretary after notice and opportunity for a hearing, to use in the manufacture of cigarettes during a calendar year at least 75 percent of tobacco produced in the United States, or to comply with subsection (a), shall be subject to the requirements of subsections (c), (d), and (e).

"(2) FAILURE TO CERTIFY.—For purposes of this section, if a manufacturer fails to comply with subsection (a), the manufacturer shall be presumed to have used only imported tobacco in the manufacture of cigarettes produced by the manufacturer.

"(3) REPORTS AND RECORDS.—The Secretary may require a manufacturer to make such reports and maintain such records as are necessary to carry out this section in accordance with section 373.

"(c) DOMESTIC MARKETING ASSESSMENT.—

"(1) IN GENERAL.—A domestic manufacturer of cigarettes described in subsection (b) shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in accordance with this subsection.

"(2) AMOUNT.—The amount of an assessment imposed on a manufacturer under this subsection shall be determined by multiplying—

"(A) the quantity by which the quantity of imported tobacco used by the manufacturer to produce cigarettes during a preceding calendar year exceeds 25 percent of the quantity of all tobacco used by the manufacturer to produce cigarettes during the preceding calendar year; by

"(B) the difference between—

"(i) ½ of the sum of—

"(I) the average price per pound received by domestic producers for Burley tobacco during the preceding calendar year; and

"(II) the average price per pound received by domestic producers for Flue-cured tobacco during the preceding calendar year; and

"(ii) the average price per pound of unmanufactured imported tobacco during the preceding calendar year, as determined by the Secretary.

"(3) COLLECTION.—An assessment imposed under this subsection shall be—

"(A) collected by this Secretary and transmitted to the Commodity Credit Corporation; and

"(B) enforced in the same manner as provided in section 320B.

"(d) PURCHASE OF BURLEY TOBACCO.—

"(1) IN GENERAL.—A domestic manufacturer of cigarettes described in subsection (b) shall purchase from the inventories of the producer-owned cooperative marketing associations for Burley tobacco described in section 320B(a)(2), at the applicable list price published by the association, the quantity of tobacco described in paragraph (2).

"(2) QUANTITY.—Subject to paragraph (3), the quantity of Burley tobacco required to be purchased by a manufacturer during a calendar year under this subsection shall equal ½ of the quantity of imported tobacco used by the manufacturer to produce cigarettes during the preceding calendar year that exceeds 25 percent of the quantity of all tobacco used by the manufacturer to produce cigarettes during the preceding calendar year.

"(3) LIMITATION.—If the total quantity of Burley tobacco required to be purchased by all manufacturers under paragraph (2) would reduce the inventories of the producer-owned cooperative marketing associations for Burley tobacco to less than the reserve stock level for Burley tobacco, the Secretary shall reduce the quantity of tobacco required to be purchased by manufacturers under paragraph (2), on a pro rata basis, to ensure that the inventories will not be less than the reserve stock level for Burley tobacco.

"(4) NONCOMPLIANCE.—If a manufacturer fails to purchase from the inventories of the producer-owned cooperative marketing associations the quantity of Burley tobacco required under this subsection, the manufacturer shall be subject to a penalty of 75 percent of the average market price (calculated to the nearest whole cent) for Burley tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.

"(5) PURCHASE REQUIREMENTS.—Tobacco purchased by a manufacturer under this subsection shall not be included in determining the quantity of tobacco purchased by the manufacturer under section 320B.

"(e) PURCHASE OF FLUE-CURED TOBACCO.—

"(1) IN GENERAL.—A domestic manufacturer of cigarettes described in subsection (b) shall purchase from the inventories of the producer-owned cooperative marketing association for Flue-cured tobacco described in section 320B(a)(2), at the applicable list price published by the association, the quantity of tobacco described in paragraph (2).

"(2) QUANTITY.—Subject to paragraph (3), the quantity of Flue-cured tobacco required to be purchased by a manufacturer during a calendar year under this subsection shall equal ½ of the quantity of imported tobacco used by the manufacturer to produce cigarettes during the preceding calendar year that exceeds 25 percent of the quantity of all tobacco used by the manufacturer to produce cigarettes during the preceding calendar year.

"(3) LIMITATION.—If the total quantity of Flue-cured tobacco required to be purchased by all manufacturers under paragraph (2) would reduce the inventories of the producer-owned cooperative marketing association for Flue-cured tobacco to less than the reserve stock level for Flue-cured tobacco, the Secretary shall reduce the quantity of tobacco required to be purchased by manufacturers under paragraph (2), on a pro rata basis, to ensure that the inventories will not be less than the reserve stock level for Flue-cured tobacco.

"(4) NONCOMPLIANCE.—If a manufacturer fails to purchase from the inventories of the producer-owned cooperative marketing association the quantity of Flue-cured tobacco required under this subsection, the manufacturer shall be subject to a penalty of 75 percent of the average market price (calculated to the nearest whole cent) for Flue-cured tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.

"(5) PURCHASE REQUIREMENTS.—Tobacco purchased by a manufacturer under this subsection shall not be included in determining the quantity of tobacco purchased by the manufacturer under section 320B.

"(f) ENFORCEMENT.—The Secretary may enforce this section in the courts of the United States.".

(b) BUDGET DEFICIT ASSESSMENT.—

(1) IN GENERAL.—Section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended—

(A) in subsection (g)(1), by striking "1995" and inserting "1998"; and

(B) by adding at the end the following new subsection:

"(h)(1) Effective only for each of the 1994 through 1998 crops of tobacco, an importer of tobacco that is produced outside the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to the product obtained by multiplying—

"(A) the number of pounds of tobacco that is imported by the importer; by

"(B) the sum of—

"(i) the per pound marketing assessment imposed on purchasers of domestic Burley tobacco pursuant to subsection (g); and

"(ii) the per pound marketing assessment imposed on purchasers of domestic Flue-cured tobacco pursuant to subsection (g).

"(2) An assessment imposed under this subsection shall be paid by the importer.

"(3)(A) The importer shall remit the assessment at such time and in such manner as may be prescribed by the Secretary.

"(B) If the importer fails to comply with subparagraph (A), the importer shall be liable for a marketing penalty at a rate equal to 37.5 percent of the sum of the average market price (calculated to the nearest whole cent) of Flue-cured and Burley tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.

"(C) The Secretary may reduce an assessment in such amount as the Secretary determines equitable in any case in which the Secretary determines that the failure was unintentional or without knowledge on the part of the person concerned.

"(D) Any assessment provided for under this subsection shall be assessed by the Secretary after notice and opportunity for a hearing.

"(4)(A) Any person against whom a penalty is assessed under this subsection may obtain review of the penalty in an appropriate district court of the United States by filing a civil action in the court not later than 30 days after the penalty is imposed.

"(B) The Secretary shall promptly file in the court a certified copy of the record on which the penalty is based.

"(5) The district courts of the United States shall have jurisdiction to review and enforce any penalty imposed under this subsection.

"(6) An amount equivalent to any penalty collected by the Secretary under this subsection shall be deposited for use by the Commodity Credit Corporation.".

(2) IMPORTER ASSESSMENTS FOR NO NET COST TOBACCO FUND.—Section 106A of such Act (7 U.S.C. 1445–1) is amended—

(A) in subsection (c), by inserting "and importers" after "purchasers";

(B) in subsection (d)(1)(A)—

(i) by striking "and" at the end of clause (i); and

(ii) by inserting after clause (ii) the following new clause:

"(iii) each importer of Flue-cured or Burley tobacco shall pay to the appropriate association, for deposit in the Fund of the association, an assessment, in an amount that is equal to the product obtained by multiplying—

"(I) the number of pounds of tobacco that is imported by the importer; by

"(II) the sum of the amount of per pound producer contributions and purchaser assessments that are payable by domestic producers and purchasers of Flue-cured and Burley tobacco under clauses (i) and (ii); and";

(C) in subsection (d)(2)—

(i) by inserting "or importer" after "or purchaser";

(ii) by striking "and" at the end of subparagraph (B);

(iii) by inserting "and" at the end of subparagraph (C); and

(iv) by adding at the end the following new subparagraph:

"(D) if the tobacco involved is imported by an importer, from the importer."; and

(D) in subsection (h)(1)—

(i) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(ii) by inserting after subparagraph (A) the following new subparagraph:

"(B) Each importer who fails to pay to the association an assessment as required by subsection (d)(2) at such time and in such manner as may be prescribed by the Secretary, shall be liable, in addition to any amount due, to a marketing penalty at a rate equal to 75 percent of the average market price (calculated to the nearest whole cent) for the respective kind of tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.".

(3) IMPORTER ASSESSMENTS TO NO NET COST TOBACCO ACCOUNT.—Section 106B of such Act (7 U.S.C. 1445–2) is amended—

(A) in subsection (c)(1), by striking "producers and purchasers" and inserting "producers, purchasers, and importers";

(B) in subsection (d)(1)—

(i) by designating the first and second sentences as subparagraphs (A) and (B), respectively; and

(ii) by adding at the end the following new subparagraph:

"(C) The Secretary shall also require (in lieu of any requirement under section 106A(d)(1)) that each importer of Flue-cured and Burley tobacco shall pay to the Corporation, for deposit in the Account of the association, an assessment, as determined under paragraph (2) and collected under paragraph (3), with respect to purchases of all such kind of tobacco imported by the importer.";

(C) in subsection (d)(2), by adding at the end the following new subparagraph:

"(C) The amount of the assessment to be paid by importers shall be an amount that is equal to the product obtained by multiplying—

"(i) the number of pounds of tobacco that is imported by the importer; by

"(ii) the sum of the amount of per pound producer and purchaser assessments that are payable by domestic producers and purchasers of the respective kind of tobacco under this paragraph.";

(D) in subsection (d)(3), by adding at the end the following new subparagraph:

"(D) If Flue-cured or Burley tobacco is imported by an importer, any importer assessment required by subsection (d) shall be collected from the importer."; and

(E) in subsection (j)(1)—

(i) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(ii) by inserting after subparagraph (A) the following new subparagraph:

"(B) Each importer who fails to pay to the Corporation an assessment as required by subsection (d) at such time and in such manner as may be prescribed by the Secretary, shall be liable, in addition to any amount due, to a marketing penalty at a rate equal to 75 percent of the average market price (calculated to the nearest whole cent) for the respective kind of tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.".

(c) FEES FOR INSPECTING IMPORTED TOBACCO.—The second sentence of section 213(d) of the Tobacco Adjustment Act of 1983 (7 U.S.C. 511r(d)) is amended by inserting before the period at the end the following: ", and which shall be comparable to fees and charges fixed and collected for services provided in connection with tobacco produced in the United States".

(d) EXTENSION OF QUOTA REDUCTION FLOORS.—

(1) BURLEY TOBACCO.—Section 319(c)(3)(C)(ii) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(c)(3)(C)(ii)) is amended—

(A) by striking "1993" and inserting "1996"; and

(B) by inserting before the period at the end the following: ", except that, in the case of each of the 1995 and 1996 crops of Burley tobacco, the Secretary may waive the requirements of this clause if the Secretary determines that the requirements would likely result in inventories of the producer-owned cooperative marketing associations for Burley tobacco described in section 320B(a)(2) to exceed 150 percent of the reserve stock level for Burley tobacco".

(2) FLUE-CURED TOBACCO.—Section 317(a)(1)(C)(ii) of such Act (7 U.S.C. 1314c(a)(1)(C)(ii)) is amended—

(A) by striking "1993" and inserting "1996"; and

(B) by inserting before the period at the end the following: ", except that, in the case of each of the 1995 and 1996 crops of Flue-cured tobacco, the Secretary may waive the requirements of this clause if the Secretary determines that the requirements would likely result in inventories of the producer-owned cooperative marketing association for Flue-cured tobacco described in section 320B(a)(2) to exceed 150 percent of the reserve stock level for Flue-cured tobacco".

SEC. 1107. SUGAR PROGRAM.

Section 206(i) of the Agricultural Act of 1949 (7 U.S.C. 1446g(i)) is amended—

(1) in paragraph (1), by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of marketings during each of fiscal years 1992 through 1994, .18 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

"(B) in the case of marketings during each of fiscal years 1995 and 1996, .198 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing)."; and

(2) in paragraph (2), by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of marketings during each of fiscal years 1992 through 1994, .193 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

"(B) in the case of marketings during each of fiscal years 1995 and 1996, .2123 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.".

SEC. 1108. OILSEEDS PROGRAM.

(a) LOAN LEVEL.—Section 205(c) of the Agricultural Act of 1949 (7 U.S.C. 1446f(c)) is amended—

(1) in paragraph (1), by inserting after "$5.02 per bushel" the following: "for each of the 1991 through 1993 crops and $4.92 per bushel for each of the 1994 and 1995 crops"; and

(2) in paragraph (2), by inserting after "$0.089 per pound" the following: "for each of the 1991 through 1993 crops and $0.087 per pound for each of the 1994 and 1995 crops".

(b) LOAN MATURITY.—Section 205(h) of such Act is amended by striking "mature on the last day of the 9th month following the month the application for the loan is made." and inserting the following: "mature—

"(1) in the case of each of the 1991 through 1993 crops, on the last day of the 9th month following the month the application for the loan is made; and

"(2) in the case of each of the 1994 and 1995 crops, on the last day of the 9th month following the month the application for the loan is made, except that the loan may not mature later than the last day of the fiscal year in which the application is made.".

(c) LOAN ORIGINATION FEE.—Section 205(m) of such Act is amended by adding at the end the following new paragraph:

"(3) APPLICABILITY.—This subsection shall apply only to each of the 1991 through 1993 crops of oilseeds.".

SEC. 1109. PEANUT PROGRAM.

Section 108B(g) of the Agricultural Act of 1949 (7 U.S.C. 1445c–3(g)) is amended—

(1) in paragraph (1), by inserting after "1 percent" both places it appears the following: "for each of the 1991 through 1993 crops, and 1.1 percent for each of the 1994 and 1995 crops,"; and

(2) in paragraph (2)(A)—

(A) in clause (i), by striking "½ percent" and inserting ".5 percent for each of the 1991 through 1993 crops, and .6 percent for each of the 1994 and 1995 crops,"; and

(B) in clause (ii), by striking "½ percent" and inserting ".5 percent".

SEC. 1110. HONEY PROGRAM.

(a) REDUCED SUPPORT RATE.—Section 207(a) of the Agricultural Act of 1949 (7 U.S.C. 1446h(a)) is amended by striking "than 53.8 cents per pound." and inserting the following: "than—

"(1) 53.8 cents per pound for each of the 1991 through 1993 crops; and

"(2) 47 cents per pound for each of the 1994 through 1997 crops.".

(b) PAYMENT LIMITATIONS.—Section 207(e)(1) of such Act is amended—

(1) by striking "and" at the end of subparagraph (C); and

(2) by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) $125,000 in the 1994 crop year;

"(E) $100,000 in the 1995 crop year;

"(F) $75,000 in the 1996 crop year; and

"(G) $50,000 in the 1997 crop year.".

(c) CONFORMING AMENDMENTS.—Section 207 of such Act (as amended by subsection (b)) is further amended by striking "1995" each place it appears (other than in subsection (e)(1)(E)) and inserting "1997".

SEC. 1111. WOOL AND MOHAIR PROGRAM.

(a) PAYMENT LIMITATIONS.—Section 704(b)(1) of the National Wool Act of 1954 (7 U.S.C. 1783(b)(1)) is amended—

(1) by striking "and" at the end of subparagraph (C); and

(2) by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) $125,000 for the 1994 marketing year;

"(E) $100,000 for the 1995 marketing year;

"(F) $75,000 for the 1996 marketing year; and

"(G) $50,000 for the 1997 marketing year.".

(b) SUPPORT PRICE FOR SHORN WOOL.—Paragraph (3) of section 703(b) of such Act (7 U.S.C. 1782(b)(3)) is amended to read as follows:

"(3) Effective only for each of the 1994 through 1997 marketing years, the support price for shorn wool shall not exceed the support *price for shorn wool for the 1993 marketing year.".*

(c) MARKETING ASSESSMENT.—Section 704(c) of such Act (7 U.S.C. 1783(c)) is amended by striking "through 1995" and inserting "and 1992".

(d) MARKETING CHARGES.—Section 706 of such Act (7 U.S.C. 1785) is amended by inserting after the second sentence the following new sentence: "In determining the net sales proceeds and national payment rates for shorn wool and shorn mohair, the Secretary shall not deduct marketing charges for commissions, coring, or grading.".

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) TECHNICAL AMENDMENT.—Section 703(b)(2) of such Act (7 U.S.C. 1782(b)(2)) is amended by striking "1982" and inserting "1990".

(2) CONFORMING AMENDMENTS.—Section 703 of such Act (7 U.S.C. 1782) is amended by striking "1995" both places it appears in subsections (a) and (b) and inserting "1997".

Subtitle B—Restructuring of Loan Programs

SEC. 1201. ELECTRIC AND TELEPHONE LOAN PROGRAMS.

(a) LOAN PROGRAMS UNDER THE RURAL ELECTRIFICATION ACT OF 1936.—

(1) INSURED LOAN PROGRAMS.—Section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) is amended—

(A) by striking subsections (b) and (d);

(B) by redesignating subsection (c) as subsection (b); and

(C) by inserting after subsection (b) (as so redesignated) the following new subsections:

"(c) INSURED ELECTRIC LOANS.—

"(1) HARDSHIP LOANS.—

"(A) IN GENERAL.—The Administrator shall make insured electric loans, to the extent of qualifying applications for the loans, at an interest rate of 5 percent per year to any applicant for a loan who meets each of the following requirements:

"(i) The average revenue per kilowatt-hour sold by the applicant is not less than 120 percent of the average revenue per kilowatt-hour sold by all utilities in the State in which the applicant provides service.

"(ii) The average residential revenue per kilowatt-hour sold by the applicant is not less than 120 percent of the average residential revenue per kilowatt-hour sold by all utilities in the State in which the applicant provides service.

"(iii) The average per capita income of the residents receiving electric service from the applicant is less than the average per capita income of the residents of the State in which the applicant provides service, or the median household income of the households receiving electric service from the applicant is less than the median household income of the households in the State.

"(B) SEVERE HARDSHIP LOANS.—In addition to hardship loans that are made under subparagraph (A), the Administrator may make an insured electric loan at an interest rate of 5 percent per year to an applicant for a loan if, in the sole discretion of the Administrator, the applicant has experienced a severe hardship.

"(C) LIMITATION.—The Administrator may not make a loan under this paragraph to an applicant for the purpose of furnishing or improving electric service to a consumer located in an urban area (as defined by the Bureau of the Census) if the average number of consumers per mile of line of the total electric system of the applicant exceeds 17.

"(2) MUNICIPAL RATE LOANS.—

"(A) IN GENERAL.—The Administrator shall make insured electric loans, to the extent of qualifying applications for the loans, at the interest rate described in subparagraph (B) for the term or terms selected by the applicant pursuant to subparagraph (C).

"(B) INTEREST RATE.—

"(i) IN GENERAL.—Subject to clause (ii), the interest rate described in this subparagraph on a loan to a qualifying applicant shall be—

"(I) the interest rate determined by the Administrator to be equal to the current market yield on outstanding municipal obligations with remaining periods to maturity similar to the term selected by the applicant pursuant to subparagraph (C), but not greater than the rate determined under section 307(a)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(A)) that is based on the current market yield on outstanding municipal obligations; plus

"(II) if the applicant for the loan makes an election pursuant to subparagraph (D) to include in the loan agreement the right of the applicant to prepay the loan, a rate equal to the amount by which—

"(aa) the interest rate on commercial loans for a similar period that afford the borrower such a right; exceeds

"(bb) the interest rate on commercial loans for the period that do not afford the borrower such a right.

"(ii) MAXIMUM RATE.—The interest rate described in this subparagraph on a loan to an applicant for the loan shall not exceed 7 percent if—

"(I) the average number of consumers per mile of line of the total electric system of the applicant is less than 5.50; or

"(II)(aa) the average revenue per kilowatt-hour sold by the applicant is more than the average revenue per kilowatt-hour sold by all utilities in the State in which the applicant provides service; and

"(bb) the average per capita income of the residents receiving electric service from the applicant is less than the average per capita income of the residents of the State in which the applicant provides service, or the median household income of the households receiving electric service from the applicant is less than the median household income of the households in the State.

"(iii) EXCEPTION.—Clause (ii) shall not apply to a loan to be made to an applicant for the purpose of furnishing or improving electric service to consumers located in an urban area (as defined by the Bureau of the Census) if the average number of consumers per mile of line of the total electric system of the applicant exceeds 17.

"(C) LOAN TERM.—

"(i) IN GENERAL.—Subject to clause (ii), the applicant for a loan under this paragraph may select the term for which an interest rate shall be determined pursuant to subparagraph (B), and, at the end of the term (and any succeeding term selected by the applicant under this subparagraph), may renew the loan for another term selected by the applicant.

"(ii) MAXIMUM TERM.—

"(I) APPLICANT.—The applicant may not select a term that ends more than 35 years after the beginning of the first term the applicant selects under clause (i).

"(II) ADMINISTRATOR.—The Administrator may prohibit an applicant from selecting a term that would result in the total term of the loan being greater than the expected useful life of the assets being financed.

"(D) CALL PROVISION.—The Administrator shall offer any applicant for a loan under this paragraph the option to include in the loan agreement the right of the applicant to prepay the loan on terms consistent with similar provisions of commercial loans.

"(3) OTHER SOURCE OF CREDIT NOT REQUIRED IN CERTAIN CASES.—The Administrator may not require any applicant for a loan made under this subsection who is eligible for a loan under paragraph (1) to obtain a loan from another source as a condition of approving the application for the loan or advancing any amount under the loan.

"(d) INSURED TELEPHONE LOANS.—

"(1) HARDSHIP LOANS.—

"(A) IN GENERAL.—The Administrator shall make insured telephone loans, to the extent of qualifying applications for the loans, at an interest rate of 5 percent per year, to any applicant who meets each of the following requirements:

"(i) The average number of subscribers per mile of line in the proposed service area of the applicant is not more than 4.

"(ii) The applicant is capable of producing net income or margins, after interest payments on the loan applied for, of not less than 100 percent (but not more than 300 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

"(iii) The Administrator has approved a telecommunications modernization plan for the State under paragraph (3) and, if the plan was developed by telephone borrowers under this title, the applicant is a participant in the plan.

"(B) AUTHORITY TO WAIVE TIER REQUIREMENT.—The Administrator may waive the requirement of subparagraph (A)(ii) in any case in which the Administrator determines (and sets forth the reasons for the waiver in writing) that the requirement would prevent emergency restoration of the telephone system of the applicant or result in severe hardship to the applicant.

"(C) EFFECT OF LACK OF FUNDS.—On request of any applicant who is eligible for a loan under this paragraph for which funds are not available, the applicant shall be considered to have applied for a loan under title IV.

"(2) COST-OF-MONEY LOANS.—

"(A) IN GENERAL.—The Administrator may make insured telephone loans for the acquisition, purchase, and installation of telephone lines, systems, and facilities (other than buildings used primarily for administrative purposes, vehicles not used primarily in construction, and customer premise equipment) related to the furnishing, improvement, or extension of rural telecommunications service, at an interest rate equal to the then current cost of money to the Government of the United States for loans of similar maturity, but not more than 7 percent per year, to any applicant for a loan who meets the following requirements:

"(i) The average number of subscribers per mile of line in the service area of the applicant is not more than 15.

"(ii) The applicant is capable of producing net income or margins, before interest payments on the loan applied for, of not less than 100 percent (but not more than 500 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

"(iii) The Administrator has approved a telecommunications modernization plan for the State under paragraph (3), and, if the plan was developed by telephone borrowers under this title, the applicant is a participant in the plan.

"(B) CALL PROVISION.—The Administrator shall offer any applicant for a loan under this paragraph the option to include in the loan agreement the right of the applicant to prepay the loan on terms consistent with similar provisions of commercial loans.

"(C) CONCURRENT LOAN AUTHORITY.—On request of any applicant for a loan under this paragraph during any fiscal year, the Administrator shall—

"(i) consider the application to be for a loan under this paragraph and a loan under section 408; and

"(ii) if the applicant is eligible for a loan, make a loan to the applicant under this paragraph in an amount equal to the amount that bears the same ratio to the total amount of loans

for which the applicant is eligible under this paragraph and under section 408, as the amount made available for loans under this paragraph for the fiscal year bears to the total amount made available for loans under this paragraph and under section 408 for the fiscal year.

"(D) EFFECT OF LACK OF FUNDS.—On request of any applicant who is eligible for a loan under this paragraph for which funds are not available, the applicant shall be considered to have applied for a loan guarantee under section 306.

"(3) STATE TELECOMMUNICATIONS MODERNIZATION PLANS.—

"(A) APPROVAL.—If, not later than 180 days after final regulations are promulgated to carry out this paragraph, the public utility commission of any State develops a telecommunications modernization plan that meets the requirements of subparagraph (B), the Administrator shall approve the plan for the State. If a State does not develop a plan in accordance with the requirements of the preceding sentence, the Administrator shall approve any telecommunications modernization plan for the State that meets the requirements that is developed by a majority of the borrowers of telephone loans made under this title who are located in the State.

"(B) REQUIREMENTS.—For purposes of subparagraph (A), a telecommunications modernization plan must, at a minimum, meet the following objectives:

"(i) The plan must provide for the elimination of party line service.

"(ii) The plan must provide for the availability of telecommunications services for improved business, educational, and medical services.

"(iii) The plan must encourage and improve computer networks and information highways for subscribers in rural areas.

"(iv) The plan must provide for—

"(I) subscribers in rural areas to be able to receive through telephone lines—

"(aa) multiple voices;

"(bb) video images; and

"(cc) data at a rate of at least 1,000,000 bits of information per second; and

"(II) the proper routing of information to subscribers.

"(v) The plan must provide for uniform deployment schedules to ensure that advanced services are deployed at the same time in rural and nonrural areas.

"(vi) The plan must provide for such additional requirements for service standards as may be required by the Administrator.

"(C) FINALITY OF APPROVAL.—

"(i) IN GENERAL.—A telecommunications modernization plan approved under subparagraph (A) may not subsequently be disapproved. Notwithstanding subsection (c)(1)(A)(iii), subsection (c)(2)(A)(iii), and section 408(b)(4)(C), the Administrator and the Governor of the telephone bank may make a loan to a borrower serving a State that does not have a telecommunication modernization plan approved by the Administrator if the loan is made less than 1 year after the Administrator has adopted final regulations implementing subsection (c)(3).".

(2) RURAL TELEPHONE BANK LOAN PROGRAM.—Section 408 of such Act (7 U.S.C. 948) is amended—

(A) in subsection (a), by striking ", (2)" and all that follows through "408 of this Act," and inserting ", (2) for the acquisition, purchase, and installation of telephone lines, systems, and facilities (other than buildings used primarily for administrative purposes, vehicles not used primarily in construction, and customer premise equipment) related to the furnishing, improvement, or extension of rural telecommunications service,"; and

(B) in subsection (b)—

(i) by striking paragraph (4) and inserting the following new paragraph:

"(4) The Governor of the telephone bank may make a loan under this section only to an applicant for the loan who meets the following requirements:

"(A) The average number of subscribers per mile of line in the service area of the applicant is not more than 15.

"(B) The applicant is capable of producing net income or margins, after interest payments on the loan applied for, of not less than 100 percent (but not more than 500 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

"(C) The Administrator has approved, under section 305(d)(3), a telecommunications modernization plan for the State in which the applicant is located, and, if the plan was developed by telephone borrowers under title III, the applicant is a participant in the plan.";

(ii) in paragraph (8)—

(I) by inserting "(A)" after "(8)";

(II) by striking "if such prepayment is not made later than September 30, 1988" and inserting "except for any prepayment penalty provided for in a loan agreement entered into before the date of enactment of the Omnibus Budget Reconciliation Act of 1993"; and

(III) by adding at the end the following new subparagraph:

"(B) If a borrower prepays part or all of a loan made under this section, then, notwithstanding section 407(b), the Governor of the telephone bank shall use the full amount of the prepayment to repay obligations of the telephone bank issued pursuant to section 407(b) before October 1, 1991, to the extent any such obligations are outstanding."; and

(iii) by adding at the end the following new paragraphs:

"(9) On request of any applicant for a loan under this section during any fiscal year, the Governor of the telephone bank shall—

"(A) consider the application to be for a loan under this section and a loan under section 305(d)(2); and

"(B) if the applicant is eligible for a loan, make a loan to the applicant under this section in an amount equal to the amount that bears the same ratio to the total amount of loans for which the applicant is eligible under this section and under section 305(d)(2), as the amount made available for loans under this section for the fiscal year bears to the total amount made available for loans under this section and under section 305(d)(2) for the fiscal year.

"(10) On request of any applicant who is eligible for a loan under this section for which funds are not available, the applicant shall be considered to have applied for a loan under section 305(d)(2).".

(3) FUNDING.—Section 314 of such Act (7 U.S.C. 940d) is amended to read as follows:

"SEC. 314. LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.

"(a) DEFINITION OF ADJUSTMENT PERCENTAGE.—As used in this section, the term 'adjustment percentage' means, with respect to a fiscal year, the percentage (if any) by which—

"(1) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 1-year period ending on July 31 of the immediately preceding fiscal year; exceeds

"(2) the average of the Consumer Price Index (as so defined) for the 1-year period ending on July 31, 1993.

"(b) FISCAL YEARS 1994 THROUGH 1998.—In the case of each of fiscal years 1994 through 1998, there are authorized to be appropriated to the Administrator such sums as may be necessary for the cost of loans in the following amounts, for the following purposes:

"(1) ELECTRIC HARDSHIP LOANS.—For loans under section 305(c)(1)—

"(A) for fiscal year 1994, $125,000,000; and

"(B) for each of fiscal years 1995 through 1998, $125,000,000, increased by the adjustment percentage for the fiscal year.

"(2) ELECTRIC MUNICIPAL RATE LOANS.—For loans under section 305(c)(2)—

"(A) for fiscal year 1994, $600,000,000; and

"(B) for each of fiscal years 1995 through 1998, $600,000,000, increased by the adjustment percentage for the fiscal year.

"(3) TELEPHONE HARDSHIP LOANS.—For loans under section 305(d)(1)—

"(A) for fiscal year 1994, $125,000,000; and

"(B) for each of fiscal years 1995 through 1998, $125,000,000, increased by the adjustment percentage for the fiscal year.

"(4) TELEPHONE COST-OF-MONEY LOANS.—For loans under section 305(d)(2)—

"(A) for fiscal year 1994, $198,000,000; and

"(B) for each of fiscal years 1995 through 1998, $198,000,000, increased by the adjustment percentage for the fiscal year.

"(c) FUNDING LEVELS.—The Administrator shall make insured loans under this title for the purposes, in the amounts, and for the periods of time specified in subsection (b), as provided in advance in appropriations Acts.

"(d) AVAILABILITY OF FUNDS FOR INSURED LOANS.—Amounts made available for loans under section 305 are authorized to remain available until expended.".

(4) MISCELLANEOUS AMENDMENTS.—

(A) Section 2 of such Act (7 U.S.C. 902) is amended—

(i) by inserting "(a)" before "The Administrator";

(ii) by striking "telephone service in rural areas, as hereinafter provided;" and inserting "electric and telephone service in rural areas, as provided in this Act, and for the purpose of assisting electric borrowers to implement demand side management and energy conservation programs;"; and

(iii) by adding at the end the following new subsection:

"(b) Not later than January 1, 1994, the Administrator shall issue interim regulations to implement the authority contained in subsection (a) to make loans for the purpose of assisting electric borrowers to implement demand side management and energy conservation programs. If the regulations are not issued by January 1, 1994, the Administrator shall consider any demand side management program that is approved by a State agency to be eligible for the loans.".

(B) Section 4 of such Act (7 U.S.C. 904) is amended by inserting after "central station service" the following: "and for the furnishing and improving of electric service to persons in rural areas, including by assisting electric borrowers to implement demand side management and energy conservation programs".

(C) Section 13 of such Act (7 U.S.C. 913) is amended—

(i) by inserting ", except as provided in section 203(b)," before "shall be deemed to mean any area"; and

(ii) by striking "city, village, or borough having a population in excess of fifteen hundred inhabitants" and inserting "urban area, as defined by the Bureau of the Census".

(D) Section 203(b) of such Act (7 U.S.C. 924(b)) is amended by striking "one thousand five hundred" and inserting "5,000".

(E) Section 305 of such Act (7 U.S.C. 935) (as amended by subsection (a)(1)) is further amended—

(i) by striking "SEC. 305. INSURED LOANS; INTEREST RATES AND LENDING LEVELS.—(a) The" and inserting the following:

"SEC. 305. INSURED LOANS; INTEREST RATES AND LENDING LEVELS.

"(a) IN GENERAL.—The"; and

(ii) in subsection (b), by striking "(b) Loans" and inserting "(b) INSURED LOANS.—Loans".

(F) Section 307 of such Act (7 U.S.C. 937) is amended by adding at the end the following new sentence: "The Administrator may not request any applicant for an electric loan under this Act to apply for and accept a loan in an amount exceeding 30 percent of the credit needs of the applicant.".

(G) Section 406 of such Act (7 U.S.C. 946) is amended by adding at the end the following new subsection:

"(i) The Governor of the telephone bank may invest in obligations of the United States the amounts in the account in the Treasury of the United States numbered 12X8139 (known as the 'RTB Equity Fund').".

(H) Section 18 of such Act (7 U.S.C. 918) is amended—

(i) by inserting "(a) NO CONSIDERATION OF BORROWER'S LEVEL OF GENERAL FUNDS.—" before "The Administrator"; and

(ii) by adding at the end the following new subsections:

"(b) NO LOAN ORIGINATION FEES.—The Administrator and the Governor of the telephone bank may not charge any fee or charge not expressly provided in this Act in connection with any loan made or guaranteed under this Act.

"(c) CONSULTANTS.—

"(1) IN GENERAL.—To facilitate timely action on applications by borrowers for financial assistance under this Act and for approvals required of the agency pursuant to the terms of outstanding loan or security instruments or otherwise, the Administrator may use consultants funded by the borrower, paid for out of the general funds of the borrower, for financial, legal, engineering, and other technical advice and services in connection with the review of the application by the Rural Electrification Administration.

"(2) CONFLICTS OF INTEREST.—The Administrator shall establish procedures for the selection and the provision of technical services by consultants to ensure that the consultants have no financial or other potential conflicts of interest in the outcome of the application of the borrower.

"(3) PAYMENT OF COSTS.—The Administrator may not, without the consent of the borrower, require, as a condition of processing an application for approval, that the borrower agree to pay the costs, fees, and expenses of consultants hired to provide technical or advisory services to the Administrator.

"(4) CONTRACTS, GRANTS, AND AGREEMENTS.—The Administrator may enter into such contracts, grants, or cooperative agreements as are necessary to carry out this section without regard to any requirement for competition, section 3709 of the Revised Statutes (41 U.S.C. 5) and section 3324 of title 31, United States Code.

"(5) USE OF CONSULTANTS.—Nothing in this subsection shall limit the authority of the Administrator to retain the services of consultants from funds made available to the Administrator or otherwise.".

(I) Title III of such Act is amended by inserting after section 306B (7 U.S.C. 936b) the following new sections:

"SEC. 306C. ELIGIBILITY OF DISTRIBUTION BORROWERS FOR LOANS, LOAN GUARANTEES, AND LIEN ACCOMMODATIONS.

"For the purpose of determining the eligibility of a distribution borrower not in default on the repayment of a loan made or guaranteed under this Act for a loan, loan guarantee, or lien accommodation under this title, a default by a borrower from which the distribution borrower purchases wholesale power shall not—

"(1) be considered a default by the distribution borrower;

"(2) reduce the eligibility of the distribution borrower for assistance under this Act; or

"(3) be the cause, directly or indirectly, of imposing any requirement or restriction on the borrower as a condition of the assistance, except such requirements or restrictions as are necessary to implement a debt restructuring agreed on by the power supply borrower and the Government.

"SEC. 306D. ADMINISTRATIVE PROHIBITIONS APPLICABLE TO ELECTRIC BORROWERS.

"The Administrator may not require prior approval of, impose any requirement, restriction, or prohibition with respect to the operations of, or deny or delay the granting of a lien accommodation to, any electric borrower under this Act whose net worth exceeds 110 percent of the outstanding principal balance on all loans made or guaranteed to the borrower by the Administrator.".

(b) EXPANDED ELIGIBILITY FOR LOANS FOR WATER AND WASTE DISPOSAL FACILITIES.—Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the first sentence the following new sentence: "The Secretary may also make loans to any borrower to whom a loan has been made under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), for the conservation, development, use, and control of water, and the installation of drainage or waste disposal facilities, primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents.".

(c) RURAL ECONOMIC DEVELOPMENT.—Section 364 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006f) is amended by adding at the end the following new subsection:

"(g) RURAL ECONOMIC DEVELOPMENT.—

"(1) IN GENERAL.—A borrower of a loan or loan guarantee under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) shall be eligible for assistance under all programs administered by the Rural Development Administration.

"(2) PARTICIPATION.—The Administrator of the Rural Development Administration shall encourage and facilitate the full participation of borrowers referred to in paragraph (1) in programs administered by the Rural Development Administration.".

(d) REGULATIONS.—Not later than October 1, 1993, interim final rules shall be issued by—

(1) the Administrator of the Rural Electrification Administration in the case of amendments made by this section to programs administered by the Administrator; and

(2) the Administrator of the Rural Development Administration in the case of amendments made by this section to programs administered by the Administrator.

Subtitle C—Food Stamp Program

SEC. 1301. UNIFORM REIMBURSEMENT RATES.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) in the first sentence of subsection (a)—

(A) by striking "and (5)" and inserting "(5)";

(B) by inserting before ": Provided," the following: ", (6) automated data processing and information retrieval systems subject to the conditions set forth in subsection (g), (7) food stamp program investigations and prosecutions, and (8) implementing and operating the immigration status verification system established under section 1137(d) of the Social Security Act (42 U.S.C. 1320b-7(d))"; and

(C) in the proviso, by striking "authorized to pay each State agency an amount not less than 75 per centum of the costs of State food stamp program investigations and prosecutions, and is further";

(2) in subsection (g)—

(A) by striking "an amount equal to 63 percent effective on October 1, 1991, of" and inserting "the amount authorized under subsection (a)(6) for"; and

(B) by striking "automatic" and inserting "automated";

(3) by striking subsection (j); and

(4) by redesignating subsection (k) as subsection (j).

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective with respect to calendar quarters beginning on or after April 1, 1994.

(2) BIENNIAL LEGISLATURES.—In the case of a State whose legislature meets biennially, and does not have a regular session scheduled in calendar year 1994, and that demonstrates to the satisfaction of the Secretary of Agriculture that there is no mechanism, under the constitution and laws of the State, for appropriating the additional funds required by the amendments made by this section before the next such regular legislative session, the Secretary may delay the effective date of all or part of the amendments made by subsection (a) until the beginning date of a calendar quarter that is not later than the first calendar quarter beginning after the close of the first regular session of the State legislature after the date of enactment of this Act.

Subtitle D—Agricultural Trade

SEC. 1401. MARKET PROMOTION PROGRAM.

(a) REDUCTION OF FUNDING LEVEL.—Section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended—

(1) in paragraph (1)—

(A) by striking "1995" and inserting "1993"; and

(B) by striking "and" at the end;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

"(2) in addition to any funds that may be specifically appropriated to implement a market development program, for each of fiscal years 1994 and 1995, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation—

"(A) not less than $33,000,000 for—

"(i) branded promotion activities involving small-sized commercial entities and medium-sized commercial entities that are beginning exporters; and

"(ii) activities other than branded promotion activities that only benefit small-sized commercial entities and medium-sized commercial entities, or (as determined by the Secretary) small-sized agricultural producers and medium-sized agricultural producers; and

"(B) in addition to funding specified in subparagraph (A), not less than $77,000,000 for program activities by any eligible trade organization, including organizations specified under subparagraph (A); and".

(b) DEFINITIONS.—Section 102 of such Act (7 U.S.C. 5602) is amended by adding at the end the following new paragraph:

"(9) COMMERCIAL ENTITY.—

"(A) IN GENERAL.—The term 'commercial entity' means a cooperative or private organization that exports or promotes an agricultural commodity, including an entity that controls, is controlled by, or is under common control with such a cooperative or private organization.

"(B) MEDIUM-SIZED COMMERCIAL ENTITY.—The term 'medium-sized commercial entity' means a commercial entity that employs not less than 51, nor more than 500, individuals.

"(C) SMALL-SIZED COMMERCIAL ENTITY.—The term 'small-sized commercial entity' means a commercial entity that employs not more than 50 individuals.".

SEC. 1402. ACREAGE REDUCTION REQUIREMENTS.

(a) IN GENERAL.—Section 1104 of the Omnibus Budget Reconciliation Act of 1990 (7 U.S.C. 1445b-3a note) is amended—

(1) in subsection (a), by striking paragraph (2) and inserting the following new paragraph:

"(2) corn under which the acreage planted to corn for harvest on a farm would be limited to the corn crop acreage base for the farm for the crop reduced by not less than 7½ percent."; and

(2) in subsection (b)(2), by striking "grain sorghum, and barley,".

(b) READJUSTMENT OF SUPPORT LEVELS.—Section 1302 of such Act (7 U.S.C. 1421 note) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(2) in subsection (c), by striking "and other programs"; and

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in paragraph (2), by striking "(A), (B), and (C)" and inserting "(A) and (B)"; and

(C) in paragraph (3)—

(i) by striking "measures specified in subparagraph (A) of paragraph (1) and"; and

(ii) by striking "(B) or (C)" and inserting "(A) or (B)".

SEC. 1403. END-USE CERTIFICATES.

(a) IN GENERAL.—Subtitle A of title IV of the Agricultural Trade Act of 1978 (7 U.S.C. 5661 et seq.) is amended—

(1) by redesignating section 404 (7 U.S.C. 5664) as section 405; and

(2) by inserting after section 403 the following new section:

"SEC. 404. END-USE CERTIFICATES.

"(a) DEFINITIONS.—As used in this section:

"(1) COVERED FOREIGN COMMODITY.—The term 'covered foreign commodity' means any wheat or barley produced in a foreign country that is imported into the United States, including any imported commodity that will be subsequently commingled with a like commodity produced in the United States.

"(2) END-USE CERTIFICATE.—The term 'end-use certificate' means a certification that describes—

"(A) the class, quantity, and country of origin of the covered foreign commodity;

"(B) the importer and consignee of the covered foreign commodity;

"(C) the end use for which the consignee will use the covered foreign commodity; and

"(D) at the option of the Secretary, the sales price and quality of the covered foreign commodity.

"(b) STATEMENT OF PURPOSE.—The Secretary shall improve monitoring of the end use of covered foreign commodities, as provided in this section, in order to ensure that exports of agricultural commodities under the programs authorized by this Act and other agricultural trade programs are entirely produced in the United States.

"(c) REQUIREMENT ON COVERED FOREIGN COMMODITIES.—The Commissioner of Customs shall not permit the entry into, or the withdrawal from a warehouse for use in, the United States of a covered foreign commodity, unless the importer of record presents an end-use certificate for the covered foreign commodity that complies with this section at the time of entry or withdrawal, as appropriate.

"(d) MAINTENANCE OF CERTIFICATE WITH COVERED FOREIGN COMMODITY.—The end-use certificate shall be maintained with the covered foreign commodity until the commodity reaches the end use of the commodity within the United States. The end use of a covered foreign commodity includes feeding to livestock, first stage processing for human consumption, exporting from the United States, or (as determined by the Secretary) other end uses.

"(e) CERTIFICATION.—The Secretary shall require any importer or consignee of a covered foreign commodity to certify, on a quarterly basis, the end use or transfer, during the period the commodity is a covered foreign commodity, by the importer or consignee, along with any additional information the Secretary determines to be appropriate.

"(f) COMPLIANCE.—Subsections (b), (c), and (d) of section 402 shall apply to an importer or consignee of a covered foreign commodity subject to the terms and conditions specified in this section.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on the date that is 120 days after the date of enactment of this Act.

SEC. 1404. SENSE OF CONGRESS REGARDING THE EXPORT OF VEGETABLE OIL.

It is the sense of Congress that the Secretary of Agriculture should continue aggressively to promote the export of vegetable oil through all available authorities, including but not limited to the export enhancement program established under section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5651).

Subtitle E—Miscellaneous

SEC. 1501. FEDERAL CROP INSURANCE.

(a) ACTUARIAL SOUNDNESS.—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended by adding at the end the following new subsection:

"(n) ACTUARIAL SOUNDNESS.—The Corporation shall take such actions as are necessary to improve the actuarial soundness of Federal multiperil crop insurance coverage made available under this title to achieve, on and after October 1, 1995, an overall projected loss ratio of not greater than 1.1, including—

"(1) instituting appropriate requirements for documentation of the actual production history of insured producers to establish recorded or appraised yields for Federal crop insurance coverage that more accurately reflect the associated actuarial risk, except that the Corporation may not carry out this paragraph in a manner that would prevent beginning farmers from obtaining adequate Federal crop insurance, as determined by the Corporation;

"(2) establishing in counties, to the extent practicable, a crop insurance option based on area yields in a manner that allows an insured producer to qualify for an indemnity if a loss has occurred in a specified area in which the farm of the insured producer is located;

"(3) establishing a database that contains the social security account and employee identification numbers of participating producers and using the numbers to identify insured producers who are high risk for actuarial purposes and insured producers who have not documented at least 4 years of production history, to assess the performance of insurance providers, and for other purposes permitted by law; and

"(4) taking any other measures authorized by law to improve the actuarial soundness of the Federal crop insurance program while maintaining fairness and effective coverage for agricultural producers.".

(b) CONFORMING AMENDMENTS.—

(1) REINSURANCE.—Section 508(h) of such Act (7 U.S.C. 1508(h)) is amended by striking the fifth sentence and inserting the following new sentence: "The Corporation shall also pay operating and administrative costs to insurers of policies on which the Corporation provides reinsurance in an amount determined by the Corporation.".

(2) AREA YIELD PLAN.—Section 508 of such Act (7 U.S.C. 1508) is amended by adding at the end the following new subsection:

"(n) AREA YIELD PLAN.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, the Corporation may offer, only as an option to individual crop insurance coverage available under this Act, a crop insurance plan based on an area yield that allows an insured producer to qualify for an indemnity if a loss has occurred in an area, as specified by the Corporation, in which the farm of the producer is located.

"(2) LEVEL OF COVERAGE.—Under a plan offered under paragraph (1), an insured producer shall be allowed to select the level of production at which an indemnity will be paid consistent with terms and conditions established by the Corporation.".

(3) YIELD COVERAGE.—Section 508A of such Act (7 U.S.C. 1508a) is amended—

(A) in subsection (a)(1), by striking "may" and inserting "shall"; and

(B) in subsection (b)—

(i) in paragraph (1)(A)—

(I) by striking "A crop insurance contract" and all that follows through "producer—" and inserting "Under regulations issued by the Corporation, a crop insurance contract offered under this title to an eligible insured producer of a commodity with respect to which the Corporation provides crop insurance coverage shall make available to the producer either—";

(II) by striking "or" at the end of clause (i);

(III) in clause (ii)—

(aa) by striking "5" and inserting "4 building to 10"; and

(bb) by striking the period at the end and inserting "; or"; and

(IV) by adding at the end the following new clause:

"(iii) yield coverage based on—

"(I) not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual experience), as specified in regulations issued by the Corporation based on production history requirements; or

"(II) the area yield under section 508(n) for the crop established under the program for the commodity involved.";

(ii) in paragraph (1)(B)—

(I) by striking "two" and inserting "3"; and

(II) by inserting after "subparagraph (A)" the following: ", where available (as determined by the Corporation),";

(iii) in paragraph (2)—

(I) by striking "5" and inserting "4 building to 10"; and

(II) by inserting after "previous crops," the following: "not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual experience), or the area yield,"; and

(iv) in paragraph (3)(A)(i), by inserting after "farm program yield" the following: ", not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual experience), as specified in regulations issued by the Corporation based on production history requirements, or the area yield under section 508(n), whichever is applicable,".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall become effective on October 1, 1993.

(2) REGULATIONS.—Not later than 30 days after the date of enactment of this Act, the Secretary of Agriculture shall publish, for public comment, proposed regulations to implement the amendments made by this section.

SEC. 1502. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM AMENDMENTS.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended—

(1) in section 1230(b) (16 U.S.C. 3830(b)), by striking "to place in" and all that follows through "acres";

(2) in section 1231(d) (16 U.S.C. 3831(d))—

(A) by striking "may" and inserting "shall";

(B) by striking "the amount of acres specified in section 1230(b)" and inserting "a total of 38,000,000 acres during the 1986 through 1995 calendar years"; and

(C) by striking "each of calendar years 1994 and 1995" and inserting "the 1995 calendar year";

(3) in section 1237 (16 U.S.C. 3837)—

(A) by striking subsection (b) and inserting the following new subsection:

"(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

"(1) a total of not less than 330,000 acres by the end of the 1995 calendar year; and

"(2) a total of not less than 975,000 acres during the 1991 through 2000 calendar years."; and

(B) in subsection (c), by striking "1995" and inserting "2000"; and

(4) in section 1241 (16 U.S.C. 3841)—

(A) in subsection (a)—

(i) by striking "(a)(1) During each of the fiscal years ending September 30, 1986, and September 30, 1987" and inserting "(a) During each of fiscal years 1994 through 2000"; and

(ii) by striking paragraph (2); and

(B) in subsection (b), by striking "(A) through (E)" and inserting "A through E".

SEC. 1503. ADMISSION, ENTRANCE, AND RECREATION FEES.

(a) DEFINITIONS.—As used in this section:

(1) AREA OF CONCENTRATED PUBLIC USE.—The term "area of concentrated public use" means an area administered by the Secretary that meets each of the following criteria:

(A) The area is managed primarily for outdoor recreation purposes.

(B) Facilities and services necessary to accommodate heavy public use are provided in the area.

(C) The area contains at least one major recreation attraction.

(D) Public access to the area is provided in such a manner that admission fees can be efficiently collected at 1 or more centralized locations.

(2) BOAT LAUNCHING FACILITY.—The term "boat launching facility" includes any boat launching facility, regardless of whether specialized facilities or services, such as mechanical or hydraulic boat lifts or facilities, are provided.

(3) CAMPGROUND.—The term "campground" means any campground where a majority of the following amenities are provided, as determined by the Secretary:

(A) Tent or trailer spaces.

(B) Drinking water.

(C) An access road.

(D) Refuse containers.

(E) Toilet facilities.

(F) The personal collection of recreation use fees by an employee or agent of the Secretary.

(G) Reasonable visitor protection.

(H) If campfires are permitted in the campground, simple devices for containing the fires.

(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(b) AUTHORITY TO IMPOSE FEES.—The Secretary—

(1) may charge admission or entrance fees at national monuments, national volcanic monuments, national scenic areas, and areas of concentrated public use administered by the Secretary;

(2) acting through the Forest Service shall reimburse the Agricultural Stabilization and Conservation Service for administrative costs incurred under the Stewardship Incentive Program for the actual cost of services provided by the Agricultural Stabilization and Conservation Service, except that the actual costs shall not exceed 10 percent of the total annual appropriation for the program; and

(3) may charge recreation use fees at lands administered by the Secretary in connection with the use of specialized outdoor recreation sites, equipment, services, and facilities, including visitors' centers, picnic tables, boat launching facilities, and campgrounds.

(c) AMOUNT OF FEES.—The amount of the admission, entrance, and recreation fees authorized to be imposed under this section shall be determined by the Secretary.

SEC. 1504. SENSE OF THE SENATE REGARDING DEFICIT REDUCTION.

It is the sense of the Senate that—

(1) farmers should pay no more than their fair share of any budget reduction necessary to achieve the goal of deficit reduction; and

(2) the level of budget reduction should take into account and be adjusted to reflect any BTU or energy taxes, any other taxes, reduction in interest rates, and other user fees.

TITLE II—COMMITTEE ON ARMED SERVICES

SEC. 2001. LIMITATION ON COST-OF-LIVING ADJUSTMENTS FOR MILITARY RETIREES.

Paragraph (2) of section 1401a(b) of title 10, United States Code, is amended to read as follows:

"(2) PRE-AUGUST 1, 1986 MEMBERS.—

"(A) GENERAL RULE.—The Secretary shall increase the retired pay of each member and former member who first became a member of a uniformed service before August 1, 1986, by the percent (adjusted to the nearest one-tenth of 1 percent) by which—

"(i) the price index for the base quarter of that year, exceeds

"(ii) the base index.

"(B) SPECIAL RULES FOR FISCAL YEARS 1994 THROUGH 1998.—

"(i) FISCAL YEARS 1994 THROUGH 1997.—In the case of an increase in retired pay that, pursuant to paragraph (1), becomes effective on December 1 of 1993, 1994, 1995, or 1996, the initial month for which such increase is payable as part of such retired pay shall (notwithstanding such December 1 effective date) be September of the following year.

"(ii) FISCAL YEAR 1998.—In the case of an increase in retired pay that, pursuant to paragraph (1), becomes effective on December 1, 1997, the initial month for which such increase is payable as part of such retired pay shall (notwithstanding such December 1 effective date) be August 1998.

"(C) INAPPLICABILITY TO DISABILITY RETIREES.—Subparagraph (B) does not apply with respect to the retired pay of a member retired under chapter 61 of this title.".

TITLE III—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

SEC. 3001. NATIONAL DEPOSITOR PREFERENCE.

(a) IN GENERAL.—Section 11(d)(11) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(11)) is amended to read as follows:

"(11) DEPOSITOR PREFERENCE.—

"(A) IN GENERAL.—Subject to section 5(e)(2)(C), amounts realized from the liquidation or other resolution of any insured depository institution by any receiver appointed for such institution shall be distributed to pay claims (other than secured claims to the extent of any such security) in the following order of priority:

"(i) Administrative expenses of the receiver.

"(ii) Any deposit liability of the institution.

"(iii) Any other general or senior liability of the institution (which is not a liability described in clause (iv) or (v)).

"(iv) Any obligation subordinated to depositors or general creditors (which is not an obligation described in clause (v)).

"(v) Any obligation to shareholders or members arising as a result of their status as shareholders or members (including any depository institution holding company or any shareholder or creditor of such company).

"(B) EFFECT ON STATE LAW.—

"(i) IN GENERAL.—The provisions of subparagraph (A) shall not supersede the law of any State except to the extent such law is inconsistent with the provisions of such subparagraph, and then only to the extent of the inconsistency.

"(ii) PROCEDURE FOR DETERMINATION OF INCONSISTENCY.—Upon the Corporation's own motion or upon the request of any person with a claim described in subparagraph (A)(i) or any State which is submitted to the Corporation in accordance with procedures which the Corporation shall prescribe, the Corporation shall determine whether any provision of the law of any State is inconsistent with any provision of subparagraph (A) and the extent of any such inconsistency.

"(iii) JUDICIAL REVIEW.—The final determination of the Corporation under clause (ii) shall be subject to judicial review under chapter 7 of title 5, United States Code.

"(C) ACCOUNTING REPORT.—Any distribution by the Corporation in connection with any claim described in subparagraph (A)(vi) shall be accompanied by the accounting report required under paragraph (15)(B).".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 11(c)(13) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(13)) is amended—

(A) in subparagraph (A), by striking "subject to subparagraph (B),";

(B) by inserting "and" after the semicolon at the end of subparagraph (A);

(C) by striking subparagraph (B); and

(D) by redesignating subparagraph (C) as subparagraph (B).

(2) Section 11(g)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1921(g)(4)) is amended by striking "If the Corporation" and inserting "Subject to subsection (d)(11), if the Corporation".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to insured depository institutions for which a receiver is appointed after the date of the enactment of this Act.

SEC. 3002. TRANSFER OF FEDERAL RESERVE SURPLUSES.

(a) IN GENERAL.—The 1st undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 289) is amended to read as follows:

"(a) DIVIDENDS AND SURPLUS FUNDS OF RESERVE BANKS.—

"(1) STOCKHOLDER DIVIDENDS.—

"(A) IN GENERAL.—After all necessary expenses of a Federal reserve bank have been paid or provided for, the stockholders of the bank shall be entitled to receive an annual dividend of 6 percent on paid-in capital stock.

"(B) DIVIDEND CUMULATIVE.—The entitlement to dividends under subparagraph shall be cumulative.

"(2) DEPOSIT OF NET EARNINGS IN SURPLUS FUND.—That portion of net earnings of each Federal reserve bank which remains after dividend claims under subparagraph (A) have been fully met shall be deposited in the surplus fund of the bank.

"(3) PAYMENT TO TREASURY.—During fiscal years 1997 and 1998, any amount in the surplus fund of any Federal reserve bank in excess of the amount equal to 3 percent of the total paid-in capital and surplus of the member banks of such bank shall be transferred to the Board for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury.".

(b) ADDITIONAL TRANSFERS FOR FISCAL YEARS 1997 AND 1998.—

(1) IN GENERAL.—In addition to the amounts required to be transferred from the surplus funds of the Federal reserve banks pursuant to section 7(a)(3) of the Federal Reserve Act, the Federal reserve banks shall transfer from such

surplus funds to the Board of Governors of the Federal Reserve System for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury, a total amount of $106,000,000 in fiscal year 1997 and a total amount of $107,000,000 in fiscal year 1998.

(2) ALLOCATION BY FED.—Of the total amount required to be paid by the Federal reserve banks under paragraph (1) for fiscal year 1997 or 1998, the Board of Governors of the Federal Reserve System shall determine the amount each such bank shall pay in such fiscal year.

(3) REPLENISHMENT OF SURPLUS FUND PROHIBITED.—No Federal reserve bank may replenish such bank's surplus fund by the amount of any transfer by such bank under paragraph (1) during fiscal years 1997 and 1998.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The penultimate undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 290) is amended by striking "The net earnings derived" and inserting "(b) USE OF EARNINGS TRANSFERRED TO THE TREASURY.—The net earnings derived".

(2) The last undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 531) is amended by striking "Federal reserve banks" and inserting "(c) EXEMPTION FROM TAXATION.—Federal reserve banks".

SEC. 3003. USE OF RETURN DATA FOR INCOME VERIFICATION UNDER CERTAIN HOUSING ASSISTANCE PROGRAMS.

(a) AMENDMENTS TO HOUSING ACTS.—Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended as follows:

(1) DEFINITION.—In subsection (a), by adding at the end the following:

"(4) PROGRAM OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—The term 'program of the Department of Housing and Urban Development' includes Indian housing programs assisted under title II of the United States Housing Act of 1937.".

(2) CONSENT FORMS.—In subsection (b)—

(A) in paragraph (1), by striking "and" at the end;

(B) in paragraph (2), by striking the period at the end and inserting "; and";

(C) by inserting after paragraph (2) the following new paragraph:

"(3) sign a consent form approved by the Secretary authorizing the Secretary to request the Commissioner of Social Security and the Secretary of the Treasury to release information pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 with respect to such applicant or participant for the sole purpose of the Secretary verifying income information pertinent to the applicant's or participant's eligibility or level of benefits."; and

(D) in the last sentence, by striking "This" and inserting the following: "Except as provided in this subsection, this".

(2) APPLICANT, PARTICIPANT, AND PUBLIC HOUSING AGENCY PROTECTIONS.—In subsection (c)(2)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by inserting after "compensation law" the following: "or pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 from the Commissioner of Social Security or the Secretary of the Treasury"; and

(II) by inserting "(in the case of information obtained pursuant to such section 303(i))" before "representatives"; and

(ii) in clause (ii), by inserting "or public housing agency" after "owner" each place it appears; and

(B) in subparagraph (B), by inserting after "wages" each place it appears the following: ", other earnings or income,".

(3) PENALTY.—In subsection (c)(3)—

(A) in subparagraph (A), by inserting "or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986" after "Social Security Act"; and

(B) in the first sentence of subparagraph (B)—

(i) by striking clause (i) and inserting the following: "(i) a negligent or knowing disclosure of information referred to in this section, section 303(i) of the Social Security Act, or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 about such person by an officer or employee of any public housing agency or owner (or employee thereof), which disclosure is not authorized by this section, such section 303(i), such section 6103(l)(7)(D)(ix), or any regulation implementing this section, such section 303(i), or such section 6103(l)(7)(D)(ix), or"; and

(ii) in clause (ii), by inserting "such section 6103(l)(7)(D)(ix)," after "303(i),".

(4) CONFORMING AMENDMENT.—The heading of subsection (c) of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 is amended by striking "STATE EMPLOYMENT".

(5) OPERATING SUBSIDY ADJUSTMENTS.—Section 9(a) of the United States Housing Act of 1937 (42 U.S.C. 1437g(c)) is amended by adding at the end the following:

"(4) Adjustments to a public housing agency's operating subsidy made by the Secretary under this section shall reflect actual changes in rental income collections resulting from the application of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.".

(b) CONFORMING INTERNAL REVENUE CODE AMENDMENTS.—

(1) IN GENERAL.—Subparagraph (D) of section 6103(l)(7) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(l)(7)(D); relating to the disclosure of return information to Federal, State, and local agencies administering certain programs) is amended—

(A) in clause (vii), by striking ", and" at the end and inserting a semicolon;

(B) in clause (viii), by striking the period at the end and inserting "; and";

(C) by inserting after clause (viii) the following new clause:

"(ix) any housing assistance program administered by the Department of Housing and Urban Development that involves initial and periodic review of an applicant's or participant's income, except that return information may be disclosed under this paragraph only to the Secretary of Housing and Urban Development and only with respect to applicants for and participants in such programs who have signed consent forms under section 904(b)(3) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988."; and

(D) by adding at the end the following: "Clause (ix) shall not apply after September 30, 1998.".

(2) AMENDMENT TO THE HEADING.—The heading of paragraph (7) of section 6103(l) of the Internal Revenue Code of 1986 is amended by inserting after "1977," the following: "CERTAIN HOUSING ASSISTANCE PROGRAMS,".

SEC. 3004. GNMA REMIC GUARANTEE FEES.

Section 306(g)(3) of the National Housing Act (12 U.S.C. 1721(g)(3)) is amended by adding at the end the following new subparagraph:

"(E)(i) Notwithstanding subparagraphs (A) through (D), fees charged for the guarantee of, or commitment to guarantee, multiclass securities backed by a trust or pool of securities or notes guaranteed by the Association under this subsection, and other related fees shall be charged by the Association in an amount the Association deems appropriate. The Association shall take such action as may be necessary to reasonably assure that such portion of the benefit, resulting from the Association's multiclass securities program, as the Association determines is appropriate accrues to mortgagors who execute eligible mortgages after the date of the enactment of this subparagraph.

"(ii) In its annual report, the Association shall provide a summary of each activity of the Association pertaining to the Association's multiclass securities program. Each summary shall contain a description of the activity and shall include—

"(I) information pertaining to the size of the transactions closed, the number of mortgages involved, the amount of fees charged, those persons or entities receiving payments for services provided and the amounts of such payments; and

"(II) an estimate of the portion of the benefit of the multiclass securities program accruing to mortgagors as well as a description of any action taken by the Association to ensure such accrual.

"(iii) The Association shall provide for the initial implementation of the program for which fees are charged under the first sentence of clause (i) by notice published in the Federal Register. The notice shall be effective upon publication and shall provide an opportunity for public comment. Not later than 12 months after publication of the notice, the Association shall issue regulations for such program based on the notice, comments received, and the experience of the Association in carrying out the program during such period.

"(iv) The Association shall consult with persons or entities in such manner as the Association deems appropriate to ensure the efficient commencement and operation of the multiclass securities program.

"(v) No State or local law, and no Federal law (except Federal law enacted expressly in limitation of this clause after the effective date of this subparagraph) shall preclude or limit the exercise by the Association of its power to contract with persons or entities, and its rights to enforce such contracts, for the purpose of ensuring the efficient commencement and continued operation of the multiclass securities program.

"(vi) Prior to the commencement of the multiclass securities program, the Association shall provide to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report describing the Association's design of the multiclass securities program, including program elements that ensure the minimization of risks arising from the operation of the multiclass securities program, such as—

"(I) any industry proven safeguards, including capital standards for sponsors and provisions for indemnification from private parties for events that may result in the Association's liability under its guaranty or commitment to guaranty; and

"(II) the sufficiency of the Association's staff resources to administer the multiclass securities program.".

SEC. 3005. MUTUAL MORTGAGE INSURANCE FUND PREMIUMS.

To improve the actuarial soundness of the Mutual Mortgage Insurance Fund under the National Housing Act, the Secretary of Housing and Urban Development shall increase the rate at which the Secretary earns the single premium payment collected at the time of insurance of a mortgage that is an obligation of such Fund (with respect to the rate in effect on the date of the enactment of this Act). In establishing such increased rate, the Secretary shall consider any current audit findings and reserve analyses and information regarding the expected average duration of mortgages that are obligations of such Fund and may consider any other information that the Secretary determines to be appropriate.

TITLE IV—COMMUNICATIONS AND TRANSPORTATION

Subtitle A—Spectrum Allocation and Auction

SEC. 4001. SHORT TITLE.

This subtitle may be cited as the "Emerging Telecommunications Technologies Act of 1993".

SEC. 4002. FINDINGS.

The Congress finds that—

(1) the Federal Government currently reserves for its own use, or has priority of access to, approximately 40 percent of the electromagnetic spectrum that is assigned for use pursuant to the Communications Act of 1934;

(2) many of such frequencies are underutilized by Federal Government licensees;

(3) the public interest requires that many of such frequencies be utilized more efficiently by Federal Government and non-Federal licensees;

(4) additional frequencies are assigned for services that could be obtained more efficiently from commercial providers or other vendors;

(5) scarcity of assignable frequencies for licensing by the Commission can and will—

(A) impede the development and commercialization of new telecommunications products and services;

(B) limit the capacity and efficiency of telecommunications systems in the United States;

(C) prevent some State and local police, fire, and emergency services from obtaining urgently needed radio channels; and

(D) adversely affect the productive capacity and international competitiveness of the United States economy;

(6) a reassignment of these frequencies can produce significant economic returns;

(7) a reassignment of Federal Government frequencies can be accomplished without adverse impact on amateur radio licenses that currently share allocations with Federal Government stations;

(8) current spectrum assignment procedures—comparative hearings and lotteries—can be expensive and time consuming, can strain the limited resources of the Federal Communications Commission, and can result in an inefficient distribution of spectrum and an unjustified windfall to speculators;

(9) competitive bidding could reduce the cost in time and money—and increase the efficiency—of the spectrum assignment process for certain radio services, discourage speculative applications, encourage the efficient use of spectrum by licensees, and fairly compensate United States taxpayers for use of a scarce public natural resource;

(10) competitive bidding should be structured to—

(A) facilitate introduction of new spectrum-based technologies and services and entry of new companies into the telecommunications market;

(B) recognize the legitimate needs of rural telephone companies in providing spectrum-based, common carrier services in rural markets in which they provide telephone exchange service by wire;

(C) give appropriate consideration to small businesses and minority-owned businesses that want to participate in the competitive bidding process;

(D) recognize the need to make reasonably priced mobile communications services available to businesses in rural areas;

(E) recognize the need to ensure that adequate spectrum continues to be available for public safety services; and

(F) otherwise further the public interest;

(11) competitive bidding should apply only to the granting of new spectrum licenses and should not—

(A) disrupt the operations of existing spectrum licensees;

(B) alter existing spectrum allocation procedures;

(C) apply to certain services governed by public interest regulations;

(D) diminish the existing authority of the Federal Communications Commission to regulate or reclaim spectrum licenses;

(E) prevent or discourage the allocation of spectrum to meet the current or future needs of public safety services; or

(F) grant any right to a spectrum licensee different from the rights awarded to licensees who obtain their license through assignment methods other than competitive bidding;

(12) in appropriating revenues received from competitive bidding, priority should be given to—

(A) funding spectrum management, planning, monitoring, and enforcement and other activities of the Federal Communications Commission, the National Telecommunications and Information Administration, and other Federal agencies aimed at increasing the efficiency and effectiveness of spectrum use, facilitating the introduction of new spectrum-based technologies and services, and enhancing the international competitiveness of the United States and the ability of American companies to enter new markets; and

(B) extending the reach of public radio and television to underserved areas of the United States and underserved groups of Americans and enhancing the ability of public telecommunications to deliver needed original, high-quality public service programming; and

(13) because commercial mobile services require a Federal license and the Federal Government is attempting to promote competition for such services, and because providers of such services do not exercise market power vis-a-vis telephone exchange service carriers and State regulation can be a barrier to the development of competition in this market, uniform national policy is necessary and in the public interest.

SEC. 4003. NATIONAL SPECTRUM PLANNING.

(a) PLANNING ACTIVITIES.—The Assistant Secretary of Commerce for Communications and Information and the Chairman of the Commission shall meet, at least biannually, to conduct joint spectrum planning with respect to the following issues:

(1) the future spectrum requirements for public and private uses, including State and local government public safety agencies;

(2) the spectrum allocation actions necessary to accommodate those uses; and

(3) actions necessary to promote the efficient use of the spectrum, including spectrum management techniques to promote increased shared use of the spectrum that does not cause harmful interference, as a means of increasing commercial access.

(b) REPORT ON PLANNING ACTIVITIES.—Not later than 24 months after the date of enactment of this Act, the Assistant Secretary of Commerce for Communications and Information and the Chairman of the Commission shall submit a joint report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the joint spectrum planning activities conducted under subsection (a) and recommendations for action developed pursuant to such activities. The report shall contain recommendations for the reform of the process of allocating spectrum between Federal uses and non-Federal uses.

(c) PROCEDURES TO ENSURE OPPORTUNITY FOR MINORITY-OWNED BUSINESSES AND SMALL BUSINESSES.—The Commission shall develop procedures to ensure that minority-owned businesses and small businesses are given the opportunity to provide spectrum-based services. In developing such procedures, the Commission shall consider the use of tax certificates and bidding preferences.

(d) STUDY ON SPECTRUM NEEDS OF PUBLIC SAFETY AGENCIES.—The Commission shall complete and submit to Congress, not later than 18 months after the date of enactment of this Act, a study of current and future spectrum needs of State and local government public safety agencies through the year 2010, and a specific plan to satisfy those spectrum needs.

SEC. 4004. RECOMMENDATIONS FOR REALLOCATION OF CERTAIN FREQUENCIES.

(a) IDENTIFICATION REQUIRED.—For purposes of reallocation, the Secretary shall identify frequencies that—

(1) are allocated on a primary basis for Federal Government use;

(2) are not required for the present or identifiable future needs of the Federal Government;

(3) can feasibly be made available, as of the date of such identification or at any time during the next 15 years, for use under the Act (other than for Federal Government stations under section 305 of the Act) without resulting in costs to the Federal Government, or loss of services or benefits to the public, that are excessive in relation to the benefits to the public that may be provided by non-Federal licensees; and

(4) are most likely to have the greatest potential for productive uses and public benefits under the Act if allocated for commercial uses.

(b) MINIMUM AMOUNT OF SPECTRUM RECOMMENDED.—

(1) OVERALL RECOMMENDATION.—In accordance with the provisions of this section, the Secretary shall recommend for reallocation, for use other than by Federal Government stations under section 305 of the Act (47 U.S.C. 305), at least 200 megahertz of frequencies identified under subsection (a) that are located below 5 gigahertz. At least one-half of such frequencies shall be located below 3 gigahertz.

(2) MIXED USES PERMITTED TO BE COUNTED.—Among the frequencies recommended under this section for reallocation, the Secretary may include frequencies and frequency bands that are to be partially retained for use by Federal Government stations but that are also recommended to be reallocated under the Act for use by non-Federal stations, except that—

(A) such mixed-use frequencies and frequency bands may not count toward more than one-half of the 200 megahertz minimum required by paragraph (1);

(B) such mixed-use frequencies and frequency bands may not be so counted unless the assignments of the frequencies to Federal Government stations under section 305 of the Act (47 U.S.C. 305) are limited by geographic area, by time, or by other means so as to guarantee that the potential use to be made by such Federal Government stations is substantially less (as measured by geographic area, time, or otherwise) than the potential use to be made by non-Federal stations; and

(C) the operational sharing permitted under this paragraph shall be subject to coordination procedures that the Commission and the Secretary shall jointly establish and implement to ensure against harmful interference.

(c) CONSIDERATION OF CRITERIA FOR IDENTIFICATION.—

(1) NEEDS OF THE FEDERAL GOVERNMENT.—In determining whether a frequency meets the criteria specified in subsection (a)(2), the Secretary shall—

(A) consider whether the frequency is used to provide a communications service that is or could be made available from a commercial carrier or other vendor;

(B) seek to promote—

(i) the maximum practicable reliance on commercially available substitutes;

(ii) the sharing of frequencies (as permitted under subsection (b)(2));

(iii) the development and use of new communications technologies; and

(iv) the use of nonradiating communications systems where practicable; and

(C) seek to avoid—

(i) serious degradation of Federal Government services and operations;

(ii) excessive costs to the Federal Government and users of Federal Government services; and

(iii) excessive disruption of existing use of Federal Government frequencies by amateur radio licensees.

(2) FEASIBILITY OF USE.—In determining whether a frequency meets the criteria specified in subsection (a)(3), the Secretary shall—

(A) assume that the frequency will be assigned by the Commission under section 303 of the Act (47 U.S.C. 303) within 15 years;

(B) assume reasonable rates of scientific progress and growth of demand for telecommunications services;

(C) seek to include frequencies which can be used to stimulate the development of new technologies; and

(D) consider the immediate and recurring costs to reestablish services displaced by the reallocation of spectrum.

(3) COMMERCIAL USE.—In determining whether a frequency meets the criteria specified in subsection (a)(4), the Secretary shall consider—

(A) the extent to which equipment is available that is capable of utilizing such frequency;

(B) the proximity of frequencies that are already assigned for commercial or other non-Federal use;

(C) the extent to which, in general, commercial users could share the frequency with amateur radio licensees; and

(D) the activities of foreign governments in making frequencies available for experimentation or commercial assignments in order to support their domestic manufacturers of equipment.

(4) OTHER USES.—

(A) APPLICABILITY OF CRITERIA.—The criteria specified by subsection (a) shall be deemed not to be met for any purpose under this subtitle with regard to any frequency assignment to, or any frequency assignment used by, a Federal power agency for the purpose of withdrawing that assignment.

(B) MIXED USE ELIGIBILITY.—The frequencies assigned to any Federal power agency may only be eligible for mixed use under subsection (b)(2) in geographically separate areas, but in those cases where a frequency is to be shared by an affected Federal power agency and a non-Federal user, such use by the non-Federal user shall not cause harmful interference to the affected Federal power agency or adversely affect the reliability of its power system.

(C) DEFINITION.—As used in this paragraph, the term "Federal power agency" means the Tennessee Valley Authority, the Bonneville Power Administration, the Western Area Power Administration, or the Southwestern Power Administration.

(d) PROCEDURE FOR IDENTIFICATION OF REALLOCABLE BANDS OF FREQUENCIES.—

(1) REPORT IDENTIFYING 30 MEGAHERTZ FOR IMMEDIATE REALLOCATION.—Within 6 months after the date of enactment of this Act, the Secretary shall prepare and submit to the President and the Congress a report that recommends for immediate reallocation no less than 30 megahertz of frequencies identified under subsection (a). None of the frequencies covered by such report may be allocated for mixed use as described in subsection (b)(2). Not less than one-half of such frequencies shall be located below 3 gigahertz.

(2) PRELIMINARY REPORT ON OTHER REALLOCABLE FREQUENCIES.—Within 6 months after the date of enactment of this Act, the Secretary shall prepare, make publicly available, and submit to the President and the Congress a preliminary report that recommends for reallocation at least 170 megahertz of frequencies identified under subsection (a), other than those recommended for immediate reallocation under paragraph (1).

(3) PUBLIC COMMENT; CHANGES TO REPORT.—The Secretary shall receive public comment on the preliminary report required by paragraph (2) and shall, based upon the comments, make such changes to the report as are warranted to meet the objectives of this section.

(4) DIRECT DISCUSSIONS.—The Secretary shall encourage and provide opportunity for direct discussions among commercial representatives and Federal Government users of the spectrum to aid the Secretary in determining which frequencies to recommend for reallocation. The Secretary shall provide notice to the public of any such discussions, including the name or names of any businesses or other persons represented in such discussions, and shall provide the public with an opportunity to comment on the results of any such negotiations prior to the submission of the final report required by paragraph (5).

(5) FINAL REPORT ON OTHER REALLOCABLE FREQUENCIES.—Within 18 months after the date of enactment of this Act, the Secretary shall prepare and submit to the President and the Congress a final report that recommends the reallocation of at least 170 megahertz of frequencies as described in paragraph (2). Not less than one-half of such frequencies shall be located below 3 gigahertz.

(6) LIMITATION ON REALLOCATION.—None of the frequencies recommended for reallocation in the reports required by this subsection shall have been recommended, prior to the date of enactment of this Act, for reallocation to non-Federal use by international agreement.

(e) TIMETABLE FOR REALLOCATION AND LIMITATION.—The Secretary shall, as part of the reports required by paragraphs (1) and (2) of subsection (d), include a timetable that recommends dates by which the President shall withdraw or limit assignments of the frequencies specified in the reports. In setting the recommended effectived dates, the Secretary shall—

(1) consider the need to reallocate frequencies as early as possible, taking into account the requirements of section 406;

(2) consider the useful remaining life of equipment that has been purchased or contracted for purchase to operate on identified frequencies;

(3) consider the need to coordinate frequency use with other nations; and

(4) take into account the relationship between the costs to the Federal Government of changing to different frequencies and the benefits that may be obtained from commercial and other non-Federal uses of the reassigned frequencies.

SEC. 4005. WITHDRAWAL OR LIMITATION OF ASSIGNMENT TO FEDERAL GOVERNMENT STATIONS.

(a) IN GENERAL.—The President shall—

(1) within 12 months after receipt of the report required by section 404(d)(1), withdraw the assignment to a Federal Government station of any frequency in the frequencies recommended by that report for immediate reallocation;

(2) by the effective date recommended by the Secretary under section 404(e) (except as provided in subsection (b)(4) of this section), withdraw or limit the assignment to a Federal Government station of any frequency which the report required by section 404(d)(3) recommends be reallocated or made available for mixed use on such recommended effective date;

(3) assign or reassign other frequencies to Federal Government stations as necessary to adjust to such withdrawal or limitation of assignments; and

(4) transmit a notice and description to the Commission and each House of Congress of the actions taken under this subsection.

(b) EXCEPTIONS.—

(1) AUTHORITY TO SUBSTITUTE.—If the President determines that a circumstance described in paragraph (2) exists, the President—

(A) may substitute an alternative frequency for the frequency that is subject to such determination and withdraw (or limit) the assignment of that alternative frequency in the manner required by subsection (a); and

(B) shall submit a statement of the reasons for taking the action described in subparagraph (A) to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

(2) GROUNDS FOR SUBSTITUTION.—Each of the following subparagraphs describes a circumstance referred to in paragraph (1):

(A) The reassignment would seriously jeopardize the national defense interests of the United States.

(B) The frequency proposed for reassignment is uniquely suited to meeting important governmental needs.

(C) The reassignment would seriously jeopardize public health or safety.

(D) The reassignment will result in costs to the Federal Government that are excessive in relation to the benefits that may be obtained from commercial or other non-Federal uses of the reassigned frequency.

(E) The reassignment will disrupt the existing use of a Federal Government band of frequencies by amateur radio licensees.

(3) CRITERIA FOR SUBSTITUTED FREQUENCIES.—For purposes of paragraph (1), a frequency may not be substituted for a frequency identified and recommended under section 404 for reallocation, unless the substituted frequency also meets each of the criteria specified by section 404(a).

(4) DELAYS IN IMPLEMENTATION.—If the President determines that any action cannot be completed by the effective date recommended by the Secretary pursuant to section 404(e), or that such an action by such date would result in a frequency being unused as a consequence of the Commission's plan under section 404(b), the President may—

(A) withdraw or limit the assignment to Federal Government stations on a later date that is consistent with such plan, except that the President shall notify each Committee specified in paragraph (1)(B) and the Commission of the reason that withdrawal or limitation at a later date is required; or

(B) substitute alternative frequencies pursuant to this subsection.

(c) COSTS OF WITHDRAWING FREQUENCIES ASSIGNED TO THE FEDERAL GOVERNMENT.—

(1) REIMBURSEMENT AUTHORIZED.—Any Federal agency, or non-Federal entity operating on behalf of a Federal agency, whose operation is displaced from a frequency pursuant to this section may be reimbursed, from revenues received pursuant to section 408, not more than the incremental costs such agency or entity incurs (in such amounts as are provided in advance in an appropriations Act) that are directly attributable to the displacement from the frequency. The estimates of these costs shall be prepared by the affected agency, in consultation with the Department of Commerce.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the affected Federal agencies such sums as may be necessary to carry out the purposes of this subsection.

(d) EXISTING AUTHORITY RETAINED.—

(1) ADDITIONAL REALLOCATION.—Nothing in this subtitle prevents or limits additional reallocation of spectrum from the Federal Government to the commercial or other sectors.

(2) IMPLEMENTATION OF NEW TECHNOLOGIES AND SERVICES.—Notwithstanding any other provision of this subtitle—

(A) the Secretary may at any time allow frequencies allocated on a primary basis for Federal Government use to be used by non-Federal licensees on a mixed-use basis for the purpose of facilitating the prompt implementation of new technologies or services; and

(B) the Commission shall expedite and give priority to the allocation of any frequencies identified pursuant to subparagraph (A), and any associated licensing.

SEC. 4006. ALLOCATION AND ASSIGNMENT OF FREQUENCIES BY THE COMMISSION.

(a) ALLOCATION AND ASSIGNMENT OF IMMEDIATELY AVAILABLE FREQUENCIES.—With respect to the frequencies made available for immediate reallocation pursuant to section 405(a)(1), the Commission, not later than 18 months after the date of enactment of this Act, shall issue rules to allocate such frequencies and shall propose rules to assign such frequencies.

(b) ALLOCATION AND ASSIGNMENT OF REMAINING AVAILABLE FREQUENCIES.—With respect to the frequencies made available for reallocation pursuant to section 405(a)(2), the Commission shall, not later than 1 year after receipt of the final report identified in section 404(d)(4), prepare, in consultation with the Assistant Secretary of Commerce for Communications and Information, submit to the President and the Congress, and implement, a plan for the allocation and assignment under the Act of such frequencies. Such plan shall—

(1) not propose the immediate allocation and assignment of all such frequencies but, taking into account the timetable recommended by the Secretary pursuant to section 404(e), shall propose—

(A) gradually to allocate and assign the frequencies remaining, after making the reservation required by subparagraph (B), over the course of 10 years beginning on the date of submission of such plan; and

(B) to reserve a significant portion of such frequencies for distribution beginning after the end of such 10-year period;

(2) contain appropriate provisions to ensure the availability of frequencies for (A) new technologies and services in accordance with the policies of section 7 of the Act (47 U.S.C. 157) and (B) the safety of life and property in accordance with the policies of section 1 of the Act (47 U.S.C. 151);

(3) address (A) the feasibility of reallocating portions of the spectrum from current commercial and other non-Federal uses to provide for more efficient use of the spectrum, and (B) innovation and marketplace developments that may affect the relative efficiencies of different spectrum allocations;

(4) not prevent the Commission from allocating frequencies, and assigning licenses to use frequencies, not included in the plan; and

(5) not preclude the Commission from making changes to the plan in future proceedings.

(c) AMENDMENT TO THE ACT.—Section 303 of the Act (47 U.S.C. 303) is amended by adding at the end the following new subsection:

"(v) Have authority to assign licenses to use the frequencies reallocated from United States Government use to non-United States Government use pursuant to the Emerging Telecommunications Technologies Act of 1993; except that any such assignment shall be made expressly subject to the right of the President to reclaim such frequencies under section 7 of such Act.".

SEC. 4007. AUTHORITY TO RECLAIM REASSIGNED FREQUENCIES.

(a) AUTHORITY OF PRESIDENT.—Subsequent to the withdrawal of assignment to Federal Government stations pursuant to section 405, the President may reclaim reassigned frequencies for reassignment to Federal Government stations in accordance with this section.

(b) PROCEDURE FOR RECLAIMING FREQUENCIES.—

(1) UNALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have not been allocated or assigned by the Commission pursuant to the Act, the President shall follow the procedures for substitution of frequencies established by section 405(b) of this subtitle.

(2) ALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have been allocated or assigned by the Commission, the President shall follow the procedures for substitution of frequencies established by section 405(b) of this subtitle, except that the notification required by section 405(b)(1)(B) shall include—

(A) a timetable to accommodate an orderly transition for displaced licensees to obtain new frequencies and equipment necessary for its utilization; and

(B) an estimate of the cost of displacing spectrum uses licensed by the Commission.

(c) COSTS OF RECLAIMING FREQUENCIES; APPROPRIATIONS AUTHORIZED.—The Federal Government shall bear all costs of reclaiming frequencies pursuant to this section, including the cost of equipment which is rendered unusable, the cost of relocating operations to a different frequency, and any other costs that are directly attributable to the reclaiming of the frequency pursuant to this section. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

(d) EFFECTIVE DATE OF RECLAIMED FREQUENCIES.—The Commission shall not withdraw licenses for any reclaimed frequencies until the end of the fiscal year following the fiscal year in which the President's notification is received.

(e) EFFECT ON OTHER LAW.—Nothing in this section shall be construed to limit or otherwise affect the authority of the President under section 706 of the Act (47 U.S.C. 606).

SEC. 4008. COMPETITIVE BIDDING.

(a) COMPETITIVE BIDDING.—

(1) IN GENERAL.—

(A) FIVE-YEAR AUTHORIZATION.—The Commission shall, during fiscal years 1994 through 1998, use the competitive bidding process authorized under the amendment made by subsection (b) to grant all radio spectrum licenses for which two or more mutually exclusive applications have been filed, including the 200 megahertz of spectrum made available to the Commission under this subtitle, and including the licenses issued for a personal communications service established pursuant to the proceeding entitled "Amendment to the Commission's Rules to Establish New Personal Communications Services", or any successor proceeding, except for those licenses identified in subparagraphs (A) through (E) of section 309(j)(4) of the Act and those licenses that the Commission determines should in the public interest be issued by comparative hearing under section 309(a) through (f) of the Act. To the extent possible, and consistent with the purposes of this subtitle, the Commission shall seek to ensure that revenues received pursuant to the competitive bidding process are received before the end of fiscal year 1998.

(B) EXPIRATION OF REQUIREMENTS.—The requirements of subparagraph (A) shall expire either—

(i) upon a determination by the Secretary of the Treasury that competitive bidding has resulted in or is reasonably expected to result in the receipt of $7,200,000,000 by the end of fiscal year 1998, or

(ii) at the end of fiscal year 1998, whichever is earlier.

(C) REPORT TO PRESIDENT AND CONGRESS.—The Commission shall prepare, in consultation with the Assistant Secretary of Commerce for Communications and Information, and submit to the President and the Congress, not later than March 31, 1997, and March 31, 1999, reports on the use of competitive bidding under subparagraph (A). Such reports shall examine, in addition to any other matters deemed appropriate by the Commission, whether and to what extent—

(i) competitive bidding significantly improved the efficiency and effectiveness of the process for granting radio spectrum licenses;

(ii) competitive bidding facilitated the introduction of new spectrum-based technologies and the entry of new companies into the telecommunications market;

(iii) the needs of rural spectrum users were adequately addressed in the competitive bidding process;

(iv) small businesses and minority-owned businesses were able to participate successfully in the competitive bidding process; and

(v) statutory changes are needed to improve the competitive bidding process.

(2) RETENTION OF REVENUES.—Notwithstanding paragraph (6) of section 309(j) of the Act, as added by this subtitle, the salaries and expenses account of the Commission shall retain as an offsetting collection such sums as may be necessary from the receipts received pursuant to such section for the costs of developing and implementing the program required by subsection (a)(1)(A). Such offsetting collections shall be available for obligation subject to the terms and conditions of the receiving appropriations account, and shall be deposited in such accounts on a quarterly basis. Any funds appropriated to the Commission for fiscal years 1994 through 1998 for the purpose of assigning licenses using random selection under section 309(i) of the Act shall be used by the Commission to implement section 309(j) of the Act.

(b) COMPETITIVE BIDDING AUTHORIZATION.—Section 309 of the Act (47 U.S.C. 309) is amended by adding at the end the following new subsection:

"(j)(1) Subject to the exemptions and conditions set forth in the other provisions of this subsection, if there are two or more mutually exclusive applications for any construction permit or initial license which will involve any use of the electromagnetic spectrum, the Commission shall have authority to use competitive bidding in the granting of such construction permit or initial license.

"(2)(A) The Commission shall, within 6 months after the date of enactment of the Emerging Telecommunications Technologies Act of 1993 and following public notice and comment proceedings, issue rules establishing competitive bidding procedures under this subsection. Such rules shall include safeguards to protect the public interest in the use of the spectrum and shall ensure the opportunity for successful participation by small businesses and minority-owned businesses.

"(B)(i) In the rules issued pursuant to subparagraph (A), the Commission shall require potential bidders to file a first-stage application indicating an intent to participate in the competitive bidding process and containing such other information as the Commission finds necessary. After conducting the bidding, the Commission shall require the wining bidder to file a second-stage application. After determining that such application is acceptable for filing and that the winning bidder is qualified as described in clause (ii), the Commission shall grant the permit or license to the winning bidder.

"(ii) No permit or license shall be granted to a winning bidder pursuant to clause (i) unless the Commission determines that such winning bidder is qualified pursuant to section 308(b) and subsection (a) of this section, on the basis of the information contained in the first-stage and second-stage applications submitted pursuant to clause (i).

"(iii) Each participant in the competitive bidding process shall be subject to the schedule of charges contained in section 8.

"(C) In the rules issued pursuant to subparagraph (A), the Commission, in addition to other actions it finds necessary to implement competitive bidding fairly and effectively, shall—

"(i) establish the method of bidding (including but not limited to sealed bids) and the basis for payment (such as installment or lump sum payments, royalties on future income, a combination thereof, or other reasonable forms of payment specified by the Commission); and

"(ii) establish other appropriate conditions on such permits and licenses that serve the public interest.

"(3)(A)(i) If the Commission decides to use competitive bidding to grant two or more national, regional, or local licenses per market in a terrestrial service that will compete with telephone exchange service provided by a qualified common carrier, the Commission shall designate one such license per market as a rural program license.

"(ii) The Commission shall define the geographic boundaries of the rural program license to correspond to the geographic area of the telephone exchange service by which the qualified common carrier became eligible for the rural program license under subparagraph (E)(ii).

"(B)(i) Except as provided in subparagraph (D), the Commission shall either grant a rural program license to the qualified common carrier providing telephone exchange service in the area covered by such license, or grant a license to a consortium of such qualified carriers.

"(ii) No qualified common carrier that receives a rural program license shall be eligible to—

"(I) receive any other license to provide the same service in such area; or

"(II) own any equity interest in, become a creditor of, or otherwise become affiliated with any entity that holds a license to provide the same service in such area.

"(iii) Any qualified common carrier that receives a rural program license shall (I) provide to all other licensees providing the same service in such area the same quality of access to its wire network that it provides itself, and (II) shall interconnect its wireless service with the wireless service provided by another licensee providing the same service on the same frequency in a different geographic area. Such other licensee shall provide an equivalent interconnection with the wireless service of such rural program licensee.

"(iv) The Commission may establish other rules or conditions for the award of a rural program license, consistent with the intent of this paragraph.

"(C)(i) Upon the grant of a rural program license to a qualified common carrier, such carrier shall pay a fee (in lump sum or installment payments, in royalties on future income, in a combination thereof, or on any other reasonable basis specified by the Commission) equal to the value of such license. The value of such license shall be the average of the amounts paid by persons granted licenses through competitive bidding to provide the same service in such area, except that the Commission shall determine the value of such license by any reasonable means when the geographic area served by the rural program license is not congruent with the geographic area served by the other license or licenses. The Commission shall ensure that the total amount paid by qualified common carriers for all the licenses issued to them under the rural program shall equal the total value, as determined under clause (ii), of such licenses.

"(ii) The Commission shall determine the total value of the licenses issued under the rural program to qualified common carriers by first adding the amounts paid for the licenses not subject to the rural program, and dividing that sum by the number of licenses per market that are not subject to the rural program. The Commission shall then subtract from the amount found in the previous calculation the total amount paid for the licenses issued for the non-rural areas under bidding subject to the rural program and the total amount paid for licenses issued pursuant to subparagraph (D). The amount remaining shall be the total value of all the licenses issued under the rural program to qualified common carriers.

"(D) If no qualified common carrier applies for a rural program license in a particular market and the Commission awards the non-rural program licenses through competitive bidding, the rural program shall not apply for that particular market and the Commission shall use competitive bidding to award the licenses for the former rural program areas, either separately or as part of larger license areas.

"(E) For purposes of this paragraph—

"(i) the term 'rural area' means any geographic area that does not include either—

"(I) any incorporated place of 10,000 inhabitants or more, or any part thereof; or

"(II) any territory, incorporated or unincorporated, included in an urbanized area (as defined by the Bureau of the Census as of the date of enactment of the Emerging Telecommunications Technologies Act of 1993); and

"(ii) the term 'qualified common carrier' means a common carrier that—

"(I) either provides telephone exchange service by wire in a rural area, provides telephone exchange service by wire to less than 10,000 subscribers, or is a telephone utility whose income accrues to a State or political subdivision thereof; and

"(II) submits an application for a rural program license that meets the standards established by the Commission to determine ability to provide the service covered by the license.

"(F) The provisions of subparagraph (A)(ii) do not limit the Commission's discretion to determine, for licenses issued other than under this paragraph, the size of any market area or the number of licensees for any service.

"(4) The competitive bidding authority provided to the Commission in paragraph (1) shall not—

"(A) because of the need to avoid excessive service disruption, extend to license renewals and modifications;

"(B) because of the essential services they provide, extend to licenses reserved for the United States Government and State or local government entities;

"(C) because of their public service obligations, extend to licenses to provide amateur operator services, over-the-air terrestrial radio and television broadcast services, public safety services, and radio astronomy services;

"(D) because they do not involve mutually exclusive applications, extend to private radio end-user licenses, including Specialized Mobile Radio Service (SMRS), maritime, and aeronautical end-user licenses;

"(E) because of the need to avoid excessive service disruption, extend to any license grant to a non-Federal licensee being moved from its current frequency assignment to a different one by the Commission in order to make spectrum available for new technologies; and

"(F) extend to any other service, class of services, or assignments that the Commission determines, after conducting public notice and comment proceedings, should be exempt from competitive bidding because of public interest factors warranting an exemption to the extent the Commission determines the use of competitive bidding would jeopardize appropriate treatment of those factors.

"(5) No provision of this subsection or of the Emerging Telecommunications Technologies Act of 1993 shall be construed, in any way, to—

"(A) alter spectrum allocation criteria and procedures established by the other provisions of this Act;

"(B) allow the Commission to consider potential revenues from competitive bidding when making decisions concerning spectrum allocation;

"(C) diminish the authority of the Commission under the other provisions of this Act to regulate or reclaim spectrum licenses;

"(D) grant any right to a spectrum licensee different from the rights awarded to licensees who obtained their license through assignment methods other than competitive bidding; or

"(E) prevent the Commissicn from awarding licenses to those persons who make significant contributions to the development of a new telecommunications service or technology.

"(6) Moneys received from competitive bidding pursuant to this subsection shall be deposited in the general fund of the Treasury."

(c) STATE AND LOCAL TAX TREATMENT OF LICENSES AND PERMITS.—Title VII of the Act (47 U.S.C. 601 et seq.) is amended by adding at the end the following new section:

"SEC. 714. STATE AND LOCAL TAX TREATMENT OF LICENSES AND PERMITS.

"A license or permit issued by the Commission under this Act shall not be treated as the property of the licensee for property tax purposes, or other similar tax purposes, by any State or local government entity.".

SEC. 4009. REGULATORY PARITY.

(a) AMENDMENT.—Section 332 of the Act (47 U.S.C. 332) is amended—

(1) by striking "PRIVATE LAND" from the heading of the section; and

(2) by amending subsection (c) to read as follows:

"(c)(1)(A) A person engaged in the provision of commercial mobile services shall, insofar as such person is so engaged, be treated as a common carrier for purposes of this Act, except that the Commission may waive the requirements of sections 203, 204, 205, and 214, and the 30-day notice provision of section 309(a), for commercial mobile services and such other provisions of title II as the Commission may, consistent with the public interest, specify by rule. In prescribing any such rule, the Commission may not waive for commercial mobile services the requirements of section 201, 202, 206, 208, 209, 215(c), 216, 217, 220 (d) or (e), 223, 225, 226 (a), (b), (c), (d), (e), (f), (g), or (i), 227, or 228, or any other provision that is necessary in order to ensure that the charges, practices, classifications, or regulations for or in connection with commercial mobile services are just and reasonable and are not unjustly or unreasonably discriminatory or that is otherwise in the public interest.

"(B) Upon reasonable request of any person providing commercial mobile service, the Commission shall order a common carrier to establish physical connections with such service pursuant to section 201. Except to the extent that the Commission is required to respond to such a request, this subparagraph shall not be construed as a limitation or expansion of the Commission's authority to order interconnection under this Act.

"(2) A person engaged in private land mobile service shall not, insofar as such person is so engaged, be treated as a common carrier for any purpose under this Act. A common carrier shall not provide any dispatch service on any frequency allocated for common carrier service, except to the extent that such dispatch service is provided on stations licensed by the Commission in the Specialized Mobile Radio Service prior to May 24, 1993, or is provided on stations licensed in the domestic public land mobile radio service before January 1, 1982. The Commission may by regulation terminate, in whole or in part, the prohibition contained in the preceding sentence

if the commission determines that such termination will service the public interest.

"(3)(A) Notwithstanding sections 2(b) and 221(b), no State or local government shall have any authority to regulate the entry of or the rates charged by any commercial mobile service or any private land mobile service, except that this paragraph shall not prohibit a State from regulating the other terms and conditions of commercial mobile services. Nothing in this subparagraph shall exempt providers of commercial mobile services (where such services are a substitute for land line telephone exchange service for a substantial portion of the communications within such State) from requirements imposed by a State commission on all providers of telecommunications services necessary to ensure the continued availability of telephone exchange service at affordable rates.

"(B) Notwithstanding subparagraph (A), a State may petition the Commission for authority to regulate the rates for any commercial mobile service if such State demonstrates that (i) such service is a substitute for land line telephone exchange service for a substantial portion of the communications within such State, or (ii) market conditions with respect to such services fail to protect subscribers adequately from unjust and unreasonable rates or rates that are unjustly or unreasonably discriminatory. The Commission shall provide reasonable opportunity for public comment in response to such petition, and shall, within 9 months after the date of its submission, grant or deny such petition. If the Commission grants such petition, the Commission shall authorize the State to exercise under State law such authority over rates, for such periods of time, as the Commission deems necessary to ensure that such rates are just and reasonable and not unjustly or unreasonably discriminatory.

"(C) If a State has in effect on June 1, 1993, any regulation concerning the rates for any commercial mobile service, such State may, no later than 1 year after the date of enactment of the Emerging Telecommunications Technologies Act of 1993, petition the Commission requesting that the State be authorized to continue exercising authority over such rates. The State's existing regulation shall, notwithstanding subparagraph (A), remain in effect until the Commission issues a final order granting or denying such petition. The Commission shall review such petition in accordance with the procedures and schedule established in subparagraph (B), and shall grant such petition if the State satisfies the showing required under subparagraph (B)(i) or (B)(ii). If the Commission grants such petition, the Commission shall authorize the State to exercise under the State law such authority over rates, for such period of time, as the Commission deems necessary to ensure that such rates are just and reasonable and not unjustly or unreasonably discriminatory.

"(D) After a reasonable period of time, as determined by the Commission, has elapsed from the issuance of an order under subparagraph (B) or (C), any interested party may petition the Commission for an order that the exercise of authority by a State pursuant to such subparagraph is no longer necessary to ensure that the rates for commercial mobile services are just and reasonable and not unjustly or unreasonably discriminatory. The Commission shall provide reasonable opportunity for public comment in response to such petition, and shall, within 9 months after the date of its submission, grant or deny such petition in whole or in part.

"(4) Nothing in this subsection shall be construed to alter or affect the regulatory treatment required by title IV of the Communications Satellite Act of 1962 of the corporation authorized by title III of such Act.

"(5) The Commission shall continue to determine whether the provision of space segment capacity by satellite systems to providers of commercial mobile services shall be treated as common carriage.

"(6) The provisions of section 310(b) shall not apply to any lawful foreign ownership in a provider of commercial mobile services prior to May 24, 1993, if that provider was not regulated as a common carrier prior to the date of enactment of the Emerging Telecommunications Technologies Act of 1993 and is deemed to be a common carrier under this Act.

"(7) As part of any proceeding under this subsection the Commission (i) shall consider in such proceeding the ability of new entrants to compete in the services to which such proceeding relates, and (ii) shall have the flexibility to amend, modify, or forbear from any regulation of new entrants under this subsection, or, consistent with the public interest, take other appropriate action, to provide a full opportunity for new entrants to compete in such services.

"(8) For purposes of this section—

"(A) the term 'commercial mobile service' means any mobile service (as defined in section 3(n)) that, as specified by regulation by the Commission, is provided for profit and makes interconnected service available (i) to the public or (ii) to such broad classes of eligible users as to be effectively available to a substantial portion of the public;

"(B) the term 'interconnected service' means service that is interconnected with the public switched network (as such term is defined by regulation by the Commission) or service for which interconnection pursuant to paragraph (1)(B) is pending; and

"(C) the term 'private land mobile service' means any mobile service (as defined in section 3(n)) that is not a commercial mobile service under subparagraph (A).".

(b) CONFORMING AMENDMENTS.—

(1) DEFINITION OF MOBILE SERVICE.—Section 3 of the Act (47 U.S.C. 153) is amended—

(A) in subsection (n)—

(i) by inserting "(1)" immediately after "and includes"; and

(ii) by inserting immediately before the period at the end the following: ", (2) a mobile service which provides a regularly interacting group of base, mobile, portable, and associated control and relay stations (whether licensed on an individual, cooperative, or multiple basis) for private one-way or two-way land mobile radio communications by eligible users over designated areas of operation, and (3) any service for which a license is required in a personal communications service established pursuant to the proceeding entitled 'Amendment to the Commission's Rules to Establish New Personal Communications Services' (GEN Docket No. 90–314; ET Docket No. 92–100), or any successor proceeding; but such term does not include any rural radio service as defined by the Commission and does not include the provision, by a local exchange carrier, of telephone exchange service by radio instead of by wire"; and

(B) by striking subsection (gg).

(2) REGULATION OF INTRASTATE COMMUNICATIONS.—Section 2(b) of the Act (47 U.S.C. 152(b)) is amended by inserting "and section 332" immediately after "inclusive,".

(c) RULEMAKING SCHEDULE; EFFECTIVE DATE.—

(1) RULEMAKING REQUIRED.—Within 1 year after the date of enactment of this Act, the Commission shall—

(A) issue such modifications or terminations of its regulations as are necessary to implement the amendments made by subsection (a);

(B) make such other modifications of such regulations as may be necessary to promote parity in the regulatory treatment of providers of all commercial mobile services that offer services that are substantially similar; and

(C) include in such modifications and terminations such provisions as are necessary to provide for an orderly transition to the regulatory treatment required by such amendments.

(2) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective 1 year after such date of enactment, except that—

(A) section 332(c)(1)(A) of the Act, as added by such amendments, shall take effect upon such date of enactment; and

(B) any person that provides private land mobile services before such date of enactment shall continue to be treated as a provider of private land mobile service until 3 years after such date of enactment.

SEC. 4010. DEADLINES FOR PCS ORDERS AND LICENSING.

The Commission shall—

(1) within 180 days after the date of enactment of this Act, issue a final report and order (A) in the matter entitled "Redevelopment of Spectrum to Encourage Innovation in the Use of New Telecommunications Technologies" (ET Docket No. 92–9); and (B) in the matter entitled "Amendment of the Commission's Rules to Establish New Personal Communications Services" (GEN Docket No. 90–314; ET Docket No. 92–100); and

(2) within 270 days after such date of enactment, commence issuing licenses and permits in the personal communications service.

SEC. 4011. DEFINITIONS.

As used in this subtitle:

(1) The term "allccation" means an entry in the National Table of Frequency Allocations of a given frequency band for the purpose of its use by one or more radiocommunication services.

(2) The term "assignment" means an authorization given to a station licensee to use specific frequencies or channels in a particular geographic area.

(3) The term "commercial carrier" means any entity that uses a facility licensed by the Federal Communications Commission pursuant to the Communications Act of 1934 for hire or for its own use, but does not include Federal Government stations licensed pursuant to section 305 of the Act (47 U.S.C. 305).

(4) The term "Commission" means the Federal Communications Commission.

(5) The term "Secretary" means the Secretary of Commerce.

(6) The term "the Act" means the Communications Act of 1934 (47 U.S.C. 151 et seq.).

Subtitle B—Vessel Tonnage Duties

SEC. 4051. EXTENSION OF VESSEL TONNAGE DUTIES.

(a) EXTENSION OF DUTIES.—Section 36 of the Act of August 5, 1909 (36 Stat. 111; 46 App. U.S.C. 121), is amended—

(1) by striking "and 1995," each place it appears and inserting in lieu thereof "1995, 1996, 1997, and 1998,";

(2) by striking "place," and inserting in lieu thereof "place;"; and

(3) by striking "port, not, however, to include vessels in distress or not engaged in trade" and inserting in lieu thereof "port. However, neither duty shall be imposed on vessels in distress or not engaged in trade".

(b) CONFORMING AMENDMENT.—The Act of March 8, 1910 (36 Stat. 234; 46 App. U.S.C. 132), is amended by striking "and 1995," and inserting in lieu thereof "1995, 1996, 1997, and 1998.".

(c) TECHNICAL CORRECTION.—

(1) CORRECTION.—Section 10402(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388–398) is amended by striking "in the second paragraph".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on and after November 5, 1990.

TITLE V—COMMITTEE ON ENERGY AND NATURAL RESOURCES

Subtitle A—Recreation and Commercial Use Fees

SEC. 5001. ADMISSION FEES.

Section 4(a) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(a)), is amended:

(1) by inserting in the first sentence of the first paragraph after the words "National Park System" the words "and for fiscal years 1994 through 1998, the Bureau of Land Management" and by inserting after the words "National Recreation Areas" the words ", and for fiscal years 1994 through 1998, National Monuments, National Volcanic Monuments, National Scenic Areas, and areas of concentrated public use"; and

(2) by adding at the end the following new paragraph:

"(13) For the purposes of this subsection, 'areas of concentrated public use' shall meet each of the following criteria:

"(A) be managed primarily for outdoor recreation purposes;

"(B) provide facilities and services necessary to accommodate heavy public use;

"(C) contain at least one major recreation attraction including, but not limited to, a lake, river, historical site, or geologic feature; and

"(D) provide public access such that admission fees can be efficiently collected at one or more centralized locations.".

SEC. 5002. RECREATION USE FEES.

(a) IN GENERAL.—The first sentence of section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(b)) is amended by striking out "visitors' centers," and all that follows down through the period at the end thereof and inserting the following: "scenic drives, or toilet facilities: Provided, That in no event shall there be any charge for the use of any campground not having a majority of the following: tent or trailer spaces, picnic tables, drinking water, access road, refuse containers, toilet facilities, fee collection by an employee or agent of the Federal agency operating the facility, reasonable visitor protection, and simple devices for containing a campfire (where campfires are permitted). For purposes of this subsection, the term 'specialized outdoor recreation site' includes but shall not be limited to campgrounds, swimming sites, boat launch facilities, and managed parking lots.".

(b) COSTS OF COLLECTION.—Section 4(i) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(i)) is amended by inserting "(A)" after "(1)" and by adding the following at the end of paragraph (1):

"(B) Notwithstanding subparagraph (A), in any fiscal year, the Secretary of Agriculture and the Secretary of the Interior may withhold from the special account established under subparagraph (A) such portion of all receipts the fees collected in that fiscal year under this section as such Secretary determines to be equal to the additional fee collection costs for that fiscal year. The amounts so withheld shall be retained by the Secretary of Agriculture or the Secretary of the Interior and shall be available, without further appropriation, for expenditure by the Secretary concerned in the fiscal year in which collected to cover such additional fee collection costs. The Secretary concerned shall deposit in the special account established pursuant to subparagraph (A) any amounts so retained which remain unexpended and unobligated at the end of such fiscal year. For the purposes of this subparagraph, for any fiscal year, the term 'additional fee collection costs' means those costs for personnel and infrastructure directly associated with the collection fees imposed under this section which exceed the costs for personnel and infrastructure directly associated with the collection of such fees during fiscal year 1993.".

(c) COMMERCIAL TOUR USE FEES.—(1) For fiscal years 1994 through 1998, in the case of each unit of the National Park System for which an admission fee is charged under section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–4), the Secretary of the Interior shall establish, by October 1, 1993, a commercial tour use fee to be imposed on each vehicle entering the unit for the purpose of providing commercial tour services within the unit. Fee revenue derived from such commercial tour use fees shall be deposited into the special account established under section 4(i) of the Land and Water Conservation Fund Act of 1965.

(2) The Secretary shall establish the amount of fee per entry as follows:

(A) $25 per vehicle with a passenger capacity of 25 persons or less, and

(B) $50 per vehicle with a passenger capacity of more than 25 persons.

(3) The commercial tour use fee imposed under this subsection shall not apply to either of the following:

(A) Any vehicle transporting organized school groups or outings conducted for educational purposes by schools or other bona fide educational institutions.

(B) Any vehicle entering a park system unit pursuant to a contract issued under the Act of October 9, 1965 (16 U.S.C. 20–20g) entitled "An Act relating to the establishment of concession policies in the areas administered by the National Park Service and for other purposes.".

(d) NON-FEDERAL GOLDEN EAGLE PASSPORT SALES.—Section 4(a)(1)(A) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(a)(1)(A)) is amended by redesignating the paragraph as 4(a)(1)(A)(i) and adding at the end thereof the following new paragraph:

"(ii) For fiscal years 1994 through 1998, the Secretary of the Interior and the Secretary of Agriculture may authorize businesses, non-profit entities, and other organizations to sell and collect fees for the Golden Eagle Passport subject to such conditions as the Secretaries may jointly prescribe. The Secretaries shall develop detailed guidelines for promotional advertising of non-Federal Golden Eagle Passport sales and shall monitor compliance with such guidelines. The Secretaries may authorize the sellers to maintain an inventory of Golden Eagle Passports for periods not to exceed 6 months, and to withhold amounts up to, but not exceeding 7 per centum of the fees of the gross fees collected from the sale of such passports as reimbursement for actual expenses of the sales.".

SEC. 5002A. EXTENSION OF AUTHORITY TO COLLECT FEE.

The third undesignated paragraph under the heading "ADMINISTRATIVE PROVISIONS" in chapter VII of title I of Public Law 98–63 (97 Stat. 329) is amended by striking paragraph (3).

SEC. 5003. RADIO AND TELEVISION COMMUNICATION SITE FEES.

(a) Notwithstanding any other provision of law, the Secretary of Agriculture and the Secretary of the Interior (hereinafter referred to as "the Secretaries"), shall assess and collect charges for utilization of radio and television communications sites located on Federal lands administered by the Forest Service or the Bureau of Land Management at such rates as the Forest Service and the Bureau of Land Management shall establish or at such modified rates as are established pursuant to the provisions of subsection (b) of this section.

(b) The schedule of charges established under this section shall be reviewed by the Forest Service and the Bureau of Land Management on an annual basis, and shall be adjusted by the Forest Service and the Bureau of Land Management to reflect changes in the Consumer Price Index. Increases or decreases in charges shall apply to all categories of charges, but any increase or decrease shall not total less than 3 percent or more than 5 percent of the charge assessed to the user in the preceding year. The Bureau of Land Management and the Forest Service shall transmit to the Congress notification of any such adjustment not later than 60 days before the effective date of such adjustment.

(1) Under the schedule of charges established under the section, if any radio or television communications site user is to be charged an amount that is greater than $1,000 more than the amount such site user pays to the Bureau of Land Management or the Forest Service as of January 1, 1993, then during the first year in which the schedule of charges is in effect, such site user shall pay an amount equal to the amount it paid to the Bureau of Land Management or the Forest Service as of January 1, 1993 plus $1,000. Each year thereafter, such site user shall pay the full amount under the schedule of charges, as modified pursuant to the subsection.

(2) Under the schedule of charges established under this section, if any radio or television communications site user is to be charged an amount that is less than the amount such site user paid to the Bureau of Land Management or the Forest Service as of January 1, 1993, such site user shall continue to pay the higher amount until such time as the charge to the site user in the schedule of charges equals or exceeds that amount, as modified pursuant to this subsection.

(c)(1) If the radio or television communications site user is permitted under the terms of its site use authorization from the Bureau of Land Management or the Forest Service to grant access to the site to additional users, then the radio or television communications site user shall pay annually to the Bureau of Land Management or the Forest Service an amount equal to 25 percent of the gross income it receives from each such additional user during that year.

(2) Authorizations to radio and television communications site users shall require such site users to provide the Bureau of Land Management or the Forest Service with a certified list which identifies all additional users of such sites and all gross revenues received from such additional users. The Bureau of Land Management and the Forest Service shall not require any additional user of a radio or television communications site to obtain a separate authorization to use such a site.

(d)(1) The Secretaries shall prescribe appropriate rules and regulations to carry out the provisions of this section.

(2) Ten years after the date of enactment of this section, the Secretaries shall establish a broad-based advisory group, including representatives from the radio and television broadcast industry, to review the schedule of charges and other acceptable criteria for determining fair market value for radio and television communications site users. The advisory group shall report its findings to the Congress no later than 1 year after it is established.

(e)(1) Until modified pursuant to subsection (b) of this section, the schedule of charges for television communications site users which the Secretaries shall prescribe pursuant to subsection (a) of this section shall be as listed in exhibit 3, (television rental fee schedule) in the report of the radio and television broadcast use fee advisory committee dated December 1992.

(2) Until modified pursuant to subsection (b) of this section, the schedule of charges for radio communications site users which the Secretaries shall prescribe pursuant to subsection (a) of this section shall be as listed in exhibit 4, (radio rental fee schedule) in the report of the radio and television broadcast use fee advisory committee dated December 1992.

(f)(1) The Secretaries are directed to jointly establish a broad-based advisory group comprised

of representatives from the non-broadcast communications industry (users of both private and public communication sites) and the two agencies to review recommendations on acceptable criteria for determining fair market values and next best alternative use.

(2) The advisory group shall review the methodology used in any previous studies and reach concurrence on such methodology.

(3) The advisory group shall also assess the validity of the results of such studies, taking into account all reasonable options for the establishment of fair market values and next best alternative use.

(4) The advisory group shall report its findings to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Natural Resources of the United States House of Representatives within one year after the enactment of this Act.

Subtitle B—Hardrock Mining Claim Maintenance Fee

SEC. 5101. FEE.

(a) Except as provided in section 2511(e)(2) of the Energy Policy Act of 1992, for each unpatented mining claim, mill or tunnel site on federally owned lands, whether located before or after enactment of this Act, each claimant shall pay to the Secretary of the Interior, on or before August 31 of each year, for years 1994 through 1998, a claim maintenance fee of $100 per claim to hold such unpatented mining claim, mill or tunnel site for the assessment year beginning at noon on the next day, September 1. Such claim maintenance fee shall be in lieu of the assessment work requirement contained in the Mining Law of 1872 (30 U.S.C. 28–28e) and the related filing requirements contained in section 314(a) and (c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(a) and (c)).

(b)(1) The claim maintenance fee required under this section shall be waived for a claimant who certifies in writing to the Secretary that on the date the payment was due, the claimant and all related parties—

(A) held not more than 10 mining claims, mill sites, or tunnel sites, or any combination thereof, on public lands; and

(B) have performed assessment work required under the Mining Law of 1872 (30 U.S.C. 28–28e) to maintain the mining claims held by the claimant and such related parties for the assessment year ending on noon of September 1 of the calendar year in which payment of the claim maintenance fee was due.

(2) For purposes of paragraph (1), with respect to any claimant, the term "all related parties" means—

(A) the spouse and dependent children (as defined in section 152 of the Internal Revenue Code of 1986), of the claimant; or

(B) a person affiliated with the claimant, including—

(i) a person controlled by, controlling, or under common control with the claimant; or

(ii) a subsidiary or parent company or corporation of the claimant.

(c)(1) The Secretary shall adjust the fees required by this section to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor every 5 years after the date of enactment of this Act, or more frequently if the Secretary determines an adjustment to be reasonable.

(2) The Secretary shall provide claimants notice of any adjustment made under this subsection not later than July 1 of any year in which the adjustment is made.

(3) A fee adjustment under this section shall begin to apply the calendar year following the calendar year in which it is made.

(d) Monies received under this section shall be deposited as miscellaneous receipts in the Treasury.

SEC. 5102. LOCATION.

(a) Notwithstanding any provision of law, for every unpatented mining claim, mill or tunnel site located after the date of enactment of this subtitle and before September 30, 1998, the locator shall, at the time the location notice is recorded with the Bureau of Land Management, pay to the Secretary of the Interior a location fee, in addition to the fee required by section 5101, of $25.00 per claim.

(b) Moneys received under this section shall be deposited as miscellaneous receipts in the Treasury.

SEC. 5103. CO-OWNERSHIP.

The co-ownership provisions of the Mining Law of 1872 (30 U.S.C. 28–28e) will remain in effect except that the annual claim maintenance fee, where applicable, shall replace applicable assessment requirements and expenditures.

SEC. 5104. FAILURE TO PAY.

Failure to pay the claim maintenance fee as required by section 5101 of this subtitle shall conclusively constitute a forfeiture of the unpatented mining claim, mill or tunnel site by the claimant and the claim shall be deemed null and void by operation of law.

SEC. 5105. OTHER REQUIREMENTS.

(a) Nothing in this subtitle shall change or modify the requirements of section 314(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(b)), or the requirements of section 314(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(c)) related to filings required by section 314(b), which remain in effect.

(b) The third sentence of 2324 of the Revised Statutes (30 U.S.C. 28) is amended by inserting after "On each claim located after the 10th day of May, 1972," the following: "that is eligible for a waiver under section 5101 of the Omnibus Budget Reconciliation Act of 1993,".

SEC. 5106. REGULATIONS.

The Secretary of the Interior shall promulgate rules and regulations to carry out the purposes of this subtitle as soon as practicable after the date of enactment of this subtitle.

Subtitle C—Commonwealth of Northern Mariana Islands Agreement

SEC. 5201. COMMONWEALTH OF NORTHERN MARIANA ISLANDS AGREEMENT.

Public Law 94–241 (90 Stat. 263), as amended, is further amended by striking "law" in subsection 4(b) and inserting in lieu thereof the following: "law: Provided, That for fiscal years 1994 through 1998, payments shall be limited to the amounts and for the purposes set forth in the Agreement of the Special Representatives on Future Federal Financial Assistance of the Northern Mariana Islands, executed on December 17, 1992 between the special representative of the President and the special representatives of the Governor of the Northern Mariana Islands: Provided further, That after 1998, the amount shall continue at the annual amount of $27.720 million.

Subtitle D—Mineral Receipts

SEC. 5301. AMENDMENT TO THE MINERAL LEASING ACT.

Section 35 of the Mineral Leasing Act, as amended (30 U.S.C. 191) is amended as follows:

(1) by deleting the last sentence and redesignating the remaining language as subsection (a);

(2) by amending subsection (a) by inserting the words "and, subject to the provisions of subsection (b)," between the words "United States;" and "50 per centum";

(3) by adding a new subsection (b) as follows:

"(b)(1) In calculating the amount to be paid to States during any fiscal year under this section or under any other provision of law requiring payment to a State of any revenues derived from the leasing of any onshore lands or interest in land owned by the United States for the production of the same types of minerals leasable under this Act or of geothermal steam, 50 per centum of the portion of the enacted appropriation of the Department of the Interior and any other agency during the preceding fiscal year allocable to the administration of all laws providing for the leasing of any onshore lands or interest in land owned by the United States for the production of the same types of minerals leasable under this Act or of geothermal steam, and in enforcing such laws, shall be deducted from the receipts derived under those laws in approximately equal amounts each month (subject to paragraph (4)) prior to the division and distribution of such receipts between the States and the United States.

"(2) The proportion of the deduction provided in paragraph (1) allocable to each State shall be determined by dividing the monies disbursed to the State during the preceding fiscal year derived from onshore mineral leasing referred to in paragraph (1) in that State by the total money disbursed to States during the preceding fiscal year from such onshore mineral leasing in all States.

"(3) In the event the deduction apportioned to any State under this subsection exceeds 50 per centum of the Secretary of the Interior's estimate of the amounts attributable to onshore mineral leasing referred to in paragraph (1) within that State during the preceding fiscal year, the deduction from receipts received from leases in that State shall be limited to such estimated amounts and the total amount to be deducted from such onshore mineral leasing receipts shall be reduced accordingly.

"(4) If the amount otherwise deductible under this subsection in any month from the portion of receipts to be distributed to a State exceeds the amount payable to the State during that month, any amount exceeding the amount payable shall be carried forward and deducted from amounts payable to the State in subsequent months. If any amount remains to be carried forward at the end of the fiscal year, such amount shall not be deducted from any disbursements in any subsequent fiscal year.

"(5) All deductions to be made pursuant to this subsection shall be made in full during the fiscal year in which such deductions were incurred.

"(6) All amounts deducted under this subsection from monies otherwise payable to a State shall be credited to miscellaneous receipts in the Treasury.".

SEC. 5302. CONFORMING AMENDMENTS.

(a) Section 6 of the Mineral Leasing Act for Acquired Lands, as amended (30 U.S.C. 355), is amended by adding the following words "Subject to the provisions of 30 U.S.C. 191(b)," at the beginning of the first sentence.

(b) Section 5(a) of the Geothermal Steam Act, as amended (30 U.S.C. 1019), is amended by adding the words "Subject to the provisions of 30 U.S.C. 191(b)," at the beginning of that section.

TITLE VI—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SEC. 6001. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking "September 30, 1995" and inserting "September 30, 1998".

SEC. 6002. CORPS OF ENGINEERS RECREATION USER FEES.

(a) IN GENERAL.—Section 210 of the Flood Control Act of 1968 (16 U.S.C. 460d–3) is amended—

(1) by inserting "(a)" before "No entrance";

(2) by striking the second sentence; and

(3) by adding at the end the following new subsection:

"(b)(1) Except as provided in paragraph (2), notwithstanding section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(b)), the Secretary of the Army may charge fees for the use of developed recreation sites and facilities, including campsites, swimming beaches, and boat launching ramps.

"(2) The Secretary may not charge fees for the use or provision of drinking water, wayside exhibits, general purpose roads, overlook sites, toilet facilities, or general visitor information.

"(3) Fees collected under this subsection shall be deposited into the special account established in the Treasury of the United States for the Army Corps of Engineers under section 4(i) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(i)).".

(b) CONFORMING AMENDMENT.—Section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(b)) is amended by striking the second sentence.

TITLE VII—FINANCE COMMITTEE RECONCILIATION PROVISIONS RELATING TO MEDICARE, MEDICAID, AND OTHER PROGRAMS

SEC. 7000. AMENDMENTS TO SOCIAL SECURITY ACT; REFERENCES; TABLE OF CONTENTS.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this title, the terms "OBRA–1986", "OBRA–1987", "OBRA–1989", and "OBRA–1990" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99–509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), respectively.

(c) REFERENCES TO OMNIBUS BUDGET RECONCILIATION ACT OF 1993.—Any reference in this title (or in any amendment made by this title) to the Omnibus Budget Reconciliation Act of 1993 shall be deemed to be a reference to this title.

(d) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 7000. Amendments to Social Security Act; references; table of contents.

Subtitle A—Medicare

PART I—PROVISIONS RELATING TO PART A

Sec. 7101. Payment updates for inpatient hospital services.
Sec. 7102. Loss of regional referral center status.
Sec. 7103. Medicare-dependent, small rural hospital payment extension.
Sec. 7104. Elimination of return on equity for proprietary skilled nursing facilities.
Sec. 7105. Skilled nursing facility cost limits.

PART II—PROVISIONS RELATING TO PART B

SUBPART A—PHYSICIANS' SERVICES

Sec. 7201. Reduction in default update for conversion factor for 1994.
Sec. 7202. Reduction in performance standard rate of increase and increase in maximum reduction permitted in default update and classification of primary care services as a separate category of services.
Sec. 7203. Phased-in reduction in practice expense relative value units for certain services.
Sec. 7204. Limitation on payment for the anesthesia care team.
Sec. 7205. Separate payment for interpretation of electrocardiograms.
Sec. 7206. Payments for new physicians and practitioners.
Sec. 7207. Extra-billing limits.

SUBPART B—OUTPATIENT HOSPITAL SERVICES AND AMBULATORY SURGICAL SERVICES

Sec. 7221. Extension of 10 percent reduction in payments for capital-related costs of outpatient hospital services.
Sec. 7222. Extension of reduction in payments for other costs of outpatient hospital services.
Sec. 7223. Reduction in payments for intraocular lenses.

SUBPART C—DURABLE MEDICAL EQUIPMENT

Sec. 7231. Revisions to payment rules for durable medical equipment.
Sec. 7232. Treatment of nebulizers and aspirators.
Sec. 7233. Payment for surgical dressings.
Sec. 7234. Payments for tens devices.

SUBPART D—PART B PREMIUM

Sec. 7251. Part B premium.

SUBPART E—OTHER PROVISIONS

Sec. 7261. Payments for clinical diagnostic laboratory tests.

PART III—PROVISIONS RELATING TO PARTS A AND B

Sec. 7301. Payments for direct graduate medical education costs.
Sec. 7302. Revision of home health agency cost limits.
Sec. 7303. Medicare as secondary payer.
Sec. 7304. Extension of self-referral ban to additional specified services.
Sec. 7305. Reduction in payment for erythropoietin.

Subtitle B—Medicaid Program

PART I—PROGRAM SAVINGS PROVISIONS

SUBPART A—REPEAL OF MANDATE

Sec. 7401. Personal care services furnished outside the home as optional benefit.

SUBPART B—OUTPATIENT PRESCRIPTION DRUGS

Sec. 7411. Permitting prescription drug formularies under State plans.
Sec. 7412. Elimination of special exemption from prior authorization for new drugs.
Sec. 7413. Modifications to drug rebate program.

SUBPART C—RESTRICTIONS ON DIVESTITURE OF ASSETS AND ESTATE RECOVERY

Sec. 7421. Medicaid estate recoveries.
Sec. 7422. Transfers of assets.
Sec. 7423. Treatment of certain trusts.

SUBPART D—IMPROVEMENT IN IDENTIFICATION AND COLLECTION OF THIRD PARTY PAYMENTS

Sec. 7431. Liability of third parties to pay for care and services.
Sec. 7432. Medical child support.
Sec. 7433. Offset of payment obligations relating to medical assistance against overpayments of State and Federal income taxes.

SUBPART E—ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS

Sec. 7441. Assuring proper payments to disproportionate share hospitals.

SUBPART F—ANTI-FRAUD AND ABUSE PROVISIONS

Sec. 7451. Application of medicare rules limiting certain physician referrals.

PART II—OTHER MEDICAID PROVISIONS

Sec. 7501. Extension of demonstration project on the effect of allowing States to extend medicaid coverage to certain low-income families.

Subtitle C—Income Security Programs

Sec. 7601. Matching of State administrative costs.
Sec. 7602. State paternity establishment programs.
Sec. 7603. Fees for Federal administration of State supplementary payments.

Subtitle D—Miscellaneous Provisions

PART I—TRADE PROVISIONS

Sec. 7701. Extension of authority to levy customs user fees.
Sec. 7702. Extension of, and authorization of appropriations for, trade adjustment assistance program.

PART II—IMPROVED ACCESS TO CHILDHOOD IMMUNIZATIONS

Sec. 7801. Reimbursement to vaccine manufacturers.
Sec. 7802. State option to provide that certain payments under AFDC are conditioned on receipt of immunizations.

PART III—DISCLOSURE PROVISIONS

Sec. 7901. Disclosure of return information for administration of certain veterans programs.
Sec. 7902. Disclosure of return information to carry out income contingent repayment of student loans.
Sec. 7903. Use of return information for income verification under certain housing assistance programs.
Sec. 7904. Use of return information for health coverage clearinghouse.

PART IV—OTHER PROVISIONS

Sec. 7950. Disallowance of interest on certain overpayments of tax.
Sec. 7951. Fees for applications for alcohol labeling and formula reviews.
Sec. 7952. Use of Harbor Maintenance Trust Fund amounts for administrative expenses.
Sec. 7953. Increase in presidential election campaign fund check-off.
Sec. 7954. Increase in public debt limit.

Subtitle A—Medicare

PART I—PROVISIONS RELATING TO PART A

SEC. 7101. PAYMENT UPDATES FOR INPATIENT HOSPITAL SERVICES.

(a) REDUCTION.—

(1) PPS HOSPITALS.—

(A) IN GENERAL.—Section 1886(b)(3)(B)(i) (42 U.S.C. 1395ww(b)(3)(B)(i)) is amended—

(i) in the matter preceding subclause (I), by striking "fiscal year" and inserting "particular time period",

(ii) in subclause (VIII), by inserting "and the 3 succeeding months" after "fiscal year 1993",

(iii) in subclause (IX)—

(I) by striking "fiscal year",

(II) by inserting "minus 2.18 percentage points" after "market basket percentage increase" the first place it appears, and

(III) by striking "plus 1.5 percentage points" and inserting "minus .68 percentage point",

(iv) in subclause (X)—

(I) by striking "fiscal year",

(II) by inserting "minus 2.27 percentage points" after "market basket percentage increase", and

(III) by striking "and" at the end,

(v) in subclause (XI)—

(I) by striking "for fiscal year 1996 and each subsequent fiscal year" and inserting "for 1996",

(II) by inserting "minus 2.0 percentage points" after "market basket percentage increase", and

(III) by striking the period and inserting a comma, and

(vi) by adding at the end the following new subclauses:

"(XII) for 1997, the market basket percentage increase minus 1.0 percentage point for hospitals in all areas, and

"(XIII) for 1998 and each subsequent year, the market basket percentage increase for hospitals in all areas.".

(B) ADJUSTMENT OF LABOR AND NON-LABOR PORTIONS OF STANDARDIZED AMOUNTS.—Section 1886(d)(3)(A) (42 U.S.C. 1395ww(d)(3)(A)) is amended by adding at the end the following new clause:

"(vi) For discharges occurring on or after January 1, 1995, the Secretary shall adjust the ratio of the labor portion to non-labor portion of each average standardized amount to equal such ratio for the national average standardized amount.".

(2) OTHER HOSPITALS.—Section 1886(b)(3)(B)(ii) (42 U.S.C. 1395ww(b)(3)(B)(ii)) is amended—

(A) by striking ", (C), (D),"

(B) by striking "and" at the end of subclause (III),

(C) by striking subclause (IV) and inserting the following new subclauses:

"(IV) fiscal years 1988 through 1993 and the 3 succeeding months, is the market basket percentage increase,

"(V) 1994, is 75 percent of the difference between the market basket percentage increase and 1.0 percentage point,

"(VI) 1995 through 1997, is the market basket percentage increase minus 1.0 percentage points, and

"(VII) 1998 and each subsequent year, is the market basket percentage increase.".

(3) SOLE COMMUNITY AND MEDICARE-DEPENDENT, SMALL RURAL HOSPITALS.—

(A) IN GENERAL.—Section 1886(b)(3)(B) (42 U.S.C. 1395ww(b)(3)(B)) is amended by adding at the end the following new clause:

"(iv) For purposes of subparagraphs (C) and (D), the applicable percentage increase for discharges occurring during—

"(I) cost reporting periods beginning in fiscal year 1986 through fiscal year 1993 and the 3 succeeding months, is the increase specified in clause (ii),

"(II) for 1994, is 75 percent of the difference between the market basket percentage increase and 2.0 percentage points,

"(III) for 1995, is the market basket percentage increase, minus 2.0 percentage points, and

"(IV) for 1996 and each subsequent year, is the increase described in clause (i) for such year.

For purposes of subclause (I), the annual update applied for a cost reporting period beginning during calendar year 1993 is adjusted to reflect only the time period occurring from the beginning of the hospital's cost reporting period through December 31, 1993.".

(B) TARGET AMOUNT ADJUSTMENT.—

(i) SOLE COMMUNITY HOSPITAL.—Section 1886(b)(3)(C) (42 U.S.C. 1395ww(b)(3)(C)) is amended—

(I) in clause (i)(II), by striking "or",

(II) in clause (ii)—

(aa) by inserting "or portion of a cost reporting period occurring before December 31, 1993," before "the target amount",

(bb) by striking "subparagraph (B)(ii)" and inserting "subparagraph (B)(iv)", and

(cc) by striking the period at the end and inserting a comma, and

(dd) by adding at the end the following new clauses:

"(iii) with respect to discharges occurring in 1994, the target amount for the cost reporting period beginning in 1993 increased by the applicable percentage increase under subparagraph (B)(iv), or

"(iv) with respect to discharges occurring in 1995 and each subsequent year, the target amount for the preceding year increased by the applicable percentage increase under subparagraph (B)(iv).".

(ii) MEDICARE-DEPENDENT, SMALL RURAL HOSPITAL.—Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)) is amended—

(I) in clause (i)(II), by striking "or",

(II) in clause (ii)—

(aa) by inserting "or portion of a cost reporting period occurring before December 31, 1993," before "the target amount",

(bb) by striking "subparagraph (B)(ii)" and inserting "subparagraph (B)(iv)", and

(cc) by striking the period at the end and inserting ", or" and

(dd) by adding at the end the following new clause:

"(iii) with respect to discharges occurring in 1994, the target amount for the cost reporting period beginning in 1993 increased by the applicable percentage increase under subparagraph (B)(iv).".

(4) DELAY IN INCREASE IN DISPROPORTIONATE SHARE PAYMENTS FOR CERTAIN URBAN HOSPITALS.—Section 1886(d)(5)(F)(vii)(II) (42 U.S.C. 1395ww(d)(5)(F)(vii)(II)) is amended—

(A) in subdivision (b), by striking "September 30, 1993" and inserting "December 31, 1993", and

(B) in subdivision (c), by striking "October 1, 1993" and inserting "January 1, 1994".

(5) REGIONAL FLOOR EXTENDED.—Section 1886(d)(1)(A) (42 U.S.C. 1395ww(d)(1)(A)) is amended—

(i) in clause (ii), by striking "or" at the end;

(ii) in clause (iii), by striking "September 30, 1993, " and inserting "December 31, 1993"; and

(iii) by adding at the end the following new clause:

"(iv) beginning on and after January 1, 1994, is equal to the national adjusted DRG prospective payment rate determined under paragraph (3) for such discharges.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1886(b)(3)(B)(iii) (42 U.S.C. 1395ww(b)(3)(B)(iii)) is amended—

(A) by inserting "beginning in" after "cost reporting periods",

(B) by striking "fiscal year" the first place it appears and inserting "particular time period",

(C) by striking "or fiscal year" the first and second place it appears, and

(D) by striking "cost reporting period or fiscal year" and inserting "period".

(2) The first sentence in the matter in section 1886(d)(3) (42 U.S.C. 1395ww(d)(3)) preceding subparagraph (A) is amended by inserting "or calendar" after "fiscal" the first place it appears.

(3) Section 1886(d)(3)(A)(ii) (42 U.S.C. 1395ww(d)(3)(A)(ii)) is amended—

(A) by striking "1994," and inserting "1992, in the 15-month period beginning on October 1, 1992, and in 1994,", and

(B) by striking "fiscal year" the second and third place it appears and inserting "time period".

(4) Section 1886(d)(3)(A)(iii) (42 U.S.C. 1395ww(d)(3)(A)(iii)) is amended by striking "the fiscal year beginning on October 1, 1994" and inserting "1995".

(5) Section 1886(d)(3)(A)(iv) (42 U.S.C. 1395ww(d)(3)(A)(iv)) is amended—

(A) by striking "fiscal year beginning on or after October 1, 1995" and inserting "year beginning on or after January 1, 1996",

(B) by striking "and within each region", and

(C) by striking "fiscal" each place it appears.

(6) Section 1886(d)(3)(D) (42 U.S.C. 1395ww(d)(3)(D)) is amended—

(A) by inserting "or calendar" after "fiscal" each place it appears, and

(B) by inserting "for each fiscal year through 1993" after "and shall establish".

(7) Section 1886(d)(3)(E) (42 U.S.C. 1395ww(d)(3)(E)) is amended—

(A) in the second sentence, by striking "October 1, 1993" and inserting "January 1, 1994", and

(B) in the last sentence, by inserting "or calendar" after "fiscal" the first and last place it appears.

(8)(A) Section 1886(d)(4)(C)(iii) (42 U.S.C. 1395ww(d)(4)(C)(iii)) is amended—

(i) by inserting "or calendar" after "fiscal" the first place it appears, and

(ii) by deleting "fiscal" the third place it appears.

(B) The requirements of paragraphs (3)(E) and (4)(C)(iii) of section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)(4)(C)(iii)) shall be applied on a 15-month basis for the period beginning on October 1, 1992, and ending on December 31, 1993.

(9) Section 1886(d)(4)(E) is (42 U.S.C. 1395ww(d)(4)(E)) is amended by striking "October 1, 1993" and inserting "January 1, 1994".

(10)(A) Section 1886(d)(5)(A)(iv) (42 U.S.C. 1395ww(d)(5)(A)(iv)) is amended by inserting "or calendar" after "fiscal".

(B) The requirement of section 1886(d)(5)(A)(iv) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(A)(iv)) shall be applied on a 15-month basis for the period beginning on October 1, 1992, and ending on December 31, 1993.

(11) Section 1886(d)(5)(B)(i) (42 U.S.C. 1395ww(d)(5)(B)(i)) is amended by striking "or, if applicable, the amount determined under paragraph (1)(A)(iii)" and inserting "or, the amount determined under paragraphs (1)(A)(iii) or (1)(A)(iv), as applicable".

(12) Section 1886(d)(5)(E)(ii) (42 U.S.C. 1395ww(d)(5)(E)(ii)) is amended by inserting "or calendar" after "fiscal".

(13) Section 1886(d)(6) (42 U.S.C. 1395ww(d)(5)(6)) is amended by striking "the September 1 before each fiscal year (beginning with fiscal year 1984)" and inserting "December 1 each year".

(14) The matter in section 1886(d)(9)(A) (42 U.S.C. 1395ww(d)(9)(A)) preceding clause (i) is amended by striking "fiscal year" and inserting "particular time period".

(15) Section 1886(d)(9)(C)(i) (42 U.S.C. 1395ww(d)(9)(C)(i)) is amended—

(A) by striking "fiscal year" the first place it appears and inserting "time period", and

(B) by striking "fiscal years" and inserting "time periods".

(16) Subparagraphs (A) and (B) of section 1886(e)(3) (42 U.S.C. 1395ww(e)(3)) are each amended by striking "that fiscal year" and inserting "the coming fiscal or calendar year".

(17) The first sentence of section 1886(e)(4)(A) (42 U.S.C. 1395ww(e)(4)(A)) is amended by inserting "or calendar" after "fiscal" the first and last place it appears.

(18) Section 1886(e)(4)(B) (42 U.S.C. 1395ww(e)(4)(B)) is amended by inserting "or calendar" after "fiscal".

(19) Section 1886(e)(5)(A) (42 U.S.C. 1395ww(e)(5)(A)) is amended by striking "that fiscal year" and inserting "the coming fiscal or calendar year".

(20) The second and third sentences of section 1886(e)(5) (42 U.S.C. 1395ww(e)(5)) are each amended by inserting "or calendar" after "fiscal" each place it appears.

SEC. 7102. LOSS OF REGIONAL REFERRAL CENTER STATUS.

(a) CONTINUATION OF OTHER URBAN PAYMENT RATE THROUGH CALENDAR YEAR 1994.—Effective on the date of the enactment of this Act, any hospital that was classified as a regional referral center under section 1886(d)(5)(C) of the Social Security Act as of September 30, 1992, shall continue to be paid under this subsection the standardized amount for hospitals located in other urban areas for discharges occurring before the earlier of—

(1) January 1, 1995, or

(2) the reclassification of such hospital as an urban hospital under section 1886(d)(10)(C) of such Act.

(b) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—If any hospital fails to qualify as a rural referral center under section 1886(d)(5)(C) of the Social Security Act as a result of a decision by the Medicare Geographic Classification Review Board under section 1886(d)(10) of such Act to reclassify the hospital as being located in an urban area for fiscal year 1993 or fiscal year 1994, the Secretary of Health and Human Services shall—

(1) notify such hospital of such failure to qualify,

(2) provide an opportunity for such hospital to decline such reclassification, and

(3) if the hospital declines such reclassification, administer the Social Security Act (other than section 1886(d)(8)(D)) for such fiscal year as if the decision by the Review Board had not occurred.

(c) REQUIRING LUMP-SUM RETROACTIVE PAYMENT FOR HOSPITALS LOSING CLASSIFICATION.—

(1) IN GENERAL.—In the case of any regional referral center described in subsection (a), the Secretary of Health and Human Services shall make a lump-sum payment to the center equal to the difference between—

(A) the aggregate payment made to the center under section 1886 of the Social Security Act (excluding outlier payments under subsection (d)(5)(A) of such section) during the period of applicability described in paragraph (2), and

(B) the aggregate payment that would have been made to the center under such section if, during the period of applicability, the center had been paid as if subsection (a) of this section had been in effect.

(2) PERIOD OF APPLICABILITY.—In paragraph (1), the "period of applicability" is the period that begins on October 1, 1992, and ends on the date of the enactment of this Act.

SEC. 7103. MEDICARE-DEPENDENT, SMALL RURAL HOSPITAL PAYMENT EXTENSION.

(a) EXTENSION OF ADDITIONAL PAYMENTS.—

(1) IN GENERAL.—Section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)) is amended—

(A) in clause (i)—

(i) by inserting "(or portion thereof)" after "cost reporting period" in the matter preceding subclause (I), and

(ii) by striking "March 31, 1993," and all that follows and inserting: "January 1, 1995, in the case of a subsection (d) hospital which is a medicare-dependent, small rural hospital, payment under paragraph (1)(A) shall be equal to the sum of the amount determined under clause (ii) and the amount determined under clause (iii) or (iv) of paragraph (1)(A).";

(B) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv); and

(C) by inserting after clause (i) the following new clause:

"(ii) The amount determined under this clause is—

"(I) for discharges occurring during the first 3 12-month cost reporting periods that begin on or after April 1, 1990, the amount by which the hospital's target amount for the cost reporting period (as defined in subsection (b)(3)(D)) exceeds the amount determined under clause (iii) or (iv) paragraph (1)(A); and

"(II) for discharges occurring during any subsequent cost reporting period (or portion thereof), 50 percent of the amount by which the hospital's target amount for the cost reporting period (as defined in subsection (b)(3)(D)) exceeds the amount determined under clause (iii) or (iv) of paragraph (1)(A).".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall be effective as if included in the amendment made by section 6003(f) of OBRA–1989.

(b) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—If any hospital fails to qualify as a medicare-dependent, small rural hospital under section 1886(d)(5)(G)(i) of the Social Security Act as a result of a decision by the Medicare Geographic Classification Review Board under section 1886(d)(10) of such Act to reclassify the hospital as being located in an urban area for fiscal year 1993 or fiscal year 1994 the Secretary of Health and Human Services shall—

(1) notify such hospital of such failure to qualify,

(2) provide an opportunity for such hospital to decline such reclassification, and

(3) if the hospital declines such reclassification, administer the Social Security Act (other than section 1886(d)(8)(D)) for such fiscal year as if the decision by the Review Board had not occurred.

(c) REQUIRING LUMP-SUM RETROACTIVE PAYMENT.—

(1) IN GENERAL.—In the case of a hospital treated as a medicare-dependent, small rural hospital under section 1886(d)(5)(G) of the Social Security Act, the Secretary of Health and Human Services shall make a lump-sum payment to the hospital equal to the difference between—

(A) the aggregate payment made to the hospital under section 1886 of such Act (excluding outlier payments under subsection (d)(5)(A) of such section) during the period of applicability described in paragraph (2), and

(B) the aggregate payment that would have been made to the hospital under such section if, during the period of applicability, section 1886(d)(5)(G) of such Act had been applied as if—

(i) the reference in clause (i) to "March 31, 1993," had been deemed a reference to "January 1, 1995,"; and

(ii) the amendments made by subsection (a) had been in effect.

(2) PERIOD OF APPLICABILITY.—In paragraph (1), the "period of applicability" is, with respect to a hospital, the period that begins on the first day of the hospital's first 12-month cost reporting period that begins after April 1, 1992, and ends on the date of the enactment of this Act.

SEC. 7104. ELIMINATION OF RETURN ON EQUITY FOR PROPRIETARY SKILLED NURSING FACILITIES.

(a) REPEAL OF REQUIREMENT FOR RETURN ON EQUITY.—(1) Section 1861(v)(1)(B) (42 U.S.C. 1395x(v)(1)(B)) is amended to read as follows:

"(B) In the case of extended care services, the regulations under subparagraph (A) shall not include provision for specific recognition of a return on equity capital.".

(2) Section 1878(f)(2) (42 U.S.C. 1395oo(f)(2)) is amended by striking "the rate of return on equity capital established by regulation pursuant to section 1861(v)(1)(B) and in effect at the time" and inserting "the average of the rates of interest on obligations issued for purchase by the Federal Hospital Insurance Trust Fund for each of the months any part of which is included in the cost reporting period in which".

(3) Section 1881(b)(2)(C) (42 U.S.C. 1395rr(b)(2)(C)) is amended by striking all that follows "capital" up to the period.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to portions of cost reporting periods occurring on or after October 1, 1993.

SEC. 7105. SKILLED NURSING FACILITY COST LIMITS.

(a) SKILLED NURSING FACILITY COST LIMITS.—

(1) IN GENERAL.—Section 1888(a) (42 U.S.C. 1395yy(a)) is amended by striking "112 percent of the mean" and inserting "110 percent of the median" each place it appears.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to cost reporting periods beginning on or after October 1, 1993.

(b) SKILLED NURSING FACILITY WAGE INDEX.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall begin to collect data on employee compensation and paid hours of employment in skilled nursing facilities for the purpose of constructing a skilled nursing facility wage index adjustment to the routine service cost limits required under section 1888(a) of the Social Security Act.

(c) PROPAC REPORT.—The Prospective Payment Assessment Commission shall, by March 31, 1994, study and report to the Congress on the impact of applying the routine per diem cost limits for skilled nursing facilities on a regional basis.

PART II—PROVISIONS RELATING TO PART B

Subpart A—Physicians' Services

SEC. 7201. REDUCTION IN DEFAULT UPDATE FOR CONVERSION FACTOR FOR 1994.

Section 1848(d)(3)(A) (42 U.S.C. 1395w–4(d)(3)(A)) is amended—

(1) in clause (i), by striking "clause (iii)" and inserting "clauses (iii) and (iv)", and

(2) by adding at the end the following new clause:

"(iv) ADJUSTMENT IN PERCENTAGE INCREASE FOR 1994.—In applying clause (i) for services (other than primary care services) furnished in 1994, the percentage increase in the appropriate update index shall be reduced by—

"(I) 8 percentage points for surgical services (as defined for purposes of subsection (j)(1)), and

"(II) 4.4 percentage points for other services.".

SEC. 7202. REDUCTION IN PERFORMANCE STANDARD RATE OF INCREASE AND INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE AND CLASSIFICATION OF PRIMARY CARE SERVICES AS A SEPARATE CATEGORY OF SERVICES.

(a) REDUCTION IN PERFORMANCE STANDARD FACTOR.—Section 1848(f)(2)(B) (42 U.S.C. 1395w–4(f)(2)(B)) is amended to read as follows:

"(B) PERFORMANCE STANDARD FACTOR.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—Except as provided in clause (ii), the performance standard factor—

"(I) for 1993 is 2 percentage points,

"(II) for 1994 is 3½ percentage points, and

"(III) for each succeeding year is 4 percentage points.

"(ii) PRIMARY CARE SERVICES.—The performance standard factor for primary care services (as defined in section 1842(i)(4)) is 0 percentage points.".

(b) INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE.—Section 1848(d)(3)(B)(ii) (42 U.S.C. 1395w–4(d)(3)(B)(ii)) is amended—

(1) in subclause (II), by striking "or 1995", and

(2) in subclause (III), by striking "3" and inserting "5".

(c) CLASSIFICATION OF PRIMARY CARE SERVICES AS SEPARATE CATEGORY OF SERVICES.—

(1) IN GENERAL.—Section 1848(j)(1) (42 U.S.C. 1395w–4(j)(1)) is amended by inserting ", primary care services (as defined in section 1842(i)(4))," after "Secretary)".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply—

(A) to volume performance standard rates of increase established under section 1848(f) of the Social Security Act for fiscal years beginning on or after October 1, 1993, and

(B) to updates in the conversion factors for physicians' services established under section 1848(d) of such Act for physicians' services to be furnished in calendar years beginning after 1995.

SEC. 7203. PHASED-IN REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.

(a) IN GENERAL.—Section 1848(c)(2) (42 U.S.C. 1395w-4(c)(2)) is amended by adding at the end the following new subparagraph:

"(E) REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.—

"(i) IN GENERAL.—Subject to clause (ii), the Secretary shall reduce the practice expense relative value units applied to services described in clause (iii) furnished in—

"(I) 1994, by 25 percent of the number by which the number of practice expense relative value units (determined for 1994 without regard to this subparagraph) exceeds the number of work relative value units determined for 1994,

"(II) 1995, by an additional 25 percent of such excess, and

"(III) 1996, by an additional 25 percent of such excess.

"(ii) FLOOR ON REDUCTIONS.—The practice expense relative value units for a physician's service shall not be reduced under this subparagraph to a number less than 110 percent of the number of work relative value units.

"(iii) SERVICES COVERED.—For purposes of clause (i), the services described in this clause are physicians' services that are not described in clause (iv) and for which—

"(I) there are work relative value units, and

"(II) the number of practice expense relative value units (determined for 1994) exceeds 110 percent of the number of work relative value units (determined for such year).

"(iv) EXCLUDED SERVICES.—For purposes of clause (iii), the services described in this clause are services which the Secretary determines at least 75 percent of which are provided under this title in an office setting.".

(b) DEVELOPMENT OF RESOURCE-BASED METHODOLOGY FOR PRACTICE EXPENSES.—

(1) The Secretary of Health and Human Services shall develop a methodology for implementing in 1997 a resource-based system for determining practice expense relative value units for each physician's service.

(2) The Secretary shall transmit a report by June 30, 1996, on the methodology developed under paragraph (1) to the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate. The report shall include a presentation of data utilized in developing the methodology and an explanation of the methodology.

SEC. 7204. LIMITATION ON PAYMENT FOR THE ANESTHESIA CARE TEAM.

(a) LIMIT ON PAYMENT TO A PHYSICIAN FOR MEDICAL DIRECTION.—

(1) IN GENERAL.—Section 1848(a) (42 U.S.C. 1395w-4(a)) is amended by adding at the end the following new paragraph:

"(5) SPECIAL RULE FOR MEDICAL DIRECTION.—

"(A) IN GENERAL.—With respect to physicians' services furnished on or after January 1, 1994, and consisting of medical direction of 2, 3, or 4 concurrent anesthesia cases, the fee schedule amount to be applied shall not exceed one-half of the amount described in subparagraph (B).

"(B) AMOUNT.—The amount described in this subparagraph, for a physician's medical direction of the performance of anesthesia services, is the following percentage of the fee schedule amount otherwise applicable under this section if the anesthesia services were personally performed by the physician alone:

"(i) For services furnished during 1994, 120 percent.

"(ii) For services furnished during 1995, 115 percent.

"(iii) For services furnished during 1996, 110 percent.

"(iv) For services furnished during 1997, 105 percent.

"(v) For services furnished after 1997, 100 percent.".

(2) ELIMINATION OF REDUCTION FOR MEDICAL DIRECTION OF MULTIPLE NURSE ANESTHETISTS.—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by striking paragraph (13).

(b) PAYMENT TO A CERTIFIED REGISTERED NURSE ANESTHETIST FOR MEDICALLY DIRECTED SERVICES.—Subparagraph (B) of section 1833(l)(4) (42 U.S.C. 1395l(l)(4)) is amended—

(1) in clause (i), by inserting "and before January 1, 1994," after "1991,";

(2) in clause (ii)—

(A) by adding "and" at the end of subclause (II),

(B) by striking the comma at the end of subclause (III) and inserting a period, and

(C) by striking subclauses (IV) through (VII); and

(3) by adding at the end the following new clause:

"(iii) In the case of services of a certified registered nurse anesthetist who is medically directed or medically supervised by a physician which are furnished on or after January 1, 1994, the fee schedule amount shall be 50 percent of the amount described in section 1848(a)(5)(B) with respect to the physician.".

SEC. 7205. SEPARATE PAYMENT FOR INTERPRETATION OF ELECTROCARDIOGRAMS.

(a) IN GENERAL.—Paragraph (3) of section 1848(b) (42 U.S.C. 1395w-4(b)) is amended to read as follows:

"(3) TREATMENT OF INTERPRETATION OF ELECTROCARDIOGRAMS.—The Secretary—

"(A) shall make separate payment under this section for the interpretation of electrocardiograms performed or ordered to be performed as part of or in conjunction with a visit to or a consultation with a physician, and

"(B) shall adjust the relative values established for visits and consultations under subsection (c) so as not to include relative value units for interpretations of electrocardiograms in the relative value for visits and consultations.".

(b) ASSURING BUDGET NEUTRALITY.—Section 1848(c)(2) (42 U.S.C. 1395w-4(c)(2)), as amended by section 7203(a), is further amended by adding at the end the following new subparagraph:

"(F) BUDGET NEUTRALITY ADJUSTMENTS.—The Secretary—

"(i) shall reduce the relative values for all services (other than anesthesia services) established under this paragraph (and, in the case of anesthesia services, the conversion factor established by the Secretary for such services) by such percentage as the Secretary determines to be necessary so that, beginning in 1996, the amendment made by section 7205(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section that exceed the amount of such expenditures that would have been made if such amendment had not been made, and

"(ii) shall reduce the amounts determined under subsection (a)(2)(B)(ii)(I) by such percentage as the Secretary determines to be required to assure that, taking into account the reductions made under clause (i), the amendment made by section 7205(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section in 1994 that exceed the amount of such expenditures that would have been made if such amendment had not been made.".

(c) CONFORMING AMENDMENTS.—Section 1848 (42 U.S.C. 1395w-4) is amended—

(1) in subsection (a)(2)(B)(ii)(I), by inserting "and as adjusted under subsection (c)(2)(F)(ii)" after "for 1994";

(2) in subsection (c)(2)(A)(i), by adding at the end the following: "Such relative values are subject to adjustment under subparagraph (F)(i)."; and

(3) in subsection (i)(1)(B), by adding at the end "including adjustments under subsection (c)(2)(F),".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 1994.

SEC. 7206. PAYMENTS FOR NEW PHYSICIANS AND PRACTITIONERS.

(a) EQUAL TREATMENT OF NEW PHYSICIANS AND PRACTITIONERS.—(1) Section 1848(a) (42 U.S.C. 1395w-4(a)), as amended by section 7204(a), is further amended by striking paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(2) Section 1842(b)(4) (42 U.S.C. 1395u(b)(4)) is amended by striking subparagraph (F).

(b) BUDGET NEUTRALITY ADJUSTMENT.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall reduce the following values and amounts for 1994 (to be applied for that year and subsequent years) by such uniform percentage as the Secretary determines to be required to assure that the amendments made by subsection (a) will not result in expenditures under part B of title XVIII of the Social Security Act in 1994 that exceed the amount of such expenditures that would have been made if such amendments had not been made:

(1) The relative values established under section 1848(c) of such Act for services (other than anesthesia services) and, in the case of anesthesia services, the conversion factor established under section 1848 of such Act for such services.

(2) The amounts determined under section 1848(a)(2)(B)(ii)(I) of such Act.

(3) The prevailing charges or fee schedule amounts to be applied under such part for services of a health care practitioner (as defined in section 1842(b)(4)(F)(ii)(I) of such Act, as in effect before the date of the enactment of this Act).

(c) CONFORMING AMENDMENTS.—Section 1848 (42 U.S.C. 1395w-4), as amended by section 7205(c), is amended—

(1) in subsection (a)(2)(B)(ii)(I), by inserting "and under section 7206(b) of the Omnibus Budget Reconciliation Act of 1993" after "subsection (c)(2)(F)(ii)";

(2) in subsection (c)(2)(A)(i), by inserting "and section 7206(b) of the Omnibus Budget Reconciliation Act of 1993" after "under subparagraph (F)(i)"; and

(3) in subsection (i)(1)(B), by inserting "and section 7206(b) of the Omnibus Budget Reconciliation Act of 1993" after "under subsection (c)(2)(F)".

(d) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 7207. EXTRA-BILLING LIMITS.

(a) ENFORCEMENT AND UNIFORM APPLICATION.—

(1) ENFORCEMENT.—Paragraph (1) of section 1848(g) (42 U.S.C. 1395w-4(g)) is amended to read as follows:

"(1) LIMITATION ON ACTUAL CHARGES.—

"(A) IN GENERAL.—In the case of a nonparticipating physician or nonparticipating supplier or other person (as defined in section 1842(i)(2)) who does not accept payment on an assignment-related basis for a physician's service furnished with respect to an individual enrolled under this part, the following rules apply:

"(i) APPLICATION OF LIMITING CHARGE.—No person may bill or collect an actual charge for the service in excess of the limiting charge described in paragraph (2) for such service.

"(ii) NO LIABILITY FOR EXCESS CHARGES.—No person is liable for payment of any amounts billed for the service in excess of such limiting charge.

"(iii) CORRECTION OF EXCESS CHARGES.—If such a physician, supplier, or other person bills,

but does not collect, an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall reduce on a timely basis the actual charge billed for the service to an amount not to exceed the limiting charge for the service.

"(iv) REFUND OF EXCESS COLLECTIONS.—If such a physician, supplier, or other person collects an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall provide on a timely basis a refund to the individual charged in the amount by which the amount collected exceeded the limiting charge for the service. The amount of such a refund shall be reduced to the extent the individual has an outstanding balance owed to the physician.

"(B) SANCTIONS.—If a physician, supplier, or other person—

"(i) knowingly and willfully bills or collects for services in violation of subparagraph (A)(i) on a repeated basis, or

"(ii) fails to comply with clause (iii) or (iv) of subparagraph (A) on a timely basis,

the Secretary may apply sanctions against the physician, supplier, or other person in accordance with paragraph (2) of section 1842(j). In applying this subparagraph, paragraph (4) of such section applies in the same manner as such paragraph applies to such section and any reference in such section to a physician is deemed also to include a reference to a supplier or other person under this subparagraph.

"(C) TIMELY BASIS.—For purposes of this paragraph, a reduction or refund under clauses (iii) and (iv) of subparagraph (A) shall be treated as done on a timely basis if the reduction or refund is made not later than 30 days after the date the physician, supplier, or other person is notified by the carrier under this part of such violation and of the requirements of subparagraph (A).".

(2) UNIFORM APPLICATION OF EXTRA-BILLING LIMITS TO PHYSICIANS' SERVICES.—

(A) IN GENERAL.—Section 1848(g)(2)(C) (42 U.S.C. 1395w–4(g)(2)(C)) is amended by inserting "or for nonparticipating suppliers or other persons" after "nonparticipating physicians".

(B) CONFORMING DEFINITION.—Section 1842(i)(2) (42 U.S.C. 1395u(i)(2)) is amended—

(i) by striking ", and the term" and inserting "; the term", and

(ii) by inserting before the period at the end the following: "; and the term 'nonparticipating supplier or other person' means a supplier or other person (excluding a provider of services) that is not a participating physician or supplier (as defined in subsection (h)(1))".

(3) ADDITIONAL CONFORMING AMENDMENTS.—Section 1848 (42 U.S.C. 1395w–4) is amended—

(A) in subsection (a)(3)—

(i) by inserting "AND SUPPLIERS" after "PHYSICIANS" in the heading,

(ii) by inserting "or a nonparticipating supplier or other person" after "nonparticipating physician", and

(iii) by adding at the end the following: "In the case of physicians' services (including services which the Secretary excludes pursuant to subsection (j)(3)) of a nonparticipating physician, supplier, or other person for which payment is made under this part on a basis other than the fee schedule amount, the payment shall be based on 95 percent of the payment basis for such services furnished by a participating physician, supplier, or other person.";

(B) in subsection (g)(1)(A), as amended by subsection (a), in the matter before clause (i), by inserting "(including services which the Secretary excludes pursuant to subsection (j)(3))" after "a physician's service";

(C) in subsection (g)(2)(D), by inserting "(or, if payment under this part is made on a basis other than the fee schedule under this section, 95 percent of the other payment basis)" after "subsection (a)";

(D) in subsection (g)(3)(B)—

(i) by inserting after the first sentence the following: "No person is liable for payment of any amounts billed for such a service in violation of the preceding sentence.", and

(ii) in the last sentence, by striking "previous sentence" and inserting "first sentence";

(E) in subsection (h)—

(i) by inserting "or nonparticipating supplier or other person furnishing physicians' services (as defined in section 1848(j)(3))" after "physician" the first place it appears,

(ii) by inserting ", supplier, or other person" after "physician" the second place it appears, and

(iii) by inserting ", suppliers, and other persons" after "physicians" the second place it appears; and

(F) in subsection (j)(3), by inserting ", except for purposes of subsections (a)(3), (g), and (h)," after "tests and".

(b) CLARIFICATION OF MANDATORY ASSIGNMENT RULES FOR CERTAIN PRACTITIONERS.—

(1) IN GENERAL.—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by adding at the end the following new paragraph:

"(19)(A) Payment for any service furnished by a practitioner described in subparagraph (C) and for which payment may be made under this part on a reasonable charge or fee schedule basis may only be made under this part on an assignment-related basis.

"(B) A practitioner described in subparagraph (C) or other person may not bill (or collect any amount from) the individual or another person for any service described in subparagraph (A), except for deductible and coinsurance amounts applicable under this part. No person is liable for payment of any amounts billed for such a service in violation of the previous sentence. If a practitioner or other person knowingly and willfully bills (or collects an amount) for such a service in violation of such sentence, the Secretary may apply sanctions against the practitioner or other person in the same manner as the Secretary may apply sanctions against a physician in accordance with subsection (j)(2) in the same manner as such section applies with respect to a physician. Paragraph (4) of subsection (j) shall apply in this subparagraph in the same manner as such paragraph applies to such section.

"(C) A practitioner described in this subparagraph is any of the following:

"(i) A physician assistant, nurse practitioner, or clinical nurse specialist (as defined in section 1861(aa)(5)).

"(ii) A certified registered nurse anesthetist (as defined in section 1861(bb)(2)).

"(iii) A certified nurse-midwife (as defined in section 1861(gg)(2)).

"(iv) A clinical social worker (as defined in section 1861(hh)(1)).

"(v) A clinical psychologist (as defined by the Secretary for purposes of section 1861(ii)).

"(D) For purposes of this paragraph, a service furnished by a practitioner described in subparagraph (C) includes any services and supplies furnished as incident to the service as would otherwise be covered under this part if furnished by a physician or as incident to a physician's service.".

(2) CONFORMING AMENDMENTS.—

(A) Section 1833 (42 U.S.C. 1395l) is amended—

(i) in subsection (l)(5), by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B);

(ii) by striking subsection (p); and

(iii) in subsection (r), by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(B) Section 1842(b)(12) (42 U.S.C. 1395u(b)(12)) is amended by striking subparagraph (C).

(c) INFORMATION ON EXTRA-BILLING LIMITS.—

(1) PART OF EXPLANATION OF MEDICARE BENEFITS.—Section 1842(h)(7) (42 U.S.C. 1395u(h)(7)) is amended—

(A) by striking "and" at the end of subparagraph (B),

(B) in subparagraph (C), by striking "shall include",

(C) in subparagraph (C), by striking the period at the end and inserting ", and", and

(D) by adding at the end the following new subparagraph:

"(D) in the case of services for which the billed amount exceeds the limiting charge imposed under section 1848(g), information regarding such applicable limiting charge (including information concerning the right to a refund under section 1848(g)(1)(A)(iv)).".

(2) DETERMINATIONS BY CARRIERS.—Subparagraph (G) of section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended to read as follows:

"(G) will, for a service that is furnished with respect to an individual enrolled under this part, that is not paid on an assignment-related basis, and that is subject to a limiting charge under section 1848(g)—

"(i) determine, prior to making payment, whether the amount billed for such service exceeds the limiting charge applicable under section 1848(g)(2);

"(ii) notify the physician, supplier, or other person periodically (but not less often than once every 30 days) of determinations that amounts billed exceeded such applicable limiting charges; and

"(iii) provide for prompt response to inquiries of physicians, suppliers, and other persons concerning the accuracy of such limiting charges for their services;".

(d) REPORT ON CHARGES IN EXCESS OF LIMITING CHARGE.—Section 1848(g)(6)(B) (42 U.S.C. 1395w–4(g)(6)(B)) is amended by inserting "the extent to which actual charges exceed limiting charges, the number and types of services involved, and the average amount of excess charges and" after "report to the Congress".

(e) MISCELLANEOUS AND TECHNICAL AMENDMENTS.—Section 1833 (42 U.S.C. 1395l) is amended—

(1) in subsection (a)(1)—

(A) by striking "and" before "(N)";

(B) with respect to the matter inserted by section 4155(b)(2)(B) of OBRA–1990—

(i) by striking "(M)" and inserting ", and (O)"; and

(ii) by transferring and inserting it (as amended) immediately before the semicolon at the end;

(C) by striking "and" before "(O)", and

(D) by inserting before the semicolon at the end the following: ", and (P) with respect to services described in clauses (i), (ii) and (iv) of section 1861(s)(2)(K), the amounts paid are subject to the provisions of section 1842(b)(12)"; and

(2) in subsection (h)(5)(D)—

(A) by striking "paragraphs (2) and (3)" and by inserting "paragraph (2)", and

(B) by adding at the end the following: "Paragraph (4) of such section shall apply in this subparagraph in the same manner as such paragraph applies to such section.".

(f) EFFECTIVE DATES.—

(1) ENFORCEMENT AND UNIFORM APPLICATION; MISCELLANEOUS AND TECHNICAL AMENDMENTS.—The amendments made by subsections (a) and (e) shall apply to services furnished on or after the date of the enactment of this Act; except that the amendments made by subsection (a) shall not apply to services of a nonparticipating supplier or other person furnished before January 1, 1994.

(2) PRACTITIONERS.—The amendments made by subsection (b) shall apply to services furnished on or after January 1, 1994.

(3) EOMBS.—The amendments made by subsection (c)(1) shall apply to explanations of benefits provided on or after January 1, 1994.

(4) CARRIER DETERMINATIONS.—The amendments made by subsection (c)(2) shall apply to contracts as of January 1, 1994.

(5) REPORT.—The amendment made by subsection (d) shall apply to reports for years beginning after 1993.

Subpart B—Outpatient Hospital Services and Ambulatory Surgical Services

SEC. 7221. EXTENSION OF 10 PERCENT REDUCTION IN PAYMENTS FOR CAPITAL-RELATED COSTS OF OUTPATIENT HOSPITAL SERVICES.

Section 1861(v)(1)(S)(ii)(I) (42 U.S.C. 1395x(v)(1)(S)(ii)(I)) is amended by striking "fiscal year 1992, 1993, 1994, or 1995" and inserting "fiscal years 1992 through 1998".

SEC. 7222. EXTENSION OF REDUCTION IN PAYMENTS FOR OTHER COSTS OF OUTPATIENT HOSPITAL SERVICES.

Section 1861(v)(1)(S)(ii)(II) (42 U.S.C. 1395x(v)(1)(S)(ii)(II)) is amended by striking ", 1992, 1993, 1994, or 1995" and inserting "through 1998".

SEC. 7223. REDUCTION IN PAYMENTS FOR INTRAOCULAR LENSES.

(a) PAYMENT FOR INTRAOCULAR LENS.—Section 4151(c)(3) of OBRA–1990 is amended—

(1) by striking "center" and all that follows and inserting "center—

"(A) on or after the date of the enactment of this Act and on or before December 31, 1993, shall be equal to $200; and

"(B) on or after January 1, 1994, and on or before December 31, 1998, shall be equal to $150."; and

(2) in the heading, by striking "2-YEAR FREEZE IN ALLOWANCE" and inserting "ALLOWANCE".

(b) CONFORMING AMENDMENTS.—

(1) PAYMENT AMOUNTS FOR SERVICES FURNISHED IN AMBULATORY SURGICAL CENTERS.—(A)(i) Section 1833(i)(2)(A)(i) (42 U.S.C. 1395l(i)(2)(A)(i)) is amended by striking the comma at the end and inserting the following: ", as determined in accordance with a survey (based upon a representative sample of procedures and facilities) taken not later than January 1, 1995, and every 5 years thereafter, of the actual audited costs incurred by such centers in providing such services,".

(ii) The second sentence of section 1833(i)(1) (42 U.S.C. 1395l(i)(1)) is amended by striking the period and inserting the following: ", in consultation with appropriate trade and professional organizations.".

(B) Section 4151(c)(3) of OBRA–1990, as amended in subsection (a), is amended by striking "for the insertion of an intraocular lens" and inserting "for an intraocular lens inserted".

(2) ADJUSTMENTS TO PAYMENT AMOUNTS FOR NEW TECHNOLOGY INTRAOCULAR LENSES.—(A) Notwithstanding section 4151(c)(3) of OBRA–1990 (as amended by subsection (a)), the Secretary of Health and Human Services (in this paragraph referred to as the "Secretary") shall, not later than 1 year after the date of the enactment of this Act, develop and implement a process under which interested parties may request review by the Secretary of the appropriateness of the reimbursement amount provided under section 1833(i)(2)(A)(iii) of the Social Security Act with respect to a class of new technology intraocular lenses. For purposes of the preceding sentence, an intraocular lens may not be treated as a new technology intraocular lens unless it has been approved by the Food and Drug Administration.

(B) In determining whether to provide an adjustment of payment with respect to a particular lens under subparagraph (A), the Secretary shall take into account whether use of the lens is likely to result in reduced risk of intraoperative or postoperative complication or trauma, accelerated postoperative recovery, reduced induced astigmatism, improved postoperative visual acuity, more stable postoperative vision, or other comparable clinical advantages.

(C) The Secretary shall publish notice in the Federal Register from time to time (but no less often than once each year) of a list of the requests that the Secretary has received for review under this subsection, and shall provide for a 30-day comment period on the lenses that are the subjects of the requests contained in such notice. The Secretary shall publish a notice of the determinations with respect to intraocular lenses listed in the notice within 90 days after the close of the comment period.

(D) Any adjustment of a payment amount (or payment limit) made under this paragraph shall become effective not later than 30 days after the date on which the notice with respect to the adjustment is published under subparagraph (C).

(3) BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—

(A) IN GENERAL.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(i) by striking "for reporting" and inserting "for portions of cost reporting"; and

(ii) by striking "and on or before" and inserting "and ending on or before".

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect as if included in the enactment of OBRA–1990.

Subpart C—Durable Medical Equipment

SEC. 7231. REVISIONS TO PAYMENT RULES FOR DURABLE MEDICAL EQUIPMENT.

(a) BASING NATIONAL PAYMENT LIMITS ON MEDIAN OF LOCAL PAYMENT AMOUNTS.—

(1) INEXPENSIVE AND ROUTINELY PURCHASED ITEMS; ITEMS REQUIRING FREQUENT AND SUBSTANTIAL SERVICING.—(A) Paragraphs (2)(C)(i)(II) and (3)(C)(i)(II) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking "1992" the first place it appears and inserting "1992, 1993, and 1994"; and

(ii) by striking "1992" the second place it appears and inserting "the year".

(B) Paragraphs (2)(C)(ii) and (3)(C)(ii) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking "and" at the end of subclause (I);

(ii) by redesignating subclause (II) as (IV); and

(iii) by inserting after subclause (I) the following new subclauses:

"(II) for 1992 and 1993, the amount determined under this clause for the preceding year increased by the covered item update for such subsequent year,

"(III) for 1994, the local payment amount determined under clause (i) for such item or device for that year, except that the national limited payment amount may not exceed 100 percent of the median of all local payment amounts determined under such clause for such item for that year and may not be less than 85 percent of the median of all local payment amounts determined under such clause for such item or device for that year, and".

(2) MISCELLANEOUS DEVICES AND ITEMS.—Section 1834(a)(8) (42 U.S.C. 1395m(a)(8)) is amended—

(A) in subparagraph (A)(ii)(III), by striking "1992" and inserting "1992, 1993, and 1994"; and

(B) in subparagraph (B)—

(i) by striking "and" at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

"(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

"(iii) for 1994, the local purchase price computed under subparagraph (A)(ii) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local purchase prices computed under such subparagraph for the item for the year; and".

(3) OXYGEN AND OXYGEN EQUIPMENT.—Section 1834(a)(9) (42 U.S.C. 1395m(a)(9)) is amended—

(A) in subparagraph (A)(ii)(II), by striking "1991 and 1992" and inserting "1991, 1992, 1993, and 1994"; and

(B) in subparagraph (B)—

(i) by striking "and" at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

"(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

"(iii) for 1994, the local monthly payment rate computed under subparagraph (A)(ii) for the item for the year, except that such national limited monthly payment rate may not exceed 100 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year; and".

(b) PAYMENT FOR PROSTHETIC DEVICES AND ORTHOTICS AND PROSTHETICS.—

(1) IN GENERAL.—Section 1834(h)(2) (42 U.S.C. 1395m(h)(2)) is amended—

(A) in subparagraph (A)(ii)(II), by striking "1992 or 1993" and inserting "1992, 1993, or 1994";

(B) in subparagraph (B)(ii), by striking "each subsequent year" and inserting "1993";

(C) in subparagraph (C)(iv), by striking "regional purchase price computed under subparagraph (B)" and inserting "national limited purchase price computed under subparagraph (E)";

(D) in subparagraph (D)(ii), by striking "a subsequent year" and inserting "1993"; and

(E) by adding at the end the following new subparagraph:

"(E) COMPUTATION OF NATIONAL LIMITED PURCHASE PRICE.—With respect to the furnishing of a particular item in a year, the Secretary shall compute a national limited purchase price—

"(i) for 1994, equal to the local purchase price computed under subparagraph (A)(ii)(II) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices for the item computed under such subparagraph for the year, and may not be less than 85 percent of the median of all local purchase prices for the item computed under such subparagraph for the year; and

"(ii) for each subsequent year, equal to the amount determined under this subparagraph for the preceding year increased by the applicable percentage increase for such subsequent year.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 7232. TREATMENT OF NEBULIZERS AND ASPIRATORS.

(a) IN GENERAL.—Section 1834(a)(3)(A) (42 U.S.C. 1395m(a)(3)(A)) is amended by striking "(such as ventilators, aspirators, IPPB machines, and nebulizers)".

(b) PAYMENT FOR ACCESSORIES RELATING TO NEBULIZERS AND ASPIRATORS.—Section 1834(a)(2)(A) (42 U.S.C. 1395m(a)) is amended—

(1) by striking "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii), and

(3) by inserting after clause (ii) the following new clause:

"(iii) which is an accessory used in conjunction with a nebulizer or aspirator,".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 7233. PAYMENT FOR SURGICAL DRESSINGS.

(a) IN GENERAL.—Section 1834 (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(i) PAYMENT FOR SURGICAL DRESSINGS.—

"(1) IN GENERAL.—Payment under this subsection for surgical dressings (described in section 1861(s)(5)) shall be made in a lump sum amount for the purchase of the item in an amount equal to 80 percent of the lesser of—

"(A) the actual charge for the item; or

"(B) a payment amount determined in accordance with the methodology described in subparagraphs (B) and (C) of subsection (a)(2) (except that in applying such methodology, the national limited payment amount referred to in such subparagraphs shall be initially computed based on local payment amounts using average reasonable charges for the 12-month period ending December 31, 1992, increased by the covered item updates described in such subsection for 1993 and 1994).

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to surgical dressings that are—

"(A) furnished as an incident to a physician's professional service; or

"(B) furnished by a home health agency.".

(b) CONFORMING AMENDMENT.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)), as amended by section 7207(e)(1), is amended—

(1) by striking "and" before "(P)", and

(2) by inserting before the semicolon at the end the following: ", and (Q) with respect to surgical dressings, the amounts paid shall be the amounts determined under section 1834(j)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 7234. PAYMENTS FOR TENS DEVICES.

(a) IN GENERAL.—Section 1834(a)(1)(D) (42 U.S.C. 1395m(a)(1)(D)) is amended by striking "15 percent" the second place it appears and inserting "45 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished on or after January 1, 1994.

Subpart D—Part B Premium

SEC. 7251. PART B PREMIUM.

Section 1839(e) (42 U.S.C. 1395r(e)) is amended—

(1) in paragraph (1)(A), by striking "December 1983 and prior to January 1991 shall be an amount equal to 50 percent" and inserting "after December 1995 and prior to January 1999 shall be an amount equal to 50 percent", and

(2) in paragraph (2), by striking "1991" and inserting "1998".

Subpart E—Other Provisions

SEC. 7261. PAYMENTS FOR CLINICAL DIAGNOSTIC LABORATORY TESTS.

(a) LOWER CAP.—Section 1833(h)(4)(B) (42 U.S.C. 1395l(h)(4)(B)) is amended—

(1) by striking "and" at the end of clause (iii),

(2) in clause (iv), by inserting "and before January 1, 1994," after "1990,",

(3) by striking the period at the end of clause (iv) and inserting ", and", and

(4) by adding at the end the following:

"(v) after December 31, 1993, is equal to 76 percent of the median of all the fee schedules established for that test for that laboratory setting under paragraph (1).".

(b) NO UPDATE FOR 1994 THROUGH 1998.—Section 1833(h)(2)(A)(ii)(II) (42 U.S.C. 1395l(h)(2)(A)(ii)(III)) is amended by inserting "1994, 1995, 1996, 1997, and 1998" after "1988".

PART III—PROVISIONS RELATING TO PARTS A AND B

SEC. 7301. PAYMENTS FOR DIRECT GRADUATE MEDICAL EDUCATION COSTS.

(a) WEIGHTING FACTORS.—Section 1886(h)(4)(C) (42 U.S.C. 1395ww(h)(4)(C)) is amended to read as follows:

"(C) WEIGHTING FACTORS FOR CERTAIN RESIDENTS.—Subject to subparagraph (D), such rules shall provide, in calculating the number of full-time-equivalent residents in an approved residency program—

"(i) with respect to residents entering an approved medical residency training program before September 1, 1993—

"(I) for a resident who is in the resident's initial residency period, the weighting factor is 1.00, and

"(II) for a resident who is not in the resident's initial residency period, the weighting factor is .50; and

"(ii) with respect to residents entering an approved medical residency training program on or after September 1, 1993—

"(I) for a resident who is in the resident's initial residency period, and is in—

"(aa) a primary care residency, the weighting factor is 1.10, and

"(bb) any other residency, the weighting factor is 0.70, and

"(II) for a resident who is not in the resident's initial residency period, the weighting factor is 0.50.".

(b) INITIAL RESIDENCY PERIOD.—

(1) IN GENERAL.—Section 1886(h)(5)(F) (42 U.S.C. 1395ww(h)(5)(F)) is amended by striking "plus one year".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on and after July 1, 1995.

(c) PRIMARY CARE RESIDENCY.—Section 1886(h)(5) (42 U.S.C. 1395ww(h)(5)) is amended by adding at the end the following new subparagraph:

"(I) PRIMARY CARE RESIDENCY.—The term 'primary care residency' means a residency training program in family medicine, general internal medicine, general pediatrics, preventive care, geriatric care, or osteopathic general practice.".

(d) PREVENTIVE CARE SERVICES AS PART OF INITIAL RESIDENCY PERIOD.—Section 1886(h)(5)(F)(ii) (42 U.S.C. 1395ww(h)(5)(F)(ii)) is amended by inserting "or a preventive care residency or fellowship program" after "fellowship program".

(e) SUCCESSOR EXAMS INCLUDED IN DEFINITION OF FMGEMS EXAMINATION.—

(1) IN GENERAL.—Section 1886(h)(5)(E) is amended by inserting "or any successor examination" after "Medical Sciences".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply as if included in the enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272).

(f) REPORT BY THE SECRETARY.—

(1) RECOMMENDATIONS.—The Secretary shall make recommendations—

(A) concerning the extent to which variation in the approved FTE per resident amounts should be reduced;

(B) whether the approved FTE per resident amounts should be adjusted to account for substantial changes in the operation of an approved medical residency training program since the base year calculation; and

(C) potential changes in the graduate medical education payment system that would promote residency training in nonhospital ambulatory site.

(2) REPORT.—Not later than July 31, 1994, the Secretary shall deliver a report to Congress which shall contain recommendations on each of the matters under paragraph (1).

SEC. 7302. REVISION OF HOME HEALTH AGENCY COST LIMITS.

(a) IN GENERAL.—Section 1861(v)(1)(L) (42 U.S.C. 1395x(v)(1)(L)(i)) is amended—

(1) in clause (i), by striking "for cost reporting periods" and all that follows through to the period and inserting "110 percent of the median of the labor-related and nonlabor per visit costs for home health agencies.", and

(2) in clause (ii), by striking "specific basis," and all that follows through "agencies." and inserting "specific basis.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to cost reporting periods beginning on or after October 1, 1993.

SEC. 7303. MEDICARE AS SECONDARY PAYER.

(a) EXTENSION OF AND MODIFICATIONS TO DATA MATCH PROGRAM.—(1)(A) Section 1862(b)(5)(C)(iii) (42 U.S.C. 1395y(b)(5)(C)(iii)) is amended by striking "1995" and inserting "1998".

(B) Section 6103(l)(12)(F) of the Internal Revenue Code of 1986 is amended—

(i) in clause (i), by striking "1995" and inserting "1998",

(ii) in clause (ii)(I), by striking "1994" and inserting "1997", and

(iii) in clause (ii)(II), by striking "1995" and inserting "1998".

(2)(A) Section 6103(l)(12)(B)(i) of the Internal Revenue Code of 1986 is amended by inserting ", above an amount (if any) specified by the Secretary of Health and Human Services," after "section 3401(a))".

(B) The matter in section 6103(l)(12)(B)(ii) of such Code preceding subclause (I) is amended by inserting ", above an amount (if any) specified by the Secretary of Health and Human Services," after "wages".

(C) The heading to section 6103(l)(12) of such Code is amended by striking "TAXPAYER IDENTITY" and inserting "RETURN".

(3)(A) Section 6103(l)(12) of the Internal Revenue Code of 1986, as amended by paragraph (1), is amended—

(i) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and

(ii) by inserting after subparagraph (D) the following new subparagraph:

"(E) DISCLOSURE CONCERNING ENFORCEMENT ACTIVITIES.—The Secretary shall, upon written request from the Secretary of Health and Human Services, disclose to the Secretary of Health and Human Services the status of any activities undertaken (with respect to persons specified by the Secretary of Health and Human Services) to enforce the requirements of section 5000.".

(B) Section 6103(l)(12)(D)(i) of such Code is amended by striking "this paragraph" and inserting "subparagraphs (A) through (C)".

(C) The heading to section 6103(l)(12) of such Code is amended by inserting "AND FOR FACILITATION OF ENFORCEMENT OF MEDICARE SECONDARY PAYER REQUIREMENTS" before the period.

(D) Section 1862(b)(5)(C)(i) (42 U.S.C. 1395y(b)(5)(C)(i)) is amended by striking "6103(l)(12)(D)(iii)" and inserting "6103(l)(12)(F)(iii)".

(b) PERMANENT APPLICATION TO DISABLED ACTIVE INDIVIDUALS.—Section 1862(b)(1)(B) (42 U.S.C. 1395y(b)(1)(B)) is amended by striking clause (iii).

(c) APPLICATION OF ESRD RULES TO CERTAIN AGED AND DISABLED BENEFICIARIES AND INCREASE IN MEDICARE SECONDARY PAYER COVERAGE FOR ESRD SERVICES TO 24-MONTHS.—(1) Subparagraphs (A)(iv) and (B)(ii) of section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) are each amended—

(A) by striking "Clause (i) shall not apply" and inserting "Subparagraph (C) shall apply instead of clause (i)", and

(B) by inserting "(without regard to entitlement under section 226)" after "individual is, or".

(2) Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended—

(A) in the second sentence, by striking "on or before January 1, 1996" and inserting before "January 1, 1994", and

(B) by adding at the end the following: "Effective for items and services furnished on or after January 1, 1994, and before October 1, 1998, (with respect to periods beginning on or after July 1, 1992), this subparagraph shall be applied by substituting '24-month' for '12-month' each place it appears.".

(d) APPLICATION OF EXCISE TAX TO FAILURE TO REIMBURSE FEDERAL GOVERNMENT.—

(1) IN GENERAL.—Section 5000(c) of the Internal Revenue Code of 1986 is amended by striking "of section 1862(b)(1)" and inserting "of paragraph (1), or with the requirements of paragraph (2), of section 1862(b).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to demands for repayment issued after the date of the enactment of this Act.

(e) RETROACTIVE EXEMPTION FOR CERTAIN SITUATIONS INVOLVING RELIGIOUS ORDERS.—Section 1862(b)(1)(D) of the Social Security Act (42 U.S.C. 1395y(b)(1)(D)) applies, with respect to items and services furnished before October 1, 1989, to any claims that the Secretary of Health and Human Services had not identified before that date as subject to the provisions of this subsection.

(f) UNIFORM RULES FOR SIZE OF EMPLOYER.—(1) Section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) is amended by adding at the end the following new subparagraph:

"(E) GENERAL PROVISIONS.—

"(i) EXCLUSION OF GROUP HEALTH PLAN OF A SMALL EMPLOYER.—Subparagraphs (A) through (C) shall not apply to a group health plan unless the plan is a plan of, or contributed to by, an employer or employee organization that has 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year.

"(ii) EXCEPTION FOR SMALL EMPLOYERS IN MULTIEMPLOYER OR MULTIPLE EMPLOYER GROUP HEALTH PLANS.—Subparagraphs (A) through (C) shall not apply with respect to individuals enrolled in a multiemployer or multiple employer group health plan if the coverage of the individuals under the plan is by virtue of current employment status with an employer that does not have 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year; but the exception provided in this clause applies only if the plan elects treatment under this clause.

"(iii) SPECIAL RULES.—For purposes of clauses (i) and (ii)—

"(I) all employees of corporations which are members of a controlled group of corporations (within the meaning of section 1563(a) of the Internal Revenue Code of 1986, determined without regard to section 1563(a)(4) or section (e)(3)(C) of such Code), shall be treated as employed by a single employer,

"(II) all employees of trades or businesses (whether or not incorporated) which are under common control (under regulations prescribed by the Secretary of the Treasury under section 414(c) of such Code) shall be treated as employed by a single employer,

"(III) all employees of the members of an affiliated service group (as defined in section 414(m) of such Code) shall be treated as employed by a single employer, and

"(IV) leased employees (as defined in section 414(n)(2) of such Code) shall be treated as employees of the person for whom they perform services to the extent they are so treated under section 414(n) of such Code.

In applying sections of the Internal Revenue Code under this clause, the Secretary shall rely upon regulations and decisions of the Secretary of the Treasury respecting such sections.".

"(iv) GROUP HEALTH PLAN DEFINED.—For purposes of this subsection, the term 'group health plan' has the meaning given such term in section 5000(b) of the Internal Revenue Code of 1986, without regard to section 5000(d) of such Code.

"(v) CURRENT EMPLOYMENT STATUS DEFINED.—For purposes of this subsection, an individual has 'current employment status' with an employer if the individual is an employee, is the employer, or is associated with the employer in a business relationship.

"(vi) EMPLOYER DEFINED.—For purposes of this subsection, the term 'employer' includes a self-employed person.".

(2)(A) Section 1862(b)(1)(A)(i)(I) (42 U.S.C. 1395y(b)(1)(A)(i)(I)) is amended to read as follows:

"(I) may not take into account that an individual (or the individual's spouse) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(a), and".

(B) Section 1862(b)(1)(A)(i)(II) (42 U.S.C. 1395y(b)(1)(A)(i)(II)) is amended to read as follows:

"(II) shall provide that any individual age 65 or over (and the individual's spouse age 65 or older) who is covered under the plan by virtue of the individual's current employment status with an employer shall be entitled to the same benefits under the plan under the same conditions as any such individual (or spouse) under age 65.".

(C) Section 1862(b)(1)(A) (42 U.S.C. 1395y(b)(1)(A)), as amended by subsection (c)(1), is amended—

(i) by striking clauses (ii), (iii), and (v), and

(ii) by redesignating clause (iv) as clause (ii).

(3)(A) Section 1862(b)(1)(B) (42 U.S.C. 1395y(b)(1)(B)(i)) is amended—

(i) by striking the heading and inserting the following new heading:

"(B) DISABLED INDIVIDUALS UNDER GROUP HEALTH PLANS.—", and

(ii) by striking clause (i) and inserting the following new clause:

"(i) IN GENERAL.—A group health plan may not take into account that an individual (or a member of the individual's family) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(b).".

(B) Section 1862(b)(1)(B) (42 U.S.C. 1395y(b)(1)(B)) is amended by striking clause (iv).

(4) Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended—

(A) in the matter preceding clause (i), by striking "(as defined in subparagraph (A)(v))",

(B) by striking "solely" each place it appears,

(C) by striking "by reason of" and inserting "under" each place it appears, and

(D) by inserting "or eligible for" after "entitled to" the first and last place it appears.

(5) The second sentence of section 1862(b)(2)(A) (42 U.S.C. 1395y(b)(2)(A)) is amended by striking "or large group health plan".

(6)(A) Subsection (a) of section 5000 of the Internal Revenue Code of 1986 is amended by inserting "(including a self-employed person)" after "employer";

(B) Subsection (b) of section 5000 of such Code is amended to read as follows:

"(b) GROUP HEALTH PLAN.—The term 'group health plan' means a plan (including a self-insured plan) of, or contributed to by, an employer (including a self-employed person) or employee organization to provide health care (directly or otherwise) to the employees, former employees, the employer, others associated or formerly associated with the employer in a business relationship, or their families."; and

(C) Subsection (c) of section 5000 of such Code by striking "or large group health plan".

(D) Section 6103(l)(12)(F)(ii) of such Code (as redesignated by subsection (a)(3)(A)(i) of this section) is amended to read as follows:

"(ii) GROUP HEALTH PLAN.—The term 'group health plan' means any group health plan (as defined in section 5000(b)).".

(g) EFFECTIVE DATE.—The amendments made by subsections (c)(1), (d), and (f) apply to items and services furnished after the third calendar month beginning after the date of enactment of this Act.

SEC. 7304. EXTENSION OF SELF-REFERRAL BAN TO ADDITIONAL SPECIFIED SERVICES.

(a) EXTENSION TO DESIGNATED HEALTH SERVICES.—

(1) IN GENERAL.—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by adding at the end the following new paragraph:

"(8) DESIGNATED HEALTH SERVICES.—The term 'designated health services' means—

"(A) clinical laboratory services;

"(B) physical or occupational therapy services;

"(C) radiology or other diagnostic services;

"(D) radiation therapy services;

"(E) the furnishing of durable medical equipment;

"(F) the furnishing of parenteral and enteral nutrition nutrients, supplies, and equipment;

"(G) home health services; and

"(H) the furnishing of prosthetics, orthotics, and prosthetic devices.".

(2) CONFORMING AMENDMENTS.—Section 1877 (42 U.S.C. 1395nn) is amended—

(A) by striking "clinical laboratory services" and "CLINICAL LABORATORY SERVICES" and inserting "designated health services" and "DESIGNATED HEALTH SERVICES", respectively, each place either appears in subsections (a)(1), (b)(2)(A)(ii), (d)(1), (d)(2), and (d)(3); and

(B) by striking "clinical laboratory service" and inserting "designated health service" each place it appears in subsections (g)(1) and (h)(7)(B).

(b) MODIFICATION TO EXCEPTION FOR IN-OFFICE ANCILLARY SERVICES.—Section 1877(b)(2) (42 U.S.C. 1395nn(b)(2)) is amended—

(1) by inserting "(other than durable medical equipment and parenteral and enteral nutrition equipment and supplies)" after "services" the first place it appears; and

(2) in subparagraph (A)(ii)(II), by striking "centralized provision" and inserting "provision of some or all".

(c) TREATMENT OF COMPENSATION ARRANGEMENTS.—

(1) RENTAL OF OFFICE SPACE AND EQUIPMENT.—

(A) IN GENERAL.—Paragraph (1) of section 1877(e) (42 U.S.C. 1395nn(e)) is amended to read as follows:

"(1) RENTAL OF OFFICE SPACE; RENTAL OF EQUIPMENT.—

"(A) OFFICE SPACE.—Payments made by a lessee to a lessor for the use of premises if—

"(i) the lease is set out in writing, signed by the parties, and specifies the premises covered by the lease,

"(ii) the space rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental and is used exclusively by the lessee when being used by the lessee, except that the lessee may make payments

for the use of space consisting of common areas if such payments do not exceed the lessee's pro rata share of expenses for such space based upon the ratio of the space used exclusively by the lessee to the total amount of space (other than common areas) occupied by all persons using such common areas,

"(iii) the lease provides for a term of rental or lease for at least one year,

"(iv) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(v) the lease would be commercially reasonable even if no referrals were made between the parties,

"(vi) the lease covers all of the premises leased between the parties for the period of the lease, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

"(B) EQUIPMENT.—Payments made by a lessee of equipment to the lessor of the equipment for the use of the equipment if—

"(i) the lease is set out in writing, signed by the parties, and specifies the equipment covered by the lease,

"(ii) the equipment rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental and is used exclusively by the lessee when being used by the lessee,

"(iii) the lease provides for a term of rental or lease of at least one year,

"(iv) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(v) the lease would be commercially reasonable even if no referrals were made between the parties,

"(vi) the lease covers all of the equipment leased between the parties for the period of the lease, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(B) CONFORMING AMENDMENT.—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by striking paragraphs (5) and (6) and by redesignating paragraphs (7) and (8) (as added by subsection (a)(1)) as paragraphs (5) and (6), respectively.

(2) BONA FIDE EMPLOYMENT RELATIONSHIPS.—Section 1877(e)(2) (42 U.S.C. 1395nn(e)(2)) is amended—

(A) by striking "AND SERVICE" and "WITH HOSPITALS";

(B) by striking "An arrangement" and all that follows through "if" and inserting "Any amount paid by an employer to a physician (or an immediate family member of such physician) who has a bona fide employment relationship with the employer for the provision of services if";

(C) in subparagraphs (A), (B), and (D), by striking "arrangement" and inserting "employment relationship";

(D) in subparagraph (C), by striking "hospital" and inserting "employer"; and

(E) by adding at the end the following new flush sentence:

"Subparagraph (B)(ii) shall not be construed as prohibiting the payment of remuneration in the form of a productivity bonus based on services performed personally by the physician (or an immediate family member of such physician).".

(3) PERSONAL SERVICE ARRANGEMENTS.—Section 1877(e)(3) (42 U.S.C. 1395nn(e)(3)) is amended to read as follows:

"(3) SERVICE ARRANGEMENTS.—

"(A) PERSONAL SERVICE ARRANGEMENTS.—Remuneration from an entity under an arrangement if—

"(i) the arrangement is set out in writing, signed by the parties, and specifies the services covered by the arrangement,

"(ii) the arrangement covers all of the services to be provided,

"(iii) the aggregate services contracted for do not exceed those that are reasonable and necessary for the legitimate business purposes of the arrangement,

"(iv) the term of the arrangement is for at least one year,

"(v) the compensation to be paid over the term of the arrangement is set in advance, does not exceed fair market value, and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(vi) the services to be performed under the arrangement do not involve the counseling or promotion of a business arrangement of other activity that violates any State or Federal law, and

"(vii) the arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

"(B) OTHER SERVICE ARRANGEMENTS.—Remuneration from an entity under an arrangement if—

"(i) the arrangement is—

"(I) for specific identifiable services as the medical director or as a member of a medical advisory board at the entity pursuant to a requirement of this title,

"(II) for specific identifiable physicians' services to be furnished to an individual receiving hospice care if payment for such services may only be made under this title as hospice care,

"(III) for specific physicians' services furnished to a nonprofit blood center, or

"(IV) for specific identifiable administrative services (other than direct patient care services), but only under exceptional circumstances specified by the Secretary in regulations;

"(ii) the requirements described in subparagraphs (B) and (C) of paragraph (2) are met with respect to the entity in the same manner as they apply to an employer; and

"(iii) the arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(4) HEALTH SERVICES FURNISHED UNDER CERTAIN HOSPITAL ARRANGEMENTS.—Section 1877(e) (42 U.S.C. 1395nn(e)) is amended by adding at the end the following new paragraph:

"(7) CERTAIN GROUP PRACTICE ARRANGEMENTS WITH A HOSPITAL.—

"(A) IN GENERAL.—An arrangement between a hospital and a group under which designated health services are provided by the group but are billed by the hospital if—

"(i) the group would be a group practice, but for the fact that it bills for such services through the hospital;

"(ii) with respect to services provided to an inpatient of the hospital, the arrangement is pursuant to the provision of inpatient hospital services under section 1861(b)(3);

"(iii) the arrangement began before December 19, 1989, and has continued in effect without interruption since such date;

"(iv) the group provides substantially all of the designated health services furnished under the arrangement to the hospital's patients;

"(v) the arrangement is pursuant to an agreement that is set out in writing and that specifies the services to be provided by the parties and the compensation for services provided under the arrangement;

"(vi) the compensation paid over the term of the agreement is consistent with fair market value and the compensation per unit of services is fixed in advance and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties;

"(vii) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity; and

"(viii) the arrangement between the parties meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(5) ADDITIONAL EXCEPTION.—Section 1877(e) (42 U.S.C. 1395nn(e)) is further amended by adding at the end the following new paragraph:

"(8) PAYMENTS BY A PHYSICIAN FOR ITEMS AND SERVICES.—Payments made by a physician—

"(A) to a laboratory in exchange for the provision of clinical laboratory diagnostic tests, or

"(B) to an entity as compensation for other items or services if the items or services are furnished at a price that is consistent with fair market value.".

(6) REFERRING PHYSICIANS.—Subparagraph (C) of section 1877(h)(5) (42 U.S.C. 1395nn(h)(5)), as redesignated by subsection (c)(1)(B), is amended—

(A) by inserting "a request by a radiologist for diagnostic radiology services, and a request by a radiation oncologist for radiation therapy," after "examination services,", and

(B) by inserting ", radiologist, or radiation oncologist" after "pathologist" the second place it appears.

(7) CONFORMING AMENDMENT.—Section 1877(b) (42 U.S.C. 1395nn(b)) is amended by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

(d) REQUIREMENTS FOR GROUP PRACTICE.—

(1) ADDITIONAL REQUIREMENTS.—Section 1877(h)(4) (42 U.S.C. 1395nn(h)(4)) is amended to read as follows:

"(4) GROUP PRACTICE.—

"(A) DEFINITION OF GROUP PRACTICE.—The term 'group practice' means a group of 2 or more physicians legally organized as a partnership, professional corporation, foundation, not-for-profit corporation, faculty practice plan, or similar association—

"(i) in which each physician who is a member of the group provides substantially the full range of services which the physician routinely provides, including medical care, consultation, diagnosis, or treatment, through the joint use of shared office space, facilities, equipment and personnel;

"(ii) for which substantially all of the services of the physicians who are members of the group are provided through the group and are billed in the name of the group and amounts so received are treated as receipts of the group;

"(iii) in which the overhead expenses of and the income from the practice are distributed in accordance with methods previously determined by members of the group;

"(iv) except as provided in subparagraph (B)(i), in which no physician who is a member of the group directly or indirectly receives compensation based on the volume or value of referrals by the physician;

"(v) in which, on average, there are no less than 5 physicians per office location, but if a group has less than 15 physicians such group may have up to 3 office locations any one of which may have less than 5 physicians;

"(vi) in which members of the group personally conduct no less than 75 percent of the physician-patient encounters of the group practice; and "(vii) which meets such other standards as the Secretary may impose by regulation.

"(B) SPECIAL RULES.—

"(i) PROFITS AND PRODUCTIVITY BONUSES.—A physician in a group practice may be paid a share of overall profits of the group, or a productivity bonus based on services personally performed or services incident to such personally performed services, so long as the share or bonus is not determined in any manner which is directly related to the volume or value of referrals by such physician.

"(ii) FACULTY PRACTICE PLANS.—In the case of a faculty practice plan associated with a hospital, institution of higher education, or medical school with an approved medical residency training program in which physician members may provide a variety of different specialty services and provide professional services both within and outside the group, as well as perform other tasks such as research, subparagraph (A) shall be applied only with respect to the services provided within the faculty practice plan.

"(C) DEFINITION OF OFFICE LOCATION.—For purposes of this paragraph, the term 'office location' means an office where physician services are offered to patients except that—

"(i) such term does not include—

"(I) a location consisting solely of a diagnostic facility, nursing facility, or treatment facility such as a physical or occupational therapy center, or a facility providing administrative services affiliated with the group practice; or

"(II) an office located in a rural area (as defined in section 1886(d)(2)(D)) if at least 85 percent of the physicians' services furnished at the location are furnished to individuals who reside in such a rural area; and

"(ii) any office location which is located immediately adjacent to another office location shall be treated as the same office location.".

(2) USE OF BILLING NUMBERS, ETC.—Section 1877 (42 U.S.C. 1395nn) is amended—

(A) in subsection (b)(2)(B), by inserting "under a billing number assigned to the group practice" after "member",

(B) in subsection (h)(4)(A)(ii), as added by subsection (d)(1), by inserting "and under a billing number assigned to the group" after "in the name of the group", and

(C) in subsection (h)(4)(A)(iii), as so added, by striking "by members of the group".

(3) CONFORMING AMENDMENT.—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by striking "DEFINITIONS.—" and inserting "DEFINITIONS AND SPECIAL RULES.—".

(e) EXPANDING RURAL PROVIDER EXCEPTION TO COVER COMPENSATION ARRANGEMENTS.—

(1) IN GENERAL.—Section 1877(b) (42 U.S.C. 1395nn(b)) is amended—

(A) by redesignating paragraph (4), as redesignated by subsection (c)(7), as paragraph (5), and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) RURAL PROVIDERS.—In the case of designated health services if—

"(A) the services are furnished in a rural area (as defined in section 1886(d)(2)(D)), and

"(B) substantially all of the services furnished by the entity furnishing the services described in subparagraph (A) are furnished to individuals entitled to benefits under this title who reside in such a rural area.".

(2) CONFORMING AMENDMENTS.—Section 1877(d) (42 U.S.C. 1395nn(d)) is amended—

(A) by striking paragraph (2), and

(B) by redesignating paragraph (3) as paragraph (2).

(f) EXEMPTION OF COMPENSATION ARRANGEMENTS INVOLVING CERTAIN TYPES OF REMUNERATION.—Section 1877(h)(1) (42 U.S.C. 1395nn(h)(1)) is amended—

(1) in subparagraph (A), by inserting before the period at the end the following: "other than an arrangement involving only remuneration described in subparagraph (C)", and

(2) by adding at the end the following new subparagraph:

"(C) Remuneration described in this subparagraph is any remuneration consisting of any of the following:

"(i) The forgiveness of amounts owed for inaccurate tests or procedures, mistakenly performed tests or procedures, or the correction of minor billing errors.

"(ii) The provision of items, devices, or supplies of minor value that are used to—

"(I) collect, transport, process, or store specimens for the entity providing the item, device, or supply, or

"(II) communicate the results of tests or procedures for such entity.".

(g) EXCEPTION FOR PUBLICLY-TRADED SECURITIES.—Section 1877(c) (42 U.S.C. 1395nn(c)) is amended—

(1) in the matter preceding paragraph (1), by striking "on terms generally available to the public" and inserting "through public trading on a public exchange or which were inherited"; and

(2) in paragraph (2), by striking "total assets exceeding $100,000,000" and inserting "stockholder equity exceeding $75,000,000".

(h) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—Section 1877 (42 U.S.C. 1395nn) is amended—

(1) in subsection (b)(2)(A)(i), by striking "who are employed by such physician or group practice and who are personally" and inserting "who are directly";

(2) in the fourth sentence of subsection (f)—

(A) by striking "provided" and inserting "furnished", and

(B) by striking "provides" and inserting "furnish";

(3) in the last sentence of subsection (f)—

(A) by striking "providing" each place it appears and inserting "furnishing",

(B) by striking "with respect to the providers" and inserting "with respect to the entities", and

(C) by striking "diagnostic imaging services of any type" and inserting "magnetic resonance imaging, computerized axial tomography scans, and ultrasound services"; and

(4) in subsection (a)(2)(B), by striking "subsection (h)(1)(A)" and inserting "subsection (h)(1)".

(i) EFFECTIVE DATES.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to referrals made on or after January 1, 1992.

(2) The amendments made by subsection (a) apply with respect to a referral by a physician for designated health services (as defined in section 1877(h)(6) of the Social Security Act) made after December 31, 1994.

SEC. 7305. REDUCTION IN PAYMENT FOR ERYTHROPOIETIN.

(a) IN GENERAL.—Section 1881(b)(11)(B)(ii)(I) (42 U.S.C. 1395rr(b)(11)(B)(ii)(I)) is amended—

(1) by striking "1991" and inserting "1994", and

(2) by striking "$11" and inserting "$10".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to erythropoietin furnished after 1993.

Subtitle B—Medicaid Program

PART I—PROGRAM SAVINGS PROVISIONS

Subpart A—Repeal of Mandate

SEC. 7401. PERSONAL CARE SERVICES FURNISHED OUTSIDE THE HOME AS OPTIONAL BENEFIT.

(a) IN GENERAL.—Section 1905(a) (42 U.S.C. 1396d(a)), as amended by subsection (b), is amended—

(1) in paragraph (7), by striking "including personal care services" and all that follows through "nursing facility";

(2) in paragraph (23), by striking "and" at the end;

(3) by redesignating paragraph (24) as paragraph (25); and

(4) by inserting after paragraph (23) the following new paragraph:

"(24) personal care services furnished to an individual who is not an inpatient or resident of a nursing facility or other medical institution that are (A) authorized by a physician for the individual in accordance with a plan of treatment, (B) provided by an individual who is qualified to provide such services and who is not a member of the individual's family, (C) supervised by a registered nurse, and (D) furnished in a home or other location; and".

(b) REDESIGNATIONS TO PARAGRAPHS ADDED BY OBRA–1990.—Section 1905(a) (42 U.S.C. 1396d(a)) is amended—

(1) by striking "and" at the end of paragraph (21);

(2) in paragraph (24), by striking the comma at the end and inserting "; and"; and

(3) by redesignating paragraphs (22), (23), and (24) as paragraphs (24), (22), and (23), respectively, and by transferring and inserting paragraph (24), as so redesignated, after paragraph (23), as so redesignated.

(c) CONFORMING AMENDMENTS.—(1) Section 1902(a)(10)(C)(iv) (42 U.S.C. 1396a(a)(10)(C)(iv)) is amended by striking "through (21)" and inserting "through (24)".

(2) Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking "through (22)" and inserting "through (25)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

Subpart B—Outpatient Prescription Drugs

SEC. 7411. PERMITTING PRESCRIPTION DRUG FORMULARIES UNDER STATE PLANS.

(a) ELIMINATION OF PROHIBITION AGAINST USE OF FORMULARIES.—Paragraph (54) of section 1902(a) (42 U.S.C. 1396a(a)) is amended to read as follows:

"(54) in the case of a State plan that provides medical assistance for covered outpatient drugs (as defined in section 1927(k)), comply with the applicable requirements of section 1927;".

(b) STANDARDS FOR FORMULARIES.—Section 1927(d) (42 U.S.C. 1396r–8(d)), as amended by section 7412(a), is amended—

(1) by adding at the end of paragraph (1) the following new subparagraph:

"(C) In the case of a State that establishes a formulary in accordance with paragraph (6), the State may exclude coverage of a covered outpatient drug that is not included in the formulary."; and

(2) by inserting after paragraph (5) the following new paragraph:

"(6) REQUIREMENTS FOR FORMULARIES.—A State may establish a formulary only if the following requirements are met:

"(A) The formulary is developed by a committee consisting of physicians, pharmacists, and other appropriate individuals appointed by the Governor of the State or, at the option of the State, the State's drug use review board established under subsection (g)(3).

"(B) The formulary includes each covered outpatient drug of a manufacturer which has entered into and complies with an agreement under subsection (a) unless the drug is contained in the list referred to in paragraph (2) or excluded in accordance with subparagraph (C).

"(C)(i) The committee may exclude a covered outpatient drug with respect to the treatment of a specific disease or condition for an identified population (if any) only if the committee finds that the excluded drug does not have a significant, clinically meaningful therapeutic advantage in terms of safety, effectiveness, or clinical outcome of such treatment for such population over other drugs included in the formulary.

"(ii) The committee's finding under clause (i) shall be based on—

"(I) the drug's labeling, or

"(II) in the case of a drug the prescribed use of which is not approved under the Federal Food, Drug, and Cosmetic Act but is a medically accepted indication, on information from the appropriate compendia described in subsection (k)(6).

"(D) With respect to a recommendation to exclude a covered outpatient drug from the formulary or to exclude a prescribed use of such a drug, the committee issues a written explanation of its recommendation that is available to the public.

"(E) The State plan permits coverage of a drug excluded from the formulary pursuant to a prior authorization program that is consistent with paragraph (5) unless the drug is contained in the list referred to in paragraph (2).

"(F) The formulary meets such other requirements as the Secretary may impose.".

(c) Effective Date.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 7412. ELIMINATION OF SPECIAL EXEMPTION FROM PRIOR AUTHORIZATION FOR NEW DRUGS.

(a) In General.—Section 1927(d) (42 U.S.C. 1396r–8(d)) is amended by striking paragraph (6).

(b) Conforming Amendment.—(1) Section 1927(d)(1)(A) (42 U.S.C. 1396r–8(d)(1)(A)) is amended by striking "Except as provided in paragraph (6), a State" and inserting "A State".

(2) Section 1927(d)(3) (42 U.S.C. 1396r–8(d)(3)) is amended by striking "(except with respect" and all that follows through "of this paragraph)".

(c) Effective Date.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 7413. MODIFICATIONS TO DRUG REBATE PROGRAM.

(a) Elimination of Additional Rebate Based on Weighted Average Manufacturer Price.—Paragraph (2) of section 1927(c) (42 U.S.C. 1396r–8(c)) is amended to read as follows:

"(2) Additional rebate for single source and innovator multiple source drugs.—

"(A) In general.—The amount of the rebate for a calendar quarter with respect to each dosage form and strength of a single source drug or an innovator multiple source drug, is increased by an amount equal to the product of—

"(i) the total number of dosage units dispensed after December 31, 1990, for which payment was made under the State plan for the period reported by the State under subsection (b)(2), and

"(ii) the amount (if any) by which—

"(I) the average manufacturer price for the dosage form and strength of the drug for the period, exceeds

"(II) the average manufacturer price for such dosage form and strength for the calendar quarter beginning July 1, 1990, increased by the percentage by which the average of the consumer price indices for all urban consumers (U.S. city average) for months during the calendar quarter exceeds such index for September 1990.

"(B) Special rule.—In the case of a covered outpatient drug approved by the Food and Drug Administration after October 1, 1990, subclause (II) of subparagraph (A)(ii) shall be applied by substituting 'the first full calendar quarter after the drug was marketed' for 'the calendar quarter beginning July 1, 1990' and 'the month prior to the first month of the first full calendar quarter after the drug was marketed' for 'September 1990'.".

(b) Base Date for Covered Outpatient Drug Sold or Transferred.—Paragraph (2) of section 1927(c) (42 U.S.C. 1396r–8(c)), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

"(C) Base date for covered outpatient drug sold or transferred.—For purposes of computing the additional rebate under this paragraph for any covered outpatient drug that is sold or transferred to any entity, including a division or subsidiary of a manufacturer, the base date for such drug after such sale or transfer shall be the original base date established for such drug.".

(c) Maximum Allowable Cost Limitations.—Section 1927 (42 U.S.C. 1396r–8) is amended by adding at the end the following new subsection:

"(l) Maximum Allowable Cost Limitations.—This section shall not supersede or affect provisions in effect prior to January 1, 1991, relating to maximum allowable cost limitations for payment by States for covered outpatient drugs, and rebates under this section shall be made without regard to whether or not payment by the State for such drugs is subject to such limitations or the amount of such cost limitations.".

(d) Effective Dates.—(1) The amendments made by subsections (a) and (c) shall be effective as if included in the enactment of section 4401 of OBRA–1990.

(2) The amendment made by subsection (b) shall be effective on the date of the enactment of this Act.

Subpart C—Restrictions on Divestiture of Assets and Estate Recovery

SEC. 7421. MEDICAID ESTATE RECOVERIES.

(a) Mandate To Seek Recovery.—The matter preceding subparagraph (A) of section 1917(b)(1) (42 U.S.C. 1396p(b)(1)) is amended to read as follows: "The State agency shall seek adjustment or recovery of any medical assistance correctly paid on behalf of an individual under the State plan—".

(b) Hardship Waiver.—Section 1917(b) (42 U.S.C. 1396p(b)) is amended by adding at the end the following new paragraph:

"(3) The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency shall waive the application of this subsection if such application would work an undue hardship as determined on the basis of criteria established by the Secretary.".

(c) Definition of Estate.—Section 1917(b) (42 U.S.C. 1396p(b)), as amended by subsection (b), is amended by adding at the end the following new paragraph:

"(4) Definition.—For purposes of this section, the term 'estate', with respect to a deceased individual—

"(A) shall include all real and personal property and other assets included within the individual's estate, as defined for purposes of State law with respect to inheritance, and

"(B) may include, at the option of the State, any or all other real or personal property or other assets in which the individual had any legal title or interest at the time of death, including such assets conveyed to a survivor, heir, or assign of the deceased individual through joint tenancy, tenancy in common, survivorship, life estate, living trust, or other arrangement.".

(d) Effective Date.—(1)(A) Except as provided in subparagraph (B), the amendments made by this section shall apply to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements imposed by such amendments solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply to individuals who died before October 1, 1993.

SEC. 7422. TRANSFERS OF ASSETS.

(a) Mandatory and Optional Periods of Ineligibility.—Section 1917(c) (42 U.S.C. 1396p(c)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) In order to meet the requirements of this subsection for purposes of section 1902(a)(18), the State plan shall provide that any institutionalized individual (or the spouse of such individual) who disposes of assets for less than fair market value on the date specified in subparagraph (B)(ii), or at any time thereafter during such individual's lifetime, is ineligible for medical assistance for—

"(i) nursing facility services,

"(ii) a level of care in any institution equivalent to that of nursing facility services, and

"(iii) home or community-based services under subsection (c) or (d) of section 1915,

during any and all applicable periods specified in paragraph (2).

"(B)(i) The date specified in this clause, with respect to an institutionalized individual, is the first date as of which the individual—

"(I) is an institutionalized individual, and

"(II) has applied for or is receiving medical assistance under the State plan.

"(ii) The date specified in this clause, with respect to an institutionalized individual, is the date 30 months before the date specified in clause (i) (or, at the option of the State, such earlier date as provided by the State in accordance with paragraph (3)(A)(iii)).";

(2) by redesignating paragraphs (2) through (5) as paragraphs (4) through (7) and by inserting after paragraph (1) the following new paragraphs:

"(2) The period of ineligibility required under paragraph (1) with respect to an institutionalized individual—

"(A) shall be a number of months equal to—

"(i) the total uncompensated value of all assets transferred by the individual or the individual's spouse on or after the date specified in paragraph (1)(B)(ii), divided by

"(ii) the average cost to a private patient of nursing facility services in the State (or, at the option of the State, in the community in which the individual is institutionalized) on the date specified in paragraph (1)(B)(i) based on costs which include the cost of services included in the State's nursing facility reimbursement rate; and

"(B) shall begin with the first month in which—

"(i) the individual—

"(I) is an institutionalized individual,

"(II) is (or but for the provisions of this subsection would be) entitled to have medical assistance paid under the State plan for services specified under paragraph (1), and

"(III) is receiving or is an applicant for such medical assistance, and

"(ii) the State has become aware that assets have been transferred.

"(3)(A) The State plan may include, in accordance with this paragraph, any or all of the following provisions concerning eligibility for medical assistance of individuals who (or whose spouses) dispose of assets for less than fair market value:

"(i) The State plan may provide for periods of ineligibility for medical assistance for long-term care services specified by the State and approved by the Secretary for any or all individuals (or groups of individuals) otherwise eligible for such medical assistance, in addition to the individuals specified in paragraph (1).

"(ii) Subject to such restrictions as the Secretary may impose, the State plan may provide for periods of ineligibility for medical assistance for any long-term care services (in addition to the services specified in paragraph (1)(A)) for which medical assistance is otherwise available under the plan.

"(iii) The State plan may provide for a date on and after which transfers of assets are subject to review earlier than the date specified in paragraph (1)(B)(ii), but not earlier than 4 years before—

"(I) in the case of an institutionalized individual, the date specified in paragraph (1)(B)(i), or

"(II) in the case of any other individual, the date on which the individual applied for medical assistance under the State plan.

"(B)(i) The period of ineligibility imposed by the State pursuant to this paragraph for services other than those specified in paragraph (1)(A) shall not be longer than the period of ineligibility that would have resulted if the individual had expended the assets transferred for the costs of medical care furnished on and after the date the individual applied for medical assistance, as determined by the State in accordance with clause (ii).

"(ii) In determining the period of ineligibility of an individual pursuant to clause (i), the State—

"(I) may presume that the individual's cost of medical care furnished is equal to the average cost to a private patient for such care on a daily, monthly, or other basis, or

"(II) may use any other method approved by the Secretary.";

(3) in paragraph (4), as redesignated—

(A) by amending subparagraph (B) to read as follows:

"(B) the resources—

"(i) were transferred to the individual's spouse or to another for the sole benefit of the individual's spouse and did not exceed the amount permitted under section 1924(f)(1);

"(ii) were transferred from the individual's spouse to another for the sole benefit of the individual's spouse and did not exceed the amount permitted under section 1924(f)(1); or

"(iii) were transferred to the individual's child described in subparagraph (A)(ii)(II);";

(B) in subparagraph (C)—

(i) by striking "any";

(ii) by striking "or (ii)" and inserting "(ii)"; and

(iii) by striking "; or" and inserting ", or (iii) all assets transferred by an individual for less than fair market value have been returned to the individual;";

(C) by amending subparagraph (D) to read as follows:

"(D) the State determines (in accordance with regulations promulgated by the Secretary) that denial of eligibility would work an undue hardship; or";

(D) by adding at the end the following new subparagraph:

"(E) the State determines that the total fair market value of all of the assets transferred by the individual during the period between the date specified in paragraph (1)(B)(i) and the date specified by the State under paragraph (1)(B)(ii) are below an amount determined appropriate by the State and approved by the Secretary."; and

(E) by adding at the end the following flush sentence:

"In determining whether an individual has made a satisfactory showing to the State under subparagraph (C)(ii), the State shall consider the individual's health status at the time of the transfer of assets and whether, at the time of such transfer, the individual retained assets sufficient to meet the individual's foreseeable future health care needs based on such health status.";

(4) by striking paragraph (5), as redesignated, and inserting the following:

"(5) For purposes of this subsection, in the case of an asset held by an individual in common with another person or persons in a joint tenancy, tenancy in common, or similar arrangement, the asset (or the affected portion of such asset) shall be considered to be transferred by such individual when any action is taken, either by such individual or by any other person, that reduces or eliminates such individual's ownership or control of such asset, except to the extent an action taken by a person other than the individual is an action consistent with partial ownership of the asset, as provided in regulations issued by the Secretary.";

(5) by adding the following at the end of paragraph (6), as redesignated: "In the case of a transfer by the spouse of an institutionalized individual which results in a period of ineligibility for medical assistance under a State plan for the institutionalized individual, a State shall apply a reasonable methodology to transfer all or a portion of any such period of ineligibility to such spouse if the spouse becomes an institutionalized individual."; and

(6) by amending paragraph (7), as redesignated, to read as follows:

"(7) For purposes of this subsection:

"(A) The term 'assets', with respect to an individual, includes all income and resources of the individual and of the individual's spouse, including any income or resources which the individual or such individual's spouse is entitled to but does not receive because of action—

"(i) by the individual or such individual's spouse,

"(ii) by a person, including a court or administrative body, with legal authority to act in place of or on behalf of the individual or such individual's spouse, or

"(iii) by any person, including any court or administrative body, acting at the direction or upon the request of the individual or such individual's spouse.

"(B) The term 'income' has the meaning given such term in section 1612.

"(C) The term 'resources' has the meaning given such term in section 1613, without regard (in the case of an institutionalized individual) to the exclusion described in subsection (a)(1) of such section.

"(D) The term 'institutionalized individual' means, and the term 'individual is institutionalized' refers to, an individual receiving any of the services specified in paragraph (1)(A).".

(b) CONFORMING AMENDMENTS.—(1) Section 1902(a)(51) (42 U.S.C. 1396a(a)(51)) is amended—

(A) by striking "(A)"; and

(B) by striking ", and (B)" and all that follows and inserting a semicolon.

(2) Section 1924(f)(1) (42 U.S.C. 1396r–5(f)(1)) is amended by striking "transfer an amount" and inserting "transfer an amount sufficient to make the resources of the community spouse".

(c) REQUIREMENTS FOR NURSING FACILITIES.—

(1) MEDICAID PROGRAM.—Section 1919(c)(5)(A)(i) (42 U.S.C. 1396r(c)(5)(A)(i)) is amended by striking "and (III)" and inserting "(III) not require individuals applying to reside or residing in the facility, or family members of such individuals, to provide any financial information other than to identify the source of payment for such individual's stay in the facility, and (IV)".

(2) MEDICARE PROGRAM.—Section 1819(c)(5)(A)(i) (42 U.S.C. 1395i–3(c)(5)(A)(i)) is amended by striking "and (III)" and inserting "(III) not require individuals applying to reside or residing in the facility, or family members of such individuals, to provide any financial information other than to identify the source of payment for such individual's stay in the facility, and (IV)".

(d) EFFECTIVE DATE.—(1)(A) Except as provided in subparagraph (B), the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements imposed by such amendments solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply with respect to assets disposed of before the date which is 60 days after the date of the enactment of this Act.

SEC. 7423. TREATMENT OF CERTAIN TRUSTS.

(a) IN GENERAL.—Section 1917 (42 U.S.C. 1396p) is amended by adding at the end the following:

"(d)(1) For purposes of determining an individual's eligibility for, or amount of, benefits under a State plan under this title, the following rules shall apply to a trust established by such individual:

"(A) In the case of a revocable trust—

"(i) the corpus of the trust shall be considered resources available to the individual,

"(ii) payments from the trust to or for the benefit of the individual shall be considered income of the individual, and

"(iii) any other payments from the trust shall be considered a transfer of assets by the individual subject to subsection (c).

"(B) In the case of an irrevocable trust—

"(i) the portion of the corpus from which, or the income on the corpus from which, payment to the individual could be made shall be considered resources available to the individual, and payments from that portion of the corpus or income—

"(I) to or for the benefit of the individual, shall be considered income of the individual, and

"(II) for any other purpose, shall be considered a transfer of assets by the individual subject to subsection (c); and

"(ii) any portion of the trust from which, or any income on the corpus from which, no payment could under any circumstances be made to the individual shall be considered, as of the date of establishment of the trust (or, if later, the date on which payment to the individual was foreclosed) a transfer of assets by the individual

subject to subsection (c), and payments from such portion of the trust after such date shall be disregarded.

"(2)(A) For purposes of this subsection, an individual shall be considered to have established a trust if—

"(i) any of the following individuals established such trust other than by will:

"(I) the individual,

"(II) the individual's spouse,

"(III) a person, including a court or administrative body, with legal authority to act in place of or on behalf of the individual or the individual's spouse, or

"(IV) a person, including any court or administrative body, acting at the direction or upon the request of the individual or the individual's spouse; and

"(ii) assets of the individual were used to form all or part of the corpus of the trust.

"(B) In the case of a trust the corpus of which includes assets of an individual (as determined under subparagraph (A)) and assets of any other person or persons, the provisions of this subsection shall apply to the portion of the trust attributable to the assets of the individual.

"(3) This subsection shall apply without regard to—

"(A) the purposes for which a trust is established,

"(B) whether the trustees have or exercise any discretion under the trust,

"(C) any restrictions on when or whether distributions may be made from the trust, or

"(D) any restrictions on the use of distributions from the trust.

"(4)(A) This subsection shall not apply to any of the following trusts:

"(i) A trust containing the assets of a disabled individual (as determined under section 1614(a)(3)) established for the benefit of such individual by a parent, grandparent, legal guardian of the individual, or a court if the State will receive all amounts remaining in the trust upon the death of such individual up to an amount equal to the total medical assistance received by the individual under a State plan under this title.

"(ii) A trust established in a State for the benefit of an individual if—

"(I) the trust is composed only of pension, Social Security, and other income to the individual (and accumulated income in the trust),

"(II) the State will receive all amounts remaining in the trust upon the death of such individual up to an amount equal to the total medical assistance received by the individual under a State plan under this title, and

"(III) the State makes medical assistance available to individuals described in section 1902(a)(10)(A)(ii)(V), but does not make such assistance available to individuals for nursing facility services under section 1902(a)(10)(C).

"(B) For purposes of this subsection, the term 'trust' includes any legal instrument or device that is similar to a trust but includes an annuity only to such extent and in such manner as the Secretary specifies.

"(C) The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency waives the application of this subsection with respect to an individual if the individual establishes that such application would work an undue hardship on the individual as determined on the basis of criteria established by the Secretary.

"(5) For purposes of this subsection, the terms 'assets', 'income', and 'resources' shall have the meaning given to such terms under subsection (c)(7).".

(b) CONFORMING AMENDMENTS.—(1) Section 1902(a)(18) (42 U.S.C. 1396a(a)(18)) is amended by striking "and transfers of assets" and inserting ", transfers of assets, and treatment of certain trusts".

(2) Section 1902 (42 U.S.C. 1396a) is amended by repealing subsection (k).

(c) EFFECTIVE DATE.—(1)(A) Except as provided in subparagraph (B), the amendments made by this section shall apply to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements imposed by such amendments solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply with respect to trusts established before the date which is 60 days after the date of the enactment of this Act.

Subpart D—Improvement in Identification and Collection of Third Party Payments

SEC. 7431. LIABILITY OF THIRD PARTIES TO PAY FOR CARE AND SERVICES.

(a) LIABILITY OF ERISA PLANS.—(1) Section 1902(a)(25)(A) (42 U.S.C. 1396a(a)(25)(A)) is amended by striking "insurers)" and inserting "insurers, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, and health maintenance organizations)".

(2) Section 1903(o) (42 U.S.C. 1396b(o)) is amended by striking "regulation)" and inserting "regulation and including a group health plan (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974)), a service benefit plan, and a health maintenance organization".

(b) REQUIRING STATE TO PROHIBIT INSURERS FROM TAKING MEDICAID STATUS INTO ACCOUNT.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)) is amended—

(1) by striking "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding after subparagraph (G) the following new subparagraph:

"(H) assurances satisfactory to the Secretary that the State has in effect laws which prohibit any health insurer (including a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a service benefit plan, and a health maintenance organization), in enrolling an individual or in making any payments for benefits to the individual or on the individual's behalf, from taking into account that the individual is eligible for or is provided medical assistance under a plan under this title for such State, or any other State;".

(c) STATE RIGHT TO THIRD PARTY PAYMENTS FOR RECIPIENT.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)), as amended by subsection (b), is amended—

(1) by striking "and" at the end of subparagraph (G);

(2) by adding "and" at the end of subparagraph (H); and

(3) by adding after subparagraph (H) the following new subparagraph:

"(I) assurances satisfactory to the Secretary that the State has in effect laws under which, to the extent that payment has been made under the State plan for medical assistance for health care items or services furnished to an individual, the State is considered to have acquired the rights of such individual to payment by any other party for such health care items or services;".

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsections (a)(1), (b), and (c) shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(3) The amendment made by subsection (a)(2) shall apply to items and services furnished on or after October 1, 1993.

SEC. 7432. MEDICAL CHILD SUPPORT.

(a) STATE PLAN REQUIREMENT.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by subsection (c), is amended—

(1) by striking "and" at the end of paragraph (58);

(2) by striking the period at the end of paragraph (59) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(60) provide that the State agency shall provide assurances satisfactory to the Secretary that the State has in effect the laws relating to medical child support required under section 1908.".

(b) MEDICAL CHILD SUPPORT LAWS.—Title XIX (42 U.S.C 1936 et seq.) is amended by inserting after section 1907 the following new section:

"REQUIRED LAWS RELATING TO MEDICAL CHILD SUPPORT

"SEC. 1908. (a) IN GENERAL.—The laws relating to medical child support, which a State is required to have in effect under section 1902(a)(60), are as follows:

"(1) A law that prohibits an insurer from denying enrollment of a child under the health coverage of the child's parent on the ground that—

"(A) the child was born out of wedlock,

"(B) the child is not claimed as a dependent on the parent's Federal income tax return, or

"(C) the child does not reside with the parent or in the insurer's service area.

"(2) In any case in which a parent is required by a court or administrative order to provide health coverage for a child and the parent is eligible for family health coverage through an insurer, a law that requires such insurer—

"(A) to permit such parent to enroll under such family coverage any such child who is otherwise eligible for such coverage (without regard to any enrollment season restrictions and subject to the requirements under paragraph (1)); and

"(B) if such a parent fails to provide such health insurance coverage for any such child, to

enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this title or part D of title IV.

"(3) In any case in which a parent is required by a court or administrative order to provide health coverage for a child and the parent is eligible for family health coverage through an employer doing business in the State, a law that requires such employer—

"(A) to permit such parent to enroll under such family coverage any such child who is otherwise eligible for such coverage (without regard to any enrollment season restrictions and subject to the requirements under paragraph (1));

"(B) if such a parent fails to provide such health insurance coverage for a child, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this title or part D of title IV;

"(C) not to disenroll (or eliminate coverage of) any such child unless the employer is provided satisfactory written evidence that—

"(i) such court or administrative order is no longer in effect, or

"(ii) the child is or will be enrolled in comparable health coverage which will take effect not later than the effective date of such disenrollment; and

"(D) to withhold from such employee's compensation the employee's share (if any) of premiums for health coverage and to pay such share of premiums to the insurer.

"(4) A law that prohibits an insurer from imposing requirements on a State agency, which has been assigned the rights of an individual eligible for medical assistance under this title and covered for health benefits from the insurer, that are different from requirements applicable to an agent or assignee of any other individual so covered.

"(5) A law that requires an insurer, in any case in which a child has health coverage through the insurer of a noncustodial parent—

"(A) to provide such information to the custodial parent as may be necessary for the child to obtain benefits through such coverage;

"(B) to permit the custodial parent (or provider, with the custodial parent's approval) to submit claims for covered services without the approval of the noncustodial parent; and

"(C) to make payment on claims submitted in accordance with subparagraph (B) directly to such custodial parent, the provider, or the State agency.

"(6) A law that permits the State agency under this title to garnish the wages, salary, or other employment income of, and requires withholding amounts from State tax refunds to, any person who—

"(A) is required by court or administrative order to provide coverage of the costs of health services to a child who is eligible for medical assistance under this title,

"(B) has received payment from a third party for the costs of such services to such child, but

"(C) has not used such payments to reimburse, as appropriate, either the other parent or guardian of such child or the provider of such services,

to the extent necessary to reimburse the State agency for expenditures for such costs under its plan under this title, but any claims for current or past-due child support shall take priority over any such claims for the costs of such services.

"(b) SPECIAL RULE.—The Secretary may provide by regulation for such exceptions to the requirement under subsection (a)(3) as the Secretary determines necessary to ensure compliance with the conditions of any order referred to in such subsection or with the maximum amounts permitted to be withheld under section 303(b) of the Consumer Credit Protection Act.

"(c) DEFINITION.—For purposes of this subsection, the term 'insurer' includes a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a health maintenance organization, and an entity offering a service benefit plan.".

(c) REDESIGNATIONS TO PARAGRAPHS ADDED BY OBRA-1990.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (54);

(2) in the paragraph (55) inserted by section 4602(a)(3) of OBRA-1990, by striking the period at the end and inserting a semicolon;

(3) by redesignating the paragraph (55) inserted by section 4604(b)(3) of OBRA-1990 as paragraph (56), by transferring and inserting it after the paragraph (55) inserted by section 4602(a)(3) of such Act, and by striking the period at the end and inserting a semicolon;

(4) by placing paragraphs (57) and (58), inserted by section 4751(a)(1)(C) of OBRA-1990, immediately after paragraph (56), as redesignated by paragraph (3);

(5) in the paragraph (58) inserted by section 4751(a)(1)(C) of OBRA-1990, by striking the period at the end and inserting "; and"; and

(6) by redesignating the paragraph (58) inserted by section 4752(c)(1)(C) of OBRA-1990 as paragraph (59) and by transferring and inserting it after the paragraph (58) inserted by section 4751(a)(1)(C) of such Act.

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section apply to calendar quarters beginning on or after April 1, 1994.

(2) In the case of a State plan under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 7433. OFFSET OF PAYMENT OBLIGATIONS RELATING TO MEDICAL ASSISTANCE AGAINST OVERPAYMENTS OF STATE AND FEDERAL INCOME TAXES.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Section 6402 of the Internal Revenue Code of 1986 is amended—

(A) by redesignating subsections (e), (f), (g), (h), and (i) as subsections (f), (g), (h), (i), and (j), respectively; and

(B) by adding after subsection (d) the following new subsection:

"(e) COLLECTION OF CERTAIN DEBTS OWED TO STATES.—

"(1) IN GENERAL.—Upon receiving notice from any State under section 1931(b)(1) of the Social Security Act that a named person owes a legally enforceable debt for any payment obligation relating to medical assistance, the Secretary shall—

"(A) reduce the amount of any overpayment payable to such person by the amount of such debt;

"(B) pay the amount by which such overpayment is reduced under subparagraph (A) to such State; and

"(C) notify the person making such overpayment that such overpayment has been reduced by an amount necessary to satisfy such debt.

"(2) PRIORITIES FOR OFFSET.—Any overpayment by a person shall be reduced pursuant to this subsection after such overpayment is reduced pursuant to subsections (c) and (d) and before such overpayment is credited to the future liability for tax of such person pursuant to subsection (b). Any overpayment by a person shall be applied against any debts described in paragraph (1) in the order in which such debts accrued.

"(3) NOTICE; PROTECTION OF OTHER PERSONS FILING JOINT RETURN.—For purposes of this subsection, rules similar to the rules described in clause (i) and the first sentence of clause (ii) of subsection (d)(3)(B) shall apply.

"(4) DEFINITION.—For purposes of this subsection, the term 'medical assistance' means medical assistance provided under title XIX of the Social Security Act.".

(2) CONFORMING AMENDMENT.—Section 6402(f) of the Internal Revenue Code of 1986, as redesignated, is amended by striking "(c) or (d)" and inserting "(c), (d), or (e)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall be effective for taxable years beginning after December 31, 1993.

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) STATE PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by section 7432, is amended—

(A) by striking "and" at the end of paragraph (59);

(B) by striking the period at the end of paragraph (60) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(61) provide that recovery of any legally enforceable debt for any payment obligation relating to medical assistance provided under this title shall be made in accordance with a program for the collection of such debt from State and Federal tax refunds in accordance with section 1931.".

(2) PROGRAM FOR COLLECTIONS FROM STATE AND FEDERAL TAX REFUNDS.—Title XIX (42 U.S.C 1936 et seq.) is amended by adding at the end the following new section:

"COLLECTION OF PAYMENT OBLIGATIONS RELATING TO MEDICAL ASSISTANCE FROM STATE AND FEDERAL TAX REFUNDS

"SEC. 1931. (a) STATE TAX REFUNDS.—If a State with a State plan approved under this title has a State income tax system, such State shall require the State agency administering the State plan and the State agency responsible for administering the States income tax system to develop and implement a program under which any person determined appropriate by the State agency administering the State plan who owes a legally enforceable debt for any payment obligation relating to medical assistance provided under this title will have withheld an appropriate amount from any refund otherwise payable to such person under the State income tax system.

"(b) FEDERAL TAX REFUNDS.—

"(1) NOTICE TO THE SECRETARY OF THE TREASURY.—

"(A) IN GENERAL.—If a State with a State plan approved under this title—

"(i) implements a program described in subsection (a), or

"(ii) is a State that does not have a State income tax system,

the State agency administering such plan may provide a notice to the Secretary of the Treasury regarding any person determined appropriate by such State agency who owes a legally enforceable debt for any payment obligation relating to medical assistance provided under this title and the Secretary of the Treasury shall withhold an appropriate amount from any refund otherwise payable to such person in accordance with section 6402(e) of the Internal Revenue Code of 1986 (hereafter in this section referred to as the 'Code').

"(B) REGULATIONS RELATING TO NOTICES.—The Secretary of the Treasury shall issue regulations, after consultation with the Secretary, which—

"(i) prescribe the timing by which State agencies may submit notices of payment obligations relating to medical assistance,

"(ii) specify the manner in which such notices must be submitted,

"(iii) specify the necessary information that must be contained in or accompany such notices,

"(iv) specify the minimum payment obligation relating to medical assistance to which the offset procedures may be applied,

"(v) specify the fee that a State must pay to reimburse the Secretary of the Treasury for the full cost of applying the offset procedure, and

"(vi) provide that the Secretary of the Treasury will advise the Secretary, not less frequently than annually, of the States which have furnished notices under this subsection, the number of cases in each State with respect to which such notices have been furnished, the total amount of payment obligations sought to be collected under this subsection by each State, and the amount of such collections actually made in the case of each State.

"(2) NOTICE.—Prior to notifying the Secretary of the Treasury under paragraph (1), the State agency shall send a notice to the person owing the legally enforceable debt for a payment obligation relating to medical assistance provided under this title which—

"(A) explains that a withholding may be made under 6402(e) of the Code from any refund otherwise payable to such person,

"(B) instructs the person having the payment obligation of the steps which may be taken to contest the State's determination that such payment obligation is owed or the amount of the payment obligation, and

"(C) provides information with respect to procedures to be followed, in the case of a joint return, to protect the share of the refund which may be payable to another person.

"(3) EXCESS WITHHOLDING.—In any case in which an amount was withheld under section 6402(e) of the Code and the State subsequently determines that the amount certified as owing with respect to medical assistance was in excess of the amount actually owed at the time the amount withheld is distributed to the State, the State shall pay the excess amount withheld to the named person determined to have the payment obligation (or, in the case of amounts withheld on the basis of a joint return, jointly to the parties filing such return).".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this paragraph shall apply to calendar quarters beginning on or after December 31, 1993.

(B) SPECIAL RULE.—In the case of a State which the Secretary determines requires State legislation (other than legislation authorizing or appropriating funds) in order to comply with the amendments made by subparagraph (A), the State shall not be regarded as failing to comply with such amendments solely on the basis of its failure to meet the requirements of such amendments before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Subpart E—Assuring Proper Payments to Disproportionate Share Hospitals

SEC. 7441. ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS.

(a) DISPROPORTIONATE SHARE HOSPITALS REQUIRED TO PROVIDE MINIMUM LEVEL OF SERVICES TO MEDICAID PATIENTS.—Section 1923 (42 U.S.C. 1396r-4) is amended—

(1) in subsection (a)(1)(A), by striking "requirement" and inserting "requirements";

(2) in subsection (b)(1), by striking "requirement" and inserting "requirements";

(3) in the heading to subsection (d), by striking "REQUIREMENT" and inserting "REQUIREMENTS";

(4) by adding at the end of subsection (d) the following new paragraph:

"(3) No hospital may be defined or deemed as a disproportionate share hospital under a State plan under this title or under subsection (b) or (e) of this section unless the hospital has a medicaid inpatient utilization rate (as defined in subsection (b)(2)) of not less than 1 percent.";

(5) in subsection (e)(1)—

(A) by striking "and" before "(B)", and

(B) by inserting before the period at the end the following: ", and (C) the plan meets the requirement of subsection (d)(3) and such payment adjustments are made consistent with the fourth sentence of subsection (c)"; and

(6) in subsection (e)(2)—

(A) in subparagraph (A), by inserting "(other than the fourth sentence of subsection (c))" after "(c)",

(B) by striking "and" at the end of subparagraph (A),

(C) by striking the period at the end of subparagraph (B) and inserting ", and", and

(D) by adding at the end the following new subparagraph:

"(C) subsection (d)(3) shall apply.".

(b) LIMITING AMOUNT OF PAYMENT ADJUSTMENTS FOR STATE OR COUNTY HOSPITALS TO UNCOVERED COSTS.—Subsection (c) of section 1923 (42 U.S.C. 1396r-4) is amended by adding at the end the following: "A payment adjustment during a year is not considered to be consistent with this subsection with respect to a hospital owned or operated by a State (or by an instrumentality of, or a unit of government within, a State) if the payment adjustment exceeds the costs incurred during the year of furnishing hospital services (as determined by the Secretary and net of payments under this title, other than under this section, and by uninsured patients) by the hospital to individuals who either are eligible for medical assistance under the State plan or have no health insurance (or other source of third party coverage) for services provided during the year. For purposes of the preceding sentence, payments made to a hospital for services provided to indigent patients made by a State or a unit of local government within a State shall not be considered to be a source of third party payment.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments to States under section 1903(a) of the Social Security Act which are for payments to hospitals made under State plans after the end of the State fiscal year that ends during 1995.

Subpart F—Anti-Fraud and Abuse Provisions

SEC. 7451. APPLICATION OF MEDICARE RULES LIMITING CERTAIN PHYSICIAN REFERRALS.

(a) IN GENERAL.—Section 1903(i) (42 U.S.C. 1396b(i)), as amended by subsection (b), is amended—

(1) in paragraph (12), by striking "or" at the end,

(2) in paragraph (13), by striking the period at the end and inserting "; or", and

(3) by inserting after paragraph (13) the following new paragraph:

"(14) with respect to any amount expended for an item or service for which payment would be denied under section 1877(g)(1) if the item or service were furnished to an individual entitled to benefits under title XVIII.".

(b) REDESIGNATIONS.—Section 1903(i) (42 U.S.C. 1396b(i)), as amended by section 2(b)(2) of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, is amended—

(1) by redesignating the paragraph (12) inserted by section 4752(a)(2) of OBRA-1990 as paragraph (11), by transferring and inserting it after the paragraph (10) inserted by section 4401(a)(1)(B) of OBRA-1990, and by striking the period at the end and inserting a semicolon;

(2) by redesignating the paragraph (14) inserted by section 4752(e) of OBRA-1990 as paragraph (12), by transferring and inserting it after paragraph (11), as redesignated by paragraph (2), and by striking the period at the end and inserting "; or"; and

(3) by redesignating the paragraph (11) inserted by section 4801(e)(16)(A) of OBRA-1990 as paragraph (13) and by transferring and inserting it after paragraph (12), as redesignated by paragraph (3), and by striking "; or" and inserting a period.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items and services furnished on or after October 1, 1993.

PART II—OTHER MEDICAID PROVISIONS

SEC. 7501. EXTENSION OF DEMONSTRATION PROJECT ON THE EFFECT OF ALLOWING STATES TO EXTEND MEDICAID COVERAGE TO CERTAIN LOW-INCOME FAMILIES.

(a) IN GENERAL.—Section 4745 of OBRA-1990 is amended—

(1) in paragraph (1) of subsection (e), by striking "$12,000,000 in each of fiscal years 1991, 1992, and 1993, and to no more than $4,000,000 in fiscal year 1994" and inserting "$40,000,000"; and

(2) in paragraph (2) of subsection (f) by striking "January 1, 1995" and inserting "one year after the termination of the projects".

(b) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in the enactment of OBRA-1990.

Subtitle C—Income Security Programs

SEC. 7601. MATCHING OF STATE ADMINISTRATIVE COSTS.

(a) AFDC MATCHING.—Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amended to read as follows:

"(3) in the case of any State, 50 percent of the total amounts expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan, except that no payment shall be made with respect to amounts expended in connection with the provision of any service described in section 2002(a) of this Act other than services furnished pursuant to section 402(g); and".

(b) TERRITORIAL PROGRAMS FOR AGED, BLIND, AND DISABLED.—Sections 3(a)(4), 1003(a)(3), 1403(a)(3), and 1603(a)(4) (42 U.S.C. 303(a)(3), 1203(a)(3), 1353(a)(3), and 1383 note) (as in effect as provided by section 303 of the Social Security Amendments of 1972) are each amended by striking "the sum of" and all that follows and inserting "50 percent of the total amounts expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan.".

(c) REQUIREMENTS FOR ATTESTING TO CITIZENSHIP STATUS.—Paragraph (1)(A) of section 1137(d) (42 U.S.C. 1320b-7(d)) is amended to read as follows:

"(1)(A) The State shall require, as a condition of an individual's eligibility for benefits under a program listed in subsection (b), a declaration in writing, under penalty of perjury—

"(i) by the individual,

"(ii) in the case in which eligibility for program benefits is determined on a family or household basis, by any adult member of such individual's family or household (as applicable), or

"(iii) in the case of an individual born into a family or household receiving benefits under

such program, by any adult member of such family or household no later than the next redetermination of eligibility of such family or household following the birth of such individual,

stating whether the individual is a citizen or national of the United States, and, if that individual is not a citizen or national of the United States, that the individual is in a satisfactory immigration status.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by—

(A) subsections (a) and (b) shall be effective with respect to calendar quarters beginning on or after April 1, 1994, and

(B) subsection (c) shall be effective on and after the date of the enactment of this Act.

(2) SPECIAL RULE.—In the case of a State whose legislature meets biennially, and does not have a regular session scheduled in calendar year 1994, the amendments made by subsections (a) and (b) shall be effective no later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

SEC. 7602. STATE PATERNITY ESTABLISHMENT PROGRAMS.

(a) PERFORMANCE STANDARDS FOR STATE PATERNITY ESTABLISHMENT PROGRAMS.—Section 452(g) (42 U.S.C. 652(g)) is amended—

(1) in paragraph (1)—

(A) by striking "1991" and inserting "1994";

(B) by inserting "is based on reliable data and" before "equals or exceeds"; and

(C) by striking subparagraphs (A), (B), and (C) and inserting the following new subparagraphs:

"(A) 75 percent;

"(B) for a State with a paternity establishment percentage of not less than 50 percent but less than 75 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 3 percentage points; or

"(C) for a State with a paternity establishment percentage of less than 50 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 6 percentage points."; and

(2) in paragraph (2)—

(A) by striking "(or under all such plans)" each place it appears;

(B) by inserting "or part (E)" after "under part A" each place it appears;

(C) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) the term 'reliable data' means the most recent data available which are found by the Secretary to be reliable for purposes of this section.";

(D) by inserting "unless paternity is established for such child" after "the death of a parent"; and

(E) by inserting "or any child with respect to whom the State agency administering the plan under part E determines (as provided in section 454(4)(B)) that it is against the best interest of such child to do so" after "cooperate under section 402(a)(26)".

(b) STATE PLAN REQUIREMENTS FOR THE ESTABLISHMENT OF PATERNITY.—Section 466(a) (42 U.S.C. 666(a)) is amended—

(1) in paragraph (2)—

(A) by striking "at the option of the State,"; and

(B) by inserting "or paternity establishment" after "support order issuance and enforcement";

(2) in paragraph (5) by adding at the end the following new subparagraphs:

"(C) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that the rights and responsibilities of acknowledging paternity are explained and ensure that due process safeguards are afforded. Such procedures must include (i) a hospital-based program for the voluntary acknowledgment of paternity during the period immediately preceding or following the birth of a child, and (ii) the inclusion of signature lines on applications for official birth certificates which, once signed by the father and the mother, constitute a voluntary acknowledgment of paternity.

"(D) Procedures under which the voluntary acknowledgment of paternity creates a rebuttable, or at the option of the State, conclusive presumption of paternity, and under which such voluntary acknowledgment is admissible as evidence of paternity.

"(E) Procedures under which the voluntary acknowledgment of paternity must be recognized as a basis for seeking a support order without first requiring any further proceedings to establish paternity.

"(F) Procedures which provide that (i) any objection to genetic testing results must be made in writing within a specified number of days before any hearing at which such results may be introduced into evidence, and (ii) if no objection is made, the test results are admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy.

"(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability of the alleged father being the father of the child.

"(H) Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendent and any additional showing required by State law."; and

(3) by inserting after paragraph (10) the following new paragraph:

"(11) Procedures under which a State must give full faith and credit to a determination of paternity made by any other State, whether established through voluntary acknowledgment or through administrative or judicial processes.".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective with respect to a State on the later of—

(1) October 1, 1993 or,

(2) the date of enactment by the legislature of such State of all laws required by such amendments,

but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 7603. FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY PAYMENTS.

(a) IN GENERAL.—

(1) OPTIONAL STATE SUPPLEMENTARY PAYMENTS.—Section 1616(d) (42 U.S.C. 1382e(d)) is amended—

(A) by inserting "(1)" after "(d)";

(B) by inserting ", plus an administration fee assessed in accordance with paragraph (2) and any additional services fee charged in accordance with paragraph (3)" before the period; and

(C) by adding after and below the end the following:

"(2)(A) The Secretary shall assess each State an administration fee in an amount equal to—

"(i) the number of supplementary payments made by the Secretary on behalf of the State under this section for any month in a fiscal year; multiplied by

"(ii) the applicable rate for the fiscal year.

"(B) As used in subparagraph (A), the term 'applicable rate' means—

"(i) for fiscal year 1995, $1.67;

"(ii) for fiscal year 1996, $3.33;

"(iii) for fiscal year 1997, $5.00; and

"(iv) for fiscal year 1998 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to criteria established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

"(C) All fees collected pursuant to this paragraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

"(3)(A) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this section.

"(B) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in subparagraph (A).

"(C) The additional services fee shall be payable in advance or by way of reimbursement.

"(4) All administration fees and additional services fees collected pursuant to this subsection shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.".

(2) MANDATORY STATE SUPPLEMENTARY PAYMENTS.—Section 212(b)(3) of Public Law 93-66 (42 U.S.C. 1382 note) is amended—

(A) by inserting "(A)" after "(3)";

(B) by inserting ", plus an administration fee assessed in accordance with subparagraph (B) and any additional services fee charged in accordance with subparagraph (C)" before the period; and

(C) by adding after and below the end the following:

"(B)(i) The Secretary shall assess each State an administration fee in an amount equal to—

"(I) the number of supplementary payments made by the Secretary on behalf of the State under this subsection for any month in a fiscal year; multiplied by

"(II) the applicable rate for the fiscal year.

"(ii) As used in clause (i), the term 'applicable rate' means—

"(I) for fiscal year 1995, $1.67;

"(II) for fiscal year 1996, $3.33;

"(III) for fiscal year 1997, $5.00; and

"(IV) for fiscal year 1998 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to regulations established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

"(iii) All fees collected pursuant to this subparagraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

"(C)(i) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this subsection.

"(ii) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in clause (i).

"(iii) The additional services fee shall be payable in advance or by way of reimbursement.

"(D) All administration fees and additional services fees collected pursuant to this paragraph shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to supplementary payments made pursuant to section 1616(a) of the Social Security Act or section 212(a) of Public Law 93-66 for any calendar month beginning after September 30, 1994, and to services furnished after such date, regardless of whether regulations to implement such amendments have been promulgated by such date, or whether any agreement entered into under such section 1616(a) or such section 212(a) has been modified.

Subtitle D—Miscellaneous Provisions

PART I—TRADE PROVISIONS

SEC. 7701. EXTENSION OF AUTHORITY TO LEVY CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking out "1995" and inserting "1998".

SEC. 7702. EXTENSION OF, AND AUTHORIZATION OF APPROPRIATIONS FOR, TRADE ADJUSTMENT ASSISTANCE PROGRAM.

(a) EXTENSION.—Section 285 of the Trade Act of 1974 (19 U.S.C. 2271, preceding note) is amended—

(1) by striking "No" and all that follows through "and no duty" in subsection (b) and inserting "No duty"; and

(2) by adding at the end the following new subsection:

"(c) No assistance, vouchers, allowances, or other payments may be provided under chapter 2, and no technical assistance may be provided under chapter 3, after September 30, 1998.".

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) CHAPTER 2 ADJUSTMENT ASSISTANCE.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking "1988, 1989, 1990, 1991, 1992, and 1993" and inserting "1993, 1994, 1995, 1996, 1997, and 1998".

(2) CHAPTER 3 ADJUSTMENT ASSISTANCE.—Section 256(b) of such Act (19 U.S.C. 2346(b)) is amended by striking "1988, 1989, 1990, 1991, 1992, and 1993" and inserting "1993, 1994, 1995, 1996, 1997, and 1998".

PART II—IMPROVED ACCESS TO CHILDHOOD IMMUNIZATIONS

SEC. 7801. REIMBURSEMENT TO VACCINE MANUFACTURERS.

(a) IN GENERAL.—Section 1902(a)(32) (42 U.S.C. 1396a(32)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(D) nothing in this paragraph shall be construed to prevent the making of such payment to a manufacturer of a childhood vaccine under a contract with the State pursuant to which the manufacturer participates in a vaccine replacement program described in subsection (z).".

(b) STATE VACCINE BULK PURCHASE PROGRAM.—Section 1902 (42 U.S.C. 1396a) is amended by adding after paragraph (58) the following new paragraph:

"(59) provide for the establishment of a State vaccine bulk purchase program for the purchase of pediatric vaccines."

and by adding at the end the following new subsection:

"(z)(1) For purposes of section 1396a(a)(59), a vaccine replacement program described in this subsection is a vaccine bulk purchase program under which a State with a State plan approved under this title contracts with each manufacturer of childhood vaccines selling such vaccines in the State to—

"(A) supply doses of childhood vaccines to providers (or in the case of a State medicaid vaccine program, the State) administering such vaccines to individuals eligible to receive medical assistance under the State plan and replace such vaccines as needed; and

"(B) charge the State agency for such doses of childhood vaccine the price under the most recent bid (determined once such a bid price is made public) submitted by a manufacturer which receives the Centers for Disease Control and Prevention contract with respect to the childhood immunization program under the Public Health Services Act, plus a reasonable fee to cover shipping and handling of returns for such doses.

"(2) Any manufacturer of childhood vaccines selling such vaccines in a State which does not participate in a vaccine replacement program described in paragraph (1) which is operated in such State shall be ineligible to bid for Centers for Disease Control and Prevention Immunization contracts under section 317(j) of the Public Health Services Act.".

(c) DEFINITION OF STATE VACCINE BULK PURCHASE PROGRAM.—Section 1902 (42 U.S.C. 1396d) is amended by adding at the end the following new subsection:

"(t) VACCINE BULK PURCHASE PROGRAM.—The term 'vaccine bulk purchase program' means a State program which purchases vaccines at prices negotiated by the Centers for Disease Control and Prevention's childhood immunization program and distributes such vaccines free of charge to entities providing medical assistance to individuals eligible for such medical assistance under this title.".

(d) AGREEMENT WITH THE STATE.—Section 1902(a)(27) (42 U.S.C. 1396a(a)(27)) is amended—

(1) by striking "under the State plan", and inserting "under the State plan and with any entity that is a manufacturer of a childhood vaccine under a contract with the State pursuant to which the manufacturer participates in a vaccine replacement program described in subsection (z)"; and

(2) by striking "such person or institution" each place it appears and inserting "such person, institution, or entity".

(e) CDC PRICE PLUS CPI.—To the extent that, at the date of enactment, a specific vaccine is purchased under contract with the Centers for Disease Control and Prevention as provided in the Public Health Service Act, no bid for the purchase of such vaccine shall be accepted by the Centers for Disease Control and Prevention if the price per dose of such vaccine exceeds the price in effect on the date of enactment increased by the percentage increase in CPI from date of the contract in effect on the date of the enactment to the date of the contract. This provision shall be in effect for contracts made in fiscal year 1994 through fiscal year 1998.

(f) MULTIPLE SUPPLIERS.—The Public Health Service provisions relating to the Centers for Disease Control and Prevention purchase of vaccine may not be construed as prohibiting the Secretary from entering into a contract with each manufacturer of a vaccine that meets the terms and conditions of the Secretary for an award of such a contract (including terms and conditions regarding safety, quality, and price).

SEC. 7802. STATE OPTION TO PROVIDE THAT CERTAIN PAYMENTS UNDER AFDC ARE CONDITIONED ON RECEIPT OF IMMUNIZATIONS.

(a) IN GENERAL.—Section 402 (42 U.S.C. 602) is amended—

(1) in paragraph (44), by striking "; and" and inserting a semicolon;

(2) in paragraph (45) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(46) at the option of the State, provide that if a family receiving aid to families with dependent children for any month includes a child under the age of 6 who has not received appropriate immunizations (as determined by the State), the State will take actions to encourage the timely immunization of such child including, but not limited to, reducing the total benefits received by such family for such month by all or a portion of the benefits allocable to the parent or guardian of such child and either—

"(A) placing all or a portion of such amount in an account until the family demonstrates to the State that such child has been appropriately immunized; or

"(B) using all or a portion of such amount to provide services to such family intended to ensure that such child receives appropriate immunizations.".

(b) STATE PROGRAMS TO ENCOURAGE APPROPRIATE IMMUNIZATIONS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (hereafter referred to in this subsection as the "Secretary") shall provide for the establishment or programs intended to ensure the appropriate immunization of children to be operated in the States electing to take actions to encourage the timely immunization of children described in section 402(a)(46) of the Social Security Act.

(2) PAYMENTS TO STATES AND LIMITS ON FUNDING.—

(A) PAYMENTS TO STATES.—Except as provided in subparagraph (B), the Secretary shall pay to each State conducting a program under this subsection for each quarter in which such program is conducted an amount equal such State's Federal percentage (as determined under section 403(a) of the Social Security Act) of the expenditures incurred by such State during such quarter in conducting such program.

(B) LIMITS ON FUNDING.—In conducting programs under this subsection, the Secretary shall limit the total amount of the Federal share of expenses incurred under title IV and section 1903 of the Social Security Act to no more than $250,000 for each State in any year.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) and the provisions of subsection (b) shall become effective on the date of the enactment of this Act.

PART III—DISCLOSURE PROVISIONS

SEC. 7901. DISCLOSURE OF RETURN INFORMATION FOR ADMINISTRATION OF CERTAIN VETERANS PROGRAMS.

(a) GENERAL RULE.—Subparagraph (D) of section 6103(l)(7) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local agencies administering certain programs) is amended by striking "September 30, 1997" in the second sentence following clause (viii) and inserting "September 30, 1998".

(b) AUTHORITY FOR SECRETARY OF VETERANS AFFAIRS TO OBTAIN INFORMATION.—Section 5317(g) of title 38, United States Code, is amended by striking out "September 30, 1997" and inserting "September 30, 1998".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 7902. DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.

(a) GENERAL RULE.—Subsection (l) of section 6103 of the Internal Revenue Code of 1986 (relating to confidentiality and disclosure of returns and return information) is amended by adding at the end thereof the following new paragraph:

"(13) DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.—

"(A) IN GENERAL.—The Secretary may, upon written request from the Secretary of Education,

disclose to officers and employees of the Department of Education return information with respect to a taxpayer who has received an applicable student loan and whose loan repayment amounts are based in whole or in part on the taxpayer's income. Such return information shall be limited to—

"(i) taxpayer identity information with respect to such taxpayer,

"(ii) the filing status of such taxpayer, and

"(iii) the adjusted gross income of such taxpayer.

"(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under subparagraph (A) may be used by officers and employees of the Department of Education only for the purposes of, and to the extent necessary in, establishing the appropriate income contingent repayment amount for an applicable student loan.

"(C) APPLICABLE STUDENT LOAN.—For purposes of this paragraph, the term 'applicable student loan' means—

"(i) any loan made under the program authorized under part D of title IV of the Higher Education Act of 1965, and

"(ii) any loan made under part B or E of title IV of the Higher Education Act of 1965 which is in default and has been assigned to the Department of Education.

"(D) TERMINATION.—This paragraph shall not apply to any request made after September 30, 1998."

(b) CONFORMING AMENDMENTS.—

(1) So much of paragraph (4) of section 6103(m) of such Code as precedes subparagraph (B) thereof is amended to read as follows:

"(4) INDIVIDUALS WHO OWE AN OVERPAYMENT OF FEDERAL PELL GRANTS OR WHO HAVE DEFAULTED ON STUDENT LOANS ADMINISTERED BY THE DEPARTMENT OF EDUCATION.—

"(A) IN GENERAL.—Upon written request by the Secretary of Education, the Secretary may disclose the mailing address of any taxpayer—

"(i) who owes an overpayment of a grant awarded to such taxpayer under subpart 1 of part A of title IV of the Higher Education Act of 1965, or

"(ii) who has defaulted on a loan—

"(I) made under part B, D, or E of title IV of the Higher Education Act of 1965, or

"(II) made pursuant to section 3(a)(1) of the Migration and Refugee Assistance Act of 1962 to a student at an institution of higher education,

for use only by officers, employees, or agents of the Department of Education for purposes of locating such taxpayer for purposes of collecting such overpayment or loan."

(2) Subparagraph (B) of section 6103(m)(4) of such Code is amended—

(A) in clause (i), by striking "under part B" and inserting "under part B or D"; and

(B) in clause (ii), by striking "under part E" and inserting "under subpart 1 of part A, or part D or E,";

(3) Section 6103(p) of such Code is amended—

(A) in paragraph (3)(A), by striking "(11), or (12), (m)" and inserting "(11), (12), or (13), (m)";

(B) in paragraph (4)—

(i) in the matter preceding subparagraph (A), by striking out "(10), or (11)," and inserting "(10), (11), or (13),", and

(ii) in subparagraph (F)(ii), by striking "(11), or (12)," and inserting "(11), (12), or (13),".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 7903. USE OF RETURN INFORMATION FOR INCOME VERIFICATION UNDER CERTAIN HOUSING ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Subparagraph (D) of section 6103(l)(7) of the Internal Revenue Code of 1986 (relating to the disclosure of return information to Federal, State, and local agencies administering certain programs) is amended—

(1) in clause (vii), by striking "and" at the end;

(2) in clause (viii), by striking the period at the end and inserting "; and";

(3) by inserting after clause (viii) the following new clause:

"(ix) any housing assistance program administered by the Department of Housing and Urban Development that involves initial and periodic review of an applicant's or participant's income, except that return information may be disclosed under this clause only on written request by the Secretary of Housing and Urban Development and only for use by officers and employees of the Department of Housing and Urban Development with respect to applicants for and participants in such programs."; and

(4) by adding at the end thereof the following: "Clause (ix) shall not apply after September 30, 1998."

(b) CONFORMING AMENDMENT.—The heading of paragraph (7) of section 6103(l) of such Code is amended by inserting after "CODE" the following: ", OR CERTAIN HOUSING ASSISTANCE PROGRAMS".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 7904. USE OF RETURN INFORMATION FOR HEALTH COVERAGE CLEARINGHOUSE.

(a) ESTABLISHMENT OF HEALTH COVERAGE CLEARINGHOUSE.—Part A of title XI (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"THIRD PARTY LIABILITY CLEARINGHOUSE

"SEC. 1144. (a) ESTABLISHMENT OF CLEARINGHOUSE.—

"(1) IN GENERAL.—The Secretary shall establish and operate a Third Party Liability Clearinghouse (hereafter in this section referred to as the 'Clearinghouse') for the purpose of identifying third parties responsible for payment for health care items and services furnished to beneficiaries of the medicare program under title XVIII and the medicaid program under title XIX.

"(2) DIRECTOR.—The Clearinghouse established pursuant to paragraph (1) shall be headed by a Director.

"(b) DATA BANK.—

"(1) MAINTENANCE OF INFORMATION.—The Clearinghouse shall maintain a data bank containing information obtained pursuant to section 6103(l)(12) of the Internal Revenue Code of 1986. Information in the data bank shall be retained for not less than 1 year after the date the information was obtained.

"(2) DISCLOSURE OF INFORMATION IN DATA BANK.—The Director is authorized (subject to the restriction in section 6103(l)(12)(E)(i) of the Internal Revenue Code of 1986) to disclose any information in the data bank established pursuant to paragraph (1) to the Commissioner of Social Security, the Secretary of the Treasury, employers, group health plans, the administrator of the medicare program under title XVIII, and the administrators of the medicaid program under title XIX, to the extent necessary to assist the administration of such programs.

"(c) REQUIREMENT THAT EMPLOYERS FURNISH INFORMATION.—

"(1) IN GENERAL.—An employer shall furnish to the Director the information requested pursuant to section 6103(l)(12)(C)(i) of the Internal Revenue Code of 1986 within 60 days after receipt of such a request.

"(2) CIVIL MONEY PENALTY FOR FAILURE TO COOPERATE.—An employer (other than a Federal or other governmental entity) who willfully or repeatedly fails to provide a timely and accurate response to a request for information pursuant to paragraph (1) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not to exceed $1,000 for each individual or individual's spouse with respect to which such a request is made. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to such civil money penalty in the same manner as such provisions apply to penalties or proceedings under section 1128A(a).

"(d) COLLECTIONS FROM THIRD PARTIES.—The Director is authorized, upon request by the administrator of the medicare program under title XVIII or any administrator of the medicaid program under title XIX, to assist in the collection of amounts due from liable third parties to reimburse costs incurred by such program for health care items and services.

"(e) FEES FOR CLEARINGHOUSE SERVICES.—The Director shall establish fees for services provided under section 6103(l)(12)(C)(ii) of the Internal Revenue Code of 1986 and subsection (d) which are designed to cover the full costs to the Clearinghouse of providing such services. Clearinghouse services under such section and subsection shall be available subject to payment of such fees.

"(f) EVALUATION RESPONSIBILITIES.—The Director shall evaluate methods for improving—

"(1) procedures for the collection, management, and appropriate disclosure of health care coverage information, and

"(2) Federal laws and policies concerning third party liability for medical care.

"(g) DEFINITIONS.—For purposes of this section, the term 'group health plan' has the meaning given to such term in section 6103(l)(12)(G) of the Internal Revenue Code of 1986.".

(b) DISCLOSURE OF TAX RETURN INFORMATION.—

(1) IN GENERAL.—Paragraph (12) of section 6103(l) of the Internal Revenue Code of 1986, as amended by section 7303, is amended to read as follows:

"(12) DISCLOSURE OF CERTAIN TAXPAYER RETURN INFORMATION FOR PURPOSES OF IDENTIFYING HEALTH INSURANCE COVERAGE OF CERTAIN INDIVIDUALS AND SPOUSES.—

"(A) RETURN INFORMATION FROM INTERNAL REVENUE SERVICE.—The Secretary shall, upon written request from the Commissioner of Social Security (referred to in this subparagraph as the 'Commissioner'), disclose to the Commissioner available filing status and taxpayer identity information from the individual master files of the Internal Revenue Service relating to whether any individual identified by the Commissioner was a married individual (as defined in section 7703) for any specified year after 1986, and, if so, the name of the spouse of such individual and such spouse's TIN.

"(B) RETURN INFORMATION FROM SOCIAL SECURITY ADMINISTRATION.—The Commissioner shall, upon written request from the Director of the Third Party Liability Clearinghouse (referred to in this subparagraph as the 'Director'), disclose to the Director the following information with respect to the individuals, and the spouses of such individuals, specified in subparagraph (A):

"(i) For each such individual who is identified as having received wages (as defined in section 3401(a)) above an amount (if any) specified by the Secretary of Health and Human Services from an employer in a previous year—

"(I) the name and TIN of the individual,

"(II) the name, address, and TIN of the employer, and

"(III) the information reported under section 6051(a)(10).

"(ii) For each individual who was identified as married under subparagraph (A) and whose spouse is identified as having received wages above an amount (if any) specified by the Secretary of Health and Human Services from an employer in a previous year—

"(I) the name and TIN of the individual,

"(II) the name and TIN of the spouse,

"(III) the name, address, and TIN of the spouse's employer, and

"(IV) the information reported under section 6051(a)(10) with respect to the spouse.

"(C) DISCLOSURE BY THIRD PARTY LIABILITY CLEARINGHOUSE.—The Director may (subject to the provisions of subparagraph (E)) disclose—

"(i) with respect to the information disclosed under subparagraph (B), to the employer referred to in such subparagraph the name and TIN of each individual identified under such subparagraph as having received wages from the employer (hereafter referred to in this subparagraph as the 'employee') for purposes of determining during what period such employee or the employee's spouse may be (or have been) covered under a group health plan of the employer and what benefits are or were covered under the plan (including the name, address, and identifying number of the plan),

"(ii) to the administrator of the medicare program under title XVIII of the Social Security Act or to any administrator of the medicaid program under title XIX of such Act the information disclosed under subparagraph (B) and clause (i) for purposes of providing information concerning employment and group health coverage of individuals and individual's spouses who are program beneficiaries,

"(iii) to any agent of such Director the information referred to in subparagraph (B) for purposes of carrying out clauses (i) and (ii) on behalf of such Director, and

"(iv) to any person specified in subsection (b)(2) of section 1144 of the Social Security Act, information in the data bank established pursuant to subsection (b)(1) of such section, for the purposes specified in such subsection.

"(D) DISCLOSURE BY CERTAIN PROGRAMS TO GROUP HEALTH PLANS.—The administrator of the medicare program under title XVIII of the Social Security Act or any administrator of the medicaid program under title XIX of such Act may (subject to the provisions of subparagraph (E)) disclose information concerning an employee or spouse disclosed to the Director pursuant to subparagraph (B) and redisclosed to such administrator pursuant to subparagraph (C)—

"(i) to any group health plan which provides or provided coverage to such employee or spouse, and

"(ii) to any agent of such administrator,

for purposes of identifying, or collecting on claims under coverage of such employee or spouse under such group health plan.

"(E) SPECIAL RULES.—

"(i) RESTRICTIONS ON DISCLOSURE.—Information may be disclosed under subparagraphs (A) through (D) only for purposes of, and to the extent necessary in, determining the extent to which any individual is covered under any group health plan.

"(ii) TIMELY RESPONSE TO REQUESTS.—Any request made under subparagraph (A) or (B) shall be complied with as soon as possible but in no event later than 120 days after the date the request was made.

"(F) DISCLOSURE CONCERNING ENFORCEMENT ACTIVITIES.—The Secretary shall, upon written request from the Secretary of Health and Human Services, disclose to the Secretary of Health and Human Services the status of any activities undertaken (with respect to persons specified by the Secretary of Health and Human Services) to enforce the requirements of section 5000.

"(G) DEFINITIONS.—For purposes of this paragraph, the term 'group health plan' means any group health plan (as defined in section 5000(b)).".

(2) REPORTING OF GROUP HEALTH PLAN INFORMATION.—Section 6051(a) of the Internal Revenue Code of 1986 is amended—

(A) by striking "and" at the end of paragraph (8),

(B) by striking the period at the end of paragraph (9) and inserting ", and", and

(C) by inserting after paragraph (9) the following new paragraph:

"(10) whether a group health plan (as defined in section 6103(l)(12)(G)) is available to the employee and the plan coverage (single or family) elected by such employee (if any).".

(c) CONFORMING AMENDMENT.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)), as amended by section 7303, is amended to read as follows:

"(5) IDENTIFICATION OF SECONDARY PAYER SITUATIONS.—In addition to any other information provided under this title to fiscal intermediaries and carriers, the Administrator shall disclose to such intermediaries and carriers (or to such a single intermediary or carrier as the Secretary may designate) the information received under section 6103(l)(12)(C)(ii) of the Internal Revenue Code of 1986.".

(d) EXCEPTION FROM PRIVACY ACT REQUIREMENTS.—Subsection (a)(8)(B) of section 552a of title 5, United States Code, is amended—

(1) in clause (v), by striking "; or" at the end;

(2) in clause (vi), by striking the semicolon at the end and inserting "; or"; and

(3) by adding at the end the following new clause:

"(vii) matches performed pursuant to section 6103(l)(12) of the Internal Revenue Code of 1986 and section 1144 of the Social Security Act for the purpose of identifying third parties responsible for payment for health care items and services furnished to beneficiaries of certain Federal and federally assisted programs;".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on April 1, 1995.

PART IV—OTHER PROVISIONS

SEC. 7950. DISALLOWANCE OF INTEREST ON CERTAIN OVERPAYMENTS OF TAX.

(a) GENERAL RULE.—Subsection (e) of section 6611 of the Internal Revenue Code of 1986 (relating to income tax refund within 45 days after return is filed) is amended to read as follows:

"(e) DISALLOWANCE OF INTEREST ON CERTAIN OVERPAYMENTS.—

"(1) REFUNDS WITHIN 45 DAYS AFTER RETURN IS FILED.—If any overpayment of tax imposed by this title is refunded within 45 days after the last day prescribed for filing the return of such tax (determined without regard to any extension of time for filing the return) or, in the case of a return filed after such last date, is refunded within 45 days after the date the return is filed, no interest shall be allowed under subsection (a) on such overpayment.

"(2) REFUNDS AFTER CLAIM FOR CREDIT OR REFUND.—If—

"(A) the taxpayer files a claim for a credit or refund for any overpayment of tax imposed by this title, and

"(B) such overpayment is refunded within 45 days after such claim is filed,

no interest shall be allowed on such overpayment from the date the claim is filed until the day the refund is made.

"(3) IRS INITIATED ADJUSTMENTS.—If an adjustment initiated by the Secretary, results in a refund or credit of an overpayment, interest on such overpayment shall be computed by subtracting 45 days from the number of days interest would otherwise be allowed with respect to such overpayment."

(b) EFFECTIVE DATES.—

(1) Paragraph (1) of section 6611(e) of the Internal Revenue Code of 1986 (as amended by subsection (a)) shall apply in the case of returns the due date for which (determined without regard to extensions) is on or after January 1, 1994.

(2) Paragraph (2) of section 6611(e) of such Code (as so amended) shall apply in the case of claims for credit or refund of any overpayment filed on or after January 1, 1995, regardless of the taxable period to which such refund relates.

(3) Paragraph (3) of section 6611(e) of such Code (as so amended) shall apply in the case of any refund paid on or after January 1, 1995, regardless of the taxable period to which such refund relates.

SEC. 7951. FEES FOR APPLICATIONS FOR ALCOHOL LABELING AND FORMULA REVIEWS.

(a) IN GENERAL.—The Secretary of the Treasury or his delegate (hereinafter in this section referred to as the 'Secretary') shall establish a program requiring the payment of user fees for—

(1) requests for each certificate of alcohol label approval required under the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) and for each request for exemption from such requirement, and

(2) requests for each formula review, and requests for each statement of process (including laboratory tests and analyses), under such Act or under chapter 51 of the Internal Revenue Code of 1986.

(b) PROGRAM CRITERIA.—

(1) IN GENERAL.—The fees charged under the program required by subsection (a) shall be determined such that the Secretary estimates that the aggregate of such fees received during any fiscal year will be $5,000,000.

(2) MINIMUM FEES.—The fee charged under the program required by subsection (a) shall not be less than—

(A) $50 for each request referred to in subsection (a)(1), and

(B) $250 for each request referred to in subsection (a)(2).

(c) APPLICATION OF SECTION.—Subsection (a) shall apply to requests made on or after the 90th day after the date of the enactment of this Act.

(d) DEPOSIT AND CREDIT AS OFFSETTING RECEIPTS.—The amounts collected by the Secretary under the program required by subsection (a) (to the extent such amounts do not exceed $5,000,000) shall be deposited into the Treasury as offsetting receipts and ascribed to the alcohol compliance program of the Bureau of Alcohol, Tobacco, and Firearms.

SEC. 7952. USE OF HARBOR MAINTENANCE TRUST FUND AMOUNTS FOR ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—Paragraph (3) of section 9505(c) of the Internal Revenue Code of 1986 (relating to expenditures from Harbor Maintenance Trust Fund) is amended to read as follows:

"(3) for the payment of all expenses of administration incurred by the Department of the Treasury, the Army Corps of Engineers, and the Department of Commerce related to the administration of subchapter A of chapter 36 (relating to harbor maintenance tax), but not in excess of $5,000,000 for any fiscal year."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to fiscal years beginning after the date of the enactment of this Act.

SEC. 7953. INCREASE IN PRESIDENTIAL ELECTION CAMPAIGN FUND CHECK-OFF.

(a) IN GENERAL.—Section 6096(a) of the Internal Revenue Code of 1986 (relating to designation by individuals) is amended—

(1) by striking "$1" each place it appears and inserting "$3", and

(2) by striking "$2" and inserting "$6".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to tax returns required to be filed after December 31, 1993.

SEC. 7954. INCREASE IN PUBLIC DEBT LIMIT.

(a) GENERAL RULE.—Subsection (b) of section 3101 of title 31, United States Code, is amended by striking out the dollar limitation contained in such subsection and inserting in lieu thereof "$4,900,000,000,000".

(b) REPEAL OF TEMPORARY INCREASE.—Effective on and after the date of the enactment of this Act, section 1 of Public Law 103-12 is hereby repealed.

TITLE VIII—FINANCE COMMITTEE REVENUE PROVISIONS

SEC. 8000. SHORT TITLE; ETC.

(a) SHORT TITLE.—This title may be cited as the "Revenue Reconciliation Act of 1993".

(b) AMENDMENT TO 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—Except in the case of the amendments made by section 8221 (relating to corporate rate increase), no amendment made by this title shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) WAIVER OF ESTIMATED TAX PENALTIES.—No addition to tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1986 for any period before April 16, 1994 (March 16, 1994, in the case of a corporation), with respect to any underpayment to the extent such underpayment was created or increased by any provision of this title.

(e) TABLE OF CONTENTS.—

Sec. 8000. Short title; etc.
Subtitle A—Training and Investment Incentives
PART I—PROVISIONS RELATING TO EDUCATION AND TRAINING
Sec. 8101. Employer-provided educational assistance.
Sec. 8102. Targeted jobs credit.
PART II—INVESTMENT INCENTIVES
SUBPART A—RESEARCH CREDIT
Sec. 8111. Extension of research credit.
Sec. 8112. Modification of fixed base percentage for startup companies.
Sec. 8113. Sense of Senate regarding permanent extension of research credit.
SUBPART B—MODIFICATION TO MINIMUM TAX DEPRECIATION RULES
Sec. 8115. Modification to minimum tax depreciation rules.
SUBPART C—INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES
Sec. 8119. Increase in expense treatment for small businesses.
SUBPART D—TAX EXEMPT BONDS
Sec. 8121. Extension of qualified small issue bonds.
PART III—EXPANSION AND SIMPLIFICATION OF EARNED INCOME TAX CREDIT
Sec. 8131. Expansion and simplification of earned income tax credit.
PART IV—INCENTIVES FOR INVESTMENT IN REAL ESTATE
SUBPART A—EXTENSION OF QUALIFIED MORTGAGE BONDS AND LOW-INCOME HOUSING CREDIT
Sec. 8141. Extension of qualified mortgage bonds.
Sec. 8141A. Sense of the Senate regarding permanent extension of qualified mortgage bonds.
Sec. 8142. Low-income housing credit.
SUBPART B—PASSIVE LOSS RULES
Sec. 8143. Modification of passive loss rules.
SUBPART C—PROVISIONS RELATING TO REAL ESTATE INVESTMENTS BY PENSION FUNDS
Sec. 8144. Real estate property acquired by a qualified organization.
Sec. 8145. Repeal of special treatment of publicly treated partnerships.
Sec. 8146. Title-holding companies permitted to receive small amounts of unrelated business taxable income.
Sec. 8147. Exclusion from unrelated business tax of gains from certain property.
Sec. 8148. Exclusion from unrelated business tax of certain fees and option premiums.
Sec. 8149. Treatment of pension fund investments in real estate investment trusts.
SUBPART D—INCREASE IN RECOVERY PERIOD FOR NONRESIDENTIAL REAL PROPERTY
Sec. 8151. Increase in recovery period for nonresidential real property.
PART V—LUXURY TAX
Sec. 8161. Repeal of luxury excise taxes other than on passenger vehicles.
Sec. 8162. Exemption from luxury excise tax for certain equipment installed on passenger vehicles for use by disabled individuals.
Sec. 8163. Tax on diesel fuel used in noncommercial boats.
PART VI—OTHER CHANGES
Sec. 8171. Alternative minimum tax treatment of contributions of appreciated property.
Sec. 8172. Substantiation requirement for deduction of certain charitable contributions.
Sec. 8173. Disclosure related to quid pro quo contributions.
Sec. 8174. Certain transfers to railroad retirement account made permanent.
Sec. 8175. Temporary extension of deduction for health insurance costs of self-employed individuals.
PART VII—INVESTMENT IN INDIAN RESERVATIONS
Sec. 8181. Investment tax credit for property on Indian Reservations.
Sec. 8182. Indian employment credit.
Subtitle B—Revenue Increases
PART I—PROVISIONS AFFECTING INDIVIDUALS
SUBPART A—RATE INCREASES
Sec. 8201. Increase in top marginal rate under section 1.
Sec. 8202. Surtax on high-income taxpayers.
Sec. 8203. Modifications to alternative minimum tax rates and exemption amounts.
Sec. 8203A. Rate increases not to take effect until July 1, 1993.
Sec. 8204. Overall limitation on itemized deductions for high-income taxpayers made permanent.
Sec. 8205. Phaseout of personal exemption of high-income taxpayers made permanent.
Sec. 8206. Provisions to prevent conversion of ordinary income to capital gain.
SUBPART B—OTHER PROVISIONS
Sec. 8207. Repeal of limitation on amount of wages subject to health insurance employment tax.
Sec. 8208. Top estate and gift tax rates made permanent.
Sec. 8209. Reduction in deductible portion of business meals and entertainment.
Sec. 8209A. Sense of the Senate relating to the deductibility of business meals and entertainment expenses.
Sec. 8210. Elimination of deduction for club membership fees.
Sec. 8211. Disallowance of deduction for certain employee remuneration in excess of $1,000,000.
Sec. 8212. Reduction in compensation taken into account in determining contributions and benefits under qualified retirement plans.
Sec. 8213. Modification to deduction for certain moving expenses.
Sec. 8214. Simplification of individual estimated tax safe harbor based on last year's tax.
Sec. 8215. Social security and tier 1 railroad retirement benefits.
PART II—PROVISIONS AFFECTING BUSINESSES
Sec. 8221. Increase in top marginal rate under section 11.
Sec. 8222. Disallowance of deduction for lobbying expenditures.
Sec. 8223. Mark to market accounting method for securities dealers.
Sec. 8224. Clarification of treatment of certain FSLIC financial assistance.
Sec. 8225. Modification of corporate estimated tax rules.
Sec. 8226. Modifications of discharge of indebtedness provisions.
Sec. 8227. Limitation on section 936 credit.
Sec. 8228. Modification to limitation on deduction for certain interest.
PART III—FOREIGN TAX PROVISIONS
SUBPART A—CURRENT TAXATION OF CERTAIN EARNINGS OF CONTROLLED FOREIGN CORPORATIONS
Sec. 8231. Earnings invested in excess passive assets.
Sec. 8232. Modification to taxation of investment in United States property.
Sec. 8233. Other modifications to Subpart F.
SUBPART B—ALLOCATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES
Sec. 8234. Allocation of research and experimental expenditures.
SUBPART C—OTHER PROVISIONS
Sec. 8235. Repeal of certain exceptions for working capital.
Sec. 8236. Modifications of accuracy-related penalty.
Sec. 8237. Denial of portfolio interest exemption for contingent interest.
Sec. 8238. Regulations dealing with conduit arrangements.
Sec. 8239. Treatment of export of certain softwood logs.
PART IV—TRANSPORTATION FUELS PROVISIONS
SUBPART A—TRANSPORTATION FUELS TAX
Sec. 8241. Transportation fuels tax.
SUBPART B—MODIFICATIONS TO TAX ON DIESEL FUEL
Sec. 8242. Modifications to tax on diesel fuel.
Sec. 8243. Floor stocks tax.
SUBPART C—EXTENSION OF MOTOR FUEL TAX RATES; INCREASED DEPOSITS INTO HIGHWAY TRUST FUND
Sec. 8244. Extension of motor fuel tax rates; increased deposits into Highway Trust Fund.
PART V—COMPLIANCE PROVISIONS
Sec. 8251. Modifications to substantial understatement and return-preparer penalties.
Sec. 8252. Returns relating to the cancellation of indebtedness by certain financial entities.
PART VI—TREATMENT OF INTANGIBLES
Sec. 8261. Amortization of goodwill and certain other intangibles.
Sec. 8262. Treatment of certain payments to retired or deceased partner.
PART VII—MISCELLANEOUS PROVISIONS
Sec. 8271. Denial of deduction relating to travel expenses.
Sec. 8272. Increase in withholding from supplemental wage payments.
Sec. 8273. Excise tax on certain vaccines made permanent.

Subtitle A—Training and Investment Incentives

PART I—PROVISIONS RELATING TO EDUCATION AND TRAINING

SEC. 8101. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) EXTENSION OF EXCLUSION.—

(1) IN GENERAL.—Subsection (d) of section 127 (relating to educational assistance programs) is amended to read as follows:

"(d) TERMINATION.—

"(1) IN GENERAL.—This section shall not apply to taxable years beginning after June 30, 1994.

"(2) SPECIAL RULE.—In the case of any taxable year beginning in 1994, only amounts paid before July 1, 1994, by the employer for educational assistance for any employee shall be taken into account for purposes of this section."

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 103(a) of the Tax Extension Act of 1991 is hereby repealed.

(b) COORDINATION WITH SECTION 132.—Paragraph (8) of section 132(i) is amended to read as follows:

"(8) APPLICATION OF SECTION TO OTHERWISE TAXABLE EDUCATIONAL OR TRAINING BENEFITS.—Amounts paid or expenses incurred by the employer for education or training provided to the employee which are not excludable from gross income under section 127 shall be excluded from gross income under this section if (and only if) such amounts or expenses are a working condition fringe."

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to taxable years ending after June 30, 1992.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 1988.

SEC. 8102. TARGETED JOBS CREDIT.

(a) EXTENSION OF CREDIT.—Paragraph (4) of section 51(c) (relating to amount of targeted jobs credit) is amended by striking "1992" and inserting "1994".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after June 30, 1992.

PART II—INVESTMENT INCENTIVES

Subpart A—Research Credit

SEC. 8111. EXTENSION OF RESEARCH CREDIT.

(a) IN GENERAL.—Subsection (h) of section 41 (relating to credit for research activities) is amended to read as follows:

"(h) NONAPPLICABILITY.—

"(1) IN GENERAL.—This section shall not apply to amounts paid or incurred during any suspension period.

"(2) BASE AMOUNT.—In the case of any taxable year which includes a portion of any suspension period, the base amount with respect to such taxable year shall be the amount which bears the same ratio to the base amount for such year (determined without regard to this paragraph) as the number of days in such taxable year which are not in any suspension period bears to the total number of days in such taxable year.

"(3) FIXED-BASE PERCENTAGE.—The fixed-base percentage under subsection (c)(3)(B)(ii) shall be computed as if this section were in effect during any suspension period.

"(4) SUSPENSION PERIOD.—For purposes of this subsection, the term 'suspension period' includes—

"(A) the period beginning July 1, 1992, and ending June 30, 1993, and

"(B) any period after June 30, 1994."

(b) CONFORMING AMENDMENT.—Subparagraph (D) of section 28(b)(1) is amended by striking "for periods after June 30, 1992" and inserting "during any suspension period (as defined in section 41(h)(4))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after June 30, 1992.

SEC. 8112. MODIFICATION OF FIXED BASE PERCENTAGE FOR STARTUP COMPANIES.

(a) GENERAL RULE.—Clause (ii) of section 41(c)(3)(B) is amended to read as follows:

"(ii) FIXED-BASE PERCENTAGE.—In a case to which this subparagraph applies, the fixed-base percentage is—

"(I) 3 percent for each of the taxpayer's 1st 5 taxable years beginning after December 31, 1993, for which the taxpayer has qualified research expenses,

"(II) in the case of the taxpayer's 6th such taxable year, $\frac{1}{6}$ of the percentage which the aggregate qualified research expenses of the taxpayer for the 4th and 5th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(III) in the case of the taxpayer's 7th such taxable year, $\frac{1}{3}$ of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th and 6th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(IV) in the case of the taxpayer's 8th such taxable year, $\frac{1}{2}$ of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th, 6th, and 7th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(V) in the case of the taxpayer's 9th such taxable year, $\frac{2}{3}$ of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th, 6th, 7th, and 8th such taxable years is of the aggregate gross receipts of the taxpayer for such years,

"(VI) in the case of the taxpayer's 10th such taxable year, $\frac{5}{6}$ of the percentage which the aggregate qualified research expenses of the taxpayer for the 5th, 6th, 7th, 8th, and 9th such taxable years is of the aggregate gross receipts of the taxpayer for such years, and

"(VII) for taxable years thereafter, the percentage which the aggregate qualified research expenses for any 5 taxable years selected by the taxpayer from among the 5th through the 10th such taxable years is of the aggregate gross receipts of the taxpayer for such selected years.".

(b) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 41(c)(3)(B) is amended by striking "clause (i)" and inserting "clauses (i) and (ii)".

(2) Subparagraph (D) of section 41(c)(3) is amended by striking "subparagraph (A)" and inserting "subparagraphs (A) and (B)(ii)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 8113. SENSE OF SENATE REGARDING PERMANENT EXTENSION OF RESEARCH CREDIT.

It is the sense of the Senate that the research credit under section 41 of the Internal Revenue Code of 1986 be extended permanently.

Subpart B—Modification To Minimum Tax Depreciation Rules

SEC. 8115. MODIFICATION TO MINIMUM TAX DEPRECIATION RULES.

(a) ELIMINATION OF ACE DEPRECIATION ADJUSTMENT.—Clause (i) of section 56(g)(4)(A) (relating to depreciation adjustments for computing adjusted current earnings) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any property placed in service after December 31, 1993, and the depreciation deduction with respect to such property shall be determined under the rules of subsection (a)(1)(A).".

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 1993.

(2) COORDINATION WITH TRANSITIONAL RULES.—The amendments made by this section shall not apply to any property to which paragraph (1) of section 56(a) of the Internal Revenue Code of 1986 does not apply by reason of subparagraph (C)(i) thereof.

Subpart C—Increase in Expense Treatment for Small Businesses

SEC. 8119. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended by striking "$10,000" and inserting "$20,500".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1992.

Subpart D—Tax Exempt Bonds

SEC. 8121. EXTENSION OF QUALIFIED SMALL ISSUE BONDS.

(a) IN GENERAL.—Subparagraph (B) of section 144(a)(12) is amended by striking "1992" and inserting "1994".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

PART III—EXPANSION AND SIMPLIFICATION OF EARNED INCOME TAX CREDIT

SEC. 8131. EXPANSION AND SIMPLIFICATION OF EARNED INCOME TAX CREDIT.

(a) GENERAL RULE.—Section 32 (relating to earned income credit) is amended by striking subsections (a) and (b) and inserting the following:

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income amount.

"(2) LIMITATION.—The amount of the credit allowable to a taxpayer under paragraph (1) for any taxable year shall not exceed the excess (if any) of—

"(A) the credit percentage of the earned income amount, over

"(B) the phaseout percentage of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the phaseout amount.

"(b) PERCENTAGES AND AMOUNTS.—For purposes of subsection (a)—

"(1) PERCENTAGES.—The credit percentage and the phaseout percentage shall be determined as follows:

"(A) IN GENERAL.—In the case of taxable years beginning after 1995:

In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child	34	16.16
2 or more qualifying children	39	20.72

"(B) TRANSITIONAL PERCENTAGES FOR 1995.—In the case of a taxable year beginning in 1995:

In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child	34	16.16
2 or more qualifying children	34	15.94

"(C) TRANSITIONAL PERCENTAGES FOR 1994.—In the case of a taxable year beginning in 1994:

In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
1 qualifying child	26	16.16
2 or more qualifying children	30	15.94

"(2) AMOUNTS.—The earned income amount and the phaseout amount shall be determined as follows:

"(A) IN GENERAL.—In the case of taxable years beginning after 1994:

In the case of an eligible individual with:	*The earned income amount is:*	*The phaseout amount is:*
1 qualifying child	*$6,000 ....*	*$11,000*
2 or more qualifying children	*$8,500 ....*	*$11,000*

"(B) TRANSITIONAL AMOUNTS.—In the case of a taxable year beginning in 1994:

In the case of an eligible individual with:	*The earned income amount is:*	*The phaseout amount is:*
1 qualifying child	*$7,750 ....*	*$11,000*
2 or more qualifying children	*$8,500 ....*	*$11,000."*

(b) INFLATION ADJUSTMENTS.—Section 32(i) (relating to inflation adjustments) is amended—

(1) by striking paragraphs (1) and (2) and inserting the following new paragraph:

"(1) IN GENERAL.—In the case of any taxable year beginning after 1994, each dollar amount contained in subsection (b)(2)(A) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, by substituting 'calendar year 1993' for 'calendar year 1992'.", and

(2) by redesignating paragraph (3) as paragraph (2).

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 32(c)(3) is amended—

(A) by striking "clause (i) or (ii)" in clause (iii) and inserting "clause (i)",

(B) by striking clause (ii), and

(C) by redesignating clause (iii) as clause (ii).

(2) Paragraph (3) of section 162(l) is amended to read as follows:

"(3) COORDINATION WITH MEDICAL DEDUCTION.—Any amount paid by a taxpayer for insurance to which paragraph (1) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a)."

(3) Section 213 is amended by striking subsection (f).

(4) Subsection (b) of section 3507 is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) certifies that the employee has 1 or more qualifying children (within the meaning of section 32(c)(3)) for such taxable year,".

(5) Subparagraph (B) of section 3507(c)(2) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) of not more than the credit percentage in effect under section 32(b)(1) for an eligible individual with 1 qualifying child and with earned income not in excess of the earned income amount in effect under section 32(b)(2) for such an eligible individual, which

"(ii) phases out at the phaseout percentage in effect under section 32(b)(1) for such an eligible individual between the phaseout amount in effect under section 32(b)(2) for such an eligible individual and the amount of earned income at which the credit under section 32(a) phases out for such an eligible individual, or".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

PART IV—INCENTIVES FOR INVESTMENT IN REAL ESTATE

Subpart A—Extension of Qualified Mortgage Bonds and Low-Income Housing Credit

SEC. 8141. EXTENSION OF QUALIFIED MORTGAGE BONDS.

(a) IN GENERAL.—Subparagraph (B) of section 143(a)(1) (defining qualified mortgage bond) is amended by striking "1992" each place it appears and inserting "1994".

(b) MORTGAGE CREDIT CERTIFICATES.—Subsection (h) of section 25 is amended by striking "1992" and inserting "1994".

(c) EFFECTIVE DATES.—

(1) BONDS.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

(2) CERTIFICATES.—The amendment made by subsection (b) shall apply to elections for periods after June 30, 1992.

SEC. 8141A. SENSE OF THE SENATE REGARDING PERMANENT EXTENSION OF QUALIFIED MORTGAGE BONDS.

(a) FINDINGS.—The Senate finds that:

(1) Low and moderate income families often have difficulty in obtaining affordable mortgage financing.

(2) The mortgage revenue bond provisions of the Internal Revenue Code are an important tool in providing affordable financing for first-time home buyers.

(3) The tax-exempt status of mortgage revenue bonds have enabled State and local housing agencies to finance home mortgages for first-time buyers at rates below conventional market rates. This cost differential enables buyers, who otherwise might not be able to get mortgage financing, to obtain a loan at an affordable rate.

(4) Mortgage revenue bonds are targeted to families with the greatest need. In 1992, the average income of a mortgage revenue bond borrower was 74 percent of median income. Mortgage revenue bonds are only available to buyers who have not owned a home within the past 3 years, earn 115 percent or less of the applicable median income, and buy a principal residence that does not exceed 90 percent of the average home purchase price.

(5) Prior to its expiration in June, mortgage revenue bonds were the only Federal assistance targeted to first-time home buyers. During the past 15 years, mortgage revenue bonds have financed more than 2 million home purchases and accounted for 1 out of every 12 mortgages made to first-time buyers.

(6) In the last decade, mortgage revenue bonds have been scheduled to sunset 7 times, making administration and timing of bond issues extremely difficult and costly. The mortgage revenue bond program lapsed on June 30, underscoring the need for permanent extension.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that mortgage revenue bonds are a vital, proven tool for providing affordable home ownership opportunities for low- and moderate-income families and that Congress should adopt a permanent extension of the mortgage revenue bond program as part of the Internal Revenue Code.

SEC. 8142. LOW-INCOME HOUSING CREDIT.

(a) PERMANENT EXTENSION.—

(1) IN GENERAL.—Section 42 (relating to low-income housing credit) is amended by striking subsection (o).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to periods ending after June 30, 1992.

(b) MODIFICATIONS.—

(1) HOUSING CREDIT AGENCY DETERMINATION OF REASONABLENESS OF PROJECT COSTS.—Subparagraph (B) of section 42(m)(2) (relating to credit allocated to building not to exceed amount necessary to assure project feasibility) is amended—

(A) by striking "and" at the end of clause (ii),

(B) by striking the period at the end of clause (iii) and inserting ", and", and

(C) by inserting after clause (iii) the following new clause:

"(iv) the reasonableness of the developmental and operational costs of the project."

(2) UNITS WITH CERTAIN FULL-TIME STUDENTS NOT DISQUALIFIED.—Subparagraph (D) of section 42(i)(3) (defining low-income unit) is amended to read as follows:

"(D) CERTAIN STUDENTS NOT TO DISQUALIFY UNIT.—A unit shall not fail to be treated as a low-income unit merely because it is occupied—

"(i) by an individual who is—

"(I) a student and receiving assistance under title IV of the Social Security Act, or

"(II) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State, or local laws, or

"(ii) entirely by full-time students if such students are—

"(I) single parents and their children and such parents and children are not dependents (as defined in section 152) of another individual, or

"(II) married and file a joint return."

(3) TREASURY WAIVERS OF CERTAIN DE MINIMIS ERRORS AND RECERTIFICATIONS.—Subsection (g) of section 42 (relating to qualified low-income housing projects) is amended by adding at the end thereof the following new paragraph:

"(8) WAIVER OF CERTAIN DE MINIMIS ERRORS AND RECERTIFICATIONS.—On application by the taxpayer, the Secretary may waive—

"(A) any recapture under subsection (j) in the case of any de minimis error in complying with paragraph (1), or

"(B) any annual recertification of tenant income for purposes of this subsection, if the entire building is occupied by low-income tenants."

(4) DISCRIMINATION AGAINST TENANTS PROHIBITED.—Section 42(h)(6)(B) (defining extended low-income housing commitment) is amended by redesignating clauses (iv) and (v) as clauses (v) and (vi) and by inserting after clause (iii) the following new clause:

"(iv) which prohibits the refusal to lease to a holder of a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder,".

(5) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to—

(i) determinations under section 42 of the Internal Revenue Code of 1986 with respect to housing credit dollar amounts allocated from State housing credit ceilings after June 30, 1992, or

(ii) buildings placed in service after June 30, 1992, to the extent paragraph (1) of section 42(h) of such Code does not apply to any building by reason of paragraph (4) thereof, but only with respect to bonds issued after such date.

(B) WAIVER AUTHORITY AND PROHIBITED DISCRIMINATION.—The amendments made by paragraphs (3) and (4) shall take effect on the date of the enactment of this Act.

(c) ELECTION TO DETERMINE RENT LIMITATION BASED ON NUMBER OF BEDROOMS AND DEEP RENT SKEWING.—In the case of a building to which the amendments made by subsection (e)(1) or (n)(2) of section 7108 of the Revenue Reconciliation Act of 1989 did not apply, the taxpayer may elect to have such amendments apply to such building but only with respect to tenants first occupying any unit in the building after the date of the election, and only if the taxpayer has met the requirements of the procedures described in section 42(m)(1)(B)(iii) of the

Internal Revenue Code of 1986. Such an election may be made only during the 180 day period beginning on the date of the enactment of this Act and, once made, shall be irrevocable.

Subpart B—Passive Loss Rules

SEC. 8143. MODIFICATION OF PASSIVE LOSS RULES.

(a) GENERAL RULE.—Section 469 (relating to passive activity losses and credits limited) is amended by redesignating subsections (l) and (m) as subsections (m) and (n), respectively, and by inserting after subsection (k) the following new subsection:

"(l) SPECIAL RULES FOR REAL ESTATE ACTIVITIES.—

"(1) LOSS FROM CERTAIN RENTAL REAL ESTATE ACTIVITIES TREATED AS NOT PASSIVE.—If the taxpayer meets the requirements of paragraph (2) for the taxable year, subsection (a) shall not apply to so much of the passive activity loss for such taxable year as does not exceed the least of—

"(A) the lesser of—

"(i) the net loss for such taxable year from rental real estate activities in which the taxpayer materially participates, or

"(ii) the net loss for such taxable year from all rental real estate activities of the taxpayer,

"(B) the net income of the taxpayer for the taxable year from real property trade or business activities which are not passive activities, or

"(C) the taxable income of the taxpayer for the taxable year determined without regard to this subsection.

A similar rule shall apply to any passive activity credit.

"(2) REQUIREMENTS.—The taxpayer meets the requirements of this paragraph for any taxable year if more than one-half of the personal services performed in trades or businesses by the taxpayer during such taxable year are performed in real property trades or businesses in which the taxpayer materially participates.

"(3) REAL PROPERTY TRADE OR BUSINESS.—For purposes of this paragraph, the term 'real property trade or business' means any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business.

"(4) SPECIAL RULES.—

"(A) PERSONAL SERVICES AS AN EMPLOYEE.—For purposes of paragraph (2), personal services performed as an employee shall not be treated as performed in real property trades or businesses. The preceding sentence shall not apply if such employee is a 5-percent owner (as defined in section 416(i)(1)(B)) in the employer.

"(B) CLOSELY HELD C CORPORATIONS.—This subsection shall not apply to any interests held by a closely held C corporation.

"(5) COORDINATION WITH SUBSECTION (i).—

"(A) IN GENERAL.—This subsection shall be applied after the application of subsection (i).

"(B) AMOUNTS ALLOWED UNDER SUBSECTION (i).—For purposes of this subsection—

"(i) the passive activity loss and passive activity credit, and

"(ii) the net loss referred to in paragraph (1)(A),

shall not include any amount allowed under subsection (i)."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

Subpart C—Provisions Relating to Real Estate Investments by Pension Funds

SEC. 8144. REAL ESTATE PROPERTY ACQUIRED BY A QUALIFIED ORGANIZATION.

(a) MODIFICATIONS OF EXCEPTIONS.—Paragraph (9) of section 514(c) (relating to real property acquired by a qualified organization) is amended by adding at the end thereof the following new subparagraphs:

"(G) SPECIAL RULES FOR PURPOSES OF THE EXCEPTIONS.—Except as otherwise provided by regulations—

"(i) SMALL LEASES DISREGARDED.—For purposes of clauses (iii) and (iv) of subparagraph (B), a lease to a person described in such clause (iii) or (iv) shall be disregarded if no more than 25 percent of the leasable floor space in a building (or complex of buildings) is covered by the lease and if the lease is on commercially reasonable terms.

"(ii) COMMERCIALLY REASONABLE FINANCING.—Clause (v) of subparagraph (B) shall not apply if the financing is on commercially reasonable terms.

"(H) QUALIFYING SALES BY FINANCIAL INSTITUTIONS.—

"(i) IN GENERAL.—In the case of a qualifying sale by a financial institution, except as provided in regulations, clauses (i) and (ii) of subparagraph (B) shall not apply with respect to financing provided by such institution for such sale.

"(ii) QUALIFYING SALE.—For purposes of this clause, there is a qualifying sale by a financial institution if—

"(I) a qualified organization acquires property described in clause (iii) from a financial institution and any gain recognized by the financial institution with respect to the property is ordinary income,

"(II) the stated principal amount of the financing provided by the financial institution does not exceed the amount of the outstanding indebtedness (including accrued but unpaid interest) of the financial institution with respect to the property described in clause (iii) immediately before the acquisition referred to in clause (iii) or (v), whichever is applicable, and

"(III) the present value (determined as of the time of the sale and by using the applicable Federal rate determined under section 1274(d)) of the maximum amount payable pursuant to the financing that is determined by reference to the revenue, income, or profits derived from the property cannot exceed 30 percent of the total purchase price of the property (including the contingent payments).

"(iii) PROPERTY TO WHICH SUBPARAGRAPH APPLIES.—Property is described in this clause if such property is foreclosure property, or is real property which—

"(I) was acquired by the qualified organization from a financial institution which is in conservatorship or receivership, or from the conservator or receiver of such an institution, and

"(II) was held by the financial institution at the time it entered into conservatorship or receivership.

"(iv) FINANCIAL INSTITUTION.—For purposes of this subparagraph, the term 'financial institution' means—

"(I) any financial institution described in section 581 or 591(a),

"(II) any other corporation which is a direct or indirect subsidiary of an institution referred to in subclause (I) but only if, by virtue of being affiliated with such institution, such other corporation is subject to supervision and examination by a Federal or State agency which regulates institutions referred to in subclause (I), and

"(III) any person acting as a conservator or receiver of an entity referred to in subclause (I) or (II) (or any government agency or corporation succeeding to the rights or interest of such person).

"(v) FORECLOSURE PROPERTY.—For purposes of this subparagraph, the term 'foreclosure property' means any real property acquired by the financial institution as the result of having bid on such property at foreclosure, or by operation of an agreement or process of law, after there was a default (or a default was imminent) on indebtedness which such property secured.".

(b) CONFORMING AMENDMENT.—Paragraph (9) of section 514(c) is amended—

(1) by adding the following new sentence at the end of subparagraph (A): "For purposes of this paragraph, an interest in a mortgage shall in no event be treated as real property.", and

(2) by striking the last sentence of subparagraph (B).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to acquisitions on or after January 1, 1994.

(2) SMALL LEASES.—The provisions of section 514(c)(9)(G)(i) of the Internal Revenue Code of 1986 shall, in addition to any leases to which the provisions apply by reason of paragraph (1), apply to leases entered into on or after January 1, 1994.

SEC. 8145. REPEAL OF SPECIAL TREATMENT OF PUBLICLY TREATED PARTNERSHIPS.

(a) GENERAL RULE.—Subsection (c) of section 512 is amended—

(1) by striking paragraph (2),

(2) by redesignating paragraph (3) as paragraph (2), and

(3) by striking "paragraph (1) or (2)" in paragraph (2) (as so redesignated) and inserting "paragraph (1)".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to partnership years beginning on or after January 1, 1994.

SEC. 8146. TITLE-HOLDING COMPANIES PERMITTED TO RECEIVE SMALL AMOUNTS OF UNRELATED BUSINESS TAXABLE INCOME.

(a) GENERAL RULE.—Paragraph (25) of section 501(c) is amended by adding at the end thereof the following new subparagraph:

"(G)(i) An organization shall not be treated as failing to be described in this paragraph merely by reason of the receipt of any otherwise disqualifying income which is incidentally derived from the holding of real property.

"(ii) Clause (i) shall not apply if the amount of gross income described in such clause exceeds 10 percent of the organization's gross income for the taxable year unless the organization establishes to the satisfaction of the Secretary that the receipt of gross income described in clause (i) in excess of such limitation was inadvertent and reasonable steps are being taken to correct the circumstances giving rise to such income."

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 501(c) is amended by adding at the end thereof the following new sentence: "Rules similar to the rules of subparagraph (G) of paragraph (25) shall apply for purposes of this paragraph."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after January 1, 1994.

SEC. 8147. EXCLUSION FROM UNRELATED BUSINESS TAX OF GAINS FROM CERTAIN PROPERTY.

(a) GENERAL RULE.—Subsection (b) of section 512 (relating to modifications) is amended by adding at the end thereof the following new paragraph:

"(16)(A) Notwithstanding paragraph (5)(B), there shall be excluded all gains or losses from the sale, exchange, or other disposition of any real property described in subparagraph (B) if—

"(i) such property was acquired by the organization from—

"(I) a financial institution described in section 581 or 591(a) which is in conservatorship or receivership, or

"(II) the conservator or receiver of such an institution (or any government agency or corporation succeeding to the rights or interests of the conservator or receiver), "(ii) such property is designated by the organization within the 9-month period beginning on the date of its acquisition as property held for sale, except that not more than one-half (by value determined as of such date) of property acquired in a single transaction may be so designated,

"(iii) such sale, exchange, or disposition occurs before the later of—

"(I) the date which is 30 months after the date of the acquisition of such property, or

"(II) the date specified by the Secretary in order to assure an orderly disposition of property held by persons described in subparagraph (A), and

"(iv) while such property was held by the organization, the aggregate expenditures on improvements and development activities included in the basis of the property are (or were) not in excess of 20 percent of the net selling price of such property.

"(B) Property is described in this subparagraph if it is real property which—

"(i) was held by the financial institution at the time it entered into conservatorship or receivership, or

"(ii) was foreclosure property (as defined in section 514(c)(9)(H)(v)) which secured indebtedness held by the financial institution at such time.

For purposes of this subparagraph, real property includes an interest in a mortgage."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property acquired on or after January 1, 1994.

SEC. 8148. EXCLUSION FROM UNRELATED BUSINESS TAX OF CERTAIN FEES AND OPTION PREMIUMS.

(a) LOAN COMMITMENT FEES.—Paragraph (1) of section 512(b) (relating to modifications) is amended by inserting "amounts received or accrued as consideration for entering into agreements to make loans," before "and annuities".

(b) OPTION PREMIUMS.—The second sentence of section 512(b)(5) is amended—

(1) by striking "all gains on" and inserting "all gains or losses recognized, in connection with the organization's investment activities, from",

(2) by striking ", written by the organization in connection with its investment activities," and

(3) by inserting "or real property and all gains or losses from the forfeiture of good-faith deposits (that are consistent with established business practice) for the purchase, sale, or lease of real property in connection with the organization's investment activities" before the period.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received on or after January 1, 1994.

SEC. 8149. TREATMENT OF PENSION FUND INVESTMENTS IN REAL ESTATE INVESTMENT TRUSTS.

(a) GENERAL RULE.—Subsection (h) of section 856 (relating to closely held determinations) is amended by adding at the end thereof the following new paragraph:

"(3) TREATMENT OF TRUSTS DESCRIBED IN SECTION 401(a).—

"(A) LOOK-THRU TREATMENT.—

"(i) IN GENERAL.—Except as provided in clause (ii), in determining whether the stock ownership requirement of section 542(a)(2) is met for purposes of paragraph (1)(A), any stock held by a qualified trust shall be treated as held directly by its beneficiaries in proportion to their actuarial interests in such trust and shall not be treated as held by such trust.

"(ii) CERTAIN RELATED TRUSTS NOT ELIGIBLE.—Clause (i) shall not apply to any qualified trust if one or more disqualified persons (as defined in section 4975(e)(2), without regard to subparagraphs (B) and (I) thereof) with respect to such qualified trust hold in the aggregate 5 percent or more in value of the interests in the real estate investment trust and such real estate investment trust has accumulated earnings and profits attributable to any period for which it did not qualify as a real estate investment trust.

"(B) COORDINATION WITH PERSONAL HOLDING COMPANY RULES.—If any entity qualifies as a real estate investment trust for any taxable year by reason of subparagraph (A), such entity shall not be treated as a personal holding company for such taxable year for purposes of part II of subchapter G of this chapter.

"(C) TREATMENT FOR PURPOSES OF UNRELATED BUSINESS TAX.—If any qualified trust holds more than 10 percent (by value) of the interests in any pension-held REIT at any time during a taxable year, the trust shall be treated as having for such taxable year gross income from an unrelated trade or business in an amount which bears the same ratio to the aggregate dividends paid (or treated as paid) by the REIT to the trust for the taxable year of the REIT with or within which the taxable year of the trust ends (the 'REIT year') as—

"(i) the gross income (less direct expenses related thereto) of the REIT for the REIT year from unrelated trades or businesses (determined as if the REIT were a qualified trust), bears to

"(ii) the gross income (less direct expenses related thereto) of the REIT for the REIT year.

This subparagraph shall apply only if the ratio determined under the preceding sentence is at least 5 percent.

"(D) PENSION-HELD REIT.—The purposes of subparagraph (C)—

"(i) IN GENERAL.—A real estate investment trust is a pension-held REIT if such trust would not have qualified as a real estate investment trust but for the provisions of this paragraph and if such trust is predominantly held by qualified trusts.

"(ii) PREDOMINANTLY HELD.—For purposes of clause (i), a real estate investment trust is predominantly held by qualified trusts if—

"(I) at least 1 qualified trust holds more than 25 percent (by value) of the interests in such real estate investment trust, or

"(II) 1 or more qualified trusts (each of whom own more than 10 percent by value of the interests in such real estate investment trust) hold in the aggregate more than 50 percent (by value) of the interests in such real estate investment trust.

"(E) QUALIFIED TRUST.—For purposes of this paragraph, the term 'qualified trust' means any trust described in section 401(a) and exempt from tax under section 501(a)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1993.

Subpart D—Increase in Recovery Period for Nonresidential Real Property

SEC. 8151. INCREASE IN RECOVERY PERIOD FOR NONRESIDENTIAL REAL PROPERTY.

(a) GENERAL RULE.—Paragraph (1) of section 168(c) (relating to applicable recovery period) is amended by striking the item relating to nonresidential real property and inserting the following:

"Nonresidential real property .... 38 years.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall apply to property placed in service by the taxpayer on or after February 25, 1993.

(2) EXCEPTION.—The amendments made by this section shall not apply to property placed in service by the taxpayer before January 1, 1994, if—

(A) the taxpayer or a qualified person entered into a binding written contract to purchase or construct such property before February 25, 1993, or

(B) the construction of such property was commenced by or for the taxpayer or a qualified person before February 25, 1993.

For purposes of this paragraph, the term "qualified person" means any person who transfers his rights in such a contract or such property to the taxpayer but only if the property is not placed in service by such person before such rights are transferred to the taxpayer.

PART V—LUXURY TAX

SEC. 8161. REPEAL OF LUXURY EXCISE TAXES OTHER THAN ON PASSENGER VEHICLES.

(a) IN GENERAL.—Subchapter A of chapter 31 (relating to retail excise taxes) is amended to read as follows:

"Subchapter A—Luxury Passenger Automobiles

"Sec. 4001. Imposition of tax.

"Sec. 4002. 1st retail sale; uses, etc. treated as sales; determination of price.

"Sec. 4003. Special rules.

"SEC. 4001. IMPOSITION OF TAX.

"(a) IMPOSITION OF TAX.—There is hereby imposed on the 1st retail sale of any passenger vehicle a tax equal to 10 percent of the price for which so sold to the extent such price exceeds $30,000.

"(b) PASSENGER VEHICLE.—

"(1) IN GENERAL.—For purposes of this subchapter, the term 'passenger vehicle' means any 4-wheeled vehicle—

"(A) which is manufactured primarily for use on public streets, roads, and highways, and

"(B) which is rated at 6,000 pounds unloaded gross vehicle weight or less.

"(2) SPECIAL RULES.—

"(A) TRUCKS AND VANS.—In the case of a truck or van, paragraph (1)(B) shall be applied by substituting 'gross vehicle weight' for 'unloaded gross vehicle weight'.

"(B) LIMOUSINES.—In the case of a limousine, paragraph (1) shall be applied without regard to subparagraph (B) thereof.

"(c) EXCEPTIONS FOR TAXICABS, ETC.—The tax imposed by this section shall not apply to the sale of any passenger vehicle for use by the purchaser exclusively in the active conduct of a trade or business of transporting persons or property for compensation or hire.

"(d) EXEMPTION FOR LAW ENFORCEMENT USES, ETC.—No tax shall be imposed by this section on the sale of any passenger vehicle—

"(1) to the Federal Government, or a State or local government, for use exclusively in police, firefighting, search and rescue, or other law enforcement or public safety activities, or in public works activities, or

"(2) to any person for use exclusively in providing emergency medical services.

"(e) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of any calendar year after 1992, the $30,000 amount in subsection (a) and section 4003(a) shall be increased by an amount equal to—

"(A) $30,000, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 1990' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

"(f) TERMINATION.—The tax imposed by this section shall not apply to any sale or use after December 31, 1999.

"SEC. 4002. 1ST RETAIL SALE; USES, ETC. TREATED AS SALES; DETERMINATION OF PRICE.

"(a) 1ST RETAIL SALE.—For purposes of this subchapter, the term '1st retail sale' means the

1st sale, for a purpose other than resale, after manufacture, production, or importation.

"(b) USE TREATED AS SALE.—

"(1) IN GENERAL.—If any person uses a passenger vehicle (including any use after importation) before the 1st retail sale of such vehicle, then such person shall be liable for tax under this subchapter in the same manner as if such vehicle were sold at retail by him.

"(2) EXEMPTION FOR FURTHER MANUFACTURE.—Paragraph (1) shall not apply to use of a vehicle as material in the manufacture or production of, or as a component part of, another vehicle taxable under this subchapter to be manufactured or produced by him.

"(3) EXEMPTION FOR DEMONSTRATION USE.—Paragraph (1) shall not apply to any use of a passenger vehicle as a demonstrator.

"(4) EXCEPTION FOR USE AFTER IMPORTATION OF CERTAIN VEHICLES.—Paragraph (1) shall not apply to the use of a vehicle after importation if the user or importer establishes to the satisfaction of the Secretary that the 1st use of the vehicle occurred before January 1, 1991, outside the United States.

"(5) COMPUTATION OF TAX.—In the case of any person made liable for tax by paragraph (1), the tax shall be computed on the price at which similar vehicles are sold at retail in the ordinary course of trade, as determined by the Secretary.

"(c) LEASES CONSIDERED AS SALES.—For purposes of this subchapter—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the lease of a vehicle (including any renewal or any extension of a lease or any subsequent lease of such vehicle) by any person shall be considered a sale of such vehicle at retail.

"(2) SPECIAL RULES FOR LONG-TERM LEASES.—

"(A) TAX NOT IMPOSED ON SALE FOR LEASING IN A QUALIFIED LEASE.—The sale of a passenger vehicle to a person engaged in a passenger vehicle leasing or rental trade or business for leasing by such person in a long-term lease shall not be treated as the 1st retail sale of such vehicle.

"(B) LONG-TERM LEASE.—For purposes of subparagraph (A), the term 'long-term lease' means any long-term lease (as defined in section 4052).

"(C) SPECIAL RULES.—In the case of a long-term lease of a vehicle which is treated as the 1st retail sale of such vehicle—

"(i) DETERMINATION OF PRICE.—The tax under this subchapter shall be computed on the lowest price for which the vehicle is sold by retailers in the ordinary course of trade.

"(ii) PAYMENT OF TAX.—Rules similar to the rules of section 4217(e)(2) shall apply.

"(iii) NO TAX WHERE EXEMPT USE BY LESSEE.—No tax shall be imposed on any lease payment under a long-term lease if the lessee's use of the vehicle under such lease is an exempt use (as defined in section 4003(b)) of such vehicle.

"(d) DETERMINATION OF PRICE.—

"(1) IN GENERAL.—In determining price for purposes of this subchapter—

"(A) there shall be included any charge incident to placing the passenger vehicle in condition ready for use,

"(B) there shall be excluded—

"(i) the amount of the tax imposed by this subchapter,

"(ii) if stated as a separate charge, the amount of any retail sales tax imposed by any State or political subdivision thereof or the District of Columbia, whether the liability for such tax is imposed on the vendor or vendee, and

"(iii) the value of any component of such passenger vehicle if—

"(I) such component is furnished by the 1st user of such passenger vehicle, and

"(II) such component has been used before such furnishing, and

"(C) the price shall be determined without regard to any trade-in.

"(2) OTHER RULES.—Rules similar to the rules of paragraphs (2) and (4) of section 4052(b) shall apply for purposes of this subchapter.

"SEC. 4003. SPECIAL RULES.

"(a) SEPARATE PURCHASE OF VEHICLE AND PARTS AND ACCESSORIES THEREFOR.—Under regulations prescribed by the Secretary—

"(1) IN GENERAL.—Except as provided in paragraph (2), if—

"(A) the owner, lessee, or operator of any passenger vehicle installs (or causes to be installed) any part or accessory on such vehicle, and

"(B) such installation is not later than the date 6 months after the date the vehicle was 1st placed in service,

then there is hereby imposed on such installation a tax equal to 10 percent of the price of such part or accessory and its installation.

"(2) LIMITATION.—The tax imposed by paragraph (1) on the installation of any part or accessory shall not exceed 10 percent of the excess (if any) of—

"(A) the sum of—

"(i) the price of such part or accessory and its installation,

"(ii) the aggregate price of the parts and accessories (and their installation) installed before such part or accessory, plus

"(iii) the price for which the passenger vehicle was sold, over

"(B) $30,000.

"(3) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) the part or accessory installed is a replacement part or accessory,

"(B) the part or accessory is installed to enable or assist an individual with a disability to operate the vehicle, or to enter or exit the vehicle, by compensating for the effect of such disability, or

"(C) the aggregate price of the parts and accessories (and their installation) described in paragraph (1) with respect to the vehicle does not exceed $200 (or such other amount or amounts as the Secretary may by regulation prescribe).

The price of any part or accessory (and its installation) to which paragraph (1) does not apply by reason of this paragraph shall not be taken into account under paragraph (2)(A).

"(4) INSTALLERS SECONDARILY LIABLE FOR TAX.—The owners of the trade or business installing the parts or accessories shall be secondarily liable for the tax imposed by this subsection.

"(b) IMPOSITION OF TAX ON SALES, ETC., WITHIN 2 YEARS OF VEHICLES PURCHASED TAX-FREE.—

"(1) IN GENERAL.—If—

"(A) no tax was imposed under this subchapter on the 1st retail sale of any passenger vehicle by reason of its exempt use, and

"(B) within 2 years after the date of such 1st retail sale, such vehicle is resold by the purchaser or such purchaser makes a substantial nonexempt use of such vehicle,

then such sale or use of such vehicle by such purchaser shall be treated as the 1st retail sale of such vehicle for a price equal to its fair market value at the time of such sale or use.

"(2) EXEMPT USE.—For purposes of this subsection, the term 'exempt use' means any use of a vehicle if the 1st retail sale of such vehicle is not taxable under this subchapter by reason of such use.

"(c) PARTS AND ACCESSORIES SOLD WITH TAXABLE PASSENGER VEHICLE.—Parts and accessories sold on, in connection with, or with the sale of any passenger vehicle shall be treated as part of the vehicle.

"(d) PARTIAL PAYMENTS, ETC.—In the case of a contract, sale, or arrangement described in paragraph (2), (3), or (4) of section 4216(c), rules similar to the rules of section 4217(e)(2) shall apply for purposes of this subchapter."

(b) TECHNICAL AMENDMENTS.—

(1) Subsection (c) of section 4221 is amended by striking "4002(b), 4003(c), 4004(a)" and inserting "4001(d)".

(2) Subsection (d) of section 4222 is amended by striking "4002(b), 4003(c), 4004(a)" and inserting "4001(d)".

(3) The table of subchapters for chapter 31 is amended by striking the item relating to subchapter A and inserting the following:

"Subchapter A. Luxury passenger vehicles."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1993.

SEC. 8162. EXEMPTION FROM LUXURY EXCISE TAX FOR CERTAIN EQUIPMENT INSTALLED ON PASSENGER VEHICLES FOR USE BY DISABLED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (3) of section 4004(b) (relating to separate purchase of article and parts and accessories therefor), as in effect on the day before the date of the enactment of this Act, is amended—

(1) by striking "or" at the end of subparagraph (A),

(2) by redesignating subparagraph (B) as subparagraph (C),

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) the part or accessory is installed on a passenger vehicle to enable or assist an individual with a disability to operate the vehicle, or to enter or exit the vehicle, by compensating for the effect of such disability, or", and

(4) by inserting after subparagraph (C) the following flush sentence:

"The price of any part or accessory (and its installation) to which paragraph (1) does not apply by reason of this paragraph shall not be taken into account under paragraph (2)(A)."

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 11221(a) of the Omnibus Budget Reconciliation Act of 1990.

(c) PERIOD FOR FILING CLAIMS.—If refund or credit of any overpayment of tax resulting from the application of the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), refund or credit of such overpayment (to the extent attributable to such amendments) may, nevertheless, be made or allowed if claim therefor is filed before the close of such 1-year period.

SEC. 8163. TAX ON DIESEL FUEL USED IN NONCOMMERCIAL BOATS.

(a) GENERAL RULE.—

(1) Paragraph (2) of section 4092(a) (defining diesel fuel) is amended by striking "or a diesel-powered train" and inserting ", a diesel-powered train, or a diesel-powered boat".

(2) Paragraph (1) of section 4041(a) is amended—

(A) by striking "diesel-powered highway vehicle" each place it appears and inserting "diesel-powered highway vehicle or diesel-powered boat", and

(B) by striking "such vehicle" and inserting "such vehicle or boat".

(3) Subparagraph (B) of section 4092(b)(1) is amended by striking "commercial and noncommercial vessels" each place it appears and inserting "vessels for use in an off-highway business use (as defined in section 6421(e)(2)(B))".

(b) EXEMPTION FOR USE IN FISHERIES OR COMMERCIAL NAVIGATION.—Subparagraph (B) of section 6421(e)(2) is amended to read as follows:

"(B) USES IN BOATS.—

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'off-highway business use' does not include any use in a motorboat.

"(ii) FISHERIES AND WHALING.—The term 'off-highway business use' shall include any use in a vessel employed in the fisheries or in the whaling business.

"(iii) EXCEPTION FOR DIESEL FUEL.—The term 'off-highway business use' shall include the use of diesel fuel in a boat in the active conduct of—

"(I) a trade or business of commercial fishing or transporting persons or property for compensation or hire, or

"(II) any other trade or business, except that this subclause shall not apply to noncommercial uses described in clause (iv) during a taxable period.

"(iv) TAXABLE PERIODS FOR NONCOMMERCIAL BOATS.—In the case of any use of diesel fuel in a boat used predominantly in any activity which is of a type generally considered to constitute entertainment, amusement, or recreation, the taxable period for purposes of clause (iii)(II) shall be—

"(I) in the case so much of the tax under section 4091 as is attributable to 4.3 cents of the diesel fuel deficit reduction rate imposed under such section, any period beginning after September 30, 1993, and

"(II) in the case so much of the tax under section 4091 as is not described in subclause (I) the period beginning after January 1, 1994, and ending on December 31, 1999.

(c) RETENTION OF TAXES IN GENERAL FUND.—

(1) TAXES IMPOSED AT HIGHWAY TRUST FUND FINANCING RATE.—Paragraph (4) of section 9503(b) (relating to transfers to Highway Trust Fund) is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by striking the period at the end of subparagraph (B) and inserting ", and", and

(C) by adding at the end thereof the following new subparagraph:

"(C) there shall not be taken into account the taxes imposed by sections 4041 and 4091 on diesel fuel sold for use or used as fuel in a diesel-powered boat."

(2) TAXES IMPOSED AT LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.—Subsection (b) of section 9508 (relating to transfers to Leaking Underground Storage Tank Trust Fund) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, there shall not be taken into account the taxes imposed by sections 4041 and 4091 on diesel fuel sold for use or used as fuel in a diesel-powered boat."

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on October 1, 1993.

(2) SPECIAL RULE.—No tax shall be imposed before January 1, 1994, under section 4091 of the Internal Revenue Code of 1986 by reason of the amendments made by this section, other than the portion of such tax as is attributable to 4.3 cents of the diesel fuel deficit reduction rate imposed by such section.

PART VI—OTHER CHANGES

SEC. 8171. ALTERNATIVE MINIMUM TAX TREATMENT OF CONTRIBUTIONS OF APPRECIATED PROPERTY.

(a) REPEAL OF TAX PREFERENCE.—Subsection (a) of section 57 is amended by striking paragraph (6) (relating to appreciated property charitable deduction) and by redesignating paragraph (7) as paragraph (6).

(b) EFFECT ON ADJUSTED CURRENT EARNINGS.—Paragraph (4) of section 56(g) is amended by adding at the end thereof the following new subparagraph:

"(J) TREATMENT OF CHARITABLE CONTRIBUTIONS.—Notwithstanding subparagraphs (B) and (C), no adjustment related to the earnings and profits effects of any charitable contribution shall be made in computing adjusted current earnings."

(c) CONFORMING AMENDMENT.—Subclause (II) of section 53(d)(1)(B)(ii) is amended by striking "(5) and (6)" and inserting "(5)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after June 30, 1992, except that in the case of any contribution of capital gain property which is not tangible personal property, such amendments shall apply only if the contribution is made after December 31, 1992.

SEC. 8172. SUBSTANTIATION REQUIREMENT FOR DEDUCTION OF CERTAIN CHARITABLE CONTRIBUTIONS.

(a) SUBSTANTIATION REQUIREMENT.—Section 170(f) (providing special rules relating to the deduction of charitable contributions and gifts) is amended by adding at the end the following new paragraph:

"(8) SUBSTANTIATION REQUIREMENT FOR CERTAIN CONTRIBUTIONS.—

"(A) GENERAL RULE.—No deduction shall be allowed under subsection (a) for any contribution of $250 or more unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgment of the contribution by the donee organization that meets the requirements of subparagraph (B).

"(B) CONTENT OF ACKNOWLEDGMENT.—

"(i) IN GENERAL.—An acknowledgment meets the requirements of this subparagraph if it provides information sufficient to substantiate the amount of the deductible contribution. Nothing in this clause shall be construed as requiring the donee organization to estimate the value of a noncash contribution.

"(ii) QUID PRO QUO CONTRIBUTIONS.—If the contribution was made by means of a payment part of which constituted consideration for goods or services provided by the donee organization, the acknowledgment must provide a good faith estimate of the value of such goods or services. The preceding sentence shall not apply to any payment made to an organization, organized exclusively for religious purposes, in return for which the taxpayer receives solely an intangible religious benefit that generally is not sold in a commercial transaction outside the donative context.

"(C) CONTEMPORANEOUS.—For purposes of subparagraph (A), an acknowledgment shall be considered to be contemporaneous if the taxpayer obtains the acknowledgment on or before the earlier of—

"(i) the date on which the taxpayer files a return for the taxable year in which the contribution was made, or

"(ii) the due date (including extensions) for filing such return.

"(D) SUBSTANTIATION NOT REQUIRED FOR CONTRIBUTIONS REPORTED BY THE DONEE ORGANIZATION.—Subparagraph (A) shall not apply to a contribution if the donee organization files a return, on such form and in accordance with such regulations as the Secretary may prescribe, which includes the information described in subparagraph (B) with respect to the contribution.

"(E) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations that may provide that some or all of the requirements of this paragraph do not apply in appropriate cases."

(b) EFFECTIVE DATE.—The provisions of this section shall apply to contributions made on or after January 1, 1994.

SEC. 8173. DISCLOSURE RELATED TO QUID PRO QUO CONTRIBUTIONS.

(a) DISCLOSURE REQUIREMENT.—Subchapter B of chapter 61 (relating to information and returns) is amended by redesignating section 6115 as section 6116 and by inserting after section 6114 the following new section:

"SEC. 6115. DISCLOSURE RELATED TO QUID PRO QUO CONTRIBUTIONS.

"(a) DISCLOSURE REQUIREMENT.—If an organization described in section 170(c) (other than paragraph (1) thereof) receives a quid pro quo contribution in excess of $75, the organization shall, in connection with the solicitation or receipt of the contribution, provide a written statement which—

"(1) informs the donor that the amount of the contribution that is deductible for Federal income tax purposes is limited to the excess of the amount of any money and the value of any property other than money contributed by the donor over the value of the goods or services provided by the organization, and

"(2) provides the donor with a good faith estimate of the value of such goods or services.

"(b) QUID PRO QUO CONTRIBUTION.—For purposes of this section, the term 'quid pro quo contribution' means a payment made partly as a contribution and partly in consideration for goods or services provided to the payor by the donee organization. A quid pro quo contribution does not include any payment made to an organization, organized exclusively for religious purposes, in return for which the taxpayer receives solely an intangible religious benefit that generally is not sold in a commercial transaction outside the donative context."

(b) PENALTY FOR FAILURE TO DISCLOSE.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6713 the following new section:

"SEC. 6714. FAILURE TO MEET DISCLOSURE REQUIREMENTS APPLICABLE TO QUID PRO QUO CONTRIBUTIONS.

"(a) IMPOSITION OF PENALTY.—If an organization fails to meet the disclosure requirement of section 6115 with respect to a quid pro quo contribution, such organization shall pay a penalty of $10 for each contribution in respect of which the organization fails to make the required disclosure, except that the total penalty imposed by this subsection with respect to a particular fundraising event or mailing shall not exceed $5,000.

"(b) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this section with respect to any failure if it is shown that such failure is due to reasonable cause."

(c) CLERICAL AMENDMENTS.—

(1) The table for subchapter B of chapter 61 is amended by striking the item relating to section 6115 and inserting the following new items:

"Sec. 6115. Disclosure related to quid pro quo contributions.

"Sec. 6116. Cross reference."

(2) The table for part I of subchapter B of chapter 68 is amended by inserting after the item for section 6713 the following new item:

"Sec. 6714. Failure to meet disclosure requirements applicable to quid pro quo contributions."

(d) EFFECTIVE DATE.—The provisions of this section shall apply to quid pro quo contributions made on or after January 1, 1994.

SEC. 8174. CERTAIN TRANSFERS TO RAILROAD RETIREMENT ACCOUNT MADE PERMANENT.

Subsection (c)(1)(A) of section 224 of the Railroad Retirement Solvency Act of 1983 (relating to section 72(r) revenue increase transferred to certain railroad accounts) is amended by striking "with respect to benefits received before October 1, 1992".

SEC. 8175. TEMPORARY EXTENSION OF DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—

(1) EXTENSION.—Paragraph (6) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended by striking "June 30, 1992" and inserting "December 31, 1993".

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 110(a) of the Tax Extension Act of 1991 is hereby repealed.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after June 30, 1992.

(b) DETERMINATION OF ELIGIBILITY FOR EMPLOYER-SPONSORED HEALTH PLAN.—

(1) IN GENERAL.—Paragraph (2)(B) of section 162(l) is amended to read as follows:

"(B) OTHER COVERAGE.—Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1992.

Part VII—Investment in Indian Reservations

SEC. 8181. INVESTMENT TAX CREDIT FOR PROPERTY ON INDIAN RESERVATIONS.

(a) ALLOWANCE OF INDIAN RESERVATION CREDIT.—Section 46 (relating to investment credits) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding after paragraph (3) the following new paragraph:

"(4) the Indian reservation credit."

(b) AMOUNT OF INDIAN RESERVATION CREDIT.—

(1) IN GENERAL.—Section 48 (relating to the energy credit and the reforestation credit) is amended by adding after subsection (b) the following new subsection:

"(c) INDIAN RESERVATION CREDIT.—

"(1) IN GENERAL.—For purposes of section 46, the Indian reservation credit for any taxable year is the Indian reservation percentage of the qualified investment in qualified Indian reservation property placed in service during such taxable year, determined in accordance with the following table:

"In the case of qualified Indian reservation property which is:	**The Indian reservation percentage is:**
Reservation personal property	10
New reservation construction property	15
Reservation infrastructure investment	15.

"(2) QUALIFIED INVESTMENT IN QUALIFIED INDIAN RESERVATION PROPERTY DEFINED.—For purposes of this subpart—

"(A) IN GENERAL.—The term 'qualified Indian reservation property' means property—

"(i) which is—

"(I) reservation personal property,

"(II) new reservation construction property, or

"(III) reservation infrastructure investment, and

"(ii) not acquired (directly or indirectly) by the taxpayer from a person who is related to the taxpayer (within the meaning of section 465(b)(3)(C)).

The term 'qualified Indian reservation property' does not include any property (or any portion thereof) placed in service for purposes of conducting or housing class I, II, or III gaming (as defined in section 4 of the Indian Regulatory Act (25 U.S.C. 2703)).

"(B) QUALIFIED INVESTMENT.—The term 'qualified investment' means—

"(i) in the case of reservation infrastructure investment, the amount expended by the taxpayer for the acquisition or construction of the reservation infrastructure investment; and

"(ii) in the case of all other qualified Indian reservation property, the taxpayer's basis for such property.

"(C) RESERVATION PERSONAL PROPERTY.—The term 'reservation personal property' means qualified personal property which is used by the taxpayer predominantly in the active conduct of a trade or business within an Indian reservation. Property shall not be treated as 'reservation personal property' if it is used or located outside the Indian reservation on a regular basis.

"(D) QUALIFIED PERSONAL PROPERTY.—The term 'qualified personal property' means property—

"(i) for which depreciation is allowable under section 168,

"(ii) which is not—

"(I) nonresidential real property,

"(II) residential rental property, or

"(III) real property which is not described in (I) or (II) and which has a class life of more than 12.5 years.

For purposes of this subparagraph, the terms 'nonresidential real property', 'residential rental property', and 'class life' have the respective meanings given such terms by section 168.

"(E) NEW RESERVATION CONSTRUCTION PROPERTY.—The term 'new reservation construction property' means qualified real property—

"(i) which is located in an Indian reservation,

"(ii) which is used by the taxpayer predominantly in the active conduct of a trade or business within an Indian reservation, and

"(iii) which is originally placed in service by the taxpayer.

"(F) QUALIFIED REAL PROPERTY.—The term 'qualified real property' means property for which depreciation is allowable under section 168 and which is described in clause (I), (II), or (III) of subparagraph (D)(ii).

"(G) RESERVATION INFRASTRUCTURE INVESTMENT.—

"(i) IN GENERAL.—The term 'reservation infrastructure investment' means qualified personal property or qualified real property which—

"(I) benefits the tribal infrastructure,

"(II) is available to the general public, and

"(III) is placed in service in connection with the taxpayer's active conduct of a trade or business within an Indian reservation.

"(ii) PROPERTY MAY BE LOCATED OUTSIDE THE RESERVATION.—Qualified personal property and qualified real property used or located outside an Indian reservation shall be reservation infrastructure investment only if its purpose is to connect to existing tribal infrastructure in the reservation, and shall include, but not be limited to, roads, power lines, water systems, railroad spurs, and communications facilities.

"(H) COORDINATION WITH OTHER CREDITS.—The term 'qualified Indian reservation property' shall not include any property with respect to which the energy credit or the rehabilitation credit is allowed.

"(3) REAL ESTATE RENTALS.—For purposes of this section, the rental to others of real property located within an Indian reservation shall be treated as the active conduct of a trade or business in an Indian reservation.

"(4) INDIAN RESERVATION DEFINED.—For purposes of this subpart, the term 'Indian reservation' means a reservation, as defined in—

"(A) section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)), or

"(B) section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)).

"(5) LIMITATION BASED ON UNEMPLOYMENT.—

"(A) GENERAL RULE.—The Indian reservation credit allowed under section 46 for any taxable year shall equal—

"(i) if the Indian unemployment rate on the applicable Indian reservation for which the credit is sought exceeds 300 percent of the national average unemployment rate at any time during the calendar year in which the property is placed in service or during the immediately preceding 2 calendar years, 100 percent of such credit,

"(ii) if such Indian unemployment rate exceeds 150 percent but not 300 percent, 50 percent of such credit, and

"(iii) if such Indian unemployment rate does not exceed 150 percent, 0 percent of such credit.

"(B) SPECIAL RULE FOR LARGE PROJECTS.—In the case of a qualified Indian reservation property which has (or is a component of a project which has) a projected construction period of more than 2 years or a cost of more than $1,000,000, subparagraph (A) shall apply by substituting 'during the earlier of the calendar year in which the taxpayer enters into a binding agreement to make a qualified investment or the first calendar year in which the taxpayer has expended at least 10 percent of the taxpayer's qualified investment, or the preceding calendar year' for 'during the calendar year in which the property is placed in service or during the immediately preceding 2 calendar years'.

"(C) DETERMINATION OF INDIAN UNEMPLOYMENT.—For purposes of this paragraph, with respect to any Indian reservation, the Indian unemployment rate shall be based upon Indians unemployed and able to work, and shall be certified by the Secretary of the Interior.

"(6) COORDINATION WITH NONREVENUE LAWS.—Any reference in this subsection to a provision not contained in this title shall be treated for purposes of this subsection as a reference to such provision as in effect on the date of the enactment of this paragraph."

(2) LODGING TO QUALIFY.—Paragraph (2) of section 50(b) (relating to property used for lodging) is amended—

(A) by striking "and" at the end of subparagraph (C),

(B) by striking the period at the end of subparagraph (D) and inserting "; and" and

(C) by adding at the end thereof the following subparagraph:

"(E) new reservation construction property."

(c) RECAPTURE.—Subsection (a) of section 50 (relating to recapture in case of dispositions, etc.), is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULES FOR INDIAN RESERVATION PROPERTY.—

"(A) IN GENERAL.—If, during any taxable year, property with respect to which the taxpayer claimed an Indian reservation credit—

"(i) is disposed of, or

"(ii) in the case of reservation personal property—

"(I) otherwise ceases to be investment credit property with respect to the taxpayer, or

"(II) is removed from the Indian reservation, converted or otherwise ceases to be Indian reservation property,

the tax under this chapter for such taxable year shall be increased by the amount described in subparagraph (B).

"(B) AMOUNT OF INCREASE.—The increase in tax under subparagraph (A) shall equal the aggregate decrease in the credits allowed under section 38 by reason of section 48(c) for all prior taxable years which would have resulted had the qualified investment taken into account with respect to the property been limited to an amount which bears the same ratio to the qualified investment with respect to such property as the period such property was held by the taxpayer bears to the applicable recovery period under section 168(g).

"(C) COORDINATION WITH OTHER RECAPTURE PROVISIONS.—In the case of property to which this paragraph applies, paragraph (1) shall not apply and the rules of paragraphs (3), (4), and (5) shall apply."

(d) BASIS ADJUSTMENT TO REFLECT INVESTMENT CREDIT.—Paragraph (3) of section 50(c) (relating to basis adjustment to investment credit property) is amended by striking "energy credit or reforestation credit'' and inserting ''energy credit, reforestation credit or Indian reservation credit other than with respect to any expenditure for new reservation construction property''.

(e) CERTAIN GOVERNMENTAL USE PROPERTY TO QUALIFY.—Paragraph (4) of section 50(b) (relating to property used by governmental units or foreign persons or entities) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and inserting after subparagraph (C) the following new subparagraph:

''(D) EXCEPTION FOR RESERVATION INFRASTRUCTURE INVESTMENT.—This paragraph shall not apply for purposes of determining the Indian reservation credit with respect to reservation infrastructure investment.''

(f) APPLICATION OF AT-RISK RULES.—Subparagraph (C) of section 49(a)(1) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) the qualified investment in qualified Indian reservation property.''

(g) CLERICAL AMENDMENTS.—

(1) Section 48 is amended by striking the heading and inserting the following:

"SEC. 48. ENERGY CREDIT; REFORESTATION CREDIT; INDIAN RESERVATION CREDIT."

(2) The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by striking out the item relating to section 48 and inserting the following:

''Sec. 48. Energy credit; reforestation credit; Indian reservation credit.''

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 1993.

SEC. 8182. INDIAN EMPLOYMENT CREDIT.

(a) ALLOWANCE OF INDIAN EMPLOYMENT CREDIT.—Section 38(b) (relating to general business credits) is amended by striking ''plus'' at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting '', plus'', and by adding after paragraph (7) the following new paragraph:

''(8) the Indian employment credit as determined under section 45(a).''

(b) AMOUNT OF INDIAN EMPLOYMENT CREDIT.—Subpart D of Part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end thereof the following new section:

"SEC. 45. INDIAN EMPLOYMENT CREDIT.

''(a) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—For purposes of section 38, the amount of the Indian employment credit determined under this section with respect to any employer for any taxable year is 10 percent (30 percent in the case of an employer with at least 85 percent Indian employees throughout the taxable year) of the sum of—

''(A) the qualified wages paid or incurred during such taxable year, plus

''(B) qualified employee health insurance costs paid or incurred during such taxable year.

In no event shall the amount of the Indian employment credit for any taxable year exceed the credit limitation amount determined under subsection (e) for such taxable year.

''(2) INDIAN EMPLOYEE.—For purposes of paragraph (1), the term 'Indian employee' means an employee who is an enrolled member of an Indian tribe or the spouse of such a member.

''(b) QUALIFIED WAGES; QUALIFIED EMPLOYEE HEALTH INSURANCE COSTS.—For purposes of this section—

''(1) QUALIFIED WAGES.—

''(A) IN GENERAL.—The term 'qualified wages' means any wages paid or incurred by an employer for services performed by an employee while such employee is a qualified employee.

''(B) COORDINATION WITH TARGETED JOBS CREDIT.—The term 'qualified wages' shall not include wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer if any portion of such wages is taken into account in determining the credit under section 51.

''(2) QUALIFIED EMPLOYEE HEALTH INSURANCE COSTS.—

''(A) IN GENERAL.—The term 'qualified employee health insurance costs' means any amount paid or incurred by an employer for health insurance to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

''(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

''(c) QUALIFIED EMPLOYEE.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'qualified employee' means, with respect to any period, any employee of an employer if—

''(A) substantially all of the services performed during such period by such employee for such employer are performed within an Indian reservation,

''(B) the principal place of abode of such employee while performing such services is on or near the reservation in which the services are performed, and

''(C) the employee began work for such employer on or after January 1, 1994.

''(2) CREDIT ALLOWED ONLY FOR FIRST 7 YEARS.—An employee shall not be treated as a qualified employee for any period after the date 7 years after the day on which such employee first began work for the employer.

''(3) INDIVIDUALS RECEIVING WAGES IN EXCESS OF $30,000 NOT ELIGIBLE.—An employee shall not be treated as a qualified employee for any taxable year of the employer if the total amount of the wages paid or incurred by such employer to such employee during such taxable year (whether or not for services within an Indian reservation) exceeds the amount determined at an annual rate of $30,000. The Secretary shall adjust the $30,000 amount contained in the preceding sentence for years beginning after 1993 at the same time and in the same manner as under section 415(d).

''(4) EMPLOYMENT MUST BE TRADE OR BUSINESS EMPLOYMENT.—An employee shall be treated as a qualified employee for any taxable year of the employer only if more than 50 percent of the wages paid or incurred by the employer to such employee during such taxable year are for services performed in a trade or business of the employer. Any determination as to whether the preceding sentence applies with respect to any employee for any taxable year shall be made without regard to subsection (f)(2).

''(5) CERTAIN EMPLOYEES NOT ELIGIBLE.—The term 'qualified employee' shall not include—

''(A) any individual described in subparagraph (A), (B), or (C) of section 51(i)(1),

''(B) any 5-percent owner (as defined in section 416(i)(1)(B)),

''(C) any individual who is neither an enrolled member of an Indian tribe nor the spouse of an enrolled member of an Indian tribe, and

''(D) any individual if the services performed by such individual for the employer involve the conduct of class I, II, or III gaming as defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703), or are performed in a building housing such gaming activity.

''(6) INDIAN TRIBE DEFINED.—The term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village, or regional or village corporation, as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

''(7) INDIAN RESERVATION DEFINED.—The term 'Indian reservation' means a reservation, as defined in—

''(A) section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)), or

''(B) section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903 (10)).

''(d) EARLY TERMINATION OF EMPLOYMENT BY EMPLOYER.—

''(1) IN GENERAL.—If the employment of any employee is terminated by the taxpayer before the day 1 year after the day on which such employee began work for the employer—

''(A) no wages (or qualified employee health insurance costs) with respect to such employee shall be taken into account under subsection (a) for the taxable year in which such employment is terminated, and

''(B) the tax under this chapter for the taxable year in which such employment is terminated shall be increased by the aggregate credits (if any) allowed under section 38(a) for prior taxable years by reason of wages (or qualified employee health insurance costs) taken into account with respect to such employee.

''(2) CARRYBACKS AND CARRYOVERS ADJUSTED.—In the case of any termination of employment to which paragraph (1) applies, the carrybacks and carryovers under section 39 shall be properly adjusted.

''(3) SUBSECTION NOT TO APPLY IN CERTAIN CASES.—

''(A) IN GENERAL.—Paragraph (1) shall not apply to—

''(i) a termination of employment of an employee who voluntarily leaves the employment of the taxpayer,

''(ii) a termination of employment of an individual who before the close of the period referred to in paragraph (1) becomes disabled to perform the services of such employment unless such disability is removed before the close of such period and the taxpayer fails to offer reemployment to such individual, or

''(iii) a termination of employment of an individual if it is determined under the applicable State unemployment compensation law that the termination was due to the misconduct of such individual.

''(B) CHANGES IN FORM OF BUSINESS.—For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated—

''(i) by a transaction to which section 381(a) applies if the employee continues to be employed by the acquiring corporation, or

''(ii) by reason of a mere change in the form of conducting the trade or business of the taxpayer if the employee continues to be employed in such trade or business and the taxpayer retains a substantial interest in such trade or business.

''(4) SPECIAL RULE.—Any increase in tax under paragraph (1) shall not be treated as a tax imposed by this chapter for purposes of—

''(A) determining the amount of any credit allowable under this chapter, and

''(B) determining the amount of the tax imposed by section 55.

''(e) CREDIT LIMITATION AMOUNT.—For purposes of this section—

''(1) CREDIT LIMITATION AMOUNT.—The credit limitation amount for a taxable year shall be an amount equal to the credit rate (10 or 30 percent as determined under subsection (a)) multiplied by the increased credit base.

"(2) INCREASED CREDIT BASE.—The increased credit base for a taxable year shall be the excess of—

"(A) the sum of any qualified wages and qualified employee health insurance costs paid or incurred by the employer during the taxable year with respect to employees whose wages (paid or incurred by the employer) during the taxable year do not exceed the amount determined under paragraph (3) of subsection (c), over

"(B) the sum of any qualified wages and qualified employee health insurance costs paid or incurred by the employer (or any predecessor) during calendar year 1993 with respect to employees whose wages (paid or incurred by the employer or any predecessor) during 1993 did not exceed $30,000.

"(3) SPECIAL RULE FOR SHORT TAXABLE YEARS.—For any taxable year having less than 12 months—

"(A) the amounts paid or incurred by the employer shall be annualized for purposes of determining the increased credit base, and

"(B) the credit limitation amount shall be multiplied by a fraction, the numerator of which is the number of days in the taxable year and the denominator of which is 365.

"(f) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) WAGES.—The term 'wages' has the same meaning given to such term in section 51.

"(2) CONTROLLED GROUPS.—

"(A) All employers treated as a single employer under section (a) or (b) of section 52 shall be treated as a single employer for purposes of this section.

"(B) The credit (if any) determined under this section with respect to each such employer shall be its proportionate share of the wages and qualified employee health insurance costs giving rise to such credit.

"(3) CERTAIN OTHER RULES MADE APPLICABLE.—Rules similar to the rules of section 51(k) and subsections (c), (d), and (e) of section 52 shall apply.

"(4) COORDINATION WITH NONREVENUE LAWS.—Any reference in this section to a provision not contained in this title shall be treated for purposes of this section as a reference to such provision as in effect on the date of the enactment of this paragraph."

(c) DENIAL OF DEDUCTION FOR PORTION OF WAGES EQUAL TO INDIAN EMPLOYMENT CREDIT.—

(1) Subsection (a) of section 280C (relating to rule for targeted jobs credit) is amended by striking "51(a)" and inserting "45(a), 51(a), and".

(2) Subsection (c) of section 196 (relating to deduction for certain unused business credits) is amended by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ", and", and by adding at the end the following new paragraph:

"(7) the Indian employment credit determined under section 45(a)."

(d) DENIAL OF CARRYBACKS TO PREENACTMENT YEARS.—Subsection (d) of section 39 is amended by adding at the end thereof the following new paragraph:

"(4) NO CARRYBACK OF SECTION 45 CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the Indian employment credit determined under section 45 may be carried to a taxable year ending before the date of the enactment of section 45."

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following:

"Sec. 45. Indian employment credit."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid or incurred after December 31, 1993.

Subtitle B—Revenue Increases

PART I—PROVISIONS AFFECTING INDIVIDUALS

Subpart A—Rate Increases

SEC. 8201. INCREASE IN TOP MARGINAL RATE UNDER SECTION 1.

(a) GENERAL RULE.—Section 1 (relating to tax imposed) is amended by striking subsections (a) through (e) and inserting the following:

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 7703) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $36,900	15% of taxable income.
Over $36,900 but not over $89,150.	$5,535, plus 28% of the excess over $36,900.
Over $89,150 but not over $140,000.	$20,165, plus 31% of the excess over $89,150.
Over $140,000	$35,928.50, plus 36% of the excess over $140,000.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $29,600	15% of taxable income.
Over $29,600 but not over $76,400.	$4,440, plus 28% of the excess over $29,600.
Over $76,400 but not over $127,500.	$17,544, plus 31% of the excess over $76,400.
Over $127,500	$33,385, plus 36% of the excess over $127,500.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 7703) a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $22,100	15% of taxable income.
Over $22,100 but not over $53,500.	$3,315, plus 28% of the excess over $22,100.
Over $53,500 but not over $115,000.	$12,107, plus 31% of the excess over $53,500.
Over $115,000	$31,172, plus 36% of the excess over $115,000.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 7703) who does not make a single return jointly with his spouse under section 6013, a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $18,450	15% of taxable income.
Over $18,450 but not over $44,575.	$2,767.50, plus 28% of the excess over $18,450.
Over $44,575 but not over $70,000.	$10,082.50, plus 31% of the excess over $44,575.
Over $70,000	$17,964.25, plus 36% of the excess over $70,000.

"(e) ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of—

"(1) every estate, and

"(2) every trust,

taxable under this subsection a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $1,500	15% of taxable income.
Over $1,500 but not over $3,500.	$225, plus 28% of the excess over $1,500.
Over $3,500 but not over $5,500.	$785, plus 31% of the excess over $3,500.
Over $5,500	$1,405, plus 36% of the excess over $5,500."

(b) CONFORMING AMENDMENTS.—

(1) Section 531 is amended by striking "28 percent" and inserting "36 percent".

(2) Section 541 is amended by striking "28 percent" and inserting "36 percent".

(3)(A) Subsection (f) of section 1 is amended—

(i) by striking "1990" in paragraph (1) and inserting"1993", and

(ii) by striking "1989" in paragraph (3)(B) and inserting "1992".

(B) Subsection (f) of section 1 is amended by adding at the end thereof the following new paragraph:

"(7) SPECIAL RULE FOR CERTAIN BRACKETS.—

"(A) CALENDAR YEAR 1994.—In prescribing the tables under paragraph (1) which apply with respect to taxable years beginning in calendar year 1994, the Secretary shall make no adjustment to the dollar amounts at which the 36 percent rate bracket begins or at which the 39.6 percent rate begins under any table contained in subsection (a), (b), (c), (d), or (e).

"(B) LATER CALENDAR YEARS.—In prescribing tables under paragraph (1) which apply with respect to taxable years beginning in a calendar year after 1994, the cost-of-living adjustment used in making adjustments to the dollar amounts referred to in subparagraph (A) shall be determined under paragraph (3) by substituting '1993' for '1992'."

(C) Subparagraph (C) of section 41(e)(5) is amended by striking "1989" each place it appears and inserting "1992".

(D) Subparagraph (B) of section 63(c)(4) is amended by striking "1989" and inserting "1992".

(E) Subparagraph (B) of section 68(b)(2) is amended by striking "1989" and inserting "1992".

(F) Subparagraph (B) of section 132(f)(6) is amended by striking ", determined by substituting" and all that follows down through the period at the end thereof and inserting a period.

(G) Subparagraphs (A)(ii) and (B)(ii) of section 151(d)(4) are each amended by striking "1989" and inserting "1992".

(H) Clause (ii) of section 513(h)(2)(C) is amended by striking "1989" and inserting "1992".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 8202. SURTAX ON HIGH-INCOME TAXPAYERS.

(a) GENERAL RULE.—

(1) Subsection (a) of section 1 (as amended by section 8201) is amended by striking the last item in the table contained therein and inserting the following:

"Over $140,000 but not over $250,000.	$35,928.50, plus 36% of the excess over $140,000.
Over $250,000	$75,528.50, plus 39.6% of the excess over $250,000."

(2) Subsection (b) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

"Over $127,500 but not over $250,000.	$33,385, plus 36% of the excess over $127,500.
Over $250,000	$77,485, plus 39.6% of the excess over $250,000."

(3) Subsection (c) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

"Over $115,000 but not over $250,000.	$31,172, plus 36% of the excess over $115,000.
Over $250,000	$79,772, plus 39.6% of the excess over $250,000."

(4) Subsection (d) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

"Over $70,000 but not over $125,000.	$17,964.25, plus 36% of the excess over $70,000.

Over $125,000	$37,764.25, plus 39.6% of the excess over $125,000."

(5) Subsection (e) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

"Over $5,500 but not over $7,500.	$1,405, plus 36% of the excess over $5,500.
Over $7,500	$2,125, plus 39.6% of the excess over $7,500."

(b) SURTAX ON NET CAPITAL GAINS.—Section 1(h) (relating to maximum capital gains rate) is amended by striking the period at the end of paragraph (2) and inserting ", plus", and by adding at the end the following new paragraph:

"(3) a tax of 2.8 percent of the lesser of—

"(A) the net capital gain, or

"(B) the amount of taxable income in excess of the dollar amount at which the last rate bracket begins for such taxable year in the table contained in subsection (a), (b), (c), (d), or (e), whichever is applicable."

(c) TECHNICAL AMENDMENT.—Sections 531 and 541 (as amended by section 8201) are each amended by striking "36 percent" and inserting "39.6 percent".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 8203. MODIFICATIONS TO ALTERNATIVE MINIMUM TAX RATES AND EXEMPTION AMOUNTS.

(a) INCREASE IN RATE.—Paragraph (1) of section 55(b) (defining tentative minimum tax) is amended to read as follows:

"(1) AMOUNT OF TENTATIVE TAX.—

"(A) NONCORPORATE TAXPAYERS.—

"(i) IN GENERAL.—In the case of a taxpayer other than a corporation, the tentative minimum tax for the taxable year is the sum of—

"(I) 26 percent of so much of the taxable excess as does not exceed $175,000, plus

"(II) 28 percent of so much of the taxable excess as exceeds $175,000.

The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

"(ii) TAXABLE EXCESS.—For purposes of clause (i), the term 'taxable excess' means so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

"(iii) MARRIED INDIVIDUAL FILING SEPARATE RETURN.—In the case of a married individual filing a separate return, clause (i) shall be applied by substituting '$87,500' for '$175,000' each place it appears. For purposes of the preceding sentence, marital status shall be determined under section 7703.

"(B) CORPORATIONS.—In the case of a corporation, the tentative minimum tax for the taxable year is—

"(i) 20 percent of so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount, reduced by

"(ii) the alternative minimum tax foreign tax credit for the taxable year."

(b) INCREASE IN EXEMPTION AMOUNTS.—Paragraph (1) of section 55(d) (defining exemption amount) is amended—

(1) by striking "$40,000" in subparagraph (A) and inserting "$45,000",

(2) by striking "$30,000" in subparagraph (B) and inserting "$33,750", and

(3) by striking "$20,000" in subparagraph (C) and inserting "$22,500".

(c) CONFORMING AMENDMENTS.—

(1) The last sentence of section 55(d)(3) is amended by striking "$155,000 or (ii) $20,000" and inserting "$165,000 or (ii) $22,500".

(2)(A) Subparagraph (A) of section 897(a)(2) is amended by striking "the amount determined under section 55(b)(1)(A) shall not be less than 21 percent of" and inserting "the taxable excess for purposes of section 55(b)(1)(A) shall not be less than".

(B) The heading for paragraph (2) of section 897(a) is amended by striking "21-PERCENT".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 8203A. RATE INCREASES NOT TO TAKE EFFECT UNTIL JULY 1, 1993.

(a) IN GENERAL.—Section 1 (relating to tax imposed) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULES FOR TAXABLE YEARS BEGINNING IN 1993.—

"(1) IN GENERAL.—In the case of taxable years beginning in calendar year 1993, each of the tables contained in subsections (a), (b), (c), (d), and (e) shall be applied—

"(A) by substituting '33.5 percent' for '36 percent',

"(B) by substituting '35.3 percent' for '39.6 percent', and

"(C) by substituting for the dollar amount of tax in the last rate bracket the dollar amount determined under the table contained in paragraph (2).

"(2) DOLLAR AMOUNT OF TAX.—The dollar amount substituted under paragraph (1) shall be determined as follows:

"In the case of:	The dollar amount is:
Subsection (a)	$72,778.50 for $75,528.50.
Subsection (b)	$74,422.50 for $77,485.00.
Subsection (c)	$76,397.00 for $79,772.00.
Subsection (d)	$36,389.25 for $37,764.25.
Subsection (e)	$2,075.00 for $2,125.00."

(b) CONFORMING AMENDMENTS.—

(1) Sections 531 and 541 (as amended by section 8202) are each amended by inserting "(35.3 percent in the case of taxable years beginning in calendar year 1993)" after "39.6 percent".

(2) Section 1(h)(3), as added by section 8202(b), is amended by inserting "(1.4 percent in the case of taxable years beginning in calendar year 1993)" after "2.8 percent".

(3) Paragraph (1) of section 55(b), as amended by section 8203, is amended by adding at the end the following new subparagraph:

"(C) SPECIAL RULES FOR 1993.—In the case of any taxable year beginning in the calendar year 1993, subparagraph (A)(i) shall be applied by substituting—

"(i) '25 percent' for '26 percent' in subclause (I), and

"(ii) '26 percent' for '28 percent' in subclause (II)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 8204. OVERALL LIMITATION ON ITEMIZED DEDUCTIONS FOR HIGH-INCOME TAXPAYERS MADE PERMANENT.

Subsection (f) of section 68 (relating to overall limitation on itemized deductions) is hereby repealed.

SEC. 8205. PHASEOUT OF PERSONAL EXEMPTION OF HIGH-INCOME TAXPAYERS MADE PERMANENT.

Section 151(d)(3) (relating to phaseout of personal exemption) is amended by striking subparagraph (E).

SEC. 8206. PROVISIONS TO PREVENT CONVERSION OF ORDINARY INCOME TO CAPITAL GAIN.

(a) INTEREST EMBEDDED IN FINANCIAL TRANSACTIONS.—

(1) IN GENERAL.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by adding at the end the following new section:

"SEC. 1258. RECHARACTERIZATION OF GAIN FROM CERTAIN FINANCIAL TRANSACTIONS.

"(a) GENERAL RULE.—In the case of any gain—

"(1) which (but for this section) would be treated as gain from the sale or exchange of a capital asset, and

"(2) which is recognized on the disposition or other termination of any position which was held as part of a conversion transaction,

such gain (to the extent such gain does not exceed the applicable imputed income amount) shall be treated as ordinary income.

"(b) APPLICABLE IMPUTED INCOME AMOUNT.—For purposes of subsection (a), the term 'applicable imputed income amount' means, with respect to any disposition or other termination referred to in subsection (a), an amount equal to—

"(1) the amount of interest which would have accrued on the taxpayer's net investment in the conversion transaction for the period ending on the date of such disposition or other termination (or, if earlier, the date on which the requirements of subsection (c) ceased to be satisfied) at a rate equal to 120 percent of the applicable rate, reduced by

"(2) the amount treated as ordinary income under subsection (a) with respect to any prior disposition or other termination of a position which was held as a part of such transaction.

The Secretary shall by regulations provide for such reductions in the applicable imputed income amount as may be appropriate by reason of amounts capitalized under section 263(g), ordinary income received, or otherwise.

"(c) CONVERSION TRANSACTION.—For purposes of this section, the term 'conversion transaction' means any transaction—

"(1) substantially all of the taxpayer's expected return from which is attributable to the time value of the taxpayer's net investment in such transaction, and

"(2) which is—

"(A) the holding of any property (whether or not actively traded), and the entering into a contract to sell such property (or substantially identical property) at a price determined in accordance with such contract, but only if such property was acquired and such contract was entered into on a substantially contemporaneous basis,

"(B) an applicable straddle,

"(C) any other transaction which is marketed or sold as producing capital gains and as a transaction described in paragraph (1), or

"(D) any other transaction specified in regulations prescribed by the Secretary.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) APPLICABLE STRADDLE.—The term 'applicable straddle' means any straddle (within the meaning of section 1092(c)); except that the term 'personal property' shall include stock.

"(2) APPLICABLE RATE.—The term 'applicable rate' means—

"(A) the applicable Federal rate determined under section 1274(d) (compounded semiannually) as if the conversion transaction were a debt instrument, or

"(B) if the term of the conversion transaction is indefinite, the Federal short-term rates in effect under section 6621(b) during the period of the conversion transaction (compounded daily).

"(3) TREATMENT OF BUILT-IN LOSSES.—

"(A) IN GENERAL.—If any position with a built-in loss becomes part of a conversion transaction—

"(i) for purposes of applying this subtitle to such position for periods after such position becomes part of such transaction, such position shall be taken into account at its fair market value as of the time it became part of such transaction, except that

"(ii) upon the disposition or other termination of such position in a transaction in which gain or loss is recognized, such built-in loss shall be recognized and shall have a character determined without regard to this section.

"(B) BUILT-IN LOSS.—For purposes of subparagraph (A), the term 'built-in loss' means the loss (if any) which would have been realized if *the position had been disposed of or otherwise terminated at its fair market value as of the time such position became part of such transaction.*

"(4) POSITION TAKEN INTO ACCOUNT AT FAIR MARKET VALUE.—In determining the taxpayer's net investment in any conversion transaction, there shall be included the fair market value of any position which becomes part of such transaction (determined as of the time such position became part of such transaction).

"(5) SPECIAL RULE FOR OPTIONS DEALERS AND COMMODITIES TRADERS.—

"(A) IN GENERAL.—Subsection (a) shall not apply to transactions —

"(i) of an options dealer in the normal course of the dealer's trade or business of dealing with options, or

"(ii) of a commodities trader in the normal course of the trader's trade or business of trading section 1256 contracts.

"(B) DEFINITIONS.—For purposes of this paragraph—

"(i) OPTIONS DEALER.—The term 'options dealer' has the meaning given such term by section 1256(g)(8).

"(ii) COMMODITIES TRADER.— The term 'commodities trader' means any person who is a member (or, to the extent provided in regulations, is entitled to trade as a member) of a domestic board of trade which is designated as a contract market by the Commodity Futures Trading Commission.

"(C) LIMITED PARTNERS AND LIMITED ENTREPRENEURS.—In the case of any gain from a transaction recognized by an entity which is allocable to a limited partner or limited entrepreneur (within the meaning of section 464(e)(2)), subparagraph (A) shall not apply if—

"(i) substantially all of the limited partner's (or limited entrepreneur's) expected return from the entity is attributable to the time value of the partner's (or entrepreneur's) net investment in such entity,

"(ii) the transaction (or the interest in the entity) was marketed or sold as producing capital gains treatment and as a transaction described in subsection (c)(1), or

"(iii) the transaction (or the interest in the entity) is a transaction (or interest) specified in regulations prescribed by the Secretary."

(2) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 1258. Recharacterization of gain from certain financial transactions."

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to conversion transactions entered into after April 30, 1993.

(b) REPEAL OF CERTAIN EXCEPTIONS TO MARKET DISCOUNT RULES.—

(1) MARKET DISCOUNT BONDS ISSUED ON OR BEFORE JULY 18, 1984.—The following provisions are hereby repealed:

(A) Section 1276(e).

(B) Section 1277(d).

(2) TAX-EXEMPT OBLIGATIONS.—

(A) IN GENERAL.—Paragraph (1) of section 1278(a) (defining market discount bond) is amended—

(i) by striking clause (ii) of subparagraph (B) and redesignating subclauses (iii) and (iv) of such subparagraph as clauses (ii) and (iii), respectively,

(ii) by redesignating subparagraph (C) as subparagraph (D), and

(iii) by inserting after subparagraph (B) the following new subparagraph:

"(C) SECTION 1277 NOT APPLICABLE TO TAX-EXEMPT OBLIGATIONS.—For purposes of section 1277, the term 'market discount bond' shall not include any tax-exempt obligation (as defined in section 1275(a)(3))."

(B) CONFORMING AMENDMENT.—Sections 1276(a)(4) and 1278(b)(1) are each amended by striking "sections 871(a)" and inserting "sections 103, 871(a),".

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations purchased (within the meaning of section 1272(d)(1) of the Internal Revenue Code of 1986) after April 30, 1993.

(c) TREATMENT OF STRIPPED PREFERRED STOCK.—

(1) IN GENERAL.—Section 305 is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) TREATMENT OF PURCHASER OF STRIPPED PREFERRED STOCK.—

"(1) IN GENERAL.—If any person purchases after April 30, 1993, any stripped preferred stock, then such person, while holding such stock, shall include in gross income amounts equal to the amounts which would have been so includible if such stripped preferred stock were a bond issued on the purchase date and having original issue discount equal to the excess, if any, of—

"(A) the redemption price for such stock, over

"(B) the price at which such person purchased such stock.

The preceding sentence shall also apply in the case of any person whose basis in such stock is determined by reference to the basis in the hands of such purchaser.

"(2) BASIS ADJUSTMENTS.—Appropriate adjustments to basis shall be made for amounts includible in gross income under paragraph (1).

"(3) TAX TREATMENT OF PERSON STRIPPING STOCK.—If any person strips the rights to 1 or more dividends from any stock described in paragraph (5)(B) and after April 30, 1993, disposes of such dividend rights, for purposes of paragraph (1), such person shall be treated as having purchased the stripped preferred stock on the date of such disposition for a purchase price equal to such person's adjusted basis in such stripped preferred stock.

"(4) AMOUNTS TREATED AS ORDINARY INCOME.—Any amount included in gross income under paragraph (1) shall be treated as ordinary income.

"(5) STRIPPED PREFERRED STOCK.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'stripped preferred stock' means any stock described in subparagraph (B) if there has been a separation in ownership between such stock and any dividend on such stock which has not become payable.

"(B) DESCRIPTION OF STOCK.—Stock is described in this subsection if such stock—

"(i) is limited and preferred as to dividends and does not participate in corporate growth to any significant extent, and

"(ii) has a fixed redemption price.

"(6) PURCHASE.—For purposes of this subsection, the term 'purchase' means—

"(A) any acquisition of stock, where

"(B) the basis of such stock is not determined in whole or in part by the reference to the adjusted basis of such stock in the hands of the person from whom acquired."

(2) COORDINATION WITH SECTION 167(e).—Paragraph (2) of section 167(e) is amended to read as follows:

"(2) COORDINATION WITH OTHER PROVISIONS.—

"(A) SECTION 273.—This subsection shall not apply to any term interest to which section 273 applies.

"(B) SECTION 305(e).—This subsection shall not apply to the holder of the dividend rights which were separated from any stripped preferred stock to which section 305(e)(1) applies."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on April 30, 1993.

(d) TREATMENT OF CAPITAL GAIN UNDER LIMITATION ON INVESTMENT INTEREST.—

(1) IN GENERAL.—Subparagraph (B) of section 163(d)(4) (defining investment income) is amended to read as follows:

"(B) INVESTMENT INCOME.—The term 'investment income' means the sum of—

"(i) gross income from property held for investment (other than any gain taken into account under clause (ii)(I)),

"(ii) the excess (if any) of—

"(I) the net gain attributable to the disposition of property held for investment, over

"(II) the net capital gain determined by only taking into account gains and losses from dispositions of property held for investment, plus

"(iii) so much of the net capital gain referred to in clause (ii)(II) (or, if lesser, the net gain referred to in clause (ii)(I)) as the taxpayer elects to take into account under this clause."

(2) COORDINATION WITH SPECIAL CAPITAL GAINS RATE.—Subsection (h) of section 1, as amended by section 8202(b), is amended by adding at the end the following new sentence:

"For purposes of the preceding sentence, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(iii)."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1992.

(e) TREATMENT OF CERTAIN APPRECIATED INVENTORY.—

(1) IN GENERAL.—Paragraph (1) of section 751(d) is amended to read as follows:

"(1) SUBSTANTIAL APPRECIATION.—

"(A) IN GENERAL.—Inventory items of the partnership shall be considered to have appreciated substantially in value if their fair market value exceeds 120 percent of the adjusted basis to the partnership of such property.

"(B) CERTAIN PROPERTY EXCLUDED.—For purposes of subparagraph (A), there shall be excluded any inventory property if a principal purpose for acquiring such property was to avoid the provisions of this section relating to inventory items."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to sales, exchanges, and distributions after April 30, 1993.

Subpart B—Other Provisions

SEC. 8207. REPEAL OF LIMITATION ON AMOUNT OF WAGES SUBJECT TO HEALTH INSURANCE EMPLOYMENT TAX.

(a) HOSPITAL INSURANCE TAX.—

(1) Paragraph (1) of section 3121(a) (defining wages) is amended—

(A) by inserting "in the case of the taxes imposed by sections 3101(a) and 3111(a)" after "(1)",

(B) by striking "applicable contribution base (as determined under subsection (x))" each place it appears and inserting "contribution and benefit base (as determined under section 230 of the Social Security Act)", and

(C) by striking "such applicable contribution base" and inserting "such contribution and benefit base".

(2) Section 3121 is amended by striking subsection (x).

(b) SELF-EMPLOYMENT TAX.—

(1) Subsection (b) of section 1402 is amended—

(A) by striking "that part of the net" in paragraph (1) and inserting "in the case of the tax imposed by section 1401(a), that part of the net",

(B) by striking "applicable contribution base (as determined under subsection (k))" in paragraph (1) and inserting "contribution and benefit base (as determined under section 230 of the Social Security Act)",

(C) by inserting "and" after "section 3121(b),", and

(D) by striking "and (C) includes" and all that follows through "3111(b)".

(2) Section 1402 is amended by striking subsection (k).

(c) RAILROAD RETIREMENT TAX.—

(1) Subparagraph (A) of section 3231(e)(2) is amended by adding at the end thereof the following new clause:

"(iii) HOSPITAL INSURANCE TAXES.—Clause (i) shall not apply to—

"(I) so much of the rate applicable under section 3201(a) or 3221(a) as does not exceed the rate of tax in effect under section 3101(b), and

"(II) so much of the rate applicable under section 3211(a)(1) as does not exceed the rate of tax in effect under section 1401(b)."

(2) Clause (i) of section 3231(e)(2)(B) is amended to read as follows:

"(i) TIER 1 TAXES.—Except as provided in clause (ii), the term 'applicable base' means for any calendar year the contribution and benefit base determined under section 230 of the Social Security Act for such calendar year."

(d) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 6413(c) is amended by striking "section 3101 or section 3201" and inserting "section 3101(a) or section 3201(a) (to the extent of so much of the rate applicable under section 3201(a) as does not exceed the rate of tax in effect under section 3101(a))".

(2) Subparagraphs (B) and (C) of section 6413(c)(2) are each amended by striking "section 3101" each place it appears and inserting "section 3101(a)".

(3) Subsection (c) of section 6413 is amended by striking paragraph (3).

(4) Sections 3122 and 3125 are each amended by striking "applicable contribution base limitation" and inserting "contribution and benefit base limitation".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to 1994 and later calendar years.

SEC. 8208. TOP ESTATE AND GIFT TAX RATES MADE PERMANENT.

(a) GENERAL RULE.—The table contained in paragraph (1) of section 2001(c) is amended by striking the last item and inserting the following new items:

"Over \$2,500,000 but not over \$3,000,000.	*\$1,025,800, plus 53% of the excess over \$2,500,000.*
Over \$3,000,000	*\$1,290,800, plus 55% of the excess over \$3,000,000."*

(b) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 2001 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Paragraph (2) of section 2001(c), as redesignated by paragraph (1), is amended by striking "(\$18,340,000 in the case of decedents dying, and gifts made, after 1992)".

(3) The last sentence of section 2101(b) is amended by striking "section 2001(c)(3)" and inserting "section 2001(c)(2)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply in the case of decedents dying, and gifts made, after December 31, 1992.

SEC. 8209. REDUCTION IN DEDUCTIBLE PORTION OF BUSINESS MEALS AND ENTERTAINMENT.

(a) GENERAL RULE.—Paragraph (1) of section 274(n) (relating to only 80 percent of meal and entertainment expenses allowed as deduction) is amended by striking "80 percent" and inserting "50 percent".

(b) SUBSTANTIATION REQUIREMENT.—In the case of taxable years beginning after December 31, 1993, Treasury Regulation § 1.274–5T(c)(2)(iii)(B) shall be applied by substituting "\$20" for "\$25".

(c) CONFORMING AMENDMENT.—The subsection heading for section 274(n) is amended by striking "80" and inserting "50".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 8209A. SENSE OF THE SENATE RELATING TO THE DEDUCTIBILITY OF BUSINESS MEALS AND ENTERTAINMENT EXPENSES.

(a) FINDINGS.—The Congress finds the following:

(1) That—

(A) travel and tourism is the third largest retail industry in the United States and accounts for 11 percent of the total value of goods and services exported by the United States;

(B) in 1992, the tourism industry produced revenues in the amount of \$369,000,000,000 which produced \$44,000,000,000 in tax revenues; and

(C) of such tax revenues, the Federal Government received \$24,000,000,000.

(2) The restaurant industry provides thousands of jobs in the United States.

(3) The American performing arts community supports, develops, and exports world-class performing arts.

(4) The reduction in the rate of the tax deductibility of business meals and entertainment expenses from 80 percent to 50 percent may have a negative impact on the United States restaurant, entertainment, and tourism industries.

(5) Any loss of revenues due to the reduction described in paragraph (4) may result in the loss of jobs in the restaurant, entertainment, and tourism industries, many of which are filled by young individuals in their first jobs and by members of minority groups.

(6) The unemployment rate among individuals and members described in paragraph (5) greatly exceeds the national unemployment rate of 6.9 percent.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the conferees with respect to this title will make every effort to reduce or eliminate the proposed reduction in the deductibility of business meals and entertainment expenses.

SEC. 8210. ELIMINATION OF DEDUCTION FOR CLUB MEMBERSHIP FEES.

(a) IN GENERAL.—Subsection (a) of section 274 (relating to disallowance of certain entertainment, etc., expenses) is amended by adding at the end thereof the following new paragraph:

"(3) DENIAL OF DEDUCTION FOR CLUB DUES.—Notwithstanding the preceding provisions of this subsection, no deduction shall be allowed under this chapter for amounts paid or incurred for membership in any club organized for business, pleasure, recreation, or other social purpose."

(b) EXCEPTION FOR EMPLOYEE RECREATIONAL EXPENSES NOT TO APPLY.—Paragraph (4) of section 274(e) is amended by adding at the end thereof the following: "This paragraph shall not apply for purposes of subsection (a)(3)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1993.

SEC. 8211. DISALLOWANCE OF DEDUCTION FOR CERTAIN EMPLOYEE REMUNERATION IN EXCESS OF \$1,000,000.

(a) GENERAL RULE.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) CERTAIN EXCESSIVE EMPLOYEE REMUNERATION.—

"(1) IN GENERAL.—In the case of any publicly held corporation, no deduction shall be allowed under this chapter for applicable employee remuneration with respect to any covered employee to the extent that the amount of such remuneration for the taxable year with respect to such employee exceeds \$1,000,000.

"(2) PUBLICLY HELD CORPORATION.—For purposes of this subsection, the term 'publicly held corporation' means any corporation issuing any class of common equity securities required to be registered under section 12 of the Securities Exchange Act of 1934.

"(3) COVERED EMPLOYEE.—For purposes of this subsection, the term 'covered employee' means any employee of the taxpayer if—

"(A) as of the close of the taxable year, such employee is the chief executive officer of the taxpayer or is an individual acting in such a capacity, or

"(B) the total compensation for the taxable year of such employee is required to be reported to shareholders under the Securities Exchange Act of 1934 by reason of such employee being among the 4 highest compensated officers for the taxable year (other than the chief executive officer).

"(4) APPLICABLE EMPLOYEE REMUNERATION.—For purposes of this subsection—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'applicable employee remuneration' means, with respect to any covered employee for any taxable year, the aggregate amount allowable as a deduction under this chapter for such taxable year (determined without regard to this subsection) for remuneration for services performed by such employee (whether or not during the taxable year).

"(B) EXCEPTION FOR REMUNERATION PAYABLE ON COMMISSION BASIS.—The term 'applicable employee remuneration' shall not include any remuneration payable on a commission basis solely on account of income generated directly by the individual performance of the individual to whom such remuneration is payable.

"(C) OTHER PERFORMANCE-BASED COMPENSATION.—The term 'applicable employee remuneration' shall not include any remuneration payable solely on account of the attainment of one or more performance goals, but only if—

"(i) the performance goals are determined by a compensation committee of the board of directors of the taxpayer which is comprised solely of 2 or more outside directors,

"(ii) the material terms under which the remuneration is to be paid, including the performance goals, are disclosed to shareholders and approved by a majority of the vote in a separate shareholder vote before the payment of such remuneration, and

"(iii) before any payment of such remuneration, the compensation committee referred to in clause (i) certifies that the performance goals and any other material terms were in fact satisfied.

"(D) EXCEPTION FOR EXISTING BINDING CONTRACTS.—The term 'applicable employee remuneration' shall not include any remuneration payable under a written binding contract which was in effect on February 17, 1993, and which was not modified thereafter in any material respect before such remuneration is paid.

"(E) REMUNERATION.—For purposes of this paragraph, the term 'remuneration' includes any remuneration (including benefits) in any medium other than cash, but shall not include—

"(i) any payment referred to in so much of section 3121(a)(5) as precedes subparagraph (E) thereof, and

"(ii) any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from gross income under this chapter.

For purposes of clause (i), section 3121(a)(5) shall be applied without regard to section 3121(v)(1).

"(F) COORDINATION WITH DISALLOWED GOLDEN PARACHUTE PAYMENTS.—The dollar limitation contained in paragraph (1) shall be reduced (but not below zero) by the amount (if any) which would have been included in the applicable employee remuneration of the covered employee for the taxable year but for being disallowed under section 280G."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts which

would otherwise be deductible for taxable years beginning on or after January 1, 1994.

SEC. 8212. REDUCTION IN COMPENSATION TAKEN INTO ACCOUNT IN DETERMINING CONTRIBUTIONS AND BENEFITS UNDER QUALIFIED RETIREMENT PLANS.

(a) QUALIFICATION REQUIREMENT.—

(1) IN GENERAL.—Section 401(a)(17) is amended—

(A) by striking "$200,000" in the first sentence and inserting "$150,000",

(B) by striking the second sentence, and

(C) by adding at the end the following new subparagraph:

"(B) COST-OF-LIVING ADJUSTMENT.—

"(i) IN GENERAL.—If, for any calendar year after 1994, the excess (if any) of—

"(I) $150,000, increased by the cost-of-living adjustment for the calendar year, over

"(II) the dollar amount in effect under subparagraph (A) for taxable years beginning in the calendar year,

is equal to or greater than $10,000, then the $150,000 amount under subparagraph (A) (as previously adjusted under this subparagraph) for any taxable year beginning in any subsequent calendar year shall be increased by $10,000.

"(ii) COST-OF-LIVING ADJUSTMENT.—The cost-of-living adjustment for any calendar year shall be the adjustment made under section 415(d) for such calendar year, except that the base period for purposes of section 415(d)(1)(A) shall be the calendar quarter beginning October 1, 1993."

(2) CONFORMING AMENDMENT.—Section 401(a)(17) is amended by striking "(17) A trust" and inserting:

"(17) COMPENSATION LIMIT.—

"(A) IN GENERAL.—A trust".

(b) SIMPLIFIED EMPLOYEE PENSIONS.—

(1) IN GENERAL.—Paragraphs (3)(C) and (6)(D)(ii) of section 408(k) are each amended by striking "$200,000" and inserting "$150,000".

(2) COST-OF-LIVING.—Paragraph (8) of section 408(k) is amended to read as follows:

"(8) COST-OF-LIVING ADJUSTMENT.—The Secretary shall adjust the $300 amount in paragraph (2)(C) at the same time and in the same manner as under section 415(d) and shall adjust the $150,000 amount in paragraphs (3)(C) and (6)(D)(ii) at the same time, and by the same amount, as the adjustment under section 401(a)(17)(B)."

(c) OTHER RELATED PROVISIONS.—

(1) IN GENERAL.—Sections 404(l) and 505(b)(7) are each amended—

(A) by striking "$200,000" in the first sentence and inserting "$150,000", and

(B) by striking the second sentence and inserting "The Secretary shall adjust the $150,000 amount at the same time, and by the same amount, as the adjustment under section 401(a)(17)(B)."

(2) CONFORMING AMENDMENT.—The heading for section 505(b)(7) is amended by striking "$200,000".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to benefits accruing in plan years beginning after December 31, 1993.

(2) EXCEPTION FOR COLLECTIVELY BARGAINED PLANS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of the enactment of this Act, the amendments made by this section shall not apply to contributions or benefits pursuant to such agreements for plan years beginning before the earlier of—

(A) the latest of—

(i) January 1, 1994,

(ii) the date on which the last of such collective bargaining agreements terminates (without regard to any extension, amendment, or modification of such agreements on or after such date of enactment), or

(iii) in the case of a plan maintained pursuant to collective bargaining under the Railway Labor Act, the date of execution of an extension or replacement of the last of such collective bargaining agreements in effect on such date of enactment, or

(B) January 1, 1997.

(3) TRANSITION RULE FOR STATE AND LOCAL PLANS.—

(A) IN GENERAL.—In the case of an eligible participant in a governmental plan (within the meaning of section 414(d) of the Internal Revenue Code of 1986), the dollar limitation under section 401(a)(17) of such Code shall not apply to the extent the amount of compensation which is allowed to be taken into account under the plan would be reduced below the amount which was allowed to be taken into account under the plan as in effect on July 1, 1993.

(B) ELIGIBLE PARTICIPANT.—For purposes of subparagraph (A), an eligible participant is an individual who first became a participant in the plan during a plan year beginning before the 1st plan year beginning after the earlier of—

(i) the plan year in which the plan is amended to reflect the amendments made by this section, or

(ii) December 31, 1995.

(C) PLAN MUST BE AMENDED TO INCORPORATE LIMITS.—This paragraph shall not apply to any eligible participant of a plan unless the plan is amended so that the plan incorporates by reference the dollar limitation under section 401(a)(17) of the Internal Revenue Code of 1986, effective with respect to noneligible participants for plan years beginning after December 31, 1995 (or earlier if the plan amendment so provides).

SEC. 8213. MODIFICATION TO DEDUCTION FOR CERTAIN MOVING EXPENSES.

(a) DOLLAR LIMITATION.—

(1) IN GENERAL.—Paragraph (3) of section 217(b) is amended by striking subparagraphs (A) and (B) and inserting the following:

"(A) DOLLAR LIMIT.—

"(i) IN GENERAL.—The aggregate amount allowable as a deduction under subsection (a) in connection with a commencement of work shall not exceed $10,000, of which the aggregate amount which is attributable to expenses described in subparagraph (C) or (D) of paragraph (1) shall not exceed $1,500.

"(ii) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning in calendar years after 1994, the $10,000 amount under clause (i) shall be increased by an amount equal to the product of such dollar amount and the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, except that section 1(f)(3)(B) shall be applied by substituting '1993' for '1992'. Any amount determined under this clause which is not a multiple of $50 shall be rounded to the next lowest multiple of $50.

"(B) HUSBAND AND WIFE.—If a husband and wife both commence work at a new principal place of work within the same general location, subparagraph (A) shall be applied as if there was only 1 commencement of work. In the case of a husband and wife filing separate returns, subparagraph (A) shall be applied by substituting '$5,000' for '$10,000' and '$750' for '$1,500'."

(2) FOREIGN MOVES.—Paragraph (1) of section 217(h) is amended by striking subparagraphs (B) and (C) and inserting:

"(B) subsection (b)(2)(A) shall be applied by substituting '$4,500' for '$1,500', and

"(C) subsection (b)(2)(B) shall be applied as if the last sentence of such subsection read as follows: 'In the case of a husband and wife filing separate returns, subparagraph (A) (as modified by subsection (h)(1)(B)) shall be applied by substituting "$2,250" for "$4,500".'."

(b) REPEAL OF DEDUCTION FOR QUALIFIED RESIDENCE SALE, ETC., EXPENSES.—

(1) IN GENERAL.—Paragraph (1) of section 217(b) (defining moving expenses) is amended by inserting "or" at the end of subparagraph (C), by striking ", or" at the end of subparagraph (D) and inserting a period, and by striking subparagraph (E).

(2) CONFORMING AMENDMENTS.—

(A) Subsection (b) of section 217, as amended by subsection (a), is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(B) Section 217 is amended by striking subsection (e).

(c) DEDUCTION DISALLOWED FOR MEAL EXPENSES.—Paragraph (1) of section 217(b) is amended—

(1) by striking "meals and lodging" in subparagraphs (B), (C) and (D) and inserting "lodging", and

(2) by adding at the end thereof the following new sentence:

"Such term shall not include any expenses for meals."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses incurred after December 31, 1993.

SEC. 8214. SIMPLIFICATION OF INDIVIDUAL ESTIMATED TAX SAFE HARBOR BASED ON LAST YEAR'S TAX.

(a) IN GENERAL.—Paragraph (1) of section 6654(d) (relating to amount of required estimated tax installments) is amended by striking subparagraphs (C), (D), (E), and (F) and by inserting the following new subparagraph:

"(C) LIMITATION ON USE OF PRECEDING YEAR'S TAX.—

"(i) IN GENERAL.—If the adjusted gross income shown on the return of the individual for the preceding taxable year exceeds $150,000, clause (ii) of subparagraph (B) shall be applied by substituting '110 percent' for '100 percent'.

"(ii) SEPARATE RETURNS.—In the case of a married individual (within the meaning of section 7703) who files a separate return for the taxable year for which the amount of the installment is being determined, clause (i) shall be applied by substituting '$75,000' for '$150,000'.

"(iii) SPECIAL RULE.—In the case of an estate or trust, adjusted gross income shall be determined as provided in section 67(e)."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6654(j)(3) is amended by striking "and subsection (d)(1)(C)(iii) shall not apply".

(2) Paragraph (4) of section 6654(l) is amended by striking "paragraphs (1)(C)(iv) and (2)(B)(i) of subsection (d)" and inserting "subsection (d)(2)(B)(i)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 8215. SOCIAL SECURITY AND TIER 1 RAILROAD RETIREMENT BENEFITS.

(a) ADDITIONAL INCLUSION FOR CERTAIN TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 86 (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new paragraph:

"(2) ADDITIONAL AMOUNT.—In the case of a taxpayer with respect to whom the amount determined under subsection (b)(1)(A) exceeds the adjusted base amount, the amount included in gross income under this section shall be equal to the lesser of—

"(A) the sum of—

"(i) 85 percent of such excess, plus

"(ii) the lesser of the amount determined under paragraph (1) or an amount equal to one-half of the difference between the adjusted base amount and the base amount of the taxpayer, or

"(B) 85 percent of the social security benefits received during the taxable year."

(2) CONFORMING AMENDMENTS.—Subsection (a) of section 86 is amended—

(A) by striking "Gross" and inserting:

"(1) IN GENERAL.—Except as provided in paragraph (2), gross", and

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively.

(b) ADJUSTED BASE AMOUNT.—Section 86(c) (defining base amount) is amended to read as follows:

"(c) BASE AMOUNT AND ADJUSTED BASE AMOUNT.—For purposes of this section—

"(1) BASE AMOUNT.—The term 'base amount' means—

"(A) except as otherwise provided in this paragraph, $25,000,

"(B) $32,000 in the case of a joint return, and

"(C) zero in the case of a taxpayer who—

"(i) is married as of the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such year, and

"(ii) does not live apart from his spouse at all times during the taxable year.

"(2) ADJUSTED BASE AMOUNT.—The term 'adjusted base amount' means—

"(A) except as otherwise provided in this paragraph, $32,000,

"(B) $40,000 in the case of a joint return, and

"(C) zero in the case of a taxpayer described in paragraph (1)(C)."

(c) TRANSFERS TO THE HOSPITAL INSURANCE TRUST FUND.—

(1) IN GENERAL.—Paragraph (1) of section 121(e) of the Social Security Amendments of 1983 (Public Law 92-21) is amended by—

(A) striking "There" and inserting:

"(A) There";

(B) inserting "(i)" immediately following "amounts equivalent to"; and

(C) striking the period and inserting the following: ", less (ii) the amounts equivalent to the aggregate increase in tax liabilities under chapter 1 of the Internal Revenue Code of 1986 which is attributable to the amendments to section 86 of such Code made by section 8215 of the Revenue Reconciliation Act of 1993.

"(B) There are hereby appropriated to the hospital insurance trust fund amounts equal to the increase in tax liabilities described in subparagraph (A)(ii). Such appropriated amounts shall be transferred from the general fund of the Treasury on the basis of estimates of such tax liabilities made by the Secretary of the Treasury. Transfers shall be made pursuant to a schedule made by the Secretary of the Treasury that takes into account estimated timing of collection of such liabilities."

(2) DEFINITION.—Paragraph (3) of section 121(e) of such Act is amended by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

"(B) HOSPITAL INSURANCE TRUST FUND.—The term 'hospital insurance trust fund' means the fund established pursuant to section 1817 of the Social Security Act.".

(3) CONFORMING AMENDMENT.—Paragraph (2) of section 121(e) of such Act is amended in the first sentence by striking "paragraph (1)" and inserting "paragraph (1)(A)."

(4) TECHNICAL AMENDMENTS.—Paragraph (1)(A) of section 121(e) of such Act, as redesignated and amended by paragraph (1), is amended by striking "1954" and inserting "1986".

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 1993.

PART II—PROVISIONS AFFECTING BUSINESSES

SEC. 8221. INCREASE IN TOP MARGINAL RATE UNDER SECTION 11.

(a) GENERAL RULE.—Paragraph (1) of section 11(b) (relating to amount of tax) is amended—

(1) by striking "and" at the end of subparagraph (B),

(2) by striking subparagraph (C) and inserting the following:

"(C) 34 percent of so much of the taxable income as exceeds $75,000 but does not exceed $10,000,000, and

"(D) 35 percent of so much of the taxable income as exceeds $10,000,000.", and

(3) by adding at the end thereof the following new sentence: "In the case of a corporation which has taxable income in excess of $15,000,000, the amount of the tax determined under the foregoing provisions of this paragraph shall be increased by an additional amount equal to the lesser of (i) 3 percent of such excess, or (ii) $100,000."

(b) CERTAIN PERSONAL SERVICE CORPORATIONS.—Paragraph (2) of section 11(b) is amended by striking "34 percent" and inserting "35 percent".

(c) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 852(b)(3)(D) is amended by striking "66 percent" and inserting "65 percent".

(2) Subsection (a) of section 1201 is amended by striking "34 percent" each place it appears and inserting "35 percent".

(3) Paragraphs (1) and (2) of section 1445(e) are each amended by striking "34 percent" and inserting "35 percent".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after January 1, 1993; except that the amendment made by subsection (c)(3) shall take effect on the date of the enactment of this Act.

SEC. 8222. DISALLOWANCE OF DEDUCTION FOR LOBBYING EXPENDITURES.

(a) DISALLOWANCE OF DEDUCTION.—

(1) IN GENERAL.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end the following new section:

"SEC. 280I. LOBBYING EXPENDITURES.

"(a) DEDUCTION DISALLOWED.—No deduction shall be allowed under this chapter for any amount paid or incurred—

"(1) for lobbying activities, or

"(2) to another person for the conduct of lobbying activities.

"(b) LOBBYING ACTIVITIES.—For purposes of this section—

"(1) IN GENERAL.—The term 'lobbying activity' means—

"(A) any lobbying contact, or

"(B) any activity in support of a lobbying contact.

"(2) SUPPORT ACTIVITIES.—For purposes of paragraph (1)(B), the following shall be treated as in support of a lobbying contact:

"(A) Any preparation or planning activity relating to a lobbying contact (including, in the case of a lobbyist, the formulation, review, and management of the lobbying contacts on behalf of a client).

"(B) Any research or other background work relating to a lobbying contact.

"(C) Any activity coordinating the lobbying activity of 2 or more persons.

"(3) MEALS, ENTERTAINMENT, OR TRAVEL.—Any amount paid or incurred in connection with the providing of meals, entertainment, or travel to a covered legislative or executive branch official (or to an individual accompanying such official) shall be treated as paid or incurred for a lobbying activity without regard to whether it is in support of a lobbying contact.

"(c) LOBBYING CONTACT.—For purposes of this section—

"(1) IN GENERAL.—The term 'lobbying contact' means—

"(A) in the case of a lobbyist, any oral or written communication with a covered legislative or executive branch official, and

"(B) in the case of any other person, any oral or written communication with a covered legislative or executive branch official in connection with an attempt to influence governmental actions described in paragraph (2).

"(2) GOVERNMENTAL ACTIONS AFFECTED.—The following governmental actions are described in this paragraph:

"(A) The formulation, modification, adoption, or repeal of legislation (including legislative proposals).

"(B) The formulation, modification, adoption, or repeal of a Federal rule, regulation, Executive order, or any other program, policy, or position of the United States.

"(C) The administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license).

"(3) EXCEPTIONS.—The term 'lobbying contact' shall not include any contact—

"(A) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress, a State or local legislative body, or a Federal agency,

"(B) made in response to a notice in the Federal Register, Commerce Business Daily, or other similar publication soliciting communications from the public and directed to the agency official specifically designated in the notice to receive such communications,

"(C) made to Federal agency officials with regard to judicial proceedings, criminal or civil law enforcement inquiries, investigations or proceedings, or filings required by statute or regulation,

"(D) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or any substantially similar provision, or

"(E) made on behalf of an individual with regard to such individual's benefits, employment, other personal matters involving only that individual, or disclosures by that individual pursuant to applicable whistleblower statutes,

"(F) in the case of any governmental action described in paragraph (2) (B) or (C), which consists of written comments filed in a public docket or other communications made on the record in a public proceeding, or

"(G) in the case of any governmental action described in paragraph (2)(C), which consists of communications which are made to officials serving in the agency responsible for taking such action who serve in the Senior Executive Service or who are members of the uniformed services whose pay grade is lower than 0-9 under section 201 of title 37, United States Code.

"(d) SPECIAL RULE FOR EXEMPT ORGANIZATIONS.—

"(1) TREATMENT OF DUES, ETC.—Subsection (a) shall apply to dues, assessments, or other similar amounts paid by any person to an organization exempt from taxation under this chapter (other than an organization described in section 170(c)) to the extent such dues, assessments, or amounts are attributable to amounts paid or incurred by the organization which are described in subsection (a).

"(2) SPECIAL RULE FOR CHARITIES.—In the case of an organization described in section 170(c) (other than paragraph (1) thereof or section 170(b)(1)(A)(i)), subsection (a) shall apply to any dues, assessments, contributions, or other similar amounts which are paid to the organization and which are otherwise deductible under this chapter to the extent that any such amount—

"(A) is attributable to amounts paid or incurred by the organization which are described in subsection (a),

"(B) is in connection with lobbying activities of direct financial interest to the payor's (or a related person's) trade or business, and

"(C) when added to all other payments made by the payor (and any related person) to the organization during the calendar year in which the taxable year begins, exceeds $2,000.

"(3) ALLOCATION RULES.—For purposes of this subsection—

"(A) dues or other similar amounts paid during any calendar year shall, except as provided by the Secretary, only be attributable to amounts not deductible under subsection (a) which are paid or incurred by the organization during such calendar year, and

"(B) amounts which are not deductible under subsection (a) shall be treated as paid first out of dues or other similar amounts.

"(4) REPORTING REQUIREMENTS.—

"For requirements of organization to notify contributors, see section 6050O.

"(e) OTHER RULES AND DEFINITIONS.—For purposes of this section—

"(1) SPECIAL RULE FOR CERTAIN TAXPAYERS.—In the case of—

"(A) any taxpayer engaged in the trade or business of conducting activities described in subsection (a), or

"(B) any taxpayer who is an employee who is reimbursed by his employer for expenses incurred in conducting such activities,

subsection (a) shall not apply to expenditures of the taxpayer in conducting such activities on behalf of another person or his employer (but shall apply to payments by such other person or the employer to the taxpayer for conducting the activities).

"(2) AGENCY.—The term 'agency' has the same meaning given such term by section 551(1) of title 5, United States Code.

"(3) COVERED EXECUTIVE BRANCH OFFICIAL.—The term 'covered executive branch official' means—

"(A) the President,

"(B) the Vice President,

"(C) any officer or employee of the Executive Office of the President, other than a clerical or secretarial employee,

"(D) any officer or employee serving in an Executive level I, II, III, IV, or V position, as designated in statute or Executive order,

"(E) any officer or employee serving in a Senior Executive Service position as defined under section 3232(a)(2) of title 5, United States Code,

"(F) any member of the uniformed services whose pay grade is at or in excess of O–7 under section 201 of title 37, United States Code, and

"(G) any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to section 7511 of title 5, United States Code.

"(4) COVERED LEGISLATIVE BRANCH OFFICIAL.—The term 'covered legislative branch official' means—

"(A) a Member of Congress,

"(B) an elected officer of Congress,

"(C) any employee of a Member of the House of Representatives, of a committee of the House of Representatives, or on the leadership staff of the House of Representatives,

"(D) any employee of a Senator, of a Senate committee, or on the leadership staff of the Senate, and

"(E) any employee of a joint committee of the Congress.

Such term includes any member, officer, or employee of a State or local legislative body.

"(5) LOBBYIST.—The term 'lobbyist' means any person who is employed or retained by another person to perform services which include any attempt to influence a governmental action described in subsection (c)(2). Such term does not include a person whose lobbying activities are only incidental to, and are not a significant part of, the services the person performs for such other person. For purposes of the preceding sentence, lobbying activities shall not include activities described in subsection (c)(3).

"(6) LEGISLATION.—The term 'legislation' has the meaning given such term by section 4911(e)(2).

"(7) COORDINATION WITH SECTION 4911.—No tax shall be imposed under section 4911 on any amount with respect to which a deduction is not allowed by reason of subsection (d).

"(f) CROSS REFERENCE.—

"For disallowance of deductions for grassroots lobbying expenditures, see section 162(e)(2)."

(2) CONFORMING AMENDMENTS.—

(A) Section 162(e) (relating to appearances, etc., with respect to legislation) is amended to read as follows:

"(e) DENIAL OF DEDUCTION FOR CERTAIN POLITICAL EXPENDITURES.—

"(1) IN GENERAL.—No deduction shall be allowed under this chapter for any amount paid or incurred—

"(A) for participation in, or intervention in, any political campaign on behalf of (or in opposition to) any candidate for public office, or

"(B) in connection with any attempt to influence the general public, or segments thereof, with respect to legislative matters, elections, or referendums.

"(2) APPLICATION TO DUES.—

"(A) IN GENERAL.—No deduction shall be allowed under this chapter for the portion of dues or other similar amounts paid by the taxpayer to an organization which is allocable to the expenditures described in paragraph (1).

"(B) ALLOCATION.—For purposes of subparagraph (A), expenditures described in paragraph (1) shall be treated as paid first out of dues or other similar amounts.

"(3) CROSS REFERENCE.—

"For disallowance of deductions for lobbying expenditures, see section 280I."

(B) The table of sections for part IX of subchapter B of chapter 1 is amended by adding at the end the following new item:

"Sec. 280I. Lobbying expenditures."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 1993.

(b) REPORTING REQUIREMENTS RELATING TO LOBBYING EXPENDITURES.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end the following new section:

"SEC. 6050O. RETURNS RELATING TO LOBBYING EXPENDITURES OF CERTAIN ORGANIZATIONS.

"(a) REQUIREMENT OF REPORTING.—Each organization described in section 280I(d) shall make a return, according to the forms or regulations prescribed by the Secretary, setting forth the names and addresses of persons paying dues to the organization, the amount of the dues paid by such person, and the portion of such dues which is nondeductible under section 280I.

"(b) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—Any organization required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return a written statement showing—

"(1) the name and address of the organization, and

"(2) the dues paid by the person during the calendar year and the portion of such dues which is nondeductible under section 280I.

The written statement required under the preceding sentence shall be furnished (either in person or in a statement mailing by first-class mail which includes adequate notice that the statement is enclosed) to the persons on or before January 31 of the year following the calendar year for which the return under subsection (a) was made and shall be in such form as the Secretary may prescribe by regulations.

"(c) DE MINIMUS EXCEPTION.—This section shall not apply to any organization for any calendar year if the organization's lobbying expenditures described in section 280I(a) for such year are less than $2,000. For purposes of the preceding sentence, overhead costs otherwise allocable to lobbying activities shall not be taken into account.

"(d) WAIVER.—The Secretary may waive the reporting requirements of this section with respect to any organization or class of organizations if the Secretary determines that such reporting is not necessary to carry out the purposes of section 280I.

"(e) DUES.—For purposes of this section, the term 'dues' includes assessments, contributions, and other similar amounts."

(2) PENALTIES.—

(A) RETURNS.—Subparagraph (B) of section 6724(d)(1) (defining information return) is amended by striking "or" at the end of clause (xi), by striking the period at the end of the clause (xii) relating to section 4101(d) and inserting a comma, by redesignating the clause (xii) relating to section 338(h)(10) as clause (xiii), by striking the period at the end of clause (xiii) (as so redesignated) and inserting ", or", and by adding at the end the following new clause:

"(xiv) section 6050O(a) (relating to information on nondeductible lobbying expenditures)."

(B) PAYEE STATEMENTS.—Paragraph (2) of section 6724(d) (defining payee statement) is amended by striking "or" at the end of subparagraph (R), by striking the period at the end of subparagraph (S) and inserting ", or", and by adding at the end the following new subparagraph:

"(T) section 6050O(b) (relating to returns on nondeductible lobbying expenditures)."

(3) CONFORMING AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new item:

"Sec. 6050O. Returns relating to lobbying expenditures of certain organizations."

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to calendar years beginning after December 31, 1993.

SEC. 8223. MARK TO MARKET ACCOUNTING METHOD FOR SECURITIES DEALERS.

(a) GENERAL RULE.—Subpart D of part II of subchapter E of chapter 1 (relating to inventories) is amended by adding at the end thereof the following new section:

"SEC. 475. MARK TO MARKET ACCOUNTING METHOD FOR DEALERS IN SECURITIES.

"(a) GENERAL RULE.—Notwithstanding any other provision of this subpart, the following rules shall apply to securities held by a dealer in securities:

"(1) Any security which is inventory in the hands of the dealer shall be included in inventory at its fair market value.

"(2) In the case of any security which is not inventory in the hands of the dealer and which is held at the close of any taxable year—

"(A) the dealer shall recognize gain or loss as if such security were sold for its fair market value on the last business day of such taxable year, and

"(B) any gain or loss shall be taken into account for such taxable year.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence. The Secretary may provide by *regulations for the application of this paragraph at times other than the times provided in this paragraph.*

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Subsection (a) shall not apply to—

"(A) any security held for investment, and

"(B) any security which is a hedge with respect to—

"(i) a security to which subsection (a) does not apply, or

"(ii) a position, right to income, or a liability which is not a security in the hands of the taxpayer.

To the extent provided in regulations, subparagraph (B) shall not apply to any security held by a person in its capacity as a dealer in securities.

"(2) IDENTIFICATION REQUIRED.—A security shall not be treated as described in subparagraph (A) or (B) of paragraph (1), as the case may be, unless such security is clearly identified in the dealer's records as being described in such subparagraph before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe).

"(3) SECURITIES SUBSEQUENTLY NOT EXEMPT.—If a security ceases to be described in paragraph (1) at any time after it was identified as such under paragraph (2), subsection (a) shall apply to any changes in value of the security occurring after the cessation.

"(4) SPECIAL RULE FOR PROPERTY HELD FOR INVESTMENT.—To the extent provided in regulations, subparagraph (A) of paragraph (1) shall not apply to any security described in subparagraph (D) or (E) of subsection (c)(2) which is held by a dealer in such securities.

"(c) DEFINITIONS.—For purposes of this section—

"(1) DEALER IN SECURITIES DEFINED.—The term 'dealer in securities' means a taxpayer who—

"(A) regularly purchases securities from or sells securities to customers in the ordinary course of a trade or business; or

"(B) regularly offers to enter into, assume, offset, assign or otherwise terminate positions in securities with customers in the ordinary course of a trade or business.

"(2) SECURITY DEFINED.—The term 'security' means any—

"(A) share of stock in a corporation;

"(B) partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust;

"(C) note, bond, debenture, or other evidence of indebtedness;

"(D) interest rate, currency, or equity notional principal contract;

"(E) evidence of an interest in, or a derivative financial instrument in, any security described in subparagraph (A), (B), (C), or (D), or any currency, including any option, forward contract, short position, and any similar financial instrument in such a security or currency; and

"(F) position which—

"(i) is not a security described in subparagraph (A), (B), (C), (D), or (E),

"(ii) is a hedge with respect to such a security, and

"(iii) is clearly identified in the dealer's records as being described in this subparagraph before the close of the day on which it was acquired or entered into (or such other time as the Secretary may by regulations prescribe).

Subparagraph (E) shall not include any contract to which section 1256(a) applies.

"(3) HEDGE.—The term 'hedge' means any position which reduces the dealer's risk of interest rate or price changes or currency fluctuations, including any position which is reasonably expected to become a hedge within 60 days after the acquisition of the position.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) COORDINATION WITH CERTAIN RULES.—The rules of sections 263(g), 263A, and 1256(a) shall not apply to securities to which subsection (a) applies, and section 1091 shall not apply (and section 1092 shall apply) to any loss recognized under subsection (a).

"(2) IMPROPER IDENTIFICATION.—If a taxpayer—

"(A) identifies any security under subsection (b)(2) as being described in subsection (b)(1) and such security is not so described, or

"(B) fails under subsection (c)(2)(F)(iii) to identify any position which is described in subsection (c)(2)(F) (without regard to clause (iii) thereof) at the time such identification is required,

the provisions of subsection (a) shall apply to such security or position, except that any loss under this section prior to the disposition of the security or position shall be recognized only to the extent of gain previously recognized under this section (and not previously taken into account under this paragraph) with respect to such security or position.

"(3) CHARACTER OF GAIN OR LOSS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) or section 1236(b)—

"(i) IN GENERAL.—Any gain or loss with respect to a security under subsection (a)(2) shall be treated as ordinary income or loss.

"(ii) SPECIAL RULE FOR DISPOSITIONS.—If—

"(I) gain or loss is recognized with respect to a security before the close of the taxable year, and

"(II) subsection (a)(2) would have applied if the security were held as of the close of the taxable year,

such gain or loss shall be treated as ordinary income or loss.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to any gain or loss which is allocable to a period during which—

"(i) the security is described in subsection (b)(1)(B) (without regard to subsection (b)(2)),

"(ii) the security is held by a person other than in connection with its activities as a dealer in securities, or

"(iii) the security is improperly identified (within the meaning of subparagraph (A) or (B) of paragraph (2)).

"(e) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including rules—

"(1) to prevent the use of year-end transfers, related parties, or other arrangements to avoid the provisions of this section, and

"(2) to provide for the application of this section to any security which is a hedge which cannot be identified with a specific security, position, right to income, or liability."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 988(d) is amended—

(A) by striking "section 1256" and inserting "section 475 or 1256", and

(B) by striking "1092 and 1256" and inserting "475, 1092, and 1256".

(2) The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 475. Mark to market accounting method for dealers in securities."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to all taxable years ending on or after December 31, 1993.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for any taxable year—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary, and

(C) except as provided in paragraph (3), the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account ratably over the 5-taxable year period beginning with the first taxable year ending on or after December 31, 1993.

(3) SPECIAL RULE FOR FLOOR SPECIALISTS AND MARKET MAKERS.—

(A) IN GENERAL.—If—

(i) a taxpayer (or any predecessor) used the last-in first-out (LIFO) method of accounting with respect to any qualified securities for the 5-taxable year period ending with its last taxable year ending before December 31, 1993, and

(ii) any portion of the net amount described in paragraph (2)(C) is attributable to the use of such method of accounting,

then paragraph (2)(C) shall be applied by taking such portion into account ratably over the 15-taxable year period beginning with the first taxable year ending on or after December 31, 1993.

(B) QUALIFIED SECURITY.—For purposes of this paragraph, the term "qualified security" means any security acquired—

(i) by a floor specialist (as defined in section 1236(d)(2) of the Internal Revenue Code of 1986) in connection with the specialist's duties as a specialist on an exchange, but only if the security is one in which the specialist is registered with the exchange, or

(ii) by a taxpayer who is a market maker in connection with the taxpayer's duties as a market maker, but only if—

(I) the security is included on the National Association of Security Dealers Automated Quotation System,

(II) the taxpayer is registered as a market maker in such security with the National Association of Security Dealers, and

(III) as of the last day of the taxable year preceding the taxpayer's first taxable year ending on or after December 31, 1993, the taxpayer (or any predecessor) has been actively and regularly engaged as a market maker in such security for the 2-year period ending on such date (or, if shorter, the period beginning 61 days after the security was listed in such quotation system and ending on such date).

SEC. 8224. CLARIFICATION OF TREATMENT OF CERTAIN FSLIC FINANCIAL ASSISTANCE.

(a) GENERAL RULE.—For purposes of chapter 1 of the Internal Revenue Code of 1986—

(1) any FSLIC assistance with respect to any loss of principal, capital, or similar amount upon the disposition of any asset shall be taken into account as compensation for such loss for purposes of section 165 of such Code, and

(2) any FSLIC assistance with respect to any debt shall be taken into account for purposes of section 166, 585, or 593 of such Code in determining whether such debt is worthless (or the extent to which such debt is worthless) and in determining the amount of any addition to a reserve for bad debts arising from the worthlessness or partial worthlessness of such debts.

(b) FSLIC ASSISTANCE.—For purposes of this section, the term "FSLIC assistance" means any assistance (or right to assistance) with respect to a domestic building and loan association (as defined in section 7701(a)(19) of such Code without regard to subparagraph (C) thereof) under section 406(f) of the National Housing Act or section 21A of the Federal Home Loan Bank Act (or under any similar provision of law).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection—

(A) The provisions of this section shall apply to taxable years ending on or after March 4,

1991, but only with respect to FSLIC assistance not credited before March 4, 1991.

(B) If any FSLIC assistance not credited before March 4, 1991, is with respect to a loss sustained or charge-off in a taxable year ending before March 4, 1991, for purposes of determining the amount of any net operating loss carryover to a taxable year ending on or after March 4, 1991, the provisions of this section shall apply to such assistance for purposes of determining the amount of the net operating loss for the taxable year in which such loss was sustained or debt written off. Except as provided in the preceding sentence, this section shall not apply to any FSLIC assistance with respect to a loss sustained or charge-off in a taxable year ending before March 4, 1991.

(2) EXCEPTIONS.—The provisions of this section shall not apply to any assistance to which the amendments made by section 1401(a)(3) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 apply.

SEC. 8225. MODIFICATION OF CORPORATE ESTIMATED TAX RULES.

(a) INCREASE IN REQUIRED INSTALLMENT BASED ON CURRENT YEAR TAX.—

(1) IN GENERAL.—Clause (i) of section 6655(d)(1)(B) (relating to amount of required installment) is amended by striking "91 percent" each place it appears and inserting "100 percent".

(2) CONFORMING AMENDMENTS.—

(A) Subsection (d) of section 6655 is amended—

(i) by striking paragraph (3), and

(ii) by striking "91 PERCENT" in the paragraph heading of paragraph (2) and inserting "100 PERCENT".

(B) Clause (ii) of section 6655(e)(2)(B) is amended by striking the table contained therein and inserting the following:

"In the case of the following required installments:	***The applicable percentage is:***
1st	*25*
2nd	*50*
3rd	*75*
4th	*100."*

(C) Clause (i) of section 6655(e)(3)(A) is amended by striking "91 percent" and inserting "100 percent".

(b) MODIFICATION OF PERIODS FOR APPLYING ANNUALIZATION.—

(1) Clause (i) of section 6655(e)(2)(A) is amended—

(A) by striking "or for the first 5 months" in subclause (II),

(B) by striking "or for the first 8 months" in subclause (III), and

(C) by striking "or for the first 11 months" in subclause (IV).

(2) Paragraph (2) of section 6655(e) is amended by adding at the end thereof the following new subparagraph:

"(C) ELECTION FOR DIFFERENT ANNUALIZATION PERIODS.—

"(i) If the taxpayer makes an election under this clause—

"(I) subclause (I) of subparagraph (A)(i) shall be applied by substituting '2 months' for '3 months',

"(II) subclause (II) of subparagraph (A)(i) shall be applied by substituting '4 months' for '3 months',

"(III) subclause (III) of subparagraph (A)(i) shall be applied by substituting '7 months' for '6 months', and

"(IV) subclause (IV) of subparagraph (A)(i) shall be applied by substituting '10 months' for '9 months'.

"(ii) If the taxpayer makes an election under this clause—

"(I) subclause (II) of subparagraph (A)(i) shall be applied by substituting '5 months' for '3 months',

"(II) subclause (III) of subparagraph (A)(i) shall be applied by substituting '8 months' for '6 months', and

"(III) subclause (IV) of subparagraph (A)(i) shall be applied by substituting '11 months' for '9 months'.

"(iii) An election under clause (i) or (ii) shall apply to the taxable year for which made and such an election shall be effective only if made on or before the date required for the payment of the first required installment for such taxable year."

(3) The last sentence of section 6655(g)(3) is amended by striking "and subsection (e)(2)(A)" and inserting "and, except in the case of an election under subsection (e)(2)(C), subsection (e)(2)(A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 8226. MODIFICATIONS OF DISCHARGE OF INDEBTEDNESS PROVISIONS.

(a) REPEAL OF STOCK FOR DEBT EXCEPTION IN DETERMINING INCOME FROM DISCHARGE OF INDEBTEDNESS.—

(1) IN GENERAL.—Subsection (e) of section 108 is amended—

(A) by striking paragraph (10) and by redesignating paragraph (11) as paragraph (10), and

(B) by amending paragraph (8) to read as follows:

"(8) INDEBTEDNESS SATISFIED BY CORPORATION'S STOCK.—For purposes of determining income of a debtor from discharge of indebtedness, if a debtor corporation transfers stock to a creditor in satisfaction of its indebtedness, such corporation shall be treated as having satisfied the indebtedness with an amount of money equal to the fair market value of the stock."

(2) CONFORMING AMENDMENT.—Subparagraph (C) of section 382(l)(5) is amended to read as follows:

"(C) COORDINATION WITH SECTION 108.—In applying section 108(e)(8) to any case to which subparagraph (A) applies, there shall not be taken into account any indebtedness for interest described in subparagraph (B)."

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendments made by this subsection shall apply to stock transferred after June 17, 1993, in satisfaction of any indebtedness.

(B) EXCEPTION FOR TITLE 11 CASES.—The amendments made by this subsection shall not apply to stock transferred in satisfaction of any indebtedness if such transfer is in a title 11 or similar case (as defined in section 368(a)(3)(A) of the Internal Revenue Code of 1986) which was filed on or before June 17, 1993.

(C) EXCEPTION FOR BINDING CONTRACTS.—The amendments made by this section shall not apply to any stock transferred after June 17, 1993, and before January 1, 1994, if such transfer is pursuant to a binding contract in effect on June 17, 1993, and at all times thereafter before the transfer.

(D) EXCEPTION FOR CERTAIN FILINGS.—The amendments made by this section shall not apply to any stock transferred in satisfaction of any indebtedness if—

(i) such transfer occurs after June 17, 1993, and before January 1, 1994, and

(ii) the taxpayer had filed with the Securities and Exchange Commission on or before June 17, 1993, a registration statement which proposed a stock-for-debt exchange with respect to such indebtedness, and which discussed the possible application of the stock-for-debt exception to such exchange.

(b) TAX ATTRIBUTES SUBJECT TO REDUCTION.—

(1) MINIMUM TAX CREDIT.—Section 108(b)(2) (relating to tax attributes affected; order of reduction) is amended by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F) and by adding after subparagraph (B) the following new subparagraph:

"(C) MINIMUM TAX CREDIT.—The amount of the minimum tax credit available under section 53(b) as of the beginning of the taxable year immediately following the taxable year of the discharge."

(2) PASSIVE ACTIVITY LOSSES AND CREDITS.—Section 108(b)(2), as amended by paragraph (1), is amended by redesignating subparagraph (F) as subparagraph (G) and by adding after subparagraph (E) the following new subparagraph:

"(F) PASSIVE ACTIVITY LOSS AND CREDIT CARRYOVERS.—Any passive activity loss or credit carryover of the taxpayer under section 469(b) from the taxable year of the discharge."

(3) CONFORMING AMENDMENTS.—

(A) Subparagraph (B) of section 108(b)(3) is amended to read as follows:

"(B) CREDIT CARRYOVER REDUCTION.—The reductions described in subparagraphs (B), (C), and (G) shall be 33⅓ cents for each dollar excluded by subsection (a). The reduction described in subparagraph (F) in any passive activity credit carryover shall be 33⅓ cents for each dollar excluded by subsection (a)."

(B) Subparagraph (B) of section 108(b)(4) is amended by striking "(C)" in the text and heading thereof and inserting "(D)".

(C) Subparagraph (C) of section 108(b)(4) is amended by striking "(E)" in the text and heading thereof and inserting "(G)".

(D) Subparagraph (B) of section 108(g)(3) is amended—

(i) by striking "subparagraphs (A), (B), (C), and (E)" and inserting "subparagraphs (A), (B), (C), (D), (F), and (G)",

(ii) by striking "subparagraphs (B) and (E)" and inserting "subparagraphs (B), (C), and (G)", and

(iii) by inserting before the period at the end the following: "and the attribute described in subparagraph (F) of subsection (b)(2) to the extent attributable to any passive activity credit carryover".

(4) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 8227. LIMITATION ON SECTION 936 CREDIT.

(a) GENERAL RULE.—Subsection (a) of section 936 (relating to Puerto Rico and possession tax credit) is amended—

(1) by striking "as provided in paragraph (3)" in paragraph (1) and inserting "as otherwise provided in this section";

(2) by adding at the end thereof the following new paragraph:

"(4) LIMITATIONS ON CREDIT FOR ACTIVE BUSINESS INCOME.—

"(A) IN GENERAL.—The amount of the credit determined under paragraph (1)(A) for any taxable year shall not exceed the sum of the following amounts:

"(i) 95 percent of the sum of—

"(I) the aggregate amount of the possession corporation's qualified possession wages for such taxable year, plus

"(II) the allocable employee fringe benefit expenses of the possession corporation for the taxable year.

"(ii) The sum of—

"(I) 50 percent of the depreciation deductions allowable under section 167 to the possession corporation for the taxable year with respect to short-life qualified tangible property,

"(II) 75 percent of the depreciation deductions allowable under section 167 to the possession corporation for the taxable year with respect to medium-life qualified tangible property, and

"(III) 100 percent of the depreciation deductions allowable under section 167 to the possession corporation for the taxable year with respect to long-life qualified tangible property.

"(iii) If the possession corporation does not have an election to use the method described in subsection (h)(5)(C)(ii) (relating to profit split) in effect for the taxable year, the amount of qualified possession income taxes for the taxable year allocable to nonsheltered income.

"(B) ELECTION TO TAKE REDUCED CREDIT.—

"(i) IN GENERAL.—If an election under this subparagraph applies to a possession corporation for any taxable year—

"(I) subparagraph (A), and the provisions of subsection (i), shall not apply to such possession corporation for such taxable year, and

"(II) the credit determined under paragraph (1)(A) for such taxable year shall be the applicable percentage of the credit which would otherwise have been determined under such paragraph.

Notwithstanding subclause (I), a possession corporation to which an election under this subparagraph applies shall be entitled to the benefits of subsection (i)(3)(B) for taxes allocable (on a pro rata basis) to taxable income the tax on which is not offset by reason of this subparagraph.

"(ii) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means the percentage determined in accordance with the following table:

"In the case of taxable year beginning in:	**The percentage is:**
1994	*60*
1995	*55*
1996	*50*
1997	*45*
1998 and thereafter	*40.*

"(iii) ELECTION.—

"(I) IN GENERAL.—An election under this subparagraph by any possession corporation may be made only for the corporation's first taxable year beginning after December 31, 1993, for which it is a possession corporation.

"(II) PERIOD OF ELECTION.—An election under this subparagraph shall apply to the taxable year for which made and all subsequent taxable years unless revoked.

"(III) AFFILIATED GROUPS.—If, for any taxable year, an election is not in effect for any possession corporation which is a member of an affiliated group, any election under this subparagraph for any other member of such group is revoked for such taxable year and all subsequent taxable years. For purposes of this subclause, members of an affiliated group shall be determined without regard to the exceptions contained in section 1504(b) and as if the constructive ownership rules of section 1563(e) applied for purposes of section 1504(a). The Secretary may prescribe regulations to prevent the avoidance of this subclause through deconsolidation or otherwise.

"(C) CROSS REFERENCE.—

"For definitions and special rules applicable to this paragraph, see subsection (i)."; and

(3) by inserting "97.5 percent of" after "equal to" in paragraph (1).

(b) DEFINITIONS AND SPECIAL RULES.—Section 936 is amended by adding at the end thereof the following new subsection:

"(i) DEFINITIONS AND SPECIAL RULES RELATING TO LIMITATIONS OF SUBSECTION (a)(4).—

"(1) QUALIFIED POSSESSION WAGES.—For purposes of this section—

"(A) IN GENERAL.—The term 'qualified possession wages' means wages paid or incurred by the possession corporation during the taxable year in connection with the active conduct of a trade or business within a possession of the United States to any employee for services performed in such possession, but only if such services are performed while the principal place of employment of such employee is within such possession.

"(B) LIMITATION ON AMOUNT OF WAGES TAKEN INTO ACCOUNT.—

"(i) IN GENERAL.—The amount of wages which may be taken into account under subparagraph (A) with respect to any employee for any taxable year shall not exceed 85 percent of the contribution and benefit base determined under section 230 of the Social Security Act for the calendar year in which such taxable year begins.

"(ii) TREATMENT OF PART-TIME EMPLOYEES, ETC.—If—

"(I) any employee is not employed by the possession corporation on a substantially full-time basis at all times during the taxable year, or

"(II) the principal place of employment of any employee with the possession corporation is not within a possession at all times during the taxable year,

the limitation applicable under clause (i) with respect to such employee shall be the appropriate portion (as determined by the Secretary) of the limitation which would otherwise be in effect under clause (i).

"(C) TREATMENT OF CERTAIN EMPLOYEES.—The term 'qualified possession wages' shall not include any wages paid to employees who are assigned by the employer to perform services for another person, unless the principal trade or business of the employer is to make employees available for temporary periods to other persons in return for compensation. All possession corporations treated as 1 corporation under paragraph (6) shall be treated as 1 employer for purposes of the preceding sentence.

"(D) WAGES.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'wages' has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section). For purposes of the preceding sentence, such subsection (b) shall be applied as if the term 'United States' included all possessions of the United States.

"(ii) SPECIAL RULE FOR AGRICULTURAL LABOR AND RAILWAY LABOR.—In any case to which subparagraph (A) or (B) of paragraph (1) of section 51(h) applies, the term 'wages' has the meaning given to such term by section 51(h)(2).

"(2) ALLOCABLE EMPLOYEE FRINGE BENEFIT EXPENSES.—

"(A) IN GENERAL.—The allocable employee fringe benefit expenses of any possession corporation for any taxable year is an amount which bears the same ratio to the amount determined under subparagraph (B) for such taxable year as—

"(i) the aggregate amount of the possession corporation's qualified possession wages for such taxable year, bears to

"(ii) the aggregate amount of the wages paid or incurred by such possession corporation during such taxable year.

In no event shall the amount determined under the preceding sentence exceed 15 percent of the amount referred to in clause (i).

"(B) EXPENSES TAKEN INTO ACCOUNT.—For purposes of subparagraph (A), the amount determined under this subparagraph for any taxable year is the aggregate amount allowable as a deduction under this chapter to the possession corporation for such taxable year (determined without regard to paragraph (5)) with respect to—

"(i) employer contributions under a stock bonus, pension, profit-sharing, or annuity plan,

"(ii) employer-provided coverage under any accident or health plan for employees, and

"(iii) the cost of life or disability insurance provided to employees.

Any amount treated as wages under paragraph (1)(D) shall not be taken into account under this subparagraph.

"(3) TREATMENT OF POSSESSION TAXES.—

"(A) AMOUNT OF CREDIT FOR POSSESSION CORPORATIONS NOT USING PROFIT SPLIT.—

"(i) IN GENERAL.—For purposes of subsection (a)(4)(A)(iii), the amount of the qualified possession income taxes for any taxable year allocable to nonsheltered income shall be an amount which bears the same ratio to the possession income taxes for such taxable year as—

"(I) the increase in the tax liability of the possession corporation under this chapter by reason of subsection (a)(4)(A) (without regard to clause (iii) thereof) and paragraph (5) of this subsection, bears to

"(II) the tax liability of the possession corporation for the taxable year determined without regard to the credit allowable under this section and without regard to paragraph (5) of this subsection.

"(ii) LIMITATION ON AMOUNT OF TAXES TAKEN INTO ACCOUNT.—Possession income taxes shall not be taken into account under clause (i) for any taxable year to the extent that the amount of such taxes exceeds 9 percent of the amount of the taxable income for such taxable year.

"(B) DEDUCTION FOR POSSESSION CORPORATIONS USING PROFIT SPLIT.—Notwithstanding subsection (c) if a possession corporation is not described in subsection (a)(4)(A)(iii) for any taxable year, such possession corporation shall be allowed a deduction for such taxable year in an amount which bears the same ratio to the possession income taxes for such taxable year as—

"(i) the increase in the tax liability of the possession corporation under this chapter by reason of subsection (a)(4)(A) and paragraph (5) of this subsection, bears to

"(ii) the tax liability of the possession corporation for the taxable year determined without regard to the credit allowable under this section and without regard to paragraph (5) of this subsection.

In determining the credit under subsection (a) and in applying the preceding sentence, taxable income shall be determined without regard to the preceding sentence.

"(C) POSSESSION INCOME TAXES.—For purposes of this paragraph, the term 'possession income taxes' means any taxes of a possession of the United States which are treated as not being income, war profits, or excess profits taxes paid or accrued to a possession of the United States by reason of subsection (c).

"(4) CATEGORIES OF DEPRECIABLE PROPERTY.—For purposes of this section—

"(A) QUALIFIED TANGIBLE PROPERTY.—The term 'qualified tangible property' means any tangible property used by the possession corporation in a possession of the United States in the active conduct of a trade or business within such possession.

"(B) SHORT-LIFE QUALIFIED TANGIBLE PROPERTY.—The term 'short-life qualified tangible property' means any qualified tangible property to which section 168 applies and which is 3-year property or 5-year property for purposes of such section.

"(C) MEDIUM-LIFE QUALIFIED TANGIBLE PROPERTY.—The term 'medium-life qualified tangible property' means any qualified tangible property to which section 168 applies and which is 7-year property or 10-year property for purposes of such section.

"(D) LONG-LIFE QUALIFIED TANGIBLE PROPERTY.—The term 'long-life qualified tangible property' means any qualified tangible property to which section 168 applies and which is not described in subparagraph (B) or (C).

"(E) TRANSITIONAL RULE.—In the case of any qualified tangible property to which section 168 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) applies, any reference in this paragraph to section 168 shall be treated as a reference to such section as so in effect.

"(5) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—Notwithstanding any other provision of this chapter, no deduction shall be allowed to a possession corporation for—

"(i) any qualified possession wages,

"(ii) any allocable employee fringe benefit expenses, and

"(iii) any depreciation deductions referred to in subsection (a)(4)(A)(ii).

"(B) COORDINATION WITH OTHER PROVISIONS.—Subparagraph (A) shall not apply for purposes of—

"(i) determining the amount of the credit allowable under subsection (a)(1)(A) or otherwise determining the taxable income of the possession corporation under any other provision of this section, and

"(ii) determining adjustments to the basis of any property on account of depreciation deductions.

"(6) ELECTION TO COMPUTE CREDIT ON CONSOLIDATED BASIS.—

"(A) IN GENERAL.—Any affiliated group may elect to treat all possession corporations which would be members of such group but for section 1504(b) (3) or (4) as 1 corporation for purposes of this section. The credit determined under this section with respect to such 1 corporation shall be allocated among such possession corporations in such manner as the Secretary may prescribe.

"(B) ELECTION.—An election under subparagraph (A) shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary.

"(7) POSSESSION CORPORATION.—The term 'possession corporation' means a domestic corporation for which the election provided in subsection (a) is in effect."

(c) MINIMUM TAX TREATMENT.—

(1) IN GENERAL.—Clause (ii) of section 56(g)(4)(C) (relating to treatment of special rule for certain dividends) is amended by striking "sections 936 and 921" and inserting "sections 936 (including subsections (a)(4) and (i) thereof) and 921".

(2) TREATMENT OF FOREIGN TAXES.—Clause (iii) of section 56(g)(4)(C) is amended by adding at the end thereof the following subclauses:

"(IV) SEPARATE APPLICATION OF FOREIGN TAX CREDIT LIMITATIONS.—In determining the alternative minimum foreign tax credit, section 904(d) shall be applied as if dividends from a corporation eligible for the credit provided by section 936 were a separate category of income referred to in a subparagraph of section 904(d)(1).

"(V) COORDINATION WITH LIMITATION ON 936 CREDIT.—Any reference in this clause to a dividend received from a corporation eligible for the credit provided by section 936 shall be treated as a reference to the portion of any such dividend for which the dividends received deduction is disallowed under clause (i) after the application of clause (ii)(I)."

(d) CONFORMING AMENDMENT.—Paragraph (4) of section 904(b) is amended by inserting before the period at the end thereof the following: "(without regard to subsections (a)(4) and (i) thereof)".

(e) INCREASE IN LIMITATION ON COVER OVER.—Paragraph (1) of section 7652(f) is amended to read as follows:

"(1) $10.50 ($11.30 in the case of distilled spirits brought into the United States during the 5-year period beginning on July 1, 1995), or."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993; except that the amendment made by subsection (e) shall take effect on October 1, 1993.

SEC. 8228. MODIFICATION TO LIMITATION ON DEDUCTION FOR CERTAIN INTEREST.

(a) GENERAL RULE.—Paragraph (3) of section 163(j) (defining disqualified interest) is amended to read as follows:

"(3) DISQUALIFIED INTEREST.—For purposes of this subsection, the term 'disqualified interest' means—

"(A) any interest paid or accrued by the taxpayer (directly or indirectly) to a related person if no tax is imposed by this subtitle with respect to such interest, and

"(B) any interest paid or accrued by the taxpayer with respect to any indebtedness to a person who is not a related person if—

"(i) there is a disqualified guarantee of such indebtedness, and

"(ii) no gross basis tax is imposed by this subtitle with respect to such interest."

(b) DEFINITIONS.—Paragraph (6) of section 163(j) is amended by adding at the end thereof the following new subparagraphs:

"(D) DISQUALIFIED GUARANTEE.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'disqualified guarantee' means any guarantee by a related person which is—

"(I) an organization exempt from taxation under this subtitle, or

"(II) a foreign person.

"(ii) EXCEPTIONS.—The term 'disqualified guarantee' shall not include a guarantee—

"(I) in any circumstances identified by the Secretary by regulation, where the interest on the indebtedness would have been subject to a net basis tax if the interest had been paid to the guarantor, or

"(II) if the taxpayer owns a controlling interest in the guarantor.

For purposes of subclause (II), except as provided in regulations, the term 'a controlling interest' means direct or indirect ownership of at least 80 percent of the total voting power and value of all classes of stock of a corporation, or 80 percent of the profit and capital interests in any other entity. For purposes of the preceding sentence, the rules of paragraphs (1) and (5) of section 267(c) shall apply; except that such rules shall also apply to interest in entities other than corporations.

"(iii) GUARANTEE.—Except as provided in regulations, the term 'guarantee' includes any arrangement under which a person (directly or indirectly through an entity or otherwise) assures, on a conditional or unconditional basis, the payment of another person's obligation under any indebtedness.

"(E) GROSS BASIS AND NET BASIS TAXATION.—

"(i) GROSS BASIS TAX.—The term 'gross basis tax' means any tax imposed by this subtitle which is determined by reference to the gross amount of any item of income without any reduction for any deduction allowed by this subtitle.

"(ii) NET BASIS TAX.—The term 'net basis tax' means any tax imposed by this subtitle which is a not a gross basis tax."

(c) CONFORMING AMENDMENT.—Subparagraph (B) of section 163(j)(5) is amended by striking "to a related person".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to interest paid or accrued in taxable years beginning after December 31, 1993.

PART III—FOREIGN TAX PROVISIONS

Subpart A—Current Taxation of Certain Earnings of Controlled Foreign Corporations

SEC. 8231. EARNINGS INVESTED IN EXCESS PASSIVE ASSETS.

(a) GENERAL RULE.—Paragraph (1) of section 951(a) (relating to amounts included in gross income of United States shareholders) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting "; and", and by adding at the end thereof the following new subparagraph:

"(C) the amount determined under section 956A with respect to such shareholder for such year (but only to the extent not excluded from gross income under section 959(a)(3))."

(b) AMOUNT OF INCLUSION.—Subpart F of part III of subchapter N of chapter 1 is amended by inserting after section 956 the following new section:

"SEC. 956A. EARNINGS INVESTED IN EXCESS PASSIVE ASSETS.

"(a) GENERAL RULE.—In the case of any controlled foreign corporation, the amount determined under this section with respect to any United States shareholder for any taxable year is the lesser of—

"(1) the excess (if any) of—

"(A) such shareholder's pro rata share of the amount of the controlled foreign corporation's excess passive assets for such taxable year, over

"(B) the amount of earnings and profits described in section 959(c)(1)(B) with respect to such shareholder, or

"(2) such shareholder's pro rata share of the applicable earnings of such controlled foreign corporation determined after the application of section 951(a)(1)(B).

"(b) APPLICABLE EARNINGS.—For purposes of this section, the term 'applicable earnings' means, with respect to any controlled foreign corporation, the sum of—

"(1) the amount referred to in section 316(a)(1) to the extent such amount was accumulated in taxable years beginning after September 30, 1993, and

"(2) the amount referred to in section 316(a)(2),

but reduced by distributions made during the taxable year and reduced by the earnings and profits described in section 959(c)(1) to the extent that the earnings and profits so described were accumulated in taxable years beginning after September 30, 1993.

"(c) EXCESS PASSIVE ASSETS.—For purposes of this section—

"(1) IN GENERAL.—The excess passive assets of any controlled foreign corporation for any taxable year is the excess (if any) of—

"(A) the average of the amounts of passive assets held by such corporation as of the close of each quarter of such taxable year, over

"(B) 25 percent of the average of the amounts of total assets held by such corporation as of the close of each quarter of such taxable year.

For purposes of the preceding sentence, the amount taken into account with respect to any asset shall be its adjusted basis as determined for purposes of computing earnings and profits.

"(2) PASSIVE ASSET.—

"(A) IN GENERAL.—Except as otherwise provided in this section, the term 'passive asset' means any asset held by the controlled foreign corporation which produces passive income (as defined in section 1296(b)) or is held for the production of such income.

"(B) COORDINATION WITH SECTION 956.—The term 'passive asset' shall not include any United States property (as defined in section 956).

"(3) CERTAIN RULES TO APPLY.—For purposes of this subsection, the rules of the following provisions shall apply:

"(A) Section 1296(c) (relating to look-thru rules).

"(B) Section 1297(d) (relating to leasing rules).

"(C) Section 1297(e) (relating to intangible property).

"(d) TREATMENT OF CERTAIN CHAINS OF CONTROLLED FOREIGN CORPORATION.—

"(1) IN GENERAL.—For purposes of applying subsection (c)—

"(A) all controlled foreign corporations which are members of the same CFC chain shall be treated as 1 controlled foreign corporation, and

"(B) the amount of the excess passive assets determined with respect to such 1 corporation shall be allocated among the controlled foreign corporations which are members of such chain in proportion to their respective amounts of applicable earnings.

"(2) CFC CHAIN.—For purposes of paragraph (1), the term 'CFC chain' means any chain of controlled foreign corporations connected through stock ownership, but only if more than 50 percent (by vote or value) of the stock of each member of such chain (other than the top tier corporation) is owned (directly or indirectly) by one or more other members of the chain.

"(e) SPECIAL RULE WHERE CORPORATION CEASES TO BE CONTROLLED FOREIGN CORPORATION DURING TAXABLE YEAR.—If any foreign corporation ceases to be a controlled foreign corporation during any taxable year—

"(1) the determination of any United States shareholder's pro rata share shall be made on the basis of stock owned (within the meaning of section 958(a)) by such shareholder on the last day during the taxable year on which the foreign corporation is a controlled foreign corporation, and

"(2) the amount of such corporation's excess passive assets for such taxable year shall be determined by only taking into account quarters ending on or before such last day, and

"(3) in determining applicable earnings, the amount taken into account by reason of being described in paragraph (2) of section 316(a) shall be the portion of the amount so described which is allocable (on a pro rata basis) to the part of such year during which the corporation is a controlled foreign corporation.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section, including regulations to prevent the avoidance of the provisions of this section through reorganizations or otherwise."

(c) PREVIOUSLY TAXED INCOME RULES.—

(1) IN GENERAL.—Subsection (a) of section 959 (relating to exclusion from gross income of previously taxed earnings and profits) is amended by striking "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) such amounts would, but for this subsection, be included under section 951(a)(1)(C) in the gross income of,".

(2) ALLOCATION RULES.—

(A) Subsection (a) of section 959 is amended by adding at the end thereof the following new sentence: "The rules of subsection (c) shall apply for purposes of paragraph (1) of this subsection and the rules of subsection (f) shall apply for purposes of paragraphs (2) and (3) of this subsection.".

(B) Section 959 is amended by adding at the end thereof the following new subsection:

"(f) ALLOCATION RULES FOR CERTAIN INCLUSIONS.—

"(1) IN GENERAL.—For purposes of this section—

"(A) amounts that would be included under subparagraph (B) of section 951(a)(1) (determined without regard to this section) shall be treated as attributable first to earnings described in subsection (c)(2), and then to earnings described in subsection (c)(3), and

"(B) amounts that would be included under subparagraph (C) of section 951(a)(1) (determined without regard to this section) shall be treated as attributable first to earnings described in subsection (c)(2) to the extent the earnings so described were accumulated in taxable years beginning after September 30, 1993, and then to earnings described in subsection (c)(3).

"(2) TREATMENT OF DISTRIBUTIONS.—In applying this section, actual distributions shall be taken into account before amounts that would be included under subparagraphs (B) and (C) of section 951(a)(1) (determined without regard to this section)."

(C) Paragraph (1) of section 959(c) is amended to read as follows:

"(1) first to the aggregate of—

"(A) earnings and profits attributable to amounts included in gross income under section 951(a)(1)(B) (or which would have been included except for subsection (a)(2) of this section), and

"(B) earnings and profits attributable to amounts included in gross income under section 951(a)(1)(C) (or which would have been included except for subsection (a)(3) of this section),

with any distribution being allocated between earnings and profits described in subparagraph (A) and earnings and profits described in subparagraph (B) proportionately on the basis of the respective amounts of such earnings and profits,".

(3) CONFORMING AMENDMENTS.—

(A) Subsections (a) and (b) of section 959 are each amended by striking "earnings and profits for a taxable year" and inserting "earnings and profits".

(B) Paragraph (2) of section 959(c) is amended to read as follows:

"(2) then to earnings and profits attributable to amounts included in gross income under section 951(a)(1)(A) (but reduced by amounts not included under subparagraph (B) or (C) of section 951(a)(1) because of the exclusions in paragraphs (2) and (3) of subsection (a) of this section), and"

(C) Subsection (b) of section 989 is amended by striking "section 951(a)(1)(B)" and inserting "subparagraph (B) or (C) of section 951(a)(1)".

(d) MODIFICATIONS TO PASSIVE FOREIGN INVESTMENT COMPANY RULES.—

(1) ADJUSTED BASIS USED IN CERTAIN DETERMINATIONS.—Subsection (a) of section 1296 is amended by striking the material following paragraph (2) and inserting the following:

"In the case of a controlled foreign corporation (or any other foreign corporation if such corporation so elects), the determination under paragraph (2) shall be based on the adjusted bases (as determined for purposes of computing earnings and profits) of its assets in lieu of their value. Such an election, once made, may be revoked only with the consent of the Secretary."

(2) TREATMENT OF CERTAIN SUBPART F INCLUSIONS.—Subsection (b) of section 1297 is amended by adding at the end thereof the following new paragraph:

"(9) TREATMENT OF CERTAIN SUBPART F INCLUSIONS.—Any amount included in gross income under subparagraph (B) or (C) of section 951(a)(1) shall be treated as a distribution received with respect to the stock."

(3) TREATMENT OF CERTAIN DEALERS IN SECURITIES.—Subsection (b) of section 1296 is amended by adding at the end thereof the following new paragraph:

"(3) TREATMENT OF CERTAIN DEALERS IN SECURITIES.—

"(A) IN GENERAL.—In the case of any foreign corporation which is a controlled foreign corporation (as defined in section 957(a)), the term 'passive income' does not include any income derived in the active conduct of a securities business by such corporation if such corporation is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act. To the extent provided in regulations, such term shall not include any income derived in the active conduct of a securities business by a controlled foreign corporation which is not so registered.

"(B) APPLICATION OF LOOK-THRU RULES.—For purposes of paragraph (2)(C), rules similar to the rules of subparagraph (A) of this paragraph shall apply in determining whether any income of a related person (whether or not a corporation) is passive income.

"(C) LIMITATION.—The preceding provisions of this paragraph shall only apply in the case of persons who are United States shareholders (as defined in section 951(b)) in the controlled foreign corporation."

(4) LEASING AND INTANGIBLE ASSET RULES.—Section 1297 is amended by redesignating subsection (d) as subsection (f) and by inserting after subsection (c) the following new subsections:

"(d) TREATMENT OF CERTAIN LEASED PROPERTY.—For purposes of this part:

"(1) IN GENERAL.—Any tangible personal property with respect to which a foreign corporation is the lessee under a lease with a term of at least 12 months shall be treated as an asset actually held by such corporation.

"(2) DETERMINATION OF ADJUSTED BASIS.—

"(A) IN GENERAL.—The adjusted basis of any asset to which paragraph (1) applies shall be the unamortized portion (as determined under regulations prescribed by the Secretary) of the present value of the payments under the lease for the use of such property.

"(B) PRESENT VALUE.—For purposes of subparagraph (A), the present value of payments described in subparagraph (A) shall be determined in the manner provided in regulations prescribed by the Secretary—

"(i) as of the beginning of the lease term, and

"(ii) except as provided in such regulations, by using a discount rate equal to the applicable Federal rate determined under section 1274(d)—

"(I) by substituting the lease term for the term of the debt instrument, and

"(II) without regard to paragraph (2) or (3) thereof.

"(3) EXCEPTIONS.—This subsection shall not apply in any case where—

"(A) the lessor is a related person (as defined in section 954(d)(3)) with respect to the foreign corporation, or

"(B) a principal purpose of leasing the property was to avoid the provisions of this section.

"(e) SPECIAL RULES FOR CERTAIN INTANGIBLES.—

"(1) RESEARCH EXPENDITURES.—The adjusted basis of the total assets of a controlled foreign corporation shall be increased by the research or experimentation expenditures (within the meaning of section 174) paid or incurred by such foreign corporation during the taxable year and the preceding 2 taxable years.

"(2) CERTAIN LICENSED INTANGIBLES.—In the case of any intangible property (as defined in section 936(h)(3)(B)) with respect to which a controlled foreign corporation is a licensee and which is used by such foreign corporation in the active conduct of a trade or business, the adjusted basis of the total assets of such foreign corporation shall be increased by an amount equal to 300 percent of the payments made during the taxable year for the use of such intangible property. For purposes of the preceding sentence, payments to a foreign person shall not be taken into account if such foreign person is a related person (as defined in section 954(d)(3)) with respect to the controlled foreign corporation.

"(3) CONTROLLED FOREIGN CORPORATION.—For purposes of this subsection, the term 'controlled foreign corporation' has the meaning given such term by section 957(a)."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after September 30, 1993, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 8232. MODIFICATION TO TAXATION OF INVESTMENT IN UNITED STATES PROPERTY.

(a) GENERAL RULE.—Section 956 (relating to investment of earnings in United States property) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and

(2) by striking subsection (a) and inserting the following:

"(a) General Rule.—In the case of any controlled foreign corporation, the amount determined under this section with respect to any United States shareholder for any taxable year is the lesser of—

"(1) the excess (if any) of—

"(A) such shareholder's pro rata share of the average of the amounts of United States property held (directly or indirectly) by the controlled foreign corporation as of the close of each quarter of such taxable year, over

"(B) the amount of earnings and profits described in section 959(c)(1)(A) with respect to such shareholder, or

"(2) such shareholder's pro rata share of the applicable earnings of such controlled foreign corporation.

The amount taken into account under paragraph (1) with respect to any property shall be its adjusted basis as determined for purposes of computing earnings and profits, reduced by any liability to which the property is subject.

"(b) Adjustments for Certain Distributions; Other Special Rules.—

"(1) Applicable earnings.—For purposes of this section, the term 'applicable earnings' has the meaning given to such term by section 956A(b), except that the provisions of such section disregarding earnings and profits accumulated in taxable years beginning before October 1, 1993 shall be disregarded.

"(2) Special rule where corporation ceases to be controlled foreign corporation.—Rules similar to the rules of section 956A(e) shall apply for purposes of this section."

(b) Conforming Amendments.—

(1) Subparagraph (B) of section 951(a)(1) is amended to read as follows:

"(B) the amount determined under section 956 with respect to such shareholder for such year (but only to the extent not excluded from gross income under section 959(a)(2)); and"

(2) Subsection (a) of section 951 is amended by striking paragraph (4).

(c) Effective Date.—The amendments made by this section shall apply to taxable years of controlled foreign corporations beginning after September 30, 1993, and to taxable years of United States shareholders in which or with which such taxable years of controlled foreign corporations end.

SEC. 8233. OTHER MODIFICATIONS TO SUBPART F.

(a) Same Country Exception Not To Apply to Certain Dividends.—

(1) In general.—Paragraph (3) of section 954(c) (relating to certain income received from related persons) is amended by adding at the end thereof the following new subparagraph:

"(C) Exception for certain dividends.—Subparagraph (A)(i) shall not apply to any dividend with respect to any stock which is attributable to earnings and profits of the distributing corporation accumulated during any period during which the person receiving such dividend did not hold such stock."

(2) Effective date.—The amendment made by paragraph (1) shall apply to taxable years of controlled foreign corporations beginning after September 30, 1993, and to taxable years of United States shareholders in which or with which such taxable years of controlled foreign corporations end.

(b) Simplification of Section 960(b).—

(1) In general.—Subsection (b) of section 960 is amended—

(A) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and

(B) by striking paragraphs (1) and (2) and inserting the following new paragraphs:

"(1) Increase in section 904 limitation.—In the case of any taxpayer who—

"(A) either (i) chose to have the benefits of subpart A of this part for a taxable year beginning after September 30, 1993, in which he was required under section 951(a) to include any amount in his gross income, or (ii) did not pay or accrue for such taxable year any income, war profits, or excess profits taxes to any foreign country or to any possession of the United States,

"(B) chooses to have the benefits of subpart A of this part for any taxable year in which he receives 1 or more distributions or amounts which are excludable from gross income under section 959(a) and which are attributable to amounts included in his gross income for taxable years referred to in subparagraph (A), and

"(C) for the taxable year in which such distributions or amounts are received, pays, or is deemed to have paid, or accrues income, war profits, or excess profits taxes to a foreign country or to any possession of the United States with respect to such distributions or amounts,

the limitation under section 904 for the taxable year in which such distributions or amounts are received shall be increased by the lesser of the amount of such taxes paid, or deemed paid, or accrued with respect to such distributions or amounts or the amount in the excess limitation account as of the beginning of such taxable year.

"(2) Excess limitation account.—

"(A) Establishment of account.—Each taxpayer meeting the requirements of paragraph (1)(A) shall establish an excess limitation account. The opening balance of such account shall be zero.

"(B) Increases in account.—For each taxable year beginning after September 30, 1993, the taxpayer shall increase the amount in the excess limitation account by the excess (if any) of—

"(i) the amount by which the limitation under section 904(a) for such taxable year was increased by reason of the total amount of the inclusions in gross income under section 951(a) for such taxable year, over

"(ii) the amount of any income, war profits, and excess profits taxes paid, or deemed paid, or accrued to any foreign country or possession of the United States which were allowable as a credit under section 901 for such taxable year and which would not have been allowable but for the inclusions in gross income described in clause (i).

Proper reductions in the amount added to the account under the preceding sentence for any taxable year shall be made for any increase in the credit allowable under section 901 for such taxable year by reason of a carryback if such increase would not have been allowable but for the inclusions in gross income described in clause (i).

"(C) Decreases in account.—For each taxable year beginning after September 30, 1993, for which the limitation under section 904 was increased under paragraph (1), the taxpayer shall reduce the amount in the excess limitation account by the amount of such increase.

"(3) Distributions of income previously taxed in years beginning before October 1, 1993.—If the taxpayer receives a distribution or amount in a taxable year beginning after September 30, 1993, which is excluded from gross income under section 959(a) and is attributable to any amount included in gross income under section 951(a) for a taxable year beginning before October 1, 1993, the limitation under section 904 for the taxable year in which such amount or distribution is received shall be increased by the amount determined under this subsection as in effect on the day before the date of the enactment of the Revenue Reconcilation Act of 1993."

(2) Effective date.—The amendment made by paragraph (1) shall apply to taxable years beginning after September 30, 1993.

Subpart B—Allocation of Research and Experimental Expenditures

SEC. 8234. ALLOCATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) General Rule.—Subparagraph (B) of section 864(f)(1) (relating to allocation of research and experimental expenditures) is amended by striking "64 percent" each place it appears and inserting "50 percent".

(b) Conforming Amendments.—

(1) Subsection (f) of section 864 is amended by striking paragraph (5) and inserting the following new paragraphs:

"(5) Regulations.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this subsection, including regulations relating to the determination of whether any expenses are attributable to activities conducted in the United States or outside the United States and regulations providing such adjustments to the provisions of this subsection as may be appropriate in the case of cost-sharing arrangements and contract research.

"(6) Applicability.—This subsection shall apply to the taxpayer's first taxable year (beginning on or before August 1, 1994) following the taxpayer's last taxable year to which Revenue Procedure 92–56 applies or would apply if the taxpayer elected the benefits of such Revenue Procedure."

(2) Subparagraph (D) of section 864(f)(4) is amended by striking "subparagraph (C)" and inserting "subparagraph (B) or (C)".

Subpart C—Other Provisions

SEC. 8235. REPEAL OF CERTAIN EXCEPTIONS FOR WORKING CAPITAL.

(a) Provisions Relating to Oil and Gas Income.—

(1) Amendments to section 907.—

(A) Paragraph (1) of section 907(c) is amended by adding at the end thereof the following new flush sentence:

"Such term does not include any dividend or interest income which is passive income (as defined in section 904(d)(2)(A)).".

(B) Paragraph (2) of section 907(c) is amended by adding at the end thereof the following new flush sentence:

"Such term does not include any dividend or interest income which is passive income (as defined in section 904(d)(2)(A)).".

(2) Separate application of foreign tax credit.—Clause (iii) of section 904(d)(2)(A) is amended by inserting "and" at the end of subclause (II), by striking ", and" at the end of subclause (III) and inserting a period, and by striking subclause (IV).

(3) Treatment under subpart F.—

(A) Paragraph (1) of section 954(g) is amended by adding at the end thereof the following new flush sentence:

Such term shall not include any foreign personal holding company income (as defined in subsection (c)).".

(B) Paragraph (8) of section 954(b) is amended by striking "(1),".

(b) Treatment of Shipping Income.—Subsection (f) of section 954 is amended by adding at the end thereof the following new sentence: "Such term shall not include any dividend or interest income which is foreign personal holding company income (as defined in subsection (c)).".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 8236. MODIFICATIONS OF ACCURACY-RELATED PENALTY.

(a) Threshold Requirement.—Clause (ii) of section 6662(e)(1)(B) (relating to substantial valuation misstatement under chapter 1) is amended to read as follows:

"(ii) the net section 482 transfer price adjustment for the taxable year exceeds the lesser of $5,000,000 or 10 percent of the taxpayer's gross receipts."

(b) CERTAIN ADJUSTMENTS EXCLUDED IN DETERMINING THRESHOLD.—Subparagraph (B) of section 6662(e)(3) is amended to read as follows:

"(B) CERTAIN ADJUSTMENTS EXCLUDED IN DETERMINING THRESHOLD.—For purposes of determining whether the threshold requirements of paragraph (1)(B)(ii) are met, the following shall be excluded:

"(i) Any portion of the net increase in taxable income referred to in subparagraph (A) which is attributable to any redetermination of a price if—

"(I) it is established that the taxpayer determined such price in accordance with a specific pricing method set forth in the regulations prescribed under section 482 and that the taxpayer's use of such method was reasonable,

"(II) the taxpayer has documentation (which was in existence as of the time of filing the return) which sets forth the determination of such price in accordance with such a method and which establishes that the use of such method was reasonable, and

"(III) the taxpayer provides such documentation to the Secretary within 30 days of a request for such documentation.

"(ii) Any portion of the net increase in taxable income referred to in subparagraph (A) which is attributable to a redetermination of price where such price was not determined in accordance with such a specific pricing method if—

"(I) the taxpayer establishes that none of such pricing methods was likely to result in a price that would clearly reflect income, the taxpayer used another pricing method to determine such price, and such other pricing method was likely to result in a price that would clearly reflect income,

"(II) the taxpayer has documentation (which was in existence as of the time of filing the return) which sets forth the determination of such price in accordance with such other method and which establishes that the requirements of subclause (I) were satisfied, and

"(III) the taxpayer provides such documentation to the Secretary within 30 days of request for such documentation.

"(iii) Any portion of such net increase which is attributable to any transaction solely between foreign corporations unless, in the case of any such corporations, the treatment of such transaction affects the determination of income from sources within the United States or taxable income effectively connected with the conduct of a trade or business within the United States."

(c) COORDINATION WITH REASONABLE CAUSE EXCEPTION.—Paragraph (3) of section 6662(e) is amended by adding at the end thereof the following new subparagraph:

"(D) COORDINATION WITH REASONABLE CAUSE EXCEPTION.—For purposes of section 6664(c) the taxpayer shall not be treated as having reasonable cause for any portion of an underpayment attributable to a net section 482 transfer price adjustment unless such taxpayer meets the requirements of clause (i), (ii), or (iii) of subparagraph (B) with respect to such portion."

(d) CONFORMING AMENDMENT.—Clause (iii) of section 6662(h)(2)(A) is amended to read as follows:

"(iii) in paragraph (1)(B)(ii)—

"(I) '$20,000,000' for '$5,000,000', and

"(II) '20 percent' for '10 percent'."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 8237. DENIAL OF PORTFOLIO INTEREST EXEMPTION FOR CONTINGENT INTEREST.

(a) GENERAL RULE.—

(1) Subsection (h) of section 871 (relating to repeal of tax on interest of nonresident alien individuals received from certain portfolio debt investments) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) PORTFOLIO INTEREST NOT TO INCLUDE CERTAIN CONTINGENT INTEREST.—For purposes of this subsection—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'portfolio interest' shall not include—

"(i) any interest if the amount of such interest is determined by reference to—

"(I) any receipts, sales or other cash flow of the debtor or a related person,

"(II) any income or profits of the debtor or a related person,

"(III) any change in value of any property of the debtor or a related person, or

"(IV) any dividend, partnership distributions, or similar payments made by the debtor or a related person, or

"(ii) any other type of contingent interest that is identified by the Secretary by regulation, where a denial of the portfolio interest exemption is necessary or appropriate to prevent avoidance of Federal income tax.

"(B) RELATED PERSON.—The term 'related person' means any person who is related to the debtor within the meaning of section 267(b) or 707(b)(1), or who is a party to any arrangement undertaken for a purpose of avoiding the application of this paragraph.

"(C) EXCEPTIONS.—Subparagraph (A)(i) shall not apply to—

"(i) any amount of interest solely by reason of the fact that the timing of any interest or principal payment is subject to a contingency,

"(ii) any amount of interest solely by reason of the fact that the interest is paid with respect to nonrecourse or limited recourse indebtedness,

"(iii) any amount of interest all or substantially all of which is determined by reference to any other amount of interest not described in subparagraph (A) (or by reference to the principal amount of indebtedness on which such other interest is paid),

"(iv) any amount of interest solely by reason of the fact that the debtor or a related person enters into a hedging transaction to reduce the risk of interest rate or currency fluctuations with respect to such interest,

"(v) any amount of interest determined by reference to—

"(I) changes in the value of property (including stock) that is actively traded (within the meaning of section 1092(d)) other than property described in section 897(c)(1) or (g),

"(II) the yield on property described in subclause (I), other than a debt instrument that pays interest described in subparagraph (A), or stock or other property that represents a beneficial interest in the debtor or a related person, or

"(III) changes in any index of the value of property described in subclause (I) or of the yield on property described in subclause (II), and

"(vi) any other type of interest identified by the Secretary by regulation.

"(D) EXCEPTION FOR CERTAIN EXISTING INDEBTEDNESS.—Subparagraph (A) shall not apply to any interest paid or accrued with respect to any indebtedness with a fixed term—

"(i) which was issued on or before April 7, 1993, or

"(ii) which was issued after such date pursuant to a written binding contract in effect on such date and at all times thereafter before such indebtedness was issued."

(2) Subsection (c) of section 881 is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) PORTFOLIO INTEREST NOT TO INCLUDE CERTAIN CONTINGENT INTEREST.—For purposes of this subsection, the term 'portfolio interest' shall not include any interest which is treated as not being portfolio interest under the rules of section 871(h)(4)."

(b) CONFORMING AMENDMENTS.—

(1) Clause (ii) of section 871(h)(2)(B) is amended by striking "paragraph (4)" and inserting "paragraph (5)".

(2) Clause (ii) of section 881(c)(2)(B) is amended by striking "section 871(h)(4)" and inserting "section 871(h)(5)".

(3) Paragraph (6) of section 881(c) (as redesignated by subsection (a)) is amended by striking "section 871(h)(5)" each place it appears and inserting "section 871(h)(6)".

(4) Paragraph (9) of section 1441(c) is amended by striking "section 871(h)(3)" and inserting "section 871(h)(3) or (4)".

(5) Subsection (a) of section 1442 is amended—

(A) by striking "871(h)(3)" and inserting "871(h)(3) or (4)", and

(B) by striking "881(c)(3)" and inserting "881(c)(3) or (4)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest received after December 31, 1993.

SEC. 8238. REGULATIONS DEALING WITH CONDUIT ARRANGEMENTS.

Section 7701 is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

"(l) REGULATIONS RELATING TO CONDUIT ARRANGEMENTS.—The Secretary may prescribe regulations recharacterizing any multiple-party financing transaction as a transaction directly among any 2 or more of such parties where the Secretary determines that such recharacterization is appropriate to prevent avoidance of any tax imposed by this title."

SEC. 8239. TREATMENT OF EXPORT OF CERTAIN SOFTWOOD LOGS.

(a) FOREIGN SALES CORPORATIONS.—Paragraph (2) of section 927(a) (relating to exclusion of certain property) is amended by striking "or" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", or", and by adding at the end the following:

"(E) any unprocessed timber which is a softwood.

For purposes of subparagraph (E), the term 'unprocessed timber' means any log, cant, or similar form of timber."

(b) DOMESTIC INTERNATIONAL SALES CORPORATIONS.—Paragraph (2) of section 993(c) (relating to exclusion of certain property) is amended—

(1) by striking "or" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", or", and by adding after subparagraph (D) the following new subparagraph:

"(E) any unprocessed timber which is a softwood.", and

(2) by adding at the end the following new sentence: "For purposes of subparagraph (E), the term 'unprocessed timber' means any log, cant, or similar form of timber."

(c) SOURCE RULE.—Subsection (b) of section 865 (relating to source rules for personal property sales) is amended by adding at the end the following: "Notwithstanding the preceding sentence, any income from the sale of any unprocessed timber which is a softwood and was cut from an area in the United States shall be sourced in the United States and the rules of sections 862(a)(6) and 863(b) shall not apply to any such income. For purposes of the preceding sentence, the term 'unprocessed timber' means any log, cant, or similar form of timber."

(d) ELIMINATION OF DEFERRAL.—Subsection (d) of section 954 is amended by adding at the end the following new paragraph:

"(4) SPECIAL RULE FOR CERTAIN TIMBER PRODUCTS.—For purposes of subsection (a)(2), the term 'foreign base company sales income' includes any income (whether in the form of profits, commissions, fees, or otherwise) derived in connection with—

"(A) the sale of any unprocessed timber referred to in section 865(b), or

"(B) the milling of any such timber outside the United States.

Subpart G shall not apply to any amount treated as subpart F income by reason of this paragraph."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to sales, exchanges, or other dispositions after the date of the enactment of this Act.

PART IV—TRANSPORTATION FUELS PROVISIONS

Subpart A—Transportation Fuels Tax

SEC. 8241. TRANSPORTATION FUELS TAX.

(a) GASOLINE.—

(1) IN GENERAL.—Clause (iii) of section 4081(a)(2)(B) (relating to rates of tax) is amended to read as follows:

"(iii) the deficit reduction rate is 6.8 cents a gallon (4.3 cents a gallon on and after October 1, 1995)."

(2) DEFICIT REDUCTION RATE MADE PERMANENT.—Section 4081(d) (relating to termination) is amended by striking paragraph (3).

(b) DIESEL FUEL AND AVIATION FUEL.—

(1) DIESEL FUEL.—

(A) IN GENERAL.—Paragraph (4) of section 4091(b) (relating to rate of tax) is amended by striking "2.5 cents per gallon" and inserting "6.8 cents per gallon (4.3 cents per gallon on and after October 1, 1995)".

(B) DIESEL FUEL DEFICIT REDUCTION RATE MADE PERMANENT.—Section 4091(b)(6) (relating to termination) is amended by striking subparagraph (D).

(2) AVIATION FUEL.—

(A) GASOLINE IN NONCOMMERCIAL AVIATION.—Paragraph (3) of section 4041(c) is amended to read as follows:

"(3) RATE OF TAX.—The rate of tax imposed by paragraph (2) on any gasoline is 1 cent."

(3) CONFORMING AMENDMENTS.—

(A) Subparagraphs (A) and (B) of section 4093(c)(2) are amended to read as follows:

"(A) NO REFUND OF CERTAIN TAXES ON FUEL USED IN DIESEL-POWERED TRAINS.—In the case of fuel sold for use in a diesel-powered train, paragraph (1) shall not apply to so much of the tax imposed by section 4091 as is attributable to the Leaking Underground Storage Tank Trust Fund financing rate and the diesel fuel deficit reduction rate imposed under such section. The preceding sentence shall not apply in the case of fuel sold for exclusive use by a State or any political subdivision thereof.

"(B) NO REFUND OF CERTAIN TAXES ON FUEL USED IN AIRCRAFT.—In the case of fuel sold for use in any aircraft (except supplies for vessels or aircraft within the meaning of section 4221(d)(3)), paragraph (1) also shall not apply to so much of the tax imposed by section 4091 as is attributable to the Leaking Underground Storage Tank Trust Fund financing rate and the aviation fuel deficit reduction rate imposed by such section. The preceding sentence shall not apply in the case of fuel sold for exclusive use by a State or any political subdivision thereof."

(B) Section 4093(d) is amended by inserting "and the aviation fuel deficit reduction rate" after "rate".

(c) SPECIAL FUELS.—Section 4041(m)(1)(A) is amended by striking "1.25 cents" and inserting "5.55 cents (4.3 cents on and after October 1, 1995)".

(d) FUEL USED IN COMMERCIAL TRANSPORTATION ON INLAND WATERWAYS.—

(1) IN GENERAL.—Section 4042(b)(1) (relating to amount of tax) is amended—

(A) by striking "and" at the end of subparagraph (A),

(B) by striking the period at the end of subparagraph (B) and inserting ", and", and

(C) by adding at the end thereof the following new subparagraph:

"(C) the deficit reduction rate."

(2) RATE.—Section 4042(b)(2) (relating to rates) is amended by adding at the end the following new subparagraph:

"(C) The deficit reduction rate is 4.3 cents per gallon."

(e) CONFORMING AMENDMENTS.—

(1) Section 6421(f) is amended—

(A) by striking subparagraph (B) of paragraph (2) and inserting the following:

"(B) in aviation which is not noncommercial aviation (as so defined) with respect to the tax imposed by section 4081 at the Leaking Underground Storage Tank Trust Fund financing rate and at the deficit reduction rate to the extent such deficit reduction rate does not exceed 4.3 cents per gallon.", and

(B) by inserting "and at the deficit reduction rate to the extent such deficit reduction rate does not exceed 4.3 cents per gallon" after "financing rate" in paragraph (3), and

(C) by inserting "AND DEFICIT REDUCTION TAX" after "TAX" in the heading for paragraph (3).

(2) Section 6427(l) is amended by striking paragraphs (3) and (4) and inserting the following new paragraphs:

"(3) NO REFUND OF CERTAIN TAXES ON FUEL USED IN DIESEL-POWERED TRAINS.—In the case of fuel used in a diesel-powered train, paragraph (1) shall not apply to so much of the tax imposed by section 4091 as is attributable to the Leaking Underground Storage Tank Trust Fund financing rate and the diesel fuel deficit reduction rate imposed by such section. The preceding sentence shall not apply in the case of fuel sold for exclusive use by a State or any political subdivision thereof.

"(4) NO REFUND OF CERTAIN TAXES ON FUEL USED IN AIRCRAFT.—In the case of fuel used in any aircraft (except supplies for vessels or aircraft within the meaning of section 4221(d)(3)), paragraph (1) also shall not apply to so much of the tax imposed by section 4091 as is attributable to the Leaking Underground Storage Tank Trust Fund financing rate and the aviation fuel deficit reduction rate imposed by such section. The preceding sentence shall not apply in the case of fuel sold for exclusive use by a State or any political subdivision thereof."

(3) Section 9502(b)(3) is amended by inserting "and the deficit reduction rate" after "financing rate".

(4) Section 9503(b)(4)(B) is amended by inserting "and the deficit reduction rates under such sections to the extent such rates do not exceed 4.3 cents per gallon" after "such sections".

(5) Section 9503(c)(4)(D) is amended by inserting "and the deficit reduction rates under such sections to the extent such rates do not exceed 4.3 cents per gallon" after "such sections".

(6) Section 9503(c)(5)(B) is amended by inserting "and the deficit reduction rate under such section to the extent such rate does not exceed 4.3 cents per gallon" after "such section".

(7) Section 9503(c)(6)(D) is amended by inserting "and the deficit reduction rate to the extent such rate does not exceed 4.3 cents per gallon" after "financing rate".

(8) Section 9506(b) is amended by inserting "and the deficit reduction rate" after "financing rate".

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1993.

(g) FLOOR STOCKS TAXES.—

(1) IMPOSITION OF TAX.—In the case of gasoline, diesel fuel, and aviation fuel on which tax was imposed under section 4081 or 4091 of the Internal Revenue Code of 1986 before October 1, 1993, and which is held on such date by any person, there is hereby imposed a floor stocks tax of 4.3 cents per gallon on such gasoline, diesel fuel, and aviation fuel.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding gasoline, diesel fuel, or aviation fuel on October 1, 1993, to which the tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid in such manner as the Secretary shall prescribe.

(C) TIME FOR PAYMENT.—The tax imposed by paragraph (1) shall be paid on or before November 30, 1993.

(3) DEFINITIONS.—For purposes of this subsection—

(A) HELD BY A PERSON.—Gasoline, diesel fuel, and aviation fuel shall be considered as "held by a person" if title thereto has passed to such person (whether or not delivery to the person has been made).

(B) GASOLINE.—The term "gasoline" has the meaning given such term by section 4082 of such Code.

(C) DIESEL FUEL.—The term "diesel fuel" has the meaning given such term by section 4092 of such Code.

(D) AVIATION FUEL.—The term "aviation fuel" has the meaning given such term by section 4092 of such Code.

(E) SECRETARY.—The term "Secretary" means the Secretary of the Treasury or his delegate.

(4) EXCEPTION FOR EXEMPT USES.—The tax imposed by paragraph (1) shall not apply to gasoline, diesel fuel, or aviation fuel held by any person exclusively for any use to the extent a credit or refund of the tax imposed by section 4081 or 4091 of such Code, as the case may be, is allowable for such use.

(5) EXCEPTION FOR FUEL HELD IN VEHICLE TAX.—No tax shall be imposed by paragraph (1) on gasoline or diesel fuel held in the tank of a motor vehicle or motorboat.

(6) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—

(A) IN GENERAL.—No tax shall be imposed by paragraph (1)—

(i) on gasoline held on October 1, 1993, by any person if the aggregate amount of gasoline held by such person on such date does not exceed 4,000 gallons, and

(ii) on diesel fuel or aviation fuel held on October 1, 1993, by any person if the aggregate amount of diesel fuel or aviation fuel held by such person on such date does not exceed 2,000 gallons.

The preceding sentence shall apply only if such person submits to the Secretary (at the time and in the manner required by the Secretary) such information as the Secretary shall require for purposes of this paragraph.

(B) EXEMPT FUEL.—For purposes of subparagraph (A), there shall not be taken into account fuel held by any person which is exempt from the tax imposed by paragraph (1) by reason of paragraph (4) or (5).

(C) CONTROLLED GROUPS.—For purposes of this paragraph—

(i) CORPORATIONS.—

(I) IN GENERAL.—All persons treated as a controlled group shall be treated as 1 person.

(II) CONTROLLED GROUP.—The term "controlled group" has the meaning given to such term by subsection (a) of section 1563 of such Code; except that for such purposes the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in such subsection.

(ii) NONINCORPORATED PERSONS UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, principles similar to the principles of clause (i) shall apply to a group of persons under common control where 1 or more of such persons is not a corporation.

(7) OTHER LAW APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4081 of such Code in the case of gasoline and section 4091 of such Code in the case of diesel fuel shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply with respect to the floor stock taxes imposed by paragraph (1) to the same extent as if such taxes were imposed by such section 4081 or 4091.

Subpart B—Modifications to Tax on Diesel Fuel

SEC. 8242. MODIFICATIONS TO TAX ON DIESEL FUEL.

(a) IN GENERAL.—Subparts A and B of part III of subchapter A of chapter 32 (relating to manufacturers excise taxes), as amended by subpart A, are amended to read as follows:

"Subpart A—Gasoline and Diesel Fuel

"Sec. 4081. Imposition of tax.

"Sec. 4082. Exemptions for diesel fuel.

"Sec. 4083. Definitions and special rule.

"Sec. 4084. Cross references.

"SEC. 4081. IMPOSITION OF TAX.

"(a) TAX IMPOSED.—

"(1) TAX ON REMOVAL, ENTRY, OR SALE.—

"(A) IN GENERAL.—There is hereby imposed a tax at the rate specified in paragraph (2) on—

"(i) the removal of a taxable fuel from any refinery,

"(ii) the removal of a taxable fuel from any terminal,

"(iii) the entry into the United States of any taxable fuel for consumption, use, or warehousing, and

"(iv) the sale of a taxable fuel to any person who is not registered under section 4101 unless there was a prior taxable removal or entry of such fuel under clause (i), (ii), or (iii).

"(B) EXEMPTION FOR BULK TRANSFERS TO REGISTERED TERMINALS OR REFINERIES.—The tax imposed by this paragraph shall not apply to any removal or entry of a taxable fuel transferred in bulk to a terminal or refinery if the person removing or entering the taxable fuel and the operator of such terminal or refinery are registered under section 4101.

"(2) RATES OF TAX.—

"(A) IN GENERAL.—The rate of the tax imposed by this section is the sum of—

"(i) the Highway Trust Fund financing rate,

"(ii) the Leaking Underground Storage Tank Trust Fund financing rate, and

"(iii) the deficit reduction rate.

"(B) RATES.—For purposes of subparagraph (A)—

"(i) the Highway Trust Fund financing rate is—

"(I) 11.5 cents per gallon in the case of gasoline, and

"(II) 17.5 cents per gallon in the case of diesel fuel,

"(ii) the Leaking Underground Storage Tank Trust Fund financing rate is 0.1 cent per gallon, and

"(iii) the deficit reduction rate is 6.8 cents per gallon (4.3 cents per gallon on and after October 1, 1995).

"(b) TREATMENT OF REMOVAL OR SUBSEQUENT SALE BY BLENDER.—

"(1) IN GENERAL.—There is hereby imposed a tax at the rate specified in subsection (a) on taxable fuel removed or sold by the blender thereof.

"(2) CREDIT FOR TAX PREVIOUSLY PAID.—If—

"(A) tax is imposed on the removal or sale of a taxable fuel by reason of paragraph (1), and

"(B) the blender establishes the amount of the tax paid with respect to such fuel by reason of subsection (a),

the amount of the tax so paid shall be allowed as a credit against the tax imposed by reason of paragraph (1).

"(c) TAXABLE FUELS MIXED WITH ALCOHOL AT REFINERY, ETC.—

"(1) REDUCED RATES.—

"(A) IN GENERAL.—Under regulations prescribed by the Secretary, subsection (a) shall be applied by substituting rates which are the applicable fraction of the otherwise applicable rates in the case of the removal or entry of any taxable fuel for use in producing at the time of such removal or entry a qualified alcohol mixture. Subject to such terms and conditions as the Secretary may prescribe (including the application of section 4101), the treatment under the preceding sentence also shall apply to use in producing such a mixture after the time of such removal or entry.

"(B) APPLICABLE FRACTION.—For purposes of subparagraph (A), the applicable fraction is—

"(i) in the case of a qualified alcohol mixture which contains gasoline, the fraction the numerator of which is 10 and the denominator of which is—

"(I) 9 in the case of 10 percent gasohol,

"(II) 9.23 in the case of 7.7 percent gasohol, and

"(III) 9.43 in the case of 5.7 percent gasohol, and

"(ii) in the case of a qualified alcohol mixture which does not contain gasoline, 10/9.

"(2) LATER SEPARATION OF FUEL FROM QUALIFIED ALCOHOL MIXTURE.—If any person separates the taxable fuel from a qualified alcohol mixture on which tax was imposed under subsection (a) at the otherwise applicable Highway Trust Fund financing rate (or its equivalent) by reason of this subsection (or with respect to which a credit or payment was allowed or made by reason of section 6427(f)(1)), such person shall be treated as the refiner of such taxable fuel. The amount of tax imposed on any removal of such fuel by such person shall be reduced by the amount of tax imposed (and not credited or refunded) on any prior removal or entry of such fuel.

"(3) ALCOHOL; QUALIFIED ALCOHOL MIXTURE.—For purposes of this subsection—

"(A) ALCOHOL.—The term 'alcohol' includes methanol and ethanol but does not include alcohol produced from petroleum, natural gas, or coal (including peat). Such term does not include alcohol with a proof of less than 190 (determined without regard to any added denaturants).

"(B) QUALIFIED ALCOHOL MIXTURE.—The term 'qualified alcohol mixture' means—

"(i) any mixture of gasoline with alcohol if at least 5.7 percent of such mixture is alcohol, and

"(ii) any mixture of diesel fuel with alcohol if at least 10 percent of such mixture is alcohol.

"(4) OTHERWISE APPLICABLE RATES FOR GASOLINE MIXTURES.—For purposes of this subsection—

"(A) IN GENERAL.—In the case of the Highway Trust Fund financing rate, the otherwise applicable rate for gasoline in a qualified alcohol mixture is—

"(i) 6.1 cents a gallon for 10 percent gasohol,

"(ii) 7.342 cents a gallon for 7.7 percent gasohol, and

"(iii) 8.422 cents a gallon for 5.7 percent gasohol.

In the case of a mixture none of the alcohol in which consists of ethanol, clauses (i), (ii), and (iii) shall be applied by substituting '5.5 cents' for '6.1 cents', '6.88 cents' for '7.342 cents', and '8.08 cents' for '8.422 cents'.

"(B) 10 PERCENT GASOHOL.—The term '10 percent gasohol' means any mixture of gasoline with alcohol if at least 10 percent of such mixture is alcohol.

"(C) 7.7 PERCENT GASOHOL.—The term '7.7 percent gasohol' means any mixture of gasoline with alcohol if at least 7.7 percent, but not 10 percent or more, of such mixture is alcohol.

"(D) 5.7 PERCENT GASOHOL.—The term '5.7 percent gasohol' means any mixture of gasoline with alcohol if at least 5.7 percent, but not 7.7 percent or more, of such mixture is alcohol.

"(5) OTHERWISE APPLICABLE RATES FOR DIESEL FUEL MIXTURES.—For purposes of this subsection, in the case of the Highway Trust Fund financing rate, the otherwise applicable rate for diesel fuel in a qualified alcohol mixture is 12.1 cents per gallon (11.5 cents per gallon in the case of a qualified alcohol mixture none of the alcohol in which consists of ethanol).

"(6) TERMINATION.—Paragraph (1) shall not apply to any removal or sale after September 30, 2000.

"(d) TERMINATION.—

"(1) HIGHWAY TRUST FUND FINANCING RATE.—On and after October 1, 1999, the Highway Trust Fund financing rate under subsection (a)(2) shall not apply.

"(2) LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.—The Leaking Underground Storage Tank Trust Fund financing rate under subsection (a)(2) shall not apply after December 31, 1995.

"(e) REFUNDS IN CERTAIN CASES.—Under regulations prescribed by the Secretary, if any person who paid the tax imposed by this section with respect to any taxable fuel establishes to the satisfaction of the Secretary that a prior tax was paid (and not credited or refunded) with respect to such taxable fuel, then an amount equal to the tax paid by such person shall be allowed as a refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by this section.

"SEC. 4082. EXEMPTIONS FOR DIESEL FUEL.

"(a) IN GENERAL.—Except as provided in subsection (d), the tax imposed by section 4081 shall not apply to diesel fuel—

"(1) which the Secretary determines is destined for a nontaxable use, and

"(2) which is indelibly dyed in accordance with regulations which the Secretary shall prescribe.

Such regulations shall allow an individual choice of dye color approved by the Secretary or chosen from any list of approved dye colors that the Secretary may publish.

"(b) NONTAXABLE USE.—For purposes of this section, the term 'nontaxable use' means—

"(1) any use which is exempt from the tax imposed by section 4041(a)(1) other than by reason of the imposition of tax on any sale thereof,

"(2) any use in a train, and

"(3) any use described in section 6427(b)(1).

"(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this section, including regulations requiring the conspicuous labeling of retail diesel fuel pumps and other delivery facilities to assure that persons are aware of which fuel is available only for nontaxable uses.

"(d) CROSS REFERENCE.—

"For tax on train, motorboat, and certain bus uses of fuel purchased tax-free, see section 4041(a)(1).

"SEC. 4083. DEFINITIONS AND SPECIAL RULE.

"(a) TAXABLE FUEL.—For purposes of this subpart—

"(1) IN GENERAL.—The term 'taxable fuel' means—

"(A) gasoline, and

"(B) diesel fuel.

"(2) GASOLINE.—The term 'gasoline' includes, to the extent prescribed in regulations—

"(A) gasoline blend stocks, and

"(B) products commonly used as additives in gasoline.

For purposes of subparagraph (A), the term 'gasoline blend stock' means any petroleum product component of gasoline.

"(3) DIESEL FUEL.—The term 'diesel fuel' means any liquid (other than gasoline) which is suitable for use as a fuel in a diesel-powered highway vehicle, a diesel-powered train, or a diesel-powered boat.

"(b) CERTAIN USES DEFINED AS REMOVAL.—If any person uses taxable fuel (other than in the production of gasoline, diesel fuel, or special fuels referred to in section 4041), such use shall for the purposes of this chapter be considered a removal.

"SEC. 4084. CROSS REFERENCES.

"(1) For provisions to relieve farmers from excise tax in the case of gasoline used on the farm for farming purposes, see section 6420.

"(2) For provisions to relieve purchasers of gasoline from excise tax in the case of gasoline used for certain nonhighway purposes, used by local transit systems, or sold for certain exempt purposes, see section 6421.

"(3) For provisions to relieve purchasers from excise tax in the case of taxable fuel not used for taxable purposes, see section 6427.

"Subpart B—Aviation Fuel

"Sec. 4091. Imposition of tax.

"Sec. 4092. Exemptions.

"Sec. 4093. Definitions.

"SEC. 4091. IMPOSITION OF TAX.

"(a) TAX ON SALE.—

"(1) IN GENERAL.—There is hereby imposed a tax on the sale of aviation fuel by the producer or the importer thereof or by any producer of aviation fuel.

"(2) USE TREATED AS SALE.—For purposes of paragraph (1), if any producer uses aviation fuel (other than for a nontaxable use as defined in section 6427(l)(2)(B)) on which no tax has been imposed under such paragraph, then such use shall be considered a sale.

"(b) RATE OF TAX.—

"(1) IN GENERAL.—The rate of the tax imposed by subsection (a) shall be the sum of—

"(A) the Airport and Airway Trust Fund financing rate,

"(B) the Leaking Underground Storage Tank Trust Fund financing rate.

"(2) AIRPORT AND AIRWAY TRUST FUND FINANCING RATE.—For purposes of paragraph (1), the Airport and Airway Trust Fund financing rate is 17.5 cents per gallon.

"(3) LEAKING UNDERGROUND STORAGE TANK TRUST FUND FINANCING RATE.—For purposes of paragraph (1), the Leaking Underground Storage Tank Trust Fund financing rate is 0.1 cent per gallon.

"(4) DEFICIT REDUCTION RATE.—For purposes of paragraph (1), the deficit reduction rate is 4.3 cents per gallon.

"(5) TERMINATION OF RATES.—

"(A) The Airport and Airway Trust Fund financing rate shall not apply on and after January 1, 1996.

"(B) The Leaking Underground Storage Tank Fund financing rate shall not apply during any period during which the Leaking Underground Storage Tank Trust Fund financing rate under section 4081 does not apply.

"(c) REDUCED RATE OF TAX FOR AVIATION FUEL IN ALCOHOL MIXTURE, ETC.—

"(1) IN GENERAL.—The Airport and Airway Trust Fund financing rate shall be—

"(A) 4.1 cents per gallon in the case of the sale of any mixture of aviation fuel if—

"(i) at least 10 percent of such mixture consists of alcohol (as defined in section 4081(c)(3)), and

"(ii) the aviation fuel in such mixture was not taxed under subparagraph (B), and

"(B) 4.56 cents per gallon in the case of the sale of aviation fuel for use (at the time of such sale) in producing a mixture described in subparagraph (A).

In the case of a sale described in subparagraph (B), the Leaking Underground Storage Tank Trust Fund financing rate shall be $\frac{1}{9}$ *cent per gallon and the deficit reduction rate shall be* $\frac{10}{9}$ *of such rate.*

"(2) LATER SEPARATION.—If any person separates the aviation fuel from a mixture of the aviation fuel and alcohol on which tax was imposed under subsection (a) at the Airport and Airway Trust Fund financing rate equivalent to 4.1 cents per gallon by reason of this subsection (or with respect to which a credit or payment was allowed or made by reason of section 6427(f)(1)), such person shall be treated as the producer of such aviation fuel. The amount of tax imposed on any sale of such aviation fuel by such person shall be reduced by the amount of tax imposed (and not credited or refunded) on any prior sale of such fuel.

"(3) TERMINATION.—Paragraph (1) shall not apply to any sale after September 30, 2000.

"(d) LOWER RATES OF TAX ON ALCOHOL MIXTURES NOT MADE FROM ETHANOL.—In the case of a mixture described in subsection (c)(1)(A)(i) none of the alcohol in which is ethanol—

"(1) subsections (c)(1)(A) and (c)(2) shall each be applied by substituting rates which are 0.6 cents less than the rates contained therein, and

"(2) subsection (c)(1)(B) shall be applied by substituting rates which are $\frac{10}{9}$ *of the rates determined under paragraph (1).*

"SEC. 4092. EXEMPTIONS.

"(a) NONTAXABLE USES.—The Airport and Airway Trust Fund financing rate under section 4091 shall not apply to aviation fuel sold by a producer or importer for use by the purchaser in a nontaxable use (as defined in section 6427(l)(2)(B)).

"(b) SALES TO PRODUCER.—Under regulations prescribed by the Secretary, the tax imposed by section 4091 shall not apply to aviation fuel sold to a producer of such fuel.

"(c) SUPPLIES FOR VESSELS AND AIRCRAFT.—The Leaking Underground Storage Tank Trust Fund financing rate and the deficit reduction rate under section 4091 shall not apply to aviation fuel sold for use or used as supplies for vessels or aircraft (within the meaning of section 4221(d)(3)).

"SEC. 4093. DEFINITIONS.

"(a) AVIATION FUEL.—For purposes of this subpart, the term 'aviation fuel' means any liquid (other than any product taxable under section 4081) which is suitable for use as a fuel in an aircraft.

"(b) PRODUCER.—For purposes of this subpart—

"(1) CERTAIN PERSONS TREATED AS PRODUCERS.—

"(A) IN GENERAL.—The term 'producer' includes any person described in subparagraph (B) and registered under section 4101 with respect to the tax imposed by section 4091.

"(B) PERSONS DESCRIBED.—A person is described in this subparagraph if such person is—

"(i) a refiner, blender, or wholesale distributor of aviation fuel, or

"(ii) a dealer selling aviation fuel exclusively to producers of aviation fuel.

"(C) REDUCED RATE PURCHASERS TREATED AS PRODUCERS.—Any person to whom aviation fuel is sold at a reduced rate under this subpart shall be treated as the producer of such fuel.

"(2) WHOLESALE DISTRIBUTOR.—For purposes of paragraph (1), the term 'wholesale distributor' includes any person who sells aviation fuel to producers, retailers, or to users who purchase in bulk quantities and deliver into bulk storage tanks. Such term does not include any person who (excluding the term 'wholesale distributor' from paragraph (1)) is a producer or importer."

(b) CIVIL PENALTY FOR USING REDUCED-RATE FUEL FOR TAXABLE USE.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end thereof the following new section:

"SEC. 6714. DYED FUEL SOLD FOR USE OR USED IN TAXABLE USE.

"(a) IMPOSITION OF PENALTY.—If any dyed fuel—

"(1) is sold or held for sale by any person for any use which such person knows or has reason to know is not a reduced-tax use of such fuel, or

"(2) is used by any person for a use other than a reduced-tax use and such person knew, or had reason to know, that such fuel was so dyed,

then, in addition to the tax, such person shall pay a penalty on such sale or use.

"(b) AMOUNT OF PENALTY.—The amount of the penalty under subsection (a) on any sale or use shall be the greater of—

"(1) $1,000, or

"(2) an amount equal to twice the excess of the aggregate taxes which should have been imposed under section 4081 on the fuel so sold or used over the prior taxes (if any) imposed on such fuel under such section which have not been credited or refunded.

"(c) DEFINITIONS.—For purposes of this section—

"(1) DYED FUEL.—The term 'dyed fuel' means diesel fuel dyed in accordance with section 4082.

"(2) REDUCED-TAX USE.—The term 'reduced-tax use' means, with respect to any fuel, the use for which such fuel was dyed."

(2) CLERICAL AMENDMENT.—The table of sections for such part I is amended by adding at the end thereof the following new item:

"Sec. 6714. Dyed fuel sold for use or used in taxable use."

(c) REGISTERED VENDORS TO ADMINISTER CLAIMS FOR REFUND OF DIESEL FUEL.—Section 6427(l) (relating to nontaxable uses of diesel fuel and aviation fuel) is amended by adding at the end the following new paragraph:

"(5) REGISTERED VENDORS TO ADMINISTER CLAIMS FOR REFUND OF DIESEL FUEL SOLD TO FARMERS AND STATE AND LOCAL GOVERNMENTS.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to the ultimate purchaser of undyed diesel fuel used on a farm for farming purposes (within the meaning of section 6420(c)) or for the exclusive use of a State or local government.

"(B) PAYMENT TO ULTIMATE, REGISTERED VENDOR.—The amount which would have otherwise been paid under paragraph (1) (without regard to subparagraph (A)) shall be paid to the ultimate vendor of such fuel, if such vendor—

"(i) is registered under section 4101, and

"(ii) meets the requirements of section 6416(a)."

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 40 is amended by striking ", section 4081(c), or section 4091(c)" and inserting "or section 4081(c)".

(2) Subsection (a) of section 4101 is amended by striking "4081" and inserting "4041(a)(1), 4081,".

(3) Section 4102 is amended by striking "gasoline" and inserting "any taxable fuel (as defined in section 4083)".

(4) Paragraph (1) of section 4041(a), as amended by subtitle A, is amended to read as follows:

"(1) TAX ON DIESEL FUEL IN CERTAIN CASES.—

"(A) IN GENERAL.—There is hereby imposed a tax on any liquid other than gasoline (as defined in section 4083)—

"(i) sold by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle, a diesel-powered train, or a diesel-powered boat for use as a fuel in such vehicle, train, or boat, or

"(ii) used by any person as a fuel in a diesel-powered highway vehicle, a diesel-powered train, or a diesel-powered boat unless there was a taxable sale of such fuel under clause (i).

"(B) EXEMPTION FOR PREVIOUSLY TAXED FUEL.—No tax shall be imposed by this paragraph on the sale or use of diesel fuel if there was a taxable removal of such fuel under section 4081 and the tax thereon was not credited or refunded.

"(C) RATE OF TAX.—

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the rate of the tax imposed by this paragraph shall be the sum of the Highway Trust Fund financing rate on diesel fuel and the deficit reduction rate in effect under section 4081 at the time of such sale or use.

"(ii) CERTAIN RATES NOT TO APPLY TO TRAINS.—

"(I) HIGHWAY TRUST FUND FINANCING RATE.—The Highway Trust Fund financing rate shall not apply to any sale for use, or use, of fuel in a train.

"(II) DEFICIT REDUCTION RATE.—The deficit reduction rate shall not apply to any sale for use, or use, of fuel in a train if such fuel is used by a State or any political subdivision thereof

"(iii) CERTAIN BUS USES.—If the limitation in section 6427(b)(2)(A) applies to fuel sold for use or used in an automobile bus, the Highway Trust Fund financing rate shall be 3 cents per gallon and so much of the deficit reduction rate as exceeds 4.3 cents per gallon shall not apply."

(5) Paragraph (2) of section 4041(a), as amended by subtitle A, is amended by striking "or paragraph (1) of this subsection" and by inserting "on gasoline" after "Highway Trust Fund financing rate".

(6) Paragraph (1) of section 4041(c), as amended by subpart A, is amended by striking "the aviation fuel deficit reduction rate" and inserting "the deficit reduction rate imposed under section 4091 on".

(7) Paragraph (2) of section 4041(c) is amended by striking "any product taxable under section 4081" and inserting "gasoline (as defined in section 4083)".

(8) Paragraph (2) of section 4041(d) is amended—

(A) by striking "(other than a product taxable under section 4081)" and inserting "(other than gasoline (as defined in section 4083))", and

(B) by striking "section 4091" and inserting "section 4081".

(9) Paragraph (3) of section 4041(d) is amended by striking "(other than any product taxable under section 4081)" and inserting "(other than gasoline (as defined in section 4083))".

(10) Subparagraph (A) of section 4041(k)(1) is amended by striking "sections 4081(c) and 4091(c), as the case may be" and inserting "section 4081(c)".

(11) Subparagraph (B) of section 4041(m)(1) is amended by striking "section 4091(d)(1)" and inserting "section 4091(c)(1)".

(12) Section 6206 is amended by striking "4041 or 4091" and inserting "4041, 4081, or 4091".

(13) The heading for subsection (f) of section 6302 is amended by inserting "AND DIESEL FUEL" after "GASOLINE".

(14) Paragraph (1) of section 6412(a) is amended by striking "gasoline" each place it appears (including the heading) and inserting "taxable fuel".

(15)(A) Subparagraph (A) of section 6416(a)(4) is amended by striking "product" each place it appears and inserting "gasoline".

(B) Subparagraph (B) of section 6416(a)(4) is amended by striking all that follows "substituting" and inserting "'any gasoline taxable under section 4081' for 'aviation fuel' therein)."

(16) The third sentence of section 6416(b)(2) is amended by inserting "any tax imposed under section 4081 on diesel fuel and" after "in the case of".

(17) Sections 6420(c)(5) and 6421(e)(1) are each amended by striking "section 4082(b)" and inserting "section 4083(a)".

(18) Section 6421(e)(2)(B)(iv), as added in subtitle A, is amended

(A) by striking "4091" both places it appears and inserting "4081", and

(B) by striking "diesel fuel deficit" in subclause (I) and inserting "deficit".

(19) Subsection (b) of section 6427 is amended—

(A) by striking "if any fuel" in paragraph (1) and inserting "if any fuel other than gasoline (as defined in section 4083(a))", and

(B) by striking "4091" each place it appears and inserting "4081".

(20)(A) Paragraph (1) of section 6427(f) is amended by striking ", 4091(c)(1)(A), or 4091(d)(1)(A)" and inserting "or 4091(c)(1)(A)".

(B) Paragraph (2) of section 6427(f) is amended to read as follows:

"(2) DEFINITIONS.—For purposes of paragraph (1)—

"(A) REGULAR TAX RATE.—The term 'regular tax rate' means—

"(i) in the case of gasoline or diesel fuel, the aggregate rate of tax imposed by section 4081 determined without regard to subsection (c) thereof, and

"(ii) in the case of aviation fuel, the aggregate rate of tax imposed by section 4091 determined without regard to subsection (c) thereof.

"(B) INCENTIVE TAX RATE.—The term 'incentive tax rate' means—

"(i) in the case of gasoline or diesel fuel, the aggregate rate of tax imposed by section 4081 with respect to fuel described in subsection (c)(1) thereof, and

"(ii) in the case of aviation fuel, the aggregate rate of tax imposed by section 4091 with respect to fuel described in subsection (c)(1)(B) thereof."

(21) Subsection (h) of section 6427 is amended by striking "section 4082(b)" and inserting "section 4083(a)(2)".

(22) Paragraph (3) of section 6427(i) is amended—

(A) by striking "GASOHOL" in the heading and inserting "ALCOHOL MIXTURE", and

(B) by striking "gasoline used to produce gasohol (as defined in section 4081(c)(1))" in subparagraph (A) and inserting "gasoline or diesel fuel used to produce a qualified alcohol mixture (as defined in section 4081(c)(3))".

(23) The heading of paragraph (4) of section 6427(i) is amended by inserting "4081 OR" before "4091".

(24) Subsection (l) of section 6427, as amended by subpart A, is amended to read as follows:

"(l) NONTAXABLE USES OF DIESEL FUEL AND AVIATION FUEL.—

"(1) IN GENERAL.—Except as provided in subsection (k) and in paragraphs (3) and (4) of this subsection, if—

"(A) any diesel fuel on which tax has been imposed by section 4081, or

"(B) any aviation fuel on which tax has been imposed by section 4091,

is used by any person in a nontaxable use, the Secretary shall pay (without interest) to the ultimate purchaser of such fuel an amount equal to the aggregate amount of tax imposed on such fuel under section 4081 or 4091, as the case may be.

"(2) NONTAXABLE USE.—For purposes of this subsection, the term 'nontaxable use' means—

"(A) in the case of diesel fuel, any use which is exempt from the tax imposed by section 4041(a)(1) other than by reason of the imposition of tax on any sale thereof, and

"(B) in the case of aviation fuel, any use which is exempt from the tax imposed by section 4041(c)(1) other than by reason of the imposition of tax on any sale thereof.

"(3) NO REFUND OF CERTAIN TAXES ON FUEL USED IN DIESEL-POWERED TRAINS.—Fuel used in a diesel-powered train shall be treated as a nontaxable use for purposes of this section, except that paragraph (1) shall not apply to so much of the tax imposed by section 4081 as is attributable to the Leaking Underground Storage Tank Trust Fund financing rate and the deficit reduction rate imposed by such section, unless such fuel was used by a State or any political subdivision thereof.

"(4) NO REFUND OF CERTAIN TAXES ON FUELS USED IN AIRCRAFT.—In the case of fuel used in any aircraft (other than as supplies for vessels or aircraft, within the meaning of section 4221(d)(3)), paragraph (1) also shall not apply to so much of the tax imposed by section 4091 as is attributable to the Leaking Underground Storage Tank Trust Fund financing rate and the deficit reduction rate imposed by such section. The preceding sentence shall not apply if such fuel was used by a State or any political subdivision thereof."

(25) Paragraph (1) of section 9503(b) is amended—

(A) by striking "gasoline)," in subparagraph (E) and inserting "gasoline and diesel fuel), and",

(B) by striking subparagraph (F), and

(C) by redesignating subparagraph (G) as subparagraph (F).

(26)(A) Subparagraph (B) of section 9503(b)(4) is amended by striking ", 4081, and 4091" and inserting "and 4081".

(B) Subparagraph (C) of section 9503(b)(4), as amended by subtitle A, is amended by striking "4091" and inserting "4081".

(27) Subparagraph (D) of section 9503(c)(6) is amended by striking ", 4081, and 4091" and inserting "and 4081".

(28) Paragraph (2) of section 9503(e) is amended—

(A) by striking ", 4081, and 4091" and inserting "and 4081", and

(B) by striking ", 4081, or 4091" and inserting "or 4081".

(29) Subsection (b) of section 9508 is amended—

(A) by inserting "and diesel fuel" after "gasoline" in paragraph (2),

(B) by striking "diesel fuel and" in paragraph (3), and

(C) by striking "4091" in the last sentence, as added by subtitle A, and inserting "4081".

(30) The table of subparts for part III of subchapter A of chapter 32 is amended by striking the items relating to subparts A and B and inserting the following new items:

"Subpart A. Gasoline and diesel fuel.

"Subpart B. Aviation fuel."

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1994.

SEC. 8243. FLOOR STOCKS TAX.

(a) IN GENERAL.—There is hereby imposed a floor stocks tax on diesel fuel held by any person on January 1, 1994, if—

(1) no tax was imposed on such fuel under section 4041(a) or 4091 of the Internal Revenue Code of 1986 as in effect on the day before the date of the enactment of this Act, and

(2) tax would have been imposed by section 4081 of such Code, as amended by this Act, on any prior removal, entry, or sale of such fuel had such section 4081 applied to such fuel for periods before such date of enactment.

(b) RATE OF TAX.—The rate of the tax imposed by subsection (a) shall be the amount of tax which would be imposed under section 4081 of the Internal Revenue Code of 1986 if there were a taxable sale of such fuel on such date.

(c) LIABILITY AND PAYMENT OF TAX.—

(1) LIABILITY FOR TAX.—A person holding the diesel fuel on January 1, 1994, to which the tax imposed by this section applies shall be liable for such tax.

(2) METHOD OF PAYMENT.—The tax imposed by this section shall be paid in such manner as the Secretary shall prescribe.

(3) TIME FOR PAYMENT.—The tax imposed by this section shall be paid on or before July 31, 1994.

(d) DEFINITIONS.—For purposes of this section—

(1) DIESEL FUEL.—The term "diesel fuel" has the meaning given such term by section 4083(a) of such Code.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Treasury or his delegate.

(e) EXCEPTIONS.—

(1) PERSONS ENTITLED TO CREDIT OR REFUND.—The tax imposed by this section shall not apply to fuel held by any person exclusively for any use to the extent a credit or refund of the tax imposed by section 4081 is allowable for such use.

(2) COMPLIANCE WITH DYEING REQUIRED.—Paragraph (1) shall not apply to the holder of any fuel if the holder of such fuel fails to comply with any requirement imposed by the Secretary with respect to dyeing.

(f) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4081 of such Code shall, insofar as applicable and not inconsistent with the provisions of this section, apply with respect to the floor stock taxes imposed by this section to the same extent as if such taxes were imposed by such section 4081.

Subpart C—Extension of Motor Fuel Tax Rates; Increased Deposits Into Highway Trust Fund

SEC. 8244. EXTENSION OF MOTOR FUEL TAX RATES; INCREASED DEPOSITS INTO HIGHWAY TRUST FUND.

(a) IN GENERAL.—Clause (i) of section 4081(a)(2)(B), as amended by subpart B, is amended—

(1) by striking "11.5 cents" and inserting "14 cents", and

(2) by striking "17.5 cents" and inserting "20 cents".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 4081(c)(4), as so amended, is amended to read as follows:

"(A) IN GENERAL.—In the case of the Highway Trust Fund financing rate, the otherwise applicable rate for gasoline in a qualified alcohol mixture is—

"(i) 8.6 cents a gallon for 10 percent gasohol,

"(ii) 9.842 cents a gallon for 7.7 percent gasohol, and

"(iii) 10.922 cents a gallon for 5.7 percent gasohol.

In the case of a mixture none of the alcohol in which consists of ethanol, clauses (i), (ii), and (iii) shall be applied by substituting '8.0 cents' for '8.6 cents', '9.38 cents' for '9.842 cents', and '10.58 cents' for '10.922'."

(2) Paragraph (5) of section 4081(c), as so amended, is amended—

(A) by striking "12.1 cents" and inserting "14.6 cents", and

(B) by striking "11.5 cents" and inserting "14.0".

(3) Subparagraph (A) of section 4041(m)(1), as amended by subpart A, is amended to read as follows:

"(A) under subsection (a)(2) the Highway Trust Fund financing shall be 7 cents per gallon and the deficit reduction rate shall be 4.3 cents per gallon, and".

(4) Clause (ii) of section 4041(a)(1)(C), as so amended, is amended—

(A) by striking "The Highway Trust Fund financing rate" and inserting "So much of the Highway Trust Fund financing rate as exceeds 2.5 cents per gallon", and

(B) by striking "HIGHWAY RATE" in the heading and inserting "PORTION OF HIGHWAY RATE".

(5) Paragraph (4) of section 6427(l), as amended by subpart B, is amended—

(A) by inserting "2.5 cents per gallon of the Highway Trust Fund financing rate and" after "attributable to", and

(B) by striking "DEFICIT REDUCTION TAX" in the heading and inserting "PORTION OF TAX".

(6) Subsection (b) of section 9503 is amended by adding at the end thereof the following new paragraph:

"(6) RETENTION OF CERTAIN TAXES IN GENERAL FUND.—

"(A) IN GENERAL.—There shall not be taken into account under paragraphs (1) and (2)—

"(i) the tax imposed by section 4081 on diesel fuel used in any train, and

"(ii) so much of the nonhighway recreational fuel taxes (as defined in subsection (c)(6)(D)) as are attributable to 2.5 cents of the Highway Trust Fund financing rate.

"(B) TRANSFERS FROM HIGHWAY TRUST FUND.—For purposes of determining the amount paid from the Highway Trust Fund under subsection (c)(6), the Highway Trust Fund financing rate shall be treated as being 2.5 cents less than the otherwise applicable rate."

(c) INCREASE IN DEPOSITS IN MASS TRANSIT ACCOUNT.—Paragraph (2) of section 9503(e) is amended by striking "1.5 cents" and inserting "2 cents".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect October 1, 1995, but the amendment made by subsection (c) shall apply only to amounts attributable to taxes imposed on or after such date.

PART V—COMPLIANCE PROVISIONS

SEC. 8251. MODIFICATIONS TO SUBSTANTIAL UNDERSTATEMENT AND RETURN-PREPARER PENALTIES.

(a) REASONABLE BASIS REQUIRED.—

(1) SUBSTANTIAL UNDERSTATEMENT PENALTY.—Clause (ii) of section 6662(d)(2)(B) (relating to reduction for understatement due to position of taxpayer or disclosed item) is amended to read as follows:

"(ii) any item if—

"(I) the relevant facts affecting the item's tax treatment are adequately disclosed in the return or in a statement attached to the return, and

"(II) there is a reasonable basis for the tax treatment of such item by the taxpayer."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to returns the due dates for which (determined without regard to extensions) are after December 31, 1993.

SEC. 8252. RETURNS RELATING TO THE CANCELLATION OF INDEBTEDNESS BY CERTAIN FINANCIAL ENTITIES.

(a) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"SEC. 6050P. RETURNS RELATING TO THE CANCELLATION OF INDEBTEDNESS BY CERTAIN FINANCIAL ENTITIES.

"(a) IN GENERAL.—Any applicable financial entity which discharges (in whole or in part) the indebtedness of any person during any calendar year shall make a return (at such time and in such form as the Secretary may by regulations prescribe) setting forth—

"(1) the name, address, and TIN of each person whose indebtedness was discharged during such calendar year,

"(2) the date of the discharge and the amount of the indebtedness discharged, and

"(3) such other information as the Secretary may prescribe.

"(b) EXCEPTION.—Subsection (a) shall not apply to any discharge of less than $600.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) APPLICABLE FINANCIAL ENTITY.—The term 'applicable financial entity' means—

"(A) any financial institution described in section 581 or 591(a) and any credit union,

"(B) the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, the National Credit Union Administration, and any other Federal executive agency (as defined in section 6050M), and any successor or subunit of any of the foregoing, and

"(C) any other corporation which is a direct or indirect subsidiary of an entity referred to in subparagraph (A) but only if, by virtue of being affiliated with such entity, such other corporation is subject to supervision and examination by a Federal or State agency which regulates entities referred to in subparagraph (A).

"(2) GOVERNMENTAL UNITS.—In the case of an entity described in paragraph (1)(B), any return under this section shall be made by the officer or employee appropriately designated for the purpose of making such return.

"(d) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED TO BE FURNISHED.—Every applicable financial entity required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return a written statement showing—

"(1) the name and address of the entity required to make such return, and

"(2) the information required to be shown on the return with respect to such person.

The written statement required under the preceding sentence shall be furnished to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made."

(b) PENALTIES.—

(1) RETURNS.—Subparagraph (B) of section 6724(d)(1) is amended by redesignating clauses (viii) through (xv) as clauses (ix) through (xvi), respectively, and by inserting after clause (vii) the following new clause:

"(viii) section 6050P (relating to returns relating to the cancellation of indebtedness by certain financial entities),".

(2) STATEMENTS.—Paragraph (2) of section 6724(d) is amended by redesignating subparagraphs (P) through (S) as subparagraphs (Q) through (T), respectively, and by inserting after subparagraph (O) the following new subparagraph:

"(P) section 6050P(d) (relating to returns relating to the cancellation of indebtedness by certain financial entities),".

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new item:

"Sec. 6050P. Returns relating to the cancellation of indebtedness by certain financial entities."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges of indebtedness after the date of the enactment of this Act.

PART VI—TREATMENT OF INTANGIBLES

SEC. 8261. AMORTIZATION OF GOODWILL AND CERTAIN OTHER INTANGIBLES.

(a) GENERAL RULE.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 197. AMORTIZATION OF GOODWILL AND CERTAIN OTHER INTANGIBLES.

"(a) GENERAL RULE.—A taxpayer shall be entitled to an amortization deduction with respect to any amortizable section 197 intangible. The amount of such deduction shall be determined *by amortizing 75 percent of the adjusted basis (for purposes of determining gain) of such intangible ratably over the 14-year period beginning with the month in which such intangible was acquired.*

"(b) NO OTHER DEPRECIATION OR AMORTIZATION DEDUCTION ALLOWABLE.—Except as provided in subsection (a), no depreciation or amortization deduction shall be allowable with respect to any amortizable section 197 intangible.

"(c) AMORTIZABLE SECTION 197 INTANGIBLE.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this section, the term 'amortizable section 197 intangible' means any section 197 intangible—

"(A) which is acquired by the taxpayer after the date of the enactment of this section, and

"(B) which is held in connection with the conduct of a trade or business or an activity described in section 212.

"(2) EXCLUSION OF SELF-CREATED INTANGIBLES, ETC.—The term 'amortizable section 197 intangible' shall not include any section 197 intangible—

"(A) which is not described in subparagraph (D), (E), or (F) of subsection (d)(1), and

"(B) which is created by the taxpayer.

This paragraph shall not apply if the intangible is created in connection with a transaction (or series of related transactions) involving the acquisition of assets constituting a trade or business or substantial portion thereof.

"(3) ANTI-CHURNING RULES.—

"For exclusion of intangibles acquired in certain transactions, see subsection (f)(9).

"(d) SECTION 197 INTANGIBLE.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this section, the term 'section 197 intangible' means—

"(A) goodwill,

"(B) going concern value,

"(C) any of the following intangible items:

"(i) workforce in place including its composition and terms and conditions (contractual or otherwise) of its employment,

"(ii) business books and records, operating systems, or any other information base (including lists or other information with respect to current or prospective customers),

"(iii) any patent, copyright, formula, process, design, pattern, knowhow, format, or other similar item,

"(iv) any customer-based intangible,

"(v) any supplier-based intangible, and

"(vi) any other similar item,

"(D) any license, permit, or other right granted by a governmental unit or an agency or instrumentality thereof,

"(E) any covenant not to compete (or other arrangement to the extent such arrangement has substantially the same effect as a covenant not to compete) entered into in connection with an acquisition (directly or indirectly) of an interest in a trade or business or substantial portion thereof, and

"(F) any franchise, trademark, or trade name.

"(2) CUSTOMER-BASED INTANGIBLE.—

"(A) IN GENERAL.—The term 'customer-based intangible' means—

"(i) composition of market,

"(ii) market share, and

"(iii) any other value resulting from future provision of goods or services pursuant to relationships (contractual or otherwise) in the ordinary course of business with customers.

"(B) SPECIAL RULE FOR FINANCIAL INSTITUTIONS.—In the case of a financial institution, the term 'customer-based intangible' includes deposit base and similar items.

"(3) SUPPLIER-BASED INTANGIBLE.—The term 'supplier-based intangible' means any value resulting from future acquisitions of goods or services pursuant to relationships (contractual or otherwise) in the ordinary course of business with suppliers of goods or services to be used or sold by the taxpayer.

"(e) EXCEPTIONS.—For purposes of this section, the term 'section 197 intangible' shall not include any of the following:

"(1) FINANCIAL INTERESTS.—Any interest—

"(A) in a corporation, partnership, trust, or estate, or

"(B) under an existing futures contract, foreign currency contract, notional principal contract, or other similar financial contract.

"(2) LAND.—Any interest in land.

"(3) COMPUTER SOFTWARE.—

"(A) IN GENERAL.—Any—

"(i) computer software which is readily available for purchase by the general public, is subject to a nonexclusive license, and has not been substantially modified, and

"(ii) other computer software which is not acquired in a transaction (or series of related transactions) involving the acquisition of assets constituting a trade or business or substantial portion thereof.

"(B) COMPUTER SOFTWARE DEFINED.—For purposes of subparagraph (A), the term 'computer software' means any program designed to cause a computer to perform a desired function. Such term shall not include any data base or similar item unless the data base or item is in the public domain and is incidental to the operation of otherwise qualifying computer software.

"(4) CERTAIN INTERESTS OR RIGHTS ACQUIRED SEPARATELY.—Any of the following not acquired in a transaction (or series of related transactions) involving the acquisition of assets constituting a trade business or substantial portion thereof:

"(A) Any interest in a film, sound recording, video tape, book, or similar property.

"(B) Any right to receive tangible property or services under a contract or granted by a governmental unit or agency or instrumentality thereof.

"(C) Any interest in a patent or copyright.

"(D) To the extent provided in regulations, any right under a contract (or granted by a governmental unit or an agency or instrumentality thereof) if such right—

"(i) has a fixed duration of less than 14 years, or

"(ii) is fixed as to amount and, without regard to this section, would be recoverable under a method similar to the unit-of-production method.

"(5) INTERESTS UNDER LEASES AND DEBT INSTRUMENTS.—Any interest under—

"(A) an existing lease of tangible property, or

"(B) except as provided in subsection (d)(2)(B), any existing indebtedness.

"(6) TREATMENT OF SPORTS FRANCHISES.—A franchise to engage in professional football, basketball, baseball, or other professional sport, and any item acquired in connection with such a franchise.

"(7) MORTGAGE SERVICING.—Any right to service indebtedness which is secured by residential real property unless such right is acquired in a transaction (or series of related transactions) involving the acquisition of assets (other than rights described in this paragraph) constituting a trade or business or substantial portion thereof.

"(8) CERTAIN TRANSACTION COSTS.—Any fees for professional services, and any transaction costs, incurred by parties to a transaction with respect to which any portion of the gain or loss is not recognized under part III of subchapter C.

"(f) SPECIAL RULES.—

"(1) TREATMENT OF CERTAIN DISPOSITIONS, ETC.—If there is a disposition of any amortizable section 197 intangible acquired in a transaction or series of related transactions (or any such intangible becomes worthless) and one or more other amortizable section 197 intangibles acquired in such transaction or series of related transactions are retained—

"(A) no loss shall be recognized by reason of such disposition (or such worthlessness), and

"(B) appropriate adjustments to the adjusted bases of such retained intangibles shall be made for any loss not recognized under subparagraph (A).

All persons treated as a single taxpayer under section 41(f)(1) shall be so treated for purposes of the preceding sentence.

"(2) TREATMENT OF CERTAIN TRANSFERS.—

"(A) IN GENERAL.—In the case of any section 197 intangible transferred in a transaction described in subparagraph (B), the transferee shall be treated as the transferor for purposes of applying this section with respect to so much of the adjusted basis in the hands of the transferee as does not exceed the adjusted basis in the hands of the transferor.

"(B) TRANSACTIONS COVERED.—The transactions described in this subparagraph are—

"(i) any transaction described in section 332, 351, 361, 721, 731, 1031, or 1033, and

"(ii) any transaction between members of the same affiliated group during any taxable year for which a consolidated return is made by such group.

"(3) TREATMENT OF AMOUNTS PAID PURSUANT TO COVENANTS NOT TO COMPETE, ETC.—Any amount paid or incurred pursuant to a covenant or arrangement referred to in subsection (d)(1)(E) shall be treated as an amount chargeable to capital account.

"(4) TREATMENT OF FRANCHISES, ETC.—

"(A) FRANCHISE.—The term 'franchise' has the meaning given to such term by section 1253(b)(1).

"(B) TREATMENT OF RENEWALS.—Any renewal of a franchise, trademark, or trade name (or of a license, a permit, or other right referred to in subsection (d)(1)(D)) shall be treated as an acquisition. The preceding sentence shall only apply with respect to costs incurred in connection with such renewal.

"(C) CERTAIN AMOUNTS NOT TAKEN INTO ACCOUNT.—Any amount to which section 1253(d)(1) applies shall not be taken into account under this section.

"(5) TREATMENT OF CERTAIN REINSURANCE TRANSACTIONS.—In the case of any amortizable section 197 intangible resulting from an assumption reinsurance transaction, the amount taken into account as the adjusted basis of such intangible under this section shall be the excess of—

"(A) the amount paid or incurred by the acquirer under the assumption reinsurance transaction, over

"(B) the amount required to be capitalized under section 848 in connection with such transaction.

Subsection (b) shall not apply to any amount required to be capitalized under section 848.

"(6) TREATMENT OF CERTAIN SUBLEASES.—For purposes of this section, a sublease shall be treated in the same manner as a lease of the underlying property involved.

"(7) TREATMENT AS DEPRECIABLE.—For purposes of this chapter, any amortizable section 197 intangible shall be treated as property which is of a character subject to the allowance for depreciation provided in section 167.

"(8) TREATMENT OF CERTAIN INCREMENTS IN VALUE.—This section shall not apply to any increment in value if, without regard to this section, such increment is properly taken into account in determining the cost of property which is not a section 197 intangible.

"(9) ANTI-CHURNING RULES.—For purposes of this section—

"(A) IN GENERAL.—The term 'amortizable section 197 intangible' shall not include any section

197 intangible which is described in subparagraph (A) or (B) of subsection (d)(1) (or for which depreciation or amortization would not have been allowable but for this section) and which is acquired by the taxpayer after the date of the enactment of this section, if—

"(i) the intangible was held or used at any time on or after July 25, 1991, and on or before such date of enactment by the taxpayer or a related person,

"(ii) the intangible was acquired from a person who held such intangible at any time on or after July 25, 1991, and on or before such date of enactment, and, as part of the transaction, the user of such intangible does not change, or

"(iii) the taxpayer grants the right to use such intangible to a person (or a person related to such person) who held or used such intangible at any time on or after July 25, 1991, and on or before such date of enactment.

For purposes of this subparagraph, the determination of whether the user of property changes as part of a transaction shall be determined in accordance with regulations prescribed by the Secretary. For purposes of this subparagraph, deductions allowable under section 1253(d) shall be treated as deductions allowable for amortization.

"(B) EXCEPTION WHERE GAIN RECOGNIZED.—If—

"(i) subparagraph (A) would not apply to an intangible acquired by the taxpayer but for the last sentence of subparagraph (C)(i), and

"(ii) the person from whom the taxpayer acquired the intangible elects, notwithstanding any other provision of this title—

"(I) to recognize gain on the disposition of the intangible, and

"(II) to pay a tax on such gain which, when added to any other income tax on such gain under this title, equals such gain multiplied by the highest rate of income tax applicable to such person under this title,

then subparagraph (A) shall apply to the intangible only to the extent that the taxpayer's adjusted basis in the intangible exceeds the gain recognized under clause (ii)(I).

"(C) RELATED PERSON DEFINED.—For purposes of this paragraph—

"(i) RELATED PERSON.—A person (hereinafter in this paragraph referred to as the 'related person') is related to any person if—

"(I) the related person bears a relationship to such person specified in section 267(b) or section 707(b)(1), or

"(II) the related person and such person are engaged in trades or businesses under common control (within the meaning of subparagraphs (A) and (B) of section 41(f)(1)).

For purposes of subclause (I), in applying section 267(b) or 707(b)(1), '20 percent' shall be substituted for '50 percent'.

"(ii) TIME FOR MAKING DETERMINATION.—A person shall be treated as related to another person if such relationship exists immediately before or immediately after the acquisition of the intangible involved.

"(D) ACQUISITIONS BY REASON OF DEATH.—Subparagraph (A) shall not apply to the acquisition of any property by the taxpayer if the basis of the property in the hands of the taxpayer is determined under section 1014(a).

"(E) SPECIAL RULE FOR PARTNERSHIPS.—With respect to any increase in the basis of partnership property under section 732, 734, or 743, determinations under this paragraph shall be made at the partner level and each partner shall be treated as having owned and used such partner's proportionate share of the partnership assets.

"(F) ANTI-ABUSE RULES.—The term 'amortizable section 197 intangible' does not include any section 197 intangible acquired in a transaction, one of the principal purposes of which is to avoid the requirement of subsection (c)(1) that the intangible be acquired after the date of the enactment of this section or to avoid the provisions of subparagraph (A).

"(g) SPECIAL RULES FOR ACQUISITION OF CERTAIN COMPUTER SOFTWARE BUSINESSES.—

"(1) IN GENERAL.—In the case of any section 197 intangible acquired in a transaction to which this subsection applies, subsection (a) shall be applied with respect to one-half of the 75 percent of its adjusted basis which is amortizable under subsection (a) by substituting '5-year period' for '14-year period'.

"(2) TRANSACTIONS TO WHICH SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection shall apply to a transaction (or series of related transactions) involving the acquisition of assets constituting a trade or business or substantial portion thereof if—

"(i) the principal business activity of the trade or business (or portion) is computer software development, computer sales, licensing, or leasing, the provision of computer software services, or a combination thereof, and

"(ii) during the testing period, the aggregate computer software development costs of such trade or business (or portion) are not less than 17 percent of the greater of—

"(I) the aggregate gross receipts of such trade or business (or portion), or

"(II) the aggregate gross expenditures of such trade or business (or portion).

"(B) COMPUTER SOFTWARE DEVELOPMENT COSTS.—For purposes of subparagraph (A), the term 'computer software development costs' means the sum of—

"(i) the computer software development costs which qualify as research and experimentation expenditures under section 174, plus

"(ii) the amortization deductions of the trade or business with respect to computer software not acquired in a transaction (or series of related transactions) involving the acquisition of assets constituting a trade or business or substantial portion thereof.

"(C) TESTING PERIOD.—For purposes of subparagraph (A), the term 'testing period' means the 5-year period ending on the date of the last transaction described in subparagraph (A) pursuant to which the section 197 intangible was acquired (or, if shorter, the entire period of existence of the trade or business (or portion) before such date).

"(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including such regulations as may be appropriate to prevent avoidance of the purposes of this section through related persons or otherwise."

(b) MODIFICATIONS TO DEPRECIATION RULES.—

(1) TREATMENT OF CERTAIN PROPERTY EXCLUDED FROM SECTION 197.—Section 197 (relating to depreciation deduction) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) TREATMENT OF CERTAIN PROPERTY EXCLUDED FROM SECTION 197.—

"(1) COMPUTER SOFTWARE.—

"(A) IN GENERAL.—If a depreciation deduction is allowable under subsection (a) with respect to any computer software, such deduction shall be computed by using the straight line method and a useful life of 36 months.

"(B) COMPUTER SOFTWARE.—For purposes of this section, the term 'computer software' has the meaning given to such term by section 197(e)(3)(B); except that such term shall not include any such software which is an amortizable section 197 intangible.

"(2) CERTAIN INTERESTS OR RIGHTS ACQUIRED SEPARATELY.—If a depreciation deduction is allowable under subsection (a) with respect to any property described in subparagraph (B), (C), or (D) of section 197(e)(4), such deduction shall be computed in accordance with regulations prescribed by the Secretary.

"(3) MORTGAGE SERVICING RIGHTS.—If a depreciation deduction is allowable under subsection (a) with respect to any right described in section 197(e)(7), such deduction shall be computed by using the straight line method and a useful life of 108 months."

(2) ALLOCATION OF BASIS IN CASE OF LEASED PROPERTY.—Subsection (c) of section 167 is amended to read as follows:

"(c) BASIS FOR DEPRECIATION.—

"(1) IN GENERAL.—The basis on which exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the adjusted basis provided in section 1011, for the purpose of determining the gain on the sale or other disposition of such property.

"(2) SPECIAL RULE FOR PROPERTY SUBJECT TO LEASE.—If any property is acquired subject to a lease—

"(A) no portion of the adjusted basis shall be allocated to the leasehold interest, and

"(B) the entire adjusted basis shall be taken into account in determining the depreciation deduction (if any) with respect to the property subject to the lease."

(c) AMENDMENTS TO SECTION 1253.—Subsection (d) of section 1253 is amended by striking paragraphs (2), (3), (4), and (5) and inserting the following:

"(2) OTHER PAYMENTS.—Any amount paid or incurred on account of a transfer, sale, or other disposition of a franchise, trademark, or trade name to which paragraph (1) does not apply shall be treated as an amount chargeable to capital account.

"(3) RENEWALS, ETC.—For purposes of determining the term of a transfer agreement under this section, there shall be taken into account all renewal options (and any other period for which the parties reasonably expect the agreement to be renewed)."

(d) AMENDMENT TO SECTION 848.—Subsection (g) of section 848 is amended by striking "this section" and inserting "this section or section 197".

(e) AMENDMENTS TO SECTION 1060.—

(1) Paragraph (1) of section 1060(b) is amended by striking "goodwill or going concern value" and inserting "section 197 intangibles".

(2) Paragraph (1) of section 1060(d) is amended by striking "goodwill or going concern value (or similar items)" and inserting "section 197 intangibles".

(f) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (g) of section 167 (as redesignated by subsection (b)) is amended to read as follows:

"(g) CROSS REFERENCES.—

"(1) For additional rule applicable to depreciation of improvements in the case of mines, oil and gas wells, other natural deposits, and timber, see section 611.

"(2) For amortization of goodwill and certain other intangibles, see section 197."

(2) Subsection (f) of section 642 is amended by striking "section 169" and inserting "sections 169 and 197".

(3) Subsection (a) of section 1016 is amended by striking paragraph (19) and by redesignating the following paragraphs accordingly.

(4) Subparagraph (C) of section 1245(a)(2) is amended by striking "193, or 1253(d) (2) or (3)" and inserting "or 193".

(5) Paragraph (3) of section 1245(a) is amended by striking "section 185 or 1253(d) (2) or (3)".

(6) The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 197. Amortization of goodwill and certain other intangibles.".

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply with respect to property acquired after the date of the enactment of this Act.

(2) ELECTION TO HAVE AMENDMENTS APPLY TO PROPERTY ACQUIRED AFTER JULY 25, 1991.—

(A) IN GENERAL.—If an election under this paragraph applies to the taxpayer—

(i) the amendments made by this section shall apply to property acquired by the taxpayer after July 25, 1991,

(ii) subsection (c)(1)(A) of section 197 of the Internal Revenue Code of 1986 (as added by this section) (and so much of subsection (f)(9)(A) of such section 197 as precedes clause (i) thereof) shall be applied with respect to the taxpayer by treating July 25, 1991, as the date of the enactment of such section, and

(iii) in applying subsection (f)(9) of such section, with respect to any property acquired by the taxpayer on or before the date of the enactment of this Act, only holding or use on July 25, 1991, shall be taken into account.

(B) ELECTION.—An election under this paragraph shall be made at such time and in such manner as the Secretary of the Treasury or his delegate may prescribe. Such an election by any taxpayer, once made—

(i) may be revoked only with the consent of the Secretary, and

(ii) shall apply to the taxpayer making such election and any other taxpayer under common control with the taxpayer (within the meaning of subparagraphs (A) and (B) of section 41(f)(1) of such Code) at any time after November 22, 1991, and on or before the date on which such election is made.

(3) ELECTIVE BINDING CONTRACT EXCEPTION.—

(A) IN GENERAL.—The amendments made by this section shall not apply to any acquisition of property by the taxpayer if—

(i) such acquisition is pursuant to a written binding contract in effect on the date of the enactment of this Act and at all times thereafter before such acquisition,

(ii) an election under paragraph (2) does not apply to the taxpayer, and

(iii) the taxpayer makes an election under this paragraph with respect to such contract.

(B) ELECTION.—An election under this paragraph shall be made at such time and in such manner as the Secretary of the Treasury or his delegate shall prescribe. Such an election, once made—

(i) may be revoked only with the consent of the Secretary, and

(ii) shall apply to all property acquired pursuant to the contract with respect to which such election was made.

SEC. 8262. TREATMENT OF CERTAIN PAYMENTS TO RETIRED OR DECEASED PARTNER.

(a) SECTION 736(b) NOT TO APPLY IN CERTAIN CASES.—Subsection (b) of section 736 (relating to payments for interest in partnership) is amended by adding at the end thereof the following new paragraph:

"(3) LIMITATION ON APPLICATION OF PARAGRAPH (2).—Paragraph (2) shall apply only if—

"(A) capital is not a material income-producing factor for the partnership, and

"(B) the retiring or deceased partner was a general partner in the partnership."

(b) LIMITATION ON DEFINITION OF UNREALIZED RECEIVABLES.—

(1) IN GENERAL.—Subsection (c) of section 751 (defining unrealized receivables) is amended—

(A) by striking "sections 731, 736, and 741" each place they appear and inserting ", sections 731 and 741 (but not for purposes of section 736)", and

(B) by striking "section 731, 736, or 741" each place it appears and inserting "section 731 or 741".

(2) TECHNICAL AMENDMENTS.—

(A) Subsection (e) of section 751 is amended by striking "sections 731, 736, and 741" and inserting "sections 731 and 741".

(B) Section 736 is amended by striking subsection (c).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply in the case of partners retiring or dying on or after January 5, 1993.

(2) BINDING CONTRACT EXCEPTION.—The amendments made by this section shall not apply to any partner retiring on or after January 5, 1993, if a written contract to purchase such partner's interest in the partnership was binding on January 4, 1993, and at all times thereafter before such purchase.

PART VII—MISCELLANEOUS PROVISIONS

SEC. 8271. DENIAL OF DEDUCTION RELATING TO TRAVEL EXPENSES.

(a) IN GENERAL.—Section 274(m) (relating to additional limitations on travel expenses) is amended by adding at the end thereof the following new paragraph:

"(3) TRAVEL EXPENSES OF SPOUSE, DEPENDENT, OR OTHERS.—No deduction shall be allowed under this chapter (other than section 217) for travel expenses paid or incurred with respect to a spouse, dependent, or other individual accompanying the taxpayer (or an officer or employee of the taxpayer) on business travel, unless—

"(A) the spouse, dependent, or other individual is an employee of the taxpayer,

"(B) the travel of the spouse, dependent, or other individual is for a bona fide business purpose, and

"(C) such expenses would otherwise be deductible by the spouse, dependent, or other individual."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 1993.

SEC. 8272. INCREASE IN WITHHOLDING FROM SUPPLEMENTAL WAGE PAYMENTS.

If an employer elects under Treasury Regulation 31.3402(g)-1 to determine the amount to be deducted and withheld from any supplemental wage payment by using a flat percentage rate, the rate to be used in determining the amount to be so deducted and withheld shall not be less than 28 percent. The preceding sentence shall apply to payments made after December 31, 1993.

SEC. 8273. EXCISE TAX ON CERTAIN VACCINES MADE PERMANENT.

(a) TAX.—Subsection (c) of section 4131 (relating to tax on certain vaccines) is amended to read as follows:

"(c) APPLICATION OF SECTION.—The tax imposed by this section shall apply—

"(1) after December 31, 1987, and before January 1, 1993, and

"(2) during periods after the date of the enactment of the Omnibus Budget Reconciliation Act of 1993."

(b) TRUST FUND.—Paragraph (1) of section 9510(c) (relating to expenditures from Vaccine Injury Compensation Trust Fund) is amended by striking "and before October 1, 1992,".

(c) FLOOR STOCKS TAX.—

(1) IMPOSITION OF TAX.—On any taxable vaccine—

(A) which was sold by the manufacturer, producer, or importer before the date of the enactment of this Act,

(B) on which no tax was imposed by section 4131 of the Internal Revenue Code of 1986 (or, if such tax was imposed, was credited or refunded), and

(C) which is held on such date by any person for sale or use,

there is hereby imposed a tax in the amount determined under section 4131(b) of such Code.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—The person holding any taxable vaccine to which the tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid in such manner as the Secretary shall prescribe by regulations.

(C) TIME FOR PAYMENT.—The tax imposed by paragraph (1) shall be paid on or before the last day of the 6th month beginning after the date of the enactment of this Act.

(3) DEFINITIONS.—For purposes of this subsection, terms used in this subsection which are also used in section 4131 of such Code shall have the respective meanings such terms have in such section.

(4) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4131 of such Code shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply to the floor stocks taxes imposed by paragraph (1), to the same extent as if such taxes were imposed by such section 4131.

TITLE IX—COMMITTEE ON FOREIGN RELATIONS

SEC. 9001. DELAY IN COST-OF-LIVING ADJUSTMENTS IN FOREIGN SERVICE RETIREMENT BENEFITS DURING FISCAL YEARS 1994, 1995, AND 1996.

(a) APPLICABILITY.—This section shall apply with respect to any cost-of-living increase scheduled to take effect under section 826 or 858 of the Foreign Service Act of 1980 during fiscal year 1994, 1995, or 1996.

(b) DELAY IN EFFECTIVE DATE OF ADJUSTMENTS.—A cost-of-living increase described in subsection (a) shall not take effect until the first day of the third calendar month after the date such increase would take effect but for this subsection.

(c) RULE OF CONSTRUCTION.—

(1) SIZE OF COST-OF-LIVING ADJUSTMENT.—Nothing in this section shall be considered to affect the size of the cost-of-living adjustment under section 8340(b) or section 8462(b) of title 5, United States Code, in the same fiscal year as a cost-of-living increase described in subsection (a).

(2) DETERMINATIONS OF ELIGIBILITY.—The delay in the effective date of cost-of-living adjustments under subsection (b) shall not affect any determination relating to eligibility for an annuity increase or the amount of the first increase in an annuity under section 826 or 858 of the Foreign Service Act of 1980.

SEC. 9002. ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION UNDER THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM EXCEPT FOR INDIVIDUALS WITH CRITICAL MEDICAL CONDITIONS.

(a) IN GENERAL.—Section 807(e)(1) of the Foreign Service Act of 1980 (22 U.S.C. 4047(e)(1)) is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect January 1, 1994.

TITLE X—COMMITTEE ON GOVERNMENTAL AFFAIRS

Subtitle A—Civil Service

SEC. 10001. DELAY IN COST-OF-LIVING ADJUSTMENTS IN FEDERAL EMPLOYEE RETIREMENT BENEFITS DURING FISCAL YEARS 1994, 1995, AND 1996.

(a) APPLICABILITY.—This section shall apply with respect to any cost-of-living increase scheduled to take effect, during fiscal year 1994, 1995, or 1996, under—

(1) section 8340(b) or 8462(b) of title 5, United States Code; or

(2) section 291 of the Central Intelligence Agency Retirement Act (50 U.S.C. 2131), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102–496; 106 Stat. 3196).

(b) DELAY IN EFFECTIVE DATE OF ADJUSTMENTS.—A cost-of-living increase described in subsection (a) shall not take effect until the first day of the third calendar month after the date such increase would otherwise take effect.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be considered to affect any determination relating to eligibility for an annuity increase or the amount of the first increase in an annuity under section 8340 (b) or (c) or section 8462 (b) or (c) of title 5, United States Code, or comparable provisions of law.

SEC. 10002. PERMANENT ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION EXCEPT FOR INDIVIDUALS WITH A CRITICAL MEDICAL CONDITION.

(a) CIVIL SERVICE RETIREMENT SYSTEM; FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Sections 8343a and 8420a of title 5, United States Code, are each amended—

(1) in subsection (a) by striking "an employee or Member may," and inserting "any employee or Member who has a life-threatening affliction or other critical medical condition may,"; and

(2) by striking subsection (f).

(b) CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.—Section 294(a) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2143(a)), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102–496; 106 Stat. 3196), is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1995, and shall apply with respect to any annuity commencing on or after that date.

SEC. 10003. DISTRICT OF COLUMBIA GOVERNMENT CONTRIBUTIONS FOR CERTAIN EMPLOYEE AND ANNUITANT HEALTH BENEFITS.

(a) CONTRIBUTIONS AFTER 1993.—

(1) IN GENERAL.—Section 8906(g) of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(3) The Government contributions authorized by this section for health benefits for an annuitant shall be paid by the government of the District of Columbia, in the case of an annuitant whose eligibility for an annuity is based on a separation from service with such government, or who is a survivor of such an annuitant or a survivor of an employee who died while employed by such government.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1993, and shall apply with respect to amounts payable for periods beginning on or after that date.

(b) CONTRIBUTIONS FOR PERIOD BETWEEN 1975 AND 1993.—

(1) IN GENERAL.—The government of the District of Columbia shall pay into the Employees Health Benefit Fund, as payment for any amounts which would, for the period beginning on January 1, 1975 through September 30, 1993, have been payable under the provisions of section 8906(g)(3) of title 5, United States Code (as added by subsection (a)(1) of this section) if such provision had been in effect as of January 1, 1975, of which—

(A) at least 25 percent of the total of such amounts shall be paid no later than January 1, 1994;

(B) at least 25 percent of the total of such amounts shall be paid no later than January 1, 1995;

(C) at least 25 percent of the total of such amounts shall be paid no later than January 1, 1996; and

(D) any remaining balance shall be paid no later than January 1, 1997.

(2) PRORATED PAYMENTS.—In determining any amount for which the government of the District of Columbia is liable under paragraph (1), the amount of the liability shall be prorated to reflect only that portion of total service which is attributable to civilian service performed (by the former employee of the government of the District of Columbia or by the deceased individual referred to under section 8906 (g)(3) of title 5, United States Code, as the case may be) during the period beginning on January 1, 1975, through September 30, 1993, as estimated by the Office of Personnel Management.

Subtitle B—Postal Service

SEC. 10101. PAYMENTS TO BE MADE BY THE UNITED STATES POSTAL SERVICE.

(a) RELATING TO CORRECTED CALCULATIONS FOR PAST RETIREMENT COLAS.—In addition to any other payments required under section 8348(m) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Civil Service Retirement and Disability Fund a total of $693,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1996;

(2) at least two-thirds shall be paid not later than September 30, 1997; and

(3) any remaining balance shall be paid not later than September 30, 1998.

(b) RELATING TO CORRECTED CALCULATIONS FOR PAST HEALTH BENEFITS.—In addition to any other payments required under section 8906(g)(2) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Employees Health Benefits Fund a total of $348,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1996;

(2) at least two-thirds shall be paid not later than September 30, 1997; and

(3) any remaining balance shall be paid not later than September 30, 1998.

Subtitle C—Miscellaneous

SEC. 10201. FEDERAL EMPLOYEES' SURVIVOR ANNUITY IMPROVEMENTS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) REDUCTION FOR SPOUSAL ANNUITY.—Section 8339(j) of title 5, United States Code, is amended—

(A) in paragraph (3)—

(i) in the second sentence, by striking out ", within such 2-year period,"; and

(ii) by striking out the fourth sentence and inserting in lieu thereof the following: "The Office shall, by regulation, provide for payment of the deposit required under this paragraph by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under this paragraph, except that the total reductions in the annuity of an employee or Member to pay deposits required by the provisions of this paragraph, paragraph (5), or subsection (k)(2) shall not exceed 25 percent of the annuity computed under subsections (a) through (i), (n), and (q), including adjustments under section 8340. The reduction, which shall be effective on the same date as the election under this paragraph, shall be permanent and unaffected by any future termination of the entitlement of the former spouse. Such reduction shall be independent of and in addition to the reduction required under the first sentence of this paragraph."; and

(B) in paragraph (5)(C)—

(i) in clause (ii), by striking out ", within 2 years after the date of the remarriage or, if later, the death or remarriage of the former spouse (or of the last such surviving former spouse),"; and

(ii) by amending clause (iii) to read as follows:

"(iii) The Office shall, by regulation, provide for payment of the deposit required under clause (ii) by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under clause (ii), except that total reductions in the annuity of an employee or Member to pay deposits required by the provisions of this paragraph or paragraph (3) shall not exceed 25 percent of the annuity computed under subsections (a) through (i), (n), and (q), including adjustments under section 8340. The reduction required by this clause, which shall be effective on the same date as the election under clause (i), shall be permanent and unaffected by any future termination of the marriage. Such reduction shall be independent of and in addition to the reduction required under clause (i).".

(2) REDUCTION RELATING TO FORMER SPOUSE.—Section 8339(k)(2) of title 5, United States Code, is amended—

(A) in subparagraph (B)(ii), by striking out "Within 2 years after the date of the marriage, the" and inserting in lieu thereof "The"; and

(B) by amending subparagraph (C) to read as follows:

"(C) The Office shall, by regulation, provide for payment of the deposit required under subparagraph (B)(ii) by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under subparagraph (B)(ii), except that total reductions in the annuity of an employee or Member to pay deposits required by this subsection or subsection (j)(3) shall not exceed 25 percent of the annuity computed under subsections (a) through (i), (n), and (q), including adjustments under section 8340. The reduction required by this subparagraph, which shall be effective on the same date as the election under subparagraph (A), shall be permanent and unaffected by any future termination of the marriage. Such reduction shall be independent of and in addition to the reduction required under subparagraph (A).".

(3) DEPOSITS.—Section 8334(h) of title 5, United States Code, is amended by striking out "and by section 8339(j)(5)(C) and the last sentence of section 8339(k)(2) of this title".

(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—Section 8418 of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out ", before the expiration of the 2-year period involved,"; and

(2) by amending subsection (b) to read as follows:

"(b) The Office shall, by regulation, provide for payment of the deposit required under subsection (a) by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under subsection (a), except that the total reductions in the annuity of an employee or Member to pay deposits required by this section shall not exceed 25 percent of the annuity computed under section 8415 or section 8452, including adjustments under section 8462. The reduction required by this subsection, which shall be effective at the same time as the election under section 8416 (b) and (c) or section 8417(b), shall be permanent and unaffected by any future termination of the marriage or the entitlement of the former spouse. Such reduction shall be independent of

and in addition to the reduction required under section 8416 (b) and (c) or section 8417(b).".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the first day of the first month beginning 30 days after the date of the enactment of this Act and shall apply to all deposits required under section 8339(j) (3) and (5), 8339(k)(2), or 8418 of title 5, United States Code, on which no payment has been made prior to such effective date.

(2) PARTIAL DEPOSIT.—For any deposit required under section 8339(j) (3) and (5), 8339(k)(2), or 8418 of title 5, United States Code, or section 4 (b) and (c) of the Civil Service Retirement Spouse Equity Act of 1984 that has been partially, but not fully, paid before the effective date of this Act, the Office shall by regulation provide for determining the remaining portion of the deposit and for payment of the remaining portion of the deposit by a prospective reduction in the annuity of the employee or Member. The reduction shall be similar to the reductions provided pursuant to the amendments made under this section.

TITLE XI—JUDICIARY

SEC. 11001. PATENT AND TRADEMARK FEES.

Section 10101 of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended—

(1) in subsection (a) by striking "1995" and inserting "1998";

(2) in subsection (b)(2) by striking "1995" and inserting "1998"; and

(3) in subsection (c)—

(A) by striking "through 1995" and inserting "through 1998"; and

(B) by adding at the end the following:

"(6) $111,000,000 in fiscal year 1996.

"(7) $115,000,000 in fiscal year 1997.

"(8) $119,000,000 in fiscal year 1998.".

TITLE XII—COMMITTEE ON LABOR AND HUMAN RESOURCES

Subtitle A—Student Loan Provisions

SEC. 12001. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the "Student Loan Reform Act of 1993".

(b) REFERENCES.—References in this subtitle to "the Act" are references to the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

CHAPTER 1—FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 12011. FEDERAL DIRECT STUDENT LOAN PROGRAM.

Part D of title IV (20 U.S.C. 1087a) is amended to read as follows:

"PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

"SEC. 451. PURPOSE; PROGRAM AUTHORIZATION.

"(a) PURPOSE.—It is the purpose of this part—

"(1) to simplify the delivery of student loans to borrowers and eliminate borrower confusion;

"(2) to provide a variety of repayment plans, including income contingent repayment, to borrowers so that borrowers have flexibility in managing their student loan repayment obligations, and so that those obligations do not foreclose careers in community or public service for those borrowers;

"(3) to replace, through an orderly transition, the Federal Family Education Loan Program under part B of this title with the Federal Direct Student Loan Program under this part;

"(4) to avoid the unnecessary cost, to taxpayers and borrowers, and administrative complexity associated with the Federal Family Education Loan Program under part B of this title through the use of a direct student loan program; and

"(5) to create a more streamlined student loan program that can be managed more effectively at the Federal level.

"(b) PROGRAM AUTHORITY.—There are hereby made available, in accordance with the provisions of this part, such sums as may be necessary to make loans to all eligible students in attendance at participating institutions of higher education selected by the Secretary (and the eligible parents of such students), to enable such students to pursue their courses of study at such institutions during the period beginning July 1, 1994. Such loans shall be made by participating institutions, or consortia thereof, that have agreements with the Secretary to originate loans, or by alternative originators designated by the Secretary to make loans for students in attendance at participating institutions (and their parents).

"SEC. 452. FUNDS FOR ORIGINATION OF DIRECT STUDENT LOANS.

"(a) IN GENERAL.—The Secretary shall provide funds for student and parent loans under this part—

"(1) directly to an institution of higher education that has an agreement with the Secretary under section 454(a) to participate in the direct student loan program under this part and that also has an agreement with the Secretary under section 454(b) to originate loans under this part; or

"(2) through an alternative originator designated by the Secretary, on the basis of the need and the eligibility of students at each participating institution, and parents of such students, for such loans.

"(b) FEES FOR ORIGINATION SERVICES.—

"(1) FEES FOR INSTITUTIONS.—The Secretary shall pay fees to institutions of higher education or consortia thereof having agreements under section 454(b), in an amount established by the Secretary, to assist in meeting the costs of loan origination. Such fees—

"(A) shall be paid by the Secretary based on all the loans made under this part to a particular borrower in the same academic year;

"(B) shall be subject to a sliding scale that decreases the amount of such fees as the number of borrowers increases; and

"(C)(i) for academic year 1994–1995, shall not exceed a program-wide average of $10 per borrower for all the loans made under this part to such borrower in the same academic year; and

"(ii) for succeeding academic years, the Secretary shall establish such average fee pursuant to regulations.

"(2) FEES FOR ALTERNATIVE ORIGINATORS.—The Secretary shall pay fees for loan origination services to alternative originators of loans made under this part in an amount established by the Secretary in accordance with the terms of the contract described in section 456(b) between the Secretary and each such alternative originator.

"(c) NO ENTITLEMENT TO PARTICIPATE OR ORIGINATE.—No institution of higher education shall have a right to participate in the program authorized by this part, originate loans, or perform any program function under this part. Nothing in this subsection shall be construed so as to limit the entitlement of an eligible student attending a participating institution (or the eligible parent of such student) to borrow under this part nor limit the borrower's contractual right against the United States to receive any loan for which the student (or parent) is eligible.

"(d) DELIVERY OF LOAN FUNDS.—Loan funds shall be paid and delivered to an institution by the Secretary prior to the beginning of the payment period established by the Secretary in a manner that is consistent with payment and delivery of basic grants under subpart 1 of part A.

"SEC. 453. SELECTION OF INSTITUTIONS FOR PARTICIPATION AND ORIGINATION.

"(a) PHASE-IN OF PROGRAM.—

"(1) GENERAL AUTHORITY.—The Secretary shall enter into agreements pursuant to section 454(a) with institutions of higher education to participate in the direct student loan program under this part, and agreements pursuant to section 454(b) with institutions of higher education, or consortia thereof, to originate loans in such program, for academic years beginning on or after July 1, 1994. Alternative origination services, through which an entity other than the participating institution at which the student is in attendance originates the loan, shall be provided by the Secretary, through 1 or more contracts under section 456(b) or such other means as the Secretary may provide, for students attending participating institutions that do not originate direct student loans under this part. Such agreements for the academic year 1994–1995 shall, to the extent feasible, be entered into not later than January 1, 1994.

"(2) TRANSITION PROVISIONS.—In order to ensure an expeditious but orderly transition from the loan programs under part B of this title to the direct student loan program under this part, the Secretary shall, in the exercise of the Secretary's discretion, determine the number of institutions with which the Secretary whall enter into agreements under subsections (a) and (b) of section 454 for any academic year, except that the Secretary shall exercise such discretion so as to achieve the following goals:

"(A) For academic year 1994–1995, loans made under this part shall represent 5 percent of the new student loan volume for such year.

"(B) For academic year 1995–1996, loans made under this part shall represent 30 percent of the new student loan volume for such year.

"(C) For academic year 1996–1997, loans made under this part shall represent 40 percent of the new student loan volume for such year.

"(D) For academic year 1997–1998 and fiscal year 1998, loans made under this part shall represent 50 percent of the new student loan volume for such years.

"(3) NEW STUDENT LOAN VOLUME.—For the purpose of this part, the term 'new student loan volume' means the estimated sum of all loans that will be made, insured or guaranteed under this part and part B in the year for which the determination is made. The Secretary shall base the estimate described in the preceding sentence on the most recent program data available.

"(4) CASH MANAGEMENT.—The requirements of sections 3335, 6501, and 6503 of title 31, United States Code (the Cash Management Improvement Act of 1990) shall apply to the program under this part only to the extent specified in a schedule established by the Secretaries of Education and the Treasury, except that such schedule shall provide for the application of all such requirements not later than July 1, 1998.

"(b) SELECTION CRITERIA.—

"(1) APPLICATION.—Each institution of higher education desiring to participate in the direct student loan program under this part shall submit an application satisfactory to the Secretary containing such information and assurances as the Secretary may require.

"(2) SELECTION CRITERIA.—The Secretary shall select institutions for participation in the direct student loan program under this part, and shall enter into agreements with such institutions under section 454(a), from among those institutions that submit the applications described in paragraph (1), and meet such other eligibility requirements as the Secretary shall prescribe, by, to the extent possible—

"(A)(i) categorizing such institutions according to anticipated loan volume, length of academic program, control of the institution, highest degree offered, size of student enrollment, percentage of students borrowing under part B, geographic location, annual loan volume, default experience and composition of the student body; and

"(ii) beginning in academic year 1995–1996 selecting institutions that are reasonably representative of each of the categories described pursuant to clause (i); and

"(B) if the Secretary determines it necessary to carry out the purposes of this part, selecting additional institutions.

"(c) SELECTION CRITERIA FOR ORIGINATION.—

"(1) IN GENERAL.—The Secretary may enter into a supplemental agreement with an institution (or a consortium of such institutions) that—

"(A) has an agreement under subsection 454(a);

"(B) desires to originate loans under this part; and

"(C) meets the criteria described in paragraph (2).

"(2) TRANSITION SELECTION CRITERIA.—For academic year 1994–1995, the Secretary may approve an institution to originate loans only if such institution—

"(A) made loans under part E of this title in academic year 1993–1994 and did not exceed the applicable maximum default rate under section 462(g) for the most recent fiscal year for which data are available;

"(B) is not on the reimbursement system of payment for any of the programs under subpart 1 or 3 of part A, part C, or part E;

"(C) is not overdue on program or financial reports or audits required under this title;

"(D) is not subject to an emergency action, or a limitation, suspension, or termination under section 428(b)(1)(T), 432(h), or 487(c);

"(E) in the opinion of the Secretary, has not had significant deficiencies identified by a State postsecondary review entity under subpart 1 of part H of this title;

"(F) in the opinion of the Secretary, has not had severe performance deficiencies for any of the programs under this title, including such deficiencies demonstrated by audits or program reviews submitted or conducted during the 5 calendar years immediately preceding the date of application;

"(G) provides an assurance that such institution has no delinquent outstanding debts to the Federal Government, unless such debts are being repaid under or in accordance with a repayment arrangement satisfactory to the Federal Government, or the Secretary in the Secretary's discretion determines that the existence or amount of such debts has not been finally determined by the cognizant Federal agency; and

"(H) meets such other criteria as the Secretary may establish to protect the financial interest of the United States and to promote the purposes of this part.

"(3) REGULATIONS GOVERNING APPROVAL AFTER TRANSACTION.—For academic year 1995–1996 and subsequent academic years, the Secretary shall promulgate and publish in the Federal Register regulations governing the approval of institutions to originate loans under this part in accordance with section 458(a)(2).

"(d) CONSORTIA.—Subject to such requirements as the Secretary may prescribe, eligible institutions of higher education with agreements under section 454(a) may apply to the Secretary as consortia to originate loans under this part for students in attendance at such institutions. Such institutions shall each be required to meet the requirements of subsection (c) with respect to loan origination.

"SEC. 454. AGREEMENTS WITH INSTITUTIONS.

"(a) PARTICIPATION AGREEMENTS.—An agreement with any institution of higher education for participation in the direct student loan program under this part shall—

"(1) provide for the establishment and maintenance of a direct student loan program at the institution under which the institution will—

"(A) identify eligible students who seek student financial assistance at such institution in accordance with section 484;

"(B) estimate the need of each such student as required by part F of this title for an academic year, except that, any loan obtained by a student under this part with the same terms as loans made under section 428H (except as otherwise provided in this part), or a loan obtained by a parent under this part with the same terms as loans made under section 428B (except as otherwise provided in this part), or obtained under any State-sponsored or private loan program, may be used to offset the expected family contribution of the student for that year;

"(C) provide a statement that certifies the eligibility of any student to receive a loan under this part that is not in excess of the annual or aggregate limit applicable to such loan, except that the institution may, in exceptional circumstances identified by the Secretary, refuse to certify a statement that permits a student to receive a loan under this part, or certify a loan amount that is less than the student's determination of need (as determined under part F of this title), if the reason for such action is documented and provided in written form to such student;

"(D) set forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G (other than subsection (b)(1) of such section); and

"(E) provide timely and accurate information—

"(i) concerning the status of student borrowers (and students on whose behalf parents borrow under this part) while such students are in attendance at the institution and concerning any new information of which the institution becomes aware for such students (or their parents) after such borrowers leave the institution, to the Secretary for the servicing and collecting of loans made under this part; and

"(ii) if the institution does not have an agreement with the Secretary under subsection (b), concerning student eligibility and need, as determined under subparagraphs (A) and (B), to the Secretary as needed for the alternative origination of loans to eligible students and parents in accordance with this part;

"(2) provide assurances that the institution will comply with requirements established by the Secretary relating to student loan information with respect to loans made under this part;

"(3) provide that the institution accepts responsibility and financial liability stemming from its failure to perform its functions pursuant to the agreement;

"(4) provide that students at the institution and their parents (with respect to such students) will be eligible to participate in the programs under part B of this title at the discretion of the Secretary for the period during which such institution participates in the direct student loan program under this part;

"(5) provide for the implementation of a quality assurance system, as established by the Secretary and developed in consultation with institutions of higher education, to ensure that the institution is complying with program requirements and meeting program objectives;

"(6) provide that the institution will not charge any fees of any kind, however described, to student or parent borrowers for origination activities or the provision of any information necessary for a student or parent to receive a loan under this part, or any benefits associated with such loan; and

"(7) include such other provisions as the Secretary determines are necessary to protect the interests of the United States and to promote the purposes of this part.

"(b) ORIGINATION.—An agreement with any institution of higher education, or consortia thereof, for the origination of loans under this part shall—

"(1) supplement the agreement entered into in accordance with subsection (a);

"(2) include provisions established by the Secretary that are similar to the participation agreement provisions described in paragraphs (1)(E)(ii), (2), (3), (4), (5), (6), and (7) of subsection (a), as modified to relate to the origination of loans by the institution or consortium;

"(3) provide that the institution or consortium will originate loans to eligible students and parents in accordance with this part; and

"(4) provide that the note or evidence of obligation on the loan shall be the property of the Secretary.

"(c) WITHDRAWAL AND TERMINATION PROCEDURES.—The Secretary shall establish procedures by which institutions or consortia may withdraw or be terminated from the program under this part.

"SEC. 455. TERMS AND CONDITIONS OF LOANS.

"(a) IN GENERAL.—

"(1) PARALLEL TERMS, CONDITIONS, BENEFITS, AND AMOUNTS.—Unless otherwise specified in this part, loans made to borrowers under this part shall have the same terms, conditions, and benefits as loans made to borrowers under sections 428, 428B, and 428H of this title.

"(2) DESIGNATION OF LOANS.—Loans made to borrowers under this part that, except as otherwise specified in this part, have the same terms, conditions, and benefits as loans made to borrowers under—

"(A) section 428 shall be known as 'Federal Direct Stafford Loans';

"(B) section 428B shall be known as 'Federal Direct PLUS Loans'; and

"(C) section 428H shall be known as 'Federal Direct Unsubsidized Stafford Loans'.

"(b) INTEREST RATE.—

"(1) RATES FOR FDSL AND FDUSL.—(A) For Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent,

except that such rate shall not exceed 8.25 percent.

"(B)(i) Notwithstanding the provisions of subparagraph (A), with respect to any Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest for interest which accrues—

"(I) prior to the beginning of the repayment period of the loan; or

"(II) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall not exceed the rate determined under clause (ii).

"(ii) For purposes of clause (i) the rate determined under this clause shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(I) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction prior to such June 1; plus

"(II) 2.5 percent,

except that such rate shall not exceed 8.25 percent.

"(2) RATES FOR FDPLUS.—For Federal Direct PLUS Loans for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 52-week Treasury bills auctioned at final auction held prior to such June 1; plus

"(B) 3.1 percent,

except that such rate shall not exceed 9 percent.

"(3) PUBLICATION.—The Secretary shall determine the applicable rates of interest under this subsection after consultation with the Secretary of Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.

"(c) ORIGINATION FEE.—The Secretary shall charge the borrower of a loan made under this part an origination fee of 4.0 percent of the principal amount of the loan.

"(d) REPAYMENT PLANS.—

"(1) DESIGN AND SELECTION.—Consistent with criteria established by the Secretary, the Secretary shall offer a borrower of a loan made under this part a variety of plans for repayment of such loan, including principal and interest on the loan. The borrower shall be entitled to accelerate, without penalty, repayment on the borrowers loans under this part. The borrower may choose—

"(A) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time;

"(B) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, except that the borrower shall annually repay a minimum amount determined by the Secretary in accordance with section 428(b)(1)(L);

"(C) a graduated repayment plan, with annual repayment amounts established at 2 or more graduated levels and paid over a fixed or extended period of time, except that the borrower's scheduled payments shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan; and

"(D) an income contingent repayment plan, with varying annual repayment amounts based on the income of the borrower, paid over an extended period of time, not to exceed 20 years, except that the plan described in this subparagraph shall not be available to the borrower of a Federal Direct PLUS loan.

"(2) SELECTION BY SECRETARY.—If a borrower of a loan made under this part does not select a repayment plan described in paragraph (1), the Secretary may provide the borrower with a repayment plan described in subparagraph (A), (B), or (C) of paragraph (1).

"(3) CHANGES IN SELECTIONS.—The borrower of a loan made under this part may change the borrower's selection of a repayment plan under paragraph (1), or the Secretary's selection of a plan for the borrower under paragraph (2), as the case may be, under such terms and conditions as may be established by the Secretary.

"(4) ALTERNATIVE REPAYMENT PLANS.—The Secretary may provide, on a case by case basis, an alternative repayment plan to a borrower of a loan made under this part who demonstrates to the satisfaction of the Secretary that the terms and conditions of the repayment plans available under paragraph (1) are not adequate to accommodate the borrower's exceptional circumstances. In designing such alternative repayment plans, the Secretary shall ensure that such plans do not exceed the cost to the Federal Government, as determined on the basis of the present value of future payments by such borrowers, of loans made using the plans available under paragraph (1).

"(5) REPAYMENT AFTER DEFAULT.—The Secretary may require any borrower who has defaulted on a loan made under this part to—

"(A) pay all reasonable collection costs associated with such loan; and

"(B) repay the loan pursuant to an income contingent repayment plan.

"(e) INCOME CONTINGENT REPAYMENT.—

"(1) INFORMATION AND PROCEDURES.—The Secretary may obtain such information as is reasonably necessary regarding the income of a borrower (and the borrower's spouse, if applicable) of a loan made under this part that is, or may be, repaid pursuant to income contingent repayment, for the purpose of determining the annual repayment obligation of the borrower. Return and return information (as defined in section 6103 of the Internal Revenue Code of 1986) may be obtained under the preceding sentence only to the extent authorized by section 6103(l)(13) of such Code. The Secretary shall establish procedures for determining the borrower's repayment obligation on that loan for such year, and such other procedures as are necessary to implement effectively income contingent repayment.

"(2) REPAYMENT BASED ON ADJUSTED GROSS INCOME.—A repayment schedule for a loan made under this part and repaid pursuant to income contingent repayment shall be based on the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the borrower or, if the borrower is married and files a Federal income tax return jointly with the borrower's spouse, on the adjusted gross income of the borrower and the borrower's spouse.

"(3) ADDITIONAL DOCUMENTS.—A borrower who chooses, or is required, to repay a loan made under this part pursuant to income contingent repayment, and for whom adjusted gross income is unavailable or does not reasonably reflect the borrower's current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine an appropriate repayment schedule.

"(4) REPAYMENT SCHEDULES.—Income contingent repayment schedules shall be established by regulations promulgated by the Secretary and shall require payments that vary in relation to the appropriate portion of the annual income of the borrower (and the borrower's spouse, if applicable) as determined by the Secretary.

"(5) CALCULATION OF BALANCE DUE.—The balance due on a loan made under this part that is repaid pursuant to income contingent repayment shall equal the unpaid principal amount of the loan, any accrued interest, and any fees, such as late charges, assessed on such loan. The Secretary may promulgate regulations limiting the amount of interest that may be capitalized on such loan, and the timing of any such capitalization.

"(6) NOTIFICATION TO BORROWERS.—The Secretary shall establish procedures under which a borrower of a loan made under this part who chooses or is required to repay such loan pursuant to income contingent repayment is notified of the terms and conditions of such plan, including notification of such borrower—

"(A) that the Internal Revenue Service will disclose to the Secretary tax return information as authorized under section 6103(l)(13) of the Internal Revenue Code of 1986; and

"(B) that if a borrower considers that special circumstances, such as a loss of employment by the borrower or the borrower's spouse, warrant an adjustment in the borrower's loan repayment as determined using the information described in subparagraph (A), or the alternative documentation described in paragraph (3), the borrower may contact the Secretary, who shall determine whether such adjustment is appropriate, in accordance with criteria established by the Secretary.

"(f) DEFERMENT.—

"(1) EFFECT ON PRINCIPAL AND INTEREST.—A borrower of a loan made under this part who meets the requirements described in paragraph (2) shall be eligible for a deferment, during which periodic installments of principal need not be paid, and interest—

"(A) shall not accrue, in the case of a Federal Direct Stafford Loan or a Federal Direct Consolidation Loan that consolidated only Federal Direct Stafford Loans, or a combination of such loans and Federal Stafford Loans for which the student borrower received an interest subsidy under section 428; or

"(B) shall accrue and be capitalized or paid by the borrower, in the case of a Federal Direct PLUS Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct Consolidation Loan other than loans described in subparagraph (A).

"(2) ELIGIBILITY.—A borrower of a loan made under this part shall be eligible for a deferment during any period—

"(A) during which the borrower—

"(i) is carrying at least one-half the normal full-time work load for the course of study that the borrower is pursuing, as determined by the eligible institution (as such term is defined in section 435) the borrower is attending; or

"(ii) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for individuals with disabilities approved by the Secretary,

except that no borrower shall be eligible for a deferment under this subparagraph, or a loan made under this part (other than a Federal Direct PLUS Loan or a Federal Direct Consolidation Loan), while serving in a medical internship or residency program;

"(B) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment;

"(C) not in excess of 3 years during which the Secretary determines, in accordance with regulations prescribed under section 435(o), that the borrower has experienced or will experience an economic hardship, regardless of the reason for such hardship.

"(g) FEDERAL DIRECT CONSOLIDATION LOANS.—A borrower of a loan made under this part may consolidate such loan with the loans described in section 428C(a)(4) and section 428C(d)(1)(C) only under such terms and conditions as the Secretary shall establish pursuant to regulations promulgated under this part. Loans made under this subsection shall be known as 'Federal Direct Consolidation Loans'.

"(h) BORROWER DEFENSES.—Notwithstanding any other provision of law, the Secretary shall specify in regulations (except as authorized under section 458(a)), which acts or omissions of an institution of higher education a borrower may assert as a defense to repayment of a loan made under this part, except that in no event may a borrower recover from the Secretary, in any action arising from or relating to a loan made under this part, an amount in excess of the amount such borrower has repaid on such loan.

"(i) OPTICALLY IMAGED DOCUMENTS.—Records maintained in accordance with section 484A(c) may be used in any proceeding, as permitted pursuant to section 484A(c), with respect to a loan made under this part.

"(j) NONDISCHARGEABILITY IN BANKRUPTCY.—Notwithstanding any other provision of law, a loan made under this part shall not be dischargeable in any Federal or State bankruptcy proceeding.

"(k) LOAN APPLICATION AND PROMISSORY NOTE.—The common financial reporting form required in 483(a)(1) shall constitute the application for loans made under this part. The Secretary shall develop, print, and distribute to participating institutions a standard promissory note and loan disclosure form.

"(l) LOAN DISBURSEMENT.—

"(1) IN GENERAL.—Payments of loan proceeds to students under this part shall be made by crediting the student's account for tuition and

fees, and, in the case of institutionally owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student's account. Loan proceeds that remain after the application of the previous sentences shall be delivered to the borrower in accordance with section 427(a)(3).

"(2) PAYMENT PERIODS.—The Secretary shall establish periods for the payments described in paragraph (2) in a manner that is consistent with payment of basic grants under subpart 1 of part A.

"(m) FISCAL CONTROL AND FUND ACCOUNTABILITY.—

"(1) IN GENERAL.—(A) An institution shall maintain financial records in a manner consistent with records maintained for other programs under title IV.

"(B) An institution may maintain loan funds under this part in the same account as other Federal student financial assistance.

"(2) PAYMENTS; REFUNDS; ENROLLMENT STATUS.—Payments, refunds and enrollment status shall be reconciled in a manner and schedule that is consistent with the manner and schedule set forth for the quarterly submission of a payment summary report required of institutions participating in the program assisted under subpart 1 of part A.

"(3) TRANSACTION HISTORIES.—All transaction histories under this part shall be maintained using the same system designated by the Secretary for the provision of basic grants under subpart 1 of part A.

"(n) ENTITLEMENT PROVISION.—Except as provided in section 454(a)(1)(C), an eligible student in attendance at a participating institution (or a parent borrower) shall have a contractual right against the United States to receive any loan under this part for which such student (or parent) is eligible.

"SEC. 456. CONTRACTS.

"(a) CONTRACTS FOR SUPPLIES AND SERVICES.—

"(1) IN GENERAL.—The Secretary may award 1 or more contracts for services and supplies described in subsection (b). The entities with which the Secretary may enter into such contracts shall include entities which the Secretary determines are qualified to provide such services and supplies and will comply with the procedures applicable to the award of such contracts. In the case of awarding contracts for the servicing of loans under this part, the Secretary shall only enter into contracts with entities that have extensive experience and a demonstrated record in loan servicing and collection.

"(2) EXEMPTION.—The Secretary may award, through June 30, 1998, contracts under this section without regard to the requirements in section 303 of the Federal Property and Administrative Services Act of 1949, section 18 of the Office of Federal Procurement Policy Act, and section 8(e) of the Small Business Act, and the corresponding requirements of the Federal Acquisition Regulations, if the Secretary determines, on a case-by-case basis, that exemption from such requirements is in the public interest and necessary for the orderly transition from the loan programs under part B to the direct student loan program under this part.

"(3) APPLICATION OF REQUIREMENTS.—On and after July 1, 1998, all statutory and regulatory requirements described in paragraph (2) shall apply to the award of a contract under this section.

"(b) CONTRACTS FOR ORIGINATION, SERVICING, AND DATA SYSTEMS.—The Secretary may enter into 1 or more contracts for—

"(1) the alternative origination of loans to students attending institutions with agreements to participate in the program under this part (or their parents), if such institutions do not have agreements with the Secretary under section 454(b);

"(2) the servicing and collection of loans made under this part;

"(3) the establishment and operation of 1 or more data systems for the maintenance of records on all loans made under this part;

"(4) services to assist in the orderly transition from the loan programs under part B to the direct student loan program under this part; and

"(5) such other aspects of the direct student loan program as the Secretary determines are necessary to ensure the successful operation of the program.

"SEC. 457. PLAN FOR IRS PARTICIPATION AND OTHER REPAYMENT OPTIONS.

"(a) IN GENERAL.—The Secretaries of Education and the Treasury shall, within 6 months of the date of enactment of this part, submit a plan to the President that—

"(1) provides for—

"(A) repayment of loans made under this part through wage withholding by the Internal Revenue Service;

"(B) procedures for the resolution of disputes through the Secretary of Education; and

"(C) an alternate system of fees and penalties, which shall not include the seizure of real property, by the Internal Revenue Service for the nonpayment of amounts due; and

"(2) evaluates the feasibility of other wage-withholding repayment options for such loans.

"(b) PRESIDENTIAL DETERMINATION.—If the President determines that the implementation of 1 or more repayment options contained in the plan described in subsection (a) would further the purposes of this part, the Secretaries of Education and the Treasury shall be authorized to take such actions as are reasonable and necessary to implement such repayment options, including entering into an agreement pursuant to section 6306 of the Internal Revenue Code of 1986.

"(c) FUNDING.—The Secretary of Education may use such amounts as the Secretary of Education determines necessary from the funds made available under section 460 to implement the repayment options selected by the President under subsection (b) and shall make available to the Secretary of the Treasury such amounts from the funds made available under section 460 as the Secretaries determine to be necessary to implement the repayment options carried out by the Internal Revenue Service.

"SEC. 458. SECRETARIAL ACTIVITIES.

"(a) REGULATORY ACTIVITIES.—

"(1) NOTICE IN LIEU OF REGULATIONS FOR FIRST YEAR OF PROGRAM.—The Secretary shall publish in the Federal Register whatever standards, criteria, and procedures, consistent with the provisions of this part, that the Secretary, in consultation with members of the higher education community, determine are reasonable and necessary to the successful implementation of the direct student loan program under this part in academic year 1994–1995. Section 431 of the General Education Provisions Act shall not apply to the publication of such standards, criteria, and procedures.

"(2) NEGOTIATED RULEMAKING.—Beginning with academic year 1995–1996, all standards, criteria, procedures and regulations implementing this part shall be subject to negotiated rulemaking, including all such standards, criteria, procedures and regulations promulgated from the date of enactment of this part.

"(b) CLOSING DATE FOR APPLICATIONS FROM INSTITUTIONS.—The Secretary shall establish a date not later than October 1, 1993, as the closing date for receiving applications from institutions of higher education desiring to participate in the direct loan program under this part in academic year 1994–1995.

"(c) PUBLICATION OF LIST OF PARTICIPATING INSTITUTIONS AND CONTROL GROUP.—Not later than January 1, 1994, the Secretary shall publish in the Federal Register a list of the institutions of higher education selected to participate in the direct loan program under this part in academic year 1994–1995.

"SEC. 459. REPORTS.

"(a) ANNUAL REPORTS.—The Secretary shall submit to the Congress not later than July 1, 1994, and each July 1 for the 4 succeeding years an annual report describing the progress and status of the direct loan program.

"(b) RESEARCH, DEMONSTRATION, AND EVALUATION.—The Secretary may use a portion of the funds made available pursuant to section 460 for research on, or the demonstration or evaluation of, any aspects of the program authorized by this part, including flexible repayment plans.

"(c) GAO INTERIM FINAL REPORT.—The Comptroller General shall submit to the Congress not later than January 1, 1997, an interim final report evaluating the experience of the Department of Education, the participating institutions of higher education, students, and parents with respect to the direct student loan program. The report shall include—

"(1) the administrative costs, including costs per loan, incurred by participating institutions of higher education in administering the direct student loan program;

"(2) the administrative costs, including costs per loan, incurred by the Department of Education and its contractors in carrying out its responsibilities, including the costs of origination, data systems, servicing, and collection;

"(3) an evaluation of the effectiveness of the direct student loan program in providing services to students and parents, including loan application, loan origination, student financial aid packaging, tracking of student status, responsiveness to student inquiries and processing of deferments, forbearances, and repayments;

"(4) the frequency and cost of borrower delinquency and default under the direct student loan program and losses incurred by institutions of higher education and servicers, including losses caused by improper origination or servicing of loans;

"(5) the timeliness of capital availability to institutions of higher education and of loans to students and parents and the cost of loan capital;

"(6) an evaluation of the effectiveness of the income contingent repayment option;

"(7) a comparison of the experience of institutions of higher education, students, and parents participating in direct student loan program with the experience of institutions, students, and parents in the control group described in subsection (e) with respect to the subjects indicated in paragraphs (1) through (6) of this subsection;

"(8) an evaluation of the administrative performance of the Department;

"(9) an analysis of the reasons institutions selected by the Secretary to participate in the direct student loan program chose not to participate and the reasons institutions withdrew or were terminated from such program;

"(10) an analysis of the experience of borrowers with loans under both this part and part B and recommendations for the most effective repayment procedures for such borrowers;

"(11) a comparison of the cost of loan capital for loans for the direct student loan program with the cost of loan capital for the comparable programs in part B of this title;

"(12) an analysis, where practicable, of the experience of institutions which participate as part of a consortia; and

"(13) recommendations for modifications, continuation, expansion, suspension, or termination of the direct student loan program or replacement of all or some of the programs authorized by part B.

"(d) GAO FINAL REPORT.—The Comptroller General shall submit to the Congress not later than May 1, 1998, a final report evaluating the experience of the Department of Education, the participating institutions of higher education, and students with respect to the direct student loan program. The report shall include the same matters provided for in subsection (c) of this section.

"(e) CONTROL GROUP.—To assist the Comptroller General in preparing the reports required by subsections (c) and (d) of this section, the Secretary shall select a control group of institutions of higher education, which represent a cross-section of all institutions of higher education participating in part B of this title and which is comparable to the cross-section of institutions of higher education selected for participating in the direct student loan program. The Secretary shall select the control groups in the same manner that the institutions of higher education are selected to participate in the direct student loan program.

"(f) TREATMENT OF COSTS.—In reporting with respect to costs in the reports required by subsections (c) and (d) of this section, the Comptroller General shall report separately the nonrecurrent costs such as start-up costs associated with the direct student loan program, the administrative costs incurred by institutions of higher education in providing information to enable the Comptroller General to prepare the reports required by subsections (c) and (d) of this section and the normal costs of operating the direct student loan program.

"SEC. 460. FUNDS FOR ADMINISTRATIVE EXPENSES.

"(a) IN GENERAL.—In each fiscal year beginning with fiscal year 1994, there shall be available to the Secretary of Education from funds not otherwise appropriated, funds to be obligated for administrative costs under this part, including the costs of the transition from the loan programs under part B to the direct student loan program under this part and transition support for the expenses of guaranty agencies in servicing outstanding loans in their portfolios and in guaranteeing new loans, not to exceed $20,000,000 in fiscal year 1994, $70,000,000 in fiscal year 1995, $170,000,000 in fiscal year 1996, $305,000,000 in fiscal year 1997, and $480,000,000 in fiscal year 1998. If in any fiscal year, the Secretary determines that additional funds for administrative expenses are needed as a result of such transition, or the expansion of the direct student loan program under this part, the Secretary is authorized to use funds available under this section for any succeeding fiscal year for such expenses, except that the total expenditures by the Secretary shall not exceed $1,045,000,000 in fiscal years 1994 through 1998.

"(b) AVAILABILITY.—Funds made available under subsection (a) shall remain available until expended.

"(c) BUDGET JUSTIFICATION.—The Secretary shall include in the Department of Education's annual budget justification to Congress a detailed description of the specific activities for which the funds made available by this section have been used in the prior and current years (if applicable), the activities and costs planned for the budget year, and the projection of activities and costs for each remaining year for which administrative expenses under this section are made available.

"(d) NOTIFICATION.—In the event the Secretary finds it necessary to use the authority provided to the Secretary under subsection (a) to draw funds for administrative expenses from a future year's funds, the Secretary shall immediately notify the Committees on Appropriations of the Senate and of the House of Representatives, and the Labor and Human Resources Committee of the Senate and the Education and Labor Committee of the House of Representatives, of such action and explain the reasons for such action.

"SEC. 460A. NATIONAL STUDENT LOAN REFORM COMMISSION.

"(a) ESTABLISHMENT.—There is hereby established a bipartisan commission to be known as the National Student Loan Reform Commission (hereafter in this section referred to as the 'Commission').

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Commission shall be composed of 15 members appointed by the President with the advice and consent of the Senate who are representative of a broad combination of types of institutions of higher education, of whom at least 8 members shall be financial aid administrators.

"(2) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

"(3) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

"(4) MEETINGS.—The Commission shall meet at the call of the Chairman.

"(5) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

"(6) CHAIRMAN AND VICE CHAIRMAN.—The Commission shall select a Chairman and Vice Chairman from among its members.

"(c) DUTIES.—The Commission shall—

"(1) advise the President and the Congress on the operation of the Federal Direct Student Loan Program and the Federal Family Education Loan Program;

"(2) evaluate and report to the Congress regarding such programs on not less than an annual basis; and

"(3) not later than January 1, 1997, report to the President and the Congress with final recommendations on the advisability of replacing the Federal Family Education Loan Program with direct lending.

"(d) POWERS OF THE COMMISSION.—

"(1) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this section.

"(2) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this section. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

"(3) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

"(4) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

"(e) COMMISSION PERSONNEL MATTERS.—

"(1) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

"(2) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

"(3) STAFF.—

"(A) IN GENERAL.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

"(B) COMPENSATION.—The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

"(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

"(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

"(6) AUTHORITY TO CONTRACT.—Subject to the Federal Property and Administrative Services Act of 1949, the Commission is authorized to enter into contracts with Federal and State agencies, private firms, institutions and individuals for the conduct of activities necessary to the discharge of its duties and responsibilities.

"(7) SOURCE OF ADMINISTRATIVE SUPPORT.—Financial and administrative support services (including those related to budget and accounting, financial reporting, payroll, and personnel) shall be provided to the Commission by the General Services Administration (or other organization the Commission determines appropriate) for which payment shall be made in advance or by reimbursement, from funds of the Commission, in such amounts as may be agreed by the Chairman of the Commission and the Administrator of General Services (or head of another organization the Commission determines appropriate).

"(f) TERMINATION OF THE COMMISSION.—The Commission shall terminate 18 months after the date on which the Commission submits its report under subsection (c)(3).

"(g) FUNDS FOR EXPENSES OF THE COMMISSION.—In each fiscal year beginning with fiscal year 1994, there shall be available to the Secretary from funds not otherwise appropriated, funds to be obligated for the costs of activities assisted under this section, not to exceed $2,000,000 in each of the fiscal years 1994, 1995, 1996, 1997 and 1998.".

CHAPTER 2—STUDENT LOAN SAVINGS

SEC. 12021. SECRETARY'S EQUITABLE SHARE.

Section 428(c)(6)(A)(ii) of the Act (20 U.S.C. 1078(c)(6)(A)(ii)) is amended by striking "30 percent" and inserting "27 percent".

SEC. 12022. INTEREST RATES.

Section 427A of the Higher Education Act of 1965 (20 U.S.C. 1077a) is amended—

(1) in subsection (c)(4), by adding at the end the following new subparagraph:

"(E) Notwithstanding subparagraphs (A) and (D) for any loan made pursuant to section 428B for which the first disbursement is made on or after July 1, 1994—

"(i) subparagraph (B) shall be applied by substituting "3.1" for "3.25"; and

"(ii) the interest rate shall not exceed 9 percent.";

(2) by redesignating subsections (f), (g) and (h) as subsections (g), (h) and (j), respectively;

(3) by adding after subsection (e) the following new subsection:

"(f) INTEREST RATES FOR NEW LOANS AFTER JULY 1, 1994.—

"(1) IN GENERAL.—Notwithstanding subsections (a), (b), (d) and (e) of this section, with respect to any loan made, insured, or guaranteed under this part (other than a loan made pursuant to sections 428B and 428C) for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(B) 3.10 percent,

except that such rate shall not exceed 8.25 percent.

"(2) CONSULTATION.—The Secretary shall determine the applicable rate of interest under paragraph (1) after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination."; and

(4) by inserting after subsection (h) (as redesignated in paragraph (2)) the following new subsection:

"(i) IN-SCHOOL AND GRACE PERIOD INTEREST RATES.—

"(1) APPLICABLE RATE.—Notwithstanding any other provision of this section, with respect to any loan for which the first disbursement is made on or after October 1, 1993, the applicable rate of interest for interest which accrues—

"(A) prior to the beginning of the repayment period of the loan; or

"(B) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall not exceed the rate determined under paragraph (2).

"(2) METHOD OF CALCULATION.—For purposes of paragraph (1) the rate determined under this paragraph shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction prior to such June 1; plus

"(B) 2.5 percent,

except that such rate shall not exceed 8.25 percent.".

SEC. 12023. LENDER AND STUDENT LOAN FEES.

Section 438 of the Act (20 U.S.C. 1087–1) is amended—

(1) in the heading of subsection (c) by inserting "FROM STUDENTS" after "ORIGINATION FEES";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) by striking "428B,";

(ii) by inserting ", and part D" after "439(o)"; and

(iii) by striking "5 percent" and inserting "3.0 percent";

(B) in paragraph (6), by striking "5 percent" and inserting "3.0 percent";

(3) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(4) by inserting after subsection (c) the following new subsection:

"(d) LOAN FEES FROM LENDERS.—

"(1) DEDUCTION FROM INTEREST AND SPECIAL ALLOWANCE SUBSIDIES.—Notwithstanding subsection (b), the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, to any holder shall be reduced by the Secretary by a loan fee in an amount determined in accordance with paragraph (2) of this subsection. If the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, is less than the amount of such loan fee, then the Secretary shall deduct such excess amount from subsequent quarters' payments until the total amount has been deducted.

"(2) AMOUNT OF LOAN FEES.—With respect to any loan under this part (other than loans made under sections 428B, 428C and 439(o)) for which a note or other written evidence of the loan was sent or delivered to the borrower for signing on or after October 1, 1993, the amount of the loan fee which shall be deducted under paragraph (1) shall be equal to .50 percent of the principal amount of the loan.

"(3) PLUS, CONSOLIDATION, SLMA LOANS.—With respect to any loans made under section 428B, 428C, and 439 on or after October 1, 1993, each eligible lender under this part shall pay to the Secretary a loan fee of .50 percent of the principal amount of the loan.

"(4) DISTRIBUTION OF LOAN FEES.—The Secretary shall deposit all fees collected pursuant to paragraph (3) into the insurance fund established in section 431.".

SEC. 12024. OFFSET FEE.

Subsection (h) of section 439 of the Act (20 U.S.C. 1087–2(h)) is amended by adding at the end the following new paragraph:

"(6) OFFSET FEE.—(A) The Association shall pay to the Secretary, on a monthly basis, an offset fee calculated on an annual basis in an amount equal to 0.30 percent of the principal amount of each loan made, insured or guaranteed under this part which the Association holds on or after the date of enactment of this paragraph.

"(B) The Secretary shall deposit all fees collected pursuant to subparagraph (A) into the insurance fund established in section 431.".

SEC. 12025. ELIMINATION OF TAX EXEMPT FLOOR.

Section 438(b)(2)(B) of the Act (20 U.S.C. 1087–1(b)(2)(B)) is amended by adding at the end the following new clause:

"(iv) Notwithstanding clauses (i) and (ii), the quarterly rate of the special allowance for holders of loans which are financed with funds obtained by the holder from the issuance of obligations originally issued on or after October 1, 1993, the income from which is excluded from gross income under the Internal Revenue Code of 1986, shall be 85 percent of the quarterly rate of the special allowance established under subparagraph (A). Such rate shall also apply to holders of loans which were made or purchased with funds obtained by the holder from collections or default reimbursements on, or interests or other income pertaining to, eligible loans made or purchased with funds described in the preceding sentence of this subparagraph or from income on the investment of such funds.".

SEC. 12026. REDUCTION IN INTEREST RATE FOR CONSOLIDATION LOANS; REBATE FEE.

(a) AMENDMENT.—Section 428C of the Act (20 U.S.C. 1078–3) is amended—

(1) in paragraph (1) of subsection (c)—

(A) in subparagraph (A), by striking "or (C)";

(B) by amending subparagraph (B) to read as follows:

"(B) A consolidation loan made on or after October 1, 1993, shall bear interest on the unpaid principal balance of the loan, during any 12-month period beginning on July 1 and ending on June 30, determined on the preceding June 1, which interest shall be equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.10 percent,

except that such rate shall not exceed 9 percent."; and

(C) by striking subparagraph (C); and

(2) by adding at the end the following new subsection:

"(f) INTEREST PAYMENT REBATE FEE.—

"(1) IN GENERAL.—Each holder of a consolidation loan under this section shall pay to the Secretary, on a monthly basis and in such manner as the Secretary shall prescribe, a rebate fee calculated on an annual basis equal to 0.70 percent of the principal plus accrued unpaid interest on such loan.

"(2) DEPOSIT.—The Secretary shall deposit all fees collected pursuant to subsection (a) into the insurance fund established in section 431.".

(b) ENFORCEMENT.—Subsection (d) of section 435 of the Act (20 U.S.C. 1085(d)) is amended—

(1) in the matter preceding subparagraph (A) of paragraph (1), by striking "(5)" and inserting "(6)"; and

(2) by adding at the end the following new paragraph:

"(6) REBATE FEE REQUIREMENT.—To be an eligible lender under this part, an eligible lender shall pay rebate fees in accordance with section 428C(f).".

SEC. 12027. INSURANCE PREMIUM.

(a) INSURANCE PREMIUM.—Section 428(b)(1)(H) of the Act (20 U.S.C. 1078(b)(1)(H)) is amended by striking "3 percent" and inserting "1 percent".

(b) REINSURANCE FEES.—Section 428(c) of the Act is amended—

(1) by striking paragraph (9); and

(2) by redesignating paragraph (10) as paragraph (9).

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on July 1, 1994.

SEC. 12028. LOAN TRANSFER FEE.

Section 428(b)(2) of the Act (20 U.S.C. 1078(b)(2)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(G) provide that, if a lender or holder, on or after October 1, 1993, sells, transfers, or assigns a loan under this part, then the transferee shall pay to the Secretary a transfer fee in an amount equal to 0.25 percent the principal and accrued unpaid interest of the loan, which transfer fee shall be deposited into the insurance fund established in section 431, except that the provisions of this subparagraph shall not apply to any such sale, transfer or assignment by a lender or holder to such lender's or holder's affiliate or pursuant to—

"(i) a merger or other consolidation transaction; or

"(ii) a sale or other transfer of all or any substantial portion of such lender's or holder's business or student lending business.".

SEC. 12029. RISK SHARING.

(a) GUARANTY AGENCY REINSURANCE PERCENTAGE.—Section 428(c)(1) of the Act (20 U.S.C. 1078(c)(1)) is amended—

(1) in subparagraph (A), by striking "100 percent" and inserting "98 percent";

(2) in subparagraph (B)(i), by striking "90 percent" and inserting "88 percent";

(3) in subparagraph (B)(ii), by striking "80 percent" and inserting "78 percent"; and

(4) by adding at the end the following new subparagraphs:

"(E) Notwithstanding any other provisions of this section, in the case of a loan made pursuant to a lender of last resort program, the Secretary shall apply the provisions of—

"(i) the fourth sentence of subparagraph (A) by substituting '100 percent' for '98 percent';

"(ii) subparagraph (B)(i) by substituting '100 percent' for '88 percent'; and

"(iii) subparagraph (B)(ii) by substituting '100 percent' for '78 percent'.

"(F) Notwithstanding any other provisions of this section, in the case of an outstanding loan transferred to a guaranty agency from another guaranty agency pursuant to a plan approved by the Secretary in response to the insolvency of the latter such guarantee agency, the Secretary shall apply the provision of—

"(i) the fourth sentence of subparagraph (A) by substituting '100 percent' for '98 percent';

"(ii) subparagraph (B)(i) by substituting '90 percent' for '88 percent'; and

"(iii) subparagraph (B)(ii) by substituting '80 percent' for '78 percent'.".

(b) Risk Sharing by the Student Loan Marketing Association.—Section 428(b)(1)(G) of the Act (20 U.S.C. 1078(b)(1)(G)) is amended by inserting before the semicolon at the end thereof the following: ", except that for loans held by the Student Loan Marketing Association (other than loans made with advances to guaranty agencies pursuant to section 439(p)) such percentage shall be 95 percent".

(c) Effective Date.—The amendments made by this section shall apply to any loan made on or after October 1, 1993.

SEC. 12030. PLUS LOAN AMOUNTS AND DISBURSEMENTS.

(a) Loan Amounts.—

(1) Amendment.—Section 428B(b) of the Act (20 U.S.C. 1078–2(b)) is amended to read as follows:

"(b) Limitations on Amounts of Loans.—

"(1) Annual limit.—Subject to paragraph (2), the maximum amount parents may borrow for one student in any academic year or its equivalent (as defined by regulation of the Secretary) is $10,000.

"(2) Limitation based on need.—Any loan under this section may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any parent under this section for any academic year in excess of (A) the student's estimated cost of attendance, minus (B) other financial aid as certified by the eligible institution under section 428(a)(2)(A). The annual insurable limit on account of any student shall not be deemed to be exceeded by a line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.".

(2) Effective date.—The amendment made by paragraph (1) shall be effective for loans made on or after July 1, 1994.

(b) Multiple Disbursement Required.—

(1) Amendment.—The matter preceding paragraph (1) of section 428B(c) of the Act (20 U.S.C. 1078–2(c)) is amended by inserting "shall be disbursed in accordance with the requirements of section 428G and" after "under this section".

(2) Conforming amendments.—Section 428G(e) of the Act (20 U.S.C. 1078–7(e) is amended—

(A) by striking "PLUS, Consolidation," and inserting "Consolidation"; and

(B) by striking "section 428B or 428C" and inserting "section 428C".

CHAPTER 3—CONFORMING AMENDMENTS

Subchapter A—Conforming Amendments to the Higher Education Act of 1965

SEC. 12041. PRESERVING LOAN ACCESS.

(a) Purpose.—It is the purpose of the amendments made by this section to provide the Secretary with flexible authority as needed to preserve access to student and parent loans under part B of title IV of the Act during the transition from the Federal Family Education Loan Program under such part to the Federal Direct Student Loan Program under part D of such title.

(b) Advances to Guaranty Agencies for Lender-of-Last-Resort Services.—

(1) Amendment.—Section 428(j) of the Act (20 U.S.C. 1078(j)) is amended by adding at the end the following new paragraph:

"(4) Advances to guaranty agencies for lender-of-last-resort services during transition to direct lending.—(A) In order to ensure the availability of loan capital during the transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title, the Secretary is authorized to provide a guaranty agency with additional advance funds in accordance with section 422(c)(7), with such restrictions on the use of such funds as are determined appropriate by the Secretary, in order to ensure that the guaranty agency will make loans as the lender-of-last-resort. Such agency shall make such loans in accordance with this subsection and the requirements of the Secretary.

"(B) Notwithstanding any other provision in this part, a guaranty agency serving as a lender-of-last-resort under this paragraph shall be paid a fee, established by the Secretary, for making such loans in lieu of interest and special allowance subsidies, and shall be required to assign such loans to the Secretary on demand. Upon such assignment, the portion of the advance represented by the loans assigned shall be considered repaid by such guaranty agency.".

(2) Conforming amendment.—Section 422(c)(7) of the Act (20 U.S.C. 1072(c)(7)) is amended by striking all beginning with "to a guaranty agency" through the period and inserting "to a guaranty agency—

"(A) in accordance with section 428(j), in order to ensure that the guaranty agency shall make loans as the lender-of-last-resort during the transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title; or

"(B) if the Secretary is seeking to terminate the guaranty agency's agreement, or assuming the guaranty agency's functions, in accordance with section 428(c)(10)(F)(v), in order to assist the agency in meeting its immediate cash needs, ensure the uninterrupted payment of claims, or ensure that the guaranty agency shall make loans as described in subparagraph (A);".

(c) Lender Referral Services.—Section 428(e) of the Act (20 U.S.C. 1078(e)) is amended—

(1) in paragraph (1)—

(A) by amending the paragraph heading to read as follows: "In general; agreements with guaranty agencies.—";

(B) by inserting the subparagraph designation "(A)" immediately before "The Secretary";

(C) by striking "in any State" and inserting "with which the Secretary has an agreement under subparagraph (B)"; and

(D) by adding at the end the following new subparagraph:

"(B)(i) The Secretary may enter into agreements with guaranty agencies that meet standards established by the Secretary to provide lender referral services in geographic areas specified by the Secretary. Such guaranty agencies shall be paid in accordance with paragraph (3) for such services.

"(ii) The Secretary shall publish in the Federal Register whatever standards, criteria, and procedures, consistent with the provisions of this part and part D of this title, the Secretary determines are reasonable and necessary to provide lender referral services under this subsection and ensure loan access to student and parent borrowers during the transition from the loan programs under this part to the direct student loan programs under part D of this title. Section 431 of the General Education Provisions Act shall not apply to the publication of such standards, criteria, and procedures.";

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking "in a State" and inserting "with which the Secretary has an agreement under paragraph (1)(B)";

(B) by amending subparagraph (A) to read as follows:

"(A)(i) such student is either a resident of, or is accepted for enrollment in, or is attending, an eligible institution located in a geographic area for which the Secretary (I) determines that loans are not available to all eligible students, and (II) has entered into an agreement with a guaranty agency under paragraph (1)(B) to provide lender referral services; and";

(3) in paragraph (3), by striking "The" and inserting "From funds available for costs of transition under section 460 of the Act, the"; and

(4) by striking paragraph (5).

(d) Student Loan Marketing Association.—Section 439(q) of the Act (20 U.S.C. 1087–2(q)) is amended—

(1) in paragraph (1)(A)—

(A) in the first sentence, by striking "the Association or its designated agent may begin making loans" and inserting "the Association or its designated agent shall, not later than July 1, 1994, begin making loans to such eligible borrowers"; and

(B) by striking the second sentence;

(2) in paragraph (2)(A), by striking "the Association or its designated agent may" and inserting "the Association or its designated agent shall, not later than July 1, 1994,"; and

(3) in paragraph (3), by striking all beginning with "that—" through the period at the end of subparagraph (B) and inserting "that the conditions that caused the implementation of this subsection have ceased to exist.".

SEC. 12042. GUARANTY AGENCY RESERVES.

Section 422 of the Act (20 U.S.C. 1072) is amended by adding at the end the following new subsection:

"(g) Preservation of Guaranty Agency Reserves.—

"(1) Authority to recover funds.—Notwithstanding any other provision of law, the reserve funds of the guaranty agencies, and any assets purchased with such reserve funds, regardless of who holds or controls the reserves or assets, shall be considered to be the property of the United States to be used in the operation of the program authorized by this part or the program authorized by part D of this title. However, the Secretary may not require the return of all reserve funds of a guaranty agency to the Secretary unless the Secretary determines that such return is in the best interest of the operation of the program authorized by this part or the program authorized by part D of this title, or to ensure the proper maintenance of such agency's funds or assets or the orderly termination of the guaranty agency's operations and the liquidation of its assets. The reserves shall be maintained by each guaranty agency to pay program expenses and contingent liabilities, as authorized by the Secretary, except that the Secretary may—

"(A) direct a guaranty agency to return to the Secretary a portion of its reserve fund which the Secretary determines is unnecessary to pay the program expenses and contingent liabilities of the guaranty agency;

"(B) direct the guaranty agency to require the return, to the guaranty agency or to the Secretary, of any reserve funds or assets held by, or *under the control of, any other entity, which the Secretary determines are necessary to pay the program expenses and contingent liabilities of the guaranty agency, or which are required for the orderly termination of the guaranty agency's operations and the liquidation of its assets; and*

"(C) direct a guaranty agency, or such agency's officers or directors, to cease any activities involving expenditure, use or transfer of the guaranty agency's reserve funds or assets which the Secretary determines is a misapplication, misuse, or improper expenditure of such funds or assets.

"(2) TERMINATION PROVISIONS IN CONTRACTS.—(A) To ensure that the funds and assets of the guaranty agency are preserved, any contract with respect to the administration of a guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency, or any other party on behalf of or with the concurrence of the guaranty agency, after the date of enactment of this subsection shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section.

"(B) The Secretary may direct a guaranty agency to suspend or cease activities under any contract entered into by or on behalf of such agency after January 1, 1993, if the Secretary determines that the misuse or improper expenditure of such guaranty agency's funds or assets or such contract provides unnecessary or improper benefits to such agency's officers or directors.

"(3) PENALTIES.—Violation of any direction issued by the Secretary under this subsection may be subject to the penalties described in section 490 of this Act.".

SEC. 12043. TERMS OF LOANS.

(a) AMENDMENT.—Section 428 of the Act (20 U.S.C. 1078) is amended—

(1) in subsection (b)(1)(D), by striking "be subject to" through the semicolon and inserting "be subject to income contingent repayment in accordance with subsection (m);"; and

(2) in subsection (m)—

(A) by amending paragraph (1) to read as follows:

"(1) AUTHORITY OF SECRETARY TO REQUIRE.—The Secretary may require any borrower who has defaulted on a loan made under this part that is assigned to the Secretary under subsection (c)(8) to repay that loan under an income contingent repayment plan, the terms and conditions of which shall be established by the Secretary and the same as, or similar to, an income contingent repayment plan established for purposes of part D of this title."; and

(B) by striking paragraphs (2), (3), and (4) and inserting the following new paragraph:

"(2) LOANS FOR WHICH INCOME CONTINGENT REPAYMENT MAY BE REQUIRED.—A loan made under this part may be required to be repaid under this subsection if the note or other evidence of the loan has been assigned to the Secretary pursuant to subsection (c)(8).".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for loans made in accordance with section 428 for periods of instruction beginning on or after July 1, 1993, or made on or after July 1, 1993, in the case of loans made in accordance with section 428B or 428C of the Act.

SEC. 12044. ASSIGNMENT OF LOANS.

Section 428(c)(8) of the Act (20 U.S.C. 1078(c)(8)) is amended—

(1) in the first sentence, by inserting the subparagraph designation "(A)" before "If the";

(2) by striking the second and third sentences; and

(3) by adding at the end the following new subparagraph:

"(B) An orderly transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title shall be deemed to be in the Federal fiscal interest, and a guaranty agency shall promptly assign loans to the Secretary under this paragraph upon the Secretary's request.".

SEC. 12045. TERMINATION OF GUARANTY AGENCY AGREEMENTS; ASSUMPTION OF GUARANTY AGENCY FUNCTIONS BY THE SECRETARY.

Section 428(c)(9) of the Act (as redesignated by section 12027(b)(2)) (20 U.S.C. 1078(c)(10)) is amended—

(1) in subparagraph (C), by inserting ", as appropriate," after "the Secretary shall require";

(2) in subparagraph (D)—

(A) by inserting the clause designation "(i)" before "Each";

(B) by striking "Each" and inserting "If the Secretary is not seeking to terminate the guaranty agency's agreement under subparagraph (E), or assuming the guaranty agency's functions under subparagraph (F), a";

(C) by adding at the end the following new clause:

"(ii) If the Secretary is seeking to terminate the guaranty agency's agreement under subparagraph (E), or assuming the guaranty agency's functions under subparagraph (F), a management plan described in subparagraph (C) shall include the means by which the Secretary and the guaranty agency shall work together to ensure the orderly termination of the operations, and liquidation of the assets, of the guaranty agency.";

(3) in subparagraph (E)—

(A) in clause (ii), by striking "or" after the semicolon;

(B) in clause (iii), by striking the period and inserting a semicolon; and

(C) by adding at the end the following new clauses:

"(iv) the Secretary determines that such action is necessary to protect the Federal fiscal interest;

"(v) the Secretary determines that such action is necessary to ensure the continued availability of loans to student or parent borrowers; or

"(vi) the Secretary determines that such action is necessary to ensure an orderly transition from the loan programs under this part to the direct student loan programs under part D of this title.";

(4) in subparagraph (F)—

(A) in the matter preceding clause (i), by striking "Except as provided in subparagraph (G), if" and inserting "If";

(B) by amending clause (v) to read as follows:

"(v) provide the guaranty agency with additional advance funds in accordance with section 422(c)(7), with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to—

"(I) meet the immediate cash needs of the guaranty agency;

"(II) ensure the uninterrupted payment of claims; or

"(III) ensure that the guaranty agency will make loans as the lender-of-last-resort, in accordance with subsection (j)(4);";

(C) in clause (vi)—

(i) by striking "and to avoid" and inserting ", to avoid";

(ii) by striking the period and inserting a comma and "and to ensure an orderly transition from the loan programs under this part to the direct student loan programs under part D of this title."; and

(iii) by redesignating such clause as clause (vii); and

(D) by inserting after clause (v) the following new clause:

"(vi) use all funds and assets of the guaranty agency to assist in the activities undertaken in accordance with this subparagraph and take appropriate action to require the return, to the guaranty agency or the Secretary, of any funds or assets provided by the guaranty agency, under contract or otherwise, to any person or organization; or";

(5) by striking subparagraph (G);

(6) by redesignating subparagraphs (H), (I), and (J) as subparagraphs (I), (J), and (K), respectively;

(7) by inserting after subparagraph (F) the following new subparagraphs:

"(G) Notwithstanding any other provision of law, if the Secretary has terminated or is seeking to terminate a guaranty agency's agreement under subparagraph (E), or has assumed a guaranty agency's functions under subparagraph (F)—

"(i) such guaranty agency may not file for bankruptcy;

"(ii) no State court may issue any order affecting the Secretary's actions with respect to such guaranty agency;

"(iii) any contract with respect to the administration of a guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency, or any other party on behalf of or with the concurrence of the guaranty agency, after the date of enactment of this subparagraph shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section; and

"(iv) no provision of State law shall apply to the actions of the Secretary in terminating the operations of a guaranty agency;

"(H) Notwithstanding any other provision of law, the Secretary's liability for any outstanding liabilities of a guaranty agency (other than outstanding student loan guarantees under this part), the functions of which the Secretary has assumed, shall not exceed the fair market value of the reserves of the guaranty agency, minus any necessary liquidation or other administrative costs."; and

(8) in subparagraph (K) (as redesignated by paragraph (5)), by striking all beginning with "system, together" through the period and inserting "system and the progress of the transition from the loan programs under this part to the direct student loan programs under part D of this title.".

SEC. 12046. CONSOLIDATION LOANS.

(a) AMENDMENT.—Section 428C of the Act (20 U.S.C. 1078–3) is amended—

(1) in subsection (a)(3)(A), by striking all beginning with "(A)" through the period at the end of clause (ii) and inserting "(A) For the purpose of this section, the term 'eligible borrower' means a borrower who, at the time of application for a consolidation loan is in repayment status, or in a grace period preceding repayment, or is a delinquent or defaulted borrower who will reenter repayment through loan consolidation.";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A)(ii), by inserting "with income-sensitive repayment terms" after "obtain a consolidation loan";

(ii) by redesignating subparagraph (E) as subparagraph (F); and

(iii) by inserting after subparagraph (D) the following new subparagraph:

"(E) that the lender shall offer an income-sensitive repayment schedule, established by the

lender in accordance with the regulations promulgated by the Secretary, to the borrower of any consolidation loan made by the lender on or after July 1, 1994; and";

(B) in paragraph (4), by amending subparagraph (C) to read as follows:

"(C)(i) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid in accordance with clause (ii), during any period for which the borrower would be eligible for a deferral under section 428(b)(1)(M), and that any such period shall not be included in determining the repayment schedule pursuant to subsection (c)(2) of this section; and

"(ii) provides that interest shall accrue and be paid—

"(I) by the Secretary, in the case of a consolidation loan that consolidated only Federal Stafford Loans for which the student borrower received an interest subsidy under section 428: or

"(II) by the borrower, or capitalized, in the case of a consolidation loan other than a loan described in subclause (I);"; and

(C) by adding at the end the following new paragraph:

"(5) DIRECT LOANS.—In the event that a borrower is unable to obtain a consolidation loan from a lender with an agreement under subsection (a)(1), the Secretary shall offer any such borrower who applies for it, a direct consolidation loan to be repaid pursuant to income contingent repayment under part D of this title or pursuant to any other repayment provision under this section, except that the Secretary shall not offer such loans if, in the Secretary's judgment, the Department of Education does not have the necessary origination and servicing arrangements in place for such loans."; and

(3) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in the matter preceding clause (i), by striking "income sensitive repayment schedules. Such repayment terms" and inserting "income sensitive repayment schedules, established by the lender in accordance with the regulations of the Secretary. Except as required by such income sensitive repayment schedules, or by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5), such repayment terms";

(II) by redesignating clauses (i), (ii), (iii), (iv), and (v) as clauses (ii), (iii), (iv), (v), and (vi), respectively; and

(III) by inserting before clause (ii) (as redesignated by subclause (II)) the following new clause:

"(i) is less than $7,500, then such consolidation loan shall be repaid in not more than 10 years;";

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraph (C) as subparagraph (B); and

(B) in paragraph (3)(A), by inserting "except as required by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5)," before "the lender".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for loans made on or after July 1, 1994.

SEC. 12047. AUTHORITY TO USE OPTICALLY IMAGED DOCUMENTS.

(a) GENERAL AUTHORITY.—Section 484A of the Act (20 U.S.C. 1091a) is amended—

*(1) in the section heading, by inserting "**; OPTICALLY IMAGED DOCUMENTS**" after "**LIMITATIONS**"; and*

(2) by adding at the end the following new subsection:

"(c) OPTICALLY IMAGED DOCUMENTS.—

"(1) PURPOSE.—It is the purpose of this subsection to—

"(A) allow the Secretary to use optical imaging technology to store and retrieve documents and records, including promissory notes and repayment agreements, required for the administration of the programs authorized under part D of this title, or for the administration of loans made under part B of this title that have been assigned to the Secretary;

"(B) permit the Secretary to destroy originals of such documents and records, including promissory notes and repayment agreements, after such documents and records have been optically imaged, thereby achieving significant savings in storage and retrieval costs; and

"(C) ensure that the Secretary may introduce as evidence in any proceeding with respect to the programs or loans described in subparagraph (A) optically imaged documents and records, including promissory notes and repayment agreements.

"(2) EVIDENCE.—Notwithstanding any other provision of law, an optically imaged copy of any document or record, including a promissory note or repayment agreement, may be introduced as evidence in any proceeding with respect to the programs or loans described in paragraph (1)(A) in any Federal or State court, or other tribunal, and such optically imaged copy shall be admissible in any court or tribunal of the United States or any State as if such copy were the original document or record and have the same force and effect as the original.

"(3) CONSTRUCTION.—(A) Nothing in this subsection shall be interpreted to preclude the admissibility of a duplicate of a document or record required for the administration of the programs or loans described in paragraph (1)(A) made by a technology other than optical imaging consistent with the Federal Rules of Evidence and section 1732 of title 28, United States Code, or applicable State law.

"(B) Nothing in this subsection shall be interpreted to preclude the admissibility of an optically imaged copy of any document or record in a proceeding outside the scope of this subsection consistent with the Federal Rules of Evidence and section 1732 of title 28 of the United States Code, or applicable State law.".

(b) OPTICALLY IMAGED DOCUMENTS.—Section 432 of the Act (20 U.S.C. 1082) is amended by adding at the end the following new subsection:

"(q) OPTICALLY IMAGED DOCUMENTS.—Records maintained in accordance with section 484A(c) may be used in any proceeding, as permitted by section 484A(c), with respect to a loan that was made under this part and has been assigned to the Secretary.".

(c) CONFORMING AMENDMENT.—Section 487 of the Act (20 U.S.C. 1094) is amended by adding at the end the following new subsection:

"(f) USE OF OPTICALLY IMAGED DOCUMENTS.—In any proceeding with respect to a program or activity under part D of this title, or with respect to a loan made under part B of this title that has been assigned to the Secretary, records maintained in accordance with section 484A may be used as provided in that section.".

SEC. 12048. CONSOLIDATION OF PROGRAMS.

(a) IN GENERAL.—Section 428H of the Act (20 U.S.C. 1078–9) is amended—

(1) in the matter preceding paragraph (1) of subsection (b), by inserting "(including graduate and professional students as defined in regulations promulgated by the Secretary)" after "484";

(2) in subsection (d), by inserting ", except that—

"(1) the maximum annual amount of loans under this section an independent student (or a student whose parents are unable to borrow under the Federal Direct PLUS Loan Program) may borrow in any academic year or its equivalent or in any period of 7 consecutive months, whichever is longer, shall be as follows:

"(A) In the case of such a student attending an eligible institution who has not completed such student's first 2 years of undergraduate study, the amount determined in accordance with section 428(b)(1), plus—

"(i) $4,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(ii) $2,500, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(iii) $1,500, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year.

"(B) In the case of such a student attending an eligible institution who has completed the first 2 years of undergraduate study but who has not completed the remainder of a program of undergraduate study, the amount determined in accordance with section 428(b)(1), plus—

"(i) $5,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(ii) $3,325, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(iii) $1,675, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year.

"(C) In the case of such a student who is a graduate or professional student attending an eligible institution, the amount determined in accordance with section 428(b)(1), plus $10,000; and

"(2) the maximum aggregate amount of such loans such student may borrow shall be adjusted to reflect the increased annual limits described in paragraph (1)" before the period;

(3) in subsection (e), by adding at the end the following new paragraphs:

"(5) AMORTIZATION.—The amount of the periodic payment and the repayment schedule for any loan made pursuant to this section shall be established by assuming an interest rate equal to the applicable rate of interest at the time the repayment of the principal amount of the loan commences. At the option of the lender, the note or other written evidence of the loan may require that—

"(A) the amount of the periodic payment will be adjusted annually; or

"(B) the period of repayment of principal will be lengthened or shortened,

in order to reflect adjustments in interest rates occurring as a consequence of section 427A(c)(4).

"(6) REPAYMENT PERIOD.—For purposes of calculating the 10-year repayment period under section 428(b)(1)(D), such period shall commence at the time the first payment of principal is due from the borrower."; and

(4) by adding at the end the following new subsection:

"(h) REFINANCING.—

"(1) REFINANCING TO SECURE COMBINED PAYMENT.—An eligible lender may at any time consolidate loans held by such lender which are made under this section to a borrower, including loans which were made under sections 428A and 428B as such sections were in effect prior to the date of enactment of the Higher Education Amendments of 1986, under a single repayment schedule which provides for a single principal payment and a single payment of interest, and shall calculate the repayment period for each included loan from the date of the commencement of repayment of the most recent included loan. Unless the consolidated loan is obtained by a borrower who is electing to obtain variable interest under paragraph (2) or (3), such consolidated loan shall bear interest at the weighted average of the rates of all included loans rounded to the nearest whole percent. The extension of any repayment period of an included

loan pursuant to this paragraph shall be reported (if required by such loan) to the Secretary or guaranty agency insuring the loan, as the case may be, but no additional insurance premiums shall be payable with respect to any such extension. The extension of the repayment period of any included loan shall not require the formal extension of the promissory note evidencing the included loan or the execution of a new promissory note, but shall be treated as an administrative forbearance of the repayment terms of the included loan.

"(2) REFINANCING TO SECURE VARIABLE INTEREST RATE.—An eligible lender may reissue a loan which was made under this section before July 1, 1987, or under sections 428A and 428B as such sections were in effect prior to the date of enactment of the Higher Education Amendments of 1986 in order to permit the borrower to obtain the interest rate provided under section 427A(c)(4). A lender offering to reissue a loan or loans for such purpose may charge a borrower an amount not to exceed $100 to cover the administrative costs of reissuing such loan or loans, not more than one-half of which shall be paid to the guarantor of the loan being reissued to recover costs of reissuance. Reissuance of a loan under this paragraph shall not affect any insurance applicable with respect to the loan, and no additional insurance fee may be charged to the borrower with respect to the loan.

"(3) REFINANCING BY DISCHARGE OF PREVIOUS LOAN.—A borrower who has applied to an original lender for reissuance of a loan under paragraph (2) and who is denied such reissuance may obtain a loan from another lender for the purpose of discharging the loan from such original lender. A loan made for such purpose—

"(A) shall bear interest at the applicable rate of interest provided under section 427A(c)(4);

"(B) shall not result in the extension of the duration of the note (other than as permitted under subsection (e)(5)(B));

"(C) may be subject to an additional insurance fee but shall not be subject to the administrative cost charge permitted by paragraph (2) of this subsection; and

"(D) shall be applied to discharge the borrower from any remaining obligation to the original lender with respect to the original loan.

"(4) CERTIFICATION IN LIEU OF PROMISSORY NOTE PRESENTATION.—Each new lender may accept certification from the original lender of the borrower's original loan in lieu of presentation of the original promissory note.

"(5) NOTIFICATION TO BORROWERS OF AVAILABILITY OF REFINANCING OPTIONS.—Each holder of a loan made under this section or under section 428B as in effect prior to the date of enactment of this Act shall, not later than October 1, 1993, in the case of loans made before the date of enactment of this paragraph, notify the borrower of such loan—

"(A) of the refinancing options for which the borrower is eligible under this subsection;

"(B) of those options which will be made available by the holder and of the practical consequences of such options in terms of interest rates and monthly and total payments for a set of loan examples; and

"(C) that, with respect to any option that the holder will not make available, the holder will, to the extent practicable, refer the borrower to an eligible lender offering such option.".

(b) REPEAL.—

(1) REPEALER.—Section 428A of the Act is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on July 1, 1994.

(c) TERMS, CONDITIONS AND BENEFITS.—Notwithstanding the amendments made by this section, with respect to loans provided under sections 428A and 428H of the Higher Education Act of 1965 (as such sections existed on the date preceding the date of enactment of this Act) the terms, conditions and benefits applicable to such loans under such sections shall continue to apply to such loans after the date of enactment of this Act.

SEC. 12049. ORIGINATION FEE; INSURANCE PREMIUM.

Section 428H of the Act (20 U.S.C. 1078–8) is amended—

(1) in subsection (f)—

(A) in the subsection heading, by striking "INSURANCE PREMIUM" and inserting "ORIGINATION FEE";

(B) in the heading of paragraph (1), by striking "/INSURANCE PREMIUM";

(C) in paragraph (1)—

(i) by striking "a combined origination fee and insurance premium in the amount of 6.5 percent" and inserting "an origination fee in the amount of 3.0 percent"; and

(ii) by striking the second sentence;

(D) in paragraph (2), by striking "combined fee and premium" and inserting "origination fee";

(E) in paragraph (3), by striking "combined origination fee and insurance premium" and inserting "origination fee";

(F) in paragraph (4)—

(i) in the heading, by striking "INSURANCE PREMIUM" and inserting "ORIGINATION FEE";

(ii) by striking "combined origination fee and insurance premiums" and inserting "origination fees"; and

(iii) by striking "and premiums to pay" and inserting "to pay"; and

(G) in paragraph (5)—

(i) in the heading, by inserting "ORIGINATION FEE AND" before "INSURANCE"; and

(ii) in the second sentence—

(I) by striking "6.5 percent insurance premium" and inserting "combined origination fee under this subsection and the insurance premium under subsection (h)"; and

(II) by inserting "origination fee and" before "insurance"; and

(2) by adding at the end the following new subsection:

"(h) INSURANCE PREMIUM.—Each State or nonprofit private institution or organization having an agreement with the Secretary under section 428(b)(1) may charge a borrower under this section an insurance premium equal to not more than 1 percent of the principal amount of the loan, if such premium will not be used for incentive payments to lenders."

SEC. 12050. DISBURSEMENTS FOR FIRST YEAR STUDENTS.

Section 428(G) of the Act (20 U.S.C. 1078–7) is amended—

(1) in the heading for subsection (b), by striking "AND ENDORSEMENT"; and

(2) in subsection (b)—

(A) by striking paragraph (1);

(B) in paragraph (2)—

(i) by striking "other than a student described in paragraph (1)"; and

(ii) by striking "(2) OTHER STUDENTS.—".

Subchapter B—Amendments to Other Laws

SEC. 12055. DISCLOSURE OF TAX RETURN INFORMATION.

(a) RETURNS AND RETURN INFORMATION.—Section 6103(a)(3) of the Internal Revenue Code of 1986 (hereafter referred to in this part as "the Code") is amended by striking "(l)(12)" and inserting "(l)(10), (12), or (13)".

(b) INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.—Section 6103(l) of the Code is amended—

(1) in paragraph (10)(B), by striking "officers and employees of an agency receiving return information under subparagraph (A) shall use such information" and inserting "return information disclosed under subparagraph (A) may be used by officers and employees of an agency, and by officers, employees, and agents of the Department of Education,"; and

(2) at the end, by adding a new paragraph to read as follows:

"(13) DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.—

"(A) IN GENERAL.—The Secretary may, upon written request from the Secretary of Education, disclose to officers and employees of the Department of Education return information with respect to a taxpayer who has received a Federal loan under a student loan program and whose loan repayment amounts are based in whole or in part on the taxpayer's income. Such return information shall be limited to—

"(i) taxpayer identity information with respect to such taxpayer;

"(ii) the filing status of such taxpayer; and

"(iii) the adjusted gross income of such taxpayer (as defined in section 62).

"(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under subparagraph (A) may be used by officers, employees, and agents of the Department of Education only for the purposes of, and to the extent necessary in, establishing an appropriate income contingent repayment level under a student loan program.

"(C) DEFINITIONS.—For purposes of this paragraph, the term 'student loan program' means the program authorized under part D of title IV of the Higher Education Act of 1965 and includes loans under parts B and E of title IV the Higher Education Act of 1965 that are in default and have been assigned to the Department of Education.".

(c) DISCLOSURE OF TAXPAYER IDENTITY INFORMATION.—Section 6103(m)(4) of the Code is amended—

*(1) in the heading, by inserting "**OWE AN OVERPAYMENT ON FEDERAL PELL GRANTS OR**" immediately after "**INDIVIDUALS WHO**";*

(2) in subparagraph (A)—

(A) by redesignating clauses (i) and (ii) as subclauses (I) and (II); and

(B) by striking "of any taxpayer who has defaulted on a loan—" and inserting "of any taxpayer—

"(i) who owes an overpayment of a grant awarded to that taxpayer under subpart 1 of part A of title IV of the Higher Education Act of 1965, or

"(ii) who has defaulted on a loan—";

(3) in subparagraph (B)—

(A) in clause (i), by striking "under part B" and inserting "under part B or D"; and

(B) in clause (ii), by striking "under part E" and inserting "under subpart 1 of part A, part D, or part E";

(d) PROCEDURE AND RECORDKEEPING.—Section 6103(p) of the Code is amended—

(1) in paragraph (3)(A), by striking "(11), or (12), (m)" and inserting "(11), (12), or (13), (m)";

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking "(10), or (11)," and inserting "(10), (11), or (13),";

(B) in subparagraph (F)(ii), by striking "(11), or (12)," and inserting "(11), (12), or (13),"; and

(C) in the flush left material after subparagraph (F), by striking "under subsection (l)(12)(B)" and inserting "under paragraph (10), (12)(B), or (13) of subsection (l)".

(e) COLLECTION OF PAYMENTS.—(1) Subchapter A of chapter 64 of the Code is amended by adding at the end the following new section:

"SEC. 6306. COLLECTION OF PAYMENTS ON FEDERAL DIRECT STUDENT LOANS.

"Upon a determination by the President under section 457(b) of the Higher Education Act of 1965 concerning the implementation of a

plan for the repayment of Federal Direct Stafford Loans through wage withholding or other means by the Internal Revenue Service, the Secretary of the Treasury may enter into an agreement with the Secretary of Education to provide for the collection of payments on loans made pursuant to part D of title IV of such Act. The Secretary of the Treasury may assess and collect such payments as though they were additional income taxes due, and shall establish such procedures and conventions as are necessary under such agreement, including—

"(1) procedures for the resolution of disputes through the Secretary of Education;

"(2) an alternate system of fees and penalties, which system shall not include the seizure of real property by the Internal Revenue Service, for the nonpayment of amounts due; and

"(3) provisions related to withholding, payment of estimated tax and allocation of payments.".

(2) The table of sections for subchapter A of chapter 64 of the Code is amended by adding at the end the following new item:

"Sec. 6306. Collection of payments on Federal direct Stafford loans.".

(f) Unauthorized Disclosure.—Section 7213(a)(2) of the Code is amended by striking "(10) or (12)" and inserting "(10), (12), or (13),".

(g) Effective Date.—The amendments made by this section shall be effective during the period beginning on the date of enactment of this Act and ending on December 30, 1998.

CHAPTER 4—COST SHARING BY STATES

SEC. 12061. COST SHARING BY STATES.

(a) Amendment.—Section 428 of the Higher Education Act of 1965 (20 U.S.C. 1078) is amended by adding at the end the following new subsection:

"(n) State Share of Default Costs.—

"(1) In general.—In the case of any State in which there are located any institutions of higher education with cohort default rates that exceed 20 percent, such State shall pay to the Secretary an amount equal to—

"(A) the new loan volume attributable to all institutions in the State for the current fiscal year; multiplied by

"(B) the percentage specified in paragraph (2); multiplied by

"(C) the quotient of—

"(i) the sum of the amounts calculated under paragraph (3) for each such institution in the State; divided by

"(ii) the total amount of loan volume attributable to current and former students of institutions located in that State entering repayment in the period used to calculate the cohort default rate.

"(2) Percentage.—For purposes of paragraph (1)(B), the percentage used shall be—

"(A) 12.5 percent for fiscal year 1995;

"(B) 20 percent for fiscal year 1996; and

"(C) 50 percent for fiscal year 1997 and succeeding fiscal years.

"(3) Calculation.—For purposes of paragraph (1)(C)(i), the amount shall be determined by calculating for each institution the amount by which—

"(A) the amount of the loans received for attendance by such institution's current and former students who (i) enter repayment during the fiscal year used for the calculation of the cohort default rate, and (ii) default before the end of the following fiscal year; exceeds

"(B) 20 percent of the loans received for attendance by all the current and former students who enter repayment during the fiscal year used for the calculation of the cohort default rate.

"(4) Fee.—A State shall charge a fee to an institution of higher education that participates in the program under this part and is located in that State according to a fee structure, approved by the Secretary, that is based on the institution's cohort default rate and the State's risk of loss under this subsection. Such fee structure shall include a process by which an institution with a high cohort default rate is exempt from any fees under this paragraph if such institution demonstrates to the satisfaction of the State that exceptional mitigating circumstances, as determined by the State and approved by the Secretary, contributed to its cohort default rate.".

(b) Effective Date.—The amendment made by this section shall be effective on October 1, 1994.

CHAPTER 5—GENERAL EFFECTIVE DATE

SEC. 12071. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall be effective on October 1, 1993.

Subtitle B—Public Health Service Act Provisions

SEC. 12101. HEALTH COVERAGE CLEARINGHOUSE.

(a) In General.—The Public Health Service Act is amended—

(1) by redesignating title XXVII (42 U.S.C. 300cc et seq.) as title XXVIII; and

(2) by inserting after title XXVI the following new title:

"TITLE XXVII—HEALTH COVERAGE CLEARINGHOUSE

"SEC. 2701. ESTABLISHMENT OF CLEARINGHOUSE.

"(a) In General.—The Secretary shall establish and operate a Health Coverage Clearinghouse (in this title referred to as the 'Clearinghouse') for the purpose of identifying, for beneficiaries under a covered health program (as defined in subsection (c)), third parties (which may include a covered health program) which may be liable for payment for health care items and services furnished to such beneficiaries under such program.

"(b) Director.—The Clearinghouse shall be headed by a Director (in this title referred to as the 'Director') appointed by the Secretary.

"(c) Covered Health Program Defined.—As used in this title, the term 'covered health program' means any of the following under which health care items or services are furnished to a beneficiary—

"(1) a migrant health center receiving assistance under section 329;

"(2) a community health center receiving assistance under section 330;

"(3) an entity receiving assistance under section 340;

"(4) an alcohol or drug treatment entity or mental health entity receiving assistance under title V or title XIX;

"(5) a family planning project described in section 1001;

"(6) an entity receiving assistance under title XXVI;

"(7) a black lung clinic authorized under this Act;

"(8) a clinic that treats sexually transmitted diseases and is authorized under section 318;

"(9) an entity receiving funds to provide primary health services to residents of public housing under section 340A;

"(10) a non-Federal entity authorized under the Indian Self-Determination Act;

"(11) a tuberculosis clinic receiving assistance under section 317(j)(2) or 317(k)(2); or

"(12) any other Federally funded program that provides payments for medical services provided to an individual which are or may be covered under a private health insurance policy.

"(d) Other Definitions.—As used in this title:

"(1) Administrator.—The term 'administrator' means, with respect to a covered health program described in paragraphs (1) through (12) of subsection (c), the individual responsible for the overall administration of the program under which an entity described in such paragraphs receives Federal funds.

"(2) Group health plan.—The term 'group health plan' has the same meaning given the term 'employee welfare benefit plan' in section 3(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)).

"(3) Qualified employer.—The term 'qualified employer' has the same meaning given the term 'employer' in section 3(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)).

"SEC. 2702. PROVISION OF INFORMATION

"(a) Request for Information.—An administrator of a covered health program may request from the Director information concerning the employment and group health coverage of a program beneficiary, the beneficiary's spouse, and (if the beneficiary is a dependent child) the beneficiary's parents. The Director shall provide such information if the request—

"(1) is in such form and manner and at such a time as the Director may require, and

"(2) specifies the name and tax identification number of the beneficiary.

"(b) Data Matching Program.—

"(1) Request by director.—The Director shall, at such intervals as the Director finds appropriate, transmit to the Secretary of the Treasury the names and tax identification numbers of beneficiaries with respect to whom a request has been made pursuant to subsection (a), and request that such Secretary disclose to the Secretary of Health and Human Services the following information:

"(A) Whether the beneficiary is married and, if so, the name of the spouse and such spouse's tax identification number.

"(B) If the beneficiary is a dependent child, the name of and tax identification numbers of the beneficiary's parents.

"(2) Information from secretary.—The Secretary shall, upon written request from the Director, disclose to the Director, the following information:

"(A) For each individual who is identified as having received wages (as defined in section 3401(a) of the Internal Revenue Code of 1986) from an employer in a previous year—

"(i) the name and taxpayer identification number of the individual; and

"(ii) the name, address, and taxpayer identification number of the employer, and whether such employer is a qualified employer.

"(B) For each individual who is identified as married and whose spouse is identified as having received wages (as defined in section 3401(a) of the Internal Revenue Code of 1986) from an employer in a previous year—

"(i) the name and taxpayer identification number of the individual and of the individual's spouse; and

"(ii) the name, address, and taxpayer identification number of the spouse's employer, and whether such employer is a qualified employer.

"(C) For each individual who is identified as a dependent child and whose parent is identified as having received wages (as defined in section 3401(a) of the Internal Revenue Code of 1986) from an employer in a previous year—

"(i) the name and taxpayer identification number of the individual and of the individual's parent; and

"(ii) the name, address, and taxpayer identification number of the parent's employer, and whether such employer is a qualified employer.

"(3) Information from employers.—The Director shall—

"(A) request, from the employer of each individual (including each spouse) with respect to whom information was received from the Secretary pursuant to paragraph (2), information concerning coverage of such individual (and of

the individual's spouse and dependent children) under the employer's group health plan, specifically the period and nature of the coverage, and the name, address, and identifying number of the plan, and

"(B) furnish the information received in response to such request with respect to an individual (or such individual's spouse or dependent children) to the administrator requesting such information pursuant to subsection (a).

Under no circumstances shall the information requested pertain in any way to the health status of the individual, spouse or dependent children, to the cost of such coverage, or to the beneficiary-specific limitations on such coverage.

"SEC. 2703. REQUIREMENT THAT EMPLOYERS FURNISH INFORMATION.

"(a) IN GENERAL.—An employer shall furnish to the Director the information requested pursuant to section 2702(b)(3) within 90 days after receipt of such a request.

"(b) CIVIL MONEY PENALTY FOR FAILURE TO COOPERATE.—

"(1) IN GENERAL.—An employer (other than a Federal or other governmental entity) who willfully or repeatedly fails to provide timely and accurate response to a request for information pursuant to section 2702(b)(3) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not to exceed $500 for each individual with respect to whom such a request is made.

"(2) ENFORCEMENT AUTHORITY.—In cases of failure to respond to the Director in accordance with subsection (a) to inquiries relating to requests pursuant to section 2702, the provisions of section 353(h)(3), regarding procedures for the imposition of civil money penalties developed by the Secretary, shall apply in the same manner as such provisions apply to penalties or proceedings under section 353.

"SEC. 2704. DATA BANK.

"(a) MAINTENANCE OF INFORMATION.—The Clearinghouse shall maintain a data bank, containing information on individuals obtained pursuant to this title. Individual information in the data bank shall be retained for not less than one year after the date the information was obtained.

"(b) DISCLOSURE OF INFORMATION IN DATA BANK.—

"(1) IN GENERAL.—The Director is authorized (subject to paragraph (2)) to disclose any information in the data bank established pursuant to subsection (a) with respect to an individual (or an individual's spouse or parent)—

"(A) to the Secretary, administrators, employers, and insurers, to the extent necessary to assist such administrators;

"(B) to Federal and State law enforcement officials responsible for enforcement of civil or criminal laws, in connection with investigations or administrative or judicial law enforcement proceedings relating to a covered health program; and

"(C) for research or statistical purposes.

"(2) RESTRICTIONS ON DISCLOSURE.—Information in the data bank may be disclosed under this subsection only for purposes of, and to the extent necessary in, determining the extent to which an individual is covered under any group health plan.

"(c) USE OF CONTRACTORS.—The responsibilities of the Clearinghouse under this section may be carried out by contract.

"(d) FEES.—The Clearinghouse shall—

"(1) establish fees for services under this section designed to cover the full costs to the Clearinghouse of providing such services, and

"(2) require the payment of such fees to provide such services.".

(b) CONFORMING AMENDMENTS.—

(1) Sections 2701 through 2714 of the Public Health Service Act (42 U.S.C. 300cc through 300cc-15) are redesignated as sections 2801 through 2814, respectively.

(2) Sections 465(f) and 497 of such Act (42 U.S.C. 286(f) and 289(f)) are amended by striking out "2701" each place that such appears and inserting in lieu thereof "2801".

(c) ERISA AMENDMENT.—Section 101 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021) is amended by adding at the end thereof the following new subsection:

"(g) COMPLIANCE WITH HEALTH COVERAGE CLEARINGHOUSE REQUIREMENTS.—In addition to providing the information required under this section, the administrator of each employee benefit plan shall comply with the requirements of section 2703(a) of the Public Health Service Act. The enforcement provisions of this Act shall apply to an administrator that fails to comply with this subsection in the same manner as such provisions otherwise apply to such administrators under this section.".

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect on April 1, 1995.

SEC. 12102. PHYSICIAN OWNERSHIP STUDY.

(a) STUDY.—The Secretary of Health and Human Services shall conduct a study concerning—

(1) the desirability of establishing a Federal prohibition on the referral of a patient by a health care provider to an entity in which the provider has a financial interest or from which the provider receives a financial benefit for such referral; and

(2) different options with respect to the scope of any prohibition recommended under paragraph (1), including options for the application of rules defining prohibited activities that are similar to those implemented under title XVIII of the Social Security Act, and for the methods of enforcing such a prohibition.

(b) LIMITATION.—The study conducted under subsection (a) shall be restricted to determining the desirability of establishing a prohibition of the type described in such subsection with respect to patients for whom the health care services involved are not provided or paid for under a Federal or State program.

(c) REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the President and the appropriate committees of Congress a report concerning the results of the study conducted under subsection (a).

SEC. 12103. DELAY IN COST-OF-LIVING ADJUSTMENTS IN FEDERAL EMPLOYEE RETIREMENT BENEFITS DURING FISCAL YEARS 1994, 1995, AND 1996.

(a) APPLICABILITY.—

(1) IN GENERAL.—This section shall apply with respect to any cost-of-living increase for any person described under paragraph (2) scheduled to take effect, during fiscal year 1994, 1995, or 1996, under section 8340(b) or 8462(b) of title 5, United States Code.

(2) ANNUITANTS.—The provisions of paragraph (1) shall apply to any annuitant who on the date preceding the date of retirement was a member of the National Health Service Corps.

(b) DELAY IN EFFECTIVE DATE OF ADJUSTMENTS.—A cost-of-living increase described in subsection (a) shall not take effect until the first day of the third calendar month after the date such increase would otherwise take effect.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be considered to affect any determination relating to eligibility for an annuity increase or the amount of the first increase in an annuity under section 8340(b) or (c) or section 8462 (b) or (c) of title 5, United States Code, or comparable provisions of law.

SEC. 12104. PERMANENT ELIMINATION OF THE ALTERNATIVE FORM OF ANNUITY OPTION EXCEPT FOR INDIVIDUALS WITH A CRITICAL MEDICAL CONDITION.

(a) CIVIL SERVICE RETIREMENT SYSTEM; FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—A member of the National Health Service Corps who is covered under chapter 83 or 84 of title 5, United States Code, and has a life-threatening affliction or other critical medical condition may elect annuity benefits under section 8343a or 8420a of title 5, United States Code, as the case may be.

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1995, and shall apply with respect to any annuity commencing on or after that date.

SEC. 12105. FEDERAL TORT CLAIMS AMENDMENTS.

(a) CLARIFICATION OF COVERAGE OF OFFICERS AND EMPLOYEES OF CLINICS.—The first sentence of section 224(g)(1) of the Public Health Service Act (42 U.S.C. 233(g)(1)) is amended by striking "officer, employee, or contractor" and inserting the following: "officer or employee of such an entity, and any contractor".

(b) COVERAGE FOR SERVICES FURNISHED TO INDIVIDUALS OTHER THAN PATIENTS OF CLINIC.—Section 224(g) of such Act (42 U.S.C. 233(g)(1)), as amended by paragraph (1), is further amended—

(1) in the first sentence of paragraph (1), by inserting after "Service" the following: "with respect to services provided to patients of the entity and (subject to paragraph (7)) to certain other individuals"; and

(2) by adding at the end the following new paragraph:

"(7) For purposes of paragraph (1), an officer, employee, or contractor described in such paragraph may be deemed to be an employee of the Public Health Service with respect to services provided to individuals who are not patients of an entity described in paragraph (4) only if the Secretary determines—

"(A) that the provision of the services to such individuals benefits health center patients and general populations that could be served by the health center through community-wide intervention efforts within the communities served by such health center, and facilitates the provision of services to health center patients; or

"(B) that such services are otherwise required to be provided to such individuals under an employment contract (or other similar arrangement) between the individual and the entity.".

(c) DETERMINING COMPLIANCE OF ENTITY WITH REQUIREMENTS FOR COVERAGE.—

(1) IN GENERAL.—Section 224(h) of such Act (42 U.S.C. 233(h)), as added by section 2(b) of the Federally Supported Health Centers Assistance Act of 1992, is amended by striking "the entity—" and inserting the following: "the Secretary, after receiving such assurances and conducting such investigation as the Secretary considers necessary, finds that the entity—".

(2) FINDING.—Section 224 of such Act (42 U.S.C. 233) is amended by adding at the end thereof the following new subsection:

"(i) With respect to subsection (h), the finding of the Secretary that an entity meets all of the requirements under such subsection shall apply for the period specified by the Secretary, and shall be binding for all parties unless the Secretary reverses such finding for good cause shown at a later date.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Federally Supported Health Centers Assistance Act of 1992.

Subtitle C—Improved Immunization Delivery and Monitoring

SEC. 12201. SHORT TITLE, REFERENCES AND PURPOSE.

(a) SHORT TITLE.—This subtitle may be cited as the ''Comprehensive Child Immunization Act of 1993''.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.).

(c) PURPOSE.—It is the purpose of this subtitle to ensure that children in the United States are appropriately immunized against vaccine preventable infectious diseases at the earliest appropriate age.

SEC. 12202. MONITORING OF CHILDHOOD IMMUNIZATIONS.

Title XXI of the Public Health Service Act (42 U.S.C. 300aa–1 et seq.) is amended by adding at the end thereof the following new subtitle:

"Subtitle 3—Improved Immunization Delivery and Monitoring Systems

"Part A—List of Vaccines and Administration

"SEC. 2141. LIST OF PEDIATRIC VACCINES; SCHEDULE FOR ADMINISTRATION.

''(a) RECOMMENDED PEDIATRIC VACCINES.—

''(1) IN GENERAL.—The Secretary shall establish a list of the vaccines that the Secretary recommends for administration to all children for the purpose of immunizing the children, subject to such contraindications for particular medical categories of children as the Secretary may establish under subsection (b)(1)(D). The Secretary shall periodically review the list, and shall revise the list as appropriate.

''(2) RULE OF CONSTRUCTION.—

''(A) The list of vaccines specified in subparagraph (B) is deemed to be the list of vaccines maintained under paragraph (1).

''(B) The list of vaccines specified in this subparagraph is the list of vaccines that, for purposes of paragraph (1), is established (and periodically reviewed and as appropriate revised) by the Advisory Committee on Immunization Practices, an advisory committee established by the Secretary, acting through the Director of the Centers for Disease Control and Prevention.

''(b) RECOMMENDED SCHEDULE FOR ADMINISTRATION.—

''(1) IN GENERAL.—Subject to paragraph (2), in the case of a pediatric vaccine, the Secretary shall establish (and periodically review and as appropriate revise) a schedule of nonbinding recommendations for the following:

''(A) The number of immunizations with the vaccine that children should receive.

''(B) The ages at which children should receive the immunizations.

''(C) The dose of vaccine that should be administered in the immunizations.

''(D) Any contraindications regarding administration of the vaccine.

''(E) Such other guidelines as the Secretary determines to be appropriate with respect to administering the vaccine to children.

''(2) VARIATIONS IN MEDICAL PRACTICE.—In establishing and revising a schedule under paragraph (1), the Secretary shall ensure that, in the case of the pediatric vaccine involved, the schedule provides for the full range of variations in medical judgment regarding the administration of the vaccine, subject to remaining within medical norms.

''(3) RULE OF CONSTRUCTION.—

''(A) The schedule specified in subparagraph (B) is deemed to be the schedule maintained under paragraph (1).

''(B) The schedule specified in this subparagraph is the schedule that, for purposes of paragraph (1), is established (and periodically reviewed and as appropriate revised) by the advisory committee specified in subsection (a)(2)(B).

''(c) GENERALLY APPLICABLE RULES OF CONSTRUCTION.—This section does not supersede any State law or requirements with respect to receiving immunizations (including any such law relating to religious exemptions or other exemptions under such State laws).

''(d) ISSUANCE OF LIST AND SCHEDULES.—Not later than 180 days after the date of the enactment of this section, the Secretary shall establish the initial list required in subsection (a) and the schedule required in subsection (b).

"Part B—State Registry System for Immunization Information

"SEC. 2145. PURPOSE.

''It is the purpose of this part to authorize the Secretary, in consultation with State public health officials, to establish State registry systems to monitor the immunization status of all children.

"SEC. 2146. GRANTS FOR IMMUNIZATION REGISTRIES.

''(a) IN GENERAL.—For the purpose described in section 2145, the Secretary, acting through the Director of the Centers for Disease Control and Prevention, shall make an allotment each fiscal year for each State in an amount determined in accordance with section 2151. The Secretary shall make a grant to the State of the allotment made for the State for the fiscal year if the State submits to the Secretary an application in accordance with section 2150 on behalf of the chief executive officer of such State.

''(b) DESIGN OF STATE REGISTRIES.—To carry out the purpose described in section 2145, a State registry established under this part shall be designed to—

''(1) provide accurate and up to date surveillance data regarding immunization rates at the State and local levels;

''(2) assist in identifying localities with inadequate immunization rates to target for necessary remedial assistance;

''(3) assist in the effective administration and management of immunization programs at State and local levels by providing data to guide immunization program efforts;

''(4) assist the State in providing and receiving information on the immunization status of children who move across geographic boundaries that are covered by different State or local registries; and

''(5) facilitate the linkage of vaccine dosage information to adverse events reported to the Centers for Disease Control and Prevention under section 2125(b) and disease outbreak patterns, for the purpose of monitoring vaccine safety and effectiveness.

''(c) ELIGIBLE USE OF FUNDS.—The Secretary may make a grant under subsection (a) only if the State agrees to expend the grant for the purpose of—

''(1) collecting the data described in section 2147;

''(2) operating registries to maintain the data (and establishing such registries, in the case of a State that is not operating such a registry);

''(3) utilizing the data to monitor the extent to which children have received immunizations in accordance with the schedule established under section 2141;

''(4) notifying parents, as appropriate, if children have not received immunizations in accordance with such schedule;

''(5) coordinating and exchanging information with other State registries to allow the monitoring of the immunization status of children changing State of residence; and

''(6) such other activities as the Secretary may authorize with respect to achieving the objectives established by the Secretary for the year 2000 for the immunization status of children in the United States.

''(d) REQUIREMENT REGARDING STATE LAW.—

''(1) IN GENERAL.—The Secretary may make a grant under subsection (a) only if the State involved—

''(A) provides assurances satisfactory to the Secretary that, not later than October 1, 1996, the State will be operating a registry in accordance with this part, including having in effect such laws and regulations as may be necessary to so operate such a registry; and

''(B) agrees that, prior to such date, the State will make such efforts to operate a registry in accordance with this part as may be authorized in the law and regulations of the State.

''(2) RULES OF CONSTRUCTION.—

''(A) With respect to the agreements made by a State under this part, other than paragraph (1)(B), the Secretary may require compliance with the agreements only to the extent consistent with such paragraph.

''(B) The provisions of this part do not authorize the Secretary, as a condition of the receipt of a grant under subsection (a) by a State, to prohibit the State from providing any parent, upon the request of the parent, with an exemption from the requirements established by the State pursuant to this part for the collection of data regarding any child of the parent.

"SEC. 2147. REGISTRY DATA.

''(a) IN GENERAL.—For purposes of section 2146(c)(1), the data described in this section are the data described in subsection (b) and the data described in subsection (c).

''(b) DATA REGARDING BIRTH OF CHILD.—With respect to the birth of a child, the data described in this subsection is as follows:

''(1) The name of each child born in the State involved after the date of the implementation of the registry (in no event shall such date be later than October 1, 1996).

''(2) Demographic data on the child.

''(3) The name of one or both of the parents of the child. If the child has been given up for adoption, any information regarding the identity of the birth parent or parents of the child may not be entered into the registry, or if entered, shall be deleted.

''(4) The address, as of the date of the birth of the child, of each parent whose name is received in the registry pursuant to paragraph (3).

''(c) DATA REGARDING INDIVIDUAL IMMUNIZATIONS.—With respect to a child to whom a pediatric vaccine is administered in the State involved, the data described in this subsection is as follows:

''(1) The name, age, and address of the child.

''(2) The date on which the vaccine was administered to the child.

''(3) The name and business address of the health care provider that administered the vaccine.

''(4) The address of the facility at which the vaccine was administered.

''(5) The name and address of one or both parents of the child as of the date on which the vaccine was administered, if such information is available to the health care provider.

''(6) The type of vaccine.

''(7) The lot number or other information identifying the particular manufacturing batch of the vaccine.

''(8) The dose of vaccine that was administered.

''(9) A notation of the presence of any adverse medical reactions that the child experienced in relation to the vaccine and of which the health care provider is aware, in accordance with section 2125.

''(10) The presence of contraindications noted by the health care provider with respect to administration of the vaccine to the child.

''(11) Such other data regarding immunizations for the child, including identifying data, as the Secretary, in consultation with State *public health officials, may require consistent with applicable law (including social security account numbers furnished pursuant to section 205(c)(2)(E) of the Social Security Act).*

"(d) Limitation.—The Secretary may not establish information reporting requirements in addition to those described in subsection (c) if such requirements are unduly burdensome.

"(e) Date Certain for Submission to Registry.—The Secretary may make a grant under section 2146 only if the State involved agrees to ensure that, with respect to a child—

"(1) the data described in subsection (b) are submitted to the registry under such section as soon as possible but in no event later than 8 weeks after the date on which the child is born; and

"(2) the data described in subsection (c) with respect to a vaccine are submitted to such registry as soon as possible but in no event later than 4 weeks after the date on which the vaccine is administered to the child.

"(f) Uniformity in Methodologies.—The Secretary shall, in consultation with State public health officials, establish standards regarding the methodologies used in establishing and operating registries under section 2146, and may make a grant under such section only if the State agrees to comply with the standards. The Secretary shall provide maximum flexibility to the States while also retaining a reasonable degree of uniformity among the States in such methodologies for the purpose of ensuring the utility, comparability, and exchange of the data maintained in such registries.

"(g) Coordination Among States.—The Secretary may make a grant under section 2146 to a State only if, with respect to the operation of the registry of the State under such section, the State agrees to transfer that information contained in the State registry pursuant to section 2146 to other States upon the request of such States for such information.

"SEC. 2148. FEDERAL STANDARDS ON CONFIDENTIALITY.

"(a) Establishment.—

"(1) In general.—The Secretary, in consultation with the States, shall by regulation establish standards providing for maintaining the confidentiality of the identity of individuals with respect to whom data are maintained in registries under section 2146. Such standards shall, with respect to a State, provide that the State is to have in effect laws or regulations regarding such confidentiality, including appropriate penalties for violation of the laws. The Secretary may make a grant under such section only if the State involved agrees to comply with the standards.

"(2) Use of disclosure.—

"(A) No personally identifiable information relating to a child or to the parent or guardian of such child that is collected or maintained by the State registry may be used or disclosed by any holder of such information except as permitted for—

"(i) the monitoring of a child's immunization status;

"(ii) oversight, audit, and evaluation of the immunization delivery and registry systems;

"(iii) activities relating to establishing and maintaining a safe and effective supply of recommended childhood vaccine;

"(iv) processing of insurance claims for payment for vaccine administration (but only to the extent necessary for processing claims); and

"(v) administration of the National Vaccine Injury Compensation Program under subtitle 2.

"(B) Information regarding immunizations provided as described in subparagraph (A)(i) may be used or disclosed only with the written authorization of the individual to whom it refers or to the parent with custody of such individual.

"(b) Use of Social Security Account Numbers.—Any usage or disclosure of data in registries under section 2146 that consists of social security account numbers and related information which is otherwise permitted under this part may be exercised only to the extent permitted under section 205(c)(2)(E) of the Social Security Act. For purposes of the preceding sentence, the term 'related information' has the meaning given such term in clause (iv)(II) of such section.

"SEC. 2149. PROVIDER PARTICIPATION.

"(a) In General.—The State shall monitor and enforce compliance by health care providers with the requirements of sections 2147 and 2148 and section 2155(b) for all doses of pediatric vaccine administered in the State. The State shall establish procedures satisfactory to the Secretary for discontinuing the distribution of federally purchased or State purchased vaccine for any health care provider who fails to comply with the requirements of section 2147 and for reinstating such vaccine supply to such provider upon receiving from such provider—

"(1) the reports necessary to make current and complete the information that would have been furnished to the State registry between the dates of the provider's termination and reinstatement; and

"(2) satisfactory assurances regarding the provider's future compliance.

"(b) Reports to Secretary.—The Secretary may make a grant under section 2146 only if the State involved agrees to submit to the Secretary such reports as the Secretary determines to be appropriate with respect to the activities of the State under this part.

"SEC. 2150. APPLICATION FOR GRANT.

"An application by a State for a grant under section 2146 is in accordance with this section if the application—

"(1) is submitted not later than the date specified by the Secretary;

"(2) contains each agreement required in this part;

"(3) contains any information required in this part to be submitted to the Secretary; and

"(4) is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

"SEC. 2151. DETERMINATION OF AMOUNT OF ALLOTMENT.

"The Secretary shall determine the amount of the allotments required in section 2146 for States for a fiscal year in accordance with a formula established by the Secretary that allots the amounts appropriated under section 2152 for the fiscal year on the basis of the costs of the States in establishing and operating registries under section 2146.

"SEC. 2152. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out this part, other than section 2153, there are authorized to be appropriated $152,000,000 for fiscal year 1994, $125,000,000 for fiscal year 1995, and $35,000,000 for each of the fiscal years 1996 through 1999.

"SEC. 2153. NATIONAL IMMUNIZATION SURVEILLANCE PROGRAM.

"(a) In General.—The Secretary shall establish a national immunization surveillance program for the purpose of assessing the effects of the programs and activities provided for in this subtitle towards appropriately immunizing children and facilitating State immunization registries. The national immunization surveillance program shall—

"(1) provide technical assistance to States for the development of vaccination registries and monitoring systems; and

"(2) receive aggregate epidemiologic data (that is in a format that is not person specific) collected by States as provided for in section 2147 at intervals determined appropriate by the Secretary for the purpose of—

"(A) compiling accurate and up-to-date surveillance data regarding immunization rates at the State level in order to assess the progress made towards achieving nationally established immunization goals;

"(B) assisting in the effective administration and management of immunization programs at the State level by providing technical assistance to guide immunization program efforts at the request of the State;

"(C) providing technical assistance to States and localities to facilitate monitoring the immunization status of children who move across geographic boundaries that are covered by different State or local registries at the request of such States or localities; and

"(D) monitoring the safety and effectiveness of vaccines by linking vaccine dosage information with adverse events reporting under section 2125(b) and disease outbreak patterns.

"(b) Rule of Construction.—Nothing in this subtitle shall be construed to authorize the release of person specific information to the Secretary for the purpose of immunization surveillance.

"(c) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this section in each of the fiscal years 1994 through 1999.

"SEC. 2154. REPORT.

"Not later than January 1, 1995, and biennially thereafter, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the planning, development, operation and effectiveness of the national immunization surveillance program and the State immunization registries.

"Part C—Distribution of Vaccines, Public Outreach and Education

"SEC. 2155. DISTRIBUTION OF VACCINES.

"(a) In General.—

"(1) Health care providers.—The Secretary shall provide for the distribution, without charge, of recommended pediatric vaccines (in accordance with section 2141) purchased by the Secretary to health care providers who serve children and who—

"(A) are members of a uniformed service, or are officers or employees of the United States;

"(B) are health centers (as defined in section 2162(2)); or

"(C) provide services under section 503 of the Indian Health Care Improvement Act or pursuant to a contract under section 102 of the Indian Self Determination Act.

"(2) States.—The Secretary shall provide for the distribution, without charge, of those recommended pediatric vaccines that are purchased by the Secretary and provided to States for the purposes of immunizing medicaid-eligible children, and additional vaccines that may be purchased by the Secretary for children within those States.

"(b) Duties of Health Care Providers.—

"(1) Free provision to children.—A health care provider or entity receiving vaccine under this section may use such vaccine only for administration to children and may not impose a charge for such vaccine. A provider or health care entity may impose a fee that reflects actual regional costs as determined by the Secretary for the administration of such vaccine, except that a provider may not deny a child a vaccination due to the inability of the child's parent to pay an administration fee.

"(2) Reporting requirements.—A health care provider receiving vaccine under this section shall report the information required under section 2147 to the applicable State registry operated pursuant to a grant under section 2146 if

such State registry exists. The provider shall additionally report to such State registry any occurrence reported to the Secretary pursuant to section 2125(b). The provider shall also provide regular and periodic estimates to the State of the provider's future dosage needs for recommended childhood vaccines distributed under this section. All reports shall be made with such frequency and in such detail as the Secretary, in consultation with State public health officials, may prescribe.

"SEC. 2156. IMPROVED IMMUNIZATION DELIVERY, OUTREACH AND EDUCATION.

"(a) FEDERAL EFFORTS.—The Secretary, acting through the Centers for Disease Control and Prevention and in conjunction with State health officials and other appropriate public and private organizations, shall conduct the following activities to improve Federal, State and local vaccine delivery systems and immunization outreach and education efforts:

"(1) NATIONAL PUBLIC AWARENESS CAMPAIGN.—

"(A) IN GENERAL.—The Secretary, in conjunction with State health officials and other appropriate public and private organizations, shall develop and implement a National Immunization Public Awareness Campaign to assist families (through bilingual means if necessary) of children under the age of 2 years, and expectant parents, in obtaining knowledge concerning the importance of having their children immunized and in identifying the vaccines, schedules for immunization, and vaccine provider locations, appropriate with respect to their children.

"(B) IMPLEMENTATION.—In implementing the Campaign under subparagraph (A), the Secretary shall ensure that—

"(i) new and innovative methods are developed and utilized to publicly advertise the need to have children immunized in a timely manner;

"(ii) print, radio and television media are utilized to convey immunization information to the public; and

"(iii) with respect to immunization information, efforts are made to target pregnant women and the parents of children under the age of 2.

"(2) INTERAGENCY COMMITTEE ON IMMUNIZATION.—The Secretary, in conjunction with the Secretary of Agriculture, the Secretary of Housing and Urban Development, and the Secretary of Education, shall carry out activities through the Interagency Committee on Immunization to incorporate immunization status assessments and referral services as an integral part of the process by which individuals apply for assistance under—

"(A) the food stamp program under the Food Stamp Act of 1977;

"(B) section 17 of the Child Nutrition Act of 1966;

"(C) the Head Start Act;

"(D) part A of title IV of the Social Security Act;

"(E) title XIX of the Social Security Act;

"(F) any of the housing assistance laws of the United States; and

"(G) other programs determined appropriate by any of the Secretaries described in this paragraph.

"(3) EXPANDED OPPORTUNITY FOR NATIONAL SERVICE.—The Secretary, in conjunction with the Commission on National and Community Service and other independent agencies, is encouraged to develop opportunities for participants in national and community service programs to contribute to local initiatives for the improvement of immunization services, including public outreach and education efforts.

"(b) GRANTS TO STATES.—

"(1) IN GENERAL.—

"(A) The Secretary may award grants to States to enable such State to develop, revise and implement immunization improvement plans as described in paragraph (2).

"(B) To be eligible to receive a grant under subparagraph (A), a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

"(2) DESIGN.—A State immunization improvement plan shall be designed to improve immunization delivery, outreach, education and coordination within the State. Such plan shall provide for the creation of—

"(A) a vaccine provider education campaign and the distribution of any other materials determined to be appropriate by State health officials—

"(i) to enable such providers to make the best use of vaccination opportunities; and

"(ii) to educate such providers concerning their obligation to report immunization information with respect to their patients to State registries;

"(B) expanded capacity for the delivery of immunizations through—

"(i) increasing the number or type of facilities through which vaccines may be made available and the capacity of such facilities to immunize more children;

"(ii) developing alternative methods of delivering vaccines, such as mobile health clinics;

"(iii) increasing the number of hours during which vaccines are made available by providers within the State; or

"(iv) coordinating with federally qualified health centers to reach and immunize underserved children through education, outreach, tracking, and the provision of services;

except that, the Secretary may waive any specific requirement of this subparagraph if the Secretary determines that State immunization delivery efforts are sufficient without the imposition of such requirement;

"(C) population-based assessment criteria through which the State is able to assess the effectiveness of immunization activities in the State, which may be fulfilled through the implementation of a State immunization registry under section 2146;

"(D) a public awareness campaign, in conjunction with the National Campaign established under subsection (a)(1), to provide parents with information about the importance of immunization, the types and schedules for the administration of vaccines, and the locations of vaccines providers;

"(E) coordinated community outreach activities among public or private health programs, including local health departments and health centers, and other public or private entities, to encourage and facilitate the ability of parents to obtain immunization services for their children; and

"(F) other activities that are not inconsistent with the purposes of this subtitle, subject to the approval of the Secretary.

"(3) IMMUNIZATION IMPROVEMENT PLAN APPROVAL.—

"(A) GOALS.—As part of the immunization improvement plan of a State, the State shall establish immunization rate goals for children residing within the State.

"(B) APPROVAL.—The immunization improvement plan developed by a State under this subsection shall be submitted to the Secretary for approval prior to the distribution of grant funds to the States under this subsection. The Secretary shall periodically review the progress that the State has made under such plan in achieving the goals established under subparagraph (A).

"(C) DISTRIBUTION OF GRANTS.—In awarding grants under this section, the Secretary shall ensure that grant awards will be equitably distributed between rural and urban areas. In determining such distribution, the Secretary shall take into account the added costs of supporting the health care delivery infrastructure in sparsely populated areas.

"(D) REPORTING.—A State shall annually prepare and submit to the Director of the Centers for Disease Control and Prevention a report concerning the implementation of the State immunization improvement plan. If the Director or the Secretary, in reviewing the reports submitted under this subparagraph determine that the State has exceeded the goals established under subparagraph (A), the Secretary may award a bonus to the State in an amount not to exceed 5 percent of the amount the State received under the grant for the purposes of the grant.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $250,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1999.

"Part D—General Provisions

"SEC. 2161. REPORT.

"Not later than October 1, 1995, and biennially thereafter, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning the costs, efficiency, and effectiveness of procedures established to deliver vaccine to health care providers.

"SEC. 2162. NATIONAL VACCINE PROGRAM.

"The Secretary shall authorize a report to be prepared by the National Academy of Sciences concerning the role of the National Vaccine Program established under this title in achieving progress towards the nationally established immunization goals for the year 2000, and recommendations with respect to the changes in such Program that would facilitate greater progress towards achieving such goals.

"SEC. 2163. DEFINITIONS.

"For purposes of this subtitle—

"(1) HEALTH CARE PROVIDER.—The term 'health care provider', with respect to the administration of vaccines to children, means an entity that is licensed or otherwise authorized for such administration under the law of the State in which the entity administers the vaccine, subject to section 333(e).

"(2) HEALTH CENTER.—The term 'health center' means—

"(A) a federally-qualified health center, as defined in section 1905(l)(2) of the Social Security Act; or

"(B) a public or nonprofit private entity receiving Federal funds under—

"(i) section 329, 330 or 340;

"(ii) section 340A (relating to grants for health services for residents of public housing); or

"(iii) section 501(a)(2) of the Social Security Act (relating to special projects of regional and national significance).

"(3) IMMUNIZATION.—The term 'immunization' means an immunization against a vaccine-preventable disease.

"(4) PARENT.—The term 'parent', with respect to a child, means a legal guardian of the child.

"(5) PEDIATRIC VACCINE.—The term 'pediatric vaccine' means a vaccine included on the list established under section 2141.

"(6) STATE.—The term 'State' means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Republic of the Marshall Islands, Micronesia, the Northern Mariana Islands, and Palau.".

SEC. 12203. NATIONAL VACCINE INJURY COMPENSATION PROGRAM AMENDMENTS.

(a) AMENDMENT OF VACCINE INJURY TABLE.—

(1) ADDITION OF VACCINES.—Section 2114 (42 U.S.C. 300aa-14) is amended by adding at the end thereof the following new subsection:

"(f) ADDITION OF VACCINES TO TABLE.—

"(1) IN GENERAL.—The Vaccine Injury table contained in subsection (a) shall also include

any recommended childhood vaccine included in the list promulgated by the Secretary under section 2141.

"(2) REVIEW OF INFORMATION AND REVISION.—Not later than 2 years after the addition of a new vaccine to the table contained in subsection (a), and on a regular basis thereafter, the Secretary shall review information obtained under sections 2125 and part B of subtitle 3, and based on such review (and other relevant information) shall, as appropriate, develop with respect to such new vaccine—

"(A) revisions with respect to illnesses, disabilities, injuries or conditions covered by such table;

"(B) appropriate specifications of the time period for the first symptom or manifestation of onset or of significant aggravation of such illnesses, disabilities, injuries or condition after vaccine administration, for purposes of receiving compensation under the Program; and

"(C) recommendations as to the amount of tax that should be imposed under section 4131 of the Internal Revenue Code of 1986 for each dose of vaccine.

"(3) LIMITATION.—The Secretary may modify the table contained in subsection (a) pursuant to paragraphs (1) and (2) only in accordance with subsection (c).

"(4) REVISION.—For purposes of section 2116(b), the addition of vaccine to the table contained in subsection (a) by operation of this subsection shall constitute a revision of the table.".

(2) ATTORNEYS FEES.—Section 2115(e) (42 U.S.C. 300aa–15(e)) is amended by adding at the end thereof the following new paragraph:

"(4) The special master may award reasonable attorneys fees whether or not an election has been made under section 2121(a) to file a civil action concerning such petition.".

(3) CONSENT FOR ANNUITY.—Subparagraphs (A) and (B) of section 2115(f)(4) are amended by striking ", with the consent of the petitioner," each place that such appears.

(4) TIME PERIODS FOR FEES AND COSTS.—

(A) IN GENERAL.—Section 2115(e) (42 U.S.C. 300aa–15(e)) (as amended by paragraph (3)) is further amended by adding at the end thereof the following new paragraph:

"(5) With respect to a petitioners' application for attorneys' fees and costs—

"(A) if the respondent enters no objection to such application within 21 days of the date on which the application was filed (unless such time period is extended by the special master with the consent of the petitioner) the special master shall enter a decision on such application within 30 days of such filing;

"(B) if the respondent files an objection to such application and the special master does not enter a decision with respect to the application within 60 days after the date on which the objection is filed, the special master involved shall, upon the written request of the petitioner, enter a decision within 15 days after the filing of such request; and

"(C) if the respondent files an objection to such application and the petitioner moves to reduce costs and fees as provided for in the objection, the special master shall enter a decision within 5 days after the receipt of the petitioner's motion.

The chief special master, upon the request of a special master, may waive the time limitations applicable to the special master under this paragraph if the special master demonstrates that complicating factors exist with respect to the issues involved to which the time limitation applies.".

(B) APPLICATION.—The amendment made by subparagraph (A) shall apply to all petitioners' applications for attorneys' fees and costs filed under section 2115(e) of the Public Health Service Act which are pending on the date of enactment of this Act.

(5) AUTHORIZATION OF APPROPRIATIONS.—Section 2115(j) (42 U.S.C. 300aa–15(j)) is amended by striking "$80,000,000 for each succeeding fiscal year" and inserting in lieu thereof "$110,000,000 for each succeeding fiscal year".

(6) LIMITATION OF ACTIONS.—Section 2116(b) (42 U.S.C. 300aa–16(b)) is amended by striking "such person may file" and inserting "or to significantly increase the likelihood of obtaining compensation, such person may, notwithstanding section 2111(b)(2), file".

(b) EXTENSION OF TIME FOR DECISION.—

(1) JURISDICTION.—Section 2112(d)(3)(D) (42 U.S.C. 300aa–12(d)(3)(D)) is amended by striking "540 days" and inserting "30 months (but for not more than 6 months at a time)".

(2) REPORT ON COLLECTIONS.—Section 2117 (42 U.S.C. 300aa–17) is amended by adding at the end thereof the following new subsection:

"(c) REPORT.—The Attorney General shall, on January 1 of each year, prepare and submit to the appropriate committees of Congress a report concerning amounts collected under this section.".

(3) INCREASED RESPONSIBILITIES OF COMMISSION.—Section 2119(f) (42 U.S.C. 300aa–19(f)) is amended—

(A) by striking "and" at the end of paragraph (4);

(B) by striking the period at the end of paragraph (5) and inserting ", and"; and

(C) by adding at the end thereof the following new paragraph:

"(6) monitor the balance of the Vaccine Injury Trust Fund established by section 9510 of the Internal Revenue Code and, as appropriate, recommend changes in the tax per dose of vaccine imposed under section 4131 of such Code.".

(c) SIMPLIFICATION OF VACCINE INFORMATION MATERIALS.—

(1) INFORMATION.—Section 2126(b) (42 U.S.C. 300aa–26(b)) is amended—

(A) by striking "by rule" in the matter preceding paragraph (1);

(B) in paragraph (1), by striking "90" and inserting "30"; and

(C) in paragraph (2), by striking ", appropriate health care providers and parent organizations".

(2) REQUIREMENTS.—Section 2126(c) (42 U.S.C. 300aa–26(c)) is amended—

(A) in the matter preceding paragraph (1), by inserting "shall be based on available data and information," after "such materials"; and

(B) by striking out paragraphs (1) through (10) and inserting in lieu thereof the following new paragraphs:

"(1) a concise description of the benefits of the vaccine;

"(2) a concise description of the risks associated with the vaccine;

"(3) a statement of the availability of the National Vaccine Injury Compensation Program;

"(4) a statement of the availability from the Secretary of more detailed written information concerning the information required under paragraphs (1), (2), and (3), that shall be made available to the parent, legal guardian, or other responsible person upon request; and

"(5) such other relevant information as determined appropriate by the Secretary.".

(3) OTHER INDIVIDUALS.—Subsections (a) and (d) of section 2126 (42 U.S.C. 300aa–26(a) and (d)) are amended by inserting "or to any other individual" immediately after "to the legal representative of any child" each place that such occurs.

(4) PROVIDER DUTIES.—Subsection (d) of section 2126 (42 U.S.C. 300aa–26(d)) is amended—

(A) by striking all after "subsection (a)," the second place it appears in the first sentence and inserting "supplemented with visual presentations or oral explanations, in appropriate cases."; and

(B) by striking "or other information" in the last sentence.

(d) AUTHORIZATION OF APPROPRIATIONS.—Part A of subtitle 2 of title XXI (42 U.S.C. 300aa–10 et seq.) is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 2120. (a) SECRETARY.—For purposes of administering this part, there are authorized to be appropriated from the Vaccine Injury Compensation Trust Fund established under section 9510(c) of the Internal Revenue Code of 1986, to the Secretary, $3,000,000 for each of the fiscal years 1994, 1995 and 1996.

"(b) ATTORNEY GENERAL.—For purposes of administering this part, there are authorized to be appropriated from the Vaccine Injury Compensation Trust Fund described in subsection (a), to the Attorney General, $3,000,000 for each of the fiscal years 1994, 1995 and 1996.

"(c) COURT OF FEDERAL CLAIMS.—For purposes of administering this part, there are authorized to be appropriated from the Vaccine Injury Compensation Trust Fund described in subsection (a), to the Court of Federal Claims, $3,000,000 for each of the fiscal years 1994, 1995 and 1996.".

SEC. 12204. MISCELLANEOUS PROVISIONS.

Section 317(k) (42 U.S.C. 247b(k)) is amended—

(1) by striking out paragraph (1); and

(2) by redesignating paragraphs (2) through (5) as paragraphs (1) and (4), respectively.

SEC. 12205. PERFORMANCE BASED GRANT PROGRAM.

(a) ANNUAL REPORT.—Not later than July 1 of each year, a State shall prepare and submit to the Director of the Center for Disease Control and Prevention a report that contains an estimate (based on a base population sample) of the percentage of 2 year old residents of the State who have been fully immunized as described in subsection (c).

(b) PAYMENTS TO STATES.—

(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary of Health and Human Services shall provide to a State that has submitted an annual report under subsection (a) that demonstrates that the State has fully immunized at least 50 percent of the 2 year old residents of that State, with respect to the year for which the report was prepared, a payment in an amount equal to—

(A) with respect to a State that has demonstrated the full immunization of at least 50 and less than 65 percent of all 2 year old residents of the State, $50 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 50 percent amount;

(B) with respect to a State that has demonstrated the full immunization of at least 65 and less than 70 percent of all 2 year old residents of the State, $75 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 65 percent amount; and

(C) with respect to a State that has demonstrated the full immunization of at least 70 and less than 91 percent of all 2 year old residents of the State, $100 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 70 percent amount.

(2) As a condition of receiving amounts under this section—

(i) States which combine State and Federal funds to reach immunization goals shall agree to reinvest in activities related to improving immunization services that percentage of the payment under subsection (b)(1) which is equal to the Federal contribution to immunization services in the State proportional to the State contribution to such services.

(ii) States which verify that State-only funds are responsible for the increase in immunization rates that qualifies such State for payment under subsection (b)(1) may use amounts awarded under this section for other purposes at the State's discretion.

(3) VERIFICATION.—Prior to making a payment to a State under this subsection, the Secretary of Health and Human Services shall, in collaboration with the Centers for Disease Control and Prevention, verify the accuracy of the State report involved.

(c) DEFINITION.—For purposes of this section, the term "fully immunized" means a 2 year old child that has received four doses of DTP vaccine (diphtheria, tetanus, pertussis), three doses of polio vaccine, and one dose of MMR (measles, mumps, rubella) vaccine.

Subtitle D—ERISA Amendments

CHAPTER 1—GROUP HEALTH AMENDMENTS

SEC. 12301. COORDINATION OF ERISA PREEMPTION RULES WITH SOCIAL SECURITY ACT PROVISIONS PROVIDING FOR LIABILITY OF THIRD PARTIES AND CHILD HEALTH INSURANCE SUPPORT ENFORCEMENT.

(a) IN GENERAL.—Paragraph (8) of section 514(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(8)) is amended to read as follows:

"(8)(A) Subsection (a) of this section shall not apply to any State law to the extent necessary to permit the State to comply with the following requirements for the receipt of Federal financial assistance under title XIX of the Social Security Act:

"(i) subparagraphs (A), (B), and (I) of section 1902(a)(25) of such Act (relating to third-party liability) and section 1903(o) of such Act (relating to medicaid as secondary payor), as in effect on October 1, 1993; and

"(ii) sections 1902(a)(60) and 1908 of such Act (relating to assignment of rights of payment and child health insurance support), as in effect on the date of the enactment of the Omnibus Budget Reconciliation Act of 1993.

"(B) Paragraph (2)(B) shall not apply to any State law to the extent necessary to permit the compliance of the State with any of the requirements described in subparagraph (A).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 1993.

SEC. 12302. CONTINUED COVERAGE OF COSTS OF A PEDIATRIC VACCINE UNDER GROUP HEALTH PLANS.

(a) IN GENERAL.—Part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.) is amended by adding at the end the following new section:

"SEC. 609. CONTINUED COVERAGE OF COSTS OF A PEDIATRIC VACCINE UNDER GROUP HEALTH PLANS.

"A group health plan may not reduce its coverage of the costs of pediatric vaccines (as defined under section 2162 of the Public Health Service Act) below the coverage it provided as of May 1, 1993.".

(b) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended by adding after the item relating to section 608 the following new item:

"Sec. 609. Continued coverage of costs of a pediatric vaccine under group health plans.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after the date of the enactment of this Act.

CHAPTER 3—PUBLIC HEALTH SERVICE ACT

SEC. 12321. PROHIBITION ON REDUCTION IN COVERAGE OF PEDIATRIC VACCINE.

Part D of subtitle 2 of title XXI of the Public Health Service Act (42 U.S.C. 300aa–31 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 2135. PROHIBITION ON REDUCTION IN COVERAGE OF PEDIATRIC VACCINE.

"(a) IN GENERAL.—Notwithstanding any other provision of law, a health insurance policy in effect prior to May 1, 1993, may not reduce the level of coverage for the costs of pediatric vaccines below the level of coverage provided on the date of enactment of this section.

"(b) CIVIL MONEY PENALTY.—

"(1) IN GENERAL.—An entity that fails to comply with subsection (a) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not to exceed $1,000 for each individual with respect to whom such a failure occurs.

"(2) ENFORCEMENT.—With respect to an entity that offers a health insurance policy in violation of subsection (a), the provisions of section 353(h)(3), regarding procedures for the imposition of civil money penalties developed by the Secretary, shall apply in the same manner as such provisions apply to penalties or proceedings under section 353.

"(c) DEFINITIONS.—As used in this section:

"(1) HEALTH INSURANCE POLICY.—The term 'health insurance policy' has the same meaning given the term 'employee welfare benefit plan' in section 3(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)) and includes any other policy or plan which provides coverage for the provision of health care services (including a health maintenance organization agreement).

"(2) PEDIATRIC VACCINES.—The term 'pediatric vaccines' has the same meaning given such term in section 2163.".

TITLE XIII—VETERANS' PROGRAMS

SEC. 13001. PERMANENT EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.

Section 5503(f) of title 38, United States Code, is amended by striking out paragraph (7).

SEC. 13002. POLICY REGARDING COST-OF-LIVING ADJUSTMENT IN COMPENSATION RATES.

The fiscal year 1994 cost-of-living adjustments in the rates of and limitations for compensation payable under chapter 11 of title 38, United States Code, and of dependency and indemnity compensation payable under chapter 13 of such title will be no more than a percentage equal to the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1993, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)), with all increased monthly rates and limitations (other than increased rates or limitations equal to a whole dollar amount) rounded down to the next lower dollar. The effective date of such adjustments shall not be earlier than December 4, 1993.

SEC. 13003. REDUCTION IN BASIC PAY AND INCENTIVES OF MONTGOMERY GI BILL PARTICIPANTS.

(a) ACTIVE DUTY.—Section 3011(b) of title 38, United States Code, is amended—

(1) by inserting "(1)" after "(b)";

(2) by designating the second sentence as paragraph (2); and

(3) in paragraph (1), as so designated, by striking out "shall be reduced by" and all that follows through the period and inserting in lieu thereof "shall be reduced by—

"(A) in the case of an individual who first enters on active duty before October 1, 1993, $100 for each of the first 12 months that such individual is entitled to such pay;

"(B) in the case of an individual who first enters on active duty during the fiscal year beginning on October 1, 1993, $137 for each of the first 12 months that such individual is entitled to such pay; and

"(C) in the case of an individual who first enters on active duty during any fiscal year beginning after September 30, 1994, an amount for each of the first 12 months that such individual is entitled to such pay that is equal to the amount of the monthly pay reduction of an individual under this paragraph during the previous fiscal year increased by the same percentage, if any, as the percentage by which monthly rates of educational assistance are increased for such fiscal year under section 3015(g)(3) of this title.".

(b) SELECTED RESERVE.—Section 3012(c) of such title is amended—

(1) by inserting "(1)" after "(c)";

(2) by designating the second sentence as paragraph (2); and

(3) in paragraph (1), as so designated, by striking out "shall be reduced by" and all that follows through the period and inserting in lieu thereof "shall be reduced by—

"(A) in the case of an individual who first enters on active duty before October 1, 1993, $100 for each of the first 12 months that such individual is entitled to such pay;

"(B) in the case of an individual who first enters on active duty during the fiscal year beginning on October 1, 1993, $137 for each of the first 12 months that such individual is entitled to such pay; and

"(C) in the case of an individual who first enters on active duty during any fiscal year beginning after September 30, 1994, an amount for each of the first 12 months that such individual is entitled to such pay that is equal to the amount of the monthly pay reduction of an individual under this paragraph during the previous fiscal year increased by the same percentage, if any, as the percentage by which monthly rates of educational assistance are increased for such fiscal year under section 3015(g)(3) of this title.".

(c) ENROLLMENT BEFORE INVOLUNTARY SEPARATION.—Section 3018A(b) of such title is amended by striking out "$1,200" and inserting in lieu thereof "an amount equal to 12 times the amount of the monthly pay reduction determined for the individual in accordance with section 3011(b)(1) or section 3012(c)(1) of this title. For the purposes of such determination, the date of the individual's election to receive assistance under subsection (a)(5) shall be considered the date that the individual first enters on active duty.".

(d) ENROLLMENT BY VOLUNTARY SEPARATION INCENTIVE RECIPIENTS.—Section 3018B(b)(1) of such title is amended by striking out "$1,200" and inserting in lieu thereof "an amount equal to 12 times the amount of the monthly pay reduction determined for the individual in accordance with section 3011(b)(1) or section 3012(c)(1) of this title. For the purposes of such determination, the date of the individual's election to receive assistance under subsection (a)(1)(E) shall be considered the date that the individual first enters on active duty.".

SEC. 13004. PERMANENT EXTENSION OF PROCEDURES APPLICABLE TO LIQUIDATION SALES UPON DEFAULT OF HOME LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.

(a) INCLUSION OF RESALE LOSSES IN NET-VALUE CALCULATION.—Paragraph (1)(C) of section 3732(c) of title 38, United States Code, is amended by inserting "(including losses sustained on the resale of the property)" after "resale".

(b) PERMANENT EXTENSION OF AUTHORITY.—Paragraph (11) of such section is repealed.

SEC. 13005. INCREASE IN CERTAIN LOAN FEES.

(a) FEE INCREASE.—Paragraph (2) of section 3729(a) of title 38, United States Code, is amended—

(1) in the matter above subparagraph (A), by striking out "1.25 percent" and inserting in lieu thereof "2 percent";

(2) in subparagraph (A), by striking out "one percent" and inserting in lieu thereof "1 percent";

(3) in subparagraph (B), by striking out "0.75 percent" and inserting in lieu thereof "1.50 percent";

(4) in subparagraph (C), by striking out "0.50 percent" and inserting in lieu thereof "1.25 percent"; and

(5) in subparagraph (D)—

(i) by striking out "two percent" in clause (i) and inserting in lieu thereof "2.75 percent";

(ii) by striking out "one percent" in clause (ii) and inserting in lieu thereof "1 percent";

(iii) by striking out "1.50 percent" in clause (iii)(I) and inserting in lieu thereof "2.25 percent"; and

(iv) by striking out "1.25 percent" in clause (iii)(II) and inserting in lieu thereof "2 percent".

(b) FEE FOR MANUFACTURED HOMES.—Such paragraph is further amended—

(1) in subparagraph (A), by striking out "or for any purpose specified in section 3712 of this title (other than section 3712(a)(1)(F))";

(2) by striking out "and" at the end of subparagraph (D);

(3) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

(4) by adding at the end the following:

"(F) in the case of a loan made for any purpose specified in section 3712 of this title (other than subsection (a)(1)(F) of such section), the amount of such fee shall be one percent of the total loan amount.".

(c) REPEAL OF TEMPORARY INCREASE IN FEES.—Such section is further amended—

(1) in paragraph (2), by striking out "Except as provided in paragraph (6) of this subsection, the" in the matter above subparagraph (A) and inserting in lieu thereof "The"; and

(2) by striking out paragraph (6).

SEC. 13006. PERMANENT EXTENSION OF MEDICAL CARE COST RECOVERY AUTHORITY.

Section 1729(a)(2)(E) of title 38, United States Code, is amended by striking out "before August 1, 1994,".

SEC. 13007. PERMANENT EXTENSION OF REQUIREMENT THAT CERTAIN VETERANS MAKE COPAYMENTS FOR HEALTH-CARE SERVICES.

(a) MEDICATION COPAYMENT REQUIREMENT.—Section 1722A of title 38, United States Code, is amended by striking out subsection (c).

(b) HEALTH-CARE CATEGORIES AND COPAYMENTS.—Section 8013 of the Omnibus Budget Reconciliation Act of 1990 (38 U.S.C. 1710 note) is amended by striking out subsection (e).

SEC. 13008. PERMANENT AUTHORITY TO VERIFY INCOME ELIGIBILITY FOR NEED-BASED BENEFITS.

(a) AUTHORITY FOR SECRETARY OF VETERANS AFFAIRS TO OBTAIN INFORMATION.—Section 5317 of title 38, United States Code, is amended by striking out subsection (g).

(b) AUTHORITY FOR SECRETARY OF TREASURY TO PROVIDE INFORMATION.—Section 6103(l)(7)(D) of the Internal Revenue Code of 1986 is amended by striking out the last sentence.

TITLE XIV—ENFORCEMENT PROCEDURES

Part A—Extension of Budget Enforcement

SEC. 14001. PURPOSE.

The Congress declares that it is essential to—

(1) preserve the deficit reduction achieved by this Act;

(2) extend the system of discretionary spending limits for the single discretionary category set forth in section 601 of the Congressional Budget Act of 1974;

(3) extend the pay-as-you-go enforcement system; and

(4) prohibit the consideration of direct spending or receipts legislation that would decrease the pay-as-you-go surplus achieved by this Act and created under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 14002. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION OF "DISCRETIONARY SPENDING LIMIT".—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended—

(1) in subparagraph (D) by striking the word "and"; and

(2) by inserting after subparagraph (E) the following:

"and

"(F) with respect to fiscal years 1996, 1997, and 1998, for the discretionary category, the amounts set forth for those years in section 12(b)(1) of House Concurrent Resolution 64 (One Hundred Third Congress);".

(b) POINT OF ORDER IN THE SENATE.—Section 601(b)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

"(1) Except as otherwise provided in this subsection, it shall not be in order in the Senate to consider any concurrent resolution on the budget for fiscal year 1995, 1996, 1997, or 1998 (or amendment, motion, or conference report on such a resolution) that would exceed any of the discretionary spending limits in this section.".

(c) CONFORMING AMENDMENTS.—(1) Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in subsection (a) by striking "FISCAL YEARS 1991–1995 ENFORCEMENT.—" and inserting "FISCAL YEARS 1991–1998 ENFORCEMENT.—";

(B) in subsection (b)(1)—

(i) in the matter before subparagraph (A), by—

(I) striking "When the President submits the budget under section 1105(a) of title 31, United States Code, for budget year 1992, 1993, 1994, or 1995" and inserting "When the President submits the budget under section 1105(a) of title 31, United States Code, for budget year 1992, 1993, 1994, 1995, 1996, 1997, or 1998"; and

(II) striking "the budget shall include, adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear through 1995" and inserting "the budget shall include, adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear through 1998";

(ii) in paragraph (1)(B), by inserting at the end thereof the following new clause:

"(iii) For a budget submitted for budget year 1996, 1997, or 1998, the adjustments shall be those necessary to reflect changes in inflation estimates since those of March 31, 1993, set forth on page 46 of House Conference Report 103–48.";

(iii) in the matter before subparagraph (A) in paragraph (2) by—

(I) striking "When OMB submits a sequestration report under section 254 (g) or (h) for fiscal year 1991, 1992, 1993, 1994, or 1995" and inserting "When OMB submits a sequestration report under section 254 (g) or (h) for fiscal year 1991, 1992, 1993, 1994, 1995, 1996, 1997, or 1998"; and

(II) striking "for the fiscal year and each succeeding year through 1995," and inserting "for the fiscal year and each succeeding year through 1998,";

(iv) in paragraph (2)(D)(i), by striking "for fiscal year 1991, 1992, 1993, 1994, or 1995," and inserting "for any fiscal year,";

(v) in paragraph (2)(E), by—

(I) striking the final word "and" in subparagraph (ii); and

(II) inserting before the final period the following:

"; and

"(iv) if, for fiscal years 1994, 1995, 1996, 1997, and 1998, the amount of new budget authority provided in appropriation Acts exceeds the discretionary spending limit on new budget authority due to technical estimates made by the director of the Office of Management and Budget, the adjustment is the amount of the excess, but not to exceed an amount (for any one fiscal year) equal to 0.1 percent of the adjusted descretionary spending limit on new budget authority for that fiscal year"; and

(vi) in paragraph (2)(F), by inserting immediately before the final period the following: ", and not to exceed 0.5 percent of the adjusted descretionary spending limit on outlays for the fiscal year in fiscal year 1996, 1997, or 1998".

(2) REPORTS.—Sections 254(d)(2) and 254(g)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 are each amended by striking "1995" and inserting "1998".

(3) EXPIRATION.—(A) Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, sections 250, 251, 252, and 254 through 258C of that Act shall expire on September 30, 1998.

(B) Section 607 of the Congressional Budget Act of 1974 is amended by striking "shall apply to fiscal years 1991 to 1995" and inserting "shall apply to fiscal years 1991 to 1998".

SEC. 14003. ENFORCING PAY-AS-YOU-GO.

(a) Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (a), by striking "FISCAL YEAR 1992–1995 ENFORCEMENT." and inserting "FISCAL YEAR 1992–1998 ENFORCEMENT.";

(2) in subsection (d), by striking "estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1995" both places that it appears and inserting "estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1998" both places; and

(3) in subsection (e), by striking "for fiscal year 1991, 1992, 1993, 1994, or 1995," and inserting "for any fiscal year from 1991 through 1998,".

(b) Section 254(g)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "1995" and inserting "1998".

(c) Upon enactment of this Act, the director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net deficit reduction achieved through the enactment in this Act of direct spending and receipts legislation for that year.

SEC. 14004. EXERCISE OF RULE-MAKING POWERS.

The Congress enacts the provisions of this part—

(1) as an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such these provisions shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

TITLE XV—MISCELLANOUS PROVISIONS

SEC. 15001. SENSE OF THE SENATE WITH RESPECT TO FEDERAL ENTERPRISE ZONES AND RURAL DEVELOPMENT INVESTMENT ZONES.

(a) FINDINGS.—The Senate finds that—

(1) the crises of poverty, high unemployment, out-migration, and job loss in America's inner-cities, rural areas and Indian reservations demands an appropriate and timely response from Congress;

(2) manufacturing and industry has largely disappeared from many United States inner cities and rural areas. This, in turn, has led to the severe decline in good high-wage jobs, wholesale trade, retail businesses, and a large source of local tax revenues;

(3) encouraging small and medium-sized businesses, which create the majority of new jobs in the United States economy, to locate and invest in poor areas is one of the keys to revitalizing urban and rural America;

(4) Enterprise Zones will help attract businesses to build and grow in poor areas; they will give people incentives to invest in such businesses and to hire and train both unemployed and economically disadvantaged individuals; they will create jobs and stimulate entrepreneurship; and they will help restore the local tax revenue base to these communities;

(5) the decline of small industry in rural areas has caused thousands of people to leave such areas, thus hastening the decay of rural communities and leaving the elderly in particular stranded without the help of family and younger neighbors;

(6) Enterprise Zones have been tested in 37 States since 1982 and have proven to be successful, having generated capital investments in poor neighborhoods in excess of $28,000,000,000 and having created more than 258,000 jobs; and

(7) Enterprise Zones have been endorsed by, among others, the National Governors Association, the National Council of State Legislators, the Council of Black State Legislators, the Conference of Mayors, and the Conference of Black Mayors.

(b) DEFINITIONS.—

(1) The term "Enterprise Zone" means any economically distressed urban area, rural area, or Indian reservation designated by the Secretaries of Housing and Urban Development, Agriculture or Interior for special regulatory and tax treatment, and for the targeting of Federal, State, and local programs for the purposes of providing economic revitalization, economic development, and job creation;

(2) The term "empowerment zone" means any designated enterprise zone which is designated to receive the full package of regulatory and tax relief and targeted programs as provided for by the enterprise zone program; and

(3) The term "enterprise community" means any area eligible for enterprise zone designation and ultimately designated by the Secretaries of Housing and Urban Development, Agriculture, or the Interior but does not receive the full package regulatory relief, tax relief and targeted programs.

(c) SENSE OF THE SENATE.—It is the Sense of the Senate that—

(1) enterprise zones are a vital, proven tool for inner-city, rural, and Indian reservation revitalization and that Congress should adopt Federal enterprise zone legislation;

(2) to insure cooperation and coordination among Federal agencies and to provide targeted regulatory relief, such legislation shall include the establishment of an Enterprise Board to development the selection criteria and to waive any provision of Federal law or regulation administered by the Secretary of the Department's of Housing and Urban Development, Agriculture, Health and Human Services, Labor, or Education, if the Board determines the waiver is necessary for achievement of the comprehensive strategic plan of an enterprise zone;

(3) to adequately and substantially address the crisis in urban and rural America, such legislation shall include at least 75 empowerment zones; and

(4) each empowerment zone shall include each of the following provisions:

(A) Enterprise Grants for implementing local coordinated strategic plans such as:

(i) creating new, coordinated delivery systems for relevant government services;

(ii) creating community lending or micro-enterprise loan funds;

(iii) providing technical assistance, entrepreneurial support, workforce skill programs, and job-search and job matching networks in the labor market;

(iv) leveraging private matching support; and

(v) matching funds for community development corporations;

(B) Community Policing Grants to increase police presence, expand cooperative efforts between law enforcement and the community, and to assure public safety;

(C) Innovative programs and zone priority investments of existing Federal agency funds targeted towards empowerment zones;

(D) Tax incentives aimed at reducing both capital and labor costs associated with operation of a business in an empowerment zone;

(E) Tax incentives aimed at attracting equity investments, including venture and seed capital, in start-up or small enterprise zone businesses; and

(F) Tax incentives to encourage the hiring and training of economically disadvantaged individuals;

(5) Because the migration of jobs from rural areas has caused many families to migrate too, the indications of distress are different for rural than for urban areas. Specifically, in determining whether a rural area is eligible for an enterprise zone, the factors shall include job loss and out-migration, rather than just the poverty rate, which is an appropriate factor for urban areas.

SEC. 15002. AMERICAN CITIZENS ANNUAL REPORT ACT.

(a) SHORT TITLE.—This section may be cited as the "American Citizens Annual Report Act".

(b) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress makes the following findings:

(A) Publicly owned corporations provide shareholders with an annual report on the financial status of the corporation.

(B) Americans are entitled to an annual report on the financial status of the Federal Government, as all citizens share an interest in the financial well-being of our Federal Government. Accurate, consistent, and broadly distributed reporting on the Nation's finances are central to the conduct of democracy.

(C) Recent Federal budget deficits have resulted in more than a tripling of the Federal debt. With prospects for enormous Federal budget deficits for the next several years, the debt is a burden that affects the present and future generations of Americans.

(D) The actual financial performance of the Federal Government often differs from the budget by tens, even hundreds, of billions of dollars. For example, the fiscal year 1991 budget was to result in a deficit of $63,000,000,000. Instead, the actual deficit for the year was $268,700,000,000.

(E) The Chief Financial Officers Act is leading agencies to develop reliable and relevant financial information that is to be useful to the public, including audited financial statements.

(F) The Federal Government continues to lose billions of dollars each year through fraud, waste, abuse, and mismanagement. Standardized reporting to the public is essential to the improvement of accountability of public programs.

(G) The growing Federal debt is hindering economic growth and competitiveness, and ultimately, reduces the standard of living of all Americans.

(2) PURPOSES.—The purposes of this section are to—

(A) provide the American taxpayer with an annual report on the financial status of the Federal Government;

(B) increase the participation and awareness of the public in finding solutions to the Federal Government's budget problems;

(C) require the President, Congressional leaders, and the chief financial officers of the Government to report to the public on the well-being of the Federal Government's finances as a part of their fiduciary responsibilities; and

(D) bring a public focus to efforts already underway that seek to develop and improve financial standards, annual reporting, and systems in the agencies of the Federal Government.

(c) ANNUAL REPORT.—Section 3513 of title 31, United States Code, is amended by adding at the end thereof the following:

"(d)(1) The Secretary of the Treasury shall distribute to all taxpayers described in paragraph (6) an annual report (referred to in this subsection as the 'annual report') containing—

"(A) the most recent 5-year actual trends in Federal receipts, expenditures, fund balances, assets and liabilities, and debts by major category or source, along with a brief description of those trends for the most recent year;

"(B) a comparison of the actual Federal spending and revenues by major category or source for the most recent fiscal year—

"(i) to the budget request estimates as submitted by the President for that year; and

"(ii) to the enacted budget,

along with notes explaining differences;

"(C) statements from the President, the Majority Leader of the Senate, and the Speaker of the House of Representatives regarding significant aspects of the Government's financial performance; and

"(D) any other relevant information on the Government's performance and contributions to economic growth, productivity, and investment in infrastructure recommended for inclusion by the advisory committee and deemed appropriate by the Director of the Office of Management and Budget.

"(2)(A) Preparation and content of the annual report shall be supervised and directed by the Director of the Office of Management and Budget.

"(B) There is established an advisory committee to provide the Director of the Office of Management and Budget with comments and suggestions on the design and content of the annual report. The advisory committee shall consist of 9 members as follows:

"(i) 3 members to be appointed by the President.

"(ii) 2 members to be appointed by the Majority Leader of the Senate.

"(iii) 1 member to be appointed by the Minority Leader of the Senate.

"(iv) 2 members to be appointed by the Speaker of the House of Representatives.

"(v) 1 member to be appointed by the Minority Leader of the House of Representatives.

"(3) The annual report shall contain a statement of assurance by the Director of the Office of Management and Budget and an audit opinion the Comptroller General attesting to the reliability and relevancy accuracy of the information contained in the annual report.

"(4) The annual report shall be prepared annually in a timely fashion after the close of each fiscal year. If the final annual report for a fiscal year is not available within 3 calendar

months after the close of that fiscal year, a preliminary annual report shall be prepared and published within that period containing substantially all the material described in subparagraphs (A) and (B) of paragraph (1) and the final annual report shall be prepared and published as soon as possible thereafter.

"(5)(A) In the case of any booklet of instructions for Form 1040, 1040A, or 1040EZ prepared by the Secretary for filing individual income tax returns for taxable years beginning in any calendar year, the Secretary shall include on the front inside cover of such booklet of instructions (in addition to the information required in subsection (a) of section 7523 of the Internal Revenue Code of 1986) a summary of the annual report prepared by the Director.

"(B) The summary referred to in subparagraph (A) shall—

"(i) include the cumulative Federal debt at the end of each of the 10 preceding fiscal years expressed in total dollars and in dollars per capita;

"(ii) include the Federal deficit for each of the 10 preceding years expressed in total dollars and dollars per capita; and

"(iii) be presented in a manner that is easily comprehensible to a taxpayer.

"(6)(A) A taxpayer is described in this paragraph if such taxpayer designates on the form for the return of the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for any taxable year that such taxpayer desires a copy of the annual report described in this subsection and, in cases where a taxpayer requests more than one copy of the report, submits a processing fee (if any) as described in paragraph (7).

"(B) Space shall be made available for the designation referred to in subparagraph (A) on the first page of the tax return forms for such tax.

"(7) Notwithstanding any other provision of law, the Secretary of the Treasury may impose a processing fee or may accept contributions from corporations, foundations, and other private entities for distribution or preparation of the report, or both.".

(d) AUTHORIZATION.—For the purpose of carrying out the provisions of the amendment made by this section, there are authorized to be appropriated to the Secretary of the Treasury and the Director of the Office of Management and Budget $10,000,000 for fiscal year 1994, and such sums as may be necessary for fiscal years 1995, 1996, 1997 and 1998. These amounts shall include any funds raised through the authority established in section 3513(d)(7) of title 31, United States Code, as added by this section.

Mr. SASSER. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER. Mr. President, I ask unanimous consent that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

There being no objection, the Vice President appointed from the Committee on the Budget: Mr. SASSER, Mr. HOLLINGS, Mr. JOHNSTON, Mr. DOMENICI, and Mr. GRASSLEY; from the Committee on Agriculture, Nutrition, and Forestry: Mr. LEAHY, Mr. PRYOR, and Mr. LUGAR; from the Committee on Armed Services: Mr. NUNN, Mr. SHELBY, and Mr. COATS; from the Committee on Banking, Housing, and Urban Affairs: Mr. RIEGLE, Mr. SARBANES, and Mr. D'AMATO; from the Committee on Commerce, Science, and Transportation: Mr. HOLLINGS, Mr. INOUYE, Mr. BREAUX, Mr. STEVENS, and Mr. DANFORTH; from the Committee on Energy and Natural Resources: Mr. JOHNSTON, Mr. BUMPERS, Mr. FORD, Mr. WALLOP, and Mr. HATFIELD; from the Committee on Environment and Public Works: Mr. BAUCUS, Mr. MOYNIHAN, and Mr. CHAFEE; from the Committee on Finance: Mr. MOYNIHAN, Mr. BAUCUS, Mr. BRADLEY, Mr. MITCHELL, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. PACKWOOD, Mr. DOLE, Mr. ROTH, Mr. DANFORTH, and Mr. CHAFEE; from the Committee on Foreign Relations: Mr. PELL, Mr. KERRY, and Mr. HELMS; from the Committee on Governmental Affairs: Mr. GLENN, Mr. LEVIN, Mr. PRYOR, Mr. ROTH, and Mr. STEVENS; from the Committee on the Judiciary: Mr. DECONCINI, and Mr. HATCH; from the Committee on Labor and Human Resources: Mr. KENNEDY, Mr. PELL, Mr. METZENBAUM, Mr. DODD, Mr. SIMON, Mr. HARKIN, Ms. MIKULSKI, Mr. BINGAMAN, Mr. WELLSTONE, Mr. WOFFORD, Mrs. KASSEBAUM, Mr. JEFFORDS, Mr. COATS, Mr. GREGG, Mr. THURMOND, Mr. HATCH, and Mr. DURENBERGER; from the Committee on Veterans' Affairs: Mr. ROCKEFELLER, Mr. DECONCINI, and Mr. MURKOWSKI conferees on the part of the Senate.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I would like to take one moment of the Senate's time to commend the distinguished chairman of the Budget Committee, JIM SASSER of Tennessee, who stood on this floor day after day and hour after hour and has handled this bill in a magnificent fashion. I think that he is to be commended by both sides of the aisle, Mr. President.

And also I extend our thanks and congratulations to the Senator from New Mexico [Mr. DOMENICI]. He also has taken a lot of heat during these 2 days, as has our friend, JIM SASSER. Both of these gentlemen, with their fine staffs, have rendered a magnanimous service to the Senate and to the American people.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I wish to express my appreciation to the distinguished Senator from Arkansas for his very kind words, and I also want to express my appreciation to my friend from New Mexico, Senator DOMENICI, the ranking member of the Budget Committee. We have disagreed on a number of these amendments as they have come before the body over the past 2 days, but he has always been agreeable in our disagreements and has been helpful where his principles will allow him to be.

I wish to express my appreciation also to Larry Stein, the staff director of the Budget Committee, for his stalwart service; and to Bill Dauster, our excellent general counsel, who has been magnificent throughout this whole trial; and also to our great staff on the Budget Committee for their magnificent help.

I yield the floor, Mr. President.

Mr. SARBANES addressed the Chair

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I wish to echo the comments of the distinguished Senator from Arkansas with respect to the extraordinarily fine work that was done by the chairman of the Budget Committee, the able Senator from Tennessee, not only over the course of the past 2 days in actually handling the bill on the floor, but the great skill with which he guided the resolution through the Budget Committee.

And I also want to particularly recognize the very fine work that was done by the various committee chairmen, and particularly by the Finance Committee, which had such a heavy burden to carry in this regard, Senator MOYNIHAN and his colleagues on the Finance Committee.

And I wish to say to my good friend from New Mexico, the ranking Republican member of the Budget Committee, on which I was privileged to serve this year, it was a pleasure to be in the room with him. Although we did not agree on the substance, I think we were able to work together in other respects.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wish to thank Senator PRYOR and Senator SARBANES for their kind words, but most importantly I say thank you to my friend, Senator SASSER. It is always a pleasure to work with him. I think we do the job of the Senate. That is why we are here. And let me say again to Senator SASSER, he did a great job with a very difficult bill.

I am sure the Senator had his better moments, and some that were not so good. The same held for me. But I just want to say thank you for the Senator's hospitality and kindness. I think we did our work under tough circumstances.

I thank the Senator.

Mr. SASSER. Mr. President, I thank the Senator from New Mexico for his kind comments. I express my absolute appreciation to the distinguished Senator from New Mexico for not only his kind comment but for his stalwart service on the Budget Committee this year. Frankly, he has been one of the most valuable members of the committee during his tenure there. I relied very much on his advice and counsel as we developed this whole process.

The Senator from New Mexico is right; it has been difficult all the way through.

Mr. MOYNIHAN. Mr. President, I express my appreciation to Senator SARBANES for his characteristically generous overtures.

Mr. DOMENICI. Mr. President, there is no way we could have done our work without a very gifted staff and some magnificent leadership on our staff. Let me thank Bill Hoagland of the Budget Committee and all of those who work with him. We had wonderful help from the Finance Committee, and that is not discounting the assistance of the other committees. I thank Lindy Paull. I thank Ed Mihalski; he has been absolutely tremendous. I thank him for that. We thank Rick Grafmeyer, also.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask now that we have a period for morning business, with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

FUNERAL SERVICES FOR PAT NIXON

Mr. SIMPSON. Mr. President, I want to state that on Saturday morning several of us, a bipartisan group, will be going to California for the funeral services of Pat Nixon, those of us who knew her, who will be attending, knew she was one of the most dignified, gracious first ladies of America. I want to provide more extensive remarks next week when we return.

I want to say that my parents knew her and knew the President. My father was Governor when he was Vice President. Pat Nixon and my mother, Lorna, were very close. Pat was a most extraordinary lady, a woman of great substance and grace, and certainly not as portrayed by some in her time here in Washington.

So I say to her wonderful family that we extend our deepest sympathies to President Nixon and to the girls and their families. Rest her soul. She was an extraordinarily gracious and very dear and very kind woman.

As I say, I will extend my remarks when we return. I have no further remarks at this time.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar 230. Archer L. Durham, to be an Assistant Secretary of Energy;

Calendar 231. William J. Taylor III, to be an Assistant Secretary of Energy;

Calendar 232. William H. White, to be Deputy Secretary of Energy;

Calendar 239. Maria Echaveste, to be Administrator of the Wage and Hour Division, Department of Labor;

Calendar 240. Sharon Porter Robinson, to be Assistant Secretary for Educational Research and Improvement, Department of Education; and

Calendar 241. Judith A. Winston, to be General Counsel, Department of Education.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF ENERGY

Archer L. Durham, of Maryland, to be an Assistant Secretary of Energy (Human Resources and Administration).

William J. Taylor III, of Texas, to be an Assistant Secretary of Energy (Congressional, Intergovernmental, and International Affairs).

William H. White, of Texas, to be Deputy Secretary of Energy.

DEPARTMENT OF LABOR

Maria Echaveste, of New York, to be Administrator of the Wage and Hour Division, Department of Labor.

DEPARTMENT OF EDUCATION

Sharon Porter Robinson, of Kentucky, to be Assistant Secretary for Educational Research and Improvement, Department of Education.

Judith A. Winston, of the District of Columbia, to be General Counsel, Department of Education.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to the consideration of legislative business.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as of the close of business on Tuesday, June 22, the Federal debt stood at $4,299,889,449,998.07, meaning that on a per capita basis, every man, woman, and child in America owes $16,740.27 as his or her share of that debt.

CONGRESSMAN BILL NATCHER

Mr. FORD. Mr. President, as most in this Chamber already know, Congressman BILL NATCHER, dean of the Kentucky delegation, chairman of the House Appropriations Committee, cast his 18,000th consecutive rollcall vote earlier this week.

BILL NATCHER is not one to seek the limelight. He has no press office, no media advisers, no fax machine—just a way of getting things done for the folks back home. A profile a few years back focused on BILL's visibility, or rather his invisibility, outside the Beltway. The article noted that he had no problem with his lack of fame, particularly since he had control over 65 percent of the Federal budget at that time. Well, I can assure you that he is well known to the people he represents in Kentucky's Second District. In 1992, the most recent "Year of the Anti-Incumbent," they sent him back to Washington with 61 percent of the vote. Not bad for someone who spent less than $7,000 on a campaign—all of that his own money.

BILL often tells the story of how when coming to Washington as a freshman legislator he thought he would never move up the ladder, that he would be forever on the bottom rung of seniority. Well, 20 terms later, I think he is feeling a little more secure now, and I know that I speak for my constituents as well as myself in saying that we appreciate his service to the Commonwealth and to our country. BILL NATCHER is someone we all can look up to.

RUSSIA'S STRUGGLE FOR A NEW CONSTITUTION

Mr. PELL. Mr. President, on June 5, an extraordinary Russian Constitutional Assembly, convened by President Boris Yeltsin, began work on approving a new Russian Constitution, which could fundamentally change Russia's political landscape. The outcome could affect America's vital interests across a broad range of economic and national security issues.

Last month, in my capacity as vice chairman of the Joint Committee on the Library, I requested the Congressional Research Service to prepare a report on Russia's struggle to adopt a new constitution, with an assessment of the implications of the likely outcome for Russia and for the United States.

This is a task that CRS is uniquely qualified to perform, as the attached extracts from the new CRS report illustrate. CRS has been closely monitoring these political developments for 3 years beginning in 1990, when Russia was still part of the U.S.S.R. and most Soviet specialists considered the Russian Republic, headed by Boris Yeltsin, to be of but minor importance, eclipsed by the Soviet Government of Mikhail Gobachev.

Exactly 3 years ago, in June 1990, the executive secretary of the newly created Russian Constitutional Commission visited CRS seeking expert help in beginning its work on a new constitution for Russia. That began a long series of consultations, communications, exchanges of experts and of documents, and a remarkable conference in Moscow in November 1992, jointly sponsored by CRS and the Russian Supreme Soviet and funded by private foundations, on the subjects of federalism and the separation of powers.

The audience at that conference consisted of senior members of the Constitutional Commission from both the executive and legislative branches, members of the parliament, representatives of regional and local governments, scholars, and businessmen. It fully vented the very issues that are at the heart of the present constitutional debate and gave CRS specialists a chance to discuss the issues in detail with many of the people who are now central players in determining Russia's future.

During the same period, as part of a congressionally approved program, CRS established cooperative relations with a broad range of Russian members of parliament and their staff for the purposes of deepening CRS' ability to keep the Congress informed about Russian political developments and furthering Congress' desire to promote parliamentary democracy in Russia. In the course of this undertaking, CRS has become one of the world's leading sources of analysis on the Russian legislature.

In preparing the present study, CRS specialists were able to call upon years of direct contacts with Oleg Rumyantsev, Executive Secretary of the Constitutional Commission, Sergie Shakhrai, Deputy Prime Minister and one of the principal drafters of Yeltsin's proposed constitution, and Sergei Filatov, formerly First Deputy Chairman of the Supreme Soviet and now Chief of the President's Administration, to name a few.

President Yeltsin is now attempting to capitalize on his April referendum victory by pushing through a new constitution that creates a strong presidential system of government with a relatively weak parliament. The United States Government has generally supported President Yeltsin in his struggles against the increasingly anti-reformist legislature—and properly so. But in the present contest over a new constitution, this CRS study finds that, contrary to the conventional wisdom, an unconditional victory by Yeltsin's supporters might not be in the best interests of Russia or the United States.

CRS suggests that in their zeal to defeat the present legislature, Yeltsin and his advisers may create a presidency with powers that they themselves would find intolerable if an opponent of theirs became president. However, the rival Constitutional Commission draft is also seriously flawed. It would seem, therefore, that a compromise that combined the best elements of both drafts would be the preferred outcome.

Mr. President, I ask unanimous consent that a digest of a new CRS report for Congress, entitled Russia: Toward a New Constitution, by Dr. Stuart D. Goldman, be published in the RECORD at this point.

RUSSIA: TOWARD A NEW CONSTITUTION

(By Stuart D. Goldman)

Russia is in the grip of an intense political and constitutional crisis whose outcome directly affects America's vital interests in Russia, which are widely defined as continued democratization, progress toward a market economy, cooperative U.S.-Russian relations, and stable control over the former Soviet Union's nuclear weapons and nuclear materials.

The Russian crisis has many aspects. Chief among them are: a struggle over political ideology and the character of post-Soviet government; a contest over the pace and character of economic reform and the ownership of vast amounts of property; an institutional clash between the executive and legislative branches of government; and the personal rivalry between President Boris Yeltsin and the man who has emerged as his chief nemesis, Supreme Soviet Chairman Ruslan Khasbulatov. Through the winter, the anti-Yeltsin opposition in the legislature appeared to have the upper hand and came close to removing Yeltsin by impeachment on March 29, 1993. Public opinion shifted sharply in favor of Yeltsin in this confrontation, and with the failure of the impeachment move and Yeltsin's victory in the April 25 referendum, Yeltsin regained the initiative. He did not, however, score a decisive or unconditional victory.

Yeltsin in attempting to capitalize on his referendum victory by pushing through a new constitution that creates a strongly presidential system of government with a relatively weak parliament. On June 5, 1993, he convened an extraordinary Constitutional Assembly to approve a new constitution. It has before it two major competing drafts: the president's and that of the parliament's Constitutional Commission, which would preserve parliamentary power with a more even balance between the two branches.

U.S. news media have generally portrayed the Russian political crisis as a struggle between a democratic, reform-minded Yeltsin and an undemocratic anti-reform, Communist-dominated legislature. There is some truth to this image. The most undemocratic forces in Russia—the hardline Communists and ultranationalists—are fierce enemies of Yeltsin. Khasbulatov, the parliamentary leader, appears to be aligning himself with this bloc. If the United States has to choose between supporting Yeltsin or Khasbulatov, Yeltsin is the obvious choice. Nonetheless, the good-versus-evil characterization of the multifaceted crisis is an oversimplification and obscures several important facts. The Yeltsin-Gaidar economic reform program of 1992, although strongly endorsed by the IMF and virtually all western governments, caused a great deal of misery and aroused strong opposition—even among many Russian democrats who unquestionably want a market economy. Yeltsin's often abrasive and uncompromising style antagonized some of his democratic allies and supporters in the legislature, driving them into opposition. Hence, not all opponents of Yeltsin are necessarily opponents of democracy and market reform.

Because Yeltsin's draft constitution puts so much power in the hands of the president, some knowledgeable observers caution that U.S. interests may not be best served by a total and unconditional victory by Yeltsin and his supporters. A compromise on some of the constitutional issues might be preferable. This would not constitute a repudiation of Yeltsin's leadership, nor call into question his notable achievements in democratic and market reform and his cooperative foreign policies that won such widespread approbation in the West. Yeltsin will remain President of Russia regardless of how the differences between the two constitutional drafts are resolved. The main issue here for the United States is the creation of a post-Soviet political system that is democratic and stable. This is not only for philosophical or humanitarian reasons, but also because a democratic, stable Russia is more likely to be peaceful and cooperative with the West.

The basis of the present Russian Constitution is the 1978 Brezhnev-era rewrite of an earlier Stalinist constitution. It has been amended some 180 times since 1991. It contains numerous unreconciled contradictions. Nearly all serious observers agree that Russia needs a new constitution.

Under Gorbachev, the Congress of Peoples Deputies (CPD), the restructured and partially democratized upper tier of the legislature, was enshrined in the Constitution as the paramount political organ of state. After Russian voters in a 1991 referendum approved Yeltsin's plan to create a directly elected presidency, the Russian CPD amended the Constitution to create the office of president, which was defined as the head of state, the head of the executive branch, and highest government official. But the legislature did not change those articles of the Constitution that defined the CPD as the paramount political organ. This contradiction underlies the clash between the executive and legislature. The Constitution also retains many Soviet-era articles that guarantee socialist style economic and social rights to the populace. Another anomaly is that the Communist majority in the Russian CPD refused to delete language in the Constitution concerning the U.S.S.R. in December 1991.

In assessing the two rival drafts, it is important to avoid the mistake of seeing them merely as an extension of the struggle between Yeltsin and the anti-reform CPD. Because the legislature prefers the Constitutional Commission (CC) draft to Yeltsin's does not mean that the CC draft is fundamentally undemocratic. Yeltsin is the Chairman of the Constitutional Commission. His representatives made important contributions to its draft. Oleg Rumyantsev, the day-to-day head of the commission, is a democrat. The CC draft is fundamentally democratic and a major improvement over the present constitution. So is the Yeltsin draft. Both are flawed.

Historically, tyranny tends to arise far more often from excessive executive power rather than a too-strong parliament. This has certainly been the case in Russia's tragic history of autocratic tsars and Communist dictators. It seems that Yeltsin and his advisors, in their zeal to overcome an anti-reform legislature, seek to endow the president with powers that they would find intolerable if one of their opponents were elected president. Even some Yeltsin supporters criticize his proposed concentration of presidential power as excessive and dangerous. The CC draft too may be imperfect on this score, but it seems to come closer to providing the balance in separation of powers, with checks on those powers, that helps ensure democratic government.

For example, in the Yeltsin draft, the president is not only the head of state but the "guarantor of the constitution and of the rights and freedoms of the citizens." He "ensures the coordinated functioning and interaction of all state organs," and "is the arbiter in disputes between" branches of the government and between the central government and the republics and regions of the Russian Federation. The president appoints the prime minister, cabinet ministers, and other high officials. Only the prime minister is subject to parliamentary approval, and even that power is limited. If parliament twice rejects the president's choice for prime minister, he can dissolve parliament, order new parliamentary elections, and appoint an acting prime minister. The president can dissolve parliament for other reasons as well. Also, it is the president who schedules parliamentary elections. The Yeltsin draft further provides that the federal budget and laws on taxes, government borrowing, and spending bills that are part of the federal budget, can only be initiated by the president or the cabinet, not by the parliament. The president also has a full line-item veto. The Constitutional Commission draft, in contrast, seeks to maintain a more even balance between the two branches.

On the other hand, the CC draft retains some social democratic and/or populist principles and provisions which, despite their appealing ring, could, if enforced in the traditional Soviet spirit, be obstacles to the development of a free market economy. It declares, for example, that: "The basis of the economy of the Russian Federation is the social market economy . . . [in which] social benefit is assured]." "The concentration of land and other natural objects with an owner or possessor above the limit established by law is prohibited." "The work force has the right to participate in control of the affairs of the enterprise." "Unfair competition is banned." The Yelsin draft is free of most such provisions and guarantees unrestricted private ownership of land and other property.

There is no consensus in the United States as to how much decentralization is enough in the new Russian constitution. Nor is there a fundamental difference between the rival drafts on this issue. Both drafts are criticized by representatives of Russia's minority nationalities and diverse regions for excessive centralization, but Yeltsin's draft, with its powerful president, is more likely to promote centralization, while the more even balance between the branches in the CC draft may provide the republics and regions with more room for maneuver.

Yeltsin and his supporters, who now appear to hold the upper hand, remain vague on how a new constitution is to be adopted. During the course of the Constitutional Assembly, they say, it will become clear whether the Assembly itself will adopt the constitution, or if adoptions should be accomplished by referendum, by the present legislature, or by a newly elected parliament.

U.S. interests may be best served by a compromise outcome that combines the best elements of the rival drafts and provides a strong consensus and political legitimacy in its adoption. An unconditional victory by either side would seem less desirable from the U.S. perspective, but perhaps not as negative an outcome as continued deadlock, which holds the prospects of serious political and social instability.

UTAH SCHOOLS AND LANDS IMPROVEMENTS ACT OF 1993

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 94, S. 184, regarding a land exchange in Utah, that the committee amendment be agreed, and the bill, as amended, be deemed read three times, passed and the motion to reconsider laid upon the table; that any statements relative to this bill appear in the Record at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 184), as amended, was deemed read three times and passed, as follows:

S. 184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This act may be cited as the "Utah Schools and Lands Improvement Act of 1993".

SEC. 2. UTAH-NAVAJO LAND EXCHANGE.

(a) Additions to Reservation.—For the purpose of securing in trust for the Navajo Nation certain lands belonging to the State of Utah, which comprise approximately thirty-eight thousand five hundred acres of surface and subsurface estate, and approximately an additional nine thousand five hundred areas of subsurface estate, as generally depicted on the map entitled "Utah-Navajo Land Exchange", dated May 18, 1992, such lands are hereby declared to be part of the Navajo Indian Reservation in the State of Utah effective upon the completion of conveyance from the State of Utah and acceptance of title by the United States.

(b) Authorization.—The Secretary of the Interior is authorized to acquire through exchange those lands and interests in land described in subsection (a) which are owned by the State of Utah, subject to valid existing rights.

SEC. 3. STATE LANDS WITHIN THE GOSHUTE INDIAN RESERVATION.

(a) Additions to Reservation.—For the purpose of securing in trust for the Goshute Indian Tribe certain lands belonging to the State of Utah, which comprise approximately nine hundred eighty acres of surface and subsurface estate, and an additional four hundred and eighty acres of subsurface estate, as generally depicted on the map entitled "Utah-Goshute Land Exchange", dated May 18, 1992, such lands are hereby declared to be part of the Goshute Indian Reservation in the State of Utah effective upon the completion of conveyance from the State of Utah and acceptance of title by the United States.

(b) Authorization.—The Secretary of the Interior is authorized to acquire through exchange those lands and interests in land described in subsection (a) which are owned by the State of Utah, subject to valid existing rights.

(c) Other Land.—(1) The following tract of Federal land located in the State of Nevada, comprising approximately five acres more or less, together with all improvements thereon, is hereby declared to be part of the Goshute Indian Reservation, and shall be held in trust for the Goshute Indian Tribe: Township 30 North, Range 69 East, lots 5, 6, 7, 9, , and 11, and 14 of section 34.

(2) No part of the lands referred to in paragraph (1) shall be used for gaming or any related purpose.

SEC. 4. IMPLEMENTATION.

The exchanges authorized by sections 2 and 3 of this Act shall be conducted without cost to the Navajo Nation and the Goshute Indian Tribe.

SEC. 5. STATE LANDS WITHIN THE NATIONAL FOREST SYSTEM.

(a) Authorization.—The Secretary of Agriculture is authorized to accept on behalf of the United States title to the school and institutional trust lands by the State of Utah within units of the National Forest System, comprising approximately seventy-six thousand acres as depicted on a map entitled "Utah Forest Land Exchange", dated May 18, 1992.

(b) Status.—Any lands acquired by the United States pursuant to this section shall become a part of the national forest within which such lands are located and shall be subject to all the laws and regulations applicable to the National Forest System.

SEC. 6. STATE LANDS WITHIN THE NATIONAL PARK SYSTEM.

(a) Authorization.—The Secretary of the Interior is hereby authorized to accept on behalf of the United States title to all school and institutional trust lands owned by the State of Utah located within all units of the National Park System, comprising approximately eighty thousand acres, located within the State of Utah on the date of enactment of this Act.

(b) Status.—(1) Notwithstanding any other provision of law, all lands of the State of Utah within units of the National Park System that are conveyed to the United States pursuant to this section shall become a part of the appropriate unit of the National Park System, and shall be subject to all laws and regulations applicable to that unit of the National Park System.

(2) The Secretary of the Interior shall, as a part of the exchange process of this Act, compensate the State of Utah for the fair market value of five hundred eighty and sixty-four one-hundredths acres within Capitol Reef National Park that were conveyed by the State of Utah to the United States on July 2, 1971, for which the State has never been compensated. The fair market value of these lands shall be established pursuant to section 8 of this Act.

SEC. 7. OFFER TO STATE.

(a) Specific Offers.—Within thirty days after enactment of this Act, the Secretary of the Interior shall transmit to the State of Utah a list of lands, or interests in lands, within the State of Utah for transfer to the State of Utah in exchange for the state lands and interests described in sections 2, 3, 5, and 6 of this Act. Such list shall include only the following Federal lands, or interests therein:

(1) Blue Mountain Telecommunications Site, fee estate, approximately six hundred and forty acres.

(2) Beaver Mountain Ski Resort site, fee estate, approximately three thousand acres, as generally depicted on the map entitled "Beaver Mountain Ski Resort" dated September 16, 1992.

(3) The unleased coal located in the Winter Quarters Tract.

(4) The unleased coal located in the Crandall Canyon Tract.

(5) All royalties receivable by the United States with respect to coal leases in the Quitchupah (Convulsion Canyon) Tract.

(6) The unleased coal located in the Cottonwood Canyon Tract.

(7) The unleased coal located in the Soldier Creek Tract.

(b) Additional Offers.—(1) In addition to the lands and interests specified in subsection (a), the Secretary of the Interior shall offer to the State of Utah a portion of the royalties receivable by the United States with respect to Federal geothermal, oil, gas, or other mineral interests in Utah which on December 31, 1992, were under lease and covered by an approved permit to drill or plan of development and plan of reclamation, were in production, and were not under administrative or judicial appeal.

(2) No offer under this subsection shall be for royalties aggregating more than 50 per centum of the total appraised value of the State lands described in sections 2, 3, 5, and 6.

(3) The Secretary shall make no offer under this subsection which would enable the State of Utah to receive royalties under this section exceeding $12,500,000 annually.

(4) If the total value of lands and interests therein and royalties offered to the State pursuant to subsections (a) and (b) is less than that the total value of the State lands described in sections 2, 3, 5, and 6, the Secretary shall provide the State a list of all public lands in Utah that as of December 31, 1992, the Secretary, in resource management plans prepared pursuant to the Federal Land Policy and Management Act of 1976, had identified as suitable for disposal by exchange or otherwise, and shall offer to transfer to the State any or all of such lands, as selected by the State, in partial exchange for such State lands, to the extent consistent with other applicable laws and regulations.

SEC 8. APPRAISAL OF LANDS TO BE EXCHANGED.

(a) Equal Value.—All exchanges authorized under this Act shall be for equal value. No later than ninety days after enactment of this Act, the Secretary of the Interior, the Secretary of Agriculture, and the Governor of the State of Utah shall provide for an appraisal of the lands or interests therein involved in the exchanges authorized by this Act. A detailed appraisal report shall utilize nationally recognized appraisal standards including, to the extent appropriate, the uniform appraisal standards for Federal land acquisition.

(b) Deadline and Dispute Resolution.—(1) If after two years from the date of enactment of this Act, the parties have not agreed upon the final terms of some or all of the exchanges authorized by this Act, including the value of the lands involved in some or all of such exchanges, notwithstanding any other provisions of law, the United States District Court for the District of Utah, Central Division, shall have jurisdiction to hear, determine, and render judgment on the value of any and all lands, or interests therein, involved in the exchange.

(2) No action provided for in this subsection may be filed with the Court sooner than two years and later than five years after the date of enactment of this Act. Any decision of a District Court under this Act may be appealed in accordance with the applicable laws and rules.

(c) Adjustment.—If the State shares revenue from the selected Federal properties, the value of such properties shall be the value otherwise established under this section, less the percentage which represents the Federal revenue sharing obligation, but such adjustment shall not be considered as reflecting a property right of the State of Utah.

(d) Interest.—Any royalty offer by the Secretary pursuant to subsection 7(b) shall be adjusted to reflect net present value as of the effective date of the exchange. The State shall be entitled to receive a reasonable rate of interest at a rate equivalent to a five-year Treasury note on the balance of the value owed by the United States from the effective date of the exchange until full value is received by the State and mineral rights revert to the United States as prescribed by subsection 9(a)(3).

SEC. 9. TRANSFER OF TITLE.

(a) Terms.—(1) The State of Utah shall be entitled to receive so much of those lands or interests in lands and additional royalties described in section 7 that are offered by the Secretary of the Interior and accepted by the State as are equal in value to the State lands and interests described in sections 2, 3, 5, and 6.

(2) For those properties where fee simple title is to be conveyed to the State of Utah, the Secretary of the Interior shall convey, subject to valid existing rights, all right, title, and interest, subject to the provisions of subsection (b). For those properties where less than fee simple is to be conveyed to the State of Utah, the Secretary shall reserve to the United States all remaining right, title, and interest of the United States.

(3) All right, title, and interest in any mineral rights described in section 7 that are conveyed to the State of Utah pursuant to this Act shall revert to the United States upon removal of minerals equal in value to the value attributed to such rights in connection with an exchange under this Act.

(4) If the State of Utah accepts the offers provided for in this Act, the State shall convey to the United States, subject to valid existing rights, all right, title, and interest of the State to all school and institutional trust lands described in sections 2, 3, 5, and 6 of this Act. Except as provided in section 7(b), conveyance of all lands or interests in lands shall take place within sixty days following agreement by the Secretary of the Interior and the Governor of the State of Utah, or entry of an appropriate order of judgment by the District Court.

(b) Inspections.—Both parties shall inspect all pertinent records and shall conduct a physical inspection of the lands to be exchanged pursuant to this Act for the presence of any hazardous materials as presently defined by applicable law. The results of those inspections shall be made available to the parties. Responsibility for costs of remedial action related to materials identified by such inspections shall be borne by those entities responsible under existing law.

(c) Conditions.—(1) With respect to the lands and interests described in section 7, enactment of this Act shall be construed as satisfying the provisions of section 206(a) of the Federal Land Policy and Management Act of 1976 requiring that exchanges of lands be in the public interest.

(2) Development of any mineral interest transferred to the State of Utah pursuant to this Act shall be subject to all laws, rules, and regulations applicable to development of non-Federal mineral interests, including, where appropriate, laws, rules, and regulations applicable to such development within National Forests.

SEC. 10. LEGAL DESCRIPTIONS.

(a) In General.—As soon as practicable after the date of enactment of this Act, a map and legal description of the lands added to the Navajo and Goshute Indian Reservations and all lands exchanged under this Act shall be filed by the appropriate Secretary with the Committee on Natural Resources of the United States House or Representatives and the Committee on Energy and Natural Resources of the United States Senate, and each such map and description shall have the same force and effect as if included in this Act, except that the appropriate Secretary may correct clerical and typographical errors in each such legal description and map. Each such map and legal description shall be on file and available for public inspection in the offices of the Secretary of Agriculture and the Secretary of the Interior and the Utah offices of the appropriate agencies of the Department of the Interior and Department of Agriculture.

(b) Pilt.—Section 6902(b) of title 31, United States Code, is amended by striking "acquisition." and inserting in lieu thereof "acquisition, nor does this subsection apply to payments for lands in Utah acquired by the United States if at the time of such acquisition units, under applicable State law, were entitled to receive payments from the State for such lands, but in such case no payment under this chapter with respect to such acquired lands shall exceed the payment that would have been made under State law if such lands had not been acquired.".

(c) Intent.—The lands and interests described in section 7 are an offer related only to the State lands and interests described in this Act, and nothing in this Act shall be construed as precluding conveyance of other lands or interests to the State of Utah pursuant to other exchanges under applicable existing law or subsequent act of Congress. It is the intent of Congress that the State should establish a funding mechanism, or some other mechanism, to assure that counties within the State are treated equitably as a result of this exchange.

(d) Costs.—The United States and the State of Utah shall each bear its own respective costs incurred in the implementation of this Act.

(e) Definition.—As used in this Act, the term (1) "School and Institutional Trust Lands" means those properties granted by the United States in the Utah Enabling Act to the State of Utah in trust and other lands which under State law must be managed for the benefit of the public school system or the institutions of the State which are designated by the Utah Enabling Act; and (2) "Secretary" means the Secretary of the Interior; unless specifically defined otherwise.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

THE UTAH SCHOOLS AND LANDS IMPROVEMENT ACT OF 1993

Mr. HATCH. Mr. President, I rise today to urge the full Senate to pass S. 184, the Utah Schools and Lands Improvement Act of 1993, which has been favorably reported by the Senate Energy and Natural Resources Committee. I am pleased to be the prime sponsor of this legislation along with my colleague, Senator Bennett.

The effect of S. 184 will be to exchange approximately 200,000 acres of State lands located within National Forests, National Parks, and the Navajo and Goshute Indian reservations for Federal lands, or interest in certain Federal lands, which are currently producing a revenue stream or royalty. The income from these lands will be deposited in the Utah school trust fund.

The total amount to be received by Utah will be determined once the State's lands are appraised. In addition, as negotiated last year by House and Senate Members, the bill includes a provision that allows the Federal Government to offer the State a portion of the royalties now received by the United States from certain Federal geothermal, oil, gas, or other mineral interests.

This bill was carefully crafted last year by the former Governor of Utah, Norm Bangerter, who undertook the task of effectuating a long-awaited and strongly desired land exchange between the State of Utah and the U.S. Government. The bill was introduced in the Senate last year by myself and our former colleague, Senator Garn, although it unfortunately did not make it into public law before the 102d Congress adjourned sine die.

This proposal benefited throughout its development from the input of a broadly based consortium of Utahns interested in advancing education, promoting Utah's economic vitality, and protecting the environment. Organizations participating on the State steering committee included Utah's Parent Teacher Association, the Utah State Land Board, the Utah State Office of Education, and several environmental groups. The ability of this committee to work together to fashion this solution to an educational funding problem that has plagued Utah for years is a tribute to the can-do spirit that exists in my State.

I want to express my sincere appreciation to all the members of the Senate Energy and Natural Resources Committee for their support of this measure. In particular, Senators JOHNSTON, BUMPERS, and WALLOP have shown great understanding on this issue and have helped to expedite its passage. Hearings were scheduled early in the session and accommodated the schedules of many Utahns interested in this issue, including our current Utah Governor Mike Leavitt who was able to testify on the bill's behalf. On behalf of all Utahns, I want to thank the Energy Committee for recognizing the importance of this legislation to Utah's school children and for keeping their commitment to move this legislation expeditiously.

I am also appreciative of their counterparts in the House especially Representative BRUCE VENTO. Mr. VENTO's Subcommittee on National Parks, Public Lands and Forests has already held a hearing on H.R. 677, the House companion to S. 184, and I hope that House subcommittee will act as quickly as the Senate subcommittee.

I truly appreciate the efforts of all those involved, who understand this measure is necessary to infuse some badly needed funds into Utah's educational system. This bill will correct a serious problem that has actually existed for decades. The lands set aside for the Utah school trust fund when Utah joined the Union have been enveloped over many years by protected Federal lands, making the trust lands less productive as a source of income for our schools.

The failure of our State school lands to produce substantial income, which is the situation now, is a severe hindrance to educational reforms and opportunities for Utah children. S. 184 corrects this situation—not in a way that everyone would consider perfect, but in a way that takes into consideration the myriad of concerns that are raised when dealing with public land issues and in a way that gets the job done.

S. 184 seeks a value for value exchange so that the Federal Government, the State of Utah, and its school children, are treated fairly. Utah and its school districts are struggling with the financial burden of educating the growing population of school-age children in the State. The citizens of Utah are not asking for a handout or for something to which they are not entitled. We are asking the Congress to help us remedy a situation to which it is a party—which it helped to create in 1986. Today, the Senate will take a huge step toward resolving this matter.

I urge all Senators to support S. 184.

REREFERRAL OF A BILL—S. 1120

Mr. FORD. Mr. President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of S. 1120, relating to the Cadet Nurse Corps, and that the bill be referred to the Committee on Governmental Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

RURAL ELECTRIFICATION LOAN RESTRUCTURING ACT OF 1993

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1167, the Rural Electrification Loan Restructuring Act of 1993, reported earlier by the Senate Agriculture Committee; that the bill be deemed read three times, passed and the motion to reconsider laid upon the table; further that any statements relating to this matter appear in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So, the bill (S. 1167) was deemed read three times and passed, as follows:

S. 1167

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Electrification Loan Restructuring Act of 1993".

SEC. 2. ELECTRIC AND TELEPHONE LOAN PROGRAMS.

(a) LOAN PROGRAMS UNDER THE RURAL ELECTRIFICATION ACT OF 1936.—

(1) INSURED LOAN PROGRAMS.—Section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) is amended—

(A) by striking subsections (b) and (d);

(B) by redesignating subsection (c) as subsection (b); and

(C) by inserting after subsection (b) (as so redesignated) the following new subsections:

"(c) INSURED ELECTRIC LOANS.—

"(1) HARDSHIP LOANS.—

"(A) IN GENERAL.—The Administrator shall make insured electric loans, to the extent of qualifying applications for the loans, at an interest rate of 5 percent per year to any applicant for a loan who meets each of the following requirements:

"(i) The average revenue per kilowatt-hour sold by the applicant is not less than 120 percent of the average revenue per kilowatt-hour sold by all utilities in the State in which the applicant provides service.

"(ii) The average residential revenue per kilowatt-hour sold by the applicant is not less than 120 percent of the average residential revenue per kilowatt-hour sold by all utilities in the State in which the applicant provides service.

"(iii) The average per capita income of the residents receiving electric service from the applicant is less than the average per capita income of the residents of the State in which the applicant provides service, or the median household income of the households receiving electric service from the applicant is less than the median household income of the households in the State.

"(B) SEVERE HARDSHIP LOANS.—In addition to hardship loans that are made under subparagraph (A), the Administrator may make an insured electric loan at an interest rate of 5 percent per year to an applicant for a loan if, in the sole discretion of the Administrator, the applicant has experienced a severe hardship.

"(C) LIMITATION.—The Administrator may not make a loan under this paragraph to an applicant for the purpose of furnishing or improving electric service to a consumer located in an urban area (as defined by the Bureau of the Census) if the average number of consumers per mile of line of the total electric system of the applicant exceeds 17.

"(2) MUNICIPAL RATE LOANS.—

"(A) IN GENERAL.—The Administrator shall make insured electric loans, to the extent of qualifying applications for the loans, at the interest rate described in subparagraph (B) for the term or terms selected by the applicant pursuant to subparagraph (C).

"(B) INTEREST RATE.—

"(i) IN GENERAL.—Subject to clause (ii), the interest rate described in this subparagraph on a loan to a qualifying applicant shall be—

"(I) the interest rate determined by the Administrator to be equal to the current market yield on outstanding municipal obligations with remaining periods to maturity similar to the term selected by the applicant pursuant to subparagraph (C), but not greater than the rate determined under section 307(a)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(A)) that is based on the current market yield on outstanding municipal obligations; plus

"(II) if the applicant for the loan makes an election pursuant to subparagraph (D) to include in the loan agreement the right of the applicant to prepay the loan, a rate equal to the amount by which—

"(aa) the interest rate on commercial loans for a similar period that afford the borrower such a right; exceeds

"(bb) the interest rate on commercial loans for the period that do not afford the borrower such a right.

"(ii) MAXIMUM RATE.—The interest rate described in this subparagraph on a loan to an applicant for the loan shall not exceed 7 percent if—

"(I) the average number of consumers per mile of line of the total electric system of the applicant is less than 5.50; or

"(II)(aa) the average revenue per kilowatt-hour sold by the applicant is more than the average revenue per kilowatt-hour sold by all utilities in the State in which the applicant provides service; and

"(bb) the average per capita income of the residents receiving electric service from the applicant is less than the average per capita income of the residents of the State in which the applicant provides service, or the median household income of the households receiving electric service from the applicant is less than the median household income of the households in the State.

"(iii) EXCEPTION.—Clause (ii) shall not apply to a loan to be made to an applicant for the purpose of furnishing or improving electric service to consumers located in an urban area (as defined by the Bureau of the Census) if the average number of consumers per mile of line of the total electric system of the applicant exceeds 17.

"(C) LOAN TERM.—

"(i) IN GENERAL.—Subject to clause (ii), the applicant for a loan under this paragraph may select the term for which an interest rate shall be determined pursuant to subparagraph (B), and, at the end of the term (and any succeeding term selected by the applicant under this subparagraph), may renew the loan for another term selected by the applicant.

"(ii) MAXIMUM TERM.—

"(I) APPLICANT.—The applicant may not select a term that ends more than 35 years after the beginning of the first term the applicant selects under clause (i).

"(II) ADMINISTRATOR.—The Administrator may prohibit an applicant from selecting a term that would result in the total term of the loan being greater than the expected useful life of the assets being financed.

"(D) CALL PROVISION.—The Administrator shall offer any applicant for a loan under this paragraph the option to include in the loan agreement the right of the applicant to prepay the loan on terms consistent with similar provisions of commercial loans.

"(3) OTHER SOURCE OF CREDIT NOT REQUIRED IN CERTAIN CASES.—The Administrator may not require any applicant for a loan made under this subsection who is eligible for a loan under paragraph (1) to obtain a loan from another source as a condition of approving the application for the loan or advancing any amount under the loan.

"(d) INSURED TELEPHONE LOANS.—

"(1) HARDSHIP LOANS.—

"(A) IN GENERAL.—The Administrator shall make insured telephone loans, to the extent of qualifying applications for the loans, at an interest rate of 5 percent per year, to any applicant who meets each of the following requirements:

"(i) The average number of subscribers per mile of line in the proposed service area of the applicant is not more than 4.

"(ii) The applicant is capable of producing net income or margins, after interest payments on the loan applied for, of not less than 100 percent (but not more than 300 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

"(iii) The Administrator has approved a telecommunications modernization plan for the State under paragraph (3) and, if the plan was developed by telephone borrowers under this title, the applicant is a participant in the plan.

"(B) AUTHORITY TO WAIVE TIER REQUIREMENT.—The Administrator may waive the requirement of subparagraph (A)(ii) in any case in which the Administrator determines (and sets forth the reasons for the waiver in writing) that the requirement would prevent emergency restoration of the telephone system of the applicant or result in severe hardship to the applicant.

"(C) EFFECT OF LACK OF FUNDS.—On request of any applicant who is eligible for a loan under this paragraph for which funds are not available, the applicant shall be considered to have applied for a loan under title IV.

"(2) COST-OF-MONEY LOANS.—

"(A) IN GENERAL.—The Administrator may make insured telephone loans for the acquisition, purchase, and installation of telephone lines, systems, and facilities (other than buildings used primarily for administrative purposes, vehicles not used primarily in construction, and customer premise equipment) related to the furnishing, improvement, or extension of rural telecommunications service, at an interest rate equal to the then current cost of money to the Government of the United States for loans of similar maturity, but not more than 7 percent per year, to any applicant for a loan who meets the following requirements:

"(i) The average number of subscribers per mile of line in the service area of the applicant is not more than 15.

"(ii) The applicant is capable of producing net income or margins, before interest payments on the loan applied for, of not less than 100 percent (but not more than 500 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

"(iii) The Administrator has approved a telecommunications modernization plan for the State under paragraph (3), and, if the plan was developed by telephone borrowers under this title, the applicant is a participant in the plan.

"(B) CALL PROVISION.—The Administrator shall offer any applicant for a loan under this paragraph the option to include in the loan agreement the right of the applicant to prepay the loan on terms consistent with similar provisions of commercial loans.

"(C) CONCURRENT LOAN AUTHORITY.—On request of any applicant for a loan under this paragraph during any fiscal year, the Administrator shall—

"(i) consider the application to be for a loan under this paragraph and a loan under section 408; and

"(ii) if the applicant is eligible for a loan, make a loan to the applicant under this paragraph in an amount equal to the amount that bears the same ratio to the total amount of loans for which the applicant is eligible under this paragraph and under section 408, as the amount made available for loans under this paragraph for the fiscal year bears to the total amount made available for loans under this paragraph and under section 408 for the fiscal year.

"(D) EFFECT OF LACK OF FUNDS.—On request of any applicant who is eligible for a loan under this paragraph for which funds are not available, the applicant shall be considered to have applied for a loan guarantee under section 306.

"(3) STATE TELECOMMUNICATIONS MODERNIZATION PLANS.—

"(A) APPROVAL.—If, not later than 180 days after final regulations are promulgated to carry out this paragraph, the public utility commission of any State develops a telecommunications modernization plan that meets the requirements of subparagraph (B), the Administrator shall approve the plan for the State. If a State does not develop a plan in accordance with the requirements of the preceding sentence, the Administrator shall approve any telecommunications modernization plan for the State that meets the requirements that is developed by a majority of the borrowers of telephone loans made under this title who are located in the State.

"(B) REQUIREMENTS.—For purposes of subparagraph (A), a telecommunications modernization plan must, at a minimum, meet the following objectives:

"(i) The plan must provide for the elimination of party line service.

"(ii) The plan must provide for the availability of telecommunications services for improved business, educational, and medical services.

"(iii) The plan must encourage and improve computer networks and information highways for subscribers in rural areas.

"(iv) The plan must provide for—

"(I) subscribers in rural areas to be able to receive through telephone lines—

"(aa) multiple voices;

"(bb) video images; and

"(cc) data at a rate of at least 1,000,000 bits of information per second; and

"(II) the proper routing of information to subscribers.

"(v) The plan must provide for uniform deployment schedules to ensure that advanced services are deployed at the same time in rural and nonrural areas.

"(vi) The plan must provide for such additional requirements for service standards as may be required by the Administrator.

"(C) FINALITY OF APPROVAL.—

"(i) IN GENERAL.—A telecommunications modernization plan approved under subparagraph (A) may not subsequently be disapproved. Notwithstanding subsection (c)(1)(A)(iii), subsection (c)(2)(A)(iii), and section 408(b)(4)(C), the Administrator and the Governor of the telephone bank may make a loan to a borrower serving a State that does not have a telecommunication modernization plan approved by the Administrator if the loan is made less than 1 year after the Administrator has adopted final regulations implementing subsection (c)(3).".

(2) RURAL TELEPHONE BANK LOAN PROGRAM.—Section 408 of such Act (7 U.S.C. 948) is amended—

(A) in subsection (a), by striking ", (2)" and all that follows through "408 of this Act," and inserting ", (2) for the acquisition, purchase, and installation of telephone lines, systems, and facilities (other than buildings used primarily for administrative purposes, vehicles not used primarily in construction, and customer premise equipment) related to the furnishing, improvement, or extension of rural telecommunications service,"; and

(B) in subsection (b)—

(i) by striking paragraph (4) and inserting the following new paragraph:

"(4) The Governor of the telephone bank may make a loan under this section only to an applicant for the loan who meets the following requirements:

"(A) The average number of subscribers per mile of line in the service area of the applicant is not more than 15.

"(B) The applicant is capable of producing net income or margins, after interest payments on the loan applied for, of not less than 100 percent (but not more than 500 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

"(C) The Administrator has approved, under section 305(d)(3), a telecommunications modernization plan for the State in which the applicant is located, and, if the plan was developed by telephone borrowers under title III, the applicant is a participant in the plan.";

(ii) in paragraph (8)—

(I) by inserting "(A)" after "(8)";

(II) by striking "if such prepayment is not made later than September 30, 1988" and inserting "except for any prepayment penalty provided for in a loan agreement entered into before the date of enactment of the Omnibus Budget Reconciliation Act of 1993"; and

(III) by adding at the end the following new subparagraph:

"(B) If a borrower prepays part or all of a loan made under this section, then, notwithstanding section 407(b), the Governor of the telephone bank shall use the full amount of the prepayment to repay obligations of the telephone bank issued pursuant to section 407(b) before October 1, 1991, to the extent any such obligations are outstanding."; and

(iii) by adding at the end the following new paragraphs:

"(9) On request of any applicant for a loan under this section during any fiscal year, the Governor of the telephone bank shall—

"(A) consider the application to be for a loan under this section and a loan under section 305(d)(2); and

"(B) if the applicant is eligible for a loan, make a loan to the applicant under this section in an amount equal to the amount that bears the same ratio to the total amount of loans for which the applicant is eligible under this section and under section 305(d)(2), as the amount made available for loans under this section for the fiscal year bears to the total amount made available for loans under this section and under section 305(d)(2) for the fiscal year.

"(10) On request of any applicant who is eligible for a loan under this section for which funds are not available, the applicant shall be considered to have applied for a loan under section 305(d)(2).".

(3) Funding.—Section 314 of such Act (7 U.S.C. 940d) is amended to read as follows:

"SEC. 314. LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.

"(a) Definition of Adjustment Percentage.—As used in this section, the term 'adjustment percentage' means, with respect to a fiscal year, the percentage (if any) by which—

"(1) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 1-year period ending on July 31 of the immediately preceding fiscal year; exceeds

"(2) the average of the Consumer Price Index (as so defined) for the 1-year period ending on July 31, 1993.

"(b) Fiscal Years 1994 through 1998.—In the case of each of fiscal years 1994 through 1998, there are authorized to be appropriated to the Administrator such sums as may be necessary for the cost of loans in the following amounts, for the following purposes:

"(1) Electric hardship loans.—For loans under section 305(c)(1)—

"(A) for fiscal year 1994, $125,000,000; and

"(B) for each of fiscal years 1995 through 1998, $125,000,000, increased by the adjustment percentage for the fiscal year.

"(2) Electric municipal rate loans.—For loans under section 305(c)(2)—

"(A) for fiscal year 1994, $600,000,000; and

"(B) for each of fiscal years 1995 through 1998, $600,000,000, increased by the adjustment percentage for the fiscal year.

"(3) Telephone hardship loans.—For loans under section 305(d)(1)—

"(A) for fiscal year 1994, $125,000,000; and

"(B) for each of fiscal years 1995 through 1998, $125,000,000, increased by the adjustment percentage for the fiscal year.

"(4) Telephone cost-of-money loans.—For loans under section 305(d)(2)—

"(A) for fiscal year 1994, $198,000,000; and

"(B) for each of fiscal years 1995 through 1998, $198,000,000, increased by the adjustment percentage for the fiscal year.

"(c) Funding Levels.—The Administrator shall make insured loans under this title for the purposes, in the amounts, and for the periods of time specified in subsection (b), as provided in advance in appropriations Acts.

"(d) Availability of Funds for Insured Loans.—Amounts made available for loans under section 305 are authorized to remain available until expended.".

(4) Miscellaneous amendments.—

(A) Section 2 of such Act (7 U.S.C. 902) is amended—

(i) by inserting "(a)" before "The Administrator";

(ii) by striking "telephone service in rural areas, as hereinafter provided;" and inserting "electric and telephone service in rural areas, as provided in this Act, and for the purpose of assisting electric borrowers to implement demand side management and energy conservation programs;"; and

(iii) by adding at the end the following new subsection:

"(b) Not later than January 1, 1994, the Administrator shall issue interim regulations to implement the authority contained in subsection (a) to make loans for the purpose of assisting electric borrowers to implement demand side management and energy conservation programs. If the regulations are not issued by January 1, 1994, the Administrator shall consider any demand side management program that is approved by a State agency to be eligible for the loans.".

(B) Section 4 of such Act (7 U.S.C. 904) is amended by inserting after "central station service" the following: "and for the furnishing and improving of electric service to persons in rural areas, including by assisting electric borrowers to implement demand side management and energy conservation programs".

(C) Section 13 of such Act (7 U.S.C. 913) is amended—

(i) by inserting ", except as provided in section 203(b)," before "shall be deemed to mean any area"; and

(ii) by striking "city, village, or borough having a population in excess of fifteen hundred inhabitants" and inserting "urban area, as defined by the Bureau of the Census".

(D) Section 203(b) of such Act (7 U.S.C. 924(b)) is amended by striking "one thousand five hundred" and inserting "5,000".

(E) Section 305 of such Act (7 U.S.C. 935) (as amended by subsection (a)(1)) is further amended—

(i) by striking "Sec. 305. Insured Loans; Interest Rates and Lending Levels.—(a) The" and inserting the following:

"SEC. 305. INSURED LOANS; INTEREST RATES AND LENDING LEVELS.

"(a) In General.—The"; and

(ii) in subsection (b), by striking "(b) Loans" and inserting "(b) Insured Loans.—Loans".

(F) Section 307 of such Act (7 U.S.C. 937) is amended by adding at the end the following new sentence: "The Administrator may not request any applicant for an electric loan under this Act to apply for and accept a loan in an amount exceeding 30 percent of the credit needs of the applicant.".

(G) Section 406 of such Act (7 U.S.C. 946) is amended by adding at the end the following new subsection:

"(i) The Governor of the telephone bank may invest in obligations of the United States the amounts in the account in the Treasury of the United States numbered 12X8139 (known as the 'RTB Equity Fund').".

(H) Section 18 of such Act (7 U.S.C. 918) is amended—

(i) by inserting "(a) No Consideration of Borrower's Level of General Funds.—" before "The Administrator"; and

(ii) by adding at the end the following new subsections:

"(b) No Loan Origination Fees.—The Administrator and the Governor of the telephone bank may not charge any fee or charge not expressly provided in this Act in connection with any loan made or guaranteed under this Act.

"(c) Consultants.—

"(1) In general.—To facilitate timely action on applications by borrowers for financial assistance under this Act and for approvals required of the agency pursuant to the terms of outstanding loan or security instruments or otherwise, the Administrator may use consultants funded by the borrower, paid for out of the general funds of the borrower, for financial, legal, engineering, and other technical advice and services in connection with the review of the application by the Rural Electrification Administration.

"(2) Conflicts of interest.—The Administrator shall establish procedures for the selection and the provision of technical services by consultants to ensure that the consultants have no financial or other potential conflicts of interest in the outcome of the application of the borrower.

"(3) Payment of costs.—The Administrator may not, without the consent of the borrower, require, as a condition of processing an application for approval, that the borrower agree to pay the costs, fees, and expenses of consultants hired to provide technical or advisory services to the Administrator.

"(4) Contracts, grants, and agreements.—The Administrator may enter into such contracts, grants, or cooperative agreements as are necessary to carry out this section without regard to any requirement for competition, section 3709 of the Revised Statutes (41 U.S.C. 5) and section 3324 of title 31, United States Code.

"(5) Use of consultants.—Nothing in this subsection shall limit the authority of the Administrator to retain the services of consultants from funds made available to the Administrator or otherwise.".

(I) Title III of such Act is amended by inserting after section 306B (7 U.S.C. 936b) the following new sections:

"SEC. 306C. ELIGIBILITY OF DISTRIBUTION BORROWERS FOR LOANS, LOAN GUARANTEES, AND LIEN ACCOMMODATIONS.

"For the purpose of determining the eligibility of a distribution borrower not in default on the repayment of a loan made or guaranteed under this Act for a loan, loan guarantee, or lien accommodation under this title, a default by a borrower from which the distribution borrower purchases wholesale power shall not—

"(1) be considered a default by the distribution borrower;

"(2) reduce the eligibility of the distribution borrower for assistance under this Act; or

"(3) be the cause, directly or indirectly, of imposing any requirement or restriction on the borrower as a condition of the assistance, except such requirements or restrictions as are necessary to implement a debt restructuring agreed on by the power supply borrower and the Government.

"SEC. 306D. ADMINISTRATIVE PROHIBITIONS APPLICABLE TO ELECTRIC BORROWERS.

"The Administrator may not require prior approval of, impose any requirement, restriction, or prohibition with respect to the operations of, or deny or delay the granting of a lien accommodation to, any electric borrower under this Act whose net worth exceeds 110 percent of the outstanding principal balance on all loans made or guaranteed to the borrower by the Administrator.".

(b) EXPANDED ELIGIBILITY FOR LOANS FOR WATER AND WASTE DISPOSAL FACILITIES.—Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the first sentence the following new sentence: "The Secretary may also make loans to any borrower to whom a loan has been made under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), for the conservation, development, use, and control of water, and the installation of drainage or waste disposal facilities, primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents.".

(c) RURAL ECONOMIC DEVELOPMENT.—Section 364 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006f) is amended by adding at the end the following new subsection:

"(g) RURAL ECONOMIC DEVELOPMENT.—

"(1) IN GENERAL.—A borrower of a loan or loan guarantee under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) shall be eligible for assistance under all programs administered by the Rural Development Administration.

"(2) PARTICIPATION.—The Administrator of the Rural Development Administration shall encourage and facilitate the full participation of borrowers referred to in paragraph (1) in programs administered by the Rural Development Administration.".

(d) REGULATIONS.—Not later than October 1, 1993, interim final rules shall be issued by—

(1) the Administrator of the Rural Electrification Administration in the case of amendments made by this section to programs administered by the Administrator; and

(2) the Administrator of the Rural Development Administration in the case of amendments made by this section to programs administered by the Administrator.

(e) CONTINGENT EFFECTIVE DATE.—This section and the amendments made by this section shall not become effective if section 1202 (as reported by the Committee on the Budget of the Senate) is enacted.

COMPLIMENT TO THE PRESIDING OFFICER

Mr. FORD. Mr. President, let me compliment the Chair, if I might.

The best place I found to understand the proceedings of the Senate has been sitting in the Chair presiding over the Senate to keep order, to recognize those as they ask to be recognized, to be sure that the leadership is recognized before others, that the amendments come up.

The occupant of the Chair has now been there since 1 a.m. I suspect it has been a long day and a long night when he arrived in the Chair. So he has now been there 2½ hours. It is now 3:30 in the morning.

So, I just want to compliment the Presiding Officer, that he did an additional hour during yesterday, if I can use that term. He put in 3½ hours in the last 24 hours. I did want to compliment the occupant of the chair and thank him for his duty today.

FAST-TRACK TRADE PROCEDURES—S. 1003

Mr. FORD. Mr. President, I ask unanimous consent that the majority leader, after consultation with the Republican leader, may at any time turn to the consideration of Calendar No. 104, S. 1003, a bill to provide fast-track trade procedures, except that the Republican leader may vitiate this agreement at any time on Tuesday, June 29; I further ask unanimous consent that S. 1134 be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMENDING THE PRESIDING OFFICER AND STAFF

Mr. SIMPSON. Mr. President, I, too, wish to commend the occupant of the Chair. We all have had that duty, as we serve in the Senate. It is a difficult enough duty on a light day, but when there are the rollcall votes that have come before you in the last 2½ or 3 hours, I certainly do commend you.

And I want to commend the professional staff of the U.S. Senate and these pages and all of the people that make this run so smoothly. It is a very difficult situation. Tempers get a bit short.

And I was just reflecting to my friend from Kentucky that this is the 117th anniversary of Custer's last stand.

Mr. FORD. You were?

Mr. SIMPSON. Is that not appropriate?

Mr. FORD. That is appropriate. Is this your last stand?

Mr. SIMPSON. No; I am just reflecting.

June 25, 1876. And it has been looking like that today, as we have had a little combat from time to time.

I enjoy working with the assistant leader, even though certainly some of his votes are highly questionable in my mind; but, nevertheless, a delightful gentleman to do legislative work with, and I have always enjoyed that very much.

Mr. FORD. Mr. President, I appreciate the kind remarks of my friend and colleague and the assistant Republican leader.

I am not sure that I have heard for the last 2 or 3 days, but it is a different philosophy or something similar to that.

And so, even though we like each other, we get along well, we work well together, it seems that we just do not see things eye to eye.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Calbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 4:15 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2403. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1994, and for other purposes.

At 6:32 p.m., a message from the House of Representatives was delivered by Mr. Hanrahan, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 80. An act to increase the size of the Big Thicket National Preserve in the State of Texas by adding the Village Creek Corridor Unit, the Big Sandy Corridor Unit, and the Canyonlands Unit.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 2403. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of President, and certain Independent Agencies, for the fiscal year ending September 30, 1994, and for other purposes; to the Committee on Appropriations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-142. A resolution adopted by the Legislature of the State of Florida; to the Committee on Finance.

"SENATE MEMORIAL NO. 1878

"Whereas government has an affirmative obligation to equally treat each of its citizens in similar situations, and

"Whereas the Social Security Administration provides benefits based on contributions from working Americans, and

"Whereas current law creates a "notch" in the system whereby Americans born before 1917 and after 1926 are treated more favorably than those born within the "notch," and

"Whereas each individual now receiving benefits has contributed to the Social Security System as required by law during his or her working years, and

"Whereas under current law individuals who have contributed equally to the Social Security System, but happen to be born as little as one day apart, could receive benefits differing by as much as $1,200 per year, and

"Whereas more than fifty percent of our veterans who fought bravely for this nation during World War II were born within this "notch," and

"Whereas over 900,000 of those individuals born within this "notch" are residents of the great State of Florida, and

"Whereas the impact of equal treatment for each of these citizens would greatly benefit Florida's economy, Now, Therefore *be it resolved* by the Legislature of the State of Florida."

POM-143. A resolution adopted by the House of the Legislature of the State of Hawaii; to the Committee on Finance.

"H.R. NO. 338

"Whereas, Title 19 of the Social Security Act provides that the states shall receive a percentage of matching funds to assist in the payment of certain health care services; and

"Whereas, Hawaii relies on the assistance the federal government provides through Title 19, to help pay for health care costs in Hawaii and under the present system can predict what the federal matching assistance percentage will be and what amounts will be matched by the federal government; and

"Whereas, the State of Hawaii is proposing to enact a health care provider tax that will work in conjunction with Title 19, as it operates to date, to improve the health care cost situation; and

"Whereas, President Clinton has stated that he is proposing to reduce the federal dollar assistance to the states for health care costs; and

"Whereas, the states need assurance that the plans each state makes to remedy the health care situation that are based on the interaction with Title 19 will not be foiled by the disruption of those provisions in the law; now, therefore,

"*Be it resolved* by the House of Representatives of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993, that the United States Congress is requested to give assurance to the states that the federal matching assistance percentage and the amounts received as federal matching funds received by the states from the federal government under Title 19 of the Social Security Act will not be reduced; and

"*Be it further resolved* that certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives and the members of Hawaii's congressional delegation."

POM-144. A resolution adopted by the House of the General Assembly of the State of Illinois; to the Committee on Finance.

"HOUSE RESOLUTION NO. 109

"Whereas, The provisions set forth in 42 U.S.C. 415 for determining the primary insurance amount of a person receiving Social Security were amended in 1977 by Public Law 95-216; and

"Whereas, That amendment resulted in disparate benefits according to when a person initially becomes eligible for benefits; and

"Whereas, Persons who were born during the years 1917 to 1926, inclusive, and who are commonly referred to as "notch babies", receive lower benefits than persons who were born before that time; and

"Whereas, The payment of benefits under the Social Security System is not based on need or other considerations related to welfare, but on a program of insurance based on contributions by a person and his employer; and

"Whereas, The discrimination between persons receiving benefits is totally inequitable and contrary to the principles of justice and fairness; and

"Whereas, The Social Security Trust Fund as adequate reserves to eliminate this gross inequity; therefore, be it

"*Resolved, by the House of Representatives of the Eighty-Eighth General Assembly of the State of Illinois*, That Congress is hereby urged to enact legislation to eliminate inequities in the payment of Social Security benefits to persons based on the year in which they initially become eligible for benefits; and be it further

"*Resolved*, That a copy of this resolution be transmitted to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Illinois congressional Delegation."

POM-145. A resolution adopted by the House of the General Assembly of the State of Iowa; to the Committee on Finance.

"HOUSE RESOLUTION NO. 5

"Whereas, the production of agricultural commodities is the foundation of this state's economy, providing food and fiber vital to the nation's welfare; and

"Whereas, the State of Iowa, one of the major agricultural states in the United States, is a leading producer of feed grains and livestock; and

"Whereas, there exists a serious problem in this State regarding the ability of nonestablished farmers to acquire agricultural land, agricultural improvements, and depreciable agricultural property required to enter farming; and

"Whereas, these conditions result in a loss in population, unemployment, and a movement of persons from rural communities to urban areas, and are accompanied by added costs to communities for creation of new public facilities and services; and

"Whereas, one major cause of this condition has been recurrent shortages of funds in private channels and the cost of borrowing money by beginning farmers assuming a large debt in order to capitalize agricultural operations, which have made the sale and purchase of agricultural land to beginning farmers a virtual impossibility in many parts of this State; and

"Whereas, studies conducted by Iowa State University indicate that only 5 percent of Iowa farmers are under age 30, that the average age of farmers is 53 years, and that nearly 40 percent of farmers are 55 years old or older; and

"Whereas, the State of Iowa has established a Beginning Farmer Loan Program which has been vital to the effort to attract more young people into farming by providing that the Iowa Agricultural Development Authority, an agency of the Iowa Department of Agriculture and Land Stewardship, may assist in cooperating with lending institutions to provide financing to beginning farmers for the acquisition of agricultural land, improvements, and agricultural property; and

"Whereas, since the establishment of the program, the number of loans by the Iowa Agricultural Development Authority has steadily increased from seven loans in 1981 to a record 287 loans in 1991; and

"Whereas, since 1981, the Authority has made 1,385 loans on approximately 120,000 acres of land, and other agricultural projects amounting to $120,073,028 in loans with no obligation by the State or federal government to guarantee payment of the loans in case of default; and

"Whereas, the Beginning Farmer Loan Program is supported by small issue private activity bonds ("Aggie Bonds") which are exempt from federal income tax; and

"Whereas the United States Congress has expressed support for the Iowa Beginning Farmer Loan Program by continually extending the expiration of the federal tax exemption vital to the future of the program; and

"Whereas, legislation enacted in 1992 by the Congress of the United States which included provisions extending the effectiveness of the exemption was vetoed because of unrelated provisions contained in the legislation; and

"Whereas, since July 1, 1992, the Iowa Agricultural Development Authority has been prohibited from closing 128 new loan applications for beginning farmers totaling $16,645,346, desperately needed in order to continue this successful program vital to ensure the transition to a new generation of farmers; and

"Whereas, in order to support the program as a dependable source of low-income financing for beginning farmers it is essential to provide for the efficient administration of the program through stability and continuity in federal law; and

"Whereas, the immediate passage and enactment of legislation by the United States Congress and the President of the United States to support the Iowa Beginning Farmer Program is unanimously supported by the Agriculture Committee of the Iowa House of Representatives, including the Honorable Representative Russell J. Eddie, Chairperson; the Honorable Representative James A. Meyer, Vice Chairperson; the Honorable Representative Daniel P. Fogarty, Ranking Member; the Honorable Representative Bill Bernau; the Honorable Representative Clifford Branstad; the Honorable Representative Barry Brauns; the Honorable Representative Dwight Dinkla; the Honorable Representative John Greig; the Honorable Representative Sandra H. Greiner; the Honorable Representative James Hahn; the Honorable Representative Mark Henderson; the Honorable Representative Hubert Houser; the Honorable Representative Ralph Klemme; the Honorable Representative Deo Koenigs; the Honorable Representative Dennis May; the Honorable Representative Dolores M. Mertz; the Honorable Representative

Norman Mundie; the Honorable Representative David Osterberg; the Honorable Representative Richard Vande Hoef; the Honorable Representative Keith Weigel; and the Honorable Representative Jerry Welter; now therefore.

"*Be it resolved by the House of Representatives*, That the Congress of the United States enact with all possible urgency legislation permanently extending the effectiveness of the exemption from federal taxation of the small issue private activity bonds used to support loans made to beginning farmers under Iowa's Beginning Farmer Loan Program; and

"*Be it further resolved*, That copies of this resolution be submitted by the Chief Clerk of the House to the Honorable Terry E. Branstad, Governor; the Honorable Dale M. Cochran, Secretary of Agriculture; and Mr. William Greiner, Executive Director of the Iowa Agricultural Development Authority; and

"*Be it further resolved*, That copies of this resolution be submitted by the Chief Clerk of the House to the Honorable William J. Clinton, President of the United States; the Honorable Albert Gore, Jr., President of the United States Senate; the Honorable Thomas S. Foley, Speaker of the United States House of Representatives; the Honorable Senator George J. Mitchell, Senate Majority Leader; the Honorable Senator Robert Dole, Senate Minority Leader; the Honorable Congressman Richard A. Gephardt, House Majority Leader; the Honorable Congressman Robert H. Michel, House Republican Leader; the Honorable Senator Daniel Patrick Moynihan, Chairman, Senate Finance Committee; the Honorable Congressman Dan Rostenkowski, Chairman, House of Representatives Committee on Ways and Means; and Iowa's congressional delegation.

"We, Harold Van Maanen, Speaker of the House and Elizabeth Isaacson, Chief Clerk of the House, hereby certify that the above and foregoing Resolution was adopted by the House of Representatives of the Seventy-fifth General Assembly, First Regular Session."

POM-146. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance.

"HOUSE CONCURRENT RESOLUTION NO. 22

"Whereas, changes in federal law enacted as part of the Omnibus Budget Reconciliation Act of 1990 (OBRA of 1990) require the state to treat election officials and election workers as full-time employees of the state, thereby requiring that either they be included in the state retirement system or that social security tax be paid on the income earned; and

"Whereas, this change in the federal law costs the state an estimated five hundred thousands dollars annually and has reduced the amount of pay received by election commissioners and election workers due to the withholding of FICA taxes; and

"Whereas, the withholding of FICA taxes and low pay were two of the five most often cited reasons for a shortage of election workers in a statewide survey of clerks of court performed by the Louisiana Department of Election and Registration; and

"Whereas, the election commissioners and election workers perform a vital role in the democratic process, ensuring that federal, state, and local elections are conducted honestly, fairly, and openly.

"*Therefore, be it resolved* that the Legislature of Louisiana does hereby memorialize the Congress of the United States, and in particular the members of the Louisiana congressional delegation, to repeal provisions of the Omnibus Budget and Reconciliation Act related to election officials and election workers or to enact any other measures necessary to exempt such persons from requirements for payment of social security tax for work performed on election day.

"*Be it further resolved* that the Louisiana Legislature does hereby request the members of the Louisiana congressional delegation to inform the Subcommittee on Elections of the House and Governmental Affairs Committee of the Louisiana House of Representatives and the Committee on Senate and Governmental Affairs of the Louisiana Senate of the status of such legislation on a periodic basis.

"Be it further resolved that copies of this Resolution be transmitted to the clerk of the House of Representatives and the secretary of the Senate of the Congress of the United States and to each member of the Louisiana congressional delegation."

POM-147. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance.

"HOUSE CONCURRENT RESOLUTION NO. 219

"Whereas the Department of Health and Hospitals administers the Medical Vendor Program (Medicaid), a federal and state entitlement program which provides payments for medically necessary health care services to all persons deemed eligible for such services; and

"Whereas the number of persons eligible for services under this program has increased from 673,016 in Fiscal Year 1988–1989 to 877, 797, in Fiscal Year 1991–1992; and

"Whereas state and federal funding under the Medicaid program has increased from $905 million in Fiscal Year 1987–1988 to an estimated $3.7 billion in Fiscal Year 1992–1993; and

"Whereas the federal government allows for higher payments to be made to hospitals that serve a "disproportionate share" of low-income individuals in order to compensate those hospitals for the high cost of care for indigents and Medicaid patients; and

"Whereas the state of Louisiana has a long tradition of providing state funding for indigent health care services through the charity hospital system and until only recently has not been compensated by the federal government for that indigent care; and

"Whereas the state of Louisiana has spent over eight hundred million dollars in state funds for the charity hospital system since Fiscal Year 1988; and

"Whereas the state of Louisiana has only used disproportionate share payments for its health care system; and

"Whereas disproportionate share payments to public and private hospitals in this state are projected at $1.2 billion and a substantial portion of these payments are used to help finance the charity hospital system and its affiliated indigent health care programs, and any reduction in disproportionate share payments would exacerbate an already severe state budget crisis due to a revenue shortfall for the state estimated at $618 million for Fiscal Year 1993–1994.

"*Therefore, be it resolved* that the Legislature of Louisiana does hereby memorialize the Congress of the United States to take appropriate steps to cause the Health Care Financing Administration to take necessary action to maintain and retain the disproportionate share program and that no changes be made in the federal law as of May 4, 1993 and that the amendment to the disproportionate share law proposed by Congressman Waxman be rejected as it would cause irreparable harm to the state health care system in Louisiana.

"*Be it further resolved* that copies of this Resolution be transmitted to the president and secretary of the United States Senate, the clerk and speaker of the United States House of Representatives, and to each member of the Louisiana congressional delegation."

POM-148. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance.

"SENATE CONCURRENT RESOLUTION NO. 2

"Whereas the provisions of 42 U.S.C. 415 for determining the primary insurance amount of a person receiving social security were amended in 1977 by P.L. 95–216; and

"Whereas that amendment resulted in disparate benefits according to when a person initially becomes eligible for benefits; and

"Whereas persons who were born during the years 1917 to 1926, inclusive, and who are commonly referred to as "notch babies", receive lower benefits than persons who were born before that time; and

"Whereas the payment of benefits under the social security system is not based on need or other considerations related to welfare, but on a program of insurance based on contributions by a person and his employer; and

"Whereas the discrimination between persons receiving benefits is totally inequitable and contrary to the principles of justice and fairness; and

"Whereas the Social Security Trust Fund has adequate reserves to eliminate this gross inequity.

"*Therefore, be it resolved* that the Legislature of Louisiana memorializes the Congress of the United States to eliminate inequities in the payment of social security benefits to persons based on the year in which they initially become eligible for such benefits.

"*Be it further resolved* that the Legislature of Louisiana requests that these inequities be eliminated without reducing the benefits of persons who were born before 1917.

"*Be it further resolved* that a copy of this Resolution shall be transmitted to the secretary of the United States Senate, the clerk of the United States House of Representatives, and to each member of the Louisiana congressional delegation."

POM-149. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Finance.

"JOINT RESOLUTION

"We your Memorialists, the Members of the One Hundred and Sixteenth Legislature of the State of Maine, now assembled in the First Regular Session, most respectfully present and petition the President and the Congress of the United States, as follow:

"Whereas effective July 1, 1992, federal law eliminated the tax-exempt status for small-issue industrial development bonds sold by state to provide capital at reduced interest rates for establishment and expansion of manufacturing enterprises; and

"Whereas the availability of small-issue industrial development bonds is critical to our State's economic development, providing expansion, diversification of the manufacturing sector and quality jobs, protecting industry from foreign competition and encouraging productivity, capacity and quality critical to the long-term stability of the State's manufacturing base; and

"Whereas, in the past 8 years, small-issue industrial development bonds have resulted in investments of approximately $500,000,000 in the State and the retention or creation of over 35,000 jobs and have enhanced the tax bse of municiplalities throughout the State; and

"Whereas, issuance of small-issue industrial development bonds for United States manufactuerers is an important investment that protects and strenghtens manufacturing entities, provides quality jobs, helps to ensure that jobs are retained in the United States and not exported overseas and assists in reducing the trade deficit; now, therefore, be it

"*Resolved:* That We, your Memorialists, respectfully recommend and urge the President and the Congress of the United States to take action to enact legislation that will permanently extend the authority to issue small-issue bonds under Section 144 of the Internal Revenue Code of 1986, as amended, so that small-issue industrial development bonds will again be available; and be it further

"*Resolved:* That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, to the President of the Senate and the Speaker of the House of Representative of the Congress of the United States and to each Member of the Maine Congressional Delegation.

POM-150. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance.

"HOUSE CONCURRENT RESOLUTION NO. 22

"Whereas changes in federal law enacted as part of the Omnibus Budget Reconciliation Act of 1990 (OBRA of 1990) require the state to treat election officials and election workers as full-time employees of the state, thereby requiring that either they be included in the state retirement system or that social security tax be paid on the income earned; and

"Whereas this change in the federal law costs the state an estimated five hundred thousand dollars annually and has reduced the amount of pay received by election commissioners and election workers due to the withholding of FICA taxes; and

"Whereas, the withholding of FICA taxes and low pay were two of the five most often cited reasons for a shortage of election workers in a statewide survey of clerks of court performed by the Louisiana Department of Elections and Registration; and

"Whereas, the election commissioners and election workers perform a vital role in the democratic process, ensuring that federal, state, and local elections are conducted honestly, fairly, and openly.

"*Therefore, be it resolved* that the Legislature of Louisiana does hereby memorialize the Congress of the United States, and in particular the members of the Louisiana congressional delegation, to repeal provisions of the Omnibus Budget and Reconciliation Act related to election officials and election workers or to enact any other measures necessary to exempt such persons from requirements for payment of social security tax for work performed on election day.

"*Be it further resolved* that the Louisiana Legislature does hereby request the members of the Louisiana congressional delegation to inform the Subcommittee on Elections of the House and Governmental Affairs Committee of the Louisiana House of Representatives and the Committee on Senate and Governmental Affairs of the Louisiana Senate of the status of such legislation on a periodic basis.

"*Be it further resolved* that copies of this Resolution be transmitted to the clerk of the House of Representatives and the secretary of the senate of the Congress of the United States and to each member of the Louisiana congressional delegation."

POM-151. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Finance.

"HOUSE CONCURRENT RESOLUTION NO. 47

"Whereas, Among the most important federal programs used to finance affordable housing in our state are the Low Income Housing Tax Credit and Mortgage Revenue Bonds; and

"Whereas, In authorizing tax credits for certain construction or rehabilitation of existing property to produce low-income rental housing, the Low Income Housing Tax Credit has been responsible for making thousands of rental apartments available to families and senior citizens with limited incomes; and

"Whereas, Through the issuance of tax exempt mortgage revenue bonds, thousands of qualified individuals and families have been able to purchase, improve, or rehabilitate homes; and

"Whereas, It has been the practice of the United States Congress to reauthorize these, as well as other tax breaks, one year at a time. In light of the vital importance of these tax credits in encouraging investment in affordable housing, the Congress should seriously consider enacting legislation to make them permanent; now, therefore, be it

"*Resolved by the House of Representatives* (the Senate concurring), That we hereby memorialize the United States Congress to enact legislation to permanently extend the Low Income Housing Tax Credit and Mortgage Revenue Bond programs; and be it further

"*Resolved*, That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation."

POM-152. A concurrent resolution adopted by the House of the Legislature of the State of Michigan; to the Committee on Finance.

"HOUSE RESOLUTION NO. 132

"Whereas, Michigan and the nation now live in a global economy and trading beyond our borders is essential to our continued prosperity. Our citizens support the concept of free trade and fair trade. While our trading partners and capacities expand, it is essential to maintain the stability and integrity of our economy and government, both state and national; and

"Whereas, The North American Free Trade Agreement (NAFTA), signed by the United States, Canada, and Mexico, is designed to eliminate trade barriers between the three nations. This executive agreement will not take effect until the countries' respective legislative bodies, including the United States Congress, pass implementing legislation. In addition, once the implementing legislation is submitted to Congress by the President, it will be considered under "fast-track" rules that limit consideration to ninety legislative days and do not permit amendments; and

"Whereas, A number of serious economic, environmental, and legal questions have been raised with regard to the impact NAFTA will have on individual states and our federal system. One concern is whether NAFTA will have a negative impact on state economies and budgets through increased unemployment, an eroding tax base, and service cuts. The agreement could also seriously impede state legislative authority by prompting the enactment of a host of federal preemption laws. Many state environmental programs, such as recycling and waste reduction, clean air, pesticide control, and wildlife and natural resource protection laws, could be challenged as barriers to free trade. Moreover, if a state law were challenged under NAFTA, states would be precluded from a role in any dispute resolution process because only the federal government is a party to the agreement; and

"Whereas, The President and the United States Congress should develop a version of international trade that safeguards the constitutional and economic standing of the states even if this requires withholding NAFTA's submission to Congress. Indeed, it is vitally important that there be a full assessment of the economic, environmental, and legal impact on states before, not after, a "fast-track" decision on NAFTA is made: Now, therefore, be it

"*Resolved by the House of Representatives*, That we hereby call upon the President of the United States and the United States Congress to fully assess the economic, environmental, and legal impact of the North American Free Trade Agreement on the states before its implementation: And be it further

"*Resolved*, That a copy of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation."

POM-153. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Finance.

"HJR 19

"Whereas, it is estimated that 145,000 Montanans and 37 million Americans are without health insurance, many while between jobs; many more people are underinsured because of the effects of rising health care costs and spending; and these rising health care costs are forcing employers to trim the level and availability of health care benefits to their employees; and

"Whereas, overuse of health care services for relatively small claims is one of the most significant causes of health care cost and spending increases; and currently, more than two-thirds of all insurance claims for medical spending are less than $3,000 per family per year in this country; and

"Whereas, in response to the runaway cost increases on health care spending in this country, the private sector has developed the concept of individual medical care savings accounts; this initiative is designed to ensure health insurance availability for Americans; and it is predicated on providing incentives to more efficiently use medical treatment, encourage competition, and reduce cost in the health care industry; and

"Whereas, through employer and employee-funded individual medical care savings account arrangements and reduced costs of

"*Now, Therefore, Be It Resolved by the Senate and the House of Representatives of the State of Montana:* That the Congress of the United States be urged to enact legislation swiftly and in good faith to enable Montanans and all Americans to establish individual medical care savings accounts.

"*Be It Further Resolved*, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and all members of the Montana Congressional Delegation."

POM-154. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Finance.

"JOINT RESOLUTION NO. 16

"Whereas, Nevada is one of the fastest growing states in the union; and

"Whereas, The continuous influx of persons into this state promotes a growing, health and diversified economy; and

"Whereas, Many persons who migrate into this state are retired and live on limited and fix incomes; and

"Whereas, Many of these persons retire to Nevada with the expectation of being exempt from any state income tax and have planned their finances accordingly; and

"Whereas, For many of these persons, the income that they earn from their pension, savings and other investments is barely sufficient to pay their expenses and offset inflation; and

"Whereas, Other states have enacted legislation that authorizes the imposition of an income tax on income from a pension that originates in those states, even if the person who earns the income resides in another state; and

"Whereas, As a result, many persons who have retired to Nevada are required to pay income tax imposed by other states on the income from their pension; and

"Whereas, These laws has placed an unexpected and often insurmountable financial burden on many of these persons; and

"Whereas, United States Representative Barbara Vucanovich has introduced a bill in the House of Representatives, H.R. 702 of the 103d Congress, 1st Session (1993), which would prohibit each state from imposing an income tax on the income from a pension of any person who is not a resident of that state; and

"Whereas, United States Senator Harry Reid has introduced a similar bill in the Senate, S. 235 of the 103d Congress, 1st Session (1993): Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly*, That the Nevada Legislature urges the Congress of the United States to pass H.R. 702 or S. 235 of the 103d Congress, 1st Session (1993), which would prohibit each state from imposing an income tax on the income from a pension of any person who is not a resident of that state: And be it further

"*Resolved*, That the Chief Clerk of the Assembly prepare and transmit copies of this resolution to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation: And be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-155. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Finance.

"JOINT RESOLUTION NO. 17

"Whereas, The rising costs of health care have increased the costs of providing adequate coverage to persons who are eligible for medical assistance under the Medicaid Program; and

"Whereas, Coordinated health care programs that provide medical services from a selected group of providers of medical care at fixed rates reduce the costs of medical care without affecting the quality of that care; and

"Whereas, The provisions of Title XIX of the Social Security Act do not allow states the discretion or flexibility to design and carry out comprehensive coordinated programs of health care that require recipients of Medicaid to enroll in such programs; and

"Whereas, Widespread participation in and utilization of coordinated programs of health care may only be achieved by requiring recipients of Medicaid to enroll in coordinated programs of health care; and

"Whereas, Before a recipient of Medicaid may be required to enroll in a coordinated program of health care, waivers of freedom of choice, statewide applicability and comparability of services must be obtained from the Health Care Financing Administration; and

"Whereas, It requires a significant amount of time and cost to apply for, justify and receive such waivers and involves extensive reporting to the federal authorities; and

"Whereas, A waiver of freedom of choice must be renewed every 2 years; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, Jointly*, That the Nevada Legislature hereby urges the Congress of the United States to enact an amendment to Title XIX of the Social Security Act allowing states greater flexibility in designing and carrying out coordinated programs of health care without having to obtain waivers of freedom of choice, statewide applicability and comparability of services from the Federal Government; and be it further

"*Resolved*, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-156. A concurrent resolution adopted by the Legislature of the State of North Dakota relative to the proposed energy tax; to the Committee on Finance.

"HOUSE CONCURRENT RESOLUTION NO. 3035

"Whereas, the United States Congress and the President are considering an increase in the federal motor fuel tax or enactment of a national energy tax to help reduce the nation's deficit; and

"Whereas, motor fuel is already one of the most heavily taxed commodities consumers buy; and

"Whereas, the federal deficit is a national problem that should not be addressed by taxes that apply only to the country's highway users and energy users; and

"Whereas, the nation's highway transportation system is largely the result of an effective state-federal partnership utilizing federal highway trust fund money from taxes paid by highway users; and

"Whereas, with growing congestion and heavy replacement costs for roads and bridges, additional highway user taxes for nonhighway purposes could seriously hamper federal and state abilities to meet highway needs; and

"Whereas, in addition to being inflationary, a large additional motor fuel or national energy tax for deficit reduction would cost thousands of jobs, reduce the gross national product, and reduce federal income tax revenues; and

"Whereas, increasing the federal motor fuel tax or creating a national energy tax for nonhighway purposes would seriously erode public support for the successful pay-as-you-go state-federal highway program; and

"Whereas, an increase in the motor fuel tax would fall hardest on the working poor and states like North Dakota that depend heavily on energy; and

"Whereas, for most people there are no practical alternatives to driving or energy use for business and heating; and

"Whereas, the public demands that deficit reduction be based on Congress effectively controlling federal spending and acquiring revenue through fair and equitable taxation;

"*Now, Therefore, Be It Resolved by the House of Representatives of North Dakota, the Senate Concurring Therein:*

"That the Fifty-third Legislative Assembly opposes the imposition of any additional federal excise tax on motor fuels or imposition of a national energy tax to help balance the federal budget and urges both the President and Congress to reject any such proposals; and

"*Be It Further Resolved*, That copies of this resolution be forwarded by the Secretary of State to the Secretary of the United States Department of Transportation, the chairman of the United States House of Representatives Committee on Public Works and Transportation, the chairman of the United States Senate Committee on Finance, the presiding officers of the United States Senate and House of Representatives, and to each member of the North Dakota Congressional Delegation."

POM-157. A resolution adopted by the Senate of the General Assembly of the State of Tennessee relative to Federal tax laws, policies and programs which have the effect of encouraging U.S. industries to relocate in foreign countries; to the Committee on Finance.

"HOUSE JOINT RESOLUTION NO. 530

"Whereas, schizophrenia, described by many as "the most devilish of mental illnesses," is a tragic and terrifying mental illness of hereditary and environmental origins that afflicts two to three million Americans; and

"Whereas, mental illness costs the nation $129 billion a year, and schizophrenia alone claims a disproportionate $50 billion of these expenses, nearly equal to the amount the federal government spent last year on all Medicaid grants; and

"Whereas, while this tormenting illness has been traditionally treated with drug therapies that often rendered the patient somewhat disabled, the emergence of a new wave of drug therapy has given other patients renewed hope for improved lives; and

"Whereas, more than half of the 20,000 schizophrenics who did not respond well to previous drug therapies have shown significant improvement with clozapine, a new drug therapy for the treatment of this devastating illness, and are able to, in some cases, enjoy a more self-sufficient life; and

"Whereas, the cost of clozapine may exceed $4,000 annually, and as much as $9,000 more for physician-monitored treatment, and many patients may have insufficient resources or insurance coverage to obtain this therapy; and

"Whereas, eligibility requirements for Medicaid coverage include certain income levels that may require a patient to "spend down" personal resources to obtain coverage for medical treatments, including drug therapy for mental illness; and

"Whereas, compliance with these personal income eligibility requirements may unnecessarily prolong the agony victims of schizophrenia must endure before obtaining drug therapy, such as clozapine; now, therefore, be it

"*Resolved* by the House of Delegates, the Senate concurring, That the Congress of the United States be memorialized to review current Medicaid income eligibility requirements to address the unique drug treatment needs of schizophrenics and other victims of mental illness; and, be it

"*Resolved further*, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia Delegation to the United States Congress in order that they may be apprised of the sentiment of the General Assembly of Virginia."

POM-158. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia relative to Medicaid income eligibility requirements; to the Committee on Finance.

"SENATE RESOLUTION NO. 35

"Whereas, U.S. industries have been motivated by tax advantages and low-interest loans offered through the federal Agency for International Development (AID) to close or reduce their U.S. manufacturing operations and relocate their businesses to foreign countries; and

"Whereas, The federal government has spent more than $289 million in the past decade to help U.S. companies in the Caribbean basin; and

"Whereas, Among other things, this money paid for U.S. trade journal advertisements which mentioned 40-cent per hour labor in Central America; and

"Whereas, A study has revealed that AID has lured eleven (11) textile or apparel plants from Tennessee to Central America; a total of 2,211 Tennessee workers have lost their jobs and livelihoods as a result of these immoral practices; and

"Whereas, Included in this appalling total is Marlene Industries, which closed its Decaturville garment factory and moved to El Salvador, leaving some 306 people out of work; and

"Whereas, The company has also closed a second plant at Lexington, laying off an additional 150 workers; and

"Whereas, It is estimated that the misdirected policies of the AID program have resulted in the loss of some 15,432 jobs nationwide to foreign competition; and

"Whereas, It is insulting to American and Tennessee taxpayers that their hard-earned tax dollars are being used to relocate their very own jobs to foreign countries; now, therefore,

"*Be it Resolved by the Senate of the Ninety-Eighth General Assembly of the State of Tennessee*, That this Body hereby memorializes the President and the U.S. Congress to examine and consider the repeal of any federal tax laws, policies, regulations or programs which have the effect of encouraging U.S. industries to close or greatly reduce their U.S. manufacturing operations and relocate such operations in foreign countries.

"*Be it Further Resolved*, That an enrolled copy of this resolution be transmitted to the Honorable Bill Clinton, President of the United States, the Speaker and Clerk of the U.S. House of Representatives, the President and Secretary of the U.S. Senate, and to each member of the Tennessee Congressional delegation."

POM-159. A concurrent resolution passed by the House of Representatives of the Legislature of the State of Hawaii; to the Committee on Governmental Affairs.

"HOUSE CONCURRENT RESOLUTION NO. 6

"Whereas, federal mandates that impose costs on the states are increasing at an alarming rate, in terms of frequency as well as cost; and

"Whereas, the explosion of federally-mandated programs began during the latter half of the 1980s when the federal government, struggling with new spending priorities and a rapidly expanding federal budget deficit, chose to require the states to finance, administer, and implement these new and costly responsibilities; and

"Whereas, in 1990 alone, the federal government imposed at least twenty additional mandates on the states at an aggregate cost of more than $15 billion to the states; and

"Whereas, these mandates included requiring states to enforce new standards for smog and acid rain reduction, enforce new transportation requirements for hazardous waste, expand state Medicaid coverage for certain households and individuals, and enforce driver's license revocation requirements for certain drug offenses; and

"Whereas, the 1991 Budget Reconciliation Act was another source of "hidden costs" to the states—where approximately $13.3 billion in unfunded obligations have been passed on from the federal government to the states; and

"Whereas, in addition to these new mandates imposed on the states by the federal government, state governments must also contend with the never-ceasing problem of keeping pace with the current service requirements of ongoing federal-state programs that require state matching funds for federal grants; and

"Whereas, while the merits of each program should be examined on an individual basis, these mandates are almost always costly to the states, and inappropriately intrude upon or preempt the rights and powers of state government; and

"Whereas, forcing the states to comply with and contribute to the cost of implementing federally-developed programs and initiatives offers the federal government a convenient method of taking the credit for expanding and developing new programs while exporting the burden of cost and administration to the states; and

"Whereas, due to the fact that a significant number of states are now facing serious budgetary problems, the current federal-state partnership arrangement for the administration of federally-mandated programs should be reexamined; and

"Whereas, partnerships between the federal and state governments are very similar to the relationships between state and municipal governments; and

"Whereas, municipal governments in Hawaii had experienced similar problems regarding the establishment of state-mandated programs that left a large financial burden on limited county resources; and

"Whereas, in response to this problem, lawmakers ratified an amendment to the Hawaii State Constitution to ensure that the state will bear the responsibility of funding programs mandated on the counties; and

"Whereas, according to Article VII, Section 5 of the Hawaii State Constitution:

"If any new program or increase in the level of service under an existing program shall be mandated to any of the political subdivisions by the legislature, it shall provide that the State share in the cost"; and

"Whereas, the adoption and ratification of a similar amendment to the United States Constitution would ensure that the states are able to effectively implement federally-mandated programs without the fear of financial ruin; and

"Whereas, without ratification of a similar amendment to the United States Constitution, states will undoubtedly begin to experience fiscal conditions that may ultimately become unmanageable; now, therefore,

"*Be it resolved* by the House of Representatives of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993, the Senate concurring, that this body supports the proposed "Federal Mandate Relief Act of 1993" as a means of achieving a more equitable distribution of fiscal responsibility between state and federal governments, and further call upon Hawaii's congressional delegation to propose an amendment to the government provide sufficient funding to federally mandated programs over the program's entire existence; and

"*Be it further resolved* that certified copies of this Concurrent Resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of Hawaii's congressional delegation."

POM-160. A resolution adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on Governmental Affairs.

"S.R. No. 189

"Whereas from 1982 to 1992 the national debt has more than tripled from one trillion dollars to over 3.2 trillion, and the percentage of the federal budget devoted to interest payments on this debt increased from 8.8 percent to 14.8 percent; and

"Whereas the ballooning in the amount of federal tax dollars required for these interest payments has reduced congressional ability to direct federal resources toward solutions to many problems facing the nation; and

"Whereas during this period of unprecedented growth in the federal debt, a number of Supreme Court decisions paved the way for increased federal control over traditional areas of state responsibility; and

"Whereas the combination of the lack of funds for discretionary spending and the increased authority over the states has encouraged the federal government to shift the costs of many of its initiatives to the states by mandating them to implement programs passed by Congress; and

"Whereas since the mid 1980's there has been an explosion of these mandates introduced every year in Congress, and many of these measures deal with expensive programs such as Medicaid enhancements and enforcement of environmental laws and create a heavy financial burden on the states; and

"Whereas in addition to these new mandates, states must also contend with the problem of keeping pace with the current service requirements of ongoing federal-state programs that require state matching funds for federal grants; and

"Whereas because a significant number of states are now facing serious budgetary problems, the current federal-state partnership arrangement for the financing and administration of federally-mandated programs needs to be reexamined; and

"Whereas recognition of this need has been growing and has resulted in calls for some form of action from many states and interested organizations including the National Governor's Association, the National Conference of State Legislatures, the American

Legislative Exchange Council, and the Advisory Commission on Intergovernmental Relations; now, therefore,

"*Be it resolved* by the Senate of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993, that the federal administration and the United States Congress are urged to provide the states with the necessary means to finance and administer existing and new federally-mandated programs; and

"*Be it further resolved* that the United States Congress is requested to enact legislation which would:

"(1) Require the Congressional Budget Office to:

"(A) Prepare fiscal impact statements which would examine, on a state by state basis, the effect of federally-mandated legislation on each State's fiscal condition;

"(B) Provide ongoing cost estimates for federal legislation and relevant amendments, including revenue and appropriations bills that have intergovernmental impacts, as these proposals move through the federal legislative process; and

"(C) Prepare recommendations to alter the cost-share requirements of each state based on an analysis of the fiscal impact the mandate would have on the State;

"(2) Require federal reimbursement, as long as federally-mandated programs exist, to state and local governments for costs imposed by these mandates; and

"(3) Convene a conference of federal, state, and local officials to examine the propriety and costs of current federal mandates and develop possible strategies for bringing these costs under control; and

"*Be it further resolved* that certified copies of this Concurrent Resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of Hawaii's congressional delegation."

POM-161. A joint resolution adopted by the House of Representatives of the Idaho Legislature; to the Committee on Governmental Affairs.

"HOUSE JOINT MEMORIAL NO. 1

"Whereas, the tenth amendment to the constitution of the United States specifically reserves certain rights to the states:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people; and

"Whereas, the federal government continues to infringe upon the right of states to make decisions which properly belong to the states by imposing mandates seemingly with little or no regard for the constitutional provision; and

"Whereas, the mandates imposed by the federal government on the states are becoming increasingly numerous and onerous; and

"Whereas, federal mandates often are not equally applicable to the various regions of the country and thereby create an unnecessary burden to the states for which the mandates are inappropriate; and

"Whereas, federal mandates accompanied by federal funding, matching funds or no funding force states to initiate and fund programs which the state would not otherwise have instituted and inevitably lead to the state's funding of such programs in their entirety; and

"Whereas, the imposition of federal mandates is an erosion of the principle of states' rights, the effect of which is to limit decision-making at the state level and to force mandatory spending which consumes a greater portion of the state's budget and seriously limits that portion which is discretionary.

"*Now, therefore, be it resolved* by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein, that we do hereby respectfully submit that the state of Idaho will dutifully consider federal suggestions for state implementation but affirm that this state claims its constitutional right to determine for itself the appropriateness, the fiscal impact and the necessity of implementing federal suggestions.

"*Be it further resolved* that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-162. A resolution passed by the House of Representatives of the General Assembly of the Commonwealth of Kentucky; to the Committee on Governmental Affairs.

"HOUSE RESOLUTION

"Whereas it is both prudent and necessary to support efforts to ensure the most cost-effective use of state funds; and

"Whereas the Commonwealth of Kentucky and other states would be able to better fulfill their budgetary obligations if the federal government would restrict its policy of arbitrarily increasing state costs with respect to federally-mandated activities and services; and

"Whereas, bills have recently been introduced in the United States Congress proposing an end to the practice of imposing unfunded federal mandates on state and local governments and providing that the federal government pay the costs incurred by those governments in complying with certain requirements under federal statutes and regulations; and

"Whereas, these timely and important proposals, H.R. 140 and S. 648, are each known as the "Federal Mandates Relief Act of 1993";

"Now, therefore,

"*Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:*

"Section 1. That the House of Representatives express its support of H.R. 140 and S. 648, the proposed "Federal Mandate Relief Act of 1993," as a means of achieving a more equitable distribution of fiscal responsibility between the state and federal governments, and further calls upon the Congress of the United States to enact one of the aforementioned acts in an effort to put an end to unfunded federal mandates.

"Section 2. That the Clerk of the House of Representatives shall forward a copy of this Resolution to the Honorable Thomas S. Foley, Speaker of the United States House of Representatives, H-204 Capitol Building, Washington, D.C. 20515; to the Honorable Albert A. Gore, Jr., President of the United States Senate, Old Executive Office Building, Washington, D.C. 20501, and to each member of the Kentucky Congressional Delegation."

POM-163. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Governmental Affairs.

JOINT RESOLUTION

"Whereas the Federal Government has mandated new programs and transferred the responsibility of funding these programs to the several states and their political subdivisions; and

"Whereas, the Federal Government has also reduced or eliminated funding for certain programs administered at the state or local government level; and

"Whereas, the several states and their political subdivisions, as a result of economic recession and the substantial costs of these programs are experiencing severe revenue shortfalls and budget imbalances that are further exacerbated by having to fund these unfunded federal mandates; and

"Whereas, the several states, unlike the Federal Government, are required by their constitutions to balance their budgets, which further reduces their ability to absorb unfunded federal mandates; and

"Whereas, the State of Maine, recognizing the inequity of passing unfunded mandates on to its political subdivisions amended its Constitution in November of 1992 to prohibit state legislation or state administrative rules that require additional local government expenditures unless the Maine State Legislature funds those mandates; and

"Whereas, the federal practice of deferring program costs to the states is inherently unfair because many states, such as Maine, lack the resources to fund these programs; and

"Whereas, relief from unfunded mandates is most especially needed in the federal laws and rules governing benefits and utilization for Medicaid recipients, benefit levels for other entitlements and environmental regulation so that the several states and their political subdivisions can regain greater authority over their respective budgets and increase their ability to create jobs; now, therefore, be it

"*Resolved:* That We, your Memorialists, respectfully recommend and urge the Congress of the United States to enact legislation that provides waivers to unfunded federal mandates, be they wholly or partially unfunded; and be it further

"*Resolved:* That this legislation direct the various agencies of the Federal Government to streamline the process by which federal mandates will be waived; and be it further

"*Resolved:* That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the governor of each state, the Speaker of the Lower House and the President of the Senate in each state and to each member of the Main Congressional Delegation."

POM-164. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Governmental Affairs.

"JOINT RESOLUTION

"Whereas, Congress was originally envisioned as a legislative body designed to serve the public; and

"Whereas, members of Congress now have salaries greater than the amount of income received by 99% of the American people; and

"Whereas, Congress is in danger of becoming an institution of the elite and the privileged; and

"Whereas, members of Congress now receive automatic pay increases that occur without vote; and

"Whereas, President Clinton is asking all Americans to join in a united economic sacrifice for the benefit of the republic; and

"Whereas, the State Legislature may serve petitions upon Congress to encourage its deliberations; now, therefore, be it

"Resolved: That we, your Memorialists, respectfully recommend and urge the Congress of the United States to roll back its congressional salary to the 1989 level of $89,500; and be it further

"Resolved: That the Congress of the United States is hereby petitioned to repeal its automatic annual cost-of-living adjustment; and be it further

"Resolved: That We further commend the United States Senate for banning honoraria and petition it to continue that prohibition; and be it further

"Resolved: That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each Member of the Maine Congressional Delegation."

POM-165. A joint resolution agreed to by the General Assembly of the Commonwealth of Virginia; to the Committee on Governmental Affairs.

"HOUSE JOINT RESOLUTION NO. 606

"Whereas, a strong economy is recognized as an essential ingredient for creating jobs, increasing the tax base, and raising the quality of life for all Virginians; and

"Whereas, as economic growth has slowed, states have become more aware of the importance of economic development activities, and competition among the various states has intensified; and

"Whereas, the General Assembly of Virginia has rested its commitment to maintaining a strong economy in the Commonwealth, while at the same time committing to regional cooperation and fair trade, including that between the District of Columbia and the Commonwealth of Virginia; now, therefore, be it

"*Resolved* by the House of Delegates, the Senate concurring, That the Governor together with the Commissioner of Taxation and the Secretary of Economic Development be requested to devise a business plan that can be initiated in the event the District of Columbia pursues tax policies that impact adversely on residents and businesses of the Commonwealth, for the purpose of (i) addressing the adverse economic consequences that such policies would have on the Commonwealth and (ii) making the Commonwealth an even more desirable location for businesses located in the District of Columbia; and, be it

"*Resolved further*, That the U.S. Congress be memorialized to refrain from enacting any laws or policies that would enable the District of Columbia to enhance its local taxing powers, such as imposing a "commuter tax," such that the residents and businesses of the Commonwealth of Virginia could be adversely impacted; and, be it

"*Resolved further*, That the Governor convey these sentiments to the Virginia congressional delegation and request their assistance; and, be it

"*Resolved finally*, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the U.S. House of Representatives, the President of the U.S. Senate, the members of the Virginia congressional delegation and the Governor of Virginia.

POM-166. A resolution adopted by the Senate of the Legislature of the State of Hawaii relating to the rights of Hawaii's indigenous people; to the Committee on Indian Affairs.

"S.R. NO. 118

"Whereas, the nation of Hawaii became a kingdom, later unified by Kamehameha I in 1810, which was recognized and duly respected by other nations and kingdoms of the world; and

"Whereas, in 1887, King Kalakaua was coerced under threat of military force to sign the so called "Bayonet Constitution" that made him a ceremonial figurehead; and

"Whereas, on January 17, 1893, the United States government through its military forces, under the authority of U.S. Minister John L. Stevens, aided in the overthrow of the constitutional Hawaiian government headed by Queen Liliuokalani, and helped to establish a Provisional Government, which took full possession of all government functions and buildings of the Hawaiian Islands; and

"Whereas, on December 18, 1893, President Grover Cleveland submitted to the Congress of the United States a full report that condemned the role of the American minister and the U.S. Marines in the overthrow of the Hawaiian monarchy and called for the restoration of the Hawaiian monarchy; and

"Whereas, in 1895, Queen Liluokalani was arrested by the Republic of Hawaii, tried and found guilty of misprision of treason, was sentenced to five years at hard labor, fined $5,000, held prisoner at Iolani Palace for eight months, later held under house arrest at Washington Place for five months, and restricted to the island of Oahu for another eight months; and

"Whereas, in 1898, Congress ignored President Cleveland's previous request and annexed the Hawaiian Islands through the "Newlands Resolution", which was legally questioned as to whether the U.S. Congress had the authority to admit territory into the union by joint resolution, for it is not specified that Congress had the power to acquire territory through any means other than conquest or treaty; and

"Whereas, the actions taken by the United States in the illegal invasion of 1893 are the basis for legal claims for the restoration of human, civil, property, and sovereign rights of Hawaii's indigenous people; and

"Whereas, the seriousness and implications of the unlawful overthrow has yet to be adequately addressed and remedied for over a century of human interaction in Hawaii; and

"Whereas, the year 1993 holds special significance for Hawaii for it marks the one hundred year anniversary when the United States military and diplomatic representatives committed the first overt act to overthrow the independent nation of Hawaii; and

"Whereas, such loss of independence and self-determination of the indigenous Hawaiian people remains an important cultural and political factor today; and

"Whereas, there is increasing discussion and debate in Hawaii and in the Congress of the United States of the adverse consequences of such overt acts of military aggression against a peaceful, independent nation, and to the citizens and descendants of that nation today; and

"Whereas, the even broader issue of equality for all people, irrespective of race, to exercise the right of self-determination in their homelands should be recognized; and

"Whereas, the full range of consideration of Hawaii's peoples' rights and freedoms must be completely explored in order to bring about harmony within Hawaii's society; now, therefore,

"*Be it resolved* by the Senate of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993, that this body declares that 1993 should serve Hawaii, our nation, and the world as a year of special reflection on the rights and dignities of the indigenous people of Hawaii; and

"*Be it further resolved* that the Legislature recommits and reaffirms its efforts and support of indigenous Hawaiians in their struggles to address the federal government's illegal and immoral wrongdoings committed against them; and

"*Be it further resolved* that certified copies of this Resolution be transmitted to the President of the United States, the Vice President of the United States, Secretary of the Interior, the Speaker of the United States House of Representatives, Hawaii's Congressional Delegation, and the Governor of the State of Hawaii."

POM-167. A concurrent resolution adopted by the Legislature of the State of Louisiana relating to the recognition of the Caddo Adais Indians; to the Committee on Indian Affairs.

"SENATE CONCURRENT RESOLUTION NO. 16

"Whereas, the principal Adais Indian Village was located on a small creek near the present town of Robeline, Louisiana, which was the site of the Spanish Mission Los Adais; and

"Whereas, the first historical mention of the Adais Indians was made by the Spanish Explorer, Cabeca De Vaca in 1530; and

"Whereas, the Adais Indians language was primarily Caddo, but the Indians developed a strong attachment first to French and then to Spanish at Los Adais, many of them spoke French and Spanish; and

"Whereas, there were five tribes of Caddo Indians, the Adais, Natchitoches, Doustioni, Quachita, and Yatcisi, living in northwest Louisiana at the time of European contact; and

"Whereas, today only one of these tribes, the Adais, still exists as an identifiable group; and

"Whereas, history and heritage of this group has been documented in Part I of the Handbook of American Indians North of Mexico, published by the Smithsonian Institution, Bureau of American Ethnology, Bulletin 30, by F.W. Hodge; and

"Whereas, it is the policy of the state of Louisiana to recognize the Indian tribes within the borders of the state and to support their aspirations for the preservation of their cultural heritage and the improvement of their economic conditions, and to assist them in their just rights.

"*Therefore, be it resolved* that the Legislature of Louisiana formally recognizes the Caddo Adais Indians as an Indian tribe.

"*Be it further resolved* that the Congress of the United States and the United States Bureau of Indian Affairs are hereby memorialized, requested, and urged to take such steps as are necessary to effect, in the near future, formal recognition of the Caddo Adais Indian community and people, and to acknowledge that the rights of the Caddo Adais Indians are no less, if not indeed greater, than that of other Indian tribes in the United States, and, therefore, to take appropriate executive and/or congressional action.

"*Be it further resolved* that copies of this Resolution be transmitted to the president of the United States, the presiding officers of the Senate and the House of Representatives of the Congress of the United States, and the director of the Bureau of Indian Affairs, United States Department of the Interior."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 608. A bill entitled the "Armored Car Industry Reciprocity Act of 1993" (Rept. No. 103–67).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 228. A bill to establish a grant program under the National Highway Traffic Safety Administration for the purpose of promoting the use of bicycle helmets by individuals under the age of 16 (Rept. No. 103–68).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 473. A bill to promote the industrial competitiveness and economic growth of the United States by strengthening the linkages between the laboratories of the Department of Energy and the private sector and by supporting the development and application of technologies critical to the economic, scientific and technological competitiveness of the United States, and for other purposes (Rept. No. 103–69).

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 1167. An original bill to amend the Rural Electrification Act of 1936 to restructure the electric and telephone loan programs, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

Frank Hunger, of Mississippi, to be an Assistant Attorney General.

Sheila Foster Anthony, of Arkansas, to be an Assistant Attorney General.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted Committee of the Senate.

By Mr. GLENN, from the Committee on Governmental Affairs:

Benjamin Leader Erdreich, of Alabama, to be Chairman of the Merit Systems Protection Board.

Benjamin Leader Erdreich, of Alabama, to be a Member of the Merit Systems Protection Board for the term of seven years expiring March 1, 2000.

Roger W. Johnson, of California, to be Administrator of General Services.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (for himself and Mr. D'Amato):

S. 1151. A bill to facilitate the flow of credit to small business by easing certain regulatory burdens on depository institutions, to require analysis of such burdens and their effectiveness, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MCCONNELL (for himself, Mr. Lugar, and Mr. Coats):

S. 1152. A bill to suspend the duties on certain chemicals; to the Committee on Finance.

By Mr. SIMON:

S. 1153. A bill to suspend temporarily the duty on Tacrolimus in bulk or measured dose form subject to approval by the Food and Drug Administration; to the Committee on Finance.

By Mr. DECONCINI:

S. 1154. A bill to amend the Foreign Assistance Act of 1961 to provide for the establishment of a Microenterprise Development Fund, and for other purposes; to the Committee on Foreign Relations.

By Mr. GRAHAM (for himself, Mr. Durenberger, and Mr. Mack):

S. 1155. A bill to ensure that the Caribbean Basin Initiative is not adversely affected by the implementation of the North American Free Trade Agreement and to apply "fast track" approval procedures to free trade agreements entered into between the United States and certain Caribbean Basin countries; to the Committee on Finance.

By Mr. HOLLINGS (for himself and Mr. Thurmond):

S. 1156. A bill to provide for the settlement of land claims of the Catawba Tribe of Indians in the State of South Carolina and the restoration of the Federal trust relationship with the tribe, and for other purposes; to the Committee on Indian Affairs.

By Mr. SHELBY:

S. 1157. A bill to establish a Commission on the airplane crash at Gander, Newfoundland; to the Committee on Commerce, Science, and Transportation.

By Mr. DURENBERGER:

S. 1158. A bill to authorize the National Institute of Corrections to make grants to States to carry out family unity demonstration projects, and for other purposes; to the Committee on the Judiciary.

By Mr. MURKOWSKI (for himself, Mr. Rockefeller, Mr. Akaka, Mr. Bingaman, Mr. Brown, Mr. Bumpers, Mr. Cochran, Mr. Conrad, Mr. Daschle, Mr. DeConcini, Mr. Dole, Mr. Domenici, Mr. Durenberger, Mrs. Feinstein, Mr. Gorton, Mr. Hatch, Mr. Inouye, Mr. Jeffords, Mrs. Kassebaum, Mr. Kempthorne, Mr. Kohl, Mr. Lautenberg, Mr. Lieberman, Mr. Levin, Mr. Pell, Mr. Pressler, Mr. Sarbanes, Mr. Simon, Mr. Simpson, Mr. Specter, Mr. Stevens, Mr. Thurmond, Mr. Cohen, Mr. Craig, Ms. Moseley-Braun, Mr. Mack, Mr. Metzenbaum, Mr. Heflin, Mr. Roth, and Mr. Warner):-

S. 1159. A bill to require the Secretary of the Treasury to mint coins in commemoration of women who have served in the Armed Forces of the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HATFIELD:

S. 1160. A bill to amend the Public Health Service Act to provide grants to entities in rural areas that design and implement innovative approaches to improve the availability and quality of health care in such rural areas, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BAUCUS (for himself, Ms. Moseley-Braun, and Mr. Campbell):

S. 1161. A bill to establish a program to ensure nondiscriminatory compliance with environmental, health, and safety laws and to ensure equal protection of the public health; to the Committee on Environment and Public Works.

By Mr. BAUCUS (for himself, Mr. Lieberman, and Mr. Simpson) (by request):

S. 1162. A bill to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1994 and 1995, and for other purposes; to the Committee on Environment and Public Works.

By Mr. KERRY:

S. 1163. A bill to reduce spending and tax subsidies in order to reduce the budget deficit, and for other purposes; to the Committee on Finance.

By Mr. MACK:

S. 1164. A bill to amend section 2119 of title 18, United States Code, to authorize imposition of the death penalty if death results from a carjacking, and for other purposes; to the Committee on the Judiciary.

By Mr. LIEBERMAN:

S. 1165. A bill to provide for judicial review of Nuclear Regulatory Commission decisions on petitions for enforce actions, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BAUCUS (for himself, Mr. Lieberman, and Mr. Simpson) (by request):

S. 1166. A bill to amend the Energy Reorganization Act of 1974 and the Atomic Energy Act of 1954 to enhance the safety and security of nuclear power facilities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. LEAHY:

S. 1167. An original bill to amend the Rural Electrification Act of 1936 to restructure the electric and telephone loan programs, and for other purposes; from the Committee on Agriculture, Nutrition, and Forestry; considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself and Mr. D'Amato):

S. 1151. A bill to facilitate the flow of credit to small business by easing certain regulatory burdens on depository institutions, to require analysis of such burdens and their effectiveness, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

CREDIT CRUNCH RELIEF ACT OF 1993

Mr. DOLE. Mr. President, later today, the Senate will adopt the largest tax package in American history—a whopping $264 billion.

No doubt about it, with major tax increases looming on the horizon, the American people are uncertain about their economic future. And, until this uncertainty gives way to confidence, they are postponing the hiring, spending, and investment decisions that could give the economy a much-needed jump-start. This is a big reason behind our sluggish economy.

Another reason is the lack of available credit, particularly for small businesses. Unfortunately, regulatory burdens and overly restrictive examination practices by the bank regulators have discouraged banks from making even prudent loans, thereby choking off capital to creditworthy businesses and farms. The result is fewer jobs and less economic growth.

That's why I am joining today with my distinguished colleague from New York, Senator D'AMATO, in introducing the Credit Crunch Relief Act of 1993. This important legislation outlines a six-point plan to help ease credit, reduce the unnecessary regulatory burdens on our strongest banks, and put our country back on the road to economic recovery.

MINIMAL DOCUMENTATION LOANS

The first provision would allow the strongest banks to make loans to small businesses without having to fulfill all the paperwork requirements that bank examiners normally require. These requirements are often unnecessary, particularly when a bank would like to extend credit to an individual or an institution with a longstanding reputation of creditworthiness within the local community.

To provide some safeguards, the total of the minimal documentation loans at a single institution will be limited to 40 percent of its total capital. No individual loan may exceed $900,000 or 5 percent of the lending institution's total capital, whichever is less. The Federal banking regulators may allow a bank to exceed these limits, consistent with safety soundness considerations.

This provision reflects the view of President Clinton, who recently ordered the Federal banking regulators to allow the strongest banks to make minimal documentation loans. I commend the President for his leadership on this issue. By going the statutory route, rather than relying exclusively on regulatory action, this provision gives the President's directive some added punch.

PRESIDENTIAL AUTHORITY

The second provision is also aimed at giving the President the tools he needs to get the job done. Specifically, it vests with the President the authority to suspend any bank statute or regulation that he determines is unnecessary, imposes costs that outweigh its benefits, or has a negative impact on the availability of credit. This provision was introduced earlier this year by Senator D'AMATO as the Presidential Credit Availability and Economic Recovery Act.

President Clinton has spoken eloquently about the need to reinvent Government and for a more rational approach to regulation, particularly banking regulation. This provision will help the President accomplish this important goal: if he believes that a particular banking regulation restricts the availability of credit, thereby slowing economic growth, the President will have the undisputed authority to suspend that law's application.

COMPLIANCE WITH THE COMMUNITY REINVESTMENT ACT

The third provision establishes a statutory presumption that a bank is meeting the credit needs of its community and is in compliance with the Community Reinvestment Act, if the bank has received a CRA rating of satisfactory or outstanding in the most recent evaluation of its record. This presumption is rebuttable by clear and convincing evidence that a community's credit needs are not being met.

When a bank seeks to buy a new branch office, it should not have to relitigate the issue of CRA compliance if it already has a satisfactory or outstanding CRA rating. Many bankers wonder why they seek a CRA rating in the first place, if the issue of compliance is relitigated again and again and again. A statutory presumption of CRA compliance would help prevent needless litigation and ultimately reduce costs for bank consumers.

REGULATORY IMPACT STATEMENT

The fourth provision prohibits each of the Federal banking regulators from issuing new regulations until the agency has conducted an analysis of the impact of the regulation on small banks and consumers, including small business borrowers. Before a proposed regulation becomes effective, the benefits of the regulation must outweigh its costs.

Mr. President, this may sound like common sense, but common sense is often a rare commodity in Washington.

DELAYING THE EFFECTIVE DATE OF SECTION 132

The fifth provision delays, until January 1, 1996, the effective date of section 132 of the Federal Deposit Insurance Corporation Improvement Act of 1991. Section 132 requires Federal regulators to set national standards for a wide array of internal bank procedures—all regardless of whether these standards are appropriate for individual institutions.

Although originally designed as a reform measure, section 132's one-size-fits-all approach to bank procedures could have a negative impact on bank lending. As Federal Reserve Board Chairman Alan Greenspan recently explained:

> The necessary regulatory response * * * and the anticipated industry response to the new regulations have and will divert scarce resources at regulatory agencies, add to the regulatory burden on the industry, and create uncertainties, all of which reduce the incentives of bankers to take on risk, perhaps even reasonable business risk.

Delaying the effective date of section 132 will give banks, particularly community banks, more time to grapple with the new regulatory requirements. This will hopefully reduce the uncertainty and spur prudent lending.

CONSUMER SURVEYS

The sixth and final provision directs each Federal banking regulatory agency to conduct a survey of bank customers to determine whether those laws that Congress designed to protect consumers are, in fact, achieving their intended goals. The laws that will be surveyed include the Truth-in-Savings Act, the Truth-in-Lending Act, and the Community Reinvestment Act. The surveys must be completed within 6 months of the enactment of this bill.

All too often, Congress passes laws under the banner of consumer protection without having a clear sense of whether these laws will work as advertised. I suspect that some consumer protection laws actually end up harming consumers in the long run as the additional costs of regulation are passed on to them. To determine whether bank consumers are, in fact, benefiting from the laws we pass, Congress and the regulators should do what any business would do—conduct a survey and ask the consumers themselves.

WON'T END THE CREDIT CRUNCH OVERNIGHT

Mr. President, these proposals will not end the credit crunch overnight, but they are a step in the right direction. We all agree that regulation is necessary to protect the taxpayers from the costs of bank failures and to protect consumers from the unscrupulous practices of the few bad apples in the banking business. But regulation should never be an end in itself, and it should never act as an obstacle to economic growth, absent very strong justifications.

Mr. President, I ask unanimous consent that the full text of the Credit Crunch Relief Act of 1993 and an executive summary of the act be inserted in the RECORD immediately after my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Credit Crunch Relief Act of 1993".

SEC. 2. EXEMPTION FROM LOAN DOCUMENTATION REVIEW.

Section 10 of the Federal Deposit Insurance Act (12 U.S.C. 1820) is amended by adding at the end the following new subsection:

"(h) EXEMPTION FROM LOAN DOCUMENTATION REVIEW.—

"(1) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'adequately capitalized' has the same meaning as in section 38;

"(B) the term 'eligible depository institution' means a depository institution that—

"(i) is adequately capitalized; and

"(ii) has a CAMEL or MACRO composite rating of 1 or 2 under the Uniform Financial Institutions Rating System as of the most recent examination of such institution by the appropriate Federal banking agency;

"(C) the term 'small business' has the meaning given to such term by the Administrator of the Small Business Administration;

"(D) the term 'small farm' has the meaning given to such term by the Secretary of Agriculture; and

"(E) the term 'qualifying loan' means a loan to a small business or a small farm that is identified by an eligible depository institution under paragraph (3) and that otherwise meets the requirements of this subsection.

"(2) EXEMPTION.—Except to the extent provided by an order or regulation of an appropriate Federal banking agency, a depository institution examiner may not consider the adequacy of the documentation accompanying the extension of qualifying loans by an eligible depository institution in making any examination or evaluation of the institution under this section. Qualifying loans shall be evaluated by the appropriate Federal banking agency solely on the performance of such loans.

"(3) QUALIFYING LOANS.—An eligible depository institution may identify a portion of its portfolio of loans to small businesses or to small farms, in writing, as qualifying loans for purposes of the exemption provided in paragraph (2).

"(4) LIMITATIONS.—

"(A) LOAN TYPES AND AMOUNTS.—A loan may not be considered to be a qualifying loan if—

"(i) inclusion of the loan in the total number of qualifying loans identified by an eligible depository institution would result in an aggregate value of all qualifying loans made by that institution equal to more than 40 percent of the total capital of the institution;

"(ii) the loan amount is more than the lesser of—

"(I) $900,000; or

"(II) 5 percent of the total capital of the eligible depository institution; or

"(iii) the borrower is an executive officer, director, or principal shareholder of such institution.

"(B) ADJUSTMENTS.—Each appropriate Federal banking agency may adjust the limitations set forth in subparagraph (A), to permit eligible depository institutions to make additional qualifying loans, consistent with preserving the safety and soundness of such institutions, in order to further promote credit availability.

"(5) INTERNAL DOCUMENTATION.—An eligible depository institution shall—

"(A) maintain an aggregate list or accounting segregation of its qualifying loans which includes the current performance status of each such loan; and

"(B) fully evaluate and maintain an internal record of the collectibility of each qualifying loan in determining the adequacy of its allowance for loan and lease losses or general valuation allowance attributable to such loan.

"(6) LOSS OF ELIGIBILITY.—A depository institution may not identify any new qualifying loans (including loan renewals) for purposes of the exemption provided in paragraph (2) at any time during which it fails to meet the eligibility requirements of this subsection.".

SEC. 3. PRESIDENTIAL REVIEW AND AUTHORITY TO SUSPEND.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the President shall conduct a thorough review and evaluation of all statutory and regulatory provisions affecting insured depository institutions. This review shall include an analysis of—

(1) the purposes of the provision;

(2) the effectiveness of the provision in achieving such purposes;

(3) whether any other provision provides an alternative or duplicative means of achieving those purposes;

(4) the cost imposed by compliance with the provisions upon insured depository institutions and consumers; and

(5) the relationship between the provision, its compliance costs, and the availability of credit in the United States.

(b) AUTHORITY TO SUSPEND.—If the President makes a determination described in subsection (c), the President may, by executive order, suspend the applicability of—

(1) any Federal law affecting insured depository institutions or depository institution holding companies (or any portion thereof); and

(2) any regulation or guideline promulgated by any of the Federal banking agencies (or any portion thereof).

(c) DETERMINATION.—The President may not suspend the applicability of any law, regulation, or guideline under subsection (b) unless the President determines that—

(1) the Federal law, regulation, or guideline has accomplished its goal and the law, regulation, or guideline is therefore no longer necessary;

(2) the law, regulation, or guideline is not as effective in achieving its intended purpose as other available alternatives that would impose lesser costs on financial institutions, their customers, or the economy;

(3) the cost of compliance with the law, regulation, or guideline outweighs the potential benefits sought to be accomplished by the law, regulation, or guideline; or

(4) the law, regulation, or guideline has a negative impact on the availability of credit in the United States which outweighs the benefits sought to be accomplished by the law, regulation, or guideline.

(d) PUBLICATION AND EFFECTIVE DATE.—A Presidential order issued pursuant to this section shall be published in the Federal Register, and shall become effective 30 days after such publication, unless the President, for good cause, determines that a shorter period is necessary and in the public interest.

(e) CONSULTATION.—Prior to making a determination under subsection (b) that a law, regulation, or guideline is to be suspended, the President shall consult with the Secretary of the Treasury, the Chairperson of the Federal Deposit Insurance Corporation, the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Director of the Office of Thrift Supervision.

(f) NOTIFICATION.—The President shall notify the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives prior to issuing any order under subsection (b).

(g) RESTRICTION.—Nothing in this section authorizes the President to suspend any law, regulation, or guideline—

(1) that is necessary for the safe and sound operation of insured depository institutions; or

(2) that—

(A) prohibits discrimination in the provision of financial services based on race, sex, national origin, marital status, or age;

(B) relates directly to the conduct of monetary policy; or

(C) pertains to an enforcement proceeding or supervisory action with respect to a particular institution or party.

(h) SUNSET.—The authority of the President to suspend any law, regulation, or guideline under this section shall terminate on January 1, 1997.

(i) INCORPORATED DEFINITIONS.—For purposes of this section, the terms "Federal banking agencies" and "insured depository institution" have the same meanings as in section 3 of the Federal Deposit Insurance Act.

SEC. 4. NEW FEDERAL BANKING REGULATIONS SUBJECT TO REGULATORY IMPACT ANALYSIS.

(a) REGULATORY IMPACT ANALYSIS.—

(1) IN GENERAL.—No new regulation shall be promulgated by an appropriate Federal banking agency until such agency has conducted a regulatory impact analysis and concluded that the benefits of the proposed regulation outweigh the costs of implementing and complying with the regulation, including the particular benefits and costs of compliance with the proposed regulation for small banks.

(2) NEW REGULATIONS.—For purposes of this subsection, a regulation shall be considered to be "new" if it is promulgated, modified, amended, or reissued on or after the date of enactment of this Act.

(b) COSTS.—In reviewing the costs of implementing and complying with a proposed regulation under subsection (a), the appropriate Federal banking agency shall consider the impact of the proposed regulation on—

(1) the national economy (including the potential for job creation);

(2) consumers;

(3) small businesses;

(4) small banks (including administrative and personnel costs);

(5) other users of financial services; and

(6) new paperwork and documentation requirements.

(c) BENEFITS.—In reviewing the benefits of a proposed regulation under subsection (a), the appropriate Federal banking agency shall consider the benefits of the proposed regulation to—

(1) the public;

(2) taxpayers; and

(3) the overall safety and soundness of the Nation's banking system.

(d) EASING BURDEN ON SMALL BANKS.—In conducting the regulatory impact analysis under subsection (a), the appropriate Federal banking agency shall consider including in the proposed regulation a provision that eases the regulatory burden on small banks, including special compliance provisions.

(e) ESTIMATE REQUIRED.—The regulatory impact analysis required by subsection (a) shall include an estimate of the number of small banks and small businesses that will be affected by the regulation.

(f) DEFINITIONS.—For the purposes of this section, the following definitions shall apply:

(1) INCORPORATED DEFINITIONS.—The terms "appropriate Federal banking agency" and "bank", have the same meanings as in section 3 of the Federal Deposit Insurance Act.

(2) REGULATORY IMPACT ANALYSIS.—The term "regulatory impact analysis" means a review of the potential costs and benefits of a proposed regulation, and in particular, the costs to small banks and their customers.

(3) SMALL BANK.—The term "small bank" means a bank or savings association with total assets of not more than $400,000,000.

SEC. 5. PRESUMPTION OF COMPLIANCE WITH COMMUNITY REINVESTMENT ACT.

Section 804 of the Community Reinvestment Act of 1977 (12 U.S.C. 2903) is amended by adding at the end the following new subsection:

"(c) SAFE HARBOR PROVISION.—

"(1) PRESUMPTION OF COMPLIANCE.—In the evaluation of an application for a deposit facility by a regulated financial institution that has received a rating of 'Satisfactory' or 'Outstanding' in the most recent written evaluation of its record under section 807(b), the institution shall be entitled to a presumption, rebuttable by clear and convincing evidence, that it is meeting the credit needs of the entire community and is otherwise in compliance with the requirements of this title.

"(2) RESOLUTION OF DISPUTES.—The appropriate Federal financial supervisory agency shall resolve any disputed evaluation of compliance with this title not later than 30 days after the dispute arises.".

SEC. 6. EXTENSION OF EFFECTIVE DATE.

Section 132 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1831p-1 note) is amended—

(1) in subsection (b), by striking "August 1, 1993" and inserting "January 1, 1996"; and

(2) by amending subsection (c) to read as follows:

"(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on January 1, 1996.".

SEC. 7. CONSUMER SURVEYS AND REPORT.

(a) SURVEYS.—Not later than 6 months after the date of enactment of this Act, each of the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act) shall conduct a statistically valid survey of financial services consumers to determine the general public awareness of, perceived benefits to consumers of, and cost effectiveness of the Federal banking laws under which the agency operates that are intended for the protection of such consumers, including, but not limited to—

(1) the Expedited Funds Availability Act;

(2) the Truth in Lending Act;

(3) the Truth in Savings Act;

(4) the Real Estate Settlement Procedures Act of 1974;

(5) the Home Mortgage Disclosure Act of 1975;

(6) the Fair Credit Reporting Act;

(7) the Equal Credit Opportunity Act;

(8) the Community Reinvestment Act of 1977;

(9) the Home Equity Loan Consumer Protection Act;

(10) the Fair Credit and Charge Card Disclosure Act; and

(11) the rules and regulations promulgated under those Acts.

(b) REPORT.—Not later than 30 days after completion of its survey under subsection (a), each of the Federal banking agencies shall submit a report of the results of its survey to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

CREDIT CRUNCH RELIEF ACT OF 1993—EXECUTIVE SUMMARY

Section 1. Short Title. The bill is entitled the "Credit Crunch Relief Act of 1993."

Section 2. Exemption of Loan Document Review. This provision amends the Federal Deposit Insurance Corporation Improvement Act of 1991 to permit the strongest banks and thrifts (with CAMEL OR MACRO ratings of 1 or 2) to make loans to small businesses with only "minimal documentation." The total of the "minimal documentation" loans at a single institution will be limited to 40 percent of its total capital. No individual loan may exceed $900,000 or 5% of the lending institution's total capital, whichever is less. Each Federal banking agency may adjust this limitation to permit eligible institutions to make additional "minimal documentation" loans, consistent with safety and soundness considerations.

This provision reflects the Administration's credit crunch proposal.

Section 3. Expansion of Presidential Authority. This provision gives the President the authority, by executive order, to suspend any statute or regulation affecting a depository institution if he determines that the statute or regulation 1) is unnecessary, 2) is less effective in achieving its purpose than other available alternatives, 3) imposes costs that outweigh its benefits, or 4) has a negative impact on the availability of credit. Before suspending any statute or regulation, the President must notify the House and Senate Banking Committees. Presidential authority granted by the provision expires on January 1, 1997.

This provision incorporates the Presidential Credit Availability and Economic Recovery Act, introduced by Senator D'Amato.

Section 4. Presumption of Compliance with the Community Reinvestment Act. This provision establishes a statutory presumption that a bank is meeting the credit needs of its community and is in compliance with the Community Reinvestment Act, if the bank has received a CRA rating of "Satisfactory" or "Outstanding" in the most recent evaluation of its record. This presumption is rebuttable by "clear and convincing" evidence that a community's credit needs are not being met.

Section 5. Regulatory Impact Statement. This provision prohibits the promulgation of new banking regulations until the appropriate agency conducts an analysis of the regulatory impact on small banks and consumers, including small business borrowers.

This provision is taken from the Small Business Assistance and Credit Crunch Relief Act, introduced by Senator Chafee.

Section 6. Delay Effective Date of Section 132 of FDICIA. This provision delays the effective date of Section 132 of FDICIA until January 1, 1996. Section 132 operates as a straightjacket on bank operations by requiring federal regulators to set nationwide standards for a wide variety of bank internal procedures, including a bank's internal controls, loan documentation practices, and credit underwriting standards—all regardless of whether these standards are appropriate for individual institutions.

Section 7. Consumer Survey. This provision directs each Federal banking agency to conduct a statistically valid survey of financial-services customers to determine the general public awareness of, perceived benefits to consumers of, and cost effectiveness of, the federal banking laws designed to protect consumers. Each survey must be conducted within six months of enactment. A report summarizing the survey results must be submitted to the House and Senate Banking Committees within 30 days of the survey's completion.

By Mr. MCCONNELL (for himself, Mr. LUGAR, and Mr. COATS):

S. 1152. A bill to suspend the duties on certain chemicals; to the Committee on Finance.

DUTY SUSPENSION LEGISLATION

• Mr. MCCONNELL. Mr. President, I rise today to introduce legislation that will temporarily suspend duties on certain chemicals imported by the Engelhard Corp. Engelhard, located in Louisville, KY, produces a wide variety of pigments and dyes primarily for its customers in the automotive industry.

In its production process, Engelhard sources several million dollars a year of raw materials from foreign countries. The chemicals Engelhard imports are not available domestically, nor are any domestic-produced substitutes available. The duties paid on the imported products add, on average, 16 percent to Engelhard's purchase price, putting the company at a competitive disadvantage relative to its foreign competitors.

The bill I'm introducing today will suspend temporarily these duties, allowing Engelhard to continue to acquire the production materials it requires in a way that will enable the firm to compete effectively in the international arena.

I encourage the members of the Finance Committee to look favorably on this and other duty-suspension bills and to act quickly to pass a comprehensive duty suspension bill this Congress.•

By Mr. DECONCINI:

S. 1154. A bill to amend the Foreign Assistance Act of 1961 to provide for the establishment of a microenterprise development fund, and for other purposes; to the Committee on Foreign Relations.

MICROENTERPRISE DEVELOPMENT FUND

• Mr. DECONCINI. Mr. President, today I rise to introduce a bill which will greatly improve the quality of the foreign aid we provide to developing countries. I am pleased to be supported in this effort by my distinguished colleague from Florida, Senator BOB GRAHAM. This bill will restructure AID's microenterprise program through the creation of a centrally managed microenterprise development fund. Consolidating this program into one fund will reduce costs, streamline its administration, and assure that more resources flow directly to the poor and women by using the outreach capacity of indigenous, grassroots organizations.

Mr. President, so often our foreign aid dollars have ended up in the wrong hands in recipient nations. Either because of lack of infrastructure, cultural biases, incompetence, or outright corruption, our taxpayers' hard earned dollars do not get to the people in developing countries who earnestly desire to improve their own welfare as well as that of their communities and their countries. At the same time that much of our aid has been squandered, I have watched with admiration as private assistance organizations—such as the Grameen Bank in Bangladesh—have demonstrated the effectiveness of microenterprise assistance programs as a means of sustaining economic development as the grassroots level.

Although we have been making progress in supporting microenterprise activities in recent years, there is so much more that we can do to implement a truly effective program. In recent years, AID has made only a fraction of the microenterprise loans of which it is capable. According to a 1991 report to Congress from AID, only 67,000 loans were made with AID's entire microenterprise portfolio. In contrast, during the same period, PRODEM, a leading private microenterprise organization in Bolivia, made over 52,000 loans in that one country during the same period.

Moreover, AID continues to have difficulty in meeting the central goals of the original microenterprise legislation, that of extending credit to the poor and maximizing the participation of women. In fiscal year 1991, AID made some progress toward these goals, generating 39,000 loans at an average size of $128. These loans, however, represent only 12 percent of the capital in AID's portfolio. AID also reported that women received only 35 percent of its loan capital, which is a further indication that the program is not adequately reaching the severely poor.

Since the poor rarely have access to salaried jobs in the developing world, the majority turn to self-employment. Microenterprise programs provide the self-employed poor with credit at market rates, freeing them from the yoke of money lenders who can charge interest rates as high as 10 percent per day. The high repayment rates of these microenterprise loan programs, which often exceed 95 percent, attest to the seriousness with which poor people address this once-in-a-lifetime opportunity.

Microenterprise programs are particularly effective in improving the socioeconomic status of women. These programs demonstrate that the enterprises of poor women can make for sound investments. Not only do women have higher repayment rates than men, studies show that women are more inclined to use their increased income to better their families' health, nutrition, and housing.

The microenterprise development fund will promote sustainable financial and technical assistance institutions which serve the self-employed poor in the developing world. The fund will help open the financial markets of these countries to millions of new entrepreneurs and savers. Funds will be channeled through U.S. private voluntary organizations, credit unions, and local nongovernmental organizations. The resources of the fund will be leveraged with those of the U.S. private sector, other donor nations, and local communities. For every dollar disbursed from the fund, recipient institutions should generate at least $5 in loans by leveraging and rotating the capital. And, of course, this assistance is not a one-way street. As developing nations improve their economic status, they provide markets for U.S. goods, services, and technology. This means jobs for Americans.

At a time when we must pinch every penny which we consider spending, and when there are many in this country who call for the United States to withdraw from its international commitments, which I believe would be disastrous, we must ensure that our foreign aid dollars support the most effective programs possible. We have recently overcome the unintended legislative effects of language contained in last year's foreign operations appropriation bill which established conditions which were interpreted by some as blocking AID from supporting microenterprise programs. I am confident that the new AID administrator, Mr. Brian Atwood, fully supports this effort to put his agency squarely behind sustainable development.

Mr. President, this bill is an important step toward implementing Senate Concurrent Resolution 26, the Many Neighbors, One Earth resolution, which calls on President Clinton to lead a reform effort that puts sustainable development at the center of our foreign aid policy. This resolution forms the basis of the effort we are currently undertaking with Deputy Secretary of State Warton to restructure our foreign aid. It is important to note that we are not calling for increased foreign aid spending, but rather for a shift in emphasis within the existing budget.

Our specific goals in pursuit of sustainable development are: Expanding economic opportunities, especially for the poor; meeting basic human needs for food, water, health care; and education; promoting environmental protection and sustainable natural resource use; and, and promoting pluralism, democratic participation, and respect for human rights.

I have attempted to increase our flexibility in administering the microenterprise development fund by avoiding the setting of a specific dollar amount to be appropriated. However, I must add that it is my hope that the amount expended by AID for microenterprise activities will be at least the $85 million which was urged for this program in last year's report accompanying the Senate's foreign operations appropriations bill.

I call upon the Congress and the Administration to support this legislation which will help to ensure that, even in these lean times, the United States will remain a generous and effective supporter of the developing nations of the world. I urge my colleagues to cosponsor this legislation and ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1154

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MICROENTERPRISE DEVELOPMENT.

Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding after title V the following:

"TITLE VI—MICROENTERPRISE DEVELOPMENT

"SEC. 251. MICROENTERPRISE DEVELOPMENT.

"(a) CENTRALLY-MANAGED FUND.—

"(1) ESTABLISHMENT AND MANAGEMENT.—The administrator of the agency primarily responsible for administering this part shall establish within the agency a centrally-managed fund to be known as the Microenterprise Development Fund (hereafter in this section referred to as the 'Fund'). The Fund shall be managed by the office in that agency that has primary responsibility for working with private and voluntary organizations.

"(2) DISBURSEMENTS THROUGH THE FUND.—All economic support fund assistance and development assistance that are used to promote microenterprise development shall be disbursed through the Fund.

"(b) ACTIVITIES TO BE SUPPORTED.—The Fund shall be used to support—

"(1) the institutional development of the entities described in subsection (c);

"(2) the provision of microenterprise credit through the entities described in subsection (c); and

"(3) research on microenterprise development and evaluation of microenterprise activities funded under this section.

"(c) INTERMEDIARY ORGANIZATIONS.—Funds disbursed through the Fund shall be primarily channeled through—

"(1) United States and indigenous private and voluntary organizations,

"(2) United States and indigenous credit union organizations, and

"(3) other indigenous governmental and nongovernmental organizations,

that have demonstrated a capacity to develop sustainable microenterprise service institutions.

"(d) ALLOCATION OF FUNDS.—

"(1) MICROENTERPRISE CREDIT.—(A) Of amounts disbursed through the Fund each fiscal year pursuant to subsection (b)(2), at least 50 percent shall be used for poverty lending. As used in this paragraph, the term 'poverty lending' means a loan of $300 or less or, in the case of an initial loan, of $150 or less.

"(B) The administrator of the agency primarily responsible for administering this part shall seek to ensure that not less than 60 percent of the borrowers of funds disbursed through the Fund pursuant to subsection (b)(2) are women.

"(2) RESEARCH AND EVALUATION.—Not more than 5 percent of funds disbursed through the Fund each fiscal year may be used for research and evaluation activities under subsection (b)(3).

"(e) ADDITIONAL SOURCES OF FINANCING.—Such agency is authorized to facilitate negotiations between such organizations and multilateral development banks so that such organizations may obtain additional financing.

"SEC. 252. DEFINITIONS.

"For purposes of this title—

"(1) the term 'development assistance' means assistance provided under chapter 1 or chapter 10 of this part; and

"(2) the term 'economic support fund assistance' means assistance provided under chapter 4 of part II.".•

By Mr. GRAHAM (for himself, Mr. DURENBERGER, and Mr. MACK):

S. 1155. A bill to ensure that the Caribbean Basin Initiative is not adversely affected by the implementation of the North American Free-Trade Agreement and to apply fast-track approval procedures to free-trade agreements entered into between the United States and certain Caribbean Basin countries.

CARIBBEAN BASIN FREE TRADE AGREEMENTS ACT

Mr. GRAHAM. Mr. President, today with my colleagues Senator MACK and Senator DURENBERGER, I am introducing the Caribbean basin Free-Trade Agreements Act, legislation which will protect United States trade with the Caribbean Basin Economic Recovery Act [CBERA] beneficiary countries from the potential adverse effects of the North American Free-Trade Agreement [NAFTA] on these Caribbean and Central American countries. An almost identical bill has been introduced in the House of Representatives by Congressman SAM GIBBONS of Florida.

Upon the implementation of NAFTA, this bill would provide Caribbean and Central American countries 3-year transitional parity with NAFTA on exported goods currently excluded from CBERA. This NAFTA parity will provide tariff and quota treatment that is identical to the treatment accorded like articles imported from Mexico under NAFTA provisions.

NAFTA parity would be subject to NAFTA rules of origin, customs procedures, safeguard provisions, and any labor and environmental obligations currently being negotiated in supplementals to NAFTA.

This bill differs slightly from the House legislation, in that it omits section 102, a provision involving Caribbean access to the U.S. sugar market.

This bill provides an important opportunity to encourage Caribbean Basin nations to undertake trade liberalization measures that will allow them to move forward in joining a hemispheric trading system.

The bill authorizes the President to seek comprehensive reciprocal trade agreements under congressional fast-track implementing procedures before June 1, 1996.

The bill requires the U.S. Trade Representative to determine the timing, feasibility, and desirability for any CBERA beneficiary country or group of countries to either accede to NAFTA or enter into NAFTA-comparable reciprocal trade agreements with the United States.

After 3 years, CBERA beneficiary countries that do not accede to NAFTA or enter into free-trade agreements with the United States would no longer receive NAFTA parity.

By way of background, the United States has long cultivated a profitable trade relationship with the Caribbean Basin countries, and the benefits of this relationship are clear:

The United States enjoys a growing trade surplus with Caribbean and Central American countries, from $340 million in 1986 to $2 billion in 1992, an increase of 600 percent.

U.S. exports to the Caribbean Basin are expanding at three times the rate of our overall worldwide exports, from $6.6 billion in 1986 to $11.8 billion in 1992. These exports currently support over 200,000 American jobs. One hundred thousand of these jobs have been created since 1986, and each one of these jobs is critically important in this time of slowed economic growth.

The Department of Labor and the U.S. International Trade Commission have repeatedly concluded that the Caribbean Basin Initiative [CBI] has had little, if any, negative impact on U.S. industry and labor.

Over 77 percent of Caribbean Basin textile and apparel exports to the United States are assembled, in whole or in part, from United States components. This coproduction benefits American firms and jobs.

The Caribbean Basin is now the 10th largest market for United States products, ahead of Italy and Singapore.

I support a general policy of free trade, yet I am concerned about the potential impact of NAFTA if this parity bill is not approved. Should this agreement be implemented, CBI beneficiary countries will face serious competitive disadvantages in a small but important number of goods, especially textiles and apparel.

These countries depend on the United States for a large share of their trade and outside investment in a concentrated number of goods, which makes them particularly vulnerable to changes in such trade—potentially wiping out recent economic progress should trade and investment shift elsewhere.

In particular, for several Caribbean Basin countries—the Dominican Republic, Costa Rica, Guatemala, Honduras, and Jamaica—the growth of the apparel export industry has been a central and critical element of these countries' export-led growth strategy.

Approximately 35 percent of Caribbean Basin exports to the United States, mostly textiles and apparel products, would be put at an unintended disadvantage should NAFTA be implemented. For example, Jamaican textile and apparel exports would not be able to compete fairly with similar Mexican goods after tariffs or import barriers on the Mexican exports are lowered and thus become cheaper.

Caribbean trade is cheaper than Caribbean aid. If we do nothing, I am concerned that NAFTA will divert trade, investment, and productive facilities from the Caribbean Basin, potentially making it necessary to increase foreign aid to the region to bolster failing economies.

Foreign aid to the Caribbean has been steadily decreasing, from $1.9 billion in 1985 to $827 million in 1992, as United States trade with the Caribbean Basin has steadily increased.

The Federal Government's commitment to American business requires protecting our economic interests in Caribbean and Central American countries. It would be counterproductive to provide incentives to American businesses to invest in the region and then allow a precipitous reversal of policy to undercut those investments.

A slowdown of economic liberalization and growth in the Caribbean Basin would have repercussions in America by damaging the United States textile and apparel industry, eliminating American jobs, squandering burgeoning market opportunities for American exports, and increasing needs for foreign assistance. We should not lose our positive economic influence in the Caribbean region and be forced to return to much higher levels of aid.

Especially in the last decade, the United States has supported and encouraged movement by Caribbean and Central American nations toward democracy, macroeconomic discipline, and trade and investment liberalization. Trade with the Caribbean Basin has been an important, successful element of this policy. This opinion editorial from the Miami Herald supports my statement that we should expand programs that contribute to the free-market, democratic reforms that the United States claims to support.

Any disruption of economic growth could prove especially troubling for some of the region's more fragile political systems, especially in Central America.

In Guatemala, the business sector, threatened with the loss of international trade benefits, played a crucial role in stopping Serrano's illegal seizure of power.

Similarly, we can see the day when a democratic Haiti will have enormous economic rebuilding needs. A transitional period enhancing opportunities for outside investment and foreign trade will lessen Haiti's need for direct aid and encourage economic growth in this country.

Improving economic and political conditions in the Caribbean Basin will contribute to political stability, deter immigration and reduce trafficking in illegal drugs. It is in the best interests of the United States for these countries to maintain healthy market economies and stable democracies.

Ultimately, by linking continuation of benefits to eventual negotiations of bilateral free-trade agreements, this legislation encourages beneficiary countries to liberalize trade and assume full obligations of the hemispheric trading system, further expanding and opening markets to American goods, services, and investment. For example, Jamaica has clearly indicated a commitment to economic reform by accelerating trade liberalization, reducing tariffs, removing quantitive trade restrictions and implementing programs of privatization.

Costa Rica has shown a similar interest in economic reform and trade liberalization by opening its economy to international competition through tariff reductions and removal of trade barriers.

This bill is intended to benefit the United States by protecting a carefully cultivated trade relationship that has achieved only positive results for the United States. We should not allow our hard work and investment in this region to go to waste. Failing to protect our current beneficial trade relationship with the Caribbean Basin countries will undermine positive economic and democratic growth in these countries and eliminate well-established trade supporting our economy and American jobs.

I hope that my colleagues will join me in supporting this important initiative by continuing our commitment to building long-term economic relationships with our nearby trading partners. I ask unanimous consent that this Miami Herald article and the text of the bill be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Caribbean Basin Free Trade Agreements Act".

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that the continuation and strengthening of the commitment of the United States, as expressed by the enactment of the Caribbean Basin Economic Recovery Act and the Caribbean Basin Economic Recovery Expansion Act of 1990, to the successful development of the Caribbean region requires the enactment of provisions—

(1) to encourage the continuation of structural reform efforts by Caribbean countries toward market economies and trade liberalization;

(2) to preserve existing economic advantages under the Caribbean Basin Initiative program and avoid the potential diversion of investment from beneficiary countries under the program to Mexico as a result of the North American Free Trade Agreement;

(3) to maintain and increase trade benefits under the Caribbean Basin Initiative program in order to promote further economic development and political stability in beneficiary countries and to expand United States export opportunities in the Caribbean region; and

(4) to encourage and create further economic integration in the Western Hemisphere through free trade arrangements that provide United States business and labor reciprocal benefits through the removal of barriers to trade and investment in goods and services on a mutually advantageous basis.

TITLE I—RELATIONSHIP OF NAFTA IMPLEMENTATION TO THE OPERATION OF THE CARIBBEAN BASIN INITIATIVE

SEC. 101. TEMPORARY PROVISIONS TO PROVIDE NAFTA PARITY TO BENEFICIARY COUNTRY ECONOMIES.

(a) TEMPORARY PROVISIONS.—Section 213(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(b)) is amended to read as follows:

"(b) IMPORT-SENSITIVE ARTICLES.—

"(1) IN GENERAL.—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

"(A) textile and apparel articles which are subject to textile agreements;

"(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

"(C) tuna, prepared or preserved in any manner, in airtight containers;

"(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the Harmonized Tariff Schedule of the United States;

"(E) watches and watch parts (including cases, bracelets and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply; or

"(F) articles to which reduced rates of duty apply under subsection (h).

"(2) NAFTA TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

"(A) EQUIVALENT TARIFF AND QUOTA TREATMENT.—During the transition period—

"(i) the tariff treatment accorded at any time to any textile or apparel article that originates in the territory of a beneficiary country shall be identical to the tariff treatment that is accorded during such time under section 2 of the Annex to a like article that originates in the territory of Mexico and is imported into the United States;

"(ii) duty-free treatment under this title shall apply to any textile or apparel article of a beneficiary country that is imported into the United States and that—

"(I) meets the same requirements (other than assembly in Mexico) as those specified in Appendix 2.4 of the Annex (relating to goods assembled from fabric wholly formed and cut in the United States) for the duty free entry of a like article assembled in Mexico; or

"(II) is identified under subparagraph (C) as a handloomed, handmade, or folklore article of such country and is certified as such by the competent authority of such country; and

"(iii) no quantitative restriction or consultation level may be applied to the importation into the United States of any textile or apparel article that—

"(I) originates in the territory of a beneficiary country,

"(II) meets the same requirements (other than assembly in Mexico) as those specified in Appendix 3.1.B.10 of the Annex (relating to goods assembled from fabric wholly formed and cut in the United States) for the exemption of a like article assembled in Mexico from United States quantitative restrictions and consultation levels, or

"(III) qualifies for duty-free treatment under clause (ii)(II).

"(B) NAFTA TRANSITION PERIOD TREATMENT OF NONORIGINATING TEXTILE AND APPAREL ARTICLES.—

"(i) PREFERENTIAL TARIFF TREATMENT.—Subject to clause (ii), the United States Trade Representative may place in effect at any time during the transition period with respect to any textile or apparel article that—

"(I) is a product of a beneficiary country; but

"(II) does not qualify as a good that originates in the territory of that country;

tariff treatment that is identical to the preferential tariff treatment that is accorded during such time under Appendix 6.B of the Annex to a like article that is a product of Mexico and imported into the United States.

"(ii) PRIOR CONSULTATION.—The United States Trade Representative may implement the preferential tariff treatment described in clause (i) only after consultation with representatives of the United States textile and apparel industry and other interested parties regarding—

"(I) the specific articles to which such treatment will be extended,

"(II) the annual quantity levels to be applied under such treatment and any adjustment to such levels,

"(III) the allocation of such annual quantities among the beneficiary countries that export the articles concerned to the United States, and

"(IV) any other applicable provision.

"(iii) ADJUSTMENT OF CERTAIN BILATERAL TEXTILE AGREEMENTS.—The United States Trade Representative shall undertake negotiations for purposes of seeking appropriate reductions in the quantities of textile and apparel articles that are permitted to be imported into the United States under bilateral agreements with beneficiary countries in order to reflect the quantities of textile and apparel articles of each respective country that are exempt from quota treatment by reason of paragraph (2)(A)(iii).

"(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—For purposes of subparagraph (A), the United States Trade Representative shall consult with representatives of the beneficiary country for the purpose of identifying particular textile and apparel goods that are mutually agreed upon as being handloomed, handmade, or folklore goods of a kind described in section 2.3(a), (b), or (c) or Appendix 3.1.B.11 of the Annex.

"(D) BILATERAL EMERGENCY ACTIONS.—The President may take—

"(i) bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any textile or apparel article imported from a beneficiary country if the application of tariff treatment under subparagraph (A) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article that is a product of Mexico; or

"(ii) bilateral emergency quantitative restriction actions of a kind described in section 5 of the Annex with respect to imports of any textile or apparel article described in subparagraph (B)(i)(I) and (II) if the importation of such article into the United States results in conditions that would be cause for the taking of such actions under such section 5 with respect to a like article that is a product of Mexico.

"(3) NAFTA TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

"(A) EQUIVALENT TARIFF TREATMENT.—

"(i) IN GENERAL.—Subject to clause (ii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B) through (F) of paragraph (1) that originates in the territory of a beneficiary country shall be identical to the tariff treatment that is accorded during such time under Annex 302.2 of the NAFTA to a like article that originates in the territory of Mexico and is imported into the United States. Such articles shall be subject to the provisions for emergency action under chapter 8 of part two of the NAFTA to the same extent as if such articles were imported from Mexico.

"(ii) EXCEPTION.—Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the Harmonized Tariff Schedule of the United States.

"(B) RELATIONSHIP TO SUBSECTION (h) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (h) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

"(4) CUSTOMS PROCEDURES.—The provisions of chapter 5 of part two of the NAFTA regarding customs procedures apply to importations under paragraphs (2) and (3) of articles from beneficiary countries.

"(5) DEFINITIONS.—As used in this subsection—

"(A) The term 'the Annex' means Annex 300–B of the NAFTA.

"(B) The term 'NAFTA' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

"(C) The term 'textile or apparel article' means any article referred to in paragraph (1)(A) that is a good listed in Appendix 1.1 of the Annex.

"(D) The term 'transition period' means, with respect to a beneficiary country, the period that begins on the date that the NAFTA enters into force with respect to the United States; and ends on the earlier of—

"(i) the date that is the 3rd anniversary of the date on which the NAFTA enters into force; or

"(ii) the date on which—

"(I) there enters into force with respect to the United States a trade agreement entered into under the authority of section 202(a) of the Caribbean Basin Free Trade Agreements Act and to which the beneficiary country is a party, or

"(II) the beneficiary country accedes to the NAFTA.

"(E) An article shall be treated as having originated in the territory of a beneficiary country if the article meets the rules of origin for a good set forth in chapter 4 of part two of the NAFTA or in Appendix 6.A of the Annex. In applying such chapter 4 or Appendix 6.A with respect to a beneficiary country for purposes of this subsection, no countries other than the United States and beneficiary countries may be treated as being Parties to the NAFTA.".

(b) CONFORMING AMENDMENTS.—The Caribbean Basin Economic Recovery Act is further amended—

(1) by amending section 212(e)(1)(B) to read as follows:

"(B) withdraw, suspend, or limit the application of the duty-free treatment under this subtitle, and the tariff and preferential tariff treatment under section 213(b)(2) and (3), to any article of any country,"; and

(2) by inserting "and except as provided in section 213(b)(2) and (3)," after "Tax Reform Act of 1986," in section 213(a)(1).

TITLE II—CARIBBEAN BASIN FREE TRADE AGREEMENTS

SEC. 201. TRADE AGREEMENT FEASIBILITY AND OBJECTIVES.

As soon as practicable, the United States Trade Representative shall determine the desirability and feasibility of, and a likely timetable for, any country that is a beneficiary country for purposes of the Caribbean Basin Economic Recovery Act, or a group of such beneficiary countries, either—

(1) acceding to—

(A) the North American Free Trade Agreement pursuant to Article 2204 of such Agreement, and

(B) as appropriate, supplemental agreements pertaining to environmental, labor, and import issues; or

(2) entering into comprehensive bilateral or multilateral agreements with the United States that contain provisions that—

(A) are comparable to the provisions of the North American Free Trade Agreement and, as appropriate, to the provisions of supplemental agreements pertaining to environmental, labor, and import issues, and

(B) will achieve the applicable purposes, policies, and objectives set forth in section 212(b) and (c) of the Caribbean Basin Economic Recovery Act and section 1101 of the Omnibus Trade and Competitiveness Act of 1988.

The United States Trade Representative shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the determinations made under this section.

SEC. 202. TRADE AGREEMENT NEGOTIATING AUTHORITY.

(a) IN GENERAL.—

(1) EFFECTIVE PERIOD OF AUTHORITY.—Before June 1, 1996, the President may enter into trade agreements with one or more beneficiary countries under the Caribbean Basin Economic Recovery Act providing for the elimination or reduction of any duty imposed by the United States and for the reduction or elimination of barriers to, or other distortions of, the international trade of the beneficiary countries or the United States, if each such agreement would comply with section 201(2).

(2) LIMITATION.—Notwithstanding any other provision of law, no trade benefit shall be extended to any country by reason of the extension of any trade benefit to another country under a trade agreement entered into under paragraph (1) with such other country.

(b) CONSULTATION WITH CONGRESS BEFORE AGREEMENTS ENTERED INTO.—

(1) Before the President enters into any trade agreement under subsection (a), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate; and

(B) each other committee of the House and the Senate, and each joint committee of the Congress, which has jurisdiction over legislation involving subject matters which would be affected by the trade agreement.

(2) The consultation under paragraph (1) shall include—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, and objectives of this title; and

(C) all matters relating to the implementation of the agreement under section 203.

(3) If it is proposed to implement two or more trade agreements in a single implementing bill under section 203(a), the consultation under paragraph (1) shall include the desirability and feasibility of such proposed implementation.

SEC. 203. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) IN GENERAL.—

(1) REQUIREMENTS FOR ENTERING INTO FORCE.—Any agreement entered into under section 202(a) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which he enters into the trade agreement, notifies the House of Representatives and the Senate of his intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(B) after entering into the agreement, the President submits a document to the House of Representatives and to the Senate containing a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill,

(ii) a statement of any administrative action proposed to implement the trade agreement, and

(iii) the supporting information described in paragraph (2); and

(C) the implementing bill is enacted into law.

(2) SUPPORTING INFORMATION.—The supporting information required under paragraph (1)(B)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the agreement requirements set forth in section 201(2) (A) and (B), and

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the agreement requirements set forth in section 201(2) (A) or (B), and why and to what extent the agreement does not achieve other applicable purposes, policies, and objectives,

(II) how the agreement serves the interests of United States commerce, and

(III) why the implementing bill and proposed administrative action is required or appropriate to carry out the agreement.

(3) APPLICATION.—To ensure that a foreign country which receives benefits under a trade agreement entered into under section 202(a) is subject to the obligations imposed by such agreement, the President shall recommend to Congress in the implementing bill and statement of administrative action submitted with respect to such agreement that the benefits and obligations of such agreement apply solely to the parties to such agreement, if such application is consistent with the terms of such agreement. The President may also recommend with respect to any such agreement that the benefits and obligations of such agreement not apply uniformly to all parties to such agreement, if such application is consistent with the terms of such agreement.

(b) APPLICATION OF CONGRESSIONAL "FAST TRACK" PROCEDURES TO IMPLEMENTING BILLS.—The provisions of section 151 of the Trade Act of 1974 (19 U.S.C. 2191) apply to implementing bills submitted with respect to trade agreements entered into under section 202(a) before June 1, 1996.

(c) CONFORMING AMENDMENT.—Section 151(b)(1) of the Trade Act of 1974 (19 U.S.C. 2191(b)(1)) is amended by striking out "or section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988" and inserting ", section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988, and section 202(a) of the Caribbean Basin Free Trade Agreements Act".

YANQUI WENT HOME

Latin American governments for some time have doubted whether the Clinton administration accorded much interest to hemispheric affairs. Some of them now may feel that their fears have been confirmed.

The White House barely protested when the House of Representatives approved deep cuts in U.S. assistance to Latin America. If the House has its way, the region will get $751 million in military and non-military aid in 1994, $359 million less than in the current fiscal year and a 50 percent drop from 1992 funding.

It thus appears that Latin America and the Caribbean can expect little aid and abundant hot air from Washington. The emerging U.S. policy stresses "trade ties" with the rest of the hemisphere, even as many in the Clinton administration pander to protectionist forces within and outside the government.

Granted, foreign aid should not be spared the unkindness of cuts at a time of general fiscal austerity in Washington. But the proposed drastic reductions in aid to Latin America and the Caribbean, while reducing the Federal deficit insignificantly, will eliminate or cripple a number of modest programs that give American taxpayers excellent returns on their money.

Some of these efforts effectively strengthen Latin American democracies by providing human rights education, support for judicial reform, and microenterprise assistance. Other worthwhile programs, such as the debt-reduction portion of the Enterprise for the Americas Initiative, have already been butchered in Congress. Capitol Hill has authorized only a small fraction of presidential requests since the Enterprise was launched.

If it is passed by the Senate, the House foreign aid budget for fiscal year 1994 augurs the demise of many invaluable hemispheric programs. That is not wise public policy. If Washington must cut aid to Latin America, it ought to exercise finer discrimination in deciding where to cut. The goal should be to reduce military assistance while expanding programs that contribute to the free-market, democratic reforms that the United States claims to support throughout the hemisphere.

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 1156. A bill to provide for the settlement of land claims of the Catawba Tribe of Indians in the State of South Carolina and the restoration of the Federal trust relationship with the tribe, and for other purposes; to the Committee on Indian Affairs.

CATAWBA INDIAN LAND CLAIMS SETTLEMENT ACT

Mr. HOLLINGS. Mr. President, I rise today along with my colleague Senator THURMOND to introduce the Federal legislation and accompanying amendment necessary to settle the Nonintercourse Act land claims of the Catawba tribe of South Carolina. This bill along with its accompanying amendment is identical in substance to legislation introduced by Congressman DERRICK in the House of Representatives and will resolve once and for all this 153-year-old dispute.

The Catawba Tribe brought its land claim to Federal court in 1980 to recover possession of approximately 144,000 acres located in several counties in South Carolina. Since 1980 there have been numerous court proceedings and extensive settlement negotiations between the Catawba Tribe and affected landowners. A settlement was concluded among parties late last year, and ratified overwhelmingly by the tribe in February 1993.

Mr. President, it is time once and for all to stop the clock from ticking and to end the nail-biting economic uncertainty that has plagued both the Catawbas and current landowners in York, Chester and Lancaster Counties. The settlement agreement calls for restoration of the Catawas as a federally recognized tribe and monetary contributions of $50 million over the next 5 years ($18 million from State and local sources and $32 million from the Federal Government).

Last year, Congress took steps to avoid the threat of some 61,000 individual suits by passing legislation to extend the applicable Federal statute of limitations to October 1, 1993 (Public Law 120–339). Earlier this month, the Governor of South Carolina signed into law the State legislation necessary for implementation of this accord. Today, the bill and amendment introduced by Senator THURMOND and myself provides us with the opportunity to end years of intense negotiations and to enact a fair and equitable settlement. Mr. President, I hope that my colleagues will join me in this effort. I further ask unanimous consent that the text of the bill as well as the accompanying amendment be printed in the RECORD following the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1156

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Catawba Indian Tribe of South Carolina Land Claims Settlement Act of 1993".

SEC. 2. DECLARATION OF POLICY, CONGRESSIONAL FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress declares and finds that:

(1) It is the policy of the United States to promote tribal self-determination and economic self-sufficiency and to support the resolution of disputes over historical claims through settlements mutually agreed to by Indian and non-Indian parties.

(2) There is pending before the United States District Court for the District of South Carolina a lawsuit disputing ownership of approximately 140,000 acres of land in the State of South Carolina and other rights of the Catawba Indian Tribe under Federal law.

(3) The Catawba Indian Tribe has also initiated a related lawsuit against the United States in the United States Court of Federal Claims seeking monetary damages.

(4) Some of the significant historical events which have led to the present situation include:

(A) In treaties with the Crown in 1760 and 1763, the Tribe ceded vast portions of its aboriginal territory in the present States of North and South Carolina in return for guarantees of being quietly settled on a 144,000-acre reservation.

(B) The Tribe's district court suit contended that in 1840 the Tribe and the State entered into an agreement without Federal approval or participation whereby the Tribe ceded its treaty reservation to the State, thereby giving rise to the Tribe's claim that it was dispossessed of its lands in violation of Federal law.

(C) In 1943, the United States entered into an agreement with the Tribe and the State to provide services to the Tribe and its members. The State purchased 3,434 acres of land and conveyed it to the Secretary in trust for the Tribe and the Tribe organized under the Indian Reorganization Act.

(D) In 1959, Congress enacted the Catawba Tribe of South Carolina Division of Assets Act, 25 U.S.C. 931–938. Federal agents assured the Tribe that if the Tribe would release the Government from its obligation under the 1943 agreement and agree to Federal legislation terminating the Federal trust relationship and liquidating the 1943 reservation, the status of the Tribe's land claim would not be jeopardized by termination.

(E) In 1980, the Tribe initiated Federal court litigation to regain possession of its treaty lands and in 1986, the United States Supreme Court ruled in South Carolina against Catawba Indian Tribe that the 1959 Act resulted in the application of State statutes of limitations to the Tribe's land claim. Two subsequent decisions of the United States Court of Appeals for the Fourth Circuit have held that some portion of the Tribe's claim is barred by State statutes of limitations and that some portion is not barred.

(5) The pendency of these lawsuits has led to substantial economic and social hardship for a large number of landowners, citizens and communities in the State of South Carolina, including the Catawba Indian Tribe. Congress recognizes that if these claims are not resolved, further litigation against tens of thousands of landowners would be likely; that any final resolution of pending disputes through a process of litigation would take many years and entail great expenses to all parties; continue economically and socially damaging controversies; prolong uncertainty as to the ownership of property; and seriously impair long-term economic planning and development for all parties.

(6) The 102d Congress has enacted legislation suspending until October 1, 1993, the running of any unexpired statute of limitation applicable to the Tribe's land claim in order to provide additional time to negotiate settlement of these claims.

(7) It is recognized that both Indian and non-Indian parties enter into this settlement to resolve the disputes raised in these lawsuits and to derive certain benefits. The parties' Settlement Agreement constitutes a good faith effort to resolve these lawsuits and other claims and requires implementing legislation by the Congress of the United States, the General Assembly of the State of South Carolina, and the governing bodies of the South Carolina counties of York and Lancaster.

(8) To advance the goals of the Federal policy of Indian self-determination and restoration of terminated Indian tribes, and in recognition of the United States obligation to the Tribe and the Federal policy of settling historical Indian claims through comprehensive settlement agreements, it is appropriate

that the United State participate in the funding and implementation of the Settlement Agreement.

(b) PURPOSE.—It is the purpose of this Act—

(1) to approve, ratify, and confirm the Settlement Agreement entered into by the non-Indian settlement parties and the Tribe;

(2) to authorize and direct the Secretary to implement the terms of such Settlement Agreement;

(3) to authorize the actions and appropriations necessary to implement the provisions of the Settlement Agreement and this Act;

(4) to remove the cloud on titles in the State of South Carolina resulting from the Tribe's land claim; and

(5) to restore the trust relationship between the Tribe and the United States.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) The term "Tribe" means the Catawba Indian Tribe of South Carolina as constituted in aboriginal times, which was party to the Treaty of Pine Tree Hill in 1760 as confirmed by the Treaty of Augusta in 1763, which was party also to the Treaty of Nation Ford in 1840, and which was the subject of the Termination Act, and all predecessors and successors in interest, including the Catawba Indian Tribe of South Carolina, Inc.

(2) The term "claim" or "claims" means any claim which was asserted by the Tribe in either Suit, and any other claim which could have been asserted by the Tribe or any Catawba Indian of a right, title or interest in property, to trespass or property damages, or of hunting, fishing or other rights to natural resources, if such claim is based upon aboriginal title, recognized title, or title by grant, patent, or treaty including the Treaty of Pine Tree Hill of 1760, the Treaty of Augusta of 1763, or the Treaty of Nation Ford of 1840.

(3) The term "Executive Committee" means the body of the Tribe composed of the Tribe's executive officers as selected by the Tribe in accordance with its constitution.

(4) The term "Existing Reservation" means that tract of approximately 630 acres conveyed to the State in trust for the Tribe by J.M. Doby on December 24, 1842, by deed recorded in York County Deed Book N, pp. 340–341.

(5) The term "General Council" means the membership of the Tribe convened as the Tribe's governing body for the purpose of conducting tribal business pursuant to the Tribe's constitution.

(6) The terms "internal matters" or "internal tribal matters" mean matters which include (but are not limited to) the relationship between the Tribe and one or more of its Members, the conduct of tribal government over Members, and the Tribe's exercise of the power to exclude individuals from the Reservation.

(7) The term "Member" means individuals who are members of the Tribe as determined in accordance with this Act.

(8) The term "Reservation" or "Expanded Reservation" means the Existing Reservation and the lands added to the Existing Reservation in accordance with section 14 of this Act, which are to be held in trust by the Secretary in accordance with this Act.

(9) The term "Secretary" means the Secretary of the Interior.

(10) The term "Settlement Agreement" means the document entitled "Agreement in Principle" between the Tribe and the State of South Carolina and attached to the copy of the State implementing legislation and filed with the Secretary of State of the State of South Carolina.

(11) The term "State" means, except for sections 6(a) through (f) and subsections (d)(2) and (h) of section 18 of this Act, the State of South Carolina.

(12) The term "Suit" or "Suits" means Catawba Indian Tribe of South Carolina v. State of South Carolina, et al., docketed as Civil Action No. 80–2050 and filed in the United States District Court for the District of South Carolina; and Catawba Indian Tribe of South Carolina v. The United States of America, docketed as Civil Action No. 90–553L and filed in the United States Court of Federal Claims.

(13) The term "Termination Act" means the Act entitled "An Act to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the tribe and for other purposes", approved September 21, 1959 (73 Stat. 592; 25 U.S.C. 931–938).

(14) The term "transfer" includes (but is not limited to) any voluntary or involuntary sale, grant, lease, allotment, partition, or other conveyance; any transaction the purpose of which was to effect a sale, grant, lease, allotment, partition, or conveyance; and any act, event or circumstance that resulted in a change in title to, possession of, dominion over, or control of land, water, minerals, timber, or other natural resources.

(15) The term "Trust Funds" means the trust funds established by section 13 of this Act.

SEC. 4. RESTORATION OF FEDERAL TRUST RELATIONSHIP.

(a) RESTORATION OF THE FEDERAL TRUST RELATIONSHIP.—On the effective date of this Act, the trust relationship between the Tribe and the United States shall be restored.

(b) ELIGIBILITY FOR FEDERAL BENEFITS AND SERVICES.—Notwithstanding any other provision of law, on the same date as the trust relationship is restored, the Tribe and the Members shall be eligible for all benefits and services furnished to federally recognized Indian tribes and their members because of their status as Indians. On the effective date of this Act, the Secretary shall enter the Tribe on the list of federally recognized bands and tribes maintained by the Department of Interior; and its members shall be entitled to special services, educational benefits, medical care, and welfare assistance provided by the United States to Indians because of their status as Indians, and the Tribe shall be entitled to the special services performed by the United States for tribes because of their status as Indian tribes.

(c) HEALTH CARDS.—In addition to any other entitlement or eligibility the Tribe or Members may have because of their status as Indians, the Indian Health Service shall issue health cards for use by any Member in a health care facility of their choosing approved by the Indian Health Service as to quality of care. Such health card shall entitle the Member to the same level of care as is available at any Indian health care facility or through contract health care for Indians.

(d) REPEAL OF TERMINATION ACT.—The Termination Act is repealed, and the provisions of the Termination Act shall not apply to the Tribe or Members after the effective date of this Act.

(e) EFFECT ON PROPERTY RIGHTS AND OTHER OBLIGATIONS.—Except as otherwise specifically provided in this Act, this Act shall not affect any property right or obligation or any contractual right or obligation in existence before the effective date of this Act, or any obligation for taxes levied before that date.

(f) EXTENT OF JURISDICTION.—This Act shall not be construed to empower the Tribe with special jurisdiction or to deprive the State of jurisdiction other than as expressly provided by this Act or by the State implementing legislation. The jurisdiction and governmental powers of the Tribe shall be solely those set forth in this Act and the State implementing legislation.

(g) IMPACT AID.—For purposes of the Act of September 30, 1950 (Public Law 874, 81st Congress; 20 U.S.C. 236 et seq.), if any property within the school district of any local educational agency is occupied by any part of the Expanded Reservation, such local educational agency shall be considered to have fulfilled the requirements of section 2 of such Act and shall be eligible for payments under section 3 of such Act.

SEC. 5. SETTLEMENT FUNDS.

(a) AUTHORIZATION FOR APPROPRIATION.—There is hereby authorized to be appropriated $32,000,000 for the Federal share which shall be deposited in the trust funds established pursuant to section 13 of this Act or paid pursuant to section 6(g).

(b) DISBURSEMENT IN ACCORDANCE WITH SETTLEMENT AGREEMENT.—The Federal Funds appropriated pursuant to this Act shall be disbursed in five equal annual installments of $6,400,000 beginning in the fiscal year following enactment of this Act. Funds transferred to the Secretary from other sources shall be deposited in the trust funds established pursuant to section 13 of this Act or paid pursuant to section 6(g) within 30 days of receipt by the Secretary.

(c) PRIVATE FUNDS.—Any private payments made to settle the claims may be treated, at the election of the taxpayer, as either a payment in settlement of litigation or a charitable contribution for Federal income tax purposes.

(d) FEDERAL, STATE, LOCAL AND PRIVATE CONTRIBUTIONS HELD IN TRUST BY SECRETARY.—The Secretary shall, on behalf of the Tribe, collect those contributions toward settlement appropriated or received by the State pursuant to section 5.2 of the Settlement Agreement and shall either hold such funds totalling $18,000,000, together with the Federal funds appropriated pursuant to this Act, in trust for the Tribe pursuant to the provisions of section 13 of this Act or pay such funds pursuant to section 6(g) of this Act.

SEC. 6. RATIFICATION OF PRIOR TRANSFERS; EXTINGUISHMENT OF ABORIGINAL TITLE, RIGHTS AND CLAIMS.

(a) RATIFICATION OF TRANSFERS.—Any transfer of land or natural resources located anywhere within the United States from, by, or on behalf of the Tribe, any one or more of its Members, or anyone purporting to be a Member, including but without limitation any transfer pursuant to any treaty, compact, or statute of any State, shall be deemed to have been made in accordance with the Constitution and all laws of the United States, and Congress hereby does approve and ratify any such transfer effective as of the date of said transfer. Nothing in this section shall be construed to affect or eliminate the personal claim of any individual Member (except for any Federal common law fraud claim) which is pursued under any law of general applicability that protects non-Indians as well as Indians.

(b) ABORIGINAL TITLE.—To the extent that any transfer of land or natural resources described in subsection (a) of this section may involve land or natural resources to which the Tribe, any of its Members, or anyone purporting to be a Member, or any other Indian, Indian nation, or tribe or band of Indians had aboriginal title, subsection (a) of this section shall be regarded as an extinguishment of aboriginal title as of the date of such transfer.

(c) EXTINGUISHMENT OF CLAIMS.—By virtue of the approval and ratification of any transfer of land or natural resources effected by this section, or the extinguishment of aboriginal title effected thereby, all claims against the United States, any State or subdivision thereof, or any other person or entity, by the Tribe, any of its Members, or anyone purporting to be a Member, or any predecessors or successors in interest thereof or any other Indian, Indian Nation, or tribe or band of Indians, arising at the time of or subsequent to the transfer and based on any interest in or right involving such land or natural resources, including without limitation claims for trespass damages or claims for use and occupancy, shall be deemed extinguished as of the date of the transfer.

(d) EXTINGUISHMENT OF TITLE.—(1) All claims and all right, title, and interest that the Tribe, its Members, or any person or group of persons purporting to be Catawba Indians may have to aboriginal title, recognized title, or title by grant, patent, or treaty to the lands located anywhere in the United States are hereby extinguished.

(2) This extinguishment of claims shall also extinguish title to any hunting, fishing, or water rights or rights to any other natural resource claimed by the Tribe or a Member based on aboriginal or treaty recognized title, and all trespass damages and other damages associated with use, occupancy or possession, or entry upon such lands.

(e) BAR TO FUTURE CLAIMS.—The United States is hereby barred from asserting by or on behalf of the Tribe or any of its Members, or anyone purporting to be a Member, any claim arising before the date of enactment of this Act from the transfer of any land or natural resources by deed or other grant, or by treaty, compact, or act of law, on the grounds that such transfer was not made in accordance with the laws of South Carolina or the Constitution or laws of the United States.

(f) NO DEROGATION OF FEE SIMPLE IN EXISTING RESERVATION.—Nothing in this section shall be construed to diminish or derogate from the fee simple estate in the Existing Reservation or fee simple owned by members.

(g) COSTS AND ATTORNEYS' FEES.—The parties to the Suits shall bear their own costs and attorneys' fees except that the Secretary shall approve and pay to the Tribe's attorneys in the Suits reasonable attorneys' fees and expenses not to exceed 10 percent of the $50,000,000 obligated for payment to the Tribe by Federal, State, local, and private parties pursuant to section 5 of the Settlement Agreement.

(h) PERSONAL CLAIMS NOT AFFECTED.—Nothing in this section shall be deemed to affect, diminish, or eliminate the personal claim of any individual Indian which is pursued under any law of general applicability (other than Federal common law fraud) that protects non-Indians as well as Indians.

SEC. 7. TRIBAL MEMBERSHIP.

(a) MEMBERSHIP CRITERIA.—A person shall be considered a member of the Tribe and his or her name shall be carried on the membership roll if the person is living on the date of enactment of this Act and—

(1) his or her name was listed on the membership roll published by the Secretary in the Federal Register on February 25, 1961 (26 Federal Register 1680-1688, "Notice of Final Membership Roll"), and he or she is not excluded under the provisions of subsection (b); or

(2) The Executive Committee determines, based on the criteria used to compile the roll referred to in paragraph (1), that his or her name should have been included on the membership roll at that time, but was not; or

(3) he or she is a lineal descendant of a Member whose name appeared or should have appeared on the membership roll referred to in paragraph (1).

(b) REVISION OF MEMBERSHIP ROLL.—The Tribe shall revise and update its membership roll to include those persons eligible for membership under subsection (a) and excluding any persons found to have been erroneously listed.

(c) FEDERAL REGISTER NOTICE.—As soon as practicable after the enactment of this Act, the Secretary shall publish in the Federal Register a notice stating:

(1) That the rolls of the Tribe are open and will remain open for a period of 90 days.

(2) The requirements for membership.

(3) The final membership roll as of September 21, 1959.

(4) The updated membership roll as prepared by the Executive Committee and approved by the General Council.

(5) The name and address of the tribal or Federal official to whom inquiries should be made.

(d) FINALIZING MEMBERSHIP ROLL.—Within 120 days after publication of notice under subsection (c), the Secretary, after consultation with the Tribe, shall prepare and publish in the Federal Register a proposed final roll of the Tribe's membership. Within 60 days from the date of publication of the proposed final roll, an appeal may be filed with the Executive Committee under rules made by the Executive Committee in consultation with the Secretary. Such an appeal may be filed by a Member with respect to the inclusion of any name on the proposed membership roll and by any person with respect to the exclusion of his or her name from the membership roll. The Executive Committee shall review such appeals and render a decision, subject to the Secretary's approval. If the Executive Committee and the Secretary disagree, the Secretary's decision will be final. All such appeals shall be resolved within 90 days following publication of the proposed roll. The final membership roll of the Tribe shall then be published in the Federal Register and shall be final for purposes of the distribution of funds from the Per Capita Trust Fund.

(e) FUTURE MEMBERSHIP IN THE TRIBE.—The Tribe shall have the right to determine future membership in the Tribe; however, in no event may an individual be added to the final membership roll which is compiled in accordance with subsection (d) unless an individual is a lineal descendent of a person on such final membership roll.

SEC. 8. TRANSITIONAL AND PROVISIONAL GOVERNMENT.

(a) FUTURE TRIBAL GOVERNMENT.—The Tribe shall adopt a new constitution within 24 months after enactment of this Act.

(b) EXECUTIVE COMMITTEE AS TRANSITIONAL BODY.—(1) Until the Tribe has adopted a constitution, the existing tribal constitution shall remain in effect and the Executive Committee is recognized as the provisional and transitional governing body of the Tribe. For a period not to exceed 24 months from the date of enactment of this Act, the Executive Committee shall—

(A) represent the Tribe and its Members in the implementation of this Act; and

(B) during such period—

(i) have full authority to enter into contracts, grant agreements and other arrangements with any Federal department or agency; and

(ii) have full authority to administer or operate any program under such contracts or agreements.

(2) Until the initial election of tribal officers under a new constitution and by-laws, the Executive Committee shall—

(A) determine tribal membership in accordance with the provisions of section 7; and

(B) oversee and implement the revision and proposal to the Tribe of a new constitution and conduct such tribal meetings and elections as required by this Act.

SEC. 9. TRIBAL CONSTITUTION AND GOVERNANCE.

(a) INDIAN REORGANIZATION ACT.—If the Tribe so elects, it may organize under the Act of June 18, 1934 (25 U.S.C. 461 et seq.; commonly referred to as the "Indian Reorganization Act"). The Tribe shall be subject to such Act except to the extent such sections are inconsistent with this Act.

(b) ADOPTION OF NEW TRIBAL CONSTITUTION.—Within 180 days after the enactment of this Act, the Executive Committee shall draft and distribute to each Member eligible to vote under the Tribal constitution in effect on the date of enactment of this Act, a proposed constitution and bylaws for the Tribe together with a brief, impartial description of the proposed constitution and bylaws and a notice of the date, time and location of the election under this subsection. Not sooner than 30 days or later than 90 days after the distribution of the proposed constitution, the Executive Committee shall conduct a secret-ballot election to adopt a new constitution and bylaws.

(c) MAJORITY VOTE FOR ADOPTION; PROCEDURE IN EVENT OF FAILURE TO ADOPT PROPOSED CONSTITUTION.—(1) The tribal constitution and bylaws shall be ratified and adopted if—

(A) not less than 30 percent of those entitled to vote do vote; and

(B) approved by a majority of those actually voting.

(2) If in any such election such majority does not approve the adoption of the proposed constitution and bylaws, the Executive Committee shall prepare another proposed constitution and bylaws and present it to the Tribe in the same manner provided in this section for the first constitution and bylaws. Such new proposed constitution and bylaws shall be distributed to the eligible voters of the Tribe no later than 180 days after the date of the election in which the first proposed constitution and bylaws failed of adoption. An election on the question of the adoption of the new proposal of the Executive Committee shall be conducted in the same manner provided in subsection (b) for the election on the first proposed constitution and bylaws.

(d) ELECTION OF TRIBAL OFFICERS.—Within 120 days after the Tribe ratifies and adopts a constitution and bylaws, the Executive Committee shall conduct an election by secret ballot for the purpose of electing tribal officials as provided in the constitution and bylaws. Subsequent elections shall be held in accordance with the Tribe's constitution and bylaws.

(e) EXTENSION OF TIME.—Any time periods prescribed in subsections (b) and (c) may be altered by written agreement between the Executive Committee and the Secretary.

SEC. 10. JURISDICTION AND GOVERNANCE OF THE RESERVATION.

(a) POWERS OF TRIBE.—(1) Regardless of whether the Tribe elects to organize under the Act of June 18, 1934, under section 9(a), in any constitution adopted by the Tribe, the Tribe may be authorized to exercise authority as consistent with the Settlement Agreement and this Act—

(A) to regulate the use and disposition of tribal property;

(B) to define laws, petty crimes, and rules of conduct applicable to Members while on the Reservation, supplementing but not supplanting the criminal laws of the State;

(C) to regulate the conduct of businesses located on the Reservation and individuals residing on the Reservation;

(D) to levy taxes on Members and levy other taxes as provided by this Act and by the Settlement Agreement;

(E) to grant exemptions, abatements, or waivers from any tribal laws, tribal regulations, or tribal taxes, except the Tribal Sales and Use Taxes, otherwise applicable on the Reservation, including waivers of the jurisdiction of any tribal court;

(F) to adopt its own form of government;

(G) to determine membership as provided by this Act;

(H) to exclude non-members from its membership rolls and from the Reservation, except for—

(i) any public roads traversing the Reservation;

(ii) passage on and use of the Catawba River;

(iii) public or private easements encumbering the Reservation properly used by those with authority to use such easements;

(iv) Federal, State and local governmental officials and employees duly performing official governmental functions on the Reservation; and

(v) any other access to the Reservation allowed by Federal law; and

(I) to charter tribally-owned economic development corporations and enterprises provided the corporations or enterprises register with the Secretary of State for South Carolina as a domestic or foreign corporation when doing business off the Reservation.

(2) Except as otherwise provided in this Act and in the Settlement Agreement, the Tribe shall exercise full authority over internal matters.

(b) INDIAN CIVIL RIGHTS ACT.—The Tribe shall be subject to titles II through VII of Public Law 90-284, as amended (25 U.S.C. 1301 et seq.; commonly referred to as the "Indian Civil Rights Act") which shall apply to the Reservation, any tribal court, and anyone subject to the jurisdiction of the Tribe.

SEC. 11. CRIMINAL JURISDICTION.

(a) CRIMINAL JURISDICTION GENERALLY.—Except as provided in subsection (b), the State shall exercise exclusive jurisdiction over all crimes under the statutory or common law of the State of South Carolina.

(b) CRIMINAL JURISDICTION OF TRIBAL COURT.—(1) Any constitution adopted by the Tribe may provide for a tribal court with original and appellate criminal jurisdiction, subject to the following limitations:

(A) The territorial jurisdiction of the court shall be limited to the Reservation.

(B) The jurisdiction of the court over persons shall be limited to Members.

(C) The subject matter jurisdiction of the court shall be limited to crimes within the jurisdiction of the State's Magistrates' Courts and to any additional misdemeanors and petty offenses specified in the ordinances or laws adopted by the Tribe.

(D) The fines and penalties for such misdemeanors and offenses shall not exceed the maximum fines and penalties that a State magistrate's court may impose.

(2) In all cases in which the tribal court has jurisdiction over State law—

(A) its jurisdiction shall be concurrent with the jurisdiction of the Magistrates' Court of the State; and

(B) defendants shall have the right to remove such cases to the Magistrates' Court or appeal their convictions in tribal court cases to the General Sessions Court, in the same manner that Magistrates' Court's decisions may be appealed, or in accordance with such procedures as the South Carolina General Assembly may provide.

(3) In cases where the tribal court is applying those additional ordinances or laws adopted by the Tribe in accordance with this subsection, it shall have exclusive jurisdiction.

(c) PEACE OFFICERS.—For the purpose of enforcing the Tribe's powers under sections 10(a), 11, and 17 of this Act, the Tribe may employ peace officers. The employment and authority of peace officers shall be in the manner prescribed in the Settlement Agreement and the State implementing legislation.

SEC. 12. CIVIL JURISDICTION OF TRIBAL COURT.

(a) JURISDICTION AS PRESCRIBED BY THIS ACT.—(1) The Tribe may provide in its constitution for a Tribal Court having civil jurisdiction which may extend up to, but not exceed, the extent provided by this Act. The Tribe may have a court of original jurisdiction, as well as an appellate court.

(2)(A) With respect to actions on contracts, the Tribal Court may be vested with jurisdiction over the following:

(i) An action on a contract to which the Tribe or a Member is a party, which expressly provides in writing that the Tribal Court has concurrent or exclusive jurisdiction.

(ii) An action on a contract between the Tribe or a Member and other parties or agents thereof who are physically present on the Reservation when the contract is made, which is to be performed in part on the Reservation so long as the contract does not expressly exclude jurisdiction of the Tribal Court.

(iii) An action on a contract to which the Tribe or a member of the Tribe is a party where more than 50 percent of the services to be rendered are performed on the Reservation so long as the contract does not expressly exclude jurisdiction of the Tribal Court.

(B) For purposes of this paragraph, the delivery of goods or the solicitation of business on the Reservation shall not constitute part performance sufficient to confer jurisdiction.

(3) With respect to actions in tort, the Tribal Court may be vested with jurisdiction over the following:

(A) An action arising out of an intentional tort, as defined by South Carolina law, committed on the Reservation in which recovery is sought for bodily injuries and/or damages to tangible property located on the Reservation.

(B) An action arising out of negligent tortious conduct occurring on the Reservation or conduct occurring on the Reservation for which strict liability may be imposed, excluding, however, accidents occurring within the right-of-way limits of any highway, road, or other public easement owned or maintained by the State or any of its subdivisions, or by the United States, which abuts or crosses the Reservation. Any such action in tort involving a non-member of the Tribe as defendant may be removed to a State or Federal court of appropriate jurisdiction if the amount in controversy exceeds the jurisdictional limits then applicable to Magistrate's Courts in the State of South Carolina.

(4) The Tribal Court may be vested with exclusive jurisdiction over internal matters of the Tribe.

(5) The Tribal Court may be vested with jurisdiction over domestic relations where both spouses to the marriage are Members and both reside on the Reservation or last resided together on the Reservation before the separation leading to their divorce.

(6) The Tribal Court may be vested with jurisdiction to enforce against any business located on the Reservation, and any Member or non-Member residing on the Reservation, any tribal civil regulation regulating conduct on the Reservation enacted pursuant to section 10(a) or 17 of this Act. Such persons or entities are charged with notice of the Tribe's regulations governing conduct on the Reservation and are subject to the enforcement of such regulations in the tribal court unless the Tribe has specifically exempted the entity or person from any or all regulation and enforcement in tribal court.

(b) CONCURRENT JURISDICTION.—(1) The original jurisdiction of the Tribal Court over matters set forth in paragraphs (2) (if concurrent), (3), and (5) of subsection (a) shall be concurrent with the jurisdiction of the Court of Common Pleas of South Carolina, the Family Court, and United States District Court for South Carolina where permitted by title 28 of the United States Code.

(2) The original jurisdiction of the Tribal Court over the matters set forth in paragraph (2)(A) of subsection (a) shall be concurrent or exclusive depending upon the agreement of the parties.

(3) The original jurisdiction of the Tribal Court over matters set forth in paragraph (4) of subsection (a) shall be exclusive.

(4) The original jurisdiction of the Tribal Court over matters set forth in paragraph (6) of subsection (a) shall be exclusive unless the Tribe has waived such exclusive jurisdiction as to any person or entity.

(5) As to all paragraphs in subsection (a) referred to in this subsection, jurisdiction over appeals, if any, is governed by subsection (d).

(c) WAIVER OF JURISDICTION.—The Tribe may waive Tribal Court jurisdiction or the application of tribal laws with respect to any person or firm residing, doing business, or otherwise entering upon the Reservation or contracting with the Tribe. Any Member may also waive Tribal Court jurisdiction or specify in a written contract the law of any appropriate jurisdiction to govern any commercial transaction or the interpretation of a contract to which the Member is a party.

(d) APPEALS TO STATE OR FEDERAL COURT.—(1) All final judgments entered in actions tried in Tribal Court shall be subject to an appeal to the Family Court, the Court of Common Pleas, or the United States District Court depending upon whether that court would have had jurisdiction over the appealed matter had it been commenced in that court if—

(A) a party to the suit is not a member of the Tribe;

(B) the amount in controversy or the cost of complying with any equitable order or decree exceeds the jurisdictional limits then applicable in the Magistrate's Court of South Carolina; and

(C) the subject matter of the suit does not fall within the provisions of subsection (a)(2)(A)(i) if jurisdiction is exclusive, or subsection (a)(4) or (6).

(2) The Tribe may enlarge the right of appeal to include other subject matters and

Members, subject to such rules and procedures as the applicable court and relevant State and Federal laws may provide.

(3) In any appeal under this subsection, the court, as appropriate, may—

(A) enter judgment affirming the Tribal Court;

(B) dismiss the case for lack of jurisdiction of the Tribal Court, but only in those cases where the Tribal Court has first addressed the issue of its jurisdiction;

(C) reverse or remand the case for retrial or reconsideration in Tribal Court; or

(D) grant a trial de novo in its court.

(4) In any appeal, trial, or trial de novo pursuant to this subsection, the reviewing court shall apply any regulation enacted pursuant to tribal authority.

(e) FULL FAITH AND CREDIT.—(1) In cases subject to the provisions of subsection (a)(3) or (d), all final judgments of the Tribal Court shall be given full faith and credit in the State or Federal court with appropriate jurisdiction, and the Tribal Court shall give full faith and credit to final judgments of the State and Federal courts.

(2) If a Member seeks to enforce against a non-Member in Federal court a final judgment of the Tribal Court in a case not subject to the provisions of subsection (a)(3) or (d), the judgment shall be reviewed by the Federal court in the manner provided in title 9, United States Code.

(f) SOVEREIGN IMMUNITY.—(1) The Tribe may sue, or be sued, in any court of competent jurisdiction; except, however, that the Tribe shall enjoy sovereign immunity, including damage limits and except as provided in this subsection, immunity from seizure, execution, or encumbrance of properties, to the same extent as the political subdivisions of the State as provided in the South Carolina Tort Claims Act (Section 15-78-10, et seq., S.C. Code Annotated, 1976 as amended), and amendments of general applicability thereto adopted after the date of enactment of this Act. With respect to non-consumer liability based on contract, however, the Tribe may, in a written contract, provide that it is immune from suit on that contract as if there had been no waiver of sovereign immunity.

(2) Notwithstanding the provisions of this section, the Tribe shall be subject to suit as provided in section 17(a) of this Act.

(3) The nature and extent of this sovereign immunity shall be construed consistent with the Settlement Agreement and with applicable State and Federal law.

(4)(A) The Tribe shall procure and maintain liability insurance with the same coverage and limits as required of political subdivisions of the State.

(B) In the event that the Tribe's insurance coverage is inadequate or unavailable to satisfy a judgment within the limits of the South Carolina Tort Claims Act, neither the judgment nor any other process may be levied upon the corpus or principal of the Tribal Trust Funds or upon any property held in trust for the Tribe by the United States; however, the Tribe or the Secretary shall honor valid orders of a Federal or State court which enters money judgments for causes of action against the Tribe arising after the consummation of the Settlement Agreement by making an assignment to the judgment creditor of the right to receive income out of the next quarterly payment or payments of income from the Tribal Trust Funds.

(g) INDIAN CHILD WELFARE ACT.—(1) The Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.) shall apply to Catawba Indian children except as provided in this section.

(2) Before the Tribe may assume jurisdiction over Indian child custody proceedings under the Indian Child Welfare Act of 1978, the Tribe shall present to the Secretary for approval a petition to assume such jurisdiction, and the Secretary shall approve the petition in the manner prescribed in such Act. Any petition to assume jurisdiction over Indian child custody proceedings by the Tribe shall be considered and determined by the Secretary in accordance with the relevant provisions of such Act. The Secretary's determination that the Tribe may assume jurisdiction under such Act shall not affect any action or proceeding over which a court has assumed jurisdiction.

(3) Until the Tribe has assumed jurisdiction over Indian child custody proceedings, the State shall retain exclusive jurisdiction over Indian custody proceedings; however, the State Court shall apply the Indian Child Welfare Act of 1978 in such proceedings.

(4)(A) The Indian Child Welfare Act of 1978 shall not apply to private adoptions of Indian children under the jurisdiction of the Tribe under such Act where—

(i) both parents consent to the adoption; or

(ii) in the case of an unwed mother—

(I) where the mother consents to the adoption when the father's consent is not necessary for the adoption under South Carolina Law Section 20-7-1690 and any amendments thereto, and

(II) the parents or mother help choose adoptive parents, regardless of whether or not the adoptive parents are outside the preferences of the Indian Child Welfare Act of 1978.

(B) The court may consider any benefits, material and cultural, the child may lose in determining whether the proposed adoption is in the best interests of the child. Failure of the courts to make this consideration shall not be subsequently held to invalidate the adoption.

(5) In all cases of adoption, regardless of whether the Indian Child Welfare Act of 1978 applies, section 107 of such Act (25 U.S.C. 1917) shall apply.

(h) JURISDICTION OF STATE COURTS.—If no Tribal Court is established by the Tribe, the State shall exercise jurisdiction over all civil and criminal cases arising out of acts and transactions occurring on the Reservation or involving Members. If the Tribe establishes a Tribal Court, the provisions of subsection (b) and section 11(b) shall govern whether such jurisdiction is exclusive or concurrent.

SEC. 13. TRIBAL TRUST FUNDS.

(a) PURPOSES OF TRUST FUNDS.—All funds paid pursuant to section 5 of this Act shall be deposited with the Secretary in trust for the benefit of the Tribe. Separate trust funds shall be established for the following purposes: Economic Development, Land Acquisition, Education, Social Services and Elderly Assistance, and Per-Capita Payments. Except as provided in this section, the Tribe, in consultation with the Secretary, shall determine the share of settlement payments to be deposited in each Trust Fund, and define, consistently with the provisions of this section, the purposes of each Trust Fund and provisions for administering each, specifically including provisions for periodic distribution of current and accumulated income, and for invasion and restoration of principal.

(b) OUTSIDE MANAGEMENT OPTION.—(1) The Tribe, in consultation with and subject to the approval of the Secretary, is authorized to place any of the Trust Funds under professional management, outside the Department of the Interior.

(2) If the Tribe elects to place any of the Trust Funds under professional management outside the Department of the Interior, it may engage a consulting or advisory firm to assist in the selection of an independent professional investment management firm, and it shall engage, with the approval of the Secretary, an independent investment management firm of proven competence and experience established in the business of counseling large endowments, trusts, or pension funds.

(3) The Secretary shall have 45 days to approve or reject any independent investment management firm selected by the Tribe. If the Secretary fails to approve or reject the firm selected by the Tribe within 45 days, the investment management firm selected by the Tribe shall be deemed to have been approved by the Secretary.

(4) Secretarial approval of an investment management firm shall not be unreasonably withheld, and any Secretarial disapproval of an investment management firm shall be accompanied by a detailed explanation setting forth the Secretary's reasons for such disapproval.

(5)(A) For funds placed under professional management, the Tribe, in consultation with the Secretary and its investment manager, shall develop—

(i) current operating and long-term capital budgets; and

(ii) a plan for managing, investing, and distributing income and principal from the Trust Funds to match the requirements of the Tribe's operating and capital budgets.

(B) For each Trust Fund which the Tribe elects to place under outside professional management, the investment plan shall provide for investment of Trust Fund assets so as to serve the purposes described in this section and in the Trust Fund provisions which the Tribe shall establish in consultation with the Secretary and the independent investment management firm.

(C) Distributions from each Trust Fund shall not exceed the limits on the use of principal and income imposed by the applicable provisions of this Act for that particular Trust Fund.

(D)(i) The Tribe's investment management plan shall not become effective until approved by the Secretary.

(ii) Upon submission of the plan by the Tribe to the Secretary for approval, the Secretary shall have 45 days to approve or reject the plan. If the Secretary fails to approve or disapprove the plan within 45 days, the plan shall be deemed to have been approved by the Secretary and shall become effective immediately.

(iii) Secretarial approval of the plan shall not be unreasonably withheld and any secretarial rejection of the plan shall be accompanied by a detailed explanation setting forth the Secretary's reasons for rejecting the plan.

(E) Until the selection of an established investment management firm of proven competence and experience, the Tribe shall rely on the management, investment, and administration of the Trust Funds by the Secretary pursuant to the provisions of this section.

(c) TRANSFER OF TRUST FUNDS; EXCULPATION OF SECRETARY.—Upon the Secretary's approval of the Tribe's investment management firm and an investment management plan, all funds previously deposited in trust funds held by the Secretary and all funds subsequently paid into the trust funds, which are chosen for outside management, shall be transferred to the accounts established by an investment management firm in accordance with the approved investment management plan. The Secretary shall be exculpated by the Tribe from liability for any loss of principal or interest resulting from investment decisions made by the investment management firm. Any Trust Fund transferred to an investment management firm shall be returned to the Secretary upon written request of the Tribe, and the Secretary shall manage such funds for the benefit of the Tribe.

(d) LAND ACQUISITION TRUST.—(1) The Secretary shall establish and maintain a Catawba Land Acquisition Trust Fund, and until the Tribe engages an outside firm for investment management of this trust fund, the Secretary shall manage, invest, and administer this trust fund. The original principal amount of the Land Acquisition Trust Fund shall be determined by the Tribe in consultation with the Secretary.

(2) The principal and income of the Land Acquisition Trust Fund may be used for the purchase and development of Reservation and non-Reservation land pursuant to the Settlement Agreement, costs related to land acquisition, and costs of construction of infrastructure and development of the Reservation and non-Reservation land.

(3)(A) Upon acquisition of the maximum amount of land allowed for expansion of the Reservation, or upon request of the Tribe and approval of the Secretary pursuant to the Secretarial approval provisions set forth in subsection (b)(5)(D) of this section, all or part of the balance of this trust fund may be merged into one or more of the Economic Development Trust Fund, the Education Trust Fund, or the Social Services and Elderly Assistance Trust Fund.

(B) Alternatively, at the Tribe's election, the Land Acquisition Trust Fund may remain in existence after all the Reservation land is purchased in order to pay for the purchase of non-Reservation land.

(4)(A) The Tribe may pledge or hypothecate the income and principal of the Land Acquisition Trust Fund to secure loans for the purchase of Reservation and non-Reservation lands.

(B) Following enactment of this Act and before the final annual disbursement is made as provided in section 5 of this Act, the Tribe may pledge or hypothecate up to 50 percent of the unpaid annual installments required to be paid to this Trust Fund, the Economic Development Trust Fund and the Social Services and Elderly Assistance Trust Fund by section 5 of this Act and by section 5 of the Settlement Agreement, to secure loans to finance the acquisition of Reservation or non-Reservation land or infrastructure improvements on such lands.

(e) ECONOMIC DEVELOPMENT TRUST.—(1) The Secretary shall establish and maintain a Catawba Economic Development Trust Fund, and until the Tribe engages an outside firm for investment management of this Trust Fund, the Secretary shall manage, invest, and administer this Trust Fund. The original principal amount of the Economic Development Trust Fund shall be determined by the Tribe in consultation with the Secretary. The principal and income of this Trust Fund may be used to support tribal economic development activities, including but not limited to infrastructure improvements and tribal business ventures and commercial investments benefiting the Tribe.

(2) The Tribe, in consultation with the Secretary, may pledge or hypothecate future income and up to 50 percent of the principal of this Trust Fund to secure loans for economic development. In defining the provisions for administration of this Trust Fund, and before pledging or hypothecating future income or principal, the Tribe and the Secretary shall agree on rules and standards for the invasion of principal and for repayment or restoration of principal, which shall encourage preservation of principal, and provide that, if feasible, a portion of all profits derived from activities funded by principal be applied to repayment of the Trust Fund.

(3) Following the enactment of this Act and before the final annual disbursement is made as provided in section 5 of this Act, the Tribe may pledge or hypothecate up to 50 percent of the unpaid annual installments required to be paid by section 5 of this Act and by section 5 of the Settlement Agreement to secure loans to finance economic development activities of the Tribe, including (but not limited to) infrastructure improvements on Reservation and non-Reservation lands.

(4) If the Tribe develops sound lending guidelines approved by the Secretary, a portion of the income from this Trust Fund may also be used to fund a revolving credit account for loans to support tribal businesses or business enterprises of tribal members.

(f) EDUCATION TRUST.—The Secretary shall establish and maintain a Catawba Education Trust Fund, and until the Tribe engages an outside firm for investment management of this Trust Fund, the Secretary shall manage, invest, and administer this Trust Fund. The original principal amount of this Trust Fund shall be determined by the Tribe in consultation with the Secretary; subject to the requirement that upon completion of all payments into the Trust Funds, an amount equal to at least ⅓ of all State, local, and private contributions made pursuant to the Settlement Agreement shall have been paid into the Education Trust Fund. Income from this Trust Fund shall be distributed in a manner consistent with the terms of the Settlement Agreement. The principal of this Trust Fund shall not be invaded or transferred to any other Trust Fund, nor shall it be pledged or encumbered as security.

(g) SOCIAL SERVICES AND ELDERLY ASSISTANCE TRUST.—(1) The Secretary shall establish and maintain a Catawba Social Services and Elderly Assistance Trust Fund and, until the Tribe engages an outside firm for investment management of this Trust Fund, the Secretary shall manage, invest, and administer the Social Services and Elderly Assistance Trust Fund. The original principal amount of this Trust Fund shall be determined by the Tribe in consultation with the Secretary.

(2) The income of this Trust Fund shall be periodically distributed to the Tribe to support social services programs, including (but not limited to) housing, care of elderly, or physically or mentally disabled Members, child care, supplemental health care, education, cultural preservation, burial and cemetery maintenance, and operation of tribal government.

(3) The Tribe, in consultation with the Secretary, shall establish eligibility criteria and procedures to carry out this subsection.

(h) PER CAPITA PAYMENT TRUST FUND.—(1) The Secretary shall establish and maintain a Catawba Per Capita Payment Trust Fund in an amount equal to 15 percent of the settlement funds paid pursuant to section 5 of the Settlement Agreement. Until the Tribe engages an outside firm for investment management of this Trust Fund, the Secretary shall manage, invest, and administer the Catawba Per Capita Payment Trust Fund.

(2) Each person whose name appears on the final roll of the Tribe published by the Secretary pursuant to section 7(c) of this Act will receive a one-time, non-recurring payment from this Trust Fund.

(3) The amount payable to each member shall be determined by dividing the trust principal and any accrued interest thereon by the number of members on the final roll.

(4)(A) Subject to the provisions of this paragraph, each enrolled member who has reached the age of 21 years on the date the final roll is published shall receive the payment on the date of distribution, which shall be as soon as practicable after date of publication of the final roll. Adult Members shall be paid their pro rata share of this Trust Fund on the date of distribution unless they elect in writing to leave their pro rata share in the Trust Fund, in which case such share shall not be distributed.

(B) The pro rata share of adult Members who elect not to withdraw their payment from this Trust Fund shall be managed, invested and administered, together with the funds of Members who have not attained the age of 21 years on the date the final roll is published, until such Member requests in writing that their pro rata share be distributed, at which time such Member's pro rata share shall be paid, together with the net income of the Trust Fund allocable to such Member's share as of the date of distribution.

(C) No member may elect to have their pro rata share managed by this Trust Fund for a period of more than 21 years after the date of publication of the final roll.

(5)(A) Subject to the provisions of this paragraph, the pro rata share of any Member who has not attained the age of 21 years on the date the final roll is published shall be managed, invested and administered pursuant to the provisions of this section until such Member has attained the age of 21 years, at which time such Member's pro rata share shall be paid, together with the net income of the Trust Fund allocable to such Member's share as of the date of payment. Such Members shall be paid their pro rata share of this Trust Fund on the date they attain 21 years of age unless they elect in writing to leave their pro rata share in the Trust Fund, in which case such share shall not be distributed.

(B) The pro rata share of such Members who elect not to withdraw their payment from this trust fund shall be managed, invested and administered, together with the funds of members who have not attained the age of 21 years on the date the final roll is published, until such Member requests in writing that their pro rata share be distributed, at which time such Member's pro rata share shall be paid, together with the net income of the Trust Fund allocable to such Member's share as of the date of distribution.

(C) No Member may elect to have their pro rata share retained and managed by this Trust Fund beyond the expiration of the period of 21 years after the date of publication of the final roll.

(6) After payments have been made to all Members entitled to receive payments, this Trust Fund shall terminate, and any balance remaining in this Trust Fund shall be merged into the Economic Development Trust Fund, the Education Trust Fund, or the Social Services and Elderly Assistance Trust Fund, as the Tribe may determine.

(i) DURATION OF TRUST FUNDS.—Subject to the provisions of this section and with the exception of the Catawba Per Capita Payment Trust Fund, the Trust Funds established in accordance with this section shall continue in existence so long as the Tribe exists and is recognized by the United States. The principal of these Trust Funds shall not be invaded or distributed except as expressly authorized in this Act or in the Settlement Agreement.

(j) TRANSFER OF MONEY AMONG TRUST FUNDS.—The Tribe, in consultation with the Secretary, shall have the authority to transfer principal and accumulated income between Trust Funds only as follows:

(1) Funds may be transferred among the Catawba Economic Development Trust Fund, the Catawba Land Acquisition Trust Fund and the Catawba Social Services and Elderly Assistance Trust Fund, and from any of those three Trust Funds into the Catawba Education Trust Fund; except, that the mandatory share of State, local, and private sector funds invested in the original corpus of the Catawba Education Trust Fund shall not be transferred to any other Trust Fund.

(2) Any Trust Fund, except for the Catawba Education Trust Fund, may be dissolved by a vote of two-thirds of those Members eligible to vote, and the assets in such Trust Fund shall be transferred to the remaining Trust Funds; except, that (A) no assets shall be transferred from any of the Trust Funds into the Catawba Per Capita Payment Trust Fund, and (B) the mandatory share of State, local and private funds invested in the original corpus of the Catawba Education Trust Fund may be not be transferred or used for any non-educational purposes.

(3) The dissolution of any Trust Fund shall require the approval of the Secretary pursuant to the Secretarial approval provisions set forth in subsection (b)(5)(D) of this section.

(k) TRUST FUND ACCOUNTING.—(1) The Secretary shall account to the Tribe periodically, and at least annually, for all Catawba Trust Funds being managed and administered by the Secretary. The accounting shall—

(A) identify the assets in which the Trust Funds have been invested during the relevant period;

(B) report income earned during the period, distinguishing current income and capital gains;

(C) indicate dates and amounts of distributions to the Tribe, separately distinguishing current income, accumulated income, and distributions of principal; and

(D) identify any invasions or repayments of principal during the relevant period and record provisions the Tribe has made for repayment or restoration of principal.

(2)(A) Any outside investment management firm engaged by the Tribe shall account to the Tribe and separately to the Secretary at periodic intervals, at least quarterly. Its accounting shall—

(i) identify the assets in which the Trust Funds have been invested during the relevant period;

(ii) report income earned during the period, separating current income and capital gains;

(iii) indicate dates and amounts of distributions to the Tribe, distinguishing current income, accumulated income, and distributions of principal; and

(iv) identify any invasions or repayments of principal during the relevant period and record provisions the Tribe has made for repayment or restoration of principal.

(B) Prior to distributing principal from any Trust Fund, the investment management firm shall notify the Secretary of the proposed distribution and the Tribe's proposed use of such funds, following procedures to be agreed upon by the investment management firm, the Secretary, and the Tribe. The Secretary shall have 15 days within which to object in writing to any such invasion of principal. Failure to object will be deemed approval of the distribution.

(C) All Trust Funds held and managed by any investment management firm shall be audited annually by a certified public accounting firm approved by the Secretary, and a copy of the annual audit shall be submitted to the Tribe and to the Secretary within four months following the close of the Trust Funds' fiscal year.

(l) REPLACEMENT OF INVESTMENT MANAGEMENT FIRM AND MODIFICATION OF INVESTMENT MANAGEMENT PLAN.—The Tribe shall not replace the investment management firm approved by the Secretary without prior written notification to the Secretary and approval by the Secretary of any investment management firm chosen by the Tribe as a replacement. Such Secretarial approval shall be given or denied in accordance with the Secretarial approval provisions contained in subsection (b)(5)(D) of this section. The Tribe and its investment management firm shall also notify the Secretary in writing of any revisions in the investment management plan which materially increase investment risk or significantly change the investment management plan, or the agreement, made in consultation with the Secretary pursuant to which the outside management firm was retained.

(m) TRUST FUNDS NOT COUNTED FOR CERTAIN PURPOSES; USE AS MATCHING FUNDS.—None of the funds, assets, income, payments, or distributions from the trust funds established pursuant to this section (except funds distributed from the Catawba Per Capita Trust Fund) shall at any time affect the eligibility of the Tribe or its Members for, or be used as a basis for denying or reducing funds to the Tribe or its Members under any Federal, State, or local program. Distributions from these Trust Funds may be used as matching funds, where appropriate, for Federal grants or loans.

SEC. 14. ESTABLISHMENT OF EXPANDED RESERVATION.

(a) EXISTING RESERVATION.—The State, after obtaining any necessary judicial approval, shall convey the Existing Reservation to the United States as trustee for the Tribe, and the obligation of the State as trustee for the Tribe with respect to this land shall cease.

(b) EXPANDED RESERVATION.—(1) The Secretary, in consultation with the Tribe, shall develop an Expanded Reservation in the manner prescribed by the Settlement Agreement.

(2) The Secretary, after consulting with the Tribe, shall engage a professional land planning firm and a registered land surveyor as provided in the Settlement Agreement. The Secretary will bear the cost of all services rendered by the surveyor and the planning firm.

(3) After the effective date of this Act, the Secretary, in consultation with the Tribe, may identify, purchase, and place in Reservation status tracts of lands in the manner prescribed by the Settlement Agreement.

(4) The Secretary shall bear the cost of all title examinations, preliminary subsurface soil investigations, and level one environmental audits to be performed on each parcel contemplated for purchase for the Expanded Reservation, and shall report the results to the Tribe. Payment of any option fee and the purchase price shall be drawn from the Catawba Land Acquisition Trust Fund.

(5) The total area of the Expanded Reservation shall be limited to 3,000 acres, including the Existing Reservation, but the Tribe may exclude from this limit up to 600 acres of additional land under the conditions set forth in the Settlement Agreement. The Tribe may seek to have the permissible area of the Expanded Reservation enlarged by an additional 600 acres as set forth in the Settlement Agreement.

(6) All lands acquired by the Secretary for the Expanded Reservation will be held in trust together with the Existing Reservation which the State is to convey to the United States.

(c) EXPANSION ZONES.—(1) Subject to the conditions, criteria, and procedures set forth in the Settlement Agreement, the Secretary and the Tribe shall endeavor at the outset to acquire contiguous tracts for the Expanded Reservation in the "Catawba Reservation Primary Expansion Zone", as defined in the Settlement Agreement.

(2) Subject to the conditions, criteria, and procedures set forth in the Settlement Agreement, the Secretary, in consultation with the Tribe, may elect to purchase contiguous tracts in an alternative area, the "Catawba Reservation Secondary Expansion Zone", as defined in the Settlement Agreement.

(3) The Tribe may propose different or additional expansion zones subject to the approval of the Secretary and to the additional authorizations required in the Settlement Agreement and the State implementing legislation.

(d) NON-CONTIGUOUS TRACTS.—The Secretary, acting on behalf of the Tribe, shall take such actions as are reasonable to expand the Existing Reservation by assembling a composite tract of contiguous parcels that border and surround the Existing Reservation. Before placing any non-contiguous tract in Reservation status, the Tribe, in consultation with the Secretary, shall submit to the county council in any county where it proposes to purchase such non-contiguous tracts a Non-Contiguous Development Plan Application, as provided by the Settlement Agreement and the State implementing legislation. Upon the approval of any such application by each affected county council, the Secretary, in consultation with the Tribe, may proceed to place non-contiguous tracts in Reservation status. No purchases of non-contiguous tracts shall be made for the Reservation except as set forth in the Settlement Agreement and the State implementing legislation.

(e) VOLUNTARY LAND PURCHASES.—(1) The power of eminent domain shall not be used by the Secretary or any governmental authority in acquiring parcels of land for the benefit of the Tribe, whether or not the parcels are to be part of the Reservation. All such purchases shall be made only from willing sellers by voluntary conveyances subject to the terms of the Settlement Agreement.

(2) Conveyances by private land owners to the Secretary for the Expanded Reservation will be deemed, however, to be involuntary conversions within the meaning of section 1033 of the Internal Revenue Code of 1986.

(3) Notwithstanding any other provision of this section and the provisions of the first section of the Act of August 1, 1888 (ch. 728, 25 Stat. 357; 40 U.S.C. 257), and the first section of the Act of February 26, 1931 (ch. 307, 46 Stat. 1421; 40 U.S.C. 258a), the Secretary may acquire Reservation land for the benefit of the Tribe from the ostensible owner of the land if the Secretary and the ostensible owner have agreed upon the identity of the

land to be sold and upon the purchase price and other terms of sale. If the ostensible owner agrees to the sale, the Secretary may use condemnation proceedings to perfect or clear title and to acquire any interests of putative co-tenants whose address is unknown or the interests of unknown or unborn heirs or persons subject to mental disability.

(f) TERMS AND CONDITIONS OF ACQUISITION.—All properties acquired by the Secretary for the Tribe shall be acquired in fee simple subject to the terms and conditions set forth in the Settlement Agreement. The Secretary, acting on behalf of the Tribe and with its consent, is also authorized to acquire Reservation and non-Reservation lands using the methods of financing described in the Settlement Agreement.

(g) AUTHORITY TO ERECT PERMANENT IMPROVEMENTS ON EXISTING AND EXPANDED RESERVATION LAND AND NON-RESERVATION LAND HELD IN TRUST.—Notwithstanding any other provision of law or regulation, the Attorney General of the United States shall approve any deed or other instrument which conveys to the United States lands purchased pursuant to the provisions of this section and the Settlement Agreement. The Secretary or the Tribe may erect permanent improvements of a substantial value, or any other improvements authorized by law on such land after such land is conveyed to the United States.

(h) EASEMENTS OVER RESERVATION.—(1) The acquisition of lands for the Expanded Reservation shall not extinguish any easements or rights-of-way then encumbering such lands unless the Secretary or the Tribe enters into a written agreement with the owners terminating such easements or rights-of-way.

(2)(A) The Secretary, with the approval of the Tribe, shall have the power to grant or convey easements and rights-of-way, in a manner consistent with the Settlement Agreement.

(B) Unless the Tribe and the State agree upon a valuation formula for pricing easements over the Reservation, the Secretary shall be subject to proceedings for condemnation and eminent domain to acquire easements and rights-of-way for public purposes through the Reservation under the laws of the State in circumstances where no other reasonable access is available.

(C) With the approval of the Tribe, the Secretary may also grant easements or rights-of-way over the Reservation for private purposes, and implied easements of necessity shall apply to all lands acquired by the Tribe, unless expressly excluded by the parties.

(i) JURISDICTIONAL STATUS.—Only land made part of the Reservation shall be governed by the special jurisdictional provisions set forth in this Act and the Settlement Agreement.

(j) SALE AND TRANSFER OF RESERVATION LANDS.—At the request of the Tribe, and with approval of the Secretary, the Secretary may sell, exchange, or lease lands within the Reservation, and sell timber or other natural resources on the Reservation under circumstances and in the manner prescribed by the Settlement Agreement.

(k) TIME LIMIT ON ACQUISITIONS.—All acquisitions of contiguous land to expand the Reservation or of non-contiguous lands to be placed in Reservation status shall be completed or under contract of purchase within 10 years from the date the last payment is made into the Land Acquisition Trust; except that for a period of 20 years after the date the last payment is made into the Catawba Land Acquisition Trust Fund, the Tribe may, subject to the limitation on the total size of the Reservation, continue to add parcels to up to two Reservation areas so long as the parcels acquired are contiguous to one of those two Reservation areas.

(l) LEASES OF RESERVATION LANDS.—The provisions of the first section of the Act of August 9, 1955 (ch. 615, 69 Stat. 539; 25 U.S.C. 415) shall not apply to the Tribe and its Reservation. The Tribe shall be authorized to lease its Reservation lands for terms up to but not exceeding 99 years.

(m) NON-APPLICABILITY OF BIA LAND ACQUISITION REGULATIONS.—The general land acquisition regulations of the Bureau of Indian Affairs, contained in part 151 of title 25, Code of Federal Regulations, shall not apply to the acquisition of lands authorized by this section.

SEC. 15. NON-RESERVATION PROPERTIES.

(a) ACQUISITION OF NON-RESERVATION PROPERTIES.—(1) The Tribe may draw upon the corpus or accumulated income of the Catawba Land Acquisition Trust Fund or the Catawba Economic Development Trust Fund to acquire and hold parcels of real estate outside the Reservation for the purposes and in the manner delineated in the Settlement Agreement.

(2) If the ownership of any such properties by the Secretary or the Tribe, or any sub-entity of the Tribe, results in the removal of the property from ad valorem taxation, then payments shall be made by the Tribe in lieu of taxation that are equivalent to the taxes that would otherwise be paid if the property were subject to levy.

(3) Notwithstanding any other provision of law, the Tribe may lease, sell, mortgage, restrict, encumber, or otherwise dispose of such non-Reservation lands in the same manner as other persons and entities under State law, and the Tribe as land owner shall be subject to the same obligations and responsibilities as other persons and entities under State, Federal, and local law.

(4) Ownership and transfer of non-Reservation parcels shall not be subject to Federal law restrictions on alienation, including (but not limited to) the restrictions imposed by Federal common law and the provisions of the section 2116 of the Revised Statutes (25 U.S.C. 177).

(b) JURISDICTION ON NON-RESERVATION PROPERTIES.—(1) All non-Reservation properties, including such properties held by the Tribe as a corporate entity and such properties held in trust by the United States, and all activities conducted on such properties, shall be subject to the laws, ordinances, taxes, and regulations of the State and its political subdivisions in the same manner as such laws, ordinances, taxes, and regulations would apply to any other properties held by non-Indians in the same jurisdiction, except as provided in section 16 of this Act.

(2) Activities on non-Reservation land shall be eligible for Federal grants and other Federal services for the benefit of Indians.

SEC. 16. GAMES OF CHANCE.

(a) INAPPLICABILITY OF INDIAN GAMING REGULATORY ACT.—The Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.) shall not apply to the Tribe.

(b) GAMES OF CHANCE GENERALLY.—The Tribe shall have the rights and responsibilities set forth in the Settlement Agreement and the State implementing legislation with respect to the conduct of games of chance. Except as specifically set forth in the Settlement Agreement, the State implementing legislation, and this Act, all laws, ordinances, and regulations of the State, and its political subdivisions, shall govern the regulation of gambling devices and the conduct of gambling or wagering by the Tribe on and off the Reservation.

SEC. 17. GOVERNANCE AND REGULATION OF RESERVATION.

(a) ENVIRONMENTAL LAWS.—(1) All Federal, State, and local environmental laws and regulations shall apply to the Tribe and to the Reservation, and shall be fully enforceable by all Federal, State, and local agencies and authorities. Similarly, all requirements that a license, permit, or certificate be obtained from any Federal, State, or local agency shall also apply to the Tribe and to the Reservation. This provision shall extend without limitation to all environmental laws and regulations adopted after the date of enactment of this Act.

(2) The Tribe, the Executive Committee, and all Members shall have the same—and no special or preferential—status under all such laws as other individuals or groups of individuals to contest, object to, or intervene in any proceeding or action in which environmental regulations are being made, adjudicated, or enforced, or in which licenses, permits, or certificates of convenience and necessity are being issued by any agency of Federal, State, or local government.

(3) The Tribe shall have the authority to impose regulations applying higher environmental standards to the Reservation than those imposed by Federal or State law or by local governing bodies; but such tribal regulations shall apply only to the Reservation, and not to property surrounding the Reservation or non-Reservation property, or to the use of the Catawba River. Such tribal regulations shall not apply to activities or uses off the Reservation, even if those activities affect air quality on the Reservation.

(4) The Tribe shall not be authorized to invoke sovereign immunity against any suit, proceeding, or environmental enforcement action involving any Federal, State, or local environmental laws or regulations, and shall be subject to all enforcement orders, restraining orders, fees, fines, injunctions, judgments, and other corrective or remedial measures imposed by such laws.

(5) This section shall not impose different standards or requirements on the Tribe or the Secretary, when acting on the Tribe's behalf, than would be applied to a private corporation.

(b) BUILDING CODE.—The Tribe shall incorporate by reference and adopt the York County Building Code, and any amendments thereto adopted after the date of enactment of this Act, and may contract with York County, South Carolina, for the services necessary to enforce, inspect, and regulate compliance with its Building Code. Such services shall be provided by York County as provided in the Settlement Agreement. In addition, those local jurisdictions which exact any fee, permit, or inspection services shall waive the fees otherwise charged for building permit or inspection services on the Reservation. The Tribe may adopt building code provisions to be applied on the Reservation in addition to, but not in derogation of, the York County Building Code, as amended from time to time.

(c) PLANNING AND ZONING.—With respect to any land use regulation within the Reservation, the Tribe shall have the power to adopt and enforce a land use plan after consultation with York County and Lancaster County, for those parts of the Reservation located in those respective jurisdictions. The Tribe and the affected governing bodies shall follow the consultative procedures created for settlement of the claim of the Puyallup

Tribe in the State of Washington, as set out in House Report 101-57, pages 161-64, of the 101st Congress. In determining whether to permit the construction of any buildings or improvements on the Reservation, the Tribe shall consider—

(1) the protection of established or planned residential areas from any use or development that would adversely affect residential living off the Reservation;

(2) protection of the health, safety, and welfare of the surrounding community;

(3) preservation of open spaces, rivers, and streams; and

(4) provision of public facilities to support development.

(d) HEALTH CODES.—All public health codes of the State and any county in which the Reservation is located shall be applicable on the Reservation.

(e) HUNTING AND FISHING.—Subject to the provisions of section 17.5 of the Settlement Agreement concerning the acquisition of hunting and fishing licenses, hunting and fishing, on or off the Reservation, shall be conducted by members in compliance with the laws and regulations of the State.

(f) RIPARIAN RIGHTS.—(1) The littoral and riparian rights of the Tribe in the Catawba River, or in any other streams or waters crossing their lands, shall not differ in any respect from the rights of other owners whose land abuts non-tidal bodies of water or non-tidal water courses in South Carolina. The rights and obligations covered by this provision shall include, but not be limited to—

(A) the title to the river bed;

(B) the right to flood, pond, dam, and divert waters to the river or its tributaries;

(C) the right to build docks and piers in the river;

(D) the right to fish in the river or its tributaries; and

(E) the right to discharge waste or withdraw water from the river or its tributaries.

(2) The Tribe shall have the same rights and standing as all other riparian owners and users of the Catawba River to intervene in any proceeding or otherwise to contest or object to proposed actions or determinations of the Federal Energy Regulatory Commission or of any other governmental agency, commission, or court, whether Federal, State, or local, with respect to the use of the Catawba River and its basin, including (without limitation) withdrawal of water from the river; navigability on the river; and water power and hydroelectric usage of the river.

(3) Notwithstanding any other provision of law effective now or adopted after the date of enactment of this Act, the Tribe shall have no special right or preferential standing greater than other riparian owners and users of the Catawba River to intervene in or contest any such agency action, determination, or proceeding, including specifically any actions or determinations by the Federal Energy Regulatory Commission regarding the licensing, use, or operation of the waters impounded by the existing reservoirs above and below the Reservation. These qualifications shall apply to the Existing Reservation, to lands acquired for the Expanded Reservation, to other lands acquired by or for the benefit of the Tribe, and to non-Reservation lands.

(g) ALCOHOLIC BEVERAGES.—Alcohol shall be prohibited on the Reservation unless the Tribe adopts laws permitting the sale, possession, or consumption of alcohol on the Reservation consistent with the terms of the Settlement Agreement.

SEC. 18. GENERAL PROVISIONS.

(a) GENERAL APPLICABILITY OF STATE LAW.—The Tribe, its Members, and any lands, natural resources, or other property owned by the Tribe or its Members (including any land or natural resources or other property held in trust by the United States or by any other person or entity for the Tribe) shall be subject to the civil, criminal, and regulatory jurisdiction of the State, its agencies and political subdivisions other than municipalities, and the civil and criminal jurisdiction of the courts of the State, to the same extent as any other person, citizen or land in the State except as otherwise expressly provided in this Act and by the State implementing legislation.

(b) IMPACT OF SUBSEQUENTLY ENACTED LAWS.—The provisions of any Federal law enacted after the date of enactment of this Act shall not apply in the State if such provision would materially affect or preempt the application of the laws of the State, including application of the laws of the State applicable to lands owned by or held in trust for Indians, or Indian Nations, tribes or bands of Indians. However, such Federal law shall apply within the State if the State grants its approval by a law or joint resolution enacted by the General Assembly of South Carolina and signed by the Governor.

(c) SEVERABILITY.—If any of the provisions of sections 4(a), 5 or 6 of this Act are held invalid by a court, then all of this Act is invalid. Should any other section of this Act be held invalid by a court, the remaining sections of this Act shall remain in full force and effect.

(d) INTERPRETATION CONSISTENT WITH SETTLEMENT AGREEMENT.—Wherever possible, this Act shall be construed in a manner consistent with the Settlement Agreement. In the event of a conflict between the provisions of this Act and the Settlement Agreement, the terms of this Act shall govern. The Settlement Agreement shall be maintained on file and available for public inspection at the Department of the Interior.

SEC. 19. EFFECTIVE DATE.

The provisions of this Act shall become effective upon the transfer of the Existing Reservation to the Secretary.

At the appropriate place in the bill, insert the following:

SEC. . TAXATION.

(a) INDIAN TRIBAL GOVERNMENT TAX STATUS ACT.—Section 7871 of the Internal Revenue Code of 1986 (26 U.S.C. 7871; commonly referred to as the "Indian Tribal Government Tax Status Act) shall apply to the Tribe and its Reservation. In no event, however, may the Tribe pledge or hypothecate the income or principal of the Catawba Education or Social Services and Elderly Trust Funds or otherwise use them as security or a source of payment for bonds the Tribe may issue.

(b) GENERAL TAX LIABILITY.—The Tribe, its Members, the Tribal Trust Funds, and any other persons or entities affiliated with or owned by the Tribe, Members, or the Tribal Trust Funds, whether resident or located or doing business on the Reservation or off the Reservation, shall be subject to all Federal, State, and local taxes, licenses, levies, and fees except as expressly provided in this section or in the State implementing legislation. Any other person or business entity which locates, operates, or does business on the Reservation shall be subject without exception to all Federal, State, and local taxes, licenses, and fees, unless otherwise expressly provided in this section. To the extent that the Tribe may be subject to any taxes under this section, the Tribe shall be taxed as if it were a business corporation incorporated under the laws of South Carolina unless otherwise expressly provided.

(c) TAXES ON GAMES OF CHANCE.—(1) If the Tribe elects to sponsor and conduct games of bingo under the provisions of section 16 of this Act, no Federal, State, or local taxes shall apply to the Tribe's bingo revenues except for the special bingo tax provided in the State implementing legislation. If the Tribe elects to sponsor and conduct games of bingo under a regular license allowed non-profit organizations under the State's Bingo Act (Title 12, Chapter 21, Article 23, South Carolina Code of Laws, 1976), the Tribe shall be taxed as a non-profit corporation under that Act with respect to all revenues generated from the bingo games.

(2) Should the Tribe obtain a license to operate electronic play devices as provided by the State implementing legislation, the Tribe shall be subject to all taxes, license requirements and fees governing electronic play devices provided by State law.

(d) INCOME TAXES.—(1) Income of the Tribe, subdivisions and governmental agencies of the Tribe, including entities owned by the Tribe or the Federal Government and the Tribal Trust Funds, and tax revenues collected by the Tribe by levy or assessment, shall be non-taxable for Federal income tax purposes to the extent provided by Federal law for recognized or restored Indian Tribes. Any tribal income and tax revenues which are non-taxable for Federal income tax purposes because of the Tribe's status as a recognized or restored Indian Tribe shall also be non-taxable for purposes of State income taxes and local income taxes.

(2)(A) Except as provided in this subsection, Members shall be liable for payment of Federal, State, and local income taxes to the same extent as any other person in the State.

(B) Income earned by Members for work performing governmental functions solely on the Reservation shall be exempt from State taxes for a period of 99 years after the effective date of this Act.

(C) Income earned by Members from the sale of Catawba Indian pottery and artifacts, whether on or off the Reservation, which are made by Members, shall be exempt from Federal, State, and local income taxes.

(D) For purposes of Federal income taxes, the income of Members earned on the Reservation shall be taxable to the extent provided by Federal law for members of recognized or restored Indian tribes.

(E) No funds distributed per capita pursuant to section 13(h) of this Act shall be subject at the time of distribution to Federal, State, and local income taxes; however, income subsequently earned on shares distributed to Members shall be subject to the same Federal, State, and local income taxes as other persons in the State would pay.

(F) Compensation paid to members of the Executive Committee shall be subject to Federal payroll taxes to the extent provided by Federal law for members of tribal councils of recognized or restored Indian tribes.

(3) Any person or other entity which is not exempt from income taxes under provisions of this section shall be liable for all Federal, State, and local income taxes otherwise due regardless of whether they are doing business on the Reservation.

(e) REAL PROPERTY TAXES.—(1) The Reservation and all non-residential buildings, fixtures, and real property improvements owned by the Tribe or held in trust by the United States for the Tribe on the Reservation shall be exempt from all property taxes levied by the State or by any political subdivision of the State. If the Tribe owns a partial interest in property or a business, the property tax exemption provided in this section is applicable to the extent of the Tribe's interest.

(2) Single and multi-family residences, including mobile homes, that are situated on the Reservation shall be exempt from all property taxes levied by the State or by any political subdivision of the State, if they are owned by the Tribe, Members, or Tribal Trust Funds and meet the requirements of the State implementing act concerning the ownership and occupation of single and multifamily residences.

(3) All buildings, fixtures, and real property improvements located on the Reservation which are not exempt from real property taxes under subsections (e)(1) and (e)(2) of this section, shall be subject to all property taxes levied by the State or any political subdivision of the State to the same extent that similar buildings, fixtures, or improvements are assessed and taxed elsewhere in the same jurisdiction. However, the underlying land or leasehold in the land shall not be subject to real property taxes. All buildings, fixtures, and improvements subject to real property taxes shall be eligible for any tax abatement or temporary exemption allowed new business investments to the same extent as similar properties qualify for exemption or abatement in the same county.

(4) The Tribe is authorized to levy taxes on buildings, fixtures, improvements, and personal property located on the Reservation, even though such properties may be exempt from property taxation by the State or its subdivisions, and may use such tax revenues for appropriate tribal purposes. The Tribe may also exempt or abate any such taxes. York and Lancaster Counties and the South Carolina Tax Commission will provide in accordance with the Settlement Agreement the necessary assistance to the Tribe if the Tribe chooses to assess tribal property taxes as if they were property taxes imposed by a political subdivision.

(5) Real property and improvements owned by the Tribe or Members, or both, and not located on the Reservation shall be subject to all property taxes levied by the State, the county, the school district, special purpose districts, and other political subdivisions where such property is located.

(6) To the extent that any non-Reservation real property held in trust by the Secretary is not taxable for property tax purposes, it shall be subject to the payment of a fee or fees in an amount equivalent to the real property tax that would have been paid to the applicable taxing authority had the property not been held in trust.

(f) PERSONAL PROPERTY TAXES.—(1) For a period of 99 years after the effective date of this Act, all personal property owned by the Tribe and used solely on the Reservation shall be exempt from personal property taxes. During such period motor vehicles owned by the Tribe shall be exempt from personal property taxes even if used off the Reservation.

(2) All personal property owned by Members shall be subject to personal property taxes levied by the State or political subdivision of the State where the property is deemed to be located.

(3) All personal property located on the Reservation which is not exempt from personal property taxes under subsection (f)(1) of this section shall be subject to personal property taxes levied by the State or by any political subdivision of the State encompassing the Reservation to the same extent that similar personal property is assessed and taxed elsewhere in the jurisdiction.

(4) For purposes of subsections (e) and (f) of this section, the determination of whether the Tribe is the owner of property shall be made in the same manner as is used by the State for other taxpayers for State property tax purposes.

(g) LEVY AGAINST PROPERTY FOR FAILURE TO PAY PROPERTY TAXES.—(1) Subject to perfected security interests, if any person or entity (referred to in this subsection as the "taxpayer") who is subject to property taxes under subsections (e) and (f) of this section fails to pay such taxes, the appropriate taxing authority for the county or other political subdivision shall have the power to levy against personal property subject to personal property taxes owned by the taxpayer within the county, on or off the Reservation, in order to satisfy the taxes due.

(2) If this levy against the personal property is not sufficient to satisfy the tax lien, the county or other political subdivision may certify the deficiency to the State and the State may levy against other taxable property of the taxpayer in the State and remit any proceeds to the county or appropriate taxing authority which is owed the tax.

(3) If the county or other political subdivision cannot satisfy its lien, it may require the Tribe to cease allowing the taxpayer to do business on the Reservation.

(4) If the taxpayer is in bankruptcy, the bankruptcy statutes shall apply to this section.

(5) The State or any political subdivision may not seize real property located on the Reservation.

(h) VEHICLE LICENSE FEES.—The Tribe and its Members shall be subject to all license and registration fees and requirements, all periodic inspection fees and requirements, and all fuel taxes imposed by Federal, State, and local governments on motor vehicles, boats, and airplanes, and other means of conveyance.

(i) SALES AND USE TAXES.—(1) The Tribe, its Members, and the Tribal Trust Funds shall be liable for the payment of all State and local sales and use taxes to the same extent as any other person or entity in the State, except as provided in this section.

(2) Purchases made by the Tribe for tribal government functions during the period of 99 years from the effective date of this Act shall be exempt from State and local sales and use taxes.

(3) Catawba pottery and artifacts made by Members and sold on or off the Reservation by the Tribe or Members shall be exempt from State and local sales and use tax.

(4)(A) During the period of 99 years from the effective date of this Act, the sale on the Reservation of all other items, whether made on or off the Reservation, shall be exempt from State and local sales and use taxes, but shall be subject to a special tribal sales tax levied by the Tribe equal to the State and any local sales tax that would be levied in the jurisdiction encompassing the Reservation but for this exemption.

(B) The South Carolina sales and use tax laws, regulations, and rulings shall apply to the special tribal sales tax, and the special tribal sales tax must be administered and collected by the South Carolina Tax Commission in accordance with the Settlement Agreement.

(C) In accordance with the Settlement Agreement, the South Carolina Tax Commission will separately account for the special tribal sales tax, and the State Treasurer will remit the special tribal sales tax revenues periodically to the Tribe at no cost to the Tribe.

(D) The tribal sales tax shall not apply to retail sales occurring on the Reservation as a result of delivery from outside the Reservation when the gross proceeds of sale are $100 or less. In such case, the State sales tax shall apply.

(E) The Tribe shall impose a tribal use tax on the storage, use, or other consumption on the Reservation of tangible personal property purchased at retail outside the State when the vendor does not collect the tax. However, any use taxes which are collected by a vendor which is not located in the State will be subject to State use taxes and the use tax shall be remitted to the State and not the Tribe. Use taxes not collected by the vendor and remitted to the State shall be subject to the Tribal use tax and shall be collected directly by the Tribe.

(j) PAYMENTS IN LIEU OF TAXES.—The Tribe shall pay a fee in lieu of school taxes. That fee shall be determined by the county or other appropriate taxing authority in the same manner and shall be the same amount that is paid by students from outside the county entering schools in the county. Fees payable by the Tribe shall be reduced by any funds received under the Act of September 30, 1950 (Public Law 874, 81st Congress; 20 U.S.C. 236 et seq.; commonly referred to as the "Impact Aid Act") pursuant to section 4(g) of this Act or any other Federal funds designed to compensate school districts for loss of revenue due to the non-taxability of Indian property. Any fee in lieu of school taxes paid on behalf of a child under this section shall be excluded from Federal and State income of the child or his family for Federal and State income tax purposes.

(k) ESTATE TAXES.—Members shall be liable for payment for all estate and inheritance taxes, except, however, that the undistributed share of any member in the Catawba Per Capita Payment Trust Fund shall be exempt from Federal and State estate and inheritance taxes.

(l) ELIGIBILITY FOR CONSIDERATION TO BECOME AN ENTERPRISE ZONE OR GENERAL PURPOSE FOREIGN TRADE ZONE.—Notwithstanding the provisions of any other law or regulation, the Tribe shall be eligible to become, sponsor and/or operate (1) an "enterprise zone" pursuant to 42 U.S.C. 11501–11505 or any other applicable Federal (or State) laws or regulations; or (2) a "foreign-trade zone" or "subzone" pursuant to the Foreign Trade Zones Act of 1934, as amended (19 U.S.C. 81a–81u) and the regulations thereunder, to the same extent as other federally recognized Indian tribes.

SEC. 19. GENERAL PROVISIONS.

(a) GENERAL APPLICABILITY OF STATE LAW.—The Tribe, its Members, and any lands, natural resources, or other property owned by the Tribe or its Members (including any land or natural resources or other property held in trust by the United States or by any other person or entity for the Tribe) shall be subject to the civil, criminal, and regulatory jurisdiction of the State, its agencies and political subdivisions other than municipalities, and the civil and criminal jurisdiction of the courts of the State, to the same extent as any other person, citizen or land in the State except as otherwise expressly provided in this Act and by the State implementing legislation.

(b) IMPACT OF SUBSEQUENTLY ENACTED LAWS.—The provisions of any Federal law enacted after the date of enactment of this Act shall not apply in the State if such provision would materially affect or preempt the application of the laws of the State, including application of the laws of the State applicable to lands owned by or held in trust for Indians, or Indian Nations, tribes or bands of Indians. However, such Federal law shall apply within the State if the State grants its approval by a law or joint resolution enacted by the General Assembly of South Carolina and signed by the Governor.

(c) SEVERABILITY.—If any of the provisions of sections 4(a), 5 or 6 of this Act are held invalid by a court, then all of this Act is invalid. Should any other section of this Act be held invalid by a court, the remaining sections of this Act shall remain in full force and effect.

(d) INTERPRETATION CONSISTENT WITH SETTLEMENT AGREEMENT.—Wherever possible, this Act shall be construed in a manner consistent with the Settlement Agreement. In the event of a conflict between the provisions of this Act and the Settlement Agreement, the terms of this Act shall govern. The Settlement Agreement shall be maintained on file and available for public inspection at the Department of the Interior.

SEC. 20. EFFECTIVE DATE.

The provisions of this Act shall become effective upon the transfer of the Existing Reservation to the Secretary.

Mr. THURMOND. Mr. President, I rise today as an original cosponsor, with Senator HOLLINGS, of legislation to provide for a settlement of land claims of the Catawba Tribe of Indians in the State of South Carolina. This legislation is identical to H.R. 2399 which was introduced by Congressman BUTLER DERRICK on June 10, 1993.

Mr. President, in 1980 the Catawba Indians brought suit against 76 defendants alleging that a treaty made with the State of South Carolina in 1840 was void under the Indian Non-Intercourse Act because it was never ratified by Congress. The treaty ceded 144,000 acres of land to the State, and the Catawbas seek to recover the land. The Catawbas moved to have the named defendants certified as a class, but the district court denied their motion for class action certification. The Catawbas have, therefore, announced that they will sue thousands of individual landowners in York, Lancaster, and Chester Counties, in South Carolina.

After years of negotiation, and 12 years in court, a settlement agreement was concluded early this year. On February 20, 1993, the Catawba Indian Tribe of South Carolina met and overwhelmingly approved the settlement agreement, contingent upon its enactment in law.

The settlement agreement calls for payments in the amount of $50 million to the Catawbas over a 5-year period. The Federal Government would contribute $32 million; State, local, and private sector parties would pay $18 million. These payments will be placed in trust funds held by the Secretary of Interior. Existing law suits will be dismissed with prejudice and the Catawbas' claim will be ended. The settlement agreement also calls for Federal recognition of the Catawba Indian Tribe, qualifying the tribe for Federal Indian programs. Land for expansion of the existing reservation will be made available for acquisition and tribal self-government will be granted. The settlement agreement also provides terms regarding taxation, limited Indian gaming, and tribal membership.

Mr. President, final ratification of the settlement agreement requires enacting legislation by both the State of South Carolina and the U.S. Government. I am pleased to report that the State of South Carolina has enacted the Catawba Indian Claims Settlement Act, which will implement those terms of the settlement agreement within the jurisdiction of the State, and provides for the State's portion of the settlement claim.

The legislation introduced today will complete the ratification of the settlement agreement. This bill restores the trust relationship between the United States and Catawbas, repealing the 1959 Termination Act. It authorizes the Federal share of the settlement funds and establishes the trust funds. It ratifies prior land transfers and extinguishes future claims by the tribe. The bill addresses tribal membership; tribal government; clarifies criminal and civil jurisdiction of the tribal court; provides authority for expanding the boundaries of the reservation; and implements terms of the settlement agreement related to Indian gaming and taxation.

Mr. President, we are trying to prevent the disruption which would surely result if these thousands of lawsuits were commenced. Even though the vast majority of landowners would have a successful defense, they would have to retain an attorney to search their title, prepare affidavits, and file and argue a motion for summary judgment. All of this would be costly to the landowners and to our judicial system. While the suits were pending, it would be difficult to buy or sell land and virtually impossible to obtain title insurance.

Mr. President, this bill addresses an urgent matter in my State. Time is short, as the statute of limitations expires on October 1, 1993. Enactment of this bill must occur prior to that date to avoid litigation. This bill is strongly supported by representatives of the State of South Carolina and the Catawba Indians. I urge my colleagues to support this measure.

By Mr. DURENBERGER:

S. 1158. A bill to authorize the National Institute of Corrections to make grants to States to carry out family unity demonstration projects, and for other purposes; to the Committee on the Judiciary.

FAMILY UNITY DEMONSTRATION PROJECT ACT.

• Mr. DURENBERGER. Mr. President, I rise today to introduce the Family Unity Demonstration Project Act. This bill would authorize six demonstration projects—five at the State level and one at the Federal level—that would allow incarcerated mothers to serve their sentences in supervised community programs with their children.

In an ideal society, an innocent victim should never have to suffer because of someone else's mistake. This is a matter of simple justice.

Yet, in our society, hundreds of thousands of children suffer the pain of separation and unstable living conditions because the criminal justice system is punishing their parents for the parent's mistake.

I believe that it is sound policy to require offenders to pay for their mistakes. But it is terrible policy to require the innocent children of nonviolent offenders to become the indirect victims of crime.

Students have shown that children who are separated from an incarcerated parent suffer severe psychological trauma. These children have a high risk of developing social and emotional problems, of dropping out of school, and of becoming juvenile delinquents.

Some of these children blame themselves for the loss of contact with their parent. Many of these children are shuffled from one foster care situation to another, and never experience a stable home life. All of these children experience a profound sense of loss.

At the same time, the female population in our prisons is growing, partly because of mandatory sentencing for first-time drug offenses. Many of these women have sole custody of their children. Some are pregnant when they enter the prison system.

Our prisons are already overcrowded. More and more, correction officials are looking for alternatives to traditional incarceration for nonviolent offenders.

My home State of Minnesota has been in the forefront of developing community-based programs for offenders who are not a threat to the community. In addition to being a more cost-effective alternative to incarceration, these supervised programs produce results—the participants are much less likely to repeat their crimes.

Under the bill I am introducing today, community correction programs would be available to nonviolent offenders only, who have sole custody of children under the age of six.

To qualify, these programs must provide the children with pediatric care and an environment that is supervised by child development specialists. The offender will participate in parenting classes, substance abuse treatment, support groups and individual counseling, and educational and vocational training.

This legislation is a step in the right direction for many reasons. First, these demonstration projects will minimize the trauma to children. The programs will place children in a stable, caring, healthy environment.

This bill will promote family stability. Mothers will be able to bond with their children. And moms will be more likely to emerge from the program as better parents and productive members of society.

This bill is also fiscally responsible. Through these community-based alternatives, we will save the social costs of foster care, incarceration, and the relentless cycle of crime.

Support for this legislation should cut across party, ideological, and geographic lines. Representative CRAIG WASHINGTON, a Democrat from Texas, has introduced an identical bill on the House side.

The Judiciary Committee will be holding a hearing entitled "Women in Prison" on Tuesday, June 29. The legislation I am introducing today will be a subject at that hearing. I hope that this hearing will attract the attention of even my colleagues who—like me—are not members of the committee. We should all take the time to educate ourselves about the problems that are particular to women in the prison system.

Mr. President, I encourage my colleagues to support the Family Unity Demonstration Project Act as sound, compassionate, and responsible policy.•

By Mr. MURKOWSKI (for himself, Mr. ROCKEFELLER, Mr. AKAKA, Mr. BINGAMAN, Mr. BROWN, Mr. BUMPERS, Mr. COCHRAN, Mr. CONRAD, Mr. DASCHLE, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mrs. FEINSTEIN, Mr. GORTON, Mr. HATCH, Mr. INOUYE, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. KEMPTHORNE, Mr. KOHL, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. LEVIN, Mr. PELL, Mr. PRESSLER, Mr. SARBANES, Mr. SIMON, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. THURMOND, Mr. COHEN, Mr. CRAIG, Ms. MOSELEY-BRAUN, Mr. MACK, Mr. METZENBAUM, Mr. HEFLIN, Mr. ROTH and Mr. WARNER):

S. 1159. A bill to require the Secretary of the Treasury to mint coins in commemoration of women who have served in the Armed Forces of the United States; to the Committee on Banking, Housing, and Urban Affairs.

WOMEN IN THE ARMED FORCES COMMEMORATIVE COIN ACT

• Mr. MURKOWSKI. Mr. President, as ranking Republican Member of the Committee on Veterans' Affairs, I am pleased to be joined by 40 Senators in introducing legislation which would authorize the Secretary of the Treasury to mint a coin commemorating the women who have served in the Armed Forces of the United States. These brave and patriotic American women would be twice served by enactment of this legislation. First, the coins themselves would become thousands of tangible tributes to their service. Second, the sale of the coins would provide the Women in Military Service Memorial Foundation, a private organization authorized by Congress in 1986 to create the Women In Military Service Memorial, with the additional funds necessary to build a permanent Memorial in our Nation's Capital. By enacting legislation to help raise funds for the creation of the memorial, this body has the opportunity to honor, at no cost to the taxpayers, the more than 1.8 million women who have served, or are now serving, in the Armed Forces beginning with the American Revolution.

Under the leadership of retired Brig. Gen. Wilma Vaught, the organization has worked at the State and local levels to encourage contributions for the memorial. I am particularly pleased that the Alaskan Legislature appropriated $15,000 towards this worthy project. Last fall the Women in Military Service Memorial Foundation was granted a 2-year extension to complete design specifications and to raise additional funds for the memorial.

A site has now been selected and a design team has been awarded a contract to build a beautiful memorial with views of Arlington National Cemetery and the monuments of Washington. To make this monument a reality, we need to enact this legislation this session.

Mr. President, the women who served this country deserve no less than a national memorial recognizing their contributions to the Armed Forces. Their military service represents only one side of the equation of commitment defining the relationship between our Nation and her veterans. Completion of the memorial will be a step in balancing that equation by acknowledging our national indebtedness to those American women. The memorial will be another step in fulfilling the reciprocal obligation of our Nation to those who wear our military uniform, and to the women who served, the memorial will at last document the role women have played in our country's military history.

I urge my colleagues to support this important measure.•

By Mr. HATFIELD:

S. 1160. A bill to amend the Public Health Service Act to provide grants to entities in rural areas that design and implement innovative approaches to improve the availability and quality of health care in such rural areas, and for other purposes; to the Committee on Labor and Human Resources.

RURAL HEALTH INNOVATION DEMONSTRATION ACT OF 1993

• Mr. HATFIELD. Mr. President, during the last 6 months, Americans have heard a lot about the need to reform our health care system. Health care costs are soaring out of control—far outpacing the rate of inflation—and nearly 37 million Americans are without health care insurance. Solutions for reform are complex and will go through much debate and consensus building before being implemented.

There is no question that our health care system needs to be reformed. Nowhere is this need more urgent than in our rural communities where the number of rural practitioners is decreasing and hospitals are struggling to keep their doors open. Two years ago, I introduced legislation to help rural providers address the challenges they face in making health care services available in their communities. I was pleased when this legislation was incorporated into the comprehensive reform package put forth by the Senate Republican health care task force last session.

Today I am reintroducing the Rural Health Innovation Demonstration Act because I feel, given the current direction of the health care reform debate, that it approves an essential transition into comprehensive health care reform. Now, more than ever, health providers in rural communities are joining with their urban counterparts to create networks to assure that health care is accessible in rural areas. There are a number of obstacles, however, that create a disincentive for providers to participate in these efforts. I believe that the legislation that I am introducing today will remove these obstacles and help rural communities position themselves for comprehensive health care reform.

Mr. President, the Rural Health Innovation Demonstration Act will help our rural communities in the following ways. First, this legislation provides grants to allow rural and urban providers to develop rural health extension networks to facilitate the delivery of health care in rural communities. One addition that I have made to the bill will allow existing area health education center programs to apply for these grants. Allowing existing networks to compete for these grants will prevent needless duplication and assure that successful programs will have the ability to expand their capabilities. The goal of the rural health extension networks grant is to facilitate resource sharing within the network by providing education and training for health care providers in rural areas, creating linkages between rural and urban providers through the use of telecommunications and other consultative projects, and assisting rural providers in developing cooperative approaches to health care delivery.

Second, my bill provides grants for the creation of Rural Managed Care Cooperatives which will enhance the economic viability of health care providers in rural areas. The idea of health cooperatives in rural areas is not new. In 1929, the first Health Maintenance Organization in the United States was developed in rural Elk City, OK by the Farmers' Cooperative. Since 1929, there have been several attempts to create rural health cooperatives, however they have suffered because there was not sufficient startup support. My bill provides matching funds for startup support of rural health cooperatives.

These cooperatives will be made up of health providers of all types including, but not limited to, hospitals, physicians, rural health clinics, nurse practitioners, physician assistants, and public health departments. By establishing an effective case management and reimbursement system designed to support the financial needs of rural hospitals and health care systems, cooperatives will provide an effective framework for negotiating contracts with payers and assuring a defined level of quality. The cooperatives will also help rural practitioners with a portion of their payments on malpractice premiums.

Third, the bill allows the Secretary of Health and Human Services to award competitive grants to develop and implement mental health outreach programs in rural areas. The bill emphasizes the needs of the elderly and children in rural areas. Grant recipients are encouraged to form relationships with rural managed care cooperatives to enhance the delivery of these services.

Finally, my bill increases the authorization level for the Area Health Education Center Program [AHEC] and provides stipend grants to health care providers and trainees in rural communities as an incentive to provide health care services in those areas. While the stipends envisioned in this legislation will not completely relieve the financial burden young providers face, especially physicians, it is my hope that they will provide enough of an incentive to attract and retain health care providers in rural areas. The increased authorization for the AHEC program will provide the assistance needed to achieve AHEC's mission which is to improve the supply and distribution of health care professionals, with emphasis on primary care, through community-academic educational partnerships to increase access to quality health care.

It has been 20 years since the AHEC program was enacted and we now have a network of 48 AHEC programs in 38 States. In my own State of Oregon, we have an excellent AHEC program with three centers now operating to meet the challenges of both rural and urban areas. State studies have shown that AHEC's have an excellent record in addressing the primary health care profession needs of underserved areas. In fact, since AHEC's inception more than 1.5 million students, residents and preceptors have been trained in medicine, allied health, dentistry, nursing, and pharmacy.

It should be noted that my bill contains one major change that was not included in last session's bill. Due to the concerns about possible antitrust problems that might arise in the formation of the Rural Health Extension Networks and the Rural Managed Care Cooperatives, I have added language which would protect providers who participate in these entities from antitrust law. This exemption from antitrust law should facilitate the development of networks and cooperatives in rural areas.

Mr. President, our rural communities are facing a crisis in health care delivery. In Oregon, since 1982, we have closed one rural hospital a year and last year we closed two. Nationwide, 252 rural community hospitals closed between 1980 and 1989—166 of these closures occurred during the last 4 years of the decade. These hospitals simply cannot compete with their urban counterparts. I believe my legislation will give rural health care providers the tools to build rural health care delivery systems which meet the health needs of their communities. This is the first step in developing an infrastructure of providers who will support and sustain comprehensive health care reform and provide health care access for all Americans.

I'd like to take a moment to thank the National Rural Health Care Association, the Oregon Office of Rural Health, the Oregon Association of Hospitals, the Oregon Medical Association, the Oregon Nurses Association and the Oregon AHEC Program office for their support in developing this innovative legislation. I urge my colleagues to take a careful look at this bill and consider it as a transition into comprehensive health care reform that can help our rural communities now.

Mr. President, I ask unanimous consent that the text of the bill and letters of support from the above organizations be printed in the RECORD immediately following my remarks.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

S. 1160

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Health Innovation Demonstration Act of 1993".

SEC. 2. RURAL HEALTH EXTENSION NETWORKS.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1709. RURAL HEALTH EXTENSION NETWORKS.

"(a) GRANTS.—The Secretary, acting through the Health Resources and Services Administration, may award competitive grants to eligible entities to enable such entities to facilitate the development of networks among rural and urban health care providers to preserve and share health care resources and enhance the quality and availability of health care in rural areas. Such networks may be statewide or regionalized in focus.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1)(A) be a rural health extension network that meets the requirements of subsection (c); or

"(B) be an Area Health Education Center Program;

"(2) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require; and

"(3) meets such other requirements as the Secretary determines appropriate.

"(c) NETWORKS.—For purposes of subsection (b)(1), a rural health extension network shall be an association or consortium of three or more rural health care providers, and may include one or more urban health care provider, for the purposes of applying for a grant under this section and using amounts received under such grant to provide the services described in subsection (d).

"(d) SERVICES.—

"(1) IN GENERAL.—An entity that receives a grant under subsection (a) shall use amounts received under such grant to—

"(A) provide education and community decisionmaking support for health care providers in the rural areas served by the network;

"(B) utilize existing health care provider education programs, including but not limited to, the program for area health education centers under section 781, to provide educational services to health care providers and trainees including, but not limited to, physicians, nurses and nursing students in the areas served by the network;

"(C) make appropriately trained facilitators available to health care providers located in the areas served by the network to assist such providers in developing cooperative approaches to health care in such area;

"(D) facilitate linkage building through the organization of discussion and planning groups and the dissemination of information concerning the health care resources where available, within the area served by the network;

"(E) support telecommunications and consultative projects to link rural hospitals and other health care providers, and urban or tertiary hospitals in the areas served by the network; or

"(F) carry out any other activity determined appropriate by the Secretary.

"(2) EDUCATION.—In carrying out activities under paragraph (1)(B), an entity shall support the development of an information and resource sharing system, including elements targeted towards high risk populations and focusing on health promotion, to facilitate the ability of rural health care providers to have access to needed health care information. Such activities may include the provision of training to enable individuals to serve as coordinators of health education programs in rural areas.

"(3) COLLECTION AND DISSEMINATION OF DATA.—The chief executive officer of a State shall designate a State agency that shall be responsible for collecting and regularly disseminating information concerning the activities of the rural health extension networks in that State.

"(e) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for each of the fiscal years 1994 through 1997.

"(g) DEFINITION.—As used in this section and section 1710, the term 'rural health care providers' means health care professionals and hospitals located in rural areas. The Secretary shall ensure that for purposes of this definition, rural areas shall include any area that meets any applicable Federal or State definition of rural area.

"(h) RELATION TO OTHER LAWS.—

"(1) IN GENERAL.—Notwithstanding any provision of the antitrust laws, it shall not be considered a violation of the antitrust laws for entities to develop and operate networks in accordance with this section.

"(2) DEFINITION.—For purposes of this subsection, the term 'antitrust laws' means—

"(A) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890, commonly known as the 'Sherman Act' (26 Stat. 209; chapter 647; 15 U.S.C. 1 et seq.);

"(B) the Federal Trade Commission Act, approved September 26, 1914 (38 Stat. 717; chapter 311; 15 U.S.C. 41 et seq.);

"(C) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, commonly known as the 'Clayton Act' (38 Stat. 730; chapter 323; 15 U.S.C. 12 et seq.; 18 U.S.C. 402, 660, 3285, 3691; 29 U.S.C. 52, 53);

"(D) the Act of June 19, 1936, commonly known as the Robinson-Patman Antidiscrimination Act (15 U.S.C. 13 et seq.); and

"(E) any State antitrust laws that would prohibit the activities described in paragraph (1).".

SEC. 3. RURAL MANAGED CARE COOPERATIVES.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) as amended by section 2 is further amended by adding at the end thereof the following new section:

"SEC. 1710. RURAL MANAGED CARE COOPERATIVES.

"(a) GRANTS.—The Secretary, acting through the Health Resources and Services Administration, may award competitive grants to eligible entities to enable such entities to develop and administer cooperatives in rural areas that will establish an effective case management and reimbursement system designed to support the economic viability of essential public or private health services, facilities, health care systems and health care resources in such rural areas.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require, including a description of the cooperative that the entity intends to develop and operate using grant funds; and

"(2) meet such other requirements as the Secretary determines appropriate.

"(c) COOPERATIVES.—

"(1) IN GENERAL.—Amounts provided under a grant awarded under subsection (a) shall be used to establish and operate a cooperative made up of all types of health care providers, hospitals, primary access hospitals, other alternate rural health care facilities, physicians, rural health clinics, rural nurse practitioners and physician assistant practitioners, public health departments and others located in, but not restricted to, the rural areas to be served by the cooperative.

"(2) BOARD OF DIRECTORS.—A cooperative established under paragraph (1) shall be administered by a board of directors elected by the members of the cooperative, a majority of whom shall represent rural providers from the local community and include representatives from the local community. Such members shall serve at the pleasure of such members.

"(3) EXECUTIVE DIRECTOR.—The members of a cooperative established under paragraph (1) shall elect an executive director who shall serve as the chief operating officer of the cooperative. The executive director shall be responsible for conducting the day the day operation of the cooperative including—

"(A) maintaining an accounting system for the cooperative;

"(B) maintaining the business records of the cooperative;

"(C) negotiating contracts with provider members of the cooperative; and

"(D) coordinating the membership and programs of the cooperative.

"(4) REIMBURSEMENTS.—

"(A) NEGOTIATIONS.—A cooperative established under paragraph (1) shall facilitate negotiations among member health care providers and third party payors concerning the rates at which such providers will be reimbursed for services provided to individuals for which such payors may be liable.

"(B) AGREEMENTS.—Agreements reached under subparagraph (A) shall be binding on the members of the cooperative.

"(C) EMPLOYERS.—Employer entities may become members of a cooperative established under paragraph (a) in order to provide, through a member third party payor, health insurance coverage for its employees. Deductibles shall only be charged to employees covered under such insurance if such employees receive health care services from a provider that is not a member of the cooperative if similar services would have been available from a member provider.

"(D) MALPRACTICE INSURANCE.—A cooperative established under subsection (a) shall be responsible for identifying and implementing an affordable malpractice insurance program that shall include a requirement that such cooperative assume responsibility for the payment of a portion of the malpractice insurance premium of providers members.

"(5) MANAGED CARE AND PRACTICE STANDARDS.—A cooperative established under paragraph (1) shall establish joint case management and patient care practice standards programs that health care providers that are members of such cooperative must meet to be eligible to participate in agreements entered into under paragraph (4). Such standards shall be developed by such provider members and shall be subject to the approval of a majority of the board of directors. Such programs shall include cost and quality of care guidelines including a requirement that such providers make available preadmission screening, selective case management services, joint patient care practice standards development and compliance and joint utilization review.

"(6) CONFIDENTIALITY.—

"(A) IN GENERAL.—Patients records, records of peer review, utilization review, and quality assurance proceedings conducted by the cooperative should be considered confidential and protected from release outside of the cooperative. The provider members of the cooperative shall be indemnified by the cooperative for the good faith participation by such members in such the required activities.

"(B) QUALITY DATA.—Notwithstanding any other provision of law, quality data obtained by a hospital or other member of a cooperative in the normal course of the operations of the hospital or member shall be immune from discovery regardless of whether such data is used for purposes other than peer review or is disclosed to other members of the cooperative involved.

"(d) LINKAGES.—A cooperative shall create linkages among member health care providers, employers, and payors for the joint consultation and formulation of the types, rates, costs, and quality of health care provided in rural areas served by the cooperative.

"(e) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for each of the fiscal years 1994 through 1997.

"(g) RELATION TO OTHER LAWS.—

"(1) IN GENERAL.—Notwithstanding any provision of the antitrust laws, it shall not be considered a violation of the antitrust laws for entities to develop and operate cooperatives in accordance with this section.

"(2) DEFINITION.—For purposes of this subsection, the term 'antitrust laws' means—

"(A) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890, commonly known as the 'Sherman Act' (26 Stat. 209; chapter 647; 15 U.S.C. 1 et seq.);

"(B) the Federal Trade Commission Act, approved September 26, 1914 (38 Stat. 717; chapter 311; 15 U.S.C. 41 et seq.);

"(C) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, commonly known as the 'Clayton Act' (38 Stat. 730; chapter 323; 15 U.S.C. 12 et seq.; 18 U.S.C. 402, 660, 3285, 3691; 29 U.S.C. 52, 53); and

"(D) the Act of June 19, 1936, commonly known as the Robinson-Patman Antidiscrimination Act (15 U.S.C. 13 et seq.); and

"(E) any State antitrust laws that would prohibit the activities described in paragraph (1).".

SEC. 4. RURAL MENTAL HEALTH OUTREACH GRANTS.

Subpart 3 of part B of title V of the Public Health Service Act (42 U.S.C. 290cc–11 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 520C. RURAL MENTAL HEALTH OUTREACH GRANTS.

"(a) IN GENERAL.—The Secretary may award competitive grants to eligible entities to enable such entities to develop and implement a plan for mental health outreach programs in rural areas.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) prepare and submit to the Secretary an application at such time, in such form and containing such information as the Secretary may require, including a description of the activities that the entity intends to undertake using grant funds; and

"(2) meet such other requirements as the Secretary determines appropriate.

"(c) PRIORITY.—In awarding grants under subsection (a), the Secretary shall give priority to applications that place emphasis on mental health services for the elderly or children. Priority shall also be given to applications that involve relationships between the applicant and rural managed care cooperatives.

"(d) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for each of the fiscal years 1994 through 1997.".

SEC. 5. AREA HEALTH EDUCATION CENTERS.

(a) STIPENDS FOR PERSONNEL.—Section 746(a) of the Public Health Service Act (42 U.S.C. 293j(a)) is amended by adding at the end thereof the following new paragraph:

"(4) STIPENDS.—

"(A) The Secretary make award grants under this section to rural communities to enable such communities to provide stipends to physicians, nurses, nurse practitioners, physician assistants, and other health professional trainees to encourage such individuals to provide health care services in such rural communities. In addition, the Secretary may award grants under this section to rural communities to enable such communities to provide stipends to physicians, nurses, nurse practitioners, physician assistants, and other health professionals that are practicing in rural areas to retain such individuals in such areas.

"(B) A community that receives a grant under subparagraph (A) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.".

(b) REAUTHORIZATION.—Section 746(i)(1)(A) of such Act (42 U.S.C. 293j(i)(1)(A)) is amended by striking out "$25,000,000" and all that follows through "1995" and inserting in lieu thereof "$25,000,000 for fiscal year 1993, and $42,000,000 for each of the fiscal years 1994 through 1997".

NATIONAL RURAL HEALTH ASSOCIATION,
Washington, DC, June 22, 1993.
Hon. MARK O. HATFIELD,
U.S. Senate, Washington, DC.

DEAR SENATOR HATFIELD: The National Rural Health Association wishes to thank you for reintroducing "Rural Health Innovation Demonstration Act." We greatly appreciate the opportunity to review and comment on the bill, and offer our services to you in the future.

The draft innovations act contains a number of proposals which are very consistent with NRHA policy. Certainly the development of networks is critical to rural providers in the environment of AHPs and managed care. In order to become as sophisticated as community-based organizations must be to meet these challenges, assistance through education and community decision making will be critical. Network development assistance through education is invaluable. This we strongly support.

The enhancements you have made to the original innovation demonstration act are highly appropriate. AHECs should be considered as possible network providers and the antitrust references will be necessary as we go through network development. Any assistance that can be given to rural entities for the development of managed care in the form of free-standing sites or cooperatives is appreciated. Rural providers have to overcome the issues of risk pooling, critical mass of patients and the costs incurred in management of managed care organizations in order to become viable. Rural Health Innovation Demonstration should give the assistance to build rural managed care cooperatives and create a rural track record in managed care.

The support for telecommunications is also invaluable to rural providers. NRHA supports the equitable development, deployment and coordination of communication technologies for rural areas to improve health care for rural citizens, reduce health professional isolation, extend professional education, and provide the infrastructure for community-based, regional and international networks.

Once again, Senator, thank you for your support, the innovation demonstration bill, and the opportunity to participate in its review. If we may be of further assistance, do not hesitate to call.

Sincerely,

KIM E. SIBILSKY,
Deputy Director, Policy and Programs.

OREGON HEALTH SCIENCES UNIVERSITY,
Portland, OR, June 23, 1993.
Hon. MARK O. HATFIELD,
U.S. Senate, Washington, DC.

DEAR SENATOR HATFIELD: Speaking on behalf of the Office of Rural Health, we are very enthusiastic about the introduction of your bill to allow the formation of managed care cooperatives in rural areas.

As the health care environment prepares itself for reform, vulnerable rural areas have no protection and few resources to contend with rapid change. Few of us could have foreseen the need for rural providers to compete effectively with urban health systems just a few years ago. Now, however, we are experiencing a much more "global" health care environment, but without a level playing field.

Your bill would allow rural communities to seek legitimate and logical affiliations, based on actual regional needs, not just expediency. We have witnessed a flurry of novel partnerships in response to the Oregon Health Plan in recent months. Many rural providers formed associations with larger urban systems out of desperation because they did not want to be excluded. Fortunately, OHSU and ODS were able to offer them an alternative in the form of CareOregon, but we remain committed to the concept of regional health care cooperatives, administered by those who are living and working in rural Oregon.

As health care reform grows logarithmically around the country, this bill would provide a "safe haven" for rural communities and providers and give them the opportunity to undertake some genuine planning. We must work hard to preserve the gains that have been made in rural health care. It is a bit like climbing a "down" escalator—you have to keep running just to keep up!

Thank you again for your achievements in rural health and your continuing commitment to the issues we all care so much about. If there is any way that we can be of help, please let us know.

Yours very truly,

KAREN WHITAKER,
Director.

OREGON MEDICAL ASSOCIATION,
Portland, OR, June 23, 1993.
MARK O. HATFIELD,
U.S. Senate, Washington, DC.

DEAR SENATOR HATFIELD: The Oregon Medical association supports your latest effort to assist rural health care through the introduction of the rural Health Innovation Demonstration Act of 1993.

We appreciated the opportunity to provide suggestions and recommendations to your staff during the drafting of this legislation. We believe that with your leadership in the Senate and the overwhelming need to assist rural communities in the maintenance and improvement of rural health care that this legislation will be favorably acted upon by Congress.

If the OMA can be of further assistance, please let me know.

Sincerely,

DONALD J. SCHROEDER, M.D.,
President.

OREGON ASSOCIATION OF HOSPITALS,
Lake Oswego, OR, June 24, 1993.
Hon. MARK O. HATFIELD,
U.S. Senate, Washington, DC.

DEAR SENATOR HATFIELD: Oregon Association of Hospitals strongly endorses the Rural Health Innovation Demonstration Act of 1993. This legislation will help small, rural hospitals develop networks and cooperatives to support the rural health care system as reform takes place. Oregon Association of Hospitals believes it is particularly important to help preserve access and needed health care services in rural areas during these changing times.

Several small, rural hospitals in Oregon are exploring the possibility of developing networks and need support to get started. They plan to submit demonstration project applications if the bill passes.

Oregon Association of Hospitals and the Small, Rural Hospital Committee of Oregon Association of Hospitals appreciates this effort on behalf of small, rural hospitals.

Sincerely,

BARBARA LUM,
Vice President.•

By Mr. BAUCUS (for himself, Ms. MOSELEY-BRAUN, and Mr. CAMPBELL):

S. 1161. A bill to establish a program to ensure nondiscriminatory compliance with environmental, health, and safety laws and to ensure equal protection of the public health; to the Committee on Environment and Public Works.

ENVIRONMENTAL JUSTICE ACT OF 1993

• Mr. BAUCUS. Mr. President, I rise today to introduce the Environmental Justice Act of 1993, along with my colleagues, Senator CAROL MOSELEY-BRAUN and Senator BEN CAMPBELL.

Mr. President, in America, the poor live downstream and downwind. The Council on Environmental Quality first recognized this 20 years ago. A few facts will show that since then, we've done little about it.

For one thing, environmental penalties are as much as five times higher in wealthy communities than minority communities. For another, three of our country's five largest landfills are in poor communities. These communities also have more uncontrolled toxic waste sites than anybody else. And about three of every five African-Americans or Hispanics live near a toxic dump. In practice, then, the NIMBY slogan, not in my backyard, often means put it in their backyard.

The bill I'm introducing today, the Environmental Justice Act, will help eliminate the problem. As we clean up our environment, we must clean it up for everyone, regardless of how rich they are, where they live, or what they look like.

The act will do two things. First, it will help us set priorities. It will make sure we base our environmental cleanups on where the pollution is, not where the money is.

Our health and environmental agencies pile up libraries full of information on toxics in the environment. We know a great deal about pollution—not only how much, but precisely where the discharges and emissions occur. We know where the incinerators and the dumps and the landfills are located.

We also have the best census data of any country in the world. We spend hundreds of millions of dollars collecting census data. We break it down block by block.

But we don't match population data with data on health and the environment. We don't know precisely which neighborhoods are most affected by toxic pollution.

The Environmental Justice Act will require the EPA to find the facts: which neighborhoods have the most exposure to toxic pollutants—the chemicals which are the main causes of learning disabilities, absenteeism, genetic malformation, increased morbidity and mortality? And it will direct the Environmental Protection Agency to identify the 100 most toxic counties in the country.

Second, it will limit new toxic releases until we correct problems in the areas where the level of exposure is highest. Just as the Clean Air Act allows new pollution in dirty air regions only if it is offset by reduction of existing pollution, and the Clean Water Act prevents the deterioration of water below water quality standards by new sources, the Environmental Justice Act will block new toxic emissions in priority areas.

As I've drafted this bill, several people have asked me why a Montanan, a Senator from a rural State, takes such an interest in a problem we associate more with inner-city neighborhoods than with the West. I have two answers to that.

First of all, this is a national problem, not an East Coast or big city problem. When the results are in, I think we will find that the most toxic environments are all over the country—wherever our poorest and least powerful citizens live. I don't know that—but I'm ready to let the facts dictate where we should target our efforts. For example, it is critical to examine carefully the concerns about Indian reservations.

Second, we're all our brother's keeper in America. Just as I expect people in the cities and suburbs to care about rural America, I expect all of us who come from rural America to care about the cities. This bill is about fairness. It's about making sure the Government serves the people fairly.

The Environmental Justice Act is the product of considerable effort on the part of civil rights organizations, environmental groups, and many others. I sincerely thank them for their help and want to give particular thanks to Rev. Benjamin Chavis, who has worked for years to bring this issue to the attention of Congress. I pledge to work with him and the NAACP, along with other friends in environmental groups and minority communities across the country, to make sure it succeeds.

Mr. President, I ask unanimous consent that the text of the bill along with a summary of the bill appear in the RECORD immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1161

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This act may be cited as the "Environmental Justice Act of 1993".

SEC. 2. FINDINGS.

The Congress that—

(1) Toxic chemicals are being released in significant amounts into the environment. Over 3.5 billion pounds of toxic releases were reported by approximately 19,600 industrial plants in 1990, under the Emergency Planning and Community Right-to-Know Act.

(2) Notwithstanding the benefits of the Emergency Planning and Community Right-to-Know Act, many toxic chemicals posing substantial health threats as a result of releases, are not being reported. The Emergency Planning and Community Right-to-Know Act excludes hundreds of chemicals listed as toxics under various environmental laws including: 16 hazardous air pollutants, and 5 extremely hazardous substances listed in the 1990 Clean Air Act Amendments; 140 chemicals regulated as hazardous waste under the Resource Conservation and Recovery Act because of acute or chronic toxicity; over 200 chemicals identified as known or probable human carcinogens by the EPA and the National Toxicology Program; 69 special review pesticides identified under the Federal Insecticide, Fungicide and Rodenticide Act and hundreds of restricted use pesticides; and 90 reproductive toxins identified by the California Department of Health.

(3) Although environmental and health data of toxic chemical releases are not routinely collected and analyzed by income and race, racial and ethnic minorities and lower income Americans may be disproportionately exposed to toxic chemicals in their residential and workplace environments.

SEC. 3. PURPOSES AND POLICIES.

The purposes of this Act are—

(1) to establish and maintain information which provides an objective basis for assessment of health effects by income and race;

(2) to identify those areas with the largest releases of toxic chemicals to the air, land, water and workplace;

(3) to assess the health effects that may be caused by emissions in those areas of highest environmental impact;

(4) to ensure that groups or individuals residing within High Environmental Impact Areas have the opportunity and the resources to participate in the technical process which will determine the possible existence of adverse health impacts;

(5) to identify those activities in high environmental impact areas found to have significant adverse impacts on human health; and

(6) to incorporate environmental equity considerations into planning and implementation of all Federal environmental programs and statutes.

SEC. 4. DEFINITIONS.

For the purposes of this Act:

(1) The term "Administrator" means the Administrator of the United States Environmental Protection Agency.

(2) The term "environmental high impact area" means any of the 100 countries or appropriate geographic units with the highest total weight of toxic chemicals released during the most recent 5-year period for which data is available, as calculated pursuant to section 4 of this Act.

(3) The term "toxic chemicals" means: (A) all hazardous substances as defined in section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601(14); (B) all materials registered pursuant to the Federal Insecticide, Fungicide and Rodenticide Act (by 7 U.S.C. 136 et seq.); (C) all chemicals subject to section 313 of the Emergency Planning and Community Right-to-Know Act of 1986; (D) all contaminants identified in the Safe Drinking Water Act (42 U.S.C. 300g–1); (E) all chemicals listed by the National Toxicology Program as known or probable human carcinogens; and (F) all materials subject to the requirements concerning material safety data sheets for hazardous chemicals under the Occupational Safety and Health Act of 1970 (15 U.S.C. 615 et seq.).

(5) The term "release" shall have the same meaning as used in section 101(22) of the Comprehensive Environmental Response, Compensation and Liability Act of 1990 as amended by the Superfund Amendments and Reauthorization Act of 1986, and shall also include any release which results in exposure to persons within a workplace.

(6) The term "toxic chemical facility" means any facility: (A) subject to reporting requirements under the Emergency Planning and Community Right-to-Know Act of 1986; (B) that generates, treats, stores or disposes of a hazardous waste as defined in section 3001 of the Solid Waste Disposal Act; (C) subject to section 112 or 129 of the Clean Air Act; (D) subject to sections 307 or 311 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); (E) subject to the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 136 et seq.); or (F) subject to the requirements concerning material safety data sheets for hazardous chemicals under the Occupational Safety and Health Act of 1970 (15 U.S.C. 615 et seq.). For the purpose of this Act the term "toxic chemical facility" shall include any Federal facility that releases a toxic chemical.

SEC. 5. IDENTIFICATION OF ENVIRONMENTAL HIGH IMPACT AREAS.

(a) DETERMINATION OF IMPACTED AREAS.—Within 6 months after the date of enactment, the Administrator in consultation with the Agency for Toxic Substances and Disease Registry, the National Institute for Environmental Health Sciences, the National Center for Health Statistics and the Bureau of the Census, shall determine the most appropriate designation of Environmental High Impact Areas, either counties or other appropriate geographic unit.

(b) PUBLICATION OF LIST.—Within 12 months after the date of enactment of this

Act, the Administrator shall publish a list, in rank order, of the total weight of toxic chemicals released in each county or other appropriate geographic unit in the United States during the most recent 5-year period for which data are available. If less than five years of data are available the Administrator shall use available data until further information is reported.

(c) COMPILATION OF LIST.—(1) In compiling the list under subsection (a), the Administrator shall consider and utilize all appropriate and available data compiled pursuant to any environmental regulatory authority and other sources, including available data on the presence of lead-based paint and toxic chemicals from mobile vehicles.

(1) For each county or appropriate geographic unit the Administrator shall calculate and compile in a data base—

(A) the total weight of toxic chemicals released into the ambient environment;

(B) the total weight of toxic chemicals released into each environmental media (air, water, land, workplace);and

(C) the total weight of each toxic chemical released into the ambient environment, and into each environmental media (air, water, land, workplace);

and whenever possible shall adjust the estimates of each of the items in subparagraphs (A) through (C) to account for the toxicity of the toxic chemicals.

(2) Within 6 months after the date of enactment the Administrator shall review the methodology used to compile and summarize information collected under section 313 of the Emergency Planning and Community Right-to-Know Act, and publish for public comment any proposed changes to the methodology necessary to calculate and compile the information required in paragraph (1).

(3) The Administrator shall revise and republish the list described in subsection (c) by the date that is 6 years after the date of initial publication, and not less frequently than every 5 years thereafter, using data compiled during the preceding 5-year period.

(d) ENVIRONMENTAL HIGH IMPACT AREAS.—(1) Within 12 months after the date of enactment, and every 5 years thereafter, the Administrator shall publish a list of the 100 counties or other appropriate geographic unit with the highest total toxic chemical releases based on the list published in subsection (b). Such counties or other appropriate geographic units shall be designated as "Environmental High Impact Areas".

(2)(A) To ensure that facilities with the highest potential for release of toxic chemicals are operating in compliance with all applicable environmental health and safety standards, the Administrator, and the Secretary of Labor, shall conduct compliance inspections of all toxic chemical facilities subject to their jurisdiction in Environmental High Impact Areas within 2 years after the date of enactment of this Act, and not less frequently than every 2 years thereafter.

(B) Notwithstanding the requirements in subparagraph (A), the Administrator or the Secretary of Labor may authorize any state or Indian tribe which has been delegated authority to administer any Federal law regulating a toxic chemical which authorizes the inspection of toxic chemical facilities for compliance with applicable Federal environmental laws, to conduct such inspections in lieu of the Administrator or the Secretary of Labor.

(3) Within 24 months after the date of enactment of this Act, the Secretary of Health and Human Services, in consultation with the Administrator, the Secretary of Labor, the Bureau of Indian Affairs, and the Commissioners of the United States Commission on Civil Rights, shall issue for public comment a report identifying the nature and extent, if any, of acute and chronic impacts on human health in Environmental High Impact Areas from exposure to toxic chemicals. Such impacts shall include incidence of cancer, birth deformities, infant mortality rates, and respiratory diseases. Such report shall include a comparison of the health impact from exposure to toxic chemicals in Environmental High Impact Areas with other counties in the United States. The report shall be coordinated by the Administrator of the Agency for Toxic Substances Disease Registry of the Department of Health and Human Services, and in coordinating the report, the Administrator of the Agency for Toxic Substances and Disease Registry shall seek to—

(A) isolate the impacts of environmental pollution;

(B) segregate the effects of other factors such as health care availability or substance abuse;

(C) rank the relative risks posed by the toxic chemicals present in Environmental High Impact Areas and by the varied sources of toxic chemicals both individually and cumulatively;

(D) take into account the need to remedy the impacts of such toxic chemicals in high population density areas;

(E) evaluate the levels below which release of toxic chemicals, either individually or cumulatively, must be reduced to avoid adverse impacts on human health; and

(F) determine the impacts of maintaining toxic chemical releases at the current levels.

(4) If the report under paragraph (3) identifies significant adverse impacts from exposure to toxic chemicals on human health in Environmental High Impact Areas as a group, the President shall submit to Congress within one year after publication of the report, proposed administrative and legislative changes to remedy and prevent such impacts, including—

(A) the addition of facilities or chemicals to be subject to reporting requirements of the Emergency Planning and Community Right-to-Know Act of 1986, or a reduction in threshold quantities of chemicals that trigger reporting requirements under such Act;

(B) the regulation of toxic chemicals not subject to Federal law based on a statutory or administrative exemption; and

(C) the imposition of additional regulatory measures for toxic chemical facilities in an Environmental High Impact Area, such as emissions fees, source reduction requirements, or restrictions on toxic chemical releases.

SEC. 6. REDUCTION OF TOXIC CHEMICALS.

If the report under section 4(d)(3) identifies significant adverse impacts on human health from exposure to toxic chemicals in an Environmental High Impact Area, the Administrator shall promulgate regulations applicable to any Federal permit for construction or modification of a toxic chemical facility in that area. Such regulations shall require a net reduction in the release of any toxic chemical determined to cause such significant adverse impacts on human health in that area.

SEC. 7. TECHNICAL ASSISTANCE GRANTS.

(a) IN GENERAL.—Subject to appropriations, and in accordance with rules promulgated by the Secretary of Health and Human Services in consultation with the Administrator, the Secretary may award a grant to any individual or group of individuals who may be affected by a release or threatened release of a toxic chemical from any toxic chemical facility in an environmental high impact area.

(b) GRANT REQUIREMENTS.—(1) A grant awarded under this section shall—

(A) be designed to facilitate access by representatives of environmental high impact areas to the activities that involve public participation under this Act and any other related law;

(B) be used to obtain technical assistance relating to the inspection and review authorities described in section 4(d)(2) and the study described in section 4(d)(3); and

(C) be in an amount not to exceed $50,000.

(2) Each grant recipient shall be required, as a condition of the grant, to pay a non-Federal share equal to 20 percent of the grant amount. The Administrator may waive the 20 percent contribution requirement if the grant recipient demonstrates financial need to the satisfaction of the Administrator. Not more than one grant may be made with respect to each environmental high impact area for the period of a grant (as determined by the Administrator). At the end of the period, a grant may be renewed if the Administrator determines that the renewal is necessary to facilitate public participation.

(3) Grants under this subsection shall be considered to be grants under section 117(e) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 as amended by the Superfund Amendments and Reauthorization Act of 1986, and shall be funded in the same manner.

SECTION-BY-SECTION SUMMARY

Section 1 is the short title of the bill, to be cited as the "Environmental Justice Act of 1993."

Section 2 establishes findings that racial and ethnic minorities and lower income Americans may be disproportionately exposed to toxic chemicals in their residential and workplace environments.

Section 3 sets forth six purposes and policies:

To establish and maintain information to objectively assess the health effects by income and race;

To identify those areas with the largest releases of toxic chemicals;

To assess the health effects in those areas of highest environmental impact;

To ensure that the public in those areas have the opportunity and resources to participate in the technical process which will determine the possible existence of adverse health impacts;

To identify those activities in high environmental impact areas found to have a significant adverse health impact; and

To incorporate environmental equity considerations into planning and implementation of all Federal environmental programs and statutes.

Section 4 defines key terms used in the act including "environmental high impact area," "toxic chemicals," and "toxic chemical facility."

Section 5 lays out the process for identifying environmental high impact areas:

Within 12 months after the date of enactment, EPA shall publish a list, in rank order, of the total weight of toxic chemicals released in each county or appropriate geographic unit during the most recent five-year period for which data is available, and shall designate the top 100 areas as "Environmental High Impact Areas." The EPA shall use all appropriate and available data compiled pursuant to any environmental regulatory authority and other sources. The EPA must update the list every five years.

Within 24 months after the date of enactment, the EPA and the Department of Labor shall conduct compliance inspections of all toxic chemical facilities subject to their jurisdiction, in Environmental High Impact Areas and every two years thereafter.

In addition, within 24 months after enactment, the Department of Health and Human Services, in consultation with the EPA, the Department of Labor and the Commissioners of the United States Commission on Civil Rights, shall issue a report for public comment that identifies the nature and extent of health impacts in Environmental High Impact Areas.

If the report identifies significant adverse health impacts from exposure to toxic chemicals in an Environmental High Impact Area, the President shall submit to Congress within one year after the publication of the report, proposed administrative and legislative changes to remedy and prevent such impacts.

Section 6 establishes a requirement that any Federal permit for construction or modification of a toxic chemical facility in an Environmental High Impact Area that has been determined to pose significant health impacts, must be offset by reductions in toxic emissions from current sources.

Section 7 authorizes the Department of Health and Human Services in consultation with the EPA to provide technical assistance grants to any individual or group of individuals who may be affected by a toxic chemical release from any toxic chemical facility in an Environmental High Impact Area of up to $50,000.•

• Ms. MOSELEY-BRAUN. Mr. President, most Americans are well aware of the scope and extent of the toxic waste disposal problem in this country. There are daily news stories about communities that are adversely affected by toxic waste contamination of their air, water, or soil.

And most Americans also know that toxic emissions can be harmful to human health. They are justifiably concerned about the long-term health impacts of living in homes in areas with toxic waste programs, or going to work in areas that expose them to this kind of risk.

What is much less known, however, is who is most affected by toxic waste contamination. The news stories tend to focus on the middle-class victims, but the evidence demonstrates conclusively that poor, minority Americans are far more likely to be living or working near toxic waste sites, and are far more likely to be suffering from the consequences of exposure to these hazardous substances. In fact, recent studies demonstrate conclusively that race—not socioeconomic status or regional location—is the single best predictor of where toxic waste sites are located.

The data is alarming. More than 20 years of research reveals a disturbing pattern:

Three out of five African-Americans live in communities with abandoned toxic waste sites.

Three of the five largest commercial hazardous waste landfills, accounting for a full 40 percent of the Nation's estimated landfill capacity, are located in predominantly African-American or Latino communities.

A landmark 1987 report by the United Church of Christ's Commission for Racial Justice provides some of the most compelling data. The commission's study revealed that, nationwide, the proportion of minorities in communities that have a commercial hazardous waste facility is about double that of communities with no such facility.

A perfect example is a community close to where I grew up called Altgeld Gardens. Altgeld Gardens is a south Chicago housing development where 10,000 poor and minority residents live surrounded by not 1, or 2, but 50 abandoned factory dumps. So potent are the discarded mixtures in the dumps that residents say that they are overwhelmed by the smell of garbage, methane gas emissions, sludge, and so many other chemicals they don't like to let their children play outside. What kind of life can a child growing up in that kind of environment have?

Unfortunately, the bad news goes beyond the disproportionate siting of toxic waste facilities in poor minority areas. We also know that minority communities receive disparate and unequal treatment in the enforcement of the laws intended to protect those exposed to environmental danger.

A 1992 report by the National Law Journal found a marked disparity in penalties levied against toxic polluters in minority communities and those in other areas. The report also analyzed every residential toxic waste site in the Superfund Program. It found that in minority communities, the Government takes longer to investigate hazards and redress problems once validation is found. In addition, remedies are often less stringent than recommended by the scientific community.

The bill Senators BAUCUS, CAMPBELL, and I are introducing today, the Environmental Equity Act of 1993, addresses these unfair siting and cleanup practices. It also seeks to ensure compliance by all facilities, particularly those in minority communities, with all environmental, health, and safety laws. More importantly, it will finally assure equal public health protection for the members of severely affected communities by compiling scientific data on adverse health consequences.

Specifically, this bill would establish an EPA program to determine those areas in the country most severely contaminated by toxic wastes. It would require the collection and reporting of the extent of any acute and/or chronic impact on human health in these areas, and establish a grant program to provide information and technical assistance to the affected communities.

Mr. President, this legislation, which is similar to legislation sponsored by the Vice President when he was a Member of this body, will not eliminate unhealthy environments in minority communities, but it is a strong first step. It will begin to ensure that hazardous waste sites in minority communities operate in compliance with all applicable environmental, health, and safety standards. It will help to gather data to fill an important void in our understanding of the health effects of environmental pollutants.

What is most important, however, is that it will tie environmental data that we have already and analyze it in conjunction with public health and census data. We will soon be able to link appropriate health information of residents living in severely affected areas with hazardous waste data by race and socioeconomic status. This information, combined with the grant money available through this legislation, can empower communities, spur action on the Federal, State, and local levels, and help residents of affected communities obtain the help they need to preserve and improve their communities.

It is because of the severity of the situation that I also cosponsored, earlier this year, an amendment to the EPA elevation bill that would create an office of Environmental Justice at EPA. That amendment was important because it provided a needed focus at EPA to address environmental justice issues. This legislation is important because it will provide much-needed relief to affected communities.

I have said it before and repeat it again now—the time has come to make sure environmental protection includes equal protection. I believe this is an essential piece of legislation, not just for minority communities but for all communities.

I urge my colleagues in the Senate to support this important legislation.•

By Mr. BAUCUS (for himself, Mr. LIEBERMAN, and Mr. SIMPSON) (by request):

S. 1162. A bill to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1994 and 1995, and for other purposes; to the Committee on Environment and Public Works.

NRC AUTHORIZATION ACT

• Mr. BAUCUS. Mr. President, by request of the Nuclear Regulatory Commission [NRC], today I am introducing, along with Senators LIEBERMAN and SIMPSON, the NRC's proposed authorization bill for fiscal years 1994 and 1995 and the NRC's proposed legislative package for the 103d Congress.

The introduction of these bills is the first step in the renewal by the Committee on Environment and Public Works of the authorization process for the NRC.

The Subcommittee on Clean Air and Nuclear Regulation of the Committee on Environment and Public Works will conduct a hearing on these proposals next week. I look forward to reviewing the testimony received at this hearing on these proposals.

Mr. President, I ask unanimous consent that the NRC's analysis and explanation of its authorization bill and its legislative proposals be included at the appropriate place in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. NUCLEAR REGULATORY COMMISSION PROPOSED BILL FOR AUTHORIZATION OF APPROPRIATIONS FISCAL YEARS 1994 AND 1995

SECTION-BY-SECTION ANALYSIS

Section 1

(a) The Nuclear Regulatory Commission is responsible for assuring that the possession, use and disposal of radioactive materials and the construction and operation of reactors and other nuclear facilities are conducted in a manner consistent with public health and safety and the common defense and security, with proper regard for environment quality, and in conformance with antitrust statutes. The Commission's program is comprised of nuclear facilities and material licensing, inspection and enforcement and related regulatory functions, nuclear safety research, rulemaking, and technical and administrative support activities.

The Nuclear Waste Policy Act, as amended, provides for the establishment of a Nuclear Waste Fund to ensure that the costs of carrying out activities relating to the disposal of high-level radioactive waste and spent nuclear fuel will be borne by the generators of such waste and spent fuel and provides that the amounts paid by generators and owners of these materials into the fund is reviewed annually to determine if any adjustment is needed to ensure full cost recovery. The Nuclear Regulatory Commission is required by the Nuclear Waste Policy Act, as amended, to license a repository for the disposal of high-level radioactive waste and spent nuclear fuel and a monitored retrievable storage (MRS) facility. The Commission is assigned specific review responsibilities in the steps leading to submission of the license applications. Thus, the Act establishes NRC's responsibility throughout the repository and MRS siting processes, culminating in the requirement for NRC licensing as a prerequisite to construction and operation of the facilities. The Nuclear Waste Policy Act, as amended, also specifies that expenditures from the Nuclear Waste Fund shall only be used for activities relating to spent fuel and high-level radioactive waste disposal, including identification, development, licensing, construction, operation, decommissioning, and post-decommissioning maintenance and monitoring of any repository or MRS facility constructed under the Act, and administrative cost of the radioactive waste disposal program.

The budget request for the Commission is stated in terms of obligational authority requested to carry out the responsibilities of the Commission.

(b) The Inspector General Act Amendments of 1988 amended the Inspector General Act of 1978, established the Office of the Inspector General within the Nuclear Regulatory Commission effective on April 17, and required the establishment of a separate appropriation account to fund the Office of the Inspector General.

The budget request for the Office of the Inspector General is stated in terms of obligational authority requested to carry out the responsibilities of the Office of the Inspector General.

Section 2

(a) The requested authorization for appropriations under Section 1.(a) is $542,900,000 for fiscal year 1994, and $546,800,000 for fiscal year 1995, and is allocated as follows:

	Amount FY 1994	Amount FY 1995
Reactor safety and safeguards regulations	$163,807,000	$168,005,000
Reactor safety research	99,969,000	98,339,000
Reactor special and independent reviews, investigations and enforcement	31,000,000	31,369,000
Nuclear material and low-level waste safety and safeguards regulation	61,880,000	63,025,000
High-level nuclear waste regulation (from nuclear waste fund)	22,000,000	22,000,000
Nuclear safety management and support	164,244,000	164,062,000

(b) This section provides a limitation on the amount of moneys that may be utilized by the Commission for grants and cooperative agreements with organizations such as universities, State and local governments, and not-for-profit institutions.

(c) This section provides the Commission with the authority to reprogram funds among the program activities specified in Section 2.(a) with certain specified constraints. Funds authorized to be appropriated from the Nuclear Waste Fund will be used only for NRC's high-level nuclear waste activities and will not be reprogrammed for other NRC activities.

Section 3

This section provides authorization for moneys received by the Commission for the cooperative nuclear safety research program, for services rendered to foreign governments and international organizations, for costs of certain licensee security investigations (including fingerprint examinations and criminal history checks) to be retained and used for salaries and expenses associated with those activities, subject to appropriations, and for such moneys to remain available until expended, notwithstanding the provisions of Section 3302 of Title 31 of the United States Code.

Under the cooperative nuclear safety research program, funds are received from domestic entities, foreign governments, and international organizations for their participation in NRC's reactor safety research experiments. Under section 3, the NRC would be authorized to receive directly compensation from foreign governments and international organizations for providing safety assistance and other services related to promoting the public health and safety. Funds are also received in the form of fees from licensees for the cost of security investigations and related processing associated with access to formula quantities of special nuclear material and for the cost of fingerprint examinations and criminal history checks of each individual granted access to safeguards information or unescorted access to a nuclear power plant. These funds will be used to pay the related NRC processing costs and the agency performing the security investigations. NRC will also use the money currently collected under 10 CFR Part 25, to pay the NRC processing costs and the Office of Personnel Management for conducting background investigations used as a basis for NRC security clearances for designated licensee representatives and other personnel requiring access to classified information.

Section 4

This section provides for limited transfer authority from NRC's Salaries and Expenses appropriation, except for appropriations from the Nuclear Waste Fund, to its Office of the Inspector General appropriation. This will permit the NRC to augment the Inspector General appropriation on a limited basis, if it becomes necessary, without seeking additional appropriations for that fiscal year.

Section 5

This section provides language required by the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344), Section 401(a).●

● Mr. LIEBERMAN. Mr. President, today Senator BAUCUS, Senator SIMPSON, and I are introducing by request of the Nuclear Regulatory Commission [NRC] the NRC's proposed authorization bill for fiscal years 1994 and 1995 and the NRC's legislative proposals for the 103d Congress.

The Subcommittee on Clean Air and Nuclear Regulation will be conducting a hearing at the end of June on these proposals. It is my hope that after this hearing the subcommittee will proceed to markup and recommend legislation for consideration by the full Committee on Environment and Public Works.

Since these bills are being introduced by request, at this time I am taking no position on the merits of any of the legislative proposals. However, I intend to carefully consider these proposals in the coming months, and eventually proceed to markup. I encourage anyone interested in these proposals to examine them and to provide comments to the subcommittee.●

By Mr. KERRY:

S. 1163. A bill to reduce spending and tax subsidies in order to reduce the budget deficit, and for other purposes; to the Committee on Finance.

BUDGET DEFICIT REDUCTION ACT OF 1993

Mr. KERRY. Mr. President, I am introducing a bill today, the Budget Deficit Reduction Act of 1993, that will cut Federal spending $85 billion over the next 5 years. I am offering this bill because I believe that there is much more that we can and must do to cut unnecessary programs and subsidies to the wealthy from the Federal budget before we turn to increasing the taxes paid by the middle class.

The taxpayers know, and so do we, that there is still room to cut the budget without, gravely harming our ability to meet pressing national needs—even after the $329 billion in cuts proposed by the President. There are programs that reflect economic priorities of the past, programs designed to protect the United States against cold war dangers, programs that were initiated only to satisfy powerful political constituencies, and many other programs that persist despite the fact that they benefit the few at the expense of the many.

That is the reality, and when we deny it we succeed only in making people cynical about their elected officials. We in Congress should not propose raising taxes or hurting those who need our help before we have cut all the expenditures that are unnecessary or wasteful.

President Clinton is the first President in over a decade to truly demonstrate leadership by proposing to cut back some of these programs. As a result, his economic plan would cut the deficit in half as a percent of GDP by 1997. But the cuts he includes in his plan have been subject to endless attacks from the special interests, who propose that someone else's program be cut before theirs. Even in Congress, where Members of both parties have chided the President for not cutting enough, many of the cuts he originally proposed were whittled away by Members protecting their parochial interests.

In light of the $300 billion annual Federal deficit and $4 trillion national debt, we cannot be swayed by special interest pleading. At a time when we are asking middle-income Americans to pay more in taxes, we must face tough choices. In fact, we should go even further than the President has suggested. This is a unique opportunity, while the Nation is focused on deficit reduction and crying out for change in how the Federal Government conducts its business. If we take a bold step, we can restore some integrity to the Federal Government and its budget process.

The bill I am introducing would cut programs across the Federal Government. It would eliminate the Wool and Mohair Price Support Program which subsidizes mohair goat ranchers. This subsidy was initiated as a national security program to ensure an adequate supply of mohair for military uniforms. Now, the only use for mohair in the military is for the braids on uniforms. The program provides such large subsidies to individual farmers that the President proposed to limit subsidies to $50,000 per person. I propose we eliminate it entirely.

The Deficit Reduction Act of 1993 would eliminate funding for NASA's space station. The space station does not further many of the traditional objectives of U.S. space policy; it does not serve significant national security purposes—the Department of Defense has expressed very limited interest in using it; and many civilian scientific goals could be met earlier, and at less cost, with a more modest program. Further, many scientists argue that the station absorbs funds that would be better spent on space science and exploration, whose returns are better known. Yet current plans are to spend at least $30 billion over the decade on the program. President Clinton's plan would redesign the space station to save $2.5 billion over the next 5 years. I propose we eliminate it entirely.

Eliminating the space station is an idea that Senator BUMPERS of Arkansas has championed for years, to little avail. Several other cuts that Senator BUMPERS has worked on are included as well, including eliminating the grazing subsidy for ranchers on Federal lands and the hardrock mining subsidy for those who mine on Federal lands. These programs overwhelmingly benefit wealthy ranchers and miners. The President's original plan proposed eliminating these subsidies but in the end the President compromised by saying he would not push for their elimination.

The Deficit Reduction Act of 1993 would eliminate the cotton and rice price support programs, or subsidies. It would charge couples who earn over $150,000 per year 100 percent of their physicians' costs under Medicare. It would eliminate several space programs. And it would cut wasteful defense programs.

The bill does not spare Massachusetts. A number of companies and universities in Massachusetts receive funding for various subcontractor responsibilities. These institutions have written, called, and visited me to make the case for these projects. Although their arguments are good ones, the Government cannot afford these expensive projects when we are facing the need for entitlement cuts and tax increases. Much as I would like to exempt projects that benefit people in my State, I know that the times demand that each Member of Congress—and each voter—put aside his narrow self-interest and focus on what is best for the Nation as a whole.

Mr. President, this bill is not a silver bullet. There is much more that needs to be done before we can bring the deficit under control so that our children will have a secure economic future. Just last week, I worked closely with the administration to streamline Federal broadcasting programs. And I have been working hard to eliminate waste, fraud, and abuse left over at the Department of Housing and Urban Development from earlier administrations. We need to focus more on efforts like this—efforts that do not necessarily grab headlines, because they are not sweeping changes in the budget process, but which get to the bottom of the problem of wasted taxpayer dollars. We must also stop the growth in entitlement spending, beginning with health care reform. And, in the end, I believe we will not be able to avoid the need to raise taxes as well. But we should not make average citizens pay more until we can guarantee them that we are spending their money as wisely as we can. I hope that this bill will illustrate that there is much more that can be done if we are willing to make some very tough choices.

Mr. President, I ask unanimous consent that the full text of the bill and the section-by-section analysis appear in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1163

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Budget Deficit Reduction Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
TITLE I—AGRICULTURE AND RELATED PROGRAMS
Sec. 101. Elimination of wool and mohair price support program.
Sec. 102. Elimination of cotton price support and production adjustment programs.
Sec. 103. Elimination of rice price support and production adjustment programs.
Sec. 104. General conforming amendments.
Sec. 105. Powers of Commodity Credit Corporation.
Sec. 106. Transition provisions.
Sec. 107. Effective date.
TITLE II—COMMERCE, SCIENCE, AND TRANSPORTATION
Sec. 201. Termination of the advanced solid rocket motor program and the space exploration initiative program.
Sec. 202. Termination of the space station program.
Sec. 203. Radio spectrum auction.
TITLE III—ENERGY AND NATURAL RESOURCES
Sec. 301. Elimination of superconducting super collider.
Sec. 302. Increase in domestic livestock grazing fees.
Sec. 303. Hardrock mining.
TITLE IV—FINANCE
Sec. 401. Premiums under part B of the medicare program to cover 100 percent of costs for certain individuals.
TITLE VI—NATIONAL DEFENSE
Sec. 601. Reduction in the operating tempo of ballistic missile submarines.
Sec. 602. Reduction in the attack submarine force.
Sec. 603. Reduction in the antisubmarine warfare weapon systems of the Navy.
Sec. 604. Reduction in number of light divisions.
Sec. 605. Reduction in number of tactical fighter wings.
Sec. 606. Limitation on expenditures for nuclear weapons research, development, and testing activities of the Department of Energy.
Sec. 607. Strategic Defense Initiative.
Sec. 608. Termination of the MHC(V) coastal mine-hunting ship program.
Sec. 609. Termination of the Kinetic Energy Anti-satellite Attack program.
Sec. 610. Required exercise of early retirement authority.
TITLE VII—GENERAL PROVISIONS
Sec. 701. Cost savings.
Sec. 702. Effective date.

TITLE I—AGRICULTURE AND RELATED PROGRAMS

SEC. 101. ELIMINATION OF WOOL AND MOHAIR PRICE SUPPORT PROGRAM.

(a) IN GENERAL.—The National Wool Act of 1954 (7 U.S.C. 1781 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—Section 256(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906(a)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 102. ELIMINATION OF COTTON PRICE SUPPORT AND PRODUCTION ADJUSTMENT PROGRAMS.

(a) PRICE SUPPORT PROGRAMS.—

(1) IN GENERAL.—Sections 103, 103A, 103B, 203, and 420 of the Agricultural Act of 1949 (7 U.S.C. 1444, 1444-1, 1444-2, 1446d, and 1432) are repealed.

(2) FACTORS FOR DETERMINING LEVEL OF SUPPORT.—Section 401(b) of such Act (7 U.S.C. 1421(b)) is amended—

(A) by inserting "and" before "(8)"; and

(B) by striking ", and (9) in the case of upland cotton, changes in the cost of producing such cotton".

(b) ACREAGE ALLOTMENTS AND MARKETING QUOTAS.—

(1) MARKETING QUOTAS.—Part IV of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1341 et seq.) is repealed.

(2) SKIPROW PRACTICES.—Section 374(a) of such Act (7 U.S.C. 1374(a)) is amended by striking the third sentence.

(3) PRESERVATION OF UNUSED ACREAGE ALLOTMENTS.—The first sentence of section 377 of such Act (7 U.S.C. 1377) is amended by striking "for such year" and all that follows through "Great Plains program):" and inserting "for the year:".

(4) PRELIMINARY ALLOTMENTS FOR 1996 CROP OF UPLAND COTTON.—Section 505 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1342 note) is repealed.

(5) COTTON ACREAGE ALLOTMENTS.—The Act of March 29, 1949 (63 Stat. 17, chapter 38; 7 U.S.C. 1344a) is repealed.

SEC. 103. ELIMINATION OF RICE PRICE SUPPORT AND PRODUCTION ADJUSTMENT PROGRAMS.

(a) PRICE SUPPORT PROGRAMS.—Sections 101A and 101B of the Agricultural Act of 1949 (7 U.S.C. 1441-1 and 1441-2) are repealed.

(b) ACREAGE ALLOTMENTS AND MARKETING QUOTAS.—

(1) MARKETING QUOTAS.—Part V of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1351) is repealed.

(2) MARKETING PENALTY.—The Joint Resolution entitled "Joint Resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1340), is amended—

(A) by striking paragraphs (8) and (9); and

(B) by redesignating paragraphs (10) through (12) as paragraphs (8) through (10), respectively.

SEC. 104. GENERAL CONFORMING AMENDMENTS.

(a) ACREAGE BASE AND YIELD SYSTEM.—

(1) PURPOSE.—Section 501 of the Agricultural Act of 1949 (7 U.S.C. 1461) is amended by striking "wheat, feed grains, upland cotton, and rice" and inserting "wheat and feed grains".

(2) DEFINITIONS.—Section 502(3) of such Act (7 U.S.C. 1462(3)) is amended by striking "barley, upland cotton, or rice" and inserting "or barley".

(3) CROP ACREAGE BASES.—Section 503 of such Act (7 U.S.C. 1463) is amended—

(A) by striking subsection (b) and inserting the following new subsection:

"(b) CALCULATION.—The crop acreage base for each program crop for a farm for a crop year shall be the number of acres that is equal to the average of the acreage planted and considered planted to the program crop for harvest on the farm in each of the 5 crop years preceding the crop year.";

(B) in subsection (c)(3), by striking "wheat, feed grains, upland cotton, and rice established under sections 107B(c)(1)(E), 105B(c)(1)(E), 103B(c)(1)(D), and 101B(c)(1)(D), respectively" and inserting "wheat and feed grains established under sections 107B(c)(1)(E) and 105B(c)(1)(E), respectively";

(C) in subsection (g), by striking "or crop of extra long staple cotton" both places it appears; and

(D) by striking subsection (h) and inserting the following new subsection:

"(h) ADJUSTMENT OF BASES.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any crop acreage base for any program crop for any farm if the crop acreage base for the crop on the farm would otherwise be adversely affected by a condition or occurrence beyond the control of the producer.".

(b) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "wheat, feed grains, upland cotton, extra long staple cotton, and rice" and inserting "wheat and feed grains"; and

(B) in subparagraph (B), by striking "upland cotton, rice,"; and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking "upland cotton, extra long staple cotton, rice,"; and

(B) in subparagraph (B), by striking clauses (v) and (vi) and inserting the following new clauses:

"(v) any loan deficiency payment received for a crop of wheat, feed grains, or oilseeds under section 107B(b), 105B(b), or 205(e) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(b), 1444f(b), or 1446f(e)), respectively; and

"(vi) any inventory reduction payment received for a crop of wheat or feed grains under section 107B(f) or 105B(f) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(f) or 1444f(f)), respectively.".

(c) PROVISIONS RELATED TO AGRICULTURAL ACT OF 1949.—

(1) PARITY PRICE SUPPORT.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended—

(A) in subsection (a), by striking "For rice of the 1959" and all that follows through "65 per centum of the parity price"; and

(B) in subsection (b), by striking "cotton and".

(2) ADVANCED DEFICIENCY AND LAND DIVERSION PAYMENTS.—Section 114 of such Act (7 U.S.C. 1445j) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking "wheat, feed grains, upland cotton, or rice" and inserting "wheat or feed grains"; and

(ii) in paragraph (2)(F), by striking clause (iii) and inserting the following new clause:

"(iii) in the case of wheat and feed grains, not less than 40 percent, nor more than 50 percent, of the projected payment rate,"; and

(B) in subsection (b), by striking "wheat, feed grains, upland cotton, or rice" and inserting "wheat or feed grains".

(3) COMMODITY CERTIFICATES.—Section 115(a) of such Act (7 U.S.C. 1445k(a)) is amended by striking "wheat, feed grains, upland cotton, or rice (other than negotiable marketing certificates for upland cotton or rice)" and inserting "wheat or feed grains".

(4) INCREASE OF PRICE SUPPORT LEVELS.—Section 402(b) of such Act (7 U.S.C. 1422(b)) is amended by striking "wheat, feed grains, cotton, and rice" and inserting "wheat and feed grains".

(5) ADVANCE PARTICIPATION.—Section 406(b) of such Act (7 U.S.C. 1426(b)) is amended—

(A) in paragraph (1), by striking "upland cotton, extra long staple cotton, rice,";

(B) in paragraph (2), by striking "101B, 103B,";

(C) in paragraph (3)—

(i) by striking "cotton, rice,";

(ii) by striking subparagraphs (C), (D), and (E); and

(iii) by redesignating subparagraphs (F) and (G) as subparagraphs (C) and (D), respectively; and

(D) in paragraph (4), by striking "cotton, rice,".

(6) DEFINITIONS.—Section 408 of such Act (7 U.S.C. 1428) is amended—

(A) in subsection (b), by striking "Secretary: *Provided*, That for upland cotton" and all that follows through the end of the subsection and inserting "Secretary.";

(B) in subsection (c), by striking "cotton, peanuts, rice," and inserting "peanuts,"; and

(C) in subsection (k), by striking "upland cotton, extra long staple cotton, honey, oilseeds, and rice" each place it appears and inserting "honey, and oilseeds".

(d) MISCELLANEOUS COMMODITY PROVISIONS.—

(1) NORMAL SUPPLY.—Section 1019 of the Food Security Act of 1985 (7 U.S.C. 1310a) is amended by striking "wheat, corn, upland cotton, or rice" and inserting "wheat or corn".

(2) AMERICAN AGRICULTURE PROTECTION PROGRAM.—Section 1002(c) of the Food and Agriculture Act of 1977 (7 U.S.C. 1310(c)) is amended by striking "rice, flaxseed, and cotton" and inserting "and flaxseed".

(3) HAY PRODUCTION ON SET-ASIDE OR DIVERTED ACREAGE.—Section 805(a) of the Agricultural Act of 1970 (7 U.S.C. 1339d(a)) is amended—

(A) by striking ", in the feed" and inserting "or in the feed"; and

(B) by striking "or in the cotton program under Title VI of this Act,".

(4) READJUSTMENT OF SUPPORT LEVELS.—Section 1302(b)(1) of the Omnibus Budget Reconciliation Act of 1990 (7 U.S.C. 1421 note) is amended by striking "wheat, feed grains, upland cotton, or rice established under section 107B(e), 105B(e), 103B(e), or 101B(e) of the Agricultural Act of 1949 (as amended by sections 301, 401, 501, and 601 of the Food, Agriculture, Conservation, and Trade Act of 1990), respectively" and inserting "wheat or feed grains established under section 107B(e) or 105B(e) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(e) or 1444f(e)), respectively".

(5) ADVANCE RECOURSE LOANS.—Section 13(a)(2)(A) of the Food Security Improvements Act of 1986 (7 U.S.C. 1433c-1(a)(2)(A)) is amended by striking "wheat, feed grains, cotton, and rice" and inserting "wheat and feed grains".

(6) INTEGRATED FARM MANAGEMENT PROGRAM OPTION.—Section 1451(h)(7) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5822(h)(7)) is amended—

(A) in subparagraph (A), by striking "wheat, feed grains, cotton, or rice" and inserting "wheat or feed grains"; and

(B) in subparagraph (B)(ii), by striking "section 101B(c)(1)(D), 103B(c)(1)(D), 105B(c)(1)(E), or 107B(c)(1)(E)" and inserting "105B(c)(1)(E) or 107B(c)(1)(E)".

(7) TARGETED OPTION PAYMENTS.—Section 121(b) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (105 Stat. 1843) is amended by striking "wheat, feed grains, upland cotton, and rice as authorized by sections 107B(e)(3), 105B(e)(3), 103B(e)(3), and 101B(e)(3) of the Agricultural

Act of 1949 (7 U.S.C. 1445b–3a(e)(3), 1444f(e)(3), 1444–2(e)(3), and 1441–2(e)(3)), respectively" and inserting "wheat and feed grains as authorized by sections 107B(e)(3) and 105B(e)(3) of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a(e)(3) and 1444f(e)(3)), respectively".

(e) ACREAGE ALLOTMENTS AND MARKETING QUOTAS.—

(1) DECLARATION OF POLICY.—Section 2 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1282) is amended by striking "cotton, wheat, corn, tobacco, and rice" and inserting "wheat, corn, and tobacco".

(2) DEFINITIONS.—Section 301(b) of such Act (7 U.S.C. 1301(b)) is amended—

(A) in paragraph (1)(B), by striking "cotton, rice or peanuts" and inserting "peanuts";

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "corn, rice, and peanuts" and inserting "corn and rice";

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(C) in paragraph (6)(A), by striking "cotton, rice,";

(D) in paragraph (7), by striking the following:

"Cotton, August 1—July 31;";

"Rice, August 1—July 31;";

(E) in paragraph (8)(A)—

(i) by striking "cotton or";

(ii) by striking "in the case of wheat, and during the five calendar years in the case of cotton,"; and

(iii) by striking ", in the case of wheat, but not in the case of cotton,";

(F) in paragraph (9)—

(i) in the first sentence, by striking "or rice"; and

(ii) in the second sentence, by striking "cotton or";

(G) in paragraph (10)—

(i) in subparagraph (A)—

(I) by striking "rice,"; and

(II) by striking "10 per centum in the case of rice;"; and

(ii) by striking subparagraph (C);

(H) in paragraph (11)—

(i) in subparagraph (B), by striking "cotton and"; and

(ii) by striking subparagraph (C);

(I) in paragraph (12)—

(i) by striking "cotton, rice,"; and

(ii) by striking "(or, in the case of rice, the five marketing years)";

(J) in paragraph (13)—

(i) by striking subparagraphs (H), (I), (L), and (M); and

(ii) in the first sentence of subparagraph (D)—

(I) by striking "rice and";

(II) by striking "of rice or wheat, as the case may be," and inserting "of wheat";

(III) by striking "county during the five calendar years" and all that follows through "rice, or" and inserting "county"; and

(IV) by striking "in the case of wheat";

(iii) in the first sentence of subparagraph (E)—

(I) by striking "rice and";

(II) by striking "of rice or wheat, as the case may be," and inserting "of wheat";

(III) by striking "farm during the five calendar years" and all that follows through "rice, or" and inserting "farm"; and

(IV) by striking "in the case of wheat"; and

(iv) by redesignating subparagraphs (J) and (K) as subparagraphs (H) and (I), respectively; and

(K) in paragraph (16)—

(i) in subparagraph (A), by striking "rice,"; and

(ii) by striking subparagraph (C).

(3) PARITY PAYMENTS.—Section 303 of such Act (7 U.S.C. 1303) is amended by striking "cotton, rice,".

(4) ACREAGE ALLOTMENTS.—Section 344(f)(2) of such Act (7 U.S.C. 1344(f)(2)) is amended by striking "wheat, tobacco, or rice for market;" and inserting "wheat or tobacco for market;".

(5) ADMINISTRATIVE PROVISIONS.—Section 361 of such Act (7 U.S.C. 1361) is amended by striking "cotton, peanuts, and rice" and inserting "and peanuts".

(6) ADJUSTMENT OF QUOTAS.—Section 371 of such Act (7 U.S.C. 1371) is amended—

(A) in subsection (a), by striking "cotton, rice, peanuts, or tobacco" and inserting "peanuts or tobacco"; and

(B) in subsection (b), by striking "cotton, rice,".

(7) COLLECTION OF PENALTIES.—Section 372(a) of such Act (7 U.S.C. 1372(a)) is amended by striking "cotton, or rice,".

(8) REPORTS AND RECORDS.—Section 373 of such Act (7 U.S.C. 1373) is amended—

(A) in the first sentence of subsection (a)—

(i) by striking "cotton, rice," both places it appears; and

(ii) by striking ", and all ginners of cotton"; and

(B) in subsection (b), by striking "cotton, rice,".

(9) REGULATIONS.—Section 375(a) of such Act (7 U.S.C. 1375(a)) is amended by striking "cotton, rice,".

(10) EMINENT DOMAIN.—Section 378(c) of such Act (7 U.S.C. 1378(c)) is amended by striking the first sentence and inserting the following new sentence: "This section shall not be applicable in the case of tobacco and peanuts, to any farm from which the owner was displaced prior to 1950, and in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954.".

(11) FINALITY OF FARMERS PAYMENTS AND LOANS.—The first sentence of section 385 of such Act (7 U.S.C. 1385) is amended by striking "wheat, feed grain, upland cotton, extra long staple cotton, and rice" and inserting "wheat and feed grain".

SEC. 105. POWERS OF COMMODITY CREDIT CORPORATION.

Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting after "agricultural commodities" the following: "(other than wool, mohair, cotton, or rice)".

SEC. 106. TRANSITION PROVISIONS.

The amendments made by this title shall not affect the liability of any person under any provision of law as in effect before the application of the amendments in accordance with section 109.

SEC. 107. EFFECTIVE DATE.

This title and the amendments made by this title shall apply beginning with—

(1) in the case of upland cotton, extra long staple cotton, and rice, the 1993 crop year; and

(2) in the case of wool and mohair, the marketing year beginning January 1, 1994.

TITLE II—COMMERCE, SCIENCE, AND TRANSPORTATION

SEC. 201. TERMINATION OF THE ADVANCED SOLID ROCKET MOTOR PROGRAM AND THE SPACE EXPLORATION INITIATIVE PROGRAM.

(a) PROHIBITION.—Effective 90 days after the date of enactment of this section, no appropriated funds shall be available for use on—

(1) the Advanced Solid Rocket Motor; or

(2) the Space Exploration Initiative.

(b) EXCEPTION.—The provisions of subsection (a) shall not apply to any actions taken in terminating the programs listed in paragraphs (1) and (2) of that subsection.

(c) UNEXPENDED FUNDS.—Any funds appropriated for use on the programs listed in paragraphs (1) and (2) of subsection (a) that remain unobligated and unexpended 90 days after the date of enactment of this section shall be credited to the general revenues of the United States Treasury.

SEC. 202. TERMINATION OF THE SPACE STATION PROGRAM.

(a) PROHIBITION.—Effective 90 days after the date of enactment of this section, no appropriated funds shall be available to carry out the provisions of section 106 of the National Aeronautics and Space Administration Authorization Act of 1988 (42 U.S.C. 2451 note).

(b) EXCEPTION.—The provisions of subsection (a) shall not apply to any actions taken in terminating the United States International Space Station Freedom program.

(c) UNEXPENDED FUNDS.—Any funds appropriated for use on the United States International Space Station Freedom program that remain unexpended and unobligated 90 days after the date of enactment of this section shall be credited to the general revenues of the United States Treasury.

SEC. 203. FEDERAL AVIATION ADMINISTRATION USER FEES.

(a) ESTABLISHMENT OF USER FEES.—No later than 90 days after the date of enactment of this section, the Administrator of the Federal Aviation Administration (hereafter in this section the "Administrator") shall establish and collect user fees for users of the Air Traffic Control system (hereafter in this section the "ATC" system).

(b) FACTORS.—The fees established in accordance with subsection (a) shall be based upon—

(1) the number of ATC facilities utilized by the user on a flight; and

(2) the marginal costs of such usage at each ATC facility.

(c) DEPOSIT OF FEES.—The Administrator shall deposit the fees collected in accordance with subsection (a) into the general revenues of the United States Treasury.

(d) USER DEFINED.—As used in this section, the term "user" means—

(1) commercial air carriers;

(2) commuter carriers; and

(3) general aviation.

SEC. 204. RADIO SPECTRUM AUCTION.

Within the 180 day period following the date of the enactment of this Act, the Federal Communications Commission shall initiate an auction process, comparable to that used for oil-drilling rights on the Outer Continental Shelf, to be utilized in the assignment, after the expiration of such period, of licenses for the radio spectrum.

TITLE III—ENERGY AND NATURAL RESOURCES

SEC. 301. ELIMINATION OF SUPERCONDUCTING SUPER COLLIDER.

(a) FUNDING PROHIBITION.—Beginning on the date of enactment of this Act, the United States may not obligate any funds for the Superconducting Super Collider described in section 7 of Appendix A to part 605 of title 10, Code of Federal Regulations.

(b) EXPENDITURE OF FUNDS PROHIBITED.—Except as provided in subsection (d), and except in the case of a contract or agreement entered into before the date of enactment of this Act, or moneys obligated prior to the date, no funds appropriated by Congress shall be expended on or after the date of enactment of this Act, in any fiscal year, in connection with the Superconducting Super Collider.

(c) CONTRACT AND AGREEMENT PROHIBITION.—Except as provided in subsection (d), beginning on the date of enactment of this Act, no department, agency, or other instrumentality of the United States, or any officer or employee of the department, agency, or instrumentality, shall enter into any contract or other agreement in connection with the Superconducting Super Collider.

(d) EXCEPTION.—Subsections (b) and (c) shall not be applicable to any funds appropriated, or any contract or agreement entered into, solely for the purpose of terminating, pursuant to this Act, any action or activity involving the Superconducting Super Collider.

SEC. 302. INCREASE IN DOMESTIC LIVESTOCK GRAZING FEES.

(a) IN GENERAL.—Section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751) is amended by adding at the end the following new subsections:

"(c)(1)(A) Subject to subparagraph (B), the Secretary of Agriculture, with respect to National Forest System lands in the 16 contiguous Western States (except national grasslands) administered by the Forest Service where domestic livestock grazing is permitted under applicable law, and the Secretary of the Interior with respect to public domain lands administered by the Bureau of Land Management where domestic livestock grazing is permitted under applicable law, shall establish beginning with the grazing season that begins on March 1, 1994, an annual domestic livestock grazing fee equal to fair market value.

"(B) The grazing fee charged for any given year under subparagraph (A) shall not increase nor decrease by more than 33.3 percent from the grazing fee charged for the previous year.

"(2)(A) As used in this subsection, the term 'fair market value' means the amount obtained in accordance with the following formula:

$$\text{Fair Market Value} = \times \frac{\begin{matrix}\text{Appraised Base Value}\\ \text{Forage Value Index}\end{matrix}}{100}$$

"(B) As used in subparagraph (A):

"(i) The term 'Appraised Base Value' means the 1983 Appraisal Value conclusions for mature cattle and horses (expressed in dollars per head or per month), as determined in the 1986 report prepared jointly by the Secretary of Agriculture and the Secretary of the Interior entitled 'Grazing Fee Review and Evaluation', dated February 1986, on a westwide basis using the lowest appraised value of the pricing areas adjusted for advanced payment and indexed to 1993.

"(ii) The term 'Forage Value Index' means the Forage Value Index (FVI) computed annually by the Economic Research Service of the Department of Agriculture, and set with the 1993 Forage Value Index equal to 100.

"(3) EXECUTIVE ORDER.—Executive Order 12548 (43 U.S.C. 1905 note; relating to determination of grazing fees by Secretaries of Agriculture and Interior) shall not apply to grazing fees established pursuant to this Act.

"(d) The grazing advisory boards established pursuant to Secretarial action, notice of which was published in the Federal Register on May 14, 1986 (51 Fed. Reg. 17674), are abolished. The advisory functions exercised by the boards shall, after the date of enactment of this subsection, be exercised only by the appropriate councils established under this section.

"(e)(1) Funds made available under section 5 of the Public Rangelands Improvement Act of 1978 (43 U.S.C. 1904) or any other law relating to disposition of the Federal share of receipts from fees for grazing on public domain lands or National Forest lands in the 16 contiguous Western States shall be used for—

"(A) restoration and enhancement of fish and wildlife habitat;

"(B) restoration and improved management of riparian areas; and

"(C) implementation and enforcement of applicable land management plans, allotment plans, and regulations regarding the use of the lands for domestic livestock grazing.

"(2) The funds described in paragraph (1) shall be distributed as the Secretary of the Interior or the Secretary of Agriculture, as appropriate, determines advisable after consultation and coordination with the advisory councils established pursuant to section 309 and other interested parties.".

(b) DEFINITION OF 16 CONTIGUOUS WESTERN STATES.—Section 103 of such Act (43 U.S.C. 1702) is amended by adding at the end the following new subsection:

"(q) The term '16 contiguous Western States' means the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, and Wyoming.".

SEC. 303. HARDROCK MINING.

(a) DEFINITIONS.—For purposes of this section:

(1) CLAIMANT.—The term "claimant" means any person who, under the general mining laws—

(A) locates a claim;

(B) explores, develops, or produces locatable minerals from a claim; or

(C) is responsible for reclamation.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior with respect to land under the jurisdiction of the Secretary of the Interior, and the Secretary of Agriculture with respect to lands under the jurisdiction of the Secretary of Agriculture.

(b) ANNUAL HOLDING FEE.—

(1) FEE.—The following amounts shall be paid by the claimant to the Secretary each year to maintain the claim:

(A) $5 per acre during years 1 through 5;

(B) $10 per acre during years 6 through 10;

(C) $15 per acre during years 11 through 15; and

(D) $20 per acre for each year thereafter.

(2) SUSPENSION.—

(A) IN GENERAL.—Payment of the annual holding fee required by this subsection shall be suspended upon the payment of the royalty required by subsection (c) in an amount equal to or greater than the applicable annual holding fee.

(B) REINSTATEMENT.—During any subsequent period of non-production, or period when the royalty required by subsection (c) is an amount less than the applicable annual holding fee, the claimant shall pay to the Secretary the applicable annual holding fee.

(3) FAILURE TO PAY.—

(A) ABANDONMENT OF CLAIM.—Failure to timely pay the location fee or maintenance fee required by this section for a claim shall constitute conclusively an abandonment of the claim. The claim shall be deemed null and void by operation of law.

(B) NEW CLAIMS.—The claimant shall be prohibited from locating a new claim on the lands included in an abandoned claim for 1 year beginning on the date the claim is deemed null and void by operation of law.

(4) RELINQUISHMENT.—

(A) NOTIFICATION OF RELINQUISHMENT.—A claimant choosing not to pursue mineral activity on a claim may relinquish the claim by notifying the Secretary.

(B) EFFECT OF RELINQUISHMENT.—

(i) NEW CLAIMS.—Subject to clause (ii), a claimant who relinquishes a claim shall not be subject to the prohibition of paragraph (3).

(ii) AVOIDANCE.—If the Secretary determines that a claim is being relinquished and relocated for the purpose of avoiding compliance with any provision of the general mining laws, including payment of the applicable annual holding fee, the claimant shall be subject to the prohibition in paragraph (3)(B).

(c) ROYALTY.—

(1) RESERVATION OF ROYALTY.—Production of locatable minerals (including associated minerals) from any mining claim located or converted under the general mining laws, or mineral concentrates derived from locatable minerals produced from any mining claim located or converted under the general mining laws, as the case may be, shall be subject to a royalty of not less than 8 percent of the gross income from the production of the locatable minerals or concentrates, as the case may be.

(2) ROYALTY PAYMENTS.—Royalty payments shall be made to the United States not later than 30 days after the end of the month in which the product is produced and placed in its first marketable condition, consistent with prevailing practices in the industry.

(3) REPORTING REQUIREMENTS.—All persons holding claims under the general mining laws shall be required to provide such information as the Secretary determines is necessary to ensure compliance with this subsection, including—

(A) quarterly reports, that may include pertinent technical and financial data relating to the quantity, quality, and amount of all minerals extracted from the mining claim;

(B) records;

(C) documents; and

(D) other data.

(4) AUDITS.—The Secretary shall conduct such audits of all persons holding claims under the general mining laws as the Secretary determines are necessary to ensure compliance with the requirements of this subsection.

(5) COMPLIANCE.—Any person holding claims under the general mining laws who knowingly or willfully prepares, maintains, or submits false, inaccurate, or misleading information required by this subsection, or fails or refuses to submit information, shall be subject to forfeiture of the claim.

(6) REGULATIONS.—The Secretary shall promulgate regulations to establish gross income for royalty purposes under paragraph (1) and to ensure compliance with this subsection.

(7) REPORT.—The Secretary shall submit to Congress an annual report on the implementation of this subsection. The information to be included in the report shall include—

(A) aggregate and State-by-State production data; and

(B) projections of mid-term and long-term hard rock mineral production and trends on public lands.

TITLE IV—FINANCE

SEC. 401. PREMIUMS UNDER PART B OF THE MEDICARE PROGRAM TO COVER 100 PERCENT OF COSTS FOR CERTAIN INDIVIDUALS.

(a) IN GENERAL.—Section 1839 of the Social Security Act (42 U.S.C. 1395r) is amended—

(1) in subsection (a)(1)—

(A) by striking "(a)(1)" and inserting "(a)(1)(A)";

(B) by striking "1983" and inserting "1994";

(C) by striking "one-half" and inserting "50 percent"; and

(D) by adding at the end the following new subparagraph:

"(B) In the case of any enrollee age 65 and older who has a modified adjusted gross income (as defined in section 86(b)(2) of the Internal Revenue Code of 1986) for the preceding taxable year which exceeds $125,000 ($150,000 in the case of a married enrollee), subparagraph (A) shall be applied by substituting '100 percent' for '50 percent'.";

(2) in subsection (a)(2), by striking "1983" and inserting "1994";

(3) in subsection (a)(3), by striking "1983" and inserting "1994"; and

(4) by amending subsection (e) to read as follows:

"(e) Notwithstanding the provisions of subsection (a) (except with respect to individuals described in paragraph (1)(B) of such subsection), the monthly premium for each individual enrolled under this part for each month in—

"(1) 1994 shall be $41.10, and

"(2) 1995 shall be $46.10.".

(b) TECHNICAL AMENDMENTS.—Section 1839 of such Act (42 U.S.C. 1395r) is amended by striking "he" and "him" each place such terms appear and inserting "the Secretary".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after 1993.

TITLE VI—NATIONAL DEFENSE

SEC. 601. REDUCTION IN THE OPERATING TEMPO OF BALLISTIC MISSILE SUBMARINES.

(a) NUMBER OF SUBMARINES ON PATROL CONCURRENTLY.—After September 30, 1993, funds may not be expended to operate more than 6 ballistic missile submarines of the Navy on patrol at sea concurrently.

(b) NUMBER OF CREWS FOR EACH SUBMARINE.—After September 30, 1993, funds may not be expended for more than one crew for each ballistic missile submarine of the Navy.

(c) WAIVER AUTHORITY.—The President may waive either or both of the limitations in this section whenever the President determines that—

(1) there exists an international crisis that threatens national security interests of the United States; and

(2) it is in the national security interests of the United States to waive such limitation or limitations in connection with such crisis.

SEC. 602. REDUCTION IN THE ATTACK SUBMARINE FORCE.

(a) NUMBER OF SUBMARINES AFTER FY97.—After September 30, 1997, funds may not be expended for a force of more than 40 commissioned attack submarines in the Navy.

(b) WAIVER AUTHORITY.—The President may waive the limitation in subsection (a) to the extent that the President determines necessary in the national security interests of the United States.

SEC. 603. REDUCTION IN THE ANTISUBMARINE WARFARE WEAPON SYSTEMS OF THE NAVY.

(a) P-3 AIRCRAFT SQUADRONS.—Funds may not be expended—

(1) after September 30, 1995, to support more than 32 P-3 aircraft squadrons in the Navy;

(2) after September 30, 1996, to support more than 27 P-3 aircraft squadrons in the Navy;

(3) after September 30, 1997, to support more than 23 P-3 aircraft squadrons in the Navy; and

(4) after September 30, 1998, to support more than 19 P-3 aircraft squadrons in the Navy.

(b) FF-1052 CLASS FRIGATES.—After September 30, 1994, funds may not be expended to support any commissioned FF-1052 class frigate.

(c) WAIVER AUTHORITY.—The President may waive the limitation in subsection (a) to the extent that the President determines necessary in the national security interests of the United States.

SEC. 604. REDUCTION IN NUMBER OF LIGHT DIVISIONS.

(a) DEACTIVATION REQUIRED.—Funds may not be expended—

(1) after September 30, 1994, to support more than 3 light infantry divisions in the Army;

(2) after September 30, 1995, to support more than 2 light infantry divisions in the Army; and

(3) after September 30, 1996, to support more than 1 light infantry division in the Army.

(b) WAIVER AUTHORITY.—The President may waive the provisions of this section to the extent that the President determines necessary in the national security interests of the United States.

SEC. 605. REDUCTION IN NUMBER OF TACTICAL FIGHTER WINGS.

(a) DEACTIVATION REQUIRED.—Funds may not be expended—

(1) after September 30, 1994, to support more than—

(A) 12 tactical fighter wings in the active component of the Air Force; and

(B) 10 tactical fighter wings in the reserve components of the Air Force; and

(2) after September 30, 1995, to support more than—

(A) 11 tactical fighter wings in the active component of the Air Force; and

(B) 9 tactical fighter wings in the reserve components of the Air Force.

(b) WAIVER AUTHORITY.—The President may waive the provisions of this section to the extent that the President determines necessary in the national security interests of the United States.

SEC. 606. LIMITATION ON EXPENDITURES FOR NUCLEAR WEAPONS RESEARCH, DEVELOPMENT, AND TESTING ACTIVITIES OF THE DEPARTMENT OF ENERGY.

Notwithstanding any other provision of law, the total amount that may be expended by the Department of Energy for operating expenses incurred in carrying out weapons research and development activities and weapons testing activities necessary for national security programs during—

(1) fiscal year 1994, may not exceed $1,700,000,000;

(2) fiscal year 1995, may not exceed $1,700,000,000;

(3) fiscal year 1996, may not exceed $1,800,000,000;

(4) fiscal year 1997, may not exceed $1,700,000,000; and

(5) fiscal year 1998, may not exceed $1,300,000,000.

SEC. 607. STRATEGIC DEFENSE INITIATIVE.

Notwithstanding any other provision of law, funds available for obligation after fiscal year 1993 for the Strategic Defense Initiative and the Theater Missile Defense Initiative may be obligated only for the following:

(1) Research under the Strategic Defense Initiative.

(2) Programs, projects, and activities under the Theater Missile Defense Initiative.

SEC. 608. TERMINATION OF THE MHC(V) COASTAL MINE-HUNTING SHIP PROGRAM.

(a) TERMINATION OF PROGRAM.—The Secretary of the Navy shall terminate the MHC(V) coastal mine-hunting ship program.

(b) PAYMENT OF TERMINATION COSTS.—Funds available for procurement and for research, development, test, and evaluation that are available on or after the date of the enactment of this Act for obligation for the MHC(V) coastal mine-hunting ship program may be obligated for that program only for payment of the costs associated with the termination of such program.

SEC. 609. TERMINATION OF THE KINETIC ENERGY ANTI-SATELLITE ATTACK PROGRAM.

(a) TERMINATION OF PROGRAM.—The Secretary of the Army shall terminate the Kinetic Energy Anti-Satellite Attack (ASAT) program of the Army.

(b) PAYMENT OF TERMINATION COSTS.—Funds available for procurement and for research, development, test, and evaluation that are available on or after the date of the enactment of this Act for obligation for the Kinetic Energy Anti-Satellite Attack (ASAT) program of the Army may be obligated for that program only for payment of the costs associated with the termination of such program.

SEC. 610. REQUIRED EXERCISE OF EARLY RETIREMENT AUTHORITY.

The Secretary of Defense shall require the secretaries of the military departments to retire not less than 60,000 members of the Armed Forces of the United States before October 1, 1994, under the early retirement authority provided in section 4403 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2702; 10 U.S.C. 1293 note).

TITLE VII—GENERAL PROVISIONS

SEC. 701. COST SAVINGS.

There shall be transferred to the Secretary of the Treasury, for deposit into the general fund of the Treasury, an amount equal to the savings that result from the enactment of this Act and the amendments made by this Act.

SEC. 702. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall become effective on the date of enactment of this Act.

BUDGET DEFICIT REDUCTION ACT OF 1993
SECTION-BY-SECTION ANALYSIS

Sec. 101. Elimination of Wool and Mohair Price Support Program. The federal government supports prices of agricultural commodities and incomes of wool and mohair ranchers by intervening in markets or making direct payments. This section would eliminate the program beginning with the 1994 marketings. Five year savings: $760 million. Savings over President's plan: $548 million.

Sec. 102. Elimination of Cotton Price Support and Production Adjustment Program. This section would eliminate the system of deficiency payments to support prices and would eliminate the below-cost loan program to cotton farmers, making planting more responsive to market conditions. Five year savings: $4.2 billion. Savings over President's plan: $3.9 billion.

Sec. 103. Elimination of Rice Price Support and Production Adjustment Program. This section would eliminate the system of deficiency payments to support prices and would eliminate the below-cost loan program to rice farmers, making planting more responsive to market conditions. Five year savings: $2.6 billion. Savings over President's plan: $2.3 billion

Sec. 104. General Conforming Amendments. This section would amend current law to remove references to programs eliminated under this title.

Sec. 105. Powers of Commodity Credit Corporation. This section amends the Commodity Credit Corporation Charter Act to exclude wool, mohair, cotton and rice from the commodities affected by that Act.

Sec. 106. Transition Provisions. This section would prevent the changes to agricultural law included in this title from affecting the liability of any person.

Sec. 107. Effective Date. This section sets the effective date for changes in the crop programs to the 1993 crop year and for changes to the wool and mohair to January 1, 1994.

Sec. 201. Termination of the Advanced Solid Rocket Motor Program. The section would eliminate the ASRM which NASA is currently developing the ASRM to replace the redesigned solid rocket motor currently used to launch the space shuttle although NASA's own Aerospace Safety Advisory Panel points out that the redesigned rocket booster is performing well. Five year savings: $1.65 billion. Savings over President's plan: $1.65 billion.

Sec. 202. Termination of the Space Station Program. This section would terminate the Space Station Program which will have spent $9 billion through 1993. Many of the traditional objectives of US space policy will not be furthered by the current program and many civilian scientific goals could be met earlier, and at less cost, with a more modest program. Many scientists argue that the station will absorb funds that would be better spent on space science and exploration. Five year savings: $10.4 billion. Savings over President's plan: $13.0 billion.

Sec. 203. Radio Spectrum Auction. The Federal Communications Commission is responsible for assigning licenses to private parties who use the radio spectrum. Currently, holders of licenses who use the radio spectrum do not pay (beyond an application fee) for the right to exploit the spectrum. Initiating an auction process to assign new licenses for the radio spectrum, analogous to that used for oil-drilling rights on the Outer Continental Shelf, offers advantages in addition to federal revenues. Under most circumstances an auction would ensure that new licenses would go to the users who value them most. An auction process would decrease the cost to the government of assigning licenses and assign them more quickly than either the comparative hearing of lottery alternatives. Since an auction process need not include changes in licensee requirements or in the rights of the licensee, the FCC's role in guarding the public interest would not be compromised. Five year savings: $3.5 billion. Savings over President's plan: $3.5 billion.

Sec. 301. Elimination of Superconducting Super Collider. The Department of Energy (DOE) is building a 54-mile proton accelerator—the SCC—to investigate the origin of mass and test current theories about the unity of electromagnetism and radioactive decay. DOE currently estimates that this accelerator will cost $8.2 billion, but other estimates are much higher. The SSC is consuming a disproportionate share of US science resources and is not likely to be the source of training for as many science students as a project of its size would warrant. In addition there are large discrepancies in the cost estimates. Five year savings: $2.3 billion. Savings over President's plan: $2.2 billion.

Sec. 302. Increase in Domestic Livestock Grazing Fees. The Federal Government owns and manages more than 700 million acres of land in the U.S. This land is used in a wide range of ways, including grazing. The Forest Service and the Bureau of Land Management (BLM) administer livestock grazing on approximately 268 million acres of public rangelands in the West. These lands provide ranchers with approximately 31,000 grazing allotments and, at current leasing rates, more than 17.5 million animal unit months (AUMs) of grazing each year. In 1990, the appraised value of public rangeland in western regions varied between $5 and $10 per AUM. The Forest Service spends, on average, about $3.90 per AUM to manage its rangelands. By contrast, the 1992 permit fee was set at $1.92 per AUM under the fee formula established by the Congress. Thus the current fee structure represents a large subsidy for many of the ranchers who participate in the program. This section institutes an annual increase in the grazing fee, not to exceed 33.3 percent a year, until the fee reaches fair market value over a period of four years. Five year savings: $80 million. Savings over President's plan: $80 million.

Sec. 303. Hardrock Mining. Access to minerals—gold, silver, uranium, copper, molybdenum, and most other metals—on public lands remains governed by the General Mining Law of 1872 which requires only nominal fees for exploration and production of minerals. This section would change the hardrock mining system to resemble more closely the leasing system currently used for exploration and development of oil and gas on federal lands. Such a system would require claim holders continue to pay an annual holding or rental fee while exploring for minerals and a royalty based on the value of minerals produced when and if minerals are discovered. The principle of free access was adapted in 1872 to encourage the settlement of the West and the production of minerals vital to the development of this country, neither of which remains a relevant goal. Further, holding fees and royalties will compensate the federal government for the use of public lands and the extraction of minerals and encourage the mining industry to focus on those lands most likely to yield profitable returns, freeing up land for other public purposes such as recreation and wilderness conservation. Five year savings: $560 million. Savings over President's plan: $560 million.

Sec. 401. Premiums under Part B of the Medicare Program to Cover 100 Percent of Costs for Certain Individuals. Benefits under Medicare's Supplementary Medical Insurance (SMI) program are partially funded by monthly premiums paid by enrollees, and the remainder are paid from general revenues. Although the SMI premium was initially intended to cover 50 percent of the cost of benefits, between 1975 and 1983 premium receipts covered a declining share of SMI costs—falling from 50 percent to less than 25 percent as a result of limitations on premium increases. This section would increase premiums for higher-income people. Income-related premiums would begin at $100,000 for individuals and $125,000 for couples and would increase to the maximum total premium—covering 100 percent of costs—for individuals with incomes exceeding $125,000 and for couples with incomes over $150,000. Five year savings: $17.5 billion. Savings over President's plan: $17.5 billion.

Sec. 601. Reduction in the Operating Tempo of Ballistic Missile Submarines. The Navy plans to maintain a force of 18 Trident submarines for another 20 to 30 years. These submarines are armed with ballistic missiles that carry nuclear weapons and are an important component of the U.S. nuclear deterrent. At any given time, the U.S. keeps roughly two-thirds of the submarines at sea—a 67 percent operating tempo. The remaining one-third of the force either is undergoing overhaul or maintenance or is preparing for another 70-day deployment at sea. The Navy considers a high operating tempo an efficient way to ensure that the U.S. has enough submarines at sea so that they can retaliate with substantial force against a nuclear attack. The end of the Cold War, however, makes a smaller retaliatory capability acceptable, for three major reasons. First, the significant lessening of tension between the U.S. and Russia has profoundly reduced the likelihood of nuclear war in general and a surprise attack in particular. Second, under the START II treaty recently signed by Presidents Bush and Yeltsin, Russia would have a smaller nuclear force and, therefore, the U.S. strategic arsenal including the Trident force would have fewer targets to cover. Third, the threat to U.S. ballistic missile submarines—never considered acute even during the Cold War—has diminished because Russia now keeps virtually all of its attack submarines in port. In addition, no other potential adversary has adequate antisubmarine capability to threaten U.S. submarines. Moreover, even if tensions increased over several years, after a period of training the U.S. could once again put two-thirds of its force to sea on a permanent basis by reassigning second crews. This section would end the use of double crews and would halve the operating tempo of the Trident fleet. Five year savings: $1.7 billion.

Sec. 602. Reduction in the Attack Submarine Force. During the Cold War, the primary mission of the U.S. attack submarines was to trail, and if necessary, attack Soviet nuclear ballistic missile submarines in their protected bastions in Soviet home waters, and to control the sea in order to defend convoys headed for Europe during a war. With the end of the Cold War, both a nuclear war and a conventional war in Europe seem less likely. Instead the Navy will now emphasize missions for attack submarines in the coastal areas of developing countries, such as gathering intelligence, transporting covert forces, firing missiles aimed at land, and fighting those countries' ships and submarines to protect aircraft carriers and gain control of regional waters. Because the regional missions are not as demanding as the Cold War tasks, the Navy is reducing the current inventory of attack submarines.

This section would reduce the attack submarine force from 90 to 40 vessels by 1998. Five year savings: $2.4 billion.

Sec. 603. Reduction in the Antisubmarine Warfare Weapon Systems of the Navy. Soviet attack submarines posed a major threat to U.S. naval forces during the Cold War. The U.S. Navy maintained several types of forces designed to provide a multilayered defense against the Soviet threat, an approach it termed "defense in depth." The breakup of the Soviet Union, however, has substantially diminished the potential threat from enemy submarines. The Bush Administration recognized this reduction in the threat and lowered the priority of the antisubmarine warfare (ASW) mission. This section makes two further reductions: it reduces the P–3 number of antisubmarine aircraft squadrons and the 8FF–1052 class frigates. The first layer of the Navy's defense in depth against enemy submarines is the land-based P–3 aircraft. The P–3's mission is to locate the submarine and to destroy them by launching depth charges and torpedoes. The Navy operates 37 P–3 squadrons. This section would require retirement of half of the 37 squadrons. The Navy is currently deactivating 38 of its 46 FF–1052 class frigates, retaining the other eight as trainer ships for the reserves. Reflecting the reduced threat, this section would require that the last eight frigates be decommissioned in 1994. Retaining these frigates as training ships is unnecessary because of the low probability that the entire fleet of FF–102s would ever have to be reactivated. Five Year Savings: $3.8 billion.

Sec. 604. Reduction in Number of Light Divisions. The active portion of the U.S. Army consists of 14 divisions, seven of which are generally regarded as "heavy" (equipped with tanks and other armored vehicles). The seven heavy divisions are primarily intended to defend Europe from armored attack. The other seven divisions, referred to as "light" divisions, are useful against less heavily armored forces and were designed to be dispatched quickly and transported easily to trouble spots around the world. They include: one airborne division, one air assault division, one infantry division, and four light infantry divisions (LIDs). None of the LIDs was used in Desert Storm due to their limited mobility and firepower. Congress has questioned the utility of the four light infantry divisions since their creation eight years ago. This section would eliminate three of the light infantry divisions, leaving one. Five year savings: $3.8 billion.

Sec. 605. Reduce the Number of Air Force Tactical Fighter Wings to 20. The military forces proposed by the Bush Administration include 26 tactical fighter wings. There is, however, substantial sentiment that not all of these wings are still needed. U.S. tactical aircraft enjoy overwhelming superiority compared with the forces of those regional powers that appear potentially hostile to the United States. This section would reduce the tactical fighter forces in the Air Force to 20 wings, stopping short of the reduction to 20 tactical wings proposed by the Chairman of the House Committee on Armed Services in 1992. The reduction would leave the U.S. with an acceptable level of military capability in a post-Cold War world. A Congressional Budget Office analysis of several potential adversaries found that, even after the reductions in tactical aircraft proposed by the Bush Administration, the capability of the tactical aircraft in the Air Force exceeded those of the other countries by factors of 22 (North Korea), 24 (Iraq), and 56 (Cuba). Five year savings: $4.2 billion.

Sec. 606. Limitation on Expenditures for Nuclear Weapons Research, Development, and Testing Activities of the Department of Energy. DOE designs, tests, manufactures, and maintains nuclear weapons and is responsible for the safety of its production and manufacturing sites as well as the disposal of the wastes it generates. The Energy and Water Development Appropriations Act for Fiscal Year 1993 mandates a temporary moratorium on nuclear testing, intended as a precursor to a permanent ban that would start in 1996 and remain effective as long as no other country tests nuclear weapons. This section uses that legislation as a basis for long-term planning. Working toward a comprehensive test ban would probably bolster the prospects for extending and expanding the Nuclear Non-Proliferation Treaty. This 1970 treaty, due for renewal in 1995, calls for an end to all nuclear testing. Under the plan followed in this section, however, the U.S. still would be able to conduct 15 to 18 nuclear tests over the next three years. After conducting those tests, the U.S. would have other means of evaluating the reliability of warheads, including computer simulations and tests on the individual electrical and conventional explosive components of nuclear weapons. Five year savings: $1.2 billion.

Sec. 607. Strategic Defense Initiative. The Bush Administration developed a system to defend the nation against ballistic missile attacks that travel intercontinental distances. In addition to this system of national missile defenses, the Bush Administration planned to deploy several systems that would defend U.S. troops deployed overseas against attacks by ballistic missiles of less-than-intercontinental range, called theater missiles. This section would focus most funding for ballistic missile defense on theater defenses. Funding for theater defenses would be unchanged from that proposed by the Bush Administration in January 1992 and would limit funding for national missile defenses to an amount sufficient to carry out a modest program of research. This approach would retain a robust system of defenses against the more pressing threat of theater missiles and would preserve a healthy research base and an advanced technology development effort that would allow the United States to deploy national missile defenses in the event that other countries develop intercontinental ballistic missiles (ICBMs). Five year savings: $17.8 billion.

Sec. 608. Termination of the MHC(V) Coastal Mine-Hunting Ship Program. The coastal mine-hunting ship (MHC) was designed to clear Soviet mines from U.S. ports during a U.S.-Soviet conflict. By the end of 1993, the Navy had purchased 12 MHC's. The end of the Cold War greatly diminished the likelihood of needing to clear U.S. harbors. The Administration proposed purchasing a variant of the MHC, the MHC(V), but, after analyzing the design and capabilities of the MHC(V) and the lessons learned from Desert Storm, the Navy determined that the most cost-effective option was to make minor modifications in the existing MHCs to increase their endurance—the time they can remain at sea without added provisions or maintenance—rather than to purchase the MHC(V). In addition, based on its experience in Operation Desert Storm, the Navy decided to transport all of its mine-clearing ships to the theater of conflict on heavy lift ships and provide in-theater replenishment support (maintenance, loading supplies, and so on) thus increasing the MHCs' endurance and making them deployable assets for regional conflicts in developing countries. Desert Storm showed, according to the Navy, that smaller mine-clearing ships with lower magnetic and acoustic signatures, when properly supported, are as effective as larger ships such as the MHC(V). The section would cancel plans to produce one MHC(V) in 1995 and two in 1997. Five year savings: $170 million.

Sec. 609. Termination of the Kinetic Energy Anti-Satellite Attack Program. In 1989, the Department of Defense initiated a program to develop a rocket interceptor to attack Soviet satellites. The Army's Kinetic Energy AntiSatellite (ASAT) program is the latest in a series of antisatellite R&D programs that date back to the 1970s. DoD has spent more than $1.8 billion over the past decade to develop an antisatellite capability. Because of recent changes in the former Soviet Union and tight U.S. defense budgets, the ASAT is now a lower priority. This section would cancel the ASAT. Five year savings: $90 million.

Sec. 610. Required Exercise of Early Retirement Authority. The National Defense Authorization Act for Fiscal Year 1993 allows the service secretaries to permit members to retire with as few as 15 years of service. The services could use early retirement in a variety of ways, including speeding up personnel reductions. Only this policy would definitely reduce the federal outlays in both the near and the long terms. This section would require the Secretary of Defense to link the services' use of early retirement incentive to reduced personnel levels, thus ensuring long-term savings in retirement costs. It would direct DOD to grant early retirement to at least 60,000 personnel by the end of 1994. That number represents the difference between the number of people now serving with 15 to 19 years of service and the number who would be serving in the long run in the smaller base force, given current retention rates; that is, it represents one estimate of the number of excess personnel in that experience range. Because requirements under this section are designed to accelerate the drawdown rather than deepen it, the section would not reduce personnel levels in 1996 and beyond. Five year savings: $2.9 billion.

Sec. 701. Cost Savings. This section requires that any savings resulting from the enactment of this act be used to reduce the deficit.

Sec. 702. Effective Date. This section requires that the provisions in this act become effective on the date of enactment of the act.

By Mr. MACK:

S. 1164. A bill to amend section 2119 of title 18, United States Code, to authorize imposition of the death penalty if death results from a carjacking, and for other purposes; to the Committee on the Judiciary.

CARJACKING STATUTE MODIFICATIONS

• Mr. MACK. Mr. President, I rise today to introduce legislation which enhances the Federal carjacking statute passed last year by the Congress.

Every day my colleagues and I come before this body to date issues of importance to the Nation. Few issues are more critical than those involving crime. Crime affects each and every one of use—our communities, our neighborhoods, and our families.

Recently, Florida has received a lot of attention which, for those of us who live there, casts an ugly shadow upon our State. There have been several attacks against foreign tourists, and in one incident, a German woman was killed by robbers who rear-ended her car. When she got out to check the damage, she was robbed of her purse, beaten to death and run over in front of her two children and her mother. While there appeared to be no attempt to steal the rental car, these thugs were able to commit this heinous crime by striking the back of the vehicle which allowed for this outrageous act to occur. One of the individuals who committed this vicious crime was on probation at the time.

The criminals were prosecuted under State law because the current Federal carjacking statute, as written, applies to incidences where the vehicle is taken or there is an attempt to do so. In the tragic incidence involving the German tourist, there were no attempt to steal her car, rather the car was used as the means to commit the crime. My legislation would bring criminals like these under the Federal system and give prosecutors another weapon in the fight against crime. The Federal Carjacking Improvements Act of 1993 broadens the existing Federal carjacking statute by making it a Federal crime to intentionally strike a motor vehicle with the intent to commit a criminal act. In addition, my legislation includes a Federal death penalty where death results from a crime covered under this statute. By increasing the stakes for those who commit crimes, I believe we will send a clear message that criminals will be treated like criminals.

While my bill addresses carjackings and related crimes, I believe this legislation is a necessary step as we address the many problems plaguing our criminal justice system. All of us must work together—Federal, State and local officials, law enforcement, judiciary, community leaders, clergy and all citizens—to continue to find solutions to keep criminals off our streets and out of our neighborhoods.

The legislation I am introducing is an important improvement to the existing Federal carjacking statute. I urge my colleagues to stand up for the rights of those who have been victimized by violent crime and support this important measure.•

By Mr. LIEBERMAN:

S. 1165. A bill to provide for judicial review of Nuclear Regulatory Commission decisions on petitions for enforce actions, and for other purposes.

NUCLEAR ENFORCEMENT ACCOUNTABILITY ACT OF 1993

• Mr. LIEBERMAN. Mr. President, today I am introducing a bill, which is being cosponsored by Senator BAUCUS, to improve the public's ability to participate in the nuclear regulatory process. This bill would provide citizens with a right to request the Nuclear Regulatory Commission [NRC] to address major safety issues. It also would provide for judicial review of NRC decisions not to take any action in response to such requests.

I am introducing this bill for the purpose of obtaining comments and views on this proposal in upcoming hearings that will include this issue.

More specifically, the bill would provide judicial review of petitions submitted to the Nuclear Regulatory Commission [NRC] requesting that the NRC take enforcement action against NRC licensees, such as nuclear powerplants, based on information submitted regarding significant safety problems or regulatory violations.

These petitions are commonly referred to as "section 2.206 petitions," in reference to the section of the NRC's regulations that allows any person to file a petition with the NRC requesting that the NRC take enforcement action against a NRC licensee. The enforcement action requested may include modification, suspension, or revocation of the license, or any other action that may be proper, such as the imposition of civil penalties.

The section 2.206 process is particularly important for citizens seeking to raise radiological safety concerns after a nuclear powerplant is initially licensed to operate. Once a plant is licensed and begins operation, the section 2.206 process is the primary method, other than rulemaking, by which the public is able to formally request the NRC to review potential safety problems, either generic or specific, or alleged regulatory violations. Rulemaking procedures are not well suited for the resolution of specific safety issues or allegations of regulatory violations at particular facilities. Other than requesting that the NRC institute a notice-and-comment rulemaking proceeding, however, there is no other formal means for a concerned citizen to have his or her concerns addressed.

In several important respects the section 2.206 process is incomplete. Although the NRC's regulations allow members of the public to file these petitions, and require the NRC to respond, there is nothing in the NRC's regulations that require the NRC's response to be meaningful. Additionally, the NRC's regulations do not provide any substantive standard to govern the agency's actions in response to these petitions.

In a February 3, 1993, background paper on the section 2.206 process prepared for the five Commissioners of the NRC, the NRC's general counsel stated that the NRC has "deliberately structured the section 2.206 process to avoid any implication that grant or denial of the petitions is governed by any substantive standard, and thereby successfully advanced the proposition that non-part 52 section 2.206 petition decisions are not subject to judicial review because there is no standard to apply."

As the NRC's general counsel noted in his background paper, since 1985 the NRC has successfully argued before the courts that the NRC's responses to section 2.206 petitions are not subject to judicial review. In 1985, the Supreme Court held in Heckler versus Chaney that a decision by an administrative agency to not take enforcement action is akin to a decision by a criminal prosecutor not to prosecute, and hence is presumptively unreviewable in the absence of a "meaningful standard against which to judge the agency's exercise of discretion." The NRC has successfully argued to three U.S. Courts of Appeals that there is no substantive standard to govern the NRC on section 2.206 petitions, and hence the NRC's decisions not to take enforcement action are unreviewable under the rule of Heckler versus Chaney.

The deficiencies in the section 2.206 process are especially significant for the public because, unlike most other statutes regulating environmental hazards, the Atomic Energy Act does not permit citizens to bring suit directly against a person creating a safety hazard to the public or the environment. There is no citizen suit provision in the Atomic Energy Act.

Most environmental statutes other than the Atomic Energy Act include citizen suit provisions which provide citizens with a statutory right to bring actions in Federal court against private persons or Federal agencies to compel compliance with the relevant statute, regulations, or permit conditions. These statutes also typically authorize any citizen to bring suit to initiate enforcement actions, such as the imposition of civil penalties, directly against any person regulated by the statute.

Thus, the primary means for public participation in the nuclear regulatory process—the section 2.206 process—is weaker than the primary means for public participation in the regulation of nonradiological environmental hazards.

Nuclear safety, however, is of at least equal concern to the public as other types of environmental dangers. In fact, the potential consequences to human health and the environment of a radiological release from an accident at a nuclear powerplant far exceed the potential consequences from most other types of environmental risks. There is no good reason why the regulatory system should not afford the public protections for nuclear risks that are comparable to the protections provided to the public for other types of environmental risks.

The bill I am introducing is intended to correct some of the imbalance that currently exists between the public's ability to initiate enforcement action under environmental statutes for noncompliance and the public's ability to initiate enforcement action under the Atomic Energy Act for radiological hazards. It does this in a rather modest but nonetheless significant manner, by providing for judicial review of NRC decisions to not take enforcement action on section 2.206 petitions.

If this proposal were enacted into law, it still would be more difficult for citizens to initiate enforcement actions against persons regulated under the Atomic Energy Act than against persons regulated under other environmental statutes. Citizens would have to meet a higher threshold for the initiation of enforcement actions than under other regulatory statutes, and citizens still would not be able to initiate suit directly against NRC licensees.

Nonetheless, it would be a significant improvement over the current situation to provide for a statutory right to petition the NRC to take enforcement action, and to provide for judicial review of NRC responses to those petitions.

Judicial review of agency actions is a well-established principle of administrative law. Actions by regulatory agencies that affect the public health and safety—or inaction that might affect public health and safety—should be subject to judicial review. As Justice Thurgood Marshall observed in dissent in Heckler versus Chaney:

> [a] request that a nuclear plant be operated safety or that protection be provided against unsafe drugs is quite different from a request that an individual be put in jail or his property confiscated as punishment for past violations of the criminal law. Unlike traditional exercises of prosecutorial discretion, "the decision to enforce—or not to enforce—may itself result in significant burdens on a * * * statutory beneficiary."

The standard in the bill for information that a member of the public must provide in order for the Commission to consider enforcement action—material evidence reasonably indicating that there is either a significant regulatory or statutory violation or a substantial safety hazard—is already a standard that the Congress and the NRC have determined is an appropriate threshold for the consideration of enforcement action.

Section 206 of the Energy Reorganization Act and the Commission's regulations require NRC licensees or persons supplying components to NRC licensees to notify the NRC of information obtained that reasonably indicates that a NRC-licensed facility: First, fails to comply with the Atomic Energy Act or the Commission's regulations relating to substantial safety hazards; or second, contains a defect that could create a substantial safety hazard. The Commission already has procedures in place to evaluate this type of information and take appropriate enforcement action.

I encourage comment on whether the proposed standard in this bill for the initiation of a section 2.206 proceeding is the appropriate standard. I would be particularly interested in comments on whether this standard strikes the appropriate balance between, on the one hand, ensuring that the NRC considers and responds to significant safety issues raised by members of the public and, on the other hand, avoiding unnecessary proceedings and litigation over issues that are not significant.

In sum, Mr. President, this bill would improve the public's ability to raise safety issues at operating nuclear powerplants. I would require the NRC to respond to significant safety issues raised by members of the public. It also would provide judicial review of those responses.

It is my intent for the Subcommittee on Clean Air and Nuclear Regulation to consider this bill along with the NRC authorization bill and the NRC legislative proposals which are being introduced by request today. I encourage all interested persons to provide their comments to the subcommittee in the upcoming weeks.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Nuclear Enforcement Accountability Act of 1993."

SEC. 2. ENFORCEMENT PETITIONS AND JUDICIAL REVIEW.

Section 189 of the Atomic Energy Act of 1954 (42 U.S.C. 2239) is amended by adding at the end the following new subsection:

"(d) ENFORCEMENT PETITIONS.—

"(1) IN GENERAL.—Any person may petition the Nuclear Regulatory Commission to institute a proceeding to modify, suspend, or revoke a license, or for such other action as may be proper.

"(2) STANDARDS FOR GRANTING.—The Commission shall grant any request under paragraph (1) if the petitioner demonstrates material evidence reasonably indicating that—

(i) the holder of the license with respect to which a request has been made under paragraph (1) is in significant noncompliance with the terms of the license, this chapter, or the Commission's regulations, or

(ii) the activities of the licensee present a substantial hazard to the public health and safety or common defense and security.

"(3) JUDICIAL REVIEW.—Any Commission order denying a request under this subsection shall be subject to judicial review in accordance with chapter 158 of title 28, United States Code, and chapter 7 of title 5, United States Code."•

By Mr. BAUCUS (for himself, Mr. LIEBERMAN, and Mr. SIMPSON) (by request):

S. 1166. A bill to amend the Energy Reorganization Act of 1974 and the Atomic Energy Act of 1954 to enhance the safety and security of nuclear power facilities, and for other purposes; to the Committee on Environment and Public Works.

OMNIBUS NUCLEAR POWER SAFETY AND SECURITY ENHANCEMENT ACT OF 1993

Mr. BAUCUS. Mr. President, by request of the Nuclear Regulatory Commission [NRC], today, I am introducing, along with Senators LIEBERMAN and SIMPSON, the NRC's proposed authorization bill for fiscal years 1994 and 1995 and the NRC's proposed legislative package for the 103d Congress.

The introduction of these bills is the first step in the renewal by the Committee on Environment and Public Works of the authorization process for the NRC.

The Subcommittee on Clean Air and Nuclear Regulation of the Committee on Environment and Public Works will conduct a hearing on these proposals next week. I look forward to reviewing the testimony received at this hearing on these proposals.

Mr. President, I ask unanimous consent that a copy of the NRC authorization bill and the NRC's legislative proposals and the NRC's analysis and explanation of its authorization bill and its legislative proposals be printed at the appropriate place in the RECORD.

S. 1166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Omnibus Nuclear Power Safety and Security Enhancement Act of 1993."

SEC. 2. NOTIFICATION REQUIREMENTS.

Section 206 of the Energy Reorganization Act of 1974 is amended to read as follows:

"NONCOMPLIANCE

"SEC. 206. (a) Any person constructing owning, operating, or supplying a component of any facility or activity which is licensed or otherwise regulated by the Commission pursuant to the Atomic Energy Act of 1954 (including any facility leased by the United States Enrichment Corporation), or pursuant to this Act, who obtains information reasonably indicating that such facility or activity or a basic component supplied to such facility or activity—

"(1) contains a defect, or

"(2) fails to comply with the Atomic Energy Act of 1954 or any applicable rule, regulation, order, or license of the Commission, shall immediately notify the Commission of such defect or failure to comply if such defect or failure to comply could create a substantial safety hazard as defined by the regulations promulgated by the Commission, unless such person has actual knowledge that the Commission has been informed in writing of such defect or failure to comply.

"(b) The Commission may issue such regulations and orders as it deems necessary to ensure compliance with this section, including regulations and orders requiring any person subject to this section to devise and implement procedures to identify, evaluate, and report defects and failures to comply subject to the notification requirements of subsection (a).

"(c) Any person who fails to provide a notification required by subsection (a), or who violates any regulation or order issued under subsection (b), shall be subject to a civil penalty in the same manner and amount as provided for violations subject to a civil penalty under section 234 of the Atomic Energy Act of 1954; except that an individual who is subject to the requirements of this section solely because of employment by a person subject to those requirements shall only be assessed a civil penalty for failure to provide notice pursuant to subsection (a) if such individual has actual knowledge of the reporting requirement imposed by subsection (a) and of a defect as provided in subsection (a)(1) or of a failure of compliance as provided in subsection (a)(2).

"(d) The requirements of this section shall be preeminently posted on the business premises of any person who is required to notify the commission of a defect or failure to comply under subsection (a).

"(e) The Commission may conduct such reasonable inspections, investigations, and other enforcement activities as it deems necessary to ensure compliance with the provisions of this section and with any regulations and orders issued thereunder.

"(f) For purposes of this section, the term 'person' has the same meaning as in subsection 11 s. of the Atomic Energy Act of 1954, except that (A) it also includes the Department of Energy with respect to facilities of the Department regulated by the Commission and with respect to any item provided by the Department as a component to a licensee, and (B) it does not include an individual unless he or she is (i) a sole proprietor or partner of a business that constructs, owns, operators, or supplies a component covered by subsection (a) of this section, or (ii) a director or responsible officer employed by a person subject to that subsection.

"(g) This section shall apply to the United States Enrichment Corporation and facilities leased by the Corporation, and to its directors and officers, to the same extent as any other person subject to this section."

SEC. 3. CIVIL MONETARY PENALTIES FOR VIOLATIONS OF RULES, REGULATIONS, ORDERS OR LICENSING REQUIREMENTS.

(a) The heading of section 234 of the Atomic Energy Act of 1954 is amended to read as follows: "CIVIL MONETARY PENALTIES FOR VIOLATIONS OF RULES, REGULATIONS, ORDERS, OR LICENSING REQUIREMENTS."

(b) The first sentence of subsection a. of section 234 of the Atomic Energy Act of 1954 is amended to read as follows:

"a. Any person who—

"(1) violates (A) any licensing provision of section 53, 57, 62, 63, 81, 82, 101, 103, 104, 107, or 109, or any rule, regulation, or order issued thereunder, (B) the certification provisions of section 1701, or any rule or regulation issued thereunder, (C) any term, condition, or limitation of any license or certification issued under any of these sections, or (D) any rule, regulation, or order issued under section 161 b., 161 i., or 161 o., or

"(2) commits any violation for which a license may be revoked under section 186,

shall be subject to a civil penalty, to be imposed by the Commission, of not to exceed $100,000 for each such violation."

SEC. 4. ADVISORY COMMITTEE ON REACTOR SAFEGUARDS.

Section 29 of the Atomic Energy Act of 1954 is amended by deleting the last two sentences of that section.

SEC. 5. CARRYING OF FIREARMS BY LICENSEE EMPLOYEES.

Section 161 k. of the Atomic Energy Act is amended—

(1) by inserting "and licensees (including employees of contractors of licensees)" after "(at any tier)",

(2) by striking "owned by or contracted to the United States or being transported to or from such facilities" and inserting "owned by or contracted to the United States or licensed by the Commission, or being transported to or from such facilities,",

(3) by inserting "or a licensee of the Commission" after "or a contractor of the Department of Energy or Nuclear Regulatory Commission", and

(4) by inserting "and the Commission" after "The Secretary".

SEC. 6. UNAUTHORIZED INTRODUCTION OF DANGEROUS WEAPONS.

Section 229 a. of the Atomic Energy Act of 1954 is amended by adding after "custody of the Commission" the words "or subject to its licensing authority under this Act or any other Act."

SEC. 7. SABOTAGE OR PRODUCTION, UTILIZATION, OR WASTE STORAGE FACILITIES UNDER CONSTRUCTION.

Section 236 a. of the Atomic Energy Act of 1954 is amended to read as follows:

"a. Any person who intentionally and willfully destroys or causes physical damage to, or who intentionally and willfully attempts to destroy or cause physical damage to—

"(1) any production facility or utilization facility licensed under this Act;

"(2) any nuclear waste storage facility licensed under this Act;

"(3) any production, utilization, or waste storage facility subject to licensing under this Act during its construction where the destruction or damage caused or attempted to be caused could affect public health and safety during the operation of the facility; or

"(4) any nuclear fuel for a utilization facility licensed under this Act, or any spent nuclear fuel from such a facility;

shall be fined not more than $10,000 or imprisoned for not more than ten years or both."

SEC. 8. ADMINISTRATIVE SEARCH WARRANTS.

Section 161c. of the Atomic Energy Act of 1954 is amended to read as follows:

"(c)(1) make such studies and investigations, obtain such information, and hold such meetings or hearings as the Commission may deem necessary or proper to assist it in exercising any authority provided in this Act, or in the administration or enforcement of this Act, or any regulations or orders issued thereunder. For such purposes the Commission is authorized—

"(A) to administer oaths and affirmations;

"(B) by subpoena, to require any person to appear and testify or appear and produce documents, or both, at any designated place;

"(C) to conduct searches without a warrant of the premises of applicants, licensees, and other persons subject to section 206 of the Energy Reorganization Act of 1974; and

"(D) by judicially-approved, administrative search warrant, to enter at reasonable times premises under the control of any person not covered by subparagraph (C) who is subject to the Commission's jurisdiction.

"(2) Before a warrant is issued pursuant to subparagraph (D) of paragraph (1), the Commission must establish that it has a reasonable suspicion that a violation of a Federal statute or a Commission regulatory requirement has been or will be committed. A search pursuant to such a warrant shall be effected only for purposes directly related to the basis for the warrant, and each such search shall be commenced and completed with reasonable promptness.

"(3) Witnesses subpoenaed pursuant to subparagraph (B) of paragraph (1) shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States."

SEC 9. AMENDMENTS TO TABLE OF CONTENTS.

The Table of Contents of the Atomic Energy Act of 1954 is amended by striking "Sec. 234. Civil Monetary Penalties for Violations of Licensing Requirements" and inserting in lieu thereof "Sec. 234. "Civil Monetary Penalties for Violations of Rules, Regulations, Orders, or Licensing Requirements".

Omnibus Nuclear Power Safety and Security Enhancement Act of 1993—Section-by-Section Analysis

Section 2—Notification Requirements

This section amends section 206 of the Energy Reorganization Act of 1974. Subsection (a) of the revised statute provides that persons constructing, owning, operating, or supplying the components of nuclear power plants and other facilities and activities regulated by the Nuclear Regulatory Commission are directly responsible for notifying the Commission when a basic component supplied to such a facility or activity contains a defect, or fails to comply with the Atomic Energy Act of 1954 or any rule, regulation, order, or license issued by the Commission, if such defect or failure to comply could create a substantial safety hazard.

Subsection (b) clarifies the Commission's authority to implement section 206 by regulation or order.

Subsection (c) makes clear that failure to provide the notification required by section 206(a), and violations of NRC regulations or orders issued under section 206, may be grounds for a civil penalty. Subsection (c) also makes clear that all the provisions of section 234 of the Atomic Energy Act of 1954 apply to the imposition of civil penalties under section 206.

Subsection (d) requires that the provisions of section 206 be posted on the premises of any person who is required to notify the Commission of a defect or failure to comply under subsection (a), not just on the premises of persons licensed or regulated under the Atomic Energy Act.

Subsection (e) makes clear that the Commission may conduct inspections, investigation, and other enforcement activities to ensure compliance with its regulations and orders issued pursuant to section 206, as well as with the statute itself.

Subsection (f) provides that under section 206, "person" has the same broad meaning as "person" under section 11 s. of the Atomic Energy Act of 1954, as amended, except that it also includes the Department of Energy, to the extent its facilities, materials, and activities are regulated by the Commission and with respect to items provided by the Department as a component to a licensee. Individuals are excluded from the term "person", unless they are the sole proprietor or partner of a business that conducts activities covered by section 206 or are directors or responsible officers of a person covered by section 206.

Subsection (g) makes the provisions of section 206 applicable to the United States Enrichment Corporation and facilities leased by the Corporation, and its officers and directors, to the same extent as section 206 is applicable to other persons.

Section 3—Civil Monetary Penalties for Violations of Rules, Regulations, Orders, or Licensing Requirements

The purpose of this amendment is to make clear that the Commission is authorized to impose civil monetary penalties upon any person for violating any NRC rule, regulation, or order issued under section 161b., 161i., or 161o. of the Act. Express authority for imposition of criminal penalties for such violations is already provided by section 223 of the Act. This amendment also clarifies the Commission's authority to impose a civil penalty on any person who violates the gaseous diffusion uranium enrichment facility certification provisions of section 1701 or any rule, regulation, or certification issued under that section.

Section 4—Advisory Committee on Reactor Safeguards

This amendment to Section 29 of the Atomic Energy Act would eliminate the requirement that the Advisory Committee on Reactor Safeguards prepare and submit to Congress each year a study of reactor safety research.

Section 5—Carrying of Firearms by Licensee Employees

The purpose of this amendment is to permit guards at those NRC-licensed facilities where there are strategic quantities of special nuclear materials present and guards transporting such materials to use deadly force, where necessary to prevent theft of materials capable of being used for nuclear explosives. Guards at DOE facilities and DOE guards transporting special nuclear materials already possess this authority. The amendment would provide identical authority to guards at a limited number of NRC-licensed facilities.

The amendment would also shield against prosecution by state authorities for discharge of firearms in the performance of official duties. This should remove from licensee guards any reluctance to use their weapons in defending facilities or transports containing strategic quantities of special nuclear materials against attack.

The facilities to which the authority provided by the amendment would be applied immediately are all engaged in the manufacture of fuel for naval nuclear propulsion. In the future, the amendment would also be applied to licensed facilities handling similar quantities of special nuclear material, such as enrichment or reprocessing plants.

Section 6—Unauthorized Introduction of Dangerous Weapons

The purpose of this amendment is to authorize the Nuclear Regulatory Commission to promulgate regulations that would prohibit a person who has not obtained prior authorization from carrying, transporting, or otherwise introducing or causing to be introduced any weapon, explosive, or other dangerous instrumentality into any facility, installation, or real property regulated by the Commission. Violation of the regulation would constitute a Federal crime punishable by a $5000 fine, imprisonment for not more than one year, or both.

The Commission's implementing regulations would determine the scope of the prohibition. It is the Commission's intent to limit the applicability of the implementing regulations to licensed nuclear facilities and materials that must be protected against theft or radiological sabotage.

Section 7—Sabotage of Production, Utilization, or Waste Facilities Under Construction

The purpose of this amendment is to extend Federal criminal sanctions to sabotage or attempted sabotage of a production, utilization, or waste storage facility during its construction. With respect to construction, only acts that potentially affect the public health and safety during operation of the facility will be subject to Federal criminal sanctions.

Section 8—Administrative Search Warrants

The purpose of this amendment is to allow the Nuclear Regulatory Commission to inspect the facility of a party that is not part of the pervasively regulated nuclear industry, such as the manufacturer of off-the-shelf components used in a licensed facility, when no other authority exists which would permit the NRC to conduct an effective inspection or investigation of that person's premises. Under current authority, it appears that information could be obtained from such persons only if they consent to the inspection or by issuance of a subpoena, but this requires giving the firm prior notice, presenting possibilities that evidence will be destroyed prior to the inspection. Therefore this provision would enhance NRC's efforts to protect the public health and safety because information could be obtained which otherwise might be destroyed if prior warning were to be required.

Section 9—Amendments to Table of Contents

This section makes necessary conforming changes to the Table of Contents of the Atomic Energy Act.

ADDITIONAL COSPONSORS

S. 103

At the request of Mr. NICKLES, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 103, a bill to fully apply the rights and protections of Federal civil rights and labor laws to employment by Congress.

S. 187

At the request of Mr. BURNS, the names of the Senator from Louisiana [Mr. BREAUX], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 187, a bill to protect individuals engaged in lawful hunt on Federal lands, to establish an administrative civil penalty for persons who intentionally obstruct, impede, or interfere with the conduct of a lawful hunt, and for other purposes.

S. 412

At the request of Mr. EXON, the names of the Senator from Idaho [Mr. KEMPTHORNE], and the Senator from Tennessee [Mr. MATHEWS] were added as cosponsors of S. 412, a bill to amend title 49, United States Code, regarding the collection of certain payments for shipments via motor common carriers of property and nonhousehold goods freight forwarders, and for other purposes.

S. 456

At the request of Mr. SIMON, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 456, a bill to establish school-to-work transition programs for all students, and for other purposes.

S. 636

At the request of Mr. KENNEDY, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 636, a bill to amend the Public Health Service Act to permit individuals to have freedom of access to certain medical clinics and facilities, and for other purposes.

S. 687

At the request of Mr. GORTON, the names of the Senator from Missouri [Mr. BOND], the Senator from Colorado [Mr. BROWN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Florida [Mr. MACK], the Senator from Arizona [Mr. MCCAIN], the Senator from Alaska [Mr. MURKOWSKI], the Senator from New Hampshire [Mr. SMITH], the Senator from Utah [Mr. BENNETT], the Senator from Georgia [Mr. COVERDELL], the Senator from New Hampshire [Mr. GREGG], and the Senator from Idaho [Mr. KEMPTHORNE] were added as cosponsors of S. 687, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

S. 716

At the request of Mr. BOND, the name of the Senator from Tennessee [Mr. MATHEWS] was added as a cosponsor of S. 716, a bill to require that all Federal lithographic printing be performed using ink made from vegetable oil, and for other purposes.

S. 757

At the request of Mr. ROCKEFELLER, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of S. 757, a bill to correct the tariff rate inversion on certain iron and steel pipe and tube products.

S. 769

At the request of Mr. PRESSLER, his name was added as a cosponsor of S. 769, a bill to prohibit any increase in the tax on the sale of certain aviation fuel, and to prohibit any tax on such fuel or on the energy content of petroleum or petroleum products used in the production of such fuel.

S. 770

At the request of Mr. PRESSLER, his name was added as a cosponsor of S. 770, a bill to amend the Federal Aviation Act of 1958 to authorize the Secretary of Transportation to prevent United States air carriers from engaging in predatory pricing.

S. 881

At the request of Mr. DODD, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 881, a bill to amend the Elementary and Secondary Education Act of 1965 to reauthorize and make certain technical corrections in the Civic Education Program, and for other purposes.

S. 1043

At the request of Mr. GLENN, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1043, a bill to extend until January 1, 1998, the existing suspension of duty on certain bicycle parts, and for other purposes.

S. 1098

At the request of Mr. ROCKEFELLER, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1098, a bill to amend title XIX of the Social Security Act to provide for optional coverage under State medicaid plans of case-management services for individuals who sustain traumatic brain injuries, and for other purposes.

S. 1141

At the request of Mr. ROCKEFELLER, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1141, a bill to amend chapter 17 of title 38, United States Code, to require the Secretary of Veterans' Affairs to conduct a hospice care pilot program and to provide certain hospice care services to terminally ill veterans.

S. 1145

At the request of Mr. JEFFORDS, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1145, a bill to prohibit the use of outer space for advertising purposes.

SENATE JOINT RESOLUTION 34

At the request of Mr. BROWN, the names of the Senator from Montana [Mr. BURNS], the Senator from Idaho [Mr. CRAIG], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Florida [Mr. MACK], and the Senator from Oregon [Mr. PACKWOOD] were added as cosponsors of Senate Joint Resolution 34, a joint resolution proposing a constitutional amendment to limit congressional terms.

SENATE JOINT RESOLUTION 89

At the request of Mr. SIMON, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of Senate Joint Resolution 89, a bill to designate October 1993, as "Polish-American Heritage Month".

SENATE JOINT RESOLUTION 90

At the request of Mr. ROBB, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of Senate Joint Resolution 90, a joint resolution to recognize the achievements of radio amateurs, and to establish support for such amateurs as national policy.

SENATE JOINT RESOLUTION 99

At the request of Mr. DECONCINI, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Joint Resolution 99, a joint resolution designating September 9, 1993, and April 21, 1994, each as "National D.A.R.E. Day."

SENATE JOINT RESOLUTION 106

At the request of Mr. LAUTENBERG, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Rhode Island [Mr. PELL], the Senator from South Carolina [Mr. THURMOND], the Senator from Illinois [Mr. SIMON], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Indiana [Mr. COATS], the Senator from Delaware [Mr. BIDEN], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Joint Resolution 106, a joint resolution designating July 2, 1993 and July 2, 1994 as "National Literacy Day."

SENATE CONCURRENT RESOLUTION 26

At the request of Mr. SIMON, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of Senate Concurrent Resolution 26, a concurrent resolution urging the President to redirect United States foreign assistance policies and spending priorities toward promoting sustainable development, which reduces global hunger and poverty, protects the environment, and promotes democracy.

SENATE RESOLUTION 94

At the request of Mr. SIMON, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Vermont [Mr. LEAHY], the Senator from Wisconsin [Mr. KOHL], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Kentucky [Mr. FORD], the Senator from South Dakota [Mr. DASCHLE], the Senator from Pennsylvania [Mr. WOFFORD], the Senator from South Dakota [Mr. PRESSLER], the Senator from Kansas [Mr. DOLE], and the Senator from California [Mrs. FEINSTEIN] were added as cosponsors of Senate Resolution 94, a resolution expressing the Sense of the Senate with respect to the tragic humanitarian crisis in Sudan.

AMENDMENT NO. 505

At the request of Mr. JEFFORDS the names of the Senator from North Dakota [Mr. CONRAD], and the Senator from North Dakota [Mr. DORGAN] were added as cosponsors of Amendment No. 505 proposed to S. 1134, an original bill to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994.

AMENDMENT NO. 507

At the request of Mr. BINGAMAN his name was added as a cosponsor of Amendment No. 507 proposed to S. 1134, an original bill to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994.

AMENDMENT NO. 508

At the request of Mr. FAIRCLOTH his name was added as a cosponsor of Amendment No. 508 proposed to S. 1134, an original bill to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994.

At the request of Mr. NICKLES the names of the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Alaska [Mr. STEVENS], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Amendment No. 508 proposed to S. 1134, supra.

AMENDMENTS SUBMITTED

BUDGET RECONCILIATION

SASSER (AND OTHERS) AMENDMENT NO. 510

Mr. SASSER (for himself, Mr. MITCHELL, and Mr. DODD) proposed an amendment to the bill (S. 1134) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994, as follows:

At the end of the bill insert the following:

TITLE XIV—ENFORCEMENT

Part C—Budget Control

SEC. 14201. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This part may be cited as the "Budget Control Act of 1993".

(b) PURPOSE.—The Congress declares that it is essential to create a mechanism to monitor the total costs of direct spending programs, and, in the event that actual or projected costs exceed targeted levels, to require the President and Congress to address modification of direct spending.

SEC. 14202. ESTABLISHMENT OF BUDGET CONTROL.

(a) AMENDMENTS TO THE CONGRESSIONAL BUDGET ACT TABLE OF CONTENTS.—Section 1(b) of the Congressional Budget Act of 1974 is amended—

(1) after the table of contents title heading for Title III, but before the table of contents item for section 300, by inserting the following: "PART A—CONGRESSIONAL BUDGET"; and

(2) at the end of the table of contents items for title III, by inserting the following new items:

"PART B—BUDGET CONTROL

"Sec. 320. Timetable.
"Sec. 321. Direct spending targets.
"Sec. 322. Review of direct spending and receipts.
"Sec. 323. Presidential proposals.
"Sec. 324. Required response by Congress.
"Sec. 325. Effective dates.".

(b) AMENDMENTS TO TITLE III OF THE CONGRESSIONAL BUDGET ACT.—Title III of the Congressional Budget Act of 1974 is amended as follows:

(1) after the title heading for Title III, but before the heading of section 300, by inserting the following: "Part A—Congressional Budget; and

(2) at the end of the title, by inserting the following new part:

"Part B—Budget Control

"TIMETABLE

"SEC. 320. TIMETABLE.—The timetable with respect to the budget control process for any fiscal year is as follows:

"On or Before:	Action To Be Completed:
"5 days before the President's budget submission.	Congressional Budget Office submits a review of direct spending and receipts.
"The first Monday in February.	The President submits a review of direct spending and receipts, a proposed budget control resolution (if necessary), and proposed budget control legislation (if necessary).
"February 17	The Senate Majority Leader (or the Leader's designee) introduces the budget control resolution (if necessary).
"February 27	If the Majority Leader (or the Leader's designee) fails to introduce the budget control resolution, the Minority Leader may do so.
"March 20	The Majority Leader (or the Leader's designee) introduces the President's legislative proposals.
"March 25	If the Majority Leader (or the Leader's designee) fails to introduce the President's legislative proposals, the Minority Leader may do so.

"On or Before:	Action To Be Completed:
"April 1	The Budget Committee reports a concurrent resolution on the budget that includes a separate title addressing the overage.
"April 2	If the Budget Committee fails to report such a concurrent resolution on the budget, it is discharged of the budget control resolution.
"May 1	The Senate votes on final passage of the budget control resolution (if discharged in April).
"June 1	If the Senate has failed to adopt a budget resolution addressing the overage, the Budget Committee is discharged of the budget control resolution (if it had not already been discharged).
"July 1	The Senate votes on final passage of the budget control resolution (if discharged in June).

"DIRECT SPENDING TARGETS

"SEC. 321. DEFINITIONS.—As used in this title—

"(1) the term 'budget control resolution' means a concurrent resolution introduced pursuant to section 324(a)(1) or (b)(1);

"(2) the term 'direct spending' shall have the same meaning as under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 and excludes the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund;

"(3) the term 'direct spending target' means—

"(A) with respect to fiscal year 1994, $672,413,000,000;

"(B) with respect to fiscal year 1995, $727,239,000,000;

"(C) with respect to fiscal year 1996, $761,812,000,000;

"(D) with respect to fiscal year 1997, $811,824,000,000;

as adjusted by the President in strict conformance with the requirements of section 322(b)(1); and

"(4) the term 'overage' means the amount (if any) by which the applicable direct spending target is exceeded by—

"(A) actual outlays for direct spending in the immediately past fiscal year; or

"(B) projected outlays for direct spending for either the current or budget year.

"REVIEW OF DIRECT SPENDING AND RECEIPTS

"SEC. 322. (a) DUTY TO REPORT.—An annual review of direct spending and receipts shall be performed and included—

"(1) by the Director of the Congressional Budget Office as part of each sequestration preview report under section 254(d) of the Balanced Budget and Emergency Deficit Control Act of 1985; and

"(2) by the President as part of each budget submitted under section 1105(a) of title 31, United States Code.

"(b) CONTENTS OF REPORT.—The review required by this section shall include the following—

"(1) ADJUSTMENTS TO THE DIRECT SPENDING TARGETS.—The Director of the Congressional Budget Office shall recommend for the President's consideration, and the President shall make, adjustments of the direct spending targets for all fiscal years not yet completed to reflect the following:

"(A) INCREASES IN BENEFICIARIES.—The adjustment shall reflect increases (if any) in actual or projected numbers of beneficiaries under direct spending programs for which the number of beneficiaries is a variable in determining costs.

"(B) CHANGES IN CONCEPTS AND DEFINITIONS.—The adjustment shall reflect changes in concepts and definitions produced—

"(i) by the amendments made by this Act or subsequently-enacted legislation, or

"(ii) by the President after consultation among the Office of Management and Budget, the Committees on the Budget, Government Operations, and Governmental Affairs of the Senate and the House of Representatives, and the Congressional Budget Office.

"(C) CHANGES IN INFLATION.—The adjustment shall reflect changes in inflation estimates since those of March 31, 1993, set forth on page 46 of House Conference Report 103-48.

"(D) EMERGENCIES.—If a provision of direct spending or receipts legislation is enacted that the President designates as an emergency requirement and that the Congress so designates in statute, the adjustment shall equal the amounts of new budget authority, outlays, and receipts in all fiscal years through 1997 resulting from that provision.

"(E) NET INTEREST AND DEPOSIT INSURANCE.—The adjustment shall reflect changes in the level of funding for net interest and full funding of, and continuation of, the deposit insurance guarantee commitment in effect on November 5, 1990.

"(F) PAY-AS-YOU-GO LEGISLATION.—

"(i) The adjustment shall equal the net change in receipts caused by the enactment after the date of enactment of this Act of legislation changing receipts (except for legislation enacted pursuant to section 324), as calculated by summing all applicable estimates for the applicable fiscal years of receipts legislation transmitted under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985.

"(ii) If Congress enacts pay-as-you-go legislation that does not increase the deficit in the first fiscal year of its effectiveness or for the total for the period of 5 fiscal years that includes the first fiscal year of its effectiveness and the 4 subsequent fiscal years, then the adjustment shall reflect the changes made by that legislation, to the extent that those changes are not reflected by the adjustment made by clause (i).

"(G) ADJUSTMENTS TO REFLECT CONGRESSIONAL DECISIONS.—If legislation is enacted pursuant to section 324, the adjustment shall—

"(i) increase the target for any fiscal year by the amount stated for that year in that legislation; and

"(ii) adjust the target for all fiscal years through 1997 to reflect the amount of reductions in direct spending enacted in that legislation used to offset the overage.

"(2) SUPPORTING JUSTIFICATIONS.—The report shall include information supporting the adjustment of direct spending targets pursuant to paragraph (1).

"(3) REVIEW OF DIRECT SPENDING AND RECEIPTS LEVELS.—The report shall include—

"(A) information on total outlays for direct spending programs, including actual outlays for the prior fiscal year and projected outlays for the current fiscal year and the 5 succeeding fiscal years;

"(B) information on the major categories of Federal receipts, including a comparison between the levels of those receipts and the levels projected as of the date of enactment of this Act; and

"(C) an analysis of the variance between the adjusted direct spending targets and the amount of direct spending reported pursuant to subparagraph (A), indicating growth by program.

"(4) The President's report under this subsection shall include an explanation of significant differences between items in that report and the report of the Director of the Congressional Budget Office.

"PRESIDENTIAL PROPOSALS

"SEC. 323. (a) TRIGGER.—If the information submitted by the President under section 322 indicates that an overage exists that exceeds 1 percent of the applicable direct spending target, then the President shall submit the materials required by this section.

"(b) PROPOSED BUDGET CONTROL RESOLUTION.—If required under subsection (a), as part of the budget submitted under section 1105(a) of title 31, United States Code, the President shall include—

"(1) the President's recommendations for addressing the overage, which many consist of any of the following:

"(A) proposed legislative changes to reduce direct spending outlays, increase revenues, or both, in order to recoup or eliminate the overage;

"(B) proposed legislative changes to reduce direct spending outlays, increase revenues, or both, in order to recoup or eliminate part of the overage, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, only some of the overage should be recouped or eliminated by outlay reductions or revenue increases, or both; or

"(C) a proposal to make no legislative changes to recoup or eliminate any overage, accompanied by a finding by the President that, because of economic conditions or for other specified reasons, no legislative changes are warranted;

"(2) if the President recommends reductions consistent with subsection (b)(1)(A) or (B), the President shall include in the budget the text of a special budget control resolution implementing the President's recommendations through directives instructing the appropriate committees of the Senate and House of Representatives to determine and recommend changes in laws within their jurisdictions to reduce outlays or increase revenues by specified amounts;

"(3) if the President pursuant to subsection (b)(1)(C) recommends no reductions, the President shall include in the budget the text of a bill or joint resolution changing the appropriate direct spending targets to reflect that recommendation of no reductions; and

"(c) PROPOSED BUDGET CONTROL LEGISLATION.—If the President recommends reductions pursuant to subsection (b)(1)(A) or (B), then on or before March 15, the President shall transmit to the Senate and the House of Representatives the text of legislation implementing the President's recommendations.

"(d) LIMITATIONS ON RECOMMENDATIONS.—

(1) JUDICIAL BRANCH.—The recommendations under this section may not include alterations in funding for the judicial branch.

(2) MEANS-TESTED PROGRAMS.—In making recommendations under this section, the President should seriously consider all other alternatives before proposing reductions in means-tested programs.

"REQUIRED RESPONSE BY CONGRESS

"SEC. 324. (a) PROCEDURES IN THE SENATE.—

"(1) BUDGET CONTROL RESOLUTION MUST BE INTRODUCED IN THE SENATE.—On or before February 17 (or, if the Senate is not in session on that date, on or before the next day on which the Senate is in session), the Majority Leader (or the Leader's designee) shall introduce (by request) the budget control resolution text required by section 323(b) as a concurrent resolution in the Senate without substantive revision. If the Majority Leader (or the Leader's designee) fails to introduce a resolution under this paragraph on or before February 17 (or, if the Senate is not in session on or before February 17, on or before the next day on which the Senate is in session), then the Minority Leader may, on or before February 27 (or, if the Senate is not in session on February 27, on or before the next day on which the Senate is in session) introduce (by request) the resolution in the same fashion as required of the Majority Leader (or the Leader's designee) under this paragraph. The Presiding Officer shall refer a resolution introduced pursuant to this paragraph to the Committee on the Budget.

"(2) CONCURRENT RESOLUTION ON THE BUDGET MAY ADDRESS OVERAGE.—In any year in which the Presiding Officer refers a budget control resolution to the Committee on the Budget, that Committee may report a concurrent resolution on the budget that includes in it a separate title that contains directives to the appropriate committees of the Senate and House of Representatives to determine and recommend changes in laws within their jurisdictions to reduce direct spending outlays or increase revenues by specified amounts, which in total equal or exceed the reductions recommended by the President, up to the amount of the overage. If the separate title recommends that no legislative changes be made to recoup or eliminate an overage, then the Committee on the Budget shall include in the title a statement to that effect. If the separate title proposes to recoup or eliminate less than the entire overage for the prior, current, and budget years, then the title shall include directions to the Committee on Governmental Affairs and the Committee on the Budget (sequentially) to report legislation increasing the direct spending targets for each applicable year by the full amount of the overage not recouped or eliminated. Notwithstanding any other rule of the Senate, a reconciliation bill pursuant to section 310 may include language reported by the Committee on Governmental Affairs and the Committee on the Budget in strict compliance with this paragraph, and the Senate may consider germane amendments thereto.

"(3) REPORT OF THE CONCURRENT RESOLUTION ON THE BUDGET OR DISCHARGE OF BUDGET CONTROL RESOLUTION.—If, in any year in which the Presiding Officer has referred a budget control resolution to the Committee on the Budget, that Committee has not reported a concurrent resolution on the budget pursuant to paragraph (2) on or before April 1, (or, if the Senate is not in session on April 1, on or before the next day on which the Senate is in session), then on April 2, (or, if the Senate is not in session on April 1, on the day after the next day on which the Senate is in session), that Committee shall be discharged of the budget control resolution, which shall be placed on the calendar.

"(4) THE SENATE MUST ADDRESS THE OVERAGE.—In any year in which the Committee on the Budget has been discharged pursuant to paragraph (3) of a budget control resolution, the Majority Leader (or the Leader's designee) shall move to proceed to consider that resolution before May 1, That motion shall be privileged. The Senate shall vote on final passage of that resolution (or the resolution introduced under subsection (b)(1) if available in the Senate) before May 1. In any year in which the Committee on the Budget has been discharged of a budget control resolution, if the Senate has not yet voted on passage of that resolution (or the resolution introduced under subsection (b)(1), if available in the Senate), the Presiding Officer shall rule out of order a motion to adjourn or recess to a time after April 30.

"(5) FLOOR CONSIDERATION OF THE OVERAGE IN THE SENATE.—

"(A) CONCURRENT RESOLUTION ON THE BUDGET.—The provisions of section 305(b) shall govern consideration of a concurrent resolution on the budget containing a separate title pursuant to paragraph (2).

"(B) BUDGET CONTROL RESOLUTION.—

"(i) Debate in the Senate on any budget control resolution, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours. The time shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader or their designees.

"(ii) Debate in the Senate on any amendment to a budget control resolution, any amendment to an amendment, debatable motion, or debatable appeal shall be limited to 1 hour, to be equally divided between, and controlled by, the mover (or appellant) and the manager of the resolution, except that in the event the manager of the resolution favors any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the Minority Leader or that Leader's designee. No amendment that is not germane to the provisions of such resolution shall be received. Any one of the Majority Leader, the Minority Leader, or their designees may, from the time under that Senator's control on the resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

"(iii) A motion further to limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. The provisions of clause (ii) shall govern debate on any such motion to recommit.

"(iv) Notwithstanding any other rule, an amendment or series of amendments to the resolution shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such concurrent resolutions so as to make such concurrent resolution mathematically consistently or so as to maintain such consistency.

"(6) CONFERENCE REPORTS MUST FULLY ADDRESS OVERAGE.—It shall not be in order in the Senate to consider a conference report on a concurrent resolution on the budget or a budget control resolution unless that conference report fully addresses the entirety of any overage indicated in the applicable report of the President under section 322 through directives requiring spending reductions, revenue increases, or changes in the direct spending targets.

"(7) FLOOR CONSIDERATION OF CONFERENCE REPORTS (OR MESSAGE BETWEEN HOUSES) ADDRESSING THE OVERAGE IN THE SENATE.—

"(A) CONCURRENT RESOLUTION ON THE BUDGET.—The provisions of section 305(c) shall govern consideration of a conference report (or message between Houses) on a concurrent resolution on the budget containing a separate title pursuant to paragraph (2).

"(B) BUDGET CONTROL RESOLUTION.—

"(i) The Majority Leader (or the Leader's designee) may move to proceed to the consideration of the conference report (or a message between Houses) on any budget control resolution even though the Senate has disagreed to a previous motion to the same effect.

"(ii) During the consideration in the Senate of the conference report (or a message between Houses) on any budget control resolution, and all amendments in disagreement, and all amendments thereto, and debatable motions and appeals in connection therewith, debate shall be limited to 5 hours, to be equally divided between, and controlled by, the Majority Leader and Minority Leader or their designees. Debate on any amendment, debatable motion, or debatable appeal related to the conference report (or a message between Houses) shall be limited to 1 hour, to be equally divided between, and controlled by, the mover (or appellant) and the manager of the conference report (or message between Houses), except that in the event the manager of the conference report (or message between Houses) favors any such amendment, motion, or appeal, the Minority Leader or that Leader's designee shall control the time in opposition thereto.

"(iii) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to 1 hour, to be equally divided between, and controlled by, the manager of the conference report and the Minority Leader or that Leader's designee. Should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to one-half hour, to be equally divided between, and controlled by, the mover and the manager of the conference report, except that in the event the manager of the conference report favors any such motion, the time in opposition thereto shall be controlled by the Minority Leader or that Leader's designee. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report, except that in the event the manager of the conference report favors any such amendment, the Minority Leader or that Leader's designee shall control the time in opposition thereto.

"(iv) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report (or message between Houses) and the Minority Leader or that Leader's designee, except that in the event the manager of the conference report (or message between Houses) favors any such amendment, the Minority Leader or that Leader's designee shall control the time in opposition thereto. No amendment that is not germane to the provisions of such amendments shall be received

"(8) DISCHARGE OF BUDGET CONTROL RESOLUTION UPON FAILURE TO ADOPT AN APPROPRIATE CONCURRENT RESOLUTION ON THE BUDGET.—If, in any year in which the Presiding Officer has referred a budget control resolution to the Committee on the Budget, the Senate has not passed a concurrent resolution on the budget meeting the requirements of paragraph (2) on or before June 1 (or, if the Senate is not in session on June 1, on or before the next day on which the Senate is in session), then on June 2 (or, if the Senate is not in session on June 1, on the day after the next day on which the Senate is in session), the Committee on the Budget shall be discharged of the budget control resolution, which shall be placed on the calendar, if that Committee had not already been discharged of the budget control resolution pursuant to paragraph (3).

"(9) IF THE SENATE FAILS TO ADOPT AN APPROPRIATE CONCURRENT RESOLUTION ON THE BUDGET, THE SENATE MUST ADDRESS THE BUDGET CONTROL RESOLUTION.—In any year in which the Committee on the Budget has been discharged pursuant to paragraph (8) of a budget control resolution, the Majority Leader (or the Leader's designee) shall move to proceed to consider the resolution before July 1. That motion shall be privileged. The Senate shall vote on final passage of that resolution (or the resolution introduced under subsection (b)(1), if available in the Senate) before July 1. In any year in which the Committee on the Budget has been discharged of a budget control resolution, if the Senate has not yet voted on passage of that resolution (or the resolution introduced under subsection (b)(1), if available in the Senate), the Presiding Officer shall rule out of order a motion to adjourn or recess to a time after June 30.

"(10) PRESIDENTIAL LEGISLATIVE PROPOSALS.—On or before March 20 (or, if the Senate is not in session on March 20, on or before the next day on which the Senate is in session), the Majority Leader (or the Leader's designee) shall introduce (by request) as a bill or as several bills the legislative proposals submitted by the President pursuant to section 323(c) without substantive revision, except that the Majority Leader (or the Leader's designee) shall divide the legislative proposals so as to ensure, as much as possible, that each bill introduced under this paragraph shall contain subject matter predominantly within one committee's jurisdiction. If the Majority Leader (or the Leader's designee) fails to introduce legislation under this paragraph on or before March 20 (or, if the Senate is not in session on March 20, on or before the next day on which the Senate is in session), then the Minority Leader may, on or before March 25 (or, if the Senate is not in session on March 25, on or before the next day on which the Senate is in session) introduce (by request) the President's legislative proposals in the same fashion as required of the Majority Leader (or the Leader's designee) under this paragraph.

"(b) PROCEDURES IN THE HOUSE OF REPRESENTATIVES.—

"(1) RESOLUTION TO BE INTRODUCED IN THE HOUSE.—Within 10 days after the President's budget is submitted, the Chairman of the Committee on the Budget of the House of Representatives shall introduce the budget control resolution text required by section 323(b) as a concurrent resolution in the House of Representatives without substantive revision. If the Chairman fails to do so, after the tenth day, any Member of the House of Representatives may introduce the resolution. A resolution introduced under this paragraph shall be referred to the Committee on the Budget.

"(2) REQUIREMENT FOR BUDGET CONTROL RESOLUTION.—Whenever the President submits a budget control resolution under section 323(b), the Committee on the Budget of the House of Representatives shall report, on or before April 15, a concurrent resolution on the budget that includes in it a separate title that meets the following requirements—

"(A) CONTENTS OF SEPARATE TITLE.—The separate title of the concurrent resolution on the budget shall contain directives to the appropriate committees of the Senate and House of Representatives to determine and recommend changes in laws within their jurisdictions to reduce outlays or increase revenues by specified amounts (which in total equal or exceed the reductions recommended by the President, up to the amount of the overage). If this separate title recommends that no legislative changes be made to recoup or eliminate an overage, then that title shall set forth a statement to that effect.

"(B) REQUIREMENT FOR SEPARATE VOTE TO INCREASE TARGETS.—If the separate title of a concurrent resolution on the budget proposes to recoup or eliminate less than the entire overage for the prior, current, and budget years, then the Committee on the Budget of the House of Representatives shall report a resolution directing the Committee on Government Operations to report legislation increasing the direct spending targets for each applicable year by the full amount of the overage not recouped or eliminated. It shall not be in order in the House of Representatives to consider that concurrent resolution on the budget until the House of Representatives has agreed to the resolution directing the increase in direct spending targets.

"(3) PROCEDURE IF HOUSE BUDGET COMMITTEE FAILS TO REPORT REQUIRED RESOLUTION.—

"(A) AUTOMATIC DISCHARGE OF HOUSE BUDGET COMMITTEE.—If a budget control resolution is required and the Committee on the Budget of the House of Representatives fails to report a concurrent resolution on the budget meeting the requirements of paragraph (2)(A) and (B) by April 15, then the Committee shall be automatically discharged from further consideration of the budget control resolution introduced pursuant to paragraph (1) and that resolution shall be placed on the appropriate calendar.

"(B) CONSIDERATION BY HOUSE.—Ten days after the Committee on the Budget of the House of Representatives has been discharged under subparagraph (A), any Member may move that the House proceed to consider the resolution so discharged. Such motion shall be highly privileged and not debatable.

"(4) CONFERENCE REPORTS MUST FULLY ADDRESS OVERAGE.—It shall not be in order in the House of Representatives to consider a conference report on a concurrent resolution on the budget unless that conference report fully addresses the entirety of any overage indicated in the applicable report of the President under section 322 through directives requiring spending reductions, revenue increases, or changes in the direct spending targets.

"(5) PRESIDENTIAL LEGISLATIVE PROPOSALS.—On or before March 20 (or, if the House is not in session on March 20, on or before the next day on which the House is in session), the Majority Leader (or the Leader's designee) shall introduce (by request) as a bill or as several bills the legislative proposals submitted by the President pursuant to section 323(c) without substantive revision, except that the Majority Leader (or the Leader's designee) shall divide the legislative proposals so as to ensure, as much as possible, that each bill introduced under this paragraph shall be referred to the minimum number of committees. If the Majority Leader (or the Leader's designee) fails to introduce legislation under this paragraph on or before March 20 (or, if the House is not in session on March 20, on or before the next day on which the House is in session), then the Minority Leader may, on or before March 25 (or, if the House is not in session on March 25, on or before the next day on which the House is in session) introduce (by request) the President's legislative proposals in the same fashion as required of the Majority Leader (or the Leader's designee) under this paragraph.

"(6) APPLICATION OF CONGRESSIONAL BUDGET ACT.—To the extent that they are relevant and not inconsistent with this title, the provisions of sections 305 and 310 of the Congressional Budget Act of 1974 shall apply in the House of Representatives to budget control resolutions, resolutions increasing direct spending targets, and reconciliation legislation reported pursuant to directives contained in those resolutions.

"(c) MEANS-TESTED PROGRAMS.—In making recommendations under this section, the Congress should seriously consider all other alternatives before adopting reductions in means-tested programs.

"(d) RELATIONSHIP TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—Reductions in outlays or increases in receipts resulting from legislation pursuant to this section shall not be taken into account for purposes of any budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1985.

"EFFECTIVE DATES.

"SEC. 325. This part shall apply for fiscal years 1994 through 1997 and shall expire at the end of fiscal year 1997.".

(c) CONFORMING AMENDMENT REGARDING PRESIDENT'S BUDGET.—Section 1105(a) of title 31, United States Code, is amended by redesignating paragraph (28) as paragraph (27) and inserting at the end thereof the following new paragraph:

"(28) the materials required to be included in the budget under sections 322 and 323(b) of the Congressional Budget Act of 1974.".

SEC. 14203. EXERCISE OF RULE-MAKING POWERS.

The Congress enacts the provisions of this part—

(1) as an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such these provisions shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

Part D—Debt Control

SEC. 14301. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This part may be cited as the "Debt Control Act of 1993".

(b) PURPOSE.—The Congress declares that it is essential to create a mechanism to monitor the Federal debt, and, in the event that the Federal debt must be increased beyond the amount set pursuant to a concurrent resolution on the budget, to require the Congress to address changes in the debt limit by recorded vote.

SEC. 14302. REVIEW OF DEBT.

Chapter 11 of title 31 of the United States Code is amended by inserting at the end thereof the following new section:

"§1116 Review of debt

"(a) Duty To Report.—A quarterly review of the public debt (as defined in section 3101) shall be performed by the President and included—

"(1) as part of each budget submitted under section 1105(a);

"(2) in a report to Congress issued on or before April 15;

"(3) as part of the mid-session review of the budget submitted under section 1106(a); and

"(4) in a report to Congress issued on or before October 15.

"(b) Contents of Report.—The review required by this section shall include the following—

"(1) information on the level of the public debt and the increment to that debt since the last report under subsection (a);

"(2) an analysis of the variance between the level of debt reported in paragraph (1) and the amount of debt anticipated for this time period in the most recent budget submitted under section 1105(a); and

"(3) recommendations for actions to reduce the rate of increase in the debt.

"(c) Vote To Increase Public Debt.—It shall not be in order in the Senate or the House of Representatives to vote other than by recorded vote on final passage of a bill or joint resolution that would increase the limit on the public debt set forth in section 3101, unless that bill or joint resolution is pursuant to an instruction pursuant to section 310(a)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 641).".

McCAIN AMENDMENTS NOS. 511 AND 512

Mr. McCAIN submitted two amendments intended to be proposed by him to the bill S. 1134, supra, as follows:

AMENDMENT NO. 511

On page 147, lines 16 through 18, strike "special account established under section 4(i) of the Land and Water Conservation Fund Act of 1965", and insert "the base accounts for individual parks affected by commercial tour operations. The revenue shall be used by the parks for the purposes of supporting and improving internal transportation systems that are directly affected by commercial tour operations. Support and improvement of the systems may include initiation or expansion of shuttle transport systems, development of staging areas to support the systems, and development of comprehensive monitoring programs for determining amounts of use by commercial tour operations.".

The discretionary spending limits for each of the fiscal years 1994 through 1998 as determined under this Act are reduced in each fiscal year by an amount equal to the revenue reduction in each fiscal year resulting from this amendment.

AMENDMENT NO. 512

On page 474, after line 19, insert the following new part:

Part VII—Investment in Indian Reservations

SEC. 8181. INVESTMENT TAX CREDIT FOR PROPERTY ON INDIAN RESERVATIONS.

(a) ALLOWANCE OF INDIAN RESERVATION CREDIT.—Section 46 (relating to investment credits) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding after paragraph (3) the following new paragraph:

"(4) the Indian reservation credit."

(b) AMOUNT OF INDIAN RESERVATION CREDIT.—

(1) IN GENERAL.—Section 48 (relating to the energy credit and the reforestation credit) is amended by adding after subsection (b) the following new subsection:

"(c) INDIAN RESERVATION CREDIT.—

"(1) IN GENERAL.—For purposes of section 46, the Indian reservation credit for any taxable year is the Indian reservation percentage of the qualified investment in qualified Indian reservation property placed in service during such taxable year, determined in accordance with the following table:

"In the case of— qualified Indian reservation property which is:	The Indian reservation percentage is:
Reservation personal property	10
New reservation construction property	15
Reservation infrastructure investment	15.

"(2) QUALIFIED INVESTMENT IN QUALIFIED INDIAN RESERVATION PROPERTY DEFINED.—For purposes of this subpart—

"(A) IN GENERAL.—The term 'qualified Indian reservation property' means property—

"(i) which is—

"(I) reservation personal property,

"(II) new reservation construction property, or

"(III) reservation infrastructure investment, and

"(ii) not acquired (directly or indirectly) by the taxpayer from a person who is related to the taxpayer (within the meaning of section 465(b)(3)(C)).

The term 'qualified Indian reservation property' does not include any property (or any portion thereof) placed in service for purposes of conducting or housing class I, II, or III gaming (as defined in section 4 of the Indian Regulatory Act (25 U.S.C. 2703)).

"(B) QUALIFIED INVESTMENT.—The term 'qualified investment' means—

"(i) in the case of reservation infrastructure investment, the amount expended by the taxpayer for the acquisition or construction of the reservation infrastructure investment; and

"(ii) in the case of all other qualified Indian reservation property, the taxpayer's basis for such property.

"(C) RESERVATION PERSONAL PROPERTY.—The term 'reservation personal property' means qualified personal property which is used by the taxpayer predominantly in the active conduct of a trade or business within an Indian reservation. Property shall not be treated as 'reservation personal property' if it is used or located outside the Indian reservation on a regular basis.

"(D) QUALIFIED PERSONAL PROPERTY.—The term 'qualified personal property' means property—

"(i) for which depreciation is allowable under section 168,

"(ii) which is not—

"(I) nonresidential real property,

"(II) residential rental property, or

"(III) real property which is not described in (I) or (II) and which has a class life of more than 12.5 years.

For purposes of this subparagraph, the terms 'nonresidential real property', 'residential rental property', and 'class life' have the respective meanings given such terms by section 168.

"(E) NEW RESERVATION CONSTRUCTION PROPERTY.—The term 'new reservation construction property' means qualified real property—

"(i) which is located in an Indian reservation,

"(ii) which is used by the taxpayer predominantly in the active conduct of a trade or business within an Indian reservation, and

"(iii) which is originally placed in service by the taxpayer.

"(F) QUALIFIED REAL PROPERTY.—The term 'qualified real property' means property for which depreciation is allowable under section 168 and which is described in clause (I), (II), or (III) of subparagraph (D)(ii).

"(G) RESERVATION INFRASTRUCTURE INVESTMENT.—

"(i) IN GENERAL.—The term 'reservation infrastructure investment' means qualified personal property or qualified real property which—

"(I) benefits the tribal infrastructure,

"(II) is available to the general public, and

"(III) is placed in service in connection with the taxpayer's active conduct of a trade or business within an Indian reservation.

"(ii) PROPERTY MAY BE LOCATED OUTSIDE THE RESERVATION.—Qualified personal property and qualified real property used or located outside an Indian reservation shall be reservation infrastructure investment only if its purpose is to connect to existing tribal infrastructure in the reservation, and shall include, but not be limited to, roads, power lines, water systems, railroad spurs, and communications facilities.

"(H) COORDINATION WITH OTHER CREDITS.—The term 'qualified Indian reservation property' shall not include any property with respect to which the energy credit or the rehabilitation credit is allowed.

"(3) REAL ESTATE RENTALS.—For purposes of this section, the rental to others of real property located within an Indian reservation shall be treated as the active conduct of a trade or business in an Indian reservation.

"(4) INDIAN RESERVATION DEFINED.—For purposes of this subpart, the term 'Indian reservation' means a reservation, as defined in—

"(A) section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)), or

"(B) section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)).

"(5) LIMITATION BASED ON UNEMPLOYMENT.—

"(A) GENERAL RULE.—The Indian reservation credit allowed under section 46 for any taxable year shall equal—

"(i) if the Indian unemployment rate on the applicable Indian reservation for which the credit is sought exceeds 300 percent of the national average unemployment rate at any time during the calendar year in which the property is placed in service or during the immediately preceding 2 calendar years, 100 percent of such credit,

"(ii) if such Indian unemployment rate exceeds 150 percent but not 300 percent, 50 percent of such credit, and

"(iii) if such Indian unemployment rate does not exceed 150 percent, 0 percent of such credit.

"(B) SPECIAL RULE FOR LARGE PROJECTS.—In the case of a qualified Indian reservation property which has (or is a component of a project which has) a projected construction period of more than 2 years or a cost of more than $1,000,000, subparagraph (A) shall apply by substituting 'during the earlier of the calendar year in which the taxpayer enters into a binding agreement to make a qualified investment or the first calendar year in which the taxpayer has expended at least 10 percent of the taxpayer's qualified investment, or the preceding calendar year' for 'during the calendar year in which the property is placed in service or during the immediately preceding 2 calendar years'.

"(C) DETERMINATION OF INDIAN UNEMPLOYMENT.—For purposes of this paragraph, with respect to any Indian reservation, the Indian unemployment rate shall be based upon Indians unemployed and able to work, and shall be certified by the Secretary of the Interior.

"(6) COORDINATION WITH NONREVENUE LAWS.—Any reference in this subsection to a provision not contained in this title shall be treated for purposes of this subsection as a reference to such provision as in effect on the date of the enactment of this paragraph."

(2) LODGING TO QUALIFY.—Paragraph (2) of section 50(b) (relating to property used for lodging) is amended—

(A) by striking "and" at the end of subparagraph (C),

(B) by striking the period at the end of subparagraph (D) and inserting "; and" and

(C) by adding at the end thereof the following subparagraph:

"(E) new reservation construction property."

(c) RECAPTURE.—Subsection (a) of section 50 (relating to recapture in case of dispositions, etc.), is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULES FOR INDIAN RESERVATION PROPERTY.—

"(A) IN GENERAL.—If, during any taxable year, property with respect to which the taxpayer claimed an Indian reservation credit—

"(i) is disposed of, or

"(ii) in the case of reservation personal property—

"(I) otherwise ceases to be investment credit property with respect to the taxpayer, or

"(II) is removed from the Indian reservation, converted or otherwise ceases to be Indian reservation property,

the tax under this chapter for such taxable year shall be increased by the amount described in subparagraph (B).

"(B) AMOUNT OF INCREASE.—The increase in tax under subparagraph (A) shall equal the aggregate decrease in the credits allowed under section 38 by reason of section 48(c) for all prior taxable years which would have resulted had the qualified investment taken into account with respect to the property been limited to an amount which bears the same ratio to the qualified investment with respect to such property as the period such property was held by the taxpayer bears to the applicable recovery period under section 168(g).

"(C) COORDINATION WITH OTHER RECAPTURE PROVISIONS.—In the case of property to which this paragraph applies, paragraph (1) shall not apply and the rules of paragraphs (3), (4), and (5) shall apply."

(d) BASIS ADJUSTMENT TO REFLECT INVESTMENT CREDIT.—Paragraph (3) of section 50(c) (relating to basis adjustment to investment credit property) is amended by striking "energy credit or reforestation credit" and inserting "energy credit, reforestation credit or Indian reservation credit other than with respect to any expenditure for new reservation construction property".

(e) CERTAIN GOVERNMENTAL USE PROPERTY TO QUALIFY.—Paragraph (4) of section 50(b) (relating to property used by governmental units or foreign persons or entities) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and inserting after subparagraph (C) the following new subparagraph:

"(D) EXCEPTION FOR RESERVATION INFRASTRUCTURE INVESTMENT.—This paragraph shall not apply for purposes of determining the Indian reservation credit with respect to reservation infrastructure investment."

(f) APPLICATION OF AT-RISK RULES.—Subparagraph (C) of section 49(a)(1) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the qualified investment in qualified Indian reservation property."

(g) CLERICAL AMENDMENTS.—

(1) Section 48 is amended by striking the heading and inserting the following:

"SEC. 48. ENERGY CREDIT; REFORESTATION CREDIT; INDIAN RESERVATION CREDIT."

(2) The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by striking out the item relating to section 48 and inserting the following:

"Sec. 48. Energy credit; reforestation credit;
Indian reservation credit."

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 1993.

SEC. 8182. INDIAN EMPLOYMENT CREDIT.

(a) ALLOWANCE OF INDIAN EMPLOYMENT CREDIT.—Section 38(b) (relating to general business credits) is amended by striking "plus" at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting ", plus", and by adding after paragraph (7) the following new paragraph:

"(8) the Indian employment credit as determined under section 45(a)."

(b) AMOUNT OF INDIAN EMPLOYMENT CREDIT.—Subpart D of Part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end thereof the following new section:

"SEC. 45. INDIAN EMPLOYMENT CREDIT.

"(a) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—For purposes of section 38, the amount of the Indian employment credit determined under this section with respect to any employer for any taxable year is 10 percent (30 percent in the case of an employer with at least 85 percent Indian employees throughout the taxable year) of the sum of—

"(A) the qualified wages paid or incurred during such taxable year, plus

"(B) qualified employee health insurance costs paid or incurred during such taxable year.

In no event shall the amount of the Indian employment credit for any taxable year exceed the credit limitation amount determined under subsection (e) for such taxable year.

"(2) INDIAN EMPLOYEE.—For purposes of paragraph (1), the term 'Indian employee' means an employee who is an enrolled member of an Indian tribe or the spouse of such a member.

"(b) QUALIFIED WAGES; QUALIFIED EMPLOYEE HEALTH INSURANCE COSTS.—For purposes of this section—

"(1) QUALIFIED WAGES.—

"(A) IN GENERAL.—The term 'qualified wages' means any wages paid or incurred by an employer for services performed by an employee while such employee is a qualified employee.

"(B) COORDINATION WITH TARGETED JOBS CREDIT.—The term 'qualified wages' shall not include wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer if any portion of such wages is taken into account in determining the credit under section 51.

"(2) QUALIFIED EMPLOYEE HEALTH INSURANCE COSTS.—

"(A) IN GENERAL.—The term 'qualified employee health insurance costs' means any amount paid or incurred by an employer for health insurance to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

"(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

"(c) QUALIFIED EMPLOYEE.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'qualified employee' means, with respect to any period, any employee of an employer if—

"(A) substantially all of the services performed during such period by such employee for such employer are performed within an Indian reservation,

"(B) the principal place of abode of such employee while performing such services is on or near the reservation in which the services are performed, and

"(C) the employee began work for such employer on or after January 1, 1994.

"(2) CREDIT ALLOWED ONLY FOR FIRST 7 YEARS.—An employee shall not be treated as a qualified employee for any period after the date 7 years after the day on which such employee first began work for the employer.

"(3) INDIVIDUALS RECEIVING WAGES IN EXCESS OF $30,000 NOT ELIGIBLE.—An employee shall not be treated as a qualified employee for any taxable year of the employer if the total amount of the wages paid or incurred by such employer to such employee during such taxable year (whether or not for services within an Indian reservation) exceeds the amount determined at an annual rate of $30,000. The Secretary shall adjust the $30,000 amount contained in the preceding sentence for years beginning after 1993 at the same time and in the same manner as under section 415(d).

"(4) EMPLOYMENT MUST BE TRADE OR BUSINESS EMPLOYMENT.—An employee shall be treated as a qualified employee for any taxable year of the employer only if more than 50 percent of the wages paid or incurred by the employer to such employee during such taxable year are for services performed in a trade or business of the employer. Any determination as to whether the preceding sentence applies with respect to any employee for any taxable year shall be made without regard to subsection (f)(2).

"(5) CERTAIN EMPLOYEES NOT ELIGIBLE.—The term 'qualified employee' shall not include—

"(A) any individual described in subparagraph (A), (B), or (C) of section 51(i)(1),

"(B) any 5-percent owner (as defined in section 416(i)(1)(B)),

"(C) any individual who is neither an enrolled member of an Indian tribe nor the spouse of an enrolled member of an Indian tribe, and

"(D) any individual if the services performed by such individual for the employer involve the conduct of class I, II, or III gaming as defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703), or are performed in a building housing such gaming activity.

"(6) INDIAN TRIBE DEFINED.—The term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village, or regional or village corporation, as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(7) INDIAN RESERVATION DEFINED.—The term 'Indian reservation' means a reservation, as defined in—

"(A) section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)), or

"(B) section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903 (10)).

"(d) EARLY TERMINATION OF EMPLOYMENT BY EMPLOYER.—

"(1) IN GENERAL.—If the employment of any employee is terminated by the taxpayer before the day 1 year after the day on which such employee began work for the employer—

"(A) no wages (or qualified employee health insurance costs) with respect to such employee shall be taken into account under subsection (a) for the taxable year in which such employment is terminated, and

"(B) the tax under this chapter for the taxable year in which such employment is terminated shall be increased by the aggregate credits (if any) allowed under section 38(a) for prior taxable years by reason of wages (or qualified employee health insurance costs) taken into account with respect to such employee.

"(2) CARRYBACKS AND CARRYOVERS ADJUSTED.—In the case of any termination of employment to which paragraph (1) applies, the carrybacks and carryovers under section 39 shall be properly adjusted.

"(3) SUBSECTION NOT TO APPLY IN CERTAIN CASES.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to—

"(i) a termination of employment of an employee who voluntarily leaves the employment of the taxpayer,

"(ii) a termination of employment of an individual who before the close of the period referred to in paragraph (1) becomes disabled to perform the services of such employment unless such disability is removed before the close of such period and the taxpayer fails to offer reemployment to such individual, or

"(iii) a termination of employment of an individual if it is determined under the applicable State unemployment compensation law that the termination was due to the misconduct of such individual.

"(B) CHANGES IN FORM OF BUSINESS.—For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated—

"(i) by a transaction to which section 381(a) applies if the employee continues to be employed by the acquiring corporation, or

"(ii) by reason of a mere change in the form of conducting the trade or business of the taxpayer if the employee continues to be employed in such trade or business and the taxpayer retains a substantial interest in such trade or business.

"(4) SPECIAL RULE.—Any increase in tax under paragraph (1) shall not be treated as a tax imposed by this chapter for purposes of—

"(A) determining the amount of any credit allowable under this chapter, and

"(B) determining the amount of the tax imposed by section 55.

"(e) CREDIT LIMITATION AMOUNT.—For purposes of this section—

"(1) CREDIT LIMITATION AMOUNT.—The credit limitation amount for a taxable year shall be an amount equal to the credit rate (10 or 30 percent as determined under subsection (a)) multiplied by the increased credit base.

"(2) INCREASED CREDIT BASE.—The increased credit base for a taxable year shall be the excess of—

"(A) the sum of any qualified wages and qualified employee health insurance costs paid or incurred by the employer during the taxable year with respect to employees whose wages (paid or incurred by the employer) during the taxable year do not exceed the amount determined under paragraph (3) of subsection (c), over

"(B) the sum of any qualified wages and qualified employee health insurance costs paid or incurred by the employer (or any predecessor) during calendar year 1993 with respect to employees whose wages (paid or incurred by the employer or any predecessor) during 1993 did not exceed $30,000.

"(3) SPECIAL RULE FOR SHORT TAXABLE YEARS.—For any taxable year having less than 12 months—

"(A) the amounts paid or incurred by the employer shall be annualized for purposes of determining the increased credit base, and

"(B) the credit limitation amount shall be multiplied by a fraction, the numerator of which is the number of days in the taxable year and the denominator of which is 365.

"(f) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) WAGES.—The term 'wages' has the same meaning given to such term in section 51.

"(2) CONTROLLED GROUPS.—

"(A) All employers treated as a single employer under section (a) or (b) of section 52 shall be treated as a single employer for purposes of this section.

"(B) The credit (if any) determined under this section with respect to each such employer shall be its proportionate share of the wages and qualified employee health insurance costs giving rise to such credit.

"(3) CERTAIN OTHER RULES MADE APPLICABLE.—Rules similar to the rules of section 51(k) and subsections (c), (d), and (e) of section 52 shall apply.

"(4) COORDINATION WITH NONREVENUE LAWS.—Any reference in this section to a provision not contained in this title shall be treated for purposes of this section as a reference to such provision as in effect on the date of the enactment of this paragraph."

(c) DENIAL OF DEDUCTION FOR PORTION OF WAGES EQUAL TO INDIAN EMPLOYMENT CREDIT.—

(1) Subsection (a) of section 280C (relating to rule for targeted jobs credit) is amended by striking "51(a)" and inserting "45(a), 51(a), and".

(2) Subsection (c) of section 196 (relating to deduction for certain unused business credits) is amended by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ", and", and by adding at the end the following new paragraph:

"(7) the Indian employment credit determined under section 45(a)."

(d) DENIAL OF CARRYBACKS TO PREENACTMENT YEARS.—Subsection (d) of section 39 is amended by adding at the end thereof the following new paragraph:

"(4) NO CARRYBACK OF SECTION 45 CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the Indian employment credit determined under section 45 may be carried to a taxable year ending before the date of the enactment of section 45."

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following:

"Sec. 45. Indian employment credit."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid or incurred after December 31, 1993.

On page 564, line 11, insert after the period and the end quotation marks the following: , and

(3) by inserting "97.5 percent of" after "equal to" in paragraph (1).

On page 575, line 14, strike "October 1, 1993" and insert "July 1, 1995".

HUTCHISON AMENDMENT NO. 513

(Ordered to lie on the table.)

Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill, S. 1134, supra, as follows:

At the appropriate place, insert the following:

SEC. ___. TEN PERCENT REDUCTION IN GOVERNMENT OVERHEAD COSTS.

(a) IN GENERAL.—Subchapter II of chapter 15 of title 31, United States Code, is amended by adding at the end the following:

"§ 1520. Reducing the salaries and expenses within an appropriation by apportionment

"(a) All appropriations for salaries and expenses shall be apportioned as necessary to carry out this section.

"(b)(1) Except as provided by paragraph (2), in apportioning any appropriation for salaries and expenses for a fiscal year under this section, the amount shall be reduced by an amount equal to 5 percent of the actual amount incurred for those salaries and expenses in the immediately preceding fiscal year.

"(2) The reduction required under paragraph (1) for a fiscal year shall (if applicable) be reduced by a dollar amount equal to the amount by which that fiscal year's appropriation for salaries and expenses is less than the actual amount incurred for those salaries and expenses in the immediately preceding fiscal year.

"(c) For purposes of this section, the term 'expenses' means the object classes identified by OMB in Object Classes 20—26 as follows:

"(1) 21.0: Travel and Transportation of Persons.

"(2) 22.0: Transportation of Things.

"(3) 23.1: Rental Payments to GSA.

"(4) 23.2: Rental Payments to Others.

"(5) 23.3: Communications, Utilities, and Misc.

"(6) 24.0: Printing and Reproduction.

"(7) 25.1: Consulting Services.

"(8) 25.2: Other Services.

"(9) 26.0: Supplies and Materials.".

(b) EFFECTIVE DATE.—The amendments made by this section shall only apply to fiscal years 1994 and 1995 and shall have no force or effect after September 30, 1995.

BRADLEY (AND OTHERS) AMENDMENT NO. 514

Mr. BRADLEY (for himself, Mr. HOLLINGS, Mr. COATS, Mr. MCCAIN, and Mr. ROBB) proposed an amendment to the bill S. 1134, supra, as follows:

In lieu of the proposed to be inserted, insert the following:

SEC. ___. LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE LINE ITEM VETO.

(a) IN GENERAL.—The Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new title:

"TITLE XI—LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE LINE ITEM VETO

"LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE LINE ITEM VETO SEPARATE ENROLLMENT AUTHORITY

"SEC. 1101. (a) SEPARATE ENROLLMENT.—

"(1) Notwithstanding any other provision of law, when—

"(A) any general or special appropriation bill or any bill or joint resolution making supplemental, deficiency, or continuing appropriations; or

"(B) any revenue bill containing a tax expenditure provision, passes both Houses of the Congress in the same form, the Secretary of the Senate (in the case of a bill or joint resolution originating in the Senate) or the Clerk of the House of Representatives (in the case of a bill or joint resolution originating in the House of Representatives) shall cause the enrolling clerk of such House to enroll each item of appropriation or tax expenditure provision of such bill or joint resolution as a separate bill or joint resolution, as the case may be.

"(2) A bill or joint resolution that is required to be enrolled pursuant to paragraph (1)—

"(A) shall be enrolled without substantive revision;

"(B) shall conform in style and form to the applicable provisions of chapter 2 of title 1, United States Code (as such provisions are in effect on the date of the enactment of this title); and

"(C) shall bear the designation of the measure of which it was an item of appropriation or tax expenditure provision prior to such enrollment, together with such other designation as may be necessary to distinguish such bill or joint resolution from other bills or joint resolutions enrolled pursuant to paragraph (1) with respect to the same measure.

"(b) PREPARATION AND PRESENTMENT.—A bill or joint resolution enrolled pursuant to subsection (a)(1) with respect to an item of appropriation or tax expenditure provision shall be deemed to be a bill under clauses 2 and 3 of section 7 of article 1 of the Constitution of the United States and shall be signed by the presiding officers of both Houses of the Congress and presented to the President for approval or disapproval (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.

"(c) DEFINITIONS.—For purposes of this title—

"(1) the term 'item of appropriation' means any numbered section and any unnumbered paragraph of—

"(A) any general or special appropriation bill; and

"(B) any bill or joint resolution making supplemental, deficiency, or continuing appropriations; and

"(2) the term 'tax expenditure provision' means a division of a bill that amends current law or is free standing and that is scored by the Joint Committee on Taxation as losing revenue over the 5-year period after the provision takes effect.".

(b) EFFECTIVE PERIOD.—The amendment made by subsection (a) shall apply to bills and joint resolutions agreed to by the Congress during the 103d Congress.

FEINSTEIN (AND OTHERS) AMENDMENT NO. 515

Mrs. FEINSTEIN (for herself, Mr. MOYNIHAN, Mrs. BOXER, Mr. GRAHAM, Mr. LIEBERMAN, Mr. BOREN, Mr. REID, Mr. EXON, Mr. FORD, Mr. LEVIN, Mr. CONRAD, Mr. DASCHLE, Mr. KERRY, Mr. SIMON, Mr. BINGAMAN, Mr. DOMENICI, Mr. GRAMM, Mrs. HUTCHISON, Mr. PACKWOOD, Mr. MACK, Mr. STEVENS, Mr. THURMOND, and Mr. HATCH) proposed an amendment to the bill S. 1134, supra, as follows:

On page 421, between lines 18 and 19, insert:

SEC. 8114. SENSE OF SENATE REGARDING PERMANENT EXTENSION OF RESEARCH CREDIT.

It is the sense of the Senate that the research credit under section 41 of the Internal Revenue Code of 1986 be extended permanently.

LOTT AMENDMENT NO. 516

Mr. LOTT (for himself, Mr. GRASSLEY, Mr. MACK, Mr. MCCAIN, Mr. PRESSLER, Mr. NICKLES, Mr. COCHRAN, Mr. MCCONNELL, Mr. HELMS, Mr. ROTH, Mr. WARNER, and Mrs. HUTCHISON) proposed an amendment to the bill S. 1134, supra, as follows:

Beginning on page 519, line 19, strike all through page 523, line 22.

METZENBAUM (AND OTHERS) AMENDMENT NO. 517

Mr. METZENBAUM (for himself, Mrs. KASSEBAUM, and Mr. KENNEDY) proposed an amendment to the bill S. 1134, supra, as follows:

On page 865, strike from line 16 through to page 870, line 24.

KERREY AMENDMENT NO. 518

Mr. KERREY proposed an amendment to the bill S. 1134, supra, as follows:

At the end of title VIII the following new subtitle:

Subtitle C—National Health Care Trust Fund

SEC. 8301. NATIONAL HEALTH CARE TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

"SEC. 9511. NATIONAL HEALTH CARE TRUST FUND.

"(a) TRUST FUND ESTABLISHED.—

"(1) IN GENERAL.—There is established in the Treasury of the United States a trust fund to be known as the 'National Health Care Trust Fund', consisting of such amounts as may be transferred or credited to such Trust Fund as provided in this section, section 9602(b), and section 1840 of the Social Security Act.

"(2) TRANSFER OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—There are hereby transferred to the National Health Care Trust Fund amounts equivalent to—

"(A) 100 percent of the taxes imposed under sections 1401(b), 3101(b), and 3111(b),

"(B) 100 percent of the taxes imposed under chapters 51 and 52,

"(C) 19 percent of the taxes imposed under sections 3201(a), 3211(a), and 3221(a), and

"(D) 29.125 percent of the taxes imposed under chapter 1.

"(3) TRANSFER OF FUNDS.—All amounts, not otherwise obligated, that remain in the Federal Hospital Insurance Trust Fund and the Federal Supplemental Medical Insurance Trust Fund on the first day of the fiscal year 1994 shall be transferred to the National Health Care Trust Fund.

"(4) APPROPRIATION OF ADDITIONAL SUMS.—There are hereby authorized to be appropriated and are appropriated to the National Health Care Trust Fund such additional sums as may be required to make expenditures referred to in subsection (b).

"(b) EXPENDITURES.—

"(1) IN GENERAL.—All expenditures to meet the obligations of the United States to provide, directly or indirectly, health care (including the provision of health care facilities and of education or educational assistance related to health care professions) under any provision of law, including—

"(A) under the provisions of title XIX of the Social Security Act, and

"(B) in accordance with the provisions of authorization and appropriations Acts that relate to programs, projects, and activities, under the provisions of—

"(i) title XVIII of the Social Security Act,

"(ii) chapter 55 of title 10, United States Code,

"(iii) chapter 17 of title 38, United States Code,

"(iv) chapter 89 of title 5, United States Code,

"(v) the Indian Health Care Improvement Act, and

"(vi) the Public Health Service Act,

shall be made only from amounts in the National Health Care Trust Fund.

"(2) INCORPORATION OF MEDICARE TRUST FUND PROVISIONS.—The provisions of subsections (f) through (i) of section 1817 of the Social Security Act (42 U.S.C. 1385i) and subsections (f) through (i) of section 1841 of such Act (42 U.S.C. 1395t), as in effect on the day before the date of the enactment of this section, shall apply to the National Health Care Trust Fund in the same manner as such provisions apply to the Federal Hospital Insurance Trust Fund and the Federal Supplemental Medical Insurance Trust Fund, respectively, except that any reference to the Managing Trustee shall be deemed a reference to the Secretary.

"(c) ANNUAL REPORT.—The Secretary shall make the annual report required by section 9602(a) not later than March 1 of each year. Such report shall be submitted to the Committee of Ways and Means and Committee on Energy and Commerce of the House of Representatives and the Committee on Finance and Committee of Labor and Human Resources of the Senate."

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE.—

(1) Sections 1817 and 1841 of the Social Security Act (42 U.S.C. 1395i and 1395t) are hereby repealed.

(2) The Social Security Act is amended by striking "Federal Hospital Insurance Trust Fund" and "Federal Supplemental Medical Insurance Trust Fund" each place they appear and inserting "National Health Care Trust Fund".

(c) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 9510 the following new item:

"Sec. 9511. National Health Care Trust Fund."

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1993.

MCCAIN (AND BROWN) AMENDMENT NO. 519

(Ordered to lie on the table.)

Mr. MCCAIN (for himself and Mr. BROWN) submitted the following amendment intended to be proposed by them to the bill S. 1134, supra, as follows:

Strike subsection (c) of section 8215.

Mr. MCCAIN. Mr. President, I rise today to offer an amendment to prohibit use of the revenues from the Social Security tax increase being used for anything but the Social Security trust funds.

Seniors all over this country were troubled when the woke up one recent morning to discover that those with incomes of $32,000 were being labeled as high-income and were going to be rewarded with confiscation of more of their Social Security benefits. While the Senate's version of the Budget Reconciliation Act has a higher threshold, the effect is the same.

When I was first elected to Congress, in 1983, the Social Security trust funds were in terrible shape—losing over a million dollars an hour. That year we adopted the recommendations of the bipartisan National Commission on Social Security Reform.

We made a deal with our Nation's seniors in enacting the recommendations of the Commission, and we did it for the purpose of saving the Social Security system from financial disaster. We increased their taxes, in return for which the senior citizens of this country were assured that they would receive the benefits from the Social Security system, a social contract that they entered into with the Federal Government. Now, it is being proposed that this deal be broken. Not only are we now going to raise their taxes again, what is most troubling is that the revenues are not being targeted for the Social Security trust funds, they are going to be spent on other Government programs.

If we need the revenues to keep the Social Security trust funds fiscally sound that is one thing, but if we do not we should not be touching Social Security benefits. In short, the administration's proposals is a backhanded way to rob seniors of their Social Security benefits. This amendment will ensure that any new tax on Social Security benefits goes to the only place it ought to go—to the Social Security trust funds.

I hope all of my colleagues will examine this amendment and consider supporting it.

McCAIN (AND OTHERS) AMENDMENT NO. 520

(Ordered to lie on the table.)

Mr. McCAIN (for himself, Mr. MACK, and Mr. LOTT) submitted the following amendment intended to be proposed by him to the bill S. 1134, supra, as follows:

On page 411, between lines 11 and 12, insert the following:

Part V—Social Security Earnings Test

SEC. 7961. ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

Section 203 (42 U.S.C. 403) is amended—

(1) in paragraph (1) of subsection (c) and paragraphs (1)(A) and (2) of subsection (d), by striking "the age of seventy" and inserting "retirement age (as defined in section 216(l))";

(2) in subsection (f)(1)(B), by striking "was age seventy or over" and inserting "was at or above retirement age (as defined in section 216(l))";

(3) in subsection (f)(3), by striking "33⅓ percent" and all that follows through "any other individual," and inserting "50 percent of such individual's earnings for such year in excess of the product of the exempt amount as determined under paragraph (8)," and by striking "age 70" and inserting "retirement age (as defined in section 216(l))";

(4) in subsection (h)(1)(A), by striking "age 70" each place it appears and inserting "retirement age (as defined in section 216(l))"; and

(5) in subsection (j), by striking "Age Seventy" in the heading and inserting "Retirement Age", and by striking "seventy years of age" and inserting "having attained retirement age (as defined in section 216(l))".

SEC. 7962. CONFORMING AMENDMENTS ELIMINATING THE SPECIAL EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) UNIFORM EXEMPT AMOUNT.—Section 203(f)(8)(A) (42 U.S.C. 403(f)(8)(A)) is amended by striking "the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable" and inserting "a new exempt amount which shall be applicable".

(b) CONFORMING AMENDMENTS.—Section 203(f)(8)(B) (42 U.S.C. 403(f)(8)(B)) is amended—

(1) in the matter preceding clause (i), by striking "Except" and all that follows through "whichever" and inserting "The exempt amount which is applicable for each month of a particular taxable year shall be whichever";

(2) in clause (i), by striking "corresponding"; and

(3) in the last sentence, by striking "an exempt amount" and inserting "the exempt amount".

(c) REPEAL OF BASIS FOR COMPUTATION OF SPECIAL EXEMPT AMOUNT.—Section 203(f)(8)(D) (42 U.S.C. 403(f)(8)(D)) is repealed.

SEC. 7963. ADDITIONAL CONFORMING AMENDMENTS.

(a) ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.—Section 203 (42 U.S.C. 403) is amended—

(1) in the last sentence of subsection (c), by striking "nor shall any deduction" and all that follows and inserting "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60."; and

(2) in subsection (f)(1), by striking clause (D) and inserting the following: "(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60, or".

(b) CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.—Section 202(w)(2)(B)(ii) (42 U.S.C. 402(w)(2)(B)(ii)) is amended—

(1) by striking "either"; and

(2) by striking "or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit".

(c) CONTINUED APPLICATION OF RULE GOVERNING ENTITLEMENT OF BLIND BENEFICIARIES.—The second sentence of section 223(d)(4) (42 U.S.C. 423(d)(4)) is amended by inserting after "subparagraph (D) thereof" where it first appears the following: "(or would be applicable to such individuals but for the amendments made by the Omnibus Budget Reconciliation Act of 1993)".

SEC. 7964. EFFECTIVE DATE.

The amendments made by this part shall apply only with respect to taxable years beginning after December 31, 1993.

Mr. McCAIN. Mr. President, I rise today to offer an amendment to repeal the Social Security earnings test and end an injustice being perpetrated against one segment of our Nation's seniors—those who have or want to work.

This is not a new issue to most of the Members of this body, as we have voted on this amendment before. In fact, in the 102d Congress, the Senate adopted this measure as an amendment to the Older Americans Act reauthorization bill, only to have the amendment stripped in conference by the House. My colleagues may remember the tactics used by Congressman ROSTENKOWSKI to once again give our Nation's elderly the short end of the stick.

Mr. President, it is time that this onerous and antiquated law be repealed.

The amendment we will be voting on today will do just that. Identical to legislation cosponsored by Senators MACK, BRYAN, BURNS, COATS, COCHRAN, DECONCINI, D'AMATO, EXON, GORTON, HELMS, LOTT, PRESSLER, REID, SHELBY, SMITH, STEVENS, and WARNER, this amendment will fully repeal the Social Security earnings test for older Americans between the ages of 65 and 69. This legislation would provide freedom, opportunity, and fairness for our Nation's senior citizens.

Most people are amazed, Mr. President, to find that older Americans are actually penalized for their productivity. For every $3 earned by a retiree over the $10,200 limit, they lose $1 in Social Security benefits. Due to this cap on earnings, our senior citizens, many of whom exist on low incomes, are effectively burdened with a 33.3-percent tax. Combined with Federal, State, and other Social Security taxes, it will amount to a shocking 70-percent tax bite, and sometimes even more—Federal tax, 15 percent; FICA, 15.3 percent; earnings test penalty, 33.3 percent; State and local tax, 5 percent. Combined with this administration's proposed increase in the portion of Social Security benefits that is subject to taxation, this is quite a tax bite.

Mr. President, this is unquestionably an issue of fairness. No American should be discouraged from working. Unfortunately, as a result of the earnings test, Americans over the age of 65 are being punished for attempting to be productive. The earnings test does not take into account an individual's desire or ability to contribute to society. It arbitrarily mandates that a person retire at age 65 or face losing benefits. It is plainly age discrimination; it is plainly wrong.

Mr. President, there are more than 40 million Americans age 60 or older who have over 1 billion years of cumulative work experience—all going to waste. Three out of five of these people do not have any disability that would preclude them against working. Furthermore, almost half a million elderly individuals who do work earn annual incomes within 10 percent of the earnings limit. They are struggling to get ahead without hitting the limit. If not for the earnings test, many more would work, but the system is coercing them into retirement and idleness

Perhaps most important, though, the earnings cap is a serious threat to the welfare of low-income senior citizens. Once the earnings cap has been met, a person with a job providing just $5 an hour would find the after tax value of that wage dropping to only $2.20. A person with no private pension or liquid investments—which, by the way, are not counted as earnings—from his or her working years may need to work in order to meet the most basic expenses, such as shelter and food. Health care costs, rising at an astronomical rate, are another expense many elderly Americans have trouble meeting. There is also a myth that repeal of the earnings test would benefit only the rich. Nothing could be further from the truth. The highest effective marginal rates are imposed on the middle income elderly who must work to supplement their income.

Finally, it is simply outrageous to pursue a policy that keeps people out of the work force who are experienced and want to work. We have been warned to expect a labor shortage. Why should we discourage our senior citizens from meeting that challenge? As the U.S. Chamber of Commerce, which strongly supports this legislation, has pointed out, "retraining older workers already is a priority in labor intensive industries, and will become even more critical as we approach the year 2000."

Mr. President, we have a massive Federal deficit. Studies have found that repealing the earnings test could net $140 million in extra Federal revenue. Furthermore, the earnings test is costing us $15 billion a year in reduced production. Taxes on that lost production would go a long way toward reducing the budget deficit. Nor, as it continues to become tougher to compete globally, can America afford to pursue any policy that adversely affects production or effectively prevents our citizens from working.

Repeal would also save the taxpayer over $200 million a year in reduced compliance costs. According to the Social Security Administration, the earnings test is the largest administrative burden; 60 percent of all overpayments and 45 percent of benefit underpayments are attributable to the earnings test.

Mr. President, this legislation is strongly supported by several of our Nation's largest seniors organizations: National Committee to Preserve Social Security and Medicare, Seniors Coalition, National Alliance of Senior Citizens, Retired Officers Association, and the National Association of Retired Federal Employees.

It is time to see if we can persuade our colleagues in the House to take action and eliminate this confiscatory and antiquated law.

DOMENICI (AND NUNN) AMENDMENT NO. 521

(Ordered to lie on the table.)

Mr. DOMENICI (for himself and Mr. NUNN) submitted the following amendment intended to be proposed by him to the bill S. 1134, supra, as follows:

At the appropriate place, insert the following:

SEC. . DISCRETIONARY CAP EXTENTION.

(a) Discretionary Spending.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and inserting the following:

"(D) with respect to fiscal year 1994—

"(i) for the defense category: $264,051,000,000 in new budget authority and $279,262,000,000 in outlays;

"(ii) for the international category: $21,721,000,000 in new budget authority and $21,660,000,000 in outlays; and

"(iii) for the domestic category: $215,192,000,000 in new budget authority and $237,835,000,000 in outlays;

"(E) with respect to fiscal year 1995—

"(i) for the defense category: $262,624,000,000 in new budget authority and $272,744,000,000 in outlays;

"(ii) for the international category: $21,315,000,000 in new budget authority and $21,416,000,000 in outlays; and

"(iii) for the domestic category: $222,348,000,000 in new budget authority and $247,112,000,000 in outlays;

"(F) with respect to fiscal year 1996—

"(i) for the defense category: $254,139,000,000 in new budget authority and $265,742,000,000 in outlays;

"(ii) for the international category: $20,824,000,000 in new budget authority and $21,013,000,000 in outlays; and

"(iii) for the domestic category: $244,179,000,000 in new budget authority and $260,508,000,000 in outlays;

"(G) with respect to fiscal year 1997—

"(i) for the defense category: $248,490,000,000 in new budget authority and $249,705,000,000 in outlays;

"(ii) for the international category: $20,915,000,000 in new budget authority and $20,894,000,000 in outlays; and

"(iii) for the domestic category: $258,674,000,000 in new budget authority and $276,747,000,000 in outlays; and

"(H) with respect to fiscal year 1998—

"(i) for the defense category: $254,260,000,000 in new budget authority and $253,173,000,000 in outlays;

"(ii) for the international category: $20,695,000,000 in new budget authority and $20,740,000,000 in outlays; and

"(iii) for the domestic category: $255,684,000,000 in new budget authority and $273,957,000,000 in outlays.".

(b) Extension Through Fiscal Year 1998.—

(1) Point of order.—Section 601(b)(1) of the Congressional Budget Act of 1974 is amended by striking "or 1995" and inserting "1995, 1996, 1997, and 1998".

(2) Section 602(c) and (d).—Subsections (c) and (d) of section 602 of the Congressional Budget Act of 1974 are amended by striking "1995" and inserting "1998".

(3) Budget resolutions.—Section 606(a) of the Congressional Budget Act of 1974 is amended by striking "and 1995" and inserting "1995, 1996, 1997, and 1998".

(4) Effective date for title.—Section 607 of the Congressional Budget Act of 1974 is amended by striking "1995" and inserting "1998".

(c) Enforcement of Limits.—

(1) Definitions.—

(A) Category.—Paragraph (4) of section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(4) The term 'category' means for fiscal years 1991 through 1998 any of the following subsets of discretionary appropriations: defense, international, or domestic. Discretionary appropriations in each of the 3 categories shall be those so designated in the joint statement of managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1990. New accounts or activities shall be categorized in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate.".

(B) Budget resources.—Paragraph (6) of section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(6) The term 'budgetary resources' means new budget authority; unobligated balances; direct spending authority; and obligation limitations.".

(C) Out year.—Section 250(c)(14) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking beginning with "fiscal years" through the period and inserting "4 fiscal years that follow the budget year.".

(2) Enforcing discretionary spending limits.—

(A) Coverage.—Section 251(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the caption and inserting "Fiscal Years 1993–1998 Enforcement.—".

(B) Adjustments.—Subsection (b) of section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(i) in paragraph (1) in the matter before subparagraph (A)—

(I) by striking "budget year 1992, 1993, 1994, or 1995" and inserting "each budget year for fiscal years 1993 through 1998"; and

(II) by striking "outyear through 1995" and inserting "outyear through 1998"; and

(ii) by amending paragraph (2)(D) to read as follows:

"(D) If, for any fiscal year 1994 through 1998, appropriations for discretionary accounts are enacted that the President designates as emergency requirements and that the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays flowing in all years from such appropriations.".

(3) Rebasing.—For the purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act, OMB shall not include the net deficit impact of this Act in its pay-as-you-go estimates and reports for fiscal years 1993 through 2003.

BUMPERS AMENDMENTS NOS. 552 AND 523

(Ordered to lie on the table.)

Mr. BUMPERS submitted two amendments intended to be proposed by him to the bill S. 1134, supra, as follows:

AMENDMENT NO. 522

On page 337, beginning with line 1, strike all through page 389, line 7, and insert the following:

SEC 7802. REIMBURSEMENT TO VACCINE MANUFACTURERS.

(a) IN GENERAL.—Section 1902(a)(32) (42 U.S.C. 1396a(32)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(D) nothing in this paragraph shall be construed to prevent the making of such payment to a manufacturer of a childhood vaccine under a contract with the State pursuant to which the manufacturer participates in a vaccine replacement program described in subsection (z)."

(b) STATE VACCINE BULK PURCHASE PROGRAM.—Section 1902 (42 U.S.C. 1396a) is amended by adding after paragraph (58) the following new paragraph:

"(59) provide for the establishment of a State vaccine bulk purchase program for the purchase of pediatric vaccines." and by adding the end of the following new subsection:

"(z)(1) For purposes of section 1396 a (a)(59), a vaccine replacement program described in this subsection is a vaccine bulk purchase program under which a State with a State plan approved under this title contracts with each manufacturer of childhood vaccines selling such vaccines in the State to——

"(A) supply doses of childhood vaccines to providers (or in the case of a State medicaid vaccine program, the State) administering such vaccines to individuals eligible to receive medical assistance under the State plan and replace such vaccines as needed; and

"(B) charge the State agency for such doses of childhood vaccine the price under the most recent bid (determined once such bid price is made public) submitted by a manufacturer which receives the Centers for Disease Control and Prevention contract with respect to the childhood immunization program under the Public Health Services Act, plus a reasonable fee to cover shipping and handling of returns for such doses.

"(2) Any manufacturer of childhood vaccines selling such vaccines in a State which does not participate in a vaccine replacement program described in paragraph (1) which is operated in such State shall be ineligible to bid for Centers for Disease Control and Prevention immunization contracts under section 317(j) of the Public Health Services Act.".

(c) DEFINITION OF STATE VACCINE BULK PURCHASE PROGRAM.—Section 1902 (42 U.S.C. 1396d) is amended by adding at the end of the following new subsection:

"(t) VACCINE BULK PURCHASE PROGRAM.—The term "vaccine bulk purchase program" means a State program which purchases vaccines at prices negotiated by the Centers for Disease Control and Prevention's childhood immunization program and distributes such vaccines free of charge to entities providing medical assistance to individuals eligible for such medical assistance under this title."

(d) AGREEMENT WITH THE STATE.—Section 1902(a)(27) (42 U.S.C. 1396a(a)(27)) is amended—

(1) by striking "under the State plan" and inserting "under the State plan and with any entity that is a manufacturer of a childhood vaccine under a contract with the State pursuant to which the manufacturer participates in a vaccine replacement program described in subsection (z)"; and

(2) by striking "such person or institution" each place it appears and inserting "such person, institution, or entity".

(e) CDC PRICE PLUS CPI.—To the extent that, at the date of enactment, a specific vaccine is purchased under contract with the Centers for Disease Control and Prevention as provided in the Public Health Service Act, no bid for the purchase of such vaccine shall be accepted by the Centers for Disease Control and Prevention if the price per dose of such vaccine exceeds the price in effect on the date of enactment increased by the percentage increase in CPI from date of the contract in effect on the date of the enactment to the date of the contract. This provision shall be in effect for contracts made in Fiscal Year 1994 through Fiscal Year 1998.

(f) MULTIPLE SUPPLIERS.—The Public Health Service provisions relating to the Centers for Disease Control and Prevention purchase of vaccine may not be construed as prohibiting the Secretary from entering into a contract with each manufacturer of a vaccine that meets the terms and conditions of the Secretary for an award of such a contract (including terms and conditions regarding safety, quality, and price).

(g) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this Act.

SEC. 7803. STATE OPTION TO PROVIDE THAT CERTAIN PAYMENTS UNDER AFDC ARE CONDITIONED ON RECEIPT OF IMMUNIZATIONS.

(a) IN GENERAL.—Section 402 (42 U.S.C. 602) is amended——

(1) in paragraph (44), by striking "; and" and inserting a semicolon;

(2) in paragraph (45), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(46) at the option of the State, provide that if a family receiving aid to families with dependent children for any month includes a child under the age of 6 who has not received appropriate immunizations (as determined by the State), the State will take actions to encourage the timely immunization of such child including, but not limited to, reducing the total benefits received by such family for such month by all or a portion of the benefits allocable to the parent or guardian of such child and either—

"(A) placing all or a portion of such amount in an account until the family demonstrates to the State that such child has been appropriately immunized; or

"(B) using all or a portion of such amount to provide services to such family intended to ensure that such child receives appropriate immunizations.".

(b) STATE PROGRAMS TO ENCOURAGE APPROPRIATE IMMUNIZATIONS.——

(1) IN GENERAL.—The Secretary of Health and Human Services (hereafter referred to in this subsection as the "Secretary") shall provide for the establishment of programs intended to ensure the appropriate immunization of children to be operated in the States electing to take actions to encourage the timely immunization of children described in section 402(a)(46) of the Social Security Act.

(2) PAYMENTS TO STATES AND LIMITS ON FUNDING.——

(A) PAYMENTS TO STATES.—Except as provided in subparagraph (B), the Secretary shall pay to each State conducting a program under this subsection for each quarter in which such program is conducted an amount equal such State's Federal percentage (as determined under section 403(a) of the Social Security Act) of the expenditures incurred by such State during such quarter in conducting such program.

(B) LIMITS ON FUNDING.—In conducting programs under this subsection, the Secretary shall limit the total amount of the Federal share of expenses incurred under title IV of the Social Security Act to no more than $250,000 for each State in any year.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) and the provisions of subsection (b) shall become effective on the date of the enactment of this Act.

AMENDMENT NO. 523

On page 863, between lines 13 and 14, insert the following new section:

SEC. 12205. PERFORMANCE BASED GRANT PROGRAM.

(a) ANNUAL REPORT.—Not later than July 1 of each year, a State shall prepare and submit to the Director of the Center for Disease Control and Prevention a report that contains an estimate (based on a base population sample) of the percentage of 2 year old residents of the State who have been fully immunized as described in subsection(c).

(b) PAYMENTS TO STATES.——

(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary of Health and Human Services shall provide to a State that has submitted an annual report under subsection (a) that demonstrates that the State has fully immunized at least 50 percent of the 2 year old residents of that State, with respect to the year for which the report was prepared, a payment in an amount equal to——

(A) with respect to a State that has demonstrated the full immunization of at least 50 and less than 65 percent of all 2 year old residents of the State, $50 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 50 percent amount;

(B) with respect to a State that has demonstrated the full immunization of at least 65 and less than 70 percent of all 2 year old residents of the State, $75 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 65 percent amount; and

(C) with respect to a State that has demonstrated the full immunization of at least 70 and less than 93 percent of all 2 year old residents of the State, $100 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 70 percent amount.

(2) VERIFICATION.—Prior to making a payment to a State under this subsection, the Secretary of Health and Human Services shall, in collaboration with the Centers for Disease Control and Prevention, verify the accuracy of the State report involved.

(c) DEFINITION.—For purposes of this section, the term "fully immunized" means a 2 year old child that has received four doses of DTP vaccine (diphtheria, tetanus, pertussis), three doses of polio vaccine, and one dose of MMR (measles, mumps rubella) vaccine.

STEVENS (AND INOUYE) AMENDMENT NO. 524

Mr. STEVENS (for himself and Mr. INOUYE) proposed an amendment to the bill S. 1134, supra, as follows:

On page 138, immediately before line 1, insert the following new paragraph:

"(7) As part of any proceeding under this subsection the Commission (i) shall consider in such proceeding the ability of new entrants to compete in the services to which such proceeding relates, and (ii) shall have the flexibility to amend, modify, or forbear from any regulation of new entrants under this subsection, or, consistent with the public interest, take other appropriate action, to provide a full opportunity for new entrants to compete in such services."

On page 138, line 1, strike "(7)" and insert in lieu thereof "(8)".

ROTH (AND OTHERS) AMENDMENT NO. 525

Mr. ROTH (for himself, Mr. SHELBY, Mr. D'AMATO, Mr. HATCH, Mr. MACK, Mr. BURNS, Mr. COATS, Mr. BENNETT, Mr. BOND, Mr. STEVENS, Mr. MURKOWSKI, and Mr. LUGAR) proposed an amendment to the bill S. 1134, supra, as follows:

On page 486, between lines 3 and 4, insert the following new section:

SEC. 8203B. MAXIMUM SMALL BUSINESS TAX RATE.

(a) IN GENERAL.—Section 1 (relating to tax imposed), as amended by this subtitle, is amended by adding at the end the following new subsection:

"(j) MAXIMUM SMALL BUSINESS TAX RATE.—

"(1) IN GENERAL.—Except as provided in paragraph (4), if a taxpayer has taxable small business income for any taxable year to which this subsection applies, then the tax imposed by this section shall not exceed the sum of—

"(A) a tax computed at the rates and in the same manner as if this subsection had not been enacted on the greater of—

"(i) taxable income reduced by the amount of taxable small business income, or

"(ii) the amount of taxable income taxed at a rate below 31 percent, plus

"(B) a tax of 31 percent of the amount of taxable income in excess of the amount determined under paragraph (1).

"(2) TAXABLE SMALL BUSINESS INCOME.—For purposes of this subsection, the term 'taxable small business income' means, with respect to any taxable year, the least of—

"(A) the taxable income of the taxpayer for such year attributable to the active conduct of any trade or business of an eligible small business in which the taxpayer materially participates (within the meaning of section 469(h) (other than paragraph (4))),

"(B) the net earnings from self-employment (within the meaning of section 1402(a), applied without dollar limitation) of the taxpayer for such year attributable to the active conduct of such trade or business, or

"(C) the taxpayer's share of additions for such taxable year to the qualified retained earnings account of such trade or business.

For purposes of determining net earnings from self-employment under subparagraph (B), an S corporation shall be treated as if it were a partnership.

"(3) QUALIFIED RETAINED EARNINGS ACCOUNT.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified retained earnings account' means an account established by a trade or business—

"(i) which is designated as a qualified retained earnings account for purposes of this subsection,

"(ii) additions to which may only be made in cash,

"(iii) distributions from which may only consist of qualified distributions, and

"(iv) any earnings on which are not allocated to the account.

"(B) QUALIFIED DISTRIBUTIONS.—For purposes of subparagraph (A), distributions from a qualified retained earnings account shall be treated as qualified distributions if used—

"(i) to pay ordinary and necessary expenses paid or incurred in carrying on the trade or business of the eligible small business to which the account relates, and

"(ii) to pay the tax imposed under this subtitle on amounts in the account.

"(4) ADDITIONAL TAX ON NONQUALIFIED DISTRIBUTIONS.—

"(A) IN GENERAL.—If—

"(i) a distribution other than a qualified distribution is made from a qualified retained earnings account, and

"(ii) such distribution is made from additions to the account for a taxable year with respect to which paragraph (1) applied to the taxpayer by reason of such additions,

then the tax imposed by this section for the taxable year of the taxpayer with or within which the taxable year of the eligible small business in which the distribution was made ends shall be increased by the amount determined under subparagraph (B).

"(B) AMOUNT OF ADDITIONAL TAX.—The amount of tax determined under this subparagraph is an amount equal to the sum of—

"(i) the product of the taxpayer's pro rata share of the distribution described in subparagraph (A)(i) and the number of percentage points(and fractions thereof) by which the highest rate of tax in effect under this section for the taxpayer's taxable year exceeds 31 percent, plus

"(ii) the product of—

"(I) the amount by which the taxpayer's pro rata share of such distribution, when added to the taxpayer's pro rata share of previous distributions from additions to the account for the same taxable year, exceeds $135,000, and

"(II) the rate of tax imposed by section 1401(b) for the taxpayer's taxable year.

"(C) ORDER OF DISTRIBUTIONS.—For purposes of this paragraph, distributions shall be treated as having been made from the qualified retained earnings account on a first-in, first-out basis.

"(D) TREATMENT OF HEALTH INSURANCE TAX.—For purposes of this title, the tax described in subparagraph (B)(ii) shall be treated as if it were a tax imposed by section 1401(b).

"(5) ELIGIBLE SMALL BUSINESS.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'eligible small business' means for any taxable year a sole proprietorship, partnership, or S corporation the average annual gross receipts of which do not exceed $10,000,000 for any 3-taxable-year period ending before or with the preceding taxable year.

"(B) APPLICABLE RULES.—

"(i) SOLE PROPRIETORSHIP.—In the case of a sole proprietorship, only receipts in connection with a trade or business shall be taken into account.

"(ii) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as 1 person for purposes of subparagraph (A).

"(iii) SPECIAL RULES.—The rules of subsections (c)(3) and (d)(8) of section 448 shall apply for purposes of subparagraph (A).

"(6) YEARS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to any taxable year if the highest rate of tax set forth in subsection (a), (b), (c), (d), or (e) (whichever applies) for the taxable year exceeds 31 percent.

"(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations preventing the characterization of distributions for purposes of compensation or personal use as qualified distributions under paragraph (3)(B)(i)."

(b) CERTAIN TAXABLE SMALL BUSINESS INCOME NOT SUBJECT TO HI TAX.—Section 3121(a) (defining wages) is amended—

(i) by striking "or" at the end of paragraph (20),

(ii) by striking the period at the end of paragraph (21) and inserting "; or", and

(iii) by adding at the end the following new paragraph:

"(22) any taxable small business income (as defined in section 1(j)), to the extent such income exceeds $135,000.".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1992.

(d) EXTENSION OF CAPS.—

(1) FISCAL YEARS 1994 AND 1995.—The overall discretionary spending limits established in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 and 1995 as in effect on the date of enactment of this Act are reduced by—

(A) $4,452,000,000 in outlays for fiscal year 1994; and

(B) $5,233,000,000 in outlays for fiscal year 1995.

(2) FISCAL YEARS 1996, 1997, AND 1998.—

(A) IN GENERAL.—For fiscal years 1996, 1997, and 1998, there shall be caps on discretionary spending as provided in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 and 1995, subject to the provisions of subparagraphs (B) and (C).

(B) LEVEL OF LIMITS.—The discretionary limits on new budget authority and outlays for fiscal years 1996, 1997, and 1998 shall be—

(i) the levels assumed in H. Con. Res. 64, agreed to March 31, 1993, for such fiscal years, reduced by

(i)(I) $5,630,000,000, in outlays for fiscal year 1996;

(II) $6,031,000,000, in outlays for fiscal year 1997; and

(III) $6,352,000,000, in outlays for fiscal year 1998.

(C) EXTENSION OF LAW.—The provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 and the Congressional Budget Act of 1974 relating to the enforcement of the discretionary spending limit for fiscal years 1994 and 1995 are extended through fiscal year 1998 for the purpose of enforcing the limits set forth in this paragraph.

PRESSLER AMENDMENT NO. 526

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill S. 1134, supra, as follows:

Beginning on page 660, line 12, strike all through page 661 line 3.

BROWN AMENDMENTS NOS. 527 AND 528

(Ordered to lie on the table.)

Mr. BROWN submitted two amendments intended to be proposed by him to the bill, S. 1134, supra, as follows:

AMENDMENT NO. 527

Beginning on page 31, strike line 21 and all that follows through page 32, line 18, and insert the following new section:

SEC. 1110. ELIMINATION OF HONEY PRICE SUPPORT PROGRAM.

(a) IN GENERAL.—Sections 207 and 405A of the Agricultural Act of 1949 (7 U.S.C. 1446h and 1425a) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) PAYMENT LIMITATIONS.—Section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(2)) is amended—

(A) in subparagraph (B)(iii), by striking "(other than honey)"; and

(B) by striking subparagraph (C).

(2) DESIGNATED NONBASIC AGRICULTURAL COMMODITIES.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking "honey,".

(3) OTHER NONBASIC AGRICULTURAL COMMODITIES.—Section 301 of the Agricultural Act of 1949 (7 U.S.C. 1447) is amended by inserting after "nonbasic agricultural commodity" the following: "(other than honey)".

(4) DEFINITIONS.—Section 408(k) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)) is amended by striking "honey," each place it appears.

(5) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting after "agricultural commodities" the following: "(other than honey)".

(c) TRANSITION PROVISIONS.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the application of the amendments in accordance with subsection (d).

(d) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply beginning with the 1994 crop of honey.

AMENDMENT NO. 528

On page 620, strike lines 12 through 21, and insert the following:

(3) Section 9503(b)(4)(B) is amended by inserting "and the deficit reduction rates under such sections to the extent such rates do not exceed 4.3 cents per gallon" and "such sections".

(4) Section 9503(c)(4)(D) is amended by inserting "and the deficit reduction rates under such sections to the extent such rates do not exceed 4.3 cents per gallon" after "such sections".

(5) Section 9503(c)(5)(B) is amended by inserting "and the deficit reduction rate under such section to the extent such rate does not exceed 4.3 cents per gallon" after "such section".

(6) Section 9503(c)(6)(D) is amended by inserting "and the deficit reduction rate to the extent such rate does not exceed 4.3 cents per gallon" after "financing rate".

(7) Section 9506(b) is amended by inserting "and the deficit reduction rate" after "financing rate".

INOUYE (AND OTHERS) AMENDMENT NO. 529

Mr. INOUYE (for himself, Mr. AKAKA, Mr. REID, Mr. BRYAN, Mr. EXON, Mr. GRAHAM, Mr. HOLLINGS, Mr. HATCH, Mr. DOLE, Mr. DURENBERGER, Mr. CRAIG, Mr. COATS, Mr. BROWN, Mr. DOMENICI, Mr. BURNS, Mr. D'AMATO, Mr. MACK, Mr. COVERDELL, Mr. WALLOP, Mr. BREAUX, Mr. KOHL, Mr. CHAFEE, Mr. WARNER, Mr. ROTH, and Mr. KERRY) proposed an amendment to the bill S. 1134, supra, as follows:

At the appropriate place in the bill, insert the following:

SEC. ___. SENSE OF THE SENATE RELATING TO THE DEDUCTIBILITY OF BUSINESS MEALS AND ENTERTAINMENT EXPENSES.

(a) FINDINGS.—The Congress finds the following:

(1) That—

(A) travel and tourism is the third largest retail industry in the United States and accounts for 11 percent of the total value of goods and services exported by the United States;

(B) in 1992, the tourism industry produced revenues in the amount of $369,000,000,000 which produced $44,000,000,000 in tax revenues; and

(C) of such tax revenues, the Federal Government received $24,000,000,000.

(2) The restaurant industry provides thousands of jobs in the United States.

(3) The American performing arts community supports, develops, and exports world-class performing arts.

(4) The reduction in the rate of the tax deductibility of business meals and entertainment expenses from 80 percent to 50 percent may have a negative impact on the United States restaurant, entertainment, and tourism industries.

(5) Any loss of revenues due to the reduction described in paragraph (4) may result in the loss of jobs in the restaurant, entertainment, and tourism industries, many of which are filled by young individuals in their first jobs and by members of minority groups.

(6) The unemployment rate among individuals and members described in paragraph (5) greatly exceeds the national unemployment rate of 6.9 percent.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the conferees with respect to this title will make every effort to reduce or eliminate the proposed reduction in the deductibility of business meals and entertainment expenses.

GREGG (AND KASSEBAUM) AMENDMENT NO. 530

Mr. GREGG (for himself and Mrs. KASSEBAUM) proposed an amendment to the bill S. 1134, supra, as follows:

On page 809, line 24, strike "may" and insert "shall".

DECONCINI (AND OTHERS) AMENDMENT NO. 531

Mr. DECONCINI (for himself, Mr. LAUTENBERG, and Mr. KOHL) proposed an amendment to the bill S. 1134, supra, as follows:

On page 479, beginning with line 14, strike all through page 521, before line 22, and insert the following:

(a) GENERAL RULE.—

(1) Subsection (a) of section 1 (as amended by section 8201) is amended by striking the last item in the table contained therein and inserting the following:

"Over $140,000 but not over $200,000.	$35,928.50, plus 36% of the excess over $140,000.
Over $200,000	$57,528.50, plus 39.6% of the excess over $200,000."

(2) Subsection (b) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

"Over $127,500 but not over $200,000.	$33,385, plus 36% of the excess over $127,500.
Over $200,000	$59,485, plus 39.6% of the excess over $200,000."

(3) Subsection (c) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

"Over $115,000 but not over $200,000.	$31,172, plus 36% of the excess over $115,000.
Over $200,000	$61,772, plus 39.6% of the excess over $200,000."

(4) Subsection (d) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

"Over $70,000 but not over $100,000.	$17,964.25, plus 36% of the excess over $70,000.
Over $100,000	$28,764.25, plus 39.6% of the excess over $100,000."

(5) Subsection (e) of section 1 (as so amended) is amended by striking the last item in the table contained therein and inserting the following:

"Over $5,500 but not over $6,000.	$1,405, plus 36% of the excess over $5,500.
Over $6,000	$1,585, plus 39.6% of the excess over $6,000."

(b) SURTAX ON NET CAPITAL GAINS.—Section 1(h) (relating to maximum capital gains rate) is amended by striking the period at the end of paragraph (2) and inserting ", plus", and by adding at the end the following new paragraph:

"(3) a tax of 2.8 percent of the lesser of—

"(A) the net capital gain, or

"(B) the amount of taxable income in excess of the dollar amount at which the last rate bracket begins for such taxable year in the table contained in subsection (a), (b), (c), (d), or (e), whichever is applicable."

(c) TECHNICAL AMENDMENT.—Sections 531 and 541 (as amended by section 8201) are each amended by striking "36 percent" and inserting "39.6 percent".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 8203. MODIFICATIONS TO ALTERNATIVE MINIMUM TAX RATES AND EXEMPTION AMOUNTS.

(a) INCREASE IN RATE.—Paragraph (1) of section 55(b) (defining tentative minimum tax) is amended to read as follows:

"(1) AMOUNT OF TENTATIVE TAX.—

"(A) NONCORPORATE TAXPAYERS.—

"(i) IN GENERAL.—In the case of a taxpayer other than a corporation, the tentative minimum tax for the taxable year is the sum of—

"(I) 26 percent of so much of the taxable excess as does not exceed $175,000, plus

"(II) 28 percent of so much of the taxable excess as exceeds $175,000.

The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

"(ii) TAXABLE EXCESS.—For purposes of clause (i), the term 'taxable excess' means so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

"(iii) MARRIED INDIVIDUAL FILING SEPARATE RETURN.—In the case of a married individual filing a separate return, clause (i) shall be applied by substituting '$87,500' for '$175,000' each place it appears. For purposes of the preceding sentence, marital status shall be determined under section 7703.

"(B) CORPORATIONS.—In the case of a corporation, the tentative minimum tax for the taxable year is—

"(i) 20 percent of so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount, reduced by

"(ii) the alternative minimum tax foreign tax credit for the taxable year."

(b) INCREASE IN EXEMPTION AMOUNTS.—Paragraph (1) of section 55(d) (defining exemption amount) is amended—

(1) by striking "$40,000" in subparagraph (A) and inserting "$45,000",

(2) by striking "$30,000" in subparagraph (B) and inserting "$33,750", and

(3) by striking "$20,000" in subparagraph (C) and inserting "$22,500".

(c) CONFORMING AMENDMENTS.—

(1) The last sentence of section 55(d)(3) is amended by striking "$155,000 or (ii) $20,000" and inserting "$165,000 or (ii) $22,500".

(2)(A) Subparagraph (A) of section 897(a)(2) is amended by striking "the amount determined under section 55(b)(1)(A) shall not be less than 21 percent of" and inserting "the taxable excess for purposes of section 55(b)(1)(A) shall not be less than".

(B) The heading for paragraph (2) of section 897(a) is amended by striking "21-PERCENT".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 8203A. RATE INCREASES NOT TO TAKE EFFECT UNTIL JULY 1, 1993.

(a) IN GENERAL.—Section 1 (relating to tax imposed) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULES FOR TAXABLE YEARS BEGINNING IN 1993.—

"(1) IN GENERAL.—In the case of taxable years beginning in calendar year 1993, each of the tables contained in subsections (a), (b), (c), (d), and (e) shall be applied—

"(A) by substituting '33.5 percent' for '36 percent',

"(B) by substituting '35.3 percent' for '39.6 percent', and

"(C) by substituting for the dollar amount of tax in the last rate bracket the dollar amount determined under the table contained in paragraph (2).

"(2) DOLLAR AMOUNT OF TAX.—The dollar amount substituted under paragraph (1) shall be determined as follows:

"In the case of:	The dollar amount is:
Subsection (a)	$56,028.50 for $57,528.50.
Subsection (b)	$57,672.50 for $59,485.00.
Subsection (c)	$59,647.00 for $61,772.00.
Subsection (d)	$28,014.25 for $28,764.25.
Subsection (e)	$1,572.50 for $1,585."

(b) CONFORMING AMENDMENTS.—

(1) Sections 531 and 541 (as amended by section 8202) are each amended by inserting "(35.3 percent in the case of taxable years beginning in calendar year 1993)" after "39.6 percent".

(2) Section 1(h)(3), as added by section 8202(b), is amended by inserting "(1.4 percent in the case of taxable years beginning in calendar year 1993)" after "2.8 percent".

(3) Paragraph (1) of section 55(b), as amended by section 8203, is amended by adding at the end the following new subparagraph:

"(C) SPECIAL RULES FOR 1993.—In the case of any taxable year beginning in the calendar year 1993, subparagraph (A)(i) shall be applied by substituting—

"(i) '25 percent' for '26 percent' in subclause (I), and

"(ii) '26 percent' for '28 percent' in subclause (II)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

SEC. 8204. OVERALL LIMITATION ON ITEMIZED DEDUCTIONS FOR HIGH-INCOME TAXPAYERS MADE PERMANENT.

Subsection (f) of section 68 (relating to overall limitation on itemized deductions) is hereby repealed.

SEC. 8205. PHASEOUT OF PERSONAL EXEMPTION OF HIGH-INCOME TAXPAYERS MADE PERMANENT.

Section 151(d)(3) (relating to phaseout of personal exemption) is amended by striking subparagraph (E).

SEC. 8206. PROVISIONS TO PREVENT CONVERSION OF ORDINARY INCOME TO CAPITAL GAIN.

(a) INTEREST EMBEDDED IN FINANCIAL TRANSACTIONS.—

(1) IN GENERAL.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by adding at the end the following new section:

"SEC. 1258. RECHARACTERIZATION OF GAIN FROM CERTAIN FINANCIAL TRANSACTIONS.

"(a) GENERAL RULE.—In the case of any gain—

"(1) which (but for this section) would be treated as gain from the sale or exchange of a capital asset, and

"(2) which is recognized on the disposition or other termination of any position which was held as part of a conversion transaction, such gain (to the extent such gain does not exceed the applicable imputed income amount) shall be treated as ordinary income.

"(b) APPLICABLE IMPUTED INCOME AMOUNT.—For purposes of subsection (a), the term 'applicable imputed income amount' means, with respect to any disposition or other termination referred to in subsection (a), an amount equal to—

"(1) the amount of interest which would have accrued on the taxpayer's net investment in the conversion transaction for the period ending on the date of such disposition or other termination (or, if earlier, the date on which the requirements of subsection (c) ceased to be satisfied) at a rate equal to 120 percent of the applicable rate, reduced by

"(2) the amount treated as ordinary income under subsection (a) with respect to any prior disposition or other termination of a position which was held as a part of such transaction.

The Secretary shall by regulations provide for such reductions in the applicable imputed income amount as may be appropriate by reason of amounts capitalized under section 263(g), ordinary income received, or otherwise.

"(c) CONVERSION TRANSACTION.—For purposes of this section, the term 'conversion transaction' means any transaction—

"(1) substantially all of the taxpayer's expected return from which is attributable to the time value of the taxpayer's net investment in such transaction, and

"(2) which is—

"(A) the holding of any property (whether or not actively traded), and the entering into a contract to sell such property (or substantially identical property) at a price determined in accordance with such contract, but only if such property was acquired and such contract was entered into on a substantially contemporaneous basis,

"(B) an applicable straddle,

"(C) any other transaction which is marketed or sold as producing capital gains and as a transaction described in paragraph (1), or

"(D) any other transaction specified in regulations prescribed by the Secretary.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) APPLICABLE STRADDLE.—The term 'applicable straddle' means any straddle (within the meaning of section 1092(c)); except that the term 'personal property' shall include stock.

"(2) APPLICABLE RATE.—The term 'applicable rate' means—

"(A) the applicable Federal rate determined under section 1274(d) (compounded semiannually) as if the conversion transaction were a debt instrument, or

"(B) if the term of the conversion transaction is indefinite, the Federal short-term rates in effect under section 6621(b) during the period of the conversion transaction (compounded daily).

"(3) TREATMENT OF BUILT-IN LOSSES.—

"(A) IN GENERAL.—If any position with a built-in loss becomes part of a conversion transaction—

"(i) for purposes of applying this subtitle to such position for periods after such position becomes part of such transaction, such position shall be taken into account at its fair market value as of the time it became part of such transaction, except that

"(ii) upon the disposition or other termination of such position in a transaction in which gain or loss is recognized, such built-in loss shall be recognized and shall have a character determined without regard to this section.

"(B) BUILT-IN LOSS.—For purposes of subparagraph (A), the term 'built-in loss' means the loss (if any) which would have been realized if the position had been disposed of or otherwise terminated at its fair market value as of the time such position became part of such transaction.

"(4) POSITION TAKEN INTO ACCOUNT AT FAIR MARKET VALUE.—In determining the taxpayer's net investment in any conversion transaction, there shall be included the fair market value of any position which becomes part of such transaction (determined as of the time such position became part of such transaction).

"(5) SPECIAL RULE FOR OPTIONS DEALERS AND COMMODITIES TRADERS.—

"(A) IN GENERAL.—Subsection (a) shall not apply to transactions —

"(i) of an options dealer in the normal course of the dealer's trade or business of dealing with options, or

"(ii) of a commodities trader in the normal course of the trader's trade or business of trading section 1256 contracts.

"(B) DEFINITIONS.—For purposes of this paragraph—

"(i) OPTIONS DEALER.—The term 'options dealer' has the meaning given such term by section 1256(g)(8).

"(ii) COMMODITIES TRADER.— The term 'commodities trader' means any person who is a member (or, to the extent provided in regulations, is entitled to trade as a member) of a domestic board of trade which is designated as a contract market by the Commodity Futures Trading Commission.

"(C) LIMITED PARTNERS AND LIMITED ENTREPRENEURS.—In the case of any gain from a transaction recognized by an entity which is allocable to a limited partner or limited entrepreneur (within the meaning of section 464(e)(2)), subparagraph (A) shall not apply if—

"(i) substantially all of the limited partner's (or limited entrepreneur's) expected return from the entity is attributable to the time value of the partner's (or entrepreneur's) net investment in such entity,

"(ii) the transaction (or the interest in the entity) was marketed or sold as producing capital gains treatment and as a transaction described in subsection (c)(1), or

"(iii) the transaction (or the interest in the entity) is a transaction (or interest) specified in regulations prescribed by the Secretary."

(2) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 1258. Recharacterization of gain from certain financial transactions."

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to conversion transactions entered into after April 30, 1993.

(b) REPEAL OF CERTAIN EXCEPTIONS TO MARKET DISCOUNT RULES.—

(1) MARKET DISCOUNT BONDS ISSUED ON OR BEFORE JULY 18, 1984.—The following provisions are hereby repealed:

(A) Section 1276(e).

(B) Section 1277(d).

(2) TAX-EXEMPT OBLIGATIONS.—

(A) IN GENERAL.—Paragraph (1) of section 1278(a) (defining market discount bond) is amended—

(i) by striking clause (ii) of subparagraph (B) and redesignating subclauses (iii) and (iv) of such subparagraph as clauses (ii) and (iii), respectively,

(ii) by redesignating subparagraph (C) as subparagraph (D), and

(iii) by inserting after subparagraph (B) the following new subparagraph:

"(C) SECTION 1277 NOT APPLICABLE TO TAX-EXEMPT OBLIGATIONS.—For purposes of section 1277, the term 'market discount bond' shall not include any tax-exempt obligation (as defined in section 1275(a)(3))."

(B) CONFORMING AMENDMENT.—Sections 1276(a)(4) and 1278(b)(1) are each amended by striking "sections 871(a)" and inserting "sections 103, 871(a),".

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations purchased (within the meaning of section 1272(d)(1) of the Internal Revenue Code of 1986) after April 30, 1993.

(c) TREATMENT OF STRIPPED PREFERRED STOCK.—

(1) IN GENERAL.—Section 305 is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) TREATMENT OF PURCHASER OF STRIPPED PREFERRED STOCK.—

"(1) IN GENERAL.—If any person purchases after April 30, 1993, any stripped preferred stock, then such person, while holding such stock, shall include in gross income amounts equal to the amounts which would have been so includible if such stripped preferred stock were a bond issued on the purchase date and having original issue discount equal to the excess, if any, of—

"(A) the redemption price for such stock, over

"(B) the price at which such person purchased such stock.

The preceding sentence shall also apply in the case of any person whose basis in such stock is determined by reference to the basis in the hands of such purchaser.

"(2) BASIS ADJUSTMENTS.—Appropriate adjustments to basis shall be made for amounts includible in gross income under paragraph (1).

"(3) TAX TREATMENT OF PERSON STRIPPING STOCK.—If any person strips the rights to 1 or more dividends from any stock described in paragraph (5)(B) and after April 30, 1993, disposes of such dividend rights, for purposes of paragraph (1), such person shall be treated as having purchased the stripped preferred stock on the date of such disposition for a purchase price equal to such person's adjusted basis in such stripped preferred stock.

"(4) AMOUNTS TREATED AS ORDINARY INCOME.—Any amount included in gross income under paragraph (1) shall be treated as ordinary income.

"(5) STRIPPED PREFERRED STOCK.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'stripped preferred stock' means any stock described in subparagraph (B) if there has been a separation in ownership between such stock and any dividend on such stock which has not become payable.

"(B) DESCRIPTION OF STOCK.—Stock is described in this subsection if such stock—

"(i) is limited and preferred as to dividends and does not participate in corporate growth to any significant extent, and

"(ii) has a fixed redemption price.

"(6) PURCHASE.—For purposes of this subsection, the term 'purchase' means—

"(A) any acquisition of stock, where

"(B) the basis of such stock is not determined in whole or in part by the reference to the adjusted basis of such stock in the hands of the person from whom acquired."

(2) COORDINATION WITH SECTION 167(e).—Paragraph (2) of section 167(e) is amended to read as follows:

"(2) COORDINATION WITH OTHER PROVISIONS.—

"(A) SECTION 273.—This subsection shall not apply to any term interest to which section 273 applies.

"(B) SECTION 305(e).—This subsection shall not apply to the holder of the dividend rights which were separated from any stripped preferred stock to which section 305(e)(1) applies."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on April 30, 1993.

(d) TREATMENT OF CAPITAL GAIN UNDER LIMITATION ON INVESTMENT INTEREST.—

(1) IN GENERAL.—Subparagraph (B) of section 163(d)(4) (defining investment income) is amended to read as follows:

"(B) INVESTMENT INCOME.—The term 'investment income' means the sum of—

"(i) gross income from property held for investment (other than any gain taken into account under clause (ii)(I)),

"(ii) the excess (if any) of—

"(I) the net gain attributable to the disposition of property held for investment, over

"(II) the net capital gain determined by only taking into account gains and losses from dispositions of property held for investment, plus

"(iii) so much of the net capital gain referred to in clause (ii)(II) (or, if lesser, the net gain referred to in clause (ii)(I)) as the taxpayer elects to take into account under this clause."

(2) COORDINATION WITH SPECIAL CAPITAL GAINS RATE.—Subsection (h) of section 1, as amended by section 8202(b), is amended by adding at the end the following new sentence:

"For purposes of the preceding sentence, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(iii)."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1992.

(e) TREATMENT OF CERTAIN APPRECIATED INVENTORY.—

(1) IN GENERAL.—Paragraph (1) of section 751(d) is amended to read as follows:

"(1) SUBSTANTIAL APPRECIATION.—

"(A) IN GENERAL.—Inventory items of the partnership shall be considered to have appreciated substantially in value if their fair market value exceeds 120 percent of the adjusted basis to the partnership of such property.

"(B) CERTAIN PROPERTY EXCLUDED.—For purposes of subparagraph (A), there shall be excluded any inventory property if a principal purpose for acquiring such property was to avoid the provisions of this section relating to inventory items."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to sales, exchanges, and distributions after April 30, 1993.

Subpart B—Other Provisions

SEC. 8207. REPEAL OF LIMITATION ON AMOUNT OF WAGES SUBJECT TO HEALTH INSURANCE EMPLOYMENT TAX.

(a) HOSPITAL INSURANCE TAX.—

(1) Paragraph (1) of section 3121(a) (defining wages) is amended—

(A) by inserting "in the case of the taxes imposed by sections 3101(a) and 3111(a)" after "(1)",

(B) by striking "applicable contribution base (as determined under subsection (x))" each place it appears and inserting "contribution and benefit base (as determined under section 230 of the Social Security Act)", and

(C) by striking "such applicable contribution base" and inserting "such contribution and benefit base".

(2) Section 3121 is amended by striking subsection (x).

(b) SELF-EMPLOYMENT TAX.—

(1) Subsection (b) of section 1402 is amended—

(A) by striking "that part of the net" in paragraph (1) and inserting "in the case of the tax imposed by section 1401(a), that part of the net",

(B) by striking "applicable contribution base (as determined under subsection (k))" in paragraph (1) and inserting "contribution and benefit base (as determined under section 230 of the Social Security Act)",

(C) by inserting "and" after "section 3121(b),", and

(D) by striking "and (C) includes" and all that follows through "3111(b)".

(2) Section 1402 is amended by striking subsection (k).

(c) RAILROAD RETIREMENT TAX.—

(1) Subparagraph (A) of section 3231(e)(2) is amended by adding at the end thereof the following new clause:

"(iii) HOSPITAL INSURANCE TAXES.—Clause (i) shall not apply to—

"(I) so much of the rate applicable under section 3201(a) or 3221(a) as does not exceed the rate of tax in effect under section 3101(b), and

"(II) so much of the rate applicable under section 3211(a)(1) as does not exceed the rate of tax in effect under section 1401(b)."

(2) Clause (i) of section 3231(e)(2)(B) is amended to read as follows:

"(i) TIER 1 TAXES.—Except as provided in clause (ii), the term 'applicable base' means for any calendar year the contribution and benefit base determined under section 230 of the Social Security Act for such calendar year."

(d) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 6413(c) is amended by striking "section 3101 or section 3201" and inserting "section 3101(a) or section 3201(a) (to the extent of so much of the rate applicable under section 3201(a) as does not exceed the rate of tax in effect under section 3101(a))".

(2) Subparagraphs (B) and (C) of section 6413(c)(2) are each amended by striking "section 3101" each place it appears and inserting "section 3101(a)".

(3) Subsection (c) of section 6413 is amended by striking paragraph (3).

(4) Sections 3122 and 3125 are each amended by striking "applicable contribution base limitation" and inserting "contribution and benefit base limitation".

(e) Effective Date.—The amendments made by this section shall apply to 1994 and later calendar years.

SEC. 8208. TOP ESTATE AND GIFT TAX RATES MADE PERMANENT.

(a) General Rule.—The table contained in paragraph (1) of section 2001(c) is amended by striking the last item and inserting the following new items:

"Over $2,500,000 but not over $3,000,000.	$1,025,800, plus 53% of the excess over $2,500,000.
Over $3,000,000	$1,290,800, plus 55% of the excess over $3,000,000."

(b) Conforming Amendments.—

(1) Subsection (c) of section 2001 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Paragraph (2) of section 2001(c), as redesignated by paragraph (1), is amended by striking "($18,340,000 in the case of decedents dying, and gifts made, after 1992)".

(3) The last sentence of section 2101(b) is amended by striking "section 2001(c)(3)" and inserting "section 2001(c)(2)".

(c) Effective Date.—The amendments made by this section shall apply in the case of decedents dying, and gifts made, after December 31, 1992.

SEC. 8209. REDUCTION IN DEDUCTIBLE PORTION OF BUSINESS MEALS AND ENTERTAINMENT.

(a) General Rule.—Paragraph (1) of section 274(n) (relating to only 80 percent of meal and entertainment expenses allowed as deduction) is amended by striking "80 percent" and inserting "50 percent".

(b) Substantiation Requirement.—In the case of taxable years beginning after December 31, 1993, Treasury Regulation §1.274–5T(c)(2)(iii)(B) shall be applied by substituting "$20" for "$25".

(c) Conforming Amendment.—The subsection heading for section 274(n) is amended by striking "80" and inserting "50".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 8210. ELIMINATION OF DEDUCTION FOR CLUB MEMBERSHIP FEES.

(a) In General.—Subsection (a) of section 274 (relating to disallowance of certain entertainment, etc., expenses) is amended by adding at the end thereof the following new paragraph:

"(3) Denial of deduction for club dues.—Notwithstanding the preceding provisions of this subsection, no deduction shall be allowed under this chapter for amounts paid or incurred for membership in any club organized for business, pleasure, recreation, or other social purpose."

(b) Exception for Employee Recreational Expenses Not To Apply.—Paragraph (4) of section 274(e) is amended by adding at the end thereof the following: "This paragraph shall not apply for purposes of subsection (a)(3)."

(c) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1993.

SEC. 8211. DISALLOWANCE OF DEDUCTION FOR CERTAIN EMPLOYEE REMUNERATION IN EXCESS OF $1,000,000.

(a) General Rule.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) Certain Excessive Employee Remuneration.—

"(1) In general.—In the case of any publicly held corporation, no deduction shall be allowed under this chapter for applicable employee remuneration with respect to any covered employee to the extent that the amount of such remuneration for the taxable year with respect to such employee exceeds $1,000,000.

"(2) Publicly held corporation.—For purposes of this subsection, the term 'publicly held corporation' means any corporation issuing any class of common equity securities required to be registered under section 12 of the Securities Exchange Act of 1934.

"(3) Covered employee.—For purposes of this subsection, the term 'covered employee' means any employee of the taxpayer if—

"(A) as of the close of the taxable year, such employee is the chief executive officer of the taxpayer or is an individual acting in such a capacity, or

"(B) the total compensation for the taxable year of such employee is required to be reported to shareholders under the Securities Exchange Act of 1934 by reason of such employee being among the 4 highest compensated officers for the taxable year (other than the chief executive officer).

"(4) Applicable employee remuneration.—For purposes of this subsection—

"(A) In general.—Except as otherwise provided in this paragraph, the term 'applicable employee remuneration' means, with respect to any covered employee for any taxable year, the aggregate amount allowable as a deduction under this chapter for such taxable year (determined without regard to this subsection) for remuneration for services performed by such employee (whether or not during the taxable year).

"(B) Exception for remuneration payable on commission basis.—The term 'applicable employee remuneration' shall not include any remuneration payable on a commission basis solely on account of income generated directly by the individual performance of the individual to whom such remuneration is payable.

"(C) Other performance-based compensation.—The term 'applicable employee remuneration' shall not include any remuneration payable solely on account of the attainment of one or more performance goals, but only if—

"(i) the performance goals are determined by a compensation committee of the board of directors of the taxpayer which is comprised solely of 2 or more outside directors,

"(ii) the material terms under which the remuneration is to be paid, including the performance goals, are disclosed to shareholders and approved by a majority of the vote in a separate shareholder vote before the payment of such remuneration, and

"(iii) before any payment of such remuneration, the compensation committee referred to in clause (i) certifies that the performance goals and any other material terms were in fact satisfied.

"(D) Exception for existing binding contracts.—The term 'applicable employee remuneration' shall not include any remuneration payable under a written binding contract which was in effect on February 17, 1993, and which was not modified thereafter in any material respect before such remuneration is paid.

"(E) Remuneration.—For purposes of this paragraph, the term 'remuneration' includes any remuneration (including benefits) in any medium other than cash, but shall not include—

"(i) any payment referred to in so much of section 3121(a)(5) as precedes subparagraph (E) thereof, and

"(ii) any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from gross income under this chapter.

For purposes of clause (i), section 3121(a)(5) shall be applied without regard to section 3121(v)(1).

"(F) Coordination with disallowed golden parachute payments.—The dollar limitation contained in paragraph (1) shall be reduced (but not below zero) by the amount (if any) which would have been included in the applicable employee remuneration of the covered employee for the taxable year but for being disallowed under section 280G."

(b) Effective Date.—The amendment made by subsection (a) shall apply to amounts which would otherwise be deductible for taxable years beginning on or after January 1, 1994.

SEC. 8212. REDUCTION IN COMPENSATION TAKEN INTO ACCOUNT IN DETERMINING CONTRIBUTIONS AND BENEFITS UNDER QUALIFIED RETIREMENT PLANS.

(a) Qualification Requirement.—

(1) In general.—Section 401(a)(17) is amended—

(A) by striking "$200,000" in the first sentence and inserting "$150,000",

(B) by striking the second sentence, and

(C) by adding at the end the following new subparagraph:

"(B) Cost-of-living adjustment.—

"(i) In general.—If, for any calendar year after 1994, the excess (if any) of—

"(I) $150,000, increased by the cost-of-living adjustment for the calendar year, over

"(II) the dollar amount in effect under subparagraph (A) for taxable years beginning in the calendar year,

is equal to or greater than $10,000, then the $150,000 amount under subparagraph (A) (as previously adjusted under this subparagraph) for any taxable year beginning in any subsequent calendar year shall be increased by $10,000.

"(ii) Cost-of-living adjustment.—The cost-of-living adjustment for any calendar year shall be the adjustment made under section 415(d) for such calendar year, except that the base period for purposes of section 415(d)(1)(A) shall be the calendar quarter beginning October 1, 1993."

(2) Conforming amendment.—Section 401(a)(17) is amended by striking "(17) A trust" and inserting:

"(17) Compensation limit.—

"(A) In general.—A trust".

(b) Simplified Employee Pensions.—

(1) In general.—Paragraphs (3)(C) and (6)(D)(ii) of section 408(k) are each amended by striking "$200,000" and inserting "$150,000".

(2) Cost-of-living.—Paragraph (8) of section 408(k) is amended to read as follows:

"(8) Cost-of-living adjustment.—The Secretary shall adjust the $300 amount in paragraph (2)(C) at the same time and in the same manner as under section 415(d) and shall adjust the $150,000 amount in paragraphs (3)(C) and (6)(D)(ii) at the same time, and by the same amount, as the adjustment under section 401(a)(17)(B)."

(c) Other Related Provisions.—

(1) In general.—Sections 404(l) and 505(b)(7) are each amended—

(A) by striking "$200,000" in the first sentence and inserting "$150,000", and

(B) by striking the second sentence and inserting "The Secretary shall adjust the $150,000 amount at the same time, and by the same amount, as the adjustment under section 401(a)(17)(B)."

(2) Conforming amendment.—The heading for section 505(b)(7) is amended by striking "$200,000".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to benefits accruing in plan years beginning after December 31, 1993.

(2) EXCEPTION FOR COLLECTIVELY BARGAINED PLANS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of the enactment of this Act, the amendments made by this section shall not apply to contributions or benefits pursuant to such agreements for plan years beginning before the earlier of—

(A) the latest of—

(i) January 1, 1994,

(ii) the date on which the last of such collective bargaining agreements terminates (without regard to any extension, amendment, or modification of such agreements on or after such date of enactment), or

(iii) in the case of a plan maintained pursuant to collective bargaining under the Railway Labor Act, the date of execution of an extension or replacement of the last of such collective bargaining agreements in effect on such date of enactment, or

(B) January 1, 1997.

(3) TRANSITION RULE FOR STATE AND LOCAL PLANS.—

(A) IN GENERAL.—In the case of an eligible participant in a governmental plan (within the meaning of section 414(d) of the Internal Revenue Code of 1986), the dollar limitation under section 401(a)(17) of such Code shall not apply to the extent the amount of compensation which is allowed to be taken into account under the plan would be reduced below the amount which was allowed to be taken into account under the plan as in effect on July 1, 1993.

(B) ELIGIBLE PARTICIPANT.—For purposes of subparagraph (A), an eligible participant is an individual who first became a participant in the plan during a plan year beginning before the 1st plan year beginning after the earlier of—

(i) the plan year in which the plan is amended to reflect the amendments made by this section, or

(ii) December 31, 1995.

(C) PLAN MUST BE AMENDED TO INCORPORATE LIMITS.—This paragraph shall not apply to any eligible participant of a plan unless the plan is amended so that the plan incorporates by reference the dollar limitation under section 401(a)(17) of the Internal Revenue Code of 1986, effective with respect to noneligible participants for plan years beginning after December 31, 1995 (or earlier if the plan amendment so provides).

SEC. 8213. MODIFICATION TO DEDUCTION FOR CERTAIN MOVING EXPENSES.

(a) DOLLAR LIMITATION.—

(1) IN GENERAL.—Paragraph (3) of section 217(b) is amended by striking subparagraphs (A) and (B) and inserting the following:

"(A) DOLLAR LIMIT.—

"(i) IN GENERAL.—The aggregate amount allowable as a deduction under subsection (a) in connection with a commencement of work shall not exceed $10,000, of which the aggregate amount which is attributable to expenses described in subparagraph (C) or (D) of paragraph (1) shall not exceed $1,500.

"(ii) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning in calendar years after 1994, the $10,000 amount under clause (i) shall be increased by an amount equal to the product of such dollar amount and the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, except that section 1(f)(3)(B) shall be applied by substituting '1993' for '1992'. Any amount determined under this clause which is not a multiple of $50 shall be rounded to the next lowest multiple of $50.

"(B) HUSBAND AND WIFE.—If a husband and wife both commence work at a new principal place of work within the same general location, subparagraph (A) shall be applied as if there was only 1 commencement of work. In the case of a husband and wife filing separate returns, subparagraph (A) shall be applied by substituting '$5,000' for '$10,000' and '$750' for '$1,500'."

(2) FOREIGN MOVES.—Paragraph (1) of section 217(h) is amended by striking subparagraphs (B) and (C) and inserting:

"(B) subsection (b)(2)(A) shall be applied by substituting '$4,500' for '$1,500', and

"(C) subsection (b)(2)(B) shall be applied as if the last sentence of such subsection read as follows: 'In the case of a husband and wife filing separate returns, subparagraph (A) (as modified by subsection (h)(1)(B)) shall be applied by substituting "$2,250" for "$4,500".'."

(b) REPEAL OF DEDUCTION FOR QUALIFIED RESIDENCE SALE, ETC., EXPENSES.—

(1) IN GENERAL.—Paragraph (1) of section 217(b) (defining moving expenses) is amended by inserting "or" at the end of subparagraph (C), by striking ", or" at the end of subparagraph (D) and inserting a period, and by striking subparagraph (E).

(2) CONFORMING AMENDMENTS.—

(A) Subsection (b) of section 217, as amended by subsection (a), is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(B) Section 217 is amended by striking subsection (e).

(c) DEDUCTION DISALLOWED FOR MEAL EXPENSES.—Paragraph (1) of section 217(b) is amended—

(1) by striking "meals and lodging" in subparagraphs (B), (C) and (D) and inserting "lodging", and

(2) by adding at the end thereof the following new sentence:

"Such term shall not include any expenses for meals."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses incurred after December 31, 1993.

SEC. 8214. SIMPLIFICATION OF INDIVIDUAL ESTIMATED TAX SAFE HARBOR BASED ON LAST YEAR'S TAX.

(a) IN GENERAL.—Paragraph (1) of section 6654(d) (relating to amount of required estimated tax installments) is amended by striking subparagraphs (C), (D), (E), and (F) and by inserting the following new subparagraph:

"(C) LIMITATION ON USE OF PRECEDING YEAR'S TAX.—

"(i) IN GENERAL.—If the adjusted gross income shown on the return of the individual for the preceding taxable year exceeds $150,000, clause (ii) of subparagraph (B) shall be applied by substituting '110 percent' for '100 percent'.

"(ii) SEPARATE RETURNS.—In the case of a married individual (within the meaning of section 7703) who files a separate return for the taxable year for which the amount of the installment is being determined, clause (i) shall be applied by substituting '$75,000' for '$150,000'.

"(iii) SPECIAL RULE.—In the case of an estate or trust, adjusted gross income shall be determined as provided in section 67(e)."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6654(j)(3) is amended by striking "and subsection (d)(1)(C)(iii) shall not apply".

(2) Paragraph (4) of section 6654(l) is amended by striking "paragraphs (1)(C)(iv) and (2)(B)(i) of subsection (d)" and inserting "subsection (d)(2)(B)(i)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.

SEC. 8215. SOCIAL SECURITY AND TIER 1 RAILROAD RETIREMENT BENEFITS.

(a) ADDITIONAL INCLUSION FOR CERTAIN TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 86 (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new paragraph:

"(2) ADDITIONAL AMOUNT.—In the case of a taxpayer with respect to whom the amount determined under subsection (b)(1)(A) exceeds the adjusted base amount, the amount included in gross income under this section shall be equal to the lesser of—

"(A) the sum of—

"(i) 85 percent of such excess, plus

"(ii) the lesser of the amount determined under paragraph (1) or an amount equal to one-half of the difference between the adjusted base amount and the base amount of the taxpayer, or

"(B) 85 percent of the social security benefits received during the taxable year."

(2) CONFORMING AMENDMENTS.—Subsection (a) of section 86 is amended—

(A) by striking "Gross" and inserting:

"(1) IN GENERAL.—Except as provided in paragraph (2), gross", and

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively.

(b) ADJUSTED BASE AMOUNT.—Section 86(c) (defining base amount) is amended to read as follows:

"(c) BASE AMOUNT AND ADJUSTED BASE AMOUNT.—For purposes of this section—

"(1) BASE AMOUNT.—The term 'base amount' means—

"(A) except as otherwise provided in this paragraph, $25,000,

"(B) $32,000 in the case of a joint return, and

"(C) zero in the case of a taxpayer who—

"(i) is married as of the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such year, and

"(ii) does not live apart from his spouse at all times during the taxable year.

"(2) ADJUSTED BASE AMOUNT.—The term 'adjusted base amount' means—

"(A) except as otherwise provided in this paragraph, $37,000,

"(B) $54,000 in the case of a joint return,

GORTON (AND OTHERS) AMENDMENT NO. 532

Mr. GORTON (for himself, Mr. BRYAN, Mr. DANFORTH, Mr. MCCAIN, Mrs. HUTCHISON, Mr. HATCH, Mr. PRESSLER, Mr. MATHEWS, Mr. DURENBERGER, Mr. INOUYE, Mr. AKAKA, Mr. WARNER, Mr. CHAFEE, Mr. WOFFORD, Mr. BENNETT, Mr. BURNS, Mr. BINGAMAN, Mr. NICKLES, Mr. BOREN, and Mr. NUNN) proposed an amendment to the bill S. 1134, supra, as follows:

On page 636, lines 17 and 18, strike ", and" and all that follows to the period.

ROCKEFELLER (AND OTHERS) AMENDMENT NO. 533

Mr. ROCKEFELLER (for himself, Mr. MITCHELL, Mr. HARKIN, Mr. SASSER, Mr. KENNEDY, Mr. WOFFORD, Mr. PELL, Mr. RIEGLE, Mr. AKAKA, and Mr. CHAFEE) proposed an amendment to the bill S. 1134, supra, as follows:

On page 178, strike lines 5 through 20.

On page 185, strike lines 11 through 16.

On page 186, beginning with line 14, strike all through page 187, line 6.

On page 212, beginning with line 7, strike all through page 214, line 24.

On page 227, beginning with line 6, strike all through page 233, line 10.

BROWN AMENDMENTS NOS. 534 AND 535

Mr. BROWN submitted two amendments intended to be proposed by him to the bill S. 1134, supra, as follows:

AMENDMENT NO. 534

On page 620, strike lines 12 through 21, and insert the following:

(3) Section 9503(b)(4)(B) is amended by inserting "and the deficit reduction rates under such sections to the extent such rates do not exceed 4.3 cents per gallon" after "such sections".

(4) Section 9503(c)(4)(D) is amended by inserting "and the deficit reduction rates under such sections to the extent such rates do not exceed 4.3 cents per gallon" after "such sections".

(5) Section 9503(c)(5)(B) is amended by inserting "and the deficit reduction rate under such section to the extent such rate does not exceed 4.3 cents per gallon" after "such section".

(6) Section 9503(c)(6)(D) is amended by inserting "and the deficit reduction rate to the extent such rate does not exceed 4.3 cents per gallon" after "financing rate".

(7) Section 9506(b) is amended by inserting "and the deficit reduction rate" after "financing rate".

AMENDMENT NO. 535

Beginning on page 31, strike line 21 and all that follows through page 32, line 18, and insert the following new section:

SEC. 1110. ELIMINATION OF HONEY PRICE SUPPORT PROGRAM.

(a) IN GENERAL.—Sections 207 and 405A of the Agricultural Act of 1949 (7 U.S.C. 1446h and 1425a) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) PAYMENT LIMITATIONS.—Section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(2)) is amended—

(A) in subparagraph (B)(iii), by striking "(other than honey)"; and

(B) by striking subparagraph (C).

(2) DESIGNATED NONBASIC AGRICULTURAL COMMODITIES.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking "honey,".

(3) OTHER NONBASIC AGRICULTURAL COMMODITIES.—Section 301 of the Agricultural Act of 1949 (7 U.S.C. 1447) is amended by inserting after "nonbasic agricultural commodity" the following: "(other than honey)".

(4) DEFINITIONS.—Section 408(k) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)) is amended by striking "honey," each place it appears.

(5) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting after "agricultural commodities" the following: "(other than honey)".

(c) TRANSITION PROVISIONS.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the application of the amendments in accordance with subsection (d).

(d) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply beginning with the 1994 crop of honey.

DOLE (AND OTHERS) AMENDMENT NO. 536

Mr. DOLE (for himself, Mr. GRAMM, Mr. WALLOP, Mr. COHEN, Mr. BURNS, Mr. ROTH, Mr. SIMPSON, and Mr. DOMENICI) proposed an amendment to the bill S. 1134, supra, as follows:

At the appropriate place, add the following: "All changes in revenues contained in this bill which raise revenues, shall cease to be effective, and the tax rates shall revert to the status quo ante this bill, on September 30, 1998."

MCCAIN (AND OTHERS) AMENDMENT NO. 537

Mr. MCCAIN (for himself, Mr. INOUYE, Mr. DOMENICI, and Mr. STEVENS) proposed an amendment to the bill S. 1134, supra, as follows:

On page 474, after line 19, insert the following new part:

Part VII—Investment in Indian Reservations

SEC. 8181. INVESTMENT TAX CREDIT FOR PROPERTY ON INDIAN RESERVATIONS.

(a) ALLOWANCE OF INDIAN RESERVATION CREDIT.—Section 46 (relating to investment credits) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding after paragraph (3) the following new paragraph:

"(4) the Indian reservation credit."

(b) AMOUNT OF INDIAN RESERVATION CREDIT.—

(1) IN GENERAL.—Section 48 (relating to the energy credit and the reforestation credit) is amended by adding after subsection (b) the following new subsection:

"(c) INDIAN RESERVATION CREDIT.—

"(1) IN GENERAL.—For purposes of section 46, the Indian reservation credit for any taxable year is the Indian reservation percentage of the qualified investment in qualified Indian reservation property placed in service during such taxable year, determined in accordance with the following table:

"In the case of qualified Indian reservation property which is:	**The Indian reservation percentage is:**
Reservation personal property	10
New reservation construction property	15
Reservation infrastructure investment	15.

"(2) QUALIFIED INVESTMENT IN QUALIFIED INDIAN RESERVATION PROPERTY DEFINED.—For purposes of this subpart—

"(A) IN GENERAL.—The term 'qualified Indian reservation property' means property—

"(i) which is—

"(I) reservation personal property,

"(II) new reservation construction property, or

"(III) reservation infrastructure investment, and

"(ii) not acquired (directly or indirectly) by the taxpayer from a person who is related to the taxpayer (within the meaning of section 465(b)(3)(C)).

The term 'qualified Indian reservation property' does not include any property (or any portion thereof) placed in service for purposes of conducting or housing class I, II, or III gaming (as defined in section 4 of the Indian Regulatory Act (25 U.S.C. 2703)).

"(B) QUALIFIED INVESTMENT.—The term 'qualified investment' means—

"(i) in the case of reservation infrastructure investment, the amount expended by the taxpayer for the acquisition or construction of the reservation infrastructure investment; and

"(ii) in the case of all other qualified Indian reservation property, the taxpayer's basis for such property.

"(C) RESERVATION PERSONAL PROPERTY.—The term 'reservation personal property' means qualified personal property which is used by the taxpayer predominantly in the active conduct of a trade or business within an Indian reservation. Property shall not be treated as 'reservation personal property' if it is used or located outside the Indian reservation on a regular basis.

"(D) QUALIFIED PERSONAL PROPERTY.—The term 'qualified personal property' means property—

"(i) for which depreciation is allowable under section 168,

"(ii) which is not—

"(I) nonresidential real property,

"(II) residential rental property, or

"(III) real property which is not described in (I) or (II) and which has a class life of more than 12.5 years.

For purposes of this subparagraph, the terms 'nonresidential real property', 'residential rental property', and 'class life' have the respective meanings given such terms by section 168.

"(E) NEW RESERVATION CONSTRUCTION PROPERTY.—The term 'new reservation construction property' means qualified real property—

"(i) which is located in an Indian reservation,

"(ii) which is used by the taxpayer predominantly in the active conduct of a trade or business within an Indian reservation, and

"(iii) which is originally placed in service by the taxpayer.

"(F) QUALIFIED REAL PROPERTY.—The term 'qualified real property' means property for which depreciation is allowable under section 168 and which is described in clause (I), (II), or (III) of subparagraph (D)(ii).

"(G) RESERVATION INFRASTRUCTURE INVESTMENT.—

"(i) IN GENERAL.—The term 'reservation infrastructure investment' means qualified personal property or qualified real property which—

"(I) benefits the tribal infrastructure,

"(II) is available to the general public, and

"(III) is placed in service in connection with the taxpayer's active conduct of a trade or business within an Indian reservation.

"(ii) PROPERTY MAY BE LOCATED OUTSIDE THE RESERVATION.—Qualified personal property and qualified real property used or located outside an Indian reservation shall be reservation infrastructure investment only if its purpose is to connect to existing tribal infrastructure in the reservation, and shall include, but not be limited to, roads, power lines, water systems, railroad spurs, and communications facilities.

"(H) COORDINATION WITH OTHER CREDITS.—The term 'qualified Indian reservation property' shall not include any property with respect to which the energy credit or the rehabilitation credit is allowed.

"(3) REAL ESTATE RENTALS.—For purposes of this section, the rental to others of real property located within an Indian reservation shall be treated as the active conduct of a trade or business in an Indian reservation.

"(4) INDIAN RESERVATION DEFINED.—For purposes of this subpart, the term 'Indian reservation' means a reservation, as defined in—

"(A) section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)), or

"(B) section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)).

"(5) LIMITATION BASED ON UNEMPLOYMENT.—

"(A) GENERAL RULE.—The Indian reservation credit allowed under section 46 for any taxable year shall equal—

"(i) if the Indian unemployment rate on the applicable Indian reservation for which the credit is sought exceeds 300 percent of the national average unemployment rate at any time during the calendar year in which the property is placed in service or during the immediately preceding 2 calendar years, 100 percent of such credit,

"(ii) if such Indian unemployment rate exceeds 150 percent but not 300 percent, 50 percent of such credit, and

"(iii) if such Indian unemployment rate does not exceed 150 percent, 0 percent of such credit.

"(B) SPECIAL RULE FOR LARGE PROJECTS.—In the case of a qualified Indian reservation property which has (or is a component of a project which has) a projected construction period of more than 2 years or a cost of more than $1,000,000, subparagraph (A) shall apply by substituting 'during the earlier of the calendar year in which the taxpayer enters into a binding agreement to make a qualified investment or the first calendar year in which the taxpayer has expended at least 10 percent of the taxpayer's qualified investment, or the preceding calendar year' for 'during the calendar year in which the property is placed in service or during the immediately preceding 2 calendar years'.

"(C) DETERMINATION OF INDIAN UNEMPLOYMENT.—For purposes of this paragraph, with respect to any Indian reservation, the Indian unemployment rate shall be based upon Indians unemployed and able to work, and shall be certified by the Secretary of the Interior.

"(6) COORDINATION WITH NONREVENUE LAWS.—Any reference in this subsection to a provision not contained in this title shall be treated for purposes of this subsection as a reference to such provision as in effect on the date of the enactment of this paragraph."

(2) LODGING TO QUALIFY.—Paragraph (2) of section 50(b) (relating to property used for lodging) is amended—

(A) by striking "and" at the end of subparagraph (C),

(B) by striking the period at the end of subparagraph (D) and inserting "; and" and

(C) by adding at the end thereof the following subparagraph:

"(E) new reservation construction property."

(c) RECAPTURE.—Subsection (a) of section 50 (relating to recapture in case of dispositions, etc.), is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULES FOR INDIAN RESERVATION PROPERTY.—

"(A) IN GENERAL.—If, during any taxable year, property with respect to which the taxpayer claimed an Indian reservation credit—

"(i) is disposed of, or

"(ii) in the case of reservation personal property—

"(I) otherwise ceases to be investment credit property with respect to the taxpayer, or

"(II) is removed from the Indian reservation, converted or otherwise ceases to be Indian reservation property,

the tax under this chapter for such taxable year shall be increased by the amount described in subparagraph (B).

"(B) AMOUNT OF INCREASE.—The increase in tax under subparagraph (A) shall equal the aggregate decrease in the credits allowed under section 38 by reason of section 48(c) for all prior taxable years which would have resulted had the qualified investment taken into account with respect to the property been limited to an amount which bears the same ratio to the qualified investment with respect to such property as the period such property was held by the taxpayer bears to the applicable recovery period under section 168(g).

"(C) COORDINATION WITH OTHER RECAPTURE PROVISIONS.—In the case of property to which this paragraph applies, paragraph (1) shall not apply and the rules of paragraphs (3), (4), and (5) shall apply."

(d) BASIS ADJUSTMENT TO REFLECT INVESTMENT CREDIT.—Paragraph (3) of section 50(c) (relating to basis adjustment to investment credit property) is amended by striking "energy credit or reforestation credit" and inserting "energy credit, reforestation credit or Indian reservation credit other than with respect to any expenditure for new reservation construction property".

(e) CERTAIN GOVERNMENTAL USE PROPERTY TO QUALIFY.—Paragraph (4) of section 50(b) (relating to property used by governmental units or foreign persons or entities) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and inserting after subparagraph (C) the following new subparagraph:

"(D) EXCEPTION FOR RESERVATION INFRASTRUCTURE INVESTMENT.—This paragraph shall not apply for purposes of determining the Indian reservation credit with respect to reservation infrastructure investment."

(f) APPLICATION OF AT-RISK RULES.—Subparagraph (C) of section 49(a)(1) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the qualified investment in qualified Indian reservation property."

(g) CLERICAL AMENDMENTS.—

(1) Section 48 is amended by striking the heading and inserting the following:

"SEC. 48. ENERGY CREDIT; REFORESTATION CREDIT; INDIAN RESERVATION CREDIT."

(2) The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by striking out the item relating to section 48 and inserting the following:

"Sec. 48. Energy credit; reforestation credit; Indian reservation credit."

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 1993.

SEC. 8182. INDIAN EMPLOYMENT CREDIT.

(a) ALLOWANCE OF INDIAN EMPLOYMENT CREDIT.—Section 38(b) (relating to general business credits) is amended by striking "plus" at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting ", plus", and by adding after paragraph (7) the following new paragraph:

"(8) the Indian employment credit as determined under section 45(a)."

(b) AMOUNT OF INDIAN EMPLOYMENT CREDIT.—Subpart D of Part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end thereof the following new section:

"SEC. 45. INDIAN EMPLOYMENT CREDIT.

"(a) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—For purposes of section 38, the amount of the Indian employment credit determined under this section with respect to any employer for any taxable year is 10 percent (30 percent in the case of an employer with at least 85 percent Indian employees throughout the taxable year) of the sum of—

"(A) the qualified wages paid or incurred during such taxable year, plus

"(B) qualified employee health insurance costs paid or incurred during such taxable year.

In no event shall the amount of the Indian employment credit for any taxable year exceed the credit limitation amount determined under subsection (e) for such taxable year.

"(2) INDIAN EMPLOYEE.—For purposes of paragraph (1), the term 'Indian employee' means an employee who is an enrolled member of an Indian tribe or the spouse of such a member.

"(b) QUALIFIED WAGES; QUALIFIED EMPLOYEE HEALTH INSURANCE COSTS.—For purposes of this section—

"(1) QUALIFIED WAGES.—

"(A) IN GENERAL.—The term 'qualified wages' means any wages paid or incurred by an employer for services performed by an employee while such employee is a qualified employee.

"(B) COORDINATION WITH TARGETED JOBS CREDIT.—The term 'qualified wages' shall not include wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer if any portion of such wages is taken into account in determining the credit under section 51.

"(2) QUALIFIED EMPLOYEE HEALTH INSURANCE COSTS.—

"(A) IN GENERAL.—The term 'qualified employee health insurance costs' means any amount paid or incurred by an employer for health insurance to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

"(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

"(c) QUALIFIED EMPLOYEE.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'qualified employee' means, with respect to any period, any employee of an employer if—

"(A) substantially all of the services performed during such period by such employee for such employer are performed within an Indian reservation,

"(B) the principal place of abode of such employee while performing such services is on or near the reservation in which the services are performed, and

"(C) the employee began work for such employer on or after January 1, 1994.

"(2) CREDIT ALLOWED ONLY FOR FIRST 7 YEARS.—An employee shall not be treated as a qualified employee for any period after the date 7 years after the day on which such employee first began work for the employer.

"(3) INDIVIDUALS RECEIVING WAGES IN EXCESS OF $30,000 NOT ELIGIBLE.—An employee shall not be treated as a qualified employee for any taxable year of the employer if the total amount of the wages paid or incurred by such employer to such employee during such taxable year (whether or not for services within an Indian reservation) exceeds the amount determined at an annual rate of $30,000. The Secretary shall adjust the $30,000 amount contained in the preceding sentence for years beginning after 1993 at the same time and in the same manner as under section 415(d).

"(4) EMPLOYMENT MUST BE TRADE OR BUSINESS EMPLOYMENT.—An employee shall be treated as a qualified employee for any taxable year of the employer only if more than 50 percent of the wages paid or incurred by the employer to such employee during such taxable year are for services performed in a trade or business of the employer. Any determination as to whether the preceding sentence applies with respect to any employee for any taxable year shall be made without regard to subsection (f)(2).

"(5) CERTAIN EMPLOYEES NOT ELIGIBLE.—The term 'qualified employee' shall not include—

"(A) any individual described in subparagraph (A), (B), or (C) of section 51(i)(1),

"(B) any 5-percent owner (as defined in section 416(i)(1)(B)),

"(C) any individual who is neither an enrolled member of an Indian tribe nor the spouse of an enrolled member of an Indian tribe, and

"(D) any individual if the services performed by such individual for the employer involve the conduct of class I, II, or III gaming as defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703), or are performed in a building housing such gaming activity.

"(6) INDIAN TRIBE DEFINED.—The term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village, or regional or village corporation, as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(7) INDIAN RESERVATION DEFINED.—The term 'Indian reservation' means a reservation, as defined in—

"(A) section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)), or

"(B) section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903 (10)).

"(d) EARLY TERMINATION OF EMPLOYMENT BY EMPLOYER.—

"(1) IN GENERAL.—If the employment of any employee is terminated by the taxpayer before the day 1 year after the day on which such employee began work for the employer—

"(A) no wages (or qualified employee health insurance costs) with respect to such employee shall be taken into account under subsection (a) for the taxable year in which such employment is terminated, and

"(B) the tax under this chapter for the taxable year in which such employment is terminated shall be increased by the aggregate credits (if any) allowed under section 38(a) for prior taxable years by reason of wages (or qualified employee health insurance costs) taken into account with respect to such employee.

"(2) CARRYBACKS AND CARRYOVERS ADJUSTED.—In the case of any termination of employment to which paragraph (1) applies, the carrybacks and carryovers under section 39 shall be properly adjusted.

"(3) SUBSECTION NOT TO APPLY IN CERTAIN CASES.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to—

"(i) a termination of employment of an employee who voluntarily leaves the employment of the taxpayer,

"(ii) a termination of employment of an individual who before the close of the period referred to in paragraph (1) becomes disabled to perform the services of such employment unless such disability is removed before the close of such period and the taxpayer fails to offer reemployment to such individual, or

"(iii) a termination of employment of an individual if it is determined under the applicable State unemployment compensation law that the termination was due to the misconduct of such individual.

"(B) CHANGES IN FORM OF BUSINESS.—For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated—

"(i) by a transaction to which section 381(a) applies if the employee continues to be employed by the acquiring corporation, or

"(ii) by reason of a mere change in the form of conducting the trade or business of the taxpayer if the employee continues to be employed in such trade or business and the taxpayer retains a substantial interest in such trade or business.

"(4) SPECIAL RULE.—Any increase in tax under paragraph (1) shall not be treated as a tax imposed by this chapter for purposes of—

"(A) determining the amount of any credit allowable under this chapter, and

"(B) determining the amount of the tax imposed by section 55.

"(e) CREDIT LIMITATION AMOUNT.—For purposes of this section—

"(1) CREDIT LIMITATION AMOUNT.—The credit limitation amount for a taxable year shall be an amount equal to the credit rate (10 or 30 percent as determined under subsection (a)) multiplied by the increased credit base.

"(2) INCREASED CREDIT BASE.—The increased credit base for a taxable year shall be the excess of—

"(A) the sum of any qualified wages and qualified employee health insurance costs paid or incurred by the employer during the taxable year with respect to employees whose wages (paid or incurred by the employer) during the taxable year do not exceed the amount determined under paragraph (3) of subsection (c), over

"(B) the sum of any qualified wages and qualified employee health insurance costs paid or incurred by the employer (or any predecessor) during calendar year 1993 with respect to employees whose wages (paid or incurred by the employer or any predecessor) during 1993 did not exceed $30,000.

"(3) SPECIAL RULE FOR SHORT TAXABLE YEARS.—For any taxable year having less than 12 months—

"(A) the amounts paid or incurred by the employer shall be annualized for purposes of determining the increased credit base, and

"(B) the credit limitation amount shall be multiplied by a fraction, the numerator of which is the number of days in the taxable year and the denominator of which is 365.

"(f) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) WAGES.—The term 'wages' has the same meaning given to such term in section 51.

"(2) CONTROLLED GROUPS.—

"(A) All employers treated as a single employer under section (a) or (b) of section 52 shall be treated as a single employer for purposes of this section.

"(B) The credit (if any) determined under this section with respect to each such employer shall be its proportionate share of the wages and qualified employee health insurance costs giving rise to such credit.

"(3) CERTAIN OTHER RULES MADE APPLICABLE.—Rules similar to the rules of section 51(k) and subsections (c), (d), and (e) of section 52 shall apply.

"(4) COORDINATION WITH NONREVENUE LAWS.—Any reference in this section to a provision not contained in this title shall be treated for purposes of this section as a reference to such provision as in effect on the date of the enactment of this paragraph."

(c) DENIAL OF DEDUCTION FOR PORTION OF WAGES EQUAL TO INDIAN EMPLOYMENT CREDIT.—

(1) Subsection (a) of section 280C (relating to rule for targeted jobs credit) is amended by striking "51(a)" and inserting "45(a), 51(a), and".

(2) Subsection (c) of section 196 (relating to deduction for certain unused business credits) is amended by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ", and", and by adding at the end the following new paragraph:

"(7) the Indian employment credit determined under section 45(a)."

(d) DENIAL OF CARRYBACKS TO PREENACTMENT YEARS.—Subsection (d) of section 39 is amended by adding at the end thereof the following new paragraph:

"(4) NO CARRYBACK OF SECTION 45 CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the Indian employment credit determined under section 45 may be carried to a taxable year ending before the date of the enactment of section 45."

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following:

"Sec. 45. Indian employment credit."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid or incurred after December 31, 1993.

On page 564, line 11, insert after the period and the end quotation marks the following: , and

(3) by inserting "97.5 percent of" after "equal to" in paragraph (1).

On page 575, line 14, strike "October 1, 1993" and insert "July 1, 1995".

CATAWBA INDIAN LAND CLAIMS SETTLEMENT ACT

HOLLINGS (AND THURMOND) AMENDMENT NO. 538

(Ordered to lie on the table.)

Mr. HOLLINGS (for himself and Mr. THURMOND) submitted an amendment intended to be proposed by them to the bill (S. 1156) to provide for the settlement of land claims of the Catawba Tribe of Indians in the State of South Carolina and the restoration of the Federal trust relationship with the tribe, and for other purposes, as follows:

At the appropriate place in the bill, insert the following:

SEC. . TAXATION.

(a) INDIAN TRIBAL GOVERNMENT TAX STATUS ACT.—Section 7871 of the Internal Revenue Code of 1986 (26 U.S.C. 7871; commonly referred to as the "Indian Tribal Government Tax Status Act) shall apply to the

Tribe and its Reservation. In no event, however, may the Tribe pledge or hypothecate the income or principal of the Catawba Education or Social Services and Elderly Trust Funds or otherwise use them as security or a source of payment for bonds the Tribe may issue.

(b) GENERAL TAX LIABILITY.—The Tribe, its Members, the Tribal Trust Funds, and any other persons or entities affiliated with or owned by the Tribe, Members, or the Tribal Trust Funds, whether resident or located or doing business on the Reservation or off the Reservation, shall be subject to all Federal, State, and local taxes, licenses, levies, and fees except as expressly provided in this section or in the State implementing legislation. Any other person or business entity which locates, operates, or does business on the Reservation shall be subject without exception to all Federal, State, and local taxes, licenses, and fees, unless otherwise expressly provided in this section. To the extent that the Tribe may be subject to any taxes under this section, the Tribe shall be taxed as if it were a business corporation incorporated under the laws of South Carolina unless otherwise expressly provided.

(c) TAXES ON GAMES OF CHANCE.—(1) If the Tribe elects to sponsor and conduct games of bingo under the provisions of section 16 of this Act, no Federal, State, or local taxes shall apply to the Tribe's bingo revenues except for the special bingo tax provided in the State implementing legislation. If the Tribe elects to sponsor and conduct games of bingo under a regular license allowed non-profit organizations under the State's Bingo Act (Title 12, Chapter 21, Article 23, South Carolina Code of Laws, 1976), the Tribe shall be taxed as a non-profit corporation under that Act with respect to all revenues generated from the bingo games.

(2) Should the Tribe obtain a license to operate electronic play devices as provided by the State implementing legislation, the Tribe shall be subject to all taxes, license requirements and fees governing electronic play devices provided by State law.

(d) INCOME TAXES.—(1) Income of the Tribe, subdivisions and governmental agencies of the Tribe, including entities owned by the Tribe or the Federal Government and the Tribal Trust Funds, and tax revenues collected by the Tribe by levy or assessment, shall be non-taxable for Federal income tax purposes to the extent provided by Federal law for recognized or restored Indian Tribes. Any tribal income and tax revenues which are non-taxable for Federal income tax purposes because of the Tribe's status as a recognized or restored Indian Tribe shall also be non-taxable for purposes of State income taxes and local income taxes.

(2)(A) Except as provided in this subsection, Members shall be liable for payment of Federal, State, and local income taxes to the same extent as any other person in the State.

(B) Income earned by Members for work performing governmental functions solely on the Reservation shall be exempt from State taxes for a period of 99 years after the effective date of this Act.

(C) Income earned by Members from the sale of Catawba Indian pottery and artifacts, whether on or off the Reservation, which are made by Members, shall be exempt from Federal, State, and local income taxes.

(D) For purposes of Federal income taxes, the income of Members earned on the Reservation shall be taxable to the extent provided by Federal law for members of recognized or restored Indian tribes.

(E) No funds distributed per capita pursuant to section 13(h) of this Act shall be subject at the time of distribution to Federal, State, and local income taxes; however, income subsequently earned on shares distributed to Members shall be subject to the same Federal, State, and local income taxes as other persons in the State would pay.

(F) Compensation paid to members of the Executive Committee shall be subject to Federal payroll taxes to the extent provided by Federal law for members of tribal councils of recognized or restored Indian tribes.

(3) Any person or other entity which is not exempt from income taxes under provisions of this section shall be liable for all Federal, State, and local income taxes otherwise due regardless of whether they are doing business on the Reservation.

(e) REAL PROPERTY TAXES.—(1) The Reservation and all non-residential buildings, fixtures, and real property improvements owned by the Tribe or held in trust by the United States for the Tribe on the Reservation shall be exempt from all property taxes levied by the State or by any political subdivision of the State. If the Tribe owns a partial interest in property or a business, the property tax exemption provided in this section is applicable to the extent of the Tribe's interest.

(2) Single and multi-family residences, including mobile homes, that are situated on the Reservation shall be exempt from all property taxes levied by the State or by any political subdivision of the State, if they are owned by the Tribe, Members, or Tribal Trust Funds and meet the requirements of the State implementing act concerning the ownership and occupation of single and multifamily residences.

(3) All buildings, fixtures, and real property improvements located on the Reservation which are not exempt from real property taxes under subsections (e)(1) and (e)(2) of this section, shall be subject to all property taxes levied by the State or any political subdivision of the State to the same extent that similar buildings, fixtures, or improvements are assessed and taxed elsewhere in the same jurisdiction. However, the underlying land or leasehold in the land shall not be subject to real property taxes. All buildings, fixtures, and improvements subject to real property taxes shall be eligible for any tax abatement or temporary exemption allowed new business investments to the same extent as similar properties qualify for exemption or abatement in the same county.

(4) The Tribe is authorized to levy taxes on buildings, fixtures, improvements, and personal property located on the Reservation, even though such properties may be exempt from property taxation by the State or its subdivisions, and may use such tax revenues for appropriate tribal purposes. The Tribe may also exempt or abate any such taxes. York and Lancaster Counties and the South Carolina Tax Commission will provide in accordance with the Settlement Agreement the necessary assistance to the Tribe if the Tribe chooses to assess tribal property taxes as if they were property taxes imposed by a political subdivision.

(5) Real property and improvements owned by the Tribe or Members, or both, and not located on the Reservation shall be subject to all property taxes levied by the State, the county, the school district, special purpose districts, and other political subdivisions where such property is located.

(6) To the extent that any non-Reservation real property held in trust by the Secretary is not taxable for property tax purposes, it shall be subject to the payment of a fee or fees in an amount equivalent to the real property tax that would have been paid to the applicable taxing authority had the property not been held in trust.

(f) PERSONAL PROPERTY TAXES.—(1) For a period of 99 years after the effective date of this Act, all personal property owned by the Tribe and used solely on the Reservation shall be exempt from personal property taxes. During such period motor vehicles owned by the Tribe shall be exempt from personal property taxes even if used off the Reservation.

(2) All personal property owned by Members shall be subject to personal property taxes levied by the State or any political subdivision of the State where the property is deemed to be located.

(3) All personal property located on the Reservation which is not exempt from personal property taxes under subsection (f)(1) of this section shall be subject to personal property taxes levied by the State or by any political subdivision of the State encompassing the Reservation to the same extent that similar personal property is assessed and taxed elsewhere in the jurisdiction.

(4) For purposes of subsections (e) and (f) of this section, the determination of whether the Tribe is the owner of property shall be made in the same manner as is used by the State for other taxpayers for State property tax purposes.

(g) LEVY AGAINST PROPERTY FOR FAILURE TO PAY PROPERTY TAXES.—(1) Subject to perfected security interests, if any person or entity (referred to in this subsection as the "taxpayer") who is subject to property taxes under subsections (e) and (f) of this section fails to pay such taxes, the appropriate taxing authority for the county or other political subdivision shall have the power to levy against personal property subject to personal property taxes owned by the taxpayer within the county, on or off the Reservation, in order to satisfy the taxes due.

(2) If this levy against the personal property is not sufficient to satisfy the tax lien, the county or other political subdivision may certify the deficiency to the State and the State may levy against other taxable property of the taxpayer in the State and remit any proceeds to the county or appropriate taxing authority which is owed the tax.

(3) If the county or other political subdivision cannot satisfy its lien, it may require the Tribe to cease allowing the taxpayer to do business on the Reservation.

(4) If the taxpayer is in bankruptcy, the bankruptcy statutes shall apply to this section.

(5) The State or any political subdivision may not seize real property located on the Reservation.

(h) VEHICLE LICENSE FEES.—The Tribe and its Members shall be subject to all license and registration fees and requirements, all periodic inspection fees and requirements, and all fuel taxes imposed by Federal, State, and local governments on motor vehicles, boats, and airplanes, and other means of conveyance.

(i) SALES AND USE TAXES.—(1) The Tribe, its Members, and the Tribal Trust Funds shall be liable for the payment of all State and local sales and use taxes to the same extent as any other person or entity in the State, except as provided in this section.

(2) Purchases made by the Tribe for tribal government functions during the period of 99 years from the effective date of this Act shall be exempt from State and local sales and use taxes.

(3) Catawba pottery and artifacts made by Members and sold on or off the Reservation by the Tribe or Members shall be exempt from State and local sales and use tax.

(4)(A) During the period of 99 years from the effective date of this Act, the sale on the Reservation of all other items, whether made on or off the Reservation, shall be exempt from State and local sales and use taxes, but shall be subject to a special tribal sales tax levied by the Tribe equal to the State and any local sales tax that would be levied in the jurisdiction encompassing the Reservation but for this exemption.

(B) The South Carolina sales and use tax laws, regulations, and rulings shall apply to the special tribal sales tax, and the special tribal sales tax must be administered and collected by the South Carolina Tax Commission in accordance with the Settlement Agreement.

(C) In accordance with the Settlement Agreement, the South Carolina Tax Commission will separately account for the special tribal sales tax, and the State Treasurer will remit the special tribal sales tax revenues periodically to the Tribe at no cost to the Tribe.

(D) The tribal sales tax shall not apply to retail sales occurring on the Reservation as a result of delivery from outside the Reservation when the gross proceeds of sale are $100 or less. In such case, the State sales tax shall apply.

(E) The Tribe shall impose a tribal use tax on the storage, use, or other consumption on the Reservation of tangible personal property purchased at retail outside the State when the vendor does not collect the tax. However, any use taxes which are collected by a vendor which is not located in the State will be subject to State use taxes and the use tax shall be remitted to the State and not the Tribe. Use taxes not collected by the vendor and remitted to the State shall be subject to the Tribal use tax and shall be collected directly by the Tribe.

(j) PAYMENTS IN LIEU OF TAXES.—The Tribe shall pay a fee in lieu of school taxes. That fee shall be determined by the county or other appropriate taxing authority in the same manner and shall be the same amount that is paid by students from outside the county entering schools in the county. Fees payable by the Tribe shall be reduced by any funds received under the Act of September 30, 1950 (Public Law 874, 81st Congress; 20 U.S.C. 236 et seq.; commonly referred to as the "Impact Aid Act") pursuant to section 4(g) of this Act or any other Federal funds designed to compensate school districts for loss of revenue due to the non-taxability of Indian property. Any fee in lieu of school taxes paid on behalf of a child under this section shall be excluded from Federal and State income of the child or his family for Federal and State income tax purposes.

(k) ESTATE TAXES.—Members shall be liable for payment for all estate and inheritance taxes, except, however, that the undistributed share of any member in the Catawba Per Capita Payment Trust Fund shall be exempt from Federal and State estate and inheritance taxes.

(l) ELIGIBILITY FOR CONSIDERATION TO BECOME AN ENTERPRISE ZONE OR GENERAL PURPOSE FOREIGN TRADE ZONE.—Notwithstanding the provisions of any other law or regulation, the Tribe shall be eligible to become, sponsor and/or operate (1) an "enterprise zone" pursuant to 42 U.S.C. 11501–11505 or any other applicable Federal (or State) laws or regulations; or (2) a "foreign-trade zone" or "subzone" pursuant to the Foreign Trade Zones Act of 1934, as amended (19 U.S.C. 81a–81u) and the regulations thereunder, to the same extent as other federally recognized Indian tribes.

SEC. 19. GENERAL PROVISIONS.

(a) GENERAL APPLICABILITY OF STATE LAW.—The Tribe, its Members, and any lands, natural resources, or other property owned by the Tribe or its Members (including any land or natural resources or other property held in trust by the United States or by any other person or entity for the Tribe) shall be subject to the civil, criminal, and regulatory jurisdiction of the State, its agencies and political subdivisions other than municipalities, and the civil and criminal jurisdiction of the courts of the State, to the same extent as any other person, citizen or land in the State except as otherwise expressly provided in this Act and by the State implementing legislation.

(b) IMPACT OF SUBSEQUENTLY ENACTED LAWS.—The provisions of any Federal law enacted after the date of enactment of this Act shall not apply in the State if such provision would materially affect or preempt the application of the laws of the State, including application of the laws of the State applicable to lands owned by or held in trust for Indians, or Indian Nations, tribes or bands of Indians. However, such Federal law shall apply within the State if the State grants its approval by a law or joint resolution enacted by the General Assembly of South Carolina and signed by the Governor.

(c) SEVERABILITY.—If any of the provisions of sections 4(a), 5 or 6 of this Act are held invalid by a court, then all of this Act is invalid. Should any other section of this Act be held invalid by a court, the remaining sections of this Act shall remain in full force and effect.

(d) INTERPRETATION CONSISTENT WITH SETTLEMENT AGREEMENT.—Wherever possible, this Act shall be construed in a manner consistent with the Settlement Agreement. In the event of a conflict between the provisions of this Act and the Settlement Agreement, the terms of this Act shall govern. The Settlement Agreement shall be maintained on file and available for public inspection at the Department of the Interior.

SEC. 20. EFFECTIVE DATE.

The provisions of this Act shall become effective upon the transfer of the Existing Reservation to the Secretary.

WOFFORD (AND SPECTER) AMENDMENT NO. 539

Mr. WOFFORD (for himself and Mr. SPECTER) proposed an amendment to the bill S. 1134, supra, as follows:

On page 149, between lines 7 and 8, insert the following:

SEC. 5002A. EXTENSION OF AUTHORITY TO COLLECT FEE.

The third undesignated paragraph under the heading "ADMINISTRATIVE PROVISIONS" in chapter VII of title I of Public Law 98–63 (97 Stat. 329) is amended by striking paragraph (3).

BREAUX (AND WALLOP) AMENDMENT NO. 540

Mr. BREAUX (for himself and Mr. WALLOP) proposed an amendment to the bill S. 1134, supra, as follows:

Section 9503(b)(6) of the Internal Revenue Code of 1986, as added by section 8244(b)(6), is amended to read as follows:

"(6) RETENTION OF CERTAIN TAXES IN GENERAL FUND.—

"(A) IN GENERAL.—There shall not be taken into account under paragraphs (1) and (2)—

"(i) the tax imposed by section 4081 on diesel fuel used in any train, and

"(ii) so much of the nonhighway recreational fuel taxes (as defined in subsection (c)(6)(D)) as are attributable to 2.5 cents of the Highway Trust Fund financing rate.

"(B) TRANSFERS FROM HIGHWAY TRUST FUND.—For purposes of determining the amount paid from the Highway Trust Fund under subsection (c)(6), the Highway Trust Fund financing rate shall be treated as being 2.5 cents less than the otherwise applicable rate."

LIEBERMAN (AND OTHERS) AMENDMENT NO. 541

Mr. LIEBERMAN (for himself, Mr. DORGAN, Mr. MACK, and Mr. COATS) proposed an amendment to the bill S. 1134, supra, as follows:

At the end of the bill add the following new section:

SEC. . SENSE OF THE SENATE WITH RESPECT TO FEDERAL ENTERPRISE ZONES AND RURAL DEVELOPMENT INVESTMENT ZONES.

(a) FINDINGS.—The Senate finds that—

(1) The crisis of poverty, high unemployment, out-migration, and job loss in America's inner-cities, rural areas and Indian reservations demands an appropriate and timely response from Congress;

(2) Manufacturing and industry has largely disappeared from many U.S. inner cities and rural areas. This, in turn, has led to the severe decline in good high-wage jobs, wholesale trade, retail businesses, and a large source of local tax revenues;

(3) Encouraging small- and medium-sized businesses, which create the majority of new jobs in the U.S. economy, to locate and invest in poor areas is one of the keys to revitalizing urban and rural America;

(4) Enterprise Zones will help attract businesses to build and grow in poor areas; they will give people incentives to invest in such businesses and to hire and train both unemployed and economically disadvantaged individuals; they will create jobs and stimulate entrepreneurship; and they will help restore the local tax revenue base to these communities;

(5) The decline of small industry in rural areas has caused thousands of people to leave such areas, thus hastening the decay of rural communities and leaving the elderly in particular stranded without the help of family and younger neighbors;

(6) Enterprise Zones have been tested in 37 States since 1982 and have proven to be successful, having generated capital investments in poor neighborhoods in excess of $28 billion and having created more than 258,000 jobs; and

(7) Enterprise Zones have been endorsed by, among others, the National Governors Association, the National Council of State Legislators, the Council of Black State Legislators, the Conference of Mayors, and the Conference of Black Mayors.

(b) DEFINITIONS.—

(1) The term 'enterprise zone' means any economically distressed urban area, rural areas, or Indian reservation designated by the secretaries of Housing and Urban Development, Agriculture or Interior for special regulatory and tax treatment, and for the targeting of Federal, state, and local programs for the purposes of providing economic revitalization, economic development, and job creation;

(2) The term 'empowerment zone' means any designated enterprise zone which is designated to receive the full package of regulatory and tax relief and targeted programs as provided for by the enterprise zone program; and

(3) The term 'enterprise community' means any area eligible for enterprise zone designation and ultimately designated by the Secretaries of Housing and Urban Development, Agriculture, or the Interior but does not receive the full package regulatory relief, tax relief and targeted programs.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that

(1) enterprise zones are a vital, proven tool for inner-city, rural, and Indian reservation revitalization and that Congress should adopt Federal enterprise zone legislation;

(2) to insure cooperation and coordination among Federal agencies and to provide targeted regulatory relief, such legislation shall include the establishment of an Enterprise Board to develop the selection criteria and to waive any provision of Federal law or regulation administered by the Secretary of the Departments of Housing and Urban Development, Agriculture, Health and Human Services, Labor, or Education, if the Board determines the waiver is necessary for achievement of the comprehensive strategic plan of an enterprise zone;

(3) to adequately and substantially address the crisis in urban and rural America, such legislation shall include at least 75 empowerment zones; and

(4) each empowerment zone shall include each of the following provisions:

(A) Enterprise Grants for implementing local coordinated strategic plans such as:

(1) creating new, coordinated delivery systems for relevant government services;

(2) creating community lending or microenterprise loan funds;

(3) providing technical assistance, entrepreneurial support, workforce skill programs, and job-search and job matching networks in the labor market;

(4) leveraging private matching support; and

(5) matching funds for community development corporations;

(B) Community Policing Grants to increase police presence, expand cooperative efforts between law enforcement and the community, and to assure public safety;

(C) Innovative programs and zone priority investments of existing Federal agency funds targeted towards empowerment zones;

(D) Tax incentives aimed at reducing both capital and labor costs associated with operation of a business in an empowerment zone;

(E) Tax incentives aimed at attracting equity investments, including venture and seed capital, in start-up or small enterprise zone businesses; and

(F) Tax incentives to encourage the hiring and training of economically disadvantaged individuals;

(5) Because the migration of jobs from rural areas has caused many families to migrate too, the indications of distress are different for rural than for urban areas. Specifically, in determining whether a rural area is eligible for an enterprise zone, the factors shall include job loss and out-migration, rather than just the poverty rate, which is an appropriate factor for urban areas.

BRADLEY (AND OTHERS)
AMENDMENT NO. 542

Mr. BRADLEY (for himself, Mr. HOLLINGS, Mr. COATS, Mr. MCCAIN, Mr. ROBB, and Mrs. FEINSTEIN) proposed an amendment to the bill S. 1134, supra, as follows:

At the appropriate place insert the following:

SEC. . LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE LINE ITEM VETO.

(a) IN GENERAL.—The Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new title:

"TITLE XI—LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE LINE ITEM VETO

"LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE LINE ITEM VETO SEPARATE ENROLLMENT AUTHORITY

"SEC. 1101. (a) SEPARATE ENROLLMENT.—

"(1) Notwithstanding any other provision of law, when—

"(A) any general or special appropriation bill or any bill or joint resolution making supplemental, deficiency, or continuing appropriations; or

"(B) any revenue bill containing a tax expenditure provision,

passes both Houses of the Congress in the same form, the Secretary of the Senate (in the case of a bill or joint resolution originating in the Senate) or the Clerk of the House of Representatives (in the case of a bill or joint resolution originating in the House of Representatives) shall cause the enrolling clerk of such House to enroll each item of appropriation or tax expenditure provision of such bill or joint resolution as a separate bill or joint resolution, as the case may be.

"(2) A bill or joint resolution that is required to be enrolled pursuant to paragraph (1)—

"(A) shall be enrolled without substantive revision;

"(B) shall conform in style and form to the applicable provisions of chapter 2 of title 1, United States Code (as such provisions are in effect on the date of the enactment of this title); and

"(C) shall bear the designation of the measure of which it was an item of appropriation or tax expenditure provision prior to such enrollment, together with such other designation as may be necessary to distinguish such bill or joint resolution from other bills or joint resolutions enrolled pursuant to paragraph (1) with respect to the same measure.

"(b) PREPARATION AND PRESENTMENT.—A bill or joint resolution enrolled pursuant to subsection (a)(1) with respect to an item of appropriation or tax expenditure provision shall be deemed to be a bill under clauses 2 and 3 of section 7 of article 1 of the Constitution of the United States and shall be signed by the presiding officers of both Houses of the Congress and presented to the President for approval or disapproval (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.

"(c) DEFINITIONS.—For purposes of this title—

"(1) the term 'item of appropriation' means any numbered section and any unnumbered paragraph of—

"(A) any general or special appropriation bill; and

"(B) any bill or joint resolution making supplemental, deficiency, or continuing appropriations; and

"(2) the term 'tax expenditure provision' means a division of a bill that amends current law or is free standing and that is scored by the Joint Committee on Taxation as losing revenue over the 5-year period after the provision takes effect.".

(b) EFFECTIVE PERIOD.—The amendment made by subsection (a) shall apply to bills and joint resolutions agreed to by the Congress during the 103d Congress.

BRYAN (AND OTHERS)
AMENDMENT NO. 543

Mr. BRYAN (for himself, Mr. REID, Mr. KERRY, Mrs. BOXER, Mr. FEINGOLD, and Mr. LAUTENBERG) proposed an amendment to the bill S. 1134, supra, as follows:

Beginning on page 32, strike line 19 and all that follows through page 34, line 10, and insert the following new section:

SEC. 1111. ELIMINATION OF WOOL AND MOHAIR PRICE SUPPORT PROGRAM.

(a) IN GENERAL.—The National Wool Act of 1954 (7 U.S.C. 1781 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—Section 256(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906(a)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(c) TRANSITION PROVISIONS.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the effective date of this section.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall apply beginning with the marketing year beginning January 1, 1994.

DOMENICI (AND OTHERS)
AMENDMENT NO. 544

Mr. DOMENICI (for himself, Mr. NUNN, Mr. MCCAIN, Mr. BENNETT, Mr. WARNER, and Mr. ROBB) proposed an amendment to the bill S. 1134, supra, as follows:

At the appropriate place, insert the following:

SEC. . DISCRETIONARY CAP EXTENSION.

(a) DISCRETIONARY SPENDING.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and inserting the following:

"(D) with respect to fiscal year 1994—

"(i) for the defense category: $264,051,000,000 in new budget authority and $279,262,000,000 in outlays;

"(ii) for the international category: $21,721,000,000 in new budget authority and $21,660,000,000 in outlays; and

"(iii) for the domestic category: $215,192,000,000 in new budget authority and $237,835,000,000 in outlays;

"(E) with respect to fiscal year 1995—

"(i) for the defense category: $262,624,000,000 in new budget authority and $272,744,000,000 in outlays;

"(ii) for the international category: $21,315,000,000 in new budget authority and $21,416,000,000 in outlays; and

"(iii) for the domestic category: $222,348,000,000 in new budget authority and $247,112,000,000 in outlays;

(b) DEFINITIONS.—Paragraph (4) of section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(4) The term 'category' means for fiscal years 1991 through 1995 any of the following subsets of discretionary appropriations: defense, international, or domestic. Discretionary appropriations in each of the 3 categories shall be those so designated in the joint statement of managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1990. New accounts or activities shall be categorized in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate.".

BUMPERS AMENDMENT NO. 545

(Ordered to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill S. 1134, supra, as follows:

On page 389 insert the following prior to line 8:

SEC. 7803. STATE OPTION TO PROVIDE THAT CERTAIN PAYMENTS UNDER AFDC ARE CONDITIONED ON RECEIPT OF IMMUNIZATIONS.

(a) In General.—Section 402 (42 U.S.C. 602) is amended—

(1) in paragraph (44), by striking "; and" and inserting a semicolon;

(2) in paragraph (45), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(46) at the option of the State, provide that if a family receiving aid to families with dependent children for any month includes a child under the age of 6 who has not received appropriate immunizations (as determined by the State), the State will take actions to encourage the timely immunization of such child including, but not limited to, reducing the total benefits received by such family for such month by all or a portion of the benefits allocable to the parent or guardian of such child and either—

"(A) placing all or a portion of such amount in an account until family demonstrates to the State that such child has been appropriately immunized; or

"(B) using all or a portion of such amount to provide services to such family intended to ensure that such child receives appropriate immunizations.".

(b) State Programs to Encourage Appropriate Immunizations.—

(1) In general.—The Secretary of Health and Human Services (hereafter referred to in this subsection as the "Secretary") shall provide for the establishment of programs intended to ensure the appropriate immunization of children to be operated in the States electing to take actions to encourage the timely immunization of children described in section 402(a)(46) of the Social Security Act.

(2) Payments to states and limits on funding.—

(A) Payments to states.—Except as provided in subparagraph (B), the Secretary shall pay to each State conducting a program under this subsection for each quarter in which such program is conducted an amount equal such State's Federal percentage (as determined under section 403(a) of the Social Security Act) of the expenditures incurred by such State during such quarter in conducting such program.

(B) Limits on funding.—In conducting programs under this subsection, the Secretary shall limit the total amount of the Federal share of expenses incurred under title IV and section 1903 of the Social Security Act to no more than $250,000 for each State in any year.

(c) Effective Date.—The amendment made by subsection (a) and the provisions of subsection (b) shall become effective on the date of the enactment of this Act.

BUMPERS AMENDMENT NO. 546

(Ordered to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill S. 1134, supra as follows:

On page 337, beginning with line 1, strike all through page 389, line 7, and insert the following:

SEC. 7802. REIMBURSEMENT TO VACCINE MANUFACTURERS.

(a) In General.—Section 1902(a)(32) (42 U.S.C. 1396a(32)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(D) nothing in this paragraph shall be construed to prevent the making of such payment to a manufacturer of a childhood vaccine under a contract with the State pursuant to which the manufacturer participates in a vaccine replacement program described in subsection (z)."

(b) State Vaccine Bulk Purchase Program.—Section 1902 (42 U.S.C. 1396a) is amended by adding after paragraph (58) the following new paragraph:

(59) provide for the establishment of a State vaccine bulk purchase program for the purchase of pediatric vaccines." and by adding at the end of the following new subsection:

(z)(1) For purposes of section 1396 a (a)(59), a vaccine replacement program described in this subsection is a vaccine bulk purchase program under which a State with a State plan approved under this title contracts with each manufacturer of childhood vaccines selling such vaccines in the State to—

"(A) supply doses of childhood vaccines to providers (or in the case of a State medicaid vaccine program, the State) administering such vaccines to individuals eligible to receive medical assistance under the State plan and replace such vaccines as needed; and

"(B) charge the State agency for such doses of childhood vaccine the price under the most recent bid (determined once such a bid price is made public) submitted by a manufacturer which receives the Centers for Disease Control and Prevention contract with respect to the childhood immunization program under the Public Health Services Act, plus a reasonable fee to cover shipping and handling of returns for such doses.

(2) Any manufacturer of childhood vaccines selling such vaccines in a State which does not participate in a vaccine replacement program described in paragraph (1) which is operated in such State shall be ineligible to bid for Centers for Disease Control and Prevention Immunization contracts under section 317(j) of the Public Health Services Act."

(c) Definition of State Vaccine Bulk Purchase Program.—Section 1902 (42 U.S.C. 1396d) is amended by adding at the end of the following new subsection:

(t) Vaccine Bulk Purchase Program

The term "vaccine bulk purchase program" means a State program which purchases vaccines at prices negotiated by the Centers for Disease Control and Prevention's childhood immunization program and distributes such vaccines free of charge to entities providing medical assistance to individuals eligible for such medical assistance under this title."

(d) Agreement With the State.—Section 1902(a)(27) (42 U.S.C. 1396a(a)(27) is amended—

(1) by striking "under the State plan", and inserting "under the State plan and with any entity that is a manufacturer of a childhood vaccine under a contract with the State pursuant to which the manufacturer participates in a vaccine replacement program described in subsection (z)"; and

(2) by striking "such person or institution" each place it appears and inserting "such person, institution, or entity".

(e) CDC Price Plus CPI.—To the extent that, at the date of enactment, a specific vaccine is purchased under contract with the Centers for Disease Control and Prevention as provided in the Public Health Service Act, no bid for the purchase of such vaccine shall be accepted by the Centers for Disease Control and Prevention if the price per dose of such vaccine exceeds the price in effect on the date of enactment increased by the percentage increase in CPI from date of the contract in effect on the date of the enactment to the date of the contract. This provision shall be in effect for contracts made in Fiscal Year 1994 through Fiscal Year 1998.

(f) Multiple Suppliers.—The Public Health Service provisions relating to the Centers for Disease Control and Prevention purchase of vaccine may not be construed as prohibiting the Secretary from entering into a contract with each manufacturer of a vaccine that meets the terms and conditions of the Secretary for an award of such a contract (including terms and conditions regarding safety, quality, and price).

(g) Effective Date.—The amendments made by this section shall become effective on the date of the enactment of this Act.

SECTION 7803. STATE OPTION REGARDING VACCINE PURCHASE.

(a) State Purchases.—Notwithstanding any other provision of law, any state for the purpose of administering a pediatric vaccine may purchase the vaccine from a manufacturer of the vaccine at the price in effect under the federal vaccine procurement process under section 317 of the Public Health Service Act, for children who are 18 years of age or younger and who are:

(1) uninsured with respect to health insurance policies or plans (including group health plans or prepaid health plans and including employee welfare benefit plans under the Employee Retirement Income Security Act of 1974), or covered under such a policy or plan, but under the policy or plan benefits are not available with respect to immunizations, and (B) a member of a family with an income of less than 75 percent of the State's median income; or

(2) Indians.

(b) Requirements.—A State may purchase pediatric vaccines pursuant to this subsection only if the following conditions are met:

(1) The State agrees that the vaccines will only be used to provide immunizations for the children described in this section.

(2) The State provides to the Secretary, in advance of the negotiations under the federal procurement process for federal purchase of vaccines under Section 317 of the Public Health Service Act, information relating to the specific quantities of pediatric vaccines the State wishes to purchase and such other information as the Secretary determines to be necessary to provide for quantities of pediatric vaccines for the State to purchase pursuant to this subsection.

McCONNELL (AND OTHERS) AMENDMENT NO. 547

Mr. McCONNELL (for himself, Mr. Lott, and Mr. Grassley) proposed an amendment to the bill S. 1134, supra, as follows:

Strike section 7953.

GRAHAM (AND OTHERS) AMENDMENT NO. 548

Mr. GRAHAM (for himself, Ms. Moseley-Braun, and Mr. Harkin) proposed an amendment to the bill S. 1134, supra, as follows:

Insert the following:

Page 166, beginning with line 3, strike all through page 178, line 20.

On page 181, beginning with line 1, strike all through page 184, line 13.

On page 185, beginning with line 17, strike all through page 187, line 6.

On page 212, beginning with line 7, strike all through page 214, line 24.

On page 524, line 13, strike "35 percent" and insert "36 percent".

On page 524, line 24, strike "35 percent" and insert "36 percent".

On page 525, lines 2 and 3, strike "65 percent" and insert "64 percent".

On page 525, line 6, strike "35 percent" and insert "36 percent".

On page 525, line 9, strike "35 percent" and insert "36 percent".

BROWN (AND OTHERS) AMENDMENT NO. 549

(Ordered to lie on the table.)

Mr. BROWN (for himself and Mr. Bond) submitted an amendment intended to be proposed by him to the bill S. 1134, supra, as follows:

On page 620, strike lines 12 through 21, and insert the following:

(3) Section 9502(b)(3) is amended by inserting "and the deficit reduction rate" after "financing rate".

(4) Section 9503(b)(4)(B) is amended by inserting "and the deficit reduction rates under such sections to the extent such rates do not exceed 4.3 cents per gallon" after "such sections".

(5) Section 9503(c)(4)(D) is amended by inserting "and the deficit reduction rates under such sections to the extent such rates do not exceed 4.3 cents per gallon" after "such sections".

(6) Section 9503(c)(5)(B) is amended by inserting "and the deficit reduction rate under such section to the extent such rate does not exceed 4.3 cents per gallon" after "such section".

(7) Section 9503(c)(6)(D) is amended by inserting "and the deficit reduction rate to the extent such rate does not exceed 4.3 cents per gallon" after "financing rate".

(8) Section 9506(b) is amended by inserting "and the deficit reduction rate" after "financing rate".

BUMPERS AMENDMENT NO. 550

(Ordered to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill S. 1134, supra, as follows:

On page 863, between lines 13 and 14, insert the following new section:

SEC. 12205. PERFORMANCE BASED GRANT PROGRAM.

(a) Annual Report.—Not later than July 1 of each year, a State shall prepare and submit to the Director of the Center for Disease Control and Prevention a report that contains an estimate (based on a base population sample) of the percentage of 2 year old residents of the State who have been fully immunized as described in subsection (c).

(b) Payments to States.—

(1) In general.—Subject to the availability of appropriations, the Secretary of Health and Human Services shall provide to a State that has submitted an annual report under subsection (a) that demonstrates that the State has fully immunized at least 50 percent of the 2 year old residents of that State, with respect to the year for which the report was prepared, a payment in an amount equal to—

(A) with respect to a State that has demonstrated the full immunization of at least 50 and less than 65 percent of all 2 year old residents of the State, $50 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 50 percent amount;

(B) with respect to a State that has demonstrated the full immunization of at least 65 and less than 70 percent of all 2 year old residents of the State, $75 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 70 percent amount;

(C) with respect to a State that has demonstrated the full immunization of at least 70 and less than 91 percent of all 2 year old residents of the State, $100 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 70 percent amount;

(2) Verification.—Prior to making a payment to a State under this subsection, the Secretary of Health and Human Services shall, in collaboration with the Centers for Disease Control and Prevention, verify the accuracy of the State report involved.

(c) Definition.—For purposes of this section, the term "fully immunized" means a 2 year old child that has received four doses of DTP vaccine (diphtheria, tetanus, pertussis), three doses of polio vaccine, and one dose of MMR (measles, mumps, rubella) vaccine.

BRYAN (AND REID) AMENDMENT NO. 551

Mr. BRYAN (for himself and Mr. Reid) proposed an amendment to the bill S. 1134, supra, as follows:

On page 560, line 1, strike all through page 575, line 24, and insert:

SEC. 8227. REPEAL OF SECTION 936 CREDIT.

(a) Repeal.—

(1) In general.—Section 936 is amended by adding at the end the following new subsection:

"(i) Termination.—No credit shall be allowed under this section for any taxable year beginning after December 31, 1993."

(2) Conforming amendment.—Section 27(b) is amended by adding at the end the following new sentence: "No credit shall be allowed under this subsection for any taxable year beginning after December 31, 1993."

(b) Sense of the Senate Regarding Use of the Resulting Increase in Revenues.—It is the sense of the Senate that the increase in revenues resulting from the repeal made by subsection (a) should be used to limit the reductions in spending under the medicare program under title XVIII of the Social Security Act otherwise made by amendments made by subtitle A of title VII of this Act.

REID (AND BRYAN) AMENDMENT NO. 552

Mr. REID (for himself and Mr. Bryan) proposed an amendment to the bill S. 1134, supra, as follows:

At the end of subtitle A of title I, add the following new section:

SEC. 1112. GROSS SALES LIMITATION FOR AGRICULTURAL PAYMENTS.

The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308-5) the following new section:

"SEC. 1001F. GROSS SALES LIMITATION.

"(a) General Rule.—Notwithstanding any other provision of law, a person (as defined pursuant to section 1001(5)) who has an average amount of qualifying gross sales during the 5 preceding crop years in excess of $500,000, as determined by the Secretary, shall not be eligible to receive a payment described in paragraph (1) or (2) of section 1001.

"(b) Definition of Qualifying Gross Sales.—For purposes of this section, the term 'qualifying gross sales' means—

"(1) if a majority of the annual income of the person is received from farming, ranching, and forestry operations, the gross sales from the farming, ranching, and forestry operations of the person; and

"(2) if less than a majority of the annual income of the person is received from farming, ranching, and forestry operations, the gross sales of the person from all sources.".

REID AMENDMENT NO. 553

Mr. REID proposed an amendment to the bill S. 1134, supra, as follows:

At the end of part I of subtitle A of title VII, add the following new section:

SEC. 7109. INCREASE IN INPATIENT HOSPITAL DEDUCTIBLE FOR ANY INDIVIDUAL WHOSE ANNUAL ADJUSTED GROSS INCOME EQUALS OR EXCEEDS $100,000 ($125,000 IN THE CASE OF AN INDIVIDUAL FILING A JOINT RETURN).

(a) In General.—Section 1813(b)(1) (42 U.S.C. 1395e(b)(1)) is amended—

(1) by striking "(1) The inpatient" and inserting "(1)(A) Except as provided in subparagraph (B), the inpatient";

(2) by adding at the end the following new subparagraph:

"(B) In the case of an individual who has adjusted gross income (within the meaning of section 62 of the Internal Revenue Code of 1986) equal to or exceeding $100,000 ($125,000, in the case of an individual filing a joint return under section 6013 of such Code) for a taxable year ending with or within a calendar year, the inpatient hospital deductible under this paragraph shall be $2,000 for the succeeding calendar year. ".

(b) Effective Date.—The amendments made by subsection (a) shall apply to inpatient hospital services furnished on or after January 1, 1994.

BRADLEY AMENDMENT NO. 554

(Ordered to lie on the table.)

Mr. BRADLEY submitted an amendment intended to be proposed by him to the bill S.1134, supra, as follows:

At the appropriate place insert the following:

SEC. . LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE LINE ITEM VETO.

(a) In General.—The Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new title:

"TITLE XI—LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE LINE ITEM VETO

"LEGISLATIVE APPROPRIATIONS AND TAX EXPENDITURE LINE ITEM VETO SEPARATE ENROLLMENT AUTHORITY

"Sec. 1101. (a) Separate Enrollment.—

"(1) Notwithstanding any other provision of law, when—

"(A) any general or special appropriation bill or any bill or joint resolution making supplemental, deficiency, or continuing appropriations; or

"(B) any revenue bill containing a tax expenditure provision,

passes both Houses of the Congress in the same form, the Secretary of the Senate (in the case of a bill or joint resolution originating in the Senate) or the Clerk of the House of Representatives (in the case of a bill or joint resolution originating in the House of Representatives) shall cause the enrolling clerk of such House to enroll each item of appropriation or tax expenditure provision of such bill or joint resolution as a separate bill or joint resolution, as the case may be.

"(2) A bill or joint resolution that is required to be enrolled pursuant to paragraph (1)—

"(A) shall be enrolled without substantive revision;

"(B) shall conform in style and form to the applicable provisions of chapter 2 of title 1, United States Code (as such provisions are in effect on the date of the enactment of this title); and

"(C) shall bear the designation of the measure of which it was an item of appropriation or tax expenditure provision prior to such enrollment, together with such other designation as may be necessary to distinguish such bill or joint resolution from other bills or joint resolutions enrolled pursuant to paragraph (1) with respect to the same measure.

"(b) PREPARATION AND PRESENTMENT.—A bill or joint resolution enrolled pursuant to subsection (a)(1) with respect to an item of appropriation or tax expenditure provision shall be deemed to be a bill under clauses 2 and 3 of section 7 of article 1 of the Constitution of the United States and shall be signed by the presiding officers of both House of the Congress and presented to the President for approval or disapproval (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.

"(c) DEFINITIONS.—For purposes of this title—

"(1) the term 'item of appropriation' means any numbered section and any unnumbered paragraph of—

"(A) any general or special appropriation bill; and

"(B) any bill or joint resolution making supplemental, deficiency, or continuing appropriations; and

"(2) the term 'tax expenditure provision' means a division of a bill that amends current law or is free standing and that is scored by the Joint Committee on Taxation as losing revenue over the 5-year period after the provision takes effect.".

(b) EFFECTIVE PERIOD.—The amendment made by subsection (a) shall apply to bills and joint resolutions agreed to by the Congress during the 103d Congress.

DECONCINI (AND OTHERS) AMENDMENT NO. 555

Mr. DECONCINI (for himself, Mr. MITCHELL, Mr. SASSER, and Mr. FEINGOLD) proposed an amendment to the bill S. 1134, supra, as follows:

At the end of the bill, insert the following new title:

TITLE XIV—DEFICIT RETIREMENT ACCOUNT

SEC. 14001. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This part may be cited as the Deficit Retirement Account Act of 1993.

(b) PURPOSE.—The Congress declares that it is essential to guarantee that the net deficit reduction achieved by this Act is dedicated exclusively to reducing the deficit.

SEC. 14102. ESTABLISHMENT OF DEFICIT RETIREMENT ACCOUNT.

(a) ESTABLISHMENT OF THE ACCOUNT.—

Chapter 11 of title 31, United States Code, is amended by inserting at the end thereof the following new section:

1115. Deficit retirement account.

(a) There is established a separate account in the Treasury, known as the Deficit Retirement Account, into which the deficit reduction achieved by the Omnibus Budget Reconciliation as called for in Section 1115(b).

(b) Immediately upon enactment of the Omnibus Budget Reconciliation Act of 1993, any increases in total revenues resulting from enactment of such Act, shall be deposited by the Secretary of the Treasury on a daily basis into the Deficit Retirement Account. In addition, on a daily basis, the Secretary of the Treasury shall deposit into such account an amount equivalent to the sum of net deficit reduction achieved as a result of all spending reductions resulting from such Act. The cumulative Fiscal Year amounts for the combination of all revenue increases and spending reductions shall be equal to:

(1) for fiscal year 1994, $55,878,000,000;

(2) for fiscal year 1995, $71,320,000,000;

(3) for fiscal year 1996, $99,102,000,000;

(4) for fiscal year 1997, $133,737,000,000;

(5) for fiscal year 1998, $156,066,000,000;

(c) Notwithstanding any other provision of law, the amounts in the Deficit Retirement Account—

(1) shall not be available for appropriation, obligation, expenditure, or transfer, except as specified in subsection (c)(2) below

(2) shall be used exclusively to redeem maturing debt obligations of the Treasury of the United States held by foreign governments in the amounts specified for each fiscal year in subsection (b)

(3) shall be excluded from, and shall not * * * into account for purposes of, any budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901–922).

"(d) Establishment of and transfers to the Deficit Retirement Account shall not affect trust fund transfers that may be authorized or required by provisions of the Omnibus Reconciliation Act of 1993 and/or any other provision of law.

(b) LISTING OF THE ACCOUNT AMONG GOVERNMENT TRUST FUNDS.—Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Deficit Retirement Account.".

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY ON THE STATUS OF THE ACCOUNT.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(29) information about the Deficit Retirement Account, including a separate statement of amounts in and Federal debt redeemed by that Account.".

SASSER (AND OTHERS) AMENDMENT NO. 556

Mr. SASSER (for himself, Mr. MITCHELL, and Mr. DODD) proposed an amendment to the bill S. 1134, supra, as follows:

At the end of the bill, insert the following new title:

TITLE XIV.—ENFORCEMENT PROCEDURES.

Part A—Extention of Budget Enforcement

SEC. 14001. PURPOSE.

The Congress declares that it is essential to——

(1) preserve the deficit reduction achieved by this Act;

(2) extend the system of discretionary spending limits for the single discretionary category set forth in section 601 of the Congressional Budget Act of 1974;

(3) extend the pay-as-you-go enforcement system; and

(4) prohibit the consideration of direct spending or receipts legislation that would decrease the pay-as-you-go surplus achieved by this Act and created under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 14002. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION OF "DISCRETIONARY SPENDING LIMIT".—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended—

(1) in subparagraph (D) by striking the word "and"; and

(2) by inserting after subparagraph (E) the following:

"and

"(F) with respect to fiscal years 1996, 1997, and 1998, for the discretionary category, the amounts set forth for those years in section 12(b)(1) of House Concurrent Resolution 64 (One Hundred Third Congress);".

(b) POINT OF ORDER IN THE SENATE.—Section 601(b)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

"(1) Except as otherwise provided in this subsection, it shall not be in order in the Senate to consider any concurrent resolution on the budget for fiscal year 1995, 1996, 1997, or 1998 (or amendment, motion, or conference report on such a resolution) that would exceed any of the discretionary spending limits in this section.".

(c) CONFORMING AMENDMENTS.—(1) Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in subsection (a) by striking "FISCAL YEARS 1991–1995 ENFORCEMENT.—" and inserting "FISCAL YEARS 1991–1998 ENFORCEMENT.—";

(B) in subsection (b)(1)—

(i) in the matter before subparagraph (A), by—

(I) striking "When the President submits the budget under section 1105(a) of title 31, United States Code, for budget year 1992, 1993, 1994, or 1995" and inserting "When the President submits the budget under section 1105(a) of title 31, United States Code, for budget year 1992, 1993, 1994, 1995, 1996, 1997, or 1998"; and

(II) striking "the budget shall include, adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear through 1995" and inserting "the budget shall include, adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear through 1998";

(ii) in paragraph (1)(B), by inserting at the end thereof the following new clause:

"(iii) For a budget submitted for budget year 1996, 1997, or 1998, the adjustments shall be those necessary to reflect changes in inflation estimates since those of March 31, 1993, set forth on page 46 of House Conference Report 103-48."

(iii) in the matter before subparagraph (A) in paragraph (2) by—

(I) striking "When OMB submits a sequestration report under section 254 (g) or (h) for fiscal years 1991, 1992, 1993, 1994, or 1995" and inserting "When OMB submits a sequestration report under section 254 (g) or (h) for fiscal year 1991, 1992, 1993, 1994, 1995, 1996, 1997, or 1998"; and

(II) striking "for the fiscal year and each succeeding year through 1995," and inserting "for the fiscal year and each succeeding year through 1998,";

(iv) in paragraph (2)(D)(i), by striking "for fiscal year 1991, 1992, 1993, 1994, or 1995," and inserting "for any fiscal year,";

(v) in paragraph (2)(E), by—

(I) striking the final word "and" in subparagraph (ii); and

(II) inserting before the final period the following:

"; and

"(iv) if, for fiscal years 1994, 1995, 1996, 1997, and 1998, the amount of new budget authority provided in appropriation Acts exceeds the discretionary spending limit on new budget authority due to technical estimates made by the Director of the Office of Management and Budget, the adjustment is the amount of the excess, but not to exceed an amount (for any one fiscal year) equal to 0.1 percent of the adjusted discretionary spending limit on new budget authority for that fiscal year"; and

(vi) in paragraph (2)(F), by inserting immediately before the final period the following: ", and not to exceed 0.5 percent of the adjusted discretionary spending limit on outlays for the fiscal year in fiscal year 1996, 1997, or 1998".

(2) REPORTS.—Sections 254(d)(2) and 254(g)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 are each amended by striking "1995" and inserting "1998".

(3) EXPIRATION.—(A) Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, sections 250, 251, 252, and 254 through 258C of that Act shall expire on September 30, 1998.

(B) Section 607 of the Congressional Budget Act of 1974 is amended by striking "shall apply to fiscal years 1991 to 1995" and inserting "shall apply to fiscal years 1991 to 1998".

SEC. 14003. ENFORCING PAY-AS-YOU-GO.

(a) Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (a), by striking "FISCAL YEARS 1992–1995 ENFORCEMENT." and inserting "FISCAL YEARS 1992–1998 ENFORCEMENT.";

(2) in subsection (d), by striking "estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1995" both places that it appears and inserting "estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1998" both places; and

(3) in subsection (e), by striking "for fiscal year 1991, 1992, 1993, 1994, or 1995," and inserting "for any fiscal year from 1991 through 1998,".

(b) Section 254(g)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "1995" and inserting "1998".

(c) Upon enactment of this Act, the Director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net deficit reduction achieved through the enactment in this Act of direct spending and receipts legislation for that year.

SEC. 14004. EXERCISE OF RULE-MAKING POWERS.

The Congress enacts the provisions of this part—

(1) as an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such these provisions shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

GRAMM (AND OTHERS) AMENDMENT NO. 557

Mr. GRAMM (for himself and Mrs. HUTCHISON) proposed an amendment to the bill, S. 1134, supra, as follows:

At the appropriate place, insert the following:

SEC. . RESTORATION OF MAXIMUM DEFICIT AMOUNTS.

(a) MAXIMUM DEFICIT AMOUNTS.—

(1) AMOUNTS.—Section 601(a)(1) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and inserting the following:

"(D) with respect to fiscal year 1994, $253,800,000,000;

"(E) with respect to fiscal year 1995, $236,900,000,000;

"(F) with respect to fiscal year 1996, $205,000,000,000;

"(G) with respect to fiscal year 1997, $192,600,000,000; and

"(H) with respect to fiscal year 1998, $201,900,000,000.".

(2) DEFINITION.—(A) Section 250(c)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by—

(i) striking "terms 'maximum deficit amount' and" and inserting "term"; and

(ii) striking "sections 251 and 252" and inserting "section 251".

(B) Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end thereof the following:

"(22)(A) The term 'maximum deficit amount' means the amount set forth in section 601(c)(1) of the Congressional Budget Act of 1974.

"(B) For purposes of this paragraph, the term 'deficit' means, with respect to any fiscal year, the amount by which total budget outlays for such fiscal year exceed total revenues for such fiscal year. In calculating the deficit for purposes of section 253 of such Act (notwithstanding section 710(a) of the Social Security Act or any other provision of law), for any fiscal year, the receipts of the Federal Old Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for such fiscal year and the taxes payable under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954 during such fiscal year shall be included in total revenues for such fiscal year, and the disbursements of each such Trust Fund for such fiscal year shall be included in total budget outlays for such fiscal year. Notwithstanding any other provision of law except to the extent provided by section 710(a) of the Social Security Act, the receipts, revenues, disbursements, budget authority, and outlays of each off-budget Federal entity for a fiscal year shall be included in total budget authority, total budget outlays, and total revenues and the amounts of budget authority and outlays set forth for each major functional category, for such fiscal year. Amounts paid by the Federal Financing Bank for the purchase of loans made or guaranteed by a department, agency, or instrumentality.".

(3) NO MARGIN OR ADJUSTMENTS.—Section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in subsection (a) by striking "if it exceeds the margin";

(B) in subsection (b)—

(i) in paragraph (1) by inserting "and" after the semicolon:

(ii) in paragraph (2) by striking "; and" and inserting a period;

(iii) by striking paragraph (3) and the text that follows; and

(C) by striking subsection (g) and redesignating subsection (h) as subsection (g).

(4) 60 VOTE POINT OF ORDER.—Section 904 of thee Congressional Budget Act of 1974 is amended—

(A) in the second sentence of subsection (c) by striking "and 606(c)" and inserting "605(b), and 606(c)"; and

(B) in the third sentence of subsection (d) by striking "and 606(c)" and inserting "605(b), and 606(c)".

(5) ELIMINATION OF SOCIAL SECURITY DEFICIT.—Not later than October 1, 2000, Congress may adopt budget procedures for the elimination of the non-Social Security deficit by not later than September 30, 2005. The non-Social Security deficit shall be defined as the Federal budget deficit excluding the receipts and outlays of the Social Security Trust Fund.

(6) EXTENSION OF PROCEDURES AND POINTS OR ORDER.—The procedures and points of order provided in the Congressional Budget Act of 1974 and the Balanced Budget and Emergency Deficit Control Act of 1985 applicable to the enforcement of the maximum deficit amount for fiscal year 1993 set forth in section 601(a)(1) of the Congressional Budget Act of 1974 shall apply to the enforcement of the maximum deficit amount imposed by the amendment made by paragraph (1) as modified by this subsection and subsection (c).

(b) LOOK-BACK SEQUESTER.—Section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end thereof the following new subsection.

"(i) LOOK-BACK SEQUESTER.—

"(1) IN GENERAL.—On July 1 of each fiscal year, the Director of OMB shall determine if laws effective during the current fiscal year will cause the deficit to exceed the maximum deficit amount for such fiscal year. If the limit is exceeded, there shall be a preliminary sequester on July 1 to eliminate the excess.

"(2) PERMANENT SEQUESTER—Budget authority sequestered on July 1 pursuant to paragraph (1) shall be permanently canceled on July 15.

(3) NO MARGIN.—The margin for determining a sequester under this subsection shall be zero.

"(4) SEQUESTRATION PROCEDURES.—The provision of subsections (c), (d), and (e) of this section shall apply to a sequester under this subsection."

BURNS (AND OTHERS) AMENDMENT NO. 558

Mr. BURNS (for himself, Mrs. HUTCHISON, Mr. DOLE, Mr. MCCONNELL, Mr. DURENBERGER, Mr. MACK, Mr. CRAIG, Mr. HATFIELD, Mr. COATS, Mr. SMITH, Mr. GREGG, Mr. BROWN, Mr. THURMOND, Mr. ROTH, Mr. LOTT, Mr.

NICKLES, Mr. WARNER, and Mr. KEMPTHORNE) proposed an amendment to the bill S. 1134, supra, as follows:

At the appropriate place, add the following: "All changes in revenues contained in this bill which raise revenues, shall become effective no earlier than the date of enactment."

BUMPERS AMENDMENT NO. 559

Mr. BUMPERS proposed an amendment to the bill S. 1134, supra, as follows:

On page 863, between lines 13 and 14, insert the following new section:

SEC. 12205. PERFORMANCE BASED GRANT PROGRAM.

(a) ANNUAL REPORT.—Not later than July 1 of each year, a State shall prepare and submit to the Director of the Center for Disease Control and Prevention a report that contains an estimate (based on a base population sample) of the percentage of 2 year old residents of the State who have been fully immunized as described in subsection (c).

(b) PAYMENTS TO STATES.—

(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary of Health and Human Services shall provide to a State that has submitted an annual report under subsection (a) that demonstrates that the State has fully immunized at least 50 percent of the 2 year old residents of that State, with respect to the year for which the report was prepared, a payment in an amount equal to—

(A) with respect to a State that has demonstrated the full immunization of at least 50 and less than 65 percent of all 2 year old residents of the State, $50, multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 50 percent amount;

(B) with respect to a State that has demonstrated the full immunization of at least 65 and less than 70 percent of all 2 year old residents of the State, $75 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 65 percent amount; and

(C) with respect to a State that has demonstrated the full immunization of at least 70 and less than 91 percent of all 2 year old residents of the State, $100 multiplied by the number of fully immunized 2 year old resident children in excess of the number of children equaling such 70 percent amount.

(2) As a condition of receiving amounts under this section,

(i) states which combine state and federal funds to reach immunization goals shall agree to reinvest in activities related to improving immunization services that percentage of the payment under (b)(1) which is equal to the federal contribution to immunization services in the State proportional to the State contribution to such services;

(ii) states which verify that State-only funds are responsible for the increase in immunization rates that qualifies such state for payment under (b)(1) may use amounts awarded under this section for other purposes at the State's discretion.

(3) VERIFICATION.—Prior to making a payment to a State under this subsection, the Secretary of Health and Human Services shall, in collaboration with the Centers for Disease Control and Prevention, verify the accuracy of the State report involved.

(c) DEFINITION.—For purposes of this section, the term "fully immunized" means a 2 year old child that has received four doses of DTP vaccine (diphtheria, tetanus, pertussis), three does of polio vaccine, and one dose of MMR (measles, mumps, rubella) vaccine.

LIEBERMAN (AND CHAFEE) AMENDMENT NO. 560

Mr. LIEBERMAN (for himself and Mr. CHAFEE) proposed an amendment to the bill S. 1134, supra, as follows:

On page 429, between lines 3 and 4, insert:

SEC. . SENSE OF THE SENATE REGARDING PERMANENT EXTENSION OF QUALIFIED MORTGAGE BONDS.

(a) FINDINGS.—The Senate finds that:

(1) Low and moderate income families often have difficulty in obtaining affordable mortgage financing.

(2) The mortgage revenue bond provisions of the Internal Revenue Code are an important tool in providing affordable financing for first-time home buyers.

(3) The tax-exempt status of mortgage revenue bonds have enabled State and local housing agencies to finance home mortgages for first-time buyers at rates below conventional market rates. This cost differential enables buyers, who otherwise might not be able to get mortgage financing, to obtain a loan at an affordable rate.

(4) Mortgage revenue bonds are targeted to families with the greatest need. In 1992, the average income of a mortgage revenue bond borrower was 74 percent of median income. Mortgage revenue bonds are only available to buyers who have not owned a home within the past 3 years, earn 115 percent or less of the applicable median income, and buy a principal residence that does not exceed 90 percent of the average home purchase price.

(5) Prior to its expiration in June, mortgage revenue bonds were the only Federal assistance targeted to first-time home buyers. During the past 15 years, mortgage revenue bonds have financed more than 2 million home purchases and accounted for 1 out of every 12 mortgages made to first-time buyers.

(6) In the last decade, mortgage revenue bonds have been scheduled to sunset 7 times, making administration and timing of bond issues extremely difficult and costly. The mortgage revenue bond program lapsed on June 30, underscoring the need for permanent extension.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that mortgage revenue bonds are a vital, proven tool for providing affordable home ownership opportunities for low- and moderate-income families and that Congress should adopt a permanent extension of the mortgage revenue bond program as part of the Internal Revenue Code.

BUMPERS AMENDMENT NO. 561

Mr. BUMPERS proposed an amendment to the bill S. 1134, supra, as follows:

On page 337, beginning with line 1, strike all through page 389, line 7, and insert the following:

SEC. 7802. REIMBURSEMENT TO VACCINE MANUFACTURERS.

(a) IN GENERAL.—Section 1902(a)(32) (42 U.S.C. 1396a(32)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(D) nothing in this paragraph shall be construed to prevent the making of such payment to a manufacturer of a childhood vaccine under a contract with the State pursuant to which the manufacturer participates in a vaccine replacement program described in subsection(z)."

(b) STATE VACCINE BULK PURCHASE PROGRAM.—Section 1902 (42 U.S.C. 1396a) is amended by adding after paragraph (58) the following new paragraph:

(59) provide for the establishment of a State vaccine bulk purchase program for the purchase of pediatric vaccines." and by adding at the end of the following new subsection:

(z)(1) For purposes of section 1396a(a)(59), a vaccine replacement program described in this subsection is a vaccine bulk purchase program under which a State with a State plan approved under this title contracts with each manufacturer of childhood vaccines selling such vaccines in the State to——

"(A) supply doses of childhood vaccines to providers (or in the case of a State medicaid vaccine program, the State) administering such vaccines to individuals eligible to receive medical assistance under the State plan and replace such vaccines as needed; and

"(B) charge the State agency for such doses of childhood vaccine the price under the most recent bid (determined once such a bid price is made public) submitted by a manufacturer which receives the Centers for Disease Control and Prevention contract with respect to the childhood immunization program under the Public Health Services Act, plus a reasonable fee to cover shipping and handling of returns for such doses.

(2) Any manufacturer of childhood vaccines selling such vaccines in a State which does not participate in a vaccine replacement program described in paragraph (1) which is operated in such State shall be ineligible to bid for Centers for Disease Control and Prevention Immunization contracts under section 317(j) of the Public Health Services Act."

(c) DEFINITION OF STATE VACCINE BULK PURCHASE PROGRAM.—Section 1902 (42 U.S.C. 1396d) is amended by adding at the end of the following new subsection:

(t) VACCINE BULK PURCHASE PROGRAM.—The term "vaccine bulk purchase program" means a State program which purchases vaccines at prices negotiated by the Centers for Disease Control and Prevention's childhood immunization program and distributes such vaccines free of charge to entities providing medical assistance under this title."

(d) AGREEMENT WITH THE STATE.—Section 1902 (a)(27) (42 U.S.C. 1396a(a)(27) is amended——

(1) by striking "under the State plan", and inserting "under the State plan and with any entity that is a manufacturer of a childhood vaccine under a contract with the State pursuant to which the manufacturer participates in a vaccine replacement program described in subsection (z)"; and

(2) by striking "such person or institution" each place it appears and inserting "such person, institution, or entity".

(e) CDC PRICE PLUS CPI.—To the extent that, at the date of enactment, a specific vaccine is purchased under contract with the Centers for Disease Control and Prevention as provided in the Public Health Service Act, no bid for the purchase of such vaccine shall be accepted by the Centers for Disease Control and Prevention if the price per dose of such vaccine exceeds the price in effect on the date of enactment increased by the percentage increase in CPI from date of the contract in effect on the date of the enactment to the date of the contract. This provision shall be in effect for contracts made in Fiscal Year 1994 through Fiscal Year 1998.

(f) MULTIPLE SUPPLIERS.—The Public Health Service provisions relating to the Centers for Disease Control and Prevention purchase of vaccine may not be construed as prohibiting the Secretary from entering into a contract with each manufacturer of a vaccine that meets the terms and conditions of the Secretary for an award of such a contract (including terms and conditions regarding safety, quality, and price).

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, June 24, 1993, at 9:00 a.m., in closed session, to receive a Joint Chiefs of Staff briefing on current military operations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Thursday, June 24, 1993, at 10:00 a.m. to receive open and closed testimony from the intelligence community on Treaty Doc. 103-1, the START II Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Thursday, June 24, at 10:00 a.m. for a markup on the following items:

LEGISLATION

S. 101, a bill to establish a National Commission on Executive Organization Reform.

S. 404, the Federal Employees Fairness Act.

S. 24, the Independent Counsel Reauthorization Act of 1993.

S. 1130, the Federal Employees Leave Sharing Amendments Act of 1993.

S. 1131, to extend the method of computing the average subscription charges, under section 8906(a) of title 5, United States Code, relating to Federal employee health benefits programs.

H.R. 588, designating a post office facility in Beaver, UT, as the "Abe Murdock United States Post Office."

S. 464, designating a post office facility in Pulaski, TN as the "Ross Bass Postal Office."

H.R. 490, Conveyance of Land to Columbia Hospital for Women.

NOMINATIONS

Roger Johnson, to be Administrator, General Services Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, June 24, 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, June 24, 1993, at 10:00 a.m., to hold a hearing on S. 716, to require that all Federal lithographic printing be performed using ink made from vegetable oil.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURAL RESEARCH, CONSERVATION, FORESTRY AND GENERAL LEGISLATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry subcommittee on Agricultural Research, Conservation, Forestry, and General Legislation be allowed to meet during the session of the Senate on Thursday, June 24, 1993 at 2:30 p.m. on the administration's below-cost timber sale policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DEFENSE TECHNOLOGY, ACQUISITION AND INDUSTRIAL BASE

Mr. FORD. Mr. President, I ask unanimous consent that the subcommittee on Defense Technology, Acquisition, and Industrial Base of the Senate Armed Services Committee be authorized to meet on Thursday, June 24, 1993, at 3:00 p.m. in open session to receive testimony on the Department of Defense research and development programs for education, environment and medical technology in review of the Defense authorization request for fiscal year 1994 and the future years' Defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EUROPEAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on European Affairs of the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Thursday, June 24, 1993, at 2:00 p.m. to hold a hearing on U.S. policy on Ukrainian security.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FOREIGN COMMERCE AND TOURISM

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Foreign Commerce and Tourism, of the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, June 24, 1993, at 10:00 a.m. on U.S. environmental technology in the global marketplace.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., June 24, 1993, to receive testimony on S. 208, a bill to reform the concessions policies of the National Park Service, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SECURITIES

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate, Thursday, June 24, 1993, at 10:00 a.m. to hold a hearing on private securities litigation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NAFTA AND A RECENT VISIT TO MEXICO

• Mr. BAUCUS. Mr. President, 3 weeks ago, I visited in Mexico as head of a Montana trade delegation. Today I will report on that visit, and my views of the proposed North American Free-Trade Agreement in light of my experience there.

I met with business, labor, and government leaders in El Paso, Juarez, and Mexico City. I spoke with maquiladora employees, the mayor of Mexico City, Mexico's Commerce Minister and our Ambassador. I came back convinced of two things.

First, the NAFTA is a great opportunity for America. Second, it comes with risks in the environment and labor areas. We need strong side agreements to avoid these risks.

THE NAFTA'S BENEFITS FOR THE UNITED STATES

When you get down to basics, NAFTA will mean fair trade. Today, we have a one-way free-trade agreement with Mexico, in Mexico's favor. Our tariffs on Mexican goods average 4 percent. Over 30 percent of Mexican goods come into the United States duty-free. By contrast, Mexico's tariffs on American products average 10 percent—2½ times as high as ours. By bringing both to zero, the NAFTA will make our one-way free-trade agreement a two-way free-trade agreement.

Second, NAFTA will mean exports. Mexico is already our third largest export market. It trails only Canada and Japan. United States exports to Mexico grew from $12.4 billion in 1987 to $40.6 billion last year. Our billion-dollar trade deficit with Mexico turned into a $5.4 billion surplus. As Mexico grows we will have even more export opportunities.

Third, the NAFTA means jobs. The International Trade Commission reports that it will create a net gain of up to 95,000. Fifteen separate studies agree.

Fourth, the NAFTA means growth. It will permanently raise American GDP by 0.5 percent. That does not sound like much—but in dollar terms it's $25 billion a year, twice as much as the stimulus package we debated last February.

The environmental technology firms who accompanied me to Mexico know what all that means on a very personal level. It means exports. It means jobs, growth, and technological development in Montana.

LEGITIMATE QUESTIONS ON LABOR AND THE ENVIRONMENT

The NAFTA's critics, however, have legitimate concerns. Environmentalists point to the border to warn us of what could happen if stronger environmental protection does not accompany increased trade. I can testify to that myself. Statistics tell us that 55 million gallons of sludge and 24 million gallons of raw sewage flow into the Rio Grande every day.

I walked down to the Rio Grande when I visited El Paso and Juarez. The Rio Grande literally stinks. It is full of sewage, garbage and industrial waste. It is an eyesore and a health hazard. A drainage canal running alongside it, nicknamed "Aguas Negras," or "Black Waters," is even worse. It directly affects the health and safety of American citizens. Infectious hepatitis in El Paso runs at five times our national rate. And as maquiladoras move up the technological ladder and use more industrial chemicals, the problem will only get worse.

Second, labor standards. Again, I can testify to what can happen if stronger enforcement of labor laws does not accompany increased investment.

I visited a family of 10 who live in Juarez. They live in a tin shack with four rooms. No running water or electricity. The two youngest daughters—age 13 and 16—work in U.S.-owned electronics assembly plants, in violation of child labor laws. Their wages support the whole family. Their mother told me that women in the area are routinely fired when they get pregnant.

A maquiladora worker showed me his weekly paycheck. He makes 70 cents an hour. The company is kind enough to come up with an extra 17 cents as a bonus for good attendance if he does not get sick. Again, a U.S.-owned plant.

These are serious problems. And I will not support a NAFTA that threatens to make them worse. We must not use free trade to pit law-abiding American businesses against plants whose costs are lower because their owners tip barrels of hazardous waste into the Rio Grande; or evade not just the United States but the Mexican minimum wage; or fire employees who want to have a baby.

But rejecting the NAFTA will not solve these problems—because they exist today, without the NAFTA. The NAFTA side agreements, in fact, give us our only chance to make progress in these areas. Strong side agreements—creating commissions on the environment and labor with independent secretariats and the right to collect data—can do the job. And as a last resort, governments need to be able to use trade sanctions if negotiations fail.

ROLE OF ROSS PEROT

Once again, the NAFTA's critics in the environmental and labor movements have made some real points. But Ross Perot is another story.

I will give Mr. Perot his due. He is a good salesman. And he has played an important part in making deficit reduction a national priority. But on the NAFTA, it is time to say that the emperor has no clothes.

I have read Mr. Perot's interviews and seen his national "informercial." And he is way off base. His arguments mix a couple of legitimate economic arguments with bogus job loss statistics; irrelevant comments about the national debt and the cost of ads in the New York Times; and a lot of simplistic, fear-mongering one-liners about "giant sucking sounds" to try and discredit the NAFTA regardless of what is in it.

A comment he made to the Washington Post a few weeks ago is a perfect example. He said: "Go across the Texas border and look at all those plants in Mexico. You're looking at tomorrow."

Well, that is just what I did. I went across the Texas border. I looked at those plants. And I was not looking at tomorrow—I was looking at today.

Companies are moving today. About 600,000 American jobs have already gone to Mexico without the NAFTA. They will continue moving whether the NAFTA passes or not. The same is true of border pollution and labor problems. They exist today without the NAFTA. And if we reject the NAFTA, we will lose our chance for strong side agreements that solve those problems.

What else will we lose of NAFTA fails? We will not see cuts in Mexican tariffs. We will not win access to Mexican services markets. American automakers will have to continue making their cars there to sell them there. Over 30 percent of Mexican exports will keep coming into the United States duty-free. We will lose a great opportunity to export environmental technology.

We will lose a lot if the NAFTA fails. And we will keep the status quo. Companies will keep moving to take advantage of weak environmental and labor standards. The border problems will keep getting worse. We will continue to have one-way free trade in Mexico's favor. I do not want that. Does anybody here?

CONCLUSION

My trip to Mexico reinforced my views on the NAFTA, and on the side agreements. Together, they will be good for America. The administration is right to stick to their guns on both of them. We are on the right track, and we ought to stick to it.•

TRIBUTE TO CHARLIE JOHNSON

• Mr. McCONNELL. Mr. President, I rise today to honor a gentleman who has spent his adult life making significant contributions to the Louisville community. Charlie Johnson, president and chief executive officer of Active Transportation Co., is a shining example of a successful entrepreneur and citizen.

Charlie Johnson is no stranger to Louisville. Though a Columbus, GA, native, he has been in the area since he was a star football player for the University of Louisville Cardinals in the mid-1960's. The powerful 6-foot-3 288-pounder was an imposing presence for the Cardinals as well as throughout his 6-year pro career. The highlight of his athletic life was winning the 1970 Super Bowl with the Baltimore Colts.

Mr. President, it is not the fact that he was an outstanding professional football player that separates Charlie Johnson from other individuals. Unlike some sports stars, Charlie planned on having an equally successful life following his days in football. Armed with his degree from the University of Louisville he set out to conquer the business world as he had his football opponents.

Today, Charlie Johnson is the head of one of the largest minority-owned trucking companies in the United States. His companies employ about 300 people and operate a fleet of 240 trucks.

Mr. President, Charlie is described as a marketing genius by those who know him best. But when he is asked the secrets of his success his simple reply is that he believes in listening to people, noting that often the smallest suggestions make the most significant differences. Mr. President, that is advice that everyone in this Chamber could benefit from.

Mr. President, I ask my colleagues to join me in paying tribute to this outstanding Louisvillian. Charlie Johnson has taken the discipline and teamwork that he learned on the football field and applied those same concepts to his business life. His success is a wonderful example for all Americans to follow. In addition, I ask that a March 22, 1993, article from Business First be included in the RECORD.

[From Business First, Mar. 22, 1993]

CHARLIE JOHNSON HAS LIVED UP TO HIGH EXPECTATIONS

(By Roger Harris)

As the biggest kid in school and an all-state football player who drew 85 college scholarship offers; Charlie W. Johnson's hometown fans in Columbus, Ga., always expected him to deliver the goods.

"It's almost like he's someone God sent to Columbus," says Johnson's longtime friend Wallace Davis. "People in Columbus really think a lot of Charlie."

Johnson, now a Louisville business executive, has always delivered, never disappointing his hometown, says Davis.

When Johnson was selected by the San Francisco 49ers in the 1967 National Football League draft, "you could hear bells ringing all over Columbus," says Davis, a high school teammate of Johnson's and a fellow NFL alumni.

He hasn't played football for 20 years, but Johnson is still delivering.

As president and chief executive officer of Louisville-based Active Transportation Co., Johnson, 48, heads one of the largest minority-owned trucking companies in the United States. He also is co-owner of another Louisville-based trucking company—Automotive Carrier Services.

Together the two companies employ about 300, operate a fleet of 240 trucks and have annual revenues of about $5.6 million.

His customers include two of the nation's industrial giants—Ford Motor Co. and General Electric Corp.

Johnson started in the trucking business in 1983 with the creation of Johnson/Houston Corp., a partnership that he owns with Wade and Alice Houston.

The Houstons moved to Knoxville, Tenn., five years ago when Wade Houston was named the head basketball coach at the University of Tennessee. But the partners keep in touch by telephone and Alice Houston usually spends one day a week in the Louisville office, Johnson says.

Johnson/Houston, in partnership with Jaspar Industries Inc., a Chicago-based trucking company, owns Active Transportation.

A separate company owned by Johnson and the Houstons—H.J. Industries—is the majority owner of Automotive Carrier.

Automotive Carrier and Active Transportation ranked fourth and fifth, respectively, on Business First's list published March 15 of the largest black-owned companies in metropolitan Louisville.

The trucking enterprise has operations in seven states—Kentucky, Texas, Georgia, Florida, Pennsylvania, New York and New Jersey.

When they started the trucking business, Johnson and the Houstons had no idea that their business would grow the way it has.

"We started on our kitchen table (in Louisville) with me doing the books," says Alice Houston. "We didn't know where it would go."

But now, Johnson talks of eventually reaching sales of "around $100 million."

It wouldn't surprise Alice Houston, president of Automotive Carrier.

"He's a marketing genius," says Alice Houston. "For someone who never had formal business training he intuitively knows what is necessary. He has some sixth sense that is absolutely uncanny."

Johnson makes no claim to being the only one responsible for the companies' success. Far from it, he says.

A solid partnership with the Houstons, the support of Ford Motor Co., and the good fortune to hire quality people are what have made the company what it is, Johnson says.

But his business partners give ample credit to Johnson.

Wade Houston, former assistant basketball coach at the University of Louisville, says Johnson has a rare ability to get along with people.

Whether it's an employee or a corporate chief executive officer, Johnson knows how to communicate, Wade Houston says.

"To be successful in business, as any professional endeavor where you have something to sell, you have to be able to communicate with people and Charlie can do that," says Wade Houston.

A big man—6-foot-3 and not far from the 288 pounds he carried on the football field—Johnson could rely on intimidation to get his way.

But that's not his style, says Lenny Lyles, a Louisville businessman and former U of L and professional football player who helped recruit Johnson for the Cardinal football team. "He's got that big ol' voice, but he's kind of fun," says Lyles. "He's real down to earth."

An emphasis on communicating with customers and employees is one of the big reasons that the trucking companies are successful, Johnson says.

"We have a real people organization," says Johnson. "We have people who believe in teamwork. We believe in listening to people."

If anyone in the business has an idea about how to do something better, Johnson is more than willing to listen.

Even the smallest suggestions can make a big difference, he says.

Take door chips, for instance. Giving a dealer trucks or cars with paint chipped off the door isn't the best way to make your customer happy, Johnson notes.

The problem was solved when one of Johnson's drivers came up with a better idea.

"When you drive a car up on a truck you don't have much clearance when you get out of the car," Johnson says. "We were having a problem hitting the doors, when one of our drivers came up with an idea for staging the cars a little differently to get a little more clearance. It solved the problem."

Overcoming business problems is something that Johnson knows a lot about.

When he and Wade Houston first went into business together, they took some serious knocks before things clicked.

Their first business venture was an unsuccessful attempt to build a grocery-store chain. Starting in 1979 with one store at 38th and River Park Drive, Johnson and Houston had ideas of "competing with the big boys," Johnson says.

But their timing wasn't good, notes Alice Houston.

Soaring inflation, cuts in the federal food-stamp program and a series of break-ins combined with absentee management killed the fledgling business after less than two years, Alice Houston says.

"We had to sell it," Johnson recalls. "We had some loans with the city and the Small Business Administration, and we just had to get out from under."

The first-time entrepreneurs lost $80,000, Johnson says.

Such an experience teaches valuable business lessons.

"Neither of us wanted to leave the safety net of corporate America, but we learned a tough lesson that if you are going to have a cash business, somebody with an ownership interest has to be there," Johnson says.

At the time, Johnson was working full-time as a supervisor at the Ford Truck Plant, and Wade Houston was a teacher and basketball coach at Male High School.

Johnson says the discipline and teamwork that he learned as a ball player prepared him well for dealing with the ups and downs of running a business.

"I attribute a lot of things in my life to sports," says Johnson, "Sports give you the dedication, commitment and the perseverance that I think you need in business."

Perseverance was Johnson's and Houston's watchword.

After the grocery venture, the two partners tried "a series of smaller things that never really got off the ground," Johnson says.

In 1983, they formed Johnson/Houston Corp. with the idea of getting into the trucking business.

Having been involved with transportation while working at Ford, Johnson knew something about the trucking industry.

"I saw a need," Johnson says, "I didn't see a lot of minority trucking companies doing business then."

When they started in the trucking business, Houston was coaching at U of L, so it was decided that Johnson would be the man in charge of day-to-day business.

"It seemed like the natural thing to do," Johnson says.

Originally, Johnson and Houston thought about hauling garbage to landfills, but that didn't work out. Instead, they landed a parts-hauling contract with Ford.

Johnson's friendship with Wade Houston started when they were roommates at the university. An instant bond formed between the tall, muscular kid from Georgia and the taller kid from Alcoa, Tenn.

"We hit it off right away," says Johnson.

The friendship grew, even while Johnson was banging his way around the NFL and Houston was starting his coaching career.

Johnson came back to Louisville in 1973 following a six-year pro career that included playing on the Super Bowl champion Baltimore Colts in 1970.

"I had lived in Baltimore, San Francisco and (Washington) D.C., but my friends were here," Johnson says. "I had good relationships here. It seemed like it would be easier to make the transition from pro ball."

In addition to friendships, Louisville held one other very important attraction—U of L. Johnson was determined to finish his degree.

"I came into college as a student-athlete and that's exactly what it meant to me," Johnson says. "The importance of getting an education was always instilled in me."

His parents left no doubt what they expected of their children when it came to school, Johnson says.

Despite the adulation and pressure of being a high school football star, Johnson says the support of his parents, four brothers and one sister kept him focused on getting an education.

When his father—a Methodist minister—died before he graduated from high school that family support became even more important, Johnson says.

Johnson always took school seriously, says Davis. In addition to being a star athlete, Johnson was a star in the classroom, making the honor roll in high school and the Dean's List in college, Davis says.

Johnson's high school coach, Otis Spencer, remembers him as a "good student who worked hard and didn't do much messing around."

It was largely because of Spencer that he picked U of L over other schools, Johnson says. Spencer respected the program of former Cardinal coach Frank Camp and sent at least a dozen of his players to Louisville, Johnson says.

Although the Columbus-Cardinal connection was strong, Spencer recalls a time when

Johnson called him from U of L and said he was leaving school.

"I asked him where in the hell was he going," says Spencer, 73, and retired after 34 years of teaching and coaching. "He got quiet then. I said the street is full of fools. That was the last I heard of that."

No one has ever accused Johnson of being a fool, says Lyles.

Johnson stayed in school and kept his sights on the future. And although he hadn't finished his degree when he started his pro career, Johnson studied in the off-season.

While playing pro ball, Johnson took courses at the University of San Francisco and the University of Maryland. When his playing days were over he needed only 15 hours to graduate.

In 1974, after returning to U of L, Johnson completed his bachelor's degree in history.

Now it was time to start getting down to business and building a future for his wife, Bettie, and their children, Charlane, now 22; and David, now 18.

"When his pro career ended he talked a lot about his son and daughter," says Davis. "He was concerned about his children getting a good education and how he would make that happen."

Making that happen meant securing his financial future, Johnson said. During his career, football salaries were a far cry from the big bucks that players earn today. The $30,000 that he made in his best NFL year is less than today's minimum, Johnson says.

"While playing pro football I talked with Lenny about life after football," Johnson says. "I knew I wanted to get into business, but I wasn't sure what kind of business."

Lyles says he never doubted that Johnson would be a business success.

"I knew he was always trying to be an entrepreneur," says Lyles. "It was just going to be a matter of time before he found what he wanted."

Johnson says the support of friends such as Lyles were crucial to his business success.

"He's always been sort of a big brother to me," Johnson says. "He's a giving person and he gets involved with people. I think he saw in me character traits that he liked, and we just kind of hit it off.

When Johnson makes a friend, that friendship last forever, no matter what happens, says Davis, who has known Johnson since junior high school.

"He's the kind of man who would give you his last penny," says Davis. "When he signed with the 49ers, he donated money to the church (in Columbus) so it could make some repairs."

Although the trucking business demands considerable time, Johnson believes in staying involved with the community. He serves on the U of L board of trustees; is on the executive board of the Boys Scouts of Kentuckiana; and is on the board of stewards at Quinn Chapel AME Church.

Having himself benefited from having role models to follow while in high school and college, Johnson hopes his businesses success serves as a role model for black youth.

"Everybody needs a role model," he says. "Unfortunately minorities don't have enough role models in businesses like Lenny Lyles was for me. If you have a role model, you can set your sights a little higher. It gives you the vision to do something; I think most people just don't have that vision."

In the spring following his final year in a U of L uniform, Johnson's vision was focused on the pros.

Big, fast and confident, he knew he could make it to the big time.

"I knew I was good enough," he says.

But it almost didn't happen.

Johnson remembers sitting around on draft day waiting for the phone to ring. Not long after the first round of the draft began, Johnson got a call from Vince Lombardi, the legendary coach of the Green Bay Packers.

Lonbardi wanted to talk money. Pro football in those days wasn't like it is today. No smooth-talking agent eager to represent that nation's top college players.

Johnson was on his own to negotiate with Lombardi, notorious for paying his players as little as possible.

"I had talked to Lenny about what players were making so I thought I knew what to expect," Johnson says.

Johnson mentioned a dollar amount and Lombardi said he'd call back, Johnson recalls with a rumbling laugh.

When the second and third rounds came and went, Johnson admits to a slight case of the nerves. The anxious moments ended in the fourth round when San Francisco called.

And once again, Johnson had delivered, says Davis.

"People expected a lot out of him," says Davis, "but just the way he carried himself you knew he could do it.•

EAST ROCKAWAY FIRE DEPARTMENT, 100TH ANNIVERSARY PARADE

• Mr. D'AMATO. Mr. President, I rise today to speak of an event that is going to take place on Saturday, July 24, 1993. The special event is a parade in honor of the East Rockaway Fire Department's 100th consecutive year of volunteer fire, rescue, and emergency protection.

Back in 1893, as community spirit grew, men with vision such as Carman Simmons and Henery Floyd Johnson, sought ways to improve life in our community. So, on November 11, 1893, they formed a volunteer fire department named Vigilant Engine No. 1, with 27 charter members. One week later 21 additional names were added to the rolls. Less than 1 month after Vigilant Engine Company was formed, a motion to purchase the first apparatus of the East Rockaway Fire Company was approved as the formation of Vigilant's sister company—Protector Hook and Horse Company No. 1 was also approved. Both Vigilant Engine Company and Protector Hook, Ladder, and Hose Company became incorporated under one name: East Rockaway Fire Department Inc., late in 1893. Both companies are still located within the original firehouse, located at Main and Front Streets, East Rockaway, NY.

The East Rockaway Volunteer Fire Department has faithfully and courageously served its community and surrounding districts for an incredible 100 years. I would like to pay tribute to the men and woman of this very special fire department who risk their lives each and every day in order to protect the lives and property of our collective community. And I ask that my colleagues join me in saluting the accomplishments of the Rockaway Fire Department. We can all feel safer knowing that the dedicated men and women of the Rockaway Fire Department are always close, always prepared, and always ready to help.•

USD STUDENT WINS PUBLIC SERVICE SCHOLARSHIP

• Mr. DASCHLE. Mr. President, it is with great pleasure that I present to my colleagues an essay by an outstanding individual from my State of South Dakota. Larry Selzler, currently an undergraduate at the University of South Dakota, is one of nine national winners of the 1993 Public Service Scholarship, given annually by the Public Employees Roundtable.

Larry has devoted much of his life to serving his country and his community. He served for 6 years in the U.S. Navy, an experience that branded him with a respect for the importance of teamwork and commitment. Larry has worked as a job counselor in the Job Service Program of South Dakota and has assisted with physical therapy at a VA hospital. His understanding of the dedication required for effective public service will serve him well in his future career with the Department of Veterans Affairs.

In an age when cynicism often overwhelms sincerity, Larry's essay is a refreshing example of the real rewards that a career in public service can offer. I congratulate him on his achievement and offer him my best wishes for the future. I ask that his essay be printed in the RECORD.

The essay follows:

WHY I HAVE CHOSEN A PUBLIC SERVICE CAREER

Although the benefits and pay are excellent, I have deeper interests for a career in public service. Through previous experiences I have worked with public servants who are committed professionals who set high standards for themselves. As a result, I want to be a member of this type of quality team. Also, much of what I have is due in part to public services. I received my education in public schools and now am attending the University of South Dakota. Furthermore, I spent six years in the United States Navy and am currently a member of the Naval Reserves. I enjoy serving my country in this capacity. These opportunities are made available by hard working members of public services. Consequently, I want to be in public service so I can give back what I have received and ensure that these and other services are available to others.

My first public service experience was in 1984 when I joined the U.S. Navy. The people I worked with are dedicated professionals with very high standards for themselves and those around them. Working with this caliber of professionals taught me to set high standards and goals for myself. While in the Navy I had the opportunity to work as a counselor at Guantnamo Bay, Cuba. Through this experience I discovered how much I enjoyed being part of a team and helping people. Consequently, when I left the Navy I joined the Naval Reserves, so I could continue to be a part of the Navy's team.

During my first summer at college I worked at the South Dakota Job Service in Vermillion, South Dakota. My responsibilities were to help South Dakotans find jobs or receive the training they needed. The teamwork in this office was phenomenal. They set challenging team goals and strove hard to achieve them. The professional atmosphere of this office encouraged me to continually push and challenge myself. Ultimately, I want to be a participant in this type of atmosphere.

Since 1992 I have been working at the University of South Dakota in the Computing Services Department, which provides valuable technical support to the university. Again, I found the team professional, dedicated, and very hard working. Department members take the initiative to remain current in a very volatile field. Our team encourages and challenges each other. This team spirit and dedication to the job ultimately influences others.

In addition to working at the University of South Dakota, I work at the Veteran's Hospital in Sioux Falls, South Dakota. In my position in the Physical Therapy Department, I have the opportunity to assist patients in their recovery. I do not think I could find a better group of people to work with, not just those in Physical Therapy, but the entire staff. Here too, I have found nothing but dedicated professionals helping others.

Through these experiences at the various agencies, I find myself continually challenged. Working with the caliber of people in these agencies is similar to the difference between competition with Olympic caliber and second string athletes. Competition with Olympic caliber athletes provides the challenge to achieve higher goals. Besides the benefits of being a member of a high quality, professional team, a career in public service would enable me to repay some of what I have received. Furthermore, I want to be assured that there will be quality service and dedicated people to challenge and encourage the next generation.●

DISTANCE

● Mr. JEFFORDS. Mr. President, it is with great pride that I rise today to introduce a poem composed by 10-year-old Hannah Pick of Putney, VT. While a fifth grader at the Putney Central School, Hannah wrote this poem about her 83-year-old grandmother, Katherine Scholl, who has Alzheimer's disease. Katherine Scholl has been a resident at the Thompson Nursing Home in Brattleboro for the past 6 years. For 13 years prior to that time, Hannah's grandfather, Julian Scholl, took care of his wife at home.

The poem is entitled "Distance," and Hannah writes about her longing to overcome the separation which Alzheimer's disease has brought about between herself and her grandmother. One of the cruelest effects of Alzheimer's disease occurs when those who are afflicted become unable to recognize even their loved ones. While recognizing the limitations of their ability to communicate with and understand one another, Hannah ends her poem with a beautiful celebration of the value and virtues which her grandmother still possesses even in the advanced stages of the disease.

Hannah and her family dramatize the need to address long-term care in any health care reform plan to be considered by this Nation. Currently, the family is faced with an excruciating choice between continued institutional care for Katherine or college for Hannah. A fledgling talent such as Hannah is owed more. Any child is owed more. I am proud to submit this moving and insightful poem for the RECORD.

The poem follows:

DISTANCE

(A poem about my grandmother—by Hannah Pick, age 10)

There she is
Sitting in her chair
Looking out the window
Listening to Bach or Beethoven
Humming to herself
Sometimes I wonder
What she's thinking about
But not a word will come out
Not a word spoken
Except for an occasional word of understanding
But even so
It is not to my understanding
A wall of mist
Is keeping us separate
That's all
It's as if she wished to know me
But can't
Sometimes a smile
Will spread across her wrinkling face
Smiling at me
Like the mist had broken
Just for a minute
Not long enough
Her white hair
Is wild
And reaching
Reaching out to life
Her eyes are searching
Searching for love
I love her so much
But I don't know if she understands
If a kiss will mean anything to her
If a hug will too
I wonder
But even so she's smiling
Hanging on to life
As though she's really happy
Even if she can't talk
She can laugh
She can smile
And she can love●

BOSNIA AND HERZEGOVINA

Mr. FEINGOLD. Mr. President, today at the World Conference on Human Rights in Vienna, Pakistan introduced a special declaration on Bosnia and Herzegovina. The resolution was passed by a vote of 88 to 1, Russia, with 54 abstentions.

To my disappointment, the United States and the European Community countries abstained. Evidently, the U.S. representative to the conference is opposed to consideration of specific resolutions at this conference. I disagree, Mr. President, because while there are severe human rights abuses occurring throughout the world, the ethnic cleansing, systematic rape, and vicious land grabs perpetrated by the Serbs demand special outcry and condemnation.

As an international group of human rights advocates meets just 200 miles from Bosnia and Herzegovina, it is fitting that the majority of the delegates committed themselves to preventing and punishing genocide in the Republic of Bosnia and Herzegovina. It is appropriate that they rejected any acquisition of territory in the Republic of Bosnia and Herzegovina by the use of force. And it is wise that they called upon the world community to lift the arms embargo against the Republic of Bosnia and Herzegovina in order to enable it to exercise its right to self-defense in accordance with article 51 of the charter.

As the delegates correctly noted, the right to self-defense in the face of naked aggression is a human right. President Clinton has recognized this, and is working to persuade our European allies. He made a great step forward this week when German Chancellor Helmut Kohl, in response to a letter from President Clinton, announced his support to lift the embargo.

I sincerely regret the United States position on this resolution, but I am encouraged by President Clinton's efforts to move in the right direction on Bosnia and Herzegovina. I also offer my congratulations to the delegates who supported this language, and thank them for their efforts to recognize the tragedy of Bosnia.

Mr. President, I ask that a copy of the resolution be printed in the RECORD.

The resolution follows:

RESOLUTION

The United Nations World Conferences on Human Rights, mindful of its objective to uphold and promote full respect for and effective promotion of human rights, and bearing in mind its appeal made to the Security Council on the tragedy in the Republic of Bosnia and Herzegovina, declares that,

The tragedy in the Republic of Bosnia and Herzegovina, characterized by naked Serbian aggression, unprecedented violations of human rights and genocide, is an affront to the collective conscience of mankind,

Hundreds and thousands of innocent civilians have been slaughtered, incarcerated and forced to flee their homes because of the reprehensible policy of ethnic cleansing. Over 40,000 Bosnian women have been subjected to the gruesome crime of rape,

At present, over 70 per cent of the territory of a State Member of the United Nations, the Republic of Bosnia and Herzegovina, is under Serbian occupation, the remaining few towns under Bosnian control are under constant siege and their residents are being deliberately starved,

This situation calls for urgent and resolute action by the international community,

Therefore,

The United Nations World Conference on Human Rights categorically condemns the ongoing aggression against the Republic of Bosnia and Herzegovina, the heinous practice of ethnic cleansing, war crimes and crimes against humanity, particularly the extermination of its Muslim population.

The World Conference believes that the practice of ethnic cleaning resulting from Serbian aggression against the Muslim and Croat population in the Republic on Bosnia and Herzegovina constitutes genocide in violation of the Convention on the Prevention and Punishment of the Crime of Genocide.

The World Conference affirms that the failure of the international community to prevent and punish genocide and redress atrocities in the Republic of Bosnia and Herzegovina calls into question the commitment of the international community to the protection of fundamental human rights and freedoms all over the world.

The World Conference strongly condemns Serbia-Montenegro, the Yugoslav National Army, the Serbian militia and the extremist elements in the Bosnian Croatian militia forces as perpetrators of these crimes.

The World Conference, in order to restore the credibility of and the trust in the United Nations as the custodian of international law and human rights, gives the highest priority to addressing the tragic situation in the Republic of Bosnia and Herzegovina and urges the international community to assume full responsibility to restore peace and stability in the Republic of Bosnia and Herzegovina based on the principles of justice, independence, sovereignty, unity and territorial integrity, including the inviolability of its internationally recognized borders.

The World Conference urges the world community and all international bodies, in particular the Security Council, to take forceful and decisive steps for effective measures of peace-making in the Republic of Bosnia and Herzegovina with a view to:

1. Preventing and punishing genocide in the Republic of Bosnia and Herzegovina.

2. Rejecting any acquisition of territory in the Republic of Bosnia and Herzegovina by the use of force, and calling upon all occupying forces to withdraw immediately from those territories.

3. Calling upon the Security Council to implement the Vance-Owen Peace Plan under Chapter VII of the Charter of the United Nations.

4. Immediately implementing an effective cease-fire, accompanied by the neutralization of all heavy weaponry, which should be placed under the control of the United Nations Protection Force, and the interdiction of all arms supplies to Serbian forces operating in the Republic of Bosnia and Herzegovina.

5. Simultaneously implementing effective measures to secure the roll-back of invasion unless the invading forces voluntarily withdraw.

6. Lifting the arms embargo against the Republic of Bosnia and Herzegovina in order to enable it to exercise its right to self-defense in accordance with Article 51 of the Charter and implementing all necessary measures under the Charter in order to reverse the aggression perpetrated by Serbian forces and the extremist element in Bosnian Croatian forces against the Bosnian Muslims.

7. Extending immediate humanitarian help for the relief of persons in beseiged towns and cities as well as other victims.

8. Restoring the sovereignty, independence and territorial integrity of the Republic of Bosnia and Herzegovina.

9. Implementing speedily Security Council resolution 808 (1993) of 22 February 1993 which established an international tribunal for the prosecution of persons responsible for serious violations of international humanitarian law committed in the territory of the former Yugoslavia since 1991, and bringing immediately to trial all persons suspected of committing crimes against humanity, including war crimes.

10. Effectively eradicating the tragic consequences of the aggression and the human rights violations in the Republic of Bosnia and Herzegovina, by way of joint international efforts for the reconstruction of the political and physical institutions of the Republic of Bosnia and Herzegovina.

11. Enabling all refugees, deportees and displaced person to return safely to their homes in the Republic of Bosnia and Herzegovina and restoring their properties, hence rejecting any documents signed by them under duress.

12. Strongly warning against and rejecting any intention to use the safe-haven areas in the Republic of Bosnia and Herzegovina as permanent refugee camps which perpetuate the fruits of aggression, occupation and territorial gains.

The World conference, on behalf of the international community, pledges its solidarity with the people and the Government of the Republic of Bosnia and Herzegovina, and urges the Security Council to fulfill its responsibilities under the Charter of the United Nations, particularly under Article 24, by taking all prompt and effective measures in order to restore peace and affirm the independence, sovereignty and territorial integrity of the Republic of Bosnia and Herzegovina and uphold the human rights of its people.●

SOURCES OF PAYMENT AND PROFITS ASSOCIATED WITH SALES OF AZIDOTHYMIDINE [AZT]

● Mr. PRYOR. Mr. President, today, I am placing in the RECORD the summary of a report which identifies the primary sources of payment for the drug azidothymidine, which is commonly known as AZT, and estimates the amount of profits made by the drug's manufacturer, Burroughs-Wellcome. AZT is the primary treatment used for HIV-infection. The report was completed by Dr. Thomas McLaughlin of the Harvard Medical School faculty in Boston.

This report suggests once again what many of us have thought all along: that Burroughs-Wellcome has made extraordinary profits on a critical, life-extending medication. What makes this especially troublesome is the fact that the American taxpayers supported the lion's share of the development of this drug. Now, Americans are spending hundreds of millions of dollars each year to buy back a drug which evidence suggests, at a very minimum, we should have co-owned in the first place.

Here are just a few facts from the report:

The majority of AZT sales in the United States—about 50 percent—have been paid for by the Federal and State governments through Medicaid and Medicare. In fact, the report estimates that between 1987 and 1996, cumulative AZT Medicaid costs will total $845 million. This estimate increases to $925 million if special Federal grants to States to buy AZT for the indigent are included in the total.

Of special concern is the report's conservative estimate that, through August 1992, Burroughs-Wellcome has reaped almost $600 million in profits on total AZT sales of $1.4 billion, 43 percent of total AZT sales.

At this pace, worldwide AZT profits are expected to increase to $1.3 billion by August 1996, half of which will come from the U.S. market.

We have all known that the Federal Government, in particular the National Institutes of Health, had a substantial role in the discovery and development of AZT as a treatment for HIV infection. Because of this, it is very disturbing and surprising that the Federal Government did not seek coownership of this drug at the outset.

It is also difficult to understand how Burroughs-Wellcome can justify these high profit levels based on research and development costs for AZT. That is because the AZT compound was discovered in the early 1960's, and was sitting on a shelf for over 20 years before NIH discovered that it was active against the HIV virus. NIH supported much of the clinical research, bore the physical risk, FDA expedited the approval of the drug, and the company received generous orphan drug tax credits that further reduced its costs. The Federal Government is still supporting postapproval clinical trials. What did the American taxpayer get in return? An unusually high bill for a vital medication.

Dr. McLaughlin's report does a very credible and reliable job of collecting, analyzing, and projecting data about AZT's profit levels. However, Burroughs-Wellcome is certainly welcome to challenge these numbers by opening its books, and telling us exactly how they justify the profits for AZT.

Two other drug manufacturers are currently challenging Burroughs-Wellcome's patent in order to break the monopoly and provide the drug to the American public at a more reasonable price. I call upon the Department of Justice to assist where it can in determining whether the American taxpayer rightfully deserves coownership of the patent on AZT.

Finally, I call on the Congress to enact legislation this year to assure that all Government-developed technologies which are transferred to the private sector, especially pharmaceuticals, are priced reasonably for the American taxpayer. Anything less is an abdication of our fiduciary responsibilities.●

FACES OF THE HEALTH CARE CRISIS IN MICHIGAN: THE HIGH COST OF INSURANCE FOR THE SELF-EMPLOYED

• Mr. RIEGLE. Mr. President, I rise today in my continuing effort to put a face on the health care crisis in our country. Today, I want to tell the story of Ann and Barry Robbins from Farmington Hills, MI. As self-employed small business owners, the Robbins struggle to pay the high cost of health insurance for their family. Ann wrote to me earlier this month, outlining how expensive and difficult it is for an individual family to purchase health insurance when they are not part of a larger group.

Barry and Ann are in their midthirties and have four children under age 9 named Justin, Kurtis, Brent, and Derek. The Robbins have owned and operated their own construction business since 1985. They are the sole employees of the company.

The family has always purchased health insurance as Ann and Barry recognize the need to protect themselves and their children against serious injury or illness. However, Ann fears that their small business will not be able to survive for long if the costs continue to escalate. Currently, the Robbins pay over $3,600 per year in health insurance premium costs alone.

In addition to paying for premiums, Ann estimates the family spends $2,000 per year in other out-of-pocket medical expenses primarily because they have a $250 yearly deductible for each family member under this current policy. The family has to pay for doctor visits, prescription drugs and other medical services until they reach the $250 threshold for each person/child. At that point, the insurance pays 80 percent of the cost and the family is responsible for a 20 percent copayment.

Ann has changed insurance companies several times because of increasing premium costs and changes in what the policy covers. In August 1991, she switches to a basic family policy, dropping her higher cost maternity insurance policy after the birth of her fourth child.

However, Ann and the family paid a price for switching policies. Derek, the newborn, needed to see a specialist and have x rays performed to diagnose a weak valve in his esophagus. Ann was initially told by the insurance agent that her new policy would cover Derek's medical expenses. When the bills were submitted, the company refused to pay because of a preexisting condition clause. Ann and Barry were forced to pay $485 to cover the cost of the x rays and the visit to the specialist.

As self-employed workers, the Robbins have had a difficult time buying insurance for the family. Some insurance companies will not even offer the family a policy, since they are not part of a group. They were told that if their business had six employees or more they could purchase group coverage. In her letter Ann wrote that she is discouraged by the options available to self-employed individuals. She pointed out, there is very limited access to medical insurance policies for the self-employed.

Self-employed people should have access to the same affordable coverage as larger employers. Small businesses should not be discriminated against because they do not have the purchasing power of a group.

Establishing and running a small business can be risky and stressful. Ann and Barry Robbins do not need the additional worry of finding affordable health care coverage. They deserve the peace of mind that comes with having health insurance coverage for their family.

To help families such as the Robbins, I will continue to work for national health care reform to make affordable health insurance available to everyone.•

* * *

ORDERS FOR TUESDAY, JUNE 29, 1993

Mr. FORD. Mr. President, on behalf of the majority leader, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until 9:30 a.m., Tuesday, June 29; that following the prayer, the Journal of Proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each, with the first hour of morning business under the control of Senator BYRD, with Senator GRAMM, of Texas, recognized for up to 10 minutes, and Senator GORTON for up to 15 minutes; and that on Tuesday, June 29, the Senate stand in recess from 12:30 p.m. to 2:15 p.m. in order to accommodate the respective party conference luncheons.

The PRESIDING OFFICER. Without objection, it is so ordered.

* * *

RECESS UNTIL TUESDAY, JUNE 29, 1993, AT 9:30 A.M.

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess, as previously ordered.

There being no objection, the Senate at 3:32 a.m., recessed until Tuesday, June 29, 1993, at 9:30 a.m.

* * *

NOMINATIONS

Executive nominations received by the Senate June 24, 1993:

DEPARTMENT OF EDUCATION

RAMON C. CORTINES, OF CALIFORNIA, TO BE ASSISTANT SECRETARY FOR INTERGOVERNMENTAL AND INTERAGENCY AFFAIRS AND FOR HUMAN RESOURCES AND ADMINISTRATION, DEPARTMENT OF EDUCATION.

DEPARTMENT OF ENERGY

VICTOR H. REIS, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF ENERGY (DEFENSE PROGRAMS), VICE RICHARD A. CLAYTOR, RESIGNED.

DEPARTMENT OF STATE

ROBIN LYNN RAPHEL OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS. (NEW POSITION)

* * *

CONFIRMATIONS

Executive nominations confirmed by the Senate June 24, 1993:

DEPARTMENT OF LABOR

MARIA ECHAVESTE, OF NEW YORK, TO BE ADMINISTRATOR OF THE WAGE AND HOUR DIVISION, DEPARTMENT OF LABOR.

DEPARTMENT OF ENERGY

ARCHER L. DURHAM, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF ENERGY (HUMAN RESOURCES AND ADMINISTRATION).

WILLIAM J. TAYLOR III, OF TEXAS, TO BE AN ASSISTANT SECRETARY OF ENERGY (CONGRESSIONAL, INTERGOVERNMENTAL, AND INTERNATIONAL AFFAIRS).

WILLIAM H. WHITE, OF TEXAS, TO BE DEPUTY SECRETARY OF ENERGY.

DEPARTMENT OF EDUCATION

SHARON PORTER ROBINSON, OF KENTUCKY, TO BE ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION.

JUDITH A. WINSTON, OF THE DISTRICT OF COLUMBIA, TO BE GENERAL COUNSEL, DEPARTMENT OF EDUCATION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

CONGRESS NEEDS TO PASS CAMPAIGN FINANCE REFORM

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. MAZZOLI. Mr. Speaker, if there is one unmistakable lesson of the 1992 election season, epitomized most dramatically by the 19 percent of the Presidential vote taken by Ross Perot, and the Federal term limit initiatives passed by 14 States, it is that the people want an end to money-dominated and money-centered politics.

In the 1992 election cycle, candidates for the House and Senate spent more money than ever before—to the tune of $678 million. This figure represents a 52-percent increase in campaign spending from the 1990 cycle. Furthermore, political action committee [PAC] contributions to congressional candidates increased from $150 million in the 1990 cycle to $180 million in the 1992 election cycle.

To be sure, the spending increase was fueled, in part, by an increase in the number of open seat elections and by congressional redistricting, but it is also evidence of a disturbing trend in our country: the skyrocketing costs of running and winning a Federal election campaign.

Furthermore, just after the 1992 election, a nonpartisan organization which studies the influence of money on elections reported that the average winning Senate candidate spent $2.7 million compared to $1.5 million spent by the average losing Senate candidate. The average winning House candidate spent $400,000 compared to $140,000 by the average losing House candidate. These statistics illustrate further that in the modern political campaign, money is—in many instances—a decisive, if not deciding factor. By no means is it true that the lower spending candidate always loses. But, the statistics indicate that noncompetitive elections are often noncompetitive on a financial level as well.

The broader problem, which undermines the faith of the people in Congress and in their Government in Washington, is that today's elections are, in many cases, not fought over ideas and legislative records. Rather they are fought about money; about who has more money; and who can purchase the most effective—often negative!—television commercials. The first step in turning this trend around is reforming the way Federal candidates are elected.

In my view, real campaign finance reform means eliminating the advantages that incumbents have in raising and spending money, curbing the prominence of political action committee contributions to candidates, restraining overall campaign spending, and opening the airwaves to allow both incumbent and challenger to "get their message out."

President Clinton and congressional leaders have put forward a campaign finance reform proposal which makes strong inroads toward reforming the current unlevel and uneven campaign playing field. It is very similar to the campaign finance reform bill that President Bush vetoed—unwisely in my view—last year. The current plan contemplates a mix of public and private campaign funds designed to put challengers on equal footing with incumbents, and to encourage small campaign contributions from people at the grassroots.

The bill begins by proposing voluntary campaign spending limits at $600,000 for House candidates, and between $1.2 million and $8.2 million for Senate candidates depending on State populations. I believe this is a major step in the right direction. In my view, the voluntary spending limits will not hurt challengers who, as the statistics have shown, rarely spend that much money, but it will put a dent in the often enormous financial advantages of incumbents.

Because of the Supreme Court ruling in the Buckley-Valeo case of 1976, any limit on campaign spending must be voluntary in order not to encroach upon first amendment rights. President Clinton's bill contemplates, as an incentive for candidates to abide by the voluntary spending limits, a system of publicly financed communication vouchers to purchase television, radio, and newspaper advertising.

The communication vouchers would only be eligible to House candidates who have proven their electoral credibility by raising 15 percent of the spending limit in individual contributions of $200 or less. The vouchers would only be eligible for Senate candidates who have raised 10 percent of the States's spending limit in contributions of $250 or less. House candidates would be eligible for up to one-third of the spending limit—$200,000—in communication vouchers, and Senate candidates for vouchers worth up to one-fourth of the State spending limit.

Without question, public financing is the most controversial part of campaign finance reform. And, at this writing, the Senate has voted to eliminate public financing from its version of the campaign finance reform bill. Nonetheless, I support partial public financing as originally proposed in the President's plan. It required a candidate who wished to qualify for partial public financing—in the form of communication vouchers for purchasing radio and television time—to raise a threshold amount of funds in small donations from people at the grassroots, which is where, I believe, campaigns ought to be run. And, it must be noted that the communication vouchers, though paid for by the Treasury, would be financed by eliminating the tax deduction for lobbyists, and by raising the voluntary income tax checkoff from $1 to $5.

In my view, partial public financing is not an entitlement program for politicians, as some would say, but rather a way to insure that elections are financed with funds that come with "no strings attached." We have had a public financing system of the Presidential system for some years now. And, using some public resources at the congressional level means that credible challengers will have a fighting chance in elections against incumbents. At the end of the day, partial public financing will result in a better brand of lawmaking by reducing the access of special interests—who do not alway have the broad public interest at heart—to legislators.

In any reform plan, I believe it is crucial to curb the influence of political action committees. To illustrate how important a ban—or a tight limit—on PAC's is, the most recent Federal Election Commission [FEC] report indicated that of the $180 million contributed by PAC's to congressional candidates in 1992—$127 million went to incumbents, $32 million to open seat candidates, and only $21 million to candidates challenging incumbent Members of Congress.

These statistics undermine the often heard argument that PAC's level the playing field and make races more competitive. They do the exact opposite by giving virtually all of their money to the incumbents.

The President's plan would address this issue by limiting the total amount that Federal candidates could accept from PAC's to $200,000—one third of the $600,000 limit—for House candidates, and to 20 percent of the State spending limit for Senate candidates.

While I would have proposed an outright ban on political action committee contributions—and have introduced my own legislation to accomplish this goal—the current proposal would mark the first time that Congress has attempted to limit the aggregate amount of special interest money which candidates can accept.

More troubling in the current bill is that House candidates would still be allowed to accept $5,000 campaign contributions from PAC's. This level is much too high, and it needs to be reduced. At this writing, the Senate has voted for an outright ban on PAC contributions to Senate candidates. My hope would be for the House to accept the Senate position, but if that is not possible, then at the least to reduce the maximum allowable PAC contribution to $1,000—the maximum currently allowed for individuals. Quite frankly, I also believe that the current maximum individual campaign contribution should be lowered from $1,000 to $500 or $100.

The President's proposal would also prohibit the use of soft money—or sewer money as it has been called by the New York Times—which is money raised and spent outside Federal elections laws. And, the proposal would prohibit the bundling of campaign contributions—a practice often used to circumvent individual donation limits. These provisions are very encouraging, and would represent a very positive change in campaign financing.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Ultimately, the goal of my campaign finance reform bill must be for it to make elections more competitive by giving challengers the opportunity to be more competitive. Despite what some detractors say, this legislation goes in that direction. At the end of the day, if there is not a stronger bill still standing, I will support this one.

Mr. Speaker, the message from the 1992 elections is clear. Congress must not shy away from the task we face or else we risk further alienating people from the political process. Congress must bring politics back to the average, grassroots people who, in my opinion, often today—we must sorrowfully admit—do not feel their voices are heard in Washington over the clamor and clatter of big money.

NAFTA: HUMAN RIGHTS IS A THREE-WAY STREET

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. LAFALCE. Mr. Speaker, now is a particularly appropriate time to think about the link between the North American Free-Trade Agreement and human rights. At the opening session last week of the U.N. World Conference on Human Rights, Secretary of State Warren Christopher asserted the universality of human rights—that labor, civil, and political rights are basic rights regardless of historical, cultural, or religious tradition. He pledged the United States to pursue an ambitious action plan that represents the U.S. commitment to human rights.

It is appropriate that we put special emphasis on ensuring human rights protection at home in the Americas. One of the steps pledged by Secretary Christopher is to ratify four international human rights treaties one of which is the American Convention on Human Rights. This convention provides countries in the Americas the principles and standards for human rights compliance, and gives recourse to a commission and an Inter-American Court of Human Rights. At a time when the United States, Canada, and Mexico are discussing new supplemental provisions for NAFTA, I believe we must also keep in mind that free trade should be conducted in an atmosphere of civic and political freedom, where human rights are respected and enforced.

This came to mind vividly when Cardinal Juan Posadas of Mexico was shot dead at the international airport in Guadalajara. Much speculation has occurred on whether it was accidental or planned, and whether the circumstances of his death are linked to his resistance to cooperating with the mob rather than being in the wrong place at the wrong time. I am submitting to the RECORD an article by Andrew Reding which details not only questions about the cardinal's death but other suspicious activities in Mexico that clearly infringe on political freedoms and human rights.

At the same time, I bring to your attention a study by the Minnesota Advocates for Human Rights on human rights conditions in Mexico, Canada, and the United States. Minnesota Advocates is a respected, independent organization of lawyers and other advocates committed to human rights. It was founded in 1983 and has over 1,000 members. Minnesota Advocates believes that the North American partners should agree to the binding enforcement of international human rights law. It calls on the North American partners to link their commitment to free trade to a new commitment to the inter-American system of human rights enforcement. I am also submitting a summary of their report and recommendations, entitled "No Double Standards in International Law," to the RECORD.

Joining an economic partnership under NAFTA's umbrella is a critical step for all three countries. We should not ignore the economic, political, and civil human rights that are central to free peoples. We must examine not only our own actions but the records of our potential partners before we conclude NAFTA.

[From the Washington Post, June 14, 1993]

MEXICO: CORRUPTION FROM THE TOP

(By Andrew Reding)

When Mexican president Carlos Salinas took office four and a half years ago, he promised sweeping economic and political reforms. The government would promote free markets, clean up electoral fraud and corruption, fight drug trafficking and democratize the Institutional Revoluntary Party, which has run Mexico single-handedly for 64 years. Though Salinas has restructured the economy, recent events highlight his failure to pursue meaningful political reform, a failure that is undermining economic reform and calls into question the rush to implement free trade.

The assassination of a Mexican cardinal, coming as it did amid reports drug traffickers are gearing up on the border in preparation for free trade, is but one of several warning signals. The Mexican government first claimed Cardinal Juan Posadas had driven into an exchange of gunfire between rival drug gangs, then revised the story, saying drug traffickers mistook the prelate for a rival kingpin. Even with a willful suspension of disbelief, one is left with the fact that a cardinal was gunned down in what should be one of the most secure locations in Mexico; the international airport in Guadalajara, second only in importance to Mexico City.

Yet reports from the scene suggest more than lax security. Eyewitnesses said the cardinal was shot from a distance of four feet and that federal police seemed to assist the killers in escaping. Eight of the assassins boarded an Aeromexico flight for Tijuna, yet authorities made no attempt either to turn the plane back or meet it on its arrival in Tijuana two hours later. Last week, seven law enforcement officials, two of them high-ranking were arrested in connection with the cardinal's death. A few days later, a reputed drug lord, Joequin Guzman, also was captured in the case.

However disturbing the details, there is little reason for surprise. Cardinal Posadas was the only remaining authority figure in Guadalajara not perceived to be cooperating with the mob. Guadalajara, it should be remembered, is where U.S. DEA agent Enrique Camarena was tortured and murdered by police acting on behalf of drug traffickers eight years ago. In the ensuing trial in Los Angeles, witnesses named then-governor Enrique Alvarez del Castilo as one of several high-level government collboratiors of the Gudalajara cartel.

Far from investigating the charges, President Salinas made Alvarez attorney general of Mexico. Even after a public outcry about human rights abuses forced Alvarez's removal, Salinas merely reassigned him to another lucrative federal post. Not only did this impede any serious investigation of the Camarena case and the Guadalajara cartel, it also underscored the extent to which Mexican officials are above the law.

Even as Mexican troops staged "photo opportunities" of narcotics being burned, the president of Mexico was sending an entirely different message down the chain of command: that the worst sanction a high party official could face for corruption was transfer to another well-paid job; and with any luck the official might even be promoted, perhaps to overseeing the national police.

A further example of institutionalized impunity has surfaced with the scandal surrounding former transportation and communications minister Andres Caso Lombardo. Last December, Caso's ministry handled what were supposed to be competitive bids for a new air traffic control system. Yet when IBM representative Kevah Moussavi refused to pay a $1 million bribe solicited by government officials, the contract went to a joint Italian-French venture. Though bribery (the infamous *mordida*) continues to be business as usual in Mexico, what was unusual in this case was that Moussavi spilled the story to the press.

Rather than use this as an opportunity to clean house, the Salinas administration responded with a cover-up. Newly-appointed Interior Minister Patrocinio Gonzalez held a joint press conference with Caso, in which the latter accused Moussavi of lying. Though Caso is untouchable in Mexico, he now faces charges of libel filed by Moussavi in the British courts. Knowing their case could not stand cross-examination, Caso and his PRI cohorts are wrapping themselves in the Mexican flag to avoid answering the charges.

Far more serious than the particulars is the implicit message from Mexico's ostensible champion of reform. In February, President Salinas personally met with 29 of the country's most prosperous businessmen to ask them to contribute $25 million apiece to the PRI. Since it is almost impossible to do business in Mexico without being on good terms with the government, the request was tantamount to extortion, and all participants anted up. Only after the affair was publicized abroad did the Salinas administration relent, reducing the contributions to a still-appreciable third of a million dollars per person.

That the beneficiaries of government policies, in this case the new owners of privatized companies, are being asked for kickbacks to the ruling party suggests how shallow Salinas's reforms have been. So does Salinas's removal of the crime of "illicit enrichment," which was instituted by his predecessor, from the proposed new federal penal code.

For lack of political reform, Mexico's economic reforms are being undermined by pervasive corruption, a corruption that is being seized upon by drug cartels to expand their penetration of Mexican officialdom and by unscrupulous businessmen to secure preferential treatment. In this context, the assassination of a cardinal and the attempts to extort kickbacks from IBM and domestic companies are wake-up calls to the dangers of opening our borders to free trade with a country whose government insists on maintaining one-party rule at the cost of subverting the free market and the rule of law.

MINNESOTA ADVOCATES CALLS FOR LINK BETWEEN HUMAN RIGHTS ENFORCEMENT AND NAFTA

In a report released in December, Minnesota Advocates for Human Rights calls on Canada, Mexico, and the United States to link their participation in the North American Free Trade Agreement (NAFTA) with a new commitment to enforce international human rights law. The report is titled No Double Standards in International Law.

President Clinton has called for supplemental agreements to NAFTA to ensure the enforcement of labor and environmental laws in all three countries. President Salinas has also called for agreements about other Mexican concerns, such as problems of discrimination and violence against Mexican nationals along the U.S. border.

A mechanism for international human rights enforcement already exists: the inter-American system of human rights of The Organization of American States (OAS). Until now, however, neither Canada, Mexico, nor the United States has committed itself to the binding enforcement of international human rights law through the OAS. Minnesota Advocates for Human Rights urges all three NAFTA countries to insist on full participation in the inter-American system.

The cornerstone of the inter-American system is the American Convention of Human Rights, which guarantees a full range of civil and political rights, including the right to "participate in public affairs, directly and through freely elected representatives." Parties to the American Convention agree to allow the Inter-American Commission of Human Rights to investigate allegations of human rights abuses in their country. Parties can also accept the mandatory jurisdiction of the inter-American Court, which can make binding decisions under the Convention. Mexico has ratified the American Convention, but Canada and the United States have not. Not even Mexico, however, has accepted mandatory jurisdiction of the Inter-American Court.

"No Double Standards" sets out recent examples of human rights abuses in the United States and Mexico to demonstrate the need for full participation in the inter-American system of human rights. In the United States, human rights groups have documented arbitrary violence and detention of Latinos in the U.S.-Mexico border region. The Center for Human Rights and Constitutional Law has filed a petition before the Inter-American Commission on behalf of victims of border violence. Since the U.S. is not a full participant in the inter-American system, however, the ability of the Inter-American Commission to verify these facts is limited. In addition, there can be no appeal to the Inter-American Court for a binding decision in these cases.

"No Double Standards" also describes how human rights abuses in Mexico have limited the political participation of people in that country. Despite electoral reform in 1990, and recent promises by the Salinas administration to assure free elections, extensive fraud was documented in this summer's elections in Michoacán and Veracruz. In just over a year, five governors and governors-elect in Mexico have resigned due to allegations of electoral fraud.

"No Double Standards" also documents abuses in Mexico that chill the activities of human rights activists, labor leaders, and environmentalists. As No Double Standards points out, labor, environmental and other concerns raised by NAFTA cannot be fully addressed until the rule of law is established and human rights are protected within each country.

TRIBUTE TO DR. MORRIS WESSEL

HON. SAM GEJDENSON

OF CONNECTICUT

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. GEJDENSON. Mr. Speaker, on June 27, New Haven will celebrate Morris Wessel Day in Edgerton Park. This special event will provide a unique chance to pay tribute to a man who has made a tremendous impact on our community. As this occasion approaches and Dr. Wessel prepares to retire, we would like to join in recognizing his remarkable achievements.

In more than four decades as a pediatrician, he has set an exceptional standard—both in caring for his patients and in assuming an active role in local affairs. A pioneer in Yale-New Haven Hospital's rooming-in project, which forever changed the relationship between mothers and newborns, Dr. Wessel is widely respected for his professional expertise. He has been a clinical professor of pediatrics at Yale, and an early researcher into the effects of lead poisoning on children. He is also an accomplished author, having written an outstanding book on methods of raising children.

In every profession there is an ideal which we wish all members of the profession could achieve. Morris Wessel comes as close to being the model physician as anyone we have ever encountered. His commitment, accessibility and availability are unsurpassed. His medical expertise and diagnostic ability—even over the telephone—exceed that of most people's onsite evaluations.

But Morris Wessel is much more than a medical expert. Generous and compassionate, he is revered for the sensitivity with which he treats each patient. His gentle manner and easy sense of humor are renowned, and have made him a favorite of generations of children in Greater New Haven. To them, he has always been—in addition to a superb doctor—a trusted friend. From a personal standpoint, for the Gejdenson family traveling from Washington to Connecticut just to keep Dr. Wessel as the children's pediatrician was well worth the time and energy.

He is also a leader in the community. From his seminal role in Connecticut hospice to his membership on the board of Women's Health Services, Dr. Wessel has served in a number of vital capacities, each characterized by his unusual vision and commitment. Yet his primary concern continues to be young people, their health and their future. In a sense, he is a wonderful father not just for his own four children, but for all of our children.

Morris Wessel is retiring now, and hundreds of his patients, friends, and other admirers will gather on Sunday to thank him for making such a difference in their lives. We are pleased to help honor Dr. Wessel—an outstanding physician and an extraordinary person.

SUPPORT DEMOCRACY IN VIETNAM

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. DORNAN. Mr. Speaker, I wish to take this opportunity to speak about the continuing plight of the people of Vietnam, who are among communism's last slaves, and also to recognize the efforts of some very important people who despite their oppressive conditions, are working to alleviate the suffering of their nation and bring about democratic reforms.

Even as communism crumbles elsewhere around the globe, Vietnam's 69 million people still suffer under totalitarianism. The size of the Vietnamese diaspora—victims of their country's brutal political system—rivals that of any other nationality. Today, over 80,000 refugees languish in five southeast Asian countries of first asylum and Hong Kong and Macau. Many more have been either forcibly returned to their homeland, or have found refuge in other nations. The United States itself is home to 700,000 Vietnamese, the largest Vietnamese population outside of Vietnam. Because of our historical link to Vietnam, I believe we have a special responsibility not only to support the Vietnamese people in principle, but also to push on the diplomatic front for an end to human rights abuses in Vietnam, and actively back those individuals who are attempting to improve conditions there.

I currently serve as the honorary president of the American Chapter of the International Committee for a Free Vietnam. The ICFV, through its international forum, seeks to focus world attention on the deplorable state of human rights in Vietnam. Until recently, however, the main beneficiaries of their information campaign have been the Vietnamese community abroad and those among the international community who remain sympathetic to the Vietnamese people. But now there exists a group of courageous individuals inside Vietnam who are attempting to give a voice to the people themselves, and force the issue of democracy at great personal risk. This group, the Movement to Unite the People and Build Democracy, was officially established in July 1992. The movement eschews violence as a way to advance their cause. Their stated goal is to awaken the citizens of Vietnam to the changing of the political climates from that of a cold war to a peaceful cooperation, and establish a pluralistic and democratic political system. These are goals we should all share.

Though the movement was established almost a year ago, the identities of its founding officers were not revealed until last December due to fear of government reprisal, a fear justified by recent events in Vietnam. Several members of the movement have recently been brought in for questioning by government officials in an orchestrated campaign of intimidation. Subsequently, some have suffered from an unknown illness, and one has died of undetermined causes.

The Vietnamese Government understandably is concerned that democratic ideas could be disruptive, or maybe even catch on. They saw what happened in the Soviet Union and Eastern Europe. But more importantly, they remember how things were different in China in 1989, when students in Beijing—the newly educated classes—got a dose of democracy. An iron hand, one the Soviets were either unwilling or unable to wield in the final days, is a far more manageable tool in dealing with domestic unrest than is allowing for a pressure-valve release of ideas. The government in Hanoi will be watching the movement carefully to gauge both popular and international support.

This is why the time to stand up for democracy in Vietnam is now. If the leaders of this movement stand alone, they can't succeed for long. As the postcold war stewards of democratic principles, the United States should be willing to move the establishing of democracy in Vietnam to the forefront of our foreign policy objectives. There are compelling reasons to begin working toward a rapprochement with Vietnam. But before we take any steps toward cooling our relations, it is paramount that the issues that divide us are resolving during the rapprochement process. A swift accounting of the whereabouts of our missing servicemen and a sincere effort on the part of the Hanoi government to improve human rights and discuss democratic pluralism for its people, must come before we improve relations. We should make this our policy and our goal. In this, we would be well advised to do all we can to assist the movement to unite the people and build democracy in their brave struggle.

This Sunday, on June 27, I will have the honor of addressing the International Committee for a Free Vietnam on the occasion of the inauguration of their eastern regional chapter. There has never been a more opportune time for the advancement of democracy in Vietnam, and the ICFV is at the forefront of this movement. I urge my colleagues to join with me in wishing them well in their expanding venture, and I further urge them to become actively involved in this fight for democracy in Vietnam. I commend the ICFV for all it has already done to help get out the word on what are the continuing needs of the Vietnamese people. And I look forward to the day when we can all visit a free, democratic, and prosperous Vietnam.

WORLD FOOD DAY, HOUSE JOINT RESOLUTION 218

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. GILMAN. Mr. Speaker, today I am introducing House Joint Resolution 218, a resolution designating October 16, 1993, and October 16, 1994, each as "World Food Day." For a full decade, Congress has enthusiastically supported this commemorative day. The day has played a vital role in galvanizing national and international attention to the critical problem of world hunger.

I want to take this occasion to commend Pat Young, the national coordinator of World Food Day, for her tireless efforts in orchestrating educational events worldwide. With the demise of the Select Committee on Hunger, Pat's organization and other similar organizations need more support than ever before. I ask that the full text of the executive summary of the 1990 World Food Day Teleconference Report along with House Joint Resolution 218 be printed in full in the RECORD at this point.

H.J. RES. 218

Whereas hunger and malnutrition remain daily facts of life for hundreds of millions of people in the world;

Whereas the children of the world suffer the most serious effects of hunger and malnutrition, with millions of children dying each year from hunger-related illness and disease, and many others suffering permanent physical or mental impairment because of vitamin or protein deficiencies;

Whereas the United States has a long tradition of demonstrating humanitarian concern for the hungry and malnourished people of the world;

Whereas there is growing concern in the United States and in other countries for environmental protection and the dangers posed to future food supply from misuse and overuse of land and water, loss of biological diversity and erosion of genetic resources on a global scale;

Whereas the world community increasingly calls upon the United States to resolve food problems stemming from local conflicts and civil unrest—such as in Somalia and the former Yugoslavia—calling for the use of peacekeeping forces as well as the provision of emergency food supplies;

Whereas the United States plays a major role in the development and implementation of interregional food and agricultural trade standards and practices, and recognizes the positive role that food trade can play in enhancing human nutrition and in the alleviation of hunger;

Whereas although progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain groups, notably Native Americans, migrant workers, the elderly, the homeless, and children, remain vulnerable to malnutrition and related diseases;

Whereas our Government is now preparing a National Plan of Action for nutrition wellbeing in accordance with the commitment made at the recent International Conference on Nutrition;

Whereas the conservation of natural resources, the preservation of biological diversity and strong public and private programs of agricultural research are required for the United States to remain the largest surplus food producer in the world and to continue to aid the hungry and malnourished people of the world;

Whereas the United States is and must remain the world leader in the development of biotechnology aimed at enhancing the improved production, safety and quality of the world food supply;

Whereas the Congress of the United States is aware of an strongly supports plans and preparations for the International Conference on Plant Genetic Resources planned for 1995;

Whereas participation by private voluntary organizations and businesses, working with national governments and the international community, is essential in the search for ways to increase food production in developing countries and improve food distribution to hungry and malnourished people;

Whereas the member nations of the Food and Agriculture Organization of the United Nations unanimously designated October 16 of each year as World Food Day because of the need to increase public awareness of world hunger problems;

Whereas past observances of World Food Day have been supported by proclamations by the Congress, the President, the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States, and by programs of the Department of Agriculture, other Federal departments and agencies, and the governments and peoples of more than 150 other nations;

Whereas 450 private voluntary organizations and thousands of community leaders are participating in the planning of World Food Day observances in 1993, and a growing number of these organizations and leaders are using this day as a focal point for year-round programs; and

Whereas the people of the United States can express their concern for the plight of the hungry and malnourished people throughout the world by study and action and by fasting and donating food and money: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 16, 1993, and October 16, 1994, are each designated as "World Food Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe World Food Day with appropriate ceremonies and activities, including worship services, fasting, education endeavors, and the establishment of year-around food and health programs and policies.

25TH ANNIVERSARY TRIBUTE TO F.O.C.U.S., NEWARK, INC.

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the accomplishments of the Field Orientation Center for the Underprivileged Spanish, or F.O.C.U.S. Newark, Inc., on the occasion of their 25th anniversary.

F.O.C.U.S. Newark, Inc., officially opened its doors to the Hispanic community in 1968, and since then has continually provided social and educational services in Newark and Essex County. In a quarter-century of service, F.O.C.U.S. Newark, Inc., has assisted over 160,000 economically disadvantaged residents of the city of Newark, providing increased educational opportunities, improved social services, employment counseling and placement services, youth services, senior citizen programs, and emergency assistance and family support services.

As the oldest Hispanic community-based organization in the State of New Jersey, F.O.C.U.S. Newark, Inc., has served the residents of Newark and surrounding towns in Essex County without regard to race, ethnicity, color or creed, and has been instrumental in assisting these individuals and families in their striving to make a better life for themselves.

Today, June 24, 1993, the city of Newark expresses its appreciation for the services of those dedicated community activists by celebrating F.O.C.U.S. Newark, Inc., Day. I want to take this opportunity to join the chorus of voices who today will praise the achievements of F.O.C.U.S. Newark, Inc., and urge community activists across the Nation to recognize and imitate their example.

EMBRACING A GLOBAL ECONOMY WITHOUT BORDERS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. CRANE. Mr. Speaker, before the leaders of the industrialized nations meet next month in Tokyo, I hope that they all take the opportunity to read the following article by Akio Morita, a leading Japanese industrialist and chairman of Sony, who outlines an enterprising and bold proposal to lead this world into the 20th century through the promotion of the free market and global economic harmonization. In order to stimulate growth—an outcome in all of our national interests—Mr. Morita correctly emphasizes the need to eliminate current economic barriers between the United States, Japan, and the European Community in order to establish a level playing field for business and investment between the three countries.

Mr. Morita further espouses the broadening of free trade in an effort to harmonize the different business practices and regulations between the major exporting countries. This is an idea I have long endorsed and, to this end, I have introduced legislation, H.R. 763, which would establish free trade agreements with countries in the Pacific rim. In line with Mr. Morita's comments, this legislation and similar measures would serve to resolve the current trade disputes that are souring the political relations between our major trading partners and allies.

As the domestic affairs of the United States become increasingly linked to global events, the United States, Japan, and the European Community need to recognize and embrace the global direction of our economies. The world is currently linked politically through the framework of the United Nations and other international organizations. However, our economies, business practices, and trade laws remain almost incompatible to the detriment of global growth and production. I commend Mr. Morita for anticipating the world to come—a global economy without national borders—and embracing its potential and opportunities.

The article follows:

TOWARD A NEW WORLD ECONOMIC ORDER

(By Akio Morita)

Gentlemen: You will soon assemble in Tokyo for the next G–7 summit. You will be asked to consider many important questions. I would like to add one more to your agenda—one that I believe has an overarching significance to your task as stewards of the world economy.

I am a businessman, not a statesman or a politician. However, I know that all of you share a belief in the new importance of business and economics as dynamic forces underpinning the peace and prosperity of our world.

So perhaps you will be willing to listen to an ordinary businessman whose company does a great deal of business in each of your countries, and hear out my argument for how all of us in North America, Europe, and Japan might be able to work together to remove barriers to the free-market system and make it more open, more inclusive, and freer than it is at present.

The proposal I ask you to consider is that we begin to seek the ways and means of lowering all economic barriers between North America, Europe, and Japan—trade, investment, legal, and so forth—in order to begin creating the nucleus of a new world economic order that would include a harmonized world business system with agreed rules and procedures that transcend national boundaries. You, as political leaders, have the power to take the steps necessary to make the increasing de facto globalization of business the most creative, positive, and beneficial force it can be, rather than the source of new international conflict. I believe that if you can go down this road together, we will also establish the basis for a much more equitable sharing of the burdens, responsibilities, and costs of international leadership.

Perhaps you will find it surprising that such a proposal comes from a Japanese businessman. Many people are skeptical about Japan's commitment to free and fair trade. Let me assure you that I recognize the reasons why outsiders consider Japan "unfair." My proposal to you is closely connected to proposals I am making inside Japan that action be taken to break down the walls of what often appears to outsiders to be a "Fortress Japan." It is clear that Japan has much work to do to open its domestic market and to help create a favorable climate for harmonization of the global trading system. Japan cannot and should not deny that reality.

During the Gulf War, U.S. President George Bush spoke about the need for a "new world order." What he meant by that was a new political and military-security order to deal with the challenges of the post-Cold War period. Certainly we need that. But the world also needs a new economic order, focused on international economic security.

Some will say the program outlined here is overly idealistic. But new appeals for greater global cooperation almost always sound too idealistic at first, with critics rushing to point out the likelihood that they will founder on contradictory national politics, reflecting contradictory national interests.

As we are increasingly discovering, however, all our nations have a "national interest" in doing what is best for the global economic interest. My proposal is offered in that spirit.

AT THE EDGE OF THE TWENTY-FIRST CENTURY

Just as we have arrived in sight of the twenty-first century, the leading economies of the world find themselves at a startling and unexpected juncture. The Cold War is over. What used to be called the Soviet threat is disappearing, and the triumph of democratic values and free-market economics is taking place worldwide.

And yet . . . Amid what might have been considered near-utopian conditions just a generation ago, we face new and complex challenges that threaten the peace and prosperity we have achieved. Throughout the "Triad" (the developed economies of North America, Europe, and Japan) recent economic downturns have revealed troubling long-term structural questions. Some big corporations have lost their way. Political systems are ossified and corroded, unable to deal with new challenges and suffering declining popular trust. Meanwhile, the extreme nationalisms that are splintering many countries and societies with such tragic results threaten to influence the world to move in a more nationalist direction.

We all pay lip service to the notion that we live in an increasingly interdependent global village. Yet we seem willing to forget about interdependence when it comes to problems that require national governments to emphasize the "give" part of the give-and-take equation. We all talk about how we favor global growth and ever-freer world trade, and yet we rarely comment on what we are willing to give up to achieve those aims.

All of us are also paying for the mistakes of the past decade. As it turned out, the 1980s were a bit like Alice's descent into Wonderland. The border between economic reality and fantasy was blurred. To differing degrees this is true of the "Roaring Eighties" of America, the wave of "Europhoria" that swept the European Community, and the "Bubble Economy" in Japan.

The 1990s have emerged as a decade of sober awakenings. Economic growth rates for the industrialized world as a whole have plunged from an average of four percent in 1988 to less than two percent in 1992. The need to pay off excessive debts taken on in the past, the downsizing of large corporations, the demographics of graying populations, the shift away from manufacturing economies to service businesses in which productivity gains are often elusive, and other factors combine to suggest the average annual economic growth in the Triad may continue to hover in the two percent range over the next few years—unless creative action is taken to nurture and stimulate sustainable growth.

True, we are witnessing some cyclic economic recovery in the United States. Europe and Japan will probably follow. But many indicators suggest that while we will have growth, it may be slow. We face not just a cyclic challenge but a systemic one that requires an overall rethinking of some long-held views on global business.

Slow growth constrains the financial resources of governments and the investment plans of business. When business lacks confidence, it is hard to invest for the sake of long-term objectives. Under such conditions it is doubly hard to find the investment capital needed to tackle our huge responsibilities to help less developed countries and the emerging market economies trying to rebuild after decades in communist straitjackets.

In truth, many of the biggest security challenges are no longer primarily military in nature. The fact that the total output of Eastern Europe and the former Soviet Union has shrunk by a third since the fall of the Berlin Wall is a dangerous early-warning signal of possible threats to democracy and stability. Today's international security requires economic peacekeeping as well as traditional military peacekeeping. But to do our job as economic peacekeepers—to be able to provide the kind of aid that Russia and other countries emerging from communism need over the long term—we must have both the political will and a positive economic climate in our own countries to back it up.

The atmosphere of slow growth also highlights the precarious balance between the economic and political clocks of history. The inspiring drive toward a single Europe slowed down significantly in the past year. Superficially, the cause appeared to be public fear of ceding too much power to a supranational European Community. But underneath, public concerns were fueled by poor economic performance in key countries. Similarly, the North American Free Trade Agreement (NAFTA) has faced a series of new obstacles even after having been agreed to and signed by the leaders of Canada, the United States, and Mexico. In U.S.-Japan relations both sides have found it more convenient to focus on their own domestic problems than to consider what kind of new, cooperative initiatives befit two such interdependent economies. And the General Agreement on Tariffs and Trade (GATT), the world's most far-reaching multilateral economic institution, has experienced a wrenching, traumatic period of conflict as some small but powerful national lobbies have managed to stall progress on a new framework for freer global trade.

This bit of recent history underscores the fact that we cannot count on market mechanisms alone to create a new economic order. We also need political vision, organized discussion and debate, and new institutions that are capable of pressing on toward the goal of a borderless economy even in difficult times and even when dealing with difficult questions about how to allocate benefits and sacrifices.

Although structured political efforts to enhance crossborder free trade and establish workable global economic rules have encountered difficulty of late, we must not abandon them. In my view the right prescription for restarting global growth on a new, sustainable basis, as well as for coping with the new challenges of our times, must involve an intensification of efforts to harmonize the inner workings of major economies and business systems.

ECONOMIC HARMONIZATION

The free-market system has clearly shown itself to be superior to the failed system of centrally planned socialism. About this there can be no doubt. However, the United States, the European Community, and Japan practice somewhat different types of free-market capitalism, and each has its own strengths and weaknesses. What is needed to cope with new challenges is not a replacement of the free-market system but a strengthening of it through the harmonization of business practices.

By making the whole of the developed world essentially one big market, the harmonization of major economies can provide the stimulus needed to emerge from what otherwise might be a prolonged period of slow growth worldwide. This is particularly true for the increasingly technology-intensive manufacturing sector, which requires global markets to justify its huge investment needs. A thriving high-tech manufacturing sector, generating ever newer and more innovative products, is the key to a growing positive spiral of market demand and employment. Harmonization is also crucial to the expansion of the advanced, innovative service sector of the economy, where few international rules now exist. Financial, information, and telecommunications services, for example, have inherently global markets, yet face a myriad of conflicting regulations and standards in different countries which prevent them from growing efficiently on a global scale.

All business people desire a level playing field on which to compete. But it has become clear that a level playing field cannot be declared into existence, even when tariffs are removed and even when certain of the obvious nontariff barriers disappear. The history of each country and region generates political, social, economic, and cultural factors that result in a business environment unique to that nation or region. This in turn gives rise to a variety of competitive factors unique to each market, any of which can be seen as nontariff barriers by those seeking to enter from outside.

I believe that, as the engines of the world economy, the G-7 countries should commit themselves to the goal of eliminating the barriers that now stud the playing field of global competition. Over time we should seek to create an environment in which the movement of goods, services, capital, technology, and people throughout North America, Europe, and Japan is truly free and unfettered. In such an environment international businesses could minimize waste and bureaucracy. Companies could focus their competition on the truly creative areas of enterprise which yield innovation, new technology, and improved services. When business is allowed to focus on these creative areas, quantum leaps in productivity, output, and quality of life are possible.

To achieve meaningful harmonization, a variety of government regulations, along with business practices on issues from trade and cross-border investment to patents, currency rates, financial and securities regulation, tax treatment, and environmental protection, would need to be brought into rough parity. Practical agreements on particularly controversial issues—dumping, transfer pricing, and local content, to name but a few—should be developed. Multilateral institutions capable of enforcing such agreements would need to be established.

As a result, markets would become open to the full force and benefit of global competition—not just in theory but in practice. Japanese rice farmers would not be able to keep their market closed, no would Japanese *keiretsu* be allowed to exclude foreign suppliers from their production systems or imported goods from retail shelves. But neither would Americans be able to deal with perceived unfairness through methods such as unilateral tariffs. And Europeans would not be able to sit in unilateral judgment on what is or isn't a "European" car.

THE EUROPEAN EXAMPLE

"Harmonization" appeared as an important international economic concept several years ago, during the European Community's debate over how best to create a single internal market among its twelve member nations. It arose as an idea distinct from standardization. Even in Europe, where geography and history closely link many countries, it was understood that trying to standardize varying business practices would be impossible. But "harmonizing" them—bringing key laws, rules, and procedures into general conformity—was deemed possible.

After an exhaustive period of discussion and debate the EC eventually agreed on nearly 300 specific areas of harmonized rules, on issues from baking to banking. Every country has made concession; every interest group has given up something it wanted in order to keep the process going and to achieve the broader benefits. Through this process of cross-border give and take, the exit path from the conflicts bred by the era of nationalism has begun to take shape.

Today, of course, there are still those who focus on the difficulties the European Community faces in achieving greater unification. I believe, however, that history will eventually show that the Europeans are on the right road in creating an economy without national borders. Indeed, buried amid news about the EC's well-publicized difficulties is the bigger story: supranational institutions have been created to govern many aspects of European business and economic affairs—and these institutions are actually working rather well.

The EC experience with harmonization is the most advanced. But a similar process is taking place in North America, through NAFTA. In East Asia discussions about regional coordination are also ongoing at a variety of levels. While there has been concern that these regional agreements could turn into closed "fortresses" and mutually exclusive economic blocs, I take an alternative view. Particularly with regard to the EC and NAFTA, countries have already made many sacrifices and accepted certain limits on the national sovereignty. They have transcended their national boundaries and taken concrete measures to open up their markets.

What I am proposing is not at all in opposition to these regional agreements. Rather, it is the next logical step—the interregional harmonization of these three dynamic parts of the world, using groundwork already laid by the existing agreements.

BEGINNING THE PROCESS

To some economists, the word "harmonization" may connote simply a lot of bureaucratic intervention in the private sector. As that is certainly not my goal, it might be useful to look more specifically at the kinds of efforts I have in mind when thinking about the harmonization of the global business infrastructure.

Market access. All the major economies have taken important steps to reduce tariffs and to liberalize and deregulate their market places over the past generation. Even in Japan, often criticized by foreigners as "closed" huge, strides forward have been taken, so that Japan now imports more than $230 billion worth of goods annually from around the world—up more than 80 percent since 1985—including more than $50 billion from the United States.

Yet market access remains a highly contentious issue. Whether a market is open or closed, and whether foreign companies are treated fairly or unfairly, is often in the eyes of the beholder. This is especially true when it comes to product health-and-safety standards, differing rules on intellectual property, and differing systems of distribution. In addition to clearer rules and greater multinational consultation, couldn't we benefit from the establishment of a supranational arbitration panel that would investigate quickly and independently complaints about practices in specific industries, and propose specific remedies to facilitate foreign entry in areas found to be unfair or insufficiently open?

In all our countries government has emerged as a very large sector of the economy. Yet most government procurement policies provide the last bastion of a protected market for "national champion" and domestic companies. From supercomputers to automobiles, there is a strong tendency for governments to buy domestic, rather than using government's powerful platform to encourage buying global. Can't we start with this field, which government controls directly, and make a sweeping change quickly?

Anti-dumping laws. Because of the nature of the Japanese production system, companies can accept razor-thin profit margins that Western competitors find intolerable. This fact alone often leads to charges of dumping against Japanese companies when, technically speaking, they are not actually engaging in dumping. Structural, legal, and accounting differences between the Japanese business system and others add to the confusion. Currency fluctuations distort even the most objective efforts to establish whether or not a company is selling a certain export product below its domestic price or cost of manufacture. The inefficiency of the Japanese retailing system—which ends up charging *Japanese* consumers unfairly high prices for many goods—further complicates matters.

I am not arguing that no Japanese company has ever been guilty of dumping. On the whole, though, I believe that the culprit here is not any Japanese desire to undermine the competitive framework in other countries but rather the extent of the differences between the business systems. Even in cases where American or European companies have been unfairly victimized by dumping practices, the adjudication process is usually so long and drawn out that by the time a determination is made, the companies have suffered irreparable losses. The only sure beneficiaries of this process are lobbyists and lawyers who get involved in these issues and are paid whether they win or lose.

In a world where ever more products are globally traded, new, harmonized anti-dumping laws are needed to take better account of the many complexities of product pricing in domestic and foreign markets. In addition, it would seem we need an enforcement system somewhere between the slow-moving GATT and the sometimes arbitrary or at least unilateral decision-making practiced by individual government bodies. Isn't this an area where an ombudsman-type system could be set up to get quick, fair, objective rulings, as well as practical solutions to structural differences among different business systems?

Antitrust law. The United States, the European Community, and Japan have their own sets of laws in this area. What is called antitrust law in America is called competition policy in Europe and anti-monopoly law in Japan. The objectives are generally the same, but the actual practice is very different in each part of the world.

American business has been highly critical of the Japanese *keiretsu* system, which is seen by outsiders as a cartel-like approach to production and distribution. But the *keiretsu* system also has many virtues, some of which are readily recognized even by American and European critics. Similarly, the American antitrust approach, while it is obviously has great benefits in spurring competition and promoting the interests of consumers, also has noticeable shortcomings with respect to the difficulties companies face in sharing research and development, carrying out joint manufacturing, or forming various kinds of beneficial partnerships and alliances.

The basic principles of American antitrust law were developed in the first half of the twentieth century, when "competition" meant mainly competition in the domestic market among domestic companies. The laws as they were written did not foresee the day when U.S. companies would need to compete with those from other countries. Japanese attitudes, on the other hand, were shaped in a period when Japanese companies were trying desperately to recover from the ruins of war and compete in world markets.

Our systems need to be brought up to date. It would seem to be common sense that the Japanese approach to antitrust problems is probably too lax, while the American approach is probably too severe and narrow to reflect the needs of business in today's global economy. Couldn't joint study and discussion of this problem lead to simultaneous reforms of differing systems throughout the Triad, so that the gulfs between them would be narrowed? Couldn't some sort of joint arbitration panel be established to respond to complaints?

Patent rights. In a technology-driven economy, patent rights become an increasingly important issue. Discussions are in progress on harmonizing patent systems. The United States appears willing, as part of a concrete package of tradeoffs being proposed in current multilateral world patent negotiations, to consider replacing its traditional "first inventor rights" with the "first application rights" to which both Japan and Europe subscribe. This progress should become the cornerstone for broader trilateral harmonization, which Japan and the EC would change a number of their laws in order to arrive at a global system that equally and fairly protected inventors and innovators in each country.

Environmental protection. A new issue coming to the fore is the environmental regulations under which products are manufactured in different countries. If one country has stringent environmental regulations that add costs to manufacturing a certain product, should companies from another country be able to export directly competing products made under less stringent environmental rules? This issue has been central to the recent NAFTA negotiations and must be seen as an increasingly important part of all trade negotiations. The goal of the harmonization process here should be to harmonize "up," not "down"—to encourage raising all concerned to the level of those countries with the most effective environmental regulations.

The free-floating exchange-rate system. Requiring not just harmonization but active and ongoing policy coordination is the problem of the volatility of currency values in today's free-floating exchange-rate system, which acts as a kind of nontariff barrier preventing greater cross-border investment and business development. This system is a factor that keeps the global playing field in a permanently unlevel state, although one never knows to whose advantage the field will tilt.

Manufacturers who import raw materials and parts can never be sure of final production costs; those who sell in global markets can never be confident of future selling prices or profit margins. As a businessman, I find nothing more frustrating than discovering that our product, which was designed with a certain target price in mind, must now suddenly sell for a much higher price simply because currency rates have changed. I find it incredible that our investments in a certain country can lose 10 percent, 25 percent, or even more of their value almost overnight, just because a few currency traders have turned bearish on a certain currency. Consumers, naturally, cannot escape the burden of these exchange-rate-induced price distortions.

Certainly, big companies are capable of dealing with some of this volatility through currency hedging. But when industrial companies become wrapped up in financial-engineering stratagems, there is both a financial cost to be paid and a nonquantifiable cost in terms of loss of focus and efficiency. The high volatility of currency rates becomes another factor to promote short-termism, because the vast bulk of currency-futures trading is focused on the next contract, usually no more than a few months away. The huge volume of funds flowing through the system of currency speculation dwarfs the value of what flows through the trading system in physical goods and services. As a result, it is the speculators' opinions and biases that become the arbiters of value, in place of more-objective indices such as purchasing-power parity and real production costs.

It is said that free-floating currencies promote economic efficiency. Nothing could be further from the truth. What they really do is impose the irrationality of the speculator's culture on the daily lives of business people and consumers everywhere.

What is needed here is an evolutionary harmonization of the dollar, the major European currencies represented by the European Currency Unit, and the yen, so that over time we could create a common currency system throughout the Triad. We need not get rid of national currencies or lock rates in permanently. We could start with target zones, coupled with close policy coordination on the part of the major countries to keep currencies within those zones. This kind of approach has been successful at various points in taming some of the excessive volatility in currency markets, but it has yet to be truly institutionalized. Alternatively, we could move to a system of flexible currency fixing, in which values could be locked in for a certain period of time and readjusted according to agreed-upon criteria (such as purchasing-power parity) only during set review periods. Many other solutions are also possible.

The point is, we need leadership to take us out of exchange-rate anarchy and toward some kind of sustainable order that will again allow currency to play its true role in the international system: as a public-utility means of exchange for goods and services, not a commodity unto itself to be controlled for profit by a handful of speculators.

The above areas are only illustrative highlights. Many others need to be addressed—taxation and accounting systems, labor law, securities and banking law. Because the goal I propose is only a kind of rough parity, not a completely unified market, we do not need a program as comprehensive as the European Community harmonization agenda. But all the same, there is a vast amount of work to do just to establish the broad outlines of a harmonized system across the Triad.

AN END TO "FORTRESS JAPAN"

To achieve global harmonization every country must adapt. But there is no question that the greatest burden of change would fall on Japan. The Japanese business system is more different from the United States and Europe than the United States and Europe are from each other. Although there is much to commend in Japan's economic system, it is simply too far out of sync with the West on certain essential points.

Before worrying that the EC will establish a "Fortress Europe," or NAFTA a "Fortress North America," Japanese business and political leaders should look at our situation in Japan, which is perceived by outsiders as the biggest fortress of all. Japan has been late in opening its markets to the world and in ensuring the transparency of those markets. Change has come piecemeal, and often only under intense foreign pressure. Although overt protectionism has been curbed, it is clear that many foreign products still have trouble with entry into and distribution in Japanese market.

But there are more subtle—and perhaps more important—ways in which Japan stands apart from the world. I have been writing and speaking about these problems in recent months, encouraging my fellow Japanese to understand that despite our great success, we now need nothing so urgently as to "reinvent Japan"—to change fundamentally many of our ways of doing things. I have called into question, for example, the long hours and short holidays of Japanese workers. The fact that the average Japanese work year is still nearly 20 percent longer in hours than the average American work year not only detracts from the quality of Japanese life but also constituents a subtle kind of advantage in the global competition between Japanese manufactures and their foreign counterparts. A similar advantage is found in the low dividend-payout ratios of major Japanese companies, the way in which suppliers can be squeezed in the production system, and many other facets of the relationship between Japanese companies and their broader network of "stakeholders."

Inside Japan, moreover, there continues to be a producer bias, rather than the shift toward a consumer emphasis which many of our political leaders and economists have called for. Japan's great wealth remains primarily corporate wealth, and the benefits have not sufficiently filtered down to the average Japanese in terms of such things as better housing and a better material standard of life. This situation not only causes frustration among the Japanese people but also accounts for at least some of the difficulties foreign companies have in competing.

A good illustration of the problem is the way in which since the Plaza Agreement of 1985 the distribution system has worked to minimize the positive impact for consumers of the strong yen. The prices of imported goods in the Japanese domestic market have not come down in tandem with the lowered values of foreign currencies. If we were to see true price competition in some of the highly protected sectors—and a fair, sustainable method of determining currency rates on an ongoing basis—the retailers of many kinds of Japanese goods would be forced by market mechanisms to find ways to bring their prices down. In the process we would likely see increased consumer demand, a rise in imports, and the invigoration of the whole economy.

It is no longer heresy inside Japan to point out what foreign experts have long said: the Japanese system regulates excessively. According to one estimate, government regulation affects economic activities composing 40 percent of Japan's GNP. The consumer-oriented, competition-enhancing kind of deregulation that we have seen in areas such as transportation, broadcasting, telecommunications, and financial services in the United States and to some degree in Europe has not taken place as fully in Japan.

In short, certain parts of the same political and economic system that provided the foundation for developing Japan's economic power over the past forty years are today hindering progress toward free and unobstructed competition. And this outmoded system continues to present the image of a Fortress Japan to outsiders.

I have called for making nonregulation the rule rather than the exception. And I have made the case that today's Japan will not lose its competitive advantage by giving up some of the aspects of its system which it has inherited from the past. Japan's industrial and business fundamentals will become stronger if we allow the dynamics of the free market to affect our economy more forcefully. Thus we will help ourselves at the same time that we rid ourselves of the "unfair" label that keeps Japan apart from the rest of the world. And if Japan can make such changes, it will show Americans and Europeans that harmonization, with all its market-enlarging and stimulating benefits, is possible.

Not everything can be accomplished overnight. I have stressed that the right place to begin is with harmonizing concrete rules and procedures involving business and economic practices. But business harmonization must take place alongside another kind of harmonization—a kind of geo-economic, geo-political harmonization in which Japan continues to assume more burdens of world leadership. Many commentators have pointed out that the competitiveness of American business has paid a price for America's outsized responsibility in keeping world peace, and that Japan, with many fewer responsibilities and obligations, has been able to focus more narrowly on what is best for its own economy.

Of course, Japan is making progress in shouldering its global political responsibilities. Our Diet has finally passed legislation that allows limited numbers of Japanese Self-Defense Forces to be dispatched as peacekeepers to world trouble spots, for example. In those areas where Japan has been willing to assume leadership (and where other major countries have supported a larger Japanese role), the record is generally quite good. Individual Japanese who have assumed high-visibility positions—among them Sadako Ogata, the UN High Commissioner for Refugees—have been able to inspire much greater Japanese awareness of global issues, and the commitment of Japanese resources to them. Inside Japan people are beginning to talk about the need for our country to play a more active role in the UN and to find a way to qualify for a permanent seat on the Security Council. But in the years ahead there must be greater harmonization of costs, burdens, responsibilities, and powers for maintaining the peace and stability of a global system from which Japan benefits so directly.

HELPING EACH OTHER DO THE RIGHT THING

Japan is not the only country that needs to change in order to promote economic harmonization and lay the basis for a new world economic order. Indeed, change and adaptation are incumbent on every country.

European leaders, for example, have a huge responsibility to ensure that their countries continue to evolve on the path of economic harmonization and unification. They need to respond with creative, flexible solutions to the objections and problems that have arisen. What is more, Europeans must resist the impulse to become narrow, inward-looking, and protectionist. This has not always been so clear. For example, the EC has resisted American efforts to liberalize European agricultural markets and has taken positions on automobile imports which Japanese business people have trouble seeing as anything other than blatantly protectionist.

Europe faces trade deficits with both Japan and the United States, and many large European companies are in the throes of major structural changes and downsizing. The political pressures on European governments are obvious. But I believe that the EC has chosen its road carefully and that EC leaders will continue to show that a borderless internal European market means one in which companies from the United States, Japan, and elsewhere can also compete fairly and freely.

As for the United States, the election of Bill Clinton last year signaled the American people's serious desire to renew the U.S. economic base in order to become more competitive. A deep recognition of the challenges involved is now unfolding, and a consensus is beginning to form on tackling problems like the budget deficit, health care, infrastructure, education, capital formation, productivity, and manufacturing quality. Nevertheless, the road is not easy and many difficult choices must be made and sustained—including a measure of what President Clinton has termed "sacrifice."

America's success at reinventing its competitive prowess is crucial to the rest of the world, because the $6 trillion U.S. GNP is still the most powerful single engine of world economic growth, and America still plays the primary leadership role in maintaining global security. America's ability to provide global leadership is truly exceptional. No other single country can now perform that critical function so well. But since no one can expect the United States to continue to bear such outsized international responsibilities without a strong, vibrant economy at home, it is in the interests of all concerned for the United States to succeed at renewing its economic vitality.

President Clinton must find a way to steer the U.S. economy in the direction of competing harder, smarter, and better, without succumbing to the false temptation of protectionist solutions. It would be a severe setback to the growing momentum of international cooperation if the United States, so long the world's most open market and the prime proponent of free trade, were to seek a politically popular but economically dangerous course along the path of protectionism. Although I think it is worth pointing out the dangers of following such a course, that is not the course that I believe the United States will take.

It is interesting to note that Bill Clinton is not just the first American Baby Boom President; he is one of the first of his generation to emerge as the chief political leader of a major country. His election was motivated by a deep-seated desire for fundamental change on the part of the American people. But that desire for change—particularly for innovative solutions commensurate with the demands of the fast-approaching twenty-first century—is becoming a worldwide phenomenon. And over time we may find that the next generation of political leaders in the major countries will be better able to bridge the culture gap, more aware of new approaches to global economic issues, and more able to work collectively toward meaningful consensus and action.

We should help one another to see the right thing to do—and to do it. None of us should be afraid to point out the shortcomings of others. And all should be prepared to respond constructively to such criticism. I do not think this is a utopian notion. In the U.S.-Japan dialogue known as the Structural Impediments Initiative we have seen an example of a process that allows detailed criticisms and observations about the basic structure of one another's societies to be put on the table.

Changes that are difficult for one country to make on its own may be easier to make in the context of a Triad in which each economy is undergoing a specified program of change. The moral force of an arrangement in which we become responsible to one another can serve as a kind of supranational conscience to the process.

In that spirit, let us not shrink from the task of developing a bold vision of what we can do together to promote the best interests of our own economies and the global order as a whole. For the G–7 leadership to miss the opportunity presented at this historic juncture would be nothing short of tragic. If we, the wealthy and successful nations of the world, cannot find the vision and action to steer the world back on the track of global growth and increased cooperation, history will judge our collective failure harshly.

ON THE WAY TO VICTORY FOR U.S. STEEL PRODUCERS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. LAFALCE. Mr. Speaker, I wish to draw attention to two important events for U.S. steel producers that occurred this week. First, the Department of Commerce issued its final determinations of the amount of dumping and subsidies found occurring from 19 countries. These percentage margins, as they are called, are noteworthy for their size and the fact that they are found against primarily industrial countries, not developing countries. These result from an exhaustive 1-year study based on 84 separate antidumping and countervailing duty/subsidy petitions on imports from 21 countries submitted by 12 U.S. steel producers.

To give you an example of what our steel companies and workers have had to compete against, the Commerce Department found dumping rates against Britain and Brazil of 109 percent each; Spain—106 percent; France—80 percent; Canada—69 percent; Mexico—65 percent; Italy—54 percent; Japan—40 percent; and Germany—35 percent. Examples of final subsidy rates show Italy with 73 percent; Spain with 38 percent; Brazil with 22 percent; and France and Germany with about 15 percent each. How can U.S. steel companies and workers expect to compete against such dramatic unfair trade practices as these?

These rates are even more astounding when understood in the context of a second event—the Washington Post's revelation of collusion among the steel companies of Japan and Europe to fix prices and divide markets, and the filing of documentation on these allegations by the United States steel industry with the International Trade Commission. According to the report, there have been rumors for years that representatives of Japanese and European companies meet to review their "East of Burma Agreement" whereby Europeans promise to ship no more than an agreed amount of steel east of the Burma line, and Japan agrees to ship no more than an agreed amount west of the Burma line. Apparently, these rumors in various steel trade journals were recently substantiated by interviews with Japanese steel traders. Reportedly, there have also been similar arrangements between Japan and Korea and between Japan and Taiwan. If true, the result has been to turn the United States into a dumping ground for the world's steel.

This situation highlights the critical importance of maintaining the strength of U.S. trade laws for the protection of U.S. companies and workers. Despite conventional wisdom that the U.S. steel industry is a Rust Belt industry, U.S. steel producers have doubled productivity and are now the lowest cost producers worldwide for the U.S. market. When the United States thinks about being a global competitor, the case of the U.S. steel industry reminds us that we must not only focus on how to compete effectively through productive, efficient, state-of-the-art manufacturing, we must also be alert to unfair competition that will nullify the most ardent competitive efforts.

I trust that the administration and the International Trade Commission will vigorously pursue these allegations of Japan and Europe's divide and conquer steel strategy. I also trust that the final ruling on injury of the International Trade Commission for the dumping and subsidy cases that is due next month will go a long way toward alleviating the uphill struggle for survival of the U.S. steel industry.

SERVING NOTICE

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. FORD of Michigan. Mr. Speaker, pursuant to the rules of the Democratic caucus, I wish to serve notice on my colleagues that I may seek less than an open rule for the consideration by the House of Representatives of the bill H.R. 1804, Goals 2000, Educate America Act.

HEART SURGERY INNOVATOR SUPPORTS SPACE STATION

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. ANDREWS of Texas. Mr. Speaker, as yesterday's vote indicates, a large number of my colleagues have doubts about the significance to our Nation of the U.S. space station. I would hope that each one who voted against this important project will take the time to read the following testimony, given by Dr. Denton Cooley, the distinguished heart surgeon and medical innovator, before the House Subcommittee on Space.

Dr. Cooley is a pioneer in the field of cardiovascular surgery, having performed the world's first heart transplant in 1968. For over 40 years, Dr. Cooley has led in developing techniques for the repair and replacement of diseased hearts. Founder of the Texas Heart Institute, perhaps the Nation's most respected cardiovascular care center, Dr. Cooley has been awarded the Medal of Freedom and the Rene Leriche Prize, the International Surgical Society's highest prize.

Dr. Cooley's remarks are testament to the vital role that the space station will play in our efforts to further research and eradicate disease. I believe that Members will find his comments enlightening and persuasive as we move forward with this important project.

STATEMENT OF DENTON A. COOLEY, M.D., SURGEON-IN-CHIEF, TEXAS HEART INSTITUTE, CLINICAL PROFESSOR OF SURGERY, UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, HOUSTON, TX

Mr. Chairman and Members of the Subcommittee, an exciting new partnership began in the late 1950's—a partnership that combined the talents of the medical community and the expertise of the National Aeronautics and Space Administration. The medical benefits derived from this partnership long ago exceeded our ability to keep track of them. Virtually every day physicians use spinoffs from the space program to treat diseases here on earth.

At the Texas Heart Institute, we are committed to the fight against heart disease, the number one killer of Americans. In 1992, care for patients with heart disease cost $108.9 billion—an average of $450 for every man, woman, and child in our country. Thus, heart disease accounts for a large part of our health care costs. Heart disease needs to be conquered. Only through research and technology, however, will this happen.

The space program has already made major contributions to the treatment of heart disease. Cardiac pacemakers, defibrillators, implantable medication pumps, and portable electrocardiogram devices all evolved from research in electronics and miniaturization that was supported by NASA. To diagnose heart disease, we use sophisticated devices that trace their origins to satellite image enhancement techniques developed through the space program. In Houston and at the Texas Medical Center, we are fortunate to have the medical and life sciences sections of NASA at our doorstep. As a result, I believe that Houston could lead the nation in transferring space technology to the medical community. I would like to briefly describe a few areas of research at the Texas Heart Institute that could benefit from direct collaboration with NASA.

Of all of the diseases of the heart and blood vessels, coronary artery disease by far causes the most death and disability. The coronary arteries are small blood vessels that carry blood to the heart muscle. These blood vessels often become narrower over time. As they narrow, the coronary arteries are less able to carry a sufficient amount of blood to the heart muscle. In turn, the heart may function less efficiently or may stop altogether.

One of the techniques that physicians use to reopen narrowed coronary arteries is known as balloon angioplasty. A tiny balloon on the end of a narrow guidewire is inserted into an artery in the patient's leg and threaded through the artery to the narrowed section of the coronary artery. At the point where the coronary artery is narrowed, the balloon is inflated and the artery reopens. Although this technique is highly effective, as many as 30% to 40% of patients experience a renewed narrowing (known as restenosis) of the artery within 6 months after the procedure. In such cases, the artery must either be reopened by angioplasty or it must be bypassed by surgical means, thereby increasing the cost of maintaining the health of the patient's heart. Because the technique of balloon angioplasty is so effective initially, we are looking for ways to prevent this renewed narrowing and the repeat procedures and the expenses that accompany it.

Current research indicates that a major culprit in the renewed narrowing of the artery after balloon angioplasty is the new growth of smooth muscle cells in the arterial wall, which decreases the diameter of the artery. At the Texas Heart Institute, our research team, led by Dr. James Willerson, is studying a technique by which we can inject specially prepared molecules into the patient. These molecules would carry a substance directly into the growing muscle cells that would stop their growth. Preliminary evidence in animal studies indicates that the technique works very well. We hope to perfect this technique for use in humans. Resources at NASA could help us do that.

Dr. Willerson is also studying methods to reduce the possibility that a narrowed coronary artery will become blocked. When a coronary artery narrows, blood cells and fat molecules accumulate at the narrowed site, and this accumulation can block the artery completely. We are currently studying in animals a variety of modified molecular substances that may prevent this accumulation of blood cells and fats. Our aim here is also to perfect a technique that may be used to prevent the blockage of coronary arteries in humans. Computer modeling techniques developed at NASA could help us. This technology could be applied to making molecular models of the arteries, which would allow researchers to better understand the mechanisms of disease and treatment at the cellular level.

We are also studying another method to supply the heart muscle with blood called transmyocardial laser revascularization. In this procedure, a laser beam is used to bore channels into the heart's main pumping chamber, the left ventricle. Blood from the ventricle then seeps through the channels to nourish damaged areas of the heart. This novel method of supplying blood to the heart muscle is much less complicated and costly than a bypass operation. Collaboration with the space industry could speed the development of this technology.

When arteries cannot be dilated or bypassed, the only option for patients is to replace or support the heart—by transplant, by an artificial heart, or by a heart assist device—all of which are important areas of research at the Texas Heart Institute. Although heart transplant operations have been very successful, only 60% of patients are alive at 5 years. Most patients die of some form of immune system dysfunction. NASA investigators have also noted decreased immune function in their astronauts and are studying its causes. Cells were needed for these studies, so NASA scientists developed a device called a bioreactor, which can grow three-dimensional cells by suspending them in fluid. If cells are grown in a petri dish, as they must be on earth, one side of the cell is always flat against a surface, which keeps the cell from reproducing itself exactly. With the bioreactor, cells are developed that more closely resemble the starter cells. The NASA bioreactor can be used to study the immune system and to test drugs that could alter the immune system response to a donated heart. Eventually, such a device might even allow us to grow transplantable tissue.

At the Heart Institute, lasers are being considered as a way to weld rather than suture tissues together in children who undergo heart transplant operations. Sutured tissues do not grow. Because children grow, the areas where their transplanted heart is attached narrow over time. Our studies in animals have shown that welding or fusing tissue together with a laser beam allows these tissues to grow. In addition, all patients who undergo transplant operations are subject to infections, as a result of the drugs they must take to keep their bodies from rejecting their new hearts. If a laser were used to weld tissues, there would be no risk of infection developing in the suture materials.

Although transplant operations have proved successful, only 2,000 organs are donated each year. For the other 70,000 Americans at the brink of total heart failure each year, there aren't many options. For those patients, an artificial heart is a possibility. We are fortunate to be testing a very promising artificial heart now. The idea for the heart was conceived by Dr. Didier Lapeyre, a French surgeon, and designed by Aerospatiale, a French company best known for designing and producing aircraft, helicopters, tactical missiles, and space systems.

The French have collaborated in a similar fashion on a project to develop a new trileaflet artificial heart valve. The valve was designed by Dr. Lapeyre in conjunction with engineers at Dassault Aviation. In the United States, approximately 60,000 men and women have a heart valve replaced each year. Many children are also born with deformed or obstructed valves in their hearts. For many of these children, nothing can be done. Most of the heart valves currently available are too large to implant in children. In addition, patients of all ages with artificial valves must take blood thinning medications for the rest of their lives. The new trileaflet valve, which we are testing, should solve these problems. The valve can be made in small sizes and requires little or no blood thinning medication. The leaflets will initially be made of pyrolite carbon, a material developed originally for the United States' space program. Only through the cooperation of medicine and the aerospace industry has this valve become a reality.

The second option for the 70,000 patients dying of heart disease each year who are not candidates for a heart transplant operation is a heart assist device. Surgeons connect the device to the patient's diseased heart, blood from the patient's heart flows into the device, and the device then pumps the blood throughout the body.

NASA's technology could be instrumental in the continuing development of heart assist devices. Many of the materials being developed for the space program, such as metals, polymers, ceramics, and composites, could be used in heart assist devices as well as other artificial devices. There is perhaps no other single area where the expertise of NASA scientists could be more readily applied. Physical properties, such as strength and hardness, combined with enhanced chemical characteristics, such as stability and corrosion resistance, make most of the materials being developed by NASA ideal candidates for applications in the cardiovascular system. In addition, understanding the characteristics and dynamics of blood flow is critical to the development of heart assist devices and artificial hearts. NASA's advanced computer capabilities could also be applied to this research. Simulation technology in use by NASA could provide our engineers and researchers with information they need to change the design of these devices before testing in animals or in humans is begun.

Although heart assist devices are currently being used in patients until a donor heart can be found for transplantation, assist devices cannot be implanted for long-term use until a power source is developed that will last. This is another ideal area for collaboration with NASA. The technology used to keep vehicles in space for prolonged periods can be applied to the creation of long-lasting implantable power sources for use here on earth. These power supplies can be used not only to power assist devices but also to improve existing power sources for pacemakers, infusion pumps, and other implantable devices.

Would the money spent on development of these technologies and devices be worth the price? Right now, the cost of one day in an intensive care unit in the United States is $4,000. Patients wait an average of 50 days in the intensive care unit for a donor heart. In 1992, 2,000 patients received heart transplants; 60% of these patients were confined to the ICU prior to their transplant. Thus, in one year alone, just to care for severely ill patients waiting for transplants, our nation spent $240 million. These incredible figures do not include most of the 70,000 patients with terminal heart failure who are not candidates for transplant, 300,000 patients who receive pacemakers each year, 60,000 patients who have valves implanted, 360,000 patients who undergo heart bypass operations, 85,000 who need repeat procedures after balloon angioplasty, and more.

What can make these projects succeed in today's world of escalating health care costs? The secret lies in creative partnerships between medicine and industry, between the medical community and NASA. Such partnerships can make once-fictional treatments and devices reality. The beneficiaries will be the thousands of patients with severely diseased hearts who would be returned to quality lives and the thousands of patients whose heart disease could be prevented with new genetic and molecular therapies.

Twenty-five years ago the first heart transplant operation was performed. One year later, the first total artificial heart was implanted. In those days, heart surgeons were glorified as if they were earthly gods. My own impression is that we surgeons were simply the fortunate beneficiaries of the scientific advances of the past. However glorious our achievements may have been, we were merely representatives chosen to accept the contributions of modern science, just as, during the same decade, a handful of privileged astronauts were selected to make the first landing on the moon. Today, as our resources dwindle, we must work harder to transfer these contributions of modern science to our colleagues in other disciplines. A number of years ago Arthur Clarke, author of 2001: A Space Odyssey, wrote, "Today we can no more predict what use mankind may make of the Moon than could Columbus have imagined the future of the continent he had discovered." I can safely predict that direct sharing of technological advances will benefit the medical community and NASA. The real beneficiaries, however, will be the patients and the taxpayers.

TRIBUTE TO REV. LESLIE D. TYVELA

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. BARCIA. Mr. Speaker, I rise today to pay tribute to Rev. Leslie D. Tyvela on the occasion of his 25th anniversary in ministry and his tireless commitment to his community.

The Reverend Leslie D. Tyvela was born in Detroit, MI, December 22, 1941, the oldest of four children born to Leslie V. and Charlotte Tyvela. He attended Salem Lutheran School and Lutheran High School West, both in Detroit, in June 1963, he received a bachelor of arts in humanities degree from Wayne State University. The reverend graduated from Concordia Theological Seminary, Springfield, IL, with a master of divinity degree. He finished the course work for his doctor of ministry degree from Drew University in Madison, NJ.

On August 26, 1967, the Reverend Tyvela married Sharon Weyant in Our Shepherd Lutheran Church, Bringham, MI. The couple was blessed with three children, Jody Elizabeth, Kirk Andrew, and Brent Erik.

His first parish call was to Zion Lutheran Church, Wabash, IN, where he served form 1968 to 1972. He next accepted the call to serve Immanuel Lutheran Church of Bay City, MI, in 1972, where he continues to serve today.

The reverend also has been a dedicated servant not only to his congregations but also to his community. His community service includes: United Way of Bay County, United Way of Michigan, COMPASS Partnership, Human Services Partnership Council, Bay City Public Schools, City of Bay City, Tri-County Community Adjudication Program, State-Wide Children At Risk Initiative, Bay County Citizens for Better Government.

Besides this impressive list of service, the Reverend Tyvela, as pastor of Immanuel Lutheran Church, is the radio preacher of the longest consecutive weekly radio worship broadcast in North America.

The reverend has dedicated his life to the service of people, a truly unselfish choice for a life's work. I hope, as I know many others do, that his life and career will continue to be filled with many blessings.

NATIONAL POW/MIA RECOGNITION DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. GILMAN. Mr. Speaker, today, I am introducing House Joint Resolution 219, which proclaims Wednesday, September 15, 1993, as "National POW/MIA Recognition Day." A day when our veteran posts, our schools, our libraries, and our mass media can remind all Americans of our courageous servicemen whose fates are still not determined from the Vietnam conflict.

Mr. Speaker, this is the 22d consecutive year that I have cosponsored this legislation, and I am hopeful that it will be the last time such a resolution will be necessary, for hopefully by this time next year a full accounting will have been obtained and the fates of these Americans will have been as fully determined as possible.

We owe a debt of gratitude to the family organizations for keeping the flame of hope alive, as we also thank the veteran groups which continue to urge an accounting of these persons.

The adoption of this resolution is of utmost importance because it will bring home to Hanoi yet again that we Americans are united on this issue. Although there may be some misinformation on techniques, we all agree that we will not forget nor forsake those Americans whose fates are unknown.

The issue of missing POW's has included questions whether captured United States airmen were made available by North Vietnam to China or other Communist nations for interrogation or holding. Both countries have always denied this however, new evidence brought to our attention points to active Chinese—and Soviet—participation in such activities, including the existence of facilities in China in which United States prisoners were held.

Recent information includes newly declassified United States intelligence reports and a 1967 document from the Soviet Embassy in Hanoi that was given to Ambassador Toon on April 8 of this year. Together they disclose that the Chinese and the Soviets had access to captured United States airmen and to downed United States aircraft. While no returned POW's have reported being held in China, several of the intelligence documents specifically mention camps which held United States prisoners.

In addition to the role China may have played in this matter, these reports also raise new questions about the status of POW's and MIA's in Vietnam which must be answered before we go farther along the road to normalization with that country.

Without doubt, Hanoi's questionable cooperation in the effort to clear up the many unresolved cases has been driven by its sense that, among other things, the United States would no longer object to its arrearages with the International Monetary Fund being paid off by other countries. With the arrearages paid off, Vietnam would be able to obtain new substantial development loans and thus negate, for all practical purposes, the economic embargo the United States has imposed since 1975.

I am also concerned about the focus and direction of the joint task force full accounting now operating in Southeast Asia to report on and identify remains of Americans.

We have been informed that the officers in charge of the operation are drawn mostly from the combat arms, that few are trained or experienced investigators, and most have little capability in the Vietnamese language. The mandate of this mission must be to discover the truth and not simply to "close the files."

The U.S. intelligence reports I have seen are among a large number of files that have only recently been declassified. We have been informed that the Senate Select Committee on POW/MIA Affairs did not have an opportunity to review them before issuing its report and completing its business last year.

There is great pressure to get the Vietnam war behind us. We are told that extending most-favored-nation status for China and normalizing relations with Vietnam is of great importance to the United States economy and to our balance of trade.

However, once MFN is given unconditionally to China and Vietnam's arrearages with the IMF and other international financial institutions are paid, any leverage the United States has with those two countries on the POW/MIA issue will evaporate. We will be left with trying to construct a set of mutually beneficial trade relations on a foundation of mistrust and suspicion. It is questionable just how long that will last.

I hope we will soon be conducting a series of hearings in the House that will help us focus on this matter. In the interim, I urge the Congress and the White House not to take further steps toward normalization with Vietnam until the questions raised by these reports are resolved.

Vietnam and China must be forthcoming on the POW/MIA issues before the United States enters into business-as-usual relations with those nations.

Further, in light of the new evidence of Soviet participation in these matters, I believe that we must make every effort to secure maximum cooperation from the appropriate Russian officials in obtaining documents from their archives that could shed additional light on this issue.

The need for greater cooperation of the Russian Government in the area was evident in the recent discovery in Russian archives, by a professor from the West, of potential critical evidence bearing on possible American POW/MIA's from the Vietnam war.

The United States Government should not have to be dependent upon historians locating such critical evidence, but such evidence should be forthcoming voluntarily from the Russian Government itself. As the recent report of the Select Committee on POW/MIA Affairs of the U.S. Senate in January 1993 noted on this critical need for Russian cooperation, "Unfortunately, the level of cooperation from within the Russian military and intelligence bureaucracy has been less extensive and has, at times, seemed intentionally obstructive."

Mr. Speaker, let us come together to declare September 15, 1993, to be "National POW/MIA Recognition Day" and to extend official recognition to the National League of Families POW/MIA flag. We owe this much to our dedicated Americans who gave so much and to the families who have suffered for so long. I urge my colleagues to support House Joint Resolution 219.

H.J. RES. 219

Whereas the United States has fought in many wars and thousands of Americans who served in those wars were captured by the enemy or listed as missing in action;

Whereas many American prisoners of war were subjected to brutal and inhumane treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war, and many such prisoners of war died from such treatment;

Whereas many of these Americans are still listed as missing and unaccounted for, and the uncertainty surrounding their fates has caused their families to suffer tragic and continuing hardships;

Whereas, in Public Law 101-355, the Federal Government officially recognized and designated the National League of Families POW/MIA flag as the symbol of the Nation's concern and commitment to accounting as fully as possible for Americans still prisoner, missing in action, or unaccounted for in Southeast Asia; and

Whereas the sacrifices of Americans still missing and unaccounted for from all our Nation's wars and their families are deserving of national recognition and support for continued priority efforts to determine the fate of those missing Americans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF NATIONAL POW/MIA RECOGNITION DAY.

September 15, 1993, is designated as "National POW/MIA Recognition Day", and the

President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

SEC. 2. REQUIREMENT TO DISPLAY NATIONAL LEAGUE OF FAMILIES POW/MIA FLAG.

(a) IN GENERAL.—The POW/MIA flag shall be displayed—

(1) at all national cemeteries and the National Vietnam Veterans Memorial on May 31, 1993 (Memorial Day), September 15, 1993 (National POW/MIA Recognition Day), and November 11, 1993 (Veteran's Day); and

(2) on, or on the grounds of, the buildings specified in subsection (b) on September 15, 1993;

as the symbol of our Nation's concern and commitment to accounting as fully as possible for Americans still prisoner, missing, and unaccounted for, thus ending the uncertainty for their families and the Nation.

(b) BUILDINGS.—The buildings specified in this subsection are—

(1) the White House; and

(2) the buildings containing the primary offices of the—

(A) Secretary of State;

(B) Secretary of Defense;

(C) Secretary of Veterans Affairs; and

(D) Director of the Selective Service Commission.

(c) POW/MIA FLAG.—As used in this section, the term "POW/MIA flag" means the National League of Families POW/MIA flag recognized officially and designated by section 2 of Public Law 101-355.

MARYLAND SCHOOL FOR THE BLIND CELEBRATES 140TH ANNIVERSARY

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mrs. BENTLEY. Mr. Speaker, fellow Members of Congress, I rise before you today to share a small portion of the remarkable story of a Maryland institution, the Maryland School for the Blind.

The Maryland School for the Blind enjoys a long and proud history, beginning with its founding by six civic minded volunteers in 1853. It was the first residential school in the Nation to be accredited by the National Accreditation Council of Agencies Serving the Blind and Visually Impaired.

Of the many distinguished men and women who have served this institution, perhaps none is as famous as Dr. Richard Hoover, developer of the world famous Hoover cane, which is used by the visually challenged all over the world. He served as the school's ophthalmologist from 1962 to 1986, and today his records are a major feature of the Archives for the Orientation and Mobility Movement, for which the school serves as the repository.

The Maryland School for the Blind, although privately owned and operated, charges no fee for State residents referred by their home school districts. Its primary aim, as stated in the mission statement, is to enable enrolled students to live and work independently or with needed support in the community. This goal is even more ambitious than it may appear, because fully 95 percent of the students served by the school are multiply disabled, and 80 percent have some level of mental retardation.

On the 95-acre campus in northeast Baltimore, which has been home to the school since 1906, the faculty serves approximately 150 resident students, aged 2 to 21, each year. Roughly 300 more are served through nonresidential and outreach programs throughout the State. Through the aid of the nationally recognized personnel and equipment at the MSB, a large percentage of them are placed in gainful employment, despite their tremendous challenges.

Although citizens of Maryland are the primary recipients of the excellent care and training provided there, the MSB's mission does not stop at our State's borders. Students of 24 nationalities currently are represented at the school. Appropriately, the theme of the upcoming anniversary celebration is "cultural diversity."

Mr. Speaker, fellow Members of Congress, isn't it good to know that we have in our community people with the commitment, caring, and dedication to meet the great needs of our neighbors? We should do all we can here to support these people in our communities across this land.

WHY "DON'T ASK, DON'T TELL" WON'T WORK

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. WAXMAN. Mr. Speaker, I rise today to strongly oppose any compromise in President Clinton's campaign proposal to lift the ban on gays in the military. Not every public issue lends itself to a compromise. The compromises on this issue that are now being widely proposed are immoral and unworkable.

It is absurd to tell gay men and lesbians in the service that "We won't ask, if you don't tell." As we have been reminded countless times, military personnel share a life—they are together 24 hours a day, often in close quarters. Their morale and their unit cohesiveness stem partly from the fact that they share their concerns and interests with each other. They talk about their friends and families, about their work and civilian life, and about their hopes and fears for the future. A "don't ask, don't tell" policy would exclude gays from this camaraderie, and subject them to precisely the kind of discriminatory treatment from which they now suffer.

We need equity and parity in the military between heterosexuals and homosexuals. We need a code which prohibits sexual harassment and misconduct, regardless of the sexual orientation of the perpetrator or the victim.

We must reject any compromise which perpetuates the current system. The current system allows large numbers of gays to serve in the military, provided they accept the mandate to behave in a hypocritical and deceptive fashion. The current system legitimizes myths and stereotypes about homosexuals, fostering prejudice, and inhibiting progress.

What I am proposing is neither new nor radical. Most countries have military establishments in which gays serve with no special restrictions. In our own country for the past 30 years, city after city has absorbed gays into the quasi-military organization of police and fire departments without incident.

In 1965, when the Civil Rights Act opened public accommodations to African-Americans, no one suggested that we strike a middle ground between discrimination and free access. No one suggested that restaurants that had never served blacks be ordered to do so in the parking lot but not in the dining room. I cannot support a compromise on the issue of gays in the military which echoes the rule in Animal Farm which proclaims, "All are equal, but some are more equal than others."

A TRIBUTE TO REV. JEROME J. PAVLIK

HON. HERB KLEIN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. KLEIN. Mr. Speaker, I rise today to pay tribute to an outstanding citizen of northern New Jersey, Rev. Jerome J. Pavlik. On June 27, 1993, Father Jerome, as he is affectionately called, will be honored by admirers from all over the United States and Canada on the occasion of his golden jubilee, 50 remarkable years of service as a Slovak Franciscan.

Father Jerome has been a bilingual missionary ever since he was ordained on June 24, 1943. For many years, he has traveled throughout the United States spreading his message of love and goodwill to countless people. To list all the achievements of this man would fill pages and pages of a CONGRESSIONAL RECORD, but some of his many accomplishments deserve special mention.

From 1952 to 1958, he served as secretary to the superior of the Slovak Franciscans. His leadership qualities were recognized and he subsequently became superior of St. Francis Friary in Boston, PA, where he was responsible for the construction of a new friary, chapel, and retreat house. In June 1979, Father Jerome came back home to serve as pastor of SS. Cyril and Methodius in Clifton, the same parish that inspired him to dedicate his life to the priesthood during his childhood. He remained there until 1991 when he took his talents to Holy Family Friary in Pittsburgh.

Father Jerome has been a long-time Sokol activist. He has two stints as supreme chaplain of the Assembly 162 Sokols from 1971 to 1979 and from 1985 to 1991. For his dedicated work, the 26th Convention of Sokols named him honorary supreme chaplain in 1991. He has also served on the executive board of the Slovak Catholic Federation.

Mr. Speaker, it is a pleasure to be able to honor a man who has been such a positive force in the lives of so many in our community. A man with such dedication to others for such an extended period of time is rare indeed. I hope my colleagues will join me in congratulating Father Jerome on the 50th anniversary of his priestly ordination.

SERVING NOTICE

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. FORD of Michigan. Mr. Speaker, pursuant to the rules of the Democratic caucus, I wish to serve notice on my colleagues that I may seek less than an open rule for the consideration by the House of Representatives of the bill H.R. 1036, to amend the Employee Retirement Income Security Act to provide that such act does preempt certain State laws.

INTRODUCING THE GREEN TECHNOLOGY PROMOTION ACT OF 1993

HON. DICK SWETT

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. SWETT. Mr. Speaker, today I am introducing H.R. 2516, the Green Technology Promotion Act of 1993, legislation designed to help small and medium-sized manufacturers to make use of innovative environmental technologies which can cut costs and reduce waste. Recent studies show that there are significant opportunities for industry to reduce or prevent pollution at the source through cost-effective changes in production, operation, and raw materials use.

The private sector must take the lead in reducing the production of waste. However, the Federal Government has a role to play in helping to promote the deployment of waste prevention techniques to small and medium-sized companies who are unaware of the cost savings they can achieve by using environmental technology. Helping these companies will assist in meeting the public goals of increasing the competitiveness of small and medium-sized companies, protecting the environment, and creating a market for environmental technologies.

The Green Technology Promotion Act of 1993 directs manufacturing technology centers and manufacturing outreach centers to make available to client companies energy assessments and information about pollution prevention. In order to facilitate these assessments, the Department of Commerce will make available to the centers a software package that will assist companies in identifying opportunities to eliminate pollution and energy waste. Manufacturing centers are ideally suited to providing this type of assistance since they are already designed to deploy modernization technology to small and medium-sized manufacturers.

Mr. Speaker, I urge my colleagues to join me in supporting the Green Technology Promotion Act of 1993.

TERRORISM STRIKES AGAIN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. GILMAN. Mr. Speaker, the United States has been given a series of wake-up calls this year on the growing threat of terrorism. Let's not hit the snooze button again.

At 1 a.m. this morning, the FBI and New York police arrested eight people in Brooklyn and Queens and charged them with plotting to murder U.N. Secretary General Boutros Boutros-Ghali and Senator ALFONSE D'AMATO. Additionally, the terrorist group had detailed plans to bomb the United Nations Building and at least one of the tunnels connecting New York City with New Jersey.

Once again, we owe a great debt of gratitude to our law enforcement agencies, who through their dedication and hard work have averted a major disaster.

However, we can and must do more. Earlier this year, I introduced the Antiterrorism Act of 1993, a measure to punish those nations which continue to support international terrorism by imposing a complete embargo on imports from those nations. Additionally, my bill contains provisions to prevent the use of nuclear terrorism, and creates a Government-business antiterrorism council to seek out additional measures our Government and businesses can take to counter terrorist activities. Lastly, the bill calls for the death penalty for terrorists who murder Americans, whether at home or abroad.

I invite my colleagues to cosponsor this vital measure and begin the work we must do to avoid future terrorist incidents.

SALUTE TO WKTN

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. OXLEY. Mr. Speaker, I am submitting remarks to the RECORD today in recognition of 30 years of broadcasting service by WKTN radio in Kenton, OH. WKTN first signed on the air on June 25, 1963.

Originally called Radio Kenton, Inc., the station was owned by a group formed by Robert Reider, Sr., of Port Clinton, OH. In December 1963, Radio Kenton was merged with another Reider company, Ohio Radio, Inc. In May 1977, Ohio Radio sold WKTN to its current owners, Radio General, Ltd. Radio General is owned by a small group of investors, headed by the station's president and general manager, Mr. Keith Gensheimer.

My congratulations go to Mr. Gensheimer on the 30th anniversary, as well as to announcer Mark Wamack, news director Dennis Beverly, and the other employees at the station who bring daily broadcasting services to the residents of the Hardin County area.

CARDINAL O'CONNOR SPEECH AT THE LAUNCHING OF THE DESTROYER U.S.S. "LABOON"

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mrs. BENTLEY. Mr. Speaker, it has just been brought to my attention that Cardinal O'Connor made a wonderful speech at the launching of the destroyer U.S.S. *Laboon* in Bath, ME, on February 20, 1993. The text of the speech appeared in the February 25, 1993, issue of Catholic New York.

The U.S.S. *Laboon* is named after Father John (Jake) Laboon who was a Jesuit priest and chaplain to the U.S. Navy and Marine Corps. Cardinal O'Connor's tribute to his friend and shipmate is an example of how beloved Father Jake was by all who came in contact with him.

Cardinal O'Connor's speech regarding this wonderful man who dedicated his life in service to his God and his country follows:

KEEPER OF THE PEACE

(By Cardinal O'Connor)

Captain McDonald, officers and men of U.S.S. *Laboon*, family of Father John F. Laboon of the Society of Jesus, Admiral Kelso, Chief of Chaplains David White.

Distinguished government officials and guests, brother officers, active and retired, of the United States Navy, friends all and even my enemies, who are becoming more numerous than my friends every day.

Some people may be asking what a cardinal of the Roman Catholic Church is doing at the christening of a warship.

There are three reasons why I gratefully accepted the invitation of the Secretary of the Navy to be with you. I will express them very briefly.

First, I am here to express my deep friendship and admiration for a truly great naval officer, chaplain and pastor, and my enduring gratitude to his family, his brother Father Joe [Father Joseph Laboon is a Veterans Administration chaplain]. Sister DeLellis, Sister Rosemary, Sister Joan [Father Laboon's sisters, all Sisters of Mercy], and his brother Tom.

I never heard Father John Laboon called anything but "Father Jake," from seamen recruits to four star admirals. So Father Jake I will call him today.

Father Jake was a man among men, a priest among priests, proud graduate of the Naval Academy, Submariner, Jesuit priest, chaplain to the United States Navy and Marine Corps. Father Jake was both Mr. Navy and Mr. Church, who treated a seaman as respectfully as he treated an admiral. He saw in every human person the image and likeness of God, and treated everyone accordingly, with quiet dignity.

Father Jake fought relentlessly for improved living conditions for white hats and their families, below decks, and ashore. Yet he never ignored the rights or the needs of officers or their families, either. Everyone—everyone—man and woman—was sacred in his eyes, a person of priceless worth.

I never saw Father Jake lose his ease of manner; not in a hole in the ground in Vietnam, where I saw him when I myself was in Marine Corps uniform. While shells whistled by he calmly puffed on his cigar; not when he buried his beloved father, the light of his life. (Incidentally if you of ship's company ever smell smoke, don't panic. It is probably Father Jake puffing his cigar while watching over you from heaven.)

I never saw Father Jake not in love with the United States Navy, a romance that was to endure until his death. They wept profoundly at his Funeral Mass because they knew how much he loved them, and they loved him unabashedly in return. Father Jake never hesitated to tell the highest ranking naval authorities if ever he believed they might be on the wrong course, particularly if he thought their actions might be morally irresponsible or damaging to the naval service and its people.

But his criticisms were always couched in the language of understanding and of love. He could speak with authority because his own moral behavior was impeccable, and because he served the Navy with such integrity and self-sacrifice in war and in peace.

Father Jake was my friend, my shipmate, often my priest-confessor. It was an open secret that it was he, not I, who should have worn the stars of a flag officer. But while no one deserved flag rank more than he, no one ever supported me more loyally than did he. I have missed him since the day he died.

Secondly, I am here to express my deepest gratitude to the men and women of the United States Navy for all that they have done, and will do for years to come for our country and for the world. I extend that gratitude to you here today and to those scattered all over the world, many lonely at sea or ashore, separated from their families and loved ones, making sacrifices the world knows little of.

The Navy has come under scathing criticism in recent years. Accused of violating standards of decency and respect for certain of its own personnel, it is simultaneously accused of discrimination in trying to maintain certain traditional values. You will have my support and I hope you will have the support of the Congress of the United States in your efforts to maintain those traditional values. Through the years, the Navy has been accused of being both stupid and trigger-happy in tense situations when tragic accidents have occurred and lives have been lost. I have heard the Navy accused of cover-ups of irresponsible cost overruns, of racism and sexism, and everything else imaginable.

What I have heard far too infrequently, however, is what I personally witnessed in 27 years in uniform at sea, in countless ports overseas, in naval bases from Norfolk to the scientific support base in Antarctica. I refer to the outstanding and disciplined conduct of the overwhelming majority of officers and men and women in uniform. I refer to the tremendous amount of humanitarian activity in which naval personnel and their families engage. I refer to the courage I have seen in combat. I refer to the honesty and decency of men and women with whom I worked side by side, with whom I served ashore and afloat.

Let it be clear to all. I am a believer in the United States Navy as a keeper of the peace. I have never known a commander or a ship's company that wanted to do battle, to kill, or to destroy. I have known thousands who have spent their lives in deterring aggression, in preventing war. For all of this, as a Churchman and as a citizen, I am grateful.

I come to my third brief and final reason for accepting the invitation to be with you: to be able to say a few words to the officers and the men of USS Laboon concerning the mission of this ship as I see it. Does this ship even have a right to exist? Is it morally defensible, in light of the critical human needs in our own country and in the world, to spend millions and millions of dollars in production of ships like this? With so many hungry, with so many homeless and with so many dead from wars past, do you have a right to this ship, do you have a right to be in uniform?

Legitimate questions. But there is an equally legitimate question that must be asked in a world still threatened by violence and aggression despite the collapse of Soviet communism. That question is: "What are the realistic alternatives?"

In accordance with Just War teaching in the Catholic Church, it is becoming increasingly difficult to justify warfare in today's world, and impossible to justify wars of aggression (nor was it ever possible). In accordance with that same Just War teaching, however, a nation not only may, but must defend its citizens from unjust aggression.

I could not, in conscience, be here today if I believed that this ship would ever be engaged to initiate aggression against any nation or peoples, would ever be engaged deliberately to kill innocent non-combatants, to wantonly destroy property. I am here because of my conviction that this ship will be engaged only to defend the innocent against unjust aggression, to deter war, to maintain peace with justice. That's the moral way. That's the American way. I know from experience that that's the normal way of the United States Navy. Otherwise, it would be gross to name a ship after a priest. It would be particularly gross to turn a ship named after a priest and a man of peace into a force to shatter the peace or to destroy the innocent. I know that such will not be the case.

I know that the commander and crew of this ship, if ever forced to do battle, will never let themselves rejoice in death and destruction. They will do their noble duty to support and defend the Constitution of the United States of America against all enemies, so help them God. And if, God forbid, this ever requires them to fire a shot or launch a missile, except in routine exercises, they will do so with sadness of heart that yet another aggressor is threatening the peace of the world and must be resisted.

In this belief I promise you my prayers that as you try to assure peace for others, you will know God's peace in your own hearts. Perhaps old soldiers may never die, but only fade away. Old sailors, like me, however, know that they will one day die and face eternal judgment. I pray therefore that when that day comes for each of us who has worn the uniform of naval service, God will forgive our weaknesses and failures, and reward us for our honorable service in the cause of peace with justice. And now, may you of USS *Laboon* be assured that if Father Jake has the influence in heaven that he had in the Navy, you will always be blessed with fair winds and following seas. God bless you.

INTRODUCTION OF FISCAL 1994 BLM AUTHORIZATION BILL

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. VENTO. Mr. Speaker, I am today introducing a bill to authorize appropriations for the Bureau of Land Management, in the Department of the Interior, for fiscal year 1994.

The Bureau of Land Management, or BLM, is an important agency with responsibility for management of millions of acres of public lands and minerals in almost all parts of the Nation. BLM's Organic Act, the Federal Land Policy and Management Act of 1976, provides for reauthorization of appropriations for BLM programs and activities on 4-year cycles. However, the last such reauthorization lapsed at the end of fiscal year 1982.

For several years I have been attempting to remedy this through enactment of a new authorization of appropriations for BLM. In recent years, the House has twice passed such measures, but the Senate has not acted on them. Earlier this year, I again introduced a bill, H.R. 1603, for a 4-year BLM authorization. At a hearing on that bill, BLM Director Baca testified that the Clinton administration wants to develop a comprehensive measure addressing various aspects of management of the public lands, and suggested that meanwhile Congress should enact a short-term measure instead of a 4-year reauthorization bill.

The bill I am introducing today responds to this suggestion. It would amend the BLM Organic Act to authorize appropriations for BLM for fiscal year 1994, and to require the administration to submit by January 1, 1994, a proposal for a comprehensive, 4-year measure. I intend to seek early action on this bill.

A TRIBUTE TO DOROTHY "DOT" HILL

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. MARKEY. Mr. Speaker, it is with great pleasure that I ask my colleagues to join me in saluting a genuine American patriot, Dorothy "Dot" Hill, as she celebrates her 65th year as band leader, manager, director, and drum major par excellence of the Joseph F. Hill American Legion Band 156 of Waltham, MA. In her many years of serving the public with various military fanfare, Dot Hill has become a legend not only in her home town of Waltham, MA, but throughout the world as well.

With her signature silver and gold baton—circa 1928—in one hand and her other hand poised triumphantly upon her hip, Dot has led the American Legion band through countless parades, ceremonies, and performances. From her earliest days, Dot has had to fight to gain recognition in a field where only men once played. Not only did she conquer the male bastion of high school marching bands earlier in this century, but she also was among the first women to serve in the U.S. Coast Guard during World War II. Now, as our Nation reassess the role women play in our Armed Forces, it is most fitting that we recognize a passionate women who has always found great honor in representing the United States.

Earlier in her career, Dot was more affectionately known as "that girl band leader." However, such a title no longer fits an individual who has transformed a little known volunteer band into the institution that exists today. Dot's crowning achievement came in 1990, when she pranced a path into Red Square in

Moscow during the annual May Day parade. From the Waltham Commons to Pushkin Square, Dot Hill, through her grace, style, and beauty has become a musical diplomat of peace.

However, as Dot will no doubt tell you, marching band music is serious stuff. So, I ask all of you to stand at attention, with feet together, stomachs in, chests out, chins up and join me in extending a heart-felt salute to that great marching aficionado, Dorothy Hill.

Congratulations on your 65th anniversary and best wishes for health, happiness, and success in the future.

LONG ISLAND'S NORTH SHORE COASTAL EROSION PROBLEM

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. ACKERMAN. Mr. Speaker, the House of Representatives has an opportunity today to save the homes, property, and perhaps even the lives of people living on Long Island. The legislation before us, the energy and water development appropriations bill, includes funding for an investigation on the serious problem of coastal erosion and storm vulnerability on the north shore of Long Island.

This region's beaches were devastated by the worst nor'easter in 50 years in December 1992, and then again ravaged by a blizzard this March. Several coastal communities are now even more vulnerable to future storms, increasing the threat to life and property.

The Committee on Public Works and Transportation recently authorized an Army Corps of Engineers' feasibility report on how to improve local vulnerability to storms and long-term beach erosion. The bill we are considering today would appropriate $500,000 for this investigation, which is an essential first step to preventing future harm and destruction.

I have worked with many of the communities on Long Island's north shore during and after this winter's past storms, and I can personally testify to the magnitude of the problem. I urge all of my colleagues to vote for the energy and water development appropriations bill, which includes funding for this important study.

IN SUPPORT OF KISSIMMEE RIVER RESTORATION PROJECT

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. DEUTSCH. Mr. Speaker, the importance of the Kissimmee River Restoration Project can not be understated. The Kissimmee River is the source of the vast majority of the fresh water which flows through the Everglades. Flood control efforts have diverted much of the water which previously had flowed through Lake Okechobee and into the Everglades. This project would restore the original path of the river by backfilling 29 miles in order to revitalize the water flow and establish a more natural hydroperiod.

There is no more significant wetlands complex in our country than the Everglades system which begins with the Kissimmee River, near Orlando and stretches to the once productive Florida Bay and from there out to the living coral reefs off the Florida Keys. Everglades National Park is starved for water as a result of U.S. Army Corps projects and is considered to be one of the most endangered parks in the country. Florida Bay, once one of the world's premier sport and commercial fisheries, with diminished fresh water flows, has turned from a productive estuary to a salty lagoon. Algae blooms hundreds of square miles in size, and growing, blanket its surface. Scientists agree that the unnaturally hot and salty water in the Florida Bay is already endangering North America's only living coral reef as bay water moves out between the Florida Keys to the reef tract.

As the Representative from Florida's 20th District which includes Everglades National Park and the Florida Keys, I recognize that in order to fix any problem within the district I represent, we cannot ignore what is happening further north. The restoration of the Kissimmee River is as crucial to Everglades restoration as any actions taken within the boundaries of the park itself. The problems of the Everglades must be addressed from an ecosystem perspective, beginning with the restoration of Kissimmee River.

REPRESENTATIVE QUILLEN'S SERVICE TO VETERANS

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. SUNDQUIST. Mr. Speaker, last week I was honored to join the AMVETS of Tennessee in saluting my friend, colleague, and mentor—Congressman JIMMY QUILLEN, who received the organization's Silver Helmet Award for Americanism.

The Silver Helmet, a matchless silver replica of the World War II GI helmet, is the most prestigious of all the veterans service organization awards and is often referred to as the "Veterans Oscar."

In presenting this most prized award to Mr. QUILLEN, the AMVETS cited his ongoing commitment in support of all veterans and his specific efforts to secure funding for a massive building and renovation program at the VA Medical Center in Mountain Home, TN. He is also primarily responsible for the establishment of the Quillen College of Medicine at East Tennessee State University in Johnson City, and for the school's close cooperation with the Mountain Home Veterans Medical Center. He is also chiefly responsible for the designation of "Stars and Stripes Forever" as our national march.

I cannot think of a more fitting recipient of the Silver Helmet. And I cannot think of an honor the Dean will cherish more than this tribute from Americans who shared his experience in combat and who share his lifelong pride in America and devotion to its veterans.

The Dean and I are both veterans of the Navy, but I thought perhaps the most appropriate summary of JIMMY QUILLEN's public service comes from the Army—the West Point creed of duty, honor, country.

This is true of his military service—as a combat veteran of the Second World War aboard the aircraft carrier Antietam. It is true of his nearly 40 years in elected office at the State and national level.

Fewer and fewer of our Nation's leaders are veterans, let alone combat veterans. Fewer have the direct and personal experience of serving their country in uniform in times of crisis. Fewer carry with them the knowledge of what war is, what our soldiers, sailors, and fliers endured to secure our liberty. Fewer carry with them daily the solemn obligation to make sure our Government makes good its promise to those who bore the battle.

JIMMY QUILLEN has never forgotten. And he doesn't let his colleagues in Congress forget either.

He has been a tireless advocate for America's veterans, a staunch advocate of a strong national defense, an unapologetic patriot.

In Congress, we have two types of folks—the workhorses and the show horses. You won't find JIMMY QUILLEN on the glitzy TV shows. You won't find him playing to the Washington audience. What you'll find is a public servant who has devoted the last 30 years of his life to winning a fair shake for his constituents in upper east Tennessee, and to quietly doing what former President George Bush has called, the hard work of freedom.

I am sure my colleagues in this House will want to join me in saluting Mr. QUILLEN's long and distinguished service.

HYPERSONIC RESEARCH AIRPLANE AUTHORIZATION ACT OF 1993

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. BROWN of California. Mr. Speaker, today I am introducing a bill, the Hypersonic Research Airplane Authorization Act of 1993. By refocusing the existing NASA–DOD National Aerospace Plane Program, this bill will speed up the day when this Nation has easy and affordable access to space.

The current National Aerospace Plane Program began in the early 1980's with a DARPA study which proposed a research and development program leading to a hypersonic single-stage-to-orbit aircraft which could take off from a runway, fly into orbit using air-breathing propulsion, and return to Earth by landing on a runway. The concept of a hypersonic aerospace plane had many potential advantages. By promising the ability to substantially lower the per-pound cost of placing payloads into orbit, the aerospace plane would reap both significant military and commercial benefits.

The recently restructuring of National Aerospace Plane Program announced by NASA and DOD, however, defers the decision to design and build a research airplane. This decision was based on the belief that we need more test data before a single-stage-to-orbit aircraft of reasonable weight can be designed and that we need to learn more about aerodynamics and combustion in the hypersonic flight regime. While we certainly have much to learn, these uncertainties do not justify the abandonment of the effort to design and build a manned hypersonic research aircraft.

Although the proposed scaled model rocket-based flight tests now proposed by NASA and DOD will allow some relevant data to be collected, witness after witness has told the Committee on Science, Space, and Technology that the technology exists now to build a hypersonic research plane. These witnesses told the committee that a hypersonic research plane should be developed as soon as possible if the United States is to be successful in retaining our lead in hypersonic flight and in achieving cost-effective access to space.

NASA's mission is to explore the unknown. NASA's daring and bold ventures into the previously unexplored realm of outer space propelled this agency and its activities to great achievements and success in the 1960's. Now is time to bring a similar spirit of adventure and risk-taking to the National Aerospace Plane Program.

In this spirit, the Hypersonic Research Airplane Authorization Act directs DOD and NASA to submit to the Congress a plan in 6 months for developing a hypersonic research airplane, with first flight within 5 years, at a total cost of no more than $5 billion. The bill requires that the research airplane utilize air-breathing propulsion and carry no payload except for a pilot and the necessary instrumentation. This research airplane is to be the precursor to a single-stage-orbit National Aerospace plane, and is to be instrumented to collect hypersonic and combustion data while flying at speeds that extend the flight envelope boundary and push the limits of technology developed to date.

While the bill does not specify any particular configuration for the research plane, many independent experts have informed the committee that a research plane with a weight of less than 100,000 pounds can be built with existing technology to achieve the goals outlined in the bill. The bill directs NASA and DOD to consider these independent proposals in preparing its plan to be submitted to Congress.

Mr. Speaker, our previous investments in subsonic aeronautics research and development at NASA and DOD have been a major contributor to the competitiveness of the United States aerospace industry. An aggressive hypersonic flight research and development program, including the development of a research airplane, will help ensure that the United States aerospace industry maintains its technological lead well into the next century. I ask that my distinguished colleagues support me in this endeavor.

THE POW/MIA FULL ACCOUNTING ACT OF 1993, H.R. 2521

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. GILMAN. Mr. Speaker, today I am introducing H.R. 2521, the POW/MIA Full Accounting Act of 1993. The act directs the President to implement and enforce certain economic sanctions against the Government of the Socialist Republic of Vietnam until such time as the United States Government has received the fullest possible accounting from the Government of the Socialist Republic of Vietnam regarding American prisoners of war and missing in action from the Vietnam conflict.

This is an issue which is of prime importance to millions of Americans, and particularly to the families of those who have served their country in time of conflict. These men cannot and ought not be forgotten, by a grateful and loyal nation. We owe them and ourselves a full and just accounting.

Next Wednesday, at my request, the House Foreign Affairs Committee will be holding a hearing on the POW/MIA issue. The timing of the hearing makes it in many ways the most important and crucial congressional hearing ever held on the subject of our POW/MIAs for two reasons:

First, this is the first attempted public hearing since the recent Russian document on our POW/MIA's was found in the archives of the former Soviet Union. A document, which raises serious, troubling questions on the validity and accuracy of the information we have long been receiving from the Vietnamese on our POW's. We need answers to those questions.

Second, in the next few days the IMF will make a critical decision on payment of the arrearages of Vietnam's outstanding loans, and whether or not new IMF loans and funds should once again flow freely to Vietnam with our Nation's blessing and concurrence. The United States position and posture on these IMF loans to Vietnam will be closely watched here at home and around the globe.

We should make no mistake about it that these two events, which I just cited, are critically linked. The United States Government's posture both publicly as well as privately, on how we, and our allies, view the newly discovered evidence, and especially the IMF loans for Vietnam, will likely determine the final fate of our POW/MIA's from that long ago war in Vietnam. A war which many desire to forget and put behind us, but which all of us know in our hearts and at the bottom of our souls, that we cannot put behind us until we fully and finally account for every American who served his country in that terrible struggle.

To restore IMF loans to Vietnam now would be for our Nation to legitimize that Government's failed efforts to date to fully account for our POW/MIA's. The IMF loans to Vietnam will no doubt be soon followed with calls for normalization of relations between our two Governments. It is far too premature to draw any conclusions on IMF loans and normalization with Vietnam.

New evidence, which we will hear about next week, raises serious questions about a two-tier prison system in Vietnam, interrogation of our American pilots in China, Eastern Europe, and the former Soviet Union for intelligence and debriefing purposes, all of which has been ignored or denied in many forums to date. But new and deeply disturbing evidence from our own Government's newly declassified files and sources have raised grave concerns and new avenues that need to be pursued for a full accounting.

These Eastern Bloc nations and the former Soviet Union which were once our enemies now seek United States aid and assistance. We too must seek their assistance in accounting for our POW/MIA's from the Vietnam war. The American people expect no less from our Government of those former enemies who now seek our assistance, in this new post-cold-war era.

Accordingly, I urge my colleagues to join with me in cosponsoring H.R. 2521, the POW/MIA Full Accounting Act of 1993 and ask that the act be printed in full at this point in the RECORD:

H.R. 2521

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "POW/MIA Full Accounting Act of 1993".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Many recent news reports state that President Clinton's top national security advisors have urged ending United States opposition to multilateral lending to the Government of the Socialist Republic of Vietnam.

(2) In early July 1993, the International Monetary Fund is scheduled to meet to discuss the possibility of repayment of loans made to the Government of the Socialist Republic of Vietnam.

(3) Despite the increased level of field activities by personnel of the Joint Task Force-Full Accounting of the Department of Defense, particularly field activities conducted in the Socialist Republic of Vietnam, the last 2 to 3 years have been the worst since 1981 in terms of results which account for American POW/MIAs from the Vietnam conflict, with only 10 POW/MIAs having been accounted for in 1992 and only 1 POW/MIA in 1993.

(4) There are still more than 200 American POW/MIAs from the Vietnam conflict last known alive in the Socialist Republic of Vietnam and Laos.

(5) 700 Americans were shot down or captured over Laos during the Vietnam conflict but only 9 returned to the United States, and United States officials have testified that more than 80 percent of the members of the Armed Forces missing in Laos were captured or missing in action in areas under North Vietnamese control.

(6) The most recent documents and films shown in the Socialist Republic of Vietnam to visiting delegations show little new information on the fate of American POW/MIAs.

(7) Although the most recent documents regarding American POW/MIAs found in the archives of the former Soviet Union contain possible minor inaccuracies, such documents point to a larger truth that the Government of the former Soviet Union and the Government of North Vietnam collaborated throughout the Vietnam conflict in the exploitation of American POW/MIAs, and the Government of North Vietnam withheld and may continue to withhold American POW/MIAs, and the Government of North Vietnam withheld and continues to withhold information about such POW/MIAs and the remains of American POW/MIAs who have died.

(8) A June 10, 1971, Central Intelligence Agency intelligence information report describes a debriefing center in Vinh Phu province of North Vietnam where from 1965 through 1967 captured American pilots were questioned by Soviet and Chinese personnel.

(9) No American POW/MIAs who returned during Operation Homecoming in 1973 reported having been interrogated by Soviet or

Chinese personnel despite a significant volume of evidence that some had been questioned by such personnel.

(10) Among documents given to United States Ambassador Toon in Moscow in April 1993 was a top secret report from the Soviet Embassy in Hanoi dated March 14, 1967, that describes systematic involvement of Soviet technical specialists visiting downed American aircraft from the Vietnam conflict and confiscating technical equipment for shipment to the former Soviet Union.

(11) Such report also included a description of competition between Soviet technical specialists and Chinese technical teams, including incidents in which Chinese technical teams would destroy American airplanes before Soviet specialists could conduct their investigations.

(12) In early 1993 the cockpit capsule of an American F-111A aircraft downed in North Vietnam was found in a Moscow area museum and the legible serial numbers on the airplane matched those of missing American pilots.

(13) A series of previously secret Department of State cables between January and July of 1967 describe a proposed prisoner exchange offered by East Germany in which between 2 to 6 severely wounded American pilots (including one amputee) from the Vietnam conflict reportedly being held in an East German hospital would be exchanged for a Soviet husband and wife spy team being held in Great Britain. These pilots were never exchanged and no amputee American prisoners were ever returned from the Vietnam conflict.

(14) One facilitator of that unsuccessful exchange, Doctor/Professor Wolfgang Vogel, had previously participated in a number of successful prisoner trades between the East Bloc and the West.

(15) A military document from North Vietnam found in the archives of the former Soviet Union purportedly quoting from a speech by North Vietnamese General Tran Van Quang states that some 700 American prisoners of war were being held by Hanoi in addition to those returned in Operation Homecoming in 1973. Subsequently, General Quang denied authoring the document and stated that he was not Deputy Chief of Staff nor involved with American prisoners of war. However, both South Vietnamese and American intelligence documents from that time period list Quang as Deputy Chief of Staff of the North Vietnamese Army.

(16) In June 1993 General Quang admitted in Hanoi that during the French/Indo-China War he had French and other European prisoners on his Enemy Proselytizing Department staff and he was also in charge of French prisoners following that war which caused long delays in accounting for French POW/MIAs.

(17) General Quang also admitted that as Commander of Military Region Four during the Vietnam conflict he had control over the Ho Chi Minh trail in Laos where hundreds of Americans were listed as captured or missing and held prisoner but never returned to the United States.

(18) A November 17, 1975, Central Intelligence Agency document relating to exploitation of American prisoners of war states that French prisoners captured during the 1945–54 period "are still being held in North Vietnam" some 20 years after that war had ended, and that there was some possibility that American prisoners of war are still being held in the Socialist Republic of Vietnam.

(19) An October 1979 Defense Intelligence Agency report states that Le Dinh, a credible former North Vietnamese intelligence officer who had been involved with American prisoners during the Vietnam conflict, said that he heard "at staff meetings that about 700 Americans still remained in Vietnam", constituting a strategic asset that could be used to force the United States to pay reparations to North Vietnam.

(20) Among recently declassified United States documents from the "Cold Spot" intelligence program conducted in Laos and North Vietnam during the Vietnam conflict are documents that discuss 112 American prisoners of war still in North Vietnam after Operation Homecoming in March 1973.

(21) Between the spring of 1971 and the fall of 1972 a series of United States intelligence documents from North Vietnam, Burma, and Taiwan indicate that a large number of American prisoners of war were transferred from North Vietnam to the Yunnan province in China under joint Vietnamese/Chinese control.

(22) A September 1972 Department of the Navy "Bright Light" intelligence report contained a narrative from a high ranking North Vietnamese official which stated that the Government of the People's Republic of China had secretly agreed to keep a number of American POW/MIAs for North Vietnam in China and that the Government of the People's Republic of China would never release these POW/MIAs to the United States without the approval of North Vietnam.

(23) A series of successive United States administrations have consistently denied Russian, East Bloc, or Chinese involvement with American POW/MIAs in North Vietnam.

(24) More than 100 boxes of National Security Agency documents relating to the Vietnam conflict and its aftermath were not studied by the Senate Select Committee on POW/MIA Affairs because of time constraints, and thousands of more documents are now being declassified by order of the President.

(25) Such documents may contain important information regarding Russian, East Bloc, and Chinese involvement with American POW/MIAs and the transfer of American prisoners of war to Eastern Europe, the former Soviet Union, and the People's Republic of China.

(26) The American Legion "strongly believes the final report (of the Senate Select Committee on POW/MIA Affairs) is flawed and incomplete" and "unfortunately, the Committee has produced a report that may turn out to be improperly used to encourage further favorable U.S. Government actions toward Vietnam without receiving any substantial cooperation on the POW/MIA issue in return".

(27) The preceding paragraphs demonstrate that the Governments of the Socialist Republic of Vietnam, Laos, the People's Republic of China, and Russia have not given United States investigators all of the information that those Governments possess relating to all American POW/MIAs from the Vietnam conflict.

SEC. 3. DECLARATION OF POLICY WITH RESPECT TO AMERICAN POW/MIAs FROM THE VIETNAM CONFLICT.

The Congress declares that the issue of American POW/MIAs from the Vietnam conflict will be resolved only when the fullest possible accounting of all such POW/MIAs, particularily those last known alive, is achieved and all available information relating to such issue, including documents, eyewitness accounts, film, and other communications, is obtained and thoroughly studied by impartial United States investigators.

SEC. 4. SENSE OF THE CONGRESS WITH RESPECT TO NORMALIZATION OF RELATIONS WITH THE SOCIALIST REPUBLIC OF VIETNAM.

It is the sense of the Congress that the President should not normalize or otherwise upgrade diplomatic relations with the Government of the Socialist Republic of Vietnam until such time as the President certifies to the Congress that the United States Government has received from the Government of the Socialist Republic of Vietnam the fullest possible accounting of American POW/MIAs from the Vietnam conflict.

SEC. 5. CONTINUATION OF UNITED STATES TRADE EMBARGO AGAINST THE SOCIALIST REPUBLIC OF VIETNAM.

The President shall not terminate, alter, or amend the United States trade embargo in effect as of June 1, 1993, against the Socialist Republic of Vietnam until such time as the President certifies to the Congress that the United States Government has received from the Government of the Socialist Republic of Vietnam the fullest possible accounting of American POW/MIAs from the Vietnam conflict.

SEC. 6. DEFERRAL OF IMF RESOLUTION RELATING TO REPAYMENT OF IMF LOANS BY THE SOCIALIST REPUBLIC OF VIETNAM.

The President shall instruct the United States Executive Director of the International Monetary Fund to use the voice and vote of the United States to defer consideration of any resolution by such Fund that allows the Government of the Socialist Republic of Vietnam to pay off any or all loans that are in arrears to such Fund until such time as the President certifies to the Congress that the United States Government has received from the Government of the Socialist Republic of Vietnam the fullest possible accounting of American POW/MIAs from the Vietnam conflict.

SEC. 7. DENIAL OF LOANS, GRANTS, AND CREDITS BY INTERNATIONAL FINANCIAL INSTITUTIONS TO THE SOCIALIST REPUBLIC OF VIETNAM.

The President shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Monetary Fund, and other appropriate multilateral financial institutions to use the voice and vote of the United States to deny any new loans, grants, or credits to the Government of the Socialist Republic of Vietnam until such time as the President certifies to the Congress that the United States Government has received from the Government of the Socialist Republic of Vietnam the fullest possible accounting of American POW/MIAs from the Vietnam conflict.

SEC. 8. DEFINITIONS.

For purposes of this Act, the following definitions apply:

(1) AMERICAN POW/MIAS.—The term "American POW/MIAs" means—

(A) members of the United States Armed Forces who have been identified as prisoners of war or missing in action; and

(B) civilian employees of the United States who have been identified as captured or missing.

(2) FULLEST POSSIBLE ACCOUNTING OF AMERICAN POW/MIAS FROM THE VIETNAM CONFLICT.—The term "fullest possible accounting of American POW/MIAs from the Vietnam conflict" means—

(A) the return of all American POW/MIAs who are still alive;

(B) the identification and return of all remains of American POW/MIAs who have died; or

(C) convincing evidence as to why the return of all American POW/MIAs described in subparagraph (A), the identification and return of all remains described in subparagraph (B), or both, is not possible.

TRIBUTE TO WOODROW WILSON HIGH SCHOOL BOYS BASKETBALL TEAM

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. RAHALL. Mr. Speaker, as a graduate of Woodrow Wilson High School of Beckley, WV, it brings me very special pleasure to relay to you the accomplishments of the 1992–93 boys basketball team.

After a 25–2 season, they defeated the George Washington High School Patriots by 11 points to win the AAA State championship for the second time in a row. Woodrow Wilson continues a tradition of excellence in basketball by capturing their 12th State title. Longtime coach Dave Barksdale must be especially proud since his Flying Eagles were ranked by USA Today as one of the top 25 high school teams in the country. I must say that I am quite excited about Woodrow's prospects for success next year, since their junior varsity team was undefeated this past season.

Success on the court depends upon teamwork and cooperation. This team is no exception. I am sure they would not have accomplished as much, if they did not work together. However, every team has its leaders. Starting in every game for 3 consecutive years, Ryan Culicerto and Shea Fleenor led their team by example; during their senior year, they averaged better than 15 points per game.

I am confident that these fine young men have learned a great deal from their time on the basketball court, in practice as well as in competition. I congratulate the Woodrow Wilson High School Team and Coach Barksdale on their outstanding season and wish them luck in all their future endeavors.

PASTOR FULLER: AN INSPIRATION TO US ALL

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. BARCIA. Mr. Speaker, I rise today to pay tribute to Pastor Ronald F. Fuller of the Messiah Lutheran Church of Bay City, MI. In these times when it is so difficult to do what is right, to do what is just, he is an inspiration to us all.

Pastor Fuller has served at Messiah Lutheran for more than 24 years. He is retiring on July 31, but the final sermon of this phase of his ministry will be this Sunday, June 27. His tenure at the church, I am told, is the longest in its 113-year history.

Pastor Fuller and his wife Jackie have been there for people in good times, and more importantly in difficult ones. He has helped to guide many people through the challenging times provided on life's troubled waters.

Just as Christ said Peter was the rock upon which he would build his church, Pastor Fuller is the rock of Messiah Lutheran Church. His service through the many extra hours over his career are sincerely appreciated.

And his service has extended beyond the walls of his church. He has been an active participant in many community activities, and has been a wonderful example of how one can always give a bit more to his neighbors through service.

Mr. Speaker, I know that no good minister ever truly retires. Just as it is often said that the Lord's work is never done, neither is that of His ministers. I am sure that Pastor Fuller may be leaving Messiah Lutheran, but he is not leaving the ministry. There will be many times when he will continue to be a guiding influence to those who have the good fortune to come in contact with him. I ask all of my colleagues in joining the members of Messiah Lutheran Church and myself in wishing Pastor Fuller and Jackie the very best for this retirement, and that his new life will be as rewarding and successful as his recent career.

TRIBUTE TO RAY GREGG, JR.

HON. SCOTT L. KLUG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. KLUG. Mr. Speaker, I rise today to honor Mr. Ray Gregg, Jr., the general manager of John Deere Horicon Works in Wisconsin. On June 30, 1993, Ray will retire from the company.

Originally, Ray's tenure with Horicon Works was supposed to be limited to just 3 years. Clearly, officials at John Deere recognized talent and extended his stay—for 23 years. Add that to his earlier positions at John Deere in New York and you'll find that Ray Gregg has been with the company for 36 years. That's quite an achievement for which he and his family can be proud.

I am sure the employees are wondering what life will be like without Ray. He has become an institution at Horicon Works who has successfully helped guide the company during good times and bad. His leadership will be missed.

Today, I rise to wish Ray and his wife, Jane, well as they begin their retirement, leaving Horicon for a new home in Minocqua, WI. After 36 years, it is well-deserved.

INTRODUCTION OF THE RURAL HEALTH INNOVATION DEMONSTRATION ACT OF 1993

HON. ROBERT F. (BOB) SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. SMITH of Oregon. Mr. Speaker, today I am introducing the Rural Health Innovation Demonstration Act of 1993. The bill is identical to legislation that will be introduced in the other body by the distinguished senior Senator from Oregon, MARK HATFIELD.

I'm pleased to reintroduce this bill with Senator HATFIELD in the 103d Congress, as we once again renew our commitment to improving the delivery of health care for rural America. This legislation will provide rural communities with the necessary resources to strengthen the recruitment and retraining of health care professionals, create competitive demonstration projects, and improve health care services.

Today, the recruitment and retention of family practice physicians, nurses, physician assistants, and other health care professionals is a significant challenge for rural communities. The often geographically isolated location, the lack of medical resources, and the demanding workload frequently lure a perspective rural practitioner to the big city. In addition, Medicare and Medicaid revenue account for 50 to 60 percent of net patient revenue at the average rural community hospital. As a result of this reliance on Government payments, 150 rural hospitals have closed their doors over the last decade.

All Americans deserve the right to quality health care. However, for the majority of rural Americans, this is a right that is, all too often, denied. That is why I believe rural communities must initiate a strategy of managed cooperation. Rural communities must be given incentives to form networks to encourage the coordination of care and utilization of medical services. The Rural Health Innovation Demonstration Act of 1993 is a microcosm of managed cooperation that grants flexibility to rural communities while providing the impetus to effectively integrate medical resources on the local and State level.

Specifically, the bill will establish rural health extension networks to encourage cooperation among rural and urban health care providers and facilitate interaction between rural health facilities to share limited resources, rural management care cooperatives to assist rural providers with malpractice premiums and Federal Government reimbursement rates, and a mental health outreach program to increase mental health services for children and the elderly in rural areas. In addition, the bill authorizes additional money to area health education centers [AHEC's] to provide education for rural health care professionals and a general stipend for practitioners that choose to remain in rural settings.

This legislation is strongly supported by the National Rural Health Association, the Oregon Office of Rural Health, the Oregon Association of Hospitals, the Oregon Nurses Association, the Oregon Medical Association, and the Oregon Health Sciences University which directs the AHEC Program.

Mr. Speaker, as a member of the Rural Health Care Coalition, I urge my colleagues to cosponsor the Rural Health Innovation Demonstration Act of 1993 and take an important first step toward improving our fragile rural health care delivery system.

THANKS TO SOME VERY SPECIAL PEOPLE

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. PAYNE of New Jersey. Mr. Speaker, I would like to bring to my colleagues' attention a group of very special people who are offering their time, concern, guidance, support, and most importantly, their love. These adults have become mentors to young people in Newark through the One to One program. One to One/New Jersey is a mentoring program extraordinaire. It is an affiliate of the national One to One program that pairs young people with adult friends as mentors. The program has taken off in Newark with 150 adults and children paired up.

The mentors have all agreed to visit with the children for at least 1 hour per week, working on homework, taking in a movie, going to an art exhibit, or just sitting together talking about things that are important to the youth. By giving an hour a week, a caring adult can sometimes make the difference between success and failure for some children. The One to One program was established primarily because mentoring is one strategy that is increasingly recommended for coping with the void in so many young people's lives.

I have been involved as an advisor, big brother, teacher, and mentor before the word was popular and I can promise all of the very special people who are mentors in the One to One New Jersey program will feel rewarded throughout their lives. Young people will remember you for the rest of their lives and you will know that you were a part of something very special in their developmental years.

In years gone we did not need to have such a program. Every adult you passed would work to keep you in check. Mrs. Jones down the block would ask, "What are you doing out so late?" You were sure she would tell your parents you were up to no good. It was a time when there was a sense of community. The old African proverb was in full effect "It takes a whole village to raise a child." These mentors are taking this phrase to heart. They are helping to raise a child. Next Tuesday, these very special people will be honored at a reception to thank them for their dedication. I know my colleagues join me to thank you very special people.

TRIBUTE TO JEREMY SACCO

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. McDADE. Mr. Speaker, I want to bring to the attention of my colleagues the heroic actions of one my constituents, Jeremy Sacco, a 16-year-old sophomore at Valley View High School in Archbald, PA.

In the early evening of April 28, Jeremy was working on is father's car outside his parent's home. He heard shouts that a man was drowning in the Lackawanna River, which runs behind the Sacco's home. Jeremy than started a series of actions which helped save the life of a drowning man.

According to local news accounts, Jeremy first ran to his house and told his mother, Kathy, to call 911 to alert them that someone was drowning in the river. Jeremy then jumped the fence which borders the family property, met up with some men running along the river and spotted a person in the dangerous rapidly moving water.

While his mother was calling 911, Jeremy and the men ran down to the riverbank. Jeremy grabbed a large stick, jumped into the river and yelled at the drowning man to grab the stick. He then pulled the man to shore with the help of some bystanders. A skilled ambulance crew revived the man, who had been in the water for nearly 5 minutes.

Jeremy Sacco was recently recognized as an outstanding citizen by the Archbald Borough for his heroic actions. Like a true hero, Jeremy is modest about his good deed, saying, "I didn't stop to think—I just heard the screams of help and reacted without any time to stop and think about what needed to be done."

Mr. Speaker, Jeremy's bravery and quick thinking deserve our admiration and recognition.

ALZHEIMER'S ASSOCIATION SAFE RETURN PROGRAM

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Ms. SNOWE. Mr. Speaker, Alzheimer's disease robs four million adults of their ability to recognize familiar places and faces. They may not be able to remember their name or the address of their own home.

In an effort to find something familiar, they will wander away from home and their caregivers. I don't believe any of us can appreciate the panic felt by a caregiver when they discover the Alzheimer's victim has wandered off. People with Alzheimer's disease often cannot ask for assistance or help provide information if they are found. In order to help police and families return loved ones safely home, the Alzheimer's Association has created the Safe Return Program.

Safe Return provides an identity necklace or bracelet, clothing labels, and wallet cards to identify the individual. This information is also registered in a national data base, which is hooked up with a 24-hour toll-free hotline which can be contacted when an individual is lost or found.

This is just one of many programs the National Alzheimer's Association and its network of 220 chapters across the country provide to help the 2 victims of this disease—the individual and the family. I hope my colleagues will spread the word about the Safe Return Program.

BEWARE THE ELECTION REFORMERS

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. OXLEY. Mr. Speaker, I commend to the attention of my colleagues the following June 23 column which appeared in the Washington Times. Professor Sabato raises several compelling criticisms regarding the Senate-passed campaign finance reform legislation which soon may be considered by the House.

The purpose of campaign finance reform is not to protect incumbents, nor is it to reduce the amount of time spent raising funds. The sole purpose of well-crafted campaign finance reform legislation should be to level the proverbial playing field so that challengers can compete on equal footing with incumbents. As we prepare to consider campaign finance reform legislation, we would do well to remember what a majority of our colleagues in the other body apparently forgot.

The article follows:

BEWARE THE ELECTION REFORMERS

(By Larry Sabato)

Fraudulent. Deceitful. Dangerous. Nonsensical. These are a few of the printable words that describe the campaign finance reform package passed by the U.S. Senate last week. It is one of the worst, most thoughtlessly designed pieces of election-related legislation approved by either house of Congress in modern times.

Simply put, the Senate plan is a deeply flawed disaster, chock full of bad reform ideas that sound good. More ominously, the proposal tramples on First Amendment rights of free speech and association—a special irony since the bill is being uncritically promoted by many newspaper editorialists.

As the American Civil Liberties Union already has warned, the Senate's campaign finance scheme is blatantly unconstitutional in many respects. Despite the Supreme Court's insistence that spending limits be strictly voluntary, the Senate plan (like the one backed by President Clinton) severely penalizes those who choose not to give up their right to unlimited campaign spending. (Read "speech for spending"; since mass communications cost money, the court has properly seen the close relationship between speech and spending.) Incredibly, the Senate has even authorized government seizure of more than a third of the campaign treasuries of candidates who exercise their basic right not to submit to a speech limit.

The plan also unduly limits the First Amendment right of free political association by banning bundling and contributions from political action committees; it makes it unacceptably difficult for citizens to engage in independent expenditure campaigns, another court-sanctioned First Amendment privilege; and it unreasonably restricts the right of lobbyists to participate in politics. No matter how unpopular lobbying may be, citizens who choose that profession should not be forced to give up their First Amendment guarantees.

The centerpiece of both the Senate's and the president's proposal is spending limits. The most compelling argument against this idea was unwittingly provided by Michael Waldman, the Clinton administration's point man on campaign finance. Mr. Waldman recently told a reporter what reform critics have been trying to tell policymakers for years: "Where you put up a wall, the money will eventually find its way to flow around . . ."

The First Amendment makes it impossible to stop the flow of political money. When you dam it in one place, it merely cuts another channel or begins moving freely underground, out of the sunshine and undisclosed. Spending limits will inevitably decrease direct contributions from individuals, political committees, and parties, while increasing indirect expenditures, such as money spent by corporations, labor unions, and trade associations on "grassroots" politics. These efforts are frequently outside the bounds of required disclosure, and will probably still be, despite senate efforts to extend the reporting requirements. Thus, spending limits will simply push political money from easily disclosable, above-ground channels into less disclosable underground channels, and they will also encourage the search for loopholes and eyebrow-raising accounting practices that produce public cynicism about the political system.

Spending limits will have other unfortunate consequences. For example, they will help the haves and hurt the have-nots. Well organized individuals and PACs, who can give early in the election cycle before a candidate's limit is reached, will be advantaged. Poorer, late-organizing interests will be at an even greater disadvantage than currently, and spending limits will insure that all sides of a legislative controversy might not be able to gain whatever access a donation achieves.

Moreover, spending limits will not prove a boon to challengers, contrary to the claims of advocates. First, many challengers need to spend a great deal to overcome the enormous advantage amassed by some incumbents' decades of cumulative campaign and governmental expenditures. The Senate's recent elimination of all public funding for most candidates makes its bill even more of an incumbent-protection act than it was previously. Second, incumbents will always be in a much better position than challengers to take advantage of the loopholes in spending limits that will be quickly discovered or invented by the teams of ingenious campaign finance lawyers at the beck and call of sitting congressmen. And third, let's not forget about the incumbent's access to hundreds of thousands of dollars of taxpayer-financed reelection perks every election cycle—mass mailings and services not available to any challenger. These hefty expenditures can be expanded at will, and once campaign spending is strictly limited, the temptation to do so will be all the greater.

The Senate's attack on PACs is another highly suspect item in its legislation. Political action committees, representing diverse interest group activity, are a completely natural and inevitable part of a robust electoral system. The Senate wants to prohibit PAC contributions altogether, or once the courts declare the PAC ban unconstitutional, reduce a PAC's maximum donation from $5,000 to $1,000 per election. Since most PACs have hundreds, thousands, even millions of members, why is a contribution limit of just five times a single person's limit ($5,000 vs. $1,000) considered so outrageous? A good argument could be made for increasing the $5,000 limit, not only because of PACs' large constituencies, but also because inflation has more than halved the real value of PAC donations since the limits were established in the 1970s. And as with overall spending, limitations on direct PAC giving only force PAC money into indirect, often less visible channels. Also, if PAC giving is banned, the PAC members will probably just donate as individuals, supplemented by contributions from their spouses, children and associates. Of course, identifying and aggregating all these individual gifts from the same interest group will take much more time and effort on the part of the press, if it is attempted at all. Therefore voters may learn less about their representatives' financial support as a result of the Senate's anti-PAC fervor.

Most of the Senate's other proposals are also unworkable or questionable. Take independent expenditures. Under the Senate bill, a candidate whose opponent benefits from an independent expenditure receives public funds to counteract it. Clever political operatives can easily make a mockery of the provision. Example: A group with a motive to help a Republican candidate could air a television advertisement praising the Democratic senator for having had "the courage to raise taxes," thereby presumably hurting the Democrat's standing plus generating public money for the use of his GOP opponent.

Or consider bundling, the effort by an interest group to collect individual donations from supporters and deliver them as a package. As long as bundling is fully disclosed, how is it worse than any of the alternatives? President Clinton suggested that instead of bundling contributions, an interest group could provide pre-addressed envelopes for supporters to give separately. In other words, the new method permits the group-individual connections to be hidden. This is progress?

Finally, the Senate's campaign finance reform bill is yet another lawyer and accountant relief act, and it will inevitably result in a massive expansion of the size and reach of the Federal Election Commission. Thus, the bill's ultimate effect will be a dramatic increase in the regulation of politics. Already campaigns are too professionalized, and the financial rules of the game are so complicated that many people are afraid to take part, lest they violate a complex and little understood law. Do we really want to limit citizens's participation in politics still further?

In short, the senators' design for campaign finance will produce not the clean campaigns they promise but a Jerry-built rig of election deceptions, rights usurpations, and unintended consequences. Those who are currently posing as election reformers are actually election regulators—and, unchecked, what they will over-regulate and limit are the constitutional rights of the rest of us.

It is not too late for the House of Representatives to exercise better judgment than the other body, or for the seven Republican senators who voted to torpedo their party's filibuster against this sad piece of legislation to reconsider when the bill eventually returns to the Senate.

THE PASSING OF ADE CHRISTENSON

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. RAMSTAD. Mr. Speaker, I rise today to mourn the passing of a great Minnesotan, Ade Christenson.

Throughout his 38 years as head football coach and athletic director at St. Olaf College in Northfield, MN, Ade was driven by one central ideal. That ideal was that the benefits received from athletics should not be limited to only the best players, but to all his players.

This made him not only one of the most successful coaches in Midwest college football, but also one of the best loved.

Although he had planned to go to medical school upon graduation from St. Olaf in 1922, Christenson decided to coach for 1 year as a favor for a friend. Forty-three years later, in 1965, he finally retired from the game.

During his long and distinguished career, his teams won six Minnesota Intercollegiate Athletic Conference championships. He was inducted into the Minnesota Coaches Hall of Fame in 1970.

In 1959, Christenson wrote a book entitled "The Verdict of the Scoreboard." In this work, Christenson detailed his concern over the rise of professionalism in collegiate athletics. He was disturbed by the rising obsession with victory in college sports and believed it not only reduced the benefits received from athletics, but also detracted from the educational process.

Throughout his tenure at St. Olaf, Christenson sought to restore the dignity and honor to competitive sports. To do this, he began an intramural program that was emulated by colleges and high schools throughout the Nation. As a result, 85 percent of the men on the St. Olaf campus joined the intermural program and were able to experience the benefits of amateur athletics.

Christenson's attempts to help expand the benefits of athletics were not limited to the collegiate level. For several years before the Second World War, Christenson directed a summer camp for the underprivileged youth of the Twin Cities.

Mr. Speaker, Ade Christenson was clearly a man of whom all Minnesotans are extremely proud.

Ade Christenson's obituary from the June 19 Minneapolis Star-Tribune follows:

ST. OLAF FOOTBALL COACH ADE CHRISTENSON DIES AT 93

(By Pat Pheifer)

Ade Christenson opposed professionalism in college sports and believed that athletic programs shouldn't be limited to only the best players.

He was the football coach and athletic director at St. Olaf College in Northfield, Minn., for 38 years and was named professor emeritus when he retired in 1965.

Christenson, 93, died in his sleep early Friday morning at his home on Island Lake near Northome, Minn.

In 1959 he wrote a book called "The Verdict of the Scoreboard," which called for colleges to "restore dignity and honor to competitive sports."

College athletics "will never reach its quality of greatness outside the framework of amateurism," he wrote. "Throwing touchdown passes is important in the final outcome of the game of football, but touchdowns are not a justifiable reason for the establishment of scholarships, grants, free rides and convertibles as living testimony to what is considered important in American education."

Christenson started an innovative intramural program at St. Olaf that involved 85 percent of the men on campus. It was emulated by colleges and high schools across the country.

He was a native of Soldiers Grove, Wis., who moved to Northfield with his family when he was in the seventh grade. He graduated from St. Olaf in 1922 and was named all-state in three sports.

He had planned to go to medical school, but as a favor to a friend he agreed to coach for a year after college. He never left coaching, said his son, Larry, of Northome.

He coached football and basketball in Story City, Iowa, for two years and in Coleraine, Minn., for a year. He was the football coach at Roosevelt High School in Minneapolis in 1926–27.

He joined the St. Olaf faculty in 1927 and was named head football coach in 1929. He also coached track for 31 years and basketball for nine years. His football teams won six Minnesota Intercollegiate Athletic Conference championships.

During World War II, with few men in college, he did graduate work at the University of Southern California and earned a master's degree in 1944. After coaching the Ely, Minn., football team to an undefeated season, he returned to St. Olaf in 1945.

He retired from active coaching in 1958 but stayed on as the athletic director for another seven years. He was inducted into the Minnesota Coaches Hall of Fame in 1970.

For several years before World War II, he directed a summer camp for underprivileged Twin Cities boys that was sponsored by the Lutheran Welfare Association of Minnesota.

Christenson and his wife, Mimi, spent many summers at their lake home in Northome, northeast of Bemidji. He enjoyed golfing, chopped wood and was a voracious reader. They spent winters in Arizona, where he taught senior citizens to play golf.

One of his grandsons persuaded him to coach the football team at a parochial high school in San Pedro, Calif., for two years when he was 79 and 80 years old. "They lost one game that year," his son said. "[They] had a very good team."

Besides his wife and son, Christenson is survived by a daughter, Joanne May, of Excelsior; seven grandchildren; 14 great-grandchildren, and one great-great-grandchild.

A memorial service will be held at 2 p.m. Friday in Boe Memorial Chapel at St. Olaf.

1993 PUBLIC SERVICE SCHOLARSHIP

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. JOHNSON of South Dakota. Mr. Speaker, Larry Selzler, a student at the University of South Dakota, was recently chosen to receive one of nine 1993 Public Service Scholarships which are presented by the Public Employees Roundtable in Washington, DC. With more than 400 applicants from which to choose, the Roundtable selected each winner based on academic excellence and their plans to pursue a public service career. Larry deserves to be commended for his exceptional efforts in writing this essay and for receiving a Public Service Scholarship.

Larry's winning essay follows:

WHY I HAVE CHOSEN A PUBLIC SERVICE CAREER

Although the benefits and pay are excellent, I have deeper interests for a career in public service. Through previous experiences, I have worked with public servants who are committed professionals who set high standards for themselves. As a result, I want to be a member of this type of quality team. Also, much of what I have is due in part, to public services. I received my education in public schools and am now attending the University of South Dakota. Furthermore, I spent 6 years in the U.S. Navy and am currently a member of the Naval Reserves. I enjoy serving my country in this capacity. These opportunities are made available by hard-working members of public services. Consequently, I want to be in public service so I can give back what I have received and ensure that these and other services are available to others.

My first public service experience was in 1984, when I joined the U.S. Navy. The people I worked with are dedicated professionals with very high standards for themselves and those around them. Working with this caliber of professionals taught me to set high standards and goals for myself. While in the Navy, I had the opportunity to work as a counselor at Guantanamo Bay, Cuba. Through this experience I discovered how much I enjoyed being part of a team and helping people. Consequently, when I left the Navy, I joined the Naval Reserves, so I could continue to be a part of the Navy's team.

During my first summer at college, I worked at the South Dakota Job Service in Vermillion, SD. My responsibilities were to help South Dakotans find jobs or receive the training they needed. The teamwork in this office was phenomenal. They set challenging team goals and strove hard to achieve them. The professional atmosphere of this office encouraged me to continually push and challenge myself. Ultimately, I want to be a participant in this type of atmosphere.

Since 1992, I have been working at the University of South Dakota in the computing services department, which provides valuable technical support to the university. Again, I found the team professional, dedicated, and very hard-working. Department members take the initiative to remain current in a very volatile field. Our team encourages and challenges each other. This team spirit and dedication to the job ultimately influences others.

In addition to working at the University of South Dakota, I work at the Veteran's Hospital in Sioux Falls, SD. In my position in the physical therapy department, I have the opportunity to assist patients in their recovery. I do not think I could find a better group of people to work with, not just those in physical therapy, but the entire staff. Here too, I have found nothing but dedicated professionals helping others.

Through these experiences at the various agencies, I find myself continually challenged. Working with the caliber of people in these agencies is similar to the difference between competition with Olympic caliber and second string athletes. Competition with Olympic caliber athletes provides the challenge to achieve higher goals. Besides the benefits of being a member of a high quality, professional team, a career in public service would enable me to repay some of what I have received. Furthermore, I want to be assured that there will be quality service and dedicated people to challenge and encourage the next generation.

INTRODUCTION OF H.R. 2515 TO GRANT IMMEDIATE UNLISTED TRADING PRIVILEGES TO THE REGIONAL STOCK EXCHANGES

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. WYDEN. Mr. Speaker, today I am introducing legislation to enable the regional stock exchanges to compete more effectively with the national exchanges, and thereby give public investors more opportunity to receive the best price when they trade stocks. A bipartisan group of 12 members of the Subcommittee on Telecommunications and Finance are joining me as original cosponsors.

Specifically, the bill would give all exchanges equal rights with respect to trading stocks listed on another exchange by eliminating the notice and hearing requirements that the regionals must fulfill before they can trade unlisted issues. Instead, the bill would give the Securities Exchange Commission backstop authority to stop trading and review the unlisted trading privilege [UTP] status if there are problems.

This may be an arcane issue but it is very important for small investors around the country and for the regional exchanges. Reforming the UTP system will, for example, enable small investors in Oregon to direct their orders to the best market as soon as possible, and not to have their choice of market limited by an unnecessary waiting period that serves no investor protection purpose. That kind of competition will help get them a better deal.

Mr. Speaker, the notice and hearing provisions for UTP were originally established to provide consumer protections that are no longer needed. Since 1979, the filing of requests for UTP rights under section 12 of the 1934 Securities Exchange Act has become strictly perfunctory, and approval is extremely routine. However, the 6 to 8 week period that it takes to secure approval does raise an unnecessary regulatory barrier that inhibits the ability of the regional stock exchanges to serve their customers.

Treating all exchanges equally is an essential part of the goals of the National Market System. This legislation would promote competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets.

This is a simple, fair, straightforward bill that has strong bipartisan support and, to date, no opposition. It is a simple reform that the Federal Government can undertake to better serve the public, and I hope it will be enacted swiftly. I urge my colleagues to join me in supporting rapid enactment of this reform bill.

IMPEACHMENT RESOLUTION OF JUDGE ROBERT F. COLLINS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1993

Mr. BROOKS. Mr. Speaker, today I have undertaken the sad but important constitutional step of introducing a resolution of impeachment against U.S. District Judge Robert F. Collins of Louisiana.

On June 22, the Judicial Conference of the United States submitted a certificate to the House of Representatives reflecting the conference's determination under title 28, United States Code, section 372 that "consideration of impeachment * * * may be warranted."

The certificate finds that the judge engaged in conduct which might constitute grounds for impeachment under article I of the Constitution. On September 6, 1991, a Federal jury convicted Judge Collins of conspiracy, bribery, and obstruction of justice. On April 5, 1993, Judge Collins' conviction became final when the Supreme Court of the United States declined to hear his case.

I should point out that Judge Collins has been incarcerated since 1991, and continues to receive his full judicial salary. This resolution will be referred to the Committee on the Judiciary which has had, sadly, too much experience in dealing with these matters in recent years. An investigation will begin forthwith.

HOUSE OF REPRESENTATIVES—*Monday, June 28, 1993*

The House met at 12 noon.

Rev. Dr. Ronald F. Christian, Office of the Bishop, Evangelical Lutheran Church in America, Washington, DC, offered the following prayer:

Almighty God, Your generosity is shown to us in countless ways each day. Give to us, we pray, both the means and the desire to receive Your daily gifts with gratitude:

For bread to eat and rest from work;

For peace of mind in having done what we could, but also the challenge to do more with what we possess;

For the hope in us that springs eternal, yet the realism that will not let us easily forget another's plight.

These are but daily gifts, so common as to be sometimes expected.

O God, protect us from ever letting the ordinary become the routine and may we never presume Your goodness, demand Your grace, or consider ourselves deserving of Your gifts. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Virginia [Ms. BYRNE] come forward and lead the House in the Pledge of Allegiance.

Ms. BYRNE led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

VOTE "YES" ON AMENDMENT TO RESTORE OVERSIGHT FUNCTION IN NASA

(Ms. BYRNE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. BYRNE. Mr. Speaker, today we will take up the appropriations bill for the space station. I urge my colleagues to follow the debate closely.

Whether you are for or against continued funding for the space station, it is interesting to note the only specific cost-cutting measures in the appropriations bill are to cut the program management and technical systems activities—in other words, eliminate the watchdog at NASA.

Yes, under the blanket of reorganization the best idea that NASA could come up with is to eliminate the institutional whistleblowers who this January brought to Congress' attention the vast overruns in the space station. This is not reorganization at NASA: This is business as usual. My colleague, Representative WOLF, and I have introduced an amendment to the appropriations bill that restores this vital oversight function. Mr. Speaker, I say to the Members of the House, whether you are for or against the space station appropriation, the fact is we must not allow the technical oversight division to be eliminated under the guise of reorganization and trimming management.

GEORGE H. MAHON FEDERAL BUILDING AND U.S. COURTHOUSE

(Mr. COMBEST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COMBEST. Mr. Speaker, I rise today to announce my introduction of legislation to designate the Federal building and U.S. courthouse in Lubbock, TX, as the George H. Mahon Federal Building and U.S. Courthouse.

As many of you may know, the late Representative George Mahon was elected to the newly created Texas 19th Congressional District in 1934 and was reelected to the 21 succeeding Congresses until his retirement in 1979. During his tenure in Congress, he served with eight Presidents and rose to be the chairman of the House Appropriations Committee. Mahon served continuously in that position longer than any other man in the 128-year history of the committee. At the time he announced his retirement, he was also the dean of Congress.

It is difficult to drive through the spacious 20-county region which encompasses the 19th District of Texas without noting the legacy of George Mahon. Throughout his distinguished 44-year congressional career, Mahon's leadership for his district, State, and his Nation served as a role model for all other Members of Congress to try and emulate, and to follow.

It is my privilege to introduce this measure naming the Federal building and U.S. courthouse in Lubbock, TX, in his honor. I believe it to be a fitting tribute to the legacy of George Mahon to name the 19th District's only Federal building, which is also located in his adopted hometown of Lubbock, after its revered former Congressman.

CLOSE BASES OVERSEAS, NOT AT HOME

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, for years we have been hearing "Yankee, go home," "Uncle Sam, get out." But what does the Defense Base Closure Commission do? They close bases in Norfolk, Pensacola, Staten Island, San Diego. But they do not close really any bases overseas.

Now figure this out. Our taxpayers pay for the defense of Japan and Germany. Then our Base Closing Commission closes the bases in America, leaving the bases open overseas where our troops are cashing their checks, being nothing more than economic development plans for these countries.

I say it is time to close the bases overseas. It is time to leave the bases in America open. Start killing those jobs overseas, Congress. The American people are tired.

This is unbelievable.

TOBACCO ASHES—LIFESAVING LEGISLATION

(Mr. HUFFINGTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUFFINGTON. Mr. Speaker, I have sponsored the Tobacco Advertising Subsidies and Health Enhancement Act—Tobacco ASHES—for three reasons.

First, it will redirect $3.5 billion over 5 years to deficit reduction. The crushing cost of our Nation's debt, and the burden of taxes needed to pay it, are destroying our economy and demoralizing our citizens. In that sense, this is tax relief.

Second, without waiting for administration task forces, we can cut the Nation's healthcare bill. Smoking kills more Americans each year than die from the combined total of alcohol, drugs, accidents, homicides and AIDS. The costs of care on the way to these 435,000 American graves are staggering, and we drive them up each day with our subsidies. This is shameful and must be reversed.

Third, by subsidizing tobacco advertising we entice others, even our children, to smoke—knowing it may take their lives. This is unconscionable.

Therefore, Tobacco ASHES is an act of conscience. I am pleased to tell my constituents I have kept my pledge to

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

save them money. I will be more pleased to show them, and my children, that I acted to save their lives.

□ 1210

THE BASE CLOSURE AND REALIGNMENT COMMISSION DECISIONS

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, we in the city of Louisville are very pleased that the case for Naval Ordnance Station which we brought before the Base Closure and Realignment Committee was agreed to, and Naval Ordnance will now stay open and in the fleet at work for national defense and for our Nation's freedoms.

We had a wonderful story. That story was bolstered by my Kentucky and the Indiana colleagues here in the House and in the Senate. The mayor, the county judge, the Governor, the Lieutenant Governor were all unified, advancing our position. We were successful, and we are very thankful.

However, as the speaker a moment ago, my friend, the gentleman from Ohio [Mr. TRAFICANT], said, there are cities in America, and he recounted many of them, that have taken very serious blows as a result of the decisions made to close bases.

We in the Congress cannot be unmindful of the human travail in the sense of the loss that BRAC '93 will bring. We have some responsibility, it seems to me, through various conversion programs, to help these communities and to make sure that they do not suffer unnecessarily.

So while we in Louisville are very happy and proud and pleased and believe the Commission made a correct decision in behalf of Naval Ordnance, we commiserate with our friends around the country, and we pledge to help them to be able to recycle into the new future as quickly and smoothly as possible.

TIME FOR PRESIDENT CLINTON TO GET ANOTHER HAT

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, for months Clinton has been trying to make each new variation of the America's largest tax bill look like other than what it is: America's largest tax bill.

Watching Mr. Clinton, I am reminded of a magician in a traveling carnival. The magician was not very good and had just one real trick: pulling a rabbit out of a hat. The secret to his success was that carnival moved everyday. Much to the magician's misfortune, the carnival was forced to stay in one town for a week.

With each additional show, the magician added more flourish but still pulled out the same rabbit. Finally, a member of the audience, who had seen enough, shouted: "Mister, can't you do something else?" Not wishing to appear unaccomplish, the magician replied: "Of course, but not with this hat."

Like the magician, President Clinton has been trying to add a little more flourish with each multibillion-dollar tax increase. Now, when America questions what is new about a Democrat pulling out hundreds of billions in taxes over and over again, he blames the hat instead of trying what would really be magic to the Nation: to cut spending first.

THE CLINTON DOCTRINE

(Ms. PRYCE of Ohio asked and was give permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, President Clinton and his allies in the House are trying an old Democratic trick: When the facts aren't in your favor, try class warfare.

Yes, once again, at the urging of his campaign advisers, Bill Clinton is using the fairness argument. He says the rich don't pay their fair share, and that his taxes will hit only the wealthy.

Under the President's sliding scale of wealth, that may be true. You see, if you have a job, if you own a small business, if you are a contributor to society, that means you are wealthy, at least under the President's definition.

If you employ people, if you create jobs, if you are an entrepreneur, you need to be punished in the name of fairness. That is the Clinton doctrine.

Class warfare may win political campaigns, but it doesn't spur economic growth. Raising the capital gains tax may garner political capital, but it will not create any jobs.

The President should drop his class warfare rhetoric, and work to create wealth rather than simply redistributing it.

DEJA VU ALL OVER AGAIN

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, the smoke is getting thicker and the mirror is getting shinier on trying to reduce the deficit.

Deja vu all over again. Let me read you this: "For the first time in 10 years we have before us the opportunity to do something that will actually result in the reduction of the Federal deficit, not by 460, but by $500 billion, the gentleman from the Senate said, Mr. MITCHELL. The language seems almost identical to what was said last week, but that was said on October 17, 1990. But the 1990 budget deal, which promised a $500 billion deficit reduction has been since labeled the crime of the century, did not cut the deficit, it pushed it to historic heights. While supporters of the 1990 budget deal forecast the deficit would be reduced $253 billion by 1991, it actually rose to $269 billion. The 1992 deficit was forecast to decline and actually turned out to be nearly $75 billion higher than what was promised.

Deja vu all over again.

AGAINST THE REVOLVING DOOR

(Mr. CANADY asked and was given permission to address the House for 1 minute.)

Mr. CANADY. Mr. Speaker, today I rise to speak against the nomination of Daniel Tarullo as Assistant Secretary of State for Economic and Business Affairs, the chief trade official at the Department of State.

This nomination is under consideration today in the Committee on Foreign Relations. The nomination of Mr. Tarullo presents a blatant conflict of interest and creates a serious appearance of impropriety.

We would have to search far and wide to find a more troubling example of the revolving door between lobbying and Government service. Mr. Tarullo's law firm has represented, and continues to represent, the Government of Mexico. From August 1991 to January 1993, Mr. Tarullo's firm received more than $5.2 billion to represent the interests of the Mexican Government.

Now, Mr. Tarullo is being considered for a key position where he will have the responsibility of protecting the interests of the American people on issues that will directly affect his client, the Mexican Government. This puts him in an untenable position, and it puts the American people in a position where they will have grave reason to doubt that American interests will be vigorously represented by Mr. Tarullo whenever Mexican interests are involved, as in the case of the implementation of the North American Free-Trade Agreement.

Mr. Speaker, the revolving door should be closed, and the nomination of Daniel Tarullo should be rejected.

CLASS WARFARE MEANS FEWER JOBS

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, President Clinton has been touting the largest tax increase in American history as fair, but the only thing fair about this $300 billion tax hike is in the class warfare rhetoric being used to sell it.

You would have thought the politics of envy and the policy of income redistribution in the name of retribution that has died around the world would also be discredited in the administration. You would have thought the luxury tax fiasco would have taught a lesson to those who want to punish the successful.

The result of this soak-the-rich approach was that they drowned the everyday working people who built luxury items and they lost money for the Federal Government in the process. Why? Because when you levy taxes, you lessen the activity taxed.

The administration's policy of taxing the producers and the successful will work no better this time than last. Its only aspect of fair will remain in its class warfare, unless you count as fair that everywhere Americans will lose jobs and investments.

PRESIDENT LAUDED FOR RESPONSE TO IRAQI ASSASSINATION PLOT

(Mr. LAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAZIO. Mr. Speaker, last month I rose to express my concern over reports of an Iraqi-sponsored plot to assassinate former President Bush. At that time, I urged the Clinton administration to take swift and definitive retribution against Iraq if the United States investigation proved that Iraq, and specifically its leader Saddam Hussein, sanctioned an assassination of our former President.

Iraq's complicity in the plot now appears conclusive, and I fully support the President's response. The United States unilateral action is appropriate in the face of a planned attack on a former American President for actions he took as Commander in Chief. Federal and international laws mandate that assassination conspiracies against our governmental leaders, past and present, cannot and will not be tolerated, regardless of where those plots are hatched.

The President has reaffirmed a 200-year-old principle of the importance of protecting American citizens, including ex-Presidents, abroad.

DELRAY BEACH, FL—ALL-AMERICAN CITY

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, I rise today to recognize Delray Beach, FL, recently named an All-American City. This honor was bestowed on only 10 cities nationally. During the 1980's this community was polarized by extreme ethnic, economic, and age diversity. Residents from all parts of the city became disenchanted enough to come together to work for their city, establishing three projects which provided the impetus to turn the future of this town around and to win it this recognition.

Taking Back Our Neighborhoods required a new way of approaching the problems of crime and drugs. Community policing on bicycles and community involvement built coalitions between citizens and police which threatened the drug dealers in the drug district. It hasn't been easy, but the resolve of the residents to continue the fight has encouraged more of their neighbors to join in the battle.

The second project was called Sharing for Excellence. An alliance was formed between the citizens of Delray Beach and the Palm Beach County School Board. The goal to save an inner city school targeted for closure and to reverse the school board trend of building new schools outside of the city. The city promised to correct deteriorating neighborhood conditions in exchange for the school board's commitment to keep the old school open and to build two new schools within the city. For their part, the citizens of Delray voted a tax increase to pay for the city's share. All objectives have been met in this project.

The third project is located in downtown Delray Beach, in a block occupied by three historically significant school buildings. When the Palm Beach County School Board announced its intention to close the complex, a citizen's group formed to lobby the city to purchase the property for an alternative use. A total of $5 million was raised for the renovation and reuse of this integral part of the downtown. Old School Square has now become the heart of the downtown renaissance and has erased the east-west boundary of the city.

Delray Beach, FL, is a living model of the power of citizen commitment, and I share the city's pride in these tremendous accomplishments.

□ 1220

WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2491, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1994

Mr. SLAUGHTER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 208 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 208

Resolved, That during consideration of the bill (H.R. 2491) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1994, and for other purposes, all points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows: beginning with "; $50,000,000 shall" on page 43, line 7, through "State cost share" on line 25. Where points of order are waived against only part of a paragraph, a point of order against matter in the balance of the paragraph may be applied only within the balance of the paragraph and not against the entire paragraph. Debate on the amendment specified in the report of the Committee on Rules accompanying this resolution to be offered by Representative Roemer of Indiana or a designee, and on any amendments thereto, may not exceed two hours equally divided and controlled by the proponent of the amendment and an opponent. The amendments en bloc specified in the report to be offered by Representative Bereuter of Nebraska or a designee and by Representative Solomon of New York or a designee may amend portions of the bill not yet read for amendment, shall be considered as read, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentlewoman from New York [Ms. SLAUGHTER] is recognized for 1 hour.

Ms. SLAUGHTER. Mr. Speaker, I yield the customary 30 minutes of debate time to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time is yielded for the purpose of debate only.

Mr. Speaker, House Resolution 208 is the rule providing for the consideration of H.R. 2491, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year 1994.

Since general appropriations bills are privileged, the legislation will be considered under the normal legislative process for consideration of appropriations bills. The time devoted to general debate will be determined by a unanimous consent request. The bill will be open to amendment under the 5-minute rule. Any amendment which does not violate the rules of the House or is printed in the Rules Committee report will be in order.

The rule waives points of order under clause 2 and clause 6 of rule XXI against all provisions of the bill except a portion of a paragraph on page 43. Clause 2 of rule XXI prohibits unauthorized appropriations or legislative provisions in general appropriations bills. The Appropriations Subcommittee has requested this waiver because many of the accounts and agencies covered by the bill lack authorizations including EPA, NASA, NSF, and FEMA. Clause 6 of rule XXI prohibits reappropriating unexpended balances of appropriations in general appropriations bills. Where points of order are waived against only part of a paragraph, a point of order may lie only against the balance of the paragraph, and not the entire paragraph.

The rule provides for two sets of amendments, one to be offered by Representative BEREUTER and one to be offered by Representative SOLOMON, both to be offered en bloc. These sets of en bloc amendments, printed in the report to accompany the rule, shall be considered as read when offered, are not subject to a demand for a division of the question, and may amend portions of the bill not yet read for amendment.

Finally, the rule makes in order an amendment to be offered by Representative ROEMER or his designee printed in the report accompanying the rule. Debate on the Roemer amendment, which concerns funding for the space station, and any amendments to that amendment is limited to 2 hours.

Mr. Speaker, H.R. 2491 provides $68.3 billion in discretionary spending and $19.6 billion in discretionary spending and $19.6 billion in mandatory spending in the fiscal year of 1994 for the activities of the Departments of Veterans Affairs and Housing and Urban Development and 19 independent agencies and offices including the National Aeronautics and Space Administration, the Environmental Protection Agency, the Federal Deposit Insurance Corporation, and that National Science Foundation. This rule will allow full and fair debate on the provisions of this important bill.

I ask my colleagues to support the rule so that we may proceed with consideration of the merits of the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, to this point the House has completed initial House consideration on 5 of the 13 general appropriation bills.

The VA-HUD appropriation we will consider under this rule is the first of seven scheduled to be considered by Thursday night of this week.

That will leave only the Defense appropriation bill to be considered after the July 4 district work period.

This rule waives points of order against most parts of the bill for failure to comply with the rules against unauthorized appropriations, legislation on general appropriations, and reappropriations.

In the absence of any rule, general appropriations bills are considered in the Committee of the Whole under an open amending process. This rule does nothing to restrict that normal open amending process. So any amendments that comply with the standing rules of the House may be offered.

For example, the standing rules of the House prohibit legislating on an appropriation bill, and prohibit nongermane amendments.

Mr. Speaker, because the bill spends almost all the money allowed under the subcommittee budget caps, it is not possible to add significant spending.

What can be done is to offer amendments to eliminate or reduce spending, or to strike provisions in the bill.

There is no limit on the debate time for amendments except for the Roemer amendment to strike the funding for the space station, which is limited to 2 hours of debate.

No amendments which violate the rule against legislating on an appropriation bill are made in order by this rule.

Two Members sought to offer as an en bloc package, amendments which cut in one paragraph of the bill and add in another. Both are permitted under this rule.

One is by the gentleman from Nebraska [Mr. BEREUTER]. His amendment will add $2 million to the HUD Indian housing loan guarantee fund and cut the HUD policy development and research account by a like amount.

The other is one which I will offer to restore $20 million to the Selective Service System and take it from the HUD policy development and research account.

Mr. Speaker, the Selective Service System plays a vital role in our capability to mobilize quickly in cases of national defense emergencies.

And, Mr. Speaker, with all the unstable situations around the world today, a national defense emergency could happen at any time.

For the very small cost of $25 million, the Selective Service System has been able to maintain an ongoing, up-to-date list of young men who would be available and prepared to serve in a national emergency.

And, Mr. Speaker, with all the base closings and downsizing of our overall military capability, the need to quickly identify and mobilize additional military personnel becomes even more important.

And that is why President Clinton, at the urging of the Joint Chiefs of Staff and the Department of the Army who historically take 97 percent of inductees, have asked Congress—President Clinton has asked Congress—to continue funding the Selective Service System.

Mr. Speaker, the committee of jurisdiction, the Armed Services Committee has not determined that the Selective Service System be closed down, nor have they even held any hearings on the subject.

Mr. Speaker, ever since draft registration was reinstated back when the Soviet Union invaded Afghanistan, millions of young Americans have lived up to their obligation as United States citizens, they have obeyed the law, and have registered for the draft.

Ninety-seven percent of them obeyed the law while the other 3 percent got off scott free and to now say we are going to pardon them and make them eligible for all the Federal programs like Pell grants and college loans and grants, is a slap in the face to all patriotic Americans but particularly to those brave, loyal, patriotic, young men who lived up to their obligations, and who obeyed the law.

Mr. Speaker, this appropriation bill before us today abolishes the Selective Service System.

If we terminate funding today, without making the necessary changes in the Selective Service Act, President Clinton will be placed in the awkward position of having to pardon all of those young men who refused to live up to their obligations as U.S. citizens.

That means these lawbreakers will be once again eligible for all the Federal benefits such as Pell grants, college loans, and Federal job training that they presently are prohibited from receiving.

And, I say to the Members, what a slap in the face that would be to all of these patriotic Americans who obeyed the law and lived up to their obligations to their country.

Mr. Speaker, we can prevent that from happening when the Solomon amendment comes up for a vote later this afternoon.

That amendment is supported by every major veterans organization in America.

On their behalf and on behalf of those young men who complied with the law, I urge you to support the Solomon amendment when it is debated this afternoon.

□ 1230

Ms. SLAUGHTER. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN. Mr. Speaker, I thank the gentlewoman for yielding this time.

Mr. Speaker, as the members of the Rules Committee know, I sought protection under this rule, I sought a waiver of authorization, legislating on an appropriations bill, for the simple reason that the members of the VA-HUD staff suggested that a provision that I offered in the full Committee on Appropriations, which was adopted overwhelmingly by a voice vote in the Committee on Appropriations, might indeed be legislation, or suggested, not that it might be, but that it was legislating on an appropriations bill.

I disagree completely with that analysis. In fact, when a point of order is raised later today, I fully intend to make that argument based on a series of authorizing pieces of legislation and several international agreements which I believe fully authorizes the language cited in the rule as not being exempt.

Let me cite to you on page 2 of this resolution we are now considering, House Resolution 208, wherein it says that on page 43, line 7, through "State cost share" on line 25, those particular lines are not protected under the waiver provided to every other part of this bill. Every other part of this bill is protected except the amendment approved overwhelmingly in the full Committee on Appropriations to do one thing. And what was that one thing? To protect poor children from becoming sick. That is what that was all about. It provided waste water treatment facility authorization and only $80 million nationwide for a 2,000-mile border with Mexico to try to improve the water and waste water facilities along that border which prevent children from getting hepatitis-A and hepatitis-B, that by the way along the United States-Mexico border is two to three times higher than the national average.

It is ironic to me that Members come down here and berate this administration and the last administration for offering the North American Free-Trade Agreement and complain it is because of bad environment, and yet when we attempt here in the Congress of the United States, Democrats and Republicans alike that helped me on this amendment, when we attempt to see to it that we deal with these environmental hazards and environmental problems of children who live in squalor and poverty on the United States side of the border, that is all this amendment did, deal with it on the United States side of the border, we are told that we are out of order, that we are not going to deal with that. We want to have something to complain about later, I guess.

I think that is a travesty and I think it is ridiculous. So I intend fully to argue after this rule passes and after somebody gets up and objects and raises a point of order against the language in the bill that it somehow is authorizing language on an Appropriations bill, I intend to argue that that is ridiculous, and indeed I think it is a real fault in the legislation.

I would say, too, Mr. Speaker, I think it is ridiculous that we would permit a rule to go forward that protects everything else except the one amendment that was meaningful, that was adopted by the full committee, that suggests that we need to begin to take care of our own citizens wherever they live.

I want to say at the outset here also, I have heard from a number of my Ohio colleagues who seem to believe that this is somehow helpful to the North American Free-Trade Agreement. I do not care if it is or if it is not. If it is, good; but that is not the relevant point here. What is important and what is relevant is whether or not we as a Nation are going to own up to our responsibilities to help take care of the people who can least take care of themselves.

President Bush, to his credit, initiated this line item funding of $80 million for the colonias along the United States-Mexico border. It was followed again by a line item in President Clinton's budget of $80 million for colonias along the United States-Mexico border. Both time, both years, last year and this year, this House has declined to fund it, 2 years in a row.

Last year, thanks to the Senator from Maryland in the other body when she offered the amendment, we were able to get it in conference and we succeeded in having it appropriated.

Why? A lot of us think because it was authorized and because at least in the other body some compassion was shown for children unable to care for themselves who indeed are drinking their own refuse. The cesspools and the water wells are located right next to each other 7 feet apart oftentimes, only 7 feet down in sandy soil.

Why are people living there? Well, it is a long story about lack of economic development, but perhaps more important, we have not had the housing for people to live elsewhere, so they go out and get a piece of land and believe they are earning a part of the American dream.

Well, I want to debate this issue, but I am not going to be allowed to, and I understand why not, because the committee decided that they wanted to be able to raise a point of order against this language, but we will continue to debate it as the afternoon goes forward.

Again, I thank the gentlewoman for extending me the opportunity to argue against the passage of this rule.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BONILLA], another distinguished new Member of this House who I think will make the same argument, and I have some sympathy for the gentleman.

Mr. BONILLA. Mr. Speaker, I rise today to seek justice. Today we will be considering the VA-HUD appropriations bill on the floor. The Rules Committee has drafted a rule to protect unauthorized programs like the EPA. However, they voted not to protect an amendment offered by my colleague, Mr. COLEMAN of Texas. The Coleman amendment would help American citizens living in the colonias and requires no additional funds. The colonias are substandard residential subdivisions located along the United States side of the Texas-Mexico border. American citizens living in the colonias have inadequate and in many cases nonexistent drinking water and sewage disposal systems, substandard housing, and inadequate roads and drainage. The human cost is staggering. The Texas Water Development Board estimates that in Texas there are 300,000 residents living in 1,200 colonias.

Last week, the House Appropriations Committee approved the Coleman amendment that restores $80 million for waste water treatment projects along the border in California, Arizona, New Mexico, and Texas. This $80 million is not new spending. I repeat this is not new spending. The money is part of a $500 million discretionary program.

The administration believes this project is authorized and I quote:

> The administration commends the committee for specifically identifying $80 million in requested funding for water infrastructure grants for Mexican border projects * * * which is currently authorized in section 510 of the 1987 Water Quality Act. The funding is needed to address major water quality problems in the border area.

Americans that live in the colonias are living in Third World conditions. These proud Americans are not asking for luxury items, but necessities of life any common decent society should provide. Today on the border the temperature will reach over 100 degrees. The stench in the air and the searing heat makes it difficult just to survive day to day.

I am asking this House to remember these forgotten Americans. We must make sure that no American citizens live in Third World conditions.

Mr. Speaker, I want to reemphasize that I believe we have been authorized. The people in the colonias are sick and suffering and will continue to if these water treatment facilities are not built.

The State of Texas has made a commitment by appropriating $250 million for the colonias. I hope the House will help this region of the United States that suffers silently because they do not get the attention that other parts of the country receive. No American citizen should be ignored and forgotten. The people of colonias deserve equal treatment. These American citizens have suffered long enough. I ask the House to recognize that the Coleman amendment is authorized and support its continued inclusion in the bill.

□ 1240

Mr. SOLOMON. Mr. Speaker, I am going to yield 4 additional minutes to the gentleman from Texas [Mr. BONILLA], and I will ask him to yield to me.

Mr. BONILLA. Certainly, I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I would point out that there is certainly a lot of merit to the arguments made by both the gentleman from Texas [Mr. BONILLA] and the gentleman from Texas [Mr. COLEMAN], but let me say this: I just spent the last 48 hours out at the U.S. Naval Academy meeting with Members of both sides of the aisle, Democrats and Republicans. We are a task force that has been formed to try to reform this House and make it work, and work for each and every Member.

Unfortunately, what is happening to the gentleman is something that reflects on this House. Just for example, at the same time we were having a hearing upstairs last Thursday on this bill—and you gentlemen were up there testifying to waive the point of order to allow you to be able to leave your project in the bill—we were hearing testimony on a transportation appropriations bill.

We on the Rules Committee are going upstairs in a few minutes and we are going to be acting on a rule on the transportation appropriations bill in which we are going to waive the points of order against a myriad of projects that have not been authorized. We are going to waive those points of order and allow those to be brought on the floor, and no points of order can be raised against them. Yet, conversely, you two gentlemen have the same situation. As a matter of fact, your situation is a better situation, in that there is a real gray area here, and when there is the benefit of a doubt, you certainly ought to be given that opportunity. You are being denied that opportunity, and I think that is wrong.

I bring all this out to say that I have sympathy for both gentlemen, but hopefully we are going to be able to reform the rules of this House so that we do not run into these kinds of problems year in and year out, and so that we can treat every Member equally and fairly.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BONILLA. Mr. Speaker, I thank the gentleman for his remarks, and I would also point out that there are unauthorized programs like EPA which just sail right through all the time. Certainly these are important programs, but there is nothing more important than protecting the lives of these young children along the Mexican border who live in Third World conditions.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. BONILLA. I yield to my friend, the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank the gentleman from Texas [Mr. BONILLA] and also the gentleman from Texas [Mr. COLEMAN] for their articulate statements. I would just say that anything we do on the border with respect to environmental cleanup necessarily involves another country, and necessarily every single appropriation has to be subject and conditional to the international agreement between the two nations. We have always worked that way. There is no way for it to work otherwise, and it seems extraordinary that the Rules Committee does not recognize this and respect it, especially when the good health of so many American citizens is dependent on the legislation.

I thank the gentleman for his very appropriate remarks, and I just want to say that the people of southern California who are subjected to some of the extreme dangers because of pollution in the New River will be disserved by what the Rules Committee has done to us today.

Mr. BONILLA. Mr. Speaker, I thank the gentleman for raising these points. They are very good points, and I appreciate that.

I would like to finish by thanking my colleague, the gentleman from Texas [Mr. COLEMAN], for fighting very hard and taking the lead in this fight for these people along the border.

Ms. SLAUGHTER. Mr. Speaker, for the purposes of debate only, I yield 3 minutes to the gentleman from Florida [Mr. BACCHUS].

Mr. BACCHUS of Florida. Mr. Speaker, I thank the gentlewoman from New York for yielding this time to me, and I rise in very strong support of this rule and in very strong support of this appropriations bill.

I would like especially to commend the chairman of the subcommittee of the Committee on Appropriations, the gentleman from Ohio [Mr. STOKES], and the ranking member of the subcommittee, the gentleman from California [Mr. LEWIS], for their very strong support of a sizable budget for NASA and the space program and the space station in this bill this year.

In particular, I will be voting for this bill because it does provide a good budget for NASA, one that looks to the future, and especially I will be voting for this bill because it does provide for full funding of the President's proposal on the centerpiece of the space program and its future, the space station.

We will hear many arguments on the floor later today from opponents of the space station stating that this particular bill robs from other programs to fund space and the space station. I ask my colleagues to look beyond the rhetoric to the facts. The facts are these:

For the EPA, the Appropriations Committee has provided $269 million more than the President requested. For our very important veterans and for veterans programs, the Appropriations Committee has provided $113 million more than the President requested, and the President requested a significant increase. For our housing programs, the Appropriations Committee has provided $398 million more than the President requested, and for NASA, the subject of dispute, the Appropriations Committee, even while providing for a sizable budget, has provided $798 million less than the President requested.

Keep in mind, too, that funding for the space station is just $2 billion out of the $90 billion for this bill, and that funding for NASA is now less than 1 percent of the overall Federal budget. Funding for the space station is just one-seventh of the NASA budget.

Some say that the hard choices and the tough choices are to kill the space station. I say just the opposite is true. The tough choice will be to see through all the rhetoric and see the future and see what the space station and the space program offer to us in terms of science and technology and competitiveness and jobs and growth in the future.

□ 1250

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. I thank the gentleman for yielding.

Mr. Speaker, I rise to thank the Committee on Rules for allowing a vote today on the Roemer-Zimmer amendment to kill the space station, allowing it 5 days after a similar amendment to the NASA authorization bill was considered and failed by one vote.

The question is, Why should the Committee on Rules, less than a week after we voted on this issue, make it in order to vote on it again? I think the answer is an important one, and one that I hope some of my colleagues who voted against the Roemer-Zimmer amendment on Wednesday will consider carefully.

The fact is that a vote for a program in the context of an authorization bill is essentially a free vote, because it is not competing against any other program.

As Senator HATFIELD was quoted as saying in today's Washington Post, legislative authorization "is a hunting license," because it allows a department or agency to look for funding actually to carry out the authorized programs.

In contrast, when you look at the space station in the context of an appropriations bill, as we will today, you are talking about a zero sum game because every dollar spent on the space station is a dollar less spent on something else. It is either a dollar less spent on deficit reduction, a dollar less spent on veterans' programs, a dollar less spent on housing programs, or, as my colleague from Florida [Mr. BACCHUS] has pointed out, a dollar less spent on NASA itself.

The fact is that, in ramping up space station expenditures in the appropriations bill in order to meet the request of the Clinton administration, the space shuttle program had to take a considerable reduction in its funding in the Appropriations Committee.

Similarly, there was a $40 million cut made in the HOPE Program, the home ownership program, initiated by Jack Kemp in the last administration, in order to free up money for the space station.

So this is a vote in the context of the real world; a vote in the context of competing needs and competing demands for our budget dollars, and in the context of an overall commitment that many of us have made for deficit reduction.

That is why many Members who voted last year against killing the space station when the proposal was an amendment to an authorization bill shortly afterwards voted in favor of a similar amendment in the context of an appropriations bill. That is why this year I anticipate that many Members who voted against the Roemer-Zimmer amendment to the authorization bill will vote in favor of the Roemer-Zimmer amendment to the appropriations bill, and one of those Members who has publicly announced he will do so is the chairman of the Democratic caucus.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. GOSS], a very distinguished member of the Committee on Rules.

Mr. GOSS. Mr. Speaker, I am pleased once again to support an open rule, though I obviously agree there are inequities in the waivers process. Today all Members start the week off right with a chance to impact important legislation through an open amendment process—and that is the way it should be when we are discussing spending taxpayers' money. I certainly commend Chairman STOKES and ranking member JERRY LEWIS for their willingness to place the product of their hard work in the hands of the Members of this House. I do not think they will regret that decision—open debate in the democratic process can only improve legislation.

Today we consider a bill that funds several very important functions—including veterans benefits, housing and the space program. These are diverse subjects but they are competing for the same very scarce resources. Because of the incredibly tight budget, we have a tremendous responsibility to ensure that all money is spent where it is needed most. Unfortunately, despite the hard work of the committee, I think we continue to fail in that challenge when it comes to veterans services. We are still spending millions of dollars in places where the veterans no longer are. Rather than following the veterans, dollars appear to still be following the political path of least resistance.

Florida, whose congressional delegation may not hold the most powerful committee seats, still has the Nation's second largest, oldest, and most severely disabled population of veterans. We have the third largest number of vets who served during wartime eras. And while the Nation's veterans population is declining, Florida's vets population is swelling every year.

During the 1980's Florida became home to almost 100 new veterans every day. Still, in the past 2 years we have ranked 45th in the country for access to VA hospital beds, and 43d in per-veteran expenditure for medical services and administrative costs.

Florida, which has never asked for special treatment, is once again having trouble even getting a fair shake. As the Florida Department of Veterans Affairs puts it:

> VA should water where the flowers are, not where it's most convenient.

Using Florida as a case study, it is hard to deny that there is something way off target in the way we are prioritizing our Nation's veterans' resources. While I know we cannot fix the problem in one spending bill, the VA and this Congress have got to face this problem head on. In the meantime, I welcome this open rule so we can continue the debate.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE], a very distinguished member of the Committee on Appropriations.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to this rule. I suppose that comes as no surprise. Minority Members have frequently opposed rules for consideration of bills on the floor of this House. The reasons for doing so today are a little unusual, however, because, as has been pointed out by the previous speaker, this is a generally open rule. I commend the Committee on Rules for bringing an open rule to the floor.

But I rise in opposition to this rule because I support retaining the $80 million in H.R. 2491. This was money added by the Committee on Appropriations for wastewater projects in the border States of Arizona, Texas, California, and New Mexico.

As has been already pointed out by the gentleman from Texas. [Mr. COLEMAN], this amendment was adopted overwhelmingly by a bipartisan vote in the Committee on Appropriations. It designates $80 million from a $500 million general protected fund in the Environmental Protection Agency. This money that is reserved for projects as they are authorized.

Now, I understand the subcommittee's efforts to fund only those projects that have been authorized. But I think there is a legitimate dispute here, one that suggests that these wastewater projects have already been authorized by previous legislation. Specifically, I am talking about the Rio Grande Pollution Control Act of 1987.

In fact, the author of that legislation, the gentleman from Texas [Mr. DE LA GARZA], testified before the Committee on Rules that his intent was to authorize such sums as necessary for the EPA and the International Boundary and Water Commission to oversee border wastewater construction projects.

Furthermore, I would point out that the $80 million will be used for projects originally requested by the EPA in its fiscal year 1994 budget request.

There is no doubt that these projects are very critical. The conditions along the border pose significant health hazards.

You have heard from the gentleman from Texas [Mr. COLEMAN] about the colonias problem in Texas. I am more familiar with the problem we have, which is clearly a wastewater treatment problem in Arizona, where we have gravity flow from wastewater overflow.

In Arizona we have a problem of sewage overflow from Nogales, Sonora. Nogales is a community that burgeoning in population; it has grown more than tenfold in the last two or three decades. The capacity of the plant on this side of the border to handle that flow that has now been exceeded, and we desperately need a new wastewater treatment plant.

We must have additional capacity in the Nogales wastewater treatment plant in order to accommodate future growth. Some say this can get mixed up in the issue of whether or not we have a North American Free-Trade Agreement. I say, regardless of whether we have NAFTA or not, these problems along the border are going to become more pressing because the amount of trade and commerce between our two countries will grow. We simply must deal with these problems.

☐ 1300

I urge my colleagues to say today, the time has come for Congress to take notice of this problem and to provide for funding for these projects. I urge that this rule be defeated so that we might make in order this amendment.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER], the ranking Republican on the Committee on Science, Space, and Technology, who just was with me at the U.S. Naval Academy, trying to reform this Congress.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding time to me.

I have been listening with interest to the arguments made thus far with regard to the space station vote that we are about to have in a little while. I was interested in noting, in reading the Committee on Rules report, that the amendment made in order for the gentleman from Indiana [Mr. ROEMER] to offer on the floor with regard to the space station cut the money but does not cut the 602(b) allocation. So that when the argument is made on the floor that somehow this money is going to go to deficit reduction, it is not. It is going to stay in the 602(b) account allocated in this area.

Then we had, a few minutes ago, the gentleman from New Jersey [Mr. ZIMMER] come to the floor and say where he wants to put the money back in, evidently, is into the Space Shuttle Program.

We just had a debate out here the other week about whether or not things had scientific value or not. The fact is that we are going to get a lot more scientific value out of the space station than we are spending the money for sending people for short duration flights, floating around the Earth in the space shuttle. So all of a sudden, now we are beginning to get down to the real questions about what we are going to spend this money for.

It is not going to deficit reduction, pure and simple. None of this money is going to go into deficit reduction. That is not in the amendment. All this is going to do is be spent in other venues.

The gentleman from Indiana [Mr. ROEMER] has sent out a letter, and he wants to put it into social welfare spending. That is what our real choice is. Do we choose to spend it on things that we already know how to do or do we choose to spend it on ourselves or do we choose to spend it on the future?

The fact is, this amendment is not going to give us one penny of deficit reduction. What it is going to do is reprioritize the spending either toward more social welfare spending or toward the space flying that we already do; namely, the shuttle flight. So now it has become clear, we have gone through the authorization fight. The authorization fight was supposedly on the issue of whether or not we were going to reduce the deficit. They lost that fight.

Now they are coming back, and they want to cut the appropriation. But in cutting the appropriation, it is about apportioning the money elsewhere. These gentlemen have decided it should go to social welfare spending and to shuttle flights.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Speaker, I thank the gentleman for yielding time to me.

I just want to make one point. I was reporting on what the Committee on Appropriations did last week in cutting from NASA to fund the space station. The account they chose to cut last week was the space shuttle. But in the past, in the very recent past, we have seen many, many programs involved in space exploration and space science, the cutting edge sort of technology that both the gentleman from Pennsylvania and I are in favor of, we have seen them cut over and over again. Among the space programs that have been cut or delayed have been programs aimed at the examination of the x-ray spectra and the infrared spectra of the universe and the study of comets and the outer planets in the solar system. We have even seen the zeroing out of the space exploration initiative, the only long-term planning program for human exploration into the solar system, because of the pressures on the NASA budget.

In my opinion, those pressures come principally from the space station.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Let me just point out that under this rule, it is an open, amending process. In other words, all the amendments that were requested before the Committee on Rules that meet the rules of the House, as projected by the Parliamentarian, are being allowed on the floor here today.

I do have some questions about the Coleman-Bonilla amendment, because in my opinion, I think it should be an authorized project.

Mr. COLEMAN. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Texas.

Mr. COLEMAN. Mr. Speaker, first of all, let me thank the gentleman from New York for his assistance in the rules process. As a matter of fact, I think it should be pointed out to our colleagues that the gentleman from New York [Mr. SOLOMON] has been very supportive of our efforts. I appreciate his statements on the floor today.

I would only say that the problem with the rule is that it does not provide the gentleman from Texas [Mr. BONILLA] and I to have an amendment offered. As the gentleman said, it is because that is the reason we offered it in committee, believing it was authorized. And we will have to go to the Parliamentarian, I suspect, with our case today, because someone will surely raise a point of order against the amendment that is in the bill, because it was not protected by the Committee on Rules.

What we asked the Committee on Rules to do, as the gentleman may recall, was simply to permit us the opportunity to have our case here on the floor. If somebody wanted a striking amendment from the committee on the Democratic side, on the Subcommittee on VA, HUD, and Independent Agencies, we want that to be made in order. Let us debate the issue on the floor, whether or not this is, a, authorized or not, or b, even in the event it is not, is it worth doing? Is disease of children along the border, which does not know a border, and by the way, it will be in Chicago and Los Angeles and everywhere else, once it happens on the border, I hope that Members understand that all we wanted was that opportunity.

So I just would say, that is the fallacy, that is the crippling part of this rule. It does not permit us to have our day before the House.

But I want to say to the gentleman from New York, I very much appreciate his efforts on behalf, in particular, on behalf of those children.

Mr. SOLOMON. Mr. Speaker, again, just in final summation, I just again have great sympathy for the gentleman's position. The argument, of course, is with the Parliamentarian, whether this is an authorized project.

Again, I just feel every Member should be treated fairly. I do not believe they are in this House sometimes, and we really do need reform of the House.

Mr. Speaker, I yield back the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COLEMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 206, nays 132, not voting 96, as follows:

[Roll No. 274]

YEAS—206

Abercrombie
Allard
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Barca
Barcia
Barlow
Barrett (WI)
Bateman
Beilenson
Bevill
Bishop
Blackwell
Bonior
Borski
Brewster
Brooks
Brown (CA)
Byrne
Canady
Cantwell
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
DeFazio
DeLauro
DeLay
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
English (AZ)
English (OK)
Eshoo
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Ford (MI)
Fowler
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Glickman
Gonzalez
Gordon
Goss
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Hoke
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Long
Lowey
Maloney
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHale
McKinney
McNulty
Meehan
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler
Natcher
Neal (NC)
Nussle
Oberstar
Obey
Olver
Orton
Oxley
Packard
Pallone
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Quillen
Quinn
Rahall
Reed
Reynolds
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Royce
Sabo
Sarpalius
Schroeder
Schumer
Sharp
Shaw
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (OR)
Spratt
Stark
Stenholm

Stokes
Strickland
Studds
Stupak
Swift
Synar
Tanner
Tauzin
Thomas (WY)
Thompson
Thornton
Thurman
Traficant
Valentine
Visclosky
Volkmer
Watt
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)

NAYS—132

Archer
Bachus (AL)
Baker (CA)
Baker (LA)
Barrett (NE)
Bartlett
Barton
Bentley
Bilbray
Bilirakis
Bliley
Bonilla
Bryant
Bunning
Burton
Buyer
Calvert
Camp
Castle
Coble
Coleman
Combest
Crapo
Cunningham
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Emerson
Ewing
Fawell
Fields (TX)
Fish
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gilchrest
Goodlatte
Goodling
Grams
Grandy
Green
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Laughlin
Lazio
Leach
Levy
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Meyers
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Ortiz
Pastor
Paxon
Petri
Pombo
Porter
Pryce (OH)
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Santorum
Saxton
Schaefer
Sensenbrenner
Shays
Smith (MI)
Smith (TX)
Snowe
Solomon
Spence
Stump
Talent
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Upton
Vucanovich
Walker
Walsh
Wolf
Zeliff
Zimmer

NOT VOTING—96

Ackerman
Andrews (ME)
Applegate
Armey
Baesler
Ballenger
Becerra
Bereuter
Berman
Blute
Boehlert
Boehner
Boucher
Browder
Brown (FL)
Brown (OH)
Callahan
Cardin
Clinger
Collins (GA)
Condit
Conyers
Cooper
Cox
Crane
Deal
Dellums
Dornan
Engel
Evans
Everett
Flake
Foglietta
Ford (TN)
Geren
Gibbons
Gillmor
Gilman
Gingrich
Hamburg
Harman
Henry
Horn
Istook
Johnson (GA)
Johnson (SD)
Kennedy
Lantos
LaRocco
Lehman
Lloyd
Mann
Manton
McCurdy
McMillan
Meek
Menendez
Mfume
Mica
Neal (MA)
Owens
Parker
Payne (NJ)
Payne (VA)
Pelosi
Pickle
Portman
Rangel
Richardson
Ridge
Rush
Sanders
Sangmeister
Sawyer
Schenk
Schiff
Scott
Serrano
Skeen
Smith (NJ)
Stearns
Sundquist
Swett
Torkildsen
Torres
Torricelli
Towns
Tucker
Unsoeld
Velazquez
Vento
Washington
Waters
Waxman
Weldon
Williams

□ 1328

The Clerk announced the following pairs:

On this vote:

Mr. Berman for, with Mr. Armey against.

Mr. Manton for, with Mr. Skeen against.

Mr. Rangel for, with Mr. Collins of Georgia against.

Mr. Richardson for, with Mr. Stearns against.

Mr. Sangmeister for, with Mr. Cox against.

Messrs. ROHRABACHER, McINNIS, and SMITH of Michigan changed their vote from "yea" to "nay."

Mr. NADLER changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STOKES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and that I be permitted to include tables, charts, and other extraneous material, on H.R. 2491, the bill about to be considered.

The SPEAKER pro tempore (Mr. BISHOP). Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERSONAL EXPLANATION

Mr. BALLENGER. Mr. Speaker, I was returning to Washington, DC, when the first vote was called. Had I been present, I would have voted "nay" on House Resolution 208, the rule to consider the fiscal year 1994 VA, HUD, and Independent Agencies appropriation bill (H.R. 2491).

DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1994

Mr. STOKES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2491) making appropriations for the Department of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1994, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from California [Mr. LEWIS] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

. There was no objection.

□ 1330

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Ohio [Mr. STOKES].

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2491, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

Pursuant to the unanimous-consent agreement, the gentleman from Ohio [Mr. STOKES] will be recognized for 30 minutes and the gentleman from California [Mr. LEWIS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we bring before the House today the 1994 VA, HUD, and Independent Agencies appropriations bill. As always, this is a very difficult bill to prepare, because it demands very difficult choices.

But in making those choices, we as a subcommittee, I believe, have attempted to be fair.

Our allocation was $900 million in outlays and $1,300 million in budget authority below the President's request. The question quickly becomes what programs should be reduced to meet that allocation.

This problem, of course, is not unique to this subcommittee. All discretionary spending is being squeezed as the budget caps, approved in 1990, continue to shrink the money available.

And I think I can accurately predict that next year we will be facing a fiscal year 1995 discretionary cap that will force further spending cuts. And frankly, the outlook beyond 1995 looks equally grim.

The Members may want to glance at page 3 of our report where the rationale we used for the 1994 bill is explained. The crux of the problem, as I suggested, is trying to achieve a $900 million outlay reduction below the President's request. Because, in this bill, 75 percent of first-year outlays occur in just two areas—VA medical care and NASA—that means that in order to absorb the $900 million outlay reduction, we must reduce one or both of those areas substantially.

But as I said, I believe we have been fair.

We are proposing a balanced recommendation. Every programmatic area has been affected—including VA medical care.

Obviously, we could not fully fund, or perhaps even fund at all, every meritorious program and activity in this bill. But I think we have tried to accommodate, as best we could, as many congressional and Presidential priorities as possible.

For the Department of Veterans Affairs medical care account, we have provided a total $15,522 million—a reduction of $120 million below the request. As the report suggests, we can make that cut because VA is experiencing a lower average salary cost than was estimated when the 1994 budget was put together last fall.

The medical care appropriation will support the requested staffing level of 205,000 personnel—including an increase of 2,554 FTE above the 1993 level.

Mr. Chairman, a part of the $120 million reduction in medical care was applied to medical and prosthetic research. In that account, we restored a $26 million reduction the President proposed below the 1993 level—and, at the suggestion of Mr. MONTGOMERY, chairman of the Veterans Affairs Committee, we added an additional $20 million to that account.

We have always believed that with a small investment in research dollars—we get major benefits in attracting doctors to our VA hospitals.

Under Housing, we are recommending $24,952 million—which is an increase of $390 million above the President's request. However, let me quickly point out that pending the authorization of VA construction activities and the new National Service Program—we have parked almost $400 million in budget authority in the assisted housing account.

When we take that into consideration—the committee is recommending essentially the President's request of $25.6 billion for the programs managed by the Department of Housing and Urban Development.

Briefly summarizing some of the important housing programs, the bill makes available 64,510 incremental housing units—including 7,525 public and Indian housing units, 11,370 section 202 elderly and disabled units, and 41,338 incremental rental assistance units.

The bill also includes $1,250 million for the Home Investment Partnership Program—which is a reduction of $350 million below the President's request.

In response to a recent budget amendment, we have added $125 million to the HOME and CDBG programs and specifically target those moneys for ongoing assistance to the victims of Hurricanes Andrew and Iniki and Typhoon Omar.

We also include the President's request of $4,223,675,000 for community development grants and $702,900,000 for assistance to the homeless.

Turning to EPA, the committee is recommending a total of $6,632,583,000 in 1994 for the activities of the Environmental Protection Agency. That is $269 million above the budget request.

But before I describe some of the EPA details—I want to explain to the committee the ground rules we used regarding legislation and projects in the 1994 bill.

All of us are familiar with the fact that the committee has come under considerable criticism for legislating in appropriation bills and for including numerous unauthorized projects in our report language.

Consequently, Senator MIKULSKI and I met earlier this year and agreed that we would include no legislation—including language requested by the President—in the 1994 bill. The only exceptions made are limitations in order under the rules, technical legislation carried previously in this bill, and of course, major program activities lacking general authorization such as EPA, NASA, and NSF.

Further, we agreed that we would not include in the report any unauthorized site specific programs for projects. The bottom line is that any site specific project included here is authorized under program responsibilities for the agencies carried in this bill.

Probably no agency was more affected by this policy than EPA. I can tell you without hesitation that we have been importuned by many Members requesting legislation for projects that are not authorized—including requests from some Members who complained the loudest about the committee legislating in an appropriations bill.

We have resisted all of these requests. However, because the budget included a number of special water projects, the subcommittee recommended creation of a $500 million reserve that was available for grants to communities with unique circumstances or difficulties in meeting water quality standards. If these special water projects are authorized prior to March 31, 1994, they would be eligible to tap funds from this reserve.

Within EPA we have provided the budget request of $353 million for research and development activities—and the details of that account are outlined on pages 45 through 48 of the report.

We have also included the budget estimate of $1,367,535,000 for the abatement control and compliance account—and the increases recommended above the request are detailed on pages 48 through 54 of the report.

But, unfortunately, in our full committee, an amendment was adopted that earmarked $80 million of the $500 million pot for the colonias water projects along the United States-Mexican border. And, Mr. Chairman, we have no argument with the merits of this money. These communities desperately need assistance to ensure that proper sanitation and clean water is available day and night.

What incentive does the Public Works Committee have to get these projects authorized if the Appropriations Committee comes along every year and does it for them?

So at the appropriate time, I will offer a point of order striking the $80 million colonias provision and the accompanying legislation.

But that is not the issue. If we are going to fix the problem of having the Appropriations Committee carry pages, and pages of legislation that is not authorized—and then be told that when we try our best—exceptions will still be made—that simply is not fair.

Mr. Chairman, having said all of this, I also want to tell you that we will do everything in our power to assure that in the end we get these projects funded. We will extend the date beyond March 31 of next year if that's what it takes to reserve this $500 million for proper authorization.

We will do everything it takes short of legislation. We want to be helpful—but we also want to observe the rules of the House and try to turn the committee in a different direction.

The Superfund Program has been reduced by $80 million to $1,416 million. We continue to be concerned with the cost of the Superfund Program—particularly the cost of those activities, such as legal expenses, that have very little to do with cleaning up Superfund sites. The Administrator told us that further streamlining efforts were underway, and we are asking that EPA report on those activities by November of this year.

Additionally, a total of $2,477 million was included in the bill for water infrastructure activities—including the $500 million reserve I described earlier.

Turning to NASA, we have included $15,556,491,000 for the National Aeronautics and Space Administration.

That is a reduction of $708,509,000 below the budget request.

As you are aware, the President ordered a NASA redesign team to take another look at the space station program.

That report was issued 2 weeks ago, and last week the President chose what is known as option A—a smaller, simpler, more modular space station—costing about $4 to $5 billion less than the current design.

I have not been a supporter of the space station program in votes that were taken during the last 3 years.

But I want to applaud the President for his efforts in trying to slim down this very ambitious project. I also want to support the President—and at the appropriate time, I will discuss the space station further.

In summary, however, we have included $2.1 billion for the space station program in 1994. In addition, the bill provides $200 million requested by the President for the new technology initiatives.

Many of these activities include exciting new technology—such as the hybrid rocket program and other competitive efforts. Coming back to the space station for just a minute, I want to pay tribute to the redesign team.

They did an excellent job. Probably for the first time, the true costs of the program have been revealed. And what they reveal is that even the most modest version of a redesigned space station is significantly higher than the President had originally targeted for 1994 and outyear spending.

But now that the choice has been made, we have provided the money necessary to meet the program's goals.

Finally, Mr. Chairman, I want to thank all the members of the subcommittee for their active and interested participation—and conscientiously attending and participating in the hearings and deliberations that resulted in the development of this bill, Mr. MOLLOHAN, Mr. CHAPMAN, Ms. KAPTUR, Mr. TORRES, Mr. THORNTON, Mr. LEWIS, Mr. DELAY, and Mr. GALLO.

I believe this is a balanced bill, a reasonable bill, and a compassionate bill.

It has not been easy, but I think our recommendations can be supported by the members of this committee and by the House.

Lastly, I want to thank the ranking member of this subcommittee, Mr. JERRY LEWIS, for his cooperation. JERRY and I were both new to our present responsibilities but we managed to get through it with the help of a great subcommittee staff.

In order to produce this bill our staff worked tirelessly and endlessly and gave up many weekends, including working late many nights. I want to especially thank Dick Malow, Paul Thomson, Michelle Burkett, Dan Cantu, and Shirley Day for all of their hard work on this bill.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I might consume.

Mr. Chairman, as the gentleman from Ohio [Mr. STOKES] has indicated, this is our first year of working together as the chairman and ranking member of the HUD and Independent Agencies Subcommittee. It has been, to say the least, a most enlightening experience, for this is a very, very tough bill. It is one of those bills that has as much appropriations responsibility as any of the 13 subcommittees of the full Committee on Appropriations.

We have some $90 billion in expenditures within our bill, some $70 billion of that in discretionary spending. The mix of responsibility is extremely difficult.

When you look at the variety and mix of services that we provide for the veterans of this country, for example, they are very important programs. The people who are served by those programs are extremely sensitive about the priorities we establish.

Those programs then are in competition with housing programs across the country.

We fund the EPA within our bill. We also fund the National Science Foundation and the space program. Indeed, the competition is real in a year when you have got few new dollars to go around.

I want to express my deep appreciation to the gentleman from Ohio [Mr. STOKES] for his responsiveness as he has gone about the process of working with the ranking member.

As the chairman has noted, the 1994 fiscal year bill reflects those difficult choices that I have outlined, but difficult in no small part because they are driven by two fundamental realities. Our 1994 602(b) allocation increases spending over last year by $2.26 billion in its discretionary accounts, but that still falls $1.27 billion below what the administration has requested.

□ 1350

Mr. Chairman, our primary constraint is that we are some $900 million below what Mr. Clinton requested in our outlay allocations.

This bill reaches a number of decisions that I trust will meet with bipartisan support, and maybe even some enthusiasm.

We have increased medical care in the VA by $880 million or 6.4 percent over the 1993 levels. An amendment to come along later, may make another adjustment in that area dealing with VA medical research. We have increased the research funding for basic science missions of the National Science Foundation by nearly $190 million. We have fully funded the administration's request for HUD's highly popular community development block grant program at $4.2 billion.

More fundamentally, we have deliberately altered the way this subcommittee has worked to reflect the fact that the chairman and I are both in our first of responsibilities not just with the bill, but in shepherding the budgets of two Cabinet agencies and 22 independent agencies. Taking them through the appropriation gauntlet has been an education, to say the least. We have worked with at least four separate authorizing committees and deferred decisions subject to timely action on their priorities.

Mr. Chairman, I think it is important for me to point out that the chairman has been very tough on items which have not yet received appropriate authorization.

We have not funded the administration's $394 million national service initiative pending final action by the Committee on Post Office and Civil Service.

We have not included five separate VA major construction projects because they were not authorized by the Committee on Veterans' Affairs on a timely basis prior to today's action.

We have fully capitalized the new safe drinking water revolving fund at $599 million subject to timely action by the Committee on Public Works and Transportation before this bill goes to conference.

And we have deferred actions on OMB approved budget amendments submitted by Secretary Cisneros in order to allow the Committee on Banking, Finance and Urban Affairs to accept revised priorities with sufficient offsets. They have not been able to meet the Secretary's requirement on this point.

Last, Mr. Chairman, we have or are about to make choices which will be difficult for many in the House to accept. This bill operates from the policy perspective that a national draft for military service is needed only for a prolonged, global, and conventional war. For that reason, it terminates the Selective Service System and provides $5 million for the orderly conclusion of the draft. We will have an amendment that has been made in order in which we will have a thorough discussion of that question, and the House will work its will.

I am personally disappointed with the new administration's decision to diminish and then terminate Secretary Kemp's HOPE initiative. With the adoption of the chairman's amendment to find the $450 million needed to fund station and the NASA technology investment package an additional $85 million in HOPE funds will be rescinded. The subcommittee had already accepted the new Secretary's guidance and applied a cut of some 83.5 percent or $552 million from the fiscal year 1993 level on HOPE.

If I could speak just briefly regarding the 2 hours that we have set aside for discussion of NASA's responsibility, specifically station, I would hope that during that debate we would focus less than we sometimes do on the rhetoric. Instead we should make an attempt to reflect in some depth upon the importance of America's leadership and our responsibility and role in space.

Indeed the House has made its decision regarding authorization as it relates to space station. America is on a pathway that commits it to continuing its leadership in that program. In this measure we will be considering the President's direction as it relates to space station and its important role in space. The funding that is provided in this measure is a reflection of the work directed by the President. Those who worked on the Independent Review Committee and NASA's senior managers have made important sacrifices to bring us to this point.

Indeed we should do so with great caution and recognize that we have other high priorities within the bill and within our country. Americans are committed to the pioneering spirit that has brought us to our position of leadership in the world. America does have a responsibility as we explore that next horizon.

Mr. Chairman, I reserve the balance of my time.

Mr. STOKES. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the full Committee on Appropriations, the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I rise in support of the Veterans Affairs, Housing and Urban Development, Independent Agencies appropriations bill for fiscal year 1994. This is the sixth appropriations bill for fiscal 1994 to come before the House and the first of seven for this week.

Mr. Chairman, I want to commend the gentleman from Ohio [Mr. Stokes], the chairman of the Veterans Affairs, Housing and Urban Development, Independent Agencies Appropriations Subcommittee, and the gentleman from California [Mr. LEWIS], the ranking minority member of the subcommittee, for bringing out an excellent bill.

This bill, as my colleagues know, Mr. Chairman, funds veterans, housing and science programs. The need for these programs continues to rise each year. Developing this bill with constrained funding allocations is quite a challenge. This subcommittee has done an excellent job under very difficult circumstances.

As I said earlier, this week will be an active one, Mr. Chairman, on the floor as the House considers the seven bills reported by the Committee on Appropriations last week. At the end of this week, the House will have considered 12 of the 13 appropriations bills. Only one remains, and that is the Defense appropriations bill. The gentleman from Pennsylvania [Mr. MURTHA] and the gentleman from Pennsylvania [Mr. MCDADE], Mr. Chairman, are ready to bring this bill out. They are waiting on the Authorizing Committee, on some language that must be developed in the Authorizing Committee. We wanted all of these bills passed in the House by July 4, and sent to the other body, but one is held up.

I want to commend all of the members on the subcommittee for a job well done, Mr. Chairman, and to the staff of this subcommittee. This subcommittee has an excellent staff, as pointed out by the chairman, the gentleman from Ohio [Mr. STOKES], the same as we do on all 13 of our subcommittees.

Mr. Chairman, I urge the adoption of this bill, and I want to thank the gentleman from Ohio [Mr. STOKES] for having yielded this time to me.

Mr. LEWIS of California. Mr. Chairman, I yield such time as he may consume to my ranking member, the gentleman from Pennsylvania [Mr. MCDADE].

Mr. MCDADE. Mr. Chairman, I thank the gentleman from California [Mr. LEWIS] for yielding this time to me.

Mr. Chairman, I take this time to commend the gentleman from Ohio [Mr. STOKES] and the gentleman from California [Mr. LEWIS], the ranking member, on the work product which they bring to us today. I was privileged to serve on this subcommittee some years ago, and I say without hesitation that the content matter of this bill is as complex as any bill which reaches the floor of this House. The subject matter it covers and the range of topics which it addresses are absolutely mind-boggling, and it takes special people to come together and, like the gentleman from Ohio and the gentleman from California, bring us this bill which comes in a form which I find most acceptable. I want to congratulate them for the work they have done in this bill. I want to congratulate all the members of the subcommittee and staff who support them.

Mr. Chairman, I hope that the Members of the House will give this bill a resounding vote of confidence.

Mr. LEWIS of California. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. GALLO].

Mr. GALLO. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of H.R. 2491, the VA, HUD appropriations bill for fiscal year 1994.

As a new member of this subcommittee, I have enjoyed working with our chairman, LOUIS STOKES and my ranking member, JERRY LEWIS.

A special thanks to our minority staff as well—Doc Syers and Bill Warfield—for their help.

Mr. Chairman, this subcommittee has a difficult job of balancing priorities that are as diverse as any subcommittee on appropriations.

Within the budget we are given, we provide for our Nation's veterans, our local communities, our Nation's housing needs, protecting our environment and exploring our universe, through our space station.

I believe we have come very close to reaching the appropriate balance among all these competing needs.

We cannot do everything for all people under any of these programs. It requires tough choices and I am proud that our subcommittee has made those tough choices.

I am particularly pleased that we restored funding for senior citizen housing from the proposed cut in the President's budget.

I am also pleased that in EPA, we have provided some funding for clean lakes and for developing alternatives to ocean dumping of wastes.

I remain concerned about the reduction in Superfund especially in light of additional cuts to Superfund in the President's stimulus package. I hope that the committee will continue to work toward a conference agreement on this issue that will keep all planned cleanups on schedule.

In response to some criticisms of contracting expenses under Superfund, I am pleased that the committee adopted my amendment to cap those costs at 11 percent as recommended in a recent report by the GAO.

These are just a few of the items worthy of note in this bill.

I would simply say to my colleagues that this is a balanced bill worthy of your support and within the guidelines established by the budget and our 602(b) allocation.

Mr. Chairman, I urge my colleagues to support this bill.

□ 1400

Mr. STOKES. Mr. Chairman, I yield 4 minutes to the distinguished ranking member of our subcommittee, the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, as a member of the subcommittee, I rise in strong support of H.R. 2491, the VA-HUD fiscal year 1994 appropriations bill.

Under the outstanding leadership of our new chairman and ranking member, we have produced a bill that all Members can be proud of.

Chairman STOKES has conducted the business of the subcommittee in an exemplary fashion. He has displayed the highest form of dignity and fairness in his work with Members on both sides of the aisle and with each agency under our jurisdiction.

This appropriations bill supports the need of our Nation's veterans. We have provided a 6-percent increase for veterans medical care. The bill also includes a 2-percent increase for veterans' service-connected compensation benefits and pensions. Medical and prosthetic research in one area in which the VA has been making great strides. Therefore, the committee felt it important to increase the budget request for this account.

For HUD, our bill strikes a delicate balance between encouraging home ownership and recognizing the need to preserve and improve public housing and rental assistance programs.

I am pleased to tell my rural colleagues that this bill is very friendly to our specific concerns and interests. It reflects the administration's new commitment to the special housing needs of small and rural communities and increases funding for programs that are successful in both rural and urban areas.

Funding has been significantly increased for community development block grants, home, section 8, homelessness assistance, and housing for the elderly and disabled, just to name a few.

Our subcommittee has followed Secretary Cisneros' able lead in crafting this section of the bill—we have laid the groundwork for fulfilling his goal to reinvent HUD.

For the Environmental Protection Agency, the committee has been sensitive to the needs of rural areas through strong support of the water infrastructure programs. We have also increased public water system supervision grants and provided funding for rural water assistance activities.

Every Member representing rural America knows of communities who have difficulty complying with safe drinking water and Clean Water Act requirements. Let me assure Members that this committee is making every effort to solve these problems.

The subcommittee has recommended a modest 2-percent increase for the National Aeronautics and Space Administration, and within this budget we have successfully achieved funding for a balanced space program.

We have included significant increases for aeronautical research and development, a key component of President Clinton's competitiveness agenda. We have funded the redesigned space station program, maintained our commitment to a robust space shuttle program, and continued our strong support for NASA's mission to planet Earth. Further, we have ensured that NASA's space science programs are supported to reflect their priority role in the civil space program.

Despite a difficult fiscal environment, we have demonstrated strong support for our Nation's basic research capability by recommending an 11-percent increase for the National Science Foundation.

Mr. Chairman, I urge all Members to support this bill.

Mr. LEWIS of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. STUMP].

Mr. STUMP. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to H.R. 2491, the VA, HUD and Independent Agencies appropriations bill for fiscal year 1994. As ranking minority member of the Veterans' Affairs Committee, I particularly wish to address the veterans' portion of the bill.

In my view, the Subcommittee on VA, HUD and Independent Agencies faces one of the most difficult tasks of all the appropriations subcommittees. It has an almost impossible mix of high visibility and high priority programs with a funding allocation that just won't stretch far enough. I want to compliment Chairman LOUIS STOKES and ranking minority member JERRY LEWIS for doing the best they could for veterans under difficult circumstances.

Also, I want to compliment Chairman WILLIAM NATCHER and ranking minority member JOE MCDADE of the full Appropriations Committee. They have gone to bat for veterans many times over the years and I know that they too have done the best they could for veterans.

But, Mr. Chairman, from the time the VA and OMB in the executive branch send over a budget request and it goes through the convoluted process here in Congress, to the time appropriations finally result, the actual share of Federal dollars for veterans is billions smaller than it should be.

The dedicated men and women in uniform who earned the peace dividend aren't seeing their fair share of it. Our Nation's veterans deserve better funding for their benefits and services than they are getting from the administration and the Congress. With the level of funding H.R. 2491 would provide for fiscal year 1994, the Department of Veterans Affairs would not be adequately funded to carry out its major statutory mandates.

Veterans' health care would receive almost $900 million more than the current fiscal year. However, the increase is not close to current services budget. According to the highly respected independent budget analysis presented to the Veterans' Affairs Committee by AMVETS, the VFW, PVA, and the DAV, current services fiscal year 1994 funding for veterans health care would be $17.1 billion, not the $15.5 billion proposed in this appropriations bill. The independent budget uses as a base line fiscal year 1988, which is generally agreed to have been the last year the VA health care budget was adequate. A total of 38 veterans' groups, military associations and health care professional groups, including the American Association of Medical Colleges, have endorsed the Independent Budget.

The result of chronic underfunding is a VA health care system which is vulnerable to being absorbed or broken up under a new national health care policy, whatever it might turn out to be. Too many veterans must endure long waits for needed health care, and too many hospitals and clinics are obsolescent. The quality of care is generally good, but some VA hospitals are falling behind community hospitals, in what they can offer. The backlog of needed new medical equipment is nearly a billion dollars. There is nothing at all in this bill to reduce the backlog.

Mr. Chairman, the bill does have one funding enhancement which should not go unacknowledged. On May 11, 1993, I was an original cosponsor of House Concurrent Resolution 99, to call for restoration of critical funds for the VA's Medical and Prosthetic Research Program. VA medical research was literally facing extinction under the administration's completely inadequate research budget request of $206 million, a reduction of $26 million from the current year's appropriation. It contained no money for any new research projects. In a couple of years, as VA medical research programs were completed or ran out of funding, VA research would have gone out of business to the detriment of veterans and the public. Recognizing the seriousness of the problem the Appropriations Committee would restore funding to a sufficient level of $252 million for VA research programs to continue. I salute Messrs. NATCHER, STOKES, MCDADE, and LEWIS for their wise action to save the VA Medical Research Program.

Mr. Chairman, the overall story is unfortunately not much different for veterans' compensation and pensions. The VA does not have the resources necessary for timely and accurate claims processing. The backlog of VA claims is approaching 900,000. By this time next year, it could well be over a million. Service-connected disabled veterans wait many months for their benefits, and sometimes more than a year. It just isn't right that these men and women, some of them severely disabled, must endure a VA bureaucracy which does not have the staff and data processing equipment to do its job right. There is nothing in this bill to turn the situation around.

Our veterans who won the cold war and the Persian Gulf war have enabled the Government to save more than $150 billion. Tens of billions are being spent on mega science projects, food stamps, education grants and public housing. If it is approved, over $7 billion will be spent on a new nonmilitary national service program which will come out of this appropriations allocation in competition against veterans program. Veterans will receive a small increase of about $1.1 billion in the VA budget, an increase too small to meet their needs or even keep up with inflation.

Mr. Chairman, we should be able to do better by our veterans.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, as we begin the business of this week in legislation, I fear that we may end up continuing to go down the path we set off on last week. This House is, step by step, presiding over the dismantling of this Nation's research and development activities.

Last week the space station survived by just one vote in the authorization process, but we voted to kill the Space Power Program, the Light Metal Reactor Program, and the superconducting super collider. Many of us were forced to make tough decisions, balancing the cost of a given program with its potential return, and then making a decision about whether that project should be funded by the Federal Government.

Others, however, seemed to develop a meat ax approach, viewing any program as pork barrel with deficit funding, even saying so on the House floor. I ended up wondering at the end of the week how many press secretaries used the term, "Jurassic pork," in some form in the press releases they sent out. Enough Members said it out here on the floor that it must have been the catch phrase of the week.

Today, however, we will again be facing important votes on the future of this Nation's space programs. I urge my colleagues to avoid the temptation of tarring every project with the same brush. Not all science is pork, and just because this spending is discretionary does not mean that it is necessarily unworthy. What we have to do is look at our sense of priorities.

If we continue in the same pattern of cutting research and development, this Congress will be known not for its vision but for the relegation of this country to a second-class technological power. The jobs of our children and our grandchildren depend on having a technological edge on the rest of the world. We are in the process of cancelling their opportunities and the edge we have always had as a result of our space activities.

Mr. STOKES. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Chairman, I would like to ask the gentleman from Ohio, chairman of the VA, HUD, and Independent Agencies Subcommittee, to engage in a colloquy.

Mr. STOKES. Yes, Mr. Chairman, if the gentleman will yield, I will be happy to engage in a colloquy with the gentlemen from Florida.

Mr. DEUTSCH. Mr. Chairman, I would like to bring to the attention of all the Members here today the importance of the Florida Keys National Marine Sanctuary.

Congress, too, recognized the importance of this area in 1990 by enacting the Florida Keys National Marine Sanctuary Act. This sanctuary is one of the largest marine-protected areas in the United States, and undoubtedly, the most heavily used and threatened. It also protects America's most valuable marine ecosystem.

Mr. STOKES. It sounds as though the Florida Bay is extremely important to water quality in this area.

Mr. DEUTSCH. Yes, it is. Water quality was the driving concern which caused Congress to expeditiously designate the waters around the Florida Keys, including the only living coral reef in North America, as a marine sanctuary in 1990.

Over the past 2 years, a detailed research and monitoring plan has been developed with the participation of State and local governments. The highest priority identified in this plan is the crisis in Florida Bay. The water quality problems of the Florida Keys National Marine Sanctuary have geographic dimensions far greater than the 3,000-square-mile area within the boundaries of the sanctuary itself.

Further funding is necessary for the plan to begin scientific research and monitoring to guide and evaluate corrective actions that are moving ahead with the cooperation of many agencies. The Federal Government is not being asked to pay the entire cost of the needed actions, as the State of Florida and local governments are jointly involved.

It would seem to me that in order to fulfill our commitment to protecting this most valuable national resource, we must emphasize the need to fully support the water quality protection program now developed for the marine sanctuary.

I would ask my colleague for his assurance that, should additional funds for this project be provided later in the process, he will do everything he can to provide these funds.

Mr. STOKES. Mr. Chairman, the gentleman from Florida has my assurance that I will make every effort to provide additional funds for this purpose and to review this issue during conference with the other body.

□ 1410

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to say that the appropriations subcommittees this year appear to be headed in the right direction by scrutinizing projects and spending more closely than they have in the past. However, there are still some improvements that can be made.

For instance, this bill contains $4.223 billion for community development block grants. That is up $223 million from fiscal year 1993.

When the President brought his stimulus package to the floor, we had a lot of money in there for community development block grant programs. We are going to be spending this extra $223 million on some of those programs.

Some of those programs included such things as a golf course, a beach parking garage at $5 million, a cemetery, historic preservation of a movie theater at $3.5 million, gym replacement at $4.5 million, swimming pool renovation at $3.22 million, and so forth.

So, I believe there is a need for community development block grant money. But to increase it at a time when we are having these severe fiscal problems is highly questionable, No. 1, and, No. 2, I question where this money is going to be spent and for what it is going to be spent.

In addition to that, I will be proposing an amendment that deals with the policy development and research at HUD. They are going to be requesting $25 million more than in fiscal year 1993. That is $50 million more than President Clinton has asked for. In addition to that, there is a real problem, because the spending in this area is going to be changed and it is going to be distributed at the Secretary of HUD's discretion. Do any of my colleagues remember the HUD scandal that we had before?

There should be congressional oversight of these spending programs, and we should not have a slush fund once again created at HUD. It appears as though that is what we are talking about doing.

So I would just like to say to my colleague, I will have two amendments dealing with these two areas, and I hope Members will look with favor upon both of them.

Mr. STOKES. Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Chairman, I would like to engage the chairman of the subcommittee in a colloquy about the Council on Environmental Quality [CEQ].

Mr. STOKES. If the gentleman will yield, Mr. Chairman, I would be happy to engage in a colloquy with the gentleman from Massachusetts.

Mr. STUDDS. As you know, the administration has proposed to abolish CEQ and transfer many of its functions to a new Department of Environmental Protection.

CEQ oversees the implementation of the National Environmental Policy Act [NEPA] by Federal agencies. It, or some successor institution, must continue to administer NEPA, one of this Nation's most important environmental laws.

I believe that none of us want to see the Council abolished without a suitable replacement to implement NEPA. Terminating the Council will require appropriate legislation, which is likely to be considered when this House takes up the EPA-Cabinet bill.

The father of NEPA and CEQ here in the House, our esteemed colleague, JOHN DINGELL, and I have been working on a proposal for a responsible replacement for CEQ and the transfer of some NEPA functions to the new Environmental Protection Department. I believe that we will be able to reach an agreement that is satisfactory to the administration, the Congress, the environmental community, and others.

Mr. Chairman, there remains the possibility that the EPA-Cabinet bill or the CEQ legislation will not be enacted by the end of this fiscal year. In that event, CEQ will need to be continued into fiscal year 1994 to carry out essential NEPA-related work.

I note that your bill, in conformance with the request of the administration, does not include an appropriation for the Council. Is my understanding correct?

Mr. STOKES. That is correct.

Mr. STUDDS. It was expected that the CEQ matter and the NEPA-related responsibilities would be completed by now. Unfortunately, these issues are not resolved.

Therefore, Mr. Chairman, I would like your assurance that, pending the enactment of a bill to replace CEQ, you will work with the other body in conference to address this matter and to support the Council for 1 more year until this issue can be worked out with all parties concerned.

Mr. STOKES. Mr. Chairman, I want to assure the gentleman from Massachusetts, the chairman of the authorizing committee that has jurisdiction over NEPA and CEQ, that I recognize the importance of the Council for the implementation of NEPA.

It is my understanding that, in the Treasury-Postal Service appropriations bill passed in the House recently, funds were provided for the new Office of Environmental Policy. This new entity was, in part, created to carry out some of the activities now conducted by the Council on Environmental Quality.

The gentleman has my assurance that, if a legislative resolution of this matter has not been found by the time this bill goes to conference with the other body, and the issue of the roles of the Office of Environmental Policy and CEQ have been resolved—including funding and staffing issues, I will make every effort to support CEQ at the time of conference. I would hope that I might get the gentleman's assurance too that he will do what he can to settle this matter legislatively as soon as possible.

Mr. STUDDS. The gentleman from Ohio has my assurance that Chairman DINGELL and I will make every effort to resolve the CEQ issue well before this appropriations bill is in conference. I thank the chairman of the subcommittee for his time and for his expression of support for CEQ.

Mr. LEWIS of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, I rise in strong support of this appropriation legislation.

Mr. Chairman, I rise in strong support, in general, of H.R. 2491—the important exception being the proposed funding for the space station.

This Member would also like to direct commendations to the distinguished gentleman from Ohio [Mr. STOKES], the chairman of the subcommittee, and the distinguished gentleman from California [Mr. LEWIS], the ranking member of the subcommittee for their exceptional work in bringing this bill to the floor.

Mr. Chairman, the 1994 VA/HUD/Independent Agencies appropriations bill for fiscal year 1994 includes funding in the amount of $257,320,000 for Indian housing new construction. That amount is the level requested by the administration and is the same amount as last year's appropriation.

Balancing the great need for new housing in Indian country with the imperative facing us to reduce our budget deficit, a freeze at last year's funding level is entirely appropriate and the members of the committee should be commended for funding this program at this level. This Member also supports the appropriations level for the Community Development Block Grant Program, which is among the most effective and important to the Nation's municipalities of all sizes.

Again, Mr. Chairman, this Member commends the distinguished gentleman from Ohio [Mr. STOKES], the chairman of the subcommittee, and the distinguished gentleman from California [Mr. LEWIS], the ranking member of the subcommittee for their continued support of this important project.

Mr. STOKES. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. BROWN].

□ 1420

Mr. LEWIS of California. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BROWN], and I do so by expressing my deep appreciation to my colleague from California for his leadership on the authorizing committee.

I must say to the gentleman from California [Mr. BROWN], if he had not gone through the extended process, holding separate hearings, inviting Members not on the committee in to hear expert testimony, we would not have had the kind of support we had during the authorizing process. Indeed, I think the contribution he has made to this appropriations process is very important. I want the Members to know that, and I want to express my appreciation for that.

Mr. BROWN of California. Mr. Chairman, I certainly am grateful to the gentleman for his expression. Of course, since he participated in these activities, he knows how hard we worked. He also knows how much I appreciate the contribution that he has made to getting a better understanding of these programs and helping to support them.

I thank the gentleman for yielding time to me.

Mr. LEWIS of California. Mr. Chairman, I yield such time as he may consume to my colleague, the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, I thank the gentleman for yielding time to me.

Let me just start out by associating myself with what the gentleman from California [Mr. LEWIS], has said about the chairman of the Committee on Science, Space, and Technology, and along with that my congratulations to the chairman of this committee on his maiden voyage as chairman of this subcommittee. I have thoroughly enjoyed serving with him.

I must say that the chairman is very much a breath of fresh air when it comes to NASA.

The gentleman from Ohio, Chairman STOKES, has been very open and honest with those of us that support the space program in this country and has been very cooperative. Our ranking member, the gentleman from California [Mr. LEWIS] has done a yoeman's job in supporting NASA. And, of course, the gentleman from California, Chairman BROWN and the gentleman from Pennsylvania [Mr. WALKER] have been just fantastic.

All four of these gentlemen understand how important to this country a space program is, how important it is to our young people, how important it is to our technology race in the world, and how important it is in developing new products and new services that create jobs in this country.

The President has recognized the importance of investing in our future through the space station program. He has also recognized the wisdom of selecting an option that preserves as much of the current space station *Freedom* design as possible, building upon the investment we have already made toward the goals of permanent human presence in space and full scientific capability in the orbiting laboratory.

Through the space station redesign process, billions of dollars have been targeted as savings. This is one Member that criticized the redesign process, when it was started by the President, but I must admit here and now that I was wrong. The redesign process has done some excellent work, particularly in the area of redesigning the management of our space program and bringing us a model of management that will make the space program run more efficiently. And we will be able to get the biggest bang for the buck.

But the space station funding in this bill represents more than $4 billion reduction over the next 5 years. That is at least a 25-percent savings. The annual cost of operating the station, once it has been in orbit, has been cut in half from $2 billion to about $1 billion. We can have a real space station and contribute to deficit reduction at the same time.

As a result of the redesign process, NASA plans to make major management restructuring, which they estimate will save $300 million a year. The Vest Committee believes savings from management changes alone can add up to anywhere between $700 million to $1 billion per year for NASA overall.

NASA, with a budget at seven-tenths of 1 percent of the Federal total, generates about $7 in return for every dollar invested by the Government. Dollars return in jobs, reinvestment in communities, and spin-off technologies.

Nationally, 75,000 people in 40 States are employed in space station-related jobs. At a time of cutbacks in defense spending and a weak airline industry, we cannot afford to deal yet another blow to the aerospace industry.

The space station is absolutely vital if human beings are to learn to live and work in space so that we return permanently to the Moon and go to Mars and explore outer space. We need the station to study the effects on the human body of long-term exposure to the rigors of space and a gravity-free environment.

Americans have always been pioneers. With the space station, we can explore the most challenging frontier of all.

But as important as all this, space exploration has long served as an inspiration to our children. At a time when interest in math and science are waning, the exciting conquest of space has inspired many engineers and scientists. We cannot afford not to be in space and developing a space program in this country.

I appreciate our subcommittee and our full committee for supporting the space station and supporting NASA programs.

Mr. STOKES. Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Chairman, I rise in opposition today to this legislation. Most specifically, I rise in opposition to the expenditure of $1.4 billion to the EPA's Superfund.

I serve as a member of the Committee on Government Operations. As a new member, I have been appalled by the amount of waste, fraud, abuse, and lack of oversight of EPA.

During the hearings that we have held in the last few months we have come across facts that in the Superfund there is a total of $4.8 billion that could be lost because of the mismanagement, because of the inability of this agency to operate in a professional manner in the best interest of the taxpayers of the United States.

I offered before the Committee on Rules a measure that was ruled to possibly legislate on this type of appropriations bill. I just asked that a small amount of these funds be set aside to form a joint task force between the Department of Justice and EPA to go after the polluters.

This bill, as it is now structured, requires the taxpayers to foot the bill. Superfund was supposed to be a self-funding mechanism. This bill contains $1.4 billion to fund that supposedly self-funding legislation that we passed a long time ago.

This legislation allows that to continue. So it is with reluctance but in the interest of the taxpayers that I was elected to represent that I stand and speak in opposition to this legislation and urge my colleagues to vote against it.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of H.R. 2491.

I want to commend the distinguished gentleman from Ohio [Mr. STOKES] and the distinguished gentleman from California [Mr. LEWIS], the new chairman and ranking minority member of the subcommittee, for their work on this bill as it relates to veterans programs. This is a very important measure for millions of Americans, especially veterans. It includes funding of $35.7 billion for veterans programs, an increase of $1.1 billion over last year.

Mr. Chairman, although the total amount provided in this bill for veterans is slightly less than what the administration proposed, it is a very good bill. In fact, it is actually much better than the administration's proposal in the important area of medical research. The administration's proposed budget for medical research would have required a reduction of $26 million in research. Had the subcommittee accepted the administration's proposal, the number of projects funded with VA research dollars would have dropped by more than 30 percent in 1 year. Instead, this bill provides $252 million for medical research—$20 million more than last year and $46 million more than the administration's proposal. This level of funding will allow the continuation of vital research at VA medical centers.

This is a very important change in policy, and I want to thank Chairman STOKES and members of the committee for honoring my request to not only restore this important program to last year's level but to actually increase the funding by $20 million. At a time when there is a movement to reduce the number of persons employed by the Federal Government, we must preserve the invaluable investment realized by VA research dollars.

I want to say a word or two about funding for the other veterans programs. Generally, the bill provides funding at the level proposed by the President—full funding for all veterans education, compensation, insurance, housing and other benefit programs. Since we have not yet reached agreement with the Senate on authorization for $112 million in major medical construction projects, funding for four projects proposed by the administration and three projects authorized by the House have been deferred. The subcommittee report notes that "sufficient funds will be available for these projects when the authorization bill is enacted."

With regard to funding for medical care, I think the subcommittee acted responsibly, and I will defend their actions for two reasons. First, the VA made a mistake in projecting how much money would be needed to pay its medical care work force. There have been major changes in the last few years in pay rates for doctors and nurses. These were changes resulting from laws we passed to make the VA a more attractive employer. VA overestimated the pay costs for over 205,000 medical employees during the next fiscal year. The error was about $125 million. So the reduction of $120 million in medical care should not have an adverse impact.

Let me emphasize this point. The dollars provided for VA medical care—$15.5 billion, $900 million above the 1993 level—will allow VA to provide more care and improve programs compared to the 1993 level. Employment will grow to over 205,000 FTEE, an increase of 2,554 above the 1993 level, exactly what the President proposed. This is a substantial gain for veterans.

Mr. Chairman, I want to commend Mr. STOKES and the subcommittee for language contained in the report which urges the American Battle Monuments Commission to provide modest assistance in memorializing Bauer Field at Port Vila, Vanuatu. As the report states, it was from this island nation, formerly known as the New Hebrides, that the United States staged many hard-fought campaigns throughout the South Pacific.

I join the committee in hoping that some effort to memorialize this important and vital military activity can be undertaken as soon as possible.

Finally, I want to convey my concern for the reduction of $238,000 and 13.5 FTEE in the appropriation for the U.S. Court of Veterans Appeals.

The committee has reduced the court's budget request beyond the cuts OMB imposed on the executive branch. The court's request included eliminating four FTEE's. The reduction was specifically brought to the attention of the Appropriations Subcommittee. In the markup, the committee took the view that—from its own case projection for the court—a further 9.5 FTEE reduction should be imposed. The translated amount of the cut is $238,000. The imposed 9.5 FTEE reduction is really 13.5 FTEE or about a 16-percent reduction from the court's current 87 FTEE level.

Moreover, the Appropriations Committee's case projection seems to eliminate from the calculus the number of appeals which must be expected to arise from the ultimate final decision of the many cases—over 50 percent in fiscal year 1992—remanded by the board to the regional offices. Additionally, the report indicates that the committee applied to the court a case-staff ratio employed by the Administrative Office of the U.S. Courts. As explained to the subcommittee in the court's testimony on March 23, 1993, the court's far higher pro se rate makes that ratio inapposite to the court.

The additional 9.5 FTEE reduction would constitute a cut of 33 percent in the court's case-management personnel. Such a cut would not only delay case dispositions, but also would have a particularly deleterious effect on the special attention that the court gives to its predominantly pro se appellants. Finally, the committee report suggests that the committee intended only a total reduction of 9.5, not 13.5 FTEE since the report projected case-management staffing of 20 FTEE as compared to the court's current 29.5 FTEE, rather than the fiscal year 1994 request of 25.5 FTEE, for these personnel.

Again, I want to commend the leadership of the subcommittee as well as my good friend, the distinguished chairman of the committee, Mr. NATCHER, and all members of the committee for their support of our Nation's veterans.

I urge all my colleagues to support this measure.

Mr. DUNCAN. Mr. Chairman, I rise to express my opposition to the $12.3 million that this measure Appropriates for NASA's so-called Toward Other Planetary Systems or TOPS Program.

This $12.3 million continues the ongoing saga of NASA's infamous $100 million Seti project which scans the heavens for radio signals coming from extraterrestrial beings.

This is the same project which the Associated Press described as looking for little green men.

According to the story, more than 50 searches for space aliens have been conducted since 1960, scanning space for signals by intelligent life forms within our Milky Way Galaxy and others; with no results.

To me, this kind of track record does not exactly justify another $12 million appropriation.

In these tough economic times, I just do not think looking for extraterrestrial life forms is a priority.

I can almost guarantee that if Members of Congress went home to their districts today and asked any number of citizens what our Nation's top priorities should be, not very many would say "spending $12 million to look for extraterrestrial intelligence."

With our Naiton in such financial straits, I find it incredible that we are continuing on with this luxury program. It is just ridiculous.

The TOPS Program is a program that will not die. This is not the first time that opposition to this program has been voiced. My distinguished colleague from Rhode Island [Mr. MACHTLEY] offered an amendment similar to this in the 101st Congress, and the House supported his position. But the program continued. Last year we cut this program here in the House, as did the Senate in their authorizing bill. But the program continued. This program remains today because the Senate Appropriations Committee was able to skirt the authorization language by simply changing its name.

At a time when our country faces massive budget deficits, urgent health care needs, and inadequate educational funding, we have no business looking for aliens—intelligent or not.

Some supporters of the TOPS Program claim it has great educational benefits, and I am sure that there are many. But the amount of money that we are spending for this program could do much more good if we spent it directly on scholarships or educational programs.

But since the TOPS supporters have gone through the trouble to rename this entire project, they must have deduced that the American people are beginning to catch on to this bondoggle.

At least we could be fair with the people at home and change what the TOPS acronym stands for; maybe we should be honest and call the program "taking ordinary people's savings."

I realize that this $12.3 million will not make much of a difference in light of our yearly $300 billion deficits and our $4 trillion debt. However, the money we are spending on this program is money we do not have.

In an ideal world with unlimited resources, this program might be worth considering. I am a strong supporter of scientific research. Like all Americans, I enjoy the spirit of exploration. I, too, am curious to know if life exists on other planets. However, I just cannot believe that most hard-working Americans are curious enough to have us spend $12.3 million of their tax dollars to look for extraterrestrial.

Mr. FAZIO. Mr. Chairman, I rise in support of H.R. 2491, the Veterans Affairs [VA] and Housing and Urban Development [HUD], and Independent Agencies appropriations bill for fiscal year 1994.

Agencies that H.R. 2491 funds in addition to the VA and HUD, include the Environmental Protection Agency [EPA], the National Aeronautics and Space Administration [NASA], the National Science Foundation [NSF], the Federal Emergency Management Agency [FEMA], the Federal Deposit Insurance Corporation [FDIC], and the Resolution Trust Corporation [FTC]. These diverse agencies support everything from community and neighborhood development, to programs for the homeless, to disaster assistance, to medical care and treatment for veterans and their eligible beneficiaries, to pollution control.

The major EPA programs which are funded by this bill include pollution abatement, control and compliance; waste water treatment facilities; and oilspill prevention and response activities. The EPA also subsidizes the costs of loans made to needy local education agencies to remove hazardous asbestos in school buildings. It additionally operates the hazardous substance Superfund Program, which was established to clean up emergency hazardous materials and spills and dangerous, uncontrolled, and abandoned hazardous waste sites.

H.R. 2941 also funds FEMA, the Agency that is charged with coordinating the entire Federal disaster assistance response by providing support and relief to public entities, individuals, and families. This includes protective measures, debris clearance, the repair and restoration of damaged facilities, and temporary housing.

The funds provided in this bill enable the VA to administer benefits for 27 million veterans, 42 million family members of living veterans, and 1.5 million survivors of deceased veterans—a total of 70.5 million people, or 28.7 percent of our total population. These benefits include pension payments; disability compensation payments; educational training and vocational assistance; guaranteed loans for housing assistance; life insurance policies; and inpatient care and treatment in hospitals, nursing homes, and clinics. The bill also provides for the major construction, modernization, alteration, and improvement of VA facilities, and supplies matching grants to assist States in the construction and establishment of State veterans' homes and nursing care facilities.

Through HUD, the bill funds programs that support our housing needs and the development and preservation of our communities. These include mortgage insurance programs that help families become homeowners and facilitate the construction and rehabilitation of rental units; rental assistance programs for lower income families who otherwise could not afford decent housing; programs that aid community and neighborhood development and preservation; and programs that help protect the home buyer in the marketplace.

One of HUD's most effective programs is the Community Development Block Grant Program, or CDBG, which supports grants to State and local governments for local community development initiatives, such as decent, affordable housing, suitable living environments, and expansion of economic opportunity. These CDBG funds are often the only sources of revenue for new or previously unfunded public services, particularly in rural areas. These funds also generate local employment opportunities.

For example, CDBG loans to small businesses—at favorable rates and terms—enable them to hire local workers, both temporarily and permanently. When the loans are repaid, they are recycled to other businesses, continually feeding and sustaining the local economy. The fallout from a CDBG loan can be enormous, especially in an area where unemployment is high.

Colusa County, in my district, has participated in the CDBG Program for over 10 years now, and uses much of its CDBG funds for economic development. Its revolving loan fund for small businesses has enabled many of them to stay afloat and support the surrounding area. CDBG funds also provide support for Tehama County's Housing Rehabilitation Program, which assists low-income residents in securing home repair assistance thru affordable loans, project planning assistance, and the services of a licensed contractor.

In Yolo County, CDBG funds are used primarily for housing rehabilitation; over 100 units have been rehabilitated since 1987. However, the county also lent CDBG economic development funds to a small firm for job creation. The firm has since then totally repaid the loan, and the county can now recycle the funds into a revolving loan fund for job generation in other small businesses.

CDBG funds eliminated a health hazard by supporting a water hookup program in unincorporated Yuba City. In an area where low-income homes were built close together on small lots, their wells and septic tanks were also right next to each other. This created a health problem—The septic tanks were contaminating the well water. However, CDBG funds were put to use installing a water line, enabling the residents to access the city's water system and abandon their contaminated wells.

The city of Orland used CDBG funds to enable the local almost industry to bring its brine sewer ponds in compliance with new State standards for protecting ground water from brine water contamination. Without CDBG support, the industry would have been unable to meet the required standards and would have been forced to shut down and leave the area. Because of CDBG funding, however, 90 direct jobs were retained—jobs that would have been eliminated when these businesses closed. The economic impact was even greater because, in Orland, each of these direct agricultural jobs creates approximately seven other indirect jobs.

Chairman STOKES and the members and staff of the subcommittee have set funding priorities for the wide variety of agencies and programs that this bill supports. Yet, the total funding level in bill that they have produced is significantly below both the subcommittee's funding target and the President's budget request. The total funds appropriated in the bill are $14 million less than its target, and $1.3 billion less than requested by the President.

The subcommittee has managed to achieve a balance—between meeting the needs of the many Americans who depend on the programs and services that this bill funds, and being fiscally responsible. H.R. 2941 will ensure that millions of Americans have access to decent housing and neighborhoods, quality medical care, and a clean environment. I urge my colleagues on both sides of the aisle to support its passage.

Mr. TORRES. Mr. Chairman, I commend the leadership of Chairman STOKES and laud him for educating the public and the Congress on the value of space station *Freedom*.

Last week, this body authorized space station *Freedom* by one vote.

Where is the leadership, where is the desire to keep America's competitive edge, where is the drive to explore new frontiers? We must, as a nation, continue to foster discovery and exploration.

Today's vote is a referendum on our Nation's commitment to excellence, our vision for the future, and our ability to compete in the global marketplace.

Of course we, as a deliberative body, must face the current fiscal reality. I've weighed the pros and cons of NASA's space station. I've looked at its budgetary and economic impact. As a member of the Appropriations Committee, I have worked to get assurances from NASA that new management reforms will bring tighter budgetary controls on the space station.

There is no question in my mind that for this society to progress we must have a lofty goal to reach. Space station *Freedom* embodies American frontierism. This Congress must realize the importance of providing the platform for scientific, educational, and cultural leadership.

Our action on the space station will affect over 230,000 Americans working on NASA's programs. In the State of California alone, space station *Freedom* employs 4,261 people. These individuals are among America's finest in the world's scientific community. They are the engine that powers our Nation's technological progress. I urge my colleagues not to put the blinders on America's scientific and competitive edge. Now, more than ever, now, we must fund space station *Freedom*. Haven't we been looking for ways to redirect our Nation's high technology expertise in defense related industries. How can we justify eliminating space station when we are leaving thousands unemployed in defense. The best defense conversion plan for our Nation is to fully fund NASA's programs and the space station.

Some would say that the private sector will pick up the pieces of the American space program. The only thing I've seen coming out of the private sector is a plan for giant space billboard—this is not high technology, this is not leadership.

Mr. Chairman, I ask my colleagues to support space station *Freedom* and keep American frontierism alive.

Mr. VENTO. Mr. Chairman, this bill is an annual connundrum for Members such as myself who are basically supportive of most of the funding in the VA/HUD/Independent Agencies bill for HUD housing and community development programs, for the Environmental Protection Agency, for our veterans programs, and for basic science and research programs. Nonetheless, I continue to oppose science fiction-like programs; the space station program and other such spending like the Advanced Solid Rocket Motor [ASRM] which is generously maintained through this appropriation legislation—business as usual. In these leaner budget times, I am hard pressed to support legislation that provides for the continued cannibalization of our critically important domestic programs on Earth for make believe space science research benefits and programs. With the justification that it is important to tangential medical research, that it is too big a project to stop. Is the space station too big to stop? I don't think so nor should my colleagues.

There are some substantial reasons, however, to support this 1994 spending bill measure. I am extremely pleased at the direction the funding has taken for the homeless assistance programs that are part of the McKinney Homeless Assistance authorization bill that I sponsor. In lieu of the problematic administration requests for the homeless programs since their inception, this year Congress received requests to increase the funding for the McKinney homeless programs. Additionally, this bill redirects funds from a less successful Shelter Plus Care Program to the highly successful and utilized Emergency Shelter Grants Program. I am pleased at this recognition and at the more modest increase in the FEMA Emergency Food and Shelter Program whose work is exemplary in our local communities. Along with these and the ongoing homeless Veterans health care programs, this bill does specifically appropriate $10 million in funds for the new Veteran's Community Based Organization Grant Program for homeless veterans, which I support.

I am pleased at the attention the subcommittee and committee have paid toward increasing funds for certain housing programs, like the HOME Program, CDBG, and public housing for a total appropriation for HUD housing programs of $20.1 billion. I remain hopeful that our next appropriations bill will see additional funding for assisted housing, section 8 assistance, and public housing as that funding is key to moving beyond the McKinney homeless programs to permanent housing for our citizens. That will only be possible if we can redirect our priorities to address the human deficit which has grown so dramatically the last decade. To achieve such change we must cut the excess of the space station, the ASRM, and other bloated programs, and truly reorder our priorities.

Mr. Chairman, I would note my support for some specific programs, such as the highly successful Neighborhood Reinvestment Corporation. NRC, whose programs include the Neighborworks Network, received an increase in funding to bring them to $30.5 million. This is funding well spent as they leverage these Federal funds to bring community revitalization to hundreds of neighborhoods around the country.

I am unable to point out all the specifics concerning this proposed appropriation, suffice it to note that these programs of HUD, EPA, and VA respond to commitments to people and real needs. I strongly urge support for the amendment to cut funding for the space station, and then to support the passage of this instrumental appropriations bill. I thank Chairman STOKES and his staff for their work in crafting these spending priorities and am hopeful that we will, with this measure, begin to address the many commitments and concerns within our communities and cities.

Mr. RAMSTAD. Mr. Chairman, I rise in opposition to H.R. 2491. I do so reluctantly, because I strongly support improved medical care for America's veterans. These brave men and women risked their lives for our country, and the least we can do is ensure that they receive the best medical treatment available.

Yet I fail to understand why, year after year, our veterans are held hostage to pork-barrel spending during the House appropriations process—and this bill has too much pork.

It is only the sheer arbitrariness of this process that causes funding for the Department of Veterans Affairs [VA] to be thrown into the same bill with the Department of Housing and Urban Development, NASA and 19 other independent agencies.

Why should our veterans—who have already fought and bled for all of us—now be forced to fight for increasingly scarce Federal dollars against space stations, pork for big-city mayors and executive branch slush funds?

It is patently unfair that Congress' failure to cut out wasteful Government spending and reduce the budget deficit is being placed on the backs of veterans. As a cosponsor of House Resolution 154, which would separate funding for the Department of Veterans Affairs from all other general appropriations bills, I cannot in good conscience vote for this bill.

Mr. Chairman, we already have clean, separate votes on defense spending and military construction projects—why can't we do the same for veterans' health care, compensation payments and pensions? It is simply political cynicism to pit these worthy programs against the space station.

While I vote against this bill today with great reluctance, I offer one message for my colleagues: In the future, let us have a separate vote for VA funding and honor our commitment to our Nation's brave veterans.

Mr. MINETA. Mr. Speaker, I rise in strong opposition to this amendment to kill the advanced liquid metal reactor.

The ALMR system is an advanced reactor power plant and fuel cycle concept being jointly developed by U.S. industry and the National Laboratories under DOE sponsorship. We in Congress have supported this ALMR development for the past several years. This important cost-shared R&D program is also supported by utilities, industry, and foreign countries with great potential for commercialization after 2010.

Mr. Speaker, countries around the world recognize the important role nuclear power must play in the production of clean, safe, economical, and abundant electricity. Global markets for United States industry are rapidly increasing in countries such as Japan, Taiwan, Korea, and Indonesia. These countries continue to look to America for leadership in nuclear power technology. The nuclear power plant market potential in the Pacific rim nations during the next 15 years is estimated to be over $175 billion. This represents well over 100,000 U.S. jobs.

The United States cannot send the signal to the international marketplace that we are abandoning our leadership role in nuclear energy. Clearly we need to continue the commitment needed to maintain U.S. industries leadership for an effective national and export program for nuclear plants, technology, and services.

Mr. Speaker, the advanced liquid metal reactor program has the potential to meet our Nation's long-term energy needs. In addition, the ALMR will address the spent fuel challenges of the light-water reactor industry, provide a path for conversion of weapons plutonium to useful energy, and strengthen the United States technical and economic world leadership. A strong U.S. nuclear industry can and must be a major contributor to the world's need for clean, safe, and low cost electricity.

I urge my colleagues to defeat this amendment to cancel the ALMR program.

Mr. FRANKS of Connecticut. Mr. Chairman, the bill before us today is an opportunity for Congress to recognize the efforts of our veterans for their past duty to our country. It allows our country's children to reap future rewards from wise investment today. Finally, it empowers low-income Americans by giving them the chance to own a home. These important provisions lead me to support H.R. 2491.

The United States does more to provide for those who have fought for democracy and liberty than any other country in the world, and this commitment should continue in 1994. H.R. 2491 would provide almost $36 billion in fiscal year 1994 for veterans' programs and benefits. Our 27 million veterans and their families currently benefit from worthwhile veterans' programs such as housing loan guarantees, life insurance, educational assistance, medical benefits, pensions, and a national cemetery system. This bill will see that the needs of veterans are fulfilled as the Government has promised.

Veterans have served our country to defend and preserve our freedom and the freedom of other nations throughout the world. I believe that Congress must place a high priority on improving and expanding, not just maintaining, veterans' programs. The $1.1 billion increase in funding for the Department of Veterans Affairs will work toward this goal.

H.R. 2491 also provides over $2 billion in funding for space station *Freedom*. Although I am aware that the space station is a significant financial commitment, it is my feeling that the potential long-term benefits of the space station far outweigh the immediate costs of the program. Over the years, research conducted through our space program has advanced human knowledge and resulted in technological innovations that help Americans today. Space station *Freedom* could lead us to advancements in telecommunications, medicine, surgery, and optics. Our children can enjoy a greater standard of living tomorrow with this important investment today.

The space station is also a vital component in our Nation's drive to remain technologically competitive in the global economy. Without this proper Federal investment in space technology, I fear that intellectual and technological progress will stagnate in our country.

I also want to emphasize the importance of the HOPE Program that is funded in this bill. HOPE provides Federal assistance to help low-income families buy and rehabilitate single-family homes. Although there have been some bureaucratic problems and delays in getting this program fully functional since its inception 3 years ago, I feel that the concept of allowing low-income Americans to own their homes is a sound idea that has great potential to transform urban neighborhoods. If someone owns property, that person will have more incentive to maintain and improve it. Community pride attained through ownership can be a major force in revitalizing troubled areas in our country.

Mr. FAZIO. Mr. Chairman, I rise in support of H.R. 2491, the Veterans Affairs [VA] and Housing and Urban Development [HUD], and Independent Agencies appropriations bill for fiscal year 1994.

Agencies that H.R. 2491 funds in addition to the VA and HUD include the Environmental Protection Agency [EPA], the National Aeronautics and Space Administration [NASA], the National Science Foundation [NSF], the Federal Emergency Management Agency [FEMA], the Federal Deposit Insurance Corporation [FDIC] and the Resolution Trust Corporation [RTC]. These diverse agencies support everything from community and neighborhood development, to programs for the homeless, to disaster assistance, to pollution control, to medical care and treatment for veterans and their eligible beneficiaries.

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Chairman STOKES and the members and staff of the subcommittee have set funding priorities for the wide variety of agencies and programs that this bill supports. Yet, the total funding level in bill that they have produced is significantly below both the subcommittee's funding target and the President's budget request. The total funds appropriated in the bill are $14 million less than its target, and $1.3 billion less than requested by the President.

The subcommittee has managed to achieve a balance—between meeting the needs of the many Americans who depend on the programs and services that this bill funds, and being fiscally responsible. H.R. 2491 will ensure that millions of Americans have access to decent housing and neighborhoods, quality medical care and a clean environment. I urge my colleagues on both sides of the aisle to support its passage.

Mr. STOKES. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, debate on the amendment specified in House Report 103–159, to be offered by the gentleman from Indiana [Mr. ROEMER] or a designee, and on any amendments thereto, shall be debatable for 2 hours, equally divided and controlled by the proponent and an opponent of the amendment.

Pursuant to the rule, the amendments en bloc specified in House Report 103–159 to be offered by the gentleman from Nebraska [Mr. BEREUTER] or a designee, and the gentleman from New York [Mr. SOLOMON], or a designee, may amend portions of the bill not yet read for amendment, shall be considered as read, and shall not be subject to amendment.

□ 1430

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1994, and for other purposes, namely:

TITLE I

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFERS OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans as authorized by law (38 U.S.C. 107, chapters 11, 13, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), $16,828,446,000, to remain available until expended: *Provided*, That not less than $38,919,000 of the amount appropriated shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, Public Law 101–508, and in the Veterans' Benefits Act of 1992, Public Law 102–568, the funding source for which is specifically provided as the "Compensation and pensions" appropriation: *Provided further*, That $6,000,000 of the amount appropriated shall be transferred to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992, Public Law 102–568.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 30, 31, 35, 36, 39, 51, 53, 55, and 61), $947,400,000, to remain available until expended: *Provided*, That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98–77, as amended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by law (38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487), $15,370,000, to remain available until expended.

GUARANTY AND INDEMNITY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the purpose of the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $56,231,000, which may be transferred to and merged with the appropriation for "General operating expenses".

LOAN GUARANTY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the purpose of the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $70,716,000, which may be transferred to and merged with the appropriation for "General operating expenses".

DIRECT LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, such sums as may be necessary to carry out the purpose of the program, as authorized by 38 U.S.C. chapter 37, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That during 1994, within the resources available, not to exceed $1,000,000 in gross obligations for direct loans are authorized for specially adapted housing loans (38 U.S.C. chapter 37).

In addition, for administrative expenses to carry out the direct loan program, $2,863,000, which may be transferred to and merged with the appropriation for "General operating expenses".

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $1,032, as authorized by 38 U.S.C. 3698, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $3,571.

In addition, for administrative expenses necessary to carry out the direct loan program, $186,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $53,000, as authorized by 38 U.S.C. chapter 31, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $2,387,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $751,000, which may be transferred to and merged with the appropriation for "General operating expenses".

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by section 38, U.S.C. chapter 37, subchapter V, as amended, $156,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department of Veterans Affairs, and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in Department of Veterans Affairs facilities; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department of Veterans Affairs, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902); aid to State homes as authorized by law (38 U.S.C. 1741); and not to exceed $2,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5); $15,522,452,000, plus reimbursements: *Provided*, That of the sum appropriated, $9,850,000,000 is available only for expenses in the personnel compensation and benefits object classifications: *Provided further*, That of the funds made available under this heading, $531,350,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1994, and shall remain available for obligation until September 30, 1995: *Provided further*, That of the sum appropriated, $10,000,000 is for homeless programs authorized by sections 2, 3, and 4 of Public Law 102–590.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by law (38 U.S.C. chapter 73), to remain available until September 30, 1995, $252,000,000, plus reimbursements.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

For payment of health professional scholarship program grants, as authorized by law, to students who agree to a service obligation with the Department of Veterans Affairs at one of its medical facilities, $10,386,000.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology; $68,500,000, plus reimbursements.

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

For payment to the Republic of the Philippines of grants, as authorized by law (38 U.S.C. 1732), for assisting in the replacement and upgrading of equipment and in rehabilitating the physical plant and facilities of the Veterans Memorial Medical Center, $500,000, to remain available until September 30, 1995.

TRANSITIONAL HOUSING LOAN PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $7,000, as authorized by Public Law 102–54, section 8: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $70,000. In addition, for administrative expenses to carry out the direct loan program, $52,000, which may be transferred to and merged with the "General post fund", as authorized by Public Law 102–54, section 8.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; not to exceed $25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail; $823,249,000.

NATIONAL CEMETERY SYSTEM

For necessary expenses for the maintenance and operation of the National Cemetery System not otherwise provided for, including uniforms or allowances therefor, as authorized by law; cemeterial expenses as authorized by law; purchase of six passenger motor vehicles, for use in cemeterial operations; and hire of passenger motor vehicles, $70,507,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $31,436,000.

CONSTRUCTION, MAJOR PROJECTS

(INCLUDING TRANSFER OF FUNDS)

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is $3,000,000 or more or where funds for a project were made available in a previous major project appropriation, $322,793,000, to remain available until expended: *Provided*, That not to exceed $14,000,000 shall be transferred from the Parking revolving fund to this account and the amounts transferred shall be available for the same purposes and for the same period of time as funds appropriated to this account: *Provided further*, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: *Provided further*, That funds provided in this appropriation for fiscal year 1994, for each approved project shall be obligated (1) by the awarding of a construction documents contract by September 30, 1994, and (2) by the awarding of a construction contract by September 30, 1995: *Provided further*, That the Secretary shall promptly report in writing to the Comptroller General and to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above; and the Comptroller General shall review the report in accordance with the procedures established by section 1015 of the Impoundment Control Act of 1974 (title X of Public Law 93–344): *Provided further*, That no funds from any other account except the "Parking revolving fund", may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only: *Provided further*, That prior to the issuance of a bidding document for any construction contract for a project approved under this heading (excluding completion items), the director of the affected Department of Veterans Affairs medical facility must certify that the design of such project is acceptable from a patient care standpoint.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, where the estimated cost of a project is less than $3,000,000, $153,540,000, to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is less than $3,000,000: *Provided*, That funds in this account shall be available for (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department of Veterans Affairs which are necessary because of loss or damage caused by any natural disaster or catastrophe, and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

PARKING REVOLVING FUND

For the parking revolving fund as authorized by law (38 U.S.C. 8109), $1,353,000, together with income from fees collected, to remain available until expended. Resources of this fund shall be available for all expenses authorized by 38 U.S.C. 8109 except operations and maintenance costs which will be funded from "Medical care".

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist the several States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by law (38 U.S.C. 8131–8137), $41,080,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by law (38 U.S.C. 2408), $5,242,000, to remain available until September 30, 1996.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

Any appropriation for 1994 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

Appropriations available to the Department of Veterans Affairs for 1994 for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

No part of the appropriations in this Act for the Department of Veterans Affairs (except the appropriations for "Construction, major projects", "Construction, minor projects" and the "Parking revolving fund") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Secretary of Veterans Affairs.

Appropriations available to the Department of Veterans Affairs for fiscal year 1994 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the aforementioned accounts within the last quarter of fiscal year 1993.

Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1994 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100–86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)

(INCLUDING RESCISSION OF FUNDS)

For the homeownership and opportunity for people everywhere (HOPE grants) program as authorized under title III of the United States Housing Act of 1937 (42 U.S.C. 1437aaa et seq.) and subtitles A, B, and C of title IV of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), $109,190,000, to remain available until expended, of which up to one and one-half percent may be made available for technical assistance to potential applicants, applicants and recipients of assistance under this head as authorized under subtitle E of title I of the Housing and Community Development Act of 1992.

Of the amounts provided under this heading in Public Law 102–389 and Public Law 102–139, $250,000,000 are rescinded: *Provided*, That of the foregoing amount, $130,000,000 shall be deducted from the amount earmarked for HOPE for the Public and Indian Housing Homeownership Program and $75,000,000 shall be deducted from the amount earmarked for HOPE for Homeownership of Multifamily Units Program in Public Law 102–389, and $45,000,000 shall be deducted from the amount earmarked for HOPE for the Public and Indian Housing Homeownership Program in Public Law 102–139.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), as amended, $1,250,000,000, to remain available until expended.

For additional amounts for the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, subject to the terms provided under this head in the Dire Emergency Supplemental Appropriations Act, 1992, Public Law 102–368, $75,000,000, to remain available until expended.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(INCLUDING RESCISSION OF FUNDS)

For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437), not otherwise provided for, $9,192,900,000, to remain available until expended: *Provided*, That to be added to and merged with the foregoing amounts there shall be up to $242,680,000 of amounts of budget authority (and contract authority) reserved or obligated in prior years for the development or acquisition costs of public housing (including public housing for Indian families), for modernization of existing public housing projects (including such projects for Indian families), and, except as herein provided, for programs under section 8 of the Act (42 U.S.C. 1437f), which are recaptured during fiscal year 1994: *Provided further*, That of the total amount provided under this head, $257,320,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb); and $400,000,000 shall be for the development or acquisition cost of public housing, of which up to one-half of one percent shall be available for technical assistance and inspection of public housing agencies by the Secretary: *Provided further*, That of the total amount provided under this head, $3,100,000,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437l), including up to two-fifths of one percent for the inspection of modernization units and provision of management and technical assistance by the Secretary for troubled public housing agencies and Indian housing authorities: *Provided further*, That of the total amount provided under this head, $1,381,518,000 shall be for rental assistance under the section 8 existing housing certificate program (42 U.S.C. 1437f) and the housing voucher program under section 8(o): *Provided further*, That of the total amount provided under this head, $8,400,000 shall be available for fees under section 23(h) for the family self-sufficiency program (42 U.S.C. 1437u): *Provided further*, That of the total amount provided under this head, $1,228,997,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended, and $599,559,000 shall be for assistance for State or local units of government, tenant and nonprofit organizations to purchase projects where owners have indicated an intent to prepay mortgages and for assistance to be used as an incentive to prevent prepayment or for vouchers to aid eligible tenants adversely affected by mortgage prepayment, as authorized in the Emergency Low-Income Housing Preservation Act of 1987, as amended: *Provided further*, That those portions of the fees for the costs incurred in administering incremental units assisted in the certificate and housing voucher programs under sections 8(b), 8(o), and 8(e)(2) shall be established or increased in accordance with the authorization for such fees in section 8(q) of the Act: *Provided further*, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section: *Provided further*, That of the total amount provided under this head, $125,000,000 shall be for housing opportunities for persons with AIDS under title VIII, subtitle D of the Cranston-Gonzalez National Affordable Housing Act, $150,000,000 shall be for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, and $30,000,000 shall be for service coordinators in pubilc housing pursuant to section 9(a)(1)(b)(ii) of the United States Housing Act of 1937.

Of the total amount provided under this head, $1,023,350,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly under section 202(c)(2) of the Housing Act of 1959: *Provided further*, That $15,855,000 shall be for service coordinators pursuant to section 202(q) of the Housing Act of 1959.

Of the total amount provided under this head, $445,373,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act; and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act.

ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 SUBSIDY CONTRACTS

(INCLUDING TRANSFER OF FUNDS)

For assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) not otherwise provided for, for use in connection with expiring section 8 subsidy contracts, $5,558,106,000, to remain available until expended: *Provided*, That funds provided under this paragraph may not be obligated for a contract term that is less than five years: *Provided further*, That to the extent the amount in this appropriation is insufficient to fund all expiring section 8 contracts, the Secretary may transfer to and merge with this appropriation such amounts from the "Annual contributions for assisted housing" appropriation as the Secretary shall determine, and amounts earmarked in the foregoing account may be reduced accordingly, at the Secretary's discretion: *Provided further*, That the Secretary may maintain consolidated accounting data for funds disbursed at the public housing agency or Indian housing authority or project level for subsidy assistance regardless of the source of the disbursement so as to minimize the administrative burden of multiple accounts.

Further, for the foregoing purposes, $800,000,000, to become available for obligation on October 1, 1994, and to remain available for obligation until expended.

RENTAL HOUSING ASSISTANCE

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z–1) is reduced in fiscal year 1994 by not more than $2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts: *Provided*, That up to $45,515,000 of recaptured section 236 budget authority resulting from the prepayment of mortgages subsidized under section 236 of the National Housing Act (12 U.S.C. 1715z–1) shall be rescinded in fiscal year 1994: *Provided further*, That to the extent that the recaptures and rescission during fiscal year 1994 are less than $45,515,000, the total funding provided under the head "Annual contributions for assisted housing" and the budget authority provided under that head for assistance in connection with mortgage prepayments shall be reduced accordingly.

RENT SUPPLEMENT PROGRAM

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), is reduced in fiscal year 1994 by not more than $1,544,646 of uncommitted balances of authorizations provided for this purpose in appropriations Acts.

CONGREGATE SERVICES

For contracts with and payments to public housing agencies and nonprofit corporations for congregate services programs, $6,267,000, to remain available until September 30, 1995, in accordance with the provisions of the Congregate Services Act of 1978, as amended.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), $2,620,808,000.

SEVERELY DISTRESSED PUBLIC HOUSING PROJECTS

For the revitalization of distressed public housing projects program, authorized by section 24 of the United States Housing Act of 1937, as amended, $483,240,000, to remain available until expended.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

For grants to public housing agencies for use in eliminating drug-related crime in public housing projects authorized by 42 U.S.C. 11901-11908, and for drug information clearinghouse services authorized by 42 U.S.C. 11921-11925, $265,000,000, to remain available until expended.

YOUTHBUILD PROGRAM

For youthbuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, $48,000,000, to remain available until expended: *Provided*, That no amounts appropriated pursuant to the authorizations in sections 402(b) (1), (2), or (3) of such Act shall be available for the foregoing appropriation.

NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM

For the national cities in schools community development program, as authorized under section 930 of the Housing and Community Development Act of 1992 (Public Law 102-550), $10,000,000, to remain available until expended.

HOUSING COUNSELING ASSISTANCE

For contracts, grants, and other assistance, not otherwise provided for, for providing counseling and advice to tenants and homeowners—both current and prospective—with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services as authorized by section 106(a)(1)(iii), section 106(a)(2), section 106(c), section 106(d), section 106(e), and section 106(f) of the Housing and Urban Development Act of 1968, as amended, $12,000,000.

FLEXIBLE SUBSIDY FUND

For assistance to owners of eligible multifamily housing projects insured, or formerly insured, and under the National Housing Act, as amended, or which are otherwise eligible for assistance under section 201(c) of the Housing and Community Development Amendments of 1978, as amended (12 U.S.C. 1715z-1a), in the program of assistance for troubled multifamily housing projects under the Housing and Community Development Amendments of 1978, as amended, $35,747,000, and all uncommitted balances of excess rental charges as of September 30, 1993, and any collections and other amounts in the fund authorized under section 201(j) of the Housing and Community Development Amendments of 1978, as amended, during fiscal year 1994, to remain available until expended: *Provided*, That assistance to an owner of a multifamily housing project assisted, but not insured, under the National Housing Act may be made if the project owner and the mortgagee have provided or agreed to provide assistance to the project in a manner as determined by the Secretary of Housing and Urban Development.

FEDERAL HOUSING ADMINISTRATION

FHA-MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1994, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of $64,564,645,000.

For administrative expenses necessary to carry out the guaranteed loan program, $262,810,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed $256,682,000 shall be transferred to the appropriation for salaries and expenses; and of which not to exceed $6,128,000 shall be transferred to the appropriation for the Office of Inspector General.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, $147,371,000, as authorized by the National Housing Act, as amended (12 U.S.C. 1715z-3(b) and 1735c(f)): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal any part of which is to be guaranteed of not to exceed $13,436,205,000.

In addition, for administrative expenses necessary to carry out the guaranteed loan programs, $192,252,000, of which $188,190,000 shall be transferred to the appropriation for salaries and expenses; and of which $4,062,000 shall be transferred to the appropriation for the Office of Inspector General.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDES TRANSFER OF FUNDS)

During fiscal year 1994, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed $85,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, $8,038,000, to be derived from the GNMA—guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed $8,038,000 shall be transferred to the appropriation for salaries and expenses.

HOMELESS ASSISTANCE

EMERGENCY SHELTER GRANTS PROGRAM

For the emergency shelter grants program, as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), as amended, $151,350,000, to remain available until expended.

SUPPORTIVE HOUSING PROGRAM

For the supportive housing program, as authorized under subtitle C of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), as amended, $319,968,000, to remain available until expended, of which not to exceed $50,000,000 may be used for a safe havens demonstration initiative, including activities authorized within subtitle D of such Act, and not to exceed $20,000,000 may be used for a rural homeless demonstration initiative, including activities authorized within subtitle G of such Act.

SECTION 8 MODERATE REHABILITATION SINGLE ROOM OCCUPANCY

For assistance under the United States Housing Act of 1937, as amended (42 U.S.C. 1437f), for the section 8 moderate rehabilitation program, to be used to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11401), $107,835,000, to remain available until expended.

SHELTER PLUS CARE

For the shelter plus care program, as authorized by subtitle F of title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), as amended, $123,747,000, to remain available until expended.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

For grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), $4,223,675,000, to remain available until September 30, 1996: *Provided*, That $42,236,750 shall be available for grants to Indian tribes pursuant to section 106(a)(1) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), and $60,000,000 shall be available for "special purpose grants" pursuant to section 107 of such Act: *Provided further*, That not to exceed 20 per centum of any grant made with funds appropriated herein (other than a grant using funds under section 107(b)(3) of such Act or funds set aside in the following provisos) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department of Housing and Urban Development: *Provided further*, That $15,000,000 shall be made available from the total amount provided to carry out an early childhood development program under section 222 of the Housing and Urban-Rural Recovery Act of 1983, as amended (12 U.S.C. 1701z-6 note), including services for families that are homeless or at risk of becoming homeless: *Provided further*, That $5,000,000 shall be made available from the total amount provided to carry out a neighborhood development program under section 123 of said Act (42 U.S.C. 5318 note).

For additional amounts for "Community development grants", for authorized community development activities for use only in areas impacted by Hurricane Andrew, Hurricane Iniki and Typhoon Omar, $50,000,000, to remain available until September 30, 1996: *Provided*, That the Secretary may waive entirely, or in any part, any requirement set forth in title I of the Housing and Community Development Act of 1974, except any requirement relating to fair housing and nondiscrimination, the environment, and labor standards, if the Secretary finds that such waiver will further the purposes of the use of this appropriation.

The CHAIRMAN. For what purpose does the gentleman from Indiana [Mr. BURTON] seek recognition?

Mr. BURTON of Indiana. Forgive me, Mr. Chairman. We just passed by community development block grants. I had an amendment to that section. The Chair will have to forgive me.

The CHAIRMAN. Will the gentleman from Indiana be kind enough to identify where his amendment occurs, giving the page of the bill, please, and the section?

Mr. BURTON of Indiana. Mr. Chairman, it is on page 30 of this bill, line 10, I believe.

□ 1440

The CHAIRMAN. Is there objection to returning to page 30, the community planning and development, community development grants section?

There was no objection.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 30, line 10, strike "$4,223,675,000" and insert "$4,000,000,000".

Mr. STOKES. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Ohio reserves a point of order on the amendment.

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, I rise in opposition to cuts in the funding for housing programs.

Mr. Chairman, I rise in opposition to the fiscal year 1993 VA, HUD, independent agencies appropriation bill.

But first, I want to personally thank Chairman NATCHER and ranking member MCDADE as well as Chairman STOKES and ranking member LEWIS of the VA-HUD Subcommittee for their cooperation with the authorization committee's request that several housing initiatives requested by HUD not be included in this bill.

This spirit of cooperation between authorizers and appropriators is very much appreciated. And, as the gentlemen know, the House will consider several of these housing initiatives later today on the Suspension Calendar.

With respect to this bill, I appreciate the difficult job the members of the Appropriations Committee face in trying to provide a fair distribution of very limited funds.

I commend the committee for the increased funding for the 202 Elderly Program, the 811 Disabled Program and the public housing development and modernization programs.

I also want to thank the committee for providing $150 million for the much needed Lead Paint Abatement Program and the $300 million for the distressed public housing effort.

However, I am disappointed that the committee did reduce funding for the Flexible Subsidy Program which is needed to help provide modernization for our low-income, privately owned apartment inventory.

I am deeply concerned that the committee also failed to recognize the great needs in the HUD-FHA Multifamily Property Disposition Program by providing only $93 million for the sale of these properties. One only needs to read the New York Times article of June 20 and the June 23 edition of the Washington Post to know we have a major potential problem in this program.

For the committee to make an unjustified $50 million increase in funding for the policy, development and research account while underfunding the Multifamily Property Disposition Program is misguided.

Finally, and perhaps most importantly, I am disappointed that the committee would continue to underfund one of the most promising housing initiatives to come along in years. I am, of course, referring to the Home Investment Partnership Program which was reduced by $400 million.

There is something very wrong when the needs of our low- and moderate-income citizens for affordable housing and for homeless assistance are placed behind the desires of a few who want to build a space station of highly questionable value, one fraught with cost overruns and dogged by controversy.

The committee refuses to come down to earth. It has yet again funded outer space at the expense of other programs here at home, such as housing which is in desperate need.

It is ironic that at the time of greatest need by our communities, the committee would turn its back on one program that our States, cities, and counties wholeheartedly support.

As one of the earliest proponents of the HOME block-grant concept I feel such as program will provide a bold new approach to meeting the housing needs of our citizens. But that can happen only with proper funding levels.

What is provided in this appropriation bill, while better than last year, needs to be greatly increased.

Mr. BURTON of Indiana. Mr. Chairman I, apologize because we were going through the bill so rapidly that we missed the language we wanted to amend.

Mr. Chairman, this amendment contains $4.223 billion for community development block grants. This is up from $4 billion in fiscal year 1993, or it is an increase of $223 million.

While many of these projects are worthy projects, right now we are facing a real problem with the deficit in this country, and the debt is virtually out of control. It is $4.35 trillion, up from just $1 trillion 10 years ago, so we have to pick areas where we can make cuts in spending so that we can get this budget problem under control.

When the President's economic stimulus package came to the floor he proposed an increase in community development block grant money as part of his jobs package, and during that debate I pointed out to my colleagues that we had a tremendous number of pork barrel projects in that supposed jobs bill. Some of the projects were swimming pools, renovation of the Orpheum Theater in Phoenix, AZ, for $3.5 million. We had a soccer field improvement for $250,000 for Belle Gardens, FL. We had the Highland Historical District revitalization plan program for $100,000. We had $2.2 million for a youth sports complex in Merced, CA. While these may be laudable objectives for local governments, it is something we felt, many of us in this House, that we should not be using Federal taxpayer dollars for. Soccer fields in California and swimming pools in Florida or parking garages in Chicago, those should be funded for the most part by local tax dollars, because those are projects which should be decided upon by the city councils and the mayors and Governors of those cities and States.

Since we have this fiscal exercise we are facing right now, it is my opinion that we should not be increasing community development block grant money over what we spent last year. Four billion dollars is enough, $4 billion in Federal subsidies for local projects is enough. We do not need another $223 million, and for that reason, Mr. Chairman, I urge my colleagues to vote for our amendment which would cut $223 million in spending that I do not think is necessary at this time.

We should prioritize projects. We should know what the money is going for, and $4 billion this fiscal year is enough.

The CHAIRMAN. The Chair would ask the gentleman from Ohio [Mr. STOKES] whether or not he insists on his point of order.

Mr. STOKES. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. STOKES. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana. His amendment would reduce the funding for HUD's Community Development Grant Program by $223,675,000 to $4 billion. This reduces the amount to the fiscal year 1993 appropriation level.

Mr. Chairman, we should not reduce the appropriation for CDBG. This is one of—if not the—most important programs for the cities and countiesin this bill. I think it would be difficult for Members to explain to their local government officials why they voted for a 5.3-percent reduction in this program.

Mr. Chairman, the 1994 VA-HUD bill is within its 602(b) allocation. We have already reduced the administration's request for the bill by approximately $1.3 billion. We should not be reducing this bill further.

I would also remind the Members that the President requested $2.5 billion for CDBG as part of his economic stimulus proposal. Those funds are vitally needed by local governments. Unfortunately, that bill is stuck in the other body.

Mr. Chairman, these funds are desperately needed by our cities and counties to provide for necessary services. A reduction in CDBG funding will mean a reduction in services at the local government level.

I urge Members to vote "no" on the Burton amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 275]

Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Archer
Bacchus (FL)
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Beilenson
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Bryant
Bunning
Burton
Buyer
Byrne
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Fowler
Franks (CT)
Franks (NJ)
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
Laughlin
Lazio
Leach
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Pastor
Paxon
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Reed
Regula
Reynolds
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torres
Towns
Traficant
Tucker
Underwood (GU)
Upton
Valentine
Velazquez
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Watt
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

□ 1505

The CHAIRMAN. Three hundred eighty-one Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Indiana [Mr. BURTON] for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will remind Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 154, noes 237, not voting 48, as follows:

[Roll No. 276]

AYES—154

Allard
Andrews (TX)
Archer
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Bartlett
Barton
Bateman
Bentley
Bilirakis
Bliley
Bonilla
Brewster
Bunning
Burton
Buyer
Camp
Canady
Cantwell
Castle
Coble
Collins (GA)
Combest
Condit
Cox
Crane
Crapo
Cunningham
Deal
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gilchrest
Gillmor
Gingrich
Glickman
Goodlatte
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hoagland
Hobson
Hoke
Horn
Houghton
Huffington
Hutchinson
Hyde
Inglis
Inhofe
Inslee
Jacobs
Johnson (GA)
Johnson, Sam
Kasich
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Levy
Lewis (FL)
Linder
Livingston
Machtley
Manzullo
Margolies-Mezvinsky
McCandless
McCollum
McCrery
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Moorhead
Morella
Murphy
Myers
Nussle
Oxley
Packard
Paxon
Penny
Peterson (MN)
Petri
Pombo
Porter
Pryce (OH)
Ramstad
Ravenel
Regula
Roberts
Rohrabacher
Roth
Royce
Santorum
Sarpalius
Schaefer
Sensenbrenner
Shaw
Shuster
Slattery
Smith (MI)
Smith (OR)
Smith (TX)
Solomon
Spence
Stenholm
Stump
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Walker
Weldon
Wolf
Young (FL)
Zeliff
Zimmer

NOES—237

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Bacchus (FL)
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Beilenson
Bereuter
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Bryant
Byrne
Calvert
Cardin
Carr
Chapman
Clay
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilman
Gonzalez
Goodling
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Hastings
Hayes

Hefner
Hilliard
Hinchey
Hochbrueckner
Hoekstra
Holden
Hoyer
Hughes
Hutto
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennelly
Kildee
Kim
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
Laughlin
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowey
Maloney
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McHale
McNulty
Meehan
Meek
Menendez
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Natcher
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Quillen
Quinn
Rahall
Reed
Reynolds
Ridge
Roemer
Rogers
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schenk
Schiff
Schroeder
Schumer
Scott
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Traficant
Tucker
Underwood (GU)
Upton
Valentine
Velazquez
Visclosky
Volkmer
Vucanovich
Walsh
Watt
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)

NOT VOTING—48

Applegate
Armey
Baesler
Becerra
Berman
Blute
Boehner
Brown (OH)
Callahan
Clayton
Conyers
Cooper
Coppersmith
Engel
Faleomavaega (AS)
Ford (MI)
Ford (TN)
Hamburg
Harman
Henry
Hunter
Istook
Kennedy
LaRocco
Lehman
Mann
Manton
McKinney
McMillan
Mfume
Neal (MA)
Parker
Payne (NJ)
Portman
Rangel
Richardson
Sangmeister
Serrano
Skeen
Smith (NJ)
Stearns
Sundquist
Torricelli
Unsoeld
Vento
Washington
Waters
Waxman

☐ 1515

The Clerk announced the following pair:

On this vote:

Mr. Stearns for, with Mr. Rangel against.

Messrs. HUTCHINSON, ZELIFF, and SMITH of Michigan changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PENNY: Page 31, strike lines 9 through 20.

Mr. PENNY. Mr. Chairman, this amendment is quite straightforward. It simply strikes $50 million from the appropriations for community development block grants.

Bear in mind that we have spent in fiscal year 1993 $4 billion on this program. The funding level recommended for fiscal year 1994 is $4,273,000,000. That represents a 7-percent increase.

The $50 million cut from this funding level which I propose today would simply bring the funding down to the level recommended by President Clinton. He did not ask for this extra $50 million. We should reduce the bill by that amount.

It has been suggested that the $50 million would speak specifically to hurricane relief. This clearly is a top priority, Mr. Chairman, and one that can easily be funded by the remaining $4,223,000,000 left in this bill. That kind of emergency need for communities ought to be at the top of the list when we allocate CDBG dollars. We do not need a special line item of extra money beyond the President's request to deal with this problem.

Again, this is simply a $50 million cut. It will leave the CDBG program with about a 6-percent increase. In my judgment that is more than perhaps we need, but it is a cut that should be supported by this House and it is a cut that will bring us down to the funding level requested by President Clinton.

Mr. Chairman, I yield back the balance of my time.

Mr. STOKES. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, I would want all the Members of the House to understand the gentleman's amendment.

Of the funds recommended for CDBG in this bill, $50 million is for use in areas affected by disasters—Hurricanes Andrew and Iniki, and Typhoon Omar.

I would also point out that the 1993 supplemental appropriations bill—which we are getting ready to go to conference on—also contains funds requested for CDBG activities in disaster areas.

The reason we have included funds in the 1994 bill is because we are not sure of the outcome for those funds in the supplemental. It may be that the areas from which the offsets are being taken are not acceptable. In any instance, if the funds are not provided in the 1993 supplemental appropriations bill, then we will need to provide the monies in the 1994 bill, which is now before the House. What we are looking for here is some flexibility to deal with the uncertainties of the conference matter that I have just referenced.

Mr. Chairman, let me make it very clear. There is no uncertainty about the need for additional CDBG funds. As anyone who has been to south Florida knows, or has seen pictures of the devastation on television, there is definitely a need for these funds.

Mr. Chairman, I would urge Members of the House to defeat the gentleman's amendment.

☐ 1520

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

While the chairman does make a good point, that some of these funds will be used for humanitarian purposes, a lot of the funds are going to be used for other purposes, such as golf courses, beachfront parking garages, a cemetery, gym replacement, swimming pool renovations, movie theater renovations to the tune of $3½ million in the southwestern part of the United States.

All I am saying, Mr. Chairman, is that, while there are humanitarian funds in here, and should be used for such, there are other areas where we can make economy so we can prioritize spending and save the taxpayers some dollars.

Now the gentleman from Minnesota [Mr. PENNY] is offering a modest $50 million cut. That will still leave $173 million in increases for community development block grant programs this next year.

Now get this: That is $4.173 billion that will still be allocated for this purpose, and so I just like to say that I think this is a modest cut, it is a step in the right direction, and I support the gentleman's amendment.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I appreciate the gentleman from Indiana [Mr. BURTON] yielding to me.

I want to stipulate that I understand the situation in south Florida. My two oldest sons and I traveled there with a church group, and we helped the cleanup there, and there is a need, but in his own response the chairman acknowledged that in a separate appropriation measure that need is being addressed, and I stressed in my opening remarks on this amendment that within the $4.2 billion that we will be appropriating for next year certainly it seems to me that that kind of emergency relief ought to rank well above many of the other projects such as those mentioned by the gentleman from Indiana, and again I would urge my amendment.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I would just want to respond to the gentleman from Minnesota's comments because at this juncture we do not know what is going to occur with reference to the supplemental. What we are trying to do is to be able to look a little bit ahead here and be able to have the kind of flexibility I would think the House would want us to have in order to be able to provide for disasters in areas such as south Florida.

But I can assure both gentlemen that what we are trying to do is take care of south Florida and other disasters, and this $50 million has nothing to do with the list of items that the gentleman from Indiana [Mr. BURTON] read off. All of that applied to another supplemental and things that were occurring at that time.

Mr. BURTON of Indiana. Mr. Chairman, if I might conclude, let me just say that there is $4.173 billion still left in the fund for this year. That money can be in conference allocated any way the conference wants to allocate it. The gentleman from Minnesota [Mr. PENNY] has offered a $50 million very modest cut in this program. I think it is a step in the right direction, and I would urge everybody in the House to support it.

Mr. LEWIS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I might mention to my colleague, the gentleman from Indiana [Mr. BURTON], that I rise reluctantly to oppose this amendment. As the gentleman knows, I did not oppose his own amendment a few moments ago in which he was addressing generally community development block grants, but this amendment is very specific, and it is important for Members to know that.

The chairman has discussed the reality that we have a supplemental in the process at this moment. There are funds in that supplemental designated for south Florida. But that process is not complete yet, as the chairman indicated.

If one way or another the compromise that takes place in the supplemental, those funds should drop out, then this language and this designation will be necessary. It says, "Specifically for additional amounts for Community Development Block Grants, for authorized community development activities, for use only in areas impacted by Hurricane Andrew, Hurricane Iniki, and Typhoon Omar." It is $50 million. The amendment is very specific.

Now, if we should see the supplemental pass successfully and this language is in it, then a conference will address the question one more time. But the Members should know that this amendment will be very specific relative to that disastrous circumstance and have a devastating effect upon the people in Florida potentially, and, because of that, I reluctantly urge a "no" vote.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, the fact of the matter is this is going to go to the Senate, then it is going to go to conference committee, and, if this House today cuts the $50 million out of there, would not the conferees still make provision for the people in Florida who are suffering from the hurricane damage?

Mr. LEWIS of California. Mr. Chairman, I must tell the gentleman that we have some concern about what might happen in the supplemental at this moment. Because of that, this language is here. I certainly would prefer to address the question in conference when we know what is happening with the supplemental.

Mr. BURTON of Indiana. Well, if the gentleman would further yield, we all know how conference committees work around here, and I believe very strongly that the conferees, both the other body and this body, would not forget people in south Florida if we cut this $50 million out of there.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PENNY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 202, noes 194, not voting 43, as follows:

[Roll No. 277]

AYES—202

Allard
Andrews (TX)
Archer
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barca
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bereuter
Bilirakis
Bliley
Bonilla
Brewster
Browder
Bunning
Burton
Buyer
Calvert
Camp
Canady
Cantwell
Castle
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Deal
DeLay
Derrick
Dickey
Dicks
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gilman
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hoagland
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Jacobs
Johnson (CT)
Johnson (GA)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kopetski
Kyl
Lancaster
Laughlin
Lazio
Leach
Levin
Levy
Lewis (FL)
Linder
Machtley
Manzullo
Margolies-Mezvinsky
McCandless
McCollum
McCrery
McCurdy
McHale
McHugh
McInnis
McKeon
Meyers
Michel
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Morella
Murphy
Myers
Nussle
Orton
Oxley
Packard
Paxon
Payne (VA)
Penny
Peterson (MN)
Petri
Pickle
Pombo
Porter
Pryce (OH)
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Roemer
Rohrabacher
Roth
Roukema
Rowland
Royce
Santorum
Sarpalius
Saxton
Schiff
Sensenbrenner
Shays
Shepherd
Shuster
Sisisky
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stenholm
Stump
Talent
Tanner
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Valentine
Volkmer
Walker
Walsh
Weldon
Williams
Wilson
Wolf
Wyden
Young (FL)
Zeliff
Zimmer

NOES—194

Abercrombie
Ackerman
Andrews (NJ)
Applegate
Bacchus (FL)
Barcia
Beilenson
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brooks
Brown (CA)
Brown (FL)
Bryant
Byrne
Cardin
Carr
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Costello
Coyne
Darden
de la Garza
de Lugo (VI)
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
English (AZ)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fish
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Gingrich
Gonzalez
Green
Gutierrez
Hall (OH)
Hamilton
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hochbrueckner
Holden
Hoyer
Hughes
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennelly
Kildee
Kleczka
Klein
Klink
Kreidler
LaFalce
Lambert
Lantos
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey
Maloney
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDade
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Mica
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Natcher
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Pelosi
Peterson (FL)
Pickett
Pomeroy
Poshard
Price (NC)
Quillen
Rahall
Rangel
Reed
Reynolds
Rogers
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schaefer
Schenk
Schroeder
Schumer
Scott
Sharp
Shaw
Skaggs
Skelton
Slaughter
Smith (IA)
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Traficant
Tucker
Underwood (GU)
Velazquez
Visclosky
Vucanovich
Watt
Wheat
Whitten
Wise
Woolsey
Wynn
Yates
Young (AK)

NOT VOTING—43

Andrews (ME)
Armey
Baesler
Becerra
Bentley
Berman
Blute
Boehner
Brown (OH)
Callahan
Conyers
Cooper
Coppersmith
Engel
Faleomavaega (AS)
Ford (TN)
Hamburg
Harman
Henry
Hunter
Istook
Kennedy
LaRocco
Lehman
Mann
Manton
McMillan
Neal (MA)
Parker
Payne (NJ)
Portman
Richardson

Sangmeister
Serrano
Skeen
Stearns
Sundquist
Torricelli
Unsoeld
Vento
Washington
Waters
Waxman

□ 1545

The Clerk announced the following pairs:

On this vote:

Mr. Armey for, with Mr. Berman against.

Mr. Sangmeister for, with Mr. Kennedy against.

Mr. Stearns for, with Mr. Vento against.

Mr. NEAL of North Carolina and Mr. TOWNS changed their vote from "aye" to "no."

Mr. CRAMER and Mr. VOLKMER changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. PORTMAN. Mr. Chairman, unfortunately, today, during consideration of the VA, HUD, and independent agencies appropriations bill, I was unavoidably detained at the Cincinnati Airport due to mechanical difficulties with an aircraft. Consequently, I missed three rollcall votes. Had I been here, I would have voted "no" on the rule—rollcall No. 274—and would have supported both the Burton amendment to reduce appropriations for community development block grants by $223 million to fiscal year 1993 levels—rollcall No. 276—and the Penny amendment to reduce appropriations for community development block grants by $50 million to the President's request—rollcall No. 277.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

During fiscal year 1994, new commitments to issue guarantees to carry out the purposes of section 108 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5401), shall not exceed $2,054,000,000.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $85,000,000, to remain available until September 30, 1995.

AMENDMENTS EN BLOC OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. SOLOMON: Page 32, line 10, strike "$85,000,000" and insert "$65,000,000".

Page 58, line 16, strike "$5,000,000" and insert "$25,000,000.

The CHAIRMAN. Pursuant to House Resolution 208, the amendments en bloc may amend portions of the bill not yet read for amendment and are not subject to a demand for a division of the question.

The gentleman from New York [Mr. SOLOMON] is recognized for 5 minutes in support of his amendment.

Mr. SOLOMON. Mr. Chairman, at the request of the majority leader, the gentleman from Missouri [Mr. GEPHARDT], we are going to try to be as brief as we can on this amendment.

Mr. Chairman, this amendment does not increase spending. It simply transfers spending.

My amendment would restore funding for the Selective Service System that is being abolished in this bill by zeroing out all of the funds except for shutdown costs.

My amendment would reduce the funding level of the HUD Office of Policy Development and Research from $85 million to $65 million and would restore the $20 million to the Selective Service System, as requested.

Mr. Chairman, we are attempting to restore the funds that were requested by President Clinton to maintain the Selective Service System.

Mr. Chairman, even with this money restored, the Selective Service System would have a budget reduction of over 10 percent. That is more than any other department or agency this year.

Mr. Chairman, opponents of the Selective Service System keep saying that the mission of the agency is no longer necessary because the cold war is over and the Berlin Wall has come down.

Yet, the ability to mobilize and draft people quickly, is not entirely about the cold war.

My colleagues, we needed to draft people during the Korean war and the Vietnam war, and those were not wars with the Soviet Union.

Mr. Chairman, the top military people in this country believe we must maintain the capability to mobilize quickly, especially at a time of dramatic reductions in the size of our military forces. My colleagues know what we are going through right now.

I would also point out that peacetime registration is a program which falls under the jurisdiction of the Armed Services Committee and in last year's Defense authorization bill, they requested a report on whether or not we need to keep peacetime registration.

Mr. Chairman, the Joint Chiefs, and the Department of the Army, the service which has historically taken in 97 percent of all inductees, have weighed in strongly in support of keeping peacetime registration. If we rush to terminate the entire Selective Service System before we receive this report and before the authorizing committee has acted, we will put President Clinton in an extremely awkward embarrassing position.

If we terminate funding for the Selective Service System without making the necessary changes in the military Selective Service Act, the law of the land, President Clinton will need to pardon thousands of young men who have violated the draft law, where there no longer is a department or agency to administer or enforce it. Think about that.

□ 1550

Mr. Chairman, ever since draft registration was reinstated back when the Soviet Union invaded Afghanistan millions of young Americans have lived up to their obligation as United States citizens, they have obeyed the law, and have registered for the draft.

Ninety seven percent of them obeyed the law, while the other 3 percent got off scot-free, and to now say were going to pardon them and make them eligible for all the Federal benefits like Pell grants and college loans and grants, is a slap in the face to all patriotic Americans but particularly to those loyal patriotic young men who lived up to their obligation and obeyed the law.

Mr. Chairman, the Clinton administration supports my amendment. They did not ask to have the system abolished. They specifically asked to maintain the Selective Service System.

Terminating Selective Service through the Appropriations Committee circumvents the normal committee process, Mr. Chairman.

In fact, when an amendment to end peacetime registration was offered in the Committee on Armed Services last year, it was overwhelmingly defeated. We can defeat it again today, and we can defeat the attempt today by passing the Solomon amendment.

The American Legion, Amvets, the Noncommissioned Officers Association, the Fleet Reserve Association, and the Veterans of Foreign Wars support my amendment. These organizations have a membership of over 10 million Americans.

Let me just restate what is obvious to most of us, and we all know it, the reduced threat of a large-scale conventional conflict in Europe does not negate the importance of peacetime registration. Threats to national security and world peace can occur at any moment. We all know what happened just this past weekend.

Indeed, armed conflict is currently in progress in over a dozen locations, such as Somalia, Yugoslavia and Cambodia, and in many Republics of the former Soviet Union and only God knows what is going to be the outcome in that situation, Mr. Chairman.

In closing, Mr. Chairman, let me just say that the last effort to terminate peacetime registration of this body was quickly put on hold as the Persian Gulf conflict erupted, and we all remember that. As the size of our military is reduced from weapons systems to base closings, it becomes even more essential to retain our ability to reconstitute our military forces rapidly to meet any threat to this Nation.

My amendment would simply do this, Mr. Chairman. Last year, on this same bill, there was an attempt to knock out the entire funding. Only 96 Members on both sides of the aisle voted for that amendment, and 310 voted against. The House voted down that amendment.

This year we can do the same thing by voting for the Solomon amendment that would simply maintain the current level of funding minus 10 percent until the Committee on Armed Services can act as the authorizing committee. Mr. Chairman, I urge support for the amendment.

Mr. STOKES. Mr. Chairman, I rise in opposition to the Solomon amendment.

Mr. Chairman, the most important reason for dismantling Selective Service lies in the events of recent history. I do not refer to the end of the cold war, but I refer to the successful conclusion of Operation Desert Storm. Our All-Volunteer Armed Forces have been deployed in many conflicts throughout the world since 1973, but never at the scale and intensity that occurred during the war with Iraq. More than 500,000 men and women were put into that theater; an additional 750,000 in the Reserves could have been deployed without requesting or requiring conscription, even of relatively hard to obtain medical personnel.

The success of that operation demonstrates that the American military can, as it is presently constituted, succeed in the most likely type of engagement for the foreseeable future: the low-intensity conflict that requires a minimum of force through units of well-trained, disciplined, experienced troops. This differs markedly from the mass conscript armies of World War I and World War II.

A major land war with the Warsaw Pact would have required conscription, but it never took place. The Warsaw Pact no longer exists. We are left with low-scale conflicts, like the tragedy in Bosnia, but the point is that if Bosnia were to require American intervention, it would not be accomplished through a large, inexperienced army of draftees.

I think it is important for us to respond to the comment made by the gentleman from New York [Mr. SOLOMON], which was made at the Committee on Rules, that President Clinton and the Joint Chiefs of Staff support continuation of registration and selective service.

I would like for the House to note that the statement of administration policy states that, "The administration supports the committee bill and will work with the House to address our concerns." It then makes no mention of Selective Service as one of its concerns. It is important for us to realize that section 447 of the Department of Defense authorization requested that the DOD prepare a report regarding the continued requirement for registration under the Selective Service System. The report, due to the President no later than April 20, 1993, has still not been completed.

I understand that the reason that the Department has not been able to comply with the requirement is because it is deeply divided over the need for any continuation of Selective Service. The Joint Chiefs of staff have not issued a statement recently regarding the need for registration, and President Clinton has not issued any statement regarding the need for Selective Service.

The gentleman also mentioned pardons. I think everyone ought to understand, Mr. Chairman, this bill does not pardon anyone who has violated the law in the past. There is no reference at all in this bill to pardons. I think Congress should be able to terminate funding for the Selective Service at any time and deal with the pardon question separately.

The bottom line is that we are currently spending $25 million a year for a service that is not needed or required, and if we ever need Selective Service again, we can reconstitute it in the amount of time that we normally could, without threat to the security of the United States.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I am glad to yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I have great respect for the gentleman from Ohio, as he knows, but the gentleman has said that the President has not requested these funds. In other words, he did request them in his budget. He asked for the full funding, not 90 percent, like I am asking for. He asked for it in his budget. I think the budget chairman would verify that, standing next to the gentleman.

I would also tell the gentleman that that list of all those names of these patriotic young people that have lived up to their obligations is a list that is used by all of our recruiters all over this Nation in order to identify young men that might be interested in the military, and offer them a good, honorable career in our military. With the cutbacks we have today, we need those lists worse than ever.

Mr. SABO. Mr. Chairman, will be gentleman yield?

Mr. STOKES. I am delighted to yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I rise to commend the gentleman from Ohio for this provision of the bill. Let me make a couple of points.

Mr. CHAIRMAN. The time of the gentleman from Ohio [Mr. STOKES] has expired.

(On request of Mr. SABO and by unanimous consent, Mr. STOKES was allowed to proceed for 5 additional minutes.)

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I am glad to yield further to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I had the honor of serving with the gentleman from Ohio in 1979 when registration was reinstituted, and I was involved in opposing that at that point. Just so we can recollect history, as I recall, registration was restarted by action of the Committee on Appropriations in 1979 in terms of providing funding. So to terminate funding today is to terminate it in the same fashion as the program was restarted in 1979.

Mr. STOKES. It would be my opinion that the gentleman's recollection is correct.

Mr. SABO. I suppose one of the things that happens to us is, we lose files, and I do not have my files from 1979, but I recall, what existed then exists today, that if this country were ever faced with such an emergency that a draft were to be required again, that it would take significant time to put facilities in place, to get trainers in place, to train the draftees.

□ 1600

As I recall, the first priority is to train Reserve and Guard units. Is that not accurate? Frankly, from our experience in Desert Storm, that would take a considerable period of time.

Mr. STOKES. In replying to the gentleman I would say the Department of Defense cannot effectively use inductees. The Selective Service believes it can deliver 100,000 inductees 28 days after mobilization.

After the fiscal year 1994 budget hearings on our bill, the committee noted that at the end of the Gulf war, 6 months after mobilization, thousands of reserve troops still awaited training, and conscripts would wait even longer.

Mr. SABO. As I recall from my research back many years ago, the experience also was that at times of real emergency we had a large number of volunteers, and clearly volunteer training would also come before one went to the conscript. And the fact was that there was ample time to put a draft registration system in place to do the drafting necessary for clearly what would have to be a major consensus to reinstate it. And to have this system in place, while it is not large dollars in terms of the totality of our Federal budget, clearly it is $20-some million that we spent for no good purpose today, and clearly it can be better spent for other purposes within the jurisdiction of the gentleman's committee.

So I commend the gentleman for making this decision. I know the politics of it. This is an issue that can get oversimplified.

The reality is that registration was reestablished in 1979 primarily for symbolic reasons in response to the Soviet invasion of Afghanistan and had nothing to do with basically making our country ready to deal with a major military operation. So I think the gentleman is doing the right thing and making the right choices in a committee that has many very tough choices to make. So I commend the gentleman from Ohio and would urge the House to defeat the amendment of the gentleman from New York.

Mr. STOKES. I thank the distinguished chairman of the Budget Committee for his excellent statement on this point. I would just add with reference to the gentleman from New York's comments regarding the President's request, it is true the President did request the funds, but he did not object when we removed the funds from the bill, and there was no comment.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Solomon amendment.

Today we have a system of an All-volunteer Force. The Selective Service registration merely allows us to register qualified personnel in case they are called up during a national emergency.

I have great respect for the chairman of the Budget Committee and the chairman of this Appropriations Subcommittee, but it is more than symbolic registration. Take for example recently when we were faced with the possibility of going into Bosnia against the Serbian nation. If that happened and all of Eastern Europe entered into that, it would be more than Desert Storm where we had replacement of Reserves that were not called up. we would need a system to call up those 100,000 people in order to support lives.

It will save American lives due to time constraints that would be required to reestablish this. Every veterans group in America supports this amendment. It supports the All-Volunteer Force. and for those who are against conscripting of Americans, this is not a way of life. It merely supports that system in time of national need.

Some believe that we should not conscript, but I would say to them that it is not a practice, it is only a tool which recruiters can use to look at the people they need in terms of a national emergency. It will save lives, it will save dollars, and it will keep America prepared.

It also gives recruiters the opportunity to go in to different groups such as minorities and offer them a good job, and that is a job in the United States services, if they ask for it outside of times of national emergency.

I would ask my colleagues on the other side of the aisle to support the Solomon amendment.

Mr. STARK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have felt for a number of years that the Selective Service System is a phenomenal waste of money. I opposed it in 1980 or whenever we decided to put it in. It does nothing. It is symbolic.

Imagine a bunch of clunks who get paid $30 million a year to register 2 million people. That is a list of names and that is 15 bucks a name. Get the driver's license. At least then it would not be a sexist sort of an operation.

It does nothing. You have a list of names and you still have to pass a law to bring them in. I cannot believe we need this. It is of the order of the $600 toilet seats. Why would we spend $30 million a year to get a list of names of the young men who turn 18? It eludes me.

But that is all it does. It has passed its time. It is a symbolic waste of money. It does a dishonor to the volunteers in our services and should be put away immediately as a phenomenal waste of money, as a vestigial leftover from World War II. It should be put in the graveyards with the rusted jeeps, and we should get on with the volunteer service which serves us well, and serves us expeditiously, and put this $30 million to better use, if not deficit reduction.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am pleased to rise in support of the Solomon amendment to the VA, HUD, and independent agencies appropriations for fiscal year 1994. This amendment would restore $20 million to the Selective Service System by shifting funding from the policy office, allowing the system to maintain its important function.

While our Nation has not had to rely upon a draft for 30 years, it is important that, considering the instability of today's world, we maintain the capability of a Selective Service System. The Selective Service System requires that every male citizen register within 30 days of his 18th birthday, thereby providing our Nation with a vast manpower reserve. And the Selective Service System estimates than 97 percent or our young men comply with the current law requiring registration.

Additionally, the expense of reinstating the Selective Service System in the future would be much greater than the year-to-year cost of maintaining the program.

I urge accordingly, colleagues to join with the gentleman from New York [Mr. SOLOMON] and support this time-tested system.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from California.

Mr. STARK. Mr. Chairman, would my distinguished friend from New York perhaps clear up the mystery? What do we receive for the $20 million that we put in, not the $30 million we have been spending, other than a list of names?

Mr. GILMAN. That list, if the gentleman will permit me to respond, that list of names is the reserve that we would need to call upon in the event of an emergency. If we were to start from scratch in the event of a hostility that dragged us into an all-out warfare, we would then first have to establish a whole new Selective Service System.

Mr. STARK. Will the gentleman yield further?

Mr. GILMAN. I am pleased to yield to the gentleman from New York.

Mr. STARK. All we need is a list of names of those young men, and I hope young women who are over 18. Drivers' license lists, school registration lists, Social Security lists. Does the gentleman means to tell me that for $20 million a year we cannot find a list of people in this country over 18? The phone book would be a better buy.

Mr. GILMAN. It would be much more costly to first establish a brandnew list in the event that we were dragged into all-out hostile action.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I am pleased to yield to the gentleman from New York

Mr. SOLOMON. Mr. Chairman, the gentleman is making a big deal of how much it costs for these names. Actually now only a very minuscule part of the whole $25 million budget is spent on registration itself. The rest is on the mobilization, keeping 11,000 volunteers out in the field working. That is why we need the lists.

But the main thing is this: If we are going to be cutting our defense budget, if we are going to be closing bases all over this country, we have hundreds of thousands of young men and women today who have been in the military for 5, 7, or 8 years, and they no longer can depend on this career.

□ 1610

Now they are going to be cashiered out. Many of them are leaving of their own volition. It is going to leave us with a nonprofessional group of people, and that is why we need to be able to attract these people.

We need these lists if we are going to be able to maintain the all-volunteer military at the level that we have that we used in Desert Storm when, because of that capability, they saved literally thousands of lives because they were good at what they did.

Mr. GILMAN. Mr. Chairman, I thank the gentleman.

I would just like to conclude by saying that we must bear in mind that we can be drawn into a worldwide conflict at any time with the instability around the world, and we must be able to react quickly. The Selective Service System helps us maintain that capability.

Mr. DEFAZIO. Mr. Chairman, I move to strike the requisite number of words.

Every year the arguments for peacetime registration become a little bit more ludicrous.

A program that was begun to signal our displeasure with the Soviet invasion of Afghanistan has outlived not only the invasion but now the Soviet Union itself. Yet we are still going to spend $29 million this year on a cold war symbol to register 18-year-olds to prepare for a military draft that will never happen.

Some have revived the old argument that draft registration at only $29 million is cheap insurance in an era of military cuts. While this argument has some superficial appeal, it is fundamentally wrong. No one would buy an insurance policy that protects them against a nonexistent threat or that would not pay off if it was ever needed. American taxpayers should not either.

There is no reasonable threat out there that would trigger a military draft. Even the Pentagon, never shy about justifying marginal programs, has a tough time coming up with even a fanciful scenario that would require a draft. In the "1994–99 Defense Planning Guidance Scenario Set," a classified planning document that has since become public, the Defense Department tried to imagine the worst threats the United States might face, and how we would respond. Six of the seven scenarios showed the United States prevailing over any conceivable adversary months before any potential draftee would be ready for combat. The final scenario, for which the Pentagon said a draft might be considered, involved a reunified, rearmed Soviet Union and was not even considered a possibility until well after the turn of the century.

It is hard to imagine a more convincing demonstration of the absurdity of peacetime draft registration than war with Iraq. This country mobilized 500,000 trained soldiers, sent them and their equipment halfway around the world, and defeated the fourth largest army in the world. All of this occurred without any serious discussion of a military draft; Secretary Cheney even went out of his way to rule out the possibility of a draft.

Even if there were a threat out there, draft registration does not offer any advantage whatsoever; if anything, it gives a false sense of security. In 1980, in a report suppressed for political reasons, Selective Service estimated that registration would make only a 4-day difference in the system's ability to deliver the first untrained inductees to the Armed Forces. Remember, this is a 4-day difference for draftees who still need months of classification, assignment, training, and transport for combat readiness. Conscripts will play no role whatsoever in an immediate response for any military emergency that might confront our Nation.

It becomes even more dubious to link these two when you realize that mobilization targets Selective Service says it can meet are based on planned increases in training facilities in 1980 that never happened.

With reductions in troop levels and closing of bases, the training capacity is decreased even further. The first priority for these bases, as pointed out so ably by the chairman, these limited training slots will go to activated Reserve units and members of the individual Ready Reserve for any general mobilization.

During the gulf war with 6 months for mobilization, many reservists were still waiting for training when the war ended.

Finally, the patriotism argument: Draft registration ignores the patriotic duty of everyone except for 18-year-old males. The $29 million single-sex one-time-only piece of paper civics lesson, $29 million, does not promote patriotism in this country. It is only targeted at young men at age 18. What a waste.

Let us end this farce. The cold war is over. Let us use the money on something useful.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am reminded of a debate that I participated in in 1981 in the Oval Office with Ronald Reagan; actually, it was a debate between myself and Ed Meese in front of Ronald Reagan, and it was my early days of working in the White House. It was one of the first times I had actually gone into the Oval Office.

I had written a speech for the President and submitted it to the President, and in that speech, the subject of the draft was looked at.

Actually Ed Meese disagreed with me on my position on the draft, and so into the Oval Office we went. I was in a sense of awe that I was going to participate in a debate in the Oval Office about a policy so important as military conscription, and during that debate Mr. Meese made his arguments that we were gearing up, that we had to expand the capabilities of our military in order to deter war with the Soviet Union, and if we were going to end the threat of communism, we had to have a strong military force.

I countered with the idea that a peacetime draft is contrary to American tradition, and the reason that Americans have always, always relied on volunteers during peacetime was that that is what made America strong, going back to our fundamental principles of individual liberty and limited government.

Well, as the debate went back and forth, Mr. Meese did suggest that we did face a crisis, and what I suggested to the President was that during a crisis it is much more important for us to honor the men in the military by increasing their pay, be making military service an honor and patriotic symbol of service rather than having the uniform as a symbol of servitude, which is what accompanies a draft and conscription.

At the end of that debate, Ronald Reagan looked over to me, and I had no idea of what he would say, and then he looked back at Ed Meese, and he said, "Well, Ed, it is contrary to American tradition," and that is the reason, during the Reagan administration, we did not reinstitute conscription, because Ronald Reagan, like conservatives before him, like Barry Goldwater back in 1964 and 1970, have always opposed conscription during peacetime, because it is contrary to American tradition.

We in the United States do believe that America should play a strong and powerful role for good in the world. That does not mean you violate your fundamental principles of liberty and justice here through a military conscription which is much more consistent with the totalitarian powers of Europe in which people fled than it is with the Founders of the Declaration of Independence and the Constitution of the United States.

A draft blurs the distinction between free societies and unfree societies. But let me note, and I am putting this in the RECORD, that these are statements by Barry Goldwater Sr., I might add, and during the last debate it was mistaken that Barry Goldwater, Sr., did not oppose the draft. This is a quote from his book, "Conscience of a Majority," back in 1970 when Barry Goldwater was the standard-bearer of the conservative movement opposing conscription.

Ronald Reagan, as we all know, opposed conscription, as well. But let us leave it on this thought: If we do oppose conscription and we do oppose this waste of money, we also must support an all-volunteer military, which is what Goldwater and Reagan did. The reason we beat the Soviets, the reason there is no Soviet Union is because we supported a strong volunteer military.

I would hope that those of you who are opposing the amendment offered by the gentleman from New York [Mr. SOLOMON] will also join me in opposing any efforts to freeze the COLA's on the cost-of-living increases for those people in the military and those people who have retired from the military; especially active-duty people should not see their pay frozen.

So today if you end up opposing the amendment offered by the gentleman from New York [Mr. SOLOMON], you should also be just as aggressive in supporting what is necessary to have an All-Volunteer Army, and that is to have a well-trained, a well-respected, and a well-appreciated military force.

So with that, I would ask my colleagues to join with me in opposing the amendment offered by the gentleman from New York [Mr. SOLOMON], but I would like to close by saying it is very difficult for me to be on the other side of this argument, because he is a man I dearly respect, and I appreciate his leadership on this side of the aisle.

Mr. Chairman, I will ask at the appropriate time when we return to debate in the House unanimous consent to insert at this point in the RECORD this quote from "The Conscience of a Majority," by Barry Goldwater.

> Another source of irritation among the youth of this nation which I believe should be removed as quickly as possible is the present law requiring military conscription of young able-bodied American males. In this I have always felt that the only proper and lasting method would be elimination of the draft and the creation of an all-volunteer armed force. I have long felt that young Americans who have been subjected to a permanent and mandatory military system since 1948 have a legitimate cause for complaint. Over the years, too many promising young Americans have had their lives disrupted, complicated and confused by a military draft system which to them made very little sense. In this I am proud of the fact that I was among the first public officials in this country to urge measures to provide this nation with a professional, all-volunteer military force to defend our people and our strategic national interest. And it was at my insistence that the Republican National Platform of 1964 pledged to reevaluate the nation's armed forces manpower procurement programs "with the goal of replacing involuntary inductions as soon as possible by an efficient voluntary system, offering real career incentives."
>
> Above and beyond everything else, this is a moral matter. The fundamental right of man is the right to life. The use of force against that right—as in the draft law—is clearly wrong. It would be wrong to assume that free men have to be forced to fight for their country. In essence, this is the message that came through loud and clear in the latest study of the subject.
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> The value of the recent Gates Commission Report on conscription lies in the fact that it investigated thoroughly the major arguments against a professional, all-volunteer army and disposed of them completely. It emphasized that the difference between an all-volunteer force and a mixed force of conscripts and volunteers, such as exists today, is limited to that minority who would not serve unless conscripted and who would not volunteer in the absence of conscription. It stands to reason that this minority does not constitute the most effective element in our military system. The commission also pointed out:
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> "An all-volunteer force will attract men who are not now conscripted and who do not now volunteer but who will do so when military service imposes less of a financial penalty than it currently does.
>
> "Contrary to much dramatic argument, the reality is that an all-volunteer force will be manned largely by the same kind of individuals as today's armed forces. The men who serve will be quite similar in patriotism, political attitudes, effectiveness, and susceptibility to civilian control. The draft does not guarantee the quality of our armed forces, and neither will voluntarism. There are no simple solutions or short cuts in dealing with the complex problem that must always concern us as free people."

□ 1620

Mrs. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think it is very, very important to point out this is probably one of the most reasonable moves I have ever seen the Committee on Appropriations, make, and I certainly hope people vote against the amendment and support what the Committee on Appropriations was doing.

What are they trying to do here? The committee was saying that every year they are being asked for $30 million to run an institution we never have used. We have never used this whole Selective Service System for anything for years and years and years. This is a relic of the past.

If you vote to put this money into sustain this relic of the past, we really ought to put it in the Smithsonian Institution because no one can see a reason why we are going to use it in the future either.

Why don't we use the Selective Service System? Well, one reason is we have a terrific volunteer army that is working very, very well. The volunteer in the military has shown up with much higher quality and every other thing.

Second, what you need in the service, if you have to have a surge capacity and if you have to have to add a lot of people rapidly, is that you need trained people, you need trained people who know how to fly airplanes, who are doctors, who are nurses. You need those kinds of people.

The list of 18-year-olds does not give you that information. We also know that today there is all sorts of other forms of alternative lists out there, through school records or through Social Security or through drivers license registration; all those are out there. They can also be used if you ever needed this type of thing.

But to maintain this whole infrastructure, to spend all this money at a time when we desperately need money to try to preserve the morale of our voluntary forces, who have been there and are now being downsized, makes no sense.

So I certainly hope people turn down this amendment today because I really think it makes an incredible amount of sense to save this money and, if at all possible, utilize it to help the people who have been out there, really in action, really defending this country. Why should we penalize them to maintain something we have not used and we do not intend to use and that there are all sorts of substitutes for if we did need it? And if you really were going to do Selective Service, you ought to register the train people, to call them up, because that is what we really need.

So this is something that does not fit, it is out of date, and it is a perfect thing for our people to be getting rid of. I salute the chairman of the committee and the members of the committee for doing it. It took a lot of guts, but they did the right thing, and we should support them by voting "no" on the Solomon amendment.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not know if I have always been against the draft. I can remember World War II vividly. I was 8 to 12 years of age. It was a world of heroes. It almost seems mythical now compared to what has transpired in recent history. I have always attached Korea to World War II because it happened only 5 years later. As a matter of fact, the war just started in Korea on the 25th of June. Today is the anniversary of the killing of Archduke Francis Ferdinand at Saravejo; that is what caused the draft to come about. Ten million people of Europe's finest were slaughtered, and that killing was sustained by a draft.

Today, June 28, is the day. On June 28, 1914, a teenager kills an archduke and his wife and starts a process that kills between 10 and 11 million people. A war that was initially propelled by a call to voluntarism, a call to noblesse oblige for the finest young men in Great Britain and France and the countries of the allied nations. And then to sustain that killing rate, they turned to a draft.

So I think, in retrospect, even though I was a very young man, not yet a teenager, that I opposed the draft in World War II. Everyone that I respected was a volunteer: every pilot, every marine, every submariner, every special-forces person, everybody who ever went beyond what was required of them. Every individual raised his hand and said, "I will volunteer, I will go;" that was not a person that was conscripted by the draft.

But why in my mind is registering for service different from a draft that I do not like and that I do not think we will ever need again? Because it does tell you something about your Nation. It tells you about those young men who are ready to serve if, to use Mrs. SCHROEDER's words, a surge requirement is there.

I remember where I registered for the draft, the corner of Sepulveda and Santa Monica. The woman said, "Ah, 6 feet, red hair, blue eyes, 1-A; what are you, the All-American boy?" No, Ma'am, I'm not an Eagle Scout." Of course, that stuck in my memory. That was the proudest day in my life when I could register.

I joined the Air Force a year later as a 19-year-old because I wanted to fly the most dangerous, fastest plane this country could make. And I was soon combat-ready, and my country never used me to kill another mother's child. I think that is ideal, to volunteer to do something dangerous, to try to be the very best and then never have to be called.

But when your President has five stars on each shoulder and drives Hitler to suicide, I guess you do not have to get involved in combat, when your Republican President is named Dwight Eisenhower.

But this registering is different; it is much different. And don't tell me that people who refuse to stand up and be part of a pool can now go back and get loans and be a parasite on our society all their lives. The Federal Government must be able to say, "Hey, no money for you, buster, you didn't register, on that remote possibility that your country ever needed you."

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Chairman, I just wanted to point something out to the Members because you would think, "JERRY SOLOMON is recommending that we spend more money." That just is not the case. The money is coming—I have had a number of Members on the gentleman's side of the aisle coming over and asking, "Where are you getting the money from?"

Well, it comes from the Office of Policy Development and Research that got bumped up—I should say pumped up—from $25 million to $85 million.

Now, just to show you what happened: We have a HUD account for HUD's research office, which is $48.5 million over the 1994 authorized amount. It is $48 million over. It is $50 million over the President's request; $50 million more than the President requested. And it is $60 million over what the VA/HUD subcommittee recommended in the first place.

So, we are not offering to spend more money, we are asking you the question: "Is the money better spent, the $20 million we are referring to, is it better spent on some egghead thinking over here at the HUD office, or is it better spent over here on the Selective Service System?" Which is better, gentleman? Cast your votes.

☐ 1630

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Solomon amendment. I stand in very strong support of the Solomon amendment.

I really think the all-volunteer system has worked well, but the Selective Service System has always been there to provide an inexpensive insurance policy in the event of a national emergency. I feel very strongly that we should keep this policy in force.

Mr. Chairman, this is a dangerous precedent we are about to set here today. Once we kill the Selective Service System, it would be 2 or 3 years or longer to start up again if this country were faced with a major crisis. We would not have the ability to quickly respond as we do now.

Selective Service registration is quick and easy and the compliance rate among 18 year olds has always been 98 to 99 percent.

Mr. Chairman, these young men have come through for us. They have seen their patriotic duty and they have gone to the post office and they have registered. Ninety-nine percent of them have registered. It is no problem to them to go and show a little patriotism on their part.

I would hope we would be very, very careful and not eliminate this system.

I would point out, Mr. Chairman, that President Clinton did not ask that the Selective Service System be shut down. In fact, he requested $29 million for its operation in fiscal year 1994.

The program has done well. It does not cost a lot of money. It certainly is an insurance policy for what could happen to us.

This world is crazy out there. Only a couple days ago we fired missiles into another country. So I think we ought to be very careful what we do this afternoon. We should support this amendment and see that we continue to run the Selective Service System.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I am glad to yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I rise to support the Solomon amendment.

It was August 1940, when this body by one vote saved the Selective Service System.

We do not know, Mr. Chairman, what the future holds. This is a type of insurance for us.

As chairman of the Subcommittee on Military Forces Personnel of the Committee on Armed Services, I think it is incumbent upon us to do the best that we can should the kaleidoscope of the future turn unfortunate for our country, we will have this in place. It is insurance desperately needed.

Mr. Chairman, I shall vote for the Solomon amendment.

Mr. MONTGOMERY. Mr. Chairman, I would like to point out since the gentleman brought up about 1940 that the key vote was cast by Mr. McCormack. He later became Speaker of the House. He was very proud of that vote that he saved the draft. He saved the Selective Service System and we were prepared when World War II hit.

Mr. McCormack told us over and over again in this House that he made the key vote.

Mr. NADLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to oppose this amendment and to comment on some of what we have heard. We have heard today that there is no need to maintain a Selective Service System which we have not used in over 20 years and which we have no plans to use.

I agree with that. I have always personally opposed the draft because I do not think it is the right of Government to require people to serve their Government except voluntarily or except in cases of dire national emergency. In the case of dire national emergency in 1940, war raged in Europe. War raged in Asia. War raged around the world and totalitarian regimes were carrying out threats against the United States and everybody else. Britain stood on her knees. It was obviously a threatening time. We had virtually no Army. We had a very small Navy. The draft was necessary then and it was a day of honor in this House when it was saved.

Today what is our situation? We stand astride the world today. The Soviet Union does not exist. There is no military power anywhere near us. We can field half a million men and women without a draft. We just showed that. We can beat anybody ten times over without using nuclear weapons, thank God, and there is no prospect of this changing in the foreseeable future.

As was said by a number of other speakers, when we need to enhance our existing troops, we call up the Reserves and the National Guard. That is what we have them for. There is no foreseeable need to a military draft.

Mr. Chairman, we have been staying in this Chamber here for the last couple weeks hearing all the rhetoric about cutting unnecessary expenditures and the $4.3 trillion national debt, and here we stand with an annual expenditure of close to $30 million for no purpose whatsoever, and the defenders of continuing yet, the supporters of this amendment say, "Well, maybe we can conjure up some speculative circumstances under which maybe we will need this."

Maybe we will not. Probably we will not. Definitely we will not, and if we ever do, we can reestablish it in plenty of time.

Mr. SOLOMON. Mr. Chairman, will my friend, the gentleman from New York, yield?

Mr. NADLER. Yes, I yield to the gentleman from New York.

Mr. SOLOMON. May I just ask the gentleman one question. What if the gentleman is wrong and I am right? There is no more America, right?

Vote for the Solomon amendment.

Mr. NADLER. Mr. Speaker, when the gentleman from New York [Mr. SOLOMON] can point to the threat that would justify that supposition, then I will yield to that.

Those threats do not arise overnight. When Hitlerite Germany restores itself and the Soviet Union restores itself, then we have time to look at it.

Right now the point is you look at the threats that are out there. You look at the possible development of those threats. You look at what we can do without the draft, and there is no way of imagining any reasonable set of circumstances under which we will need the draft.

The proof of the pudding is that we have had it for the last 20 years and all we have done is waste $30 million every year. We have never exercised it.

So for all these reasons, Mr. Chairman, and especially because, frankly, the existence of a draft except in times of national emergency is an affront to our traditions of liberty, I urge that this amendment be defeated.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this discussion, although I did not plan to participate in it, reminds me of discussions that took place right after World War I. That was the war to end all wars. If you have studied history, you know that the allies decided that the best way to protect the world from a further conflict of that magnitude was to disarm, to do away with all weapons.

Great Britain was sinking its ships, cutting back on its military power. They were certain that if you did away with all weapons you would not have any more war.

There was a treaty that was signed at the end of World War I, called the Treaty of Versailles and Germany was forced to sign it and in that treaty they were not supposed to ever have more than 100,000 men in their military.

Well, a fellow named Adolf Hitler came along. He violated the Treaty of Versailles, but everybody looked the other way and instead of having a hundred thousand men in his military, he had a cadre to train millions of men and young people in his military and he used this 100,000-man army he had to be a cadre to train all these others.

The point I am trying to make is you must be prepared. The Boy Scout motto is, "Be prepared." The United States of America if we are going to survive as a nation and be a leader in the free world, we must be prepared.

Now, one of the reasons that the gentleman from New York [Mr. SOLOMON] has proposed this amendment is because one way to be prepared is to have a Selective Service that lets us know where the people are that we might need in time of national emergency, because make no mistake about it, there will be more wars and there will be some pretty big ones. The Bible says there will always be wars and rumors of wars. That is just as true today as the day that the writer wrote it. So we must be prepared.

So Mr. Chairman, I just say to my colleagues that when we are talking about wasting billions and trillions of dollars around this place, to spend $25 or $30 million to make sure we are prepared in the event a war takes place in the future, we can mobilize our troops, is money well spent.

I suggest to my colleagues that we ought to all support the Solomon amendment.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Solomon amendment.

Mr. Chairman, I thought that the time was long past when we would be here on the floor debating a public policy that clearly discriminates between the sexes in the most blatant way, because the language that the gentleman from New York [Mr. SOLOMON] has been riding to glory on for years around here always specifies males.

Some of us were hoping we were going to get that behind us. Apparently we are not.

Now, I have to disagree with some of my friends over here who have spoken against the Solomon amendment in this respect. They described it as if it was a simple boondoggle that wastes $30 million a year and really does not do any harm because it just pays a lot of bureaucrats with no purpose and nothing to accomplish a pretty good living for finding out how many kids are over 18 years old.

☐ 1640

But it is much more than that, my colleagues, much more.

All during the 1980's we listened to the Reagan administration tell us on the Committee on Education and Labor that there was fraud and abuse involved in the student aid programs, and when we came here to the floor in 1985, I believe it was, with the higher education bill, the gentleman from New York [Mr. SOLOMON] got up, and beat his chest and talked about his past in the Marine Corps. He said that nobody should get student aid if they did not register for the draft. He stampeded this place, and my colleagues adopted his amendment.

Now let me tell my colleagues how harmless that has been. The inspector general reported to my committee in 1989 that from April 1, 1989, to September, 6 months of 1989, the following sampling of fraud in obtaining student aid was presented to me as evidence of the fact that they were doing their job. One of the categories was false claims in Selective Service registration are prosecuted. This period OIG investigative efforts resulted in the conviction and sentencing of two individuals who obtained SFA funds after having falsely claimed on their student aid applications to have registered with the Selective Service System. These cases are described briefly below, and so as not to further injure the young man, I use a pseudonym of Robert Smith. He plead guilty to two counts of making false statements on student financial aid documents. Smith, while attending Bennington College in Bennington, VT, and Harvard Graduate School of Design falsely claimed on SFA documents that he had registered with the Selective Service. Smith was sentenced in Federal district court, Boston, MA, to 1 year in prison and was ordered to perform 100 hours of community service and pay $1,561 in restitution. That was the amount of the loans he got, $1,500.

Another: Carl Jones. He was sentenced in Federal district court in Burlington, VT, to 18 months unsupervised probation and ordered to make restitution of over $5,000 in Federal student aid. While attending Johnson State College, Johnson, VT, Mr. Jones falsely certified that he was registered with the Selective Service.

When we went back in a 6-month period, as late as 1989, this was almost a 10-year-old law then, and they found two of them, and they had the time, the U.S. Justice Department, to track them down, take them to court, convict them.

Now, not only are we wasting $30 million a year, but we are wasting valuable time and resources of our law enforcement people tracking down people who make a mistake in their application on whether they are or are not properly registered and trying to put them in jail for receiving an opportunity to borrow money to go to college.

This is not a harmless little boondoggle that leaves behind nothing but wasted money in its wake. It also leaves behind wasted lives in its wake, and I urge my colleagues to vote this time against the gentleman from New York [Mr. SOLOMON].

Mr. HUNTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my colleagues, this is a Nation of citizen soldiers, and the world watches us whenever there is a crisis to see whether we have the capability to meet that crisis and where the American people are willing to meet that crisis, and this Selective Service System to signals to the world that at least 97 to 98 percent of our young people, by registering for the draft, are willing to back up the policies of the United States by serving in uniform of the United States.

It is a very important message that we send, not just to our young people, because I think it is a morale booster, but I think it is something that builds character and patriotism in this country. But it also sends a message to our allies and our adversaries around the globe that America is ready, willing, and able to meet our responsibilities.

My colleagues, it would be a major mistake to defund the Selective Service System.

Mr. LEWIS of California. Mr. Chairman, I move to strike the requisite number of words, and I yield a moment to the gentleman from New York [Mr.

SOLOMON], my friend, to respond to the last speaker.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman from California [Mr. LEWIS] for yielding to me, and, as my colleagues know, when it comes to issues like this that are controversial, which get a little bit emotional, I have tried to keep it on a nice even plane, and I have done that. I made no aspersions about our President, about any Member of the other side of the aisle, because we really need to debate this issue.

Then I hear my good friend, the gentleman from Michigan [Mr. FORD], stand up, and he infers that I am antiwoman because I do not support drafting women in the military. He talks about me beating my chest and talking about my previous service in the Marine Corps.

My colleagues, I do not know where all this is coming from. I have a great deal of respect for our women. We do not have to draft our women. They are the most patriotic young women today, and if my colleagues had been to just about every military base in this country like I have, they would know this: They would be so proud of the people that we have there today, and that is what I am bothered about.

But, as my colleagues know, my good friend, the gentleman from Michigan [Mr. FORD], made a statement about we have spent our time running around, chasing these little nobodies that are in violation of some little infraction. I ask my colleagues, "Do you know what the law of the land is?" The law of the land says that there are currently thousands of young men in violation of the law, the Military Selective Service Act, for failing to register. This is what the law is, and this is a felony punishable by up to 5 years in prison and/or a fine of $250,000.

As my colleagues know, I kind of resent the inferences that we are trying to just put people on the spot. That is not true at all. As my colleagues know, I have got the voting record here from last year, and my colleagues should know the vast majority, by 2 to 1 on their side of the aisle, including the gentleman from Michigan, voted for my position. That is not a stampede. That means the overwhelming majority of this body was representing the overwhelming majority of the feeling of the American people.

So, let us be a little careful, let us keep it on the higher plane, and I would urge support of my amendment.

Mr. LEWIS of California. Mr. Chairman, my leatherneck father, God rest his soul, would be proud of the enthusiasm of the gentleman from New York [Mr. SOLOMON].

I yield back the balance of my time.

Mr. PENNY. Mr. Chairman, I rise in opposition to the Solomon amendment. Mr. Chairman, faced with a tight budget allocation, the VA–HUD Appropriations Subcommittee decided to all but shut down funding for the Selective Service System during fiscal year 1994. The elimination of the Selective Service System makes sense on both budget and policy grounds.

On budget grounds, the committee was faced with some tough choices; this is one of the tough choices—necessary to reduce the Federal budget deficit. A lot of speeches are given here day after day about reducing Government spending and closing Government agencies. Unfortunately, most of those speeches are generic. Faced with the actual choices, the rhetoric does not come as easy, and these same proponents often fail to vote in favor of specific reductions. Well, this committee deserves credit for facing up to the tough choices and deciding to eliminate this agency in order to fund priorities elsewhere in this appropriations bill. That is pay-as-you-go budgeting as it was meant to be.

On policy grounds, the Selective Service System is clearly a relic of a time when the military needed to be prepared to fight a prolonged conventional war. As the committee in its report points out, the gulf war proved that the military could amass the manpower needed for war while keeping 750,000 troops available to be mobilized for other purposes. The callup for the gulf war demonstrated our Guard and Reserve Forces are ready and able to do the job.

Mr. Chairman, I urge our colleagues to oppose the Solomon amendment and to support the committee's decision to eliminate the Selective Service. It's the right thing to do on both budget and policy grounds.

Ms. PELOSI. Mr. Chairman, I rise today in opposition to Representative SOLOMON's amendment to continue the Selective Service System.

The Selective Service System is a relic of the cold war. To continue it in the 1990's is a waste of taxpayer dollars. Quite simply, there is no need for peacetime draft registration. The Selective Service has reported that it would take at least 30 days to prepare facilities for training new draftees. With draft registration in place, draftees would be available 2 weeks before the military is even ready to train them; without draft registration, draftees would still be available before training camps were ready to open. Forcing all young men to sign up for the draft in peacetime does not ensure that we maintain a readiness advantage.

America's largest military effort since the end of the cold war, Operation Desert Storm, illustrates the fact that draft registration makes no sense today. This country mobilized over half a million servicemen and servicewomen and their supplies to defeat the fifth largest army in the world. All of this happened with no serious discussion of a new military draft. With this experience in mind, it is hard to imagine a scenario in today's world that would require the use of the Selective Service System.

Mr. Chairman, I urge my colleagues to support the responsible distribution of Government funds and to oppose this amendment to continue the Selective Service System.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 202, noes 207, not voting 30, as follows:

[Roll No. 278]

AYES—202

Andrews (NJ)
Andrews (TX)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Boehlert
Bonilla
Brooks
Browder
Bryant
Bunning
Burton
Buyer
Calvert
Canady
Castle
Coble
Collins (GA)
Combest
Condit
Cooper
Costello
Cramer
Crane
Crapo
Cunningham
Darden
Deal
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Geren
Gibbons
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Herger
Hochbrueckner
Houghton
Hoyer
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, Sam
Kim
King
Kingston
Klink
Kolbe
Kyl
Lancaster
Laughlin
Lazio
Levy
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Machtley
Manzullo
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McHale
McHugh
McInnis
McNulty
Menendez
Meyers
Mica
Michel
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Orton
Oxley
Packard
Pallone
Paxon
Payne (VA)
Petri
Pickett
Pickle
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Reed
Regula
Ridge
Roberts
Roemer
Rogers
Romero-Barcelo (PR)
Ros-Lehtinen
Roth
Roukema
Rowland
Saxton
Schaefer
Schiff
Shaw
Shepherd
Shuster
Skelton
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stenholm
Stump
Stupak
Talent
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas (CA)
Thurman
Torkildsen
Volkmer
Vucanovich
Walsh
Weldon
Whitten
Wilson
Wise
Wolf
Young (AK)
Young (FL)

NOES—207

Abercrombie
Ackerman
Allard
Andrews (ME)
Applegate
Archer
Bacchus (FL)
Barlow
Barrett (NE)
Barrett (WI)
Beilenson
Blackwell
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Byrne
Camp
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Cox
Coyne
Danner
de la Garza
de Lugo (VI)
DeFazio

DeLauro
DeLay
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
Eshoo
Evans
Farr
Fazio
Filner
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gilchrest
Glickman
Gonzalez
Green
Gutierrez
Hall (OH)
Hamilton
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hoekstra
Hoke
Holden
Horn
Huffington
Inslee
Jacobs
Johnson (CT)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klug
Knollenberg
Kopetski
Kreidler
LaFalce
Lambert
Lantos
Leach
Levin
Lewis (CA)
Lewis (FL)
Lewis (GA)
Long
Lowey
Maloney
Margolies-Mezvinsky
Markey
Martinez
Matsui
McCloskey
McDade
McDermott
McKeon
McKinney
Meek
Mfume
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Mollohan
Murphy
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Pastor
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reynolds
Rohrabacher
Rose
Rostenkowski
Roybal-Allard
Royce
Rush
Sabo
Sanders
Santorum
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shays
Skaggs
Slattery
Slaughter
Stark
Stokes
Strickland
Studds
Swett
Swift
Synar
Taylor (NC)
Thomas (WY)
Thompson
Thornton
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Upton
Valentine
Velazquez
Visclosky
Walker
Waters
Watt
Waxman
Wheat
Williams
Woolsey
Wyden
Wynn
Yates
Zeliff
Zimmer

NOT VOTING—30

Armey
Becerra
Berman
Blute
Boehner
Callahan
Conyers
Coppersmith
Faleomavaega (AS)
Ford (TN)
Hamburg
Henry
Istook
LaRocco
Lehman
Mann
Manton
McMillan
Meehan
Parker
Payne (NJ)
Richardson
Sangmeister
Sisisky
Skeen
Stearns
Sundquist
Unsoeld
Vento
Washington

☐ 1707

The Clerk announced the following pairs:

On this vote:

Mr. Armey for, with Mr. Meehan against.
Mr. Stearns for, with Mr. Skeen against.

Mr. CAMP, Mrs. JOHNSON of Connecticut, and Messrs. HOBSON, RAHALL, and ARCHER changed their vote from "aye" to "no."

Mrs. MORELLA, Mr. HOYER, and Mr. BEVILL changed their vote from "no" to "aye."

So the amendments en bloc were rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BOEHNER. Mr. Chairman, I was unavoidably detained in Cincinnati today due to plane trouble and missed the first five votes of the day. Had I been present, I would have voted "no" on rollcall No. 274, "aye" on rollcall No. 276, "aye" on rollcall No. 277, and "aye" on rollcall No. 278. I also would have voted "present" during the quorum call which was rollcall No. 275.

AMENDMENTS EN BLOC OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. BEREUTER: Page 32, line 10, strike "$85,000,000" and insert "$83,000,000".

Page 32, after line 11, insert the following:

INDIAN HOUSING

INDIAN HOUSING LOAN GUARANTEE FUND

For the cost (as defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), $2,000,000. Such funds shall be available to subsidize guarantees of total loan principal in an amount not to exceed $50,000,000.

The CHAIRMAN. Pursuant to House Resolution 208, the amendments en bloc may amend portions of the bill not yet read for amendment and are not subject to a demand for division of the question.

The gentleman from Nebraska [Mr. BEREUTER] is recognized for 5 minutes in support of his amendment.

Mr. BEREUTER. Mr. Chairman, my amendment to the VA-HUD-independent agencies appropriations bill would transfer $2 million within the bill to fund a fiscally responsible demonstration program already authorized by Congress to provide home loan guarantees for Indian families seeking, for the first time ever, to buy their own homes on Indian reservations rather than live in Government-provided public housing. I ask, can we in good conscience appropriate $3.1 billion for Public Housing Modernization, not to mention a proposed $2.1 billion for a space station and a proposed $1.6 billion for the superconducting super collider, and still fail to appropriate a mere $2 million to fund this loan guarantee program?

The Indian Housing Loan Guarantee Program, originally proposed by this Member and authorized by Congress for fiscal year 1993 and fiscal year 1994 in the Housing and Community Development Act of 1992, addressed the fact that conventional loans are not available to native people seeking to buy or construct homes on reservation trust lands. Since the authorization expires after fiscal year 1994, it is important that we fund this home loan guarantee program this year.

My amendment would transfer $2 million from the policy research and development fund, which received a funding level of $85 million in the fiscal year 1994 VA-HUD-independent agencies appropriations bill. This is a very reasonable place to cut since this $85 million funding level represents an incredible increase of $50 million over the President's budget request and $60 million over last year's appropriation.

This Member would also like to point out that HUD Secretary Cisneros has expressed support for the program and has indicated that a $2 million appropriation will allow $50 million in loan guarantees to be made. Despite the Secretary's intent HUD inadvertently failed to request the $2 million. Thus, the subcommittee did not know of his intended request nor appropriate funds in H.R. 2491 for the Indian Housing Loan Guarantee Program.

Can Congress justify tripling last year's appropriations on policy research and development? Can we justify failing to fund the intended $2 million for this program when Indian families are living in houses without plumbing or heating, or worse, are going homeless? Do we wish to restrict Indian's housing choices only to units of expensive public housing? The first Americans also deserve to share in the American dream of home ownership.

Transferring $2 million from existing funding in the bill to the Indian Housing Loan Guarantee Program is the right thing to do. It is an authorized, innovative pilot loan guarantee program which can be a cost-effective way for the United States to meet its legal and moral obligation to native people to provide safe, decent and affordable housing. I urge my colleagues to support my amendment to transfer $2 million for the authorized Indian Housing Loan Guarantee Program.

☐ 1710

Mr. Chairman, it is better, it is less expensive than buying, purchasing, and constructing public housing. I urge my colleagues to support the amendment.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I am pleased to yield to the Chairman, the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I have had an opportunity to see the gentleman's amendment, and the committee agrees with the gentleman. His amendment is acceptable to the committee.

We have also discussed the matter with the ranking minority member and we understand it is agreeable to him.

Mr. BEREUTER. I thank the chairman for that confirmation.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I am happy to yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, we have no reservation. We appreciate the gentlamen's amendment.

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the ranking member of the subcommittee on the authorizing committee.

Mrs. ROUKEMA. Mr. Chairman, I do rise in support of the amendment of the gentleman from Nebraska [Mr. BEREUTER], and I want to commend him. I am grateful that the chairman of the committee and the ranking member have accepted it. It is a very wisely conceived amendment.

Mr. Chairman, I especially want to commend the author of the amendment, the gentleman from Nebraska, for his steadfast support of Indian housing. Certainly he is the most knowledgeable and outspoken Member of the House when it comes to Native American issues.

Mr. Chairman, it was last year that we established this program for the first time, and I want to thank the gentleman for his farsightedness here, and in seeking this amendment. It is well devised. It takes nothing away from other essential programs, and I commend the gentleman. I am happy to support him.

Mr. Chairman, I rise in support of the Bereuter amendment to transfer $2 million from the policy, research account to the Indian Housing Loan Guarantee Program.

As the ranking member of the Housing Subcommittee, I want to commend the gentleman from Nebraska for his steadfast support of Indian housing.

The gentleman is by far the most knowledgeable and outspoken member of the committee when it comes to native American issues, especially housing needs.

The Indian Housing Loan Guarantee Program was authorized last year in the 1992 Housing and Community Development Act.

The program was created to address the unfortunate fact that conventional mortgage loans were simply not available to native Americans seeking, in some cases for the very first time, to buy or construct their own homes on reservations or trust lands.

Unfortunately, when the HUD budget for fiscal year 1994 was submitted to the Congress, a funding request for his program was inadvertently omitted. Despite Secretary Cisnero's support for the program, the Appropriations Committee failed to provide any funds.

This amendment would transfer $2 million from the HUD policy development and research account which received an unexplained increase of $50 million over the administration's request.

I cannot conceive of any initiatives currently going on in HUD, or anticipated, which can justify this kind of increase. I fear, it is being set up as a discretionary fund for unauthorized special purpose programs.

If that is the case, then we should delete the entire increase. But at the very least we should support this amendment which will help our native American families become homeowners.

I urge the adoption of the amendment.

Mr. BEREUTER. I thank the gentlewoman for her kind words, and I thank the gentleman from California [Mr. LEWIS] for his support as the ranking minority member of the Subcommittee on VA, HUD, and Independent Agencies of the Committee on Appropriations.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Nebraska [Mr. BEREUTER].

The amendments en bloc were agreed to.

AMENDMENT OFFERED BY MR. GRAMS

Mr. GRAMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAMS: Page 32, line 11, insert after the period the following new sentence:

The amount otherwise provided under this heading is hereby further reduced by $48,000,000.

Mr. GRAMS. Mr. Chairman, during full committee markup the Committee on Appropriations increased funding for HUD's Office of Policy Development and Research by $16 million over the VA-HUD subcommittee's request. According to the committee's report, this account funds programs of research, studies, testing, and demonstrations related to the HUD mission. Additional funding will permit the Department to fund high-priority research studies and demonstrations, but it leaves no specifics in the bill.

Mr. Chairman, this funding is $60 million over last year's funding, $60 million over the subcommittee's recommendations, and it is $50 million over the President's and HUD's own request.

My amendment would reduce the funding down to $35 million. That is the same level requested by the administration, and $35 million is the amount HUD says it needs for these programs. It is still a 40-percent increase over last year's spending.

Mr. Chairman, again, this VA-HUD bill does not have a specific earmark for special proposed grants. The $60 million increase could be used as a place holder in conference to dish out money for special projects that the full House would not have a chance to vote on. This is the kind of closed door, smoke-filled room process that the American voters are sick and tired of seeing. There are also some other potential appearance problems if the funds are left to the Secretary's discretion.

Mr. Chairman, I need not remind Members of the House what happened the last time a HUD Secretary had discretionary funds available to him, and while I have tremendous respect for this Secretary and his integrity, appearances are often more dangerous than reality. In fact, we should take heed of the Lantos report on the HUD scandals, which was issued by the Committee on Government Operations. HUD funding decisions should be based on merit and on competition, and free of politics and discretion on the part of the Secretary.

In addition, just as it was wrong for HUD to award housing funds for political reasons, so, too, Congress should not earmark funding for housing projects in appropriation bills. I think the gentleman from California [Mr. LANTOS] is right on this, and I urge my colleagues to rise and support this amendment.

Mr. STOKES. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Minnesota.

Mr. Chairman, as we put a bill of this type together, what we have to do is try to look down the road and see what we may be facing in conference. We know that there are three programs currently unauthorized that we will have to deal with in conference. One is national service, another is community investment, and the third is community development banks.

In order to have some flexibility in conference, what we have done in some accounts is to park money that, in conference, we will be able to remove to fund some of the other programs that we know are going to be authorized, that are currently unauthorized. But we wanted to be able to act responsibly, so when we come back to the House from conference we will have the funds there that give us the flexibility to fund these different programs. That is basically why we had to increase this account. We would urge the House to support the purpose that these moneys are intended to meet.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. GRAMS].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GRAMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was take by electronic device, and there were—ayes 220, noes 194, not voting 25, as follows:

[Roll No. 279]

AYES—220

Allard
Andrews (TX)
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barca
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Brewster
Browder
Bunning
Burton
Buyer
Calvert
Camp
Canady
Cantwell
Castle
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Costello
Cox
Crane
Crapo
Cunningham
Deal
DeFazio
DeLay
Deutsch
Dickey
Dicks
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gekas
Geren
Gillmor
Gilman
Gingrich
Glickman
Goodlatte
Goodling
Goss
Grams

Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Herger
Hoagland
Hobson
Hoekstra
Hoke
Holden
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Jacobs
Johnson (GA)
Johnson (SD)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lancaster
Laughlin
Lazio
Leach
Levy
Lewis (FL)
Linder
Livingston
Lloyd
Machtley
Manzullo
Margolies-Mezvinsky
McCandless
McCollum
McCrery
McCurdy
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Morella
Murphy
Myers
Neal (NC)
Nussle
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Penny
Petri
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Royce
Santorum
Saxton
Schaefer
Schenk
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Sisisky
Skaggs
Skelton
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Valentine
Volkmer
Walker
Walsh
Weldon
Williams
Wise
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—194

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Beilenson
Bereuter
Bevill
Bishop
Blackwell
Bonior
Borski
Boucher
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cardin
Carr
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
DeLauro
Dellums
Derrick
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Frank (MA)
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Gilchrest
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Hastings
Hefner
Hilliard
Hinchey
Hochbrueckner
Hoyer
Hughes
Jefferson
Johnson (CT)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lantos
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Long
Lowey
Maloney
Mann
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDade
McDermott
McHale
McKinney
McNulty
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Murtha
Nadler
Natcher
Neal (MA)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Price (NC)
Quillen
Rahall
Rangel
Reed
Reynolds
Roemer
Romero-Barcelo (PR)
Rose
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sarpalius
Sawyer
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Slaughter
Smith (IA)
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Velazquez
Visclosky
Vucanovich
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wilson
Woolsey
Wyden
Wynn
Yates

NOT VOTING—25

Becerra
Berman
Blute
Callahan
Chapman
Conyers
Coppersmith
Diaz-Balart
Faleomavaega (AS)
Ford (TN)
Hamburg
Henry
Istook
LaRocco
Manton
McMillan
Meehan
Moran
Payne (NJ)
Richardson
Sangmeister
Skeen
Sundquist
Unsoeld
Vento

☐ 1737

Mr. KLINK changed his vote from "aye" to "no."

Messrs. WILLIAMS, WISE, BREWSTER, and DICKS, Mrs. LLOYD, and Mr. EDWARDS of Texas changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $25,000,000, to remain available until September 30, 1995: *Provided*, That $20,481,000 shall be available to carry out activities pursuant to section 561 of the Housing and Community Development Act of 1987.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed $7,000 for official reception and representation expenses, $918,463,000, of which $444,872,000 shall be provided from the various funds of the Federal Housing Administration, and $8,038,000 shall be provided from funds of the Government National Mortgage Association.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $46,305,000, of which $10,190,000 shall be transferred from the various funds of the Federal Housing Administration.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, $5,742,000, to remain available until expended, from the Federal Housing Enterprise Oversight Fund: *Provided*, That such amounts shall be collected by the Director as authorized by section 1316 (a) and (b)(2) of such Act, and deposited in the Fund under section 1316(f): *Provided further*, That notwithstanding the last sentence in section 1316(e) of such Act, the amount of this first annual assessment shall not be reduced by any part of the amount of the initial special assessment under section 1316(e).

☐ 1740

AMENDMENT OFFERED BY MR. KOLBE

Mr. KOLBE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOLBE: Page 34, after line 6, insert the following:

REVISION OF AMOUNTS FOR HUD

The amounts otherwise provided by this title are revised by reducing the amount made available for "Policy Development and Research—Research and Technology", and increasing the amount made available for "Housing Programs—Homeownership and Opportunity for People Everywhere Grants (HOPE Grants)", by $10,000,000.

Mr. KOLBE. Mr. Chairman, the amendment which has just been read has been changed as a result of the passage of the last amendment; instead of the $60 million or the $48 million, we are now down to $10 million which remains in this account. This would take money from the research and development account of the Policy Development and Research Division of HUD, and put it back into the HOPE Program. HOPE, as I think most of my colleagues know, is a program for home ownership for low-income people. It takes public housing programs and makes it possible for low-income families to own their own homes.

In a very real sense, this is a symbolic gesture, but I think the symbolism is important. This $10 million will make available some housing for home ownership for individuals who would otherwise not have it.

Let me begin by pointing out that this account, the research and technology account, was increased originally by 240 percent over the amount of last year's funding and 143 percent over the amount requested by the administration.

Those figures, obviously, are different now with the passage of the last amendment. But the point still remains that no justification has been given for the added dollars in this account. This money is not required to go through any kind of competitive process in order to be spent; there is no review process, no merit checks, no paper trail. Simply put, this is money for the Secretary to hand out arbitrarily at will to whomever he chooses.

I think we can use this money far better by making it available for home ownership for a handful of people who might otherwise be denied this opportunity.

So, the amendment which I offer today in a bipartisan spirit of myself, Congressman BLACKWELL, and Congressman ANDREWS is an extraordinarily important amendment.

Let me just review with you where we stand on the HOPE Program. Unfortunately, my review is not good news. There has been a relentless attack on what is a good program.

The attack on HOPE began with the budget request that is only 10 percent, or $109 million for next year, $240 million less than the fiscal year 1993 appropriation.

Next, $165 million of the reduced amount was offered for rescission in the House version of the pending stimulus bill.

Finally, in the coup de grace, the bill before us takes $55 million from HOPE for NASA. The result, if you put together all of these proposals, is that HOPE is actually at a negative balance of about $4 million.

The cutbacks are going to prevent the Federal Government from making good on all ongoing commitments so that low-income Americans can realize their dream of ownership.

Mr. Chairman, I think it is the American dream to be able to own your home, and I think that dream ought to apply to those who are low-income people as well as those who are middle-class or wealthy. Those families have had that dream available to them for a long time. That is the idea of the HOPE Program, to let others, not so wealthy, less fortunate, own their home.

Today there are over 500 projects in the pipeline, many of them waiting for the promised implementation grants. They have gone through the planning grants, the housing has been repaired, the training has been done, the appraisals have been done. They are now actually ready to purchase their homes. But, without the funds, they will be denied that opportunity.

In the HOPE I Program alone, counting the $165 million rescission, not the $55 million cut being considered today, only 5,000 homes out of 34,000 applicants waiting for implementation grants are going to be able to receive the money to purchase their own home. That is less than 15 percent of those who are currently in the pipeline ready to buy their own home.

It has been said there are unobligated funds; yes, there are unobligated funds. But not because of a lack of applicants. These funds are unobligated because the bureaucracy makes it a long and difficult process for approval.

There are notices of funding accounts sitting on the desk of the Secretary for hundreds, even thousands, of these applications so that they can go forward.

If the argument on unobligated funds is going to be made, I would point out that there are many unobligated, many millions of dollars of unobligated funds in the HOME Program. Yet we are increasing the HOME Program.

So that argument does not fly here today. It is not a reflection of a lack of interest in HOPE, the interest is far greater than the dollars available to us. It is one of bureaucratic inefficiency.

According to the HUD program office for the HOPE I Program, 34,056 units or homes are already in the pipeline. That is, they received the planning grants. If fiscal year 1993 funding is not touched, only 29 percent of those will be able to be helped. With the rescission I talked about earlier only about 13 percent, or 5,000, will be further funded. With the further reductions made here today, the amount would be far less than that.

Mr. Chairman, I would urge Members—perhaps in the course of the debate I will have an opportunity to discuss some particular case studies of the HOPE Program and its successes. For now, I would simply urge my colleagues to vote favorably on this amendment, and return a few dollars to the HOPE Program so that low-income people will have the opportunity to own their own homes.

Mr. STOKES. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Arizona [Mr. KOLBE]. This amendment would increase funds for the HOPE Program with an offsetting decrease from the research account. This amendment appears to also be a partial offset for the rescission of 1993 and 1992 HOPE funds also carried in this bill.

HOPE is a lower priority program in this administration. HOPE 1 was certainly a high-priority program of the past administration, but priorities have changed.

The Department is in the process of terminating the HOPE 1 and HOPE 2 Programs. In a letter dated May 27, the Secretary informed the subcommittee of his intention to phase out the HOPE 1 and the HOPE 2 Programs. He said and I quote,

> The 1993 Budget originally proposed a combination of planning grants and implementation grants but the Department now proposes to award implementation grants only in 1993. This change in the commitment of funds in 1993 is consistent with the Administration's proposal to reduce funding for the HOPE program in 1994. * * * This decision to reduce HOPE funding in 1994 was not made without careful consideration. This decision reflects a proposed redistribution of HUD budgetary resources to enable increased funding for higher priorities, including investing additional resources in rental assistance, public housing, community development and homeless assistance.

The Secretary goes on to say that:

> Moreover, the HOPE program and its underlying concept of converting public housing to homeownership does raise serious issues and concerns which are well known to your Committee.

Mr. Chairman, the committee's action is in line with the administration's position. In fact, the administration has proposed a $100 million rescission of HOPE funds as an offset in the 1993 supplemental appropriations bill. We should not be adding funds for the HOPE 1 and HOPE 2 Programs.

The number of public housing units in the country should not be reduced. There are literally hundreds of thousands of families on waiting lists for public housing in this country. Selling public housing units as would be done in the HOPE 1 Program reduces the number of families that could be assisted in the future. It makes little sense to reduce the number of public housing units that are available to provide assistance to low-income families.

Funds will still be available for the HOPE 1 and HOPE 2 Programs. There are large unobligated balances in the HOPE Program. A total of $472 million has been provided for HOPE 1 and HOPE 2 in the 1992 and 1993 appropriations bills. Of that amount, $105 million has been reserved. That leaves an unreserved balance in this program of $367 million. The proposed rescission of $250 million will leave $117 million available—$66 million in HOPE 1 and $51 million in HOPE 2. The point is all of the HOPE 1 and HOPE 2 funds are not being rescinded. Substantial sums of money will still be available. In addition, the bill also contains the requested $109 million appropriation for the HOPE Program in 1994.

Let me summarize why Members should vote against the amendment. HOPE 1 is a lower priority program. The administration is phasing it out. The sum of $117 million would still be available from the 1993 and 1992 appropriations for the HOPE 1 and HOPE 2 Programs. Finally, with the tremendous waiting lists to get into public housing, it makes no sense to be selling those units.

I urge Members to vote "no" on the Kolbe amendment.

□ 1750

Mr. CUNNINGHAM. Mr. Chairman, I rise in support of the Kolbe amendment.

Mr. Chairman, my first tour of this institution was in the 102d Congress in which Secretary Jack Kemp worked the HOPE Program. The reason that he wanted the HOPE Program to succeed was that it did not phase out HOPE. Public housing has failed. It has been a disaster. If we take a look at the concerns of phasing out public housing, absolutely yes, Mr. Chairman, I would phase out every piece of public housing and insert private ownership. Instead of empowering government to provide for the minorities and the people who cannot afford it, let us empower people with their own homes.

In my first term here, I went on a drug bust. In that drug bust there was an Hispanic San Diego police officer. We busted some druggers. The very house that he grew up in next door had drug sellers in it.

I asked him how he was able to succeed and not become one of those drug sellers?

And he said, "DUKE, I was able to do that first of all because my family had values. Second, we saved every penny and we were able to own our own home and create those values."

If you take someone who owns their own home and someone writes graffiti on it, they are going to keep that person from doing it. They do not do that in public housing. You end up with a drug seller next to you, and you are going to kick him out if you own your own home. That does not exist in public housing.

You want to reduce public housing units? Absolutely yes. Let us put it in the hands of the people.

The President said he wants to empower people. That is what the HOPE Program does. It does not do away with HOPE, like the chairman's objection to this amendment.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I appreciate the gentleman yielding to me. The points that he made I think are very valid ones.

I want to respond to one thing that the chairman of the subcommittee made when he said about taking these homes out of the stream not available for public housing.

We are not talking about mobile homes. These are homes that are not going anywhere. They remain in the inner-city communities and they remain with the resale restrictions on them.

The only difference is that the residents are the owners, instead of the low-income housing corporation, the public housing program of the city. It is the people who own them and that is what we ought to be trying to do.

Let me just point out. The gentleman said that the subcommittee's work is in keeping with where the President of the United States is. Let me just point out what the President of the United States said during the campaign in a speech at Georgetown University in 1991:

> We have to start indigenous economic development and housing strategies in these inner-city areas. There are all kinds of housing programs at work empowering people. I think the Congress made a mistake in not passing more of Jack Kemp's housing initiatives to do more for low-income working people, to give them the right to own their own homes and secure their own neighborhoods.

Finally, let me just mention the case study that I was talking about, the Abbottsford Homes, a 700-low rise housing development in Philadelphia, PA, that has been managed by residents since May 1991 in the community represented by my colleague, the gentleman from Pennsylvania [Mr. BLACKWELL], who is a cosponsor of this amendment.

Before resident management, the sites had estimated 3,000 residents lived within the public housing development described by the accounting firm of Cox and Associates as "one of the most deplorable ones in the country." Trash and debris filled the yards. Weeds and broken unpainted fences outlined grafitti-covered buildings.

However, and again quoting from the Cox accounting analysis, "since the inception of the TMC, residents began taking immediate control of their property."

Tenants mended fences, mowed the lawns, kept their yards litter-free, reduced over 70 percent of the grafitti and had the streets paved at no cost. Residents have been shown to be efficient managers of the site, lowering vacancy rates from 21 percent to 10 percent, increasing rent collections from 70 to 85 percent, implementing a screening process by current residents of prospective tenants to get at the problem that my colleague, the gentleman from California was talking about. These efforts have yielded over $800,000 in cost savings which are re-invested for rehabilitation and community services since taking control in May 1991, whereas the severely mismanaged Philadelphia Public Housing Authority, on the other hand, was taken over by HUD in 1992.

Mr. Chairman, I thank my colleague, the gentleman from California, for yielding to me.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I am happy to yield to my friend, the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, in response to the gentleman's statement that he just made referencing my earlier remarks, I am sure the gentleman would agree——

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. KOLBE, and by unanimous consent, Mr. CUNNINGHAM was allowed to proceed for 2 additional minutes.)

Mr. CUNNINGHAM. Mr. Chairman, I yield to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I think the gentleman agrees that every time you sell a public housing unit, you reduce our public housing stock by a unit.

Now, the fact is under the law you are required to replace every unit that is sold on a one-to-one basis. But most of the units are being replaced not by public housing stock because very few new homes are being built for people who live in public housing. What they are doing is replacing it out of section 8 stock. So consequently, we are taking away from existing stock for people who have to live in public housing.

□ 1800

But I think people ought to also understand that not a single person has a unit that they own yet and that we have spent millions of dollars.

There are 231 planning grants for 32,404 units and 18 implementation grants now encompassing 1,103 units.

So that we understand where this is, nobody yet has a house. All but three of these groups have received funding for replacement housing in the form of public housing development funding, section 8 assistance on CIAP funding. In addition to the three grantees that have not received replacement funding, three grantees applied only for a portion of their replacement housing needs and will have to apply for more replacement in upcoming NOFA rounds. Four of the grantees anticipate selling units within the next 6 months. Eight are to sell units within the next 2 years. The remaining six developments involve a larger number of units and will complete sales within the next 5 years.

We have already spent somewhere in the neighborhood of $31 million. There is no telling how much we are going to spend over the next 5 years—if the new administration went along with this program—yet nobody owns a unit.

Mr. BLACKWELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on last Thursday I was visited by a group of housing tenants from across the country, and they were very angry because a few weeks ago we removed money from the HOPE Program, and I observed to them the arguments that I heard regarding this program, and how it was a fraud, and how it did not help poor people, and they told me that it just is not true. They told me that this program helps them and, "Mr. Blackwell, if you will come around the country and visit some of our neighborhoods, you will see that we are being helped."

Mr. Chairman, I keep hearing this argument that the program is a bad program, but in all of this country all of the programs are bad because everywhere we go there is nothing but dilapidated housing for poor people.

So why are we concerned with this program? Anything, any money spent for poor people, is well spent because we do not spend enough.

So, I do not know where the expertise is when it comes to the HOPE Program.

Certainly I respect the chairman, the gentleman from Ohio [Mr. STOKES], and those who are against this program. But there is a lot of disrespect due to those people who allow these kinds of conditions to exist in the first place.

We are people living like animals throughout this country, in cesspools, worse than in Third World countries, and so any money that we spend is money well spent, and so I would suggest that we continue this program.

They tell me that 500 and some projects that are now being worked on, let us give them a chance. I understand that the program has not been given a chance to work. I know that we need housing for poor people. It does not matter to me how they pay for it.

In Israel for the Ethiopian Jews they are appropriating $110,000, giving them $85,000 while they give them the mortgage for the rest. So why not help poor people in this country?

I am sick and tried of seeing people suffer. I come from a poor neighborhood.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. BLACKWELL. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. BLACKWELL] for yielding to me.

Is this amendment one that reduces money for public housing?

Mr. BLACKWELL. Mr. Chairman, as I understand it, this is a program that will add an additional $10 million to money that we already have to continue the HOPE program. This is the way it was explained to me, and, if that is what it is, I believe that we should continue it.

Mr. CONYERS. Well, if the gentleman would yield to me to ask the distinguished chairman from Ohio a question, I would ask him, "Are you in agreement with the distinguished gentleman from Pennsylvania in the well?"

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. BLACKWELL. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, it is my understanding that the gentleman in the well is a cosponsor of the amendment offered by the gentleman from Arizona [Mr. KOLBE].

Mr. BLACKWELL. That is right.

Mr. STOKES. Mr. Chairman, I oppose the Kolbe-Blackwell amendment.

Mr. CONYERS. And that amendment adds money to public housing or detracts?

Mr. STOKES. No, that amendment puts $10 million more back into the HOPE I and HOPE II Programs.

Mr. CONYERS. I see, and my distinguished friend and chairman is opposed to that regretfully.

Mr. STOKES. I am opposed to the gentleman's amendment.

Mr. KOLBE. Mr. Chairman, will the gentleman yield very briefly?

Mr. BLACKWELL. I yield to the gentleman from Arizona.

Mr. KOLBE. Just very quickly, so we understand, so the gentleman from Michigan [Mr. CONYERS] understands, the $10 million comes from the research and technology account of policy, development and research in HUD. This is not public housing, so it really adds it into. It is additional money in public housing as opposed to having it in the research account.

Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. BLACKWELL] for having yielded to me.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. BLACKWELL. I yield to the gentleman from Missouri.

Mr. CLAY. Mr. Chairman, is the gentleman aware that for the last 9 years the government under Reagan and Bush did not build a single public housing unit, and now the gentleman is saying to me that he wants to sell these old, dilapidated housing units to people who are on welfare, people who are on food stamps, people who do not have jobs, people who cannot pay the rent hardly. He wants to now give them these old, dilapidated buildings some 30, 40, 50 years old.

I ask the gentleman, "Is that what you want to do?"

Mr. BLACKWELL. Mr. Chairman, I want to give them housing that we have rehabilitated. I want to give them decent housing.

The gentleman admits that they are dilapidated and they are living in those houses. I am saying that the tenant captains, 40 strong, came to my office last Thursday and said, "This is a good program. Give it a chance to work." I think we ought to do that.

Mr. WOLF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment to the VA/HUD appropriations bill. I still believe in a program called HOPE—the Homeownership and Opportunity for People Everywhere. I agree with the statements of a speaker at Georgetown University in 1991 who said,

> I think the Congress made a mistake in not passing more of Jack Kemp's housing initiatives to do more for low income working people, to give them the right to own their own homes and secure their own neighborhoods.

The speaker was Bill Clinton, the man from HOPE.

This program started by Jack Kemp, when he was Secretary of Housing and Urban Development, extends the American dream of owning your own home to low-income families and is a positive model of how Government can encourage and empower low-income individuals and families to take charge of their lives and work together in their communities to get out from under the oppression of Government dependency.

The HOPE Program signaled a fundamental change in Federal housing policy direction. It gave low-income families a personal stake in the well-being of their communities and an opportunity to escape welfare dependency. This marked a change from traditional Federal housing policies which favor subsidies to the housing industry over direct assistance to low income families. In short, this program moved to eliminate the middleman who profit from the low-income housing market and empower and encourage low-income families to take part in the American dream of owning your own home. Thus far it has helped over 50,000 families through over 570 local projects since its inception in 1992.

Home ownership and resident management encourages increased care and preventative maintenance because the residents themselves have a vested interest in their homes and communities. We know that home ownership and community development in turn increases citizen vigilance in protecting their communities from crime, drug abuse, and violence. Not only will mothers and fathers own their own homes; their neighborhoods would have the promise of being safer and more hopeful places to raise their children. Again, I say, let's keep this hope alive.

The funding currently in the budget doesn't even cover funding for projects already in the pipeline. This amendment represents a modest and reasonable increase to fulfill commitments we have already held out to thousands of low-income families. There are 456 current HOPE planning grants, representing 53,300 units, which will need implementation grants within the next 2 years. These communities have formed tenant management organizations, have arranged for State and local HOPE matching funds and are ready and waiting to use their own toil and sweat to revitalize their communities. The current funding would decimate the program to a funding level where less than 10 percent of the low-income participants presently in the program would receive the necessary funding to complete their home ownership conversions and we will have wasted funding already extended for planning grants, that essentially will have gone to raising and then dashing the hopes of thousands of low-income individuals. We should not be shutting the door of opportunity for those who have placed their hopes in previous commitments made by this body.

Is it any wonder our inner cities suffer from turmoil and a sense of despair and hopelessness when we refuse to follow through on policies such as the HOPE Program that provide a way out? This body should not dash the hopes of thousands of hard working low-income individuals ready and willing to work for their share of the American dream. HOPE supporters come from both sides of the aisle—it was originally established in 1991 as a bipartisan effort by Congressman JIM KOLBE and then Congressman Mike Espy. If this body still believes in a place called HOPE I would urge my colleagues to support this transfer of funding back into the HOPE home ownership program. Mr. Chairman, I include for the RECORD the following information:

According to the HUD Program Office for the HOPE I program, 34,056 units (homes) are already in the pipeline (i.e., they have already received planning grants).

If the FY 1993 funding (which includes a 1992 carry-over) is not touched, HUD can only fund 29% (of the 34,056 units).

With the rescission of $164.5 million, HUD can only fund about 5,000 units or about 13%.

The above information makes clear that this rescission will in fact renege on commitments made to people preparing in good faith to receive their implementation grant funding.

This is unfair and erodes what little faith remains in federal government promises.

Mr. CLAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Arizona [Mr. KOLBE].

Mr. Chairman, let me say that the concept for selling housing to the poorest in our society was conceived as an attempt to divert the real intentions of the Reagan-Bush administrations and to relieve the Government of the responsibility of taking care of these housing projects.

Here we are, the Federal Government, with all of the massive resources that we have, and we cannot keep these projects in repair. We cannot keep the electricity on, we cannot keep the water running, we cannot keep the roofs repaired, and we talk about selling these units to the poorest people that we have.

Mr. Chairman, it is a scam, it is a fraud, it is a disgrace really. We should stop this talk about home ownership. There will never be any real home ownership under this provision of law or the proposal that is being advanced today. We are talking about co-ops. We are talking about 10,000 people living in one single unit, buying the unit, and then 50 percent of those units are vacant now. So, that leaves the 50 percent of the people that we will sell the units to for $1, perhaps paying the co-op fees for all of these kinds of problems that exists.

In my district now we have the famous Carr Square Village that this administration, the past administration, has in the pipeline $36 million to remodel it, over a hundred thousand dollars a unit, destroyed 274 units, and then give it to people who are poor and say, It's yours. Now you keep it up.

Tell me how they are going to keep it up.

□ 1810

First of all, if we got over $100,000 per unit, we ought to build two units for poor people and let them own it. We ought to give them the FHA houses we reclaimed, void units. We should not be selling these massive inhumane structures that we have. Let me say to Members that this is a scheme and a scam.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. CLAY. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I thank my friend and brother from Missouri for yielding to me. Is it not correct that HOPE I and II will be eliminated under the plan of the committee that has brought this appropriation to the floor, but HOPE III through VI will continue to exist?

Mr. CLAY. Mr. Chairman, reclaiming my time, HOPE III through VI will continue to exist. I think there is some money in the pipeline for HOPE I and II, and I do not know if the committee bill would totally stop all of that. But the new Secretary of HUD is opposed to converting these units at $120,000 or $130,000 per unit and then selling them to the poorest people in society.

Mr. CONYERS. Mr. Chairman, I thank the gentleman for his explanation, and I support his position entirely.

Mr. CLAY. Mr. Chairman, I believe it is incomprehensible to think that those who can barely afford food, clothing, medical care, transportation, and other basic necessities, can afford the expenses of home ownership, and I ask my colleagues to reject this amendment.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. CLAY. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I just wanted to say to the gentleman from Missouri [Mr. CLAY] that he has, I think, expressed the type of sentiment that needs to be expressed here.

Mr. Chairman, I happen to be the product of public housing. My brother Carl and I grew up in public housing in Cleveland, OH. We grew up in a family with a widowed mother who was a domestic, who made $8 a day and car fare. She was also on public welfare because she could not raise two boys and be able to give them decent housing, being a domestic worker and being on public assistance.

But my mother, in her wildest dreams, hoped she would be able to educate her boys and some day they would be able to be somebody. But she also did not want to spend the rest of her life and the boys' lives living in public housing. She aspired for something better.

People in public housing are the poorest of the poor. They are the people, all of whom basically are dependent upon welfare, who are untrained, who are uneducated. No one aspires to buy a home in that setting. One aspires to do what my mother did, and that is move out to the part of town where her boys had a backyard and front lawn and where they had a decent environment in which to live.

That is what we want for these people, and that is where the gentleman is right when he says this is a total scam.

Mr. WELDON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in strong support of the Kolbe amendment to restore $10 million in funds for the HOPE Program and to support the comments of my colleague, the gentleman from Pennsylvania [Mr. BLACKWELL].

We have had our battles on this floor over this program. Those of us who support HOPE believe that low-income Americans deserve the chance to own their own homes, just like rich people and middle-clsss people. Legislators from both sides of the aisle, from Jack Kemp to Mike Espy, reached common ground on this issue.

As a matter of fact, during the last Presidential campaign, it was then-candidate Bill Clinton who stopped in Detroit at a HOPE Program, and there he said that if elected, he would seek to expand tenant management and tenant ownership. He even tapped Mike Espy to write those proposals into the Democratic platform, where they have remained until this day.

So we went forward with the program, and tenant groups all across the country lined up to participate in HOPE. As a matter of fact, this past January we had almost 300 of them at a national conference on HOPE and empowerment issues right here in Washington.

All told, more than 450 groups received HOPE planning grants during the last 2 years. More than 52,000 public housing residents have taken the first steps on the road to home ownership. Every one of these groups will need implementation grant funding within the next 2 years—and that is exactly the funding that was rescinded from the HOPE account, and a number of those proposals are in Pennsylvania.

Some would argue that its not worth doing the rehabilitation work on these units, that the people do not have the money to maintain their homes. I would say to those who make these claims: why not let the people have a chance?

Ethel Wise, who heads a tenants association of the 536 units Martin Luther King, Jr. Public Housing Project in south Philadelphia, has put it best. She said, "Poor people do not always unnecessarily want more money from the Government. They want to decide how the money is spent."

That is what this program is all about, and that is why Ethel Wise was a major applicant for this funding under this program.

These people like Ethel Wise, have put themselves on the line for the HOPE Program. They have started tenant management groups, they have arranged matching funds with the State and local government and the public housing authority, they have surveyed their units to see which are eligible for conversion to home ownership. In many cases, they have started neighborhood watch patrols, and began volunteer summer programs for kids. In short, they have kept their part of the bargain. They want what all of us want—a chance to own their own home.

Now Secretary Cisneros has said that he supports part of the HOPE Program which deals with single family homes, the so-called HOPE III. I for one want to work with the Secretary. I would like to support increased funds for HOPE III. I want to support the priorities of this Secretary of HUD.

But we cannot abandon those low-income Americans who live in multiunit public housing complexes who are waiting for the next phase of this funding, and that is what this amendment is all about. All of them would rather be in single family homes, of course, but that is not reality. The reality of inner-city life is that people live in huge complexes, not neat little row homes. If these people want to own their own homes, we should give them a chance.

If you vote against this amendment, you are voting to turn your back on these people. These people, 52,000 of them, took this Congress at its word. We offered them a chance, and they took it. Now we are in the process of pulling the rug out from under them. Eight projects in the Philadelphia area alone we are going to pull the rug out from under.

Remember this: unless we support this amendment, only 5,000 families will be able to complete the HOPE Program and actually own their own homes. We owe it to them to continue the funding that this past administration and our friend and colleague Mike Espy fought so hard to secure funding for in this body.

I say, let us stand with these people who have worked so hard to realize the American dream. Support those people who need us the most, who came down to Washington to lobby for the continued funding for this program. Do the right thing. Support the Kolbe amendment.

As our former colleague and friend Mike Espy has said repeatedly in discussions on the merits of this program on the floor of this House, "Owning your own home is not a Republican idea; it is an American idea."

Mike Espy fought for this program, and we should continue the funding for those people relying on the funds for the next phase of the HOPE Program.

Mr. ANDREWS of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in great respect for the work of the committee, but I rise in strong support for the Kolbe amendment. I do not know every HOPE project in America, and I certainly do not know that every HOPE project in America will succeed. But I sure do know the record of failure of the status quo.

Representing the city of Camden, NJ, I sure do know there are children tonight living in conditions that we would not place our pets. I sure do know that billions after billions after billions of dollars have been pumped into those housing projects over the years, and that so much of that money has added that new position, furnished the office of that housing authority, found a new seminar, a new memo to write, and has not improved the quality of life for too many people in too many places across this country.

We have had a tired, empty, meaningless debate in this country about public housing, as those people have sat in squalor. We have had some people who have argued that government should do nothing. Frankly, left to their own devices, that is what most of the people in the Reagan and Bush administrations would have done, and they should be criticized.

Then we have had people who have said government must and can do everything. And they are wrong when they say that, because there is a track record of failure that says they are wrong.

Instead of arguing about how much more or how much less government should do, why do we not give an idea a chance, give an idea a chance that says let's see how much more people can do for themselves?

I do not know whether every one of these projects will succeed, but I do know this: if people have the determination and the initiative to form corporations and organizations and organize, if they have the wherewithal to do community policing and neighborhood watches, if they will fill out the forms and sit through the meetings and wade through the redtape, we owe them a chance.

☐ 1820

The burden of proof is not on those who would contest the right to try a new idea. The burden of proof is on those who would defend the failed status quo that so many Americans are living in tonight.

We do not know that HOPE will work, but we do know that initiative started by people, whether they are black, brown, red, yellow or white, rich or poor, rural or urban, we know that initiative can work. And people should be given a chance to make it work.

I urge my colleagues to vote for the Kolbe amendment, not because it is a sure thing, but doing nothing is a sure thing.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New Jersey. I yield to the gentleman from Indiana.

Mr. ROEMER. Mr. Chairman, I rise to ask the gentleman a question. I am sure he is very aware that it is sad that our body is discussing two different programs to try to help poor people that need help in this country, and our housing needs help in this country, when, in fact, we are discussing a paucity of funds because the space station has taken money in a rescission from this particular program.

I just want to point that out to this body.

Mr. ANDREWS of New Jersey. Reclaiming my time, I would be happy to point out that the funding for this program comes from research and development accounts in the amount of $10 million that, frankly, is not impacted. But I respect the gentleman's effort to work on the space station, with which I respectfully disagree.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New Jersey. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, may I point out to the gentleman, because I agree with his general discussion, it is time we do something. But is the gentleman aware of the fact that programs three through six are still left. We are talking about some fine-tuning here. We are talking about eliminating or cutting back programs one and two. So it is not those who are for this program or against it. The vote is on, do we want to fine-tune it in the manner that has been recommended by the appropriations subcommittee or not?

Mr. ANDREWS of New Jersey. Reclaiming my time, I think we are sending a clear and unmistakable signal to people who organize under HOPE that they have no hope of going forward based on the rescission that this House did several weeks ago and based upon this bill, as it now stands.

I would respectfully disagree and ask that my colleagues strongly support the Kolbe amendment.

Mr. KNOLLENBERG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Kolbe-Blackwell amendment.

During the campaign, President Clinton, as has been pointed out, indicated his support for home ownership for the poor. He, in fact, as has also been pointed out, visited a HOPE project and expressed his desire to continue this privatization effort.

In addition, as has already been pointed out, Agricultural Secretary Mike Espy, our former colleague, was a leader in pushing HOPE through Congress, as has been previously mentioned.

During the last 3 years 34,000 families have been told by our Government that they will have an opportunity to buy their units through the HOPE Program. These families have received planning grants and are awaiting implementation grants.

Does HUD have sufficient funds to follow through on the commitments made to these families? It apparently appears they do not.

It is estimated that if all the funds currently appropriated for HOPE were made available, only 13 percent of the 34,000 units in the pipeline would be privatized.

I believe that there is a concerted effort to kill HOPE and to deny 34,000 families the chance of home ownership. This is the latest example of our Government pulling the rug out from under those who are trying to rise above their poverty level and live the American dream.

Let's take a look at how this program is being slowly killed. The administration budget requested an appropriation of only $109 million for HOPE in 1994. This is $774 million less than previously authorized.

Even this $109 million is cut back by an additional $10 million by H.R. 2517. That is an item currently on today's suspension calendar. This $10 million is to be used to help fund a $150 million innovative homeless program. Numerous questions have been raised about the appropriateness of setting aside this much money in an unallocated fund.

All of these cutbacks follow a $165 million rescission of HOPE funds made earlier this year. This money is not being saved, it is just being spent on other programs, and some of these programs are not even in the HUD budget and will do nothing to help house the poor.

It seems to me that too many people have a vested interest in seeing the HOPE Program killed. Too many people have built up political capital on the politics of dependence.

To that I respond by quoting Agriculture Secretary Mike Espy: "Owning your home is not a Republican idea, it is not a Democratic idea, it is an American idea."

Mr. SCHUMER. Mr. Chairman, I move to strike the requisite number of words.

I would just like to make two points. The first just backs up what the gentleman from Indiana [Mr. ROEMER] said. We are sitting here fighting over a little bit of money for this program rather than that program. The HUD Secretary's research grant is important too, because I agree with some of the comments from the gentleman from the other side. We do not know what works in housing.

But we are fighting over the crumbs and, if not for the space station, we would not be.

A $55 million rescission, all the money from HOPE was taken out to pay for the space station. I would remind my colleagues in the debate that is going to follow that we will continue to be fighting over crumbs.

I dare say, the vast majority of speakers who got up and said "Let us take HOPE and only $10 million of it" are going to vote for the space station.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from California.

Mr. CUNNINGHAM. Mr. Chairman, the gentleman is talking about $57 million for space station that creates jobs. In the President's stimulus package was $197 million for the study of religion in Sicily. How does that equate? We are talking about a HOPE Program where people can own their own home.

Mr. SCHUMER. Reclaiming my time, what I would say to the gentleman from California is very simply, this is in the VA, HUD, independent agencies budget. The rescission the gentleman talked about, whatever program he talked about, there are lots of wasteful programs in the Government. But it so happens, if my colleagues will look at the rescission, to fund the space station, line 14, HOPE rescission, minus $55 million.

I would remind my colleagues, we cannot have it both ways. We cannot have enough money for housing and enough money for veterans and enough money for other science in NASA and the space station. The space station gobbles up everything.

☐ 1830

The reason we have been debating where to spend these crumbs, whether it be for housing or veterans or environment, is because this huge monster, the space station, is putting us in this position. I would like to see the $55 million come out of the space station. I would vote for that in a minute.

The second point I would make is this. Last year in the Housing Committee we crafted a compromise and it recognized that HOPE had a place in HOME and other new programs. I was on the floor saying we do not really know what works. That is true. We ought to be trying other things. The problem is, the way the HOPE Program is structured, it is so expensive that it costs more to give people the home ownership without making sure all their costs are covered.

Kimmy Gray was held up by Secretary Jack Kemp. If we totaled the subsidies in her project, do we know what they came to in every unit? They come to $136,000, more than any other housing program we know of, including building new public housing, which is something that I feel does not work.

Let us be realistic, here. The reason the poor do not have housing is, it is expensive to build a home, and they do not have much money. We can change the form of home ownership, and that may indeed preserve housing longer after it is built. I agree with that, and I am willing to try home ownership in certain instances.

I would say to the gentleman that the way the HOPE Program is structured, the costs are so enormous that it really is sort of a sham. Home ownership is not, HOPE is. We had a program called Nehemiah, which aimed at slightly higher than the lowest income people, that only cost the Federal Government, it cost the Federal Government a quarter of what HOPE cost. It was zeroed out.

What I would say to the folks over there is, one, remember the space station when they cast this vote; two, the cost of HOPE is so high that the only way to make it work, we are going to spend more per unit than on just about any other housing program. That is no way to run an airline.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding to me.

Very quickly, I believe, on the second point, the cost of the subsidy that the gentleman referred to, if he looks at it, he will find it is actually a fairly inexpensive subsidy when he looks at the long-term costs of subsidizing somebody for a lifetime in public housing.

The CHAIRMAN. The time of the gentleman from New York [Mr. SCHUMER] has expired.

(On request of Mr. KOLBE and by unanimous consent, Mr. SCHUMER was allowed to proceed for 1 additional minute.)

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, the second point, and I understand exactly what the gentleman is talking about on the space station, and I raised this question on the full committee, and I appreciate the gentleman's remarks, as the gentleman knows, the way debate is structured here on the floor, it is not possible to go into that. We are here trying to deal with the HUD account and put the money back into HOPE. It is a very small, symbolic amount. The issue here is home ownership.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I am happy to yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, may I commend the gentleman on his impeccable logic, but I did not hear him say that he was against the amendment.

Mr. SCHUMER. Mr. Chairman, I would state that I am against the amendment. If I could make the gentleman feel that good that easily all the time, I would be a happy man.

Mr. GILCHREST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Kolbe-Blackwell amendment. I would like to make a comment to the gentleman from New York [Mr. SCHUMER].

We may be debating crumbs here, and certainly we are when we are talking about a $1.5 trillion budget or billions of dollars for the space station, and $10 million to be put into the HOPE Program. Then $10 million does seem to be like crumbs, but I do not view this debate as debating crumbs at this point on the topic of this particular debate. I view this debate as moving in a particular direction.

Mr. Chairman, whether it is crumbs or whether it is big money, this is a philosophical debate about human dignity and the priceless thing that people can acquire through home ownership. Mr. Chairman, I do rise in support of the Kolbe-Blackwell amendment to cut those few dollars, even though it is only $10 million to go from the HUD policy development and research account to be transferred into the HOPE Program. I think this debate is very, very important. The HOPE Program, created in 1990, provides grants for home ownership opportunities to low-income people.

Mr. Chairman, we have debated that, we have debated the numbers, but what I want to do right now is to challenge each Member of Congress, and I challenge them to go back to their districts and check out each municipality's housing authority, housing commission, executive directors, and see how they spend every dime of HUD money. Some of those public housing units spend the money wisely and uncompassionately, and some of those commissions do not. Those are the ones we want to check out. That is where the money is wasted.

Public housing is useful, but in many public housing facilities the money is wasted. We need to become here and now as sophisticated as our constituents are becoming. They no longer want to be kept locked in this cycle of hopelessness. People are pleading with us for the opportunity to purchase a home. We should not be an impediment to opportunity. We should help facilitate.

Yes, some of the HOPE money, it was a little more expensive for each unit than we would like. But let us accept our responsibility and fine tune those things. We should not act as if only we know best as far as home ownership is concerned. We should act to facilitate people who want to take the chance, who want the opportunity. Let us let them make that decision.

The money takes nothing away from public housing. It instead offers greater opportunity to provide safe, clean houses for more people. Giving someone dignity is a priceless gift that should be taken seriously by this House. Home ownership can give people dignity.

We have heard in this house the argument, if the roof leaks, who will fix it? Consider this, I would say to my colleagues. The mystery of human initiative most often reveals itself under the circumstances where responsibility and dignity are present. The roof will be fixed. Public housing will not be impacted. People can transition themselves from public housing to home ownership, where they can purchase a rental home from an absentee landlord to raise their family and have the children grow up with a sense of pride and a sense of dignity.

I think this is a philosophical discussion on this floor at this time that needs to be heard.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. GILCHREST. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, let me just say, I would just make two points. When the gentleman talks on the broad tableau of human dignity, I agree with the gentleman. I am sympathetic to him. The problem is, this whole program has been poorly thought out and poorly constructed, and ends up being very expensive. There are other ways to get to home ownership. By taking the $10 million out of research and putting it into this program, which really does not work, I think it is a misallocation of resources.

Mr. GILCHREST. Mr. Chairman, reclaiming my time, I understand that, and it is our responsibility to find tune it. The Empowerment Network Update, June 9, 1993, a $52,000 average per unit replacement cost.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

(On request of Mr. SCHUMER and by unanimous consent, Mr. GILCHREST was allowed to proceed for 30 additional seconds.)

Mr. SCHUMER. Mr. Chairman, will the gentleman continue to yield?

Mr. GILCHREST. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, that is $52,000, I believe for the cost of the HOPE Program, but then there is public housing, modernization money, and all sorts of other money that go into that.

Mr. GILCHREST. Mr. Chairman, reclaiming my time, this is low-income housing by absentee landlords that can be purchased by the Federal Government in order to put people into housing that they can call their own.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. GILCHREST. I am glad to yield to the gentleman from Missouri.

Mr. CLAY. Mr. Chairman, I would ask, does the gentleman know what the median income of people in public housing is?

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

(On request of Mr. CLAY, and by unanimous consent, Mr. GILCHREST was allowed to proceed for 30 additional seconds.)

Mr. GILCHREST. Mr. Chairman, yes, I do. I will make a comment. I have as a goal as a Member of Congress to visit every single public housing project in my district. I have visited public housing projects that are abysmal, and ones that were not, and I know the median income is very, very, very low.

Mr. CLAY. If the gentleman will further yield, he asked the question, who is going to repair the roof. The median income of people in public housing is $6,000 a year. Who is going to repair the roof, I would ask the gentleman?

Mr. GILCHREST. Mr. Chairman, reclaiming my time, I did not ask that question, someone on the House floor in the last debate asked that question.

I will say, human initiative is a mysterious thing, and if we give someone the opportunity to repair that house, they will be creative enough with themselves and their neighbors and their families to get that house repaired, to make sure the house does get repaired.

Mr. ABERCROMBIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I speak in favor of the amendment of the gentleman from Pennsylvania [Mr. BLACKWELL] and the gentleman from Arizona [Mr. KOLBE]. I speak as someone who has voted against this in the past, but I also speak as someone who has had the opportunity, if one can call it that, to live in the District of Columbia. I admire the people in the District of Columbia. My wife has been tutoring children and I have been working with children from Tyler School.

I just want to tell the Members, some of them do not live in the District. I have come 5,000 miles to be here in the Congress of the United States. We decided if we were going to come all that distance, we wanted to be a part of the community here in the District.

□ 1840

It may be people will say to me well, you are personalizing this. Well I do personalize. I personalize being here in the Congress. We are 435 individuals here. We all have our own agendas, and we all feel very passionately and strongly about the things that we care about.

And I hope that I am a big enough person, and I hope that I understand enough about my duties and responsibilities here to understand that if I made a vote one way before because I was persuaded of that, that I could be persuaded again if the circumstances warranted it.

I have great respect for the gentleman from Pennsylvania [Mr. BLACKWELL] and I have great respect for the gentleman from Arizona [Mr.

KOLBE]. And I think in this particular instance we have passed a program. It came out of a Republican administration that I have opposed on virtually every level. But I am not about to revert to a simple ideological bent and stand on a foundation which says that I am going to take away from people the opportunity to do for themselves if they wish to do it.

I ask you, Members of Congress, just go with me no more than six blocks from this building right now, tonight. We can walk there in 6 or 7 minutes. I will show you the Ellen Wilson housing that is closed down while people are sleeping on grates in front of the monuments to Lincoln and Washington and to the history of this country. It is closed down, boarded up, bricked up. People cannot live in it.

Come up to the Potomac Gardens where the kids that go to Tyler School right here in the Nation's Capital live, and each of you can duplicate it in each of your districts. Let those people have a chance. They have got bars around their houses. They have to have passes. They are not Members of Congress, and they are not wearing that little pass around their neck. That is to keep little children from being attacked, what one little girl in the projects calls the bad mens. Her mom cannot let her out on the street because of the bad mens, the dope dealers, and the thieves that are stealing the lives away from these children.

Now, I will tell you that this is a lousy—gee, I am falling into the rhetoric myself, peanuts, crumbs—a lousy little program, $100 million. This is scarcely anything. Give them a chance. It is $10 million for research. What the hell kind of research do you do to know that public housing has turned people into hopelessness? Take that $10 million, take the whole $85 million if you want. We have already reduced it, by the way. We could all feel good about that. So you can make this vote.

Just look at the rest of it in the HOME Program, $1.3 billion, the assisted housing program $9.2 billion, public housing projects $2.6 billion, $100 million more than requested. If you just took what we are going to do for public housing projects in this bill, and I do not dispute what the chairman is doing and I respect it. He and his subcommittee are coming up against one of the most difficult problems in this country, trying to make people understand that we need to invest in our inner cities, and invest in the people or we are going to have a whole generation of sociopaths out there who have no connection, who have no fidelity to a sense of community because they have never had the chance to develop it. And we can see it going on right here within 10 blocks of the Capitol.

It is immoral; it is a sin against our society to have a little girl that does not know what a cherry blossom is because she has never seen one and she lives 10 blocks from it. That is the kind of destruction that we are committing.

I do not know if this is the answer. I do not say that it is the answer, and I expect Mr. KOLBE and Mr. BLACKWELL do not say that it is the answer. But it is an answer, and anything that we can do in this Congress to advance the opportunities for the average man and woman in this society to make a better life for herself and himself and their children, then I think we should do it. At least give them the chance.

We are giving billions to all of the other programs. Let us let this little, almost symbolic, gesture take place today. Let us vote this $10 million. Let us give people the opportunity to bring true meaning to their lives.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the principle embodied in the Kolbe amendment, and I commend the gentleman for his very passionate appeal.

My remarks are not intended as any kind of judgment on the leadership of the distinguished gentleman from Ohio [Mr. STOKES] because he is a very able Member of this Congress. I speak to the principle of home ownership, and I do so by making reference to a project in my own city.

Like all of you, I go to these housing projects. From time to time we find that they are seriously flawed in their operation. I know of one project in my district. It has been riddled with drugs, with lawlessness, with violence. It is a problem for the city. The people of that project are literally housed within a perimeter that is not a prison, but they are inside the wall, so to speak, and they have a hard time getting out.

We need to advance the principle of home ownership. I am not sure that this amendment will solve the problem, but we ought to work toward that goal. I view it as a means of trying to save the community.

I am going to be making an appeal to HUD, and I am going to try to show that if we have a certain project and we can put homes around the perimeter of it, we can feather out into the neighborhood and stop the business of having a chasm or a bridge immediately at that project itself. That is a good objective.

I have had experts in public policy from the LBJ School of Public Affairs who feel very deeply that we must improve public housing, and we have to find some way for home ownership to advance that improvement. My city is seriously looking at the possibility of moving some houses to the perimeter of that housing unit. I am hoping when we close Bergstrom Air Force Base we can move some of those homes over. We are willing to consider buying some of those homes to put them around the housing unit so that it goes out into the community.

Communities that have public housing, as I have in my city, and my city of Austin, TX was one of the first to establish it when LBJ was President, have nurtured them, and tried to improve them. They have done so, but there is never enough money to satisfy all of the needs of a public housing project. They are always going to be bothered about water, or screens, or doors, or all kinds of problems. And I do not know that we can say realistically that somebody who lives in public housing has got enough money to buy a home. But I think my city and your city, if the Federal Government and other agencies will help us, can find how to get some new, remodeled homes sufficiently low enough in price that people can buy them. At least there is a chance, there is a hope to break out of this bondage, so to speak, and save the community.

For that reason I think the principle is sound. I do not speak to the details or the merits of this proposal, but I think it is an objective that we ought to work toward, to try to give people who live in public housing a chance there or elsewhere to buy a home in that neighborhood and become productive citizens.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Missouri.

Mr. CLAY. I thank my friend for yielding.

What the gentleman said is that we ought to be able to find a way to build some homes. That is the problem. They are not talking about building new homes, they are talking about selling these old homes to people who do not have income.

Most of the people who live in public housing are children, No. 1. Second, most of them are on some kind of relief or welfare.

Third, what you are doing with hundreds of thousands of people who are on waiting lists to go into public housing, is that now you are talking about taking these units out of public housing and not replacing them. The law calls for a one-for-one replacement if you take a unit out. But the people who want to promote this want to relieve the law or relieve that responsibility of replacement of one-for-one. So what you are doing is decreasing the number of public housing units.

Mr. PICKLE. In my city of Austin, TX, we are willing to put research and money and funding to help find a way to construct or remodel a home and move it into the neighborhood.

We have got to work toward appealing to the neighborhood to accept it. There is such a sharp division of residents outside of a housing unit and inside that we have to appeal to them to give us a chance for home ownership. And I think it is terribly important that we work toward that objective and vote for the possibility of home ownership.

Mr. LAZIO. Mr. Chairman, I rise in support of the amendment offered by my good friend, the gentleman from Arizona.

The HOPE Program marks a turning point in American politics. Instead of giving handouts, HOPE gives a helping hand. This is a central tenet of being a new Democrat and this program deserves the support of both sides of the aisle. It is a program that rectifies some of the problems that have plagued public housing for decades.

It is no great secret that people, no matter what their background, give greater care and attention to property they own. The problem with public housing is the lack of a property interest. HOPE changes that.

HOPE is a program that deserves our support. It serves people who need our help. HOPE gets people out of public housing, into private ownership, and on their way to fulfilling the American Dream. It helps working people not only to obtain a home, but an equity interest in our society as well.

Mr. MOLLOHAN. Mr. Chairman, I rise in opposition to this amendment to restore funding for hope.

Simply stated, the HOPE Program will not work. Ideally, it would be wonderful if all the people in this country who currently live in public housing could own their own homes or apartments. Realistically—at least at this point in time—that goal is neither feasible nor reasonable.

I believe we should work toward home ownership and empowerment whenever possible, but I do not believe we should sell public housing units to people who will be financially unable to deal with the responsibilities that accompany ownership. We should not sell units to people who will end up saddled in debt when they can't make their mortgage payments, or even pay for the simple upkeep of their new homes.

Additionally, the importance of maintaining our existing available housing stock is something which should not be overlooked in this debate. We cannot afford to sell public housing units which we, as a society, will not be able to replace, and that we cannot be assured will be kept up to certain specifications.

In conclusion, I believe we should advocate home ownership for all as an ultimate goal for our society. I do not, however, believe we are ready to implement that ideal in the form of a program under HUD. I again ask my colleagues to vote no on this amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, while I understand the interest that this amendment has generated, I am still unclear of its significance. It is my understanding that the Secretary of Housing and Urban Development did not request the funding that would be added by the amendment offered by the gentleman from Arizona. This fact causes me to wonder whether if we approve of this amendment, the funds appropriated will be spent.

I raise this question because $250 million in HOPE funding was previously appropriated for fiscal year 1992 and fiscal year 1993. Of this amount, $45 million was not spent in fiscal year 1992 and a whopping $205 million for fiscal year 1993 has not either. That fact certainly brings into question the need for an increase in funding. Further, it is my understanding that HOPE Programs III through VI are continued in H.R. 2491; $58 million for public housing homeownership, $12 million for homeownership in multifamily buildings, and $40 million for single-family homes. I, of course, will vote for this appropriation.

Mr. KOLBE's amendment is mischievous at best. He knows the administration does not support it and has not requested additional funding.

I would be more inclined to support the suggestion of Mr. CLAY: that we make the many homes owned by the Department of Housing and Urban Affairs available at a reasonable cost to the families and individuals who need decent housing.

Mr. Chairman, in this time when resources are so limited we must be careful that every dollar that we appropriate is spent wisely. While I understand and empathize with every American who wants to attain the American dream of homeownership, this amendment will not accomplish that worthy purpose. Therefore, I will vote against Kolbe, but I will vote in favor of the appropriations in H.R. 2491 for the HOPE Program.

☐ 1850

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. KOLBE].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. STOKES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 214, noes 199, not voting 26, as follows:

[Roll No. 280]

AYES—214

Abercrombie
Allard
Andrews (NJ)
Andrews (TX)
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonilla
Borski
Bunning
Burton
Buyer
Byrne
Calvert
Camp
Canady
Castle
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Cox
Crane
Crapo
Cunningham
de la Garza
de Lugo (VI)
DeFazio
DeLay
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (AZ)
English (OK)
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Fish
Foglietta
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Herger
Hinchey
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Jefferson
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lambert
Lancaster
Laughlin
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McKeon
McKinney
Menendez
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Moorhead
Moran
Morella
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Paxon
Payne (VA)
Penny
Petri
Pickle
Pombo
Porter
Portman
Pryce (OH)
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Santorum
Saxton
Schaefer
Schenk
Schiff
Schroeder
Scott
Sensenbrenner
Shaw
Shays
Shuster
Sisisky
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Tucker
Upton
Vucanovich
Walker
Walsh
Washington
Weldon
Wolf
Zeliff
Zimmer

NOES—199

Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Barca
Barcia
Barrett (WI)
Beilenson
Bevill
Bishop
Bonior
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Cantwell
Cardin
Carr
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Costello
Coyne
Cramer
Danner
Darden
Deal
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Durbin
Edwards (CA)
Engel
Eshoo
Evans
Farr
Fazio
Filner
Fingerhut
Flake
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hamilton
Hastings
Hefner
Hilliard
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lantos
Lehman
Levin
Lewis (GA)
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McInnis
McNulty
Meek
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Owens
Parker
Pastor
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Quillen
Rahall
Rangel
Reed
Reynolds
Roemer
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sarpalius
Sawyer
Schumer
Serrano
Sharp
Shepherd
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tejeda
Thompson
Thornton

Thurman
Torres
Torricelli
Towns
Traficant
Underwood (GU)
Valentine
Velazquez
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)

NOT VOTING—26

Becerra
Berman
Blute
Callahan
Chapman
Coppersmith
Diaz-Balart
Faleomavaega (AS)
Ford (TN)
Gingrich
Hamburg
Henry
Istook
LaRocco
McMillan
Meehan
Mfume
Payne (NJ)
Richardson
Romero-Barcelo (PR)
Sangmeister
Skeen
Sundquist
Unsoeld
Vento
Young (FL)

□ 1907

The Clerk announced the following pairs:

On this vote:

Mr. Mfume for, with Mr. Sangmeister against.

Mr. Skeen for, with Mr. Vento against.

Mr. SHARP changed his vote from "aye" to "no."

Mr. TUCKER, Ms. LAMBERT, and Mr. MINGE changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III

INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries; $19,961,000, to remain available until expended: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as Secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it: *Provided further*, That section 509 of the general provisions carried in title V of this Act shall not apply to the funds provided under this heading: *Provided further*, That not more than $125,000 of the private contributions to the Korean War Memorial Fund may be used for administrative support of the Korean War Veterans Memorial Advisory Board including travel by members of the board authorized by the Commission, travel allowances to conform to those provided by Federal travel regulations.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

For necessary expenses in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act Amendments of 1990, including hire of passenger vehicles, and for services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376, $5,000,000.

COMMISSION ON NATIONAL AND COMMUNITY SERVICE

SALARIES AND EXPENSES

For necessary salaries and expenses of the Commission on National and Community Service under subtitle G of title I of the National and Community Service Act of 1990 (Public Law 101-610), $2,519,000.

PROGRAMS AND ACTIVITIES

For use in carrying out the programs, activities and initiatives under subtitles B through G of title I of the National and Community Service Act of 1990 (Public Law 101-610), $105,000,000.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $42,286,000.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Veterans Appeals as authorized by 38 U.S.C. sections 7251–7292, $9,040,000, to be available without regard to section 509 of this Act, of which not to exceed $790,000, to remain available until September 30, 1995, shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth under this head in Public Law 102-229.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, and not to exceed $1,000 for official reception and representation expenses; $12,738,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY

RESEARCH AND DEVELOPMENT

For research and development activities, including procurement of laboratory equipment and supplies; other operating expenses in support of research and development; and construction, alteration, repair, rehabilitation and renovation of facilities, not to exceed $75,000 per project; $353,565,000, to remain available until September 30, 1995: *Provided*, That not more than $10,200,000 of these funds shall be available for operating expenses in support of research and development.

ABATEMENT, CONTROL, AND COMPLIANCE

For abatement, control, and compliance activities, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; and not to exceed $6,000 for official reception and representation expenses; $1,367,535,000, to remain available until September 30, 1995: *Provided*, That not more than $283,000,000 of these funds shall be available for operating expenses: *Provided further*, That none of the funds appropriated under this head shall be available to the National Oceanic and Atmospheric Administration pursuant to section 118(h)(3) of the Federal Water Pollution Control Act, as amended: *Provided further*, That none of these funds may be expended for purposes of resource conservation and recovery panels established under section 2003 of the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6913), or for support to State, regional, local, and interstate agencies in accordance with subtitle D of the Solid Waste Disposal Act, as amended, other than section 4008(a)(2) or 4009 (42 U.S.C. 6948, 6949): *Provided further*, That from funds appropriated under this heading, the Administrator may make grants to federally recognized Indian governments for the development of multimedia environmental programs.

PROGRAM AND RESEARCH OPERATIONS

For necessary expenses, not otherwise provided for, for personnel compensation and benefit costs and for travel expenses, including uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; and for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; $859,170,000: *Provided*, That none of these funds may be expended for purposes of resource conservation and recovery panels established under section 2003 of the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6913).

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $44,595,000, of which $16,278,000 shall be derived from the Hazardous Substance Superfund trust fund and $669,100 shall be derived from the Leaking Underground Storage Tank trust fund: *Provided*, That not more than $37,400,000 of these funds shall be available for administrative expenses.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment for facilities of, or use by, the Environmental Protection Agency, $18,000,000, to remain available until expended.

HAZARDOUS SUBSTANCE SUPERFUND

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111 (c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project;

$1,416,100,000, consisting of $1,206,100,000 as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101-508, and $210,000,000 as a payment from general revenues to the Hazardous Substance Superfund as authorized by section 517(b) of SARA, as amended by Public Law 101-508, plus sums recovered on behalf of the Hazardous Substance Superfund in excess of $251,954,000 during fiscal year 1994, with all of such funds to remain available until expended: *Provided*, That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: *Provided further*, That notwithstanding section 111(m) of CERCLA or any other provision of law, not to exceed $64,036,000 of the funds appropriated under this heading shall be available to the Agency for Toxic Substances and Disease Registry to carry out activities described in sections 104(i), 111(c)(4), and 111(c)(14) of CERCLA and section 118(f) of the Superfund Amendments and Reauthorization Act of 1986: *Provided further*, That none of the funds appropriated under this heading shall be available for the Agency for Toxic Substances and Disease Registry to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 1994: *Provided further*, That no more than $280,000,000 of these funds shall be available for administrative expenses of the Environmental Protection Agency: *Provided further*, That none of the funds appropriated in this act may be made available for program management of Alternative Remedial Contracting Strategy (ARCS) contracts exceeding 11 percent of the total cost of such contract.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $75,379,000, to remain available until expended: *Provided*, That no more than $7,400,000 shall be available for administrative expenses.

OIL SPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out the Environmental Protection Agency's responsibilities under the Oil Pollution Act of 1990, $21,239,000, to be derived from the Oil Spill Liability trust fund, and to remain available until expended: *Provided*, That not more than $7,650,000 of these funds shall be available for administrative expenses.

WATER INFRASTRUCTURE/STATE REVOLVING FUNDS

For necessary expenses for capitalization grants for state revolving funds to support water infrastructure financing, and to carry out the purposes of the Federal Water Pollution Control Act, as amended, and the Water Quality Act of 1987, $2,477,000,000, to remain available until expended, of which $420,000,000 shall not become available until March 31, 1994: *Provided*, That of the amount which becomes available on October 1, 1993, $1,852,000,000 shall be for making capitalization grants for state revolving funds; $25,000,000 shall be for making grants under section 104(b)(3) of the Federal Water Pollution Control Act, as amended; $100,000,000 shall be for making grants under section 319 of the Federal Water Pollution Control Act, as amended; $50,000,000 shall be for grants to the State of Texas, which is to be matched by an equal amount of State funds from State sources, for the purpose of improving wastewater treatment in colonias in such State; $10,000,000 shall be for a grant to the State of New Mexico, which is to be matched by an equal amount of State funds from State sources, for the purpose of improving wastewater treatment in colonias in such State; and $20,000,000 shall be for architectural, engineering, and design and related activities in connection with sewage facilities in the vicinity of Nogales, Arizona, and Mexicali, Mexico, whose purpose is to control municipal sewage from Mexico, and for planning and design of other high priority international wastewater facilities in the area of the Mexican border, to become available only upon the successful conclusion of an appropriate minute of the International Boundary and Water Commission and an agreement with the affected United States border State of an appropriate State cost share.

□ 1910

POINT OF ORDER

Mr. STOKES. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. STOKES. Mr. Chairman, I make a point of order against part of the language in the Water Infrastructure/State Revolving Funds paragraph.

The language I refer to begins on page 43, line 7, after the words, "as amended;" through "State cost share" on line 25.

This language is in violation of clause 2 of rule XXI. It is legislation on an appropriations bill.

Mr. Chairman, the rule did not protect this language. There is no authorization for funds to be appropriated to the Environmental Protection Agency for grants to the States of Texas and New Mexico for improving waste water treatment in colonias in such States.

Further, the language requires that these funds for Texas and New Mexico shall be matched by an equal amount of State funds from State sources. There is no requirement in law requiring an equal match. That language is legislative in nature and in violation of clause 2 of rule XXI.

The language also would appropriate $20 million for planning activities in connection with sewage facilities in the vicinity of Nogales, AZ, and Mexicali, Mexico, to control municipal sewage from Mexico.

Again, there is no authorization for funds to be appropriated to EPA for grants for that purpose.

There is also language which conditions the availability of the funds upon the successful conclusion of an agreement with the International Boundary and Water Commission, an agreement with the effect of a U.S. border State of an appropriate State cost share.

Again there is no requirement in law specifically requiring such conditions on the availability of the funds. That language is also legislation and in violation of clause 2 of rule XXI.

In summary, Mr. Chairman, there is no authorization for an appropriation of funds to the Environmental Protection Agency for grants to the colonias.

Further, the conditions specified in the language represents legislation in an appropriations bill.

Mr. Chairman, I ask for a ruling of the Chair.

The CHAIRMAN. Does any other Member desire to be heard on the gentleman's point of order?

Mr. COLEMAN. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. COLEMAN. Mr. Chairman, first of all, it was highlighted at about 12:30 this afternoon by the committee chairman, the gentleman from Ohio [Mr. STOKES], that he was forced to accept an amendment which they did not want. It is true that the amendment that was adopted in the full Appropriations Committee was adopted over the objection of the gentleman from Ohio [Mr. STOKES].

I would say, however, I think the gentleman is right. I think that because we had State matching funds, this is indeed legislation on an appropriations bill.

The gentleman is wrong about the fact that it is not authorized, however.

As to legislating on an appropriations bill, I am willing to concede the point of order if that is the basis on which the Chair will make its ruling.

It will be my intention to offer an amendment, however, that would be in violation according to the gentleman of only one point, and that is that it is not authorized. On that point of order, I am willing to engage in a debate so that we could have the Parliamentarian make the determination about whether or not it is in fact authorized.

My amendment would only change those things which I believe he is correct on in terms of legislating. With that having been said, Mr. Chairman, I am willing to concede the point of order concerning legislation on an appropriations bill.

The CHAIRMAN (Mr. BEILENSON). Does any other member wish to be heard on the point of order?

If not, the point of order is conceded and sustained for the reason stated by the gentleman from Ohio, and the provision is stricken from the bill.

AMENDMENT OFFERED BY MR. COLEMAN

Mr. COLEMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLEMAN: Page 42, line 25, strike "$500,000,000" and insert "$420,000,000".

Page 43, line 7, strike the period and insert the following: "; $50,000,000 shall be for grants to the State of Texas for the purpose of improving waste water treatment in colonias in such State; $10,000,000 shall be for a grant to the State of New Mexico for the purpose of improving waste water treatment in colonias in such State; and $20,000,000 shall be for architectural, engineering, and design and related activities in connection with sewage facilities in the vicinity of Nogales, Arizona, and Mexicali, Mexico, whose purpose is to control municipal sewage from Mexico.".

Mr. COLEMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STOKES. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Ohio [Mr. STOKES] reserves a point of order on the amendment.

Mr. COLEMAN. Mr. Chairman, let me say to my colleagues here this evening that my intention with respect to this amendment all along has been merely to provide for this administration, as the last administration did, the amount of moneys necessary to assist the States of Texas, New Mexico, Arizona, and California, in trying to deal with the waste water problems inherent along the United States-Mexico border. They have included pollution in the Rio Grande of raw sewage. They have included in communities in south and southwestern Texas, in Arizona, in New Mexico, and southern California, the great problem of trying to have enough facilities to deal with sewage treatment.

Waste water facilities are extremely important to a large segment of our population.

In my district alone, Mr. Chairman, 38,000 people live without running water or sewage facilities. Oftentimes what occurs, unfortunately, is the people, because there is no housing or not enough, they will get a piece of land, pay $10 down maybe and $10 every other month or so in order to build a hut that they can live in. Unfortunately, this land does not have water or sewers or dedicated roads. Instead, what it has is the ability for people to have a part of the American dream.

Many of these people, it is true, are first-generation Americans, but Americans they are.

This is not a fund that we can get money from foreign aid, as has been suggested by some of my colleagues on the committee.

I would say to everyone that indeed this kind of funding is necessary in order to help people not to have to live in the squalor they live in today.

Mr. Chairman, I would ask the Members to come by and view a picture of a cesspool, an outhouse a few feet away from a water well that has been drilled 7 feet into the loose sand.

Unfortunately, the children who live in this colonia are essentially drinking their own waste.

In the San Elizario school district in my congressional district, they did a test of how many children, what percentage of children had either hepatitis-A or hepatitis-B. Guess what percentage it was? One hundred percent of the children in that school district had that disease.

□ 1920

Unfortunately, Mr. Chairman, the cholera bacteria itself has been found on the other side of the river in Mexico, not far from this colonia. My colleagues and I may think that we have borders, but the truth is disease knows no border.

It is for this reason, Mr. Chairman, that these funds have been requested. I have requested them through the Committee on Public Works and Transportation. I am told that we cannot get a bill on waste water treatment for fully another year. The problem has always been that we cannot have a bill to get the authorization, and yet the last administration requested $80 million, and we passed it in the Senate, and we got it from the conference. This year the House again has declined to be of assistance, but this time the full Committee on Appropriations voted for this amendment.

Well, Mr. Chairman, that so upset the chairman and the staff that they went and got a rule to make sure that my amendment was not protected. The problem with that idea simply is that we are not helping the people in America who need help the most. The kids in this colonia know the answer, the parents know the answer: Education. Most of these kids cannot go to the full day of school because they are sick.

I would suggest to everyone to do what some members of the Committee on Public Works and Transportation have done in the past and which some of my colleagues have done, and that is to visit these colonias.

By the way, this amendment does not add money to this bill. Instead, it merely takes out of that $500 million fund that the chairman and his committee created $80 million that was originally requested by President Bush and, yes, by President Clinton this year. Two Presidents know that this is the right approach.

And the Federal Government is not doing this alone. Indeed, the State of Texas is committed, through passing a bond issue statewide, to $150 million. All we are asking for is some assistance to help us do that, and so I would ask each and every Member here to please give us the opportunity to have a vote up or down on this amendment. I think it is important, and I think it is appropriate.

I know that the chairman is going to raise a point of order about it being authorized. I have with me the chairman of the Committee on Agriculture who passed the authorization bill for colonias legislation in the Rio Grande Pollution Control Act. Indeed, the chairman of the Committee on Banking, Finance and Urban Affairs, helped me when he was chairman of the Housing Subcommittee to see to it that we authorized in HUD the ability to see to it that the colonias finally had a fair break at CDBG grants, and they do now have that. There is plenty of authorization.

I hope to have a chance to debate the authorization point of order with my colleagues this evening, and, if I am permitted to have this amendment go forward, I hope my colleagues will support it because it is, after all, what we are here to do.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Ohio [Mr. STOKES] insist on his point of order?

Mr. STOKES. Yes, I do, Mr. Chairman. I make a point or order against the gentleman's amendment.

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. STOKES. Mr. Chairman, there is no authorization for funds to be appropriated to the Environmental Protection Agency for grants to the States of Texas and New Mexico for improving waste water treatment in colonias in such States. The language also would appropriate $20 million for planning activities in connection with sewage facilities in the vicinity of Nogales, Arizona/Mexicali, Mexico, to control municipal sewage from Mexico. There is no authorization for funds to be appropriated to EPA for grants for that purpose.

Mr. Chairman, in anticipation of this matter coming before the House we asked EPA for an opinion. The EPA was asked its opinion as to whether it had authority to make these grants. The general counsel has indicated that the authority in the Rio Grande Pollution Correction Act of 1987 does not provide the EPA with authority to provide for grants for improving waste water treatment in colonias. Rather the role of the EPA is limited to consultation with the Department of State in its implementation activities.

Additionally, Mr. Chairman, there has been some question as to whether the term "United States" could be construed to include the EPA. Once again it was the opinion of the general counsel's office that this act does not provide EPA authorization to fund these Colonias' activities.

It is for that reason, Mr. Chairman, that reluctantly I oppose the amendment offered by the gentleman from Texas [Mr. COLEMAN].

The CHAIRMAN. Does the gentleman from Texas [Mr. COLEMAN] desire to be heard?

Mr. COLEMAN. Yes, Mr. Chairman, I desire to be heard.

Mr. Chairman, let me outline for my colleagues the authorization which exists in statute for the EPA to implement waste water projects in border colonias because now that is the issue on which the Parliamentarian is being asked to rule.

The Rio Grande Pollution Correction Act of 1987 directed the State Department, the State Department because, when we are dealing with another country, that is who in our country usually does that, acting through the International Boundary and Water Commission, and, by the way, that is an agency also out of the State Department, and I quote now from the statute, and with the Environmental Protection Agency, and Mexico, to develop a plan to improve the border environment. It is authorized, quote, such sums as may be necessary for the United States to fund, unquote, its share of the cost of the plan. This is also in the statute: Its share of the cost of the plan, construction, operation and maintenance of the facilities recommended in the agreements concluded pursuant to section 2.

My colleague, the gentleman from Texas [Mr. DE LA GARZA], the chairman of the Committee on Agriculture and the author of the 1987 Rio Grande Pollution Correction Act testified to the Committee on Rules that it was his intention that this act authorized the EPA to conduct those projects that were in the United States, including waste water projects in colonias on the United States side of the border.

Well, that is how it works. How could my colleagues construe the term "United States," and I ask you, Mr. Chairman, how can you conclude that the term "United States" does not include the Environmental Protection Agency? Do we expect the State Department to worry about the plans for construction, operation and maintenance of waste water facilities? I think not.

The EPA and the International Boundary Water Commission did negotiate with Mexico to develop a plan, and it identified waste water projects as a top priority and specifically cited the EPA's intention to do waste water projects in the colonias. There have been specific authorizations, not just the next statute, I would say to the chairman. There have been specific authorizations from the Farmers Home Administration, for HUD and the Corps of Engineers, to conduct waste water projects in the colonias. They have all had that authority, and it has been authorized by this Congress. To its credit this Congress has not turned its back on these children, nor these people, that live in squalor. Instead we have agreed that we would address these as best we could. They have argued in the committee, and they will argue, perhaps, here again tonight that it is not specific enough as to the projects.

As the gentleman from Texas [Mr. DE LA GARZA] and I were discussing it at the Committee on Rules, we do not even have names for all the colonias that exist. It is very difficult to be site-specific. So, we used the term "colonias along the United States-Mexico border" knowing full well that the Environmental Protection Agency will determine which of those colonias do not have water and waste water treatment facilities.

Let me say once again that, having negotiated in the La Paz Agreement, having negotiated in the La Paz Agreement in 1983, and having reaffirmed it in the Monterrey, Mexico, accords, the past administration has done a good job in seeing to it that we would address these issues, and in each of those articles they cited the issue of waste water being a top priority and cited in those communiques that the Environmental Protection Agency would itself be the agency to do the work. To suggest that we somehow have to be more specific than that I think creates a great deal of problem.

I would, therefore, Mr. Chairman, respectfully urge the point of order be overruled concerning an authorization that has been made by my colleague, the gentleman from Ohio [Mr. STOKES].

The CHAIRMAN. Does any other Member wish to be heard on the gentleman's point of order?

PARLIAMENTARY INQUIRY

Mr. PASTOR. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PASTOR. Mr. Chairman, we have heard the gentleman from Texas [Mr. COLEMAN] give a number of treaties and statutes that authorized the colonias and the infrastructure for the colonias. We have heard the gentleman from Ohio [Mr. STOKES] talk about the letter from the EPA.

Mr. Chairman, my inquiry is, what specific parliamentary rule requires that the project be authorized by a specific agency? Is there a rule that the Chairman can refer me to?

The CHAIRMAN. The Chair is prepared to rule on the basis of clause 2, rule XXI, which requires that appropriations be authorized by law, and will cover that point at that time.

Mr. DE LA GARZA. Mr. Chairman, I respectfully would like to be heard on the point of order.

Mr. Chairman, one, it has been mentioned by my colleague, the gentleman from Texas [Mr. COLEMAN], that we presented this argument before the Committee on Rules as to intent, which is of such importance when there is a gray area. I would concede to the fact that we have a gray area here.

But, the Rio Grande Pollution Correction Act of 1987, Public Law 101-465, does authorize in fact, working through the State Department and the Environmental Protection Agency, any funds to provide for the cost of plants, construction, operation, and maintenance of the facilities recommended in the agreement.

Now, I again go back to the words of my colleague, the gentleman from Texas [Mr. COLEMAN], that under the La Paz Agreement, that is the agreement that begins the process throughout the border, from Brownsville to Tijuana. That was further ratified in the Monterrey accords. But you cannot have, and this would be through the intent of the legislation which I and other of my colleagues have the honor of being authors, that you cannot specify an individual colonia, because many of them do not have names. They are just a bunch of shacks on the side of the river, as the picture that the gentleman from Texas [Mr. COLEMAN] has shown in his explanation thereof.

I know, and I wholeheartedly approve of what has been said by the gentleman from Ohio [Mr. STOKES], our chairman, and I commend the gentleman for it, and I have told him of my respect and admiration for what he tried to do, that in this legislation, no moneys would be appropriated unless authorized. I agree with that. I support that.

The gray area is that here we say these were authorized under the Rio Grande correction bill, because there is going to be a hint that there is no specific agreement.

Yes, there is. There is the La Paz agreement. It does not specify this particular colonia, because many of them do not have names. They may not even be on an identifiable road. They may not even be in an identifiable area of town.

So we are in a situation where we come down to this. How, I know that we have to abide by the law. I know that we have to work under the rules. But we say, probably with a little stretch of the imagination, but the author of the legislation is telling this chamber very respectfully that the intent was to authorize, now and forever more, because it has no limitation therein, funds to provide for projects along this river on the Mexican border. And we say it is authorized because of the La Paz Agreement.

There is your agreement. The Monterey accord, there is your accord. The funds are meager.

Now, I do not know that we really would address this on the point of order, but we are talking about a need which is desperate. We are speaking about a process wherein citizens of this country of ours are living in worse conditions than the worst of Third World countries, for a multiplicity of reasons. For a multiplicity of reasons. Some of them might possibly be emanating from here. And we should not stop the process of trying to remedy this situation on a very stretched point of order on this amendment.

Mr. Chairman, I commend my colleague, the gentleman from Texas [Mr. COLEMAN] and all who have worked in this endeavor. I say that we are talking about life. We are talking about health.

We are even imposing on individual liberty. For when you do not have a place to sleep and a place to get water from, you are imposing on individual liberties.

I think that reading of this act and listening to the intent of the sponsor of this act would allow the Chair, very respectfully, even though it may be a little bit of a stretch because you cannot identify specific colonias, and I would hope that the Chairman would so rule.

The CHAIRMAN. Does any other Member wish to be heard on the point of order?

Mr. GONZALEZ. Mr. Chairman, I believe that the premise on rescinding the point of order is misplaced and isolated in the case of the international agreements and the other binational agreements.

Actually, I would like to appeal in persuading the Chairman to rule against this point of order on the basis that authorization does exist. In the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended by the Housing and Community Development Act of last year, 1992, 104 statute, 4396, Public Law 101-625, November 28, 1990, which provides for community development block grant assistance for United States-Mexico border region. And then sets forth in the very first subsection (A) the aside for colonias.

The States of Arizona, California, New Mexico, and Texas shall each make available for activities assigned to meet the needs of the residents of colonias in a state relating to the water, sewage, and housing, the following percentage of the amounts allocated for the state under section 106(D) of the Housing and Community Development Act of 1974, 42 U.S.C., 5206, subsection (D). First, for the first fiscal year to which this section applies, 10 percent; second, succeeding fiscal years, for each of the succeeding fiscal years to which the section applies, a percentage not to exceed 10 percent, that is determined by the Secretary of Housing and Urban Development to be appropriate, after communication with representatives of the interests of the residents of colonias.

Then succeeding chapters defining the eligibility.

This authorization is still law. This is what I think is proper to govern in this case specifically. And from the standpoint of the housing and community development comprehensive statutes on the books. And on that basis I appeal for your determinations to rule against the propriety of the motion interjected to declare the amendment out of order because of insubstantial authority.

The CHAIRMAN. Does any other Member wish to be heard on the point of order raised by the gentleman from Ohio [Mr. STOKES]?

□ 1940

The Chair would recite the following section to the gentleman from Ohio, if he might, and ask the gentleman if he thinks, in his opinion, there has been a sufficient and successful conclusion of agreements pursuant to this particular law. This is section 5 of Public Law 100-465, authorization of appropriations.

> There is authorized to be appropriated such sums as may be necessary for the United States to fund its share of the cost of the plant, construction, operation and maintenance of the facilities recommended in agreements concluded pursuant to section 2 and approved by the Government of the United States and Mexico.

The gentleman from Texas has argued that such authorization now exists. Can the gentleman respond at all to that particular point?

Mr. STOKES. I would say to the chairman that that, in my opinion, does not constitute an authorization for the purposes of this act and for this bill.

Under section 4, where it refers to consultations with the Administrator of Environmental Protection Agency and other authorities, the language actually says, "The Secretary of State shall consult with the Administrator of the Environmental Protection Agency and other concerned Federal, State and local government officials in implementing this act."

It would be our position that such language does not in and of itself constitute an authorization; to EPA, that is.

Mr. DE LA GARZA. Mr. Chairman, the State Department is not in the water treatment business. The State Department does not construct dams. The State Department does not work on the U.S. side of the river. They only reach the agreement. They only negotiate. The individual agencies and departments are the ones that do the work.

In this case, the authorization clearly says that the State Department, in conjunction with the Environmental Protection Agency, "shall implement." And that is what our statement is, that the State Department does not in and of itself work in that area.

The International Boundary and Water Commission works in joint projects with Mexico. The individual agency, in this case, the Environmental Protection Agency, is the operative section of this legislation.

This legislation was not intended to authorize the Environmental Protection Agency. We could not authorize the Environmental Protection Agency under international law and under the laws of this country.

We have to authorize the State Department. But the State Department, in conjunction with the operating agency, would do the construction. And that is the authorization and that is the law.

I think that is what should be done this evening.

Mr. PASTOR. Mr. Chairman, the rule that was just given, I think the clear meaning of the rule should be determined in this case. I would suggest that the Chairman give his opinion on the rule just read.

The CHAIRMAN (Mr. BEILENSON). The Chair is prepared to rule in this particular case, and would remind the gentleman from Texas that he has the burden of proof with respect to the authorization question.

Section 5 of the Rio Grande Pollution Correction Act of 1987 authorizes appropriations for the U.S. share of the cost of facilities recommended in certain agreements. And the Chair just recently read, as did the gentleman from Texas originally, the specific provisions of section 5 of the public law to which we refer.

Thus, under the terms of the act, a qualifying agreement is one that is concluded pursuant to section 2 of the act and approved by the Governments of the United States and Mexico. Section 2 of the act authorizes the Secretary of State, acting through the U.S. Commissioner to the International Boundary and Water Commission, to enter such agreement which should include five certain conditions to be spelled out in the agreement.

Section 2 of the act contemplates the inclusion in the agreement of a formula for the initial division between the United States and Mexico of the cost of any facilities recommended. Indeed, section 5 of the act depends upon the inclusion of such a cost-sharing provision.

The Chair finds that the terms of this authorizing legislation may not be satisfied by an agreement in principle, such as the one cited during argument on the point of order, which was entered into in 1983 prior to enactment of the cited law.

To support appropriations under the act, an agreement must address specific costs. Being apprised of no law or international agreement in existence pursuant to law authorizing the particular appropriations through EPA to the States carried in the amendment the Chair must sustain the point of order.

PARLIAMENTARY INQUIRIES

Mr. COLEMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLEMAN. Mr. Chairman, my parliamentary inquiry goes to the part of the ruling that maybe the Chair might be willing to read again or repeat, that had to do with a specific dollar amount appropriation. Is that what the Chairman said? Or a specific appropriation for a specific project?

I guess that is the issue I am having to ask a question on.

The CHAIRMAN. The basic point is that there is no specific authorization for appropriation through EPA to the States triggered by the agreement cited.

Mr. COLEMAN. The reason, of course, is that it depends, if I might, as a further parliamentary inquiry, simply say that, of course, depends, because the statute authorizing it says "the United States."

The Chairman is absolutely right. That is the problem.

I guess when we talk about the United States and we talk about the United States and Mexico border, I suspect that only a limited number of States would fall into that category. There is the reason that they did not set out a specific authorization or appropriation for those States, because I suppose it would be understood by the language used, meaning the United States, that it would apply to States along the United States-Mexico border.

As a further parliamentary inquiry, is the Chair ruling that, therefore, in any future authorization legislation to deal with the colonia wastewater treatment facilities, we need to set forth a Federal-State sharing agreement in that authorization language, No. 1? And No. 2, that when we do that, we do that unilaterally or we do it with or without an agreement with Mexico concerning the international river that separates the country of Mexico and the State of Texas?

The CHAIRMAN. The Chair will not make an anticipatory ruling as to what other approach to this matter might possibly be in order by way of statute or international agreement.

Mr. YATES. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YATES. Mr. Chairman, I had the impression that the Chair's ruling was predicated upon a usual phrase in legislation, which ordinarily will read "such sums as may be authorized." In the legislation under consideration, it does not use that phrase. The legislation says this: "There is authorized to be appropriated such sums as may be necessary," not that may be authorized but which may be necessary.

That is a full amount that may be used for that purpose, I suggest.

The CHAIRMAN. The Chair's ruling, the Chair would advise the gentleman, is not based on the open-ended nature of the authorization, but on the fact that the requirements and the conditions of law have not been shown to have been met.

Mr. COLEMAN. Mr. Chairman, I have a further parliametary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLEMAN. Mr. Chairman, if I might, we had an issue that I thought I cited, but maybe I overlooked it. Of course, that was the Environmental Protection Agency border plan. And I know it is, while the Chair may say that it itself is not an authorization. I think it is worthy of pointing out that the increase of wastewater treatment was a priority to construct wastewater treatment systems and hookups in the U.S. colonias. Once again, that was done under the authority of Federal law and permitted.

I guess that problem becomes, the Chair's ruling seems to put colonias in a very interesting catch-22 situation, and that is, simply that these children and those citizens in those colonias seem to have no resource, if they cannot get a specific authorization for an unnamed gathering of citizens living in a community together.

I would ask a parliamentary inquiry, whether or not the Chair feels that ruling that was just made does not, in fact, do that.

The CHAIRMAN. The Chair would advise the gentleman from Texas that he already ruled on this particular question and will not comment on the effect of the ruling on any other efforts, any other approaches to this particular issue.

Mr. COLEMAN. Mr. Chairman, I thank the Chair for his patience. I appreciate his endurance.

□ 1950

Mr. GONZALEZ. I have a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GONZALEZ. Mr. Chairman, I would like to inquire as to whether the Chairman took into consideration, in reaching the ambit of his decision with respect to the point of order, the point I raised, that the proper substantive legislation ruling in this matter is the Housing and Community Development Act of 1990, as amended by 1992, and therefore, would ask leave if the Chairman would inquire of the chairman of the Appropriations Subcommittee if under that umbrella of authorization he would not have sufficient authorization power to find the appropriated money necessary.

The CHAIRMAN. The Chair would advise the gentleman that he did in fact take the gentleman's argument into consideration. The Chair believes that the authorization cited for community development grants does not cover the projects through EPA provided in the amendment.

AMENDMENT OFFERED BY MR. STOKES

Mr. STOKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STOKES: On page 42, line 25, strike "$420,000,000" and insert in lieu thereof "$500,000,000".

Mr. STOKES. Mr. Chairman, this is a conforming amendment, because language providing funds for the colonias was struck on a point of order. This amendment will add $80 million to the reserve for communities with unique circumstances or difficulty in meeting water quality standards once these projects are authorized. The colonias projects will be eligible for this reserve if they become authorized.

Mr. COLEMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would say to my colleague, the gentleman from Ohio, that he succeeded in getting the $80 million that we moved out of the $500 million fund back into the $500 million fund with this amendment. There are those of us that think this is a good place to put the money, simply because there are many projects that need wastewater dollars. Of course, under the provisions of the bill as the gentleman wrote it, and by the way, that is kind of legislating on appropriations but it is protected under this rule, I would say to the gentleman that we understand that what happens here is that projects can apply for this money, or different areas of the country would be able to apply for this money from this fund for their wastewater projects, provided they get an authorization by March 31, 1994.

That would include mine, I would imagine. If I can find a piece of legislation going through the House before March 31, 1994, we can attach an authorization that we can somehow devise that spells it out in a way that permits colonias to somehow qualify. That means, I guess, it will have to be agency-specific and site-specific, based on the ruling we have just had.

The problem, of course, is that that delays for one more year these kinds of conditions, these conditions that I say to each and every Member here ought not to exist in America, particularly when we are given an opportunity to have a solution, as the full Committee on Appropriations gave us just last Thursday, or Wednesday.

I would say to the chairman, who wants to move this $80 million back to a big fund, and I understand that the Boston Harbor wants $100 million of it for cleanup, and I am sure up in Ohio, that State and others, there are moves to deal with the Great Lakes. We all have important projects, particularly when raw sewage is being dumped somewhere.

Mr. Chairman, I would just hope that we will work with the gentleman from California [Mr. MINETA] and the Committee on Public Works to try to push forward the wastewater legislation, even if it comes in a year's delay, for these children and for these citizens. I certainly would have no objection to putting this $80 million to work in some projects.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I am pleased to yield to my colleague, the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I just want to say one of these projects was the New River project in the desert in southern California, where the most polluted river in North America, the New River, pours into the United States, and the health of the people in that district, in that area, is very, very much in jeopardy. I would hope that the chairman would work to see to it that those folks are protected also.

Mr. COLEMAN. Mr. Chairman, I want to thank the gentleman for his participation today on the course of this and in the past. I fully recognize that the Tijuana-San Diego problem is real. It is a project that has been authorized.

Unfortuantely, it, too, was not funded in this bill. I think that is a travesty.

Mr. Chairman, I would only hope that just because it is on the border does not mean that somehow we want to neglect these programs and these projects, because these affect American citizens as well, even if they do happen to live on the border.

One other thing, if I might, Mr. Chairman. That is, I really and truly want to thank a number of colleagues who did not even get a chance to speak tonight because of the point of order on the issue. That is the gentlemen from Texas, Mr. BONILLA, who was helpful in the committee, and Mr. DELAY. There are certainly a number of people that have offered their assistance, Mr. CUNNINGHAM and others. I want to say to them how much I appreciate all of their efforts.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I thank the gentleman for yielding. I just wanted to respond to the gentleman's inquiry of the Chair.

Mr. Chairman, I said in the full committee, and I said again in the Committee on Rules, and I said in my general statement on the floor today, that I have no quarrel with the merits of the gentleman's argument. In fact, I commend the gentleman for the eloquent manner in which he has recommended and represented his constituents.

However, I have tried to be consistent. I have tried to bring to this floor a bill that was consistent in the sense of following the rules of the House and playing by the new rules that we were told that our subcommittees on appropriations had to abide by. I have tried to, in that sense, bring to the floor a bill that had no exceptions to it.

The gentleman mentioned Boston Harbor. I went before the Committee on Rules about this bill, and Boston Harbor does not have an authorized project. Boston Harbor has to be subjected to reserve. We have authorized those projects and funded those projects which were authorized.

We have also said to the gentleman from Texas that, if by March 31, 1994, he has been unable to get the authorization required, our committee will work with him to try and get an extension of time. I simply say to the gentleman that what we are trying to do here is, of course, play by the rules. My opposition has at no time been on the merits of this well-deserved and meritorious project.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I am happy to yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding to me.

Again, Mr. Chairman, let me repeat my respect and admiration to the distinguished chairman in what he tried to do. We have no quarrel with that. We commend him for that. We hope that all of the subcommittee would so act.

Mr. Chairman, however, I just wanted to, in the discussion on the point of order, say that we may have missed the point that I think should be on the record, that this amendment was adopted by the full Committee on Appropriations, by the full Committee on Appropriations, not accepting the recommendation of the distinguished chairman and his opposition to the amendment.

The point of order was interjected, to my knowledge, not at the request of the full Committee on Appropriations but rather by the distinguished chairman from Ohio.

Mr. Chairman, I think that should be made clear to all the Members, that it was approved by the full Committee on Appropriations, that we did not clear the gray area, and that is unfortunate, because we thought and we still think that we were right. However, so was the ruling, and we will abide by it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. STOKES].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FILNER

Mr. FILNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FILNER: On page 43, line 7, after the words "as amended", insert the following: "; and $35,000,000 shall be for section 510 of the Water Quality Act of 1987".

Mr. FILNER. Mr. Chairman, the purpose of this amendment, which is introduced on behalf of myself, Ms. SCHENK, Mr. PACKARD, Mr. CUNNINGHAM, and Mr. HUNTER, is very straightforward. It restores $35 million for section 510 of the Water Quality Act of 1987. Section 510 authorizes construction funds for a wastewater treatment plant in San Diego to treat the raw sewage flowing from the city of Tijuana, Mexico, into San Diego.

For over 30 years, raw sewage flows from south of the border have been a threat to the economy, public health, environment, surface water, public beaches, and water quality of the city of San Diego.

Mr. Chairman, each day, 15,000,000 gallons a day of raw sewage flows across my district. No other district in America has such a dubious distinction.

In 1991, the Governor of California issued a state of emergency regarding this situation.

Finally, the Federal Government, in cooperation with the Mexican Government, agreed to construct a wastewater treatment facility in California to address this serious problem. I want to emphasize that Mexico will reimburse the United States for the costs associated with this project.

Appropriations for this project have been provided since its original authorization in 1987 and the project is scheduled for completion in 1997.

This amendment partially restores the funding requested by the administration for the coming fiscal year to keep this essential project on track. It has the bipartisan support of Members from the San Diego area and the administration.

Ms. SCHENK. Mr. Chairman, will the gentleman yield?

Mr. FILNER. I yield to my distinguished colleague from San Diego.

Ms. SCHENK. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this bipartisan San Diego delegation amendment.

As Mr. FILNER has related, for over 30 years raw sewage has flowed across the Mexican border into what is now the congressional district of my good friend and colleague, Mr. FILNER. This raw sewage continues to flow and lands on the beaches and the waters and the neighborhoods of my district and the residents of Imperial Beach in San Diego County. This flow threatens the health and the environment of San Diego residents.

The city of San Diego agreed to treat this sewage, some 14 million gallons of raw sewage every day, but this treatment was always meant to be a temporary measure pending Federal assistance for the construction of an international treatment plant near the border in Mr. FILNER's district. This treatment plant, Mr. Chairman, is behind schedule, and funds are desperately needed to complete the project by the new completion date of 1998.

This amendment, which provides $35 million for construction costs, will continue the Federal Government's legal commitment to the construction of this plant and to the health of the border environment. As Mr. FILNER stated, this funding has been previously authorized. It has the support of the administration and the support of the distinguished chairman and ranking member of the subcommittee.

I urge my colleagues to give their support to this amendment.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. FILNER. I yield to the chairman of the subcommittee.

Mr. STOKES. Mr. Chairman, this is an authorized project. It is one that is meritorious. I think both Mr. FILNER and Ms. SCHENK have made a strong case for this project. I have consulted with the ranking minority member, the gentleman from California, Mr. LEWIS, and the subcommittee has no objection to the acceptance of the amendment.

Mr. FILNER. I thank the gentleman for his kind remarks. I ask the House for support of this crucial amendment.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from California.

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman for yielding. I would like to thank the chairman for accepting the amendment, and my colleagues, BOB FILNER, LYNN SCHENK, DUNCAN HUNTER, and RON PACKARD. Also I would like to thank Governor Wilson and Commissioner Ganaji for the work they have done on this project.

I rise as a cosponsor of this amendment to restore funding for a binational sewage treatment plant in San Diego, CA.

As many of you are aware, we in San Diego County face a unique and unpleasant situation. The Tijuana River begins in Mexico and flows northward through American territory. The Tijuana River Estuary, in the United States, empties into the Pacific Ocean in southern San Diego County.

For more than 30 years, raw sewage from Mexico has been dumped into the Tijuana River and thus, into United States waters. The situation has become worse in recent years due to explosive growth in Tijuana. Our beaches are often closed due to the pollution and there is a serious threat to the environment and to human health.

I emphasize that this is not a local problem.

The United States and Mexico are working jointly to address this issue by constructing a binational sewage treatment plant along the border. The amendment before us restores $35 million, or half of the administration's budget request, toward this binational plant.

This plant was authorized in 1987 after years of negotiation and effort. The city of San Diego has been treating Mexican sewage on a temporary basis, but this cannot continue indefinitely.

The Federal Government has rightfully taken responsibility for this matter and this amendment will ensure that that commitment continues to be met.

Mr. Chairman, I want to thank Chairman STOKES and Congressman LEWIS for their efforts on this critical issue. I also want to express my thanks to my colleagues from San Diego, Mr. FILNER, Mr. HUNTER, Ms. SCHENK, Mr. PACKARD, and Commissioner Ganaji, Gov. Pete Wilson, and President Salinas of Mexico.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. LEWIS of California. Mr. Chairman, this is probably as bipartisan an amendment as I have seen in a long, long time. Our former colleague, Bill Lowery, talked to me some years ago, and RON PACKARD has been all over this. And now we have the two very fine new Members from San Diego to sponsor this amendment. I certainly would not object under these circumstances, Mr. Chairman.

Mr. PACKARD. Mr. Chairman, as we consider the VA–HUD appropriations bill today, I wish to commend the chairman of the VA–HUD Subcommittee, Congressman STOKES. He has shown exemplary leadership in crafting this legislation.

The chairman, our ranking member, JERRY LEWIS, and Congressman ESTEBAN TORRES were instrumental in convincing Chairman STOKES to accept this amendment earmarking section 510 money in the bill for the city of San Diego.

This money will be used to construct a sewage treatment facility to protect the health and welfare of U.S. citizens.

I also wish to thank the San Diego congressional delegation—Congressmen HUNTER, CUNNINGHAM, and FILNER, and Congresswoman SCHENK—for their hard work to secure this funding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. FILNER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STOKES

Mr. STOKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STOKES: On page 43, line 2, strike "$1,852,000,000" and insert in lieu thereof "$1,817,000,000".

Mr. STOKES. Mr. Chairman, this is a technical amendment to bring into conformance the internal numbers in this paragraph. This amendment would offset $35,000,000 for section 510 of the Water Quality Act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. STOKES].

The amendment was agreed to.

Mr. MCCANDLESS. Mr. Chairman, I move to strike the last word in order to enter into a colloquy with the chairman of the subcommittee, if he is willing.

Mr. STOKES. If the gentleman will yield, yes, I will engage in a colloquy with the gentleman from California.

Mr. MCCANDLESS. I thank the chairman. As the gentleman is aware, I have several amendments which I was prepared to offer before us today on this particular bill. I will not be offering these amendments, but I would like to seek the gentleman's assurance that the committee will be instructing the EPA to work with appropriate Federal agencies to expedite approval of the necessary permits which will allow continued reconstruction and improvement of a killer highway in my district. It is my understanding that the chairman will make every effort to include this or similar report language in the conference report of the VA, HUD, Independent Agencies, appropriations bill for 1994, which language would read:

> With regard to ongoing highway construction projects, the EPA is instructed to work in conjunction with the Army Corps of Engineers and other federal agencies to expedite approval of necessary permits. Should additional information be considered necessary to augment any existing environmental impact statements, the Agency is instructed to move expeditiously to review all supplemental materials.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. MCCANDLESS. I am happy to yield to the gentleman from Ohio.

Mr. STOKES. As the gentleman is aware, at the time of conference, both bodies must be in agreement on all issues. The gentleman from California has my assurance that I will make every effort to consider this language when this bill is conferenced with the other body.

Mr. MCCANDLESS. I thank the Chair.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, not to exceed $2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, $5,170,000: *Provided*, That the Office of Science and Technology Policy shall reimburse other agencies for not less than one-half of the personnel compensation costs of individuals detailed to it.

Mr. STOKES. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BROOKS) having assumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2491) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1994, and for other purposes, had come to no resolution thereon.

PERMISSION TO POSTPONE VOTE ON HEFLEY AMENDMENT TO H.R. 2491, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1994

Mr. STOKES. Mr. Speaker, I ask unanimous consent that any recorded vote on the Hefley amendment be laid over until after the space station amendment to the bill (H.R. 2491), Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. HEFLEY. Mr. Speaker, reserving the right to object. I simply wish to state that I have no objection, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DEPARTMENTS OF VETERANS AFFAIRS, AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1994

Mr. STOKES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2491) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1994, and for other purposes.

PARLIAMENTARY INQUIRY

Mr. ABERCROMBIE. Mr. Chairman, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. BROOKS). The gentleman will state his parliamentary inquiry.

Mr. ABERCROMBIE. Mr. Chairman, would now be an appropriate time, or could the Chair inform me when the appropriate time would be, to ask when a revote on certain amendments would be in order?

The SPEAKER pro tempore. This is not the appropriate time. That would come at the end of the bill when supported back to the House.

The question is on the motion offered by the gentleman from Ohio [Mr. STOKES].

The motion was agreed to.

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IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2491) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1994, and for other purposes, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the bill had been read through line 13, page 44.

PARLIAMENTARY INQUIRY

Mr. LEWIS of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. LEWIS of California. Mr. Chairman, just because we should not take these things too seriously, I just wondered by way of inquiry, Mr. Chairman, by way of unanimous consent, is it possible for a Member who is the ranking member of one appropriations committee to ask or request to resume his responsibility before his former subcommittee, like the legislative branch instead of HUD and Independent Agencies Subcommittee? Something has to be better than this.

The CHAIRMAN. The gentleman has not stated a parliamentary inquiry.

Mr. LEWIS of California. Mr. Chairman, I appreciate that and I thank the Chair.

AMENDMENT OFFERED BY MR. HEFLEY

Mr. HEFLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEFLEY: Page 44, line 10, strike "$5,170,000" and insert "$4,200,000".

Mr. HEFLEY. Mr. Chairman, I will try to be very brief about this. I know we have a lot to do tonight.

What this does is it deletes $970,000 from the Office of Science and Technology Policy under the Executive Office of the President.

Now, I think the committee wanted to cut $1 million out of this program, but because of a miscalculation they have actually given this program a $1 million increase.

What I would like you to do, and I am going to ask for a vote unless it is accepted, and I would like for you to accept it, but I would like for you to consider this, if we have a vote after the space station, and it may be acceptable to you.

As reported in the April 16 edition of the Washington Post, Congress last authorized $4.2 million for this office. This was last year's, $4.2 million.

But a request was made or made its way through Appropriations that an additional $2 million be added to that as a one-time passthrough for the Consortium for the International Earth Science Information Network in Saginaw, MI. This is called CIESON, and we will talk about that more tonight later, but $2 million extra were put into the budget last year over and above the $4.2 million.

So when the committee began its work this year and the current administration began its work, it started with a figure of $6.2 million, counting that passthrough, and then they cut $1 million from that.

So in essence what it does, the result is $5.17 million figure that you see before you today which is, in essence, a $1 million increase over last year. I do not think they really meant to do that.

So what this amendment does is simply puts it back to where it was last year with no increase for this particular thing.

I think it is correct to say there was a mistake in the calculations. I would hope that the chairman would be willing to accept this.

Mr. STOKES. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, the OSTP's funding in 1994 has been increased above 1993 because the OSTP has included a number of personnel on its payroll that, under the previous administration, were handled through nonreimbursable detailees, and President Clinton has already cut about $1.5 million by merging OSTP and the National Space Council.

The $5.19 million recommendation contains no funding for CIESIN and President Clinton has already reduced OSTP by 33 positions.

So I would oppose the gentleman's amendment.

Mr. HEFLEY. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from Colorado.

Mr. HEFLEY. I am aware that it includes no funding for CIESIN this year. It included $2 million for CIESIN last year, and so the $1 million cut in this program actually is not a cut at all. It is a $1 million increase in this program.

I thank the gentleman for yielding.

Mr. STOKES. Mr. Chairman, my understanding is that the basic reason for the increase is because we are now funding people who were funded by other agencies during the last administration. So now OSTP is paying for it.

We are being up-front about it. I think that is what I want to say to the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. HEFLEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HEFLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to the order of the House of today, further proceedings on this amendment will be postponed until further consideration of the bill in the Committee of the Whole.

The Clerk will read.

The Clerk read as follows:

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $292,000,000, to remain available until expended.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

Funds provided to this account are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000.

In addition, for administrative expenses to carry out the direct loan program, $95,000.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS–18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500 for official reception and representation expenses: $164,239,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $4,350,000.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), section 103 of the National Security Act (50 U.S.C. 404), and Reorganization Plan No. 3 of 1978, $212,960,000.

EMERGENCY FOOD AND SHELTER PROGRAM

There is hereby appropriated $130,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program pursuant to title III of Public Law 100–77, as amended: *Provided*, That total administrative costs shall not exceed three and one-half per centum of the total appropriation.

NATIONAL FLOOD INSURANCE FUND

(TRANSFERS OF FUNDS)

Of the funds available from the National Flood Insurance Fund for activities under the National Flood Insurance Act of 1968, and the Flood Disaster Protection Act of 1973, $14,081,000 shall be transferred as needed to the "Salaries and expenses" appropriation for administrative costs of the insurance and flood plain management programs and $48,092,000 shall be transferred as needed to the "Emergency management planning and assistance" appropriation for flood plain management activities, including $4,720,000 for expenses under section 1362 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4103, 4127), which amount shall be available until September 30, 1995. In fiscal year 1994, no funds in excess of (1) $32,000,000 for operating expenses, (2) $252,366,000 for agents' commissions and taxes, and (3) $3,500,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

ADMINISTRATIVE PROVISION

The Director of the Federal Emergency Management Agency shall promulgate through rulemaking a schedule of fees applicable to persons subject to the Federal Emergency Management Agency's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section during fiscal year 1994 shall approximate, but not be less than, 100 per centum of the amounts anticipated by the Federal Emergency Management Agency to be obligated for its radiological emergency preparedness program for such fiscal year. The schedule of fees shall be fair and equitable, and shall reflect the full amount of direct and indirect costs incurred through the provision of regulatory services. Such fees will be assessed in a manner that reflects the use of agency resources for classes of regulated persons and the administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the general fund of the Treasury as offsetting receipts. Assessment and collection of such fees are only authorized during fiscal year 1994.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

For necessary expenses of the Consumer Information Center, including services by 5 U.S.C. 3109, $2,074,000, to be deposited into the Consumer Information Center Fund: *Provided*, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of $7,500,000. Administrative expenses of the Consumer Information Center in fiscal year 1994 shall not exceed $2,415,000. Appropriations, revenues, and collections accruing to this fund during fiscal year 1994 in excess of $7,500,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF CONSUMER AFFAIRS

For necessary expenses of the Office of Consumer Affairs, including services authorized by 5 U.S.C. 3109, $2,159,000: *Provided*, That notwithstanding any other provision of law, that Office may solicit, accept and deposit to this account, during fiscal year 1994, gifts for the purpose of defraying its costs of printing, publishing, and distributing consumer information and educational materials; may expend up to $1,100,000 of those gifts for those purposes, in addition to amounts otherwise appropriated; and the balance shall remain available for expenditure for such purposes to the extent authorized in subsequent appropriations Acts.

INTERAGENCY COUNCIL ON THE HOMELESS

SALARIES AND EXPENSES

For necessary expenses of the Interagency Council on the Homeless, not otherwise provided for, as authorized by title II of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11311–11319), as amended, $910,000, to remain available until September 30, 1995: *Provided*, That the Council shall carry out its duties in the 10 standard Federal regions under section 203(a)(4) of such Act only through detail, on a non-reimbursable basis, of employees of the departments and agencies represented on the Council pursuant to section 202(a) of such Act.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; purchase, lease, charter, maintenance, and operation of mission and administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration; not to exceed $35,000 for official reception and representation expenses; and purchase (not to exceed thirty-three for replacement only) and hire of passenger motor vehicles; $7,475,400,000, to remain available until September 30, 1995, including not to exceed $2,100,000,000 for space station, of which (1) not to exceed $172,000,000 shall be for space station operations/utilization capability development and (2) not to exceed $99,000,000 shall be for space station supporting development: *Provided*, That none of the funds in this Act may be used for space station engineering and integration contract activities: *Provided further*, That none of the funds in this Act may be used for space station technical and management information systems contract activities: *Provided further*, That none of the funds in this Act may be used for space station NASA headquarters level one support service contracts.

AMENDMENT OFFERED BY MR. ROEMER

Mr. ROEMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROEMER: Page 50, line 14, strike "$7,475,400,000" and insert "$6,200,400,000".

Page 50, line 15, strike ", including" and all that follows through "ment" on line 20.

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The CHAIRMAN. Pursuant to the rule, debate on this amendment and any amendments thereto may not exceed 2 hours.

The gentleman from Indiana [Mr. ROEMER] will be recognized for 1 hour and a Member opposed will be recognized for 1 hour.

The Chair recognizes the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, for purposes of debate only, I ask unanimous consent that I be permitted to yield 30 minutes of my time to be controlled by the gentleman from New Jersey [Mr. ZIMMER].

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROEMER. I yield myself 3 minutes.

Mr. Chairman, back in Indiana we have a saying: "When you find yourself in a hole, the first rule is to quit digging." This amendment, Mr. Chairman, is very simple, simple for the people of this country to understand; it is simple for the people of this body, and furthermore, last week it was very simple in that it was decided for the taxpayers of this country by one single vote.

What this amendment does, Mr. Chairman, simply put, is it cuts $1.2 billion from the space station. That is a clean cut. That money will go to the deficit. We do not legislate on an appropriations bill. We are not designating this money toward a housing program or toward education or toward a host of other worthwhile projects.

This is a clean cut. Just as amendments are offered on the floor over the last few weeks, we are offering this amendment because of our deep concern for a deficit situation that is crippling our children's future and hurting the economic viability of this country.

Second, Mr. Chairman, what is funding for the space station doing to other programs? My deep respect for the chairman of the subcommittee, the gentleman from Ohio [Mr. STOKES]; he was quoted in last week's National Journal of Congressional Daily as saying this space station would cost NASA another $500 million, hurting other science and space programs.

In fact, the committee, Mr. Chairman, has made that determination. NASA has now cut $450 million from such programs, important programs as the space shuttle, structural spares, space communications, launch services, et cetera, et cetera. HUD has cut flexible subsidies in the HOPE program. Both programs are equaling $85 million.

We just had a debate about crumbs, as it would say, but $10 billion is a lot to me and a lot to the people of Indiana. That $10 million fight on the floor was over this space station eating up more and more of available funds.

Finally, in Space News, the headline talks about NASA technology package slashed by more than half because of the space station. That is why the Taxpayers Union supports this amendment, also Citizens Against Waste. And if you are tired of sending 300 Los Angeles cops into our schools, if you are tired about the deficit eating up our available funds, if you are tired about the status quo, if you are tired about NASA with a 76 percent average cost overrun, send them a message and vote for this Roemer/Zimmer amendment.

The CHAIRMAN. Is there a Member in opposition to the amendment?

Mr. STOKES. Mr. Chairman, I rise in opposition.

Mr. Chairman, I ask unanimous consent that 30 minutes of my time be controlled by the gentleman from California [Mr. LEWIS].

The CHAIRMAN. Is there opposition to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Ohio [Mr. STOKES] will be recognized for 30 minutes, the gentleman from California [Mr. LEWIS] will be recognized for 30 minutes, and the gentleman from New Jersey [Mr. ZIMMER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill we have before us today includes $2.1 billion in fiscal year 1994 for a redesigned space station proposed by the President.

And, Mr. Chairman, I will support the President and vote for this new space station.

But I want to make clear that my support is contingent on a number of important factors.

This committee has for more than 8 years warned that the space station was headed for trouble.

It is interesting that the President has picked a simpler, smaller station based on a modular approach—because that is precisely what our committee recommended when this program was launched 8 or 9 years ago.

And why did we make that recommendation?

We made it because back in 1985 and 1986, we thought that the budget crisis would deepen, and the space station program that NASA proposed was not remotely affordable and would have been virtually impossible to launch.

From the very outset, this Committee—and this Committee alone—called for a modular concept—"A buy it by the yard approach."

So here we are today with another space station redesign that effectively uses the modular approach. And that is very gratifying.

In fact, the space station program has from day one been a management nightmare. To gain essential political support, NASA elected to discard the time tested concept of picking a "prime" contractor coupled with a lead center to ensure solid program control.

While that approach has been politically successful—it has built for NASA the ultimate box.

It has created an enormous overhead of support service contractors that has eroded the money needed to actually build the space station.

So, Mr. Chairman, the space station history is replete with problems that this Committee warned long ago were coming.

But that is all water over the dam. The real question before us is whether the President's proposal can work.

I have not been a supporter of the space station program. I felt that my predecessor was right in suggesting that given the budget crisis, the space station—with an annual funding rate exceeding $3.1 billion a year—would simply eat every other NASA program's lunch.

But I want to commend the President for his efforts in trying to slim down this very ambitious project. And, Mr. Chairman, as I said at the outset, I will support the President's space station proposal.

However, my support for station is contingent on implementing the management changes necessary to make the program work.

The fact is that while the space station has gradually been shrinking because the budget crisis has forced NASA to scale back the program—virtually thousands of support service contractors have stayed on the job.

Unless we get that problem solved—with this new Presidential recommendation—unless we break the rice bowls—this program cannot succeed.

That is the message we are trying to get across.

It is a message that NASA itself is sympathetic to—but has been unable to implement because it lives in that political box it created.

And above all, it is the message that the President's advisory panel, chaired by Dr. Charles Vest, president of M.I.T.—made in his report to the President.

We must break the rice bowls.

That means that NASA will have to pick a prime contractor—something it should have done years and years ago.

It means that over the next two or three years the program will have to lose 3,000 to 4,000 contractor jobs.

I voted for space station last week—and I will support the program today.

But my support is contingent on NASA accepting the Vest panel's recommendations and implementing the station management changes—not in a few months—not in a few weeks—but now.

I believe the space station program deserves another chance. NASA and the White House are committed to making management changes necessary for this program to work.

But those changes and some of the problems that I just discussed must be addressed in the next two to three months so that we can be assured that, once and for all, the program is on the right track.

If we collectively—all of us together—NASA, the Administration, and the Congress—do not have the political will to fix this program, then there is no way I can support it.

As I said, I think the space station deserves another chance. I don't want to see us close off this Nation's longstanding leadership in space.

☐ 2030

So Mr. Chairman, I urge the Members tonight to vote for the space station.

In closing, let me just say that this has not been an easy decision for me to come to, nor has it been an easy vote for me to make, given my past position on the space station; but at this particular time in our history I happen to believe that our President who has gone through the difficulty of having us analyze and totally assess the space station in its present context and who has selected a new design, that being Option 8, and who has now submitted to the Congress his endorsement of that, I believe that we should support the President.

For that reason tonight, Mr. Chairman, I will vote for the space station.

Mr. CHAIRMAN, I reserve the balance of my time.

Mr. ZIMMER. Mr. Chairman, I yield 1 minute to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I rise in support of this Roemer-Zimmer amendment, but I share the concerns of the chairman who just spoke. It is a tough, tough decision.

I support NASA. I support the Earth Program, and I support science and research.

I voted for the space station last year in hopes that I could detect as a lay person, as someone who represents my constituency, some great improvement in the program, something we could say we have done here. Unfortunately, I have not perceived that to be the case.

We spend $9 billion. That is a ton of money.

Again, to those of us who are not technically involved, there is not a great deal of evidence that we are making great progress in this area.

I see scientists on TV, I see respected scientists saying there is no new technology here, that we are continuing to do much as we have in the past.

I believe we need to make cuts. We cannot tax and not cut. We cannot have it both ways.

Mr. Chairman, I support the Roemer-Zimmer amendment.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the Roemer-Zimmer amendment. I am afraid we are in a condition where this amendment does not accomplish that which the authors have claimed.

I have heard it said before, that this is a clean amendment. I hear the claim that money saved will go to reduce the deficit. Even technically, that is not correct. Factually, it is not accurate.

This amendment does not affect the budget, for that would be legislating and I think the author knows that.

In turn, as long as we do not affect the budget amendment, then the 602(b)'s are not affected. So this money would then be in a pool to be re-distributed to other social programs somewhere in conference.

America's commitment to manned exploration of space began with President Kennedy and it has extended in nonpartisan fashion through each presidency right up to the Clinton administration. Each President; Johnson, Nixon, Ford, Carter, Reagan, and Bush has helped the American people realize that investment in space is a vision worthy of America's future.

No matter how many times we redesign it, the conclusion is always that we should continue. I commend the Vest Advisory Committee Report to each and every one of you.

That report offers the assessment—and it is positive—of our international partners. We have had the benefit of a $3-billion investment from them and the promise of more, if this Congress just has the courage to restore certainty to America's vision in space. To do otherwise is a basic violation of what amounts to internationally recognized agreements.

One can easily foresee a situation, if we fail to do the right thing today. I for one would hate to see our European, Canadian, and Japanese partners working with the Soviets exclusively.

Our society has been one that has functioned extremely well because of its ever-expanding horizon.

We are a country of pioneering spirit.

We cannot sacrifice this opportunity. In another time Christopher Columbus went to Queen Isabella and suggested that she should help him finance a little program. He would take a few ships across the ocean to find spices, and maybe find a new world, and produce a new vision as well as a new hope for mankind.

What if Queen Isabella had said, "You know, Chris, I think you've got a good idea, but frankly, that idea just isn't feasible right now. My budget can't afford it and some of my advisors say I should do it, and some say I shouldn't do it."

To say the least, it would have changed the history of mankind.

In this instance, we are talking about the future of America's science work in space and the future of mankind's hope for a much, much brighter tomorrow.

I would suggest to the gentlemen who are proposing this amendment that should they be successful, they will have wasted more money than they ever dreamed of saving in the process of another redesign.

In the meantime, we will have cut off a very significant piece of America's vision for tomorrow.

Mr. Chairman, I reserve the balance of my time.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Wisconsin [Mr. OBEY], a member of the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, NASA has led this Congress around by the nose for a decade on this issue, and it is time we get the ring out of our nose.

In 1984, we originally were told this would cost $8 billion. We have already spent $8 billion, and yet nothing has been built.

In 1993, the GAO estimated that this was going to cost $43 billion to build and $120 billion to operate.

Now we have a scaled-back plan, and we are told it is going to cost $10 billion over the next 5 years and about $50 billion to operate.

The agency is doing the same thing to us that they have done for 10 years. They low-ball the contract. They tell you it is going to cost one amount, they spread contracts over half the congressional districts in this country to get this thing to fly politically, even if it cannot fly scientifically, and so what they are going to do is keep stringing us along.

I think the time has come to put this on the shelf. The real cost of this baby is going to be about $100 billion. We could fund the National Science Foundation for 30 years with that.

□ 2040

We could fund EPA for 14 years. We could fund the Cancer Institute for 50 years.

Mr. Chairman, I get excited about the space program just like everybody else. I think it is terrifically imaginative. But the fact is I get a whole lot more excited about getting this economy under control and getting it functioning.

How many years does Congress have to stand by and be bamboozled by this agency before we finally stand up and say, "Enough is enough"? This project ought to be put on the shelf until we can afford it.

Mr. STOKES. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. BROOKS], the chairman of the Committee on the Judiciary.

Mr. BROOKS. Mr. Chairman, first I would like to express my appreciation for the fine work of the House Appropriations Committee: The full committee headed by its distinguished chairman, BILL NATCHER, and the Subcommittee on VA, HUD, and Independent Agencies, chaired by LOUIS STOKES, a political lion of courage and vision.

The total NASA budget was cut by $700 million, reduced from $15.3 billion to $14.5 billion. The space station budget remains at $2.1 billion for fiscal year 1994, but station spending will be reduced $6 billion over the next 5 years compared to planned expenditures for space station *Freedom*, and $18 billion over the lifetime of the program.

The space station represents the core of NASA's effort. It concentrates the hopes, the dreams, and the technological progress into this major scientific effort. It is a critical step to the future and I hope that the Members of this House will not follow the pied pipers of repudiation.

We should be ashamed to even think of repudiating our commitment to the Canadians, Europeans, and the Japanese who will have spent $3.9 billion by the end of this year, and committed $9 billion to this very same operation.

We should be ashamed to repudiate the thousands of people in almost every State in the Nation who have contributed toward this scientific effort.

We should be ashamed to repudiate our commitment to the scientific community to continue the effort—though difficult—to lead this Nation into the 21st century as a first-class, not a second-class, nation.

Let us not repudiate our commitment to our national interests, to our children and grandchildren.

Vote to support a space station for the future.

Mr. ZIMMER. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, let me say to my colleagues that I always try to appeal to reason and to logic.

But the logic of this debate defies us all.

How in good conscience can we again vote more funds—in the amount of billions—$2.1 billion this year alone—on a program that has always been controversial, always of doubtful value. Truly—pie in the sky.

Bottom line: This amendment makes each of us in the Congress come down to earth and makes us directly confront the tradeoffs.

Bottom line: Each of us is voting either for space station, against housing, against vets, and against fuller funding for other proven science projects.

Mr. Chairman, I rise today in strong support of the Roemer-Zimmer amendment to terminate funding for the space station. While I was disappointed the House of Representatives failed to cut this wasteful program last week, when we considered this same amendment to the NASA authorization bill, I am optimistic the majority of the House will come to its senses today, and support the Roemer-Zimmer amendment.

The American taxpayers are demanding that Congress make tough budget choices, before raising taxes. Last week, the space station was authorized at $1.9 billion for fiscal year 1994. Today, the House is being asked to commit $2.1 billion for the space station in fiscal year 1994.

Theory does not count today. If the House fails to adopt the Roemer-Zimmer amendment, $2.1 billion of hard-earned taxpayers' money will be wasted on the space station in 1994.

This is real money that is not available for other science programs, environmental protection, housing needs, emergency food and shelter programs, veterans programs, and—most of all—deficit reduction. We need the space station's $2.1 billion here on Earth.

The space station program is so fundamentally flawed that President Clinton's current design option only satisfies one of its eight original design objectives. NASA currently estimates the latest space station design will cost American taxpayers $10.5 billion over the next 5 years and roughly $30 billion to complete.

Moreover, each time NASA redesigns the space station its utility diminishes, its cost escalates, and it directs desperately needed funding away from other scientifically valid programs. The space station has always been of dubious scientific worth, and the scientific benefit to be derived from the current space station design is even more illusive.

The news for taxpayers gets worse, however. The space station's total development costs are expected to exceed $40 billion, and its estimated lifetime cost is likely to reach $120 billion. At such a price, the space station is clearly directing funding away from other science programs. But, most importantly, the space station is steering money away from deficit reduction.

And I would warn my colleagues, do not be taken in by pseudo-historical lectures and emotional appeals about our place in history. I taught history too and I could set forth historical parallels of prior civilizations that spent their heritage and were deluded by their leaders. Egyptians, Ottomans, and Romans all were victims of their own foolishness.

All the lofty arguments aside, the space station is a luxury pork project of dubious scientific value that the United States cannot afford when the Federal Government has accumulated a $4.3 trillion national debt.

Mr. Chairman, it seems ironic that proponents of the space station argue it is a gift for future generations. When, in reality, the space station's greatest gift to future generations is its contribution to our Nation's enormous Federal debt.

Mr. Chairman, let us stop this taxpayer ripoff right now, before more Federal dollars are wasted. I urge my colleagues to examine our Nation's priorities and to vote for fiscal responsibility in Government by supporting the Roemer-Zimmer amendment to terminate the space station.

Mr. LEWIS of California. Mr. Chairman, I yield 2½ minutes to the gentleman from New York [Mr. HOUGHTON].

Mr. HOUGHTON. Mr. Chairman, as my colleagues know, it is always difficult, particularly when it is getting late at night, to influence the vote on the floor, particularly the second time around. But I feel so deeply about space station and how important it is that I am hoping those maybe who are listening, who possibly are on the fence, will keep their thinking cap on, not their emotion cap on, as they cast this vote.

Let me just share with my colleagues a little bit of where I am coming from:

As my colleagues know, I have been around for a little bit in my life, and I have seen what it does, and science, if it is good science, does not usually end up in a laboratory report on a shelf gathering dust. It is useful. It has multiplication opportunities far beyond anything one would recognize at the time when the science is done.

Let me give my colleagues an example. I used to work for a company that did some work for the Space Age and for particular opportunities in the Space Age, and we developed some materials for this. Lo and behold, not only were they helpful for the Nation's program, but also they developed cooking ware which employed thousands, and thousands, and thousands of people.

My colleagues, this is not just a lonely example. It works its way through our lives if we have good, and fine and creative new science, and it translates into jobs.

My colleagues can talk about all the horror stories they want, of waste and things like that. But, as my colleagues know, science, like politics, is a very messy business. But it still is important, and it means risk, and it means leadership, and, if we do not have it, then we follow, and what we do is really compete with third rate countries on a volume and a price basis, and there is nothing in it for a technically involved nation such as ours.

Every so often, Mr. Chairman, something big comes along whether it is the Manhattan project or, in this particular case, the space station, and I say to my colleagues, as I mentioned the other day, if we could position ourselves being absolutely No. 1 in this brand new science, second, almost inevitably, there would be a whole series of byproduct jobs coming out, producing manufacturing work, producing export jobs, producing trade balances which we are reaching for, and at the same time we could cut the real cost, the people cost, by 30 percent. It would sound like a pretty good deal compared to all these other things we have been talking about.

My colleagues, I feel very strongly about this. The amendment offered by the gentleman from Indiana [Mr. ROEMER] is not the way to go. The space station will have incalculable benefits, and I say to my colleagues, "I hope you will support it in this next vote."

Mr. ROEMER. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Missouri [Ms. DANNER], one of our freshmen.

□ 2050

Ms. DANNER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Indiana [Mr. ROEMER]. To effectively address the Nation's $300 billion deficit, we must cut spending.

Recently, there have been discussions of cutting funding for Medicare and Medicaid—programs that benefit the elderly and indigent. This is not where our cuts should occur. They should occur with programs like the space station, a program which is both scientifically and fiscally irresponsible.

Why do we need a space station??

We no longer need to beat the Russians.

We no longer plan human exploration of the Moon and Mars. Thus, studying the effect of weightlessness on astronauts is not a pressing scientific need.

Furthermore necessary experiments can be conducted by robots.

Mr. Chairman, in these tight budgetary times, we must carefully review every program on which we spend money. We cannot justify spending additional billions of dollars for the space station.

A vote for this amendment is a vote for fiscal responsibility and I urge my colleagues' support.

Mr. STOKES. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS of Texas. Mr. Chairman, I will be brief, because we have been over this ground before. But let us be clear about the vote tonight: if you vote against the space station, you vote to stop the space program dead in its tracks. There is no doubt about it in the minds of our trading partners as they prepare to move forward with America. If we say no tonight, they will look elsewhere, and they will surely move ahead of us in this race for our country's future.

Every President since John Kennedy and every Congress has stood together to move this space program forward. Let us not let history say that this Congress, this night, said no to the space program and stopped it dead. Let us move this country forward again. Let us keep the space program going. Let us build the space station.

Space station *Freedom* is in serious trouble today, and with it our entire manned space program.

After more than a quarter of a century of dazzling success and loyal national commitment, NASA is facing unprecedented pressure and intense public scrutiny, with space station *Freedom* at the center.

This strain comes at a time when our efforts to reduce the Federal budget deficit are the most serious and encompassing since I came to the Congress. While reaching a consensus on budget cuts will not be easy, this Congress has every chance to achieve real cuts and real savings in Federal spending.

With a $31 billion price tag, space station *Freedom* was an inviting target for these cuts. Now, although the station has been redesigned for a much lower price tag, there are those in this Congress who would scrap the project and send NASA—and our global lead in space exploration—into a tailspin.

We did not reach this point overnight. We got here from years of disinterest by previous administrations and the lack of a defined space policy. Recent Presidencies that even bothered to address America's space program seemed to do so only at anniversaries and commemorations. More often than not NASA was a peripheral issue that never received the commitment and focus it deserves. As a result, the agency has suffered a lack of direction and has often been embroiled in destructive infighting.

Progress in space means having a policy that outlines our goals in space and the timetable by which we will meet them. For my generation, it was President John F. Kennedy who inspired us and laid the foundation for our achievements in space. It is going to take the same type of leadership and drive to keep our space program alive.

Our country has a policy for imported auto parts and soybean price supports; why not something as important to our future as the U.S. space program? Laying out such a plan is the surest way to overcome NASA's present dilemmas and rid us of the irrationality of the current process.

Effective, progressive leadership in space does not rest solely on the President. It requires Members of Congress, NASA administrators, and private contractors to ally themselves together for the good of the entire space program. Congressional supporters should solidify their votes in both the House and Senate. NASA officials and contractors should streamline their management structure and hold a tougher line on expenditures. If we want a space station and a manned space program, then all instances of partisanship and pettiness must be put aside.

This is the time to make that decision. Spending 9 years and $8 billion on a program, then drastically downsizing or scrapping it, is not only the worst type of governmental waste, it also means tossing away our future discoveries in science, engineering, and medicine.

Already our level of investment in the space station—averaging less than 1 percent of our entire Federal budget per year—has paid rich dividends. For every dollar we spend on research, we get between $7 and $10 in return.

The space station is the platform of man's future in space. Though its mission has narrowed, its potential for reward has not. The weightless environment of space will provide an exceptional laboratory for science. In our future, man will make medical and scientific discoveries in space that we cannot yet imagine. Today, men and women are preparing to meet these opportunities: cancer research, advanced treatments for disease, biomechanical devices, and perfectly formed semiconductors.

These promising advancements do not stand alone. In the weightless environment of space, biological materials separate more completely and protein crystals grow larger and more perfectly, allowing us to develop new and purer forms of pharmaceuticals that can be used to treat diseases like emphysema, high blood pressure, AIDS, and cancer. Space physiology research can lead to treatment for osteoporosis, motion sicknesses, and diabetes. Research on the biotechnological and biomedical applications of cell, tissue, protein, and molecular processes can lead to new insights into how our bodies work, grow, and repair themselves.

It was newspaper columnist Walter Lippmann who wrote nearly 50 years ago that "the final test of a leader is that he leaves behind him in other men the conviction and the will to carry on * * *" Such was the measure of President Kennedy, and such could be the measure of ourselves today. Unless we grasp the reins and lead this country into the next century, we will be overtaken by others in the realm of space.

Mr. ZIMMER. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Chairman, I rise in support of the space station and associate myself with the prior remarks of the gentleman from California [Mr. LEWIS] and the exciting coming remarks of the gentleman from California [Mr. ROHRABACHER].

Mr. Chairman, I rise today in strong support for our future. I rise in support of space station *Freedom*.

A vote today to terminate funding for the space station is not a vote to cut the budget. It is a vote to sacrifice our future.

We cannot move forward as a world leader in business, technology, or transportation without remaining a leader in space exploration. The only way to remain a leader in space is through station *Freedom*.

To those who seek to cut the budget, I urge you to join me later tonight in supporting reductions in a real pork program, the advanced solid rocket motor or ASRM for the space shuttle.

If you want to reduce the deficit, look to programs of the past such as ASRM. If you want to build strength for the future, then support space station *Freedom*.

Mr. Chairman, here again are a few key points. The cost of the space station alone does not reflect its true value.

The space station is the next necessary step in maintaining our commitment to manned space flight. Without the space station, the more ambitious goal of a manned flight to Mars will be impossible.

Important research on life sciences and the effect of weightlessness demand a permanent platform for long-term studies to proceed. These are paramount to any extended space voyage.

The production of pharmaceuticals and materials engineered in a weightless environment cannot occur without the space station.

The space station is international. Without the United States, international commitment will collapse; so the impact will not only be on our own space industry, but that of our allies as well.

NASA's redesign process has produced a lean, workable model for the international space station that will perform the tasks necessary to justify its building.

It is fitting and proper that the United States lead the rest of the world in confronting this exciting new challenge. Or is it the destiny of the Clinton era to be the one of diminished leadership and capabilities for the American Nation? Without a national commitment to conquering this frontier, the United States will necessarily be limited in its future leadership roles. Let us resolve to maintain this commitment.

Mr. ZIMMER. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, both the Senate and the House have now passed budget proposals that will increase our public debt by $1 billion a day for the next 5 years. Are we sure as Congressmen and Congresswomen that we want to leave this kind of spending legacy to our children and grandchildren? When we make spending decisions, we must base them on our overall goals to accelerate our economy and reverse the decline in the

Americans' standard of living. In this regard, space station *Freedom* is indefensible and fiscally unjustified.

The money for the space station would be better spent to encourage science and research to develop new technologies that American companies can use to improve productivity and our competitive position with other countries of the world. Some speakers have suggested we could get a lot of research information from the space station. That may or may not be true, but that information will not improve American competitiveness. The fact is, we have already signed away America's rights to this information to other countries in intergovernmental agreements.

Mr. Chairman, if we are going to put billions and billions of dollars into research, then I suggest that America should fund the kind of research efforts that Americans can use in America to improve our competitive edge, to expand our economy and to increase the number of good jobs that are available. Borrowing money to spend on space station *Freedom* is a luxury that we cannot afford at this time. Each year that we sink more money into this space station that even the scientists say is wasteful, makes it that much more difficult to reconsider. Let us get out cheaply while we can. Let us put this project on hold while it is still in the planning stages so this country can deal with our important priorities, one of which is the economy.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DELAY], a member of the committee.

Mr. DELAY. Mr. Chairman, I rise in very strong opposition to the Roemer-Zimmer amendment. Time and time again, I listen to my colleagues tell us that we cannot afford a space station. Let me try to make it clear that what we cannot afford is the sacrifice of the most valuable research and development being done by our nation today. Research and development is the engine that drives our economy. It is upon the high-tech, forward looking jobs this research and development will produce that our nation will stand on in the decades to come.

Mr. Chairman, if a trucking company told you it was going to cut costs by not purchasing any more fuel, you would think it illogical. If a print shop tried to reduce overhead by failing to purchase ink, that too would be illogical. When we debate funding for the most far reaching, intensive research and development project in our nation today, when we throw over the side the very sustenance which will nurture tomorrow's economy, we, too, are acting illogical.

The gentleman from Wisconsin said that the cost overruns and mismanagement at NASA require us to kill the space station. I submit that it is this Congress that has led the space station program into the situation it finds itself. Coming year-in and year-out, year after year, trying to kill the space station and space program, causes NASA to have a lot of the problems that we currently find. We are, however, cleaning things up. This administration is cleaning things up starting with the management restructuring program that the Chairman so eloquently pointed out. It is not our fault, it is the fault of trying to slow down our commitment to this project and to the space program that causes so many of NASA's problems.

The gentlewoman from New Jersey was talking about the Romans. If I remember my history right, the Romans at the end of the empire spent all their money on consumer goods and spent money on the current day rather than investing in tomorrow. Mr. Chairman, that is what you are doing if you kill the space station. You are moving money from productive investments in the future to nonproductive social programs, as has been brought out by speaker after speaker here tonight that wants to kill the space station so they can reallocate the money for their spending programs.

Mr. Chairman, the gentleman from Wyoming said, "I haven't seen any improvement." Well, the gentleman has not been listening to the debate. We have improved the space station. We have ratcheted down the design and the costs and created a streamlined management restructuring program. As a result of the Redesign process, NASA plans to make major management restructuring which they estimate will save $300 million per year. The Vest Committee believes savings from management changes could add up to anywhere between $700 million to $1 billion per year for NASA overall.

The gentleman from Michigan, and I love him, he does a great job, says we ought to spend our money on encouraging new technologies for our companies. Well, go talk to the computer companies of America. Go talk to the companies that are making microwaves. Go talk to the biotech companies, to the composite companies that are making product after product that comes directly from the space program as well as the new products they are anticipating will come from the space station. All of these companies will tell you that they look to the space station as the vehicle, not just as four men in orbit but to carry the technology development of their own industries—American industries—who need and deserve that edge.

Mr. Chairman, the real question we are debating here is do we kill our investment in the future called our space program by killing the space station, and take that money and move it into veterans benefits and housing programs. Because if you are voting for this amendment as deficit reduction, make no mistake about it; not a dime of the $2.1 billion will go to deficit reduction. That money will go to other programs. We all know it. Those of us who have been here for years understand it and there is no doubt that that is what will happen.

I would like to make one additional point. Although this amendment would not apply funds saved from killing space station to deficit reduction, for those Members who believe that we should kill space station in favor of deficit reduction, I urge you to think again. Compared to all the unnecessary activities undertaken by our government, America's space program is one which is unquestionably legitimate. As with many other government programs, it hasn't been without problems and NASA is addressing these problems but space station is a crucial project that provides unquestionable benefits now and in the future that will far outweigh the investment we've put in.

Vote for investing in the future; vote no on the Roemer-Zimmer amendment.

Mr. ROEMER. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I will just say that we cast a number of votes last week where many Members in this body voted for canceling the liquid metal reactor, $31 million; the SP-100, $25 million; some voted to cancel the SSC, $620 million. I am sure their intentions were deficit reduction, and that is what the intention of this legislation is as well.

Mr. Chairman, I yield 1 minute to the distinguished gentleman from New Jersey [Mr. KLEIN], a freshman who has whipped on this and has been very helpful.

Mr. KLEIN. Mr. Chairman, I rise in support of the Roemer amendment. It has been suggested that if you are against space station *Freedom*, you have not vision and you are against science. I think quite the opposite is true.

I oppose space station *Freedom* because I think it is in the best interest of our Nation's future and technology development and space exploration to rethink the Space Station program. We have already cut $450 million out of other critical NASA programs in order to accommodate space station *Freedom*. Continuing to throw good money after bad is not conducive to a competitive technological future. We simply cannot afford the luxury of continuing to fund the overpriced, poorly managed space station *Freedom* program at the expense of other programs, both in science and technology, as well as important economic development and social initiatives.

Mr. STOKES. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. CRAMER].

□ 2100

Mr. CRAMER. Mr. Chairman, I want to be brief tonight. I feel like in some ways we are beating a dead horse.

I want to congratulate the chairman and say that the remarks that the gentleman made, as a new member of the Committee on Science, Space, and Technology, I know that our committee has put NASA's budget through the heat of fire. And we have held their feet to the fire.

We have looked at some of their management problems, and we understand we have got some room to work with them. This is not the time to walk away from the space station *Freedom* program.

The President is recommending this program, and I urge the Members to pay attention to this debate tonight.

Let us put our support behind the space station program and vote against this amendment.

Mr. ZIMMER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, at some point in our history, interplanetary travel and development may well be necessary.

Whether we have reached the point where prudence demands we take the next step toward living and working in space, and construct the space station, is the issue before us today.

I suggest to my colleagues that in these times of severe fiscal constraint, the question should turn on the needs of mankind and the contribution in the near and midterm expected of the space station.

Mr. Chairman, we already have a space station—the planet Earth. It is a fragile, finite sphere covered mostly by unexplored ocean depths.

An immediate need of mankind is a clean planet. Toward that end our attention should focus on a sustainable culture, one that promotes waste control, wise use of resources, and efficient technologies. A culture that lives in harmony with nature and practices the Earth Day slogan "Reduce, Reuse and Recycle."

Without dispute, advances in health research and care is a need of mankind, but, Mr. Chairman, we have heard from spokesmen for the National Institute of Health, the American Cancer Society, and the Arthritis Foundation—all to the effect that Earth-based medical research can accomplish what is contemplated in space.

For me the balance sheet of responsiveness to the needs of mankind dictates not proceeding with the space station at this time.

The dollars saved, whether $12 or $20 or $40 billion, even if not spent on promoting research at home—even if not used to address the need for a clean planet, would undeniably help by substituting for the deficit-reduction proposals that restrict investment in people, adversely affect the working elderly, increase the cost of living, and decrease the quality of life for all Americans.

I urge my colleagues to vote yes on this amendment.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I thank the gentleman for yielding time to me.

I especially want to thank our chairman, the gentleman from Ohio [Mr. STOKES]. I was thinking about what I was going to say this evening, speaking on behalf of space station. And then I thought, well, this will be very easy. I can just recycle the speech that I made last week, talk again about how if we defeat this program, the space station, and vote for the Zimmer-Roemer amendment, it will end manned space as we know it for the United States for at least the next two decades, that we will have repudiated foreign commitments.

We will have lost face. We will have lost faith, and we will have broken trust with our foreign partners.

I got to thinking about this. I thought, what do the people back home think about this debate over space station a second time? Is this as confusing to them as it is to me? Is this as confusing to them, as they watch this right now and they hear different Members stand up and speak on behalf of or against space station, when we just talked about this 5, 6 days ago, or if they pick up their papers tomorrow morning?

I thought, the problem is, this reflects exactly what is wrong with Congress. We decided this last week. We voted for it. We passed it. It happened. We won by five votes. We passed this space station. It is over.

Yet here we are again, in this body, together, going over the same thing. Do my colleagues not suppose that the people back home look at this and say, "What is going on here? How can this happen over and over?"

Not only that, but I have to tell my colleagues, it is going to happen twice more, when it comes back on the authorization side from conference, when it comes back on the appropriations side from conference.

We have passed it. I urge my colleagues to vote the way they did before. The most cynical thing that happens in these situations is Members who want to straddle the fence, vote one way on the authorization and then another on the appropriation, play both sides and have an explanation for both.

I urge my colleagues, each of them, vote against this amendment.

Mr. ROEMER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Wisconsin [Mr. BARCA], a brand-new Member of this body who just came from a very difficult election.

Mr. BARCA. Mr. Chairman, I rise today in support of the Roemer amendment to cut the $2.1 billion appropriation for the space station. While I am an ardent supporter of scientific research and am well aware of its educational value, I believe these tough economic times force us to scrutinize projects more carefully than we have in the past.

Items like the space station, while desirable and perhaps even useful, are beyond affordability. Increasingly, Congress must make these difficult decisions in an attempt to spend within our means. I do not believe the merits of the space station outweigh the importance of reducing our budget deficit. We simply cannot fund a program of this financial magnitude until we bring the deficit under control. We are not even sure how much this station will actually cost. NASA cannot keep a balanced budget and neither will we unless we make these types of tough decisions.

We do not need this program to spark our children's interest in science. Postponing completion of the space station will neither stifle our children's desire to explore new frontiers nor discourage their interest in space-related disciplines. We will be able to maintain our status as world leaders in science and technology and at the same time focus our efforts on those space programs which are most cost-effective and scientifically valuable.

The Roemer amendment advocates intelligent use of taxpayer dollars as well as sound space policy. By supporting this amendment we can demonstrate our commitment to manage scarce revenues effectively and gain the taxpayers confidence in our ability to bring about real deficit reduction. I urge my colleagues to support this amendment.

Mr. STOKES. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Alabama [Mr. BEVILL], chairman of the Subcommittee on Energy and Water Development.

Mr. BEVILL. Mr. Chairman, I rise today in strong support of the funding contained in this bill for the manned space station.

This funding represents an investment in our future. It is critical to our economy and to the growth of high technology industries in this country.

More than 30 years ago we started our space program. Over the years, our Nation has been recognized worldwide for the technology that we have developed as a result of this program.

We have witnessed many advances in medicine, lasers, computer technology and weather satellites as a direct result of the space program. We have made the world a better place to live through the discoveries made during the course of our space program.

The space station is the logical next step. We must move forward in our exploration of space and our development of scientific knowledge. We need to move forward with the space station which will serve as the platform for new experiments.

Thirty years from now, the future of America may depend on what we do today. We must look to the future and we must prepare for it. We cannot afford to be shortsighted. We cannot afford to short-circuit the development of our scientific abilities.

I strongly urge my colleagues to support the funding for the space station.

Mr. ZIMMER. Mr. Chairman, I yield myself such time as I may consume. Time and again during the space station debate, we have heard about keeping the dream alive and the inspiring vision of space exploration. We have head about dazzling exploration feats of America and other nations. And members have related their stirring childhood memories of seeing a rocket launch or a moon landing.

These statements have often been powerful and moving. But they are rooted in emotion—not logic. Proponents of the space station are forced to appeal to emotion because logical arguments will not carry the day for them—because clear, cold analysis proves that the space station we are debating is simply not worth the billions we have been asked to spend on it. So you have heard from Flash Gordon. Now listen to Mr. Spock.

Let us look at the arguments for building this space station and see why they are not logical.

The space station has been sold as a marvelous science laboratory. It is not. Last week this body voted to end funding for the superconducting super collider because we cannot afford it. The space station is much more expensive than the SSC and far less likely to provide major scientific discoveries. America's leading scientists and physicians have said that the space station cannot be justified on scientific or medical grounds. The space station will provide us with only one small lab that will accommodate just two researchers.

The space station program is also far more prone to cost overruns than the super collider. This year alone, NASA discovered more than one billion dollars in cost overruns.

The space station has been sold as a gateway to space. It is not.

When first proposed by President Reagan, the space station was going to be a multipurpose staging base for deep space exploration. It was going to have its own landing dock and launch pad. It was going to have a facility for repairing spacecraft and a warehouse for spare parts. It was even hoped that we could manufacture rocket fuel up there. Not one of those capabilities remains in the plans for America's space station.

This space station is no longer a gateway to space, it is a dead end. Its inexorable funding demands have taken money away from every other space exploration program. It has even caused the cancellation of our only effort to plan how we might return to the moon and explore Mars.

If we continue to build the space station, we will divert NASA's entire exploration budget—and most of its science budget as well—to a program that will not help us to explore anything.

The space station has been sold as the only way to save the American space program. It is not.

In fact, the opposite is true. Dozens of important, successful space programs have been sacrificed to feed the space station's insatiable appetite. Only last week this body cut $250 million from the rest of NASA's programs to help win votes for the space station. And the Appropriations Committee cut $365 million from other NASA programs, including the space shuttle, environmental satellites, space research and technology, commercial space initiatives and space science to bring space station funding up to the President's request.

Satellites being developed to tell us about the ozone layer and global climate change have been delayed. The satellite surveying Venus was turned off last year while in perfect working order because NASA could not afford to keep operating it. The mission to send a probe to one of Saturn's moons has been scaled back. Missions to survey the infrared and x-ray spectra of the universe have been repeatedly delayed. And we completely canceled the mission to locate and learn about comets and asteroids, despite the fact that two asteroids passed dangerously close to Earth in the last 3 months.

These are all missions that would teach us about the universe. They would expand our horizons. They would add to our knowledge. They would inspire our youth. Yet they are starving for funds because of our fixation with a hugely expensive piece of hardware designed to house four humans in low-earth orbit more than 30 years after we landed on the Moon. This will not assure public support for the space program. Instead it will guarantee public resentment and frustration.

This space station will not teach us about telecommunications. It will not create new industries. It will not tell us anything about our planet, and it will not help us to explore new ones. It will not teach us about the creation of the universe or how to manufacture new drugs.

The only way we can achieve our dreams is to face reality. Cold logic tells us that the space station will not do what its proponents promise. In fact, it will defer the dream of space exploration. Vote for the Roemer-Zimmer amendment.

□ 2110

Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, last week when we debated this amendment I talked about the advances in manufacturing we have made as a direct result of building an object which must last 10 to 30 years in space. Since the amendment failed by only one vote and 64 freshmen supported it, I rise to urge the Members again to consider the ramifications for our manufacturing base of building the space station *Freedom*, and to give the Members a more specific understanding of the benefits that the space station project has already produced for American manufacturing.

Our first concrete advancement in manufacturing produced by the space station research program is what is called rapid prototyping techniques. This approach has reduced the time required to produce space parts by integrating design and manufacturing in a truly revolutionary way.

Using rapid prototyping, it is now possible to make metal castings of unique parts directly from the design without drawings or special tooling. That means a 24-week process can now be accomplished in 2.4 weeks. This is a major advancement that will have a great impact on the productivity and competitiveness of all U.S. manufacturers. Since manufacturing produces 22 percent of our GNP and since in the past we have been better at inventing products than at producing them cost-effectively, this is the kind of advancement that is critical to our continued economic strength.

Secondly, space station hardware requirements have forced manufacturers to invent new material joining techniques and processes that allow them to weld aluminum and titanium to fabricate small, complex heat exchangers consistently and with outstanding reliability. Both the new joining and welding processes and the miniaturization of heat exchangers have applications throughout manufacturing and will enable us to upgrade, miniaturize, and in other ways improve our products.

Lastly, manufacturing processes have been developed to apply and bond coatings to space hardware surfaces that inhibit the growth of microbiological organisms in space. These same techniques, applied to Earth hardware, can improve our indoor and outdoor air and water quality.

I urge Members to consider the beneficial impacts building space station *Freedom* will have on U.S. leadership in manufacturing and product design. I urge the Members to vote down this amendment.

Mr. ROEMER. Mr. Chairman, I yield one minute to a distinguished freshman, the gentlewoman from New York [Mrs. MALONEY], who did vote for us on our amendment last week.

Mrs. MALONEY. Mr. Chairman, I rise in support of the Roemer-Zimmer amendment.

Mr. Chairman, if there is one thing that can honestly be said about the space station: the price tag is out of this world.

One hundred billion dollars for an orbiting motel for four astronauts when we spend a fraction of that on desperately needed affordable housing here on earth.

One hundred billion dollars for a Motel Six in space when we have an infant mortality rate in Harlem and here in the District of Columbia that rivals many third world countries.

In fact, the space station is squeezing out a number of other worthy NASA projects.

Many critical reports by the General Accounting Office and respected scientists tell us that we are using taxpayer dollars to build the biggest pork barrel ever shot into space.

Let us not put this decision off another year.

Let us concentrate on the real priorities of this country—putting people, not pork, first.

Mr. STOKES. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, in a fever pitch to attack debt and deficits, Congress is beginning to cannibalize America's future. Instead of rewriting the Tax Code, that penalizes achievement, discourages investment, rewards imports, we are now beginning to turn the focus on America's future.

I hear speech after speech in the House about all the money we have spent and are not going to spend, and nobody is more concerned about the domestic needs of America, but if we are going to solve the future domestic needs of America we will do so with high-technology opportunities.

We have invested $9 billion, Congress. We are getting to the point we are going to be cutting off our collective noses to spite our troubled faces. And I wonder what is the future for our country?

□ 2120

I want to commend Chairman STOKES who is a leader and has helped Ohio very much. And I agree that the managerial focus placed in this bill will help NASA.

But I would also like to say if we are going to be a leader we should continue the lead that we have taken. If we are going to develop high-technology jobs, we are not going to do it with waste water treatment plants alone, folks.

So I want to offer my support for the space station. Congress should continue the space station. There is a tremendous commercial return on the investment we have spent, and it is good for our country.

Mr. ZIMMER. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. INGLIS].

Mr. INGLIS of South Carolina. Mr. Chairman, I thank the gentleman for yielding the time and I rise in strong support of the Roemer-Zimmer amendment. This is, as I said last week, a tremendous bipartisan effort to do something about the problem that we have in this country, and that is that we are bankrupting the United States of America in this body.

I want to relate to Members, if I may, a series of events that caused me to solidify my position in this regard. I had a delegation visiting with me in my office that was in favor of the space station, and of course they were there to tell me that it was the best thing since sliced bread. They did not use those terms, but this is basically what they were telling me, that there were going to be tremendous advantages, that the industrial applications, the research applications were so wonderful that it was truly the best thing since sliced bread.

I walked over to the House here to vote, and I was a little bit wobbly-kneed, frankly, because this was a high-level delegation, and I was afraid that maybe they were right and maybe I was wrong. Then I was met here in the Chamber by a Member who asked me what my position was on the superconducting super collider. I was a little embarrassed, and he asked me how I was going to vote and I said well, I am against it. But I was a little bit embarrassed because frankly I was a little bit wobbly-kneed from the last delegation, and he asked me, "Well, are you beyond a pitch?" And I said no, go ahead and go shoot your best shot. And then he said the superconducting super collider is the best thing since sliced bread. It is going to revolutionize industry in this country. It has applications beyond the imagination. And I said well you know, that is interesting. I was just with somebody, a delegation that told me the same thing about the space station. And he said, "Oh, no, the space station, that thing is lousy. The thing that is really good is the superconducting super collider. It has got applications beyond belief."

I walked back to my office convinced that both have to be shelved, that both are in the same league, and that is very extensive projects, both of which it would be nice to pursue if we had plenty of money. But when you are $4 trillion in debt, you do not go spending that kind of money on speculative projects.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, I appreciate the gentleman from California yielding me this time. I know that we want to keep the debate time down, but I do rise in opposition to this amendment.

Last week I noted on the floor that the constructive criticism of some of the space station's opponents. Mr. ZIMMER and Mr. ROEMER being prime among them, has actually helped improve the station. I also pointed out that bringing in our former enemies as true partners will actually make the space station program even more international than originally conceived.

But Mr. Chairman, let me point to the human and economic costs that I do not believe are being fully considered.

Mr. Chairman, the cold war is over. Highly trained Americans helped us win that twilight struggle. Millions of experienced engineers, technicians, machinists, scientists, the dedicated patriots who built and maintained our Nation's high-tech military might during those years are the same folks whose lives and mortgage payments are now on the line. The space station and the space program are the way to keep these folks usefully employed doing work that returns value to this Nation while our economy adjusts.

Mr. Chairman, the space station is defense conversion. It is not a jobs bill. I oppose make-work programs. Instead, this is an essential transition program for an industry that is vital to our Nation's economic well-being.

If we are to have a healthy and growing economy, we must have a competitive and efficient aerospace industry. And in order to have that, we must carefully plan the transition out of the cold war into a more peaceful world.

Will we instead throw these talented and educated individuals who built the peace into turmoil and into an unproductive abyss by canceling the space station and trash-canning our aerospace industry?

Mr. Chairman, we owe a debt to those who won the cold war and to generations to come. Aerospace has much more to contribute to the well-being of our country in the years ahead, so I urge my colleagues to oppose this amendment.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, I rise in support of the Roemer-Zimmer amendment.

Mr. Chairman, we are one big family in this country, and we are one big family in big trouble. Let us look at it for a second.

We are a family that does not have enough income to pay our daily bills. We are borrowing now to feed our children. We are borrowing now to send them to school. We are borrowing now to pay the utilities. We are borrowing now, for God's sake, to pay the interest on the past borrowings of this Nation.

If we do our job perfectly well this year and cut the deficit in the next 5 years by $500 billion, we are still planning to add another $1 trillion of national debt over the next 5 years. We are borrowing ourselves into the hole.

The issue tonight is not whether the space station is a good idea. The issue is can we afford another wonderful $1 billion idea when we are sinking so deeply into debt.

I will tell Members what we cannot afford. We cannot afford to have 37 million Americans who do not have health insurance tonight. We cannot afford to have millions of Americans living in poverty and a system that bankrupts this country because we cannot seem to lift them out and to give them a job, and to rescue this country from economic chaos. We cannot afford to sink any deeper. We cannot afford the space station if we are going to solve the other problems America desperately is waiting for this Congress, this Nation to solve as a family.

We are a family in debt. We are a family in trouble. We cannot afford this major acquisition. We need to put it off until we can afford it, no matter how good it is, no matter how right it might be for our future.

We simply cannot afford it tonight, and tonight we have to make the right decision for this family: America.

Mr. STOKES. Mr. Chairman, I reserve the balance of my time.

Mr. ZIMMER. Mr. Chairman, I reserve the balance of my time, and would inquire of the Chair how much time each Member has remaining.

The CHAIRMAN. The gentleman from New Jersey [Mr. ZIMMER] has 13½ minutes remaining, the gentleman from Indiana [Mr. ROEMER] has 18 minutes remaining, the gentleman from Ohio [Mr. STOKES] has 14 minutes remaining, and the gentleman from California [Mr. LEWIS] has 11 minutes remaining.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I rise in strong support of the amendment to stop funding the space station.

Last week, the House considered this issue, but in a slightly different context. In a sense, we were voting on whether the station is a good idea—should we build a space station? Last week's vote was evidence of continued skepticism over the need for the station.

But today we must ask ourselves another question—can we afford it? With a national debt of $4 trillion that will grow by almost $300 billion this year, can we really afford the $100 billion it will probably cost to build and operate the space station?

Now, I know this is a tough vote for some of my colleagues. For some this might be an issue of NASA's direction, the viability of our aerospace industry, or maybe even jobs in their district. Those are all legitimate concerns.

But in the last couple of weeks or so we have taken votes on amendments to cut programs in the name of reducing the deficit. And almost everyone around here has come down to the House floor to talk about the importance of cutting spending.

When we voted to cut funding for former Speakers of the House and for former Presidents, those amendments took hours to debate and saved us less than $12 million. We cut $2 million from BATF and $4 million from the Customs Service. Time and time again, these and other measures were characterized as votes for fiscal responsibility and deficit reduction.

But those votes barely even nibbled away at the deficit.

Congress would have to pass 300 amendments the size of the U.S. Customs Service amendment every year for the next 20 or 30 years to equal the savings in this amendment. My question to you is, Do you really want to cut the deficit or are you just pretending? For those of you who are looking for real deficit reduction, a cut that matters this year and next year and for years to come, this is your chance.

Killing the worthless space station will save us more than $1 billion this year and tens of billions of dollars over the next 20 years.

Finally, Mr. Chairman, today my office received some information on jobs that the space station provides to New York State. According to NASA, $19.38 million in station contracts in New York provides 153 jobs. That is supposed to be a reason for me and my New York colleagues to support this boondoggle—153 jobs at a cost of a whopping $126,666 apiece to the taxpayer. If what we are looking for is a jobs program making effective use of the taxpayers' money, then that is a good reason to oppose the station, not support it.

I urge my colleagues to support this amendment and kill the space station.

□ 2130

Mr. ROEMER. Mr. Chairman, I yield myself 3 minutes to respond to a couple of remarks that were made earlier about health care and about Christopher Columbus and about some of the intentions of this amendment that might not go for deficit reduction.

First of all, if I recall my history correctly about Christopher Columbus and the decision by the king and queen to send Christopher Columbus on a voyage abroad, and thing they knew for certain was that the boat would float and that the boat worked. In our case, the space station, we have already spent $10 billion on the space station. Ronald Reagan said it would cost us $8 billion to build this, and we do not have a dime's worth of science or technology from it.

Furthermore, it has been reduced from eight scientific missions, including a mission to help us as a steppingstone to explore the Moon and Mars, it was supposed to help us with wayward and broken satellites, it was supposed to help us with the telescope, to reach out into the stars, and now it cannot do any of the those things. Yet we want to spend $100 billion on this particular project?

I do not think the king and queen would be telling Christopher Columbus to build a space station today.

Also, if I remember my history correctly, I think Spain experienced severe difficulties during the ensuing years. Their civilization and their economy experienced very, very tragic results.

Mr. Chairman, I say that we in this country are seeing our people go through very difficult decisions and consequences of not spending money in different areas and social areas of education. I am on the Education Committee. I am very concerned about that, not that this amendment would have one dime go for education. It is all for the deficit, but we are cutting money. We are cutting money for the Pell grant.

In response to some of the claims made about how this will be a magic wand and a panacea for our health care concerns in this country, we are not even adequately funding the National Institutes of Health for helping us with breast cancer, with prostate cancer, with problems of heart and lung disease. We fund one out of every four approved grants in NIH.

We should not be rolling the dice with $100 billion with this space station, that is of very, very dubious scientific value, when in fact NASA is doing some other wonderful things that are returning us good technology and good benefits and good scientific data.

Mr. ZIMMER. Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding me this time.

Last week when we had the vote on the space station, I went back to some of my constituents and talked about how I had voted to save $100 billion in the long run and tens of billions of dollars in the short run, when I voted against the space station. They looked at me, and they were not pleased. I asked them why. They could not tell me why other than they thought that somehow we would be deficient in science if we did not fund the station.

So I talked to them about conversations I have had with NASA employees who pointed out that the space station is gobbling up everything else at NASA, and that NASA cannot do all the other things it wants to do. We talked about some of the other scientific research programs that we need to do but cannot do because we have put so much into the space station. They understood and said we better stop building the station.

I rise to speak strongly in support of the Roemer-Zimmer amendment to end funding for the space station.

This is a debate about our future. It is a debate about the future of a little boy who McDonnell Douglas in this advertisement I'm holding wants to convince you, because he is in a space suit, that you should vote for the station. But when I look at this advertisement and this little boy, I come to a different conclusion. I think about his future, and I think about the $4.3 trillion debt we have today that he will have to pay. I think about the $1.7 trillion increase in our national debt in the next 5 years even with Presidential action, that he will have to pay. I think of the $6 trillion national debt in 5 years that he will have to pay.

What dream? What dream are we promising the individual?

I think of the $350 billion deficits that we have every year that he will have to pay.

What dream? What future?

I think of the $250 billion in interest on the national debt and I think of this child and his future.

What kind of dream are we talking about for this child? Do we need a space station to help this child? Is that the dream?

Today we had in Roll Call another McDonnell Douglas advertisement. It said "We thank the House of Representatives for keeping the dream alive." What dream? Whose dream? It is their dream. They make it. They want the business. They would like to have it funded, but we cannot afford it.

I hope some who voted for the space station last week will not vote to fund it tonight. I hope what they will do is think about this young child in the space suit and his future.

We cannot afford the space station. Over the years we have had debates on the balanced-budget amendment, which more than 50 percent of us have supported, and then we do not vote to cut spending.

This may be wonderful scientific project for some, if we could pay for it. We simply do not have the dollars to pay for it.

I urge my colleagues to think about what we will do next year. We will have the same debate on the space station. And we will realize it is more costly than we thought. And we will find that it has been changed again. And we will find that sometimes it will be warehoused in space with no one in it because we cannot pay for all of the things that we would like to do in it. It will become smaller and smaller and more and more expensive.

We cannot pay it because we have serious financial problems. We need to get our financial house in order. We should vote now rather than later to save tens of billions of dollars and stop funding the space station.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. BARRETT], a distinguished freshman.

Mr. BARRETT of Wisconsin. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the debate tonight is over two things. It is over our Nation's deficit, and it is over failed technology.

First, the deficit this year, the Federal Government will collect $515 billion in personal income taxes from all Americans. That is how much the Government will collect from every citizen in this country.

Now, where is that money going? $295 billion you can take right off the top, because $295 billion is going to pay interest on the debt, not reduction of principal, but interest on the debt. Take another $146 billion, and that is going to go to Medicare. Take $80 billion, and that is going to go to Medicaid.

Those three things alone come up to $521 billion. That is more than this Government is going to collect this year in personal income taxes. So that is it. The money is gone.

There are, of course, other sources of money, but that money is going to go to pay for national defense, Head Start, and education programs.

The fact of the matter is that we simply do not have the resources in this country to pay for this technology, and it is a failed technology at that.

Ten years ago NASA came to this Congress and asked for $8 billion. If they had met their goal, we would not be standing here tonight talking about this issue. It would be done. But we are here.

□ 2140

But we are here, and some have suggested that we are beating a dead horse by talking about this issue. I would suggest, instead of beating a dead horse, we are funding a dead horse and we should stop it tonight.

Mr. STOKES. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York [Mr. HOCHBRUECKNER].

Mr. HOCHBRUECKNER. Mr. Chairman, I come before you tonight as someone with over 20 years of experience with the aerospace industry, who has been there, who has been involved in aerospace and electronics.

Let me tell you something: You know, there are bad debts and there are good debts; bad debts are when you borrow money and when you spend it on operating expenses and frivolous things; good debts are when you borrow money and you invest it in your future. That is why rebuilding our roads and bridges and educating our children are so important to this Nation and our future. That is what we are talking about here tonight.

Now it is very easy to make a case that this is frivolous spending, that, "Look, there are no guarantees." Let me tell you something, there are no guarantees in life; you pay your money and you take your chances.

We do that every day.

The issue we have to settle tonight is: Is it worth investing the money in the space station on the comprehension that there will be future advances technologically that will help our Nation and provide the kinds of jobs that we want for us and our children?

Let me tell you, colleagues, we are losing the battle on basic technologies. We can no longer compete with many nations that are emerging in the industrial world today. We cannot compete with their wages.

Our future and the future of our country in terms of our trade lies in producing high-technology, advanced products, and you do not fall onto those accidentally. You do not say, "Well, let's invest in the next generation of computer chip," and you do it. You do the basic research, you discover things, you discover ideas, and then you capitalize on those by producing the product.

That is what will come with the space station. There are no guarantees that we will have a cure for cancer by developing the space station, but clearly this is the kind of thing we must do.

The fact of the matter is this is an investment in our future. Research is what it is all about. The great ideas do not happen accidentally, they happen because we take a risk, we take a chance, and we invest and take advantage of the opportunity.

That is how we make discoveries, and that is where the products come from. If you want the United States to compete, to be competitive in the world marketplace in the future, we certainly do need to continue this kind of program.

Is it risky? Yes. Are there guarantees? No. But let me tell you one thing: If we don't take the chance, if we don't invest, clearly we will miss many opportunities to produce the better mousetrap, to make the better product that we will sell to the world, and that is the future in high technology for us and for our children.

Mr. Chairman, I strongly recommend a "no" vote on this amendment which will kill the space station.

Mr. ZIMMER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I do not want to spend time debating the merits of the space station, the merits of the science associated with it. I recognize that research and development are important investments for this country.

I also recognize another fact: As a freshman, this is the first time that I am experiencing 2 weeks of voting on appropriations bills. I also recognize that it is much easier to put together a coalition to spend money than it is to put together a coalition to cut spending.

The end result, as we have seen, is that over the last number of years, we have built up a deficit of over $4 trillion. Each year we are running a deficit close to 20 percent of our total spending.

Mr. Chairman, the legacy and the dream that we leave to our children at the end of this appropriations process is another $250 billion of debt. That is something I cannot live with.

As a freshman Congressman going back to my district, a number of people asked me last week how I voted on the space station. Coming from an area that has a very strong economy, a lot of companies who invest in research and development, they understand the value of research and development. But those companies also understand the bottom line.

Mr. Chairman, I explained my reasoning to them. I said I cannot vote for the space station. I would love to invest in research and technology, but it is time that Congress starts setting its priorities and starts making the tough decisions, the tough calls to cut the space station. I think it is time, I think it is a program that can be cut, and I hope that through the remainder of this week the Congress continues to show the discipline to drive toward a balanced budget.

Mr. LEWIS of California. Mr. Chairman, in view of the fact that this has been a very long evening and in view of the fact that we had 3 hours of debate the other day that covered almost every conceivable angle of this topic, I have a number of my colleagues who wished to speak on the matter but who, instead, are going to seek recognition in response to their unanimous-consent requests. I will call on them and then I will yield back the balance of my time.

Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Chairman, I rise in strong opposition to the amendment.

Mr. Chairman, I rise in strong opposition to the amendment and in strong support of the space station.

Well, here we are again. Fighting to save the space station from the budget ax of our born-again fiscal conservatives. Just looking at the record of last week's vote has told me a lot about this debate.

It seems the majority of those who favored cutting the $2 billion for the station voted to increase food stamps this year by $7 billion.

To me, this illustrates the differences between supporters and opponents of the station. Different answers to the question: Do we spend our resources on programs that contribute to our economy, or do we continue more feel-good social programs?

To me the answer is clear. We must continue the space station which creates jobs, enhances our competitiveness, and continues America's destiny.

Oppose this shortsighted amendment.

Mr. LEWIS of California. I yield such time as he may consume to the gentleman from Texas [Mr. JOHNSON].

Mr. SAM JOHNSON of Texas. Mr. Chairman, I rise in strong opposition to this amendment.

Mr. Chairman, I wanted to share with you a letter I received from Buzz Aldrin, a man who knows, firsthand, what the possibilities of space and the space station can bring to the future of America. I hope you will take his comments into consideration when the funding for the space station is voted on today.

> More than a generation ago Neil, Mike and I participated in electrifying activities that made humans proud to be alive. Apollo was a defining moment in Earth-bound history and initiated our exploration of space. Deployment of a redesigned space station continues the legacy of Apollo. As proposed by the President, the space station builds upon the contributions of thousands of individuals around the globe using previous investments in advancing technology. Although the redesigned space station is considerably scaled back from earlier concepts, it is now more modular in construction, and more adaptable to incorporate future innovations. A more flexible space complex now offers the opportunity to join with an experienced, past adversary as a new and very capable ally in establishing a lasting human presence in space.
>
> Turning down a space station now disavows the achievements of the past, the dedications of the present, and robs a young future American generation of its inspiration and hope. History will critically weigh our current decisions. Let's not sacrifice future greatness for present short-term interests.
>
> BUZZ ALDRIN.

Vote for the future of America, vote "yes" for space station.

Mr. LEWIS of California. Mr. Chairman, I yield such time as he may consume to my colleague, the gentleman from Maryland [Mr. BARTLETT].

Mr. BARTLETT of Maryland. Mr. Chairman, I rise in strong opposition to the amendment and in support of the space station.

Mr. LEWIS of California. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I rise in strong opposition to the amendment.

Mr. LEWIS of California. Mr. Chairman, I yield back the balance of my time.

Mr. ROEMER. Mr. Chairman, I yield 1½ minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. I thank the gentleman for yielding this time to me.

Mr. Chairman, it is time to say enough is enough. We cannot afford this any more.

I have not been here long, but it seems like we in this institution are the appropriations equivalent of the bank that is too big to fail; that is, the project that is too big to kill; too many districts affected; too many jobs spread around the country and too much momentum.

So we cannot make the difficult decision: Bite the bullet, pull the plug, save the money, even though deteriorating scientific merit and deteriorating financial circumstances in this country require that we take this step.

What we have with the space station before us is the pale shadow of its original design. We are embarked here on an ill-advised death-with-honor course, slowly, slowly winding this project down to some indeterminate but insignificant conclusion.

In the meantime, spending a billion dollars-plus every year; we cannot afford it anymore.

I urge you to support the Roemer amendment.

Mr. STOKES. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. HALL].

Mr. HALL of Texas. I thank the chairman for yielding time to me.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Indiana [Mr. ROEMER]. We cut this thing in committee $260 million; we cut it, 15 minutes before the vote last Thursday, $250 million; the President took $18 billion out of the out years. This program has been cut.

Mr. Chairman, I would like to rise in strong opposition to the amendment being offered by Mr. ROEMER to kill the space station program. It was just last week that the House voted on this same issue, and my position is no secret. I strongly support the space station *Freedom* program, and believe that it will deliver important benefits to all Americans once it has been placed in orbit.

Space station supporters described many of those benefits last week and in previous debates. I'd like to mention just one: The potential for biomedical research that could help advance our understanding of some of the most troublesome terrestrial medical conditions. The space station is going to allow tremendous advances to be made that will benefit our citizens—the young and the old, female and male, our veterans.

But you don't have to take my word for it. The Space Subcommittee held a hearing last week in which nine distinguished researchers described medical research that will be made possible by the space station. And these researchers represent just a sample of those who believe that research conducted in space will lead to important medical breakthroughs here on Earth.

Let me share what just a few of them had to say last week:

Dr. Michael Debakey, the famed heart surgeon and cardiovascular researcher, testified that:

> Better health care for our citizens is not at odds with a space station. As a physician, teacher, and explorer, I must emphasize that our space program and space station are not frivolous, because they may provide keys to solving some of the most vexing problems that affect our people. Health care is improved not only by such immediate proposals as providing more accessible care to our citizens, but also by promoting the research that will lead to far-reaching advances in the field.

His views were echoed by Dr. Charles Lemaistre, president of the M.D. Anderson

Cancer Center and former president of the American Cancer Society:

> There is no scientist who is going to predict to you what cures are going to come from space * * * in that environment where we have a unique approach to weightlessness, toward purifying many of the agents that are already effective here on Earth, toward removing the toxicity of many of the cancer chemotherapeutic agents, there is opportunity there. It is that opportunity we all want to see made possible to biomedical research by the creation of space station *Freedom*.

Another researcher, Dr. Jeanne Becker, is a specialist in breast and ovarian tumors. She testified that:

> Access to long-term tissue culture in a microgravity environment such as that provided by space station would be of great benefit. In particular, human primary breast carcinoma is extremely difficult to cultivate, and grows very slowly in tissue culture * * * like many of the new and innovative technologies, including gene therapy and immune-based treatments, space-based research must be continued and expanded in order to apply the benefits of this technology to the rapidly advancing area of health sciences.

I could quote expert after expert. I could describe the many ways that the space program already has helped to advance medical technology over the past 30 years. I could tell you how NASA technology has benefited the handicapped and our veterans in many, many ways. But I think the three eminent individuals I just quoted have summed up the importance of the space station quite clearly.

There is no question that we live in tough budgetary times. I believe that the space station is a fiscally prudent investment in our future—we can't afford not to build the space station.

I urge my colleagues to support the space station and defeat the Roemer amendment.

Mr. STOKES. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. GENE GREEN].

Mr. GENE GREEN of Texas. Mr. Chairman, I rise in opposition to the Roemer amendment.

Mr. Chairman, I rise this evening in support of the future of our manned space exploration program. The space station is simply not the pork-barrell program it is being made out to be and deserves your support.

I ask any of you who have ever visited an elementary school in your district to admit that the mention of space exploration and the space station has left each child excited. Every school child in this country knows that the space station means the hope of science and the future of our understanding of our own world and the universe we live in.

Since every school kid knows these facts, here is what you should know about the space station.

The future of our work force depends on the high technology-high skilled jobs that the space station and the aerospace industry provide.

Between 70,000 and 100,000 jobs will be affected by your vote tonight.

The space station experiments could lead to cures for diabetes, cancer and major medical breakthroughs not even yet dreamed of on the confines of our small planet.

The total cost of this years appropriation is only the slightest fraction of our $1.5 trillion budget. For those who think they are making great strides to cut spending, I ask them to take a look at the overall budget to realize that the space station is no cash cow when compared to $1.5 trillion in total spending this year.

Short term economic realities have never served as the long term judgment of the value of great ambition. By voting in favor of the space station tonight you can reaffirm our commitment to science and learning. I ask that you base your decision on state-of-the-art science rather than state-of-the-moment politics.

Mr. STOKES. Mr. Chairman, am I correct that I have the right to close?

The CHAIRMAN. The gentleman from Ohio [Mr. STOKES] is correct.

Mr. STOKES. Mr. Chairman, I reserve the balance of my time.

☐ 2150

Mr. ZIMMER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, the vote tonight is going to be close. It was last week by only a single vote. Last week we heard a lot of the debate focusing on a lot of things like pigs in space, pork in a can, Jurassic Pork. We had a lot of fun, but tonight is the real night. This is the vote that really cuts the mustard, as they would say, the vote that we were elected to cast to make some tough choices here.

In the reconciliation bill that passed the House a couple weeks ago, it is my recollection that there was not a single program that was cut or eliminated. That was unfortunate, because the message that we should have gotten from our constituents, whether we were home this weekend or two weekends ago or all month, "When are you folks in Congress going to start doing something to cut the deficit, and that means some programs?"

Now, this would be a nice program to have. It benefits a lot of communities. It provides thousands of jobs; but, Mr. Chairman, I can remember the same arguments were raised in the other body when they were talking about the stimulus package at $90,000 a job, the bill fell apart.

I would urge my colleagues tonight when we look at all the arguments that have been made here tonight through the last couple hours, we hear all these arguments about how much the program has been cut year after year after year in the committee and on the floor, and yet the program still lives.

Mr. Chairman, a couple years from now they will be using those same arguments, "We spent $60 billion, let's spend the next 60. We spent $70 billion, let's spend the next 50."

Mr. Chairman, it is time for this program to end. It is time to focus our priorities on cutting spending first, and that means cutting the deficit tonight and making the tough choice.

I would urge my colleagues to vote yes on the Roemer-Zimmer amendment.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from California [Ms. PELOSI], who is also a very good whip.

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today in support of the Roemer-Zimmer amendment.

Mr. Chairman, as many of our colleagues have said, we support exploration in space, and in better fiscal times I would support the space station, but this is a luxury at $40 billion in cost and $78 billion in operating cost in the life of the project, a luxury that we simply cannot afford at this time.

Mr. Chairman, I am sure we remember that since 1969 many people in our country have said, "If we can put a man on the Moon, why can't we—" and the litany of "why can't we" follows. "Why can't we cure the common cold?" And the list goes on and on.

Did you ever think that one of the reasons why we could not is because of the opportunity cost involved in the manned space exploration? Again it is a luxury we cannot afford.

I have asked some of our colleagues why they voted for the space station in light of the needs of their districts, and they have said because of the jobs that will be coming to their districts.

I said, "Jobs that you have in your districts?"

"No, jobs that will be coming to our districts."

This is the scaled-back version, and there are more jobs reaching out to many more districts. It is very interesting to see the lobbying efforts on this.

Mr. Chairman, I also listened with interest as our colleagues last week talked about children playing with cardboard boxes, dreaming that they were space ships. I remember those days, too; however, my thoughts today are with children of this Nation for whom cardboard boxes are not toys, they are beds, and in some cases they are housing. For these children who dream not of space ships, but of hot meals, that is why it is really important, because of the 500,000 homeless children in America who need assistance.

We must cut the deficit. By supporting this amendment we will reduce the deficit, reduce the debt service.

Mr. Chairman, the children of America cannot wait. The heavens can wait.

Mr. ZIMMER. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. PENNY], a distinguished member of the Committee on the Budget.

Mr. PENNY. Mr. Chairman, I thank the gentleman from Indiana for yielding me this time.

This morning first thing as I entered the office, there was a phone call from Tom McLaughlin. Tom is a friend of mine from Mankato, MN, and a leader in the veterans community in our State. He called because they had a veterans convention over the weekend. One of the main topics of discussion was what to do about VA health care funding in light of the fact that we are trying to accommodate a multi-billion-dollar space station in the same appropriations bill.

Clearly, veterans in my home State, and I am certain veterans across the country, understand that you cannot have room for both the space station and quality VA health care. The two do not fit and it becomes an even more difficult fit as the years go by and the costs for this space station climb.

I have heard discussion here today as well about concerns that other NASA projects might be scaled back or squeezed out as the space station gobbles up more and more of the available funds. Certainly within this bill we have housing and other urban development programs that will continue to feel the pinch as long as we continue to say yes to the space station.

The space station is big ticket science. Few would argue that it is the best science for the money. Few would argue that it is more important than some of the programs of housing and urban development here on earth that are so needed. Few would argue that it is more important than taking care of America's veterans in our VA health care facilities.

The choice comes down to a matter of priorities. For now and with the budget problems that we are experiencing now, the space station just does not fit.

Mr. Chairman, I urge a "yes" vote on the gentleman's amendment.

Mr. ROEMER. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. STRICKLAND], another distinguished freshman who has voted with us and worked hard on this.

Mr. STRICKLAND. Mr. Chairman, an old preacher once said that some people are so heavenly minded, they are of no earthly use. This reminds me of many of those who advocate for the space station.

They are often deaf to the earthly needs which surround all of us. They make emotional appeals emphasizing pride and vision. We need the space station, they say, so Americans can be proud of themselves. To not fund the space station, they say, indicates a lack of vision.

Mr. Chairman, I do not need a space station to be proud of America. The day we make health care available to every one of our citizens is the day I will feel proud of this country. The day that we truly begin caring for our kids, protecting working families and paying off our scandalous national debt—that is the day we will know that America has achieved a vision of what she can be.

Mr. Chairman, we do not need to be lectured about pride and vision, we need Members of this body courageous enough to make difficult choices between competing alternatives.

The question is: Can we now afford the space station? The answer is no.

Mr. STOKES. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I can understand the arguments made by those who have said we need to save money, but it is interesting that 8 out of the last 10 speakers who opposed the space station here on the floor, and who say we need to cut back and save money, are also cosponsors on a bill that is coming before this House very soon. H.R. 2010, President Clinton's proposal for the newest entitlement, costing $7.4 billion over the next 4 years, is known as the National Volunteer Service Act, a program that will provide taxpayer funds to the likes of people by the name of Rockefeller and Trump in the event that they volunteer their services for Federal pay.

H.R. 2010 is cosponsored by most of the people who have spoken in opposition to the space station, and if they have their way, we are going to be eating our seed corn in science in return for another entitlement.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. WASHINGTON], a very brave and distinguished Member.

☐ 2200

Mr. WASHINGTON. Mr. Chairman, I think conventional wisdom probably would define a Texan as someone who would be in favor of this. But that is not my definition.

When I came to Congress in 1990, I voted for the space station, and I voted for the superconducting super collider. Then that September, as a freshman Member of Congress, I had an opportunity to look at the deep problem this country was really having when we had the budget debate. I ended up voting against the budget agreement, but I had a much better understanding of the depth of the problem that we face as a Nation. So, I have been voting against the superconducting super collider and the space station ever since because, I say to my colleagues, "You can't talk out of both sides of your mouth down in Texas. You can't have it both ways."

Mr. Chairman, 80 percent of the people who were writing me say, "Cut spending first," so the question is: Would I be for the superconducting super collider and the space station if they were in Indiana, or if they were in some other State, or must I be for them just because they are in the State of Texas? If it is not a good program, it does not matter what part of the country it is in.

It is a wonderful program that we cannot afford. We cannot afford the space station now. We can put it on the shelf, we can wait 4 or 5 years. No one else is going to build it while we wait, while we get our fiscal house in order. Then we will take it off the shelf, dust it off 4 or 5 years from now, and we will go back to where we started, and we can build a space station when we can afford to look ourselves in the mirror in the morning, when our people have health care and we attend to the needs of our country.

The people who write to me saying, "Cut spending first," must understand that, as a Texan, I define a Texan as soneone who is proud enough and brave enough to step up to the line and say, "On behalf of Texas there is at least one Texan who is willing to cut spending first and is willing to start in Texas."

Mr. ROEMER. Mr. Chairman, I yield 15 seconds to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Quickly, Mr. Chairman, I want to join my friend here, the gentleman from Indiana [Mr. ROEMER]. Many people say we are first in space in the United States, and, therefore, we should stay with this effort. May I remind my brethren on the floor that the Soviet Union was first in space, and they are no more?

Mr. ZIMMER. Mr. Chairman, I reserve the balance of my time.

Mr. ROEMER. Mr. Chairman, I yield myself the remaining 2 minutes of time on my side.

Mr. Chairman, oftentimes, when we talk about this space station, Members of this body have eloquently quoted President Kennedy. Since the vote last week came down to one single vote, I would like to quote something that he said. He said, "The margin is narrow, but the responsibility is clear."

Mr. Chairman, today I would urge Members of this body that, as I have worked on this amendment for the last 2 years, since being elected a new Member back in 1990, Members have come up to me and said, "TIM, I will vote with you next year," or "TIM, I cannot stomach this again; I will be with you later," or "TIM, this is tough to justify for a $10,000 grant at my university, but I cannot vote with you yet."

I would urge my colleagues to think back to the excitement last Wednesday when we came within one vote of winning this fight. We sent tremors to NASA and a lighting bolt to change this country, and, if my colleagues are upset about the status quo vote for this amendment, if they are upset that we are spending millions of dollars every day on interest on the deficit, vote for this amendment. If my colleagues are upset about Pell grants going down, vote for this amendment.

I urge this body to take the responsible step and vote for this deficit reduction amendment, Mr. Chairman.

Mr. ZIMMER. Mr. Chairman, I yield myself such time as I may consume, and then I will yield back the balance of my time.

Mr. Chairman, the gentleman from Michigan [Mr. HOEKSTRA] commented a little while ago that it is more difficult to put together a coalition to oppose spending than it is to put together one that favors spending. We have a coalition, too. It is not a coalition that includes the President, or the Vice President, or the leadership of this House on either side of the aisle. But it is a coalition of people who believe that we have got to start spending our money more wisely and more prudently, and it is an unusual coalition. I do not know of any other coalition that includes both the National Taxpayers Union and the National Coalition for the Homeless, that includes Citizens Against Government Waste, which will be using this vote for its ratings, as well as the Low Income Housing Coalition. It includes Citizens for a Sound Economy as well as the American Federation of State, County and Municipal Employees. Our coalition to kill this project also includes the Planetary Society and the American Physical Society.

Mr. Chairman, what all these people have in common is the recognition of a simple fact, that this space station, despite the advocacy of so many powerful people in politics, so many powerful people in the aerospace industry, is not worth the money.

Dan Golden has done a heroic job of trying to meet the President's requirement to redesign the space station for less than $9 billion. He could not do it. The $10.5 billion that is the 5-year projection for this program is a phony number. I tell my fellow Republicans that it is as phony as any other number in the Clinton budget. It will not hold up. We cannot build the space station for that kind of money, and, even if we could, it would not be worth it because we are not buying the kind of program that we had hoped for when this program began.

Mr. Chairman, it is time to stop the debate. We have been debating it over and over, year by year, and the opposition has been growing as the truth is becoming more apparent. It is time to resolve this issue by voting for the Roemer-Zimmer amendment and killing the space station.

Mr. Chairman, I yield back the balance of my time.

Mr. STOKES. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I rise in strong opposition to the Roemer Amendment to cancel the space station program. Again and again we revisit this program—and opponents assert that canceling space station is the panacea of our deficit woes.

Well I see it very differently. There is only one reason that you could even consider voting against space station, that is if you are convinced that the United States has no future role to play in manned space.

The space station program is adapting to the fiscal pressures that afflict us. President Clinton mandated a 90-day redesign of space station so that the cost of this program could be reduced as significantly as possible, while still offering unprecedented capability in space based laboratories.

The space station before you today has been redesigned and its new cost estimates have been scrutinized by an independent blue ribbon advisory panel. This space station program will cost the taxpayers $4 billion less in development costs over the next 5 years—that is a 25-percent reduction cost.

Mr. ROEMER will quote GAO reports of a space station that will cost $120 billion to operate over the life of the program, but this is old and inaccurate data. The operational cost of space station for 10 years is $47 billion—which includes $11 billion which has already been spent on station and related programs to date.

President Clinton, with his support of a space station program, continues the longstanding bipartisan support that has surrounded the space station program for the past eight years.

Further, it is important to remember that the United States has not undertaken this endeavor alone.

The United States has entered into high-level intergovernmental agreements of treaty status with 11 countries of the European Space Agency, as well as with Japan, Canada, and Italy to develop space station. These partners are committed to spending $8 billion of their own money to continue man's presence in space.

In addition, the administration is currently negotiating with the Russians to determine areas for further international cooperation on space station. The program is truly a global one.

And finally, if you are worried about space station competing too severely with other domestic programs for scarce dollars, as a member of this subcommittee I can assure you that NASA is the agency that must sacrifice to continue funding the space station program. And the agency does so without complaint because the space station is the future of the manned space program.

Take a look at the bill and see how fairly the other agencies were treated. You will see that NASA is not eating everyone else's lunch.

The space station is a critical NASA program and one of the true tests of American leadership in a post-cold-war era. I urge you to defeat the Roemer amendment.

Mr. STOKES. Mr. Chairman, I yield the balance of my time, for the purpose of closing debate, to the chairman of the Committee on Science, Space, and Technology, the distinguished gentleman from California [Mr. BROWN].

The CHAIRMAN. The gentleman from California [Mr. BROWN] is recognized for up to 9½ minutes.

Mr. BROWN of California. Mr. Chairman, I thank the distinguished subcommittee chairman, the gentleman from Ohio [Mr. STOKES], for giving me this great honor. I am not sure that I am really up to it, and I would wish that it would fall to some of my more eloquent colleagues. But I wish to make a few points which I think are important to us, and these charts will help to illustrate those points in just a moment.

Mr. Chairman, I have taken it as my responsibility as chairman of the Committee on Science, Space, and Technology, working with the members of that committee largely on a bipartisan basis, to help make recommendations to the House with regard to our investments in research and development. Is my criteria for trying to advise the House on these investments in R&D, which I think we all agree are important, to get the maximum amount out of the Federal budget that we can without regard to the conditions that face the country?

No, that is not the criteria. The real criteria is: What is the amount necessary in order to maintain the economic viability of this country and to ensure that we will be able to retain a position of economic leadership in the world? Within that magic number, which happens to be about 2 percent of GNP for civilian research and development, we then have to decide what is the most effective way to spend it: big science? Little science? Health science? Planetary science? Support for university science? Or support for research done in Government-owned laboratories? And we attempt to make these kinds of recommendations.

□ 2210

I will say to you that this country has been in an economic slump for close to 10 years. A part of the reason for that is our investments in research and development have consistently declined over those years.

Today, we do invest about 2 percent of GNP in civilian R&D, plus another 1 percent approximately in military R&D, and that includes both Government and private. The Japanese invest approximately 3 percent in civilian R&D. It has been increasing for 25 years. They passed us about 10 years ago. And the reason that their economy has flourished is because, to a large extent, not entirely, they have continued to increase those investments in civilian R&D.

Germany has done the same thing, as have most of the European countries. Little countries like Taiwan today are investing almost as much in R&D as we are in the United States, measured as a percent of GNP.

In the last week we have been considering two of our largest investments in civilian research and development. If we decide in our wisdom that we cannot afford those, we will have reduced our civilian R&D spending by approximately 10 percent, about $3 billion per year. Instead of 2 percent, we will have 1.8 percent. The following year we will probably go down another 10 percent. We will be at 1.6 percent. Not only will Taiwan have passed us by, but probably Hong Kong, South Korea, and most of the other countries. We will wonder why our economy fails to keep up with the economies of these other countries in the world.

Now, I also am going to make a point that I hope no one will take offense at. The opposition to the space station made two major points. They were made by the gentleman from Indiana [Mr. ROEMER] to begin with.

Mr. Chairman, let me compliment the gentleman from Indiana [Mr. ROEMER] and the gentleman from New Jersey [Mr. ZIMMER] for the aggressive efforts that they have been making. They are totally misguided, and their arguments are wrong, but they have proceeded to make the best case that they thought they could.

The gentleman from Indiana [Mr. ROEMER] has said repeatedly that this is a clean cut amendment and that it goes to reduce the deficit. That has been repeated by several others opposing the space station.

That is totally wrong. The gentleman from California [Mr. LEWIS] pointed out that it was totally wrong in his remarks, and other members of the Committee on Appropriations will point out the same thing.

If you win this fight, you take $2.1 billion out of the NASA budget, and it will not go to reducing the deficit. It will go to increasing the funding for HUD, for VA, for EPA, you name it, but it will not reduce the deficit.

You reduce the deficit when you pass the budget, when you pass the reconciliation bill, and maybe when you pass the 602(b) allocations within the committee. You do not reduce it by cutting our money here unless it is on the final conference report on the appropriations bill when it is too late to recycle that money back into some other accounts.

Now, the gentleman from Indiana [Mr. ROEMER] has also made the point that the space station is taking dollars from other national programs. The gentleman from Indiana [Mr. ROEMER] has said, and it has been repeated by numerous other opponents, that NASA has taken money and the space station has taken money from other accounts.

There is nothing farther from the truth. If NASA and the space station did not exist, the Committee on Appropriations would have to invent it in order to have more money to put into housing, VA, EPA, and other programs. Here are the figures in this chart, and I will just read them off to you very briefly.

This is the Veterans' Administration. It has the largest amount of increase over last year of any other agency. This is HUD. It has the next largest amount.

This is NASA, which has not even a cost-of-living increase over last year. Of course, the red indicates above or below the President's request. NASA has taken a $700 million cut below the President's request. That money has been recycled then into these other departments, and that is how they get the money in the Committee on Appropriations to increase these amounts. If they did not have NASA in that subcommittee, there would be no place to get that money, and all of these programs would be less than they are today.

Now, is that something new? Did it just happen recently? The answer to that is "no."

In 1991, the NASA appropriation was $1.257 billion less than the President's request. That is $1.257 billion that was recycled into these other agencies.

In 1992, it was $1.4 billion less. That too was recycled into these other agencies.

In 1993, we had a good year, only $663 million less than the President's request was in the appropriation bill, and that too was recycled.

This year we are back up again to $708 million being recycled into these other agencies.

The claim that NASA and the space station are hurting these other agencies in ridiculous on its face. The worst thing that could happen, and I am going to try to make it happen, is to take NASA out of this particular appropriations subcommittee. And I love the chairman, who has done a great job. It could have been much worse than it actually is.

But the NASA budget needs to be compared with other science programs, not to compete with much larger agencies, such as HUD and VA, with larger political constituencies. You would get better science funding under such circumstances.

This appropriations subcommittee has even had to cut the National Science Foundation below the President's request because of competition with all of these other agencies.

Now, I want us all to recognize the realities of what is going on here. I want this Congress to make prudent investments in research and development that will benefit this country. That is the purpose.

We know that there are things wrong with these programs. The distinguished chairman has pointed out that his support for the space station is contingent upon the management reforms and cost reductions which are absolutely vital. Of course, I can point out that one of the reasons that the costs have gone up is that the Committee on Appropriations for 5 years in a row has redesigned the space station. Each time it takes more time. It has to be reshaped, downgraded, and that takes more money, believe it or not. But Appropriations had to do that in order to be able to take these cuts out of NASA.

So that is what has been happening. Now, I agree and our committee has known for years that NASA was taking on too large a future budget burden in view of the resources that it had. We are prepared to work with the Committee on Appropriations and the administration to accomplish that $18 billion in cuts which the President has said he wants, to cut one-third off the staff of NASA, which we think we can do, and to make this program really work. But to eliminate it is a bad thing for the future of this country, and I urge Members to vote against the Roemer amendment.

Mr. Chairman, last week when H.R. 2200, the multiyear NASA authorization bill was taken up on the Floor, the House voted by a narrow margin to continue its longstanding support of the space station program. Why now, on this appropriations bill, should we similarly decide to support the space station?

There were many arguments advanced in favor of and against the space station last week. One of the central concerns that has been expressed over the past several years is that the space station, however meritorious, is simply too expensive and will eat everyone's lunch. That is, it will detract from funding for other important veterans, housing, and science programs.

Mr. Chairman, the bill before us today demonstrates as dramatically and as clearly as possible that this is simply not the case. At the outset of this year, NASA and the administration undertook an extraordinary effort to constrain the overall level of funding for the space program in general and the space station in particular.

Overall, NASA's budget was reduced by over $2 billion this year as part of the administration's request. The out years have been baselined at inflation. This required a concerted effort to look at each and every program in NASA to extract the maximum scientific output for the dollar.

For the space station, which is central to the manned space program, a special redesign study has been carried out over the past 3 months and reviewed by a high level, blue ribbon panel of experts. The result is a very affordable and efficient program which I believe is responsive to the cost concerns expressed over the past several years.

The level of funding for the space station development contained in this bill is $1.91 billion. This is a reduction of over $200 million below last year's level. Over the next 5 years, over $4 to $6 billion will be saved and $18 billion over the life of the program. By any measure, NASA and the administration have done an extraordinary job of making the station a model of cost effectiveness not only for space projects but for all major Government programs. The redesigned space station program will be carried out within a flat funding profile—no increases whatsoever. This will ensure that the overall NASA budget level will be controllable and that no other important NASA science program will suffer.

Mr. Chairman, these charts show the overall result of this effort and how the NASA funding in this bill compares to that of other agencies. The first chart compares what is in the bill with the fiscal year 1993 spending level and with the funding level for 1994 requested by the administration. The bill provides a very small increase for NASA—much smaller than any other agency except EPA for which construction projects are being cut back. With respect to the request levels, the bill provides for a major reduction in NASA programs—far greater than any other agency.

The next chart shows the percent change for each agency from fiscal year 1993–94 that is requested and the percent changed actually contained in the bill. Although the administration requested a moderate increase—principally for a new technology initiative not related to station—the actual increase in the bill is far less than inflation. For the other major accounts in VA, HUD, and NSF, the bill provides at least inflationary growth. Even for EPA for which the administration requested a substantial decrease in construction projects, the bill makes only a minor decrease.

Mr. Chairman, the point which I hope my colleagues will recognize is that this bill provides the needed funding for the space station and also substantially meets the funding requirements for other priority programs. The space station is not competing with any other NASA science program nor is it detracting from Veterans or Housing programs. Simply said, the station program proposed by the President and contained in this bill is a reasonable and prudent one and it is eating no one's lunch.

Finally, I will point out that the space station is the centerpiece and next logical step in our manned space program. It is good science and we have major international agreements with other nations which will pave the way for other cooperative efforts.

I hope my colleagues will join me in voting against the Roemer amendment to terminate this program. Killing the manned space program will not benefit any other agency and will not reduce the deficit. It will, however, permanently cripple what has been one of our Nation's proudest and most productive programs.

Mr. BEREUTER. Mr. Chairman, this Member again rises in support of the amendment to delete funding for NASA's proposed space station. At a time of huge budget deficits, unmet domestic needs, and more appropriate NASA priorities, it is totally unjustifiable to waste over one hundred billion taxpayer dollars for what the New York Times recently described as "pork barrel spending for the aerospace industry."

Mr. Chairman, while the number of missions and science applications for this grandiose project have eroded to a single and highly questionable purpose, the costs of this incredible boondoggle have skyrocketed. Supporters of the space station make elaborate and preposterous claims of the benefits to be derived from this project, but the American public has become increasingly aware that such claims are merely desperate attempts to maintain a continuous source of Federal funds.

Mr. Chairman, there is perhaps, no more telling demonstration of the infeasibility and impracticality of the space station program than the desperate attempts of the administration to force *Freedom*'s planners to drastically reduce the costs of this enormous science project. Despite having requested alternative designs which would cost $5, $7, and $9 billion dollars over 5 years, the President was forced to choose from three alternatives—none of which came close to his savings goals. Given the complete unreliability of former estimates, this Member has no reason to believe that the latest estimate will be any more accurate.

Mr. Chairman, supporters of grandiose science projects like the superconducting super collider and the space station criticize opponents for abandoning science. However, in fact, opponents of these grandiose science projects are probably America's science savior. Instead of focusing attention on just a few incredibly expensive projects with little in guaranteed benefits, we prefer to place American science dollars on numerous, innovative projects with higher prospects for far greater returns for the money spent. In this appropriations bill, projects with great potential commercial applications—like the national aerospace plane—have been drastically cut or scrapped entirely because the space station has been given such a high priority.

Mr. Chairman, this Member urges his colleagues to support the Zimmer-Roemer amendment to delete funds for the space station, a glamorous cost-ineffective project this Nation and American basic and applied science cannot afford and should not undertake. The space station was a well-intended, exciting project that is now clearly a costly boondoggle which is primarily supported for cost-ineffective parochial, geographic, and industrial reasons.

I urge my colleagues to load and fire the silver bullet by voting for the Zimmer-Roemer amendment to kill this glutinous turkey now.

Mr. MINETA. Mr. Chairman, I rise today in strong opposition to this amendment to H.R. 2491 to kill the space station program.

Mr. Chairman, certainly we must try to cut spending, get control of our Federal budget, and cut our budget deficit.

We must not, however, sacrifice our children's future and the future of our space program in the name of budgetary expediency.

Mr. Chairman, the space station is central to the manned space program. Year after year the Congress has voted overwhelmingly to support the space station. President Clinton has strongly endorsed this program. Now we have a plan to reduce the cost of the station by over $4 billion over the next 5 years and by $18 billion over the life of the program.

Despite what the authors of this amendment argue, the space station will provide unparalleled opportunities for first-class basic and applied research in life sciences and microgravity materials research.

Examples of potential benefits from research aboard the space station include space physiology experiments to benefit medical research on diseases such as osteoporosis, motion sickness, and diabetes.

The space station also will facilitate the growth of protein crystals to benefit development of new pharmaceuticals, and will give researchers the opportunity to produce crystals for a wide range of commercial applications.

Mr. Chairman, the space station has vast potential to help the United States compete economically with Europe, Japan, and others in the years ahead.

But more than that, the vote today on the space station will determine whether or not the United States will continue to lead the world in the exploration of the frontier of outer space.

If we pass this amendment to kill the space station, we will close the frontier of space to future generations of Americans and, as a result, will only be able to watch as other nations look to overtake us.

I urge my colleagues to defeat this amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of the amendment being offered today by my colleagues from Indiana and New Jersey to delete funding for the space station.

Clearly, there has already been plenty said about why we should or shouldn't support this massive program and we have all listened to colleagues on both sides of the aisle give strong and impassioned speeches for and against the space station.

For the Members who have referred to the past glory and successes of America's space programs, I certainly agree that the work of NASA and our scientists has been exciting and glorious and has raised the quality of life here in America. Conversely, for those Members who have expressed concern about the budget deficit, the dramatic cost overruns on the space station to date or who have referred to the jobless teenagers, unemployed parents or homeless children in the district, I have to agree, that now is the time and this is the program where we must draw the line and firmly stand for what is most important to America.

I know where the budget priorities are for many of my constituents and, believe me, outer space is the last place they want Congress to send federal dollars right now. I urge my colleagues to join me and take this chance to stand for what is most important to this country by supporting the Roemer-Zimmer amendment.

The CHAIRMAN. All time for debate having expired, the question is on the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROEMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair would announce that pursuant to clause 2(c) of rule XXIII, the Chair will order a 5-minute vote on the amendment offered by the gentleman from Colorado [Mr. HEFLEY] immediately after the vote.

The vote was taken by electronic device, and there were—ayes 196, noes 220, not voting 23, as follows:

[Roll No. 281]

AYES—196

Ackerman
Allard
Andrews (ME)
Baesler
Ballenger
Barca
Barlow
Barrett (WI)
Beilenson
Bereuter
Bilbray
Blackwell
Brewster
Brown (OH)
Bunning
Camp
Cantwell
Cardin
Clayton
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Danner
de Lugo (VI)

Deal
DeFazio
Dellums
Derrick
Dickey
Dingell
Dooley
Duncan
Durbin
English (AZ)
English (OK)
Evans
Ewing
Fawell
Fish
Flake
Foglietta
Ford (MI)
Frank (MA)
Franks (NJ)
Furse
Gekas
Goodlatte
Goodling
Gordon
Grandy
Gunderson
Gutierrez
Hall (OH)
Hamilton
Hastert
Hefner
Herger
Hoagland
Hoekstra
Holden
Hoyer
Hughes
Hutchinson
Inglis
Inslee
Jacobs
Johnson (GA)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kildee
King
Kingston
Kleczka
Klein
Klink
Knollenberg
Kolbe
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lipinski
Long
Lowey
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
Markey
Mazzoli
McCloskey
McHugh
McKinney
McNulty
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Molinari
Nadler
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Paxon
Payne (VA)
Pelosi
Penny
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Ramstad
Rangel
Ravenel
Reed
Reynolds
Roemer
Rose
Rostenkowski
Roukema
Rowland
Rush
Sabo
Sanders
Santorum
Schenk
Schroeder
Schumer
Serrano
Sharp
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (OR)
Snowe
Solomon
Spratt
Stark
Strickland
Studds
Stupak
Swett
Synar
Tauzin
Thomas (WY)
Underwood (GU)
Upton
Velazquez
Vento
Visclosky
Walsh
Washington
Watt
Waxman
Wheat
Williams
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—220

Abercrombie
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Baker (LA)
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bevill
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Bryant
Burton
Buyer
Byrne
Callahan
Calvert
Canady
Carr
Castle
Chapman
Clay
Clement
Clinger
Coleman
Combest
Cooper
Cox
Cramer
Crane
Crapo
Cunningham
Darden
de la Garza
DeLauro
DeLay
Deutsch
Dicks
Dixon
Doolittle
Dornan
Dreier
Dunn
Edwards (CA)
Edwards (TX)
Emerson
Engel
Eshoo
Everett
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fowler
Franks (CT)
Frost
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goss
Grams
Green
Greenwood
Hall (TX)
Hancock
Hansen
Harman
Hastings
Hayes
Hefley
Hilliard
Hinchey
Hobson
Hochbrueckner
Hoke
Horn
Houghton
Huffington
Hutto
Hyde
Inhofe
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Kennelly
Kim
Klug
Kopetski
Kyl
Laughlin
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Livingston
Lloyd
Manton
Martinez
Matsui
McCandless
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McInnis
McKeon
Meek
Meyers
Mica
Michel
Miller (FL)
Mineta
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Natcher
Neal (MA)
Ortiz
Oxley
Packard
Parker
Pastor
Peterson (FL)
Pickett
Pickle
Pryce (OH)
Quillen
Quinn
Rahall
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roybal-Allard
Royce
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Scott
Sensenbrenner
Shaw
Slattery
Smith (NJ)
Smith (TX)
Spence
Stearns
Stenholm
Stokes
Stump
Swift
Talent
Tanner
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Valentine
Volkmer
Vucanovich
Walker
Waters
Whitten
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—23

Becerra
Berman
Blute
Coppersmith
Diaz-Balart
Faleomavaega (AS)
Ford (TN)
Hamburg
Henry
Hunter
Istook
McMillan
Meehan
Murphy
Payne (NJ)
Richardson
Romero-Barcelo (PR)
Sangmeister
Skeen
Smith (IA)
Sundquist
Unsoeld
Weldon

□ 2237

The Clerk announced the following pairs:

On this vote:

Mr. Istook for, with Mr. Berman against.

Mr. Meehan for, with Mr. Diaz-Balart against.

Mr. Sangmeister for, with Mr. Richardson against.

Mrs. Unsoeld for, with Mr. Skeen against.

Ms. SHEPHERD and Mr. MENENDEZ changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The pending business is the vote on the amendment offered by the gentleman from Colorado [Mr. HEFLEY] on which a recorded vote is ordered.

The Clerk will re-report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HEFLEY: Page 44, line 10, strike "$5,170,000" and insert "$4,200,000".

The CHAIRMAN. The Chair will remind Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 267, noes 149, not voting 23, as follows:

[Roll No. 282]

AYES—267

Allard
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Boehner
Bonilla
Borski
Boucher
Browder
Brown (OH)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cantwell
Castle
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Costello
Cox
Crane
Crapo
Cunningham
Danner
de la Garza
Deal
DeFazio
DeLay
Derrick
Deutsch
Dickey
Dicks
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamilton
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hinchey
Hoagland
Hobson
Hoekstra
Hoke
Holden
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Jacobs
Johnson (CT)
Johnson (GA)
Johnson, Sam
Johnston
Kaptur
Kasich
Kennelly
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kreidler
Kyl
Lancaster
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Long
Lowey
Machtley
Maloney
Manton
Manzullo
Margolies-Mezvinsky
Martinez
Matsui
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McKinney
Menendez
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Morella
Myers
Neal (MA)
Neal (NC)
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Paxon
Penny
Peterson (FL)
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Regula
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland
Royce
Rush
Sangmeister
Santorum
Saxton
Schaefer
Schiff
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skelton
Slattery
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thurman
Torkildsen
Upton
Vento
Vucanovich
Walsh
Weldon
Williams
Wilson
Wolf
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—149

Abercrombie
Ackerman
Andrews (ME)
Bacchus (FL)
Barcia
Beilenson
Blackwell
Boehlert
Bonior
Brewster
Brooks
Brown (CA)
Brown (FL)
Bryant
Byrne

Cardin
Carr
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coyne
Cramer
Darden
de Lugo (VI)
DeLauro
Dellums
Dingell
Dixon
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Frank (MA)
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Green
Hall (TX)
Harman
Hastings
Hefner
Hilliard
Hochbrueckner
Horn
Houghton
Hoyer
Hughes
Inslee
Jefferson
Johnson (SD)
Johnson, E. B.
Kanjorski
Kennedy
Kildee
Klein
Kopetski
LaFalce
Lambert
Laughlin
Lewis (CA)
Lewis (GA)
Lloyd
Mann
Markey
Mazzoli
McDermott
McNulty
Meek
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Natcher
Norton (DC)
Oberstar
Obey
Olver
Owens
Pastor
Payne (VA)
Pelosi
Pickett
Pickle
Price (NC)
Rangel
Reed
Reynolds
Rose
Roybal-Allard
Sabo
Sanders
Sarpalius
Sawyer
Schenk
Schroeder
Scott
Serrano
Skaggs
Smith (IA)
Stokes
Strickland
Studds
Stupak
Synar
Tejeda
Thompson
Thornton
Torres
Towns
Traficant
Tucker
Underwood (GU)
Valentine
Velazquez
Visclosky
Volkmer
Walker
Washington
Waters
Watt
Waxman
Wheat
Whitten
Wise
Woolsey
Wynn
Yates

NOT VOTING—23

Becerra
Berman
Blute
Coppersmith
Diaz-Balart
Faleomavaega (AS)
Ford (TN)
Hamburg
Henry
Istook
McMillan
Meehan
Murphy
Payne (NJ)
Portman
Richardson
Ridge
Romero-Barcelo (PR)
Skeen
Stark
Sundquist
Torricelli
Unsoeld

☐ 2245

Messrs. GEJDENSON, JOHNSON of South Dakota, BOEHLERT, MOAKLEY, and INSLEE changed their vote from "aye" to "no."

Ms. CANTWELL changed her vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. BYRNE

Ms. BYRNE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. BYRNE: Page 50, line 20, strike "That" and all that follows through "*further*," on line 25.

Ms. BYRNE. Mr. Chairman, I have introduced this amendment to guarantee that the management structure of the newly redesigned Space Station Program is the best it can be. This amendment will allow the program's only independent oversight body to remain in place. We all remember the human and technological tragedy of the *Challenger* disaster. The Space Station *Freedom* Program Office was established after a distinguished panel of scientific experts, charged with examining the factors behind the *Challenger* incident, recommended that an independent geographically separate facility be established to ensure that the program had an honest broker among all NASA centers and contractors.

I wish to remind my colleagues that last December it was this office, established as a watchdog, that identified the overruns and forced the program's other centers to acknowledge cost problems within their own facilities. This office led the effort to resolve a critical situation and in the process strengthen the case for preserving Space Station *Freedom*.

I presume our purpose is to restructure this program for maximum cost-efficiency. If we eliminate the program office in the process, we defeat that purpose. We would be getting rid of the only facility in the program that has a track record of identifying overruns and cutting costs.

I contacted the White House and spoke with Dr. Jack Gibbons, the President's Director of Science and Technology Policy. He stated that he was currently preparing instruction for NASA to change management structure but his instructions did not specify any particular management changes. The administration has been very clear: a move to eliminate the program office is getting ahead of the process.

We are asking NASA to do more with less money. The least we can do is give them the tools to make the program run well. Without this office to do the oversight and integration work with the other centers, we are putting the entire program at even greater risk of further overruns and, perhaps, even a repetition of the *Challenger* disaster.

NASA claims closing this facility will save $230 million. I believe this is another "case of cooking the books." They admit that hiring another contractor—undoubtedly more forgiving of NASA management—will cost $50 billion plus the $100 million we estimate for closing this office and relocating workers. It would also mean a schedule delay of between 6 and 18 months. That would cost another $1 to $3 billion. Only at NASA could they claim to save $230 million by spending a minimum of $1,150,000,000. That is not cost savings. It is taxpayer gouging.

Congressman WOLF and I urge you to support this amendment. This is a vote for fiscal responsibility and program excellence. Elimination of the program office would absolutely assure further cost overruns and could very well result in another heartbreaking failure in America's space program.

☐ 2250

Mr. WOLF. Mr. Chairman, will the gentlewoman yield?

Ms. BYRNE. I yield to the gentleman from Virginia.

Mr. WOLF. Mr. Chairman, I rise in support of the amendment. The amendment makes sense. I ask my colleagues to support it.

Mr. Chairman, as for the micromanagement of NASA, Congress should not be directing program office functions. No decisions have been finalized by NASA or the Administration regarding "specific management, personnel, or facilities changes," and Congress should wait until there is more information. Also, NASA could realign these functions without Congress dictating it by withholding funding.

First, will delay space station program.

Second, could cost taxpayers between $1 and $3 billion in cost overruns due to delays.

The dislocation of program and project personnel will have a serious effect on the Space Station Program costs and schedule. Physical move costs are estimated to be $100 million according to Robert W. Moorehead, deputy director of space station *Freedom* Program and Operations' Office of Space System Development. Mr. Moorehead also estimates that the program could slip between 6 and 18 months depending on the retention of program and project personnel and that this slip could cost the American taxpayer between $1 and $3 billion.

Third, safety—Reston office was a reform after the *Challenger* accident—Strong, independent space station *Freedom* Program office is essential in maintaining objective program analysis. The program office would be subject to considerable pressure from the host center to implement decisions in the Center's best interest if located in the same area.

Fourth, this amendment is cost neutral—it does not reduce or increase NASA funding. It merely allows NASA to make the best decision regarding the future of the program office and its employees. The Stokes language is premature.

Fifth, what will the effect on the 2,000 employees be? The Stokes language kills their jobs, but does not answer concerns regarding rehiring, transfers, other job opportunities within NASA or the Federal Government et cetera. If these dedicated employees must lose their jobs, NASA should be afforded the opportunity to prepare reasonable plans to provide for transfers, rehiring et cetera.

Mr. STOKES. Mr. Chairman, will the gentlewoman yield?

Ms. BYRNE. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, I accept the amendment. The amendment is agreeable to the subcommittee.

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Ms. BYRNE. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, we have no objection on this side.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Virginia [Ms. BYRNE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HEFLEY

Mr. HEFLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEFLEY: Page 50, line 14, strike "$7,475,400,000" and insert in lieu thereof "$7,457,400,000".

Mr. HEFLEY. Mr. Chairman, the amendment before you would cut the amount of spending in NASA's small research and development account which is being spent on the Consortium for International Earth Science Information Network in Saginaw, MI, called CIESIN. It is an amount of $18 million.

I would have liked to have done it a different way. I would like to have just killed that program, but they tell me I cannot do that that way, because that would be legislating on an appropriations bill, so we are cutting the amount of that, and we will let NASA make up their mind whether it comes out of that. But we are sure, given the choice, that it would.

Last year at this time we had a long and interesting discussion about this project, and like a lot of others, it simply appeared in the NASA budget about 4 years ago. NASA did not ask for it. NASA did not want it. NASA did not know what it was to do.

At that time, in fact, I quote the distinguished chairman of the Committee on Science, Space and Technology, the gentleman from California [Mr. BROWN], as saying that CIESIN had spent $41 million over 3 years, and that NASA itself had no idea where the money was going.

Well, another year has gone by, and we have spent over $16 million on CIESIN at this point. Admittedly, CIESIN has been included in this year's NASA authorization. But even the committee noted that CIESIN needed to work on refocusing its mission from a local economic development and university standpoint to support an international data collection.

Let me read from the authorizing committee:

> The committee is concerned that CIESIN may not have used its previous funding effectively and remains unfocused with too many projects. The committee also is concerned that the fiscal 1993 construction facility funding, $42 million, provided for CIESIN may exceed program requirements and what other comparable facilities cost. However, the committee believes that if CIESIN is to evolve from an activity primarily funded for regional economic and university support reasons to an organization carrying out a national program in human dimensions of climatic change, then certain management reforms must be implemented.

In other words, the committee is not very sold on CIESIN.

In fact, the only one that seemed to be really sold on CIESIN was the gentleman who represented the university where that was, who is no longer a Member of this body, but he was well placed when he was in this body, and he was able to put this in even though NASA never requested it.

So to do this, NASA asked this year for $10 million for it, and the Office of Management and Budget deleted it. But at the NASA authorization hearing, the $10 million was put back in, and then the committee broke for lunch.

By the time it returned, the White House had decided $18 million was needed to properly fund CIESIN.

It is hard to believe that CIESIN's needs could have grown by $8 million over the course of an hour and a half.

We have spent almost $100 million in total on CIESIN over the past 4 years in this account alone. As we saw earlier tonight, an extra $2 million was tucked away in the Office of Science and Technology down at the Office of the President, an account which inflated both line items.

I say that it is time we ended this. This really is a silly expenditure. If we are trying to save money, this is a good place to start.

$18 million is not all the money in the world, but it seems like a lot of money to most of us. This is a time that I think we can really make a difference here.

So I ask you for your support for this amendment.

Mr. STOKES. Mr. Chairman, I rise in opposition to the gentleman's amendment. Mr. Chairman, there has been for a number of years admittedly some disagreement about the funding level for CIESIN. But there is absolutely no disagreement about its need.

CIESIN is providing an effort and service that is found no where else throughout the science community. It is a critical factor in the storage, interpretation, and dissemination of the Earth observing system's information.

It is one thing to complete the EOS hardware. But it is quite another thing to intelligently gather the information, make it available to readable and usable form, and disseminate it to researchers across the United States and around the world.

To my knowledge, CIESIN was the only Federally funded agency that was at last year's Rio environmental summit. It represented the United States adequately in something we all should take pride in—and I believe CIESIN has an important and essential role to play in the multibillion-dollar EOS Program.

In fact, the Legislative Committee originally included $10 million for this program in its recommendation. An additional $8 million was added to that authorization by the gentleman from Michigan, Mr. BARCIA.

I would urge that we support the CIESIN effort—because it is vital to the success of the Earth observing system.

Mr. WALKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I hope with all the talk we have had about science pork that at some point we will take a look at this project, because this project really is one where we have to question the accounting practices.

We have got $18 million that is being invested in this particular R&D account. It is not going to do something about hard sciences with the Earth Observation System. This is NASA doing social science data and support research and human dimensions of global change.

What does that mean? It means that an agency which is a hard-science agency has been put into something that they really do not have any expertise about at all.

So what has happened here is that CIESIN has only been able to cost, of its 1992 funding in 1993, they have only been able to cost out $14.8 million of the $24.3 million of grant money that was given them.

What does that mean? Well, it means that it is a very unusual practice. When my staff asked NASA about this, whether this is a usual practice of what happens there, they were told, "Absolutely not."

□ 2300

In fact, the inspector general has recently initiated an audit of these accounts because they are in such poor shape.

If you want to know what is really going on in CIESIN, what you have to do is look at their board. They have a board made up of 13 people. One of those people is the president of CIESIN. They get money directly from NASA.

Then you have the remaining 12 people. Those 12, 10 of the 12 people on this board get CIESIN grants. Now, what does that mean? That means 11 of the 13 people on the board are grant recipients from the agency.

Now, there is something drastically wrong with this. This is very small board. What they say is, "We recuse ourselves when our institution is involved in this." Well, it is a very small board, so you know what is happening here: People on the board are taking care of each other. Otherwise you would not have all the grants going to just people on the board.

Then, if you take a look at where the money is going as well, you will find that $4 million of the money that we are going to put into this program is going for something called the Services Development Account. More than half of that is spent not in the agency back in Michigan, where they are supposedly doing all this good science work; it is spent for their Washington office.

In the Washington office they are spending $686,000 of the money to pay consultants.

Now, if you want to look at something that just is money gone bad and is not providing any hard science data for the country—in fact it is providing no science data at all—this program makes no sense. You have got to look at this program as just being a complete outrage. If in fact it was doing real work, it might be worth supporting, but this is not a program which is doing real work.

In fact, the Science Committee's report on CIESIN says, "If CIESIN is to evolve from an activity funded primarily for regional economic development university support regents to an organization carrying out a program in human dimensions of climate change, then certain management reforms must be implemented."

I point out these issues because this program represents a classic example of how Congress operates. Federal money has been funneled here into a particular congressional district; there was no mission. In trying to create a mission, in trying to create a mission, they have done all the wrong things. This is $18 million that we ought not spend.

I would ask you to support the gentleman from Colorado's [Mr. HEFLEY] amendment. It is exactly the right thing to do.

Mr. BARCIA of Michigan. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment offered by the gentleman from Colorado, Mr. HEFLEY.

Mr. Chairman, I would like to correct some of the misinformation that the two previous speakers have shared with the House.

First of all, I begin by saying that I extended an offer to the gentleman from Pennsylvania [Mr. WALKER] with a hand-delivered message or hand-delivered letter, to indicate to him that if he had any questions regarding the operations of CIESIN, that a briefing would be scheduled, that all of his questions could be answered.

On June 15 I sent a letter, hand-delivered, to Congressman WALKER's office in which I said, "BOB, in the interest of providing you and your Republican colleagues more information about CIESIN's current activities and achievements, I have directed the consortium to be ready to brief you at your convenience. Additionally, I invite you to view a demonstration of CIESIN's data network at the Washington office. I would be more than pleased to set this up and have representatives of the consortium be prepared to answer any questions that you have."

In addition, I included a special report on the 1992 and 1993 activities, the last two audits performed on their books. Congressman WALKER chose not to indicate any interest in getting the answers to his questions; he prefers a confrontation on the floor as opposed to getting the information that he seeks. But I would like to address the amendment offered by the gentleman from Colorado [Mr. HEFLEY].

Mr. Chairman, the gentleman from Colorado's amendment is ill advised. Even though the consortium is only 3 years old it has already received many accolades. Just to mention a few, in a letter from NASA, Mr. Shelby Tilford states that "CIESIN is developing plans to support the legislatively mandated Global Change Research Information Office [GCRIO] and the program office for the International Geosphere and Biosphere Program START initiative. We believe CIESIN has an important contribution to make, both to NASA's program and to the broader United States Global Change Research Program effort." Mr. William P. Butz, the Associate Director for Demographic Programs in the U.S. Department of Commerce states, "I've heard glowing reports on Extract and Explore from colleagues . . .", these are two software products created by the consortium, "then I saw the system myself * * * I want to compliment CIESIN for your important role in these developments."

From the former Science Advisor, Dr. Allan Bromley, "We appreciated the efforts that CIESIN has made in support of our Global Change Research Program and the United States' participation at the United Nations Conference on Environment and Development at Rio. Such endeavors are very helpful as the U.S. strives to encourage the full and open distribution of data and information in support of global change research in the international arena."

And lastly, in a letter from the Agency for Toxic Substances and Disease Registry, of the U.S. Department of Health and Human Services, speaking about CIESIN networking efforts, "a highway system is useless without maps and direction signs, and CIESIN is performing an extremely valuable function in providing us with maps and directions to the data and information that we need."

The Consortium for International Earth Science Information Network has since its inception been working to create a computer network to facilitate access to, use of, and understanding of global change information worldwide. Just recently, the National Research Council of the National Academy of Sciences released a study entitled Global Environmental Change: Understanding the Human Dimensions. The study makes recommendations, one of which states: The Federal Government should establish an ongoing program to ensure that appropriate data sets for research on the human dimensions of global change are routinely acquired, properly prepared for use, and made available to researchers on simple and affordable terms.

This recommendation is exactly what CIESIN is now undertaking.

The requirements for this consortium have been repeated over and over again by many distinguished scientists and organizations. By zeroing out the consortium's funding the gentleman believes he will be striking at inefficiency, but he would be doing exactly the opposite. Though the gentleman from Pennsylvania is supportive of putting more vehicles into space, as am I, by striking funding for CIESIN he will disable our government's ability to analyze and disseminate the data compiled from these missions. And that I say is waste.

For all Members of this House who are concerned about fiscal responsibility, know that this consortium has already taken a reduction. In this bill, CIESIN will receive an appropriation 10 percent lower than the funds appropriated to it through NASA last fiscal year. I ask for your support and your vote against the amendment by the gentleman from Colorado [Mr. HEFLEY].

I yield back the remainder of my time.

CIESIN,
University Center, MI, June 27, 1993.

Hon. JAMES A. BARCIA,
Longworth House Office Building, U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN BARCIA: Thank you for requesting my comments on two articles that appeared in The Saginaw News this Sunday. While conveying useful information, some of the statements in the articles require correction and clarification.

CIESIN's financial record are annually reviewed by the accounting firm, Ernst & Young. This audit ensures that CIESIN is in full compliance with all federal requirements (as required by OMB Circular 133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations"), including specific funding restrictions of those federal agencies from which we receive funding. The audit for 1992 was just completed in May (and submitted to NASA) and we are proud to note that the auditors gave CIESIN their highest rating. As in previous years, the auditors stated that CIESIN is in full compliance with Federal directives and is in excellent standing with its financial records.

CIESIN submits a proposal to NASA every year that details how the organization will spend program dollars to carry out its goals and responsibilities as defined by Congress and NASA. That proposal undergoes careful scrutiny by NASA and once approved, all required reporting documentation associated with the approved proposal is submitted to NASA for review and approval. In 1992, all contracts let by CIESIN, over $10,000, and all international travel were pre-approved by NASA.

I agree with the statement attributed to you that most of the criticism of CIESIN has not been directed at the program but appears to arise from a lack of information about the CIESIN initiative. In this regard, I hope to have the opportunity, in the future, to assist you in demonstrating the information technology and explaining the importance of the CIESIN effort.

I believe that the article conveys a misimpression of CIESIN's accountability for government funds in the quotes attributed to Congressman Walker. CIESIN would be most willing to have the Congress inspect CIESIN's books and, if desired, review the annual written audit reports by CIESIN's independent auditors including NASA's reviews of the audit reports. With respect to the IRS information which the reporter used to write the article, CIESIN promptly provided the IRS 990 forms to the reporter on the day he requested them. CIESIN has an "open-book policy" for Congress or any federal agency that participates in the initiative.

The article makes note of CIESIN's spending for expert advice and Washington, D.C. operations. In 1992, all CIESIN's consultant contracts for $10,000 and above were approved by the sponsoring federal agency. These are reasonable expenses and fully justifiable in pursuit of CIESIN's congressional mission.

Building a worldwide electronic information network to serve the global environmental change community, including policy makers, educators, resource managers and researchers, requires extensive expertise in a number of areas, particularly since technology is so rapidly changing international communications and the whole nature of resource sharing. This endeavor has never been taken on before and is so critically important to furthering our understanding of global change. It would be extremely shortsighted if CIESIN did not draw upon the best expertise available. It has been to the advantage of CIESIN, the federal government, and the federal taxpayer for CIESIN to tap and build upon the expertise that exists within the members of the Consortium, as well as the broader global change and information technology community, to help deliver its mission.

The Washington, D.C. operation houses six staff, one coordinator for each Federal agency with which the organization has an active working relationship. The majority of this staff is funded by agencies other than NASA as outlined through agreements with those agencies. These individuals have a high level of expertise consistent with that needed to serve as a project coordinator with each of these agencies and to enable CIESIN to advance the initiative as directed by Congress. In some cases, agencies have specifically required in their contracts that such a project coordinator be located in Washington, D.C. The director of CIESIN's Washington office is a high-level executive position in the CIESIN organization. The position salary is commensurate with the responsibilities of that office and the geographic location.

CIESIN has worked very closely with NASA over the past two months to make sure that the 1993 proposal, referred to in the article, was clearly focused. This has meant redirecting activities, but it is my understanding that we have successfully accomplished that process and that NASA technical staff has fully accepted the proposal.

With respect to the second article in The Saginaw News that attempts to second guess CIESIN's spending over the last three years, the reporter tried to force together pieces of a puzzle that do not make a fair and accurate picture. The IRS forms are based upon a calendar year which does not take into consideration several factors such as federal fiscal year appropriations and procedures, project start and completion dates, organizational billing cycles, and when employees actually begin employment within any one certain year, to name a few. Without factoring in those considerations, the resulting story can be misleading and inaccurate. My staff worked with the reporter in an attempt to clarify these points, but we were apparently unsuccessful in explaining these distinctions.

I assure you that CIESIN is very proud of its accomplishments and how we conducted business over the past several years. We continue to draw praise from those who have carefully examined our efforts. Just last week we held our first Science Advisory Committee meeting in Saginaw. Its members include some of the foremost scientists in the global change community. The Committee was extremely complimentary and reassuring that "CIESIN has made enormous progress in a very short time" and that we are headed in the right direction. I have attached a list of the distinguished scientists who attended the meeting.

Thank you for this opportunity to set the record straight and for your interest in CIESIN.

Sincerely yours,

ROBERTA BALSTAD MILLER, Ph.D.,
President and CEO.

CONSORTIUM FOR INTERNATIONAL EARTH SCIENCE INFORMATION NETWORK, FIRST MEETING OF SCIENCE ADVISORY COMMITTEE, PARTICIPANTS

SCIENCE ADVISORY COMMITTEE MEMBERS

B.L. Turner II, *Chair*, George Perkins Marsh Institute, Clark University.

Francis Bretherton, Space Science & Engineering Center.

Robin Cantor, National Science Foundation, Decision, Risk and Management Science Program.

William Riebsame, Department of Geography, University of Colorado.

Gary Yohe, Department of Economics, Wesleyan University.

SCIENCE ADVISORY COMMITTEE MEMBERS NOT ABLE TO ATTEND

Sheila Jasanoff, Department of Science and Technology Studies, Cornell University.

Vernon Ruttan, *ex officio member*, Department of Agricultural and Applied Economics, University of Minnesota.

Steven Sanderson, University of Florida, Tropical Conservation and Development Program.

Ellen Silbergeld, Professor of Toxicology and Epidemiology, Department of Epidemiology, School of Medicine, University of Maryland at Baltimore.

CIESIN REPRESENTATIVES

Bob Chen, Director of Interdisciplinary Research, CIESIN.

Barbara Eddy, Science Program Manager, CIESIN.

Jack Eddy, Vice President for Research and Chief Scientist, CIESIN.

Roberta Balstad Miller, President, CIESIN.

Mr. BONIOR. Mr. Chairman, I rise to strike the requisite number of words and in strong opposition to the amendment cutting funds for CIESIN.

Mr. CHAIRMAN. If ever there was a case of being penny-wise and pound-foolish, this amendment is clearly it.

We have loaded the sky with satellites. We have collected data from one end of the Earth to another. The problem we have is making this data available so it can be used by universities, businesses and others who will put it to practical use, information that we have spent literally billions of dollars on.

CIESIN will allow us to make the most cost-effective use of the environmental data that we work so hard, and invest so much, to gather.

The winners and losers of the future will be determined by those who have access to information.

How many times have we come to the floor and defended scientific programs on the basis that the research will have practical spinoffs, practical applications?

This program that we talking about now gets that information out so that we can use it, so it can have some practical effect on our daily lives. The program has already been cut 10 percent, 10 percent below last year's funding level. It has taken its fair share of cuts in these difficult budget fiscal times.

We are talking about information that will help improve the quality of life for people who work in research to improve the quality of our lakes, our rivers, our streams, our oceans; we are talking about tracking the release of toxins which endanger the health of so many of our communities.

This amendment, in fact, if it is adopted, will spend money. Yet this program will save money.

I urge my colleagues to vote "no" on this amendment. We have already taken a 10 percent cut in this program in the bill over last year.

Mr. KLUG. Mr. Chairman, I rise to strike the requisite number of words and in support of the amendment.

Mr. HEFLEY. Mr. Chairman, will the gentleman yield?

Mr. KLUG. I yield to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. I thank the gentleman for yielding.

Mr. Chairman, just very quickly, I do not want to prolong this any more. I understand the gentleman from Michigan being in favor of this program; that is the way we do things around here. It seems they are practically the only people in favor of this.

Remember, NASA did not want it, did not know what it was doing after we spent $40 million on it. The authorizing committee was quite critical of it.

They say around here that once a program is started you cannot get rid of it no matter how worthless or how bad it is. Let us prove them wrong. Let us get rid of this program that will cost $18 million. We have spent over $100 million on it already.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. HEFLEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HEFLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 176, noes 240, not voting 23, as follows:

[Roll No. 283]

AYES—176

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett

Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Costello
Cox
Crane
Crapo
Cunningham
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hamilton
Hancock
Hansen
Hastert
Hefley
Herger
Hoagland
Hobson
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Johnston
Kasich
Kim
King
Kingston
Klug
Kolbe
Kyl
Lancaster
Lazio
Leach
Levy
Lewis (FL)
Lightfoot
Linder
Livingston
Long
Machtley
Manzullo
McCandless
McCollum
McCrery
McCurdy
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nussle
Orton
Oxley
Packard
Paxon
Penny
Petri
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Schaefer
Schiff
Schroeder
Sensenbrenner
Sharp
Shaw
Shuster
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Synar
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—240

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Barton
Bateman
Beilenson
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Camp
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hochbrueckner
Hoekstra
Holden
Hoyer
Hughes
Inslee
Jefferson
Johnson (GA)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Knollenberg
Kopetski
Kreidler
LaFalce
Lambert
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Lloyd
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHale
McKinney
McNulty
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Parker
Pastor
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Price (NC)
Quillen
Rahall
Rangel
Reed
Reynolds
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schenk
Schumer
Scott
Serrano
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Spratt
Stokes
Strickland
Studds
Stupak
Swett
Swift
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Whitten
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—23

Becerra
Berman
Blute
Coppersmith
Diaz-Balart
Faleomavaega (AS)
Ford (TN)
Hamburg
Henry
Istook
McMillan
Meehan
Murphy
Payne (NJ)
Richardson
Romero-Barcelo (PR)
Skeen
Stark
Sundquist
Unsoeld
Waxman
Wheat
Wilson

□ 2327

Mr. BATEMAN changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SPACE FLIGHT, CONTROL AND DATA COMMUNICATIONS

For necessary expenses, not otherwise provided for, in support of space flight, spacecraft control and communications activities of the National Aeronautics and Space Administration, including operations, production, services, minor construction, maintenance, repair, rehabilitation, and modification of real and personal property; tracking and data relay satellite services as authorized by law; purchase, lease, charter, maintenance and operation of mission and administrative aircraft; $4,882,900,000, to remain available until September 30, 1995.

AMENDMENTS OFFERED BY MR. KLUG

Mr. KLUG. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. KLUG: Page 51, line 12, strike "$4,882,900,000" and insert "$4,778,400,000".

Page 51, line 21, strike "$545,300,000" and insert "$512,700,000".

Mr. KLUG (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc, considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KLUG. Mr. Chairman, if my colleagues will bear with me a minute, we will all have an opportunity to get home much quicker.

Mr. Chairman, I offer these en bloc amendments on behalf of myself, the gentleman from Minnesota [Mr. RAMSTAD], the gentleman from Minnesota [Mr. PENNY], the gentlewoman from Utah [Ms. SHEPHERD] and the gentleman from Utah [Mr. ORTON].

□ 2330

Mr. Chairman, last year the House voted 259 to 159 to terminate the ASRM rocket system, only to discover, much to the despair of many of us, that when it went to conference committee full funding was restored again at a level of nearly $350 million.

To refresh your memory, the ASRM rocket system was first launched as an initiative shortly after the *Challenger* accident, to be designed as a second rocket launching system, this time based in Mississippi.

Where are we today? According to NASA, costs for the ASRM program have now risen to $650 million this year, and total costs for the program are not estimated to be at $3.7 billion, more than double the original projections. And the earliest expected completion of ASRM has been moved back from the original estimate of 1995 to the year 2003, more than double the anticipated timeline when the program was first announced.

Now, I stand before you this evening in the hopes that we will finally kill this project with one final recorded vote. Members should know that the authorization committee has already terminated ASRM, and the Committee on Appropriations draft in front of us only at this point includes termination costs.

What this amendment will do will do two things: first of all, to roll back the termination costs from $104.5 million back to $100 million, which was the level last year; and, even more importantly, strike $30 million slated in construction costs to complete a facility in Mississippi we no longer need at this point.

Who is in favor of this amendment? A number of budget watchdog groups are in favor of this, including the Citizens against Government Waste, Citizens for a Healthy Environment, Citizens for a Sound Economy, and also the National Taxpayers Union. Environmental groups opposed include Friends of the Earth, Greenpeace, the Sierra Club, and the National Wildlife Federation.

The Bush administration tried to kill this, and so in the past have Physicians for Social Responsibility.

Two more pieces of evidence: a November 1989 GEO report confirmed that the ASRM will not be needed either for constructing the space station nor for launching the advanced x-ray astrophysics facility. In fact, according to testimony in front of the authorizing committee, by the time the ASRM project is completed and ready to be launched, it will serve for only one shuttle mission before it becomes obsolete.

Second, the American Institute of Aeronautics and Astrophysics described the ASRM as a dead-end development.

There is absolutely no need whatsoever to go on with this project. The Congressional Budget Office says the taxpayers would save some $2.5 billion through the termination of this program, and continuation of ASRM diverts money from other more urgent NASA programs.

Second, let me make the case again we are going to strike another $32.6 million in additional facility costs to complete a project in a construction facility which at this point has absolutely no mission whatsoever.

Mr. Chairman, I would like to thank my colleague, the gentleman from Indiana [Mr. ROEMER], and the gentleman from Wisconsin [Mr. SENSENBRENNER], for their fine work on the authorization committee to try to kill this project.

Let me urge my colleagues again tonight on both the Republican and Democrat side for an overwhelming vote to kill the ASRM project, so that there is no chance whatsoever that in the conference committee it, like Dracula, will live again.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. KLUG. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I thank the gentleman for yielding.

This amendment is necessary because the Committee on Appropriations was silent on what it wanted to do with the ASRM, which gives them some wiggle room to resurrect the ASRM, even though the authorization committee has killed it.

The only thing that is in the current budget, the bill that is before us, are termination costs. The gentleman from Wisconsin [Mr. KLUG] is correct. However, in the committee report the committee appears to acknowledge that the ASRM may be deauthorized this year, but does not say so.

Mr. Chairman, I urge support of this amendment to close the loop on defunding the ASRM. as the gentleman from Wisconsin [Mr. KLUG] has said, the mission of the ASRM will have gone before the ASRM is completed. It is time we save the taxpayer money by supporting this amendment.

Mr. STOKES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wonder if I might engage my good friend, the gentleman from California [Mr. LEWIS], in a colloquy with reference to this amendment.

In light of the time, I wonder if we might explore the possibility of a time limit on this amendment.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, the House has been more than patient with the long process we have been through this evening. They have been very responsive to our effort to make sense out of a very complex bill.

I am sure Members do not want to stay here very much longer. Frankly, I will be very surprised if we find ourselves wanting to indulge ourselves in a lot more debate.

I am willing to consider time limitations, though I am hesitant to do so. I would like to have a sense of the House from the gentleman from Wisconsin [Mr. KLUG].

Mr. STOKES. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto be limited to 20 minutes, with the time to be divided 10 minutes on each side.

Mr. KLUG. Mr. Chairman, reserving the right to object and assuming that I will control my time, I have no objection. I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Ohio [Mr. STOKES] will be recognized for 10 minutes, and the gentleman from Wisconsin [Mr. KLUG] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, the gentleman's amendment would cut by $4 million the remaining $104,500,000 that the committee has included for ASRM termination and transition costs—should the legislative committees in the final analysis, elect to terminate ASRM.

I want to stress that point. The House authorization committee—the Science and Technology Committee—has terminated ASRM and picked up two or three activities from the current shuttle solid rocket motor program—and moves those to the new Yellow Creek facility.

We have exactly mirrored the legislative committees action in our report—which if Members would like to read it—it is on page 76.

But, we have also said that until a final decision is made by the legislative committees to terminate this program—we don't want to jump start the issue.

Therefore, we have cut $175 million from shuttle production—which will be applied to ASRM if the program is terminated by the legislative committees at some future date.

We have left $104 million for termination and transition costs should that action be taken.

In effect, Mr. Chairman, the gentleman's amendment is meaningless. It cuts $4 million from the $104 million included in our bill for ASRM termination-transition—if the program is actually terminated.

What the gentleman suggests is that if the House votes for this amendment somehow ASRM is terminated.

That, of course, is not true. Let the legislative process work its will first—don't jump start or second guess the science committees.

Finally, Mr. Chairman, we also would oppose the gentleman cutting the $32 million included in the bill to complete the construction of the Yellow Creek facility.

If the facility is going to serve the purpose of handling selected functions from the current solid rocket motor—and offer NASA at some time in the future the ability to recompete that contract—then these funds are needed to complete the Yellow Creek facility.

□ 2340

I would urge the House to reject the gentleman's amendment.

Mr. KLUG. Mr. Chairman, I yield myself such time as I may consume.

Let me make just one quick point, if I could. That is the fact that the House already voted to kill this project 259 to 159. The VA-HUD language that we see in the report tonight is commendable, but the purpose here this evening is to express the will of the House, once again, that this project be terminated and that our conferees do not allow it to come back.

Mr. Chairman, to amplify the argument, I yield 3 minutes to the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. Mr. Chairman, I thank the gentleman for yielding time to me.

I will be brief. I realize the hour is late.

Let me say this: Over the years we have all been fascinated by many programs that come out of space, Mercury, Gemini, Apollo, the space shuttle. But now we are looking at a situation where the ASRM, which would be built in Mississippi, and the redesigned rocket motor are two different issues that we are looking at.

Members realize what the advanced solid rocket motor really is. This is really a paper missile. This is something that really has not been built at this particular time. The redesigned rocket motor has performed flawlessly, with one horrible exception. And we all know what that exception is.

From that time, that is where it got the name "redesigned" rocket motor. And now for 27 times it has worked great. And right now we have got a shuttle in space.

So the question comes down to what do we want to have. Do we want to get ahead and finish this facility or do we want to build something we have already got?

We talked about the space station not too long ago as the big issue. We discussed it twice.

Let us be very candid about it. Why would we want to build two of them? If we are going to have a space station, we have to have something that will work and something that will put it in space. And we have got that. And it has been working very, very well.

This is really what we are looking at at this particular time. The question come up, what do we do with this facility? We have just built a beautiful facility. We have got to use that somewhere.

Well, if you have just gone through base closings, like many of us have, you could go to the Pentagon. They will tell my colleagues what to do with an awful lot of these facilities.

There are ways that they can be absorbed into other areas. If we really want to save some money, if we want to have a chance now to save some money this time, I think overall, without going ahead, with the building where it presently is, we are saving an awful lot of money, as we look in space and look at the votes we have already made.

I would urge the House to vote for the Klug amendment.

Mr. STOKES. Mr. Chairman, I yield such time a he may consume to the gentleman from Alabama [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I rise in opposition to this amendment. The ASRM facility is 70 percent complete. It would be irresponsible to support this amendment. Vote against it.

Mr. STOKES. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Committee on Science, Space, and Technology, the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding time to me.

The distinguished chairman has already explained the thrust of what this amendment would do and has indicated that he has been working with the authorizing committee to establish a rational basis for the termination of the ASRM Program.

We all agree that the program is of diminished priority and, as has been indicated, it did not survive a test vote in the House last year.

So there is really no difference between the position of the gentleman from Wisconsin and my position, I think, and the position of the gentleman from Ohio [Mr. STOKES], that we want to terminate this program. There is a difference in how we do it, however.

In the authorizing bill, which is still before the house and has not yet been passed, there is a provision to terminate the advanced solid rocket motor program, yet to complete the facilities and to maintain as nearly as possible a substantial employment base at that facility, engaged in a new set of programs which involve refurbishing rocket motor cases and building rocket nozzles for the current space shuttle Program.

We think that the language in the current bill, the appropriations bill, is quite compatible with the language we have in the authorization bill. It would be severely disturbed to accept the amendment of the gentleman from Wisconsin.

We will come out in essentially the same place. We will not have an ASRM Program, but we will have a more rational use of the assets which have been developed as part of that program.

I urge a no vote against the amendment.

Mr. KLUG. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. RAMSTAD]

Mr. RAMSTAD. Mr. Chairman, as a cosponsor of this amendment, I rise in its strong support.

Mr. Chairman, I rise today to join my colleague, Mr. KLUG, in sponsoring this amendment to eliminate funds for the advanced solid rocket motor from the VA-HUD appropriations bill.

By now we all know the history of the ASRM. Last year, it had virtually no support in Congress or even at NASA itself. It wasn't in the President's budget request. It was soundly defeated on the House floor. It wasn't even included in the Senate bill. But funding for the ASRM was restored by the conference committee.

Well, Mr. Chairman, here they go again.

Even though the authorizing committee very explicitly killed the project, the Appropriations Committee has funded the ASRM.

The ASRM is not necessary to our space program and NASA knows it.

The redesigned solid rocket motor—which has replaced the *Challenger* motor—is perfectly capable of safely and effectively performing the functions intended for the ASRM.

Development of the ASRM is behind schedule by 4½ years, which has more than doubled its cost to a projected $3.7 billion.

Also, testing of the ASRM will generate hundreds of tons of hydrogen gas, severely impacting the environment.

As the sponsor of legislation to terminate the ASRM, which has 52 cosponsors from both sides of the aisle, I urge all my colleagues to vote for this amendment to strike funding for the ASRM.

Mr. KLUG. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. PENNY], another cosponsor of the legislation and one who has been a strong fighter on fiscal issues.

Mr. PENNY. Mr. Chairman, I rise today in support of the Klug-Hansen-Orton-Penny amendment to the fiscal year 1994 VA-HUD-independent agencies appropriations bill, and I urge all Members to vote in favor of this amendment.

Mr. Chairman, this bipartisan amendment is intended to ensure that funds are not appropriated in fiscal year 1994 which could result in the continuation of the advanced solid rocket motor—which was not authorized in this year's NASA reauthorization bill. This amendment cuts over $30 million appropriated in the bill for ASRM construction activities and reduces by about 5 percent—or $5 million—the funds suggested in the bill for transferring ASRM activities to Yellow Creek, MS.

The advanced solid rocket motor—which NASA admits is not necessary—is opposed by the National Taxpayers Union, Citizens for a Sound Economy, and the Council for Citizens Against Government Waste. Environmental groups such as Friends of the Earth and the Sierra Club are opposed to the advanced solid rocket motor because of the negative effect the rocket's exhaust has on the environment.

Last year after the House voted to kill the advanced solid rocket motor, the Senate appropriated $50 million for the project; however, the House-Senate conference committee appropriated $360 million for this project. Due to the current fiscal crisis, we can not afford to make this same mistake and keep this unnecessary project alive.

Again, I urge Members to vote in favor of the Klug-Hansen-Shepherd-Penny amendment.

Mr. KLUG. Mr. Chairman, I yield 3 minutes to the gentleman from Utah [Mr. ORTON], who is in support of the amendment.

Mr. ORTON. Mr. Chairman, I will be brief.

Let me suggest there is one very important aspect to what is going on here in completion of the Yellow Creek facility.

Yes, the House has voted and continues to vote to kill the ASRM program. Yes, everyone admits that. But the issue here is whether the Yellow Creek facility is going to be completed.

The money that is in this bill is for completion of the facility for one purpose, and that is to transfer a portion of the production of the RSRM, the solid rocket motor currently being constructed by Thiokol Corp. in Utah, to transfer the nozzle production facilities from Utah, where it is currently being produced, to Mississippi. Hundreds of jobs simply to transfer from one State to another. That is what the difference is here that no one has yet brought up.

So there is a question of whether we are simply going to kill the program, to cut the funding now, or whether we are going to complete the construction of the Yellow Creek facility so that we can transfer jobs from a current operating facility into Mississippi.

I would urge passage of the amendment.

Mr. KLUG. Mr. Chairman, I yield 1 minute to the gentlewoman from Utah [Ms. SHEPHERD].

Ms. SHEPHERD. Mr. Chairman, I rise today in support of the amendment offered by my esteemed colleague, Representative KLUG. Many of you in this body have already voted to eliminate the ASRM program before. Some of you are confronting the issue for the first time. I would like to just briefly outline the compelling reasons for termination.

First, ASRM is unnecessary. The solid rocket motor currently being used on the space shuttle has proven to be safe and reliable. Both the National Research Council and the Aerospace Safety Advisory Panel have questioned whether ASRM would be safer and more reliable. ASRM no longer has a mission. It can't be developed in time to be used for the missions it was designed for. In addition, new advances in rocket technology promise to make the ASRM obsolete before it is even developed.

Second, ASRM is massively over budget and behind schedule. Cost overruns have increased the original estimate from $1.67 billion to $3.9 billion, more than doubling its cost. The first ASRM launch has been pushed back 64 months, to December 2000, too late to be used for space station and other planned projects. All indications are that further cost overruns and delays are inevitable, as noted in a November GAO report. Because of this, the National Taxpayers Union has targeted ASRM for elimination as an egregiously wasteful Government program.

Third, ASRM threatens the local and global environment. The hydrogen chloride gas generated by tests of the system in Mississippi will cause acid rain over environmentally sensitive wetlands, while the free chlorine will also accelerate the depletion of the ozone layer. In addition, the ASRM exhaust releases aluminum particulates which contribute to respiratory problems. Local chapters of all the major nationwide environmental groups have united to oppose the project.

It the sheer wastefulness of the project isn't enough to convince you, then maybe fiscal responsibility will have some sway. Eliminating ASRM would save more than $1.95 billion over 5 years. At this time of tight budget and program cuts, we cannot continue to pour money down the ASRM rathole. We need to send a strong message to the White House, the Senate, and the conference committee that we want ASRM completely and absolutely abolished. Voting for this amendment will send that message. I urge you to vote for the Klug amendment and to cut funding for ASRM.

□ 2350

Mr. STOKES. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. KLUG. Mr. Chairman, I yield myself such time as I may consume, just again to emphasize that the Citizens Against Government Waste, Citizens for a Healthy Environment, Citizens for a South Environment, and the National Taxpayer Union all support this amendment.

If we listen closely to the remarks of the gentleman from California [Mr. BROWN] as the authorization committee and last year the House voted 259 to 159 to terminate this program, let us send a strong message to the conferees and guarantee once and for all the ASRM stays grounded on Earth.

Mr. WHITTEN. Mr. Chairman, I rise in strong opposition to the amendment and any further attempts to disrupt an efficient and effective NASA program at Yellow Creek, Mississippi.

Some of my colleagues seem to have forgotten that this program was conceived out of a concern for the safety of NASA astronauts. The advanced solid rocket motor program was initiated on the recommendation of the Presidential Commission on the space shuttle *Challenger* accident and NASA to provide our space program with a rocket to improve shuttle safety, improve shuttle reliability, increase shuttle payload by 30 percent, and give NASA more control of the program by providing a government-owned facility.

Those needs are still evident in our manned space program today.

In this year when we are spending so much time and energy to use our resources wisely, it makes no sense to shut down an operation that is substantially completed and has already had an investment of $1.6 billion put into it.

The site at Yellow Creek, in Northeast Mississippi was chosen, because:

It was already owned by the government.

It already had roads, power, water, and other utilities along with some building.

It was adjacent to a waterway transportation system.

Those factors saved a year in construction and $100,000.

This is a good program and the reasons given for starting this program are still valid.

Mr. MCCLOSKEY. Mr. Chairman, the advanced solid rocket motor continues to be a vital part of our Nation's space program. It was designed to instill a long-term competitive environment in the production of shuttle motors and enhance flight safety and reliability in the aftermath of the *Challenger* disaster.

The ASRM fulfills these expectations while at the same time increasing payload capability by more than 13,000 pounds and decreasing the cost of motor production by almost $15 million per flight pair.

More than $500 million has been invested in several locations across the Nation so far, including the development of a state-of-the-art facility in Mt. Vernon, IN, where the casings for the ASRM are being constructed.

The Congress has already invested a total of $1.5 billion in this program and the costs to terminate are equal to the total investment needed to complete its development.

Make a responsible budgetary vote which also enhances the nation's technical capability for future missions in space. Vote against the Klug-Hansen-Orton amendment.

The CHAIRMAN. All time under the unanimous consent agreement has been consumed.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. KLUG].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. KLUG. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONSTRUCTION OF FACILITIES

For construction, repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and for facility planning and design not otherwise provided, for the National Aeronautics and Space Administration, and for the acquisition or condemnation of real property, as authorized by law, $545,300,000, to remain available until September 30, 1996: *Provided*, That, notwithstanding the limitation on the availability of funds appropriated under this heading by this appropriations Act, when any activity has been initiated by the incurrence of obligations therefor, the amount available for such activity shall remain available until expended, except that this provision shall not apply to the amounts appropriated pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design: *Provided further*, That no amount appropriated pursuant to this or any other Act may be used for the lease or construction of a new contractor-funded facility for exclusive use in support of a contract or contracts with the National Aeronautics and Space Administration under which the Administration would be required to substantially amortize through payment or reimbursement such contractor investment, unless an appropriations Act specifies the lease or contract pursuant to which such facilities are to be constructed or leased or such facility is otherwise identified in such Act: *Provided further*, That the Administrator may authorize such facility lease or construction, if he determines, in consultation with the Committees on Appropriations, that deferral of such action until the enactment of the next appropriations Act would be inconsistent with the interest of the Nation in aeronautical and space activities.

RESEARCH AND PROGRAM MANAGEMENT

For necessary expenses for personnel and related costs, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902) and travel expenses, $1,637,500,000: *Provided*, That contracts may be entered into under this appropriation for training, investigations, costs associated with personnel relocation, and for other services, to be provided during the next fiscal year.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $15,391,000.

National Credit Union Administration

CENTRAL LIQUIDITY FACILITY

During fiscal year 1994, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795) shall not exceed $600,000,000: *Provided*, That administrative expenses of the Central Liquidity Facility in fiscal year 1994 shall not exceed $945,000.

National Science Foundation

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880–1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft; $2,045,000,000, to remain available until September 30, 1995: *Provided*, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: *Provided further*, That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

ACADEMIC RESEARCH FACILITIES AND INSTRUMENTATION

For necessary expenses in carrying out an academic research facilities and instrumentation program pursuant to the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, $55,000,000, to remain available until September 30, 1995.

UNITED STATES POLAR RESEARCH PROGRAMS

For necessary expenses in carrying out arctic and antarctic research and operational support and for reimbursement to other Federal agencies for operational and science support and other related activities for the United States Antarctic program and the Arctic research program pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875); maintenance and operation of aircraft and purchase of flight services for research and operations support; improvement of environmental practices and enhancements of safety; services as authorized by 5 U.S.C. 3109; maintenance and operation of research ships and charter or lease of ships for research and operations support; hire of passenger motor vehicles; not to exceed $2,500 for official reception and representation expenses; $158,100,000, to remain available until expended: *Provided*, That receipts for support services and materials provided for non-Federal activities may be credited to this appropriation.

UNITED STATES ANTARCTIC LOGISTICAL SUPPORT ACTIVITIES

For necessary expenses in reimbursing Federal agencies for logistical and other related activities for the United States Antarctic program pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875); acquisition, maintenance, and operation of aircraft for research and operations support; improvement of environmental practices and enhancements of safety; $62,600,000, to remain available until expended: *Provided*, That receipts for support services and materials provided for non-Federal activities may be credited to this appropriation.

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, $569,600,000, to remain available until September 30, 1995: *Provided*, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

CRITICAL TECHNOLOGIES INSTITUTE

For necessary expenses for support of the Critical Technologies Institute as authorized by section 822 of the National Defense Authorization Act for Fiscal Year 1991, as amended (42 U.S.C. 6686), $1,000,000, to remain available until expended.

SALARIES AND EXPENSES

For necessary salaries and expenses in carrying out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed $6,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902); rental of conference rooms in the District of Columbia; reimbursement of the General Services Administration for security guard services; $120,800,000: *Provided*, That contracts may be entered into under salaries and expenses in fiscal year 1994 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $3,997,000, to remain available until September 30, 1995.

NATIONAL SCIENCE FOUNDATION HEADQUARTERS RELOCATION

For necessary support of the relocation of the National Science Foundation, $5,200,000, to remain available until expended: *Provided*, That these funds shall be used to reimburse the General Services Administration for services and related acquisitions in support of relocating the National Science Foundation.

Neighborhood Reinvestment Corporation

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), $30,476,000.

Selective Service System

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101–4118) for civilian employees; and not to exceed $1,000 for official reception and representation expenses; $5,000,000: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

TITLE IV

CORPORATIONS

Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1994 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

Federal Deposit Insurance Corporation

SAVINGS ASSOCIATION INSURANCE FUND

For payments of insurance losses, in fiscal year 1994, of the Savings Association Insurance Fund as authorized by Public Law 101–73, such sums as may be necessary.

FSLIC RESOLUTION FUND

For payment of expenditures, in fiscal year 1994, of the FSLIC Resolution Fund, for which other funds available to the FSLIC Resolution Fund as authorized by Public Law 101–73 are insufficient, $1,326,000,000.

FDIC AFFORDABLE HOUSING PROGRAM

For the affordable housing program of the Federal Deposit Insurance Corporation under section 40 of the Federal Deposit Insurance Act (12 U.S.C. 1831q), $7,000,000 to pay for any losses resulting from the sale of properties under the program, and for all administrative and holding costs associated with operating the program.

Notwithstanding any provisions of section 40 of the Federal Deposit Insurance Act or any other provision of law, the Federal Deposit Insurance Corporation shall be deemed in compliance with such section if, in its sole discretion, the Corporation at any time modifies, amends or waives any provisions of such section in order to maximize the efficient use of the available appropriated funds. The Corporation shall not be subject to suit for its failure to comply with the requirements of this provision or section 40 of the Federal Deposit Insurance Act.

Resolution Trust Corporation

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $34,046,000.

TITLE V
GENERAL PROVISIONS

SECTION 501. Where appropriations in titles I, II, and III of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; or to payments to interagency motor pools where separately set forth in the budget schedules: *Provided further*, That if appropriations in titles I, II, and III exceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefor set forth in the estimates in the same proportion.

SEC. 502. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 503. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Resolution Trust Corporation, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 504. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 505. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 506. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of any officer or employee authorized such transportation under title 31, United States Code, section 1344.

SEC. 507. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: *Provided*, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 508. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the maximum rate paid for GS–18, unless specifically authorized by law.

SEC. 509. No part of any appropriation contained in this Act for personnel compensation and benefits shall be available for other object classifications set forth in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to any part of the appropriations contained in this Act for Offices of Inspector General personnel compensation and benefits.

SEC. 510. None of the funds in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 511. Except as otherwise provided under existing law or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 512. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) for a contract for services unless such executive agency (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder, and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning (A) the contract pursuant to which the report was prepared, and (B) the contractor who prepared the report pursuant to such contract.

SEC. 513. Except as otherwise provided in section 506, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 514. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 515. Such sums as may be necessary for fiscal year 1994 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 516. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than $300,000, unless the Secretary submits, in writing, report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

SEC. 517. (a) The Resolution Trust Corporation ("Corporation") shall report to the Congress at least once a month on the status of the review required by section 21A(b)(11)(B) of the Federal Home Loan Bank Act and the actions taken with respect to the agreements described in such section. The report shall describe, for each such agreement, the review that has been conducted and the action that has been taken, if any, to rescind or to restructure, modify, or renegotiate the agreement. In describing the action taken, the Corporation is not required to provide detailed information regarding an ongoing investigation or negotiation. The Corporation shall exercise any and all legal rights to restructure, modify, renegotiate or rescind such agreement, notwithstanding any other provision of law, where the savings would be realized.

(b) To expend any appropriated funds for the purpose of restructuring, modifying, or renegotiating the agreements described in subsection (a), the Corporation shall certify to the Congress, for each such agreement, the following:

(1) the Corporation has completed its review of the agreement, as required by section 21A(b)(11)(B) of the Federal Home Loan Bank Act;

(2)(A) at the time of certification, in the opinion of the Corporation and based upon the information available to it, there is insufficient evidence or other indication of fraud, misrepresentation, failure to disclose a material fact, failure to perform under the terms of the agreement, improprieties in the bidding process, failure to comply with any law, rule or regulation regarding the validity of the agreement, or any other legal basis sufficient for the rescission of the agreement; or

(B) at the time of certification, the Corporation finds that there may be sufficient evidence to provide a legal basis for the rescission of the assistance agreement, but the Corporation determines that it may be in the best interest of the Government to restructure, modify or renegotiate the assistance agreement; and

(3) the Corporation has or will promptly exercise any and all legal rights to modify, renegotiate, or restructure the agreement where savings would be realized by such actions.

This Act may be cited as the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994.

Mr. LEWIS of California (during the reading). Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. TRAFICANT: Page 69, after line 2, insert the following new section:
>
> SEC. 518. Compliance With Buy American Act.—None of the funds made available in this Act may be expended in violation of sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly known as the "Buy American Act"), which are applicable to those funds.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, the amendment has been approved by both sides.

Mr. STOKES. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, the gentleman has afforded me a copy of the amendment, and I am pleased to accept the amendment on behalf of the subcommittee.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. STOKES. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The CHAIRMAN. The question is on the motion offered by the gentleman from Ohio.

The motion was agreed to.

□ 2357

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. FRANK of Massachusetts) having assumed the chair, Mr. BEILENSON, chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 2491) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1994, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

POSTPONEMENT OF FURTHER CONSIDERATION OF H.R. 2491 UNTIL JUNE 29, 1993

Mr. STOKES. Mr. Speaker, I ask unanimous consent that the previous question be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, but that further consideration under operation thereof be postponed until the legislative day of June 29, 1993.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). Is there objection to the request of the gentleman from Ohio?

Mr. WALKER. Mr. Speaker, reserving the right to object, my understanding is that the effect of the unanimous consent request will be to preserve our right to ask for separate votes on amendments that were passed in the Committee of the Whole tomorrow morning when we come back in.

I would ask the gentleman from Ohio, is that correct?

Mr. STOKES. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from Ohio.

Mr. STOKES. Mr. Chairman, the gentleman is correct.

Mr. WALKER. I thank the chairman of the subcommittee.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERSONAL EXPLANATION

Mr. HORN. Mr. Speaker, I was unavoidably absent on rollcall No. 274, the rule (H. Res. 208) waiving certain points of order to H.R. 2491, making appropriations to the Departments of Veterans Affairs and Housing and Urban Development, and independent agencies appropriations bill, 1994. I was on official business as a member of the U.S. Congress/European Community parliamentarians 41st meeting.

If present, I would have voted "aye" on the rule since it is one of the few open rules that has been granted by the Committee on Rules, since this session began.

PERSONAL EXPLANATION

Mr. MICA. Mr. Speaker, I was unavoidably detained due to an airline flight on June 28, 1993, I was not able to cast my vote on the rollcall No. 274, the Rule for H.R. 2491, the VA, HUD, and independent agencies appropriations.

If I had been present, I would have voted "nay."

PERSONAL EXPLANATION

Mr. BAESLER. Mr. Speaker, during rollcall vote Nos. 274–277 on H.R. 2491 I was unavoidably detained. Had I been present I would have voted "yes" on rollcall 274; "present" on rollcall 275; "no" on rollcall 276; and "no" on rollcall 277.

PERSONAL EXPLANATION

Mr. COPPERSMITH. Mr. Speaker, I regret that a commitment of long standing required me to be away from the Capitol and prevented me from voting on rollcall Nos. 275 through 283. Had I been present, I would have voted "no" on rollcall votes 276 through 279, inclusive, and 283; "yes" on rollcall votes 280 through 282, inclusive; and "present" on rollcall vote 275.

PERSONAL EXPLANATION

Mr. SKEEN. Mr. Speaker, I was on leave of absence when rollcall votes occurred in the House of Representatives.

Had I been present, I would have cast my votes as noted for the following roll-call votes which occurred during my absence. Votes on which I was paired and announced in the CONGRESSIONAL RECORD ARE NOTED BY AN ASTERISK.

Rollcall No. 274, H. Res. 208, rule governing debate for VA, HUD Appropriation Act, "nay*."

Rollcall No. 275, Quorum Call.

Rollcall No. 276, Burton amendment to H.R. 2491, VA, HUD, Appropriation Act, cut CDSG grants by $223 million, "nay."

Rollcall No. 277, Penny amendment to H.R. 2491, VA, HUD Appropriation Act, cut CDSG grants by $50 million, "nay."

Rollcall No. 278, Solomon amendment to H.R. 2491, VA, HUD Appropriations Act, restore funding for Selective Service System, "nay*."

Rollcall No. 279, Gramm amendment to H.R. 2491, VA, HUD Appropriation Act, reduce HUD policy development/research programs by $48 million, "aye."

Rollcall No. 280, Kolbe amendment to H.R. 2491, VA, HUD Appropriation Act, provide $10 million for HUD HOPE grants program, "Aye*."

Roll No. 281, Roemer amendment to H.R. 2491, VA, HUD Appropriation Act, delete space station funding, "Nay*."

Roll No. 282, Hefley amendment to H.R. 2491, VA, HUD Appropriation Act, cut $970 thousand for employees detailed to the Office of Science, and Technology Policy, "Aye."

Roll No. 283, Hefley amendment to H.R. 2491, VA, HUD Appropriation Act, remove funding for consortium for the International Earth Science Information Network [NASA] Project—$18 million, "Aye."

PERSONAL EXPLANATION

Mr. ISTOOK. Mr. Speaker, I was on leave of absence during the House session due to illness in my family. Had I been here, I would have voted as follows during consideration of H.R. 2491, VA, HUD, and independent agencies appropriations for fiscal year 1994: Roll No. 274—nay; Roll No. 276—yea; Roll No. 277—yea; Roll No. 278—nay; Roll No. 279—yea; Roll No. 280—yea; Roll No. 281—yea; Roll No. 282—yea.

PERSONAL EXPLANATION

Mr. HAMBURG. Mr. Speaker, I was unavoidably detained in my district and unable to be present when the House considered amendments to the Veterans Affairs, Housing and Urban Development and Independent Agencies appropriations bill for fiscal year 1994. I wish the permanent record to show that had I been present, I would have voted "nay" on rollcall No. 276, "nay" on rollcall No. 278, and "aye" on rollcall No. 281.

PERSONAL EXPLANATION

Mr. ENGEL. Mr. Speaker, I was unavoidably detained on rollcall votes 274, 276, and 277. Had I been present, I would have voted "yea" on rollcall No. 274. Additionally, I would have voted "nay" on rollcall votes 276, and 277.

PERSONAL EXPLANATION

Mr. BLUTE. Mr. Speaker, while I was in Massachusetts assisting my wife, Robi, with the delivery of our son, I missed a series of roll call votes.

On Monday, June 28, during consideration of HR 2491, the VA-HUD-Independent Agencies appropriations bill, I would have voted the following:

Rollcall 274, "no."
Rollcall 275, "present."
Rollcall 276, "aye."
Rollcall 277, "aye."
Rollcall 278, "aye."
Rollcall 279, "aye."
Rollcall 280, "aye."
Rollcall 281, "aye."
Rollcall 282, "aye."
Rollcall 283, "aye."

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2492, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–160) on the resolution (H. Res. 210) waiving certain points of order against the bill (H.R. 2492) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2490, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–161) on the resolution (H. Res. 211) waiving certain points of order against the bill (H.R. 2490) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEGISLATIVE PROGRAM

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute.)

Mr. GEPHARDT. Mr. Speaker, I simply wanted to explain to Members that we will be reconvening tomorrow morning at 11:00 a.m. We will not have 1-minute speaches. We will go directly to the completion of the VA–HUD appropriation bill. We will then be taking up the Agriculture appropriation bill, and the D.C. appropriation bill. If we have time, at the end of that we will go to the Transportation bill. That will leave us with three appropriation bills for the rest of the week.

HOUR OF MEETING ON TOMORROW

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

□ 2400

APPOINTMENT OF CONFEREES ON H.R. 2118, SUPPLEMENTAL APPROPRIATIONS ACT, FISCAL YEAR 1993

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

MOTION OFFERED BY MR. MC DADE

Mr. McDADE. Mr. Speaker, I offer a motion, and I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The text of the motion is as follows:

Mr. MCDADE moves that the managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the bill H.R. 2118, be instructed to take no action that would cause the net new spending in the bill to exceed either the Committee 602(a) budget authority and outlay allocations for discretionary domestic, defense and international spending or the overall budget authority and outlay spending caps for those three categories established by the Budget Enforcement Act of 1990 (P.L. 101–508).

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. MCDADE] is recognized for 1 hour.

Mr. McDADE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the motion to instruct conferees. This motion calls for a fiscally responsible supplemental conference. It says that if we are going to pass a much-reduced supplemental to deal with a small number of selected needs, it must stay within the committee allocations for discretionary domestic, international, and defense spending and the overall spending caps.

To the extent that spending would cause such a breach, offsetting spending reductions would need to be provided.

This is the basis on which the House passed the two supplementals that will now be considered jointly in this conference. It is a far cry from the first supplemental, the so-called economic stimulus legislation, which proposed $16 billion in new spending without offsets and declared it all to be an emergency. As a result, that stimulus never made it out of Congress.

As the Members know, the Senate has chosen to combine the two supplementals passed by the House earlier this year into one bill. When the House passed H.R. 2118, which was for unanticipated needs arising from Somalia, as well as small business, and the judiciary, all the funding was within all relevant spending caps and ceilings with one exception—the outlays for the Small Business Loan Program exceeded the outlay cap for the Commerce Subcommittee by a small amount. When we considered the bill on the floor, I engaged the chairman of the subcommittee in a colloquy assuring the House that we would take care of this problem in conference.

Similarly, when the House considered the second supplemental, H.R. 2244, the so-called son of stimulus, it was offset by rescissions in other programs.

There is always the temptation, when a spending bill goes to conference, to take the higher numbers and not worry about the consequences. This motion specifically instructs the conferees to keep to the fiscally responsible road that we have followed in passing these two supplementals and to make sure that all spending limits are maintained.

Mr. Speaker, I urge adoption of the motion.

Mr. NATCHER. Mr. Speaker, will the gentleman yield?

Mr. McDADE. I am delighted to yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Speaker, on this side we accept the motion. Certainly we intend to stay under the caps for 1993, and we accept the motion offered by the gentleman from Pennsylvania.

Mr. McDADE. I thank the distinguished gentleman from Kentucky.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Pennsylvania [Mr. McDADE].

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. NATCHER, SMITH of Iowa, YATES, OBEY, STOKES, BEVILL, MURTHA, DIXON, FAZIO, HEFNER, HOYER, CARR of Michigan, DURBIN, McDADE, MYERS of Indiana, REGULA, LEWIS of California, PORTER, ROGERS, WOLF, and LIGHTFOOT.

There was no objection.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I regret that my being delayed while in route to the Capitol earlier today prevented me from voting on rollcall No. 274, the rule providing for the consideration of H.R. 2491, VA, HUD, and independent agencies appropriations for fiscal year 1994. Had I been present, I would have voted "nay."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, June 29, 1993.

HOWARD H. BAKER, JR. UNITED STATES COURTHOUSE

Mr. TRAFICANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 168) to designate the Federal building to be constructed between Gay and Market Streets and Cumberland and Church Avenues in Knoxville, TN, as the "Howard H. Baker, Jr. United States Courthouse."

The Clerk read as follows:

H.R. 168

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building to be constructed between Gay and Market Streets and Cumberland and Church Avenues in Knoxville, Tennessee, shall be known and designated as the "Howard H. Baker, Jr. United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Howard H. Baker, Jr. United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. TRAFICANT] will be recognized for 20 minutes, and the gentleman from Tennessee [Mr. DUNCAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 168, as amended, is a bill to designate the Federal building to be constructed between Gay and Market Streets and Cumberland and Church Avenues in Knoxville, TN, as the Howard H. Baker, Jr. United States Courthouse.

This bill has my enthusiastic support. Senator Baker was born on November 15, 1925, in Huntsville, TN. After attending college at Tulane University and at the University of the South in Sewanee, TN, Senator Baker attended law school at the University of Tennessee Law College. He graduated from law school in 1949, and in that same year was admitted to the Tennessee bar.

He was engaged in the private practice of law from 1949 until 1966, when he was elected to the U.S. Senate.

Senator Baker had a very distinguished career in the Senate where he served from 1966 until 1985. He was the minority leader from 1977 through 1981 and he was the majority leader from 1981 through 1985.

Subsequently, Senator Baker was appointed White House Chief of Staff to President Reagan. He served in that capacity for 1 year, 1987–1988.

Senator Baker's outstanding contributions to his State of Tennessee and the Nation make it fitting and proper to name this United States courthouse to be constructed in Knoxville, TN, after Howard H. Baker, Jr.

Mr. Speaker, I reserve the balance of my time.

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 168, a bill to designate the United States Courthouse, currently under construction in Knoxville, TN, the Howard H. Baker, Jr. U.S. courthouse. I am proud to be the sponsor of this bill, and I appreciate the chairman of the Subcommittee on Public Buildings and Grounds, the gentleman from Ohio, joining me in cosponsoring this bill.

This legislation to name the Federal courthouse under construction after Howard Baker is a fitting tribute to Senator Baker's extraordinary career and public service.

Senator Baker was first elected to the U.S. Senate in 1966, the first Republican ever popularly elected to the U.S. Senate from Tennessee, and won reelection in 1972 and 1978. Senator Baker served as minority leader of the Senate from 1977 to 1981 and majority leader from 1981 to 1985, when he chose to retire.

In 1987, then President Reagan asked Senator Baker to serve as Chief of Staff to the President, at a time when the administration needed steady and seasoned leadership during the Iran-Contra controversy.

In 1982, Senator Baker received the Jefferson Award for Greatest Public Service Performed by an Elected or Appointed Official. In 1984, Senator Baker received the Presidential Medal of Freedom.

Since leaving Public Service, Senator Baker has been elected to numerous boards of directors of U.S. corporations. He is the recipient of honorary degrees from Yale, Dartmouth, Georgetown, Bradley, Pepperdine, and Centre College. He is currently a partner in the law firm of Baker, Worthington, Crossley, Stansberry and Woolf.

I am sorry to say Senator Baker's wife, Joy, passed away this spring after a long and courageous battle with cancer.

Mr. Speaker, I simply would say that Senator Howard H. Baker, Jr., is one of the greatest statesmen in the history of the State of Tennessee. He has been recognized to a great deal here in Washington, having the formal rooms of the Library of Congress named after him. But he has not received that same recognition in Tennessee, and naming this Federal building after him will be a very fitting tribute to a very great American.

I urge my colleagues to support this bill in honor of my good friend and fellow Tennesseean, Howard H. Baker, Jr.

Mr. Speaker, I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MINETA], chairman of the Committee on Public Works and Transportation.

Mr. MINETA. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, as the chairman of the Public Works and Transportation Committee, I wish to commend and thank Mr. TRAFICANT of Ohio, the chair of the Public Buildings and Grounds Subcommittee and Mr. DUNCAN of Tennessee, the ranking Republican of this subcommittee and author of this legislation.

Senator Howard H. Baker, Jr., was elected to the U.S. Senate in 1966, where he served for 19 years. He also served in this body and spent one term—the 82d Congress, from 1951–53—as a member of the Public Works and Transportation Committee.

In his distinguished career, Senator Baker actively backed major civil rights initiatives and played an instrumental role in the development of the landmark clean air and water legislation of the early 1970's.

His reputation for fairness led to his selection to co-chair the committee which investigated Watergate. From 1977 to 1985, Senator Baker served as minority leader from 1977 to 1981, and as majority leader from 1981 to 1985. In

1987, he was appointed White House Chief of Staff by President Reagan. After leaving the White House, Senator Baker was elected to the boards of American Express, Waste Management, United Technologies, Pennzoil, and the Mayo Clinic.

Senator Baker has received many honors and awards, including the Presidential Medal of Freedom and the Jefferson Award for Greatest Public Service Performed by an Elected or Appointed Official.

It is certainly a well-deserved and fitting tribute to name a Federal building in his honor, and I urge support for the bill.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the ranking member, the gentleman from Tennessee [Mr. DUNCAN], for his outstanding efforts. He is a fine legislator, and through his efforts this bill is possible. I also want to thank the gentleman from Pennsylvania [Mr. SHUSTER], the ranking member of the full committee, and the chairman of our full committee, the gentleman from California [Mr. MINETA].

Mrs. LLOYD. Mr. Speaker, I rise in strong support of H.R. 168, to establish the Howard H. Baker U.S. Courthouse. This is certainly a well deserved honor for a man who has served the State of Tennessee and the country with pride, distinction, and integrity.

I had the privilege of knowing and working with Howard Baker during his tenure in the Senate and also in the White House and I consider him a trusted friend and colleague. Mr. Baker's distinguished career has included duties as Senate minority leader, majority leader, White House Chief of Staff, and recipient of numerous awards, honors, and accolades. His political career has spanned three decades and I know that the people of Tennessee and people around the country appreciate his work.

Establishing this U.S. courthouse is certainly a worthy tribute to Mr. Baker and it is a small token of our appreciation for his dedication to public service. I commend the committee for their recognition of one of Tennessee's finest leaders and I am glad to offer my support to this effort.

Mr. TRAFICANT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. TRAFICANT] that the House suspend the rules and pass the bill, H.R. 168.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 0010

GENERAL LEAVE

Mr. TRAFICANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 168, the bill just passed.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). Is there objection to the request of the gentleman from Ohio?

There was no objection.

NATIONAL AFRICAN-AMERICAN MUSEUM ACT

Mr. CLAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 877) to authorize the establishment of the National African American Museum within the Smithsonian Institution, as amended.

The Clerk read as follows:

H.R. 877

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National African American Museum Act".

SEC. 2. FINDINGS.

(a) FINDINGS.—The Congress finds that—

(1) the presentation and preservation of African American life, art, history, and culture within the National Park System and other Federal entities are inadequate;

(2) the inadequate presentation and preservation of African American life, art, history, and culture seriously restrict the ability of the people of the United States, particularly African Americans, to understand themselves and their past;

(3) African American life, art, history, and culture include the varied experiences of Africans in slavery and freedom and the continued struggles for full recognition of citizenship and treatment with human dignity;

(4) in enacting Public Law 99-511, the Congress encouraged support for the establishment of a commemorative structure within the National Park System, or on other Federal lands, dedicated to the promotion of understanding, knowledge, opportunity, and equality for all people;

(5) the establishment of a national museum and the conducting of interpretive and educational programs, dedicated to the heritage and culture of African Americans, will help to inspire and educate the people of the United States regarding the cultural legacy of African Americans and the contributions made by African Americans to the society of the United States; and

(6) the Smithsonian Institution operates 15 museums and galleries, a zoological park, and 5 major research facilities, none of which is a national institution devoted solely to African American life, art, history, or culture.

SEC. 3. ESTABLISHMENT OF THE NATIONAL AFRICAN AMERICAN MUSEUM.

(a) ESTABLISHMENT.—There is established within the Smithsonian Institution a Museum, which shall be known as the "National African American Museum".

(b) PURPOSE.—The purpose of the Museum is to provide—

(1) a center for scholarship relating to African American life, art, history, and culture;

(2) a location for permanent and temporary exhibits documenting African American life, art, history, and culture;

(3) a location for the collection and study of artifacts and documents relating to African American life, art, history, and culture;

(4) a location for public education programs relating to African American life, art, history, and culture; and

(5) a location for training of museum professionals and others in the arts, humanities, and sciences regarding museum practices related to African American life, art, history, and culture.

SEC. 4. LOCATION AND CONSTRUCTION OF THE NATIONAL AFRICAN AMERICAN MUSEUM.

The Board of Regents is authorized to plan, design, reconstruct, and renovate the Arts and Industries Building of the Smithsonian Institution to house the Museum.

SEC. 5. BOARD OF TRUSTEES OF MUSEUM.

(a) ESTABLISHMENT.—There is established in the Smithsonian Institution the Board of Trustees of the National African American Museum.

(b) COMPOSITION AND APPOINTMENT.—The Board of Trustees shall be composed of 23 members as follows:

(1) The Secretary of the Smithsonian Institution.

(2) An Assistant Secretary of the Smithsonian Institution, designated by the Board of Regents.

(3) Twenty-one individuals of diverse disciplines and geographical residence who are committed to the advancement of knowledge of African American art, history, and culture appointed by the Board of Regents, of whom 9 members shall be from among individuals nominated by African American museums, historically black colleges and universities, and cultural or other organizations.

(c) TERMS.—

(1) IN GENERAL.—Except as provided in paragraph (2), members of the Board of Trustees shall be appointed for terms of 3 years. Members of the Board of Trustees may be reappointed.

(2) STAGGERED TERMS.—As designated by the Board of Regents at the time of initial appointments under paragraph (3) of subsection (b), the terms of 7 members shall expire at the end of 1 year, the terms of 7 members shall expire at the end of 2 years, and the terms of 7 members shall expire at the end of 3 years.

(d) VACANCIES.—A vacancy on the Board of Trustees shall not affect its powers and shall be filled in the manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of the member was appointed shall be appointed for the remainder of the term.

(e) NONCOMPENSATION.—Except as provided in subsection (f), members of the Board of Trustees shall serve without pay.

(f) EXPENSES.—Members of the Board of Trustees shall receive per diem, travel, and transportation expenses for each day, including traveltime, during which they are engaged in the performance of the duties of the Board of Trustees in accordance with section 5703 of title 5, United States Code, with respect to employees serving intermittently in the Government service.

(g) CHAIRPERSON.—The Board of Trustees shall elect a chairperson by a majority vote of the members of the Board of Trustees.

(h) MEETINGS.—The Board of Trustees shall meet at the call of the chairperson or upon the written request of a majority of its members, but shall meet not less than 2 times each year.

(i) QUORUM.—A majority of the Board of Trustees shall constitute a quorum for purposes of conducting business, but a lesser number may receive information on behalf of the Board of Trustees.

(j) VOLUNTARY SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the chairperson of the Board of Trustees may accept for the Board of Trustees voluntary services provided by a member of the Board of Trustees.

SEC. 6. DUTIES OF THE BOARD OF TRUSTEES OF THE MUSEUM.

(a) IN GENERAL.—The Board of Trustees shall—

(1) recommend annual budgets for the Museum;

(2) consistent with the general policy established by the Board of Regents, have the sole authority to—

(A) loan, exchange, sell, or otherwise dispose of any part of the collections of the Museum, but only if the funds generated by such disposition are used for additions to the collections of the Museum or for additions to the endowment of the Museum;

(B) subject to the availability of funds and the provisions of annual budgets of the Museum, purchase, accept, borrow, or otherwise acquire artifacts and other property for addition to the collections of the Museum;

(C) establish policy with respect to the utilization of the collections of the Museum; and

(D) establish policy regarding programming, education, exhibitions, and research, with respect to the life and culture of African Americans, the role of African Americans in the history of the United States, and the contributions of African Americans to society;

(3) consistent with the general policy established by the Board of Regents, have authority to—

(A) provide for restoration, preservation, and maintenance of the collections of the Museum;

(B) solicit funds for the Museum and determine the purposes to which those funds shall be used;

(C) approve expenditures from the endowment of the Museum, or of income generated from the endowment, for any purpose of the Museum; and

(D) consult with, advise, and support the Director in the operation of the Museum;

(4) establish programs in cooperation with other African American museums, historically black colleges and universities, historical societies, educational institutions, cultural and other organizations for the education and promotion of understanding regarding African American life, art, history, and culture;

(5) support the efforts of other African American museums, historically black colleges and universities, and cultural and other organizations to educate and promote understanding regarding African American life, art, history, and culture, including—

(A) development of cooperative programs and exhibitions;

(B) identification, management, and care of collections;

(C) participation in the training of museum professionals; and

(D) creating opportunities for—

(i) research fellowships; and

(ii) professional and student internships;

(6) adopt bylaws to carry out the functions of the Board of Trustees; and

(7) report annually to the Board of Regents on the acquisition, disposition, and display of African American objects and artifacts and on other appropriate matters.

SEC. 7. DIRECTOR AND STAFF.

(a) IN GENERAL.—The Secretary of the Smithsonian Institution, in consultation with the Board of Trustees, shall appoint a Director who shall manage the Museum.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Secretary of the Smithsonian Institution may—

(1) appoint the Director and 5 employees of the Museum, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

(2) fix the pay of the Director and such 5 employees, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

SEC. 8. DEFINITIONS.

For purposes of this Act:

(1) The term "Board of Regents" means the Board of Regents of the Smithsonian Institution.

(2) The term "Board of Trustees" means the Board of Trustees of the National African American Museum established in section 5(a).

(3) The term "Museum" means the National African American Museum established under section 3(a).

(4) The term "Arts and Industries Building" means the building located on the Mall at 900 Jefferson Drive, S.W. in Washington, the District of Columbia.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act $5,000,000 for fiscal year 1994 and such sums as may be necessary for each of the succeeding fiscal years. Amounts appropriated pursuant to this section shall be available only for costs directly relating to the establishment and operation of the Museum.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri [Mr. CLAY] will be recognized for 20 minutes, and the gentleman from Nebraska [Mr. BARRETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I yield 10 minutes of my time to the gentleman from Ohio [Mr. TRAFICANT], chairman of the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation, and I ask unanimous consent that he be allowed to control that time.

H.R. 877 was jointly referred to both of us.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CLAY. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, of the 15 major Smithsonian museums and galleries that line The Federal Mall, in Washington, DC, none adequately chronicles the history, culture, and art of black Americans.

As a result, in 1985 my friend and colleague, the late Representative Mickey Leland sponsored a resolution calling for the establishment of a black museum to recognize the heritage and accomplishments of all African-Americans. Over the last 8 years many people have labored and grappled with the desire to bring this museum to fruition.

Today, we have reached a milestone in that journey. H.R. 877, as amended, authorizes the establishment of the National African-American Museum within the Smithsonian Institution. The museum is to be located in the Arts and Industries Building. The 143-year-old Arts and Industries Building is a historic building occupying one of the prime spaces on The Mall. It is strategically located next to the National Museum of African Art, which provides a unique opportunity for scholars and visitors alike to appropriately connect the history of the black man's African ancestors to that of his experience in America.

The Museum will establish a board of trustees composed of 23 members, of which nine shall be from among individuals nominated by black museums, historically black colleges and universities, and cultural or other organizations.

Although H.R. 877 authorizes $5 million for the museum to begin its preliminary work on planning and design, the institution, mindful of fiscal constraints, has requested a modest $710,000 in it's fiscal year 1993 budget.

I strongly believe that the time has come to adequately and positively honor and document the heritage of this country's 30 million black Americans. The National African-American museum will inform and educate the people of the United States and its millions of visitors from abroad to important elements of the cultural legacy and accomplishments of black Americans.

Mr. Speaker, I urge my colleagues to support the passage of H.R. 877, as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. BARRETT of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise tonight in support of H.R. 877. This legislation authorizes the establishment of the National African-American Museum, within the Smithsonian Institution. In 1991 the Smithsonian Board of Regents accepted a report from the African-American Institutional Study Committee and endorsed its findings, that a free-standing African-American museum within the Smithsonian Institution is necessary.

As seen in the Los Angeles riots, we have reached a point in history where interracial understanding is of utmost importance. One way we, the American Congress, may foster such understanding is to authorize the establishment of an African-American Museum, similar in design to that of the American Indian. It would provide for scholarship relating to African-American life, art, history, and culture, as well as being a site for exhibitions which better educate the millions of visitors who come to the Smithsonian annually.

Only recently have we realized the prominent role the African-American culture has played in the melting pot of America. Over 12 percent of the American population is of African descent. This significant portion of the American population, with its distinct history and culture, can't be ignored. Museums have only recently acknowledged the great need to collect African-American materials. Consequently, the country has already lost many important African-American artifacts and documents. The new Smithsonian African-American Museum would further alert communities to the value of many items not previously recognized as significant.

Therefore, I urge my colleagues to support the resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 877, as amended, a bill to authorize the establishment of the National African-American Museum within the Smithsonian Museum.

Any history of America is incomplete without a full accounting of the significant contributions African-Americans have made in the development and progress of our country.

I was very pleased tonight to participate for the first time with Chairman STOKES as one of the cardinals in handling the appropriation bill for VA-HUD. So many of the great Members here, including one of our ranking members, Mr. CLAY, and so many others who have contributed so greatly to our Congress, but not only that, the many black Americans who came here perhaps not under the best of circumstances but have prevailed and have cut out a niche in American history so deserving of this museum.

Mr. Speaker, I reserve my comments to a future time.

Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Committee on Public Works and Transportation, the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the establishment of a National African-American Museum would make a long-lasting contribution to the complete and accurate documentation of American history. While that history is both rich and diverse, without the story of African-Americans, it is incomplete.

There is so much to be learned about African-American history, and so much we do not know. The National African-American Museum will heighten public knowledge and awareness of the fact that the culture of African-Americans is intricately woven into the fabric of American society. It will recognize the creativity of African-American artists, performers, writers, inventors, and thinkers—individuals who have influenced and enriched our country.

The National African-American Museum will help us discover and appreciate the contributions of great African-Americans like: Paul Robeson, actor and singer who with his powerful voice took the theater by storm; Maya Angelou, poet, writer, and professor, who thrilled the crowd by reading an original poem at the inauguration of President Clinton; Mathew Alexander Henson, explorer and member of Adm. Robert E. Peary's fourth expedition to the North Pole, and Dr. Charles Drew, blood plasma researcher and educator who set up the first blood bank in England and who became an expert in blood preservation techniques and transfusions.

The National African-American Museum will be a tribute to Carter G. Woodson, historian, editor, and educator, and traditionally considered the father of African-American history. The author of many scholarly books, Woodson's work has given us many insights into how the African-American experience enriched American history. With the establishment of this new museum, all of us will have an opportunity to share in that exploration.

I want to commend the chairman of the Subcommittee on Public Buildings and Grounds, Mr. TRAFICANT, and the subcommittee's ranking Republican member, Mr. DUNCAN, for their leadership on this important measure. I also want to pay special tribute to the gentleman from Missouri, the distinguished chair of the Subcommittee on Libraries and Memorials, BILL CLAY, for his commitment to this issue. Lastly, we wouldn't be here today had it not been for the foresight and determination of the gentleman from Georgia [Mr. LEWIS], the chief deputy majority whip, who has worked unceasingly in bringing this dream to a reality.

Finally, as many of you know, I have been a member of the board of regents of the Smithsonian Institution for 10 years. During that time I have seen the Smithsonian achieve some great successes. However, none may be more profound or more significant than the establishment of a National African-American Museum. That is why I am particularly proud of the action the House is taking today, and I urge support for the bill.

Mr. BARRETT of Nebraska. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of H.R. 877, a bill to establish, within the Smithsonian, the National African-American Museum. This museum shall be housed in the Arts and Industries Building on The Mall, which has been slated for significant interior upgrades and renovations to accommodate a modern museum and create a world class aesthetic environment.

Mr. Speaker, for over 10 years, there have been proposals initiated by African-Americans to urge a presence of African-American art on The Mall. Several bills have been introduced, and bills have been reported by committees. Last Congress, the Public Works and Transportation Committee favorably reported H.R. 1246, which would have authorized the construction of a new building to house the African-American Museum. While that bill did not pass Congress, I believe it set the groundwork for the bill before the House today.

H.R. 877, as reported by the Committee on Public Works and Transportation, authorizes the establishment of an African-American museum. This museum would follow the recommendations of the African-American Institutional Study Committee. These recommendations include three central features:

First, a freestanding African-American museum should exist at the Smithsonian;

Second, the museum should be housed in the Arts and Industries Building; and

Third, the board structure should be modeled on that of the National Museum of the American Indian.

H.R. 877 reflects those recommendations, and is fitting with the budget constraints for Federal activities. The board of trustees will have the authority to accept gifts, raise funds, and set a budget.

This bill enjoys the support of the committee, the Smithsonian, and many other interested parties. I urge the House to adopt H.R. 877.

☐ 0020

Mr. Speaker, I believe it will make many important contributions to the life of this Nation. I want to say that I am proud to have had a small part in this. I especially want to commend my chairman, the gentleman from Ohio [Mr. TRAFICANT], chairman of the Subcommittee on Public Buildings and Grounds, who I think played a very important role in bringing this legislation to the floor tonight.

I urge support of this very important legislation and am pleased to say that I believe it has the unanimous support of those on this side of the aisle.

Mr. CLAY. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Georgia [Mr. LEWIS], the principal sponsor and the driving force behind this bill, the Member who has done more to bring it to the floor than anybody else.

Mr. LEWIS of Georgia. I thank the gentleman for yielding time to me.

Mr. Speaker, I am delighted to speak in support of the bill to establish an African-American Museum on The Mall.

Many people have devoted a great deal of energy and support to this effort. I want to thank the chairman of the Public Works and Transportation Committee, my good friend, the gentleman from California [Mr. MINETA]. And I want to thank my good friend, the gentleman from Ohio [Mr. TRAFICANT], chairman of the Public Buildings Subcommittee. I thank them both for shaping and moving this bill with more than all deliberate speed.

I also want to thank my good friend and colleague, the gentleman from Missouri [Mr. CLAY], chairman of the Libraries and Memorials Subcommittee. Thank you for your help and patience and your stick-to-iveness.

I want to acknowledge the staff of both committees who have been a great help.

I must mention our late and beloved colleague, Mickey Leland, who began this process several years ago. This project has been a long time coming. I am proud to be here tonight as it comes to the floor of the House. I am proud that almost every single member of the Congressional Black Caucus along with many others in this body are cosponsors of this bill.

Mr. Speaker, this effort is important because the story of black people in America must be told, and it is not. Without it, American history is incomplete.

Our history is as old as this country's history. Our history is recent yet little known.

One of the greatest periods in our Nation's cultural history was the Harlem Renaissance. Writers, artists, poets, and photographers like Langston Hughes, James Van Der Zee, Countee Cullen, and Aaron Douglas were all part of the Renaissance.

And, then there are the thousands of unsung, unnamed heroes of the civil rights movement, men and women who dedicated—and in many instance, gave—their lives to make our Nation great. Men and women who inspired the movements toward democracy which we are witnessing today in Asia and Eastern Europe.

I could go on and on. We have built fine universities and colleges and successful businesses. The history of African-Americans is a drama that is continuing to unfold.

Our history is rich. Our story has not been told. And now we have an opportunity to tell it.

We have identified a beautiful, historic building, the Arts and Industries Building, on The Mall, which will house the museum. We should not and cannot let this opportunity pass us by.

I urge the passage of this legislation.

Mr. TRAFICANT. Mr. Speaker, I yield such time as she may consume to the gentlewoman from the District of Columbia [Ms. NORTON], one of the most outstanding Members of the House and one who has been very instrumental also in helping to advance this bill.

Ms. NORTON. I thank the chairman for yielding this time to me.

My special thanks to the gentleman from Ohio [Mr. TRAFICANT], the ranking member, the gentleman from Tennessee [Mr. DUNCAN], for moving this bill so promptly this session. This bill needed strong support to survive the hurdles that it has met in the past.

I want to thank the gentleman from Georgia, [Mr. LEWIS] for his initiative and his work in keeping this bill alive; to the gentleman from Missouri [Mr. CLAY], who refused to believe that its time would not come and who held hearings and refused to give up, session after session.

I want to thank all of these gentlemen for finally bringing us to this moment when this bill has come to the floor of this House, where it deserves, and is getting, bipartisan support.

This bill, of course, will help establish a museum, but not any museum; but one that will remind Americans that African-American history is American history. The new museum will have the additional value that we would so encourage in our community today, the value of encouraging pride in African-Americans who in some ways feel left out of the American equation still.

If one understands that she has a proud history as African-Americans do, she will be able to come to grips with the problems that beset our community. The establishment of a National African-American Museum will make a longlasting contribution to the compete and accurate documentation of American history itself. History has its own power, and all Americans, including African-Americans, need its truths to challenge hateful assumptions, easy myths, accepted distortions, and negative stereotypes about the role of African-Americans in the progress of this great Nation.

It is not enough to know about the injustices we hear every day that African-Americans endured, and still endure; we owe it to ourselves to learn about the heroism, about the successes of African-Americans, about Ida B. Wells and the ingenuity of George Washington Carver, and to discover the creative artistry of African-American artists, performers, writers, and thinkers. The National African-American Museum will help us use the power of history to construct a better future. This building will be visited by many of the 20 million Americans and others from countries around the world who visit this city each year, even as they will visit the Holocaust Museum and the National Museum of the American Indian.

Mr. Speaker, it is certainly appropriate that there also be an African-American museum for these visitors to see.

Finally, though I am especially proud of this building because it is in my district, be assured that my district, when one refers to the Federal enclave where this museum will be located, is the district of every Member.

The African-American Museum will be a national treasure that Americans of all backgrounds will not only visit but greatly appreciate.

My thanks to all of the Members who have been instrumental in bringing this moment to this House.

□ 0045

Mr. BARRETT of Nebraska. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I want to associate myself with the remarks of all those who have spoken.

I want to thank the gentleman from Nebraska [Mr. BARRETT], the gentleman from Tennessee [Mr. DUNCAN], certainly the gentleman from Missouri [Mr. CLAY] and all the members of the subcommittee and our ranking member, the gentleman from California [Mr. MINETA] for all the tremendous achievements that the black people have had in our country finally that will come to fruition with a museum that has been long deserving.

I am very proud and honored to rise in support of it and associate myself with leaders such as the gentleman from Georgia [Mr. LEWIS], the gentleman from Missouri [Mr. CLAY], the gentlewoman from the District of Columbia [Ms. NORTON] and everyone who has advanced this legislation.

Mr. TRAFICANT. With that, Mr. Speaker, I yield back the balance of my time.

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank the ranking member on our subcommittee, the gentleman from Nebraska [Mr. BARRETT] and also thank the gentleman from California [Mr. MINETA], the gentleman from Ohio [Mr. TRAFICANT], and the gentleman from Tennessee [Mr. DUNCAN] for the support they have given.

Mr. Speaker, I include the following letters from the Honorable CHARLIE ROSE, and the Hon. NORMAN MINETA:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOUSE ADMINISTRATION,
Washington, DC, June 28, 1993.

Hon. NORMAN Y. MINETA,
Chairman, Committee on Public Works and Transportation, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter on H.R. 847, to authorize the Board of Regents of the Smithsonian Institution to plan and design an extension of the National Air and Space Museum at Washington Dulles International Airport, and for other purposes.

I acknowledge your Committee's jurisdiction over the subject matter of H.R. 847 and based on that, your right for sequential referral of the bill.

I recognize that your not pursuing sequential referral of this bill should in no way be construed as a waiver of any jurisdiction your Committee has relating to the subject matter of the bill. I will gladly include our exchange of correspondence on this matter in the Committee Report to be filed with H.R. 847, or if none, in the Record during debate on the bill.

I look forward to your continued support on H.R. 847.

With my very best wishes,

Sincerely,

CHARLIE ROSE,
Chairman.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, June 25, 1993.

Hon. CHARLIE ROSE,
Chairman, Committee on House Administration, Washington, DC.

DEAR MR. CHAIRMAN: I understand that the Committee on House Administration has ordered reported H.R. 847, to authorize the Board of Regents of the Smithsonian Institute to plan and design an extension of the National Air and Space Museum at Washington Dulles International Airport, and for other purposes.

It is also my understanding that your Committee is interested in proceeding to the House Floor expeditiously and that you would like the Committee on Public Works and Transportation to waive its right to sequential referral of the bill so that you may be able to do so.

After review of the bill, the Committee has no objection to its proceeding forward and, thus, will not seek a sequential referral.

While we are waiving our right to sequential referral, we want to state that this should in no context be construed that our Committee is relinquishing its jurisdiction over the matter addressed in H.R. 847. We can certainly foresee circumstances in the future when we would exercise our jurisdictional rights on this matter. We are, however, proceeding this way only in order that the legislation be brought to the Floor expeditiously. We do reserve our right to have Members of our Committee named as conferees, should there be a conference on this legislation.

Lastly, we would ask that our exchange of letters acknowledging our position be included in your Committee Report on H.R. 847. If such Report is not filed, we would then ask that the letters be inserted in the Record during debate on H.R. 847.

Thank you for your cooperation in this matter.

Sincerely yours,

NORMAN Y. MINETA,
Chairman.

Mrs. COLLINS of Illinois. Mr. Speaker, I am pleased to rise in strong support of H.R. 877 which would create a National African-American Museum within the Smithsonian Institution.

While we still have a considerable way to go before this museum is fully realized, I am confident that soon I will be able to take my granddaughter to see exhibits and displays that celebrate the enormous contributions of her ancestors to this experiment called America.

The fact is, however, that this museum is important to all Americans, not just those who share my granddaughter's African-American heritage. No one can doubt that the culture and history of African-Americans have played an indispensable role in defining American culture. Our music has been America's music; our art, America's art; our struggle for civil rights, America's struggle. Notwithstanding this close connection many have attempted to minimize or deny the role that we have played in the history and definition of the broader American fabric. With this museum we will recapture a portion of our country's history and experience which all too frequently has been ignored or hidden or purposefully unexplored. This museum will allow all of us to learn about the tremendous contribution of African-Americans to our time and place.

Mr. Speaker, if ever there was a time when we need to draw on the collective wisdom of our populace it is now. If ever there was a time to learn from our past it is now. We must pass this bill and create the National African-American Museum for our past but particularly for our future.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I am proud to support this legislation to create a National African-American Museum. I note with pride that this bill was first introduced in the House in 1982 by the late Congressman from Texas, Mickey Leland.

Congressman Leland was a close friend of mine, and to many who have served here. His guidance and commitment to principle were among the predominant reasons for my entering public service. This legislation brings great honor to his legacy.

This museum will honor and recognize the often overlooked contributions of African-Americans to our Nation. It is most appropriate that this museum gain visibility as an important segment of the Smithsonian Institution.

When the National African-American Museum becomes reality, it will document the many accomplishments of Americans such as the great humanitarian Mother Hale, who offered her love and care to Harlem's weakest and most vulnerable.

This museum will also give Americans the opportunity to learn more about the notable suffragist, Ida B. Wells. She fought in the front line for the right to vote by women and people of color.

The heritage of these great leaders of American history will be consolidated among notable African-Americans ranging from Harriet Tubman to Langston Hughes to Thurgood Marshall.

I thank the sponsor of this legislation, the gentleman from Georgia, as well as the chairman of the Public Works and Transportation Committee, and the chairman of the Subcommittee on Public Buildings and Grounds, for their dedication to passing this long overdue legislation.

Mr. CLAY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). The question is on the motion offered by the gentleman from Missouri [Mr. CLAY] that the House suspend the rules and pass the bill, H.R. 877, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the establishment of the National African American Museum within the Smithsonian Institution.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 877, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

NATIONAL AIR AND SPACE MUSEUM EXTENSION AT DULLES INTERNATIONAL AIRPORT

Mr. CLAY. Mr. Speaker, I move to suspend the rules and pass the bill H.R. 847 to authorize the Board of Regents of the Smithsonian Institution to plan and design an extension of the National Air and Space Museum at Washington Dulles International Airport, and for other purposes as amended.

The Clerk read as follows:

H.R. 847

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PLAN FOR NATIONAL AIR AND SPACE MUSEUM EXTENSION.

The Board of Regents of the Smithsonian Institution shall have authority to plan and design an extension of the National Air and Space Museum at Washington Dulles International Airport.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for fiscal years beginning after September 30, 1993, a total of $8,000,000 to carry out this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri [Mr. CLAY] will be recognized for 20 minutes, and the gentleman from Nebraska [Mr. BARRETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 847 authorizes the board of regents of the Smithsonian Institution to plan and design an extension of the National Air and Space Museum at Washington Dulles International Airport.

This extension will provide the necessary storage space, restoration facility, and exhibition gallery for the museum to collect, preserve, and display aeronautical and space flight equipment.

Enactment of H.R. 847 will enable the Smithsonian to continue planning for the extension by investigating means of financing its construction. In fact, the Commonwealth of Virginia has committed itself to financially supporting the extension, and the institution expects to seek other funds from non-Federal sources to complement those from Virginia and any that Congress may appropriate for construction.

The National Air and Space Museum is the most visited of all of the Smithsonian Museums. It is one of the brightest jewels of the Smithsonian's crown.

Mr. Speaker, I urge my colleagues to support the passage of H.R. 847, as amended.

Mr. BARRETT of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

I do rise tonight in support of this legislation that seems to have had nine lives. For the past 12 years, the Smithsonian has been seeking a site to store our national treasures that are too large for the current Air and Space Museum. However, each year the bill has been delayed, by those who wished to see the extension located elsewhere in the Nation. Again and again the bill has been resuscitated, and five times since 1983, the Smithsonian Institution's Board of Regents has determined the Washington Dulles International Airport to be the most logical and cost-effective site for the museum's annex.

Almost $450,000 has been spent evaluating and questioning alternative sites, and time after time, Dulles has been the answer. Last year, the House resoundedly affirmed the regents' decision when H.R. 3281, a bill to open a national competition for the museum, was defeated 106 to 317.

The Dulles location sight has permanent access to an airport runway, sufficient area for present needs and future expansion, and both the interest and financial support of the Commonwealth of Virginia.

The currently inadequately storage facility in Suitland, Md., has exposed the Enola Gay and other historical artifacts to metal corrosion, rust deposits, and extreme temperature fluctuations that have already added years to the artifacts' restoration time.

It is, therefore, more economically sensible to support the Dulles location now, before further deterioration occurs and repair costs escalate.

I urge my colleagues to support the resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. CLAY. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Speaker, I rise in strong support of H.R. 847, legislation I introduced which authorizes the Board of Regents of the Smithsonian Institution to plan and design an extension of the National Air and Space Museum at Washington Dulles International Airport.

I would like to commend and thank the chairman of the House Administration Subcommittee on Libraries and Memorials, Mr. CLAY, for his leadership on this legislation. I would also like to recognize the Libraries and Memorials Subcommittee ranking Republican, Mr. BARRETT of Nebraska, and the House Administration Full Committee Chairman and ranking Republican, Mr. ROSE and Mr. THOMAS of California for their efforts on behalf of this legislation.

Mr. Speaker, as you know, I serve, along with Mr. NATCHER and Mr. MCDADE, as a congressional member of the Smithsonian's Board of Regents. I want to assure you that the regents' review process of the headquartering issue was a thorough one. We addressed this issue at no fewer than six specific regent meetings and votes.

Mr. Speaker, it is essential that the Congress take action on this legislation. There is an inventory of invaluable artifacts ready to be displayed in the Dulles extension. These artifacts are temporarily being stored at the Garber Facility in Suitland. However, the lifespan of the Garber facility was due to expire during the 1950's and the objects being housed there are in danger of deterioration.

To ensure the preservation of the Air and Space Museum artifacts for future generations, a permanent facility with adequate accommodations is necessary. H.R. 847 will make great strides towards this goal by authorizing the planning and design of the National Air and Space Museum extension to Dulles Airport. I urge my colleagues to support this legislation.

Mr. BARRETT of Nebraska. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I rise in support of H.R. 847, a bill to authorize the construction of an annex to the National Air and Space Museum at Washington Dulles International Airport.

Mr. Speaker, let me also thank the gentleman from California [Mr. MINETA] for his consistency and persistence in this over many, many years, and I do appreciate it.

I also want to thank the chairman, the gentleman from Missouri [Mr. CLAY] for moving the bill and getting it out, and also I thank the gentleman from Nebraska [Mr. BARRETT] for his cooperation and help.

Mr. Speaker, great icons of American aviation—the *Enola Gay*, the S.R. 71 Blackbird spy plane, the space shuttle *Enterprise*, and many others—currently rest in various stages of deterioration in warehouses and quonset huts, out of the view of the American public.

Why?

Because there is no room for these large artifacts at the Smithsonian's main Air and Space Museum facility on The Mall. And because Congress has spent a decade debating the location of a proposed annex which could properly house and exhibit these aviation wonders for families who come from all over the country with the Air and Space Museum at the top of their sightseeing list.

It was in 1983, 10 years ago, when the Smithsonian Board of Regents, an independent body acting under its designated authority, decided to locate an annex, not a separate museum, at Dulles. This decision promptly took on an aviation life of its own, becoming for the last decade, a political frisbee in the Congress.

During this drawn out period of debate, the Regents have been required over and over to go back to the drawing board, and on at least five occasions, the Board has reaffirmed its choice of Dulles as the appropriate site for the museum annex.

What's worse, during this ten years of indecision, a generation of ten-year-olds has grown up and gone off to college, without the opportunity to experience some of the most fascinating testaments to our Nation's creative genius in civil, military and space flight. It is one thing to hear about the space shuttle *Enterprise* from your parents. It is another to go to a museum and not only view and touch it, but also perhaps to sit down at a computer terminal and become the astronaut who guided it through the galaxy.

Mr. Speaker, dating back to the legend of Icarus, aviation and space has held a special fascination for mankind. It is estimated that the Air and Space Museum extension which would be authorized by H.R. 847 will attract about 750,000 to 1 million visitors in its first year.

The Commonwealth of Virginia has reaffirmed its offer of a financial package valued at $150 million which includes infrastructure improvements, an interest free loan, bonding authority and direct site improvements. In addition, the private sector awaits the passage of this legislation in order to launch efforts to raise private funding.

Mr. Speaker, the other body has passed this legislation several times, but this is the first time it has ever made it to the floor of the House for a vote. This has in effect denied families a historical educational opportunity. I urge that we pass this legislation in the name of, not only the Nation's ten-year-olds, but also those of us who are several multiples of that.

Mr. CLAY. Mr. Speaker, I yield 4 minutes to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to express my support—my somewhat conditional support—for H.R. 847, which authorizes the Smithsonian Institution to plan and design a facility at Dulles Airport to house many of its priceless spacecraft, aircraft and artifacts. I support this bill because it's past-argument that the Smithsonian needs a decent structure to replace the decrepit buildings at the Garber facility in Suitland, MD. I support it conditionally because that replacement for Garber is what is justified at this time, and I understand from the bill's sponsor and supporters that such a facility is all that is contemplated here.

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By this I mean a facility that is designed and intended to address certain important needs in support of the National Air and Space Museum on The Mall with the mission to include conservation and protection of artifacts held by the Smithsonian, refurbishing and restoration of such items, providing storage and access for archival and research materials, preparation of materials for exhibit at The Mall museum and related activities. By way of contrast, however, the facility authorized by this bill is not intended to be a second Air and Space Museum with full exhibit space and visitor services comparable to the National Air and Space Museum. That, at least, is how the greatly scaled back proposal of the Smithsonian has generally been described, and I wonder if I might inquire of the sponsor of the bill if that is an essentially accurate description.

Mr. MINETA. Mr. Speaker, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from California.

Mr. MINETA. Mr. Speaker, the gentleman is correct. The extension will provide a permanent modern facility for the artifacts that are currently at the Suitland site. The deterioration of these artifacts is a growing problem, and this plan is really for a scaled back display component at the Dulles International Airport site.

Mr. SKAGGS. Mr. Speaker, I appreciate the statement of the gentleman from California [Mr. MINETA].

In the past I raised objections to costly proposals to put a full-fledged museum extension at Dulles. But the proposal has now been reduced in scope and appears to address criticisms raised by the GAO and others. It is to be designed and limited to meet the immediate needs to protect, preserve, and restore the Smithsonian's extraordinary collection. A facility sized accordingly is necessary and appropriate.

I remain somewhat wary that this facility may eventually grow into that second full museum that the Smithsonian Board of Regents once contemplated. Let me just say that we do not have the money for anything like that in the foreseeable future, and if and when we do, it will be essential for the Smithsonian and the Congress then to consider the question of geographic equity and diversity in siting major new facilities. Sites outside the Washington metropolitan area offer advantages to the American public and taxpayers which will eventually have to be addressed.

Mr. BARRETT of Nebraska. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CLAY. Mr. Speaker, I, too, have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). The question is on the motion offered by the gentleman from Missouri [Mr. CLAY] that the House suspend the rules and pass the bill, H.R. 847, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to provide for planning and design of a National Air and Space Museum extension at Washington Dulles International Airport.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 847, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HOMELESS AND COMMUNITY DEVELOPMENT AMENDMENTS ACT OF 1993

Mr. GONZALEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2517) to establish certain programs and demonstrations to assist States and communities in efforts to relieve homelessness, assist local community development organizations, and provide affordable rental housing for low-income families, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Homeless and Community Development Amendments Act of 1993".

SEC. 2. INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM.

(a) IN GENERAL.—Subtitle E of title IV of the Stewart B. McKinney Homeless Assistance Act is amended by adding after section 443 (42 U.S.C. 11402) the following new section:

"SEC. 444. INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM.

"(a) ESTABLISHMENT OF DEMONSTRATION.—The Secretary shall carry out a demonstration under this section under which the Secretary may provide financial and technical assistance—

"(1) to metropolitan cities, urban counties, units of general local government, Indian tribes, and private nonprofit organizations to demonstrate the desirability and feasibility of carrying out projects and activities that implement a work plan that provides for a continuum of care for homeless persons under subsection (c); and

"(2) to States, units of general local government, Indian tribes, and private nonprofit organizations to demonstrate the feasibility and desirability of carrying out innovative programs to assist homeless individuals under subsection (d).

"(b) GENERAL PROVISIONS.—

"(1) DEFINITIONS.—For purposes of this section:

"(A) The terms 'State', 'metropolitan city', 'urban county', 'unit of general local government', 'Secretary', and 'Indian tribe' have the meanings given such terms in section 102(a) of the Housing and Community Development Act of 1974.

"(B) The term 'private nonprofit organization' has the meaning given such term in section 422 of the Stewart B. McKinney Homeless Assistance Act.

"(C) The term 'homeless individual' has the meaning given such term in section 103 of the Stewart B. McKinney Homeless Assistance Act.

"(2) FUNDING.—To such extent or in such amounts as have been provided in appropriation Acts for fiscal year 1994, $150,000,000 shall be available to the Secretary to carry out the demonstration under this section in such fiscal year, of which—

"(A) $50,000,000 shall be from any amounts made available to carry out the shelter plus care program under subtitle F of this title in such fiscal year;

"(B) $40,000,000 shall be from any amounts made available to carry out the supportive housing program under subtitle C of this title in such fiscal year;

"(C) $25,000,000 shall be from any amounts made available to carry out the HOME Investment Partnerships Act in such fiscal year;

"(D) $25,000,000 shall be from any amounts made available to carry out the community development block grants program under title I of the Housing and Community Development Act of 1974 in such fiscal year; and

"(E) $10,000,000 shall be from any amounts made available under section 402 of the Cranston-Gonzalez National Affordable Housing Act to carry out the HOPE homeownership programs in such fiscal year.

Of any amounts made available to carry out the demonstration under this section, 50 percent shall be available for assistance under subsection (c) and 50 percent shall be available for assistance under subsection (d).

"(c) HOMELESS CRISIS FUNDING.—

"(1) DESIGNATION.—The Secretary shall designate such metropolitan cities, urban counties, units of general local government (including units in rural areas), and Indian tribes as areas eligible for assistance under this subsection, as the Secretary may determine. The Secretary shall establish criteria for making such designations, which shall at a minimum include—

"(A) the extent of unmet need of homeless individuals in the jurisdiction, including those who are wholly without adequate shelter of any kind;

"(B) the gap between the jurisdiction's existing system of assisting homeless persons and the continuum of care model described in paragraph (2);

"(C) the degree of cooperation between the jurisdiction and nonprofit homeless service providers;

"(D) the degree to which private nonprofit and for-profit entities express willingness to make financial and other commitments to the jurisdiction's homeless assistance efforts; and

"(E) national geographic diversity in the designation of jurisdictions.

After selecting areas for designation under this paragraph but before designating such areas, the Secretary shall consult with the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding such designations.

"(2) WORK PLAN.—To receive assistance under this subsection within a designated jurisdiction, the jurisdiction or a private nonprofit organization shall submit to the Secretary a work plan that shall, at a minimum—

"(A) describe existing conditions for homeless persons and families throughout the jurisdiction;

"(B) set forth a realistic and feasible strategy that contains specific projects and activities resulting in a continuum of care for the jurisdiction's homeless persons and targets, goals, and strategies for implementation and completion of such projects and activities;

"(C) be prepared with appropriate cooperation from affected governments and government agencies, private nonprofit organizations, and contributing for-profit entities;

"(D) specify those projects and activities for which the jurisdiction requests funding from the Secretary under this subsection and the amounts thereby requested; and

"(E) specify courses, amounts, and timetables for the financing of other projects and activities.

"(3) DESIGNATION.—The designation referred to in paragraph (1) and assistance provided under this subsection shall be made on a noncompetitive basis.

"(d) INNOVATIVE PROJECT FUNDING.—

"(1) AUTHORITY.—The Secretary is authorized to provide assistance under this subsection to States, units of general local government (including units in rural areas), Indian tribes, and private nonprofit organizations for assistance for innovative programs to assist homeless individuals.

"(2) APPLICATIONS.—Applications for assistance under this subsection shall be in such form, and shall include such information, as the Secretary shall determine. Each application shall contain, at a minimum—

"(A) a description of the existing conditions for homeless individuals in the jurisdiction;

"(B) an explanation of how the proposed project will further the efforts of the jurisdiction to meet the housing and supportive services needs of homeless individuals through an integrated and coordinated system;

"(C) evidence that the application has been prepared in coordination with appropriate governmental entities, private nonprofit organizations, and for-profit entities; and

"(D) a description of the projects and activities for which the applicant is requesting funding under this subsection and the amounts requested.

"(3) CRITERIA.—The Secretary shall establish selection criteria for awarding assistance under this subsection, which shall include, at a minimum—

"(A) the extent of the commitment of the applicant to alleviating poverty and homelessness;

"(B) the extent of the applicant's continuing capacity to effectively provide assistance to homeless individuals;

"(C) the extent to which the project or activity is innovative and may be replicable or serve as a model for implementation in other jurisdictions; and

"(D) diversity by geography and community type.

"(4) APPROACH.—Assistance under this subsection may be used to provide innovative approaches for, or alternative means of, meeting the immediate long-term needs of homeless individuals by assisting—

"(A) the purchase, lease, renovation, operation, or conversion of facilities to assist the homeless, which facilities shall be safe and sanitary and, when appropriate, meet all applicable State and local housing and building codes and licensing requirements;

"(B) the provision of supportive services for the homeless; and

"(C) such other activities as the Secretary may prescribe.

"(5) REQUIREMENTS.—The Secretary shall establish requirements for assistance under this subsection, which may include limitations on administrative expenses, terms of renewal funding for short-term lease projects, and requirements for repayment of assistance under this subsection when the project ceases to be used to assist the homeless in accordance with the provision of this subsection.

"(e) REPORTS.—The Secretary shall submit an annual report to the Congress for each fiscal year in which the Secretary provides assistance under the demonstration under this section. The reports shall describe the activities carried out with assistance under the demonstration and set forth any findings and recommendations of the Secretary as a result of the demonstration. Each such report shall be submitted not later than the expiration of the 3-month period beginning upon the conclusion of the fiscal year for which the report is made.".

(b) CLERICAL AMENDMENT.—The table of contents in section 101(b) of the Stewart B. McKinney Homeless Assistance Act is amended by inserting after the item relating to section 443 the following new item:

"Sec. 444. Innovative Homeless Initiatives Demonstration Program.".

SEC. 3. MOVING TO OPPORTUNITY FOR FAIR HOUSING.

Section 152(e) of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note) is amended—

(1) in the first sentence, by striking "$52,100,000" and inserting "$165,000,000"; and

(2) by adding at the end the following new sentence: "No amounts appropriated for fiscal year 1994 to carry out the demonstration under this section may be obligated to any public housing agency or expended before the Secretary submits to the Congress a report describing how amounts made available for the demonstration in fiscal year 1993 were allocated and expended and containing the information required in interim reports under subsection (d)(1), to the extent such information is available to the Secretary.

SEC. 4. ASSISTANCE FOR LOCAL COMMUNITY DEVELOPMENT ORGANIZATIONS.

(a) AUTHORITY.—The Secretary of Housing and Urban Development may provide assistance under this section to the National Community Development Initiative for making grants under this section to community development support organizations for such organizations to assist local community development organizations in increasing their technical and administrative capacities and carrying out community development projects and activities and developing affordable housing, and to provide technical and predevelopment assistance relating to such community development and housing projects.

(b) ASSISTANCE TO LOCAL COMMUNITY DEVELOPMENT ORGANIZATIONS.—A community development support organization that receives a grant under this section shall use any such amounts to carry out the following activities and provide the following assistance:

(1) CAPACITY BUILDING.—Providing training, education, support, and advice to local community development organizations to enhance the technical and administrative capabilities of such organizations to conduct activities under paragraphs (2) and (3) and providing amounts for such organizations to obtain such capacity building assistance, which may include assistance to the staff, management, directors, and members of such organizations regarding legal, financial, construction, engineering, property management, and other matters.

(2) COMMUNITY DEVELOPMENT AND HOUSING ACTIVITIES.—Providing amounts (through loans and grants) and other assistance for local community development organizations to carry out community development activities that benefit low-income families and activities to develop and support affordable housing, which may include providing financing for rehabilitating, constructing, acquiring, and maintaining affordable housing.

(3) PROJECT-RELATED PREDEVELOPMENT ASSISTANCE.—Providing technical assistance and amounts to local community development organizations for predevelopment activities relating to specific projects under paragraph (2), which may include conducting project feasibility analyses, obtaining project consultants, preparing preliminary financing applications, obtaining legal, architectural, and engineering assistance, site acquisition, and title clearance.

(4) OTHER ACTIVITIES.—Other activities, as determined by the National Community Development Initiative in consultation with the Secretary.

(c) PROHIBITION OF USE OF GRANT AMOUNTS FOR SUPPORT ORGANIZATION ADMINISTRATIVE COSTS.—No amounts from a grant under this section may be used for administrative costs of a community development support organization.

(d) REQUIREMENTS.—The National Community Development Initiative may make grants under this section only to community development support organizations that—

(1) submit to the Secretary an application that contains—

(A) a request for a grant under this section that specifies the amount of the assistance requested;

(B) a description of the method by which the community development support organization will select local community development organizations to assist;

(C) specification of the intended beneficiaries of assistance provided by the community development support organization;

(D) measurable goals by which to determine the effectiveness of the use of the grant amounts; and

(E) such other information as the Secretary may require;

(2) are selected by the Secretary under subsection (f); and

(3) agree to comply with the provisions of this section and provide assistance in the manner described in the application of the organization approved by the Secretary.

(e) MATCHING REQUIREMENT.—

(1) IN GENERAL.—The Secretary may not provide any assistance to the National Community Development Initiative from amounts made available for this section unless the Secretary determines that an amount equal to 3 times the amount to be provided by the Secretary has been made available to the National Community Development Initiative from private foundations and corporations for use with grant amounts for the purposes under subsection (b).

(2) UNUSED AMOUNTS.—Any amounts appropriated to carry out this section for a fiscal year which may not be used because matching amounts pursuant to paragraph (1) have not been made available in the year, shall be available or committed on October 1 of the next fiscal year for the purposes under paragraph (1) or (2) of section 205 of the Cranston-Gonzalez National Affordable Housing Act, in the discretion of the Secretary.

(f) SELECTION.—

(1) IN GENERAL.—The Secretary shall select community development support organizations for grants under this section from among organizations submitting applications under subsection (d)(1).

(2) CRITERIA.—The Secretary shall make selections under paragraph (1) based on the information contained in the applications, the capacity and experience of such organizations to provide training, support, advice, and assistance to local community development organizations, and such other criteria as the Secretary shall establish.

(3) CONSULTATION.—In establishing the content of the criteria under paragraph (2), the relative weight to be given to the various criteria, and the process under this subsection for selection of applications for grants under this section, the Secretary shall consult with the National Community Development Initiative and the members of such Initiative.

(g) REPORTS.—

(1) GAO.—Not later than 3 years after the date of the enactment of this section, the Comptroller General of the United States shall submit a report to the Congress describing the effectiveness of the use, by community development support organizations and local community development organizations, of amounts from grants under this section.

(2) SECRETARY.—Not later than 15 months after the date that amounts made available pursuant to subsection (i)(1) are first disbursed to the National Community Development Initiative, and annually thereafter for 3 years, the Secretary shall submit a report to the Congress describing the activities carried out by community development support organizations and local community development organizations with amounts provided under this section and matching amounts, the effectiveness of such activities, and any other findings of the Secretary as a result of assistance provided under this section.

(h) DEFINITIONS.—For purposes of this section:

(1) DISTRESSED AREA.—The term "distressed area" means an area in which the percentage of the families residing in the area that are low-income families is substantially higher than such percentage for the region in which the area is located, or that possesses other characteristics indicating a need for housing or community development assistance, as determined by the community development support organizations.

(2) GRANT.—The term "grant under this section" means a grant with assistance provided under subsection (a) by the Secretary from amounts appropriated pursuant to subsection (i)(1). Such term does not include assistance provided with any amounts made available by private foundations and corporations pursuant to the requirement under subsection (e).

(3) LOCAL COMMUNITY DEVELOPMENT ORGANIZATIONS.—The term "local community development organization" means a nonprofit organization—

(A) that has among its principal purposes the provision of affordable housing in a distressed area or conducting community development activities that primarily benefit low-income families in a distressed area; and

(B) whose governing board is comprised of business, civic, and community leaders and residents of the distressed area in which the organization carries out its activities.

The term includes community development corporations and community housing development organizations (as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act).

(4) COMMUNITY DEVELOPMENT SUPPORT ORGANIZATION.—The term "community development support organization" means a nonprofit organization funded by the National Community Development Initiative that—

(A) has among its principal purposes providing assistance throughout the United States to local community development organizations to facilitate such local organizations' activities to develop or maintain affordable housing or revitalize distressed communities;

(B) has demonstrated experience and ability in providing a range of assistance to local community development organizations, which may include financing, technical assistance, construction activities, property management, and training; and

(C) meets standards of fiscal responsibility established by the Secretary.

(i) FUNDING.—

(1) IN GENERAL.—Amounts made available for carrying out the HOME Investment Partnerships Act for fiscal year 1994 shall be made available for use under this section to such extent or in such amounts as are provided in appropriation Acts, except that the amount so made available for use under this section may not exceed $25,000,000.

(2) COMMUNITY HOUSING PARTNERSHIP ACTIVITIES.—Section 205(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12724(1)) is amended by striking "$14,000,000" the second place it appears and inserting "$25,000,000".

The SPEAKER pro tempore (Mr. HAYES). Pursuant to the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 20 minutes, and the gentlewoman from New Jersey [Mrs. ROUKEMA] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2517, the Homeless and Community Development Amendments Act of 1993, which I introduced on June 24, 1993 with Congresswoman MARGE ROUKEMA, addresses several areas of critical concern with regard to this Nation's housing.

The bill at the desk is an amended version of H.R. 2517.

The Committee on Banking, Finance, and Urban Affairs, which I chair, and specifically the Subcommittee on Housing and Community Development, has worked closely with Secretary Henry Cisneros and the Department of Housing and Urban Development in drafting this legislation. In addition, on June 16, 1993, the Subcommittee held a hearing on the proposals contained in this legislation, at which Secretary Cisneros and various other public witnesses, testified.

First, the legislation would establish a homeless demonstration program to provide financial and technical assistance to State and local governments—including rural areas—cities, urban counties, Indian tribes, and private non-profit organizations, to assist areas experiencing significant homelessness in carrying out programs to assist the homeless. In addition, this provision provides for the development of innovative programs for the homeless. A total of $150 billion is authorized in fiscal year 1994 for this demonstration program.

Second, the legislation would increase the number of units of Section 8 existing housing certificates and/or vouchers for the Moving to Opportunity for Fair Housing program. This provision increases the authorized level for the Moving To Opportunity For Fair Housing program from $52.1 million to $165 million in fiscal year 1994.

Third, the legislation would provide for a National Community Development Initiative [NCDI] program of assistance to local community development organizations. The NCDI provision is authorized at $25 million for fiscal year 1994 out of the HOME Investment Partnership program. In addition, this bill increases the amount authorized for the Community Housing Development Organizations [CHDOs] in FY 1994 from $14 million to $25 million.

While small in scope, this bill represents a beginning to the much greater work that must be done to address this nation's long neglected housing and community development needs. It is my hope, therefore, that we will have swift passage of this necessary legislation.

SHORT SUMMARY

INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

This would provide $150 million in Fiscal Year 1994 for the establishment of a new "Innovative Homeless Initiatives Demonstration Program". Funding for the program would be from offsets from the Shelter Plus Care and the Supportive Housing programs of the Stewart B. McKinney Homeless Assistance Act, the HOME Investment Partnership program, the Community Development Block Grant (CDBG) and the Homeownership for People Everywhere (HOPE) program. This demonstration program would have two components, for "Homeless Crises Funding" and "Innovative Project Funding."

With regard to the Homeless Crises Funding component, HUD would designate metropolitan cities, urban counties, units of general local government (including units in rural areas) and Indian tribes as eligible for financial and technical assistance. Among the criteria to be used to designate these areas are 1) the extent of unmet need of homeless individuals in the jurisdiction; 2) the gap between the jurisdiction's existing system of assisting homeless persons and other continuum of care models; 3) the degree of cooperation between the jurisdiction and non-profit homeless service providers; 4) the degree to which private non-profit and for-profit service providers express a willingness to commit to homeless assistance efforts; and 5) geographic diversity.

With regard to the Innovative Project Funding component, HUD, based on applications for assistance, would be authorized to provide financial and technical assistance to States, units of general local government (including units in rural areas), Indian tribes and private non-profit organizations for innovative programs for the homeless. Selection criteria for awarding assistance would include: 1) the extent of the applicant's commitment to alleviating poverty and homelessness; 2) the extent of the applicant's capacity to effectively provide assistance to homeless individuals; 3) the extent to which the project is innovative; and 4) diversity by geography and community.

MOVING TO OPPORTUNITY FOR FAIR HOUSING

This would increase the FY 1994 authorization for the Moving to Opportunity for Fair Housing program from $52,100,000 to $165,000,000, increasing the number of units of Section 8 existing housing certificates and/or vouchers for this program. It also would provide that no funds appropriated for FY 1994 for this program may be obligated to any public housing agency or expended until the Secretary issues a report to Congress providing information regarding the FY 1993 allocations and expenditures under the program.

ASSISTANCE TO LOCAL COMMUNITY DEVELOPMENT ORGANIZATIONS

This would provide funds for a public private partnership among the federal government, private foundations, and community development support organizations as program administrators. The partnership would be designed to build technical and administrative capacity among nonprofit community development organizations, including community housing development organizations, and to provide financial support in the form of loans, grants, and predevelopment costs for affordable housing and community development activities in distressed cities. For this initiative up to $25 million from the HOME appropriation is authorized.

HUD would provide funds to the National Community Development Initiative, a coalition of private foundations and corporate investors, in order to provide funds to community development support organizations selected by the Secretary. The federal funds would be leveraged at least three to one nonfederal to federal to comprise the pool. In turn the support organizations would pass through the funds to local community development organizations for the activities authorized to support the expansion of affordable housing and community development.

The provision also increases the authorization for appropriation from $14 million to $25 million for housing education and organizational support grants for community housing development organizations under the HOME program.

SEC. 1. SHORT TITLE

Provides that this Act is to be cited as the "Homeless and Community Development Amendments Act of 1993."

SEC. 2. INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

Amends Subtitle E of title IV of the McKinney Homeless Assistance Act, creating a new section 444 establishing an "Innovative Homeless Initiatives Demonstration Program."

Establishment of demonstration: Requires the Department of Housing and Urban Development (HUD) to establish a demonstration under which it may provide financial and technical assistance under this section to: 1) metropolitan cities, urban counties, Indian tribes, and private non-profit organizations to assist them in implementing work plans to provide a continuum of care for homeless persons; and 2) to States, units of general local government, Indian tribes, and private non-profit organizations to assist them in carrying out innovative programs to assist homeless individuals.

Definitions: Defines, for purposes of this section, the terms "State", "metropolitan city", "urban county", "unit of general local government", "Secretary" and "Indian tribe" as having the same meanings as in section 102(a) of the Housing and Community Development Act of 1974. Defines "private non-profit organization" and "homeless individual" as having the same meaning as in section 422 and section 103, respectively, of the McKinney Homeless Assistance Act.

Funding: Provides that, to such extent or in such amounts as have been provided in appropriation Acts for FY 1994, $150 million is to be available to HUD to carry out this demonstration. Provides that of this $150 million: 1) $50 million is to be available from the "shelter plus" program under the McKinney Act; 2) $40 million is to be available from the "supportive housing" program; 3) $25 million is to be available from the "HOME Investment Partnerships Act"; 4) $25 million is to be available from the community development block grant program under title I of the Housing and Community Development Act of 1974; and 5) $10 million from the HOPE program under section 402 of the Cranston-Gonzalez National Affordable Housing Act. Provides that of any of the amounts appropriated to carry out this section, 50 percent should be available to each of the two programs established by this section.

Homeless crisis funding: Authorizes HUD to designate the metropolitan cities, urban counties, units of general local government (including units in rural areas) and Indian tribes, that are to be eligible for assistance under this program.

Requires HUD to establish criteria for making such designation, including, at a minimum, 1) the extent of unmet need of homeless individuals in the jurisdiction, including those without adequate shelter of any kind; 2) gaps in the jurisdiction's existing system of providing a continuum of care for the homeless; 3) the degree of cooperation between the jurisdiction and non-profit service providers; 4) the degree of willingness by private non-profit and for-profit entities to make financial and other commitments to the jurisdiction's homeless assistance efforts; and 5) national geographic diversity.

Requires HUD to consult with the House and Senate Banking Committees after selecting, but before designating, areas for assistance.

Requires the designated jurisdiction, or a private nonprofit organization within a designated jurisdiction, in order to receive assistance, to submit a workplan, which at a minimum must: 1) describe conditions for the homeless in the jurisdiction; 2) set forth a strategy that will result in a continuum of care for the jurisdiction's homeless; 3) be prepared with appropriate cooperation from affected governments, private non-profit organizations and contributing for-profit entities; 4) specify the projects and activities for which funding is requested, and the amounts; and 5) specify the courses, amounts and timetables for the financing of other projects and activities.

Provides that the designation of jurisdictions and the assistance provided is to be made on a noncompetitive basis.

Innovative project funding: Authorizes HUD to provide assistance to States, units of general local government (including units in rural areas), Indian tribes, and private non-profit organizations for innovative programs to assist homeless individuals.

Provides that the applications for assistance are to include such information as HUD may determine, but at a minimum include: 1) a description of the existing conditions for homeless in the jurisdiction; 2) an explanation of how the proposed project will help the jurisdiction meet the housing and supportive services needs of homeless individuals; 3) provide evidence of cooperation with governmental entities, nonprofit organizations and for-profit entities; and 4) describe the projects and activities for which funding is requested and the amounts.

Requires HUD to establish selection criteria for awarding assistance, which must include at a minimum: 1) the extent of the applicant's commitment to alleviating poverty and homelessness; 2) the extent of the applicant's capacity to effectively provide assistance to homeless individuals; 3) the extent to which the project is innovative, replicable or serves as a model for other jurisdictions; and 4) diversity by geography and community.

Provides that the assistance may be used to provide innovative or alternative approaches to meeting the immediate long-term needs of homeless individuals by assisting: 1) the purchase, lease, renovation, operation or conversion of facilities to assist the homeless; 2) the provision of supportive services for the homeless; and 3) such other activities as HUD may prescribe.

Requires HUD to establish requirements for assistance which may include limitation on administrative expenses, terms of renewal funding for short-term lease projects and requirements for repayment of assistance when the project ceases to be used to assist the homeless.

Reports: Requires HUD to submit an annual report to Congress for each fiscal year that assistance is provided under this demonstration, which report shall: 1) describe the activities carried out under the demonstration; and 2) set forth any findings and recommendations by HUD as a result of the demonstration.

SEC. 3. MOVING TO OPPORTUNITY FOR FAIR HOUSING

Amends Section 152(e) of the Housing and Community Development Act of 1992, to increase the authorization for appropriations from $52.1 million to $165 million for the Moving to Opportunity for Fair Housing demonstration program for FY 1994.

Amends Section 152(e) of the 1992 Housing Act to provide that no amounts appropriated for FY 1994 to carry out this demonstration program may be obligated to any public housing agency or expended before the Secretary submits a report to Congress describing how program funds in FY 1993 were allocated and expended. Requires that the report contain information required in interim reports filed under existing law, Section 152(d)(1), including a statement of the number of persons served, the level of counseling and types of services provided, the cost of providing such counseling and services, and updates on the employment record of families under the program, to the extent such information is available to the Secretary.

SEC. 4. ASSISTANCE FOR LOCAL COMMUNITY DEVELOPMENT ORGANIZATIONS

Authority: Authorizes HUD to provide assistance to the National Community Development Initiative (NCDI) to make grants to community development support organizations for the purpose of assisting local community development organizations to increase their capacity to carry out community development and affordable housing projects and to provide predevelopment assistance for community development and housing projects.

Assistance to Local Community Development Organizations: Requires community development support organizations to provide to local community development organizations: (1) capacity building assistance including training, technical, and administrative assistance to staff, management, directors, and members; (2) loans and grants and other assistance to carry out community development activities to benefit low income families and to rehabilitate, construct, acquire, and maintain affordable housing; (3) project related predevelopment assistance which may include feasibility analyses, providing consultants, financing applications, legal, architectural, and engineering assistance, site options or acquisition, and title clearance; and (4) other activities determined by the NCDI in consultation with HUD.

Prohibition on use of grants for support organization administrative costs: Prohibits the use of grants funds to provide administrative expenses for the community development support organizations.

Requirements: Authorizes the NCDI to make grants only to community development support organizations which have submitted an application to HUD. Requires that the application include a request for a specific amount of grant funds; a description of the selection process for local community development organizations; specification of the intended beneficiaries; measurable goals; and any other information as HUD may require. Requires HUD to select the community development support organization(s) for funding and that the organization(s) agree to comply with the provisions of this initiative and with the provisions of their applications.

Matching requirement: Requires that the NCDI match funds made available by HUD three dollars from private foundations and corporations to one dollar from HUD. Requires, at HUD's discretion, that any appropriated funds not used because of lack of matching funds, be available or committed to the next fiscal year for purposes of housing education and organizational support grants and other State and local housing strategies under the HOME program under section 205(1) and (2) of the Cranston-Gonzalez National Affordable Housing Act.

Selection: Requires HUD to select community development support organizations for grants pursuant to applications which shall be evaluated based on criteria determined by HUD in consultation with the NCDI and its funders. Requires such criteria to be based on information in the applications, the capacity and experience of the organizations to provide training, support, advice, and assistance to local organizations and other criteria established by the Secretary.

Reports: Requires GAO to submit a report to Congress not later than 3 years after the date of enactment which describes the effectiveness of the assistance and the uses of the funds by the support organizations and the local organizations. Requires HUD to submit a report to Congress not later than 15 months after amounts are first made available to NCDI, and annually for an additional 3 years describing the activities of the support organizations and local organizations with the HUD funds and matching funds, the effectiveness of the activities and any other findings.

Definitions: Provides definitions of "distressed area", "grant", "local community development organizations" which includes community development corporations and community housing development organizations under the HOME program, "grants" and "community development support organization."

Funding: Authorizes to be appropriated amounts not to exceed $25 million for FY 1994 for this program from the HOME Investment Partnership program. Also increases from $14 million to $25 million amounts authorized for appropriation for the housing education and organizational support grants under the HOME program.

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation which would authorize four housing initiatives for the Department of HUD.

Several weeks ago, HUD Secretary Cisneros presented 10 legislative initiatives to the Appropriations Committee which he wanted added to the FY94 VA–HUD Appropriation bill.

Now, I want to commend the Secretary for his quick understanding of the major problems he faces as the new Secretary of HUD and for his commitment and enthusiastic support for solutions to those problems. As was the case with Secretary Kemp, this new Secretary has not shied away from seeking to put his mark on the housing needs of this Nation.

Unfortunately, none of the Secretary's proposals had been formally transmitted to our authorization Committee nor had the Administration briefed Chairman GONZALEZ, myself or our Subcommittee staff on the contents of these proposals or the need to move forward with them.

After reviewing each of these proposals, I expressed concern that several of these initiatives constituted various degrees of legislation which I felt should be authorized. In addition, at least three of the provisions would have reestablished discretionary funds within the Secretary's office which I felt needed much study.

And finally, I disagreed with the way in which these initiatives would be funded.

On May 25, I wrote to Chairman STOKES and Ranking Member LEWIS of the VA–HUD Appropriations Subcommittee asking that they not take any action on these initiatives until the Housing Subcommittee had a chance to hold a hearing and review the provisions of the programs.

This process was agreed to and for their cooperation, I want to thank Chairman STOKES and Mr. LEWIS. On Wednesday, June 16, our Housing Subcommittee did receive testimony from Secretary Cisneros on his proposals.

Immediately after the hearing, the Housing committee staff began working on legislative language which the Committee had planned to send to the Appropriations Committee.

On Thursday, June 17, Chairman GONZALEZ sent the legislation to the Appropriations Committee for their consideration.

Last Friday, I sent a letter to Chairman NATCHER and Ranking Member MCDADE expressing my preference that this legislation not be added to the Appropriations bill and that it proceed through the regular legislative process of authorization. I suggested that our Committee could consider introducing a bill and having it added to the suspension calendar if our remaining concerns could be worked out.

The Appropriations Committee adopted the fiscal year 1994 VA–HUD appropriations bill but decided not to add any of the legislative initiatives requested by the Secretary.

Subsequently, Chairman GONZALEZ and I introduced the legislation. Since there was majority/minority concurrence on the provisions, the decision was made to seek Leadership authority to take this bill to the Suspension calendar. This is where we are tonight.

SUMMARY

This bill includes four provisions. Only one actually constitutes the creation of a new program and none of the initiatives require new spending. All funding comes from previously authorized levels.

ADDITIONAL UNITS FOR MOVING TO OPPORTUNITY

This proposal would increase funding for the Moving to Opportunity demonstration program created in the 1992 Housing Act from $52.1M to $165M. Section 152 of the 1992 Housing Act created, at the request of Secretary Kemp, a program which would use Section 8 assistance, plus some additional funds for counseling, to help families living in public housing in areas with a high concentration of poor people, to find alternative housing in the private sector. HUD requested the additional funds in order to make the demonstration more viable.

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT CORPORATIONS

A second proposal would set-aside $25M from the HOME program to support additional non-profit capacity building through an initiative proposed by both the Enterprise Foundation and the Local Initiative Support Corporation [LISC].

These organizations will use these funds to leverage 3 times that amount for non-profit support and housing development. An additional $11M is added to the HOME program's Community Housing Development Organization [CHDO] set-aside. This authorization represents a reduction from the original request for $50M. We also added a GAO audit after one year and prohibited LISC and Enterprise from using any of these funds for administrative expenses.

INNOVATIVE HOMELESS DEMONSTRATION PROGRAM

The final initiative would establish a $150M demonstration program within the McKinney Act to carry out innovative homeless programs which emphasize a continuum-of-car approach to the problem instead of the highly compartmentalized efforts which currently exist.

This program would also be used to support joint ventures with individual cities that have a significant homeless problem and who are experimenting with innovative solutions.

As originally proposed this program was to be a $200M discretionary program as well as being non-competitive. The bulk of the funds were also to come from the HOME program.

This initiative is now a demonstration program and is competitive in nature. It is authorized for 1 year and is subject to a GAO audit. The majority of the funds for this program must now come from existing homeless program accounts.

These four initiatives are well conceived and do address several important areas where new ideas are most needed.

QUESTIONS

First, do any of these programs actually increase spending?

No. All of these initiatives are funded through the transfer of existing authorized accounts.

Why create new programs when HUD is having problems administering the programs they already have?

Of the four initiatives, only one really constitutes a new program.

That would be the authorization of the partnership between HUD and pension funds who wish to invest in affordable housing projects.

The remaining three initiatives are variations on existing HUD programs.

The Homeless initiative basically takes the fundamentals of the supportive housing, shelter plus care, and old supplemental assistance program, and melds them into one demonstration program.

The community development organization capacity building is an integral part of the HOME program as well as other community development initiatives.

The Moving to Opportunity initiative is an expansion of an existing authorized program.

Does the funding for the Homeless initiative come from existing McKinney programs or other housing programs?

Of the $150 million for this initiative: $90 million comes from existing McKinney programs ($45 million from supportive housing and $45 million from shelter plus care); $25 million from HOME; $25 million from CDBG; and $10 million from HOPE.

Does the legislation require the pension fund initiative to purchase properties held by HUD in its multifamily disposition program?

No. The pension fund demonstration program is designed to permit HUD to enter into a partnership with any pension fund to develop ways in which affordable housing investment opportunities can be made available to the billions of dollars held by pension funds.

Today, several billion dollars worth of pension fund money is invested overseas. This program would seek ways to direct some of that investment money into affordable housing in this country.

However, HUD currently holds a growing inventory of multifamily housing projects which have either defaulted or have resulted in HUD holding the mortgage.

Language in this bill authorizes the Secretary to use a significant amount of the funds made available for investment in the HUD FHA inventory when economically feasible.

How would the pension fund program actually work?

In the case of the AFL-CIO Housing Investment Fund, the Fund would attempt to identify economically attractive affordable housing and match that housing with a nonprofit or other entity willing to take ownership and management of the property.

The Fund would also seek financing for the project and would enlist GSEs such as FANNIE MAE or FREDDIE MAC to consider underwriting the mortgage.

Once all of this is done, the Fund would seek HUD's approval of Section 8 assistance as the assurances that some form of rent payments would be paid.

If the GSE purchases the mortgage and bundles it with other mortgages to issue a security, the pension fund would purchase the security.

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Mr. WALKER. Mr. Speaker, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, it is my understanding that the bill we have before us is a modified version of the bill that came to the floor earlier, and that section 5 of the bill relating to section 8, Community Investment Demonstration Program, has in fact been stricken from the bill and does not appear in the version that is being considered on the floor.

I would ask the gentlewoman, is that correct?

Mrs. ROUKEMA. Mr. Speaker, reclaiming my time, that is also correct, yes. The initial bill contained four housing initiatives. The bill before us this evening has only the three. The Housing Investment Trust Partnership has been deleted from this bill and will be considered at another time separately.

Mr. Speaker, I yield back the balance of my time.

Mr. GONZALEZ. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Massachusetts [Mr. FRANK], a distinguished member of this committee and one of the helpful authors of this legislation.

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, we focus often on the disagreements and the problems. It should be noted that this is a case where a new Secretary came to the Congress and said,

> Given that we are in the middle of the budget year, I can't make a whole new set of changes. There are some important things I would like to do and not wait until October 1st.

Mr. Speaker, it is to the credit of the chairman and the ranking minority member, their constructive relationship that they have maintained, that we were able to bring a bill to the floor that gives the new Secretary the flexibility within existing budget rules to move forward. I think that is an example of cooperation, both Executive, Legislative, and across partisan lines, that ought to be noted.

As the gentlewoman from New Jersey [Mrs. ROUKEMA] correctly pointed out, we also had the Committee on Appropriations which had originally been asked to move ahead with this deferring, recognizing the authority of the authorizing committee, and it will work out well.

I did just want to note, as the gentlewoman acknowledged to the gentleman from Pennsylvania [Mr. WALKER], the last section of the bill was stricken. It is a provision that would ease the ability of pension funds to make some housing investments. I understand some Members have some questions about that.

I simply wanted to affirm I think that is good public policy. I think we have done it in the right way. I just wanted to note that it is being dropped today in the interest of proceeding with the less controversial parts, but that does not mean that part is dead. It is, as I understand it, the intention of the chairman and the ranking member for us to bring this bill back before the House after the recess as a freestanding bill, one that has some jurisdictional reference to education and labor. They talked about it.

Mr. Speaker, the gentlewoman from New Jersey [Mrs. ROUKEMA] wears two hats. She is the ranking member on the Housing Subcommittee and the ranking member sometimes on the Committee on Education and Labor. She is quite ranking and manages to cover many of these fields. But, thanks to that, I do believe, and I just wanted to note, we will be bringing to the floor, as I understand it, after the recess the provision in this bill dropped out so we can give the membership a chance to vote on what I think is a good provision.

Mrs. ROUKEMA. Mr. Chairman, if the gentleman will yield, I thank the most honorable one here. I have two hats, but not two heads. I do appreciate the cooperation here. I have no doubt but we can in the time that we have before us resolve any outstanding difficulties. I think it is a matter of technicalities, and it is important for us to protect the pension funds and the fiduciary standards, and that they can be enforced. That is certainly something I will insist upon, and I know the chairman will, as well as the gentleman from Massachusetts [Mr. FRANK].

Mr. Speaker, I have every expectation that we can resolve any remaining difficulties.

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentlewoman from New Jersey [Mrs. ROUKEMA]. I also agree that we can bring forward a bill that fully protects the legitimate fiduciary responsibilities of pension funds, and also housing. I appreciate the gentlewoman saying that. I will testify that, having come here with her, the gentlewoman has never been known to speak through any of her hats.

Mrs. ROUKEMA. Mr. Speaker, at this time of night, that is quite admirable.

Mr. GONZALEZ. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HAYES). The question is on the motion offered by the gentleman from Texas [Mr. GONZALEZ] that the House suspend the rules and pass the bill, H.R. 2517, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

HOUSING PROGRAMS EXTENSION ACT OF 1993

Mr. GONZALEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2531), to extend certain programs relating to housing and community development, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Housing Programs Extension Act of 1993".

SEC. 2. NATIONAL COMMISSION ON MANUFACTURED HOUSING.

(a) EXTENSION OF COMMISSION.—Section 943(g) of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625; 104 Stat. 4415) is amended by striking "on October 1, 1993" and inserting "at the end of September 30, 1994".

(b) FINAL REPORT.—Section 943(d)(2) of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625; 104 Stat. 4414) is amended by striking "9 months after the Commission is established pursuant to subsection (b)" and inserting "August 1, 1994".

(c) INTERIM REPORT.—Section 943(d) of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625; 104 Stat. 4414) is amended—

(1) by redesignating paragraph (2) (as amended by subsection (b) of this section) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph:

"(2) INTERIM REPORT.—Not later than March 1, 1994, the Commission shall submit an interim report to the Secretary of Housing and Urban Development and the Congress. The report shall describe the activities of the Commission under paragraph (1) and shall contain any information specified in such paragraph that is available to the Commission and any evaluations and recommendations specified in such paragraph that may be made by the Commission, at such time.".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 943(f) of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625; 104 Stat. 4415) is amended by inserting after the first sentence the following new sentence: "There are authorized to be appropriated for fiscal year 1994 such sums as may be necessary to carry out this section.".

SEC. 3. RECIPROCITY IN APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES.

(a) EXTENSION OF AUTHORITY.—Section 535(b) of the Housing Act of 1949 (42 U.S.C. 1490o(b)) is amended by striking "June 15, 1993" and inserting "September 30, 1994".

(b) RETROACTIVITY.—Any administrative approval of any housing subdivision made after June 15, 1993, and before the date of the enactment of this Act is approved and shall be considered to have been lawfully made, but only if otherwise made in accordance with the provisions of section 535(b) of the Housing Act of 1949.

SEC. 4. FHA INSURANCE AUTHORITY.

Section 531(b) of the National Housing Act (12 U.S.C. 1735f–9(b)) is amended by striking "$65,905,824,960" and inserting "$92,146,000,000".

SEC. 5. GNMA GUARANTEE AUTHORITY.

Section 306(g)(2) of the National Housing Act (12 U.S.C. 1721(g)(2)) is amended by striking "$88,000,000,000" and inserting "$107,700,000,000".

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). Pursuant to the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 20 minutes, and the gentlewoman from New Jersey [Mrs. ROUKEMA] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2531, the Housing Programs Extension Act of 1993, which I have introduced with Congresswoman MARGE ROUKEMA, is legislation that is necessary to continue the existence of several important and useful housing programs, and to provide a critically needed extension of commitment authority for the Federal Housing Administration [FHA] insurance program and the Government National Mortgage Association [GNMA] mortgage backed securities program.

The bill first extends the existence of the National Commission on Manufactured Housing for an additional year, from October 1, 1993 to September 30, 1994. The bill also gives the National Commission additional time to issue its final report, and requires that it issue an interim report.

Next, the bill extends a requirement, which expired on June 15, 1993, for reciprocity for housing subdivision mortgage approvals, between the Department of Housing and Urban Development [HUD] and the Department of Veterans Affairs [VA]. Specifically, this provision extends from June 15, 1993 to September 30, 1994, the requirement that HUD consider a VA certificate of reasonable value on one or more properties in a housing subdivision to be an administrative approval for the entire subdivision. The bill also gives limited retroactive effect to this extension to cover administrative approvals made after June 15, 1993 but before enactment of this legislation.

Finally, the bill increases the fiscal year 1993 commitment authority for the FHA to insure mortgages, and for GNMA to guarantee mortgage backed securities. With regard to both FHA and GNMA, HUD has informed the Subcommittee on Housing and Community Development that their commitment authority will be reached well before the end of the fiscal year.

This bill specifically increases the commitment authority for the FHA from $65.1 billion to $92.1 billion in fiscal year 1993. For GNMA, the bill increases the commitment authority from $88 billion to $107.7 billion in fiscal year 1993. I would like to emphasize that this is an authorization provision. I understand that the Appropriations Committee will soon be addressing this issue in the upcoming conference on the fiscal year 1993 supplemental appropriations bill.

All of the extensions and authorizations provided by this legislation are needed and worthwhile. It is my hope, therefore, that can deal with this matter in a quick and thorough manner.

STATEMENT BY CHAIRMAN HENRY B. GONZALEZ ON THE INTRODUCTION OF H.R. 2531—THE HOUSING PROGRAMS EXTENSION ACT OF 1993

Today I join with Congresswoman Marge Roukema in introducing H.R. 2531, the Housing Programs Extension Act of 1993, legislation that is necessary to continue the existence of several important and useful housing programs, and to provide a critically needed extension of commitment authority for the Federal Housing Administration (FHA) insurance program and the Government National Mortgage Association (GNMA) mortgage backed securities program.

The bill first extends the existence of the National Commission on Manufactured Housing for an additional year, from October 1, 1993 to September 30, 1994. The bill also gives the National Commission additional time to issue its final report, and requires that it issue an interim report. The National Commission on Manufactured Housing was authorized in 1990 by the Cranston-Gonzalez National Affordable Housing Act to study and develop recommendations for modernizing the National Manufactured Housing and Safety Standards Act of 1974, and current construction and regulatory standards applicable to manufactured—or mobile—housing. The work of the National Commission is needed to insure that effective federal statutory and regulatory mechanisms are in place to protect the health and safety of current owners and future purchasers of manufactured housing. This bill, by giving the National Commission additional time to do its work, will help in attaining this objective.

Next, the bill extends a requirement, which expired on June 15, 1993, for reciprocity for housing subdivision mortgage approvals, between the Department of Housing and Urban Development (HUD) and the Department of Veterans Affairs (VA), thereby continuing the current streamlined process for such approvals. The bill provides for the continuation of a current statutory requirement that has been extended by Congress at various points in the past, the last time in the Housing and Community Development Act of 1992. Specifically, this provision extends from June 15, 1993 to September 30, 1994, the requirement that HUD consider a VA certificate of reasonable value on one or more properties in a housing subdivision to be an administrative approval for the entire subdivision. The bill also gives limited retroactive effect to this extension to cover administrative approvals made after June 15, 1993 but before enactment of this legislation.

Finally, the bill increases the Fiscal Year 1993 commitment authority for the FHA to insure mortgages, and for GNMA to guarantee mortgage backed securities. With regard to the FHA, HUD has informed the Subcommittee on Housing and Community Development that their commitment authority will be reached well before the end of the fiscal year. HUD has warned that it would be unable to process any additional commitments for mortgage insurance under the single family program, whether for refinancing or for home purchases, if the authority is not increased. As for GNMA, HUD has estimated that it's commitment authority will also be reached before the end of the fiscal year. HUD attributes the increased activity with regard to GNMA to increased mortgage refinancing activity and new home sales. HUD has stated that the lack of additional commitment authority for GNMA would mean that mortgage backed insurance activity would halt completely, thereby seriously reducing that availability of mortgage credit.

This bill specifically increases the commitment authority for the FHA from $65.1 billion to $92.1 billion in FY 1993. For GNMA, the bill increases the commitment authority from $88 billion to $107.7 billion in FY 1993. I would like to emphasize that this is an authorization provision. I understand that the Appropriations Committee will soon be addressing this issue in the upcoming conference on the FY 1993 Supplemental Appropriations bill.

All of the extensions and authorizations provided by this legislation are needed and worthwhile. It is my hope, therefore, that this legislation will be considered in a quick and thorough manner.

SHORT SUMMARY

NATIONAL COMMISSION ON MANUFACTURED HOUSING

This provision extends the termination date for the National Commission on Manufactured Housing from October 1, 1993, to September 30, 1994. In addition, the provision requires the Commission to issue an interim report on its activities, and any evaluations and recommendations, on March 1, 1994, and extends the date for issuance of the Commission's final report to August 1, 1994. Finally, the provision authorizes to be appropriated for the Commission, for FY 1994, such sums as may be necessary. The Commission was authorized by the Cranston-Gonzalez National Affordable Housing Act to develop recommendations for modernizing the National Manufactured Housing Construction and Safety Standards Act of 1974.

RECIPROCITY IN APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES

This provision will extend the current requirement for reciprocity among the federal agencies for housing subdivision approvals, thereby continuing the current streamlined process for subdivision approvals. Specifically, this provision extends from June 15, 1993, to September 30, 1994, the requirement that the Department of Housing and Urban Development consider a Department of Veterans Affairs' certificate of reasonable value on one or more properties in a housing subdivision to be an administrative approval for the entire subdivision. This provision also gives retroactive effect to this extension, by considering any administrative approval of a subdivision made after June 15, 1993, but before enactment of this Act, to be approved and lawfully made, provided it is otherwise in compliance with existing law.

FHA INSURANCE AUTHORITY

This provision increases the FY 1993 commitment authority of the Federal Housing Administration (FHA) to insure mortgages from $65,905,824,960 to $92,146,000,000. HUD has projected that the current FHA commitment authority limit for FY 1993 will be reached before the end of the fiscal year.

GNMA GUARANTEE AUTHORITY

This provision increases the FY 1993 commitment authority of the Government National Mortgage Association (GNMA) to guarantee mortgage backed securities from $88,000,000,000 to $107,700,000,000. HUD has projected that the current GNMA commitment authority limit for FY 1993 will be reached before the end of the fiscal year.

SECTION-BY-SECTION SUMMARY

SEC. 1. SHORT TITLE

Provides that this Act is to be cited as the "Housing Programs Extension Act of 1993."

SEC. 2 NATIONAL COMMISSION ON MANUFACTURED HOUSING

Amends Section 943(g) of the Cranston-Gonzalez National Affordable Housing Act, by extending the termination date for the National Commission on Manufactured Housing (National Commission) from October 1, 1993, to September 30, 1994.

Amends Section 943(d) of the Cranston-Gonzalez National Affordable Housing Act to extend the date for issuance of the National Commission's final report, from "9 months after the Commission is established" to August 1, 1994.

Amends Section 943(d) of the Cranston-Gonzalez National Affordable Housing Act to require the National Commission to submit an interim report, by March 1, 1994, to the Secretary of Housing and Urban Development and Congress, specifying the activities, and any evaluations and recommendations of the National Commission.

Amends Section 943(f) of the Cranston-Gonzalez National Affordable Housing Act, by authorizing to be appropriated for the National Commission, for fiscal year 1994, such sums as may be necessary.

SEC. 3. RECIPROCITY IN APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES

Amends Section 535(b) of the Housing Act of 1949 to extend from June 15, 1993, to September 30, 1994, the requirement that the Secretary of the Department of Housing and Urban Development consider the issuance by the Secretary of Veterans Affairs of a certificate of reasonable value on one or more properties in a housing subdivision to be an administrative approval for the entire subdivision.

Provides that any administrative approval of any subdivision made after June 15, 1993, but before enactment of this Act, is to be considered approved and lawfully made, provided it is in accordance with the other provisions of Section 535(b) of the Housing Act of 1949.

SEC. 4. FHA INSURANCE AUTHORITY

Amends Section 531(b) of the National Housing Act to increase the limit on the fiscal year 1993 aggregate mortgage insurance authority of the Federal Housing Administration (FHA) from $65,905,824,960 to $92,146,000,000.

SEC. 5. GNMA GUARANTEE AUTHORITY

Amends Section 306(g)(2) of the National Housing Act to increase the limit on the fiscal year 1993 aggregate mortgage-backed guarantee authority of the Government National Mortgage Association (GNMA) from $88,000,000,000 to $107,700,000,000.

Mr. Speaker, I reserve the balance of my time.

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

Mrs. ROUKEMA. Mr. Speaker, I rise in support of H.R. 2531, the Housing Programs Extension Act of 1993.

Although this Congress last year passed a 2-year housing authorization bill, certain provisions involving housing related programs need extensions and extra authorities.

There are four provisions in this bill.

The first provision would extend, for 1 additional year, the National Commission on Manufactured Housing.

The Commission was created in the 1990 National Affordable Housing Act to develop recommendations for modernizing the National Manufactured Housing Construction and Safety Standards Act of 1974.

However, due to a delay in funding for the Commission, the Commission has just now gotten started and will need this extension in order to complete its mandate.

The provision also requires an interim report by the Commission by March 1, 1994, so that we may consider any recommendations they may have during our authorization hearings next year.

The second provision extends to September 30, 1994, a cooperative agreement between the Department of HUD and the Veterans Administration which requires the Department of HUD to consider the VA's certificate of reasonable value on one or more properties in a housing subdivision.

This provision helps to streamline the effort of home builders to receive assurances that their properties can be financed with VA- and FHA-guaranteed mortgages.

In the past FHA and VA have enjoyed a reciprocal agreement in approving new home/new subdivision mortgages. FHA has accepted VA certificates of reasonable value and the VA has accepted HUD conditional commitments.

This provision would extend that cooperation.

The third and fourth provisions would increase the commitment authority of the FHA to insure mortgages in fiscal year 1993 and increases the commitment authority of Ginnie Mae to guarantee mortgage backed securities.

These increases in authority are needed due to a higher degree of mortgage activity in 1993 due to lower interest rates, the reductions in the FHA single family mortgage insurance premium and the increase in allowable mortgage loan limits authorized last year.

This is a clear indication of our success in promoting homeownership through the FHA program.

☐ 0100

Mrs. ROUKEMA. Mr. Speaker, I yield back the balance of my time.

Mr. GONZALEZ. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). The question is on the motion offered by the gentleman from Texas [Mr. GONZALEZ] that the House suspend the rules and pass the bill, H.R. 2531.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks in the RECORD on both of the bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

A TRIBUTE TO THE STAFF OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, I would be remiss if I were not to note for the RECORD that these two housing bills and the legislation are the result of the maiden voyage or effort in this legislative scheme of things on the part of the new director of the subcommittee staff on Housing and Community Development, Mr. John Valencia, and the new counsel, Mr. Paul Ceja, and of course, present with us all through this late night is the overall staff director of the Committee on Banking, Finance and Urban Affairs, Mr. Meek.

I just thought it would be suitable to recognize that.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BECERRA (at the request of Mr. GEPHARDT) for today after 2:30 p.m., on account of illness in the family.

Mr. COPPERSMITH (at the request of Mr. GEPHARDT) for today after 2 p.m., on account of official business.

Mr. VENTO (at the request of Mr. GEPHARDT) for today, on account of official business.

Mr. BLUTE (at the request of Mr. MICHEL) for today, on account of the imminent arrival of a member of the family.

Mr. MCMILLAN (at the request of Mr. MICHEL) for today and tomorrow, on account of a death in the family.

Mr. ISTOOK (at the request of Mr. MICHEL) for today, on account of illness in the family.

Mr. SKEEN (at the request of Mr. MICHEL) for today and the balance of the week, on account of recuperating from surgery.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. ROUKEMA) to revise and extend their remarks and include extraneous material:)

Mr. CANADY, for 5 minutes, today.

Mr. HASTERT, for 60 minutes, on June 30.

Mr. TALENT, for 60 minutes each day, on July 13 and 14.

Mr. HORN, for 60 minutes each day, on July 19 and 27.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. FARR, for 5 minutes, today.

Mr. KOPETSKI, for 5 minutes, today.

Mr. BLACKWELL, for 60 minutes, on June 30.

Mr. BECERRA, for 60 minutes, on June 30.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. ROUKEMA) and to include extraneous matter:)

Mr. LEWIS of California in three instances.
Mr. GINGRICH.
Mr. JOHNSON of Texas.
Mr. SOLOMON.
Mrs. MORELLA.
Mrs. BENTLEY.
Mr. LEWIS of California in four instances.
Mr. KYL.
Mr. BOEHNER.
Mr. LAZIO.
Mr. BALLENGER.
Mr. WALSH.
Mr. LEWIS of Florida.
Mr. KINGSTON.
Mr. GILLMOR.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. RUSH.
Mr. HOYER.
Mr. JACOBS.
Mr. ORTIZ.
Mr. SKELTON in three instances.
Mr. CLAY.
Mr. VISCLOSKY.
Ms. HARMAN.
Mr. ACKERMAN in three instances.
Mrs. COLLINS of Illinois.
Mr. BAESLER.
Mr. RAHALL.
Mr. GONZALEZ.
Mr. OBERSTAR.
Mr. BLACKWELL.
Mr. ANDREWS of Texas.
Mr. HUGHES.
Mr. FARR.
Mr. DEFAZIO.
Ms. MARGOLIES-MEZVINSKY.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROSE, from the Committee on House Administration, reported what that committee did on the following dates presented, to the President, for his approval, bills of the House of the following titles:

On June 16, 1993:

H.R. 890. A bill to amend the Federal Deposit Insurance Act to improve the procedures for treating unclaimed insured deposits, and for other purposes.

On June 18, 1993:

H.R. 2343. A bill to amend the Forest Resources Conservation and Shortage Relief Act of 1990 to permit States to adopt timber export programs, and for other purposes.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 5 minutes a.m.) under its previous order, the House adjourned until Tuesday, June 29, 1993, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1487. A communication from the President of the United States, transmitting notification of his decision to order a military strike on Iraq on June 26, 1993, pursuant to 50 U.S.C. 1544(a) (H. Doc. No. 103–104); to the Committee on Foreign Affairs and ordered to be printed.

1488. A communication from the President of the United States, transmitting notification of his intent to suspend indefinitely Mauritania from their status as GSP beneficiaries, pursuant to 19 U.S.C. 2462(a). (H. Doc. No. 103–105); to the Committee on Ways and Means and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CLAY: Committee on House Administration. H.R. 877. A bill to authorize the establishment of the National African-American Museum within the Smithsonian Institution (Rept. 103–140, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONIOR: Committee on Rules. H. Res. 210. Resolution waiving certain points of order against the bill (H.R. 2492) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103–160). Referred to the House Calendar.

Mr. GORDON: Committee on Rules. H. Res. 211. Resolution waiving certain points of order against the bill (H.R. 2490) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103–161). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GONZALEZ (for himself and Mrs. ROUKEMA):

H.R. 2531. A bill to extend certain programs relating to housing and community development, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COMBEST:

H.R. 2532. A bill to designate the Federal building and U.S. courthouse in Lubbock, TX, as the "George H. Mahon Federal Building and United States Courthouse"; to the Committee on Public Works and Transportation.

By Mr. HOLDEN (for himself and Mr. MCMILLAN):

H.R. 2533. A bill to suspend until January 1, 1996, the duty on certain chemicals; to the Committee on Ways and Means.

By Mr. HUFFINGTON (for himself, Mr. ANDREWS of Texas, Mr. CONYERS, Mr. DURBIN, Mr. FRANK of Massachusetts, Mr. HANSEN, Mr. STARK, Mr. TRAFICANT, and Mr. WYDEN):

H.R. 2534. A bill to amend the Internal Revenue Code of 1986 to disallow the deduction for advertising or other promotion expenses with respect to sales of tobacco products; to the Committee on Ways and Means.

By Mr. ROWLAND (for himself, Mr. SMITH of New Jersey, Mr. CLEMENT, Mr. EVANS, Mr. KENNEDY, Mr. GUTIERREZ, Mr. MONTGOMERY, Mr. STUMP, Mr. KREIDLER, Mr. BUYER, and Mr. BILIRAKIS):

H.R. 2535. A bill to amend title 38, United States Code, to provide additional authority for the Secretary of Veterans Affairs to provide health care for veterans of the Persian Gulf war; to the Committee on Veterans' Affairs.

By Mr. HUGHES (for himself and Ms. LOWEY):

H.R. 2536. A bill to amend title II of the Social Security Act to repeal the 7-year restriction on eligibility for widow's and widower's insurance benefits based on disability; to the Committee on Ways and Means.

H.R. 2537. A bill to amend title II of the Social Security Act to provide for full benefits for disabled widows and widowers without regard to age; to the Committee on Ways and Means.

H.R. 2538. A bill to amend title II of the Social Security Act to eliminate the 2-year waiting period for divorced spouse's benefits following the divorce; to the Committee on Ways and Means.

H.R. 2539. A bill to amend title II of the Social Security Act to provide for increases in widow's and widower's insurance benefits by reason of delayed retirement; to the Committee on Ways and Means.

H.R. 2540. A bill to amend title II of the Social Security Act to provide for an increase of up to 5 in the number of years disregarded in determining average annual earnings on which benefit amounts are based upon a showing of preclusion from remunerative work during such years occasioned by need to provide child care or care to a chronically dependent relative; to the Committee on Ways and Means.

By Mr. KYL:

H.R. 2541. A bill to provide that pay for Members of Congress may not be increased in any fiscal year if, in the immediately preceding fiscal year, total budget outlays of the Government exceeded its total revenues; jointly, to the Committees on Post Office and Civil Service and House Administration.

By Mr. LEACH:

H.R. 2542. A bill to establish additional international exchange and training programs with the independent States of the former Soviet Union and the Baltic States; to the Committee on Foreign Affairs.

By Mr. OBERSTAR:

H.R. 2543. A bill to amend the Federal Water Pollution Control Act to establish requirements and provide assistance to prevent nonpoint sources of water pollution, and for other purposes; jointly, to the Committees on Public Works and Transportation, Merchant Marine and Fisheries, and Agriculture.

By Mr. SCHUMER:

H.R. 2544. A bill to amend the Export Administration Act of 1979 to allow persons who suffer discrimination or a loss of business as a result of a violation of the antiboycott provisions, to bring an action for damages against the person committing the violation; jointly, to the Committees on Foreign Affairs and the Judiciary.

By Mr. DE LA GARZA:

H.R. 2545. A bill to authorize appropriations for grants by the Environmental Protection Agency and other appropriate entities to assist colonias; to the Committee on Public Works and Transportation.

H.R. 2546. A bill to authorize appropriations for the provision of financial assistance to protect public health, the environment, and water quality along the United States-Mexico border; to the Committee on Public Works and Transportation.

By Mr. ROYCE:

H. Res. 209. Resolution amending the Rules of the House of Representatives to require a two-thirds vote to waive any rule of the House of Representatives, and for other purposes; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 18: Mr. THOMPSON.

H.R. 21: Mr. KLINK and Mr. GINGRICH.

H.R. 58: Ms. FURSE, Mr. DEFAZIO, and Mr. KINGSTON.

H.R. 326: Mr. MANZULLO, Mr. YATES, Ms. KAPTUR, Mr. MENENDEZ, and Mr. MACHTLEY.

H.R. 417: Mr. BAESLER and Mr. FRANKS of Connecticut.

H.R. 501: Mr. ROMERO-BARCELO and Mr. HAMBURG.

H.R. 502: Mr. HASTERT and Mr. MURTHA.

H.R. 505: Mr. GILCHRIST.

H.R. 656: Ms. PELOSI and Mr. SMITH of New Jersey.

H.R. 723: Mr. ROHRABACHER.

H.R. 773: Mr. DELAY.

H.R. 786: Mr. HOEKSTRA and Mr. STUPAK.

H.R. 790: Mr. PETERSON of Minnesota, Ms. LAMBERT, Miss COLLINS of Michigan, Ms. WOOLSEY, Mr. MCDERMOTT, Mr. LEWIS of Georgia, and Mr. SERRANO.

H.R. 840: Mrs. CLAYTON.

H.R. 1006: Mr. VALENTINE.

H.R. 1079: Mr. LEHMAN.

H.R. 1080: Mr. MILLER of Florida.

H.R. 1082: Mr. LEHMAN.

H.R. 1141: Mr. MANZULLO, Ms. ENGLISH of Arizona, Mr. REYNOLDS, and Mr. BILIRAKIS.

H.R. 1158: Ms. THURMAN.

H.R. 1161: Mr. KOPETSKI.

H.R. 1181: Mr. PACKARD and Mr. CAMP.

H.R. 1200: Mr. THOMPSON.

H.R. 1251: Mr. SMITH of New Jersey and Ms. CANTWELL.

H.R. 1279: Mr. FISH, Mr. ACKERMAN, Mr. DARDEN, Mr. RAMSTAD, Ms. MALONEY, Mr. RAVENEL, Mr. MACHTLEY, and Mr. GRAMS.

H.R. 1295: Mr. ROMERO-BARCELO.

H.R. 1362: Mr. SABO and Mr. FILNER.

H.R. 1490: Mr. TEJEDA, Mr. BARLOW, Mr. FIELDS of Louisiana, and Mr. BURTON of Indiana.

H.R. 1526: Mr. HOKE and Mr. HUTCHINSON.

H.R. 1560: Mr. FILNER.

H.R. 1583: Mr. HOYER.

H.R. 1697: Mr. RAVENEL, Mr. DARDEN, Mr. MANTON, Mr. DIXON, Mr. STUMP, Mr. BUYER, Mr. LAUGHLIN, Mr. JACOBS, Mr. GOODLATTE, Mr. WILLIAMS, Mr. KING, Mr. KILDEE, and Mr. NATCHER.

H.R. 1738: Mr. SARPALIUS AND MS. LAMBERT.

H.R. 1783: Mr. RAVENEL.

H.R. 1786: Mr. FALEOMAVAEGA and Mrs. UNSOELD.

H.R. 1900: Mr. GLICKMAN, Mr. SABO, Ms. NORTON, Mr. MCDERMOTT, and Mr. HAMBURG.

H.R. 1986: Mr. HOLDEN.

H.R. 2026: Mr. HAMBURG.

H.R. 2043: Mr. NEAL of Massachusetts, Ms. NORTON, Ms. SCHENK, and Mr. YATES.

H.R. 2088: Mr. BEVILL and Ms. PRYCE of Ohio.

H.R. 2112: Mr. BARLOW, Mr. HOCHBRUECKNER, Mr. WYDEN, Mr. TAUZIN, and Mr. CUNNINGHAM.

H.R. 2136: Mr. SMITH of New Jersey.

H.R. 2142: Mrs. MEEK.

H.R. 2151: Mr. DIAZ-BALART, Ms. FOWLER, Mr. INHOFE, Mr. FOGLIETTA, Mr. HOCHBRUECKNER, Mr. PALLONE, Mr. STUPAK, Mr. WELDON, Mr. RAVENEL, Mr. FRANK of Massachusetts, Mr. SMITH of New Jersey, Mr. BACCHUS of Florida, Mr. PETERSON of Minnesota, Mr. TORKILDSEN, Mr. JOHNSTON of Florida, Mr. MACHTLEY, Ms. MALONEY, Mr. WILSON, Mr. ABERCROMBIE, Mr. OWENS, Mr. PRICE of North Carolina, Mr. ENGEL, Mr. WHEAT, Mr. PASTOR, Ms. MOLINARI, Mr. GUTIERREZ, and Mr. DELLUMS.

H.R. 2287: Mr. SENSENBRENNER.

H.R. 2307: Mr. HYDE and Mr. SMITH of Michigan.

H.R. 2331: Mr. KING, Mr. BARRETT of Wisconsin, Mr. TORRES, Ms. SLAUGHTER, and Mr. BARLOW.

H.R. 2370: Mr. TUCKER, Mr. LIPINSKI, Mr. GILMAN, Mr. FOGLIETTA, and Ms. BYRNE.

H.R. 2414: Mr. DELLUMS, Mr. REYNOLDS, Mr. DE LUGO, Mr. KING, Mr. TORKILDSEN, Mr. LAFALCE, Mr. OLVER, Mr. HOLDEN, Mr. SPENCE, Mr. STARK, and Mr. LIPINSKI.

H.R. 2415: Mr. KASICH, Mr. ALLARD, Mr. SHAYS, Mr. HYDE, Mr. PAXON, Mr. SMITH of Michigan, and Mr. HUNTER.

H.R. 2417: Mr. POSHARD, Mr. SCHIFF, Mr. FRANK of Massachusetts, Mr. GILLMOR, Mr. JOHNSTON of Florida, and Mr. EWING.

H.R. 2441: Mr. TRAFICANT and Mr. JOHNSON of South Dakota.

H.R. 2481: Mr. EDWARDS of California.

H.J. Res. 22: Mr. DELAY.

H.J. Res. 38: Mr. SAXTON,

H.J. Res. 79; Mrs. BENTLEY, Mr. CLEMENT, Mr. GORDON, Mr. GUNDERSON, Mr. HUTTO, Mr.

KASICH, Mr. MCCOLLUM,, Mr. MCDADE, Mr. MCNULTY, Mr. NATCHER, Mr. NEAL of North Carolina, Mr. OWENS, Mr. RAVENEL, Mr. SAWYER, Mr. SMITH of New Jersey, Mr. SPENCE, Mr. SPRATT, Mr. STOKES, and Mr. TAUZIN.

H.J. Res. 88: Mr. ENGEL.

H.J. Res. 139: Mr. COOPER.

H.J. Res. 190: Mr. BROWDER, Mr. DE LUGO, Mr. DICKS, Mr. DOOLITTLE, Ms. DUNN, Mr. DIAZ-BALART, Mr. FIELDS of Louisiana, Mr. GUTIERREZ, Mr. GENE GREEN of Texas, Mr. HANSEN, Mr. HOLDEN, Mr. KILDEE, Mr. KINGSTON, Mr. LAZIO, Mr. WAXMAN, and Mr. SISISKY.

H.J. Res. 196: Mr. TAUZIN, Mr. SABO, and Mr. KIM.

H.J. Res. 198: Mr. DINGELL and Mr. MARTINEZ.

H.J. Res. 204: Mr. SKELTON, Ms. BROWN of Florida, Mr. SCHIFF, Mr. BURTON of Indiana, Mr. HOCHBRUECKNER, Mr. OLVER, Mr. HASTERT, Mr. KNOLLENBERG, Mr. KILDEE, Mr. NEAL of Massachusetts, Mrs. MEYERS of Kansas, Mr. HAMBURG, Mr. MCCRERY, and Mr. GENE GREEN of Texas.

H. Con. Res. 20: Mr. GRAMS and Mr. NADLER.

H. Con. Res. 100: Ms. VELAZQUEZ, Mrs. MEYERS of Kansas, Mr. BROWN of California, Mr. COYNE, and Mr. BARRETT of Wisconsin.

H. Con. Res. 102: Mr. FINGERHUT.

H. Con. Res. 110: Mr. MORAN, Miss COLLINS of Michigan, Ms. NORTON, Mr. UPTON, Mr. PAYNE of New Jersey, and Mr. HAYES.

H. Res. 134: Mr. GILCHREST and Mr. RAMSTAD.

H. Res. 165: Mr. MANZULLO, Mr. YOUNG of Alaska, Mr. SOLOMON, Mr. BACCHUS of Florida, and Mr. MCDERMOTT.

H. Res. 174: Mr. TAUZIN.

H. Res. 175: Mr. GEKAS, Mr. ZIMMER, Mr. WALSH, Mr. SMITH of New Jersey, Mr. INHOFE, Mr. HUNTER, and Mr. BARTON of Texas.

EXTENSIONS OF REMARKS

INDEPENDENT UKRAINE AND THE UNITED STATES

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. HOYER. Mr. Speaker, one of the most important countries to emerge from the dissolution of the Soviet Union is Ukraine. It is large, populous, rich in resources, and strategically important. It enjoys good relations with virtually all of its neighbors. Since becoming an independent state, Ukraine has made major strides in respecting the rights of its citizens, including its minorities, and toward finding its own place in the community of nations.

At the same time, independent Ukraine confronts difficult challenges—many the result of the legacy of Soviet rule. Ukraine's political situation is unsettled, partially the result of the lack of a new constitution that would clearly defined the separation of powers. Its economy, partly because of political paralysis, is in dire condition.

In April, I traveled to Kiev with a congressional delegation led by Majority Leader RICHARD GEPHARDT. We had the opportunity to meet with many Ukrainian officials, including President Kravchuk, Prime Minister Kuchma, and Parliamentary Chairman Pliushch. We heard from them, and many others, concerns about Ukraine's security vis-a-vis Russia. Much of Ukraine has been under Russian domination for over 300 years, and has endured systematic Russification and campaigns of denationalization. Talking to President Kravchuk and others in Kiev highlighted, for me, that Ukrainian motivations cannot be understood without considering the historical background. Ukrainians also felt that the United States was not taking Ukraine seriously. Our delegation brought this message back home with us, and, I believe that our visit and discussions will lead to a better understanding of Ukraine, and hence, a stronger basis of friendship between the United States and Ukraine.

In the last few months, Ukraine has been visited by Ambassador Strobe Talbot and by Secretary of Defense Les Aspin. Both have attempted to understand Ukraine's concerns, and to assure Ukraine of its importance to the United States. I especially want to commend Secretary Aspin for his proposal, forwarded to Ukrainian officials in meetings in Kiev earlier this month, to remove nuclear weapons from Ukraine's missiles and aircraft and place them under international supervision, on Ukrainian soil. This is an important issue for all concerned, and for the entire world community. I am also encouraged that the administration is emphasizing the importance of broadening the focus of United States-Ukrianian relations from nuclear weapons to a wider set of issues.

United States policy, to be successful, must deal with Ukraine as the separate, distinct, and politically important country that it is, and to stress commitment to its territorial integrity. We need to expand our assistance programs in Ukraine. As the report accompanying the recently passed International Relations Act of 1993 notes, "The U.S. must initiate a larger, more effective assistance program for Ukraine that promotes political and economic reform and is specific to Ukraine."

A recent Washington Post article, "Reborn Ukraine Faces Growing Pains in Its Quest for Global Respect," by Steven Coll, effectively describes Ukraine's current situation and the challenges it faces as a newly independent state.

The article follows:

[From the Washington Post, June 20, 1993]

REBORN UKRAINE FACES GROWING PAINS IN ITS QUEST FOR GLOBAL RESPECT

(By Steve Coll)

KIEV, UKRAINE.—Independent Ukraine is a child of the former Soviet Union that few outside its borders expected and, arguably, even fewer wanted. It arrived 18 months ago into a radically changed world as a lost nation reborn—embryonic, laden with grievance, surrounded by historic enemies and possessed of more than 1,500 nuclear warheads.

Now that Ukraine is threatening to keep these weapons, it has attracted the world's attention after an interlude of what Ukrainian leaders term grievous neglect.

As a result of Ukraine's threats, the West—particularly the Clinton administration—is being forced to reckon directly for the first time with Ukraine's passionate attempt to create a peaceful, independent and militarily secure country on land where no such country has existed for the last 350 years.

But a central difficulty is that Ukrainian leaders have expressed growing hostility toward the United States because of perceived American coolness toward Ukrainian independence—even as Washington has dispatched a succession of high-level missions to Kiev aimed at broadening the U.S.-Ukrainian relationship.

Apart from its nuclear inheritance, independent Ukraine looms as a formidable player in post-Cold War political, economic and security arrangements. The country sits astride central Europe, has a population as large as France, is rich in agriculture and contains a large share of the former Soviet Union's military and industrial infrastructure.

Anatoly Sobchak, the liberal Russian mayor of St. Petersburg, once called Ukrainian independence "a land mine under the future of all mankind." Ukrainian President Leonid Kravchuk prefers to think of it as "the great idea," albeit one he embraced only late in his career as a Soviet communist ideologist. At the least, it is an idea that a reluctant, distracted post-Cold War America is now trying to influence.

Yet Ukraine is far from realizing its potential, and the perceived perils ahead sometimes cause its leaders to offer apocalyptic assessments of their country's potential future, should "the great idea" of Ukrainian statehood fail, as it has twice before in this century.

"Our failure to survive would be coupled with conflicts, large-scale conflicts, confrontation between great forces, as it happened in Yugoslavia," Kravchuk said in an interview. "This might become a serious problem for the whole world. . . . A lot of human lives would be lost."

Ukraine's unexpected rebirth has in some respects flummoxed the West. As recently as August 1991, then-President George Bush wished publicly that Ukrainian independence would just go away. In what columnist William Safire dubbed his "Chicken Kiev" speech, Bush urged Ukrainians to remain part of the former Soviet Union, warming against the pursuit of "suicidal nationalism."

Bush's phrase partly reflected Ukraine's terrible and bloody history. In the 20th century alone, 13 million people have died violently on the land wedged between Europe and Russia that is now independent Ukraine. The victims were starved to death in a forced political famine, slaughtered in several wars, murdered in ethnic and antisemitic pogroms, executed by Stalinist firing squads and exterminated in Nazi death camps.

Ukrainian leaders, however, have interpreted their history not as a cautionary tale, but as a call to arms.

In the last brief interlude of genuine Ukranian independence, between 1917 and 1921, Ukraine's idealistic leaders failed to build an army—and were promptly overwhelmed by pro-Russian Bolsheviks, at what turned out to be an enormous future cost in Ukranian lives and freedom.

That experience is a driving force of Ukranian nation-building today, nationalist politicians and intellectual say. One lesson learned is that the state must first and foremost be defined as a body of armed men. A second lesson is eternal vigilance against Russia. Thus Ukraine's main priority since independence in December 1991 has not been economic or constitutional reform but the creation of the most potent and loyal military possible—a process in which the disposition of nuclear weapons plays a key part.

"Fundamentally, in our relations with Russia, that is where our fate will be determined," said Dmytro Pavlychko, chairman of the Ukrainian parliament's commission on foreign affairs. "And there we must take care of ourselves."

Measured against this intent, Ukrainian leaders feel they have succeeded well. They have lured home ethnic Ukrainian deserters from far-flung former Soviet army outposts. They have established panels to quiz ethnic Russian officers on Ukrainian language and history and have quietly shipped out more than 2,000 such Russian officers deemed to have failed their loyalty exams. They have engaged in detailed negotiations with Moscow for the division of prized former Soviet military assets.

But the specter of conflict with Russia still haunts Ukraine's government. Russian officials have made frequent and sometimes public comments about the inevitability of Ukraine's return to the Russian fold, and Ukrainian leaders worry that Russia's political class largely sees independent Ukraine as a temporary misunderstanding.

Moreover, Russia has refused to sign a treaty recognizing Ukraine's independence

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

and present borders if it leaves the Commonwealth of Independent States. Nor has Russia relinquished claims to the Crimea, the disputed peninsula ceded to Ukraine during the Soviet era.

"Most Russians think Ukraine is a toy town character, with the biggest expense being on cans of blue and yellow paint," said British analyst Neil Malcolm. "Ukrainian independence is regarded [in Russia] as a kind of phantom phenomenon that can't last."

In addition, Ukrainian officials complain vehemently that during and after the Soviet Union's collapse, the United States tacitly accepted Russia's tentative view of Ukrainian independence, and they say they doubt Washington is committed in any meaningful way to a long-lived independent Ukrainian existence.

A year ago, Ukrainian politicians hinted with relative timidity that they would be grateful for some form of U.S. security guarantees against Russia. Now several Ukrainian leaders say privately but adamantly that no matter what Washington promises in the form of such guarantees, they will be hard pressed to believe in them.

Some U.S. officials admit candidly to having botched the Ukrainian situation, at least until the most recent Clinton administration initiatives. A few even plead guilty to Ukraine's central charge—that the United States has so far signaled, in effect, that it will not respond vigorously if Russia seeks to retake Ukraine.

"Our policy was not to get involved in bilateral issues [between Ukraine and Russia], but the Russians were throwing the gauntlet down to the Ukrainians and we didn't say anything," said a U.S. official. "You can see a lot of things the Ukrainians are validly concerned about."

But does the United States really have a national interest in Ukrainian independence?

A few analysts, including Zbigniew Brzezinski, President Jimmy Carter's national security adviser, advocate promoting a strong Ukraine as a means of containing Russia's post-Cold War ambitions. But most U.S. policy makers emphasize support for a democratic, stable, free-market Russia as the best way to tame the historic Russian bear. And that approach only feeds Ukraine's insecurities.

Both sides in the American debate agree the United States has a national interest in preventing military conflict between Ukraine and Russia. But again, the emphasis from Washington has been on cooperation pacts and a balanced approach, not on hard security guarantees for Ukraine. Such guarantees would inflame Russian nationalists, among other things.

To Ukrainian leaders, all this sounds like impotent American confusion.

"They don't have a concept at all—not just as to Ukraine, but to Russia and all the countries of the former Soviet Union," said Pavlychko, referring with disgust to his latest talks with U.S. officials. "Right now all they are doing is looking at the largest beast [Russia] and throwing scraps at him."

The West's primary argument to Ukraine today is that Kiev is in danger of learning the wrong lessons from history. In the new world order, this argument goes, national security rests as much on economic strength and vitality as on military clout. And in this respect, Ukraine is failing badly.

Ukraine's economic output fell 20 percent last year, according to Western estimates. Inflation is running at about 25 percent to 30 percent per month. Energy supplies are short and likely to get shorter if Russia fulfills its recently announced plan to raise all oil prices to world levels. Privatization of Ukraine's massive, inefficient heavy industry and military-industrial complex has barely begun.

Yet despite growing recognition in Kiev of the urgent need for radical economic reform, the Ukrainian government has remained deadlocked.

Opposition leaders blame Kravchuk, along with former hard-line Communist allies in parliament and recalcitrant sections of the vast Ukrainian military-industrial complex, which made as much as one-third of the hardware for the Soviet military.

"Ukraine as a republic has no Yeltsin," lamented opposition legislator Serhii Holovatyi. The result, he said, is flagging commitment to Ukrainian independence, especially among the country's ethnic Russian population of 11 million, situated mainly in Ukraine's heavily industrialized east.

Yet the nominally liberal Ukrainian opposition has not pushed very hard for radical change, either. "I have an internal conflict when I do this," conceded opposition leader Vyacheslav Chornovil, a longtime political prisoner under Soviet communism, referring to his generally cordial relations with his onetime tormentor, Kravchuk. Yet it is essential to "build an independent Ukraine" by avoiding domestic conflicts, he said.

For his part, Kravchuk evokes fears that "rash steps can result in upheaval, and then there will be no reform at all." Better to move slowly under his own authoritarian leadership, he argued, "strictly along the center line."

EARLY INJUSTICE BREEDS INTOLERANCE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. JACOBS. Mr. Speaker, Jennifer Prediger, as can be seen by the following, is not only an eloquent writer, but a gifted social commentator.

EARLY INJUSTICE BREEDS INTOLERANCE

(By Jennifer Prediger)

Children are greatly influenced by what they see. In American society one of the most powerful influences is the media. Early in life American children are introduced to the fantasy world of cartoons. However as American society becomes more of a mosaic of different cultures and beliefs, the fairness with which different groups are portrayed in cartoons becomes an issue.

In general, cartoons have not portrayed a diverse view of different races. Warner Brother's character, "Speedy Gonzalez" is an example of the stereotypes seen in many cartoons. Gonzalez is a rodent with an exaggerated Mexican accent who always has a taco in hand. Disney has also been guilty of feeding stereotypes to children in its portrayal of many characters. In the movie "Oliver and Company" large ebony Doberman pincers are given characteristics typically associated with African-Americans. They speak in slang, and are named after Cadillacs. In the cartoon "Tom and Jerry" the maid is always depicted as a robust, black woman.

In general, the main characters of cartoons are white, wealthy males. Women who have key roles in cartoons usually fit the same social and racial criteria. African-Americans. Asians, Latinos, and Native Americans are seen as subservients to white males and are often portrayed as barbaric neanderthals. Frequently, Native Americans are shown with tomahawks and headdresses participating in what is assumed to be tribal ritual. Oftentimes Asians are also portrayed in an unflattering light. The stereotypical views of different races that are often shown in cartoons are damaging to children because these images often provide them with their first glimpse of different cultures.

At Jefferson High School in Portland, Oregon, Linda Christensen teaches a course that exposes the racism and sexism present in cartoons. Her students watch numerous cartoons in class and afterwards do a series of follow-up charts. They critique the amount of sexism and racism in a particular cartoon. Several Jefferson seniors put together a pamphlet which rates cartoon on a grading scale of "A"-"F." The students have also developed a checklist which informs parents on what to look for in cartoon to decide whether or not the imagery is positive or potentially damaging to the child's view of different cultures.

As American society becomes more multicultural, there are more diverse cartoons being developed. In order for all cultures to be appreciated, images of all ethicities must be portrayed fairly.

THE HOUSING PROGRAMS EXTENSION ACT OF 1993

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. GONZALEZ. Mr. Speaker, today I join with Congresswoman MARGE ROUKEMA in introducing the Housing Programs Extension Act of 1993, legislation that is necessary to continue the existence of several important and useful housing programs, and to provide a critically needed extension of commitment authority for the Federal Housing Administration [FHA] insurance program and the Government National Mortgage Association [GNMA] mortgage backed securities program.

The bill first extends the existence of the National Commission on Manufactured Housing for an additional year, from October 1, 1993 to September 30, 1994. The bill also gives the National Commission additional time to issue its final report, and requires that it issue an interim report. The National Commission on Manufactured Housing was authorized in 1990 by the Cranston-Gonzalez National Affordable Housing Act to study and develop recommendations for modernizing the National Manufactured Housing and Safety Standards Act of 1974, and current construction and regulatory standards applicable to manufactured—or mobile—housing. The work of the National Commission is needed to insure that effective Federal statutory and regulatory mechanisms are in place to protect the health and safety of current owners and future purchasers of manufactured housing. This bill, by giving the National Commission additional time to do its work, will help in attaining this objective.

Next, the bill extends a requirement, which expired on June 15, 1993, for reciprocity for housing subdivision mortgage approvals, between the Department of Housing and Urban Development [HUD] and the Department of Veterans Affairs [VA], thereby continuing the current streamlined process for such approvals. The bill provides for the continuation of a current statutory requirement that has been extended by Congress at various points in the past, the last time in the Housing and Community Development Act of 1992. Specifically, this provision extends from June 15, 1993, to September 30, 1994, the requirement that HUD consider a VA certificate of reasonable value on one or more properties in a housing subdivision to be an administrative approval for the entire subdivision. The bill also gives limited retroactive effect to this extension to cover administrative approvals made after June 15, 1993, but before enactment of this legislation.

Finally, the bill increases the fiscal year 1993 commitment authority for the FHA to insure mortgages, and for GNMA to guarantee mortgage backed securities. With regard to the FHA, HUD has informed the Subcommittee on Housing and Community Development that their commitment authority will be reached well before the end of the fiscal year. HUD has warned that it would be unable to process any additional commitments for mortgage insurance under the single family program, whether for refinancing or for home purchases, if the authority is not increased. As for GNMA, HUD has estimated that it's commitment authority will also be reached before the end of the fiscal year. HUD attributes the increased activity with regard to GNMA to increased mortgage refinancing activity and new home sales. HUD has stated that the lack of additional commitment authority for GNMA would mean that mortgage-backed insurance activity would halt completely, thereby seriously reducing the availability of mortgage credit.

This bill specifically increases the commitment authority for the FHA from $65.1 billion to $92.1 billion in fiscal year 1993. For GNMA, the bill increases the commitment authority from $88 billion to $107.7 billion in fiscal year 1993. I would like to emphasize that this is an authorization provision. I understand that the Appropriations Committee will soon be addressing this issue in the upcoming conference on the fiscal year 1993 supplemental appropriations bill.

All of the extensions and authorizations provided by this legislation are needed and worthwhile. It is my hope, therefore, that this legislation will be considered in a quick and thorough manner.

SUMMARY OF THE HOUSING PROGRAMS EXTENSION ACT OF 1993

NATIONAL COMMISSION ON MANUFACTURED HOUSING

This provision extends the termination date for the National Commission on Manufactured Housing from October 1, 1993, to September 30, 1994. In addition, the provision requires the Commission to issue an interim report on its activities, and any evaluations and recommendations, on March 1, 1994, and extends the date for issuance of the Commission's final report to August 1, 1994. Finally, the provision authorizes to be appropriated for the Commission, for FY 1994, such sums as may be necessary. The Commission was authorized by the Cranston-Gonzalez National Affordable Housing Act to develop recommendations for modernizing the National Manufactured Housing Construction and Safety Standards Act of 1974.

RECIPROCITY IN APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES

This provision will extend the current requirement for reciprocity among the federal agencies for housing subdivision approvals, thereby continuing the current streamlined process for subdivision approvals. Specifically, this provision extends from June 15, 1993, to September 30, 1994, the requirement that the Department of Housing and Urban Development consider a Department of Veterans Affairs' certificate of reasonable value on one or more properties in a housing subdivision to be an administrative approval for the entire subdivision. This provision also gives retroactive effect to this extension, by considering any administrative approval of a subdivision made after June 15, 1993, but before enactment of this Act, to be approved and lawfully made, provided it is otherwise in compliance with existing law.

FHA INSURANCE AUTHORITY

This provision increases the FY 1993 commitment authority of the Federal Housing Administration (FHA) to insure mortgages from $65,905,824,960 to $92,146,000,000. HUD has projected that the current FHA commitment authority limit for FY 1993 will be reached before the end of the fiscal year.

GNMA GUARANTEE AUTHORITY

This provision increases the FY 1993 commitment authority of the Government National Mortgage Association (GNMA) to guarantee mortgage backed securities from $88,000,000,000 to $107,700,000,000. HUD has projected that the current GNMA commitment authority limit for FY 1993 will be reached before the end of the fiscal year.

SECTION-BY-SECTION SUMMARY OF THE HOUSING PROGRAMS EXTENSION ACT OF 1993

SEC. 1. SHORT TITLE

Provides that this Act is to be cited as the "Housing Programs Extension Act of 1993."

SEC. 2. NATIONAL COMMISSION ON MANUFACTURED HOUSING

Amends Section 943(g) of the Cranston-Gonzalez National Affordable Housing Act, by extending the termination date for the National Commission on Manufactured Housing (National Commission) from October 1, 1993, to September 30, 1994.

Amends Section 943(d) of the Cranston-Gonzalez National Affordable Housing Act to extend the date for issuance of the National Commission's final report, from "9 months after the Commission is established" to August 1, 1994.

Amends Section 943(d) of the Cranston-Gonzalez National Affordable Housing Act to require the National Commission to submit an interim report, by March 1, 1994, to the Secretary of Housing and Urban Development and Congress, specifying the activities, and any evaluations and recommendations of the National Commission.

Amends Section 943(f) of the Cranston-Gonzalez National Affordable Housing Act, by authorizing to be appropriated for the National Commission, for fiscal year 1994, such sums as may be necessary.

SEC. 3. RECIPROCITY IN APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES

Amends Section 535(b) of the Housing Act of 1949 to extend from June 15, 1993, to September 30, 1994, the requirement that the Secretary of the Department of Housing and Urban Development consider the issuance by the Secretary of Veterans Affairs of a certificate of reasonable value on one or more properties in a housing subdivision to be an administrative approval for the entire subdivision.

Provides that any administrative approval of any subdivision made after June 15, 1993, but before enactment of this Act, is to be considered approved and lawfully made, provided it is in accordance with the other provisions of Section 535(b) of the Housing Act of 1949.

SEC. 4. FHA INSURANCE AUTHORITY

Amends Section 531(b) of the National Housing Act to increase the limit on the fiscal year 1993 aggregate mortgage insurance authority of the Federal Housing Administration (FHA) from $65,905,824,960 to $92,146,000,000.

SEC. 5. GNMA GUARANTEE AUTHORITY

Amends Section 306(g)(2) of the National Housing Act in increase the limit on the fiscal year 1993 aggregate mortgage-backed guarantee authority of the Government National Mortgage Association (GNMA) from $88,000,000,000 to $107,700,000,000.

TRIBUTE TO ROMAN PUCINSKI

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. RUSH. Mr. Speaker, I rise today to pay tribute to a pillar of Chicago politics. Our former colleague here in Congress and my former colleague in the Chicago City Council, Roman Pucinski, is retiring from public life.

Roman Pucinski has spent a lifetime in service to the people of this country. His public service career began when he enlisted to serve in the Second World War in 1940. He went on to lead the first B-29 bombing raid over Tokyo in 1944. He received a Distinguished Flying Cross and an Air Medal with clusters for his service. Beginning with his election in 1958, Mr. Pucinski served 14 distinguished years representing the people of Chicago in Congress. Upon his retirement from Congress, Mr. Pucinski's service to the people of Chicago was far from over. He returned to his roots in Chicago becoming a city council alderman in 1973. He had a distinguished career representing the people of the 41st ward in the city council for the next 18 years.

Roman Pucinski's retirement from public life is a great loss to the people of Chicago and the Nation. However, we must be grateful that such a great man dedicated himself to serving the public good throughout his life. On behalf of Congress, the people of Chicago, and the people of this Nation, I want to thank Roman Pucinski for all his years of public service.

EXPLANATION OF VOTE

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. LAZIO. Mr. Speaker, subsequent to our vote of June 24, 1993, I would like to explain my opposition to authorizing funds for the superconducting super collider [SSC]. This project, while scientifically meritorious, is just too expensive given our current balance sheet. Congress must finally face the reality that our financial resources are not infinite, and that we can continue deficit spending only at a real cost to our future welfare.

The questionable management and financing of the SSC does not warrant its $11 billion price tag. The administration's plan to stretch out the financing and construction of the SSC has dramatically increased its final cost. Such a strategy may ease the budgetary pain in the short term, but, for the long term, we simply do not know that those dollars—taxpayer dollars—will yield the greatest return if invested in the SSC. The time has passed—temporarily, we hope—that allowed us the luxury of sponsoring all the desirable, big-ticket science projects, however well-intentioned or noble.

It is also difficult to justify the expense of this supposedly, international scientific effort when the promise of foreign contributions remain unfulfilled. Supporters speak continually of the $1.6 billion in foreign investments, of which we have received only $65 million.

Fairness must also be a consideration in economic times such as these. The superconducting super collider has an average cost of $310,000 per researcher. For the price of one SSC scientist, the National Science Foundation could provide grants for 18 scientists involved in smaller research projects. Small science should not be shortchanged.

Voting against the SSC is not a vote against science. It is a vote for fairness and fiscal responsibility.

TRIBUTE TO CARTER G. WOODSON

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. RAHALL. Mr. Speaker, it is with great pride and extreme pleasure that I come forth today to acknowledge the late Mr. Carter G. Woodson, a celebrated African-American who devoted his life to the education and advancement of African-American history.

The son of a former slave, Woodson was a man of great knowledge with deep love for his heritage. Born on December 19, 1875, in New Canton, VA, Woodson moved to Huntington, WV, with his family when he was a boy. After graduating from Douglass High, a school for African-Americans, he continued his education at Berea College, the University of Chicago, and the Sorbonne. Woodson later graduated from Harvard University and became the second African-American to receive a doctoral degree from this distinguished institution.

Upon graduation at Berea College, Woodson returned to Huntington to serve as principal of his high school alma mater. Later, he again came back to the Mountain State to act as dean of West Virginia State College in Charleston, where he was instrumental in the school's advancement.

Known as the "father" of African-American history, Woodson was a remarkable scholar as well as a man of great experience and many accomplishments. With a great desire to learn and help others learn, he spent the majority of his time, from 1922 on, gathering and disseminating materials on African-Americans. With a mind full of new ideas, he founded both the Association for the Study of Negro Life and History and the Journal of Negro History and Associated Publishers, which published books about African-American history. Most notably, Woodson organized the first Negro History Week in 1916, which evolved into what is now known as Black History Month.

Since his death on April 3, 1950, Woodson has been nationaly recognized for his achievements. He has been featured on a U.S. postage stamp and has had libraries and schools throughout the Nation named for him. The Carter G. Woodson Foundation, which was created a few years ago, has established scholarships in Woodson's name and has set up a bibliographic center for books by and about him. Also, a life-size bronze statue of Woodson, which will stand in a small park near the former Douglass High School, is in the final stages of development.

I am sure that you will agree, Mr. Speaker, that Carter G. Woodson should be honored for his accomplishments. It is apparent that he was a man of great wisdom with many hopes and dreams for his fellow African-Americans. His numerous contributions to African-American history cannot go unnoticed. He is truly an inspiration to all.

TRIBUTE TO LAMONT "ALI" HACKETT

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. BLACKWELL. Mr. Speaker, I rise today on the floor of the U.S. House of Representatives to pay tribute to Mr. Lamont "Ali" Hackett. Mr. Hackett is an outstanding gentleman who has faithfully dedicated the past 20 years to helping others.

Throughout the city of Philadelphia, Mr. Hackett is well known for his ability to serve the community in a number of capacities. As a radio personality, community activist, singer, Golden Gloves Boxing Champion, and humanitarian, Lamont "Ali" Hackett has truly served the city of Philadelphia well.

As a disc jockey on Philadelphia's famous WHAT–AM radio, he has entertained a host of individuals throughout Philadelphia and the entire Delaware Valley area. The famous "Oldies But Goodies" music featured on his radio show has certainly made him a celebrated Philadelphia personality.

One of Mr. Hackett's most interesting qualities is his inspiring commitment to children. In addition, he has tirelessly worked to uplift the standard of living of underprivileged children in both Chester and Philadelphia, PA.

Also, Mr. Speaker, "Ali" Hackett must be commended because he has been a valiant leader in the struggle to end gang-related violence. He has worked with the Old Head's Association as a volunteer helping to redirect the lives of young Philadelphians who have been involved in gang activities.

Mr. Speaker, I am proud to stand here today to honor this great man. He is an exceptional individual who has set a fine example for both children and adults to emulate. I ask my colleagues to join me in applauding Lamont "Ali" Hackett for his 20 years of dedicated service to his community.

KEMP'S GAME PLAN FOR GOP TRIUMPH

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. GINGRICH. Mr. Speaker, on June 17, 1993, there was an article in the Washington Times, entitled "Kemp's Game Plan for GOP Triumph." I think that Cal Thomas made some excellent observations about what the Republican Party and Jack Kemp stand for. I would like for all of my colleagues to take some time to read this article and examine Jack's game plan to improve the future of our great country.

> Jack Kemp believes the Clinton presidency is providing Republicans with an unexpected opportunity to take back the White House and the Senate and make substantial inroads in the Democratic majority in the House. The trick is not to blow it by allowing the party to fragment over social vs. economic issues.
>
> Mr. Kemp has been criticized for overemphasizing economics while downplaying more divisive social issues such as abortion and gay rights. The rap on Mr. Kemp was summarized recently by conservative activist Paul Weyrich: "The problem is that he does not believe that there are any enemies. . . . He doesn't believe there are any evil forces."
>
> Mr. Kemp does believe in enemies and evil forces, but he also believes the way Republicans have chosen to overcome them are less effective than they once were. He wants to hold to principle while changing tactics. Mr. Kemp thinks applying the rhetoric of the 1980s to the 1990s will harm the GOP's chance to regain not only control of government, but also control of the economic and social agenda.
>
> Mr. Kemp sees "social issues" as a seamless garment that ought not to be limited to abortion and gay rights. "Education is a social issue," he tells me. "So (are) poverty, drugs, crime, teen pregnancy—these bother a lot of liberals and Democrats as well as conservatives and Republicans."
>
> Mr. Kemp believes that the way he speaks about these subjects is as important as the positions he takes. "It's important to express it in a way in which you're not portrayed as uncivil or insensitive or judgmental or mean-spirited," he says. "It doesn't mean you're tolerant of evil. You can be intolerant of evil and still be tolerant of the plight of a person or family."
>
> The former nine-term congressman and one-term secretary of housing and urban development seeks a new way to address the abortion issue without compromising principle. Mr. Kemp would start at the fringes and work inward, restricting abortion in the third trimester, requiring parents to be notified before their minor child has an abortion, prohibiting federal funding of the operation, promoting adoption (a daughter and son-in-law recently adopted a child) and doing whatever is necessary to reduce the high

number of abortions, now averaging 1.6 million per year.

But Mr. Kemp believes Republicans will not be able to ride back into power on the single horse of social issues. They must be accompanied by a principled pragmatism that welcomes other riders, whether or not they pass an ideological litmus test.

"Bill Clinton persists in going down a moral, intellectual and economic cul de sac," he says. "It's more than the 'nanny state' he's trying to create. He wants government to be the mother, father, banker, investor and credit allocator. This is the most massive expansion of government in the life of the average individual in at least 50 years, perhaps in this century."

Mr. Kemp believes Mr. Clinton's lifelong goal was to be president, and now that he is, he doesn't have a clear agenda of what to do. "Hillary wants to do something," he says. "She has a clearer agenda than he does."

Mr. Kemp believes it is possible—in fact imperative—to marry economic and moral issues. In a speech last week to a group of Protestant, Catholic and Jewish leaders, who had authored the position paper "Call to the Common Ground for the Common Good," Mr. Kemp was forceful on the social issues. His manner was persuasive, not confrontational. He called the debate within the Republican Party between economic growth and cultural renewal a false choice: "The ideas are mutually reinforcing and interdependent. In fact, the very word 'economics' originally meant the study of the family and the home, not the distribution of material goods."

Democratic capitalism can succeed, he told them, "only on a foundation of strong moral principles. Investment is impossible without the virtue of self-denial and a willingness to postpone instant gratification: savings requires the faith to think in terms of the future rather than the present. Risk-taking and entrepreneurship are only undertaken with a self-confidence that comes by building moral character. Freedom itself depends on an individual sense of responsibility to oneself and one's family."

If Jack Kemp has moved, it's not away from any core beliefs or values. It is toward an effective way of expressing them and using them to restore his party to power.

If Mr. Kemp is successful, he might re-establish the dispersed Reagan coalition, and his party could win congressional seats next year. If so, Mr. Kemp will be well-positioned to take his enthusiasm and his agenda—which he might call (with apologies to ABC News) an American Agenda—into the White House in '96. It's quite a task, but quarterbacks are used to big challenges.

RECOGNITION OF THE C-17 AND THE SOUTHERN CALIFORNIA AEROSPACE INDUSTRY WORKERS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. LEWIS of California. Mr. Speaker, on June 14, 1993, at 10:58 a.m., the first operational C–17, with the Chief of Staff of the Air Force, Gen. Merrill McPeak at the controls, touched down on the runway at Charleston Air Force Base, SC, ushering in a new era of airlift capability for the United States. With the delivery of P–6, the sixth production C–17 Globemaster III, comes a quantum advance in America's ability to move large quantities of war fighting or humanitarian forces and supplies from the United States to small austere airfields. No other airlift aircraft in the United States arsenal of airlift will be able to move 160,000 pounds of troops and their equipment, 2,400 nautical miles without air refueling, and landing on a runway less than 3,000 feet long.

This magnificent contribution to America's "global reach" capability could not have been possible without the tireless and skilled dedication of the more than 8,000 aerospace industry workers living and contributing to the economic and community life in southern California. From the assembly workers on the floor of the main manufacturing plant in Long Beach to those who will be involved with the landing demonstrations at Twenty-nine Palms about a year from now, everyone of these fine Californians can be proud of the hand each had in making the C–17 a reality today and providing the Nation a new generation of airlifter for the force projection needs of the 21st century.

The complexion of conflict has changed over the course of these last few years. From now on, getting forces quickly from the forts in the United States to the foxholes in distant lands or humanitarian aid to those in need will be the challenge. The C–17, the Air Mobility Command's core airlifter and replacement for the ailing C–141, will be leading the way, and making sure that C–17's will be produced and delivered to meet that challenge will be the aerospace industry professionals in southern California.

INTRODUCTION OF THE SOCIAL SECURITY TRUST FUNDS INTEGRITY ACT OF 1993

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. SOLOMON. Mr. Speaker, last week, I introduced H.R. 2512, the Social Security Trust Funds Integrity Act of 1993.

This bill would restore the integrity of the trust funds by establishing a bipartisan Board of Trustees to administer and invest the funds, essentially preventing the Federal Government from using the funds to pay for new programs.

Currently, the Secretary of the Treasury, who serves at the pleasure of the President and is therefore subject to political pressures, can dip into those funds and spend them any way he sees fit. I would not only like to spare him this temptation, but absolutely prohibit these funds from being used for any purpose other than to benefit Social Security recipients.

Specifically, my bill would establish a Board of Trustees chaired by a Managing Trustee. These Trustees would be formally appointed by the President at the recommendation of several Members within the House and Senate and the five largest organizations representing seniors organizations. The Trustees would be subject to term limits.

These funds belong to the people who contributed to them, not the Federal Government. Beneficiaries have a right to see that their money is managed in their best interests, not political interests. There should be a separate and distinct wall between the funds and the big-spending liberals here in Congress.

Mr. Speaker, I encourage every Member of this House to support my bill.

INTRODUCTION OF SOCIAL SECURITY BILLS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. HUGHES. Mr. Speaker, today I, along with Congresswoman LOWEY, have introduced a package of Social Security bills that will help one of the most economically disadvantaged group in our country.

While, the economic circumstances of many older people have improved over the years there has also been increasing concern about those aged whose situations continue to deteriorate. Numerous studies have now documented the fact that aged poverty is increasingly concentrated among widowed, divorced, and disabled older women. Presently, about 75 percent of the elderly who live in poverty are women. In the year 2020, nearly all of the elderly living in poverty will be women and their numbers are not expected to decrease.

It is because of statistics like these that I have been working to improve the economic status for all older women. Over the past 4 years, in my position as the former chairman of the Select Committee on Aging's Subcommittee on Retirement Income, I have gathered troubling data and testimony which reveals that income security during retirement will elude a substantial proportion of older women, both now and in the future.

According to the 1990 census, one in four persons aged 65 and over have annual incomes of $9,500 or less. For many older women in particular, the situation is even worse. Half of all elderly women living alone have incomes of less than $9,500 per year. During old age, the risk of being poor is 70-percent greater for a woman than it is for a man. While there are a number of factors for this disparity, but the main problem is an outdated retirement system and I believe, that there is a serious need to improve the overall nature of this system soon, or millions of women will become destitute in old age as the baby boom generation retires.

When measuring whether the Social Security System is adequate and equitable, I am greatly concerned that although our mothers, wives, and daughters are spending more time in the labor force, poverty among older women is projected to continue to grow well into the next century. The figures speak for themselves. A widowed woman is four times more likely, and a single or divorced woman five times more likely, to live in poverty after retirement than married women. Furthermore, older women are almost twice as likely as older men to have Social Security benefits as their only source of income.

This legislation takes an important first step toward addressing some of the inequities and inadequacies of the Social Security program.

Furthermore, it also recognizes the changing nature of the American workforce and the increasing role which women are playing in our economy. This package of legislation consists of:

Eliminating the 7-year waiting requirement for disabled widows.—This requires that a widow's disability have its onset within 7 years of the wage earner's death. The original rationale for this rule was that the widows should be able to earn their own worker benefits after 7 years. However, increased work force participation requirements to qualify for benefits means that widows in their late fifties could work every day after widowhood past the 7-year eligibility period and still not accumulate a work history sufficient to provide their own disabled work benefits.

Eliminating the 50 year age requirement for disabled widows.—A widow of any age who is unable to do substantial gainful activity needs the protection of Social Security. Unfortunately, she is not eligible under current law until age 50. When the concept of benefits for disabled widows was introduced in the Congress, the potential number of beneficiaries was unknown. To get some coverage for disabled widows into law, but also protect the system from an influx of beneficiaries, it was agreed that age 50 would be a temporary limit and the issue would be revisited when the program had stabilized. That was 1967.

Eliminating the 2 year waiting period for divorced spouses over age 62.—A divorced person age 62 and over can receive Social Security upon divorce if the former spouse is drawing Social Security, but must wait 2 years if the former spouse is still in the workforce. This 2 year waiting period can be a time of great deprivation with no alternative options available to her.

Working widows who delay receiving benefits should be given delayed retirement credits [DRC's] in addition to widow benefits.—Though an employed widow over age 65 is accumulating DRC's on her own work record, these will most likely be lost once she retires, since at that time she will draw the higher of her widow benefits on her own earnings record.

Projections indicate that unless we take action now, by the year 2020 more than 2 out of 5 women who live alone during retirement will have incomes below 150 percent of the poverty level and we cannot allow this to happen.

HAPPY ANNIVERSARY

HON. JACK KINGSTON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. KINGSTON. Mr. Speaker, I rise today to commemorate the 60th wedding anniversary of Wilbur Grove Smith, Sr., and Virginia Wingard Smith of Savannah, GA. They were married on August 14, 1933, in Savannah, and have resided there for the entire 60 years of their marriage. They were married at home and took a honeymoon cruise from the docks along the Savannah River waterfront, a tradition that has since disappeared from our beautiful city.

Mr. Smith is originally from Johnstown, PA, and Youngstown, OH. Mrs. Smith is a native of Savannah.

Mr. and Mrs. Smith have 4 children, 10 grandchildren, and 10 great-grandchildren. Mrs. Smith is a homemaker and mother, along with being very active in church and civic organizations. Mr. Smith is retired from service to the U.S. Postal Service. They are members of St. Paul's Lutheran Church in Savannah.

I ask that the House of Representatives join me today in recognizing this 60-year marriage. This lovely couple is to be congratulated and honored. I am sure their family and friends will also join me in wishing them a happy anniversary. I hope they will have many more glorious years together.

TRIBUTE TO THE CLASS OF 1943 GRADUATING NURSES FROM THE AUBURN CITY HOSPITAL

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. WALSH. Mr. Speaker, I rise today to honor the nurses graduating class of 1943 from the Auburn City Hospital, now known as Auburn Memorial Hospital, located in Auburn, NY. This wonderful facility opened its doors to the public for the first time on April 20, 1880. Seven years later it established a training school for nurses.

Those we honor today graduated 50 years ago. Many joined the military of this great Nation and served with distinction during World War II. Their loyalty, dedication and courage reflect favorably upon them and the chosen career they represent. When one speaks to the veterans of that era you hear nothing but praise for the nurses who did so much for so many during those difficult times.

I am proud to honor the class of 1943 from the Auburn City Hospital. They deserve the recognition and thanks of all Americans for their great contributions to this Nation. Congratulations to Mildred Driscoll, Jean Kulakowski, Jane Ragusa, Barbara Banfield, Jean LaDue, Betty Ross, Bessie Buser, Virginia Hewitt, Margaret DiFabian, Helen Phillips and Betsy Ukolowicz. You are very special people who give so much and expect so little in return.

On behalf of all your family members and friends, a "well done" from a grateful nation. May God bless each of you every day of your life.

CANCER TREATMENT EXPERTS CALL FOR CONTINUATION OF SPACE STATION FUNDING

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. ANDREWS of Texas. Mr. Speaker, as the debate on funding for the U.S. space station continues, I would like to bring to the attention of my colleagues testimony of two distinguished professors from the M.D. Anderson Cancer Center in Houston, delivered before the Subcommittee on Space. This testimony, given by Charles A. LeMaistre, M.D., and Neal Pellis, Ph.D., help to illustrate the important role that the space station will play in researchers' efforts to find the causes and cures of cancer and other deadly diseases.

President of the internationally esteemed M.D. Anderson Cancer Center, Dr. LeMaistre is also a professor of medicine and author of numerous articles on respiratory diseases, oncology, and the health risks of smoking. He is part president of the American Cancer Society, a frequent consultant to the National Institutes of Health, and chairperson or the NASA/NIH Joint Advisory Committee on Behavioral Research.

Dr. Pellis is associate professor in the department of surgical oncology at M.D. Anderson and holds adjunct professorships in the Department of Immunology and Graduate School of Biomedical Sciences at U.T. Healthy Science Center. A proficient lecturer, researcher, and author, Dr. Pellis has worked with NASA in researching the immunology of cancer and has performed experiments with NASA space shuttle missions.

These two men are not only experts in their disciplines, but they also have vast experience in the field of medical research in the low gravity environment of outer space. I hope that each of my colleagues will take the time to consider the points made by Drs. LeMaistre and Pellis, and I hope that they will help sway their opinions as we debate further the merits of our Nation's space program.

Their statements follow:

STATEMENT OF CHARLES A. LEMAISTRE, M.D., PRESIDENT, THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER

Chairman Hall and members of the Subcommittee, I am Dr. Charles LeMaistre, President of the University of Texas M.D. Anderson Cancer Center. I appreciate the invitation to visit with you again about matters that affect the lives of all Americans.

Since I met with you almost exactly a year ago, NASA and the National Institutes of Health signed an agreement to stimulate new opportunities in the biomedical and behavioral research community. I am pleased to report that the NASA-NIH Joint Advisory Committee formed through this agreement has held a productive first meeting to discuss ways we can ensure the maximum return on our investment in space-based biomedical research. As chairperson of this Joint Advisory Committee, I assure you we will strive to capitalize on the strengths of each agency and to be mutually beneficial.

These are especially challenging times as you in the Congress balance so many requests to fund programs that could improve the health and welfare for millions of Americans. One of the most promising new developments was the Biomedical Research in Space Act of 1992 (H.R. 3922), introduced last year by Chairman Hall and included in the NASA Reauthorization Act for Fiscal Year 1993. This recommendation was a big step in the right direction to facilitate transferring information acquired in space to solving critical problems on earth.

With this legislation now in law, we have new opportunities to seek earmarked funds for biomedical research in space. We cannot afford to lose the lead this country has in the space field. I was delighted to hear President Clinton's vow last week to "stay first in science and technology" and to "stay first in space" when he outlined his support for development of a modified Space Station.

Certainly, there are many examples of how research conducted in space has benefitted our health. I will mention only two areas that are vital to those of us in the cancer field:

(1) With the rapidly increasing depletion of the ozone layer, it is imperative that we monitor ultraviolet B radiation at the Earth's surface and from above. Scientists at M.D. Anderson are studying new ways to halt the rising epidemic of skin cancers—particularly the most serious form, melanoma—caused by excessive exposure to UV-B radiation.

New evidence also is accumulating about how chronic exposure to UV radiation can lead to reduced natural resistance to several forms of cancer and other major diseases. Animal research conducted at our institution and elsewhere suggest that prolonged UV radiation exposure plays a role in infectious diseases as well as cancer.

(2) We are all aware of studies showing serious health problems can result from humans living in isolation. Current and proposed studies in space will help us understand more about how our immune system works and what causes it to break down.

When I was here last June, I told you about one exciting experiment that M.D. Anderson would have on the Space Shuttle Endeavor. Today, I am pleased to introduce Dr. Neal Pellis, an immunologist and associate professor of surgery at M.D. Anderson, who designed the experiment. He will share with you the latest data gleaned from his group's project.

We both appreciate your time and interest. Doctor Pellis.

PERFORMANCE OF IMMUNE CELLS IN MICROGRAVITY

(By Neal R. Pellis, Ph.D., Associate Professor, Departments of Surgical Oncology and Immunology, University of Texas M.D. Anderson Cancer Center)

Mr. Chairman and Members of the Committee I am Neal R. Pellis an Associate Professor and Cancer Immunologist from the Department of Surgical Oncology at the University of Texas M.D. Anderson Cancer Center, Houston, Texas. I thank you for the opportunity to appear here and present some of the exciting findings in our immunological research using the resources available through NASA and the Johnson Space Center (Aaron Cohen, Director). My laboratory and staff investigate the immunology of cancers with the aim of providing immunologically based strategies for the treatment and prevention of cancer. I am here today to speak in support of the biomedical research conducted under the sponsorship of and in collaboration with NASA. The investigations include ground based studies, shuttle missions and, proposed long term manned missions.

MICROGRAVITY AND IMMUNOLOGY

Resistance to infectious disease and to cancer relies upon the ability of the immune cells to migrate through the tissues to afflicted sites and to attack the foreign invader. Passage through tissue requires that the immune cells "crawl" through the "cement" that binds the cells together. This "cement" called matrix is comprised of many proteins including a major constituent, collagen. Thus in cancer and in infection we seek ways to promote tissue invasion by immune cells called lymphocytes. On the other hand in organ transplantation, we attempt to minimize tissue invasion to protect transplanted organs from rejection. In autoimmune disease the immune system attacks an otherwise normal organ or tissue. In all three settings it is clinically advantageous to be able to control the movement of lymphocytes in tissue. Thus, in some instances lymphocyte invasion of tissue is desirable while in others it is detrimental.

For the past two years we have conducted experiments on the promotion of cancer invasion by the patients own immune cells. Our investigations at the M.D. Anderson Cancer Center are summarized as follows: (1) As the immune cells approach the region growing cancer cells they cease movement failing to reach and destroy their target, (2) Experiments on immune cells using a NASA Bioreactor microgravity simulator (referred to as RWV or STLV) showed a significant impairment in their ability to migrate through the collagen that holds the cells of many tissues together, (3) The NASA Bioreactor may be used as a tumor free test model to identify potential therapeutic agents that specifically target the defect involved in the loss of tissue invasiveness by immune cells and (4) The observation of failed lymphocyte performance in the Bioreactor simulation of microgravity was confirmed in experiments on two shuttle missions (STS-54 and STS-56). Until recently we believed that this property was unique to cancer, but the observations in the simulators and in true microgravity suggested otherwise. Thus both simulated and true microgravity provide unique opportunities to investigate the arrest of lymphocyte movements into tissue.

It is well established that long-term space travel results in impaired immunity, yet research has not identified the cause. The recent findings that immune cell movement is diminished substantially in simulated space conditions prompted investigations in true microgravity. On Shuttle flight STS-54 of January 13, 1993, white blood cells from four different donors flew into orbit suspended in collagen and then the test system was activated on board to determine if the impairment observed in the bioreactor was a true prediction of the occurrences in space. The results presently under analysis in our laboratory are consistent with the predictions of the bioreactor. A repeat of this experiment at shorter time intervals confirmed the original observations and strongly suggest that immune cells do not "walk" well in space.

Numerous avenues of investigation will emerge from these observations: (1) Biochemical analysis of the molecules involved in attachment of immune cells to the matrix and identification of the effect of microgravity on the locomotory apparatus with the lymphocyte, (2) Changes in gene expression in microgravity, and (3) The effects of microgravity on the matrix itself. All will be analyzed using the bioreactor to mimic the loss of cellular movement observed in cancer patients. In addition, we now believe that the loss of immune cell movement in microgravity may be instrumental in the decline of immunity in long term space travel. The latter will have greater significance when considering deep space missions.

SIGNIFICANCE

The implications of these experiments are far reaching in the investigation of the effects of microgravity and low shear environments on the function of the immune system. The bioreactor is now a ground based testing modality for agents that promote the invasion of tissue by immune cells. These agents may then be entered into preclinical trials in animal model systems. Furthermore, the availability of sustained true microgravity in Shuttle missions and on Space Station offers the prospect of conducting long term investigations at the level of the intact animal. Ground based bioreactors enable economic investigation at the cellular level. As yet there is no simulation for sustained periods that can accommodate animals or humans. Application of our findings as well as those of other investigators is critically dependent on the availability of long term space missions to enable basic studies of the effect of microgravity on immunity to infection and cancer, or organ transplant rejection, and on the progression of autoimmune disease. Short term investigations on earth and long term studies in space will reveal the critical aspects of immune cell biology that form the basis for programs to develop genuinely novel approaches to the treatment of human disease.

SUMMARY

In addition to the investigation presented herein there are other disciplines within biology that are emerging with novel findings. The initial investigation of the effect of microgravity on cells has opened a new area of tissue engineering and cell biology. The staff at Johnson Space Center has convened a "seed" group of nearly twenty scientists from throughout the USA with diverse interests in cell biology and a common interest, the application of microgravity to the propagation of normal cells, cancer cells, and the production of organized tissues. Among the investigations is the propagation of colon cancer (Dr. J.M. Jessup, Harvard) cells to tissue visible pieces that clinically resemble the original cancer. Cancers such as ovarian carcinoma, resistant to propagation by conventional technology, are more readily grown in the microgravity bioreactor (Dr. Jeanne Becker, Tampa, FL). Normal tissues such as cartilage, cardiac muscle, and pancreatic islets are presently in the process of propagation using altered gravity culture systems. These examples not only represent early potential for technology transfer but also are the beginnings of a new level of understanding in cell biology.

The expenditures sought for basic biomedical research, ground based investigations using technological developments to simulate gravitational changes, unmanned, and manned space missions leading to Shuttle and Space Station programs should be envisioned as novel strategy available to us in advancing our knowledge in biological science. They are our forays into the frontiers of engineering, technology, chemistry, physics, biology, medicine, behavioral science, as well as the unknowns of space and space travel.

HONORING MARK BROXMEYER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my constituents and the Jewish Institute for National Security Affairs [JINSA] to honor Mark Broxmeyer, one of JINSA's most dedicated members and its current vice president.

Mark Broxmeyer has, through his ceaseless efforts as a member of the board and vice president of JINSA, established a program that has effectively kept the American public informed about the necessity of an effective U.S. defense capability in the Middle East, as well as the important role Israel can play in supporting democratic initiatives in that part of the world.

Mr. Broxmeyer, a cofounder of Fairfield Properties, is a recognized leader in property management for both residential and commercial uses on Long Island. Of good heart and a most compassionate soul, Mr. Broxmeyer has blended his business acumen in providing employment opportunities and affordable housing. As a director of the Federal Home Loan Bank, a director of the Long Island Builders Institute, and chairman of the board of the Suffolk County Apartment House Council, Mark Broxmeyer effectively brought affordable, quality housing to neglected neighborhoods. In doing so, he has played a major role in invigorating the local economy.

The wide area of experience gained by Mr. Broxmeyer has guided him into addressing problems of major social concern. He has served as chairman of the KARITAS Foundation, raising over $300,000 for homeless and abused children, and was honored by United Cerebral Palsy as its "Man of the Year." In addition, he has served as Little League coach for the past 8 years.

Mr. Speaker, it is indeed unique that an individual uses his talents to benefit the community and its residents in such a wide field of endeavors, as Mark Broxmeyer has done. I ask all my colleagues in the House of Representatives to join me now in extending to him our appreciation and gratitude.

THE CONGRESSIONAL PAY FREEZE ACT OF 1993

HON. JON KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. KYL. Mr. Speaker, I rise today to introduce the Congressional Pay Freeze Act of 1993, a bill intended to send a very simple and straightforward message: No more pay raises for Members of Congress unless they have balanced the Federal budget first.

Mr. Speaker, the national debt is rising nearly $1 billion a day. That is about $41.7 million an hour; $694,000 a minute; $12,000 per second. The interest on that debt is eating us alive, and in just a few years will consume all personal income tax revenues.

Let me say that again. All personal income taxes will be required just to meet the interest on the debt in just a few years. Just interest. Nothing paid toward principle.

Taxing the American people into poverty is no solution. The only way to balance the Federal budget is to cut or freeze Government spending.

I introduced legislation 2 years ago and again earlier this year to cut House Members' annual pay by $15,000 and eliminate future cost-of-living adjustments [COLA's]. It is bottled up in committee.

If the leadership isn't willing to move that bill, then we at least ought to consider a pay freeze, and it is with that in mind that I offer this bill today. If Congress can't balance the budget, then Members of Congress should be the first to personally feel the pain of the financial burden they are passing on to future generations.

By the same token, if Congress can do its job responsibly, then it is reasonable that Members of Congress should have the opportunity to go to the American people and try to justify a pay raise.

Mr. Speaker, earlier this year, Congress voted to forgo the 1994 COLA. I invite my colleagues to cosponsor the Congressional Pay Freeze Act and establish the principle that congressional pay should be frozen until the budget is balanced.

I ask that the text of the bill be reprinted in the RECORD at this point:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Congressional Pay Freeze Act of 1993".

SEC. 2. PAY INCREASES NOT PERMITTED UNLESS THE BUDGET IS BALANCED.

(a) PAY INCREASES NOT PERMITTED.—Notwithstanding any other provision of law, the rate of pay for a Member of Congress may not be adjusted to reflect any increase scheduled to take effect in a fiscal year if total budget outlays of the Government for the preceding fiscal year exceeded total revenues of the Government for such preceding fiscal year, as determined under subsection (b).

(b) METHOD FOR DETERMINING IF THE BUDGET IS BALANCED.—Not later than 2 months after the end of each fiscal year, the Director of the Office of Management and Budget shall—

(1) determine whether total budget outlays of the Government for such fiscal year exceeded total revenues of the Government for such fiscal year and, if so, the amount by which the former exceeded the latter; and

(2) submit a written report to the Congress as to its findings under this subsection.

(c) DEFINITION.—For the purpose of this Act, the term "Member of Congress" means an individual serving in a position referred to in section 601(a)(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(1)).

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—This Act—

(1) shall become effective as of—

(A) the 30th day after the date of the enactment of this Act; or

(B) if implementation of this Act based on the date under paragraph (1) is held to be unconstitutional, the first day of the first Congress as of which this section may constitutionally be given effect; and

(2) shall apply with respect to any pay adjustment scheduled to take effect on or after the effective date of this Act.

(b) INITIAL DETERMINATION.—The Director of the Office of Management and Budget shall, not later than 2 months after the date of the enactment of this Act, carry out the requirements of section 2(b) with respect to the last fiscal year ending before the effective date of this Act.

A 25TH ANNIVERSARY TRIBUTE TO THE YUCAIPA ELKS LODGE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention a very special celebration taking place in early August when the Yucaipa Elks Lodge marks its 25th year of service to its members and our community.

The Yucaipa Elks Lodge was chartered on August 6, 1968, at 4th Street and Yucaipa Boulevard over the Food Fair Market in Yucaipa. Of the 106 charter members of the lodge, 22 are still living and participating in its many activities. The lodge's second location was the Old Christian Church on California Street between First and Second Streets, now the location of Grenlunos Restaurant and Candy Store. In 1976, the lodge purchased the two-story Grange Hall at the corner of Second and Adams Streets where the Elks make their home today.

The Yucaipa Elks Lodge today has 398 members who play an active role in and provide a great many services to the community. Each year, the Yucaipa Elks sponsor an "Essay on America" contest for 8- to 13-year-olds and Flag Day observance to promote patriotism. The lodge also sponsors Cub Scout and Girl Scout packs, scholarships for graduating seniors, public bingo, a "Young at Heart" dance, and a "Hoop Shoot" basketball tournament. In addition the Elks also play an important role in the lives of our veterans providing transportation each month from the Pettis Veterans Hospital for dinner.

The Elks have established themselves as among the most outstanding service organizations in the country with over 2,000 active lodges. Founded in 1868, the Elks serve as a patriotic American fraternal organization with its guiding principles being brotherly love, justice, charity, and fidelity.

Mr. Speaker, I ask that you join me, our colleagues, and many friends of the Yucaipa Elks Lodge as they celebrate 25 years of outstanding service to our community. It is fitting that the House of Representatives pay tribute to these special Elks today.

IN MEMORY OF JOHN H. MARTIN

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. FARR. Mr. Speaker, I rise today in tribute to the distinguished Dr. John H. Martin. John, a dear friend of mine fought the good fight but lost. On June 18, 1993, John H. Martin, director of the Moss Landing Marine Laboratories died of cancer. His death is a tremendous loss to all who knew him, and will create a terrible void in the science world, to which he contributed so greatly.

John was an inspiration in everything he did. Despite his disability caused by polio, he accomplished so much. John did not let his physical disability interfere with his drive and zest for hands-on research. He simply ignored it. He set his mind on reaching goals and reached every one. When others said it could not be done, John persevered and saw to it that it could be.

His love and passion for the marine sciences was illustrated throughout his career, including his pivotal role in creating the Monterey Bay National Marine Sanctuary, the Nation's largest and diverse marine sanctuary. His determination, though, was never stronger than when he fought to get the Moss Landing Marine Laboratories rebuilt after it was destroyed by the Loma Prieta earthquake. This world renowned laboratory is unparalleled in its studies of marine life and atmospheric sciences and is scheduled to break ground this fall.

His dedication to the sciences was only matched by his drive to advance humanity. He was a fair-minded person and well-liked and highly respected by everyone. He was a great teacher and engaged his students and colleagues in a way that few teachers can. He understood well the link between the sciences and humankind.

Dr. Martin served on the board of trustees of the Monterey Bay Aquarium. He played an integral role in generating enthusiasm for the aquarium foundation's Monterey Bay Aquarium Research Institute, which along with Moss Landing Lab is among 11 institutions that form a coalition on the bay. That his memorial service was held at the Monterey Bay Aquarium speaks for itself. There is no other for which such a service would be fitting.

I had the distinct pleasure of working with John and the privilege of calling him my friend. John did what we would all like to do, he made this world a better place. I know that his vision will continue to be fulfilled for years to come, and I will do my best to facilitate the realization of John's dreams.

A TRIBUTE TO A SPECIAL PLACE: THE CHILDREN'S INN AT NIH

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mrs. MORELLA. Mr. Speaker, there is on the campus of the National Institutes of Health [NIH] in Bethesda, MD, in my Eighth Congressional District, a very special place for children and families. It is the Children's Inn at NIH, and it provides hope and comfort for children from all 50 States. These children come to NIH with illnesses that are currently beyond conventional medicine.

The Children's Inn [TCI] is a family centered, homelike environment that promotes the healing of pediatric patients, gives them a sense of normalcy, and helps prevent or alleviate family dysfunction. As the Children's Inn literature states so poignantly, "When you are sick, there is no place like home. But if you can't be home, there is no place like the Children's Inn at NIH."

I am proud that NIH and the Children's Inn are part of my congressional district. I take particular pride in the fact that more than 200 of my constituents are among the inn's active volunteers contributing their time and talent, not only in the daily operations of this facility but also in a variety of outreach, fundraising, and developmental efforts. I know that many Members of the House and their spouses are among the active supporters of the Children's Inn and know firsthand the indispensability of its volunteers.

The Children's Inn is celebrating its third birthday. On July 2, 1990, the inn greeted its first guests. Since that time, more than 1,500 children and their families have stayed there, many on a number of occasions, while receiving innovative treatment at NIH. They stay without cost because of the inn's private, nonprofit fundraising efforts and the substantial contribution of volunteer time. Thus far, more than 52,000 hours of volunteer service have been rendered—more than 2,000 hours each month.

Mr. Speaker, I know of nothing more compelling than a sick child. I know of no greater need than to be with your loved ones when you are seriously ill. I know of no place more humane in meeting that need than the Children's Inn at NIH. As they celebrate another milestone in the life of this unique house, it is a pleasure for me to extend heartiest congratulations to the founders and the TCI board of directors on their vision in creating this special place and to its dedicated staff on their commitment to its operation.

And let me congratulate especially the more than 200 volunteers in my district who contribute so graciously and enormously to its spirit and function as a place of hope and promise. They represent voluntarism at its best.

Happy birthday, TCI.

MCCORNACK ELEMENTARY SCHOOL HUMAN DIGNITY PLEDGE AND THE ESTABLISHMENT OF A HUMAN DIGNITY ZONE

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. DEFAZIO. Mr. Speaker, on June 3, 1993, I had the honor of attending an assembly sponsored by the students, staff, and parents of McCornack Elementary School in Eugene, OR. The gathering marked the celebration and dedication of the Human Dignity pledge.

The fabric of American society is a patchwork of cultures and ethnicities sewn with one common thread—the right to life, liberty, and the pursuit of happiness. Inherent in that promise is the right of an individual to live a life free of bias and discrimination.

The children of McCornack Elementary, in response to anti-Semitic graffiti scrawled on their school walls, have transformed a message of hate into a pledge of peace. The following is the pledge adopted by the students:

> We the people of the McCornack School pledge to create a Human Dignity Zone free of discrimination.
>
> We believe that people should judge others by their hearts and actions, not by their appearance, religion, disabilities, or abilities.
>
> All people are created equally and worthy of respect.
>
> We should live together in peace and harmony and love the world and everyone in it because differences make us special.
>
> We are all the same in different ways, so we will treat others with dignity, kindness, and respect—the way we would like to be treated.

Diversity exists; only bigotry and hate can be invented. The students of McCornack Elementary School have shown us that, we too, must make a pledge to promote harmony and peace. They've demonstrated the importance of valuing the characteristics that make us different in our own special ways. But above everything, they've made themselves responsible for the creation of a community based on mutual respect, kindness, and dignity.

OPPOSITION TO THE NOMINATION OF DANIEL K. TARULLO

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. LEWIS of Florida. Mr. Speaker, I am in opposition to the nomination of Daniel K. Tarullo to the position of Assistant Secretary of State for Economic and Business Affairs. I do not come here today to assail Mr. Tarullo personally, nor to act as an obstructionist, but to raise legitimate questions regarding the appropriateness of this nomination.

Specifically, I am deeply concerned about Mr. Tarullo's work on behalf of foreign governments as an international counsel and a registered foreign agent at the law firm of Shearman & Sterling.

Mr. Speaker, the influence of foreign countries on the Government of the United States has become a most serious issue. Long before Pat Choate or Ross Perot, the Founding Fathers of this Nation were concerned about this issue. Allow me to quote a letter written in 1795 from George Washington to Patrick Henry, "It is my ardent desire * * * to see that the United States may be independent of all, and under the influence of no other country."

I believe that if we are serious about proving to the American public that Congress is committed to closing the revolving door that exists for lobbyists, foreign interests, and Government officials, this nomination must be reconsidered. The revolving door does not just swing in one direction. Efforts are being made by Congress to ensure that Government officials leaving office do not peddle their influence on behalf of foreign governments after their careers in public service. However, in the case of the nomination of Mr. Tarullo, the administration has shown that it is perfectly willing to place a registered foreign agent directly into a public position.

On April 14 of this year, I along with five of my colleagues from Florida, wrote to President Clinton urging him to reconsider the nomination of Mr. Tarullo based on his work as a registered foreign agent. On April 23, I received a response from Howard G. Paster, Assistant to the President for Legislative Affairs. Allow me to quote from this letter.

> Mr. Tarullo spent most of his professional life as a law professor and not as a practicing attorney. The nomination of Mr. Tarullo was

based wholly on his expertise in the field of law and the President's confidence in his integrity.

Mr. Speaker, I take issue with this response. Indeed, Mr. Tarullo did spend a portion of his professional life as a law professor, but according to Mr. Tarullo's biographical summary, he has been out of law school for 16 years, and served as a law professor for 6 years. The White House refused to address the concerns that we raised regarding Mr. Tarullo's work at Shearman & Sterling. They failed to acknowledge that in his most recent position he worked for the Government of Mexico in its trade negotiations with the United States during the North American Free-Trade Agreement [NAFTA] negotiations.

In 1992, Shearman & Sterling was paid over $4 million to serve as the lead counsel to the Mexican Government for the NAFTA. As a member of this law firm, Mr. Tarullo has represented the Mexican Ministry of Commerce and Industrial Development during the negotiations of the North American Free-Trade Agreement. According to reports filed with the Department of Justice, their activities on behalf of the Mexican Government involved providing advice and assistance "on U.S. laws and international agreements relevant to those negotiations; on the negotiations themselves; and on the congressional approval of the negotiations and implementation of the agreement."

Given the enormous lobbying effort undertaken by the Mexican Government on the NAFTA, I find it incredibly alarming that a person paid to do work on behalf of the Government of Mexico should be placed in this position.

Mr. Speaker, I am aware of Mr. Tarullo's recusal for 1 year from any particular matter specifically involving the NAFTA. However, I believe this recusal is merely a veil to hide a fundamental conflict of interest.

In addition to their work on behalf of the Mexican Government, Mr. Tarullo's firm has also been involved with providing advice concerning the United States Government's import ban against Chilean grapes. Shearman & Sterling has also represented the Mexican Coffee Institute, a state-owned instrumentality of the Mexican Government, in a litigation matter in California.

In addition, Shearman & Sterling also worked on behalf of the airbus consortium, providing advice and assistance regarding U.S. trade law and policy as it affects the world market for civil aircraft. I would like to point out that the Clinton administration has decided to make the airbus subsidy issue an important focus of its international trade policy. In a speech given to the employees of Boeing on February 22, 1993, President Clinton stated, "It's your country, and I'm doing my best to give it back to you."

Based on Shearman & Sterling's work on behalf of the airbus consortium, the employees of Boeing should be concerned with this nomination. Based on Mr. Tarullo's work on behalf of the Mexican Government, those concerned with NAFTA should be concerned with this nomination. Irrefutably, the American public should be concerned with this nomination.

Given the responsibilities Mr. Tarullo will be asked to assume and the trade areas in which he will have jurisdiction, Mr. Tarullo's past efforts on behalf of the Mexican Government reflect the kind of conflict of interest of which the American public have grown tired. Therefore, we as policymakers should guard against this type of impropriety.

Mr. Speaker, this nomination cannot be justified by a mere 1 year recusal. This pivotal position would be better served by one who can truly work for the public interest, not by a person with an extensive list of foreign clientele.

A TRIBUTE TO DUANE ROBERTS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention today the fine work and outstanding public service of Duane Roberts, known to many in our community as an entrepreneur's entrepreneur. Duane is being honored by the California Inland Empire Council of the Boy Scouts of America, and will be recognized as the recipient of the Distinguished Citizen of 1993 Award at a dinner in his honor in July.

Duane Roberts has been a longtime business and community leader widely regarded for inventing and reinventing ideas. Indeed, at the young age of 19, while working for his family's business, Duane created the first commercially made frozen burrito. His product has resulted in a booming frozen Mexican food industry, now approaching $1 billion in annual sales.

His early success has translated into wonderful success at the corporate level. From his beginnings as a Cub Scout, Duane established the Entrepreneurial Capital Corp., a successful holding company that now oversees 10 prominent companies.

More than his success itself, what Duane has done with his success is worthy of reflection and admiration. A philanthropic man by nature, Duane says that he was "inspired by my parents to give something back to the community." To say the least, he has done that—and more. In honor of his mother, Duane founded and endowed the Mary S. Roberts Foundation in 1989, a nonprofit corporation committed to benefiting children with special needs, families of victims of crime, and to promote the protection and care of domestic animals.

In recognition of his work, Duane was honored in 1992 with the first Humanitarian Award by the Inland Empire's Valley Group. In addition, he was recognized earlier this year by the Riverside Humane SPCA with the Albert Schweitzer Humanitarian Award.

Mr. Speaker, I ask that you join me, our colleagues, and the many friends of Duane Roberts in recognizing him for his highly regarded work, dedication, and selfless service to our community. It is indeed fitting that the House of Representatives join the California Inland Empire Council of the Boy Scouts of America in paying tribute to him today.

SPEECH OF GORDON M. WARD

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mrs. BENTLEY. Mr. Speaker, Gordon M. Ward, the president of the National Marine Engineers Beneficial Association, the largest maritime labor union in the country, recently spoke before the Port of Washington, DC, chapter of the Propeller Club of the United States.

Although I was unable to attend the Propeller Club luncheon, I, nevertheless, took the time to read Mr. Ward's speech, and I found his perspective most refreshing and his views most encouraging.

A native of the State of Maine, Mr. Ward graduated from the Maine Maritime Academy in 1959. Over the past 30 years, he has sailed in very licensed shipboard engineering capacity, most recently for Puerto Rico Marine Management, Inc., where he served as Chief Engineer for 12 years.

Mr. Ward sailed aboard nearly every type of modern cargo vessel, including break bulk, tankships, ore carriers, roll-on/roll-off, and container vessels. He has worked ashore in tanker chartering and, during the 1970's, he was an instructor at the Calhoon MEBA Engineering School where he taught a variety of marine engineering-related subjects.

In December 1990 Mr. Ward was elected chairman of the Licensed Division of District No. 1, MEBA/NMU. Today, as president of a newly restructured National MEBA, he heads a union comprised of over 30,000 members, including the 8,000 members of District No. 1, of which he also is the president.

Above all else, Mr. Speaker, I am proud to report that the Ward family, including his wife, Lynn, and three children live in Timonium, MD, and, therefore, are constituents in my Second Congressional District.

Although Mr. Ward has not been a Washington insider, his career has given him a unique position from which to witness and experience, firsthand, the changes under which the U.S. merchant marine has gone through. He brings to his relatively new position as head of 30,000 maritime seamen a new vision to the longstanding problems facing the U.S. merchant marine.

Mr. Speaker, I am submitting the text of Mr. Ward's speech before the Port of Washington, DC, chapter of the Propeller Club of the United States and I want to encourage all my colleagues to take the opportunity to read it carefully. Having done so, I believe they will have a better understanding of the serious problems threatening the future viability of the U.S. merchant marine; and from this better understanding, hopefully, a greater desire and stronger will to protect and promote this critical industry will emerge.

GORDON M. WARD, SPEAKING BEFORE THE PROPELLER CLUB, JUNE 23, 1993

It is a privilege and a pleasure to address the Propeller Club, particularly at such an important time for the American merchant marine. However, the fact that I am here today may be a bit of a mixed blessing. To become a union president at this juncture in the history of our industry is a little bit like walking into the lion's den.

There is an old parable about a man who, upon being thrown to the lions in the coliseum, falls on his knees to pray just as the biggest lion advances toward him. The lion then stops, falls on his haunches, and puts his forepaws together and begins to pray himself. The man shouts out "thank God, I'm saved," whereupon the lion says "not so fast, I'm just saying grace." Now, I know there are a few lion's here in Washington who have their paws together who need to be told "not so fast," and that is why I'm here today.

As most of you know, I am relatively new to Washington. But I am not new to our industry. I have spent over thirty years in this industry, starting in 1956 at the Maine Maritime Academy. We even had quite a few passenger ships back then. I have also seen a lot of positive changes in our industry—containerization, intermodalism, supertankers, extensive use of computer technology, and what can only be called an incredible growth of productivity.

Up until my election, I was a chief engineer—aboard a large containership and before that, aboard several roll-on, roll-off vessels. I know from immediate firsthand experience that today's merchant marine job is hard and technically demanding.

In today's maritime environment, it is extremely important to have highly competent, technologically-trained people to crew the ships. The multi-million dollar vessels operated by my members and others, if handled improperly, can cause heavy loss of life, and, as we have seen in recent years, terrible environmental damage with billion-dollar price tags. There is little room for error.

I also have seen directly the competition we face in the foreign trades. Our international shipping competition is usually subsidized, particularly in terms of capital equipment; and it is often able to employ third world seamen under third world conditions and wages.

The kind of competitors we face in international shipping will always mean an uphill battle for the U.S.-flag, no matter how efficient we are. The fleets of the advanced industrial nations, such as those of our NATO allies—with whom our vessels are competitive—have already been decimated. While other Western nations reflag their fleets, the United States, according to General Fogelman and others with the same critical views, is the only super power remaining. Yet I believe we must question whether or not we, indeed, will be a super power, either militarily or economically, if we do not have a viable, commercial merchant marine that is readily available in times of national emergencies.

In this competitive environment, the United States has been able to maintain a relatively stable merchant fleet over the last decade—in terms of tonnage, if not in jobs and ships. Some of our critics say that maritime programs have not worked. But we would probably have no fleet at all if it were not for these programs and laws—the Jones Act, cargo preference, and ODS—laws that help balance our ships against competitors who play by a different set of rules. Together, these programs and laws provide the critical difference. We must fight for these laws and programs as if our survival depends on them—because it does.

In these battles, the opponents of our industry will find labor united. Licensed and unlicensed, the Seafarers, the Masters, Mates and Pilots, the American Maritime Officers, the National Maritime Union, and my own district No. 1—MEBA have all worked closely to preserve our industry and its essential programs. In this regard, I want to thank the officials and members of these maritime labor organizations and their affiliates for the spirit of cooperation they have shown. It is more essential this year than ever, and I know it will continue.

In our industry, I think that it is safe to say labor often is the glue that maintains support in Washington for these critical programs. Whether within our unions or in the legislative/educational associations that have been set up as a result of our collective bargaining contracts, teams have been maintained that track and act on our industry's issues with hard work, professionalism, and continuity. The unions, through our memberships, have been willing to provide broad-based grass roots support for the maritime programs we have worked for here.

I noted a few moments ago that opponents of our industry would find labor united on our critical issues. I am most happy to say that they will also find the MEBA united.

As most of you know, earlier this month, the different parties in district 1 reached a settlement agreement. Under this settlement, national MEBA now comprises mix districts, with districts one through four representing some 20,000 mariners. Districts five and six represent approximately 12,000 government and transportation industry related workers.

The agreement restores D1—MEBA to its pre-merger status with its membership, property and benefit plans intact. The agreement provides that title to real property belonging to the NMU before the merger will be transferred to it, as District No. 4—NMU.

D1—MEBA retains jurisdiction over all collective bargaining agreements for the licensed officers of my district. The political action funds will be divided fairly between districts 1 and 4. Although the funds are being divided, we plan to work closely with all of our union colleagues.

It has not been easy to reach this settlement. But I think that all of us realized that the challenges facing our industry as a whole this year were too serious to receive anything less than our full energy and attention.

Today I want to discuss who of these challenges because they are preeminent, and they are urgent.

The first is maritime revitalization, which is crucial to the future of our industry. This program must succeed, and we will succeed. With it, we can breath new life into our industry for several decades. Without it, approximately one-hundred U.S.-flag, U.S.-crewed vessels could leave the fleet. But it is more than the loss of one-third of our fleet, as bad as that would be.

If these vessels flag out, our industry will lose what I call its critical mass. To put it shipboard terms, when the power from the main engine is reduced and the propeller slows, before the ship stops, it loses steerage. The engine is running, but the ship is rudderless. The unions, stripped of jobs, and the remaining companies will be too few in number to maintain legislative steerage, if you will, over other essential laws and programs.

This may sound like an exaggeration, but I don't think it is. Does anyone seriously believe that cargo preference and the Jones Act will be far behind if we lose jobs and ships on the scale that the loss of maritime reform implies? Does anyone seriously believe that we will still have the clout to keep these laws when our industry is stripped of some of its most established companies and its unions' members forced to seek work ashore or enter into new professions? Can one or two companies or one or two unions keep in effect the Jones Act and cargo preference? The sobering reality is "No." Survival of the fittest may work in certain cases. But in politics you need a broad base and you need allies.

So the fight this year for maritime revitalization is not just about one or two companies or a subsidy program that provides several thousand jobs. It's really about every company and every job. Let no one think that they can stand on the sidelines, watch others fight for them, and sit this one out. And let no one think that they can flag most of their ships out and just keep a few to carry cargo preference—in other words, the privileges of being American with none of its responsibilities. History will not be kind to any of us if we let this industry die on our watch. We are all in this together.

That is why maritime labor has united on this issue. To be sure, no bill will be perfect, but I hope that we can, as an industry, with our allies in the Congress, craft a solution that provides enough incentive for everyone to get on board. And not just sign on, but work for it too, because it is going to take that kind of combined effort in a year when the Federal budget is under assault from all sides. In this regard, I am pleased that President Clinton has reconsidered the decision of some of his subordinates not to seek maritime reform this year. It will be far better for this process if we work with the administration.

As the maritime reform process unfolds this year, I see several key areas that we need to address: funding, regulatory changes, shipbuilding, and DOD support.

First is funding. Here there is no easy answer, but I find it hard to believe that somewhere in the Federal budget one cannot find $200 million a year to keep some 100 ships in our fleet— particularly since a good part of that $200 million figure will be returned each year in direct taxes to the Treasury. Then the after tax income—earned by U.S. citizens employed aboard these ships—will be spent in communities around the United States creating more jobs, more income, and more taxes.

The second area is that of bringing U.S. Coast Guard shipbuilding standards in line with international standards.

There are many factors affecting our merchant marine's inability to compete internationally. One area where the administration can take quick and decisive action is in the elimination of duplicative Coast Guard regulations employed in vessel construction.

No segment of our industry is more dedicated to vessel and crew safety than are the maritime unions, but we have come to realize that the standards imposed by and strictly enforced by the Coast Guard place our vessel operators at a distinct disadvantage. I believe placing U.S. operators on a level playing field with their foreign competitors by employing IMO standards will chip away at the differential in construction costs, without placing our vessels and our men and women at risk.

I encourage the administration and Secretary Peña to push the Coast Guard in that direction, because they have, again, just last week, expressed a reluctance to do so.

The third key area is shipbuilding. Here we will need the wisdom of Solomon to find a solution. There is no question that the U.S.-

flag ship operating industry cannot be linked to U.S. shipbuilding without government help. But shipbuilding is also an important American industry with strong support and vital to our Nation. The simple fact, economically and politically, is that there is going to have to be a shipbuilding component somewhere this year. It is time to work together. I don't pretend to have all of the answers, but one thing is clear. We had better be open to solutions and encourage them. We cannot pursue our own course and say "It's their problem, not ours."

The fourth key area in the maritime revitalization process concerns the need for Department of Defense support on this issue. There are many fine officers and officials in DOD that genuinely believe in the merchant marine. General Fogelman of Transcom, who spoke before this group last month, is definitely one of them. But since 1980, more than $7 billion has been spent to build a DOD-owned reserve fleet and more than $3 billion is planned additionally for the future. Furthermore, transportation Secretary Peña's maritime reform plan did not receive even DOD support in the previous interagency decision process. In this area, I also hope that we can work together.

The operational, commercial merchant marine is important to sealift. Even a relatively small amount of resources will create a large capability that can be put to DOD use in crisis or conflict. The operating merchant marine pays taxes, helps our balance of payments, provides a trained, experienced cadre of mariners, furnishes modern vessels with new technology, and gives the military instant access to vast intermodal capabilities that can move a container from Fort Sill to Riyadh and track it all the way. Reserve vessels provide none of these.

This civilian capability is a resource the Department of Defense ought to cultivate. A MEBA, we believe our entire industry is willing to work with defense to build the kind of productive partnership that can use a civilian capability for military requirements, when needed, while saving scarce military resources for combat teeth and tasks only the military can best perform.

In discussing maritime revitalization, I have stressed unity—within MEBA, among all maritime labor organizations, and within our industry as a whole. I have also emphasized cooperation, whether with shipbuilding interests or the Department of Defense. Let me add briefly one final word—"Flexibility."

As maritime revitalization unfolds, we are all going to have to give up something in order to build something better. We in maritime labor pledge to be an active part of this as well. We are willing to work with our companies to help them be competitive. This process, to be sure, must be a two-way street. But it is a process on which we pledge to work, and to work hard.

Before I close, I want to stress the second major issue we have faced and are facing this year: Cargo preference. As you all know, Government-generated cargo provides the essential margin to many of our ships.

As you know last evening, the Senate, during consideration of the supplemental appropriations bill, gave this industry a serious wake-up call when it approved a sense-of-the Senate amendment that calls for a cap on U.S.-Flag ocean transportation rates on food-aid shipments to Russia.

The sense-of-the-Senate resolution is not binding, but the anti-cargo preference vote sends a very clear message that our industry is in serious trouble and needs to double and triple its effort to defeat similar measures in the future.

There is an old saying that goes, if you tell a lie often enough, you will believe it yourself. What I found particularly disturbing about the very close vote on the Senate floor was, what I will call, the distortion of facts that Senators, who are longtime opponents to cargo preference, continue to state as if they are true. We have heard the same misinformation over and over, again.

Yesterday's vote tells me, at least, that those distortions now are being believed by some Senators, who previously supported us.

We need to do a better job in getting our message out. We need to do a better job in exposing these often-quoted distortions for what they truly are: lies. We need to do a better job in having more of our supporters prepared to counter these blatant attacks in the House and Senate. We must not place the burden of defending our industry on the shoulders of only a few Senate and House Members, as good as they have been in that task. I certainly do not blame any of our congressional supporters for Tuesday's defeat.

Now, more than ever, we must be on the alert. The victory on the Senate floor, as small as it may have been, will only serve to feed the near-fanatical mentality of those who are determined to get rid of the United States merchant marine in order to serve their own narrow, misguided goals.

Critics of cargo preference want to get rid of it any way they can, even though it means shipping American aid on Foreign ships, even though cargo preference affects just 4 percent of all U.S. Agricultural exports and even though it would increase our balance of payments deficit in the process. To these people, requiring even 1 out of 33 ships carrying American agricultural exports to fly the U.S. flag is just too great a burden to bear.

Critics like these will never change. Instead we should continue to focus on our friends, on those in the Congress and in American agriculture who support American farmers, as they deserve to be supported, but who also realize that our Nation needs a strong merchant marine as well. We have worked productively with them in the past. Let's keep this bridge strong in the future.

For the rest of this year, we must expect more attacks on cargo preference. But we must also work to strengthen executive branch adherence to existing cargo preference laws. In this regard, I want to praise the Merchant Marine Committee, DOT, MARAD—and especially Ms. Joan Yim, the acting administrator—for the active role they have taken. The industry now has a sense, after many years, that interagency momentum has begun to turn in our direction.

Maritime revitalization and cargo preference are two major issues on our plate right now. There will, no doubt, be others.

Before I leave all of you today to go about your individual business, I would like to tell you about a temptation facing every newcomer to this city. That is the temptation to become a highly-regarded cynic—to join a large fraternity of professional skeptics. Since many more projects and plans fail than do succeed, there is much mileage to be gained from such a position. This temptation is, therefore, difficult to resist, especially given that the rewards to the skeptic are so regular, yet to the optimist, so rare.

But I remain an optimist. My recent union experiences have only reinforced that optimism. From my perspective, I see a new MEBA, working together with a maritime labor community, united as never before. From there, I can look out over an industry which has found a new consensus in the maritime revitalization process.

The process includes all of you here today—labor, industry, and government. Each of us has the responsibility—and the opportunity—to put aside past differences and perceptions to help to bring about the rebirth of this great and unique industry—an industry, on which, the defense and the economic security of the United States depends. Again, it has been both a privilege and a pleasure to have been here today. Thank you.

A TRIBUTE TO MARSHA TUROCI

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention today the fine work and outstanding public service of my good friend Marsha Turoci. Marsha, who serves as the vice chairman of the San Bernardino County Board of Supervisors in California, is being honored by the California Inland Empire Council of the Boy Scouts of America. She will be recognized as the recipient of the Distinguished Citizen of 1993 Award at a dinner in her honor in July.

Prior to her service on the county board, Marsha worked as a businesswoman, immersed herself in volunteer activities in the high desert, and raised her three children. She began her political work as a field representative in the Victor Valley for County Supervisors Bob Older and John Joyner. She first ran for the office of county supervisor in 1988 and was subsequently reelected in 1992.

Marsha's work on behalf of San Bernardino County is well known. Shortly after taking office, Marsha was thrust into a most difficult situation resulting from the closure of George Air Force Base. To say the least, she has emerged as a leader in attempting to bring our high desert communities together to work and plan for an economically prosperous future for our region. Her role will continue to be critical as the negotiation process continues between our cities of the Victor Valley and the Department of Defense.

Marsha continues to demonstrate leadership on a number of other fronts including the future of hazardous waste disposal and the future of low-level nuclear waste in our county. Through all this work, Marsha has fought for and been successful in securing San Bernardino County's fair share of services and capital improvements.

Over the years, Marsha has been appropriately recognized for her efforts receiving the Inland Business Journal Woman of Achievement Award, the 1989 Victor Valley Business and Professional Women, Woman of Achievement Award, the County Supervisors Association of California Award, the 1985 Optimists Club Law Enforcement Award, and the Hesperian of the Year Award in 1981.

Mr. Speaker, I ask that you join me, our colleagues, and the many people who know Marsha so well and admire her so much. Her tireless efforts on behalf of the people of San Bernardino County are appreciated by us all. It is especially fitting that the House join the

California Inland Empire Council of the Boy Scouts of America in paying tribute to her today.

CONGRATULATIONS TO THE CINEMA ARTS CENTRE, HUNTINGTON, NY, ON THEIR 20TH ANNIVERSARY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. ACKERMAN. Mr. Speaker, I rise today to congratulate the Cinema Arts Centre: Marion O. Hoffman and New Community Cinemas on their 20th anniversary.

The Cinema Arts Centre: Marion O. Hoffman and New Community Cinemas [CAC] will celebrate its 20th anniversary with a gala opening of its newly renovated facility on July 17, 1993.

The cinema was founded in Huntington, Long Island, in 1973. A year later, the cinema became a New York State not-for-profit corporation.

The cinema has had a colorful history over the last 20 years and is approaching an even more exciting future. The cinema serves not only as a community forum for the discussion of a broad range of social issues, but also as an independent organization where the film arts, in all their rich diversity, become an important part of cultural life on Long Island.

The completion of the renovation/expansion project signals the opening of the CAC as a self-contained facility. CAC is coming into its own as the regional presenter of the host film and video through its exhibition programs, cinema seminars, and workshops.

CAC's audiences have discovered the genius of many a director's work and have remained steadfast in their pursuit of a broad cinematic perspective.

Mr. Speaker, I ask my colleagues in the House of Representatives to join with me now in congratulating the Cinema Arts Centre on its 20th anniversary, and in extending best wishes and special thanks to Charlotte Sky and Vic Skolnick, codirectors of CAC, for their ongoing dedication to providing an open community-oriented environment, which continues to be an important part of the cultural life in Huntington and throughout Long Island.

TRIBUTE TO MAJ. JOHN R. NUNNALLY, JR.

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. SKELTON. Mr. Speaker, today, I recognize Maj. John Robert Nunnally, Jr.—Bob to us—for his distinguished and exemplary service to the U.S. Air Force and this great Nation as deputy chief of the House Air Force Liaison Office from May 17, 1991, to July 8, 1993.

In this capacity, Bob quickly established a solid reputation with Members and staff alike for his extensive knowledge of Air Force programs and issues, as well as national defense strategy. His wit and charisma have made an indelible impact on us. Bob has aided us immeasurably in our day-to-day operations. His effectiveness on Capitol Hill is legendary. His credibility and candor made him an invaluable resource. His expertise in Airland Battle, gleaned from combat duty with the Army in Desert Storm, has been an invaluable asset.

I have had the pleasure of traveling with Bob on several occasions. He is the military escort of choice. In the challenging arena of international travel, he has a way of making the difficult look effortless and the impossible a reality. He has earned our trust, our respect, and our gratitude. Because of Bob's credibility and goodwill, the Air Force and the Department of Defense will long reap the benefits of his tenure on the Hill.

My colleagues and I bid Major Nunnally, his wife, Sue, and their son, Will, a fond farewell and wish them the very best for continued success in their next assignment at the Air Command and Staff College, Maxwell Air Force Base, AL.

TRIBUTE TO GEN. EDWARD P. BARRY, JR.

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Ms. HARMAN. Mr. Speaker, I want to pay tribute to someone who has been a vital part of California's South Bay community for many years—Gen. Edward P. Barry, Jr. General Barry will retire from his distinguished 32-year military career this summer.

At first glance, Ed Barry does not seem to fit the profile of a local pillar. His Boston accent makes a Kennedy sound like a midwesterner. Nevertheless, General Barry has overcome this handicap and made an enormous contribution to our area.

As the commander of the Los Angeles Air Force Base, and one of the leaders in the Air Force's drive to make space a vital part of our Nation's military arsenal, General Barry has played a critical role in making the U.S. military the strongest fighting force the world has ever seen. We all watched with amazement as the United States fought with unparalleled technological precision during the gulf war. A large part of that precision is due to the space-based assets built in the South Bay with technology perfected over the past 25 years. From the tracking systems that guided our troops movements to the surveillance systems that robbed the Iraqis of their ability to maneuver, the rest of the world got a clear demonstration of the technological miracles that California's aerospace community and General Barry helped build.

As our military moves into a new era, the systems that General Barry helped perfect will emerge as being even more important. As our military budget shrinks, the ability to gather vital information and strike with great precision will become even more critical. Although many of our space systems are often part of the unseen military, the advantage that they give our soldiers on the front lines cannot be underestimated.

Congratulations General Barry upon your retirement. Our thanks for your service to our country, and best wishes in your next chapter.

CHESTERTON HIGH SCHOOL SPEECH AND DEBATE TEAM

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. VISCLOSKY. Mr. Speaker, I rise today to acknowledge the outstanding achievements of an exceptional group of talented and dedicated young men and women, the Chesterton High School speech and debate team. On this day, I would like to bring to light their outstanding feats, and commemorate their ongoing legacy of excellence.

On Friday, June 18, 1993, the Chesterton speech and debate team captured the national championship title. This feat is especially extraordinary considering the fact that it is the school's fifth consecutive national title. Having placed in the top 10 of the Nation for the past 15 years, the Chesterton speech and debate team has demonstrated that they are simply the best.

This year's team members include Cassie Dommer, who was fourth in the Nation in the oratory division for the second year in a row; Lincoln-Douglas debaters Tonya Hise and Glen Babcock, who made it through eight and six rounds respectively; domestic extemporaneous speakers Michelle Jatkiewicz and Jenny Bennett; and foreign extemporaneous speaker Sophia Arshad. The policy debate team members were Jason Aubrey, Jim Jabo, and Sara Pluta. Additional competitors include Scott Bozik, Wendy Acton, and Carrie Grimes. Paul Gotch made it through 10 rounds in the drama division to round out the effort. All team members have shown the yearning to aspire to heights attainable only through endless hours of allegiance and steadfast research that provided each of them with the valuable information necessary to compete at such a lofty level.

The speech and debate team's accomplishments would not have been possible if not for the supreme dedication and guidance of the Chesterton speech and debate team coaching staff. The staff includes: drama and oratory coach, Barbara Funke; policy debate coach, Jim Cavallo; Lincoln-Douglas and Congress coach, Carolann Biel; and speech and debate director, Robert Kelly. They were assisted in their guidance by former Chesterton competitors Mike Gotch, Rob Hunt, Jim Franson, coach Bonnie Leckie, and former speech and debate director, Joe Wycoff. This superb coaching staff shared the National Forensics League's prestigious Communicator of the Year Award.

Mr. Speaker, I would like to once again extend my most heartfelt congratulations to the Chesterton High School speech and debate team and their coaching staff. I am extremely proud and honored to acknowledge this collection of budding future leaders who have shown the gumption to engulf themselves totally in this endeavor. They have shown tried and true that the cream unquestionably rises to the top.

TRIBUTE TO HESSIE STEWART

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to pay tribute to Mr. Hessie Stewart, Jr., upon his retiring with 36 years of dedicated service from the Chicago Police Department. Mr. Stewart was honored by his superiors and colleagues this past Saturday, June 26, 1993, at a celebration dinner in Chicago.

During his tenure on the vice squad, Hessie received an Honorable Mention Award that credited him for his assistance in helping catch several men who robbed the Kedzie Avenue CTA Barn in 1964. This was the largest cash robbery in 50 years in the State of Illinois to that date. Officer Stewart continued his work with the 25th District, now the 11th District, where he worked with the tactical unit which dealt directly with gang members involved in drug activities and other sorts of criminal behavior.

In addition, Hessie served as a bodyguard to my late husband Congressman George Collins, as well as to myself for a combined total of 18 years.

After retiring, Hessie Stewart plans to serve as a counselor to inner city individuals who are chemically dependent. He states that:

> I hate to leave the Department with the present condition of the city—drugs, violence, and gangs—but I hope and pray that peace will come to Chicago, as well as the Nation.

I proudly add my name to those paying tribute to Hessie Stewart, a Chicago law enforcement officer who has served his community, his city and his Nation with distinction and honor.

TRIBUTE TO THE HUNTINGTON FIRE DEPARTMENT ON THE CELEBRATION OF THEIR 150TH ANNIVERSARY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to the volunteer firefighters, both past and present, of the Huntington Fire Department.

This July 17, 1993, will mark the 150th anniversary of the Huntington Fire Department, which will celebrate its century and a half of fire protection to the citizens of Huntington and its surrounding communities with a parade and block party. Joining in the commemoration will be community representatives from the fire departments all over Nassau and Suffolk Counties. In addition, the Huntington Fire Department is publishing a 200-page yearbook depicting its history from 1843–1993.

During the past 150 years, the Huntington Fire Department's volunteer firefighters have shown courage and devotion while valiantly responding to all types of emergencies. They have won the praise and the respect of the community they serve.

With a membership of dedicated firefighters, the record of the Huntington Fire Department in public service and fire protection is one to be envied: For 24 hours a day 365 days a year, for 150 years, whenever the alarm sounded, these noble people left their homes and went to the aid of their neighbors. The brave firefighters of the Huntington Fire Department are prepared to risk their lives every day to help save the lives of others and to protect the homes and property of their neighbors from the harm and destruction caused by fire.

For these actions, the Suffolk County community cannot express sufficient gratitude to those devoted individuals who recognize that the preservation of life and property is a massive responsibility, and who make that responsibility their own by serving as volunteer firefighters.

Mr. Speaker, I ask my colleagues to join with me now in saluting these volunteer firefighters who have demonstrated the ultimate dedication and commitment, and who work so diligently for the safety of their communities. Let us publicly acknowledge the heroic good works performed by the Huntington Fire Department as it celebrates its 150th anniversary.

LAKE CITY ARMY AMMUNITION PLANT

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. SKELTON. Mr. Speaker, today I would like to recognize the outstanding efforts of the Lake City Army Ammunition Plant of Independence, MO. On April 22, 1993, the Lake City Plant, commanded by Col. Joseph Daves, received three awards from the Department of Defense for their success in the area of reducing hazardous waste. The awards recognize the achievements of Lake City's programs to recycle and reduce hazardous waste, solid waste, and air emissions.

Among the awards won by the hazardous waste minimization team of Lake City Army Ammunition Plant was the 1992 Secretary of the Army Pollution Prevention and Recycling Award in the team category. The award recognizes the successful efforts of the Lake City team in the area of preventing pollution at the source. This includes practices that reduce or eliminate the creation of pollutants through increased efficiency in the use of raw materials, energy, and water, and efforts to recycle materials that would otherwise become wastes. Some of Lake City's accomplishments include reducing hazardous waste by 41.7 million pounds, a reduction of 91 percent, reducing solid waste by 3.6 million pounds, reducing air emissions by 3.47 tons, and recycling 17.4 million pounds of production related materials. Lake City also received the Secretary of Defense Honorable Mention for Pollution Prevention and Recycling Award, and the Secretary of the Army Hazardous Waste Minimization Award.

Mr. Speaker, in a time when waste disposal is of major concern to this country and the world, it is efforts such as those of the Lake City Army Ammunition Plant that need recognition as an example to others. I know that other Members will join me in recognizing and commending the excellent work of the Lake City Army Ammunition Plant.

TRIBUTE TO JOSE RAMIREZ AND LEONARDO TORRES

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. ORTIZ. Mr. Speaker, I rise today to pay tribute to Mr. Jose Ramirez and Mr. Leonardo Torres from the city of Brownsville, TX.

To many, the thought of saving another human being's life is heroic, but to Jose Ramirez and Leonardo Torres, their act of valor and heroism was not out of personal glory, but out of human compassion. Their unselfish act meant saving the lives of two women and their six children, whose ages range from 4 months to 5 years old.

On May 20, 1993, Jose Ramirez and Leonardo Torres rescued Maria Luna Delgado and Hermelinda Lopez, along with their six children from a car that fell into a resaca in Brownsville, TX. The two women and their children were driving along the road when their vehicle plunged into the depths of the rasaca. In desperation, the two women tried to pull their children from the submerging car, but to no avail. The feat of saving their children trapped in the car seemed impossible. When suddenly, two strangers, Jose Ramirez and Leonardo Torres, jumped into the muddy waters of the rasaca and pulled the women and children to safety, sparing them sure death.

Please join me in congratulating Jose Ramirez and Leonardo Torres on their heroic effort. May we all learn from their example that the greatest act of valor is compassion for one another.

END THE BAN

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. CLAY. Mr. Speaker, as the Clinton administration moves to implement new policies to protect the rights of homosexuals in the Armed Forces, I would like to share the following letter from one of my constituents, Mr. A.B. Kelly III, who was discharged from the Marine Corps on the grounds of homosexuality. His letter is a moving testimony which thoughtfully articulates the importance of ending the ban against homosexuals in the military.

ST. LOUIS, MO, *May 7, 1993.*

DEAR PRESIDENT CLINTON AND CONGRESS, I am a veteran who supports an end to the ban on gays, lesbians, and bisexuals in the military. Individuals should be judged on their performance, not their sexual orientations. If we allow this type of discrimination to continue, who will be next—Jews, women, Muslims, people with blue eyes, African-Americans? Clearly, this is not the country which I call America.

Yes, I have a personal interest in this ban. My grandfather, A.B. Kelly Sr. whom I am named after, fought in World War II. As an African-American, he fought in a segregated military to free Jews and other Europeans from the evils of Hitler, only to return home to a segregated country in which he was not free.

His main hope was that our society would not forget the tragedy of a segregated and intolerant military. But this hope still goes unnoticed, it seems. America is forgetting its past regarding the military. Judging Americans on their skin color, gender, and sexual orientation is deplorable.

I joined the United States Marine Corps on June 12, 1988, one week after graduating from high school, because of my grandfather's memories and father's love for this country. I was sent to Marine recruit station in San Diego, California. After graduating I went to Naval Air Station in Meridian, Mississippi for job training. I graduated with the class highest score and then was ready for the fleet. Before I went to the fleet I returned to my hometown of St. Louis, Missouri to see my father, A.B. Kelly Jr.

My father, A.B. Kelly Jr., was drafted during the Vietnam War. He has constantly showed me what it means to be an American. I remember as a child two distinct habits of my dad.

One was how he would put out the American flag on each Memorial, Veteran, and Fourth of July, in memory of our past and in hope for a better future. Second, he would constantly remind my sisters and I what it meant to be an American—not being judgmental of others, respecting your fellow Americans, in addition to giving back to your country what it has given to you, and believing in your country. My dad is still echoing these ideals, even as he grows older. He has relayed to me that he supports lifting the ban on gays, lesbians, and bisexuals, for, as he put it, "Discrimination in any form is wrong."

So, as I began my new life as a Marine, I believed that I could give back to my country and also know that I made a difference. Unfortunately, I was faced with the truth of military life, while I was stationed at the Marine Corps Air Station at Cherry Point, North Carolina. Whether on or off duty, I watched as female Marines were harassed, and not just verbally. African-American Marines were being harassed as well. This led a few of us to form a peer support group for African-American and Latino-American Marines. But I had no idea that people in my squadron were trying to find out my sexual orientation, until my roommate, whom I knew since boot camp, told me a frightening thing.

He said in very specific terms that his office supervisor, who was a Staff Sergeant, was trying to get him moved out of our room due to rumors that I might be homosexual. I thought at the time what did I do to warrant this? It became obvious when I recalled my last workday.

I was asked by other marines in my office to join a deployment to the Philippans'. These marines were all higher rank than me, and married. They insisted that I would have a great time because of the prostitution in the Philippans'. They said that women would cost less than 20 dollars and detailed the things that women prostitutes would do "sexually to me." During this discussion, I felt extremely insulted by the fact that they would even come to me suggesting that I have sex with any prostitutes. I declined the deployment. But this was not the first time I was put on the spot. Before that they would bring pornography magazines into the office and try to get us involved in this show, but I constantly separated myself from this. I chose to work and ignore their sexism. I personally felt that this was no place to be discussing women, or men for that matter, bodies or positions. Not everyone, though, participated in these games. Only those who were married.

I remember my first week stationed at Cherry Point. My roommates and I had a long discussion concerning privacy, and sexuality. All three of us disclosed some very private information, in which one relied that he was bisexual. So I felt obligated to tell both of my roommates that I was a homosexual. One of my roommates along with others from the base, joined me at bars whether they were homosexual, or heterosexual bars. I vividly remember them telling me how surprised they were to find out that so many marines from Cherry Point were homosexual, but really was it a surprise. I constantly reminded them that the image of homosexuals were never truth, as they witnessed.

Within the next three months things began to change in my office on base. After I received the good conduct medal I was being brought up on charges, which seemed to stem from someones hatred toward my being. This gentleman, who was my direct supervisor, told me he wanted me out of the military at any cost. I really didn't understand why, until I became sick one day. This subsequently led to my first charge of AWOL, which I proved that I was at the military hospital on base. This gentleman also proceeded to stop payment on my military pay checks, which caused me serious financial problems. This in turn made my personal bank account bounce checks. This Staff Sergeant then proceeded to charge me with writing bad checks. During this time my roommate told me that the Staff Sergeant was going to get me kicked out of the military unless I confessed to being homosexual. I tried to get relocated into another office or squadron but was denied.

I did feel I was living a lie not to state who I was. I also remembered how I believed in integrity, so I requested mass to the commander of Marine Aviation Logistics Squadron (MALS)-13. I was constantly told that I needed to tell my problem before it left the office, or risk suffering the consequences. I made it as far as the assistant commander, which he told me that I requested mass to tell him I was homosexual. I was very surprised, and yet glad that the "lie" was over.

But, it still dismayed me as to how he knew I was homosexual, unless everything that my roommate told me was true. Were they going to do their best to destroy me? Did one of my roommates tell his Staff Sergeant that I was gay to get me kicked out? I don't really know the answer, but I do know it was sickening what some tried to do with me. The whole squadron knew what was discussed in this meeting. My office didn't even speak to me except for some after hours in private areas, which I won't relay at this time. Five months later I was discharged with an Honorable, due to homosexuality after only serving 2 years.

Being 23 years old I still value my time in the military. Besides the fact that I was denied equality, and even though both of my senators from the state of Missouri (i.e. Senator Danforth, and Senator Bond) support this discrimination, I am proud of serving my country. I had some truly good experiences with most marines that were and still are truly deserving of serving our country. It seems that the military is forgetting that we homosexuals, and bisexuals are Americans. Lets remember we are Americans, too.

Sincerely,

A.B. KELLY III.

NONPOINT SOURCE WATER POLLUTION PREVENTION ACT OF 1993

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. OBERSTAR. Mr. Speaker, today I have introduced the Nonpoint Source Water Pollution Prevention Act of 1993, the sequel to what is now section 319 of the Clean Water Act [CWA], Nonpoint Source Management Programs. I hope to include this legislation in the Clean Water Act reauthorization later this year.

The Federal Water Pollution Control Act Amendments of 1972 set the Nation on its current cleanup course. The first line of that landmark legislation, in section 101(a), declared it the objective of the act "to restore and maintain the chemical, physical, and biological integrity of the Nation's waters."

Until now, municipalities and industries have borne the brunt of this commitment. Since 1972 American citizens, as Federal and State taxpayers, have spent $75 billion to clean up municipal point sources. Through 1989, industry, and citizens as consumers, have spent over $130 billion on cleaning up industrial point sources, including $67 billion in capital expenditures and $63 billion in operating costs. Ninety percent of municipalities, and 95 percent of industry, currently comply with the act.

Despite that costly sacrifice, and high compliance rates, fully one-third of the Nation's rivers, half our estuaries, and more than half our lakes are not meeting designated uses. Only about half our river miles, two-thirds of lake acres, and three-quarters of our estuaries have even been assessed, meaning that a much more significant though unknown number of water bodies are impaired, and more are threatened.

The major cause of this failure to meet the standards in nonpoint sources of pollution [NPS]—or poison runoff—the unfinished agenda of the 1972 act.

As author of the current Nonpoint Source Management Program, I developed and, on March 18, circulated a discussion draft of new legislation which would treat nonpoint sources with the same determination as we have addressed point sources. The draft has received wide circulation and discussion. Much comment has come in, and has been reflected in the revised version I have introduced today.

BUILDING ON EXISTING LAW AND AUTHORITY

Congress stated, in the 1987 amendments, "it is the national policy that programs for the control of nonpoint sources of pollution be developed and implemented in an expeditious manner so as to enable the goals of this act be met through the control of both point and nonpoint sources of pollution."

The goals of restoration and maintenance of the chemical, physical, and biological integrity of the Nation's waters, protection and propagation of fish, shellfish, and aquatic life, and recreation in and on the water, are already being implemented by EPA in the agency's current criteria writing and other work applying to both point and nonpoint sources. My bill does not expand this existing, if far-reaching, authority.

The legislation builds on existing law and programs, including section 319, the Coastal Zone Act Reauthorization Amendments of 1990 [CZARA], and the Department of Agriculture's Soil Conservation and Water Quality Programs.

It relies on shared responsibility: The Federal Government provides guidance and financial support. The States and, to the extent possible, local jurisdictions and organizations, would be the main implementors, along with the individual land owners and operators.

It tracks closely the recommendations of Water Quality 2000, including site-level plans, voluntary and enforceable State programs, and reliance on the expertise of USDA and other agencies for technical assistance and funding.

It adopts and extends to the rest of the country what Coastal States are already doing under CZARA: Employing management measures, backed by enforceable mechanisms.

It accepts site-level plans developed under the Department of Agriculture's Conservation and Water Quality Programs.

The bill's goal is full restoration and protection of the Nation's waters, defined as the attainment and maintenance of water quality standards; the protection and propagation of a balanced, indigenous population of aquatic and aquatic-dependent species, aquatic ecosystem biodiversity, and habitat restoration and maintenance; protection of public health; restoration and maintenance of recreational activities in and on the water; and protection of underwater sediments through pollution prevention activities. These are the mandates of the 1972 act. The bill's emphasis on balanced indigenous populations, aquatic biodiversity, and habitat maintenance are clearly part and parcel of the 1972 mandate to restore and maintain the biological integrity of America's waters reflect authority the Environmental Protection Agency already has, and is already employing in its criteria writing, under the 1972 language.

THE PROGRAM

The working unit is the target watershed, defined as those watersheds identified under various CWA programs, and others which serve as sources of drinking water which are vulnerable to NPS pollution. States are to revise their current management programs, prioritize their target watersheds, divide them into fifths, and implement watershed implementation programs, starting with a new fifth each year.

The watershed implementation programs would begin with a watershed management conference called by the Governor. Representatives of all stakeholders in the watershed would take active part: Nonpoint sources, point sources, water users including drinking water suppliers, Federal, State, and local government and nongovernment agencies, and other interested parties. From the management conference would come an understanding of the problem, agreement on the causes, on who's responsible, and who should clean up.

Site-level plans. Those landowners and operators participating in the WIP would develop and implement site-level plans under State, not EPA, guidance. Those already implementing USDA site-level programs under the Conservation Reserve Program, the Water Quality Incentives Program, the Integrated Farm Management Program Option, or the Organic Certification Program, and under CZARA, would automatically be in compliance with this bill, at least for those pollutants and land areas included in the plans. Technical and financial assistance would be provided by the Soil Conservation Service, and other available Federal, State and local programs. Land owners/operators working under CZARA would also be in compliance with my bill.

Categories and subcategories of sources could be exempted from the requirement for site-level plans if they do not contribute significantly to the overall degradation of the watershed. Landowners and operators who can demonstrate severe economic hardship could also be exempt.

Management measures used in site-level plans would be cost-effective, site-specific, economically achievable measures. Landowners and operators could choose individual measures and practices under the EPA/NOAA's Guidance Specifying Management Measures for Sources of Nonpoint Pollution, or those under USDA's WQIP and the Integrated Farm Management Program; or other measures which provide equal or greater water protection.

EPA would approve the States' revised management plans, but would not see or approve site-level plans, or receive a list of those participating.

SCHEDULE

Eight years after the WIP is approved, the State would assess the watershed and, if full restoration and protection have not been achieved, would require additional measures, either by owner/operators already implementing plans, or by other sources. These additional measures must be sufficient to assure the attainment of full restoration by the end of the 12th year. Monitoring in subsequent years would assure that full restoration and protection are maintained.

GOOD ACTORS BAD ACTORS

The bill encourages good actors, those who have and are implementing approved site-level plans, while requiring States to have enforcement fall-back for bad actors who refuse to clean up and try to profit while the good actor competitors comply. The bill requires States to develop enforceable mechanisms—as are already required for Coastal States under CZARA. As long as an owner/operator has developed and is implementing a State-approved site-level plan, he or she would not be subject to enforcement until after the 12th year of the Watershed Implementation Program, when water quality standards become enforceable except for violations caused by floods and other natural disasters.

FUNDING

To encourage the States to implement the programs, and enable them to do so, the bill authorizes $500 million per year, and sets aside from each State's apportionment 20 percent or $200,000, whichever is greater, for administration. States have rightly complained of ever-increasing Federal mandates with no concomitant increase in Federal funds. They must have adequate resources. These funds would be used for existing section 319 purposes, including enforcement, technical assistance, financial assistance, education, training, technology transfer, and demonstrating projects.

The bill thus contains strong incentives for States to participate in the program, as well as provisions for States which may not be willing to comply. Under the point source enforcement program, the National Pollutant Discharge Elimination System [NPDES], EPA can take over and run a State's permit program if the State no longer meets the requirements of the program. However, I did not believe it appropriate for EPA to become involved in implementing site-level plans under a nonpoint program. Therefore, while EPA could, under my bill, develop a nonpoint source management program for a State, it would not be able to implement the program. Further, no new pollutant burdens could be added until nonpoint sources are brought under control. A noncomplying State would not be able to approve new—as opposed to simply extension of existing—NPDES permits, nor could the State or the Corps of Engineers issue new section 404 dredge and fill permits, either statewide or, if other watershed are complying, in a single noncomplying watershed, until EPA finds the State is meeting requirements.

FEDERAL NONPOINT PREVENTION PROGRAM

The bill also establishes a Federal nonpoint source control program, directly under the President, for lands owned or managed by the Federal Government.

WATER QUALITY CRITERIA

It requires EPA to establish water quality criteria for those nonpoint pollutants for which such criteria have not yet been set.

ANTIDEGRADATION POLICY

It codifies existing Federal antidegradation policy.

NEW NONPOINT SOURCES

It contains provisions to assure that new NPS are identified prior to any action being taken, and that state-of-the-art controls are used on these new sources before they cause pollution.

CITIZEN MONITORING PROGRAM

And, finally, the bill creates a Citizen Watershed Monitoring Program to assist States in monitoring their waters. The States would by contract, cooperative agreement, or other means develop citizen programs, provide training, and implement quality control and assurance measures to make sure that the data gathered by citizens are useful to the State. The nonpoint and other amendments to the CWA will put heavy monitoring burdens on States, and I believe a citizen program, properly designed and run, can assist States in this effort.

My bill is tough on pollution. But the 1972 Federal Water Pollution Control Act was not exactly polluter-friendly. It set an interim goal if fishable/swimmable waters by 1983, and a national goal of elimination of all discharges by 1985. It required industry to install best practicable technology [BPT] by 1977—5 years after enactment—and best available technology [BAT] 3 years after effluent guidelines were promulgated. Where State water quality standards required higher levels of treatment, those standards had to be met by July 1, 1977.

We have not met the goals and objectives of the 1972 act, in part because of delays in the issuance of various effluent guidelines, in part because permits still allow the discharge of many tons of point source pollutants in to our waters, and in very large part because of nonpoint sources.

I fully expect the 1993 Clean Water Act amendments to continue progress toward the goals and objectives of the 1972 act, reducing point source discharges, and vigorously pursuing the control and prevention of nonpoint source pollution.

Unless Congress and the American people are willing to strike from the statute the commitment to clean water promised the American people two decades ago, we can do nothing less.

Attached is a summary of the bill.

NONPOINT SOURCE WATER POLLUTION PREVENTION ACT OF 1993—SUMMARY

GOAL

To achieve the objective of the Federal Water Pollution Control Act of 1972, to restore and maintain the chemical, physical and biological integrity of the nation's waters, by closing last gap in that Act, and controlling and preventing nonpoint sources of pollution.

GUIDING PRINCIPLES

Stability and continuity; least disruption to, maximum coordination with, on-going programs—Section 319, Clean Water Act (CWA); Section 6217(g) of the Coastal Zone Act Reauthorization Amendments (CZARA); USDA's water quality programs.

Shared responsibility: States and, to extent possible, local jurisdictions and organizations, to be main implementors, along with individual land owners/operators; Federal government to provide guidance and financial support.

Base program on watersheds, targeting those which are impaired or threatened.

DISCUSSION

The bill tracks the recommendations of Water Quality 2000 for a strengthened and expanded national nonpoint source pollution prevention program including enforceable state programs, site-level plans, reliance on the expertise of USDA and other agencies for technical assistance, and funding from a revolving loan fund. It builds on existing Section 319 Clean Water Act Nonpoint Source Management programs; adopts the management measures developed under the Coastal Zone Act Reauthorization Amendments as well as that Act's enforceable mechanisms; and uses the site-level approach of various Department of Agriculture programs.

The bill is fair and necessary, if America is to achieve the goal of clean water. American consumers, taxpayers and industry have paid hundreds of billions of dollars for point source controls, but the goal remains illusive because of nonpoint source pollution. The nation can continue to charge taxpayers and industry for ever-more-costly wastewater treatment and for maintenance of navigation on silt-choked rivers; can continue to inflict losses on commercial fishing and shellfishing, and recreational water uses; and perpetuate degradation of our water resources and the wild and aquatic life dependent on them; or address the problem of nonpoint sources, the last remaining gap in the Clean Water Act's programs.

DESCRIPTION

Schedule:

Within 1 year of enactment, EPA to publish implementing regulations and guidelines.

Within two years of publication, States to revise nonpoint management programs, identifying and prioritizing target watersheds to be included in program, dividing them into fifths for implementation over a 5-year period. Target watersheds defined as those identified under the Section 319 Nonpoint Source Management Program; Section 304(l) (Toxic Hot Spots); Section 305(b) State biennial reports; and vulnerable drinking water supplies not otherwise identified.

EPA has 6 months to approve or disapprove all or portion of program.

Revised program to include watershed implementation plans, based on site-level plans developed in cooperation with land owners and operators, and other interested parties including point sources on the watershed.

Implementation is an iterative process, with a goal of full restoration and protection of America's waters within 15 years for all fifths.

First 8 years after approval—management measures; if full restoration and protection not achieved.

9th through 12th years—additional measures to achieve full restoration and protection by end of 12th year.

Monitoring to assure full restoration and protection maintained.

Enforcement: based on "good actors, bad actors."

State is required to have enforceable mechanisms.

Land owner/operators: o/o must develop and implement site-level plans;

after 12th year, water quality standards become enforceable;

"good actor" provisions: compliance with USDA conservation and water quality programs; with CWA NPS program and Sec. 402; with enforceable provisions of CZARA; constitute compliance with this Act, act as shields against enforceable mechanisms.

State: must revise and submit Nonpoint Management Program under Sec. 319; if State does not submit, EPA designs program BUT does not implement; if State does not submit or implement: no funds; permits for new or increased discharges cannot be approved under Sec. 402, CWA; no permits under Sec. 404 of CWA.

Funding: $500 million per year for fiscal years 1 994-1997 from General Revenues; 20% or $200,000, whichever is greater, for State Administration; 5% for Indian Tribes.

OTHER PROVISIONS

Creates a Federal nonpoint control program directly under the President.

Expands water quality criteria and standards to cover nonpoint pollutants.

Contains provisions for new sources of NPS.

Creates a Citizen Monitoring Program to assist states in monitoring.

TRIBUTE TO BEN SKALL

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. GILLMOR. Mr. Speaker, I rise today to pay tribute to a good friend and former colleague, Mr. Ben Skall, as he receives an award from the U.S. Department of Housing and Urban Development for his years of service to that agency.

Ben has had a successful career in both the private and public sectors. For 32 years, he was the president of Skall's Menswear, a chain of quality menswear retail stores located in Ohio and Pennsylvania. He was active in local government and served as vice mayor and councilman for the city of University Heights, OH. My own association with Ben came when we served as colleagues in the Ohio State Senate.

It was in 1984 that Ben joined HUD as the Senior Advisor to the Deputy Undersecretary in the Office of Intergovernmental Relations in Washington, DC. In 1987, he moved to the Cleveland HUD office and served with distinction as the Acting Manager/Deputy Manager. He had responsibility for all multifamily and single family housing functions in 35 of Ohio's 88 counties, including subsidized housing for elderly people and Government-insured mortgage loans.

Ben's professional associations and awards are far too numerous to recite, but they exemplify the enormous degree of commitment which he has made to his State and country through the years. To my good friends Ben and Vera Skall, I send my best wishes as Ben receives this award from HUD. I wish I could be with you on your big day and I sincerely hope that our friendship and professional association will continue for many years to come.

TRIBUTE TO MAJ. THOMAS RANDY O'BOYLE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 28, 1993

Mr. SKELTON. Mr. Speaker, today, I pay tribute to Maj. Thomas R. O'Boyle for his distinguished service to the U.S. Air Force and this great Nation as a liaison officer from May 16, 1992 to July 15, 1993. In this capacity, Randy quickly established a solid reputation for excellence with both Members and staff. His ability to speak, with authority, on a diverse array of Air Force programs and issues has aided us immeasurably. His background in special operations and his combat experience, gleaned from service in both Just Cause and Desert Storm, made him an invaluable resource to us. Randy's sound judgment and keen sense of priority are trusted attributes that have greatly benefited both Congress and the U.S. Air Force. His can-do attitude has made a measurable difference in the demanding arena of international travel. He has served with great distinction and has earned our respect and gratitude for his many contributions to our Nation's defense. My colleagues and I bid Maj. Randy O'Boyle a fond farewell and wish him the very best for continued success as he begins his next assignment as a naval command and staff college student at the Naval War College in Newport, RI.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, June 29, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 30

9:00 a.m.

Armed Services

Force Requirements and Personnel Subcommittee

To resume hearings on proposed legislation authorizing funds for fiscal year 1994 for the Department of Defense and the future years defense program, focusing on the health care programs of the military services.

SD-562

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on proposed legislation authorizing funds for programs of the Magnuson Fishery Conservation and Management Act.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Environment and Public Works

Clean Air and Nuclear Regulation Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal years 1994 and 1995 for the Nuclear Regulatory Commission (NRC), focusing on S. 1162, to authorize funds for fiscal years 1994 and 1995 for the NRC's Inspector General, S. 1166, to strengthen the NRC's enforcement powers, and S. 1165, to ensure citizens' petitions cannot be denied without the possibility of judicial review.

SD-406

Governmental Affairs

Permanent Subcommittee on Investigations

To resume oversight hearings to examine the Blue Cross/Blue Shield's Empire Insurance Plan of New York.

SD-342

10:00 a.m.

Labor and Human Resources

To hold hearings on proposed legislation to improve the methods for meeting the health needs of the minority disadvantaged.

SD-430

2:00 p.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1994 for foreign assistance, focusing on refugee programs.

SD-138

Armed Services

To hold hearings on the nominations of Ambassador Charles W. Freeman, Jr., of Rhode Island, to be Assistant Secretary of Defense for Regional Security Affairs, Edwin Dorn, of Texas, to be Assistant Secretary of Defense for Personnel and Readiness, and other pending nominations.

SR-222

JULY 1

9:30 a.m.

Energy and Natural Resources

To hold hearings on the nominations of Tara Jeanne O'Toole, of Maryland, to be Assistant Secretary of Energy for Environment, Safety and Health, and Robert Riggs Nordhaus, of the District of Columbia, to be General Counsel of the Department of Energy.

SD-366

Environment and Public Works

Clean Water, Fisheries and Wildlife Subcommittee

To hold hearings on proposed legislation authorizing funds for the Clean Water Act, focusing on toxic pollution prevention and control programs.

SD-406

Governmental Affairs

To hold hearings to examine the financial management of the Department of Defense.

SD-342

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the challenges and opportunities for the conduct of monetary policy.

SD-538

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings to examine issues relating to toy safety, and on S. 680, to require warning labels on the packaging of children's toys and games with small parts, balloons, small balls, or marbles, and to require bicycle helmets to meet Consumer Product Safety Commission standards, and S. 799, to require that 4-galloon to 6-galloon buckets distributed in commerce bear a permanent label warning of a potential drowning hazard to young children.

SR-253

Labor and Human Resources

To hold hearings to examine the future of workers and the workplace with the advancement of technology.

SD-430

Veterans' Affairs

Business meeting, to mark up S. 843, to improve reemployment rights and benefits of veterans and other benefits of employment of certain members of the uniformed services, and pending legislation on VA health care programs.

SR-418

Joint Organization of Congress

To resume hearings to examine congressional reform proposals.

S-5, Capitol

11:00 a.m.

Veterans' Affairs

To hold hearings on the nomination of Victor P. Raymond, of the District of Columbia, to be Assistant Secretary of Veterans Affairs (Policy and Planning).

SR-418

2:30 p.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings to examine proposals to redesign the Space Station.

SR-253

Labor and Human Resources

To hold hearings on the nomination of Thomas W. Payzant, of California, to be Assistant Secretary for Elementary and Secondary Education, Department of Education.

SD-430

JULY 13

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on proposed legislation to authorize funds for programs of the Hazardous Materials Transportation Act.

SR-253

JULY 14

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings on S. 1086, to foster the further development of the Nation's telecommunications infrastructure through the enhancement of competition.

SR-253

CANCELLATIONS

JULY 1

2:00 p.m.

Indian Affairs

To hold hearings on S. 1021, to assure religious freedom to Native Americans.

SR-485

SENATE—*Tuesday, June 29, 1993*

(Legislative day of Tuesday, June 22, 1993)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable CAROL MOSELEY-BRAUN, a Senator from the State of Illinois.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

For my people have committed two evils; they have forsaken me the fountain of living waters, and hewed them out cisterns, broken cisterns, that can hold no water.—Jeremiah 2:13.

Almighty God, the prophet Jeremiah reminds us that we are incurably religious. If we will not worship the true God, we seek a substitute, such as pleasure or power or wealth or no-God. And we become like the god we worship. "Hollow gods make hollow souls."

As we observe cultural decline in our Nation, grant us insight as to its cause. Our Founding Fathers believed in separation of church and state on religious grounds. Because of their deep religious conviction from which sprang their political ideology, they opposed a "state church"—an "official" religion. We have reduced freedom of religion to freedom from religion, and equated separation of church and state with outlawing religion in public life. We have insisted on value-free education and have inherited a value-free society.

In 1968, in their book, "Lessons of History," Will and Ariel Durant wrote: "We frolic in our emancipation from theology, but have we developed a natural ethic, a moral code, independent of religion, strong enough to keep our instincts of acquisition, pugnacity and sex from debasing our civilization into a mire of greed, crime and promiscuity?"

Ruler of the nations, help us see that it was religious conviction which fueled the ideas of our Founding Fathers. And it is religious conviction which fuels moral consensus. Restore in us the faith of our fathers.

In His name who was Righteousness incarnate. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 29, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CAROL MOSELEY-BRAUN, a Senator from the State of Illinois, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Ms. MOSELEY-BRAUN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader, the Senator from Maine.

THE JOURNAL—RESERVATION OF LEADER TIME

Mr. MITCHELL. Madam President, Members of the Senate, the Journal of proceedings has been approved to date and the time for the two leaders reserved for their use later in the day.

SCHEDULE

Mr. MITCHELL. There will now be a period for morning business until 11 this morning. During that period of morning business Senators will be free to speak, with certain Senators recognized for time specified under a prior order.

At 11, it is my intention to proceed to several nominations on which we have been unable to gain consent for approval to date. That means we will just have to proceed. It is my hope that our Republican colleagues will agree to give us limitations of time on debate so we can take up and vote on these nominations during the day today.

I will, then, have an announcement later today with respect to the legislative schedule following consideration and disposition of the several nominees. Among those nominations to which I intend to turn during the day today, if possible, are those listed on the Executive Calendar, No. 228, Ashton B. Carter to be an Assistant Secretary of Defense; No. 229, George T. Frampton, Jr., to be Assistant Secretary for Fish and Wildlife; and No. 235, Philip R. Lee, to be an Assistant Secretary of Health and Human Services.

Madam President, I yield the floor.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 o'clock, with Senators permitted to speak therein for not to exceed 5 minutes each.

The first hour shall be under the control of the Senator from West Virginia.

The Senator from West Virginia is recognized.

LINE-ITEM VETO—VIII

Mr. BYRD. Madam President, I thank the Chair.

Madam President, this is the eighth in my series of speeches on the line-item veto. Last week, I spoke of the devastation wreaked by Hannibal's Army upon Italy during the Second Punic War. For 16 years, Hannibal maintained the war in Italy without once releasing his army from service in the field. But he kept control of his thousands of men without any sign of disaffection toward himself or toward each other, even though he had troops in his Army of many nationalities.

He had Libyans, Iberians, Gauls, Carthaginians, Ligurians, Bruttians, Greeks, and Numidians, who had nothing in common with each other, neither laws nor customs, nor language. And yet the skill of this commander was such that in spite of these differences, so manifold and so wide, there was never one word of disobedience to his command or to his single iron will.

Unlike Caesar, Alexander, and Pyrrhus, Hannibal was never the subject of an assassination plot or even a hint of conspiracy on the part of his troops. Also unlike Alexander, Hannibal was virtually forsaken by his native country of Carthage, receiving no reinforcements, or very few at best, and no money from his homeland. Yet, Hannibal's polyglot army had to be paid, and so he plundered the countryside and the ancient shrines, where offerings of gold and silver dating from immemorial times were used to pay his mercenaries.

The losses of the Romans, as we have witnessed, had been frightful. Many of Rome's elite had been wiped out, and much of the wealth of Italy—its livestock, its crops, its cultivated land, its houses and equipment—was destroyed over vast areas, especially in southern Italy. Yet, the unyielding determination of the Senate and the iron discipline of the Roman people persevered.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Any city that cooperated with Hannibal could expect no mercy but only the most severe punishment for its infidelity to Rome.

I will cite one example. Capua, in Campania, was the largest city in Italy except Rome, and it was the richest city on the peninsula, second only to Rome itself.

In 216 B.C., following Hannibal's devastating defeat of the Romans at Cannae, Capua revolted against Rome and went over to Hannibal's side. But Hannibal had no spare troops with which to garrison cities that yielded to him, and this revealed a severe weakness in Hannibal's overall situation. His was an army of conquest, not an army of occupation.

The Romans besieged the city and, in 211 B.C., after 5 years of infidelity toward Rome, Capua was doomed to fall, and its inhabitants recognized their fate.

Vibibus Virrius, a Capuan, who had been one of the main instigators of collusion with Hannibal, said to the governing body of Capua that he would never be chained and dragged through the streets of Rome, only to be bound to a stake, to be scourged and beheaded. He said all those who wished to yield to fate and avoid witnessing the destruction of the city should attend a banquet which he had prepared at his house.

After they had eaten and drunk to their satisfaction, the same cup would be passed to them that had been given to him. A toast containing poison would spare their bodies of torture, their minds of insult, their eyes the sight and their ears the sound of the wretched indignities that were sure to befall the conquered. There would be persons, he said, prepared to place their lifeless bodies on a huge funeral pyre in the courtyard of his house. This, he said, was the honorable way to death.

Livy, the Roman historian, tells us that 27 Senators accompanied Vibibus to his house and dined with him. So far as they were able, they drowned all thought of impending doom in wine, and then drank the poison.

With the banquet finished, they grasped each other's hands and, with one final embrace, breathed their last before the gates of the city were opened to the Romans.

Vibibus was right in his estimation of the Roman desire for vengeance. Seventy collaborators who had been compromised in the decision to revolt against Rome were executed, along with other leaders. Three hundred nobles were condemned to chains.

After the executions had ended by the decree of the Roman Senate, one of the Capuans, Jubellius Taurea—spelled with a J—I am advised that in that language and in those ancient times, there was no letter with a J sound in the alphabet. So while it is spelled J-u-b-e-l-l-i-u-s, it was pronounced as a Y. Jubellius Taurea approached the Roman consul, Fulvius, and cried out to him:

> Since thou art so thirsty for our blood, why not strike me thyself that thou mayest boast of having killed a braver man than thou?

Fulvius answered:

> I should like well to do it but a decree of the Senate forbids.

Jubellius rejoined, "Well, then, I will show thee something that thou wouldst not have the courage to do," whereupon, he killed his wife, his children, and then himself. The people were sold into slavery, and Capua and its territory became part of the Roman domain.

Madam President, we have followed the expansion of Roman territory between 264 B.C. and 133 B.C., and noted that it left Rome in control of the Mediterranean. Rome organized new provinces in Africa, in Asia, in Hither Spain and Farther Spain; she extended her dominion over Macedonia and Greece, and restored her control over Cisalpine Gaul, which had been disturbed during the Hannibalic invasion. She also extended her dominion over Sicily, Sardinia, Corsica, the Balearic Islands and other islands in the western Mediterranean Sea. The growth in Roman territory had been phenomenal.

Also during this period, the Senate had increased its power and influence. Several facts account for the growth in the Senate's power. First of all, during the Punic War, the Senate had taken over the control of the government entirely. It took over the war and emerged from the second Punic War more powerful than ever.

Second, unlike the consuls, who at the end of their 1-year term were subject to having to answer to the Roman people for any mistakes they had made during their term of office, the Senate was a permanent organ of government.

The source of the Senate's power was its auctoritas, a concept which carried both religious and constitutional connotations. In practice, the term meant the prestige and esteem that the Senate possessed, based on custom and precedent and the outstanding qualities of the Members. Only to the Senate belonged the dignity of an antique tradition, unbroken from the earliest beginnings of the Roman State. The Roman Senate had existed from the time of the kings, having been created by the legendary first king, Romulus. It had survived the monarchy and had now continued through almost 400 years of the Republic.

Constitutionally, auctoritas was the power to ratify the laws of the popular assembly, approve the elections of magistrates, issue senatus consulta advising those magistrates, and control the public finances.

We have noted, time and time again, that before a bill or resolution could become law, it had to be approved by the Roman Senate. Therefore, there existed a check and balance between the popular assembly and the Senate. As in our own legislative process, a bill, before it can become law, must pass both Houses and be exactly similar in every jot and tittle—every period, semicolon, colon, parenthesis, and number.

Now, underlying the system requiring legislation to be approved by both bodies during the Roman Republic, was the religious idea that a bill or resolution, to become law, had to be pleasing to the gods.

The Roman Senate had complete control of the finances. No moneys could be earmarked for war, no moneys could be earmarked for public works except by the Senate. A soldier could not receive his pay nor a victorious general his triumph unless money for the purpose had been provided by the Senate. The Senate's control over the finances and over military and foreign policy, even over the courts, remained unchallenged until the time of Tiberius Gracchus in 133 B.C.

The Roman Senate often reduced the consuls and other magistrates to obedient executors of the Senate's will.

Even the tribunes, formerly the champions and protectors of the people, had become the willing tools and accomplices of the Senate. Not even the powerful censors, except for the irascible and aggressive Cato, ventured to challenge its authority.

The handicaps that a new man, novus homo, had to overcome to gain one of the higher offices or a seat in the Senate were numerous and difficult. Only a rich man could stand the expenses of an election campaign and hold an office for which he was paid no salary. His chances of election were slim if he was opposed by a member of an old and illustrious family supported by numerous clients, powerful friends, and influential connections. Only men with exceptional ability and personality, like Cato, Marius, or Cicero, could burst the bars of exclusion. Such was the closed caste that ruled the Senate.

Cicero was convinced that the preservation of republican government depended upon maintaining the supremacy of the Senate. We will see more of Cicero in future days. His concept of the ideal state was one that was governed according to law. To the magistrates would be allotted executive power; to the Senate, authority; and to the people, liberty.

Madam President, as we turn now to the final century of the Republic, let us remember that the old Roman virtues—so much like the family values and other virtues in American life that we have known since the beginning, and prior thereto, of our own Republic—had guided the Roman people through 600 years of wars and trials and triumphs, from the time when Rome was but a struggling, fledgling city on the Tiber to her present position as a world power. The Roman virtues of honesty, frugality, adaptability to changing circumstances, abhorrence of bribery and corruption, respect for law, and the admirable balance of their government—I emphasize this—the admirable balance of their government between the powers of the consuls, the Senate, and the popular Assembly, still drew the admiration of Polybius as late as about 150 B.C.

During this period, beginning with the expansion of Roman territory, and more particularly during the second century B.C., economic and social life throughout the peninsula underwent profound changes. Despite Rome's immense conquest of land, all too many people in Rome and throughout Italy suffered from poverty, want, privation, and famine.

Large plantation-type farms, cultivated by slave labor, began to replace the small family farms. Only the wealthy had the capital to introduce new kinds of crops and new breeds of livestock. The spread of the latifundia, huge land estates—caused numbers of peasants to lose their homesteads and drove increasing numbers of small farmers from the countryside to unemployment in the towns. There was a pressing need to re-establish a small peasantry on the land and to rid the cities of idle hands.

As we view these kaleidoscopic changes and events, we see emerging two opposing political factions—the Optimates and the Populares. The Optimates included the bulk of the senatorial politicians, who were devoted to the perpetuation of oligarchy. They were bitterly opposed to any change in the existing situation that adversely affected their prestige, their political influence, or their economic interests. Their advantages lay in their wealth and inherited reputations, their numerous and large clientele at home and abroad, and their control of the Senate—and, by their control of the Senate, their control of the administration of government.

The Populares, unlike the Optimates, represented the discontented elements, who demanded varying sorts of reform. The Populares did not lead as homogeneous a group as did the Optimates, but, rather, they represented many different interests and classes, which were not as likely to form a united front in the many crises that were to come during what was to be an extended conflict. Most of the leadership of the Populares was drawn from a minority faction in the Senate.

There suddenly burst upon the stage of human history, Tiberius Sempronius Gracchus, the public spirited son of one of Rome's most eminent aristocrats, who was married to Cornelia, the daughter of Scipio Africanus Major.

Many of us have heard the story of Cornelia, who married Tiberius Gracchus, the father of the Tiberius Sempronius Gracchus of whom we now speak. Cornelia was the mother of 12 children. She lost all of her children, except three—two sons and one daughter. The daughter was named Sempronia, and the sons were named Tiberius and Gaius. One day, a neighbor came by to visit Cornelia, and the neighbor displayed her jewelry and haughtily turned to Cornelia, this great Roman nation mother of the Gracchi, and said, "Do you have any jewelry?" Cornelia turned to her two remaining sons, Tiberius and Gaius, and proudly said, "These are my jewels."

Tiberius Sempronius Gracchus was elected tribune for the year 133 B.C., and he saw in the movement of small farmers to the cities a menace to the Roman State. So he introduced a law to deal with the problem of overpopulation in Rome and to re-establish the Italian peasantry on the land.

His bill provided that the soldiers and the peasants were to be settled on the large land estates that had been captured by the Republic in its many wars in Italy and leased to wealthy ranchers. Of course, his legislation ran into opposition. He sought to placate the rich landowners. In spite of his efforts, the legislation was vetoed by another tribune—Marcus Octavius.

Tiberius resorted to an unprecedented procedure. He introduced a motion to depose Marcus Octavius from his office of tribune. It was an illegal procedure, but it carried. Octavius was deposed. The land legislation then became law.

Tiberius and his brother Gaius and his father-in-law, Appius Claudius Pulcher, were elected as the three members of the land commission to enforce the land law. The Senate sought to hamper the land commission by refusing to appropriate the moneys for its expenses.

Tiberius then proposed that the money be provided from the Treasury of King Attalus III, about whom we spoke last week, and who had just died after bequeathing his kingdom of Pergamum to Rome. This was an unheard of thing. The Senate, from time immemorial, had had complete control over the treasury and foreign policy. But here, Tiberius was proposing that the money come from a foreign treasury. This was nothing less than a revolutionary challenge, in a constitutional sense, to the Senate's traditional control over the finances and over foreign policy. At the same time, Tiberius announced his intention to run for reelection to the office of tribune, which was very unusual, and contrary to established practice.

Senatorial extremists were determined to prevent his re-election. They organized their clients and slaves, who attacked Tiberius and his followers during a public meeting in the Forum. Tiberius and 300 of his adherents were massacred and their bodies thrown into the Tiber.

Nine years later, Gaius Gracchus, younger brother of Tiberius, was elected tribune. He supported the agrarian policy of his dead brother Tiberius, but his aims were even more far reaching than the policies of Tiberius and made Gaius even more popular than Tiberius, so much more in fact that, in spite of custom and practice, he was re-elected to the office of tribune for the year 123 B.C.

The changes he brought about favored the business class, as well as the proletariat, and were clearly designed to weaken the Senate.

He instigated an action by a fellow tribune, Acilius, to reorganize the court of claims and to provide that no magistrates in office; no Senator; and no father, brother, or son of a Senator serve on the panel from which the 50 judges hearing each case were selected. Gaius thus brought about the transfer of control over the tribunal from the senatorial order and placed it in the hands of the businessmen, who were thereafter referred to, collectively, as the equestrian order.

Gaius then sought to deal with the problem of impoverished citizens by passing a grain law. The grain law provided that the government should sell a fixed quantity of grain each month to the residents of Rome at a price considerably less than the market rate, thus constituting a regular charge upon the treasury and accepting the doctrine that the State was responsible for the poor.

The recipients of this cheap grain did not receive it gratis but had to pay for it, and Gaius cannot strictly be accused of having instituted a grain dole, but a first step had been taken in that direction and the way pointed out to office seekers to court the goodwill of the people at the expense of the State.

Does that remind us of our own time?

Gaius then passed legislation in the interest of the poorer citizens by requiring that the State provide soldiers with clothing free of charge and make no deductions for this from the pay of the soldiers. The law also prohibited the enlistment of troops under 17 years of age.

Additionally, Gaius introduced an agrarian law which reduced the amount of land that anyone could hold in Italy considerably below the maximum set by his brother Tiberius, thus offering further opportunities to relieve overpopulation in Rome.

Another law that was pushed to enactment by Gaius was the law affecting the collection of taxes in the newly organized province of Asia. This law provided that the contract for collecting the tax of 10 percent on the produce of all agricultural land in the province of Asia should be let by the censors in Rome to a single company of publicani.

This opened up new opportunities for Roman businessmen to make huge profits.

By this act, as well as by the Acilian law transferring the control of the courts out of the hands of the senatorial order into the hands of the equestrian order, Gaius had endeared himself to the equestrians and had won their support. He, therefore, announced that he would be a candidate for re-election to a third term as tribune.

But the decline of influence with the Tribal Assembly, which meant the end of Gaius' political power, was brought about largely through the machinations of the Optimates, and Gaius failed to be reelected.

Mr. President, both of the Gracchi brothers were earnest patriots, but, in their efforts to overcome the opposition to their measures, they had followed a course that shook the foundations of the Roman Constitution, and presented a direct challenge to the Senate's control of the government. The Senate, as a result, lost greatly in prestige and authority.

In addition to the loss of some of its prerogatives, the Senate was also weakened by the consolidation of the businessmen into a vigorous political faction that usually opposed it. The great future danger lay in the division of political leadership between these hostile political adversaries, the Optimates and Populares.

The Senate was headed into a slow decline which would be followed, in time, by the decline of the Republic. It would be a slow process, brought about by bloody civil wars, the overextension of the territorial administration of the Roman government, the growing influence of the military and military leaders, the continuing erosion of the Senate's power and authority, and the gradual corrosion of old Roman virtues and the Roman character.

Finally, Mr. President, despite the adherence of many Senators to the ideals of the Roman moral tradition, the corrupting influence of wealth, of a slave economy, and of power politics, had shown itself in the destruction of Carthage, Corinth, and Numantia. So, the cracks in the fabric were beginning to appear.

Having transformed itself into an exclusive and arbitrary oligarchy, the Senate had exposed itself to the attacks of the Gracchi. Their efforts toward reform—and especially the ways they chose to bring about reform—weakened the Senate and set in motion a chain of inexorable events that occurred over the next 100 years and resulted in the final collapse of the republic.

Mr. President, we shall pursue these developments following the observance of America's Independence Day anniversary.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KERREY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for 10 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT CLINTON AND THE POLLS

Mr. DORGAN. Mr. President, this morning on the morning television news, a television network had done a poll to learn about President Clinton's standing among the American people. What they determined from that poll was, in the aftermath of sending an armed response to Iraq—that is, sending some cruise missiles to Iraq in retaliation for the terrorists acts of Saddam Hussein—the President's standing in the polls has risen.

I do not know about my colleagues or others, but I am flatout sick of polls. I am sick of television networks publishing polls. I am sick of people taking polls to find out whether Monday, Tuesday, or Wednesday, this politician or that President is up or down or around. It does not make much sense and it does not matter very much, in my judgment.

On the subject of the response to Iraq, let me say that I think President Clinton did exactly the right thing. Saddam Hussein is a terrorist. He has murdered people in his own country. He gassed the Kurds in his own country and killed them. He has murdered people abroad and apparently plotted the murder of President Bush.

This country should not sit on its hands and allow a terrorist like that to operate without a response. This President responded on behalf of the American people and, in my judgment, responded appropriately and correctly. The message from this country to Saddam Hussein is that he is to bear the consequences of his actions.

But when I see a poll that says, because we were able to put a smart bomb down a chimney somewhere in Baghdad, the President's popularity has risen, I wonder why the American people judge that as having greater importance than what President Clinton did last week. President Clinton stood up for this country's economic interest last week. He led and proposed on the floor of this Chamber an economic reduction package to deal with these crippling Federal budget deficits.

That is leadership. It is not popular, apparently. When you stand for the economic changes in this country that are necessary to put us back on track, it requires that we take tough medicine. Then the polls do not shoot up, they shoot down. We ask people to bear spending cuts, we ask them to bear some additional tax burden, we ask them to join us in dealing with these crippling budget deficits that mortgage our country's future.

Those tough choices do not improve anyone's standing in the polls, but they are no less correct a public action than the actions taken this weekend by President Clinton with respect to Saddam Hussein.

It is no less correct when the President stands up for this country's economic interests next week in the meeting of the G-7. It is no less correct when he stands up for this country's interests as he did last week with respect to unfair trade from Canada, and said we are going to take action because, Canada, when you flood this country with unfair grain imports that are deeply subsidized, you must bear the consequences of that action. When he says to our allies, to Japan and to Europe and others, that you must bear the consequences of unfair trade policies, that is no less a standing up for this country's economic interests. Why, then, should the American people not respond positively to those kinds of actions by our President?

We are going to debate in the coming hours of this week something called fast track. Fast track is fundamentally undemocratic. I am going to vote "no" on fast track.

Let me describe what fast track is. It is a trade mechanism wherein we empower some trade negotiators, most of whom no one knows, to go somewhere overseas, lock the door, go behind the door, and in secret, wearing their monogrammed silk shirts, negotiate some sort of trade agreement on behalf of this country.

When they come back, if they are given the authority under fast track to extend that authority that has already been given for years, then it comes to the House and the Senate under a fast-track procedure. And we are told that negotiation that was done in secret, you accept it, swallow the whole thing whole, with no amendment and no changes. Fast track means no one has the opportunity to modify or change it in any way. You cannot dot an "i"; you cannot cross a "t." You must swallow the whole product or none of it.

That is fundamentally undemocratic. I voted against it 2 years ago when they proposed to extend fast track for all trade agreements, and I intend to vote against it this week when they propose to extend fast track for the GATT agreement, the global trade agreement.

I would like to use this opportunity to talk for just a minute about trade and some of my differences with those who negotiate trade on behalf of this country. This country for the last decade has had an abysmal record on trade. We have never found a negotiation our negotiators could not lose in a week. No matter what we got involved in, we seemed to lose it.

Our beef agreement with Japan was supposed to be a notable exception to our record. Our negotiators were negotiating with Japan to allow more American beef into Japan.

We get 3.5 million Japanese cars and trucks into our country; our shelves are flooded with VCR's and television sets produced in Japan. We say we are a wide open country. We want our consumers to have the broadest possible shopping experience with the broadest possible goods from all over the world. But when we send our goods to Japan, they say: We are not quite as generous; we do not want many of your goods to compete in our country. Beef was an example.

What do you think it costs to buy a T-bone steak in Tokyo today? It costs $29 a pound. Why? Because they do not have enough beef in Japan, so they drive the price up. We want to get more American beef into Japan. We have had a devil of a time doing that.

Our negotiators under the Bush administration negotiated an agreement. And there were hosannas to the highest. They had a celebration. Lord, you would have thought they won the gold medal in the Olympics, the negotiators. They were jumping up and down, trumpeting on the front pages of the papers this breakthrough in negotiations with Japan: We are going to get more beef into Japan. Even my livestock producers think it is a great deal.

Strip away all the peelings on this agreement and what did these gold-medal winners produce? At the end of it, when it is all phased in and all is said and done, there will remain a 50 percent tariff on American beef going into Japan. That, with Japan, is considered a victory because we have such miserably low expectations of fair trade with Japan.

Let us talk about China just for a minute. China now has an $18 billion trade surplus with us. Put another way, we have an $18 billion trade deficit with China.

China is a big country. They ought to buy a lot more products from us. We buy a lot from them. Take wheat once again. Wheat happens to be a product I am familiar with. You would think if China is shipping us massive quantities of Chinese goods and we therefore have an $18 billion trade deficit with China, that they would be making sure they bought plenty of American wheat. Do you know what? Even as this trade deficit with China that we have is ratcheting way up, growing exponentially, the Chinese are off price shopping to buy wheat from Canada. Canada has displaced us as the largest wheat supplier to China even as our trade deficit has skyrocketed with China. They are off price shopping. They are trying to figure out how they can use subsidized Canadian grain to displace United States grain in China.

We are going to talk about the Mexican Free-Trade Agreement, which is actually an economic stimulus package for Mexico given and paid for by the United States, a Mexican Free Trade Agreement. Let me take wheat once again, because wheat is what we use to produce bread and it is an important commodity.

You would think, if we are going to do a Mexican Free-Trade Agreement, the Mexicans would be buying American wheat. Do you know, we used to sell three-quarters of the wheat the Mexicans consume? Now they buy three-quarters of their wheat from Canada. There is something wrong with our trade relationships. We do not seem willing to stand up and say to other countries: Part of trade is a responsibility to be fair with each other and take some responsibility for dealing with each other in an equivalent way.

We say to China: We want to buy all your goods, that is fine. So buy our goods. We say to Japan: If you want to ship your cars to America, that is fine. Then open your markets to American goods. We say to Canada: You want a free trade agreement, that is fine. But trade across that border must be fair trade and the absence of it will mean you will bear the consequences of it.

The point about trade policy and my concern about the extension of fast track for GATT has roots in all of these things I have just discussed. We do not yet have a trade philosophy, at least not one that goes beyond what we have seen for a decade of chanting "free trade."

We have a new President and that gives me some hope. The action he took last week, on the unfair flood of grain coming in from Canada, gives me hope. But the only way I will support a GATT agreement is when a GATT agreement comes back to us and we have said we have negotiated on two fundamental points. One is market access to other countries, opening markets to American goods just as American goods have been opened to foreign markets.

The GATT agreement must come back to us with two principal components. One is that we have successfully negotiated market access, demanding of others around the world that their markets be as open to us as ours is to them. No. 2, to ratchet down these insidious trade subsidies, export subsidies, that distort trade across borders. If those two objectives were achieved in a GATT agreement, then I would be the first to rush in and support it.

But that has not been the objective of our trade negotiators. We have been involved for a decade in this notion of "free trade, free trade." It is as if they are sitting on street corners in robes chanting some mantra, "free trade." It is totally irrelevant. It has become a symbol for unilateral surrender on trade issues.

What they ought to chant is "fair trade." This country will compete with anybody, at any time, on any given level, with any set of products, as long as the competition is fair. We demand the competition be fair.

If you are asking American producers to go out and compete around the world and have tied one arm behind their backs, I say they cannot compete; they will lose. But, if our trade negotiators stand up for the economic interests of this country and demand fair trade, then we have a fair chance to win.

I am just flat sick and tired of reading in the papers about protectionists. Since when has the opportunity to protect America's economic interests become a dirty word? Yes, I am a protectionist, if protectionist means I want to protect the interest of our producers to demand that trade be fair. No, I am not a protectionist in a manner that suggests we should close our markets to foreign goods.

If and when we finally charge our trade negotiators to accomplish those objectives of open markets and ending subsidies, we will achieve something significant, in my judgment.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I ask consent in the few remaining minutes in the morning hour I be permitted to speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAST TRACK ON GATT

Mr. HOLLINGS. Mr. President, let me commend our distinguished colleague from North Dakota. He has really been an intellectual force, first as a Member of Congress in the other body, and now as a Senator and member of my Committee on Commerce, reminding us of our fundamental responsibility that over the years has been eroded and disregarded.

Fast track is all the more outrageous and unacceptable in light of the Constitution, article I, section 8, which says the Congress—not the President, not the Supreme Court, not the State Department, or any of these others, but the Congress of the United States—shall regulate foreign commerce. Yet today Congress is the one entity that has nothing to do with trade agreements. Why? Because of fast track.

Mr. President, I ask unanimous consent to have the article, entitled "The Treaty No One Could Read; How Lobbyists and Business Quietly Forged NAFTA," by Charles Lewis, from the

"Outlook" section of the Washington Post of Sunday, June 27, 1993, printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TREATY NO ONE COULD READ; HOW LOBBYISTS AND BUSINESS QUIETLY FORGED NAFTA

Over Memorial Day weekend former presidential candidate Ross Perot took to the network airwaves to denounce the proposed North American Free Trade Agreement, saying "Once again we have been out-traded and out-negotiated." This is, in a word, unprecedented. For the last half century, U.S. trade policy has been the exclusive affair of corporate and government elites; debate about it has had only the facade of open, democratic discourse.

As the NAFTA debate intensifies over the next few months, advocates on both sides are going to take their case to the airwaves. Whatever you think about NAFTA or Perot, the Texas's "infomercial" marks the beginning of the end of the elite monopoly on trade issues.

The trade game illustrates well what William Greider calls "deep lobbying." The purpose of this sophisticated form of political planning is not so much to effect any specific piece of special interest legislation as to define public argument and debate. By controlling the terms of debate, deep lobbying controls the outcome. The result, Greider argues, is "mock democracy—a system that has all the trappings of free and open political discourse but is shaped and guided as a very deep level by the resources of the most powerful interests."

To be sure, the deep lobbying on behalf of NAFTA hasn't won the hearts and minds of the American people. A recent Time poll found that 63 percent of respondents agreed with Perot's assertion that NAFTA would cost U.S. jobs and only 25 percent agreed with Clinton's assertion that it would create U.S. jobs. But the deep lobbying has been effective where it counts most—in framing the legislation, setting the terms of elite debate and building institutional support.

For years, the logic, assumptions and seeming inevitability of NAFTA have been carefully constructed—by prominent business interests in the United States, Mexico and Canada, their elected, responsive government officials and their legions of paid representatives. Getting presidents and prime ministers to think and talk about NAFTA getting negotiations together to hammer out the logistics, controlling how the actual treaty will be disseminated and described to the public and girding for legislative battle all require substantial sums of money and hired Washington insiders. By the time Congress votes on NAFTA next fall, Mexican government and business interests alone will have spent more than $30 million to promote the pact—and U.S. corporations will have spent millions more.

The more modestly funded forces opposed to NAFTA (some business sectors, organized labor and some environmental groups) have frequently been ignored or reduced to the reactive role of 11th-hour, yammering naysayers.

The idea of a North American free trade agreement originated in the late 1970s. The underlying rationale was laid out in 1979 at a hearing on "North American Economic Interdependence," held by the Senate Finance Subcommittee on International Trade. Gerard J. Van Heuven, the executive vice president of the United States-Mexico Chamber of Commerce, testified that the U.S. business interdependence with Mexico was largely due to the nature of Mexican labor itself.

"We depend upon the abundant, less expensive labor supply in Mexico to remain competitive with foreign imports into the United States . . . ," Van Heuven said. "Without benefit of Mexican labor, many U.S. companies might be forced out of business or move offshore, due to high U.S. labor costs. Mexico is dependent upon the creation of jobs and the training provide by U.S. firms for unskilled workers."

Throughout the '80s, U.S. and Mexican business interests coalesced around the idea. The push for some sort of bilateral or regional trade pace came from the Mexico-U.S. Business Committee, the Mexican Business Council for International Affairs, the U.S. Chamber of Commerce, the American Chamber of Commerce of Mexico, the Council of the Americas, to name a few of the leading organizations.

This was not a concept discussed on the Phil Donahue show or Larry King. It was not debated on talk radio, pushed by any popularly based advocacy group or even debated much in Congress.

The treaty itself was negotiated in 1991 and 1992 with little pretense of openness during the negotiations or afterwards. By granting the president "fast track" negotiating authority for the NAFTA agreement, Congress agreed to deny itself the right to amend the historic legislation. When U.S. Trade Representative Carla Hills and President Bush announced in August 1992 amidst great fanfare that the pact had been completed, Washington—the most senior members of Congress, journalists and a myriad of public interest groups of all stripes—waited and waited for a mere glimpse at the agreement. Members of Congress with security clearances had to wait three weeks, and then had to go to a specially designated room to read it. Making copies or taking notes was forbidden. (The Bush administration finally did release a 1,000-page list of tariff reductions.) The complete text of NAFTA was not available to the public until January 1993—at the not-so-populist cost of $41.

Even for trade agreements, this was extraordinary. Why the nuclear-like secrecy? Who were the trade cognoscenti worried about? The answer, to oversimplify only slightly, is the American public. And that fear is nothing new. In the realm of trade policy, the dominant role of elites has been the norm since the debacle of the Tariff Act of 1930, known to history as Smoot-Hawley, a special interest monstrosity that shrank world trade and undermined the entire international financial and monetary system.

In 1934 in a well-intentioned effort to insulate trade policy from the passions and special interests of the moment, initiative on trade policy was taken away from Congress and passed to the State Department. In 1962 Congress, dissatisfied with the State and Commerce Departments, created the office of the Special Trade Representative in the White House. The office grew during the next dozen years, and in 1974 attained Cabinet status.

In exchange for giving the Executive Branch even more authority over trade issues, Congress established an elaborate system of private sector advisory committees. The advisory committees, however, are not particularly powerful, rarely announce their meetings (which are closed to the public) and are dominated by representatives of U.S. corporations (although labor has its own trade advisory committee). The most important advisory committee is a 45-member panel on trade policy and negotiations. The committee has two representatives of working people, one from an environmental group and none from a non-business-funded consumer opranizations.

The reality of corporate domination is evident. At least a fifth of the Trade Policy and Negotiations committee's membership comes from companies with operations in Mexico today. Five companies represented on this committee—American Express, Eastman Kodak, Allied Signal, IBM and General Motors—also happen to be leading advocates in the campaign for NAFTA.

Proponents of NAFTA insist that the negotiation process was sufficiently open to divergent concerns. But Clinton has acknowledged that issues such as the potential loss of jobs or reduced environmental standards were afterthoughts to the negotiating process and the agreement. To insure ratification, NAFTA supporters have had to agree to draft supplemental agreements addressing these concerns. But whatever the final wording of the side letters to NAFTA now being drafted by the United States, Canada and Mexico, they have the disturbing appearance of after-the-fact, cosmetic "trappings" of responsive government.

Lobbying activities by business interests north of the Rio Grande were matched by governmental efforts directed from south of the border. The unprecedented lobbying campaign launched by the Mexican government has achieved maximum access to the highest levels of the U.S. political process. Since 1989, Mexican interests promoting NAFTA have hired 33 former U.S. officials, with experience and contacts throughout the federal government, from congress to the White House to the Treasury Department. Two such former officials—former Senate aide Joseph O'Neill and former State Department official Gabriel Guerra-Mondragon—assisted in the Clinton transition while receiving six-figure retainers from Mexico.

Former U.S. Trade Representative Bill Brock (who claims to be the father of the treaty) has given, according to Justice Department records, "strategic counselling on trade, labor and political policy issues" to Mexico's equivalent of the Commerce Department. Former Deputy Assistant USTR Timothy Bennett has represented a consortium of Mexican companies fighting for NAFTA. Ruth Kurtz, a former trade analyst for the International Trade Commission, Commerce Department and a Senate committee, now earns $110,000 a year from Mexican business interests. In the past two years, those Mexican business interests have taken 87 Congressional staffers and three members of Congress—including the Rep. Mike Espy (D-Miss.), now Agriculture Secretary—on all-expense-paid, "fact-finding" trips to Mexico. Mexican business interests—mainly through Kurtz—directly contacted members of Congress and their aids no fewer than 270 times to discuss NAFTA.

NAFTA opponents, by any objective assessment, have been spending a mere fraction of what Mexican and U.S. corporate interests have spent. The principal anti-NAFTA umbrella organization, Citizens Trade Campaign, represents more than 70 organizations nationwide. However, its annual budget is $200,000—one-tenth the budget of USA-NAFTA, the leading business organization propounding the agreement. The AFL-CIO, with its 14 million members, has organized a few trips to Mexico for members of

Congress, and is planning a national anti-NAFTA campaign in the weeks ahead. Groups such as the U.S. Business and Industrial Council and other mostly small to mid-sized companies are critical of NAFTA, and find themselves in the curious position of being aligned with the traditionally anti-business organization founded by Ralph Nader, Public Citizen, and its lobbying arm, Congress Watch.

Environmentalists are split on NAFTA. Greenpeace, Friends of the Earth and the Sierra Club are active participants in the anti-NAFTA lobbying effort. But recently several large environmental organizations—including the National Audubon Society, the Nature Conservancy, the National Wildlife Federation, the World Wildlife Fund and Defenders of Wildlife—announced they would support the treaty, as long as appropriate auxiliary agreements are negotiated. Perhaps coincidentally, all of these organizations have received funding from corporations operating in Mexico, including many multinationals actively fighting for NAFTA.

But now, for the first time, ordinary Americans are beginning to discover that national and international trade decisions have critical relevance to their daily lives. And as they increasingly seek a greater voice, whatever the outcome of the NAFTA debate, the trading game will never again be the same.

Charles Lewis, a former producer for the CBS News program "60 Minutes," is the executive director of the Center for Public Integrity in Washington, which is funded by foundations, corporations, labor unions, individuals and revenues from news organizations.

Mr. HOLLINGS. Mr. President, this article lays bare the elite and secretive interests that have been the driving force behind NAFTA. Mr. Lewis quotes William Greider of Rolling Stone magazine, what Greider calls "deep lobbying." Deep lobbying is not lobbying for a particular vote on a particular bill, but rather deep lobbying seeks to shape the environment, the atmosphere of this Nation. Deep lobbying by the free trade lobby has created a situation today such that you dare not criticize the President's trade policies. The President is headed to the G-7 summit at Tokyo. You have to support the President. You do not talk about trade; you do not talk about the treaty.

They have had fast track for GATT for 7 years and have done nothing with it. It was supposed to have concluded the treaty 2 years ago, at the most 5 years. But negotiations go on and on. They want fast track: Don't read the text too closely, do not see the details. And then, of course, once negotiations are consummated by the executive branch, the votes in the Senate are fixed. They do not dare submit the treaty for approval by the U.S. Senate unless and until they have the majority vote. That is just basic politics. So a genuine, detailed debate never happens. It is total frustration.

I know that none of the oversight committees truly fulfill their responsibility. The Agriculture Committee has responsibility with respect to agriculture trade, yet they can barely examine it. No wonder the leading agriculture Senator is voting against fast track. The Finance Committee, as long as they take care of the oil industry, that's all they care about—we just saw that; we had to do away with the Btu tax to get a budget on account of that fix in finance.

In the Commerce Committee, we were originally the Committee on Foreign Commerce, then the Committee on Foreign and Interstate Commerce, and so on. But over the past years, we have relinquished a good bit of that responsibility. Now we are trying with the leadership of the distinguished Senator from North Dakota to reassert that responsibility. Bear in mind that, historically, the second act passed by this Congress in its entire history, on July 4, 1789, was a tariff act to protect American industry.

The British tried to persuade us otherwise. The Brits said, what you should do is trade with us what you produce best, and we in the United Kingdom will trade back with you what we produce best. There will be no tariffs, no barriers, free trade, free trade. That is what they said. Alexander Hamilton responded in his treatise, "Report on Manufactures." There is one copy of this under lock and key in the Library of Congress. To paraphrase Alexander Hamilton in response to the British, he said, Bug off; we are not going to remain your colony.

The second act passed by this National Congress in 1789 was a 50-percent tariff on selected articles beginning with iron, textiles, going on down the list. We built this economic giant, the industrial strength of the United States of America, with selective protectionism. Lincoln insisted we build domestic steel plants to build our railroads rather than import steel from Europe. President Franklin Roosevelt imposed import quotas and price supports for agriculture. Eisenhower imposed oil import quotas.

"I hereby pledge to preserve, protect, and defend," says the President of the United States in his oath, and I remember President Reagan doing just that in the rotunda in his second term. Yet if a Senator comes down here on the floor of the Senate and, if you mentioned the word "protectionism," people erupt in cackles of disapproval like a flock of chickens. The word protectionism is a pejorative term, and this is the direct result of decades of deep lobbying by the free trade elites in this country. Do not worry about the fees for lobbyists, give them the fees, just do not give them the power.

I will have two amendments later this week on fast track. Likely the Senate will still pass the bill, but I will argue for important principles. For starters, I want to provide for the reenactment of Super 301 authority as of December 15 when they are supposed to consummate the General Agreement on Tariffs and Trade, the GATT agreement. This will require the U.S. Trade Representative to initiate appropriate and necessary action against countries that engage in unfair trade practices, countries that consistently impede the entry of American goods to their markets.

TAXES

Mr. HOLLINGS. Mr. President, we have heard much talk recently from the other side of the aisle about the evils of taxes. So I am obliged to report that the first thing we did this morning in Washington was raise taxes 1 billion bucks. This is a Republican tax. It was their administrations, 12 years, and they said, "Don't worry about paying the bill," run up the debt, up, up, and away, quadrupling it. Now the debt is $4.2 trillion, and we bear the burden of $310 billion annually in gross interest costs. I call them interest taxes. They are worse than taxes in one important way. You can repeal the luxury tax, as we just voted here last week. You can repeal the catastrophic illness insurance tax. But you cannot repeal interest taxes, you have to pay them. And they go up and up. The Republicans spent 16 days opposing the $16 billion stimulus bill, and in that same 16 days the Treasury raised taxes $16 billion in interest taxes. We are going to raise taxes another billion tomorrow morning. We are going to raise taxes another billion the following day, including Saturday, every day but Sunday this year. That is the legacy—the tax—of 12 years of Republican rule.

Now go back to President Reagan and his 8 years. He vetoed a small, little supplemental bill but signed every major appropriations bill. And our good friend President George Bush had 43 vetoes. But never did he veto spending. He vetoed the labor, health, and human resources bill because doctors were allowed to counsel their patients on family planning, but once we took that out he signed the spending.

So the record is clear, the charade is over. They are exposed. They are the ones who are raising taxes so much that the reconciliation bill that we passed here is still going to leave us with a $320 billion deficit come 1996, almost the same that we inherited from President Bush.

So we Democrats and Republicans, if we want to save the land, we are going to have to go much further than the modest deficit reduction embodied in the reconciliation bill. As Lewis Carroll wrote in "Through the Looking Glass," in order to stay where you are, you have to run as fast as you can. In order to get ahead, we have to run even faster.

So we have done a good job. President Clinton has led the way. He had his economic summit, he cut his staff 25 percent, he eliminated 100,000 Federal jobs, he froze your pay and my pay, he put Vice President Gore in charge of the departments to eliminate waste, and he put the First Lady in charge of health care reform. And, oh yes, we finally got the Republican's plan for deficit reduction—that was a pure sham the one they put up, and we exposed it. They claimed to tackle the deficit without taxes, but even their plan provided for a $200 billion annual deficit after 5 years. It was absolutely unacceptable.

So, Mr. President, every day that I can get down here to the floor, to the extent other work permits, I want to remind our Republican friends that we raise taxes $1 billion again today automatically, due to their policy of the last 12 years. I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. MATHEWS). Without objection, it is so ordered.

Mr. BYRD. Mr. President, is the Senate still in a period for morning business?

The PRESIDING OFFICER. The Senate is continuing in morning business at this point.

Mr. BYRD. I thank the Chair.

A SUCCINCT ANALYSIS OF "IATROGENIC GOVERNMENT"

Mr. BYRD. Mr. President, any future historical examination of the membership of the United States Senate during this current era will certainly focus significantly on the distinguished senior Senator from New York, our friend and colleague, Senator DANIEL PATRICK MOYNIHAN.

Like a Renaissance Man of yore, while serving admirably and effectively as a Senator from New York, Senator MOYNIHAN has continued to pursue scholarly and intellectual pursuits as some of our other colleagues might follow avocations on the golf course or as philatelists.

In the summer 1993 issue of The American Scholar, the official publication of Phi Beta Kappa, an article authored by Senator MOYNIHAN has appeared—an article that deserves the attention of all of our colleagues as well as by anyone in responsibility who is concerned about the impact, penalties, origins, and ramifications of the current drug-abuse pandemic afflicting our country and about the need for more creative responses to that pandemic.

Mr. President, to read Senator MOYNIHAN'S writing is to hear Senator MOYNIHAN speaking in one's mind's ear—that clear, irrepressible, dramatic, staccato cadence that renders Senator MOYNIHAN'S speeches here on the Senate floor a pleasure to listen to, and a lively communication experience difficult to misunderstand.

Further, as our colleagues will concur, as in his speeches, just so in his writings, Senator MOYNIHAN possesses an enviable ability to boil brilliant abstractions down to intellectually digestible morsels, each tinctured with Moynihaesque wit and irony, and delicately flavored with the verbal spiciness of which Senator MOYNIHAN is an undoubted master.

Mr. President, the article by Senator MOYNIHAN appearing in the current issue of The American Scholar, entitled "Inatrogenic Government," deserves a wider distribution among our colleagues and a serious discussion by those officials and citizens most responsible for establishing national drug policies and for implementing those policies.

I encourage all of our colleagues to examine Senator MOYNIHAN'S article, and I ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IATROGENIC GOVERNMENT

(By Daniel Patrick Moynihan)

(Daniel Patrick Moynihan is the senior United States Senator from New York. He is the author of numerous books, most recently, "Pandaemonium: Ethnicity in International Politics.")

Writing in the New England Journal of Medicine in 1983, Armand M. Nicholi of the department of psychiatry at Massachusetts General Hospital and the Harvard Medical School commented.

"When future historians study American culture, they may be most perplexed by the explosive increase in the nonmedical use of drugs that occurred during the seventh and eighth decades of this century. This widespread increase in the illicit use of psychoactive drugs began in the early 1960s, primarily in colleges and universities, during an era of unprecedented campus disorder and social upheaval. For the next 10 years studies were focused on patterns of drug use among college students—the late-adolescent and young-adult age groups. Perhaps because of the strong influence youth exerts in establishing the tone of our culture with respect to music, dress, and lifestyle, the nonmedical use of drugs spread rapidly to other age groups, and during the 1970s it reached epidemic proportions."

When these future historians set to work, one matter need not perplex them. If they should ask—and let us hope they do—did anyone in the medical profession, observing the onset of this epidemic, set out in a scientific manner to try to understand what was happening and to develop an appropriate medical response, the answer will be that there was one such person, Norman Zinberg, professor of psychiatry at the Harvard Medical School. He was, in the most profound sense, a healer, a life-enhancing man.

Although Zinberg's major work, "Drug, Set, and Setting," was not published until 1984, his papers and lectures were well and widely known by the mid-1960s. At that time I was director of the Joint Center for Urban Studies of M.I.T. and Harvard. We were neighbors and became friends, and I, in a legitimate sense, became his pupil. In 1969, I went to Washington as an adviser on urban affairs to President Nixon. The urban crisis, as it was known at that time, was very much a drug crisis, chiefly entailing heroin. Early on it fell to me to try to fashion a response by the federal government. This was perhaps the first time the federal government had attempted a deliberate relationship between social policy and drug research. This is also the subject of the final chapter in Norman Zinberg's "Drug, Set, and Setting."

My first foray into the field came in August 1969, after the president had sent to Congress a considerable legislative program that addressed urban matters. In this program, the welfare system was to be replaced by a guaranteed income, known as the Family Assistance Plan. The federal government would share its revenue with state and city governments. Now was the time for drugs. At that time most of the heroin used here was coming in from Marseilles, where it was refined from Turkish opium. I set out for those countries to tell their officials and our own embassies (which seem never to have heard of the subject) that the United States could not accept "the French connection."

After a scattering of heroin-related deaths among French youths, Le Monde published an article ascribing drug addition to broken homes and the National Assembly had a daylong debate on the subject. The French took the matter far more seriously than we had ever done, and before long Marseilles was clean, as the argot has it. Having reached tentative agreements, I found myself in a helicopter flying up to Camp David to report on this seeming success. The only other passenger was George P. Shultz, who was busy with official-looking papers. Even so, I related our triumph. He looked up. "Good," said he, and returned to his tables and charts. "No, really," said I, "this is a big event." My cabinet colleague looked up, restated his perfunctory "Good," and once more returned to his paperwork. Crestfallen, I pondered, then said, "I suppose you think that so long as there is a demand for drugs, there will continue to be a supply." George Schultz, sometime professor of economics at the University of Chicago, looked up with an air of genuine interest. "You know," he said, "there's hope for you yet!"

As indeed there was: both for me individually and for the federal government as it once again engaged itself with the matter of drugs. Early in December 1969, a governors' conference was convened to address the issue. At a luncheon at the Department of State I was the principal speaker. I do not suggest that my views were held uniformly throughout the administration, but there I was, Counselor to the President, telling the governors what I thought—a point of view that they had reason to believe was close to what others like me thought. The truth in either event is that we were mostly asserting what we did not know and would need to learn.

I called my paper "The Whiskey Culture and the Drug Culture." I had a simple theme.

"Let me offer one general idea. Drug use—and abuse—represents simply one more instance of the impact of technology on society. This is the central experience of modern society. At one or two removes, most of the ills we suffer are the consequences of technology. That is to say, the bad results that accompany the good ones—goods results which led to the adoption of the technology in the first place. A commonplace observation, but truly an important one, and one which will I think be recognized by Governors who struggle daily with waters polluted by technology, underprivileged populations displaced by technology, drivers and pedestrians maimed by technology, cities choked with technology, and air fouled by it. Not to mention urban populations near to terrorized by crime brought about by the need to obtain money to purchase certain drugs which are yet another product of technology. From nuclear weapons to cyclamates, this is what is so unsettling about modern life. The effort to master and somehow transcend technology is central to the concerns of the great philosophical historians and sociologists of the age, men such as Jacques Ellul, Lewis Mumford, David Riesman, Michael Young. But for the moment one the tasks of government is to keep technology from rending the fabric of society. That is what this conference is about, the specifics of which I would like now to consider."

I discussed in some detail the extraordinary destructiveness of distilled alcohol when it first became available in the eighteenth century as a combined result of the renaissance invention of distillation and the later agricultural revolution that produced an abundance of grain. The species had no experience with an intoxicant of this power. In his fine study, "Town Planning in London: The Eighteenth and Nineteenth Centuries," Donald J. Olsen identified the onest of distilled spirits as a form of social pathology: "Cheap gin helped to keep the population of London stable from 1700 to 1750."

In truth, the numbers are astonishing. M.C. Bauer estimated the population in 1700 to have been 674,000 and fifty years later to be no more than 676,000. By contrast the population of London tripled in the first half of the following century, going from 864,845 in the census of 1801 to 2,363,236 in 1851. Ought we not to think that a form of social learning was taking place—at a time of robust laissez-faire government—and the population was coming to terms with this new product of technology.

W.J. Rorabaugh's "The Alcoholic Republic: An American Tradition" would not appear for another decade, but enough of the American experience was available to provide some useful generalizations. The first law enacted by the first Congress established the oath of office required by Article VI of the Constitution. To wit: "I, A.B., do solemnly swear or affirm (as the case may be) that I will support the Constitution of the United States." The second law imposed a ten-cents-per-gallon tariff on Jamaican rum—to encourage consumption of American whiskey. This was a general tariff bill, but it is noteworthy that six of the first seven items concern drink.

"On all distilled spirits of Jamaica proof, imported from any kingdom or country whatsoever, per gallon, ten cents.

"On all other distilled spirits, per gallon, eight cents.

"On molasses, per gallon, two and a half cents.

"On Madeira wine, per gallon, eighteen cents.

"On all other wines, per gallon, ten cents.

"On every gallon of beer, ale or porter in casks, five cents.

"On all cider, beer, ale or porter in bottles, per dozen, twenty cents."

Distilled spirits in early America appeared as a font of national unity, easy money, manly strength, and all-round good cheer. It was at first irresistible. It felt good and was thought to be good for you. The more the better. It became routine to drink whiskey at breakfast and to go on drinking all day. (Laborers digging the Erie Canal were allotted a quart of Monongahela whiskey a day, issued in eight four-ounce portions commencing at six o'clock in the morning.) Only slowly did it sink in that such a regimen was ruinous to health and a risk to society. When it did, society responded.

Apart only from the movement to abolish slavery, the most popular and influential social movement of nineteenth-century America concerned the effort to limit or indeed prohibit the use of alcohol. The former brought about three amendments to the Constitution; the latter, two. In "Thinking About Crime" (1983), James Q. Wilson estimates that by the end of the nineteenth century the temperance movement had reduced per capital alcohol consumption by two-thirds. Alcohol abuse continues to be a major health problem—and a murderous one in combination with that other technological wonder, the automobile. But at least the dangers of alcohol are far better understood than in the past.

The use of what might be termed high-proof drugs appears roughly a century later than the use of high-proof alcoholic drink. Just as beer and wine are naturally fermented products of grain and grapes, narcotics and stimulants appear in nature as attributes of the poppy or coca plant. The crucial technological event here was the development of organic chemistry in German universities in the middle of the nineteenth century.

First, morphine was produced from opium. In combination with the hypodermic needle, morphine was widely used in Civil War medicine, giving rise to a form of addiction that was popularly called Soldier's disease. (The medical use of morphine in childbirth evidently led to similar forms of addiction.) A generation later, heroin, a "distillation" of morphine, was developed by the Bayer Pharmaceutical firm in Germany. (Employees on whom it was tested found that it made them feel heroisch—hence, its trade name.) It appears to have been thought useful as a cure for morphine addiction.

In like manner, cocaine, the active ingredient of the coca leaf, was isolated before 1880. Its early use was medical, again in association with the hypodermic needle. Freud used it to treat a friend suffering from morphine addiction. As he increased the doses, he induced an episode of cocaine psychosis and, as reported by Oakley Stern Ray in "Drugs, Society, and Human Behavior" (1978), "thereafter was bitterly against drugs." On the other hand, in 1885, the Parke-Davis Pharmaceutical Company asserted that cocaine "can supply the place of food, make the coward brave, the silent eloquent" and declared it a "wonder drug."

Along with alcohol, these substances came under federal prohibition early in this century. Alcohol prohibition was a convulsive event that, among other things, led to the creation of a criminal underworld of exceptional influence and durability. There was always a certain amount of drug trafficking within this underworld, and this continued at modest levels until the epidemic outbreak of heroin use in the 1960s. It thereupon provided the model on which the large-scale import and distribution of drugs commenced in the 1960s.

Rereading my little-noticed and long-forgotten paper is rewarding—to me, at any rate—in the way it reveals the iron incompatibilities that beset anyone who tries, however tentatively, to derive drug policy from drug research, and for that matter social science. Here I would invoke the wonderfully allusive remark of Rudolph Virchow, the eminent nineteenth-century pathologist. "Medicine," he said, "is a social science, and politics is nothing but medicine on a grand scale." As I developed first this argument, then that analogy, I kept running up against the fact that our society had made a political choice between two almost equally undesirable outcomes. As Mark A.R. Kleiman spells out in his fine new study, "Against Excess: Drug Policy for Results," in dealing with drugs, we are required to choose between a crime problem and a public health problem. In choosing to prohibit drugs, we choose to have a more or less localized—but ultimately devastating—crime problem rather than a general health problem. Kleiman writes:

"The case for heroin prohibition is simply that a number, probably a large number, of persons who now lead reasonably satisfying, dignified, and useful lives would, if heroin were legal, find themselves leading, and regretting, lives with a narrowed range of satisfactions, impaired dignity and self-command, and reduced usefulness to their families, friends, neighbors, coworkers, and fellow citizens. To prevent this we pay a price in a form of increased misery for those who become heavy heroin users despite prohibition, and increased external costs: the spread of disease, user crime, black-market crime, neighborhood disruption from open dealing, and the expenditure of law enforcement resources that could instead be used to suppress predatory crime."

Then, as now, I opposed legalization, or decriminalization of drugs. I took the technological ascent seriously. In his "Letters from an American Farmer" published in 1782, J. Hector St. John de Crèvecoeur notes his surprise at a "singular custom" among the good, and presumedly Puritan ladies of Nantucket: "They have adopted these many years, the Asiatic custom of taking a dose of opium every morning. . . . This is much more prevalent among the women than the men."

But opium is one thing; heroin another. My 1969 paper concluded:

"There are those who will and do propose a social policy of complete and free availability of almost all chemical substances that are or can be ingested in one form or another. In its most popular form today, this takes the form of advocating the free use of cannabis, and somewhat less frequently, the free, or mildly regulated use of heroin. I believe this to be a very mistaken position. It is a form of hiding behind the principle of individual freedom to avoid the reality of individual danger and individual harm. It is almost a form of indifference to pain: and I say that in full knowledge of the generosity of spirit and the effort to be understanding that often motivates such proposals.

"Our object must be higher. We must learn to use fewer drugs, not more.

"The question of course is how?"

That was pretty clear twenty-three years ago when we were just entering our current federal preoccupation with illicit drugs—or rather, with drugs the federal government has declared illicit. I had put it to the governors:

"We have had drug prohibition for fifty-five years now. And here we are at this conference. Not exactly a record of success. What are we to learn? The first thing, obviously, is that this is not an easy problem.

Men as good as us or better have struggled, and by all outward indices, they have failed."

There was not going to be any cheap way out of this. Technology has unleashed an enormous social agent that threatens us in the most serious way. This problem now involves "the structure of authority and governmental legitimacy in America." Are the laws obeyed? Does the state maintain a monopoly on violence? If not, what kind of state have we?

This is where Norman Zinberg entered what, at least, were my calculations. Here is one last passage from the State Department address.

"Dr. Norman Zinberg has, it seems to me, most helpfully described the drug phenomenon in terms of a triangle of 'Drug, Set, and Setting.' That is to say we need to know so much more about the interaction of a particular chemical, a particular individual, and the social (or anti-social) context in which the two come together. This is very like the epidemiological triad, and deserves the most careful attention and serious research. Until very recently most drug users have been treated in terms of medical or criminal categories. Drug users were treated as deviants. Benignly so in the case of the Civil War opium addicts swilling away at patent medicines to cure what was known as 'Soldier's illness,' or punitively so as in the case of the heroin addict of the slum, supporting his habit by thievery or worse, and in agonizing numbers ending his life by what society prefers to diagnose as an 'overdose' of whatever it is that ailed him."

A near quarter century has passed. Nothing much has happened. There has been precious little research, with as yet precious little by way of result on that epidemiological triad. Thanks to Vincent Dole and Marie Nyswander we have methadone treatment, but that was already in place when the federal government entered its current way on drugs.

At the risk of propounding what I cannot prove, let me suggest that in considerable measure this is the result of a disinclination within the medical profession to engage itself with drug research. In the preface to "Drug, Set, and Setting," Zinberg notes that the train of thought that led him to his subject began in 1962 in Beth Israel Hospital, where, making rounds with non-psychiatric physicians, he "began to puzzle over the extreme reluctance these sensible physicians felt about prescribing doses of opiates to relieve pain." Concern about iatrogenic addiction established the social setting that Zinberg would go on to elaborate. He noted "the strength of Puritan moralism in American culture which frowns on the pleasure and recreation provided by intoxicants." Whatever the causes, and they are surely multiple, it is clear to this observer that the medical profession finds drug research aversive behavior.

As an example of our most recent affliction, take "crack" cocaine. This is typical of an ascent on the technological ladder: beer to whiskey; opium to morphine to heroin; coca to cocaine and now to this most potent possible form of "free-base" cocaine. Crack differs only in being the result of folk science rather than the work of bearded professor-doctors in German laboratories. (Although, come to think of it, Highland single malt was probably a similar, if more welcome, discovery.) Crack first appeared in the Bahamas. By 1985, a Bahamian physician warned that an epidemic was about to strike his offshore islands. This item appeared in the Atlanta Journal of December 31, 1985:

"NASSAU, BAHAMAS—A highly addictive practice of smoking cocaine 'rocks' has swept this chain of islands off the coast of Florida.

"In a country of 230,000 people, the number of cocaine users treated at mental health clinics has zoomed from zero in 1982 to 209 in 1984, according to Dr. David Allen, a Harvard-trained psychiatrist who heads the National Drug Council.

"'What we have [Dr. Allen said] is the world's first free-basing epidemic [which] could be preceding an epidemic in the industrialized states. Anywhere there is readily available high-quality cocaine, there is this potential.'"

Here was a psychiatrically trained epidemiologist telling us that an epidemic was coming our way. But such is the low status of drug research that, so far as I have been able to learn, apart from a single sentence of a 1982 issue of the Centers for Disease Control publication, "Morbidity and Mortality Weekly Report," there was no official response anywhere in the vast organizational network that was by now carrying out the war on drugs. The first medical report appeared in the British journal the Lancet in a 1986 article by Dr. Allen and others entitled "Epidemic Free-Base Cocaine Abuse: Case Study from the Bahamas."

This was the situation when Congress returned to the subject of drugs in 1988. Society had had two bad breaks during that decade: the sudden onset of AIDS and the appearance of crack in settings of lethal proximity. The public demanded action, or at least the appearance of action, or so at least loud political voices declared. On May 17, 1988, Senate Majority Leader Robert S. Byrd established a working group on substance abuse, to be co-chaired by Senator Sam Nunn of Georgia and me. Interdiction and crackdown were then all the rage. (A law providing the death penalty for "kingpins" reached the President's desk months before ours did. It was promptly signed.) My role on the working group was to assert—quietly, so as not to disturb the public peace—that, other than to raise the price of drugs somewhat, interdiction was not going to have the slightest effect on supply. This was the maxim George Shultz taught me. Accordingly, any comprehensive legislation should place at least equal emphasis on demand. The lesson Norman Zinberg taught me, the idea that controlled use was possible, even common, led directly to the proposition that treatment could be developed that could move drug users across the line toward abstinence, or as near to abstinence as possible.

I consulted Zinberg. I asked him to coach me on how to make this case. In the end it worked. After an unusually compressed six months of congressional debate, ending with a 65–29 vote in the Senate, the Anti-Drug Abuse Act of 1988 became law on November 18 of that year. Section 2012 sets out the purposes of the law. These include:

"To increase to the greatest extent possible the availability and quality of treatment services so that treatment on request may be provided to all individuals desiring to rid themselves of their substance abuse problem."

The legislation established an Office of National Drug Control Policy in the executive office of the President. It was headed by the so-called czar and included a deputy director for supply and a deputy director for demand.

And so the attempt to get drug problems under control began again. And once more it failed to thrive. Czars resigned, which czars are not supposed to do. Deputies departed. Silence fell. Even so, knowledge edged on. Richard Millstein of the National Institute on Drug Abuse notes that scientists have for some time known that by manipulating the opiate molecule it is possible to develop compounds that block or reverse the effects of drugs such as morphine and heroin. For example, naloxone was approved for use in 1971 and is now part of the Emergency Medical Service protocol. A longer-acting narcotic antagonist, naltrexone, was approved for use in 1984. And a time-released "depot" dosage has been found to block the effects of opiate challenges, as doctors say, for up to seven weeks in rhesus monkeys. However, as an internal paper of the National Institute states, while there is an agonist treatment (methadone) and an antagonist treatment (naltrexone) for opiates, no approved medication for the treatment of addiction to cocaine (including the smokable form of cocaine known as crack) currently exists. And crack cocaine is where the problem is centered.

Having said that, a politcal scientist is honor bound to add that the power of government or science to influence behavior is limited. People do or do not get on with their lives. Most do. Here, as an example, is an excerpt from "Tales Out of School," the autobiography of Joseph A. Fernandez, who until recently was the New York City School chancellor; this excerpt describes his years as a drug-dependent teenager.

"The beginning of my own fateful turnabout came in one night of horror on 135th Street when I was still enrolled at Commerce High. Jimmy Conn (not his name) had become my closest friend during that time, partly because of the experimenting we were doing with heroin. Jimmy was a Scotch-Irish kid from a poor family, with no father at home. Actually, he lived outside the neighborhood, up in the 130's, but we were very close, to the point of swapping clothes to wear.

"This particular night we were at somebody's house and got tied into some really potent heroin. I got sick almost immediately, a scary new kind of sickness. I remember saying to Jimmy, 'Something's wrong. We gotta get outta here.'

"By the time we got downstairs to the street, we were both reeling. I can barely remember my friends walking us up and down the sidewalk, trying to keep us from fading out. They probably saved our lives. I was half in and half out for hours. Jimmy came to first. When I finally did, I was scared enough to realize it was time to make a change.

"I dropped out of Commerce the following week and enrolled at Textile High, down in Hell's Kitchen, where I didn't know anybody. I could tell immediately it wasn't going to work. I was there only a week and dropped out again."

Norman Zinberg would have thought young Fernandez a pretty hard case. But he would not have been the least surprised that the kid got hold of himself, joined the air force, married a strong woman, got an education, and went on to do serious work. His setting changed.

As for our 1988 legislation, it had a brief half-life. William Bennett, the forceful first director of the Office of National Drug Control Policy, was followed by a political appointee with no apparent views on the subject. Dr. Herbert D. Kleber left after two years, and his position has not been filled. Nor has support for treatment been as forthcoming as the legislation indicated it ought to be. Kleber wrote:

"Funding for treatment of substance abuse has been a bipartisan failure. Our Republican President has requested substantially less money than is needed; and the Democratic Congress gave him only one-third of what he asked for. The situation in research is not much better, in spite of the desperate need to develop medications to treat cocaine abuse. The House gave the President $17 million less for research at NIDA [National Institute on Drug Abuse] than he had requested. In fact, the overall increase for NIDA was slightly over 1 percent, one of the lowest if not the lowest of the NIH [National Institutes of Health] institutes. Both government leaders and the general public need to be made aware of the potential promise that can occur by adequately funding treatment and research, and of the many harms to society that will occur if it does not happen."

The recent presidential campaign was only marginally encouraging. The Republican platform was straight out. Ignoring treatment altogether, the GOP chose to fry the kingpins, as the battle cry goes.

"We oppose legalizing or decriminalizing drugs. That is a morally abhorrent idea, the last vestige of an ill-conceived philosophy that counseled the legitimacy of permissiveness. Today, a similarly dysfunctional morality explains away drug-dealing as an escape, and drive-by shootings as an act of political violence. There is no excuse for the wanton destruction of human life. We therefore support the stiffest penalties, including the death penalty, for major drug traffickers."

The Democratic position called for "treatment on demand," which was mildly disappointing since no one seemed to remember that we have already legislated "treatment on request." ("Request" was my term; I thought "demand" sounded too imperious.) The platform read:

"Drug treatment on demand: Thousands of addicts have volunteered to take themselves off the streets, only to hear the government tell them that they have to wait six months. In a Clinton Administration, federal assistance will help communities dramatically increase their ability to offer drug treatment to everyone who needs help."

The Democrats won, and so we shall see. My hope is that it will be possible for the generation now coming into its own in the normal rhythm of generational change to be able to recall that drug use first became conspicuous, in this cycle, among educated and relatively affluent young persons on college campuses. It is so no longer. Drug use—and in notably destructive forms—is now concentrated in the weakest and least affluent segments of our population. It is inescapably associated with race. Here are some devastating numbers. In 1960 there were 189,733 persons in state prisons; 65 percent were white, 34 percent black. Thirty years go by and, in 1989, there were 610,106 persons in prison, but now 50 percent are black. (In the meantime the racial composition of federal prisons, where there are fewer drug offenders, has changed not at all: in 1960, 71 percent white, 25 percent black; in 1989, 73 percent white, 26 percent black.)

It is essential that we understand that by choosing prohibition we are choosing to have an intense crime problem concentrated among minorities. It is no different from Prohibition in the 1920s. Al Capone and Legs Diamond were recognizable urban slum types of that era. Much of the crime in our day is of the same order, down to formal executions. The St. Valentine's Day Massacre of 1929 has entered American folk memory. It was all but re-enacted in New York City in 1993. In the Morrisania section of the Bronx, six persons were made to lie down on a tenement floor. Five were shot in the back of the head. A young woman who turned her head was shot in the eye. But that was only six dead, not enough to meet the qualification, as it were, of the look-alike competition. However, the following day, a seventh person, the wife of one of the suspected murderers, was herself murdered in the Bronx County Courthouse.

Clearly federal drug policy is responsible for a degree of social regression for which there does not appear to be any equivalent in our history. Fueled by drug arrests, prison populations hit a record of 883,593 at the end of 1992. Indeed, the number of inmates imprisoned for drug offenses now exceeds those in prison for property crimes. And, as the youth are said to say, we just don't get it. What we don't get is the admittedly complex proposition that the recurrent "failure" of our avowed drug policy represents the success of a strategy designed to avoid a different failure. Those most affected do not at present have a political vocabulary that can "demystify" this conundrum. And, to say once more, the medical profession is mostly mute.

One more once more. We must recognize that our choice of policy—legalization or prohibition—involves a choice of outcomes. An enormous public health problem on the one hand, an enormous crime problem on the other. The latter clearly requires more by way of public policy than the death penalty for people who kill each other in any event. Surely, drug policy should be a central concern for those who deal with issues involving race in our society. Interdiction and "drug busts" are probably necessary symbolic acts, but nothing more. Only the development of a blocking or neutralizing agent would have any real effect, given the setting in which our drug problem now occurs.

That setting—an independent variable, as Norman Zinberg insisted—is the near collapse of family structure in our central cities. Without this, drug abuse would present a real but, even so, manageable problem of behavior by marginal individuals. With it the problem is no longer manageable. To use an epidemiological analogy, we have a famine-weakened population attacked by a fierce new virus.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SOURCE TAX

Mr. REID. Mr. President, I have some constituents, and other people have constituents, who are upset, angry. I really do not blame them. People in Nevada, and all over the country, are being unfairly treated by States in which they no longer reside. They are victims of the so-called "source tax". These are people who are now residing, lock, stock, and barrel, in one State, and they are being taxed by the State, or States, where they no longer live. They use none of the services of that State; they do not use their highways, parks, recreation facilities, or medical facilities in any way; yet, they are being taxed as if they were. They can't even vote. This is unfair and is taxation without representation.

Mr. President, we as a Congress are engaged in different processes to make this body more responsive and to make the House more responsive. There is a joint committee, for example, that is meeting to determine if there are too many committees in the House and in the Senate, if there are too many subcommittees, if Members of Congress—both House and Senate Members—are serving on too many committees, and too many subcommittees. Should there be more openness in some of the things we do? Should there be coverage of the Senate and the House on laws that we pass for the private sector? Should the same rules that apply to the House apply to the Senate and vice versa? Are our staffs too large? Is there too much franking?

All these problems are important and we need to take a look at them, as we are. But the one thing that we have to always understand is that the institution is only as responsive and as good as the people that make up this body.

We have an example that I want to talk about a little bit this morning that causes this institution to be held in a bad light by our constituents. The source tax is that example. The source tax has passed the Senate on two separate occasions, and on both of those occasions the legislation has been buried in the House of Representatives.

The last time it passed I received a letter from the chairman of the committee of jurisdiction in the House. I was told in that letter that there would be hearings held in the 103d Congress. I have had conversations with the chairman of that committee and have been told that there would be hearings held.

I instructed my staff to contact the staff of the other body, as I thought that perhaps maybe this was just a staff-directed problem and that really the staff was not getting proper information from the committee.

Therefore, I wrote a letter to the chairman of the committee. The chairman of the committee failed to respond to my letter as the staff was evasive in the response to my staff.

This, Mr. President, is what makes this body and the other body held up to ridicule, and really the reason in many instances that legislation does not move forward. It is wrong when a chairman of a committee refuses to hold hearings and move legislation.

This has been going on for years, not a matter of weeks or months; but for years. This legislation, I repeat, was passed twice in the Senate. It was not vetoed by the President. It was vetoed by a chairman of the committee in the other body, not even allowing hearings to go forward.

A majority of Representatives cosponsored the legislation in the House in the 102d Congress. This is legislation that is not only important to the State of Nevada, but it is important to States all over this country. People become angry and confused as to why a legislative measure cannot be heard in a House committee when a majority of the Members of that body, and this body, feel that it should.

I think it is time for Congress, and especially the Judiciary Committee in the House of Representatives, to be responsive to an important measure that affects this country. Our constituents want an explanation and I think they deserve an explanation. I think what they really deserve, though, is a hearing.

Maybe now that the Texas Legislature has passed a resolution dealing with the source tax, the chairman of that committee will do something. I have a letter here dated June 22, addressed to Congressman BROOKS that says:

> As you may know, Texas recently enacted legislation (S.B. 17) which is designed to prevent other States from levying their "source tax" on retired Texas residents * * *

Hopefully, this will allow this legislation to move out of the House of Representatives.

I am disappointed that I would have to come to the floor on two separate occasions and focus attention on what is, I think, an abuse of power; that is, that the chairman of a committee will not hold a hearing on legislation that is important to people throughout the United States.

I would hope that if Mr. BROOKS is not listening to the Nation, maybe he will be listening to the people from the State of Texas which has now prompted him to hold hearings.

I think this would prove important and beneficial to the people of the State of Nevada and the rest of this country if, in fact, there were hearings held and this legislation would move through the House.

Mr. President, I ask unanimous consent that the letter dated June 22, 1993, from the two Texas representatives, Mr. Carriker and Mr. Kubiak, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TEXAS HOUSE OF REPRESENTATIVES,
Austin, TX, June 22, 1993.

Hon. JACK BROOKS,
Congressman, Rayburn Building, Washington, DC.

DEAR CONGRESSMAN BROOKS: As you may know, Texas recently enacted legislation (S.B. 17) which is designed to prevent other states from levying their "source tax" on retired Texans. While we believe that this legislation will resolve the problems of many retired Texas residents, the absence of a uniform approach will continue to be a problem for many other states. The fact that S.B. 17 became law in Texas without any opposition indicates that this is a popular issue among the taxpayers.

We understand that you are considering holding congressional hearings on the source tax as a national issue. We would like to offer whatever support and assistance you might need in this regard. We can certainly help line up testimony for your hearings, whether in Washington or in the field.

Please don't hesitate to call on us if we can be of assistance.

Sincerely,
STEVE CARRIKER,
State Senator.
DAN KUBIAK,
State Representative.

IN MEMORY OF HERB O. JOHNSON

Mr. DURENBERGER. Mr. President, I rise today to commemorate the passing of one of my dearest friends, Minnesota Republican Party activist Herb O. Johnson.

For nearly two decades—1956 to 1974—Herb Johnson was executive secretary of the Republican Party in Minnesota. He was a true party leader and benefactor of the community—and that is how he will be remembered by the citizens of our State.

But I will remember Herb as a man whose greatest triumphs came on the level of personal contact. He was a true friend who made things better by praising accomplishment—not criticizing failure.

He was not one who relished the mistakes of others—but one who delighted in helping others achieve their potential.

Mr. President, I am but one of many who owe a great debt of personal gratitude to the late Herb Johnson. In that capacity, I ask my colleagues to join me in sending our warmest condolences to his widow, Dorothy Peterson of Roseville, MN, and his son, Allen Johnson of St. Paul.

I ask unanimous consent that the Minneapolis Star Tribune obituary of this remarkable individual be included in the RECORD at the conclusion of my remarks.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Star Tribune, June 15, 1993]

STATE GOP'S FIRST EXECUTIVE SECRETARY, HERB O. JOHNSON, DIES

(By David Chanen)

It was considered a grand experiment by the Minnesota Republican Party when Herb O. Johnson was appointed its first executive secretary in 1956.

Before Johnson, a party outsider with little political experience, the position was voluntary with no salary. He was chosen for his organizational skills and ability to work with people, and would serve as the party's chief administrator for nearly two decades.

Colleagues said Johnson was a selfless worker who enjoyed his behind-the-scenes role. Several party chairpeople acknowledged that he was a superb developer of leadership skills, subtly grooming dozens of politicians.

Johnson, of Roseville, who retired as executive secretary in 1974, died of cancer Sunday at his summer home near Pequot Lakes, Minn. He was 85.

"He was the most beautiful man I've ever known," said Nancy Brataas, a former state senator and party chairwoman. "He really got his kicks out of seeing others succeed." She said Johnson rarely took credit for a job well done, instead leaving the glory to party leaders.

He stressed the importance of diversity throughout the party, claiming that Republicans should be an inclusive, not exclusive group. Former State Attorney General Doug Head said Johnson had an exceptional interest in politics and advocated the party system as a way to make government more efficient.

During Johnson's tenure, Head said, the Republican Party was changing rapidly due to suburban expansion. Johnson started a movement to raise money for candidates door-to-door in neighborhoods instead of relying on big contributors. His daughter, Judy Miller, of Somerville, N.J., said he encouraged young people to become involved in politics.

Johnson was born in Minneapolis and raised on a farm near Foreston, Minn. He earned a bachelor's degree from Macalester College in St. Paul. He taught mathematics and biology at Aitkin High School.

In 1938 he started his 20-year career as an administrator with the YMCA. He was executive secretary of the YMCA at the University of Minnesota and in St. Paul and Winona until he started working for the Republican Party in 1956. He retired in 1974, but helped work on some Republican campaigns.

He was president or a member of many organizations, including the International Association of Retired Directors, a YMCA group; the Roseville Lutheran Church congregation and the North Suburban Golden K Kiwanis Club.

Johnson was preceded in death by his first wife, Hazel. In addition to his daughter, he is survived by his wife, Dorothy Peterson; two sons, Herbert (Ted), of Atlanta, and Allen, of St. Paul; three stepdaughters, Barbara Einan, of Roseville; Betsy Otteson, of White Bear Lake, and Beverly Ogren, of North Oaks, and a sister, Helen Patterson, of Salem, Ore.

Services will be held at 11 a.m. Wednesday at Roseville Lutheran Church, 1966 Fernwood Av. Visitation will be held from 3 to 8 p.m. today at the Willwerscheid & Peters Mortuary, 1167 Grand Av., St. Paul. Memorials are suggested to the Roseville Lutheran Church Foundation, Edward J. Peterson Memorial Scholarship at Macalester College or St. Paul YMCA camps.

A TRIBUTE TO MAYOR TOM BRADLEY

Mrs. FEINSTEIN. Mr. President, I am very honored to pay tribute today to someone who I greatly admire and who has devoted himself to serving the public. That man is Tom Bradley, who will retire as mayor of the city of Los Angeles on July 1 of this year.

Tom Bradley has strongly guided Los Angeles along a course paved with obstacles during his record-setting 20 years as mayor. His stern and sure guidance has been the steady force that has reassured residents. For 9 years during my tenure as mayor of San Francisco, I had the pleasure of working with Mayor Bradley on State and national issues and together we sounded a loud drumbeat that the cities of our Nation need serious attention. As cities go, so goes the Nation, we often said. Through and through, I saw Tom Bradley as a mayor who earns the respect of his peers, while he demands attention for his city from those who can help.

First elected mayor in 1973, Bradley paved the way for many other leaders on the local and national level. Although he made history as the first black mayor of a major city, Tom Bradley ran and won his campaign, pledging to be a mayor representative of the entire city. It has been his determination to adhere to a standard of fair representation—all that has made him one of this Nation's most respected mayors.

It was a 7-year-old Tom Bradley who headed with his family to California to start a new life. When he arrived in Los Angeles in 1924, Tom Bradley remembers that "reaching California was like reaching the promised land."

A product of the Los Angeles public schools system, his academic abilities enabled him to parlay his high school athletic prowess into a university education. Bradley received a scholarship to attend UCLA where he soon distinguished himself as a track star.

Prompted by a desire to serve the city, Tom Bradley joined the Los Angeles Police Department in 1940. In May 1941, he married Ethel Arnold. They have two daughters, Lorraine and Phyllis.

As an early example of his enormous capacity for hard work, which marked his years as mayor, Tom Bradley worked full time as a police officer and went to law school at night. He graduated from Southwestern University in 1956 and passed the California bar exam.

After 21 years of service, he retired from the LAPD with the rank of lieutenant in 1961 and began to practice law. Urged by community leaders, he decided in 1963 to run for a seat on the Los Angeles City Council. He won and served for 10 years before becoming the city's 37th mayor in 1973.

Mayor Bradley once said, "My guiding philosophy as mayor has been and will continue to be—to paraphrase the Athenian oath—to transmit this city * * * not as a lesser * * * but as a greater, better and more beautiful city than it was transmitted to me. This philosophy continues to be my inspiration."

His progressive years as mayor are marked by a determination to see that Los Angeles realizes its huge potential.

Mayor Bradley opened the doors of city hall; his staff and administration appointees represented the rich cultural fabric of the city. He attracted businesses to the city and established policies that resulted in the dramatic resurgence of the downtown Los Angeles economic center. He turned the city's harbor and airports into top-of-the-line businesses, expanding the number of people employed and the city's ability to compete in a world market.

He focused his attention on creating economic opportunities both for the inner city, with such community revitalization projects as the Baldwin Hills-Crenshaw and Vermont-Slauson shopping centers, and the entire city, where he put forward affordable housing and fair planning policies.

There are three specific accomplishments I would like to highlight today.

First, he led a long and hard battle to bring rail transportation to the city of Los Angeles. There were many times it would have been easy to give up, to say the will simply was no longer there. Yet, he was determined—often coming to Washington, DC, often to appeal for funding—and he never gave up. The result: today, the Metro Blue Line carries passengers from Long Beach to downtown Los Angeles, and the Metro Red Line has become the first underground rail system, carrying passengers from downtown to MacArthur Park. This is just the beginning, as plans as for the rail system to spread out throughout the city, linking the various portions of the city like never before.

Second, Mayor Bradley secured the 1984 summer Olympic games during a time when many predicted economic gloom. Instead, his signature approach of uniting the private and public sectors behind a common goal produced the most successful Olympic games in the modern history of the event. The games boosted economic activity in southern California by $3.3 billion, created 68,000 jobs, and ended with a $215 million surplus.

Third, as a means of reinforcing his strong emphasis on education and to shield the next generation of Los Angeles youth from drug peddlers and street gangs, Mayor Bradley initiated an ambitious plan—called L.A.'s BEST [Better Educated Students for Tomorrow]—to provide computer training, tutorial assistance, and other enrichment activities for every student in the Los Angeles Unified School District's more than 400 elementary schools. Under the program, parents are able to voluntarily keep their children at school from 2:30 p.m. to 6 p.m. each school day to learn and play. A pilot program at 19 schools, made possible by both private and public funding, has already proven the enormous success when we offer hope to the young people of our cities.

Throughout Tom Bradley's career, he has sought to focus local, State, and national attention on the conditions of our inner cities. And, the civil unrest of 1992 that erupted in Los Angeles brought home what Mayor Bradley and our Nation's mayors have been saying for years: The Federal Government must not neglect the inner cities of America. During 12 years of neglect in previous administrations, the Federal Government did not listen. Now is the time to heed the wise words of such national figures as Tom Bradley.

Tom Bradley has helped Los Angeles mature with grace. The city now stands at a crossroads, and the new mayor and the city council must stand firm to produce both social programs and economic hope for its residents. The most enduring legacy Tom Bradley has left for Los Angeles is his ability to voice the concerns of the inner city. The future leaders of Los Angeles would be well-served to follow this and other models Tom Bradley has created for progressive leadership.

In a recent article in the Los Angeles Times, Atlanta Mayor Maynard Jackson said:

> I understand (Tom Bradley) will walk out of City Hall and literally go to his law firm that same day to start work. He's a helluva man. That's all I've got to say. He's a helluva man.

Mr. President, Mayor Tom Bradley is, indeed, an amazing man. On behalf of the people of California, I am pleased to have this chance to say a few words about Tom Bradley. The people of Los Angeles and the people of California will continue to count on him to help us chart a new course for America's cities.

TRIBUTE TO REV. J. BAZZEL MULL

Mr. SASSER. Mr. President, I rise today to commemorate a very special day for a very special friend. He has provided spiritual comfort and solace to the weary, the sick, the shut in, old and young alike. His message has shed the light of understanding in the darkness of many a confused soul. He is a missionary, an entrepreneur, and entertainer. And next weekend, the Rev. J. Bazzel Mull of Knoxville, TN, will celebrate 50 years of bringing gospel music and God's message to the people of America.

Blind since the age of 11 months, Preacher Mull grew up playing gospel music with his family, the Valdese Sacred Band. By having the Bible read to him every evening, Reverend Mull memorized its text and, at the age of 25 in 1939, was ordained a minister.

Traveling from his native North Carolina to east Tennessee in the early 1940's, J. Bazzel Mull produced his first gospel radio program in 1942 in Knoxville. And it was just outside of Knoxville, in Lenoir City, that he met his future wife, Elizabeth Brown, while preaching a revival at her home church. After an extended courtship, they were married in 1944, and I am told that more than 10,000 attended their wedding. With their marriage, his wife, Elizabeth—better known now by the affectionate nickname of "Lady" Mull—has been a full partner in a devoted relationship—they will observe their 49th wedding anniversary later this year.

Mr. President, in addition to this preaching and radio work, Preacher Mull has been a promoter of gospel music concerts all across the country. The careers of countless entertainers and songwriters over the years have been advanced because of the promotion and exposure he has given through his various programs on radio and television, through concerts and the sale of records and song books. In fact, 50 years later, Preacher Mull still produces about 15 concerts a year. His gospel radio shows air twice daily on his four radio stations. Reverend and Mrs. Mull also host weekly television shows in Knoxville and Chattanooga, which have consistently rated as the stations' most popular programs on Sunday mornings. I have often enjoyed appearing with these most gracious hosts on the "Mull's Singing Convention," to hear, to be entertained and to be comforted by God's message as conveyed in yet another of America's unique styles of music. The nurturing that the Mulls have given to gospel music over the years is celebrated at this time by their legion of friends all across this country and particularly in the industry. I'm sure they join with me in sending this tribute to our dear friends, the Reverend and Mrs. J. Bazzel Mull, on the steller achievement of their 50 years in the gospel music industry.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as anyone even remotely familiar with the U.S. Constitution knows, no President can spend a dime of Federal tax money that has not first been approved by Congress, both the House of Representatives and the U.S. Senate.

So when you hear a politician or an editor or a commentator declare that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that it was, and is, the constitutional duty of Congress to control Federal spending. Congress has failed miserably for about 50 years.

The fiscal irresponsibility of Congress has created a Federal debt which stood at $4,305,268,550,989.52 as of the close of business on Friday, June 25. Averaged out, every man, woman, and child in America owes a share of this massive debt, and that per capita share is $16,761.21.

BUDGET RECONCILIATION: A LANDMARK BILL

Mr. PELL. Mr. President, the budget reconciliation bill which passed the Senate on June 25 takes a huge step in the right direction, and I fully supported it, notwithstanding the fact that many of us might like to see it go further. The bill is the centerpiece of a remarkable watershed in our national political life—a historic time of change as we move to a new set of progressive national priorities.

As I have observed previously, only twice in my lifetime has the Nation faced such a critical turning point—once in 1932 and again in 1960.

The bill provides the largest deficit reduction program in the Nation's history. At long last, it brings to an end an era of reckless borrowing and spending. It demonstrates that when there is reasonable philosophical agreement between the executive branch and Congress, responsible results will ensue. Approval of this bill will be one more signal that the era of gridlock is behind us.

This massive redirection of national priorities and resources is based on one essential element, and that is fairness. At the core is the concept that those who have benefited the most from the workings of the economy over the past 12 years should now pay their fair share of the burden of public debt which should have been retired while the good times were booming.

The general plan of taxation proposed by the President and embodied to a considerable degree by this bill conforms to that essential element of fairness, both in terms of the progressive rates on higher incomes and the broad-based energy tax on transportation fuels.

I will be frank to say that I much prefer the Btu tax because I believe it spreads the burden across a broader base of fuels and probably is the fairest plan in terms of regional interests. And I would note that the Btu tax would have raised $72 billion, instead of the $21 billion provided by the tax on transportation fuel.

Had the Btu tax been retained, we would not be faced with the $8 billion additional cuts in Medicare which I must say detracts from the basic fairness of the bill. I hope that there will be a serious effort in conference to reduce the cuts in the Medicare program.

This is but one area in which the bill before us, as epochal as it is, unfortunately does not live up to the full promise of President Clinton's program. While the bill does indeed change national priorities in terms of fiscal responsibility and deficit reduction, it seems to have lost, along the way, some of the initial promise of creative action to promote economic growth.

Lost in the process of political compromise are incentives for corporate investment and provisions for public investment in such programs as technology research and worker training. History may well record that we became so stampeded by the deficit cutting frenzy that we lost sight of the proactive part of President Clinton's economic program. Hopefully, this will prove to be a temporary lapse.

In this connection, I would note that the bill fails to make appropriate allowance for a major mechanism for economic growth and that is capital gains. The bill provides for a 10-percent surtax on capital gains for those whose income exceeds $250,000, effectively increasing the tax rate on capital gains from 28 to 30.8 percent.

To my mind, this is folly because it diminishes the pool of resources which is most likely to stimulate the economy. And I might note in this regard that by far the greatest portion of capital gains comes to those whose income exceeds $250,000. As our venerable former colleague John O. Pastore was wont to say this provision "kills the goose that lays the golden egg." So it would be my hope that this legislation in its final form would make a more positive recognition of a role of capital gains.

Finally, in my capacity as chairman of the Subcommittee on Education, Arts and Humanities, I would like to note a bright spot in the bill with respect to the student aid provisions. I am very pleased indeed with the compromise proposal agreed to in the full Labor Committee which contributes over $4 billion in savings to the bill, with an additional $2 billion or more in direct benefits to students through reduction of origination fees and insurance premiums.

Under the compromise, we will test the concept of direct government loans on an expanded basis. But through the National Commission on Student Loan Reform we have a way of assessing the program without reaching a point of no return. We also provide a series of program safeguards to assure students and families that will have access to the loans they need to help pay for a college education. And we streamline the operation of the student loan program. On the whole, the student aid provisions are sound and deserve the support of the Senate.

In summary, Mr. President, this before us, like all products of compromise, does not have in it everything that it should have. But it is a massive instrument of change notwithstanding its imperfections. I congratulate the President for setting us on this course and the Senator from New York [Mr. MOYNIHAN] for the critical role he played in securing agreement on the core provisions of the bill. I support its passage and hope for a constructive and productive conference with the House.

JUNE IS TURKEY LOVER'S MONTH IN NORTH CAROLINA

Mr. FAIRCLOTH. Mr. President, North Carolina's Governor once again has proclaimed June as "Turkey Lover's Month" in our home State of North Carolina. I would like to take a moment to add my voice of congratulations to the State's turkey industry and to discuss for a moment the importance of the industry to our State.

The dramatic growth in North Carolina's turkey industry mirrors the dramatic growth of the turkey industry nationwide. As American's turkey consumption was almost doubling across the United States during the last 10 years, North Carolina's turkey production was reaching record levels.

According to the Agriculture Department, more than 62 million birds were grown in 1992, making North Carolina the first State to grow more than 60 million turkeys in a year. These figures not only represent a national turkey production record, but they represent 22 percent of the yearly U.S. turkey output.

More important than records, though, is the positive economic impact the turkey industry has on North Carolina. The industry generates nearly $500 million annually in the State and provides employment and a steady income for tens of thousands of North Carolinians.

North Carolina realizes its leadership in production requires it also to be leaders in the industry. North Carolina's producers and processors recognize the need for our plants to set the national standard in productivity, safety, and quality. That is why Carolinians have been such active leaders in the national turkey industry. The immediate past chairman of the National Turkey Federation, my good friend Bruce Cuddy, makes his home in Marshville, NC, and is president of Cuddy Family Farms, which is headquartered in Marshville.

Bruce is the sixth North Carolinian chairman of the National Turkey Federation. He was preceded by Wyatt Upchurch in 1990, John Hendrick in 1984, Bill Prestige in 1982, Billy Shepard in 1974, and Marvin Johnson in 1968—all of whom I have known for many years.

In addition, two other friends and leaders of the North Carolina industry serve on the NTF executive committee—Sonny Faison of Carolina Turkeys and Nick Weaver of Goldsboro Milling.

Each of these men have helped shape, and are continuing to shape, an industry that has become one of the most exciting in all agriculture. Turkey consumption continues to rise for one simple reason: Turkey is one of the healthiest food products available, and it is an economic bargain. Low in fat and cholesterol, high in protein and other nutrients, turkey now is available in countless products from deli slices to ground turkey, turkey bacon to tenderloins. The old image of turkey as a Thanksgiving-only whole bird is giving way to the image of an easy-to-prepare, year-round product.

It is that tremendous growth that was recognized when June was proclaimed "Turkey Lover's Month." It is an honor to join today in providing the industry with that well-deserved recognition.

HENRY TECKLENBURG, JR.: IN MEMORIAM

Mr. HOLLINGS. Mr. President, with the passing of Henry Tecklenburg, Jr., earlier this month, the State of South Carolina lost one of its favorite sons and I lost a tremendous friend.

It does not do justice to the quality of this remarkable man simply to recite his many professional associations and accomplishments. Nonetheless, for the record, I would note that he served for years as chairman of the State Ports Authority, on the boards of visitors at Clemson University and the Medical University of South Carolina, on the boards of directors of countless civic organizations, and as board chairman at Bon Secours-St. Francis Hospital in Charleston. Professionally, he worked for three decades in the oil distribution business, since 1977 as chairman of Southern Oil Co. In 1977, the Governor honored him with the Order of the Palmetto, South Carolina's highest official distinction.

But to recite this résumé is to just scratch the surface of what Henry Tecklenburg's life was all about. Teck, as we knew him, was the epitome of the Charleston gentleman and the Christian servant. He loved people—people of all walks of life. He took satisfaction in setting them at ease, sharing his wisdom with them, extending a helping hand, making a difference big or small in their lives.

He also was a fine example of the maxim that you don't have to be on the public payroll in order to be a dedicated public servant. Teck held public office as Charleston County auditor from 1957–63, but from that time on, save for a stint as chairman of the State Ports Authority, his public service was strictly voluntary and behind the scenes. Teck was constantly being tapped by mayors, governors, senators, bishops, you name it, to troubleshoot, resolve conflicts, and carry out especially sensitive projects.

During the civil rights turmoil of the 1960's, Teck worked behind the scenes as a bridgebuilder and peacemaker. He saw to it that the right things were done, and that South Carolina moved forward in a manner that we could all be proud of.

Teck has aptly been described as a one-man kitchen cabinet to me and to other prominent Democrats in the State. This was his true political vocation, as wise man and confidant to practicing politicians. I and others turned to him for his keen eye, his shrewd judgment, his calming influence in the midst of crisis. Teck played a major role in every one of my campaigns for the Senate, and he stepped in at a critical juncture to assist my 1984 run for the Democratic Presidential nomination.

At the State Ports Authority he pursued an activist agenda that will be long remembered, regularly teaming up with Joe Sapp at the State development board to woo new investment to South Carolina from Europe and Asia.

Teck's toughness and fiber were demonstrated in one memorable incident from his tenure at the State Ports Authority. A rival seaport had commissioned a consultant's report that falsely cast Charleston in an unfavorable light. Teck demanded that the rival port withdraw the report and admit its falsehoods. When the rival refused, Teck filed a Federal lawsuit and initiated action before the Federal Maritime Commission. Through his tenacious efforts, Teck ultimately succeeded in forcing the sponsors to withdraw the report and acknowledge its errors.

As a fitting coda to Teck's distinguished career, just days before his death I learned that President Clinton had decided to appoint him Under Secretary of Commerce for Travel and Tourism. Teck looked forward to serving his President and Nation in this important new capacity, and it is a great loss that he was unable to do so.

Mr. President, for all his success in business and public service, no one doubted that Teck's highest priorities in life were his faith and his family. For decades, he was a tireless and devoted servant of St. John the Baptist Cathedral in Charleston, always ready to devote time and resources to his parish and diocese.

And, of course, the heart and soul of Teck's life was his family. Teck was always humble about his own accomplishments, but he would boast to no end about the talents and achievements of his beloved wife Esther, and of his five sons, Henry III, Frederick, John, Paul, and Michael.

His middle son, John, recently said of Teck, "He always said when I was growing up that a good name was better than great riches to pass on. And I really think he accomplished that." He did indeed. Teck leaves behind the best of names.

In tribute to Henry Tecklenburg, I cannot possibly match the eloquence of the Most Reverend David B. Thompson, Bishop of Charleston, who presided at Teck's burial mass. The Bishop remembered Teck as "a man justified by his faith in the Lord and in the Lord's commandments; a man just in his fidelity to his dear Esther, to his boys, to his forebears and sisters, to his 10 grandchildren; a man just and fair in his dealing with others; a man you could believe and trust and rely upon to make everyone win and to prevent anyone from losing. Henry was just to an eminent degree in his patriotism, good citizenship, workings for good government, his involvement in the right way in our country's political process."

Mr. President, Teck weathered crises and celebrated good fortune with the same even-keel temperament and wisdom. To the end, he relished life and lived it with enormous zest. I miss him more than I can say. I cherish his memory.

WORLD CONFERENCE ON HUMAN RIGHTS IN VIENNA—JUNE 1993

Mr. PELL. Mr. President, the World Conference on Human Rights in Vienna concluded on June 25, 1993, with the adoption of the Vienna declaration and action plan. Although the conference was marked by controversy, the final action by over 170 countries represented a constructive consensus by the international community on the universality of human rights and the need to implement an action plan to fulfill international commitments.

The Vienna declaration and action plan expresses the political will and commitment of the nations of the world to the protection and promotion of human rights. Arrived at through a process of consensus, not every country will necessarily agree with every detail of the document. As noted in the statement of United States representative to the conference, John Shattuck, Assistant Secretary of State for Human Rights and Humanitarian Affairs, while strongly supporting the consensus on human rights reached in Vienna, the United States nevertheless registered its concerns with respect to certain issues.

At the outset of the conference there were clear differences regarding the universality of human rights and the extent to which the religious, social, and cultural characteristics of a country could be taken into account to excuse a country's adherence to human rights principles. The U.S. position enunciated by Secretary Christopher was clear:

> We respect the religious, social, and cultural characteristics that make each country unique, but we cannot let cultural relativism become the last refuge of repression.

Given the differences expressed at the World Conference, the final Vienna declaration and action plan is a striking reaffirmation of the universality of human rights. The promotion and protection of all human rights and fundamental freedoms was proclaimed to be a priority objective of the United Nations. While the conference unanimously reaffirmed the principles that democracy, development, and respect for human rights and fundamental freedoms are interdependent and mutually reinforcing, the conference strongly affirmed that the lack of development may not be invoked to justify the abridgement of internationally recognized human rights. It is important to note that the declaration affirms the individual's right to development, not a state's right and there are no requirements put upon developed nations to transfer resources to assist underdeveloped nations.

The commitment of the states to promote universal respect for and observance and protection of all human rights and fundamental freedoms was underscored with these unequivocal statements: "The universal nature of these rights and freedoms is beyond question. Human rights and fundamental freedoms are the birthright of all human beings; their promotion and protection is the first responsibility of government."

The affirmation of the human rights of women as an inalienable, integral, and indivisible part of universal human rights is another cornerstone of the Vienna conference. The declaration and the plan of action unequivocally affirms the rights of women, regardless of cultural, historical or religious traditions, firmly rejecting gender based violence, exploitation, and sexual harassment in all their forms. The conference also called for the establishment of a special rapporteur on violence against women. At the conference Secretary Christopher signalled the Clinton administration's commitment to turn to U.S. ratification of the convention on the elimination of all forms of discrimination against women, as soon as the Senate has given its advice and consent to the pending racial discrimination convention.

The Vienna declaration condemned the massive violations of human rights, especially in the form of genocide, ethnic cleansing; and systematic rape of women in war situations and demanded that perpetrators be punished.

Torture in particular received strong condemnation as one of the most atrocious violations against human dignity. The conference called on all states to "put an immediate end to the practice of torture and eradicate this evil forever."

The "act, methods, and practices of terrorism in all its forms and manifestations" were recognized as "activities aimed at the destruction of human rights, fundamental freedoms, and democracy," and the conference agreed to enhance international cooperation to prevent and combat such terrorism.

States were called upon to defend children against all violations and impose effective measures against such abuses as female infanticide, harmful child labor, child prostitution, economically and sexually exploited children, and child victims of diseases including AIDS. The need to protect children in armed conflicts and provide aftercare and rehabilitation for those children traumatized by war was also stressed.

The conference set as a high priority the eventual elimination of widespread extreme poverty which inhibits the full and effective enjoyment of human rights and constitutes a violation of human dignity. "It is essential for states to foster participation by the poorest people in the decisionmaking process by the community in which they live, the promotion of human rights, and efforts to combat extreme poverty".

The Vienna declaration also reflects a strong commitment to combat all forms of racism, racial discrimination, xenophobia, and related intolerance and supported the appointment of a special rapporteur to address these issues.

All states were called to bring ethnic cleansing to an end.

> The World conference stresses that all persons who perpetrate or authorize criminal acts associated with ethnic-cleansing, are individually responsible and accountable for such human rights violations, and that the international community should exert every effort to bring those legally responsible for such violations to justice.

The Vienna declaration and action plan exhibits a commitment to improved coordination, efficiency, and effectiveness, reinforced by a well-funded Center for Human Rights at the United Nations. Implementation of the numerous recommendations set forth in the action plan should lead to significant improvements in the effectiveness of U.N. human rights machinery. Key to achieving these many goals is the establishment of a High Commissioner at the United Nations for promotion and protection of human rights.

> The World Conference on Human Rights recommends to the General Assembly that when examining the report of the conference at its 48th session, it begins as a matter of priority consideration of the question of the establishment of a High Commissioner for Human Rights for the promotion and protection of all human rights.

These were just a few of the important matters addressed by the World Conference on Human Rights in Vienna. Secretary of State Warren Christopher was the head of the U.S. delegation and addressed the World Conference on June 14, 1993. Timothy Wirth, counselor for global affairs led the U.S. delegation during the initial stages, with Assistant Secretary of State for Human Rights and Humanitarian Affairs, John Shattuck, directing the delegation as U.S. representative to the World Conference through its conclusion. Former Congresswoman Geraldine Ferraro served as alternate U.S. representative.

I commend the accomplishments of the U.S. delegation and ask unanimous consent that the statement of the United States at the conclusion of this conference be included in the RECORD following the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INTERVENTION ON DISCUSSION OF VIENNA DECLARATION, JOHN SHATTUCK, U.S. REPRESENTATIVE TO WCHR, U.S. DELEGATION, JUNE 25, 1993

Thank you Mr. Chairman: The World Conference on Human Rights has produced a strong forward looking document, one that reaffirms the universality of human rights and the basic principles my country has stood for. The Vienna Declaration marks the acknowledgement by the international community that these values are shared by all people. The attention this conference has paid to the rights of women, minorities, and the indigenous proves that human rights principles are being extended into new areas and that the protection of individuals remains paramount for the human rights community. The Conference has also broken new ground in showing the profound relationship between human rights, democracy and development. The conference has also signalled that gross violations such as torture, enforced disappearances, extra-judicial executions and arbitrary detention must be stopped.

The commitment expressed in the documented to improve implementation and enhanced advisory services and technical cooperation, reinforced by a well-funded Center for Human Rights will lead to major improvements in the effectiveness of UN human rights machinery in the coming years. We are pleased that the conference has recommended that the UN General Assembly take up, as a matter of priority, the establishment of a High Commissioner for the promotion and protection of all Human Rights. These far reaching action goals will only be reached if the international community commits itself to this achievement. The United States is proud to help launch this achievement.

The participation of NGOs has made an enormous contribution to the work of the conference and has enriched the final document. We are confident NGOs will become an ever more important force for justice and freedom worldwide since they represent the voices of a powerful grassroots movement for human rights and democracy.

Mr. Chairman, we continue to have reservations about the language found in some parts of the final document, particularly any implication that on foreign occupation is a human rights violation per se, and the fact that this conference failed to support freedom of the press as powerfully as we had wished. Mr. Chairman, we believe that freedom of the press, along with freedom of opinion, lies at the core of the democratic process. Paragraph 26 calls upon states to guarantee freedom and protection of the press within the framework of national law. While this provision can and must be read as consistent with international standards of a free press, and with the strong reaffirmation of the principle of universality in this declaration.

We think the conference could and should have articulated a more general and far-reaching principle concerning freedom of the press. We also note with dismay, the omission of a reference to anti-semitism, which we believe, along with other forms of racism and racial discrimination, constitutes a serious violation of human rights.

We congratulate you, Mr. Chairman, as well as Secretary General Fall, Ambassador Saboia, who so skillfully chaired the drafting committee, and Mrs. Warsazi who chaired the main committee, all conference participants, the secretariat, the officers of the conference, and the officials of our host country and city for the splendid work they have all done.

Thank you, Mr. Chairman.

INDIAN GAMING

Mr. INOUYE. Mr. President, as many Senators know, the Committee on Indian Affairs has been engaged in an extensive process during the past 2 years to monitor the implementation of the Indian Gaming Regulatory Act and to identify possible revisions to the act. Since April of this year, Vice Chairman MCCAIN and I have met with Governors, State attorneys general, tribal government leaders, Interior Secretary Babbitt, representatives of the Justice Department and the National Indian Gaming Commission. All of these parties have joined us in a constructive effort to develop a consensus in support of necessary amendments to the act.

The issues involved in Indian gaming are complex. The Indian Gaming Regulatory Act was enacted in 1988 after 5 years of hearings, debates, and intense negotiations. The act embodies a carefully balanced compromise between the sovereign prerogatives of the United States, the several States and the Indian tribes. In many parts of our Nation, the act has worked well. There are now over 70 compacts between tribal governments and State governments for the conduct of class III gaming on Indian lands. In other States, the act has led to litigation which has hindered the ability of the States and the tribes to negotiate compacts.

The issues involved in Indian gaming also generate intense feelings and misunderstandings between Indians and non-Indians. In fact, as Senator MCCAIN and I have conducted our review of the act with representatives of the Federal, tribal, and State governments, we have often found that many of the disagreements and differences of opinion can be resolved simply by providing accurate information to all parties.

Mr. MCCAIN. Would the Senator yield for a question?

Mr. INOUYE. I would be pleased to yield to the Senator from Arizona.

Mr. MCCAIN. I thank my good friend, the chairman of the Committee on Indian Affairs. I want to say that I agree that much of the misunderstanding that arises around the issue of Indian gaming is based on inaccurate information. Some of it is also probably derived from a concern about economic competition and the uncertainty which surrounds any new economic activity or the entry of a new party into any existing area of economic endeavor. But it is clear that misinformation and uncertainty undermine the environment of reason and good will that is necessary to resolve issues such as those involved in Indian gaming. In that regard, I wonder if the Senator has read the transcript of a June 18, 1993, interview of Donald Trump by Don Imus on radio station WFAN-FM in New York City?

Mr. INOUYE. Yes, I have read the transcript from that interview.

Mr. MCCAIN. Would the Senator agree with me that some of the statements made during the interview reflect the kind of misinformation and misunderstanding which have all too often characterized discussions about Indian gaming?

Mr. INOUYE. Yes, I must regretfully agree. It is my sincere hope as we continue our discussions with Federal, State, and tribal officials that we will have an opportunity to provide the American public with accurate information on this issue.

Mr. MCCAIN. Mr. President, I thank the Senator and once again express my appreciation to him for his leadership on this and so many other issues here in the Senate. I ask unanimous consent that the transcript of the June 18, 1993, interview to which we have just made reference be printed in the RECORD at this point.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

RADIO TV REPORTS

Station: WFAN-AM.
City: New York.
Program: Imus in the Morning.
Date: June 18, 1993, 8:30 a.m.
Subject: Donald Trump.

[Broadcast excerpt]

Don Imus: It's 8:30 exactly here at WFAN in New York, and here with us now, Donald Trump. Good morning, Donald.

Donald Trump: How you doing, Don?

Imus: I'm fine. How are you?

Trump: I'm very good. Thanks.

Imus: So what is this now? A bunch of these drunken Injuns want to open a casino down there in New Jersey?

Trump: Well, it's a battle that we're fighting and I think it's being successfully fought. A lot of the reservations are being, in some people's opinion, at least to a certain extent run by organized crime and organized crime elements, as you can imagine. There's no protection. There's no anything. And it's become a joke. It's become a laughing joke. And the politicians around 1987 passed a law where the Indians can have virtually unsupervised casino gaming. So we're in there fighting it and I think we're making a lot of progress. I think you'll see some very major things happening over the next couple of months.

Imus: In your mind, is there any legitimacy in them being allowed to have casinos in states where there aren't now casinos like say Connecticut?

Trump: I think it's up to the states. I mean, one of the things we did is bring a lawsuit and say it's states' rights. As an example, Governor Cuomo in New York didn't want to have the Indians having casinos. The churches didn't want it. It knocks out the bingo. It knocks out the charities. It knocks out a lot of other things. So what they did is they filed suits and they filed everything else. Ultimately, the Governor of New York was forced to pass this horrendous situation that's taking place in upstate New York. I think it's going to be changed and I think it's going to be changed fairly quickly, Don.

Imus: So will Indians be allowed to open casinos here in New York?

Trump: I think it's going to be unlikely within the next year.

Imus: Okay. This is just my opinion, but I don't think it makes sense to anybody to have Indians operate casinos in New Jersey.

Trump: General George Custer was against it also and look what happened to him.

Imus: But in New Jersey—obviously you have three casinos—you already have casinos.

Trump: Right, but the difference is I pay taxes. The Indians aren't paying any taxes. The Indians aren't putting anything back into what's happening. The funny thing is Cuomo was forced to put—and now all of a sudden they send him certified letters, "We want bridges."

They call it the sovereign nation. They call it a nation, this great sovereign nation, the Indian tribes. All of a sudden, it's nations.

Before it wasn't a nation, before gambling. Now it's this great sovereign nation. We protect, we do this, we do that, but when it comes to gambling, it's a sovereign nation.

So it's really a double standard and no taxes are paid. No supervision's there, tremendous crime, and most of the Indians don't want it themselves. The leaders—you know, all chiefs and no Indians, and the leaders want it for the obvious reason, but I think it's something that's going to end or is certainly going to be supervised very, very stringently.

Imus: Would there be any reason, if push comes to shove, for you to become a member of these tribes?

Trump: Well, I think if we lost various things, I would perhaps become an Indian myself.

Imus: You know, do one of those Robert Bly deals.

Trump: Well, I think I might have more Indian blood than a lot of the so-called Indians that are trying to open up the reservations.

I looked at one of them—well, I won't go into the whole story, but I can tell you, I said to him, "I think I have more Indian blood in me than you have in you." And he laughed at me and he sort of acknowledged that I was right, but it's a joke. It's really a joke.

Imus: A couple of these Indians up in Connecticut look like Michael Jordan, frankly.

Trump: I think if you've ever been up there, you would truly say that these are not Indians. One of them was telling me his name is Chief Running Water Sitting Bull, and I said, "That's a long name." He said, "Well, just call me Ricky Sanders." So this is one of the Indians.

I'll tell you, they got duped in Washington and it's just one of those things that we have to straighten out. It's the neverending problem of——

Imus: Having to straighten things out.

Trump: One of the big things that I'm working on is sports betting in New Jersey and we have a man over there named Chuck Hytian who turns out to be a disaster for the people of New Jersey because this would mean tremendous taxes and tax revenues. I don't know what happened with the bookies or whoever. I don't know who spoke to Hytian. I have no idea, but he's single-handedly—he's a Speaker and he's got some power over there, at least now, and he's single-handedly stopped sports betting, and everybody in New Jersey wants it and it's disgraceful and it's a great opportunity for Atlantic City. It's a great opportunity for New Jersey.

And the senior citizens and New Jersey will get tremendous tax revenues from it. So for all of you folks that know Speaker Chuck Hytian, call him up and blast the hell out of him.

Imus: Well, our opposition on sports betting is as long as the players get to bet, they might as well let the fans, you know?

Trump: Well, the players bet. That's absolutely true. And I'm sure it'll probably increase the ratings of your particular station quite a bit if they had sports betting in New Jersey.

Imus: It's not that I want to be like Mike. It's I want to bet like Mike.

Trump: Yeah, right. Maybe you don't want to bet like Mike.

Imus: Maybe I can win once in a while. What else is new with you?

Trump: Nothing. Things are going great. We're just in the process of doing some incredible things. Trump Plaza's doing something great and the hotels in Atlantic City have done record-setting business. The Taj Mahal, when they thought Trump was finished, "Trump is over. He's history,"and everything, I was opening up the Taj Mahal and they said it could never do the kind of numbers projected, and it's doing substantially greater than anything ever projected. So it's really become the success of the industry.

Imus: You sound like a Trump P.R. guy, but you netted 14 million dollars or something last month.

Trump: We made a gross operating profit of 14 million dollars, which was twice what the projections were at their highest, and they won 41 million dollars last month at the Taj Mahal. And the other casinos are doing proportionately—they're much smaller, but proportionately equally as well.

Imus: What's the status with your marriage? Are you still getting married?

Trump: Oh, I'm doing great. It's really fantastic.

Imus: Yeah, but are you getting married?

Trump: That might be the most difficult question you've asked me so far. See, the Indian problem is a much simpler problem. That can be solved.

Imus: Maybe you can have one of those traditional tribal ceremonies.

Trump: That's right. Maybe that would be the best way to do it. That way, it wouldn't be an authorized marriage. Therefore, I could claim marriage without any of the liabilities, right?

Imus: That's what I was going to say.

Trump: "What are you talking about? I never got married."

Imus: "I gave her some beads and that was basically about it."

Trump: "I can get sued for nine billion dollars, but what do you mean? The marriage is forget it. I have a great relationship.

Imus: It's a work in progress.

Trump: Huh?

Imus: It's a work in progress.

Trump: It's a work of art in progress.

Imus: That's right, a work of art in progress.

Trump: That's exactly correct. How are you doing on your social front? Do you have a new beautiful girlfriend yet?

Imus: Well, you know, they come and they go.

Trump: At least with you, I know it's definitely a girlfriend, okay?

Imus: At this point, yeah.

Trump: With a lot of people, we don't know.

Imus: Donald, always nice to talk with you. Good luck and many moon come Choctaw.

Trump: Thank you very much. Bye.

Imus: It's 8:36, 24 till 9:00, Imus in the Morning.

EXECUTIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 228, the nomination of Ashton B. Carter to be an Assistant Secretary of Defense.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

NOMINATION OF ASHTON B. CARTER OF MASSACHUSETTS TO BE AN ASSISTANT SECRETARY OF DEFENSE

The bill clerk read the nomination of Ashton B. Carter of Massachusetts to be an Assistant Secretary of Defense.

The PRESIDING OFFICER. The pending business is the nomination of Ashton B. Carter to be an Assistant Secretary of Defense.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I am pleased we now have before us the nomination of Dr. Ashton B. Carter to be Assistant Secretary of Defense for Nuclear Security and Antiproliferation.

Dr. Carter brings a wealth of talent and experience to this position. I am very confident that he will serve our Nation with distinction in what I believe is an increasingly important role.

I have known Ash Carter for many years. He is a person of intense dedication to public service and a person of deepest integrity.

I believe he is superbly qualified for the position of Assistant Secretary of Defense for Nuclear Security and Counterproliferation.

Ash Carter has held positions with the Rockefeller University, the Congressional Office of Technology Assessment, and the Office of the Secretary of Defense. He has been at MIT and Harvard. At Harvard he currently serves as the director of the Center for Science and International Affairs; at the Ford Foundation; and professor for Science and International Affairs at the Kennedy School of Government.

I am confident that Ash Carter will make a significant member of Secretary Aspin's team, and he will make a major contribution to our national security policy.

So I urge the Senate to support Dr. Carter's nomination for this important national security position.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, for the past few weeks, Dr. Carter's confirmation has been a matter of considerable controversy in the Armed Services Committee. I am glad that today the Senate will have the opportunity to consider some valuable lessons raised by this controversy as we finally lay the matter to rest. I heartily commend the Senator from Idaho [Mr. KEMPTHORNE] and the Senator from New Hampshire [Mr. SMITH] for doggedly pursuing the troubling issues surrounding the Carter nomination, and I particularly thank Senator SMITH for his determination to have this debate.

Mr. President, Republican Members were not seeking a battle over this particular nomination. But in the course of evaluating Dr. Carter's qualifications when he was before the committee, serious questions were raised about his unauthorized assumption of executive powers prior to confirmation. Moreover, his response to questions about such activities raised even more serious questions about his forthrightness and reliability. I feel we had no choice but to delay action and look into the matter thoroughly.

I am deeply concerned about the slow pace of filling key policy jobs in the Pentagon. This is bad for the Services, for the Department, and for the Nation's security. I want to cooperate fully with our chairman, Senator NUNN, and get the civilian leadership ranks in the Pentagon filled as soon as we can.

But I also feel a strong obligation to safeguard the integrity of the confirmation process. My opposition to any administration nominee is always going to be based on principles and not on personalities. It will be based on a good-faith evaluation of an individual's suitability to serve and the Nation's interests, not on any other consideration.

In spite of the delay and distress in Dr. Carter's nomination, I believe some good has come out of the experience. First, this controversy has put a stop to the assumption of executive authority by unconfirmed appointees. I hope the Senate will take this lesson one step further and pass the Kempthorne bill, which makes this a matter of law. The Carter affair has made it clear that administration nominees, no matter how impressive their academic degrees and other qualifications, must meet high standards of conduct. In the Pentagon's especially sensitive positions, they must avoid even the appearance of impropriety.

Mr. Chairman, I feel the Defense Department has learned these lessons. Based on the assurances of the Department's general counsel and Deputy Secretary Perry, I am satisfied that the Department has taken the necessary steps to end the abuse of authority by Dr. Carter and all unconfirmed appointees. Many of his actions fell into an ambiguous category, and it is debatable whether he truly understood that he had crossed over the line in every instance. Since so many of his actions fell into a grey area where there is no overwhelming certainty, I believe we have to give Dr. Carter the benefit of the doubt.

Mr. President, in the absence of sufficient contradictory information, I also had to accept assurances that Dr. Carter did not willfully and knowingly mislead the committee about his actions. Secretary Perry and our distinguished chairman, Senator NUNN, vouched for his truthfulness and integrity in the most ringing terms, and I sincerely hope that no one will ever have cause to regret their unqualified endorsement of his reliability. For these reasons I voted with the committee, despite lingering doubts, to report Dr. Carter favorably to the Senate, and I will vote to confirm him.

I thank the Chair, and yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Is there further debate on the nomination?

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Mr. President, at this time, I would like to ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SMITH. Mr. President, I rise today with some reluctance in opposition to the nomination of Dr. Ashton Carter to be the Assistant Secretary of Defense for Nuclear Security and Counterproliferation.

Mr. President, the Senate's advice-and-consent role in Presidential nominations is vitally important. It is a very important constitutional responsibility—indeed, the responsibility that is outlined in the book presented to us by the Honorable ROBERT C. BYRD of West Virginia, in which he, in his chapter II on the Proceedings of the Senate, addresses the history of the U.S. Senate on the whole nomination process. There are several pages on the importance of nominations and the advise-and-consent role.

I think it is important not only in a constitutional responsibility, but we understand that anything that subverts this process of advise and consent, or diminishes its credibility, undermines the constitutional separation of powers, which is so fundamental to our democratic Government. Sometimes, we hastily push to confirm the nominations before us, even in the interest of rushing. I think that perhaps the nomination of Ashton Carter threatens to do that.

Let me begin with some general background. Until just recently, Dr. Carter was a paid consultant to the Defense Department. While awaiting Senate confirmation, he is also on the payroll of the Minor Corp., a federally funded research and development corporation at Harvard.

We understand the fact that for many of the Defense Department positions, indeed, people have not even been nominated. We also understand that many of these positions are not filled. We only have about 25 percent, it is my understanding, that are filled. I recognize that. It is not the desire of this Senator to delay the nomination but simply to have a recorded vote so that Senators can choose whether or not the advise-and-consent concept or process has been unfairly treated here, and to debate this nomination on some concerns that I feel very deeply about.

I want to also say, Mr. President, that I appreciate the cooperation of Chairman NUNN and the ranking member, Senator THURMOND, for their support and cooperation and the fair process, as we went through this entire issue of the nomination of Ashton Carter.

The policies concerning the preconfirmation activities of nominees such as Dr. Carter are largely a matter of custom, rather than law. In the past, nominees have served as consultants—that is not anything new—or as special assistants, or in other positions within the executive branch. They have to be there to get some idea or some understanding as to what it is their job will be. We all understand that and respect that. It has happened before and will happen again in the future. I do not object to that.

However, in each case, the Defense Department has traditionally deferred to the concerns of the Senate Armed Services Committee with respect to preconfirmation activities.

These concerns include:

First, the nominees adhere to applicable laws and regulations governing conflicts of interest.

Second, that authoritative guidance in the Defense Department should come from the Department's civilian and military officials, not from consultants.

And third, that nominees and potential nominees should assume no duties and take no actions that would appear—and I emphasize the word "appear"—appear to presume the outcome of the confirmation process.

I again repeat the word "appear," Mr. President, because I think appear is the key action word in this debate. Did Ashton Carter do anything that would appear to presume the outcome of the confirmation process? That is really the issue that I am dealing with here today, and I think the Senate is dealing with here today.

If you do not think he did, and you do not object to him for any other reason, then you should vote for him. If you think he did do things that appear to presume the outcome of the confirmation process, and you feel that the advise and consent role, as outlined by Senator BYRD in chapter 2 of his book, if you do feel that that is important, then I think the nomination of Dr. Carter is a problem for the U.S. Senate.

On March 9, 1993, Defense Secretary Aspin issued a memorandum for Presidential appointees. This memorandum outlined guidelines for activities of nominations prior to confirmation.

According to the Aspin memo, and I will quote from it:

> The basic principle is that prior to nomination and subsequent Senate consideration, you should act in a manner consistent with your role as an adviser preparing for additional duties and responsibilities—

Additional duties and responsibilities, preparation for those duties—

> and avoid acting or appearing as if you have been appointed.

Secretary Aspin continues by stating:

> In implementing this principle, you should be guided by the following: You may consult within the Department of Defense on current policy topics, receive briefings, familiarize yourself with relevant issues, and even attend briefings. You may offer general advisory views on policy issues, but on a strictly informal basis.

"Advise" again is the key word.

Secretary Aspin said:

> You should not serve as the official Department representative in meetings or on travel. You are not to sign any documents that give the appearance of having assumed official duties.

Again, the word "appearance" appears constantly and consistently throughout this documentation.

> You are not to undertake to hire, transfer, or terminate members of your potential future organization or otherwise reorganize its management. You should not use the term "designate" prior to nomination by the President.

Those are the words of the Secretary of Defense.

Now, Mr. President, these guidelines were issued by the Secretary of Defense for good reason. They are very concise, very specific, and very straightforward. There is absolutely no ambiguity whatsoever in what the Secretary said and certainly no room for misinterpretation. You are not to do anything at all that would give the appearance that you were in a position that you had not yet received the advise and consent of the Senate on to do. That is the bottom line here, pure and simple.

Nonetheless, in response to reports of widespread noncompliance with these regulations, Senators NUNN and THURMOND sent a letter dated April 22, 1993, to Secretary Aspin requesting that he issue guidance and take steps to ensure that the activities of nominees comply with the concerns of the Armed Services Committee.

Mr. President, this was all before we knew anything about Ashton Carter. We did not know Ashton Carter was going to be nominated or do anything before he was nominated. But we did not know he was doing anything that might be considered the appearance of taking actions, that he should not be doing.

So, the Secretary of Defense issued the directive. Senators NUNN and THURMOND sent a letter to Secretary Aspin requesting that he issue guidance and take steps to ensure.

So this was proactive on both the Secretary of Defense and the Armed Services Committee, and it had been done many times before. It was just to reaffirm that no one should appear to do anything that would appear to be incorrect or wrong, or in any way give the appearance that they were acting in the role of a nominee before they were confirmed.

Secretary Aspin responded in a letter dated April 29; so in a week, he responded to that letter. He reaffirmed the existing guidelines, and he emphasized that each nominee receive an extensive briefing from the Department's Office of Standards and Conduct to ensure that their behavior met all legal and administrative requirements. An extensive briefing; that is what the language said.

Secretary Aspin stated, and I quote:

> I gave this clear directive to all prospective nominees to ensure that no one here in DOD would presume any authority that can come only from the Senate's confirmation.

He said:

> I gave this clear directive to all prospective nominees to ensure that no one here in DOD would presume any authority that can come only from the Senate's confirmation.

Dr. Carter was a nominee at that time. On May 25, Dr. Carter appeared before the Armed Services Committee for his confirmation. I was there. He was asked by Senator NUNN whether he, Dr. Carter, had made any authoritative decisions or provided authoritative guidance, and whether he had assumed any duties or undertaken any actions that would appear to presume the outcome of the confirmation process.

Dr. Carter responded in the negative to both questions. This was not a question that was prepared specifically for Dr. Carter. This is a question that is routinely asked by the chairman—correctly so—of all nominees when they come before the committee.

Dr. Carter again said no; he had not assumed any duties or undertaken any actions that would appear to presume the outcome of his confirmation process.

Mr. President, reluctantly I must submit that the facts do not substantiate what Dr. Carter gave in formal testimony under oath before the committee at his hearing. Subsequently, and in direct contradiction to this affirmation, it has been determined that Dr. Carter did in fact make authoritative decisions, did in fact provide authoritative guidance, and did in fact act in a manner which gives the appearance of presuming that he was confirmed.

The information I have before me indicates that Dr. Carter has been actively involved in the formulation and implementation of strategic nuclear policy, counterproliferation policy, and weapons dismantlement programs while serving as a consultant to the Defense Department. Again, implementation of strategic nuclear policy, counterproliferation policy, and weapons dismantlement—very serious issues.

Mr. President, at this time, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, as I noted at the outset of this debate, I strongly support the nomination of Ashton B. Carter to be Assistant Secretary of Defense for Nuclear Security and Counterproliferation. Dr. Carter brings a wealth of talent and experience to this position and I am confident that he will serve our Nation with distinction in this important position.

Because issues about the prerogatives of the Senate in the confirmation process were raised during the proceedings on his nomination before the Armed Services Committee, I would like to briefly describe the background to the committee's action on this nomination.

On May 26, the committee voted to report this nomination to the Senate. At that time, the committee also decided that prior to reporting the nomination to the floor, Senator THURMOND and I would look into the issue of whether Dr. Carter had taken actions inconsistent with the guidance applicable to preconfirmation activities of nominees.

At the outset, I would note that the committee received and reviewed all of the required standard documents on Dr. Carter, including:

The committee questionnaire;

Letters from the Director of the Office of Government Ethics and the general counsel of the Department of Defense accompanying the nominee's Financial Disclosure Report, certifying that the nominee is in compliance with applicable laws and regulations governing conflict of interest;

The nominee's responses to the committee's prehearing questions; and

The letter from the counsel to the President on the scope of the background investigation.

The committee held a hearing on Dr. Carter's nomination, and on the nominations of seven other DOD officials, on May 25, 1993. Subsequent to the hearing, questions were raised about whether certain of his actions as a consultant to the Department of Defense were consistent with applicable guidance on preconfirmation activities of nominees. Senator SMITH has alluded to those questions.

I would like to briefly review the applicable guidance and the actions taken by the committee to review Dr. Carter's situation.

The policies governing the preconfirmation activities of nominees are largely a matter of custom, rather than law. Nominees in the past have served as consultants, special assistants, or in other positions within the executive branch. The traditional concern of our committee, as expressed in an April 22, 1993, letter from myself and Senator THURMOND to Secretary Aspin, has been that nominees act in accordance with the following three concerns:

First, that such persons adhere to the applicable laws and regulations governing conflicts of interest;

Second, that authoritative guidance in the Department of Defense should come from the Department's civilian and military officials, not from consultants; and

Third, that nominees and potential nominees should assume no duties and take no actions that would appear to presume the outcome of the confirmation process.

Secretary Aspin responded on April 29, expressing his agreement with our views and enclosing guidance which he had issued on March 9, I ask unanimous consent that our letter to Secretary Aspin and his response be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NUNN. At the May 25 hearing, I asked each of the nominees whether they had made any authoritative decisions, provided authoritative guidance, or otherwise undertaken any actions that would appear to presume the outcome of the confirmation process. Each responded in the negative. After the hearing the committee received a document, signed by Dr. Carter on May 17, which raised an issue of whether it constituted authoritative action. I ask unanimous consent that the May 17 document be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. NUNN. The committee determined that Senator THURMOND and I, working with other interested Senators, would review the matter. Senators SMITH, KEMPTHORNE, FAIRCLOTH, and KENNEDY have participated in the process, and several other Senators indirectly.

We met twice, informally, with Bill Perry, the Deputy Secretary of Defense; Jamie Gorelick, the general counsel, and Dr. Carter. I would like to summarize the results of our meetings.

The Department has recognized—and this nomination brought this to their attention in a very vivid way—has recognized using nominees as consultants puts them in a very difficult position. As a general matter, Government consultants are permitted to attend meetings, prepare documents, and provide advice and recommendations. When such an activity has been undertaken by a nominee for a policy position, however—particularly a position which primarily involves providing advice to the Secretary of Defense—it may give the appearance of presuming the outcome of the confirmation process.

Dr. Perry, for whom I have the greatest respect, determined that the Department should make a number of major changes in its preconfirmation procedures after this matter came to his full attention. On June 2, Dr. Perry issued a memorandum containing the following guidance:

First, he directed the general counsel to review all documents by potential appointees pending confirmation to determine whether any action of the Department had been effected through an inappropriate assumption of authority. The general counsel has completed this review, and has advised the committee that there were no such actions.

Second, he directed all potential Presidential appointees to adhere to strict new guidance issued by the general counsel.

Third, he directed that all potential Presidential appointees receive a personal briefing from the general counsel.

Fourth, he directed that in the future, no potential appointee requiring confirmation will become a consultant for purposes of rendering advice.

And it is my understanding, Mr. President, that applies to future appointees and is not retroactive in the sense of people who already are appointees.

The sole purpose of any future designation of such a person as a consultant will be to receive briefings and to participate in other activities related to preparation for confirmation proceedings, and that person will be in an unpaid status.

These actions go far beyond the limitations established by any other agency, and they go far beyond the requirements of law, as well as the requirements of custom. They are not conditions our committee has imposed. And I want to make that clear. These were directed voluntarily by Dr. Perry, after looking at the position consultants were being placed in under the current circumstances. These conditions reflect the seriousness with which Dr. Perry views the confirmation process and the need to avoid any actions which would violate the customary limitations on preconfirmation activities.

Mr. President, I ask unanimous consent that Dr. Perry's June 2 memorandum be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. NUNN. Mr. President, it is my view that this whole situation is a result of the slow pace of nominations. Every administration seems to get slower and slower with nominations. Individuals have been placed in consulting positions for too long a time waiting for their nominations to be formally submitted to the Senate. It is my hope that the transition process in this administration is drawing to a close. It is my further hope that the time between the Secretary's recommendation to the White House and the submission of a nomination will be reduced drastically. When that happens, it may be possible to revisit the guidance issued by Dr. Perry. So I do not think we should view that guidance as permanent.

With respect to the document signed by Dr. Carter on May 17, Dr. Perry has described that as an anomaly. He also noted that the actual action in the case was taken by a confirmed DOD official, not Dr. Carter. Dr. Perry has advised us that he is confident that Dr. Carter has acted in good faith in his role as a consultant, and has not intentionally violated the guidance regarding preconfirmation activities.

I accept Dr. Perry's representations. I have known Ash Carter for many years. I believe him to be a person of intense dedication to public service, and a person of the deepest integrity.

Nevertheless, I would also acknowledge that the document that he signed was a document he should not have signed. He recognizes that now, and I think that has made a deep impression not only on him but on the other nominees and on Dr. Perry and the other people in the Department of Defense, including Secretary Aspin.

Mr. President, as I noted as we commenced this debate, Dr. Carter is superbly qualified for the position of Assistant Secretary for Nuclear Security and Counterproliferation. He has held positions with the Rockefeller University, the Congressional Office of Technology Assessment, the Office of the Secretary of Defense, MIT, and Harvard, where he currently serves as the director of the Center for Science and International Affairs and Ford Foundation of professor for Science and International Affairs at the Kennedy School of Government. I am confident that he will be a significant member of Secretary Aspin's team, and that he will make a major contribution to our national security policy.

Mr. President, on June 11, the committee held a public meeting, which provided members with an opportunity to speak on this nomination and to have their vote recorded. The committee ordered that Dr. Carter's nomination be reported to the Senate, by a vote of 16–3. I urge the Senate to support this nomination.

It is supported by both me, as chairman of the committee, and by Senator THURMOND, as ranking member, and by the majority of Members on both sides of the aisles.

I respect those Members who dissented on this nomination. To all of us, the confirmation process is very, very important and any time there are procedures adopted, whether advertent or inadvertent, that seem to bypass that confirmation process, then certainly it is up to those of us in the Senate to defend the prerogatives of the institution and the important constitutionality responsibilities that lie with the requirements for confirmation.

So, to those Senators who will vote "no" on this nomination, and I am sure there will be some, I respect their views on it. But I do believe this is a very valuable public servant. I think the mistakes that were made were inadvertent mistakes and in my view there are procedures and guidelines that have now been put into place as a result of this that minimize the chance of this happening again in the Department of Defense.

I would add, though, Mr. President, the Department of Defense is not the only department that has a very long delay in nominees being sent forward by this administration. I would say this process we have been through in the last several weeks with Dr. Carter's nomination should serve as a warning light to other nominees and to other departments, because this could be repeated in other areas. I hope it would not. I hope the delay in this nomination that has occurred will serve notice to other nominees and to other departments, and that this will not be a procedure that is repeated or mistakes would not be repeated.

Mr. President, I urge the Senate to confirm this nominee.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, April 22, 1993.

Hon. LES ASPIN,
Secretary of Defense, Department of Defense, Washington, DC.

DEAR MR. SECRETARY: We are concerned about recent press and other reports regarding the activities of nominees and prospective nominees in the Department of Defense.

Although nominees on occasion have served for a short period of time in consulting, special assistant, or other similar capacity with the Department of Defense prior to confirmation, our Committee traditionally has advised the Department that their activities with respect to the position for which they may be appointed should be limited to discussions necessary to familiarize nominees with their prospective duties. We have consistently asked the Department to ensure that any such nominees and prospective nominees act in accordance with three concerns that have been important to this Committee:

First, that such persons adhere to the applicable laws and regulations governing conflicts of interest, particularly with regard to private sector investments or employment.

Second, that authoritative guidance in the Department of Defense should come from the Department's civilian and military officials, not from consultants.

Third, that nominees and potential nominees should assume no duties and take no actions that would appear to presume the outcome of the confirmation process.

The longer that individuals remain in a consulting or similar status prior to confirmation, the greater the likelihood that issues will arise concerning activities that could be viewed as presuming the outcome of the confirmation process. We recognize that delays in the nomination process are often beyond your control. In our view, however, such delays make it all the more important that strict guidelines on preconfirmation activities are established and followed.

It is important that guidance be issued to all nominees and potential nominees regarding preconfirmation activities related to the position for which they may be appointed. This guidance should make it clear that their activities must be strictly limited to receiving familiarization briefings, and that they should not undertake any activities that could be construed as providing authoritative guidance on matters within their area of responsibility if confirmed.

Please advise the Committee of the actions that you will take to ensure that the activities of nominees and potential nominees adhere to applicable laws and regulations, take into account the concerns noted above, and do not presume the outcome of the confirmation process.

Sincerely,

SAM NUNN,
Chairman.
STROM THURMOND,
Ranking Minority.

THE SECRETARY OF DEFENSE,
Washington, DC, April 29, 1993.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you very much for your letter of April 22, concerning the activities of nominees and prospective nominees.

You outlined those concerns that have been important to the Committee:

Compliance by potential nominees and nominees with applicable conflict of interest and employments rules;

Department civilians and military officials (not consultants) should prioritize authoritative guidance;

Potential nominees assuming no duties or take any action that precedes confirmation.

On March 9, 1993, I issued a memorandum (Attachment 1) for potential presidential nominees that paralleled, and I hope anticipated, the concerns expressed by your letter (Attachment 2). As you can see, the memo is intended to address the same issues you have raised. While potential nominees and consultant nominees may familiarize themselves with their duties properly, and may offer me informal advice as I make decisions as a duly confirmed Secretary of Defense, they are not to act in any way that suggests that they have the authority they would have only after they are confirmed by the Senate. In addition, each potential nominee received an extensive briefing from the Department's Office of Standards and Conduct to delineate the legal requirements concerning their tenure as consultants, prospective nominees and nominees. Of course, all consultant nominees and prospective nominees are to comply with all applicable laws and regulations, including employment and private sector investment.

I gave this clear directive to all prospective nominees to insure that no one here in DoD would presume to any authority that can come only from the Senate's confirmation.

As you pointed out to me at my confirmation hearing, the Committee needs to consider and dispose of over 50 Presidential nominations. We appreciate all the cooperation you, the Committee and your staff have provided. We look forward to continuing to work with you and your staff as we build DoD's new team.

If you need any additional information or clarification, please do not hesitate to contact me.

Sincerely,

LES ASPIN.

THE SECRETARY OF DEFENSE,
Washington, DC, March 9, 1993.

Memorandum for: Potential Presidential Appointees in the Department of Defense.

Subject: Guidelines for Activities Prior to Recommendation, Nomination and Confirmation.

I appreciate your willingness to serve as my advisor during this very important transitional period. I have already given verbal guidelines as to what actions you may appropriately and legally take during the period you are waiting decisions regarding your possible nomination and, subsequently, waiting for the Senate to consider your nomination as a Presidential appointee. However, I think it appropriate to formalize these guidelines to avoid any misunderstandings or potential embarrassment.

The basic principle is that prior to nomination and subsequent Senate consideration, you should act in a manner consistent with your role as an advisor preparing for additional duties and responsibilities, and avoid acting, or appearing, as if you have been appointed. In implementing this principle, you should be guided by the following:

You may consult within the Department of Defense on current policy topics, receive briefings, familiarize yourself with relevant issues, and attend briefings.

You may offer general advisory views on policy issues, but on a strictly informal basis.

You should not serve as the official Department representative in meetings or on travel.

You are not to sign any documents that give the appearance of having assumed official duties.

You are not to undertake to hire, transfer or terminate members of your potential future organization, or otherwise reorganize its management.

You should not use the term "Designate" prior to nomination by the President.

LES ASPIN.

EXHIBIT 2

MAY 17, 1993.

Memorandum for: Mr. Paul Boren, Defense Nuclear Agency.

Through: Senior Civilian Official, OUSD-P. Dr. John Birely, Acting ATSD-AE.

Subject: Nunn-Lugar Funding of Defense and Military Contacts (U).

(U) In accordance with the DepSecDef approved Plan for the Use of Nunn-Lugar Funds for Expanded Defense and Military Contacts request DNA transfer the necessary funds for the interagency approved defense and military contact events described on the attachment. Cost figures are only rough estimates.

Dr. ASHTON B. CARTER.

EXHIBIT 3

THE DEPUTY SECRETARY OF DEFENSE,
Washington, DC, June 2, 1993.

Memorandum for: Potential Presidential appointees.

Subject: Procedures To Be Followed Pending Formal Appointment.

Late last week, the Senate Armed Services Committee raised serious questions regarding the level of compliance by potential presidential appointees with the directive issues by Secretary Aspin on March 9, 1993, limiting the activities that may be undertaken pending confirmation. Although the expressed concern related to presidential appointees for whom confirmation is required, the same restrictions are and should be applicable to potential appointees who have not yet actually been appointed.

In response to the concerns that have been raised, I have taken the following actions:

1. I have represented to the Committee that we will take all appropriate steps to ensure that potential appointees adhere to the rules.

2. I have directed the General Counsel to review all documents signed by potential presidential appointees who are pending confirmation to determine whether any action of the Department has been effected through an inappropriate assumption of authority. I direct each of you to cooperate with this review, as requested. Should we find any action that has been so effected, we will revise it in accordance with standard procedure.

3. I am directing each of you to adhere to the implementing guidance prepared by the General Counsel (Tab A) and to address to her any questions that you may have either with regard to documents or actions that you may take. She will be scheduling briefings with you to review this guidance.

4. I have asked the Executive Secretary and the General Counsel to review and revise as necessary the format for memoranda and correspondence within the Department, working with those responsible for such matters in the operating components of the Department, including the Military Departments (Tab B).

5. Henceforth, no potential appointee requiring confirmation will become a consultant to the Department for the purpose of rendering advice pending appointment. Rather, the sole purpose for which unpaid consultant status will be granted such persons is to permit the potential nominee to engage in activities in preparation for undertaking his or her position and/or in connection with the confirmation process (e.g., receiving briefings, reading background material and making courtesy calls.)

WILLIAM J. PERRY.

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, DC, May 29, 1993.

Memorandum to: All Potential Presidential Appointees.

Subject: Implementing Guidance for Activities Prior to Appointment.

Before you are formally appointed, there are significant restrictions on what you may or may not do within the Department of Defense. The purpose of this memo is to explain how Secretary Aspin's memo of March 9, 1993, and the relevant regulations apply to various circumstances that may present themselves. For your information, I have attached, at Tab A, the March 9 memo and the subsequent exchange of correspondence between Senators Nunn and Thurmond and the Secretary on that subject.

1. Meetings Outside the Department of Defense.—You should not meet with anyone outside the Department unless you are accompanied by a "responsible official" of the Department who can speak for the Department, *e.g.*, someone who has responsibility for the issue in question and who could have attended the meeting on his or her own. Your limited role as a consultant to the Department and not an official of the Department, should be made clear. This general rule is subject to the following more specific guidance:

a. Meetings with Contractors.—You should not attend a meeting with a contractor.

b. Meetings with Foreign Officials or Interest Groups.—While you may attend meetings with foreign officials or interest groups, subject to the guidance stated above, your participation should be kept to a minimum.

2. Meetings or Advice Inside the Department of Defense.—You should not represent or speak for a component of the Department of Defense, or a prospective component, in a meeting within the Department unless you are accompanied by a responsible official, as defined above. If you have been brought into the Department as a consultant for the purpose of advising the Secretary, you may provide such advice in the form of your personal views. Do not use Departmental stationery.

3. Press Contacts.—You should not meet or speak with the press, other than in connection with the confirmation process and then only after consultation with the Public Affairs office.

4. Contacts with Capitol Hill.—You should not have any contact with members of Congress or staff, other than in connection with the confirmation process and then only after consultation with the Legislative Affairs Office.

5. Speeches or Presentations Outside the Department.—You should not give any speeches, make any appearances or give any presentations outside the Department on any issue relating to the business of the Department.

6. Trips.—You may not participate in official trips of the Department of Defense except with the express permission of the Secretary.

7. Internal Decisions.—You should not make any decision for a component of the Department, *e.g.*, such as clearing a cable. You may advise the decision-maker, and note that you have seen an action item, but you may not order or control the advice that is given by a responsible official of the Department who is representing a component with respect to a particular decision.

8. Documents.—You may not originate an action, have official actions of the Department pass through you or approve or disapprove any actions of the Department. You may indicate that you have seen a particular item. In general, you are not to sign any documents in such a way as to give the appearance of having assumed official duties.

9. Hiring.—You are not to undertake to hire, transfer or terminate members of your potential future organization or otherwise reorganize its management. You may meet and interview applicants. The process for hiring to fill non-career SES and Schedule C positions is outlined in Larry Smith's memo of March 9, 1993 (Tab B).

JAMIE GORELICK.

THE DEPUTY SECRETARY OF DEFENSE,
Washington, DC, June 1, 1993.

Memorandum for: The General Counsel and the Executive Secretary.

Subject: Review of the Format and Coordination Process for Correspondence, Memoranda, etc.

In light of the matters discussed in my Memorandum to Potential Presidential Appointees of this date, I would like you to review the process by which correspondence, memoranda and other actions are presented within the Department to ensure (a) that the process is operating consistent with the applicable regulations and the commitments that we have made with regard to the limited role that consultants may play within the Department and (b) that there is appropriate legal review of all matters presented for action. This review should include not only documents that come to the Secretary or the Deputy Secretary for review, information or action, but also similar documents within the other components of the Department, including the Military Departments.

WILLIAM J. PERRY.

Mr. KEMPTHORNE. Mr. President, last week, I introduced a bill, S. 1147, which is designed to reinforce the constitutional rights and prerogatives of the U.S. Senate. It is a bill that addresses the serious concerns that many of my colleagues on the Senate Armed Services Committee and I have regarding the activities of unconfirmed Presidential nominees.

Many times in the past, I have looked to the words of the founders of our country for inspiration and guidance in my role as a U.S. Senator. In Federalist paper No. 76, Alexander Hamilton expounded on the nature of the President's nomination power, as provided in the Constitution. He said that concurrence in nominations by the Senate would have a powerful effect on the quality of Presidential nominees and that Senate confirmation would be a source of stability in the administration. Yet, I believe that the intended stability provided through the Senate's role of advise and consent is being compromised by the acts of nominees which frustrate no less a mandate than the U.S. Constitution.

I am here on the floor today to warn my fellow Senators that if we do not act in a bipartisan manner to send a clear message of our constitutional duty, we will lead astray those who feel that we, by our silence, condone such acts by nominees to positions of great importance in our Government. We do not do the Senate, or the Presidency, any favors by allowing the continuing slow erosion of our obligations. As Senator SMITH has so eloquently discussed today, the Senate Armed Services Committee recently encountered a situation where a political nominee, Dr. Ashton Carter, admittedly violated the Secretary of Defense's guidelines concerning the preconfirmation activities of unconfirmed nominees. There are other documented instances where equally questionable activities have occurred. One problem is that many unconfirmed nominees serve as consultants between the time the President decides to nominate them and the time the Senate confirms them. This dual status, that of a consultant and as an unconfirmed nominee, has blurred the line between appropriate and inappropriate activities. Failure to give clear direction to consultants and others, that they shall not act as if they had already been confirmed, is at the root of my bill and our purpose for being here on the floor today.

I would like to take a few minutes to summarize the activities that led me to introduce my bill. On March 9, 1993, Secretary Aspin issued a memo to potential Presidential appointees in the Department of Defense. In that memo, Secretary Aspin stated:

> The basic principle is that prior to nomination and subsequent Senate consideration, you should act in a manner consistent with your role as an advisor preparing for additional duties and responsibilities, and avoid acting, or appearing, as if you have been appointed.

Secretary Aspin's March 9 memo offered the following guidelines:

> You may offer general advisory views on policy issues, but on a strictly informal basis. You should not serve as the official Department representative in meetings or travel. You should not sign any documents that give the appearance of having assumed official duties.

Throughout the confirmation process, members of the Senate Armed Services Committee have expressed concern about the preconfirmation activities of DOD nominees. As a result of this concern, on April 22, Chairman NUNN and Senator THURMOND sent a letter to Secretary Aspin advising the Secretary that the committee believed that, "nominees and potential nominees should assume no duties and take no actions that would appear to presume the outcome of the confirmation process." The Nunn-Thurmond letter also stated that nominees, "should not undertake any activities that could be construed as providing authoritative guidance on matters within their area of responsibility if confirmed."

In an April 29 letter to Chairman NUNN, Secretary Aspin informed the Armed Services Committee that he had advised prospective nominees that "they are not to act in any way that suggests that they have the authority they would have only after they are confirmed by the Senate."

Based upon these three documents, I believed that the Department of Defense has established clear policies and guidelines concerning inappropriate activities of unconfirmed nominees.

On May 25, the Senate Armed Services Committee met to consider eight DOD nominees. Dr. Ashton Carter was among the eight nominees under consideration. After brief opening statements by the nominees, Chairman NUNN began the questioning by asking each of the witnesses, "Have you made any authoritative decisions or provided authoritative guidance? Have you assumed any duties or undertaken any actions that would appear to presume the outcome of the confirmation process?" In response to Chairman NUNN's question, each of the nominees, including Dr. Carter, answered, "no."

On May 26, members of the Armed Services Committee met just off the Senate floor in the Vice President's office to consider the eight pending DOD nominees. However, an hour before that meeting, I received a copy of a memo signed by Dr. Ashton Carter. In that May 17 memo, Dr. Carter requested that the Defense Nuclear Agency transfer certain funds related to the Nunn-Lugar program. The memo, signed by Dr. Carter, was approved by Dr. Graham Allison. As of today Mr. President, President Clinton has not even nominated Dr. Allison, and yet, Dr. Allison approved the transfer of funds at DOD.

In the Vice President's office, my colleagues on the Armed Services Committee reviewed a copy of the Carter/Allison memo which I had authorized to be released to the committee by my staff. After a short discussion about the memo's significance, the committee voted to report out seven of the pending DOD nominees. The committee agreed to a motion to report out the Carter nomination pending my approval.

On May 27, members of the Armed Services Committee met with the Deputy Secretary of Defense, Dr. Bill Perry, the DOD general counsel, Ms. Jamie Gorelick and Ashton Carter. In the meeting, Ash Carter acknowledged that he signed the May 17 memo but he told us that he did not think that the May 17 memo fell under the authoritative actions Chairman NUNN had asked him about during his confirmation hearing. At this meeting, I asked Dr. Perry to give us written assurances that none of the other 7 DOD nominees had offered authoritative guidance or signed official documents. Pending that written assurance from Dr. Perry, I placed a hold on the seven other DOD nominees.

Later that day, Dr. Perry provided Chairman NUNN with written assurances that none of the seven pending DOD nominees had acted in an authoritative manner. When informed of Dr. Perry's written assurance, I lifted my hold on the seven nominees and the Senate subsequently confirmed them by voice vote.

It was around this time that DOD provided the Armed Services Committee with a revised copy of the Carter/Allison memo. This time, an authorized DOD employee, A.R. Williams, initiated the request to the Defense Nuclear Agency.

During the Memorial Day recess while I was in Idaho, my office received four additional documents signed or initiated by Ashton Carter. In one of these memos, Dr. Carter asks for Secretary Aspin's, "guidance on how to set up a new system to make the [Nunn-Lugar] program work." In another memo, Carter states, "As you requested, I attached a binder containing the essential information on the Cooperative Threat Reduction [CTR] Program. Tabs 8–10 are provided for your information, I have not yet approved them." This statement implies that tabs 1–7 have been approved and tabs 8–10 will be approved. Both of these memos were transmitted to Secretary Aspin and Deputy Secretary Perry through Frank Wisner. This documentation again proved that yet another unconfirmed nominee had rendered the Senate confirmation process irrelevant. The Senate has not yet confirmed Mr. Wisner.

During the Memorial Day recess, my office also received a copy of Dr. Carter's schedule. The schedule showed that Dr. Carter had been busy attending interagency working group meetings at the Department of Defense, the State Department, and the White House. Dr. Carter's schedule refers to these appointments such as "coordinating staff meeting," "meeting on implementation of Vancouver package for Russia" and "steering group meeting Russia, Ukraine, New Independent States." In addition, Dr. Carter's schedule also showed a morning appointment—the Wisner Staff Meeting.

In the wake of the activities of Ashton Carter and Graham Allison, on May 29, the DOD General Counsel issued a memo to all potential Presidential nominees clarifying the restrictions contained in Secretary Aspin's March 9 memo. At about this time, Deputy Secretary of Defense Perry asked the DOD general counsel to review the correspondence, memoranda, and other actions of potential DOD nominees. On June 1, Deputy Secretary Perry issued new guidelines for potential nominees. Included in these new guidelines was a decision not to hire potential nominees as paid consultants.

On June 1, Ashton Carter sent a letter to Secretary Aspin. In the letter, Carter writes:

> I have made every effort to adhere to your guidelines stipulating that, as an advisor who is not confirmed in any official position, I have no authority to assume the duties of office, and, furthermore, should not give any appearance of having done so. As you know, I mistakenly violated that guidance by signing a memorandum dated May 17, 1993, regarding the transfer of Nunn-Lugar funds. That was a careless error, which I deeply regret.

In light of the additional memos signed by Ashton Carter, on June 8, Senator THURMOND sent a letter to Chairman NUNN requesting a second hearing with Dr. Carter.

On June 10 members of the Armed Services Committee met with Dr. Perry, Jamie Gorelick, Dr. Carter, and one of Secretary Aspin's top aids, Rudy De Leon. In this meeting, Dr. Carter and Dr. Perry stated that in their view the additional Carter/Wisner memos did not represent authoritative guidance. Dr. Carter also assured us that he had not served as the official DOD representative as the various interagency meetings he attended. Jamie Gorelick, the DOD general counsel, reported to us that her review did not identify any other authoritative memos from, or actions by, Ashton Carter. I asked Ms. Gorelick to provide me with a written assurance to that effect. After our DOD guests departed, Senator SMITH asked Senator NUNN for a second vote on the Carter nomination. Chairman NUNN agreed to Senator SMITH's request. Later that evening, Chairman NUNN informed me he would not be able to get a quorum for the June 11 meeting of the committee. I told Chairman NUNN that I would lift my objection to reporting out the Carter nomination.

On June 11, the Armed Services Committee met for a second time to consider the nomination of Ashton Carter. At this meeting of the committee, Chairman NUNN and Senator THURMOND outlined the history of the Ashton Carter affair. After comments by other members of the committee, the Armed Services Committee voted 14 to 3 to report out Dr. Carter's nomination. Weighing all of the evidence, I voted not to confirm Ashton Carter because of my belief that a clearly recognizable line had been crossed. For me, this was a question of principle not personality.

Later that day, Senator SMITH sent a series of legitimate and detailed questions to Dr. Carter regarding his preconfirmation activities. When the Carter nomination was placed on the Executive Calendar, Senator SMITH placed a hold on the nomination. On June 14, Senator SMITH received Ashton Carter's responses to his questions. Having reviewed the responses to Senator SMITH'S questions, I cannot say that Ashton Carter reassured me that he had not acted in an authoritative capacity. For example, Dr. Carter says that other DOD officials joined him at White House and State Department interagency working group meetings on all but rare occasions. Thus, Ashton Carter asks us to believe that on the rare occasions he attended these meetings alone, he was not officially representing DOD. Given the subject matter of these meetings, as outlined in Dr. Carter's schedule, I cannot believe that the Department of Defense was not authoritatively represented at these interagency working group meetings.

Mr. President, I ask for unanimous consent that documents verifying this chronology of events by printed in the RECORD.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, DC, March 9, 1993.

Memorandum for: Potential Presidential Appointees in the Department of Defense.

Subject: Guidelines for Activities Prior to Recommendation, Nomination and Confirmation.

I appreciate your willingness to serve as my advisor during this very important transitional period. I have already given verbal guidelines as to what actions you may appropriately and legally take during the period you are waiting decisions regarding your possible nomination and, subsequently, waiting for the Senate to consider your nomination as a Presidential appointee. However, I think it appropriate to formalize these guidelines to avoid any misunderstandings or potential embarrassment.

The basic principle is that prior to nomination and subsequent Senate consideration, you should act in a manner consistent with your role as an advisor preparing for additional duties and responsibilities, and avoid acting, or appearing, as if you have been appointed. In implementing this principle, you should be guided by the following:

You may consult within the Department of Defense on current policy topics, receive briefings, familiarize yourself with relevant issues, and attend briefings.

You may offer general advisory views on policy issues, but on a strictly informal basis.

You should not serve as the official Department representative in meetings or on travel.

You are not to sign any documents that give the appearance of having assumed official duties.

You are not to undertake to hire, transfer or terminate members of your potential future organization, or otherwise reorganize its management.

You should not use the term "Designate" prior to nomination by the President.

LES ASPIN.

THE SECRETARY OF DEFENSE,
Washington, DC, April 29, 1993.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you very much for your letter of April 22, concerning the activities of nominees and prospective nominees.

You outlined those concerns that have been important to the Committee:

Compliance by potential nominees and nominees with applicable conflict of interest and employments rules;

Department civilians and military officials (not consultants) should prioritize authoritative guidance;

Potential nominees assuming no duties or take any action that precedes confirmation.

On March 9, 1993, I issued a memorandum (Attachment 1) for potential presidential nominees that paralleled, and I hope anticipated, the concerns expressed by your letter (Attachment 2). As you can see, the memo is intended to address the same issues you have raised. While potential nominees and consultant nominees may familiarize themselves with their duties properly, and may offer me informal advice as I make decisions as a duly confirmed Secretary of Defense, they are not to act in any way that suggests that they have the authority they would have only after they are confirmed by the Senate. In addition, each potential nominee received an extensive briefing from the Department's Office of Standards and Conduct to delineate the legal requirements concerning their tenure as consultants, prospective nominees and nominees. Of course, all consultant nominees and prospective nominees are to comply with all applicable laws and regulations, including employment and private sector investment.

I gave this clear directive to all prospective nominees to insure that no one here in DoD would presume to any authority that can come only from the Senate's confirmation.

As you pointed out to me at my confirmation hearing, the Committee needs to consider and dispose of over 50 Presidential nominations. We appreciate all the cooperation you, the Committee and your staff have provided. We look forward to continuing to work with you and your staff as we build DoD's new team.

If you need any additional information or clarification, please do not hesitate to contact me.

Sincerely,

LES ASPIN.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, April 22, 1993.

Hon. LES ASPIN,
Secretary of Defense, Department of Defense, Washington, DC.

DEAR MR. SECRETARY: We are concerned about recent press and other reports regarding the activities of nominees and prospective nominees in the Department of Defense.

Although nominees on occasion have served for a short period of time in a consulting, special assistant, or other similar capacity with the Department of Defense prior to confirmation, our Committee traditionally has advised the Department that their activities with respect to the position for which they may be appointed should be limited to discussions necessary to familiarize nominees with their prospective duties. We have consistently asked the Department to ensure that any such nominees and prospective nominees act in accordance with three concerns that have been important to this Committee:

First, that such persons adhere to the applicable laws and regulations governing conflicts of interest, particularly with regard to private sector investments or employment.

Second, that authoritative guidance in the Department of Defense should come from the Department's civilian and military officials, not from consultants.

Third, that nominees and potential nominees should assume no duties and take no actions that would appear to presume the outcome of the confirmation process.

The longer that individuals remain in a consulting or similar status prior to confirmation, the greater the likelihood that issues will arise concerning activities that could be viewed as presuming the outcome of the confirmation process. We recognize that delays in the nomination process are often beyond your control. In our view, however, such delays make it all the more important that strict guidelines on preconfirmation activities are established and followed.

It is important that guidance be issued to all nominees and potential nominees regarding preconfirmation activities related to the position for which they may be appointed. This guidance should make it clear that their activities must be strictly limited to receiving familiarization briefings, and that they should not undertake any activities that could be construed as providing authoritative guidance on matters within their area of responsibility if confirmed.

Please advise the Committee of the actions that you will take to ensure that the activities of nominees and potential nominees adhere to applicable laws and regulations, take into account the concerns noted above, and do not presume the outcome of the confirmation process.

Sincerely,

SAM NUNN,
Chairman.
STROM THURMOND,
Ranking Minority.

SENATOR NUNN'S QUESTIONS

PRECONFIRMATION ACTIVITIES

In my opening statement, I outlined the concerns that the Committee has expressed about activities of nominees and prospective nominees prior to confirmation. I would like each member of the panel to respond to the following questions.

First, what position in the Department of Defense have you occupied prior to confirmation?

Second, have you adhered to the applicable laws and regulations governing conflict of interest?

Third, have you made any authoritative decisions or provided authoritative guidance?

Fourth, have you assumed any duties or undertaken any actions that would appear to presume the outcome of the confirmation process?

MAY 17, 1993.

Memorandum for: Mr. Paul Boren, Defense Nuclear Agency.

Through: Senior civilian official, OUSD-P and Dr. John Birely, Acting ATSD-AE.

Subject: Nunn-Lugar Funding of Defense and Military Contacts (U).

(U) In accordance with the DepSecDef approved Plan for the Use of Nunn-Lugar Funds for Expanded Defense and Military Contacts request DNA transfer the necessary funds for the interagency approved defense and military contact events described on the attachment. Cost figures are only rough estimates.

DR. ASHTON B. CARTER.

Attachment:

EXPANDED DEFENSE AND MILITARY CONTACTS WITH THE FSU—EVENTS TO BE FUNDED UNDER THE NUNN-LUGAR PROGRAM

Event No.	Sponsor and Description	Use of funds[1]	Estimated cost
OSD–1 ..	OUSD–P(REE): Belarus BWG Meeting in early May in Minsk.	1	$22,000
OSD–2 ..	OASD (FM&P): Russian DepMOD for manpower visit to United States.	2	22,000
JS–1	Joint Staff J–5: Russian Joint Staff Talks in Washington May.	2	31,000
JS–2	Joint Staff J–4: Russian Rear Service Delegation visit to United States, May 21–28.	2	22,000
A–1	Army: Russian military historian Gen. Gareev visit to United States in April.	3	23,000
A–2	Army: Russian Frunze Academy Cmdt. visit to Combined Arms Center in May.	3	6,000
A–3	Army: Army Recruiting Command delegation visit to Russia in May.	1	17,000
A–4	Army: Combined Arms Center (CALI) visit to Russia in May/June.	1	35,000
A–5	Army: Russian Main Staff visit to TRADOC.	3	22,000
A–6	Army: Russian O–6 visit to Ft. Sill in May.	3	4,000
A–7	Army: Russian visit to Combined Arms Center on peacekeeping in June.	3	40,000
A–8	Army: DA team visit to Russian Frunze Academy on FAOs in June.	1	7,000
A–9	Army: Russian participation in Pacific Armies Reserve Comp. Seminar in July.	3	7,000
N–1	Navy: Russian Naval Staff Talks in United States, May 22–29.	2	31,000
N–2	Navy: Russian ship visit to Boston July 7–10.	5	40,000
N–3	Navy: Russian Chief of Main Navy Staff visit to United States, June 6–11.	2	22,000
AF–1	Air Force: Joint search and rescue exercise in Russia April 19–24.	4	344,900
AF–2	Air Force: Russian AF Engineering Academy visit to United States, June 21–26.	2	22,000
AF–3	Air Force: Russian AF visit to Charleston AFB (Sister Base Exchange), June 26–July 2.	2	20,000
AF–4	Air Force: Air Command and Staff College visit to Gagarin Air Academy in May.	1	15,000
AF–5	Air Force: Barkesdale AFB visit to Ryazan AB in Russia (Sister Base Exchange).	1	10,000
AF–6	Air Force: Russian Kachinski Academy visit to the AFA (Sister Base Exchange).	2	15,000
C–1	PACOM: Russian FEMD working group visit to United States, April 22–29.	2	22,000
C–1	STRATCOM: Visit by CIS CINC and delegation to United States this summer.	2	22,000
Total	....		821,000

[1] Use of funds: 1. Travel and perdiem for DOD members of United States delegation. 2. Travel and perdiem for DOD members of United States delegation and food, lodging, transportation, etc. to host visiting delegation while in the United States. 3. Travel and perdiem for DOD members of United States delegation and food, lodging, transportation, etc. to host visiting delegation while in the United States and transportation for the visiting delegation to and from the United States. 4. Cost of United States participation in exercise. 5. United States services provided to support ship visit and food and transportation necessary to host visiting crews.

OFFICE OF
UNDER SECRETARY OF DEFENSE,
Washington, DC.

Memorandum for: Mr. Paul Boren, Defense Nuclear Agency.

Through: Dr. John Birely, Acting ATSD-AE.

Subject: Nunn-Lugar Funding of Defense and Military Contacts (U).

(U) In accordance with the DepSecDef approved Plan for the Use of Nunn-Lugar Funds for Expanded Defense and Military Contacts request DNA transfer the necessary funds for the interagency approved defense and military contact events described on the attachment. Cost figures are only rough estimates.

A.R. WILLIAMS,
Acting Assistant Deputy Under Secretary of Defense, Russian, Eurasian, and East European Affairs.

DEPUTY SECRETARY OF DEFENSE,
Washington, DC, May 27, 1993.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the meeting earlier today, we have reviewed with each of the pending nominees the letter signed by Dr. Carter on May 17, 1993, and your letter to Secretary Aspin of April 22, 1993. We have received the good faith assurance of each nominee that he or she has not given authoritative guidance or signed documents in an official capacity. Deborah R. Lee has served as Assistant to the Secretary of Defense for Legislation and has properly carried out her duties pursuant to her appointment in the Senior Executive Service on January 22, 1993. She has not given authoritative guidance or signed documents relating to the position for which she has been nominated.

This confirms my earlier report to you and, I trust, is responsive to your concerns.

Sincerely,

WILLIAM J. PERRY.

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, DC, May 29, 1993.

Memorandum to: All potential Presidential appointees.

Subject: Implementing Guidance for Activities Prior to Appointment.

Before you are formally appointed, there are significant restrictions on what you may or may not do within the Department of Defense. The purpose of this memo is to explain how Secretary Aspin's memo of March 9, 1993, and the relevant regulations apply to various circumstances that may present themselves. For your information, I have attached, at Tab A, the March 9 memo and the subsequent exchange of correspondence between Senators Nunn and Thurmond and the Secretary on that subject.

1. Meetings Outside the Department of Defense. You should not meet with anyone outside the Department unless you are accompanied by a "responsible official" of the Department who can speak for the Department, *e.g.*, someone who has responsibility for the issue in question and who could have attended the meeting on his or her own. Your limited role as a consultant to the Department and not an official of the Department, should be made clear. This general rule is subject to the following more specific guidance:

a. Meetings with Contractors. You should not attend a meeting with a contractor.

b. Meetings with Foreign Officials or Interest Groups. While you may attend meetings with foreign officials or interest groups, subject to the guidance stated above, your participation should be kept to a minimum.

2. Meetings or Advice Inside the Department of Defense. You should not represent or speak for a component of the Department of Defense, or a prospective component, in a meeting within the Department unless you are accompanied by a responsible official, as defined above. If you have been brought into the Department as a consultant for the purpose of advising the Secretary, you may provide such advice in the form of your personal views. Do not use Departmental stationery.

3. Press Contacts. You should not meet or speak with the press, other than in connection with the confirmation process and then only after consultation with the Public Affairs office.

4. Contacts with Capitol Hill. You should not have any contact with members of Congress or staff, other than in connection with the confirmation process and then only after consultation with the Legislative Affairs Office.

5. Speeches or Presentations Outside the Department. You should not give any speeches, make any appearances or give any presentations outside the Department on any issue relating to the business of the Department.

6. Trips. You may not participate in official trips of the Department of Defense except with the express permission of the Secretary.

7. Internal Decisions. You should not make any decision for a component of the Department, e.g., such as clearing a cable. You may advise the decision-maker, and note that you have seen an action item, but you may not order or control the advice that is given by a responsible official of the Department who is representing a component with respect to a particular decision.

8. Documents. You may not originate an action, have official actions of the Department pass through you or approve or disapprove any actions of the Department. You

may indicate that you have seen a particular item. In general, you are not to sign any document in such a way as to give the appearance of having assumed official duties.

9. Hiring. You are not to undertake to hire, transfer or terminate members of your potential future organization or otherwise reorganize its management. You may meet and interview applicants. The process for hiring to fill non-career SES and Schedule C. positions is outlined in Larry Smith's memo of March 9, 1993 (Tab B).

JAMIE GORELICK.

Memorandum for The General Counsel and the Executive Secretary.

Subject: Review of the Format and Coordination Process for Correspondence, Memoranda, etc.

In light of the matters discussed in my Memorandum to Potential Presidential Appointees of this date, I would like you to review the process by which correspondence, memoranda and other actions are presented within the Department to ensure (a) that the process is operating consistent with the applicable regulations and the commitments that we have made with regard to the limited role that consultants may play within the Department and (b) that there is appropriate legal review of all matters presented for action. This review should include not only documents that come to the Secretary or the Deputy Secretary for review, information or action, but also similar documents within the other components of the Department, including the Military Departments.

WILLIAM J. PERRY.

DEPUTY SECRETARY OF DEFENSE,
Washington, DC.

Memorandum For: Potential Presidential appointees.

Subject: Procedures To Be Followed Pending Formal Appointment.

Late last week, the Senate Armed Services Committee raised serious questions regarding the level of compliance by potential presidential appointees with the directive issued by Secretary Aspin on March 9, 1993, limiting the activities that may be undertaken pending confirmation. Although the expressed concern related to presidential appointees for whom confirmation is required, the same restrictions are and should be applicable to potential appointees who have not yet actually been appointed.

In response to the concerns that have been raised, I have taken the following actions:

1. I have represented to the Committee that we will take all appropriate steps to ensure that potential appointees adhere to the rules.

2. I have directed the General Counsel to review all documents signed by potential presidential appointees who are pending confirmation to determine whether any action of the Department has been effected through an inappropriate assumption of authority. I direct each of you to cooperate with this review, as requested. Should we find any action that has been so effected, we will revise it in accordance with standard procedure.

3. I am directing each of you to adhere to the implementing guidance prepared by the General Counsel (Tab A) and to address to her any questions that you may have either with regard to documents or actions that you may take. She will be scheduling briefings with you to review this guidance.

4. I have asked the Executive Secretary and the General Counsel to review and revise as necessary the format for memoranda and correspondence within the Department, working with those responsible for such matters in the operating components of the Department, including the Military Departments (Tab B).

5. Henceforth, no potential appointee will become a consultant to the Department for the purpose of rendering advice pending appointment. Rather, the sole purpose for which unpaid consultant status will be granted is to permit the potential nominee to engage in activities in preparation for undertaking his or her position and/or in connection with the confirmation process (e.g., receiving briefings, reading background material and making courtesy calls).

WILLIAM J. PERRY.

WINCHESTER, MA, *June 1, 1993.*
Secretary of Defense LES ASPIN,
The Pentagon, Washington, DC.

DEAR MR. SECRETARY: It has been an honor to serve as your advisor during the first months of the new Administration, and I strongly hope that I will have the opportunity for further service, as Assistant Secretary of Defense for Nuclear Security and Counterproliferation.

During this initial period when I have been serving as an advisor, I have made every effort to adhere to your guidelines stipulating that, as an advisor who is not confirmed in any official position, I have no authority to assume the duties of office, and, furthermore, should not give any appearance of having done so. As you know, I mistakenly violated that guidance by signing a memorandum dated May 17, 1993, regarding the transfer of Nunn/Lugar funds. That was a careless error, which I deeply regret.

To avoid any potential for further problems of this sort, I have decided that I should not continue my advisory role while my nomination is pending in the Senate. I look forward to rejoining your team if and when I am confirmed.

Yours,

ASHTON B. CARTER.

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, April 20, 1993.

EXECUTIVE SUMMARY/COVER BRIEF

Memorandum for Secretary of Defense, Deputy Secretary of Defense.

Through: OUSD(P) senior civil official.

From: OASD(ISP) senior civilian official.

Subject: SDIO Expanded Acquisition of Russian TOPAZ Space Nuclear Reactors.

Purpose: Action—(U) To seek approval to procure four additional Russian TOPAZ space nuclear reactors, prior to seeking interagency approval.

Discussion: The main DoD objectives of the proposed acquisition are: to capitalize on significant Soviet investment and experience in space nuclear reactors for the benefit of SDIO and other DoD missions which require large amounts of power in orbit; and to promote conversion in the former Soviet Union from a defense oriented, state controlled economy to a commercially oriented, privatized, free market system.

SDIO seeks to procure four unfueled Russian TOPAZ II space nuclear reactors. These would be used in follow-on tests to the Thermionic System Test Evaluation (TSET), which is evaluating TOPAZ II technology for U.S. space missions. The additional reactors will be used in the Nuclear Electric Propulsion Space Test Program, which will eventually involve fueling and space testing one of the reactors. Total SDIO cost for the reactors will be $20M, with $15M going to Russian entities over a four year period. Details on the SDIO effort are at TAB A.

In March 1992, a White House Press Statement announced the procurement of the two reactors used in the TSET effort. Based on informal guidance from the Deputy Secretary, DoD approval for that procurement was based on a technical evaluation by DDR&E and a foreign policy evaluation by USD(P). Following DoD approval, USD(P) ensured the necessary interagency coordination. SDIO gave an informal briefing to the interagency on March 22 (See memorandum for record at TAB B). In accord with the prior guidance, the same internal DoD review has been accomplished on this additional acquisition.

Recommendation: That you approve SDIO acquisition of four additional Russian TOPAZ reactors in accordance with applicable law, upon clearance by USD(P) through the appropriate interagency process.

Note: Ashton Carter initials
MAY 13, 1993.

NUCLEAR SECURITY AND
COUNTERPROLIFERATION UPDATE

Memorandum for: Secretary of Defense, Deputy Secretary of Defense.

Through: Frank Wisner.

From: Ashton B. Carter.

Subject: Format for the Daily Update Cover Memo—Information Memorandum.

This should be a standard opening on all updates: "As part of your Cooperative Threat Reduction and Denuclearization effort [or: Counterproliferation Initiative; or: the Aspin New Nuclear Policies effort] we have" * * * blah, blah, (introduce how this paper is of interest to Nuclear Security, Counterproliferation, Regional Security, Democratic Security, Economic Security * * * put it in the context of our new strategic framework and goals—one short paragraph.)

This one paragraph (or two) is a short summary of what the update means. To the point * * * use attachments if you intend to build a watch * * * tell what time it is here.

The credit line. "This information memorandum was prepared by Larry, Darrell, and their other brother Darrell."

The intent of this one (one!) page cover memo is to focus the SECDEF's attention on why he should read further. Put the bottom line first and add in deeper rationale as attachments.

(Since the memo may have some edits, you may wish to bring a paper copy and a Word for Windows disk * * * we'll do the retype in that case. This template is available as a Word for Windows template file if you are interested.)

NUCLEAR SECURITY AND
COUNTERPROLIFERATION

Memorandum for: Secretary of Defense, Deputy Secretary of Defense.

Through: Frank Wisner.

From: Ashton B. Carter.

Subject: Nunn-Lugar Implementation Update—Information Memorandum.

Tomorrow's meeting has the purpose of giving your people—especially Deutch, Guidry, Broydrick, and me—your reactions to our plans to implement the new Nunn-Lugar ("CTR") program.

As you read the attached material, please reflect upon these points, on which we will be seeking your direction:

(1) This is your program, and it draws on your budget. I believe that this building can do the best job of carrying out the program, since you actually want to implement it and have the required expertise at hand. We are carrying the burden of the previous administration's administrative system, where DoD

was an unwilling partner. We need your guidance on how to set up a new system to make the program work.

(2) We are seeking authority from the Hill for a dedicated appropriation. We have devised language that follows precedent so as not to arouse opposition, but also strikes out in new directions.

(3) Several meetings are proposed at which you enlist the support of congressional leaders for the program. Do you concur in these plans, or should we change them?

(4) Reducing the nuclear threat to the United States is your principal responsibility—and a responsibility for which you can receive much public exposure.

How would you like us to proceed?

NUCLEAR SECURITY AND COUNTERPROLIFERATION

Memorandum for: Security of Defense, Deputy Secretary of Defense.
Through: Frank G. Wisner.
From: Ashton B. Carter.
Subject: Follow-Up on Today's Briefing on Secretary Aspin's Cooperative Threat Reduction Program.

As you requested, I attach a binder containing the essential information on the Cooperative Threat Reduction (CTR) program. Tabs 8–10 are provided for your information only; I have not yet approved them.

Tab 1: Major Points for the Secretary of Defense.

Tab 2: Outline of Today's Discussion.

Tab 3: DOD Nunn-Lugar Task Force Report (a separate package requests your approval).

Tab 4: Past Problems and New Solutions: What's We're Doing Differently to Implement CTR.

Tab 5: Proposed Letter to Members of Congress, with List of Addressees (a separate package requests your approval).

Tab 6: Summary of Nunn-Lugar Spending to Date: What Have We Spent, Where, on What?

Tab 7: Summary of Current Nunn-Lugar Legislation and Proposed FY94 Appropriations Language.

Tab 8: Draft CTR Legislative Affairs Plan (under review).

Tab 9: Draft CTR Public Affairs Plan (under review).

Tab 10: Possible Threat Reduction "Docudramas" (under review).

DR. CARTER'S SCHEDULE, WEDNESDAY, 17 FEBRUARY (REV NO. 1)

0800—Wisner Staff Meeting.

0945—LTGEN Teddy Allen, Dir, Defense Security Assistance Agency (courtesy call).

1000—LTGEN Ed Leland, Dir, J–5, Strategic Plans and Policy (courtesy call).

1100—Scooter Libby.

1300—POAC.

1300—Working Lunch [trays] w/Mr. Miller [et al], Prep for Interagency Group Meeting (Thurs, 18 Feb, 0900).

1500—Dr. Deutch, 3E 1006.

1530—VADM Dick Macke, Dir, Command & Control, Joint Staff (courtesy call).

1700—Meeting at National Academy of Science, Main Bldg.

1900—German Marshall Fund Dinner, Nora's Restaurant.

MR. INGLEE'S SCHEDULE, WEDNESDAY, 17 FEB 93

0830—Morning Brief.

1100—SecDef Mtg w/GE MOD Ruehe.

1300—Closure of NATO Site 43.

DR. CARTER'S SCHEDULE, TUESDAY, 30 MARCH

8:00—Policy Video Conf.

9:00—(CCC).

9:30—IWG Mtg @ NSC.

11:00—(Re: ABM/SCC).

11:15—Lunch w/D. Poneman.

12:00—Mtg w/D. Poneman & T. Graham.

12:45—(Re: HEU, Rm. 208).

1:00—Brussels Debrief w/F. Wisner.

1:45—(DepSecDef's Ofc).

3:00—Mtg w/F. Miller & M. Schneider.

4:00—(Re: Ballistic Missile Defense).

4:30—Mtg w/B. Auster & S. Strednansky.

5:00—(Re: Proliferation Interview).

MR. INGLEE'S SCHEDULE, TUESDAY, 30 MAR 93

0830—Morning Brief.

1000—Mtg w/German Parliamentarians (W. Wimmer, W. Kolbow & Col. Mueller).

Re: CSCE.

1400—USD(P) Staff Mtg.

SCHEDULE FOR MR. LOCHER, SENIOR CIVILIAN OFFICIAL—USD(P) WEDNESDAY, MAR. 31, 1993

0800—Mr. Wisner Staff Mtg.

0900—Mtg w/Gen Joulwan and Mr. Wisner.

1400—Briefing by DSAA to Mr. Wisner.

1500—SO/LIC Staff Mtg.

DR. CARTER'S SCHEDULE, WEDNESDAY, 31 MARCH (REV±1)

8:00—Policy Staff Meeting.

8:45—Coordinating Staff Meeting.

9:30—Dr. Perry and Dr. Deutch rm 3E944.

10:30—SDI Brfg on International.

10:45—rm 3E 1006.

12:00—Poneman Mtg on HEU, rm 208.

1:00—Prof Paul Doty.

2:00—Poneman Mtg on Iran, rm 208.

3:00—SDI Brfg On Weapons Lethality.

4:00—Mr. Wisner/Mr. Miller.

4:15—Mitchell Wallerstein.

MR. INGLEE'S SCHEDULE: WEDNESDAY, 31 MAR 93

0845—Coordinating Staff Mtg.

1000—Mtg w/D. Cooke.

1400—Mtg w/T. Parker.

SCHEDULE FOR MR. LOCHER, SENIOR CIVILIAN OFFICIAL—USD(P) WEDNESDAY, APR.7, 1993

0800-0830—Wisner staff meeting.

0900-1000—Interview with Col Pearce.

1100-1330—Appointment with Dr. Litman.

1400-1500—SF briefing W/LTC Davis, BG Dubia, BG Taylor & Mr. Dominguez.

1500-1600—SO/LIC staff meeting.

1600-1630—Bottom-up review of strategy, forces and programs W/PD, DASDS & Dr. Lamb.

DR. CARTER'S SCHEDULE, WEDNESDAY, 7 APRIL

8:00—Policy Staff Meeting.

9:30—Coordinating Staff Meeting.

10:00—Gen Klugh.

11:00—Pantex Brfg.

12:00—"Try" POAC.

1:45—Courier to OEOB.

2:00—Toby Gati, Amb Goodby, Eric Edelman OEOB 368.

3:30—Jim Hinds, SecDef Rep for Forum Security Cooperation.

4:15—Courier to State Department.

4:30—Amb Winston Lord, State 5205.

5:30—Courier to Pentagon.

6:00—RAND Working Reception, 2100 M Street, NW.

MR. INGLEE'S SCHEDULE: WEDNESDAY, 7 APR 93

00845—Morning Brief (4E838).

0930—Coordinating Mtg

1000—Mtg w/Cal Vos, SOCO

1100—Pantex Briefing by Steve Guidice & George West Re: Dismantlement Ops

DR. CARTER'S SCHEDULE, TUESDAY, 13 APRIL

8:00—Policy Video Conf, CCC

8:30—Mtg w/ Messrs. Wisner & Freeman

8:45—Re: Korea

9:30—Coordinating Staff Meeting

10:30—Charles Kelley, RAND

11:00—Tom Parker, Interview

11:30—Amb Ted McNamara, Ass't to Gallucci

11:45—Courier to OEOB

12:00—Lunch w/Dan Poneman, OEOB 380

1:00—IWG on PDD±3, OEOB 208

2:30—Poneman Brainstorming session on COCOM and ExportControls OEOB 380.

4:00—Courier to Pentagon.

[4:00—W/T Topics due].

MR. INGLEE'S SCHEDULE: TUESDAY, 13 APR 93

1000—Mtg w/Mr. Scher.

DR. CARTER'S SCHEDULE, THURSDAY, 15 APRIL

7:30—Breakfast w/Dr. Perry, 3E944.

[8:00—Policy Staff Meeting.]

9:00—Slocombe Mtg on Contingency Plan/Bastion Paper, 4E829.

11:00—FARR Brfg.

12:30—POAC.

2:30—Ken Flamm.

3:00—Dorothy Zinberg.

3:45—Courier to OEOB.

4:00—IWG on Ukraine Nuc Issues OEOB 208.

4:45—Courier to Pentagon.

5:00—Swearing-In Ceremony/Reception iho Dr. Deutch, 3E869/912.

MR. INGLEE'S SCHEDULE, (THURSDAY, 15 APR. 93)

0930—Coordinating Staff Mtg.

1700—Swearing-in Ceremony for John Deutch (3E869).

DR. CARTER'S SCHEDULE, FRIDAY, 16 APRIL

8:30—Policy Staff Meeting.

9:30—Coordinating Staff Meeting.

(T) 11:45—Larry Smith, 3E 856.

(2:00—Steering group meeting, Russia, Ukraine, New Independent States, State 7516).

2:00—Courier to Residence/AP.

Reminders: Lisa Burdick, Inglee/Joseph (prebrf).

MR. INGLEE'S SCHEDULE, (FRIDAY, APR. 93)

1215—Lunch w/Mr. Hadley (Blue Room).

1400—HASC Briefing (Rayburn Bldg.).

DR. CARTER'S SCHEDULE, FRIDAY, 23, APRIL 93

8:30—Policy Staff Meeting.

9:00—Michael May.

9:30—Dr. Perry w/Michael May, 3E944.

10:00—Coordinating staff meeting.

11:30—"TRY" POAC.

2:00—Talbott Mtg on Implementation of Vancouver Package for Russia, State 7516.

4:00—Jim Miller.

7:00—JASON Reception., JW Marriott Hotel, Capitol Ballroom., Pennsylvania Ave.

MR. INGLEE'S SCHEDULE, FRIDAY, 23 APR 93

No schedule.

MR. WISNER'S SCHEDULE—WEDNESDAY, MAY 12

0730—Breakfast with Roland Evans, Metropolitan Club.

0900—Appt. with Dr. Kossack, 1634 Eye Street., N.W., Suite 406.

1000—50th Anniversary Ceremony of the Pentagon, River Entrance, followed by SecDef's private reception in Room 3E912.

1100—Courtesy call by Lt. Gen. Mike Ryan (replacing McCaffrey).

1200—Luncheon w/Liz Drew, Metropolitan Club.

1330—Amb. Charles Thomas (Hungary).

1400—Meeting with Gordon Adams, Assoc. Dir for Natl. Security & Intrntl. Affairs OMB, w/Halperin and Locher.

1500—Gen. David Ivry, DirGen Israeli Defense Ministry.

1600—Briefing by Commander Ingram on Special Access Programs

1800—Mr. Francisco Villa, Secy Gen. Political Affairs, Spanish MFA.

1930—Reception/Dinner Speech, Defense Science Board, Army Navy Club, Farragut Square, N.W.

MR. SLOCOMBE, WED. 12 MAY 93

0900-0930—Policy Bfg to SecDef.

0945–1000—D. Johnson/Prbrf Teleconf.

100–1100—Teleconf, COC.

1130–1200—Lt Gen Mike Ryan, USAF, Asst to CJCS/CC (Here).

1600–1630—Wisner's Ofc/Special Program Briefing.

1815–1900—Defense Gp Mtg Chrd by Dr. Deutch, 3E928.

1930—Personal Engagement/Rosslyn.

SCHEDULE FOR GRAHAM ALLISON, WEDNESDAY, MAY 12, 1993, AS OF 5/11, 1830

10:00—River Entrance-Ceremony re 50th Anniversary of Pentagon (Reception follows in Rm 3E912)

12:40—Depart River Entrance

13:30—Mtg w/Nick Burns re: Kokoshin Visit, Rm 368 OEOB

1400—Return car.

1500—General Leland (15 mins) Farewell call.

DR. CARTER'S SCHEDULE, WEDNESDAY, 12 MAY

8:30—DSB Spring Meeting 3E869

9:30—Coordinating Staff Meeting

10:00—Ceremony/Reception iho Pentagon 50th Anniversary Hb SecDef, River Entrance/3E912.

11:30—Mr. Vos, Standards of Conduct Ofc

12:00—Lunch w/DSB

1:30—Blue Rm

1:30—Bruce Burton

2:00—North Korea Working Group

4:00—Messrs. Rostow and Knapp.

4:20—re Update on Conf on Disarmament.

7:00–8:00—DSB Spring Dinner (Cocktails).

8:00–9:00—Dinner.

9:00–10:00—Speaker.

Army/Navy Club, 901 17th St., NW.

MR. INGLEE'S SCHEDULE, WEDNESDAY, 12 MAY 93

0845—ISP Morning Brief.

COMMITTEE MEETING TO ACT ON THE NOMINATION OF ASHTON B. CARTER TO BE ASSISTANT SECRETARY OF DEFENSE (NUCLEAR SECURITY AND COUNTERPROLIFERATION), JUNE, 11, 1993

(Remarks by Senator Sam Nunn, Chairman, Senate Armed Services Committee)

The Committee meets today to act on the nomination of Ashton B. Carter to be Assistant Secretary of Defense for Nuclear Security and Counterproliferation. On May 26, the Committee voted to report this nomination to the Senate. At that time, the Committee also decided that prior to reporting the nomination to the floor, Senator Thurmond and I would look into the issue of whether Dr. Carter had taken actions inconsistent with the guidance applicable to preconfirmation activities of nominees.

Senator Thurmond and I, along with several other Senators, have reviewed these matters over the past two weeks. It is my intention this morning to give the Committee a report on our review, and to provide an opportunity for any member who wishes to reconsider his prior vote.

At the outset, I would note that the Committee has received and reviewed all of the required standard documents on Dr. Carter, including: the Committee questionnaire; letters from the Director of the Office of Government Ethics and the General Counsel of the Department of Defense accompanying the nominee's Financial Disclosure Report, certifying that the nominee is in compliance with applicable laws and regulations governing conflict of interest; the nominee's responses to the Committee's prehearing questions (May 20, 1993); and the letter from the Counsel to the President on the scope of the background investigation.

The Committee held a hearing on Dr. Carter's nomination, and on the nominations of seven other DoD officials, on May 25, 1993. Subsequent to the hearing, questions were raised about whether certain of his actions as a consultant to the Department of Defense were consistent with applicable guidance on preconfirmation activities of nominees.

I would like to briefly review the applicable guidance and the actions taken by the Committee to review Dr. Carter's situation.

The policies governing the preconfirmation activities of nominees are largely a matter of custom, rather than law. Nominees in the past have served as consultants, special assistants, or in other positions within the Executive Branch. The traditional concern of our committee, as expressed in an April 22, 1993 letter from myself and Senator Thurmond to Secretary Aspin, has been that nominees act in accordance with the following three concerns:

First, that such persons adhere to the applicable laws and regulations governing conflicts of interest.

Second, that authoritative guidance in the Department of Defense should come from the Department's civilian and military officials, not from consultants.

Third, that nominees and potential nominees should assume no duties and take no actions that would appear to presume the outcome of the confirmation process.

Secretary Aspin responded on April 29, expressing his agreement with our views and enclosing guidance which he had issued on March 9. Without objection, our letter to Secretary Aspin and his response will be included at an appropriate point in the record.

At the May 25 hearing, I asked each of the nominees whether they had made any authoritative decisions, provided authoritative guidance, or otherwise undertaken any actions that would appear to presume the outcome of the confirmation process. Each responded in the negative. After the hearing the Committee received a document signed by Dr. Carter on May 17, which raised an issue of whether it constituted authoritative action. Without objection, the document will be included in the record. The Committee determined that Senator Thurmond and I, working with other interested Senators, would review the matter. Senators Smith, Kempthorne, Faircloth, and Kennedy have participated in the process.

We have met twice, informally, with Bill Perry, the Deputy Secretary of Defense; Jamie Gorelick, the General Counsel, and Dr. Carter. I would like to summarize the results of our meetings.

The Department has recognized that using nominees as consultants puts then in a very difficult position. As a general matter, government consultants are permitted to attend meetings, prepare documents, and provide advice and recommendations. When such an activity has been undertaken by a nominee for a policy position, however—particularly a position which primarily involves providing advice to the Secretary of Defense—it may give the appearance of presuming the outcome of the confirmation process.

Dr. Perry, for whom I have the greatest respect, determined that the Department should make a number of major changes in its preconfirmation procedures. On June 2, Dr. Perry issued a memorandum containing the following guidance:

First, he directed the General Counsel to review all documents by potential appointees pending confirmation to determine whether any action of the Department had been effected through an inappropriate assumption of authority. The General Counsel has completed this review, and has advised the Committee that there were no such actions.

Second, he directed all potential Presidential appointees to adhere to strict new guidance issued by the General Counsel.

Third, he directed that all potential Presidential appointees receive a personal briefing from the General Counsel.

Fourth, he directed that in the future, no potential appointee requiring confirmation will become a consultant for purposes of rendering advice. The sole purposes of any future designation of such a person as a consultant will be to receive briefings and to participate in other activities related to preparation for confirmation proceedings, and will be in an unpaid status.

These actions go far beyond the limitations established by any other agency, and go far beyond the requirements of law or custom. They are conditions this Committee has imposed. They were directed by Dr. Perry. They reflect the seriousness with which Dr. Perry views the confirmation process and the need to avoid any actions which would violate the customary limitations on preconfirmation activities. Without objection, Dr. Perry's June 2 memorandum will be included at an appropriate point in the record.

It is my view that this situation is the result of the slow pace of nominations. Individuals have been placed in consulting positions for too long a time waiting for their nominations to be formally submitted to the Senate. It is my hope that the transition process in this Administration is drawing to a close, and that the time between the Secretary's recommendation to the White House and the submission of a nomination will be reduced drastically. When that happens, it may be possible to revisit the guidance issued by Dr. Perry and return to traditional, short-term use of potential nominees as consultants.

With respect to the document signed by Dr. Carter on May 17, Dr. Perry has described that as an anomaly. He also noted that the actual action in the case was taken by a confirmed DoD official, not Dr. Carter. Dr. Perry has advised us that he has confidence that Dr. Carter has acted in good faith in his role as a consultant, and has not intentionally violated the guidance regarding preconfirmation activities.

I accept Dr. Perry's representations. I have known Ash Carter for many years. He is a person of intense dedication to public service, and a person of the deepest integrity.

He is superbly qualified for the position of Assistant Secretary for Nuclear Security and Counterproliferation. He has held positions with the Rockefeller University, the Congressional Office of Technology Assessment, the Office of the Secretary of Defense, MIT, and Harvard, where he currently serves as the Director of the Center for Science and International Affairs and Ford Foundation of Professor for Science and International Affairs at the Kennedy School of Government. I am confident that he will be a significant member of Secretary Aspin's team, and that he will make a major contribution to our national security policy.

We have already voted to report out his nomination. In order to provide an opportunity for all members to be recorded, we will have a roll call after we complete our discussion this morning. I will keep the vote open until 6:00 p.m. today for any members who wish to be recorded. If, as I anticipate, the Committee continues to support his nomination, I will report it to the floor on Monday.

I will now turn to Senator Thurmond for any opening remarks he would like to make.

STATEMENT BY SENATOR THURMOND, MEETING OF THE ARMED SERVICES COMMITTEE, JUNE 11, 1993, FOR FINAL ACTION ON THE NOMINATION OF ASHTON CARTER

Mr. Chairman, these past few weeks have caused Dr. Carter, the Defense Department, and the Committee a great deal of distress. I can assure you that Republican Members were not seeking a battle over this particular nomination. But once serious and legitimate questions were raised, I felt we had no choice but to delay action and look into the matter thoroughly. I appreciate your accommodating us in this regard.

I can speak for the Minority in saying that we share your deep concern about the slow pace of filling key policy jobs in the Pentagon. This is bad for the Department and for the nation's security, and we want to continue to work with you to expedite the confirmation of DoD appointees.

But we also feel a strong obligation to safeguard the integrity of the confirmation process. I know you share that commitment as well. If we are forced to contest any future nominations, I know you will take these words to heart, and understand that our opposition to any DoD nominee is based on principles and not on personalities. It is based on our good-faith evaluation of an individual's suitability to serve in a sensitive national security position, and not on any other consideration.

In spite of the delay and distress surrounding Dr. Carter's nomination, I believe some good has come out of the experience. First, we have put a stop to the unauthorized assumption of executive powers by un-confirmed appointees. We have sent a strong message that all Administration nominees, no matter how well qualified they may be, are accountable to high standards of conduct. We have demonstrated the Committee's belief that in the Pentagon's especially sensitive positions, there should not even be the appearance of impropriety.

Mr. Chairman, I cannot speak for every Republican Member, but yesterday's meeting with Dr. Carter, Deputy Secretary Perry, and the Department's General Counsel resolved the Carter case to my satisfaction. Based on the assurances of the General Counsel and Secretary Perry, I am satisfied that the memos Dr. Carter signed—besides the May 17 memo—were not genuine action items, but were instead informational and advisory in nature. In the absence of contradictory information, I must also accept their assurances that his attendance at inter-agency meetings was permissible, and that he did not represent himself as the official Department representative.

It is clear that Dr. Carter and other unconfirmed nominees were in a very difficult situation. As time and world events marched on and they were still not confirmed, they were steadily pulled into the leadership vacuum. As active, intelligent people—perhaps with too much hubris—they felt a natural urge to put their hands on the tiller of the ship. In doing so Dr. Carter stepped well over the line of what was permitted.

But frankly, Mr. Chairman, it was not merely his improper actions that precipitated this controversy. It appeared to some Members that Dr. Carter may have misled the Committee about his actions, and not just the one time in his confirmation hearing, but several times. This is why the additional memos and documents, the reports of hiring, and the daily appointment schedule were significant. They constituted at least prima facie evidence contradicting his statements that he had not assumed executive authority. Under the difficult circumstances, we could overlook some improper assumptions of authority—if corrected. But we could not overlook what we felt were acts of equivocation.

However, upon hearing from the General Counsel and Secretary Perry, I agree it is at least debatable whether his actions crossed permissible lines of authority. Many of them fall into an ambiguous category. And it is equally debatable whether Dr. Carter understood that he had crossed over the line in every instance. Since so many of his actions fall into a grey area where there is no overwhelming certainty, I believe we have to give Dr. Carter the benefit of the doubt.

Moreover, Mr. Chairman, both you and Secretary Perry assured us yesterday that Dr. Carter did not intentionally mislead the Committee about the extent of his unauthorized assumption of authority. You and Secretary Perry vouched for Dr. Carter's truthfulness and integrity in the most ringing terms. I accept your assurances, Mr. Chairman. But lingering doubts remain in the minds of some Members, and no doubt they will be observing Dr. Carter's future actions and statements very closely. I sincerely hope that no one will ever have cause to regret their unqualified endorsement of his reliability.

Though I will vote to confirm Dr. Carter, I am aware that legitimate, unresolved questions remain in the minds of other Republican Members. I wholeheartedly encourage them to vote their conscience, and commend them for doing so. I am grateful to you, Mr. Chairman, for scheduling another Committee meeting so that Members could vote again, record their individual opposition to Dr. Carter if that is the case, and make known their reasons.

I hope this will be the last such hotly contested nominee to come before the Committee. But if it is not, then I hope future disagreements can be resolved as amicably as this one.

In closing, I want to commend you for the fair way in which you have handled this matter, Mr. Chairman. I also want to commend the Senator from Idaho, Mr. Kempthorne, the Senator from New Hampshire, Mr. Smith; and Senator Kennedy for their concern, and for participating with us in resolving the issues surrounding this nomination.

Thank you, Mr. Chairman.

THE DEPUTY SECRETARY OF DEFENSE,
Washington, DC, June 14, 1993.

Hon. BOB SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR SMITH: I have enclosed responses to the questions posed to Dr. Carter in your letter of June 11, 1993. I hope that this is of assistance.

Sincerely yours,

WILLIAM J. PERRY.

RESPONSE TO QUESTIONS OF SENATOR SMITH

1. Interagency Working Group (IWG) meetings on issues in the general area of nuclear security and counterproliferation took place at a rate I would estimate as about 5–7 per week. I attended about one fourth or one third of such meetings. Invitations for me to attend such meetings were extended by the Acting Assistant Secretary of Defense for International Security Policy, by the Undersecretary for Acquisition or the Undersecretary-Designate for Policy, and/or by the White House staff. I understood my role in such meetings to be to familiarize myself with the issues and with the personalities and views of other government agencies, and not to represent the Department of Defense. I did, on occasion, voice my opinion, but I did not do so as the Department's official representative. On several occasions I noted that I was not a confirmed official of DoD and could not speak for it. I understood the above-described activities to be consistent with my role as a consultant to the Department and within the guidance to potential appointees.

2. Ambassador-at-Large Strobe Talbott invited me to several (I would estimate three to five) meetings at which policy towards the former Soviet Union was discussed. My role in these meetings was the same as in the IWG meetings.

3. On all but rare occasions when I was invited to such meetings, the White House or State Department parties convening the meeting would also invite DoD officials who could represent the Department. The officials present most often at meetings I attended were John Deutch, Frank Miller, Susan Koch, Bob Joseph, and Bill Inglee.

4. I have not officially represented the DoD at meetings with foreign officials, but the Secretary and other DoD officials sometimes invited me to sit in on their meetings with foreign government officials. Again, I understood this to be consistent with my role as a consultant and the guidance to potential appointees.

5. As noted in response to Question 4, I have not officially represented DoD at such meetings or participated as an official representative of DoD.

6. The HEU agreement with the Russian Federation was the topic of numerous meetings and discussions that I attended. Though DoD did not have lead responsibility for this issue within the U.S. Government, the Secretary viewed it as an important aspect of facilitating nuclear weapons dismantlement in the former Soviet Union. The Secretary and other DoD officials asked me for my advice on this issue, in view of my familiarity with issues relating to nuclear power technology and with nuclear dismantlement in the former Soviet Union. My role was advisory and not decisionmaking.

7. I have limited personal knowledge of this matter because my involvement was limited, as noted. I believe, however, that if the U.S. were to buy highly enriched uranium (HEU) from Russia, it should not do so unless the proceeds are shared with Ukraine, Kazakhstan, and Belarus. I also believe that the U.S. should be confident that such HEU comes from dismantled nuclear weapons.

8. I did not issue authoritative policy guidance or policy directives. Consistent with my role as a consultant, I provided advice and analysis as requested. On occasion that advice was in writing. On occasion, I also reported to others positions advocated by the Secretary. I understood this to be proper and consistent with my stated role.

I cannot recall doing analysis or giving advice regarding nuclear weapons targeting or the SIOP, though these topics fall within the general areas upon which Secretary Aspin asked me to advise. I did advise Secretary Aspin on the related issue of how the U.S. could respond to Russian President Yeltsin's "detargeting" proposal at the Vancouver summit.

I cannot recall doing analysis or giving advice on START I or START II compliance, though these topics fall within the general areas upon which Secretary Aspin asked me to advise. I did advise Secretary Aspin on the related issue of what steps the United States could take to ensure that Russia, Ukraine, Kazakhstan, and Belarus carried out their obligations under the START agreements.

I cannot recall doing analysis or giving advice on force structure levels or weapons deactivation regarding U.S. forces, though these topics fall within the general areas upon which Secretary Aspin asked me to advise. I gave advice on means the U.S. could take to ensure and hasten deactivation of Russian/CIS forces.

I attended briefings and provided Secretary Aspin with advice regarding whether and how the U.S. should respond to Russian "detargeting" and "strategic disengagement" proposals. A number of options were analyzed, though details are classified.

9. I have not hired or fired anyone nor have I reorganized elements of the DoD. With regard to reorganization, my involvement was as follows. Secretary Aspin has stated that he intends to reorganize the Office of the Undersecretary for Policy (OUSD/P), replacing the existing assistant secretary offices with new offices. One of these new offices, that of the Assistant Secretary for Nuclear Security and Counterproliferation, is the one to which I would be appointed if confirmed. Secretary Aspin's guidelines to nominees also made it clear that nominees had no authority to carry out such a reorganization. General John Gordon, [title] and the military assistants in OUSD/P prepared for the eventual reorganization, and I am aware of two steps they look to that end. First, the responsibilities of each of the new offices was defined. My role in this step was to convey the topics and issues Secretary Aspin had discussed with me at the time he told me he intended to ask President Clinton to nominate me to one of the new positions. I explained that these topics fell into three broad categories, as I described in my written statement before the SASC at the time of my confirmation hearing: reducing the nuclear threat from the former Soviet Union, counterproliferation, and U.S. nuclear policy and forces. Second, notional staffing levels ("billets") were defined for each office in a manner consistent with the overall staffing targets for OUSD/P. This task was performed by the Acting Assistant Secretary for International Security Policy (Bill Inglee) and his military assistant (Col. Ron Keys). Mr. Inglee and Col. Keys showed me these staffing tables. With regard to staffing, I do not have authority to hire, but I have been asked to interview potential candidates for schedule C positions and to make known my views to the appropriate personnel within the DoD, which I have done.

10. Mr. Barre was hired by the Department to join the OUSD/P in the office that I would join if confirmed.

11. I did not make, nor do I have authority to make, a hiring decision. I may, and did, recommend candidates to the appropriate personnel within the DoD.

12. I did not interview, recommend or offer a position to Robert Blackwill or recommend that he receive government contracts.

13. I have received approximately 150 resumes since being nominated for this position. I have interviewed approximately 15 persons. I have recommended to the appropriate people within DoD that two career DoD employees be considered for DASD-level positions, three non-career employees be considered for DASD-level positions, and two non-career employees be considered for Schedule C positions. I have recommended that one State Department official and one Congressional Research Service analyst be detailed to OSD/P, and that a Council on Foreign Relations Fellow be given a desk in OSD/P. Some, but not all, of these recommendations were accepted.

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, DC, June 17, 1993.

Hon. DIRK KEMPTHORNE,
U.S. Senate, Dirksen Office Building, Washington, DC.

DEAR SENATOR KEMPTHORNE: My office was directed by Deputy Secretary Perry to determine whether any action of the Department had been effected through an inappropriate assumption of authority by Dr. Ashton Carter. As indicated when we met last week, we found no action of the Department that is required to be reversed or ratified.

Sincerely,

JAMIE S. GORELICK.

Mr. KEMPTHORNE. Mr. President, the legislation I introduced, S. 1147, I introduced in a spirit of bipartisanship and out of a sense of duty to this body and the U.S. Constitution. Currently, although the Constitution requires Senate action on certain Presidential nominations, there is no law which specifically prohibits nominees from performing functions required to be performed by an officer of the United States.

The enforcement of the constitutional duty to refrain from acting as a Federal officer before this body acts, is left to individual policies promulgated by the several executive departments. It is not memorialized in law and, Mr. President, it should be. We do no favors to this or future administrations by not providing clear direction that this body intends to continue to exercise the duty of confirmation. Any nominee who acts as a Federal officer, before he or she has been confirmed by the Senate, should carefully consider their oath to "support and defend the Constitution."

However, I do not intend to reinforce one clause of the Constitution at the expense of another. This legislation exempts from its embargo constitutional recess appointments. Further, it exempts acting appointments or details; we do not intend to restrict the legitimate acts of Federal officers.

Mr. President, Alexander Hamilton recognized that, with regard to the nomination process, "the true test of a good government is its aptitude and tendency to produce a good administration." The Senate confirmation process is but one building block to a good administration.

It is my sincere hope that my bill, which simply makes law what has been custom for decades, will receive the bipartisan support that I believe it deserves.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BREAUX). The Senator yields the floor.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire [Mr. SMITH].

Mr. SMITH. Mr. President, I thank my colleague from Idaho for his remarks and also for the fine work that he has done in preparing the information we have on the nominee. I concur very much with the very strong statements he has made.

I think everyone understands mistakes. Lord knows we are all guilty of making them. Certainly this Senator has made a few in his time. The issue here, though, with this nominee is whether or not he, in essence, inadvertently signed a document that he should not have signed or, in fact, maybe he signed it deliberately but should not have signed it.

That is the one side. The other side is whether he was an active participant in other decisions or whether he believed he was a participant, was he engaged? I think it is the latter. That is where I disagree with my colleague, Senator NUNN, for whom I have the greatest respect. He knows that, I am sure.

I think it is a matter of interpretation, and people can differ. But I think what I intend to try to show during the course of this debate—not to beat it to death, if you will, or beat a dead horse, if you will—is to show that we have a person who violated the advise-and-consent process of the Constitution. That is a fact.

Was it done deliberately, with some sinister motive? I do not know that I know the answer to that question, but I think there was certainly a modus operandi around the White House which allowed this thing to take place. I do not think that Ashton Carter was the only one who was doing these things. I do not think he was the only nominee who was engaged in making decisions.

Now, the argument has been used that a very low number of nominees have been approved and the process is not very good because there are so few nominees sent to us and we need more people on duly in the Pentagon. I agree we need more people on duty there and the nominees should be coming to us at a faster pace, but that does not mean an individual should be engaged in doing work in the executive branch before he or she is approved by the Senate.

There is great precedent for that. Senator BYRD talks about it in great detail, the advise-and-consent process. As a matter of fact, he says that:

> The Senate must continue seriously and painstakingly to perform its constitutional responsibility of rendering advice and consent on Presidential nominations if we are to maintain the unique system of checks and balances that has brought our democratic form of Government to its bicentennial.

It is interesting that many times there are confrontations between the executive branch and the legislative branch over nominations. But again, it is not meant to be a confrontation with the executive branch. I am not trying to have a confrontation with the executive branch in calling the Senate's attention to this matter. Those of us in the committees of jurisdiction have a responsibility to bring this to the Senate's attention. The vote was 16 to 3 in committee, as the chairman has indicated. I was one of the three. It is clear that this nomination will be approved, I believe, but I think it is also clear to me that a record must be made, a public record must be made as to what happened.

Now, I referred in my earlier remarks to a memorandum, and I would like, Mr. President, to enter three documents into the RECORD.

The first of those documents is the "Potential Presidential Appointees in the Department of Defense," dated March 9, 1993 from the Secretary of Defense, Les Aspin, which outlines the point that I made before that "you are not to sign any documents that give the appearance of having assumed official duties." That is the key line. It is very clear. It was sent out to all nominees.

I ask unanimous consent that document be printed in the RECORD.

There being no objection, the memorandum ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, DC, March 9, 1993.

Memorandum for: Potential Presidential Appointees in the Department of Defense.

Subject: Guidelines for Activities Prior to Recommendation, Nomination and Confirmation.

I appreciate your willingness to serve as my advisor during this very important transitional period. I have already given verbal guidelines as to what actions you may appropriately and legally take during the period you are waiting decisions regarding your possible nomination and, subsequently, waiting for the Senate to consider your nomination as a Presidential appointee. However, I think it appropriate to formalize these guidelines to avoid any misunderstandings or potential embarrassment.

The basic principle is that prior to nomination and subsequent Senate consideration, you should act in a manner consistent with your role as an advisor preparing for additional duties and responsibilities, and avoid acting, or appearing, as if you have been appointed. In implementing this principle, you should be guided by the following:

You may consult within the Department of Defense on current policy topics, receive briefings, familiarize yourself with relevant issues, and attend briefings.

You may offer general advisory views on policy issues, but on a strictly informal basis.

You should not serve as the official Department representative in meetings or on travel.

You are not to sign any documents that give the appearance of having assumed official duties.

You are not to undertake to hire, transfer or terminate members of your potential future organization, or otherwise reorganize its management.

You should not use the term "Designate" prior to nomination by the President.

LES ASPIN.

Mr. SMITH. In addition, the second document, Mr. President, was the letter to the Secretary of Defense from Chairman NUNN and Senator THURMOND which basically reaffirms that. And therein the response on April 29, 1993, from Secretary Aspin in which he said I gave this clear directive to all prospective nominees to assure that no one here in DOD would presume any authority that can only come from the Senate's confirmation.

Mr. President, I ask unanimous consent these documents be printed in the RECORD.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, April 22, 1993.

Hon. LES ASPIN,
Secretary of Defense, Department of Defense, Washington, DC.

DEAR MR. SECRETARY: We are concerned about recent press and other reports regarding the activities of nominees and prospective nominees in the Department of Defense.

Although nominees on occasion have served for a short period of time in a consulting, special assistant, or other similar capacity with the Department of Defense prior to confirmation, our Committee traditionally has advised the Department that their activities with respect to the position for which they may be appointed should be limited to discussions necessary to familiarize nominees with their prospective duties. We have consistently asked the Department to ensure that any such nominees and prospective nominees act in accordance with three concerns that have been important to this Committee:

First, that such persons adhere to the applicable laws and regulations governing conflicts of interest, particularly with regard to private sector investments or employment.

Second, that authoritative guidance in the Department of Defense should come from the Department's civilian and military officials, not from consultants.

Third, that nominees and potential nominees should assume no duties and take no actions that would appear to presume the outcome of the confirmation process.

The longer that individuals remain in a consulting or similar status prior to confirmation, the greater the likelihood that issues will arise concerning activities that could be viewed as presuming the outcome of the confirmation process. We recognize that delays in the nomination process are often beyond your control. In our view, however, such delays make it all the more important that strict guidelines on preconfirmation activities are established and followed.

It is important that guidance be issued to all nominees and potential nominees regarding preconfirmation activities related to the position for which they may be appointed. This guidance should make it clear that their activities must be strictly limited to receiving familiarization briefings, and that they should not undertake any activities that could be construed as providing authoritative guidance on matters within their area of responsibility if confirmed.

Please advise the Committee of the actions that you will take to ensure that the activities of nominees and potential nominees adhere to applicable laws and regulations, take into account the concerns noted above, and do not presume the outcome of the confirmation process.

Sincerely,

SAM NUNN,
Chairman.
STROM THURMOND,
Ranking Minority.

THE SECRETARY OF DEFENSE,
Washington, DC, April 29, 1993.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you very much for your letter of April 22, concerning the activities of nominees and prospective nominees.

You outlined those concerns that have been important to the Committee:

Compliance by potential nominees and nominees with applicable conflict of interest and employments rules;

Department civilians and military officials (not consultants) should prioritize authoritative guidance;

Potential nominees assuming no duties or take any action that precedes confirmation.

On March 9, 1993, I issued a memorandum (Attachment 1) for potential presidential nominees that paralleled, and I hope anticipated, the concerns expressed by your letter (Attachment 1). As you can see, the memo is intended to address the same issues you have raised. While potential nominees and consultant nominees may familiarize themselves with their duties properly, and may offer me informal advice as I make decisions as a duly confirmed Secretary of Defense, they are not to act in any way that suggests that they have the authority they would have only after they are confirmed by the Senate. In addition, each potential nominee received an extensive briefing from the Department's Office of Standards and Conduct to delineate the legal requirements concerning their tenure as consultants, prospective nominees and nominees. Of course, all consultant nominees and prospective nominees are to comply with all applicable laws and regulations, including employment and private sector investment.

I gave this clear directive to all prospective nominees to insure that no one here in the DoD would presume to any authority that they can come only from the State's confirmation.

As you pointed out to me at my confirmation hearing, the Committee needs to consider and dispose of over 50 Presidential nominations. We appreciate all the cooperation you, the Committee and your staff have provided. We look forward to continuing to work with you and your staff as we build DoD's new team.

If you need any additional information or clarification, please do not hesitate to contact me.

Sincerely,

LES ASPIN.

Mr. SMITH. So again, the question here is, was this simply a document that passed by Dr. Carter which he signed? Maybe he should not have signed it. He said that, to his credit. He told us he should not have signed it. And he was very honest in his answer to those of us who spoke with him about it. But the question is, were there other documents and was he in a mode of operation over there where he was more of an active person in terms of policy than a passive?

I submit that he was an active participant, and I think the evidence concludes that. I would like to go into some of that evidence at this time.

There is a memorandum which I referred to in my earlier remarks, dated May 17, which was signed by Dr. Carter and was approved by Dr. Allison on May 13. The interesting thing about the approval by Dr. Allison is that Dr. Allison was not confirmed either, and yet he approved what Dr. Carter had said.

So I think we see here more than one individual—Dr. Carter happens to be the unfortunate one who is being debated right now, but there was an attitude going on in DOD which I think, to the credit of the Secretary in response to the concerns raised by the chairman and by the committee, has stopped. But the point is, it did take place, and we have an obligation to cite for the record that it did take place, and Senators have to determine whether or not they believe it is appropriate and wish to vote against a nominee because it took place.

In the memo dated May 17, Dr. Carter directed the transfer of Nunn-Lugar funding for defense and military contacts with the former Soviet Union. The memo is signed by Dr. Carter, and let me quote what it states:

> In accordance with the Deputy Secretary of Defense approved plan for the use of Nunn-Lugar funds for expanded defense and military contacts, request DNA transfer the necessary funds for the interagency approved defense and military contact events described on the attachment.

I request that the transfer take place. That is not a person who is not engaged. When you request something, you clearly feel like you have the authority to request it. I do not think there is any question about it. This memo is not the work of somebody sitting on the sidelines watching and learning, trying to determine what the policy is. This is the work of someone who is actively involved in the formulas and implementation of policy. Clearly, he believes that he is—and he is.

The memo directly violates the Secretary of Defense regulations, and I will not go through all of this because, in essence, Dr. Carter admitted that he signed the document and admitted that he should not have signed it.

But again, to repeat, the point which sent up a red flag to me was that Dr. Allison approved it, and Dr. Allison, again, is not confirmed, or was not at the time. He has been named to be Assistant Secretary, and evidently he, too, then is conducting policy level work in the Defense Department. The question is, was it a one-time occurrence? I say that it was not. And I think, again, the documentation supports that.

I ask unanimous consent, Mr. President, that the document dated May 17, 1993, memorandum to Mr. Paul Boren, Defense Nuclear Agency, from Dr. Carter be entered as part of the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MAY 17, 1993.

Memorandum for: Mr. Paul Boren, Defense Nuclear Agency.

Through: Senior civilian official, OUSD-P; Dr. John Birely, Acting ATSD-AE.

Subject: Nunn-Lugar Funding of Defense and Military Contacts (U).

(U) In accordance with the DepSecDef approved Plan for the Use of Nunn-Lugar Funds for Expanded Defense and Military Contacts request DNA transfer the necessary funds for the interagency approved defense and military contact events described on the attachment. Cost figures are only rough estimates.

Dr. ASHTON B. CARTER.

Mr. SMITH. The second document, Mr. President, is one entitled "Nuclear Security and Counterproliferation" which is a memorandum from the Secretary of Defense through Frank Wisner, who has also not been confirmed, and this document sailed through him as well for his review. It came from Dr. Carter and the subject was a "Follow-up on Today's Briefing on Secretary Aspin's Cooperative Threat Reduction Program." And the language is:

> As you requested, I attach a binder containing the essential information on the Cooperative Threat Reduction Program. Tabs 8–10 are provided for your information only; I have not yet approved them.

"I have not yet approved them" is the line.

Again, is this a person who is not engaged? This is a second document. And I would just ask my colleagues, again, does this memorandum reflect someone who is a passive observer, who made the mistake of signing one document, or is he an adviser, or does he think he is an adviser to someone who is acting in an official capacity?

So here, again, I think that the evidence concludes very strongly that it was an active person we had here, not a passive one, who inadvertently signed a document. So now we have two documents.

Mr. President, I ask unanimous consent that memorandum be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

NUCLEAR SECURITY AND
COUNTERPROLIFERATION

Memorandum for: Secretary of Defense, Deputy Secretary of Defense.

Through: Frank G. Wisner.

From: Ashton B. Carter.

Subject: Follow-up on Today's Briefing on Secretary Aspin's Cooperative Threat Reduction Program.

As you requested, I attach a binder containing the essential information on the Cooperative Threat Reduction (CTR) program. Tabs 8–10 are provided for your information only; I have not yet approved them.

Tab 1—Major Points for the Secretary of Defense.

Tab 2—Outline of Today's Discussion.

Tab 3—DOD Nunn-Lugar Task Force Report (a separate package requests your approval).

Tab 4—Past Problems and New Solutions: What's We're Doing Differently to Implement CTR.

Tab 5—Proposed Letter to Members of Congress, with List of Addresses (a separate package requests your approval).

Tab 6—Summary of Nunn-Lugar Spending to Date: What Have We Spent, Where, on What?

Tab 7—Comparison of Current Nunn-Lugar Legislation and Proposed FY94 Appropriations Language.

Tab 8—Draft CTR Legislative Affairs Plan (under review).

Tab 9—Draft CTR Public Affairs Plan (under review).

Tab 10—Possible Threat Reduction "Docudramas" (under review).

Mr. SMITH. Mr. President, I ask unanimous consent that a document dated April 20, 1993, a TOPAZ reactor memorandum for Secretary of Defense that was initialed by Ashton Carter be printed as part of the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, April 20, 1993.

Memorandum for: Secretary of Defense, Deputy Secretary of Defense.

Through: OUSD(P) senior civilian official.

From: OASD(ISP) senior civilian official.

Subject: SDIO Expanded Acquisition of Russian TOPAZ Space Nuclear Reactors.

Purpose: Action—(U) To seek approval to procure four additional Russian TOPAZ space nuclear reactors, prior to seeking interagency approval.

Discussion: The main DoD objectives of the proposed acquisition are: to capitalize on significant Soviet investment and experience in space nuclear reactors for the benefit of SDIO and other DoD missions which require large amounts of power in orbit; and to promote conversion in the former Soviet Union from a defense oriented, state controlled economy to a commercially oriented, privatized, free market system.

SDIO seeks to procure four unfueled Russian TOPAZ II space nuclear reactors. These would be used in follow-on tests to the Thermionic System Test Evaluation (TSET), which is evaluating TOPAZ II technology for U.S. space missions. The additional reactors will be used in the Nuclear Electric Propulsion Space Test Program, which will eventually involve fueling and space testing one of the reactors. Total SDIO cost for the reactors will be $20M, with $15M going to Russian entities over a four year period. Details on the SDIO effort are at TAB A.

In March 1992, a White House Press Statement announced the procurement of the two reactors used in the TSET effort. Based on informal guidance from the Deputy Secretary, DoD approval for that procurement was based on a technical evaluation by DDR&E and a foreign policy evaluation by USD(P). Following DoD approval, USD(P) ensured the necessary interagency coordination. SDIO gave an informal briefing to the interagency on March 22 (See memorandum for record at TAB B). In accord with the prior guidance, the same internal DoD review has been accomplished on this additional acquisition.

Recommendation: That you approve SDIO acquisition of four additional Russian TOPAZ reactors in accordance with applicable law, upon clearance by USD(P) through the appropriate interagency process.

Note: Ashton Carter initials.

MAY 13, 1993.

Mr. SMITH. Again, Dr. Carter's initials are on this April 20 memo to the Secretary of Defense. We are talking here about the acquisition of Russian TOPAZ space nuclear reactors. This is not exactly some minor decision here. The memo was submitted by senior civilian officials, and recommends that the former strategic defense initiative organization acquire four Russian TOPAZ reactors for use in the United States nuclear electric propulsion space test program. The conclusion of Dr. Carter's approval, on memo again, reinforces his direct role in formulation and implementation of nuclear policy while serving as a consultant who is not a confirmed official—a paid consultant, but not a confirmed official.

So again, this third document I think speaks for itself. Again a person engaged; again, a person who is acting, I believe, in a capacity that is far more than passive, and indeed very active. I think, also, it indicates that there was an environment around DOD at this time which was very clear, that maybe the memorandum on paper, directed by Secretary Aspin, was there on paper; but it is not anything we have to worry about because we have to get moving, we have to keep the Government running. And there is some justification for keeping the Government running, especially DOD. But there is also another process that could be used.

Out of respect for the chairman of the Armed Services Committee in the Senate, I think they could have come to us, could have come to the committee, and said: Look, we have a problem here. Here it is: We cannot make decisions. We need a little latitude. Or, even better, they could have come up with the nominees at a faster pace.

It is my understanding that Senator KEMPTHORNE might be interested in making comments at this point. I will be more than happy to yield to the Senator from Idaho at this point.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. KEMPTHORNE. Mr. President, I thank the Senator for yielding.

Mr. President, clearly, something is wrong here. Clearly, errors have been made. I believe we have established that the system at the Department of Defense is flawed. Hopefully, corrective measures have been taken. But during the outline and during much of the timeframe in which this all occurred, the process was flawed.

I want to make sure, though, that it does not bring into question the integrity of the individuals involved. When I lifted my hold with regard to the confirmation of Ashton Carter, it was based in part because of the comments made to me and my office by Dr. Perry. I have the utmost respect for Dr. Perry. When he speaks and gives his word on behalf of an individual, as he did for Ashton Carter, that carries great weight with me.

It also is based upon the comments made by the chairman of the Armed Services Committee, Chairman NUNN. Again, when the chairman of that committee speaks on behalf of an individual, to me that is significant, because of the integrity and the respect that is universally held for Chairman NUNN.

Dr. Carter did violate the process. When the chairman of the Armed Services Committee feels that an issue is so important that he issues a memo to the Department of Defense and has response, when the chairman feels that it is so important that he asks the nominees the first question—if they have done anything that could be construed as operating in an authoritative manner—and we have now established that, in fact, it did occur, then I feel somebody crossed the line.

In this case, I have to vote against the confirmation of Dr. Carter. But again, it is based on the principle of this issue, not on the personality or the integrity of Dr. Carter.

I believe, again, that Dr. Carter may be a victim of a flawed system. But that is why I have to stand as I do for this principle, and again hope that we can have bipartisan support for the legislation that hopefully will prevent this from happening to future nominees.

Mr. President, I yield the floor.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I thank the Senator from Idaho, and also the Senator from New Hampshire. I particularly want to emphasize, again, the feeling I have as chairman of this committee, that there are two Senators on the floor today who are indeed sincerely expressing their concern about the process itself, about the confirmation process, and protecting the integrity of the Senate's prerogative and protecting the integrity of the Senate's responsibility under the Constitution of the United States.

The Senator from Idaho made it clear that he does not question the integrity of Dr. Carter nor his ability, and that his objection to this nomination lies with certain procedures that have not been followed as they were intended to be followed.

I would also stipulate for the record that I think Dr. Carter made a mistake. I think it was a mistake. And he acknowledges he made that mistake. He did not make it, in my opinion, in bad faith. I think he made it inadvertently, and I think his value to the Department of Defense is such that I would urge my colleagues to support the nomination.

I hope that those who are now designated by the President as being probable nominees, but who have not yet been sent up for confirmation, or even those who are pending in the Senate—we do not have many of them in the Department of Defense. I believe we now have two not counting this nomination, because we have been moving them out very rapidly. But I hope all of them will learn a lesson from this. I know it has been a very painful lesson for Dr. Carter himself. I know that he would not have signed that document if he had thought about it in a careful way.

But, nevertheless, I hope we can support the nomination.

I inquire of my colleagues from New Hampshire if they know how many more speakers they anticipate. I know the Senator from Massachusetts would like to make some remarks. If we did have some feel about how much more time, I could inform the majority leader because we do have caucuses coming up in a few minutes. Perhaps we could set some time for disposition of this matter after the caucus.

Mr. SMITH. Mr. President, if the Senator will yield for a moment, I know we are about at caucus time. It is my understanding that Senator LOTT wanted to speak. I have some more remarks.

I think probably between Senator LOTT and myself, unless other Senators were to come by, I do not know of any, I would say an hour or less on our side.

Mr. NUNN. Does the Senator from New Hampshire believe we could perhaps vote on this at about 3 o'clock, considering we will be out of here, and probably come back here about 2:15?

I am not going to propound the unanimous consent. I just ask the Senator from New Hampshire to think about that.

Mr. SMITH. I think that would be very, very close, unless somebody comes in that I do not know about. Yes.

Mr. NUNN. I will discuss it with the majority leader before I propound the unanimous consent request.

Mr. SMITH. Will we be coming back to this?

Mr. NUNN. I have to discuss that with the majority leader. But it is my hope that we can come back and dispose of this as soon as possible.

The Senator from Massachusetts, I want to thank—I have already done that in his absence—for his interest in this nomination. I know he knows the nominee very well on a personal basis.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I thank the chairman of the committee.

Parliamentary inquiry: Do I understand that the Senate is supposed to recess at 12:30?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I was wondering if I could ask unanimous consent that we void that request to permit brief comments by myself so we could get a complete comment on this measure and on another matter.

Mr. President, I ask unanimous consent that we do so. If there is some objection, obviously, by the majority leader, I would then conform to that request and accede to adjourning at an earlier time.

The PRESIDING OFFICER. Does the Senator request a specific time?

Mr. KENNEDY. Yes; for 10 more minutes.

The PRESIDING OFFICER. Is there objection?

Mr. SMITH. Mr. President, reserving the right to object, I assume the Senator wishes to speak for the next 10 minutes. When we come back after the recess, we will go back to this issue?

Mr. KENNEDY. Permit me to speak briefly, about 6 minutes. But I have no objection, when we return, for the Senator from New Hampshire to be recognized, if that is the will of the Senate.

Mr. SMITH. I have no objection.

The PRESIDING OFFICER. Without objection, the time is extended for 10 minutes.

Mr. KENNEDY. Mr. President, I want to join in thanking the chairman, Chairman NUNN, and the Senators from Idaho and New Hampshire, as well, for the way this issue was handled. I, too, join in respecting their deep concerns about the process and procedures, which are fundamental in terms of not only the Defense Department, but other agencies as well.

And I am very hopeful that we will be able to have a final resolution and a vote on this individual, who is superbly qualified by background and reputation. In both his public and private life, he has been a person of extraordinary integrity and of commitment to the security of this country. He has performed his commitment in a variety of different ways for the security of this Nation. I appreciate very much the comments that have been made, and in spite of the delay of the confirmation, there is not really any doubt as to the fundamental integrity of this superb nominee.

Mr. President, I give my strong support to the nomination of Ash Carter for Assistant Secretary of Defense.

Anyone who studies the threats we face from nuclear and other high-technology weapons knows two things. First, even with the end of the cold war, the existence of thousands of nuclear weapons and the spread of high-technology weapons around the world pose grave challenges to U.S. security. Second, they know that Ash Carter is among the most qualified persons in the country to lead the Pentagon's effort to reduce these threats.

In fact, it is no surprise that the Clinton administration chose him for this position. Dr. Carter is one of the world's foremost experts on nuclear weapons and the dangers of nuclear proliferation. He has unique understanding of both the practical and political dimensions of modern security issues. It is this dual expertise that makes him so qualified to lead the Pentagon's counterproliferation effort.

Dr. Carter's academic credentials are impeccable. He is a Rhodes scholar who earned his doctorate at Oxford in theoretical physics. He held positions at the Rockefeller University and MIT before joining the faculty at Harvard. He has also served in Government, holding positions at the Office of Technology Assessment and in the Office of the Secretary of Defense, and serving on numerous Government, academic, and private advisory boards, including the White House Office of Science and Technology Policy, the National Academy of Sciences, and the Sandia National Laboratory. He is currently a member of the Defense Science Board, for which he has chaired several studies on intelligence matters.

I could also list his many other affiliations and achievements, including the long list of his books and articles on the issues of nuclear security, nonproliferation, and ballistic missile defense. Obviously he is eminently qualified for the position to which President Clinton has nominated him.

My colleagues on the other side of the aisle point to a Department of Defense document that Dr. Carter signed on May 17. They argue that it amounted to a violation of the guidelines on behavior of Presidential nominees in the Defense Department prior to confirmation.

I understand why this issue was raised when the document first came to light. It is certainly important that nominees at the Defense Department honor the constraints on their activities. But what this episode demonstrates is that prospective nominees were asked to carry out duties as consultants to the Secretary of Defense, without any clear lines between permitted and prohibited activity. Clearly, there was no intentional violation.

When the incident first came to light, the chairman of the Armed Services Committee, Senator NUNN, joined by Senator SMITH, Senator KEMPTHORNE, Senator THURMOND, and Senator FAIRCLOTH met to study the matter further. We met twice with Deputy Secretary of Defense Bill Perry, Defense Department General Counsel Jamie Gorelick, and with Dr. Carter. We reviewed the facts, and discussed the concerns of the Republican members of the committee.

Senator NUNN has described this thorough investigation in detail. As Dr. Perry assured us, the action described in the document signed by Ash Carter on May 17 was executed by a confirmed DOD official, not by Dr. Carter. The document does not constitute a case where Dr. Carter acted in final, official capacity.

The guidelines governing the behavior of preconfirmation consultants are a matter of custom, not law, and are very unclear. They create a gray area in which Department consultants are permitted to take part in many activities. they attend meetings, prepare documents, and provide advice and recommendations. One of the restrictions is that they cannot take actions which "presume the outcome of the confirmation process." This is an especially murky guideline.

As a result of this process, Secretary Aspin and Dr. Perry have instituted revised guidelines and are redoubling their efforts to ensure that nominees avoid the appearance of improper acts.

Ash Carter answered the President's call, to serve in the Pentagon and has acted as a consultant prior to his confirmation. The incident involving the document has pointed out the need for clearer guidelines. It is certainly not a disqualification that should keep this extraordinarily able nominee from serving in the Department of Defense. I urge the Senate to confirm him.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I would like to comment that I think, for future Presidents, this should be an indication of how we need to speed up the nomination process. This certainly is an example of what can go wrong, as we all know, for judges that have been sent to the White House for approval and for U.S. marshals and U.S. attorneys. The process simply takes too long. This is certainly true with all of the Cabinet offices that need to be filled.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, the Senate at 12:43 p.m., recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. WELLSTONE].

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, is the body in morning business at the moment?

The PRESIDING OFFICER. The body is not in morning business. It is considering a nomination.

MORNING BUSINESS

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the body now turn to morning business for a period not to exceed 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUDING MY SERVICE IN THE U.S. SENATE

Mr. METZENBAUM. Mr. President, at the adjournment of this, the 103d session of the Congress, I will conclude my service as a Member of the U.S. Senate.

For over 17 years, the people of Ohio have allowed me the great privilege and high honor of representing them in this body. For that, I am extremely grateful. My years here have been the most rewarding and meaningful of my life.

I have endeavored to express that sense of gratitude by working as hard as possible on behalf of my State, and by fighting for what I believe is right for this country.

Over the years, I have loved my work here—I have won my share of battles, and fought my share of lost causes. And while I have not tired of the vigorous debates in this Chamber, and though I still enjoy the work of my committees and the friendship of my colleagues, I have concluded that it is time to turn the final pages of this chapter in my life, and begin another.

It is a decision I have struggled with and one I am convinced is sound.

I love my job in the Senate but I love other things in my life more.

Foremost, I am blessed to be married almost 47 years to a woman I adore, and for whom my love has continued to grow. Shirley has been a full partner in my life; my confidante, conscience, and my closest friend.

She has stood by me, adapting to the irregular, erratic, and often excessive demands on my time that running and serving requires.

Every hour I spend with her is special to me, and the stolen moments, the interrupted dinners, and the days away on the campaign trail simply allow us to see too little of each other. I want more time with her, and the schedule of a Senator constantly conflicts with that desire.

I also have four wonderful daughters, with four great families, and seven incredible grandchildren.

I need to see more of them. I want to be on hand to watch those kids grow.

I fully expect to stay actively involved in public affairs, and to serve in some appropriate capacity. While I will retire this seat, I will not retire my views, nor my voice. Throughout my life—both in and out of government—I have tried to do everything I can to make progress on civil rights and social justice; to represent the interests of American consumers; to improve and protect the public health; and to fight for jobs, fairness, and dignity for the American worker. These are the issues I care about deeply. They are the issues which will continue to be my concern.

But I have concluded that it is time for me to stand down as a Member of this body.

My regrets are few, my memories are treasured, my health is great, and my love for the battle is undiminished. I have acquired sufficient wisdom to realize that that ain't a bad way to go out.

To my colleagues, I will miss both the camaraderie and the clashes. The friendships I have made I hope to maintain always. And while there are many here in the Senate for whom I have made life difficult, or with whom I've had disagreements, I have always tried to honor this body by being clear about my intentions, direct in my statements, and true to my word. I respect this institution, and hold its Members in the highest regard.

And on this point, I offer my colleagues a reflection and a challenge.

I know that the Members of this body have the wisdom, talent, and experience to accomplish more than we now do. We seem somehow to fall short of our considerable potential, and as a result have a less positive impact than might otherwise be possible. I have come to believe that this is because we regularly calculate every vote for its immediate political impact.

We do not look beyond 1 day's news cycle—unless it is to envision the next election's negative ad. We, therefore, find ourselves ducking tough choices, postponing the inevitable, passing the buck, and pointing fingers.

Obviously, that is not always the case—but too often it is. And it is a criticism from which I certainly do not exempt myself.

So I hope that we can challenge ourselves. Let us make better use of the opportunity that the voters have given us and face squarely the Nation's problems. There will always be plenty of time for healthy partisan scrapping.

Easy for me to say, I suppose, as I will not face the voters next fall. But if I have learned one thing here, it is that you can take positions that do not sit well with the majority of your constituents and still thrive politically.

I never believed that I was sent here to take a computerized opinion poll on every issue, nor to adopt the prevailing view from the latest electronic town meeting.

I have always felt it was my obligation to vote based on my own values, and to accept the fair judgment of the voters on election day.

While these are far from farewell remarks, I find it impossible to make this statement without a word of appreciation to the most dedicated, loyal, and hard-working staff any Senator has ever had. Many have been with me since I was first elected.

All of them have given of themselves to help me serve in this body. I will be everlastingly grateful.

Finally, to my constituents, I again offer my heartfelt gratitude for the confidence you have placed in me. I have voted my conscience, spoken my mind, and fought on the side I believed to be right.

I have tried to let you know exactly where I stand on an issue and why. It has been an honor to serve you, and I will continue to do so until the last vote is cast in this Congress.

I look ahead with a renewed sense of enthusiasm and excitement. There remains much yet to do, and I will strive in the months ahead to accomplish as much as I possibly can.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

RETIREMENT IS WELL DESERVED

Mr. MITCHELL. Mr. President, I listened to Senator METZENBAUM'S words with mixed feelings. I recognize from the point of view of his personal life, his retirement is well deserved. He served the public for many years, the last 16½ here in the Senate. He has devoted a great deal of time, energy, and effort to serving the public at the expense of time with his family, as he has just described here. And so all of us understand his desire to devote more to his family and respect and admire his decision for that reason.

At the same time, I, and I know many others of our colleagues and many, indeed I venture most of the people he represents, listened and consider his retirement with a considerable degree of sadness. If the American people need proof of the fact that independent judgment is a prize attribute in a representative democracy, HOWARD METZENBAUM has provided that proof in his time here in the Senate.

We have often disagreed. We have often debated, often vigorously, but there has never been the slightest doubt in my mind, nor do I think there can be any doubt in any other Senator's mind, that each and every one of Senator METZENBAUM'S positions and decisions is based upon a deeply held conviction and a statement of his principle.

He has done what his conscience and his judgment have told him are best for the people of his State and our country, and that is the ideal to which every legislator in a representative democracy strives but rarely attains.

He has especially been an effective advocate for those in our society who are otherwise lacking in advocates—the poor, the elderly, minorities, women, those who have suffered from discrimination, those who have confronted barriers to progress, those who have not had the means to be represented through spokesmen here in our Nation's Capital, those who have depended upon democracy for the vindication of their interests. They have never had a better, more convincing, more aggressive, more articulate, and more persuasive advocate than Senator HOWARD METZENBAUM.

I know that Senator METZENBAUM will not mind my disclosing our personal conversation this morning. He, of course, is described, and I think enjoys the description, as being irascible and difficult. And when he told me this morning that he was going to be announcing his retirement, he said, "You won't have to deal with an irascible Senator like me." That was his self-characterization. And I told him then and I repeat now, Senator METZENBAUM is not nearly as irascible as he likes to think he is.

He is, in fact, a very decent, civil, honorable, and dedicated person, and it has been an honor to serve with him in the Senate, more than that a matter of great personal privilege to call him a good friend. I know that although I do not often speak confidently for every single Member of the Senate, I believe on this occasion I can do so and say to Senator METZENBAUM, we will miss you very much.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

A CHAMPION OF THE UNDERDOG

Mr. GLENN. Mr. President, as many of our colleagues here know, HOWARD METZENBAUM and I have had a long, long history together. We ran against each other twice, and to say that those were spirited campaigns would be to understate the campaigns. I am sure HOWARD will agree with that. They were tough campaigns. Our relationship many years ago was not all that smooth on many occasions. But for many other years and for all of the most recent years while we have shared tenure in the Senate, HOWARD and I joined forces and we wound up even chairing one another's reelection campaigns.

In short, I have worked with HOWARD METZENBAUM and I have worked against HOWARD METZENBAUM, and I think every Senator in this Chamber will agree with me when I say it is a whole lot more pleasant to be working with HOWARD METZENBAUM. HOWARD is by nature a fighter. He is by nature a champion of the underdog and the little guy, and I think that probably comes naturally because he started out from humble beginnings. He did not have a lot of money starting out in life. He made his own way in the world. And HOWARD is by nature a man who will never back down or back off when he believes he is right. I would say that is the case no matter what the odds or what may be the strength of the opposition.

I have not always agreed with HOWARD on every issue. In fact, we still disagree on matters of policy and politics on occasion, but no one can ever doubt HOWARD'S dedication or commitment to the values and the principles that he holds dear.

I think it also fair to say, as the majority leader has already mentioned, that the working men and women of this country have never had, I do not think, in the history of this body a stronger voice or a more dedicated proponent for their causes than HOWARD METZENBAUM has provided for them.

A few minutes ago I said that HOWARD and I had had our differences, but there is one thing on which HOWARD and I have always agreed, and maybe it is the most important thing of all. For HOWARD and for me, there has always been one thing more important than our jobs or our careers, and that one thing has been our families. I have not totaled this up quite exactly, but I think between HOWARD and Shirley and Annie and me there is a combined total of very close to 100 years of married life, and I guess that comes close to setting some sort of record for two Senators from the same State.

I know how much HOWARD loves the work of being a Senator. I also know how much he loves Shirley and how important his children and grandchildren are to him. I know the prospect of being able to spend more time with all of them is the only thing that could have persuaded HOWARD to leave the Senate of the United States.

So I warn other people, get the tennis rackets out, alert the art galleries, give his wife fair warning: Get ready, Shirley, because HOWARD is coming home.

I wish to close by quoting a man who meant so much to me and I know to HOWARD also. That was Bob Kennedy. Although he wrote these words more than two decades ago for another purpose, I think they describe very well what motivated HOWARD during his 18-year career in this Chamber. Bob said:

> We have triumphed not in spite of controversy, but because of it; not because we have avoided problems, but because we have faced them. * * * And if we ever place the claims of power ahead of the claims of justice * * * if we shrink in the face of the passing winds of controversy or reaction * * * then we will have lost the great purpose which has made us strong.

Mr. President, HOWARD METZENBAUM has always given top priority to the claims of justice. He certainly has believed in facing problems in spite of controversy when he believed he was right, and he has always done his level best to hold, and to hold all of us, to the great purposes which have made this Nation strong.

So the Senate will never be the same without him. And because he served here, because he stood tall and stood fast, because he refused to bend with the winds or break with the waves, and because he has always answered the call of conscience, I know millions of Americans all across this great land are better off because HOWARD METZENBAUM has spent 18 years in the Senate of the United States.

So, HOWARD, I know I speak also, as the majority leader said, for many in this Chamber when I say we respect you; we salute you; we are going do miss you.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

A GREAT LOSS TO THE NATION

Mr. KENNEDY. Mr. President, I learned of HOWARD METZENBAUM'S decision this morning with real regret. His retirement is a great loss to the Senate and to the people of Ohio, whom he has served so well. It is also a great loss to the country because HOWARD METZENBAUM is a wise and brilliant and dedicated Senator who has left an indelible mark on virtually every aspect of the Nation's Life for the past two decades of his outstanding service.

If President Kennedy were writing his book today, he would have a special chapter on HOWARD METZENBAUM as a profile in courage for our times.

Day after day, on the Senate floor, year in and year out, HOWARD METZENBAUM has taken principled stands for the people of America and against the special interests.

He has stood up with eloquence and insight and wisdom for the working men and women of America, for the consumers of America, and for the hard-pressed taxpayers of the country. In the years ahead, it will be said of HOWARD METZENBAUM, as it was of Franklin Roosevelt, "He was loved for the enemies he made."

Senator METZENBAUM was often at his best in the closing hours of each Congress, insisting that special interest legislation shall not pass. He has stood up for countless courageous whistleblowers, and in fact he has been a courageous whistleblower himself, insisting that the Senate meet its responsibility to the people.

I could single out a thousand issues and a hundred bills that HOWARD METZENBAUM has left his mark on—and the Metzenbaum Mark is like the Good Housekeeping Seal of Approval. It means that these issues and these laws are in better and fairer shape, because HOWARD METZENBAUM cared enough to roll up his sleeves, get to the bottom of the issue, and persuade a Senate committee, the full Senate, and even the entire Congress to do the right thing.

He and I have served together on the Labor Committee and the Judiciary Committee for many years, so I feel his loss especially deeply and personally.

His leadership there, on issues ranging from health care and education to the Brady bill and the most arcane issues of antitrust policy, has set the highest standard of excellence for us all.

All Senators, when we take the oath of office, solemnly swear to support and defend the Constitution. Few, if any, Senators have been more committed to that document and to "We the People." Often, in battles for civil rights and on Supreme Court nominations, Senator METZENBAUM'S ability and his passionate commitment to the basic principles of the Constitution have carried the day and won the battle. He would have made a great Supreme Court Justice, too.

I know this decision was a difficult one for Senator METZENBAUM to make, and I suspect that all of us on both sides of the aisle wish it had come out the other way. We will miss his leadership and his statesmanship, but most of all, we will miss the friendship of HOWARD and Shirley.

It has been both a privilege and constant learning experience for us all to serve with HOWARD METZENBAUM. He will rank as one of the greatest Senators in the long and enduring history of this institution.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. I thank the Chair.

SENATOR HOWARD METZENBAUM'S IMPACT ON MANY LIVES

Mr. RIEGLE. Mr. President, I want to join with my other colleagues in talking for just a few moments about HOWARD METZENBAUM and how special he is to us personally, and how special he is to this institution.

I feel a lot of emotion about it because HOWARD has had a great impact on the lives of many of us here. He has had an impact on my life. It is an understatement to say that he is both a great Senator and a great human being. HOWARD brings something that we do not see here too often; that is, he brings conscience, which everybody has to a greater or lesser degree. But he also brings the courage to do something about it. We have seen that any number of times in his actions here.

I do not think there is anybody here who works harder or accomplishes more than he does. When I look at the carpet on the floor under his desk, it is worn down more so than it is almost any other place on the floor, because HOWARD has stood here hour after hour presenting issues, challenging certain items. I would say that if we could add up all the money that has been saved by challenges that he has made to things that he thinks were wasteful, it would total easily in the hundreds of millions, I think in the billions, of dollars. I can think of a great number of cases like that.

I think the tribute that he pays to his wife, Shirley, is also very important and part of this story, because HOWARD has had the good fortune to have not just a loving wife and partner, but a family situation from which great children and grandchildren have come.

They have done this together. They have done this as a joint venture, if you will. And I think that has given HOWARD the strength here at times, when otherwise I think a normal human being might have been too tired or too weary to press on, 3 or 4 o'clock in the morning, in the face of withering gunfire in terms of the debate here on the floor. But Shirley Metzenbaum has given HOWARD METZENBAUM strength he could never otherwise have had.

I want to also, just on a personal note, remember an occasion just 15 years ago this year when my wife, Lori, and I were married in a little town in northern Michigan called Reed City. HOWARD and Shirley were kind enough to fly up and be present at our wedding. But they had to come through a violent thunderstorm in a small plane. HOWARD, not being one to turn back on anything, persevered and got up there, and they were with us on that very special occasion.

So I know my wife, Lori joins me in expressing the special feelings that we have for the Metzenbaums.

Also, GEORGE MITCHELL, a few minutes ago, talked about irascible Senators. HOWARD has never been irascible, in my view. He has spoken up and he has stood his ground. But when he leaves, I can assure you that there will be 98 irascible Senators left, if we leave out the majority leader himself. So that should not be overworked here, in terms of the focus on HOWARD.

In terms of his impact for working people, I come from a community—Flint, MI—in a State where we have a lot of working people that are really struggling every day, and a lot of them sliding backwards, in the kind of economic riptides that we have seen in this country over the last several years.

No one has fought harder to help working families, day in and day out, on the things that really give them a chance to have a better life, than HOWARD METZENBAUM—not just some working families; not just some working families in Ohio, Michigan, or other States, but all working families.

And on the issue of discrimination—confronting, racism, sexism, and the other "isms" that have blocked people out and have served as a cause of denial to people in terms of their chance to advance and achieve fully in our society—he has fought against those kinds of barriers and evils as much as anybody here.

So if there is a person around here that is irreplaceable—I do not know that anybody is irreplaceable here in the Senate. But HOWARD, I think, gets as close to that as anyone we might think of.

Finally, in addition to being a prodigious worker, and I think expending as much energy day in and day out as any Senator here on the issues in which he has given leadership, HOWARD also has a great love for art. It is an important part of his makeup and personality. If you do not know that about HOWARD, then you do not know everything you should know about him.

So I urge every Senator that may not yet have had the occasion, to go to HOWARD'S office, to take that opportunity over the next year and a half and go over and walk through and see the different—the many art objects, and the expression of HOWARD'S personality that you will not get just by watching him in action here on the Senate floor. This is a man of a very diverse and broad set of interests.

There are wonderful, sparkling aspects to his personality that are unique and endear him to this institution and to all of us who know him.

So HOWARD and Shirley, you go with the love of all of us.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah [Mr. HATCH] is recognized.

TRIBUTE TO SENATOR HOWARD METZENBAUM

Mr. HATCH. Mr. President, I would feel badly if I did not stand up and pay tribute to the Senator from Ohio.

I might add, as one of those in the Senate whose life has been made more difficult by the Senator from Ohio, perhaps I can speak with a certain amount of authority. I do not know anybody that I would rather debate or rather have to fight with than HOWARD METZENBAUM. He fights clean. He is tough. He is articulate. He is knowledgeable. And he really believes what he does. To me, that is the mark of a great Senator, regardless of whether you agree or disagree with him or her. HOWARD really believes what he is doing. And that, to me, makes all the difference in the world.

I am honored today to pay tribute to my good friend HOWARD METZENBAUM. I congratulate the good Senator from Ohio on a long and honorable record. And I wish him well when, at the end of this term, he returns to a well-deserved private life. I have to say, HOWARD, I feel the same way, too, about my children and grandchildren. Elaine and I should have our 14th grandchild maybe by the end of this day. And I understand how you feel to want to spend some time with that wonderful family of yours.

I will miss this friend from across the aisle for many reasons. We came to the Senate as classmates. We have served for many years together on the Labor and Human Resources Committee, one of the most contentious and difficult committees in the whole Congress of the United States. We hosted a weekly talk show in tandem known as the Howie-Hatch Program. If we could not always find common political ground, we were always able at least to peaceably share a hallway together, as our offices faced one another. I have had more joy in telling people this is Senator METZENBAUM's office on the other side of the hall. I think they got the idea that I had respect for him, and they were kind of in awe knowing that this is the great legend of the Senate.

HOWARD has defined for me the essence of the term "loyal opposition." While we aim for many of the same goals, our means to the end frequently differ. In fact, our working relationship reminds me of the two moving men who were struggling to get a huge crate through the doorway. They pushed and they shoved, but the big crate just would not move. Finally, the man on the outside said, "We had better give up. We will never get this in." "What do you mean, get it in?" the fellow on the outside shouted. He said, "I thought we were trying to get it out."

I am afraid HOWARD and I are a little bit that way.

Despite our ideological differences, we have had occasions, many occasions, to join hands. Let me just mention a few.

I have been privileged to work with Senator METZENBAUM on a variety of issues, including job training, AIDS legislation, child care, and a whole raft of others. But whatever the issue and our respective positions, I can unequivocally pay homage to a friend and a colleague as an individual of ideals and dedication.

The famous doctor, William C. Benninger, once gave this pithy definition of mental health: Find a mission in life and take it seriously.

HOWARD had done just that. He has been a tenacious advocate for the elderly, the underprivileged, for civil liberties and those seeking it, for important health issues, job training, consumers rights, and for many other areas that are very important.

I have a great deal of respect for his wife, Shirley, too. I think this Senate ought to strike a medal for Shirley for having put up with him all these years. All I can say is that she is truly a saint in my eyes, because she is a wonderful woman, and she loves HOWARD very much, and it is very apparent to me. That means a lot to me, too.

HOWARD METZENBAUM is indefatigable. He is in his seventies, and I do not know of anybody in the Senate who outworks him. We wish he would take it a lot easier on our side. Many on our side of the aisle will be grateful for this retirement because of all of the pain he had put us through. But he is indefatigable in what he believes. When he believes something, he is uncompromising in fighting for it. That is the mark of a great Senator. I admire him for it. I care for him a great deal, and I salute him. When it comes to the end of HOWARD's term, I will personally miss him. I know that whatever he takes on as his next mission, that will benefit from his indefatigable insights and energies.

HOWARD, I am not supposed to directly address you, but I am going to right now. I personally am going to miss you. I personally am going to miss these battles. I am personally going to miss that tremendous intellect that you have and that ability in the law that you have because, in addition to serving on the Labor and Human Resources Committee, we have served on the Judiciary Committee for 17 years as well. There is not a more contentious committee in the Senate than the Judiciary Committee, unless it is the Labor and Human Resources Committee. Even though we have disagreed, you have always presented yourself in an intelligent, very, very forthright and, I think, persuasive way. I just pay my tribute to you and share my respect with my colleagues, and I want to let you know that you will have a friend here for life and, hopefully, well beyond that.

AN OUTSTANDING SENATOR AND WONDERFUL FRIEND

Mr. SARBANES. Mr. President, I will be very brief. I want to say at the outset that it has been a privilege and a real pleasure—I mean that in every sense of the term—to serve in the Senate with HOWARD METZENBAUM. He is an outstanding Senator and a wonderful, wonderful friend, and we are going to miss him.

Fortunately, it is not for another 18 months, but he has had a powerful impact on the Senate, and I think a powerful impact on many Members of the Senate. HOWARD METZENBAUM has been a battler for justice and a fighter for human dignity. He has stood for fairness and decency for working people, not only across this land, but indeed around the world, and he has never shrunk from that fight, never tired, never backed off. He stuck with it every moment of every day, and I admire him very deeply for carrying that banner.

Time and time again, we have rallied to his call in making these fights here on the floor of the U.S. Senate and in the committees. And there are people all across this land, and indeed in other countries, who lead better lives today, with a little more dignity, with a greater decency because of the battles that HOWARD METZENBAUM has waged.

I appreciate the personal dimensions of the decision, but in many respects it is a sad day for me, because I always felt a certain comfort in knowing HOWARD would be here on the floor defending the barricades. That may be the best way to put it. I take some comfort from the fact that we are still going to have him here doing that for the next 18 months. If I know him at all, I know it is going to be done with even more renewed energy and determination. Also, I take some comfort from his statement when he said he would not still his voice or drop his views, that he would still be out there in the great struggle to build a more decent and a more just society, which has been the hallmark of his life.

I wish HOWARD and Shirley and their family the very best.

Let me simply close by saying they do not come any better than this couple, HOWARD and Shirley Metzenbaum.

A SENATOR FOR THE DISADVANTAGED

Mr. PELL. Mr. President, as we pay tribute to HOWARD METZENBAUM, there are three points I think are overriding. First is that he really represents here the people who need representation, who do not have much representation—the disadvantaged, the old, labor, the little people; he was truly their representative.

Second, when he had a view, it was always tenaciously held, he fought for it and obviously believed in it very deeply indeed.

Three, he brought the arts into a focus that they would not have otherwise enjoyed. So his contribution to our body has been great. We will all miss him. We may not always miss his methods, but we will all surely miss the values for which he stood. I wish him and Shirley the very best.

DEVOTION TO FAMILY AND CHILDREN

Mr. KERRY. Mr. President, as I listened to colleagues talk about HOWARD METZENBAUM's devotion to family and to children, which he will now turn his attention to, I said those lucky children, because anybody who has been to his office has seen this extraordinary bulletin board with photos of all the kids that he collects as they come to his office. He has a very well-known special affection for children, which now will be to their benefit as we lose him.

As I listened to colleagues talk about HOWARD, some of them reciting things they have worked on with him, there are those things that he will point to and others will point to as his accomplishments in the Senate by the legislation that he passed: children's bills, the Brady bill, the assault weapons measure, plant closings—so many battles. I would like to just take a moment, if I can, to suggest that people ought to also measure HOWARD METZENBAUM not by what he passed, but by what he prevented from being passed in this body.

I daresay the record of what he has saved the American taxpayer—the loophole legislation, the giveaways, the bad legislation, the countless times that, at midnight and 1 o'clock in the morning, the danger hour around here, when a lot of people have gone home and things slide through, HOWARD METZENBAUM was the Senator down here who had read the legislation, whether it was in his committee or not, who consistently stood up and held the barricades, as the Senator from Maryland just said.

That is an extraordinary record, and at a time when Americans are more and more filled with cynicism about the concept of public service and about Washington and the vice grip that we are in with respect to special interests. Here is a U.S. Senator who helped to define public service, helped to give definition to the public interest and who, on more occasions than I can possibly list, has been the American consumers' advocate in the U.S. Senate.

When you think about bills that we all point to that we may have had an impact on or not, you can usually find what we hate to call but is called a special interest there, servicing the smaller group. This man always kept in mind the larger interest, not just the people of Ohio, but of people all over this country. It was usually, Mr. President, the interest of people who, without HOWARD METZENBAUM, would not have been represented in the U.S. Senate—the homeless, disenfranchised, poor people, people who are discriminated against, people who do not have the capacity to create that special interest.

I might quickly say as a member of the Banking Committee, most recently we had another example of that as we were passing on the RTC legislation, and there in our committee front row during the hearing on the RTC, though not on the committee, but nevertheless so concerned that this not be another mistake in favor of big interests and against the taxpayer, there was HOWARD METZENBAUM at the committee hearing; HOWARD METZENBAUM on the telephone to me, "How are we doing on that legislation? Are you sure we are going to come together?" And HOWARD METZENBAUM on the floor who made certain that the final package was indeed in the interests of the citizens of this country.

I, too, was very pleased to hear him say his voice is not going to retire, because what a voice it has been and what a champion he has been. And, Mr. President, I heard Senator GLENN quote someone, HOWARD METZENBAUM reminds me of what I and others, I think, came to the Senate to try to do, which is change things for the better and represent the larger interests. But he also personified something that Teddy Roosevelt talked about years ago, how the credit belongs to the person—and I am paraphrasing—I do not remember it completely, but:

> The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, and comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows the great enthusiasms, the great devotion; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat.

He has known victories and defeats. He surely will be remembered as someone whose soul is anything but cold and timid. He has cared.

The PRESIDING OFFICER (Mr. KOHL). The Chair recognizes the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Senator from Connecticut, who has been waiting patiently, be given some time to speak without losing the opportunity for the floor.

Mr. DODD. I thank my colleague.

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut.

Mr. DODD. Mr. President, first of all, I want the record to note HOWARD METZENBAUM is still with us. Having listened to these remarks, I began to wonder whether or not the person sitting in front of me had somehow left us. This is not participating in a wake at all, but rather a celebration of a career and the best wishes for a future beyond this career in the Senate.

We have 18 more months, roughly, of the pleasure of his company, and I look forward to working with him during those next 18 months.

Mr. President, so much has been said here about HOWARD and Shirley, his lovely wife, and family. I will just note there are several types of Senators, all of whom play an important role historically in a Chamber such as this:

There are those who come and represent their States and do admirably well because their States need good representation. There are others who come here and represent various constituencies and do that tremendously well and play a critically important role in the life of this institution and the life of this country. And then every now and then historically this Chamber has provided people who are truly national Senators.

In a room not far removed from this Chamber, in the reception room of the U.S. Senate, there are five paintings on the wall that reflect the choice of a committee that was formed some 25 or 30 years ago to identify those five Members of the Senate historically who had made the greatest contributions. Clay, Calhoun, Webster, La Follette, and Taft are those five.

They were national Senators regardless of party. They came to this institution with the appreciation that this was not a Chamber to deal with the parochial interests of one State or merely one's own constituency, but to try to look at the great length of this country and deal with the complexities, the constituencies, the varieties and differences that make us strong.

It is not, for example, exaggeration—at least from this Senator's perspective—to include HOWARD METZENBAUM in that group and amongst that number. From day one, when he arrived here, during his entire tenure he has sought and striven very hard to be a national Senator; to not just look at the interests of his own State, but to take into consideration the needs of a nation.

Second, Mr. President, HOWARD METZENBAUM, as has been reflected or stated earlier today, cared about those who did not have the lawyers and the lobbyists and the financial interests to be heard very loudly here. He was their voice. That is why he is to be critically missed in my view with his departure.

So it is, in a sense, a sad day that a colleague with whom I have had the pleasure of serving on the Labor Committee will not be with us for the next Congress. But he serves as a good role model for all of us. We may not meet his standards every day, but we ought to remind ourselves how to become a national Senator, how to strive to serve the interests of all the people of this country no matter which State we may come from, and to remember that there are those out there today who do not have a job, who may be in difficult shape because of a health-care problem, may have children in need and cannot afford an education for them, may be struggling to provide shelter for themselves.

Those people struggling to make it through life day-to-day, their interests, their concerns, ought to be the concerns of each and every one of us. But to HOWARD METZENBAUM they were paramount, and for that reason he will go down, in my view, certainly during my tenure and I think the tenure of many people here, as truly one of the great national Senators.

I will miss you and I love you.

Mr. METZENBAUM. Thank you.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. LAUTENBERG].

TRIBUTE TO A GOOD FRIEND

Mr. LAUTENBERG. Mr. President, I too want to remind everybody that this is not a eulogy but rather a tribute to a good friend who is alive and well, and we want him to stay that way.

I noticed that in the family gallery is the other part of the Metzenbaum family.

These are dear friends of mine. HOWARD and I have known each other for more than 20 years. We first made contact when we were at the Democratic Convention in 1972, each of us with a business career at hand but each of us with an interest in Government and change.

HOWARD went on to set an example for me. He took the bull by the horns, ran for office under very difficult circumstances, took adversity as graciously as he did victory and he went on to fight each time that a cause appeared that he supported.

I am not going to talk a long time today because we are going to have lots and lots of speeches and lots of opportunities to talk about a good friend, a great Senator.

HOWARD, for me, has been a special friend. He has been a mentor. He has given me good advice. We are close enough in age that I could not sit on his knee and say, thanks, dad. Nevertheless, the advice often was paternal in a way. But we have a special relationship, I and the Metzenbaum family. They are an achieving family, a gracious, warm family. When you sit around their table or join them at home and you see all the daughters, their spouses, the grandchildren, you see a record that does not appear in the CONGRESSIONAL RECORD but one that is equally prideful and welcome.

HOWARD is the exceptional person who can perceive, who can be as tenacious—and I will use the term—as a bulldog. I am going to make a couple of canine references, and Senator METZENBAUM will forgive me as I do this.

He has been a bulldog to make sure that his people—and his people are not limited just to Ohio, they are people across this country who are typically without the representation that we see often brought here, well financed, very resourceful by lobbyists and by skilled representatives—HOWARD is someone who automatically connects with those who are not represented as they should be. And, lo and behold, when there is some obscure issue that no one else is thinking about, no one else is looking at, HOWARD METZENBAUM comes to the forefront to defend and promote it. To that extent our friendly bulldog has earned his spurs.

HOWARD is a watchdog. Late at night—you heard it described by others—no matter what the time of day or night, there was nothing that was going to be put over on HOWARD METZENBAUM and the things that he stands for.

I am always amazed—and HOWARD and I are good friends, and we spend a lot of time together—by the number of things that he has his fingers into. The awareness of everything that goes on here is uniquely HOWARD METZENBAUM. As a matter of fact, one time one of our colleagues referred to me as the Senator from Ohio.

I greeted that with mixed emotions, because sometimes HOWARD has an adversary or two on the floor. I do not think it was meant to be complimentary at that moment because it was in the heat of a debate, but I took it as a compliment because HOWARD METZENBAUM represents the best among us.

As a matter of fact, one of those who are in leadership here once said that his disagrees with HOWARD so often, but that if HOWARD METZENBAUM were not here we would have to invent a Metzenbaum to keep us straight, productive and concerned, handling the responsibilities we have.

HOWARD is that watchdog when others are looking away, that we on this side, and many over there, turn to be on guard when necessary.

Lastly I will say this. If you have ever seen HOWARD with his grandchildren or with anybody else's child—I can barely restrain him from seizing a baby out of someone's arms and cuddling that child and saying, "Look at this beautiful child." That is when HOWARD turns into a puppy dog—last canine reference.

He is a dear friend, a great Senator. We will miss him here. But he will always be friend and Senator—HOWARD METZENBAUM.

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

HOWARD METZENBAUM—SENATE CAREER COMING TO AN END IN 1994: A DEDICATED LIBERAL, AND PROUD OF IT

Mr. DOLE. Mr. President, the junior Senator from Ohio announced today that he would not be running for reelection come 1994, so I want to take a moment, too, to talk about my friend, HOWARD METZENBAUM. That is right. Some may dispute it, but he is my friend. I hope I am his friend.

As we all know, friends can differ on the issues and, no doubt about it, probably BOB DOLE and HOWARD METZENBAUM differ on just about every issue you can name. We have locked horns on the Senate floor year after year, fighting for what we believe in. I can tell you, when you lock horns with Senator METZENBAUM, you have your hands full, because he is a dedicated, smart, man of integrity and he knows the issues.

I recall when I was chairman of the Finance Committee on this floor managing tax bills, I always appointed the distinguished Senator from Ohio as my assistant IRS Commissioner, to make certain nothing slipped through in the dead of night, or in the dead of day, either one. He did an outstanding job and probably saved the taxpayers of this country untold millions of dollars by keeping an eye on some of those things that slip through from time to time.

I have always respected HOWARD METZENBAUM because he has never been shy about who he is and what he stands for. He is a liberal and proud of it; a dedicated and determined liberal. And no liberal has ever carried the banner of liberalism more proudly or more effectively than HOWARD METZENBAUM. Although I told HOWARD he was wrong on all those liberal issues, he still pushed ahead year after year after year and had a great many successes, as the Senator from New Jersey has just pointed out.

He has learned to master Senate procedure and he has tied this place up in knots. I can recall when I was majority leader one time I was trying to get his approval—I think I wanted to adjourn the Senate. I cannot remember—something not too major—he was on a flight to Ohio, and I had to wait until the plane landed and we worked it out with the Senator. He has always been obliging—to a degree. It has always been helpful. We have always gotten along fairly well.

I know how dedicated Senator METZENBAUM is to his family, his wife Shirley. I know how much he feels about his State and the people in his State. I have to believe he is going to spend a great deal of time enjoying his family because the campaigning and staying up late every night, having sort of an uncertain life from time to time, is not in anyone's best interests. But I know Senator METZENBAUM has certainly earned his retirement.

I wish him well. I speak for all my colleagues on this side of the aisle and I thank my friend, Senator METZENBAUM, for the privilege of having served with him the past many years.

The PRESIDING OFFICER. The chair recognizes the Senator from Illinois [Mr. SIMON].

HOWARD METZENBAUM

Mr. SIMON. Mr. President, once in a while we are asked by people, whatever happened to the giants in the Senate? I think that probably is a question people always ask because sometimes, when you are with your contemporaries, you do not recognize that.

History happens to be one of my loves. Just as LaFollette from Wisconsin was a giant, both as Governor and Senator, we are in the company of a giant in the U.S. Senate. His announcement that he is going to retire—although, frankly, after all of these speeches he may change his mind and decide to run again; he has great campaign material here—but, if I were to be asked who is the greatest public servant you have ever had the opportunity to be associated with, I would give the name Paul Douglas, who was my mentor and a great U.S. Senator. But I did not have the privilege of serving with him in Congress. I was in State government when he was here.

But I have never served with anyone finer than HOWARD METZENBAUM. CHRIS DODD mentioned that he has served the Nation. HOWARD METZENBAUM has really been a U.S. Senator—not just a Senator from Ohio. He has served the people from Ohio well. But people all over this Nation ought to be grateful to HOWARD METZENBAUM. I have never seen—and I know your wife Shirley is watching us right now—but I have never seen HOWARD METZENBAUM do a thing on the floor of the Senate, or in committee—and I serve on two committees with him—that ever helped HOWARD METZENBAUM directly or indirectly. He is interested in serving the public.

We use the term servant much too loosely. HOWARD METZENBAUM really is a public servant. And, in terms of courage—the only counterpart I can think, in terms of a willingness to step on toes, and I hope my friend from North Carolina will not object to this—but JESSE HELMS on the other side and HOWARD METZENBAUM on this side, have been willing to step on toes no matter whose toes they step on. I happen to disagree with Senator HELMS on a great many things, as does HOWARD METZENBAUM. But he has shown uncommon courage. We all know that.

If he has to offend the majority leader and the minority leader, and 99 Members of the U.S. Senate and even the Members of the Ohio delegation in the House, he is willing to do that. He has shown courage. And he has fought for people who are in need.

I, basically, believe as Paul Douglas believed, in this process of government the rich and the powerful can pretty much take care of themselves. Help the people who really need help.

HOWARD METZENBAUM happens to be a man of wealth. But he did not fight for the wealthy here. He fought for the people who really need help, to see that there was opportunity in this country. He has just been terrific.

I think it was Senator DOLE who just mentioned Senator METZENBAUM'S efforts in terms of stopping waste. I would just correct Senator DOLE. He said HOWARD METZENBAUM has saved millions of dollars. He has saved billions of dollars for the taxpayers. Being here at night when the rest of us are dog tired, and Senator WOFFORD or Senator WELLSTONE or Senator HARKIN or Senator KOHL or Senator MCCAIN were all just barely dragging along, this white-haired bulldog, if I can use Senator LAUTENBERG'S phrase, is there watching: What does that amendment do? He is in there fighting for us.

Then, finally—this is one of these things that is a subjective thing: He is genuine.

If there is a phony bone in his body, I have never seen it. We have been fortunate, indeed, Mr. President, to have a public servant like HOWARD METZENBAUM.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

HOWARD METZENBAUM—A MAN TO LOOK UP TO

Mr. WELLSTONE. Mr. President, I want to be very brief. There are other Senators waiting to speak, and I had a chance to preside and listen to many Senators speak from the floor of the Senate. I, at one point, wanted to, in my capacity as a Senator from Minnesota in the chair, just simply say I find myself in full agreement with what was said.

This may be the first decision Senator METZENBAUM has made that I disagree with, and if I could, I would try to talk him out of it. I would be less than honest if I did not say to Senator METZENBAUM, when I heard about this this morning, I was very disappointed because HOWARD METZENBAUM is somebody I really look up to. If I had a wish for the impact that I could make in the U.S. Senate, the imprint that I could leave in history, it would be to be a Senator in the HOWARD METZENBAUM tradition.

Let me give three examples, all very brief. When I first came here—and I will be very personal—it was not that easy a time. I took a position that turned out to be a minority position on the war. It was a very, very difficult time for me in the country.

HOWARD METZENBAUM came up to me and he said, "I want to talk with you," and we just sat down and talked. What he taught me then was when it gets to be very difficult, you have to have confidence in yourself; you have to reach deep within. That is who HOWARD METZENBAUM is. I think that is a lesson all of us need to learn, and I have never, never, never ever forgotten his—not courtesy—but his sensitivity and his friendship and that kind of strong support he gave me. That made all the difference in the world.

All of us know that it is the people who talk to you when the times are tough, the people who are your friends during those times, who are your really great friends.

The second point: One night late, Senator METZENBAUM was on the floor of the Senate—many Senators have commented on this—vigilant, making sure that amendments, whatnot, do not go through, really fiscally conservative, saving this country billions of dollars. I agree with Senator SIMON. I was presiding again. Someone came up to me and said, "Senator WELLSTONE, if you want to watch"—and this is a quote—"a great Senator in action, just watch Senator METZENBAUM out on the floor of the Senate."

HOWARD METZENBAUM has been and will be a great Senator. He is someone that I deeply admire. Obviously, many of his colleagues admire him from both aisles. I just simply would like to say—Senator SIMON said it better than anybody could—in the last analysis, Senator METZENBAUM—sometimes this is rhetoric, but in his case it really fits—Senator METZENBAUM has been the peoples' Senator. Senator METZENBAUM has been a U.S. Senator who has fought for the people. Senator METZENBAUM has been a strong voice for justice. Senator METZENBAUM epitomizes principle. Senator METZENBAUM exhibits tremendous courage, and he has really set the tradition for the U.S. Senate that I hope all of us, in whatever ways we can, live up to.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming [Mr. SIMPSON].

TRIBUTE TO SENATOR METZENBAUM

Mr. SIMPSON. Mr. President, I am pleased to see that my friend from Ohio is here in the Chamber. I do not want this to sound like a eulogy, although there have been times I thought I would like to give a eulogy or two for HOWARD METZENBAUM.

We have had what can only be described as a most fascinating relationship. When I came here, I had a deep suspicion of him, and I think he shared a similar suspicion of me.

I do not think we have voted together 5 percent of the time in my 14 years here. But we have served together on Judiciary, and now on the Environment and Public Works Committee, and I have come to know him well. I have traveled with him and with Shirley. She is a magnificent woman. She is a steady, kind, compassionate woman. HOWARD and I both agreed many years ago that we had overmarried. That is very true. My wife, Ann, and Shirley are quite the evidence of that.

But we worked well together, even though we had some volatile incidents early on. I recall once when we were in a spirited exchange, utilizing the most earthy of terms. The media witnessed all this, and saw that our faces were red, and our neck muscles were bulging. As they came toward us HOWARD said, "Here they come. What do we do?" I said, "I don't know. You have been here longer than I have." He said, "Well, let's make baseball the topic by the time they get to us," and by the time they got to us, that is what we were talking about.

He works hard. He is a steady legislator. When you are in combat with him, you want to be absolutely prepared. He will be fully prepared, committed, and knowledgeable. I have never seen more determination in a man. We have scrapped. I have won some; he has won some; and we have worked to craft compromises. But the greatest indicator of trust—and I shall never forget it—was shown when we were laboring on the illegal immigration bill. HOWARD METZENBAUM, my friend—and I call him that with great sincerity—came to me and said, "You have worked long and hard on this. You are going to conference. I will try to get by whenever I can, but when I cannot—keep this proxy in your pocket, and I am ready to help."

So you can imagine the power I had in that conference. Every time it would get a little testy, I would just whip out HOWARD METZENBAUM'S proxy and I would say, "What do you chaps think of that?" Well, our House colleagues thought a lot of that. That got them back in their holes. That bill was a great ride.

I have never seen Senator METZENBAUM posture much on issues. You can disagree with him—in fact, there have been times—often late at night, when the entire Senate has disagreed with him. But he is a man who sticks to his principles, even when he himself has sometimes been the issue. He does his work to the very best of his ability.

When the day comes that I begin to look at my own Senate career in retrospect, the best memory will be having the privilege of serving with people of principle—colleagues who really "stuck to their guns" and "fought the good fight," even when they knew they would lose. Those are values that I have been able to observe as being consistently manifested in the outstanding Senate career of my friend, HOWARD METZENBAUM.

So, to my friend, you can expect that I and my colleagues over here will continue scrapping with you right down to the last hours of this Congress.

But it has been a very splendid experience to have come to know you, to work with you, to travel with you, to legislate with you, and to come to know your wife, Shirley.

I wish you well and look forward to your vigorous participation in the months to come. That is the way you have always done your work and always will.

So I commend you and wish you well in all of life's endeavors.

Mr. WOFFORD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania [Mr. WOFFORD].

A SALUTE TO HOWARD METZENBAUM

Mr. WOFFORD. Mr. President, I have not been here long, but I have known about HOWARD METZENBAUM for a long time. So it was a special pleasure for me to get to know him and Shirley and to have this chance to serve with him at his side, seeing the fruits of his victories and his defeats, but seeing him lead the charge on the barricades.

As Secretary of Labor and Industry in Pennsylvania, I experienced one of the effects and felt the effects of one of his victories: The passage of the Federal plant closing law. I saw come true one of his prophecies: That in a little while, business and labor and communities would discover that it was good to give advance notice, it was good to work together to deal with the crisis of a plant closing, and it was a law that would be seen as a law for the common good. And I saw that recognition spread around Pennsylvania, as that law went to work in Pennsylvania.

So I salute HOWARD METZENBAUM for his past battles, but I also want to promise that I hope to be at his side in the battles to come in the next 18 months, because the best gift we can give HOWARD is some more victories along the way. And in these 18 months, we can help bring about success in the causes that he gives so much for: The passage of OSHA reform, of Hatch Act reform, of prohibition against permanent replacements in a strike, and the next main order of business where I feel honored to be working together with him, the enactment of comprehensive health care reform that makes high quality, affordable health care a reality for all Americans.

It is said that we are supposed to govern in prose but we can start our campaigns in poetry. I would say today that this is an occasion of governing where at least one more line of poetry might be in order: HOWARD, when the forts or folly fall, they will find you bravely by the law.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa [Mr. HARKIN].

THE CONSCIENCE OF THE SENATE RETIRES

Mr. HARKIN. Mr. President, I join with my friends and my colleagues in marking this very sad day because the conscience of the Senate is retiring.

HOWARD, I know that you want to spend more time with your family. Certainly your loss is their gain, not only Shirley but Shelly and Barbara and Susan and Amy, and all your grandkids. I heard about this this morning when I was chairing a hearing. I could not believe it.

I went back to my office. There was a note there. Evidently someone had called my wife and told her. There was just one message, and it said, "I thought you said he was going to run again."

The reason I said that was because we just last week, Mr. President, had a battle in getting a reduction in cuts in Medicare on reconciliation, helping the poorest, the elderly to make sure they did not bear the brunt of the cuts we are making to get our deficit down. I worked with HOWARD a couple weeks on that, and there was the old flash. That old fire was there again. And I told Ruth, I said, "HOWARD is in there again. He is in there doing it again." And I said, "Boy, I tell you, it was so great what he did on that to make sure we prevailed."

So I was very shocked to hear that, very sad.

Mr. President, I think it is fitting perhaps that the announcement comes on a week when America is gearing up to celebrate the Fourth of July because no Member of this body better represents what it means to be an American than HOWARD METZENBAUM, to represent what it means to have freedom.

He was not born with a silver spoon in his mouth. He worked hard all his life, a self-made businessman. But then when he made it to the top in business, when he could have retired comfortably, lived well, he rededicated himself to making sure that others had the same opportunities he did.

I have often said, Mr. President, it seem that around here we have two groups that always talk about economic opportunity. There are those—and I put perhaps former President Reagan and some of the people around him in that category—who always tell you about going out and making it; it is the American dream. Go out and work hard, save and everything, and you will make it in American. But what they say in all their actions and in the laws they want passed is go ahead and make it, but when you get to the top pull the ladder up behind you.

Then there are those of us who believe that, yes, you ought to work hard in America, take advantage of opportunities, study hard and make it to the top, but we want to make sure that when you make it to the top you leave the ladder down there for others to climb, too.

That has been HOWARD METZENBAUM'S legacy. He has always made sure that the ladder was left down there for others to climb, that others had the kind of opportunity.

One of my favorite stories is about Hubert Humphrey. It seems, HOWARD, that 1 day Humphrey was playing with his grandkids, and of course he was always telling his grandkids about being a Democrat, they had to be a Democrat, what the Democratic Party meant. It was his 60th birthday. Hubert was playing with his grandkids on his 60th birthday, and one of his grandkids said, "Grandpa, how long have you been working for the Democratic Party?

Humphrey though a minute, and he said, "Oh, about 65 years."

And the grandkid said, "Well, Grandpa, you are only 60 years old. How could you have worked for the Democratic Party for 65 years?"

And Hubert said, "Easy; I put in a lot of overtime."

Well, HOWARD METZENBAUM has put in a lot of overtime, I can tell you that, a lot of overtime, not just for Democrats but a lot of overtime for the working people of this country, the little guy.

I do not mean that in any kind of a gender connotation. The little person in this country, whether it be a small businessperson on Main Street, the union person about to lose his job or her job, maybe it is the woman out there who in dire circumstances has found herself AFDC, nowhere to turn. These are the people who have always been foremost in HOWARD METZENBAUM'S mind. He has put in a lot of overtime for a fair and just society and for dignity and respect for working people.

I went back to my office. I thought how many things could I, in just a few minutes, dictate to put down on a piece of paper he has fought for here on the Senate floor. And this is not exhaustive. It is just what I came up with in just a few minutes: Fighting against price-fixing; fighting against plant closings where they did not notify their workers when they were going to close a plant; fighting against strikebreaking legislation; fighting the mandatory retirement issue; sticking up for whistleblower rights; food labeling; poultry safety; pension protection; insurance and consumer banking reform;

infant formula regulations; antitrust bills; point man on the Brady bill; restructuring the thrift industry; publicly exposing tax breaks and special provisions.

As my friend from Minnesota just said, when it comes to the end of a session and there are always these little things tried to be slipped through, there is one person who is the guardian of the public interest, and he is here. I swear, whether it is 1 in the morning, whether it is a Saturday or Sunday, at the end of the sessions when people try to slip those little things through, I have always felt good because HOWARD METZENBAUM was here guarding the public interest.

I do not know who is going to pick it up after he leaves, but somebody better because, I tell you, as someone said it is not millions, it is billions of dollars he has saved the public, billions of dollars he has saved the public, by being here and guarding the public interest at the end of a session.

So, as far as I am concerned, he is a Democrat's Democrat. Nobody has done more to keep the progressive cause alive. He founded the Coalition for Democratic Values, to fight for progressive values in our politics and our policies.

HOWARD recently celebrated his 50th year in politics. Not many knew that. He entered the Ohio Legislature in 1943, the Ohio House.

One time after a session here—I forget what the issue was, but it was one in which HOWARD had held forth for a long time on the floor of the Senate—someone asked me if America still needed a HOWARD METZENBAUM. My answer then is my tribute to him today: As long as one worker is in danger of losing his job, as long as one handgun threatens our children, as long as one judge threatens to take away a woman's right, so long as powerful economic groups push their way around, then so long will America need a HOWARD METZENBAUM.

Hubert Humphrey once said that "Public and private endeavor ought to be concentrated on those who are in the dawn of life, our children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the disabled." Nobody has lived up to that credo better than HOWARD METZENBAUM.

So our loss is Shirley's gain and his children and grandchildren. He has left his mark and made this country a better place. I know we have not heard the last from him. As my friend from Wyoming said, "It sounds almost like a eulogy." Well, those of us who have gotten this news feel very sad today, but I think we take heart from one thing. HOWARD METZENBAUM will be here for 18 more months. Eighteen months in the Senate for HOWARD METZENBAUM is at least the equivalent of one full term for anyone else in the Senate. So the way I look at it, we still have HOWARD at least for one more term.

Mr. President, I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan [Mr. LEVIN].

A GENUINE PATRIOT

Mr. LEVIN. Mr. President, I was hoping against hope that Senator METZENBAUM would not retire. He and Shirley have been such great friends to Barb and me for so many years that when I first came here he was a role model for me, as somebody who had courage and guts and who would stand up for things he believes in, sometimes step on toes—never personal, never petty, always for principle, always for causes in which he deeply believes. Those causes are genuinely American causes, causes that are rooted in our Constitution and in our history. He has fought as hard as anyone I know in the Senate, anyone I think I ever could know in the Senate, for those principles. He is a genuine patriot; he is a great American; he is a great Senator; and I am going to very much miss him.

Frequently, I am asked is it possible to vote your conscience around this place and still get reelected. It is kind of the critical issue we all face because there are times when each of us reach a conclusion as to what is best for our Nation, our State, and that conclusion might not be a popular one back home at the moment.

We all face those kinds of questions around here. It is the kind of question they ask in government classes and civic classes all the time. It is a fascinating question as to what our role here is, as to whether we are here to represent what might be popular back home at the moment or what we think in our conscience is best for our people, after listening, after being accessible, after being open, after thinking, after struggling with our conscience. Are we really here to be polltakers, or are we here to vote for what we honestly believe is best for our people, be it popular or not at the moment?

HOWARD METZENBAUM, as much of any of us, is not pure, as he was the first to point out. But as much as any of us around here, HOWARD METZENBAUM has proven, No. 1, that the best Senators are those who really vote for what they believe is best for their Nation and their State, whether it might be popular or unpopular at the moment, because those poll numbers go up and down, but what is best. That is our fiduciary duty. That is the oath that we take, to do what we believe in our conscience is best for our State and our Nation, and if that means defeat at the next election, so be it. That is what elections are for.

But HOWARD is proof that you can both be conscience and win reelection. That is reassuring, I think, to a whole bunch of future officeholders that will sit in the seat that he now occupies. I have been privileged to sit next to him in that role for a number of years and always do feel a kindred spirit in HOWARD METZENBAUM. He has been an important model for many of us who worry about whether or not we might be stepping on toes of friends. None of us like to do that. But so long as you do it with the kind of spirit that he has brought to the Senate, which is never personal, never petty, always principled, I think that everybody understands the Metzenbaum spirit, wants to emulate it, admires it on both sides of the aisle.

I associate myself with the comments of my good friend from Wyoming because I know that he does speak for everybody here, both Republican and Democrats, in saying there were times when we were the victim of the principles that HOWARD METZENBAUM espoused, that we admired him even at that moment, and maybe particularly at that moment, as someone, who is so good a friend and so great a man, who would stick to his principles even when that meant that sometimes we were on the receiving end of those battles.

So we are happy for Shirley and his family. We are not at all happy for the country or for the Senate. But for me and Barbara personally, we wish HOWARD METZENBAUM the best of luck and look forward to 18 great months and many, many years thereafter.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

TRIBUTE TO SENATOR HOWARD METZENBAUM

Mr. EXON. Mr. President, I was not intending to come to the floor for this purpose, but when I came on the floor and saw my great friend, HOWARD METZENBAUM, sitting there, I suspected that his colleagues were using this opportunity to express gratitude for what he has done for all of us here in the Senate, to say nothing of the respect that we have for him for the great job that he did in representing the State of Ohio.

When I heard at the caucus today that Senator METZENBAUM had decided to retire, my heart kind of sank because I guess probably he did not know or appreciate fully how much he is admired and loved by his colleagues. My heart kind of sank because I thought here is another great one of the U.S. Senate that has decided it is time for him to go on to other endeavors.

I say this from the bottom of my heart. I want him to know how much I respect him and admire him. I have listened to some of the other very eloquent comments by my colleagues here today. I cannot match those. I just want to say that, from a standpoint of philosophy, from a basic approach, possibly, to some of the important issues of our times, if you look at the voting record, you will see that this Senator from Nebraska has been on the conservative side of the voting, if there is such a thing, and my great friend from Ohio has been on the liberal side.

I have always admired him because I thought, more than anything else, he had an image of a fighting Democrat liberal doing the right thing always for what he believed in to represent his people and his State that have been so good to HOWARD METZENBAUM over the years, and I say to all he has been very, very good for them.

But more important than that, I want to say that I do not recall, Mr. President, even though you would not think that HOWARD METZENBAUM and Jim Exon come from the same strain of the Democratic Party, I do not recall an issue in 15 years that I have been here—and Senator METZENBAUM was here before I came—I do not remember that we ever clashed in debate on the floor of the U.S. Senate, which I think is somewhat unusual because I have clashed on the floor of the U.S. Senate with people on that side of the aisle and with people on this side of the aisle.

I have never seen a time when I thought that HOWARD METZENBAUM cast a political vote. I have seen him stand there like a rock, or as my friend JOHN WARNER describes people from time to time, like Stonewall Jackson, defending the very principles that are embedded in him because he is so real, he is so unselfish, and he is so dedicated to helping mankind that I have always admired him greatly.

We are going to lose the conscience of at least the Democratic side of the U.S. Senate when the Senator from Ohio walks out of here for the last time in a year and a half from now. I do not look forward to that time. I simply say that, as a friend of his, there is no one in this body, I think, who has had more respect for him and what he stands for, his determination, his standing right there, as Senator HARKIN said, on many, many occasions when things were being rushed here and putting up a hold on this or that. I remember two or three times when he put holds on some measures that I was trying to get through. I remember on each and every one of those two or three times, when I could get his attention and when something was being introduced, we would sit down and I would explain my proposition to him, and every time he said, "That is all right, Jim, You are trying to do the right thing, and I support you."

I never remember ever, where I felt that he treated me or anyone else unfairly in this body. And for one that has been here now for this, my 15th year, he is the conscience of the U.S. Senate, at least he is the conscience of those of us on the Democratic side of the aisle.

If I might pay one more tribute to Senator METZENBAUM that I have thought of often—when I had the opportunity to serve, Mr. President, my State of Nebraska as Governor, I appointed more judges than any Governor in the history of the State of Nebraska. I always used a measuring stick when I came down to make the decision as to which person I should appoint for these judgeships. And the end measuring stick then, as Governor, and the end measuring stick here when I am required to vote yea or nay on appointments to our court systems, I have always asked myself: If I stood in front of that man or that woman who is a judge and if they were judging me as to whether or not I was guilty or not guilty for whatever I am accused of doing, I would always ask myself, is this an individual that I, as the appointing officer, was standing in front of rather than over, so to speak, with regard to whether I am going to select that individual or vote in support of that individual—the question was would I feel that this individual would be fair in the assessment and judgment of myself appearing before them?

I know the distinguished career quite well of Senator METZENBAUM. I know he is a lawyer. I do not know whether or not he ever served as a judge. But I guess maybe the highest compliment in all sincerity that I could pay Senator METZENBAUM is that he is the one, he is the type, that seems to me would be the acme of what I have just described, as my thought processes were in appointing someone to a court. If I appeared before them, would I be judged fairly? My answer is that if I ever had an opportunity to vote for you for a judgeship, you would be the very typical case, someone with the highest respect, in whom I would have respect, I think, whether under such circumstances as I outlined, you would judge me guilty or not guilty, because I felt that you would give me a fair shake.

You have given the people of Ohio a fair shake. You have given those who had the opportunity to serve with you in the U.S. Senate a fair shake, and we are looking to the continuance of that for the next 18 months. And then it is time to say: Farewell, my good servant and faithful friend. You have made a great impression on all of us here in the U.S. Senate, and we were proud to have served with you.

SENATOR METZENBAUM'S DEDICATION TO PRINCIPLES

Mr. McCAIN. Mr. President, I would like to join with my colleagues who have spoken, and those who have not, in praising Senator METZENBAUM's service to this body. We admire his dedication to his principles, and we especially admire his intricate knowledge of the parliamentary procedures that rule this body and his ability to move forward his agenda with that intimate knowledge and detailed study not only of the issues, but the parliamentary procedures surrounding them.

We wish him and his family every success, and we will be seeing a lot of him in the intervening 18 months. I think it is entirely appropriate, and I know I speak for all of the Members on this side of the aisle in wishing him every success.

HOWARD METZENBAUM

Mr. JEFFORDS. Mr. President, I am caught somewhat by surprise by my friend and colleague HOWARD METZENBAUM's announcement of his retirement.

Most of what I might say about HOWARD has already been said. He is a tenacious man, greatly admired by those who agree with him, and perhaps a bit less admired by those who disagree with him.

That pretty much describes the universe. Whatever else he might be, HOWARD is not bashful. You know where he stands, and seldom does he stand for equivocation.

But seldom does he stand still. I am amazed at the variety of issues on which he has pursued and prevailed. When he was on the Energy Committee, now on Environment, on Judiciary, and on the Labor Committee where we serve together, he has attacked issue after issue, seeing them through to completion.

While it is far from over, I will treasure our time together on the committee. It has been one long lesson for me in perseverance. On many issues we have agreed, and I have counted myself lucky to have him as an ally. On some we have disagreed, and I have considered myself unlucky to have him as foe.

I served as ranking Republican on the Subcommittee on Labor over these past 4 years. I must say, we had many times where we had some battles, battles royal. But, also, I found him willing to compromise. On issues where we could see commonality, we, I think, came forward with good legislative improvements. On the other hand, on other issues, I was with him most of the time. We had some good battles in the East-West confrontation about grazing fees and other matters of similar nature wherein we tried to do the best to defend our interests in the East of this country. We had a common understanding of the validity of the arts as a proper function of the Federal Government, to ensure that all our young people in particular have an opportunity to participate in training for the arts; defended the Endowment for the Arts when it was under attack and did so with vigor, both of us. He was a tremendous ally to have in those endeavors.

Some people will not regret his leaving, some witnesses in the Labor Committee for example. Businessmen will not miss being told by a former businessman how they should be running their businesses.

But I will miss him. HOWARD METZENBAUM has been good humored, straightforward, and principled in all of our dealings. His heart and his goals have always been in the right place. And his commitment to serving the public has been unshakable.

I will miss HOWARD, and I think the Senate will miss him as well.

A TRIBUTE TO SENATOR HOWARD METZENBAUM

Mr. THURMOND. Mr. President, in my many years in the Senate, I have come up against some remarkable people, and one of the most remarkable has certainly been my good friend HOWARD METZENBAUM. We have served together for a long time, and while it is an understatement to say we often disagree, I have come to respect him deeply, and to value his friendship.

HOWARD METZENBAUM has been an untiring Representative for the people of Ohio, and for the causes he holds dear. He is a fierce opponent, a sought-after ally, and an individual who never gives up. The American people—and his Senate colleagues—have come to know him as a man of character, courage, and compassion; a hard worker; and an advocate for those who often have no other champion.

I respect HOWARD METZENBAUM as an honorable man with strongly held beliefs. I like him because he always knows what he is talking about, and never loses his sense of humor. We have worked together on the Senate Judiciary Committee during many historic nominations and issues, and I have always found him to be a man of his word. Our discourse, over the years, has been spirited—to say the least—but it has always been conducted with mutual respect. I shall miss him when he retires. This place will not be the same without him.

THE COMPROMISE BUILDER

Mr. DECONCINI. Mr. President, I rise in respect of, and with the deepest friendship I can express for the retiring Senator from Ohio [Mr. METZENBAUM]. He and I came to the Senate—actually his second time to the Senate, my first—in 1977, and we became good friends both with his wife and my wife and our families. We have enjoyed a professional relationship. We come from different backgrounds from the standpoint of business. Senator METZENBAUM was a very successful businessman in Ohio and a community leader. I cannot claim that success as a businessman, although things have been very good for me in that area. But I can claim some involvement in community projects over the years.

And yet, when we came to the Senate together, we immediately found ourselves at odds on some important issues before the Judiciary Committee. In a sincere effort, time and time again, the Senator from Ohio demonstrated his very high intellect, his capacity to understand, and how to make something work. Sometimes, I must say, at first I might have had some misimpressions that the Senator was bombastic or confrontational.

Quite the contrary. The Senator from Ohio [Mr. METZENBAUM] approached things with a strong feeling. He had a will to try to impress upon you that strong feeling. But he had an understanding, a fundamental understanding that Government needed to find a compromise, and that there was a compromise if people would work in good faith. He and I worked out a number of compromises. A couple of times perhaps we did not. Time and again he offered an approach that I might feel was a little bit extreme; I offered an approach that he might have felt the same way, and we would sit down. Sometimes the staffs could work it out. Often it would be the Senator and myself.

But what Senator METZENBAUM taught us—taught me at least—and I think is an example, is that you must speak up for what your beliefs are, even if they are not popular back home at the very moment. Senator HOWARD METZENBAUM has done that for the 17½ years he has been in this body. Though he can find a way to be effective in passing legislation, he also has not forgotten the principle to keep in mind what you believe in and to be sure that your opinion is well expressed, well thought out, and then deal with legislation before you.

I am going to miss HOWARD METZENBAUM, but I am glad to know that friendships are developed in this body that go on after one leaves office. I only wish he and Shirley and his family real retirement in the sense of their peace of mind and happiness to enjoy themselves, and the prosperity which I believe they have. They are very wealthy people because they have a family and grandchildren to enjoy life with, and they have each other.

I know that our friendship will continue because I know the Metzenbaums well enough to know that the office in itself is not what makes a man or a woman; it is the kind of being you are inside. Senator METZENBAUM is an exemplary human being who has tenderness and affection, and yet knows how to fight for his principles. So I commend him on his long service.

I thank him for his friendship, for what he has done for this country. I know during the next 18 months he will continue to be a leader.

I want to thank my friend from Montana for yielding to me a couple of minutes.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

HOWARD METZENBAUM TRIBUTE

Mr. REID. Mr. President, Oliver Wendell Holmes wrote, "I say to you in all sadness of conviction, that to think great thoughts you must be heroes as well as idealists." Senator METZENBAUM is both a hero and an idealist, and it is with sadness that I learn of his departure from the Senate.

HOWARD METZENBAUM has been a hero to the downtrodden, to those who don't have enough, to those seeking justice, and to all Americans, no matter their station.

He is a man of principle who never backed down from the hard fights. It was not popular to be a liberal over the past 12 years, but HOWARD METZENBAUM never worried about his popularity. He was never ashamed to stand up and champion an unpopular cause.

The underdog could always count on HOWARD METZENBAUM. The guy who was out of work, the senior citizen who needed help making ends meet, the child who needed more to eat could all count on him. He never let them down. He didn't always win, but he always fought.

It is the spirit of this man of conscience that I will miss most. He has been an inspiration to all those who aspire to do the right thing in Government. We have not always agreed on every issue, but I respect his tenacity and his courage.

We all owe HOWARD METZENBAUM a debt of gratitude for his leadership. He is admired by even his enemies. If you are going to engage him in debate, you had better be well prepared.

He is truly one of the great heroes of our party, of the Senate, and of our time.

SENATOR METZENBAUM'S COMBINATION OF SERVICE AND DOING

Mr. BAUCUS. Mr. President, I join my very good friend from Arizona, Senator DECONCINI, in paying tribute to SENATOR METZENBAUM.

Mr. President, I believe that the most noble human endeavor is service—service to family, service to friends, service to community, service to one's God, service to State, service to Nation.

I also believe that, regardless of whether it is private service or whether it is public service, that there are two classes of people. One class is that of the be-ers, people who like to be something. They like to be a Senator, they like to be President, they like to be head of an organization, they like to be something. The other category is the doers. They like to do something. They want to make something happen. They want to be effective.

I can think of no one who better combines service with doing something than HOWARD METZENBAUM.

I wish that everyone could see the way HOWARD METZENBAUM and his wife, Shirley, love each other. They are constantly together. They do things together. They help each other out. They support each other. The glow when they are together. For HOWARD and Shirley Metzenbaum, the honeymoon has lasted for many years.

Moreover, HOWARD METZENBAUM is the quintecentral family man. Over the years his commitment to the Senate and to the people of Ohio has in no way lessened his commitment to his children and grandchildren.

The same is true with his God and his religion. HOWARD is a man of admirable, faith.

HOWARD METZENBAUM constantly wins elections and reelections by very large margins. He does so by being outspoken, by being effective and standing up for what he believes in.

What does HOWARD believe in? HOWARD METZENBAUM believes in people. He believes in the little guy. He believes in the average person. More than anything else, HOWARD METZENBAUM knows the difference between right and wrong.

If something is wrong, he fights against it. If something is right, he rights for it. For HOWARD, what is right is to assure that the average person, whether he or she lives in Ohio, or anywhere else in this country, is treated fairly, and is not taken advantage of.

I can tell you, Mr. President, I can think of no one for whom I have more admiration or higher regard, or is more of a role model for what is really right in life: the basic values in life of love, decency, and standing up for what you believe in.

A lot of people in the State of Ohio do not agree with HOWARD'S position. They think perhaps he is a little too confrontational or a little too outspoken, but they vote for him. They vote for him because they trust him. They trust him because he says what he thinks and believes.

Why else do they trust him? They trust him because they know he is working for them. He is working for people. He is working to help make their lives better.

Mr. President, the State of Ohio the Nation and this body are going to sorely miss Senator METZENBAUM when he retires.

But we know that whenever he does, wherever he is, he is going to be working as hard for those basic values in life, and he will continue to be an example for us all.

I wish him, and I wish Shirley, his children, and his grandchildren the very best.

SENATOR METZENBAUM

Mr. NUNN. Mr. President, I know there are others who want to speak to the announcement by Senator METZENBAUM. but I would like to identify myself with all the remarks that have been so apt in describing his terrific contribution to this body. He has been a person I have voted with not very often. But I have always admired and respected and always benefited from hearing him and his views. He brings a perspective and a sense of courage and a sense of integrity to this body that will be sorely missed when he retires. But I know we are going to have him quite a while longer and we are all going to be blessed by that.

I also admire very much the priorities he has in his own life and his obvious love for his wife, Shirley, who we all know and love, and his fine family.

So I wish you, Senator METZENBAUM, the very best.

SENATOR METZENBAUM

Mr. WARNER. Mr. President, I would like to add my voice to the many voices who have spoken today on behalf of our distinguished friend and colleague from Ohio who has shown his usual capacity for great and true incredible wisdom, and made a tough decision. It is a decision all of us face at some point in time in our careers. I will not give a long speech but I want to come right directly to it.

How will I remember the Senator from Ohio? As the individual who would stay here way into the night, 2, 3, 4 o'clock in the morning. Senator NUNN and I would manage the authorization bills, check on those amendments. He was the honest broker who kept us honest. And no matter how much flexibility the managers of a bill may have from time to time, certainly in those instances where my colleague was present I think my distinguished friend, the chairman from Georgia, would agree with me we were very cautious and careful.

Also, Mr. President, the Nation is now considering a very serious issue and that is the service of gays in the military. I remember it was the Senator from Ohio who first addressed the Chamber about the importance of that subject. It was his intention to move on it last fall but we were able to persuade him that more time, more analysis had to be done. The Senator reluctantly but I think wisely acceded to that request rather than trying to have that completed last fall.

So I salute my good friend and his lovely wife, with whom I shared many happy occasions in our Senate life. I wish you well. I commend you for the strength of your wisdom to make this tough decision at this time.

Mr. METZENBAUM. Mr. President, I thank my good friend from Virginia for his very kind remarks. I am very grateful.

Mr. WARNER. I wish you luck.

SENATOR METZENBAUM

Mr. BIDEN. Mr. President, I want to speak to the Senator from Ohio for literally just 2 minutes. I have served in the U.S. Senate now going on 21 years. I have had the benefit of, in that long duration, serving with some of the great names in the U.S. Senate. I have also had the benefit of observing how lobbying groups and interest groups, left, right, and middle, influence the process, as they have a right to under our process in this body.

But I have never met in my years in the U.S. Senate, any U.S. Senator who feels as strongly about some of the most controversial issues that have come before this Nation and before this body, who nonetheless has never once in my observation been cowed by, had his opinion altered by, been intimidated by, changed his view by—any lobbying, any influence, any attempt to apply pressure.

There are very conservative Senators who would no more take on some of the conservative groups than fly. There are very liberal Senators over here, none of whom I have ever observed to be willing to take on liberal interest groups. Conservative Senators seldom ever have the courage to take on conservative interest groups; liberal Senators seldom ever take on liberal groups.

This is the only man that I have served with who is the darling of the left, who, when he thinks they are wrong whether it is a women's group, a black group, a Hispanic group—any of the groups with whom I vote mostly all the time, and he does—has looked them straight in the eye and said: You are wrong. I am against you on this. And come to the floor.

I do not know of any other Member of the Senate in the years I have been here, who has been—sometimes as strident, always as forceful, and totally with conviction—who has been willing to take on those very groups with whom he most often agrees when he thinks they are wrong on some of the most inflammatory, controversial and divisive issues in the Nation.

HOWARD—if you will excuse the personal reference—I truly admire you. You have known that for a long time. Because I think you have such incredible integrity politically. I just want to say that. I realize that is not as flowery as others have been. But I want to tell you something, it is a trait that I admire more than you will ever know. I think it is a trait the Senate is about to lose because we have a tendency to elect people, myself included, to this body, who get elected by groups—I do not mean interest groups per se—by points of view. And even when we disagree with them we are very reluctant to say so, for fear it will be used in ways unrelated to our own personal political gain or political loss; that will undercut the overall cause or it will, whatever—1,000 rationalizations.

You are the only person with whom I have served—it would not matter whether the Lord Almighty disagreed with you. It would not matter whether it was your family, whether it was—whatever. If it was a principled position with you, you took it, you stood by it, you fell or rose on it, you made no excuses about it.

Senator METZENBAUM, that is an incredible, admirable trait in a human being whether or not they are in politics. I am lucky to have had the opportunity to serve with you and I am going to miss you a great deal for that trait above all else. I yield the floor.

RETIREMENT OF SENATOR HOWARD METZENBAUM

Mr. DURENBERGER. Mr. President, I rise today to pay tribute to my friend and colleague HOWARD METZENBAUM.

Senator METZENBAUM and I did not always agree on all the issues. But there are few people with whom I have served in the U.S. Senate that I have admired as much as my distinguished colleague from Ohio.

I have had the pleasure of serving with HOWARD METZENBAUM on the Labor and Human Resources Committee for a considerable period of time now. And I can tell you from personal experience that there has been no stronger voice for the American worker in this body than HOWARD METZENBAUM.

HOWARD METZENBAUM knows what he believes in. And he always stands up for what he believes. He fights for the downtrodden, for minorities, for women, for the disabled, for the elderly.

Throughout his Senate career, HOWARD METZENBAUM stood tall for all Americans—for rich and poor, white and black, male and female, young and old. He was a powerful, persistent voice for justice in the U.S. Senate.

Senator METZENBAUM, I will miss serving with you. You are a great Senator, and a great American. And while we have had our differences over the years, I have only the highest respect for you.

I have learned many lessons from your outstanding record of service in the Senate—commitment to excellence, dedication to service, and belief in a cause no matter how popular or unpopular it may be.

I look forward to continuing to serve with you for the next 18 months. And I wish you the very best in your retirement.

Mr. MCCAIN. Mr. President, I ask unanimous consent to address the Senate as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TV MOVIE ON ROBERT GARWOOD IS MISLEADING

Mr. MCCAIN. Mr. President, last night ABC television broadcast an entirely fictional account of the life of Robert Garwood. Robert Garwood was a Marine Corps private who, while serving in Vietnam, was either captured by or defected to the enemy in 1965. The producers of the movie, "Private Robert Garwood: The Last POW?," may have thought that they were creating a drama which had some basis in fact. But other than the fact that there is a Robert Garwood who spent nearly 14 years in Vietnam, the movie adaptation of the curious life of Robert Garwood bears little resemblance to reality.

In the film, Garwood is depicted as a young Marine who, after capture by the enemy in 1965, exhibits an indomitable will to survive and return home. This fierce determination to go home leads him initially to attempt two unsuccessful escapes. Garwood is then joined in captivity by first one, and then a second American POW. They make a solemn pact with one another to do everything necessary to ensure that at least one of them returns home some day. Garwood learns to speak fluent Vietnamese in 2 months, makes himself generally useful around the camp, and attempts to avoid upsetting his captors but never to the extent that he violates the military code of conduct.

In 1967, according to this film, his Vietnamese captors cynically promise Garwood an early release. They renege on this promise. Soon after, one of Garwood's fellow prisoners succumbs to mistreatment. After the death of his close friend, Garwood is portrayed as even more determined to survive his captivity. More American POW's have joined Garwood by this time. Garwood is segregated from and treated differently than his fellow POW's. According to the script, this unusual arrangement exists because the enemy fears that Garwood's facility with their language would enable him to translate for his fellow POW's their guards' private discussions.

Garwood is then shown interviewing his fellow POW's, not to extract information from them or to propagandize, but to advise them not to trust their captors and on other matters related to their survival. Garwood is shown stealing food and taking other risks on behalf of his comrades. The fact that he has been observed carrying a rifle is casually dismissed in the film by the assertion that the weapon was unloaded.

The film places the blame for the death of another prisoner on all the other POW's except Garwood. Enraged by their carelessness, Garwood heaps abuse on the other POW's, strikes one of them, and promises to hold him responsible for the death of his friend.

In response, the POW's inform the Vietnamese that Garwood has been stealing food. For this crime, Garwood is marked for execution. He is spared only because a bombing raid on the camp killed the other prisoners, and Garwood is moved to a prison in North Vietnam.

In 1973, after the United States has withdrawn from Vietnam and the American POW's have been released, Garwood is shown being told that he will not be released until relations between the United States and Vietnam are normalized.

Following that disappointing news, Garwood is sent to a prison camp outside Hanoi where he is required to work as a truck mechanic. In 1979, he persuades his guards to drive him into Hanoi, allow him to enter a hotel occupied by Europeans to purchase liquor, cigarettes, and candy for his guards. While there, he manages to slip a note asking to go home to an American, whose presence in Hanoi is left unexplained.

The Vietnamese are then forced to release Garwood to the Red Cross, and he returns home only to be court martialed and convicted unfairly for collaborating with the enemy and assaulting a fellow POW.

The film ends with Garwood addressing a rally of POW-MIA activists, claiming that other Americans remain imprisoned in Vietnam, and he will not rest until they too come home.

Mr. President, to say that I was outraged by this film is a gross understatement. I hardly know where to begin in identifying the lies and distortions which comprise the entire substance of this movie. Garwood's story has already been so thoroughly discredited by his fellow POW's, that I normally wouldn't bother to respond to absurd Hollywood fantasizing about the life of—and there is no other word for him—a traitor.

Two things compel me, however, to address this outrage today. First, the film's portrayal of Garwood's fellow POW's as fools, liars, unwitting killers, and informants is one of the most despicable calumnies I have ever had the misfortune to observe. Those POW's kept faith with one another and with their country. Garwood did not. They did not betray Garwood. Garwood betrayed them. This disgusting outrage cannot stand unchallenged.

The producers, director, writers, and actors, indeed, everyone associated with this movie, including Garwood who served as a consultant, should be eternally ashamed of themselves for knowingly participating in this lowly attack on the character of the brave men who served their country faithfully under difficult circumstances, and who had the misfortune of suffering for their country in the presence of Robert Garwood. That they should have to endure this new indignity is unconscionable.

Second, it has come to my attention that Garwood intends to return to Vietnam next week where, no doubt, he will again allege that he had seen other Americans in captivity in Vietnam after the war's end. Reportedly, another ABC production, "20-20," intends to film his gallant return to Vietnam.

It is important to note, Mr. President, that Garwood never offered this information to the U.S. Government or to his own attorneys until 6 years after he returned home. Nevertheless, several investigations of Garwood's allegations were undertaken by U.S. intelligence services. None of them found any evidence to substantiate his claims. None of his live sightings have ever been corroborated by other witnesses.

Mr. President, what were the real circumstances of Robert Garwood's long residence in Vietnam? For that we must rely on the testimony provided by real heroes, the American POW's who witnessed and suffered from Garwood's betrayal.

This is what we know of Garwood's 14 years in Vietnam. On or near September 28, 1965, Pvt. Robert Garwood disappeared from Da Nang, South Vietnam. There are conflicting reports about how or when he disappeared. He was reported to have been captured in firefight with Viet Cong forces; kidnapped from a brothel; ambushed on a road outside of the Da Nang Air Force Base; got lost on a road off base and surrendered to the enemy; voluntarily joined enemy forces. We do not know, and may never know which, if any of these reports is accurate.

What we do know from the sworn testimony of returning POW's is the following: Garwood never appeared in a POW camp until several months after his disappearance; Garwood made written propaganda letters for the enemy just 3 weeks after arriving in the camp; Garwood enjoyed unexplained absences from the camp for days, weeks, and even months; he wore the uniform of the North Vietnamese Army; he accepted a lieutenant's commission in the North Vietnamese Army; he took up arms against American forces; he refused repatriation to the United States; he carried a large hunting knife; he used a bull horn to encourage American soldiers on the battlefield to surrender; and he made radio broadcasts for the enemy which were heard by my fellow POW's held in Hanoi.

We received all of this information from returning POW's who knew Garwood, including five who were returned early in 1968 and 1969, and from South Vietnamese POW's who were released from camps where Garwood was seen. The Vietnamese have corroborated their testimony, and have steadfastly maintained that Garwood was never a POW, but a willing volunteer in their cause.

Garwood and the Vietnamese admitted that he was involved in the black market and that he was able to purchase goods at the hotel frequently because he had freedom of movement. These are unlikely circumstances for a POW.

The United States received many live sighting reports about Garwood during his postwar years in Vietnam, over 300 of them. Not a one depicted him in anything approaching a captive environment.

Even giving Garwood the benefit of every doubt, showing him extraordinary charity, would leave us with a portrayal of Garwood that stands in sharp contrast to the fairy tale broadcast on ABC last night. At best, Garwood, through his own carelessness, was captured by enemy forces; he was quickly broken by the enemy; from fear or mental delusion, he joined forces with his captors; from fear or mental delusion, he utterly broke faith with his fellow POW's and his country; he served as an instrument of repression against his fellow POW's; he refused early release from captivity in 1967, and volunteered to remain in Vietnam after the United States withdrew from that country. He then served as a mechanic for Vietnamese forces in the North, until because of personal disappointments with his life in Vietnam, chose to make his presence known to the West, and return home in 1979.

This most charitable appreciation of Garwood is still less than flattering, and, one would think, describes actions for which Garwood should be deeply ashamed. Having said this, I know how awful imprisonment in Vietnam was. All of us reached our breaking point at one time or another. To my knowledge, no one ever broke so completely as Robert Garwood. But even though the court martial, conviction, and dishonorable discharge of Garwood were more than justified, had Garwood admitted his bad faith, had he ceased to peddle a shameless, fictitious alibi for his dishonorable conduct, in time we could learn to forgive the man if not his crimes. But such is not the case.

Some say Garwood is today mentally handicapped and easily manipulated by POW/MIA activists who wish to substantiate his claims about remaining POW's despite all evidence to the contrary. I would not know. What I do know is that he continues to dishonor the service of American POW's by lying about their and his behavior in prison. He continues to contribute to the anguish of POW/MIA families by continually lying about having seen other Americans. These efforts and others constitute an enduring betrayal of his country. And anyone who may be manipulating Garwood for their own ends is a coconspirator in this betrayal.

Now, Garwood is returning to Vietnam in an effort to prove his contention that other Americans remain prisoners there. It should be noted, Mr. President, that within 10 days of his return from Vietnam, Garwood was interviewed on two separate occasions by Congressman BEN GILMAN and former Congressman Wolff. He was asked in those interviews if he had ever seen other American POW's after the war. He responded that he had never seen an American nor spoken English for 2 years.

I could care less if Garwood wants to return to Vietnam or that the Vietnamese are willing to allow him to return. What I do care about is that any taxpayers' dollars may be used to support him in any way at all during this visit. He will, no doubt, use the occasion to reissue his lies and calumnies that have done so much harm to so many Americans. And "20-20" will be there to broadcast it.

Mr. President, I sincerely hope that anyone who witnesses that broadcast will take the time to learn the real story about Robert Garwood. Once they understand the true extent of his crimes, I hope they would take every occasion to speak out against those who would give Garwood a forum to continue his deceptions, or who would find his enduring betrayal to be appropriate material for entertainment.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator's time has expired.

Mr. McCAIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCAIN. I believe that I asked unanimous consent to address the Senate as if in morning business.

The PRESIDING OFFICER. The Senator is correct.

(The remarks of Mr. McCAIN pertaining to the introduction of S. 1172 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

CHARLESTON, SC

Mr. THURMOND. Mr. President, as the entire Nation knows, last Friday, June 25, was a dark day for Charleston, SC. Within just a few hours, Charleston lost not only a navy shipyard which is a major employer in the area, but a navy base which has been in operation for over 200 years. Even in our worst imaginings, no one from South Carolina truly believed that this proud navy town would be dealt such a blow.

Sunday, however, brought some good news to a community still reeling with shock. The Commission, showing a strong independent streak, voted to realign the Naval Electronics Command to Charleston. I have been advocating such a move for some time, in the firm belief that this command and its high-technology jobs offer the best potential for continued growth. This move will help to mitigate the job losses and associated economic impact of the base and shipyard closure, and I know the Commission will not regret its decision.

The Navy's recommendation to close all the Charleston facilities would have decimated the city. However, the Base Closure Commission demonstrated common sense and compassion which the Navy apparently does not possess.

Mr. President, as we say after Hurricane Hugo, disaster often brings out the best in people. In this instance, that is especially true. Faced with the threat of losing a major component of the Charleston economy and cutting proud historical ties with the Navy, the people of Charleston put forth a heroic effort to defend their naval facilities and prove the Navy wrong.

Hundreds of volunteers worked day and night to compile the facts and figures which show that Charleston has one of the most efficient and cost-effective shipyards and navy bases in the Nation. Hundreds more donated money—even took out personal loans—to pay expenses for the rescue effort. They traveled to Washington; they met with officials in the Pentagon; they attended every hearing the Base Closure Commission held; and they took every opportunity to show the base closure commissioners how superb our facilities are and how much the community had to lose. Finally, our entire congressional delegation—even Members from the other side of the State—worked together as one unit to do everything possible to aid in the effort.

It is my firm belief that these heroic measures saved the Navy Hospital and resulted in the Navalex consolidation, and that the lion's share of the credit goes to the people of Charleston and the many volunteers who selflessly gave their time and money to defend this great city. Their commitment to the cause was nothing less than absolute, and their efforts were not lost on the members of the Base Closure Commission. All who took part in this crusade are deserving of the highest praise, and I salute them.

I would especially like to recognize my good friend, Charleston trident Chamber of Commerce president Sis Inabinet. Her energy, creativity, and commitment were a major factor in organizing the campaign and galvanizing the volunteers. The efforts of the Charleston community were an inspiration to the entire Nation, and they have set a new standard by which other campaigns of this nature will be judged.

Mr. President, South Carolinians are strong, proud people, and I have no doubt that all those who worked so hard to save our navy facilities will now turn their efforts to responding to this tremendous loss. Just as they rebuilt after Hugo, they will work to promote tourism, retrain those who are losing jobs, and bring new enterprises into Charleston to replace that which was lost. As a matter of fact, I met with a group of workers from the shipyard just this morning. They are already making plans and looking to the future.

I have every confidence that Charleston will recover from this shock, and I pledge to do everything in my power to help overcome this blow and pave the way toward a bright future for Charleston.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Mr. President, I ask unanimous consent to speak in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

BOBBY GARWOOD

Mr. SMITH. Mr. President, I rise today at this time to respond to the comments of my colleague, the Senator from Arizona, Senator McCAIN, regarding Bobby Garwood.

I have spent the last 9 years of my life in the U.S. Congress studying the Bobby Garwood issue. For those who may not have as much knowledge on it as they might like to have, Bobby Garwood was a POW who was captured during the war, did not return in 1973 in spite of the fact the Vietnamese said all had returned. Mr. Garwood returned in 1979.

During the period of time prior to 1973, there were some charges made by some of his colleagues in the prison camps that he had collaborated with the enemy. I do not know what he did or did not do in that regard because I was not there. I am not here to defend or attack that.

What I am here to defend is the fact that this man, Bobby Garwood, is the only man in the whole Vietnam war to be charged with collaborating with the enemy and to be convicted. There were charges prepared against 10 POW's who returned, at least that I am aware of, of collaborating with the enemy. Those charges were dropped in nine cases after one charge had been brought, and that individual, unfortunately, committed suicide. It was, therefore, the position of some in the Government that it may not be a wise course to pursue collaborating with the enemy. Let us move on and get the war behind us.

Robert Garwood is the one human being, American, who spent time in Vietnam from 1973 to 1979, that we know of. He knows the prison system very well. Obviously, because he was in it. He gave a deposition to the Senate Select Committee on POW's and MIA's. It is a long deposition. I have it in my office if anyone would like to read it. It is a matter of public record.

In that deposition he indicated a lot of things, most dramatically that he saw live Americans after the war had concluded, sometime during the period of time 1973–79—approximately 1977 to be exact. Whether he did or whether he did not, anyone can form their conclusions after reviewing the information, as I have. I happen to believe Garwood, but that is a personal opinion.

He told me he saw POW's, and, after having researched this as much as I could over the past 9 years, I have concluded that Garwood is telling the truth. It does not mean he is telling the truth because I say that he is. But what I am interested in is—and, Mr. President, I want to say the word; giving Garwood a forum was mentioned in some terms of outrage—that Garwood would have a forum. Let me say I intend to be with Robert Garwood next week in Vietnam, by his side as we go through Vietnam in search of answers about our missing POW's. Frankly, what Mr. Garwood did or did not do prior to 1973 is irrelevant to me as far as what he may or may not know about living American POW's.

That is the issue. Robert Garwood offered his services to go to Vietnam at no expense to the Government. The taxpayers are not funding his trip. They are not paying one dime of Mr. Garwood's trip. He is going to Vietnam without any expense to the taxpayers. He was invited by the Vietnamese to go. He has accepted the invitation. And he has agreed to do that and to show me, he said, where he saw living American POW's.

Some can draw their own conclusions as to whether a man would go to great lengths to do something like that if, in fact, three was not anything to it. But that is a conclusion that come will have to draw on their own.

I want to point out for the record, because the record is replete with error, Robert Garwood was never convicted of desertion. He was charged with desertion but never convicted of desertion because he was captured, shot, and wounded in the capture.

Did he collaborate with the enemy? That is the question. The court said he did and he paid the price for it. He spent 14 years in Vietnam, longer than anyone else that we know of who survived. He ate rats, snakes, caterpillars, and anything else he could to survive, and he lost 14 years of back pay was was thrown out of the service with a dishonorable discharge. So I think Mr. Garwood paid for whatever he was convicted of.

But Mr. Garwood was a very cooperative witness with our committee. He spent hours in detailed deposition under oath in which he stated that he saw live Americans on a number of occasions, once along the railroad tracks in Yen Bai; another an island on Thac Ba Lake in Vietnam, northwest of Hanoi; and also a couple of other locations.

I think that it is the responsibility of our Government to check that out. It is a detail that has not been completed, as far as I am concerned. If Mr. Garwood volunteers to go and it does not cost the taxpayers a nickel for him to go, if he is willing to go and show me or anyone else in the U.S. Government where these people were that he said he saw, if he is willing to face his accusers, the Vietnamese, and look them in the eye and say, "I saw American POW's here," and to see their response, I think that is a risk well worth taking.

I might also point out that it was the recommendation at the highest echelons of the DIA a few years ago that Robert Garwood be hired as a consultant to the U.S. Government because of his direct knowledge of not only the prison system, but his knowledge of Vietnam after 1973, that period 1973 to 1979.

So I think to some extent the comments made by the Senator from Arizona were an attack on the process of the Senate select committee. It is a detail that we could not complete. There are strong feelings and strong emotions on this issue, which I understand and respect. But not to fully investigate a live sighting report, and that is one of the best live sighting reports we have—he is an American, he served in the war and he was retained from 1973 to 1979, and he said he saw live Americans.

It is interesting when you look at some of the things that have been done by the investigating authorities, the joint task force. I remember first coming to the U.S. Congress in 1985 and talking to the Defense Intelligence Agency about Garwood. They never really were debriefed by Garwood. When Robert Garwood came home in 1979, he was immediately, essentially, put under house arrest and charged with desertion and collaboration. Nobody from the U.S. Government made a conscientious, detailed, strong effort to debrief him on what he might or might not know about American POW's or about prison systems of Vietnam.

That was very interesting about the priorities that were here with Mr. Garwood. The priority was to charge him with desertion and collaboration. The priority was not to go after the information regarding the live sightings that Mr. Garwood ultimately indicated that he had made.

I think it certainly does not serve the families very well to not want to pursue the information. We cannot let the emotion and the anger of the war be so strong and rue us so well that we cannot see fit to investigate every single detail. To form a conclusion that Mr. Garwood is a liar without investigating is simply irresponsible. I think we have had many witnesses come before our committee, some with preposterous stories—some checked out, some did not—but our job was to check them out.

The bottom line is, when the Vietnamese invited Mr. Garwood, Mr. Garwood said, "I will go, I will go at nontaxpayer expense. I am willing to meet you or anyone else over there, Senator, to show you where I saw these people." He is willing to take me there. And so I think that is a very admirable goal to do, and I think it is a trip that is well worth taking.

I am just very concerned that, although the film last night offered an opinion, the statement that "20/20" was somehow involved in an invitation to Garwood is simply not accurate. If "20/20" chooses to go, that is their prerogative as a media outlet, as far as I am concerned. But the invitation came from the Vietnamese.

Garwood willingly accepted the invitation and has offered, again, to try to help us. So I do not think we ought to be discrediting that trip. The statement was made that we are going to give him a forum. The only forum that Robert Garwood asked for was to go to Vietnam to show us what he saw and where he saw what he saw. He never asked for any media attention whatsoever. To the contrary, he asked that there be very little, if any, media attention. He has tried to stay out of the press as much as possible.

So speaking for myself, I am the Senator on that trip. I suppose I could be accused of, or congratulated for, depending on what your position is, the Senator who is responsible for participating in that trip. I am proud of it. I am proud to stand here on the floor of the U.S. Senate and say that I have a man who says he saw live Americans, who is willing to take me where he saw them, who gave several hours of depositions before this committee under oath in which he said he saw live Americans, in great detail. I am proud to accompany that individual on behalf of the families to Vietnam.

Whether Garwood was a war hero or whether he, in fact, collaborated with the enemy, is a very important issue in some definitions, in some areas of what we are talking about, but not when it comes to finding the truth about live Americans. He is a resource. He has information that he is willing to share. We should check it out.

I might say that I have several pages of the entire transcript of Garwood's court-martial. I will defend ABC's "20/20" for a minute. Many of the things in that story were portrayed accurately, according to the testimony of the trial. I think there may be some views—obviously, Mr. Garwood had a different view than some others. But I think, by and large, it was an accurate reflection of what Mr. Garwood went through in Vietnam. It did not even touch on the live POW issue, really, other than to say he was not the last man to leave Vietnam.

So, Mr. President, I am looking forward to the trip. Bobby Garwood, as I said before, was acquitted of desertion; he was found guilty of collaboration. He has indicated he has seen live POW's. He is willing to go to Vietnam to show us where they are. I think it is an honorable thing to do. If it turns out that he is wrong, that he is somehow not telling the truth, or he is using this to advance himself—for the life of me I cannot figure out how Mr. Garwood advances himself if he was a convicted collaborator who goes to Vietnam and then we find out everything he told us about live Americans was a lie. What does he gain by that other than more disgrace?

On the contrary, I think when a person who is willing to put himself on the line, as Mr. Garwood has done, that we ought to follow up on it, and that is all I am doing. I am very proud to follow up on it. I want to repeat that. I am honored to follow up on it, to be even more descriptive about it, and I think it should have been done a long, long time ago.

The DIA has not done a good job in investigating this. They have not done a good job of researching Garwood. Had it been done when it was fresh in his mind—almost 20 years ago Mr. Garwood came out. Basically, the war ended in 1973, he came out in 1979 and here we are in 1993 and now Mr. Garwood is going. And I might also add that the Government denied Garwood the opportunity to go at taxpayers' expense.

So it is about time we thoroughly investigate this information; that we stop with the emotion and the innuendoes and the untruths and the half truths and thoroughly investigate this thing. That is what we started with the select committee. We ran out of time. The Senate sunsetted the committee, which is understandable. We understood that when we started that we had a time limit, but we did not get through the rest of the investigation.

So I understand also, and have talked to many about it, there is a lot of anger out there because of a lot of information about Mr. Garwood, and I also know there is some risk for myself to be associated with that. But I do not care about the risk because the most important thing here is that we investigate, thoroughly investigate every single bit of information that Mr. Garwood told us.

I wish to recount just a couple of brief things about this because I was directly involved. I was personally involved in the DIA debriefing of Mr. Garwood several years ago and personally involved in setting those debriefings up. It was interesting because I carried his phone number around in my wallet for a couple years when the DIA did not know how to reach him, even though I offered them a phone number, which is very interesting. They could not seem to find him, and they did not want to find him because of the fact there was this stigma out there about what he did or did not do during the war.

That is not what the focus of this trip is, and it is not what the focus of Garwood should be. The focus of Garwood should be what did he see? Is what he saw accurate? And we have an obligation to investigate it.

Having said that, let me cited one specific, Thac Ba Lake. Thac Ba Lake is a manmade lake made by a Soviet dam in North Vietnam. I was told personally by the DIA that, first of all, there was no lake. We then established that there was a lake. Then I was told that there were no islands in the lake. We now find out there are dozens of islands in the lake. Then I was told there was no prison compound on the lake. Then we find out there was a prison compound on the lake. Then I was told Garwood was never there. Then I find out Garwood was there, and he was there repairing generators. Senator KERRY and I were told this point blank by the Vietnamese in a meeting last December in Vietnam, in Hanoi.

The response from the Vietnamese was that Mr. Garwood was in fact where he said he was in Thac Ba Lake, that he saw—he was repairing generators at a facility on an island in Thac Ba Lake. Now, did he see American POW's? The Vietnamese said no, he did not. He says he did. Were there prisoners there? Yes, South Vietnamese prisoners.

Amazingly, the joint task force over there doing the investigating could not find the island and could not find the prison camp, and yet when we, Senator KERRY and I, talked to the Vietnamese, one of the Vietnamese officials there said point blank, yes, there was a prison; yes, Garwood was there; yes, he was repairing generators.

I would urge anyone who really wants to know the truth to read the documents that we have now gotten finally declassified, the documents, the internal documents, the secret documents of the DIA, CIA, and everybody else involved in these investigations. They will show you conclusively that they felt Garwood was lying because Garwood was not where he said he was, there was no such location, et cetera, et cetera, et cetera.

The fact is all those things are true. The only thing that is left in the puzzle and the most important thing is whether or not he saw live American POW's. It is the number one thing, and the most important, obviously.

The question is why should we stop and refuse to allow him to go when, in fact, he can shed light on that?

Our committee concluded, all Senators present, when we wrote our final report, that the Garwood information needed to be pursued. That was in the final report. It was the conclusion of all Senators. There were no dissents in terms of that being pursued.

I have a responsibility as one member of that committee—I happened to be the vice chairman—to pursue it, and I intend to do it. I will do it in spite of the attacks. I will do it with attacks, because that kind of criticism is not even relevant as far as I am concerned.

The issue here is what did Mr. Garwood see or not see, and I intend to investigate it. I look forward to the trip. I look forward to going with Mr. Garwood. I look forward to seeing him facing the Vietnamese, looking the Vietnamese in the eye and saying, "I saw American POW's. Now, are you telling me that you didn't keep any POW's?" I wish to see the faces, I wish to look into the eye of that Vietnamese when he looks back at Mr. Garwood and says "No, Mr. Garwood, you are a liar." And then I want to look at Mr. Garwood, and I want to see him when he says, "No, you are a liar."

And then I am going to draw my conclusions, because I am going to be there when that little meeting takes place, and I am proud to be there. As I said before and I will say it again, what Mr. Garwood did or did not do is not relevant to the families of those men. If I have a brother, a dad, or a son missing, and I know somebody out there in America, whoever he or she is, has information about that person, this country has a moral responsibility, a moral responsibility to check it out. I do not care where the source is, Mr. President.

It should have been done years ago. And to trash it now when we finally are ready to do it, to trash the opportunity now to do that after we finally have done it and get the opportunity to do it is an outrage. It is an outrage. I am very sorry that it happened on the floor of the Senate.

I look forward to speaking out when I get back after the July 4 recess, and I will have a full report to the Senate on what I found or did not find when I got to Vietnam, and the Senate will hear exactly what that confrontation between Mr. Garwood and the Vietnamese was like and who said what and what we found out.

I thank the Chair and yield the floor.

ENERGY TAX POLICY

Mr. BAUCUS. Mr. President, in anticipation of the upcoming House-Senate conference on the budget reconciliation bill, I rise to address a critical element of any compromise; that is, the energy tax. When President Clinton originally proposed an energy tax as part of his deficit reduction package, he outlined a broad-based energy tax known as the Btu tax.

This tax had a number of competitive flaws. It would be very difficult to implement. For those reasons, it was dropped in the Senate. But the Btu tax has some real virtues, especially when compared to the transportation tax contained in the legislation we passed Friday morning.

The transportation tax is nothing more than a glorified gas tax. According to the Energy Information Administration, with the exemption of aviation fuel, approximately 90 percent of the total tax will be shouldered by the users of automobiles and trucks.

First, with the proper refinements, the Btu tax would be fair and balanced compared with the gas tax. Some of my colleagues point out that the Btu tax effectively includes a gas tax, and they are right. But the difference is a Btu tax would be paid by all energy users, from the largest corporations to the ordinary working Americans. It would be paid by drivers in the rural West, homeowners in the urban Northeast. It would also be paid by transportation industries, such as airlines and trucking companies, and service industries, like restaurants and auto shops. Despite its flaws, the Btu tax and other broad-based energy taxes do have the virtue of fairness.

Unfortunately, an isolated boost in the gas tax is both unfair and regressive. As data provided by the Department of Transportation demonstrates, the gas tax falls most heavily upon rural States like Montana, Arkansas, North Dakota, and Wyoming.

I ask unanimous consent that a copy of the chart illustrating this point be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Consumption ranked by State

State:	*Gallons per capita*
Wyoming	987
North Dakota	707
Arkansas	677
Montana	673
Georgia	670
South Dakota	669
New Mexico	668
Alabama	652
Missouri	635
Oklahoma	623
Nevada	620
Mississippi	615
Kentucky	613
Nebraska	609
South Carolina	608
Indiana	602
Vermont	595
Idaho	590
Tennessee	584
Kansas	578
Texas	578
Iowa	572
North Carolina	571
Maine	569
Delaware	559
Virginia	556
West Virginia	555
Arizona	539
Washington	534
Minnesota	530
Florida	521
U.S. average	519
Louisiana	518
Wisconsin	514
Michigan	509
New Hampshire	507
Utah	504
Ohio	494
Maryland	491
Colorado	491
New Jersey	488
Oregon	485
Alaska	482
California	479
Illinois	457
Connecticut	457
Pennsylvania	456
Massachusetts	427
Rhode Island	407
Hawaii	369
New York	348
DC	282

Cost per capita ranked by State

State:	*Percent*[1]
Wyoming	0.413
Arkansas	.320
Mississippi	.319
New Mexico	.318
North Dakota	.306
Montana	.306

	Percent[1]
South Dakota	.295
Alabama	.293
Oklahoma	.281
South Carolina	.278
Kentucky	.271
Georgia	.270
West Virginia	.269
Idaho	.268
Missouri	.246
Tennessee	.246
Indiana	.244
Louisiana	.241
Utah	.240
North Carolina	.236
Texas	.236
Nebraska	.233
Vermont	.231
Arizona	.230
Iowa	.228
Maine	.228
Nevada	.223
Kansas	.218
Wisconsin	.200
Virginia	.197
Florida	.196
Oregon	.195
Ohio	.194
Minnesota	.193
Washington	.191
U.S. average	.191
Michigan	.190
Delaware	.190
Colorado	.178
California	.164
Pennsylvania	.164
Alaska	.163
New Hampshire	.161
Maryland	.156
Illinois	.154
Rhode Island	.146
New Jersey	.135
Massachusetts	.130
Hawaii	.127
Connecticut	.124
New York	.108
DC	.078

[1] Percent of personal income.

Mr. BAUCUS. Mr. President, I believe that every American, regardless of their State, is willing to contribute to reduce the deficit. Americans will do their fair share, but we should be very careful when drafting tax proposals to ensure that no one is asked to do more than their fair share.

In coming to an agreement on the energy tax in the conference committee, it is my hope that a fairer and more balanced formula than the gas tax can be found. Second, the Btu tax and other broad-based energy taxes have the added benefit of positively impacting the environment. A broad-based energy tax will encourage conservation, and if properly structured, can encourage the use of cleaner burning fuels that result in the reduction of environmental degradation.

Such prominent environmental groups as Friends of the Earth, American Rivers, the National Wildlife Federation, Sierra Club, and National Resources Defense Council, were solid backers of the Btu tax, and expressed support for a broad-based energy tax. A leader of a major environmental organization went so far as to say that the Btu tax would have done more to promote environmental protection "than any other single piece of environmental protection legislation."

For example, the House passed version of the Btu tax would encourage an annual reduction in greenhouse gas emissions of 25 million metric tons by the year 2000. That is the equivalent of about 20 percent of the reductions required to implement the President's commitment to return greenhouse gas emissions to 1990 levels by the end of the decade.

The gasoline tax, however, sacrifices virtually all of those environmental benefits according to the Natural Resources Defense Council. The gas tax does little to encourage conservation or fuel shifting because it has no impact on many of the largest users of energy—commercial business establishments, public institutions, and energy used for electricity generation.

Further, alternate fuels are, by and large, not available to the average driver, and the average driver generally has no other means of transportation, he or she must simply pay the tax. Again, the conservation impact is minimal.

The President originally proposed a broad-based energy tax. The House bill contains that broad-based energy tax. In conference, it is my hope that the Senate bill's transportation tax can be either replaced, made part of a broader, fairer energy tax, or abandoned entirely.

The problems with the Btu tax are real and significant. But Treasury Secretary Bentsen has proposed an alternative that deals with the primary concerns by exempting key producing sectors, such as manufacturing and agriculture.

Other concerns could be addressed by structuring a tax that is border adjustable and adopting a more easily administrable approach. I also urge that an energy tax be drafted that encourages the use of environmentally friendly fuels. It is my hope that a compromise involving these concepts can be developed in conference.

Finally, my philosophy on the energy tax is simple: Either everybody pays or nobody pays. Reduction of the deficit is so important that I do not intend to let perfection be the enemy of the good.

It is my hope that under the leadership of Chairman MOYNIHAN, Chairman ROSTENKOWSKI, and the administration, legislation in line with this philosophy will emerge from the conference.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, is leaders' time reserved.

The PRESIDING OFFICER (Mr. FEINGOLD). The Senator is correct.

Mr. DOLE. Mr. President, I have four statements on different subjects and I will use my leader's time.

BOSNIA AND HERZEGOVINA

Mr. DOLE. Mr. President, it appears certain that the United States is going to miss a real opportunity to do what is right and smart with respect to the war in Bosnia and Herzegovina.

This afternoon the U.N. Security Council is debating a resolution which would lift the arms embargo against Bosnia and allow the Bosnians to exercise their right to self-defense. Despite President Clinton's claimed preference for lifting the embargo against Bosnia and Herzegovina, the United States is not lobbying other Security Council members to gain their support for this measure.

The administration has decided not to play a leading role in the Security Council, rather it has decided to play follow the leader; and the leaders in this case are the British, French, and Russians—whose policies, diplomatic initiatives and involvement in Bosnia and Herzegovina to date have not brought Bosnia any closer to peace than it was 15 months ago when the war started.

There is little doubt that without active United States support the measure will fail because of British, French, and Russian objections.

Last Friday, I wrote a letter to the President urging him to put the full-weight of American influence behind the resolution to lift the arms embargo. Not only would this allow the Bosnians to defend their civilians, but it would strengthen the Bosnian Government's ever weakening negotiating position, thereby increasing the likelihood of a genuine negotiated settlement to the conflict. Ironically, denying the Bosnians arms makes it more likely that the conflict will continue and eventually spread to Kosova and elsewhere.

Mr. President, I ask unanimous consent that my letter to the President be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE REPUBLICAN LEADER,
Washington, DC, June 25, 1993.

The PRESIDENT,
The White House, Washington.

DEAR MR. PRESIDENT: It is my understanding that the U.N. Security Council has begun debating a resolution to lift the arms embargo against the Republic of Bosnia-Hercegovina, and that a vote is expected later today or tomorrow. As you know, I have advocated taking such action for some time now, and have strongly and publicly supported your preferred 'lift and strike' option. In my view, this Security Council resolution can only pass if the United States puts on a full-court press to persuade the

> British, French and Russians not to object. Without active U.S. support I fear the measure will fail. Therefore, I would urge that you and your foreign policy team take the actions necessary to ensure passage of this resolution.
>
> The debate and vote on this resolution is an opportunity to do not only what is right, but what is smart. The facts are clear: (1) The current arms embargo violates Bosnia-Hercegovina's right to self-defense and has guaranteed the overwhelming advantage of Serb forces, thereby creating an environment of cost-free aggression; (2) Europe has failed in its efforts to end the war and instead of reversing course, its leaders are trying to disguise their acquiescence to aggression by giving diplomatic cover to the cannibalization of Bosnia; (3) In the absence of effective international diplomatic support and without military power, the Bosnian government is left without negotiating leverage. However, if the Bosnian government were armed it would not only be able to extend its authority and restore some measure of order to its lands, it would also be in a position to create a military stalemate that would provide the basis for a genuine negotiation.
>
> Mr. President, this is a defining moment in U.S. history—the Bosnian crisis is a critical test of American global leadership in the post-Cold War era. Will the United States stand by the principles that form the basis of the international order, such as the territorial integrity of internationally recognized borders? Or will the United States retreat from its traditional global role and relinquish its responsibilities to multilateral organizations which have proven time and time again to be incapable of decisive and effective action without U.S. leadership?
>
> Failure to act decisively now will all but guarantee the spread of disorder not only in the Balkans, but elsewhere around the globe.
>
> Sincerely,
>
> BOB DOLE,
> *U.S. Senate.*

Mr. DOLE. Nevertheless, the administration seems content with quietly voting yes and letting the resolution fail regardless of the consequences.

Let us face it, the Bosnians are losing at the negotiating table because they are militarily weak, and now it looks like we're going to make sure they stay that way. And, we are going to use the NATO Alliance as an excuse for this timid diplomacy.

Sure, NATO is important, but NATO's success in the past was based on U.S. leadership, not on American acquiescence to ill-conceived policies. NATO has no future if it becomes a vehicle for policies that reflect the lowest common denominator among our allies, as opposed to sound judgment.

By missing this opportunity, the United States is writing off Bosnia. But, the Bosnians will not be the only ones who will pay the price. Failure to confront aggression in Bosnia sets a terrible precedent. It is an invitation to would-be predator States and a warning to weak States to arm themselves.

Moreover, the failure of the United States to stand firmly behind international principles, will serve to erode U.S. credibility around the globe.

Mr. President, the stakes in Bosnia are high and the consequences will be felt over the long term. I fear, however, that the United States has taken a very short-term view.

TRIBUTE TO WALTER ANNENBERG

Mr. DOLE. Mr. President, the Reverend Billy Graham once said that "We are not cisterns made for hoarding, we are channels made for sharing."

Throughout our history, the American people have taken these words to heart.

From the pioneer days when barnraisings became community projects until the present, when new heights in money and hours donated to charities are reached every year, the spirit of neighbor helping neighbor has remained alive and well here in America.

The innate generosity of the American people can be seen in many people and in many places across America, but I believe that it can most clearly be seen in the life of Walter Annenberg.

Last week, Ambassador Annenberg added new meaning to the word philanthropist when he made the largest one-time gift to private education in history.

Under the terms of this gift, the University of Southern California and the University of Pennsylvania will each receive $120 million, Harvard University will receive $25 million, and the Peddie Preparatory School will receive $100 million.

This display of generosity is not new to Walter Annenberg. Previously, he and his wife, Leonore, have provided key support to literally thousands of educational institutions, museums, and charities.

In recent years, he has given his entire collection of French Impressionist and Post-Impression art—valued at $1 billion—to the Metropolitan Museum of Art, and he made a $50 million contribution to the United Negro College Fund.

Ambassador Annenberg said that the reason for last week's historic gift was simply that—and I quote—"I'm interested in the young people, because the character of our country will be shaped by young people in the days ahead."

From his days as one of America's most successful businessmen, to his service as Ambassador to the Court of St. James, to his role as adviser and confidante to world leaders, to his status as America's leading philanthropist, Walter Annenberg, himself, has done his share of shaping the character of our country.

I have no doubt that America is a better place to live because of the leadership and generosity of Walter and Leonore Annenberg. I am proud to call them my friends.

I note since the statement was put together that last week ABC named Mr. Annenberg the Person of the Week, which I think is another fitting tribute and recognition of his great generosity.

TENTH MOUNTAIN DIVISION SCHOLARSHIP AT SIENA COLLEGE

Mr. DOLE. Mr. President, I rise today to recognize an act of generosity by the men of the 10th Mountain Division. I recently received a letter from Siena College in Loudonville, NY, regarding the establishment of the company I, 85th regiment, 10th Mountain Division endowed scholarship.

The 10th Mountain Division was the first ski troop of its kind in the U.S. military. Modeled after units in the Finnish army, the 10th was an unusual collection of forest rangers, cowboys, Ivy Leaguers, and Olympic skiers. The division's first operation was to lead an assault against German fortifications in the Apennine Mountains and break into the Po Valley near Bologna in 1945. This resulted in the 190 men of company I, 85th regiment, being involved in some of the heaviest fighting of the war. The German fortifications and terrain were such that it took the 10th 6 months to go 56 miles. During those 6 months, the men of the 10th Mountain Division fought with determination and valor. By the end of the war, the 10th Mountain Division was one of the most decorated in U.S. history, and deservedly so.

These men have again distinguished themselves by endowing a scholarship at Siena College. Money was raised by raffling military memorabilia and through individual donations by company members. Families of company members also gave gifts in memory of their loved ones. Siena College was chosen to receive the scholarship as a result of its being the alma mater of two men in the company, James Branche and the late James Looby. The endowment will provide an annual scholarship to be awarded by the college, with preference given to the grandchildren of 10th Mountain Division members.

I am proud to recognize this act of generosity on the part of company I, 85th regiment, 10th Mountain Division. In 1945, as a young lieutenant from Russell KS, I had the privilege of serving with company I, 85th regiment in Italy. The friendships I made there have, and will always hold, a special place in my heart.

Mr. President, these distinguished men, who fought for a brighter future for all Americans, are once again showing the selflessness of their character. Their act of generosity will not only give today's young men and women a chance to realize their dreams, but will also honor those men who fought so bravely five decades ago in the hills and mountains of Italy.

LAWRENCE CENTRAL JUNIOR HIGH RUSSIAN EXCHANGE

Mr. DOLE. Mr. President, today, I rise to recognize the accomplishments of a special group of students and teachers from Central Junior High School in Lawrence, KS.

On May 12, Dr. Pat Boyd and 15 honor students from Central Junior High, left the plains of Kansas for Izheusk, Russia. These students are only the second group of American citizens to visit this region of Russia, which, for the past 60 years, has been used for the production of military weapons.

Dr. Boyd and her students have established Peace House Exchange, an exchange program that will educate both American and Russian students to the importance of international awareness and education.

While in Russia, these young ambassadors have been living with Russian families, attending school with their Russian counterparts, and forming lifelong friendships. In October, Central Junior High students and their families will return the favor to their Russian friends by hosting them in Kansas for a 3-week stay.

Mr. President, these young people have taken it upon themselves to promote international goodwill, and strengthen the ties between our two countries.

I wish to commend these students and Dr. Boyd for their part in educating the Russian people and spreading America's message of goodwill.

Mr. President, I yield the floor.

EXECUTIVE SESSION

NOMINATION OF ASHTON B. CARTER, OF MASSACHUSETTS, TO BE AN ASSISTANT SECRETARY OF DEFENSE

The Senate continued with the consideration of the nomination.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Senate is considering the nomination of Ashton B. Carter.

Mr. SMITH. Mr. President, I would like to move back onto the pending business of the Senate, which is the nomination of Ashton Carter.

I want to recap a little bit for some who may have missed the debate earlier today as to where we are in regard to this nomination. Mr. Carter, as we know, has had some problems. For those of my colleagues who may have missed the discussion before lunch, allow me to recap.

I first want to say for the record that I had to interrupt my schedule today quite substantially, and miss a hearing which I was supposed to participate in, because of the so-called urgency to have this nomination brought up around 11 o'clock. We were going to debate it thoroughly and then we were going to vote.

Although I did not ask for specific assurances, I was led to believe we would go back to that nomination right after lunch. That did not occur. We are still here, now coming back to it at this late hour. Meantime, I had to miss a very important hearing.

So be it. That is one of the reasons we get criticized around here, justifiably so, for the way we do business. I do not mind being on record saying it. I think it is just simply wrong to inconvenience Members in this regard. People who stayed around do not know whether there is going to be a vote tonight. As you know I requested a recorded vote on this nomination. I did that early, as soon as I took the floor this morning, to let all my colleagues know that was my intention. I anticipated at the time I requested a vote we would have the vote probably somewhere in the vicinity of 3 o'clock. It is now after 5 o'clock. I do not know how much longer the debate will go on or how many other people want to speak.

At this point it is certainly out of my hands as to what time there may be a vote. However I intend to take the time that I need to make the rest of the points I want to make regarding this nomination because I feel it is important to get them on the Senate RECORD. Just so my colleagues will know where I stand. The only thing I am going to be firm on is that at the conclusion of my remarks we will vote. The vote will not be put off until tomorrow.

If the leader determines that the vote be vitiated until tomorrow, then I want to be able to have the opportunity to speak for 15 minutes prior to that vote taking place. I intend to be firm on that since I have been inconvenienced all day. I intend to be firm on that.

Allow me to recap some of the very important aspects of the Carter nomination.

On March 9, 1993, Defense Secretary Aspin issued regulations governing the conduct of nominees prior to formal confirmation. These regulations directed that nominees should act in a manner consistent with the role of an adviser preparing for additional duties, and avoid acting or appearing as if confirmed.

I have already submitted for the RECORD those regulations and documents.

Again, nominees must act in a manner consistent with the role of an adviser preparing for additional duties, and avoiding acting or appearing as if confirmed.

As I have indicated, this is not the case of a passive participant here who had innocently signed a document, or maybe signed a document stepping over the bounds. This is an active participant, a person who is thoroughly engaged in the business of directing policy in the Pentagon, before he was confirmed. That is the issue here.

It would be the issue if it was President Bush. It is the issue with President Clinton. Because I think the issue here is not who is President or who the nominee is. The issue is constitutional advice and consent; a very strong constitutional provision that was drafted by the Founding Fathers and has been commented on extensively by Senator BYRD in his tremendous book. Chapter 2 goes into great detail about the significance and importance of the advise-and-consent role of the Senate. That is really what the issue here is today. Not Ashton Carter, but constitutional advice and consent.

I say to my colleagues, if you care about the constitutional process of advise and consent you ought to oppose this nomination to send that signal. If you are not confirmed by the U.S. Senate you ought not to be doing business in the executive branch. I do not care who is President or what the job is. You have to be confirmed by the Senate.

Mr. Carter was not, is not, has not been confirmed by the Senate. Let me go back to the Aspin regulations.

Secretary Aspin issued the regulations and stated very clearly what the conduct of nominees should be. By doing so, Secretary Aspin agreed with and was very strong in his defense of the advice and consent role of the Senate. He demonstrated this in a memorandum on March 9, to all prospective nominees. Specifically, the regulations state that nominees should not serve as the official Department representative in meetings, should not serve as an official on travel, foreign travel, and are not to sign any documents that give the appearance of having assumed official duties.

This, signing documents would certainly be a violation. But it goes even further, saying even giving the appearance of having assumed official duties. I think the testimony that was given this morning by myself and others substantiates that in fact this did happen.

In response to reports of widespread noncompliance with these regulations, Senators NUNN and THURMOND sent a letter to Secretary Aspin on April 22 requesting that he issue guidance and take steps to ensure that the activities of nominees comply with the concerns of the Armed Services Committee.

Therefore, we have a memorandum from the Defense Secretary that says you should not act as if confirmed, or undertake any activity that would give that indication. In spite of that, there are rumors flying around and information being brought to the committee that this is going on. So Senators NUNN and THURMOND wrote a letter to the Secretary reminding him about these guidelines and asking to ensure the activities of nominees comply.

Secretary Aspin responded to that letter in a letter 7 days later, dated the 29th of April. In that letter he reaffirmed the existing guidelines and he emphasized that each nominee received an extensive briefing from the Department's office of standards and conduct, to ensure that their behavior was legal and that all the administrative requirements were met. Secretary Aspin stated:

> I give this clear directive to all prospective nominees to ensure that no one here in DOD would presume any authority that can come only from the Senate's confirmation.

So, Secretary Aspin to his credit, having been a Member of Congress, understands the advise-and-consent role. And he put it in writing to those who would be nominees in the future, and those who were pending nominees. In other words: Do not do anything that would even give a hint of acting officially because you are not yet confirmed.

On May 25, Dr. Carter appeared before the Armed Services Committee and he testified that he had not made any authoritative decisions nor had he provided authoritative guidance. In addition, Dr. Carter stated he had not assumed any duties or undertaken any actions that would appear to presume the outcome of the confirmation process.

That question was asked of him by Senator NUNN, the chairman of the Armed Services Committee. His response was that he had not done those things.

Since then, it has been determined that Dr. Carter did in fact make authoritative decisions, provide authoritative guidance, and act in a manner which gives the appearance of presuming confirmation. In private meetings with some members of the committee, including myself and the chairman, he admitted one case, and apologized for it.

The question is, Was that the only case? And the answer is, As far as I am concerned based on the facts, no; it was not.

I have a memo dated May 17, 1993, signed by Dr. Carter, which directs the transfer of Nunn-Lugar funding for defense and military contracts with the former Soviet Union. I might add that this document was approved and initialed by a Dr. Graham Allison, another nonconfirmed consultant evidently involved in policymaking.

So we now have one individual who is up for a nomination who says he did not sign any documents that would give the appearance of presuming confirmation. We then find out that he has signed a document. Then we find there is another name on that document, a Dr. Allison, who is not confirmed, who also approved the document. And that document is in the record. I will call my colleagues' attention to the record.

The document says "approved by" Dr. Allison.

I have a memo dated April 5, 1993, which is authored by Dr. Carter regarding the Cooperative Threat Reduction Program. In the memo, Carter states that he has not yet approved—not yet approved—the legislative affairs and public affairs plans for this important program, indicating that he is the deciding authority.

When you are supposed to be acting in an advisory role learning the process, and you have guidelines and letters circulating from the chairman and ranking member of the Armed Services Committee and the Secretary of Defense, and you put that kind of language in a memorandum that I have not yet approved something, that does not sound like a person who is a passive participant. It sounds like someone engaged in policymaking and decisionmaking. To be very blunt about it. I do not believe that Dr. Carter was a passive participant.

I have a memo dated April 20, initialed by Dr. Carter, which recommends approval of the Defense Department to procure four Russian TOPAZ nuclear reactors. Four Russian TOPAZ nuclear reactors were recommended for procurement by Dr. Carter.

I would say to my colleagues, these documents indicate a clear participant—not an inactive participant, not a passive participant—in Defense Department activities. He is someone who is involved in all phases of policy formulation and implementation. I might add, based on some of the other names that seem to appear that have not yet been approved, this problem is widespread.

To the chairman's credit, Chairman NUNN, I think this practice has subsided somewhat—but up until that point, this was going on throughout the Defense Department.

So after a series of meetings in which members of the committee met with Dr. Carter and other DOD officials, I prepared a series of questions that I felt needed to be answered by Dr. Carter before I could remove my hold on the nomination.

My intention was not to unnecessarily delay the nomination. I think the votes are there to send Dr. Carter to his position. But I think the Senate, frankly, is making an error not to defend the advice-and-consent responsibility that it has and bring the administration up short on this one. I think there are others that probably have done the same thing. But Dr. Carter is the pending nomination.

I forwarded to him a series of questions, and I want to read them because they further the case that I am making. I think it is important that you hear the answers to those questions. They were very forthright, very specific questions. There was nothing catchy in them. I simply wanted answers, and DOD responded very quickly, I might add, to their credit.

In a letter, I indicated that I felt that these issues were very serious and ought to be answered prior to Senate floor consideration of the nomination. I have been prepared ever since those response on June 11 to debate this matter on the floor. I never intended to delay it but rather to debate it fully. And I made that affirmation to the chairman.

Unfortunately, the responses that I received from Dr. Carter, in my opinion, were not accurate, and I am going to be specific. In certain cases, I think the responses were vague, somewhat ambiguous, and downright misleading. Let me give examples.

Here is one question that I asked:

> Dr. Carter, have you ever officially represented DOD at White House interagency meetings?

Answer:

> Interagency working group meetings on issues in the general area of nuclear security and counterproliferation took place at a rate, I would estimate, of about five to seven per week. I attended about one-fourth or one-third of such meetings. Invitations for me to attend such meetings were extended by the Acting Assistant Secretary of Defense for International Security Policy, by the Under Secretary for acquisition or the Under Secretary-designate for policy, and/or by the White House staff. I understood my role in such meetings to be to familiarize myself with the issue and with the personalities and the views of other Government agencies, and not to represent the Department of Defense.

In other words, he said: I was there to consult, not to represent. That is his answer.

Continuing:

> I did, on occasion, voice my opinion, but I did not do so as the Department's official representative. On several occasions, I noted that I was not a confirmed official of DOD and could not speak for it. I understood the above-described activities to be consistent with my role as a consultant to the Department and within guidelines of potential nominees.

That was the answer, a pretty straightforward answer, I would say, in that case. He said he was there to consult, and did not make any decisions and did not act like a confirmed official. That is essentially what he said.

Let me go into that a bit. Dr. Carter states that invitations to these interagency meetings were provided by the Acting Assistant Secretary of Defense for International Security Policy, the Under Secretary for acquisition or the Under Secretary-designate for policy who, like Dr. Carter, is not a confirmed nominee.

So Dr. Carter insists he did not formally represent the Defense Department in these meetings. Well, who did? I have copies of Dr. Carter's schedule and the schedules of other principals which indicate that Dr. Carter alone was representing DOD at certain interagency meetings. There was no one who had been confirmed who represented DOD at those meetings.

I have the documents, Mr. President, and I ask unanimous consent that at the end of my remarks, the copies of the schedules of Dr. Carter and other officials be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. SMITH. Mr. President, for instance, on March 30, at 9:30 in the morning, Dr. Carter attended an interagency working group meeting at the White House concerning the ABM Treaty and the Standing Consultative Commission. This meeting is not on the schedule of Bill Inglee, who is the Acting Assistant Secretary for International Security Policy, who would be the principal player on this issue. So it is not on his schedule. So if it is on Carter's schedule and not on Inglee's schedule, who is the official representative?

Moreover, that same day at 12 o'clock, Dr. Carter had a meeting scheduled on the highly enriched uranium agreement with the National Security Council but, again, Mr. Inglee was not a scheduled participant. If there is some proof out there that Inglee attended and it was not on his schedule, then I need to see that; but I have not seen it.

On March 31, at 12 o'clock, there was another meeting with the NSC concerning the highly enriched uranium agreement. Again, Mr. Inglee was not a scheduled participant.

Later that day, at 2 o'clock, Dr. Carter met with the NSC regarding Iran and, again, the Acting Assistant Secretary for International Security Policy was not a scheduled participant, even though this issue clearly fell in his area of responsibility.

On April 13, at 1 o'clock, Dr. Carter attended an interagency working group meeting on Presidential decision directive No. 3. Again, this sounds an awful lot like policymaking, yet no Mr. Inglee. He was not a scheduled participant. Who was the policymaker present at those meetings, Mr. President?

On April 15, at 3:45, Dr. Carter was driven to the White House for a 4 o'clock meeting on Ukrainian nuclear issues, and yet, again, Mr. Inglee was not a scheduled participant even though this issue falls squarely, directly under his area of responsibility.

We have an individual who is an adviser, who is not confirmed, who says he is not engaged, and he is being driven to meetings and participating in meetings, making decisions in meetings where the people who are confirmed, who are supposed to be the policymakers are not even on the schedule. That does stretch the bounds of truth, Mr. President.

On April 23, at 2 o'clock, Dr. Carter attended another meeting with Strobe Talbott on the implementation of the Vancouver aid package for Russia. Yet, again, the key decisionmaker, Mr. Inglee, was not a scheduled participant.

Let me say to my colleagues if Dr. Carter was not representing the Defense Department at these meetings, who was? Who was? If anyone has that information, I wish they would provide it.

It is my understanding that the majority leader would like recognition. I would be more than happy to yield to the majority leader at this time.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that my remarks appear in the RECORD so as not to interrupt the remarks of the Senator from New Hampshire.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. I thank my colleague for his courtesy.

Mr. President, my understanding is that on this matter, it having been thoroughly explored, there is no objection to a vote occurring shortly. Therefore, I now ask unanimous consent that the vote on the pending nomination of Ashton Carter to be Assistant Secretary of Defense occur at 6 p.m. today, and that the time between now and then be distributed—in what manner would my colleagues like that time distributed?

Mr. SMITH. Under the circumstances, at this point I would have to object to 6 o'clock because there is at least one other Member who wishes to speak, I am told. I do not want to be unreasonable. I am willing to grant a reasonable time for the convenience of Members. I am almost finished here, but there is at least one other Senator on our side, so I would not want to share that time at this point.

Mr. MITCHELL. Mr. President, would my colleague be agreeable that that gives us 25 minutes, if the time were divided 5 minutes to Senator NUNN and 20 minutes under the control of the Senator from New Hampshire?

Mr. SMITH. Would the leader agree to 6:15? I think Senator NUNN should have time. In 20 minutes, I can complete my remarks and Senator NUNN can have 15 minutes or yield back if he wishes. I need about 20 minutes.

Mr. NUNN. If the Senator will yield, could I suggest to the majority leader we say the vote occur no later than 6:15? And perhaps we could make it earlier.

Mr. MITCHELL. That is fine so long as Senators understand that.

Then, Mr. President, I modify my request to ask unanimous consent that a vote on the pending nomination occur no later than 6:15 p.m. today, and that the time between now and then be divided 15 minutes under the control of Senator NUNN and 25 minutes under the control of Senator SMITH.

Mr. SMITH. No objection.

The PRESIDING OFFICER. Is there objection?

Mr. SMITH. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, all Senators should understand that there is no guarantee that the vote will occur at 6:15. It may occur before that. Senator NUNN has already indicated he does not intend to use all the time he has. So we expect that time will be yielded back.

Then it is my hope, following this vote, to proceed to the next nomination on the list, to which I earlier referred. So Senators should be aware of that. It has taken, for a variety of reasons, somewhat longer to get to this vote than we had anticipated initially, so we will proceed in that fashion, and this vote will occur no later than 6:15 and we hope sometime before that.

Mr. WARNER. Mr. President, will the majority leader kindly indicate, is there likely to be a second vote on the second nomination?

Mr. MITCHELL. I do not know about the vote because I have not had a chance to find out what our colleagues' time requirements are on that, but I certainly intend to proceed to the second nomination right after this. If we can get a vote, I would like to do that. If not, I would like to discuss how best to proceed on that.

Mr. WARNER. Mr. President, I thank the distinguished leader.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Mr. President, I would like to say to my colleagues, if Dr. Carter was not representing the Defense Department at these meetings, who was? I have asked that question on a number of occasions to a number of people both on the floor and to other individuals, and I have not received an answer to that question. Clearly not the civilian charged with responsibility for these important issues.

The Acting Assistant Secretary for International Security Policy was not scheduled to attend a single one of these policy and interagency meetings. I think that is very signficant, Mr. President. He was not scheduled to attend any of them. It is one thing to not attend. That happens frequently. We get many events on our schedule cards that we cannot keep from time to time and send subordinates occasionally, but in this case he was not even scheduled, and he is the chief policymaker. I think, to be very candid, he was not scheduled because he felt he had a representative there, and it was Dr. Carter.

On May 12, at 11:30, Dr. Carter attended a meeting with a Mr. Vos, of the Standards and Conduct Office, and this must be the formal briefing the Defense Secretary alluded to in his letter to Senators NUNN and THURMOND where nominees were briefed on how to behave prior to confirmation. But apparently this meeting occurred a little bit late because Dr. Carter had been actively representing the Defense Department in policy meetings for some 2 months by this time, in direct violation of the Secretary's regulation.

So, Mr. President, again the Defense Secretary alludes in his letter to Senators NUNN and THURMOND where nominees were briefed on how to behave prior to confirmation. This meeting occurred late because Dr. Carter had been actively representing the Defense Department in policy meetings for 2 months by this time. Mr. Carter simply did not make an accurate representation of the facts.

Another question I asked Dr. Carter:

> Have you participated in any discussions or decisions regarding an arrangement between the Russian Federation or any other former Soviet state and the U.S. involving the sale of highly enriched uranium to the United States?

That question was posed in writing. Dr. Carter responded in writing:

> The HEU agreement with the Russian Federation was the topic of numerous meetings and discussions that I attended. Though DOD did not have lead responsibility for this issue within the U.S. Government, the Secretary viewed it as an important aspect of facilitating nuclear weapons dismantlement in the former Soviet Union. The Secretary and other DOD officials asked me for my advice on this issue in view of my familiarity with issues relating to nuclear power technology and with nuclear dismantlement in the former Soviet Union. My role was advisory and not decisionmaking.

That was the response from Dr. Carter to my question. He said, "My role was advisory and not decisionmaking." But then, in question 7, which was the following question, when asked to elaborate on his involvement in the HEU deal, Dr. Carter stated, "I have limited personal knowledge of this matter because my involvement was limited."

That is not what he said in the previous question. He said in the previous question,

> The Secretary and other DOD officials asked me for my advice on this issue in view of my familiarity with issues relating to nuclear power technology and with nuclear dismantlement in the former Soviet Union.

These are less than candid responses to very serious questions, Mr. President. And I do not, frankly, think that they are the types of answers we should accept in our advise and consent role.

Which is it? In question 6, Dr. Carter indicated the HEU agreement was the topic of numerous meetings and discussions that he attended and that the Defense Secretary asked him for advice on the issue. Yet, in question 7, he says his knowledge on this issue is limited because his involvement is limited. These statements are a direct contradiction and, frankly, are blatantly evasive. If Dr. Carter knew enough on this issue to advise the Defense Secretary, I daresay he knew enough to answer my question, yet he pleaded ignorance, and I do not appreciate it and I do not think the answer was forthright and truthful.

I wish to repeat a statement that I made earlier. As Senator BYRD so aptly pointed out in his book in chapter 2, the advise-and-consent role of the Senate is very critical and ought to be taken very seriously by Senators.

That is why this issue is so important to the Senate today. I am debating this issue today in an effort to preserve the integrity of the advise and consent role of the U.S. Senate.

I asked Dr. Carter another question.

> Have you taken steps or issued policy guidance or directives regarding any of the following: nuclear weapons targeting or the SIOP; START I and/or START II compliance; force structure levels or weapons deactivation under those treaties; removal of any launch-essential components or capabilities of either Trident, SLBM's or ICBM's?

He said:

> I did not issue authoritative policy guidance or policy directives. Consistent with my role as a consultant, I provided advice and analysis as requested. On occasion that advice was in writing. On occasion, I also reported to others positions advocated by the Secretary. I understood this to be proper and consistent with my stated role.
>
> I cannot recall doing analysis or giving advice regarding nuclear weapons targeting or the SIOP, though these topics fall within the general areas upon which Secretary Aspin asked me to advise. I did advise Secretary Aspin on the related issue of how the U.S. could respond to Russian President Boris Yeltsin's detargeting proposal at the Vancouver summit.

He also said:

> I cannot recall doing analysis or giving advice on START I or START II compliance, though these topics fall within the general areas upon which Secretary Aspin asked me to advise.

He said again:

> I do not recall. I did advise Secretary Aspin on the issue of what steps the United States could take to ensure that Russia, Ukraine, Kazakhstan, and Belarus carried out their obligations under the START agreements.
>
> I cannot recall doing analysis or giving advice on force structure levels on weapons deactivation regarding U.S. forces, though these topics fall within the general areas upon which Secretary Aspin asked me to advise.

The Secretary asked him to advise on these, but he cannot recall giving advice. I really find that hard to believe, to be blunt about it. He said:

> I gave advice on means that the U.S. could take to ensure and hasten deactivation of Russian/CIS forces.
>
> I attended briefings and provided Secretary Aspin with advice regarding whether and how the U.S. should respond to Russian "detargeting" and "strategic disengagement" proposals. A number of options were analyzed and those details are classified.

He cannot recall doing analysis or giving advice? He cannot recall that on issues as important as nuclear weapons targeting; or START I and START II; or force structure levels; or removal of launch-essential components of Trident, SLBM's, or ICBM's? He cannot recall sitting in a meeting and giving advice to the Secretary of Defense on those matters?

Mr. President, with all due respect, that is an insult to the U.S. Senate to get an answer like that. If he said I did not do it, whether we believe it or not is up to us. He says that he cannot recall doing that. That is an insult.

He admits that is why he was there in the first place. He said he was there to give advice on those matters and says he cannot recall giving the advice. At the very least this misrepresents Dr. Carter's involvement and his knowledge level.

Mr. President, I do not often quote Senator BYRD. But I have done it quite a bit today.

In Senator BYRD's book, he quotes a man that many of us know, Tom Korologos. And Korologos said of his advice to nominees for confirmation hearings:

> If I could put the prospective nominees through a mock hearing, to prepare them for the Senate, I would fire the most rottenest, most insulting questions in the world at them.

Well, I did not fire rotten, insulting questions at Dr. Carter. I asked honest, straightforward questions. And I got "I do not recall" giving advice even though I was asked to go there to give advice on such things as strategic arms reductions and the other things I mentioned.

Korologos goes on to say, according to Senator BYRD—I will repeat them, because I think they apply to what we are talking about. No. 1, he says with respect to a nominee:

> Model yourself after a bridegroom at a wedding. Be on time, stay out of the way, and keep your mouth shut.

No. 2:

> Between the day of nomination and the day of confirmation, give no speeches, write no letters, make no public appearances. Senators don't like to read about the grand plans of an unconfirmed nominee.

No. 3:

> You may have been a brilliant victor in the corporate world or some other field of endeavor, but the Senate expects you to be suitably humble and deferential, not cocky.

No. 4:

> There is no subject on Earth that the Senate is not free to probe. But ready with polite, and persuasive answers.

They might have been polite, Mr. President, to my questions. But they sure as heck were not persuasive. I think they were evasive.

I am going to conclude, Mr. President, by making one thing very clear. My opposition to Dr. Carter's nomination is not partisan and it is not ideological, even though I disagree with him on much of the background information that I have read in terms of policy. My disagreement concerns the integrity of the advise and consent process of the U.S. Senate.

This is a man who clearly is evasive in the responses that he has given to our committee, and to the U.S. Senate. My objection to his nomination stems from the fact that I believe he knowingly and repeatedly violated Defense Department regulations governing the actions of nominees. He admitted doing that, in at least one case. He did not admit doing it in other cases, although the evidence indicates that he did.

Have other people done similar things? Yes, other people have done similar things. Is it a major crime? No. But it is a violation that denigrates the integrity of the process that the Constitution asks us to uphold; the advise and consent role.

It is not a matter which the Senate should take lightly. Some may rationalize Dr. Carter's action by saying his case is not unique, everybody does it. I say to my colleagues that is precisely the problem. Everybody is doing it. That is the problem.

That is why this nomination should not be confirmed. If nominees are allowed to dictate policy in our Government, there is no accountability to the American taxpayer. Where is the accountability for an unconfirmed nominee to be dictating policy and then not responding accurately to questions asked by U.S. Senators. It obviates the constitutional separation of powers, which is fundamental to our democracy.

Without checks and balances, such as the Senate's advise and consent, American Government becomes illegitimate and vulnerable to corruption and conflict of interest.

Dr. Carter had three jobs at the time he was directing policy. He was being paid by Mitre Corp., Harvard University, and the Defense Department, all at once while awaiting confirmation. At the same time he was engaging in policy level decisionmaking on extremely sensitive strategic nuclear issues in direct violation of Defense Department regulations as outlined by the Secretary of Defense, and reiterated by Senators NUNN and THURMOND. And he still violated them. And when he came to the Senate for his confirmation hearing, he said he did not do it, but then later said he did and apologized.

That is what bothers me the most, Mr. President; the fact that he misrepresented his actions in testimony before the Armed Services Committee, when the chairman asked the question. He said he had not made any authoritative decisions or provided authoritative guidance and as I have illustrated, this was simply not the case. Mr. Carter did. He knows he did. He admitted he did. The question is the degree that he did it.

Dr. Carter has actively and repeatedly engaged in policy formulation and implementation and the facts support that conclusion.

He has represented the Defense Department in interagency meetings, signed documents repeatedly, and provided authoritative guidance on a broad range of issues. Most disturbingly, he misrepresented his activity to the U.S. Senate and does not deserve to be confirmed. I do not care how knowledgeable he is. If he was President Bush's appointee, I would be standing here saying the same thing.

As a result, I have strong reservations over his credibility and ability to deal in a forthright nature with the Armed Services Committee and the Senate. I think it was an act of disrespect, frankly, to the chairman of the Armed Services Committee, who, again, in an effort to give him the opportunity to correct the record, asked him the question, and he still said no. Although he did confirm that later and apologized, the point is that he misrepresented the facts publicly on the record.

I urge my colleagues to carefully consider this nomination. The integrity of the advise and consent process of the U.S. Senate is at stake. A lot of words are thrown around here, and many times they are empty. We ought not to be throwing empty words around about the integrity of the Constitution of the United States. I came here to uphold the Constitution. It is a heck of a lot more important than one individual. It is more important than me, Ashton Carter, or even the President of the United States. The Constitution must prevail. In every crisis we have had, from Watergate to Irangate, the Constitution has prevailed. The system worked.

But our failure to appropriately execute the advise and consent obligation on this nomination threatens to stain the integrity of this institution. I ask my colleagues to, before the vote, look at the facts, study them, and make a decision based on what is appropriate to preserve the integrity of the process of advise and consent in the Constitution, not on the basis of polities or an individual who is far less important.

I yield the floor.

DR. CARTER'S SCHEDULE, WEDNESDAY, 17 FEBRUARY (REV NO. 1)

0800—Wisner Staff Meeting.
0945—LTGEN Teddy Allen, Dir, Defense Security Assistance Agency (courtesy call).
1000—LTGEN Ed Leland, Dir, J–5, Strategic Plans and Policy (courtesy call).
1100—Scooter Libby.
1300—POAC.
1300—Working Lunch [trays] w/Mr. Miller [et al], Prep for Interagency Group Meeting (Thurs, 18 Feb, 0900).
1500—Dr. Deutch, 3E 1006.
1530—VADM Dick Macke, Dir, Command & Control, Joint Staff (courtesy call).
1700—Meeting at National Academy of Science, Main Bldg.
1900—German Marshall Fund Dinner, Nora's Restaurant.

MR. INGLEE'S SCHEDULE, WEDNESDAY, 17 FEB 93

0830—Morning Brief.
1100—SecDef Mtg w/GE MOD Ruehe.
1300—Closure of NATO Site 43.

DR. CARTER'S SCHEDULE, TUESDAY, 30 MARCH

8:00—Policy Video Conf.
9:00—(CCC).
9:30—IWG Mtg @ NSC.
11:00—(Re: ABM/SCC).
11:15—Lunch w/D. Poneman.
12:00—Mtg w/D. Poneman & T. Graham.
12:45—(Re: HEU, Rm. 208).
1:00—Brussels Debrief w/F. Wisner.
1:45—(DepSecDef's Ofc).
3:00—Mtg w/F. Miller & M. Schneider.
4:00—(Re: Ballistic Missile Defense).
4:30—Mtg w/B. Auster & S. Strednansky.
5:00—(Re: Proliferation Interview).

MR. INGLEE'S SCHEDULE, TUESDAY, 30 MAR 93

0830—Morning Brief.
1000—Mtg w/German Parliamentarians (W. Wimmer, W. Kolbow & Col. Mueller).
Re: CSCE.
1400—USD(P) Staff Mtg.

SCHEDULE FOR MR. LOCHER, SENIOR CIVILIAN OFFICIAL—USD(P) WEDNESDAY, MAR. 31, 1993

0800—Mr. Wisner Staff Mtg.
0900—Mtg w/Gen Joulwan and Mr. Wisner.
1400—Briefing by DSAA to Mr. Wisner.
1500—SO/LIC Staff Mtg.

DR. CARTER'S SCHEDULE, WEDNESDAY, 31 MARCH (REV#1)

8:00—Policy Staff Meeting.
8:45—Coordinating Staff Meeting.
9:30—Dr. Perry and Dr. Deutch rm 3E944.
10:30—SDI Brfg on International.
10:45—rm 3E 1006.
12:00—Poneman Mtg on HEU, rm 208.
1:00—Prof Paul Doty.
2:00—Poneman Mtg on Iran, rm 208.
3:00—SDI Brfg On Weapons Lethality.
4:00—Mr. Wisner/Mr. Miller.
4:15—Mitchell Wallerstein.

MR. INGLEE'S SCHEDULE: WEDNESDAY, 31 MAR 93

0845—Coordinating Staff Mtg.
1000—Mtg w/D. Cooke.
1400—Mtg w/T. Parker.

SCHEDULE FOR MR. LOCHER, SENIOR CIVILIAN OFFICIAL—USD(P) WEDNESDAY, APR.7, 1993

0800-0830—Wisner staff meeting.
0900-1000—Interview with Col. Pearce.
1100-1330—Appointment with Dr. Litman.
1400-1500—SF briefing W/LTC Davis, BG Dubia, BG Taylor & Mr. Dominguez.
1500-1600—SO/LIC staff meeting.
1600-1630—Bottom-up review of strategy, forces and programs W/PD, DASDS & Dr. Lamb.

DR. CARTER'S SCHEDULE, WEDNESDAY, 7 APRIL

8:00—Policy Staff Meeting.
9:30—Coordinating Staff Meeting.
10:00—Gen Klugh.
11:00—Pantex Brfg.
12:00—"Try" POAC.
1:45—Courier to OEOB.
2:00—Toby Gati, Amb Goodby, Eric Edelman OEOB 368.
3:30—Jim Hinds, SecDef Rep for Forum Security Cooperation.
4:15—Courier to State Department.
4:30—Amb Winston Lord, State 5205.
5:30—Courier to Pentagon.
6:00—RAND Working Reception, 2100 M Street, NW.

MR. INGLEE'S SCHEDULE: WEDNESDAY, 7 APR 93

00845—Morning Brief (4E838).
0930—Coordinating Mtg
1000—Mtg w/Cal Vos, SOCO
1100—Pantex Briefing by Steve Guidice & George West Re: Dismantlement Ops

DR. CARTER'S SCHEDULE, TUESDAY, 13 APRIL

8:00—Policy Video Conf, CCC
8:30—Mtg w/ Messrs. Wisner & Freeman
8:45—Re: Korea
9:30—Coordinating Staff Meeting
10:30—Charles Kelley, RAND

11:00—Tom Parker, Interview

11:30—Amb Ted McNamara, Ass't to Gallucci

11:45—Courier to OEOB

12:00—lunch w/Dan Poneman, OEOB 380

1:00—IWG on PDD±3, OEOB 208

2:30—Poneman Brainstorming session on COCOM and ExportControls OEOB 380.

4:00—Courier to Pentagon.

[4:00—W/T Topics due].

MR. INGLEE'S SCHEDULE: TUESDAY, 13 APR 93

1000—Mtg w/Mr. Scher.

DR. CARTER'S SCHEDULE, THURSDAY, 15 APRIL

7:30—Breakfast w/Dr. Perry, 3E944.

[8:00—Policy Staff Meeting.]

9:00—Slocombe Mtg on Contingency Plan/Bastion Paper, 4E829.

11:00—FARR Brfg.

12:30—POAC.

2:30—Ken Flamm.

3:00—Dorothy Zinberg.

3:45—Courier to OEOB.

4:00—IWG on Ukraine Nuc Issues OEOB 208.

4:45—Courier to Pentagon.

5:00—Swearing-In Ceremony/Reception iho Dr. Deutch, 3E869/912.

MR. INGLEE'S SCHEDULE, (THURSDAY, 15 APR. 93)

0930—Coordinating Staff Mtg.

1700—Swearing-in Ceremony for John Deutch (3E869).

DR. CARTER'S SCHEDULE, FRIDAY, 16 APRIL

8:30—Policy Staff Meeting.

9:30—Coordinating Staff Meeting.

(T) 11:45—Larry Smith, 3E 856.

(2:00—Steering group meeting, Russia, Ukraine, New Independent States, State 7516).

2:00—Courier to Residence/AP.

Reminders: Lisa Burdick, Inglee/Joseph (prebrf).

MR. INGLEE'S SCHEDULE, (FRIDAY, APR. 93)

1215—Lunch w/Mr. Hadley (Blue Room).

1400—HASC Briefing (Rayburn Bldg.).

DR. CARTER'S SCHEDULE, FRIDAY, 23, APRIL 93

8:30—Policy Staff Meeting.

9:00—Michael May.

9:30—Dr. Perry w/Michael May, 3E944.

10:00—Coordinating staff meeting.

11:30—"TRY" POAC.

2:00—Talbott Mtg on Implementation of Vancouver Package for Russia, State 7516.

4:00—Jim Miller.

7:00—JASON Reception., JW Marriott Hotel, Capitol Ballroom., Pennsylvania Ave.

MR. INGLEE'S SCHEDULE, FRIDAY, 23 APR 93

No schedule.

MR. WISNER'S SCHEDULE—WEDNESDAY, MAY 12

0730—Breakfast with Roland Evans, Metropolitan Club.

0900—Appt. with Dr. Kossack, 1634 Eye Street., N.W., Suite 406.

1000—50th Anniversary Ceremony of the Pentagon, River Entrance, followed by SecDef's private reception in Room 3E912.

1100—Courtesy call by Lt. Gen. Mike Ryan (replacing McCaffrey).

1200—Luncheon w/Liz Drew, Metropolitan Club.

1330—Amb. Charles Thomas (Hungary).

1400—Meeting with Gordon Adams, Assoc. Dir for Natl. Security & Intrntl. Affairs OMB, w/Halperin and Locher.

1500—Gen. David Ivry, DirGen Israeli Defense Ministry.

1600—Briefing by Commander Ingram on Special Access Programs

1800—Mr. Francisco Villa, Secy Gen. Political Affairs, Spanish MFA.

1930—Reception/Dinner Speech, Defense Science Board, Army Navy Club, Farragut Square, N.W.

MR. SLOCOMBE, WED. 12 MAY 93

0900-0930—Policy Bfg to SecDef.

0945-1000—D. Johnson/Prbrf Teleconf.

100-1100—Teleconf, COC.

1130-1200—Lt Gen Mike Ryan, USAF, Asst to CJCS/CC (Here).

1600-1630—Wisner's Ofc/Special Program Briefing.

1815-1900—Defense Gp Mtg Chrd by Dr. Deutch, 3E928.

1930—Personal Engagement/Rosslyn.

SCHEDULE FOR GRAHAM ALLISON, WEDNESDAY, MAY 12, 1993, AS OF 5/11, 1830

10:00—River Entrance-Ceremony re 50th Anniversary of Pentagon (Reception follows in Rm 3E912)

12:40—Depart River Entrance

13:30—Mtg w/Nick Burns re: Kokoshin Visit, Rm 368 OEOB

1400—Return car.

1500—General Leland (15 mins) Farewell call.

DR. CARTER'S SCHEDULE, WEDNESDAY, 12 MAY

8:30—DSB Spring Meeting 3E869

9:30—Coordinating Staff Meeting

10:00—Ceremony/Reception iho Pentagon 50th Anniversary Hb SecDef, River Entrance/3E912.

11:30—Mr. Vos, Standards of Conduct Ofc

12:00—Lunch w/DSB

1:30—Blue Rm

1:30—Bruce Burton

2:00—North Korea Working Group

4:00—Messrs. Rostow and Knapp.

4:20—re Update on Conf on Disarmament.

7:00-8:00—DSB Spring Dinner (Cocktails).

8:00-9:00—Dinner.

9:00-10:00—Speaker.

Army/Navy Club, 901 17th St., NW.

MR. INGLEE'S SCHEDULE, WEDNESDAY, 12 MAY 93

0845—ISP Morning Brief.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I would like to inquire of my friend from New Hampshire whether there are other speakers coming that he knows of. The majority leader, I am sure, would like to go ahead on the vote whenever we can. I am prepared to yield back my time after a few concluding remarks.

Mr. SMITH. Mr. President, there are no other speakers that I am aware of. I have completed my remarks, and I am prepared to yield back any time—in fact, I will yield any time that I have.

Mr. NUNN. Mr. President, I want to make sure the majority leader understands that we are prepared to go to a rollcall vote at this point. Let me conclude by saying that we have gone into this matter very thoroughly in the Armed Services Committee.

A mistake was made; there is no doubt about that. I think it was an innocent mistake by Dr. Carter. Knowing him as I do, I am confident it was an innocent mistake. He exceeded the guidelines of the Secretary of Defense and the committee. I believe the underlying reason is because we are getting into more and more problems in the executive branch with more and more delay. People are being put in a position of spending months and months and months in limbo, so to speak, having in most cases given up their own positions and gone on to what they hoped would be an executive branch position. Yet, the process goes on and on and takes longer and longer.

So this was a mistake. I think it was inadvertent. I believe Dr. Carter is superbly qualified for this job.

I understand the points being made by the Senator from New Hampshire, and I understand the dedication he and the Senator from Idaho have to the confirmation process. I share that, but I believe the Senate should confirm this nomination.

I urge my colleagues to vote for this nomination. I also would like to say that Senator THURMOND, the ranking Republican member, supports this nomination and has so indicated earlier in the day. So I hope we will have very strong bipartisan support for this nominee.

Mr. President, I yield the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I agree with my colleague from New Hampshire. The issue here is not will Ashton Carter do a good job. The issue is: Has Mr. Carter exceeded his authority as a consultant to the Department of Defense while he awaits confirmation.

The rules are clear on this issue. The Office of Personnel Management, the Office of Management and Budget, the Secretary of Defense, and the Department of Defense general counsel have all clearly stated that consultants are prohibited from performing as officers of the U.S. Government.

During Mr. Carter's confirmation hearing on May 25, 1993, Mr. Carter clearly, stated—in response to a question from the chairman—that he had not made any "authoritative decisions or provided authoritative guidance while serving as a consultant.

According to a May 17, 1993, Internal DOD memo, Mr. Carter directed the transfer of funds from the Nunn-Lugar account to the Defense Nuclear Agency [DNA]. This decision memorandum, signed by Mr. Carter, clearly violates the guidance of OPM, OMB, the Secretary of Defense, and the DOD general counsel—not to mention the legitimate authority of consultants to the U.S. Government.

At the same time Mr. Carter was on three different payrolls. He was being paid by the Mitre Corp., a defense contractor. He was being paid by Harvard University—another recipient of large amounts of Defense Department funds Mr. Carter was also being paid directly by DOD as a consultant. All while awaiting confirmation.

In a June 1, 1993, letter to Secretary Aspin, Mr. Carter acknowledged his violation of these rules for consultants and apologized for his indiscretion. I applaud his forthright attitude, but I do not believe his apology is sufficient to waive the principle at stake.

I want to emphasize two specific points:

First, Mr. Carter is fully qualified for this position. His background is extensive and accomplished in this area. He is capable of doing the job.

Second, there is a clear precedent for objections to any nomination for improper activities of nominees prior to confirmation.

In fact, the Democrats helped establish this precedent in 1981. One Member from the other party challenged a nominee of President Reagan to the Department of Energy.

He raised many issues of concern, but he particularly stressed the legal restrictions which face consultants.

I also remember a former staff person from the Senate Appropriations Committee, Mr. Sean O'Keefe, was challenged by the Senate Armed Services Committee. Why was he challenged? Because Secretary Cheney asked him—prior to his confirmation to the position of comptroller—to brief him on unauthorized appropriations.

Mr. President, Sean O'Keefe was not an employee of any defense contractor. He was a staff person from the Senate Armed Services Committee.

Mr. O'Keefe was properly confirmed as comptroller of DOD—he did not do anything wrong. But the Senate Armed Services Committee still voiced concern about his activities prior to confirmation. So, it is important to understand that the Members from the other party has helped establish the precedent of questioning nominees about their activities prior to confirmation.

If the Senate confirms Mr. Carter, we are changing the rules and making an exception where one should not be made.

I want to ask my colleagues, if we confirm any nominee who violates the rules, why do we bother confirming nominees at all? Is it the intention of the Senate to allow any nominee to serve in any capacity prior to confirmation? I hope not.

Are we witnessing the application of unequal rules in the pursuit of this nomination? Mr. President, we must apply the rules to all nominees at all times. It is inappropriate to apply one set of rules to Democrat nominees and another set to Republican nominees.

For these reasons, I oppose the nomination.

Mr. WARNER. Mr. President, I would like to add my voice in support for the nominee, Mr. Carter. I have known him and worked with him for many years. I am confident he will do a very credible job in this new position if confirmed by the Senate.

Mr. NUNN. Mr. President, I believe the yeas and nays have been ordered. I urge my colleagues to support the nomination.

The PRESIDING OFFICER. The question is on the confirmation of Ashton B. Carter.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Louisiana [Mr. BREAUX], the Senator from Connecticut [Mr. LIEBERMAN] is necessarily absent.

I also announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY], the Senator from Connecticut [Mr. LIEBERMAN] would vote "yea."

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. GREGG], and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

I also announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER (Mr. AKAKA). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 76, nays 18, as follows:

[Rollcall Vote No. 191 Ex.]

YEAS—76

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Bryan
Bumpers
Byrd
Campbell
Chafee
Coats
Cohen
Conrad
D'Amato
Danforth
Daschle
DeConcini
Dodd
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Harkin
Hatch
Hatfield
Heflin
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lugar
Mathews
McCain
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nunn
Packwood
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Simpson
Thurmond
Warner
Wellstone
Wofford

NAYS—18

Brown
Burns
Cochran
Coverdell
Craig
Dole
Gramm
Grassley
Helms
Kempthorne
Lott
Mack
McConnell
Nickles
Pressler
Smith
Stevens
Wallop

NOT VOTING—6

Breaux
Gregg
Lieberman
Murkowski
Murray
Specter

So the nomination was confirmed.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. BIDEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NUNN. Mr. President, has action been taken on the motion to table?

The PRESIDING OFFICER. It has been agreed to.

Mr. NUNN. I thank the Chair.

Mr. President, I ask the President be notified of the Senate's consent to the nomination of Ashton Carter.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF GEORGE T. FRAMPTON, JR., TO BE ASSISTANT SECRETARY FOR FISH AND WILDLIFE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate now proceed to Executive Calendar No. 229, the nomination of George T. Frampton, Jr., to be Assistant Secretary for Fish and Wildlife of the Department of the Interior.

The PRESIDING OFFICER. The clerk will report the nomination.

The legislative clerk read the nomination of George T. Frampton, Jr., of the District of Columbia, to be Assistant Secretary for Fish and Wildlife.

There being no objection, the Senate proceeded to consider the nomination.

Mr. CRAIG. Mr. President, for the next few moments I will speak in opposition to the nomination of George Frampton. It is my understanding this debate will be carried over into the session tomorrow.

But let me be very clear this evening.

Mr. President, George Frampton has been nominated by President Clinton to serve as Assistant Secretary for Fish, Wildlife and Parks. And the Committee on Energy and Natural Resources reviewed this gentleman's qualifications and circumstances around his nomination. It is in those reviews that my concern has grown.

Let me be very clear that my opposition to Mr. Frampton is not because we believe, or many of us who serve on that committee believe, that he has violated the commitment he has as a consultant to serve this administration without taking strong directive and managerial activity during that period.

Many of us who examined Mr. Frampton's background and some of the documents that he signed off on believe that, in fact, he did take action serving, if you will, as that Assistant Secretary directing certain mandates that our President had proposed through the Secretary of Interior as it relates to the U.S. Fish and Wildlife Service. And in that, we do believe that he violated his relationship as a consultant.

But beyond that, I have had the opportunity to work with Mr. Frampton over the years on a variety of issues, during which time he served as president of the Wilderness Society. I can tell you that anything I might say this evening or tomorrow about Mr. Frampton is in no way a reflection of the man as a person or his individual qualifications. I have all due respect for Mr. Frampton as an individual.

What I am strongly concerned about, as a Senator representing a western public lands State, is the authority and the responsibility that George Frampton will have serving as Assistant Secretary of Fish, Wildlife and Parks, especially as it relates to the implementation of the Endangered Species Act.

Clearly, as president of the Wilderness Society over the years, Mr. Frampton has taken controversial positions, did so appropriately representing the constituency of his organization in a very outspoken way, has filed lawsuits, has strongly been the advocate of the environment as seen through the eyes of the policies of the Wilderness Society.

Although I disagree with many of those positions, I cannot argue that solely as it relates to Mr. Frampton, but what I am concerned about is that the improper implementation, the imbalance that could occur in the implementation of the Endangered Species Act could create great havoc in my State and in other western public lands States. For example, I and many others in the Senate feel that the handling of the spotted owl issue in the States of Oregon, Washington, and northern California was done in a way that could have been avoided, and the loss of some 27,000 jobs in the forest products industry could well have been avoided if he had not viewed the Endangered Species Act in an absolute, closed environment kind of an approach. It is that concern that I have, looking at the background of Mr. Frampton and his experience with the Wilderness Society that concerns me a great deal.

We are now experiencing in the watersheds of the Snake and Columbia River systems, which take in the entire States of Idaho, large portions of Oregon and Washington, and part of Montana, an endangered species, of course, known as the famous salmon that migrates through those watersheds and up into the high reaches of Idaho and other States for the purposes of spawning and reproduction.

It has been determined that one of those species is endangered, the others are threatened and that a plan of mitigation must come about. Obviously, Mr. Frampton will be deeply involved in effecting the plan and how it will be ultimately implemented on the ground. Although National Marine Fisheries is the lead agency, certainly U.S. Fish and Wildlife Parks Assistant Secretary will have a great deal to say, and it is with that concern that I speak in opposition to the nomination of this gentleman.

I will have a good deal more to say tomorrow as the discussion continues on Mr. Frampton, but in opening this debate this evening, I wanted it to be understood that there were a good many of us who would speak in opposition to that.

With those brief comments in mind, I yield the floor.

Mr. WALLOP. Mr. President, I will vote in opposition to the nomination of George Frampton, Jr., to be Assistant Secretary for Fish, Wildlife and Parks. The Committee on Energy and Natural Resources reviewed certain documents related to Mr. Frampton's activities as a consultant while awaiting Senate confirmation.

Notwithstanding the formal opinions we received stating that these activities violated no law, regulation, guideline, or ethical standard, my view is that those conclusions are in part wrong, and the scope of their interpretation quite narrow. For example, I find it incredible that the OPM guidelines on consultants can be rendered meaningless, merely if a consultant is directed to take a prohibited action by a departmental official such as the Secretary's Chief of Staff did in the case of Mr. Frampton. In addition, I believe the opinions rendered totally ignored the fact that Mr. Frampton signed a contract which specifically provided that his services were to be advisory only.

More importantly, I believe Mr. Frampton's activities, coupled with other actions by this administration, demonstrate a cavalier attitude with respect to the rule of law, the spirit of the law, and for ethical guidance. In part, it is this pattern which I am also protesting here today.

For example, this administration has proposed a nominee for director of the Fish and Wildlife Service who may not meet the statutory qualifications set by Congress. This administration has made the Secretary of Energy the acting nuclear waste negotiator, in clear violation of the intent of the law. And, this administration has condoned activities, that we know about, by nominees such as Ashton Carter at Defense, and George Frampton at Interior, which cross the line for advice to action.

This pattern of conduct by this administration strikes at, and interferes with, our constitutional duty to consent to nominees of the President prior to those individuals assuming official duties. Consultants, such as Mr. Frampton, are only hired into that status because they are awaiting confirmation. That special status has a twofold purpose. First, it allows the nominees to distance themselves from their previous employment and second, it allows them to learn about the position for which they seek Senate approval. I emphasize, learn not act. I submit that this administration appears to not understand or appreciate that important distinction.

To be fair, I will state that the last response by the Department of the Interior demonstrates the first scintilla of contrition on the part of the Department on this matter. Moreover, Mr. Frampton, in a private meeting with me recently, in a very forthright manner, gave me his explanation of the matter. I appreciate and credit them both for those efforts.

Nevertheless, I believe this administration must be sent a strong message that the type of conduct by unconfirmed individuals, evidenced by Mr. Frampton's activities, is unacceptable to this Senator and to the Senate. I know of no more effective way to send that message than by voting "no" on this nomination.

I ask unanimous consent that certain nonconfidential documents provided to me and the committee be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DOCUMENTS TO BE SUBMITTED FOR THE RECORD

1. June 14, 1993 letter from Tom Collier to Senator Wallop.
2. June 9, 1993 letter from Senator Wallop to Secretary Babbitt.
3. June 7, 1993 letter from OPM Director King to Senator Wallop.
4. June 4, 1993 letter from Secretary Babbitt to Senator Wallop.
5. June 4, 1993 memorandum from DOI Solicitor Leshy to Secretary Babbitt.
6. June 4, 1993 memorandum from DOI Personnel Officer Eller to DOI Assistant Secretary, Policy, Management and Budget, Cohen.
7. June 1, 1993 memorandum from DOI Deputy Agency Ethics and Audit Coordination Official Paone to Secretary Babbitt.
8. May 28, 1993 letter from Senator Wallop to Secretary Babbitt.
9. May 26, 1993 memorandum from DOI Chief of Staff Collier to Gary Ellsworth.
10. March 1, 1993 contract between DOI and George Frampton.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
June 14, 1993.

Hon. MALCOLM WALLOP,
U.S. Senate,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR WALLOP: Secretary Babbitt asked that I respond to your recent letter regarding George Frampton, the nominee for Assistant Secretary for Fish, Wildlife and Parks.

Before I do so, however, I would like to apologize to you for the way we have handled this entire matter since the time you originally raised it. Instead of firing off a memo to you and seeking opinions from our Personnel Office, the Solicitor's Office, and the Office of Personnel Management, we should have simply sought an opportunity to meet with you to discuss your concerns, and followed up the meeting with the written documentation you requested.

I would also like to explain to you the steps we have taken to try to ensure we avoid having one of our consultants cross over the line from "advice" to "action." I have met with each consultant as they have come on board, and discussed with them in some detail the importance of not "acting" in any official capacity until they have been confirmed by the Senate. We took pains to make sure we located each consultant in an office outside of the area housing employees which they would supervise once confirmed; we discussed at length the need to avoid issuing directions to employees in their area, and the need to avoid being a decisionmaker. Instead, we looked to consultants to provide advice to the Secretary or to me according to specific requests from us.

I have had the privilege of serving in government before; in addition, much of my law practice over the past dozen years has dealt with government ethics issues. For these reasons, I am quite sensitive to the concerns you have expressed in your letter. I want to assure you that we have attempted to take appropriate steps to conduct ourselves within the existing constraints.

With respect to the particular memo which you raised in your June 9 letter, I made an oral request to George that he arrange the meeting. I looked to George as one of several consultants who provided advice to me and to the Secretary on how best to move the Secretary's new National Biological Survey initiative forward. On occasion, I asked George to arrange meetings to flesh out some of our strategy options. It was not my intention to have George in a position of making decisions or determining what instructions should be issued to the Fish and Wildlife staff. Obviously, it appears to you that we have come too close to the line with respect to this matter. Although, respectfully, I may not agree with that assessment, it is my intention that we stay far enough within the lines that we will not cause you to raise these questions with us. I am committed to making certain that we conduct our business that way in the future. I look forward to working with you and your staff.

Please let me know if you have any additional questions.

Sincerely,

TOM COLLIER.

U.S. SENATE, COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC, June 9, 1993.

Hon. BRUCE BABBITT,
Secretary, U.S. Department of the Interior, Washington, DC.

DEAR MR. SECRETARY: Thank you for providing the information which Senator Johnston and I requested on behalf of the Committee regarding Mr. Frampton's activities.

In the confidential material which you submitted for our review, there is an April 29, 1993 memorandum which Mr. Frampton wrote regarding the National Biological Survey. In my view, this document also demonstrates a crossing of the line from advice to action. Did Mr. Collier or any other official of the Department direct Mr. Frampton to send this memo as well? Was that direction in writing or once again orally given? If in writing, please provide me and the Committee with a copy of the document. If orally, please provide me with the name of the official giving the direction and the approximate time and circumstances under which it occurred.

Thank you again for your cooperation in this matter.

Sincerely,

MALCOLM WALLOP,
Ranking Republican Member.

U.S. OFFICE OF PERSONNEL MANAGEMENT, OFFICE OF THE DIRECTOR
Washington, DC, June 7, 1993.

Senator MALCOLM WALLOP,
Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR SENATOR WALLOP: This is in response to your request to Secretary Babbitt that he obtain comments from the Office of Personnel Management on his explanation of certain activities of George Frampton, Jr., which occurred during Mr. Frampton's service as a consultant to the Department of Interior. Our comments, which follow, are based solely on documents provided by the Department.

(1) Mr. Frampton's appointment as a consultant to the Department under 5 U.S.C. 3109 appears to be in order.

(2) There are no Governmentwide regulations defining the appropriate uses of consultants. The Office of Personnel Management has issued guidance to agencies on this matter, which reflects case determinations made by the Comptroller General, through the Federal Personnel Manual (Chapter 304).

(3) Mr. Frampton's memorandum of May 18, 1993, could give the appearance that he was acting in a supervisory or managerial, rather than an advisory capacity, and thus, in contravention of OPM's guidance. In light of the Chief of Staff's letter to Minority Counsel Ellsworth, however, we cannot conclude that this was the case. While he neglected to so inform the addresses, Mr. Frampton's memo apparently only communicated a plan of action that he had recommended and the Chief of Staff had approved.

(4) We find nothing in the documents provided to demonstrate any violation of ethical standards.

A similar letter is being sent to Chairman Johnston.

Sincerely,

JAMES B. KING,
Director.

THE SECRETARY OF THE INTERIOR,
Washington, DC, June 4, 1993.

Senator MALCOLM WALLOP,
Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR SENATOR: In response to your letter of May 27, 1993, I have asked the Solicitor and representatives from the Division of Personnel Services and the Ethics and Audit Liaison Staff to review the legality and appropriateness of actions taken by Mr. George Frampton to determine if they violate the law, regulations, or ethical standards governing his work as a Consultant to the Department of the Interior (DOI).

As a result of this review, I am advised that there was no violation of applicable laws, regulations or ethical standards. Attached are the opinion papers which explain the applicable statues, regulations, and policies governing the employment of, and performance of official functions by consultants hired by the DOI, as well as copies of all such applicable provisions. As requested, copies of all other Departmental correspondence and memoranda executed by Mr. Frampton during his service as a consultant are enclosed. Also enclosed are documents you requested in your May 28, 1993 letter.

A similar letter is being sent to Senator Johnston.

Sincerely,

BRUCE BABBITT.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, DC, June 4, 1993.

To: Secretary.
From: Solicitor.
Subject: May 27, 1993 Letter from Senators Johnston and Wallop Concerning George Frampton.

In a May 27, 1993 letter Senators Johnston and Wallop of the Senate Committee on Energy and Natural Resources state that allegations have been made that Mr. George Frampton's actions in his capacity as a consultant have violated "the law, regulations, or ethical standards" governing his work as a consultant. The allegedly improper activity to which they refer is a May 18, 1993 memorandum in which Mr. Frampton makes various assignments to Departmental employees concerning planning for the structure of the National Biological Survey (NBS). The Senators asked you for a written explanation of the legality and appropriateness of his issuance of the memorandum. You have asked me to examine whether Mr. Frampton has acted within legal requirements. I conclude he has acted legally.

Mr. Frampton was appointed as a consultant on March 1, 1993, under the authority of 5 U.S.C. §3109, which provides for the employment of experts and consultants where authorized by an appropriation or other statute. Section 104 of the Department's FY 1993 Appropriation Act, Pub. L. 102–381, October 5, 1992, makes the Department's appropriations available, in total amount not to exceed $500,000, for services as authorized by 5 U.S.C. 3109. I have no reason to doubt the propriety of Mr. Frampton's appointment under §3109.

Section 3109 does not define the term "consultant". However, guidance from the Office of Personnel Management (OPM) in 304 FPM 1–2(1) (the subchapter governing the employment of consultants), provides a definition. It states:

Consultant means a person who serves primarily as an adviser to an officer or instrumentality of the Government, as distinguished from an officer or employee who carries out the agency's duties and responsibilities. A consultant provides views or opinions on problems or questions presented by the agency, but neither performs nor supervises performance of operating functions (23 Comp. Gen. 497).

Mr. Frampton's "Approval of Expert or Consultant Employment Request" (Form DI–370), states that he will consult "on matters dealing with technical policy evaluation regarding issues and procedures under current review by the incoming administration on the multiple-use management of public lands under the jurisdiction of the Department." The May 26, 1993 memorandum from the Chief of Staff to Gary Ellsworth, Minority Counsel, Senate Energy and Natural Resources Committee, describes the nature of Mr. Frampton's activities regarding the NBS. It explains that Mr. Frampton has participated in meetings and discussions of the NBS Implementation Team, and that he has offered advice and reviewed written documents. It also states that Mr. Frampton drafted and sent the May 18, 1993 memorandum, which made the various assignments to the NBS Implementation Team members, as the Chief of Staff's request.

I believe Mr. Frampton's actions are consistent with his status as a consultant. The fact that the May 18 memorandum he signed made assignments regarding NBS planning does not constitute "performance" or "supervision" of "operating functions." First, there are no "operating functions" of the

NBS, as it has not yet been established. Second, it is wholly consistent with the OPM's definition of consultant for Mr. Frampton to make the kinds of assignments set forth in the May 18 memorandum. All of the assignments related to how the NBS should be organized or how the process of establishing the NBS should be carried out. These assignments would generate the kinds of information Mr. Frampton would need to advise the Secretary on NBS matters. Finally, even if there were some question about whether the content of the May 18 memorandum was consistent with consultant status, the Chief of Staff's May 26 memorandum shows that Mr. Frampton was specifically acting at his direction, to relay Mr. Collier's wishes in planning the work of the NBS Implementation Team.

Accordingly, I believe Mr. Frampton's actions have been fully consistent with legal requirements.

JOHN D. LESHY.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, June 4, 1993.

To: Bonnie R. Cohen, Assistant Secretary—Policy Management and Budget.
From: Sharon D. Eller, Personnel Officer.
Subject: Opinion regarding Consultant Appointment—George Frampton.

I am providing the following information in response to questions raised to the Secretary by Senators Johnston and Wallop.

Effective March 3, 1993 (Attachment 1), in accordance with 5 United States Code 3109 (Attachment 2), and the Interior Appropriations Act (Attachment 3), Mr. Frampton was hired as a Consultant in the Secretary's Immediate Office to work with technical policy evaluation regarding issues and procedures under current review by the Clinton Administration on the multiple-use management of public lands under the jurisdiction of the Department.

In accordance with the Federal Personnel Manual, Chapter 304-3, Subchapter 1, (Attachment 4), and 23 Comp. Gen. 497 (Attachment 5), a Consultant is a person who serves primarily as an adviser to an officer or instrumentality of the Government, and is distinguished from an officer or employee, who carries out the agency's duties and responsibilities. A Consultant provides views or opinions on problems or questions presented by the agency, but does not perform or supervise the performance of operating functions. Therefore, it is appropriately within an advisor's duties to establish a working outline for assisting in developing of new agency organizations.

As a Consultant, Mr. Frampton has been providing advisory services to the Secretary of the Interior on a variety of issues and procedures under current review by the Clinton Administration. With the creation of the National Biological Survey (NBS), and since Mr. Frampton is a renown environmentalist with significant experience in the management of the Wilderness Society, a national non-profit environmental membership organization whose primary emphasis is the preservation and protection of the Nation's wilderness and wildlife, and fostering of land use ethics, the Secretary of the Interior designated Mr. Frampton as his senior adviser to provide the Secretariat with feedback on current issues and procedures under review by the NBS Steering Committee and the Implementation Team. There is no chairman for the Steering Committee. The Implementation Team is co-chaired by career employees who conduct all meetings.

The May 18, 1993, NBS memorandum (Attachment 6), signed by Mr. Frampton made assignments, at the direction of the Chief of Staff. These assignments were made to assist in developing recommendations regarding the creation of the NBS. He was neither performing nor supervising the performance of operating functions. See the May 26, 1993, memorandum from the Chief of Staff to Gary Ellsworth, Minority Counsel, Senate Energy and Natural Resources Committee (Attachment 7).

"Consultant" as defined in the 23 Comp. Gen. 499, is "one who serves in an advisory capacity to an administrative officer of the Government, as distinguished from one who serves as an administrative officer or employee in the performance of the duties and responsibilities imposed by law upon the agency in which employed." That is to say, a consultant is one who expresses his views or gives his opinion regarding a problem or question presented to him by the administrative officers, but he does not perform, or supervise to the performance of, the duties and responsibilities imposed by law upon the agency. The operating functions for the NBS have not been developed; it has no budget, resources, or duties. Mr. Frampton merely has acted to assemble information to make recommendations to the Secretary on these matters.

In fact, in addition to requesting Mr. Frampton to use his expertise and that of career employees to make recommendations, the Department solicited the National Academy of Sciences' National Research Council to offer advice and assistance on the long-term mission and activities of the NBS. The Council, selected by the Academy, is headed by Dr. Peter Raven, Director of the Missouri Botanical Garden, and a longtime advocate of a national survey and inventory effort.

Further, scientific experts, representatives from environmental organizations, industry, and individuals familiar with the workings of both state and federal government also are included on the Council. Additionally, Dr. Thomas E. Lovejoy, Assistant Secretary for External Affairs for the Smithsonian Institution is serving as Science Advisor to the Secretary of the Interior to coordinate the program with other science activities.

Enclosed is a May 1993 NBS update (Attachment 8) which outlines the NBS's proposed mission, scientific community support, and questions and answers, etc. Most importantly, in the update, there is a section asking Interior employees for opinions in order to help develop plans for the NBS and its implementation team. All comments received will be reviewed by Mr. Frampton and the Council in order that recommendations can be made to the Secretary for implementation.

I conclude, based on the above information, that Mr. Frampton did not violate any personnel law, rule, or policy.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, June 1, 1993.

To: Secretary.
From: Gabriele J. Paone, Deputy Agency Ethics and Audit Coordination Official.
Subject: Ethics Portion of Response To Senate Committee May 27, 1993 Letter Regarding Mr. Frampton.

The Department Ethics Office has reviewed the May 18, 1993 memorandum initialed by Mr. Frampton and has determined that his action of issuing the memorandum is in compliance with the ethics provisions that apply to him in his consultant position.

The pertinent ethics provisions are the regulatory standards of 43 CFR 20.735-6(b) which require Department employees to avoid any action or actions which may result in, or create the appearance of:

(i) Using public office for private gain;

(ii) Giving preferential treatment to any person, except as authorized by law;

(iii) Impeding Government efficiency or economy;

(iv) Losing independence or impartiality;

(v) Making a Government decision outside official channels; or

(vi) Affecting adversely the confidence of the public in the integrity of the Government.

It is the opinion of the Department's Ethics Office that: 1. Mr. Frampton's actions have been taken within proper official channels; 2. the directives he issued in the May 18 memorandum were made based on proper consultation with his supervisors, and 3. Mr. Frampton's performance actions are in compliance with his assigned duties and made in the interest of the Department. Consequently, the Department Ethics Office found no real or apparent conflicts of interest in Mr. Frampton's actions.

U.S. SENATE, COMMITTEE ON ENERGY
AND NATURAL RESOURCES,
Washington, DC, May 28, 1993.

DEAR SECRETARY BABBITT: I have recently reviewed the memo sent by your Chief of Staff, Tom Collier, to Gary Ellsworth, regarding George Frampton's role as a consultant. Frankly, I was shocked by Mr. Collier's explanation.

For example, Mr. Collier states ". . . we have told those who have been nominated for Interior post, but who have not yet been confirmed by the Senate, that they can advise, but not act." Yet in the very next paragraph, Mr. Collier admits that he "asked George to send that memo to the relevant parties, which he did." The memo, under Mr. Frampton's name, clearly directs people to take actions. It is therefore admitted that Mr. Collier is directing at least one consultant to undertake activities which he has been counseled not to do.

I was also struck by the inconsistency, in the statement in Mr. Collier's memo which says that the organization for the National Biological Survey "is being developed under the guidance of the National Biological Survey Implementation Team, which is chaired by two career employees" and the fact that Mr. Frampton in his memo, assigns tasks and deadlines to the co-chairpersons just as if they were any other member of the team. That is indeed a strange view of chairmanship.

I am sufficiently troubled by the unethical and potentially illegal conduct evidenced by both Mr. Frampton and Mr. Collier's memos, that in addition to the request made by Senator Johnston and myself on May 27, 1993, regarding this matter, I am further requesting that you provide me and the Committee with copies of any written correspondence Mr. Collier has sent to any consultants of the Department of the Interior while he has been Chief of Staff.

Thank you for your cooperation in this request.

Sincerely,

MALCOLM WALLOP.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC.

To: Gary Ellsworth, Minority Counsel, Senate Energy and Natural Resources Committee.
From: Tom Collier, Chief of Staff.
Date: May 26, 1993.
Re: Role of Consultants, George T. Frampton, Jr.

I understand that some questions have been raised regarding George Frampton's role as a consultant to the Secretary and in the development of the National Biological Survey.

George is working with the Department on a consulting basis. The agreement, drafted in consultation with the Department's Office of Government Ethics, is similar to the agreement signed by other nominees for assistant secretary. A copy of his consulting agreement with the Department is attached.

Generally, we have told those who have been nominated for Interior posts, but who have not yet been confirmed by the Senate, that they can advise, but not act. That is precisely what George has done. He has provided substantial advice on a number of issues, but has not assumed line authority in the Department. He does not occupy the office assigned to the Assistant Secretary for Fish, Wildlife and Parks; he instead works on a different floor in a different wing. Staff in the relevant bureaus do not report to him; they instead report to the Acting Assistant Secretary, who is ultimately responsible in these areas.

As part of his assignment, George has helped in our planning for the National Biological Survey. This organization is being developed under the guidance of the National Biological Survey Implementation Team, which is chaired by two career employees and which reported to me before we had a number of Assistant Secretaries confirmed and sworn in last week. In his role as a consultant, I asked George to help with planning; this includes participating in meetings and discussions, offering advice and reviewing written documents. He also drafted a memo at my request, which made assignments to people working on the Implementation Team. I asked George to send that memo to the relevant parties, which he did.

George has done a superb job as a consultant here at the Department. We look forward to his Senate confirmation, so that he can play a much larger role in the development of reasonable policies here at the Department.

NOTIFICATION OF PERSONNEL ACTION

Name: Frampton, George T., Jr.
Nature of Action: Exc Appt Nte 07-30-93.
Position Title: Consultant.

Remarks: Ineligible for health benefits. Ineligible for leave. You are subject to regulations governing conduct and responsibilities of special Government employees. Appointment affidavit executed 03/11/93. Reason needed: To work on issues and procedures under current review by the incoming administration. Consultant appointment entitles incumbent to holiday pay.

U.S. DEPARTMENT OF THE INTERIOR—APPROVAL OF EXPERT OR CONSULTANT EMPLOYMENT REQUEST

1. Name of expert or consultant: Frampton, George T., Jr.

2. Bureau: Office of the Secretary.

3. Nature of appointment and C.S. or other authority: Consultant-5 USC 3109 and Interior Appropriations Act.

4. Rate of pay: $331.92 per day.

5. Duty Station: Washington, D.C.

6. Regular employment (position, company, and location): The Wilderness Society, 900 17th Street, N.W., Washington, D.C. 20006

7. Home address (City, State, and zip code): 3411 36th Street, N.W., Washington, D.C. 10016.

8. Describe clearly services to be performed (see 370 DM 304, 1.11, attachment A for instructions): Consultation on matters dealing with technical policy evaluation regarding issues and procedures under current review by the incoming Administration on the multiple-use management of public lands under the jurisdiction of the Department.

9. Special qualifications of expert or consultant (list only qualification which relate specifically to services to be performed): Mr. Frampton is a renown environmentalist with significant experience in the management of The Wilderness Society, a national nonprofit environmental membership organization whose primary emphasis is the preservation and protection of the Nation's wilderness and wildlife, and fostering of land use ethics. Mr. Frampton also practiced law for approximately 8 years specializing in litigation. He has an outstanding education having attended Yale, the London School of Economics and Harvard Law School.

10. Indicate total period for which availability is desired. Estimate number of days individual is expected to perform services for the Government: It is estimated that the incumbent will perform service for the Secretary from 03/01/93 to 07/30/93 (approximately 120 work days).

11. Estimated cost of services, status of allocated funds, etc. (for Budget and Finance purpose): Total estimated cost is $39,830. The Office of the Secretary will request sufficient consultant funds to conver this request. Subject to the availability of funds in Fiscal Year 93 budget.

STATEMENT ON THE NOMINATION OF GEORGE FRAMPTON

Mr. BRADLEY. Mr. President, I would like to take this opportunity to speak out briefly on the nomination of George Frampton to serve at the Department of the Interior. Mr. Frampton is, foremost, a professional. For many years, he has labored assiduously to protect and preserve our national heritage. His record—indeed, his values—are well known and well respected. You might disagree with him, but you won't dismiss him.

The President won the election and the right to appoint men and women to the administration that reflect his views and goals. By nominating George Frampton whose life's purpose has been so public, President Clinton is simply asserting his right. It is safe to say that the President knew who he was nominating and why his contributions where needed.

We, in the Senate, need to review those nominations seriously. Without a doubt, George Frampton can successfully handle the responsibilities which he will have if confirmed. Without a doubt, George Frampton will uphold the laws we make it Congress to the best of his ability. Obviously, he will continue to be an advocate for the environment—that is who he is. That is why President Clinton nominated him in the first place. Without a doubt, the Senate should vote now to confirm George Frampton. I urge my colleagues to support and wish him well.

STATEMENT ON THE NOMINATION OF GEORGE FRAMPTON

Mr. JOHNSTON. Mr. President, I rise in support of President Clinton's nomination of George Frampton to be Assistant Secretary for Fish, Wildlife and Parks at the Department of the Interior. Mr. Frampton is, in my view, well qualified to serve in this capacity. He brings a diverse and distinguished record of public and private service to the Department. He has an extensive background in and knowledge of natural resource issues in general and those related to the National Park Service, and Fish and Wildlife Service in particular.

As he has demonstrated during the last 7 years as president of the Wilderness Society, I believe that Mr. Frampton will be a strong and effective advocate for the protection of national parks, recreation areas, wildlife refuges, fisheries, wild and scenic rivers and other natural and historic resources at the Department of the Interior. At the same time, he has pledged that in formulating and making recommendations to the Secretary of the Interior, he will balance competing interests and concerns and take into account the views of many different constituencies. I think he will honor that pledge and deserves to be confirmed.

I am aware that some members of the committee have expressed concerns regarding actions taken by Mr. Frampton in his capacity as a consultant at the Department during the last few months. I have reviewed the materials submitted by the Department in connection with this matter and am satisfied that neither Mr. Frampton nor anyone else at the Department violated any applicable guideline or rule in this regard. I should note that both the Solicitor of the Department of the Interior and the Office of Personnel Management have also concluded that Mr. Frampton's activities as a consultant violated no law, regulation, guideline, or ethical standard.

Mr. President, the nomination of George Frampton enjoys bipartisan support. His nomination was reported favorably from the Energy and Natural Resources Committee by a vote of 13-5. The Environment and Public Works Committee, to which his nomination was also referred, reported him favorably by voice vote on May 27.

Mr. President, I urge my colleagues to join with me in voting to confirm George Frampton as the Assistant Secretary for Fish, Wildlife and Parks for the Department of the Interior.

LEGISLATIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

A BUMBLED CASE

Mr. GRASSLEY. Mr. President, I wonder how many of my colleagues have seen the movie, probably a relatively old movie now, the "Ghostbusters"?

In that movie, the stereotype of a moronic EPA official is obsessed about closing down the facility that stores all the ghosts captured by the Ghostbusters.

When they reject his obnoxious entreaties, the EPA official then goes out and gets a court order. The Ghostbusters warn this EPA official that that is not very smart; that if he does that, all heck will break lose if the facility is shut down. This EPA official was gripped by his own self-importance, and he went ahead and shut down the facility anyway. The result then, as you remember from the movie, is that New York is besieged by demons rampaging on the loose, terrorizing the entire city.

One might be tempted to believe that such arrogance, such bumbling on the part of an EPA official might exist only in the movies. Well, Mr. President, let me tell you, not so, as a story that I am about to relate to you will confirm and it is a real-life story as well.

In this real-life story, innocent victims are easy prey for an overzealous EPA official and for agents who bumbled a case and ended up with egg on their faces. To this day, as the ordeal has just come to an end, personal scars and unjustified hardships have resulted for the victims involved. These victims are constituents of mine.

In relating this real-life story, it is my hope that America might learn about this occurrence and that the EPA will learn from it.

It happened one summer day, almost 2 years ago now, on August 23, 1991. It was outside a little town in the northwest corner of Iowa, a little town called Akron. It was kind of business as usual that day at the Higman Gravel Co. Harold Higman, the owner, was outside topping off his pickup truck at the gas pump on his property. Mavis Hansen, who was a trusted employee of 20 years, was inside the office tending to the books, as she regularly does. Every other employee—and there were others—went about their normal business that early morning, 9 o'clock, August 1991. You might say the morning routine had just begun.

Suddenly, in a violent breech of the morning's routine, 10 unmarked cars roared onto the premises, into that yard at that business. They screeched to a halt in cadence. Forty agents poured from the cars and surrounded Mr. Higman, cocking their guns in unison.

One agent, clad in a bullet-proof vest, leveled his shotgun at Higman. He pumped the gun once to load it. As Mr. Higman gulped and his knees quivered, the agent fumbled for his badge, and as Higman groped for words and he voiced a demand for an explanation, the agent responded with a "shut up," a "shut up" right in the face of Higman.

Meanwhile, another agent stormed the office. There he found this trusted employee of 20 years, Mavis Hansen, at her desk tending the books. The agent stormed in there with his gun and said, "Freeze," with his gun cocked and left it aimed right at the head of this bookkeeper.

Poor Mavis Hansen sat frozen with shock, with fear, with bewilderment. To this day, she still has nightmares and she still has bouts of nervousness about what happened that August morning in 1991.

Obviously, there must be something up: 40 agents come to the scene, shoving their shotguns down the throats of the owner and the bookkeeper.

Well, what the agents were looking for, Mr. President, were toxic chemicals, toxic chemicals that were allegedly stored on the Higman Gravel Co. grounds buried in barrels.

Now, this is what they had been told by a paid informant. But it turns out, Mr. President, that this paid informant was also a disgruntled former employee of the Higman Gravel Co. He had given the EPA a bum steer, and after 15 months of misery and ordeal, a jury in a criminal case finally decided in Higman's favor. Higman and others were acquitted of charges that he had knowingly stored illegal toxic chemicals on his property.

That decision and the 15 months of that ordeal cost Mr. Higman $200,000 in legal fees, not to mention lost business or to mention what is even more important in my State, a damaged reputation for a very responsible business person.

It also cost the bookkeeper, Ms. Hansen, 2 months of leave due to a nervous disorder that persists to this day.

Mr. President, the moral of the story must be prefaced with a poignant question, how in the world does EPA justify such outrageous behavior?

They acted, as I have said, on rumor and innuendo, and when the rumors did not pan out, they pressed ahead anyway, costing innocent citizens financial and psychological fortunes.

I am not going to go into all the details and the facts in the case, Mr. President. But I think it behooves us as a society to take a broad view of this case and see what lessons we can learn.

To begin with, the EPA used a force of 40 men comprised of Feds and local agents. They used a force equipped to attack a mountain when it was only a molehill.

Second, their advanced scouting of the situation was poor, very poor, indeed. They charged ahead with full force, though uninformed about the facts. They looked before they leapt.

All too often, Mr. President, I hear of such overzealous and heavy-handed enforcement of our Nation's environmental laws. Yet, there is rarely accountability. This situation cannot stand. A presumption of guilt is formed. It is a foreign concept in our land. It should be a foreign practice as well.

The objectives of EPA officials are certainly commendable. They ostensibly protect the Nation from environmental pollutants and toxins. They work to make our water clean and our air pure, and there is nobody who can argue with that or is trying to argue with that. But these heavy-handed tactics are inconsistent with EPA's worthy objectives. In fact, such objectives erode whatever moral authority the EPA may hope to have to detect and deter pollution and polluters. Their image in the public's mind will only suffer and the public's confidence in the EPA's fairness will be shaken.

We certainly hope, Mr. President, that the EPA does not harbor a "we" versus "they" mentality with respect to American business. American business certainly shares the goal of a clean environment at reasonable costs and with a fair and rational oversight by our Government. Most, if not all, businesses want to comply with environmental laws and regulations.

I have been encouraged by the testimony of the new EPA Administrator, Carol Browner. During her confirmation hearings, Ms. Browner held out a hand of reconciliation to the business community. She says she will work to end the Agency's adversarial relationship with business. This is a very good sign, Mr. President. As we can see from this real life story that happened in Iowa, this reconciliation is long overdue. It does not only happen in remote places like Akron, IA; it happens everywhere.

Ms. Browner also says that she favors policies that encourage business compliance with the law, not by using threats but by offering incentives.

Mr. President, that, too, is a welcome change of policy at EPA. It is my hope, and indeed a worthy social objective, that business and Government will begin to foster an era of reconciliation and cooperation. That, of course, would obviate the need for heavy-handed tactics and threats against innocent citizens like Mr. Higman and the Higman Gravel Co. and Ms. Hansen, his bookkeeper, in Akron, IA. And it would, hopefully, make extinct in the real world those stereotypical Government officials whose only place in life should be in the movies. The movie "Ghostbusters" is a perfect example of that EPA activity.

I thank the Chair. I yield the floor.

IN MEMORY OF REUBEN A. SNAKE, JR.

Mr. INOUYE. Mr. President, I rise today to mourn the passing of a great Indian leader, Mr. Reuben Snake, Jr.

Throughout his 40 years of service as a leader of the Winnebago Tribe of Nebraska, Reuben was driven by one fundamental goal. That goal was to improve the lives of all human beings through cultural awareness and respect for the divine gifts provided by the creator.

As a lifelong member of the native American Church, Reuben Snake utilized his faith to guide him in promoting tribal sovereignty, advocating for indigenous rights, and educating others about the valuable contributions made by our country's first Americans.

In 1954, Reuben joined the U.S. Army as a Green Beret under the Berlin Command. Upon receiving his honorable discharge in 1959, Reuben Snake pursued an education at a time when many universities were turning away young native Americans.

Reuben Snake attended college at Northwestern College in Orange City, IA, at the University of Nebraska, Omaha, NE, and at the Peru State College, in Peru, NE. Eventually, Reuben was awarded an honorary degree, doctorate of humanities by the Nebraska Indian Community College in 1989. The coursework that Reuben completed enabled him to fill a variety of positions which advanced the social conditions affecting American Indian people.

Early in Reuben Snake's career, he gave more than 100 percent of himself to fight the war on poverty afflicting American Indian people. With very little funding, Reuben Snake worked in community action programs in the Northern Plains region to assist Indian youth and their families achieve self-sufficiency. As a director of the national Indian education training project, Reuben was instrumental in training Indian parent groups, tribal governments, and Indian communities to acquire Federal funding to advance the education of native people in 27 States. These positions, as well as other service-related responsibilities, gave Reuben the knowledge and skills to assist nearly every American Indian and Alaska native in grassroots development.

Reuben may be best remembered for his decade of service as chairman of the Winnebago Nation of Nebraska. His major accomplishment was to bring the tribal government out of debt and financial ruin to a thriving and resourceful multimillion-dollar enterprise. This accomplishment was driven by his desire to make tribal government responsive to community needs. Reuben worked diligently to build continuity in economic, educational, and social programs so important to his people. As a spokesman for the Winnebago people, Reuben was responsible for fostering intergovernmental liaison with other governmental entities at the Federal, State, and local levels.

Due in large part to his success within his own tribal community, Reuben was elected as president of the National Congress of American Indians. Over 130 tribal governments were active during Reuben's tenure in the Nation's oldest and largest Indian organization. The development and enactment of native cultural rights legislation such as the American Indian Religious Freedom Act, the National Museum of the American Indian, the Native American Graves Protection and Repatriation Act, and the Native American Language Act can be attributed to Reuben's advocacy. This advocacy was recognized by the Congress in 1976, when Reuben Snake was appointed chairman of Task Force XI of the American Indian Policy Review Commission, the Task Force on Drug and Alcohol Abuse. Later in 1989, my colleague and friend from Nebraska, Senator ROBERT KERREY, hired Reuben to serve as a legislative assistant with responsibilities involving all native American affairs—a position which Reuben enjoyed because he loved his fellow Nebraskans with great compassion.

In 1972, Reuben was nationally recognized for his book, "Being Indian Is * * *", which captured in small part, his humor and in large part, his understanding of Indian life. For example: "Being Indian Is * * * tough; Being Indian Is * * * owning land and not being able to rent, lease, sell, or even farm it yourself without BIA approval; and Being Indian Is * * * never giving up the struggle for survival." It is highly likely, that every Indian baby-boomer working in high-level positions within the Federal Government was influenced by Reuben's wit and essays on what life is like for Indian people. In response to the Columbus Quincentenary in 1992, Reuben reconstructed his works as "Being Indian Is * * * and Isn't." While the foundation for this work was developed by Reuben, unfortunately, his illness precluded its final release. Reuben Snake stated in his essay that, "For 500 years, we have had 99 percent of what is written about Indians slanted with a Eurocentric bias. Now we are in the process of writing about ourselves, and our truth may be disconcerting to those who have had only their truth to read about until now."

Many in Indian country are probably reflecting on his views today, since Reuben had the gift to lend humor to the everyday challenges affecting Indian people. He used his God-given capacity to make people laugh.

Most recently, Reuben served as the dean for the Center for Research and Cultural Exchange at the Institute of American Indian Arts in Santa Fe, NM. Much of this work focused on American Indian history, comparative cultures, native cultures, native religions and practices, cultural rights and tribal government. It was Reuben's ambition to foster a leadership role in shaping national and international perceptions regarding American Indian and Alaska Native cultures. Reuben perfected his skills as a great orator regarding cultural resources and indigenous rights while traveling extensively throughout the United States and internationally on behalf of the Institute of American Indian Arts. More importantly, this humble dean was widely respected by students, faculty, and native people for his spiritual inspiration. Every week he would conduct Sunrise Services to foster greater understanding of the God-given blessings that everyone on Earth should enjoy. In this regard, Reuben inspired others to the extent that the Sikhs religion, an international religious group with more than 60 million members, awarded Reuben Snake the World Peace Award for his humanitarian efforts.

His multifaceted understanding and concern was appreciated by those board members with whom he served in the following organizations: The National Congress of American Indians, the First Nations Development Institute, the Native Research and Policy Institute, the Seventh Generation Fund, the American Indian Law Resource Center, the American Indians for Opportunity, the International Circle of Indian Elders and Youth, the 1992 Alliance, the American Indian Ritual Object Repatriation Foundation, and the Native American religious freedom project. Reuben Snake also served on the U.N. Committee on Human Rights.

Probably, no one will miss Reuben Snake more than his wife, Cathy Snake and his six children. It seemed to many in Indian country that when Reuben gave of himself, there was so much to give because of the love that was shared by his family. This love was obvious when Reuben, Cathy, and many of his children and grandchildren drove all the way from Nebraska to conduct a prayer service on behalf of the Native American Church of North America here in Washington, DC. Over 20 members of Reuben's family worked closely with the native American religious freedom project to inform the decisionmakers here in Washington of the violation of religious freedom rights resulting from the 1990 Supreme Court ruling in the Oregon versus Smith case. Reuben's family hosted an all night prayer service to promote peace in the midst of religious prosecution affecting American Indians.

In Reuben Snake's final days, worked tirelessly to advocate the introduction of legislation to protect the religious freedom rights to native Americans. Reuben testified at the committee's first oversight hearing in Portland, OR, on March 7, 1992, which laid the groundwork for introduction of legislation. In large part, due to Reuben's efforts, the committee recently introduced S. 1021, the Native American Free Exercise of Religion Act of 1993. I am dedicated to securing passage of this vital legislation to complete the work which Reuben Snake helped to foster.

Mr. President, as a tribute to Reuben Snake, Jr., his family and the Winnebago Nation of Nebraska, I ask unanimous consent that a speech which Reuben Snake delivered at the future site of the National Museum of the American Indian on the Mall here in Washington, DC, be made a part of the CONGRESSIONAL RECORD following this statement. As a statesman for the Indian people, Reuben Snake will be remembered for his humor, his kindness, and his love of his fellow people. Personally, I like the thought he had that "Being Indian Is * * * having compassion, respect, and honor for your fellowman, regardless of color."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF REUBEN A. SNAKE, JR., COORDINATOR, NATIVE AMERICAN RELIGIOUS FREEDOM PROJECT

Senator Inouye, church president Emerson Jackson, honored guest, as an American it is inspiring to stand here at the foot of the U.S. Capitol to exercise two of our basic American rights, the freedom of speech, and the right to petition the Government for a redress of grievances.

Native Americans have been associated with the liberty of the American people since the founding of the Nation. In 1773, at the Boston Tea Party, the early protestors against British royal tyranny dressed as Mohawks because Indians, in England and in Europe, were a symbol of American liberty. Indians, and our way of life, were the very symbol of American liberty adopted by the earliest American revolutionaries.

But four or five centuries before that dramatic event, even before Christopher Columbus sailed from Spain, the five Nations of the Iroquois Confederacy formed a government under a constitution called the Great Law of Peace. Consider some of the enlightened features of that government—parliamentary-type government, separation of politics and religion, separation of civil and military government, the concept of checks and balances, veto, referendum, and so forth. Those governmental concepts were so remarkable, books were written about them in the European languages. These concepts became known to John Locke and Jean-Jacques Rousseau, European political philosophers whose writings are cited in identifying the resources of the U.S. Constitution.

The free exercise of religion was among the many features of that great Native American government, and the freedom of religion is one which many of us take for granted today.

On September 15, 1620, English subjects sailed from Plymouth, England, to seek refuge from religions persecution. The story of the Puritan Pilgrims landing at Plymouth Rock in Massachusetts to achieve religious freedom is one of the best known stories in American history.

It is tragic to say however, that we are now in a situation in the United States of America where we can no longer take such a fundamental right, the free exercise of religion, for granted.

As venerable as the heritage of religious liberty has been in America, religious liberty is now in jeopardy for all minority religions.

Last April, in the case of Oregon v. Smith, a case involving native American religious liberty, the U.S. Supreme Court threw out its longstanding precedents and declared that no longer does the Government have to show that laws which burden and restrict religious liberty must be justified by a compelling Government interest. Even very large religious organizations issued protests and sought a rehearing in the Court. The Baptists, the Methodists, Jewish groups, dozens of religious groups, and over 50 of America's most distinguished constitutional law professors sought a rehearing of the Court's decision.

But consider the implications of this case from our perspective. The U.S. Supreme Court reversed a long line of settled cases in order to rule that the use of the sacrament of native American worship, the holy medicine, peyote, is not protected under the first amendment of the constitution. They said, in our case, our religious exercises, our form of worship, the use of our holy sacrament, is not protected by the Constitution. The Court said that native Americans, who have enjoyed religious liberty on this land since before the Pilgrims fled here, are no longer entitled to religious liberty.

This trampling of native American religious liberty is intolerable.

Our people have been using the holy medicine, peyote, for thousands of years, thousands of years.

For the last twenty years, the American people have been suffering an epidemic of abuse of refined chemical drugs like cocaine, heroin, amphetamines, PCP, and so forth. American cities are crawling with violence and crime. This is a terrible tragedy, and this kind of drug abuse is also a problem for some Indian youth.

But there is no peyote drug problem. I defy the justices of the Supreme Court to find newspaper reports of drive-by shootings in connection with the holy medicine. I challenge anyone concerned about the problem of drug abuse to find examples of dope peddlers selling the holy medicine in America's school yards and play grounds. The idea is preposterous. We don't have a peyote abuse problem in this Nation.

Yet the widespread fear, bordering on panic, about the tragedy of drug abuse has clouded the minds of the Justices. In the name of the war on drugs, our use of our holy medicine is restricted. In the name of the war on drugs, our guarantee of free exercise of religion has been violated. In the name of the war on drugs, the religious freedom of every American has been placed in jeopardy.

The consequences are outrageous. For decades native Americans have endured the harassment and persecution of law enforcement authorities ignorant of, or indifferent to, our ancient ways of worship. The law reports are filled with tragic cases of our men and women dragged from worship, or from their homes, to jail cells and to courtrooms, forced to defend themselves, to justify themselves to the ignorant and the callous. But in those degrading circumstances, we could always point, confidently, to the first amendment's guarantees of free exercise of religion, and know that ultimately we would prevail. Now, unbelievably, we are no longer assured that we will prevail.

This has been intolerable to us, this is intolerable to us, and it is intolerable to every American who treasures their right to worship God without Government interference.

In the Native American Church every day is a holy day, but today is special. In the Hebrew calendar, today is Yom Kippur, the day of atonement, the most solemn day of Jewish worship. Many Jewish friends of native Americans invited to join us this morning explained that they could not worship with us here, for they would be in their own temples in prayer.

For many of the 5741 years of the Hebrew calendar, the Jewish people have suffered oppression on account of their religion. Today, 199 years after the American Bill of Rights was adopted, we are thankful that the Jewish people feel free to worship without fearing Government harassment.

But ladies and gentlemen, today the 250,000 members of the Native American Church are not free to worship God without fear of Government harassment. Church president Emerson Jackson has declared tomorrow a day of prayer for peace. Today, hundreds of our people are preparing for a night-long Native American Church service and prayer for peace. But many of our elders, who have traveled thousands of miles to be here to worship in our Nation's capital, who have experienced the indignities of religious persecution, expressed to the organizers of this worship service a great fear—will we be arrested? Will we be arrested?

We have had to call law enforcement authorities—attorneys general, prosecutors, assistant State's attorneys, narcotics units—around the region to assure ourselves that our worship will proceed undisturbed by the hideous specter of a police raid.

I ask my brothers and sisters who are Christians, my brothers and sisters who are Moslem, my brothers and sisters who are Hindus, my brothers and sisters who are Buddhists, my brothers and sisters who are Jewish, do any of you worry that your worship services will be raided by the police? Do any of you feel it necessary to call the police in order to set up a worship service? Do any of you have to explain to law enforcement officers that you have a right to worship your God in your own manner?

I ask my brothers and sisters who are Christians, do you need permission from your State alcoholic beverage control commission to give sacramental wine to communicants under the age of 21? Do your priests need licenses from the Government to perform a mass? Of course not, but under the Smith decision, that shocking possibility may yet come to pass.

I ask my brothers and sisters, when they tell their children about their religious rites, do they have to warn their little ones about the police? Do they have to explain that they should not be ashamed because of the special police "interest" in their worship?

I ask the American people, does this sound like the religious life we expect to live in the United States of America?

Well, my brothers and sisters, this unbelievable condition burdens our worship. This relic of prejudice burdens our worship. This

Government involvement in our religion burdens our worship, and it is intolerable.

Today, at the highest point in Washington, overlooking our little press conference, the National Cathedral is being dedicated. Today the last stone is being placed in that beautiful monument to the central importance of God and prayer in American life.

It is profoundly ironic that just as that glorious cathedral is being completed and dedicated in our Nation's Capital, the U.S. Supreme Court has jeopardized the status of every minority religion, and it has done so in a case involving Native American Church members using the holy sacrament of our church.

We are here today with one simple message—we demand that our use of our sacrament, the holy medicine peyote, be fully protected by law without qualification. We ask no more, we expect no more, and we are entitled to nothing less!

Why must we stand here and defend our religion? Why must we tell you that our church is a good church? Why must we tell you that we do not tolerate drug abusers or alcoholics in our church?

We are reduced to this posture because of laws passed and enforced in an atmosphere of almost total ignorance about native Americans. Perhaps we should not be surprised. Like most Americans we like to go about our business quietly and without drawing attention to ourselves. One of the central teachings of our church is humility.

We have never held a press conference before. We have never drawn attention to ourselves before. We are uncomfortable this morning, but to protect ourselves, we have a duty. We are here today to tell the American people that our worship is sacred, it is legitimate, it is profound, it is good, it is wonderful in the eyes of God, it is wonderful for our people, and we must, we must pray the way God has taught us.

Americans, you have taken much from us. You have benefited from us in many ways. You have left us little land, you have taken away our traditional livelihoods. Do not allow the Government to take our religious freedom away.

We urge you to join us in supporting the "Religious Freedom Restoration Act of 1990," H.R. 5377. But this is only a first step. The bill does not go far enough. It does not specifically protect our worship, the one that the Supreme Court chose to disregard and deny protection. We urge that the bill be amended to specifically protect native American religion freedom.

That is not too much to ask. Soon we will be returning to our homes across America and to our children and grandchildren. We will say we engaged in the political process, we spoke to the American people and to the national news media. We went to Washington, and we told our story.

Can we tell our children, "We succeeded, you are now safe" can we tell our children, "we have brought back for you the security, the safety, the certainty that you, our children, and your children can worship God as we have been taught"?

It is our prayer that we can!

THE FUTURE OF PUBLIC POWER IN AMERICA

Mr. HATFIELD. Mr. President, perhaps no one organization has played a more major role in bringing energy to our Nation than public power. In fact, public power, once known as the "electrifier of America," can be credited with bringing electricity to virtually every rural area of the United States. I recently had the privilege of speaking at the American Public Power Association's annual conference in Anaheim, CA, on June 14, 1993. The executive director of APPA, Mr. Larry Hobart, made some very inspiring remarks regarding the current state of public power in America and the course it should be following as it enters the twenty-first century. I would like to share those remarks with my colleagues at this time.

I ask unanimous consent that Mr. Hobart's "Executive Director's Report" be printed in the RECORD following my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

EXECUTIVE DIRECTOR'S REPORT

(Remarks of Larry Hobart, Executive Director)

The new math for measuring public power progress in the 1990s is summarized in an equation:

Economic well-being + environmental enhancement = energy efficiency.

How do you solve this problem?

The solution has three parts:

1. Emphasis on end-use improvements through demand-side management, slotted into an integrated resource plan, with the aim of satisfying the dual interests of consumers in their price of power and their quality of life.
2. Promotion of existing and new electrotechnologies that cut costs and reduce adverse environmental effects of burning fossil fuels to perform the same task.
3. Advancement of techniques allowing electric utilities to acquire power in ways that are cost-effective and that minimize potential pollution compared to present practices.

I want to talk to you for a few minutes about factors that affect these three objectives.

We hear a lot these days about electric utilities and the environment. There is absolutely no doubt that the public expects utilities to be socially responsible in carrying out the task of supplying needed electricity, including protecting public health and safety, preserving esthetic benefits, and ensuring a sustainable society. Specific responsibilities of utilities are outlined in statutes, regulations, and codes of conduct. It is not a duty you can duck, and it calls for a positive commitment.

But when we talk electricity, we need to think also about how this energy source affects peoples' pocketbooks.

Remember the 1992 presidential campaign? Remember the sign posted in candidate Clinton's campaign headquarters? "It's the economy, stupid." It was a humorous reminder of an important fact: many American families have economic problems.

Think about these numbers:

The average American worker is putting in more time on the job for less pay than at any time since the start of the 1980s, and the income deterioration is spreading to the white-collar work force. The share of the population living on a middle income has declined, and the portion living below the poverty line has increased. Last year, nearly 1 in 10 Americans depended on food stamps to make ends meet.

While there has been an expansion of jobs in the economy during the 1980s, a significant portion of the growth has been in lower-paying service industries, while the number of traditionally higher-paying manufacturing jobs has been shrinking.

"Downsizing" has eliminated a number of jobs, and there has been an expansion of the number of part-time workers, and "contingent" employees who work full-time for specified contract periods but have no health benefits, vacation rights, overtime protections, or pension payments.

Today many shoppers think of price first when they buy. Spurred by the recession, structural changes in the economy, and altered demographics, consumers have been shifting their focus in the past two years to discounters, generic brands, and low-price retailers. Polls show that price beats out selection, location, quality, and service. Store owners say they are looking for ways to operate more inexpensively and offer more competitive prices.

Consumers are looking at the price of electricity, also.

Public power protects pocketbooks of consumers. Listen to these numbers:

Residential customers of investor-owned utilities paid average rates that were 28 percent above those paid by customers of publicly owned systems during 1990, the last year for which we have comparative statistics, and average rates for commercial and industrial customers were also lower by 15% and 4%, respectively.

At the same time, public systems made contributions to state and local governments in the form of taxes, payments-in-lieu-of-taxes, and services which were the equivalent of taxes paid by IOUs.

Managerial costs of public power systems remain below comparable costs of private power companies, indicating greater efficiency of management among public power systems. Administrative and general expenses of investor-owned systems were 27% above those of public systems. Average customer accounts expenses for private systems are 18% above those of public systems.

Private power companies today are the beneficiaries of a new regulatory concept called "decoupling." It means dropping cost-of-service analysis for setting rates and substituting agreed-upon performance goals. Such agreements are sometimes arrived at through so-called "collaboratives"—negotiations including the IOU, a regulatory agency, and environmental activists—which are considered a substitute for a litigated proceeding with a fact-finding public hearing.

One of the by-products is an electric rate which is designed to ensure that the IOU loses no revenues as the result of demand-side management activities it seeks to implement—regardless of the fact that company costs may actually be reduced. California offers an example of the "incentive rates" technique.

Through the use of "balancing accounts" and "rate adjustment mechanisms," the California Public Utility Commission has carried out an "interventionist" policy with IOUs. One of the results is reported in a PUC study published in February: ". . . despite forecasts projecting stable electricity prices, average rates for California's IOUs ranged from approximately 9 to 10.5 cents per kWh in 1991, *thirty to fifty percent above the national average*" (emphasis supplied).

Public power systems are dedicated to improved end-use energy efficiency, but they are not beneficiaries of "decoupling." They look for cost-effective solutions that have bottom-line justifications.

Listen to this: The U.S. Department of Energy reports that from 1989 to 1991, consumer-owned utilities spent only 60% of investor-owned utilities' expenditures on demand-side management, yet saved 13% more energy and cut 37% more system peak. In other words, DSM programs of consumer-owned utilities did more for less; they were more cost-effective and efficient than private power companies.

APPA surveys show that there are nearly 800 public power systems with DSM programs representing 62% of total retail sales by publicly owned electric utilities. If you're not involved, you should think about it. It can be a way to cut costs for your customers.

DSM is an important tool for consumer cost-cutting, but it is also true that one of the best ways in which we can help hold down customer bills *and* enhance the environment is to use more—not less—electricity.

For instance, freeze concentration of milk instead of using heat-driven evaporation needs only half as much energy—even including the power plant's energy conversion losses.

Recent laboratory studies show that applying ultrasound to textile dyebaths can triple uptake while cutting dyeing time in half and significantly cutting costs.

New electrotechnologies can destroy infectious wastes from hospitals or disinfect it and reduce its volume, thus permitting disposal in municipal landfills.

Electric cars, buses, and trains can cut considerably emissions which cause air pollution, even taking into account power plant releases, and may be the only practical substitute for a transportation system based on internal combustion engines.

As an APPA member, you are now receiving monthly the newsletter Electrotechnology Report published as a collaboration with the Edison Electric Institute. It will give you clues as to these approaches to using electricity for economic and environmental advantage.

New technologies for producing and transmitting electricity are also potentially important for consumer cost control and environmental protection.

More efficient gas turbines, refined fluidized bed combustion, creation of commercially viable fuel cells, solar panels, and wind machines are desirable objectives pursued by public power.

Development of a flexible AC transmission system with electronic controls substituting for mechanical closure, could help us deal with the problems of parallel flow, and double the carrying capacity of existing lines at an incremental investment less than embedded cost.

How do we advance the troika of ideas that I listed at the beginning of my remarks—end-use efficiency, effective employment of electricity, and improved bulk power technologies?

We do it by pooling our power—our brain power, our organizational power, and our political power.

Public power systems need to make periodic "reality checks."

They need to examine their operations as compared to other public power systems. That's why APPA collects data from you and publishes performance ratios and encourages "bench marks" for measurement.

Why not use our collective intelligence and organize to make the best individual ideas and information available to everyone?

That's what APPA does with its information services. Pick up a brochure at the APPA information desk and find out how it works.

Do people in your town talk about possible health effects of electric and magnetic fields? Most of them will turn to you for answers. That's why APPA produced a slide show to explain what we do and do not know, commissioned a monthly information service to keep you advised of new developments, and supported congressional enactment of a $65 million, five-year federal and nonfederal financed research program.

That national EMF research effort is the result of the political process. That's the way a lot of things get decided in America—politically.

Think about these other examples:

Last year, APPA joined with NRECA and other organizations to provide the Federal Energy Regulatory Commission with workable authority to order transmission services.

Our goal was to secure equitable and effective access to the grid for public power systems seeking to benefit from a competitive bulk power supply market. We were successful.

Now we need to make the law work. What we are looking for are nondiscriminatory tariffs which treat all utilities alike—IOU and public power, generators and non-generators, large and small. If a "most favored nation" approach is available to China, what can be wrong with applying the principle at home?

A simple, systematic, standardized approach recommends itself. Otherwise, we run the risk of jamming the regulatory machinery by cramming IOU corporate lawyers into every cog. That could be the result if public power doesn't intervene.

Some in the Senate are thinking about deleting the thermal discharge waiver provision in the Clean Water Act which allows use of once-through cooling where there is no environmental damage. Removal of the provision would require a more than $40 billion investment in cooling towers and generating equipment—with no demonstrated environmental gain. APPA has joined with NRECA and EEI to block this unreasonable expense.

Global climate change brought about by greenhouse gas emissions is the subject of continuing public policy debate. The science is uncertain as to environmental effects, and the economics are speculative as to the cost of feasible fixes. But things are happening. President Clinton has said he seeks to return CO_2 emissions to 1990 levels by the year 2000. Last year, representatives of two APPA member systems—Waverly, Iowa, and the Department of Water and Power in Los Angeles—participated in a White House-called conference in Washington to make a public power contribution to how this can be accomplished in a cost-effective manner.

We can reduce CO_2 emissions by microwaving a meal, faxing a document, mowing with an electric machine, using a heat pump, drying clothes and paint with microwaves, and melting glass electrically. We can help reach our "greenhouse gases" goal by advancing Tree Power, APPA's program to plant one tree for every public power customer in the United States.

But none of these ideas will influence global warming debates unless we tell politicians about them.

Last month, the APPA Executive Committee met for an hour with Hazel O'Leary, the Secretary of the Department of Energy, to talk about public power ideas. We told her of the tests APPA believed a Btu tax must pass, urged her support for retention of reasonable rates for the federal power marketing agencies, and expressed support for development of renewable resources—including the greatest one of them all, hydropower.

The broad-based Btu tax advanced by President Clinton and passed by the House of Representatives may be dead, but now there's talk about an electricity tax. This is a discriminatory levy which hits the most popular form of energy in this country, and gives a discriminatory boost to competing natural gas. It hurts the environment because it discourages clean electricity in favor of combustion of a fossil fuel. APPA wrote the Senate Finance Committee Friday about an electricity tax. The message: kill it.

Rural electric cooperatives are attempting to enact a federal law preempting the laws of the 50 states, preventing municipal electric utilities from serving co-op customers in annexed areas, barring the issuance of a franchise to another competing utility, and denying a city the opportunity to require a co-op to secure any license or permit. The proposal would block consumers from receiving lower rates offered by other utilities, lock co-ops into urban areas which receive other city services, and even prevent a community from imposing any conditions on co-op operations. It is actively opposed by APPA, EEI, the National League of Cities, and the National Association of Regulatory Utility Commissioners.

Ideas are a vital ingredient in the political process. "Ideas shape civilization," John Maynard Keynes said—and it's true.

All American politicians seek ideas that will advance their concerns. Endorsement or rejection of ideas is how politicians define themselves. It is the means by which policy positions are sorted and selected—the filter through which legislation passes.

Public power personnel are a source of ideas about power issues—fairness in setting rates, consumer protection in approving mergers, equity in applying environmental regulations.

Consumer-owned electric utilities are the product of an idea that took root more than 100 years ago at the birth of the electric utility industry—the idea that a community can farm out this function to a private party or that it can perform it as a public enterprise.

Public power's ability to understand and use the political process for the benefit of consumers can be as important as technical skills, administrative success, or money management.

There are some things about politics that are different than other aspects of running a consumer-owned electric utility. It's a group activity. Numbers count. The more phone calls, letters, or visits, the greater the effort. Politics is a "contact sport." Multiple brains are required. Two heads *are* better than one. Coordination of implementation and reporting of findings is a prerequisite if you are going to be effective. Coalitions of individuals and organizations with like interests help get the job done.

It's nonlinear. The way things happen is not necessarily A to B, but A to B through C.

It's necessary to plan and package a program. You cannot realize a major political objective without analyzing the issue, organizing the arguments, preparing the rebuttals, and selecting the themes.

It's nonstop. Politics is not a one-time operation. Passage of a bill does not mean the subject will not be up again. And you must cultivate your contacts over time so when you ask for help, politicians know who you are and why they should respond. You cannot make a friend when you need one.

It's public. There are no secrets in politics. Ultimately, the press, public, and politicians will know everything you do, so you might as well be up-front at the beginning.

It's labor-intensive. This is one job you can't consign to the computer.

Public power officials can be good at politics because they are "real people for real politics" with special attributes. They have:

No special-interest axe to grind, only the public interest.

No personal financial gain in success.

A structure that includes elected officials—representatives of the electorate with demonstrated voting support and persons to whom other elected officials are likely to listen.

Credibility with consumers because of a record of low rates, service, and energy efficiency.

Ability to make changes and practice innovation without the handicap of the private bureaucracy maintained by big IOUs.

There's lots of philosophy to talk about in weighing political involvement. But the message these days is really simple: just do it.

And remember this:

Electricity drives our economy.

Electricity can enhance our environment.

Electricity is becoming the preferred form of energy in America.

Electricity is delivered by public power at less cost than IOUs to the benefit of customers of all categories.

You in this room make public power work. I salute you for the contribution you make to your customers, your community, and your country.

TRIBUTE TO LOUISE McNEILL PEASE

Mr. ROCKEFELLER. Mr. President, I rise today with great pride to celebrate the life and work of my friend Louise McNeill Pease, who passed away this month at the age of 82. For more than 60 years Louise graciously chronicled the true-life experiences of the people of Appalachia as well as served West Virginia as poet laureate for more than 10 years.

My friendship, respect, and admiration for Louise began when we met in 1977. I was Governor of West Virginia at that time and she and I were chosen West Virginia's "Daughter and Son of the Year" by the West Virginia Society here in Washington. On our journey to accept the honors bestowed upon us, Louise and I became fast friends. So, in 1979, when the position of poet laureate became available it was with great pride that I nominated Louise.

Louise began writing poetry as a teenager in the hills of Pocahantas County, WV. She sold short poems to the Saturday Evening Post for a mere $5 per line. Poetry was Louise's first love, her second was education. For more than 30 years, Louise educated West Virginia students. Her beginnings as a teacher began in the humble surroundings of a one-room schoolhouse, but her desire and vision for each of her students reached far beyond.

Poetry was more than a gifted talent for Louise—it was an outlet. Her entire life Louise felt the beauty and the hardships of her fellow West Virginian's lives and expressed those feelings in verse. She raised the voice of Appalachia high over the hills for all to hear and understand but kept the realism of our country dialect. She created images so vivid and so colorful that any person could imagine the sight of our grand mountains and struggle with the hardships and dreams of our coal miners and mountain people. Louise challenged what others dared not. She took on those who had blatant disregard for the destruction of the pure Appalachian hills and waters and its obvious degradation of West Virginia's people.

Louise's eloquent diction soothed our bruised spirits and reminded us of our incredible history. Her book, "Elderberry Flood," written and published in 1979, chronicles the history, lore, and land of West Virginia in verse. This book, although it appears to be a collection of poems, is such a simple and accurate account of West Virginia history that it is used to educate and stimulate the desire to learn history by younger West Virginia students. The title of this book is an extension of an old logger tale that an actual flood comes every year when the elderbloom is white and the white pine logs can be driven down the river to the mill. Her reasons for choosing this title were that Louise felt that history and life as well, could too be called "The Elderberry Flood" sweeping onward year by year down the changeless and everchanging "River of Time."

Louise McNeill Pease's poetry reminded the people of Appalachia and enlightened foreigners about the beauty and individuality of West Virginia. She mocked our State's unique shape and satirized those who stopped in, on their way to other more exotic places.

In her life, Louise published six books: "Gauley Mountain" (1932); "Time Is Our House" (1942); "Paradox Hill" (1972); and "Elderberry Flood" (1979); her memoirs "The Milkweed Ladies" (1988); and her last collection of verse "Hill Daughter: New & Selected Poems" (1991) covers most of the 60 years of her writing.

A modest and honest woman, Louise credited most of her success to her husband Roger. She noted that Roger was her critic and his hand was not always merciful when he took a red pencil to the pages of her verse. When she bore her son Douglas, her poetry focused on the risk of health-care in childbirth as well as her dreams for him and his discovery of Appalachian life. Louise welcomed a world where children are the priority above and beyond all else and she was appalled by needless destruction of anything. When big business companies began littering and destroying our streams, Louise screamed out opposition. She witnessed and felt everything that the Appalachian earth did and protested against its being harmed uselessly.

Louise McNeill Pease was a true daughter of the Mountain State from her birth in the Appalachian hills to her rise as the voice of Appalachian people. She scrimped and saved to keep her family in a home, regardless of its leaky roof. She felt the fears and frustration as a true mountain daughter and expressed it in terms to which each of us could relate. With her words, Louise McNeill Pease nourished our spirits, confronted our doubts, rhymed out our concerns and assured us of our heritage of all with her simple Appalachian verse. She truly embodied all that is beautiful about West Virginia and I will miss her.

In conclusion Mr. President, I feel that this tribute to my friend Louise McNeill Pease would be incomplete without the inclusion of her verse, so that I may share with everyone, West Virginia as only Louise could describe it. I ask that you print this verse in the RECORD following my remarks.

There being no objection, the verse was ordered to be printed in the RECORD, as follows:

WEST VIRGINIA

Where the mountain river flows
And the rhododendron grows
Is the land of all the lands
That I touch with tender hands;

Loved and treasured, earth and star,
By my father's fathers far—
Deep-earth, black-earth, of-the-lime
From the ancient oceans' time.

Plow-land, fern-land, woodland shade,
Grave-land where my kin are laid,
West Virginia's hill to bless—
Leafy songs of wilderness;

Dear land, near land, here at home—
Where the rocks are honeycomb,
And the rhododendrons . . .
Where the mountain river runs.

Louise McNeill Pease, January 11, 1911–June 17, 1993, West Virginia's True Daughter.

MESSAGES FROM THE PRESIDENT

Messages from the President were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees, and a treaty.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 4:05 p.m. a message from the House of Representatives was delivered by Mr. Hays, one of its reading clerks, announcing that the House disagrees to the amendments of the Senate to the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, it agrees to the conference asked by the Senate disagreeing votes of the two Houses thereon, and appoints Mr. NATCHER, Mr. SMITH of Iowa, Mr. YATES, Mr. OBEY, Mr. STOKES, Mr. BEVILL, Mr. MURTHA, Mr. DIXON, Mr. FAZIO, Mr. HEFNER, Mr. HOYER, Mr. CARR, Mr. DURBIN, Mr. MCDADE, Mr. MYERS of Indiana, Mr. REGULA, Mr. LEWIS of California, Mr. PORTER, Mr. ROGERS, Mr. WOLF, and Mr. LIGHTFOOT as the managers of the conference on the part of the House.

The message further announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 168. An act to designate the Federal building to be constructed between Gay and Market Streets and Cumberland and Church Avenues in Knoxville, Tennessee, as the "Howard H. Baker, Jr. United States Court Courthouse".

H.R. 877. An act to authorize the establishment of the National African-American Museum within the Smithsonian Institution.

H.R. 2333. An act to authorize the appropriations for the Department of State, the United States Information Agency, and related agencies, and for other purposes.

H.R. 2445. An act making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes.

H.R. 2446. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1994, and for other purposes.

H.R. 2517. An act to establish certain programs and demonstrations to assist States and communities in efforts to relieve homelessness, assist local community development organizations, and provide affordable rental housing for low-income families, and for other purposes.

H.R. 2531. An act to extend certain programs relating to housing and community development, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times, by unanimous consent and referred as indicated:

H.R. 168. An act to designate the Federal building to be constructed between Gay and Market Streets and Cumberland and Church Avenues in Knoxville, Tennessee, as the "Howard H. Baker, Jr. United States Court Courthouse"; to the Committee on Environment and Public Works;

H.R. 877. An act to authorize the establishment of the National African-American Museum within the Smithsonian Institution; to the Committee on Rules and Administration;

H.R. 2333. An act to authorize the appropriations for the Department of State, the United States Information Agency, and related agencies, and for other purposes; to the Committee on Foreign Relations;

H.R. 2445. An act making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes; to the Committee on Appropriations;

H.R. 2446. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1994, and for other purposes; to the Committee on Appropriations;

H.R. 2517. An act to establish certain programs and demonstrations to assist States and communities in efforts to relieve homelessness, assist local community development organizations, and provide affordable rental housing for low-income families, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs; and

H.R. 2531. An act to extend certain programs relating to housing and community development, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-964. A communication from the President of the United States, transmitting, a report, consistent with the War Powers Act, on U.S. naval forces launching a Tomahawk cruise missile strike on the Iraqi Intelligence Service's (IIS) principal command and control complex in Baghdad (received and referred in the Senate on June 28, 1993); to the Committee on Foreign Relations.

EC-965. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report of a certification relative to the Board of International Broadcasting; to the Committee on Appropriations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-168. A joint resolution adopted by the Legislature of the State of Nevada, to the Committee on Armed Services.

"SENATE JOINT RESOLUTION NO. 19

"Whereas, the Nevada Test Site is a national asset with a unique infrastructure of facilities, equipment and personnel unequaled anywhere in the nation; and

"Whereas, a significant number of southern Nevada residents are employed at the Nevada Test Site; and

"Whereas, the employment of those persons contributes millions of dollars to the economy of southern Nevada; and

"Whereas, recent federal legislation provides for a program that limits underground nuclear testing for 3 years, culminating in a comprehensive ban on testing nuclear weapons in 1996; and

"Whereas, that legislation prescribes certain conditions of readiness that must occur at the Nevada Test Site to resume the testing of nuclear weapons; and

"Whereas, because of its unique infrastructure, the Nevada Test Site is suitable for a wide range of other purposes which would put to use its unique capabilities and resources and which are compatible with its basic function of testing nuclear weapons; and

"Whereas, a comprehensive ban on testing nuclear weapons will result in a substantial reduction in the workforce at the Nevada Test Site and have a severe adverse economic impact on the economy of Nevada; and

"Whereas, a new program of cooperative research has been developed which will provide for the transfer of technology between laboratories of the United States Department of Energy and universities and private industries; and

"Whereas, as part of President Clinton's plans to carry out the program, $94,000,000 will be spent on the program during the federal fiscal year 1993; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly*, That, even though the primary purpose of the Nevada Test Site is to ensure that the nation's needs for testing nuclear weapons continue to be met, Congress is hereby urged to develop an alternative use for the site that most effectively utilizes the facilities, equipment and personnel that are available at the site by making it the nation's center for testing and demonstrating geographically demanding technologies; and be it further

"*Resolved*, That Congress is hereby urged to develop contingency plans for alternative employment of the workers at the Nevada Test Site; and be it further

"*Resolved*, That if contingency plans for alternative employment are developed, Congress is urged to include in those plans the use of any money which may be available from President Clinton's program for the transfer of governmental technology to universities and private industries; and be it further

"*Resolved*, That a copy of this resolution be transmitted by the Secretary of the Senate to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-169. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on the Judiciary.

"HOUSE CONCURRENT RESOLUTION 8

"Whereas, rape, domestic violence, spouse abuse, assault, robbery, and other violent crimes against women are well-documented as serious social problems of society; and

"Whereas, these pervasive and serious social problems have gained increased national and local attention as these violent occurrences are reported daily by the media; and

"Whereas, while the victims of these violent crimes are often women, these violent crimes place extreme stress and undue burden on all members of society, and particularly on those individuals who are related to the victim; and

"Whereas, from the home, to the workplace, to the neighborhood, rape, abuse, and assault are great community concerns; and

"Whereas, to reduce these incidences of violence from occurring and recurring and to help the victims of these violent crimes, comprehensive community-based support and services need to be made available to both the victims and perpetrators of these crimes; and

"Whereas, these services would include counseling, education, resource materials, and rehabilitation, referral, and outreach programs; and

"Whereas, additionally, social service, health, and criminal justice systems must work together to provide community-based support and expertise, and provide education that:

"(1) Encourages healthy relationships that are non-violent and respectful;

"(2) Promotes more open communication between men and women;

"(3) Informs individuals of the non-violent options that are available to deal with problems; and

"(4) Raises the consciousness of all members of society of the influences that may lead to or provoke sexual assault, rape, and other violent crimes; now, therefore, be it

Resolved by the House of Representatives of the Seventeenth legislature of the State of Hawaii, Regular Session of 1993, the Senate concurring, That the U.S. Congress and the Hawaii State Legislature enact effective legislation that addresses the escalating problem of violence against women in the nation so that women are assured of equal protection under law and are assured of their human rights; and be it further

Resolved, That certified copies of this Concurrent Resolution be transmitted to the President of the United States; the President of the U.S. Senate; the Speaker of the U.S. House of Representatives; the members of Hawaii's Congressional delegation; the Hawaii State Commission on the Status of Women; the University of Hawaii Women's Center; the Chief Justice of the State of Hawaii; the Director of the Department of Human Services; and the Director of the Department of Health."

POM–170. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on the Judiciary.

"HOUSE JOINT MEMORIAL NO. 5

"Whereas, the business of insurance is currently regulated almost entirely by the states; and

"Whereas, under existing state and federal law the Director of the Idaho Department of Insurance has the responsibility regulating the activities of insurance companies conducting business in Idaho, as well as the activities of agents and brokers; and

"Whereas, those regulatory responsibilities include fraud prevention, fiscal examinations, licensing, investigation of complaints and enforcement against violators; and

"Whereas, this system of state regulation of the insurance industry has proven to be an effective protection for the public, especially when compared to federal efforts at the regulation of financial institutions, such as the savings and loan industry; and

"Whereas, the Federal McCarran-Ferguson Act delegates responsibility for insurance regulation to the states, so long as they provide consumer protection from price fixing and other unfair business practices which Idaho law currently provides; and

"Whereas, H.R. 9, which is being considered by the Congress of the United States, would be unnecessary, duplicative and possibly conflicting as it relates to insurers doing business in Idaho; and

"Whereas, H.R. 9 would prohibit certain practices which insurers now use to control insurance costs; and

"Whereas, H.R. 9 would result in federal bureaucracies usurping much of the authority of the Director of the Idaho Department of Insurance and the Legislature of the State of Idaho: "Now, therefore, be it

Resolved by the members of the First Regular Sessions of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein, that we urge the President and the Congress of the United States to reject H.R. 9 and any similar legislation which would infringe on the authority of Idaho and each other state to be the principal regulator of insurers: Be it further "*Resolved,* That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM–171. A concurrent resolution adopted by the Legislature of the State of Kansas; to the Committee on the Judiciary.

"HOUSE CONCURRENT RESOLUTION NO. 5006

"Whereas, the Flag of the United States is the most recognized and cherished symbol of a grateful nation and no other American symbol has been as universally honored as the American Flag; and

"Whereas, the United States remains the destination for millions of immigrants attracted by the freedoms of liberty, equality and expression; and

"Whereas, while the right of expression is a principal freedom provided by the United States Constitution, very carefully drawn limits of expression in specific instances have long been recognized as legitimate means in maintaining public safety and decency, as well as providing order and value to public debate; and

"Whereas, certain actions, while related to an individual's right to free expression, nevertheless raises issues concerning public decency, peace, rights of expression and the values of others; and

"Whereas, the law as interpreted by the United States Supreme Court no longer accords the Flag the reverence, respect and dignity befitting the banner of that most noble experiment of a nation-state; and

"Whereas, it is only fitting that people everywhere should lend their voices to a forceful call for restoration to the Flag of a proper station under law and decency; and

"Whereas, More than 500 Kansas veteran, fraternal and civic organizations have joined many city and county bodies of Government in signing resolutions calling upon the Kansas legislature to approve a resolution petitioning the Congress of the Unites States to propose a Constitutional Amendment to allow states the authority to pass laws prohibiting the physical desecration of the Flag of the United States; and

"Whereas, Kansans believe the right to express displeasure with government is a cherished right protected by the First Amendment, however, Kansans also believe that the desecration of the American Flag is an atrocious act which should be prohibited: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Kansas, the Senate concurring therein,* That the Legislature petition the Congress of the United States to submit an amendment to the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the Flag of the United States; and be it further

"*Resolved,* That the Secretary of State be directed to send enrolled copies of this resolution to the Speaker of the United States House of Representative, the President of the United States Senate and all members of the congressional delegation from the State of Kansas."

POM–172. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary.

"HOUSE CONCURRENT RESOLUTION NO. 172

"Whereas, on Sunday, February 28, 1993, nearly one hundred agents of the Bureau of Alcohol, Tobacco and Firearms moved against the Branch Davidian compound located outside Waco, Texas, where more than one hundred members of a religious organization lived, such move being in response to suspected firearms violations in which the members of the Branch Davidian organization were accused of altering firearms illegally; and

"Whereas, during the initial actions taken by the Bureau of Alcohol, Tobacco and Firearms, four ATF agents were killed, fifteen agents were wounded, and a number of Branch Davidian members were reported to have been killed or wounded; and

"Whereas, after the initial action taken by the Bureau of Alcohol, Tobacco and Firearms, there ensued a standoff between the federal government, represented by ATF and the Federal Bureau of Investigation, and the leader of the Branch Davidians, David Koresh, such standoff involving the cutting off of utilities to Ranch Apocalypse where the Branch Davidians lived, hours of loud music and Tibetan chants directed by the FBI toward Ranch Apocalypse, sermons, promises, and tauntings by David Koresh, and not much action toward a resolution of the standoff; and

"Whereas, on the morning of April 19, 1993, the FBI and ATF, based on decisions that had been made over the few days previous to that morning, again moved on Ranch Apocalypse, tearing holes in the walls of the compound with armored vehicles which then pumped tear gas into the compound in an attempt to drive the Branch Davidians out of the compound, the FBI believing that such actions would end the standoff; and

"Whereas, the actions taken by the FBI on April 19, 1993, did indeed end the standoff but in a manner not anticipated by the FBI and in a manner viewed in horror by the FBI and the rest of the country; and

"Whereas, the attorney general of the United States and the FBI feel that based on reports of severe child abuse and the originally suspected firearms violations, and the opinions that rumors of mass suicide attempts were likely exaggerated, their actions were justified and the proper course of action to force a peaceful end to the standoff; and

"Whereas, when scores of citizens of this country lose their lives in a situation such as that which took place at Ranch Apocalypse, it is incumbent upon congress, as representatives of the people, to closely examine the actions and decisionmaking processes involved by representatives of the federal government in order to reassure the citizens of this country that our government is functioning properly: Therefore, be it

"*Resolved,* That the Legislature of Louisiana does hereby memoralize congress and particularly the Louisiana Congressional Delegation to ensure that a thorough and complete investigation is conducted into the events which transpired at Ranch Apocalypse: Be it further

"*Resolved,* That a copy of this Resolution be forwarded to each member of the Louisiana Congressional Delegation and to the presiding officials of both houses of congress."

POM–173. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary.

"SENATE CONCURRENT RESOLUTION NO. 119

"Whereas, beginning a school day with a moment of silence or other meditation time gives both students and faculty the opportunity to begin the day with reflection and with a thoughtful note of goodwill; and

"Whereas, a moment of silence or other meditation time fosters a sense of universal brotherhood and sisterhood, a mind set that would greatly improve the quality of the environment in many schools; and

"Whereas, providing for more peaceful and harmonious feelings toward one another could only enhance the opportunities for learning; and

"Whereas, the concepts focused during moments of silence or other meditation times offer a positive alternative to the negative lifestyles that many school children live with daily; and

"Whereas, moments of silence or other meditation times raises aspirations, imbues students and teachers with determination to reach higher, and a sense of duty; and

"Whereas, this nation was created as "one nation under God with liberty and justice for all"; and

"Whereas, the liberty to seek the truth and learn from the ultimate teacher should not be abridged; and

"Whereas, determinations about the appropriateness of moments of silence or other meditation times in schools when measured against the constitutional separation of church and state have left many confused frustrated, and unsure of the nature of public education: Therefore, be it

"*Resolved,* That the Legislature of Louisiana memorializes the Congress of the United States of America to propose and submit to the several states an amendment to the Constitution of the United States of America to authorize daily or other regularly scheduled times for students to enjoy a moment of silence or other meditation time in public schools: Be it further

"*Resolved,* That a copy of this resolution be transmitted to each member of the Louisiana delegation to the United States Congress, and to the secretary of the United States Senate and the clerk of the United States House of Representatives."

POM-174. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary.

SENATE CONCURRENT RESOLUTION NO. 60

"Whereas, beginning a school day with prayer gives both students and faculty the opportunity to begin the day with reflection and with a thoughtful note of goodwill; and

"Whereas, prayer fosters a sense of universal brotherhood and sisterhood, a mind set that would greatly improve the quality of the environment in many schools; and

"Whereas, providing for more peaceful and harmonious feelings toward one another could only enhance the opportunities for learning; and

"Whereas, the concepts included in prayer offer a positive alternative to the negative lifestyles that many school children live with daily; and

"Whereas, prayer raises aspirations, imbues students and teachers with determination to reach higher, and a sense of duty; and

"Whereas, this nation was created as "one nation under God with liberty and justice for all"; and

"Whereas, the liberty to seek the truth and learn from the ultimate teacher should not be abridged; and

"Whereas, determinations about the appropriateness of prayer in schools when measured against the constitutional separation of church and state have left many confused, frustrated, and unsure of the nature of public education: Therefore, Be it

"*Resolved,* that the Legislature of Louisiana memorializes the Congress of the United States of America to propose and submit to the several states an amendment to the Constitution of the United States of America to authorize prayer in public schools: Be it further

Resolved, That a copy of this Resolution be transmitted to each member of the Louisiana delegation to the United States Congress, and to the secretary of the United States Senate and the clerk of the United States House of Representatives."

POM-175. A concurrent resolution adopted by the Legislature of the State of Missouri; to the Committee on the Judiciary.

"SENATE CONCURRENT RESOLUTION NO. 9

"Whereas, an amendment to the United States Constitution previously introduced in Congress, the text of which reads: "Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or political subdivision thereof, or an official of such state or political subdivision, to levy or increase taxes," seeks properly to prevent federal courts from levying or increasing taxes without representation of the people and against the people's wishes: Now, therefore, be it

"*Resolved by the Senate of the Eighty-seventh General Assembly, First Regular Session, "the House of Representatives concurring therein,* That the Missouri General Assembly strongly urges the Congress of the United States to pass this constitutional amendment, and that the Congress prepare and submit to the several states before January 1, 1994, this amendment to the Constitution of the United States; and be it further

"*Resolved,* That if, by January 1, 1994, the Congress has not proposed and submitted to the several states such an amendment, this body respectfully makes application to the Congress of the United States for a convention to be called under Article V of the Constitution of the United States for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to prevent the federal judiciary from imposing taxes against the will of the people; and be it further

"*Resolved,* That effective January 1, 1994, this application constitutes a continuing application in accordance with Article V of the Constitution of the United States until the legislatures of at least two-thirds of the several states have made similar applications pursuant to Article V; but if the Congress proposes an amendment to the Constitution identical in subject matter and intent to that contained in this resolution, to wit no taxation without legislative concurrence, then this application and petition for a constitutional convention shall no longer be of any force or effect; and be it further

"*Resolved,* That this body also proposes that the legislatures of each of the several states comprising the United States which have not yet made similar applications apply to the Congress requesting enactment of an appropriate amendment to the United States Constitution, and apply to the Congress to call a constitutional convention for the purpose of proposing such an amendment to the United States Constitution; and be it further

"*Resolved,* That copies of this resolution be sent by the Secretary of the Senate and the Chief Clerk of the House of Representatives to each member of the Congress representing Missouri; and be it further

"*Resolved,* That the Secretary of the Senate and the Chief Clerk of the House of Representatives of this state be directed to send copies of this resolution to the Secretary of State and the presiding officer in each house of the legislature in each of the other states in the Union, the Clerk of the United States House of Representatives and the Secretary of the United States Senate."

POM-176. A concurrent resolution adopted by the General Assembly of the State of Missouri; to the Committee on the Judiciary.

"SENATE CONCURRENT RESOLUTION 7

"Whereas, Presidential authority for a line-item veto is a badly needed fiscal tool that will provide a valuable means to reduce and restrain excessive appropriations; and

"Whereas, the line-item veto would establish a new element of Presidential accountability for correcting abuses of the budget process; and

"Whereas, the line-item veto would reestablish the constitutionally provided system of checks and balances; and

"Whereas, in this century, the Congress of the United States has granted line-item authority in organic laws to the territorial Governors of Hawaii, Alaska, the Philippine Islands, Puerto Rico, Guam, and the Virgin Islands; and

"Whereas, at least forty-three state Governors have used line-item veto authority to eliminate unnecessary expenditure, delete legislative riders, and to prevent pork-barrel appropriations; and

"Whereas, the fiscal policy of our nation is in critical need of strong disciplinary action; and

"Whereas, line-item veto proposals send a clear message to the American people that Congress is making a serious effort to get our nation's fiscal house in order; Now, therefore, be it

Resolved, That the Senate of the Eighty-Seventh General Assembly of the State of Missouri, the House of Representatives concurring therein, hereby urge the Missouri Congressional delegation and their fellow Congressmen to propose and support an amendment to the United States Constitution authorizing the President to disapprove an item of appropriations; and be it further

Resolved, That the Secretary of the Senate be instructed to prepare properly inscribed copies of this resolution for the President of the United States, for the President of the United States Senate, for the Speaker of the United States House of Representatives, and for each member of the Missouri Congressional delegation."

POM-177. A resolution adopted by the Bradley County Bar Association, Cleveland, Tennessee relative to the Federal Judiciary for the Eastern District of Tennessee Southern Division; to the Committee on the Judiciary.

POM-178. A resolution adopted by the Legislature of the State of Florida; to the Committee on Labor and Human Resources.

"SENATE MEMORIAL NO. 4-B

"Whereas, under the Fair Labor Standards Act of 1938, the definition of the term 'employee' does not specifically include any inmate of a penal or correctional institution, and

"Whereas, a number of federal lawsuits are underway which argue that prisoners working in correctional work programs are employees under the Fair Labor Standards Act of 1938: Now, therefore, be it

"*Resolved by the Legislature of the State of Florida,* That the Congress of the United States is urged to amend the Fair Labor Standards Act of 1938 to provide that an inmate who is participating in a correctional work program sanctioned by a state or federal corrections agency or administered by a nonprofit corporation authorized by state law to conduct a correctional work program on behalf of the state is not considered an employee for the purposes of that act: be it further

"*Resolved*, That copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM–179. A resolution adopted by the Legislature of the State of Hawaii relative to the Healthy Families America Initiative; to the Committee on Labor and Human Resources.

"SENATE RESOLUTION NO. 108

"Whereas, the childhood social and health problems our country faces—increasing rates of teen pregnancies, child abuse and neglect, high infant mortality and low immunization rates, and troublesome school readiness issues—continue to plague us although they are preventable; and

"Whereas, intensive home visitor services for at-risk new parents are of significant value; and

"Whereas, Hawaii's statewide intensive home visitation program, Healthy Start, reached over 1,200 families in a two-year period at an estimated cost of $2,200 to $2,500 per family and consistently documented no physical abuse or neglect for over ninety-nine per cent of the high risk families served; and

"Whereas, strategically, it makes sense to focus upon strengthening families from the beginning, when a child is born, building parenting capacity, assuring healthy development and preventing child abuse and neglect and because of its success in doing all these things, Hawaii's Healthy Start program has provided the foundation for a new nationwide initiative which was launched in 1992—Healthy Families America (HFA); and

"Whereas, HFA is an exciting, innovative new initiative designed to establish intensive home visitor services for all new parents and aimed at significantly reducing rates of the interrelated problems of childhood including abuse and neglect, poor child health, and lack of school readiness; and

"Whereas, the key features of the HFA include:

"(1) Universal assessment of all families of newborns around the time of birth;

"(2) In-home support for high risk parents to meet basic family needs for five years or until the child enters a school program;

"(3) Help with parenting to enhance the child's development and readiness for school;

"(4) Linkage with a "medical home" to assure continuity of child health care (timely immunizations, well-baby visits, and the like);

"(5) Linkages to community resources such as the Women, Infants, and Children (WIC) program, Head Start, and substance abuse treatment services to enhance family functioning; and

"(6) Screening to identify development delays and to assure linkage to developmental services;

and

"Whereas, for example, in a study of 400 women at risk for poor pregnancy and child health outcomes, there was an eighty per cent reduction in the incidence of verified cases of child abuse among poor unmarried teenagers who received nurse visitation during the first two years after delivery of the first child and low-income women who were visited by nurses used $3,300 less in other government services during the first four years after delivery than those who were not visited; and

"Whereas, in a future example, low-income parents who received health care services, home visits, and day care services following the birth of their first child ten years later reported higher education levels, greater financial independence, and better school performance than parents of children who had not received early intervention services and who reportedly incurred an additional $40,000 in welfare costs and school services in those ten years; and

"Whereas, longitudinal studies cited by the United States General Accounting Office (GAO) showed that visited families exhibited lasting positive effects, including less welfare dependency, and the GAO further reported that home-visited clients had fewer low-birthweight babies and cases of child abuse and neglect, higher rates of child immunizations, and more age appropriate development; and

"Whereas, the National Center for Children in Poverty, Children's Defense Fund, Child Welfare League of America, American Academy of Pediatrics, American Hospital Association, American Nurses Association, American Public Welfare Association, National Commission on Children, and the Cooperative Extension Service of the United States Department of Agriculture have all voiced strong support for intensive home visitation programs; and

"Whereas, although forty-six states are committed to this effort, a major constraint in moving forward has been a lack of federal funding—there are no existing funding streams for such early intervention programs; and

"Whereas, President Clinton's plan for the national economy includes a proposal to invest in children by specifically increasing spending for Head Start, the WIC program, immunization, and parenting and family support; and

"Whereas, under the Clinton plan, discretionary funds of $60 million in fiscal year 1993–1994 ($1.1 billion over fiscal years 1994–1997) would be set aside to respond to issues in parenting and family support, including activities to help disadvantaged parents work with their children at home: Now, therefore, be it

"*Resolved by the Senate of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993*, That the President of the United States is urged to support and provide funding for the Healthy Families America initiative to significantly reduce rates of the interrelated problems of childhood including abuse and neglect, poor child health, and lack of school readiness as part of the long-term national economic recovery program; and be it further

"*Resolved*, That certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of Hawaii's congressional delegation."

POM—180. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia relative to the drug manufacturer Roussel-Uclaf; to the Committee on Labor and Human Resources.

"HOUSE JOINT RESOLUTION NO. 585

"Whereas, the drug Mifepristone (RU 486) represents a medical breakthrough of broad applicability; and

"Whereas, because RU 486 acts to block the normal action of the hormone progesterone and acts as an anti-glucocorticoid, the international medical community has identified RU 486 as a promising treatment for medical purposes; and

"Whereas, articles published in the Journal of the American Medical Association and elsewhere, report that RU 486 has beneficial uses in the treatment of endometriosis and prostate and breast cancer; and

"Whereas, the drug also has been used in initial stages of the research for the treatment of several other conditions including Cushing's Syndrome and adrenal cancer; and

"Whereas, after extensive worldwide clinical testing and research, RU 486 was approved and has been available in France since November of 1988 for termination of early pregnancy; and

"Whereas, a new study published in October 1992 in the New England Journal of Medicine concludes that RU 486 is also a highly effective postcoital contraceptive that, according to the authors, "if used more widely, could help reduce the number of unplanned and unwanted pregnancies"; and

"Whereas, a hostile political climate has discouraged Roussel-Uclaf, the French manufacturer of RU 486, from seeking a license to market the compound in the United States; and

"Whereas, other beneficial drugs which happen to induce abortion have nonetheless been approved, including methotrexate, which several decades ago proved to cure cancer (choriocarcinoma) and became the first effective cancer chemotherapy, and likewise the newly marketed drug Accutane acts as an abortifacient; and

"Whereas, the American Medical Association, the American Public Health Association, the American College of Obstetricians and Gynecologists, the American Association for the Advancement of Science, the American Medical Women's Association and hundreds of other medical professionals and interested organizations have formally recognized the importance of RU 486 and support the testing of RU 486 in the United States; and

"Whereas, the legislatures of Hawaii, Maine, California and New Hampshire have joined the call to bring RU 486 to the United States; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the General Assembly request the President and Congress of the United States to call upon the drug manufacturer Roussel-Uclaf to make RU 486 available for research and development in the United States; and, be it

"*Resolved further*, That copies of this resolution be sent by the Clerk of the House of Delegates to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Virginia's Congressional Delegation so that they may be apprised of the sense of the General Assembly of Virginia."

POM–181. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Labor and Human Resources.

"HOUSE CONCURRENT RESOLUTION NO. 247

"Whereas, the Louisiana Department of Social Services can ill afford to lose four hundred thousand dollars in federal grant funds for child abuse prevention and treatment under the Child Abuse Prevention and Treatment Act (CAPTA); and

"Whereas, several Christian denominations, including Christian Science, regularly and successfully use spiritual treatment in lieu of medical treatment for themselves and their children; and

"Whereas, this practice of spiritual healing has been considered safe and legal in Louisiana for over one hundred years; and

"Whereas, the practice of spiritual healing has proven for those who use it to be generally as safe as medical treatment, with the rate of serious illness and death now averaging less than half that of the normal population; and

"Whereas, under CAPTA since 1974, most states were permitted to provide that spiritual treatment for children in lieu of medical treatment shall not in and of itself be considered child neglect or maltreatment; and

"Whereas, most states, like Louisiana, have statutes such as the Children's Code in Article 603(14), which state that providing spiritual treatment for children in lieu of medical treatment shall not be considered child neglect nor maltreatment; and

"Whereas, until November 4, 1992, HHS has considered Louisiana's statutes on this subject to be 'in compliance' and therefore eligible for grant funds under CAPTA, which grant funds have in Louisiana amounted to approximately four hundred thousand dollars per year; and

"Whereas, the children of Louisiana would be severely impacted if HHS discontinued the grant of four hundred thousand dollars per year given to Louisiana for child abuse prevention and treatment; and

"Whereas, the change that HHS is now calling for in Louisiana law would alter the definition of neglect in such a way that parents who are Christian Scientists or members of various other Christian churches could be defined as negligent if they prayed for their children in lieu of medical treatment; and

"Whereas, this would clearly prohibit the free exercise of religion as protected by the First Amendment of the United States Constitution; and

"Whereas, when HHS threatened the state of California with this exact same loss of grant funds, the attorney general of California brought suit in federal district court against HHS and won his case on February 9, 1993; and

"Whereas, in that case the federal district judge found that HHS 'acted capriciously and arbitrarily in denying California a Part I grant on the basis of an allegedly noncomplying religious exemption provision' and he further called it a most glaring example of abuse of discretion; and

"Whereas, CAPTA is due for congressional reauthorization in 1994, and several members of congress have promised to address this question with more specific language to guide the department in their granting of funds for child protection. Therefore, be it

"*Resolved* That the Legislature of Louisiana does hereby urge and request Secretary Donna Shalala of the United States Department of Health and Human Services to immediately suspend the demands mentioned in the letter dated November 4, 1992, from Region VI of HHS, and repeated in her letter of April 27, 1993, to Congressman William Jefferson, which find the Louisiana statutes 'not in compliance' regarding their wording in the Children's Code, and that this suspension continue at least until after the 1994 reauthorization of CAPTA by congress. Be it further

"*Resolved*, That the Louisiana Legislature urges Secretary Donna Shalala and her staff to meet as soon as possible in Washington, D.C. with the Christian Science Committee on Publication, and other interested parties, to work out an understanding on this question. Be it further

"*Resolved*, That the Louisiana Legislature intends that Secretary Donna Shalala and her staff at HHS recognize the great importance that the Louisiana Legislature places on the carefully chosen wording of our definition of 'neglect' in the Children's Code, because the Louisiana Legislature desires to establish in its statutes that it is not negligent for a sincere parent to use 'a well recognized religious method of healing with a reasonable proven record of success', in lieu of medical treatment. Be it further

"*Resolved*, That the Louisiana Legislature does hereby memorialize the Congress of the United States, and particularly the members of the Louisiana congressional delegation, to take all appropriate action to encourage Secretary Shalala to suspend these actions of her department relative to the reduction of grants funds under the Child Abuse Prevention and Treatment Act of 1974: Be it further

"*Resolved*, That copies of this Resolution be transmitted to Donna Shalala, secretary of the United States Department of Health and Human Services, to the clerk of the United States House of Representatives, to the secretary of the United States Senate, and to each member of the Louisiana congressional delegation."

POM-182. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Labor and Human Resources.

"HOUSE CONCURRENT RESOLUTION NO. 302

"Whereas, a bill entitled by its sponsors the "Freedom of Choice Act", or FOCA, now being considered by the Congress of the United States, would purport to invalidate most Louisiana laws on abortion, many of which have never been enjoined from enforcement, and would purport to prevent Louisiana from enacting meaningful limits on abortions, even late-term abortions; and

"Whereas, the FOCA would purport to prohibit Louisiana from enacting any enforceable limitations on late-term abortions, since it provides that 'a state may not restrict the right of a woman to choose to terminate a pregnancy' for any reason 'before viability', including during the fourth, fifth, and sixth months of pregnancy, or 'at any time, if such termination is necessary to protect the life or health of the woman', and since the 1992 Senate Labor and Human Services Committee Report makes clear that 'health' must be interpreted as encompassing 'all factors—physical, emotional, familial, and the woman's age—relevant to the well-being' of the woman, meaning that even after viability abortion must in practice be permitted essentially on demand; and furthermore the bill does not define 'viability' while the committee report states that only the doctor may define it, precluding legally binding limits; and

"Whereas, the FOCA does not define 'viability'; and

"Whereas, the FOCA would purport to invalidate R.S. 40:1299.35.2(A), the Louisiana requirement that only licensed physicians may perform abortions, since the 1992 U.S. Senate Labor and Human Resources Committee Report in effect invites litigation to strike down a physician requirement on the basis that it is not 'medically necessary' that physicians, as opposed to other trained personnel, perform abortions; and

"Whereas, the FOCA would purport to invalidate R.S. 40:1299.34.5, which prevents the use of our citizens' tax dollars to provide operating rooms and equipment in public hospitals for the performance of abortions, except when an abortion is necessary to prevent the death of the mother, thereby effectively overturning the 1977 Supreme Court ruling in Poelker v. Doe, 432 U.S. 519 (1977); and

"Whereas, the FOCA would purport to invalidate R.S. 40:1299.35.6, the Louisiana informed consent law, in its entirety, including provisions that give a woman seeking an abortion the right to know the probable number of weeks since conception of her unborn child, the anatomical and physiological development of that unborn child, whether the unborn child is viable, the abortion procedure to be used, and the particular medical risks associated with the abortion procedure to be used, and which also give her the right to obtain a list of the public and private agencies and services that may be available to assist her during pregnancy and after birth of her child; and

"Whereas, the FOCA would purport to invalidate R.S. 40:1299.35.5, Louisiana's requirement that a minor seeking an abortion first obtain consent of a parent or authorization of a court before an abortion, because the FOCA purports to allow a state to require only "parental involvement" such as parental notification, not consent, and would not even allow the state to require mere notification unless the state law also provides each minor the option of consulting an "other responsible adult", thereby circumventing the involvement of a minor's parents; and

"Whereas, the House version of FOCA purport to allow a state to protect individuals from being forced to participate in abortions, but not hospitals which are conscientiously opposed, and thus it would purport to invalidate R.S. 40:1299.32 which protects the freedom of hospitals to refuse to make their facilities available for the performance of abortions, exposing Louisiana's hospitals that refuse to perform abortions to lawsuits seeking to force them to perform abortions against their conscience; and

"Whereas, since the FOCA would purport to require a state to prove that any health regulation of abortion is "medically necessary" to protect the health of women undergoing such procedures, the requirement of R.S. 40:1299.35.2(B) that an ultrasound test be performed before an abortion, and the provisions in R.S. 40:1299.35.10 requiring the reporting of complications and information about abortions, would be held to a higher scrutiny in determining their validity than Louisiana reporting requirements for other medical procedures; and

"Whereas, President Clinton has proposed taxpayer funding of abortion, taxpayer funding of fetal experimentation, and taxpayer funding of abortion counseling; and

"Whereas, a large segment of our population opposes abortion and especially opposes using their tax dollars to promote abortion; and

"Whereas, a physician performing abortions was recently murdered in the state of Florida, and such criminal activity is unlawful, immoral, and destructive of the role of law; and

"Whereas, the FOCA is an attack on the right to life of our citizens' and proposes an unconstitutional violation of the power of the state of Louisiana to protect our citizens. Therefore, be it

"*Resolved*, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to oppose and defeat the bill entitled the "Freedom of Choice Act" which would purport to invalidate virtually every law on abortion enacted by the people of Louisiana through their elected officials and prevent Louisiana from enacting any enforceable limits on abortions. Be it further

"*Resolved*, That the Legislature of Louisiana does hereby further memorialize the Congress of the United States to defeat all proposals, and to remove existing authority, for the funding of abortions, fetal experimentation, or abortion counseling through the use of taxpayer funds. Be it further

"*Resolved*, That the Legislature of Louisiana does also urge and request all law enforcement agencies and officers in Louisiana to actively enforce all laws and regulations of the state of Louisiana and its agencies and subdivisions on abortion which have not been enjoined from enforcement. Be it further

"*Resolved*, That the Legislature of Louisiana condemns all acts of violence connected with the controversy over abortion and urges all parties to use nonviolent means to express their views. Be it further

"*Resolved*, That copies of this Resolution be transmitted to the president and secretary of the United States Senate and to the speaker and clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation, and that a copy also be transmitted to Louisiana Attorney General Richard Ieyoub who is hereby requested to make its contents known to all law enforcement agencies and officers in the state."

POM-183. A joint resolution adopted by the Legislature of the State of Nevada relative to the ENABLE demonstration project; to the Committee on Labor and Human Resources.

"JOINT RESOLUTION NO. 27

"Whereas, Resources from federal, state and local governments for funding health and human services are declining; and

"Whereas, There is increased public and governmental awareness of the desirability and necessity of coordinating health and human services for cost effectiveness; and

"Whereas, Rural master planning for health and human services has consistently articulated the need for integrated eligibility determination and service delivery, through "one-stop shopping" for services; and

"Whereas, Research consistently demonstrates that the self-sufficiency of clients is attainable only when all of a family's needs are addressed holistically; and

"Whereas, The creation of a family service network can more effectively utilize existing resources and allocations; and

"Whereas, Federal money for demonstration projects is available for innovative methods of service delivery; and

"Whereas, the ENABLE demonstration project would provide 17 Family Service Centers throughout rural Nevada; now, therefore, be it

Resolved, by the assembly and Senate of the State of Nevada jointly, That the Nevada Legislature hereby urges Congress to fund the ENABLE demonstration project in an effort to provide better health care services in rural Nevada; and be it further

Resolved, That this body urges state agencies and county governments to support and cooperate with the ENABLE demonstration project; and be it further

Resolved, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

Resolved, That this resolution becomes effective upon passage and approval."

POM-184. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Labor and Human Resources.

"JOINT RESOLUTION NO. 10

"Whereas, Chronic fatigue syndrome, also known as Epstein-Barr syndrome and chronic fatigue immune dysfunction syndrome, is a recently discovered illness for which there is no known cure or effective treatment; and

"Whereas, Recent biomedical research has identified chronic fatigue syndrome as a serious illness which affects a number of systems within the human body including the immune system; and

"Whereas, The syndrome is characterized primarily by a chronic debilitating fatigue and many influenza-like symptoms and is often accompanied by a variety of cognitive dysfunctions; and

"Whereas, More serious and longer lasting neurologic impairments may include seizures, psychosis and dementia; and

"Whereas, Victims of this syndrome often experience symptoms of sufficient severity to qualify them for social security disability; and

"Whereas, There is an urgent need to expand the public health response to this disease, which has been identified in every state, and which the Centers for Disease Control have called an emerging epidemic; and

"Whereas, Estimates of the afflicted range as high as 1½ percent of the national population, or approximately 3,750,000 persons; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, Jointly*, That the Nevada Legislature respectfully urges the President and Congress to increase the amount of financial assistance allotted to research chronic fatigue syndrome and to develop effective treatments and a cure for this disease; and be it further

"*Resolved*, That the Secretary of the Senate prepare and transmit a copy of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives and to each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-185. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Labor and Human Resources.

"JOINT RESOLUTION NO. 18

"Whereas, The family unit is the basic institution in American society in which morals, social skills, traditions and other values essential to our society are imparted to younger generations; and

"Whereas, The enactment of laws forms the structure in which all citizens must function in an ordered society and often has far-reaching effects not easily foreseen at the time of enactment; and

"Whereas, The use of family impact statements, which analyze proposed federal legislation to determine whether it will strengthen or erode the stability of the family, was begun in the early 1970's; and

"Whereas, Such statements have been helpful in determining the effect policies relating to such issues as medical care, urban renewal, tax laws and public education, will have on children and their parents; and

"Whereas, Family impact statements have been ignored in recent years as policy makers often disagree on what actions are necessary to preserve and foster family stability; and

"Whereas, The preservation of the family should be given the utmost consideration by all legislative bodies in the United States; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, Jointly*, That the Nevada Legislature urges the Congress of the United States to give special consideration to the effect that proposed legislation relating to human resources and the delivery of social services will have on the stability and unity of families in the United States; and be it further

"*Resolved*, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-186. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Rules and Administration.

"JOINT RESOLUTION NO. 23

"Whereas, The right to vote is considered a fundamental right in the United States, the exercise of which should not be discouraged; and

"Whereas, The hours for the opening and closing of the polls in elections for national officers are determined by the individual states and vary greatly based upon the particular needs of each state; and

"Whereas, Voters who reside in states located within time zones in the western portion of the United States often learn of election results in states located within time zones in the eastern portion of the United States before the close of the polls in their own states; and

"Whereas, Such election results may indicate that a candidate has an overwhelming lead over an opposing candidate, thereby creating the impression that the vote of one person is futile or of little consequence and discouraging some voters from exercising their right to vote; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, Jointly*, That the Nevada Legislature hereby urges Congress to enact legislation which establishes uniform hours for the closing of polls across the nation in elections for national officers; and be it further

"*Resolved*, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-187. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Governmental Affairs.

"JOINT RESOLUTION

"We, your Memorialists, the Members of the One Hundred and Sixteenth Legislature of the State of Maine, now assembled in the First Regular Session, most respectfully present and petition the United States Postal Service, as follows:

"Whereas, the people of the Village of St. George, Maine, had enjoyed the convenience of a post office for more than 160 years; and

"Whereas, the people of the Village of St. George had been assured by authorities of the United States Postal Service that the post office would not be closed before a public hearing was held and serious consideration given to the sentiments and needs of the people; and

"Whereas, authorities of the United States Postal Service made the decision to close the St. George Post Office and, feigning an emergency, did indeed shut the door of that office without a public hearing and with less than a week's notice to postal customers; and

"Whereas, any opinions of the people, expressed at a hearing that may occur after the decision has already been made and the closing accomplished, are rendered ineffective; and

"Whereas, such an arbitrary and irregular act on the part of the Postal Service puts the creditability and integrity of the United States Government into dispute; and

"Whereas, such abuse of authority by one level of government is imputed, in the public mind, to all levels of government, thus eroding respect for all governing bodies and public officials; and

"Whereas, people of the Village of St. George have no recourse save through the collective voice of the people's representatives here assembled; now, therefore, be it

"*Resolved*, That We, your Memorialists, respectfully recommend and urge that any act by a governmental body be carried out according to procedures established to ensure that the voices of the people be heard and their wishes respected; and be it further

"*Resolved*, That We further remonstrate against the arbitrary action of the United States Postal Service in closing the door of the St. George Post Office without considering the opinions and needs of the people of that place; and be it further

"*Resolved*, That We further urge the responsible authorities to rectify this injustice; and be it further

"*Resolved*, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, the United States Postal Authorities in Maine, the Postmaster General of the United States and to each member of the Maine Congressional Delegation."

POM-188. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Veterans' Affairs.

"JOINT RESOLUTION

"We, your Memorialists, the Members of the One Hundred and Sixteenth Legislature of the State of Maine, now assembled in the First Regular Session, most respectfully present and petition the President and the Congress of the United States, as follows:

"Whereas, there currently exists a critical shortage of burial spaces for Maine's veterans, a problem which promises to worsen in the future; and

"Whereas, the nearest national cemetery is in Massachusetts, too far away for central and northern Maine veterans and their families; and

"Whereas, the Maine Veterans' Memorial Cemetery is open only to those veterans who served during specific time periods, specifically war-time service; and

"Whereas, the few remaining spaces at the Togus Veterans Administration cemetery are reserved only for veterans who have reservations on file; and

"Whereas, there are currently 2 bills before the Congress of the United States making National Guard and Reserve members eligible for burial in national cemeteries, which would further compound the need for burial spaces; and

"Whereas, the closing of the Loring Air Force Base in 1994 creates an opportunity to establish a national or state cemetery and as the portion of land needed for a cemetery, 80 acres, is a small percentage of the land available; and

"Whereas, the United States Veterans Administration is in the process of identifying areas in greatest need of a national cemetery and submitted a report in January 1993 to the Congress of the United States; and

"Whereas, the possibility now exists of receiving federal funds from the Veterans Administration for establishment of a new state veterans' cemetery; now, therefore, be it

"*Resolved*, That We, your Memorialists, respectfully recommend and urge the President and the Congress of the United States to direct the United States Veterans Administration to recognize the problem of proper burial space for Maine's veterans and to provide a solution to that problem by establishing a national cemetery in Maine or, in the alternative, by providing the necessary federal funding for a state veterans' cemetery; and be it further

Resolved, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each Member of the Maine Congressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 919. A bill to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes (Rept. No. 103–70).

By Mr. PELL, from the Committee on Foreign Relations, without amendment:

S.J. Res. 32. A joint resolution calling for the United States to support efforts of the United Nations to conclude an international agreement to establish an international criminal court (Rept. No. 103–71).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 121. A bill to authorize a certificate of documentation for the vessel *Enterprise* (Rept. No. 103–72).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 122. A bill to authorize a certificate of documentation for the vessel *Kalena* (Rept. No. 103–73).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 386. A bill to authorize a certificate of documentation for the vessel *Pandacea* (Rept. No. 103–74).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 444. A bill to require a study and report on the safety of the Juneau International Airport, with recommendations to Congress (Rept. No. 103–75).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 888. A bill to authorize a certificate of documentation and a coastwise and fishery endorsement for the vessel *Reel Class* (Rept. No. 103–76).

S. 889. A bill to authorize the certificate of documentation for the vessel *Da Warrior* (State of Hawaii registration number HA 161 CP) to be endorsed with a fishery endorsement (Rept. No. 103–77).

S. 1006. A bill to authorize a certificate of documentation for the vessel *Arbitrage II* (Rept. No. 103–78).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 412. A bill to amend title 49, United States Code, regarding the collection of certain payments for shipments via motor common carriers of property and nonhousehold goods freight forwarders, and for other purposes (Rept. No. 103–79).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 568. A bill to strengthen the authority of the Federal Trade Commission regarding fraud committed in connection with sales made with a telephone, and for other purposes (Rept. No. 103–80).

By Mr. PELL, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 28. A concurrent resolution expressing the sense of the Congress regarding the Taif Agreement and urging Syrian withdrawal from Lebanon, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations;

Alexander Fletcher Watson, of Massachusetts, a Career Member of the Senior Foreign Service, Class of Career Minister, to be an Assistant Secretary of State;

Daniel K. Tarullo, of Massachusetts, to be an Assistant Secretary of State;

Robert E. Hunter, of the District of Columbia, to be the United States Permanent Representative on the Council of the North Atlantic Treaty Organization, with rank and status of Ambassador Extraordinary and Plenipotentiary;

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: Robert E. Hunter.

Post: Ambassador to North Atlantic Council (NATO).

Contributions, amount, date, and donee:

1. Self: 1989—June, Friends of Les Aspin, $250, July, Dollars for Democrats (DC Democratic Party), $50. 1990—Feb, Dollars for Democrats (DC Democratic Party), $100; June, Friends of Les Aspin, $100; October, Friends of Les Aspin, $50. 1991—March, Wyche Fowler for Senate, $200. 1992—January, Clinton for President, $250; May, Fowler for Senate, $300; June, Friends of Les Aspin, $100; September, Coloradans for David Skaggs, $100; October, Vickery for Congress, $100; October, Fowler for Senate, $100; November, Fowler for Senate, $250. 1993—None.
2. Spouse: Shireen Hunter, none.
3. Children and spouses names: None.
4. Parents names: Inez Hunter (deceased), Robert Hunter Jr., none. Alberta Hunter (stepmother), none.

5. Grandparents names: Robert & Viola Hunter (deceased); David & Myrtle Evans (deceased).

6. Brothers and spouses names: David E. Hunter, none.

7. Sisters and Spouses names: none.

Raymond Leo Flynn, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Holy See;

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: Raymond Leo Flynn.

Post: Ambassador To The Holy See.

Contributions, amount, date and donee:

1. Self: Raymond L. Flynn, none.

2. Spouse: Catherine P. Flynn, none.

3. Children and spouses names: Raymond L. Flynn, Jr.; none. Julie A. Flynn, none. Katherine E. Flynn, none. Edward M. Flynn, none. Nancy E. Flynn, none. Maureen E. Flynn, none.

4. Parents names: Stephen Flynn, deceased; Lillian Flynn, deceased.

5. Grandparents names: John J. Flynn, deceased; Ellen Flynn, deceased.

6. Brothers and spouses names: Stephen Flynn, none. Dennis Flynn, none. Rosemary Flynn, none. Albert Flynn, none. Bridget Flynn, none.

7. Sisters and spouses names: NA.

Christopher Finn, of New York, to be Executive Vice President of the Overseas Private Investment Corporation; and,

Penn Kembel, of New York, to be Deputy Director of the United States Information Agency.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted Committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JOHNSTON (for himself and Mr. BREAUX):

S. 1168. A bill to amend the Internal Revenue Code of 1986 to provide that certain deductions of school bus drivers shall be allowable in computing adjusted gross income; to the Committee on Finance.

By Mr. JOHNSTON:

S. 1169. A bill to provide an exception to coverage of State and local employees under Social Security; to the Committee on Finance.

By Mr. CAMPBELL:

S. 1170. A bill to amend the Mineral Leasing Act to provide for leasing of certain lands for oil and gas purposes; to the Committee on Energy and Natural Resources.

By Mr. BREAUX (for himself, Mr. PRYOR, Mr. BOREN, and Mr. CHAFEE):

S. 1171. A bill to amend the Internal Revenue Code of 1986 with respect to the taxation of certain sponsorship payments to tax-exempt organizations and certain amounts received by Olympic organizations; to the Committee on Finance.

By Mr. MCCAIN (for himself and Mr. LIEBERMAN):

S. 1172. A bill to amend the National Defense Authorization Act for Fiscal Year 1993, to impose sanctions on certain transfers of equipment and technology used in the manufacture or delivery of weapons of mass destruction and to impose additional sanctions for violations of that Act; to the Committee on Foreign Relations.

By Mr. RIEGLE:

S. 1173. A bill to provide for a comprehensive reduction in the United States bilateral trade deficit with Japan, to assure mutually advantageous international trade in motor vehicles and motor vehicle parts, and for other purposes; to the Committee on Finance.

By Mr. COHEN:

S. 1174. A bill for the relief of Olga D. Zhondetskaya; to the Committee on the Judiciary.

By Mr. LIEBERMAN (for himself, Mr. MACK, Mrs. FEINSTEIN, and Mrs. BOXER):

S. 1175. A bill to amend the Internal Revenue Code of 1986 to allow corporations to issue performance stock options to employees, and for other purposes; to the Committee on Finance.

By Mr. KOHL:

S. 1176. A bill to clarify the tariff classification of certain plastic flat goods; to the Committee on Finance.

By Mr. ROCKEFELLER:

S. 1177. A bill to amend title 38, United States Code, to extend the authority of the Veterans' Advisory Committee on Education, and for other purposes; to the Committee on Veterans Affairs.

By Mr. GLENN:

S. 1178. A bill to coordinate and promote Great Lakes activities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BRYAN (for himself, Mr. GORTON, and Mr. DANFORTH):

S. 1179. A bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JOHNSTON (for himself and Mr. BREAUX):

S. 1168. A bill to amend the Internal Revenue Code of 1986 to provide that certain deductions of school bus drivers shall be allowable in computing adjusted gross income; to the Committee on Finance.

By Mr. JOHNSTON:

S. 1169. A bill to provide an exception to coverage of State and local employees under Social Security; to the Committee on Finance.

TAX RELIEF FOR SCHOOL BUS DRIVERS

• Mr. JOHNSTON. Mr. President, today I am introducing legislation identical to that which I introduced during the 102d Congress to help assist our Nation's school bus drivers who provide a very important role in the education of our children. Recently, several broad based tax provisions have been enacted into law which adversely affect school bus drivers. The bills that I am introducing today will provide some of our most dedicated school employees with relief which they need and deserve.

The first measure would permit bus drivers to deduct actual operating expenses, regardless of whether or not they itemize on their Federal tax returns. This was the law prior to the enactment of the Tax Reform Act of 1986. Under current law, however, school bus drivers' actual expenses are treated as miscellaneous expenses, thus limiting the deduction to those who itemize and subjecting it to the 2-percent floor. This floor has prevented many school bus drivers from qualifying for any deduction for their actual operational expenses because they cannot meet the 2-percent floor applicable to miscellaneous itemized deductions. The result has been a substantial increase in school bus drivers' annual income tax liability. Moreover, even those bus drivers who itemize and qualify for deductions under the 2-percent floor have been penalized, especially those who file joint returns.

The second measure would exempt school bus drivers—and other State and local employees who work on a part-time, seasonal, or temporary basis—from paying Social Security taxes. Many of these individuals are already covered under State and local retirement systems; however, the law currently requires that they pay into Social Security as well. The result is increased costs to the employer and smaller take home pay checks for the employees. Perversely, some States may even decide to remove these workers from their retirement systems, which could result in a reduction in or loss of retirement benefits for which the employees have worked for many years.

Education is the cornerstone of personal achievement; it is the most effective means we have to expand the economic and social opportunity in our State. But we cannot improve our educational system in Louisiana without commitment—commitment to those professionals—our teachers, our bus drivers, our administrators—those who work together in a cooperative effort to the education of our youth.

Our school bus drivers do a yeoman's job in transporting future generations to and from school. We all agree that the education of our youth should be one of our highest priorities. Let's pass this legislation and provide some relief to those individuals who make it possible for our children to arrive at school in a safe and timely manner.

I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1168

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEDUCTIONS OF SCHOOL BUS DRIVERS ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.

(a) IN GENERAL.—Paragraph (2) of section 62(a) of the Internal Revenue Code of 1986 (relating to certain trade and business deductions of employees) is amended by adding at the end thereof the following new subparagraph:

"(C) CERTAIN EXPENSES OF SCHOOL BUS DRIVERS.—The deductions allowed by part VI (section 161 and following) which consist of expenses paid or incurred by the taxpayer in connection with the performance by the taxpayer of services as an employee while driving a school bus (as defined in section 4221(d)(7)(C))."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1992.

S. 1169

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCEPTION TO COVERAGE OF STATE AND LOCAL EMPLOYEES UNDER SOCIAL SECURITY.

(A) EMPLOYMENT UNDER OASDI.—Subparagraph (F) of section 210(a)(7) of the Social Security Act (42 U.S.C. 410(a)(7)) is amended—

(1) by striking "or" at the end of clause (iv),

(2) by inserting "or" at the end of clause (v), and

(3) by inserting after clause (v) the following new clause:

"(vi) by an individual who is characterized as a part-time, seasonal, or temporary employee by such retirement system;".

(b) EMPLOYMENT UNDER FICA.—Subparagraph (F) of section 3121(b)(7) of the Internal Revenue Code of 1986 is amended—

(1) by striking "or" at the end of clause (iv),

(2) by inserting "or" at the end of clause (v), and

(3) by inserting after clause (v) the following new clause:

"(vi) by an individual who is characterized as a part-time, seasonal, or temporary employee by such retirement system;".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to serve performed after December 31, 1992.•

By Mr. CAMPBELL:

S. 1170. A bill to amend the Mineral Leasing Act to provide for leasing of certain lands for oil and gas purposes; to the Committee on Energy and Natural Resources.

OIL AND GAS LEASE LEGISLATION

• Mr. CAMPBELL. Mr. President, I rise and send to the desk a bill to help our Nation satisfy its energy needs.

Trapped beneath the naval oil shale reserves, two of which are located in Garfield County, CO, are trillions of cubic feet of natural gas. This natural resource can now only be developed if the Department of Energy [DOE] signs an exclusive contract with a producer.

Simply put, DOE's program to produce natural gas from the reserves is not working. Left to its own devices, the Department has lost money even though natural gas may be this country's hottest commodity. The Department's own records show that in 1990 it derived only $143,000 in revenue, when it cost more than $1.9 million to administer the program. In contrast, if the Interior Department is put in charge of this program, and competitively leases the area to private industry, the taxpayers stand to make at least $200,000 per well simply because private industry is more efficient.

Therefore, my bill will accomplish several goals:

First, it will allow the Department of the Interior and the Department of Energy to work cooperatively to establish a program to competitively lease this resource;

Second, it will allow the Secretary of the Interior, acting through the Bureau of Land Management, to manage the surface of these lands pursuant to the Federal Land Policy and Management Act of 1976;

Third, it will require that a royalty be paid to the Federal Treasury.

While we are all aware of wasteful Government programs, it has clearly been Congress's intent to make oil and gas leasing a profitable enterprise. In fact, next to income tax, revenues from oil and gas leasing represent the country's second largest source of revenue.

Congress is also familiar with proposals to open the naval oil shale reserves. In 1975, an act was passed that specifically authorized the production of oil and natural gas from the naval petroleum reserves and the naval oil shale reserves that were set aside by Executive orders in 1913 and 1924.

This bill will expand on that effort. It also would not affect the Navy's ability to access the oil shale should it ever become a realistic source of energy because the shale resource will remain with the Navy.

Now, however, the current withdrawal effectively locks up all oil and gas development in this area. This is due not only to the withdrawals themselves, but also to a 1-mile no-lease buffer zone along the outer edges.

As I have said, allowing the Department of the Interior to help the Department of Energy to manage this resource pursuant to the provisions of the 1920 Mineral Lands Leasing Act also will provide an immediate and additional source of revenue from royalties paid on production. The revenue from the development of trillions of cubic feet of gas will be a shot in the arm to communities still reeling from the pull-out of the last oil company that attempted to profit from the development of oil shale.

Because the BLM will manage the surface of the reserves pursuant to the Federal Land Management and Policy Act, my bill will mean that for once, the Government must thoroughly study the impacts drilling will have on the environment.

The Treasury also stands to gain because the Federal Government gets at least 50 percent of the royalties on production. Some may argue, however, the under the current program, 100 percent of the revenues go to the Treasury. The fact is, that there are no revenues because the DOE loses money on its program. One hundred percent of nothing is still nothing.

I realize Congress has been reluctant to open the reserves in the past because it envisioned the reserves as more of a strategic storage reserve than as a source for additional natural gas. I believe the situation is much different today. With the recent passage of the Clean Air Act, natural gas and low sulfur coal will be the fuels of choice for many utilities and industries. It is time to refocus attention to these underutilized resources and this poorly run Government program.

I hope my colleagues will support me in my efforts.

I would also ask that the text of the bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1170

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SEC. 2. Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is amended by adding the following new subsection at the end thereof:

"(0)(1) AUTHORITY TO LEASE.—Notwithstanding any other Provision of law, the Secretary of the Interior, in consultation with the Secretary of Energy, may lease for oil and gas exploration, development and production the public domain lands located in Garfield County, Colorado, reserved by Executive Order of the President dated December 6, 1916 (as amended by Executive order of the President dated June 12, 1919), and by Executive Order of the President dated September 27, 1924, Subject to valid existing rights, and pursuant to the requirements of this Act.

"(2) MANAGEMENT.—The Secretary of the Interior, through the Bureau of Land Management, shall hereafter manage the surface estate in the lands covered by this subsection, pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701, et seq.), and other laws applicable to the public lands.

"(3) ROYALTY.—A lease of lands by the Secretary of the Interior under this subsection shall be conditioned upon the payment of a royalty pursuant to subsection (b) of this section, except that the Secretary may establish a sliding scale royalty of not less than 12.5 percent and not more than 25 percent in amount or value of the production removed or sold from the lease,

"(4) EXISTING EQUIPMENT.—The lease of lands by the Secretary under this subsection may include the transfer, at fair market value, of wells, gathering lines, and related equipment owned by the United States on the lands referenced in paragraph (1) and suitable for use in the exploration, development or production of hydrocarbons on such lands.".•

By Mr. BREAUX (for himself, Mr. PRYOR, Mr. BOREN, and Mr. CHAFEE):

S. 1171. A bill to amend the Internal Revenue Code of 1986 with respect to the taxation of certain sponsorship payments to tax-exempt organizations and certain amounts received by Olympic organizations; to the Committee on Finance.

CLARIFYING THE TAX TREATMENT OF CORPORATE SPONSORSHIP

• Mr. BREAUX. Mr. President, I rise to introduce a bill that preserves an important source of support for tax-exempt organizations and the worthy causes they advance. My bill provides precise rules on when corporate contributions received by tax-exempt organizations are subject to tax. It is identical to language we passed in H.R. 11, the Revenue Act of 1992. President Bush vetoed H.R. 11 for reasons unrelated to the corporate contribution provisions.

Under current law, tax-exempt organizations generally are not taxed on their income. In certain situations, however, such income is subject to the Tax Code's unrelated business income tax [UBIT]. In order to be subject to UBIT, the income must be derived from a trade or business, which is regularly carried on, and which is not substantially related to the performance of the organization's tax-exempt functions.

The IRS has initiated audits over the past few years involving numerous and diverse tax-exempt organizations and their income from corporate sponsors. Some IRS auditors have tried to use the Tax Code's UBIT rules to tax corporate sponsorship payments, if the organization agrees to provide recognition to its sponsor. These unnecessary and expensive audits must be stopped.

The bill I am introducing today clarifies that, in certain circumstances, corporate contributions to tax-exempt organizations will remain tax free. This bill was developed from the many comments received from charitable organizations around the country and the efforts last year of the minority and majority staffs of the Finance and Ways and Means Committees.

Only qualified sponsorship payments received in connection with qualified public events are covered by this bill. The event must be conducted by a tax-exempt organization described in paragraph (3), (4), (5), or (6) of section 501(c) of the Tax Code. The event must also be either first, a public event that is substantially related to the exempt purposes of the organization conducting the event, or second, any other public event if that event is the only event of that type conducted by such organization during a calendar year, and such event does not exceed 30 consecutive days.

The bill also states that the corporate sponsor cannot receive any substantial return benefit other than:

First, the use of the name or logo of the sponsor's trade or business in connection with a qualified public event under arrangements, including advertising, in connection with such event which acknowledges such person's sponsorship or promotes such person's products or services, or

Second, the furnishing of facilities, services, or other privileges in connection with such event, to individuals designated by such person.

Mr. President, it might be best to explain how my bill works by using a few examples. If a corporation provides funding for a symphony performance—an event which is related to the symphony's exempt purpose—the organization is not taxed upon receipt of the contribution even if the symphony performs many times throughout the year.

In comparison, if the symphony puts on a fundraising event—such as a fun run—and receives support from a corporate sponsor, those funds can still be tax free to the organization if the event is undertaken and concluded within a consecutive 30-day period, and the event is the only one of its kind conducted during a 1 year period.

This legislation also clarifies that royalty income received by the local organization committee for the 1996 summer Olympic games and the U.S. Olympic Committee will remain tax free. This provision is necessary because of the direction the IRS has been taking in the UBIT area. Since no public funds are expected to be allocated to these games, the tax-exempt organizations conducting the Olympics need this clarification to facilitate their financing efforts.

My bill will help ensure that IRS' proposed audit guidelines, issued last year, on corporate sponsorship payments are never finalized. While the IRS seems to have retracted this position through the release in January of proposed regulations, the risk to many tax-exempt organizations of final guidelines is so great, that the certainty of legislation is vital. Hundreds of tax-exempt organizations of all types—cultural, health, and sports—from around the country submitted comments opposing these guidelines out of fear that they would not be able to attract corporate funding for their exempt activities and that the benefit of the funds they do receive would be reduced.

This legislation should have minimal revenue impact. After passage of this provision in H.R. 11, the IRS issued proposed regulations in January on corporate sponsorship payments. The proposed rules generally reach the same conclusion as my bill, namely, that the simple recognition of corporate sponsors is not a taxable trade or business to these organizations. This bill would ensure that the IRS is never forced to backtrack on this position.

Mr. President, in these days of fiscal austerity, funding for domestic programs at all levels of government is being reduced. It simply does not make sense to reduce funding for these programs and simultaneously discourage the private sector from making up for the shortfall. My bill is a step in the right direction. It would help prevent a misguided IRS audit position from not only harming the thousands of tax-exempt organizations in communities across the country that rely on corporate contributions, but also the worthy causes they advance.

I urge my colleagues to cosponsor this legislation and support its enactment this year, and ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1171

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCLUSION FROM UNRELATED BUSINESS TAXABLE INCOME FOR CERTAIN SPONSORSHIP PAYMENTS.

(a) IN GENERAL.—Section 513 of the Internal Revenue Code of 1986 (relating to unrelated business taxable income) is amended by adding at the end thereof the following new subsection:

"(i) TREATMENT OF CERTAIN SPONSORSHIP PAYMENTS.—

"(1) IN GENERAL.—The term 'unrelated trade or business' does not include the activity of soliciting and receiving qualified sponsorship payments with respect to any qualified public event.

"(2) QUALIFIED SPONSORSHIP PAYMENTS.—For purposes of this subsection, the term 'qualified sponsorship payment' means any payment by any person engaged in a trade or business with respect to which there is no arrangement or expectation that such person will receive any substantial return benefit other than—

"(A) the use of the name or logo of such person's trade or business in connection with any qualified public event under arrangements (including advertising) in connection with such event which acknowledge such person's sponsorship or promote such person's products or services, or

"(B) the furnishing of facilities, services, or other privileges in connection with such event to individuals designated by such person.

"(3) QUALIFIED PUBLIC EVENT.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified public event' means any event conducted by an organization described in paragraph (3), (4), (5), or (6) of section 501(c) or by an organization described in section 511(a)(2)(B) if such event is—

"(i) a public event the conduct of which is substantially related (aside from the need of the organization for income or funds or the use it makes of the profits derived) to the exempt purposes of the organization conducting such event, or

"(ii) any public event not described in clause (i) but only if such event is the only event of that type conducted by such organization during a calendar year and such event does not exceed 30 consecutive days.

An event shall be treated as a qualified public event with respect to all organizations referred to in the preceding sentence which receive sponsorship payments with respect to such event if such event is a qualified public event with respect to 1 of such organizations; except that a payment shall be treated as not being from an unrelated trade or business by reason of this sentence only to the extent that such payment is used to meet the expenses of such event or for the benefit of the organization with respect to which such event is a qualified public event (determined without regard to this sentence).

"(B) EXEMPT PURPOSE.—For purposes of subparagraph (A), the term 'exempt purpose' means any purpose or function constituting the basis for the organization's exemption under section 501 (or, in the case of an organization described in section 511(a)(2)(B), the exercise or performance of any purpose or function described in section 501(c)(3)).

"(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to prevent the avoidance of the purposes of this subsection through the use of entities under common control."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to events conducted after December 31, 1992.

SEC. 2. TREATMENT OF CERTAIN AMOUNTS RECEIVED BY OLYMPIC ORGANIZATIONS.

In the case of a qualified amateur sports organization described in section 501(j)(2) of the Internal Revenue Code of 1986, or an organization which would be so described but for the cultural events it organizes in connection with national or international amateur sports competitions—

(1) for purposes of section 512(b) of such Code, the term "royalty" includes any income received (directly or indirectly) by such organization if a substantial part of the consideration for such income is the right to use trademarks, designations, or similar properties indicating a connection with the Olympic Games to be conducted in 1996 or related events or the participation of the United States Olympic Team at such Games or events, and

(2) nothing in section 514 or 512(b) of such Code shall be construed as treating any amount treated as royalty under paragraph (1) as an item of income from an unrelated trade or business.•

By Mr. MCCAIN (for himself and Mr. LIEBERMAN):

S. 1172. A bill to amend the National Defense Authorization Act for fiscal year 1993, to impose sanctions on certain transfers of equipment and technology used in the manufacture or delivery of weapons of mass destruction and to impose additional sanctions for violations of that act; to the Committee on Foreign Relations.

IRAN-IRAQ ARMS NON-PROLIFERATION AMENDMENTS OF 1993

Mr. MCCAIN. Mr. President, today Senator LIEBERMAN and I come to the floor to introduce the Iran-Iraq Arms Non-Proliferation Amendments of 1993, a bill to revise and add to the National Defense Authorization Act for fiscal year 1993.

At the outset, Mr. President, I would like to express my appreciation to Senator LIEBERMAN and his staff who worked with us to craft this legislation. With this bill, we hope to continue in a bipartisan effort and move forward in cooperation with the executive branch to reduce what is clearly the greatest threat to world peace in the world today, the proliferation of weapons of mass destruction.

The legislation that we introduce today will contribute to the stability of the Middle East by placing further constraints on the ability of Iran and Iraq, two of the world's most threatening states, to acquire weapons of mass destruction.

This bill builds on previous legislation, which I cosponsored with then-Senator GORE and was subsequently passed by the Senate, to establish new sanctions on foreign enterprises and governments who provide Iran and Iraq with the military equipment and technology used in the manufacture or delivery of weapons of mass destruction or the means of their delivery.

KEY PROVISIONS OF THE MCCAIN-LIEBERMAN BILL

Although the amendments made by our bill are complex, the key portions are easy to summarize.

This legislation does not introduce new export penalties for U.S. firms. It does clearly set forth United States policy toward sales to Iran and Iraq, and reinforces the importance of enforcing current law such as the Atomic Energy Act of 1954, the Arms Export Control Act, the Export Administration Act of 1979, and the Missile Technology Control Regime.

Its primary purpose, however, is to put added pressure on Iran and Iraq's foreign suppliers—the nations which have provided virtually all of the supplies and technologies for Iran's and Iraq's efforts to develop weapons of mass destruction.

It builds on existing law that prohibits persons and countries from transferring or retransferring goods or technology that would contribute knowingly and materially to efforts by Iran or Iraq to acquire destabilizing numbers and types of advanced conventional weapons, and extends this prohibition to include transfers that would contribute to the efforts of Iran or Iraq to acquire weapons of mass destruction or the means of delivery.

Most importantly, this legislation strengthens existing mandatory sanctions for foreign enterprises and governments that violate these restrictions, and provides the President with new discretionary sanctions. It acts to deter or prevent foreign countries and companies from transferring weapons of mass destruction to Iraq and Iran by confronting them with clear legal and economic penalties.

THE MANDATORY SANCTIONS

The impact of the mandatory sanctions may be summarized as follows. Existing law sets forth the following mandatory sanctions against foreign persons and countries:

First, suspension of United States and multilateral development bank assistance;

Second, suspension of codevelopment, coproduction, military, and dual-use technical exchange agreements; and

Third, prohibitions on the export of all items on the U.S. munitions list to the violating country.

This legislation recognizes the fact that sanctions focused primarily against United States firms do not affect Iran and Iraq's major suppliers.

This legislation adds mandatory sanctions against imports and transiting United States territory that apply to, "foreign countries and persons that transfer weapons of mass destruction, destabilizing numbers and types of conventional weapons, or equipment and technology that assist in enhancing the capabilities of Iran and Iraq to manufacture and deliver such weapons."

The mandatory sanctions in our bill apply to all offenders, although there is a Presidential waiver in the event of urgent national security needs.

THE DISCRETIONARY SANCTIONS

Existing law sets forth mandatory procurement and export sanctions, and no discretionary sanctions. The discretionary sanctions in our bill provide the President with a range of additional measures that he can impose to penalize severe or repeat offenders. It also provides for the discretionary use of authorities of the International Emergency Economic Powers Act.

It provides for the following discretionary sanctions against both foreign countries and foreign persons that knowingly and materially contribute to the efforts of Iran or Iraq to acquire destabilizing advanced conventional weapons and weapons of mass destruction:

First, prohibitions against assistance from financial institutions;

Second, a blocking of international financial transactions; and

Third, the suspension of U.S. aviation and port rights.

Our bill also provides the President with the power to take the following additional discretionary actions to impose on foreign countries:

First, denial of most-favored-nation status;

Second, suspension of diplomatic relations, special trade privileges, and trade agreements; and

Third, revocations of licenses for nuclear material exports.

Hopefully, these sanctions will never have to be used. They will serve as a deterrent to foreign countries and persons. If they are used, they allow the President to tailor his actions and impose sanctions that will be most effective in a given case, and to present a country or company with the risk that he will impose further sanctions.

We believe that such sanctions not only reinforce the seriousness the United States gives to fighting proliferation, but also offer an additional incentive to join in international arms control efforts and to pass and enforce national legislation that parallels the antiproliferation legislation adopted by the United States.

ALTERNATIVES TO U.S. SANCTIONS

This legislation does not emphasize unilateral action by the United States when foreign governments are willing to take real and decisive action on their own. The bill has provisions for the termination of sanctions, and for urging the President to initiate consultations with the government with primary jurisdiction over any person who violates the prohibition.

THE NEED TO PASS THE MC CAIN-LIEBERMAN BILL

Our legislation is not intended as a substitute for international and multilateral efforts to control proliferation. We fully support efforts to strengthen the Nuclear Non-Proliferation Regime, the Chemical Weapons Convention, the Biological Weapons Convention, the Missile Technology Control Regime, and to institute controls on destabilizing transfers of conventional weapons.

We believe that every effort should be made to reach international and regional agreements, and to persuade foreign governments to establish sanctions on the actions of their own companies and citizens. We applaud the efforts of the Reagan, Bush, and Clinton administrations to achieve these ends.

At the same time, all of us know that certain nations present special threats to their neighbors, our friends and allies, and American strategic interests.

Iran and Iraq are two such nations. Iraq's recent assassination attempt on President Bush, its seizure of innocent people in Kuwait's border area, its continuing obstruction of U.N. inspection, its persecution of its Kurds and Shi'ites, its sponsorship of terrorism in Turkey, and its use of terrorist groups to attack Iran are current cases in point.

More important, in the past it has used poison gas against defenseless Kurdish civilians, invaded Iran and Kuwait, and launched missile attacks on cities in Israel and Saudi Arabia. These are examples of the attitudes and goals of a nation that is a continuing threat to world peace.

Iran has been less aggressive, but it, too, is a threat to its neighbors and the security of the world's economy. It has encouraged terrorism, seized islands in the gulf, sought nuclear and other weapons of mass destruction, and is steadily expanding its military capabilities.

Both nations have emerged as major threats to world peace in the post-cold-war world. They also, however, are highly vulnerable to concerted efforts to deny them the weapons, equipment, and technology they need to develop strong and effective capabilities to deliver weapons of mass destruction.

Unlike North Korea, Iran and Iraq cannot develop and maintain the capability to threaten their neighbors and the region unless the world is foolish enough to provide them with the tools to do the job.

This legislation recognizes this fact. It supplements broader arms control efforts by targeting two States where effective sanctions can play a major role in strengthening the fight against proliferation. At the same time, it recognizes the grim fact that many foreign countries and companies are foolish enough to violate the letter and spirit of arms control agreements, and Iran and Iraq are cases where unilateral pressure is necessary to mobilize an effective effort to restrict the flow of technology and equipment.

THE GROWING THREAT FROM IRAN

No one should have any doubt about the potential threat we face from Iran and Iraq. The more moderate public stance that Iran has sometimes taken since the death of Khomeini has disguised a continuing military buildup and effort to acquire weapons of mass destruction. It has seized full control of the Tumb and Abu Musa islands in the gulf. It has continued to support extreme forms of Islamic fundamentalism in the Sudan, Lebanon, and the Maghreb.

Iran has bought mini-submarines and *Kilo*-class submarines. It has acquired large numbers of attack boats, and is deploying long-range antiship missiles where they can attack any large ship entering and exiting the gulf. While its amphibious capabilities are limited, it has slowly expanded its ability to attack southern Gulf States.

In spite of one of the most corrupt and badly managed economies in the developing world, and the urgent needs of its people for economic development, Iran received 1.6 billion dollars' worth of arms deliveries in 1991.

Iran's loss of oil revenue and hard currency reduced its arms deliveries to $270 million in 1992, and United States officials predict similar deliveries in 1993. Nevertheless, it recently took delivery of one *Kilo* submarine, and it has aggressively sought advanced conventional weapons systems from every supplier in the world.

Iran has received MiG-29 and Su-24 fighters from the Soviet Union, F-7M fighters from the People's Republic of China, and seized large numbers of fighters from Iraq. It is taking deliveries on Soviet SA-5 missiles, Chinese versions of the SA-2, and is seeking to buy large numbers of used T-72's from Russia.

What is most important, however, is that Iran's financial hardships have not stopped it from funding weapons of mass destruction and the ability to deliver them.

The most publicized of these efforts are its purchase of two greatly improved North Korean versions of the Scud missile with ranges of 500 kilometers, steady purchases of the regular Scud missile, and purchases of the shorter range People's Republic of China made CSS-8 missile.

There are growing indications, however, that Iran may be acquiring a missile with a 1,000 kilometer range from North Korea, or with the aid of the People's Republic of China, which some experts believe the Iranian's call the Tondar-68.

At the same time, U.S. Government experts agree that Iran is continuing a significant biological weapons development effort, is producing significant stocks of chemical weapons, and is actively working on nuclear weapons.

I do not want to exaggerate Iran's current progress in developing biological, chemical, and nuclear weapons. Iran's—some little more than Iraqi fronts—have created a major amount of disinformation that exaggerates the scale and success of what Iran has accomplished to date.

At the same time, it is clear that Iran continues to improve its stockpiles and types of chemical weapons, and its long range delivery systems. Last year, Robert Gates, then-Director of Central Intelligence, warned that Iran was close to developing chemical warheads for its Scud missiles.

While some American experts feel that Iran may still be limited to the production of blistering and choking agents, a recent report by the Russian Foreign Intelligence Service indicates that Iran is also able to produce a nerve gas called Sarin, that it has an extensive research effort into new toxins, and that a pesticide plant, which could produce the precursors for nerve gas, operates not far from Tehran.

There are strong indications that Iran has recently stepped up its efforts to acquire biological weapons and to obtain suitable technology and equipment in Europe. James Woolsey, the current Director of Central Intelligence, recently stated that, "biological weapons, if not already in production, are not far behind." Some experts believe that Iran may well have weaponized both toxins and anthrax.

In the case of nuclear weapons, there is broad agreement that Iran is spending several hundred million dollars a year on such effort, and is actively pursuing efforts to separate plutonium from irradiated uranium fuel and to enrich uranium fuel using gas centrifuges.

We do not have a reliable unclassified picture of the full scope of Iran's efforts in this regard, but even a short list of some of the actions recently reported in the press should be a clear warning of the dangers we face.

In spite of the fact that Iran is a major exporter of oil and gas, it is reported to have nuclear facilities of some kind at Ma'allem Kelayah, Karaj, Amir Abad, Gorgan, Bojnurd, Isfahan, Saghand, Darkovin, Busheir, and Bandar Abbas.

The facility at Ma'allem Kelayah is reported to be a military weapons development facility.

Iran is actively seeking major new nuclear reactors from India, the People's Repulbic of China, and Russia. It acquired hot cell technology for separating plutonium from irradiated fuel from the United States in the 1960's.

Iran has long sought support from foreign countries to complete two German-built 1,300 megawatt pressurized water reactors at Bushehr. Some reports indicate these reactors are 60 and 85 percent complete, although these reports may underestimate damage to the projects during the Iran-Iraq war.

Iran signed a 10-year nuclear cooperation agreement with the People's Republic of China in 1990, and there are numerous reports that the People's Republic of China has been in negotiations with Iran to sell a 27 megawatt research reactor that would require about 15 metric tons of uranium fuel a year. The spent fuel from such a reactor could produce up to 6 kilograms of plutonium a year: Close to the amount needed for one bomb.

Iran has acquired a low output research calutron from China, which will give it added expertise in calutron technology. Iran is negotiating with the China National Nuclear Corp. and the Qinshan Nuclear Power Corp. for a 300 megawatt rector to be built at Darkhovin, and support from Chinese nuclear technicians.

Iran signed a contract with India, another nuclear proliferator, for a research reactor at Ma'allem Kelayeh. While U.S. pressure may have blocked this sale, it, too, may eventually contribute to proliferation.

While there is no current evidence to support reports that Iran has acquired nuclear warheads and nuclear weapons engineers from the former Soviet Union, it almost certainly is seeking whatever support it can get. It is also negotiating with Russia for two 213 type VVER 440 megawatt reactors.

Argentina's Investigaciones Aplicadas was prepared to sell Iran uranium purification and conversion equipment, fuel fabrication plant equipment, and potentially heavy water manufacturing capabilities until United States pressure led Argentina to cancel the sale.

It is true that the International Atomic Energy Agency has conducted a familiarization tour of some of Iran's facilities. It is important to point out, however, that this was a brief tour conducted under Iranian auspices, and not an intrusive inspection. It is also important to point out that the IAEA never detected most of Iraq's nuclear weapons development efforts before the gulf war, and that even United States intelligence never detected its main nuclear weapons design facility at Al Atheer.

United States intelligence experts have no doubt that Iran is actively developing nuclear weapons, and everything we can do to delay the transfer of specialized or dual-use technology that aids Iran in developing weapons of mass destruction will buy us time to try to make international agreements work, to develop theater missile defenses, and to strengthen local defense and Western power projection capabilities.

No mix of international agreements and sanctions can prevent Iran from eventually acquiring some nuclear capability. Time can, however, give the Iranian people the opportunity to work out their destiny and, hopefully, to chose a regime that is more concerned with the hopes and needs of the Iranian people than the personal and ideological ambitions of a narrow cadre of extremist leaders.

THE CONTINUING THREAT FROM IRAQ

The entire world now knows that Iraq had several workable nuclear weapons designs, many key components, a multi-billion-dollar nuclear manufacturing base and a global supply network able to exploit lax Western export controls. It knows that his Western trained scientists had produced small amounts of plutonium and enriched uranium.

It is one of the ironies of history that if Iraq had left Kuwait alone, it might just be on the threshold of building its first nuclear device.

Unfortunately, Desert Storm has not ended this Iraqi threat—it has only deferred it. The U.N. efforts to destroy Iraq's weapons of mass destruction, and to deny it arms imports, have had considerable effect. United States Government experts estimate that the U.N. embargo has effectively denied Iraq the ability to acquire military hardware. Exporting nations have shown considerable restraint in selling to Iraq since the end of the gulf war, and Iraq's covert smuggling network does not seem to have had recent major successes.

Iraq, however, has not been passive. Saddam Hussein has placed a high priority on rebuilding Iraq's heavily damaged defense industrial infrastructure in order to supplement its damaged forces. This rebuilding has gone on in spite of the cost and resulting hardships to the Iraqi people, and is now largely complete. Although it can scarcely meet the needs of Iraq's Armed Forces, it is an important step in rebuilding their offensive capabilities.

Successful as we were during Desert Storm, we concentrated our attacks on the Iraqi forces in the Kuwaiti Theater of Operations. We also failed to destroy much of the Iraqi equipment that was deployed in this area. United States Air Force experts now estimate that at least 842 Iraqi tanks, 1,412 other armored vehicles, 279 artillery pieces in the areas subject to intense air attack escaped from Desert Storm.

Iraq is still the largest military force in the gulf and one of the largest military forces in the world. It now has a total military strength of some 383,000 full-time military personnel. It has rebuilt its army and Republican Guards units to a force of around 350,000 men, with at least 2,300 tanks, 2,400 armored reconnaissance and infantry fighting vehicles, 2,000 armored personnel carriers, 400–500 self-propelled artillery weapons and multiple rocket launchers, and 1,200 heavy towed artillery weapons.

In spite of its losses during the war, and Iran's seizure of the Iraqi fighters that fled to Iranian soil, Iraq still has a 30,000-man air force. It still has at least 6 long-range bombers, 130 operational strike fighters, 180 air defense fighters, and a number of advanced reconnaissance and special purpose aircraft. It has massive stocks of air-to-air and air-to-ground guided weapons. It also retains many of its surface-to-air missile units, and thousands of air defense guns.

Iraq's military forces will continue to deteriorate as long as we enforce the U.N. embargo, but many can recover relatively quickly as soon as that embargo ends or other nations decide to violate it. Dual-use technology can substitute for military imports in some cases, and so can the sale of machine tools, engines, and other equipment that can be used to expand Iraq's military production base.

Similarly, the most the U.N. sanctions and inspections can do is to delay the threat of Iraqi weapons of mass destruction. Saddam still has his scientists on the payroll and has protected the identities of many of his global suppliers.

Virtually all experts agree that Iraq will retain some of its chemical weapons production capability, and will be able to resume limited production within a matter of months after the U.N. stops its inspections. Very little of its substantial biological warfare research effort has been exposed by the U.N. effort, and Iraq may now be able to manufacture limited amounts of toxins and active agents.

Experts debate Iraq's residual missile capabilities, but it probably has the parts, major subassemblies, manufacturing equipment, and technology to build at least some Scuds in a matter of months, and it may have concealed significant numbers of finished missiles.

Iraq's nuclear capabilities have probably suffered more than any other aspect of its prewar effort to acquire weapons of mass destruction. Nevertheless, it retains all of the technology and know how that it spent billions of dollars to acquire. The U.N. cannot destroy expertise.

Iraq also will retain at least some critical equipment. Just recently, U.N. inspectors in Iraq found yet another cache of strategic equipment for making nuclear weapons. There is no expert agreement on how much equipment Iraq has been able to conceal, but this equipment could be significant.

On April 26 of this year, an article written by the Wisconsin Project on nuclear arms control and published in the New York Times summarized the nuclear-related equipment in Iraq today. It drew on export records and reports by inspection teams, and provided an impressive list of items that Iraq is known to possess, but which have not been destroyed or removed: 580 tons of natural uranium—Brazil, Niger, and Portugal; 1.7 tons of enriched uranium—Italy; 255 tons of HMX, a high explosive for detonating atomic bombs; 60 machines that shape metal into centrifuge parts, by Dorries, H & H Metalform, Kieserling & Albrecht, Leifeld and Magdeburg—Germany, Matrix Churchill—Britain, and Schaublin—Switzerland; mass spectrometers to monitor bomb-fuel production, by Finnigan-MAT—United States, Germany; two electric frequency converters to power atomic bomb fuel production, by Acomel—Switzerland; more than 700 valves that can process atomic bomb fuel, by Balzers, VAT—Switzerland and Nupro—United States; two coordinate-measuring machines to monitor centrifuge production, by DEA—Italy; 70 mixer-settler units to extract plutonium, some by Metallextraktion AB—Sweden; machines for milling metal, by Maho, Schiess, SHW and Wotan—Germany, Innocenti—Italy, and Zayer—Spain; two assembly presses and two balancing machines to make centrifuges; one resin-mixing and discharge machine to support electromagnetic uranium enrichment, by Millitorr—Britain; one jet-molding machine to make centrifuge motors, by Arburg—Germany ; one 63-ton hydraulic press to shape explosive atomic bomb parts; one mainframe computer used to process nuclear atomic bomb codes, by NEC—Japan; two oxidation furnaces for making centrifuge parts, by Degussa—Germany; one electron-beam welder to assemble centrifuges, by Sciaky—France; tantalum metal sheets for making crucibles to cast atomic bomb cores.

This same report indicated that the following other items are suspected or known to be in Iraq, but have not been found or accounted for: More than 1 million dollars' worth of computers, electronic testing machines, computer graphics equipment, and frequency synthesizers licensed for shipping to atomic bomb builders, by Hewlett Packard—United States; more than 7 million dollars' worth of computers, licensed for shipping to atomic bomb builders, by International Computer Systems—United States; nuclear reactor control panels, instruments, and computers salvaged from a damaged reactor, by the consortium Cerbag—France.

THE PROBLEM OF THIRD COUNTRY SUPPLIERS

No country in the West can look back on what happened in Iraq without some responsibility or guilt. The United States was too slow to recognize the threat, too slow to give it suitable policy level attention, failed to properly inform its industry, and tolerated a divided and inefficient administration of its export control procedures. It did not properly task its intelligence community, and it failed to give its customs and enforcement officers all of the support and resources they needed.

There are times, however, when even those that have sinned should be prepared to cast a stone. The United States and a few other nations—most notably Britain and Canada—did succeed in putting powerful limits on the amount of equipment and technology that Iraq could import. It established policies and sanctions and enforced them.

This same cannot be said of the rest of the world. Iraq relied on the tacit support or indifference of many governments—including many of our closest allies. In case after case, foreign governments and intelligence services must have known that Iraq had suspect activities underway and turned a blind eye to Iraq's operations in their country.

In many cases, foreign companies had to know—or deliberately ignore—the end use of their sales. While much of the equipment sold to Iraq was dual-use equipment, a substantial amount was not dual-use equipment. It had only extremely specialized civilian uses that did not suit Iraq's economy or needs.

In other cases, the dual-use equipment was highly specialized and was sold only to a narrow range of customers. The seller had to know that Iraq almost certainly was not going to use the equipment for its stated use, and often could not produce or use the equipment without knowing its potential military applications.

It is singularly unfortunate that many of these countries and companies were Western European. While we often criticize authoritarian states like the PRC for the recklessness and destabilizing effect of their arm sales, we have ample evidence that Western democracies can be equally lacking in wisdom and integrity.

This is illustrated by two studies prepared for me by the Congressional Research Service which look at the sources of Iraq's nuclear and chemical weapons technology.

The list of Iraq's nuclear suppliers includes 3 French firms, 11 German firms, 2 Italian firms, 2 Swedish firms, 4 Swiss firms, 4 British firms, and 2 Russian firms.

The list of Iraq's chemical weapons suppliers includes 7 Austrian firms, 2 Belgian firms, 2 French firms, 34 German firms, 3 Dutch firms, 3 Italian firms, 1 Spanish firm, 3 Swiss, and 1 British firm.

We may never have a full list of Iraq's suppliers, or a full list of European suppliers. We will never have a clear picture of what various European governments and intelligence services knew and when they knew it. We can, however, be absolutely certain that many did know years in advance of Desert Storm that firms in their countries were violating the spirit and intent of the Nuclear Non-Proliferation Treaty, and were contributing to the process of proliferation.

We also have ample reason to suspect that the present controls on sales to Iraq might well be bypassed the moment sanctions were lifted or the world's attention shifted away from the actions of Iraq's Government.

Further, it is all too clear that a similar process of proliferation is underway in the case of Iran. Like Iraq before its invasion of Kuwait, Iran maintains a massive arms purchasing network throughout the world and Western Europe. This network was built up during the Iran-Iraq war and, while it has never been as large or successful as Iraq's network, it is all too real.

There are also unconfirmed rumors that this network has been successful enough so that a foreign intelligence service recently destroyed a biological research facility in Switzerland and specialized biological production equipment in Germany, because it feared that the research and equipment was being used to support Iran's biological weapons effort. It would be interesting to hear from the intelligence services of both countries as to whether these rumors can be confirmed.

Once again, let me stress that the United States is neither a paragon of efficiency or virtue. It is also unfair to mention Europe without stressing the fact that nations like Argentina, Brazil, India, Pakistan, the PRC, and Russia have all played a major role in proliferation in the past, and continue to do so.

If I appear to be pointing the finger at the Western democracies, it is only to illustrate the point that we not only face continuing Iranian and Iraq threats, but also we cannot rely on international agreements or self-policing even in the case of the nations with whom we share common values and a close alliance.

We also cannot ignore the fact that nations and companies may not learn from experience, regardless of their stated policies, the odd prosecution, and changes in their domestic laws.

We are talking about what may be vast sums of money: During 1984–91, Iraq obtained 15.8 billion dollars' worth of arms from the former Soviet Union. It obtained 2.3 billion dollars' worth of arms from the PRC, it obtained 4.5 billion dollars' worth of arms from our NATO Allies, it obtained 4.6 billion dollars' worth of arms from other European countries, and 2.9 billion dollars' worth of arms from other states; Iran spent $19.8 billion on arms imports during 1984–91—not counting at least $10 billion more on dual use items and the technology for weapons of mass destruction. About 4.8 billion dollars' worth of these arms came from the former Soviet Union, $4.5 billion came from the PRC, $1.4 billion came from our major NATO Allies, $5.3 billion came from the rest of Europe, and $3.8 billion came from other countries. Roughly $9.7 billion was imported between the cease-fire in the Iran-Iraq war and the end of 1991.

While other exporting countries may currently comply with the current sanctions, we cannot ignore the fact that they have a steadily growing incentive to support Iraq and Iran's efforts to end these sanctions, or to cheat as time goes on. Iraq's former arms suppliers all face steadily shrinking domestic markets for arms. Their defense industries are desperate for sales. Iraq and Iran's past arms purchases also show that they represent a vast potential market.

The rapid decline in the arms market for NATO and the Warsaw Pact has steadily increased the risk that nations will sell more sophisticated arms to Iran and Iraq, and provide it with the technology for weapons for mass destruction. Similarly, they create growing pressures to either violate the current meager sanctions or rush arms transfers in the moment such sanctions are withdrawn.

THE NEED FOR POWERFUL NEW SANCTIONS ON FOREIGN SUPPLIERS

All of these trends have convinced me that enacting the Iran-Iraq Arms Non-Proliferation Amendments of 1993 must be done in the near future. We cannot afford ilustions about the prospects for peaceful change.

We must heed the lessons we learned from Operation Desert Storm to stop the weapons buildup by Iran and Iraq, the world's two most dangerous states. We must heed the lessons we learned from the fall of the Shah and from tacitly supporting Iraq in the latter half of the Iran-Iraq war. We cannot make an ally or a pillar out of either country.

We cannot play Iran and Iraq off against each other, or act as if the enemy of our enemy is our friend. We cannot try to use radical or extremist groups like the People's Mujahidin to influence one government or the other.

Limiting the Iraqi or Iranian threat will not bring stability to the region unless similar limits are placed on both nation's military buildup. Both Iraq and Iran already have all the arms and military strength they need for self-defense, and limits on arms transfers to these nations can only benefit their peoples by freeing economic resources for development and increasing living standards.

In summary, Mr. President, the amendments made by this bill complement the 1993 Defense Authorization Act and the key international arms control efforts affecting the transfer of weapons of mass destruction. This bill expands on the current sanctions against Iran and Iraq to establish clear penalties against firms and countries that violate the prohibitions on transfers.

It provides an added powerful deterrent to Iranian and Iraqi aggression, that is not provided by the 1993 Defense Authorization Act, the NPT, the Biological Weapons Convention, the draft Chemical Weapons Convention, or the Missile Technology Control Regime. It firmly establishes the United States policy to limit the sales of advanced conventional weapons to the two growing threats to world peace, Iran and Iraq.

We must react to the fact that the United States and the free world do not live in a kind and gentle world. We must make it unambiguously clear that United States law will continue to penalize any nation or person who sells destabilizing arms to Iraq or Iran until both the Congress and the President are in full agreement that either Iraq and Iran has changed so strikingly in government and character that it is no longer a threat to peace.

Senator LIEBERMAN and I hope that our colleagues will continue to support the bipartisan effort to reduce the greatest threat to world peace in the world today, the proliferation of weapons of mass destruction in Iran and Iraq. We hope that our colleagues will support this bill.

Mr. President, I respectfully request that several appendices explaining the need for our bill be inserted in the RECORD following my remarks and the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1172

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES IN ACT.

(a) SHORT TITLE.—This Act may be cited as the "Iran-Iraq Arms Non-Proliferation Amendments of 1993".

(b) REFERENCES IN ACT.—Except as specifically provided in this Act, whenever in this Act an amendment or repeal is expressed as an amendment to or repeal of a provision, the reference shall be deemed to be made to the National Defense Authorization Act for Fiscal Year 1993.

SEC. 2. STATEMENT OF POLICY.

It is the policy of the United States—

(1) to halt the proliferation of weapons of mass destruction within Iran and Iraq; and

(2) to halt the transfer from any foreign country or foreign person to Iran or Iraq of all weapons of mass destruction and significant components or technology or that can be used to manufacture or deliver weapons of mass destruction.

SEC. 3. STATEMENT OF PURPOSE.

It is the purpose of this Act to impose additional sanctions against those foreign countries and persons that transfer weapons of mass destruction, destabilizing numbers and types of advanced conventional weapons, or equipment and technology that assist in enhancing the capabilities of Iran or Iraq to manufacture and deliver such weapons.

SEC. 4. SANCTIONS AGAINST PERSONS.

Section 1604 is amended to read as follows:

"SEC. 1604. SANCTIONS AGAINST PERSONS.

"(a) PROHIBITION.—If the President determines that any person has transferred or retransferred goods or technology so as to contribute knowingly and materially to the efforts by Iran or Iraq (or any agency or instrumentality of either such country) to acquire destabilizing numbers and types of advanced conventional weapons or to acquire weapons of mass destruction or the means of their delivery, then—

"(1) the sanctions described in subsection (b) shall be imposed; and

"(2) the President may apply, in the discretion of the President, the sanctions described in subsection (c).

"(b) MANDATORY SANCTIONS.—The sanctions to be imposed pursuant to subsection (a)(1) are as follows:

"(1) PROCUREMENT SANCTION.—Except as provided in subsection (d), the United States Government shall not procure directly or indirectly, or enter into any contract for the procurement of, any goods or services from the sanctioned person.

"(2) EXPORT SANCTION.—The United States Government shall not issue any license for any export by or to the sanctioned person and shall revoke any such license issued before the effective date of the sanction.

"(3) IMPORT SANCTION.—Notwithstanding any other provision of law, no item which is the product or manufacture of the sanctioned person, and no technology developed by the sanctioned person, may be imported into any territory subject to the jurisdiction of the United States.

"(4) TRANSITING UNITED STATES TERRITORY.—(A) Notwithstanding any other provision of law (other than a treaty or other international agreement), no sanctioned person, no item which is the product or manufacture of the sanctioned person, and no technology developed by the sanctioned person, may transit any territory subject to the jurisdiction of the United States.

"(B) The Secretary of Transportation may provide for such exceptions from this paragraph as the Secretary considers necessary to provide for emergencies in which the safety of a vessel or its crew or passengers is threatened.

"(c) DISCRETIONARY SANCTIONS.—The sanctions referred to in subsection (a)(2) are as follows:

"(1) FINANCIAL INSTITUTIONS.—(A) The President may by order prohibit any depository institution that is chartered by, or that has its principal place of business within, a State or the United States from making any loan or providing any credit to the sanctioned person, except for loans or credits for the purpose of purchasing food or other agricultural commodities.

"(B) As used in this paragraph, the term 'depository institution' means a bank or savings association, as defined in section 3 of the Federal Deposit Insurance Act.

"(2) USE OF AUTHORITIES OF THE INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT.—The President may exercise the authorities of the International Emergency Economics Powers Act to prohibit any transaction involving any property in which the sanctioned person has any interest whatsoever except for transactions involving the provision of humanitarian assistance.

"(3) PROHIBITION ON VESSELS THAT ENTER PORTS OF SANCTIONED COUNTRIES TO ENGAGE IN TRADE.—

"(A) IN GENERAL.—Beginning on the 10th day after a sanction is imposed under this Act against a country, a vessel which enters a port or place in the sanctioned country to engage in the trade of goods or services may not, if the President so requires, within 180 days after departure from such port or place in the sanctioned country, load or unload any freight at any place in the United States.

"(B) DEFINITIONS.—As used in this paragraph, the term 'vessel' includes every description of water craft or other contrivance used, or capable of being used, as a means of transportation in water, but does not include aircraft.

"(d) EXCEPTIONS.—The sanction described in subsection (b)(1) shall not apply—

"(1) in the case of procurement of defense articles or defense services—

"(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy operational military requirements essential to the national security of the United States;

"(B) if the President determines that the person or other entity to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

"(C) if the President determines that such articles or services are essential to the national security under defense coproduction agreements;

"(2) to products or services provided under contracts entered into before the date on which the President makes a determination under subsection (a);

"(3) in the case of contracts entered into before the date on which the President makes a determination under subsection (a), with respect to—

"(A) spare parts which are essential to United States products or production;

"(B) component parts, but not finished products, essential to United States products or production; or

"(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

"(4) to information and technology essential to United States products or production; or

"(5) to medical or other humanitarian items.

"(e) CONSULTATION WITH AND ACTIONS BY FOREIGN GOVERNMENT OF JURISDICTION.—

"(1) CONSULTATIONS.—Whenever the President makes a determination under subsection (a) with respect to a foreign person, the Congress urges the President—

"(A) to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions pursuant to this section; and

"(B) to take steps in the United Nations and other multilateral groups to negotiate comprehensive multilateral sanctions pursuant to the provisions of chapter 7 of the United Nations Charter, including a partial or complete embargo, against the government of the foreign country of primary jurisdiction over that sanctioned person, as long as that government has not taken specific and effective actions, including appropriate penalties, to terminate the involvement of the sanctioned person or firm in the activities described in section 1604(a).

"(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of sanctions pursuant to subsections (b) and (c) for up to 90 days. Following these consultations, the President shall impose sanctions immediately unless the President determines and certifies to the Congress that that government has taken specific and effective actions, including appropriate penalties, to terminate the involvement of the foreign person in the activities described in subsection (a). The President may delay the imposition of sanctions for up to an additional 90 days if the President determines and certifies to the Congress that that government is in the process of taking the actions described in the preceding sentence.

"(3) REPORT TO CONGRESS.—Not later than 90 days after the application of sanctions under this section, the President shall submit to the Committee on Foreign Relations and the Committee on Governmental Affairs of the Senate and the Committee on Foreign Affairs of the House of Representatives a report on the status of consultations with the appropriate government under this subsection, and the basis for any determination under paragraph (2) of this subsection that such government has taken specific corrective actions.".

SEC. 5. SANCTIONS AGAINST CERTAIN FOREIGN COUNTRIES.

Section 1605 is amended—

(1) in subsection (a)—

(A) by inserting "or to acquire weapons of mass destruction or the means of their delivery" after "destabilizing numbers and types of advanced conventional weapons"; and

(B) in paragraph (2), by striking "sanction" and inserting "sanctions";

(2) in subsection (b), by adding at the end the following new paragraph:

"(6) OTHER SANCTIONS.—The President shall apply the same sanctions described in paragraphs (1) through (4) of section 1604(b), together with the exception described in subsection (d), with respect to actions of a foreign government;"; and

(3) in subsection (c)—

(A) by striking "SANCTION.—The sanction referred to in subsection (a)(2) is" and inserting "SANCTIONS.—The sanctions referred to in subsection (a)(2) are"; and

(B) by adding at the end the following new paragraphs:

"(3) DENIAL OF MOST-FAVORED-NATION STATUS.—Notwithstanding any other provision of law, the President may suspend the application of nondiscriminatory trade agreement (most-favored-nation status) to the sanctioned country for such time as the President so determines.

"(4) DIPLOMATIC RELATIONS.—The President is urged to downgrade or suspend diplomatic relations between the United States and the government of the sanctioned country.

"(5) SUSPENSION OF SPECIAL TRADE PRIVILEGES.—The President is authorized to suspend special trade privileges which were extended pursuant to the Generalized Systems of Preferences or the Caribbean Basin Initiative.

"(6) SUSPENSION OF TRADE AGREEMENTS.—The President is authorized to suspend any trade agreement with the sanctioned country.

"(7) REVOCATIONS OF LICENSES FOR EXPORT OF NUCLEAR MATERIAL.—The Nuclear Regulatory Commission is authorized to revoke any license for the export of nuclear material pursuant to a nuclear cooperation agreement with the sanctioned country.

"(8) PRESIDENTIAL ACTION REGARDING AVIATION.—(A)(i) The President is authorized to notify the government of a sanctioned country of his intention to suspend the authority of foreign air carriers owned or controlled by the government of that country to engage in foreign air transportation to or from the United States.

"(ii) The President is authorized to direct the Secretary of Transportation to suspend at the earliest possible date the authority of any foreign air carrier owned or controlled, directly or indirectly, by that government to engage in foreign air transportation to or from the United States, notwithstanding any agreement relating to air services.

"(B)(i) The President may direct the Secretary of State to terminate any air service agreement between the United States and a sanctioned country in accordance with the provisions of that agreement.

"(ii) Upon termination of an agreement under this subparagraph, the Secretary of Transportation is authorized to take such steps as may be necessary to revoke at the earliest possible date the right of any foreign air carrier owned, or controlled, directly or indirectly, by the government of that country to engage in foreign air transportation to or from the United States.

"(C) The President may direct the Secretary of Transportation to provide for such exceptions from this subsection as the President considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers is threatened.

"(D) For purposes of this paragraph, the terms 'aircraft', 'air carrier', 'air transportation', and 'foreign air carrier' have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

"(9) OTHER SANCTIONS.—The President may apply the sanctions described in section 1605(c) with respect to actions of a foreign government.".

SEC. 6. WAIVER.

Section 1606 is amended—

(1) by striking "waiver" each place it appears and inserting "termination, modification, and waiver"; and

(2) by striking "waive" each place it appears and inserting "modify or waive".

SEC. 7. TERMINATION OF SANCTIONS.

The Act is amended by inserting after section 1606 the following new section:

"SEC. 1606A. TERMINATION OF SANCTIONS.

"Except as otherwise provided in this title, the sanctions imposed pursuant to section 1604(a)(1) shall apply for a period of at least 24 months following the imposition of sanctions and shall cease to apply thereafter only if the President determines and certifies to the Congress that—

"(1) reliable information indicates that the sanctioned person or government has ceased to violate this Act; and

"(2) the President has received reliable assurances from the sanctioned person or government that such person or government will not, in the future, violate this Act.".

SEC. 8. RULES AND REGULATIONS.

The Act is amended by inserting after section 1607 the following new section:

"SEC. 1607A. RULES AND REGULATIONS.

"The President is authorized to prescribe such rules and regulations as the President may require to carry out this Act.".

SEC. 9. DEFINITIONS.

Section 1608 is amended by adding at the end the following new paragraphs:

"(8) The term 'goods or technology' includes any item of the type that is listed on the Nuclear Referral List under section 309(c) of the Nuclear Non-Proliferation Act of 1978, the United States Munitions List (established in section 38 of the Arms Export Control Act), or the MTCR Annex (as defined in section 74(4) of the Arms Export Control Act) or any item that is subject to licensing by the Nuclear Regulatory Commission.

"(9) The term 'United States' includes territories and possessions of the United States and the customs waters of the United States, as defined in section 401 of the Tariff Act of 1930 (19 U.S.C. 1401).

"(10) The term 'weapons of mass destruction' includes nuclear, chemical, and biological weapons, bomber aircraft with a range in excess of 600 nautical miles, missiles, and missile equipment and technology.".

SEC. 10. CONFORMING AMENDMENT.

Section 1602(a) is amended by striking "chemical, biological, nuclear," and inserting "weapons of mass destruction".

JUNE 1993

DEAR COLLEAGUE: Today, we are introducing the Iran-Iraq Arms Non-Proliferation Amendments of 1993 to revise and add to the National Defense Authorization Act for Fiscal Year 1993. This bill continues a bipartisan effort to move forward in cooperation with the Executive Branch to reduce what is clearly the greatest threat to world peace in the world today, the proliferation weapons of mass destruction.

This legislation will contribute to the stability of the Middle East by inhibiting the ambitions of Iran and Iraq. This bill will further inhibit the willingness of foreign enterprises and governments (see Appendices A and B) to provide Iran and Iraq with the military equipment and technology used in the manufacture or delivery of weapons of mass destructions (WMD) or the means of their delivery.

Our bill clearly sets forth United States policy toward sales to Iran and Iraq, and reinforces the importance of enforcing laws such as the Atomic Energy Act of 1954, the Arms Export Control Act, the Export Administration Act of 1979, and the Missile Technology Control Regime.

Its primary purpose, however, is to put added pressure on Iran and Iraq's foreign suppliers—the nations which have provided virtually all of the supplies and technologies for Iran and Iraqs' efforts to develop WMD—by building on existing law which prohibits persons and countries from transferring or retransferring goods or technology that would contribute knowingly and materially to efforts by Iran or Iraq to acquire destabilizing numbers and types of advanced conventional weapons. Our bill extends this prohibition to include transfers that would contribute to the efforts of Iran or Iraq to acquire WMD or the means of delivery.

Most importantly, our bill strengthens existing mandatory sanctions for foreign enterprises and governments that violate these restrictions, and provides the President with new discretionary sanctions. It acts to deter or prevent foreign countries and companies from transferring WMD to Iraq and Iran by confronting them with clear legal and economic penalties.

THE MANDATORY SANCTIONS

Existing law sets forth the following mandatory sanctions against foreign persons and countries; suspension of U.S. and multilateral development bank assistance; suspension of co-development, co-production, military, and dual-use technical exchange agreements; and prohibitions on the export of all items on the U.S. Munitions List to the violating country.

Our bill recognizes that sanctions focused primarily against U.S. firms do not affect Iran and Iraq's major suppliers by adding mandatory sanctions (within Presidential discretion) against imports and transit of U.S. territory that apply to, "foreign countries and persons that transfer WMD, destabilizing numbers and types of conventional weapons, or equipment and technology that assist in enhancing the capabilities of Iran and Iraq to manufacture and deliver such weapons."

THE DISCRETIONARY SANCTIONS

Existing law provides no discretionary sanctions. The discretionary sanctions in our bill provide the President with a range of additional measures that he can impose to penalize severe or repeat offenders and provides for the discretionary use of the International Emergency Economic Powers Act sanctions.

Our bill provides for the following discretionary sanctions. Against both foreign countries and foreign persons: prohibitions against assistance from financial institutions, a blocking of international financial transactions, and the suspension of U.S. aviation and port rights. Against foreign countries alone: denial of most-favored nation status; suspension of diplomatic relations, special trade privileges, and trade agreements; and revocations of licenses for nuclear material exports.

These sanctions should serve as a deterrence to potential violators. They allow the President to tailor his actions and impose sanctions that will be most effective in suiting a given case, and maintain the possibility of further sanctions.

RESPONDING TO THE THREAT

Virtually every day brings new evidence of the fact that Iran and Iraq represent a major threat to their neighbors, to Israel, to the flow of oil, and to the world's economy.

This bill also responds to the reality that international arms control agreements, and sanctions on U.S. companies, are not adequate to deal with this problem. Iraq has relied on the tacit support or indifference of foreign governments and their intelligence services, our western allies, and foreign companies to buy dual-use equipment and supplies to exploit the spirit and intent of existing restraints. Similarly, it is all too clear that a comparable process of proliferation is underway in Iran.

Both Iraq and Iran have demonstrated their willingness for fiscal sacrifice in pursuit of their agenda of destructive acquisition.

During 1984–1991, Iraq obtained $15.8 billion worth of arms from the former Soviet Union, $2.3 billion from the PRC, $4.5 billion from our NATO allies, $4.6 billion from other European countries, and $2.9 billion from other states.

Iran spent $19.8 billion on arms imports during 1984–1991 (not counting at least $10 billion more on dual-use technology for WMD)—$4.8 billion from the former Soviet Union, $4.5 billion from the PRC, $1.4 billion from our NATO allies, $5.3 billion non-NATO Europe, and $3.8 billion from other countries.

I hope you will join us in co-sponsoring the Iran-Iraq Arms Non-Proliferation Amendments of 1993. We would be grateful if you would ask your staff to contact Tony Cordesman, Walter Lohman, or Max Grant (x42235) of Senator McCain's staff, or Tom Parker (x44041) of Senator Lieberman's staff.

Sincerely,

JOHN MCCAIN,
United States Senator.
JOSEPH I. LIEBERMAN,
United States Senator.

APPENDIX A—LIST OF FOREIGN SUPPLIERS TO IRAQ'S NUCLEAR WEAPONS TECHNOLOGY AND MATERIAL

BRAZIL

The National Security Council of Brazil approved smuggling uranium to Iraq.

CHINA

Lithium hydride, labelled as "pharmaceutical" but conceivably usable to make tritium for boosted fission weapons.

China North Industries Corp.: supplied chemicals for missile and nuclear applications.

FRANCE

Framatome: fuel for Osirak.

St. Golbain: Fundamental nuclear technology.

Techniatome: the reactor.

GERMANY

Arthur Pfeifer-Vakuumtechnik GmbH: vacuum smelting and casting equipment, vacuum heat-treatment furnace; training in the use of the above.

Blazer: bellows valves for centrifuge enrichment program.

Degussa: special furnace for producing centrifuge parts, surface treatment to survive corrosion from uranium hexafluoride gas.

Ferrostaal (M.A.N. subsidiary): prime contractor for the Tadji gas centrifuge complex.

H and H Metalform Ltd.: large quantities of machine tools for the centrifuge program. Spinning machines capable of making 100 centrifuge rotors per week, each machine (3 machines); flow forming machines including specific mandrels for producing centrifuge parts; computer numerically controlled machines obtained from Neue Magdeburger Wekzeugmaschinenfabrik GmbH; software for tools.

Maschinenfabrik Augsburg-Nurnberg (M.A.N.): carbon fiber rotors or winding machines for centrifuges.

Interatom (Siemens subsidiary): training, enrichment technology, "radium enrichment plants."

Nukem: U235 fuel pins; centrifuge materials.

Dr. Reutliner und Sehne KG: balancing machines for centrifuge production. Valves capable of handling uranium hexafluoride.

Siemens (FRG): named in documents found at Iraqi facilities, no specific hardware named.

Technishe Uberwachungs Verein (a german government agency roughly similar to Underwriter's Laboratories): materials testing for the Tadji gas centrifuge complex.

Uranit: indirect supplier of centrifuge technology to Iraq via Pakistan; uranium melting furnishes.

Vertiebs Ltd.: with H & H Metalform, a flow-forming machine.

ITALY

Euromac: sister company of UK company which attempted to deliver nuclear triggers.

SNIA Technit: hot cells for handling radioactive materials. Based in the illegal (but undetected by the IAEA) separation of several grams of plutonium.

JAPAN

Hamamatsu: high-speed video for observing implosion tests.

LIECHTENSTEIN

Merimpex: a front company used by Leybold.

SWEDEN

Avesta: UK subsidiary of this Swedish firm supplied special maraging steel for Iraqi centrifuges.

SWITZERLAND & SWEDEN

ASEA Brown Boveri (ABB): cold isostatic press useful for forming the high explosives for implosion systems.

SWITZERLAND

Consen: intermediary used to export $50 million worth of advanced centrifuges capable of 100 lbs. of uranium throughput per week.

Schaeublin SA: machine tool for taking as centrifuge endcaps; computer controlled lathes; spin forming machines for endcaps.

Schmiedemeccania: metal parts for endcaps; baseplates for centrifuges (n.b.: an Iraqi purchased a part of Schmiedemeccanica and half of H&H Metalform); possible connections to Leybold Heraeus.

UNITED KINGDOM

Bonaventure Europe (BE): nuclear weapon triggers (probably capacitors or switching devices such as krytrons).

BSA Machine Tools: machine tools.

Consarc Engineering: high-temperature ovens (for melting or casting of uranium metal).

Matrix Churchill: precision lathes and other machine-tool equipment.

FORMER USSR

Atmomenergoexport: reactors.

Irkutsk mining-processing plant: radioactive material stolen and illegally transferred.

Source: Zimmerman, Peter D. CRS Report for Congress, "Iraq's Nuclear Achievements: Components, Sources, and Stature," February 18, 1993. Appendix A, pp. 38–40.

APPENDIX B—LIST OF FOREIGN SUPPLIERS TO IRAQ'S BIOLOGICAL AND CHEMICAL WEAPONS TECHNOLOGY AND MATERIAL

AUSTRIA

Alu-BAu Normbau: equipment for chemical weapons plant.

AST Concult Co.: laboratory construction equipment for chemical weapons.

Fenberg: construction planning for chemical weapons.

Grill and Grossman: equipment for chemical weapons plant.

Lenhardt Metal, Construction and Roofing: steel construction for chemical weapons plant.

Neuberger Wood and Plastics: precursor chemicals.

Swatek and Cerny: sanitary equipment.

BELGIUM

Phillips Petroleum subsidiary [un-named]: A Belgian subsidiary of Phillips Petroleum provided thiodiglycol, the primary compound in mustard gas, to a Dutch trading company, KBS, which in turn was filling a request of the Iraqi State Establishment for Pesticide Production.

Sybetra: this company was the prime contractor for a fertilizer complex at Al Qaim and a phosphates mine at Akashat, believed to have been converted to CW production.

CHILE

Gen. Augustino Pinochet: Pinochet's regime had put cluster and chemical bombs at the disposal of the Iraqi regime, reports said. The shipment included chemical bombs in 500,000-piece consignment with a value of $30 million.

EGYPT

WTB International AG: supplied a controller for the Saad 16 complex.

FRANCE

Atochem: supplied Sarin precursors to Montedison and training of Iraqi chemists in the handling of toxic materials.

Protec: served as the middleman for many of the Karl Kolb company shipments to Iraq.

GERMANY

Avia Test: a contractor at the Saad–16 chemical weapons plant.

Anton Eyerle: provided mobile toxicology labs.

Chemco GmbH: sold chemical precursors.

Degussa: sold unspecified equipment at a chemical weapons facility in Iraq.

Deutsch BP: supplied military research and unspecified military equipment in chemical weapons.

Gildmemeister Projecta GmbH: a general contractor at Saad–16.

Ludwig Hammer GmbH: a subcontractor to Heberger and supplied climate control systems for the Samarra CW plant.

Herberger Bau GmbH: sold building for chemical weapons facilities, under investigation by the Darmstadt public prosecutor for shipping chemicals and equipment for making CW weapons.

Heraus: provided a tubular furnace for biological weapons.

I.B.I.: provided construction and procurement of a CW plant.

Identa Company: supplied a computer-controlled magnetic card system to control entry to the Diyala chemical laboratory.

Industriewerke Karlsruhe, Augsburg (IWKA): provided machine tools to pack 155mm shells with CW agents.

Infraplan: sold facilities for precursor chemical production.

Iveco Magirus: provided mobile toxicology labs.

Karl Kolb, GmbH: a subsidiary, Pilot Plant, assisted with an insecticide plant, and subcontracted the German Quest company to supply equipment necessary to produce chemical weapons. A chemical engineer from Karl Kolb helped install mobile toxicology laboratories during the Gulf War. Karl Kolb has also been implicated in aiding in the development of six Iraqi chemical plants in Samarra. The company has been under investigation for illegal business with Iraq since 1983.

Josef Kuehn: supplied mycotoxins TH–2 and T–2.

Labosco GmbH: supplied assorted biological equipment.

Magiru Deutz: supplied equipment for mobile toxicology laboratories during the Gulf War.

Messerschmitt-Bolkow-Blohm (MBB): provided chemical weapons lab equipment of Saad–16.

Noske Kaeser: installed a large outlet air cleaning plant for a CW lab at Salman Pak.

Neuberger Holz and Kunststoffindustrie GmbH: the middleman for many of the Karl Kolb company shipments.

Pilot Plant: provided corrosion-resistant testing equipment, under investigation for shipments of materials and knowledge of poison gas production.

Plato-Kuehn GmbH: provided mycotoxins TH–2 and T–2.

Preussag AG: provided equipment, chlorine, and chlorine containers for water purification and for refrigeration of food.

Rhein-Bayern Vehicle Construction: provided mobile toxicology labs and compressed air assemblies.

Rhemm Labortechnik: provided inhalation systems for a chemical weapons plan and experimental gas chambers allegedly used to test Zyklon–B mixture on Iranian POWs.

Rotexchemie International Handels GmbH and Co.: provided Iraq with sodium cyanide, used for prussic acid and Tabun manufacture.

Sigma Chemie GmbH: helped supply TH–2 and T–2 mycotoxins.

Thyssen AG: aided, with eight other German subcontractors, in the construction of a CW/BW facility near Salman Pak.

Unipath: provided bacteriological culture media.

WET (Water Engineering Trading) GmbH: provided microbiological parts and fluid culture media, investigated for shipments of material and knowledge to produce poison gas, including special machine tools for poison gas projectiles.

Walter Thosti Bowswai (WTB): built three large factories in a complex near Baghdad, under suspicion of being a CW facility.

Fitz Werner Industrial Equipment Ltd.: sold universal drilling equipment at a chemical weapons facility.

Zeiss, Carl: sold unspecified equipment to a chemical weapons facility.

HOLLAND

Duphar: provided Iraq with blister packs and nerve gas antidotes.

KBS: served as middleman for the sale of thiodiglycol, the primary compound in mustard gas.

Melchemie: supplied the Iraqi State Establishment for Pesticide Production with most of the chemicals needed to produce nerve gas.

INDIA

Cyanide and Chemical Co.: supplied precursor chemicals.

Exomet Chemicals: supplied precursor chemicals.

Khaleej Pte: supplied precursor chemicals.

Oriental Shipping Agency: arranged shipping of precursor chemicals.

Transpek India Ltd.: supplied precursor chemicals (trionyl chloride).

United Phosorous of Baroda and Bombay: supplied precursor chemicals.

ITALY

Ausidet: provided Sarin precursors through Montedison.

Montedison: supplied material for CW.

Technipetrole (TPL): supplied a nerve gas plant at Akashat and a CW plant at Baiji.

JAPAN

Nissho Shoji: shipped precursor chemicals through India to Iraq.

LEBANON

Christian Militia: produced CW (mustard gas) for Iraq.

SPAIN

Rio Tinto Explosives (ERT): supplied precursor chemicals.

SWITZERLAND

CIBA-Geigy: sold over 800,000 tons of phosphatemidon, a chemical used mainly in manufacturing poison gas.

Companies Inc.: provided precursor chemicals.

Ifat Corp. Ltd.: this company was part of the Consen group and was an engineering middleman for Saad–16.

UNITED KINGDOM

Rio Tinto Zinc Chemicals: supplied precursors for chemical weapons.

Source: Bowman, Steven R. CRS Report for Congress, "Iraqi Chemical Weapons Capabilities," February 24, 1993. Appendix, pp. 7–22.

APPENDIX C

[From Diana Edensword & Gary Milhollin, "Iraq's Bomb—an Update," New York Times, April 26, 1993 at A17]

Soon, possibly this week, the U.N. will report that its inspectors in Iraq have found yet another cache of strategic equipment for making nuclear weapons. Their chief inspector at the International Atomic Energy Agency, Maurizio Zifferero, should be embarrassed. He announced in September that President Saddam Hussein's atomic weapons program was "neutralized" and "at zero." He even said that Iraq had "decided at the higher political level to stop these activities."

Saddam Hussein never told the I.A.E.A. about the newly discovered equipment, as required by U.N. resolutions. And he continues to rain down threats and intimidation on the inspectors, indicating that he has more to hide. In March 1992, Iraq's Deputy Prime Minister, Tariq Aziz, told inspectors that Iraq had not relinquished the right to build weapons of mass destruction.

Before his army marched into Kuwait in August 1990, Saddam Hussein had a workable bomb design, many key components, a multi-billion dollar nuclear manufacturing base and a global supply network able to exploit lax Western export controls, especially those in Germany. His Western-trained scientists had produced small amounts of plutonium and enriched uranium: the fuels in the bombs that destroyed Nagasaki and Hiroshima. They even did clandestine research in laboratories the I.A.E.A. inspected regularly.

If Saddam Hussein had left Kuwait alone, he might have had his first bomb by now. He still has his scientists on the payroll and has protected the identities of many of his global suppliers. He has even started to get European and American inquiries on future oil sales: petrodollars for a renewed bomb effort.

Here is a summary of nuclear-related equipment in Iraq today. It draws on export records and reports by inspection teams. The names of manufacturers, who may not have supplied their products directly to Iraq, are given where known. Iraq claimed the equipment was for civilian use. The U.S. government wants most of the material destroyed; the I.A.E.A. may let Iraq use it under the agency's monitoring. It was just such "monitoring," however, that failed to detect Iraq's bomb program in the first place.

FOUND BUT NOT DESTROYED OR REMOVED

These items have been tagged for possible destruction, monitoring by the I.A.E.A. or unconditional release to Iraq:

580 tons of natural uranium (Brazil, Niger and Portugal).

1.7 tons of enriched uranium (Italy).

255 tons of HMX, a high explosive for detonating atomic bombs.

60 machines that shape metal into centrifuge parts, by Dorries, H & H Metalform, Kieserling & Albrecht, Leifeld and Magdeburg (Germany), Matrix Churchill (Britain) and Schaublin (Switzerland).

Mass spectrometers to monitor bomb-fuel production, by Finnigan-MAT (U.S., Germany).

Two electric frequency converters to power atomic bomb fuel production, by Acomel (Switzerland).

More than 700 valves that can process atomic bomb fuel, by Balzers, VAT (Switzerland) and Nupro (U.S.).

Two coordinate-measuring machines to monitor centrifuge production, by DEA (Italy).

70 mixer-settler units to extract plutonium, some by Metallextraktion AB (Sweden).

Machines for milling metal, by Maho, Schiess, SHW and Wotan (Germany), Innocenti (Italy) and Zayer (Spain).

Two assembly presses and two balancing machines to make centrifuges.

One resin-mixing and discharge machine to support electromagnetic uranium enrichment, by Millitorr (Britain).

One jet-molding machine to make centrifuge motors, by Arburg (Germany). One 63-ton hydraulic press to shape explosive atomic bomb parts.

One mainframe computer used to process nuclear atomic bomb codes, by NEC (Japan).

Two oxidation furnaces for making centrifuge parts, by Degussa (Germany). One electron-beam welder to assemble centrifuges, by Sciaky (France). Tantalum metal sheets for making crucibles to cast atomic bomb cores. Still Missing.

These items are suspected or known to be in Iraq, but have not been found or accounted for:

More than $1 million worth of computers, electronic testing machines, computer graphics equipment and frequency synthesizers licensed for shipping to atomic bomb builders, by Hewlett Packard (U.S.).

More than $7 million worth of computers, licensed for shipping to atomic bomb builders, by International Computer Systems (U.S.).

Nuclear reactor control panels, instruments and computers salvaged from a damaged reactor, by the consortium Cerbag (France).

Computers and instruments capable of analyzing metals and powders for atomic bomb manufacture, licensed for shipping to an atomic bomb builder by Siemens (Germany, U.S.).

$43,000 worth of computers for a nuclear weapons testing site, licensed for shipping by EZ Logic Data (U.S.).

$30,000 worth of electronic and computing equipment to measure neutrons and gamma rays, licensed for shipping by Canberra Industries and Canberra Elektronik (U.S., Germany).

Five frequency converters capable of powering centrifuges, by Acomel (Switzerland).

Parts that collected enriched uranium in electromagnetic enrichment machines.

One jet-molding machine to make centrifuge motors, by Arburg (Germany).

One powder press suitable for compacting nuclear fuels, by XYZ Options (U.S.).

$1.5 million worth of cylindrical presses, by Leifeld (Germany).

$2.2 million worth of computers, licensed to be shipped to an atomic bomb builder by Unisys (U.S.).

$280,000 worth of computers and electronic and phogotraphic equipment for nuclear weapons laboratories, licensed to be shipped by Perkin Elmer (U.S.).

$367,000 worth of computers licensed for shipping to an atomic bomb builder to run its machine tools, by Gerber Systems (U.S.).

Design plans for a $5.6 million plant to process uranium, by Natron (Brazil).

More than 100 mixer-settler units to extract plutonium, by Metallextraktion AB (Sweden).

Certrifuge cascade to enrich uranium.

Underground reactor and heavy water to produce plutonium.

Records of Iraq's foreign sources of expertise on uranium enrichment, foreign equipment suppliers and explosive tests of atomic bomb components.

Records containing identities and current activities of Iraqi nuclear personnel, including those trained by H&H Metalform, Interatom, Leybold, Lurgi and ZSI (Germany), Balzers (Switzerland), Chemddex (Poland), CNEN (Brazil), and Matrix Churchill (Britain).

Computer database showing status and extent of the entire nuclear weapon program.

• Mr. LIEBERMAN. Mr. President, I join my distinguished colleague, Senator McCAIN, in introducing the Iran-Iraq Arms Non-Proliferation Amendments, which will amend the National Defense Authorization Act for fiscal year 1993. This bill is intended to deal with the threat of advanced weaponry, and particularly weapons of mass destruction, from Iran and Iraq.

Weapons of mass destruction are adding an entirely new dimension to world politics. In the past, relations between the major powers dominated international events; medium-sized countries such as Iran and Iraq only mattered insofar as they contributed to the geopolitical assets of a major power or became the object of a great power rivalry.

Today, however, countries, such as Iran or Iraq, could become as much as a threat as a major industrial power. No longer are a full panoply of conventional forces needed to threaten United States interests; a primitive nuclear device could wreak more havoc on the continental United States than Nazi Germany or Imperial Japan could ever aspire to. So despite much talk about the decline of the nation-state, proliferation is strengthening the potential power of those states bent on becoming nuclear powers.

Of all the aspiring nuclear powers, none threatens United States interests more than Iran. CIA Director James Woolsey said before the Senate Committee on Government Affairs on February 24 that:

> Iran is pursuing the acquisition of nuclear weapons despite being a signatory of the Nuclear Nonproliferation Treaty [NPT]. Iran probably will take at least 8 to 10 years to produce its own nuclear weapons, perhaps sooner if it receives critical foreign assistance for its development program.

To this end, Tehran continues to apply economic pressure on Germany to complete a commercial nuclear power plant at the city of Bushehr that was abandoned when Khomeini came to power. It has also signed contracts for the sale of several commercial nuclear plants, whose materials could be weaponized, from Russia and China. Commercial nuclear power plants make no economic sense for Iran, which has the world's second largest supply of natural gas.

CIA Director Woolsey has also warned that despite Iraq's overwhelming military defeat, its scientific and engineering capabilities and its commercial network remain largely intact:

> Iraq retains key nonfissile materials and equipment, such as centrifuge drawings, machine tools, and expertise, that it could use to rebuild a centrifuge-based uranium enrichment effort * * * the Iraqis retain missiles, support equipment, and propellant, and they are still capable of firing scud missiles * * * Iraq's biological weapons capability is perhaps of greatest immediate concern.

THE MCCAIN-LIEBERMAN BILL

Faced with this challenge, the McCain-Lieberman bill is designed to thwart foreign firms and individuals that provide assistance to the Iranian and Iraqi weapons programs, particularly those involving arms of mass destruction. While U.S. law generally deals adequately with transgressions by U.S. firms, additional measures are needed against foreign firms. Such measures could be effective because, for all their defiance toward the international community, Iran and Iraq are not hermit States, like North Korea. They rely on foreign suppliers for their weapons materials and for some of their know-how.

The McCain-Lieberman amendments do this. Existing law mandates sanctions against foreign firms and individuals that contribute to Iran and Iraq's programs of destabilizing advanced conventional weapons and weapons of mass destruction by:

First, suspending United States and multilateral development bank assistance;

Second, suspending codevelopment, coproduction, military, and dual-use technical exchange agreements; and

Third, prohibiting the export of all terms on the U.S. munitions list to the violating country.

The McCain-Lieberman bill adds mandatory sanctions against these foreign firms by shutting their imports out of the U.S. market. With this bill, no foreign entity will be able to export to the United States if it knowingly abets the Iran and Iraq weapons programs.

This bill also adds the following discretionary sanctions:

First, prohibitions against assistance from financial institutions,

Second, a blocking of international transactions, and

Third, the suspension of U.S. aviation and port rights.

The McCain-Lieberman bill also provides the President with the power to take the following discretionary actions:

First, denial of most-favored-nation status;

Second, suspension of diplomatic relations, special trade privileges, and trade agreements; and

Third, revocations of licenses for nuclear material exports.

BEHIND THE WEAPONS PROGRAM

The weapons programs of Iran are being driven by two deeply rooted impulses: Islamic fundamentalism and Iranian nationalism. The Iranian Government has been split between Islamic fundamentalists and so-called pragmatists or nationalists. Fundamentalists believe in a heavy-handed state socialist economy and repressive social mores. Their foreign policy is fueled principally by anti-western policies on religious grounds.

In contrast, Iranian nationalists, who have been gaining power since the election of Hashemi Rafsanjani as President in 1989, are motivated primarily by traditional Persian Nationalism. They believe deeply that the Persian Gulf is within their exclusive sphere or influence. The defeat of Iraq has reinforced their view that Iran is the sole Islamic power of consequence in the region.

Iranian nationalism has also been emboldened by the expectation that the collapse of the Soviet Union will permit a return of Iranian influence to the U.S.S.R.'s seven Islamic republics, which were under loose Iranian control in the past. Iranian adventurism, on the part of both fundamentalists and nationalists, has also been fueled by the prospect of cheap, surplus Warsaw pact military equipment.

Iraqi nationalism, embodied in its most virulent form by Saddam, is driving Baghdad's weapons policies. Iraq has always seen itself as the Arab custodian of the gulf, and few Iraqis consider Kuwait to be a legitimately independent country. This imperial attitude no doubt has been used to serve the purposes of the country's ruling elite, which is predominantly Sunni. Since the Sunnis only represent 20 percent of the country's population, Sunni leaders have sometimes been tempted to engage in foreign adventurism to divert the discontents of its Shi'ite majority. This is the case today.

CONCLUSION

Mr. President, there is a deceptive lull in international affairs. With the end of the cold war and the collapse of the Soviet Union, there are not apparent, overwhelming threats to the United States. And yet just as growing German power haunted Europe at the beginning of this century, the specter of weapons of mass destruction in the hands of radical Third World states is a cause of forboding at the end of the century. We must, therefore, prevent the diffusion of technology and know-how to Iran and Iraq.

The McCain-Lieberman bill does this by amplifying upon the existing legal, diplomatic, and conceptual structure that should isolate these two radical Persian Gulf countries. In doing so, we will slow, and hopefully prevent, them from obtaining weapons that threaten our lives and those of our children as nothing else does.•

By Mr. RIEGLE:

S. 1173. A bill to provide for a comprehensive reduction in the United States bilateral trade deficit with Japan, to assure mutually advantageous international trade in motor vehicles and motor vehicle parts, and for other purposes; to the Committee on Finance.

UNITED STATES-JAPAN TRADE EQUALIZING ACT OF 1993

• Mr. RIEGLE. Mr. President, I rise today to introduce legislation to provide for balanced and comprehensive reduction in our trade deficit with Japan. This bill, the United States-Japan Trade Equalizing Act of 1993 is result-oriented legislation which will deal effectively with the growing United States trade deficit with Japan as a result of their unfair trade practices.

This bill complements my earlier bills by approaching the United States trade deficit with Japan on an overall basis.

Just reading this morning's newspapers explains the need for this legislation. Yesterday, negotiations between the United States and Japan to define a new trading relationship broke down.

Contrary to his predecessors, President Clinton has sought measurable progress in our trade relationship with Japan. The United States proposed establishing clearly defined measurable targets for opening specific Japanese markets and for cutting the Japanese trade surplus in general.

Japan has refused, I believe, because setting clearly defined targets has been successful in the past in opening up the Japanese market.

The most obvious example of the benefit of this approach was the semiconductor agreement which required 20 percent of the Japanese market to be foreign—an agreement which achieved its intended result. I believe the very success of this approach mandates that we continue to demand specific and clear measurable targets.

The New York Times states, and I quote, "The deadlock in Tokyo is a blow to Clinton's economic revival plans." I agree that trade is critical to the United States economic future, but do not believe that the Japanese control our economic destiny. We do, as long as we are willing to take those steps necessary to ensure the long-term growth of the United States, and the world, economy.

The United States-Japan Trade Equalizing Act of 1993—which I introduced today—is a step in that direction by providing for a balanced reduction in Japan's overall trade deficit with the United States over a 5-year period. For each of the next 5 years, Japan would be required to reduce its trade surplus with the United States, either by buying more United States products, or selling less products here.

If Japan does not meet the deficit reduction targets, the United States will impose quantitative restrictions on both motor vehicles and motor vehicle parts from Japan. It is appropriate to target the Japanese auto and auto parts sectors for restrictions as the majority of our trade deficit with Japan is in these two sectors alone.

This legislation was first introduced as part of a larger, comprehensive trade package over a year ago. Looking back to when I introduced the legislation last year, I see that many of the issues I was concerned with at that time have not improved.

There continues to be growing unemployment and underemployment, layoffs by many of our Fortune 500 companies, and a growing trade deficit with Japan.

However, one thing has changed over the past year—the specific numbers. The trade numbers indicating the magnitude of the United States trade deficit with Japan have worsened.

The cumulative United States trade deficit since 1980 is over $1.1 trillion—roughly half of our deficit is with Japan. Our cumulative trade deficit with Japan alone is $511 billion—over a half a trillion dollar deficit with one country alone. Moreover, our deficit with Japan is not improving.

When I introduced this legislation last year, our 1991 trade deficit with Japan was $43.4 billion. By the end of 1992, our trade deficit had reached $49.4 billion—an increase of almost 14 percent in 1 year alone.

In April of 1993 alone, the United States trade deficit with Japan was $5.5 billion—since the beginning of this year, the United States trade deficit with Japan is $18.79 billion. If this trend continues, the United States trade deficit for 1993 would be $56.37 billion, again an increase of about 14 percent. That would mean that since 1991, the United States trade deficit with Japan will have increased by almost 30 percent.

Further, well over half the United States trade deficit with Japan is in the automotive sector. The United States deficit with Japan in the automotive sector has increased significantly since the mid 1980's. In 1986, the automotive sector represented 55.6 percent of the United States' total trade deficit with Japan.

By 1988 our deficit in the automotive sector had increased to 61.7 percent, and by 1990 it increased to 73.7 percent. By 1990 almost three-fourths of the United State's trade deficit with Japan was in the auto and auto parts sectors alone.

The U.S. trade deficit in the auto parts sector has increased unabated throughout the 1980's. Between 1985 and 1986, the United States trade deficit with Japan in the auto parts sector increased 95 percent, and between 1986 and 1987 the auto parts deficit increased another 31 percent, and continued nonstop throughout the 1980's and 1990's—reaching $9.8 billion in 1992.

Last year, our auto parts deficit alone accounted for approximately 20 percent of our total trade deficit with Japan.

Our motor vehicle deficit with Japan shows the same trends as both our auto parts deficit and our overall trade deficit—it increased nonstop throughout the 1980's and 1990's. Our motor vehicle deficit with Japan represents on average 45–50 percent of our total trade deficit.

We must remember trade and trade practices have a direct relationship to how much wealth this country has, how many Americans have jobs, and the kinds of jobs they have. The U.S. auto industry accounts for approximately 4.5 percent of our gross national product.

The auto industry employs about 2.5 million workers in the United States and, in doing so, provides workers a middle class standard of living—a home, a pension, health care, and education for their children.

Working Americans—whether in the auto industry, another manufacturing industry, agriculture or other—are the backbone of this country. It is working Americans, through their labors, production, and innovation, that create the products that Americans and people around the world need and want.

In doing so they contribute directly to the economic strength of this country. However, Americans who lose their jobs because of the unfair trade practices of other countries are no longer able to positively contribute to the economic strength of this country.

These unemployed Americans—through no fault of their own—have a negative impact on our economy. They require financial resources be diverted from already burdened Federal, State, and local budgets, for retraining, unemployment compensation and worker adjustment assistance.

The funds used for these programs could be put to much better use—education, crime control, health care—if U.S. workers had not lost their jobs to unfair trade practices. Further, most unemployed workers have less disposable income to spend, thus having a deleterious effect on overall economic growth in the United States.

There are also many social costs associated with unemployment—rising crime, increased alcoholism, drug abuse, and family violence—to name a few. Most of the United States' unemployment results from the unfair trade practices of other countries—not from a lack of U.S. competitiveness.

The problem of Japan's closed market is not just a United States-Japan problem, it affects the entire world economy. Japan's closed market hampers both United States economic growth and overall global economic growth as well. Not only are there countless anecdotal examples of Japan's closed market, but the degree of their closed market is well documented in economic statistics.

Compared to other industrialized nations, Japan imports a disproportionately small share of manufactured products. In 1991, U.S.-manufactured imports represented 6.9 percent of our gross domestic product [GDP].

For the rest of the G–7, excluding Japan, manufactured imports represented on average 7.4 percent of GDP. However, manufactured goods imports in Japan represented only 3.1 percent of their GDP. In addition, Japan has the lowest level of foreign direct investment among the OECD countries.

Only 0.7 percent of the global stock of direct investment is in Japan, whereas 28.6 percent of the global stock of direct investment is in the United States, and 28.6 percent is in Europe. Clearly, Japan continues to be a closed market to the United States and other country's goods and services.

It is unacceptable for the second largest economy, Japan, to continue to use unfair trade practices, such as maintaining a closed market, to further its economic goals.

We have seen entire United States industries disappear, or be reduced to noncompetitiveness, as a result of Japan's unfair trade practices. The United States has virtually lost its consumer electronics industry, semiconductor, and computer chip industry as a result of unfair trade practices by Japan.

These practices include a closed domestic market, export targeting, predatory pricing practices, the Japanese kieretsu system of trade, and other practices. Now, we are on the verge of losing our auto and auto parts industry because of Japan's unfair trade practices in these areas.

While the previous administration was content to merely study the issue, or pursue informal talks with the Japanese, nothing was accomplished. The results of then-President Bush's trip to Japan over 1 year ago have been nonexistent—for in 1992 the United States experienced its largest ever trade deficit with Japan.

More specifically, the so-called import targets the Japanese auto makers and auto parts producers agreed to early in 1992, have not been met. A number of articles following then-President Bush's trip report that the Japanese now say they did not actually commit to increased purchases of United States produced autos or auto parts.

Further, the Japanese have indicated, the specific import targets discussed for reducing the deficit in the auto and auto parts industries were not real commitments but merely informal guidelines discussed by the United States and Japan. Clearly, informal commitments or voluntary targets do not work.

The United States needs a mechanism which will produce results. My legislation provides a mechanism which will produce results.

The United States-Japan Trade Equalizing Act of 1993 provides for a balanced reduction in Japan's overall trade deficit with the United States over a 5-year period.

Beginning in 1994, Japan will be required to reduce its surplus with the United States by 20 percent of the level our 1993 bilateral trade deficit. In each of the following 4 years, Japan will be required to reduce its trade surplus by an additional 20 percent of the 1993 deficit base level.

If Japan does not meet the deficit reduction targets set out in this bill, the United States will impose quantitative restrictions on imports of both motor vehicles and motor vehicle parts from Japan. As I stated earlier, it is appropriate to target the Japanese auto and auto parts sectors for restrictions as the majority of our trade deficit with Japan is in these two sectors alone.

The quantitative restrictions will equal the number of auto and auto parts each that were entered into the United States during 1993 less 20 percent. In other words, if the United States imported 1.5 million cars from Japan in 1993, the number of cars permitted to enter the United States during 1995, if the 1994 deficit reduction target was not met, would be 1.125 million cars.

Likewise, the specific number of auto parts, in each product category that would be permitted to enter the United States would be determined according to the same formula.

In each of the following deficit reduction years, the number of autos and auto parts which would be allowed entry into the United States if Japan did not meet is deficit reduction targets, would be reduced by an additional 20 percent.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States-Japan Trade Equalizing Act of 1993".

TITLE I—FINDINGS AND DEFINITIONS

SEC. 101. FINDINGS, PURPOSE, AND DISCLAIMERS.

(a) FINDINGS.—The Congress makes the following findings:

(1) The United States trade deficit with Japan has increased substantially over the past decade. In 1991, the United States trade deficit with Japan was $43,400,000,000. The trade deficit increased by 14 percent in 1 year, to over $49,400,000,000 by the end of 1992.

(2) The traditional domestic motor vehicle and motor vehicle parts sector directly employs more than 1 million workers and indirectly employs several million more. The workers are skilled, hard working, productive, capable, and proud of their work. The workers and their employers have achieved great improvements in quality, performance, fuel economy, safety, and design of domestic motor vehicles.

(3) The domestic motor vehicle and motor vehicle parts sector directly and indirectly accounts for about 12 percent of our gross national product and generates more than $200,000,000,000 a year in revenue.

(4) The domestic motor vehicle and motor vehicle parts sector is a major consumer of steel, glass, textiles, rubber, aluminum, machine tools, chemicals, electronics, and other important products.

(5) Recognizing the competitive pressures facing the motor vehicle industry, Japan has operated under a voluntary export restraint arrangement since 1981 that has not been recognized or enforced by the United States Government.

(6) Since 1986 the United States Government has engaged, with little result, in a negotiating process with the Government of Japan to obtain fair access to the markets of that nation for United States producers of motor vehicle parts and manufacturers of motor vehicles.

(7) Despite these negotiating efforts, in 1992 the United States posted a $49,400,000,000 trade deficit with Japan of which over $30,000,000,000 was accounted for by the automotive sector deficit ($9,800,000,000 of which was attributable to motor vehicle parts), and there is little evidence that the Japanese Government is seriously trying to eliminate such deficits which are detrimental to the United States economy and jobs.

(8) In addition to transplant assembly facilities in the United States that are owned or controlled by Japanese persons, motor vehicles and motor vehicle parts are being imported from Japan into the United States in such increased quantities and under such conditions as to cause, or threaten to cause, serious injury to domestic manufacturers of like or directly competitive products and to the domestic workers producing such products.

(9) In the last 5 years, transplant assembly facilities in the United States that are owned or controlled by persons from Japan have not shifted significantly their procurement to traditional United States producers of motor vehicle parts, as illustrated by the fact that—

(A) the United States automotive parts trade deficit with Japan grew between 1985 and 1990 at an annual average rate of 17 percent and totaled $9,800,000,000 in 1992; and

(B) only 12.5 percent of the customs value of vehicles manufactured in such transplant facilities in the United States is based on parts produced by traditional United States motor vehicle parts producers, while 35.1 percent of such value is based on imports from Japan and 32.4 percent of such value is based on purchases from Japanese-affiliated parts producers located in the United States.

(10) The pattern of procurement described in paragraph (9) has contributed significantly to the overall United States merchandise trade deficit with Japan.

(11) The continuation of current procurement practices by automobile companies owned or controlled by persons from Japan and the increased production of vehicles by transplant facilities in the United States is projected to result in a 110 percent (or $21,990,000,000) increase in the United States motor vehicle parts trade deficit by 1994.

(12) Aftermarket parts are likely to account for 50 percent of the motor vehicle parts trade deficit with Japan by 1994 because transplant facilities are not purchasing sufficient quantities of original equipment from United States suppliers.

(13) Traditional United States motor vehicle parts manufacturers are particularly underrepresented in the production of motor vehicles produced by transplant facilities in the United States in the following 3 major, high value-added vehicle systems:

(A) Engines.

(B) Transmissions.

(C) Body structures.

(14) In the 1991 National Trade Estimates Report, the United States Trade Representative listed "close and durable relationships" between Japanese motor vehicle makers and suppliers as a barrier to United States motor vehicle parts sales in Japan.

(15) The market share of Japanese motor vehicle manufacturers in the European Community is currently 10 percent while their market share in the United States is about 35 percent.

(16) The European Community has negotiated an understanding with the Government of Japan limiting the market share of motor vehicles produced by Japanese motor vehicle manufacturing companies both in Japan and in the European Community to less than 16 percent until the year 2000.

(17) The home market for motor vehicles and motor vehicle parts in Japan remains largely closed to all foreign manufacturers whose combined market share equals no more than 3 percent.

(18) Japan's nontariff market barriers include onerous inspection and certification systems that discriminate against foreign-made motor vehicles and motor vehicle parts, a tax system that discriminates against foreign-made products, closed distribution systems and dealer networks, and government-tolerated "Keiretsu" relationships involving motor vehicle and motor vehicle parts manufacturers and dealers. At the same time, Japanese firms enjoy open markets in the United States with no limitations or discrimination.

(b) PURPOSE.—The purpose of this Act is to decrease the merchandise trade deficit of the United States with Japan by providing for a staged merchandise trade deficit reduction over a 5-year period.

(c) CONGRESSIONAL DISCLAIMERS.—It is the intent of Congress that this Act shall not be deemed to modify or amend the terms or conditions of any international treaty, convention, or agreement that may be applicable to motor vehicles and motor vehicle parts and to which the United States, on the date of the enactment of this Act, is a party, including, but not limited to, the terms or conditions of any such treaty, convention, or agreement which provide for the resolution of conflicts between the parties thereto. Nothing in this Act shall be construed (1) to confer jurisdiction upon any court of the United States to consider and resolve such conflicts, or (2) to alter or amend any law existing on the date of the enactment of this Act which may confer such jurisdiction in such courts.

SEC. 102. DEFINITIONS.

For purposes of this Act:

(1) MOTOR VEHICLE AND MOTOR VEHICLE PARTS.—

(A) The term "motor vehicle" means any article of a kind described in heading 8703 or 8704 of the Harmonized Tariff Schedule of the United States.

(B) The term "motor vehicle parts" means any article of a kind described in the following provisions of the Harmonized Tariff Schedule of the United States if suitable for use in the manufacture or repair of motor vehicles:

(i) Subheadings 8407.31.00 through 8407.34.20 (relating to spark-ignition reciprocating or rotary internal combustion piston engines).

(ii) Subheading 8408.20 (relating to the compression-ignition internal combustion engines).

(iii) Subheading 8409 (relating to parts suitable for use solely or principally with engines described in clauses (i) and (ii)).

(iv) Subheading 8483 (relating to transmission shafts and related parts).

(v) Subheadings 8706.00.10 and 8706.00.15 (relating to chassis fitted with engines).

(vi) Heading 8707 (relating to motor vehicle bodies).

(vii) Heading 8708 (relating to bumpers, brakes and servo brakes, gear boxes, drive axles, nondriving axles, road wheels, suspension shock absorbers, radiators, mufflers and exhaust pipes, clutches, steering wheels, steering columns, steering boxes, and other parts and accessories of motor vehicles).

The Secretary shall by regulation include as motor vehicle parts such other articles (described by classification under such Harmonized Tariff Schedule) that the Secretary considers appropriate for the purposes of this Act.

(C)(i) The term "Japanese motor vehicle" means a motor vehicle which is the product of Japan.

(ii) The term "Japanese motor vehicle part" means a motor vehicle part which is the product of Japan.

(2) ENTERED.—The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(3) IMPORT RESTRICTION IMPLEMENTATION PERIOD.—The term "import restriction implementation period" means a calendar year which—

(A) occurs after 1994 and before calendar year 2001, and

(B) follows a calendar year with respect to which the Secretary finds, under section 201(b), that the trade deficit reduction target was not met.

(4) INTERSTATE SALE.—The term "interstate sale" means sale or distribution in the interstate commerce of the United States.

(5) BASELINE DEFICIT.—(A) The term "baseline deficit" means the average monthly merchandise trade deficit, as computed by the Secretary, of the United States with Japan during calendar year 1993.

(B) In computing merchandise trade deficits under this section, the value of bilateral trade between the United States and Japan in—

(i) crude petroleum; and

(ii) nonmonetary gold;

shall not be included.

(6) SECRETARY.—The term "Secretary" means the Secretary of Commerce.

(7) TRADE REPRESENTATIVE.—The term "Trade Representative" means the United States Trade Representative.

TITLE II—MERCHANDISE TRADE DEFICIT REDUCTION

SEC. 201. STAGED TRADE DEFICIT REDUCTION.

(a) TRADE DEFICIT REDUCTION TARGETS.—

(1) IN GENERAL.—The trade deficit reduction target for each of the calendar years listed below is an average monthly merchandise trade deficit of the United States with Japan during such year that does not exceed an amount that equals the applicable percentage of the baseline deficit that appears opposite such year:

Calendar year	Applicable percentage of baseline deficit
1994	80 percent
1995	60 percent
1996	40 percent
1997	20 percent
1998	0 percent

(2) SPECIAL RULE FOR 1998.—For calendar year 1998, the 0 percent trade deficit reduction target shall be treated as having been met if the merchandise trade deficit of the United States with Japan during such year does not exceed—

(A) an amount equal to 5 percent of the value of the aggregate bilateral merchandise trade between the United States and Japan during such year; or

(B) $5,000,000,000.

(b) COMPUTATIONS.—

(1) IN GENERAL.—Not later than January 1 following each calendar year listed in subsection (a)(1), the Secretary shall compute whether the trade deficit reduction target for such year was met.

(2) ANNOUNCEMENT OF IMPORT RESTRICTION IMPLEMENTATION PERIOD.—If the Secretary finds under paragraph (1) that the trade deficit reduction target specified under subsection (a) for a calendar year was not met, the Secretary shall announce, by publication in the Federal Register, that the import restriction implementation period is in effect beginning on January 1 of the year after the year to which the finding applies.

SEC. 202. COMPUTATION OF IMPORT RESTRICTIONS IF TRADE DEFICIT REDUCTION TARGET NOT MET.

(a) IN GENERAL.—On January 1 of the first calendar year (and each calendar year thereafter) for which an import restriction implementation period is in effect, the Secretary shall compute and publish in the Federal Register the quantitative import restrictions for such calendar year.

(b) COMPUTATION.—

(1) IN GENERAL.—For purposes of subsection (a), the term "quantitative import restrictions" means the aggregate quantity of Japanese motor vehicles and the aggregate quantity of Japanese motor vehicle parts that may be entered into the United States (in accordance with paragraph (2) or (3)) for a calendar year described in subsection (a).

(2) FIRST YEAR RESTRICTIONS.—The aggregate quantity of Japanese motor vehicles and Japanese motor vehicle parts that may be entered into the United States, during the first calendar year for which an import restriction implementation period is in effect, may not exceed the aggregate quantity of such motor vehicles and the aggregate quantity of such motor vehicle parts entered into the United States during 1993, reduced by 20 percent.

(3) SUBSEQUENT YEARS.—In the case of any calendar year for which an import restriction period is in effect after the first such calendar year, the aggregate quantity of Japanese motor vehicles and Japanese motor vehicle parts that may be entered into the United States shall not exceed the amount of such motor vehicles and motor vehicle parts entered during the most recent preceding calendar year for which an import restriction implementation period was in effect, reduced by 20 percent.

(4) ADMINISTRATION.—In order to prevent import surging or to otherwise ensure the efficient administration of this Act, the Secretary may impose temporary quantitative import restrictions on Japanese motor vehicles and Japanese motor vehicle parts entered during the first 3 months of a calendar year in an import restriction implementation period.

SEC. 203. REPORTS.

Within 30 days after a computation is made under section 201 or 202 with respect to a calendar year, the Secretary shall submit to the Congress a report setting forth the bases of the computation.

SEC. 204. SENSE OF CONGRESS REGARDING ACHIEVEMENT OF MERCHANDISE TRADE DEFICIT REDUCTION TARGETS.

It is the sense of the Congress that representatives of the United States and Japanese Governments should undertake continuing discussions regarding the means and measures, to be selected by the Japanese Government, to achieve the merchandise trade deficit reduction targets required under section 201(a). During the discussions, the Trade Representative should particularly address market access priorities for United States exports to Japan.•

By Mr. LIEBERMAN (for himself, Mr. MACK, Mrs. FEINSTEIN, and Mrs. BOXER):

S. 1175. A bill to amend the Internal Revenue Code of 1986 to allow corporations to issue performance stock options to employees, and for other purposes; to the Committee on Finance.

EQUITY EXPANSION ACT OF 1993

• Mr. LIEBERMAN. Mr. President, I rise today to introduce the Equity Expansion Act of 1993. I am pleased to be joined in this effort by Senators MACK, FEINSTEIN, and BOXER.

This bill could help spur the competitiveness and profitability of American companies by expanding the number of employees in all industries who will have the opportunity to receive part of their remuneration in the form of stock options. In addition, our bill would reform the current punitive tax and financial accounting treatment of employee stock options and it will create strong tax incentives for employees to retain the stock they purchase through their stock options, enhancing our pool of long-term, patient capital.

Mr. President, from a public policy perspective this bill is appealing because it is focused on strengthening a key American advantage in global competition. America's best companies learned long ago that the key to success in the world's toughest markets is a dedicated work force that shares the common goals for their company. Nothing spawns that commitment better than the opportunity for equity ownership through broad-based employee stock options and stock purchase plans.

Employee equity could help give us an edge in global competition. Neither the Europeans nor the Japanese have yet learned how to generate the kind of employee creativity and commitment that broad-based employee stock option plans have demonstrated for United States companies. Our Nation's public policy should encourage and promote employee participation through broad use of equity compensation programs. The bill we are introducing today will begin that process.

WHY THIS IS A JOBS BILL

One of our Nation's strongest concerns now is how to stimulate additional job creation in the American economy. We contemplate spending billions of dollars trying to prime the job pump, but we often can't be certain what we will receive in return. As we debate those measures, it's important that we not overlook a powerful job creation engine that is already pumping out thousands of high-quality jobs with a future in this country and generating major tax revenues for us in the process. That engine is small business, and the fuel is the broad-based employee stock option.

Stock options make it possible to start new companies and create new jobs with significantly less cash than would otherwise be required. They enable growing companies to attract the key people who can make the difference at each stage of a company's progress. Stock options stretch scarce venture capital dollars and allow companies to hire more people than they otherwise could. Stock options also encourage risk-taking and spur technological innovation. America's most dynamic, job-creating companies consistently rely on employee stock options to attract and motivate their employees. Not just their top executives, all their employees.

I often hear from innovative CEO's who tell me they could not have built their companies and created the jobs they have without the ability to offer stock options to their entire work force. These same executives tell me that the rule change soon to be imposed by the Financial Accounting Standards Board [FASB] would have prevented them from creating many of those jobs.

Mr. President, our bill will not only prevent damage to America's growth-oriented industries, it will improve the ability of those companies to share equity more widely with their employees. In the process it will encourage thousands of additional companies to begin granting stock options to their work force, giving them a powerful stake in those companies.

At a time when we are contemplating a variety of reforms, taxes, and other mandates on business that will make it more expensive to create jobs, it's vital that we find new ways to make it easier to start companies and employ people. The Equity Expansion Act is such a bill.

A POSITIVE REVENUE IMPACT

Mr. President, another important reason this bill is attractive is that, unlike most business tax proposals, we believe the Equity Expansion Act will be ruled revenue-positive by the Joint Committee on Taxation. The Joint Committee found a similar bill to be a revenue-raiser in 1979. We asked two national accounting firms to analyze the revenue implications of our bill under today's tax rates and rules.

In a letter dated April 26, 1993, Ernst & Young reached the following conclusions:

> Setting aside matters of timing, to the extent that the performance stock options created by this bill displace nonqualifying stock options (or equivalently taxed cash compensation), there is an unambiguous revenue gain to the Treasury. This revenue gain is offset to the extent that performance stock options displace incentive stock options; and under the current rate structure, so long as 40 percent or more of the performance stock options would otherwise have been nonqualifying stock options (or equivalently taxed cash compensation), the net impact would be a revenue gain for the Treasury.

Coopers & Lybrand also examined the revenue implications of our bill. They conclude:

> In summary, the Equity Expansion Act of 1993 appears to offer the combination of reducing individual tax burdens for the employee and potentially increased Treasury collections. When compared to a non-qualified stock option, the proposed performance option would induce employees to keep the associated stock for the required holding period and in the situations outlined above, government revenue should rise. Our results are less definitive when the analysis is done using ISOs as a yardstick, but based on the current employee practice of selling the stock immediately, the performance options should also increase government revenue.

At a time when there is intense pressure on all tax provisions, my colleagues and I are pleased to be able to offer a bill that focuses on many of the most productive, job creating companies in the economy and also is likely to generate a revenue gain for the Treasury. I plan to include the full text of these accounting firm analyses, along with the Joint Committee's revenue estimate, in a future statement on this bill.

WHAT ARE STOCK OPTIONS, AND WHO PAYS FOR THEM?

An employee stock option is a right to purchase a set number of company shares for a fixed price at some defined time in the future. Unlike the type of stock options traded on stock exchanges, employee stock options are not transferable. There is no external market to establish their value.

The cost of employee stock options is borne entirely by the company's shareholders through dilution in the value of their shares. Yet, as described in more detail below, investors willingly approve these plans because they stimulate greater returns. Stock option plans are the only element of corporate compensation that already require the express approval of shareholders. Further, they are subject to annual proxy disclosure and footnote treatment in financial statements.

SUMMARY OF THE EQUITY EXPANSION ACT

The Equity Expansion Act leaves existing forms of stock options in place. Companies could continue to offer tax-deductible nonstatutory—nonqualified—stock options if they wish. But companies willing to forgo that deduction and grant options broadly throughout their work force would be able to offer their employees a new form of option, called a performance stock option [PSO], that requires no taxes from employees at exercise and gives them strong tax incentives to hold onto their stock after they acquire it. To qualify, at least half of a PSO must go to "non-highly compensate" employees, as defined by the IRS. This new form of option essentially restores the benefits of capital gains treatment by excluding half of the tax on the employees' gain when they sell their stock, after a minimum 2 year holding period.

TAX PROVISIONS

Despite its powerful tax incentives, this new form of option, performance stock option, will not cause a revenue loss to the U.S. Treasury. In fact, a revenue gain is achieved by omitting the employer's expense deduction when PSO's are exercised—as in incentive stock options.

PSO plans will require the approval of the firm's shareholders. They:

Assure broad participation by reserving at least half of the stock in PSO plans for "non-highly compensated" employees as defined by Congress in IRC §414(q).

Relieve employees of taxes on their paper profits when they exercise their options. They would still be taxes when they sell their stock.

Encourage employees to retain their stock after exercise by excluding 50 percent of their gain from tax when the stock is sold, after a minimum 2-year holding period.

Remove the spread at exercise from the alternative minimum tax, and prevent the IRS from imposing FICA and FUTA taxes on premature sales.

ACCOUNTING PROVISIONS

The bill directs the SEC to end the charge against earnings now required on variable options, thereby providing management with a flexible and powerful new motivational tool. The number of options the employee could exercise in the future could be increased or decreased by the achievement of performance goals set by the company—that is, shareholder ROI, product development goals, revenue or profitability target, et cetera—without an accounting penalty.

The bill counters the decision on stock option accounting announced by the Financial Accounting Standards Board on April 7, 1993. It directs the SEC to maintain the current financial accounting treatment of all forms of fixed stock options. No additional compensation charge to earnings would be required.

THE NEED FOR THIS BILL

1. STOCK OPTIONS IMPROVE THE PERFORMANCE OF AMERICAN COMPANIES

In the traditional model for financing a company, investors provide money to a company and receive stock in return. The company then uses some of the money to compensate its employees. There is no dispute over how to account for this simple transaction. But over the last generation a growing number of American companies have learned the value of going back to their investors for a second investment in the form of stock which they then share with large segments of their work force through employee stock option plans.

Because the exercise of employee options will dilute the economic and voting power of shareholders, the corporation laws of virtually every State require that shareholders specifically approve employee stock option plans. And approve them they do, because over the years shareholders have learned that they receive significantly greater returns from companies that share stock to motivate their work force.

For example, it's worth nothing that professional venture capital firms are some of the strongest advocates of broad-based employee stock option plans. Veteran America venture capitalists are among the most sophisticated corporate investors, directors, and shareholders in the world. They know that as shareholders they bear the full cost of stock option plans through dilution of their holdings. Yet they consistently insist that their portfolio companies establish and maintain extensive employee stock options plans that cover all or nearly all of their work force. And they're not hesitant to say why. The professional venture capital industry has learned over the years that broad-based employee stock ownership is essential to achieving the dramatic returns that investors in professional venture capital funds seek.

2. COMPANY-WIDE OPTION PLANS ARE WIDESPREAD AND GROWING

Many people in this country mistakenly believe that stock options are a benefit awarded only to CEO's and other top executives. This misimpression is reinforced by stories about individual executives stock option packages. Hardly any national visibility has gone to the important trend toward companies sharing options with their entire work force. Yet this movement is fundamental to the success American companies have achieved in global competition. Examples include such highly successful large companies as Chili's, DuPont, Genentech, Kroger, Merck, Nation'sBank, Pepsico, and Pfizer. And the practice is even more widespread among smaller companies.

America's technology companies have been the world's leaders in sharing their stock with their employees and benefiting from the growth that ensues. A dramatic example is Microsoft Corp. The New York Times recently estimated that Microsoft's stock option and employee stock purchase plans have created more than 2,200 employee millionaires in that one company. This is an achievement that our public policy should encourage. But it is far from an isolated example.

A 1990 Radford Associates survey of 300 electronics companies found 85 percent of the companies using options gave them to middle managers and above, while 30 percent even include nonsalaried people. Only 15 percent limited their options to officers.

The Industrial Biotechnology Association reports a similar experience. According to IBA, 75 percent of their companies use stock options. Fully 60 percent grant options to their entire work force. Only 8 percent limit their options to officers and a few managers.

In 1991, ShareData, Inc., makers of a widely used PC-based stock option management program, surveyed their 800-firm user group, which includes many companies outside the technology sectors. They received 300 responses. A substantial majority—68 percent—of the smallest companies—with fewer than 100 employees—grant stock options to every one of their employees. Even when companies reached 500 employees, more than half—54 percent—of the respondents granted options to their entire work force.

It's well known that the political pressure on FASB stems in large part from the mistaken belief that stock options only go to a few top executives. It's painfully ironic that FASB's new accounting rule would translate that premise into a self-fulfilling prophesy. Top executives will always be able to bargain for equity compensation, and boards of directors will want them to have it, even if FASB doubles its cost. What will be lost, however, is the tradition of granting stock options to a company's entire work force. FASB's proposed charge against earnings would also cover the discounts companies now offer their employees to encourage them to purchase stock directly from the company. Both broad-based stock options and employee stock purchase plans will become prohibitively expensive if FASB's plan goes through.

3. U.S. TAX POLICY SHOULD ENCOURAGE STOCK RETENTION BY EMPLOYEES

Nearly every study of what works in successful companies advocates encouraging employees to buy and own meaningful portions of their company's stock. Employee stock options are a sound technique for making it possible for employees to purchase stock in their companies. Yet today's tax policies strongly discourage employees from retaining their stock after they exercise their options.

When employees exercise their stock options they are only acquiring stock. Ordinarily an income tax liability doesn't develop from purchasing an asset like stock. But in the case of the most widely used form of stock option, nonqualified options, employees are required to pay a tax on their paper profit at the time they purchase their stock—before they actually realize any gain from selling the stock. The law also allows employers to deduct the same amount as a compensation expense.

Since the cost of this tax on employees is in addition to the cost of purchasing the stock, most employees are forced to sell their stock immediately to pay the tax. This destroys the fundamental policy goal of encouraging employee ownership in their companies.

INCENTIVE STOCK OPTIONS HAVE BEEN RENDERED WORTHLESS

In 1981 Congress enacted incentive stock options [ISO's] to redress some of the problems with nonqualified options. ISO's were designed to allow employees to keep their stock after exercise by relieving them of taxes at exercise. In return for dropping the tax on employees, ISO's provide no compensation tax deduction for the company.

ISO's actually raise money for the Treasury because, when they sell their stock, employees pay tax on the full spread from date of grant to the date of sale. Since that tax revenue is not diluted by a deduction from the company, the Treasury comes out ahead. The Joint Committee on Taxation confirmed this effect in 1979 when it ruled that the ISO is revenue-positive.

But over the years, the usefulness of ISO's have been severely curtailed. Even though they raise money for the Treasury, Congress now treats ISO's like a tax concession and imposes the alternative minimum tax on their exercise. In addition to being conceptually wrong, this means that employees are once again forced to sell their ISO stock to pay the AMT tax. That defeats the whole purpose of the ISO. The bill we are introducing today will reform that policy.

As noted above, the Equity Expansion Act will create a new form of option, called performance stock options. This new form of option will encourage more companies to grant more options to more of their employees because it is limited to companies that offer broad-based stock option plans to large portions of their work force.

PSO's will require neither an income tax nor an AMT tax payment from employees when they exercise their options. Since any gain in the value of the stock at exercise would not be treated as personal service income to the employee, the company would not receive a compensation expense deduction for it. This foregone corporate deduction generates what Ernst Young describes as "an unambiguous revenue gain for the Treasury."

Our bill then uses a portion of that revenue gain to encourage employees to retain their stock for at least 2 years after exercise. After that holding period, half of the employee's gain will be excluded from tax when he or she ultimately sells the stock. Even with this tax incentive included, we expect the PSO to be ruled revenue-positive to the Treasury.

BUT WHAT ABOUT THOSE FAT CATS?

Mr. President, as I have noted, much of the criticism of stock options revolves around horror stories about a small number of extravagantly compensated executives. Much of the political pressure that has been exerted on FASB stems from such publicity. So it's fair to ask why our bill won't generate even more such stories.

First, it's important to remember that following the scandals we all remember last year, the SEC has promulgated a major new program requiring extensive disclosure of executive compensation in a company's proxy statements. The compensation of the top people in a company will now be displayed in a readable and comprehensive way, along with comparisons against other companies in the same industry. It is now much easier for shareholders to hold their board of directors accountable for overcompensating employees. It is not necessary to clamp down on the use of stock options as a way to get a handle on executive pay.

Second, the Equity Expansion Act will encourage thousands of companies to share stock options with large percentages of their work force. The bill requires that at least 50 percent of the stock in a PSO plan must be granted to employees who are "not highly compensated" under the definition of that term in section 414(q) which Congress enacted in 1986. That definition is adjusted for inflation. In 1993 highly compensated employees begins at $57,820 for company officers. It covers the top paid 100 employees and the top 20 percent of employees. So any CEO who earns a gain on a PSO will not only have shared that gain with his or her shareholders, but will also have shared it widely with lower level people inside the company.

And finally there is the matter of tax cost. This bill does not cost the taxpayers additional money. We expect it will actually generate additional revenue for the Treasury. Therefore, it is to everyone's advantage to have this new stock option vehicle be adopted and implemented as widely as possible.

FASB'S STOCK OPTION PROPOSAL MUST BE RECONSIDERED

Mr. President, the tax provisions of the Equity Expansion Act would increase the value of broad-based employee stock options to both employees and companies in this country. Unfortunately, however, there still remains a major threat to the ability of companies to continue offering this incentive to their entire work force. I refer to the proposal by the Financial Accounting Standards Board to change the financial accounting rules for stock options.

The magnitude of the threat posed by FASB's proposal is demonstrated by a recent survey of 500 mainly high-technology start-up companies conducted by Venture One, a San Francisco research firm. Ninety percent of these companies said that if they had to deduct stock options from their profits it would force them to stop granting options to their entire work force, confine them to top executives only, or drop them completely. That is exactly the opposite of what we should be doing with stock options in this country.

WHY DOES SECRETARY BENTSEN CALL FASB'S PLAN HIGHLY DEBATABLE?

Mr. President, on April 2, Treasury Secretary Lloyd Bentsen wrote FASB expressing his "reservations about the proposal under consideration which would require companies to take a highly debatable charge to earnings when granting stock options."

It's important to point out some of the reasons this charge is considered "highly debatable" by the Clinton administration, the users of financial statements, all six national public accounting firms, and the companies that grant options.

The fact is that accurately estimating the future value of employee stock options is nearly impossible. No model yet offered comes close. First, no one can even know if the option recipient will remain employed at the company long enough to ever exercise the option. Beyond that, estimating the value of an option to purchase stock in the future requires predicting the company's future earnings, cash flow, market share, capital spending, as well as future Government policy. A high degree of subjectivity is simply unavoidable. Yet FASB proposes to force such guesses about the future onto the company's income statement as a reduction of its hard-won earnings.

The Board says the market will learn to overlook these charges and discern the true worth of the companies. The question is—from a policy perspective why should we make them do it in the first place? Can the benefits FASB proposes to produce with this charge outweigh the harm it will cause? The Board's supporters respond that such considerations are outside of FASB's charter. They feel the Board's responsibility is truth in accounting, not a balancing of interests. Yet a broader perspective is needed.

The Equity Expansion Act contains a provision directing the SEC not to require an issuer to recognize an expense or other charge in financial statements furnished to its security holders resulting from the grant, vesting, or exercise of an employee stock option. It would also eliminate the charge to earnings currently required for performance-based, variable options.

As a matter of abstract accounting theory, FASB's approach to stock option accounting may be defensible. But from a public policy, job creation, and competitiveness perspective, it is simply unnecessary and unusually disruptive.

I believe that the global preeminence of America's vital technological industries could be damaged by the proposal FASB has put forward.

FUTURE STATEMENTS ON EQUITY EXPANSION ACT ISSUES

Mr. President, a full discussion of the various questions raised by this bill is well beyond the scope of a single floor statement. Therefore, I plan to offer additional remarks over the next weeks and months to consider in more detail some of the topics that are important to understanding the Equity Expansion Act. Among the future issues I hope to review are:

How the Equity Expansion Act can spread the benefits of equity compensation to thousands of companies and millions of Americans who don't receive options today;

A survey of the research showing that extensive use of equity compensation promotes growth and competitiveness in American companies and industries.

Explanations of the revenue impact of the bill from both the public accounting firms and the Joint Committee on Taxation;

An examination of the accounting rationale for retaining the current accounting treatment of employee stock options; and

What positive alternatives to this accounting change are available to answer FASB's concerns.

Mr. President, I ask unanimous consent that the text of the Equity Expansion Act be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S.1175

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Equity Expansion Act of 1993".

SEC. 2. PERFORMANCE STOCK OPTIONS.

(a) IN GENERAL.—Part II of subchapter D of chapter 1 of the Internal Revenue Code of 1986 (relating to certain stock options) is amended by redesignating section 424 as section 425 and by inserting after section 423 the following new section:

"SEC. 424. PERFORMANCE STOCK OPTIONS.

"(a) IN GENERAL.—Section 421(a) shall apply with respect to the transfer of a share of stock to any person pursuant to the exercise of a performance stock option if no disposition of such share is made by such person within 1 year after the transfer of such share to such person.

"(b) PERFORMANCE STOCK OPTION.—For purposes of this part—

"(1) IN GENERAL.—The term 'performance stock option' means an option granted to any person for any reason in connection with the performance of services for an entity described in paragraph (4) to purchase stock of any corporation described in paragraph (4).

"(2) ADDITIONAL REQUIREMENTS.—An option shall not be treated as a performance stock option unless the following requirements are met:

"(A) NONDISCRIMINATION.—Either—

"(i) the option is granted to an employee who, at the time of the grant, is not a highly compensated employee, or

"(ii) immediately after the grant of the option, employees who are not highly compensated employees hold performance share options which permit the acquisition of at least 50 percent of all shares which may be acquired pursuant to all performance stock options outstanding (whether or not exercisable) as of such time.

For purposes of clause (ii), only that portion of the options held by persons other than nonhighly compensated employees which results in the requirements of clause (ii) not being met shall be treated as options which are not performance stock options, and such portion shall be allocated among options held by such persons in such manner as the Secretary may prescribe.

"(B) SPECIFIC NUMBER OF OPTIONS.—The option is granted pursuant to a plan that includes either—

"(i) the aggregate number of shares that may be issued under options granted under the plan, or

"(ii) a method by which the aggregate number of shares that may be issued under options granted under the plan can be determined (without regard to whether such aggregate number may change under such method),

and which is approved by the stockholders of the granting corporation within 12 months before or after the date such plan is adopted.

"(C) TIME WHEN OPTION GRANTED.—The option is granted within 10 years after the date the plan described in subparagraph (B) is adopted, or the date such plan is approved by the stockholders, whichever is earlier.

"(D) TIME FOR EXERCISING OPTION.—The option by its terms is not exercisable after the expiration of 10 years from the date such option is granted.

"(E) OPTION PRICE.—Except as provided in paragraph (6) of subsection (c), the option price is not less than the fair market value of the stock at the time the option is granted.

"(F) TRANSFERABILITY.—The option by its terms is not transferable by the person holding the option, other than—

"(i) in the case of an individual, by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order (as defined in subsection (p) of section 414), and

"(ii) in the case of any other person, by any transaction in which gain or loss is not recognized in whole or in part.

"(3) ELECTION NOT TO TREAT OPTION AS PERFORMANCE STOCK OPTION.—An option shall not be treated as a performance stock option if—

"(A) as of the time the option is granted the terms of such option provide that it will not be treated as a performance stock option, or

"(B) as of the time such option is exercised the grantor and holder agree that such option will not be treated as a performance stock option.

"(4) ENTITIES TO WHICH SECTION APPLIES.—This section shall apply to an option granted to a person who performs services for—

"(A) the corporation issuing the option, or its parent or subsidiary corporation,

"(B) a partnership in which the corporation issuing the option holds (at the time of the grant) a capital or profits interest representing at least 20 percent of the total capital or profits interest of the partnership, or

"(C) a corporation or a parent or subsidiary corporation of such corporation issuing or assuming a stock option in a transaction to which section 425(a) applies.

"(5) HIGHLY COMPENSATED EMPLOYEE.—For purposes of this subsection, the term 'highly compensated employee' has the meaning given such term by section 414(q).

"(c) SPECIAL RULES.—

"(1) GOOD FAITH EFFORTS TO VALUE STOCK.—If a share of stock is acquired pursuant to the exercise by any person of an option which would fail to qualify as a performance stock option under subsection (b) because there was a failure in an attempt, made in good faith, to meet the requirement of subparagraph (E) of subsection (b)(2), the requirement of subparagraph (E) of subsection (b)(2) shall be considered to have been met.

"(2) PERMISSIBLE PROVISIONS.—An option that meets the requirements of subsection (b) shall be treated as a performance stock option even if—

"(A) the option holder may pay for the stock with stock of the corporation granting the option,

"(B) the option holder has the right to receive property at the time of the exercise of the option,

"(C) the right to exercise all or any portion of a performance stock option may be subject to any condition, contingency or other criteria (including, without limitation, the continued performance of services, achievement of performance objectives, or the occurrence of any event) which are determined in accordance with the provisions of the plan or the terms of such option, or

"(D) the option is subject to any condition not inconsistent with the provisions of subsection (b).

"(3) FAIR MARKET VALUE.—For purposes of this section, the fair market value of stock shall be determined without regard to any restriction other than a restriction that, by its terms, will never lapse.

"(4) DEFINITION OF PARENT AND SUBSIDIARY CORPORATIONS.—For purposes of this section, the terms 'parent corporation' and 'subsidiary corporation' have the meanings given such terms by subsections (e) and (f) of section 425 except that such subsections shall be applied by substituting '20 percent' for '50 percent' each place it appears.

"(5) PERFORMANCE CRITERIA.—In the case of a performance stock option that provides that its exercise is subject to any conditions or criteria described in subparagraph (C) of paragraph (2), the date or time the option is granted with respect to each share that may be acquired shall be the date or time the original performance share option is granted and subject to the provisions of section 425(h), no portion of the option shall be treated as granted at any other time.

"(6) CONVERSION OF OPTIONS.—If—

"(A) there is a transfer of an incentive stock option in exchange for a performance stock option, and

"(B) the number of shares that may be acquired pursuant to such performance stock option and the transferred incentive stock option are the same,

then the option acquired shall qualify as a performance stock option if the option price pursuant to the performance share option is no less than the option price under the transferred incentive stock option."

(b) CONFORMING AMENDMENTS.—

(1) Section 421(a) of such Code is amended by striking "or 423(a)" and inserting ", 423(a), or 424(a)".

(2) Section 421(b) of such Code is amended—

(A) by striking "or 423(a)" and inserting ", 423(a), or 424(a)", and

(B) by striking "or 423(a)(1)" and inserting "423(a)(1), or 424(a)".

(3) Section 421(c)(1)(A) of such Code is amended by inserting "and the holding period requirement of section 424(a)" after "423(a)".

(4)(A) Sections 421(a)(2), 422(a)(2), and 423(a)(2) of such Code are each amended by striking "424(a)" and inserting "425(a)".

(B) Clause (ii) of section 402(e)(4)(E) of such Code is amended by striking "424" and inserting "425".

(5) Section 423(b)(3) of such Code is amended by striking "424(d)" and inserting "425(d)".

(6) Section 425(a) of such Code, as redesignated by subsection (a), is amended by striking "424(a)" and inserting "425(a)".

(7) Section 425(c)(3)(A)(ii) of such Code, as redesignated by subsection (a), is amended by striking "or 423(a)(1)" and inserting ", 423(a)(1), or 424(a)".

(8) Section 425(g) of such Code, as redesignated by subsection (a), is amended by striking "and 423(a)(2)" and inserting ", 423(a)(2) and 424(b)(4) (as modified by section 424(c)(4))".

(9) Section 425(j) of such Code, as redesignated by subsection (a) (relating to cross-references), is amended by inserting "performance stock option" after "employee stock purchase plans,".

(10) Section 1042(c)(1)(B)(ii) of such Code is amended by striking "or 423" and inserting "423, or 424".

(11)(A) Section 6039(a)(1) of such Code is amended by inserting "or performance stock option" after "incentive stock option".

(B) Section 6039(b)(1) is amended by inserting ", performance share option," after "incentive stock option".

(C) Section 6039(c) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and" and by adding at the end the following new paragraph:

"(3) the term 'performance share option', see 424(b)."

(12) The table of sections for part II of subchapter D of chapter 1 of such Code is amended by striking the item relating to section 424 and inserting the following new items:

"Sec. 424. Performance stock options.

"Sec. 425. Definitions and special rules."

SEC. 3. TAX TREATMENT OF GAIN ON PERFORMANCE SHARE OPTIONS.

(a) EXCLUSION.—

(1) IN GENERAL.—Part I of subchapter P of chapter 1 of the Internal Revenue Code of 1986 (relating to capital gains and losses) is amended by adding at the end the following new section:

"SEC. 1202. 50-PERCENT EXCLUSION FOR GAIN FROM STOCK ACQUIRED THROUGH PERFORMANCE STOCK OPTIONS.

"(a) GENERAL RULE.—Gross income shall not include 50 percent of the gain from the disposition of any stock acquired pursuant to the exercise of a performance stock option if such disposition occurs more than 2 years after the date on which such option was exercised with respect to such stock.

"(b) DEFINITIONS AND RULES.—For purposes of this section—

"(1) PERFORMANCE STOCK OPTION.—The term 'performance stock option' has the meaning given such term by section 424(b).

"(2) CERTAIN ACQUISITIONS DISREGARDED.—If stock described in subsection (a) is disposed of and the basis of the person acquiring the stock is determined by reference to the basis of the stock in the hands of the person who acquired it through exercise of the performance stock option, such person shall be treated as acquiring such stock pursuant to such option on the date such stock was acquired pursuant to the exercise of such option.

"(3) EXERCISE BY ESTATE.—If a performance stock option is exercised after the death of an individual holder by the estate of the decedent, or by a person who acquired the right to exercise such option by bequest or inheritance or by reason of the death of the decedent, the 2-year holding requirement of subsection (a) shall not apply to the disposition by such estate or person."

(2) CONFORMING AMENDMENTS.—

(A)(i) Section 172(d)(2) of such Code (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includable on account of gains from sales or exchanges of capital assets, and

"(B) the exclusion provided by section 1202 shall not be allowed."

(ii) Subparagraph (B) of section 172(d)(4) of such Code is amended by inserting ", (2)(B)," after "paragraph (1)".

(B) Paragraph (4) of section 642(c) is amended to read as follows:

"(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202. In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income)."

(C) Paragraph (3) of section 643(a) of such Code is amended by adding at the end thereof the following new sentence: "The exclusion under section 1202 shall not be taken into account."

(D) Paragraph (4) of section 691(c) of such Code is amended by striking "1201, and 1211" and inserting "1201, 1202, and 1211".

(E) The second sentence of paragraph (2) of section 871(a) of such Code is amended by inserting "such gains and losses shall be determined without regard to section 1202 and" after "except that".

(F) The table of sections for part I of subchapter P of chapter 1 is amended by adding after the item relating to section 1201 the following new item:

"Sec. 1202. 50-percent exclusion for gain from stock acquired through performance stock options."

(b) TREATMENT FOR WAGE WITHHOLDING AND EMPLOYMENT TAXES.—

(1) FICA TAXES.—Section 3121(a) of the Internal Revenue Code of 1986 (defining wages) is amended by striking "or" at the end of paragraph (20), by striking the period at the end of paragraph (21) and inserting ", or", and by adding after paragraph (21) the following new paragraph:

"(22) any gain from the exercise of a performance stock option (as defined in section 424(b)) or from the disposition of stock acquired pursuant to the exercise of such a performance stock option."

(2) FUTA TAXES.—Section 3306(b) of such Code (defining wages) is amended by striking "or" at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting ", or", and by adding after paragraph (16) the following new paragraph:

"(17) any gain described in section 3121(a)(22)."

(3) WAGE WITHHOLDING.—

(A) Section 3401(a) of such Code (defining wages) is amended by striking "or" at the end of paragraph (19), by striking the period at the end of paragraph (20) and inserting ", or", and by adding at the end the following new paragraph:

"(21) any gain from the exercise of a performance stock option (as defined in section 424(b)) or from the disposition of stock acquired pursuant to such a performance stock option ."

(B) Section 421(b) of such Code (relating to effect of disqualifying disposition) is amended by adding at the end the following new sentence: "A deduction to the employer corporation in the case of a transfer pursuant to an option described in section 422, 423, or 424 shall not be disallowed by reason of a failure to withhold tax under chapter 24 with respect to gain on stock acquired in the transfer."

SEC. 4. STOCK OPTION COMPENSATION.

Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end the following new subsection:

"(h) STOCK OPTION COMPENSATION.—The Commission shall not require or permit an issuer to recognize any expense or other charge in financial statements furnished to its security holders resulting from, or attributable to, either the grant, vesting, or exercise of any option or other right to acquire any equity security of such issuer (even if the right to exercise such option or right is subject to any conditions, contingencies or other criteria, including, without limitation, the continued performance of services, achievement of performance objectives, or the occurrence of any event) which is granted to its directors, officers, employees, or other persons in connection with the performance of services, where the exercise price of such option or right is not less than the fair market value of the underlying security at the time such option or right is granted."

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall apply to options granted after the date of the enactment of this Act.•

• Mrs. FEINSTEIN. Mr. President, I rise to join my distinguished colleagues, Senators LIEBERMAN, MACK, and BOXER in introducing the Equity Expansion Act of 1993.

At a time when California continues to be mired in recession, when our economy is struggling to convert thousands of defense jobs into private sector jobs, it's a pleasure for me to offer a bill that will significantly improve the ability of new companies to start-up and grow, as well as help existing companies create more new jobs than they otherwise could.

My bill will improve the tax and accounting treatment of employee stock options and encourage many more companies to offer stock options to their entire workforce. It will also require the Financial Accounting Standards Board [FASB] to reexamine their recent decision to impose huge new accounting charges on the use of employee stock options. I am seriously concerned that if FASB's rule is adopted, tens of thousands of desperately needed jobs in California and the Nation will never be created.

Because of this bill, thousands of households in California and the rest of the country should begin to enjoy the benefits of equity participation in their companies. At the same time, the companies that begin to share equity more broadly with their employees should find their earnings improved and their competitiveness enhanced.

Many of my colleagues here in Washington may not be familiar with the widespread use of employee stock options in America's fastest growing companies. But I can tell you that in California's high technology industries, broad-based employee stock option plans play a crucial role in creating and sustaining the entrepreneurial culture that is essential to the competitiveness of these industries. They are especially important to young technology companies that depend on options to attract and retain key technical talent that would be beyond their ability to attract with cash compensation alone.

A stock option is a right granted to an employee to purchase stock in his or her own company, at today's price, for a specified time in the future. Options help the company by giving employees a strong incentive to work to increase the value of their company's stock. Stock options help create jobs by stretching the cash of venture capitalists and other risk capital investors. By sharing stock with employees in addition to their cash compensation, more companies and more jobs can be created from the limited investment capital pool that is available today.

HOW THE EQUITY EXPANSION ACT WOULD IMPROVE STOCK OPTIONS

Valuable as employee stock options plans are for our economy, they are inhibited and discouraged by the Federal Tax Code today.

Under current law employees who hold the most common form of option, "nonqualified" options are forced to pay a tax on their paper profit at the time they exercise their options and purchase their stock. The difference between the fair market value of the stock obtained by nonqualified options and the option exercise price is treated as ordinary income. The employer is generally permitted to deduct the same amount of ordinary income reported by the employee.

In the case of the other form of option currently available, "incentive stock options," or "ISO's," the difference between the option price and the fair market value of the stock when it is exercised is treated as a tax preference under the alternative minimum tax [AMT].

So under today's tax regime employees are forced to pay either an income tax or an alternative minimum tax at the time they purchase their stock, even though they have not realized and pocketed any gain. The effect of this requirement is to force almost all option recipients to immediately sell their stock at the time they exercise their options in order to generate cash to pay their tax. This destroys the fundamental policy goal of the option program which was to encourage employees to own as much of their company as possible.

The Equity Expansion Act would reform this situation by creating a third form of stock option, called performance stock option. This new option would relieve employees of the obligation to pay a tax at the time they exercise their options and the company would receive no corresponding deduction. In addition, it would give employees a strong incentive to hold onto their stock after they acquire it, by excluding half the tax on their gain when they eventually sell their stock after a 2-year holding period.

A REVENUE GAIN FOR THE TREASURY

The tax break offered by performance stock options should make them extremely popular in the business community, but what about in Congress? Can we afford to create a new tax incentive for employee stock options? I am pleased to report that we can, because this new stock option will generate a revenue gain for the Treasury. That's because companies that offer performance stock options will have to forego the compensation expense tax deductions they would otherwise have received if they had given their employees either cash compensation or nonqualified stock options. Even though employees will be paying less tax, their employers will be paying more than enough additional tax to make up the difference.

HOW WILL THIS BILL HELP RANK-AND-FILE EMPLOYEE?

Mr. President, I'm well aware that in the past stock options have figured in prominently in stories about runaway executive compensation. Unfortunately all those headlines have obscured the important contribution that options make to the livelihoods of hundreds of thousands of Americans who will never be famous for their wealth. Now that the SEC has imposed an extensive new regime of executive compensation disclosure rules, it will be much easier for shareholders to prevent the kind of abuses we have heard so much about in the past. It is simply not necessary to restrict the use of stock options overall to prevent abuses by a few fat cats.

But it's still fair to ask how my bill would prevent top executives from hogging all the tax benefits it offers. The answer is that the Equity Expansion Act requires that companies that choose to offer this new form of option will be required to share at least half the stock in the plan with company employees who are not highly compensated as defined by Congress. This requirement will assure that the benefits of performance stock options are shared widely in every company that uses them. It will also encourage many companies that today restrict their stock option plans to top executives to broaden their option program. I am very enthusiastic about the prospect that this bill will result in employee stock options becoming available to thousands of households that don't have them today.

The Equity Expansion Act is a carefully crafted bill. It would encourage several of the most widely recommended reforms called for by experts in the debate over executive compensation. For instance, in a recent Harvard Business Review article, Andrew R. Brownstein and Morris J. Panner propose exactly what this bill would deliver.

> We suggest that companies take two important steps that make both business and political sense. First, corporations should design plans that allow workers throughout an organization to share in the large bonuses and generous rewards of stock option plans. Second, corporations should create plans that encourage employees to continue to hold the shares awarded to them in stock option programs.

By expanding the employee eligibility pool for stock options, companies will solve two problems simultaneously. They will take the principle of pay for performance and spread it throughout the organization. And they will address the political problem of pay disparity between workers and executives.

Mr. President, I hope my colleagues in the Senate will join with us in sponsoring and voting for this important job-creating and job-preserving bill, the Equity Expansion Act of 1993.•

By Mr. KOHL:

S. 1176. A bill to clarify the tariff classification of certain plastic flat goods; to the Committee on Finance.

CLARIFYING THE CLASSIFICATION OF CERTAIN FLAT GOODS

• Mr. KOHL. Mr. President, I am introducing legislation today that is important to the health of the domestic flat goods industry in this country and in the State of Wisconsin. Flat goods are items that are carried in your pocket or your purse, like wallets, key chains, and eyeglass holders.

When the United States converted to the international Harmonized Tariff Schedule [HTS], a loophole was crated which allowed plastic flat goods, which formerly entered at a duty rate of 20 percent, to enter at an effective duty rate of 5.8 percent. The actual and potential number of items subject to reclassification into the lower duty category is massive and could result in a loss of revenue to the U.S. Government of up to $9 million.

More important, however, is the fact that the duty loophole is threatening our domestic industry by driving up imports and making it impossible for American producers to stay competitive.

Mr. President, this was clearly not the intent of Congress. In fact, Congress was specific in its intent that the conversion to HTS should be tariff neutral. I firmly believe it is up to Congress to remedy this situation, and the legislation I am introducing today achieves this in the fairest way possible.

My bill is a modification of an earlier bill I introduced in the last Congress, S. 1661, and is based on compromise language put forward by the administration last year. The changes proposed by the administration would, in their words, "restore the duties applicable at the time of the tariff conversion by: First, reintroducing into the HTS a definition of reinforced and laminated plastics; second, providing a duty of 8 percent ad valorem for flat goods with an outer surface of not less than 20 percent leather; and third providing authority for the President to continue staging previously authorized tariff cuts."

Under the former tariff schedules of the United States [TSUS], reinforced or laminated plastics were defined as "rigid, infusible, insoluble plastics formed by the application of heat and high pressure on two or more superimposed layers of fibrous sheet material which has been impregnated or coated with plastics or rigid plastics comprised of embedded fibrous reinforcing material—such as paper, fabric, asbestos, and fibrous glass—impregnated, coated, or combined with plastics usually by the application of heat or heat and low pressure." This definition was dropped in the conversion to the HTS, leaving HTS 4202.32.10 open to a broader interpretation of what constitutes "reinforced or laminated plastics." The change recommended by the administration clarifies that only rigid products would be subject to the lower duty under HTS 4202.32.10.

The administration's recommended changes also address the major concern of importers to the earlier version of my bill—the duty treatment of plastic flat goods with leather trim. Under the TSUS, these items were treated as leather products for duty purposes since the leather trim was considered to be the component of chief value and, thus, were imported in a leather category, dutiable at 8 percent. With the conversion to the HTS, however, the chief value concept was replaced with essential character. Therefore, plastic flat goods with leather trim were considered plastic, and were dutiable at 20 percent. The administration's recommended change, incorporated in my bill, establishes a new subheading for plastic flat goods with leather trim dutiable at 8 percent ad valorem.

In closing, I urge my colleagues on the Senate Finance Committee to take this measure up at the earliest possible time.•

By Mr. ROCKEFELLER:

S. 1177. A bill to amend, title 38, United States Code, to extend the authority of the Veterans' Advisory Committee on Education, and for other purposes; to the Committee on Veterans Affairs.

VETERANS' PROGRAM IMPROVEMENT ACT OF 1993

• Mr. ROCKEFELLER. Mr. President, as chairman of the Committee on Veterans' Affairs, I am pleased to introduce S. 1172, the proposed Veterans'

Program Extension Act of 1993. This legislation would extend two VA programs—first, it would extend the Veterans' Advisory Committee on Education by 4 years, from December 31, 1993, until December 31, 1997; and second, it would extend VA's authority to maintain a regional office in the Republic of the Philippines by 18 months, from March 31, 1994, until September 30, 1995.

Mr. President, the Veterans' Advisory Committee on Education is composed of persons who are eminent in the fields of education, labor, and management, representatives of institutions and establishments furnishing education to veterans and their families, and of veterans themselves. The Advisory Committee works in consultation with the Secretary of Veterans Affairs with respect to the administration of educational benefits, and also produces relevant reports and recommendations on education to give to both the Secretary and Congress. Extending the authority to maintain the Advisory Committee will help ensure continuous delivery of quality educational benefits to our Nation's veterans.

Mr. President, the VA regional office in Manila administers programs to veterans in the Philippines, including the many Filipinos who served in or were attached to the United States Armed Forces during World War II. Approximately $182 million in benefits are paid annually through the Manila regional office, and operating a regional office in the Philippines continues to be the most cost-effective means of administering VA programs for beneficiaries who reside there.

Mr. President, our Nation holds the service of its veterans in the highest esteem, and one of our foremost priorities should be to ensure that veterans and their families receive the benefits they so rightly deserve. I urge my colleagues to support the extension of these worthwhile and necessary programs.•

By Mr. GLENN:

S. 1178. A bill to coordinate and promote Great Lakes activities, and for other purposes; to the Committee on Environment and Public Works.

GREAT LAKES FEDERAL EFFECTIVENESS ACT

• Mr. GLENN. Mr. President, I rise today to introduce the Great Lakes Federal Effectiveness Act of 1992. This legislation, introduced in the House of Representatives last session by Congressmen Nowak, Davis, and Hertel, would provide greater coordination of the Federal Government's environmental research in the Great Lakes Basin.

The Great Lakes Federal Effectiveness Act establishes a council to coordinate U.S. Federal Great Lakes ecosystem research, to prepare a report on those activities, to identify topics for workshops, to make recommendations on uniform monitoring data management, and to disseminate research findings. The Council will be composed of offices from the EPA, the Fish and Wildlife Service, and the National Oceanic and Atmospheric Administration, among others.

The Council established by the Great Lakes Federal Effectiveness Act differs from the Great Lakes Research Office established by the Clean Water Act 4 years ago in that there are no bricks and mortar or cross-agency funds authorized in this legislation. Instead, each agency participates in a council which has a rotating chairmanship, and channels its own research funds, to the greatest extent possible, in accordance with a mutually agreed-to Great Lakes research agenda.

Mr. President, we as a society are finally learning a lesson that Native American cultures have understood for centuries: Nature is a complex system composed of highly interdependent parts, and it cannot be fully understood—or successfully managed—unless all of these parts are considered together. This ecosystem perspective on the natural environment, if incorporated into our Federal environmental policy, promises to fundamentally improve the effectiveness and efficiency of environmental management. Rather than address air, water, soil, and wildlife independently of each other as we have until now, we will begin to account for cross-media transfers of pollutants in our environmental protection efforts, and protect the ecosystem as a whole. In the Great Lakes Basin, the Environmental Protection Agency already is geographically targeting—that is, better integrating—its base programs and directing them toward a common set of overall environmental objectives.

Efforts to better integrate environmental protection programs must be undergirded by an equally well-integrated base of scientific knowledge. House Merchant Marine and Fisheries Committee hearings on Great Lakes environmental research this spring revealed an impressive number of agencies and research programs directed at various facets of the Great Lakes environment. Every one of these programs is crucial and more are needed to successfully predict the impacts of human activities in the basin, and to accurately identify effective and affordable restoration measures.

Yet with the level of specialization that we have achieved in environmental research in the Great Lakes Basin, a concerted effort will be required to achieve adequate communication and coordination among research initiatives to avoid unnecessary duplication, turf competition, and most of all, to be able to see the forest for the trees.

I would like to pause here to credit the Federal research managers in the Great Lakes region for anticipating this need and already acting upon it. The Federal research managers in the basin initiated their own effort to coordinate their research programs through integrating their work through the International Joint Commission's Council of Great Lakes Research Managers with the EPA's 5-year planning process.

The Council of Great Lakes Research Managers is composed of Federal, State, academic, and private sector officials from the United States and Canada involved in Great Lakes research. It maintains a Great Lakes Research Inventory that lists and describes environmental research projects from both sides of the border so that the basin's research community can be fully apprized of each other's work. The IJC's Council will also attempt to jointly define research priorities for the basin which address salient policy questions.

This effort promises better targeted and more cost-effective Federal research in the Great Lakes Basin. However, continued Federal agency involvement will be uncertain until clear authorization for these activities is created in statute. Providing this authorization to assure continued Federal agency participation in this innovative effort to coordinate research among agencies and across disciplines in the Great Lakes Basin is the fundamental objective of the Great Lakes Federal Effectiveness Act of 1992.

Mr. President, requiring Federal agencies to coordinate their research in the Great Lakes Basin, and to do so as much as possible through the IJC's Council of Great Lakes Research Managers, will improve the value and relevance of research findings produced by Federal agencies in the Great Lakes Basin. It will stretch our research dollars, and help us to better tap scientific resources within the academic community, the private sector, and in Canada. I urge my colleagues of the Senate to endorse this legislation and move toward its timely enactment.•

By Mr. BRYAN (for himself, Mr. GORTON, and Mr. DANFORTH):

S. 1179. A bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

FTC REAUTHORIZATION

Mr. BRYAN. Mr. President, I am introducing today legislation to reauthorize the Federal Trade Commission [FTC]. As you know, Mr. President, the Commerce Consumer Subcommittee, which I chair, is the authorizing committee for the FTC. I am joined in this effort by Senator DANFORTH, who is the ranking Republican member of the Committee, and Senator GORTON, who is the ranking member of the Consumer Subcommittee.

The Federal Trade Commission is one of our country's most important consumer protection agencies. It has the responsibility of protecting consumers from unfair business dealings and unlawful methods of competition. Pursuant to its authority under the Federal Trade Commission Act, the FTC seeks to protect consumers from unfair and deceptive acts and practices, including civil abuses such as telemarketing and mail fraud, credit card fraud, as well as false and deceptive advertising.

The FTC also has the duty of protecting the public from unfair methods of competition through the prevention of unfair trade restraints such as price fixing, unlawful monopolies, and anticompetitive mergers and acquisitions.

I am certain that most of my colleagues are well aware that the FTC has not been authorized since the expiration of its previous authorization in 1982. Although the committee has reported legislation in each Congress since that time—which has been passed by the Senate on several occasions—we have been unsuccessful in obtaining final passage by both the House and Senate. However, I am particularly optimistic about the passage of a bill this Congress. A bill has already been considered and passed by the House. I have made it clear that I plan to ensure that the legislation we are introducing today is reported and considered by the Senate as expeditiously as possible.

Some may ask the question as to why we continue to go through this process. Why are the reauthorization and this exercise necessary, particularly since the FTC has continued to receive funding by appropriators. Reauthorization, however, is important for all independent agencies. Most significantly, it shows the commitment and confidence the Congress and the people have in the agency. Additionally, it permits the agency to establish a clear and focused agenda, as well as, the opportunity for the Congress to work closely with the agency in setting its goals and in ensuring that it has the necessary resources to carry out its mandate.

The legislation I am introducing today provides authorizations for the Commission for fiscal years 1994 through 1996. The legislation is comparable to bills previously introduced and passed by the Senate regarding the Commission's administrative functions. The bill, among other things, enhances the Commission's ability to enjoin and obtain evidence on persons involved in illegal activities. The bill also establishes guidelines for certain regulatory activities of the Commission, so as to ensure that its resources are being used efficiently and effectively: The legislation requires the FTC to conduct industry wide rulemakings only when there is evidence that such activities are prevalent, instead of initiating such actions when there is evidence of only one or two bad actors. In such cases, the FTC certainly should pursue individuals and companies pursuant to its adjudicative authority. The Commission also is required to conduct an internal review of its activities and to identify areas of enforcement that can best be handled by the States and other agencies, so as to prevent a duplication of resources. In addition, the bill requires the Commission to provide reports to the authorizing committees on its enforcement efforts to combat predatory pricing and retail price maintenance.

As I stated, Mr. President, I am confident that we will be successful in reauthorizing the FTC this Congress. The passage of this bill is important not only for the FTC, but also for businesses and consumers. I am sure that all of my colleagues agree, and will join us in supporting this legislation.

• Mr. GORTON. Mr. President, as the ranking Republican of the Consumer Subcommittee, I am delighted to join Senator BRYAN, the chairman of the subcommittee, in introducing legislation to reauthorize the Federal Trade Commission [FTC]. Senator BRYAN and I have worked to reauthorize the agencies within the subcommittee's jurisdiction and have been successful in all instances except this one. The Commerce Committee has reported FTC bills in each of the past two Congresses, but there has been no action by the House during that time. This Congress, I am pleased that, under the leadership of my colleague from Washington, Representative AL SWIFT, the House passed an FTC bill on June 21. Given this prompt action by the House, I am hopeful that the FTC will be reauthorized for the first time since 1980.

The legislation we are introducing today provides specific guidance to the Commission about how to allocate its resources and will enhance Commission enforcement efforts. For example, the bill prohibits rulemakings on commercial advertising pursuant to the Commission's unfairness authority. During the 1970's, the Commission initiated several controversial rulemakings in this area. The result was that a considerable amount of time and resources were spent on these undertakings, with no rules to show for the effort. Although the current Commission likely would never attempt to promulgate such rules, the prohibition in the bill will constrain their successors from attempting to repeat the mistakes of the past. Similarly, the restriction on Commission regulation of agricultural cooperatives and marketing orders reflects the desire to avoid duplicative regulation, as the Department of Agriculture is responsible for monitoring these activities.

The bill also enhances Commission enforcement efforts in several ways, including permitting the FTC to issue civil investigative demands for physical evidence and by allowing the Commission's Bureau of Competition to issue these demands. This provision will improve substantially the Commission's capability to address consumer fraud. Similarly, the expanded venue provision, which is based in part on 28 U.S.C. 1391, the general value provision in the United States Code, will permit the FTC to bring defendants scattered throughout the country to justice in a single forum. This promotes judicial economy and will help the FTC to save precious resources for law enforcement.

The bill also addresses a long-standing problem involving the Commission's cease-and-desist orders. Under current procedures, such orders become final only after all appeals are exhausted. If a case goes to the Supreme Court, this can take many years. These procedures allow the appeal process to be used simply as a dilatory tactic. The provision in this bill allows cease-and-desist orders to become final 60 days after they are issued unless a court or the Commission issues a stay. This is a reasonable solution which continues to protect the right of defendants to challenge these orders.

Mr. President, since the 101st Congress, the FTC has thrived under the leadership of Chairman Janet Steiger. I believe that she and her fellow Commissioners will carry out their responsibilities even better after this legislation is enacted. I commend Senator BRYAN for his leadership on this issue, and I urge my colleagues to support this bill.•

ADDITIONAL COSPONSORS

S. 11

At the request of Mr. BIDEN, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 11, a bill to combat violence and crimes against women on the streets and in homes.

S. 27

At the request of Mr. SARBANES, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 27, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 185

At the request of Mr. GLENN, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 185, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the nation, to protect such employees from improper political solicitations, and for other purposes.

S. 295

At the request of Mr. DURENBERGER, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 295, a bill to amend title 23, United States Code, to remove the penalties for States that do not have in effect safety belt and motorcycle helmet traffic safety programs, and for other purposes.

S. 484

At the request of Mr. DASCHLE, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 484, a bill to amend title XIX of the Social Security Act to provide for coverage of alcoholism and drug dependency residential treatment services for pregnant women and certain family members under the medicaid program, and for other purposes.

S. 519

At the request of Mr. BUMPERS, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 519, a bill to reduce Federal budget deficits by prohibiting further funding of the Trident II ballistic missile program.

S. 520

At the request of Mr. BUMPERS, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 520, a bill to prohibit the expenditure of appropriated funds on the Advanced Solid Rocket Motor program.

S. 540

At the request of Mr. HEFLIN, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 540, a bill to improve the administration of the bankruptcy system, address certain commercial issues and consumer issues in bankruptcy, and establish a commission to study and make recommendations on problems with the bankruptcy system, and for other purposes.

S. 560

At the request of Mr. NUNN, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 560, a bill to further the goals of the Paperwork Reduction Act to have Federal agencies become more responsible and publicly accountable for reducing the burden of Federal paperwork on the public, and for other purposes.

S. 573

At the request of Mr. BREAUX, the names of the Senator from Arkansas [Mr. PRYOR] and the Senator from New Hampshire [Mr. GREGG] were added as cosponsors of S. 573, a bill to amend the Internal Revenue Code of 1986 to provide for a credit for the portion of employer social security taxes paid with respect to employee cash tips.

S. 578

At the request of Mr. KENNEDY, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 578, a bill to protect the free exercise of religion.

S. 604

At the request of Mr. DOMENICI, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 604, a bill to provide for programs for the prosecution of driving while intoxicated charges to be included in the Edward Byrne Memorial State and Local Enforcement Assistance Program.

S. 605

At the request of Mr. DOMENICI, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 605, a bill to amend title 23, United States Code, to require the Secretary of Transportation to withhold certain funds from States that fail to deem a person driving with a blood alcohol concentration of 0.08 percent or greater to be driving while intoxicated, and for other purposes.

S. 649

At the request of Mr. RIEGLE, the names of the Senator from California [Mrs. BOXER] and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 649, a bill to ensure proper and full implementation by the Department of Health and Human Services of Medicaid coverage for certain low-income Medicare beneficiaries.

S. 798

At the request of Mr. ROTH, his name was added as a cosponsor of S. 798, a bill to amend the Federal Fire Prevention and Control Act of 1974 to establish a program of grants to States for arson research, prevention, and control, and for other purposes.

S. 808

At the request of Mr. DECONCINI, the name of the Senator from Tennessee [Mr. MATHEWS] was added as a cosponsor of S. 808, a bill to encourage the States to enact legislation to grant immunity from personal civil liability, under certain circumstances, to volunteers working on behalf of nonprofit organizations and governmental entities.

S. 833

At the request of Mr. GRASSLEY, the names of the Senator from Rhode Island [Mr. CHAFEE] and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 833, a bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for nurse practitioners, clinical nurse specialists, and certified nurse midwives, to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 834

At the request of Mr. GRASSLEY, the names of the Senator from Rhode Island [Mr. CHAFEE] and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 834, a bill to amend title XVIII of the Social Security Act to provide for increased Medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage area, and for other purposes.

S. 993

At the request of Mr. KEMPTHORNE, the names of the Senator from Oklahoma [Mr. NICKLES], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Wyoming [Mr. SIMPSON], the Senator from Tennessee [Mr. MATHEWS], and the Senator from Illinois [Ms. MOSELEY-BRAUN] were added as cosponsors of S. 993, a bill to end the practice of imposing unfunded Federal mandates on States and local governments and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations.

S. 999

At the request of Mr. CHAFEE, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 999, a bill to amend the Foreign Trade Zones Act to allow foreign trade zones to be established where a regional commission involving more than one State will coordinate zone activities.

S. 1007

At the request of Mr. PRYOR, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1007, a bill to recreate the common good by supporting programs that enable adults to share their experience and skills with elementary and secondary school age children.

S. 1011

At the request of Mr. PRYOR, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 1011, a bill to amend title XI of the Social Security Act to improve and clarify provisions prohibiting misuse of symbols, emblems, or names in reference to Social Security programs and agencies.

S. 1030

At the request of Mr. ROCKEFELLER, the names of the Senator from Illinois [Ms. MOSELEY-BRAUN] and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 1030, a bill to amend chapter 17 of title 38, United States Code, to improve the Department of Veterans Affairs program of sexual trauma counseling for veterans and to improve certain Department of Veterans Affairs programs for women veterans.

S. 1040

At the request of Mr. BINGAMAN, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1040, a bill to support systemic improvement of education and the development of a technologically literate citizenry and internationally competitive work force by establishing a comprehensive system through which appropriate technology-enhanced curriculum, instruction, and administrative support resources and services, that support the National Education Goals and any national education standards that may be developed, are provided to schools throughout the United States.

S. 1063

At the request of Mr. HATCH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1063, a bill to amend the Employee Retirement Income Security Act of 1974 to clarify the treatment of a qualified football coaches plan.

S. 1098

At the request of Mr. DURENBERGER, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1098, a bill to amend title XIX of the Social Security Act to provide for optional coverage under State medicaid plans of case-management services for individuals who sustain traumatic brain injuries, and for other purposes.

S. 1118

At the request of Mr. HATFIELD, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 1118, a bill to establish an additional National Education Goal relating to parental participation in both the formal and informal education of their children, and for other purposes.

S. 1145

At the request of Mr. JEFFORDS, the names of the Senator from North Dakota [Mr. DORGAN] and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 1145, a bill to prohibit the use of outer space for advertising purposes.

S. 1147

At the request of Mr. KEMPTHORNE, the names of the Senator from Tennessee [Mr. MATHEWS], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Wyoming [Mr. SIMPSON] were withdrawn as cosponsors of S. 1147, a bill to prohibit Presidential nominees from performing certain governmental functions, and for other purposes.

S. 1159

At the request of Mr. MURKOWSKI, the names of the Senator from New York [Mr. D'AMATO], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Maine [Mr. MITCHELL], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 1159, a bill to require the Secretary of the Treasury to mint coins in commemoration of women who have served in the Armed Forces of the United States.

SENATE JOINT RESOLUTION 51

At the request of Mr. DURENBERGER, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of Senate Joint Resolution 51, a joint resolution designating the week commencing October 3, 1993, as "National Aviation Education Week."

SENATE JOINT RESOLUTION 97

At the request of Mr. PACKWOOD, the names of the Senator from Alabama [Mr. HEFLIN], the Senator from Alaska [Mr. STEVENS], the Senator from Hawaii [Mr. INOUYE], the Senator from Idaho [Mr. CRAIG], the Senator from Idaho [Mr. KEMPTHORNE], the Senator from Illinois [Mr. SIMON], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Missouri [Mr. DANFORTH], the Senator from New Mexico [Mr. DOMENICI], the Senator from New York [Mr. D'AMATO], and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of Senate Joint Resolution 97, a joint resolution to commemorate the sesquicentennial of the Oregon Trail.

SENATE JOINT RESOLUTION 99

At the request of Mr. DECONCINI, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Maryland [Mr. SARBANES], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 99, a joint resolution designating September 9, 1993, and April 21, 1994, each as "National D.A.R.E. Day."

SENATE JOINT RESOLUTION 106

At the request of Mr. LAUTENBERG, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Hawaii [Mr. INOUYE], the Senator from Maine [Mr. COHEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Iowa [Mr. GRASSLEY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Delaware [Mr. ROTH], the Senator from Tennessee [Mr. SASSER], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Arizona [Mr. DECONCINI], the Senator from New Mexico [Mr. DOMENICI], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Joint Resolution 106, a joint resolution designating July 2, 1993, and July 2, 1994, as "National Literacy Day."

SENATE CONCURRENT RESOLUTION 9

At the request of Mr. MITCHELL, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of Senate Concurrent Resolution 9, a concurrent resolution urging the President to negotiate a comprehensive nuclear weapons test ban.'

SENATE CONCURRENT RESOLUTION 21

At the request of Ms. MOSELEY-BRAUN, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from California [Mrs. BOXER], and the Senator from Montana [Mr. BURNS] were added as cosponsors of Senate Concurrent Resolution 21, a concurrent resolution expressing the sense of the Congress that expert testimony concerning the nature and effect of domestic violence, including descriptions of the experiences of battered women, should be admissible if offered in a State court by a defendant in a criminal case.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. MOYNIHAN, the names of the Senator from Rhode Island [Mr. PELL], and the Senator from California [Mrs. FEINSTEIN] were added as cosponsors of Senate Concurrent Resolution 30, a concurrent resolution congratulating the Anti-Defamation League on the celebration of its 80th anniversary.

At the request of Mr. BROWN, the names of the Senator from Florida [Mr. GRAHAM], the Senator from New Jersey [Mr. BRADLEY], the Senator from South Dakota [Mr. PRESSLER], the Senator from Connecticut [Mr. DODD], the Senator from Alabama [Mr. HEFLIN], the Senator from Utah [Mr. HATCH], the Senator from North Dakota [Mr. CONRAD], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from North Dakota [Mr. DORGAN] were added as cosponsors of Senate Concurrent Resolution 30, supra.

SENATE CONCURRENT RESOLUTION 31

At the request of Mr. DODD, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of Senate Concurrent Resolution 31, a concurrent resolution concerning the emancipation of the Iranian Baha'i community.

SENATE RESOLUTION 117

At the request of Mr. DECONCINI, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Resolution 117, a resolution to express the sense of the Senate that the Olympics in the year 2000 should not be held in Beijing or elsewhere in the People's Republic of China.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce that the Committee on Energy and Natural Resources will hold a hearing on the Department of Energy's efforts to clean up its nuclear weapons complex.

The purpose of the hearing is to receive testimony on the scope and cost of the Department's cleanup program, the technological and managerial problems it faces, the standards governing the cleanup effort, and how priorities are set among competing cleanup projects.

The hearing will take place on Thursday, July 29, 1993, at 9:30 a.m. in room

SD-366 of the Dirksen Senate Office Building, First and C Streets NE, Washington, DC.

Those wishing to submit written testimony for the printed hearing record should send their comments to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information, please contact Sam Fowler of the committee staff at (202) 224-7569.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a hearing scheduled before the full Committee on Energy and Natural Resources has been postponed.

The hearing scheduled for July 1, 1993, at 9:30 a.m. in room 366 of the Senate Dirksen Office Building has been postponed and will be rescheduled for a later date.

The purpose of the hearing was to receive testimony from Dr. Tara O'Toole, nominee to be Assistant Secretary of Energy for Environment, Safety and Health; and Robert Nordhaus, nominee to be General Counsel for the Department of Energy.

For further information, please contact Rebecca Murphy at (202) 224-7562.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Tuesday, June 29, 1993, at 11 a.m. in SR-332 on the National Academy of Science Report on Pesticides and Children.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate Tuesday, June 29, 1993, at 10 a.m. to mark up S. 424, the Limited Partnership Rollup Reform Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., June 29, 1993, to discuss the administrations's program for meeting the stabilization goals for greenhouse gases announced in the President's Earth Day speech and the ongoing work on the national action plan.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, June 29, beginning at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Tuesday, June 29, 1993, at 10 a.m. to hold a business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, June 29, 1993, at 10 a.m., to hold a hearing on women prisoners.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES, AND BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopolies, and Business Rights, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, June 29, 1993, at 9:30 a.m. to hold a hearing on the insurance industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMER

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Consumer, of the Committee on Commerce, Science, and Transportation be authorized to meet on June 29, 1993, at 2 p.m. on reauthorization of the Federal Trade Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUCLEAR DETERRENCE, ARMS CONTROL AND DEFENSE INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Deterrence, Arms Control and Defense Intelligence of the Committee on Armed Services be authorized to meet at 9:30 a.m. on Tuesday, June 29, 1993, in open session, to receive testimony on bomber and related aircraft programs in review of the Defense authorization request for fiscal year 1994 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON REGIONAL DEFENSE AND CONTINGENCY FORCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Regional Defense and Contingency Forces be authorized to meet on Tuesday, June 29, 1993, at 10:30 a.m., in open session, to receive testimony on Navy programs in review of the Defense authorization request for fiscal year 1994 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DISABILITY POLICY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources' Subcommittee on Disability Policy be authorized to meet for a hearing on the Reauthorization of the Technology-Related Assistance for Individuals with Disabilities Act of 1988 and the Reauthorization of the Developmental Disabilities Assistance and Bill of Rights Act, during the session of the Senate on Tuesday, June 29, 1993, at 9 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TERRORISM, NARCOTICS AND INTERNATIONAL OPERATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Narcotics and International Operations of the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Tuesday, June 29, 1993, at 10:30 a.m. to mark up the fiscal year 1994 Foreign Relations Authorization Act. An original piece of legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TOXIC SUBSTANCES, RESEARCH AND DEVELOPMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Toxic Substances, Research and Development, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Tuesday, June 29, beginning at 9:30 a.m., to conduct a hearing on S. 729, the Lead Reduction Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NEW CHILDREN'S FACILITY AT YALE-NEW HAVEN HOSPITAL

• Mr. LIEBERMAN. Mr. President, I rise to recognize the upcoming dedication of the new children's facility at Yale-New Haven Hospital. This wonderful occasion culminates many years of planning.

The Children's Hospital at Yale-New Haven will be the most comprehensive state-of-the-art facility for children on the east coast between Philadelphia and Boston. It has been designed, from the beginning, to provide a sensitive clinical setting for children in need of serious care. Children admitted to the hospital will find an environment uniquely suited to their needs, and the facilities will provide great comfort and stimulation to children who require extended care during their formative years.

Mr. President, as a parent and resident of New Haven, I know what a great addition this facility is to our community and the State of Connecticut. But the Children's Hospital will serve children from areas far and near, and so it is a great addition to our Nation's health care system.

On behalf of the Senate, I wish the designers, builders, directors, and staff of the hospital all the best as they prepare to celebrate the opening of this marvelous facility. Their efforts have yielded a great success.•

TRIBUTE TO SHIVELY

• Mr. McCONNELL. Mr. President, I rise today to pay tribute to the town of Shively in Jefferson County, KY.

Shively, a community of over 15,000 people, is located just west of my hometown of Louisville on the Ohio River flood plain. This area was initially settled by a handful of German Catholics and thrived as a collection of small farms. Not long after the dawn of the 20th century, this farmland community gained the reputable status of city and was named after the region's first settler, Christian Shively.

Traditional rural family living dominated the character of Shively in the prewar years. Although this character changed significantly after World War II, not all would argue it was a change for the worse. The growth of Louisville and rapid suburbanization wiped out many of the farms in Shively. However, as Shively was transformed into a suburb, economic development followed. Workers were attracted to the area's multiplicity of job opportunities. The tobacco industry, distilleries, manufacturing jobs, and retail trade all contributed to a prosperous environment.

Unfortunately, political unrest in the 1980's has resulted in many misconceptions about Shively. In reality, Shively enjoys the advantages of a quiet small town and close-knit community. Moreover, Shively residents possess a great deal of pride even though outsiders often misunderstand their community.

Mr. President, I respectfully request that a recent article from the Louisville Courier-Journal be printed in today's CONGRESSIONAL RECORD.

The article follows:

[From the Louisville Courier-Journal, June 28, 1993]

SHIVELY

(By Bill Pike)

Talk to a Shively resident about the town and you're likely to get an earful about the community's image.

To many residents, Shively has a bad image. And to them, it's a bum rap.

"I'd say we are more stereotyped than any other city in Jefferson County," said Jim Jenkins, the Democratic candidate for mayor in the city of 15,000 just southwest of Louisville. "It's unfair. It has damaged the city."

Phil Quillman—a former editor of the Southwest Newsweek, a weekly newspaper serving the Shively area—agreed.

"Shively isn't the 'lively Shively' image that people have predetermined in their heads," he said. "Shively's really just a bedroom community. It's a nice place, really."

A reflection of strip-joint sleaze and public corruption, the image harkens back to the bars built along Seventh Street Road during World War II for soldiers stationed at Fort Knox.

(Actually, only the west side of Seventh Street Road is in Shively. The other side of the street is in Louisville. But Shively's image is such that the city boundary has somehow gravitated in the public imagination to take in the entire Seventh Street Road strip.)

The image got worse during the early 1980s, when Michael Donio, who had been Shively's police chief, pleaded guilty to extortion charges and received a five-year prison sentence and a $10,000 fine.

Shively people maintain that the media overplayed the Donio affair, giving a good city a bad name.

"At one time, 'lively Shively' meant the city was a good place to live with a lot to do," Jenkins said. "You all in the media twisted its meaning."

In the minds of Shively residents, the powers in downtown Louisville—including The Courier-Journal—have their own image problem, one of keeping their gaze fixed on the more effluent East End. That leaves the leadership showing its corporate backside to residents in the South and West Ends. Given that perspective, Shively residents say, their town has been misunderstood ever since it was incorporated in 1938.

Seeing only the negative—and the traffic backups on busy Dixie Highway, which passed through Shively—outsiders fail to understand that Shively has its quiet streets and is a close-knit community, with serious politics and a streak of pride found in few of Jefferson County's 93 suburban cities.

"A lot of people have a strong identity as residents of Shively, in spite of the negatives," Quillman said. "They know Shively for what it is. They have pride in Shively."

"If you're not from Shively, don't criticize it," said City Council member Bud Smith.

That pride resulted in part from a coup the city pulled off in its infancy. A week after Shively was incorporated as a sixth-class city with 1,035 residents, it annexed $20 million worth of distilleries on Seventh Street Road and Dixie Highway. Distillery executives helped engineer the move to keep their businesses out of Louisville, where taxes were higher.

Taken aback, Louisville officials accused Shively of "distillery kidnapping" and filed a lawsuit to stop the raid. However, Louisville's efforts served only to ignite a long-standing distrust.

"There's always been that antipathy of Louisville toward Shively," said the Rev. Gerald Timmel, former pastor of St. Helen's Catholic Church, which has been Shively's spiritual center for nearly 100 years.

The distillery brouhaha and Shively's subsequent growth contrasts with the area's quiet beginnings. The first settlers were vegetable farmers. German Catholics mostly, drawn to the area's rich soil. Clustered around St. Helen's, a little community sprang up and named itself after the church.

In 1902, residents wanted to call their first post office St. Helen's, but the name was already in use in Eastern Kentucky. Instead, they named it after Christian Shively, the area's first settler. The name stuck when Shively became a city.

The area remained in small farms until after World War II, instilling an enduring legacy of family togetherness.

"My grandfather grew potatoes, cabbage, beans, tomatoes and truck-farm stuff on Seventh Street Road,". said Louis Korfhage, who owns a nursery of Dixie Highway. "My dad and my uncles worked there, too.

"My dad ran the hot beds. That's where they raised the plants. One of my uncles did the marketing. Another did the planting.

"A fellow from up east came to work for him and introduced him to pansies. They put them on the market wagon to see how they would do. He was the first in the area to have them. They sold so well he went into geraniums."

The horse-drawn wagon, Korfhage said, made frequent trips during the growing season to the Haymarket in downtown Louisville, where farmers sold their produce.

"It was fun going to the Haymarket with Dad. What I can really remember was going across the street and getting pork chops for breakfast. That was great. Pork chops for breakfast!"

Following World War II, subdivisions sprouted where vegetables and flowers had flourished.

"They just built them and built them," said David Huber, whose grandfather was a blacksmith who had immigrated from Germany.

"I remember when the Bibelhausers grew vegetables over there where the bowling alley is and when Oehrie's Dairy had a pasture where City Hall is. It was quite a change.

The building boom, lasting into the 1960s, attracted young veterans and their families looking for a way out of Louisville.

"Most of them came from Parkland or Portland or the West End," said Smith, who moved to Shively with his parents in 1948 from the West End. "Most of them were Catholic.

"A lot of people came up from Marion and Nelson counties and counties out that way. They came here for jobs. And they were good jobs—at the distilleries, tobacco places, American-Standard," Smith said.

"Those were good-paying, blue-collar jobs, the kind you don't have much of anymore."

Shively grew into a middle-class community of 15,000 in 1960. It topped out at around 19,000 in 1970 and then dropped back to around 15,000 as the children of the original suburbanites came of age and moved on. In recent years, African Americans have begun moving to Shively from Louisville.

During the early '60s, the city had a $25 million tax base that led officials to boast that Shively was the state's richest city—figured on tax base per capita. It also had a police chief who became a legend.

"Luther 'Nub' Melton was like an old-time sheriff," said Quillman, a teen-ager at the time. "He knew every car that belonged in Shively, He'd stop you and check you out, He'd say, 'Boys, you better not be drinking or you'll be hearing from me. You hear me?

"He was so big it would take him five minutes to get out from under the steering wheel. He had a stomach all right, but he wasn't tall. He intimidated us. We listened to him."

Like everyone who remembers Melton, Smith told a story about him.

"One time a guy pulled a gun on Nub. But Nub stuck his finger in the barrel of the gun and said, "Shoot. Go ahead.' He talked the guy down, he backed him down!"

Along with an earlier town marshall named Joe Roach, Melton set a precedent as a strong-armed chief that may have led to Shively's darkest hour. That was Donios admission in 1984 that he extorted money from the owner of the Red Garter Lounge on Seventh Street Road in exchange for allowing prostitution and other vice.

Several years of political turmoil followed as Shively sought to lay blame for its black eye. The wake left by the Donio affair included a bitter election in 1985 and the resignation two years later of a number of city officials.

Suspicion between rival Democratic factions endures today in Shively, which is one of only a handful of Kentucky cities that conduct elections along party lines.

"Back in the revenue-sharing days, you got more consideration from county and state people if you belonged to a party," said Mayor Bill O'Daniel. "We switched to partisan elections in the early '50s."

Adding to the political stew, once-wealthy Shively has been looking for new sources of revenue as changes in the state whiskey tax and the market place have driven away the distilleries.

"We made our tax revenue from whiskey that is stored," O'Daniel said. "At one time, there were seven distilleries storing whiskey. Now, there are just two."

In 1985, an aborted plan to annex much of neighboring Pleasure Ridge Park embroiled Shively in controversy, as did a property-tax increase that voters shot down the next year.

Perhaps looking for stability, voters in 1987 re-elected O'Daniel, who at 79 is the closet thing Shively has to a father-figure. He has been involved in city government since the early '50s and has served 18 years as mayor.

"We needed someone to get the city back on an even keel," said Jenkins.

Jenkins said attacking new businesses is the key to righting the city's finances and reducing budget deficit estimated at as much as $320,000.

While Jenkins looked ahead to Shively's future, the blacksmith's grandson lingered a bit in the past.

"I remember when the interuban train car used to drop off wine in a 25-gallon keg for St. Helen's communion," Huber said, "They'd leave it by the tracks on Dixie Highway at Crums Lane. Everybody was so honest, nobody would steal it.

"I was about 10 years old. I used to . . . put it in my wagon and haul it over to St. Helen's for old Father Pfeiffer, the German priest. That's what Shively used to be like."•

KIDS SAY NO TO MOVIE VIOLENCE

• Mr. DURENBERGER. Mr. President, the average American child watches 22,000 hours of TV by the age of 18. The average Ph.D. graduate—by contrast—spends only 15,000 hours in class from kindergarten through the doctoral program.

And much of that 22,000 hours of TV watching is coarsening and harmful. Clearly, we—as a society—ought to be much more serious about the intellectual and spiritual formation of our young people.

Not for the first time, a little child is leading us. Six-year-old Alex Boyd of Rosemount, MN, is boycotting the merchandise associated with the violent new film Jurassic Park—and calling on other youngsters to follow his lead. If I cannot see the movie, he argues, why should I spend my allowance on the merchandise?

Mr. President, Alex Boyd is reminding us that we too—as a nation—have an allowance, and we can make responsible choices about what to do with it. Alex is not complaining about movie violence and the decline of America's culture—he is putting his money where his mouth is and doing something about.

A valuable lesson for us all.

I ask that an article about Alex Boyd from the St. Paul Pioneer Press—along with an Associated Press story about director Steven Spielberg's children—be included in the RECORD at the conclusion of my remarks.

The material follows:

BOY, 6, BOYCOTTS "JURASSIC PARK" TOY DINOSAURS

(By Bill Gardner)

There comes a time in a boy's life when he has to stand on principle.

No matter how much Alex Boyd might want some "Jurassic Park" toy dinosaurs, the 6-year-old Rosemount boy refuses to part with any of his allowance and is urging other youngsters to follow his lead.

"Why should I spend my allowance on the toys when I can't see the movie?" Alex asked.

His parents won't let him see the Steven Spielberg blockbuster, rated PG-13, because it has too much violence. And Alex, determined to make a point about the movie spinoff products being marketed to younger kids, has become an instant media star.

He has appeared on television, radio, and newspapers across the country, courtesy of the Associated Press. Now People magazine wants to interview him, his parents said.

Alex's father, Tom, is virtually a Hollywood insider, having played the oboe solos for "Jurassic Park," "Dances with Wolves," "Out of Africa," "Beauty and the Beast," "Aladdin" and both "Batman" movies, among many others.

Tom Boyd and his wife, Julie, recently saw "Jurassic Park" and decided it was no movie for young children. "I had to close my eyes three times," Boyd said.

Boyd, who grew up in the San Fernando Valley of Los Angeles, moved the family to Rosemount a year ago and now commutes to Los Angeles for film work. He has worked on many Steven Spielberg films and noted that Spielberg won't let his own 8-year-old son, Max, see "Jurassic Park."

Alex said he has been looking forward to the movie.

"I was really bummed out that it was rated PG-13," he said. The rating means parental discretion is advised for children under age 13.

During a recent trip to the Target Greatland store in Apple Valley, Alex explained his views to the store manager, who seemed sympathetic. Alex said he was sticking up for kids everywhere.

"There was this little kid saying, 'Me want dino, me want dino,'" Alex recalled.

Alex has had the same problem with other films, including "Robin Hood," "Batman" and "Terminator." He'd buy the toys but couldn't see the movie.

But not this time.

"I've grown old enough to know better now," he said.

SPIELBERG'S KIDS WON'T SEE JURASSIC PARK

Steven Spielberg doesn't want a Minnesota kindergartener to feel bad about missing out on "Jurassic Park"—his kids won't be seeing the hit movie either.

Earlier this week, 6-year-old Alex Boyd of Rosemount organized an informal boycott of the movie's Jurassic toys, bubble bath, jawbreakers, sleeping bags, coin purses, walkie-talkies and other merchandise.

In a letter to Spielberg, Boyd said it's not fair to ask kids to spend their allowance on stuff from a movie they're too young to see.

Spielberg told Alex that he, too, felt "teased" as a child when he wasn't allowed to have or do things his parents knew were inappropriate.

"Six years old may be too young to see this movie," Spielberg said in a letter dated Thursday. "But the toys are made for older kids to enjoy, too. It seems equally unfair to me that some of these older kids whose parents think it is OK for them to see 'Jurassic Park' should be denied the chance to get toys and souvenirs."

The PG–13-rated film is set in a theme park inhabited by dinosaurs recreated in a scientific experiment. The animals rampage, eating each other and a few park visitors.

Alex's mother saw the movie and decided it was too violent for her son to see.

Spielberg, who has four children under age 9, said parents must decide whether "Jurassic Park" is suitable for their children.

"I am not allowing my children to see the movie for a few more years," Spielberg wrote.

He urged Alex to wait until Thanksgiving for "We're Back—A Dinosaur Story." That film—a fantasy about a scientist who sends dinosaurs to Manhattan where they befriend children—is one Spielberg told Alex he could enjoy with his family.•

TRIBUTE TO KAREN ADAMS

• Mr. McCONNELL. Mr. President, I rise today to honor a Bowling Green, KY, native for her outstanding achievements. Karen Adams has entered a traditionally male environment as plant manager of Grindmaster Corp. in Louisville, KY. Despite being a bit of an oddity in this particular profession, she has performed her duties with distinction, impressing all with her capabilities.

Adams admirers point to her diligent work ethic and ability to deal with people as reasons for her success. Grindmaster's president points out that the workers under Ms. Adams respond to her leadership and direction. Since she became plant manager there has been an increase in both production and efficiency. Sales for 1992 at the corporation increased 20 percent over 1991 levels, and revenues so far this year are up 15 percent.

Mr. President, Karen Adams understands the fact that the customer comes first. She makes sure that Grindmaster's customer needs are met promptly. This trait undoubtedly has contributed to the company's improved performance during the past few years.

Mr. President, I ask my colleagues to join me in paying tribute to Karen Adams. I think that all will agree that she demonstrates on a daily basis why American workers are still the most productive in the world. Additionally, I ask that an article from the June 21, 1993, Business First be included in the RECORD at this point.

The article follows:

[From Business First, June 21, 1993]

A REAL GRIND: KAREN ADAMS TEARS DOWN STEREOTYPE—PLANT MANAGER BUILDS CONFIDENCE

(By Rachael Kamuf)

For all the breakthroughs women have made in the business and labor world, Grindmaster Corp.'s plant manager—Karen Adams—doesn't need a calculator to count all the female production chiefs with whom she is personally acquainted.

"I'm it, as far as I know," in this area and Kentucky as a whole, the 41-year-old Adams says.

Grindmaster President Karl Kuiper says he is unaware of any other women in comparable positions either.

Still, Kuiper says, her gender was not a factor when Adams—who started in the purchasing department in 1988—was put in charge of the manufacturing process at Grindmaster last year.

"She had been doing an excellent job," Kuiper says in listing the primary reason Adams was picked to oversee production of the commercial coffee-brewing machines sold under the Grindmaster label.

"If that person is doing a heck of a job, you don't consider if it is a man or a woman."

And with Adams, he says: "You've got a good manager here who is very good with people. They respond very well to her leadership and direction. . . . Efficiency is up. Production is up. . . . The credit is hers."

Adams, in turn, praises Kuiper and other executives of the privately owned company for giving her a chance to prove her mettle. "A lot of people think Louisville is not a progressive city, but Grindmaster has shown itself to be progressive."

But if any one person is responsible for assuring that Adams would be able to make a place for herself in this world, she says it was her mother.

"She is a very independent woman," who passed on her strengths to her two daughters, Adams says.

Although his wife and sister-in-law, Sharon Ash, have distinct personalities and character traits, Adams' husband, Larry Betzel, says, "they are both so much like their mother, it is spooky sometimes."

Ash is a management consultant in California. "She's like me," Adams says. "Sometimes she wears a suit, and another day she is in a hard hat and jeans."

Their father was in the U.S. Air Force, and the family traveled throughout the world until the parents separated when Adams was a toddler. Their mother then returned to her native Bowling Green, Ky., to be near relatives while raising her children.

"She worked two jobs a lot," Adams recalls. "I now realize that my sister and I were the only people we knew who came from a divorced background. But my mother was such a strong woman it never occurred to me that we were different. She would tell us, 'Girls, you gotta be tough, if you are going to make it.' . . . If things don't go your way, you pick up and go on, because that is what you are supposed to do."

Adams was 16 when she started working part time at the Castner-Knott department store in Bowling Green. At age 19, she was a department manager. Three years later, Adams says she was offered a position as a buyer, which would have meant relocating to the Castner-Knott headquarters in Nashville.

By that time, Adams, who had married shortly after her 1969 graduation from Bowling Green High School, was a mother herself. Her husband objected to moving to Tennessee, and Adams declined the promotion.

A few years later Adams, who had by then become divorced, made an even greater geographical change; she packed up daughter Ashley and headed for Alaska, where her sister Sharon was then living. "Her husband had always wanted to go to Alaska, and off they went," Adams says about her sister.

Her own infatuation with Alaska began with her older sister's tales of life in the land of the midnight sun. And at Ash's urging, Adams made the long trek from Bowling Green to Northern Alaska in 1980, despite having no job waiting for her there.

Adams says she wasn't worried about finding employment, however. "The pipeline was being laid, and things were still booming," she points out.

Grady Harris, who now lives in Albuquerque, N.M., says she has had no reason to be concerned about her daughter. "She was always a faster learner . . . always determined . . . a very self-sufficient person. I never had to worry about Karen. Karen could do it."

At her first visit to an employment agency in Alaska, Adams met a placement counselor who had once worked with her sister. Such ties—and her own background, which included business classes at Western Kentucky University in Bowling Green—were enough to get Adams an interview for an opening in the purchasing department at a mechanical contracting firm where the office manager was also a native Kentuckian.

Ash and her family departed Alaska just three months after Adams moved there, but Adams says she was not tempted to leave.

"Alaska is a pretty laid-back place. You either love it or hate it," Adams says.

For her, "It was love at first sight. It is absolutely the most beautiful place I have ever seen. The scenery literally brings you to your knees."

As a "Chechako"—Indian for newcomer—Adams made some mistakes. Such as the time she removed a glove in 20-degree below weather and found that her hand began to freeze almost instantly.

"The winters there, oh, they are cold," she says. "But you get acclimated. And I feel the winters here much more. It is so very damp, it cuts me to the bone. It was much dryer there."

Her memories of Alaska include camping, deep-sea fishing. They also include looking out her kitchen window and seeing mosquitoes so big that they are referred to as the state bird, and watching two moose graze in the back yard. "They were hungry and angry," says Adams, who tried to record the event by clicking away with her 35 mm camera.

"I was so excited. I got some great close-up shots." There was only one problem. In all the excitement she forgot to load film into the camera.

For Adams, the highlight of the years in Alaska was meeting and marrying Larry Betzel in 1983. The couple met at S. Koglund Co., where she worked in the accounting department and he was in sales. Their business relationship is the reason that she refers to him as Betzel, not Larry.

"Everyone said, 'If you want to know anything, ask Betzel.' No one ever called him anything else. So to me, Larry is a stranger's name. I do get some strange looks when I introduce him to people."

Betzel, regional sales manager for Halton/Pan Oston Co., and Adams reluctantly returned to Kentucky in 1985 for family reasons. Halton/Pan Oston is based in Glasgow, Ky., and Betzel operates out of an office in their home in Old Brownsboro Place.

She remembers five years in Alaska with fondness, but notes, "If I left here now, I would miss it."

For their first 18 months in Louisville, Adams was a homemaker for the blended family that includes her daughter, now a 19-year-old college student, and Betzel's son from a previous marriage, 13-year-old Van, who just completed the seventh grade at Kammerer Middle School.

Adams slipped back into the paid work force gradually, going to work for a temporary employment service. One of the companies where she was assigned was Grindmaster, and Adams went to work there full time in 1988 as a purchasing agent.

By 1990, she was materials manager and also became involved in production scheduling.

Her performance and thorough knowledge of the production department made Adams the natural choice to take over responsibility for the manufacturing line last year "when we had a parting of ways with the plant manager," Kuiper says.

He says: "She is positively aggressive. She goes for it. She brought a combination of talent and experience that have served us well. She is a good, solid organizer who has very, very good people skills. I would challenge anyone to find a man who could do any better."

As the plant manager, Adams oversees the work of 21 of Grindmaster's 54 Louisville employees. The company, which was started in 1933 at the corner of Eighth and Main streets, has a total of 104 workers at its facility in Bluegrass Industrial Park and another in Canton, Mass., where cold-drink dispensers are produced.

Grindmaster recently purchased a business in New York City that makes espresso coffee machines and is gearing up here for an expansion as the manufacturing is relocated to Louisville.

Kuiper says the additional work will mean the hiring of seven to 10 more employees in Adams' department.

Coffee grinders for the home are also sold by Grindmaster. The machines were designed in the Grindmaster research and development division in Louisville, but are produced at a factory in China in a joint venture with a Chinese concern.

Bringing on a line of espresso equipment is part of the Grindmaster growth strategy, Kuiper says, as the managers seek out new niches in the specialty-beverage business. Last year's sales—between $20 million and $25 milion—represented a 20-percent increase over 1991, he says. Kuiper says revenues so far this year are up 15 percent.

Kuiper says Adams has played a pivotal role in matching output with projects. "As a plant manager, you have to be able to handle anything that comes your way. And she has been able to handle everything."

Adams describes her job as "keeping the vice president of sales happy." And she succeeds, according to the Grindmaster vice president of sales, Larry Johnson.

"I am very happy," Johnson says. "Karen listens to our needs. Our needs are our customers' needs. And she has done a good job of meeting our customers' needs."

Although plant managers at Grindmaster and other factories have traditionally been male, Adams says she encountered no resistance from the employees on the line—all but three are men—when she was promoted.

"The men were and are wonderful," says Adams, who also oversees receiving, warehousing and shipping.

One of the reasons Adams was accepted so readily was because of her tenure with Grindmaster, says a 20-year veteran of the production line, Frank Grace. "She had been there a few years and had a real good job."

As a manager, he says her demands are realistic. "She knows what she can and cannot do." More important, says Grace—one of three "lead men" in the plant—"she appreciates everything we do. Karen tells us when we do a good job. It helps morale and production when anyone tells you that."

Adams is no pushover, however, he says. "She is firm, but she is easy to work for."

The Grindmaster family may have accepted Adams' role as a natural course of events, but she says some outsiders have had problems adjusting.

"It's the old story: a strong man, he gets things done. A strong woman, she's a bitch. I nip that in the bud pretty quickly."

She ran into that shortly after her promotion, when the plant was going full tilt to meet increased demand. She told vendors she could not meet with them, unless there was a problem, until the orders were filled.

That didn't satisfy a salesman who wanted to sign up Grindmaster as a new client. When she told him to call her again in six weeks, Adams says he responded by saying, "'Look, hon, is there a man there I can talk to?'"

Her response: "Yes, there are a lot of men out here, but they all work for me. He said, 'Oh.' He hung up and never called back."

Her job requires that Adams often put in 10- to 12-hour days. The hours don't bother her, but she says "the best part of the day is going to Betzel and the kids."

The Betzel-Adams family members tend to be homebodies, says Adams, whose idea of a good time is relaxing at home, stretched out on a chaise lounge watching television or reading. Her daily activities also include walking the family pets, two schnauzers and a 140-pound Great Dane named Leo.

She also looks forward to going into Grindmaster every day. "I like to work," she says, adding that she has found being with a growing company "exciting."

"I love the excitement," she says. "It is fascinating to see ideas come from research and development, and then to watch as sales and marketing do their thing with the prototype.

"Then it is turned over to production, and here we go again."•

THE NEED FOR PUBLIC INFORMATION ON THE PEOPLE'S MUJAHIDIN OF IRAN

• Mr. McCAIN. Mr. President, it is my continuing concern that, due to a lack of official information on its ideology and history, representatives of People's Mujahidin of Iran [PMOI] are lobbying the United States Congress without Members of Congress being aware of whether this organization does or does not have terrorist connections. Given the charges made in a previous FBI report that the PMOI has a history of terrorism, an anti-Western ideology, and ties to the regime of Saddam Hussein, this should be a matter of concern to all Members.

In order to shed some light on the activities of the PMOI, I have asked the Federal Bureau of Investigation to update the review of open sources on the PMOI that it first issued in 1987. Although the Director of the FBI has indicated a willingness to provide me information in a classified briefing, thus far, my efforts to obtain an update of the 1987 report have been rebuffed.

I ask that my correspondence with the Director of the FBI, Secretary Christopher and Attorney General Reno be included in the RECORD following my remarks.

As I have stated in my correspondence to the Director, Attorney General, and Secretary of State, I believe that the Congress, and more importantly, the American people have a right to know the broad results of U.S. Government investigations into the PMOI. We cannot deal with this issue through classified briefings. These may be helpful in briefing individual Members, but they do not serve the purpose of informing the Congress or the American people.

The PMOI has become a major lobbying group. It has lobbied Members of the Senate and the House. It has lobbied the President and his wife. It has conducted fund-raising efforts throughout the United States, and it is actively lobbying members of the Iranian-American community. Some U.S. Government officials repeatedly give background briefings attacking this group while other U.S. Government officials meet with its representatives on a very different basis.

The U.S. Government must not become the unwitting tool of any political group engaged in any of the following activity:

Attacks on American citizens, other foreigners, and Iranian citizens and officials during the time of the Shah.

Involvement in a civil war in which it took a strong anti-American and anti-Western stance, was a more extreme left wing movement than Iran's Tudeh Communist Party, and regularly used terrorism and assassination during the struggle for power following the Shah.

Involvement in a Saddam Hussein funded and supported military movement attacking Iran during the Iran-Iraq war, and in maintaining such a military movement on Iraqi soil during and after the invasion of Kuwait.

Continuing involvement in a low-level struggle of terrorism and counterterrorism with the Rafsanjani government in Iran.

Continuing to accept funds, support, bases, and arms from the Saddam Hussein government in Iraq.

Soliciting political support and funds from the Congress, American citizens, and Iranian exiles on United States soil under the guise of being a democratic coalition and human rights advocate when it remains an extreme leftist group whose secret agenda opposes American values and the security of Israel.

In our efforts to promote democracy in Iran, we must be extremely careful not to support terrorism and extremism. Making sure that the American people and this body are properly informed about the nature of the groups competing for influence in Iran is the best way to avoid these undemocratic extremes. To this end, I believe that it is vital that the FBI report publicly on the activities of the PMOI, and specifically that it update its 1987 report. We need to find a way of supplementing our current reporting patterns of global terrorism and human rights abuses that clearly distinguishes between legitimate democratic opposition groups and those that have terrorist connections.

The material earlier referred to follows:

UNITED STATES SENATE,
June 9, 1993.

WILLIAM S. SESSIONS,
Federal Bureau of Investigation,
Washington, DC.

DEAR DIRECTOR SESSIONS: After reviewing your letter of May 11, 1993, I do not believe that a briefing would be a meaningful or suitable response to my original requests.

I fully recognize the need to protect the rights of Americans and foreign nationals in this country, and to avoid prejudicing an ongoing investigation. At the same time, I see little merit in the FBI's refusal to update an existing report, and a great deal of bureaucratic obfuscation.

As I said in my letter to you of January 25, we cannot deal with this issue through classified briefings. These may be helpful in briefing individual members, but they do not serve the purpose of informing the Congress or the American people.

Let me repeat, there is no question that we have every ethical, moral, and strategic reason to encourage Iraqi and Iranian democratic movements, to halt the arms build-up in Iraq and Iran, and to do everything we can to pressure Iraq and Iran to adopt the rule of law and protect the human rights of all their citizens.

Yet, anyone can use the rhetoric of democracy. Anyone can hide behind the flag of human rights. Anyone can attempt to exploit our opposition to the current regimes in Iraq and Iran, and our ethical and moral beliefs. This is particularly true in two countries filled with political, ethnic, and religious turmoil and without real democratic traditions. It is particularly true because Iran is actively arming and encouraging Iraqi groups that oppose Saddam Hussein, and Saddam Hussein is actively arming Iranian groups that oppose Rafsanjani.

We must be extremely careful not to support terrorism in the name of anti-terrorism, front groups in the name of democracy, or extremist opposition groups in the name of human rights. We must not take sides between factions, and we must not encourage violence in the name of democracy. This is why I first wrote you in December, 1992 to ask for an update of the FBI's 1987 report on the People's Mujahedin of Iran (PMOI).

The fact remains that the PMOI has become a major lobbying group. It has lobbied members of the Senate and the House. It has lobbied the President and his wife. It has conducted fund raising efforts throughout the United States, and it is actively lobbying members of the Iranian-American community. The fact remains that some U.S. government officials repeatedly give background briefings attacking this group while other U.S. government officials meet with its representatives on a very different basis.

I have just received another report on this group, which seems to be from a hostile Iranian group and which has been widely circulated to members of Congress. I am attaching this to my letter, and while I have no way to evaluate its contents, there is no doubt that serious questions still exist about the real nature of the PMOI.

The fact remains that the U.S. government must not become the unwitting tool of any political group that engages in any of the following heritage, belief, or actions that have been listed in the FBI's 1987 report and recent reporting by the Congressional Research Service:

Attacks on American citizens, other foreigners, and Iranian citizens and officials during the time of the Shah.

Involvement in a civil war in which it took a strong anti-American and anti-Western stance, was a more extreme left wing movement than Iran's Tudeh Communist Party, and regularly used terrorism and assassination during the struggle for power following the Shah.

Involvement in a Saddam Hussein funded and supported military movement attacking Iran during the Iran-Iraq War, and in maintaining such a military movement on Iraqi soil during and after the invasion of Kuwait.

Continuing involvement in a low level struggle of terrorism and counter-terrorism with the Rafsanjani government in Iran.

Continuing to accept funds, support, bases, and arms from the Saddam Hussein government in Iraq.

Soliciting political support and funds from the Congress, American citizens, and Iranian exiles on U.S. soil under the guise of being a democratic coalition and human rights advocate when it remains an extreme leftist group whose secret agenda opposes American values and the security of Israel.

The only way that PMOI involvement in these activities can be realistically assessed is for the FBI to provide an unclassified report that addresses each of these points.

If, upon further investigation, the FBI finds that the PMOI has not engaged in any of the activities mentioned above, then it has more credibility as a legitimate democratic movement. It should be free of the kind of indirect allegations made by the State Department and other executive agencies. The fact remains that no group operating in American politics should be forced to live in limbo, or in a climate where U.S. officials informally criticize it, if it has not engaged in any wrongdoing.

If the facts are uncertain, then the Congress, the American people, the media, and Iranian exiles in America deserve to know the truth about such uncertainties, and make their own judgments. If the PMOI has engaged in the activities noted above, then we must take appropriate judicial action and we must not treat it as a legitimate opposition to Iran's current government until it has fundamentally changed its character and leadership.

To put it bluntly, your response on this issue to date reminds me of another Director that denied the existence of the Mafia for nearly two decades, and allowed it to become a critical law enforcement problem. It reminds me that that same Director had to be forced by Presidential and Congressional pressure to come to grips with the need to protect the civil rights of Afro-Americans and other minorities. The Bureau has an unfortunate history of rushing into situations where it can get favorable publicity and dodging serious problems.

I repeat my continuing caveat on the kind of data the U.S. government should provide. We must never do anything to abridge the First Amendment rights of any group, foreign or domestic. We must continue the struggle for democracy and human rights. We must encourage and support every group that truly advocates freedom and the rule of law that opposes any regime that denies such progress, whether it is Iran, Iraq, or anywhere else in the world.

But, the fact remains that we cannot afford to have a situation where groups can lobby Congress and the American people in the name of democracy, human rights, freedom, and the rule of law whose true nature is very different or who have undisclosed ties to foreign governments, those who use violence, and those who use terrorism. We cannot afford to allow such groups to raise funds in the United States without the Congress and the American people knowing their true nature.

We have already seen in the case of the World Trade Center bombing that it does no good to dodge these issues, rush to judgment in a flurry of media events, and then watch an uninformed media, public, and Congress start to assign the blame against Arab or Islamic groups in general, Hamas, Iran, or Iraq.

With the end of the Cold War, it has become even more important to identify real terrorists and make it clear when the government does not feel groups support terrorist actions or act as fronts for them. There also is little point in maintaining a list of terrorist countries and then failing to identify the terrorist organizations that actually operate in the United States.

Quite frankly, this situation is absurd. The FBI has already written an unclassified report on the group in question. The United States government repeatedly takes background positions, and is supposed to be in the middle of a major exercise to open up the process of government and reduce unnecessary classification.

You have ample tools available to update your existing report. As I have noted in earlier correspondence, you have already shown that it is possible to summarize the results of U.S. government investigations without disclosing sensitive sources and methods.

I would like to resolve this issue without legislation or confrontation, but I do not believe that further delay and correspondence is a substitute for action. Your office has already repeatedly delayed its responses to my previous letters, in one case by nearly three months, and even initially denied that the FBI was the source of a report that it had passed to Senate security.

As a result, I would like to have your formal agreement or non-agreement to provide the requested update no later than June 24, 1993. If necessary, please coordinate this response with Attorney General Reno and Secretary of State Christopher.

Sincerely,

JOHN MCCAIN,
United States Senator.

U.S. SENATE,
June 9, 1993.

Hon. JANET RENO,
Department of Justice, Washington, DC.

DEAR MS. RENO: I am enclosing copies of an exchange of correspondence with William S. Sessions, the Director of the FBI, that I find deeply disturbing. It is both non-responsive and ignores a major problem in dealing with foreign groups that lobby the Congress and American people.

The issue involved is my request for an update of a report the FBI issued on the People's Mujahedin of Iraq (PMOI) in 1987. I believe that the Congress, and more importantly the American people, has a right to know the broad results of U.S. government investigations into this group, and whether it does or does not have terrorist connections.

I also believe that the Executive Branch cannot operate according to a dual standard in dealing with such groups. It cannot, on the one hand, provide "unofficial" briefings to the media, Congress, and others that condemn such a group or associate it with terrorism, and then refuse to summarize its conclusions and the facts that support them. This is particularly true when an FBI report, official or unofficial, is already in broad circulation.

Let me make the same point to you that I have made to Director Sessions in my correspondence to him. I fully recognize the need to protect the rights of Americans and foreign nationals in this country, and to avoid prejudicing an ongoing investigation. At the same time, I see no merit in the FBI's refusal to update an existing report, and a great deal of bureaucratic obfuscation.

I also see indifference to a major problem in dealing with terrorism and political extremism in the post-Cold War era. We have every ethical, moral, and strategic reason to encourage Iraqi and Iranian democratic movements, to halt the arms build-up in Iraq and Iran, and to do everything we can to pressure Iraq and Iran to adopt the rule of law and protect the human rights of all their citizens.

Yet, anyone can use the rhetoric of democracy. Anyone can hide behind the flag of human rights. Anyone can attempt to exploit our opposition to the current regimes in Iraq and Iran, and our ethical and moral beliefs. This is particularly true in two countries filled with political, ethnic, and religious turmoil and without real democratic traditions. It is particularly true because Iran is actively arming and encouraging Iraqi groups that oppose Saddam Hussein, and Saddam Hussein is actively arming Iranian groups that oppose Rafsanjani.

There is little point in issuing a long series of public and unclassified reports on terrorist activities overseas if we cannot link our anti-terrorist effort to dealing with groups that operate in the United States. We must have some way in which to access the investigative and intelligence efforts of the United States government that will prevent members of Congress, the media, and the American public from supporting terrorism in the name of anti-terrorism, front groups in the name of democracy, and/or extremist opposition groups in the name of human rights.

The PMOI is a classic case in point. It has become a major lobbying group. It has lobbied members of the Senate and the House. It has lobbied the President and his wife. It has conducted fund raising efforts throughout the United States, and it is actively lobbying members of the Iranian-American community. At the same time, U.S. government officials have repeatedly given background briefings attacking this group while other U.S. government officials meet with its representatives on a very different basis.

There is no question that the Executive Branch should protect sensitive investigative and intelligence data. At the same time, it should not refuse to provide an adequate warning of activities that would allow members of Congress or the public to become the unwitting tool of any political group that engages in any of the following kinds of activities (all of which are listed in the FBI's 1987 report and recent reporting by the Congressional Research Service);

Attacks on American citizens, other foreigners, and Iranian citizens and officials during the time of the Shah.

Involvement in a civil war in which it took a strong anti-American and anti-Western stance, was a more extreme left wing movement than Iran's Tudeh Communist Party, and regularly used terrorism and assassination during the struggle for power following the Shah.

Involvement in a Saddam Hussein funded and supported military movement attacking Iran during the Iran-Iraq War, and in maintaining such a military movement on Iraqi soil during and after the invasion of Kuwait.

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Continuing to accept funds, support, bases, and arms from the Saddam Hussein government in Iraq.

Soliciting political support and funds from the Congress, American citizens, and Iranian exiles on U.S. soil under the guise of being a democratic coalition and human rights advocate when it remains an extreme leftist group whose secret agenda opposes American values and the security of Israel.

The only way that PMOI involvement in these activities can be realistically assessed is to provide an unclassified report that addresses each of these points. Background briefings, special access briefings, and classified material do not provide effective warnings to Congress, the public, or the media. They also allow U.S. government officials to condemn the PMOI or any similar group without a hearing.

As I have stressed from the start in my correspondence with Director Sessions, we must never do anything to abridge the First Amendment rights of any group, foreign or domestic. We must continue the struggle for democracy and human rights. We must encourage and support every group that truly advocates freedom and the rule of law that opposes any regime that denies such progress, whether it is Iran, Iraq, or anywhere else in the world.

If, upon further investigation, the FBI, Department of Justice, and State Department, and the intelligence community find that the PMOI has not engaged in any of the activities mentioned above, then it has more credibility as a legitimate democratic movement. It should be free of the kind of indirect allegations made by the State Department and other executive agencies. The fact remains that no group operating in American politics should be forced to live in limbo, or in a climate where U.S. officials informally criticize it, if it has not engaged in any wrongdoing.

If the facts are uncertain, then the Congress, the American people, the media, and Iranian exiles in America deserve to know the truth about such uncertainties, and make their own judgments. If the PMOI has engaged in the activities noted above, then we must take appropriate judicial action and we must not treat it as a legitimate opposition to Iran's current government until it has fundamentally changed its character and leadership.

I have asked Director Sessions repeatedly to come to grips with this issue, and to update the FBI's 1987 report. I would be grateful if you would consult with Secretary Christopher, and intervene in this matter to make sure that I get a full and timely response that reflects the views of the Department of Justice and State Department, as well as the FBI, and that no further effort is made to avoid coming to grips with the core issues involved.

Sincerely,

JOHN MCCAIN,
United States Senator.

U.S. SENATE,
June 9, 1993.

Hon. WARREN M. CHRISTOPHER,
Department of State, Washington, DC.

DEAR SECRETARY CHRISTOPHER: I am enclosing copies of an exchange of correspondence with William S. Sessions, the Director of the FBI, that I find deeply disturbing. It is both non-responsive and ignores a major problem in dealing with foreign groups that lobby the Congress and American people.

The issue involved is my request for an update of a report the FBI issued on the People's Mujahedin of Iraq (PMOI) in 1987. I believe that the Congress, and more importantly the American people, has a right to know the broad results of U.S. government investigations into this group, and whether it does or does not have terrorist connections.

I also believe that the Executive Branch cannot operate according to a dual standard in dealing with such groups. It cannot, on the one hand, provide "unofficial" briefings to the media, Congress, and others that condemn such a group or associate it with terrorism, and then refuse to summarize its conclusions and the facts that support them. This is particularly true when an FBI report, official or unofficial, is already in broad circulation.

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I also see indifference to a major problem in dealing with terrorism and political extremism in the post-Cold War era. We have every ethical, moral, and strategic reason to encourage Iraqi and Iranian democratic movements, to halt the arms build-up in Iraq and Iran, and to do everything we can to pressure Iraq and Iran to adopt the rule of law and protect the human rights of all their citizens.

Yet, anyone can use the rhetoric of democracy. Anyone can hide behind the flag of human rights. Anyone can attempt to exploit our opposition to the current regimes in Iraq and Iran, and our ethical and moral beliefs. This is particularly true in two countries filled with political, ethnic, and religious turmoil and without real democratic traditions. It is particularly true because Iran is actively arming and encouraging Iraqi groups that oppose Saddam Hussein, and Saddam Hussein is actively arming Iranian groups that oppose Rafsanjani.

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community. At the same time, U.S. government officials have repeatedly given background briefings attacking this group while other U.S. government officials meet with its representatives on a very different basis.

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Continuing involvement in a low level struggle of terrorism and counter-terrorism with the Rafsanjani government in Iran.

Continuing to accept funds, support, bases, and arms from the Saddam Hussein government in Iraq.

Soliciting political support and funds from the Congress, American citizens, and Iranian exiles on U.S. soil under the guise of being a democratic coalition and human rights advocate when it remains an extreme leftist group whose secret agenda opposes American values and the security of Israel.

The only way that PMOI involvement in these activities can be realistically assessed is to provide an unclassified report that addresses each of these points. Background briefings, special access briefings, and classified material do not provide effective warnings to Congress, the public, or the media. They also allow U.S. government officials to condemn the PMOI or any similar group without a hearing.

As I have stressed from the start in my correspondence with Director Sessions, we must never do anything to abridge the First Amendment rights of any group, foreign or domestic. We must continue the struggle for democracy and human rights. We must encourage and support every group that truly advocates freedom and the rule of law that opposes any regime that denies such

progress, whether it is Iran, Iraq, or anywhere else in the world.

If, upon further investigation, the FBI, Department of Justice, and State Department, and the intelligence community find that the PMOI has not engaged in any of the activities mentioned above, then it has more credibility as a legitimate democratic movement. It should be free of the kind of indirect allegations made by the State Department and other executive agencies. The fact remains that no group operating in American politics should be forced to live in limbo, or in a climate where U.S. officials informally criticize it, if it has not engaged in any wrongdoing.

If the facts are uncertain, then the Congress, the American people, the media, and Iranian exiles in America deserve to know the truth about such uncertainties, and make their own judgments. If the PMOI has engaged in the activities noted above, then we must take appropriate judicial action and we must not treat it as a legitimate opposition to Iran's current government until it has fundamentally changed its character and leadership.

I have asked Director Sessions repeatedly to come to grips with this issue, and to update the FBI's 1987 report. I would be grateful if you would work with Attorney General Reno in this matter to make sure that I get a full and timely response that reflects the views of the Department of Justice and State Department, as well as the FBI, and that no further effort is made to avoid coming to grips with the core issues involved.

Sincerely,

JOHN MCCAIN,
United States Senator.

U.S. SENATE,
January 25, 1993.

MR. WILLIAM S. SESSIONS,
Federal Bureau of Investigation,
Washington, DC.

DEAR DIRECTOR SESSIONS: I have received a letter from John E. Collingwood, the Inspector in Charge of the Office of Public and Congressional Affairs in response to my letter to you of December 15, 1992.

I believe that this response raises a basic public policy issue that cannot be resolved in the way your letter suggests. Whether or not the report I enclosed to you was a formal FBI report, we cannot deal with the issue through classified briefings. These may be helpful in briefing individual members, but they do not serve the purpose of informing the Congress or the American people.

There is no question that we have every ethical, moral, and strategic reason to encourage Iraqi and Iranian democratic movements, to halt the arms build-up in Iraq and Iran, and to do everything we can to pressure Iraq and Iran to adopt the rule of law and protect the human rights of all their citizens.

Yet, anyone can use the rhetoric of democracy. Anyone can hide behind the flag of human rights. Anyone can attempt to exploit our opposition to the current regimes in Iraq and Iran, and our ethical and moral believes. This is particularly true in two countries filled with political, ethnic, and religious turmoil and without real democratic traditions. It is particularly true because Iran is actively arming and encouraging Iraqi groups that oppose Saddam Hussein, and Saddam Hussein is actively arming Iranian groups that oppose Rafsanjani.

We must be extremely careful not to support terrorism in the name of anti-terrorism, front groups in the name of democracy, or extremist opposition groups in the name of human rights. We must not take sides between factions, and we must not encourage violence in the name of democracy.

This is why I wrote you asking for an update of the 1987 report that I received from Senate Security on the People's Mujahedin of Iran (PMOI). The PMOI has become a major lobbying group. It has lobbied members of the Senate and the House. It has lobbied the President elect and his wife. It has conducted fund-raising efforts throughout the United States, and it is actively lobbying members of the Iranian-American community.

Regardless of the exact status of the report I sent you, there is no doubt that serious questions exist about the real nature of the PMOI. There is no doubt that the PMOI is derived from a violent left wing group that carried out the assassination of American officers and civilians in Iran before the fall of the Shah. Similarly, a recent report by the Congressional Research Service raises similar questions about the PMOI. The State Department refuses to meet with this group because of its heritage of extremism.

I agree that we should not take sides in Iranian or Iraqi politic, nor become involved in the complex infighting between Iranian groups in exile. I do believe, however, that we must not start the new Clinton Administration with a new "Irangate." The U.S. government must not become the unwitting tool of any political group that can accurately be charged with any of the following heritage, belief, or actions:

Attacks on American citizens, other foreigners, and Iranian citizens and officials during the time of the Shah.

Involvement in a civil war in which it took a strong anti-American and anti-Western stance, was a more extreme left wing movement than Iran's Tudeh Communist Party, and regularly used terrorism, and assassination during the struggle for power following the Shah.

Involvement in a Saddam Hussein funded and supported military movement attacking Iran during the Iran-Iraq War, and in maintaining such a military movement on Iraqi soil during and after the invasion of Kuwait.

Continuing involvement in a low level struggle of terrorism and counter-terrorism with the Rafsanjani government in Iran.

Continuing to accept funds, support, bases, an arms from the Saddam Hussein government in Iraq.

Soliciting political support and funds from the Congress, American citizens, and Iranian exiles on U.S. soil under the guise of being a democratic coalition and human rights advocate when it remains an extreme leftist group whose secret agenda opposes American values and the security of Israel.

The only way that any or all of these charges can be resolved is for the FBI to provide an unclassified report that comprehensively addresses each of these points. If the FBI finds that the PMOI is innocent on all the above counts, then it deserves our support as a legitimate democratic movement. It should be free of the kind of indirect charges made by the State Department and other executive agencies, that do not provide formal charges, but indicate that it may be associated with Iraq, with violence, with attacks on Americans, and with terrorism. No group operating in American politics should be forced to live in limbo, or in a climate where U.S. officials informally criticize it, if it is innocent.

If the facts are uncertain, then the Congress, the American people, the media, and Iranian exiles in America deserve to know the truth about such uncertainties, and make their own judgments. If the PMOI is guilty of any or all of these charges, then we must not treat it as a legitimate opposition to Iran's current government until it has fundamentally changed its character and leadership.

I also wish to point out that an important precedent is involved here. We must never do anything to abridge the First Amendment rights of any group, foreign or domestic. We must continue the struggle for democracy and human rights. We must encourage and support every group that truly advocates freedom and the rule of law that opposes any regime that denies such progress, whether it is Iran, Iraq, or anywhere else in the world.

But, we cannot afford to have a situation where groups can lobby Congress and the American people in the name of democracy, human rights, freedom, and the rule of law whose true nature is very different or who have undisclosed ties to foreign governments, those who use violence, and those who use terrorism. We cannot afford to allow such groups to raise funds in the United States without the Congress and the American people knowing their true nature.

Ironically, we have strong rules designed to deal with this situation by requiring Americans who lobby for foreign countries to register with the U.S. government. At the same time, we lack a mechanism that requires the State Department and FBI to maintain a list of groups with suspect ties to foreign governments, movements with a history of attacking U.S. and other nationals, movements with ties to military or terrorist movements, or which covertly advocate violence, extremist ideologies, or which otherwise use the First Amendment in ways that abuse the very causes they claim to defend.

This is also a case where the Executive Branch cannot hide behind the need for national security. First, it is possible to summarize the results of U.S. government investigations without disclosing sensitive sources and methods. We have seen this confirmed in countless government reports which provide such data when it is convenient to support a given policy or program.

Second, groups which really defend the causes we believe in deserve to be free of indirect charges or innuendo. We must never cloud the reputation of any group with indirect charges that cannot be answered or justified.

Third, we are already living in a post Cold War era filled with groups with conflicting agendas that all use the rhetoric of the post-Cold War era, but many of which repackage themselves without having forsworn violence, extremism, or attacks on the things we believe in. We must be able to distinguish the true nature of foreign groups, or groups with foreign ties, if we are to support the groups that really do advocate freedom and human rights, we must know the nature of the wolves who wear freedom's flag.

Accordingly, I again repeat my formal request for an FBI report that will resolve this issue. At the same time, I would like to have your views as to how you intend to address the broader issues involved.

I would be grateful if you could provide my with such a report, and your views on this issue no later than February 15, 1993, so that the report could be circulated to members of the new Congress. I also wish to make it clear that if we cannot resolve this issue on a timely basis, it is my intention to seek legislation that will require such reporting on a comprehensive and regular basis.

Sincerely,

JOHN MCCAIN,
United States Senator.

FEDERAL BUREAU OF INVESTIGATION,
Washington, DC, May 11, 1993.

Hon. JOHN MCCAIN,
United States Senate, DC.

DEAR SENATOR MCCAIN: Thank you for talking with me this morning about your January 25, 1993, letter requesting additional information regarding the People's Mujahedin of Iran (PMOI). When your staff arranges an appropriate briefing, we can discuss the matter further.

In discussions between FBI Congressional people and a member of your staff, it was indicated that the report which you asked the FBI to update was originally prepared by the FBI from public source information. The FBI, unlike the Congressional Research Service, Library of Congress, does not generally disseminate such reports beyond appropriate law enforcement and intelligence agencies.

As Inspector John E. Collingwood indicated in his letter of January 15, 1993, your request involves certain factors which may restrict the amount of information available for public disclosure. The Privacy Act, Title 5, United States Code (U.S.C.), Section 552a(b)(9), the classified nature of counter terrorism investigations, the possibility of compromising ongoing investigations, and the lack of authority to release information from other agencies/countries, all severely restrict the information available for public disclosure.

The FBI is very sensitive to issues raised during the investigation of any group within the United States, particularly when the alleged criminal activity may be commingled with activity protected by constitutional and statutory safeguards. The conduct of such investigations is governed by Attorney General Guidelines which require a certain level of predication before investigative activity can be conducted.

The maintenance of a list of suspect groups as you suggest has diplomatic implications, which may necessitate the involvement of the Department of State.

Given this mix of factors, the FBI believes that much thought should be given before requiring that the FBI maintain a "list" of offending groups, as suggested by your letter. In this respect, I agree that our position raises a "basic public policy issue" and, therefore, have forwarded your letter to the Department of Justice and Department of State for their consideration. You may wish to contact them directly.

You have always been a great supporter of the FBI in particular and law enforcement in general, and I know your comments are based upon your sincere desire to provide the American people with as much information as possible. I, too share your goal. However, as Director of the FBI, I must abide by existing statutes and guidelines in determining the extent of information available for public release, and insure that public disclosures does not unnecessarily damage the interests of the United States. In this particular case, without policy direction to the contrary, I believe that a public briefing may not serve those interests.

I have directed my staff to maintain contact with your office in order to determine if other alternatives, such as a classified briefing, a Chairman request—as per Title 5, U.S.C., Section 552a(b)(9), or a Freedom of Information Act request, might be appropriate. Should you wish to discuss this matter further please contact me directly or through Supervisory Special Agent Patrick L. Connolly of the FBI's Office of Public and Congressional Affairs, at (202) 324-8381.

Sincerely,

WILLIAM S. SESSIONS,
Director.

U.S. SENATE,
December 15, 1992.

Mr. WILLIAM S. SESSIONS,
Federal Bureau of Investigation,
Washington, DC.

DEAR MR. SESSIONS: I am concerned that the People's Mujahedin-E-Khalq is playing an active role in lobbying the U.S. Congress, and in presenting its views on Iran, under conditions where members have no way to learn the history of this organization. I am particularly concerned with its role in terrorism, and its financial ties to Iraq.

Back in 1987, the FBI developed an open source review of this group which provides strong indications that the People's Mujahedin-E-Khalq is a terrorist movement that has participated in the assassination of American citizens and receives most of its funds from Iraq. I have attached a copy of the report to this letter.

I would be grateful if you could have your staff review this report, and provide me with an updated version that could be circulated to members of the Senate and House. If possible, I would like to have such an update no later than January 15, 1993, so that the report could be circulated to members of the new Congress when it comes back into session.

Sincerely,

JOHN MCCAIN,
United States Senator.

FEDERAL BUREAU OF INVESTIGATION,
Washington, DC, January 15, 1993.

Senator JOHN MCCAIN,
United States Senate, Washington, DC.

DEAR SENATOR MCCAIN: Director Sessions has asked that I respond to your letter to him dated December 15, 1992, which requested that the Federal Bureau of Investigation update a report which you enclosed with your letter.

A review of our files indicates that the enclosed report was not prepared by the FBI. However, the FBI would be happy to provide you and other Senators or Staff Members with a briefing regarding the People's Mujahedin-E-Khalq.

As you probably know, the information that the FBI can discuss will depend upon whether your request comes from a Chairman of a Committee with appropriate jurisdiction. With a Chairman request, the FBI can provide you information which would otherwise be protected by the Privacy Act. (See, Title 5, United States Code, Section 552a(b)(9).)

In addition, as a general rule, our counterterrorism briefings may contain classified information which would restrict further dissemination and require that attending staff members have the appropriate security clearance(s).

If you would like to discuss this issue further, please contact Supervisory Special Agent Patrick L. Connolly of my staff at (202) 324-8381.

Sincerely yours,

JOHN E. COLLINGWOOD,
Inspector in Charge,
Office of Public and Congressional Affairs.•

A TRIBUTE TO LEECO, INC.

• Mr. MCCONNELL. Mr. President, I rise today to congratulate Leeco, Inc., of Jeff, KY. This outstanding company has recently been presented with an Excellence in Surface Mining Reclamation Award from the U.S. Department of the Interior, Office of Surface Mining.

The Excellence in Surface Mining Reclamation Award gives recognition to companies that produce creative and innovative accomplishments in restoring coal-mined land to its natural state. In addition, this national award encourages those companies to envision and undertake innovative concepts that will allow the land to become productive once again.

Leeco, Inc., earned this distinct honor for reclaiming a site in the steep, mountainous terrain of eastern Kentucky. Leeco received the award for the innovative design and operation of a preparation plant and refuse disposal area. A unique feature of the refuse disposal system is a 400-foot-high earthen dam constructed from excess spoil from the mountaintop removal at the site.

Mr. President, Leeco, Inc., deserves this highest honor based on their love for the land, solid technical know-how, a strong sense of pride, a respect for the law, and a sincere willingness to work closely with the State regulatory agency to achieve such reclamation.

I'm sure that my colleagues will agree that Leeco, Inc., has shown that it is among the best of the best. I salute their progress, and wish them added success in the future.•

REOPENING OF THE THEODORE ROOSEVELT HOME

• Mr. D'AMATO. Mr. President, I rise today to speak of an event that is going to take place on Saturday, July 3, 1993. The special event is the reopening of the Theodore Roosevelt Home at Sagamore Hill Natural Historic Site.

Sagamore Hill is the former home of Theodore Roosevelt, the 26th President of the United States. Between 1901 and 1909, Sagamore Hill served as the Nation's summer White House. In 1950, it was acquired by the Theodore Roosevelt Association [TRA] and opened to the public in June 1953. In 1963, the TRA presented Sagamore Hill to the American people. It is administered as a national historic site by the National Park Service.

The NPS has focused its interpretation of Sagamore Hill on the 1901–09 period when it was the summer White House. The goal is to recreate for the visitor the atmosphere of the TRH during this period. This is done by presenting the rooms as they appeared during the President's lifetime.

The preservation of the Theodore Roosevelt Home [TRH] began in 1980, when the library, drawing room, and dining room were restored to their original appearance. In the 1980's, a historic structures report and a historic furnishing report were prepared by NPS staff. These studies provided the historic information and physical evidence on which the 1992 furnishing plan was based.

The 1993 project focused on five rooms on the second floor and the hallways on the second and third floors of the TRH. Work has been done to facilitate the installation of the new furnishing plan. The furniture, objects, and artwork in all of the rooms have been returned to their original arrangements.

I would like to pay tribute to the Sagamore Hill Natural Park Service and the Theodore Roosevelt Association for their hard work in restoring this historic site. It is because of their perseverance that visitors will now be able to see the home of Theodore Roosevelt as it was when he lived there. I ask my colleagues to join me in saluting this monumental accomplishment, which will benefit our entire country.•

NORTH VALLEY PARALEGAL SERVICE OF ARIZONA

• Mr. McCAIN. Mr. President, the good work that Ms. Fran Forgan is doing through the North Valley Paralegal Service of Arizona was recently brought to my attention. I would like to congratulate Ms. Forgan on all that she has accomplished in helping others while also overcoming great personal hardship.

Mr. President, as a resident of Arizona, Ms. Forgan has set a fine example in Arizona for her dedication and commitment to community service. Mr. President, I would like the Senate to take note of the work that is done by the North Valley Paralegal Service of Arizona. It is a nonprofit agency which specializes in working with the disabled, elderly, and people of low income offering them a unique form of paralegal assistance to people in the community who cannot afford an attorney.

Mr. President, I would like Ms. Forgan to know how much I appreciate her commitment to the many people in Arizona who would otherwise be unable to receive legal aid.

Mr. President, I am pleased to have brought Ms. Fran Forgan to the attention of the Senate and I wish North Valley Service of Arizona every success in the future.•

COMMENDING THE 126TH ANNIVERSARY OF B'NAI B'RITH DISTRICT 5

• Mr. WARNER. Mr. President, as we survey the socio-political landscape of the day, we are confronted by the various horrors, injustices, cruelties, and blights—domestic and foreign—which dominate newspaper stories and television broadcasts. In this very chamber, we work to effectively address many of those issues. Fortunately, we are not alone in the effort to promote the causes of freedom, democracy, and human rights.

One organization that has been at the forefront of promoting those democratic ideals is B'nai B'rith. Next month, B'nai B'rith District 5 will celebrate the 126th anniversary of its founding, and I would like to take a moment to comment on the good work of this organization.

B'nai B'rith is the largest Jewish organization in the United States and was the first established international service organization in this country. Its mission is to defend freedom and democracy, to combat racism and bigotry, and to promote human rights.

These broad reaching goals are approached from many directions. Through cultural and educational programs, the B'nai B'rith Youth Organization and the Hillel Foundation helps young people to develop the values and skills that enable them to become better citizens and effective community leaders. Volunteers support hospitals and philanthropies, they provide assistance to victims of natural disasters, and they carry on a broad program of community service. B'nai B'rith District 5 provides housing to senior citizens.

In short, the members and leaders of B'nai B'rith are daily involved in the quest for freedom and human dignity.

On this important anniversary, I am proud to commend the fine work of B'nai B'rith District 5, and to offer my congratulations to Eugene Margolis, who will be installed as president of the district.•

SUBMARINE INDUSTRIAL BASE EXTENSION

• Mr. D'AMATO. Mr. President, earlier this year I challenged industry to come up with ideas to reduce the cost, yet retain the capability, of current submarine systems or components.

Hughes Corp. has put together a short briefing, "Options and Alternatives for Submarine Production beyond 1993," that outlines potential cost savings that could be applied to improved *Los Angeles*, *Seawolf*, or *Centurion* class attack submarines. For reasons of space, I will include only the final table from the presentation, but I would be happy to make the full package available to any of my colleagues who are interested.

I cannot vouch for feasibility, desirability, or acceptability of any of the initiatives, but I applaud Hughes' effort. Frankly, I have been very disappointed at the lack of creativity displayed by both the Navy and industry in coming to grips with cost issues. The pat answer seems to be: if you want to pay less, strip out capability. That is unacceptable.

A wristwatch today costs less then one 20 years ago, and, whereas an old watch only marked the passage of time, a watch today does everything but cook your dinner. The *Seawolf* is a quantum leap in submarine technology. Now we need to come up with another quantum leap within that *Seawolf* technology pool in terms of savings. Hughes has taken the first step. I hope others will follow.

I ask that the table I referred to be inserted into the RECORD immediately after my remarks.

The table follows:

SUBMARINE INDUSTRIAL BASE EXTENSION—SSN688 I PLUS OPTIONS

[Comparison matrix, planning estimates]

	Weapons launch system (WLS)	Torpedo data converter	Combat control system	Prototype cots (WLS)	Integrated ship ((CTRL)	Hull mounted array
Recurring cost savings (per system)	$3,200,000	$600,000	$900,000	$6,000,000	$10,000,000	$10,000,000
Nonrecurring cost investment	500,000	100,000	100,000	18,000,000	6,000,000	25,000,000
Degree of risk	Low	None	None	Medium	Medium	Medium
Footprint savings (square foot)	8	4	None	8	8	8
Space savings (Cubic foot)	40	16.1	None	50	40	40
Weight savings (pounds)	500	900	None	1,500	1,000	40,000

PANAMA AID

• Mr. LEAHY. Mr. President, in 1990, the Senate approved an enormous emergency aid package to Panama. At close to half a billion dollars, it was the largest per capita AID Program of the fiscal year. I visited Panama while the aid package was still under consideration. In my report on the trip, which was submitted to the Appropriations Committee on March 5, 1990, I discussed many of the problems I had with the aid package and listed several concerns with how the appropriation was being handled.

In May of this year, the GAO released a report entitled "Foreign Assistance: U.S. Efforts to Spur Panama's Economy Through Cash Transfers." This report bears out many of the concerns I had earlier expressed.

In my trip report, I maintained that despite the Panamanian leaders' insistence on the need for a large-scale dose of external assistance, ultimately only private enterprise could deliver the requisite funds to revive the economy. I also warned that the severe structural problems that plagued Panama's economy would not be eradicated by a sudden infusion of cash. They would require major long-term reform.

The GAO report reveals both that the impact of the economic assistance is questionable at best, and that Panama is still in need of economic reform if economic progress is to continue. The Panamanian economy was well on its way to recovery in the short term before the emergency funds were ever disbursed. Although the money did stimulate credit lines, it is uncertain whether credit expanded beyond the actual amount of aid. GAO also stresses the fact that unaddressed economic reforms continue to hamper panama's continued progress and growth.

The 1990 stimulus package for Panama offers an important lesson for future foreign assistance programs. Emergency economic aid should not be used as a political expedient as it seems to have been in Panama. There was never any careful examination of how much money was actually necessary, or what the money would be used for. The Bush administration named an arbitrary figure and handed the money to AID to determine its best use. AID in turn passed the money to the Panamanian Government, choosing not to participate fully in the decision-making process of how the funds were to be used.

Foreign aid should never be understood as merely a vote of confidence. In these times of fiscal restraint, emergency economic assistance should only be granted in emergencies, and when the expected uses and desired results of the aid can be clearly outlined. None of this was the case in Panama. The purposes for the funds were cloudy, the expectations unclear, and predictably, the results were uncertain. We must be careful to avoid this type of rash action in the future.•

THE MOUNT SOPRIS TREE NURSERY LAND EXCHANGE PROPOSAL

• Mr. BROWN. Mr. President, I am pleased the Senate has approved S. 341, legislation introduced by Senator CAMPBELL, of which I am a cosponsor.

S. 341 provides for the exchange of land between the Forest Service and Pitkin and Eagle Counties in Colorado. Similar legislation passed both the House and Senate last year. Changes were made at the request of the Forest Service to provide for more boundary latitude and to place control of State-appropriated water rights consistent with historical management. The Pitkin and Eagle County commissioners are agreeable to these modifications.

This exchange is truly a win-win situation for both the agency and the counties. One hundred and thirty-two acres of the Mount Sopris Tree Nursery currently owned by the United States has been identified by the General Services Administration [GSA] as surplus to Government needs. Conversely, Pitkin and Eagle Counties currently own 1,307 acres of inholdings within the White River National Forest. S. 341 would facilitate the exchange of the county-owned inholdings for the Forest Service's tree nursery. Both counties and the Forest Service support this legislation.

S. 341 also ensures that the land acquired by the county will be used solely for public purposes, otherwise the land would revert back to the U.S. Government. In cases of clouded title to the county-owned lands, the bill requires would-be claimants to file quiet title actions within 6 years. In addition, if any claim were to be successful, the counties would be required to reimburse the Forest Service with land or cash.

This land exchange is another example of how cooperation between Federal and local governments can benefits everyone. The people of Eagle and Pitkin Counties will acquire the site of Mount Sopris Tree Nursery which will be used for various community facilities, while the Federal Government improves its ability to manage existing wilderness. We ought to be encouraging such land exchanges which can put surplus Federal land toward a good public use.•

OMNIBUS BUDGET RECONCILIATION

• Mr. KERRY. Mr. President, I voted for the Omnibus Budget Reconciliation Act. But I did so with great ambivalence. My ambivalence is twofold. First, I feel that the bill does not contain enough of the tough choices we need to make in order to eliminate waste in Government spending and which we should have made before we asked for an additional penny of taxpayer money. Second, this measure does not authorize the kind of major shift toward investment that we so urgently need to jumpstart our ailing economy. It is only a downpayment on spending cuts and on investment, and a small downpayment at that.

I decided to support the bill after much consideration. In the end I was swayed by the fact that the bill will cut a total of $516 billion from the deficit by 1998. And by the fact that it is the only package with any hope of enactment into law that cuts this much money from the deficit. If deficit reduction is our goal, and I think that it is, then we have no choice but to support this bill.

If this bill becomes law, the deficit should be lower next year than it is this year, and lower the year after that. By the year 1998, the deficit will be one-half the percentage of GDP that it is today. This bill represents the largest deficit cutting package proposed by any American President in history. Despite all the rhetoric, no Republican President ever offered this many specific spending cuts. They proposed process changes—caps in entitlement growth and balanced budget amendments—but those were all gimmicks designed to put a gun to the heads of Congress, and the President to force us to make the hard choices—later—they didn't themselves contain any specifics on how to cut spending. In this package we have actually made some of those hard choices—now, not later.

As my colleague Senator HOLLINGS said so well, the interest that Americans currently pay on the debt—$1 billion every day—is a tax. It is the tax the middle class must pay for the profligacy of the 1980's. It is a tax that eats away at our ability to finance programs to help our most needy, to combat crime on our streets, to invest in technology, and to improve our roads and bridges. It is a tax that grows as our debt grows—every day that we have a budget deficit. The net interest on the debt is now about 14 percent of our budget. If we do not adopt the Omnibus Budget Reconciliation Act and do nothing to address the deficit; if we continue to pretend that deficit reduction does not entail painful decisions; if we prefer to play politics than to shoulder our responsibilities to the voters who put us here; then the interest on the debt will grow to almost 18 percent of the budget by the year 2003.

This reconciliation bill addresses this tax by reducing the deficit. It makes painful cuts to many programs that in an ideal world, in which there were no deficit, we would not want to cut. I commend President Clinton and my colleagues for their bravery in offering and voting for these cuts which will certainly not be popular back home but which are absolutely necessary if we are finally to tame the deficit which threatens the living standards of our children.

The bill also raises taxes—75 percent from those who make over $100,000 and 25 percent from those who make between $30,000 and $100,000. I wish that we did not need to raise taxes, but every serious economist, including Robert Stockman, Director of the Office of Management and Budget, has admitted that the budget cannot be balanced without increasing taxes somewhat.

The plan that the Senate voted on also contains provisions designed to increase investment in families, in infrastructure, and in job creation. These programs are worthy of our enthusiastic support. The bill provides funding for a number of programs designed to bolster the family, such as the earned income tax credit—which is the first step toward welfare reform and making work pay—and the childhood immunization program.

The reconciliation bill makes permanent the low-income housing tax credit which increases the housing stock for low-income individuals and it expands the mortgage revenue bond program.

And it includes a number of provisions that will create jobs. It extends the R&D tax credit, though unfortunately it does not make it permanent—something I hope will be corrected in conference and increases expensing for small businesses. It repeals some of the passive loss rules to provide some relief to the Nation's ailing real estate industry. In addition, this legislation, if signed into law, would end finally the so-called luxury tax on boats which has compounded the devastation of the boat industry brought about by our sick economy.

My major complaint with this bill is that it does not go far enough to cut waste from the Federal budget and that it does not contain several important investment provisions included in the President's original proposal.

I was deeply disappointed that we did not do more to cut unnecessary programs and subsidies to the wealthy from the Federal budget. The taxpayers know, and so do we, that there is still room to cut the budget without gravely harming our ability to meet pressing national needs. There are programs that reflect economic priorities of the past, programs designed to protect the United States against cold war dangers, programs that were initiated only to satisfy powerful political constituencies, and many other programs that persist despite the fact that they benefit the few at the expense of the many.

When the bill was on the floor, I offered, with Senators BRYAN and REID an amendment to eliminate one of these programs: the wool and mohair price support program. I would have thought that, given the rhetoric in Congress about the need to cut more, this amendment would have won easily. This program has been vilified in the New York Times and the Washington Post as an egregious example of pork-barrel spending. Yet our amendment received only 52 votes and, because 60 were required, it failed. This is just one example of the kind of parochial politics that gets in the way of true budget reform but that we must be willing to take on if we are to restore taxpayer confidence in our budget process.

The President's original investment plan attempted not only to attack the budget deficit but to take on the investment deficit as well. However, several of his job-creating investment proposals were lost in the political dealmaking over the past few months. I was especially sorry the bill voted on in the Senate did not include the targeted capital gains tax incentive for investment in small businesses on which Senator BUMPERS, chairman of the Small Business Committee, and I have worked over the past several years and which was included in President Clinton's original economic package as well as in the House bill. I will work with Senator BUMPERS to ensure that this provision is included in the final bill that emerges from the conference committee. On the floor of the Senate, I worked to amend the reconciliation bill so that it would include a permanent extension of the R&D tax credit and exempt small businesses who are classified as subchapter S corporations from the increased individual income tax. We succeeded in adopting a recommendation that the permanent R&D tax credit be adopted but failed to exempt small businesses from the higher taxes.

Mr. President, this bill is far from perfect. There is much more that needs to be done to cut Government spending and to reorient our spending toward job-creating investment. I voted for it knowing that it constitutes only the very first steps of a strategy, but knowing as well that we have no choice but to take those steps.•

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 103–8

Mr. MITCHELL. As in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Convention on the Marking of Plastic Explosives for the Purpose of Detection (Treaty Document No. 103–8), transmitted to the Senate by the President today; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER (Mrs. BOXER). Without objection, it is so ordered.

The message follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Convention on the Marketing of Plastic Explosives for the Purpose of Detection with Technical Annex, done at Montreal on March 1, 1991. The report of the Department of State is also enclosed for the information of the Senate.

The terrorist bombing of Pan Am 103 in December 1988 with the resultant deaths of 270 (including 189 Americans), and the terrorist bombing of UTA flight 772 in September 1989 with the resultant deaths of 171 (including 7 Americans), dramatically demonstrate the threat posed by virtually undetectable plastic explosives in the hands of those nations and groups that engage in terrorist savagery.

This Convention is aimed at precluding such incidents from recurring, as well as others where plastic explosives are utilized, by requiring States that produce plastic explosives to mark them at the time of manufacture with a substance to enhance their detectability by commercially available mechanical or canine detectors. States are also required to ensure that controls are implemented over the sale, use, and disposition of marked and unmarked plastic explosives.

Work on the Convention began in January 1990 under the auspices of the International Civil Aviation Organization (ICAO) on the basis of an initial draft prepared by a special subcommittee of the ICAO Legal Committee. That work was completed, and the Convention was adopted by consensus, at an international conference in Montreal in March 1991. The United States and 50 other States signed the Convention. Early ratification by the United States should encourage other nations to become party to the Convention.

I recommend that the Senate give early and favorable consideration to the Convention and give its advice and consent to ratification, subject to the declaration described in the accompanying report of the Secretary of State.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 29, 1993*.

NOMINATION OF RICHARD SCOTT CARNELL TO BE AN ASSISTANT SECRETARY OF TREASURY

Mr. MITCHELL. As if in executive session, I ask unanimous consent that nomination of Richard Scott Carnell to be an Assistant Secretary of Treasury, received today by the Senate, be referred at the close of business, Wednesday, June 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRAUMA CARE AMENDMENTS ACT OF 1993

Mr. MITCHELL. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 93, S. 1113, a bill to revise and extend trauma care programs; that the bill be advanced to third reading and that the Senate then proceed to the consideration of Calendar No. 92, H.R. 2205, the House companion; that all after the enacting clause be stricken and the text of S. 1113, be inserted in lieu thereof, the bill be deemed read a third time and passed; the motion to reconsider be laid upon the table; and that S. 1113 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 2205) was deemed read three times and passed.

THE CALENDAR

Mr. MITCHELL. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration, en bloc, of Calendar No. 99 and No. 100, that the committee amendments be agreed to, en bloc, that the bills be deemed read three times, passed and the motion to reconsider laid upon the table, en bloc; that any statements relative to these measures appear in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

EAGLE AND PITKIN COUNTIES LAND EXCHANGE

The Senate proceeded to consider the bill (S. 341) to provide for a land exchange between the Secretary of Agriculture and Eagle and Pitkin Counties in Colorado, and for other purposes which had been reported from the Committee on Energy and Natural Resources with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

S. 341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) Eagle and Pitkin Counties in the State of Colorado (hereinafter in this Act referred to as the "Counties") are offering to convey to the United States approximately one thousand three hundred and seven acres of patented mining claim properties owned by the Counties within or adjacent to the White River National Forest (hereinafter in this Act referred to as the "National Forest inholdings"), including approximately six hundred and sixty nine acres of inholdings within the Holy Cross, Hunter-Fryingpan, Collegiate Peaks, and Maroon Bells-Snowmass Wilderness Areas;

(2) the properties identified in paragraph (1) are National Forest inholdings whose acquisition by the United States, would facilitate better management of the White River National Forest and its wilderness resources; and

(3) certain lands owned by the United States within Eagle County comprising approximately two hundred and seventeen acres and known as the Mt. Sopris Tree Nursery (hereinafter in this Act referred to as the "nursery lands") are available for exchange and the Counties desire to acquire portions of the nursery lands for public purposes.

(b) PURPOSES.—The purposes of this Act are—

(1) to provide the opportunity for an exchange whereby the Counties would transfer to the United States the National Forest inholdings in exchange for portions of the nursery lands;

(2) to provide an expedited mechanism under Federal law for resolving any private title claims to the National Forest inholdings if the exchange is consummated; and

(3) after the period of limitations has run for adjudication of all private title claims to the National Forest inholdings, to quiet title in the inholdings in the United States subject to valid existing rights adjudicated pursuant to this Act.

SEC. 2. OFFER OF EXCHANGE.

(a) OFFER BY THE COUNTIES.—The exchange directed by this Act shall be consummated if within ninety days after enactment of this Act, the Counties offer to transfer to the United States, pursuant to the provisions of this Act, all right, title, and interest of the Counties in and to approximately—

(1) one thousand two hundred and fifty eight acres of lands owned by Pitkin County within and adjacent to the boundaries of the White River National Forest, Colorado, and generally depicted as parcels 1–53 on maps entitled "Pitkin County Lands to Forest Service", numbered 1–11, and dated April 1990, except for parcels 20 (Twilight), 21 (Little Alma), the Highland Chief, and Alaska portions of parcel 25 depicted on map 7, and parcel 52 (Iron King) on map 11, which shall remain in their current ownership; and

(2) forty-nine acres of land owned by Eagle County within and adjacent to the boundaries of the White River National Forest, Colorado, and generally depicted as parcels 54–58 on maps entitled "Eagle County Lands to Forest Service", numbered 12–14, and dated April 1990, except for parcel 56 (Manitou) on map 14 which is already in National Forest ownership.

(b) EXCHANGE BY THE SECRETARY.—Subject to the provisions of section 3, within ninety days after receipt by the Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") of a quitclaim deed from the Counties to the United States of the lands identified in subsection (a) of this section, the Secretary, on behalf of the United States, shall convey by quitclaim deed to the counties, as tenants in common, all right, title, and interest of the United States in and to approximately one hundred and thirty-two acres of land (and water rights as specified in section 7 and the improvements located thereon), as generally depicted as tract A on the map entitled "Mt. Sopris Tree Nursery", dated October 5, 1990.

SEC. 3. RESERVATIONS AND CONDITIONS OF CONVEYANCE.

(a) RESERVATIONS.—In any conveyance to the Counties pursuant to section 2, the Secretary shall reserve—

(1) all right, title, and interest of the United States in and to approximately eighty-five acres of land (and improvements located thereon), which are generally depicted as tracts B (approximately twenty-nine acres) and C (approximately fifty-six acres) on the map referred to in section 2(b);

(2) water rights as specified in section 7(a); and

(3) any easements, existing utility lines, or other existing access in or across tract A currently serving buildings and facilities on tract B.

(b) REVERSION.—It is the intention of Congress that any lands and water rights conveyed to the Counties pursuant to this Act shall be retained by the Counties and used solely for public recreation and recreational facilities, open space, fairgrounds, and such other public purposes as do not significantly reduce the portion of such lands in open space. In the deed of conveyance to the Counties, the Secretary shall provide that all right, title, and interest in and to any lands and water rights conveyed to the Counties pursuant to this Act shall revert back to the United States in the event that such lands or water rights or any portion thereof are sold or otherwise conveyed by the Counties or are used for other than such public purposes.

[(c) EQUALIZATION OF VALUES.—(1) Within one hundred and twenty days after the date of enactment of this Act, the Secretary of Agriculture shall complete appraisals of the lands to be exchanged pursuant to subsections (a) and (b) of section 2 of this Act, taking into account any effects on the value of such lands resulting from the use restrictions and reversionary interest imposed by subsection (b) of this section and any other factors that may affect value. The sum of $120,000 shall be deducted from the value of the Counties' offered lands to reflect any adverse claims against such lands which may be adjudicated pursuant to section 5 of this Act.

[(2) The appraisals shall utilize nationally recognized appraisal standards, including, to the extent appropriate, the Uniform Appraisal Standards for Federal Land Acquisition.

[(3) On the basis of such appraisals, the Secretary shall make a finding as to whether the values (after the deduction described in paragraph (1)) of the lands to be exchanged are equal and shall immediately notify the Counties as to such finding. If the values are not equal, any cash equalization which would otherwise be owed to the Counties by the United States shall be waived. Any equalization amount which may be owed to the United States by the Counties shall be satisfied through conveyance to the United States, within five years of the date of transfer of the nursery lands to the Counties pursuant to section 2(b) of this Act, of additional lands or interests in lands, acceptable to the Secretary, which the Counties own on the date of enactment of this Act or may acquire after such date. Such additional lands shall have a value as approved by the Secretary at least equal to the amount owed plus annual interest on such amount or unconveyed portion thereof, as applicable, at the standard rate determined by the Secretary of the Treasury to be applicable to marketable securities of the United States having a comparable maturity. Interest shall accrue beginning on the date the nursery lands are transferred to the Counties pursuant to section 2(b) of this Act.**]**

(c) EQUALIZATION OF VALUES.—Values of the respective lands exchanged between the United States and the Counties pursuant to this Act are deemed to be of approximately equal value, without any need for cash equalization, as based on a statement of value prepared by qualified Forest Service appraisers and dated February 12, 1993.

(d) RIGHT OF FIRST REFUSAL.—The Secretary may convey any or all of the nursery lands reserved pursuant to subsection (a) of this section for fair market value under existing authorities, except that the Secretary shall first offer the Counties the opportunity to acquire the lands. This right of first refusal shall commence upon receipt by the Counties of written notice of the intent of the Secretary to convey such property, and the Counties shall have sixty days from the date of such receipt to offer to acquire such properties at fair market value as tenants in common. The Secretary shall have sole discretion as to whether to accept or reject any such offer of the Counties.

SEC. 4. STATUS OF LANDS ACQUIRED BY THE UNITED STATES.

(a) NATIONAL FOREST SYSTEM LANDS.—The National Forest inholdings acquired by the United States pursuant to this Act shall become a part of the White River National Forest (or in the case of portions of parcels 39, 40, and 41 depicted on map 9, and a portion of parcel 54 of map 12, part of the Gunnison and Arapahoe National Forests, respectively) for administration and management by the Secretary in accordance with the laws, rules, and regulations applicable to the National Forest System.

(b) WILDERNESS.—The National Forest inholdings that are within the boundaries of the Holy Cross, Hunter-Fryingpan, Collegiate Peaks, and Maroon Bells-Snowmass Wilderness Areas shall be incorporated in and deemed to be part of their respective wilderness areas and shall be administered in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness.

SEC. 5. RESOLVING TITLE DISPUTES TO NATIONAL FOREST INHOLDINGS.

(a) QUIET TITLE ACT.—Notwithstanding any other provisions of law and subject to the provisions of subsection (c) of this section, section 2409a of title 28, United States Code (commonly referred to as the "Quiet Title Act") shall be the sole legal remedy of any party claiming any right, title, or interest in or to any National Forest inholdings conveyed by the Counties to the United States pursuant to this Act.

(b) LISTING.—Upon conveyance of the National Forest inholdings to the United States, the Secretary shall cause to be published in a newspaper or newspapers of general circulation in Pitkin and Eagle Counties, Colorado, a listing of all National Forest inholdings acquired pursuant to this Act together with a statement that any party desiring to assert a claim of any right, title, or interest in or to such lands must bring an action against the United States pursuant to such section 2409a within the same period described by subsection (c) of this section.

(c) LIMITATION.—Notwithstanding section 2409a(g) of title 28, United States Code, any civil action against the United States to quiet title to National Forest inholdings conveyed to the United States pursuant to this Act must be filed in the United States District Court for the District of Colorado no later than the date that is six years after the date of publication of the listing required by subsection (b) of this section.

(d) VESTING BY OPERATION OF LAW.—Subject to any easements or other rights of record that may be accepted and expressly disclaimed by the Secretary, and without limiting title to National Forest inholdings conveyed by the Counties pursuant to this Act, all other rights, title, and interest in or to such National Forest inholdings if not otherwise vested by quitclaim deed to the United States, shall vest in the United States on the date that is six years after the date of publication of the listing required by subsection (b) of this section, except for such title as is conveyed by the Counties, no other rights, title, or interest in or to any parcel of the lands conveyed to the United States pursuant to this Act shall vest in the United States under this subsection if title to such parcel—

(1) has been or hereafter is adjudicated as being in a party other than the United States or the Counties; or

(2) is the subject of any **[**section**]** *action* or suit against the United States to vest such title in a party other than the United States or the Counties that is pending on the date six years after the date of publication of a listing required by subsection (b) of this section.

(e) COSTS AND ATTORNEY'S FEES.—(1) At the discretion of the court, any party claiming right, title, or interest in or to any of the National Forest inholdings who files an action against the United States to quiet title and fails to prevail in such action may be required to pay to the Secretary on behalf of the United States, an amount equal to the costs and attorney's fees incurred by the United States in the defense of such action.

(2) As a condition of any transfer of lands to the Counties under this Act, the Counties shall be obligated to reimburse the United States for 50 percent of all costs in excess of $240,000 not reimbursed pursuant to paragraph (1) of this subsection associated with the defense by the United States of any claim or legal action brought against the United States with respect to any rights, title, and interest in or to the National Forest inholdings. Payment shall be made in the same manner as provided in section 6 of this Act.

SEC. 6. REIMBURSEMENT TO THE UNITED STATES.

(a) IN GENERAL.—As a condition of any transfer of lands to the Counties under this Act, in addition to any amounts required to be paid to the United States pursuant to section 5(e), in the event of a final determination adverse to the United States in any action relating to the title to the National Forest inholdings, the United States shall be entitled to receive from the Counties reimbursement equal to the fair market value (appraised as if they had marketable title) of the lands that are the subject of such final determination.

(b) AVAILABILITY OF FUNDS.—Any money received by the United States from the Counties under section 5(e) or subsection (a) of this section shall be considered money received and deposited pursuant to the Act of December 4, 1967, as amended (and commonly known as the Sisk Act, 16 U.S.C. 484a).

(c) IN-KIND PAYMENT OF LANDS.—In lieu of monetary payments, any obligation for reimbursement by the Counties to the United States under this Act can be fulfilled by the conveyance to the United States of lands having a current fair market value equal to or greater than the amount of the obligation. Such lands shall be mutually acceptable to the Secretary and the Counties.

SEC. 7. WATER RIGHTS.

(a) ALLOCATION AND MANAGEMENT.—The water rights in existence on the date of enactment of this Act in the Mt. Sopris Tree Nursery, which comprise well water and irrigation ditch rights adjudicated under the laws of the State of Colorado, together with the right to administer, maintain, access, and further develop such rights, shall be allocated and managed as follows:

(1) The United States shall convey to the Counties as undivided tenants in common all rights associated with the five existing wells on the properties.

(2) If the Secretary determines that water from the five existing wells is necessary to meet culinary, sanitary, or domestic uses of the existing buildings retained by the United States pursuant to section 3(a), the Counties shall make available to the United States, without charge, enough water to reasonably serve such needs and shall additionally, if requested by the United States, make every **[**future**]** effort to cooperatively provide to the United States, without charge, commensurate with the Counties own needs on tract A, water to serve reasonable culinary, sanitary, and domestic uses of any new buildings which the United States may construct on its retained lands in the future.

(3) All federally owned irrigation ditch water rights shall be reserved by the United States.

(b) MODIFICATION OF ALLOCATION.—If the Secretary and the Counties determine the public interest will be better served thereby, they may agree to modify the precise water allocation made pursuant to this section or to enter into cooperative agreements (with or without reimbursement) to use, share, or otherwise administer such water rights and associated facilities as they determine appropriate.

SEC. 8. MISCELLANEOUS PROVISIONS.

(a) TIME REQUIREMENT FOR COMPLETING TRANSFER.—If the Counties make a timely offer, pursuant to section 2(a), the transfers of lands authorized and directed by this Act shall be completed no later than one year after the date of enactment of this Act.

(b) BOUNDARY MODIFICATIONS.—The Secretary and the Counties may mutually agree to make modifications of the final boundary between tracts A and B prior to completion of the exchange authorized by this Act if such modifications are determined to better serve mutual objectives than the precise boundaries as set forth in the maps referenced in this Act.

(c) TRACT A EASEMENT.—The transfer of tract A to the Counties shall be subject to the existing highway easement to the State of Colorado and to any other right, title, or interest of record.

(d) VALIDITY.—If any provision of this Act or the application thereof is held invalid, the remainder of the Act and application thereof, except for the precise provision held invalid, shall not be affected thereby.

(e) FOREST HEADQUARTERS AND ADMINISTRATIVE OFFICES.—The White River National Forest headquarters and administrative office in Glenwood Springs, Colorado, are hereby transferred from the jurisdiction of the United States General Services Administration to the jurisdiction of the Secretary, who shall retain such facilities unless and until otherwise provided by subsequent Act of Congress.

So the bill (S. 341) was deemed read three times and passed.

INTERNATIONAL FUSION ENERGY ACT OF 1993

The Senate proceeded to consider the bill (S. 646) to establish within the Department of Energy an international fusion energy program, and for other purposes, which had been reported from the Committee on Energy and Natural Resources with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

S. 646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Fusion Energy Act of 1993".

SEC. 2. FINDINGS, PURPOSES AND DEFINITIONS.

(a) FINDINGS.—Congress finds that—

(1) fusion energy has the potential to be a safe, environmentally attractive, secure and economically affordable source of energy;

(2) the United States Department of Energy's magnetic fusion energy program has made significant progress toward realizing fusion as a viable source of energy;

(3) other industrial nations have also invested in significant magnetic fusion energy programs;

(4) an integrated program of international collaboration will be necessary for continued progress to demonstrate the scientific and technological feasibility of magnetic fusion energy;

(5) there is international agreement to proceed with the engineering and design of the International Thermonuclear Experimental Reactor to prove the scientific and technical feasibility of fusion energy and to lead to a demonstration reactor;

[(6) the United States should focus the Department of Energy's magnetic fusion energy program on the design, construction and operation of the International Thermonuclear Experimental Reactor;]

(6) the United States should focus the Department of Energy's magnetic fusion energy program on elements furthering the design, construction and operation of the International Thermonuclear Experimental Reactor and a fusion demonstration reactor, including the operation of the Tokamak Physics Experiment;

(7) the continuation of an aggressive fusion energy program requires the Department of Energy, industry, utilities, and the international fusion community to commit to the International Thermonuclear Experimental Reactor as soon as practicable; and

(8) an effective United States fusion energy program requires substantial involvement by industry and utilities in the design, construction, and operation of fusion facilities.

(b) PURPOSES.—The purposes of this Act are to—

(1) redirect and refocus the Department's magnetic fusion energy program in a way that will lead to the design, construction and operation of the International Thermonuclear Experimental Reactor by 2005, in cooperation with other countries, and operation of a fusion demonstration reactor by 2025;

(2) develop a plan identifying the budget, critical path, milestones and schedules for the International Thermonuclear Experimental Reactor;

[(3) eliminate from the Department of Energy's magnetic fusion energy program those elements that do not directly support the development of the International Thermonuclear Experimental Reactor or the development of a fusion demonstration reactor; and]

(3) limit the Department of Energy's magnetic fusion energy program to elements that support the development of the International Thermonuclear Experimental Reactor or a fusion demonstration reactor, including the Tokamak Physics Experiment to be built at the Princeton Plasma Physics Laboratory; and

(4) select a candidate host site within the United States for the International Thermonuclear Experimental Reactor and to identify the steps necessary to lead to the selection of the final host site by the international community.

(c) DEFINITIONS.—

(1) "Department" means the United States Department of Energy;

(2) "ITER" means the International Thermonuclear Experimental Reactor; and

(3) "Secretary" means the Secretary of the United States Department of Energy.

SEC. 3. INTERNATIONAL FUSION ENERGY PROGRAM.

(1) OFFICE OF THE FUSION NEGOTIATOR.—(A) There is established the Office of the International Fusion Negotiator that shall be an independent establishment in the executive branch.

(B) The Office shall be headed by an International Fusion Negotiator who shall be appointed by the President, by and with the advice and consent of the Senate. The Negotiator shall hold office at the pleasure of the President, and shall be compensated at the rate provided for level III of the Executive Schedule in section 5314 of title 5, United States Code.

(C) The Negotiator, in consultation with the Secretary and the Secretary of State, shall represent the United States in negotiations with other countries relating to the design, construction or operation of the International Thermonuclear Experimental Reactor.

[(a)] *(2)* PROGRAM.—The Secretary shall redirect and refocus the Department's magnetic fusion program in a way that will lead to the design, construction and operation of ITER by 2005 and operation of a fusion demonstration reactor by 2025. The Department's magnetic fusion program shall be referred to as the [ITER] program and shall be carried out in cooperation with the international community.

(b) REQUIREMENTS.—In developing the [ITER] program, the Secretary shall—

(1) establish as the main focus of the Department's magnetic fusion energy program the development of ITER;

(2) provide for the development of fusion materials and other reactor components to the extent necessary for the development of a fusion demonstration reactor;

(3) eliminate those components of the magnetic fusion energy program not contributing directly to development of ITER or to the development of a fusion demonstration reactor;

(4) select a candidate host site within the United States for the International Thermonuclear Experimental Reactor;

(5) [negotiate] *provide support, as requested, to the International Fusion Negotiator in negotiating* with other countries involved in ITER to select a final host site for ITER and to agree to construct ITER as soon as practicable;

(6) provide for substantial United States industry and utility involvement in the design, construction and operation of ITER to ensure United States industry and utility expertise in the technologies developed; and

(7) provide for reducing the level of effort in the [ITER] program to the levels prescribed in section 4(b)(2) in the event the [ITER] program is terminated in accordance with subsection (g).

(c) MANAGEMENT PLAN.—(1) Within one hundred eighty days of the date of enactment of this Act, the Secretary shall prepare, *in consultation with the International Fusion Negotiator,* and implement a management plan for the [ITER] program. The plan shall be revised and updated biannually.

(2) The plan shall—

(A) establish the goals of the [ITER] program;

(B) describe how each component of the Department's [ITER] program contributes directly to the development of ITER or development of a fusion demonstration reactor;

(C) set priorities for the elements of the Department's [ITER] program, identifying those elements that contribute directly to the development of ITER or to the development of a fusion demonstration reactor;

(D) provide for the elimination of those elements of the magnetic fusion energy program not contributing directly to the development of ITER, or to the development of fusion materials or other reactor components that are necessary for the development of a fusion demonstration reactor;

(E) describe the selection process for a proposed host site within the United States for ITER;

(F) establish the necessary steps that will lead to the final selection of the host site for ITER by the countries involved in the [ITER] program by the end of 1996.

(G) establish the necessary steps that will lead to the design, construction and operation of ITER by 2005 and operation of a fusion demonstration reactor by 2025;

(H) establish a schedule and critical path, including milestones, and a budget that will allow for the design, construction and operation of ITER by 2005 and operation of a demonstration fusion reactor by 2025;

(I) provide mechanisms for ensuring substantial industry and utility involvement in the design, construction and operation of ITER;

(J) set forth any recommendations of the Secretary on—

(i) the need for additional legislation regarding the [ITER] program; or

(ii) the possibility and desireability of accelerating the design and construction of ITER or the development of a fusion demonstration reactor; and

(K) provide for reducing the level of effort in magnetic fusion to the levels prescribed in section 4(b)(2) in the event the [ITER] program is terminated in accordance with subsection (g).

(d) INTERNATIONAL AGREEMENTS.—(1) The [Secretary] *International Fusion Negotiator* may negotiate or enter into agreements with any country governing the design, construction and operation of ITER or facilities related to ITER.

(2) The [Secretary] *International Fusion Negotiator* shall seek to enter into agreements with other countries to share in the cost of the facilities and components of the [ITER] program that contribute to the design, construction or operation of ITER or to the development of a fusion demonstration reactor.

(e) REPORT ON ITER NEGOTIATIONS.—The [Secretary] *International Fusion Negotiator* shall submit an annual report to the Congress on the status of negotiations with other countries regarding ITER. The report shall—

(1) identify the issues to be negotiated with other countries involved in the [ITER] program;

(2) identify impediments to reaching agreement on a host site for ITER, or on issues related to the construction or operation of ITER;

(3) identify the steps needed to reach agreement on a host site for ITER or on issues related to the construction or operation of ITER;

(4) establish the timetable for agreement related to the siting, operation and construction of ITER; *and*

(5) assess the likelihood of reaching agreement on a host site for ITER and on issues related to the construction or operation of [ITER]; and *ITER.*

[(6) set forth the Secretary's recommendation on whether a special negotiator should be appointed to carry out negotiations on behalf of the United States with the countries involved in the ITER program.]

(f) CERTIFICATION.—Prior to seeking funds for construction of ITER, the Secretary, *after consultation with the International Fusion Negotiator*, shall certify to the Congress that there is agreement in place or there is a substantial likelihood agreement will be reached with the countries involved in ITER on the siting, construction and operation of ITER.

(g) TERMINATION.—(1) The Secretary shall report to Congress if the Secretary determines that—

(A) ITER is no longer essential to the development of a fusion demonstration reactor;

(B) no agreement can be reached on the final host site for ITER;

(C) no agreement can be reached on the final design of ITER or on issues related to construction of ITER; or

(D) there is an insufficient commitment to the final ITER design by United States industry and utilities.

(2) Within thirty days of submission of the report under paragraph (1), the Secretary shall initiate the termination of the [ITER] program.

(3) In the event the Secretary terminates the [ITER] program, the Secretary may continue to carry out research in magnetic fusion, but only at the levels authorized in section 4(b)(2).

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) LIMITATION ON APPROPRIATIONS.—No more funds may be appropriated to carry out the purposes of this Act than the amounts set forth in subsection (b). This Act shall be the exclusive source of authorization of appropriations to support any activities of the Secretary relating to magnetic fusion energy.

(b) APPROPRIATIONS.—(1) There is authorized to be appropriated to the Secretary for carrying out the purposes of this Act [$350,000,000 for fiscal year 1994, $390,000,000 for fiscal year 1995,] *$380,000,000 for fiscal year 1994, $425,000,000 for fiscal year 1995,* $475,000,000 for fiscal year 1996, and such sums as may be necessary thereafter.

(2) In the event the Secretary terminates the [ITER] program, there is authorized to be appropriated to the Secretary $50,000,000 for 1994, $50,000,000 for 1995 and $50,000,000 for 1996 for activities relating to magnetic fusion energy.

So the bill (S. 646) was deemed read three times and passed.

ORDER FOR STAR PRINT—REPORT NO. 103-66

Mr. MITCHELL. Madam President, I ask unanimous consent that Report No. 103-66, the report to accompany S. 1003, a bill to provide authority for the President to enter into trade agreements to conclude the Uruguay round of multilateral trade negotiations, be star printed to reflect the changes I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPRING MOUNTAINS NATIONAL RECREATION AREA ACT

Mr. MITCHELL. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 101, H.R. 63, a bill relating to the Spring Mountain National Recreation Area in Nevada, that the committee amendments be agreed to, en bloc, that the bills be deemed read three times, passed and the motion to reconsider laid upon the table, en bloc; that any statements relative to these measures appear in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 63) was deemed read three times and passed.

RESOLVING THE STATUS OF CERTAIN LANDS

Mr. MITCHELL. Madam President, I ask unanimous consent that the Agriculture Committee be discharged from further consideration of H.R. 765, relating to relinquishment of certain lands to the United States; that the Senate proceed to its immediate consideration; that the bill be deemed read a third time and passed; that the motion to reconsider be laid upon the table and that any statements relative to the passage of this item appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 765) was deemed read three times and passed.

Mr. MITCHELL. Madam President, I further ask unanimous consent that Calendar No. 103 the Senate companion be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PRINT THE BUDGET RECONCILIATION BILL—H.R. 2264

Mr. MITCHELL. Madam President, I ask unanimous consent that H.R. 2264, the budget reconciliation bill, be printed as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—SENATE RESOLUTION 124

Mr. MITCHELL. Madam President, I ask unanimous consent that there be a star print of Senate Resolution 124 to reflect the changes I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, JUNE 30, 1993

Mr. MITCHELL. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 9 a.m. on Wednesday, June 30; that when the Senate reconvenes on Wednesday, June 30, the Journal of proceedings be deemed to have been approved to date, the call of the calendar be waived, and no motions or resolutions come over under the rule; that the morning hour be deemed to have expired and the time for the two leaders reserved for their use later in the day; that there then be a period of time for the transaction of routine morning business, not to extend beyond 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each, with the following Senators recognized for the time limits specified: Senator GRAMM of Texas for up to 10 minutes, Senator GRASSLEY for up to 35 minutes, Senator FEINSTEIN for up to 30 minutes, and during the period from 10 a.m. to 10:30 a.m., Senators BUMPERS and BOREN be recognized for up to 15 minutes each; and that at 10:30 a.m., the Senate return to executive session to resume consideration of the Frampton nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL TOMORROW AT 9 A.M.

Mr. MITCHELL. Madam President, if there is no further business to come before the Senate today, I now move that the Senate stand adjourned until 9 a.m. on Wednesday, June 30, 1993.

The motion was agreed to; and at 7:19 p.m., the Senate adjourned until Wednesday, June 30, 1993, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 29, 1993:

DEPARTMENT OF COMMERCE

LORETTA L. DUNN, OF KENTUCKY, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE MARY JO JACOBI, RESIGNED.

DEPARTMENT OF JUSTICE

JAMES PATRICK CONNELLY, OF WASHINGTON, TO BE U.S. ATTORNEY FOR THE EASTERN DISTRICT OF WASHINGTON FOR THE TERM OF FOUR YEARS VICE WILLIAM D. HYSLOP, RESIGNED.

JOHN THOMAS SCHNEIDER, OF NORTH DAKOTA, TO BE U.S. ATTORNEY FOR THE DISTRICT OF NORTH DAKOTA FOR THE TERM OF 4 YEARS VICE STEPHEN D. EASTON, RESIGNED.

DEPARTMENT OF STATE

ALAN H. FLANIGAN, OF VIRGINIA, A CAREER MEMBER FOR THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF EL SALVADOR.

ROBERT GORDON HOUDEK, OF ILLINOIS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ERITREA.

JOHN T. SPROTT, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR EXECUTIVE SERVICE, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SWAZILAND.

ROLAND KARL KUCHEL, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ZAMBIA.

DEPARTMENT OF THE TREASURY

RICHARD SCOTT CARNELL, OF FLORIDA, TO BE AN ASSISTANT SECRETARY OF THE TREASURY, VICE JOHN CUNNINGHAM DUGAN, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. GARY H. MEARS [redacted] U.S. AIR FORCE.

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 531, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 8067, TO PERFORM DUTIES INDICATED WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICERS BE APPOINTED IN A HIGHER GRADE THAN THAT INDICATED.

MEDICAL CORPS

To be colonel

JOHN D ANDERSON [redacted]
KATHRYN L BOEHNKE [redacted]
DEXTER D DEWITT [redacted]
STEPHEN M GARRAMONE [redacted]
FELIPE E VIZCARRONDO [redacted]
LAWRENCE R WHITEHURST [redacted]
PERCEY P C YU [redacted]

To be lieutenant colonel

CHARLES W COTTA [redacted]
LEO M HATTRUP [redacted]
DAVID E HRNCIR [redacted]
RICHARD A PETERS [redacted]
RUTH A ROBINSON [redacted]

To be major

DAVID P ASCHER [redacted]
LAURA A TORRESREYES [redacted]
RUSSELL A TURNER [redacted]

To be captain

DOUGLAS J SWANK [redacted]

DENTAL CORPS

To be colonel

MICHAEL T POTTER [redacted]

To be lieutenant colonel

HENRY S BOYARS [redacted]
GERALD R CRANE [redacted]
WILLIAM C FISHER [redacted]
CHARLES W HENDERSON [redacted]
CRAIG A LOUDENSLAGER [redacted]
JOHN P RAMER [redacted]
LARRY D SHEETRUM [redacted]

To be major

JOEL B ALEXANDER, II [redacted]
DIANE M BEECHER [redacted]
BARBARA G BISANG [redacted]
EDWARD O ERKES [redacted]
DENNIS C FUREY [redacted]
THOMAS J GRIMM [redacted]
GRANT R HARTUP [redacted]
DENNIS W KELLY, JR [redacted]
JAY C SMITH [redacted]
WILLIAM F TROLENBERG, IV [redacted]
KRAIG S VANDEWALLE [redacted]
RICHARD P VIDUNAS, JR [redacted]

THE FOLLOWING INDIVIDUALS FOR APPOINTMENT AS RESERVE OF THE AIR FORCE, IN GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 593, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 8067, TO PERFORM THE DUTIES INDICATED.

MEDICAL CORPS

To be lieutenant colonel

STEVEN L ARNOLD [redacted]
STEPHEN T BATTHANY [redacted]
KARL A BERNHARD [redacted]
GREGORY S BIRSE [redacted]
WILLIAM D CLARK [redacted]
JOHN F FACINOLI [redacted]
DANIEL N KULUND [redacted]
JOHN M MCNAMARA [redacted]
JOHN G MEYER [redacted]
MICHAEL E NISHITANI [redacted]
MICHAEL E SOLIN [redacted]

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR PROMOTION IN THE UNITED STATES AIR FORCE, UNDER THE APPROPRIATE PROVISIONS OF SECTION 624, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE, AND THOSE OFFICERS IDENTIFIED BY AN ASTERISK FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, PROVIDED THAT IN NO CASE SHALL THE OFFICERS BE APPOINTED IN A GRADE HIGHER THAN INDICATED.

BIOMEDICAL SCIENCES CORPS

To be major

WANDA P. C. ADKINS [redacted]
SUSAN K. ANDREWS [redacted]
KRISHENDATT BAIJNAUTH [redacted]*
JAMES B. BALDWIN [redacted]*
MICHAEL D. BARNETT [redacted]*
JOHN S. BELL [redacted]
STEVEN L. BENTS [redacted]
STEVEN F. BERGONZONI [redacted]*
ALAN L. BRANKLINE [redacted]
REBECCA L. BROWN [redacted]*
JEFFREY L. BRYANT [redacted]
FRANK C. BUDD [redacted]*
ROBERT C. BUSWELL, JR [redacted]*
RANDAL V. CARLSON [redacted]
HENRY L. CASHEN [redacted]*
MICHAEL D. CLAWSON [redacted]*
JOHN W. COHO [redacted]
YVONNE D. CORPPETTS [redacted]*
FRANCIS CROSBY, JR [redacted]
STEVEN G. DAVIS [redacted]
DONALD A. DIESEL [redacted]
GUY A. DIETELS [redacted]*
ALAN W. DOOLEY [redacted]
JESSE W. EMERSON [redacted]
KALI K. FESSENDEN [redacted]
JAMES F. FORREST [redacted]*
KAREN S. FOSTER [redacted]
CHARLES D. FROST [redacted]
DEBORAH A. GALASKA [redacted]
MICHAEL G. GAUVIN [redacted]
KELLY H. GIESBRECHT [redacted]
DONALD E. GODDARD [redacted]
DOUGLAS E. GRAHAM [redacted]
CHERYL E. GREGORIO [redacted]
JOSEPH K. HADDAD [redacted]
RICHARD D. HANDLEY [redacted]*
ROBERT C. HAROLDSON [redacted]
ALAN J. HELYER [redacted]
EDWARD C. HEYSE [redacted]*
GREGORY S. HOUSTON [redacted]
JOHN D. JAMES [redacted]
ALAN E. JESSEN [redacted]*
DONNA M. JOHNSON [redacted]*
MARK D. JOHNSON [redacted]*
DONNA M. KEFFER [redacted]*
LARRY T. KIMM [redacted]
WILLIAM E. KINKADE, III [redacted]
KENNETH C. KOMYATHY [redacted]*
WAYNE K. KORN [redacted]
EDWARD L. KRUMANAKER [redacted]*
RICHARD F. LAMACCHIA [redacted]*
MARIA R. LAMAGNAREITER [redacted]
NANCY D. LAWSON [redacted]*
JOHN G. LONG [redacted]
JOSEPH F. LONGOFONO [redacted]*
ROBERT M. LUCANIA [redacted]
ANDREW T. MACCABE [redacted]*
MICHELLE M. MARSHALL [redacted]
MICHAEL S. MCCONNELL [redacted]*
RICHARD P. MCCOY [redacted]*
VIRGINIA M. MCKINLEY [redacted]*
JAMES M. MEREDITH [redacted]
PHILEMON R. MERRILL, JR [redacted]
DEAN L. MESSELHEISER [redacted]
GARY D. MEYER [redacted]*
ALICE L. MILLER [redacted]*
IRA D. MILLER [redacted]*
MICHAEL D. MILLER [redacted]
ARTHUR G. MILLS [redacted]
THOMAS L. MILLS [redacted]
DALE C. MOSS [redacted]
JOSEPH T. NELSON [redacted]*
DONALD L. NOAH [redacted]*
REBECCA L. OCHKIE [redacted]
BURL M. OLSON [redacted]
ALAN L. PETERSON [redacted]
RIC D. PETERSON [redacted]
MONEE P. PIKE [redacted]*
JOHN W. PITTNER [redacted]
GARY N. POTEAT [redacted]*
PATRICIA A. REILLY [redacted]*
BERT R. REITSMA [redacted]
WILLIAM M. ROGERS [redacted]*
CARL R. ROHBOCK [redacted]
GEORGE W. ROOSE, II [redacted]
DONALD E. RUSHER, JR [redacted]
GREGORY W. RUSSIE [redacted]
PHIL L. SAMPLES [redacted]
FABRIZIO SARACENI [redacted]*
JOSEPH A. SCHURHAMMER [redacted]*
ERIC J. SCOTT [redacted]
ROBERT A. SEEGMILLER [redacted]*
DAVID A. SELF [redacted]*
TIMOTHY J. SHEEHAN [redacted]*
CHRISTOPHER P. C. SHERMAN [redacted]*
BILLY W. SIGREST [redacted]*
MICHAEL K. SIMPSON [redacted]
KERRY L. SITLER [redacted]
RICHARD P. SKIDMORE [redacted]
HEATHER M. SLIMON [redacted]
MARK H. SMITH [redacted]
JOANNE M. SPAHN [redacted]
JOHNNY J. SPLAWN [redacted]*
RONALD G. STEELE [redacted]
ANTHONY V. STOCKUS [redacted]
HOMER D. STOUT [redacted]
ALLAN D. STOWERS [redacted]
JOHN M. STROH [redacted]*
KRISTIN N. SWENSON [redacted]
RUTH D. SYLVESTER [redacted]
MICHAEL B. TALBURT [redacted]*
VICKI S. TANNER [redacted]
MICHAEL A. TAYLOR [redacted]
EARL R. THOMPSON [redacted]
MARK G. TIEDEMANN [redacted]
DONALD R. TOCCO [redacted]
JO ELLEN TOMLINSON [redacted]
STEVEN D. TONEY [redacted]*
DARI R. TRITT [redacted]
DANIEL R. TUREK [redacted]*
RICHARD E. VAN ARSDEL [redacted]*
DANIEL L. WELCH [redacted]
DONALD J. WHITE [redacted]
DAWN E. WILSON [redacted]*
THOMAS L. ZIEMANN [redacted]

CONFIRMATION

Executive nomination confirmed by the Senate June 29, 1993:

DEPARTMENT OF DEFENSE

ASHTON B. CARTER, OF MASSACHUSETTS, TO BE AN ASSISTANT SECRETARY OF DEFENSE.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

HOUSE OF REPRESENTATIVES—*Tuesday, June 29, 1993*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O God, that we will not have to learn the pain of living in order to see the glory; that we will not have to experience the darkness in order to see the light; that we will not have to hurt in order to have healing. Gracious God, from whom comes every good gift and from whom we receive the promises of faith, and hope, and love, be with us in all our days that we will gain hearts of wisdom and understanding. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Ohio [Ms. PRYCE] come forward and lead the House in the Pledge of Allegiance.

Ms. PRYCE of Ohio led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will announce that he will not receive routine requests for 1-minute speeches.

ANNOUNCEMENT OF BIRTH OF JAMES GEREMIA BLUTE

(Mr. QUINN asked and was given permission to speak out of order for 1 minute and to revise and extend his remarks.)

Mr. QUINN. Mr. Speaker, it is a distinct pleasure and honor for me to announce to the Members the birth of James Geremia Blute, born 3:42 a.m., today, weighing in at 8 pounds, 4½ ounces. The proud parents, Congressman PETER BLUTE from Massachusetts, Third District of Worcester, MA, and Mrs. Robi Blute are doing just fine.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1994

The SPEAKER. Pursuant to the order of the House of June 28, 1993, the previous question is ordered on the bill, H.R. 2491.

Is a separate vote demanded on any amendment?

Mr. STOKES. Mr. Speaker, I demand separate votes on several amendments agreed to in the Committee of the Whole. The amendments are the Penny amendment regarding HUD's community development block grants account; the Grams amendment regarding HUD's research and technology account; and the Kolbe amendment regarding HUD's research and technology and HOPE accounts.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. SOLOMON. Mr. Speaker, I demand separate votes on the Hefley amendment to cut the Office of Science and Technology Policy by $970,000; and the Klug amendment to eliminate funding for the Advanced Solid Rocket Motor Program.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. MURPHY. Mr. Speaker, I demand a separate vote on the Roemer amendment.

The SPEAKER. The Chair will inform the gentleman from Pennsylvania that the Roemer amendment was not adopted in the Committee of the Whole and, therefore, it is not subject to a separate vote request.

Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

> Amendment: Page 31, strike lines 9 through 20.

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the second amendment on which a separate vote has been demanded.

PARLIAMENTARY INQUIRIES

Mr. ABERCROMBIE. Mr. Speaker, I was on my feet. On the Penny amendment on page 31, was it the ruling that that amendment passed?

The SPEAKER. The Chair announced that the amendment had been adopted by a voice vote. Does the gentleman have a request to make to the Chair?

Mr. ABERCROMBIE. The amendment was to remove that, is that correct?

The SPEAKER. The amendment was adopted yesterday by a vote of 202 to 194, and a demand for a separate vote was made by the gentleman from Ohio [Mr. STOKES], the chairman of the subcommittee. The Chair put the question. The question was put, and the Members present in the Chamber, in the Chair's opinion, adopted the amendment again on a separate vote.

Mr. ABERCROMBIE. Mr. Speaker, I was on my feet. I object that the amendment passed.

The SPEAKER. Does the gentleman object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present?

Mr. ABERCROMBIE. Mr. Speaker, if that is necessary, yes. It would be my understanding that Mr. PENNY, Mr. STOKES, and others had agreed that this amendment would not have to be put to a vote and would be withdrawn. But if it is not going to be, I am going to be forced to request a vote.

The SPEAKER. The Chair will tell the gentleman that if he objects to the vote on the ground that a quorum is not present and makes the point of order that a quorum is not present, the Chair may be obliged to find that a quorum is not present and the yeas and nays will be ordered.

Does the gentleman from Hawaii make such a point of order?

Mr. ABERCROMBIE. Yes, Mr. Speaker, reluctantly I do.

Mr. MURPHY. Mr. Speaker, a point of order. Could we reduce to 5 minutes by unanimous consent request any other demand for votes on separate amendments?

The SPEAKER. The Chair, under rule XV, may do that on succeeding amendments, but not on the first amendment put to the House.

Mr. MURPHY. That was my unanimous consent request, Mr. Speaker.

The SPEAKER. The gentleman from Hawaii [Mr. ABERCROMBIE] objects to the vote on the grounds that a quorum is not present and makes the point of order that a quorum is not present.

Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The Chair will reduce to 5 minutes votes on the remaining amendments on which a recorded vote or the yeas and nays are ordered.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

The vote was taken by electronic device, and there were—yeas 170, nays 244, not voting 20, as follows:

[Roll No. 284]

YEAS—170

Allard
Andrews (TX)
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bereuter
Bilbray
Bliley
Boehner
Bonilla
Brewster
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Castle
Clinger
Coble
Collins (GA)
Combest
Cooper
Crane
Crapo
Cunningham
Deal
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gilman
Glickman
Goodlatte
Goodling
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hoagland
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Johnson (CT)
Johnson (GA)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Lehman
Levin
Levy
Linder
Machtley
Manzullo
Margolies-Mezvinsky
McCandless
McCrery
McCurdy
McHale
McHugh
McInnis
McKeon
Meyers
Michel
Minge
Molinari
Moorhead
Moran
Morella
Murphy
Myers
Nussle
Orton
Oxley
Packard
Paxon
Penny
Petri
Pombo
Porter
Portman
Pryce (OH)
Quinn
Ramstad
Ravenel
Regula
Roberts
Roemer
Rohrabacher
Roth
Royce
Sangmeister
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shays
Shepherd
Shuster
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stenholm
Stump
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Walker
Weldon
Wolf
Wyden
Zeliff
Zimmer

NAYS—244

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Becerra
Beilenson
Bentley
Berman
Bevill
Bilirakis
Bishop
Blackwell
Boehlert
Bonior
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Canady
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Condit
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
English (AZ)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Fowler
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Gingrich
Gonzalez
Gordon
Goss
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Jefferson
Johnson (SD)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Maloney
Mann
Manton
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McDade
McDermott
McKinney
McNulty
Meek
Menendez
Mfume
Mica
Miller (FL)
Mineta
Mink
Moakley
Mollohan
Montgomery
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Quillen
Rahall
Rangel
Reed
Reynolds
Richardson
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Stark
Stearns
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Unsoeld
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wise
Woolsey
Wynn
Yates
Young (AK)

NOT VOTING—20

Blute
Borski
Collins (MI)
Conyers
Cox
Engel
Ford (TN)
Henry
Johnston
Lowey
McMillan
Meehan
Miller (CA)
Owens
Ridge
Skeen
Tucker
Valentine
Wilson
Young (FL)

□ 1129

Mrs. VUCANOVICH and Messrs. BARLOW, SUNDQUIST, DERRICK, and PAYNE of Virginia changed their vote from "yea" to "nay."

Mr. HYDE and Mr. SLATTERY changed their vote from "nay" to "yea."

So the amendment was rejected

The result of the vote was announced as above recorded.

□ 1030

The SPEAKER pro tempore (Mr. MONTGOMERY). The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 32, line 11, insert after the period the following new sentence:

The amount otherwise provided under this heading is hereby further reduced by $48,000,000.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 198, noes 214, not voting 22, as follows:

[Roll No. 285]

AYES—198

Allard
Andrews (TX)
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barca
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cantwell
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Costello
Crane
Crapo
Cunningham
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hefley
Herger
Hoagland
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Laughlin
Lazio
Leach
Levy
Lewis (FL)
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Parker
Paxon
Penny
Petri
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quinn
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Sisisky
Skaggs
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Sundquist
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Williams
Wise
Wolf
Young (AK)
Zeliff
Zimmer

NOES—214

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Baesler
Barcia
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cardin
Chapman
Clay
Clayton
Clement
Clyburn

Coleman
Collins (IL)
Coppersmith
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hochbrueckner
Holden
Hoyer
Hughes
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McKinney
McNulty
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Price (NC)
Quillen
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Skelton
Slaughter
Smith (IA)
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Woolsey
Wyden
Wynn
Yates

NOT VOTING—22

Barlow
Blute
Borski
Carr
Collins (MI)
Conyers
Cox
Engel
Ford (TN)
Henry
Hunter
Johnston
Lowey
McHale
McMillan
Meehan
Meek
Ridge
Skeen
Tucker
Wilson
Young (FL)

☐ 1138

So the amendment was rejected.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 184. An act to provide for the exchange of certain lands within the State of Utah, and for other purposes.

S. 1167. An act to amend the Rural Electrification Act of 1936 to restructure the electric and telephone loan programs, and for other purposes.

DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1994

The SPEAKER pro tempore. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 34, after line 6, insert the following:

REVISION OF AMOUNTS FOR HUD

The amounts otherwise provided by this title are revised by reducing the amount made available for "Policy Development and Research—Research and Technology", and increasing the amount made available for "Housing Programs—Homeownership and Opportunity for People Everywhere Grants (HOPE Grants)", by $10,000,000.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. KOLBE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 216, nays 204, not voting 14, as follows:

[Roll No. 286]

YEAS—216

Abercrombie
Allard
Andrews (NJ)
Andrews (TX)
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonilla
Borski
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Castle
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Coppersmith
Crane
Crapo
Cunningham
de la Garza
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (AZ)
English (OK)
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Fish
Ford (TN)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jefferson
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lancaster
Laughlin
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Machtley
Manton
Manzullo
McCandless
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McKinney
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Moran
Morella
Nussle
Ortiz
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Penny
Petri
Pickle
Pombo
Porter
Portman
Pryce (OH)
Quinn
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Rowland
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Scott
Sensenbrenner
Shaw
Shays
Shuster
Sisisky
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Washington
Weldon
Wolf
Zeliff
Zimmer

NAYS—204

Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Barca
Barcia
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bishop
Bonior
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Cantwell
Cardin
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Conyers
Cooper
Costello
Coyne
Cramer
Danner
Darden
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Durbin
Edwards (CA)
Eshoo
Evans
Farr
Fazio
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hamburg
Hamilton
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lantos
LaRocco
Lehman
Levin
Lewis (GA)
Lloyd
Long
Maloney
Mann
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Orton
Owens
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Quillen
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rostenkowski
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Serrano
Sharp
Shepherd
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Traficant
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)

NOT VOTING—14

Blute
Carr
Collins (MI)
Cox
Engel
Henry
Lowey
McMillan
Ridge
Skeen
Torricelli
Tucker
Wilson
Young (FL)

□ 1148

Mr. HEFNER changed his vote from "yea" to "nay."

Mr. MONTGOMERY changed his vote from "nay" to "yea."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MONTGOMERY). The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 44, line 10, strike "$5,170,000" and insert "$4,200,000".

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. HEFLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. The Chair reminds Members that this will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 251, noes 171, not voting 12, as follows:

[Roll No. 287]

AYES—251

Allard
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barca
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Boehner
Borski
Browder
Brown (OH)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cantwell
Castle
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Coppersmith
Costello
Crane
Crapo
Cunningham
Danner
Deal
DeFazio
DeLay
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamilton
Hancock
Hansen
Hastert
Hefley
Herger
Hoagland
Hobson
Hoekstra
Hoke
Holden
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson (GA)
Johnson, Sam
Johnston
Kasich
Kennelly
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kyl
Lancaster
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Long
Machtley
Maloney
Manton
Manzullo
Margolies-Mezvinsky
Martinez
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
Meehan
Menendez
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Morella
Murphy
Myers
Neal (MA)
Neal (NC)
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Paxon
Penny
Peterson (FL)
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Regula
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Royce
Sangmeister
Santorum
Saxton
Schaefer
Schiff
Schumer
Sensenbrenner
Shaw
Shays
Shuster
Sisisky
Skelton
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stump
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thurman
Torkildsen
Upton
Vento
Vucanovich
Walker
Walsh
Weldon
Wolf
Wyden
Young (AK)
Zeliff
Zimmer

NOES—171

Abercrombie
Ackerman
Andrews (ME)
Bacchus (FL)
Baesler
Barcia
Barlow
Becerra
Beilenson
Berman
Bevill
Bishop
Blackwell
Boehlert
Bonior
Boucher
Brewster
Brooks
Brown (CA)
Brown (FL)
Bryant
Byrne
Cardin
Carr
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Coyne
Cramer
Darden
de la Garza
DeLauro
Dellums
Dingell
Dixon
Durbin
Edwards (CA)
English (AZ)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Green
Hall (TX)
Hamburg
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hochbrueckner
Horn
Houghton
Hoyer
Hughes
Inslee
Jefferson
Johnson (SD)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy
Kildee
Klein
Kopetski
Kreidler
LaFalce
Lambert
Laughlin
Lewis (CA)
Lewis (GA)
Lloyd
Mann
Markey
Matsui
Mazzoli
McDermott
McKinney
McNulty
Meek
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Natcher
Oberstar
Obey
Olver
Owens
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pickle
Price (NC)
Rangel
Reed
Reynolds
Richardson
Rose
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sarpalius
Sawyer
Schenk
Schroeder
Scott
Serrano
Sharp
Shepherd
Skaggs
Slaughter
Smith (IA)
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tejeda
Thompson
Thornton
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Velazquez
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wise
Woolsey
Wynn
Yates

NOT VOTING—12

Blute
Bonilla
Cox
Engel
Henry
Lowey
McMillan
Ridge
Skeen
Tucker
Wilson
Young (FL)

□ 1156

Mr. GLICKMAN changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MONTGOMERY). The Clerk will report the final amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 51, line 12, strike "$4,882,900,000" and insert "$4,778,400,000".

Page 51, line 21, strike "$545,300,000" and insert "$512,700,000".

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KLUG. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 379, noes 43, not voting 12, as follows:

[Roll No. 288]

AYES—379

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Boehner
Bonilla
Bonior
Borski
Brewster
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Coppersmith
Costello
Coyne
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
English (AZ)
English (OK)
Eshoo
Evans
Ewing
Farr
Fawell
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hoekstra
Hoke
Holden
Horn

Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (FL)
Lewis (GA)
Linder
Lipinski
Lloyd
Long
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Moorhead
Moran
Morella
Murphy
Myers
Nadler
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tauzin
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Walker
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NOES—43

Bacchus (FL)
Bachus (AL)
Bevill
Bilbray
Boucher
Brooks
Browder
Brown (CA)
Callahan
Chapman
Cooper
Cramer
Derrick
Everett
Fazio
Fields (LA)
Gephardt
Geren
Gonzalez
Hall (TX)
Hastings
Hochbrueckner
Jefferson
Kopetski
Lewis (CA)
Lightfoot
Livingston
Matsui
McCloskey
McNulty
Mineta
Mollohan
Montgomery
Murtha
Natcher
Parker
Pickett
Stokes
Tanner
Taylor (MS)
Traficant
Vucanovich
Whitten

NOT VOTING—12

Blute
Cox
Engel
Henry
Johnson, E. B.
Lowey
McMillan
Ridge
Skeen
Tucker
Wilson
Young (FL)

□ 1205

Mr. THOMPSON of Mississippi changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MYERS OF INDIANA

Mr. MYERS of Indiana. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MYERS of Indiana. In its present form, I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MYERS of Indiana moves to recommit the bill H.R. 2491, to the Committee on Appropriations with instructions to report back the same to the House forthwith with the following amendments:

On page 69, after line 2, insert the following new section:

"SEC. . Notwithstanding any other provision of this Act, except for Title I, Department of Veterans Affairs, each amount appropriated or otherwise made available that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 6 percent.";

And on page 58, line 16, strike "$5,000,000" and insert in lieu thereof "$25,000,000".

The SPEAKER pro tempore. The gentleman from Indiana [Mr. MYERS] is recognized for 5 minutes in support of his motion to recommit.

Mr. MYERS of Indiana. Mr. Speaker, this is an effort to bring the bill down to just about last year's level, with the exception of title I, for the Bureau of Veterans Affairs. This motion to recommit would not touch that. It stays in the same.

The bill in its present form is a little over $2 billion more than last year. This is an attempt to bring it down to last year's level.

It provides one other thing. It does put the $20 million back in to reestablish the Selective Service System.

This bill, if we do not touch it, will add more than $2 billion to the national debt above what we had last year. The American people are crying for reduction in expenditures.

Over the past 2 weeks, I had three town meetings in my district. Several hundred people attended these meetings. I had only three people tell me they supported increased spending. Everyone is saying the same thing: Hold the line.

There are 110 new Members here this year, many of whom were elected last year on the premise of "change the way Congress is running."

I know there are a lot of good programs here. We would all like to see some of these programs have more money, but we just simply do not have it.

□ 1210

I regret that we must do this. But if we are ever going to meet President Clinton's request of reducing spending, we have got to start now and not wait for 5 years from now when he pledges to have a balanced budget.

So Mr. Speaker, I urge that we have a vote on this, and I urge that we have a positive vote, a vote hopefully to support this motion to recommit.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding.

I will speak just briefly. Members know that the Solomon amendment which would have restored 90 percent of the funding for the Selective Service System lost yesterday by a vote of 202 to 207. There were 31 Members missing from the Chamber at the time, and a number of Democrats have come to me wanting a separate vote whereby they could vote for that amendment. A number of Republicans want to change their votes, too. I just want to make a commitment to Members that if this motion to recommit passes, which cuts 6 percent across the board except for veterans' affairs and which reinstates $20 million for the Selective Service System, I intend, out of fairness, to ask for a separate vote on the Solomon amendment after the motion to recommit passes so that the House can work its will fairly.

Of course, any Member can also ask for a separate vote on the 6-percent across-the-board cut.

I ask Members to vote for the motion to recommit and to vote for my amendment which would reinstate 90 percent of the funding for the Selective Service System.

Again I thank the gentleman for his time.

Mr. MYERS of Indiana. I thank the gentleman for his comments.

Mr. Speaker, I want to close by saying this does cut 6 percent from all of the titles with the exception of the title for veterans. We have a commitment, we have an obligation, we have a responsibility to take care of the veterans of this country. This bill then after the recommittal still provides slightly more than a $1 billion increase from last year's level for veterans.

Mr. Speaker, I ask for support for this amendment.

Mr. STOKES. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. Speaker, I yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding and rise in opposition to the motion, notwithstanding the fact, as the distinguished gentleman from New York knows, that I supported his amendment on the floor, and as I have in the past, in terms of the continuation of the Selective Service.

However, I believe again we have had a process here where we had an opportunity to review this bill, go through it title by title, subject by subject, make such cuts as we deemed appropriate and proper, which I think is the appropriate way to do this. Notwithstanding the exemptions which the gentleman from Indiana has spoken to, this is still an across-the-board cut. I think that is inappropriate, and particularly I believe it is inappropriate when we have the opportunity to take these bills title by title, object by object, and either include them or cut them out or restore them or add to them.

I think the across-the-board cut is not the way we ought to set the policy, and would speak against the motion and urge that the motion be defeated.

Mr. STOKES. Mr. Speaker, reclaiming my time, I appreciate the gentleman's response on this amendment.

Mr. Speaker, the motion to recommit would reduce all accounts except those in the Department of Veterans Affairs by 6 percent.

I would like for the Members to know what a 6 percent cut would do. It takes $3 billion from the bill, nearly $400 million for the Environmental Protection Agency, more than $850 million from NASA. This would be a cut of $600 million below last year's level of $14.3 billion. It would be a cut of more than $180 million from the National Science Foundation. It would reduce approximately 3,900 assisted housing units, including 680 for the elderly and the disabled. It would take $250 million from the community development block grants program.

This bill, Mr. Speaker, is within the 602(b) allocation for both budget authority and outlays. I think it is important for the House to understand a 6 percent reduction here will not change the allocation totals. It will have no impact on deficit reduction. Let me repeat that. It will have no impact on deficit reduction.

Mr. Speaker, this bill is already approximately $1.3 billion in budget authority and $900 million in outlays below the President's request.

I would urge all Members to vote against the motion to recommit.

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman will state his parliamentary inquiry.

Mr. SOLOMON. Mr. Speaker, I would just propound the question, if the motion to recommit is adopted, is it not then in order for a demand for a division of the question under the rules of the House?

The SPEAKER pro tempore. If the motion to recommit is adopted, the amendment in the form presented could be divided when reported back to the House forthwith.

Mr. SOLOMON. I thank the Chair.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage of the bill.

The vote was taken by electronic device, and there were—ayes 178, noes 244, not voting 12, as follows:

[Roll No. 289]

AYES—178

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Cox
Crane
Crapo
Cunningham
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Laughlin
Lazio
Leach
Levy
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Myers
Nussle
Orton
Oxley
Packard
Parker
Paxon
Penny
Petri
Pombo
Porter
Portman
Pryce (OH)
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Sisisky
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Weldon
Wolf
Young (AK)
Zeliff
Zimmer

NOES—244

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Bateman
Beilenson
Berman
Bevill
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Hall (OH)
Hamburg
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Hoke
Holden
Hoyer
Hughes
Inslee
Jefferson
Johnson (GA)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Quillen
Quinn
Rahall
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Ros-Lehtinen
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Watt
Waxman
Whitten

Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—12

Becerra
Blute
Green
Gutierrez
Henry
McMillan
Pelosi
Skeen
Velazquez
Wheat
Wilson
Young (FL)

□ 1232

Mr. QUILLEN changed his vote from "aye" to "no."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the passage of the bill.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STOKES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 313, nays 110, not voting 11, as follows:

[Roll No. 290]

YEAS—313

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Baker (CA)
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Buyer
Byrne
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Dooley
Dunn
Durbin
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Goodling
Gordon
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoke
Holden
Houghton
Hoyer
Hutchinson
Hutto
Hyde
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kim
King
Kleczka
Klein
Klink
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Pastor
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Quillen
Quinn
Rahall
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swift
Synar
Talent
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—110

Allard
Archer
Armey
Bachus (AL)
Baker (LA)
Ballenger
Barca
Bartlett
Barton
Beilenson
Boehner
Bunning
Burton
Callahan
Castle
Coble
Collins (GA)
Combest
Condit
Cox
Crane
Crapo
Cunningham
DeFazio
Doolittle
Dornan
Dreier
Duncan
Everett
Ewing
Fawell
Fields (TX)
Franks (NJ)
Gekas
Gillmor
Gingrich
Goodlatte
Goss
Grams
Grandy
Hancock
Hansen
Hastert
Hoekstra
Huffington
Hughes
Hunter
Inglis
Inhofe
Istook
Jacobs
Johnson, Sam
Johnston
Kasich
Kingston
Klug
Knollenberg
Kolbe
Leach
Lewis (FL)
Linder
Long
Manzullo
McInnis
McKeon
Mica
Michel
Miller (FL)
Minge
Moorhead
Myers
Nussle
Orton
Oxley
Parker
Paxon
Penny
Petri
Pombo
Portman
Pryce (OH)
Ramstad
Roberts
Roemer
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Sensenbrenner
Shaw
Shuster
Smith (MI)
Smith (OR)
Solomon
Stark
Stump
Swett
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Walker
Weldon
Wolf
Young (AK)
Zeliff
Zimmer

NOT VOTING—11

Blute
Dicks
Edwards (CA)
Henry
Horn
McMillan
Pelosi
Serrano
Skeen
Wilson
Young (FL)

□ 1241

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CLARIFICATION OF LEGISLATION

(By unanimous consent, Mr. KLUG was allowed to speak out of order for 1 minute.)

Mr. KLUG. Mr. Chairman, a point of clarification.

On the amendment we just voted on the ASRM program there was apparently a mistake made in terms of which amendment was actually recorded. It should have been amendment No. 6 which would have stricken $4.5 million from the ASRM program, and in addition eliminated the new construction costs on the facility which to the best of my memory as I remember is about $35 million; so if we would put that in the RECORD to make it clear to the conference committee that was both my intention and the intention of my cosponsors and also the intention of the House.

PERSONAL EXPLANATION

Mr. GENE GREEN of Texas. Mr. Speaker, during the vote on the Myers amendment to H.R. 2491, rollcall 289, I was unavoidably detained due to a previously scheduled meeting with a constituent. Had I been present I would have voted "no".

PERSONAL EXPLANATION

Mr. ENGEL. Mr. Speaker, I was unavoidably detained on rollcall votes 284, 285, 286, 287, and 288. Had I been present, I would have voted "yea" on rollcall No. 288. Additionally, I would have voted "nay" on rollcall votes 284, 285, 286, 287.

PERSONAL EXPLANATION

Ms. PELOSI. Mr. Speaker, on this last vote, rollcall No. 290, I was unavoidably detained and I missed the vote. It was a 5-minute vote.

Had I been present, I would have voted "aye."

GENERAL LEAVE

Mr. DURBIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the consideration of the bill, H.R. 2493, which will be considered today, and that I be permitted to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1994

Mr. DURBIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2493) making appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1994, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Indiana [Mr. MYERS] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. DURBIN].

The motion was agreed to.

☐ 1245

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2493, with Mr. SPRATT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. By unanimous consent, the bill is considered as having been read the first time.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Illinois [Mr. DURBIN] will be recognized for 30 minutes, and the gentleman from Indiana [Mr. MYERS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am glad to be on the floor today with this important piece of legislation. My only regret is that my colleague, the gentleman from New Mexico [Mr. SKEEN], the ranking minority member on this committee, is recuperating at home from recent surgery and is unable to join us, but I know he is here in spirit. I also want everyone to know at the outset that the gentleman from New Mexico [Mr. SKEEN] and all the members and the staff worked exceptionally hard to make this a good bill. We have had a strong bipartisan effort to craft this bill.

I am honored today to be joined on the floor by my colleague, the gentleman from Indiana [Mr. MYERS] who has been my steady right hand as we have come through the closing days of preparing this bill for floor consideration.

Most people who are listening to this debate do not understand the work that goes into the preparation of a bill of this magnitude. This bill will appropriate some $70 billion to be spent. That, of course, is larger than the appropriation for the entire State of California. It is almost three times the appropriation for my home State of Illinois.

The committee work schedule preparing this bill included 22 days of hearings over an 8-week period, 282 witnesses, 27 Members of Congress who testified, 473 letters from Members, 6,526 pages of hearing record, and 7 volumes of hearings.

The $70.6 billion which is appropriated in this bill, is $5.9 billion less than the administration's request. It is $9.8 billion above the amount that was appropriated last year.

I will concede for all who are listening that that is a very significant increase, $9.8 billion, but I believe that Members should understand why this increase is taking place.

Of the $70.6 billion which we appropriate, almost $56 billion of that amount is mandatory spending, which means that this subcommittee in fact appropriates the money without any control as to how it is spent. It is for programs such as food stamps, other feeding programs, and the Commodity Credit Corporation.

The two primary reasons for the increase in spending in this bill are for items totally beyond the control of the subcommittee.

The $9.8 billion increase over last year's appropriation is accounted for by an $8.8 billion increase for the Commodity Credit Corporation. These are, of course, deficiency payments made to farmers over the last several years. Our subcommittee is required by law to replenish the Commodity Credit Corporation account. Replenishing that account has added $8.8 billion in spending. We have another $670 million for an increase in the child nutrition programs. This increase is primarily for the school lunch programs where the cost of the program has gone up because of inflation and the increased cost of food and participation. Again, this is mandatory spending over which we have no direct control.

The amount of increase in spending over last year's appropriation is primarily embodied in the two amounts which I have just noted.

Now, within this bill is some $14.3 billion in discretionary spending, which is spending within the control of this subcommittee. I am happy to tell you that this subcommittee has worked hard to make sure that the bill we now present to the floor today is $248 million in budget authority below the allocation given us by the budget resolution and about $90 million below the allocation given to us for outlays.

In other words, this subcommittee has not spent all the money it was allocated to spend. We are doing this in an effort to be fiscally responsible in these difficult times.

We are also some $160 million below the President's budget request for discretionary spending.

In various ways we have disagreed with the administration and agreed with them. We will describe those as we go into the bill.

At the outset, let me also say that the people working for the agencies that we appropriate money for are by and large very hard-working careerminded individuals who are doing a fine job. We regret to inform them that we were unable to include an increase for a pay raise next year.

☐ 1250

We, instead, have annualized the pay increase from this year, but there will be no pay raise funding under this legislation.

We have also been very careful when it comes to special research grants, which I am sure will be discussed at great length by the Members on the floor of the House. We have asked Members, universities, and other entities asking for special research grants to provide specific information on how this money is going to be spent, what their research hopes to find and what benefit it ultimately will add to the production of food and fiber in America. We have 71 special research grants in this bill as opposed to 133 in last year's bill.

Now let me tell my colleagues where the major increases in spending are.

First, I am proud to tell my colleagues that this subcommittee has joined with the Clinton administration in pledging to fully fund the WIC program in 3 years. The women, infants, and children supplemental feeding program may be the most successful single program administered by the USDA, or perhaps the Federal Government. This program gives nutrition assistance, information, and guidance to pregnant mothers and to their infants, and children. The net results of it are dramatic. We are seeing healthier children, we are seeing children carried to full-term in pregnancy, and we are seeing mothers who are doing the right things during their pregnancies to make sure that their kids are healthy. I cannot think of a better investment in the future of this country than the birth of a healthy baby. The WIC program has made that happen so many times over that I could not begin to guess how many. But I will tell my colleagues the $350 million we add to the WIC program this year is the largest single increase in WIC funding in the history of the program.

We have also put additional funds in for loans and grants for water and sewer construction. Those of us from medium sized and smaller communities know that it is very difficult for these communities to build the infrastructure they need to provide clean and safe drinking water and to make certain that they meet EPA requirements. We now have a backlog of about $1.5 billion in approved applications for water and sewer grants. We put additional funds in this bill so that these communities can make certain that the people living within their bounds have no threat to the public health.

There is additional money in the bill for rural housing which, unfortunately, has been overlooked in the past few years. There is money for direct loans, as well as guaranteed loans, for rural housing, and some of these programs again, I think, are as good an investment of Federal tax dollars as we could ask.

For example, on the guaranteed loan program, for an investment of $12.2 million in Federal funds we are going to build $750 million worth of homes in rural America. That will mean for a lot of families the first opportunity in their lives to own a home, and that program, I think, is really going to inure to the long-term benefit of our country.

One aspect often overlooked when we talk about the agriculture appropriations bill is the fact that we appropriate money for the Food and Drug Administration. I will tell my colleagues that dollar for dollar we get more from this agency than virtually any agency of the Federal Government.

Consider a few weeks ago when the Pepsi Cola Co. faced the tampering scare and wanted to restore consumer confidence in their product. There was only one place to turn. It was not to the corporate giants that also are in the industry, and it was not to the corporate lawyers. It was to the Food and Drug Administration, and, when Dr. Kessler came forward and said that he believed this was largely a hoax, it restored the public confidence like no other statement could have from the Federal Government. It says a lot about this agency and its reputation, it says a lot about Dr. Kessler, and I am happy that we have the responsibility of funding this important agency.

Mr. Chairman, we have added $121 million to the FDA. We put $10 million in for the inspection of mammography clinics, something most Members of Congress voted for, and now we are facing the responsibility to fund. By doing so women across America, who go in for mammography screening to avoid the incidence of breast cancer, will know that the equipment and the people using it are certified by the Food and Drug Administration to be professional and to be accurate.

We also eliminate some spending in the Food and Drug Administration. I am happy to report to my colleagues that a group of people who have been sipping tea on the international board of experts on tea are frankly going to be paid from sources other than the Federal Treasury if they are going to continue their job. This is an anachronism, almost a hundred years old, where we, in fact, inspect and sip tea imported into the United States. It is time for us to take a look at these programs, large and small, and decide whether they should be continued. In the wisdom of this subcommittee it was decided to discontinue that particular project.

The Federal meat inspection program increase that is asked for by Secretary Espy in light of the E. coli outbreak has been responded to by this subcommittee by not only funding the 160 meat inspectors hired by the Secretary this year, but also providing funding to hire another 40. I might add that we put $8 million into the bill for the pathogen reduction program. What that means, of course, is that we will go beyond visual inspection of meat to microbial inspection, giving more confidence to American consumers.

We also propose in this bill some agency streamlining. We are going to try to make some pretty significant changes in the Rural Development Administration.

We are going to combine some smaller agencies with larger agencies. We hope to save over $3 million in the process.

One of the more contentious aspects of this bill relates to the question of crop insurance. This is a program which , frankly, I have been very critical of for many years. It does serve a valid purpose in protecting producers across America from the vagaries of nature, but unfortunately, after 10 or 12 years experience, we have found that the program is not working well. In fact, the crop insurance program has cost American taxpayers $2.6 billion over the last 10 years. That is $2.6 billion more paid out in losses than collected in premiums.

In fact, it is not a crop insurance program. It is a crop loss subsidy program.

Our bill states this basic premise:

> If you grow a crop on your farm or in your county that has failed by crop insurance standards 70 percent of the time or more, we are not going to write crop insurance for you next year.

Now I do not think that is an outrageous suggestion, and I say, "If your crop has failed 70 percent of the time or more, perhaps God is trying to tell you something. Perhaps that crop is never going to grow on that farm or in that county." We think it is unreasonable to ask the Federal taxpayers to continue to provide crop insurance in that circumstance.

Mr. Chairman, we have also put in a user fee in the Agricultural Marketing Service. Many people who are watching this debate probably saw the news accounts or the television specials relating to USDA personnel who are measuring the flow of catsup, measuring the length of pickle stems and determining the standards for pistachio nuts. I want to say to my colleagues that is another aspect of USDA activity which should be paid for by private industry. We have reached a point where these standards grease the wheels of commerce and the people who benefit from that should be paying for it. So, we are suggesting a user fee of $4.5 million, which the Clinton administration has requested.

The Yearbook of Agriculture is one of the real venerable institutions of the U.S. Department of Agriculture. For a 101 years we have published this yearbook, given it to farmers and rural America alike. It is a wonderful institution. It is an institution, though, that has outlived its usefulness.

As an example, we printed 232,000 of this yearbook and distributed them to Members of Congress last year. We then turned around to the Government Printing Office and said, "We would like you to see how many people in the general population in America would like to buy this same yearbook." Mr. Chairman, about 2,000 people responded. This suggests to me that the Agriculture yearbook is not a best-seller, and its also suggests that today's farmer does not turn to an Agriculture yearbook for information. That farmer is going to turn to the television, to his radio, to his fax machine, to the uplink on his satellite dish. That is what today's farmers have to do to be current with changes. So the Agriculture yearbook, according to this subcommittee's efforts, will go away, saving the taxpayers about a half a million dollars.

We expand the wetlands reserve program to another eight States and 50,000 critical acres. We have said there will be no new signups in the conservation reserve program, hoping that in the next farm bill we can talk about permanent solutions. We have conformed to the House Committee on Agriculture loan levels set for the Rural Electrification Administration.

We have provided that the children who are served in WIC clinics will not be exposed to smoking, which we all know is a danger, not only to them, but to the people who work there. We have said that no funds will be used in this bill to promote tobacco exports through the market promotion program, the Foreign Agricultural Service or the General Sales Manager. We have kept last year's provision on restricting the use of market promotion funds for the sale of tobacco overseas.

We are also taking on a contentious item here saying that we want to remove the requirement that school districts must provide fluid whole milk to children in schools. My colleagues will hear more about this during the course of the debate. We want kids to drink milk, but we think it is important the schools follow the dietary guidelines and try to reduce the fat intake by reducing the amount of fluid whole milk.

I want to especially thank the members of the subcommittee who have worked so hard to make this bill a reality. I could not have done it without the fine assistance and the legacy of the former chairman, the gentleman from Mississippi [Mr. WHITTEN], my colleague, the gentlewoman from Ohio [Ms. KAPTUR], the gentleman from Arkansas [Mr. THORNTON], the gentlewoman from Connecticut [Ms. DELAURO], the gentleman from Florida [Mr. PETERSON], the gentleman from Iowa [Mr. SMITH], and of course our Chairman, the gentleman from Kentucky [Mr. NATCHER]. The gentleman from New Mexico [Mr. SKEEN] I mentioned earlier. The gentleman from Indiana [Mr. MYERS] will be speaking in a minute. And there is the gentlewoman from Nevada [Mrs. VUCANOVICH], the gentleman from New York [Mr. WALSH] and the gentleman from Pennsylvania [Mr. MCDADE] who have also made this possible.

I will tell my colleagues at the outset that this is my first time trying to pass an appropriations bill. I am learning a lot. I know that there is going to be a lot of debate here, a lot of differences of opinion. We think, in fact, there are many issues in agriculture which deserve a fresh look, and that is what we have tried to do.

I would suggest that there are some groups in this town who are not happy with this bill. They would like to see some of the provisions changed or removed. During the course of debate on this appropriations bill, Mr. Chairman, I hope all that are listening and all the Members who follow it will have a better understanding of the importance of these appropriations.

Mr. Chairman, I reserve the balance of my time.

□ 1300

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, Chairman DURBIN of the subcommittee has certainly spoken almost line by line in describing what is in this bill. He has given credit to the fine staff under the able leadership of Bob Foster and the new members of the committee this year, including the gentleman from Arkansas [Mr. THORNTON], the gentleman from Florida [Mr. PETERSON], the gentlewoman from Connecticut [Ms. DELAURO], the gentleman from Arizona [Mr. PASTOR], and the gentleman from New York [Mr. WALSH], all new members. But we always had the old head himself, Chairman WHITTEN, who had been chairman of this committee for a good many years. Always we had that sage advice that was available from the gentleman from Mississippi [Mr. WHITTEN], who is here with us.

I am a substitute today for the Member who should be here. This has already been described. The gentleman from New Mexico [Mr. SKEEN] had surgery last Wednesday. It was difficult surgery. Thursday he was up walking after having spinal surgery just the day before. Friday I visited him in the hospital. Sunday he went home. Yesterday he was out walking. This morning I tried to call him. He was out walking someplace. But his doctor said he could not be here. He told me just before we came to the floor, "I'll be watching you every moment, every move you make." So I am sure he will be calling us if he thinks we made a mistake. We do miss him. I will try to fill in as a substitute.

This is a good bill. It touches all of us, and it touches every district in the country. The only thing wrong is that it is too much money. It is almost $10 billion above last year.

As the chairman of the subcommittee said, 80 percent of this bill is mandatory spending, for which the Appropriations Committee has little discretion but to appropriate the money. I do not know how we can even freeze this year when we look at the obligations we find ourselves in because of the mandatory spending.

That indicates to me that Congress must do something about mandatory spending in the future, but we cannot do it today on the floor. But somehow during the debate today we are going to look at how we might make some changes.

As an example, back just 2 years ago, in the fiscal year of 1992, there was $34.3 billion of mandatory spending in the agriculture appropriation bill. Last year the mandatory spending was $37.4 billion. This year there is $56.2 billion of mandatory, nondiscretionary spending. So about 20 percent of this bill is discretionary, when we as a committee have any choice as to what we might do.

As to that $14.3 billion of discretionary spending, which is a slight increase from last year, it is about $507 million above last year's level. As the chairman of the subcommittee said, $350 million is kind of a catch up for the WIC Program, the Women, Infants, and Children's Program to provide for families, particularly women and children who are suffering from malnutrition.

The Commodity Credit Corporation, as the subcommittee chairman has said, is the large culprit this year. The fact is that what we have had to appropriate, out of the $9.8 billion increase above last year in spending, $8.8 billion comes from the Commodity Credit Corporation. I just looked at the facts here as the chairman of the subcommittee was speaking. These are to replace actual and anticipated losses to the Commodity Credit Corporation.

For those Members who do not understand, the Commodity Credit Corporation pays deficiencies on crops where the price and what is estimated to produce a crop is deficient, what the price averages during a certain period of time. So farmers, if they are in the program, get paid a figure out of this Commodity Credit Corporation. If there are losses in crop production because of drought or inclement weather or for whatever reason, farmers are also eligible for disaster payments.

In the last 2 years we have had huge losses in citrus both in California and Florida. We have had drought in the South, and we have had drought in areas of the Midwest. This year we had some wet crops both in the South and in the Midwest. So it is anticipated the losses again this year will take most of the $18 billion that we will provide in the makeup of the Commodity Credit Corporation.

But looking back, the actual 1991 losses were $5.917 billion. In 1992 the actual losses that this committee had to make up in money were $11.776 billion. As to the 1993 estimates, we have no way of estimating that at this time, but we estimated it will take most of the $18 billion that we will provide.

The subcommittee chairman has already spoken about the Federal crop insurance. I am sure we are going to hear some discussion from the authorizing committee about this. We all recognize it is a real problem, but whether it is the responsibility of the Appropriations Committee or of the authorizing committee, there is no question that it is the authorizing committee's responsibility.

In closing, Mr. Chairman, I am sure there are going to be some strong disagreements about this bill. I have already heard it from both sides. Some Members say they just cannot support an agriculture appropriation bill that increases the national debt to this extent.

There is a question about the Commodity Credit Corporation. Is it actually an outlay? It is a commitment, but it is not an outlay until it is actually spent. So hopefully this year there will be no disaster payments that amount to much. If we can hold the price up to the point where we would not have to make it up, we would not need the entire amount of money.

But today we do have to meet our obligation, and there is some discussion on our side right now as to whether we will do it now or later when we actually have the losses.

In any event, this committee has done a good job. Maybe not quite as good in trimming some of it out that we could. But I do congratulate the chairman of our subcommittee. He did have open hearings this year. We had a discussion on several occasions. It was not a partisan discussion. We all pitched in and did what we could, trying to make this bill as good a bill as we possibly could to meet our obligations. But, as the chairman of the subcommittee said, this is a huge bill.

In closing, Mr. Chairman, the gentleman from New Mexico [Mr. SKEEN] wanted me to say that he gives his appreciation for the spirit of cooperation that the new chairman of the subcommittee, the gentleman from Illinois [Mr. DURBIN], extended not only to all of us on both sides of the aisle but especially to himself. So he says to the subcommittee chairman, "Thank you very much."

Mr. Chairman, I reserve the balance of my time.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to my colleague, the gentlewoman from Ohio [Ms. KAPTUR], a great member of this subcommittee.

Ms. KAPTUR. Mr. Chairman, I thank the gentleman for yielding me this time, and I am privileged to rise as a member of the subcommittee on this important bill dealing with agriculture in this, the most productive agricultural land on the face of the Earth. We sometimes take that for granted.

I want to congratulate our new chairman of the subcommittee from the great State of Illinois, who had a tremendous job on his hands in filling the shoes of the gentleman from Mississippi [Mr. WHITTEN]. I think he has established in his first bill that he brought to the floor, with the cooperation of the gentleman from New Mexico [Mr. SKEEN] and the gentleman from Indiana [Mr. MYERS], tremendous bipartisan cooperation on the part of our committee. There was an openness during the time we met as a committee that was unusual. I think in all respects, as we serve on committees here in the Congress, we could say that it was a real roll-up-your-sleeves work session every time we met. And what was impressive to me was the close scrutiny of programs that occurred for the first time in my service here, with a line-by-line evaluation of every single item in this bill that is proposed.

This bill also held out hope for the future, with a provision that we incorporated in the bill this time to have tough performance evaluation standards that will be set up and that we require by law that the Department of Agriculture evaluate every single program against others that may exist, and that we begin to prioritize and eliminate those programs that no longer are necessary. Let's put our attention where it is needed. In fact, the bill reads that we ask the Department to be even more committed than in the past to trying to streamline and meet the needs of the taxpayer for a more efficient Government, that they concentrate their evaluation during this next fiscal year on rural housing insurance funds or the food and nutrition feeding programs as a first step.

We expect a lot of this administration. We expect a lot of ourselves. I think the chairman of the subcommittee has set a good pace with the type of rigor and bipartisanship and hard work that went into this bill.

Mr. Chairman, I am proud to support this bill.

□ 1310

Mrs. VUCANOVICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2493. I would like to commend my chairman, Mr. DURBIN and my ranking member, Mr. SKEEN, who unfortunately cannot be with us today and Mr. MYERS for so ably taking Mr. SKEEN's place. I commend them for crafting a very fair and balanced bill.

The bill provides roughly $56.2 billion for mandatory domestic food programs such as food stamps and farm program crop subsidies.

In addition, it provides roughly $14.4 billion in spending authority for discretionary programs. This amount represents a $303 million increase over fiscal 1993 funding, but it remains $248 million less than the subcommittee's 602(b) allocation and $160 million less than the amount the President requested.

I am very pleased that the subcommittee has placed priority on the WIC Program and rural water and sewer programs. Under this bill WIC is increased by $350 million and rural water and sewers by $200 million.

I have always been a strong supporter of the WIC Program. This special supplemental food program for women, infants, and children provides critical nutrition and health benefits to low-income pregnant women and young children. These benefits reduce infant mortality, avert premature births and help our needy children reach their full potential.

To those of us who represent rural areas, the increase for rural water and sewers is very important. These programs help improve the quality of life of those who live and work in rural areas.

I am also glad that the bill includes funding for full time equivalents for the Food and Drug Administration. I am hopeful that the Commissioner will use this funding to support at least 65 FTE's for the implementation of the Mammography Screening Act as he recommended earlier. As a breast cancer survivor, I know the importance of accurate testing for this devastating disease. Because there is no cure for breast cancer, we must do all we can to provide an accurate and responsible method of diagnosing this disease. I look forward to working with Chairman DURBIN and Commissioner Kessler to ensure the expedient implementation of this act.

Mr. Chairman, again, I voice my support for this bill and urge my colleagues to cast their votes in favor of the bill.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO], who has just joined the subcommittee and has made an extraordinary contribution in her first year.

Ms. DELAURO. Mr. Chairman, I would like to express my respect and gratitude for the work done by Chairman DURBIN, Mr. SKEEN, and the subcommittee staff on this bill. Thanks to Chairman DURBIN's leadership, this bill comes to the floor $248 million under the budget target. Yet through careful balancing of available resources and thorough consideration of the needs of this country, Chairman DURBIN has made every dollar count.

Few people realize how many people's lives are improved by the provisions in this bill. It is not simply an agriculture bill—in it are provisions that fund vital health research; help protect and conserve natural resources; improve nutrition for children, mothers, and the elderly; provide housing for the rural poor; help high risk kids in the inner city; make possible research for safer food and drugs; and protect consumers.

As someone who has a longstanding interest in health care, I was impressed during this—my first year on the committee—to find out the degree to which this bill improves the health of people across this country.

Through its initiatives, additional research will be done on the commercial cultivation of taxol—a promising cancer-fighting drug. Research on drugs being developed to fight rare diseases will be increased $3 million to more than $15 million. And women will have access to better breast cancer screening because this bill provides increased funds for the inspection and certification of mammography clinics nationwide.

Through the nutrition programs in this bill, we have an extremely effective means of providing preventative health care at a time when we are more concerned than ever about rising health care costs. Our children will be healthier because of the school hot lunch and breakfast programs and the special milk program contained in this bill. The disadvantaged elderly—17,000 of whom this program serves in my State of Connecticut alone—will get decent meals because this bill increases funding by $8 million for that program. And through the WIC Program—which provides food as well education on nutrition and childhood immunization to 67,000 people in Connecticut each month and millions more across the country—babies will be born healthier and mothers will be better able to care for their children. Funds for WIC have been increased by $350 million.

Mr. Chairman, with its health research, food and drug inspection, and nutrition programs this is an extremely important bill especially as we consider how to keep health care costs low. Chairman DURBIN has done an outstanding job of providing the funds necessary to keep these important programs strong, and I urge your support for this bill.

Mrs. VUCANOVICH. Mr. Chairman, I yield 4 minutes to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I thank the gentlewoman for yielding, and would like to associate myself with the remarks of our chairman, the gentleman from Illinois [Mr. DURBIN], the gentleman from Indiana [Mr. MYERS], and, more especially, with their reference to and remarks about the gentleman from New Mexico [Mr. SKEEN].

As has been described on the floor today, the gentleman from New Mexico [Mr. SKEEN] is not able to be with us, having come through surgery on his back. I know of nobody in the Congress who has worked more tirelessly on behalf of the Committee on Agriculture, farmers and ranchers all throughout America, than the gentleman from New Mexico. He is a former member of the Committee on Agriculture. He is a rancher in his own right in his State of New Mexico, and we want to thank him for his leadership and work.

Mr. Chairman, this subcommittee's efforts I think have been on the mark. I would say to the chairman and to all of my colleagues that through their efforts in the past and with the present bill, they really provide the lifeblood for agriculture as we look at our agriculture program policy.

I know there is always an interest in farm programs on the floor of the House. I would like to repeat the advice and counsel of the esteemed chairman of the Committee on Agriculture, my good friend and colleague, the gentleman from Texas [Mr. DE LA GARZA], who points out that in terms of farm programs and expenditures, which I know are a real hot topic in this body, that we have been cut 9 percent a year for the past 4 years. We have reduced outlays $57 billion over 10 years.

Most Members do not understand that. Most Members think agriculture is a target. Hopefully we can educate them to the extent of what we have been able to do in regard to reduced outlays.

Mr. Chairman, let me also point out that in farm country things are not good in terms of the economic situation. In my home State of Kansas and my home community the price of wheat at the country elevator has gone from $3.60 6 months ago down to $2.40. That is more than a 25-percent drop in personal income. I know of no segment in our American economy that has suffered this kind of price decline. But we are enduring hard times, and we have to at least fund the farm programs to the extent we can under budget restrictions.

Let me say this with regard to a personal concern that I have. If you go down the authorizations contained in the agriculture appropriation bill user fees with the Agriculture Marketing Service, changes in the Federal Crop Insurance Program, changes in the Rural Development Administration, changes in the School Lunch Program, significant changes in the WIC program, changes in the CCC, changes in the Rural Development Administration, changes in the market promotion program, changes in the wetlands reserve program, and changes in the CRP, which is the conservation reserve program—some of us would say on the House Committee on Agriculture that this just might be legislating on an appropriation bill, more especially in regard to practical effect.

Now, the Parliamentarian of the House may or may not rule that this would be legislating in an appropriation committee, and goodness knows the chairman of the full committee and myself as the ranking Republican on the Committee on Agriculture want to work with the new chairman as best we can to determine what is best for agriculture.

I would simply say to the new chairman, welcome aboard. I know that the gentleman has exhibited past strong leadership as a former member of the Committee on Agriculture. The gentleman is aggressive. He believes in reform.

I would just remind everybody that we need to look under the banner of reform to prevent the law of unintended effects. We do that on the authorizing committee. We are trying to make the farm program more cost effective.

When the gentleman from Illinois [Mr. DURBIN] and the appropriators ride over the fence into our pasture, I would harken back to the days of the country that I am from. Some would say that that would be homesteading; others would say that that would be a squatter. I think perhaps, since we used to burn out squatters and we are not going to do that, that we will welcome the gentleman as a homesteader, and we will try to work it out.

Mr. DURBIN. Mr. Chairman, I might tell my colleague, the gentleman from Kansas [Mr. ROBERTS], that I come from a family of sodbusters, and we are happy to team up with the gentleman where we can.

Mr. Chairman, I yield 6 minutes to the gentleman from Texas [Mr. DE LA GARZA], the chairman of the Committee on Agriculture, who is my new partner in this effort on the Democrat side.

□ 1320

Mr. DE LA GARZA. Mr. Chairman, I thank the distinguished chairman for yielding time to me.

Let me say that I share the sentiments expressed by the previous Members regarding our desires for a very successful first venture in handling legislation for the Committee on Appropriations to the distinguished chairman of the subcommittee.

To our friend, the gentleman from New Mexico, Aliviate pronto mi hermano, get well soon, brother, to the gentleman from New Mexico [Mr. SKEEN], and to the gentleman from Indiana [Mr. MYERS] and all who have worked on the other side.

Let me say that there is a generic historical discussion every time we have one of these bills in that the authorizing committee feels that the appropriating committee overstepped their bounds. The Committee on Appropriations feels that they acted legitimately. We always expect that discussion.

Let me say that on this occasion, the distinguished chairman did not disappoint us. We had the usual disagreements. Fortunately, I think the major areas of concern, we have been able to address. And amendments will be offered later in order that we might achieve the intent of both the authorizing committee and the appropriations subcommittee. For that we are grateful for the cooperation.

The gentlewoman from Ohio [Ms. KAPTUR] mentioned oversight. We will do the same from our end. And together, we will have strong, positive oversight over all of the programs.

There will be areas, there are a few still unenlightened persons who perceive what this Committee on Appropriations and this bill does, what we do in the authorizing, because of 30-second sound bites and one-liners that Members hear in the media, unenlightened programs on the television and on the radio. Those, we can assure our colleagues, are legitimate programs that we can defend on the facts and not with sound bites.

Now, to put it all together, as far as the fiscal responsibility, this we have done together, the authorizing committee and the Committee on Appropriations. All of the talk that Members have heard, I think I can more graphically describe to my colleagues what the chairman mentioned about how much is discretionary, how much is mandated.

Here is a chart which shows the division of how the funds go to the Department of Agriculture. Almost 60 cents out of every dollar goes to nutrition, food stamps, feeding the elderly, school lunch, and only 18 cents goes to the farm programs that might be attacked today. So when we talk about agriculture, there is some great confusion that everything goes to the farm programs. Only 18 cents out of every dollar. Sixty cents goes to nutrition.

Now, let me show my colleagues what we have done. In the future, the projections are, in the entitlements, Social Security, it is proposed that all of the entitlements show an increase up to 1997. The only thing showing a decrease is agriculture. That is what we are doing today. Only thing showing a decrease up to 1997 is agriculture.

In the past, from 1985 to 1991, everything grew, as high as 15 percent. The only thing showing a decline was agriculture. So how can anyone say that agriculture is responsible for overspending? We are the only ones projecting a reduction. We are the only ones showing a reduction.

And then the so-called top entitlements, I am going to let my colleagues in on a secret that very few Members know, venturing into another area, many say we need to cut the entitlements, we need to cut the entitlements.

The No. 1 entitlement is Social Security, $267 billion. No. 2 is Medicare, $114 billion. No. 3, guess what No. 3 is, deposit insurance for banks and savings and loans. That is the No. 3 entitlement, then Medicare, then civilian retirement, then unemployment, then military retirement, then food stamps, then supplemental security, then family support, then veterans benefits.

Then we come to agriculture. It is at the bottom of the pyramid where agriculture is. And then, my friends, let me show what do we get for our investment?

The only thing bringing money back from abroad is agriculture. Everything else is in deficit. All nonagriculture is in deficit. Only agriculture is bringing money back from abroad.

The part of GNP, 18 percent comes from agriculture.

And then finally, my colleagues, let me add, we drew a chart. I said, put the total budget, the $1.4 trillion, superimpose on it what we spend for agriculture. They did. And we cannot see the little line, seven-tenths of 1 percent. That is what we are going to be, some Members are going to be arguing today here over seven-tenths of 1 percent, for 18 percent of GNP, for the only thing bringing money back from abroad.

I commend the gentleman for this frugality in many areas. It will hurt in some areas, but in 12 years, agriculture has reduced $57 billion. Had every other committee done this, we would not be worried about a deficit or a balanced budget. Fifty-seven billion dollars were cut by agriculture.

Mrs. VUCANOVICH. Mr. Chairman, I yield 4 minutes and 30 seconds to the gentleman from New York [Mr. WALSH], a member of the committee.

Mr. WALSH. Mr. Chairman, I rise today in strong support of H.R. 2493 and its accompanying report that provides funding for Agriculture, Rural Development, Food and Drug Administration and related agencies programs for fiscal year 1994. I commend the distinguished chairman of the Agricultural Subcommittee, Mr. DURBIN, and the ranking minority member, Mr. SKEEN, and their leadership and their fine work in crafting this complicated bill and in a very open fashion. As a new member of the subcommittee I would also like to thank the subcommittee staff for their diligence and expertise and I enjoyed working with my fellow subcommittee colleagues in developing a strong bipartisan bill.

In this bill we had to make some difficult choices. The $70.6 billion provided in the bill includes $56.2 billion for mandatory spending programs. These mandatory programs will provide additional money for food stamps, for child nutrition programs, and for popular feeding programs such as Meals-on-Wheels which benefit low-income senior citizens. We have also increased spending on the high priority WIC Program by $350 million to $3.21 billion. This increase is the largest in our bill and it will enable WIC to enroll over 5.9 million low-income women and children into this cost-effective program.

This bill takes a significant step toward reforming the Federal Crop Insurance Program by phasing in an area yield concept. Since its inception in 1980, the Federal Crop Insurance Corporation [FCIC] has lost hundreds of millions of dollars while private insurance companies, who have borne little of the programs risks, have profited handsomely. Furthermore, the availability of crop insurance has not succeeded in eliminating other forms of disaster assistance. Congress has always been and will continue to be sympathetic to pleas from our constituents for relief from natural disasters. This is just human nature.

I am also glad to report that this bill provides $2.9 billion for conservation programs. Conserving, improving, and sustaining our natural resources and environment has to be one of our country's top priorities. Agriculture today is facing greater challenges than ever in meeting public demands for environmental protection. Agriculture has been identified as a major contributor to nonpoint source water pollution. In fact, water quality is the most rapidly emerging issue impacting agriculture today.

In this bill we are also able to expand the Wetlands Reserve Program by providing funding for an additional 50,000 acres of wetlands. Last year, the committee was not able to provide any funding for this program. While I would have liked to have seen more land set-aside for wetlands protection, this committee has added eight new States to the Wetlands Reserve Program and enrolled, protect and restore our wetlands habitat while staying within the tight budgetary constraints under which the committee was forced to operate.

Our committee has agreed to restructure the Rural Electrification Administration loan programs. This fundamental change to REA programs will eliminate the current 2-percent loan program for rural telephone and electrical cooperatives, thereby cutting back the Federal subsidies that phone companies and rural cooperatives have been receiving.

While many Members, including myself, have argued in the past that the REA has outlived its usefulness, I believe that REA has seen the light and has belatedly responded by increasing its interest rates and revamping the agency's mission. Our committee's appropriation supports this reduction in REA subsidy rates and our action has resulted in a savings of $97 million.

This bill also significantly increases spending for both direct and guaranteed singly-family rural housing loans. These programs will help provide low-income residents with affordable housing. The bill also provides much needed research for farm safety programs and it provides for a $27 million increase for the food safety inspection service. Given the recent outbreak of E coli bacteria in Washington State it is imperative that we accelerate our efforts to develop an improved science-based approach in inspection service to enhance the continued public safety or our meat and poultry supply.

Finally, the committee provides $813 million for Food and Drug Administration programs. The FDA sets food and product standards, evaluates the safety and efficacy of new drugs and medical devices and protects and promotes the health of virtually every American by regulating the activities and uses of food and drug products. While I have continuing concerns about the notoriously slow drug and products approval process, I am hopeful that this $200 million increase over President Clinton's request will assist the FDA in expediting the drug approval process.

There are numerous other beneficial programs which I could cite in support of this bill. I commend again the work of the distinguished subcommittee chairman, Mr. DURBIN and I urge Members to support this important legislation.

□ 1330

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from South Dakota [Mr. JOHNSON], a colleague from the Subcommittee on General Farm Commodities of the Committee on Agriculture.

Mr. JOHNSON of South Dakota. Mr. Chairman, I thank the chairman and the ranking member of the committee for their hard work and their excellent diligence on the agricultural appropriations bill. Inevitably, there will always be some differences between the authorizing committee and the Appropriations Committee, and those differences I am confident we can work through, but the basic thrust of what the Committee on Appropriations has done is consistent with the budget resolution, consistent with the action of the committee on agriculture, and I think will move this committee forward as well as making significant progress on our Federal budget deficit.

As the chairman of the House Committee on Agriculture's Subcommittee on General Farm Commodities, I want to draw special attention to the contributions that American farm workers and ranchers are making towards deficit reduction in the context of this appropriations bill and the overall budget resolution.

While the overall agricultural appropriations bill will increase spending for food programs in particular, which are now the lion's share of the agricultural budget, the Food Stamp Program going up in excess of $7 billion, consistent with the Mickey Leland Child and Hunger Relief Act, WIC funding going up, other nutrition programs going up, but in fact that share of the budget that goes to farmers in the form of farm program payments of every kind is going to be going down by $2.95 billion, a huge decrease, over the next 5 years.

I think we need to keep in mind the context, as well, that this comes on the heels of a 13 plus reduction in farm program spending mandated by the 1990 budget agreement. Over the last number of years that share of the agricultural budget, always relatively small compared to the entire budget, has been on a rapid decline, and continues to be so. It is important that our colleagues understand that and give full credit to the farm and ranch community for the contributions they are making.

Obviously, our first priority is to find savings that have the least impact on direct farm income. That is difficult to do. We have crafted cuts that minimize the hit to farm income, but nonetheless there are consequences.

Mrs. VUCANOVICH. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman, I appreciate the good faith in which the chairman of our Committee on Agriculture and the gentleman from Kansas [Mr. ROBERTS] have come forth today in speaking with the new chairman of the committee. I think there is always a proper place for protocol, and they have properly done their role, but I have to tell the Member that, as a member of the authorizing committee, I am not sure if we pass this bill in its present form that we need to have an authorizing committee any more. We might just want to tell the Congressional Reform Commission that they might just as well eliminate our committee, because all of the decisions we make are either going to be reversed, changed, or modified by the appropriators.

I think that is why we see the kind of frustration we do in America, and why we see the debate in this Congress over whether we ought to have both authorizing and appropriating committees because it is clear that one of them is unnecessary or certainly interfering with the other.

Mr. Chairman, I thought the Members would all be interested, because I think this is that important, that I take just a second of the Members' time to go through some of the authorizations that are included in this appropriation bill.

First of all, the bill authorizes user fees for the Agriculture Marketing Service to fund the cost of standardization activities of the Agriculture Marketing Service, clearly a decision of the Agriculture Committee, not the appropriators.

Second, it makes crop insurance unavailable to farmers in counties where crops have a loss ratio in excess of 1.10 in 7 of the last 10 years, despite the existence of an authorization to the contrary.

Third, it provides that all the Rural Development Administration activities ought to be moved back into the Farmers Home Administration. If we are going to get into reorganization of the USDA, which we will this year, and if we are going to eliminate the Rural Development Administration which was created on a bipartisan basis, the authorizing committee ought to be involved in that.

The bill then interferes with the jurisdiction of the Committee on Education and Labor over the school lunch program, which will be up for reauthorization in the second session of this Congress. We will get into this more in the amendment process later, but to preempt us from considering these changes in this area, in my opinion, is just not right.

Then the bill decides that we do not have enough to do at the Federal level, so we are going to get involved in literally prohibiting reimbursement of administrative expenses of WIC clinics that do not have announced policies prohibiting smoking. Can you imagine Washington running around to every county WIC office in this country trying to determine whether or not they have a smoking policy?

The bill then prohibits the Commodity Credit Corporation from using funds to promote the sale or export of tobacco or tobacco products, even though no authorization language permits such a limitation.

The bill then prohibits any funding for the several regional offices of the Rural Development Administration. Then it prohibits the expenditure of market promotion program funds on any kind of a tobacco promotion in foreign countries. It then puts limits on the Wetlands Reserve Program, even though we, in reconciliation, just got done saying we would cap the conservation reserve in exchange for a commitment to do more on the wetlands conservation program.

Finally, the bill prohibits the enrollment of new acres in CRP, despite the existence of specific authorizations requiring certain enrollments for fiscal year 1994.

I bring these authorizations to the attention of the Members not because I want to pick a war with the appropriators in any way, shape, or form, but because I think these are points that legitimately ought to be debated in the authorizing committees. Indeed, I think we ought to tell every Member of this Congress, urban or rural, if we are going to do this, we do not need both committees, and we ought to decide right now which one we are going to eliminate.

Mr. DURBIN. Mr. Chairman, will the Chair please advise me how much time remains on each side?

The CHAIRMAN. The gentleman from Illinois [Mr. DURBIN] has 3 minutes remaining, and the gentleman from Indiana [Mr. MYERS] has 8½ minutes remaining.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I also commend my colleague, the gentleman from Illinois [Mr. DURBIN] for the hard work and leadership that he has certainly put into this bill. While I do not support all parts of the bill, I recognize that it represents a tremendous amount of work and leadership on his part.

Mr. Chairman, I will be offering two amendments today to the agricultural appropriation bill, the first with the gentleman from Minnesota [Mr. PENNY] on behalf of the porkbusters coalition to eliminate funding for 100 specifically unauthorized cooperative State research service projects totaling about $87 million.

The second amendment requires that specific earmarks for all projects in the committee report be specifically authorized by law. This amendment goes to the heart of what porkbusters believe is what we are all about. Most of the earmarked projects cited by the porkbusters coalition are those included in reports of the Committee on Appropriations or conference reports for which there is no specific authorization.

I should add that this later amendment does not cut one dollar from the appropriation bill. I want to emphasize that. It simply does not allow money appropriated to be earmarked for a specific project without a specific authorization.

□ 1340

Without the earmarking, the funds would still be available for obligation as provided for under law. When I attempt to offer this amendment, the gentleman from Illinois [Mr. DURBIN], of course, chairman of the Agriculture

Subcommittee, has the right to move to have the Committee rise. If this motion to rise passes, I will not be able to offer my amendment and, therefore, I ask that the Members consider the defeat of the motion to rise so that indeed I will have the right to be able to offer the second amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2½ minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, this Member would also like to direct commendations to the distinguished gentleman from Illinois [Mr. DURBIN], the chairman of the subcommittee, and the distinguished gentleman from New Mexico [Mr. SKEEN], the ranking member of the subcommittee, and to all the members of the subcommittee for their exceptional work in bringing this bill to the floor.

This measure includes $750 million in loan authority for the Farmers Home Section 502 Middle Income Loan Guarantee Program. This Member originally proposed this housing program and ultimately steered it through the House Banking Committee. After a very successful 20-State demonstration program in 1991, the 502 Unsubsidized Loan Guarantee Program was expanded to all 50 States in 1992. Once the program was in place, this Member successfully pushed in the authorizing committee for the income limits of the program to be expanded from a top limit of 100 percent of median area income to a top income of 115 percent of median area income to match existing HUD programs for urban areas.

The $329.5 million in loan authority appropriated in fiscal 1993 was completely allocated in the first 6 months of this fiscal year. Congress recently passed a supplemental bill to provide another $250 million in loan authority for the program.

This Member is, as you might expect, very supportive of additional appropriations for this program. The Clinton administration is equally supportive, requesting $681.768 million in loan authority for fiscal 1994. The committee members are to be commended for recognizing the value of this unsubsidized program and providing funding levels which are more in line with the demand for the program from lenders, borrowers, and future low-middle and middle-income homeowners.

Mr. Chairman, I want to reiterate my compliments to the distinguished gentleman from Illinois [Mr. DURBIN], chairman of the subcommittee, and the distinguished ranking member, the gentleman from New Mexico [Mr. SKEEN], and all of the members of the subcommittee for the outstanding effort they have made in analyzing the variety of programs in this appropriation measure. I have already commented favorably on the subcommittee's recognition of the need for additional appropriations for nine Farmers Home Administration unsubsidized direct home loan mortgage programs, the 502 program, which is growing dramatically. It is helping to meet the needs of low- and middle-income Americans in small rural communities and rural areas.

Beyond that, this Member would say he thinks the subcommittee has taken the right step in effectively eliminating the district offices of the Rural Development Administration and returning those responsibilities to the Farmers Home Administration—hopefully, for the most part to the State directors of FmHA.

Second, this Member appreciates the restoration of $10 million to the cooperators program. Third, this Member thinks it is the appropriate step to appropriate at current levels for the market promotion program.

However, I would say I have great reservations and concerns about the way the subcommittee is proposing legislative language in the area of Federal crop insurance programs. But I realize that the Federal Crop Insurance Program is a program crying out for reform and richly deserving such reform.

Let me conclude by saying that my State, generally ranked fourth in agricultural production with a preeminent land grant institution, the University of Nebraska—Lincoln, had important research projects requests advanced by this Member before the subcommittee that were not included in this legislation. I regret that fact. I suspect that the subcommittee is looking ahead to the good efforts of the junior Senator from Nebraska [Mr. KERREY], a Member on the Appropriations Committee in the other body to advance the UN-L proposals, but I would say that the chinch bug research conducted by Kansas State University and the University of Nebraska—Lincoln, which this Member requested for continuation is a unique problem in parts of Kansas and Nebraska. A solution is extraordinarily important to our States. I hope it continues to be funded by the other body and sustained in the conference.

The variety of programs related to a food processing center, a research program emphasizing nonfarm industrial user for agricultural products, and continued research in the area of sustainable agriculture at UN-L are very important to the agricultural industry in my State and to farmer and agricultural processing, around our Nation. Yet, these applied research projects were not recommended by the subcommittee. I regret that fact and ask the House conferees to support initiatives from the other body on these specific proposals or programs.

Finally, I would make a point which I believe would be appreciated by all members of the Agriculture and the Appropriations Subcommittee. If you take a look at the total appropriation considered here, it is approximately $70.6 billion. Our urban colleagues and rural colleagues should remember that, incredibly, nearly four-sevenths of this total budget goes for the domestic and food programs at $39.4 billion. On the other hand, if you take a look at those appropriations directly related to agriculture, instead of $39.4 billion we are talking about a total of $22.4 billion. So the agricultural processing, production, and marketing programs today at $22.4 billion of the total $70.6 billion is a minority part of the dollars spent by USDA. This is a point of concern which is frequently advanced at the town hall meetings I hold. Farmers and agricultural processors want the critiques of USDA expenditures and all Americans to know that only a small part goes for what are directly considered to be the farm programs, while about four-sevenths of $39.4 billion of the total $70.6 billion appropriated in this bill goes to the Food Stamp Program and other domestic food assistance programs for Americans eligible for food assistance.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Mrs. MEEK], a new member of the Committee on Appropriations.

Mrs. MEEK. Mr. Chairman, I would like to thank Chairman DURBIN and the Agriculture Committee for the kind of bill that they have brought to the floor today.

Mr. Chairman, I rise to express my strong support for H.R. 2493, and in particular for the funding provided in the bill for the Special Supplemental Food Program for Women, Infants, and Children.

A recent study suggests that, in my own State of Florida, 114 more infant deaths would have occurred had the WIC Program not been in place. It is clear that WIC saves lives and gets babies off to a healthier start. This is a Federal program that works.

It should be our goal to reach as many WIC-eligible women as possible, and H.R. 2493 marks an important step toward full funding of WIC. Mothers or mothers-to-be should not go without help because of a lack of funds. I am pleased that the President has given this program a high priority, and I commend the committee for increasing WIC funding by $350 million. I urge all my colleagues to save more lives by supporting this bill. Vote for healthier mothers and babies.

Mr. MYERS of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Chairman, I thank the gentleman for yielding the time. I want to add my congratulations to the chairman of the committee, my colleague, the gentleman from Illinois [Mr. DURBIN], and the ranking member, the gentleman from New Mexico [Mr. SKEEN], for the work they have done.

I would like to just point out the importance of agriculture. Too often we take our agricultural industry for granted. We have a great need to cooperate and to work together between the authorizing committee and the appropriating committee to do what is best for agriculture. We need to come together on a nonpartisan basis, and we can do that, and have proven we can do that in the area of agriculture.

Agriculture is our basic industry in this country. We take it for granted because it is so strong and so productive. But we need to do things to make agriculture more productive, and I think this bill does that. We have to protect our agricultural industry so that we bring new, young members into it. And by the research and some of the programs involved in this appropriation committee we will be able to do that.

American agriculture is the best in the world. What we have to do is to be sure that we keep it that way, and we keep it strong and competitive with our competitors around this world.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to my colleague on the subcommittee, the gentleman from Florida [Mr. PETERSON]. He sat through all of the meetings in preparation for this bill, and he said when they were all over that he had never been more relieved, except the day that he was liberated from a POW camp.

Mr. PETERSON of Florida. Mr. Chairman, I thank the gentleman for yielding the time.

Mr. Chairman, I rise in strong support of this agriculture appropriation bill. This is a strong, bipartisan effort under the leadership of Chairman DURBIN and ranking member JOE SKEEN, and with the help of the committee's very able staff.

With the new leadership and several new members on the committee, there is a new direction, a direction driven by the new realities we find in the agricultural communities in America. The committee sought efficiency, productivity, and compassion in this bill. We want our farmers to be profitable as well as productive. We want the Agriculture Department to be efficient as well as instructive, and we want American families to be healthy and confident of the safety of the Nation's food supply and its medication.

This is a good bill, fiscally responsible with the mandatory programs driving the appropriations in past years.

I ask my colleagues to support this legislation.

Mr. MYERS of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, I just wish to advise the members of the subcommittee and also the Members of the House that later on when we get to title IV I will be offering an amendment that would strike the provision relating to the school lunch program.

Presently the law permits its use. Under the provisions in the bill, the school district would not have to provide whole milk for their children.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself 1 minute to respond to our colleague who is not here, the gentleman from New Mexico [Mr. SKEEN]. I just got word from him that he has been watching and has been satisfied so far. But I want to warn him that it has taken two of us today to fill his shoes as capably as we could, myself and the gentlewoman from Nevada [Mrs. VUCANOVICH]. If he thinks he is just going to lay off the job and we are going to do it, we will do it today, but not in the future.

In closing, we want to wish him a happy birthday tomorrow. He reaches that big age, and he catches up with me for a few months.

Mr. DURBIN. Mr. Chairman, I yield myself our final 1 minute.

Mr. MYERS of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, allow me to close this debate by just saying two things. First, I want to thank all of the staff who have been involved in preparing this bill. Many people who listen to the likes of Rush Limbaugh and other commentators believe we have armies of staff people working on these bills.

This is a $70 billion appropriation bill that was crafted by five professional staff people in our appropriations office. As I said before, it is almost three times the budget of my home State of Illinois, and five people working day and night for 5 months have put it together.

I want to thank Bob Foster, Tim Sanders, Carol Murphy, Denise Riley, and Toni Savia for their work as well as those on the Republican side, which I am sure the gentleman from Indiana [Mr. MYERS] will mention and acknowledge.

Let me say in closing that we have tried to make this process as open as is humanly possible, from the hearings on through to the markup, and we have done everything we can to give every Member an opportunity.

□ 1350

We have come to the floor without a rule so the minority has their chance to make any offerings they would like to make. But I would also like to implore all of my colleagues on both sides of the aisle to be reasonable in limiting the time for debate so that we can finish this bill at a reasonable hour and move on to other appropriation bills. In that spirit of cooperation, I think we can have the deliberation we need on this bill and really debate the important issues contained in it.

I would just say to the gentleman from Indiana that I know we have discussed this yesterday, but I think if we can have reasonable limitations on debate, each side will have a chance to state their position, and we can move on and allow the Members to vote.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I am happy to yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Could we have an agreement before we get into the amendment process so that we have no misunderstanding about someone saying, "My amendment is more important that the one that you disallowed?"

Mr. DURBIN. Of course, as I understand it, I will have to ask for unanimous consent, or the gentleman from Indiana will, but I would like to try to at least limit to 30 minutes each amendment, 15 per side. I would also like to suggest some amendments may take less time and would like to encourage the Members to try to be as concise as possible.

Mr. MYERS of Indiana. Can we just have a lady's and gentleman's agreement that we will hold each one to 30 minutes, without having a unanimous-consent, and see how it works for a while?

Mr. DURBIN. Well, let us try that. I will be happy to. I hope that works.

Mr. MYERS of Indiana. Equally between the pro's and con's, maybe not because of Democrats and Republicans, but equally between those for and opposed?

Mr. GUNDERSON. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I am happy to yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Chairman, my only concern is that if we have the gentleman's agreement about the allocation of time, we also have a gentleman's agreement about the allocation of that time between proponents and opponents of the amendment.

Mr. DURBIN. Certainly.

Mr. GUNDERSON. We do not want to give the committee all the time.

Mr. MYERS of Indiana. No.

Mr. DURBIN. No. That is understood.

Mr. MCDADE. Mr. Chairman, I rise to speak in support of the amendment offered by the distinguished gentleman from Kansas.

The seven RDA regional offices were established to assist rural areas and small towns throughout the Nation in rural economic development and infrastructure. The offices were established with widespread support and much hard work and effort by members of the Agriculture authorizing committee, including strong support from our former colleague in the House, now Secretary of USDA Mike Espy, from both political parties and both House and Senate Members.

RDA is mandated in the 1990 farm bill. The seven regional offices authorized by law have only been operational for less than 1 year, certainly not enough time has passed to make a judgment on whether they should be suddenly closed before they are given a chance to work. We should avoid the mistake of suddenly closing all of the RDA regional offices improperly and without a careful evaluation by the authorizing committee, the Secretary of USDA, and most importantly by the public who need and use the services provided by RDA. This is clearly not the time and certainly not the right process or place to shut down the RDA. No congressional or public oversight hearings were ever held by any of the committees of jurisdiction.

So far we have invested more than $20 million of the taxpayers' hard-earned money and transferred more than 246 dedicated Federal career employees to pay for and staff these offices. Action proposed in this appropriations bill will cause great hardship, dislocation, and cost burdens to people and small towns where the offices are located. It makes no sense either to be forced to pay extra dollars, estimated by the USDA budget office to be as high as $4 to $6 million in extra termination and relocation costs to do something which has not been properly evaluated.

The administration, including Secretary Espy, strongly opposes termination of RDA in this bill. The legislative provision which kills RDA funding to support the existing regional offices also preempts the authorization committee and the Secretary's right to determine how USDA is to be managed and organized.

These new regional offices if closed by this bill will set improved regional planning and better quality rural economic development projects now underway and in the pipeline back, and as well increase costs and redtape burden.

The RDA was established with significant public support to help close the economic disparity between the Nation's rural and urban areas and to incentivize economic and job development opportunities and to stem the tide of steady and devastating migration of rural population to the cities. It is just now starting to work in improving the rural economy by creating jobs, maintain and attract businesses, and provide services comparable to those available in urban areas. RDA regional offices are helping small towns and rural remote villages to stabilize their economies, and we very much need to support and maintain that commitment and effort.

I strongly seek the support of all of my colleagues to vote "yea" on the amendment to strike section 722 offered by the distinguished ranking minority member of the authorizing committee and to give RDA a fair chance.

Mr. ROGERS. Mr. Chairman, I rise in support of H.R. 2493, the Agriculture and Related Agencies Appropriations Act for fiscal year 1994. I support this bill because it provides much needed funding for several programs important to my district. For example, the committee provides report language to assist the Southern Kentucky Rural Economic Development Center in receiving a grant for a telecommunications facility to provide education and training services to my district. In addition, the bill includes $39.5 billion for domestic feeding programs, including a 12 percent increase in funding for the Women, Infants, and Children (WIC) program. A 15 percent increase is also provided for rural water programs critically needed to bring clean water to my area.

Mr. Chairman, while I will support the bill because of these and other important programs, I strongly object to anti-tobacco provisions included in the bill. These provisions amount to nothing less than an all out assault against the over 100,000 family farmers in Kentucky which rely on tobacco for their livelihood.

H.R. 2493 prohibits employees of the Department from taking any action to aid in the sale of tobacco abroad. This is grossly unfair Mr. Chairman. My farmers pay the taxes which fund the Department of Agriculture, and they rightfully expect the same treatment that other farmers receive. To deny them the services their tax dollars pay for is an injustice.

In addition, H.R. 2498 prohibits tobacco growers from using the Market Promotion Program. Let me clear up the misunderstanding many of my colleagues have about tobacco and the Market Promotion Program. This is a program to build U.S. exports in areas where the United States has suffered from unfair competition in foreign markets.

Proponents of these prohibitions want you to believe this is a health issue, but it is not. It is solely a competitiveness issue. Eliminating tobacco from the Market Promotion Program and prohibiting USDA to offer services to tobacco farmers will not decrease tobacco consumption abroad. The fact is the United States grows less than 10 percent of the world's tobacco. These prohibitions will only undercut U.S. farmers in international markets and allow our foreign competitors, such as the European Community which subsidizes tobacco by almost $1 billion, to grab the international market. Once again, the United States will lose its position in the international market for a critical commodity which contributes almost $6 billion surplus to our balance of trade.

These provisions help no one, but hurt hundreds of thousands of American farmers and workers, numerous States which depend on this important revenue, and the Nation as a whole which benefits from the trade surplus tobacco generates. The impact on my State would be tremendous—over 160,000 families derive income from tobacco and tobacco contributes over $2 billion to Kentucky's economy. My State and our Nation, cannot afford to lose this important revenue.

My colleagues, American jobs and American competitiveness are at stake, and I am deeply disappointed that my colleagues voted to include these provisions in this bill. However, I will continue my fight to stop the anti-tobacco forces in Congress from taking away money and jobs from my constituents.

Mr. KYL. Mr. Chairman, there are some good things in the fiscal year 1994 agriculture appropriations bill: funding for child nutrition programs; the Women, Infants, and Children (WIC) program; food donation programs; and the Emergency Food Assistance Program.

These are the kinds of programs that are targeted to those who are most in need. They are the kinds of programs we ought to be supporting.

I want to commend the committee, too, for recognizing that such food and nutrition programs can provide a vital link in educating low-income families about the importance of immunizing their children. The committee calls for making immunization education part of nutrition education and health counseling.

Funding is also included in the bill for the extension service, which provides instruction and practical demonstrations in agricultural and home economics and related subjects. The service provides nutrition training in impoverished areas.

The problem, however, is not only that the good in the bill is outweighed by the bad, but that the good is actually overwhelmed by the bad.

Domestic food programs, for example, are slated for a net increase in funding of about $1 billion, or just 2.7 percent over fiscal year 1993. The extension service gets just a $5 million increase, or 1 percent over fiscal year 1993. While these good programs squeak by with increases not even large enough to compensate for inflation, farm subsidies and pork get generous treatment.

Funding for the Commodity Credit Corporation will jump nearly $9 billion. That is an extra $9 billion just to pay for losses sustained as a result of supporting certain crop prices.

Taxpayers take a double hit. First, when they pay their tax bills; then a second time when they go to the grocery store to feed their families. For the needy, food stamps do not go as far when grocery prices are inflated by Government price support programs.

The price of peanuts and peanut products is a good example, and one that is dealt with specifically in the Appropriations Committee's report. The Government has to buy peanut products for its food assistance programs at the Government-set, quota support price rather than at the lower world market price.

According to the General Accounting Office [GAO], that cost taxpayers an extra $14.4 million in 1990 alone—just for peanuts; just for Federal food assistance programs.

But, that's nothing compared to what consumers across the country pay as a result of the Federal Government's peanut program. The GAO estimates that consumers pay half a billion dollars extra—that is an additional $500 million—in Government-inflated peanut prices when they do their grocery shopping. And, that is only for peanut products. Prices of rice, sugar, honey, wool, and wheat are also inflated by the Government.

The committee calls on the USDA to submit legislation to allow it to buy peanut products for domestic feeding programs at lower world prices. But, if the Federal Government needs the relief, what about the rest of the American people? Why the disparate treatment?

Mr. Chairman, the bill earmarks nearly $90 million for special research grants, and buildings and facilities of the Cooperative State Research Service. There is funding for fairy goat research, cranberry research, and blueberry research to name a few. These are all programs which are not specifically authorized. Even President Clinton, in his "Vision of Change for America," criticized such earmarks, suggesting that many of these research projects should be undertaken and financed by the agribusinesses that directly benefit from them.

The bill includes $147 million for the Market Promotion Program [MPP], a program which helps promote agricultural exports abroad. Promoting exports is a good thing. The question is, do the taxpayers really need to subsidize the activity?

According to the State Regional Trade Groups, a coalition of private, non-profit international trade development organizations, the exports of companies participating in its branded programs jumped $219 million, or 25 times the total amount of MPP funds those companies received. Proponents argue that that is the very reason to support MPP funding.

But, that is the very reason I question whether the taxpayers need to be involved at all. Can anyone tell me that if the Government stopped funding the program, that any company would not still jump at the chance for a $25 return on every dollar of advertising or promotion spending? I can't believe the industry would forego that kind of return.

Mr. Chairman, if we can't even cut spending on programs like these—the special research grants, the price supports, the Market Promotion Program—we'll never be able to make a significant dent in the budget deficit.

We have got to begin distinguishing between our needs and our wants. We need to help the hungry; we have to do our best. But in a time of $300 billion budget deficits, I don't think it's asking too much for the agricultural industry to bear its own costs.

Moreover, Mr. Chairman, we can't continue to inflate food prices, and then try to compensate with modest increases in funding for food programs for the needy. It is a cycle that just can't be sustained, and it's one that hurts people in the process.

I intend to vote against this bill.

Mr. KILDEE. Mr. Chairman, H.R. 2493, the Agricultural appropriations bill, contains funding for a program which is essential to our efforts to combat hunger among our Nation's children. The Special Supplemental Food Program for Women, Infants, and Children, or WIC, has proven itself as an effective weapon in fighting malnutrition in pregnant and postpartum women and their infants and children.

At a time when every fifth child in America lives in poverty, and nearly half of all minority children are poor, expanding WIC's reach is not just a good idea—it is a necessity. For the past 2 years I have sponsored legislation entitled the "Every Fifth Child Appropriations Act" which is designed, in part, to provide full funding for WIC by the end of fiscal year 1996. H.R. 2493 includes a $350 million increase for WIC. If we commit ourselves to addressing the needs of hungry infants and children at this level over the next 3 years, we will indeed achieve full funding by the end of 1996.

This level of funding reaffirms the President's commitment to this program and is consistent with the budget resolution and the discretionary caps and is within the Agriculture Subcommittee's allocation.

The value of WIC is well documented. As the first line of defense against low birthweight, it plays a vital role in preventing infant mortality. A new study released this past May by the U.S. Department of Agriculture found that in 1988, WIC averted 114 infant deaths in Florida and 320 in South Carolina. These are not just numbers; they are lives saved.

Good nutrition provided through WIC is also very important for ensuring that children's cognitive development is not interrupted and that they enter school ready to learn. A study released by the Food Research and Action Center [FRAC] in collaboration with the National Center for Chronic Disease Prevention and Health Promotion found that WIC participation reduces anemia among preschool children. The negative affects an anemia on a child's ability to learn include shortened attention span, irritability, fatigue, delayed motor development, decreased ability to concentrate, impaired memory, and the ability to combat infection is decreased. The FRAC study found that WIC participation among 3-year olds reduces the anemia rate by 17 percent and 20 percent among four-year olds.

WIC is also proven to be very cost effective. Every dollar spent on a pregnant woman under WIC saves between $1.92 and $4.21 in Medicaid costs. The problem with WIC is that it currently serves only 60 percent of those eligible.

This program is a sound financial investment for this country in terms of money saved and human potential realized, but for a Government whose role is to promote, protect, defend and enhance human dignity, it is also a moral obligation, and I strongly support the funding level contained in H.R. 2493.

Mr. POSHARD. Mr. Chairman, I rise in strong support of H.R. 2493, the Agricultural Appropriations bill for fiscal year 1994. I want to thank my colleague, subcommittee Chairman Dick Durbin, for putting together a good bill which recognizes some very important needs in my district.

The Appropriations Committee has included report language instructing the Department of Agriculture to give high priority to a number of water projects, including one in my district to use water from Lake Shelbyville to serve farming communities across several counties across central Illinois. In just a matter of months, and with the committee's assistance, there has been tremendous progress toward developing a water system which will alleviate severe supply and distribution problems for farmers and other rural residents in this area. The directions in this report will help move the process forward and make a dramatic improvement in the quality of life in that part of my district.

The committee also looked favorably upon a request for an investment in canola oil research. This is an investment in developing a domestic resource which is in growing demand from consumers. Canola oil production works well as a rotation crop with soybeans and as an alternative to winter wheat. With this investment, we can provide additional income for farmers and health benefits for all Americans.

Coming from a rural, farming district, I could go on at length about other important provisions of the bill, but I believe the committee members have done that sufficiently. Suffice to say that I believe this bill moves our agriculture and rural development programs in the right direction, and I wish to thank all the committee members who took time to meet with me to discuss the concerns of the 19th District.

I urge adoption of the bill.

Mr. GOODLING. Mr. Chairman, I rise in support of H.R. 2493, a bill providing appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies for fiscal year 1994.

I want to commend and thank Chairman Durbin and the Agriculture Subcommittee's ranking minority member, Mr. Skeen, for their steadfast support of our Federal Nutrition programs for our Nation's children and elderly.

In particular, I was pleased to learn that the bill recommends current law level funding for the child nutrition account's schoolbased feeding programs and modest increases for the account's educational and training activities.

We are all well aware that the subcommittee has always assigned funding for the Special Supplemental Food Program for Women, Infants, and Children [WIC] its highest priority. I was very satisfied to note that while the Subcommittee responded to our common desire to see the program extend its benefits to a greater number of participants, it did not do so by throwing money at the program and jeopardizing the administrative stability that has characterized it.

In closing, I again extend my thanks to our Appropriations Committee for its continued support of our nutrition programs.

Mr. FRANKS. Mr. Chairman, I rise today to oppose H.R. 2493 the fiscal year 1994 Agriculture appropriations bill. I feel that in these tough fiscal times, I cannot support legislation that will augment the deficit.

Mr. Chairman, before I begin my criticism of this bill, I would like to state that I do support the child nutrition programs and the WIC [Women, Infants and Children] Program. I believe that these are valuable programs and that the funding in title IV of the bill adequately meets its goals while not overburdening the deficit.

However, I cannot say the same for the rest of H.R. 2493. I was absolutely appalled to learn this bill will provide $17.7 million to continue funding the National Agricultural Library in Beltsville, MD. With a $4 trillion deficit, do we really need a $17.1 million agriculture library? Unfortunately the pork doesn't stop here. We will spend another $12.2 million on something called the Packers and Stockyard Administration, that's a real fancy name for bringing home the bacon.

Mr. Chairman, these are just prime examples of wasted Federal resources. Too many programs and agencies that served there purpose or fulfilled their mission years ago continue to burden the budget. The Rural Electrification Administration certainly comes to mind. The new deal certainly helped us out of the Great Depression, but its archaic programs are going to continue to keep us in recession and in debt.

I believe it is time for the Congress to recognize that we have limited Government resources, and we must learn to appropriate these scarce resources in a way that best helps the American people. The American public is tired of business as usual, we need to put an end to it.

Mr. Chairman, in closing I believe a vote for this bill is a vote for bigger deficits, for bigger spending, and for bigger government. I urge my colleagues to vote in favor of the Myers motion to recommit this legislation with instructions to reduce expenditures by 5 percent. This motion would save the American taxpayers approximately $3.5 billion. Finally, Mr. Speaker, I recommend a "no" vote on final passage of the bill.

Mr. FAZIO. Mr. Chairman, I rise in support of H.R. 2493, the fiscal year 1994 Agriculture, Rural Development, FDA, and Related Agencies appropriations bill. I commend Chairman Durbin, the ranking member of the subcommittee, Mr. Skeen, and the members of the subcommittee as well as the subcommittee staff for the hard work and long hours that went into crafting this bill.

On the whole, H.R. 2493 is an excellent bill that provides funding for many critical programs in the U.S. Department of Agriculture. This year has been very difficult for all the appropriations subcommittees and the Agriculture Subcommittee was no different. Considering the shrinking budget and limited resources available to the subcommittee, H.R. 2493 is balanced and fair.

ALTERNATIVE PEST MANAGEMENT RESEARCH

I want to highlight certain provisions of the bill which benefit agriculture in northern California. H.R. 2493 continues efforts to construct two new alternative pest management research facilities in association with the University of California at Davis and at Riverside. These facilities are badly needed to develop alternatives to pesticides currently used to combat insects, plant diseases, and other organisms that harm production.

Phase I of the project will construct an 18,000-square-foot laboratory at University of California-Riverside to accelerate research leading to the development of biological and other natural pest controls. Phase II of the project will construct a 39,000 square foot facility on the University of California-Davis campus to support research in environmentally compatible pest management strategies, parasitoids, bioengineering, genetically altered organisms, and other crops, fruits, nuts, and vegetables.

As you know, Mr. Chairman, the National Academy of Sciences just released a study which states that the health effects of pesticides on children is understated since risk studies are based on adult dosages. This study does not mean that the food supply is unsafe. Rather, it means that we can do better to make food safer. The alternative pest management research facilities being funded in this bill will be an integral part of the effort to develop a safer food supply.

METHYL BROMIDE

This bill also enhances the country's efforts to find an alternative to methyl bromide, a pesticide which is used extensively by the agriculture industry. Methyl bromide is perhaps the most effective and important chemical available to protect a variety of crops from viruses, fungi, insects, nematodes and weeds. Methyl bromide is scheduled to be eliminated from the marketplace by the year 2000 as it has been designated as an ozone depleting chemical. Unfortunately, viable alternatives are just not available. Enhanced research into methyl bromide alternatives is urgently needed to find a replacement for this important and pervasive tool of the agriculture industry. The bill provides $8 million toward this end.

GRAPE PHYLLOXERA RESEARCH

Mr. Chairman, I also support the $200,000 provided for grape phylloxera research. With this funding, the committee has recognized the critical need to continue supporting research into phylloxera, which is a worm-like pest that is now devastating the California wine industry in Napa and Sonoma Counties. The committee has been very supportive of industry efforts to find a way to combat the phylloxera outbreak which threatens as much as 70 percent of grapevine production. I am greatly encouraged by this funding support and believe it will significantly help the California wine industry find an answer to the phylloxera outbreak.

MARKET PROMOTION PROGRAM

Mr. Chairman, the Market Promotion Program [MPP] has been extremely successful in enhancing agricultural exports overseas and increasing farm incomes here at home. American agricultural exports account for about $40 billion in annual sales. Agriculture provides a positive balance of payments in the U.S. trade account of approximately $17 billion. Future growth in U.S. agriculture will depend on export growth. Expansion of agricultural exports is critical for related sectors of the economy.

It is no secret that other countries have far more significant barriers to trade than the United States does. We should not ignore this fact. Our Government has a role to play in helping U.S. businesses compete and win in the international marketplace, and the MPP is a tool that has been used successfully for this purpose.

The House has already passed a permanent reduction of the MPP program as part of the budget reconciliation bill. The farm bill authorized level is $200 million. The House reconciliation bill reduced the authorized level to $147,734,000—a $53 million reduction. So MPP has given its share of cuts for deficit reduction.

I recognize that the MPP has generated a certain amount of controversy, and the committee has taken steps to address concerns about the program. MPP funds are matched on a 1-to-1 basis. Products supported must be predominantly grown or manufactured in the United States. In addition to these existing requirements, the committee has included report language steering the program to concentrate, to an even greater extent, on small and medium-sized businesses, and new-to-export participants. Further, the committee report supports requiring larger companies to provide matching funds in excess of 50 percent. I encourage my colleagues to support the MPP program at the level included in the bill.

WOMEN, INFANTS AND CHILDREN

Finally, Mr. Chairman, I want to congratulate the committee for their strong support of the Special Supplemental Food Program for Women, Infants, and Children [WIC]. This year, the committee increased WIC funding by $350 million. WIC provides critical nutrition and health benefits to low-income pregnant women and young children. These benefits reduce infant mortality, avert low weight births, and help ensure that our Nation's needy children can learn in school and reach their full potential. And, WIC saves money. Each dollar invested in WIC's prenatal component saved between a $1.77 and $3.13 in Medicaid costs.

Overall, Mr. Chairman, H.R. 2493 is a strong bill for America. It continues support for our largest domestic industry, while rearranging spending priorities to meet the dynamic needs of our society at large. It is a fair and balanced bill, and I urge my colleagues to give it their support.

Mr. GORDON. Mr. Chairman, I would like to call the House's attention to an amendment that I wished to offer to H.R. 2493, the Department of Agriculture appropriations bill today. I was not able to have my amendment considered because it would have been a limitation on spending that cannot be added to this bill at this time.

I trust that the Agriculture Committee and the administration will look at the issues that I have raised and take action quickly.

My amendment would stop the double subsidy that some farmers receive in the form of price support payments for crops grown on land they lease from the Federal Government.

Each year, the Federal Government leases over half a million acres of land to farmers, usually at bargain rates.

Some farmers are enrolling this land in Federal price support programs which guarantee a support price for surplus crops or pay these farmers not to grow crops on this land.

For example, one farmer in my district leases 221 acres of Federal land for approximately $1,600 per year. Meanwhile, he takes in $5,900 per year for enrolling in the crop subsidy program. He's making a net profit of $4,300 per year before he even lifts a finger.

What this farmer is doing is allowed under current law—but it simply does not make sense as a use of taxpayer dollars.

From 1956 until 1974, this type of double dipping was prohibited by Executive order of the President.

However, the policy was reversed in 1974, and the taxpayers continue to subsidize this waste of Federal dollars today.

It is simply not a sound investment for the Federal Government to pay farmers not to grow crops on its own land. It does not make sense to grow surplus crops on Federal land. It does not make sense to lease land for as little as $5 an acre and then pay 5 or 10 times as much not to have certain crops grown on that land.

My amendment would prohibit any funds appropriated in this bill to be used to make commodity program benefits payments to a producer for a commodity grown on land leased from the Federal Government.

This language would not affect crops already in the ground. Nor would the amendment affect land on Indian reservations.

The General Accounting Office found that taxpayers funded almost $4 million in similar double subsidies in the 1988 and 1989 crop years on land leased to farmers by 10 different Federal agencies.

By changing the management of price support programs and agency lease agreements, we can save at least $1.7 million per year.

Record yields are expected on program crops this year, forcing prices down and the cost of Federal subsidies up, meaning this double dipping will cost us even more than usual this year. We simply cannot afford this type of double subsidy.

In its report, the GAO pointed out that as land and crop conservation programs remove large amounts of private land from production, it makes no sense to produce income-supported crops on Government land.

In its own report 11 years ago, the Agriculture Department said this is not sound agricultural policy.

But nothing has been done to stop this squandering of taxpayer dollars.

The GAO study told about a farmer who leased 275 acres of Federal land for $1,400 in

1990 and then received $5,000 from the Government for not growing feed grains.

In another case, a farmer leased 375 acres for $50 a year, a pretty good rent. He planted 125 acres, but he got paid $23,000 for not planting feed grains on the rest.

Getting the Federal budget deficit under control calls for eliminating waste and cutting unnecessary programs. As we look for ways to cut spending and streamline Government, we must make sure a policy's benefits outweigh its costs.

My amendment simply says that if a farmer wishes to lease Federal land, that's fine—we hope he has a successful crop. But we just want to insist that this farmer not grow a crop that is in surplus and thus receives Government price supports. It only makes good sense.

I hope you will agree that it is time to stop this double subsidy that is wasting taxpayer dollars, and I look forward to working with my colleagues in the Congress and in the administration to stop this practice.

I ask that the text of my amendment be printed in the RECORD following my statement.

AMENDMENT TO H.R. 2493, AS REPORTED
OFFERED BY MR. GORDON OF TENNESSEE

Page 30, after line 22, insert the following new paragraph:

SEC. 727. None of the funds made available in this Act may be used to make any commodity program benefits under the Agricultural Act of 1949 available to any producer for a crop year for a commodity grown on land owned by and leased from the United States if the Secretary of Agriculture has announced an acreage reduction program for such commodity. This section shall not apply to any producer if the Secretary of Agriculture entered into a contract to make such benefits available for such commodity for such crop year under the Agricultural Act of 1949 before the date of the enactment of this Act. This section does not apply to lands held in trust for any Indian tribe or lands held by an Indian subject to a restriction by the United States against alienation.

Ms. WOOLSEY. Mr. Chairman, I rise today in strong support of H.R. 2493, the Agriculture appropriations bill. I am particularly supportive of the Appropriations Committee's decision to provide increased funding for natural resource conservation programs. The bill increases funding to the Soil Conservation Service and the Agriculture Stabilization and Conservation Service which both administer valuable conservation programs. This bill allows the Department of Agriculture to continue to play an important role in preserving our precious lands and resources.

The district I represent, Marin and Sonoma Counties in California, is home to numerous farmers, ranchers, dairymen, and landowners, as well as many grapegrowers who contribute to the production of world-famous Sonoma wines. They are quick to praise the Soil Conservation Service for providing them with critical technical assistance, which enables them to use and conserve their land in ways that are in harmony with the land's capabilities. It is evident that the farmers in my district are interested in meeting their production goals in an environmentally responsible manner.

I would also like to commend the Appropriations Committee for continuing to fund natural resource programs and loan programs as they have in past years, instead of combining them under one agency. I agree with the farmers in my district who express great concern that the natural resource programs vital to their success would be lost in an agency that also operates loan programs. Although many farmers agree that the USDA is in need of reform, I believe it is of the utmost importance that the USDA maintains a strong conservation and environmental focus.

Mr. Chairman, I urge my colleagues to vote in favor of the Agriculture appropriations bill which allows landowners to protect the Nation's natural resources, while producing a safe and abundant supply of food and agriculture commodities.

Mr. MYERS of Indiana. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 2493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1994, and for other purposes, namely:

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $50,000 for employment under 5 U.S.C. 3109, $2,320,000: *Provided*, That not to exceed $8,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: *Provided further*, That the Secretary may transfer salaries and expenses funds in this Act sufficient to finance a total of not to exceed 35 staff years between agencies of the Department of Agriculture to meet workload requirements.

OFFICE OF THE DEPUTY SECRETARY

For necessary expenses of the Office of the Deputy Secretary of Agriculture, including not to exceed $25,000 for employment under 5 U.S.C. 3109, $553,000: *Provided*, That not to exceed $3,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Deputy Secretary.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,954,000.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $808,000.

RENTAL PAYMENTS (USDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313 for programs and activities of the Department of Agriculture which are included in this Act, $135,503,000, of which $30,804,000 shall be retained by the Department of Agriculture for the operation, maintenance, and repair of Agriculture buildings and for non-recurring repairs as determined by the Department of Agriculture, and an additional $19,700,000 shall be retained by the Department of Agriculture for renovation and repair of facilities at the Beltsville Agricultural Research Center: *Provided*, That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 per centum of the funds made available for space rental and related costs to or from this account.

ADVISORY COMMITTEES (USDA)

For necessary expenses for activities of advisory committees of the Department of Agriculture which are included in this Act, $940,000: *Provided*, That no other funds appropriated to the Department of Agriculture in this Act shall be available to the Department of Agriculture for support of activities of advisory committees.

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107g of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607g, and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, $15,802,000, to remain available until expended: *Provided*, That appropriations and funds available herein to the Department of Agriculture for hazardous waste management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Personnel, Finance and Management, Operations, Information Resources Management, Advocacy and Enterprise, Administrative Law Judges and Judicial Officer, and Emergency Programs, $26,301,000, for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration and emergency preparedness of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

For necessary expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, $1,333,000.

OFFICE OF PUBLIC AFFAIRS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, and for the dissemination of agricultural information and the coordination of information, work and programs authorized by Congress in the Department, $8,629,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins: *Provided*, That none of the funds in this Act may be used to produce part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture).

INTERGOVERNMENTAL AFFAIRS

For necessary expenses for programs involving intergovernmental affairs and liaison within the executive branch, $478,000.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, as amended, $65,932,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978, as amended, and including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, $26,149,000.

OFFICE OF THE ASSISTANT SECRETARY FOR ECONOMICS

For necessary expenses of the Office of the Assistant Secretary for Economics to carry out the programs funded in this Act, $589,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; research relating to the economic and marketing aspects of farmer cooperatives; and for analysis of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products, $57,702,000; of which $500,000 shall be available for investigation, determination, and finding as to the effect upon the production of food and upon the agricultural economy of any proposed action affecting such subject matter pending before the Administrator of the Environmental Protection Agency for presentation, in the public interest, before said Administrator, other agencies or before the courts: *Provided*, That this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225): *Provided further*, That this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, $82,069,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

WORLD AGRICULTURAL OUTLOOK BOARD

For necessary expenses of the World Agricultural Outlook Board to coordinate and review all commodity and aggregate agricultural and food data used to develop outlook and situation material within the Department of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), $2,582,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

OFFICE OF THE ASSISTANT SECRETARY FOR SCIENCE AND EDUCATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Science and Education to administer the laws enacted by the Congress for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and National Agricultural Library, $569,000.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901-5908), $7,250,000 is appropriated to the Alternative Agricultural Research and Commercialization Revolving Fund.

AGRICULTURAL RESEARCH SERVICE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, $688,805,000: *Provided*, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That appropriations hereunder can be used to provide financial assistance to the organizers of national and international conferences, if such conferences are in support of agency programs: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That appropriations hereunder shall be available to conduct marketing research: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $250,000, except for headhouses or greenhouses which shall each be limited to $1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed $500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or $250,000, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That the foregoing limitations shall not apply to the purchase of land or the construction of facilities as may be necessary for the relocation of the United States Horticultural Crops Research Laboratory at Fresno to Parlier, California, and the relocation of the laboratories at Behoust, France and Rome, Italy to Montpelier, France, including the sale or exchange at fair market value of existing land and facilities at Fresno, California and Behoust, France; and the Agricultural Research Service may lease such existing land and facilities from the purchasers until completion of the replacement facilities and the foregoing limitations shall not apply to the purchase of land at Weslaco, Texas: *Provided further*, That not to exceed $190,000 of this appropriation may be transferred to and merged with the appropriation for the Office of the Assistant Secretary for Science and Education for the scientific review of international issues involving agricultural chemicals and food additives: *Provided further*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

Special fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, $2,500,000.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, $29,387,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That facilities to house bonsai collections at the National Arboretum may be constructed with funds accepted under the provisions of Public Law 94-129 (20 U.S.C. 195) and the limitation on construction contained in the Act of August 24, 1912 (40 U.S.C. 68) shall not apply to the construction of such facilities: *Provided further*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

AMENDMENT OFFERED BY MR. GOSS

Mr. GOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOSS: Page 13, line 15, strike "$29,387,000" and insert "$26,487,000".

Mr. GOSS. Mr. Chairman, This amendment would simply strike $2.9 million from the USDA agricultural research service's buildings and facilities account. This is the amount that is recommended on page 28 of the committee report for the relocation of the USDA/ARS lab currently situated in Orlando, FL. Even though this is a Florida project, I am offering this amendment because, as best I can tell, this change of location project is just not ready at this time. It's not ripe. Before we spend this money for this important research investment, we need to complete the investigation of the best site.

The issue here is quite simple: There is currently an ARS station in Orlando that, according to USDA, is no longer viable because the facility "is within the city limits, has urban encroachment, lacks adequate field plots * * * is antiquated, and lacks facilities needed for State-of-the-art research." I know some members of the Florida delegation would disagree with that finding. In seeking a new ARS site in Florida, the USDA stated that the mission of the new lab would be expanded beyond citrus research—the new lab would study winter vegetables, ornamental plants, and environmental issues of subtropical agriculture, all good worthy purposes as far as Florida is concerned.

So in good faith, farmers from all over Florida set out to proceed through a process of site selection with the USDA—until that process broke down to the point where today, this Member and the people he represents are still without detailed answers and specific response from top USDA officials as to just how their site selection decision has worked. There is a very strong feeling among some parties involved that they were not given an equal hearing to make their case for their proposed sites.

In fact, the consensus of farmers and growers in my district in southwest Florida is that the site tentatively selected will not be able to fulfill key research goals. Instead of being a valuable asset to Florida and other subtropical farming regions, this new facility will likely be limited by its location—in Fort Pierce—to citrus research and constrained by expected commercial and residential development in the area.

Questions to the Department of Agriculture concerning both the Fort Pierce site and the site selection process remain unanswered despite continued queries from local farmers, news media, and my office.

I am not here today to add to an intra-Florida dispute. I'm here to stop one. I raise this amendment as an urgent plea to those involved in determining locations of USDA facilities to be fair and to operate in the sunlight. We'd like some specific answers. Without answers and without a chance for an equal-time fair hearing, southwest farmers/growers have come to the unpleasant conclusion that the site selection for the new ARS lab was based on flawed information. And, given that conclusion, they believe the project would be better if left unfunded until the process can be re-evaluated. This amendment will not harm Florida. The current lab remains in Orlando. It will benefit our State, research, USDA, farmers, growers, and eventually consumers—by giving us a chance to analyze the best place to get the strongest return on our 2.9 million dollar investment.

Mr. Chairman, I think we ought to have a process of reconsideration, and to those concerned with this legislation, I would be happy to say that I would be very glad to withdraw this amendment if I could get some assurance that the USDA would be willing to have an opportunity for those who feel they have been left out to be included in the process to be sure a fair conclusion was reached.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I am happy to yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, the gentleman's request is reasonable, and I think I would be willing to state on the record at this point that I will work with the minority leadership as well to set up meetings with the appropriate USDA officials so that people in the communities affected have a chance to understand the thinking behind this decision and to state their concerns and give that opportunity for a hearing.

Mr. GOSS. Mr. Chairman, I thank the gentleman for that assurance, because along with that assurance and the very kind help we have had from our colleagues from Florida who are on the appropriating and authorizing committees, the gentleman from Florida [Mr. LEWIS] and the gentleman from Florida [Mr. PETERSON], we have good assurances, but we have not gotten the action.

I think with that extra assurance I am satisfied we can go forward and provide a reasonable explanation.

I do not know how this is going to come out. That is not my job. I want to make sure that the equal opportunity hearing process is there, and the gentleman has assured me on that point.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COOPERATIVE STATE RESEARCH SERVICE

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including $171,304,000 to carry into effect the provisions of the Hatch Act approved March 2, 1887, as amended, including administration by the United States Department of Agriculture, penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); $18,809,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a–582–a7), as amended, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); $28,157,000 for payments to the 1890 land-grant colleges, including Tuskegee University, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee University; $50,070,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 450i); $114,000,000 for competitive research grants under section 2(b) of the Act of August 4, 1965, as amended (7 U.S.C. 450i(b)), including administrative expenses; $5,551,000 for the support of animal health and disease programs authorized by section 1433 of Public Law 95–113, including administrative expenses; $2,168,000 for supplemental and alternative crops and products as authorized by the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d); $400,000 for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; $475,000 for rangeland research grants as authorized by subtitle M of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; $3,500,000 for higher education graduate fellowships grants under section 1417(b)(6) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(6)), including administrative expenses; $1,500,000 for higher education challenge grants under section 1417(b)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(1)), including administrative expenses; $1,000,000 for a higher education minority scholar program under section 1471(b)(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(5)), including administrative expenses; $4,000,000 for grants as authorized by section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 and other Acts; $6,825,000 for sustainable agriculture research and education, as authorized by section 1621 of Public Law 101–624 (7 U.S.C. 5811), including administrative expenses; and $20,827,000 for necessary expenses of Cooperative State Research Service activities, including coordination and program leadership for higher education work of the Department, administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which $10,550,000 shall be for a program of capacity building grants to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee University, of which not to exceed $100,000 shall be for employment under 5 U.S.C. 3109; in all, $428,586,000.

AMENDMENTS OFFERED BY MR. FAWELL

Mr. FAWELL. Mr. Chairman, I will ask unanimous consent to offer en bloc amendments, which are at the desk, which combine the separate amendments pertaining to the special research grants on page 14 and the building and facilities on page 17.

□ 1400

Mr. Chairman, I have two separate amendments which I could proceed with, but it would be much easier for all of us if I simply combined the two.

Mr. Chairman, I ask unanimous consent in that regard.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. DURBIN. Mr. Chairman, reserving the right to object, I reserve that right only in an effort to have the gentleman agree with us on a limitation of time of debate. We had talked about 30 minutes, total, 15 minutes to each side. If the gentleman would agree with that limitation, I would remove my reservation of objection.

Mr. FAWELL. Mr. Chairman, if the gentleman will yield, I think that is a reasonable request.

Mr. DURBIN. Mr. Chairman, I withdraw my reservation of objection.

Mr. Chairman, is my unanimous-consent request in order to limit the time of debate on these amendments offered en bloc, and all amendments thereto, to 30 minutes, 15 minutes for the gentleman from Illinois [Mr. FAWELL] and 15 minutes in opposition?

The CHAIRMAN. The Chair would inquire first: Is there objection to the request of the gentleman from Illinois [Mr. FAWELL] to consider the amendments en bloc?

There was no objection.

The CHAIRMAN. Next, is there objection to the request of the gentleman from Illinois [Mr. DURBIN] to limit the time for debate on these amendments to 30 minutes?

There was no objection.

The CHAIRMAN. Without objection, the amendments offered en bloc are considered as read.

There was no objection.

The text of the amendments is as follows:

Amendments offered by Mr. FAWELL: Page 14, strike line 25 and all that follows through the semicolon on page 15, line 2.

Page 16, line 24, strike "$428,586,000" and insert "$378,516,000".

Page 17, strike lines 1 through 9.

The CHAIRMAN. Pursuant to the unanimous-consent request, the gentleman from Illinois [Mr. FAWELL] is recognized for 15 minutes, and a Member in opposition will be recognized for 15 minutes.

Mr. FAWELL. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I am offering this amendment, along with the gentleman from Minnesota [Mr. PENNY], on behalf of the porkbusters coalition to eliminate earmarked funding in the agricultural appropriations for 100 cooperative State research service projects totalling approximately $88 million.

The porkbusters have sought elimination of these grants before. As in previous years, we primarily object to the fact that none of these projects are specifically authorized by law. This year we have a new porkbuster trying to cut these projects, and we welcome him; he is the President of the United States.

Please let me read to my colleagues what President Clinton said about these grants earlier this year in his budget, in the section about "Programs that Should be Eliminated."

I quote:

> USDA/Cooperative State Research Service earmarked research grants. Congressional earmarking of CSRS research funding has increased in recent years. These grants were not peer-reviewed, competitively awarded or specifically authorized. And many of the research projects funded could be financed by agribusinesses that benefit from the research.

The President goes on, and I quote:

> The USDA/CSRS earmarked facilities construction. The CSRS buildings and facilities account has become a main example of congressional earmarking of scarce Federal research dollars. The projects funded are often not high national priorities and would be better funded by States or agribusinesses that directly benefit from them.

Mr. Chairman, I could not have said it any better.

Our amendment eliminates 71 earmarked special research grants totalling over $50 million, including: $250,000 for wool research; $750,000 for potato research; $187,000 for small-fruit research; $185,000 for low-bush blueberry research.

We also eliminate all 29 buildings and facilities earmarked, totaling $37 million, including $2.3 million for the Center for Food Marketing at St. Joseph's University.

None of these earmarks, to the best of our knowledge, has been requested by the administration; none has, I can say that definitely, none has been requested by the administration.

If the Committee on Appropriations, Mr. Chairman, is going to earmark specific projects, then we believe they should be specifically earmarked, earmarked for funding by the authorizing committee, the agriculture authorizing committee.

These rules assure that projects will be carefully considered by Congress and taxpayers' funds will not be wasted. None of these 100 projects has a specific authorization.

Mr. Chairman, opponents of this amendment will try to argue that these grants are authorized. In fact, the 1990 farm bill gives the Secretary of Agriculture, the authority to make grants. The bill does not specifically authorize any grants at any location. The Secretary of Agriculture, not Congress, not the Committee on Appropriations, is given the authority to select what grants are made.

Further raising our suspicions about these projects is that they are all earmarked in the committee report for specific locations. The porkbusters coalition is a bipartisan group of 72 Members of Congress and 11 taxpayer organizations. I cannot stress the following point enough: We do not question the merits of these projects. We are questioning the way in which they are being funded in violation of established procedures.

Opponents of our amendment will argue that we do not need to cut $87 million from the bill because the bill is already under the President's request. But as has been pointed out, this bill is $10 billion more in budgetary authority over the 1993 appropriated level.

Mr. Chairman, I know that a cut like this is hard for all of us when there is a project affecting our area or our State. But if we cannot cut earmarked spending in an appropriations bill such as this $87 million or $88 million that has not been authorized, we shall never, I think, begin to win back the confidence of the people of this country.

Mr. DURBIN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. DURBIN] is recognized for 15 minutes.

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume, and I rise in opposition to the amendment offered by the gentleman from Illinois.

The gentleman usually comes to the floor to oppose this spending, under the guise that it is unauthorized. He cannot do that today. All of the spending which the gentleman seeks to strike with his amendment is authorized spending.

So the gentleman has now changed his approach. He is saying it is not specifically authorized. In other words, there is not a specific dollar amount authorized in law.

I will concede in most cases that is true. What we have done, through the Agriculture Appropriations Subcommittee, is to work with the universities and affected entities to make certain that the dollar amounts put into research are reasonable amounts of money. I think the gentleman's approach is extremely, extremely shortsighted. If you picked up the morning newspaper, yesterday or this morning, you will find headlines suggesting this: "Pesticide risk may be higher in children," in the Washington Post. In the Wall Street Journal, "Pesticide Use Would Be Cut Under the U.S. Plan."

Ladies and gentlemen of the House, the largest single area of agriculture research that will be cut by the gentleman's amendment is on the use of agricultural chemicals. We are trying, through the subcommittee, to take very seriously the health risks being imposed on American citizens, particularly on children, from agricultural chemicals.

What the gentleman is attempting to do is to cut that research. He suggests we have not done it his way. I would suggest to him we have followed the law, we have followed the authorization language. Over one-third of the research grants in this package were requested by the U.S. Department of Agriculture. All of the grants are authorized. The funding level of $50 million on the actual research is more than $23 million below last year's appropriation.

If you go through these, as the gentleman has, you may find some funny names of agricultural research projects like pink bollworm. All of these sorts of things bring giggles to some people when they think about money being spent for these purposes. I would tell you that each and every one of these is deadly serious.

When we went after the pink bollworm problem that affected the cotton crop in California, we literally saved truckloads of agricultural chemicals from being applied in connection with this past.

□ 1410

The people in California can be grateful for that research effort. It was money well spent.

I would say at this point that all Members should take very seriously our responsibility to reduce the deficit, but I urge them to understand this is authorized. We are below last year's spending and we should defeat the gentleman's amendment.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I am happy to yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I rise in opposition to the amendment. I strongly oppose this cutting amendment of the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I rise in support of the Fawell amendment. This amendment strikes over $87 million in spending from the bill for 100 special research grants and buildings and facilities of the Cooperative State Research Service. These projects are not specifically authorized by law and in all but a few cases were not requested by the President. Our porkbusters legislation has for the last 3 years sought to rescind previously appropriated funding for these projects.

Mr. Chairman and colleagues, many of these projects are meritorious and deserve funding and others probably should not be funded. Since these funds are not awarded on a competitive basis after peer review we can not be entirely certain about the nature of the projects funded. Elsewhere in the bill funds are made for competitive grants and, I suggest, that these funds, if eliminated by this amendment, could be transferred to the competitive grants program when the bill is in conference.

The President himself included these earmarks in his spending reduction recommendations and suggested that they could be funded by agribusiness or others. And of the 71 special grants, only 9 were requested by the administration, and the administration requested no—zero—funding for the building and facilities account.

If these projects deserve funding, let them compete openly for funding. Today, by passing this amendment we can take a step to end earmarking of research grants and reduce the deficit at the same time.

Mr. Chairman, I urge support of the amendment.

Mr. DURBIN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, I rise in opposition to the Fawell en bloc amendments.

First, I want to point out we are not trying to pull a fast one on the authorizers. This year the subcommittee instituted a performance evaluation criteria to gather more information about the need for the research, its estimated cost to the Federal Government, scientific endorsement, and to eliminate duplication if similar research is being done elsewhere.

Second, in his "Dear Colleague" the gentleman mentions that the President wants to eliminate many of the earmarked research grants. I would like to point out that the amount of funding for discretionary funding in this bill is $160 million less than the President requested.

The moneys in these accounts provide funding for important research projects such as water quality, climate change, low-water tolerance landscaping, and research in biochemistry and biology. Many of these projects are at smaller universities that otherwise could not compete with the resources at the larger, more prestigious schools. One of the effects of the gentleman's amendment would be to directly disadvantage smaller institutions.

The projects the gentleman is arbitrarily striking are very legitimate, needed projects. I urge my colleagues to defeat the amendment.

Mr. FAWELL. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois [Mr. FAWELL].

It is fairly early in the appropriations process, but to be honest we seem to be more ready to look at the prospect of cutting than I have seen in my short time here in the Congress.

In the energy and water bill, for instance, except for the super collider and some other things that we took care of, it appears to be a pretty good bill.

Virtually everything was authorized. Even those items that were questionable seem to have some good arguments backing them up.

I honestly thought we had turned a corner, but when you look at this bill, I see that I was probably wrong.

Most of these, maybe all of these 71 special research grants appear not to have undergone peer review. None of them seem to have been competed, neither have the 29 building and construction projects earmarked in this legislation.

We simply have to take the word of the appropriators that these are the best places for us to spend $87 million. Get that, $87 million. Now, that may not sound like much when we talk about billions around here, but it is quite a chunk of change.

Without saying anything for or against these grants, the idea of including 71 earmarks without any kind of review is simply the same old way of doing things. Let us see if we can change. One way to begin that change is to support the Fawell amendment.

Mr. DURBIN. Mr. Chairman, I yield 2½ minutes to my friend and colleague on the subcommittee, the gentleman from Arkansas [Mr. THORNTON].

Mr. THORNTON. Mr. Chairman, I rise in opposition to the amendments offered by the gentleman from Illinois [Mr. FAWELL] and in strong support of this fine measure brought forward by the subcommittee chairman, the gentleman from Illinois [Mr. DURBIN].

Mr. Chairman, not enough credit has been given the Cooperative State Research Service for the great strides we have made in the production of the abundant supply of high-quality food produced by America's farmers for domestic consumption and export.

There remains much to be done to increase production capacity and broaden our understanding of health as it relates to nutrition. Specifically, this bill contains $500,000 as a catalyst for nutrition research. Some of this research will be conducted at the Arkansas Children's Hospital, the fifth largest pediatric hospital in America, serving children in Arkansas, southern Missouri, east Texas, Oklahoma, Mississippi, Tennessee, and Louisiana. This research is accomplished through cooperation with the University of Arkansas for Medical Sciences, the National Center for Toxicological Research, and the John L. McClellan Veterans Hospital.

Researchers and investigators clustered at these institutions provide a critical mass to study the significant detrimental impacts of pesticides, chemical substances, and environmental toxins on pregnant women and developing children and adolescents. This is a highly efficient use of limited resources.

We spend hundreds of millions of dollars researching cancer and how pesticides may induce tumors. Even though we know that pesticides kill bugs by attacking their nervous systems, we spend relatively little to study these neurological effects on humans.

This proposed research addresses two areas about which we know little, namely the effect of nutrition on development and the effect of toxins on developing nervous systems. It is not enough to keep children alive, we need to make sure their capacity to live a full and rewarding life is not impaired. Preventive health care saves money.

Who in this Chamber can look into the eyes of poorly nourished mothers and children and fail to understand the need for this research. Please vote against this crippling amendment, not just because it damages this program, but because it damages children.

Mr. FAWELL. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, in answer to several of the points that have been made, I think it is very important that we understand that the authorization which my esteemed colleague, the gentleman from Illinois, has referred to is authorization of some years back which made it very clear that it was not the Appropriations Committee that was supposed to be doing the earmarking, but the Secretary of Agriculture.

The same is true in regard to the facilities grants. So I think that is important, from a legal viewpoint, though I still believe that we ought not to have any Appropriations Committee simply adding earmarks without the benefit of a specific hearing and a specific authorization.

□ 1420

The arguments here are, also, I must point out, contrary to our own President. The President has made it very clear that, and I am using his words here: "These grants have not been peer reviewed. They have not been competitively awarded. They have not been specifically authorized."

Well, that is important to me, it is important to the taxpayers, it is important to the President of these United States. He went on to say that many of the research projects funded could be financed by agribusinesses that benefit from this research.

Now I do not quarrel though with the substance of these grants. As my colleagues know, we do have some very compelling scenes, as the previous speaker just referred to, but it must be understood that we are also talking about blueberry bushes and a lot of other things that need, I think, if they are going to be specifically authorized, the additional input of the authorizing committee. We should not give this kind of authority over to just the Appropriations Committee.

I want to also mention that the Citizens Against Government Waste are strongly supporting this particular amendment, and a number of the other of our taxpayer entities that watch what Congress is doing. But I think it is awfully important to realize that by arguing this case my colleagues must understand that there is a very broad blanket authorization.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Chairman, I yield to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS of Texas. Mr. Chairman, I rise in opposition to the amendment. This amendment would drastically affect the Center for Southern Crop Improvement at Texas A&M University.

Mr. Chairman, these are the talking points for the Center for Southern Crop Improvement:

Mission of center is genetic improvement of commercial crops. Merges traditional crop breeding and molecular biology to exploit new tools of gene identification, manipulation, and transfer.

Breeding is one of the most important factors in increasing the quality and yield of U.S. crops.

Problem: The breeding process is slow and inefficient. Solution: Add molecular breeding to provide a more targeted approach and accelerate the process.

Engineered crops will have such traits as drought tolerance, disease resistance, cotton fiber quality, and food safety. This program is cost effective, proactive approach to our farming problems. If we are successful in designing crops that are drought resistant and so forth, the Federal Government will save millions of dollars in farm program expenses.

Crops targeted by research include cotton, sorghum, rice, wheat, peanuts, trees, grass, and vegetables.

No overlap—research does not cover any crops presently targeted by the USDA plant genome project.

The university is providing over half the funds for construction of this facility. This is a one-time expense for a long-term project.

Information exchange and technology transfer, accomplished through computer networks, visiting scientist, and symposia, will be shared in a fast, efficient manner.

Mr. LIVINGSTON. Mr. Chairman, in 1 minute, these research projects have already been cut by the subcommittee by $23 million. There is a general authorization for most of these projects that frequently are competitively awarded. Many Members have made the point that the super collider crowds out basic research. Well, this is basic research; this is basic research for farm products, to make them more competitive, to make them safer and cheaper, to develop agriculture, to provide for nutrition research on food facts, and which impacts on insulin levels, to help cure heart disease and chronic illnesses, with a direct impact on millions of diabetics who depend on insulin.

Finally, Mr. Chairman, these projects that are in Louisiana are matched with local funds, and they are not in my district.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, normally I would be standing and agreeing with my good friend, the gentleman from Illinois (Mr. FAWELL), regarding his efforts on pork busting, but today I find myself in a unique position being the chair of the appropriate subcommittee of the House Committee on Agriculture that is responsible for seeing that the problems that we are talking about here today do not occur, and we have had an excellent working relationship with the chairman of the Committee on Appropriations already this year. We have held hearings in our subcommittee and are beginning to look at this question, and the more I have looked at it, the more I find that the facts do not always bear out what we would like to believe were there.

There is no statement of research priorities in the 1990 farm bill, nor in any farm bill. Neither is there a statement within USDA as to overall research priorities. That is correct. There is the implication though that these special projects are not competitively awarded, nor peer reviewed. This is not entirely correct. Not only are these projects peer reviewed, but they are reviewed in an ongoing manner that surpasses the renew process of many of the so-called competitively awarded research grants. To eliminate all special grants would effectively kill several of the very useful projects.

Mr. Chairman, I wish that we had more time to talk about the specifics, but in this one case our subcommittee is looking, I say to the gentleman from Illinois, at this very question. I know the gentleman from Illinois will be very happy with the results, what the Committee on Agriculture does in arriving at the spirit of what the gentleman is trying to do here today.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I rise in opposition to the amendment. I, perhaps, can shed a little light on one project that would help in understanding the total thing.

First of all, earmarking. I do not understand how one can avoid some earmarking and get some continuity over time. The project I talk about is an environmental simulator at the University of Wyoming. It has been going on now for several years. It has passed a critical review of the Department of

Agriculture. It has been in there for 2 years in which they have done planning and design. This request is to do blueprinting and to continue construction.

We talk about pork barrel. I do not know quite what pork barrel means. It depends on one's point of view, I suppose, but in this case 50 percent of the funding is to come from the Federal Government and 25 percent from the State and 25 percent from the private sector. It is matching funds. The State legislature has considered the State's share and is involved in that, and the foundation is raising the money.

My point is that of course we think it is a useful project, but the fact is it is joint funding, the fact is it has gone on for several years. I do not see how we can continue to have continuity unless there is some direct appropriation to propositions of this kind.

I am a little surprised that my friend, the gentleman from Illinois [Mr. FAWELL] is as interested in the President's remarks. He always does not put quite as much credence into what the President says as we are today.

Mr. FAWELL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I do want to reiterate that nobody is questioning the substance of these research grants. I want to make that perfectly clear.

What we are saying is that they have not gone through the process. To simply give carte blanche authority to the Appropriations Committee to simply pass out these earmarks as they see fit is just an open invitation to more and more waste. What that means is that there may be a whole bunch of other projects that are better than what we have here, but they just maybe do not have the knowledge or the wherewithal to be able to have their day in court. The authorizing committee is there for a purpose, and I am glad to hear that the gentleman from Texas [Mr. STENHOLM] has pointed out that the authorizing committee is going to take a look at this.

But I do want to point out that of all the cuts that the President has suggested, he zeroed in on these grants and he did have rather strong language that the record in this area on these particular grants and building facilities have not been very good and that they ought to be discontinued, and it has been one of the clear areas where President Clinton asked for a repeal of those kinds of spending programs. We certainly, I think, should listen to what the President does have to say on this subject.

We certainly are reminded every day of all of the points that he is making, and certainly, when it comes to specific cuts like this, I do not think he would have written that language if he did not feel, upon evaluation, that with all due respect that this part of the grants program should be questioned.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. OBEY].

□ 1430

Mr. OBEY. Mr. Chairman, I would point out that this bill is already further below the President's budget than any appropriation bill produced by any appropriation subcommittee this year.

One study that would be eliminated by this amendment is the study of the National Cheese Exchange. It is the study of the manipulation going on of pricing at that cheese exchange right now which is estimated to have cost farmers across this country more than $1 billion because of the monopolistic manipulation by one of the agribusiness giants in this country. I should not name him until the study is complete.

But it seems to me that if you want to satisfy the giants of agribusiness, you will vote to eliminate that study. If you want to protect small farmers throughout this country who are trying to get fair markets without manipulation, you will not savage the study of the cheese exchange.

If I were a farmer today, I would want to know who was really behind the decision to eliminate the study.

Mr. FAWELL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, once again, I repeat, these projects would be better funded by the States or the agribusinesses that directly benefit from them. That is President Clinton's statement.

I have had many townhall meetings as of late. One person asked a very compelling question. He said, "Congressman FAWELL, you went into office in 1985, and there have been all kinds of promises of trillions of dollars of deficit reduction. And all we got since 1985 are trillions of dollars of new debt."

That constituent was absolutely right. He pointed out also, "Why is it, Mr. FAWELL, that you cannot balance budgets? Aren't there programs there questionable enough that you can do something about them?"

Of course, we all know he is right. If we could rise to the occasion and take a superconducting super collider and evaluate it and believe that even though it has been fully authorized and peer reviewed and scientifically studied that we can eliminate it, why, oh why, oh why can we not cut these grants. I know how important they are to your districts. I have suffered where my district does not get something I would like to have, and it hurts. But the people back home would like to see a signal on our part that we can do some cutting, where it might be some pain for us, yes, in our States or our district, but just once be able to say yes, we can cut something like this.

When we can join hands with the President and work with him on something like this, on both sides of the aisle, I think we would send a very nice signal to the people back home.

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, Congressman FAWELL's amendment to cut the agricultural research, building, and facilities budget by $88 million has merit. But it also has faults. I am voting "no" on the amendment because agriculture needs new research information as much or more than any other sector of this country's industrial complex.

In general, the pork in H.R. 2493 is most often not the funding for research, but the naming of the States and congressional districts where the research will be conducted. Also, it is poor public policy to direct $37.7 million for buildings and facility improvements to a State or a congressional district just because that Congressperson has influence. Also, in this bill taxpayer's dollars are obviously spent on some research projects because of selfish interests and special interest lobbyists' pressures.

As a farmer concerned about a strong and viable agricultural industry, I will continue to urge that we prioritize research needs by credible evaluation. Decisions to make research grants to a university or unit should take into account the costs of competing bids, availability of research facilities, local contributions to the project, and performance evaluations to ensure credible research. This particular vote on the Fawell amendment was difficult for me because I do object to the pork barrelling, and I do object to the Appropriations Committee taking over the authorizing functions of the standing committee on Agriculture. Writing law in an appropriation bill too often shortchanges the thorough evaluation and an opportunity for public comment in a standing committee.

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I rise today to oppose the Penny-Fawell amendment to the Agriculture appropriations bill. This amendment is once again misdirected by those representing the so-called porkbusters coalition.

It is interesting that one of the examples of the research grants mentioned in a recent "Dear Colleague" and touted as a waste of money is $25,000 for wool research. Let me explain to my colleagues the purpose of this money and its importance to our wool producers. This is money that is shared by Montana State University, the University of Wyoming, and Texas A&M.

The research is directed at providing standardized information on the quality of U.S. wool clips. This research is working with technology developed in Australia which allows for the electronic measurement of wool fibers. Our international competitors routinely provide this information to buyers and as a result get higher prices and build more buyer confidence in their wool. Until recently our producers have been doing fiber measurements by hand, or frankly not at all which leaves the buyers to guess about the quality of the wool clips. The loss of the Federal money will bring the instrument testing to a halt and it will certainly foreclose U.S. efforts to make our wool more marketable at home and abroad.

By the way, I might remind my colleagues that the appropriation of these research dollars came about as a result of the decision by the previous administration to close a Federal wool research laboratory in California. It was determined that a more cost effective way to get information would be to provide research grants to the selected universities. We are now in the third year of that effort.

I urge my colleagues to defeat this amendment.

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island [Mr. REED].

Mr. REED. Mr. Chairman, I rise in opposition to the amendment.

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, I rise in opposition to the amendment.

Mr. DURBIN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in opposition to this amendment.

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Chairman, I rise in support of H.R. 2493, the agriculture and rural development appropriations bill for fiscal year 1994 and in opposition to the Fawell amendment.

First, let me commend my good friend Chairman DURBIN for his leadership in his first term as chairman of the Agriculture Subcommittee. He faced a real challenge putting this bill together in light of difficult budget constraints.

I thank him for his consideration and the funding provided for the Center for Food Marketing at my alma mater, St. Joseph's University in Philadelphia. For three decades, Saint Joseph's has played an important role in food marketing education.

St. Joseph's has made a unique contribution to the advancement of our agricultural economy by concentrating on the marketing of commodities and products.

Today, the Center for Food Marketing at Saint Joseph's is the only industry-supported endeavor of its kind in the Nation.

It helps food growers and producers remain aware of consumer demands, market patterns and enable them to coordinate production decisions with marketing decisions. This is vital.

The Center for Food Marketing is just one good and vital project targeted by the Fawell amendment. I urge my colleagues to defeat the Fawell amendment.

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. BLACKWELL].

Mr. BLACKWELL. Mr. Chairman, I rise in opposition to the amendment, and in support of H.R. 2493, the agriculture and rural development appropriations bill for fiscal year 1994.

I also wish to express my satisfaction that the subcommittee included funds, for the fourth consecutive year, for the Center for Food Marketing at St. Joseph's University, in Philadelphia.

Located near the port of Philadelphia, one of the Nation's more important points of commerce for agricultural and other products, St. Joseph's University has long been considered the academic home of the U.S. food industry.

The importance of this resource to the industry itself is evidenced by the private sector participation and support that St. Joseph's food marketing department has enjoyed over its three decades of operation.

I am firmly convinced that the Center for Food Marketing will further assist the U.S. Department of Agriculture in meeting its mission in the food marketing area by helping farmers, farm cooperatives, and others in the food industry to be more responsive to market trends and more competitive nationally and internationally. St. Joseph's University's proposal to establish the center has been reviewed favorably by USDA, and it has met the subcommittee's criteria for funding.

I commend the subcommittee for its support of this worthy project, and the new chairman's careful efforts to ensure that all research grants included in the bill are important to the mission of the USDA.

I urge defeat of the Fawell/Penny amendment.

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Illinois [Mr. FAWELL].

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, I rise in strong opposition to the amendment.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL of North Carolina. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I just want to comment on the value of what we are talking about here. The author of the amendment has said several times he does not argue with the value, but he wants it done a different way. I want to point out that the project that I know the most about has been authorized. This kind of research on human nutrition has been authorized because it was recognized that there is this incredibly important link between nutrition and health.

Mr. Chairman, I am against pork, as I know the gentleman is. But everything we spend money on is not pork. What we are talking about here is something that will save hundreds of millions of dollars of American money. It will save incredible amounts of human suffering. I know that to be true of the other projects that are in this bill.

Mr. Chairman, this project is advised by a distinguished panel of scientists, and I oppose the amendment.

Mr. DURBIN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Chairman, I rise in opposition to this amendment.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, generally I am with my dear colleague, the gentleman from Illinois [Mr. FAWELL]. But, the gentleman does not have his heart obviously in this particular amendment. He cannot. Because these projects are meritorious projects, and they are generic in many instances. The IR-4 project is an interregional project. I think $10 million was requested. It was shaved down to a little over $6 million.

Mr. Chairman, you cannot have it both ways. We want pesticides for minor crops that are safe, or we do not. What the gentleman would do would be to knock out the $6 million in there for the IR-4. Frankly, we have 1,200 applications right now that we cannot reach at the Environmental Protection Agency. That means every year farmers have to go through the same routine. They often use pesticides after going through a lengthy process that we do not know very much about on minor crops.

In addition to that, there is a planned bioscience facility project at Rutgers University that I am very familiar with. It is an ongoing project that has been tested, proven, is wanted, and it deals with the very thing we are all talking about, making pesticides safe.

Mr. DURBIN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me close by saying this: The gentleman from New Jersey [Mr. HUGHES] has hit the nail on the head. The research we are talking about here is critically important for the safety and health of the American people. To suggest that it is somehow politically oriented I think does a great disservice.

We have three pages of authorizing legislation behind the projects that the gentleman seeks to strike with his amendment.

Let me put it in this context as well: We are talking about $50 million in agricultural research. The total amount spent by the Department of Agriculture this year is $1.1 billion for agricultural research. That research serves an industry which accounts for 17 percent of the gross domestic product of America. This is money well invested.

Mr. Chairman, I would suggest the gentleman from Illinois [Mr. FAWELL] does understand that these projects are authorized, that we are below last year's level of spending, that we are in fact addressing serious concerns about pesticides and public health, and I hope that all of my colleagues would join me in resisting the gentleman's amendment.

Ms. SNOWE. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, I understand the gentleman's desire to reduce spending. I agree with him that we must focus on spending reductions as the primary tool for deficit reduction. But I would point out to the gentleman that funding for special research grants in this bill has been cut by nearly a third, from $73 million in fiscal year 1993 to $50 million in fiscal year 1994. I wonder how many programs in the 13 appropriations bills that we will vote on have received cuts in excess of 30 percent.

The amendment would eliminate all funding for the special research grants program. Such a move implies that there is no significant value in agricultural research. As those of us who represent agricultural districts know, however, research has played a critical role in making the United States the world's leader in agricultural production. The complete elimination of special agricultural research grants would undermine one of the most successful and competitive sectors of our economy.

I would like to assure my colleagues that at least one item in the amendment, $185,000 for lowbush blueberry research, merits the funding that it has received. This research proposal was peer reviewed by the interdisciplinary research council at the University of Maine, and by the Maine Blueberry Advisory Committee, which was established by Maine law and includes many members with extensive scientific and engineering expertise.

Lowbush blueberries account for 50 percent of the total blueberry crop in all of North America, clearly indicating that the research will be conducted on a crop of national importance. Lowbush blueberries are unique in that they are essentially wild blueberry plants—they are not hybrids created in a lab. Thus, any other blueberry research will not provide much useful information to help ensure the continued productivity of this unique domestic crop.

The centerpiece of this research proposal is the reduction of pesticide, fungicide, and herbicide use in the lowbush blueberry industry. It therefore seeks to make lowbush blueberry cultivation more environmentally sustainable. I would venture to guess that the overwhelming majority of my colleagues support additional research on sustainable agricultural techniques to reduce the impact of agriculture on the environment.

Perhaps most importantly, the lowbush blueberry industry and the State of Maine have already agreed, as they have in the past, to contribute $400,000 to the research effort. Indeed, the industry established an internal tax in 1945 to help fund research. In those days, research was funded solely by the industry. But as regulations and world competition increased, the industry recognized that it alone could not fully fund its research needs, and it sought the partnership of the State of Maine and the Federal Government. And I will note that in this partnership, the State and the private sector carry most of the load.

Mr. Chairman, I think the committee has done a good job of cutting spending for special research grants. If every program in every appropriations bill were cut by the same magnitude as this program, we would see dramatic reductions in Federal spending.

I ask my colleagues to defeat the amendment.

Mr. PRICE of North Carolina. Mr. Chairman, I rise in opposition to the Fawell-Penny amendment to eliminate funding for special research grants and facilities in the Cooperative State Research Service.

During my service during the past 2 years on the Agriculture Appropriations Subcommittee, I listened to hours of testimony from Members of Congress and farmers from across our Nation. Virtually without exception, they presented convincing stories about the need for research in an area of special need to their State or region. As I examined these cases more closely, I found few frivolous requests—in fact, I generally discovered solid and worthwhile proposals.

Let me cite a case study, because one of these projects that the Fawell-Penny amendment seeks to eliminate is one that I sought and was pleased to have the committee provide.

Nearly 3 years ago, I was approached by pork producers from my congressional district. North Carolina has been very successful in recent years in increasing pork and poultry production. But current practices were simply inadequate for handling the estimated 24 million tons of manure and litter generated by these thriving industries each year.

Working with North Carolina State University, the pork and poultry industries worked out a 3-year research plan to develop innovative technologies for managing animal and poultry wastes to recover energy and nutrients, recycle wastes into useful products, and reduce environmental hazards.

A skeptic might ask: If this research is so important to North Carolina, why not let them pay for it? Well, North Carolina and the affected industries have indeed put up money—$400,000 from the North Carolina General Assembly, and $245,000 from the pork and poultry industries. But the Federal funding we are seeking plays an important role in leveraging the available funds and turning this into the full multidisciplinary research program envisioned—one that is likely to pay off with real techniques and solutions, which can be put to use by farmers and rural residents in North Carolina and other States.

This is the story of just one special grant, but I suggest that each of these grants has a similar story. Remember, the Clinton administration itself recommended $34 million in this special grant category, as did the Bush administration before it. But the subcommittee has acted responsibly to examine our commitment in this area and bring in a recommendation about 15 percent below the level in the House bill last year.

I would also remind those who criticize these projects as noncompetitive that the subcommittee has proposed more than a $16 million increase in competitive research grants under the National Research Initiative—to $114 million, more than twice the amount recommended in the special grant area—and has steadily increased funds for competitive research each of the last several years.

In short, I believe there is room as well as need for both competitive research, and research of a regional or State-specific need as reflected by these special research grants. I commend Chairman DURBIN and the other subcommittee members for the care and attention they have given to setting priorities in this area, and I urge my colleagues to defeat the Fawell-Penny amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois [Mr. FAWELL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FAWELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 88, noes 343, not voting 8, as follows:

[Roll No. 291]

AYES—88

Andrews (ME)
Andrews (NJ)
Applegate
Armey
Baker (CA)
Ballenger
Bilirakis
Bliley
Burton
Callahan
Castle
Coble
Cox
Crane
Cunningham
DeLay
Doolittle
Dornan
Dreier
Dunn
Fawell
Fingerhut
Fowler
Frank (MA)
Gallegly
Goodling
Goss
Grams
Hancock
Harman
Hastert
Hefley
Herger
Hoekstra
Hoke
Hunter
Hyde
Inglis
Inhofe
Jacobs
Johnson, Sam
Kasich
King
Klug
Knollenberg
Kyl
Lazio
Levy
Linder
Maloney
Mann
Manzullo
Margolies-Mezvinsky
McCollum
McInnis
McKeon
Mica
Miller (FL)
Molinari
Moorhead
Murphy
Nussle
Packard
Penny
Petri
Porter
Quinn
Ramstad
Rohrabacher
Ros-Lehtinen
Royce
Santorum
Schaefer
Schenk
Sensenbrenner
Shaw
Shays
Shuster
Solomon
Stearns
Stump
Talent
Taylor (MS)
Walker
Weldon
Young (FL)
Zeliff
Zimmer

NOES—343

Abercrombie
Ackerman
Allard
Andrews (TX)
Archer
Bacchus (FL)
Bachus (AL)
Baesler
Baker (LA)
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Buyer
Byrne
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums

Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Duncan
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Gordon
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Inslee
Istook
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kim
Kingston
Kleczka
Klein
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Manton
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Michel
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Rahall
Rangel
Ravenel
Reed
Regula
Richardson
Ridge
Roberts
Roemer
Rogers
Romero-Barcelo (PR)
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Wheat
Whitten
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)

NOT VOTING—8

Blute
Henry
McMillan
Reynolds
Skeen
Underwood (GU)
Waxman
Wilson

□ 1501

Messrs. SWETT, KIM, McHUGH, and PAXON changed their vote from "aye" to "no."

Messrs. ZIMMER, CUNNINGHAM, SHAW, McCOLLUM, and STEARNS changed their vote from "no" to "aye."

So the amendments were rejected.

The result the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension, and teaching programs of the Department of Agriculture where not otherwise provided, $37,750,000, to remain available until expended (7 U.S.C. 2209b).

Mr. STENHOLM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, recent testimony before the House Agriculture Subcommittee on Department Operations and Nutrition, which I chair, indicates that many of our Nation's agriculture research facilities are in severe disrepair.

I offer this discussion right after the previous vote in which we had discussions about whether or not these projects were authorized or not authorized. I am not sure that all of the Members understood all of what we were trying to say from the Agriculture Committee standpoint.

We have many facilities that are in disrepair, yet the dollars available to meet them are few and far between. Unfortunately, as their budget pie gets smaller, we do have the need to prioritize. This is a very difficult process that we must go through.

This problem has been pointed out repeatedly in reports by the National Academy of Sciences, the National Science Foundation, the Office of Technology Assessment, and the National Association of State Universities and Land Grant Colleges.

The House Committee on Science, Space, and Technology and the Senate Committee on Agriculture, Nutrition, and Forestry have also held hearings highlighting the magnitude of this problem.

The Department of Agriculture's Users Advisory Board has called for instituting a system linking the placement of facilities to a set of strategically developed consensus priorities. A 1989 User Advisory Board report called for the establishment of a bipartisan review panel similar to the Military Base Closing Commission, which we are all very familiar with, to determine national agricultural research facility needs and make recommendations for closing, consolidating, renovating, and building facilities.

Section 1674 of the 1990 farm bill authorized the formation of such a commission. However, this Commission has yet to be funded in the appropriations process.

The gentleman from California [Mr. BROWN] and myself wrote a letter to the chairman, asking that this be funded. It was not, and I yield to the chairman for a response as to why he chose not to fund this Commission.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Illinois.

Mr. DURBIN. I thank the gentleman for yielding. We do not question the importance of a review process to determine the highest priority in scientific research spending. Our subcommittee is working with Secretary Espy in an effort to reorganize the U.S. Department of Agriculture, as is the gentleman from Texas.

What I hope we can do is to come together at both the authorizing and appropriating level to establish a procedure for evaluating the current research capacity of the U.S. Department of Agriculture, and to set priorities for future agriculture research and construction.

I believe this is consistent with what the authorizing committee was seeking, and I look forward to working with the gentleman from Texas to achieve that end.

Mr. STENHOLM. I concur in that, and I also will not offer at this time the amendment that I had intended to offer, but will look forward to working with the chairman, with the Appropriations Subcommittee on Agriculture to achieve the intent that the gentleman has just stated. And I believe this will also meet the objectives as previously stated by our colleagues, the gentleman from Illinois [Mr. FAWELL] and the gentleman from Minnesota [Mr. PENNY].

I look forward to working with the gentleman on that, and we will be reporting legislation later this year along those lines, with the gentleman's cooperation.

Mr. DURBIN. I thank the gentleman from Texas.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EXTENSION SERVICE

Payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93–471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, $274,582,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, $64,961,000; payments for the pest management program under section 3(d) of the Act, $8,459,000; payments for the farm safety and rural health programs under section 3(d) of the Act, $2,698,000; payments for the pesticide impact assessment program under section 3(d) of the Act, $3,363,000; payments to upgrade 1890 land-grant college research and extension facilities as authorized by section 1447 of Public Law 95–113, as amended (7 U.S.C. 3222b), $7,901,000, to remain available until expended; payments for the rural development centers under section 3(d) of the Act, $938,000; payments for a groundwater quality program under section 3(d) of the Act, $11,234,000; payments for the Agricultural Telecommunications Program, as authorized by Public Law 101–624 (7 U.S.C. 5926), $1,206,000; payments for youth-at-risk programs under section 3(d) of the Act, $10,000,000; payments for a food safety program under section 3(d) of the Act, $1,975,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, $3,341,000; payments for Indian reservation agents under section 3(d) of the Act, $1,750,000; payments for sustainable agriculture programs under section 3(d) of the Act, $2,963,000; and payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326, 328) and Tuskegee University, $25,414,000; in all, $420,785,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Federal administration and coordination: For administration of the Smith-Lever Act, as amended, and the Act of September 29, 1977 (7 U.S.C. 341–349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $8,380,000.

NATIONAL AGRICULTURAL LIBRARY

For necessary expenses of the National Agricultural Library, $17,682,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $35,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $900,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND INSPECTION SERVICES

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Inspection Services to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, Federal Grain Inspection Service, Agricultural Marketing Service, and Packers and Stockyards Administration, $691,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES (INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426–426b); and to protect the environment, as authorized by law, $439,042,000, of which $91,460,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account, and of which $4,938,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: *Provided*, That if the demand for Agricultural Quarantine Inspection (AQI) user fee financed services is greater than expected and/or other uncontrollable events occur, the Agency may exceed the AQI User Fee limitation by up to 10 per centum, provided such funds are available in the Agricultural Quarantine Inspection User Fee Account, and with notification to the Appropriations Committees: *Provided further*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 per centum: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only. *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradiction of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, $10,145,000, to remain available until expended (7 U.S.C. 2209b).

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, and the Poultry Products Inspection Act, as amended, $516,738,000, and in addition, $1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1017 of Public Law 102–237: *Provided*, That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

FEDERAL GRAIN INSPECTION SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $20,000 fcr employment under 5 U.S.C. 3109, $11,554,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: *Provided further*, That none of the funds provided by this Act may be used to pay the salaries of any person or persons who require, or who authorize payments from fee-supported funds to any person or persons who require nonexport, nonterminal interior elevators to maintain records not involving official inspection or official weighing in the United States under Public Law 94–582 other than those necessary to fulfill the purposes of such Act.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Not to exceed $42,784,000 (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing Services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 per centum with notification to the Appropriations Committees.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, agricultural cooperatives, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $90,000 for employment under 5 U.S.C. 3109, $61,614,000; including $2,346,000 for the Wholesale Market Development Program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701).

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $55,953,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 per centum with notification to the Appropriations Committees.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2)

transfers otherwise provided in this Act; and (3) not more than $10,309,000 for formulation and administration of Marketing Agreements and Orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,735,000.

PACKERS AND STOCKYARDS ADMINISTRATION

For necessary expenses for administration of the Packers and Stockyards Act, as authorized by law, and for certifying procedures used to protect purchasers of farm products, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $5,000 for employment under 5 U.S.C. 3109, $12,194,000.

FARM INCOME STABILIZATION

OFFICE OF THE UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS

For necessary salaries and expenses of the Office of the Under Secretary for International Affairs and Commodity Programs to administer the laws enacted by Congress for the Agricultural Stabilization and Conservation Service, Foreign Agricultural Service, and the Commodity Credit Corporation, $563,000.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES (INCLUDING TRANSFERS OF FUNDS)

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized to title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393); the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.); sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q); sections 1001 to 1004, 1006 to 1008, and 1010 of the Agricultural Act of 1970, as amended (16 U.S.C. 1501 to 1504, 1506 to 1508, and 1510); the Water Bank Act, as amended (16 U.S.C. 1301–1311); the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101); sections 202(c) and 205 of title II of the Colorado River Basin Salinity Control Act of 1974, as amended (43 U.S.C. 1592(c), 1595); sections 401, 402, and 404 to 406 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205); the United States Warehouse Act, as amended (7 U.S.C. 241–273); title XII of the Food Security Act of 1985, as amended (16 U.S.C. 3811 et. seq.); and laws pertaining to the Commodity Credit Corporation, $732,467,000; of which $730,842,000 is hereby appropriated, and $1,036,000 is transferred from the Public Law 480 Program Account in this Act and $589,000 is transferred from the Commodity Credit Corporation Program Account in this Act: *Provided*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this account: *Provided further*, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That no part of the funds made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 9(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1516), $290,116,000; *Provided*, That not to exceed $700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i): *Provided further*, That none of the funds in this Act may be used to offer a Federal crop insurance policy in counties on crops where a loss ratio, that has already been recalculated pursuant to law to reflect the premium rates issued by the Corporation for the 1993 crop year, is in excess of 1.10 more than 70 percent of the years that a policy has been offered since 1980: *Provided further*, That none of the funds in this Act may be used to pay operating and administrative costs that exceed 31 per centum of premium to insurers of policies on which the Corporation provides reinsurance, except to reimburse said insurers for excess loss adjustment expenses as provided for in the Standard Reinsurance Agreement issued by the Corporation.

POINT OF ORDER

Mr. ROBERTS. Mr. Chairman, I make a point of order against this paragraph for the reason that it legislates in a general appropriation bill.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ROBERTS. Mr. Chairman, I make a point of order against this paragraph for the reason that it legislates in a general appropriations bill. The language against which this point of order is made is the last two provisos appearing on page 29, line 16 through page 30, line 4.

The first proviso is objected to in that it imposes a new duty on the Secretary that directs him how to manage the crop insurance program such that crop insurance coverage will be denied to all producers and farmers in a county where the loss ratio is in excess of that set by the Appropriations Committee. If a producer that farms in a county that is determined by the Secretary or the Federal Crop Insurance Corporation [FCIC] to have a loss ratio in excess of that set forth in this proviso by the Appropriations Committee, he or she is denied crop insurance coverage no matter whether their individual loss ratios are as good as in any county in the State that is eligible for crop insurance under this proviso. Thus, this language discriminates against some producers in certain counties who have perfectly good loss ratio records. Also, this first proviso is a legislative direction rather than a negative limitation on spending (Deschler's Precedents, chapter 26, section 36.19).

It is submitted that the above-quoted proviso is legislative language that interferes with an executive official's discretionary authority (CONGRESSIONAL RECORD, March 12, 1975, p. 6338). It is also submitted that this proviso which restricts executive authority to incur obligations in certain counties for Federal crop insurance is legislative in nature and not a limitation on funds. (See CONGRESSIONAL RECORD, July 13, 1987, p. 19507.)

Moreover, limitation language in a general appropriation may not be such as when fairly construed changes existing law (See Hind's Precedents IV, 3976–3983) and the legislative language may not be such as to justify an executive officer in assuming an intent to change existing law (Hind's IV, 3984; Cannon's VII, 1706).

In a letter dated June 23, 1993, the Office of Management and Budget urges the committee to "support (the President's) April 8th budget proposal* * *". It is submitted that the administration's statement may be recognized as an intent to restrict executive discretion to a degree that may be fairly termed a change in policy rather than matter of administrative detail (Cannon's VII, 1691).

It is submitted that the committee was legislating and setting policy as noted by the comments in its report accompanying the bill explaining its provisos (p. 59) where it indicates: "This approach only eliminates the most egregious policies and allows the Corporation the opportunity to revise or delete that county crop policy after fiscal year 1994." The Federal Crop Insurance Corporation may be said to be able to reclaim its discretion in fiscal year 1995 and possibly extricate itself from the legislative policy set in this proviso but in doing so it must assume certain duties.

As parliamentary precedents state, "the power of limitation is solely a negative power, capable of setting up a barrier, not a positive power, capable of creative functions" (Hind's IV, 3956). This proviso sets policy, is directive in nature and constitutes legislation on an appropriation bill.

The second proviso has the committee placing a cap of 31 percent on the base amount received by reinsurance companies for reimbursement of expenses.

Meanwhile, the Federal Crop Insurance Corporation on June 4, 1993, forwarded to its reinsured companies the revised 1994 sales and service contract that was to be returned by July 1, 1994. That contract provided 32¼ percent on the base amount received by reinsurance companies for reimbursement of expenses.

These 1994 contracts, some of which we are told have been returned to FCIC by the reinsured companies, have not yet been signed by a representative of the Corporation. However, we are told that they carry an effective date of July 1, 1993, and when, as and if they are signed by a Corporation representative after July 1 they will be retroactive to July 1, 1993.

No one knows which insurers will be willing to enter into such contracts if they are reduced for reimbursement of expenses from 32¼ to 31 percent. So that it is uncertain, but probable, that this proviso will directly interfere with executive discretion in establishing reinsurance agreements. In the event the ruling here were to rely on the abortion amendment to a general appropriations bill cited 126 CONGRESSIONAL RECORD, August 20, 1980, the interference here is more direct in the exercise of executive discretion than it was in that case.

It is also pointed out that the situation under this proviso must inevitably interfere with the contractual obligations of the Corporation and its insurers in that negotiations must occur over the changes necessary in agreements of reinsurance thus placing an additional duty on the Corporation.

Mr. Chairman, I urge you to sustain this point of order.

□ 1510

The CHAIRMAN. Does the gentleman from Illinois [Mr. DURBIN] desire to be heard on the point of order?

Mr. DURBIN. Mr. Chairman, I would ask the Chair to deny the gentleman's point of order.

The language in this bill was very carefully drawn to be a limitation on funds in the act and places no additional duties on the executive branch.

The CHAIRMAN. The Chair will rule on the point of order made by the gentleman from Kansas.

The gentleman from Kansas [Mr. ROBERTS] makes a point of order against the last two provisos in the paragraph appropriating administrative and operating expenses for the Federal Crop Insurance Corporation on the grounds that they constitute legislation on an appropriations bill. As for the argument that the first proviso imposes a new duty on the Secretary of Agriculture or the Corporation to manage the crop insurance program in counties that exceed a certain loss ratio, the text of the paragraph itself notes that this loss ratio has already been calculated. Further, the committee report indicates that these ratios are in documents provided to the Appropriations Committee. Therefore, no new duties are required of the executive branch to perform new calculations, nor is the proviso an affirmative direction to manage the program in a certain manner. Since the calculations have already been performed, it should be clear in which counties and for which crops are funds being limited. In the opinion of the Chair, the proviso interferes with executive discretion only to the extent of appropriating for part of an authorized purpose, which is a decision well within the perogative of the Appropriations Committee.

Turning to the second proviso, the gentleman from Kansas argues that limiting funds in the act to pay administrative costs in excess of 31 percent of premiums interferes with the contracting authority of the Corporation. Currently contracts negotiated by the Corporation permit a higher percentage amount for payment of administrative expenses.

The Chair cites the ruling carried at chapter 25, section 10.2 of Deschler's Procedure where an amendment denying the use of funds to pay administrative expenses in connection with any Federal employees health benefit plan that covered certain abortions was held not to constitute legislation since the amendment did not directly interfere with executive discretion in contracting to establish such plans. It is permissible by limitation to negatively deny the availability of funds although discretionary authority may be curtailed and contracts may be left unsatisfied. A similar contractual interference argument was made in the crop insurance context in the precedent carrie in volume 8 of Deschler's Precedents, chapter 26, section 67.11 where the Chair overruled a point of order limiting funds to formulate a crop insurance program that does not meet its operating expenses from premiums. This was held to be a proper limitation restricting the availability of funds and in order as a limitation.

Accordingly, the Chair overrules the point of order.

AMENDMENT OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DE LA GARZA: On page 30, lines 3 and 4, insert after "Corporation" the following: ": *Provided further*, That the second proviso shall not apply in any county affected if the Corporation has implemented a non-standard classification system in such county for those individual farms that have experienced excessive losses since 1980 under which the premium rates, notwithstanding the provision of section 508(d) of the Federal Crop Insurance Act, are increased over comparable rates effective for the 1993 crop, or the insured yields are decreased from comparable yields for the 1993 crop, or a combination of both, by an amount or amounts sufficient to ensure that an estimated loss ratio will not exceed 1.1 for the crop produced on such farms during the 1994 crop year".

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, this relates to the subject matter discussed in the point of order.

As reported by the Committee on Appropriations, the Federal Crop Insurance Corporation would be prohibited from offering crop insurance for purchase in counties with histories of excessive losses.

□ 1520

Unfortunately, the bill would penalize some good farmers based on the excessive insurance claims of some of their less fortunate neighbors. My amendment allows the Crop Insurance Corporation to continue to offer insurance policies in counties with excessive loss ratios if the corporation has established a program whereby individual farmers pay premiums for coverage more in line with their individual histories.

I believe this approach is more equitable to the individual producers, and this agreement has been worked out in cooperation with Members of the minority, with members of the subcommittee and the gracious cooperation of the Subcommittee on Appropriations.

Mr. ENGLISH of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Oklahoma [Mr. ENGLISH], chairman of the subcommittee with jurisdiction.

Mr. ENGLISH of Oklahoma. I thank the gentleman for yielding.

I would like to rise in very strong support of the amendment as offered by the chairman of the House Agriculture Committee in behalf of the Agriculture Committee.

Without question, we do have some problems in crop insurance of people who have been abusing the programs. We also have instances where, quite frankly, people have been attempting to grow some crops that probably should not be grown there. This really remedies the situation. It deals with it on a farm-by-farm basis. It takes into account and recognizes in those areas where we have had very high losses, unrealistically high losses, that under those circumstances that farm will be judged on that farm's experience. It takes into account and recognizes that the other body, when they insisted back in the 1990 farm bill that we place limitations as to how much of an increase can be made each year with regard to rates, was mistaken, and lifts that and allows under these circumstances, in these cases where we have these extraordinary losses, that in fact the Federal crop insurance can raise those rates to meet the losses that are experienced.

Or, on the other hand, they have the ability to reduce yields. That, I think, is very logical and very fair, and one which I think without question the farmers of this country can live with and at the same one that is fair to the taxpayers as well.

I want to commend the chairman of the Agriculture Committee for bringing it forth.

Mr. DE LA GARZA. Mr. Chairman, this is a program that needed attention. This is a program we needed to revisit. We have done that.

I would have hoped that we could have had a more comprehensive approach to it, but under the circumstances this, hopefully, takes care, in the meantime, of the situation we find ourselves in.

The authorizing committee will continue oversight and will continue addressing this very serious matter because it is life or death for many of the producers who make us the best fed Nation in the world for the least amount of disposable income. And they certainly need this tool to manage their resources in order that we might continue to do that for the American people.

I would hope that my colleagues would support the amendment.

Mr. GRANDY. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Iowa.

Mr. GRANDY. I thank the gentleman for yielding.

Mr. Chairman, let me encourage my colleagues to support the chairman's amendment to the chairman of the Appropriations Subcommittee's language. I might say, Mr. Chairman, I originally intended to offer an amendment to strike this provision because I thought, although well-intended and probably correct from a policy point of view, it took a meat-tax approach to a problem that has plagued the Agriculture Committee and people who have worked in crop insurance for some time. It penalizes both bad producers and good producers. I think what the chairman has done has found a way to put the problem on the farm and not across the county where indeed there might be successful producers punished with unsuccessful producers.

But there was also a problem here that I think goes to our question of savings. CBO has scored the language that is in the committee print as a savings. The Office of Management and Budget disagrees. While they acknowledge there would probably be a $25 million savings from the crop insurance that would not be extended to those counties, there is under farm law a provision which mandates the Secretary of Agriculture to provide disaster payments to producers.

The CHAIRMAN. The time of the gentleman from Texas [Mr. DE LA GARZA] has expired.

(By unanimous consent, Mr. DE LA GARZA was allowed to proceed for 2 additional minutes.)

Mr. DE LA GARZA. I continue to yield to my friend.

Mr. GRANDY. I thank the chairman for his generosity.

To continue with this point, in the 1990 farm bill there is a provision that mandates the Secretary of Agriculture to provide disaster payments to producers who are prevented from planting because of drought, flood, or other natural disaster. OMB has concluded that this would result in a net payment of $75 million in disaster payments to those counties that would lose crop insurance, resulting in an increase in spending, between $40 and $50 million.

Of course, CBO will, obviously, determine the scoring here. But I think it bears the committee's attention that we may not be saving money.

Under the provisions altered by the chairman, we run much less of a risk of having this become a spending provision as opposed to a savings provision.

I might just say, as a former member of the Committee on Agriculture, Mr. Chairman, we have spent approximately $25 billion between 1980 and 1990 in disaster assistance either through crop insurance or disaster loans.

Seventy-six percent of that has been in disaster loans.

If we want real savings, we should find better ways to manage risk. I think the chairman has begun the process. I hope it will continue in the authorization committee.

I will not offer my amendment, and urge my colleagues to support the chairman of the Agriculture Committee and hope that the chairman of the Subcommittee on Appropriations will accept the amendment.

Mr. DE LA GARZA. Mr. Chairman, I yield back the balance of my time.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the 5 minutes.

Mr. Chairman, this is precisely the thing I was referring to under general debate when we talked about the law of unintended effects. And when we get into the business of the appropriators legislating in regard to the pasture of the authorizing committee, they have put forth—"they" meaning the Appropriations Committee—with understandable concern with respect to the Federal Crop Insurance Program, a major change in crop insurance in this year's appropriations bill. This proposal reduced the insurance company's reimbursement from 32¼ percent to 31, even though existing contracts are out in the field with farmers with their insurance companies. And, too, they require the counties that had the higher than 1.1 loss ratio for a crop would be excluded from crop insurance for that crop. Nobody could argue against that.

But here is the problem: Individual farmers in the affected counties who have maintained their losses below the 1.1 level—no real problem—will lose their insurance along with the problem farmers. So it was unfair, it was very discriminatory.

Now, the amendments to the 1990 farm bill have already been ratcheting down the company reimbursements from their original level of 34 percent. The further arbitrary steep drop to 31 percent will throw some companies out of the program—when a more gradual decline might have been acceptable.

Also, many of the insurance agreements for 1990 have been signed, and as I indicated in my point of order and also during general debate. I would have supported Mr. GRANDY's amendment.

I think the chairman's amendment is a good amendment. It makes a reform measure that would have had unintended effects, that would have been very damaging, a little better.

What we have done here is we have allowed farmers under this program, farmers who do not have any egregious activity under this program, they have a bum deal instead of no deal. Hopefully, we can work it out with the Appropriations Committee, and with the Senate. For 12 years we have been trying to reform this program so it would work in high-risk farm country, as well as in Illinois, where the gentleman resides, and where, due to crop diversity and rainfall and climate, crop insurance works far better than on the Great Plains.

☐ 1530

I have a little feeling about this, obviously, and would hope that we could work together as we try to improve the Crop Insurance Program.

Mr. Chairman, I yield back the balance of my time.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a moment ago a point of order was raised against the language provided by the Appropriations Committee on limitations on the amount of loss that crop insurance might pay. We all recognize we have a real problem. We have had that problem for quite some time.

The point of order was not sustained. The language was not legislation, but limitation; but Mr. Chairman, quite honestly without any question if the point of order was raised here, this would be legislation on an appropriations bill. Of course, it was offered by the chairman of the authorizing committee. I am not going to object to it, but it clearly is legislation on an appropriations bill if you want to raise that technicality.

But what I am going to question, Mr. Chairman, and I will recognize the gentleman from Texas to answer my question, the concern was that we are penalizing good farmers in an area of a county that had sever losses under the language in the appropriations bill.

Now, it seems to me that my interpreting this language, this year right now we have had some farmers already who have suffered losses in the Midwest along the Mississippi River from floods that never had a loss before, or at least had not had a loss in a good many years.

There is a possibility that occurred just this last weekend in my area of farmers being wiped out from hail, hail the size of golf balls, that stripped corn, stripped beans in the field. They've got a loss. They have not usually had this hail loss, but they would be denied under the gentleman's amendment, as I interpret it, next year insurance because they had a 1-year loss. Now, we at least averaged it over a 10-year period.

Am I wrong about that? Am I misinterpreting this?

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Texas.

Mr. DE LA GARZA. No, that is not accurate, I would inform my colleague. What this does it brings it back to the individual farm, rather than for the county.

Mr. MYERS of Indian. That is what I am speaking about, one farmer.

Mr. DE LA GARZA. But one that if they already have the insurance, they are grandfathered.

Second, that is the reason for the amendment, that the history will be on the individual farm, not in the county, because the gentleman has, as I am sure I have, counties where half the county is always in drought or flood and the other half not, so the history would be on the individual farmer.

Mr. MYERS of Indiana. That is what I was thinking about, too, on the individual farmers.

Mr. DE LA GARZA. The farmer who has historic losses.

Mr. MYERS of Indiana. Historic in 1 year. Are they increased over comparable rates effect for the 1993 crop or the insured deals are decreased for comparable yields for the 1993 crop? What does that mean? Are we talking about 1 crop-year?

Mr. ENGLISH of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Oklahoma.

Mr. ENGLISH of Oklahoma. I would point out to the gentleman, Mr. Chairman, this is a proviso that takes place in regard to the language of the appropriations bill. In other words, before this proviso even comes into play, we are talking about counties that in 10 out of the last 13 years have had a ratio of 1.1 to 1 or greater, so you have to have a period, you are taking all the language you have in the bill, 10 out of the 13 years, then of those counties that meet that criteria the 10 out of the 13, if the Secretary does not take action to adjust in the last year, adjust the rates up on those individual farms to where those ratios are; in other words, where you had the big losses within that big county, then this would take place.

What this is an effort to do is to try to target the actions by the Appropriations Committee to a farm-by-farm basis, instead of applying it to every farm in the county, but before it can be applied to any farm in any county, first of all they have to meet the criteria that was laid out by the Appropriations Committee.

Mr. MYERS of Indiana. So if I am correct in the interpretation here, a farmer within a county would also have to have severe loss, would have to meet that 70 percent, but a farmer after that is met in the county, then each farmer—the good farmers could be left out?

Mr. ENGLISH of Oklahoma. That is exactly the point.

Mr. MYERS of Indiana. Is that what the gentleman is attempting to do? If that is the attempt, then I have no objection.

Mr. ENGLISH of Oklahoma. And let me also say this. It also takes into account where you have a farmer who is a bad farmer, because it is going to jack up his ability to recover.

Mr. MYERS of Indiana. I should say an unlucky farmer instead of a bad farmer. I am sensitive about that.

Mr. ENGLISH of Oklahoma. Well, in Oklahoma we did not have any unlucky ones. I was not too sure about other areas of the country, but I think it is a very discriminating targeted approach to those people who have either abused the program, or quite frankly who have long histories of losses that need to be dealt with from a taxpayers' standpoint.

I think what it does, it singles those out and leaves the good farmers alone. It would not apply to the gentleman's farmers.

Mr. MYERS of Indiana. Well, to clarify this, I know a lot of good farmers who had bad luck because of weather, primarily. That is what we are trying to cover with insurance.

If that is what it does, then I have no objection.

Mr. ENGLISH of Oklahoma. Mr. Chairman, if the gentleman will continue to yield, just very quickly, one other point that I would make is many of the losses that we have had occurred in the last decade, but this bill takes that into account.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman.

Mr. DURBIN. Mr. Chairman, I move to strike the requisite number of words.

Let me say at the outset that I support the amendment offered by the chairman of the Agriculture Committee.

I have heard expressions on the floor concerning the role of the Appropriations Committee as against the role of the authorizing committee.

I would hope that what we are doing today is evidence that both committees working together can improve a work product to the point where it achieves the end we are seeking.

This Appropriations subcommittee faces the responsibility of paying for authorized programs. I can tell you that, as members of this subcommittee reviewed the performance of the Federal Crop Insurance Corporation, we came to the conclusion that this was not an insurance program, this was a disaster, a disaster which had cost the American taxpayers $2.9 billion over the last 10 or 12 years.

Let me give you one year as an example. In 1991, we ended up paying to the companies that wrote the insurance $248 million for expenses. We then turned around and lost $965 million, and then declared a bonus to the insurance companies of another $42 million.

Now, I would suggest to you that no bonus under any normal business circumstances would have gone to any business or insurance operation with that kind of experience.

The reason we put a 70-percent threshold in this provision in the appropriations bill was to catch the most extreme cases, the habitual losers who year in and year out plant a crop in a county and it fails.

Now, I have to tell you in all candor that there are farmers who are gaming the system. They are not farming the land. They are farming the Federal Treasury. I have no sympathy for those individuals. They have found ways to plant follow-on crops, to plant program crops in counties where they will never grow, and the farmer knows it, the growing season is not long enough, there is not enough rain, but as long as Uncle Sam will write an insurance policy, they are in business.

We want to put an end to this abuse. It costs taxpayers hundreds of millions of dollars.

I believe what the chairman of the Agriculture Committee has done with this amendment is to focus on farms, rather than counties, and I accept that; but I would like the chairman to answer a question.

I want to make certain that it is our mutual understanding that we will not through this amendment create the shell game which we have had in many circumstances where farmers will start using their sons' names on programs or a wife's name or a corporation name and somehow evade the close scrutiny which the gentleman is seeking with this amendment.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, let me assure the gentleman that we have addressed that issue in the program crops. I do not know that it has been a major issue in crop insurance, but we will have very, very active vigilance over this program. We will join together with the gentleman to see that no program with this or any other program can be utilized by someone beyond the legislative intent and for the reason for which the legislation is in place.

Mr. ENGLISH of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I am happy to yield to the gentleman from Oklahoma.

Mr. ENGLISH of Oklahoma. One further point. I think the Chairman makes a very good point on that.

I would again want to stress and make sure that everyone understands, in this case we are not talking about a farmer. We are talking about farms, so it is a specific piece of real estate. It does not matter who owns it. It does not matter who they sell it to. It does not matter who comes in and becomes a partner. It is that farm and the experience of that farm that we are going by.

Mr. DURBIN. Mr. Chairman, I thank the gentleman, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DE LA GARZA].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 508(b) of the Federal Crop Insurance Act, as amended, $235,794,000, to remain available until expended (7 U.S.C. 2209b); of which $47,072,000 is to reimburse the Federal Crop Insurance Corporation Fund for agents' commissions and loss adjustment obligations incurred during prior years, but not previously reimbursed, as authorized by section 516(a) of the Act, as amended.

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 1994, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed (estimated to be $20,896,614,000 in the President's fiscal year 1994 Budget Request (H. Doc. 103-3)), but not to exceed $18,000,000,000, pursuant to section 2 of the Act of August 17, 1961, as amended (15 U.S.C. 713a-11).

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

For fiscal year 1994, the Commodity Credit Corporation shall not expend more than $4,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961: *Provided*, That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Assistant Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Soil Conservation Service, $578,000.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed $100; purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, $588,262,000, to remain available until expended (7 U.S.C. 2209b); of which not less than $5,820,000 is for snow survey and water forecasting and not less than $8,214,000 is for operation and establishment of the plant materials centers: *Provided*, That except for $2,399,000 for improvements of the plant materials centers, the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $10,000, except for one building to be constructed at a cost not to exceed $100,000 and eight buildings to be constructed or improved at a cost not to exceed $50,000 per building and except that alterations or improvements to other existing permanent buildings costing $5,000 or more may be made in any fiscal year in an amount not to exceed $2,000 per building: *Provided further*, That when buildings or other structures are erected on non-Federal land that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e-2).

RIVER BASIN SURVEYS AND INVESTIGATIONS

For necessary expenses to conduct research investigation, and surveys of watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1006-1009), $13,482,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $60,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), $9,721,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, $228,915,000 to remain available until expended (7 U.S.C. 2209b), of which $40,386,000 shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $22,881,000 shall be available for emergency measures as provided by section 403-405 of the Agriculture Credit Act of 1978 (16 U.S.C. 2203-2205), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That $4,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931): *Provided further*, That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resources conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010-1011; 76 Stat. 607), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), $32,945,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That $600,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931): *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), $25,658,000, to remain available until expended (16 U.S.C. 590p(b)(7)).

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act approved February 29, 1936, as amended and supplemented (16 U.S.C. 590g–590o, 590p(a), 590p(f), and 590q), and sections 1001–1004, 1006–1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501–1504, 1506–1508, and 1510), and including not to exceed $15,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $194,650,000, to remain available until expended (16 U.S.C. 590o), for agreements, excluding administration but including technical assistance and related expenses (16 U.S.C. 590o), except that no participant in the Agricultural Conservation Program shall receive more than $3,500 per year, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community, or where a participant has a long-term agreement, in which case the total payment shall not exceed the annual payment limitation multiplied by the number of years of the agreement: *Provided*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetlands Types 3 (III) through 20 (XX) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other conservation materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out approved farming practices as authorized by the Soil Conservation and Domestic Allotment Act, as amended, as determined and recommended by the county committees, approved by the State committees and the Secretary, under programs provided for herein: *Provided further*, That such assistance will not be used for carrying out measures and practices that are primarily production-oriented or that have little or no conservation or pollution abatement benefits: *Provided further*, That not to exceed 5 per centum of the allocation for the current year's program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the Agricultural Conservation Program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program $2,500,000 shall be available for technical assistance in formulating and carrying out rural environmental practices: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities" approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18 U.S.C. 1913 to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels; *Provided further*, That not to exceed $15,000,000 of the amount appropriated shall be used for water quality payments and practices in the same manner as permitted under the program for water quality authorized in chapter 2 of subtitle D of title XII of the Food Security Act of 1985, as amended (16 U.S.C. 3838 et seq.).

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $12,820,000, to remain available until expended, as authorized by the Act.

WATER BANK PROGRAM

For necessary expenses to carry into effect the provisions of the Water Bank Act (16 U.S.C. 1301–1311), $18,620,000, to remain available until expended.

EMERGENCY CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 401, 402, and 404 of title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201–2205), $10,000,000, to remain available until expended, as authorized by 16 U.S.C. 2204.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

For necessary expenses for carrying out a voluntary cooperative salinity control program pursuant to section 202(c) of title II of the Colorado River Basin Salinity Control Act, as amended (43 U.S.C. 1592(c)), to be used to reduce salinity in the Colorado River and to enhance the supply and quality of water available for use in the United States and the Republic of Mexico, $13,783,000 to remain available until expended (7 U.S.C. 2209b), to be used for investigations and surveys for technical assistance in development conservation practices and in the preparation of salinity control plans, for the establishment of on-farm irrigation management systems, including related lateral improvement measures, for making cost-share payments to agricultural landowners and operators, Indian tribes, irrigation districts and associations, to local governmental and nongovernmental entities, and other landowners to aid them in carrying out approved conservation practices as determined and recommended by the county ASC committees, approved by the State ASC committees and the Secretary, and for associated costs of program planning, information and education, and program monitoring and evaluation: *Provided*, That the Soil Conservation Service shall provide technical assistance and the Agricultural Stabilization and Conservation Service shall provide administrative services for the program, including but not limited to, the negotiation and administration of agreements and the disbursement of payments: *Provided further*, That such program shall be coordinated with the regular Agricultural Conservation Program and with research programs of other agencies.

CONSERVATION RESERVE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the conservation reserve program pursuant to the Food Security Act of 1985 (16 U.S.C. 3831–3845), $1,743,274,000, to remain available until expended, to be used for Commodity Credit Corporation expenditures for cost-share assistance for the establishment of conservation practices provided for in approved conservation reserve program contracts, for annual rental payments provided in such contracts, and for technical assistance.

WETLANDS RESERVE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the Wetland Reserve Program pursuant to subchapter C of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837), $44,450,000, to remain available until expended: *Provided*, That the Secretary is authorized to use the services, facilities, and authorities of the Commodity Credit Corporation for the purposes of carrying out the Wetlands Reserve Program.

Mr. DURBIN (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

□ 1540

The CHAIRMAN. Are there any points of order against title II?

If not, are there any amendments to title II?

The Clerk will read.

The Clerk read as follows:

TITLE III—FARMERS HOME AND RURAL DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR SMALL COMMUNITY AND RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Small Community and Rural Development to administer programs under the laws enacted by the Congress for the Farmers Home Administration, Rural Electrification Administration, Federal Crop Insurance Corporation, and rural development activities of the Department of Agriculture, $583,000.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, as amended, to be available from funds in the Rural Housing Insurance Fund, as follows: $2,550,000,000 for loans to section 502 borrowers, as determined by the Secretary, of which $750,000,000 shall be for unsubsidized guaranteed loans; $35,000,000 for section 504 housing repair loans; $16,300,000 for section 514 farm labor housing; $573,900,000 for section 515 rental housing; $600,000 for site loans; and $166,863,000 for credit sales of acquired property: *Provided*, That up to $50,664,000 of these funds shall be made available for section 502(g), Deferral Mortgage Demonstration.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: low-income housing section 502 loans, $366,360,000, of which $12,225,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans; $13,671,000; section 514 farm labor housing, $8,394,000; section 515 rental housing, $311,972,000; and credit sales of acquired property, $25,397,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $396,161,000.

AMENDMENT OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DE LA GARZA: On page 42, after line 26, insert the following:

RURAL DEVELOPMENT ADMINISTRATION

Notwithstanding any other provision of this Act, except section 722, the Secretary may transfer funds from the Farmers Home Administration in this Act to fund the Rural Development Administration, as authorized by law.

On page 43, line 1, insert before "FARMERS HOME ADMINISTRATION": "RURAL DEVELOPMENT ADMINISTRATION AND".

Mr. DE LA GARZA. Mr. Chairman, this is another one of the amendments where we had to work out, hopefully, a viable alternative to that which was in the Appropriations Subcommittee's legislation. This amendment, which has been developed in consultation with the distinguished chairman of the subcommittee, the gentleman from Illinois [Mr. DURBIN], simply authorizes the Secretary of Agriculture to transfer funds necessary to fund the Rural Development Administration from funds appropriated to the Farmers Home Administration. This will provide funding for the agency for fiscal year 1994, and I believe that it is acceptable to the subcommittee leadership.

Mr. ENGLISH of Oklahoma. Mr. Chairman, I move to strike the last word.

I would only like to say, Mr. Chairman, that I support the amendment offered by the gentleman from Texas [Mr. DE LA GARZA] as he presented it on behalf of the Committee on Agriculture. I think that the approach that we are taking here, as I understand it, is to, in effect, make certain that the Rural Development Administration continues, and the question remains with regard to regional offices, and this amendment will, in effect, allow the regional offices, the elimination of regional offices, to continue as was provided for under the appropriations bill. But it would leave standing the Rural Development Administration as it is and gives the authority to the Secretary to transfer funds from the Rural Development Administration and Farmers Home Administration to establish, after April 1, 1994, any other entity that may be created through the Secretary's reorganization plan, whatever that may be.

Mr. Chairman, I would simply like to say that I think that this deals with a concern that has been expressed pertaining to the regional offices, and I think that this in fact is a solution that we can all agree with and live with until we have the Secretary's reorganization proposal and that has been dealt with.

So, I strongly support the amendment as it stands, Mr. Chairman.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to conduct an inquiry with the gentleman from Oklahoma [Mr. ENGLISH] preferably because we have had some conversation with respect to another issue. I do not know if this is identical to the issue we have discussed previously or exactly what the impact that would have on the Farmers Home low, and moderate and assisted housing provisos, if any.

Mr. ENGLISH of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Oklahoma.

Mr. ENGLISH of Oklahoma. Mr. Chairman, this would have no impact with regard to that. The question that we have before us, as presented by the appropriations bill and what the chairman of the Committee on Agriculture is attempting to deal with, is the complete elimination of the Rural Development Administration as it stands. What this amendment does is it brings home and really targets the thrust of the appropriations bill's effort, namely, toward the regional Rural Development offices that were established. They were not a part of the original Rural Development legislation contained in the 1990 farm bill, and so this would in effect, on April 1, 1994, subject those offices to being closed unless the secretary, along with the Congress, should act to either reestablish them or establish some other format.

It also provides that the funds that are being appropriated would go to the Rural Development Administration and Farmers Home Administration from which the secretary could use those funds in establishing some other reorganized effort. But it has absolutely no bearing with regard to those entities that are contained in the Farmers Home Administration today.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman from Oklahoma [Mr. ENGLISH].

Mr. DURBIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me say at the outset that I support this amendment, and I believe that the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA], and the gentleman from Oklahoma [Mr. ENGLISH] are seeking to do with this amendment is to make certain that the concept of a Rural Development Administration survives.

I will say to my colleagues that there are some differences of opinion among members of the subcommittee as to the future and the efficacy of this agency. It has a lot to do with the fact that somewhere along the line we established some seven regional offices across the United States. Those regional offices became a new layer of approval, for those communities which are seeking water and sewer grants through the Farmers Home Administration. What we did, in fact, by creating those regional offices was to create a new level of bureaucracy, a new stage in the approval process and a great inconvenience to a lot of small communities that are seeking to improve their water and sewer facilities.

So, we tried through the Subcommittee on Appropriations to eliminate the RDA. We heard from the administration that their concept of a Rural Development Administration was being pursued as part of reorganization. That is why I have acceded to the request by the Committee on Agriculture to continue the work of the agency, but to eliminate the regional offices.

Mr. Chairman, the net impact of this, as I understand it, is that those who are working with RDA will be also working in the same offices with folks from the Farmers Home Administration, which means that State by State each community can still continue to work with the State Farmers Home Office and the representatives of RDA to get the job done.

Mr. Chairman, it will cut down on paperwork, it will cut down on the time for approval, and I think, in cutting this redtape, that we will, in fact, serve these communities better.

I commend the gentleman from Texas [Mr. DE LA GARZA]. I support the amendment.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, given the colloquy I have just heard and the comments from the distinguished gentleman from Illinois [Mr. DURBIN], the chairman of the Appropriations Subcommittee, I wonder if he could respond to a question from me regarding the duties that had been contemplated to be pursued by the district office director. If the district office is eliminated, will, for the most part, those decisions then be taken by the State director of the Farmers Home Administration in conjunction with the RDA, or will they be elevated to the national level?

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I would say to the gentleman from Nebraska [Mr. BEREUTER] that it is my understanding that the RDA employees who are working on those approvals will now be back in the State offices of Farmers Home so that the communities, as they come with their applications, will be coming to a familiar surrounding, meeting with people from Farmers Home, and finding people from RDA present to go ahead and approve their grants and loans and to move them forward.

□ 1550

I think I heard the gentleman earlier express similar concerns that we had really created some distance here and another step in the process. I think what the gentleman from Texas has done is to back up and go back to the State Farmers Home offices as the situs for that decision.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for his comments. It is my judgment that is the right direction. I wanted to just assure that we were not elevating more decisions to the national level, but were indeed returning them to the State level.

Mr. ENGLISH of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I would be pleased to yield to the distinguished gentleman from Oklahoma.

Mr. ENGLISH of Oklahoma. Mr. Chairman, I think there is a very important point to be made, though. Each State today, we do have people from the Rural Development Administration, people who had formerly been a part of the Farmers Home Administration. They are still in the same offices, but they are people who are a part of the Rural Development Administration. So it should be understood that what this amendment does is not to change anything with regard to the divisions within the state of duties for the Rural Development Administration as opposed to the Farmers Home Administration from what they are today. What the distinction is that will be made is that there will be no regional office.

We would anticipate that the Secretary would have his proposals for reorganization in the very near future. I am hopeful that I can speak on behalf of the Committee on Agriculture, that I think you can expect that we will move expeditiously with regard to those recommendations, and this issue of reorganization is going to be solved before April 1, 1994, and we have finally eliminated the funding for these regional offices.

Mr. BEREUTER. Mr. Chairman, reclaiming my time, I thank the distinguished gentleman for his comments. I do understand, and thought I did understand correctly, the point the gentleman was making. But my point is that none of the decisions now being contemplated to be pursued by the regional or district office director would be elevated to Washington. Instead they would be returned to RDA personnel in the States, working in conjunction with the Farmers Home Administration. Is that the understanding of the gentleman from Oklahoma [Mr. ENGLISH]?

Mr. ENGLISH of Oklahoma. If the gentleman will yield further, I want to make sure the gentleman from Nebraska [Mr. BEREUTER] understands perfectly clear. The Washington office today and before the RDA, and with the Farmers Home Administration, makes decisions. Many of these decisions are elevated from the Farmers Home Administration today, and they have been in the past, to the Washington office to be made.

Now, if the gentleman is asking, is this going to change decisions that are made, say, as they were in the past at the Farmers Home office, or at the State personnel for the Rural Development Administration, I think that will continue as it is.

But all of these are subject to approval obviously to the Washington office, whether it is Farmers Home or Rural Development. It always has been.

Mr. BEREUTER. Mr. Chairman, reclaiming my time, I would say I had hoped that we might be moving toward a decentralized decisionmaking instead of elevating or moving toward more centralized decisionmaking. But I have some concerns on the basis of what I am hearing from the gentleman from Oklahoma [Mr. ENGLISH].

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the distinguished gentleman from Kansas [Mr. ROBERTS], the ranking member on the Committee on Agriculture.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding.

Two years ago we decided that we would go forward with the RDA, the Rural Development Administration, and we put the rural development programs in that category, under that banner. Then, in keeping with that, in terms of the decentralized policy the gentleman is recommending, we established the regional offices in Massachusetts, South Carolina, West Virginia, Missouri, Pennsylvania, Texas, and Oregon. The gentleman knows that the regional office that serves us in Kansas and Nebraska is in St. Joseph, MO.

Now, 2 years later, we are saying whoops, we are not going to do that, after they are up and running, after we have a sign on the door, after we transferred Farmers Home employees over to the RDA and people moved from, say, Topeka to St. Joseph, all of a sudden we are now saying no, we are going to close down the regional offices.

Now we are going to wait, I do not know how many more months, maybe 3, 4, 5, or 6, for Secretary Espy, and he should have the green light to do what he wants to do in regard to rural development.

My question is, do we have the money to do this, to go back in and either keep the regional offices, if the Secretary wants that, or to move the regional office capacity to the State office of Farmers Home. I do not know.

But it seems to me that if we went down the road or, down the RDA road, and we established seven regional offices 2 years ago, and now they are just up and running, we should not be saying we are going to do away with them.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BEREUTER] has expired.

(By unanimous consent, Mr. BEREUTER was allowed to proceed for 1 additional minute.)

Mr. BEREUTER. I yield to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it seems to me it could conceivably be that after we set them up 2 years ago, and now they are up and running, and then we close them down, the Secretary could say we are going to establish a new RDA office and we will have to do it again.

I just do not think this is the right way to run this operation. I think the Secretary should have the freedom to do whatever he would like, or the flexibility to do whatever he would like.

We should ask the chairman of the subcommittee what he expects will happen to the regional offices. I have an amendment that I can offer at the end of this bill that would simply strike line 7 through 10 that call for the defunding of the regional offices, and they would continue at least until the Secretary would make up his mind. I am undecided as to whether to offer the amendment or not.

Mr. BEREUTER. Did the gentleman say defunding the regional offices?

Mr. ROBERTS. Yes. It would strike the Appropriations Committee's decision to terminate the regional offices after they are up and running for 2 years.

Mr. BEREUTER. Mr. Chairman, reclaiming my time, I would hope we could have some clarification if we are going to have active regional offices or decentralized RDA decisionmaking at the State level.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DE LA GARZA].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. DURBIN. Mr. Chairman, I ask unanimous consent that the remainder of title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The text of the remainder of title III is as follows:

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, as amended, $417,523,000; and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the Rental Assistance Program under section 521(a)(2) of the Act: *Provided*, That of this amount not more than $5,840,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed $10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That of this amount not less than $109,258,000 is available for newly constructed units financed by section 515 of the Housing Act of 1949, as amended, and not more than $5,214,000 is for newly constructed units financed under sections 514 and 516 of the Housing Act of 1949: *Provided further*, That $297,211,000 is available for expiring agreements and for servicing of existing units without agreements: *Provided further*, That agreements entered into or renewed during fiscal year 1994 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.

RURAL HOUSING VOUCHER PROGRAM

For necessary expenses to operate a rural housing voucher program as authorized by section 542 of title V of the housing Act of 1949, as amended, $25,000,000, to be administered by the Secretary of Agriculture.

SELF-HELP HOUSING LAND DEVELOPMENT FUND PROGRAM ACCOUNT

For direct loans pursuant to section 523(b)(1)(B) of the Housing Act of 1949, as amended (42 U.S.C. 1490c), $622,000.

For the cost of direct loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, $23,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $14,000.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, $634,624,000, of which $556,543,000 shall be for guaranteed loans; operating loans, $2,750,000,000, of which $1,800,000,000 shall be for unsubsidized guaranteed loans and $250,000,000 shall be for subsidized guaranteed loans; $4,909,000 for water development, use, and conservation loans, of which $2,012,000 shall be for guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $1,163,000; for emergency insured loans, $100,000,000 to meet the needs resulting from natural disasters; and for credit sales of acquired property, $147,566,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, $34,080,000, of which $20,870,000 shall be for guaranteed loans; operating loans, $119,985,000, of which $9,360,000 shall be for unsubsidized guaranteed loans and $29,425,000 shall be for subsidized guaranteed loans; $506,000 for water development, use, and conservation loans, of which $43,000 shall be for guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $229,000; for emergency insured loans, $26,060,000 to meet the needs resulting from natural disasters; and for credit sales of acquired property, $22,405,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $275,392,000.

RURAL DEVELOPMENT INSURANCE FUND PROGRAM ACCOUNT

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928 and 86 Stat. 661–664, as amended, to be available from funds in the Rural Development Insurance Fund, as follows: water and sewer facility loans, $835,000,000, of which $35,000,000 shall be for guaranteed loans; community facility loans, $325,000,000, of which $75,000,000 shall be for guaranteed loans; and guaranteed industrial development loans, $298,762,000: *Provided*, That none of the funds made available in this Act may be used to make transfers between the above limitations.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: direct water and sewer facility loans, $111,040,000; direct community facility loans, $24,125,000; guaranteed community facility loans, $3,803,000; and guaranteed industrial development loans, $2,778,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $58,194,000.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

For the cost of direct loans $56,000,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed $100,000,000.

In addition, for administrative expenses necessary to carry out the direct loan programs, $1,481,000.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101–5106, $2,963,000.

RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to section 306(a)(2) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926), $450,000,000, to remain available until expended, pursuant to section 306(d) of the above Act: *Provided*, That of this amount, $25,000,000 shall be available for water and waste disposal systems to benefit the Colonias along the U.S./Mexico border, including grants pursuant to section 306C: *Provided further*, That, with the exception of the foregoing $25,000,000, these funds shall not be used for any purpose not specified in section 306(a) of the Consolidated Farm and Rural Development Act.

VERY LOW-INCOME HOUSING REPAIR GRANTS

For grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, $25,000,000, to remain available until expended.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to eligible nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), $11,000,000, to remain available until expended.

MUTUAL AND SELF-HELP HOUSING

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), $12,750,000, to remain available until expended (7 U.S.C. 2209b).

SUPERVISORY AND TECHNICAL ASSISTANCE GRANTS

For grants pursuant to sections 509(g)(6) and 525 of the Housing Act of 1949, $2,500,000, to remain available until expended.

RURAL COMMUNITY FIRE PROTECTION GRANTS

For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95–313), $3,500,000 to fund up to 50 per centum of the cost of organizing, training, and equipping rural volunteer fire departments.

COMPENSATION FOR CONSTRUCTION DEFECTS

For compensation for construction defects as authorized by section 509(c) of the Housing Act of 1949, as amended, $500,000, to remain available until expended.

RURAL HOUSING PRESERVATION GRANTS

For grants for rural housing preservation as authorized by section 552 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98–181), $23,000,000.

RURAL DEVELOPMENT GRANTS

For grants authorized under section 310B(c) and 310B(j) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act to any qualified or private nonprofit organization, $35,000,000: *Provided*, That $500,000 shall be available for grants to qualified nonprofit organizations to provide technical assistance and training for rural communities needing improved passenger transportation systems or facilities in order to promote economic development.

SOLID WASTE MANAGEMENT GRANTS

For grants for pollution abatement and control projects authorized under section 310B(b) (7 U.S.C. 1932 of the Consolidated Farm and Rural Development Act, $3,000,000: *Provided*, That such assistance shall include regional technical assistance for improvement of solid waste management.

EMERGENCY COMMUNITY WATER ASSISTANCE GRANTS

For emergency community water assistance grants as authorized under section 306B (7 U.S.C. 1926b) of the Consolidated Farm and Rural Development Act, $10,000,000.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), $3,000,000, to remain available until expended.

OFFICE OF THE ADMINISTRATOR

For necessary salaries and expenses of the Office of the Administrator of the Farmers Home Administration, $600,000: *Provided*, That no other funds in this Act shall be available for this Office.

SALARIES AND EXPENSES
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921–2000), as amended; title V of the Housing Act of 1949, as amended (42 U.S.C. 1471–1490o); the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444), for administering the loan program authorized by title III–A of the Economic Opportunity Act of 1964 (Public Law 88–452 approved August 20, 1964), as amended, and such other programs which the Farmers Home Administration has the responsibility for administering, $729,749,000; of which $35,552,000 is hereby appropriated, $374,255,000 shall be derived by transfer from the Rural Housing Insurance Fund Program Account in this Act and merged with this account, $261,158,000 shall be derived by transfer from the Agricultural Credit Insurance Fund Program Account in this Act and merged with this account, $57,294,000 shall be derived by transfer from the Rural Development Insurance Fund Program Account in this Act and merged with this account, $1,476,000 shall be derived by transfer from the Rural Development Loan Fund Program Account in this Act and merged with this account, and $14,000 shall be derived by transfer from the Self-Help Housing Land Development Fund Program Account in this Act and merged with this account: *Provided*, That not to exceed $500,000 of this appropriation may be used for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $4,368,000 of this appropriation shall be available for contracting with the National Rural Water Association or other equally qualified national organization for a circuit rider program to provide technical assistance for rural water systems.

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–950(b)), as follows:

RURAL ELECTRIFICATION AND TELEPHONE LOANS PROGRAM ACCOUNT

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: 5 percent rural electrification loans, $125,000,000; 5 percent rural telephone loans, $125,000,000; cost of money rural telephone loans, $198,000,000; municipal rate rural electric loans, $600,000,000; and loans made pursuant to section 306 of that Act, $933,000,000; to remain available until expended.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), as follows: cost of direct loans, $36,265,000; cost of municipal rate loans, $46,020,000; cost of money rural telephone loans, $40,000; cost of loans guaranteed pursuant to section 306, $11,184,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $29,982,000.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During fiscal year 1994 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be $199,847,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), $40,000.

In addition, for administrative expenses necessary to carry out the loan programs, $8,794,000.

DISTANCE LEARNING AND MEDICAL LINK PROGRAMS

For necessary expenses to carry into effect the programs authorized in sections 2331–2335 of Public Law 101–624, $10,000,000, to remain available until expended.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

For loans authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, $13,025,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans, $3,381,000.

SALARIES AND EXPENSES
(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–950(b)), and to administer the loan and loan guarantee programs for Community Antenna Television facilities as authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921–1995), and for which commitments were made prior to fiscal year 1994, including not to exceed $7,000 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $103,000 for employment under 5 U.S.C. 3109, $38,776,000; of which $29,982,000 shall be derived by transfer from the Rural Electrification and Telephone Loans Program Account in this Act and $8,794,000 shall be derived by transfer from the Rural Telephone Bank Program Account in this Act: *Provided*, That none of the funds in this Act may be used to authorize the transfer of additional funds to this account from the Rural Telephone Bank: *Provided further*, That none of the salaries and expenses provided to the Rural Electrification Administration, and none of the responsibilities assigned by law to the Administrator of the Rural Electrification Administration may be reassigned or transferred to any other agency or office.

The CHAIRMAN. Are there any points of order to the remainder of this title?

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 50, line 19, strike "$35,000,000" and insert "$20,750,000".

Mr. DURBIN. Mr. Chairman, I ask unanimous consent that debate on this amendment be limited to 30 minutes, 15 minutes to be controlled by the gentleman from Indiana [Mr. BURTON] and 15 minutes in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. DURBIN]?

There was no objection.

The CHAIRMAN. On this amendment and all amendments thereto, time will be limited to 30 minutes, equally divided between the gentleman from Indiana [Mr. BURTON] and the gentleman from Illinois [Mr. DURBIN]

The Chair recognizes the gentleman from Indiana [Mr. BURTON]

Mr. BURTON of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have listened to this debate with great interest, and I would just like to make a couple of points. This bill is almost $10 billion, or 16.2 percent, above fiscal year 1993. While I understand that about $8.8 billion of that is due to the shortfall in the Commodity Credit Corporation, there still is room to cut some of the spending in this bill.

There has also been an increase in entitlements, or what I believe is an entitlement, regarding the child nutrition programs, or about $671 million.

We as a country cannot sustain these kinds of increase in appropriation bills indefinitely. I mean, this is an increase of 16.2 percent in 1 year.

Last year the food stamp part of this bill went up by about 20 percent. Fortunately, the food stamp program did not increase to that extent this year.

But nevertheless, we have had quantum leaps in expenditures in this particular appropriation bill in the past. So we have to start making some economies.

The amendment that I have before the body right now would save only about $14.25 million. Granted, that is just a drop in the bucket, but it is a step in the right direction.

This amendment deals with rural development grants. Some of the examples of how the money would be spent are contained in the report language in this legislation. I cannot understand why we are spending money for Kentucky Public Television, some industrial parks in the country, and immigration counseling in Arizona.

We have about 2.2 to 2.3 million illegal aliens coming across the border per year right now. I was just in Mexico City and found that out last week. About half of them are being sent back. So we are having an increase of about 1.1 to 1.2 million illegal aliens coming into the country right now. And I cannot believe that the people of this country want us to be spending rural development money for immigration counseling in Arizona or any other State. They want to keep the illegal aliens and the illegal immigrants from coming into this country in the first place, and I doubt seriously if the amount of money appropriated in here would really be able to counsel many of those illegal aliens coming into the country or deal much with the immigration problem.

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So I would just like to say to my colleagues, the bill contains $35 million for rural development grants. Last year it was $20.75 million. All I am doing is reducing it to last year's spending level. This is not a cut below last year. It is just taking it back to last year's spending level.

That would reduce the spending in this bill by $14.25 million. I think it is a reasonable thing to do, and I urge my colleagues to take a hard look at this amendment and support it.

Mr. Chairman, I reserve the balance of my time.

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume.

I rise in opposition to the amendment. I think it should be noted, for the record, that the Clinton administration has requested more funds for this program than the subcommittee has appropriated. The Clinton administration believes that as part of rural development that these grants are essential to put people back to work and to help small businesses.

I will concede the gentleman from Indiana has accurately described part of one of the grants. It is true that the Southern Kentucky Rural Economic Development Center is asking for help through a Rural Development Grant for the development of public television. What the gentleman did not mention is that this grant is being used as part of a rural technology facility. It is our understanding that the information which is going to be transmitted through this public television will not only provide education for people in rural areas but also job training, which is a very efficient and effective way of providing service in this day and age.

I represent an area which is by and large rural. My largest town, outside of my home town of Springfield, IL, is 22,000 population. There are not many like it. There are very small communities in very isolated counties.

They are desperate, absolutely desperate to find jobs to keep the high school kids graduating in those counties at home. Ask any Congressman representing a rural area, "What is the biggest heartache," and he will tell my colleagues, it is the fact that the kids are leaving the rural areas. There are no opportunities there. There is nowhere to turn.

What the President is trying to do and what this committee is trying to help him do is to provide some economic assistance.

Let me give an example of some areas that we have funded through the Rural Development Grants. Incubator projects in smaller communities, these, in fact, are buildings where small businesses, which otherwise would not have the wherewithal, can come together under one roof and get started, little mom-and-pop ventures that sometimes blossom into good businesses with a good payroll.

They need a helping hand. And in rural America, there are very few places to turn.

What we are trying to do with the Rural Development Grants is to give to those rural communities that otherwise would be out of business an opportunity to get started.

I have heard many things said about opportunities since I started in this Congress. The question is whether or not we are willing to provide some $14 million in seed money for this kind of opportunity.

If Members will read through the committee report on the Rural Development Grants, they will find communities like the Upper Peninsula of Michigan, which suffers from chronic economic distress, facing the potential closing of an Air Force base. It comes and asks for some help to establish a business incubator so they can get 20 loans in that community, 20 small businesses started.

I do not know how many will succeed. I guess the odds are basically against them. But we believe, as the Clinton administration does, that investing in training, in education, in economic development, and in helping small businesses, is money well invested.

That is why I would ask the Members of the Committee to think long and hard about cutting this amount of money. It may be appealing to cut $14 million, but a small amount of money given to a rural community may be all that it needs to really help and get the businesses moving, to provide jobs for the kids to stay in the communities to build their lives around these towns which have been so good to their parents and grandparents.

Mr. Chairman, I reserve the balance of my time.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself such time as I may consume.

I do not know how this country has survived for over 200 years without the Government, the Federal Government, providing money for projects sufficient as those just illuminated by my colleague.

I mean, it seems to me, when I listen to the other side argue on these issues anymore, that without Big Brother in Washington, DC, providing the money for these projects, the whole country is going to go down the tubes.

I think exactly the converse is true. We have a $4.35-trillion debt, quadrupled in the last 10 years. And it is because Government spending has gone completely out of control.

Every time we come up with an amendment to cut Government spending, I hear from my colleagues on the other side, Government has to spend more to provide more jobs.

Whatever happened to the free enterprise system? Rather than have the Government do this, why not provide tax credits to the business community in this country so they can hire those who are unemployed, those who do not know useful skills, to get them off of welfare? Give them tax credits, have them hire the unemployed, teach them useful skills and make them taxpayers instead of tax recipients.

A lot of what the gentleman said I agree with. We need to do what we can to stimulate the private sector, to create jobs in these rural communities. But we can do that without the Government paying the tab, picking up the costs of these things.

That is the thing that got us in this mess in the first place. We go on and on and on.

Here we are now, public television is supposed to be supported by private sector monies, by corporations, by monies other than the Federal Government.

Here we are, the Federal Government is going to pay for public television in a rural area in Kentucky. Immigration counseling in Arizona, again, I will not reiterate what I said before. I do not think that is a necessary expenditure for this. Industrial park in some parts of the country. Why does not the local community, the State of that area where that industrial park is going to be located, pay for that? Instead, here we are, the Federal Government, Big Brother is going to take care of it and solve the problem.

My colleagues, we have to draw the line somewhere. We have to start setting priorities around here, saying that the Government can only do so much, because we cannot do something for small business, for the people of this country, unless we first take it away from the taxpayers.

We cannot spend money unless we first take it out of the pockets of the people in this country. Or worse yet, not take it out of their pocket, just dig the deficit hole deeper that they and their kids are going to have to repay. That is the problem.

So although this is a modest amendment, only cutting $14.25 million, it goes to the basic problem that we have. This is, Government cannot do it all and Government should be doing a lot less.

We should be stimulating the free enterprise system with tax credits, tax incentives and other ways rather than the Federal Government paying the tab.

The taxpayers cannot afford it. The deficit cannot afford it, because that is going to be paid for not only by the taxpayers, in the form of higher interest payments and so forth, but by the future generations of this country.

So we have to start drawing the line and cutting out some of these projects.

Granted, the intention, the intention of the majority is right. It is a well-intentioned approach.

The fact is, it is the wrong way to do it. The way to do it is not take taxpayers' dollars and pay for these things. It is to create incentives for the private sector to do it.

There is a better way to do this than what we are talking about here. I urge my colleagues to join with me in cutting this $14.25 million.

Let me just end up by saying one more thing. We are not cutting below last year's spending level. Last year we spent 20.75 million for rural development grants. I am just taking it back to that level. We are not cutting below last year. It is a freeze of last year's spending level.

This is a $14.25 million increase. I do not think we can afford it right now. We should be prioritizing our spending and, therefore, we would not need this increase.

I urge my colleagues to support this amendment.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Mr. Chairman, my colleague on the other side of the aisle brought up a project from Arizona. I would like to explain it to him.

I agree with him. There are other ways of doing it. But we have not done it. Earned income tax credit is something I support. I know he probably supports it also. But we cannot get it through these two bodies.

So what is the second thing we can do? Yuma, AZ, is located on the Mexican border, and we have a nonprofit organization that is funded by foundation money that is trying to assist Americans who reside in this particular area and people who are here through the Amnesty Program, make sure that they go through the process to make them citizens. So the services that he talks about is because they are here through the Amnesty Program, which is a program passed by Congress. But it is not limited to Immigration and Naturalization.

This area is populated by low income, seasonal farm workers and migrant workers. Many of these people, who are Americans, also want to share in the American dream.

□ 1610

This nonprofit organization provides counseling and self-help, housing, it helps these people take advantage of some of the programs that Farmers Home has. It also helps those who want to become businesspeople, also to help them in the process, so it is an organization that is attempting to help people of less means. The majority are Mexican-Americans, many if not all are Americans, and those that wish to become Americans.

I would urge my colleagues to defeat this amendment, because what they are doing is providing people, at least in different parts of the country, means to achieve the American dream.

Mr. BURTON of Indiana. Mr. Chairman, I reserve the balance of my time.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN. Mr. Chairman, I thank the gentleman for yielding time to me.

I really wanted to maybe enter into a dialog with my colleague, the gentleman from Indiana [Mr. BURTON]. While he was speaking about the idea that we should just let agriculture kind of take care of itself, I happened to be reading an article by Gov. Mario Cuomo talking about what New York was doing about defense contractors that were losing their jobs, the businesses and the employees were losing their jobs, as a result of the end of the cold war, and what it meant to employees in that State. There was an interesting phrase in it. I thought I could equate it perhaps in a discussion with my colleague about what he was saying.

The Governor said:

> Obviously, business partnerships and unemployment are costly enough, in this case costly enough to counter any laissez faire argument for letting industrial Darwinism take its course.

I wondered if maybe that is not what the gentleman is saying, by having no U.S. Government involvement in agriculture. If I may just finish for a second, it seems to me that the issues that the gentleman raised and the specific projects he pointed out, I understand that also there is local involvement, local money as well as perhaps even State funding, of which I am not aware, so I could not speak to that.

However, I understand in Yuma, for example, there is some local funding done and certainly local people giving their time. I was very interested in whether or not the gentleman did not see at least some role for the U.S. Government, rather than letting agricultural Darwinism take its course.

Mr. BURTON of Indiana. Mr. Chairman, would the gentleman yield?

Mr. COLEMAN. I am pleased to yield to the gentleman from Indiana.

Mr. BURTON of Indiana. When the gentleman says "industrial Darwinism" or "agricultural Darwinism," he is talking about letting an evolutionary process take place, I guess?

Mr. COLEMAN. Yes, the gentleman is correct.

Mr. BURTON of Indiana. If the gentleman will continue to yield, I am not suggesting that. I am saying there is a better way, and the better way is to have tax incentives for the private sector or the free enterprise system to hire the unemployed and teach them useful skills by giving them incentives to do so through the Tax Code.

I think that is far more useful than for us to continue to take money out of the taxpayers' pockets and dig this deficit into a bigger problem.

Mr. COLEMAN. Mr. Chairman, I would say to the gentleman, I do not think it is all one side or the other. In truth, I think some of the very programs that were highlighted in some of the explanations we had from the chairman in fact indicate it is not just one way or the other, that in fact we can do some of both, and I would hope in terms of unemployment particularly in agriculture that the gentleman would see the efficacy of these programs.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would like to say that I do not believe that all of the rural development grants that we have been giving in this country are bad. What I was saying is that during a time of fiscal problems in this country, that we should not be having increases in the programs.

Last year we spent $20.75 million, and I think that is adequate right now. By prioritizing these programs, and if the ones that the gentleman is talking about in Arizona or Pennsylvania or Kentucky, if they are meritorious, then put them in as a top priority, but do not add additional spending at a time when it is fiscally very difficult to do it.

In addition, I think we should try to come up with incentives for a private sector to be doing more in this area and creating incentives for them to take over these responsibilities, rather than have the taxpayer do it.

All I am saying is, let us freeze it at last year's spending level, at $20.75 million. I think that is a reasonable request.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. Mr. Chairman, I am happy to yield 3 minutes to my colleague, the gentleman from the great State of Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding time to me. Actually, it is the Commonwealth of Pennsylvania.

Mr. Chairman, do I understand correctly that the gentleman is not cutting one dime below where we were last year, that he is going to spend exactly the same in this account as we were spending last year?

Mr. BURTON of Indiana. Yes, it is in effect a freeze, my amendment.

Mr. WALKER. If the gentleman will continue to yield, so what the committee has decided to do is go substantially above the freeze, is that correct?

Mr. BURTON of Indiana. It is going to go up by about 70 or 80 percent over the last year, 70 percent.

Mr. WALKER. And if I understand correctly, what we have just heard argued here as the reason for doing that is because if we make Government bigger, the country gets better, and the more we spend in Government and the bigger Government gets, the better the country gets; that bigger Government leads, and I have a little bit of a problem with that, coming from an area that has been fairly successful in agriculture, where we are very proud of many of the rural areas.

What I have found is that Government is generally interfering with what we attempt to do in those rural areas, not helping. I wonder if the gentleman has found some of the same kinds of things in Indiana?

Mr. BURTON of Indiana. I think not only in the area of agriculture, but in almost every area of Government, we see the Federal Government taking over a bigger and bigger share of the responsibility. I think that in large part is the reason why we have these huge deficits, because we are spending more and more and more money trying to solve more problems with Federal taxpayers' dollars with new programs and entitlements we are coming up with, and we see it as just exacerbating the problem instead of solving it.

It seems to me the best way to do it is to get back to the good old free enterprise system with some stimulation, if necessary, by the Federal Government, instead of us taking over the responsibilities.

Mr. WALKER. If the gentleman will continue to yield, most of what Government brings with it is taxation, regulation, and litigation. In rural areas in particular that becomes very difficult to deal with. If what we are constantly doing is having to hire lawyers in order to deal with the Government, if what we are constantly faced with is higher taxes, if what we are having to deal with is higher taxes on the farm or business because of what Government is doing, if what we are faced with is volumes and volumes of regulations, so that we can participate in the latest Government program that the Government says is going to do us good, the fact is that the Government is undermining what is going on in rural areas, not helping it.

I would suggest that the gentleman is absolutely right, that in this particular case that there may be some good being done with these programs, but that good can be done within a freeze, that we do not need to add the additional money.

I would hope that the House would endorse the gentleman's amendment, would support it, so that we can hold this account to a freeze level this year, do those things which are absolutely essential, prioritize within the program, but let us not spend more money.

Mr. BURTON of Indiana. Mr. Chairman, I reserve the balance of my time.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Chairman, just a couple of brief points I would like to make on this. One is on the question of tax credits.

Let it be understood that the extension of tax credits has exactly the same budget consequence as the use of RDA funds. It is a matter of whether the Government is going to stimulate economic development or not.

Second, let us understand that the RDA funds are not gifts. This is not a gift horse. This is a matter of leveraging private as well as local funds in order to expand economic opportunities in rural areas.

The gentleman from Indiana [Mr. BURTON] suggested that we need to prioritize the use of our dollars. He is exactly right. We need to prioritize the use of the limited resources we have in this Government to create the infrastructure that makes it possible for free enterprise, private enterprise, to expand job opportunities. That is exactly what the RDA program is designed to do. Every other Western industrialized nation is much more aggressive than we are in this regard.

Mr. Chairman, there is no gift horse involved. This is the use of our limited dollars to help create an environment where free enterprise and private business can take off. For that reason, I think it is a very good program; a very small program, but a good one.

If there are those who believe this program interferes with economic development in their areas, there are many of us who would be glad to have their share of RDA funds.

Mr. DURBIN. Mr. Chairman, will the Chair inform us how much time remains, please?

The CHAIRMAN. The gentleman from Illinois [Mr. DURBIN] has 6 minutes remaining and the gentleman from Indiana [Mr. BURTON] has 4 minutes remaining.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. BAESLER].

Mr. BAESLER. Mr. Chairman, the mention of Kentucky does not happen to be in my district, so I am not speaking on this particular project, but I do not think anything facing this Congress or anybody else in the next several years will be as important as what happens in rural development.

I think the discussion of priorities does bring home the point that we have to make how we are going to stimulate the economies in rural development a priority.

□ 1620

We are not just talking about agriculture, and I think that is what has been talked about, because a lot of rural America has nothing to do with agriculture. It has to do with people who live in the country, and manufacturing and so forth. And I will allow how you try to leverage money with business and so forth. But in rural America you have one more problem that you do not necessarily have in urban America. In rural America we very seldom have the private interests that are going to put the money in to stimulate the communications, or stimulate the hospital systems or whatever.

I do not think there is anything we can do in this Congress for the next 10 years, 15 years, that is going to be more important than to try to put more and more seed money into how do we give those people in rural America the same opportunities that people in the more populated areas have. And therefore, that is why I oppose the gentleman's amendment.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, there are areas where the Federal Government should be involved. Infrastructure is one of them. We need good roads, we need good bridges, we need highways so that the commerce of this country can get its job done. That is a legitimate function of Government. I support that.

But there are other areas where Government should be limited in its involvement, and this is one area where I think Government should be limited.

I understand we have differences of opinion, but I feel very strongly about this. One of the previous speakers said that tax credits or tax incentives are coming out of the Treasury, so it is a wash as to whether we do that or do what is advocated with this spending for the rural development grants.

Let me just say that tax credits overall and tax incentives for the private sector to hire the hard-core unemployed, and to hire the welfare recipients, and to hire those who are in abject poverty, and find them jobs, and teach them useful skills, sure, it would cost some money in the short run, but in the long run, those people getting those welfare benefits would no longer be recipients, and they would be taxpayers. And statistics show that the people who get off of welfare and start getting a job, and start paying taxes are not a drain on the Treasury. They are a real plus. And in the short run those tax incentives to the private sector, to the businessman who would teach them useful skills is a great incentive, whereas continued Government subsidies and Government support just digs us deeper and deeper and deeper in the same hole.

For example, last year we increased food stamp moneys by 20 percent in 1 year. Food stamps went up 20 percent in 1 year in this agriculture bill last year. How is that solving a problem? It is not. Whereas if we had had some kind of a program to create tax incentives to teach those unemployed useful skills and get them employed by industry, we could have gotten them off of the welfare rolls, and instead of food stamps, and unemployment compensation and other things going up, we probably would have had it going down. And it would have been less of a drain on the Treasury.

Each 1 percent of unemployment costs the taxpayers $41 billion in this country.

So let me just say there are times when the Government should be involved. Infrastructure is one of them, because we have to have that infrastructure to make sure that commerce moves in this country. But we must minimize the role of Government.

If Members do not believe that, just look at the last 20 years. Government has gotten more and more involved with entitlements, more Government programs, more Government regulations, and we are strangling the free enterprise system. If Members do not believe it, go and talk to any businessman who provides jobs, those jobs going overseas, out of the country so that we have to start making hard choices and prioritize spending.

That is why I say right here we are not cutting the spending, we are just freezing at last year's spending level, and that is not too hard to swallow. Prioritize these programs and spend money on the ones that are most important.

Mr. Chairman, I reserve the balance of my time.

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, had I just parachuted into this Chamber half an hour ago and listened to this debate, I might have a much different attitude than I do. But I have been around here for the past week or so while we have been debating whether we are going to spend $40 billion on a can in space or $12 billion on a ditch in Texas. Now the gentleman tells me that $14 million to try to create jobs in the poorest, most economically distressed parts of America is wasteful spending.

The gentleman yielded to his friend from Pennsylvania who said government brings us taxation, regulation, and litigation, and he voted as fast as he could for the space station. And a lot of Members voted as fast as they could for the super collider. I do not want to drag that debate into this one, other than to put it into some context.

For many communities, the space station and the super collider was jobs, and they voted that way, and they rationalized it in their minds, that someday, this might deliver for them. I want to tell the gentleman that for a lot of small counties and towns that I represent, and for Members from other rural areas represented, this program provides jobs, and we are asking for $14 million. The contractors on the space station lose that in pocket change each month. We are asking for this to create jobs, my colleagues.

I share with you, the depression, the consternation over food stamps. We are putting $28 billion for food stamps in this bill. We cannot touch it. It is mandatory spending.

One out of every 10 American citizens now has food stamp coupons. Why? Because over the last 4 years we have had the slowest job creation and the slowest economic growth of any time in the last half century.

How are we going to turn it around? I hope we will turn it around by helping small businesses get started. I hope we will follow the mandate of the Rural Development Grant Act which says we are going to focus on educational instruction and job training instruction. Give the kids I represent in Calhoun County, a small rural county that I represent, a chance to grow up in Campsville, a chance to grow up in Brussels where their parents did because there are jobs there. Give us a little bitty piece, a little slice of your space station. Let us have a little bit of economic development for rural America. Do not deny us in the name of deficit reduction $14 million when we turn around and cast billions of dollars out on a theory in space and a hole in Texas.

I honestly believe this is not an unreasonable amount. The President wanted $51 million. We gave him $35 million. We cut back from what he requested. I do not think it is an unreasonable increase.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself my remaining time.

All those who applauded, I want them to listen to this. This is very important. The gentleman well knows that the money spent for the super collider and the space station would not have gone for deficit reduction if it had been cut out. It would have been spent for another part of the bill. You were not going to take that money and use it for deficit reduction. It was going to go for some other public housing project or something else, and you know it. And so that is a red herring. That money was not going to be spent for anything except what was going to be put in that bill by the conferees.

The space station and the super collider, that money was not going to be cut out of spending in any way, shape, or form, and everybody in this Chamber knows it. So do not use that as a red herring, because that is what the gentleman is doing.

The second thing I would like to say is that we do have to economize. We do have to prioritize. Where we can cut spending we should. If we could have cut the money for the super collider and the space station and used it to reduce this horrible deficit, a lot of us would have voted for it, but we did not want to cut those and have it used for more social welfare programs that are creating tremendous dependency on this Government.

Give us an opportunity to cut spending and use it for deficit reduction by the rules coming out of the Rules Committee, and we will do it. But you do not bring rules to the floor that will allow that money to be used for deficit reduction. If we cut it, then it goes for other spending programs, or some other spending programs, some other entitlement, some other social program or welfare program, and it is wrong.

This is a freeze at last year's level. It is a good amendment, and I hope my colleagues will vote for it.

Mr. DURBIN. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding the time and just wanted to mention that when I showed my chart earlier, Agriculture has turned back $57 billion in the past 12 years. It is not like we have not been responsible. It is not like we have not done our jobs.

Keep in mind, $57 billion has been turned back to the Federal Government by Agriculture in the past 12 years. I would say this is a pretty good job in trying to reduce the burden of the deficit in this country.

Mr. DURBIN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 145, noes 288, not voting 6, as follows:

[Roll No. 292]

AYES—145

Allard
Andrews (TX)
Archer
Armey
Bachus (AL)
Baker (CA)
Ballenger
Bartlett
Barton
Bentley
Bilirakis
Bliley
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Coble
Collins (GA)
Combest
Condit
Cox
Crane
Cunningham
DeLay
Diaz-Balart
Doolittle
Dornan
Dreier
Duncan
Dunn
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gilman
Gingrich
Goodlatte
Goss
Grams
Greenwood
Hancock
Harman
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson, Sam
Kasich
Kim
King
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (FL)
Linder
Livingston
Machtley
Mann
Manzullo
McCandless
McCollum
McInnis
McKeon
Meehan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Pallone

Paxon
Penny
Petri
Pombo
Porter
Portman
Pryce (OH)
Quinn
Ramstad
Regula
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shepherd
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Solomon
Spence
Stearns
Stump
Talent
Taylor (NC)
Thomas (WY)
Torkildsen
Upton
Walker
Weldon
Wolf
Young (FL)
Zeliff
Zimmer

NOES—288

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Baesler
Baker (LA)
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Boehner
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dickey
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Gillmor
Glickman
Gonzalez
Goodling
Gordon
Grandy
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutchinson
Hutto
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kingston
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowey
Maloney
Manton
Margolies-Mezvinsky
Markey
Martinez
Mazzoli
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McKinney
McNulty
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Reed
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Romero-Barcelo (PR)
Rose
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Smith (TX)
Snowe
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas (CA)
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)

NOT VOTING—6

Blute
Henry
Matsui
McMillan
Rostenkowski
Skeen

□ 1650

Mr. BAKER of Louisiana changed his vote from "aye" to "no."

Messrs. POMBO, GILCHREST, and SLATTERY changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1650

AMENDMENT OFFERED BY MR. ZIMMER

Mr. ZIMMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZIMMER: Page 53, line 17, strike "$125,000,000" and insert "$25,000,000".

Page 53, line 18, strike "$125,000,000" and insert "$25,000,000".

PARLIAMENTARY INQUIRY

Mr. BURTON of Indiana. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BURTON of Indiana. Mr. Chairman, I just want to make sure that title III is open to amendment at any point.

The CHAIRMAN. Yes, title III is open to amendment at any point.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. ZIMMER. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto be limited to 30 minutes, 15 minutes controlled by the gentleman from New Jersey [Mr. ZIMMER] and 15 minutes by me, which I will make available to both sides of the aisle.

Mr. ZIMMER. Mr. Chairman, reserving the right to object, I have no objection to that. Frankly, I do not know whether we will even use 15 minutes on this side.

Mr. DURBIN. Well, if we could agree to that unanimous-consent request, then maybe we could do with even less time.

Mr. ZIMMER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Pursuant to the unanimous-consent request, the time will be limited to 30 minutes on this amendment and all amendments thereto, 15 minutes on each side equally and evenly divided.

Mr. ZIMMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there is a saying here in Washington that old Government agencies never die. They don't even fade away, and there is no agency for which this could be more true than the Rural Electrification Administration.

The REA was conceived by Franklin Delano Roosevelt in 1935 at a time when rural America did not have electricity and did not have telephone service. Its mission was to electrify the areas of rural America that did not have any hope of getting electricity, and later that mission was extended to cover telephone service as well.

The REA has been a tremendous, unqualified success. There is virtually no one in America today who does not have electricity and does not have telephone service, yet the REA continues to live on.

The REA in 1944 began a program of making loans to telephone companies and electric cooperatives at what was then the Treasury rate of interest, which was, believe it or not, 2 percent per year. That is a sobering thought to those of us who think we have reached Nirvana at a 7-percent Treasury bond rate.

But the REA continues in 1993 to lend money at 2 percent and at 5 percent and at other rates that are well below the market rate for loans. Many of the borrowers of these loans are companies that simply do not need a taxpayer subsidy. They are the utilities that serve Vale and Aspin and Hilton Head, SC. They are subsidiaries of major telephone corporations that are listed on the New York Stock Exchange.

The program has simply gone on too long and the subsidies are simply unjustified.

Now, I recognize that in the process of drafting the reconciliation bill this year the Agriculture Committee has made a valiant effort to try to rationalize and modernize this program, but it has not gone even as far as President Clinton has asked. President Clinton made a special point of mentioning the REA in his budget address. He pointed out that as a resident of Arkansas he knew the importance of the REA, but even in Arkansas they had to make some sacrifices.

The President proposed that the most generous loan subsidy program of the REA be reduced to $25 million a year for 5-percent loans to electric cooperatives, another $25 million a year this year for loans to telephone companies, $25 million and $25 million.

The bill before us has increased those loan levels by $100 million each. So there is $125 million in the current legislation for 5-percent loans to electric cooperatives, and $125 million for subsidized loans at 5 percent to telephone companies.

My legislation would simply reduce those amounts to what the President asked for.

There are many of us who believe the REA has outlived its usefulness and should be abolished, but this bill would not go anywhere near abolishing the REA. It would not decapitate the REA. It would not even give it a haircut. It would just give it a light trim.

I think putting it in line with what the President asked is the least that we can do.

I believe that with the $25 million loan ceiling we would give an incentive for the REA to make sure that those 5-percent loans go only to borrowers who need the money, who need the subsidy, and that we stop subsidizing those who do not need a taxpayer subsidy.

Mr. Chairman, I reserve the balance of my time.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. ENGLISH].

Mr. ENGLISH of Oklahoma. Mr. Chairman, I want to say right off that this amendment is very misguided.

I would make the point that we have reduced in the reconciliation bill the 5-percent loans for REC's from $625 million down to $125 million. That is a reduction.

For rural telephone companies, we have reduced the loans from $239 million down to $125 million. That is a reduction.

We have done away with all the 2-percent funds to help people who are having hardships.

And let me point out one other thing. We are going after those who need it the most. This particular amendment would strike at the very heart of those who can least afford it.

Let me point out what the criteria is to be eligible for one of these 5-percent hardship loans in States that you must have significantly higher rates than the average of all utilities in the State. It must also serve consumers whose incomes are below the State average.

This is going to those who can least afford a rate increase.

Let me say also, the issue and the point was raised with regard to urbanized areas. There is a provision that is in the reconciliation that denies the use of these loans in any urbanized area. This goes to the most rural, to the poorest of the poor. That is who this is aimed at.

There are those who have for some time, Mr. Chairman, been making the point that telephone cooperatives should not receive assistance. Well, let me make the point that people in rural America deserve the same opportunities that people who live in urban areas do.

Let me also point out there is no more in the way of assistance in helping those people living in rural areas than in urban areas. In fact, there is far less.

□ 1700

All this provision does is to strike at the very heart of those people who are the poorest of the poor, living in the most rural areas, those who are truly in need of hardship assistance.

Mr. ZIMMER. Mr. Chairman, what the gentleman from Oklahoma [Mr. ENGLISH] failed to point out, although he is correct that the amount for the 5-percent loan program is reduced from the last appropriations bill—what the gentleman failed to point out is that there is a brandnew subsidized loan program included in this legislation, a program that I have not proposed to cut, for $600 million in subsidized loans at the rate available to municipalities. That is roughly 6 percent.

So, there is only, as a practical matter, there is only going to be a modest increase in the amount of the loan interest for those who will avail themselves of the program, and there has not been a reduction.

Mr. ENGLISH of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. ZIMMER. I yield to the gentleman from Oklahoma.

Mr. ENGLISH of Oklahoma. Mr. Chairman, I would simply make the point that the legislation the gentleman is referring to saves $150 million. This program has been cut, interest rates have been raised, we have done away with 2-percent money, we have reduced the 5-percent money, we have put REC's and rural telephone companies on the same level as municipalities. They get the same rate. We are treating them fairly.

The thing I have a difficult time understanding is why the gentleman would target and strike out at those who are in the greatest need, those who are truly hardship cases, those people who are living in the most rural areas who have the highest rates, those people who can least afford it. I have a very difficult time understanding why in the world we want to rip the rural electric service and telephone service away from those people who are so desperately in need and most of whom, I might say, are elderly.

Mr. ZIMMER. Reclaiming my time, Mr. Chairman, the fact is this is not a program for rural individuals. It is a program for rural companies, in this case rural telephone companies and rural electric cooperatives, and the gentleman could not deny that there is a brandnew $600 million loan program, a subsidized loan program, because there is. The fact is that $25 million is being left in each program for true hardship loans. Up until now the loans have been on a first-come-first-served basis. We do not know even what kind of hardship, if any, these loans respond to. The President has estimated we would need $25 million in each category to deal with the problem.

Mr. Chairman, I suggest that the gentleman on this side of the aisle follow the lead of our President and follow his guidance.

Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. COX].

Mr. COX. Mr. Chairman, I thank the gentleman from New Jersey [Mr. ZIMMER] both for yielding time and for bringing this important amendment to the floor and to the attention of our colleagues.

Mr. Chairman, everyone here wants to cut the deficit. Everyone here wants to avoid raising taxes. It is impossible, however, to do either of these if we do not cut Government spending. Cutting Government spending, particularly unnecessary and wasteful Government spending, ought to be what this Congress is all about.

One of the most wasteful programs in Government identified by scores of journalists, and political commentators and economists across America is the one targeted by my colleague, the gentleman from New Jersey [Mr. ZIMMER]. This indefensible program maintained by the REA will cost an extra $200 million to taxpayers already in hardship unless the Zimmer amendment passes.

Mr. Chairman, the original purpose of the REA was to extend electricity and telephone service to rural areas that did not have it. First America accomplished the goal of getting electricity to the Nation's farms. Second, we tackled the job of bringing telephone service to them, and they have got it, and yet this agency lives on extending, I should add, a subsidy that was not intended in the original program. When Congress authorized REA to make 2-percent loans, that was about equivalent to the cost of the funds to the Government. Today, fixed by law, these loans are extended at subsidized cut rates.

Mr. Chairman, the President of the United States, Bill Clinton, offered the Zimmer amendment as one of his only specific cuts in his overall budget. The President's budget request says that what we should do is get rid of the cut-rate loans for all but hardships and that, yes, we should make hardship loans at cut rates amounting to $25 million for telephone service and $25 million for electric utilities. That is precisely what the amendment offered by the gentleman from New Jersey [Mr. ZIMMER] will do.

The fiscal year 1994 budget request from President Clinton said, "Let's raise the rate to 7 percent," still an attractive rate for all the rest of these loans, "and reserve the 5-percent cut rate for the hardship loan, $25 million each in the case of electric utilities and telephones." That makes a good bit of sense, Mr. Chairman. The net result is we will save $200 million for taxpayers, $200 million for taxpayers who are themselves in hardship, with the passage of the Zimmer amendment.

Mr. Chairman, this is the right thing to do. It will cut Government spending that is unnecessary and wasteful, and I urge my colleagues to vote aye on the Zimmer amendment.

Mr. DURBIN. Mr. Chairman, I yield 3½ minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, at the outset I would like to commend in particular the gentleman from Oklahoma [Mr. ENGLISH] as chairman of the Subcommittee on Environment, Credit, and Rural Development for putting together very meaningful reform of the rural electric association system, a reform that will produce $35 million in savings in fiscal year 1994 and $150 million over 5 years.

Mr. Chairman, I know of no program in the Federal budget which has been the subject of more inaccurate reporting or downright distortion than the REA. To hear some say it, the REA exists to deliver cheap electricity to the wealthy. The truth is the REA helps bring electricity to largely below-average-income families in the most rural areas of this country. In fact, the new restructuring of the REA already approved by the House institutes means testing to make sure only those rural electric co-ops truly needing the assistance can access the 5-percent money targeted by the gentleman's amendment. To qualify, the rates for these associations have to be 20 percent above the statewide electrical average, and the average consumer has to be below average in income.

Mr. ZIMMER. Mr. Chairman, will the gentleman yield?

Mr. POMEROY. I yield to the gentleman from New Jersey.

Mr. ZIMMER. Mr. Chairman, does the gentleman from North Dakota [Mr. POMEROY] have an estimate of the percentage of rural co-ops that would qualify for that so-called hardship status?

Mr. POMEROY. Mr. Chairman, I do not have, except their rates have to be 20 percent over average in their median income of their consumers below the statewide average. The gentleman's amendment has targeted those REA's serving the most rural and impoverished populations in this country.

Mr. ZIMMER. So, the gentleman does not know what percentage of all electric co-ops would qualify for hardship. I dare say that the constituents of mine in New Jersey are spending far more than 20 percent of the statewide average in most States for their electricity.

Mr. POMEROY. Mr. Chairman, I believe that one of the reasons that the gentleman from New Jersey is heartfelt and well-meaning, but totally misguided in his amendment, is confused on this subject, is because he does not know the difference between selling electricity in New Jersey, the district he represents, and a rural State like North Dakota, the district I represent. In the district of the gentleman from New Jersey the average electric utility has more than 75 consumers per mile of line. In North Dakota the average is 1.6 consumers per mile of line. In terms of per capita income, Mr. Chairman, the distinguished gentleman's district in New Jersey has a per capita income of 30,000 per year. In North Dakota it is less than half of that, $15,000 per year. Finally, in terms of revenue per mile of line, in my friend from New Jersey's district the average investor-owned utility collects more than $143,000 of revenue per mile of line. In North Dakota the average rural electric co-op collects less than $3,000 per mile of line.

Mr. Chairman, I ask my colleagues to consider these numbers when they vote on this amendment to further cut the REA. When asked to step up to the plate and do their fair share for deficit reduction, rural America has never shied away. In fact, beginning with the 1994 budget agreement, no sector of our budget has proportionately taken a bigger hit, including defense and agriculture.

□ 1710

Mr. ZIMMER. Mr. Chairman, just in response to the gentleman from North Dakota [Mr. POMEROY], although it may sound like a contradiction in terms, there is such a thing as rural New Jersey, and I live there on a farm in a very rural community. I know what the problems of rural America are. Certainly we are not as sparsely populated as your State, but the question that I raise and I hope perhaps the gentleman from Oklahoma [Mr. ENGLISH] can answer it, is how many utilities, what percentage of all the utilities, would qualify for this so-called hardship status.

Mr. Chairman, I will sit down and let the gentleman use his time.

Mr. ENGLISH of Oklahoma. Mr. Chairman, I would be delighted to respond. Obviously that depends on the number of cooperatives that are able to qualify under a very limited hardship criteria. I might also point out that would vary from time to time. It is not going to be the same in any one year.

Mr. Chairman, let me also make the point that we have some 5 billion dollars' worth of tax breaks we are giving to the investors in utilities. I do not hear anybody talking about that. We have some 800 million dollars' worth of breaks that are going to municipals. I do not hear anybody talking about that. And I have just been informed by the Banking Committee that private banks, for instance, are borrowing from the Federal Government, some at 3 percent loans. I certainly do not hear anybody talking about that.

I still wonder why in the world with this amendment we are targeting those that are the neediest of the needy, some of our most senior citizens, people living in the most rural areas of this country. That is what this amendment targets, those people who are truly in hardship, that meet the hardship criteria. I do not understand why we are talking about those people.

Mr. ZIMMER. Mr. Chairman, am I to understand this is coming out of my time?

The CHAIRMAN. It is indeed. You yielded to him.

Mr. ZIMMER. Mr. Chairman, I did not. I said I would sit down and let him use his time.

Mr. Chairman, how much time do I have left?

The CHAIRMAN. The gentleman from New Jersey has 2 minutes left.

Mr. ZIMMER. Mr. Chairman, I reserve the precious balance of my time.

Mr. DURBIN. Mr. Chairman, I would encourage my colleagues to watch out for pickpockets from Oklahoma.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Indiana [Ms. LONG].

Ms. LONG. Mr. Chairman, I rise in opposition to the amendment of the gentleman from New Jersey [Mr. ZIMMER], but I do commend him for his efforts at deficit reduction.

I simply want to make two points: one of the points I want to make is that virtually all electric consumers receive some kind of federal subsidy, whether it is an investor-owned, municipal-owned, or rural electric. And the rural electric consumer actually receives the smallest subsidy per consumer, about half of what the municipal electric consumer receives. And I want to make the point that it is per consumer.

The second point I want to make is that further cuts in rural electric programs would threaten the ability of rural electric utilities to provide the quality electric and telephone service at an affordable cost. I do urge my colleagues to defeat the Zimmer amendment.

Mr. ENGLISH of Oklahoma. Mr. Chairman, will the gentlewoman yield?

Ms. LONG. I would be glad to yield to the gentleman from Oklahoma.

Mr. ENGLISH of Oklahoma. Mr. Chairman, I would simply like to make a couple of further points. The point I would like to make is that sometime ago we agreed in this country to provide universal service. The people, whether they lived in rural areas or urban areas, would all have the same opportunities, that we would have access to the same kinds of services.

The fact of the matter is, that goal still has not been reached. People who are living in the most rural areas of this Nation, people who are senior citizens, people who quite frankly are among the poorest of the poor of this country do not have the same access, the same opportunities, that people who live in urban areas have.

There are, as I mentioned, rather sizeable subsidies that are granted by this country to those who live in urban areas. To pick out those people who live in the most rural areas and are poorest I think, quite frankly, is misguided at best.

I would hope that this Congress, this House, would strongly oppose this amendment.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman, it is not often that I get up and speak in opposition to an amendment offered by my good colleague from New Jersey [Mr. ZIMMER]. I usually, frankly, support his amendments.

But I would like to plead with my colleagues to recognize that this is not the time nor the place nor the way to do what the gentleman wants to do—1993 is very different from 1935 when the rural electric programs were created. There is no mistake about that. That, however, is very different than suggesting that there is no need for rural electric programs today.

Very frankly, the farm today is dramatically different than it was in 1935. Part of the problem we have in Wisconsin, for example, is that whether we like it or not, the average farm that used to be 30 cows, by the year 2000 is going to be someplace between 85 and 100 cows.

To be honest, we need to rewire every farm in rural Wisconsin in order to maintain the kind of current that is going to go through those lines to deal with modern dairy facilities. So this is a very different scenario.

The second thing is, the gentleman is right. There are some problems with the program as to who is eligible and who is not eligible. We made some changes from a reconciliation perspective to meet our reconciliation instructions. We did not during that time attempt to do a full-blown review in reform of REA.

I would hope at some point we would look at the REA eligibility formulas. But if you heard me earlier here this afternoon, I suggested that authorizing language and changes ought to be done by the authorizing committee. This is not the time nor the place to do that.

So we have made dramatic changes. There is a role for REA. There is a dramatic role for REA in the 1990's, to help our farmers compete in the 21st century.

I have to tell Members, if we are going to cut farm program supports by $3 billion in reconciliation, we have got to then give them the infrastructure to compete successfully in a world market economy.

Mr. DURBIN. Mr. Chairman, I yield 1½ minutes to the gentleman from South Carolina [Mr. CLYBURN].

Mr. CLYBURN. Mr. Chairman, I rise in opposition to the amendment offered by my honorable colleague, Mr. ZIMMER, of New Jersey.

As a member of the Congressional Rural Caucus' Executive Committee, I am proud to serve as an advocate for rural needs, and I oppose this amendment on several grounds.

First, the loan and subsidy levels for the Rural Electrification Administration have already been reduced as part of the Omnibus Reconciliation Act.

To cut funding for the REA by an additional 400 percent is asking an unfair sacrifice from programs which serve to provide a basic commodity to rural citizens.

Second, electric cooperatives presently receive a subsidy which is half that of municipal utilities. An insured loan program reduction from $125 million to $25 million will adversely affect rural residents who are already bearing a greater utility cost than urban dwellers.

And third, unlike other programs in the Agriculture Department, this program benefits all rural residents, not just farmers.

If this amendment is adopted, not only will rural citizens in my own district be affected, but many other rural areas in the country as well, many of which are more isolated than any part of South Carolina.

I suggest to my colleagues that they consider the impact of this proposed reduction, and vote against the amendment offered by the distinguished gentleman from New Jersey.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Chairman, as with the gentleman from Wisconsin [Mr. GUNDERSON], it is rare that I stand up here and oppose an amendment that cuts this type of money. But this program has worked. From 1933 until now, it is still working.

In my State, we are the most rural of all States. And not many of you in this body have ever had just but one phone in your town, one phone that works sometimes. We all now have phones in every one of my small villages because of REA.

But we do not all have electricity. Not many of you have had to use Coleman lanterns. I have. Many of my people are still using Coleman lanterns. And I am suggesting this is not the place to cut money with a program that works very effectively for the rural people of this great Nation.

I think this amendment is misplaced. Very frankly, it is not the appropriate way to cut a program that has worked successfully. We have not lost money under this program. It has been one of the most successful programs of all and has provided a great service to the majority of the rural people of this great Nation.

But this Nation is not all urban now. We still have vast areas, unpopulated areas, such as Wyoming, Montana, and Colorado, but most of all we have it in Alaska.

So I am asking my colleagues to oppose this amendment. It is a bad amendment. It is wrong. It is wrong this time, it will be wrong next time.

This is one of the times I suggest, respectfully, look at the success of this program and what it has brought to the rural people of America, and keep the REA still working for Americans. Let us not support this amendment.

□ 1720

Mr. ZIMMER. Mr. Chairman, I yield myself the balance of my time.

Let me make this clear. This proposal is not to kill REA. The proposal is to make a very modest cut in the least defensible part of REA.

This is not a subsidy to needy individuals. It is a subsidy to utilities, many of which are highly profitable. And I believe a majority of the utilities eligible for loans from the REA would meet the so-called hardship requirement. Nobody in favor of this legislation has given any indication otherwise.

All we are asking is that this level of subsidy be cut to the level requested by President Bill Clinton. That is all we are asking, and we are not touching the $600 million of low-cost subsidized loans at the current rate of roughly 6 percent that these same utilities would be able to avail themselves of under a brand new lending program.

How can we even begin to say we are serious about cutting the budget deficit, if we cannot make the most modest, most sensible kinds of cuts, cuts that have been endorsed by the President, cuts that are really more modest than we need to make in this program?

I agree that other utilities are subsidized by the public. I will support any effort of any of the proponents of the REA or anyone else to cut those other subsidies. But subsidies to one class of utility certainly do not justify subsidies to others. This is one of the least defensible forms of subsidy.

Let us start modifying, modernizing, and reforming this relic of the New Deal. It has served its purpose. It has now become a burden to the taxpayers.

We can make some real progress by simply adopting this very modest amendment to save a few bucks for the taxpayers who are subsidizing the rich as well as the needy under this program.

Mr. DURBIN. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding time to me.

I am amazed at how enthusiastically most of my friends on that side have embraced President Clinton and his recommendations. Would that they would do so throughout the rest of the year.

Finally, someone once said, "The finest things in life are a good wife, a bathroom inside the house, and electricity."

Vote against this amendment, because this will nullify that great desire of an American out in the rural countryside.

Mr. DURBIN. Mr. Chairman, I yield the balance of my time to the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. Mr. Chairman, this is not a Republican versus Democrat issue. It is an urban versus rural issue.

My friends, we need each other in this country. But sometimes we do not understand each other.

I have and a great many of my colleagues over the years from rural areas have supported urban areas in the kinds of things that they have, their special needs, problems of urban decay, problems of housing decay, problems of transportation gridlock, problems of crime.

We have problems in rural America, too. They are different kinds of problems. What we need is your understanding for our problems, jsut as we try to give you our understanding for your problems.

Very frankly, this amendment, quite unintentionally, is nevertheless a gratuitous attack on rural America.

I ask my colleagues, urban and rural throughout the entire body, both sides of the aisle, to not participate. Vote against this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. ZIMMER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ZIMMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 117, noes 314, not voting 8, as follows:

[Roll No. 293]

AYES—117

Andrews (NJ)
Archer
Armey
Baker (CA)
Barrett (WI)
Bartlett
Barton
Beilenson
Bilbray
Bilirakis
Boehner
Burton
Canady
Cardin
Collins (GA)
Condit
Coppersmith
Cox
Crane
Cunningham
DeLay
Doolittle
Dornan
Dreier
Duncan
Dunn
Eshoo
Fawell
Fish
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Geren
Gibbons
Gingrich
Goss
Greenwood
Hancock
Harman
Hefley
Herger
Hoekstra
Hoke
Horn
Huffington
Hughes
Hunter
Hutchinson
Hyde
Inglis
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kennedy
Kennelly
Kim
King
Klein
Knollenberg
LaFalce
Lazio
Levy
Lewis (CA)
Lewis (FL)
Linder
Machtley
Mann
Margolies-Mezvinsky
McCollum
McHale
McKeon
Meehan
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Neal (MA)
Nussle
Packard
Pallone
Paxon
Porter
Portman
Quinn
Ramstad
Reed
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Saxton
Schenk
Schroeder
Sensenbrenner
Shaw
Shays
Shepherd
Slaughter
Smith (NJ)
Solomon
Stark
Stump
Talent
Torkildsen
Visclosky
Walker
Waters
Weldon
Young (FL)
Zeliff
Zimmer

NOES—314

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (TX)
Applegate
Bacchus (FL)
Bachus (AL)
Baesler
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Bateman
Becerra
Bentley
Bereuter
Berman
Bevill
Blackwell
Bliley
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Buyer
Byrne
Callahan
Calvert
Camp
Cantwell
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (IL)
Collins (MI)
Combest
Conyers
Cooper
Costello
Coyne
Cramer
Crapo
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Evans
Everett
Ewing
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frost
Furse
Gejdenson
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Grams
Grandy
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Hastert
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Holden
Houghton
Hoyer
Hutto
Inhofe
Inslee
Istook
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kildee
Kingston
Kleczka
Klink
Klug
Kolbe
Kopetski
Kreidler
Kyl
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey
Maloney
Manton
Manzullo
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHugh
McInnis
McKinney
McNulty
Meek
Menendez
Mfume
Michel
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Moran
Murphy
Murtha
Myers
Nadler
Natcher
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Poshard
Price (NC)
Pryce (OH)
Quillen
Rahall
Rangel
Ravenel
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Romero-Barcelo (PR)
Rose
Rostenkowski
Roth
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schaefer
Schiff
Schumer
Scott
Serrano
Sharp
Shuster
Sisisky
Skaggs
Slattery
Smith (IA)
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Volkmer
Vucanovich
Walsh
Washington
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)

NOT VOTING—8

Bishop
Blute
Henry
McMillan
Montgomery
Santorum
Skeen
Skelton

☐ 1746

Mr. PENNY and Mr. KLUG changed their vote from "aye" to "no."

Mr. HANCOCK and Mr. BARTON of Texas changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BISHOP. Mr. Speaker, during Rollcall Vote No. 293 on H.R. 2493, the Zimmer amendment, I was unavoidably detained. Had I been present I would have voted "no."

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 51, strike lines 13 through 17.

Mr. BURTON of Indiana. Mr. Chairman, I do not know if the chairman of the subcommittee would like to limit debate on this amendment, but if he does, I will entertain that suggestion.

Mr. DURBIN. Mr. Chairman, would the gentleman be kind enough to suggest a time limitation?

Mr. BURTON of Indiana. How about the same as before, 15 minutes on each side.

Mr. DURBIN. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto be limited to 30 minutes, 15 minutes controlled by the gentleman from Indiana [Mr. BURTON] and 15 minutes by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MYERS of Indiana. Mr. Chairman, it is not compulsory that we use that much time?

The CHAIRMAN. The gentleman's point is well taken. The time is maximum and not minimum.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself such time as I may consume.

If I may I would like to have the attention of the gentleman from Illinois [Mr. DURBIN]. This does not pertain to my amendment, but when the gentleman gets a chance to respond I know he will. There is a section on page 117 that I wish the gentleman would take a look at, at the bottom of the page which deals with the WIC Program and is appropriating $8 million to promote breast feeding in America. I would like to know more about that program and whether or not that is absolutely a necessary program.

My amendment, Mr. Chairman, deals with a new program that was started last year. Last year I objected to this program because it was creating another program that was going to spend money.

☐ 1750

This program deals with outreach to socially disadvantaged farmers and rangers, and we started out with $1 million, and at that time the gentleman from Texas [Mr. DE LA GARZA], the chairman of the authorization committee, came to the floor and tried to explain to the body what a socially disadvantaged farmer and rancher is. I hope when he has time he will try to do that again today.

Somebody submitted to me that a socially disadvantaged farmer is somebody who could not get a date for the barn dance. I do not know whether that is correct or not, I say to the gentleman from Texas [Mr. DE LA GARZA], but he might check that out.

All kidding aside, all kidding aside, Mr. Chairman, we do not need any new programs even if it is only for $1 million or $3 million. This is the way spending gets out of control. We start with a program that we do not need and we spent $1 million, and then the next year we triple it. This year we are talking about $3 million.

We did not need the program last year at $1 million. We certainly do not need the program this year for $3 million.

I submit that this is a very small cut, but it is one that should be made. We should cancel this program, because I do not see that it has any real socially redeeming value.

Mr. Chairman, I reserve the balance of my time.

Mr. DURBIN. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. DE LA GARZA], chairman of the Committee on Agriculture.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, and my colleagues, the legislation has a definition for socially disadvantaged. It states:

> As used in this section, the term "socially disadvantaged group" means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

As I explained to the gentleman last year, these are groups that were denied equality and justice because of their color or their ethnic background, and henceforth were not allowed to get all of the advantages that others had in regards to bank loans or in regards to buying plots of land or in regards to even buying farms in some areas of the country.

Those are the ones that we are talking about.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Did we not pass a civil rights act in both 1954 and 1964 that provides that it is illegal to discriminate on the basis of race or ethnic background? Then why do we need this?

Mr. DE LA GARZA. Because this group got put into this situation prior to the civil rights act, and the civil rights act, in fact, does not address that. If the gentleman feels that everyone who has been deprived of justice, because of the legislation that we passed that everything has been corrected, it has not, and this is an additional provision of law dealing solely with those involved in agriculture. Unfortunately, even though to this day, if the gentleman would read what has happened in employment at one of the foremost hamburger chains, the gentleman will know that discrimination is still here, and it is still happening.

Let me add in response to the first question that the gentleman posed about promoting breast feeding, I will leave that to the members of the subcommittee, but I would say that it is the way God intended it to be.

Mr. BURTON of Indiana. God did not charge $8 million for that to be done.

Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, you know, what we did last year is we started a new program for socially disadvantaged farmers and ranchers, and we put a million dollars in it because we were supposed to help them because it was racial or ethnic prejudice against them in their ability to buy land or a farm or do other things that relate to agriculture or ranching.

Now here we are back a year later, we are going to spend $3 million for this, and under the law, they have the right to go to court, to have the Justice Department come in and make sure that they are not treated unfairly. This has been done time and time again.

The gentleman just talked about some ethnic minorities being so-called mistreated at, I think it was, a Denny's restaurant at one time. There was legal action taken immediately, and that was changed in just a matter of days.

I do not know why we have to come up with another program when the laws have already been changed by the courts and by this body and the other body about 30 years ago.

And what do we do? We come up with another program that started at $1 million last year, and now we are going to raise it to $3 million.

How much is it going to be next year? Six million? That is precisely the problem we have in this body, we come up with some new kind of idea that is going to solve some social program, and before you know it it is costing us $50 million, $100 million, $200 million. Is it any wonder this country is in the deficit and debt position we are in?

We just keep coming up with program after program after program, many of which are not even necessary. I submit to my dear friend, the gentleman from Texas [Mr. DE LA GARZA], this is not a necessary program. We have civil rights laws, civil rights court decisions that have been rendered that make it illegal for anyone to discriminate against people to buy a house, a farm, or anything else, and this is just redundancy in the law, and it is a waste of taxpayers money.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Obviously we have a difference of opinion on this issue. But the gentleman insists that if there is a law, everything is corrected.

There is a law against murder. There is a law against stealing. There is a law against robbing banks. And it has not stopped people from committing these crimes.

Mr. BURTON of Indiana. Mr. Chairman, I do not want to prolong this debate. I just wanted to say that I think anybody who is thinking rationally knows that we have civil rights laws to deal with these problems, and to come up with a new program to deal with socially disadvantaged farmers or ranchers, I mean, where are we going to go with this thing? Are we going to go to socially disadvantaged schoolteachers, socially disadvantaged filling-station owners, socially disadvantaged restauranteurs? How far does this go?

We have civil rights laws to deal with this. I think that is enough. We do not need to come up with new programs that are going to dig us into a deeper and deeper deficit hole.

We spent $1 million last year, and we are tripling it. It is just simply not necessary.

Ms. MCKINNEY. Mr. Chairman, I am speaking on behalf of the disadvantaged farmers in the United States.

In 1982, the Civil Rights Commission issued a report entitled "The Decline of Black Farming in the United States." The Commission predicted that unless immediate action was taken to address the serious problems of discrimination and neglect, there would be no black farmers by the year 2000. We cannot let this happen.

The rate of black farm loss relative to the loss of other farmers has increased from 2½ to 3¼ percent.

We need to reach out to these groups which have historically been neglected, and ensure that we are inclusive, rather than exclusive, in all aspects of our program delivery. Barriers that prevent the full participation of underserved groups need to be overcome.

The problem is most serious in our small rural communities in the Southeast, communities where poverty is already highest and where few other industries exist to replace the key economic role of farms.

In 1990, as a Member of Congress, Secretary Mike Espy sponsored legislation to supply urgently needed assistance to minority farmers. That legislation was included in the 1990 FACT Act. It did not receive an appropriation until fiscal year 1993, and then only one-tenth of the amount allocated.

The time to act is now.

Just last week, Mr. Chairman, I had farmers come up from the eleventh district of Georgia to visit with Secretary Espy. They expressed their disappointment at always being promised assistance for their farms and never receiving what they need to keep their farms running.

I urge you to keep the $3 million for the Outreach and Assistance Program for Socially Disadvantaged Farmers and Ranchers, authorized in section 2501(a) of the 1990 farm bill.

Mr. BURTON of Indiana. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. DURBIN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 178, noes 251, answered not voting 10 as follows:

[Roll No. 294]

AYES—178

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cox
Crane
Crapo
Cunningham
DeLay
Derrick
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
Everett
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gilchrest
Gingrich
Glickman
Goodlatte
Goss
Grams
Grandy
Green
Greenwood
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hoagland
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Leach
Levy
Lewis (FL)
Lightfoot
Linder
Lipinski
Machtley
Mann
Manzullo
McCandless
McCollum
McCrery
McCurdy
McHugh
McInnis
McKeon
Meehan
Meyers
Mica
Michel
Miller (FL)
Molinari
Montgomery
Moorhead
Murphy
Myers
Nussle
Orton
Oxley
Packard
Pallone
Paxon
Payne (VA)
Penny
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Roth
Roukema
Rowland
Royce
Sangmeister
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Sisisky
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Sundquist
Talent
Taylor (MS)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Valentine
Walker
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—251

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Baesler
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Ewing
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gonzalez
Goodling
Gordon
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hochbrueckner
Holden
Hoyer
Hughes
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Lewis (CA)
Lewis (GA)
Livingston
Lloyd
Long
Lowey
Maloney
Manton
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCloskey
McDade
McDermott
McHale
McKinney
McNulty
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Morella
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Parker
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Skaggs
Skelton
Slaughter
Smith (IA)
Smith (TX)
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (NC)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—10

Andrews (TX)
Barca
Blute
Henry
Kleczka
Martinez
McMillan
Moran
Santorum
Skeen

☐ 1819

Ms. CANTWELL and Mr. SMITH of Texas changed their vote from "aye" to "no."

Messrs. McINNIS, DOOLITTE, GILCHREST, BILBRAY, and TAYLOR of Mississippi changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BARCA. Mr. Chairman, during rollcall vote No. 294 on H.R. 2493 I was unavoidably detained. Had I been present I would have voted "no."

The CHAIRMAN. Are there further amendments to title III of the bill?

The Clerk will read.

The Clerk read as follows:

TITLE IV—DOMESTIC FOOD PROGRAMS

OFFICE OF THE ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Assistant Secretary for Food and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, $554,000.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751–1769b), and the applicable provisions other than sections 3 and 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1773–1785, and 1788–1789); $7,497,131,000, to remain available through September 30, 1995, of which $2,727,022,000 is hereby appropriated and $4,770,109,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966 shall be allocated among the States but the distribution of such funds to an individual State is contingent upon that State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture: *Provided further*, That if the Secretary of Agriculture determines that a State's administration of any program under the National School Lunch Act or the Child Nutrition Act of 1966 (other than section 17), or the regulations issued pursuant to these Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under section 7 of the Child Nutrition Act of 1966 and under section 13(k)(1) of the National School Lunch Act; upon a subsequent determination by the Secretary that the programs are operated in an acceptable manner some or all of the funds withheld may be allocated: *Provided further*, That only final reimbursement claims for service of meals, supplements, and milk submitted to State agencies by eligible schools, summer camps, institutions, and service institutions within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act for meals, supplements, and milk served during any month only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary: *Provided further*, That up to $3,849,000 shall be available for independent verification of school food service claims: *Provided further*, That $1,706,000 shall be available to provide financial and other assistance to operate the Food Service Management Institute.

None of the funds in this Act may be used to require schools participating in the school lunch program to offer students fluid whole milk as otherwise required by 42 U.S.C. 1758(a)(2).

SPECIAL MILK PROGRAM

For necessary expenses to carry out the special milk program, as authorized by section 3 of the Child Nutrition Act of 1966 (42 U.S.C 1772), $20,277,000, to remain available through September 30, 1995. Only final reimbursement claims for milk submitted to State agencies within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $3,210,000,000, to remain available through September 30, 1995, of which up to $4,000,000 may be used to carry out the farmer's market coupon program: *Provided*, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), including not less than $8,000,000 for the projects in Detroit, New Orleans, and Des Moines, $104,500,000 to remain available through September 30, 1995: *Provided*, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

FOOD STAMP PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011–2029), $28,136,655,000: *Provided*, That funds provided herein shall remain available through September 30, 1994, in accordance with section 18(a) of the Food Stamp Act: *Provided further*, That $2,500,000,000 of the foregoing amount shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or work fare requirements as may be required by law: *Provided further*, That $345,000,000 of the funds provided herein shall be available after the Secretary has employed the regulatory and administrative methods available to him under the law to curtail fraud, waste, and abuse in the program: *Provided further*, That $1,091,000,000 of the foregoing amount shall be available for Nutritional Assistance for Puerto Rico as authorized by 7 U.S.C. 2028, of which $12,472,000 shall be transferred to the Animal and Plant Health Inspection Service for the Cattle Tick Eradication Project.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), section 4(b) of the Food Stamp Act (7 U.S.C. 2013(b)), and section 311 of the Older Americans Act of 1965, as amended (42 U.S.C. 3030a), $218,641,000, to remain available through September 30, 1995.

For necessary expenses to carry out section 110 of the Hunger Prevention Act of 1988, $40,000,000.

THE EMERGENCY FOOD ASSISTANCE PROGRAM

For necessary expenses to carry out the Emergency Food Assistance Act of 1983, as amended, $40,000,000: *Provided*, That, in accordance with section 202 of Public Law 98–92, these funds shall be available only if the Secretary determines the existence of excess commodities.

For purchases of commodities to carry out the Emergency Food Assistance Act of 1983, as amended, $80,000,000.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, $107,767,000; of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

Mr. DURBIN (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there any points of order to title IV?

Are there any amendments to title IV?

□ 1820

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. VOLKMER: Page 59, delete lines 1 through 4.

Mr. DURBIN. Mr. Chairman, I ask unanimous consent that the debate on this amendment and all amendments thereto be limited to 40 minutes, 20 minutes per side, 20 minutes to be controlled by the gentleman from Missouri [Mr. VOLKMER], and 20 minutes to be controlled by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The debate on the amendment offered by the gentleman from Missouri [Mr. VOLKMER] will be limited to 40 minutes, 20 minutes on each side, the time to be controlled by the gentleman from Illinois [Mr. DURBIN] and the gentleman from Missouri [Mr. VOLKMER].

The Chair recognizes the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Chairman, I ask unanimous consent that 10 minutes of my time be allocated to the gentleman from Wisconsin [Mr. GUNDERSON] and that he be in control of that 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. VOLKMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for the edification of those in the House who have not studied the appropriations bill that is now before us, on top of page 59 is the language that is attempted to be struck. That language reads:

> None of the funds in this Act may be used to require schools participating in the school lunch program to offer students fluid whole milk as otherwise required by 42 U.S.C. 1758(a)(2).

Now the present school lunch law provides that lunches served by schools participating in the school lunch program under this act shall offer students fluid whole milk and fluid, unflavored, low fat milk. So, today, as a student goes in to get his lunch, he has the full range of milk available to him: Whole milk, 2 percent, 1 percent or skim milk, and 1 percent unflavored chocolate milk. Under the amendment as in the bill, as provided in the bill, the school districts would be able to contract when the contract for the milk with the local fluid processors to have only 2 percent, 1 percent or 1 percent chocolate, no whole milk. In my area of the district of Missouri about 40 percent of the people still drink whole milk. Forty percent, I assume, of the students drink whole milk. The 2 percent or 1 percent is not acceptable to them. It is not flavored to the flavor that they like.

Our young people eat and drink based on flavor, on taste, and I am afraid that they will say, "I don't want that 2 percent, I don't want 1 percent. I'm going to drink something else." They are not going to get their milk. If they do not get their milk, they do not get the calcium, the vitamin A and other ingredients that are necessary in that milk.

Mr. Chairman, I say: "Let them have the choice. If they are used to drinking whole milk, let them drink the whole milk. If they want 2 percent, they can have the 2 percent. It's there. Or if they want the skim, it's there. If they want the chocolate milk, and most of them drink the chocolate milk, let them do it."

Now the whole milk has been required since the mid-1970's in the school lunch program. There have been no problems with it. There has been a general concern from some nutritionists as to the fat content of whole milk. But I want to point out to my colleagues that that 8 ounces that that student gets, the fat content in the whole milk is 8 grams. When one drinks 2 percent, they are getting 5 grams. So there is only 3 grams difference in the fat content, and, when he eats the hamburger, or whatever, with it, that fat content is insignificant in difference. So, let him use what he is used to using at home.

I ask, "Why can't he have the right to be able to choose to have whole milk if that's what he wants," and I would like to point out that the amendment in the bill, the language in the bill, does not change the law. The law is still the same. So, school districts are technically still required to furnish whole milk because that is what the law says.

Now, if they are required, but do not have the funds to do it, it is going to create problems for them. I do not think that this bill is the appropriate place in order to change the school lunch program. That is under the jurisdiction of the Committee on Education and Labor, and I think that they are the ones, and we will hear later from the subcommittee chairman of the elementary and secondary education part of the Committee on Education and Labor.

As my colleagues know, I think that we should encourage kids to drink milk. They need it for calcium formation. They need it for their bones. I do not think we should be in the position of telling them that they do not have to drink whole milk or they should not drink whole milk when their parents are telling them it is O.K. to drink whole milk. I do not think we should pit children against parents. I believe that they should all again, as I say, have a choice, and I believe that children will drink whatever they are used to drinking at home, what they are used to, and, if they are used to 2 percent or skim milk, that is what they are going to drink in school. If they are used to drinking whole milk, they should have the right to drink that whole milk in school.

The gentleman, under his provision, would permit the school districts not to furnish whole milk so that children out there who want whole milk would not be able to get it. I think that they should be given that opportunity, and so I reserve the balance of my time and ask the House to adopt the amendment.

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, politicians in America can withstand almost any criticism, but I do not believe any of us could withstand the criticism that we oppose giving milk to children. So, as one great politician once said, "Let me make one thing perfectly clear."

I am in favor of school children across America, not only continuing to drink milk, but encouraging them to drink more. I do agree with my colleague, the gentleman from Missouri [Mr. VOLKMER]. Children in their formative years need the calcium and vitamins in milk, and we should do everything in our power to encourage that more milk be consumed.

So why do we have this language in the appropriations bill? First, Mr. Chairman, let me tell my colleagues a story.

Several months ago, Mr. Chairman, I visited a grade school in Liberty, IL. The principal of that grade school is the sister-in-law of the famous Giants and Cubs pitcher Rich Rueschel from Camp Point, IL. She took me around and said, "Would you like to eat lunch with the kids," and I did. We had a good time, and afterward the nutritionist from the school came down and sat with me.

Mr. Chairman, I said, "You won't believe this, but one of my responsibilities in Washington is to fund your program. Got any complaints?"

She said, "Mr. Chairman, there is something that no school nutritionist can understand: Why do you continue to send us information on dietary guidelines for children in America? Why do you continue to tell us to reduce the fat content in the diet of a child in America and at the same time have a provision in the law which requires every school to buy the highest fat content milk available, fluid whole milk?"

I said, "I don't know. Let me check on it."

Mr. Chairman, I looked at the legislation, and I looked at the existing statute. It is clearly the only exception in the school lunch program. We do not tell the school districts whether they should buy creamy peanut butter or chunky peanut butter. We do not tell them whether they ought to buy peach slices in light syrup or heavy syrup. But we do require them to offer fluid whole milk.

I would suggest to my colleagues that that decision and that law is based not on nutrition, but on some other consideration.

☐ 1830

Perhaps it has something to do with the dairy program. Now, let me tell you what our language in the appropriation bill would say to every school district in America. It would say, you may decide to offer whole milk to your kids, that may be what they prefer over 2 percent or chocolate milk or something else, but we are not going to require it of you. If you should decide that your kids get along just fine with the low-fat milk product and they will use it and will continue to get the calcium and vitamins they need, make that decision at the local level, in the cafeteria where the kids are going through the line. We are not going to second-guess you here on the floor of the House of Representatives in Washington.

What we are suggesting today is entirely consistent with modern thinking on nutrition, to get kids in the formative stages of their lives thinking in terms of a healthy diet. It is tough enough. I can tell you that from visiting this cafeteria, and I will bet if you have visited, you have seen them, too, the kids with the candy bars, eating the junk food that all of us are prone to do from time to time.

When we have a school lunch program sponsored by this Federal Government, we cannot be so inconsistent as to say, on one hand make it low-fat, and, on the other hand, you must require fluid whole milk. What we are saying is this: "School districts, nutritionists, make the best nutrition decision. We will not second-guess you. We want kids to drink milk, but we will not force fluid whole milk on you."

Mr. Chairman, I reserve the balance of my time.

Mr. GUNDERSON. Mr. Chairman, I yield myself 4½ minutes.

Mr. Chairman, I rise in strong support of this amendment, and I plead with my colleagues to simply listen to present law. I want to read this to you:

"Lunches served by schools participating in the school lunch program under this act shall offer students fluid whole milk and fluid unflavored low fat milk."

That is the law today. What does that law say? It says that when you are designing your school lunch program, you must have every option. You must have the whole milk, if a young person wants it, and you must have the low fat.

We are not mandating. We are not mandating. We are not mandating that every schoolchild in America ought to have whole milk. Where does this come from? What nutritionist would get up and tell us that we mandate that every school student must drink whole milk? Nothing of the sort.

That is why this amendment is essential, because the bill seeks to say that we are not going to allow schools to be required to offer students a choice.

Now, you and I both know, most young people probably do not want whole milk, and I guess most of us do not want whole milk, and we are not trying to insist that they do. But consider that young kid that gets up in the morning and does chores before he goes to school. He goes to school, he then goes out and plays football, and then he goes to play at practice that evening. Let us say he is six foot two, 180 pounds. You are going to tell this kid he has to drink low fat milk? You are going to say, "No, that is not what I am doing at all."

But it is. Here is why. The reason this language is put into law is because if you do not have this in the law, when a school board takes bids from their local milk distributor for milk for the school lunch program, those milk distributors must offer a bid based totally on 1 percent milk, because that is the way they get the low bid.

Now, then what happens? The school board is required by law to take the low bid. So all of a sudden if you do not have this language, you have created the scenario where no young student in any school in the United States will be able to get anything but 1 percent milk, and 1 percent milk is allowed under the program today.

So I would suggest to Members that in simply trying to make a choice, we ought to adopt this amendment.

Second, the reason I got up earlier and objected to what was happening in this bill is because this does not belong in an agriculture appropriations bill. This is under the jurisdiction of the Committee on Education and Labor that has responsibility for the child nutrition programs in this country.

In this Congress, Mr. Chairman, the second session of this Congress, the Committee on Education and Labor must reauthorize those child nutrition programs. I have already been, and I know the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Michigan [Mr. KILDEE] and others have been, in countless discussions already on trying to deal with the issue of fat content in our school lunches. And I find it fascinating.

Mr. Chairman, there is no place in present law that puts a limit on the fat content in a school lunch. So what we are going to try to do here today is something that is simple and easy and wrong, because we think we are going to get at the fat content of that school diet.

We are not going to do that at all. All we are going to do is say to the kid, "You cannot have whole milk, but you can have all the fat in hotdogs or all the brownies or all the candy bars or anything else that you want." That does not make any kind of sense.

So I plead with my colleagues, whether you are for low fat, you are for 1 percent, you are for 2 percent, or you are for whole milk, that whatever you are for, simply adopt this amendment to preserve that choice.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I would just guess that the words "shall offer" are mandatory. If it were permissive it would say "may offer." We are requiring that lunches served by the schools participating in the school lunch programs "shall offer."

Mr. GUNDERSON. Mr. Chairman, reclaiming my time, that is exactly all it is. It is available. It is the student's choice. After the first week the school knows how many want whole milk, how many want 1 percent, and that is what they offer for the rest of the year. It did not cost them a dime.

Mr. VOLKMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in my opening remarks I failed to mention that this amendment is being cosponsored by the gentleman from Wisconsin [Mr. GUNDERSON] and the gentleman from Wisconsin [Mr. OBEY].

Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. KILDEE], the chairman of the Subcommittee on Elementary, Secondary and Vocational Education that has jurisdiction over the School Lunch Program.

Mr. KILDEE. Mr. Chairman, I would like to engage in a colloquy with the gentleman from Illinois [Mr. DURBIN].

Mr. Chairman, is the gentleman from Illinois [Mr. DURBIN] aware that the National School Lunch Program is under the jurisdiction of the Subcommittee on Elementary, Secondary and Vocational Education of the Committee on Education and Labor?

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, yes, I am.

Mr. KILDEE. Mr. Chairman, I am glad the gentleman is aware of that. I am Chairman of that subcommittee.

Mr. Chairman, is the gentleman from Illinois [Mr. DURBIN] further aware that the issue of requiring whole milk to be offered as part of a school lunch will be thoroughly reviewed by my subcommittee next year in the course of the reauthorization of the School Lunch Program?

Mr. DURBIN. Mr. Chairman, if the gentleman will yield further, if the gentleman from Michigan [Mr. KILDEE] says that is the case, I believe it.

Mr. KILDEE. Mr. Chairman, very good. I want to assure the gentleman from Illinois [Mr. DURBIN] that we intend to have a number of hearings on the school lunch program next year, at which time we will have very distinguished nutritionists testify as to what the school lunch should be, and we would be most happy to have the nutritionist of whom the gentleman spoke testify at those hearings.

Mr. DURBIN. Mr. Chairman, I would be happy to invite her to attend.

Mr. KILDEE. I would like to have her testify.

Mr. DURBIN. Mr. Chairman, how much time does each side have remaining?

The CHAIRMAN. The gentleman from Illinois [Mr. DURBIN] has 16 minutes remaining, the gentleman from Missouri [Mr. VOLKMER] has 3 minutes remaining, and the gentleman from Wisconsin [Mr. GUNDERSON] has 5½ minutes remaining.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, let me just join the chairman of the subcommittee in opposition to this amendment. This amendment is a good example of my observation that every bad piece of legislation precipitates the need for another bad piece of legislation.

The fact is we have a very elaborate milk program that raises the price of milk to our Nation's schoolchildren, and at the same time creates a surplus of milk.

Now, the surplus of milk is an embarrassment to the people who are proponents of the milk program. So now they come back and say we will now mandate the requirement that whole milk, with its high cholesterol and high fat content, be consumed by the Nation's schoolchildren, instead of the more healthy low-fat milk.

□ 1840

It is a perfect example of the point I made earlier, that every piece of bad legislation precipitates the need for additional bad legislation.

Mr. GUNDERSON. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Chairman, is the gentleman aware that the Volkmer-Gunderson amendment saves $2 million for the taxpayer?

Mr. DURBIN. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Chairman, I served on a school board before I came here, and I can tell Members that school boards view this requirement which is in the law as a mandate. They are mandated to offer a certain kind of milk.

We do not mandate them to offer a certain kind of pizza or a certain kind of roast beef, but we are mandating them to offer a certain kind of milk.

What I am hearing from home is "Stop the excessive mandates on things that affect the ability of local school districts to offer the kind of education they want to their kids."

I think this amendment is wrong on that ground. Let me tell Members a couple of things.

The patterns are set early in life. Eat a lot of fat as a kid and you grow up chubby, like me and like a lot of other Members in this room. Those patterns are set because of taste. And when those patterns are set by requiring whole milk, primarily only whole milk in a lot of school districts, I grant my colleagues, the chocolate milk is being offered as well, that kids learn to like the taste of it and drink it for the rest of their lives.

There is no question that whole milk is much higher in fat than skim milk or 1 percent milk or 2 percent milk. I am saying that the kids ought to be able to make the choice. But the school district ought not to be required to do this. This ought to be a subject that the kids ought to do it.

I think it was the gentleman from Wisconsin [Mr. GUNDERSON] who was talking about this. In my school district, if our school district attempted to foist a certain kind of milk on kids only and the kids would not like, they would come down to the school board meeting and they would say, "No, we want you to offer all sorts of milk in addition to the one type of milk."

I think this is a matter of choice. I am not telling my colleagues this is the most perfect way to legislate. But whether this amendment wins or loses, I guarantee them that it will offer a constructive move toward trying to modify the whole subject of diet for children in future years.

Diets are set at an early age, not later. There is almost nothing we can do as adults to control our cholesterol and our fat content. But we can do a lot for our kids.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I want to concur in the arguments that the gentleman has made regarding this issue. It seems to me that the appropriate way to deal with this is to allow the school districts to decide the type of milk to offer to the students.

In a district like mine, they are certainly going to continue to offer a lot of whole milk because in southeastern Minnesota that is what most of the kids are going to drink. In the other suburban districts, in order to get the kids to drink milk, it may have to be 1 percent or 2 percent, but I want these kids drinking milk. And I think the gentleman is making the exact argument that needs to be made.

Mr. GLICKMAN. Mr. Chairman, this is an issue of freedom of choice, as far as I am concerned. I would urge that the amendment not be adopted.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. FORD], chairman of the Committee on Education and Labor.

Mr. VOLKMER. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. FORD].

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] is recognized for 1 minute and 30 seconds.

Mr. FORD of Michigan. Mr. Chairman, I just came over here to tell the gentleman from Texas [Mr. DE LA GARZA], I keep my eye on him all the time because the Committee on Agriculture keeps trying to fool with the school lunch program. He and I have jurisdictional discussions.

I have been watching the wrong guy. Now all of a sudden, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies is going to write policy.

The gentleman who was just in the well, pointed out the problem of trying to legislate during an appropriations bill. He says that the law requires that whole milk be available in the school lunch program. That means to get the money that we send out every year to the schools to run the school lunch program, they will make whole milk available. They do not have to give it to everybody, they will make whole milk available. They do not have to give it to everybody, but it will be available.

That law will not be changed by this amendment. What we would produce is an interesting situation where the law will still be in place but we are going to cut off the money to pay the local school districts to buy the milk.

What are they going to buy it with? They are going to take the other subsidy we give them to run the program and buy whole milk, if they choose to do so.

One more thing I think is being overlooked, because we are in the wrong forum at the wrong time, this law was not put in place with the kid who had a mother who pays attention to whether they have skim milk, 2 percent or some kind of milk every day in mind. It was put in place with what in most parts of the country is a majority of kids who go to school without any parent caring if they ever have a glass of milk that day or from homes that never have a fresh bottle of milk in the refrigerator every day.

This program was started out to supplement the diet of kids who otherwise will not get a decent minimum, minimum, not maximum, but minimum standard of eating.

This bill does not, should not be debated on the floor. The gentleman from Michigan [Mr. KILDEE] will be holding hearings. All of my colleagues could express their opinions at those hearings.

Mr. GUNDERSON. Mr. Chairman, I yield 2½ minutes to the distinguished ranking member of the Committee on Education and Labor, the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, first of all, let me get some of the trivial issues that I heard discussed out of the way. I heard someone mention "You are mandating."

Let me tell Members about school lunches. I did not visit occasionally. I spent 20 years eating school lunches with schoolchildren. That was part of my job, and I insisted that all the other administrators did the same.

Mandates? What they were mandated to eat is basically what you sent. What you sent is surpluses.

Someone mentioned peanut butter. Is there anything fatter than peanut butter and more fat content?

Lord. We tried to make peanut butter candy. We tried to put peanut butter in apples. We made peanut butter every way one could think, celery, because we had surplus peanut butter that we had to feed to our kids.

My brother, little brother is chubby. My older brother is not chubby. I am not chubby. We all ate the same thing. So we can get the chubbiness out of the road as part of this discussion.

Second, I asked, why did this ever get into an appropriations bill. It was said, "Well, some nutritionist said, 'You tell us to feed fat-free food and then you send us a mandate like this'."

Again, I ate the lunches for 20 years: Hot dogs, hamburgers, peanut butter, cheese, all fat-free food is what we were sending them and what we were eating.

Let us keep in mind several other things. A good nutrition study indicated that we have to be very, very careful when we are dealing with young children, when we are talking about strict diet in relationship to fat content. We better be very, very careful, because what will happen in the future could be very devastating in relationship to their livelihood and their life in the future.

But let me go back to the initial issue that my chairman talked about and the subcommittee chairman talked about. This will be reauthorized next year, the School Lunch, Child Nutrition Program. That is where we have the hearings. That is where we hear what the people have to say pro and con. And then that is what the committee recommends to the entire conference, after we have our hearings and after we markup our legislation.

Let us not try to legislate this poorly, at any rate, on an appropriations bill. I rise in strong support of the amendment offered by the two gentlemen and hope it will pass overwhelmingly.

Mr. Chairman, I rise in support of the Volkmer/Gunderson amendment to strike language from the Agriculture appropriations bill which would eliminate language in our child nutrition laws requiring programs to offer whole milk as an option in school lunch and other child nutrition programs.

I have several concerns about the addition of this amendment to the Agriculture appropriations bill. First and foremost, this is an issue which should rightfully be debated in the context of the reauthorization of the child nutrition programs next year—after we have held hearings on the subject and have a better sense of all the issues involved.

According to Penn State Farm Economics—February 1992—whole milk is still the clear unflavored favorite among Pennsylvania schoolchildren. If we suddenly remove this option, can we be assured that schoolchildren will begin drinking lowfat milk, that they will continue to take advantage of this one important source of nutrition?

Mr. Chairman, we must remember that in 1992 over half of the children participating in the school lunch and breakfast programs were receiving free and reduced-price lunches. Since one of the main forces behind the creation of the child nutrition programs was to provide nutritious meals to those children who may not be receiving adequate nutrition at home, there is good reason to ensure they are eating well at school. While some children may not need the additional fat and calcium they receive from whole milk, there are others, especially children in elementary grades, who can benefit from whole milk.

According to a study published by the American College of Nutrition, strict adherence to low-fat, low-cholesterol diets in childhood may result in nutritional growth failure. If we eliminate whole milk as a required option for school lunch and school breakfast programs, we could be eliminating one vital source of nutrition for our Nation's schoolchildren.

Mr. Chairman, whole milk is not forced upon our Nation's schoolchildren. In many schools, a few cartons of whole milk are mixed in with cartons of lowfat and chocolate milk and children are allowed to choose the type of milk they wish to drink with their meal. Since we do not have all of the facts on this issue and there have been no hearings held in the committee of jurisdiction which could provide us with sound information on the beneficial/harmful effects of whole milk on our Nation's children, I believe we should delay the debate on this issue until next year when the Committee on Education and Labor considers changes to the child nutrition laws. I encourage my colleagues to support the amendment to strike this provision from H.R. 2493.

Mr. DURBIN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, clearly change is difficult. But this committee and this legislation achieves rather remarkable changes for the Congress of the United States.

It achieves changes in the way we have been doing business for many, many years. This bill gets rid of the people that measure the stems on pickles. We have been paying them to do that for many years. This bill gets rid of the programs that measure the flow of catsup, how fast catsup flows downhill. This bill gets rid of the programs for people to sip tea and have been doing it since the Revolutionary War. Remarkable change.

This bill even got rid of the Agriculture Year Books for which nobody wanted but every Member wanted to send to somebody.

□ 1850

Now we come to the last vestige of historic change in this legislation; that is, getting rid of the mandates on school districts and parents and children who want to decide what kind of milk they want to drink, want to partake in, because this is what current law requires, is that the school district offer, not out of generosity, it is a must offer: "You must offer this milk. Therefore, you must buy this milk." If you choose by a vote of the student body or any other means, you still must offer that milk.

We like to talk about this country as a country that can change. This is a mandate. This is a mandate that people see no sense in. They know what is good for their children. Their children know what they like or do not like. We think we should let them make that determination.

The school lunch program that the gentleman previously in the well talked about is not the school lunch program of today. He is right, he was eating them 20 years ago and that is what they were like. Today we spend a fortune trying to educate school nutritionists, school food service workers, principals and teachers and children about good nutrition, and then we find out that because of the special interests we are going to force whole milk on them, when all of the dietary guidelines published by this government and private and nonprofit organizations, health organizations, tell us that is not what we want to do.

Band together, I would say, have some courage and get rid of the mandate. Such as it is up here, I would say to the Members, and have the courage not to put a mandate on the school districts that they must buy this. Relieve the bureaucratic pressure the bureaucratic pressure. This will be a matter of great conscience, because this is what we must do.

Let the parents decide. Let the students decide. Let local school agencies decide. Why should the Federal Government mandate this in this program when they mandate it nowhere else?

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Missouri.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. VOLKMER. Mr. Chairman, the law only says that the school district has to offer it, not buy it.

Mr. MILLER of California. I would say to the gentleman, they do not get the milk free. The gentleman is requiring the school districts to purchase the milk.

Mr. VOLKMER. If the gentleman will continue to yield, no, that is wrong. The law does not say that, I would state to the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER of California. Mr. Chairman, I would ask the gentleman if he would tell me how he would offer it if he did not purchase it for the purposes of offering it.

I would say to the Members, historic change is upon us. We need to see if we can face down these special interests.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER of California. We need to see if we can bring ourselves together to vote against the mandate.

Mr. DURBIN. Mr. Chairman, in a spirit of comity and friendliness, I yield 1 minute to the gentleman from Minnesota [Mr. PETERSON].

Mr. PETERSON of Minnesota. Mr. Chairman, I rise in strong support of this amendment, and with all due respect to my friend, the gentleman from California, he is one of the Members that does not understand dairy policy. There is a story, somebody said, that there are only five people in America that understand dairy policy, and those five people are lying. This might be what is going on here today.

Mr. Chairman, I rise in support of the amendment. It is in the best interest of the country to retain the requirement that whole milk be served in school lunch and breakfast programs. Prior to making any substantive changes we should evaluate the financial effect on farmers and taxpayers, as well as the nutritional data for problems related to calcium deficiency.

Mr. Chairman. We are not forcing whole milk on children with this amendment—we are keeping whole milk as an option. School food service directors may also offer low-fat, skim, or chocolate milk—whatever appeals to students' taste. The problem is that without a whole milk requirement, many school lunch contractors will not include whole milk in their bids. Many people, students included, prefer whole milk. We should give them that choice.

From a nutrition standpoint, professionals are not in agreement on the potential long term effects of whole versus low-fat milk. What they do agree on is that milk is an essential ingredient in our children's diet if they are to grow into healthy adults. Milk contains 300 milligrams of calcium and is dense in other important vitamins and minerals. That is why we have a milk component in our schools.

Let us put this in perspective, one glass of whole milk contains about the same amount of fat as one tablespoon of salad dressing and fewer calories than non-diet soft drinks. It is not Congress' responsibility to debate the merits of three grams more or less of fat in our children's diets. We should be grateful that our children are drinking milk and developing good lifelong nutrition habits.

Finally, children participating in school lunch programs are not the only people that would be adversely affected by passage of this legislation without the amendment. Our Nation's dairy farmers and taxpayers would take one more financial hit that they can ill afford. I suggest that this issue reaches into the agriculture policy arena and its financial and nutritional ramifications should be fully evaluated before consideration.

Mr. GUNDERSON. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. WALSH], a member of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations.

Mr. WALSH. Mr. Chairman, the cycle is complete: Motherhood is under attack, Chevrolets are being made offshore, apples have alar, and we are banning whole milk from schools.

I would say to the Members, this current language requires that the school districts offer milk to their kids. They can make it whole milk, they can make it low-fat milk. The choice belongs to the children.

As has been stated over and over again, if the school district makes the choice, the kid's choices are not respected. The school district is going to make that choice. They are going to choose low-fat milk.

If they grow up on a dairy farm and like the taste of whole milk, they are not going to be able to have it. Is that fair? Should we be passing legislation that denies the kid a glass of nice whole milk? I do not think so. Mr. Chairman, I urge support of this amendment.

Mr. DURBIN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I really respect my colleague, the gentleman from New York [Mr. WALSH], but when he said that this amendment bans whole milk in schools, please. We give the schools the choice to buy what they think is best for their kids. If they decide that whole milk is what is best for their rosy-cheeked farm boys and farm girls in upstate New York or Minnesota, they can make that choice.

The law mandates the schools to offer whole milk. It takes away their choice of whether they are going to offer it and mandates it. That is the difference.

Mr. GUNDERSON. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I am happy to yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Chairman, I appreciate the gentleman yielding. In theory, the gentleman is right. In practice, it does not work that way. The problem is, if we do not mandate schools have to offer low-fat and regular milk, in the bid process the distributor is only going to offer a bid based on 1-percent milk. The school is required to accept the lowest bid, so if we do not mandate this, I hate to say it, the school board has no choice.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, I thank my friend for yielding. I am not sure I want to get into this milking contest here. I am not sure whether this afternoon this debate is concerned about the dairy interests, the welfare and the health of the child, or making a decision in Washington that a local school board rightfully should be making.

It is kind of a mix here. I am not going to make the case whether whole milk or low-fat milk is best. As a kid, I drank milk by the gallons, literally, every day. It was whole milk, yes. It was not pasteurized, it was not homogenized. In fact, I milked it myself, and I may be not exactly the most slender person here, but I am not a pudgy one, either, so I am not sure we are chasing the right rabbit here, to use an old Hoosier vernacular.

Mr. Chairman, I am shocked when I hear the discussion that we cannot trust the school board back home to make decisions for our children, that we can make a better decision here on the House floor than the local school board. I share the same experience our chairman has in visiting a school cafeteria or a school lunch service, and I have had nutritionists and those who serve the line tell me, "Why can't we get milk the kids will drink?"

It is true, a little one drinks any milk stuck in front of them. However, as they get older and become teenagers they start worrying about that waistline. They start worrying about the fat content. Then they want the low fat.

Are we concerned about, really, today in this discussion, making decisions back there. The school board is just as concerned, more concerned, because it is their children being served there.

Why do we not let the language stay in here in the bill, as this committee has offered it? We have heard a lot of discussions through the years about freedom of choice on this floor. That is all this is, is freedom of choice for the child and the local schools, the local school board, to make that decision. There is nothing wrong with this language. Let us defeat this amendment.

Mr. VOLKMER. Mr. Chairman, may I ask how much time I have remaining?

The CHAIRMAN. The gentleman from Missouri has 2½ minutes remaining.

Mr. VOLKMER. Mr. Chairman, I yield 1 minute to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of the amendment. The issue of diet and the diet of young people and the generally inadequate diet that currently exists in school lunch programs throughout the country is in fact an issue of serious consequence and must be looked at in a serious and comprehensive way.

My understanding is, in fact, that is what the proper subcommittee is going to be doing. When the gentleman talks about freedom of choice, that is exactly what the issue is, the question who has the choice. What the gentleman is saying is that he wants the school districts to be able to ban whole milk for the children. In my State of Vermont, most of the people, the adults, like whole milk. The kids like whole milk. We do not want to see that option banned.

Our feeling is that the kids of America should be allowed the option of choosing whole milk, and that option should not be taken away from them. That is why I strongly support this amendment.

Mr. DURBIN. Mr. Chairman, I reserve my remaining time to close debate. I believe I only have a minute or two remaining, so I would defer to my colleague.

Mr. GUNDERSON. Mr. Chairman, I yield one minute to the distinguished gentleman from California [Mr. CUNNINGHAM], who is a member of the Committee on Education and Labor.

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Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman for yielding the time. I would like to thank both the chairman of the Education and Labor Committee, the gentleman from Michigan [Mr. FORD], and the ranking minority member, the gentleman from Pennsylvania [Mr. GOODLING], and note that all of these Members are members of the Committee on Education and Labor that deals with children.

Is this a great conscience issue? No. As President Clinton said, "It's the economy, stupid." Is this going to change the world any? No; but it is an issue that saves $2 million according to CBO.

My wife is a principal. My children prefer totally nonfat milk. We prefer them to have that. My wife also has a child in her school that is bulimic, and she is required to drink whole milk. This gives her the option, and the family the choice to offer that.

It is an amendment that offers a child a choice of the type of services, not just nonfat, not just 2 percent, not just chocolate, but whole milk. The whole milk mandate would eliminate those choices.

The CHAIRMAN. The Chair will inform the controllers of time that the gentleman from Missouri [Mr. VOLKMER] has 1½ minutes remaining, the gentleman from Illinois [Mr. DURBIN] has 3½ minutes remaining and has the right to close debate, and the gentleman from Wisconsin [Mr. GUNDERSON] has 1 minute remaining.

Mr. VOLKMER. Mr. Chairman, I yield 1 minute to the gentleman from Texas

Mr. STENHOLM. Mr. Chairman, I urge Members to strongly reconsider this appropriations provision to eliminate the requirement that whole milk be offered to students in the National School Lunch Program. And I urge their reconsideration for reasons of public health.

I share the desire to reduce the fat intake of our children to improve their health. But it could be that fat in milk is not the culprit. I would like you to consider the scientific evidence that whole milk may actually be an essential source of nutrients that are important to the long-term heart healthy goals we all seek.

Dr. David McCarron of the Institute for Nutrition and Cardiovascular Research at the Oregon Health Sciences University has shared some very interesting data with me. The Framingham family study reported 2 years ago at the American Heart Association meetings and published last year in the Journal of the American Medical Association identified milk consumption as the most important predictor of lower blood pressures in 3- to 5-year-old children. Earlier reports from a multicenter study in the Southeast demonstrated that fluid milk intake was the nutritional factor that accounted for the blood pressure differences between white teenage girls and their African-American counterparts. One might argue that these nutritional benefits of milk will remain even if we consume low- or non-fat milk. Not true. Other scientific studies have specifically identified the fat components of milk as being essential for these cardiovascular benefits.

Whole milk needs to be retained in the school lunch program for the health of our youngsters. We should not be embarking on a change in the foods our children eat when the published scientific data supports just the opposite.

Mr. GUNDERSON. Mr. Chairman, I yield myself my remaining 1 minute.

Mr. Chairman, I want to make two points in the close of this debate. We can get in all kinds of side debates, but there are really two issues here.

Present law requires that schools offer whole milk and low-fat milk. We think that is proper. We think that ought to remain in effect.

Second, if you want to get at the issue of fat content in school lunches, and it is a legitimate issue, probably there are other parts of the dairy diet that we ought to be eliminating, not the milk. But also, the Committee on Education and Labor could do this next year in the second session of this Congress. Next year if in the agriculture appropriation bill the Education Committee has not done its job, then do this to us. But for gosh sakes, give the authorizing committee the chance to work out the negotiations that are already underway to try to reach an agreement on both sides of this issue.

If Members are for an authorizing committee, if they are for choice, vote "yes" on this amendment.

Mr. VOLKMER. Mr. Chairman, I yield my remaining 30 seconds to the gentleman from Wisconsin [Mr. OBEY], who is a cosponsor of the amendment.

Mr. OBEY. Mr. Chairman, I think kids ought to drink low-fat milk, but some will not drink any at all if they are not offered a choice. The issue is very simply whether kids will have a choice or whether they will not.

Without this amendment, they will not have it. I urge Members to vote for the amendment.

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have worked in and around legislative bodies for many years, and this debate is a good indication of what usually happens. In a bill spending some $70 billion with many complex issues, we find the level of interest and participation really high on things we understand, like drinking milk. And so as parents, as those who work with school districts, and as those concerned about our kids, we come together in a debate, which I think has been interesting, and I think is also very important.

It is true that the present law does not force fluid whole milk on children, but it does force fluid whole milk on school districts, which was the point my school nutritionist was making. Why do you mandate our school districts such as Liberty, IL, buy a product that we do not think is the healthiest product to serve our kids? And that is why this language is in the bill.

I have heard a lot of things said about the appetites of kids and their taste, and if they grow up with fluid whole milk at home they will want it at school. The nutritionists will know that. The people running the school lunch program will know that. If they are conscientious men and women, they will provide the milk that the kids will drink, and if they are not drinking it, they will ask why.

There is one thing that has been kind of lurking in this debate that I find curious. There seems to be a suggestion here, primarily from people about my age or older, that kids need more fat in their diet. I would like to find any nutritionist in America who agrees with that premise. My kids, like every kid, are going to be exposed to more sources of fat in their diet than they know what to do with. We now know from a nutritional viewpoint, and from a health viewpoint, we should start off early suggesting to them to reduce the fat content in their diet.

Then there is this interesting provision where people say, now if this Durbin amendment, the one in the committee bill goes through, it is going to cost us $2 million. Follow me for a minute here, folks. Do you know why it is going to cost $2 million? Because the butterfat that you are not squeezing down the throats of kids is going to turn into butter that is purchased as part of price supports through the Commodity Credit Corporation, and that is going to cost us $2 million. I agree with that, but I think healthier kids are worth $2 million, and I think it is basically sensible for us to say to the school districts, you pick out what is most nutritious for our kids.

So many of our conservative Members, and my friend, JOHN MYERS, who is a true conservative, have stood up and said let the decision be made at the local level. But a lot of other Members have taken the microphone this evening and said no, we know better in Washington or the dairy industry knows better. We will tell you what kids really want.

I think what kids really want are adults who are thoughtful and will make choices to help them grow up and be healthy and strong.

If you listen to this debate, I am afraid we have a pure generational break here. A lot of younger folks and a lot of folks in support of nutrition would find an awful lot of the elements of this debate very humorous.

Mr. POMEROY. Mr. Chairman, I rise today in support of H.R. 2493, the Agriculture appropriations for fiscal year 1994 bill. In keeping with our commitment to reduce the deficit, mandatory spending in this package is $6.5 billion less than the amount requested by the administration and $160 million less than the amount requested by the administration in discretionary spending.

Much has already been said about the contents of this Agriculture appropriations package—what it will do and whom it will serve. Sixty cents of every dollar in this budget goes to domestic food assistance programs. The committee, in keeping with the administration's commitment to assist the less fortunate, has increased high priority programs, while making deep cuts in many other areas.

While the domestic feeding assistance, Forest Service, foreign food aid areas of this agriculture appropriations bill are worthy and necessary components of this legislation, I would like to stress that it is the agriculture part of this Agriculture appropriations bill that deserves the applause.

As the Representative at Large from North Dakota, a State known for its contribution to agriculture, I would like to highlight some facts about agriculture that are rarely understood by the majority of Americans.

Agriculture is the largest single sector of the American economy—comprising 18 percent of our economy—despite the fact that only 2 percent of our population is directly engaged in farming. Agriculture creates tidal waves of robust economic growth throughout many other sectors of the economy—food merchandising, rail, road and water transportation of commodities, value-added processing, farm equipment and machinery production and merchandising, distributing, inputs and equipping processing, transportation, merchandising—all of which let our main street stores stay open—not just in the agricultural Midwest, but in every city and town in this country. Twenty million American workers are employed due to agriculture.

I urge my colleagues to vote in favor of H.R. 2493, not just H.R. 2493, the Agriculture appropriations bill, but H.R. 2493, the Agriculture jobs bill.

Ms. DELAURO. Mr. Chairman, I rise in opposition to the Fawell amendment. This amendment would eliminate millions of dollars in research grants that are designed to improve agriculture, expand our knowledge about human health and nutrition, and protect consumers.

Mr. FAWELL argues that these grants are not authorized. That is not the case. These grants are authorized under Federal law and the research is carried out by the agricultural experiment stations of the 50 States, and by approved schools of forestry, land-grant colleges, and other eligible institutions.

I would like to take a moment to tell my colleagues about the process surrounding the Cooperative State Research Grants Program. Two points should be made to begin with. First, the amount made available for special research grants is $23 million less this year than in last year's bill. Second, those grants in the program that the committee chose to continue to fund were level-funded—there were no increases.

That is proof of the chairman's commitment to ensure that the grants funded under this program truly deserve funding and that the program is handled with real fiscal restraint.

I can tell you that when I asked the chairman and the committee for consideration of a program in Connecticut that would provide $50,000—a very modest grant—for research into the cultivation of a shrub that produces the anticancer drug taxol it was no pro forma process. Mr. DURBIN insisted that an application be filed, that detailed supporting documents be submitted, and that letters of support be included. Then, and only then, was this project seriously considered.

This project will look into the possibility of cultivating taxol commercially. All information gained by the research will be public, and the result could well be both a new crop for sustainable agriculture and an inexpensive source of a vital anticancer drug.

This taxol project, and the other research projects in this program, are solid scientific efforts that undertake important research which might otherwise not be done. The committee has handled the funding of these grants with great care and scrutiny. I urge Members to support these grants and the excellent work they do, and opposed the Fawell amendment.

Mr. REED. Mr. Chairman, I rise in opposition to the Fawell/Penny amendment to eliminate funding for specific research projects and facilities contained in the Cooperative State Research Service [CSRS] special research grants section.

During these difficult budget times, it is tempting to support efforts to reduce Federal spending. I have supported such efforts in the past and I will continue to do so where it makes sound policy sense. It does not make sense, however, to eliminate research programs and facilities that will help us to understand and preserve our coastal environment. Increased development and population pressures on our coastal resources stress the need for expanding coastal programs to address these needs.

These types of investments are not only investments in our future, they are also direct investments in our communities. In Rhode Island alone, our fishing industry, beaches, and navigable waters serve as a backbone to our State's economy. Looking beyond Rhode Island, initiatives such as the Coastal Institute will assist the U.S. aquaculture industry which is lagging behind the rest of the world. This multibillion-dollar industry can be important to the Nation's general economy and to the rural communities in which it is typically located.

The Congress has long recognized the unique contributions that the land-grant university system makes to our Nation. Individual State universities make contributions in research and teaching which extend well beyond State boundaries. Many of the issues debated in Congress, such as wetlands and coastal policy, aquaculture, and the export of environmental technology can only be resolved with the research which will be provided by the Coastal Institute and other similar initiatives.

Initiatives such as the Coastal Institute represent an investment in our environment, our communities, and in our Nation's international competitiveness.

The citizens of Rhode Island, who are still struggling to lift themselves out of a devastating recession, have clearly demonstrated their support for the Coastal Institute On Narragansett Bay by providing $12.6 million in bonding authority toward this effort. Congress has already provided $2.85 million toward this project.

I urge my colleagues to vote against the Fawell/Penny amendment.

Mr. ENGEL. Mr. Chairman, I rise today in support of the Agriculture appropriations bill and in opposition to the Fawell amendment. This bill includes $37.8 million in funding to the Cooperative State Research Services Building and Facilities Program. This program provides funding to build scientific facilities around the country. One facility that has received funding, the New York Botanical Gardens in the Bronx, is a leading research center for horticulture and botany. The botanical garden offers research facilities to scientists from around the United States and the World to benefit humanity.

The Bronx botanical garden is a beautiful facility used by the general public. In addition to the beautiful parks and observatory, educational programs are offered to teach children and adults about the environment and earth sciences.

This program is essential. It is one of the few resources available to the free standing scientific community to acquire the necessary facilities. It is not pork barrel spending. The funding for these projects is granted on a merit basis and is subject to competitive reviews by scientific colleagues. The projects themselves are evaluated by a governmental review process, the results of which are reported back to Congress. The New York Botanical Garden has recently received a favorable review. It would be a travesty to cut off successful programs with proven results that emphasize research and education and play such significant roles in our communities.

Mr. Chairman, I urge my colleagues to vote against the Fawell amendment.

Mr. FARR. Mr. Chairman, I rise in support of the Durbin amendment and would like to take this opportunity to briefly comment on the merits of the Market Promotion Program [MPP]. As my colleagues know, the primary objective of this cost-sharing program is foreign market development for U.S. agricultural products. This program, which has been operating for 7 years, has been touted as the most effective of all the agricultural export promotion programs at a relatively small price. Even conservative estimates by the U.S. Department of Agriculture show that from 1986 to 1988, U.S. agricultural exports attributable to MPP rose from $2 to $7 for each dollar funded.

The Market Promotion Program is not only cost effective but a proven success. The program has helped expand U.S. exports of high-value agricultural products which have nearly doubled since the program began. High-value products constitute the fastest-growing component of the world's agricultural trade and by the end of this century are expected to represent at least three-quarters of world trade. More than 80 percent of MPP funding is targeted toward building exports of high-value products.

Also, the program has helped create nearly $2.2 billion in increased economic activity and generated an estimated 1,062,000 full-time jobs, including 632,000 jobs in the non-farm sector. Available funds have been matched by producers. Reducing or eliminating MPP will make it more difficult to compete in the international marketplace and result in the loss of jobs. The MPP helps counter unfair trade practices and subsidized foreign competition, especially by the European Community which spends billions to protect and increase its market share. Reduced export demand could also trigger higher outlays under various farm programs to protect farm income.

The USDA has worked hard to institute a number of management changes in the past year to make sure that the MPP is operated effectively and efficiently. USDA's Foreign Agriculture Service [FAS] has put in place a new allocation to target MPP funds to where they will get the most for their money and phase out programs that are not as cost effective.

I want to cite a couple of examples from my home State of California as to how effective this program has been. For avocadoes, the primary export market is Japan where avocados were virtually unknown prior to the start of the California Avocado Commission's program with the USDA. With the aid of MPP, they have increased their shipments to Japan by 190 percent from last year. MPP builds in-country partnership and provides a strong foundation for long-term business.

The California wine industry has been able to penetrate foreign markets despite significant trade barriers. Since the inception of the MPP program in 1986, sales have increased 325 percent in volume. An astounding 103 wineries were active in the 1991 program. Wineries that export have increased to 135 from 26 in 1986.

In sum, the MPP has helped open new export markets, expanded U.S. agricultural exports, countered unfair foreign competition, supported farm income, increased jobs, and increased interest in export opportunities for new companies and products. I urge my colleagues to continue to support this vital agricultural program.

Mrs. THURMAN. Mr. Chairman, I rise in opposition to this amendment.

The Cooperative State Research Service funds a number of special research grants that benefit all Americans. One is the pesticide clearance [IR–4] program, for which $6,750,000 is included in this bill. The IR–4 program works with growers and agrichemical companies to coordinate the submission of registration of pesticides to EPA.

This project between USDA, EPA, State agricultural experiment stations, growers, and agrichemical companies is especially important to Florida growers. Most Florida farm products, including citrus, are considered minor crops under the law. Obtaining EPA approval for pesticides to be utilized on minor crops has been difficult over the years. Today, we have a backlog of applications for products to protect crops from disease and pests. Many of these chemicals, which will help ensure safe, wholesome, and nutritious fruits and vegetables, will be unavailable for application to minor crops without the support of the IR–4 program.

Commissioner Bob Crawford, of the Florida Department of Agriculture and Consumer Services, supports the IR–4 program, and I concur with his assessment for the need to continue this funding, which incidentally is more than $3 million below the fiscal year 1994 request.

Another grant within the Cooperative State Research Service concerns the $3,320,000 for tropical and subtropical research. This program, which first was authorized in the Food for Peace Act of 1966, has been developing strategies that enhance tropical agricultural systems by finding new foods and markets for tropical agricultural products and improving food quality and safety for people in the tropics.

I am proud of the work that the University of Florida's Institute of Food and Agricultural Sciences [IFAS] and its collaborators in Guam, Hawaii, Puerto Rico, and the Virgin Islands has done over the years in meeting real-world challenges that face American communities in the Caribbean and Pacific. The list of successes resulting from this research range from heat-tolerant tomatoes to virus-resistant papayas and melons.

Now, the efficient production of citrus could be threatened by the introduction of severe new strains of citrus tristeza virus that could affect sour orange rootstock. I urged the committee to address this concern, and I am pleased that the report specifically mentions research on this virus. However, if this amendment is adopted, this research may not move forward.

Mr. Chairman, I have another reason for supporting tropical and subtropical research and for opposing this amendment. If by chance the North American Free-Trade Agreement [NAFTA] should be approved, we can expect a flood of agricultural products from Mexico. American consumers will demand that this produce be safe and that agricultural pests and infestations kept to a minimum.

I fear that a reduction in tropical and subtropical research may put us in a health and safety disadvantage vis-a-vis agricultural products that may come from the tropical regions of Mexico.

Under these circumstances, I cannot support the Penny-Fawell amendment.

Mr. COMBEST. Mr. Chairman, as other members of the Agriculture Committee have expressed today, I, too, am concerned about authorizing language that is contained in this agricultural appropriations bill. It is an improper use of the appropriations process, and it is bad policy.

First, this bill seeks to eliminate the Rural Development Administration. New Members need to understand the history of RDA and that the House Appropriations Committee attempted to kill it in its fiscal year 1992 spending bill. At that time, the House wisely chose not to eliminate this agency that was created by the 1990 farm bill. Members need to know this new agency represents no new money; it is budget neutral, and actually, as I will point out later, will save money.

Now, the Committee on Appropriations indicates that RDA adds a layer of bureaucracy. Nothing could be more wrong, and in fact, Secretary Edward Madigan planned a consolidation of Federal economic development within State area offices prior to leaving office. Of course, Secretary Espy's recommendations have not been forwarded to the Congress, but I understand they will be coming sometime later this summer or early fall. As a member of the Committee on Agriculture, Mr. Espy was very supportive of RDA.

I should point out that the Office of Management and Budget, in opposing the committee's provision, indicates that fully funding RDA would allow for closing of FmHA district offices and quoting from a letter from Leon Panetta to Chairman NATCHER full funding would "eliminate the duplication of field structures that currently exists because the RDA has not been fully funded."

The regional offices are a focal point for economic development; to be sure, they are not business as usual. Rural areas have changed. The Federal bureaucracy, some rural interest groups, and the Appropriations Committees would be better off if they understood that. RDA will allow all rural citizens to participate in development, not just a select few.

Mr. Chairman, rural areas, especially those dependent on agriculture, need economic development. The Farmers Home Administration indicates that 60 percent of its borrowers need off-farm income to qualify for loans; 54 percent of farmers and ranchers who borrow from the cooperative Farm Credit System need off-farm income to support themselves and their families.

A separate agency devoted entirely to rural economic development is logical, efficient, and vitally important to rural Americans. A separate agency, the Farmers Home Administration, devoted almost exclusively to lending to farmers can better serve American agriculture—making better loans and servicing them properly. That's good for farmers and American taxpayers.

A second matter of concern is the committee's approach on crop insurance. In opposing this provision, none of us on the Agriculture Committee is saying the multi-peril crop insurance program does not need more reforms. We are saying that for all its inadequacies it is a risk management tool that farmers can take to the bank. In fact, lenders want to see farmers using crop insurance. It makes a better crop loan.

The Appropriations Committee's approach, however, makes a county by county reduction in the availability of multi-peril crop insurance if an area has a loss ratio of greater than 1.1 for 70 percent of the time the program has been available in a county. On the face of it, it appears to be sound policy: the committee seems to be saying let's quit subsidizing producers who are obviously farming the system. But what about producers whose individual production histories are better than the arbitrary cutoff the committee has written in to the bill? They no longer will have crop insurance available.

Not only that, the Secretary of Agriculture would be required to make certain disaster payments to producers who cannot buy crop insurance. This is unsound policy and obviously has not been thought out by our friends on the Appropriations Committee. OMB Director Leon Panetta corroborates my statement. Triggering mandatory disaster assistance would result in an estimated $75 million in payments to producers who could not get crop insurance as a result of this provision. That means this provision creates additional spending of $50 million.

Mr. Chairman, the authorizing committees continue to work on reform of crop insurance. Legislation is contained in both budget bills. Reform amendments were included in the 1990 farm bill. Better tracking of participants, a more rational approach to yield histories, better pricing policies will make this a better product for producers and sound Federal farm policy.

Ms. WOOLSEY. Mr. Speaker, I rise today in strong opposition to Representative ARMEY's amendment to H.R. 2493 to eliminate funding for the Market Promotion Program.

The district I represent, Marin and Sonoma Counties in California, is famous worldwide for its excellent wines. The Market Promotion Program [MPP] has enabled the wines of my district and all of California to successfully compete in the international market.

Although California's wines are competitively priced and are of the highest quality, they cannot survive in the world market without MPP due to unfair trade barriers and other disadvantages. The European Community is heavily subsidized through export refunds and domestic price support programs that allow European Community wine producers to lower costs and absorb high tariffs. However, the wine industry receives no production subsidies from the U.S. Government. MPP is not a subsidy—it is a program aimed at making U.S. exports successful in international markets.

With the help of MPP, wine export sales grew from $27 million in 1985 to $175 million in 1992. Clearly, this shows that MPP is a proven success and is crucial to the future well-being of our growing wine industry.

Mr. Chairman, I strongly urge my colleagues to vote no on the Armey amendment.

Ms. WOOLSEY. Mr. Speaker, I rise today in strong opposition to Representative ARMEY'S amendment to H.R. 2493 to eliminate funding for the Market Promotion Program.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Missouri [Mr. VOLKMER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GUNDERSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 292, noes 137, not voting 10, as follows:

[Roll No. 295]

AYES—292

Ackerman
Allard
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Boehner
Bonilla
Bonior
Borski
Brewster
Brooks
Brown (OH)
Bryant
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Cantwell
Chapman
Clay
Clayton
Clinger
Clyburn
Coble
Collins (GA)
Collins (MI)
Combest
Cooper
Cox
Cramer
Crane
Cunningham
Danner
de la Garza
de Lugo (VI)
Dellums
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Dooley
Dornan
Dreier
Duncan
Dunn
Edwards (CA)
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Fish
Flake
Ford (MI)
Fowler
Frost
Gallegly
Gekas
Geren
Gilman
Gingrich
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grandy
Green
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Hayes
Hefner
Herger
Hilliard
Hinchey
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inhofe
Inslee
Istook
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kasich
Kildee
Kim
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kyl
Lancaster
LaRocco
Leach
Lehman
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Machtley
Manton
Manzullo
Martinez
Mazzoli
McCloskey
McCrery
McDade
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Menendez
Meyers
Mfume
Mica
Miller (FL)
Mink
Molinari
Mollohan
Montgomery
Moorhead
Murphy
Murtha
Nadler
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Oxley
Packard
Pallone
Parker
Paxon
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Rangel
Ravenel
Regula
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
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Smith (TX)
Snowe
Solomon
Spence
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Stenholm
Strickland
Stump
Stupak
Sundquist
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Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
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Towns
Traficant
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Velazquez
Volkmer
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Walker
Walsh
Washington
Watt
Weldon
Wheat
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Zeliff

NOES—137

Abercrombie
Andrews (ME)
Archer
Armey
Bachus (AL)
Barlow
Becerra
Beilenson
Berman
Boucher
Browder
Brown (FL)
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Canady
Cardin
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Castle
Clement
Coleman
Collins (IL)
Condit
Coppersmith
Costello
Coyne
Crapo
Darden
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DeLauro
DeLay
Derrick
Dicks
Doolittle
Durbin
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English (AZ)
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Fawell
Fingerhut
Foglietta
Ford (TN)
Frank (MA)
Franks (CT)
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Jacobs
Johnson, Sam
Kaptur
Kennedy
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Lewis (GA)
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Scott
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Shays
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Slattery
Smith (IA)
Spratt
Stark
Stokes
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Synar
Torricelli
Underwood (GU)
Unsoeld
Vento
Visclosky
Waters
Waxman
Whitten
Wyden
Yates
Zimmer

NOT VOTING—10

Blute
Brown (CA)
Conyers
DeFazio
Henry
McMillan
Santorum
Skeen
Torres
Young (FL)

☐ 1926

Mr. KLEIN, Mr. MORAN, and Mrs. LOWEY changed their vote from "aye" to "no."

Ms WOOLSEY, Ms. VELAZQUEZ, and Messrs. PETERSON of Florida, BILBRAY, PALLONE, SERRANO, and SAXTON changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. If there are no further amendents to title IV of the bill, the Clerk will read title V.

Mr. DURBIN. Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The text of title V is as follows:

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $128,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $117,812,000: *Provided*, That this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That in addition, funds available to the Department of Agriculture shall be available to assist an international organization in meeting the costs, including salaries, fringe benefits and other associated costs, related to the employment by the organization of Federal personnel that may transfer to the organization under the provisions of 5 U.S.C. 3581-3584, or of other well-qualified United States citizens, for the performance of activities that contribute to increased understanding of international agricultural issues, with transfer of funds for this purpose from one appropriation to another or to a single account authorized, such funds remaining available until expended: *Provided further*, That the Office may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392).

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

GENERAL SALES MANAGER

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the office of the General Sales Manager, $9,158,000, of which $4,866,000 may be transferred from Commodity Credit Corporation funds, $2,792,000 may be transferred from the Commodity Credit Corporation Program Account in this Act, and $1,500,000 may be transferred from the Public Law 480 Program Account in this Act. The General Sales Manager shall obtain, assimilate, and analyze all available information on developments related to private sales, as well as those funded by the Corporation, including grade and quality as sold and as delivered, including information relating to the effectiveness of greater reliance by the General Sales Manager upon loan guarantees as contrasted to direct loans for financing commercial export sales of agricultural commodities out of private stocks on credit terms, as provided in title I and II of the Agricultural Trade Act of 1978, Public Law 95-501, and shall submit quarterly reports to the appropriate committees of Congress concerning such developments.

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

PUBLIC LAW 480 PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701-1715, 1721-1726, 1727-1727f, 1731-1736g), as follows: (1) $450,446,000 for Public Law 480 title I credit, including Food for Progress credit; (2) $45,927,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985, as amended; (3) $821,570,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) $280,083,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: *Provided*, That not to exceed 10 per centum of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: *Provided further*, That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended, and the Food for Progress Act of 1985, as amended, including the cost of modifying credit agreements under said Act, $346,889,000.

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, as amended, to the extent funds appropriated for Public Law 480 are utilized, $2,536,000.

SHORT-TERM EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $5,000,000,000 in credit guarantees under its export credit guarantee program for short-term credit extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).

INTERMEDIATE EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $500,000,000 in credit guarantees under its export guarantee program for intermediate-term credit extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 211(b)(2) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).

EMERGING DEMOCRACIES EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $200,000,000 in credit guarantees under its Export Guarantee Program for credit expended to finance the export sales of United States agricultural commodities and the products thereof to emerging democracies, as authorized by section 1542 of Public Law 101-624 (7 U.S.C. 5622 note).

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out CCC's Export Guarantee Program, GSM 102 and GSM 103, $3,381,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which not to exceed $2,792,000 may be transferred to and merged with the appropriation for the salaries and expenses of the General Sales Manager, and of which not to exceed $589,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Agricultural Stabilization and Conservation Service.

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)

LIMITATION ON EXPENSES

For payments in foreign currencies owed to or owned by the United States for research activities authorized by section 104(c)(7) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(c)(7)), not to exceed $1,062,000: *Provided*, That not to exceed $25,000 of these funds shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), as amended by 5 U.S.C. 3109.

The CHAIRMAN. Are there points of order against title V?

If not, are there amendments to title V?

AMENDMENT OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KASICH: Page 66, line 11, strike "$346,889,000" and insert "$317,800,000".

Mr. KASICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

□ 1930

Mr. KASICH. Mr. Chairman, I come to the floor with an amendment that again draws attention to a problem that we have had in this Congress for a long time, but frankly you get tired of talking about it because we never seem to get anything done about it. We are back to foreign aid one more time.

I want to tell you, you might recall earlier this year I came with an amendment on the Agency for International Development that has been running programs that have not met with success. There have been failures. There have been great difficulties with that program. I want it to be restructured. I want it to be fixed. I want it to work.

We did not win that amendment down here, although we made some progress in that area, still not where we want to be.

I came back about 2 weeks ago with an amendment on the World Bank. Almost 37.5 percent of their projects have been deemed failures by their own internal audits. Their programs are being opposed by virtually every environmental group in this country.

Now, Mr. Chairman, I am back here today to talk about the Public Law 480 program, a law that was designed initially to alleviate world hunger in times of disaster and famine. It is a program that has value, obviously, but we also have in the first section of this program an opportunity for countries to be given very low interest loans for purposes of buying our agricultural products. It sounds like it is a good idea, but I want to tell you, it has really missed the course of action that it was intended to achieve.

Let me explain basically what this Public Law 480 program is doing. The gentleman from Illinois [Mr. DURBIN] has graciously agreed to cooperate in terms of what I want to do to fix this program, but let me explain to you what we do under Public Law 480.

Do you know that we are making low interest loans to El Salvador and we ship nonfat dried milk to El Salvador and we destroy their domestic industry, so when El Salvador wants to ship products out of their country in order to raise their standard of living, they cannot do it because we have destroyed their domestic marketplace, believe it or not, by shipping our products into their country with low interest loans, and we have been destroying that part of their economy.

In Egypt the same thing happens. For those who look at what happens in Egypt, bread is a big deal in Egypt. We send all this wheat over there to Egypt at these very low prices and we destroy their domestic operation so that they cannot ever get themselves in a position of stability based on some exports because we send our stuff in and destroy their domestic economy. It just does not make any sense.

Now in El Salvador as of May 14, 1993, we are sending things in there right now that are destroying part of their domestic economy. We send in there right now oil seed which destroys their ability to have an effective oil seed domestic industry and they go out of business and they cannot export.

But this is what I really want to read to you today, because as you all know, we have been engaged in a very terrible dilemma for the United States in the world. When you think about the people over there in Somalia, do you realize that Somalia can be placed on the list of a country that has had its domestic agricultural production destroyed by cheap food exports from our country?

Let me just read a little bit out of the New York Times of January 13, 1993. It talks about a lady who has corn stacked in barrels, corn stacked in sacks, corn to be tossed away as chicken feed. This lady in Somalia was producing a bountiful harvest of corn 4 months ago.

Now, listen to this, but when she took her crop to the market she found that the infusion of food from relief agencies was cutting demand. With food prices falling in a bottomless tumble, no merchant wanted to risk buying her corn and then seeing the prices plummet still lower. Piles of corn already gone bad that had been thrown on a tarpaulin for chicken feed, this is a paradox of famine and famine relief.

Listen to this. The international charity that stops starvation eventually can become a problem in itself, threatening to destroy what little remains of the local farm economy, and it goes on and on about the fact that our exports are destroying their economy.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. KASICH] has expired.

Mr. KASICH. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. THOMAS of California. Reserving the right to object, Mr. Chairman, is the gentleman trying to make the point that we should allow a free agricultural market in Somalia, when in fact food was used as a weapon and denied to people, and the food that we brought in was an attempt to break that food control weapon and that the gentleman would have preferred to see a free market in agriculture in Somalia, is that the point the gentleman is trying to make?

Mr. KASICH. I would respond to the gentleman, the point I am trying to make is that we create a situation that violates our own policy under Public Law 480.

You see, there is supposed to be a determination made that food aid will not create disincentives to local food production.

Mr. THOMAS of California. Continuing my reservation, Mr. Chairman, if the gentleman is going to use his 3 minutes to indicate that the humanitarian food aid to Somalia disrupted the local market and therefore we should not have done it, I may be constrained to object.

Mr. KASICH. Let me say to the gentleman, of course I am not suggesting that we not send food around the world in times of natural disaster, but our policy has got to be carefully devised so that in the process of making low credits available to foreign governments that we did not encourage them to export so many goods that we begin to destroy their markets.

Mr. THOMAS of California. Could the gentleman make his point in 2 minutes?

Mr. KASICH. I certainly could.

The CHAIRMAN. Without objection, the gentleman from Ohio [Mr. KASICH] may proceed for 3 additional minutes, one of which he has already consumed. He has 2 additional minutes.

There was no objection.

Mr. KASICH. So what I am suggesting, and I have reached some agreement with the gentleman from Illinois, is that we send a letter to the Department of Agriculture and we make the case that we abide by the law and that our food aid will not create disincentives to local food production, and that we do not destroy domestic economies in El Salvador, in Somalia, in Egypt, or in any country around the world.

Obviously, Public Law 480 is a viable program, but it has got to be used to guarantee that we help people in times of crisis.

And second, that it is compatible with their ability to help themselves.

I am willing to withdraw this amendment for purposes of writing to the Secretary of Agriculture and trying to make Public Law 480 work as it was intended.

We do not want to get people on a foreign aid fix where they cannot begin to develop their own economies.

I know that the distinguished chairman of the Committee on Agriculture shares a lot of the concern I have on this program, as he commented last year on the amendment that Congressman MILLER and I offered, but we have got to get serious about making foreign aid work the way it is intended to. We just cannot seem to get it done here, and perhaps this letter to Secretary Espy would be a step in the right direction.

Mr. DURBIN. Mr. Chairman, will the gentleman yield? .

Mr. KASICH. I am glad to yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I would just say that I believe the gentleman from Ohio has raised a valid point. I think we should follow through and I am going to encourage the minority leadership on the subcommittee to join me with the gentleman from Ohio and send a letter not only to Secretary Espy, but also to the Department of State to try to determine whether or no our policy is consistent with making certain that there is an indigenous agricultural sector left behind after we have provided humanitarian relief.

Mr. KASICH. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Ohio [Mr. KASICH] is withdrawn.

Are there further amendments to title V?

The Clerk will read.

The Clerk read as follows:

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; $867,339,000, of which not to exceed $54,000,000 in fees pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act may be credited to this approriation and remain available until expended: *Provided*, That fees derived from applications received during fiscal year 1994 shall be subject to the fiscal year 1994 limitation: *Provided further*, That none of these funds shall be used to develop, establish, or operate any program of user fees autorized by 31 U.S.C. 9701: *Provided further*, That none of the funds in this Act may be used to pay for expenses of the Board of Experts on Tea.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $8,350,000, to remain available untl expended (7 U.S.C. 2209b): *Provided*, That the Food and Drug Administration may accept donated land in Montgomery and/or Prince George's Counties, Maryland.

RENTAL PAYMENTS (FDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313 for programs an activities of the Food and Drug Administration which are included in this Act, $48,575,000, of which $15,000,000 shall be retained by the Food and Drug Administration for repairs, improvements, and non-recurring repairs as determined by Food and Drug Administration: *Provided*, That in the event the Food and Drug Administration should require modification of space needs, a share of the salaries and expenses appropriation may be transferred to this appropriation, or a share of this appropriation may be transferred to the salaries and expenses appropriation, but such transfers shall not exceed 5 per centum of the funds made available for rental payment (FDA) to or from this account.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

For necessary payments to the Farm Credit System Financial Assistance Corporation by the Secretary of the Treasury, as authorized by section 6.28(c) of the Farm Credit Act of 1971, as amended, for reimbursement of interest expenses incurred by the Financial Assistance Corporation on obligations issued through 1993, as authorized, $62,696,000.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles, the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not exceed $25,000 for employment under 5 U.S.C. 3109; $47,485,000, including not to exceed $700 for official reception and representation expenses.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $40,426,000 (from assessments collected from farm credit institutions and from the Federal Agricultural Mortgage Corporation) shall be obligated during the current fiscal year for administrative expenses as authorized under 12 U.S.C. 2249.

Mr. DURBIN (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there points of order to title VI of the bill?

Are there amendments to title VI?

The Clerk will read.

The Clerk read as follows:

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1994 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 657 passenger motor vehicles, of which 653 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902).

SEC. 703. Not less than $1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954, and (7 U.S.C. 427, 1621–1629), and by chapter 63 of title 31, United States Code, shall be available for contracting in accordance with said Acts and chapter.

SEC. 704. No part of the funds contained in this Act may be used to make production or other payments to a person, persons, or corporations upon a final finding by court of competent jurisdiction that such party is guilty of growing, cultivating, harvesting, processing or storing marijuana, or other such prohibited drug-producing plants on any part of lands owned or controlled by such persons or corporations.

SEC. 705. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $2,000,000: *Provided*, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 706. New obligational authority provided for the following appropriation items in this Act shall remain available until expended (7 U.S.C. 2209b): Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, and Integrated Systems Acquisition Project; Agricultural Stabilization and Conservation Service, salaries and expenses funds made available to county committees; Foreign Agricultural Service, Middle-Income Country Training Program; higher education graduate fellowships grants under section 1417(b)(6) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(6)); and capacity building grants to colleges eligible to receive funds under the Act of August 30, 1890, including Tuskegee University.

New obligational authority for the Boll Weevil Program; up to 10 per centum of the Screwworm Program of the Animal and Plant Health Inspection Service; funds appropriated for Rental Payments; and higher education minority scholars programs under section 1417(b)(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(5)) shall remain available until expended.

SEC. 707. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 708. Not to exceed $50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94–449.

SEC. 709. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 per centum of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 710. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. 711. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of space rental and related costs in excess of the amounts specified in this Act; nor shall this or any other provision of law require a reduction in the level of rental space or services below that of fiscal year 1993 or prohibit an expansion of rental space or services with the use of funds otherwise appropriated in this Act. Further, no agency of the Department of Agriculture, from funds otherwise available, shall reimburse the General Services Administration for payment of space rental and related costs provided to such agency at a percentage rate which is greater than is available in the case of funds appropriated in this Act.

SEC. 712. None of the funds provided in this Act may be used to reduce programs by establishing an end-of-year employment ceiling on full-time equivalent staff years below the level set herein for the following agencies: Food and Drug Administration, 9,824; Farmers Home Administration, 12,225; Agricultural Stabilization and Conservation Service, 2,550; Rural Electrification Administration, 550; and Soil Conservation Service, 14,177.

SEC. 713. Funds appropriated by this Act shall be applied only to the objects for which appropriations were made except as otherwise provided by law, as required by 31 U.S.C. 1301.

SEC. 714. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 715. None of the funds provided in this Act may be expended to release information acquired from any handler under the Agricultural Marketing Agreement Act of 1937, as amended: *Provided*, That this provision shall not prohibit the release of information to other Federal agencies for enforcement purposes: *Provided further*, That this provision shall not prohibit the release of aggregate statistical data used in formulating regulations pursuant to the Agricultural Marketing Agreement Act of 1937, as amended: *Provided further*, That this provision shall not prohibit the release of information submitted by milk handlers.

SEC. 716. Unless otherwise provided in this Act, none of the funds appropriated or otherwise made available in this Act may be used by the Farmers Home Administration to employ or otherwise contract with private debt collection agencies to collect delinquent payments from Farmers Home Administration borrowers.

SEC. 717. None of the funds in this Act, or otherwise made available by this Act, shall be used to sell loans made by the Agricultural Credit Insurance Fund. Further, Rural Development Insurance Fund loans offered for sale in fiscal year 1994 shall be first offered to the borrowers for prepayment.

SEC. 718. None of the funds in this Act may be used to establish any new office, organization, or center for which funds have not been provided in advance in Appropriations Acts, except the Department may carry out planning activities.

SEC. 719. None of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research Service that exceed 14 per centum of total Federal funds provided under each award.

SEC. 720. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal years 1992, 1993, and 1994 shall remain available until expended to cover obligations made in fiscal years 1992, 1993, and 1994 for the following accounts: Rural Development Insurance Fund Program Account; the Rural Telephone Bank Program Account; the Rural Electrification and Telephone Loans Program Account; and the Rural Economic Development Loans Program Account.

SEC. 721. Notwithstanding any other provisions of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 722. Notwithstanding any other provision of this Act, none of the funds in this Act may be used to operate the seven regional offices of the Rural Development Administration after April 1, 1994.

SEC. 723. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries of personnel who carry out a Market Promotion Program pursuant to section 203 (7 U.S.C. 5623) of the Agricultural Trade Act of 1978, with respect to tobacco or if the aggregate amount of funds and/or commodities under such program exceeds $147,734,000.

SEC. 724. None of the funds appropriated or otherwise made available by this Act shall be used to enroll in excess of 50,000 acres in the fiscal year 1994 Wetlands Reserve Program, as authorized by 16 U.S.C. 3837.

SEC. 725. None of the funds appropriated or otherwise made available by this Act shall be used to enroll additional acres in the Conservation Reserve Program authorized by 16 U.S.C. 3831-3845.

SEC. 726. Such sums as may be necessary for fiscal year 1994 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

Mr. DURBIN (during the reading). Mr. Chairman, I ask unanimous consent that title VII of the bill, through page 79, line 3, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there points of order to title VII?

Are there any amendments to title VII?

□ 1940

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 71, after line 18, insert the following new section:

SEC. 701. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c; popularly known as the "Buy American Act").

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, this provision has been accepted and worked out, and this is the buy American compliance. The language has been worked out with both the minority member and the chairman.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, I thank the gentleman from Ohio.

Mr. Chairman, I reviewed this amendment. I am in full agreement with it, and I will accept this amendment.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the distinguished ranking member, the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman from Ohio [Mr. TRAFICANT] for yielding. The gentleman from Ohio has discussed this amendment, as he has other bills, appropriations that have been considered this year. It is the same language, and we accept it.

Mr. TRAFICANT. Mr. Chairman, I yield back the balance of my time.

Mr. SMITH of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wonder if somebody would be kind enough to tell us what this amendment is and what it does.

The CHAIRMAN. Would the gentleman from Ohio [Mr. TRAFICANT] care to explain the amendment?

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Michigan. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, what this amendment says is the funds available under the bill shall comply with the Buy American Act. Anybody that would receive money under here, it is the sense of Congress that they should, in fact, be encouraged to buy American products. That is the encouragement of the U.S. Congress, and, if there is a fraudulent label, in fact this bill says they would not be eligible to bid or to be receiving any grants or assistance under the act this year and would have to come back to the committee.

Mr. SMITH of Michigan. Mr. chairman, I thank the gentleman from Ohio [Mr. TRAFICANT] for that explanation, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARMEY: Page 78, line 17, strike "$147,734,000" and insert "$1".

Mr. ARMEY. Mr. Chairman, my amendment eliminates the $147,734,000 in funds for the market promotion program.

Supporters of the market promotion program tell us its purpose is to promote the sale of American agricultural products abroad. To that end, USDA would spend—in this bill—$147 million of the taxpayer's money to underwrite the advertising expenses of trade associations and big companies. Without the MPP, its supporters argue, these companies would not advertise overseas—costing them exports and American jobs.

A few weeks ago, representatives of an association which receives funds under the MPP came to my office to explain the virtues of the program. They argued, perhaps correctly, that the $1 million in Federal funds generates $60 million in sales overseas—$60 dollars in sales for every dollar in advertising. A good investment. My question to them, and my question to the program's supporters, is why won't they make this same investment if the taxpayer doesn't.

The answer, Mr. Chairman, is that of course they will. Advertising makes common business sense. And why with a $300 billion budget deficit and an increasing tax burden would we pay companies do to what they would otherwise do anyway?

Let us take a look at some recent MPP recipients: Miller Beer, McDonald's, Pillsbury, M&M/Mars, Sunkist, Campbell's Soup. Are we to believe these companies will not advertise without a Federal subsidy?

General Mills, home of the famous Betty Crocker, has an advertising budget of one-half of a billion dollars. McDonald's, another MPP recipient, has an advertising budget of three-quarters of a billion dollars.

I am not here today to attack big business. But I cannot justify to my constituents taking their hard-earned money for corporate welfare.

Now I know Members do not want to vote for my amendment. I'm sure they've received letters and phone calls from these companies who feel strongly about not having their handout taken away. But, Mr. Chairman, I wonder about our commitment to deficit reduction if we cannot take Betty Crocker, Ronald McDonald, and Pillsbury Dough Boy off the dole.

Mr. Chairman, Betty Crocker can get by without a Federal handout. General Mills will continue to export and continue to advertise when it makes good business sense. And the taxpayers can save $147 million.

I urge my colleagues to support my amendment.

AMENDMENT OFFERED BY MR. SCHUMER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ARMEY

Mr. SCHUMER. Mr. Chairman, along with the gentleman from Rhode Island [Mr. MACHTLEY], I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHUMER as a substitute for the amendment offered by Mr. ARMEY: Page 78, line 17, strike "$147,734,000" and insert "$90,000,000".

AMENDMENT OFFERED BY MR. DURBIN TO THE AMENDMENT OFFERED BY MR. SCHUMER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ARMEY

Mr. DURBIN. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. DURBIN to the amendment offered by Mr. SCHUMER as a substitute for the amendment offered by Mr. ARMEY: In the substitute offered by Congressman Schumer, strike "$90,000,000" and insert "$127,734,000".

Mr. DURBIN. Mr. Chairman, I ask unanimous consent that I be recognized so I may describe to Members where we stand at this moment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DURBIN. Mr. Chairman, there is an amendment offered by the gentleman from Texas [Mr. ARMEY] which would eliminate the funding for the market promotion program. It would strike all of the $147 million 734 thousand which we appropriate in the bill.

There is a substitute for that amendment offered by the gentleman from New York [Mr. SCHUMER] and the gentleman from Rhode Island [Mr. MACHTLEY] which would strike $57 million 734 thousand, leaving a balance in the fund of $90 million.

Then there is an amendment to that substitute which I am offering that would reduce the total amount from $147 million to $127 million 734 thousand which will, as I understand it, proceed as follows:

If we can reach a unanimous-consent agreement, which I hope we can, at the end of the debate, the Members will be allowed to vote in succession, first on my amendment which would cut $20 million from the program, then if it fails, on the $57 million cut by the gentleman from New York [Mr. SCHUMER], and the gentleman from Rhode Island [Mr. MACHTLEY], and finally, should that fail, on the amendment offered by the gentleman from Texas [Mr. ARMEY] to completely eliminate the program, and I, as part of the unanimous-consent request, would like to make the following suggestion: that these amendments and all amendments thereto, if there can be any, would be limited in terms of debate to 45 minutes, 15 minutes to be controlled by the gentleman from Texas [Mr. ARMEY], 15 minutes by the gentleman from New York [Mr. SCHUMER], and 15 minutes shared by the gentleman from Indiana [Mr. MYERS] and myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. MYERS of Indiana. Mr. Chairman, reserving the right to object, I would inquire if we could make it 8:30, a time certain. Everybody knows what is in these amendments.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Illinois.

Mr. DURBIN. Mr. Chairman, at this point, with 15 minutes a side, I think the timekeeper can keep track a little more easily.

Mr. MYERS of Indiana. Mr. Chairman, the problem is we would not end at 8:30.

Mr. DURBIN. Mr. Chairman, I wish it could be earlier than that.

□ 1950

Mr. ARMEY. Mr. Chairman, reserving the right to object, under my reservation let me say the arrangement, of course, is acceptable. But I think it is only fair for us to recognize that in my generosity, I do leave one dollar in the program. I would not want anybody to think I was harsh in my treatment of market promotions.

Mr. DURBIN. Mr. Chairman, I thank the gentleman for not taking my words down. The gentleman is correct.

Mr. ARMEY. Mr. Chairman, I withdraw my reservation of the right to object.

Mr. MYERS of Indiana. Mr. Chairman, I withdraw my reservation of the right to object.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. DURBIN]?

There was no objection.

The CHAIRMAN. There will be a 45-minute time limitation, 15 minutes on each side. The order of voting will be first on the Durbin amendment to the Schumer substitute, then on the Schumer substitute, as amended or not amended, for the Armey amendment, and then on the Armey amendment itself.

The Chair recognizes the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this program is a lightning rod. Every year we get embroiled in a deep debate over a program which at its peak was appropriated $200 million in a $70 billion budget, for the reasons previously stated by the gentleman from Texas [Mr. ARMEY]. And I think those reasons are very valid.

In fact, all of the members of the subcommittee thought the reasons so valid that last year we included language in the committee report on the Market Promotion Program to specifically address the concerns of the gentleman from Texas [Mr. ARMEY] and the concerns of the gentleman from New York [Mr. SCHUMER].

Mr. Chairman, let me tell Members what we are facing here. We are attempting to promote agriculture exports from the United States. We are not working in a vacuum. Other countries are promoting exports to the United States and to other countries where we would also like to export. Those countries that are encouraging their exports are using every trick in the book, every incentive, and every subsidy to do so.

The Market Promotion Program is an attempt to provide some funds for American agricultural exporters so that they can be competitive in a world market.

Does it work? You bet it does. We took this subcommittee to Mexico to investigate NAFTA and spent a Sunday morning in the largest outdoor wholesale market in Mexico City. As you went from one produce stand to the other, you noticed an interesting symbol that suggested certain produce sold in that stand was grown in the United States, apples and pears for example.

What we found was that, in fact, by promoting the export of American apples to Mexico, we had cornered the market. Mexican salesmen, one after the other, told us that the preference of consumers in Mexico was for our produce, because we were promoting through the apple industry and the growers our produce overseas, and it was working.

We had in fact closed down the Mexican market. If they had the money and had the choice, they picked the American apple.

We went to the largest supermarket in Mexico City, to the produce section. I want to tell Members, you would find American produce and products in every direction. Specifically the symbol appeared again from our Market Promotion Program encouraging people to buy pears grown in the United States.

What I am trying to tell Members is that the money invested in this program is paying off in terms of exports.

Have there been abuses in the program? You bet there have. And this subcommittee told the administrators of this program last year we were sick and tired of spending scarce funds for corporations which could afford to promote their own products. We found it totally unacceptable for them to use these funds to promote products not grown in the United States, and we thought they should focus their dollars on promoting small- and medium-sized exporters, and particularly value-added products creating jobs in the United States.

At its high point we spent $200 million helping everyone from almond growers to apple growers to large corporations get into markets overseas and sell American products. We have now reduced that amount to $147 million, and, with this amendment that I am offering, we will reduce it another $20 million.

But, please, do not believe that we can walk away from the world market, step away from market promotion, and be good competitors. We can straighten up this program, and we should. But the bottom line is that to create jobs in America, we need more exports, to improve our balance of trade and to get people back to work.

Mr. Chairman, I think the Market Promotion Program is a valid way to do that. Other speakers I believe will stand before you and give specific examples of why they think it is, too.

Mr. Chairman, I reserve the balance of my time.

Mr. ARMEY. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Nevada [Mr. BILBRAY].

Mr. BILBRAY. Mr. Chairman, subsidized advertising is the effect of the Agriculture Department's Market Promotion Program. In 1992 the Department dispensed $200 million in public funds for private advertising.

The Market Promotion Program hands out taxpayer dollars to some of the largest and most successful corporations in America.

Last year, McDonalds received $465,000 for ads and counter displays to promote Chicken McNuggets to customers around the world.

Campbell Soup received $450,000 from the Government to remind the Japanese, Koreans, Argentinians, and Taiwanese to drink V-8 Juice.

Seagrams & Sons received $146,000 to sell its whiskey in Europe and the Far East.

Market Promotion Program dispensed $8.52 million to sell U.S. salmon.

Last year, Sunkist growers received almost $10 million to sell citrus; it used its Market Promotion Program money for poster promotions.

The following companies received more than $1 million for brand name promotions under the Market Promotion Program:

Sunkist Growers—$9.9 million; Blue Diamond, almonds—$6.2 million; Gallo Wine—$5.1 million; Sunsweet growers, prunes—$3 million; Sunmaid of California, raisins-$3.6 million.

Does this explain the marvelous, but expensive claymation raisins??

Pillsbury Co., processed corn—$2.9 million; John West Foods, United Kingdom, Alaskan salmon—$1.8 million; Tyson Foods, poultry—$1.1 million.

The Wine Institute which represents the California wine industry is slated to receive $14.3 million this year.

It would be one of the program's largest beneficiaries.

Since 1985 in the early days of this program, the General Accounting Office [GAO] has criticized the program for giving away money haphazardly.

According to GAO, in 1991 the Market Promotion Program's $200 million was more money than the Commerce Department spent on all of its export promotion programs combined.

This program is almost a metaphor of what is wrong when it comes to the Federal budget.

These are subsidies to some of the largest corporations.

It is a matter of priorities. At a time when we are running the huge deficits that we are running today, it would be better to save the $200 million.

Last June the Agriculture Department performed a cost benefit analysis: It found that the program's benefits were offset by its costs to the American consumers and taxpayers.

The program is welfare. And we are robbing Peter to pay Paul.

Mr. SCHUMER. Mr. Chairman, I yield 7½ minutes to the gentleman from Rhode Island [Mr. MACHTLEY], to use as he may choose.

Mr. MACHTLEY. Mr. Chairman, I want to thank the distinguished gentleman from New York for yielding.

Mr. Chairman, I want to use some of my time to explain to Members who may not be aware, what is happening here. We have three amendments. The gentleman from Texas [Mr. ARMEY] wishes to, with the exception of $1, zero out this entire program. Our amendment attempts to take the moneys which have been allocated in last year's budget to these large foreign corporations and to these large U.S. corporations, and take that money out. It is about $57 million.

Mr. Chairman, the Market Promotion Program was started with good intentions. Today it has $147 million in it, and that is not small potatoes to people back home.

It was the follow-on program to the TEA Program, which was the target export assistance program. But over the years it has grown and grown, and now it is the recipient tonight of the first Lester H. Pork Award.

As I was campaigning for Congress in my first term, I had a small piglet. As this piglet grew, it became the symbol of pork in Congress. And if there is any deserving program of this award, this is it.

In 1992, you have heard what has taken place. Sunkist juiced the program for $9.9 million. Ernest & Julio Gallo wined and dined this program for $5.1 million in promotional moneys. Dole was on the dole for $3 million. Pillsbury received lots of dough, $3 million worth. Tysons Foods wasn't chicken, they took $1.1 million. M&M, that wonderful candy that gets our kids juiced up, too, $1 million to help promote their products overseas. And Campbell Soup heated up their skillet for $450,000.

Even McDonald's, who has paid wonderful ballplayers like Larry Bird and Michael Jordan millions of dollars to promote their program, was paid $465,000 to promote Chicken McNuggets in Asia.

□ 2000

That is not Air Jordan. That is airhead promotion.

As a nation, we have got to get control of these budgetary items which are driving constituents crazy. They ask, "Where is the fiscal responsibility?" People do not mind paying taxes, if they know that their moneys are going to be well spent. But when we give these large corporations this kind of money to promote their products, they are saying, "What is going on in Washington?"

In 1992, of the 200 U.S. companies with the largest advertising budgets, 13 of them received a total of $9 million to promote their products. That is $700,000 on average for each of these corporations. But the average advertising budget for these 13 firms was between $45 million and $538 million. This is a lot of money.

But the money that we are giving them, we do not even know if it went to advertising, because there is no guarantee, no way to audit that this money is, in fact, used in advertising.

GAO reported that during 1992, the 50 companies that received the most money collected $48.5 million. And of these 50 companies, only 11 were the small companies, the needy, who this program was designed to help. And they only received $8.5 million.

That means in 1992, $40 million went to these large companies who can well afford to promote their products overseas.

That is not all. We want to promote our U.S. products, and that is a fair goal for this program. But what has happened?

The Cotton Council, last year, received $48.8 million from our U.S. Federal Government to promote cotton around the world. That is almost $50 million. How much of that $50 million did U.S. companies get? Not $48.8, not $40 million, not $10 million, not $1 million. In fact, almost all of this money, as we can determine it, went to foreign companies who are already trying to sell U.S. cotton in foreign markets.

This was not a way to help U.S. companies. This was a way to help subsidize foreign companies, which is absolutely the wrong thing for our Nation to be doing at this time.

It is the intent of Congress to help those who are needy. It is not the intent of Congress to prop up these large corporations. We do not want to zero out this program, in fairness to the program, because there are some needy companies who are receiving some very good support for promoting their products overseas.

What the gentleman from New York [Mr. SCHUMER] and I are trying to do is take that money, the $57 million, which is going to the large corporations as well as to foreign corporations, and take that out, to send this USDA program a very strong message that the taxpayers are not going to subsidize for promotional activities large U.S. corporations. We want the money to go to small corporations.

Now, I am greatly impressed with the attempt of the gentleman from Texas [Mr. ARMEY] to zero it out, and that would not be the worst vote in the world, frankly. If Members feel that this gross excess of paying for large corporations ought to just be totally zeroed out, that is a fair assessment. I would not dissuade anyone from voting for that.

Myself, I would like to take a more reasonable, middle-of-the-road approach, as the gentleman from New York [Mr. SCHUMER] and I have talked. We said, "Let's send a strong message. Let's take the amount of money that we think is being wastefully spent and let's take that out of this appropriations bill."

Because it is an appropriations bill, some Members may be saying, "Why don't you just pass language that says you can't use it in large corporations?" But because it is an appropriations bill, we do not have that right. We can only extract money from the appropriation process, hoping that the USDA is going to understand that, in fact, we are not going to continue to subsidize these large corporations and foreign national corporations.

The taxpayers of this Nation are on the tax rack. They have been stretched. We are asking them to give in and give us more tax dollars.

Members here have said we need tax dollars to reduce our deficit. I do not think anyone in this Chamber can go to a town meeting and say that all of these moneys that are being spent on large corporations and foreign corporations is well-spent money. I do not think it will stand the light of day.

So I would respectfully suggest that my colleagues, as they come in here, either take a position that we are going to send them a strong message or cut out the whole program.

Mr. ABERCROMBIE. Mr. Chairman, will the gentleman yield?

Mr. MACHTLEY. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Mr. Chairman, the gentleman has made a very strong argument to me for the position of the gentleman from Texas [Mr. ARMEY].

What, in his amendment, would differentiate it so it would justify the $90 million?

Mr. MACHTLEY. Mr. Chairman, what I have suggested is that there are a lot of small corporations who are, in fact, receiving money. I think we should help promote the small corporations, the needy farmers, but not indefinitely.

Mr. ABERCROMBIE. Mr. Chairman, could the gentleman tell me, my question was, could the gentleman tell me how his amendment is drafted to see that that happens so that we do not have the situation as he described?

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. MACHTLEY. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I would be happy to answer the gentleman from Hawaii. I think the gentleman from Rhode Island [Mr. MACHTLEY] and I believe that the Armey amendment is a good amendment. It is just that experience has shown us in the past that when we try to eliminate the program, we do not get enough votes to pass it.

We are trying to eliminate a good chunk of the program, particularly that part that goes to big companies that can well spend their own advertising dollars and let the little farmers get their share.

The CHAIRMAN. The time of the gentleman from Rhode Island [Mr. MACHTLEY] has expired.

Mr. ARMEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman I rise today in support of the Armey amendment to strike funding for the Market Promotion Program.

This program is nothing more or less than corporate welfare, tens of millions of dollars to the world's wealthiest corporations, some of which are not even American.

Continuing this spending program, my colleagues is nuts. Blue Diamond Nuts, to be exact.

Mr. Chairman, the Federal budget deficit is fatter than the Pillsbury Dough Boy, who incidentally has been enlarged to the tune of over $8 million taxpayer dollars since 1986 when this program was first cooked up. Because of schemes like this Congress is much like the proverbial free spending sailor drunk on the Gallo wine. Gallo, of course we subsidize by $14.5 million.

Some try to candy-coat this handout by saying that Mars Candy Corp. could not advertise their M&M's by themselves. That is just not true, they and others, like Bartles & Jaymes, have effective and memorable ads.

This program is one big lemon, in fact it is a $66 million sweet lemon to the Sunkist Corp. But it is a bitter seed caught in the throat of the working men and women of America. Who are paying the bill, but getting none of the juice.

This program would be great if money grew on trees like these Sun Sweet Prunes you and I have been advertising.

We keep hearing about the tough choices, but this is not one of those tough choices. This choice is easy. Take Dole Pineapples and these other multi-million-dollar corporations off the dole.

Federal spending should be frozen instead of spreading taxpayer largess to, among others, Tyson's Frozen Foods.

One of the corporations receiving funds under this nutty program is General Mills, whose Keebler elves have been caught with their little hands in America's cookie jar. I say to my colleagues that we must end this program because the sad fact is that America's cookie jar is empty.

Support the Armey amendment, don't be a Tyson's Chicken.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, I rise in strong support of the Durbin amendment. The Market Promotion Program is critical to the continued expansion of U.S. agricultural exports and is one of the few Government programs that actually works.

Virtually all of this funding is used to combat unfair trade practices, and the amount we are spending is a small percentage of the huge subsidies that are paid by the Europeans.

Our trading partners would love to see the funding for this program reduced.

The fact is, the Market Promotion Program has proven to be an effective program and method of expanding our agricultural exports. It has sustained thousands of American jobs and has greatly contributed to the reduction of our trade imbalance.

For every $1 in MPP funding, sales of U.S. exports increase by between $2 and $7. Ultimately, the increased economic activity created by the Market Promotion Program supports between 11,000 and 28,000 American jobs through expanded exports.

The argument has been made that the types of promotional activities implemented through the MPP will go on regardless of government funding.

□ 2010

However, my colleagues should understand that the participants match the Government funding on a one-to-one basis. Again, this argument ignores the fact that the program is targeted towards nations which utilize unfair trade barriers, such as Japan and the European Community. To cite just a few examples of MPP success stories:

Exports of prunes to the EC increased 65 percent.

Exports of peaches to Japan increased by 126 percent.

Exports of walnuts to Japan increased by over 200 percent.

I urge my colleagues to support economic growth and jobs by supporting the Durbin amendment.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. HERGER. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I rise in favor of the Durbin bill and congratulate the gentlemen on his statement.

Mr. Chairman, American agricultural exports account for about $40 billion in annual sales. Agriculture provides a positive balance of payments in the U.S. trade account of approximately $17 billion.

Future growth in U.S. agriculture will depend on export growth. Expansion of agricultural exports is critical for related sectors of the economy.

Each U.S. dollar of agricultural exports generates an additional $1.59 in economic growth. Every $1 billion in agricultural exports maintained 27,000 jobs.

MPP will be even more important if an agreement is reached on the Uruguay round of GATT. Marketing assistance has already been ruled to be an acceptable form of government assistance under GATT.

According to the USDA, "the European Community, our main competitor in the high-value market, paid out direct subsides of nearly $1.5 billion to producers and exporters of high-value products."

The Armey amendment would eliminate one of the few programs that will remain to combat the practices of our competitors. Virtually every other country has developed programs similar to MPP. If the Armey amendment is adopted we are essentially telling our Nation's farmers that we will once again turn our backs on them.

Let us understand what we are talking about here. MPP is a Government subsidy. But, it is a subsidy that is designed to combat foreign competitors who are far more heavily subsidized than U.S. agriculture. MPP is used to open new markets and keep them. We cannot unilaterally eliminate our support for U.S. businesses overseas.

It is no secret that other countries have far more significant barriers to trade than the United States does. We should not ignore this fact. Our Government has a role to play in helping U.S. businesses compete and win in the international marketplace. MPP is a tool that has been used successfully for this purpose.

The House has already passed a permanent reduction of the MPP program as part of the budget reconciliation bill. The farm bill authorized level is $200 million. The House reconciliation bill reduced the authorized level to $147,734,000—a $53 million reduction.

MPP funds are matched on a one-to-one basis. Products supported must be predominantly grown or manufactured in the United States.

MPP does support small farmers and small business. To the contrary, small businesses accounted for 84 percent of the 287 participants in the MPP fiscal year 1992.

In addition to these existing requirements, the committee has included report language steering the program to concentrate, to an even greater extent, on small- and medium-sized businesses, and new-to-export participants. Further, the committee report supports requiring larger companies to provide matching funds in exess of 50 percent.

This program has been implemented under previous administrations with a great deal of success. I acknowledge that improvements can be made to the program and rather than eliminate it entirely, I would ask the gentleman to give the new administration the opportunity to make improvements in the MPP before we cast it aside.

THE CALIFORNIA PRUNE INDUSTRY

The California prune industry has been a real success story in export markets. They attribute their success to the marketing assistance programs sponsored by the USDA.

Since 1986, when a marketing assistance program—the Targeted Export Assistance Program—was first established under the 1985 farm bill, the value of prune exports has increased by 65 percent to $135 million in fiscal year 1992.

In my district in Tehama County, we have 9,000 acres of prunes grown by 200 to 250 farmers who employ anywhere from 1 to 30 people. These people are not large corporations. They are small growers who represent one thriving industry in a county that has 15 percent unemployment.

California prunes would not be where they are today without MPP assistance. Exports are their life blood, and current projects suggest that current efforts in support of prune exports, including MPP, will break the $200 million export value mark by the end of this decade.

MCDONALD'S EXAMPLE

Many Members have used the McDonald's example as evidence of abuse and corporate welfare in MPP. I think members simply do not understand how the MPP works.

The purpose of the Market Promotion Program is to open up new markets for U.S. agricultural products overseas. As everyone knows, McDonald's has thousands of stores overseas. At the same time, these stores are not required to purchase U.S. products, and in many cases they do not.

McDonald's has 42 stores in Singapore and 59 stores in Hong Kong. Even though McDonald's has its own poultry processing plant in Malaysia, all 101 stores in Hong Kong and Singapore use only U.S. poultry and egg products. Why? Because of the MPP.

U.S. poultry exporters were able to use MPP funds as leverage to require McDonald's stores in Singapore and Hong Kong to buy U.S. poultry products. MPP was used to advertise jointly McDonald's Chicken McNuggets and the U.S. poultry industry. As a consequence of McDonald's accepting this advertising arrangement, which used MPP funds, the American poultry industry locked these stores into buying U.S. products for one year.

These 101 stores bought over 12 million dollars' worth of U.S. poultry products in 1991, which supported over 3,780 American jobs. This growth started from zero American sales in both markets just 3 years earlier.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I rise in opposition to the Armey amendment. This amendment would eliminate funding for the Market Promotion Program [MPP]. I believe that the MPP is one of the most successful programs administered by the U.S. Department of Agriculture [USDA].

The population of the United States will increase by 30 million over the next 20 years, at the same time the world population will increase by 2 billion. Clearly, we must gain access to this huge world market in order to remain competitive. We can do that through trade agreements and export assistance programs, such as the MPP.

I am a strong supporter of the Market Promotion Program [MPP] and believe that we should be directing more Federal resources toward this type of program and away from prices- and income-support farm programs. The future success of American agriculture lies in our ability to compete in international markets. That is why I am a strong supporter of export assistance programs, the North American Free-Trade Agreement, the GATT talks and the President's work with Japan.

The MPP, originally the Targeted Export Assistance [TEA] Program, was created to provide assistance to agricultural commodities facing unfair trade barriers. The program was very successful and many commodity groups used the program funds to break into difficult markets, such as Japan. In 1990, Congress expanded the TEA program, renamed it the Market Promotion Program, and allowed a wider range of commodity groups to apply for funding. However, commodities facing unfair trade practices are given higher priority for funding.

The Market Promotion Program has been extremely successful in meeting its goals of creating, expanding, and maintaining export markets. The USDA estimates that each dollar of MPP funding results in an increase in agricultural product exports of between $2 and $7.

Let me give the Members a real-life example of the positive results from the MPP. The California Table Grape Commission provided me with information regarding their experience with the MPP and the Targeted Export Assistance [TEA] Program. During the 6 years that they have participated in the program:

Offshore exports have grown 208 percent, from 2.5 million boxes to nearly 8 million boxes of grapes.

Export value has increased 233 percent, from $28 million to $93 million.

The industry has established a new record for grape exports each year of its participation in TEA and MPP, despite fluctuations in crop size, grape quality, market conditions, price, and other factors.

Clearly, the funds awarded to the Table Grape Commission have been successfully used to expand markets.

Congressman ARMEY has consistently criticized the use of MPP funds for branded advertising. MPP funding is awarded to commodity groups or cooperatives and not to corporations. While many commodity groups work with large corporations, the companies themselves do not apply for funding. The goal of the program, to promote U.S. agricultural commodities, is being met by using established and trusted brand-named products. Even more importantly, the American farmers who grow the commodities have benefited.

A good example of the use of a branded promotion program to increase the sales of a U.S. commodity is the California wine industry. Wineries in California only own about 12 percent of the wine grapes crushed each year, the remaining 88 percent is purchased under contract from thousands of grape growers. Increased sale of wine benefits each and every one of these farmers. Without MPP and the ability for wineries to participate in the program, these farmers would not be able to increase the export of their product. The wine industry must compete with a European wine industry that receives over $2 million in subsidies each year. Prior to the TEA program the U.S. wine industry was unable to mount serious promotion effort in any foreign market because of these subsidies.

Mr. Chairman, it would be a mistake to allow the vocal critics of the MPP to eliminate this successful program based on a few newspaper articles or isolated cases of poor judgment. I urge my colleagues to oppose the Armey amendment and continue to support a program that directly addresses the unfair trade practices facing American farmers in the international market.

Mr. ARMEY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the largest single agricultural sale in the history of our country was that where we were able to sell to the Soviet Union x thousands, millions, and billions of dollars' worth of grain. The second largest was the one that preceded it. All of that was accomplished without one penny of investment or taxpayers' money in advertising of product that was there for the world to see.

In short, what we want to do with our agricultural products is simply expose them to the world. We do not need to subsidize advertisement thereof. Everyone knows that the United States is the breadbasket of the world and nothing more needs to be advertised than the product itself.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, as a Representative from the breadbasket, there is a big difference between raw commodities, which are the wheat sales to the Soviet Union; processed foods; specialty crops; value-added crops, all of the exports we are talking about with the promotion program.

Mr. GEKAS. Mr. Chairman, seizing back my time, it is an example of a tremendous sale without the need for advertisement.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DURBIN. Would the Chairman be able to tell us the amount of time remaining?

The CHAIRMAN. The gentleman from Illinois [Mr. DURBIN] has 2½ minutes remaining, the gentleman from Indiana [Mr. MYERS] has 5½ minutes remaining, the gentleman from New York [Mr. SCHUMER] has 7½ minutes remaining, and the gentleman from Texas [Mr. ARMEY] has 10 minutes remaining.

Mr. ARMEY. Mr. Chairman, I yield 1 minute to the gentlewoman from Utah [Ms. SHEPHERD].

Ms. SHEPHERD. Mr. Chairman, I rise today in strong support of the Armey amendment to strike funding for the Market Promotion Program. I do this with reluctance because of my great respect for the judgment of Chairman DURBIN and this program's many supporters.

I support this amendment for two reasons. First, the Market Promotion Program is simply fueling the cynicism of American taxpayers. It has been the pariah of newspaper columnists and television newsmagazines for months, and it has become a lightning rod striking at a massive sense of unfairness our constituents feel. The good it does cannot possibly compensate for the citizen cynicism it fuels.

Second, and more important, the Market Promotion Program is simply bad policy. While the Federal Government has a legitimate role in promoting exports for American companies, we should accomplish that goal through technical assistance and by helping companies navigate through the labyrinth of foreign bureaucracies and international trade rules. We should not do it by subsidizing corporations for activities which they should and can do for themselves. Finally, nonagricultural products account for 90 percent of U.S. exports, but only 10 percent of the Federal Government's export promotion funds. The priority given to the MPP is simply unwarranted in today's fiscal climate.

The Market Promotion Program makes no economic sense, and it certainly does not make sense to taxpayers, so I urge my colleagues to support this amendment.

Mr. ARMEY. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, we have heard some wonderful things about the Market Promotion Program, and I do not doubt that they are true. If they are as true as I think they are, then it makes sense to continue the program, but to fund it privately.

If we are causing a great increase in the sales of the commodities that are being promoted, then it is in the interest of the bottom line of every one of the exporting companies to fund this program themselves. American industry, American farmers, producers and processors fund billions and billions of dollars' worth of marketing in this country because it redounds to their benefit and goes right to their bottom line. Why the Federal Government should do something that private enterprise can do perfectly well for itself escapes me.

It is a good program, but it is not appropriately a Federal program. That is why we should support the Armey amendment.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentlewoman from Arkansas [Ms. LAMBERT].

Ms. LAMBERT. Mr. Chairman, I rise today to urge my colleagues to oppose. Representative ARMEY's amendment to eliminate funding for the Market Promotion Program.

Based on all the media reports and overblown rhetoric, I can understand why some Members may be skeptical about this program, but let me tell you how U.S. production agriculture has benefitted from the MPP.

I represent a district that is largely agricultural and grows more rice than any other district in the Nation as well as a large percentage of the Nation's cotton.

Through the MPP, United States rice has increased market share in Turkey, Saudi Arabia, and managed to maintain a presence in the European Community, where they subsidize market promotion at nine times the rate that we do.

United States cotton has benefited as well, making noticeable increases in the Japanese market. Increased exports of these commodities and others contribute to agriculture's positive trade balance, boost farm income, and helps to maintain a U.S. presence in vital foreign markets. The objective of farm policy is to increase farm income through fair competition and market access—the MPP has been effective in this area.

In addition, Members should be aware that MPP funding was cut by $50 million last year and frozen at that level this year. Also, the House Agriculture Committee is reviewing proposals to improve this program.

This year we cut farm programs by $3 billion. If Government intends to continue reduction of farm program payments at the same time that foreign competitors are increasing theirs—then we have a responsibility to help them increase market share and combat unfair trade practices. The MPP has been crucial in this area. Please vote "no" on the Armey amendment.

Mr. ARMEY. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. INGLIS].

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Mr. INGLIS. Mr. Chairman, I thank the gentleman for yielding the time and rise in strong support of the Armey amendment to delete funding for this program because I believe, as one of the earlier speakers said, this does very much fuel the cynicism of our constituents to this kind of program.

What I would like to point out tonight is if you take this program and apply an assumption of a 7-percent interest rate to it, in the first year you have interest of $10.29 million, and over a 30-year amortization of this program, in 1 year this program will cost the American people $456.4 million in order to fund this, because the fact is we do not have the $147-some-odd million to fund this program. We are in deficit spending, so part of this we have to assume naturally comes out of that deficit. That means we go out and borrow it.

If we apply a reasonable interest rate of 7 percent over 30 years, this 1 year costs the American people $456 million.

The question I would ask all Members is do they really think that subsidizing Sunkist sales of lemon around the world is justified to the tune of $456 million for the American family to pay for that kind of subsidy for this 1 year, amortized again over 30 years at a rate of 7 percent?

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. SMITH].

Mr. SMITH of Oregon. Mr. Chairman, I thank the gentleman for yielding the time.

I think we are misguided here all of a sudden. We are talking about large companies. Why do we not talk about what this is all about really? We are talking about needy farmers.

Who do Members think benefit from the purchases of McDonald's potatoes? Is it someone in Bangkok? Who would sell American potatoes in Bangkok if it were not McDonald's?

We are talking about helping agriculture, and it works.

Simply this: For every dollar spent we are returned $7.

Two examples very quickly. First, the pear program. We are selling pears in 27 countries now around the world. In 1992 the pear export value was $43 million. And we used $1.1 million of market promotion money. That is a $34 to $1 return.

Wood products. In 1986 when we started market promotion, we had $2.65 billion of exports of wood products. In 1992 we had $6.74 billion. You think it is not working? It is working. It is a minimal amount of money.

This is a Hobson's choice for me. We ought to be at $200 million. The only other agencies of Government that make any money for us are the IRS, the Forest Service, and the Market Promotion Program.

If you come from an agricultural State you must support at least the Durbin program, you must do that because it works, it pays, and it is beneficial to needy farmers in America.

Mr. ARMEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the distinguished gentleman from Oregon [Mr. SMITH], asks us to believe that American pears would not survive in the world market unless they were the beneficiaries of the Market Promotion Program. He further asks us to believe that American pear exporters would not have the business sense to market their pears without a Government subsidy.

Mr. Chairman, if our pear exporters had no more business sense than that, they ought to repair themselves from the pear exporting business.

Mr. Chairman, I yield 2 minutes to my friend and colleague, the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman from Texas for yielding the time. I must say it is very rare that I take the well on the same side as the gentleman from Texas. But it is frequent that I take the side of the gentleman from New York, so here I am, encouraging everyone to give the taxpayer a break and vote no, yes, yes.

I think we have got a very excellent example here of corporate welfare, and that is what we ought to call it. They do their own promotion at home. There is nothing wrong with doing promotion overseas. My guess is most of the increase in sales, more of it comes from the falling of the dollar than anything else.

I think it is very important that we say to these large corporate folks that it is time that they do this themselves. They do it here. Of course they can do it. They are geniuses at doing it.

But I think the interesting thing for this body to keep clearly in mind is that they are going to have two choices. If they do not want to totally zero out the program, them Members can certainly go with the Schumer amendment which says you cut it in half, and you do not give funding to corporations who hire more than 500 people. Corporations hiring more than 500 people are not ma and pa farms. They are probably not growing pears. What are they? They are very large corporate giants.

I love the way we always do this in the name of saving the family farmer, and we get out the violins, and we do everything. But this is their corporate sponsor. If you figured all of these things that they were selling overseas and what percentage of it ever got to the farmer, it is micro-mini. They are doing this because there is big profits in it. They are going to do this if we do not give them this money, because they certainly are not going to give up the kind of money they can get in these huge export markets.

The gentleman from New York, Mr. SCHUMER, cuts out the huge multinationals that are feeding at this trough. So if you only want to go halfway, go that way.

But I think you should vote no, yes, yes, and give the taxpayer a break.

Mr. DURBIN. Mr. Chairman, I believe the gentleman from Indiana was going to yield 1 minute of his time to me for purposes of controlling the time.

Mr. MYERS of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from Illinois, [Mr. DURBIN] and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DURBIN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. CONDIT].

Mr. CONDIT. Mr. Chairman, I rise today in strong support of the Market Promotion Program [MPP]. Contrary to popular belief by some members of this body, MPP is one of the most effective trade programs at the Department of Agriculture. By eliminating the Market Promotion Program, Congress will be sending a message to Americans and American business that we can do without $1.4 billion in exports generated by this important program.

The Market Promotion Program is designed to assist in the promotion of U.S. agricultural products. This program promotes American food and American farm products, not individual company names. By making foreign consumers aware of the quality and competitive price of U.S. food and agricultural products, U.S. exporters can penetrate markets barriers that have been difficult to break down.

For the United States to be successful in foreign markets, two things are required. First, the U.S. industry must be economically competitive, and we are. Second, our trade policies and programs must also be competitive, and this is where we fail. It is a fact that for American farmers to compete and maintain profitability in a global market, the U.S. must promote its agriculture products abroad. However, U.S. producers often find themselves competing not with their foreign agriculture counterparts but with foreign governments. The European Community for example, subsidizes their wine industry $2 billion annually, the government of France spends $229 million on the promotion of agriculture products and the Australian Government contributes $226 million to promote agriculture products such as dairy, wine, brandy, and processed meats.

By eliminating funding for the Market Promotion Program you will be sending a message to the American farmers that what is appropriate in another country may not be appropriate in this country. Congress will be saying that you can go out on your own and compete in a world market against foreign governments and fend for yourselves. If United States is serious about establishing fair trade and has the political resolve to establish its position in world trade, the Market Promotion Program is the right vehicle to use.

Any diminishing support for major export initiatives such as the MPP that are put in place to demonstrate U.S. determination regarding agricultural trade reform will be interpreted as a weakening in American support. A reduction in financial support for MPP would be a clear signal to the European Community, and others that their best strategy would be to wait for further erosion in U.S. trade position. We must continue the expansion of U.S. agricultural exports or we will fail as the bread basket of the world.

To those of you who intend on voting for the Armey amendment in the name of deficit reduction, I tell you this is not the case. If we are going to improve our economy, we need to support programs that improve our balance of trade. The MPP is one program that has a proven track record in doing so. Let us be clear on the ramifications of this amendment. This amendment will increase our trade deficit, as well as our budget deficit. If you vote for this amendment, you are turning your backs on American farmers and a successful program. I am sick and tired of this body turning its back on our people.

Mr. SCHUMER. Mr. Chairman, I yield myself as much time as I may consume on this tragic battle of brother against brother, friend against friend, and roommate against roommate. It is a sad day here.

I rise to join my colleagues, Mr. ARMEY, Mrs. SCHROEDER, and Mr. MACHTLEY in urging a significant cut in the program.

To explain again, Schumer-Machtley cuts funding by $57.7 million, a reduction of 40 percent from last year's level, and that amount represents all of the money in MPP grants that have gone to large corporations, both domestic and foreign, those with over 500 employees.

All of us, Mr. ARMEY, Mrs. SCHROEDER, myself, Mr. MACHTLEY, urge a no, yes, yes vote.

I have been a long-time critic of the program, and I have worked with DICK ARMEY on many occasions to cut funding. The reason Mr. MACHTLEY and I offered this substitute, with the support of Mr. ARMEY, is not because we feel that the amendment is too Draconian, but because the substitute amendment has the best chance of passing.

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The program began in 1985 as the TEA program, Targeted Export Assistance, and it was so badly mismanaged and unfocused that its name was changed to MPP, but a rose by any other name is a rose, and a lemon by any other name is still a lemon, and I say to my colleagues that this is a lemon.

With all the priorities we have and all the cuts that we have had to make, do we want to subsidize big business to advertise when they are already spending their own money? Do we want to subsidize Sunkist and Mars and McDonald's and Tyson's and Pillsbury and Dole's and Fruit of the Loom, Ocean Spray? Of course not.

So I say to my colleagues that I have nothing against McDonald's or any of the other blue-chip companies that have received grants, but it seems odd to me that corporations which grace the pages of Fortune magazine are receiving Government grants under a misguided assumption that they cannot afford to market their products overseas without special taxpayer help. In fact, in 1992, 13 of the corporations that received MPP grants already had advertising budgets in excess of $45 million, and MPP just keeps giving these grants away, more and more and more.

Over the 7-year life of MPP since we started to try and cut the program, Sunkist has received $67 million, Blue Diamond $36 million, Gallo $16 million, M&M, Mars, $4 million, and the list goes on and on. One-third of the grants went to corporations of 500 employees, $17 million to foreign-owned corporations.

The amendment that I have offered with the gentleman from Rhode Island cuts out the amount of those, not the little farmers who get it, but the big agribusiness companies that do.

In 1989, here is an example, here is a good example of how this program works, get this, in 1989 MPP awarded $3 million to the California Raisin Advisory Board to market and sell raisins in Japan. What a fiasco. The Raisin Board had the highly successful American Claymation Quartet of dancing raisins on Japanese TV. However, the raisins sang in English, because, as it turns out, the ads are not bilingual. Unlike most campaigns, these ads were not tested before they were aired, but just were put on during the campaign. They discovered, as they ran the ads, that children, the Japanese children, did not understand the dancing raisins who were babbling in a foreign tongue, and they frightened children. Because the raisins were singing in English, viewers could not tell that they were raisins, and most Japanese viewers thought they were dancing potatoes or dancing chocolates.

This is what we subsidize with your taxpayers' money.

Maybe if the Raisin Board were spending all of their money on this instead of getting a subsidy to help them, the ad campaign would have been better researched.

In closing, let me quickly list some of the other problems with this program. First, the same corporations get the grants from MPP every year. Second, the Department of Agriculture has still, after all of these years of criticism, not developed criteria to determine if MPP's funds are well spent. MPP does not know if the companies actually need the money, and it is said that this program was originated, because in the Ag Committee, the wheat farmers were getting theirs, the cotton farmers were getting theirs, but there were certain people, particularly in the fruit and vegetable industry, who were not getting any subsidy, so they came up with a subsidy still today in search of a rationale.

For these reasons, I urge a no, yes, yes vote, as does the gentleman from Texas [Mr. ARMEY], the gentlewoman from Colorado [Mrs. SCHROEDER], the gentleman from Rhode Island [Mr. MACHTLEY]; no on Durbin, yes on Schumer, yes on Armey. We can save the taxpayers significant money, and not hurting the little farmer, but yet stopping these subsidies to agribusiness at a time when we have a huge deficit. We can do no less.

Mr. KOPETSKI. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Oregon.

Mr. KOPETSKI. Mr. Chairman, the gentleman from downtown New York City does not understand that a lot of these farmers——

Mr. SCHUMER. I take back my time. I would say to the gentleman that those remarks were often made by a former Member from Montana. He always called me the gentleman from New York City, and I did not appreciate it.

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, I wish to say that however the Armey amendment is amended, the Members should vote against it. If we want a viable agriculture in this country, we need a strong export marketing program. If the MPP needs changes to make it more effective and efficient, make the changes, do not scrap a program that is working well and can do better. Vote "Yes"—"Yes"—"No."

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I rise in support of the Durbin amendment and against the Armey and other amendments.

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. FARR].

Mr. FARR. Mr. Chairman, I rise in support of the Durbin amendment.

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Mr. Chairman, I rise in favor of the Durbin amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, this Member rises in strong opposition to amendments which would eliminate or radically reduce funding for the U.S. Department of Agriculture's Market Promotion Program [MPP].

If the other agricultural producing nations of the world did not grossly and unfairly subsidize the production and sale of agricultural products, this Member would be more than willing to support the distinguished gentleman from Texas' amendment. Unfortunately, free and fair trade does not exist in world agricultural trade. Even with the Market Promotion Program, U.S. producers are being badly out-subsidized by their competitors, including some of the very aggressive member countries of the European Community, which in 1990 spent a total of nearly $1.5 billion in promoting high-value agricultural products throughout the world, and that figure is separate from their export subsidies for food and other agricultural products.

Mr. Chairman, competition for agricultural markets in bulk commodities, intermediate, and high-value products is a high-stakes battle for good-paying jobs here in the United States in part, because of agricultural export programs like MPP, the U.S. agricultural industry currently enjoys an $18 billion trade surplus. With the help of the MPP, U.S. high-value agricultural exports have expanded by 75 percent over 7 years. However, this incredible growth and even the current export level cannot be guaranteed in the face of stiff competition from other nations. If the United States unilaterally abolishes our agricultural export promotion efforts, agriculture—like many other U.S. industries—could add to, rather than subtract from, our chronic trade deficits.

Mr. Chairman and my colleagues, MPP is an important export tool and a good lesson for other export related industries; MPP enables our agricultural industry to sell directly to the consumers of some of the world's most protected markets. In Taiwan and Korea for example, MPP circumvents a host of trade barriers by creating consumer demand for United States products. This foreign consumer demand in turn leads to a relaxation and reform of the tariff and nontariff barriers which deny consumers in those countries access to U.S. exports.

This Member acknowledges that MPP is not perfect and agrees that certain reform of the MPP is necessary to ensure that it does not allow Federal dollars to replace rather than augment private sector market development efforts. Nevertheless, as the General Accounting Office suggests in its June audit of the program, while reform of the program may be necessary, elimination of the program could substantially affect our ability to compete for lucrative and emerging markets throughout the world.

Mr. Chairman, this Member urges his colleagues to vote "no" against the Armey amendment. If we choose to learn from and improve this important agricultural export promotion program, it could indeed become an excellent model for export promotion efforts in other industries as well.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I am happy to yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, on that point, I appreciate what the gentleman has said about the use of this program to open up access to a market, and that is really the more appropriate use, and I would like to see the program better designed to focus on that. Perhaps if we can adapt the $20 million cut proposed by the gentleman from Illinois [Mr. DURBIN], it will send a signal to the industry to work with us for that kind of reform in the program to make it target more efficiently on those problems.

Mr. BEREUTER. I urge support of the Durbin amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas [Mr. ROBERTS], the ranking Republican on the Committee on Agriculture.

Mr. ROBERTS. Mr. Chairman, I rise in support of the Durbin amendment and in opposition to the amendments offered by the instantly and self-declared Secretaries of Agriculture, the gentleman from Texas [Mr. ARMEY] and the gentleman from New York [Mr. SCHUMER].

The Market Promotion Program has come in for more than its fair share of unfair criticism from the press and self-appointed critics who do not understand the benefits that the program brings to this country.

The $147.7 million appropriated last year for MPP supported the expansion of exports for over one hundred varieties of U.S. fresh and processed agricultural commodities. These export efforts include small-scale regional organizations' efforts to enter the export market.

USDA estimates that MPP adds about $2.2 billion in additional economic activity for the U.S. economy and directly supports 38,000 jobs on and off the farm. This comes out to about $4,000 per job. Compare that to the tens of thousands per job contemplated in the President's job creation stimulus package. According to USDA for every $1 spent on MPP, sales of U.S. agriculture products increased from $2 to $7.

Our agricultural exports, which are carrying $17 billion annual balance of trade surplus, are operating in a highly competitive environment. The EC is spending nearly $1.5 billion to subsidize the export of similar fresh and processed foods. The MPP, at less than 10 percent of the EC subsidy level, is the lever needed to keep out successful agricultural exports viable in a highly subsidized marketplace.

The regulations governing the MPP have been tightened in recent years, and the subcommittee of jurisdiction on the Agriculture Committee is now considering the value of several further reform proposals.

If the United States can afford to throw away over $2 billion in export sales and the loss of tens of thousands of jobs, then the House should vote for this meat ax approach to legislative reform. If, however, you believe that we should be strengthening our exports and the growth of domestic jobs, should vote against this ill-conceived amendment and let any necessary reform come from careful deliberation.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, this committee recognized that there were some problems with the MPP. We spent considerable time on the Foreign Agricultural Service, but we also recognize that this has been the best program for export of agricultural products we have had.

The criticisms have been against big corporations. The Members here have not realized that they are manufacturers or processors, and they are going to do business in these countries already. They are going to buy the raw products for somebody else in the world. The only way they get this money is to buy from American producers, American farmers, American ranchers. This is what helps American farmers is to give the money here to the MPP.

You are missing the vote here if you vote for the last two amendments. Support our chairman. It is the right thing to do to help farmers.

Mr. DURBIN. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN. Mr. Chairman, I cannot believe what I am hearing on this floor.

Agriculture is one of the few things in this country that actually has a trade surplus. This program is one of the reasons for it. Do away with this program and you start turning things the other way immediately.

Let me tell you something else: I am tired of hearing the talk on this floor that this is protecting a bunch of big farmers. Yes, there are some big farmers, but what some people on this floor are attempting is to destroy this program by tying everybody up in that little ball and saying that is what is wrong. Most of the people who benefit from this program are little guys. Most of them are living on the edge just like everyone else in this country. This program keeps them afloat. It is good for this country and the balance of trade. Let us keep it.

Mr. Chairman, I rise today in support of the Market Promotion Program and to oppose the Armey amendment which seeks to eliminate funding for this program.

As we know, the Market Promotion Program [MPP] provides funding to trade groups to help promote American farm goods overseas. The program has breathed new life into a variety of agricultural exports, including many from California such as walnuts, raisins, citrus, and almonds that do not get the bulk of farm support provided in this country. A major goal of MPP is to promote quality U.S. products abroad by establishing and expanding markets for U.S. goods. In fact, 80 percent of MPP funds are used to promote high-value agricultural products, which create jobs and revenue for our Nation. This program has been highly effective in promoting U.S. agriculture products in foreign markets. The U.S. Department of Agriculture estimates that for every $1 of promotional assistance, between $2 and $7 is returned.

The program has been criticized for giving Government subsidies to large corporations. The purpose of MPP is to promote U.S. agricultural products overseas. Large corporations, with their highly visible brand names, are able to establish positions of strength in foreign markets. This position of strength in turn allows the small farmers to enter into the market which they would not have been able to enter into otherwise. Without programs such as MPP, even large corporations would be at an unfair disadvantage to the trading practices of other countries. U.S. companies would find themselves competing against foreign governments such as the European Community which for example, subsidize their wine industry at $2 billion annually. In order to level the playing field for U.S. companies to compete in the world markets, we need to promote programs such as MPP.

I ask my colleagues to recognize the significant value this program offers and the proven effectiveness of its operation. Let's put competitiveness first and allow this program to continue to offer the same outstanding return for investment it has in the past. While some improvements may be warranted, the program should be given the credit it has earned, and its success should not be rewarded by creating barriers that inhibit it. In this competitive environment, we need to preserve whatever tools we have available that will promote a level playing field and spur economic production in this country.

Mr. ARMEY. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. POMBO].

□ 2040

Mr. ARMEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in this age of $300 billion deficits, we have a Government program of $147,734,000 additional that is flying under false pretenses and false colors. The program is masqueraded as a program of support for American farmers.

But as we have demonstrated here tonight, it is a program of corporate welfare, with such beneficiaries of the program as McDonald's Corp., and others, all of whom have overseas advertising budgets of their own, more than sufficient to buy this entire Government program.

These large corporate giants do not need the scarce advertising dollars of American taxpayers, even the tax dollars of those small farmers who the pretension is that this program serves, to subsidize the advertising budgets of large corporations and agribusiness.

I have brought forth an amendment, which is a thoroughgoing amendment that would reduce this charade down to $1 to the American taxpayers. If you are thorough in your understanding of how unnecessary this program is and your desire to eliminate it, save your vote for the Armey amendment.

Mr. SCHUMER and Mr. MACHTLEY have offered a responsible amendment that says pare down the charade by $57,734,000, and spend only $90 million of the taxpayers' money in support of the advertising budgets of these large megacorporations. The gentleman from Illinois [Mr. DURBIN], who also has reservations about the program, as does this President and our previous President, the CBO and the GAO, is more timid. He says let's give them a little message, let us cut their $147 million budget by a scant $20 million. If you are timid, if you lack resolve, if you do not understand or if you do not care, vote for the Durbin amendment. I would suggest that most of my colleagues will quite rightfully vote "no" on Durbin and save their effort to vote "yes" on Schumer/Machtley and then subsequently "yes" on Armey.

If we cannot begin the process of deficit repair by ending or at least substantially cutting these programs that are a charade, that fly under false colors, that do not benefit those whom they purport to benefit and in fact tax those very same people to benefit people whose own advertising budget is more than enough to buy the program, we cannot begin.

Vote "no" on Durbin, "yes" on Schumer, "yes" on Armey. Do the right thing by your children.

I thank my colleagues for their many fine accolades this evening.

Mr. SCHUMER. Mr. Chairman, I yield myself the balance of my time.

I thank the gentleman. I would just reiterate the comments of my colleague from Texas [Mr. ARMEY]. The bottom line here is not whether this money might do a little good in some extreme sense but whether at a time when we are cutting so many other things and debating whether we have enough money for vital necessities, if we can afford to spend the kind of money we are on subsidizing big corporations to advertise abroad; according to the GAO, which has done numerous studies, there is no bang for the buck here. It has never been proven in any way that the advertising actually increases sales, et cetera. The Schumer amendment eliminates it for big corporations, the Armey amendment for all of them.

I join my colleague from Texas [Mr. ARMEY] and the gentlewoman from Colorado [Mrs. SCHROEDER] and the gentleman from Rhode Island [Mr. MACHTLEY] in urging a "no yes yes" vote.

If you are serious about deficit reduction, this is an easy vote.

Mr. DURBIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise in support of the Durbin amendment.

Since its inception, the Market Promotion Program [MPP] has been essential in helping U.S. agriculture build, maintain, and expand overseas markets for many agricultural commodities, especially high-value products, and countering unfair and often subsidized foreign completion. MPP has also contributed to agriculture's positive trade balance, generated billions of dollars in economic activity, and created thousands of additional jobs. It has also been extremely cost-effective

The program has been administered on a cost-shared basis with participants required to contribute their own resources and efforts. Available funds have been more than matched by producers and their associations, cooperatives and other organizations. As such it has been one of the best examples of what an effective public-private partnership can achieve.

Some important facts to consider about MPP: has increased U.S. agriculture exports as much as $1.4 billion annually or more; export of high-value products have nearly doubled since program began; generated nearly $2.2 billion in increase economic activity; created an additional 38,000 tax-paying jobs largely in the food processing, manufacturing, and transportation sectors; it has helped generate over $250 million in additional Federal tax revenues more than offsetting its current cost of $147.7 million.

In 1992, the EC spent nearly 5 times as much as the United States to encourage agricultural production and to protect and increase its share of the world market.

While U.S. agriculture still remains at a disadvantage, MPP has helped counter this unfair competition. It has also helped United

States efforts to reduce trade barriers by creating increased consumer awareness and demand for United States agricultural commodities within selected countries, such as Japan.

Eliminating MPP would cripple U.S. agriculture's marketing efforts overseas and reverse the gains made in recent years.

Overseas markets cannot be maintained in the face of intense government subsidized foreign competition without a long term commitment with respect to U.S. policy.

Now is not the time for the United States, particularly with ongoing GATT negotiations, to retreat in its efforts to meet such competition and achieve a more level playing field for U.S. agriculture.

For all these reasons, I urge the members to continue to support the Market Promotion Program.

Mr. DURBIN. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, this has been a good, important, and timely debate, but I urge the Members of the House to wake up to the reality of what American exporters are facing. We are now losing our shirts to European exporters because they are getting governmental assistance to invade markets where we want to sell American products, American agricultural products that help farmers, American high-value products that employ people in your districts.

I urge you, do not toss out the market promotion program; join with us in reforming it. If you want to cut the program but not kill it, your vote is "yes-yes-yes." "Si, si, si; oui, oui, oui; yes, yes, yes, cut the program, don't kill it."

PARLIAMENTARY INQUIRIES

Mr. MYERS of Indiana. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MYERS of Indiana. Mr. Chairman, there has been some discussion here that on the vote for Durbin and "no-no," if Durbin passes, his was an amendment to a substitute offered by Mr. SCHUMER. Am I correct?

The CHAIRMAN. That is correct.

Mr. MYERS of Indiana. Then there would be no vote on Schumer except as amended by Mr. DURBIN?

The CHAIRMAN. That is correct.

Mr. MYERS of Indiana. Mr. SCHUMER'S was a substitute for——

The CHAIRMAN. Mr. ARMEY'S amendment.

Mr. MYERS of Indiana. So there would be no vote on Armey. Am I correct? Because you are not going to vote on it if Durbin passes.

The CHAIRMAN. There would be a vote on Armey, as amended by Schumer, as amended by Durbin.

Mr. MYERS of Indiana. But it will be a vote on Durbin all the way, so you have the same vote.

The CHAIRMAN. That is correct, which would result——

Mr. SMITH of Michigan. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Michigan. Mr. Chairman, if I want to vote to leave the program as it is without any cuts, am I correct that we vote "no" on Armey, as amended, or substituted?

The CHAIRMAN. That is not a parliamentary inquiry. The Chair thinks it is obvious to every Member what needs to be done to defeat all of these amendments. So that is not a parliamentary inquiry.

For what purpose does the gentleman from California rise?

PREFERENTIAL MOTION OFFERED BY MR. THOMAS OF CALIFORNIA

Mr. THOMAS of California. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. Thomas of California moves that the committee now rise and report the bill to the House with the recommendation that the enacting clause be striken out.

Mr. DURBIN. Mr. Chairman, I oppose the motion.

The CHAIRMAN. The gentleman from California [Mr. THOMAS] has offered a preferential motion, and the gentleman from Illinois [Mr. DURBIN] has risen in opposition.

The gentleman from California [Mr. THOMAS] will be recognized for 5 minutes, and the gentleman from Illinois [Mr. DURBIN] will be recognized for 5 minutes.

The Chair recognizes the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Chairman, I rise to take this time to put in focus the discussion that we have just been through.

Mr. CANADY. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of California. I yield to the gentleman from Florida.

Mr. CANADY. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Texas.

Mr. Chairman, I rise to speak against the amendment offered by the gentleman from Texas which would eliminate the Market Promotion Program—a program which is essential to expanding markets for American agricultural products around the world.

If we pass this amendment we will strike a blow against American agricultural producers who are struggling to sell their products in countries that have erected numerous barriers to American agricultural products.

A vote for this amendment is a vote to keep American agriculture at a disadvantage in foreign markets.

Mr. Chairman, I would like to point out in particular that the Market Promotion has given the Florida citrus industry the opportunity to penetrate foreign markets that have traditionally been closed to our products.

Every $1 million in MPP support to the Florida citrus industry translates to over $3 million in exports and over $6 million in the generation of additional economic activity.

The Market Promotion Program is the one program that helps level the playing field for Florida citrus producers and others in foreign markets.

As we consider this amendment, we need to keep in mind that the European Economic Community in 1992 spent nearly five time as much as the United States to support agricultural production, and to increase the European share of the world market.

The Market Promotion Program is essential to counter such efforts abroad.

I urge all my colleagues to vote against this amendment.

Mr. THOMAS of California. Mr. Chairman, most of this discussion has focused on some colorful use of agricultural words, used as pejoratives.

To a certain extent, the debate has turned on a GAO study on the market promotion program. The title of this very short study is "Effectiveness of Market Promotion Program Remains Unclear." The basis of that analysis was five case studies in the Japanese market.

What you need to know, for example, is that that case study did not cover pistachios.

Now, about 500 growers produce all of the pistachios in the United States; 100 percent of the market promotion money is spent generically in promoting pistachios. In Japan they have gone from a 10-percent penetration to a 24-percent penetration of the market. So what? Who is the primary competitor around the world to American pistachios? Iran. Iran spends hundreds of millions of dollars subsidizing the sale of their pistachios.

□ 2050

If we do use the market promotion program to assist pistachio growers, the subsidized Iranian pistachios blow them out of the marketplace. That was not commented on by the folks who want to look at the so-called corporate giants.

How about avocados? My friend, the gentleman from Pennsylvania said that we do not need to tell people what to do with food products. Everybody knows what wheat is.

I have to tell you, there are a number of folks who do not know what avocados are or how to eat them, and that is true of a number of specialty agricultural products.

When the Agricultural Commission began its market promotion in Japan, 100 percent of the money spent on generically promoting avocados, there was zero understanding of what avocados were, zero sales of avocados. Today 5 million pounds of avocados are sold in Japan and there is a 98-percent understanding of what an avocado is in the greater Tokyo market where the penetration has been.

You may snicker at a comment like that, but it is a positive balance of payments that was not there before.

A number of specialty agricultural products are moved in this fashion.

You talked about support of Gallo. Over 50 percent of the wine exported is by Gallo, the $16 million spent on behalf of the wine industry, not just California but all over the United States, is up against the European community subsidies of their wine sales worldwide of $2 billion.

Now, sure, we should complain about their $2 billion, but what we should not do is unilaterally disarm in this fight for markets around the world.

One of the criticisms from the GAO is that there is no requirement for small or medium businesses. This is not a business program. It is not under the Department of Commerce. It is to move agricultural products.

Let me tell you, if you want to sell eggs in Japan, you do it through a cooperative promotion with McDonald's on Egg McMuffins. That is how you move agricultural products.

And by the way, there is no requirement for small businesses. But over 80 percent of businesses in this program are under 500 employees.

Some of the companies that were not mentioned by the cynics, small Vermont maple syrup producers, Maine lobstersmen, Ben & Jerry's.

How about Newman's Own? When you read their products, they say every penny raised goes to charity.

We are moving those products to the market through the market promotion program.

No foreign companies are banned from the program. The opponents talk about 30 percent of the companies being foreign firms. What they haven't told you is that 95 percent of them are in four products: cotton, rice, soybeans, and peanuts, products that are used in the production of other products. Over 200 of these companies use U.S. cotton to create clothing.

If you can move the Japanese to produce underwear that increases from 30 percent cotton to 90 percent cotton content, one, they do not squirm as much, and two, we are moving U.S. product, U.S. cotton. That is what we are supposed to be doing. Our job is to move high-value products.

Now, under this program $147 million gets you $2.2 billion. We should be doing more of this not less.

The President has said, "I want this program to be funded at $148 million."

The gentleman from Illinois [Mr. DURBIN] has said that we will trim $20 million.

Please, do not in your ecstasy of having fun with this program destroy it by voting for the Armey amendment.

Do not vote to kill the program by striking the funds in the Armey amendment. If you must, vote for the shot across the bow represented by the Durbin amendment.

We have had our fun. Now let us get serious. This is a positive program that promotes U.S. products. Please support it with your vote.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. If I understand that correctly, Mr. Chairman, the gentleman from California has offered a motion to rise, which I am now speaking against?

The CHAIRMAN. To strike the enacting clause, the gentleman's motion is that the Committee rise and report the bill back to the House with the recommendation to strike the enacting clause. It is a preferential motion, and for that reason he was recognized.

Mr. DURBIN. Well, Mr. Chairman, I certainly oppose the motion offered by the gentleman from California.

I would like to say in closing, those who want to cut the market promotion program and not kill it should vote yes, yes, yes.

PARLIAMENTARY INQUIRY

Mr. ARMEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ARMEY. Mr. Chairman, as I understand it, with a motion to strike the enacting clause, if we were to rise, we would strike this entire bill, is that not correct?

The CHAIRMAN. If the House ratified the motion, it would strike the entire bill. The gentleman is correct.

Mr. ARMEY. So if we vote yes on this motion—

The CHAIRMAN. The Committee would rise, and then in the House vote on the recommendation to strike the enacting clause.

Mr. ARMEY. That is correct, but if we should pass the motion to rise, we would in fact kill this entire bill.

The CHAIRMAN. The gentleman is correct.

Mr. ARMEY. We would thereby have won for ourselves the opportunity to do this whole thing over again.

Mr. Chairman, I want to thank the gentleman from California for his generosity.

Mr. THOMAS of California. Mr. Chairman, I ask unanimous consent to withdraw my preferential motion.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The motion is withdrawn.

PARLIAMENTARY INQUIRIES

Mr. ARMEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ARMEY. Mr. Chairman, my inquiry is that we now return to the procedure by which we will have a vote first on the Durbin amendment to the Schumer (and Machtley) amendment for the Armey amendment.

The CHAIRMAN. That is correct.

Mr. ARMEY. And this then is the procedure we will follow?

The CHAIRMAN. Yes, that is correct.

Mr. ARMEY. There will be three votes.

The CHAIRMAN. That is correct.

Mr. SOLOMON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. SOLOMON. Mr. Chairman, as a Member who is a student of the rules of the House, I am a little confused on just what the procedure is.

I think I heard my good friend, the gentleman from Illinois [Mr. DURBIN] say that if you want to save as much of the program as you can, you would vote yes, yes, no.

Therefore, I guess conversely the most draconian cut would be to vote no, no, yes. Is that correct?

The CHAIRMAN. That is correct, while that is not a parliamentary inquiry.

Mr. SOLOMON. That is what I thought, Mr. Chairman, and I thank the Chair.

Mr. DUNCAN. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Texas [Mr. ARMEY]. The Marketing Promotion Program [MPP] is nothing but a welfare handout for the rich.

I have frequently said that big Government really helps only the bureaucrats who work for it and big business. I find it ridiculous that we are giving hundreds of millions of taxpayers dollars to mega-corporations like Pillsbury, Sunkist, Gallo wines, Dole, Nabisco, Quaker Oats, Burger King, Welch's, Ocean Spray, Hershey, M&M Mars, Del Monte, and many others.

Mr. Chairman, this is money spent for advertising overseas. It is surely something we cannot afford when our Government is broke and over $4 trillion in debt.

When Government gets too big, only big businesses are able to comply with all the rules, regulations, red tape, and qualify for all the lucrative Government contracts.

These programs also benefit bureaucrats with larger staffs, and offices, and more paper work and power to justify their existence.

Mr. Chairman, in the end Government benefits primarily the wealthy and those with power and influence. This is the true legacy of liberalism, welfare for the rich.

The small businesses which are able to survive get the leftover crumbs while the taxpayers get the shaft.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DURBIN] to the amendment offered by the gentleman from New York [Mr. SCHUMER] as a substitute for the amendment offered by the gentleman from Texas [Mr. ARMEY].

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DURBIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to clause 2(c) of rule XXIII, the Chair will reduce to not less than 5 minutes the time for any recorded vote that may be requested on the other pending amendments, without intervening business or debate.

The vote was taken by electronic device, and there were—ayes 330, noes 101, not voting 8, as follows:

[Roll No. 296]

AYES—330

Abercrombie
Allard
Andrews (TX)
Applegate
Bacchus (FL)
Bachus (AL)
Baesler
Barca
Barcia
Barlow
Barrett (NE)
Bartlett
Bateman
Becerra
Bereuter
Berman
Bevill
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Boehner
Bonior
Boucher
Brooks
Browder
Brown (GA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Carr
Castle
Chapman
Clay
Clayton
Clinger
Clyburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Conyers
Cooper
Costello
Cox
Coyne
Cramer
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
English (AZ)
English (OK)
Eshoo
Everett
Ewing
Faleomavaega (AS)
Farr
Fazio
Filner
Fish
Flake
Ford (MI)
Ford (TN)
Fowler
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grandy
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Inglis
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kaptur
Kasich
Kennelly
Kildee
Kim
Kingston
Klein
Klink
Klug
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Livingston
Long
Lowey
Maloney
Manzullo
Margolies-Mezvinsky
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McKeon
McKinney
McNulty
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (FL)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moorhead
Moran
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Ravenel
Regula
Reynolds
Richardson
Ridge
Roberts
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Scott
Serrano
Sharp
Sisisky
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velázquez
Volkmer
Vucanovich
Walsh
Washington
Watt
Weldon
Wheat
Whitten
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)

NOES—101

Ackerman
Andrews (ME)
Andrews (NJ)
Archer
Armey
Baker (CA)
Baker (LA)
Ballenger
Barrett (WI)
Barton
Beilenson
Bentley
Bilbray
Bonilla
Borski
Brewster
Burton
Cardin
Clement
Coble
Collins (MI)
Coppersmith
Crane
DeLay
Engel
Evans
Fawell
Fields (LA)
Fields (TX)
Fingerhut
Foglietta
Frank (MA)
Franks (CT)
Gekas
Gillmor
Grams
Green
Hefley
Hochbrueckner
Hyde
Inhofe
Istook
Johnson, Sam
Kanjorski
Kennedy
King
Kleczka
Knollenberg
Kolbe
Kyl
Lazio
Levin
Levy
Linder
Lipinski
Lloyd
Machtley
Mann
Manton
Markey
McCollum
McInnis
Meehan
Miller (CA)
Molinari
Morella
Nadler
Orton
Owens
Petri
Porter
Quillen
Rangel
Reed
Roemer
Rohrabacher
Royce
Schiff
Schroeder
Schumer
Sensenbrenner
Shaw
Shays
Shepherd
Shuster
Skaggs
Solomon
Stark
Stokes
Studds
Sundquist
Swett
Synar
Torkildsen
Vento
Visclosky
Walker
Waters
Waxman
Zeliff
Zimmer

NOT VOTING—8

Blute
Henry
Martinez
McMillan
Romero-Barcelo (PR)
Santorum
Skeen
Wilson

□ 2116

Mr. BURTON of Indiana, Ms. MOLINARI, Mr. MARKEY, and Mr. FINGERHUT changed their vote from "aye" to "no."

Mr. KASICH, Mrs. ROUKEMA, and Messrs. BACHUS of Alabama, CLAY, PALLONE, HOAGLAND, and DREIER changed their vote from "no" to "aye."

So the amendment to the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment, as amended, offered by the gentleman from New York [Mr. SCHUMER] as a substitute for the amendment offered by the gentleman from Texas [Mr. ARMEY].

PARLIAMENTARY INQUIRIES

Mr. ARMEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ARMEY. Mr. Chairman, if I could have the indulgence of Members for just a moment, I would like to clear up the parliamentary situation so they can know what it is they will be voting on. I understand the circumstances are very complicated. Let me, if I can, just explain quickly what has happened.

The CHAIRMAN. If the gentleman will state it in the form of a parliamentary inquiry, then the gentleman will be in order and the Chair will respond.

Mr. ARMEY. Mr. Chairman, am I correct in my understanding that the parliamentary situation is that the gentleman from Illinois [Mr. DURBIN] has successfully amended the Schumer substitute for the Armey amendment?

The CHAIRMAN. The gentleman is correct.

Mr. ARMEY. And in that case, now the Schumer substitute for the Armey amendment would cut $20 million from the $147 million of MPP?

The CHAIRMAN. The correct response is the Durbin amendment has been adopted by the Committee. The Schumer substitute has been amended by the Durbin amendment.

Mr. ARMEY. Mr. Chairman, I have a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ARMEY. Mr. Chairman, am I correct in understanding that for those Members who wish to vote for the Armey amendment, their only opportunity to do so will be by defeating this substitute as amended by the gentleman from Illinois [Mr. DURBIN]?

The CHAIRMAN. The gentleman has correctly stated a parliamentary inquiry, and the gentleman has made his point.

Mr. THOMAS of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

□ 2120

Mr. THOMAS of California. If the Schumer amendment is passed, is it not a substitute for the Armey amendment?

The CHAIRMAN. That is correct.

Mr. THOMAS of California. And, therefore, if the Armey amendment, as substituted by Schumer, is voted on, we will be voting on the Armey amendment?

The CHAIRMAN. As amended, that is correct.

Mr. ARMEY. Mr. Chairman, I have a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ARMEY. Mr. Chairman, my parliamentary inquiry is on the basis not of my need to know, because I know what I am doing, but many colleagues are asking me, if we wish to have a vote on the Armey amendment as propounded, to totally cut this, we must defeat the next vote; is that correct?

Mr. THOMAS of California. Regular order, Mr. Chairman.

The CHAIRMAN. The gentleman is correct.

Mr. MYERS of Indiana. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MYERS of Indiana. Mr. Chairman, if a vote is ordered on the Armey amendment, could it be reduced to 5 minutes?

The CHAIRMAN. Both the votes, if ordered, will be reduced to 5 minutes.

Mr. DURBIN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DURBIN. Mr. Chairman, in order to cut the program but not to kill it, the vote is yes, yes; is that correct, Mr. Chairman?

The CHAIRMAN. The gentleman has not stated a parliamentary inquiry.

The CHAIRMAN. The question is on the amendment, as amended, offered by the gentleman from New York [Mr. SCHUMER] as a substitute for the amendment offered by the gentleman from Texas [Mr. ARMEY].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ARMEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to clause 2(c) of rule XXIII, this vote will be reduced to 5 minutes.

The vote was taken by electronic device, and there were—ayes 337 noes 90, not voting 12, as follows:

[Roll No. 297]

AYES—337

Abercrombie
Allard
Andrews (TX)
Applegate
Bacchus (FL)
Bachus (AL)
Baesler
Barca
Barcia
Barlow
Barrett (NE)
Bartlett
Bateman
Becerra
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Cox
Coyne
Cramer
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dreier
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Farr
Fazio
Filner
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Franks (CT)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Inglis
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
Kingston
Klug
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Livingston
Long
Lowey
Maloney
Manzullo
Margolies-Mezvinsky
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (FL)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moorhead
Moran
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Rahall
Rangel
Ravenel
Regula
Reynolds
Richardson
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Scott
Serrano
Sharp
Shepherd
Sisisky
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Snowe
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sundquist
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torres
Torricelli
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Velázquez
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Weldon
Wheat
Whitten
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)

NOES—90

Ackerman
Andrews (ME)
Andrews (NJ)
Archer
Armey
Baker (CA)
Baker (LA)
Ballenger
Barrett (WI)
Barton
Beilenson
Burton
Cardin
Coppersmith
Crane
DeLay
Dornan
Duncan
Fawell
Fields (LA)
Fields (TX)
Fingerhut
Frank (MA)
Franks (NJ)
Gekas
Gibbons
Green
Harman
Hochbrueckner
Hoekstra
Hyde
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kanjorski
King
Kleczka
Klein
Klink
Knollenberg
Kolbe
Kyl
Lazio
Levy
Linder
Lipinski
Lloyd
Machtley
Mann
Manton
Markey
McCollum
Meehan
Miller (CA)
Molinari
Morella
Nadler
Petri
Porter
Quinn
Ramstad
Reed
Ridge
Rohrabacher
Royce
Schiff
Schroeder
Schumer
Sensenbrenner
Shaw
Shays
Shuster
Skaggs
Smith (TX)
Solomon
Stark
Studds
Swett
Synar
Taylor (NC)
Torkildsen
Valántine
Vento
Visclosky
Walker
Waxman
Zeliff
Zimmer

NOT VOTING—12

Blute
Carr
Gutierrez
Henry
Martinez
McMillan
Oberstar
Romero-Barcelo (PR)
Santorum
Skeen
Towns
Wilson

□ 2128

So the amendment as amended, offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 2130

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ARMEY], as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ARMEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. In accordance with clause 2(c) of rule XXIII, the Chair announces that the vote will be reduced to 5 minutes.

The vote was taken by electronic device, and there were—ayes 406, noes 25, not voting 8, as follows:

[Roll No. 298]

AYES—406

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Bonilla
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon

Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Farr
Fawell
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kreidler
Kyl
LaFalce
Lambert
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weldon
Wheat
Whitten
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—25

Applegate
Baker (LA)
Boehner
Bonior
Clayton
Collins (MI)
Conyers
Crapo
Fazio
Fields (LA)
Gilchrest
Grandy
Herger
Horn
Houghton
Kopetski
Lancaster
Packard
Quillen
Rose
Smith (MI)
Smith (OR)
Sundquist
Thomas (CA)
Watt

NOT VOTING—8

Blute
Henry
Martinez
McMillan
Romero-Barcelo (PR)
Santorum
Skeen
Wilson

□ 2137

Mr. THOMAS of California changed his vote from "aye" to "no."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

Mr. UPTON. Mr. Chairman, I move to strike the last word.

□ 2140

Mr. Chairman, unbeknownst to the public, [Mr. ZIMMER] and I are not being allowed to offer an amendment zinging the beekeepers' subsidy. Some might ask is this pork or is this honey?

Now, I do not begrudge the beekeepers, but I do bee—get it, do bee, I do begrudge the rules for not allowing us to offer our amendment.

In fact, some might even ask is our amendment to bee or not to bee.

Mr. Chairman, I rise to urge everyone to oppose the motion to rise in order to support the amendment Congressman ZIMMER and I intend to offer to prohibit any USDA funds from going to administer the honey price support program.

The honey program's flaws were made widely known by our dearly departed Silvio Conte. Silvio was a grizzly bear himself who I am sure liked honey but had a severe distaste for the honey price support program. Although I am only a cub when compared to him, I want to help carry on his ferocious opposition to this program.

The honey program is a supersweet deal for the small number of honey producers, but it stings the taxpayers and the consumers of honey.

You would have to have a bee in your bonnet not to see the flaws of the honey program. The program artificially raises U.S. honey prices at the expense of the U.S. consumers and at the expense of honey producers' ability to compete with foreign honey.

In fact, the General Accounting Office has recommended that this program be eliminated. The GAO determined that this program no longer was needed to serve its original purpose of maintaining enough bees for fruit pollination. The GAO found that this program now primarily serves the interests of large beekeepers who are interested in producing honey, not in pollinating crops.

In 1990, the Congress was all abuzz about this program, when the big bears on the Senate side voted to exterminate this program. In 1992, a majority of Senators also voted to end the program as part of the fiscal year 1993 Agriculture appropriation bill. Only minor changes to the program were made in 1990, and none in 1992.

Now is the appropriate time to reexamine the benefits of this program. Since debate on the farm bill in 1990, our deficits have grown to more than $300 billion. As the House stated during the balanced budget debate, we have to make tough choices about which programs provide the most benefits to our country. I do not think that the honey program, which benefits only about 1 percent of the Nation's beekeepers to the detriment of nearly everyone else, makes the cut.

I do not think the honey program is good farm policy. The 1985 and 1990 farm bills attempted to improve the honey industry's competitiveness in world markets, notwithstanding the fact that the program was not even originally intended to assist the honey market. While Government purchases of honey are thankfully down from the mid 1980's, efforts to reform have failed to curb increasing U.S. imports of cheaper foreign honey and decreasing U.S. honey exports. Even this year, House Agriculture Committee members have noted low-cost Chinese honey imports. I refuse to believe that American bees are less competitive than Chinese bees. The problem is that our price supports force domestic honey prices flying too high. I must conclude that this program is too flawed to fix.

Now even the Democrat's senior most papa bear, President Bill Clinton, has targeted the honey program for elimination. Following up on his campaign pledge, President Clinton in his February 17 budget proposal proposed to stop putting beekeepers hand in the honey jar. Clinton defended this deficit cutting proposal stating:

> There are roughly 3,500 individuals enrolled in USDA's honey program. These represent slightly more than 1 percent of all honey producers in the Untied States. Roughly 350 individuals get over 50 percent of the payments made by the honey program. Due to the large number of pollination services whose bees are not in the program, pollination of the Nation's crops would not be significantly affected by this proposal.

If Congress adopted this proposal, the President has estimated it would save $32 million over 4 years. In its 1993 deficit options book, the Congressional Budget Office stated eliminating this program would save about $60 million over 5 years.

Instead of the business as usual approach to tinkering around the edges of this flawed program adopted by the House Agriculture Committee in the deficit reconciliation package which passed the House, the people are demanding real change. In order to reduce the deficit, we need to cut spending first. We need to eliminate wasteful Federal programs. If we cannot crush that huge honey jar of Federal subsidies to follow through on one single program elimination which even the President has advocated, how can the American people take our deficit reduction efforts seriously?

It's time to vote to zap the honey program completely, once and for all.

Mr. ZIMMER. Mr. Chairman, will the gentleman yield?

Mr. UPTON. I yield to the gentleman from New Jersey.

Mr. ZIMMER. Mr. Chairman, after combing through this bill we asked to bee able to offer this honey of an amendment, but we were told to buzz off.

Mr. UPTON. Reclaiming my time, Mr. Chairman, it is unbeelievable. This is a real zinger to the taxpayers.

I yield to the gentleman from New Jersey.

Mr. ZIMMER. Mr. Chairman, we have gotten ourselves into a sticky situation. The taxpayers are telling us to mind our own beeswax, and they are telling us they are tired of being stung.

Mr. UPTON. Reclaiming my time, I can drone on and one about this program. Even the GAO has recognized that this program should be eliminated as it no longer has served its purpose of maintaining enough bees even for pollination.

I yield to the gentleman from New Jersey.

Mr. ZIMMER. This program is honeycombed with waste. During last year's campaign, Bill Clinton was buzzing about how he was going to eliminate this honeypot of a program. But it seems that in order to get votes for his reconciliation bill he made a beeline for the exit with his sweet campaign promise.

Mr. UPTON. Reclaiming my time again, even my fondest friends of Bill Clinton have a bee in their bonnet about this program, and about some of the promises that the President has walked away from.

I yield again to the gentleman from New Jersey.

Mr. ZIMMER. I do not mean to beelittle the importance of honey, but all the taxpaying worker bees in America are bugged by this program. It gives them hives. It flies in the face of fiscal responsibility.

Mr. UPTON. Reclaiming my time, Mr. Chairman, I yield to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding, and I would like to say to my colleagues that the observation by our late colleague, Sil Conte, was correct. We are paying the queen bees of the honey business. The GAO data show that 10 percent of the participants of the honey program receive more than 60 percent of the benefits.

I do not mean to drone on, but Washington, DC, has become the land of milk and honey for every lobby in town, including the killer bee lobbyists.

On behalf of the American taxpayer, who is being swarmed with new tax increases, I have only one question to the queen bees of the business: Honey, can you spare a time?

Mr. UPTON. I yield again to the gentleman from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. In closing I might just say beeware, this is a real hornet's nest, and hornets do not make honey.

Mr. UPTON. Mr. Chairman, I would like to tell my colleagues that we should defeat the motion to rise, stand, and be counted to allow this amendment to be offered.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. UPTON. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, as Silvio Conte would say, "How sweet it is. You are a honey of a friend. Buzz off."

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

This Act may be cited as the "Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994".

Mr. DURBIN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MCNULTY) having assumed the chair, Mr. SPRATT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2493) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1994, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

Mr. SOLOMON. Mr. Speaker, I demand a vote on the so-called Volkmer amendment on the dairy issue and on the so-called Armey amendment, as amended by the Durbin amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 59, delete lines 1 through 4.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. The Chair announces that he will reduce to a minimum of 5 minutes any subsequent votes taken on amendments. This is a 15-minute vote to be followed by a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 299, nays 127, not voting 8, as follows:

[Roll No. 299]

YEAS—299

Ackerman
Allard
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Boehner
Bonilla
Bonior
Borski
Brewster
Brooks
Brown (CA)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Cantwell
Chapman
Clay
Clayton
Clinger
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Cooper
Cox
Cramer
Crane
Cunningham
Danner
de la Garza
DeFazio
Dellums
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Dooley
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frost
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grandy
Green
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Hayes
Hefner
Herger
Hilliard
Hinchey
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inhofe
Inslee
Istook
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kasich
Kildee
Kim
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kyl
Lambert
Lancaster
LaRocco
Laughlin
Leach
Lehman
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Livingston
Lloyd
Long
Lowey
Machtley
Manton
Manzullo
Mazzoli
McCandless
McCloskey
McCrery
McDade
McHale
McHugh
McInnis
McKeon
McNulty
Menendez
Meyers
Mfume
Mica
Miller (FL)
Mink
Molinari
Mollohan
Montgomery
Moorhead
Murphy
Murtha
Neal (NC)
Nussle
Oberstar
Obey
Ortiz
Oxley
Packard
Pallone
Parker
Paxon
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ravenel
Regula
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce

Rush
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Sensenbrenner
Serrano
Shaw
Shuster
Sisisky
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velázquez
Volkmer
Vucanovich
Walker
Walsh
Washington
Watt
Weldon
Wheat
Whitten
Williams
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)
Zeliff

NAYS—127

Abercrombie
Andrews (ME)
Armey
Barlow
Becerra
Beilenson
Berman
Boucher
Browder
Brown (FL)
Byrne
Canady
Cardin
Carr
Castle
Clement
Coleman
Condit
Conyers
Coppersmith
Costello
Coyne
Crapo
Darden
Deal
DeLauro
DeLay
Derrick
Dicks
Doolittle
Durbin
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Fawell
Fingerhut
Frank (MA)
Franks (CT)
Franks (NJ)
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Glickman
Grams
Gutierrez
Harman
Hastert
Hastings
Hefley
Hoagland
Hoyer
Inglis
Jacobs
Kaptur
Kennedy
Kennelly
King
Klein
Kreidler
LaFalce
Lantos
Lazio
Levin
Linder
Lipinski
Maloney
Mann
Margolies-Mezvinsky
Markey
Matsui
McCollum
McCurdy
McDermott
McKinney
Meehan
Meek
Michel
Miller (CA)
Mineta
Minge
Moakley
Moran
Morella
Myers
Nadler
Natcher
Neal (MA)
Orton
Owens
Pastor
Pelosi
Penny
Porter
Poshard
Ramstad
Rangel
Reed
Reynolds
Rostenkowski
Rowland
Sabo
Schenk
Schroeder
Schumer
Scott
Sharp
Shays
Shepherd
Skaggs
Slattery
Smith (IA)
Spratt
Stark
Studds
Synar
Torricelli
Vento
Visclosky
Waters
Waxman
Wyden
Yates
Zimmer

NOT VOTING—8

Blute
Henry
Martinez
McMillan
Olver
Santorum
Skeen
Wilson

☐ 2204

Ms. FURSE and Ms. SHEPHERD changed their vote from "yea" to "nay."

Mr. LEHMAN and Mr. TANNER changed their vote from "nay" to "yea."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNULTY). The Clerk will report the final amendment on which a separate vote was demanded.

The Clerk read as follows:

Amendment: Page 78, line 17, strike "$147,734,000" and insert "$127,734,000".

Mr. WALKER (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote, after which Members are requested to remain in the Chamber.

The vote was taken by electronic device, and there were—ayes 403, noes 24, not voting 7, as follows:

[Roll No. 300]

AYES—403

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Boehlert
Bonilla
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kreidler
Kyl
LaFalce
Lambert
Lantos
LaRocco
Laughlin
Lazio
Leach
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velázquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weldon
Wheat
Whitten
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—24

Baker (LA)
Boehner
Bonior
Clayton
Collins (MI)
Conyers
Crapo
Dooley
Fazio
Fields (LA)
Gilchrest
Grandy
Hilliard
Houghton
Kopetski
Lancaster
Lehman
Packard
Quillen
Smith (MI)
Smith (OR)
Sundquist
Thomas (CA)
Watt

NOT VOTING—7

Blute
Henry
Martinez
McMillan
Santorum
Skeen
Wilson

☐ 2211

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNULTY). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MYERS OF INDIANA

Mr. MYERS of Indiana. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MYERS of Indiana. In its present form, I must be, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MYERS of Indiana moves to recommit the bill H.R. 2493, to the Committee on Appropriations with instructions to report back the same to the house forthwith with the following amendment:

On page 30, line 21, strike $18,000,000,000 and insert in lieu thereof $13,600,000,000, and on page 79, after line 6 insert the following new section:

SEC. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 5.00 percent.

Mr. MYERS of Indiana (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MYERS of Indiana. Mr. Speaker, the hour is late, I recognize. I will not use the 5 minutes.

This is a simple motion. I regret that I must do this. It is a good bill, except it is just too much money.

The bill is $5,880,000,000 above the President's request. It is $9,780,000,000 above last year's budget authorization.

My motion would reduce the Commodity Credit Corporation by $4.4 billion, leaving $13.6 billion.

Back on March 23, Eileen Manfredi of the Congressional Budget Office, a senior principal analyst, testified before the Committee on Agriculture:

CBO's projection for Commodity Credit Corporation outlays shows a decline to $9 billion in 1994.

My amendment would still leave $13.6 billion, a good cushion, and if it is not spent, it will not be appropriated.

It also would cut the other programs in this bill by 5 percent.

Because of the requirements here, so much of this, 80 percent is mandated, we are cutting into the real programs we all would like to vote for. This is a case where we have got to do something about the programs that are mandated. It calls for the need for it. I do not think anyone likes to do it. I am asking you to do it tonight.

If we are really concerned about balancing the budget sometime in the future, we must start tonight.

In closing, Mr. Speaker, I hope you will all support this, but I will understand. It is a good program, other than this. Reducing it will not hurt any program that much, by 5 percent.

Mr. Speaker, I yield back the balance of my time.

Mr. DURBIN. Mr. Speaker, very briefly, the gentleman from Indiana misspoke. The bill is $5.9 billion below the President's request. It is also $248 million below the allocation of the Budget Committee in budget authority.

The 5-percent cut recommended by the gentleman from Indiana would cut into the WIC Program 5 percent. It would also reduce the appropriation for the Food and Drug Administration, where they are trying to catch up with drug approvals and medical devices.

Mr. Speaker, I urge my colleagues to oppose the motion to recommit.

Mr. MYERS of Indiana. Well, Mr. Speaker, if the gentleman will yield, remember, we cut $20 million out of the $5.9 billion awhile ago. It is now $5,880,000,000. The gentleman forgot about the $20 million we did reduce from the MPP.

Mr. DURBIN. Mr. Speaker, the gentleman is correct.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of the final passage of the bill, following the vote on the motion to recommit.

The vote was taken by electronic device, and there were—ayes 172, noes 255, not voting 7, as follows:

[Roll No. 301]

AYES—172

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Cox
Crane
Crapo
Cunningham
DeFazio
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Everett
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goss
Grams
Greenwood
Hall (TX)
Hamilton
Hancock
Hansen
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Lewis (CA)
Lewis (FL)
Linder
Lipinski
Livingston
Lloyd
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Myers
Nussle
Orton
Packard
Paxon
Penny
Petri
Pombo
Porter
Portman
Pryce (OH)
Quinn
Ramstad
Ravenel
Regula
Ridge
Roemer
Rohrabacher
Roth
Roukema
Royce
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Swett
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (WY)
Upton
Valentine
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—255

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Ewing
Farr
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Glickman
Gonzalez
Goodling
Gordon
Grandy
Green
Gunderson
Gutierrez
Hall (OH)
Hamburg
Harman
Hastert
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (GA)
Lightfoot
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha

Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Quillen
Rahall
Rangel
Reed
Reynolds
Richardson
Roberts
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swift
Synar
Tanner
Tejeda
Thomas (CA)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Véazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—7

Blute
Henry
Martinez
McMillan
Santorum
Skeen
Wilson

□ 2232

Mr. SMITH of Michigan changed his vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNULTY). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to the Chair's prior announcement, this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 304, noes 119, not voting 11, as follows:

[Roll No. 302]

AYES—304

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Baker (LA)
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Buyer
Byrne
Camp
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Farr
Fazio
Fields (LA)
Filner
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Grandy
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hastert
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Holden
Houghton
Hoyer
Hutchinson
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kim
Kingston
Kleczka
Klein
Klink
Kopetski
Kreidler
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCloskey
McCrery
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Pryce (OH)
Quillen
Rahall
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Ros-Lehtinen
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (TX)
Snowe
Spence
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Tejeda
Thomas (CA)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velázquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)

NOES—119

Andrews (NJ)
Archer
Armey
Bachus (AL)
Baker (CA)
Ballenger
Barca
Barton
Beilenson
Bliley
Bunning
Burton
Callahan
Calvert
Canady
Castle
Coble
Collins (GA)
Cox
Crane
Cunningham
DeLay
Doolittle
Dornan
Dreier
Duncan
Dunn
Fawell
Fields (TX)
Fingerhut
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gingrich
Goodlatte
Goss
Grams
Green
Gunderson
Hancock
Hansen
Hefley
Herger
Hoke
Horn
Huffington
Hughes
Hunter
Hutto
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
King
Klug
Knollenberg
Kolbe
Kyl
Lazio
Levy
Linder
Manzullo
McCandless
McCollum
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Murphy
Myers
Nussle
Orton
Packard
Pallone
Paxon
Petri
Pombo
Porter
Portman
Quinn
Ramstad
Rohrabacher
Roth
Roukema
Royce
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Smith (MI)
Smith (OR)
Solomon
Stearns
Stump
Talent
Taylor (MS)
Taylor (NC)
Thomas (WY)
Walker
Weldon
Wolf
Zeliff
Zimmer

NOT VOTING—11

Bartlett
Blute
Dingell
Henry
LaFalce
Martinez
McMillan
Rose
Santorum
Skeen
Wilson

□ 2239

Mr. PAXON changed his vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. TORRES. Mr. Speaker, I was unavoidably absent on official business for rollcall vote No. 295. Had I been present on the House floor I would have cast my vote as follows:

Roll No. 295, "yes" on Mr. VOLKMER'S amendment to delete provisions in the H.R. 2493, the Agriculture appropriations bill for fiscal year 1994, which remove the statutory obligation of school districts to require schools participating in the school lunch program to offer students whole milk.

PERSONAL EXPLANATION

Mr. BLUTE. Mr. Speaker, while I was in Massachusetts assisting my wife, Robi, with the delivery of our son, I missed a series of roll call votes.

On Tuesday, June 29, during further consideration of H.R. 2491, and consideration of H.R. 2493, the Agriculture appropriations bill, I would have voted the following:

Rollcall 284, "aye."
Rollcall 285, "aye."
Rollcall 286, "aye."
Rollcall 287, "aye."
Rollcall 288, "aye."
Rollcall 289, "aye."
Rollcall 290, "no."
Rollcall 291, "aye."
Rollcall 292, "aye."
Rollcall 293, "aye."
Rollcall 294, "aye."
Rollcall 295, "aye."
Rollcall 296, "aye."
Rollcall 297, "aye."
Rollcall 298, "aye."
Rollcall 299, "aye."
Rollcall 300, "aye."
Rollcall 301, "aye."

Rollcall 302, "no."

PERSONAL EXPLANATION

Mr. SKEEN. Mr. Speaker, I was on leave of absence when rollcall votes occurred in the House of Representatives.

Had I been present, I would have cast my votes as noted for the following roll-call votes which occurred during my absence.

Roll No. 284, Penny amendment to H.R. 2491, VA, HUD Appropriation Act, cut CDBG grants by $50 million, "Nay."

Roll No. 285, Grams amendment to H.R. 2491, VA, HUD Appropriation Act, reduce HUD policy development/research programs by $48 million, "Aye."

Roll No. 286, Kolbe amendment to H.R. 2491, VA HUD Appropriation Act, provide $10 million for HU?D HOPE grants program, "Aye."

Roll No. 287, Hefley amendment to H.R. 2491, VA HUD Appropriation Act, cut $970 thousand for employees detailed to the Office of Science and Technology Policy, "Aye."

Roll No. 288, Klug En Block amendment to H.R. 2491, VA HUD Appropriation Act, delete funds for ASRM, "Aye."

Roll No. 289, motion to recommit, H.R. 2491, VA HUD Appropriation Act, "No."

Roll No. 290, final passage, H.R. 2491, VA HUD Appropriation Act, "Aye."

Roll No. 291, Fawell amendment to H.R. 2493, agriculture Appropriation Act, delete all appropriations for CSRS sepcial research grants and building/facilities, "No."

Roll No. 292, Burton amendment to H.R. 2493, Agriculture Appropriation Act, reduce RDA funding from $35 million to $20.75 million, "No."

Roll No. 293, Zimmer amendment to H.R. 2493, Agriculture Appropriations Act, reduce loan levels for REA hardship loans, "No."

Roll No. 294, Burton amendment to H.R. 2493, Agriculture Appropriations Act, delete $3 million appropriation, for the Outreach for Socially Disadvantaged Farmers program, "No."

Roll No. 295, Volkmer amendment to H.R. 2493, Agriculture Appropriations Act, delete provisions in the bill removing statutory obligation of school districts to require schools participating in the school lunch program to offer students whole milk, "No."

Roll No. 296, Durbin amendment to H.R. 2493, Agriculture Appropriations Act, amending the Schumer substitute amendment to increase funds for the MPP program from $90 million to $127.734 million, "Aye."

Roll No. 297, Schumer amendment as amended H.R. 2493, Agriculture Appropriations Act, See Roll Call No. 296 for explanation,"Aye."

Roll No. 298, Armey amendment as amended to H.R. 2493, Agriculture Appropriations Act, See Roll Call No. 296 for explanation "Aye."

Roll No. 299, Volkmer amendment to H.R. 2493, Agriculture Appropriations Act, delete provisions in the bill removing statutory obligation of school districts to require schools participating in the school lunch program to offer students whole milk, "No."

Roll No. 300, Armey amendment, as amended H.R. 2493, Agriculture Appropriations Act, see Roll Call No. 296 for expl, "Aye."

Roll No. 301, motion to recommit, H.R. 2493, Agriculture Appropriations Act, "No."

Roll No. 302, Final Passage, H.R. 2493, Agriculture Appropriations Act, "Aye."

REPORT ON RESOLUTIONS WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2520, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1994

Mr. BONIOR, from the Committee on Rules, submitted a privileged report (Rept. No. 103–163) on the resolution (H. Res. 214) waiving certain points of order against the bill (H.R. 2520) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2010, NATIONAL AND COMMUNITY SERVICE ACT OF 1990 AMENDMENTS

Mr. BONIOR, from the Committee on Rules, submitted a privileged report (Rept. No. 103–164) on the resolution (H. Res. 215) providing for consideration of the bill (H.R. 2010) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons anticipating in such service, and for other purposes, which was referred to the House Calendar and ordered to be printed.

WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2492, DISTRICT OF COLUMBIA SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1993

Mr. BONIOR. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 210 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 210

Resolved, That all points of order against consideration of the bill (H.R. 2492) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1994, and for other purposes, for failure to comply with the provisions of clause 7 of rule XXI are waived. During consideration of the bill, all points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived.

The SPEAKER pro tempore (Mr. MCNULTY). The gentleman from Michigan [Mr. BONIOR] is recognized for 1 hour.

Mr. BONIOR. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this legislation appropriates funds for the District of Columbia for fiscal year 1994.

The bill supports many important programs here in the District—for police, for teachers, for judges.

One of the most important is a major crime and youth initiative, which is designed to stem the rising crime rate in the District and reach out to young people at risk.

The new program responds to street violence through increased law enforcement, while at the same time establishing preventive, targeted programs for young people and families who need support.

Mr. Speaker, this is a responsible bill in these times of budget constraint. The bill cuts the President's request for the District by $5.1 million.

Mr. Speaker, House Resolution 210 is an open rule for consideration of H.R. 2492, the District of Columbia appropriations bill for fiscal year 1994.

The rule waives all points of order against consideration of the bill for failure to comply with clause 7 of rule 21, which requires that committee reports be printed at least 3 days prior to consideration of a general appropriation bill.

The rule also waives all points of order against provisions of the bill for failure to comply with clause 2 of rule 21, which prohibits unauthorized appropriations or legislative provisions in a general appropriations bill.

Mr. Speaker, this is a simple, open rule for consideration of the bill, and I urge my colleagues to support the rule and the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as my colleague, the gentleman from Michigan [Mr. BONIOR] has described, this rule provides for the consideration of the District of Columbia appropriations bill. It waives the requirement that printed hearings be available 3 days prior to the consideration of the bill. Also, the rule provides waivers against the entire bill for unauthorized appropriations and legislation in an appropriations bill. While it would be preferable for the authorizing committees to complete their work prior to the consideration of the appropriations bills, such is not the case. We cannot delay the appropriation process, and I have no objection to the waivers provided under this rule.

H.R. 2492 provides funding for the Federal payment-in-lieu-of-taxes to the District of Columbia. Also, the bill includes funding for the Federal Government's contribution to police, firefighters, judges, and teachers' retirement funds and for the mayor's youth and crime initiative.

Mr. Speaker, there are a number of controversial matters contained in this bill. The bill repeals the ban on the use of Federal funds to pay for abortions. The bill also allows unmarried couples, regardless of sexual orientation, to register as domestic partners. Domestic partners of D.C. government employees would then be eligible for group health insurance coverage.

Mr. Speaker, if we are going to waive the rules to allow legislative language in an appropriations bill, then I think it is only fair to provide the necessary waivers to proposed amendments to such legislative language. The gentleman from Oklahoma [Mr. ISTOOK] submitted an amendment in the Rules Committee to block the implementation of the domestic partners law, but it was not made in order. This is unfortunate and unfair, and I feel strongly that the Rules Committee should have allowed this amendment.

I am strongly opposed to several provisions of the bill, but this rule allows Members to offer appropriate amendments, and I hope we can make some changes and improvements as we consider this measure.

Mr. Speaker, I urge adoption of this rule so we can proceed with the consideration of this bill.

Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Speaker, I thank the distinguished gentleman from Tennessee for yielding time to me.

As a ranking member on the Subcommittee on the District of Columbia, I rise in support of the rule, although I do have, a number of us have problems with certain issues within the bill.

It is an open rule, and the issues that we do disagree upon will be raised during general debate. We would also offer an amendment following general debate to reduce the appropriation by a certain amount of money.

Having said that, Mr. Speaker, I have no objection to the rule.

Mr. QUILLEN. Mr. Speaker, I urge adoption of the rule. I have no further requests for time, and I yield back the balance of my time.

Mr. BONIOR. Mr. Speaker, I yield such time as she may consume to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Speaker, there is always controversy in the House concerning rules, especially points of order, because they are protected in some instances but not in others.

In effect, the House protects legislation on appropriation bills when it chooses. There is no pattern; alas, there is no principle.

Yet tonight, I ask my good colleagues to embrace one principle to which no member in a democratic body can raise a sound objection: That when locally elected officials have enacted a law or decided how their tax-raised dollars should be spent, no Member of this House should seek to countermand the local democratic majority.

My friends, the District of Columbia is not an agency of the Federal Government. The District is not a colony of the Congress. The District is an American jurisdiction of 600,000 people who can hold no one in this House, not even me, accountable for local enactments. Only dictatorships allow official action without local accountability. Such a course has no place in this proud and principled House.

Only an accident of timing has allowed a provision mandating costs for rank featherbedding in the D.C. Fire Department to remain in H.R. 2492. The chairman of the Subcommittee on the District of Columbia was prepared to raise a point of order that would have ruled out of order a congressional directive to keep the District from cutting its work force, yes, keep the District, which for years has been told to cut its work force, keep the District from doing precisely what the Congress has yelled and screamed that the District should do.

By the time agreement was reached to exclude the provision from the rule to waive points of order, however, the Committee on Rules, which would have ruled otherwise, had already acted.

Therefore, I must offer an amendment and will do so at the appropriate time to strike this mandatory budgetary provision. I will ask my colleagues not to stand in the way of cuts in the D.C. Fire Department, among the most overstaffed in the country.

□ 2250

I will ask the Members not to bar the way when the District is finally willing to cut its work force, as this House has long demanded. I will ask the Members not to reduce democracy to a slogan inapplicable to the Nation's Capital.

If the Members believe in democracy, if they believe that democracy should apply everywhere that flies the American flag, then they will vote for my amendment. May I ask them to vote as well on other issues: To ratify the democratic majority in the District, as they would without thinking elsewhere; to respect democracy in the District, as they would insist on in their own districts.

Mr. BONIOR. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM LEONARD P. WISHART III, DIRECTOR, NON-LEGISLATIVE AND FINANCIAL SERVICES, U.S. HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore (Mr. McNULTY) laid before the House the following communication from the Director, Non-Legislative and Financial Services, of the House of Representatives:

OFFICE OF THE DIRECTOR, NON-LEGISLATIVE AND FINANCIAL SERVICES,
Washington, DC, June 25, 1993.

Hon. THOMAS S. FOLEY,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that the Office of Finance has been served with a subpoena issued by the Superior Court of the District of Columbia.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

LEONARD P. WISHART III,
Director.

GENOCIDE IN BOSNIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes.

Mr. BONIOR. Mr. Speaker, I rise with a great sense of sadness and loss. Sadness because nearly 50 years after the world vowed "never again" we are witnessing genocide in Bosnia. Loss for the Bosnian men, women and children who have suffered so much.

We have all seen and heard the images of horrible carnage—the starvation in concentration camps, desperate refugees packed onto U.N. trucks, innocent civilians killed by Serbian artillery and snipers and the systematic rape of women and girls.

Let there be no doubt that what is happening to the Moslems in Bosnia is genocide. Ethnic cleansing is genocide.

How we respond to crises such as these is a reflection of our character and our very humanity. Frankly I am not encouraged by what I see.

For we pressured the Bosnian Moslems to accept the Vance-Owen peace plan—a plan which, to a large degree, rewarded Serbian aggression. Reluctantly, the Moslems agreed to it thinking that the international community would bring pressure on the Serbs to negotiate a peace. But we failed to take meaningful action.

Next we tried to establish "safe havens," basically ethnic ghettos filled with refugees. Serb artillery made a mockery of this idea in full view of U.N. forces.

Now we are putting pressure on the Bosnians to accept the partition of their country, fully rewarding Serbian aggression, and giving the Moslems just two landlocked areas with a tenuous connection to the sea. This weekend, Serbian and Croat forces joined together in a final drive against Moslems in Maglaj and other cities.

In all fairness, we have taken some positive measures—providing humanitarian relief, enforcing the no-fly zone, establishing a war crimes commission, and tightening the economic sanctions.

Individuals such as French General Philipe Morillon have bravely stood up to the Serbian butchers. But these acts of courage have been the exception, not the rule.

Why have we not found the will to end the murder, torture, and rape? Have we become numb to human suffering through overexposure on television and in the newspapers? Or is something larger involved here?

I am going to ask a question that makes me extremely uncomfortable—a question that should at least make all of us pause. If the tables were reversed and Moslems were slaughtering Christians or Jews in Europe, would we continue to do virtually nothing to stop it?

Moslem, Jew, Christian, a human life is a human life, murder is still murder, rape is still rape, and genocide is still genocide. Has our moral compass slipped so far that we can permit a nation to be dismembered and an entire people pushed to the brink in full view of U.N. troops?

This weekend we found the will to take bold action against Saddam Hussein. Why can't we find the will to punish Serbia for its reprehensible genocide of Bosnian Moslems?

We can and must do more. The arms embargo on Bosnia should be lifted so that the terribly outgunned Moslems can defend themselves. The embargo has only served to aid Serbian aggression. This is an issue of basic fairness.

Yes the situation is complex, yes there are risks involved, but measures are available that will not get us bogged down in Bosnia. By lifting the arms embargo we will be reaffirming the right of the Bosnians to defend themselves, their children and their homes. This is the very least we can allow them to do.

Future generations will judge us if we lack the courage to stand up to this brutality and aggression. The time for action has nearly passed.

But if we do not act, innocent blood will continue to be spilt. Tears of grief and rage will continue to be shed. When history records that genocide reared its head in Europe, and that the cry for help went forth, will we be able to say that we did all we could?

□ 2300

Mr. Speaker, it is with great sadness again this evening that I report that today the U.N. Security Council rejected a resolution to lift the arms embargo on the Bosnian Moslems and authorize air strikes to protect them. Six countries voted for the resolution and nine abstained. Nine sat idly by as homes were destroyed, as women and children were raped, as murders and killings were perpetrated throughout this beleaguered land.

Nine votes are needed for approval of a resolution. The six voting in favor were the United States, I am proud to say, Cape Verde, Djibouti, Morocco, Pakistan, and Venezuela. Those abstaining were Brazil, Britain, China, Russia, France, Hungary, New Zealand, Japan, and Spain.

U.S. Ambassador Madeleine Albright argued that we do not believe that this body should deny the Bosnian Government the wherewithal to defend itself in the face of brutal aggression conducted by the Bosnian Serbs and their backers in Belgrade.

Mr. Speaker, this is indeed a sad day for the world community. I would urge our administration and our President to think long and hard about other approaches and actions that they might take to salvage what is left of a beleaguered land and a tortured people. This is not something that will just go away like many people in our Government and our country wish. We are witnessing brutality on the highest levels and we are standing by and doing nothing.

I am pleased that my colleagues would join me this evening. I would like to yield to two of them this evening who have been leaders in speaking out on this issue from its inception, the gentleman from Indiana [Mr. McCLOSKEY] and the gentleman from Massachusetts, [Mr. OLVER].

I yield to the gentleman from Indiana [Mr. McCLOSKEY].

Mr. McCLOSKEY. I thank the gentleman very much. I must say I wholeheartedly agree with about every statement and sentiment in your statement. Quite frankly, it is very similar to what I am about to say, and I must commend you with all my heart for your ongoing leadership in this area. I think it is truly an ongoing crisis that as things get worse, quite frankly, American and Western interests seem to get less.

This is a dark, dark hour for Bosnia—for Europe, and the United States.

The full dimensions of the human, moral, and political catastrophe which is unfolding in the Balkans will eventually dawn on the political establishment in Washington, and on the American people.

The roster of shame for letting this catastrophe unfold will be a long one. It will include decisionmakers and opinionmakers from both sides of the Atlantic, from across the political spectrum, from executive and legislative branches, and from the fourth estate.

We desperately need some plain and honest talk about what is happening on Bosnia.

Never in my political life have I seen such an obscene gap between high-road words and low-road deeds in the policies of Western governments. Never have I seen so much equivocation and obfuscation, so much specious rationalization for moral and political cowardice, or so much energy expended in the hope of evading responsibility. Never have I seen something so immense, so important, get so little attention.

We are witnessing a disaster. It is a human disaster now for the people of Bosnia. It is a moral disaster for the world community. It is a longterm security and economic disaster for the American people.

But Western governments have done so much to obfuscate these high stakes, and to exhaust the psychic energy of Western publics by their handwringing and posturing, that we have to read about this disaster in the back pages of the daily press. This should be a front page headline story, every day.

Here is the truth about Bosnia, and what it means to the West.

In Bosnia, the Bosnian Moslem people are being decimated by a systematic genocide run by the Belgrade regime of Slobodan Milosevic.

The perpetrators of this genocide have killed some 200,000 men, women and children. They have maimed and wounded tens of thousands more. They have systematically raped tens of thousands of women. They have systematically targeted for extermination in death camps the leading strata of Bosnian society. They have systematically destroyed all signs of non-Serb culture in some two-thirds of Bosnia.

By this genocide they mean not only to decimate the Bosnian Moslem people. They also mean to destroy forever the multiethnic and multicultural civilization that was Bosnia Herzegovina, to destroy the Bosnian Government, and to dismantle the Bosnian state.

Milosevic and his thugs are getting away with this genocide. Not only that, Western governments are serving as his military and political accomplices.

We are accomplices because we continue to deny, cover up, and minimize the evidence of this genocide. The U.S. State Department knows that Milosevic is engaged in genocide. But it won't say so because this would increase the pressures to do something.

We are accomplices because we have taken sides militarily with the perpetrators. This is not a case where, as Edmund Burke put it, "The only thing necessary for the triumph of evil is that good men do nothing." This is a case where "good men" have actually done something—but on the side of evil.

Mark this point well: We are not simply bystanders, as we were for the Holocaust when we did not come to the aid of Europe's Jews. It is not just that we have declined to come to the aid of the Bosnians through military intervention.

We have done worse: We have denied the victims the means to defend themselves, through application and enforcement on Bosnia of the U.N. arms embargo on former Yugoslavia. We have intervened, on the side of genocide.

The Clinton administration has tried to distance itself from this complicity by adopting the position that it favors lifting the arms embargo from the Bosnian Government.

But this is not the administration's real position. It is only the administration's posture, for public relations purposes. When it comes to real action to get the arms embargo lifted from the Bosnian Government, the administration opts out.

I ask here: What efforts did the President or Secretary of State make to win support from our friends and allies for today's effort in the U.N. Security Council to lift the embargo from Bosnia? How many leaders did the President call to press his case? In what way did we show that this is important to us? The answer is that the administration did nothing—as if the illusion of leadership could be preserved by passivity.

We are accomplices because we have taken sides with the perpetrators of the genocide in political terms as well.

We have exerted pressure on the Bosnian Government to accept the ethnic partition of Bosnia. We have legitimized the perpetrators of genocide as the rightful leaders and spokesmen for the Serb people, and as the legitimate subjects of negotiations with the Bosnian Government—which both Cyrus Vance and David Owen have tried mightily to reduce to the status of the "Moslem faction."

Mark this point well too: We have joined Slobodan Milosevic, Radovan Karadzic and their murderous forces in pressing the Bosnian Government to surrender. This is a far more disgraceful surrender than Munich, when war and genocide were still in the future.

And again, the administration seeks to distance itself from complicity by adopting the position that we would have preferred a multiethnic Bosnia—but that if all parties quote genuinely and honestly agree unquote, we will accept partition.

I ask here: How can anyone talk of the Bosnian Government quote genuinely and honestly unquote agreeing to partition, when that government is under relentless military assault and its people have been and continue to be decimated by genocide?

Obviously, one cannot. Doing so is just another way of disguising what we are up to, which is to sell out a sovereign, independent United Nations member state to external aggression.

I made reference earlier to Munich. If Czechoslovakia had fought back against Hitler, no doubt the United Kingdom and France would have written this off a civil war, just as Secretary Christopher has redefined Bosnia as a civil war. But there is another parallel with Munich as well.

When the United Kingdom and France sided with Hitler against Czechoslovakia in 1938, Poland and Hungary also opted to grab small chunks of that state. They were later to become Hitler's victims too.

Now in 1993, Western complicity in Milosevic's aggression against Bosnia has encouraged Croatia—already one of Milosevic's victims—to also take the low road, and seek to grab part of Bosnia. The complicity of Croatian President Tudjman in Milosevic's attack on Bosnia has made Croatia an aggressor even as it remains a victim of Milosevic's aggression.

I have repeatedly condemned Croatia's complicity in the partition of Bosnia directly to Croatian President Tudjman. I believe he and his coterie of advisors from Herzegovina are doing great harm to both Bosnia and Croatia. How ironic that Tudjman could plausibly respond that he was simply cooperating with the Vance-Owen plan, or more recently the Stoltenberg-Owen partition effort.

Croatia was the first state to recognize the sovereignty and independence of Bosnia. It has made a greater effort to help Bosnian refugees, including Bosnian Moslems, than any other country. How tragic it is, and how avoidable it could have been, that Croatia has now become part of the aggression against Bosnia.

There is an unspoken assumption behind the West's appeasement policy toward Slobodan Milosevic, and its support for the partition of Bosnia. That assumption is that Milosevic can be bought off, that if we let him grab and "cleanse" one third of Croatia and two-thirds of Bosnia, he will stop and the crisis will abate and be contained within the borders of what used to be Yugoslavia. In short, the idea is that a "Greater Serbia" means a more stable Balkans.

What a stupid notion.

First of all, Milosevic's goal of an ethnically pure "Greater Serbia" promises unending conflict with its current victims in Croatia, Bosnia, Kosovo, Sandzak, and Vojvodina, and with its future victims in Macedonia. It promises millions more victims of "ethnic cleansing" in all those areas.

Second, the track record over the past 3 years is clear: Milosevic has no bottom line, and the more he gets, the further he pushes on. His regime is growing more fascist, not less.

Third, the gathering clouds of a new genocide in Kosovo are ominously dark and near. Kosovo has been a slow-motion "Krystallnacht" for 3 years now. It is one vast concentration camp, with the pilot light lit in the ovens. The idea that it will be possible to deter Milosevic and his thugs from genocide in Kosovo after letting them get away with it in Bosnia is simply preposterous.

What then does our betrayal of Bosnia mean for the West?

In the Balkans, it means years of conflict in Croatia and Bosnia, and the destruction of democracy in both those states. It means the spread of Milosevic's genocidal aggression to Kosovo, Sandzak and Vojvodina and to Macedonia, and the triggering of the wider Balkan war that Western policy ostensibly aims to deter. In the long run, Milosevic's "Greater Serbia" is doomed to collapse. But its rise and fall will traumatize Southeastern Europe for generations to come.

In Europe, our betrayal of Bosnia makes a mockery of two principles which are crucial to peace and stability, in particular in the area of the former Soviet Union: that genocide will be suppressed, and that cross-border aggression will not be tolerated. It fatally undermines the credibility and authority of two institutions on which transatlantic peace and security are based: NATO and the CSCE.

In the wider world, our betrayal of Bosnia exposes the end of America's military commitment to European peace and security. It reduces the power of the United Nations and the U.N. Security Council to that of the League of Nations in the 1930's. It poisons relations between the West and the Islamic world, and strengthens fundamentalism in the latter. It emboldens aggressors everywhere.

In short, the idea that writing off Bosnia will settle the Balkan crisis is as misguided as it is immoral. The Bosnian people are paying a terrible price for this now. We will all pay a heavy price for it down the road.

What is happening in Bosnia is not something we can afford to treat as a "distraction" from pressing domestic issues, as the President has suggested. It is not something we can afford to sweep under the rug in embarrassment. Bosnia and the Western policy response should be the subject of serious national debate. it is the defining moment of the post-cold war era, and so far it is defining nothing but trouble ahead.

☐ 2310

Again, I thank the distinguished majority whip.

Mr. BONIOR. I thank my colleague for his articulate and passionate response to the tragedy in the Balkans.

Mr. Speaker, I now yield to my friend, the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Speaker, I thank the gentleman very much for yielding. I thank him very much for his leadership that he has continued to provide on this issue. I want to associate myself with the remarks both of the gentleman as the Member from Michigan but also our majority whip, and also the Member from Indiana, who has just given a most articulate discussion about what he sees as the downside of what has happened in the Balkans here and our role in it.

I do not have that kind of a prepared statement here tonight. My statement is scratched across a page in my frustration and my anger over what it is that has happened. But that is not going to deter me from making a fairly lengthy, perhaps, statement here.

Today it seems to me that the U.N. drove one more nail in the coffin that they, the U.N. themselves, built for Bosnia. Bosnia, a member of the United Nations, probably the most multiethnic, multicultural, multireligious nation within the United Nations at the time of their admission to the United Nations, a nation where there is at least a strong argument that the very membership in the United Nations was afforded to Bosnia in order to give them the protection of international law, the protection of recognition by the whole world community, and then admittance to the United Nations in order to give them protection of international law, and then to have the United Nations be the very instrument of the withdrawal, of the removal, of that international law in that Bosnia was not allowed from the first, from its very admission into the United Nations, to have the very fundamental right to defend themselves as every nation has a right to defend themselves, by the impact of an embargo which had been placed long before, actually months before, the actual admission of Bosnia to the United Nations, but still suffering under that embargo and unable to gain the kind of arms that would allow them to defend themselves.

As I say, they were a multiethnic, multireligious, and multicultural people in Bosnia, all Slavic people, Croats, largely Catholic, Serbs, largely Serbian Orthodox, and the Bosnians, those who called themselves Bosnians, some of whom were Roman Catholics, some of whom were Eastern Orthodox, a great many of them who happened to be Muslims. That people, that intermixed people, 25 percent of the population, has been estimated to have been intermarried among those different ethnic and religious groups. In fact, they all spoke the same language, and the other minorities that were in that country also, the Albanians and the Jews, and sizable populations, interestingly enough, of Slovaks and Hungarians in that country, all part of what was very close to a melting pot there in the Balkans.

Bosnia for 15 months has been under attack by a portion of the Serbian ethnic group, the Serbian nationalists, who want to build a greater Serbia there, and in that period of time we have seen the creation of concentration camps, mass rape used as a policy, the destruction of mosques. One night the five mosques in the district of Bijeljina were destroyed all in one night.

□ 2320

The old and historic mosques in the city of Banja Luka, a community that had nearly equal numbers of Serbs and Moslems in that community before this most tragic war, those old and venerated and historic mosques, hundreds of years old, were destroyed in a single night, simply blown up.

Can you imagine the outrage that we would feel if someone were in this country of ours destroying the religious institutions of one of the ethnic groups within, and what would come of that?

During all of this process when the whole of the Islamic culture in that country, in that country where in fact the Moslems were the largest ethnic group—44 percent at the beginning of this tragic era were Moslems, about 31 percent were Serbian, and about 17 percent were Croatian, with the remainder being of those other ethnic groups which I mentioned—who were part of that mix in the Balkans, their libraries, the people, the whole families who had been taken out and slaughtered, they had lived through that for 15 months while time after time the United Nations has debated whether or not they should be allowed their right of self-defense.

The right of self-defense for a nation, a member of the United Nations, is denied to them totally in this process that has gone on.

Mr. BONIOR. It is quite remarkable, is it not, when one considers what took place tonight? The Security Council of the United Nations, with countries as powerful and renowned as France, Great Britain, Russia, Spain, voted to deny a member nation the right to defend themselves. It is incredibly historic and sad and significant.

And if we let this go without a challenge, without calling to question the moral bankruptcy and, to a large extent, the sovereign bankruptcy of this action today, we will, I think, come to regret this very deeply in the months and years ahead.

Mr. OLVER. I think we will regret it deeply, and it will not take long for us to regret, because what is happening there is a signal to dictators, and people in positions like Milosevic all over the world who have watched already Mr. Tudjman taking over, have gotten the virus, in essence, and decided that, "Well, if they are going to dismember Bosnia," then he is going to get his part of that nation and that portion, more than he was even given that he never deserved in any of the proposals that had come out at earlier times.

It is almost as if these nations have forgotten what their history was. As my colleague from Indiana [Mr. MCCLOSKEY] has so carefully pointed out, it should have been Britain and France that were complicit in the dismemberment of Czechoslovakia, that they should be in the forefront of keeping Bosnia from having that right of self-defense.

Looking back even further to those nations, it is such a common thing; when Poland was dismembered by Austria and Russia and Germany in three separate partitions, with no relationship, no consideration for the Poles in that process.

Well, of course that is a couple of hundred years ago, but one hopes that there is human progress. We have a United Nations. We have a United Nations built on principles here of attempting to avoid this sort of thing, and we have lost now, have lost in the severest kind of way, the moral suasion that would be necessary to act effectively.

In fact, that may be the only way that effective action can come because there is only one superpower now, when if there is not leadership with a very clear and very well-driven goal on the part of this country, then I think we are likely to see this sort of thing happen in place after place, which is a heavy burden, but it is a burden that we as the only superpower in this country have to bear, at least in part, for the level of leadership that we provide.

During all of this, during all of these proposals, that while there were resolutions deploring and condemning what has happened over the last 15 months, none of those have been enforced, none of those have been enforced even to the latest point of safe havens, the effort of safe havens.

When the U.N. forces, as the gentleman himself pointed out, have to act in order to be able to move into an area that is supposedly under safe haven, as the Serbian nationalists concentrate and constricted the area and then bombard the civilian populations, first in Srebenica and then more recently in Goradze, which has been virtually out of contact with the outside world for months now and where the Serbians once in a while will let one or two observers in, where those people are without food and medicine as the safe haven; the latest way in which the United Nations has backed off its commitments to the idea of safe havens. There are ghettos, a little bit like Indian reservations that have been built up in our own Nation over a period of time to put the people who are not wanted into.

Mr. BONIOR. Expendable people in expendable places.

Mr. OLVER. People expended in expendable places, in high concentrations. That is one thing that the Serbian nationalists have added to this mix, is that they have then used modern weapons of bombardment against a population which is a United Nations member which has been denied the right to get the very arms to defend itself while the Serbian nationalists have had full access and have had access throughout this 15-month period to the armaments that were available to the old Yugoslavian army, which now is in the hands of Serbia and Montenegro and has been completely at the disposal of the Serbian nationalists, first as they have attacked Croatia and then as they have attacked Bosnia.

Well, the proposals that have come out as these resolutions have not been enforced, first we remember there was a proposal by the negotiators. Mr. Vance, a man that I have met, that I do not and cannot believe that he would be rewarding aggression in this kind of a way, rewarding genocide in this kind of a way. And Mr. Owen, sometimes called Lord Owen, a term that we do not use much, that certainly implies certain qualities that I do not see in Mr. Owen whatsoever for the activities that he has conducted over the last few months.

In that instance, the Vance/Owen plan awarded 30 percent of the territory of Bosnia to the Croats, of all things, the allies in this multiethnic state of the Moslems of the Bosnian state, part of the Bosnian state, and the allies of the Moslems in Bosnia, awarded 30 percent when they never had more than 17 percent of the population and where they were awarded areas which were majority-Moslem areas, whole districts, whole areas that were vast majority Moslem in their population. Yet that was awarded, even in the earliest of these plans, to the Croatians, while the Serbs were being rewarded for their aggression and for their genocide along the way.

Frankly, I have to ask is there no shame in this whole process? The 44 percent Moslem population which occupied at least 40 percent of the territory and were the more urban areas, lived in the more urban areas, for the most part, in every single one of the plans put forward by the European Community and by the negotiators for the United Nations have been repeatedly placed at disadvantage. They are the United Nations member.

□ 1130

They are the nation that has been recognized by the whole civilized world, the member of the United Nations that has been denied the right to defend itself, and yet they time after time have been put at disadvantage first in that proposal put forward by Vance and Owen, which was indeed flawed.

President Clinton and Secretary Christopher properly showed it to be flawed.

Mr. BONIOR. At its outset, they properly recognized it at its outset, and then of course changed course as this process went on.

Mr. OLVER. Indeed, they recognized that it was flawed at its outset. Then those negotiators moved to the concept of safe havens, safe havens with no enforcement, safe havens that ended up being ever smaller living ghettos for Moslems in Srebrenica, Gorazda, and Tuzla and Zepce and Sarajevo. Each of of those locations ended up as an ethnic ghetto.

Then finally the proposal for the ultimate give-in to aggression and genocide, the proposal for partition into three parts, where indeed each one of the parts would be allowed to ethnic cleanse the areas that they held and where the Moslems would be given no more than 20 percent of the territories in a state that would be completely unviable along the way.

Well, that is where we are at the present time. How did we get there? I want to say something about how we got there, because one can go back and look at this and ask, did it start in 1200 or 1386 when the Turks defeated the Serbs at Kosovo Field in what is now Kosovo, or whether it was in 1571 or it started at the gates of Vienna or started under the Empress Maria Teresa and the movements of people that she caused in that period of time in her reign in the 1700's in order to create a buffer zone against the very Turks that mixed up the populations in a different kind of way than they had been before, or whether in 1878 or 1914 with the start of the First World War, or after that First World War when for awhile there was an effort to put together that kingdom of Slovenia, Croatia, and Serbia, or whether it started in the Second World War when the partisans in the then-Yugoslavia, Moslems, Serbs, and Croats all fought against the Germans, but also fought against each other and created hatreds which simply exacerbated older hatreds. Whatever was the history, and one could go to each one of those places and see one piece of what has finally come about in the Balkans, whatever it was, for a period of time Tito managed to hold things in a repressive state under control in a constitutionally constructed six Republics within Yugoslavia and two constitutionally constructed autonomous provinces within.

In my sense, when Tito died there was always talk about how Yugoslavia would burst apart.

Certainly we could have gone back to think about it at that time and do something to prepare for that, but the real beginning of this, and it will come around to this again, the real beginning was in Kosovo in 1990, 3 years ago, before the attack by the Serb nationalists in Croatia or in Bosnia, but in Kosovo where that population which is 90 percent Albanian, Albanian Moslems almost totally, but 90 percent Albanians, which are an ethnic group that comes from an older group living in that same Balkan area even before the Slavic peoples moves in, even before those majority peoples of Slovania and Croatia and Serbia and Bosnia moved into that part of the Balkans, in Kosovo in 1990 the Serbs put in 100,000 troops and closed the schools and arrested all the leadership.

Since that time they have been repressing that 90 percent Albanian population in that heavily and densely populated autonomous province of Kosovo. I call it Kosovo because that is the Albanian way of pronouncing it, which had had constitutionally within Yugoslavia autonomy. Essentially the autonomy was removed unilaterally by Serbia at that time and that sent a signal to each of the Republics within Yugoslavia to Slovenia, Croatia, Bosnia, and Macedonia, that they were going to be the subject of similar kinds of repression.

Indeed, as a followup, Slovenia and Croatia and Bosnia declared independence, as did Macedonia.

The Serb nationalists tried first to attack Slovenia, discovered that there there was no fifth column.

Then they attacked in June 1991 Croatia. It was then that the United Nations if they did not understand what exactly was happening had an obligation to move, and with all the deploring resolutions and all of the condemnation, they did essentially nothing.

The United Nations and the European community as territories within Croatia, some of them heavily Croatian in their population, were bombarded, destroyed, and taken over.

In fact, peace finally came there when the United Nations sent in troops to hold a truce, which ended up being a way for the United Nations forces in Croatia to hold that territory for a greater Serbia, to initially at its very start to reward the aggression and the genocide that was already starting at that time, though it did not yet become as severe as it has in the case of Bosnia.

In fact, that process I believe has ended up with the United Nations forces holding the territory for the Serb nationalists and leaving them free to attack Bosnia some 15 months ago; but by that time they knew because there had been no enforcement of the previous resolutions and no enforcement of the condemnation of the actions on the part of Serbia in supporting the Serbian nationalists who now control one-third of Croatia.

In that process the Serbian nationalists and Milosevic in Belgrade understood perfectly well that there was no will anywhere on the part of the international community to do anything.

Mr. BONIOR. And the question is whether there will be any will on the part of the international community, especially the United States, to stand up in Kosovo if indeed the Serbs press further their onslaught on the Albanians in Kosovo or whether the international community and the United States will stand idly by if Macedonia is threatened. All these questions now rise higher in the eyes of the probability with respect to further Serbian aggression because of the inaction.

In fact, as the gentleman just correctly pointed out, the ironic support that the United Nations has given Serbia through the United Nations troop deployment in Croatia and through the actions they have taken today and in other days in New York at the United Nations, it is a very frightening thing what path we are on, and for us to stand by and continue to allow this type of aggression, this type of ethnic cleansing, is just a very sad mark on the international community.

Mr. OLVER. Well, I think the gentleman now really has put the mark on it, because it is in fact a sad thing to see the direction in which this is going, because the process that I have described has led, as my colleague, the gentleman from Indiana, has pointed out, to 200,000 plus or minus, not very many minus, perhaps plus slaughtered, human beings slaughtered merely because they were of a different religion in that area.

□ 2340

No other, since Cambodia of a decade or so ago, in the killing fields in Cambodia, or the kind of history that went on in Uganda a matter of maybe two decades ago; no other kind of numbers of that sort on the part of deliberate slaughter of people and a member of the United Nations has occurred. Two million people have been uprooted from homes that they lived in for generations, and sometimes centuries, in the same family. Mosques, virtually every religious institution in the area, destroyed. Churches, by the way, as well, on the part of the Serbian nationalists, Catholic churches in those areas as well. Families, from the youngest child to the oldest, to the oldest fifth generation, slaughtered together, in total, and we have seen it on our TV sets and in our newspapers, and then the last episodes of the concentration of those populations in those safe havens, the declared safe havens by the United Nations in Srebrenica, and in Zapa, and in Gorazda, which have resulted in forces of the United Nations having to ask the Serbian nationalists committing this genocide whether they could go in, and of course that incredible incident of the vice president of Bosnia dragged from a U.N. vehicle under the very eyes—allowed to be dragged by U.N. forces, and shot and executed summarily right then and there, as if he was the criminal, as the President, duly elected, of Bosnia, a member of the United Nations was simply executed by the Serbian nationalists who were—who had gotten hold of that particular U.N. convoy.

Mr. BONIOR. It is an incredible story. I mean, if you were to write this and publish it without having known the facts, or seen it and viewed it, you would say it was preposterous, the irony and the tragedy of what has gone on here, not only to people, but to the established institutions which were supposedly put in place to safeguard the very sovereignty and safety of these people. It is just the most incredible story.

Mr. OLVER. Well, for it to have happened within 50 years of the Second World War in a European country is truly remarkable.

There are some who did not know, and perhaps a great number who legitimately did not know what happened in the 1940's in the slaughter of Jewish people, and Polish people and other lesser peoples, so-called lesser peoples according to the Nazi regime. But in this instance we all know it. We all know it in this country, and every one of the European countries knows what is going on, and in every instance it would appear that there is no will anywhere there to stop this slaughter of Moslems in Bosnia.

And in that process it seems to me that the U.N. has come perilously close to losing moral persuasion, its right to moral persuasion, in other kinds of situations, and it becomes absolutely clear that only the United States is the superpower, and only if we are willing to act and take strong action will we end up getting the kind of action that would be necessary to stop this kind of thing because those nations seem not capable of taking an action that would stop the kind of genocide that has gone on.

And then we come full circle, I think, to Kosovo because, if it is clear that that is going to go on, that there will be no enforcement, that all that they have to do now with Mr. Tudjman in Croatia, seeing the horrible example that has been put forward and seeing that Serbia is going to get away with it, that he then is going to expect to have 30 percent of Bosnia when never at any time did Croatians occupy more than a few rather small districts within that territory, mostly in the southeastern area near the Dalmatian coast and where it never represented more than perhaps 15 to 20 percent of the territory, even though some of those were relatively low-populated areas. Then we are going to see coming back to Kosovo, we are going to see further repression, the killing of people, the driving of the Albanian population out in that area where two million people live, more than two million, and of whom almost two million are Albanians, 90-percent Albanian population in Kosovo, and who would like to be able to practice their autonomy and, perhaps, their independence.

We are going to see it come full circle to Kosovo because there is nothing in any of the actions that have occurred up to now that the United Nations has taken or that the United States has taken that would lend any credence whatsoever to the idea that action would be taken when the exact kind of ethnic cleansing starts for sure in Kosovo, and then what happens when that occurs and in Latvia, where there is nearly 50-percent Russian ethnics in Latvia, largely because 60 years ago large numbers of Latvians were driven out and taken to Siberia, resettled in Siberia, and replaced by Russian ethnics in Latvia. What then is going to happen when that one blows up? There will be no moral persuasion or no position left for the U.N. to take given what they will have done in the Balkans and what they have done in the case of Croatia and Bosnia.

And then what I believe will happen in Kosovo has already started, the kind of repression which leads to genocide in that territory, and I could go on, as the gentleman might suspect, at this stage, that I could for some time, listing other places where the same sort of thing could happen.

Mr. BONIOR. The gentleman from Massachusetts [Mr. OLVER] is a fountain of knowledge on this area of the world, and in the history of the Balkans and in southeastern Europe, and more importantly he is a person of compassion and virtue who is willing to stand up and voice his concerns about this moral bankruptcy that we are witnessing, and I thank him for his time and for participating this evening in this special order. Hopefully at some not too distant future the policy of this country will reflect the moral values that we would have hoped would have been evident in the vote that took place today in the United Nations, but, regrettably, was not.

Mr. OLVER. Mr. Speaker, I thank the gentleman very much for allowing me to take part in this special order, to join him and my colleague, the distinguished gentleman from Indiana, in once again speaking about this issue.

The action today in the United Nations once more has denied the right of this member of the United Nations to defend itself. They were admitted to the United Nations after that embargo was placed, and they should have had the right to defend themselves, and it is an outrage that nine members of the United Nations, nine members of the Security Council, would deny them the right to defend themselves.

That is all they have asked. They have never asked for American troops or anyone else's troops to be placed on the ground. They merely asked for the right to defend themselves against genocide, and for that to have been denied to them is unconscionable in the world community, and it will come back to haunt the world community in this next decade in many different ways.

Mr. BONIOR. Mr. Speaker, I thank my colleague for his contribution, and I thank my dear friend, the gentleman from Indiana [Mr. McCLOSKEY] for his contribution.

□ 2350

NATIONAL NYSP DAY

Mr. WYNN. Mr. Speaker, I ask unanimous consent that the Committee on

Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 88) to designate July 1, 1993, as "National NYSP Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore (Mr. GENE GREEN of Texas). Is there objection to the request of the gentleman from Maryland?

Mr. McCOLLUM. Mr. Speaker, reserving the right to object, I do not object, but I do yield to the gentleman from Indiana [Mr. ROEMER], the joint resolution's chief sponsor, to explain this legislation.

Mr. ROEMER. Mr. Speaker, I would like first of all to thank the gentleman from Florida [Mr. McCOLLUM] for allowing me to get up and talk about this.

Mr. Speaker, I am pleased to rise in support of Senate Joint Resolution 88, designating July 1, 1993, as "National Youth Sports Program Day." I am proud to have introduced this legislation, with strong bipartisan support, in recognition of the accomplishments of this outstanding program.

When I first introduced this bill with the distinguished gentleman from Florida [Mr. YOUNG], we worked very hard with both our staffs working day in and day out to get the necessary 218 cosponsors to bring this bill to the floor.

This year marks the 25th year of existence for the National Youth Sports Program, which is sponsored by the Department of Health and Human Services and the National Collegiate Athletic Association. Since its inception in 1968, this program, through sports instruction and other enrichments, has helped thousands of disadvantaged youth gain much needed support for their overall personal growth and development.

Last year, at 175 selected colleges and universities, more than 69,000 disadvantaged youth aged 10 to 16 received sports instruction, USDA-approved meals, medical examinations, math and science instruction, and education and career counseling. For most of these youngsters, this program provides a first-time exposure to a collage campus, and often results in the necessary encouragement to stay in school.

My alma mater, the University of Notre Dame, which has a long history of supporting community activities, received funding for the first time in 1992 to participate in this very worthwhile program.

I would like to salute the president of that university, Father Edward Monk Malloy, and the director of the program, Demetrius Marlow, for their hard work in bringing a number of disadvantaged youth to the campus, which I visited over the past summer.

I believe that the National Youth Sports Program is a proven, effective tool, designed to help disadvantaged youth break the cycle of poverty.

Passage of this resolution will be a fitting tribute to the efforts of the people associated with the program throughout the country who have helped make the National Youth Sports Program such an extraordinary success. I urge my colleagues to support this resolution.

Mr. McCOLLUM. Mr. Speaker, reclaiming my time, I thank the gentleman for his explanation. I know that the gentleman from Florida [Mr. YOUNG], who, as the gentleman acknowledged, was a cosponsor of this effort, would have appreciated the opportunity to be here tonight, but he could not be. The gentleman strongly support it, as we all do.

Mr. YOUNG of Florida. Mr. Speaker, I rise today in support of this resolution which designates July 1 as National Youth Sports Program Day in recognition of this outstanding program's 25th anniversary of serving children.

For a quarter of a century, the National Youth Sports Program has been providing at-risk youth aged 10 to 16 with an opportunity to build self-esteem and to aspire for a high school diploma and a college degree. Under the sponsorship of the Department of Health and Human Services and the National Collegiate Athletic Association, this program has proven to be an effective tool to help disadvantaged youth break the cycle of poverty.

Since its creation in 1968 by the President's Council on Physical Fitness and Sports and the National Collegiate Athletic Association, this program has helped thousands of disadvantaged youngsters gain much needed support for their overall personal growth and development through sports instruction and other enrichment programs. The program's name does not do it justice because the program involves much more than just sports instruction. While sports may be the way to interest children in participating in the program, once in the door they receive free medical exams; hot lunches; career discussions; and education on important issues such as preventing AIDS and teen pregnancy and the importance of avoiding alcohol and drugs.

As part of the program's comprehensive health care services provided for participating youth, each child receives a medical examination. Last year, more than 71,000 medical examinations were given and as a result, 20,000 children, or 28 percent of the program participants, were referred to physicians for followup attention.

As a complement to the health care services, the National Youth Sports Program serves a hot, U.S. Department of Agriculture approved, meal daily. For many participants, this is the only nutritious meal they receive during the summer months.

With funds provided by the Appropriations Subcommittee on Health and Human Services I serve on, the National Youth Sports Program, has expanded its offerings to provide math and science instruction from professors, utilizing college facilities and resources. Dr. Maurice Nott, the National Youth Sports Program coordinator for the St. Petersburg Junior College, the program in my congressional district, was a pioneer in encouraging the addition of math and science instruction. Over the past 2 years, students tell me that math and science instruction is the program in greatest demand. It has proven to be such a success, and with the addition of funds by our committee, the number of campuses offering math and science programs is expanding throughout our Nation.

Mr. Speaker, for the thousands of youngsters enrolled in the program at college campuses throughout our Nation, this first-time exposure to college facilities and programs has provided the impetus for many of them to stay in school with the hope of pursuing the dream of a college education after graduation from high school. The programs allow these children to realize that they can transcend their surroundings through education, and that they do not have to give up to a life of despair.

Having visited with children participating in the program, I have seen, first hand, the children's excitement and enthusiasm. Last year, more than 69,000 youngsters participated in the National Youth Sports Program at 175 selected colleges and universities throughout our Nation, and I rise to commend the Department of Health and Human Services, the NCAA, and the many people responsible for the program's remarkable success.

Mr. Speaker, tomorrow the House will consider the 1994 Health and Human Services appropriations bill which includes $12 million for the National Youth Sports Program. The committee approved my request to increase funding for the program by $2.6 million over the 1993 level.

It is only appropriate that the House recognize the valuable contribution of thousands of college and university personnel, teachers, and volunteers who have such a tremendous impact on thousands of children every summer. Now in its 25th year, the mark of the program's success is the number of adults who have come back to assist the program after having had the chance to be a National Youth Sports Program participant as a child. They recognize the impact the program had on their lives and want to give back a part of their experience to today's youth.

Mr. Speaker, this is a program which works and which helps children in so many ways. It is a model program which gives hope and encouragement to children throughout our Nation.

Mr. McCOLLUM. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 88

Whereas the National Youth Sports Program (hereafter referred to as "NYSP") is a highly effective and comprehensive youth sports and educational instruction program in the United States for economically disadvantaged youth, ages 10 to 16 years old;

Whereas over 69,000 economically disadvantaged young people participated in NYSP last year at United States colleges and universities in 153 cities, 44 States, and the District of Columbia;

Whereas NYSP provides over 70,000 medical and follow-up examinations as well as health instruction by medical professionals to enrolled youth;

Whereas NYSP provides hot United States Department of Agriculture-approved meals and snacks daily to all participating youth;

Whereas the NYSP staff includes professional instructors with undergraduate degrees who offer educational instruction in drug education, AIDS, higher education, nutrition and health, and math and science, and who offer counseling on such topics as career opportunities, teen pregnancy, anti-gang strategies, and suicide prevention in an effort to promote personal responsibility;

Whereas NYSP is administered by an advisory committee composed of community leaders and college and university personnel, and collaborates with local community action agencies and mayors' offices;

Whereas the NYSP partnership between the public and private sectors ensures that Federal funds are used to provide direct services for youth, that institutions of higher education contribute facilities and personnel and pay the indirect costs of the program, and that public and private businesses donate equipment and supplies; and

Whereas 1993 marks the 25th year that NYSP has provided economically disadvantaged youth with the opportunity to participate in healthy sports activities in order to encourage these youth to build good habits, to direct the competitive urge toward constructive ends, to stimulate the imagination to reach new goals, and to satisfy the human desire to belong: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 1, 1993, is designated as "National NYSP Day". The President is authorized and requested to issue a proclamation calling upon State and local jurisdictions, appropriate Federal agencies, and the people of the United States to observe the day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL LITERACY DAY

Mr. WYNN. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 213) designating July 2, 1993, and July 2, 1994, as "National Literacy Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. McCOLLUM. Mr. Speaker, reserving the right to object, and I will not object, I yield to the gentleman from New Jersey [Mr. PAYNE], who is the chief sponsor of House Joint Resolution 213, for an explanation.

Mr. PAYNE of New Jersey. Mr. Speaker, I want to thank my friend, the distinguished chairman of the House Committee on Post Office and Civil Service, the gentleman from Missouri [Mr. CLAY], for his assistance in bringing this resolution to the floor today, and I thank Representative WYNN for presiding here tonight.

Each year since I began serving in Congress, I have had the privilege of introducing a measure to set aside one day a year, July 2, as National Literacy Day. I appreciate the outstanding show of support I have had from my colleagues with 231 cosponsoring this resolution and for their assistance in drawing attention to one of the most crucial challenges facing our society: the need to impart literacy skills to all of our people.

As a member of the House Education and Labor Committee, I am frustrated by the fact that in a well-education nation like ours, where we have schools and universities that attract students from all over the world, we continue to have 42 million Americans who read at a level less than necessary for full survival needs. I am frustrated by the fact that, as we strive to increase our national competitiveness and create new technologies, we still have 30 million adults who cannot read, whose resources are left untapped, thus preventing them from making a full contribution to society.

I am frustrated too by the fact that each year, the number of illiterate people in the United States grows by 2 million.

Most of us have fond memories of a favorite book, a poem, or a psalm we read as youngsters, opening up new worlds of adventure and stimulating our imaginations, knowledge and understanding. The sad reality is that today, one million children in the United States between the ages of 12 and 17 cannot read above a third grade level.

The price of illiteracy is very high. Consider that 85 percent of juveniles who appear in criminal court are functionally illiterate, and the public must bear the costs of prosecuting offenders and housing them in jail. Illiteracy takes a toll on our Nation's businesses. It has been estimated that the total cost of errors, accidents and missed opportunities in business has reached a staggering $225 billion annually. I believe that we can eliminate illiteracy if we all pull together and make a concerted effort to address the plight of our fellow Americans who are now shut out of the mainstream because they lack the necessary skills to participate in a meaningful way in our society.

We are fortunate to have many hardworking and committed volunteers all across America who are giving up their time to help others acquire reading skills, and we honor them as we commemorate National Literacy Day.

Mr. Speaker, the date of July 2 is special for another reason, as well—it is the birthday of a man who worked tirelessly to promote education and to break down the barriers that kept people illiterate—the late Thurgood Marshall. Justice Marshall's determination to help those who had been shut out of the system for too long prompted him to fight many legal battles.

He successfully argued 29 cases before the Supreme Court before being appointed a Justice himself by President Lyndon Johnson in 1967. His victory in the historic Brown versus Board of Education decision in 1954 captured worldwide attention, and serves as a lasting tribute to this great American, whom we were saddened to lose earlier this year.

Again, I thank my colleagues for their support of this measure and I extend my deepest appreciation to all of the literacy volunteers across this nation who are making such a difference in the lives of so many people.

I hope that literacy tutoring will play a prominent role in President Clinton's National Service plan, so that we can use the talent and energy of our young people to build a better America. On July 2, National Literacy Day, let us resolve to win a victory over illiteracy, a victory that will benefit us all and move this country forward.

Mr. McCOLLUM. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 213

Whereas forty-two million Americans today read at a level which is less than necessary for full survival needs;

Whereas there are thirty million adults in the United States who cannot read, whose resources are left untapped, and who are unable to offer their full contribution to society;

Whereas illiteracy is growing rapidly, as two million three hundred thousand persons, including one million two hundred thousand legal and illegal immigrants, one million high school dropouts, and one hundred thousand refugees, are added to the pool of illiterates annually;

Whereas the annual cost of illiteracy to the United States in terms of welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated at $225,000,000,000;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas there is a direct correlation between the number of illiterate adults unable to perform at the standard necessary for available employment and the money allocated to child welfare and unemployment compensation;

Whereas the percentage of illiterates in proportion to population size is higher for blacks and Hispanics, resulting in increased economic and social discrimination against these minorities;

Whereas the prison population represents the single highest concentration of adult illiteracy;

Whereas one million children in the United States between the ages of twelve and seventeen cannot read above a third grade level, 13 per centum of all seventeen-year-olds are functionally illiterate, and 15 per centum of graduates of urban high schools read at less than a sixth grade level;

Whereas 85 per centum of the juveniles who appear in criminal court are functionally illiterate;

Whereas the 47 per centum illiteracy rate among black youths is expected to increase;

Whereas one-half of all heads of households cannot read past the eighth grade level and one-third of all mothers on welfare are functionally illiterate;

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves because of the lack of support they receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have only been able to reach 5 per centum of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the problem and its detrimental effects on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and

Whereas it is also necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterates in need of assistance: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 2, 1993 and July 2, 1994 are designated as "National Literacy Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WYNN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material on Senate Joint Resolution 88 and House Joint Resolution 213, the joint resolutions just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

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TERM LIMITATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. McCOLLUM] is recognized for 60 minutes.

Mr. McCOLLUM. Mr. Speaker, I rise this evening on special order time to talk about a subject that is very important to the American public but gets very little attention these days, and that is the limitation on terms of we Members of Congress.

Those of us who have served in this body for some time understand the problems and the reasons why the American public are very frustrated with the whole subject of the way we conduct our business here and the fact that their wishes overwhelmingly, in the latest poll, I think 75.6 percent believe that there should be an amendment to the U.S. Constitution to limit the terms of Members of Congress.

Yet, for what reasons are pretty apparent to many of us around here, this subject simply does not get discussed, let alone acted upon.

As a result of that fact, some 15 States have proceeded already in the past few years to enact their own efforts to try to limit the terms of their Congressmen and women who serve in this body. There are several more who are proceeding through an initiative process to do precisely the same thing and, in one case, through a State legislature, to do the same thing for those Congressmen in those States.

That is simply not an acceptable way to ultimately resolve this matter. There needs to be uniformity across the country. There needs to be one constitutional amendment to the U.S. Constitution that applies to every single Member of the U.S. House and Senate that limits the length of time that he or she may serve in this body.

Since 1981, in every Congress I have been here, I have introduced such a resolution for a constitutional amendment. This year that resolution is House Joint Resolution 38. It is for a period of six 2-year House terms and six 2-year Senate terms. Those 12-year terms for each of the bodies is the most commonly accepted numbers of years, though the precise number of years is always subject to debate and concern.

This year, for the first time, we have gone over the 30 to 35 cosponsor number and have now reached the number of 89 Members of the House of Representatives who have cosponsored this resolution for a constitutional amendment. That is far from the number necessary to pass it, which requires, of course, two-thirds in the House and two-thirds in the Senate. But it is a significant measure of the public sentiment and the improvement of the climate for term limits that exists out there today.

The fact of the matter is that despite this increased support and the obvious support in the polls and in the votes that have gone on in the States where this issue has come up in the past couple of years, we still do not have an opportunity in this body to even have a hearing, let alone to get a vote, on this subject.

All of the cosponsors of this amendment, as of several months ago, signed a letter to the chairman of the subcommittee of the Judiciary in the House that holds this particular document and this particular legislative matter, asking, if nothing else, that a simple hearing be allowed during this session of Congress that would let us voice our concerns and bring to the public attention the various arguments of the proponents and the opponents.

And there are people who have legitimate arguments opposed to this. But that has not occurred, and it does not appear that it will occur for the simple reason that the leadership of this Congress does not wish that to happen.

In fact, the Speaker of the U.S. House of Representatives himself, the Honorable Tom Foley has instituted a lawsuit in his home State of Washington attempting to throw out and overturn the actions of that State in limiting the terms of its Congressmen and Congresswomen.

I think that is indicative of the problem that we have in getting anywhere with this issue in this Congress, the way it is presently constituted. For this reason and for the reasons of the concern of these supporters of term limits, who are here and representing the interests of the vast majority of the American people, on Thursday of this week, those of us who are cosponsoring this measure will offer a discharge petition that we hope most of the cosponsors and maybe a sizable number of other Members seeking to have the opportunity given to us to debate this issue and to have it discussed and voted on in hopes that they will sign this discharge petition in sufficient number of 218, which is the majority of the House, to let it come out here and have a vote.

I presume, since we only have 89 cosponsors, that it is unlikely we will achieve the 218 number. But it seems to us that it is absolutely essential that some vehicle be provided, in the absence of at least a hearing, let alone a vote in the committee, to let this particular matter have a day and a say in the House of Representatives.

We are determined to use the means of special order, the means of press attention in every way, from 1-minute speeches or whatever it may take and, yes, perhaps even a rump hearing or two over the course of the next several months to bring the attention of the American public to this issue and to the fact that their voice is not going unheeded, that there are substantial numbers of the U.S. House of both political parties, Republican and Democrat, who believe in this cause and who want to see a constitutional amendment uniformly enacted throughout this Nation and who do understand that it is very, very important.

This evening I am not going into all of the details. I have two or three of my colleagues here tonight who are going to share, though, for a few minutes, some of the arguments, some of the history and some of the rationale behind why we need this.

From my personal perspective, from observing this body for some time, it seems to me that the bottom line reason that kind of sums it all up is that over the years the Members of the House and the Members of the Senate have become too career-oriented.

If you go back to the history of our great Nation, you will see that the Founding Fathers did not envision serving as long as the Members now serve for the most part. They envisioned a citizen legislator who went to Washington, particularly to serve in the House of Representatives, and that that person serve only a term or two and go home to his or her business and do whatever was left about the way of life that they had come from and that somebody else would take their place here.

In fact, of course, for many years this body did not engage nor did the other body in sessions that lasted more than a month or two. Today Congress has become a full-time job. Whether we like it or not, that is not going to easily be reversed because the business of this Nation and the role of the Federal Government has increased to such a degree that it does require a full-time job for the duration of the service in Congress.

Going along with that over the years is the increasing phenomenon of Members who stay here for long, long periods of time. While some may argue that we do have a turnover percentagewise, that still is fairly high of the total body over a period of 4-to-6 years. Those who are in power in the key positions in leadership and in committee chairmanships and really running the business of the House and Senate have been here for years and years and years.

I might remind my colleagues that Speaker FOLEY, whom I mentioned a moment ago, who is out testing this matter and opposes term limits so much, was first elected in 1964, when the average price of a new Oldsmobile was $3,495.

Chairman JACK BROOKS of the Committee on the Judiciary, the committee where this is bottled up and cannot come out, was elected when Arthur Godfrey was a radio star and the Braves played baseball in Boston in 1952.

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All of this was brought out recently in a column that many of the Members may have read in their newspapers by George Will, but it is a fact. We could go on and on with regard to putting this in perspective, but the bottom line is that those who are serving today in this body who control the system, who have not let their amendment see the light of day in terms of debate, let alone in terms of getting action on it, are Members with vested reason for wanting to be here. They are career-oriented.

I would submit that that career orientation is really the root of the problem; that is, the desire of so many Members to get reelected, to stay here, and that desire, whether it is open and apparent to them on the surface, is a very significant reason why so much legislation continues to flow from this body that creates the budget deficits and the tremendous debt this Nation has piled up over the last few years, not to mention the many other inefficiencies and rather strange things that the public continues to see emanate from the bodies of the House and the Senate.

It is, of course, not the only reason that we have a problem. It is not the only reason why we need term limits. There are many more: to energize this body, to have younger and more energetic Members coming in with more regularity, to get the chairmanships of committees in the position where they should be, of new blood and new thoughts and new actions, and yes, to encourage people to run for Congress.

If we had term limits, I am convinced there would be many more people willing to serve if they thought they could come here for a few years, give that service, come out of their business life, give that service and really make a contribution; in other words, be able to get to a position where they could be influential in either being chairmen of the committees, if they are the Majority party, or being the senior Republican or Minority Member, if it is a Democrat, a Democrat who is the ranking Minority member on the committee.

That is not the case presently, and many do not choose to run for Congress, good men and women who otherwise would, in my judgment.

The list of reasons goes on and on. I hope now that, rather than my taking up a long-winded approach to the subject of explaining the history, that I could yield to a couple of my colleagues, and three of them are here tonight. I do not know which one wishes to ask me first to yield to him, but I would be delighted to do that.

Mr. Speaker, I yield first to my good friend, the gentleman from Louisiana [Mr. GOSS], who has now arisen.

Mr. GOSS. Mr. Speaker, I thank the gentleman from Florida for yielding to me.

Mr. Speaker, let me begin by thanking my colleague, the gentleman from Florida [Mr. MCCOLLUM] for allowing me to join him tonight to discuss term limits. He has been a leader and strong supporter of this reform for many years, and I commend him for his efforts to bring the issue to the floor of Congress.

Regrettably, the majority leadership in the House continues to stymie our efforts to get term limits to the floor for debate and a vote. We are here at this late hour, using one of the few avenues available to the minority, because term limits have been repeatedly and deliberately denied a debate or vote during regular business on the House floor. The powers that be in the House have clearly signaled that, on this issue, the people's voice will not be heard. In this case the people's House does not seem to belong to the people. Take back the Government from entrenching leadership.

To many Americans, stonewalling term limits simply does not make sense. Millions of Americans support and voted for term limits last November. Yet from their Congress—and I stress it is supposed to be their Congress, we work for them—they have seen nothing to bring them closer to the goal of national term limits.

Opponents of term limits know they cannot win at the ballot box because of the grassroots support that is the backbone of the term limits movement. Some 70 percent of Americans now back term limits, and that support cuts across party lines, demography and geography. In every State where the term limits issue was on the ballot last November, voters approved them in convincing fashion. In my State of Florida, term limits passed almost 4 to 1. Fifteen States now have imposed term limits on their elected officials. By anybody's judgment, the tide is flooding in.

But instead of hearing and acting on calls for reform, the leadership in Congress seems tied up in a conspiracy of silence. The House Democrat leadership is using its absolute control to block our way and obstruct our progress. It is literally standing on the shore trying to hold back the incoming water.

In at least one instance, the conspiracy of silence has turned into outright defiance. According to published reports, the Speaker of the House, an ardent, outspoken opponent of term limits, has joined in suit against the people of Washington State after they passed term limits last November. The American people are beginning to understand that some very powerful, influential, and senior Members of this body do not want term limits to happen.

Nonetheless, there are things that can and must be done to keep the momentum going. That is why on the first of July, I will join Mr. MCCOLLUM and 87 other Members of Congress in signing a discharge petition to force House consideration of term limit legislation. This petition, if successful, would force legislation out of the Judiciary Committee where it now languishes, and bring it to the floor for a vote.

I urge those watching tonight to call and write their Representatives and ask them to sign this petition. And next fall during election time, I hope they will ask those who wish to represent them where they stand on the issue. Term limits will go as far as we push them, and our success depends on vocal and sustained support from the

American people. If we leave it to the Democrat leaders of the House—we leave it to certain extinction.

Mr. McCOLLUM. Mr. Speaker, I thank the gentleman for his comments, and I certainly thank him for his leadership on this. We have been here fighting this battle for some time.

The good news this year is that with the freshman class coming in, this new class designed, I think, almost ideally in its composition for reforming the institution, we have gained this additional support and gone up from the 33 cosponsors now to 89 cosponsors. That is the reason.

We have two of that freshman class group here tonight, two of the ones that brought us to this point.

Mr. Speaker, I am pleased to yield to the gentleman from California [Mr. HORN], one of those Members.

Mr. HORN. Mr. Speaker, I thank the gentleman from Florida for yielding to me, and as did Mr. GOSS, I congratulate the gentleman on his dedicated leadership to bring this matter not only before the House, but come before the American people.

We hope this little discussion tonight, which will be the first of a number of such discussions, will arouse the American people to write their Representative in Congress and to urge them to support House Joint Resolution 38, which the gentleman from Florida and the cosponsors he has noted, including those here, have supported and endorsed.

Mr. Speaker, it is very difficult when these worthwhile reform proposals that are supported by 70 percent of the American people get bottled up, lost in the cabinets of some of the committees, in this case, the Committee on the Judiciary, made up of very fine people, but there is a difference of view, and every parliamentary device will be used to try to prevent this issue from coming to the floor of the House where the people's representatives could vote it up or down, go on record and let the voters be the judge in the next campaign.

One of the problems that term limits seeks to solve is the fact that in many States the voters simply do not have a choice. They think they have a choice. There may be a Republican competing with a Democrat on the ballot, but usually it is either a safe Democratic seat or a safe Republican seat.

I happen to come from a State that has just that electoral history. I would just like to take a moment to note in the 1980's, under the reapportionment of the 1980 Census, we had five elections for Congress in that decade: 1982, 1984, 1986, 1988, 1990.

Roughly, there were 470 individual elections, the primaries and the generals; 235 primary contests, 235 general election contests. How much change occurred in terms of the clash of ideas with incumbents and challengers that resulted in an incumbent being defeated?

The answer is not very much.

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Two Republicans who were incumbents were defeated in the primaries. Four Members of Congress were defeated in the general. Three were Democrats, one a Republican. Now that is not very much change out of 470 potential opportunities. And that is because the State legislature divided the State so that the majority party, the Democratic Party would automatically gain a majority. The Republicans would forever be a minority. If you go to other States, a Republican State legislature does the same thing only in reverse. Republicans are the majority, Democrats are the minority. That does not give the voters a choice.

How can the voters get a choice when it takes millions of dollars in some races to either defeat an incumbent in the primary or to defeat an incumbent in the general, and this body has not acted on effective campaign finance reform? We hope it will in this session, but we have lacked leadership to do that. Certainly the gentleman's proposal is a worthwhile device to say once we get that reform we can also assure that some change will occur.

Many will argue well, that is sad. We love Representative so-and-so, and many are worthy of that devotion. But how can we exist without them? Well, some will remember from history when Henry Clay came here from Kentucky he was elected Speaker his first day in the Chamber during the War of 1812. Did he serve the next 30 years in this Chamber? No. He left for a diplomatic assignment to end the war, and someone else was Speaker. He came back. His colleagues elected him Speaker again, he was such a magnetic force. Again he went away, and it happened three times, and what happened with Clay no one else has ever achieved to be so popular that his colleagues had faith in him and put him in the highest office this Chamber can bestow on one of its Members, and yet he was not a career politician. Indeed, he served in many assignments in the executive branch and the legislative branch. But the people had the choice of sending him here, and he willingly put himself to the test of the people.

There are many others like that, and there is no question we might lose some real statesmen or stateswomen, people that are very wise, very effective, and in many, respected by all of us. And we know a number in this Chamber. We have known a number in every Chamber. But the fact is in America we are not limited on talent. There are people in every city, in every county, in every State that can certainly be the equal of any of us in this Chamber in terms of ability, in terms of dedication, in terms of patriotism, any standard you want to use. Yet many of those people do not want to run for office, given the tremendous structural impediments that face them when they try to take on an incumbent.

Now, we are incumbents, and maybe we are sort of foolish to sit here and encourage challenges. But the fact is that is the basis of our democracy, is to have a contest of ideas and have the willingness of the incumbent and the challenger to debate, to go out and face the people, to raise questions with them. And if we are on the wrong side of an issue, to try to educate the electorate that that was the right decision to make. And certainly when people become entrenched, and we see the entrenchment here. I happen to be 62 years of age. My party, the Republican Party, has only controlled this Chamber for 4 of the 62 years, and for the last 40, one party has controlled this Chamber.

Now there are wonderful people in that party, just as there are wonderful people in our party. But I would argue, as Lord Actin once said, power corrupts, and absolute power corrupts absolutely. The fact is no matter what party controls, when you have controlled for 40 years, no matter how hard you try, there is a tendency to say we are living in the best of all possible worlds. What more could you want. We are in charge. And we see that in terms of minority rights in this Chamber. The attempt to take away special orders as we are engaging in now at the beginning of the session, backing off and now other attempts at it. The fact is that would shut off the freedom of not only Republicans but Democrats as we heard earlier this evening discussing one of the crucial foreign policy issues that confront this country in Yugoslavia, Bosnia, Macedonia, Croatia and Serbia.

So we need a device which will assure change in this Chamber.

I am optimistic, because you see those 15 States that face up to the challenge where 2 to 1 in many States the voters said we want this changed.

Now there is one difference between some of those proposals and your proposal, and that is some of them have 6-year limits for the House, 12 for the Senate, two 6-year terms. Your proposal I think correctly has 12 for the House and 12 for the Senate, since we are coequal bodies under the Constitution that make up the Congress of the United States. And there is going to be a very fascinating test that we are put to. The gentleman from Florida [Mr. GOSS] mentioned that already the clock is running. We face that in California. We have 52 Members in the delegation. I was for term limits. In fact, I first suggested them in 1973 at a meeting Time magazine had.

But the fact is the clock is running, and within 5 years many in this country who are incumbents in this Chamber will have to face the fact that under the laws of their State, if they are not overthrown or sent back by the court for rethinking, they will be leaving this Chamber. And I would hope those who are so dug in already, that they will not prevent your worthy resolution, House Joint Resolution 38, coming out of committee and will realize if they do not let that out of committee those variety of State rulings and laws will affect their political destiny. And it ought to be in their self-interest to get for once constitutional standard across this land so one State could not play off the other as the State of Washington did when it first turned down term limits with ads saying if you have term limits, the Californians will control all of the committees and we in Washington will not.

Despite that scare tactic, the State of Washington had approved an amendment to the Constitution which assured that the Members that represent that State would also be subject to the limits similar to the ones in California and other States that have adopted that.

We also hear that well, you know, we might have able people at all levels. But gee, we ought to keep the ones we have got because they have done so much for us, and we like our Member of Congress; we just do not like all of those others we read about. And you know, if we have all of this change, why the lobbyists will take over, the staff will run us and everything else.

I must say, as I am sure you must think, that sort of bemuses me. Some would argue the lobbyists already control some of the committees and some of the Members. Granted, you see a profile in courage every day here as President Kennedy once said about the United States Senate when you know that Members vote the national interest on many occasions, not simply the parochial State or local district interest. But the fact in term limits would help assure responsiveness not only by Members, but by staff, because often the power of the staff comes with the power the Member has in longevity and seniority, and if you had a turnover you would have fresh faces supporting you at the staff level, or you would have a change in attitude and perception that guided those staff judgments, which often you do not have now.

Mr. McCOLLUM. I would like to comment on what the gentleman is saying, because in the time that I have served here, which is a little longer than he has, I have observed the fact that it is not unusual when a new chairman comes onto a subcommittee or a committee that all of a sudden the whole process just shapes up where it was not before, because he gets in there, and he wants to find out what it is all about. And staff control it less when the new chairman is there than they did when the older or longer term chairman was in there, and he just sort of lets the staff do it, and that is something most people do not see.

I hear that criticism, like you do, every day that that is the thing that will happen that will be so horrible if you adopt term limits, that somehow staff will run this place and not the Congressmen.

□ 0030

It is really just the opposite of that. We will take it back over again.

Mr. HORN. The gentleman is absolutely correct. I happen to be serving on some subcommittees this year where there are new Chairs and new staff members. That does not mean we should get rid of all of the staff when we are lucky enough to be Chairs of a subcommittee, but the fact is that change does occur within the institution. But one of the problems is that we need the turnover to assure that more people have an opportunity to be subcommittee Chairs, to be ranking members in the case of the minority party, and as the gentleman knows, the Republican Conference has adopted just such a rule to put a 6-year limit on the service of ranking members. Hopefully the majority party, the Democratic Party, will also do that with the Chairs.

Because there is talent in this Chamber in depth in a lot of committees, and it seems that over time you get just the result the gentleman mentions, which is the desire to rethink some of the programs, not just take the past and what we approved a year or two or a decade ago for granted, but to challenge and to question regardless of what party is in control of the administration downtown. And that is certainly going to be encouraged when you are trying to represent the people.

And we are in an era of change in this Nation, in the globe at large.

Now, some might say, "Well, would shorter periods of service really gain the goals we are talking about?" Well, I think so. Would we be more responsive to the people? You bet we would be more responsive to the people, because any who came here would have to be sort of like Abraham Lincoln in 1847 when he came here. He only stayed one term, but he made an impact in that one term with the spot resolution that challenged the Polk administration on the conduct of the Mexican War. He was not a silent person in this Chamber.

Other Members we have seen develop, as the gentleman mentioned, recently, DICK ARMEY, who is a good example who made a major contribution as a junior Member and solved a problem that this Chamber had not solved, and that was how do you close a military installation that is no loner needed. The Chamber had not been able to close them, and he thought up a creative process of a Base Closure Commission which we have just all gone through here, appointed by the President, the majority, and the minority leaders of both Chambers, and the way the recommendations work, at last some results occur. That was a creative idea by a fairly junior Member in this Chamber. And that has made a major impact on public policy in this country.

As I mentioned earlier, with the cost of campaign finance, we need these structural changes. We need campaign finance reform, and a lot of us that are here tonight are working for that. But until we get that assured, this is still necessary, and this will be necessary after we get it assured.

So I would like to thank the gentleman again for the leadership in this area and hope that the American people will not just sit there and say, "Well, that is an interesting debate," but will say, "That debate, how it comes out, will make real change in my life," when you are talking about the deficit, when you are talking about health care, when you are talking about economic prosperity, the three issues that practically every Member of this Chamber ran on.

But health care is a good example. We are going to have gridlock, not between parties, not between Congress and the executive, but we are going to have gridlock between interest groups down there at the grassroots, and many subcommittees will consider that. That is because, over time, many Members, regardless of party, have become dug in with certain interests, and it will be hard to change that, because some of them come from very safe districts where only if the people know what is going on will change really come about.

Your proposal will assure that change will be made.

Mr. McCOLLUM. I thank the gentleman very much for coming out tonight and making those observations, and I would like to amplify one of the earlier comments that he made that if this is going to be effective, if we are going to accomplish what we want using this discharge petition and the time we are taking and so forth, we need to have folks who are willing to monitor what their Congressman or Congresswoman is doing in this regard, whether they are cosponsoring this particular resolution, House Joint Resolution 38, which is the number of it, and whether or not they are signing the discharge petition that will be out here on the floor of the House this Thursday and will be here through the duration of the rest of this Congress.

We need for this to be brought up, and we need to have people monitor it, and then hold their Congressman or Congresswoman accountable in the next election cycle, because it is obvious the numbers have to increase in this body for this to become effective.

But that is the bottom-line reason why we are here.

Mr. HORN. In brief, what you are saying is, "Go to the fax machine, Mr. and Mrs. Citizen, and write your Member a friendly note that you are watching, that you want the support of term limits, and you want a national policy in this area, not simply scattered policies around the country?"

Mr. McCOLLUM. That is right. That you want to find out where that person stands. Maybe you do not know. Then you can tell your neighbors, and it can be part of the next election debate, if that Member is not aboard in this, because this resolution, even though we may differ exactly on what the length of terms ought to be, is the one that everybody virtually who is involved in term limits of either party has decided to make as the vehicle for this debate.

So nobody should be allowed to duck away from it.

Now, we have one other freshman here tonight with us representing the middle part of the country. I realize that we have got the Southern and the Eastern part, and we have got the Western part, and we also are represented from that class, that great freshman class, by the gentleman from Michigan [Mr. KNOLLENBERG], and I am happy to yield to him.

Mr. KNOLLENBERG. I thank the gentleman very much for yielding.

I am delighted to be here to indicate my strong support for your resolution for term limits for all the Members of Congress, not just a few.

I want to commend you for the effort that you have made, for your leadership and the strong tone of your eloquence this evening as to exactly where you stand on this matter. I think you have highlighted in very great detail, as have my colleagues on either side here, just what it is we want with this business of term limits.

One reason that I ran for office is the firm conviction that Congress required some fundamental reform. I think an important step to improving our system would be to let the entrenched interests here in Washington know that the days of the career politicians are numbered and should be numbered. The Representatives in the People's House should be more concerned about the well-being of this country than they are with building their own political empires.

Right now, most Americans believe just the reverse, and that is corroding the trust for this body. I think we are here as representatives of the people, and we should be listening to what the American people are saying.

There is no question that public sentiment in this country is for term limits. As has been mentioned, in 15 States since last fall, including my own State of Michigan, term limits passed by overwhelming majorities. This spring I did a study through my newsletter that I sent out, and tens of thousands of responses came back indicating they supported term limits, limiting congressional terms. The answer of the report was some 81 percent were in favor of term limits, which exceeds most of the studies and most of the surveys that have been done, but that is for my own particular district in Michigan.

Our Founding Fathers envisioned a government of citizen-legislators who would have firsthand knowledge of how the actions they were taking would affect their families and their neighbors back home. Now, until January, I was one of those people. I ran a small business. I could not understand why politicians kept saying they were concerned about jobs and seemed to be determined to bury the small businesses and bury jobs and bury businessmen like me with this impossible regulation and all the tax burdens that come along with it.

Now I am sitting in Congress as a Member of Congress. I am serving on the Small Business Committee, which is one committee, and I am still dismayed by the assault that is made on small business, on America's entrepreneurs, on America's job creators. But I do have a better understanding of why this is happening.

The reason I believe is too many people here in Washington are totally out of touch. They may be well-intentioned. I truly think they are. But they fail to realize that the laws that they are passing are not academic experiments. They do not feel the burdens from these laws, because they exempt themselves, and it is impossible when you exempt yourselves to feel the impact of the law. They cannot understand then what these burdens do to everyday Americans who are trying to earn a living, trying to raise a family, and because they have breathed this rarefied air, and I am talking about the politicians now, they have breathed this rarefied air here in Washington for far too long and, Mr. Speaker, if we thwart the will of the American people and let the term-limit amendment languish in committee, the American people will be justified in writing this body off, because it frankly will have ceased to serve them.

I urge my colleagues to sign the discharge petition, bring the amendment up on the floor, and sent it to the American people for ratification. I believe reform starts here.

I know that the hour is late. I do not intend to go any further, but I do want to come back and salute the gentleman from Florida [Mr. McCOLLUM] for the leadership he has displayed. He has been at this for a long time. I have just come into this arena, but I strongly feel, as he does, this is important to America. It is the reform that the American people want. I salute you for all the efforts you have made and my colleagues for being here.

Mr. McCOLLUM. I thank you for coming out tonight and letting us know how you feel about this, as I know you represent a lot of other folks who are not here tonight who are particularly from your class who feel so strongly about this issue.

You make one particularly good point about signing the discharge petition.

□ 0040

Because a Member of Congress does not have to be in favor of this particular proposal to sign the discharge petition. That Member of Congress does not even have to favor term limits to understand that it is fundamentally unfair not to let this issue come out for debate. In order to provide fairness for the voice of the American people to be heard, Members of Congress of all persuasions on this issue should sign the petition for House Joint Resolution 38. I would hope, too, that the American public, who are ultimately going to hold our colleagues responsible in the election process and in their town meeting which they hold and in the letter writings and so on, would recognize that distinction, and even where their Member may have legitimate concern and opposition to this position, could at least argue with them, and I believe argue very correctly, that they should sign the discharge petition to let the debate occur whatever the result might be.

That is a very important point the gentleman is making at this juncture, and I thank him for doing that.

I yield to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. I think the gentleman has used a term, "discharge petition," which we understand here, but I am not sure everybody in the world does.

Mr. McCOLLUM. That is a good point.

Mr. GOSS. It seems odd, I am sure, to many Americans that so many Congresspersons seem to support the idea of term limits. Why is it that there are only 89 or so, however many, out of 435, or 440, counting the delegates, who have gotten involved with the discharge petition? Of course, there is the down side. Perhaps the gentleman would like to explain why there is sometimes some reluctance to sign discharge petitions.

Mr. McCOLLUM. I would be glad to take a bite at that. There is some reluctance because you go on the record here with the leadership of this body, who does not want to see this out here. If you are particularly involved in the majority party, it becomes very difficult to sign a discharge petition and put your name on the line. And then if it becomes a factor, we get the 218 to sign it, and it comes out to the floor, there is going to be a recorded vote and everybody is going to get to see who stands for what rather than your being able to go home and say, "Well, I will skate around this, maybe I do favor this, I do favor this, I do favor that." You are not on the record then. But you would be on the record if we got that discharge petition out here.

What that means is that it goes around the Rules Committee, as the gentleman was going to point out, I think. The gentleman serves on that committee, and he knows that even if we got a bill out of the committee, the regular Judiciary Committee, for example, it would still not get to the floor unless the Rules Committee of the leadership which controls it allowed it to do that. But this circumvents all of that, the committee, the Rules Committee, everybody, brings it straight to the floor for a vote, for debate, of course, and then a vote.

I yield to the gentleman from California.

Mr. HORN. Is it not true that the public will never know who signed that discharge petition because under the rules of the House, who signs is a confidential matter.

Mr. McCOLLUM. That is right.

Mr. HORN. There is a proposal to charge that rule. In fact, there is a discharge petition there to get that rule out of committee so that we can vote on it so the public will know.

Mr. McCOLLUM. That is the discharge petition No. 2. I signed it, as the gentleman probably did, in the last day or two to change that rule.

Mr. HORN. That is right. But we need to get open rules where we know who is willing to put their name on the dotted line because, as both gentlemen indicate, there have been notorious examples in this chamber in the last decade where key powerful Chairs go up and practically lead a member of the majority party by the nape of the neck to cross their name off the discharge petition.

And it seems to me one of the things we are going to do to try to remedy this, when we have sort of discharge Thursday around here, with the gentleman's proposal, to see if people who sign that will sign sort of an exit poll survey that they have signed the discharge petition. So at least the voters can have an indication from the Members as to who signed that petition and the voters, suitably informed, can take whatever appropriate action they would like to take.

Mr. McCOLLUM. I think the gentleman has stated it very well. I think in conclusion tonight we need to make a point of the fact that while the ones of us here tonight are Republicans who are discussing this and there was mention in the discussion about the frustrations that we particularly share, the fact of the matter is there are Democrat cosponsors of this legislation, there are members of the Democrat Party, this House of Representatives, who plan to sign the discharge petition. And while they may be in a minority here, they represent the vast majority of their political party.

This is not a partisan issue. In the American public opinion polls that have been taken, the most recent of which was the Fabrizio-McLaughlin national poll that I mentioned earlier, not by name but by statistic, shows the 76.6 percent support nationwide of all demographic and makeup of the entire country. Interestingly enough, when asked to break that down by political party, 74.9 percent of all Democrats polled in this national poll were in favor of term limits. So that says that maybe there is half a percentage point or so difference between Republicans and Democrats on this issue in the country and no more.

It just does not matter what region of the country you are from, it does not matter what political party you are registered with, it does not matter what your ethnic or any other background might be the American people, by 75 percent-plus margin favor limiting the terms of Members of Congress. and yet we have not been able to get even a hearing on this subject, despite the fact that we have 89 Members who signed onto one particular proposal, which is the leading proposal.

It is for that reason tonight, wrapping up, that we are here to announce the fact that we are using the device of this discharge petition to try to draw attention to this, to try to get the debate going on it and to give the public a chance to hold their Members accountable for whether or not they sponsor the bill or piece of legislation to, at the very least, declare themselves in favor of bringing this out through signature on the discharge petition for debate and for a vote on the floor of the House so that it can be resolved, so that we can determine, as my colleagues so ably pointed out tonight, who is really for this and who is not for this and let the elections and the American public hold all of the Members of this body accountable on the terms of this issue.

I want to thank the gentleman for joining me tonight. There will be other opportunities for some discussion. This is just the beginning of this debate. We will make sure that many other occasions occur in this Congress for that to happen.

Again I thank them for this and hope that anyone who wishes to will remember the resolution No. 38 and make sure their Congressman or Congresswoman hears about it.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BLUTE (at the request of Mr. MICHEL) for today, on account of the arrival of the newest member of the family, James Geremia Blute.

Mr. YOUNG of Florida (at the request of Mr. MICHEL) until 2 p.m. today, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. MCCOLLUM) to revise and extend his remarks and include extraneous material:)

Mr. BILIRAKIS, for 30 minutes, on June 30.

(The following Members (at the request of Mr. ROEMER) to revise and extend their remarks and include extraneous material:)

Mr. GLICKMAN, for 5 minutes, today.

Mr. BONIOR, for 60 minutes each day, on August 2, 3, 4, 5, and 6.

(The following Member (at the request of Mr. WYNN) to revise and extend his remarks and include extraneous material:)

Mr. BONIOR, for 60 minutes each day, on September 8, 9, 10, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, and 30; October 1, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28, 29; November 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29, and 30; and December 1, 2, 3, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, 30, and 31.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCCOLLUM) and to include extraneous matter:)

Mr. HERGER.

Mr. GALLEGLY in two instances.

Mr. SANTORUM.

Mr. SHUSTER.

Mr. GOODLING.

Mr. BILIRAKIS.

Mr. CRANE in three instances.

Mr. KOLBE.

Mr. SAM JOHNSON of Texas in three instances.

Mr. RAMSTAD.

Mr. PORTMAN.

Mr. SUNDQUIST.

Mr. FRANKS of Connecticut.

Mr. SOLOMON.

Mr. MANZULLO.

Mr. ISTOOK.

Mr. DORNAN.

(The following Members (at the request of Mr. ROEMER) and to include extraneous matter:)

Mr. BECERRA.

Mr. SYNAR.

Mr. LAFALCE.

Mr. GLICKMAN.

Mr. CARDIN.

Mr. LIPINSKI in two instances.

Mr. CLAY.

Mr. TOWNS in two instances.

Mr. HAMBURG.

Mrs. EDDIE BERNICE JOHNSON of Texas.

Mr. POSHARD.

Mr. KLEIN.

Mr. SHEPHERD.

Mr. MINETA.

Mr. MAZZOLI.

Mr. KANJORSKI.

Mr. BISHOP.

Mr. FAZIO.

Mr. MURPHY.

Ms. ESHOO.

Mr. PETERSON of Minnesota.

Mr. MENENDEZ.

(The following Members (at the request of Mr. MCCOLLUM) and to include extraneous matter:)

Mr. KLUG.

Mr. LEWIS of Florida.

ADJOURNMENT

Mr. MCCOLLUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 48 minutes a.m.), the House adjourned until today, Wednesday, June 30, 1993, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred to as follows:

1489. A letter from the Acting Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's private reinsurance study, pursuant to Public Law 102-242, section 322(b)(1) (105 Stat. 2371); to the Committee on Banking, Finance and Urban Affairs.

1490. A letter from the Chairman, National Commission on Acquired Immune Deficiency Syndrome, transmitting the Commission's final report entitled, "AIDS: An Expanding Tragedy," pursuant to Public Law 100-607, section 245(b)(1) (102 Stat. 3106); to the Committee on Energy and Commerce.

1491. A letter from the Director, Defense Security Assistance Agency, transmitting notice concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Korea for defense articles and services (Transmittal No. 93-22), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1492. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to the Coordination Council for North American Affairs for defense articles and services (Transmittal No. 93-23), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1493. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of defense equipment sold commercially to Japan (Transmittal No. DTC-14-93), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

1494. A letter from the Assistant Secretary of State for Congressional Relations, Department of State, transmitting notification of the removal of items from the U.S. munitions list, pursuant to 22 U.S.C. 2778(f); to the Committee on Foreign Affairs.

1495. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting copies of the report of political contributions by Andrew J. Winter, of New York, to be Ambassador to the Republic of the Gambia and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1496. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 to authorize the transfer of $20,000,000 in addition to United States war reserve stockpiles for allies in Thailand to support the implementation of a bilateral agreement with Thailand; to the Committee on Foreign Affairs.

1497. A letter from the Director, Office of Management and Budget, transmitting his certification that the amounts appropriated for the Board for International Broadcasting for grants to Radio Free Europe/Radio Liberty, Inc., are less than the amount necessary to maintain the budgeted level of operation because of exchange rate losses in the first quarter of fiscal year 1993, pursuant to 22 U.S.C. 2877; to the Committee on Foreign Affairs.

1498. A letter from the Acting Director, U.S. Arms Control and Disarmament Agency, transmitting the fiscal year 1994 arms control impact statement, pursuant to 22 U.S.C. 2576(b)(2); to the Committee on Foreign Affairs.

1499. A letter from the Director, Office of Science and Technology Policy, transmitting a report of activities under the Freedom of Information Act for calendar year 1992, pursuant to 5 U.S.C. 552(e); to the Committee on Government Operations.

1500. A letter from the Secretary of Labor, transmitting the semiannual reports of the Pension Benefit Guaranty Corporation and the Office of Inspector General for the period October 1, 1992, through March 31, 1993, pursuant to Public Law 95-452, section 5(b) (102 Stat. 2526); to the Committee on Government Operations.

2501. A letter from the Acting Chairman, Securities and Exchange Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1992, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1502. A letter from the Secretary, Smithsonian Institution, transmitting the semiannual report of the inspector general for the period October 1, 1992, through March 31, 1993, and the management report for the same period, pursuant to Public Law 95-452, section 5(b) (102 Stat. 2526); to the Committee on Government Operations.

1503. A letter from the Secretary of Transportation, transmitting the annual report on "Collision Avoidance Systems" for the fiscal year 1992, pursuant to 49 U.S.C. app. 1348 note; to the Committee on Public Works and Transportation.

1504. A letter from the Secretary of Transportation, transmitting the Department's annual report, entitled "Transportation Security" for calendar year 1992, pursuant to Public Law 101-604, section 102(a) (104 Stat. 3068); to the Committee on Public Works and Transportation.

1505. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation entitled, "Extension of VA Contract and Grant Authority in the Philippines Act of 1993"; to the Committee on Veterans' Affairs.

1506. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation entitled, "Persian Gulf Veterans Treatment Act of 1993"; to the Committee on Veterans' Affairs.

1507. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation entitled, "Veterans' Program Improvement Act of 1993"; to the Committee on Veterans' Affairs.

1508. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to pay the actual cost of a contract burial, not to exceed $600, to bury a nonservice-connected veteran who dies in a Department of Veterans Affairs [VA] facility and for other purposes; to the Committee on Veterans' Affairs.

1509. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation entitled, "Philippine Veterans Currency Act of 1993"; to the Committee on Veterans' Affairs.

1510. A letter from the Secretary of Transportation, transmitting a copy of a report entitled, "Use of Recycled Paving Material," pursuant to Public Law 102-240, section 1038(b)(5) (105 Stat. 1988); jointly, to the Committee on Public Works and Transportation and Energy and Commerce.

1511. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to provide to employees appointed under that title protection from prohibited personnel practices; jointly, to the Committee on Veterans' Affairs and Post Office and Civil Service.

1512. A letter from the Assistant Secretary for Legislative Affairs, Department of State; transmitting a draft of proposed legislation entitled, "Foreign Relations Authorization Act, Fiscal Years 1994 and 1995," pursuant to 31 U.S.C. 1110; jointly, to the Committee on Foreign Affairs, Post Office and Civil Service, Ways and Means, Natural Resources, the Judiciary, Merchant Marine and Fisheries, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of the committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GORDON: Committee on Rules. House Resolution 214. Resolution waiving certain points of order against the bill (H.R. 2520) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103-163). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 215. Resolution providing for the consideration of the bill (H.R. 2010) to amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes (Rept. 103-164). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. GLICKMAN: Permanent Select Committee on Intelligence. H.R. 2330. A bill to authorize appropriations for fiscal year 1994 for intelligence and intelligence-related activities of the U.S. Government and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with an amendment; referred to the Committee on Armed Services for a period ending not later than July 16, 1993, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of the committee pursuant to clause 1(c), rule X (Rept. 103–162, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STUDDS (for himself, Mr. Dellums, Mr. Lipinski, Mr. Taylor of Mississippi, Mr. Fields of Texas, Mr. Bateman, Mr. Hughes, Mr. Tauzin, Mr. Ortiz, Mr. Manton, Mr. Pickett, Mr. Hochbrueckner, Mrs. Unsoeld, Mr. Reed, Mr. Lancaster, Mr. Andrews of Maine, Ms. Furse, Ms. Schenk, Mr. Hastings, Ms. Eshoo, Mr. Barlow, Mr. Stupak, Mr. Thompson, Mr. Ackerman, Mr. Scott, Mr. Saxton, Mr. Cunningham, Mr. King, Mr. Diaz-Balart, Mrs. Bentley, and Mr. Hamburg):

H.R. 2547. A bill to improve the economy of the United States and promote the national security interests of the United States by establishing a national shipbuilding initiative to provide support for the U.S. shipbuilding industry in order to assist that industry in regaining a significant share of the world commercial shipbuilding market, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Armed Services.

By Mr. DEUTSCH:

H.R. 2548. A bill to improve the ability of the Federal Government to prepare for and respond to major disasters, and for other purposes; jointly, to the Committees on Public Works and Transportation, Armed Services, and Science, Space, and Technology.

By Mr. FALEOMAVAEGA (for himself and Mr. Abercrombie):

H.R. 2549. A bill to establish administrative procedures to extend Federal recognition to certain Indian groups; to the Committee on Natural Resources.

By Mr. GLICKMAN (for himself and Mr. Wyden):

H.R. 2550. A bill to establish a Markets and Trading Commission in order to combine the functions of the Commodity Futures Trading Commission and the Securities and Exchange Commission in a single independent regulatory commission, and for other purposes; jointly, to the Committees on Agriculture, Energy and Commerce, and Banking, Finance and Urban Affairs.

By Mrs. MEYERS of Kansas:

H.R. 2551. A bill to authorize the award of the Southwest Asia service medal to any member of the Armed Forces who was assigned to duty outside the United States during the Persian Gulf war with a unit that actively engaged in combat operations during that war; to the Committee on Armed Services.

By Mrs. MINK:

H.R. 2552. A bill to require that all Government records that contain information bearing on the last flight and disappearance of Amelia Earhart be transmitted to the Library of Congress and made available to the public; jointly, to the Committees on Government Operations and House Administration.

By Mr. MONTGOMERY (for himself, Mr. Stump, Mr. Rowland, and Mr. Smith of New Jersey):

H.R. 2553. A bill to provide for a grant by the Secretary of Defense to be made for the support of establishment of research facility to study low-level chemical sensitivity, particularly in Persian Gulf war veterans; to the Committee on Armed Services.

By Mr. MURPHY (for himself, Mr. Goodling, Mr. Sarpalius, Mr. Lewis of Florida, Mr. Gordon, Mr. Bilirakis, Mr. Hastings, Mr. Livingston, Mr. Bryant, Ms. Danner, Mr. Deutsch, Mr. Payne of Virginia, Mr. Neal of North Carolina, Mr. Goss, Mr. Towns, Ms. Woolsey, Mr. Kleczka, Mr. Fawell, Mr. Filner, Mr. Baker of Louisiana, Mr. Jacobs, Mr. Neal of Massachusetts, Mr. Ravenel, Mr. Brown of Ohio, Mr. Kreidler, Mr. Emerson, Mr. Diaz-Balart, Mr. Lipinski, Mr. Sanders, Mr. de la Garza, Mr. Peterson of Minnesota, Mrs. Morella, Mr. Blackwell, Mrs. Clayton, Mrs. Meyers of Kansas, Mr. Hoagland, Ms. Thurman, Mr. Poshard, Mrs. Meek, Mr. Gallo, Mr. Machtley, Mr. Hyde, Mr. Shaw, Mr. Coppersmith, Mr. McNulty, Mr. Porter, Mr. Roth, Mr. Pastor, Mrs. Unsoeld, Mr. Moran, Mr. Boucher, Mr. Mazzoli, Mr. Hughes, Mr. Weldon, Mr. Faleomavaega, Mr. Stump, Mr. Cunningham, Ms. Shepherd, Mr. Sisisky, Mr. Kildee, Mr. Zimmer, Ms. English of Arizona, Mr. Andrews of New Jersey, Mr. Meehan, Mr. Reed, Mr. Reynolds, Mr. Crane, Mr. Everett, Mr. Gene Green of Texas, Ms. Brown of Florida, Ms. McKinney, Ms. Margolies-Mezvinsky, Mr. Tucker, Mr. Pickett, Mr. Bateman, Mr. Kopetski, Mr. Serrano, Mr. LaFalce, Mr. Ramstad, Mr. Knollenberg, Mr. Young of Alaska, and Mr. Hansen):

H.R. 2554. A bill to amend the Age Discrimination in Employment Amendments of 1986 to prevent the repeal of the exemption for certain bona fide hiring and retirement plans applicable to State and local firefighters and law enforcement officers; to the Committee on Education and Labor.

By Mr. PORTMAN:

H.R. 2555. A bill to designate the Federal building located at 100 East Fifth Street in Cincinnati, OH, as the "Potter Stewart United States Courthouse"; to the Committee on Public Works and Transportation.

By Mr. ROHRABACHER (for himself, Mr. Bartlett of Maryland, Mr. King, Mr. Schiff, and Mr. Fish):

H.R. 2556. A bill to amend the Federal Election Campaign Act of 1971 to provide for partial removal of limitations on contributions to candidates whose opponents exceed personal contribution limitations in an election; to the Committee on House Administration.

By Mr. SOLOMON (for himself, Mr. King, and Mr. Levy):

H.R. 2557. A bill to discourage States and local governments from providing general welfare assistance to able-bodied individuals unless such individuals are participating in workfare programs; to the Committee on Ways and Means.

By Mr. VOLKMER:

H.R. 2558. A bill to establish a congressional commemorative medal for veterans of the Battle of Midway; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHEAT:

H.R. 2559. A bill to designate the Federal building located at 601 East 12th Street in Kansas City, MO, as the "Richard Bolling Federal Building"; to the Committee on Public Works and Transportation.

By Mr. FAZIO (for himself and Ms. Harman):

H.R. 2560. A bill to establish a program in the Department of Defense to promote and demonstrate electric vehicle and infrastructure development for military and civilian use; jointly, to the Committees on Armed Services and Science, Space, and Technology.

By Ms. ESHOO:

H.J. Res. 220. Joint resolution to designate the month of August as "National Scleroderma Awareness Month," and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FRANKS of Connecticut:

H. Res. 212. Resolution relating to State actions to protect children from injury in motor vehicle accidents; to the Committee on Energy and Commerce.

By Mr. SANTORUM:

H. Res. 213. Resolution providing for savings in the operations of the House of Representatives to be achieved by transferring functions to private sector entities and eliminating staff positions; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

214. By the SPEAKER: Memorial of the Senate of the State of Louisiana, relative to Medicaid prescription drug restrictive formularies that were contained in the Omnibus Budget Reauthorization Act of 1990; to the Committee on Energy and Commerce.

215. By the SPEAKER: Memorial of the Senate of the State of Louisiana, relative to the construction of a four-lane limited access highway connecting the New Iberia, Morgan City, Thibodaux, and Houma metropolitan areas to Interstate 49; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 81: Miss Collins of Michigan, Ms. Byrne, Mr. Reed, Mr. Bacchus of Florida, and Mrs. Lloyd.

H.R. 94: Mr. Manzullo.

H.R. 300: Ms. Pryce of Ohio.

H.R. 345: Mr. Murtha.

H.R. 349: Mr. Gene Green of Texas.

H.R. 428: Mr. Goodling.

H.R. 559: Mr. Frank of Massachusetts, Mr. Richardson, Mr. Engel, Ms. Norton, Mr. Neal of Massachusetts, Mr. Klink, Mr. Schumer, Mr. Dixon, Mr. Barcia of Michigan, Mr. Martinez, and Mr. Shaw.

H.R. 563: Mr. Rangel and Mr. Crane.

H.R. 584: Mr. Peterson of Minnesota.

H.R. 585: Mr. SMITH of New Jersey.

H.R. 667: Mr. MOORHEAD.

H.R. 688: Mr. WALSH.

H.R. 741: Mr. SHAYS, Mr. MCCOLLUM, Mr. YOUNG of Florida, Mr. CALLAHAN, and Mr. BAKER of Louisiana.

H.R. 911: Mr. MORAN.

H.R. 935: Ms. THURMAN and Mr. WASHINGTON.

H.R. 937: Mr. PETE GEREN of Texas, Mr. TUCKER, Mr. LAUGHLIN, Mr. WILLIAMS, and Mr. THOMPSON.

H.R. 1012: Mr. BALLENGER, Mr. BORSKI, Mr. DIAZ-BALART, Mr. DUNCAN, Mr. EVANS, Mr. JOHNSON of South Dakota, Mr. LANCASTER, Mr. LEWIS of Georgia, Ms. MCKINNEY, and Mr. SCOTT.

H.R. 1036: Mr. MENENDEZ, Mr. GENE GREEN of Texas, Mr. BROWN of Ohio, and Mr. BORSKI.

H.R. 1088: Mr. HUTCHINSON.

H.R. 1206: Mr. RANGEL.

H.R. 1251: Mr. ROEMER.

H.R. 1285: Mr. MARTINEZ.

H.R. 1296: Mr. OWENS, Mr. ACKERMAN, Mr. SARPALIUS, Mr. LEVIN, and Mr. EDWARDS of Texas.

H.R. 1304: Mrs. UNSOELD.

H.R. 1310: Mr. COMBEST, Mr. ROGERS, and Mr. PARKER.

H.R. 1322: Mr. NATCHER and Mr. SWIFT.

H.R. 1360: Mr. PETERSON of Minnesota.

H.R. 1457: Mrs. MEEK and Mr. PETERSON of Minnesota.

H.R. 1480: Mr. BOEHNER, Mr. PETE GEREN of Texas, Mr. HYDE, Mr. MINGE, and Mr. RAVENEL.

H.R. 1490: Mr. BISHOP and Mr. CALVERT.

H.R. 1521: Mr. LEWIS of Georgia, Miss COLLINS of Michigan, and Mr. NADLER.

H.R. 1529: Mr. HOKE and Mr. HUTCHINSON.

H.R. 1532: Mr. INGLIS of South Carolina, Mr. SHAYS, Mr. COX, Ms. PRYCE of Ohio, Mr. PETERSON of Minnesota, Mr. HALL of Texas, and Mr. COBLE.

H.R. 1533: Mr. KREIDLER, Mr. DEUTSCH, Mr. CLYBURN, Mr. DIAZ-BALART, Mr. PALLONE, Ms. PELOSI, Mr. NADLER, and Mr. KLINK.

H.R. 1539: Mr. GENE GREEN of Texas and Mr. MCCURDY.

H.R. 1636: Mr. MANZULLO.

H.R. 1645: Mr. OWENS, Mr. SWETT, Mr. TEJEDA, and Mr. HAMBURG.

H.R. 1670: Mr. YOUNG of Alaska and Mr. TORKILDSEN.

H.R. 1683: Mr. SCHIFF, Mr. OWENS, Mr. BROWN of California, and Mr. PETERSON of Minnesota.

H.R. 1696: Mr. DELLUMS, Mr. ABERCROMBIE, and Ms. ESHOO.

H.R. 1697: Mr. SERRANO.

H.R. 1707: Mr. ANDREWS of New Jersey, Mr. BARCA of Wisconsin, Mr. SCHIFF, and Ms. MALONEY.

H.R. 1788: Mr. GUTIERREZ.

H.R. 1801: Mr. TOWNS, Mr. EVANS, Mr. HOUGHTON, Mr. SMITH of New Jersey, and Ms. KAPTUR.

H.R. 1827: Mr. GINGRICH, Mr. DICKEY, and Mr. SARPALIUS.

H.R. 1877: Mr. HUGHES, Ms. DELAURO, Mr. OBERSTAR, Miss COLLINS of Michigan, Mr. SERRANO, and Mr. FISH.

H.R. 1911: Mr. KILDEE, Mr. INSLEE, Miss COLLINS, of Michigan, and Mr. FISH.

H.R. 1912: Mr. KILDEE, Mr. INSLEE, Miss COLLINS, of Michigan, and Mr. FISH.

H.R. 1933: Mr. PARKER, Mr. ROMERO-BARCELO, Mr. PETE GEREN, of Texas, and Mr. KREIDLER.

H.R. 2050: Mr. BARCIA of Michigan.

H.R. 2076: Miss COLLINS of Michigan, Mr. HAMBURG, and Mr. CONYERS.

H.R. 2101: Mr. PETERSON of Minnesota, Ms. MCKINNEY, and Mr. DARDEN.

H.R. 2110: Mr. MCDERMOTT, Ms. VELAZQUEZ, Mr. DELLUMS, Mrs. MINK, Ms. MALONEY, Mr. MANTON, Mr. JEFFERSON, Mr. FILNER, Mr. SCOTT, Ms. NORTON, Mr. ACKERMAN, Mr. BERMAN, Ms. WOOLSEY, Ms. PELOSI, Miss COLLINS of Michigan, Mr. GUTIERREZ, Mr. OWENS, and Mrs. MEEK.

H.R. 2130: Mr. PASTOR, Mr. GUNDERSON, and Mr. FROST.

H.R. 2219: Mr. GENE GREEN of Texas.

H.R. 2253: Mrs. MEYERS of Kansas.

H.R. 2254: Mrs. MEYERS of Kansas.

H.R. 2261: Mr. PETRI.

H.R. 2315: Mr. GUTIERREZ.

H.R. 2340: Mr. ROMERO-BARCELO and Ms. FURSE.

H.R. 2346: Mr. FRANK of Massachusetts and Mr. FILNER.

H.R. 2367: Mr. CRANE.

H.R. 2451: Mr. EDWARDS of California.

H.R. 2456: Ms. EDDIE BERNICE JOHNSON of Texas and Mr. ROMERO-BARCELO.

H.R. 2494: Mr. LEWIS of Georgia and Ms. PELOSI.

H.J. Res. 111: Ms. PELOSI, Mr. GILMAN, Mr. HOEKSTRA, Mr. PAYNE of New Jersey, Mr. YOUNG of Florida, Mr. WYNN, Mr. LEVIN, Mr. CRAMER, Mr. CONYERS, Mr. CARR, Mr. GALLO, Mr. SAXTON, Mr. SCHIFF, Mr. CLAY, Mr. BARRETT of Wisconsin, Mr. DURBIN, Mr. BISHOP, Ms. EDDIE BERNICE JOHNSON of Texas, and Miss COLLINS of Michigan.

H.J. Res. 112: Mr. MCDERMOTT and Mr. MARTINEZ.

H.J. Res. 131: Mr. KLUG, Mr. PACKARD, Mr. TRAFICANT, Mrs. MEYERS of Kansas, Mrs. FOWLER, and Mr. PORTER.

H.J. Res. 191: Mr. SLATTERY, Mr. BONIOR, Ms. NORTON, Mr. HUGHES, and Mr. FROST.

H.J. Res. 195: Mr. ENGEL, Mr. HINCHEY, Mrs. SCHROEDER, Mr. MENENDEZ, Mr. BECERRA, Miss COLLINS of Michigan, and Mr. LEWIS of Georgia.

H.J. Res. 196: Mr. BALLENGER, Mr. MCDERMOTT, and Mrs. THURMAN.

H.J. Res. 213: Mr. DE LA GARZA, Mr. OBERSTAR, Mr. BARCIA of Michigan, Mr. KLECZKA, Mr. SUNDQUIST, Mr. BILBRAY, and Mr. REGULA.

H. Con. Res. 66: Mr. NADLER.

H. Con. Res. 69: Mr. HAMBURG.

H. Con. Res. 80: Mr. SLATTERY.

H. Con. Res. 91: Mr. LEACH, Mrs. BENTLEY, Mr. WELDON, Mr. RIDGE, Mr. PACKARD, Mr. LEWIS of California, Ms. ROS-LEHTINEN, Mr. BARTLETT of Maryland, Mr. THOMAS of Wyoming, Mr. GUNDERSON, Mr. KING, Mr. ARMEY, Mr. FRANKS of New Jersey, Mr. RAVENEL, Mr. GILLMOR, Mr. STEARNS, Mr. UPTON, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, Mr. DOOLITTLE, Mr. KINGSTON, Ms. MOLINARI, Mr. COLLINS of Georgia, Mr. BARTON of Texas, Mr. BAKER of Louisiana, Mr. GRANDY, Mr. GOODLING, Mrs. JOHNSON of Connecticut, Mr. WOLF, Mr. WALSH, Mr. FRANKS of Connecticut, Mr. PORTMAN, Mr. INHOFE, Mr. BALLENGER, Mr. THOMAS of California, Mr. SAM JOHNSON, Mr. DORNAN, Mr. GALLO, Mr. MCCRERY, Mrs. ROUKEMA, Mr. LEWIS of Florida, Mr. ROBERTS, Mr. SPENCE, Mr. HERGER, Mr. DREIER, Mr. QUINN, Mr. KYL, Mr. HORN, Mr. SOLOMON, Mr. KOLBE, Mr. EWING, Mr. ZIMMER, Ms. PRYCE of Ohio, Mr. FINGERHUT, Mr. DIAZ-BALART, Mr. MCCOLLUM, Mr. CAMP, Mr. MCINNIS, Mr. HOEKSTRA, Mr. KNOLLENBERG, Mr. ROYCE, Mr. SAXTON, Mr. SANTORUM, Mr. LIVINGSTON, Mr. BUYER, Mr. BONILLA, Mr. CALVERT, Mr. COX, Mr. SMITH of Texas, Mrs. VUCANOVICH, Ms. FOWLER, Mr. SMITH of New Jersey, Mr. HOKE, Mr. LINDER, Mr. LAZIO, Mr. LEVY, Mr. PAXON, Mr. KASICH, Mr. HUNTER, Mr. LIGHTFOOT, Mr. HUTCHINSON, Mr. HANSEN, Mr. HOUGHTON, Mr. RAMSTAD, Mr. HYDE, Mr. BLILEY, Mr. MCHUGH, Mr. BATEMAN, Mr. HANCOCK, Mr. BACHUS of Alabama, Mr. EVERETT, Mr. MOORHEAD, Mr. PETRI, Mr. KLUG, Mr. MYERS of Indiana, Mr. QUILLEN, Mr. DELAY, Mr. EMERSON, Mr. SKELTON, Mr. CRANE, Mr. ALLARD, Mr. BUNNING, Mr. HEFLEY, Mr. GILCHREST, Mr. BOEHLERT, Ms. SNOWE, Mr. DICKEY, Mr. MACHTLEY, Mr. MCKEON, Ms. DUNN, Mr. HOBSON, Mr. REGULA, Mr. CANADY, Mr. HASTERT, Mr. OXLEY, and Mr. SHAYS.

H. Con. Res. 99: Mr. FISH.

H. Res. 122: Mr. FISH and Mr. BUYER.

H. Res. 175: Mr. DELAY, Mr. HOBSON, Mrs. JOHNSON of Connecticut, Mr. KYL, Mr. WALKER, Mr. WOLF, Mr. GINGRICH, Mr. BILIRAKIS, Mr. BOEHLERT, Mr. COBLE, Mr. BURTON of Indiana, Mr. DORNAN, Mr. FAWELL, Mr. HASTERT, Mr. HYDE, Mr. SAM JOHNSON, Mr. KASICH, Mr. KOLBE, Mr. MCCOLLUM, Mr. MCCRERY, Ms. MOLINARI, Ms. ROS-LEHTINEN, Mr. ROTH, Mr. SCHIFF, Ms. SNOWE, Mr. STEARNS, Mr. SUNDQUIST, and Mr. WELDON.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2010

By Mr. BALLENGER:

—In section 129(d)(2) of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike "(including labor organizations)".

—In section 130(b) of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike paragraph (12) and insert the following:

"(12) A description of the manner and extent to which participants, representatives of the community served, and community-based agencies with a demonstrated record of experience in providing services contributed to the development of the national service programs referred to in paragraphs (1) and (2).

—In section 130 of the National and Community Service Act of 1990, as added by section 101(b) of the bill—

(1) strike subsection (e), and

(2) redesignate subsection (f) as subsection (e).

—In section 131(c) of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike paragraphs (1) through (3), and insert the following:

"(1) provide in the design, recruitment, and operation of the program for broad-based input from—

"(A) the community served and potential participants in the program; and

"(B) community-based agencies with a demonstrated record of experience in providing services, if these entities exist in the area to be served by the program; and

"(2) in the case of a program that is not funded through a State, consult with and coordinate activities with the State Commission for the State in which the program operates.

—In section 114(d)(5) of the National and Community Service Act of 1990, as added by section 103(a) of the bill—

(1) strike subparagraphs (A), and

(2) redesignate subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

—In section 119(d)(2) of the National and Community Service Act of 1990, as added by section 103(a), strike subparagraph (B) and insert the following:

"(B) assurances that the applicant will comply with the nonduplication and nondisplacement provisions of section 177 and grievance procedure requirements of section 176(f); and

H.R. 2518

By Mr. GORDON:

—Page 46, beginning on line 2, strike "direct loans as authorized by title IV, part D, of the

Higher Education Act, as amended," and insert the following:

the direct loan demonstration program authorized by section 451 of Public Law 102-325 (106 Stat. 569).

—Page 46, line 3, strike "as amended" and insert "as in effect on June 30, 1993".

By Mr. MANZULLO:

—Page 62, after line 10, insert the following new section:

SEC. 507. None of the funds made available in this Act may be used to provide assistance to any individual who was a soldier for Iraq during the Persian Gulf conflict, or to any spouse or dependent of such individual.

EXTENSIONS OF REMARKS

TRIBUTE TO 1993 SENIOR CITIZEN ACHIEVEMENT AWARD RECIPIENTS

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. LIPINSKI. Mr. Speaker, I rise today to share with my colleagues the accomplishments of 20 remarkable senior citizens from my district who received my 1993 Senior Citizen of the Year Award on June 5, 1993. Each award recipient provides an invaluable service to the community. Not only do they serve at various volunteer organizations, but they also serve to remind us of how precious and needed our older citizens truly are. Senior citizens such as these provide an excellent example to the younger generations; their community involvement conveys the message that retirement does not mean the end of a person's livelihood. As the U.S. population ages, it is important that we continue to honor the senior citizens that serve as role models not only to their peers, but to the Nation as a whole. It is my pleasure to share with you some information about each of the recipients to show why these seniors are so special.

Ann Bennett, in addition to writing a weekly column for a local newspaper, is the current secretary of Ladies Auxiliary VFW and is in her second term as president of the Johnson-Phelps Ladies Auxiliary. Ann also serves as the patriotic instructor and Americanism chairman of the ladies auxiliary.

Lucille Farrell, a nurse for 29 years, is involved in a host of community and church activities which include serving as a lay minister for the homebound sick at St. Julie's Parish, decorating for all Orland Township activities, volunteering regularly for Misericordia, and serving on the board of directors at both St. Julie's Golden Agers and the Renaissance Academy for Seniors at St. Xavier.

Theodore Haraf serves the St. Mary Star of the Sea parish as president of the Seniors Club and as a member of the Ushers Club. In addition, Mr. Halas donates his time to Marquette Park Special Olympics and West Lawn boys baseball.

Jerry Jablonski, former president of the St. Symphorosa Parish Senior Club and the Supper Club, is currently a member of the VFW Des Plaines Post #6863 and the Five Holy Martyrs Father's Club. Mr. Jablonski also won first prize for his work as the historian for the Catholic War Veterans.

Although Father Charles Kelly retired after 45 years in the priesthood over 6 months ago, he still visits the elderly and shut-ins and makes visits to the hospitals. In addition to being a moderator in the Apostolate of the Handicapped for the Archdiocese of Chicago, he belongs to PRIMA, an asociation which cares for and houses retired priests.

Peter Klisurich, a veteran of World War II and former employee of the U.S. Post Office, remains active as a member of Des Plaines Valley VFW #6863, the southwest chapter of AARP, the National Association of Federal Employees, St. Symphorosa Holy Name Society, and Citizens Against Pollution.

The hospitable atmosphere at North Stickney's Senior Center each week is due mainly to the efforts of Estelle Kozin. Estelle has been a long-time member of the Stickney Council on Aging, the Stickney Golden Age Club, the North Stickney Meal Site Program, and is currently treasurer of the Stickney Women's Civic Club.

Edward Metz, a veteran of World War II, currently belongs to the St. Alexander's Senior Club, the Palos Senior Club, the Palos Historical Society, and the Friends of the Park. Mr. Metz takes particular interest in the beautification of his community and, therefore, organizes the plant growing at St. Alexander's Parish and the landscaping at Lake Katherine Nature Preserve.

An active member and officer in the Garfield Ridge Civic League and the Garfield Ridge Senior Club, and a member of St. Daniel's Widower's Club and Golden Dinner Club, Lucille Mocadlo still finds time to visit nursing homes and hospitals almost every day, often delivering lap robes, wheel chair bags, and arm rests that she has been crafting for the past 10 years.

Mr. Patrick O'Block had a distinguished career in public service, ranging from mayor of Hazelcrest to many years in the Illinois Senate. His accomplishments in local government earned him the honor of having a bridge overpass named after him. Presently, Mr. O'Block is the director of Cook County Animal Control Program and is an active member of St. Cletus Parish through membership in various clubs.

Donald Porter, a father of 5, a grandfather of 15 and a great-grandfather of 15, serves as president of the Bremen Township Seniors Organization, which is an 800-member organization that encompasses 18 separate organizations.

Rose Roe, a mother of three and regular volunteer for veteran's affairs, is a member of senior council of Orland Park Township Catholic War Veterans, a Eucharist minister for St. Julie's Parish, on the Golden Agers board of directors, and is a solicitor for Misercordia and Cancer Society.

A resident of Stickney for 69 years, Josephine Ruzek has served the community all of her life. Presently, she is the president of the Stickney Township Council on Aging, a 700-member organization that encompasses 11 clubs.

Although Helen Rygula is a member of over half a dozen different senior organizations, she still finds time to visit patients at local hospitals and to volunteer at the local grammar schools. In addition to receiving the 1993 Senior Citizen of the Year Award, Helen was also inducted into the Senior's Hall of Fame in the city of Chicago.

Formerly very active in the Girl Scouts of America, Evelyn Scott now directs her time toward her duties as president of the Riverside Golden Agers, volunteering for the Riverside Recreation Department, and organizing the Riverside Public Library Tuesday morning drop-in for seniors.

Patrick Sullivan was awarded Man of the Year from the Sertoma Club because he is a remarkable senior who serves the community in a number of facets. Mr. Sullivan's activities range from serving on the advisory board of Christ and Hines VA hospitals, organizing programs for disabled war veterans, volunteering with parish clubs, as well as being a loving father of five.

Emily Tetrev has built a reputation in her community as a woman who gives of herself for others. For the past 12 years, Mrs. Tetrev has been the president of the ESP Senior Club in Berwyn, often keeping the 225 member organizations alive with her leadership and dedication. In addition, Mrs. Tetrev is a member of many various clubs and often helps the less fortunate in her community.

Emily Tobolski, who is recently retired, is the treasurer for St. Daniel's Senior Club and has taken on the responsibility of taking the linens from church home to wash and iron them weekly. Emily is also a member of the Polish Roman Catholic Union and is often called on to be an interpreter for Polish immigrants.

Vicki Vlasis has a degree in nursing from Cook County Hospital and has accumulated over 40,000 hours of volunteer service at local hospitals. She is currently the director of volunteers at Christ Hospital, a member of the Illinois Hospital Association Region 2–A volunteers and is also active in a number of volunteer and auxiliary groups.

Sophie Walczak is a delegate to the Chicago Senior Senate Program and activities cochairperson for the Central Stickney Golden VIPS. In addition to her work for the Stickney Township food pantry, Sophie also volunteers at St. Camillus, often offering rides to church activities for handicapped and aged persons.

I hope my colleagues will join me in honoring these 20 seniors for their dedication and commitment to their community. These Seniors of the Year provide not only an inspiration for the young, but also an example. These individuals add meaning and illustration to Eleanor Roosevelt's words: "Life was meant to be lived, and curiosity must be kept alive. One must never, for whatever reason, turn his back on life." The senior citizens that were honored have not turned their backs on life but, rather, have embraced fully the needs of the community and have worked to address these needs without asking anything in return. For this reason, Mr. Speaker, I am thrilled to share the activities of these model citizens. The United

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

States is strengthened by the actions of such patriotic and active citizens who continue to serve their country even as they reach their golden years.

LET CONSUMERS CUT HEALTH CARE COST

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. CRANE. Mr. Speaker, rising health care costs have been of great concern to the people of this country. As we continue to search for solutions, it is important that we resist the socialization of medicine, which will lead to a rationing of services and a deterioration of quality. Instead, we must empower consumers. There must be a greater connection between the consumer and the cost of health care—that is, give consumers an incentive to look for the most cost-effective treatment. William Raspberry in his article, "A Consumer Driven Approach to Cutting Cost of Health Care," suggests using a medical savings account that would be controlled by the individual—an idea he credits to Pat Rooney of Golden Rule Insurance Co. I submit Mr. Raspberry's article, which appeared in the March 15, 1993 issue of the Chicago Tribune, to my colleagues attention and urge them to consider his proposals.

[From the Chicago Tribune, Mar. 15, 1993]

A CONSUMER-DRIVEN APPROACH TO CUTTING COST OF HEALTH CARE

(By William Raspberry)

WASHINGTON.—C. Everett Koop, the former surgeon general whose tough-minded fight against smoking made him an American hero, is off on another crusade. He wants to re-educate physicians—away from technology and "greed" and toward improved doctor-patient relationships.

It's a wonderful idea, but I wish he had waited a few months. Coming now, his campaign is likely to confuse the already difficult problem of controlling health-care costs.

There's no disputing his main criticism of American medical practice: that too many doctors are tempted into high-tech, specialized medicine.

Anyone who's been shuttled from doctor to doctor (because the internist approaches a skin rash or a shin splint with the reluctance of a front-end man asked to deal with a slipping transmission) or who has been packed off to expensive imaging labs (because, one suspects, the referring physician owns a piece of the imaging machine) will accept Koop's point.

But we might also be tempted to believe that attacking high-tech and specialized medicine is a useful way to attack the high cost of medical care in America.

I don't think it is. The big reason medicine costs so much is the way it is paid for—mostly through employer-subsidized insurance plans that give patients little reason to care about the cost of service.

Consider two different ways of buying a family car. The first is the old-fashioned way. You look at your paycheck and your expenses and then decide how much car you can afford.

The second way: Your boss gives you a card good for 80 percent of your transportation costs (after a $1,000 deductible) and 100 percent of any costs exceeding $12,000.

Under which system do you suppose a car dealer would be motivated to bring his prices down? The first, of course. Indeed, a dealer confronting the second system might well decide not to bother stocking low-cost "basic transportation" models.

It doesn't matter how well we understand that the transportation plan is in fact a part of our compensation package. It feels like we are spending the boss' money—and for two reasons. First, money we never get our hands on—that doesn't even show up on our pay stubs—doesn't feel like ours; second, the money doesn't come into existence unless we spend it. (It's the same attitude that makes some employees feel cheated if they accumulate 500 hours of "useless" sick leave while their colleagues use virtually all of theirs.)

Most of the proposals for containing health-care costs run along one of two lines. One is to put a cap on physician and hospital charges—in the analogy, a limit on what a dealer could charge for a car. The other—the various single-payer schemes—amounts to forming a group of employers into a buyer's club that might wield enough clout to the dealer to force him to cut his profit margin. The weakness of both is that the benefits tend to flow to the payer rather than to the consumer, who, as a result, has little incentive to consider costs.

So what else is possible? I'm still attracted to a proposal I first heard from Pat Rooney of the Golden Rule Insurance Co. Rooney, who is based in Indianapolis, sees the problem as one of incentives, and this is how he'd cure it.

He would have an employer put two-thirds of the annual cost of a worker's health-care plan into a special account out of which that worker would pay his own medical costs. The remaining third of the employer's contribution would buy an umbrella policy to cover doctor and hospital bills in excess of $3,000.

Say your employer has been contributing $4,500 a year for your health coverage—about average for a medium-size city. Under Rooney's scheme, $1,500 of that amount would buy protection against major illness or injury. But the remaining $3,000 would go into your medical-care account out of which you would pay your own medical bills. Anything left in the account at the end of each year would be yours to keep.

Rooney's idea does not address Koop's crusade to change the relationships between doctor and patient. "My doctor of the next century," said Koop, now a professor at Dartmouth College, in a recent speech in California, "will reflect human values rather than greed. * * * We put too much emphasis on curing and too little attention on caring. Curing costs billions. Caring is very cheap. It comes from the heart."

Nor does his idea offer any help for the millions of Americans without health insurance.

All it would do would be to give most of us some incentive for shopping around, comparing charges and asking (as most of us seldom do under the present arrangement): Is this procedure—this test—really necessary?

Come to think of it, that by itself might help to curb some of the high-tech emphasis that Koop is crusading against.

SALUTE TO DR. OTTO AUSTEL

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. GALLEGLY. Mr. Speaker, I am pleased to rise today to honor a good friend and an outstanding community leader, Dr. Otto Austel, for his many contributions to our hometown of Simi Valley, CA, and for his dedicated work on behalf of the Simi Valley Free Clinic.

Since coming to Simi Valley in 1967, Dr. Austel has been a highly successful private practice physician and has been involved in a wide range of activities that have helped make our community a better place to live and work.

Among his many endeavors on behalf of the people of Simi Valley, he has been active with the Simi Valley Jaycees, recruiting members and assisting with the annual Pioneer Days parade; been instrumental in the formation of the Boys and Girls Club of Simi Valley, and serving as a member of the club's board; and been active in the Simi Valley Rotary Club, including recruiting new members.

However, Mr. Speaker, I would most like to commend Dr. Austel for his selfless work on behalf of the Free Clinic of Simi Valley. He was instrumental in establishing the center and has generously given of his time over the years. His many contributions include recruiting numerous volunteer physicians and nurses to help the Free Clinic serve the less fortunate, along with helping provide much-needed medical equipment.

On Sunday, the many friends of the Simi Valley Free Clinic will gather to honor Dr. Otto Austel at a dinner. I ask my colleagues to join me in saluting his service to his community.

CONGRATULATING NEAL GAY

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. SAM JOHNSON of Texas. Mr. Speaker, I would like to take this opportunity today to tell my colleagues about a man who has helped define our Nation's heritage and culture. Neal Gay, best known as an original founder of the Mesquite Championship Rodeo, has been selected as one of five nominees who will be inducted into the ProRodeo Hall of Fame.

Neal Gay has now been involved with rodeo for over 49 years, working every side of the business. He began competing in 1945 and joined the Professional Rodeo Cowboys Association a year later. Since that time, Neal Gay has devoted his time to the Mesquite Championship Rodeo with five other partners. We have seen it grow from a small struggling project into a thriving enterprise. Today, the Mesquite Championship Rodeo has a multimillion-dollar facility, hosts some 250,000 spectators a year, and broadcasts to a cable audience of over 3 million homes.

Neal Gay's induction into the Hall of Fame will have added significance, since he will join his son Donnie who was inducted just a few years ago. This will mark the first time a father-son duo has accomplished this feat.

Mr. Speaker, Neal Gay certainly deserves this recognition after helping to bring rodeo such success and popularity. I would like to thank him for all of his hard work and hope that you will join me in congratulating him on his success.

TRIBUTE TO "HAPPILY EVER AFTER"

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. TOWNS. Mr. Speaker, I am sure many of my colleagues and their families will have the opportunity this summer to see an unprecedented creative marriage of entertainment and public awareness in the May 28, 1993, theatrical release of the all new Snow White, "Happily Ever After." I am prompted to commend this effort that has brought several firsts to motion picture distribution, including the announcement of a national Snow White Scholarship Program.

The feature premiered to audiences during the Memorial Day holiday period on more than 1,000 theater screens across the country. First, National Film and its chairman, Milton Verret, are to be congratulated for meeting a public need with outstanding all-family G-rated entertainment during the summer holidays. The producer, Lou Scheimer, noted for quality "Made in America" animation, brought together a blockbuster superstar cast. The roster of celebrity voices includes Dom DeLuise, Ed Asner, Tracey Ullman, Carol Channing, Zsa Zsa Gabor, Phyllis Diller, Sally Kellerman, Malcolm McDowell, and Oscar and two-time Grammy winner, Irene Cara as Snow White.

A major innovative aspect of this film is that it was conceived to be the first animated production designed to portray a female heroine in the lead. As a continuation of the fable, Snow White comes to the rescue of the prince, with the assistance of an all-female group of supporters. Additionally, First National Film Corp. undertook a progressive policy position by developing the National Snow White Scholarship Program.

Milton Verret, chairman of First National Film has stated that, "The Snow White Scholarship Program signifies the commitment that this film company has made to further the education of children. Our primary focus is on all-family entertainment. This highlights the enduring positive values so important to the development of children and the bonding of family and society."

Children from ages 3 to 13 were given an opportunity to win a $10,000 scholarship toward their college education when they entered the "Happily Ever After" Snow White scholarship drawing sponsored by First National Film.

To provide this opportunity, First National Film shipped 15 million Snow White scholarship applications to 35,000 schools across the country. Five $10,000 scholarships were drawn and awarded from the entries for a total of $50,000 in college scholarships. First National Film, a NASDAQ company, has incorporated innovations that have generated attention at the box office and the boardroom.

Milton Verret has been nominated by Jay McDonald of Merrill Lynch for entrepreneur of the year. He was nominated for his dedication, perseverance, and success in founding First National Film, and for bringing to the motion picture screen the animated Snow White sequel, "Happily Ever After." This prestigious award is sponsored by Merrill Lynch, Ernst & Young, and by INC. magazine.

Mr. Speaker, I congratulate Milton Verret, First National Film, Lou Scheimer the producer, and his fine staff of professional management and marketers, including Barfield Public Relations Inc. I believe it is vitally important to highlight this landmark theater animation effort for my House colleagues, individuals at the FCC and persons interested in motion picture and home video entertainment.

THE 50TH WEDDING ANNIVERSARY OF EDMUND AND ELIZABETH KORNOWICZ

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues an exemplary couple from the Third Congressional District of Illinois, Mr. and Mrs. Edmund E. Kornowicz. On Sunday, July 4, 1993, Edmund and Elizabeth will celebrate their 50th wedding anniversary with their family and friends at a solemn Mass at Saint Turibius Church.

On July 4, 1943, Edmund and Elizabeth were married by Monsignor Bobal at Saints Cycil and Methodius Church, at 50th and Hermitage in Chicago.

Ed and Elizabeth were both born and raised on the southwest side of Chicago. Ed served for 40 years in city, county, and State government. He served for 8 years as a representative in the Illinois State General Assembly. Throughout the years, Elizabeth has been very active in several civic, church, and charitable organizations.

Edmund and Elizabeth have two daughters, Sharon Natanek and Deborah, and two grandchildren, Kimberly and Mark Natanek. The entire Kornowicz family joins me in saluting Edmund and Elizabeth on this special occasion.

Their commitment to each other and their family is impressive and deserving of special recognition and honor. I am sure that my colleagues join me in congratulating Edmund and Elizabeth on their many years of love and commitment. May their life together continue to be an adventure and offer them many more pleasant memories.

RESOLUTION OF THE REPUBLICAN ORGANIZATION OF SCHAUMBURG TOWNSHIP

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. CRANE. Mr. Speaker, as the Representative of Illinois' Eighth Congressional District, I have been blessed with strong party organizations at the township level. The largest township in my district, Schaumburg, boasts one of the best organized and politically active Republican organizations in the entire State of Illinois. The members of this organization are committed to the principles of their party and to preserving and promoting the values that are the backbone of our Nation.

It is in the context of promoting these critical values that I would like to call to my colleagues' attention a copy of a resolution recently adopted by the Republican Organization of Schaumburg Township. Their resolution identifies policies that advance traditional family values, school choice, holding fathers responsible for the support of their offspring, and welfare reform as being critical to the well-being of our Nation. I urge my colleagues to work toward these goals.

RESOLUTION OF THE REPUBLICAN ORGANIZATION OF SCHAUMBURG TOWNSHIP

Whereas the success of democracy in a rational society requires that its members have the requisite intellectual and moral virtues for ruling themselves and one another well, and

Whereas the discussion of family values is not frivolous as was portrayed by many in the 1992 presidential campaign, but rather involves an analysis of our nation's marked social regression over the last three decades, and

Whereas, there has been an enormous governmental undertaking to improve American life since 1960, manifesting as a fivefold or $600 billion increase in social spending, and

Whereas there has been a 560 percent increase in violent crime, contributing to what is the largest prison population per capita in the Western world, and

Whereas social science research has shown that a quadrupling of divorce rates and a tripling of the percentage of children living in single-parent homes is harmful to many children, and

Whereas there has been more than a 400 percent increase in illegitimate births, more than a 200 percent increase in the teen-age suicide rate, and an overall drop in student performance, and

Whereas, despite all this government effort, many modern-day social pathologies have gotten worse and seem immune to government's attempts to cure them, and

Whereas the nurturing of the appropriate ethical standards remains the most important task of enlightened statesmen and citizens, and

Whereas government does concern itself with the inner lives of its citizens through what it requires, regulates, encourages, and prohibits, and

Whereas a growing intolerance of First Amendment protected religious expression has helped to erode religion's positive influence on the development of moral character, Therefore be it

Resolved, That government should not be neutral on the family structure since when the traditional family structure breaks down, society bears huge financial costs in the form of bureaucratic programs addressing child abuse, behavior disorders, welfare, foster care, drug abuse and a rising tide of violence among youth, and Therefore be it

Resolved, That the Republican Organization of Schaumburg Township will back and hold accountable political leaders who support responsible social policies that affirm the stable family structure, such as a tough-minded criminal justice system; a reform of education and emphasizing high academic standards and school choice; child-support collection, whereby fathers would be made to take responsibility for their children; a rescinding of no-fault divorce laws for parents with children; radical reform of the welfare system, and other like policies which will not undercut our social and civic institutions—families, churches, schools, neighborhoods and civic associations.

MOORPARK CELEBRATES 10TH ANNIVERSARY

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. GALLEGLY. Mr. Speaker, I am proud to rise today to help the people of Moorpark, CA, celebrate their 10th anniversary as a city.

During the past decade, Moorpark has gone through its share of growing pains, but it has overcome them to become a prosperous, established suburban community. In fact, the Census Bureau reports that Moorpark has the highest median household income in my congressional district.

Since 1983, the city has seen the construction of thousands of houses, new parks, a new city hall, new schools—including a new high school, new shopping centers, a new senior citizens' center, and the inauguration of commuter rail transportation to downtown Los Angeles. This year, if all goes well, the long-awaited freeway connector will open and dramatically relieve traffic congestion on city streets.

Yet despite the growth that has in many ways transformed what was a quiet, rural town, Moorpark has kept a smalltown feel that distinguishes it from many of its neighboring communities.

Although Moorpark has been incorporated for only 10 years, its roots go back a century, to when the farming community—named for a species of apricot—was the hub of the eastern part of Ventura County. Hollywood still seeks out its rustic downtown when filmmakers are looking for a smalltown look.

And I would be remiss if I didn't take a moment to recognize the civic leaders who have given so much of their time over the past decade to help shape their city—the members, past and present, of the city council, the school board, the parks and recreation commission, and the service clubs, along with the citizen volunteers who have done so much to make Moorpark a better place to live.

Mr. Speaker, this Saturday the city will mark its 10th anniversary with a commemoration ceremony at Arroyo Vista Community Park. I ask my colleagues to join me in saluting the people of Moorpark on this historic occasion, and in wishing the city well as it faces the challenges of the years to come.

COMMENDING THE INSTITUTE IN BASIC LIFE PRINCIPLES

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise today to recognize 501 outstanding individuals who have filled a significant role as citizen-ambassadors in developing Russian-American public relations.

The Russian Ministry of Education is now completing the first full school year of non-Communist education under the new republic, and the group of citizen-ambassadors has been commended by the Moscow Department of Education as leaders in their educational and domestic reforms. These young men and women from America along with the youth representatives from other freedom-loving nations, have sacrificed personally and with the support of their families, relatives, and churches, have traveled to Moscow, Russia, for service periods varying from 2 weeks to 8 months.

Their humanitarian work in Russia has been facilitated through official agreements and coordination by the Moscow Department of Education and has been personally commended by President and Mrs. Yeltsin. Grateful recognition has also been given by the Russian Supreme Soviet, the Russian Ministry of Education, the Russian Ministry of Interior, Moscow Mayor Yuri Luzhkov, the Moscow City Council and other official and community leaders.

In addition to developing and introducing a new character-quality school and family curriculum, these youth have taught and accomplished remodeling work in Moscow orphanages, conducted special family training seminars, provided material aid and encouragement to the elderly, and performed other activities that have established good will between members of the general population and also government officials in Moscow and the people of America. These youth have also provided the example of character and responsibility which are necessary foundations for lasting freedom, and in many cases family qualities have been exemplified through parents and brother-sister teams traveling to Moscow together.

In addition to those who have been directly involved in this opportunity, the work of these young people has been praised before millions of viewers on Russian television, and over American radio and news media, thus greatly broadening the scope of this program's significance.

This kind of direct people-to-people good will is a vital ingredient for successful diplomatic relations between countries. Therefore, I ask my colleagues to join me in commending this group for their service to our Nation and to the people of the Republic of Russia.

TRIBUTE TO MR. AND MRS. JEFFIE HAYES

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. TOWNS. Mr. Speaker, today I rise in tribute to two wonderful people, Mr. and Mrs. Jeffie Hayes. Mr. and Mrs. Hayes are celebrating 50 years of dedicated and devoted love. Since 1935, Jeffie Hayes, the son of Emma Lee and Plumer Hayes, and Leslie Harry, the daughter of Lucy and Will Harry, have been sweethearts. It was on Friday, June 8, 1943, that the two were joined in holy matrimony by the justice of the peace in their hometown of Mendehall, MS.

In 1944, shortly after Jeffie Hayes received an honorable discharge from the U.S. armed services, he moved his bride to the greatest borough in New York City—Brooklyn. The Hayes have resided in four different locations, all of which have been located in the Bedford-Stuyvesant section of Brooklyn: 29 MacDonough Street; 156 Pacific Street; 746 Macon Street; and their present address, 513 MacDonough Street.

Mr. and Mrs. Hayes have given 45 years of outstanding community service, working as officers of the 500 MacDonough Street Block Association, serving senior citizens through the 81st precinct, supporting community petitions of many politicians and local leaders, and serving on the Model Block Program. They are members of Mt. Lebanon Baptist Church and the Community Roundtable of Bushwick for Senior Citizens. Mr. Hayes is also an active member of the Unity Democratic Club.

When asked what they most remembered about the "good ole days," Mr. and Mrs. Hayes recalled a chair which was the first piece of furniture they purchased together from the Iris Furniture Store, formerly located on Fulton Street. This chair still sits today in their front room parlor. They have both commented that their love is the same today as it was 50 years ago. Mrs. Hayes says that her husband is wonderful, and Mr. Hayes says that his wife is beautiful.

Mr. and Mrs. Hayes thank God for their marriage and for giving them 50 years of dedicated and devoted love. They plan to renew their vows on July 16, 1993.

CONGRATULATIONS TO THE HERRIN LADY TIGERS SOFTBALL TEAM

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. POSHARD. Mr. Speaker, I rise to salute the achievements of the Herrin High School girls softball team.

Herrin, IL, is a town in my district which has a longstanding tradition of producing outstanding softball teams, and this year is no exception. This year the Lady Tigers made it all the way to the final game of the Illinois Class AA softball tournament, falling short by one run of winning a State title.

The Lady Tigers went through the season with a record of 28–3, capturing their 13th south seven conference softball title and their 14th regional softball title.

The Lady Tigers do more than just win ballgames—they also demonstrate the team spirit and sportsmanship which are an important part of the softball legacy of Herrin High School. As a former teacher and coach, I have always encouraged young people to participate in athletics because of the valuable lessons they learn through winning and losing. It is easy to see that the young people who have been involved in Herrin softball have taken those lessons to heart and have achieved great things both on and off the field.

I am honored to represent the city of Herrin, its fine citizens, and its legendary softball program in the U.S. House of Representatives.

I would like to enter into the CONGRESSIONAL RECORD the names of the students and adults who have worked so hard for this success so they may receive the recognition they deserve.

Nicole Murray, Robyn Houghlan, Jamie Shuttek, April Long, Marty Calcaterra, Maggie Calcaterra, Shelley Davis, Kimmy McNeal, Linda Capogreco, Kelly McCree, Melissa Brown, Yvonna Jones, Shandra Miller; Bruce Jilek, head coach; Byron Kuehne, assistant coach.

THE HOLLOW PROMISE OF DEFICIT REDUCTION

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. HERGER. Mr. Speaker, it is a pleasure to bring to the attention of my colleagues a recent editorial from the Chico Enterprise-Record. This impressive column explains why the Clinton tax plan will fail to cut the deficit. The promise of deficit reduction made by the President and his congressional allies rings as hollow as the promises made about a similar plan in 1990, which I voted against.

I encourage my colleagues to read this insightful discussion:

DEFICIT REDUCTION TRICKERY

In 1990, a Democratic Congress slapped the American people with what was then the highest tax hike in history, including a nickel-a-gallon boost in the federal gas tax and in increase in the top individual income tax rate, from 28 percent to 31 percent.

Lawmakers said the new taxes would be coupled with spending cuts, which would result in $492 billion in deficit reduction over five years. The taxes took effect, the cuts didn't, and since 1990 the annual deficit actually has grown by $90 billion.

Now the Senate is doing the deficit dance again, but this time with a Democrat as a partner in the White House, Democratic senators are promising more than $500 billion in deficit reduction over the five years, $263 billion of which is to come from new taxes and $261 billion in alleged spending cuts to be made later by Congress.

Once again, American motorists will be hit with a higher fuel tax (4.3 cents a gallon). Once again, the top individual income tax rate will be jacked up from 31 percent to 36 percent. And once again, the much belaguered taxpayers can expect the higher taxes to take effect, the promised spending cuts never to materialize, and the deficit to go higher rather than lower.

In a commencement speech at Boston's Northeastern University, President Clinton promised the American people "brutal honesty' as he tackles the nation's economic woes. But it is the president himself who could use a dose of brutal honesty.

In his heart of hearts, he must know that the Senate Democrats' budget plan will not really produce $500 billion in deficit reduction (remember 1990). He must realize that the $261 billion in new taxes the Senate stands ready to impose on American businesses and workers threatens to choke the budding economic recovery and kill job creation.

The Senate's $24 billion fuel tax, for instance, is inflationary because it would raise the prices of all goods shipped to the market. It also would cause significant job losses, according to the Congressional Research Service. The job losses and other wage reductions would mean that the federal treasury will net only 75 cents of revenue for every dollar the tax is projected to raise.

Similarly, the Senate's new 10 percent surtax on capital gains would reap far lower revenues than the lawmakers project. Back in 1986, Congress raised the capital gains tax from 20 percent to 28 percent, expecting a $268 billion windfall by 1991. So how much did this new tax actually raise? Only $108 billion.

As to spending cuts that's where the Senate Democrats get really creative. The only real cuts are in defense spending—$74 billion worth over five years. The rest of the socalled cuts are dubious.

For instance, the Senate bill assumes $60 billion in lower interest payments on the federal debt and calls that a spending cut. It also considers as a spending cut, rather than as a tax increase, $15.5 billion in higher user fees. Perhaps the most dishonest accounting gimmickry employed by the Senate Democrats is claiming $44 billion in spending cuts that actually were enacted in 1990.

The Senate Democrats' 1993 deficit reduction bill is as much a fraud as the vaunted deficit reduction package of 1990.

OPENING HEALTH CARE REFORM DOORS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. CRANE. Mr. Speaker, although health reform has been the subject of considerable debate in the 103d Congress, President Clinton has delayed the release of his reform proposals several times since he came to office. Speculation on the Clinton plan has centered around a managed competition form of health care that the Director of the Congressional Budget Office, Robert Reischauer, has said will end up costing taxpayers $33 billion in 1994. I firmly believe that other options to our health care problems must be explored. In his article, "Opening Health Care Reform Doors," Cal Thomas discusses eliminating third-party health insurance and replacing it with medical IRA's. I submit Mr. Thomas' article, which appeared in the March 12, 1993, issue of the Indianapolis Star, to my colleagues' attention and urge them to read and consider its conclusions.

OPENING HEALTH CARE REFORM DOORS

(By Cal Thomas)

The director of the Congressional Budget Office, Robert Reischauer, may have pierced the darkness enveloping Hillary Rodham Clinton's secret meetings on health care reform even before a federal judge Wednesday barred further meetings until they abide by federal open meeting laws.

Testifying before a House subcommittee prior to the no-secrecy court ruling, Reischauer said any effort to bring health care costs under control will mean reduced medical services for all.

Reischauer said managed care, an overhaul in malpractice litigation and cutting red tape will result in only modest savings. He said that covering the estimated 35 million uninsured will cost $33 billion in 1994 alone. "Someone will have to pay these additional costs," he said. We know who that will be.

"If the savings from health care reform are used first to cover the uninsured," said Reischauer, "and then to reduce the high costs of private payers, not much will be left to reduce the costs of the federal programs."

With so much at stake, it was outrageous that Mrs. Clinton had barred the door to the public while she plotted in secret with her radical activist "friends," whose names and qualifications are secret.

(In the decision on Wednesday, which came in response to a suit by two health care associations and a public interest group, U.S. District Court Judge Royce C. Lamberth said the veil the White House has placed around the task force violates the 1972 Federal Advisory Committee Act.)

PLAN IS SOCIALIZED MEDICINE

There could be only one reason for the attempted secrecy. The plan is socialized medicine, and as much effort is going into strategies to mask that fact and to sell it as something else as into reforming the health care system itself.

If government manages health care, it will no longer be the best.

Consider the Canadian health system, which many point to as a model America should follow. Socialized medicine in Canada has brought waiting lists for some surgical procedures. Many Canadian patients come to the United States for what they believe is better and more accessible health care.

Twenty-seven years after universal health insurance was adopted, Canada is now feeling the pinch. Canada uses tax money to pay most medical bills. It also regulates hospital budgets and doctors' fees. Yet, medical costs are rising rapidly, and for the first time patients are being required to pay extra for common medical services.

A New York Times story catalogues the decline in Canada's health care dream. Despite efforts to control costs, revenues in the public sector are not increasing fast enough. While the government once paid half the cost of the health system, it now pays only 30 percent. The provinces have been forced into ever larger deficits to finance health care, which now consumes about one-third of total spending.

Would you like to be told by the government which doctor you may see? Would a surgeon who receives controlled fees have the incentive to increase his knowledge and improve his skills?

So how do we control medical costs without sacrificing quality care? The answer may lie in eliminating or drastically limiting dependence on third-party health insurance, which is insurance provided by the government, an employer or an insurance company. Most payments to hospitals and doctors involve other people's money. Workers think this is a "benefit" from their employer, but it results in lower wages to the employee.

HOW ABOUT MEDICAL IRA'S?

Instead of third-party insurance, how about trying medical IRAs? Employers now pay, on average, $3,605 annually per worker for employee health plans, not counting employee contributions, according to the Employee benefits Research Institute in Washington. If the employer put $3,000 annually into an employee medical IRA, which the employee would use to pay the first $3,000 of his medical costs, and bought a health insurance policy with the rest, perhaps adding some money to the pot so that all medical expenses above $3,000 would be covered, perhaps the problem could be solved.

The employee would get to keep in the IRA any unspent portion of the $3,000 in a calendar year. As long as it is spent on medical care, including dental care and eye wear, the money remains tax-free.

Because most people spend less than $3,000 annually on health care and because the medical IRA carries a built-in incentive to spend only when necessary, such a plan could control costs. A medical IRA would also follow an employee to a new job or stay with him if he lost his job.

We haven't been able to tell if anything like this is being discussed because of the closed doors. Now open those doors and let the sun shine in, as the judge has ordered. It is our health and our money, and we have a right to know what Mrs. Clinton and her "friends" are doing.

STUDENT DELEGATION TRAVELS TO TAIWAN

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. SAM JOHNSON of Texas. Mr. Speaker, in accordance with the spirit of the Taiwan Relations Act passed by Congress in 1979, a delegation of 163 young people and parents traveled from America to the Taiwan Republic of China Capital of Taipei for a series of high-level conferences and school visits.

Among the official meetings conducted by the Taiwan Government for these American citizen-ambassadors was a meeting with President Lee Teng-hui in his Presidential offices. In addition to conveying his appreciation for the example of these youth among the Chinese schoolchildren and families, the President expressed his own desire for personal counsel in applying character and Biblical principles to his leadership. A channel was opened by him for direct, daily contact for this input to be given.

Other government meetings and briefings of significance included a historic conference with the Republic of China Ministry of Education, meetings with the Republic of China Ministry of Foreign Affairs, and the Taipei City Bureau of Education.

The Taipei Education Bureau also hosted an official full-day training seminar for 1,000 of their principals and educators to attend and learn from the American youth and teachers how to implement principles and concepts of successfully dealing with teenage conflicts and juvenile delinquency problems.

In addition to these official meetings, teams of young people gave training and had personal interaction with literally tens of thousands of Taiwanese children, representing 1 percent of the population of Taiwan, through daily school and university visits and a city-wide youth rally.

An all-day training seminar was also provided for over 1,000 pastors, and the group was further invited to present a week-long seminar on character and basic life principles for an unprecedented audience of over 3,000 from the general public of Taiwan.

It is amazing to consider that within the 7-day period of May 23–29, 1993, at least 25,000 Taiwanese, including the President of the nation, national and city government officials, and also school teachers, pastors, families, and children were met by the delegation.

The delegation also spent a week in Singapore to meet with the Senior Minister of State Education and to respond to similar training requests as Taiwan for Singapore leaders and families. Hundreds of parents, youth, business executives, and national leaders also traveled from seven other Asian countries to meet with the group as they were in Singapore.

I hope my colleagues will join me in commending the 163 individuals who presented a most exemplary representation of American ideals to literally tens of thousands of others from throughout Asia.

TRIBUTE TO LUCILLE M. HENNIGE

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. SHUSTER. Mr. Speaker, I rise today to bring the attention of my colleagues to a member of my staff who is retiring after 28 years of service to the House of Representatives. However, as happy as I am to do this, I feel a touch of sadness at losing a valued member of my staff and a good friend.

It was almost 15 years ago today that Lucille M. Hennige joined my staff. Right from the beginnings she had a sense of professionalism and compassion that is too often missing in Government service. At first, I attributed her wonderful touch to her years of experience in other Hill offices, but I soon learned that the way she cared for people was something from deep within.

As much as I and my staff will miss Lucey, I know that the people who will miss her most are the citizens of Pennsylvania's Ninth Congressional District. Throughout her years as a case worker, Lucey solved uncountable problems for constituents of every age. From getting veterans their correct benefits to making bureaucrats of the Federal Government treat people with respect, she has made a difference in thousands of lives by caring and never taking "no" for an answer.

As I think back on the past 15 years, many moments come to mind. The times that Lucey had to convince the Social Security Administration that certain senior citizens were indeed alive and still entitled to benefits is just one example. I'm also certain that she is responsible for several marriages by getting the fiancee of U.S. citizens the entry visas necessary for marriage.

When I think of Lucey it's not only her excellent career that comes to mind, but another aspect of her life that I feel warrants special merit. When Lucey was only 12 years old, she received a pair of shoe roller skates designed for indoor rink skating. Endless practice coupled with natural talent led Lucey to membership in the Roller Skating Rink Operators Association of the United States and to a long series of Virginia State, regional and national competitions.

Lucey captured the Virginia State Title as novice ladies free style in 1945 and 1946; and won the Virginia State Intermediate Ladies Championship in 1947. Ultimately in July of 1947, Lucey and members of her pairs team spinned, jumped, and used fancy foot work to Gershwin's "Rhapsody in Blue" to capture the U.S. Championship in Oakland, CA.

It's been a wonderful 15 years and my only regret is that she will not be with me for 15 more. Someone once said that the true measure of a person's life is how much good they do for other people. I like that standard and know that in the case of Lucille M. Hennige, her life will measure as a successful and fulfilling one. She is herself an inspiration. I know that in her retirement, her outlook will only continue to brighten the lives of others.

Lucey, I thank for your dedication and service and want you to know that your coworkers, the people of the ninth district and I will miss you. We wish you much happiness in your retirement and know that you will enjoy seeing more of your two children and three grandchildren. Enjoy your new house, go to the beach often, and remember to come back and visit us.

JUNE IS TURKEY LOVERS' MONTH—MINNESOTA

HON. COLLIN C. PETERSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. PETERSON of Minnesota. Mr. Speaker, for the last 50 years, Minnesota has been one of the turkey industry's undisputed trailblazers in production, innovation, and technology. And, as the American turkey industry has grown and changed over the last half-century, one thing has remained the same: Minnesota's leadership in turkey production.

That's why I'm proud to congratulate the Minnesota Turkey Grower's Association and the National Turkey Federation on another successful "June is Turkey Lovers' Month" campaign.

The latest USDA figures tell the story of Minnesota's contributions to the turkey industry. Last year alone, Minnesota growers raised more than 44 million turkeys, making our State the second-largest turkey producer in the Nation. Our production represents over 15 percent of the U.S. total.

I have seen first-hand the growth created by Minnesota's turkey industry, since many of the turkeys are produced right in my district. Statewide, the industry employs more than 50,000 people—and production generates about $300 million in annual gross value for more than 500 farms.

Minnesota's position in the modern turkey industry is the result of tremendous work and dedication. It is no coincidence that more Minnesota turkey growers have served as president of the National Turkey Federation than representatives from any other State. Just consider this honor roll:

John Wickliffe, 1989; Vance Larson, 1986; John Holden, 1985; Glen Harder, 1977; Lloyd Peterson, 1970; Glen Thurnbeck, 1960; and Graydon McCulley, 1949. Frank Gessell, another Minnesotan, today serves on the National Turkey Federation executive committee.

With turkey consumption rising rapidly across the Nation, I know the turkey industry will thrive for years to come. I am equally confident that you will see many, many Minnesotans playing a key role in that success story.

INTRODUCTION OF LEGISLATION REGARDING MANDATORY RETIREMENT AGES

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. MURPHY. Mr. Speaker, in 1986, Congress debated and passed an amendment to the Age Discrimination in Employment Act of 1967 [ADEA] which bars most employers from setting mandatory retirement ages. During that debate, I successfully offered an amendment which created a 7-year exemption for State and local governments allowing them to set mandatory retirement ages for firefighters and law enforcement officers. The vote was 394–0. This exemption is set to expire on December 31, 1993. Today, I am introducing legislation that would make this exemption permanent.

Throughout my years of public service, I have championed the rights of America's older citizens. I have always believed that there are many people of advanced age who have the capacity and the ability to continue working. Many of us in Congress watched with great admiration the work and dedication of the late Congressman Claude Pepper. The fact that mandatory retirement ages no longer exist in most professions, stands as a testament to the dogged determination of that remarkable man.

Unfortunately, while there are numerous positions that senior citizens can hold well past the age of 65, I submit that fire fighting and police work do not count among them. I firmly believe that we should not confuse our belief of what is advantageous for the public sector employee with what is reasonable and secure for the public-safety employee and the community. No one can honestly say that the public would be adequately protected by 87-year-old police officers chasing drug smugglers down the street or fighting in pitched battles with dangerous, well-armed criminals. Also, picture the fireman who is there on the line of duty in his thirties, or forties, or fifties, who has to serve alongside a person who is in his eighties, who cannot be removed from the front lines.

Making this exemption permanent allows State and local governments to use their own discretion in establishing proper retirement ages for public safety officers. I do not believe that Congress should impose its judgment in place of theirs. I believe that the right course is to allow the local councilman and State legislator to determine whether or not State troopers should be serving at 72 or 82 years of age. This was the original intent of the law, and this judgment is still correct.

Upon introduction of this bill, I want to thank my 84 colleagues who have agreed to serve with me as original cosponsors of this important piece of legislation.

BEWARE THE IMMOVABLE OBJECT

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. KOLBE. Mr. Speaker, I want to share with my colleagues an outstanding success story about jobs. The Industry Education Council of California is a 30-year-old nonprofit civic organization. Recently, it proposed an innovative plan to build an effective bridge between disadvantaged or displaced citizens and local employment, career, and training opportunities.

Kathy Masera, publisher of the California Job Journal, is the primary author of this plan. The simple, but effective, idea of the program is to match the thousands of hidden or unadvertised jobs with potential workers in the inner city. Kathy and her colleagues in this exciting pilot program are to be commended for their hard work and vision which might ease unemployment in the Los Angeles area.

But the story is not one of easy success. Kathy and her crew ran into a Kafkaesque-like wall of bureaucracy as they tried to implement the plan. Their story, recently highlighted in the June 28, 1993 edition of US News and World Report is a reminder of how Government can stand in the way of good programs which try to help people.

I urge my colleagues to read the article that follows:

If you think it will be easy to reinvent government, as President Clinton proposes, just ask Kathy Masera. A California businesswoman, she also directs a project born after the Los Angeles riots to help find jobs for L.A.'s minorities, poor and unemployed. Hers is a tale of how new ways to aid the jobless can get lost in a Bermuda Triangle of bureaucratic indifference. And it suggests that although Clinton speaks of "putting people first," lots of folks in Washington haven't quite gotten the message.

Masera's project is the brainchild of the Industry Education Council of California, a nonprofit group of business, government, labor and education leaders aiming to improve the quality of the state's work force. Searching for ways to address the causes and consequences of the May 1992 riots, the group conjured up a novel idea. One curiosity of labor markets is that employers often have thousands of unfilled jobs that, for various reasons, they don't advertise. What if information about this hidden job market could be made available to unemployed residents of the areas hardest hit by the riots? The council recruited Masera, publisher of the Sacramento-based California Job Journal, to run the project. It seemed a perfect fit: Masera's for-profit journal reports on the hidden job market in Northern California; now, on a volunteer basis, she would help develop a similar nonprofit publication for Los Angeles County, where unemployment currently hovers at about 10 percent.

Masera eventually put together a broad plan for a publication listing about 700 jobs each week that would be distributed for free in riot-torn areas like South Central and Koreatown. Job fairs and training sessions would be held for interested applicants; meanwhile, roughly 40 Los Angeles radio and television stations agreed to tout the journal gratis and even to carry on-air "résumés" of people looking for work. Masera added up the cost—$2.6 million a year—and then went looking for money.

"Not invented here." Her first stop, in September 1992, was George Bush's Labor Department, which was mildly interested but suggested that she approach the state first. But California's Employment Development Department turned her down, arguing that the project would overlap with existing state efforts for the unemployed. Masera returned to Washington, this time to Clinton's Labor Department, where she ran foursquare into the familiar "Not

Frustrated, Masera rallied support on Capitol Hill, where 28 congressmen wrote Labor Secretary Robert Reich on the program's behalf. One congressman's aide had a brainstorm: Since the project would also help workers laid off by the area's many shrinking defense contractors, why not pay for it out of a government program to help people hurt by defense cuts? Labor staffers rejected that approach as well, arguing that department regulations forbade using such funds to help anybody other than those jobless because of defense cuts. "You mean that rather than running the risk that you'd help more than just unemployed defense workers, you'd help nobody?" asked the incredulous Hill staffer in a recent meeting. Yes, came Labor's reply.

So many backers in Congress are steamed up at the runaround that they've vowed to ensure Masera's project is funded, even if they have to write a special appropriation into law. "The bureaucracy has been trained to say no from the very beginning," complains Rep. Matthew Martinez, a California Democrat who met with Reich on the program. So it will eventually get going—about a year, and some 40,000 unfilled jobs, later than expected.

But there's a larger issue here. In an economy racked by structural changes—global competition among them—the government clearly has to do more to help the jobless find work. Existing federal programs won't do the job; the roughly 1,700 federally funded Employment Service offices, for example, manage to find positions for only about 1 in 6 of those who apply for them. But as Clinton recently told the Washington press corps, changing government takes time because it's really all about changing people. The most important change is this: Government has to do what works—not just what works for government. And one good way to start would be for Clinton to pick up the phone, call Kathy Masera and tell her the check is in the mail.

INTRODUCING THE MARKETS AND TRADING REORGANIZATION AND REFORM ACT OF 1993

HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. GLICKMAN. Mr. Speaker, America's financial markets have become the first choice of investors and traders around the globe. Innovation here has set the pace and is the example for the rest of the world's markets, with one glaring omission. Today's 21st century markets are regulated by a system designed in the 19th century. If the U.S. intends to maintain its lead, it is time for the Government to catch up. The legislation I am introducing, along with my colleague Mr. WYDEN, will do that.

This bill, the Markets and Trading Reorganization and Reform Act, will consolidate the Federal Government's financial markets regulatory system into one independent commission and establish a new body to oversee related institutions and markets. The current, outdated bifurcated structure will be replaced with a single entity responsible for overseeing futures, securities, and derivative markets.

The new body, the Markets and Trading Commission, will replace both the Commodity Futures Trading Commission and the Securities and Exchange Commission. It will take over all of their functions and authorities. The legislation will also create the Federal Financial Markets Coordinating Council to coordinate policy with respect to all markets and institutions.

With enactment of the Futures Trading Practices Act of 1992, Congress made major progress in addressing one of the most important issues in the financial community, oversight of the growing market for off-exchange instruments: Swaps, derivatives, and other hybrids. As significant as this step was, that legislation did not complete the longer journey of overhauling and modernizing the Nation's entire financial markets regulatory system.

Ten years earlier, in the 1982 CFTC legislation, Congress directed the CFTC, SEC, and Federal Reserve System to conduct a special study of the futures markets. One of its most important conclusions was that for the most part, investors and traders in securities and futures markets are one and the same, not surprisingly since today's trading strategies depend on both markets. Over time, especially with new technology, markets have become inextricably linked. Consequently, the fastest growing part of the market is trading in instruments bridging traditional securities and futures, swaps and other derivative instruments.

But the regulatory system has not evolved. It is duplicative; it requires traders who are active in both securities and futures to answer to two Federal regulators, incurring twice as many costs. If for no other reason, it is time to reorganize the system to ease the bureaucratic burden on the traders and lessen the Government imposed costs they must bear.

Having two regulators has not made the markets twice as secure nor half as susceptible to failure. The more important reason for this legislation is to remedy those fundamental flaws in today's system. The driving idea of the bill is ensuring greater coordination among regulators and removing institutional barriers preventing effective and efficient regulation of these related markets.

Important strides have been taken in recent years, such as developing cross-market measures following the market crash of October, 1989. Still, the remaining obstacles to broad ranging, interdependent oversight and regulation will not fall until all regulatory functions are consolidated under one roof.

With computer trading strategies, billions of dollars are switched between markets in no longer than it takes for a trader to bark an order into a telephone or type a few keystrokes. This presents an ominous threat: A problem in one market can snowball, cascading across markets just as quickly. To ensure that U.S. markets retain the highest possible level of investor confidence, government must have the ability to react to trouble spots in the same comprehensive, instantaneous manner.

I am convinced if we were to start anew, none of us would propose creating the kind of system we have today. We would not propose pencil and paper record keeping for a computer driven system. We would not restrict its vision; we would make sure it a clear view of the entire playing field. In short, we would pattern it after the way the markets really work. We might also take lessons from the way other governments regulate their markets. Unfortunately, the U.S. retains the dubious distinction of being one of a few countries with a separate regulatory structure for its stock markets and a separate one for its futures markets.

Under the 1992 CFTC reauthorization bill, the Commission is undertaking a new study about these markets, this time to examine derivatives and swaps within the context of creating a single regulatory structure. The study is due later this year, as Congress takes up new legislation extending the life of the CFTC. I hope this bill, whose main provisions are outlined in the following summary, will complement that report, serving as the pattern for much needed and long overdue reform.

SUMMARY OF THE MARKETS AND TRADING REORGANIZATION AND REFORM ACT OF 1993

The Markets and Trading Reorganization and Reform Act of 1993 consolidates the federal oversight of futures, securities, and related markets into one independent regulatory commission, the Markets and Trading Commission. The three main provisions of the legislation are:

1. Establishing of the Markets and Trading Commission.

2. Creation of the Federal Financial Markets Coordinating Council.

3. Provision of a transition period to the new regulatory system.

I. MARKETS AND TRADING COMMISSION

The legislation established the Markets and Trading Commission, an independent regulatory commission, and transfers to it all of the functions and authorizes of, one, the Commodity Futures Trading Commission; two, the Securities and Exchange Commission; and three, the authority of the Board of Governors of the Federal Reserve System to set margin on securities. The Commission is authority to set margin on futures and options.

Five commissioners all of whom must have a demonstrated knowledge of the markets regulated by the Commission and appointed by the President and subject to confirmation by the Senate will compose the Commission. No more than three may be of the same political party.

The legislation stipulates that in organizing itself, the Commission must have an Office of General Counsel, headed by a General Counsel appointed by the President and confirmed by the Senate. The Commission must establish one division responsible for markets in physical commodities, such as agricultural commodities.

II. FEDERAL FINANCIAL MARKETS COORDINATING COUNCIL

The legislation establishes the Federal Financial Markets Coordinating Council to coordinate regulatory policy relating to all financial institutions and markets composed of representatives of the following offices: Board of Governors of the Federal Reserve System, Comptroller of the Currency, Department of the Treasury, Markets and Trading Commission, National Credit Union Administration, Office of Thrift Supervision, and Federal Deposit Insurance Corporation.

The Council must establish an advisory committee composed of five representatives of the futures, commodities, options, and securities exchanges and the banking industry and provide regular reports to Congress on its activities, the first of which must include recommendations for legislation to improve the federal regulation of financial markets and institutions generally.

III. TRANSITION PERIOD

The legislation provides a two-year transition period for the establishment of the Commission and becomes effective no sooner than October 1, 1995. For the transfer and consolidation of CFTC and SEC functions, personnel, and facilities into the new entity, the legislation authorizes $10 million for two fiscal years following the effective date.

The bill also contains several miscellaneous administrative provisions relating to the establishment of the Commission, in personnel, facilities, and general operating authorities and procedures.

BUILDER OFFERS $15,000 TO CUT DEFICIT

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. CARDIN. Mr. Speaker, I would like to call attention to the efforts of one of my constituents, Frank J. Scott.

Over the past dozen years, the Federal budget deficit has risen steadily from under $100 billion, to $200 billion in the mideighties, to over $300 billion by the end of the eighties. If we just keep talking about the deficit and do nothing, the deficit in fiscal year 1994 will be $300 billion.

Mr. Scott, a homebuilder from Anne Arundel County, MD, is doing his part to help eliminate the deficit. He has agreed to donate $50 for each luxury condominium he sells in a 300-unit complex. Through his contribution, Mr. Scott hopes to persuade others in the home building industry to emulate his action and help the country in its time of need.

I have attached a June 18, 1993, article from my hometown newspaper, the Baltimore Sun, which explains in further detail Mr. Scott's efforts on behalf of the deficit. I applaud Mr. Scott's actions and encourage other Americans to follow his example.

The article follows:

BUILDER OFFERS $15,000 TO CUT DEFICIT

(By Lorraine Mirabella)

Frank J. Scott concedes that some of his friends and business colleagues might think he lost his head when they hear he plans to send $15,000 to the White House.

But he hopes they'll follow his example.

Think of your children and their children, he urges them. Think of the national debt.

The Anne Arundel County homebuilder says he's doing his part to help cut the $360 billion deficit by contributing $50 from the sale of each luxury condo at the 300-unit Village of Crystal Springs at Cromwell Fountain in Glen Burnie.

Buy a condo, save America?

"This is not an advertising gimmick," the 56-year-old insists. "Nor is $15,000 going to wipe out the deficit. It's sort of a cry for help."

Mr. Scott sounds a bit like Ross Perot on the stump when he attacks Washington gridlock.

The founder of Scott Family Homes, who has five children and five grandchildren, speaks of reviving the American Dream. A ninth-grade dropout, he rose from stake driver on a construction crew to president of a company whose communities dot the county.

The federal government's drowning in red ink. And no one in Washington's minding the store.

"But we can whip this thing," he says. "Be part of the solution, not part of the problem."

If other builders and business owners would just follow his lead, he says; if citizens without the means would just pressure their representatives for deficit-reduction measures such as an energy tax; if everybody would just band together, stop talking and start doing, there'd be no end to the possibilities.

Is he onto something? Will he inspire his colleagues to follow?

"They'll either say, 'Frank's crazy, throwing his money down the drain,' or it will stimulate thinking," he says. "It may cause them to say, 'Gee, if Frank is doing this, maybe it's something we should think about."

"This is the biggest plague we have," he says of the deficit. "It's robbing us of so much in so many ways. "We're mortgaging our children's and grandchildren's future; there's no question about it. If we all sit and complain and don't do anything about it, we deserve what we get."

For starters, with this weekend's opening of the third section of Cromwell Fountain—eventually a 996-unit community of one- and two-bedroom condos—Mr. Scott has drawn a check for $5,000. It represents his first 100 sales. Fourteen prospective buyers have signed contracts.

And backing up his belief that government should govern and the private sector should furnish services, Mr. Scott also has pledged $25 per condo, with an initial $2,500 donation, to Arundel Community Development Services Inc. The private agency raises money for housing for low- and moderate-income residents.

Mr. Scott gave the housing agency its check yesterday. And he says he'll send the other one along as soon as someone from the White House can tell him to whom he should make it out and where, exactly, he should send it.

The White House press secretary, Dee Dee Myers, has assured Mr. Scott's staff she'll get back to them.

Mr. Scott says he never really expects to know for sure whether his money gets earmarked for the deficit.

"It's a leap of faith," he says. "What has this nation been built on?"

TERRORISM

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. SOLOMON. Mr. Speaker, I would like to take this opportunity to draw the attention of my colleagues to recent remarks by our colleague, the gentleman from New York [Mr. BEN GILMAN] before the European Parliament/U.S. Congress 41st meeting in San Francisco regarding terrorism.

In his remarks, Representative GILMAN succinctly outlines the nature of the threat facing both our Nation, and our European allies, and notes that this threat is growing, and must not be ignored. Rather, he recommends that through enhanced cooperation among governments, we can and should earnestly fight this criminal scourge on all of our societies.

I have worked closely with the gentleman from New York on this issue, including the introduction of my legislation, H.R. 1241, the Domestic Anti-terrorism Reward Act. A measure to increase the reward for information on domestic terrorism from $500,000 to $2 million.

Furthermore Representative GILMAN has introduced the Antiterrorism Act, of which I am an original cosponsor, and which imposes a full embargo on imports from nations which continue to support international terrorism, addresses the threat of nuclear terrorism, and creates a government-business antiterrorism council to seek out additional measures which our Government and businesses can take to counter terrorist activities. Last, the bill calls for the death penalty for terrorists who murder Americans, whether at home or abroad.

I am inserting the full text Representative GILMAN's remarks along with the text of a recent Wall Street Journal article on terrorism by Steven Emerson dated June 25, 1993, and a July 5, 1993 Newsweek article in support of the Gilman legislation.

STATEMENT OF CONGRESSMAN BENJAMIN A. GILMAN AT THE MEETING OF THE EUROPEAN PARLIAMENT ON INTERNATIONAL TERRORISM, SAN FRANCISCO, CA, JUNE 26, 1993

Chairman Donnelly, Chairman Lantos, my colleagues: It is a privilege to speak to you regarding a mutually important issue to the European Community (EC) and to the U.S. international terrorism. Most recently in the United States, we have felt the sting of terrorism with the New York World Trade Center bombing. This terrible, premeditated attack cost the lives of six Americans, one of which was a constituent of mine. In addition, it resulted in more than 1,000 injuries and more than $600 million in property damage and business disruption. Fortunately, based upon excellent police work, most of the suspects were swiftly captured, charged, and are now awaiting trial.

The threat of state-sponsored terrorism is still serious. We recognize that the threat of terrorism is well-known on your continent. America received a wake up call this year with the events at the New York World Trade Tower, the arrest by the FBI of several Abu Nidal terrorists in St. Louis who were intent on attacking the Israeli Embassy in Washington, D.C., the killing of two CIA employees outside CIA headquarters, and the reported Iraqi-sponsored and planned attack on former President George Bush. In addition, on Thursday of this week, the FBI in New York arrested several terrorists as they were mixing the chemicals for bombs intended for the United Nations complex, several federal office buildings, and the tunnels leading in and out of New York. The specific individuals targeted by the terrorists included a U.S. Senator and the Secretary General of the U.N.

Unfortunately, some within our own government didn't get the message from that billowing dark smoke of the New York Trade Center bombing, and these other recent events, and are still intent on downgrading the focus on international terrorism.

Last week, through a Floor amendment to our State Department authorization bill, I was successful in mandating that the State Department keep the high level—and very visible—the Office of the Coordinator of Counterterrorism. The Department sought to downgrade that office by merging it into a new international narcotics control and crime bureau. The message that combatting terrorism must be a top priority of any government has not been an easy sell. It often takes a major jolt, such as the World Trade Center bombing, to force us to keep our guard up.

Fortunately, we were able to favorably present this important antiterrorism message to the whole House of Representatives, and this action will help us ensure continued emphasis by the U.S. Government on ending worldwide terrorism.

Additionally, earlier this year, I introduced the Antiterrorism Act of 1993. That measure includes a provision which will impose a full embargo on imports from nations which continue to support international terrorism. Without the support of the Soviet Union, several of these states are increasingly dependent upon the United States and the nations of the European Community. Accordingly, I urge our European colleagues to join the United States in imposing an embargo on these states, and sending a strong message that support for international terrorism is no longer acceptable.

There are currently six countries on the U.S. list of countries which support international terrorism: Libya, Syria, Iran, Cuba, North Korea, and Iraq.

All of our governments must work together to battle against this scourge of international terrorism. This very real danger threatens world order, and in some instances, the very stability of our democratic institutions. Prevention, based upon information sharing and mutually beneficial cooperation among the nations of the world, is the obvious first preference. This must then be followed by swift, sure, and severe punishment when terrorists are identified.

The challenges in the fight against terrorism are particularly great for the democracies and free governments around the globe. Freedom to travel, to engage in open commerce, to associate with whomever you choose, and free speech are often used by terrorists to maximize their advantage against these free societies. Your challenge in the EC will be even greater now as European borders continue to open, as business and commerce flow more freely, and as those who mean harm can more easily move about and acquire the means, tools, and materials of international terrorism. We will all have to work harder and more cooperatively against this scourge as freedom prospers in today's post-Cold War world.

The recent Basque separatist attacks in Madrid, and the deplorable Kurdish militants' coordinated terrorist attacks across Europe against Turkish government facilities and diplomats, makes it clear that we all need to stand ready to cooperatively share information and support mutual efforts to thwart the evil of international terrorism, no matter where or why it raises its ugly head.

We must not surrender to terrorists one inch of ground or one ounce of outward fear and intimidation. If we do, they—the terrorists—will have our people and our institutions at their mercy and in their grasp, which no one dares envision. Our Members of Congress stand ready to work with our European allies. We must provide the leadership and tools that our governments need to counter terrorism. We must make certain that fear and intimidation do not dictate how free peoples and institutions function.

America has been particularly fortunate in the last few years, experiencing few terrorist incidents on our own soil. Many experts attribute our success at home to the high priority and vigilance that the U.S. Government, particularly the FBI, has given counterterrorism here in the U.S. The arrests in New York of several terrorists by the FBI this past Thursday before the U.N. and other targets could be hit, is proof positive of the validity of this high priority and vigilance approach.

We recognize that your security forces are as equally dedicated and effective in this difficult and challenging task of combatting terrorism. With even greater cooperation and intelligence sharing between our governments, our security agencies, and law enforcement entities, we will be able to deny terrorists the fear and intimidation they seek to gain over our institutions, our people, and our very freedoms.

Let us direct our mutual efforts to strengthening the rule of law and to apply the law to terrorists. Let us be diligent in identifying, tracking, apprehending, prosecuting, and stringently punishing terrorists for their crimes.

THE GREAT SATAN WINS ONE

(By Steven Emerson)

The arrests yesterday in New York of eight militant Muslim fundamentalists on charges of plotting to blow up the United Nations, two tunnels under the Hudson River and a federal office building should lay to rest any notion that radical Islamic fundamentalism is only a "Middle East problem."

The arrests, coming close on the heels of February's World Trade Center bombing, show firmly that the fundamentalist jihad has now taken aim at the heart of the Great Satan. And while the law enforcement officials who made the arrests yesterday deserve credit for their brilliant detective work, ultimately the problem cannot be treated as a law enforcement problem only. The problem can be solved only in the larger context of a comprehensive solution—involving legislative, diplomatic and intelligence agencies.

There are important lessons for the future.

First, radical Islamic fundamentalism cannot be reconciled with the West. The hatred of the West by militant Islamic fundamentalists is not tied to any particular act or event. Rather, fundamentalists equate the mere existence of the West—its economic, political and cultural systems—as an intrinsic attack on Islam. The sooner Americans realize that no compromise or reconciliation is possible, the sooner radical fundamentalists will realize that the West cannot be manipulated.

A recent article in a fundamentalist periodical called Khilafah Magazine, published in Britain, is entitled "Capitalism: It's a Crime." The article urges Muslims in the West to reject capitalism and not to obey Western treaties such as NATO, and calls democracy a "sin" against Islam. Sheik Omar Abdel-Rahman, the blind Muslim cleric who lives in New Jersey and is the spiritual mentor of several of the suspects in the World Trade Center bombing, routinely calls the U.S. a "den of evil and fornication."

The terms "foreign" and "domestic" do not apply. One of the points made at the FBI's press conference yesterday was that there was "no evidence of foreign involvement." For all practical purposes, this is a meaningless statement. Militant Islamic fundamentalism transcends all borders. Increasingly, radical organizations—such as the Jihad Group (centered around Sheik Abdel-Rahman), the Palestinian Hamas and the Lebanese Hezbollah—have established infrastructures in the U.S., Germany and Britain in addition to their bases of operation throughout the Middle East.

There is no one ringleader or country orchestrating the attacks. While there is no doubt that Iran and Sudan provide money and training to Islamic fundamentalists in the Middle East, the emergence of fundamentalist terrorist attacks in the West is part of the decentralized structure in which fundamentalists scattered around the world assume the obligation to strike blows against the West in their own communities. This means saying something that is politically incorrect: That all militant radical fundamentalists are potential members of this loose federation of terrorists.

Members of the Islamic fundamentalist network cannot be classified under one nationality or political allegiance. Those arrested in the World Trade Center bombing and the aborted attacks yesterday come from Sudan, Egypt, the West Bank and Gaza, Jordan and Pakistan. Not insignificantly, they also include at least two Americans. "This shows that in a sense there now exists an Islamic internationale," says Khalid Duran, a Muslim expert on fundamentalism at the Free University of Berlin. These militants "collaborate with one another, thus putting aside any local cultural and regional political differences."

The political and religious arms of radical Islamic fundamentalism are one and the same. Traditionally, terrorist groups have established separate cells whose only mission was to carry out terrorism. This made penetration by law-enforcement agencies relatively easy. Radical Islamic fundamentalists, however, use their mosques and their religious leaders to form the nucleus of their terrorist infrastructure. Moreover, the traditional immunity given to religious institutions can no longer apply if the battle against Islamic fundamentalist terrorism is to be won.

One positive sign emerged yesterday. After the World Trade Center bombing, the FBI refused to issue an arrest warrant for Sheik Abdel-Rahman's Jersey City home—they said they were "not interested in him." The FBI planned to execute one yesterday.

The U.S. needs to adopt a coordinated antiterrorism strategy involving the entire West and our many domestic law enforcement and intelligence agencies. Today, collaboration occurs only when there is an immediate threat of violence. An international data base, which does not now exist, would allow all countries to keep tabs on potential terrorists at all times. Congress should pass legislation introduced by Rep. Benjamin Gilman (R., N.Y.) that would computerize the State Department's consular and visa data bases. Congress should also reject the State Department's proposal to downgrade the Office of Counterterrorism and cut the budget of various antiterrorism programs in the Bureau of Diplomatic Security.

The U.S. must lend support to the overwhelmingly vast majority of moderates in America's Muslim community. In the past the vast majority of law-abiding Muslim Americans have been intimidated by the few militants in their ranks. They have feared to speak out against terrorist acts. With enough encouragement from our public officials—along with assurances of physical protection—this trend could be turned around.

It took the FBI 20 years to infiltrate the Mafia. Unless there is an integrated approach to counteract radical Islamic terrorism, yesterday's victory will be shortlived. So far this year the U.S. has one victory and one failure against radical Islamic terrorists. A 50% success rate isn't good enough.

COUNTERTERRORISM: VICTIM OF SUCCESS?

(By Douglas Waller)

President Clinton called Sen. Alfonse D'Amato—one of the alleged targets of the bombers—to reassure him that the United States is deeply committed to the fight against international terrorism. Clinton clearly meant it, given the missile strike, a day later, to punish Iraq for the reported assassination plot against George Bush. But experts say that behind the triumphal headlines is troubling evidence that over the years Washington may have lost some of its edge in the fight against international terrorism. "The Clinton administration's ability to combat terrorism is being quietly dismantled," a knowledgeable State Department official said last week.

Critics say the decline actually began during the last year of the Bush administration. In the mid-1980s, the bombing of the Marine barracks in Beirut and a series of high-profile hijackings exposed serious weaknesses in U.S. counterterrorism strategy, including turf battles among military and intelligence agencies. The Reagan administration created the State Department post of Coordinator for Counter-Terrorism, a job with ambassadorial rank and the clout to force warring bureaucracies to work together. Reagan's first appointment to the job in 1986, L. Paul (Jerry) Bremer, enjoyed direct access to Secretary of State George Shultz. But Bremer's Bush-era successors were not as influential, and the decline has continued. Secretary of State Warren Christopher plans to downgrade the coordinator's position to that of a lower-ranking deputy assistant secretary. Whoever fills the slot will have to push through several layers of bureaucracy before even setting foot in Christopher's office.

Budget cuts and turnover are also taking a toll. According to internal State Department figures supplied to Newsweek, 80 percent of the seasoned experts in the counterterrorism office will be reassigned or replaced by this fall with less experienced personnel. "The institutional memory will be virtually erased by October," predicts a State Department source. Other agencies are facing similar cutbacks and compromises. At the National Security Council, the top counterterrorism official now has multiple responsibilities, including the United Nations and drug policy. At the Pentagon, Defense Secretary Les Aspin has yet to

Judging from last week's arrests in New York, the FBI is still very much on the case. But the bureau got lucky: an informer proved to be the crucial break. The harder work of counterterrorism is pressing the investigations abroad, where leads inevitably point. "We should fight as far-forward as we can," says Noel Koch, the Pentagon's top counterterrorism official in the Reagan administration. "You have to be overseas."

WORLDWIDE NETWORK

Washington's counterterrorism bureaucracy is arguably a victim of its own success. Strong performances in recent years by the CIA and foreign intelligence agencies have unmasked and dissolved many terror groups like the Red Army Faction in Germany and the Red Brigades in Italy. And with the end of the cold war, some terrorist cells have lost their haven in Eastern Europe. Iraq's worldwide network was broken up during the Persian Gulf War. International terrorist attacks declined to 361 in 1992, the lowest total in 17 years. With fewer headlines, political attention has focused elsewhere, forcing counterterrorism to cede part of its share to problems that are on the rise, like crime and drugs.

The evidence suggests that America won't be able to stay out of the fight. More than 200 Pentagon officials and counterterrorism experts met in early June to consider future terrorist threats. They concluded that the proliferation of ethnic and regional conflicts will spawn new radical movements, leading inevitably to new terrorism. "We're going to see a global increase in anarchy," says one Defense Department analyst. Some at the meeting worried about what they term "mass terrorism," like the ethnic cleansing rife in Bosnia. Others were more concerned about what they are calling "single issue" terrorism, attacks by radicals who share no ideology, only the hatred for a particular enemy.

Inevitably, such fears have brought pressure to tighten up the nation's border controls. Congressional committees are investigating the loophole-ridden immigration regulations that allowed Sheik Omar Abdel-Rahman, the blind Muslim cleric suspected of links to terrorist activity in New York, to slip into the country. Rep. Benjamin Gilman, a member of the House Foreign Affairs Committee, has attached an amendment to the State Department's annual funding bill to restore the power of the counterterrorism office. After last week's arrests in New York—and the strike against Iraq—the White House may think twice about thinning its counterterrorism ranks.

NAFTA LABOR SUPPLEMENTAL HAS NO TEETH

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. LAFALCE. Mr. Speaker, those undecided about NAFTA are waiting for completion of three supplemental agreements to the text now being negotiated before deciding their position on the agreement. President Clinton said in October that it will be important for NAFTA to support recognized labor standards and that laws be enforced. U.S. Trade Representative Kantor has promised that the supplemental agreements, including that for labor, would have teeth. In examining U.S. proposals, it appears that neither of these conditions will exist. In fact, as pointed out in a recent letter to U.S. Trade Representative Kantor from the chairman of U.S. Trade Representative's Labor Advisory Committee [LAC] for Trade Negotiations and Trade Policy, U.S. proposals for the labor supplemental may actually weaken existing remedies under U.S. law.

Among the disappointments cited by the chairman of LAC is failure to identify minimal labor rights and standards, the lack of a requirement to investigate complaints brought to the proposed Commission by individuals or nongovernmental organizations, the focus on law enforcement rather than law violations, and the absence of subpoena power, investigating authority, or time restrictions for examining cases. The process for review is long, bureaucratic, restricted to Government entities, and neither a deterrent to abusing the rights of workers nor a real means of enforcing acceptable labor standards.

This inexcusable refusal to seriously give weight and recourse to workers' rights—including the inevitable impact on United States labor when standards and rights are ignored in Mexico—is a poor omen on how the current NAFTA would operate and what is in store for United States workers. While negotiators apparently are willing to respond to big business by providing strong protections for foreign investment and intellectual property, they appear unwilling to put workers' rights and standards strongly on the line.

The letter from the chairman of the Labor Advisory Committee and secretary-treasurer of the AFL–CIO, which give eloquent testimony to that, follows:

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, June 17, 1993.

Hon. MICKEY KANTOR,
U.S. Trade Representative,
Washington, DC.

DEAR AMBASSADOR KANTOR: I am writing to ensure that there is a clear understanding of the views of the AFL–CIO and the Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC) with respect to U.S. proposals for NAFTA Labor and Environmental agreements. It is our view that rather than establishing strong, enforceable standards, the proposals tabled by the U.S. government would, as a practical matter, prevent any effective remedy or redress for the exploitation of workers or the pollution of the environment. For labor rights and standards, the proposal actually represents a weakening of existing remedies available under U.S. law.

The problems posed by the NAFTA negotiated by the Bush Administration are significant and far reaching for U.S. workers. On its own terms that agreement is inequitable and nonreciprocal and will encourage U.S. investment in Mexico to the detriment of domestic needs. Its impact on specific industrial sectors could be devastating. While the absence of provisions to ensure or enforce basic worker rights and standards was but one of many deficiencies in the Bush agreement that we pointed out last year, we were hopeful that your commitment to negotiate a labor agreement "with teeth" would at least represent a first step toward the development of a positive agenda for North American trade and investment by the Clinton Administration.

Regrettably, those hopes have been dashed. The Administration's proposal fails to identify even minimal labor rights and standards to be enforced, establishes an oversight process so vague, discretionary, and protracted that a timely resolution of a dispute would be virtually impossible, makes individual violations of even national law nonactionable, and provides at the end of the process no effective remedies. While the rhetoric on the need to ensure observance of worker rights and standards is impressive, the means for achieving that objective does not exist and I'm concerned that the proposal will wind up as little more than "political window-dressing."

Specifically,the proposal falls short in the following areas:

The proposal does not seek agreement on a body of basic labor rights and standards. Indeed, it does not even appear to address violations of national labor law. Rather, it would focus attention on whether there is adequate enforcement of law, not violations of that law.

The Secretariat established by this proposal would not be required to investigate submissions from non-governmental organizations. The proposal includes eight criteria that the Secretariat could use in deciding whether or not to accept a submission, thereby providing a variety of grounds for not pursuing a complaint. For example, the Secretariat must consider whether or not a submission demonstrates "a persistent and unjustifiable pattern of failure by the Party to enforce its labor law." (What is persistent? Is it failure to enforce laws 5 times, 10 times, 20 times? What is unjustifiable? Does the Administration believe that there are justifiable violations of labor law?) Another of the criteria suggest that the Secretariat determine whether a "submission appears to be primarily aimed at the encouragement of labor law enforcement rather than the protection of a domestic industry." How can the Secretariat decide intent? These, and other criteria simply provide a rationale for nonaction in the face of worker abuse.

Should the Secretariat actually accept a submission, information would be sought from the government in question, not the alleged violator of law. There is no investigating authority or subpoena power. The Secretariat has no time constraints in the preparation of a report. The process, even if it went forward, could go on for years.

After all of this, the Secretariat may submit a report to the Council, and the Council would determine by majority vote. If the report demonstrates "a persistent and unjustifiable pattern of non-enforcement of its labor law." Since the Council is made up of labor ministers, their decision-making process will be highly politicized and no doubt be affected by considerations separate from the dispute.

Even if the Council upheld the Secretariat's report, no action would be permitted. Rather, the matter would be referred to an arbitral panel for decision.

Should the arbitral panel find "a persistent and unjustifiable pattern of non-enforcement of its labor law", that decision would be referred back to the Council for further consideration and if the Council was unable to reach agreement, then and only then, would the complaining party be able to take some action.

The only action available would be the suspension of "an appropriate level of benefits under the NAFTA"—in other words, trade action no harsher than tariffs or regulations that prevail today. Given the tortuous process, even this minimal result would probably never occur.

The structure proposed for labor rights by the Administration stands in sharp contrast to the protections afforded investors or owners of patents and copyrights. Here, rules are clear, and the remedies are strong. We can only conclude that the financial interests of big business will continue to be far better protected than the rights and interests of workers.

Sincerely,

THOMAS R. DONAHUE,
Secretary-Treasurer, AFL-CIO,
Chairman, LAC.

TRIBUTE TO GERARDO TORRES: WARDEN OF THE PASSAIC COUNTY JAIL

HON. HERB KLEIN

OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 29, 1993

Mr. KLEIN. Mr. Speaker, I rise today to pay special tribute to Mr. Gerardo Torres, the newly appointed warden of the Passaic County Jail. Mr. Torres has been working in the field of law enforcement for the past 30 years, and his appointment is well deserved.

A native of Camuy, PR, Mr. Torres has brought great honor to the Hispanic community in New Jersey. In 1972 he was appointed the first Hispanic sergeant in the Passaic County Jail. In 1976, he became that institution's first Hispanic lieutenant and tour commander. He subsequently moved on to the rank of captain and chief of operations. His present position is also a first for Hispanics in New Jersey.

Mr. Torres has consistently proven his dedication and leadership in the field of law enforcement. He is a member of the International Chiefs of Police and the American Correction Officers Association, among others, and is past president of the Passaic County Hispanic Law Enforcement Association.

Mr. Speaker, I ask my fellow colleagues to join me in honoring Mr. Gerardo Torres, warden of the Passsic County Jail.

TRIBUTE TO MRS. MARY B. WILLIAMS

HON. WILLIAM (BILL) CLAY

OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 29, 1993

Mr. CLAY. Mr. Speaker, Mrs. Mary B. Williams is retiring from the St. Louis Public Schools after 34 years of service. On June 30, 1993, she is being honored by her colleagues who will pay tribute to her outstanding professional career. Mrs. Williams has served the district in a variety of important roles and has been a guiding force in urban education in St. Louis, MO.

Shortly after completing undergraduate school at Lincoln University, Mrs. Williams was employed as a teacher in the St. Louis Public School District. Later, she served as a high school department head and in 1984 became curriculum supervisor of home economics. Her professional contributions in education are many, including curriculum writing and presentations on the local, State, and national levels. In 1988, while serving on the Personal Growth, Development, and Responsibility Committee, she prepared the character education curriculum for grades 6, 7, and 8. She has membership in many organizations including, American and Missouri Home Economics Association, American Vocational Association, NAACP, YMCA, Annie Malone Children's Home, and Delta Sigma Theta Alumnae, Inc., where she is a Golden Life member serving on the Habitat for Humanity Committee.

Mary Williams is well known among her peers and highly respected throughout the district for her leadership qualities, interpersonal and organizational skills and her devotion to the profession. She served as a featured speaker at the American Vocational Association Conference and has received the prestigious Phi Delta Kappa Excellence in Education Award.

Mary Williams has been a very active member of Antioch Baptist Church for 35 years, having served as immediate past president of the Pastor's Aid Club. She is married to Robert Williams, Jr. They have one daughter, Denise Casey, and a grandson, Eric Casey. She is a relative and friend to many wonderful people.

Mrs. Williams is a superior educator who has given fully and creatively to guide our most precious resource, our children and our youth. I am pleased to call attention to a truly fine educator who contributed greatly to a more human and richer society through quality education.

I invite my colleagues in the U.S. Congress to join with me in wishing Mary Williams well and much success in a retirement filled with tranquility, challenge, and personal fulfillment.

TRIBUTE TO JESS W. SPIKER

HON. RICK SANTORUM

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 29, 1993

Mr. SANTORUM. Mr. Speaker, it is with great pleasure today that I rise to honor Mr. Jess W. Spiker, who celebrated his 100th birthday on June 17, 1993. Mr. Spiker was born in North Versailles Township, PA, which is located in my district.

Mr. Spiker has lived an accomplished first 100 years of his life. He is a retired Government employee who owned and operated a tool and die company in McKeesport, PA. During World War I, he was active in Washington, DC, as a machinist for the U.S. Navy.

Mr. Spiker is extremely gifted at making crafts with his hands. In his 80's, he began a hobby of making clocks, and since then has crafted some 38 clocks. His most prized clock hangs in the main dining room at the Crossroads Retirement Center in Bellevue, WA, where Mr. Spiker currently resides. At the center, Mr. Spiker writes articles for the newsletter. He has also cultivated a beautiful garden for everyone at the center to enjoy. Mr. Spiker is the third member of the Crossroads Retirement Center to have the honor of being inducted into the century club. Mr. Spiker lists hunting as one of his hobbies, and he is said to be very skilled at it.

Mr. Spiker has two children, eight grandchildren and eight great-grandchildren. His son, Kenneth and his daughter, Trudy Laing, were among those present at the joyous family celebration at the Crossroads Retirement Center to celebrate his 100th birthday. It is with honor that I congratulate Mr. Jess W. Spiker on a great 100 years of life, and wish him many more.

THE FISCAL YEAR 1994 VA/HUD APPROPRIATIONS BILL

HON. DONALD A. MANZULLO

OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 29, 1993

Mr. MANZULLO. Mr. Speaker, today the House of Representatives passed the annual spending bill for the Department of Veterans Affairs. But most veterans would be surprised to learn that other Government programs are tied to their annual spending bill, such as space exploration, housing assistance, the Resolution Trust Corporation, which bails out the failed savings and loans, and even pork-barrel projects like $18 million for the Consortium for International Earth Science Information Network [CIESIN] in Saginaw, MI.

I cannot stand by and let this irresponsibility continue. I will not be a party to this fiasco. That is why, despite my intense desire to vote for this spending bill, I am not going to be a part of this process.

Every Cabinet-level department deserves a separate, clean vote on its annual spending bill. If we can have a separate vote on foreign aid, if we can have a separate vote on military construction projects, if we can have a separate vote on defense, certainly we can have a separate vote on veterans.

Congress created the Department of Veterans Affairs and two separate committees dealing exclusively with veterans' issues mainly to give veterans a stronger voice in Washington. But when the rubber meets the road—when the real dollars are appropriated—the concerns and the voices of our veterans are drowned out by other interest groups and by pork-barrel politics.

That's why one of my first congressional reform efforts I supported was to separate veterans' spending from all other appropriations bills. On April 21, I introduced House Resolution 154, the Fair Deal for Veterans Act, to give back veterans their say in the most important part of the legislative process—how their annual spending bill is decided.

For example, the 1994 appropriation bill for the Departments of Veterans Affairs, Housing and Urban Development, and independent agencies (H.R. 2491) contains $2.1 billion for space station *Freedom*. It contained $34 million for the Resolution Trust Corporation. It also proposed spending $25.2 billion on 16 different independent agencies including $18 million for the CIESIN Program in Saginaw, MI, where 11 of the 13 board of directors gave themselves grants from the Government.

Quite frankly, funding the 23 different agencies and pork barrel projects by taking money that should have gone to veterans is not only a personal affront to me but reflects the arrogance of the Democrat-controlled leadership in Congress. While we fund frivolous projects, veterans' spending is given secondary priority.

And, on top of that, several independent studies over the past several years have shown that our veterans' hospitals can barely keep their heads above water. Many have cut back on services to keep only the most essential programs on even keel. Even the current Secretary of Veterans Affairs, Jesse Brown, was a part of these studies when he was the commander of the Disabled American Veterans Organization.

Yet, the House of Representatives cut the President's modest request for veterans' health care by $74 million. How much longer can the veterans bear this burden?

The way to bring about reform is to encourage enough Members to vote against this type of irresponsibility. Unfortunately, only 110 Members had the courage to vote "no." I hold out the hope that the voice of the reformers—the ones who want to shake up the status quo in Washington—will join me in, first, endorsing my Fair Deal for Veterans Act and, second, vote "no" until veterans get the fair shake they deserve. Mr. Speaker, I will continue to vote against fiscally irresponsible spending choices that hold veterans hostage to pork-barrel politics.

DESIGNATION OF THE U.S. POST OFFICE AND COURTHOUSE IN CINCINNATI, OH, AS THE "POTTER STEWART UNITED STATES COURTHOUSE"

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. PORTMAN. Mr. Speaker, today I am introducing a bill to designate the U.S. Post Office and Courthouse Building in Cincinnati, OH as "the Potter Stewart U.S. Courthouse Building" in honor of the late Associate Justice to the Supreme Court, Potter Stewart.

Justice Stewart was a native of Cincinnati, OH. Like his father, James Garfield Stewart, a former mayor of Cincinnati and member of Ohio's Supreme Court, Potter Stewart devoted his life to serving his city and his country. Justice Stewart saw active duty in the U.S. Navy during World War II. He served on Cincinnati's City Council and was vice-mayor. In 1954, he was named by President Eisenhower to the U.S. Court of Appeals for the Sixth Circuit, which resides in the U.S. Post Office and Courthouse Building in Cincinnati. At age 39, Mr. Stewart was the youngest Federal judge in the country.

Following the retirement of Associate Justice Harold H. Burton, President Eisenhower appointed Judge Stewart to the Court during a congressional recess in October 1958, permitting him to join the Court before the Senate confirmed him the following May. At age 43, he was the second youngest Supreme Court appointee since before the Civil War: William O. Douglas was 40 when he was appointed in 1939.

Justice Stewart served on the Court for 23 years. His philosophy on the Court was not one marked by ideology, but by adherence to the principles of the Constitution. Justice Stewart stressed that a judge's job is to be objective, conscientious, diligent, and to remember that everyone is equal before the law. He once said "I think it is the first duty of the justice to remove his own moral, philosophical, and religious beliefs and not to think of himself as some great philosopher king and apply his own ideology."

Mr. Stewart was neither a champion of the political left nor of the political right. He focused on the merits of a case, but shunned broad social and economic interpretations of the law. He was praised by civil libertarians for his support of the first amendment principles of free speech and freedom of the press. And, conservatives commended him for his acceptance of prayer in school and for backing prosecutors and police in many criminal justice cases.

Upon his death in 1985—4 years after his retirement from the bench—Justice Stewart was praised by President Reagan as a "Patriot and a good lawyer—indeed—a brilliant man of the law." Then Vice President Bush called Justice Stewart "an outstanding man who was a symbol of decency and honor. He was a constitutional scholar who interpreted the Constitution without succumbing to the temptation to legislate from the bench."

Mr. Speaker, I hope that the House will take up my bill to name the U.S. Courthouse in Cincinnati after Potter Stewart. I believe its enactment would be an appropriate symbol of recognition for the highly distinguished career of a fine and brilliant son of Cincinnati who served but one master, the Constitution of the United States of America.

FATHER DON MOWERY SALUTED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. SUNDQUIST. Mr. Speaker, I am pleased to share with my colleagues the story of one man's impact on a community and on the lives of literally thousands of young people. Father Don Mowery opened Youth Service U.S.A. in Memphis, TN, in 1968, in the aftermath of Martin Luther King's assassination in Memphis. Using military bases nearby, he offered inner-city youth an opportunity to learn vocational and technical skills, and to discover the world of possibilities that awaited them. Today, his program operates nationally at more than 100 military installations.

I have been proud to work with and support Father Don over the years, and I am proud to call his achievement to the attention of this House.

The article from Memphis magazine follows:

THE KIDS ARE ALL RIGHT—FATHER DON MOWERY AND YOUTH SERVICE U.S.A.

(By Dale Berryhill)

Father Don Mowery is not the man you expect to meet. There is no bouncy enthusiasm, no hearty handclasp, no hi-how-ya-doing smile from the man who heads one of the country's most successful social-service organizations. Sure, he shows energy, but it's such calm energy. And his quiet dignity is so quiet that one wonders where the dignity ends and plain shyness begins.

It's not exactly what you expect from a man who has built a unique idea into a national organization so efficient that it has been selected by the White House as a model for other private-initiative organizations—built it so quietly that many Memphians are unaware of its existence, not to mention its scope.

No, Father Don Mowery, at first glance, does not strike one as a human dynamo. But he is, nonetheless. The headquarters of his organization—Youth Service U.S.A.—located in a small residential-looking building on Goodlett at Poplar and Central, does not appear to house an agency which has dealt with over 300,000 young people, with one of the highest success rates in social-service history. But it does, nonetheless. The quiet scene inside does not evoke visions of an organization which has intimate contacts with admirals, chiefs of staff, and Fortune 500 CEO's. But it has, nonetheless.

The story began back in 1968, a bad year for most of America, and an even worse one for Memphis. The sanitation workers' strike brought national attention to the city; the April assassination of Dr. Martin Luther King, Jr. brought rioting and martial law.

The Rev. Donald Mowery, a young Episcopal priest, felt the heat more than most. He had been struggling for several years to establish an urban ministry for underprivileged young people in Memphis. From his office in the McCall Building downtown he could see the flames which lighted scenes of looting, vandalism, and frustration.

One of his main efforts toward relieving that frustration had been a summer-camp program. "We had been taking groups of kids tent-camping at Fuller Park," he recalls. "We had learned the value of getting them out of the inner city. Sitting around a campfire with a counselor, we were much better able to relate than on a street corner."

In the wake of the 1968 rioting, however, city and county officials were forced to tell Father Mowery that the situation was too volatile for camping that year. It appeared that it would indeed be a long, hot summer.

Searching about for ideas, Father Mowery paid a visit to the Memphis Naval Air Station in Millington. The base contained large amounts of undeveloped land, including a lake, all fenced in and far from the inner city where the fires were smoldering. Why not bring the camp groups out here?

Full of hope, Father Mowery made a request to use the land—and was promptly turned down. But as it turned out, he had little time for disappointment.

"We were turned down on Friday," he says. "On Saturday I attended an outing sponsored by the USO which was attended by Admiral Christenson (then commanding officer at the navel base) and his wife, Marge. I got to talking to her about my idea, and she really liked it. She told me to go back to the base on Monday and talk to them again.

"When I got to the base, this fellow who had turned us down came up to me and said, 'I don't know what happened, but I just got a call from Admiral Christenson.' This fellow had never gotten a call from the Admiral before. He told us the base was ours to use for the summer."

Two conditions were attached to the deal. First, there would be absolutely no publicity of the arrangement. Second, Father Mowery would have to be present at all times with the kids, and he would have to be personally responsible for them. The Navy wanted it understood that they were only lending their facilities, and that this was not a military program.

"I told him he had a deal," says Father Mowery. And so the tension which created the long, hot Summer of Sixty-eight led to a unique partnership—a partnership which has not only survived, but prospered far beyond anyone's dreams.

In fact, the basic idea of a camping program was improved upon almost immediately. Father Mowery found out that he not only could bring his kids to the base, but that they were allowed access to a wide array of facilities. Horseback riding, bowling, swimming, basketball and other activities were made available free of charge. Campers were allowed to purchase their meals in the cafeteria. And when an officer saw camping beside the lake, he volunteered the use of an empty barracks, giving the kids beds and running water.

Things didn't stop there. Base physicians offered to give the kids free check-ups in their spare time. When the Navy dentists saw this, they also offered their services, giving oral-hygiene lectures in addition to check-ups.

All of this was very gratifying to Father Mowery who, because of his agreement to stay with the kids, spent his entire summer on the base. "The bus which picked up the kids on Sunday was the same one which brought in the new load," he remembers.

Then another offer was made to Father Mowery, an offer which eventually changed the entire course of the program. The Memphis Naval Air Station, the largest inland naval facility in America, exists mainly for training purposes. When the vocational/technical trainers became aware of the kids on base, they offered to take them around to the different training areas, exposing them to a wide variety of vocational opportunities: everything from welder and mechanic to fireman.

In the midst of this, someone pointed out that there were usually several empty seats in the training classes being given daily on the base. Approval was quickly granted for the youngsters to sit in on a regular basis.

"All of a sudden we realized that what we had was no longer just a recreation program," says Father Mowery. "It was now the very finest vocational exposure program you can imagine. This pleased us very much because these kids, without goals and without motivation, needed that kind of exposure. And these particular kids weren't going to get it anywhere else in Memphis."

While Father Mowery was as surprised as anyone by the extent of the Navy's charitable attitude, it was actually part of a loosely-defined yet long-standing policy of all military branches to become involved in there communities, whenever feasible. Since lending out facilities to Youth Service involved very little actual cost on the part of the government, the situation satisfied all concerned.

"The military has long had such a policy for community involvement," says George M. Douglas, retired major general in the Air Force Reserve. "But because the initiative was left up to each base commander, it would often become buried under greater concerns. Father Mowery's program offered the perfect vehicle."

And so the program got off to an unexpectedly good start. "We had absolutely no problem with the kids," claims Father Mowery. "We picked them up in the police bus, and started out by teaching them the magic words 'yes sir' and 'no sir.' We had a disciplined program, yet they seemed to appreciate it."

Following the success of the first summer, Father Mowery was contacted by Colonel Eugene Minietta of the Blytheville Air Force Base in Arkansas about starting a similar program there, complete with its own set of residential counselors and its own agenda of activities. The next year Colonel Minietta was transferred to Barksdale AFB in Louisiana, and he again asked Youth Service onto the base. While setting up the latter program, Father Mowery was introduced to the commander of the entire Second Air Force, who invited him to begin such a program on all fifteen of their bases. Meanwhile, Admiral Christenson mentioned the program to other Navy brass while in Washington, and they also began expressing interest.

It was about this time that Father Mowery met General William Westmoreland, then chief of staff of the U.S. Army. The general had taken ill and was placed in the hospital at Fort Bragg, where Father Mowery was serving in the Army Reserve. Being the only Episcopal chaplain on base, he was sent to spend time with the general. Naturally the subject of Youth Service came up, and General Westmoreland committed the Army to it right then and there.

Then in 1975 Secretary of Defense Melvin Laird created the Domestic Action Program, making official the policy of community involvement by the military. When Laird was introduced to Youth Service, he gave it the backing of the entire Department of Defense. In fact, Youth Service was the only non-federal program to be represented on the Domestic Action Council.

And so even more doors were opened for Youth Service. Father Mowery was granted a leave of absence from the Memphis program in order to establish a national organization. Today Youth Service U.S.A. operates on over 100 military installations across the country.

Now another government policy is helping to spur the program's continued growth. It seems that someone brought Youth Service to the attention of President Reagan soon after he announced his doctrine of "Private Initiative," which urged partnerships between private citizens and governmental agencies to solve social problems. Since Youth Service involves the military, local and state governments, churches, and the private industries which donate operating funds, it fit the bill perfectly.

"Reagan asked his Cabinet what they could do in their areas to help Private Initiative," relates Roger S. Sattler, assistant director of the Pentagon's Office of Economic Adjustment. "Because the military is both the largest employer and the largest trainer in the country, it had to have the answer for the President. Youth Service was part of that answer." Youth Service is now one of two programs being utilized by the White House as models of Private initiative.

All of which is revolutionary progress for an organization which operated in relative obscurity for its first forty-five years. Youth Service was founded in 1921 by the Episcopal Church in Memphis in order for clergymen to take their ministry to the disadvantaged. Although it served its purpose well, it still employed only one community worker when Bishop John Vander Horst assigned Rev. Donald E. Mowery to be its new director in 1963.

Father Mowery had grown up in Chattanooga, and attended the University of Tennessee and later Yale's prestigious Berkeley Divinity School. He returned to Tennessee as a priest, and became Vicar of St. Andrews in Nashville, where he also served as chaplain to the police department.

From the beginning he was a social activist. When asked why, Father Mowery refers to his adolescence, part of which he spent working in a Chattanooga funeral home. "I came to realize that when you bury someone, they're dead as they can be, no matter how rich or how poor they were. After I left the seminary, I often saw what a hard time some people were having."

The true extent of the partnership between the military, private industry, and social service which is embodied in Youth Service can be seen in the structure of the organization itself. Local chapters of youth Service U.S.A. are set up as separate non-profit corporations which are subsidiaries-or franchises—of the national group. "This is something that's never been done in the non-profit world," says Deputy Director John Edwards. "It allows us to make sure that each chapter begins with the proper model, yet is tailored to the local situation."

In order to fund their expansion, Father Mowery has successfully initiated a campaign to raise a $15 million dollar endowment. "The interest from this trust fund will allow us to begin a new program every two months for ten years," he says. He has persuaded Thomas G. Pownell, chairman of the board of the Martin Marietta Corporation, to serve as national trust director.

Despite his enormous success with the program, Father Don has remained first and foremost a man of the cloth. He continues, for example, to wear his clerical collar most of the time, a somewhat unusual practice for a priest involved in the urban ministry. He says that it gives him recognition among the young people, and makes it easier for them to talk with him. Perhaps more importantly, he considers Youth Service to be his "priestly function," and he still sees the church as his strength.

He's not alone in that belief. "I don't know of any clergy who have done any more imaginative and creative work for the church," says The Very Reverend Charles Reeves, dean of St. Mary's Cathedral in Memphis. "He's the closest thing I've even seen to being a round peg in a round hole. He has created his ministry himself, and he continues to work hard to make it a part of the church."

A TRIBUTE TO REAR ADM. GEORGE R. MEINIG

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. MAZZOLI. Mr. Speaker, I rise today to pay tribute to a friend and a patriot, Rear Adm. George R. Meinig, Commander of the Naval Surface Warfare Center.

On July 1, 1993, Admiral Meinig will retire from the U.S. Navy following 35 years of valorous, distinguished and devoted service to his Nation and to his fellow citizens.

I began my valued friendship with Admiral Meinig on June 28, 1991. The admiral had come to Naval Ordnance Center, Louisville, located in my congressional district, to preside over ceremonies placing command of the station with Capt. Richard Gilbert.

That day was a typically boiling hot, humid, nearly unbearable Louisville summer day. Yet, despite the searing heat and the unforgiving sun, George Meinig remained ceremonially proper and standing tall from the start of the long ceremonies to the very end.

These same qualities and characteristics of dedicative, discipline, and fortitude have been on full display during the recently concluded base closure and realignment review of the Naval Ordnance Station.

Admiral Meinig did not flinch or hold back in Louisville in June 1991. He did not flinch or hold back in Washington these past few tense weeks during which the fate of the station was being decided by the Commission. He was an invaluable member of the team which argued successfully to keep naval ordnance open and working for the fleet. The men and women working at the station are the grateful and thankful beneficiaries of Admiral Meinig's stalwart support.

A 1958 graduate of the U.S. Naval Academy, Adm. George Meinig has held numerous command assignments during his Navy career. He earned decorations for his service during the Vietnam war and the Gulf of Tonkin operation. The Admiral represents the best and the finest of military service, and all Americans owe him a large debt of gratitude for his unselfish dedication to his Nation and to its colors.

Mr. Speaker, I wish Admiral Meinig and his wife, Janet, much health, happiness, and fulfillment in the years ahead.

TRIBUTE TO DWIGHT MOSLEY

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. LEWIS of Georgia. Mr. Speaker, I rise today to pay tribute to the recently named secretary of the U.S. Tennis Association, Mr. Dwight Mosley, the first African-American to be elected to the U.S. Tennis Association Board. I am honored to recognize a man who has worked so ardently throughout a distinguished career to give disadvantaged youths an opportunity where none may have existed before. He has improved the lives of the thousands of minority youths through his innovative tennis programs.

Mr. Mosley began developing tennis programs at the Washington Tennis Foundation [WTF]. In 1984, Dwight became executive director of WTF. Under his leadership, the number of children participating in the programs each year at the Washington Tennis Foundation has increased dramatically—from 2,000 to 15,000. Every high school in the District of Columbia now has a tennis team. After participating in Mr. Mosley's programs, students have attended colleges and universities on tennis scholarships. For those students following the programs through high school, Mr. Mosley has said, "We are going to make sure they all get a tennis scholarship somewhere."

Dwight Mosley is a dedicated leader of the tennis industry. Before his election as secretary of the USTA, he was chairman of the USTA Minority Participation Committee and a member of the USTA's Executive Committee. He was vice president of the Mid-Atlantic Tennis Association and vice-chairman of the National Junior Tennis League Committee. He also served on the U.S. Open, Education and Research, Olympic and Magazine Committees. Beyond his administrative successes, Mr. Mosley is a 4.0 USTA league player.

It is heartening to see someone who has come so far endeavor to make the way a little easier for our children. Dwight Mosley has worked to ensure that those who could benefit most from a special interest in their early years would find that interest in tennis. For the isolated child, tennis provides inclusion; for the child without a family, tennis instructors provide trust and guidance. For every child, tennis opens doors to a better future. "You see how the kids respond to it, how it affects their lives," Mr. Mosley says.

I ask my colleagues to join me in congratulating Dwight Mosley on his election to the U.S. Tennis Association Board and to salute him for his innovation in using tennis to inspire our youth.

PIONEER FIRE COMPANY NO. 1 HONORED FOR 126 YEARS OF SERVICE

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. KANJORSKI. Mr. Speaker, I am pleased to pay tribute to the Pioneer Fire Company No. 1 for its 126 years of service to the people of the Hazleton area. The Pioneer Fire Company was founded on April 9, 1867, by a group of Hazleton citizens concerned with protecting human lives and the property of their neighbors.

Originally named the Pioneer Fire, Engine, Hose, Hook and Ladder Company No. 1, it consisted of 15 men appointed by the borough council of Hazleton in 1869. It was not until 1949 that the fire company was renamed.

The fire company is not only recognized for its goodwill in the area, but throughout northeastern Pennsylvania and the Commonwelth of Pennsylvania. The company takes great pride in its award-winning marching band. The band annually participates in the Six-County Fireman's Convention Parade and the Hazleton Funfest Parade. The Pioneer Fire Company band is well-known for the 1920's vintage blue wool uniforms worn by its members.

The Pioneer Fire Company has always been on the leading edge of firefighting technology. In 1886, they acquired a Selby horse-drawn engine capable of pumping 750 gallons of water per minute—one of only three on the market at the time. The company later came to acquire an American LeFrance pumper, which was replaced by a Seagraves in 1946. The leased engine was a valuable piece of equipment until 1976, when the city council retired it from service.

In 1942, an 85-foot ladder truck was acquired to replace the American LeFrance aerial. In 1973, the Big One, a 100-foot Seagraves model was purchased, and in 1980, they expanded to a 106-foot Mack aerial. The Mack can be operated by one man and is large enough to serve the entire city.

The company is most proud of its community ambulance service which was founded in 1952. The ambulance association was the first in Luzerne County to become licensed by the Pennsylvania Department of Health.

Mr. Speaker, the Pioneer Fire Company has certainly fulfilled its mission of protecting human lives and the property of their neighbors with their dedicated service for the past 126 years. I commend these brave volunteers for their commitment to their community and I am pleased to recognize their efforts here today.

INTRODUCTION OF LEGISLATION ESTABLISHING AN ELECTRIC VEHICLE DEVELOPMENT PROGRAM WITHIN THE DEPARTMENT OF DEFENSE

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. FAZIO. Mr. Speaker, today I am introducing legislation with my colleague, Representative JANE HARMAN, to establish an electric vehicle development program within the Department of Defense. This legislation is based on the electric vehicle program created in the Energy Policy Act of 1992.

As you know, Mr. Speaker, electric vehicles hold the promise of being an important new industry for California. Electric vehicle development also represents an opportunity to help the defense industry and defense workers transition to civilian applications.

The bill we are introducing today creates a 4-year, $90 million program for electric and hybrid vehicle commercialization and infrastructure development. This initiative would be administered through the Advanced Research Projects Agency. The legislation provides for up to 10 regionally dispersed demonstrations, with a 1 to 1 matching requirement. Additionally, no one project could receive more than 25 percent of the total authorized amount. Projects would be conducted in conjunction with military installations wherever possible. The legislation is based on an existing electric vehicle demonstration project being conducted in Sacramento by the Sacramento Metropolitan Utility District and McClelland Air Force Base.

Air quality regulations adopted by the States of California and Massachusetts require that beginning in 1998, 2 percent of new automobiles and light duty vehicles sold in those States be zero emission vehicles. A host of other northeastern and mid-Atlantic States, as well as the States of Oregon, Washington, Texas, Illinois, and Nevada, are considering the adoption of these standards as well. These standards will necessitate the production of 40,000 electric vehicles by 1998, and 200,000 by 2003 in California alone. Near-term job growth and production capabilities can be expected in this area.

The electric vehicle program established by this legislation will prepare the way for the development of a new industry in California and other parts of the country. In addition, it will help DOD become a responsible partner in efforts to combat air pollution.

Mr. Speaker, I look forward to working with my colleague, Ms. HARMAN, to promote electric vehicle development in California and throughout the country. The legislation we are introducing today is a good start down that road.

FARMERS IN MINNESOTA AND THROUGHOUT MIDDLE AMERICA NEED OUR ATTENTION

HON. DAVID MINGE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. MINGE. Mr. Speaker, I wish to advise Members of the House of Representatives that I will not be in attendance for votes tomorrow, June 30, 1993. Agriculture Secretary Espy will join me and Minnesota Senators WELLSTONE and DURENBERGER in Minnesota's Second Congressional District to visit disaster areas ravaged by recent flooding. While I understand the importance of appropriations votes, the emergency situation in Minnesota demands my personal attention. Today, over 3 inches of rain and hail fell in southwestern Minnesota and flash-flood watches remain.

Tomorrow, we will visit Eugene Petersen's farm near Hardwick, MN. Eugene's farm has 640 acres, 550 of which are tillable. There are 160–180 acres, or 30 percent that he has been unable to plant this spring. Those crops which have been planted are in very poor condition.

Eugene has crop insurance and signed a late-planting agreement. He will in all likelihood be unable to plant the unplanted acres and his insurance will not pay any compensation for his tremendous loss.

Similar circumstances could readily be witnessed in any of the 27 counties in the Second Congressional District, throughout southern Minnesota, and the surrounding States. Crop losses in Minnesota alone are now estimated at $500 million and thousands are expected to be forced out of farming.

This last weekend, I received a moving letter from members and the Chair of the Watonwan County Agricultural Stabilization and Conservation Service that eloquently explains the situation facing thousands of families in Watonwan County and throughout the State:

> Approximately 42,000 acres have been totally destroyed in Watonwan County by flooding over the past three weeks. The ground is saturated to the point that the water table is at ground level. There is absolutely nowhere for the water to go at this point. It will be at least 2 weeks of "weather" conditions for any of these acres to be worked and replanted. The rest of the cropland in the county has sustained over a 40 percent loss at this time.
>
> Watonwan County was hit hard in 1991 by excessive moisture and prevented planting. Farmers struggled through 1992 trying to recoup losses from 1991 and keep their heads above water. 1993 will be the breaking point for many farmers. Reduced yields, crop destruction, ridiculously low market prices, and financial burdens from the past 2 crop years are the major factors that will bankrupt the farming industry in our area. We are an agricultural community. When the agricultural industry suffers, it carries through to businesspeople in our communities as well.
>
> In the event of major catastrophes, such as hurricanes, tornadoes, forest fires, earthquakes, flooding, riots, etc., the state and nation provide assistance to cities and individuals to rebuild and recover. Many of these cities and individuals have insurance as well. The 3 percent of the population in the United States that feeds the world should be awarded the same types of aid and assistance in times of disaster.

I am pleased that Secretary Espy and the administration have shown their concern and will visit affected areas. I also hope my colleagues understand the vital need for my absence tomorrow.

TERMINATION OF ADVANCED SOLID ROCKET MOTOR

HON. SCOTT L. KLUG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. KLUG. Mr. Speaker, I wish to clarify the ASRM amendment the House passed on Rollcall 288 today by a vote of 379–43. The intent of the amendment was to strike $4.5 million in termination costs, leaving a balance of $100 million for that purpose, and to strike $32.6 million in construction costs for the ASRM.

Somehow the reading Clerk inadvertently read the wrong amendment. I am delighted that we prevailed today by a margin of 379–43 which delivers a strong message to conferees to terminate the program. I apologize for the confusion. It was our intent to rollback the termination costs, but not to completely eliminate them. A copy of the correct amendment follows:

> Amendment to H.R. 2491, as reported offered by Mr. Klug of Wisconsin:
>
> Page 51, line 12, strike "$4,882,900,000" and insert "4,878,400,000".
>
> Page 51, line 21, strike "$545,300,000" and insert "$512,700,000".

IN HONOR OF THE VOLUNTEERS OF THE KEY WEST TRANSIT HOME FOR CUBAN REFUGEES

HON. ROBERT MENENDEZ

OF NEW JERSEY

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. MENENDEZ. Mr. Speaker, we would like to take this opportunity to recognize the humanitarian work of the volunteers of the Key West Transit Home for Cuban Refugees. We commend them for their selfless dedication to assisting their Cuban brothers and sisters who have fled by raft the Communist tyranny of dictator Fidel Castro.

The Transit Home has been instrumental in aiding Cuban refugees by providing temporary housing for those rescued from the waters off the coast of Florida by the Coast Guard and other rescue groups. The housing they provide serves as a promise to the refugees of their life ahead in freedom. They are able to enjoy a full meal, a hot shower, and bed in which to sleep.

The Key West Transit Home's work greatly facilitates the immigration process and eases the transition for the refugees to the United States. The volunteers also acquire permanent housing for the refugees. They help the refugees to locate family members in the United States and prepare them for their new life. Those without family here are connected with other Cuban exile groups who make arrangements to help them resettle.

We are proud to honor the Key West Transit Home for Cuban Refugees. Their hard work and humanitarian commitment inspires all of us and those in Cuba who are still oppressed.

HONORING THE VOLUNTEERS OF BROTHERS TO THE RESCUE

HON. ROBERT MENENDEZ

OF NEW JERSEY

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1993

Mr. MENENDEZ. Mr. Speaker, we rise together today to recognize the bravery and dedication of Brothers to the Rescue. The Brothers patrol in private aircraft above the Straits of Florida in search of Cuban refugees who have taken to the high seas on makeshift rafts in the hope of reaching freedom in the United States. The Brothers' mission is noble, and their motives heartfelt.

The Brothers patrol the waters each day, often at great personal peril, for the sole purpose of saving the lives of these refugees. Since they began their regular patrols 3 years ago, they have spotted more than 650 refugees in the Straits.

The Brothers' selfless mission deserves recognition, perhaps more than we can bestow. The Brothers already have saved the lives of hundreds of refugees. Sadly, it is estimated that between one-quarter and three-fourths of the thousands of Cubans who risk crossing the shark-infested waters survive the journey. Some are recaptured by Cuban gunboats, many die of dehydration or exposure, and many disappear without a trace.

We therefore take tremendous pride in offering them our sincerest gratitude on behalf of the hundreds of Cuban brothers and sisters whose lives they have saved.

SENATE—*Wednesday, June 30, 1993*

The Senate met at 9 a.m. and was called to order by the Honorable HARLAN MATHEWS, a Senator from the State of Tennessee.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

* * * *thine is the kingdom, and the power, and the glory, for ever.* * * *—Matthew 6:13.

Almighty God, sovereign Lord of the nations who hast revealed Thy purpose for history—a perfect plan, a perfect economy—and only that which conforms to it will endure.

Empires rise and fall, nations come and go, governments wax and wane, leaders rise to prominence and then vanish into obscurity. We play our little part on the stage of history and pass from view. How temporal we are, how transitory, how impermanent, how frail. But Thou, O Lord, art the same yesterday, today, and forever.

Teach us the wisdom of submission to Thy will. Deliver us from false pride which boasts in our achievements as though we made it without Thee, as though we need Thee not.

Help us know Thy will to be involved in that which endures all the exigencies of time and circumstances. Help us be a part of what You are doing in history. Grant us to see that we are most effective in the present situation when we are most committed to that which transcends the present.

* * * *For thine is the kingdom, and the power, and the glory, for ever. Amen.* —Matthew 6:13.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 30, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARLAN MATHEWS, a Senator from the State of Tennessee, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. MATHEWS thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Iowa is recognized.

Mr. GRASSLEY. I thank the Chair.

(The remarks of Mr. GRASSLEY pertaining to the introduction of S. 1180 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. Are there others seeking to be recognized at this time?

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AIR STRIKE AGAINST IRAQ

Mr. HATFIELD. Mr. President, last Saturday, at the President's direction, the United States conducted an attack on Baghdad. This retaliation for the attempt upon former President Bush's life has amounted to little more than a bloody nose for Saddam Hussein. Yet Saddam, who we can assume has shed no tears for the innocent lives lost in this attack, continues to have a cold grip upon the Iraqi people.

It should be no surprise that the United States has once again chosen to respond to Saddam Hussein with a military strike. Ours is a violent society. Here in Washington, children splashing in community pools are suddenly blasted with gunfire. Chicago celebrates its NBA victory with rioting. And if these real-life events are not enough, we are flooded daily with brutality on television. It has been estimated that by the time the average child reaches age 18, he or she will have witnessed more than 15,000 murders on television or in the movies.

Numbed by the turbulence within our own borders, the United States has pushed a few buttons and sent the cruise missiles sailing to Iraq. What is the result? Has Saddam Hussein been toppled? Have we decreased the possibility of a terrorist attack? I think not.

In the end, I do not believe this air strike on Baghdad will amount to anything. We fought a war with Saddam. We destroyed his army and crippled his infrastructure and disrupted Iraq's economy. And yet Saddam endures. The war did not topple him. Unless we are prepared to again wage an all-out war, we should immediately ratchet up the sanctions as the appropriate response to Saddam's continued belligerence.

And I would say to our friends, as well as the neutrals, that our byword for any bilateral relationship is, are they practicing the sanctions against Iraq?

But apparently this option was not enough to satisfy the perceived needs of a public starved for a quick-fix military solution. Our desire to send a lethal message was not deterred by the likelihood that innocents would lose their lives. What a paradox we have in this willingness to justify civilian deaths. We talk of the loss of lives in terms of collateral damage.

That is how we used to measure the day's battles in Vietnam, with a similar kind of euphemism: body counts. We talk of the loss of lives in terms like these to, in effect, depersonalize the real impact. At the same time, countless atrocities are being committed around the world.

Look at Yugoslavia: As the world watches, Bosnians, especially Moslems, are being starved, beaten, raped, and murdered. And yet the world acknowledges that the search for a solution to that civil war does not lead to the use of outside military force. We rightly have rejected the notion that the use of American forces in the Balkans will lead to the peace which has eluded that region for centuries.

But in the Middle East, the powder keg of the world, all we can do is feed the upward spiral of violence. The world is awash with arms and we, the United States, are the largest arms supplier, the largest arms peddler in the world.

The strike against Iraq was intended to send Saddam Hussein a warning. President Clinton's first skirmish with Saddam has been widely acclaimed as measured and appropriate. Of course, my colleagues in Congress only had the opportunity to offer these opinions after the fact, for the legislative

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

branch was not informed of the President's actions until the missiles were launched.

The American people, too, are still trying to make sense of the President's actions and his justification for the attack. An overwhelming majority of Americans support his actions. We also know from the polls that the American public is now happier with the President than they were before he authorized the use of force.

It is this last fact that disturbs me most. I did not support the war with Iraq in 1991 because it was a war for oil. I was the only Senator to vote against both parties' resolutions because, under either proposal, there was no option but to go to war. I cannot support military attacks which sustains the series of violence in the Middle East.

But what has truly disturbed me about this strike is the appearance that this administration is following in the misguided footsteps of so many before it: With the launching of 23 Tomahawks into Baghdad on Saturday, this administration has bought into the notion leadership is best defined by the size of your arsenal and your willingness to inflict damage. Unfortunately, the opinion polls indicate that the Nation is validating this notion.

It was disheartening to read the comments of administration officials after the air strike. Among the statements about how the mission had been well-planned and apparently successful were other, more troubling comments, troubling because they appeared to be aimed not at explaining the need for military action but instead at feeding the public's desire to have a President who is not troubled by the use of force. Yes, we were shown a chart of the missile targets. And we also heard about how well the President slept after making his decision to strike.

What we have heard for the past 4 days is the talk of the spin doctors who were quick to assert that the President's willingness to use force—to kill people if they happen to get in the way—has proven his ability to lead. In describing the tone of administration officials with briefing the media on the incident, the Washington Post used the term "Presidential macho." Indeed, these propagandists implied that this maiden use of the military has somehow proven that Bill Clinton is a leader. I, for one, do not need the President to demonstrate his leadership in this way. He has already proven himself to be a man of vision and dedication. His apparent decision to halt underground tests—a goal which has eluded Presidents since the dawn of the nuclear age, is indicative of his leadership and I salute him taking this bold step.

We claim to be the moral force in foreign relations. It is the United States which is the protector of the individual and the hope for prosperity for all peoples. But when it comes down to dealing with the provocations of a petty tyrant we resort to armed action even without the benefit of the completion of the court trials of the Iraqi nationals accused of the attempted murder of President Bush.

Might does not make right. We are about to succumb to public opinion and to the quick fix. And we are being poisoned by the glorification of violence. It is time our Nation shakes off the false assumption that the only way to prove leadership, strength and power is to use it, no matter how indiscriminately.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who seeks recognition?

Mrs. FEINSTEIN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized.

Mrs. FEINSTEIN. Thank you very much, Mr. President.

IMMIGRATION INTO THE UNITED STATES

Mrs. FEINSTEIN. Mr. President, my State, California, is a land of newcomers and innovators. Much of our strength comes from the can-do spirit of people who come to our State from other countries. New ideas and a determined attitude symbolize what California is all about.

My own mother was a young immigrant from Russia, and I well remember her pride in becoming a naturalized American citizen when I was a child.

My father was a first-generation American. His father, my grandfather, fled Poland alone at the age of 14. He worked hard in this country. He went from a shoemaker to drilling oil, and he was a proud patriarch of a family of 11 children.

America is rooted in a tradition of newcomers, working hard to support themselves and their families so their children can build a better life. That is the American dream, and it is not a selfish dream. But it is a dream based on hope and opportunity.

Today, however, hope and opportunity are difficult to find. In California, 1.3 million Californians are out of work, jobs are hard to find, every classroom is overcrowded, crime abounds, and affordable housing is virtually nonexistent.

It is in this atmosphere that newcomers must compete with residents for jobs, education, health care, and housing. Tension, competition, fear, and anxiety are the inevitable result when the numbers of newcomers are great and the opportunities are few.

Signs of the tension are increasing. In Orange County, CA, a grand jury recommended the drastic step of imposing a 3-year national moratorium on all immigration. A New York Times-CBS poll last week showed that 61 percent of the people surveyed said the rate of immigration into the United States should be reduced. Only 49 percent felt that way in a similar 1986 survey.

I am deeply concerned about the consequences of these rising tensions. I believe that we can avoid a serious backlash against all immigrants if we take strong action now to restrict illegal immigration and to protect legal immigration.

It is estimated that about 8.9 million people have come to this country legally over the past decade, but another 3 million have slipped into the country illegally.

I, for one, support legal immigration. It is the foundation of our Nation and it is the fabric from which America derives her magnificent coat of diversity.

In California, there are 1.3 million undocumented immigrants, with more than one-half of them residing in one county. That is the county of Los Angeles. And the undocumented come from many places around the world. Many work hard to earn a living and to feed their families. But increasingly, the numbers of undocumented workers rise in larger and larger numbers.

For example, 3,000 to 5,000 people attempt to cross the Mexico-California border each night, and 50 to 60 percent succeed.

In just one recent weekend, 2 weekends ago, 9,000 people attempted to illegally cross the border. And 4,500 in just a weekend were actually arrested. In this same region, an underground tunnel was recently discovered that was built to transport drugs and illegal immigrants under the border.

The well-publicized cost of immigration goes a long way toward explaining although not justifying the increasing concern about immigration across our land.

Last year, the State and localities of California spent $1.7 billion to pay for the educational, medical, and correctional costs associated with undocumented persons.

The Federal Government spent an additional $377 million of its share of medical costs. That is a total of almost $2.1 billion in California alone. Put in another perspective, Mr. President, 10 percent, or $308 million, of Los Angeles County's entire budget goes to the cost of undocumented individuals.

Mr. President, I ask unanimous consent that three tables illustrating the impact of undocumented individuals be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Local and State costs of undocumented persons in San Diego County

	Millions
Criminal justice system	$105.7
Health services	26.6
Education	60.7
Social services	13.4
Estimated costs	206.4
State and local tax receipts	60.5

Local and State costs of undocumented persons in San Diego County—Continued

	Millions
Net State and local costs	145.9

Source: "Report on Selected Issues Relating to Undocumented Persons in San Diego," prepared for Sen. Walter A. Craven, Chairman of California Special Committee on Border Issues by the Senate Office of Research (January 1991).

Cost of selected services to undocumented persons in California for fiscal year 1992–93

State Corrections	$243,000,000
State Medi-Cal	376,000,000
Federal Medi-Cal	377,000,000
State and local K-12 Education	1,068,000,000

NOTE.—Estimated total Federal, State, and local costs=$2.064 billion.

Source: "From Adversity to Opportunity", California Governor's fiscal year 1993–94 budget report.

Los Angeles County costs for selected services to undocumented persons in fiscal year 1991–92[1]=10 percent of total services budget

Children's Services	$155,000
District Attorney	11,121,000
Health Services	159,466,000
Mental Health	1,212,000
Municipal Courts	10,368,000
Probation	13,336,000
Public Defender	6,499,000
Sheriff	61,698,000
Public Social Services	0
Superior Court	7,594,000
All Other Departments	36,949,000
Estimated total	308,398,000
Total county services budget	$3,046,000,000

[1] Impact of Undocumented Persons and Other Immigrants on Costs, Revenues and Services in Los Angeles County," Los Angeles County Board of Supervisors, Nov. 6, 1992.

Mrs. FEINSTEIN. Mr. President, it is time to act. It is time to place a national priority on protecting the American dream, a dream that has allowed this country to stand as a beacon of hope and opportunity for people from around the world. It is time to place a national priority on protecting legal immigration by enforcing our borders.

Simply put, I believe a successful Federal immigration strategy must accomplish six key goals.

One: More effectively enforce our border and hire more Border Patrol agents. In the next fiscal year, the Border Patrol is scheduled to lose another 93 agents in the President's budget, shrinking the force down to 4,770. Rather than cut, now is the time to increase the Border Patrol and provide the necessary in-service training to assure that all people apprehended are fairly treated.

Now is the time to provide our Border Patrol the equipment that is needed to do their jobs, the right vehicles, not sedans, but four-wheel drive vehicles that can handle the terrain; not old helicopters, but some new ones, modern equipment. The Patrol lacks night vision equipment, sophisticated listening devices and other surveillance hardware.

Let us give the Border Patrol the resources they need to do the job.

The consequences of lax border enforcement have other serious dimensions. In 1990, along California's southern border, the INS, Customs, DEA, working together in Operation Alliance seized nearly 400,000 pounds of marijuana with a minimum street value of $1.2 billion, and 34,000 pounds of cocaine, conservatively valued at $326 million on California streets.

It is time to beef up enforcement so we can stop the illegal drug trade as well.

Two: Increased penalties for the conviction of alien smugglers, especially those who endanger the lives of others. Since August of 1991, 18 boatloads of Chinese mainlanders have been intercepted in United States waters. Charged a fee of $25,000 to $30,000, beguiled with false promises, hundreds and now thousands of men, women, and children are crammed into the holds of ships to suffer degradation at sea and terrible circumstances if and when they land.

Today the maximum penalty for smuggling immigrants is just $2,000 or up to 5 years in prison. That is nothing. The sentence for smuggling should be increased to 10 years and to 20 years where victims sustain harm.

In addition, by using the Federal Racketeer Influence and Corrupt Practices Act, known as RICO, and asset seizures and forfeitures laws, the profits and tangible assets used and owned by smuggling syndicates and their coconspirators could be confiscated and utilized by our law-enforcement officials for crime-fighting pursuits. That hits them where they live, profit.

Three: Consolidate the hearing process during Federal trials of illegal immigrants accused of crimes. Today, two steps are necessary before illegal immigrants convicted of felonies can be deported. First, a Federal criminal trial takes place. Then, at a later date, an administrative deportation hearing is held by INS. I say let us combine the two and give the Federal trial judge the authority to issue deportation orders at the same time illegal immigrants are sentenced for aggravated felonies. Once the sentence is served, such felons can then immediately be deported.

Four: Deport illegal immigrants who commit felonies to serve their sentences in prisons of their own country rather than our own. Today, convicted felons have an option. They can decide whether they want to serve their sentence in an American prison or in the prison of their own country. Of course, they choose an American prison. So we absorb all of the costs of incarceration.

I believe that decision should be up to the judge and the Attorney General, not the convicted felon. The American taxpayers should not have to pay the cost of incarcerating illegal immigrants convicted of felonies.

I believe that Congress must ask the Department of State to negotiate the necessary international agreements. The upcoming NAFTA proposal offers a perfect place for such an arrangement.

Five: Overhaul the overwhelmed asylum process in the United States. Today, there is a backlog of 126,000 political asylum cases pending review. These people are not held. They are arrested and they disappear. And their cases take years to hear. That backlog is expected to hit 300,000 by year's end.

It is time to provide experienced customs inspectors and INS officers with the authority to make the necessary decisions, subject to appropriate appeal, about those who arrive without documentation, present fraudulent papers, or who have no legitimate fear of persecution in their own country.

Six: Amend the laws to prevent Medicaid abuse by nonresidents. Today, many nonresidents of our country can come to the United States, use Medicaid, then obtain health or maternity care, and then return to their country of origin. Taxpayers should not be requested to pay the medical and maternity costs for noncitizens who come to our hospitals to give birth, gain citizenship for their child, and then return to their country.

Solving the problems of illegal immigration means finding the funding. I believe it is time to seriously consider charging a modest border crossing fee or toll each time anyone, whether a citizen, visitor, or legal immigrant enters the United States. The fee could be collected at all border crossing points, and seaports in the United States.

Today, in my area, residents going across the Golden Gate Bridge from one county to San Francisco, from Marin to San Francisco, pay a $3 toll to pay for the infrastructure, maintenance, and operation of that bridge. Those going over the Verrazano Narrows Bridge in New York pay $5. Is it not reasonable, then, to ask that people crossing our border legally pay $1 or $2 to maintain the infrastructure and to staff the Border Patrol?

The U.S. Customs Service reports that in 1992, not counting military plans, more than 447 million people and vehicles entered the United States—447 million—396.2 million of them by ground, vehicle, or on foot, and nearly 6.6 million by sea.

If in place last year, just a $1 per person transit fee would have raised almost $403 million just from pedestrians and passengers arriving by car, ship, or ferry. If you had a $2 fee, it would be $806 million raised. Just the $1 fee is enough money to double the Border Patrol's fiscal 1993 budget, with $51 million to spare.

Although international negotiation will clearly be necessary to make such a fee a reality, a modest intercountry transit fee could yield tremendous dividends for the Customs Service, the INS, and especially the Border Patrol. Do we not owe it to the people of this Nation, those who are facing tough economic times, to consider this step?

In the end, Mr. President, a comprehensive Federal immigration strategy clearly must come from the top down. It will take personal directives from President Clinton and Attorney General Janet Reno to be successful, and it will take the united, bipartisan effort of this Congress.

Today, there are more than 30 separate pieces of immigration-related measures pending before this Congress—three of them in the Senate. I look forward to working closely with the chairman and ranking member of the Immigration subcommittee, Senators KENNEDY and SIMPSON, and with the administration, to draft legislation to strengthen our Nation's borders and reduce the cost of illegal immigration.

The words chiseled into the Statue of Liberty—"huddled masses," "breathe free," "golden door"—still remain deeply etched in my mind. It is my background, and it is my heritage. We cannot allow the meaning of these words to be eroded by hate, by fear, and by prejudice. If, however, we stand as tall as that great lady in New York Harbor and institute a fair but firm Federal immigration policy, we can preserve in America the hope and opportunity that brought my mother and my grandparents to this great country.

Thank you, Mr. President.

I yield the floor.

The ACTING PRESIDENT pro tempore. Does any Senator seek recognition?

Mrs. FEINSTEIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS' 50TH ANNIVERSARY

Mr. PRESSLER. Mr. President, last evening I had the occasion to address the National Federation of Independent Business' dinner and to present to them a resolution passed by the Senate celebrating their 50th anniversary.

I believe that the National Federation of Independent Business represents grassroots small business perhaps better than any other single group. The NFIB has small business men and women in all States as members. They have a rating system for votes which I think is very good. In fact, I have said I think that their vote rating system is the best vote rating system regarding U.S. Senators and Representatives insofar as what is going on at the grassroots level in small business and entrepreneurship. I know that this body has a lot of speeches and resolutions concerning small business, but how Senators actually vote on issues important to small business counts most.

Last week we had an amendment here on the Senate floor which the officers of the NFIB helped me with regarding reducing a blizzard of paperwork that might have befallen small businesses. Under the proposal, probably written by some policy person and perhaps in error, the proposed Clinton economic bill contained a provision that would have required reporting to the IRS every expenditure for services purchased over $600. The assumption was there are tax cheats among small business, although there is no proof of that. However, I think there may be some in every category.

The New York Times did a front-page story talking about the blizzard of paperwork that this ill-conceived provision would create. The irony was that the IRS was not equipped to receive this paperwork from corporations and small businesses and their computers would not have been able to digest it. It would take them 2 or 3 years, perhaps up to 6, to get the process computerized that would enable them to use the billions of new forms forwarded to them by small business.

This Senate voted 98 to 0 to strike that section. But in sort of a humorous moment—the opposition initially began to vote down the amendment, I think, until the New York Times article was circulated about the blizzard of paperwork and the fact that the NFIB was going to rate it a key vote, which I think was an important factor. Senators changed their votes, which they have every right to do; so it passed 98 to 0. But I humorously said: Never in history has such a small amendment received so many votes, if you count all the switches.

But, in any event, I thank my colleagues for helping me with that amendment; it is a very significant amendment because it will head off a blizzard of paperwork for small business.

People probably will forget about it now that it will not go into effect. Let's hope it is not included again in conference.

I salute the National Federation of Independent Business on their 50th anniversary, which they are celebrating. And as ranking member of the Small Business Committee, I look forward to continuing working with them.

INDONESIA

Mr. PRESSLER. Mr. President, last week it was my pleasure to visit in my office with business leaders from Indonesia. They were James T. Riady, deputy chairman of the Lippo Group, John Huang, an American citizen who is a director of the Lippo Group and vice chairman of the Lippo Bank in Los Angeles, and Susanto Widjaja, who also works with Lippo Bank. I very much enjoyed the opportunity to listen to their analysis of Indonesia's dynamic economic growth and increasing importance to the United States.

Their visit here reminded me of a trip I made to Indonesia in April 1991. I would like to take a few minutes to share with my colleagues, some of my recollections of that trip.

The inescapable impression left by any visitor to Indonesia is that of diversity. Much has been said about the American cultural melting pot. In Indonesia there are hundreds of individual cultural crucibles, thread together by a common nationality. I remember leaving Indonesia thinking more about the 100 cultures I had not experienced than the handful I did observe. This great diversity creates obvious challenges for United States foreign relations with Indonesia. We must be ever sensitive to that aspect of Indonesia. Beyond seeing what Christopher Columbus missed 500 years ago, my specific interest in Indonesia related to its recent efforts in agriculture and a project involving the University of South Dakota Shrine to Music Museum.

The visit to Indonesia began in Jakarta. We spent a day debriefing with the U.S. Embassy staff. As a member of the Senate Communication Subcommittee, I was interested in Indonesia's heavy but understandable reliance on satellite technology. I found a number of references to the satellite center of my home State, the EROS Data Center, in a number of places there.

It was also there that we began an inquiry into the possibility of acquiring a gamelan for the internationally renowned Shrine to Music Museum at the University of South Dakota in Vermillion. The gamelan is a musical orchestra of instruments unique to Indonesia and the museum in South Dakota has been working for a number of years to identify and acquire one suitable for preservation there.

We also visited the old capital of Jogjakarta. My most vivid recollection of Jogja relates to the abject poverty on the streets of that old city. Malnutrition is the norm. The staple of life, which prevents outright starvation among many people there, is a patty made of a protein-rich soybean product. For most, meat is an unheard of luxury. Milk is an unknown commodity. Living conditions were very poor. Many were homeless. From Jogja we visited a village and a cooperative which began as a USAID project. It was part of a dairy farm in a rural village, where conditions were better than the city. They were working to develop reasonable dairy farming standards. One of the Government's objectives is to increase the amount of dairy products—particularly milk—available to the people. We were told that the dairy farm project we witnessed was relatively rare. Although the country is placing a great emphasis on producing more dairy products, the process has been slow. It appears they have expended an inordinately large amount of money on dairy stock and related capital expenditures without also investing in training experienced dairy management personnel. In this area I spent a considerable amount of time after the trip visiting with highly regarded agricultural sciences personnel in South Dakota—from South Dakota State University at Brookings—and representatives of the Indonesia Government to encourage more exchanges.

We also visited a village in a mountainous area in another part of Indonesia. One of the purposes of that inspection appeared to be to showcase a family planning and maternal health care facility initiated by USAID and now funded by the Indonesian Government. We were told that virtually every village in Indonesia has or is developing a similar program based on education and voluntary cooperation. I remember being surprised to be met at the village by several hundred colorfully dressed local residents, with the wonderful rhythms of a distant gamelan in the background. We were treated to a colorful show and substantive briefing on the various health care and other program initiatives there. In stark contrast to the streets of Jogja, everyone at the village looked quite healthy, clean, and in good spirits.

We were told that these gatherings, initiated to exchange information on family planning, nutrition, and so forth, have developed into general community gatherings where information is exchanged and notes are compared on everything from technical ideas to commercial handicraft trade. We saw silk weavers, sandstone carvers, woodworkers, dollmakers, and other artisans at work. What evidently began as a health care initiative has turned into a much more comprehensive community event. One especially fascinating experience was seeing a working gamelan factory. We went far off the beaten path as our escort, an honorary U.S. consul by the name of Andy Toth, turned out to be something of an expert in local music and gamelans of particular periods. He took us to what he described as a typical gamelan maker. It was like stepping back several centuries into a blacksmith shop. We watched workers clad in shorts and sandals weigh out bronze and place the rough looking bits of metal into a crude crucible.

With 3-foot prongs they placed the crucible in open fire fed by bits of local coal. Air was forced into the fire through two cylinders approximately 8 inches in diameter. These were bored through wooden stumps roughly 5 feet in length. Small half-inch tubes at the base of the cylinders fed oxygen to the fire from beneath a rough concrete floor. The air was forced through the cyclinders by wooden disc plungers of the same diameter as the bore of the cylinders. Each wooden disc was flanged by feathers to help seal the plungers serving as piston rings, of sorts, and had an inch-thick, 5-foot-long pole attached to the top to serve as handles for the operators, who served as both human crankshafts and cams combined. There were two fire forges where the bronze was melted down. The molten bronze was poured into what appeared to be a rough-hewn wooden mold covered with a broad palm leaf to regulate the cooling process. The cooled product was amazingly crude compared to the sparkingly smooth finished key. The process from crude mold to the final polished and tuned gamelan key was painstaking. It was hammered into rough shape before cooling, then was turned over to a shaver who took off tiny scratches one at a time. The workers performed their tasks with such precision that the edges rivaled what could be produced using modern machine tool technology. Although we did not see the larger gamelan gongs being made, we were told the process is similar.

The wood carving is all done by hand, as well. From rough stump to finished product we watched the beautifully carved wooden components being created. A hatchet-wielding craftsman put a power saw to shame with his straight edges and carved corners. Amazing accuracy was achieved using centuries old technology.

The painting and gold gilding are done before the bamboo tubes are inserted into the gamelan keyboard parts. From start to finish, the manufacturing processes we observed involved nothing that could not be done five centuries ago. It was clear this place was no tourism stop. They do not get tourist traffic in that area. We were there because the consul knew the proprietor. The proprietor's family ancestors were gamelan makers, as far back as he could remember.

This side visit provided fascinating insight into the intricacies and significance of an ancient instrument, and why it would be an important acquisition for the University of South Dakota Shrine to Music Museum. We have since been working to identify and acquire an appropriate gamelan for the museum. I was very impressed with Mr. Roth's education and understanding in this area, and the Indonesians' expressed interest in cultural exchange. But I am disappointed that we have not yet been able to finalize this project. I am still working on it.

As with so many places in the world, there were many areas in this extraordinarily densely populated country where our food aid projects were having a profound impact. Food aid programs should continue to be heavily emphasized, and new opportunities should be explored, particularly concerning dairy production initiatives and appropriate education for agricultural managers. These are just a few of my reflections on my 1991 trip to Indonesia. As I noted at the beginning, I was prompted to share them now with my colleagues because of my visit with the distinguished Indonesian business leaders from the Lippo Group who were here in Washington last week. Indonesia represents an extremely important future market for United States exports. Currently, U.S. businesses simply are not taking enough interest in this huge nation. It would be extremely beneficial for both the United States and Indonesian economies if they did so. If they do not, other nations will reap the benefits of closer economic ties with that vast, diverse and booming nation.

The ACTING PRESIDENT pro tempore. Does the Senator yield the floor?

Mr. PRESSLER. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

TELEVISION VIOLENCE

Mr. DORGAN. Mr. President, this morning there is to be a press conference on Capitol Hill, I understand, where television industry executives will announce that they are intending to establish a form of warning or labeling for television programs with excessive violence.

That response comes on the heels of concern exhibited by many of us in the Senate and in the House about the growth of violence on television. Violence has become almost epidemic on television. The most recent sweeps week represented, in my judgment, an outrageous amount of violence. People imitate what they see on television, especially children. Otherwise, why would advertisers spend the money they do advertising?

If people imitate what they see on television, is it helpful, is it useful, is it good for our country to have kids, by the time they graduate from elementary school, to watch 8,000 murders on our television sets? Does it make us proud that those who produced one children's television series produced it two ways—one, with all the violence in it for distribution and for showing here in this country on our television sets to American children; and then they produced it another way by taking out much of the violence and selling it to foreign countries' television systems, because they could not be allowed to show it with that violence in it on foreign country television systems? Why are our children subjected to that amount of violence?

I proposed in the Senate a piece of legislation that the Commerce Committee will hold a hearing on next month. It proposes that the Federal Communications Commission issue a quarterly television violence report card and simply give information to people as to which are the most violent television programs and who is sponsoring them, so that the American people can then use that information to supervise their children's viewing habits, No. 1; and to let those commercial sponsors of those programs that are most violent know of their opinions of that violence.

I am not suggesting that we censor. I am not suggesting that we have thought police. I am not here to say that that cannot be on television. I do believe, however, that we ought to find ways for the American people to tell the television industry they want less violence, not more violence, on the television sets in our living rooms.

The television executives will hold a press conference today, I am told, and indicate that they are moving toward some kind of a rating system in which they will alert people to the presence of violence on programming that is about to begin. I think that is a step, a small step, in the right direction.

The question is not so much what the television executives say. The question is, what do they do? Will we continue to see the exponential growth of violence on television in the coming years? If we do, and we simply get warnings that that is what is in our living rooms, on our television sets, we have not made much progress, in my judgment. Or will we see a more responsive industry—responsive to the interests of the American people, most of whom believe there is an excess of violence on television?

The question really at this point is: Are the American people going to possess information with which to make their views known to the television industry? My legislation would move in that direction.

I might also say this morning, that the acknowledgment by the television industry executives with the press conference in this town today demonstrates they are beginning to hear the drumbeat for change; they are beginning to understand that the American people are concerned about what children are watching on television and think that it is not good for this country to have excessive violence on television programming.

So I welcome the press conference this morning. I welcome this step, albeit a small step, by the television industry. I hope we will see results from this step in terms of the programming itself and that, in the future, the programming on television will be less violent, not more violent.

I do hope that, in the coming couple of weeks, we will make some progress on my legislation, which I think is still needed, notwithstanding the press conference today, to give parents in this country more information about television violence.

I yield the floor.

The ACTING PRESIDENT pro tempore. Does any Senator seek recognition?

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER (Mr. DORGAN). The Chair recognizes the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, it is my understanding that Senator GRAMM, of Texas, has 10 minutes and that he is not going to be using that. I ask unanimous consent that I might use that 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized for 10 minutes.

THE SECOND AMENDMENT TO THE CONSTITUTION

Mr. CHAFEE. Mr. President, on May 5 of this year, I reintroduced my Public Health and Safety Act, legislation to ban the sale, manufacture, and possession of handguns. My legislation, S. 892, would establish a grace period of 6 months, during which time handgun owners could turn in their firearm and receive the weapon's fair market value or $25, whichever is greater. After the 6-month period, no one may possess a handgun except for law enforcement; military; antique collectors; and target shooters and security guards with secure storage facilities.

Last Friday, in Seattle, a man began shooting at motorists on busy Highway 520. Apparently, his blue van had stalled, and he became angry at passing motorists for honking impatiently at him. So he took out his handgun and began firing. It was rush hour, 4:20 p.m., and traffic was heavy. After being alerted by a phone call from a terrified motorist, State patrol officers rushed to the scene to try and persuade the gunman to put down his small caliber semiautomatic handgun. As the gunman walked among the stalled cars, panicked drivers and passengers got out and ran. The tense situation ended when in front of several family cars, the gunman fired at a patrolman, whose return fire fatally injured the gunman.

Imagine the feelings of the motorists, particularly those with young ones in the car, as they watched a gunman move among the stalled traffic, aiming his handgun and firing arbitrarily.

Only in the United States do we allow such easy access to handguns that situations like this one are not uncommon. Highway snipers are no longer unheard of. Yet we continue to allow easy access to lethal handguns, in part because of the loudly trumpeted second amendment constitutional right to carry a gun.

About 75 percent of the public believes that there is a constitutional right, found in the second amendment, for a citizen to keep and bear arms; and the National Rifle Association does its best to keep that perception alive and well.

But the NRA does not tell the whole truth. The NRA's version of the second amendment completely ignores the first clause of the amendment. Only when one reads the second amendment in its entirety can its true meaning be understood. In truth, the second amendment provides a collective, not an individual, right by which persons serving in a "well-regulated militia" may "keep and bear arms."

This is not simply John Chafee's view. This is the unanimous view of our Federal courts. What the NRA is particularly anxious to keep out of the public light is the fact that no Federal court has ever construed the second amendment to protect an individual's right to pack a pistol. And this rare unanimity among the Federal courts—all the way up the Supreme Court—has prevailed for more than 50 years.

Let me take a moment to review some of the most important court decisions. I will start with the Supreme Court's seminal 1939 ruling—over 50 years ago—U.S. versus Miller:

> In the absence of any evidence tending to show that possession or use of a [shotgun] at this time has some reasonable relationship to the preservation or efficiency of a well regulated militia, we cannot say that the second amendment guarantees the right to keep and bear such an instrument. * * * With obvious purpose to assure the continuation and render possible the effectiveness of such forces the declaration and guarantee of the second amendment were made. It must be interpreted and applied with that end in view.

The Court is saying, in other words, that the second amendment does not provide an individual an unfettered right to possess or use a gun. Any such use must have some relationship to a well-regulated militia.

For years, the High Court did not feel the need to address this question again. Only in 1980, in Lewis versus United States, did the Court reaffirm its by now decades-old holding in Miller:

> These legislative restrictions on the use of firearms are neither based upon constitutionally suspect criteria, nor do they trench upon any constitutionally protected liberties * * * the second amendment guarantees no right to keep and bear a firearm that does not have "some reasonable relationships to the preservation or efficiency of a well regulated militia."

The lower Federal courts have been united in following the Supreme Court's lead. Let me run through the list:

> 1971: Stevens v. United States (6th Circuit) "Since the Second Amendment right 'to keep and bear arms' applies only to the right of the State to maintain a militia and not to the individual's right to bear arms, there can be no serious claim to any express constitutional right of an individual to possess a firearm."

1971: United States v. Synnes (8th Circuit) "Although Sec. 1202(a) is the broadest federal gun legislation to date, we see no conflict between it and the Second Amendment since there is no showing that prohibiting possession of firearms by felons obstructs the maintenance of a 'well regulated militia.'"

1973: Eckert v. City of Philadelphia (3rd Circuit) "Appellant's theory * * * is that by the Second Amendment to the United States Constitution he is entitled to bear arms. Appellant is completely wrong about that. * * * It must be remembered that the right to keep and bear arms is not a right given by the United States Constitution."

1976: United States v. Warin (6th Circuit) "It is clear that the Second Amendment guarantees a collective rather than an individual right. * * * It would unduly extend this opinion to attempt to deal with every argument * * * based on the erroneous supposition that the Second Amendment is concerned with the rights of individuals rather than those of the State. * * *"

1982: Quilici v. Village of Morton Grove (7th Circuit) "Construing [the Second Amendment] according to its plain meaning, it seems clear that the right to bear arms is inextricably connected to the preservation of a militia * * * we conclude that the right to keep and bear handguns is not guaranteed by the second amendment.

I think this makes it quite clear that our courts—the final interpreters of our Constitution—are of one united view on the meaning of the second amendment, and that that meaning is directly contrary to the interpretation loudly trumpeted by the NRA.

Nor can the NRA point to the writings of legal scholars for evidence that their view is correct. Legal scholars from across the philosophical spectrum—such as Chief Justice Warren Burger, from Solicitor General Erwin Griswold, former Judge Robert Bork, Justice David Souter, former acting Attorney General Stuart Gerson, and the president of the American Bar Association—all agree: the second amendment conveys no individual right to carry a gun.

I believe that the NRA knows this full well. Otherwise, if the NRA were so convinced of an individual's absolute right to carry a firearm, why would not the NRA be challenging the various State gun restrictions now in existence? Yet in November 1992, the NRA dropped its constitutional challenge to California's assault weapons ban, declining to appeal its losing case to the Supreme Court. Clearly, the NRA knows that the right it so freely and frequently heralds is nothing but a sham.

If you ask the NRA for proof of its individual right claim, you will get some very clever answers in return. You might be steered to a recent court case in Denver where a city ban on assault weapons was held to be unconstitutionally broad. What you will not be told is that that case was a State case that did not involve the Federal Constitution.

Or you might be directed to a 1990 Supreme Court case known as U.S. versus Verdugo-Urquidez, in which the Court comments on the phrase "the people" as used in the Bill of Rights, including the second amendment. What you will not be told is that the Verdugo case focused not on the second but on the fourth amendment, and that the comment about "the people" has nothing to do with, and in no way contradicts, the Court's view in Miller.

Or perhaps you will be showered with quotes from historic American figures swearing fealty to their firearms. That is all well and good; but again, it has nothing to do with, and in no way contradicts, the meaning of the second amendment.

The simple fact is that the NRA does not have a constitutional leg to stand on. Period.

Mr. President, the free flow of handguns into our society—now numbering 70 million and increasing at a rate of 2 million per year—is literally us. We must act to rid our society of these lethal, all-too-available weapons if we want to protect the basic health and safety of the public. There is no constitutional barrier standing in our way, and we have a majority of public opinion on our side.

I thank the Chair and I thank the Senator from Oklahoma for letting me go in front of him.

Mr. President, I ask unanimous consent that an article dealing with the NRA shifting its challenge to the California gun law, in which the National Rifle Association dropped its constitutional challenge to California's first-in-the-Nation ban on military-style assault weapons, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 18, 1992]

NRA SHIFTS ITS CHALLENGE TO CALIFORNIA GUN LAW

(By John E. Yang)

LOS ANGELES, November 17.—The National Rifle Association has dropped its constitutional challenge to California's first-in-the-nation ban on military-style assault weapons, shifting its attack instead to the state's courts, an NRA official said today.

The change in tactics came after NRA attorneys concluded the Supreme Court was unlikely to agree to review a U.S. Court of Appeals decision upholding the three-year-old statute, according to Richard Gardiner, the group's legislative counsel.

"It's not at the point yet where the issue is at a critical mass that the Supreme Court is likely to take it," Gardiner said from Washington. "Rather than waste the effort on filing a brief there, we decided to head to the state court."

Gun control advocates hailed the move as a retreat from the NRA's longstanding argument that state gun control laws violate the Constitution's Second Amendment guarantee of "the right of the people to keep and bear arms" as applied to the states by the 14th Amendment.

"They spend millions of dollars every year creating this myth that the Second Amendment precludes gun control," said Dennis Henigan, director of the Center to Prevent Handgun Violence's Legal Action Project in Washington. "Yet when the time comes to take that theory to the Supreme Court, they walk away."

Gardiner denied that. "Of course the issue is going to continue," he said. "We're not throwing in the towel on the Second Amendment."

The NRA signaled the change last Thursday when its lawyers let pass the deadline—already extended at their request—for asking the Supreme Court to review the appeals court decision, which was handed down in May. The NRA had also lost the case in U.S. District Court.

Gardiner said he did not know yet what argument would be used to challenge the law in California courts when the suit is filed there, probably early next year. The California constitution does not include a guarantee of the right to bear arms. "We're developing some theories," he said.

The California law was prompted by the Jan. 17, 1989, massacre of five children in a Stockton, Calif., schoolyard.

In the onslaught, Patrick Purdy, an emotionally disturbed welder, used a Chinese-made AK-47, one of the weapons covered by the statute.

The law makes it illegal to buy, sell, own, import or loan about 70 different types of semiautomatic rifles, shotguns and pistols. Those who already owned such weapons at the time the law went into effect could keep them if they registered them.

About 60,500 have been registered with the California Department of Justice.

New Jersey and 30 local jurisdictions have similar bans.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma [Mr. BOREN] for 15 minutes.

NUCLEAR TESTING

Mr. BOREN. Mr. President, tomorrow, on July 1, the current moratorium on nuclear testing expires. I am greatly encouraged by reports in the morning press which speculate that the President will act to extend the moratorium and is also seriously considering a no first-test policy.

The President would show bold and decisive leadership, not only for this country but for the entire world, if he takes this path. If he does so, he will have my full support, and I am sure he will also have the support of the vast majority of Americans. And he will deserve the appreciation of future generations.

After more than 1,000 tests, we can remain reasonably certain, at least in the near term, that our nuclear deterrent is both safe and reliable. We do not need more tests to assure safety and accuracy. Nor do we need to be upgrading our stockpile of nuclear weapons in the current world environment. In fact, nothing would do more to undermine our national security in the long run than to resume testing now, because it would encourage others to do the same and it would make it impossible for us to lead the effort to stop the proliferation of dangerous weapons around the world.

It is that proliferation and not the possible inaccuracy of our weapons that is the greatest threat to our national security and the greatest threat to world peace.

The recent turmoil in Russia should be a wake-up call to all of us as Americans. The window of opportunity opened by the end of the cold war will not stay open forever. For the first time since the United States has become a world leader we are not locked in a military confrontation or a military contest with other superpowers or power blocks.

Think about the moment that has been given to us. Our grandparents did not have this opportunity. Our parents' generation did not have this opportunity. No sooner had World War I ended than new power rivalries began. The rise of Hitler again threatened the peace and stability of the world, led into World War II. And no sooner had World War II ended, almost on the day that it ended, the cold war had already begun. We heard Winston Churchill only months later make his famous Iron Curtain speech. The cold war was officially launched.

So our grandparents and our great grandparents and our parents who have come before us have had to go through wars, and not only through wars but through periods of long-time contest between other superpowers, unable to establish a new world order, unable for the United Nations to work as we hoped it could work, unable to meet pressing needs here at home because we had to remain militarily strong and we had to put the economic resources into our military effort to make sure we could maintain the balance of power in the world.

Now for one moment, a very rare moment in history, we have been given the freedom to act in a new way. We have been given the opportunity to make the United Nations all that it could be. We have been given the opportunity to look to our domestic needs. We have been given an opportunity, with the leading nations of the world no longer locked in some kind of military rivalry, to seek new ways in which we can cooperate.

How long will this rare, unique opportunity be given to us? We do not know. A few weeks ago, as we looked at what was going on internally in Russia; for example, the speculation as to whether Mr. Yeltsin would survive, we had to reflect to ourselves had those decisions turned out differently the window of opportunity might well have been closed. If new kinds of nationalists happened to come to power in that country, for example, already possessing a nuclear arsenal, not seeking cooperation but against cooperation with the United States, the window of opportunity would be closed.

If our relationship, which is an improving relationship over time, with the People's Republic of China were to sour, again that kind of relationship with that country and the United States, if it goes the wrong way, could lead to another kind of contest with weapons of mass destruction and military rivalry.

So, we have been given an opportunity, a very, very rare opportunity. But we will not have that opportunity forever. Now, as domestic concerns dominate the agenda and as our foreign policy apparatus reacts on an ad hoc basis from one crisis to another, we may miss the greatest chance ever given to any American generation to make the world a safer place. Let us hope we are not already too late.

Our political leaders in both parties have referred in vague terms to a new world order. But nothing has been done to create one. In particular, the United States must take bold, decisive action in two areas: collective security and nonproliferation.

In the aftermath of World War II, President Harry Truman recognized that collective security was not only possible but desirable. Unfortunately, the advent of the cold war and the Soviet Union's veto power in the Security Council prevented the United Nations from ever developing an effective force to maintain international peace and to help prevent regional conflicts.

But today, the establishment of a standing U.N. military force with contributions from many nations around the world is a real possibility. A well-trained, well-led multinational army or police force makes good sense for America. It would spare the United States the empty choice between standing on the sidelines during international emergencies like that in Bosnia, or going it alone to act as the world's policeman, a role we can no longer afford to play.

At the same time, with our own veto in the Security Council, we would not surrender the ultimate power over the commitment of our national forces.

The creation of such a force can happen only if the United States takes an active leadership role at the United Nations. I am very encouraged by recent statements by the administration, especially by those of our Ambassador to the United Nations, Madeleine Albright, that we are considering new initiatives in this area. It will also require us to push for internal reforms in exchange for our resumption of full and timely financial support of the world organization.

By the same token, American leadership is the key to establishing an effective regime to stop the proliferation of dangerous weapons of mass destruction around the world. The Director of the CIA, Jim Woolsey, has identified weapons proliferation as the most serious long-term threat to our national security. This is the same conclusion that I reached after serving 6 years as chairman of the Senate Select Committee on Intelligence.

It is easy to see why: 23 nations are said to have or to be developing missile delivery capability; 5 to 8 more are said to be developing nuclear weapons; 15 are thought to have chemical weapons; and 8 have biological warfare programs.

In many ways, the threat of future weapons proliferation is even more alarming than the nuclear standoff between the superpowers ever was. During the cold war there was at least a presumption that the United States and the then Soviet Union would act rationally and that this delicate balance of terror, as some called it, would prevent nuclear war by miscalculation.

There is no reason to believe that we can count on the same level of rational calculation from those who are now obtaining dangerous weapons and delivery systems. Some of these nations are among the most unreliable nations in the world, who fail to adhere to common standards of human decency, fairness, and human rights: The rules by which civilized nations live.

In 1952 the Truman administration endorsed a proposal for an U.N. Disarmament Commission to develop plans for dismantling nuclear weapons and guarding or peacefully converting fissionable material. It is time for President Clinton to seize the initiative and to revive Truman's bold plan. An effective nonproliferation regime would include comprehensive verification and inspection procedures for all nations.

It would be backed up by good intelligence capability, which we can help provide to the United Nations, as we have done in cooperating with the United Nations in the case of Iraq and the allegations about their own weapons programs.

It would also require the use of all possible tools of enforcement, including economic sanctions and, in rare cases, even possibly military action by the world community to stop weapons programs that would increase proliferation of dangerous weapons around the world.

But first, the United States must confront its own policies in a way that might have been unthinkable even 5 years ago. We must decide how many nuclear and other weapons we truly need, how much long-range missile capacity is necessary, how much outside inspection of our own capabilities we will allow. Only when we have honestly faced these questions will we be able to make credible nonproliferation proposals to others. That is why a decision now to continue the moratorium on underground nuclear testing is so important and why we should help cause others to follow suit by announcing that we will follow a no first-test policy. We must not be the first to open the floodgates.

A recent series of meetings which I had with leaders in Pakistan, India, and China brought this point home to me. I met with the leaders of those nations, along with Senator LEVIN and the distinguished chairman of the Foreign Relations Committee, Senator PELL. Conversations proceeded something like this: Pakistan expresses its willingness to do without some weapons but only if India will. India will agree only if China agrees, and China will consider some additional disarmament agreements if the United States and Russia will do so as well.

There is a simple lesson here: As the world's sole remaining superpower, if we do not set the example, we will have neither the practical nor the moral leverage to persuade other countries to behave responsibly. American foreign policy at this critical juncture cannot be limited to an ad hoc series of reactions, even intelligent ones, to world crises. Our leaders must be architects, as well as capable troubleshooters, and we must support them in building that new architecture.

If we fail to plan ahead, to take on the task of building a truly viable new world order, history will hold us accountable. One day, our children and our grandchildren will ask us what we did when we had a chance to make the difference. Let us be able to answer them in good conscience that we have done our best to leave them a safer and a better world. And the President of the United States, if he follows the path outlined in the press speculation today of announcing a moratorium on our part of additional nuclear tests and a no first-test policy will be moving us in a direction that will enable us to play that leadership role broadly to stop the proliferation of dangerous weapons around the world. It will begin to put us in a position to answer our children and our grandchildren by saying, we did all that we could; we did our part to take this moment in history, given to no other generation before us, and we did our part to take that opportunity and to use it as a chance to truly build a new world order, a safer world for all of you.

Mr. President, I yield the floor.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington [Mr. GORTON].

Mr. GORTON. Mr. President, I ask unanimous consent that I be allowed to proceed for as much as 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIMBER CRISIS

Mr. GORTON. Mr. President, President Clinton is about to choose among several options dealing with the timber crisis in the Pacific Northwest. But all of those options offer only despair and devastation to timber country, all ignore people, their families, their communities, and their aspirations. All exalt the spotted owl at the expense of the human condition. None is acceptable.

We northwesterners were encouraged by President Clinton's willingness to come to Portland to listen to real people and see and hear firsthand the full human impact of radical timber harvest level cutbacks. We believed that when he met with timber people, and when he talked to their families, he would understand what we have been trying to say for so long—people cannot be left out of the equation.

President Clinton talked about seeking a balance between human and environmental considerations. He offered workers and families hope for their jobs, and hope for the future.

Now those hopes are shattered. People are not considered to be a vital part of the environment. I have met with administration spokespersons to listen to the proposals they are considering, and it is now clear that people and families were not part of the equation from the onset of the administration's deliberations. People were not only deprived of equal consideration, they were given no consideration. Not one option before the President reflects any real effort to mitigate the economic, social, and human impacts of such drastic cuts in harvest levels.

People in the Northwest's timber communities are shocked, and understandably bitter, to learn that the administration did not find compromise, that the administration did not seek balance. Only a year ago the options apparently now before the President would have surpassed even the wildest imaginations of the most uncompromising preservationists.

But now they want more.

People in timber communities trusted the President. They cooperated in good faith. They proposed compromises that would impose pain on themselves, and they were patient when every month of further deliberation meant another month of unpaid bills. Amid fear and anxiety, they fought to hold their families together as they waited and waited for a decision.

I have been to these communities and I have heard their willingness to compromise. I have seen their determination to hold on week by week waiting for their Government to understand the impacts of its decisions. I have seen how their hope has desperately tried to hide their despair over the last 3 years.

And I cannot describe to you, Mr. President, how it pains me to face their reaction as they learn what the administration has in mind.

This is what they are hearing: In order to provide for the near certain survival of spotted owls and other species, their way of life is to be extinguished. Mr. President, where is the balance in a plan that reduces the productive capacity of these hard-working people in just 4 years?

Our timber communities knew that their futures would be compromised, because balance means compromise. They agreed to balance, knowing that it would be painful for themselves, for their children, and for their communities. They agreed to compromise trusting that their administration was truly seeking balance.

But there is no balance in any of the administration's options.

That is why Washington's timber communities are not ready to give up the battle—and that is why I will fight. If the majority in Congress and every newspaper editorial and every environmental group is on the other side, this Senator will still fight because injustice must be fought and because the options the administration is considering are viciously unfair. Working people who have trusted this administration deserve at least a voice on their behalf.

I want to say a word to those people from Washington State, in fact a large majority, who do not work in the timber industry and will not be directly affected by any decision on this issue. You have said that you, too, want balance—that the timber industry must modernize its practices and that the old growth forests and the owl, as well as rural communities, are worth saving. This is the majority view and it is a view that deserves respect.

But these proposals are not that balanced.

The people from timber country are a minority. But they are just as real a minority as are Boeing employees, or dairy farmers, or the fishing industry—minorities who are also struggling to hold onto their jobs, their security, and their sanity.

But the awesome power of the Federal administration, cheered by important elements of the national and regional media, seems determined to liquidate the economic futures of tens of thousand's of rural families who have few, if any, options beyond Government assistance, a globalized form of welfare.

In a recent column in the Seattle Times, Ross Anderson gave a good piece of advance to the administration's timber team:

> We can't afford to idly abolish an industry that still employs thousands of our neighbors from Colville to Forks. * * * The President should know that our timber crisis, while complicated is not unsolvable. * * * Because honest to goodness, those trees will grow back.

The President should also know that the jobs, the communities, and a way of life can't grow back if even the most generous of his proposals is approved. Before my colleagues support these proposals, I pray for more than a vague desire to see old trees and rare animals saved and a consideration of hard facts.

In 1989, national environmental groups said that the Northwest timber harvest needed to be reduced to 3.9 billion board feet, and it was. Since then, their demands have gone from 3.9 billion to 3 billion to 2 billion and then last week, for the first time, learning that the administration might consider a reduction to just over 1 billion, they said that the level should be not more than 500 million board feet.

Almost all of the options before the President, including the preferred option, would provide a meager 1.2 billion board foot average annual harvest from public lands in the Northwest over the next 10 years. That is less than one-fourth the harvest levels in the 1980's when even then contrary to popular environmentalist propaganda, our forest were growing faster than they were being cut. This is not a balanced solution.

Each billion board feet of timber harvested supports 18,000 jobs in Northwest timber communities. Those are not my figures—they are taken from a study done by a Democratic administration in Washington State. That means that this administration has chosen a course that will deliberately destroy, or confirm the destruction of, the jobs of 72,000 Northwest workers that existed only 3 years ago.

Only a few months ago, my State made dubious national headlines when Boeing announced widespread projected cutbacks. President Clinton saw the urgency of restoring those jobs, and formed a National Commission to restore the airline industry to health. In Washington State and across the Nation, people recognized the frightening impact of such huge and widespread layoffs. Imagine the tremors rumbling through my State today as we realize that if the administration goes forward with even the best of its proposals, timber communities of the Northwest will be deprived of four times as many jobs as this year's Boeing cutbacks.

Balance? Compromise? Where, Mr. President?

Timber communities were realistic. They knew we would not see a return to the harvest levels of the 1980's. But they felt that the President's timber team would come up with a solution that, while it locked up more land, still provided at least a minimum acceptable cut level to relieve the hardship on timber communities. The team did not, Instead, the administration is considering proposals that at the very least will throw 72,000 people out of work; 72,000 jobs. Just a statistic, and as statistics always do, a mask to the reality of human suffering. It isn't easy to put faces on numbers—but put yourself in the shoes of the 72,000 families in the Northwest who are anxiously waiting the results of the administration's search for compromise and balance.

You have three children. Your husband has worked in the Olympic National Forest since he was 15, and is now making $40,000 a year. You have a $30,000 mortgage on which you pay $450 a month. The proposals being considered by the administration will assure a permanent shut down of timber harvesting where your husband works—and you will not be able to make your mortgage payment.

But for today, that is the least of your worries. You are more concerned about making those last few dollars stretch far enough to put dinner on the table. You see your son come home from school and realize that another patch on his jeans will not save them this time. You try explaining that you are doing the best you can, and that soon, the President will announce a new plan that will not guarantee dad's job, but may help—and yet you only hear yourself repeating the same 3-year-old financial apologies and explanations that your children have practically grown up on.

You hear pundits on TV telling you that your husband will just have to find a new job. But there are no jobs in your community. In fact, the only jobs in town outside of the timber industry also vanished when the timber industry was brought to its knees 3 years ago.

So you consider packing up, moving, and selling your home.

But you look out your window, and your next door neighbor's house is for sale. The house across the street is for sale. In fact, it is not just a few homes for sale in your neighborhood, and a few homes for sale across town—most of your entire neighborhood is for sale. Entire neighborhoods in the surrounding communities are for sale. The market is depressed, and your family's lifetime investment has suddenly become worthless.

You are 42 years old. Is a Government retraining program going to help you and your husband save enough to send your kids to college or assure a safe retirement? Fat chance.

Is the President going to return to the Northwest to explain how the sacrifice of your family's future equals balance? Fat chance.

Mr. President, I cannot say strongly enough that the administration's proposal would not just force a few families scattered throughout a few communities to relocate and find new jobs. Communities across one-third of my State, which have struggled through the pain of the last 3 years, will be extinct in months if even the best of options being considered by the administration is approved.

These are the considerations which we have begged the administration to consider.

People. Families. Children.

Mr. President, my critics have said that my efforts have raised false hops for working families and timber communities. False hopes?

It is false hope to go to the Northwest as a candidate for President and promise a summit that will bring balance to this controversy, presuming that a balance means a level somewhere between the views of the competing factions—but then produce this proposal.

It is a false hope to speak to the American people about the ravaging effects of joblessness—and yet offer a proposal which will eliminate 72,000 jobs in timber communities.

It is false hope to profess a deep concern and deep understanding of the people who are caught in the timber crisis, and speak about devising a solution that considers people to be just as important as the spotted owl—but then spend months working on a plan based only on species abstractions and sterile statistics that can never deal with the extent of human suffering rampant throughout Northwest timber towns.

The false hope, Mr. President, was that given by an administration that talked of a balance it never seriously considered.

Worse, it turned the honest participation of timber families in the process of compromise into a sham. Those families have a right to feel betrayed by their Government.

Today, I can raise no positive hope for working families whose jobs depend upon Northwest Federal forests. I do know that they are still willing to go back to the process of finding a fair balance that will set aside enough old forest and save enough jobs.

They and I do not expect a return to the harvest levels of the eighties, but we do expect that people and families will be given at the very least, equal consideration. We do expect a balance—and we will accept a true compromise.

So today, I speak not to raise hopes about what the administration will propose. I simply close with a promise. Never in my lifetime will I vote for a so-called solution which will destroy the futures of so many of my friends.

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt stood at $4,308,429,367,169.37 as of the close of business on Thursday, April 1. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capita share is $16,773.52.

IN HONOR OF JENNELLE MOORHEAD

Mr. HATFIELD. Mr. President, a person special to me and to my home State of Oregon will celebrate her 90th birthday next month. Jennelle Moorhead is known in Oregon for her distinguished career in the field of education. Her years have been rich and full, giving her and her family much to celebrate this July 13.

Jennelle Moorhead began her career as a college professor at the University of Oregon in 1946. Her work in the educational field, however, has extended far beyond the boundaries of Eugene, OR. Mrs. Moorhead served as both the president of the Oregon Congress of Parents and Teachers from 1950 to 1953, and later as the president of the National Congress of Parents and Teachers from 1964 to 1967. She has worked to foster the vital link between parents and teachers in the education of children.

The scope of her vision, however, has not been limited to educational issues within the United States. Mrs. Moorhead served four terms on the U.S. National Commission for the United National Educational, Scientific, and Cultural Organization. She has personally studied the problems of health and education in eight South American countries, bringing her global perspective to the University of Oregon as its director of South American study-travel programs.

I first met Jennelle Moorhead while she was a student studying broadcasting during the 1930's. During my years as Governor of Oregon, I was pleased to support her progressive efforts in the field of education. Her years of tireless service have benefited many.

The accomplishments of Mrs. Jennelle Moorhead fill pages, and I can only cite a select few today. I would be remiss, however, were I not to mention the 10 accomplishments of which I would imagine Mrs. Moorhead is most proud: raising George and Bruce, her two fine sons, and grandmothering Lorna, Darcy, Kurt, Sharon, Bruce, George, Sarah, and Lois. On behalf of them all, I would like today to wish Mrs. Moorhead a very happy birthday.

RETIREMENT OF SENATOR HOWARD METZENBAUM

Ms. MOSELEY-BRAUN. Mr. President, yesterday, Senator HOWARD METZENBAUM announced that he will be leaving the Senate when his term ends in January 1995. I have not had the chance to serve with the distinguished Senator from Ohio for very long, but I have known him and known of him long enough to be able to say that his departure will be a real loss to the Senate and to our Nation.

I have watched Senator METZENBAUM'S career for a long time, but it was not until I came to this body that I began to fully appreciate the enormous energy and commitment he brings to the Senate. HOWARD METZENBAUM serves on four Senate committees; he is not just active, he is extremely active in all of them. And yet he still finds time to be very active on the Senate floor as well. He sets a pace that I am sure wears out his staff, the staffs of all of the committees on which he serves, and the staffs of other Senators who have to react to his numerous initiatives and activities. He works as hard as two or three more ordinary men.

But there is nothing that is ordinary about HOWARD METZENBAUM. He is an extraordinary person, and an extraordinary Senator. His hard work, his drive, his commitment, his passion, and his energy are all devoted to the public interest. He has always been a voice for ordinary Americans, and he has always fought for them.

Senator METZENBUAM is a man of principle and integrity. And he has always been tenacious in upholding those principles. There are times when Senator METZENBAUM has brought Senate action on legislation to a complete stop. But when he acted, it was always because he believed he was right. And once he had taken a stand, no amount of pressure could force him to bend. He did not always win, but he never compromised his principles.

He has been a champion for individual liberties, and for those in our country who have had the last. He has fought for the interests of working people and of the American consumer. And he has fought to open the doors of opportunity for minorities, and for women.

I want to take particular note of his activities in the tax area. Time after time, he stood on the Senate floor, fighting to prevent Tax Code giveaways to special interests. He brought these giveaways forcefully to the public's attention, and to the Senate's attention, and he made sure that special interest tax amendments that could not stand the light of day did not become part of our tax law.

I have always thought it strange that Government grants and loans are subject to tight budget controls, but that tax expenditures of enormous size, and that benefit very few people or companies could be put into bills with no hearings and no votes at all. HOWARD METZENBAUM helped ensure that this issue got the attention it deserves and the country owes him a real debt of gratitude for that, even if he had never done anything more—and, of course, he has done much, much more.

There is a lot more I could say about Senator METZENBAUM. I am grateful for his friendship, for the opportunity to serve with him, and for the help he has provided me personally.

He was a bridge builder for me during my campaign. He appeared for me and he argued eloquently and forcefully for the kind of inclusive, coalition-building politics that I think we must pursue. He has always been at the forefront in the fight for civil rights, and he has consistently sought to bring the benefits of opportunity to those who have had so little opportunity in the past. I admire and respect him greatly.

I simply want to conclude by saying how glad I am that I haven't been on the opposite side from the Senator from Ohio on a major legislative issue—because if HOWARD was on the opposite side, my chances of winning would be reduced by much more than the vote of a single Senator.

HOWARD METZENBAUM'S career is a demonstration of how much of a difference one person can make. And importantly, it is also a demonstration that compromising one's principles is not an inevitable part of achieving success. HOWARD METZENBAUM has always kept his principles and his integrity intact. I will miss him when he retires, and I am glad he is not retiring yet. There is much work to be done in the next year and a half. I look forward to continuing to work with Senator METZENBAUM, and to continuing to learn from him. I know his energy for the good fight has not diminished in the least—I know it never will.

RECOGNIZING THE DISTINGUISHED SERVICE OF REV. JOHN T. RICHARDSON, C.M.

Ms. MOSELEY-BRAUN. Mr. President, I would like to recognize Rev. John T. Richardson, who is retiring after 12 years as president of DePaul University in Chicago, IL.

Reverend Richardson has led a rich and enlightened life. He received a bachelors degree in philosophy in 1946, and 3 years later was ordained to the priesthood. In the following years the Reverend earned licentiate and doctorate degrees in Sacred Theology from Angelicum University in Rome, Italy, and in 1954 he continued his education with a master of arts in sociology. The following year he joined DePaul University as a professor of law, and later became dean and vice president. Twelve years ago he assumed the role of university president.

During his tenure at DePaul, Reverend Richardson has created a curriculum which has taught the lessons of the past while keeping the needs of the future in sight. He has guided DePaul in its essential role within ever-changing domestic and global settings, leading DePaul University to the forefront of higher education in the city of Chicago.

Mr. President, I would like to join my voice with those of his many friends and students, whose lives he has touched and enriched, in thanking the Reverend for his commitment to education and wishing him the very best in the years to come.

TRIBUTE TO WALTER "SPEEDY" TRAVIS

Mr. PRESSLER. Mr. President, during my Memorial Day recess visit to South Dakota, I had the sad duty to attend the funeral of my sister's young nephew.

Later on the day of the funeral, I decided to visit the residence of the Jenkins Methodist Home in Watertown, SD. I'm glad I did. I met with several of the elderly residents of this home and their enthusiasm and positive outlook on life greatly lifted my own spirits. In particular, I was reinvigorated by my conversation with Mr. Walter "Speedy" Travis, who is now 98 years old.

I have known Speedy since 1959. That year I attended South Dakota Boys State where he was a counselor. In fact, as State adjutant for the American Legion in South Dakota for almost 20 years, he was the main figure in shaping the Boys State program each year. He had a tremendous influence on the lives of many youths and future leaders of our State.

He was highly respected in the South Dakota State Legislature as the chief spokesman and lobbyist for the interests of South Dakota veterans. He was held in such high esteem for his decades of public service that a chair outside the entrance to the statehouse chamber was named in his honor. No other individual has been so honored during South Dakota's 104 years of statehood.

Speedy Travis was in his usual good spirits when I saw him and his friends on Memorial Day. To this very day the tremendous wit and wry sense of humor that made him such a successful and popular representative of veterans' cause and other interests make him a joy to be with. Ever since I first ran for a seat in the U.S. House of Representatives in 1974, his advice has been important to me. He has given wise counsel to many other South Dakota public figures, as well.

It is a great pleasure to know Speedy Travis. I wish everyone could meet him. Today, as a resident of Jenkins Methodist Home, he is once again an advocate for the people who are most important in his life—his fellow nursing home residents.

Mr. Travis wrote an editorial that appeared in the May 10, 1993, Watertown, SD, Public Opinion. His editorial persuasively dispels the gloomy image of life in a nursing home and encourages people to visit those who live in nursing homes. He persuaded me. I am grateful that he did.

Mr. President, I ask unanimous consent that Walter Travis' editorial appear in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Watertown, SD, Public Opinion, May 10, 1993]

WHO CAN SPEAK BETTER ABOUT A NURSING HOME THAN A RESIDENT?

(EDITOR'S NOTE. Walter (Speedy) Travis recently turned 98 years young. Walt is a well known former newspaperman and American Legion spokesman in South Dakota. Below are his comments that flowed through the same old typewriter that spewed forth over the years his hundreds of his columns. While they relate to his residence at the Jenkins Methodist Home here since moving there in October 1991, his message speaks loudly for the residents of all nursing homes.)

(By Walter Travis)

I do not know much about Jenkins Methodist Home, but I am learning.

I didn't have to unlearn much—I didn't have much of an idea what the place was like because I didn't have much contact or background. I'd been in the place just once. I came to visit Charlie Halbkat when he was here. I came once. Why not more often? I guess I felt that I had done my Christian duty and I didn't want to over-do it. I knew several people who were living at Jenkins, but I hadn't had much contact with institutionalized people.

When I was a kid, there was a place in Pierre called the Pest House. If you had smallpox, they threw you in the Pest House. I understand now, that if you were broke, abhorred bathing, or answered questions honestly and made the "powers that be" uncomfortable, you could also end up in the Pest House, People stayed away from the Pest House.

When I turned 90 and began to display evidence that I would have to enter a nursing home, I realized that there was something like the Pest House that came to mind whenever I though of an institution.

Well, Jenkins does not fit this picture. I believe that I knew this from the start, but not consciously, Really, the only similarity I have found is the imaginary wall that discourages congeniality between the residents of Jenkins and rest of Watertown.

Actually, it is hard to understand why there aren't more people visiting Jenkins. Whether the residents realize it or not, they are hungry for visitors. Maybe outsiders think Jenkins feeds people food that is below average. On the contrary, the food is good and each resident is contacted weekly for his choice from two different menus for the coming week.

Maybe the outsiders think that the residents live bleak, uneventful lives. This is untrue. There are a variety of programs, from bingo to reminiscing. Do they think that we can't laugh? At Jenkins there is more variety and laughter than you can shake a stick at! Do they think we are confined? I attend Rotary every Thursday noon and go to church whenever transportation is available. I even participated in the Legion Convention last month.

Do we smell kind of neglected? Baths are mandatory every week. I think we could win a contest of acceptability against any similar group in town.

So, come, and see us sometime—and help me get rid of that Pest House picture.

CONCLUSION OF MORNING BUSINESS

Mr. CRAIG. Mr. President, may I inquire of the Chair, are we now moving out of morning business?

The PRESIDING OFFICER. Morning business, the Chair would advise, is now closed.

EXECUTIVE SESSION

NOMINATION OF GEORGE T. FRAMPTON, JR., TO BE ASSISTANT SECRETARY FOR FISH AND WILDLIFE

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to consider the nomination of George T. Frampton, Jr., which the clerk will report to the Senate.

The legislative clerk read the nomination of George T. Frampton, Jr., of the District of Columbia, to be Assistant Secretary for Fish and Wildlife.

The Senate resumed consideration of the nomination.

Mr. CRAIG. Mr. President, I resume discussion and debate on the nomination of George Frampton, Jr., as Assistant Secretary for Fish and Wildlife. President Clinton nominated George Frampton for that position. The Energy Committee has reviewed Mr. Frampton and on a mixed vote brought him to the floor for purposes of consideration of his nomination.

Last evening, I spoke in opposition to this nomination for a variety of what I believed to be very important reasons for this Senate to consider.

Let me continue my discussion of Mr. Frampton this morning by making a variety of points that I think are not only important for the record but for the citizens of this country to recognize as it relates to the type of person President Clinton has nominated to fill this most critical and important position.

Let me, first of all, express my concern about the role that George Frampton played in his former life as president of the Wilderness Society.

For a good number of years now, Mr. Frampton has been an outspoken critic and an advocate of a very important position in this country, a position of environmental advocacy. And let me quote from a statement he made before the Energy Committee during his confirmation hearings that I think expresses the George Frampton that concerns me a great deal as he stands to assume this key and important role of Assistant Secretary of Fish and Wildlife.

He says:

Since I have been an advocate for most of that career—

Referring to his career of 25 years, both his professional career but primarily that of being president of the Wilderness Society—

Since I have been an advocate for most of that career, let me tell you what I believe effective advocacy entails.

First, it is developing a position based on facts, sound science, and good economics. Second, it is bringing a sense of fairness to the table, because only fairness and common sense enable the advocate to shape a detailed proposition or program that will command a broad base of support from those with differing views. And third, it is maintaining personal credibility with those on all sides.

That sounds like a fair position. It is a position that George Frampton strongly believes in. As he said, he has been an advocate most of his professional career. Now, will Mr. Frampton change? Can he be an advocate and be Director of the U.S. Fish and Wildlife Service and serve the common good of the country?

In morning business this morning, you just heard my colleague from the State of Washington talk about the absolute crisis that is occurring in Washington, Oregon, and northern California over a decision, through the Endangered Species Act, on the spotted owl, a decision and a mitigation plan that has largely been put together by the U.S. Fish and Wildlife Service, the very service that George Frampton will soon be directing.

Can an advocate, a strong environmental advocate of the kind of George Frampton fairly and in a balanced way deal with these kinds of critical issues? I strongly question that. And it is of that concern that I have openly spoken opposition to Mr. Frampton's nomination, and why I will oppose him on this floor and vote against him.

The reason I say that is because a colleague of mine in the House, a Democrat, a former Congressman by the name of Les AuCoin, on September 5 of 1989, wrote a letter to George Frampton speaking of this very important issue in the State of Oregon, the issue of the spotted owl, and the ramifications of what would happen if a difficult situation came down that in a sweeping way discontinued a lot of the cut that was occurring in old-growth timber in that State, the very issue that SLADE GORTON of Washington was just speaking to.

After all of the discussion and the debate and the public attention that has occurred over this issue, let me read a concluding paragraph that Les AuCoin said in this letter.

I can only conclude that, after months of effort to accommodate your organization's concerns within the framework of the Salem compromise, you reject that framework and you are not interested in playing a constructive role in resolving the matter.

That is a very important statement. Mr. Frampton and the Wilderness Society was not willing to engage in a constructive role in solving an issue that put 27,000 people out of work in Oregon, Washington, and northern California. And as that issue deepens, as more people become unemployed, there are now studies out, much of the kind that was referred to buy the Senator from Washington, where it is projected that if this is not resolved, 110,000 to 120,000 men and women will be out of work.

Of course, this has become a high-profile issue. When President Clinton was candidate Clinton, out in the States of Oregon and Washington, he said he would solve this problem in a no-net-job-loss kind of an approach. We know they are now working at this and making recommendations.

Yet, he has nominated someone to head up the organization inside the Department of the Interior who was not a constructive player in this issue, and who took an adversarial role, knowing that he would put thousands and thousands of people out of work; a person who has committed his life to the role of an advocate, who now wants to be an administrator, who now says he can approach this issue in a fair and balanced way. I strongly question his talent or his capability to do that.

Let me ask unanimous consent that the letter of Les AuCoin to George Frampton of September 5, 1989, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, September 5, 1989.

GEORGE T. FRAMPTON, Jr.,
President, the Wilderness Society, Washington, DC.

DEAR GEORGE: I think you need to know that you have created an enormous problem that, if it goes unrepaired, will not reflect well on the Wilderness Society or the environmental movement in the weeks, months, and years to come.

I write in reference to your letter of July 28, 1989 to Members of Congress concerning Section 318 of the Senate version of H.R. 2788, the Fiscal Year 1990 Interior Appropriations.

The problem goes beyond the obvious inaccuracies in the letter itself. The content of this letter calls into question the intent of the Wilderness Society to be a constructive, fair player on public forest issues in the Pacific Northwest.

Let me detail some of the inaccuracies in your letter:

The third paragraph states that, based on court actions, the Forest Service and Bureau of Land Management cannot sell certain timber sales ". . . until they comply with environmental laws."

In neither case has there been a finding that either agency is in violation of any law. In the case of *Seattle Audubon* v. *Robertson*, the court reversed an initial denial of request of preliminary injunction and it has in fact imposed a temporary restraining order which has been stayed pending the outcome of Forest Service and U.S. Fish and Wildlife Service conferencing on proposed timber sales.

The case of *Portland Audubon* v. *Lujan* has a different set of circumstances, but in each case one fact is unequivocal: No court has found either agency in violation of the laws—NEPA, NFMA, FLPMA, ESA, or any other statute.

Thus, the conclusion that Section 318 ". . . overrides two major federal court decisions . . ." (paragraph 1) and similar charges elsewhere in your letter are similarly inaccurate.

And, the statement that Section 318 ". . . voids the injunctions . . ." is misleading in that the injunctions are voided only if the parties to the lawsuits fail to enter into a court agreement outlined in subsection (f) of Section 318. Environmental leaders sought in our negotiations to resolve the current legal situation through an agreement, rather than by voiding the cases. In fact, your Vice President, Syd Butler, ably led the discussions on this issue.

We in the Northwest delegation took this idea as a good-faith proposal and we incorporated it into Section 318(f). The grounds for the present injunctions are obviated only if the parties to the lawsuit fail to reach an agreement. In other words, we have given your own proposal a chance to work. To state that the Senate proposal does otherwise, as you do in your letter, badly misleads my colleagues in the House.

You also choose to state, in bold type in paragraph 5 of your letter, that "(t)he effect of this bill is to prohibit all citizen challenges to a broad category of recource management agency options . . ." Again, this is wrong.

Citizen appeals of timber sales are permitted explicitly in subsection (d) of Section 319. Legal challenges are only prohibited on those FY 1989 sales which are now off-limits from sale but which would be explicitly released for sale by parties to the lawsuits in the agreement mentioned above.

As you know, there have been prohibitions placed on judicial review of timber sales in the past—in particular, on the Silver Fire recovery program and the resale of bought-out sales on the Mapleton Ranger District. In writing Section 318, we took to heart the environmental groups' concerns about such broad limitations and crafted a proposal which not only protects access to the courts but also provides remedies—void of sales—if a court finds either agency in violation of the law.

So, your charge that "(p)recluding citizen access to the courts to challenge agency decisions is a dangerous precedent . . ." is simply without foundation.

Finally, the letter suffers badly from sins of omission. Left unspoken are the steps taken in Section 318 to protect old growth forests: a biennial reduction in west-side timber sale volumes of a billion board feet; direction to minimize fragmentation of significant old-growth stands; and involvement of citizen advisory boards to help shape this short-term timber sale program. Section 318 represents the first-ever congressional recognition that significant old growth forests should be treated specially.

Instead, you portray Section 318 as a one-sided affront to environmental goals in Pacific Northwest forests.

That gets me to the point beyond the explicit inaccuracies of the letter. In my 20 years of public service, I have come to rely on the trust and good faith of the people with whom I work—adversaries as well as allies. I have to this point been able to include The Wilderness Society among those allies. We have stood together on such issues as Oregon Wilderness, the Columbia Gorge, Oregon Wild and Scenic Rivers, and Arctic Wilderness, to name a few.

Your letter, quite simply shakes my faith—my trust—in you organization's desire to be a constructive player on public lands issues that are vital to the people who live in my region. After some early bumps, and bruises, I though Syd Butler and Larry Tuttle in particular were playing a very constructive role in making the outline of this northwest forest proposal into a creative, workable short-term solution.

Now comes this sudden, surprise emergence of your letter—delivered to every House member without even a word to members of the Northwest delegation who have

> painstakingly worked on this issue with The Wilderness Society and other organizations. The letter tells me that The Wilderness Society apparently intends to fight this proposal, and, in doing so, to forsake the opportunity to reach long-held environmental goals of old-growth protection and reduced timber sale targets.
>
> I can only conclude that, after months of effort to accommodate your organization's concerns within the framework of the Salem compromise, you reject that framework and you are not interested in playing a constructive role in resolving the matter.
>
> If, in fact, you have chosen obstruction over conflict resolution on Northwest forest issues for the long term as well as the short term, I will continue my efforts to seek a reasonable solution to this difficult issue. I will do so, however, without the input of The Wilderness Society.
>
> And, I will remember that, in a business where trust is the coin of the realm, your currency is of little value.
>
> Sincerely,
>
> LES AUCOIN,
> *Member of Congress.*

Mr. CRAIG. Mr. President, that is one issue.

Old-growth forests were a critical issue throughout that whole debate.

Here is what an AP story of April 3, 1991, said of that issue, quoting Mr. Frampton:

"The Bush administration has a secret plan to override the Endangered Species Act, the National Forest Service Management Act, and other laws to allow the timber industry to continue to liquidate our forests."

You and I both know that simply was not true. History now shows it was not true. No forest got liquidated. The saws stopped, the mills stopped, the communities went silent, and thousands and thousands of people are now out of work.

Yet, Mr. Frampton was out there being the advocate, being the noncompromiser, playing the role that he played so well for so many years, but making these statements, these accusatorial kinds of statements that someone else was involved in a conspiracy, not he and not his organization.

That, of course, is very disturbing to many of us who recognize how difficult this situation is. And here is a man coming into an administration who has pledged, and I believe in a most sincere way, to try to resolve this issue.

Let me suggest to you, President Clinton, George Frampton will not be a solver of this problem when he was, in fact, a participant in the creation of the crisis.

Let me add another, I think, important point for the record. I am referring now to a print of a news story that came from Federal Information Systems Corp., the Federal News Service, copyright 1992. This was a press conference that George Frampton held as president of the Wilderness Society in Oregon, as it related to the spotted owl.

I think we can all recall, when finally this had arrived at a crisis and the Bush administration was trying to solve the problem, and under the law that the Senate passed and the House passed a couple of years ago to create what we call the God Squad, when all else fails, to send in a team of people to try to mitigate and resolve this issue and come up with a solution. Here is what Mr. Frampton had to say about that. He said:

"This is a circus, an invitation of mob intimidation of the administration's law judge, who is hearing the case, and the God committee's membership itself."

This is this fair and balance-minded man, who is going to become Director of the U.S. Fish and Wildlife Service, who plays to the crowd as an advocate, saying it is a circus. Yet, he is going to be now a fair judge and a solver of the problem that he created? He said:

> It is a sham and a disgrace—

I am quoting his own statement—

an intentional effort by Secretary of Interior Manuel Lujan to correct the legal process and to use political muscle to compensate for a lack of evidence in the case.

Those are the quotes of George Frampton; those are the quotes of an advocate. Those are the quotes of a man who says advocacy is a fair and balanced way of arriving at a reasonable solution. This is the mind of George Frampton; those are the thoughts of the new Director of the U.S. Fish and Wildlife Service. And I think that should concern all people who have direct association with or need to associate with that agency.

Why am I concerned? Many will say: Well, Senator Craig; you have always had these opinions. Mr. Frampton and you just disagree.

Yes; that is true. When George Frampton came to my office, I was very straight-away with him in saying just that: We have very little in common as it relates to what we believe, what we believe is good for public-land Western States. Idaho is not much different than Oregon or Washington or Montana or New Mexico or Nevada, many public-land States, where the citizens, through the wise use of the public resources, through the public policy created by this Government, find their lifestyle, find their economies—whether it is logging, whether it is mining, grazing, recreation, multiple use, single use, all those things in combination—over time have built the West and made it the marvelous place to live which it is.

Yes, thousands and thousands of people are out of work today because George Frampton, as an advocate, along with a variety of other interest groups, used the public policy, straight-away, in a fair way; I am not saying they manipulated it, but I am saying that in an inflammatory style they created the problem they did.

What does he have to say about public land management? Let me quote George Frampton, from an article in the EPA Journal in 1992:

> To many, sustainable development should be the goal to future management of our Nation's public lands.

"Sustainable development" is the new buzzword of this administration. George Frampton will become an advocate of that. I believe he already is. "Unfortunately, sustainable development stands directly contrary to the status quo." I am quoting George Frampton.

> Traditional Federal land management policies threaten both the environment and the economic health of local communities by enhancing commodity extraction over ecosystem protection.

In other words, the status quo that creates thousands and thousands of jobs in my State and in the State of Montana is the very thing George Frampton wants to change. He has said so publicly time and time again. He says that it is unacceptable that we have to go to the concept of sustainable development and that we must not dramatically change the status quo. Well, that is George Frampton. I am quoting him from an article in the EPA Journal, 1992.

What does he have to say about wilderness? That is an important issue for us, one that I think we all recognize as an important part of an overall management plan for our public lands. He says:

> There are another 90,000 to 100,000 acres of wilderness deserving our protection, and we would like to see it happen before another quarter of a century passes. People are beginning to perceive that threats to the natural systems are threats to human survival similar to the nuclear bomb.

In other words, it is a unique kind of relationship he attempts to establish. The wilderness system is only a little piece of that, but it is a symbol of what we need to preserve. What the wilderness bill does is save a few fragments of America that were created over millions of years ago.

I think all of us recognize, Mr. President, that wilderness is an important part of the overall management scheme that we have proposed for our public lands, recognizing the designation of them. But we, also, in public land States in the West recognize a need for balance, the need for access to our public lands. I do not think it is unique that the overall use of wilderness has dropped precipitately in the last decade, that fewer and fewer people are using wilderness or accessing it, because it is difficult to access, because time is limited; because, also, we have a generation of people who want services, want a variety of services, as it relates to their access to recreation and public lands, and wilderness does not afford that.

Yet, Mr. Frampton and his organization are constant advocates of increasing the number of acres of wilderness, which locks people out largely, except those who wish to trek it by foot or horseback. It disallows a variety of people—whether they be old or in some way frailed by a condition—access to these beautiful spots in our country.

Well, I support wilderness. I think most Senators on this floor do. But we do it in some degree of balance and in some degree of fairness that I believe has been not reflective of the gentleman who seeks to be the Director of the U.S. Fish and Wildlife Service.

There are others who will be speaking as to the nomination of George Frampton, and with those thoughts, I will reserve the remainder of my time.

Mr. BAUCUS. Mr. President, on April 28, President Clinton nominated George Frampton to become the Assistant Secretary of the Interior for Fish and Wildlife and Parks.

In that capacity, he will oversee the National Park Service and the U.S. Fish and Wildlife Service. If confirmed by the Senate today, he will be charged with a number of key responsibilities, including protection of endangered species, management of the National Wildlife Refuge System, and conservation of migratory birds, wetlands, and sport fisheries.

As my colleagues know, these are very difficult and politically charged issues.

Just over 1 month ago, the Committee on Environment and Public Works favorably reported the nomination of George Frampton. There was no great controversy on either side of the aisle. In fact, the committee reported Mr. Frampton's nomination unanimously.

The only real issue being raised by the few opponents of this nomination has to do with the policies that George Frampton supported during his last 7 years as the president of the Wilderness Society. Many people in my home State of Montana, and in fact many people throughout the Western United States, strongly disagree with those policies, the policies of the Wilderness Society.

The question, however, today, is not what the Wilderness Society believes, but what George Frampton as Assistant Secretary of the Interior believes; whether George Frampton will be sensitive to legitimate points of view on a wide array of issues, ranging from water rights to grazing fees to implementation of the Endangered Species Act. I believe that he will.

I understand the concerns that have been expressed about whether George Frampton will act in a balanced manner, whether he will listen not only to some of the conservation community, but also to other Americans, farmers, ranchers, small business people, who also have an equally legitimate point of view.

I have some of those same concerns, and I have shared them directly with him in meetings and in the Environment Committee's hearing on his nomination. I asked very direct and frank questions on all these issues. When George Frampton was running the Wilderness Society, he and I disagreed on a number of key issues, most recently the Montana wilderness bill. That is to be expected. He had his job to do as head of the Wilderness Society, and I had my job to do representing the people of Montana.

Mr. President, I think it is also important to remember that on all wilderness issues, it is Congress which designates wilderness acreage. Whether or not any agency recommends certain acreage or not or any group represents acreage or not, it is ultimately the Congress, this body and the House of Representatives, which decides what acreage is actually designated as wilderness. It is also important to remember, with respect to wilderness issues, that we are generally dealing with National Forest Service acreage. Mr. Frampton, if confirmed, will be Assistant Secretary of the Interior, an agency which has no jurisdiction over the National Forest Service whatsoever. The National Forest Service is under the jurisdiction of the Department of Agriculture, an entirely separate department.

So any Senators who might be concerned about Mr. Frampton's concerns and views on wilderness when he was president of the Wilderness Society should remember that, first of all, he is not going to be president of that society anymore. He is going to be working for the President of the United States and working for the American people. And, second, he will be working in a Government Department, a Government agency that has nothing to do with the U.S. Forest Service and certainly, therefore, U.S. Forest Service designations on wilderness.

When I came away from our hearing, I was convinced that George Frampton will approach all of the issues, including issues concerning the West, with a very open mind and with sensitivity. I believe that he understands the importance of maintaining both a strong and healthy environment and a strong and healthy economy. And he understands that they are not mutually exclusive, but in fact they are mutually dependent.

George Frampton understands the job for which he has been nominated is a very difficult job and a very different one than the one he had been pursuing for the last 7 years. I believe he knows he is going to have to listen and take into account the views of many different constituencies, and he knows that, ultimately, he is going to have to balance many of their competing and legitimate interests.

George Frampton's background suggests that he has the experience and skills to do the job. A sketch of his background over the last two and a half decades reveals a pragmatic professional, not an environmental extremist.

He has degrees from Yale College, the London School of Economics, and Harvard Law School.

He was a VISTA volunteer.

He served as a law clerk to the Honorable Harry A. Blackmun at the U.S. Supreme Court.

He served as assistant special prosecutor for the Watergate Special Prosecution Force.

For 10 years he practiced law, serving as deputy director and chief of staff for the Nuclear Regulatory Commission's special inquiry into the accident at Three Mile Island.

And I think this is very important, this next point. He represented the State of Alaska, a very Western State—it is pretty hard to get more Western than the State of Alaska—he represented the State of Alaska in administrative proceedings in the cost of trans-Alaska pipeline system construction. He very much knows the Alaskan and Western States' point of view.

And, he has distinguished himself as a professor at Duke Law School, teaching on the constitutional division of power between the Congress and the Presidency.

This is the background not of an extremist, but a fair-minded and pragmatic man who I think understands that he will now be working for President Clinton and, more importantly, for the American people.

As a very important point, Mr. President, it is clear from Mr. Frampton's background that as a lawyer he very much understands not only the need, but the duty to fully represent his client, and that is what he has been doing. He has been fully representing his client in the various capacities he has served and he is now going to be fully representing another client, and that other client is the American people.

We are a large country, hundreds of millions of people, a vast array of interests and points of view. It is a very difficult job he has, but he knows his client now is a different client. It's not the Wilderness Society, not VISTA, not the State of Alaska, not anything else he has been representing, but now it is the American people.

I believe, talking with him, he not only understands that but will pursue those new interests very, very faithfully.

In short, George Frampton has the knowledge, experience and professionalism to be a good steward of this Nation's fish and wildlife and its national parks.

I urge my colleagues, therefore, to support President Clinton and his nomination of George Frampton to be Assistant Secretary of the Interior for Fish and Wildlife and Parks.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CAMPBELL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRAIG. Mr. President, in discussion of the nomination of George Frampton, as my colleague from Montana has just stated, he will have the responsibility of managing and overseeing the direction of our National Park System, clearly one of the beauty areas of this Nation, what we have often times referred to as our crown jewels of the environment and the natural resources.

In doing that I am very concerned as it relates to the role that Mr. Frampton has personally played with park issues in the past. I say that because he will have a responsibility there, and I think it is important that he adhere to what he says he will do, or said he would do during the confirmation hearings, and that was that he would recuse himself from certain decisions that were to be made as it relates to Yosemite and other national parks.

Let me tell you why, and I quote the Sacramento Bee editorial of March 23: "The Wilderness Society has a long record of vigorous, independent advocacy in relation to the National Park Service," and I am quoting this editorial.

But Frampton wanted a more direct role in managing one of the park system's crown jewels. Under his leadership the society played a major part in forming the Yosemite restoration trust which, in turn, spun off a profitmaking corporation subsidiary of its own to bid on the $1.5 billion Park Service contract to manage Yosemite hotels, restaurants, and concessions.

Legally, the society, the trust, and its subsidiary are all separate entities. But in Frampton's hands the distinction between them has blurred. Frampton, for example, served on the trust board of directors and represented it in negotiations to take over the concessions. But when the trust subsidiary did not get the contract, Frampton, this time wearing his Wilderness Society hat, was one of the first to decry the decision. Whereas other disappointed bidders have accepted the results and one even wrote praises to the Park Service for its thoroughness and fairness, Frampton's trust brought suit demanding that the results be thrown out and asking that it get the contract. Frampton and the rest of the trust even wanted the taxpayers to reimburse them for their costs just for filing a bid.

The judge in the case has already announced the trust cannot win and she is 95 percent certain that she will dismiss the case summarily.

I say to Members of the Senate that this is the man who is going to oversee the Park Service. And yet, especially in an arm's length dealing supposedly in a fair judicial way when he did not get his way, he filed suit and asked the taxpayers to pay for something that if he had been awarded it he would have benefited from in a private way.

This is the gentleman who we are going to ask to be fair and we are going to ask to be balanced. My guess is it is going to be very difficult for George Frampton to be that balanced person when he has so long been the advocate.

Another concern I have, and I will speak to it later, is that I think it will be extremely important for the Senate to consider, as it relates to who is going to be George Frampton's boss, the Secretary of the Interior, Bruce Babbitt, a long-time advocate himself. The Secretary of the Interior says he will no longer be an advocate but will be a fair and balanced manager. And I will be discussing some of the things that are going on in Interior that will clearly indicate that Bruce Babbitt continues to advocate as he was, and my guess is so will George Frampton.

I will now yield such time as the Senator from Alaska will need in his discussion of this nomination.

Mr. BAUCUS. Mr. President, I understand there is no time agreement; is that right?

The PRESIDING OFFICER. That is correct.

The Senator from Alaska [Mr. STEVENS] is recognized.

Mr. STEVENS. Mr. President, I thank the Chair and I thank my colleagues.

I am happy to have the opportunity to discuss this nomination. I had the opportunity recently to meet Mr. Frampton.

As Members of the Senate know, I served some time in the Department of the Interior under the Eisenhower administration, and was Solicitor of the Interior Department at that time, too. I have had a deep and abiding interest in this Department because of its impact on my State. There is no question that it is the Department of the Federal Government that has more to do with the future of Alaska than any other.

In my discussion with Mr. Frampton, I was impressed with his responses to me. We were very frank. I am, Mr. President, a frank man when it comes to discussing the problems of the Department of the Interior. Mr. Frampton promised me he would take a balanced approach to the issues before him if he is confirmed as Assistant Secretary of the Interior for Fish, Wildlife, and Parks.

I am a realist and I assume he will be confirmed, because if there is anything else I can do around here it is count. I thing it is important that those of us from public land States make certain that we go on the record and that we inform Mr. Frampton that we want to hold him to that promise.

Mr. Frampton comes to us from one of the extreme environmental causes of the United States. He has been the president of the Wilderness Society. Being a realist and recognizing that we lost the election, the right of the President to select whomever he chooses to be an assistant secretary is clear.

But let us suppose that we had won the election and I had gone to a Republican President and suggested that the President of a major oil company be made the Assistant Secretary for Fish, Wildlife and Parks, in charge of the wildlife refuges and the parks of this country.

I am sure that my friends on the other side of the aisle would say that I was being very extreme. I want the Senate to know that I think this President has been equally extreme. He has picked a person who represents the furthest out position in the environmental argument, the most extreme person that I know of. He has to change his position from being an extreme environmentalist to a balanced administrator, and that is going to require a great deal of strength and courage and integrity to do so.

The extremely volatile organizations with whom he has worked are going to try to come in that door of his, as would the colleagues of a president of a major oil company if he were in such a position. They are going to try to pursue their special interests, as would the colleagues of the corporate president. Mr. Frampton will have to consider, as I am sure the corporate oil company president would, the national interest—and not just the special interests of his former colleagues.

I want to tell the Senate, the Wilderness Society set out in its magazine, in the spring of 1984, 10 goals for Alaska. They want to take Alaska's national petroleum reserve and make it another wildlife refuge. They want to eliminate the transportation corridor through the Brooks Range, which contains the Alaska pipeline.

Let me repeat that. They want to eliminate that transportation corridor that contains the Alaska pipeline, a pipeline that today carries one-quarter of the domestically produced oil to markets only in the United States.

I think that Mr. Frampton has to consider not only what is best for the Wilderness Society, but he now has to consider what is best for this Nation.

My State is the resource base of the future of the United States. It probably has more undiscovered, unproduced oil than all the rest of the country put together. We have mines and mineral potential that is really hard to put into a record.

If you look at a map, you will see in Siberia and Eastern Russia a series of mines. If you look at Canada, you see an equal amount of mines or greater. And in our State, you only see about 4 operating.

And yet we know from the studies in the U.S. Geological Survey, we have this great, vast, untapped potential for mineral production.

I hope Mr. Frampton has the strength, the courage, and the integrity to resist the special interests that he has previously associated with and will fulfill his promise to be a balanced member of the Department of the Interior's team.

Alaska now has over 75 percent of the land that will be under his jurisdiction. Mind you, he is a national officer, but 75 percent of the domain that he will be given jurisdiction over as Assistant Secretary for Fish, Wildlife and Parks is in one State—my State.

Alaska has 55 million acres of national parks. That is 70 percent of the entire national park system.

We have 75 million acres of national wildlife refuges. That is 85 percent of the national wildlife refuge system.

We have 58 million acres of wilderness lands in Alaska. That is 91 percent of all the wilderness in parks and 97 percent of all the wilderness in refuges.

While Mr. Frampton was president of the Wilderness Society, he supported increasing wilderness in Alaska by 100 million acres. Let me repeat that. We already have 68 percent of the Nation's wilderness. He wants to increase by 100 million acres the wilderness in our State.

Now, it does not take a rocket scientist to figure out he has to withdraw more land. Ninety-seven percent of the wilderness in wildlife refuges is already in Alaska, 100 million acres of wilderness is the size of Rhode Island, Connecticut, Delaware, Hawaii, Vermont, New Jersey, New Hampshire, Massachusetts, Maryland, West Virginia, Maine, and Pennsylvania combined. The wilderness in Alaska is already greater than all of New England.

In order to achieve the goal that he announced as president of the Wilderness Society, Mr. Frampton would have to make every acre of Alaska's refuge and park system land wilderness, designate all the national forest lands wilderness, and then take a sizable portion of the land that is open to the public—the Bureau of Land Management lands—and make it wilderness.

I have to tell you, Mr. President, since we already have 58 million acres of wilderness and 68 percent of all of the wilderness in the United States, I think he is going to have to review that.

I have here a chart that shows the percentage of the wilderness of each State. Look at the number of States. Look at the number of States that make no contribution at all.

Why should there be a national wilderness system if we have it all in one State? Do you know why, Mr. President? It is easy. We are a small State in population. We have a small congressional delegation. We represent a State that is offshore.

Every year the Wilderness Society says we have a new goal—a new goal: We are going to get *x* million acres of new wilderness. Guess where? Every year, it is Alaska. Every year, we lock up more of the resource potential for future Americans.

I think this chart is appalling enough, but look at this one, Mr. President. Look at this one. We had to put it on two charts to show you what it really means.

That is the State percentage of total wilderness designation. We have over 60 percent. The rest of the Nation has 40 percent, divided in 49 States.

Now, why—why—should the Wilderness Society president manage fish, wildlife, and parks? Well, the simple answer is we lost the election.

When it comes to wilderness, the question is: What is this man going to do to wilderness in Alaska? Since Alaska already has two-thirds of the wilderness in the country, a real balanced advocate would say: "Why can't we get wilderness somewhere else?" This advocate says: "No; I want 100 million acres more in Alaska."

When Mr. Frampton was president of the Wilderness Society, he was critical of the implementation of what is called the Alaska National Interest Lands Conservation Act. We call that ANILCA, or the Lands Act of 1980.

He called the implementation of that act a "great disappointment" on its 10th anniversary.

The difficulty is that, as a lawyer, he should know the act was implemented as the person who framed it wanted it to be implemented, the great Senator from Washington, a Democrat, the late Scoop Jackson. He drafted that legislation in a conference that lasted many, many months.

The Wilderness Society was upset that the coastal plain of the Arctic National Wildlife Refuge was open for oil and gas development, just awaiting approval by Congress of the environmental studies that were made pursuant to Senator Jackson's amendment that is contained in that 1980 act. The act specifically, under the Jackson amendment, left that plain open for oil and gas exploration because it is known to be the area of the largest potential deposit of oil on the North American continent. Now the Wilderness Society wants to close it; does not want to ever look; wants to totally eliminate Senator Jackson's amendment from the 1980 act.

In addition, they criticized the 1980 act because motorized vehicles were used in some park and wildlife refuge areas.

Guess why, Mr. President? They were used there before Congress set those areas aside as parks and wildlife refuges, and the act specifically allowed the use of "snowmachines, motorboats * * * airplanes * * * for traditional activities and for travel to and from villages and homesites" into the private lands that are contained within those areas.

Now, the Wilderness Society ought to respect the law. But Mr. Frampton declared that he wanted that stopped, the use of motorized vehicles in those park and wildlife refuges.

We are dealing with a land mass that is enormous. Look at this. That is an overlay of my State on the map of what we call the south 48. It reaches from the east coast to the west coast. It reaches from up by Duluth all the way down into an area almost to the southern border of the south 48. And this overlay shows the parks, refuges, forests, and wildlife areas that the Federal Government has set aside.

If you look at that, all of those areas we restricted by Federal law in terms of access for Alaskans and other Americans to the lands of our State, a State three times the size of Texas—over 375 million acres. By our Statehood Act we were given the right to utilize 103.58 million acres of this State, and our natives were awarded 45 million acres in settlement of their claims against the Federal Government. We have the right to use about 150 million acres of land.

But look, we are shut off from the coastline. We are shut off from the North Slope. We have the mountain ranges, we have some of the interior lands. But as a practical matter, the Federal Government reneged on its promises to Alaskans when we became a State.

Before we were able to select our lands, they set aside over 100 million acres. Now Mr. Frampton wants to say it is not enough to set them aside, they should be set into a wilderness system where they are completely unusable, except for the very rich elite, the people who can afford a twin-engine plane, to send servants in ahead of them to set up camps—as former Secretary Udall did, by the way, up in the Gates of the Arctic.

Sure, if you have Government money or private money, people of great wealth, they can use all that wilderness area. But what about the people who live there? I can tell you story after story about the Wilderness Society and what they have done to people of my State. The thing to remember is that the Congress of the United States, in 1980, protected our rights to use some of those lands for access to them, and Mr. Frampton must respect the provisions of the 1980 act when he becomes Assistant Secretary of the Interior.

In addition to that, in 1980, I put into that 1980 act what we called the forever clause. It says that the Congress forbids anyone in the Federal Government—from the President on down—

from administratively withdrawing any more lands in Alaska without the approval of Congress. The forever clause is only going to mean something if those who administer the laws understand them and respect them. I think we believed in 1980 we had reached a final resolution and a compact with the Federal Government over what lands the Federal Government was taking, what our rights would be in those lands, and what lands were left for us, the State and the Native people of Alaska to take to settle whatever claims we had in the past.

The Wilderness Society does not like the idea that Alaskans are able to visit and use these lands within the borders of our State. It is concerned that Alaskans insist on having a voice in the management of these Federal lands. They criticize me constantly for what I say about the future of Alaska, and what these Federal lands should be used for. They recently came out against the creation of a new EPA region in Alaska. Think about that. We have over half the Federal lands of the United States, we are one-fifth the size of all the United States. They put our regional office down in Seattle. Why? They do not want anyone to learn about Alaska. They just want them to come and visit and be revenuers from the south who put some of our people in jail for violating standards that have nothing to do with Alaska's lifestyle.

Why do they oppose the creation of this region? They are afraid we will take these people from EPA to specific sites.

Let me say, parenthetically, I just had breakfast with Ms. Browner, who is the head of the EPA, and if there is one appointment I congratulate the President for, it is hers. She understands and has a very open mind. She is willing to listen. I am not sure we will convince her but at least she is willing to listen and does not come into an office with the baggage of having represented the very extreme position of the environmentalist portion of our society.

I do not criticize those people who want to be extreme environmentalists. I just say they ought not to be in charge of an area that requires balance, unless they are willing to keep the promise Mr. Frampton made to me; that is, he would have a balanced approach to issues involving public lands, particularly in my State.

The Wilderness Society is afraid we will take these people and show them specific sites, make them understand that the site they are looking at is not the same as one 100 miles away or one 1,000 miles the other way. Think of that. When we go out to Dutch Harbor, that is 1,000 miles away from Anchorage. They have to come up from Seattle in order to get out there, and when they go out there, they only stay long enough until the plane goes back. In 2 hours they make their judgment and go back to Seattle. We want them to be people who get to know the area of our State. We want to have them understand the position of our people. The question is, Why should we not have the right?

The distinguished occupant of the chair is from Colorado. My friend from Montana is here. You can go and talk to the EPA people daily, go into their offices, invite them over to some other county. We see them annually. We have one-fifth of the lands of the United States. You wonder why we object so much? Alaskans ought to have the same right as every other American to petition the people who represent our Government to be reasonable, and to understand the situation they have been asked to review and decide on.

The Wilderness Society has a colonial mentality. They think we are still a colony. They do not think we should have any rights as Americans. The extreme environmentalists want to treat Alaska as a total withdrawal, really. In order to accomplish Mr. Frampton's goals as the president of the Wilderness Society, we would have to withdraw the whole blasted State.

Mr. Frampton, in his role as Assistant Secretary of Fish and Wildlife, has to recognize that my State is a State. We are here in Congress to represent the people of a State. We must be treated as a State. We are not to be treated as a colony.

Having said that, I said I am a very frank man. When Mr. Frampton was in my office I told him I was going to vote against him. Do you know why? I think he represents that extreme. And if he carries on as Assistant Secretary for Fish and Wildlife as he did as the president of the Wilderness Society, he is going to elect more Republican Senators from the West than any man in history. I told him that to his face and I tell it to him again right here. If this man does what he said he wanted to do as president of the Wilderness Society when he is Assistant Secretary of Fish and Wildlife, I am going to be on his back every single day I am a Senator.

I cannot believe that a President would select such an extremist unless he had the same promise I got, and that is the promise that as a lawyer Mr. Frampton would be fair, he would be balanced, he would dissociate himself from the goals of his former organization and he would be someone that we could rely on to faithfully observe the laws passed by Congress and approved by the President.

That is not as tough as I would like to be but there are rules that apply to a Senator speaking on the floor of the Senate. I am one who spent a long, long time on that 1980 act. I voted against it because I thought it was unfair to my State. My good friend, Senator Jackson told me it was the best we would ever do and he was right. He was fair to us. We were not completely denied our goals. We did not achieve them all. But I do not want someone from downtown, in the Department of the Interior, emasculating the agreement that was made by the Congress at the urging of Scoop Jackson, Senator Jackson of Washington, with regard to the public lands in my State.

I hope Mr. Frampton is listening, or at least will read what we are saying. And I hope my colleagues will join me in insisting that this new administration observe the laws that have been passed by Congress and that we carry out and really meet the goals that were established by my good friend from Washington with regard to the use of lands in my State.

(At the request of Mr. STEVENS, the following statement was ordered to be printed in the RECORD at this point:)

• Mr. MURKOWSKI. Mr. President, I rise today to speak in opposition of the confirmation of George Frampton, Jr., for Department of the Interior Assistant Secretary for Fish, Wildlife, and Parks.

Mr. Frampton has been nominated by the President of the United States for the position of the Department of the Interior Assistant Secretary for Fish, Wildlife, and Parks. If confirmed, he will have management authority over all national parks and wildlife refuges and will be a major policymaker on all endangered species issues.

The Assistant Secretary for Fish, Wildlife, and Parks has a huge impact on Alaska. Allow me to explain.

Alaska has 51 million acres of national park lands. That is 70 percent of all national park lands nationwide and 15 percent of the lands in my State.

Alaska has 76 million acres of U.S. Fish and Wildlife Service lands. That is 85 percent of all Fish and Wildlife Service lands nationwide and 21 percent of the lands in my State.

The total of the two agencies' lands in Alaska is 127 million acres. That is a combined area larger than any other State in the Nation except Texas. It is also over one-third of the land of Alaska.

When all Federal land management agencies are added up, 70 percent of Alaska is owned by the Federal Government and managed by the Federal Government in Washington, DC.

If the land owned by the State of Alaska and Native corporations is included, the result is that less than 2 percent of the land in Alaska is privately held by individuals.

It is clear that for Alaska to survive, to take advantage of its abundant natural resources, it must have access to the Federal lands. To lock up the Federal domain in Alaska is to destroy the economic base of Alaska and to condemn the people of my State to a future of economic dependency rather than self-sufficiency.

Continued access and use of our resources in the hope of economic self-sufficiency was the promise of statehood.

If confirmed, nearly every decision Mr. Frampton will make regarding Alaska's parks and wildlife refuges will affect the lives and livelihoods of hard-working people of Alaska.

He will make decisions on development of inholdings, access to our national parks, subsistence, and resource use on Federal lands under the jurisdiction of the National Park Service and the U.S. Fish and Wildlife Service.

Alaska became a state just 34 years ago in 1959. We were assured through statehood the opportunity to fulfill our economic destiny, to use our resources as an economic base with which to carve a home in the remote Alaska frontier. We have only begun.

Alaska is in a position to wisely develop its natural resources. We have better development technology today and we have the advantage of being able to learn from past mistakes.

We are hopeful about the opportunities to fulfill our economic destiny, to wisely and safely develop our mines, harvest our forests, and produce our oil. To provide energy to the Nation, wood for homes, coal for power, and minerals for industry throughout America.

We are also hopeful about the opportunities for others to come to Alaska to enjoy and simply experience our magnificent scenery. We depend on the dollars brought here by 700,000 visitors to Alaska each year. We take our commitment to tourism seriously and would not jeopardize their experience.

Resource use and recreation can be balanced on Alaska's public lands. But there must be balance. To lock up Alaska in more wilderness and stop resource development would destroy our economic future.

Mr. Frampton's nomination was jointly referred to the Senate Energy and Environment Committees.

At his confirmation hearing in the Energy Committee, I was not satisfied with his answers on Alaska issues, nor with his written responses after the hearing.

He has in the past, vigorously opposed responsible development of the oil and gas resources of the coastal plain of the Arctic National Wildlife Refuge, despite the reliance of my State on exploration and development of petroleum and the decline in production of the Prudhoe Bay oil field.

He has shown no willingness to increase access to the national parks and refuges. I am not satisfied that he will work to protect the private property rights of inholders within parks and refuges.

Alaska has 170 million acres of wetlands. That is nearly twice the amount of wetlands in the rest of the United States. Nearly every development project in Alaska requires a wetland permit. But the permit process doesn't work in Alaska—communities cannot grow, schools cannot be built, and roads cannot be constructed. Alaska is working with the administration for a reasonable solution to wetlands permitting and to relax mitigation requirements for wetlands development in States like Alaska that have an abundance of wetlands and have developed less than one percent of their original wetlands. But Mr. Frampton has called for a rejection of the so-called Alaska rule.

There are 57 million acres of wilderness already designated in Alaska. That is larger than the State of Idaho and is 60 percent of all the wilderness designated in the United States. Alaska doesn't need any more wilderness or restrictive land use designations. But Mr. Frampton does not agree. He would support additional wilderness designations in Alaska.

He has attacked the timber and mining industries, and would favor a federal royalty on hardrock mining that could be as high as 12.5 percent and could put the U.S. mining industry out of business.

He is not balanced in his views on resource development. He simply does not represent the hard working people of my State whose economic future depends on the environmentally sound development of natural resources.

These are all substantive reasons for my opposition of Mr. Frampton's confirmation. There is one additional issue I would like to raise about Mr. Frampton's confirmation. This is an issue of judgment.

When Mr. Frampton was employed at the Department as a consultant, prior to confirmation, he wrote at least two memos directing Department of Interior employees to accomplish specific tasks and assigned deadlines for completion.

Mr. Frampton appeared to be acting as Assistant Secretary before his confirmation by the whole Senate. The Energy Committee was sufficiently troubled by his actions that Chairman BENNETT JOHNSTON and ranking member MALCOLM WALLOP conducted an investigation of the ethical and legal implications of his actions.

After reviewing the results of the committee investigation, it is my opinion that these actions were clearly contrary to his role as an advisory consultant and are in conflict with the constitutional appointment powers of the President and the role of the Congress to advise and consent. His actions, prior to confirmation by the Senate, indicate a cavalier disregard for the Senate Energy Committee, the entire Senate confirmation process, and the Constitution of the United States.

Mr. President, I have examined Mr. Frampton's past statements as President of the Wilderness Society. As a member of the Senate Energy Committee, I have considered his nomination and explored his positions on a number of resource issues affecting Alaska and the Nation. And I have considered the results of the Senate Energy Committee investigation into his actions while a nominee for Assistant Secretary at the Department of the Interior.

I believe that Mr. Frampton remains an advocate of policies that are inconsistent with responsible development of the Western United States and specifically Alaska. I have had no indication from Mr. Frampton that he will work with the people of Alaska to develop the resources of our State and fulfill our economic destiny. I remain concerned about his judgment.

Mr. President, I will vote against the confirmation of George Frampton, Jr., as Department of the Interior Assistant Secretary for Fish, Wildlife, and Parks.●

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, I rise in support of the nomination of George Frampton to be Assistant Secretary for Fish and Wildlife and Parks. As chairman of the Energy and Natural Resources Committee, we bear cojurisdiction with the Environment and Public Works Committee of this nomination, and we reported this nomination, and we reported this nomination out by a vote of 13 to 5.

Mr. President, the hearing on a nominee serves at least four different functions: First, you determine whether or not a nominee is qualified. Does he have the skill, the intelligence, the experience, the background, and the knowledge of the field to which he is appointed?

In this case, George Frampton clearly has the qualifications for the job of Assistant Secretary for Fish and Wildlife and Parks. He is highly intelligent, a distinguished lawyer. He has an outstanding education. He has been chairman of the Wilderness Society for 7 years, studied deeply, and written in this field. So in terms of qualifications, he clearly has what it takes to be Assistant Secretary.

Second, we look at disqualifications. Has he done anything of such nature as to disqualify him? There was some thought initially that he had performed duties as a contract employee that would disqualify him. We very carefully looked into that. We got opinions from lawyers and ethical opinions. It was very clear that what he did as a contract employee did not violate any of the standards, and I believe that all, or certainly the vast majority, of those on the committee were satisfied as to that.

The real inquiry here, which is the third function we perform in hearings of this sort, is to determine philosophy, particularly in this question where westerners are so sensitive about the public lands and where the Assistant Secretary for Fish and Wildlife and Parks has such an important role to play on endangered species, on parks, on wilderness areas—all of those areas. It is a very, very important function. So all of our members, and particularly our Western members, were highly interested in what Mr. Frampton was going to say, what his philosophy was.

For my part, I was satisfied that Mr. Frampton will not only be acceptable; he will be very good. We have to understand that his role as president of the Wilderness Society is a separate role completely from being Assistant Secretary of the U.S. Department of the Interior for Fish and Wildlife and Parks.

It reminds me of that old story about the lawyer who argued a case in the morning before the judge and argued one side of a point of law very strongly. He came in that afternoon. He had a different client, and he argued exactly the opposite point of law. And the judge asked, "How can you do that, Mr. Lawyer, arguing different sides of the same point of law?" And the lawyer said, "Well, judge, this morning I thought I was right, and this afternoon, I know I'm right."

It simply illustrates the fact that Mr. Frampton's role as president of the Wilderness Society was representing a very important, very distinguished environmental group, to be sure, but nevertheless representing one side of an equation, one side, if you will, of a lawsuit, one side of a contending group, contending for the attention of Americans. His role as Assistant Secretary is much like that of a judge, who must be evenhanded, who must take the experience he has received, the education, the knowledge he has gained in all these years and apply that in a judicious way, keeping in mind his mandate from the President of the United States and what the President of the United States has said, keeping in mind what he has said during his confirmation proceeding, keeping in mind what he said to distinguished Senators, like the present occupant of the chair, who I know had long discussions with him about his sensitivity about issues in the West, and the distinguished Senator from Alaska, who just spoke.

All of that is brought in as part of his experience and part of the background on which he will make his judicious decisions as head of the Department of Fish and Wildlife and Parks.

So, Mr. President, I, for one, am very much convinced that he will not only be an acceptable Assistant Secretary; I think he will be a great Assistant Secretary. We have already found that with the Secretary of the Interior himself, Bruce Babbitt, who came from a similar background. He had been head of the League of Conservation Voters, indeed, which is also a very, very distinguished environmental group, but one side of a contending set of issues in our country. I think we have already seen that Secretary Babbitt is getting very high marks from me, from westerners, as well as from environmentalists.

I think it helps to have been involved in the fights about development versus environmentalism, because by having been involved in these fights, then you understand the issues full well and you understand both sides of the issues, even though you have been fighting for one side or the other, as Mr. Frampton has been and, indeed, Mr. Babbitt did, both so eloquently and so skillfully in their previous incarnations.

The fourth purpose we achieve in these hearings is to sensitize the nominee to some of the issues he will have to face, to sensitize him or her to the concerns of not only members of the committee, but the larger Congress and the larger Senate.

Believe me, Mr. President, Mr. Frampton has been fully sensitized to these issues. You have heard the distinguished Senator from Alaska, who had long and hard discussions with Mr. Frampton, and as the Senator from Alaska said, he got commitments from him and he will seek to hold Mr. Frampton's feet to the fire. That is part of the process; that is part of the useful process in having hearings on these nominees.

Suffice it to say, Mr. President, that our committee—which is heavily influenced, if not dominated, by Westerners and all of the public lands concerns which they have—after all of those hearings, after this process of determining qualifications and disqualifications and philosophy, and after the process of sensitizing, our committee voted overwhelmingly, 13 to 5, for Mr. Frampton.

I think he is going to be an outstanding Assistant Secretary. I will be highly disappointed if he is not, but I expect that he will be, as I say, not only acceptable, but very, very good.

I commend him to my colleagues.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I rise in support of George Frampton's nomination to be Assistant Secretary of Fish and Wildlife and Parks in the Interior Department. Mr. Frampton has been chosen to oversee both the Fish and Wildlife Service and the Park Service. I must say, I speak personally as an enthusiastic user, with my family, of the national parks and the wildlife refuges. I am delighted that Mr. Frampton has been selected for this post.

As Assistant Secretary, he will play a major role in the implementation and reauthorization of both the Endangered Species Act and the Clean Water Act's wetlands protection provisions.

He will also be responsible, Mr. President, for making decisions on the acquisition and the management of lands within the National Wildlife Refuge System and the National Park System. These decisions will have a major impact on whether and how critical natural resources are conserved for future generations.

Mr. President, the committee on which I sit, the Environment and Public Works Committee, as perhaps our chairman has already pointed out, has joint jurisdiction with the Energy Committee over this appointment. Our committee reported out Mr. Frampton's nomination favorably and unanimously, all Republicans and all Democrats voting for him. I joined, as I say, enthusiastically in this vote. I believe it to be an excellent appointment.

I must say, Mr. President, I have a little difficulty following some of the discussion here where it involves wilderness areas. I have heard that term come up several times. Mr. Frampton will have nothing to do with wilderness areas except those wilderness areas that are actually within a national park or national wildlife refuge. These areas do not comprise the great bulk of wilderness areas. They are just not under his jurisdiction.

In my view, Mr. Frampton's record demonstrates that he has the experience and the commitment to meet the challenges of the post to which he is being appointed to. He is the former president of the Wilderness Society and a prominent environmentalist. He has a broad range of experience beyond the environmental area, and I think we ought to recognize that. Before joining the Wilderness Society, he worked as a law clerk for a Supreme Court Justice. He was an assistant special prosecutor for the Watergate special prosecution force, and he was a partner of a prominent Washington, DC, law firm for some 9 years.

Mr. President, Secretary Babbitt, I believe, is off to an excellent start in his attempts to find innovative ways to assist private landowners and communities in complying with the Endangered Species Act while avoiding the so-called train wrecks which he has pointed out. So I look forward to working with Mr. Frampton as he continues this approach, and I urge my colleagues to support his confirmation.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, one of the roles that George Frampton will play in his new position is overseer of our National Park System. I had mentioned in earlier comments my concern about the relationship he had held as president of the Wilderness Society and on the board of directors of an adjunct of that group that had made bid to operate the concessions in Yosemite. I think it should be of concern. Whether it is of issue here, obviously, the record ought to bear that this man may have found himself in a conflict that really speaks to the integrity of the individual.

I say that because, as he supported an organization that made bid to be the manager and operator of the concessions that deal with hotels and restaurants and visitor facilities inside Yosemite National Park, he also said a very interesting thing in the Washington Post in May of 1988. If you visit a national park and like to stay at a hotel or a motel inside the park itself, George Frampton thinks that you should be backpacking there instead. In 1988 he said, "Motels and hotels and that kind of thing should go outside the national parks."

Now, that was 1988. In 1992 and 1991, he was doing just the opposite. Because he or his organizations might stand to gain financially, he was making bid to operate a multimillion-dollar facility inside Yosemite National Park.

I ask unanimous consent to have printed in the RECORD an editorial from the Sacramento Bee entitled "Tangle Over Yosemite," which speaks of that very conflict in which Mr. Frampton found himself.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Sacramento Bee, Mar. 18, 1993]

TANGLE OVER YOSEMITE

President Clinton has nominated George Frampton as Assistant Secretary of the Interior to oversee parks, fish and wildlife. As the former head of the Wilderness Society, Frampton might be a good choice—but first he has to get clear of the tangle he's created over Yosemite National Park.

The Wilderness Society has a long record of vigorous, independent advocacy in relation to the National Park Service. But Frampton wanted a more direct role in managing one of the park system's crown jewels. Under his leadership, the society played a major part in forming the Yosemite Restoration Trust, which in turn spun off a profit-making corporation subsidiary of its own to bid on the $1.5 billion Park Service Contract to manage Yosemite's hotels, restaurants and other concessions.

Legally, the society, the trust and its subsidiary are all separate entities. But in Frampton's hands, the distinctions between them have blurred. Frampton, for example, served on the trust's board of directors and represented it in negotiations to take over the concessions. But when the trust's subsidiary didn't get the contract, Frampton, this time wearing his Wilderness Society hat, was one of the first to decry the decision.

Whereas other disappointed bidders have accepted the results, and one even wrote praising the Park Service for its thoroughness and fairness, Frampton's trust brought suit, demanding that the results be thrown out and asking that it get the contract. Frampton and the rest of the trust even wanted the taxpayers to reimburse them for their costs just for filing a bid.

The judge in the case has already announced that the trust can't win, and she is "97 percent certain" that she'll dismiss the case summarily. Don Green, the trust's executive director, agrees that the suit is dead. Instead, he's now lobbying Congress to get from the political system what the courts under law will not grant—the Yosemite contract.

Frampton clearly has a conflict of interest. He's already quit the trust and officials at Interior say he has promised not to participate in any decisions involving the trust, the Yosemite contract or the Wilderness Society. But they aren't sure how much that pledge covers or what it might do to his effectiveness as assistant secretary. Will he, for example, be excluded from having anything to do with Yosemite or with that apply as well to everything else in which the Wilderness Society is involved?

There may be no need for Frampton to withdraw from the nomination. But he's got a lot of questions to answer when he comes up for confirmation. By tangling the lines that legitimately separate the Park Service, its contractors and an advocacy group such as the Wilderness Society, Frampton's poor judgment appears to have created the kind of confusion that threatens to undermine the integrity of them all. That confusion has to be cleared up before he can serve credibly and effectively.

Mr. CRAIG. I expressed earlier my concern as it relates to the role of an advocate versus the role of a fair and balanced decisionmaker, and I think we all recognize the difference between the two and the importance of both. It is not that I criticize; it is that I express concern. Can a person in the blink of an eye or in the time of one month to the other pull one hat off and put the other hat on? As my colleague from Louisiana jokingly spoke of the attorney who argued both sides of an issue in one day, was he fair and was he balanced? Well, I guess time will only tell in this instance if Mr. Frampton can operate in that form.

But in Idaho, in Oregon, In Washington, and on the western slopes of Montana, in the course of the next year and half or two, some very, very critical decisions are going to be made as they relate to a species of salmon that is either endangered or listed as threatened, and what I am talking about is, of course, the salmon of the Snake and the Columbia systems, two major rivers in the Pacific Northwest, of which most of the lands of Idaho and part of Oregon and Washington and parts of Montana are the habitat and the drainage areas.

The national marine fisheries will be putting together a mitigation plan to save this very important species of fish. The U.S. Fish and Wildlife Service will play a major role in determining the implementation and the effectiveness of that plan, and all of these agencies will have to work together to solve this problem. But it just so happens that every acre of public land on which trees are grown and minerals are found and cattle and sheep graze and people recreate in my State comes under this jurisdiction. Depending on how this mitigation plan comes out, depending on how George Frampton will participate and decide—and we already know how he once participated as an advocate on the spotted owl and put 30,000-plus people out of work—literally hundreds of thousands of people could—and I repeat could—lose their jobs.

We are talking about hydro facilities in the Snake and Columbia system. We are talking about major barge and transportation facilities on which millions and millions of bushels of grain from the State of Montana flow out to the Pacific rim, and from Idaho and Oregon and Washington; irrigation systems throughout the entire area—all of those things wrapped up in decisions that are going to be made in the course of the next several years on which will largely depend the long-term future of a State like Idaho, parts of Montana, Oregon, and Washington.

Mr. Frampton is going to be right there in the forefront making some of those decisions.

Now, why is this Senator from Idaho concerned? Why am I standing in opposition to this nomination today? Because of the future? No. But because of the record of the past. I do not believe that Mr. Frampton can take one hat off as an advocate and put another hat on as a fair and balanced manager and make the kinds of decisions that will keep Idaho's farmers farming, Idaho's recreational people recreating, Idaho's loggers logging, Idaho's miners mining, all of Idaho's streams clear and beautiful, and all of those kinds of balanced approaches that we in Idaho have been able to achieve over the years in direct public policy legislation crafted by the Senate and the House.

Those are important decisions to be made and decisions that will have long-term impact upon my State.

How do we handle it? Well, we know that this administration is going to work at handling it, but Mr. Frampton will be one of three very important people in the Department of the Interior who will be part of formulating policy, part of rules and regulations, making decisions on what the regulations may be, how they are to be implemented. All of those become very key public policy issues.

Let me talk of an area of concern because I know many are convinced that you can in fact take one hat off and put another hat on and become two different people all in a moment of a time and a change of title. I find that difficult to do, and I think it is nearly impossible to do.

When Secretary of the Interior Bruce Babbitt was before us and I asked him that question, "Can you as a former president of the League of Conservation Voters become Secretary of the Interior and change your hat?" he assured me he could.

Yet I find out now that there are memos afloat in the Department of the Interior asking that the BLM come up with the worst example of mining so that those can be used as advocacy points in arguing changes in the 1872 mining law from the Secretary's point of view; that there is an effort now to go out and find the worst-case example of grazing or the impact of grazing on public lands so that those can be used as examples to show how bad grazing of livestock on public lands are.

That is not balanced. That is advocacy of a position. That is advocacy of an approach or an idea. That is not the kind of balance that Secretary Babbitt assured us he would aspire to.

Now we are being assured today by my colleagues that Mr. Frampton can gain that balance. If he could gain the balance, my guess, I would have to reasonably argue that his boss, the Secretary of the Interior, would argue that maybe he should not, that maybe he really ought to continue to go out and find and secure those thoughts or those examples so that he could remain the advocacy of a given position.

I am extremely disturbed by that. I recognize the kind of impact that could have long-term on all of our public-land States.

Idaho, and the West are known for their beauty. They are known for their uniqueness. Some 64 percent of my State is public lands. Therefore, 64 percent of my future is largely determined by the policy crafted by the U.S. Senate and implemented by the Department of the Interior, the U.S. Fish and Wildlife Service, parks, or USDA through the Forest Service, and by those who are responsible for administering those policies.

That is the George Frampton we talk about today. That is going to be his role. That is his job. That is what he aspires to. That is why I am disturbed because of a past record, because of very inflammatory statements about the strong advocacy role he has played, and, of course, what he might do as the direct Assistant Secretary of this most important position for fish, and wildlife, and parks.

Mr. President, I have no further request for time on my side. I will retain the remainder of my time and yield to my colleague.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, a couple of points. First, I am happy to hear that no more Senators on the other side of the aisle wish to speak on this nomination. I am unaware of any others on our side who wish to speak. It is my hope, therefore, that we could very quickly move to a vote on the nominee.

I urge Senators who wish to speak on the nominee to quickly come to the floor because I think we will have a vote very shortly.

Mr. President, I think that it is interesting to hear about memos floating in the Department of the Interior trying to find the worst case of mining abuse or the worst case of grazing abuse, when it is also important to remember that Mr. Frampton is nominated to be Assistant Secretary for Fish and Wildlife and Parks, not for Lands and Management. The various memos afloat with respect to mining abuses or any memo afloat with respect to grazing abuses has nothing to do with the jurisdiction of the Assistant Secretaryship for which Mr. Frampton has been nominated.

Mr. Frampton has been nominated Assistant Secretary for Park Service and also Wildlife Service, and it is true that there are some questions with respect to the Endangered Species Act that have to be dealt with by Mr. Frampton if he is Assistant Secretary. But mining issues are not in the jurisdiction of Mr. Frampton, nor are the grazing fees an issue.

Mr. CRAIG. Mr. President, will my friend yield for a moment?

Mr. BAUCUS. Yes.

Mr. CRAIG. Mr. President, my colleague from Montana is absolutely correct. The point I was making is that we had the pledge of the current Secretary, Bruce Babbitt, that he would no longer be an advocate, he would be a judicious manager. My point is that it appears there is an effort to build information to continue to play an advocacy role.

The point of my discussion today about George Frampton was the very effective role he has played for the last good number of years as an advocate of a position. I do not criticize him for that. I happen to disagree with him. But he was very good at what he did. The point of discussion here is, will he continue to be an advocate or can he take that hat off and put the other hat on?

It was not my intent to suggest that he is behind these memos that I am told are about at this moment. My point was to suggest that that is an approach and style that is currently underway in the Department of the Interior that Mr. Frampton will become a part of as one of the top three management people in that department when he is so confirmed by the Senate.

That was the point.

Mr. BAUCUS. Mr. President, I appreciate the point of my good friend from Idaho.

Mr. President, a couple of other quick points. The real question is what is the role of the Senator under the advise and consent responsibilities under the Constitution? Every Senator asks that question and every Senator tends to answer that question a little bit differently. But I personally believe that the general answer to that question is that it depends upon the office that is in question.

Generally it depends upon whether the nominee has been nominated for an executive branch position or whether the nominee is to be nominated for an article III, that is judicial branch, position.

We must remember that William Jefferson Clinton was elected President of the United States, but not George Herbert Walker Bush. President Clinton was elected President, not President Bush. And, as President of the United States, I think most Americans believe that generally he should be given the right to nominate his people for his team. After all, he was elected President. He ran on certain issues, and he won in my State of Montana. He got more votes than did the other candidates. I know he got more votes in the State of Colorado.

The present occupant of the Chair represents the State of Colorado. I think not only do the people in the State of Colorado and the people of Montana, but the people across the Nation generally believe that when a President is elected that by and large he should be afforded the opportunity to put his team together, to nominate his people.

Next, I raise the question, What is the role of the Senate in the confirmation process? I generally believe that with respect to executive branch nominees that we Senators have really three questions that we have to ask ourselves. The first is, Does the nominee possess the requisite competence to do the job? Is he or she competent?

I think it is clear from Mr. Frampton's background that he is competent. There is no doubt about his competence. He knows these issues. He is deeply involved with them.

In fact, as the Senator from Louisiana pointed out, in many respects it is better to have somebody who has been deeply involved in this area than to nominate somebody who does not know anything about the area, because then that person cannot be charged with the one side of the issue as opposed to the other side of the issue. It is clear that George Frampton is competent.

The next question we have to ask ourselves I believe is: Does he possess the requisite integrity? Does the man possess the integrity to do the job?

There are some mild questions here. The Senator from Idaho raised one about potential conflict of interest. But I think it is very clear, based upon the hearings and the record and the various committees, that there is no question with respect to conflict of interest or integrity in any way that rises to the level of a serious question as to whether or not he should be nominated. That is not an issue here.

So if he possesses the competence, if he is competent to do the job, if he possesses the requisite integrity, to me that means we should ask ourselves the third question. The third question for this Senator is, Are his beliefs generally in the mainstream of American thinking, or are they just so outrageous, so off the wall, even though he or she is competent, even though he or she is honest, that the person should not be confirmed by the U.S. Senate?

I believe, and I think most Americans believe, that even though he has been an advocate in the past as president of the Wilderness Society, that he is in the mainstream. He is not advocating the whole United States be a wilderness. He is not advocating that every species on the face of this Earth be listed as a species whether or not it is endangered. Those are the extreme positions. He is not advocating extreme positions. He has been an advocate rather—at least as President of the Wilderness Society—of issues that generally involve protecting the environment of the United States.

I think that we have to give the President much more his due on executive appointments than we do on judicial appointments. On judicial appointments I think the U.S. Senate not only has the right, but it has the obligation and the duty to scrutinize nominees much more closely because after all the President has then appointed somebody to the third branch of Government; not somebody to be on his team, but somebody who is going to be on another team.

The judicial branch is the branch that is going to be interpreting the laws that the Congress passes, or passing upon actions that the executive branch might take. When we examine a judicial nominee, particularly a Supreme Court nominee, then I think this body has a much greater obligation to scrutinize that nominee much, much more closely than the assistant secretary for an executive position. I think Mr. Frampton generally passes—not only generally, very definitely passes the three tests very easily. After all, it was Mr. Clinton who was elected President, not George Bush or Ross Perot or somebody else.

Therefore, I think we have a large obligation to give the President, generally, his due, because I think it is clear that if we reject Mr. Frampton, the President will probably name somebody else from a similar background. He has that right. He has the right to do so. In fact, I would expect him to do so, and most Americans would probably expect him to do so, which is evidence why the U.S. Senate should focus much more on competence and integrity and a little bit less on executive branch nominees and the beliefs of that person in a prior role or position.

The real question here is whether George Frampton has the balance—we do not know if he is going to have the balance—whether he will look at the issues fairly and evenhandedly. He says he will be balanced, and evenhanded, and fair. But as sure as I am standing here, I am quite certain that there will be a good number of Senators, including this one, who will be watching him very, very closely. If Mr. Frampton turns out to be not balanced, evenhanded, or fair, I think that this body and certain Senators in this body will take appropriate remedial action.

There are various ways to deal with problems, and I highly expect that Mr. Frampton is watching these proceedings, and he is getting the message. And he certainly got the message when he spoke to various Senators, including this Senator, that questioned whether he would be balanced and fair. He told us he would be balanced and fair, but the proof is in the pudding, in the eating of the pudding. We will see.

Based upon all of the evidence that we have at this time, I think, frankly, this body has no choice but to not only vote to confirm Mr. Frampton, but to vote to confirm Mr. Frampton with enthusiasm and vote to confirm him, wishing him very good luck, because he has a very difficult job to perform, and we will be working with him to help him perform his duties in a very evenhanded and balanced manner. Mr. President, I urge the Senate to vote for the confirmation of George Frampton.

Mr. GRAHAM. Mr. President, I join my colleagues in support of the nomination of George Frampton to be Assistant Secretary of the Interior for Fish and Wildlife and Parks. As chairman of the Subcommittee on Clean Water, Fisheries and Wildlife of the Committee on Environment and Public Works, I am vitally interested in this nomination. In his new position, George Frampton will be responsible for the Fish and Wildlife Service and the National Parks. He will be responsible for protection of endangered species, the management of the National Wildlife Refuge System, and the conservation of wetlands and sports fisheries.

Because the subcommittee will be considering legislation relating to the Endangered Species Act this fall, it is important that we have in place at the Department of the Interior a person with the knowledge, experience and judgment to help the Congress in addressing the difficult issues we will face. I believe in George Frampton we have that person.

As sponsor of legislation that would provide the National Wildlife Refuge System with its own organic act and establish purposes and planning for the system, I am also eager to have in charge of this system a person who understands the importance of wildlife refuges to the protection of threatened and endangered species. This is a diverse system that is failing in its central purpose. In his last 7 years as president of the Wilderness Society, Mr. Frampton demonstrated great leadership and appreciation for the National Wildlife Refuge System. It is my hope that with Mr. Frampton in charge, that system will begin again to fulfill the original dreams of President Teddy Roosevelt.

There are some who have expressed concerns over Mr. Frampton on the very basis of his experience with the Wilderness Society. They have expressed concern that he may fail to appreciate the need to balance environmental concerns with economic realities. Those who express these concerns believe in a false dichotomy. Sound environmental and economic policies go hand in hand.

George Frampton believes this as well. Before the Environment Committee, in response to questions about his appreciation of multiple use of Federal lands, Mr. Frampton reminded the committee that he would be working with a former Western Governor, Bruce Babbitt, who also understood the need for balance. Mr. Frampton testified that he believes we must take into account the economic realities and the lives of people and the future of communities. He understands when you talk about protecting an ecosystem, that people are part of that ecosystem as well.

In my discussions with George Frampton about the problems that have befallen the Florida Everglades and Florida Bay, I have found him to possess a keen understanding of issues and a willingness to listen to all sides. I believe that he will be a strong administrator who will work to bring efficiency and coordination to Federal efforts to protect the environment.

George Frampton has degrees from Harvard Law School, the London School of Economics, and Yale University. He served as law clerk for Justice Harry A. Blackmun. This is a man who understands and can appreciate the complexities of issues and the need to address them in a forthright and effective manner. Those who would paint him as an environmental extremist simply do not know the man.

George Frampton has demonstrated that he has the experience and qualifications for the job. He also has the right temperament and judgment to build consensus over the difficult issues he will face.

I urge my colleagues to support the nomination of George Frampton as Assistant Secretary of the Interior for Fish and Wildlife and Parks.

Mr. D'AMATO. Mr. President, I rise today to speak on the nomination of George Frampton as Assistant Secretary for the U.S. Fish and Wildlife Service of the Department of the Interior. Mr. Frampton is not the main subject of my concern; instead, I speak on an important issue regarding Floyd Bennett Field, which is part of Gateway National Park, on Long Island, NY.

The Interior Department has refused to permit the Federal Aviation Administration to explore the possible construction of a terminal doppler weather radar at Floyd Bennett Field. This 135-foot radar would detect potential wind shear problems at JFK International Airport, several miles to the east of the field. After being turned down by Interior, the FAA was forced to search for alternative sites in densely populated residential neighborhoods, finally choosing a site in the middle of North Bellmore, Long Island.

My constituents in the Bellmore, Wantagh, and Merrick neighborhoods, as well as other close-by areas, are justly opposed to the addition of a new, additional source of electromagnetic radiation literally in their backyards. It is unreasonable for Interior to refuse to permit the FAA to consider using an unpopulated site for a radar, when the result is to possibly jeopardize the public health of thousands of people. When we balance the equities, the well-being of people must take precedence over matters such as landscape aesthetics. Moreover, Floyd Bennett comprises only 1,450 acres—5.6 percent—of the total 26,000 acres of Gateway National Park.

On June 9, I joined with Congressman PETER KING to write the National Park Service asking them to work with the FAA. The June 17, reply we received from the Park Service's regional director stated that the radar would have a "* * * significantly negative affect upon the landscape, the aesthetics and the historic scene of Floyd Bennett Field." I was also informed that Gateway National Park is the Yellowstone for New Yorkers unable to visit other national parks.

I support Gateway National Park, and I want New Yorkers to have an opportunity to enjoy using it, but most New Yorkers don't expect to see Old Faithful when they visit Floyd Bennett Field. Floyd Bennett is not pristine parkland, and never was.

Floyd Bennett Field is a historic airfield that was used by famous early aviators such as Charles Lindbergh, Amelia Earhart, and Douglas "Wrong Way" Corrigan. In 1933, Wiley Post took off from the field on the first solo flight around the world. On July 10, 1938, Howard Hughes departed from Floyd Bennett Field on his record breaking around the world flight. From 1942 to 1971 it was used as a Naval Air Reserve training facility.

The Floyd Bennett Field of 1993 contains airstrips, pavement, roads, hangers, warehouses above ground fuel tanks, boat ramps, and a Job Corps training center specializing in masonry work. A U.S. Coast Guard Air Station is there complete with helicopters, hangers, aircraft and equipment, as well as a new U.S. Armed Forces Reserve Center. The New York City Police Department air operations is located there, with its helicopters and hangers. A pre-existing tower located on the field is 65-feet tall, and the park's visitors center has a 48-foot-tall control tower. Most recently, Floyd Bennett was used by the New York City Police Department and the Coast Guard to deploy search and rescue helicopters when the freighter *Golden Venture* went aground off the Rockaways and dozens of illegal immigrants attempted to swim ashore.

It is a shame when two Federal agencies cannot work together to address a serious public issue such as the placement of this FAA radar. The public has been caught powerless between these agencies, and has had to organize strong protests to elected officials to make its opposition heard.

The Interior Department should not be able to use its Federal presence on Long Island to prevent FAA from even considering a site. As much as Interior might like to pretend that Gateway National Park is Yellowstone National Park, Gateway is adjacent to a major airport whose safety would be enhanced by this weather radar.

Long Islanders make many sacrifices to accommodate the airport, enduring increasing traffic and noise. Having a radar placed in their backyards, when unpopulated, improved Federal land is available is not the way the Federal Government should treat taxpayers.

Mr. President, I urge the Department of the Interior to give this matter its immediate attention.

Thank you, Mr. President.

Mr. SIMPSON. We have been considering the nomination of George Frampton to be Assistant Secretary for Parks, Fish and Wildlife at the Department of the Interior. This is a particularly important post for Western State Senators. The decisions and policies made by the Assistant Secretary have the potential to dramatically affect the lives of westerners because we have so much public land in our States. Wyoming has the largest amount of wilderness in the lower 48 States. We are home to Yellowstone National Park. My State is home to Grand Teton National Park. We have several wildlife refuges and substantial Bureau of Land Management lands.

I think it is so important to point out that many of my constituents are very concerned that George Frampton may not be sensitive to Western land use issues or to the concept of multiple use, which was on the books long before George Frampton or ALAN SIMPSON came to this place.

This is especially true as it relates to the management of wildlife on Federal refuges and Federal lands. We in the West have seen the abuses of the Endangered Species Act, where endangered or threatened species have been used as pawns to justify unpopular or unnecessary land use decisions. We trust George Frampton will not condone or encourage such practices.

At one time we had over one-sixth of Yellowstone Park closed to public access in the name of grizzly bear protection. That serves only to alienate the public and to erode support for the Endangered Species Act. They said we could not go over a particular area because of grizzly hibernation. When you drive over 12 feet of snow with a snowmobile in the middle of winter, you really do not disturb grizzly bears too much when they are 12 feet or 8 feet down under the snow.

In another instance, the National Park Service decided to ban boating and kayaking on the rivers and streams in Yellowstone. They prohibited motor boats or canoes because it would erode the shoreline in a lake 8,000 feet in altitude, but, on a clear August day, the wind might cause waves 2 to 3 to 4 feet at this lake. Nevertheless, it was asserted that motor boats would erode the shore.

That latest great caper to prevent boating and kayaking, was ascribed to the protection of endangered species such as the whooping crane and the wolf. The only problem with that rationale was that neither of those species existed at the park at that time. This type of dishonesty cannot be tolerated. If the Interior Department is going to make a policy decision, they should be honest about why they are doing something instead of hiding behind the Endangered Species Act or some other wildlife management issue.

I have visited with George Frampton about these concerns. He seemed to understand what I was saying. Only time will tell how this administration will manage public lands in the West. We are very concerned. When dealing with this administration, we thank heaven have some Democrat, and Western Governors who understand these issues. They might help provide the needed balance. That may save us a lot of pain. But if this administration does not take into account the concerns of the people who live near these public lands, who are the primary users, along with the other people in the Nation, there most certainly will be a backlash. Westerners are very concerned about how the Interior Department will be run under the Clinton administration. They will be watching closely to see whether the influence of some of the more radical environmental groups is as great as some have warned.

The job of Assistant Secretary of Parks, Fish and Wildlife is a tough one. It requires the balancing of many concerns, some very extreme on both sides of every issue. George Frampton has assured me he will discount the extremists on both sides, the zealots on both sides, when he makes policy decisions. I sincerely trust and hope that will, indeed, be the case.

Mr. HELMS. Mr. President, the Department of the Interior was established in 1849 by the Congress to conserve Federal lands and natural resources, manage our mineral resources, protect fish and wildlife, operate our national parks and historic sites, to oversee outdoor recreation, and serve as a trustee for Indian reservations.

Mr. President, I cannot support President Clinton's nominee for Assistant Secretary of the Interior for Fish and Wildlife and Parks. George T. Frampton has actively and constantly worked against the interests of both the American people and the wise use of our public lands. I ask unanimous consent that the RECORD reflect my opposition to this nomination.

The Wilderness Society, of which Frampton has been executive director, is part of a militant environmental establishment which has little regard for the constitutional rights of working Americans when, in fact, those rights should be the basis for all policy decisions.

Mr. Frampton has shown his hostility to the American people and to job creation. At a February 12, 1992, press conference he referred to timber workers who were participating in hearings held by the Department of the Interior on the economic impact of the spotted owl restrictions on logging as mobs. He did this six times.

But, Mr. President, there is more. At an Earth Day press conference on April 21, 1992, Mr. Frampton attacked the administration of Alaska Gov. Walter Hickel for its environmental policies and suggested that the State of Alaska be turned into a historical park. Mr. Frampton said, "You might say it, referring to Alaska, is a curiosity—you know, we ought to make the whole State a historical park so people can go there and see how folks thought in the 19th Century. * * *" He doesn't care about people.

Mr. President, in North Carolina the Wilderness Society, and other self proclaimed environmental protectors, sued the Federal Government to block construction of a major Army Corps of Engineers project in my State. This project was authorized by the Congress in 1970 for the construction of rock jetties at Oregon Inlet, NC—to protect the hundreds of fishermen who risk life and limb to earn a living in the kinetic waters of the Atlantic.

Mr. President, this channel in the inlet is unstable, it is constantly being filled with silt from shifting tides, and it costs the American taxpayer millions of dollars in dredging costs each year to keep it open. Construction of these jetties would stabilize this inlet and over time save the American taxpayers millions and more importantly protect lives. Thirty North Carolina fishermen have died in Oregon Inlet—lives that would not have been lost had the jetties been completed.

The Department of the Interior has caved in to the demands of the environmental establishment and has denied North Carolinians the use of a small piece of Federal land necessary for project construction. As a result the commercial fishing industry in this part of my State has been harmed, and a way of life for many fishing families threatened. These fishing families are hurting. They are suffering because people like Frampton put their selfish interests above the good of average Americans.

The PRESIDING OFFICER. Is there further debate?

If there is no further debate, the question is on the confirmation of George C. Frampton.

The nomination was confirmed.

Mr. BAUCUS. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The President will be immediately notified of this action.

POSITION ON VOTE

Mr. CRAIG. Mr. President, for the RECORD, I have a communication from Senator JESSE HELMS that if a rollcall vote had been held, he would have voted "no" on the nomination of George C. Frampton, Jr., to be Assistant Secretary of the Department of Interior for Fish and Wildlife.

LEGISLATIVE SESSION

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senate be in morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SHELBY). Without objection, it is so ordered.

The Senator from Wyoming is recognized.

RETIREMENT OF TOM NOTTINGHAM

Mr. SIMPSON. Mr. President, I pay tribute today to the retiring Chief of the U.S. Capitol Guide Service, Tom Nottingham.

He is one special man. He has been of immeasurable help to me since I came to the U.S. Senate. On this very day, he will retire after 35 years of loyal service to his country.

He was born right here in this community, a native of Washington. Upon graduation from high school, he served in the U.S. Navy. Then he joined the Capitol Police in 1962. One year later, Senator Everett Dirksen appointed him to the U.S. Capitol Guide Service. He became Assistant Chief Guide in 1968 and has served as Chief Guide since 1971.

Millions of Americans and citizens of other countries visit this remarkable Capitol each year. The U.S. Capitol Guide Service is responsible for welcoming all of those visitors. Tom Nottingham has overseen this effort with remarkable devotion, dedication, and effectiveness.

After 31 years, he has served under 8 U.S. Presidents. During his tenure, there have been approximately 90 million visitors to the U.S. Capitol.

Tom has no peer when it comes to his pride in our Capitol and the institution of Congress. He is a true patriot. When I learned of his intention to retire, I told him: "I want to make some remarks about you, my friend." Let me just quote from a recent letter he sent me:

> I am proud to have served the Congress for the last years. I would not change a thing. I love the institution and what it stands for and am proud to have served the people who visited their Capitol. My family has 165 years of service in the Capitol Building. Even though I am retiring, my son and sister will carry on this rich tradition.

Mr. President, this letter indicates Tom Nottingham is the epitome of the unselfish public servant. He has gained great respect and well-deserved admiration from all of us who have observed him perform his work so professionally.

What I am personally going to miss is his hail and hearty greeting as I often walked through the great rotunda of this magnificent building—the home of our Nation's legislative activities. I will always remember Tom's face across that great expanse and, with a friendly wave of his hand, he would say, "Sure, bring those folks over. We have room for them on this tour." Or he might also say, "How can we help you today?"

He is a wonderful gentleman and a spirited and energetic man. He loved his job. It was a perfect combination of his very evident love for people, his love for the Capitol, his love of history, and his love of those who worked for him.

This is not a eulogy. He is going to be among us and has many years of life to savor. He has not gone from us. He is simply moving on after retirement.

He has gained the great respect of his peers and the well-deserved admiration of all of us in Congress who have observed him perform his work so very professionally and so very thoroughly.

It is always a great pleasure to observe someone who enjoys his or her work. That was always something you could easily see in Tom's face when he was at his post in the Capitol. He will be very much missed by us all.

My wife, Ann, joins me in expressing our great personal gratitude to Tom. He has been so helpful to both of us and to our constituents, and we wish him well. We will miss him.

We pray all goes well for him in his life and wish him every good success in his retirement. We also extend every good wish to his wife, Carol, and to all of his remarkable family.

I am very pleased to have cosponsored Senate Resolution 125, a resolution commending Tom Nottingham for his outstanding service in the U.S. Congress. It was submitted by the majority leader and agreed to unanimously on June 23. I congratulate Tom on a job superbly done.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. I thank the Chair.

(The remarks of Mr. SIMPSON pertaining to the introduction of S. 1181 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SIMPSON. I thank the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR METZENBAUM

Mr. SIMPSON. Mr. President, I see our colleague from Ohio, Senator METZENBAUM, has returned to the floor. I would be here, too, after hearing the accolades of the last 2 days. I would stay right here, leaving not for dinner or lunch, because it has truly been a remarkable outpouring of affection and regard from both sides of the aisle, which is unique in this place. I think I will summarize it in the western vernacular: This man has a lot of guts, and he stuck with his guns for all of his years in the U.S. Senate. Anyone who knows politics, as we all do, knows that is the most important trait, that is the currency of this place—courage, guts.

He and I have had some wonderfully interesting times together. We did not have to agree. In fact, we disagreed to beat the band. But then, after it was all over, I could go on over to his office and look at some of his art and discuss it with him, or talk about music or culture or human nature with him, and it was always a rare treat for me.

Mr. METZENBAUM. Baseball, too.

Mr. SIMPSON. Baseball, too. We are not through with that issue, HOWARD. We have work to do until baseball at least gets a commissioner, and if they do that, we will have less work to do. But until they do that, I think you and I will stay vigorous on that issue.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, are we in morning business?

The PRESIDING OFFICER. The Senator is correct. We are in morning business.

The Senator from Ohio is recognized.

Mr. METZENBAUM. I thank the Chair.

(The remarks of Mr. METZENBAUM and Mr. FEINGOLD pertaining to the introduction of S. 1183 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

PRAISING SENATOR METZENBAUM

Mr. FEINGOLD. Mr. President, I rise very briefly in praise of the efforts of the Senator from Ohio. I was saddened yesterday to hear his announcement that he would not be seeking reelection.

When I was running for the U.S. Senate and years before that, I thought if I ever had the chance to serve in the U.S. Senate, one of the persons I would be most honored to serve with would be the Senator from Ohio who, in my view, has been one of the great progressives to serve in this body in the last 20 to 30 years.

So it was a little bit disappointing to hear that I will only serve with him for 2 years. But these are going to be a good 2 years, as I see even on the next morning we are working together on an important piece of legislation that is a perfect example of the across-the-board progressive approach that the Senator from Ohio has taken.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I ask unanimous consent to address the Senate as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

NORTH AMERICAN FREE-TRADE AGREEMENT

Mr. McCAIN. Mr. President, first I want to comment on the news that came out this morning that U.S. District Judge Charles Richey ruled that the North American Free-Trade Agreement supported by President Bush and by President Clinton violates the National Environmental Policy Act. He goes on to say in an incredibly uninformed fashion, NAFTA will have significant environmental effects and may worsen the environmental problems already existing in the United States-Mexico border area.

On occasion, I have seen judges speak out of pure ignorance. This is one of the most graphic displays of an unwarranted intrusion into the President's ability to conduct foreign policy. But for him to express a belief that environmental problems will worsen as a result of increased trade and better Mexican-United States economy, of course, flies in the face of the facts and reality.

One would hope that before making a decision of this gravity, which I believe will be quickly appealed and overturned by the U.S. Supreme Court, that Judge Richey would at least inform himself of the facts. He, obviously, strayed from the constitutional basis by making an assumption that environmental problems will worsen, when all experts that I know of, except those who are adamantly opposed to this agreement, agree that a wealthier Mexico will, indeed, address the issues affecting the environment. Already they are spending more as a percent of their gross national product on environmental issues and environmental problems than we are.

Again, we see, in my view, an egregious and almost outrageous interference in the powers and prerogatives of the executive branch by a Federal judge who must, one can only conclude, be pursuing his own environmental liberal agenda.

GOING HOLLOW: THE RISING THREAT TO AMERICAN MILITARY READINESS

Mr. McCAIN. Mr. President, I rise to talk about the issue of going hollow, the rising threat to American military readiness.

Only 3 years ago, we went to war as the most combat ready force in the world. The value of that readiness is clear. We won a massive victory in a few weeks over one of the largest armies and air forces in the world, and we did so with virtually no losses of American and allied lives. We were able to end aggression with minimum losses of civilian life, and we were even able to greatly reduce the casualties of our enemy.

Today, that readiness is beginning to evaporate. In spite of the efforts of our services, we are going hollow. We are losing the combat readiness and edge that is an essential aspect of deterrence, defense, and the ability to repel aggression.

It is true that we have heard many reassuring words to the contrary. It is true that many of our rising readiness problems are not yet reflected in the plans of our military services—which are still written as if each service would receive full fiscal year 1994 budget request, be repaid for the cost of recent operations, and avoid future peacekeeping and humanitarian operations.

The fact is, however, that we are going hollow. We are losing our ability to get there "fustest with the mostest," and the indicators are all too clear the moment we look beyond superficial indicators and the normal rhetoric of budget testimony.

The tangible evidence of this trend is contained in the words of the Chief of Staff of each military service. Several weeks ago, I asked each Chief to address the key readiness problems in his service, and to provide me with written answers to a series of questions that addressed these problems. I have now received an answer from the Chiefs of each of the four services.

These answers do not reveal a single reason why we are going hollow, or a single set of answers as to how these problems can be solved. Each service has a unique mix of readiness problems, and has made different tradeoffs. The data provided by the Chiefs also show that both the executive branch and the Congress are to blame. They show that the administration is to blame for underfunding some aspects of readiness at the expense of others, and that the Congress is to blame for using readiness for pork and special interest projects.

The central issue is not, however, who is to blame, but how to correct these trends and to prevent them from reoccurring in the future. It is to recognize the lessons of Bosnia, Cambodia, Iraq, Liberia, and Somalia, and the fact that we must endure decades of a new world disorder before we can hope to reduce the world's reliance on the deterrent, peacemaking, and war fighting capabilities of the United States.

"GOING HOLLOW"; DEFINING READINESS

In order to understand the issues involved, it is necessary to understand just how difficult it is to achieve the kind of readiness we had during Desert Storm. Readiness is not a matter of funding operations and maintenance at the proper level. It is not a matter of funding adequate numbers of high quality personnel, it is not a matter of funding superior weapons and munitions, of funding strategic mobility and prepositioning, of funding high operating tempos, of funding realistic levels of training at every level of combat, or of logistics and support capabilities.

Readiness is all these things and more. A force begins to go hollow the moment it loses its overall mix of combat capabilities in any one critical area. Our technology edge in Desert Storm would have been meaningless if we did not have men and women trained to use it. Having the best weapons system platforms in the world would not have given us our victory if we had not had the right command and control facilities, maintenance capabilities, and munitions.

This will be as true in the future as it was during Desert Storm, and it has been true throughout the history of warfare. As Sun Tzu pointed out over 2,000 years ago, "It is a doctrine of war not to assume the enemy will not come, but rather to rely on one's readiness to meet him. It is a doctrine of war not to presume that he will not attack, but rather to make one's self invincible."

THE NEW RISKS OF GOING HOLLOW

We do, however, need to be aware that the ways in which forces can go hollow change with time. We need to be aware of the new risks of going hollow, and that simply attempting to avoid these mistakes of the 1970's will not protect us in the 1990's, or the post-cold war era.

During the next few days, I intend to address the risks raised by each of the Chiefs of Staff in their reply to my questions. There are, however, a series of general risks that affect each service, and which both the administration and the Congress must consider in funding an adequate defense program.

The illusion of OPTEMPO: One example is the current effort to maintain high levels of operational activity or OPTEMPO. Our forces cannot be ready if they do not constantly maintain high levels of activity and training, and there is merit in ensuring that we do not reduce their operational tempo as we cut total force strength and defense spending. However, if such levels are funded at the expense of major overhauls and depot maintenance, of keeping personnel deployed for excessive periods in the field, and at the general cost of straining our forces and our major combat equipment, they trade this year's readiness for going hollow in the future.

The high levels of OPTEMPO reported by each service are no guarantee against going hollow. In fact, they are the fastest way to go hollow if they are not kept in long term balance with the overall readiness of our services.

Increasing depot level backlogs: A tangible warning of decreasing readiness is the fact that the price of correcting our depot level maintenance backlogs has been rising for the last 3 years, in spite of many cuts in our forces. It now totals $2.1 billion today versus $420 million in 1991. Similarly, the cost of our backlogs in real property maintenance have risen from $3 billion in the mid-1980's to $14 billion today.

Underfunding manpower quality: More than anything else, our victory in Desert Storm was a tribute to manpower quality. Men and women worked around the other problems in readiness, and exhibited an overall level of individual combat performance that has previously been limited to a small portion of our total force.

Maintaining this manpower quality, however, requires decent pay, not falling more than 18 percent behind comparable civilian pay by the late 1990's. It requires proper funding of recruiting. It requires proper promotion rates. It requires proper living conditions and morale and welfare services. It requires reasonable tours of duty, and confidence that pay and other personnel issues will be dealt with fairly and not on a basis of fiscal opportunism. It is hard to see that we are meeting any of these requirements today.

Underfunding manpower strength: President Clinton has already stated that the United States needed military forces of at least 1.4 million men. This is 200,000 men less than the force called for by President Bush, and may well push the services toward manning levels that are too low to meet our readiness needs. It is far from clear, however, that we really have the money to maintain a force of much over 1 million men at the end of the 1990's. The end result may well be manning levels that are too low to provide effective combat capability. We have to be certain that our force levels are adequate to meet deployments and rotations to meet our overseas commitments.

Manpower turbulence and insecurity: Each service is experiencing near record levels of turbulence and insecurity. This is reflected in extended tours of duty, sudden changes of assignment, high rates of relocation, and a series of changes in personnel policies which confront all men and women in service with the inability to predict their career patterns or know whether they can stay in the service.

These problems are compounded in the case of military families. Spouses often lose their jobs with relocations, moves mean significant unexpected expenses, and dependents often have adjustment problems. At the same time, unit and crew continuity is lost as moves break up well trained and cohesive units—depriving them of much of their readiness.

Underfunding modernization: We need to remember that we previously equipped our forces principally to fight the Soviet Union and Warsaw pact. As a result, we made many compromises in modernizing our forces that are inappropriate, given the new priorities of the post-cold war era.

Current critical needs for modernization include funding improved theater lift, armor, and fire support for the Marine Corps. They include funding mine warfare, amphibious lift, pre-positioning, naval fire support, improved air battle management, and longer range all-weather conventional strike aircraft for the Navy.

They include funding the ability to rapidly deploy and sustain at least three heavy divisions, improved attack and other combat helicopters, improved command and control and battle management systems, and improved strategic and theater lift for the Army.

Finally, they include improved conventional bomber and attack aircraft and munitions capability for the Air

Force, and a conversion to much heavier reliance on smart and high lethality air-to-ground munitions. More broadly, they also include improved defenses against missile, chemical, and biological warfare.

Underfunding major equipment life cycles: Even when maintenance and overhaul cycles are fully met, this may fail to meet operational needs. History has shown us that periods of diminishing defense resources inevitably mean that equipment and munitions must be kept in service much longer than the military services originally plan. Unless a concerted effort is made to adjust maintenance and overhauls to provide for longer life cycles, existing readiness standards will still mean we drift toward a hollow force.

Underfunding the upgrading of existing weapons and munitions: For the same reasons, it is easy to lose sight of the fact that if weapons and munitions are to have longer lives of effective service, we must shift part of our remaining R&D and procurement dollars to upgrade the weapons we already have.

Our present budget puts far more emphasis on high technology and R&D for new weapons—most of which will not deploy until well after the year 2000—than it does on upgrading the current weapons our men and women will actually have when they go into combat. Until we have a new and comprehensive upgrading strategy, reflecting real-world shifts in our retention of combat equipment, we will move toward hollow forces.

Underfunding munitions stocks: Each of the services now tends to meet its munitions goals by redefining the stocks on hand as adequate to meet a shrinking force posture. The net result is smaller stocks of munitions per weapon, and a failure to purchase the most advanced forms of smart weapons, fuzes, and conventional weapons in the amount required.

In the process, we are risking our industrial base for smart and conventional munitions by reducing orders below a critical threshold.

Betting on communications, command and control, munitions, and sensor systems we do not have. There is a growing tendency to reduce today's force posture and readiness in anticipation of new battle management systems and advanced munitions that we do not yet have in the force structure.

This "betting on the come" trades readiness we have on hand for technology that is still in the bush. Historically, we have never deployed such systems on time, at the estimated cost, or with anything like their postulated effectiveness.

The risks of such efforts to trade readiness for technology are compounded by a lack of effective coordination among the services and within the Office of the Secretary of Defense in deciding on coherent force packages of such systems that are linked to a clear picture of our future force posture and roles and missions.

Misusing DBOF and slashing O&M funds: For the last 3 years, the Department of Defense and the Congress have combined to slash at the O&M funds which will have a direct effect on military readiness.

Now, the Department of Defense has created a new method of funding readiness that threatens to become a Frankenstein monster. It effectively taxes our combat units for readiness services they do not receive. At the same time, operations and maintenance funds have become a target for Members of Congress that use the money for pork or token budget cuts.

Funding operations at the expense of readiness: We are already deep in the process of using readiness funds to pay for peacekeeping and humanitarian operations. In theory, much of this expenditure will be repaid through supplemental appropriations or out of Department of Defense contingency funds. In practice, it is very unlikely that the services will ever be fully repaid for the cost of their operations, and they will be forced to pay for peacekeeping and humanitarian actions in a way that will affect their readiness.

Spending savings before we make them and know they are achievable: It is very easy to achieve management efficiencies on paper, and to cut infrastructure or reduce support funding to achieve budget savings. In practice, however, there is an increasing tendency to cut first and determine the practicality of such savings later.

Excessive reliance on computer simulation: Simulation can be an extremely useful supplement to training, but it cannot replace it. It is tempting, however, to save money on exercise and other forms of high cost training and increase reliance on simulation even when this produces a significant cut in real world readiness. Excessive reliance on simulation may produce lower training costs, but it is no substitute for the real thing.

Cutting back on test and evaluation: Long experience has shown us that even the best test and evaluation efforts can leave equipment with significant problems that are only exposed in combat. Comprehensive test and evaluation is expensive, and it is tempting to cut corners. Any reduction, however, means a loss of readiness.

Misusing and under-allocating BRAC funds: Unlike regular military construction funds, the Department of Defense has considerable discretion in how it allocates BRAC funds for both military construction and environmental cleanup. The Department has begun to systematically abuse this funding under the guise of flexibility in several different ways. The net result is that BRAC underfunds cleanup activities in its budget—forcing costly drawdowns from fast-spend accounts like readiness.

This underfunding will cost some $700 million in BO and over $1 billion in BA in fiscal year 1994. At the same time, the Department violates at least the spirit of the base closing legislation by shifting the target of BRAC funding and does not provide all of the funding necessary to actually transfer a given function. It also is failing to adequately fund housing and morale, welfare, and recreation facilities.

Using defense funds to pay for new priority programs: The administration's fiscal year 1994 budget request identifies 1.6 billion dollars' worth of defense reinvestment and economic growth initiatives. Many of the activities funded under this title are useful programs, but many are simply bright ideas that have to be funded out of readiness funds and essentially trade needed jobs for the possibility of creating new ones. Another $888 million is to be spent on reducing the threat from the U.S.S.R. and global cooperation initiatives. Many are useful programs, but should be funded as foreign assistance.

By the time the Congress finishes with the fiscal year 1994 budget, it will probably have cut and reprogrammed another $5 billion or more away from higher priority defense activities. Much of this reprogramming will come at the expense of readiness.

LOOKING AT ALL THE MEASURES OF READINESS

It is my sincere hope that Secretary Aspin's readiness panel will examine each of these risks, as well as the more conventional measures of readiness. It is terribly easy to create a paper tiger: A force that looks good on a spread sheet and which is inadequate in the field.

This paper tiger problem is compounded by both the can do attitude of the military and the history of military readiness reporting. On the one hand, our men and women in uniform have a history of making do, of adjusting to civilian decisions, and working out potential solutions even at the cost of assuming higher risks.

On the other hand, we have been very slow to modernize and integrate our various measures of readiness, to adopt more challenging measures of effectiveness, to independently audit command reporting, and to adopt modern management information systems.

Time and again, we have learned that our readiness measures are unrealistic or fail to anticipate real-world demands on readiness funds and budget cuts. Time and again, we have seen peacetime claims of can-do turn into wartime realities of can't fight.

The gulf war, for example, demonstrated all of these problems. In spite of the highest readiness funding in our history, we were not ready to fight when we deployed. We took months to adjust the organization, training, and support structures of our active combat forces, we experienced major problems with some aspects of the callup and training of our Reserves, and we literally had to make thousands of modifications to our combat equipment, munitions, support equipment, and battle management and communications systems.

Without the months Saddam Hussein gave us, these readiness problems might well have cost us thousands of lives. Few future opponents are likely to give us the most precious gift in modern war: time. If we are not ready, we will send many of our men and women to their deaths.

Mr. President, I appreciate the friendship and indulgence of the President for allowing me to make this statement.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LIEBERMAN). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. Mr. President, I ask unanimous consent that I may speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. MIKULSKI. Thank you very much, Mr. President.

TRIBUTE TO SENATOR HOWARD METZENBAUM

Ms. MIKULSKI. Mr. President, I express my real regrets that Senator HOWARD METZENBAUM will not be returning to the U.S. Senate for the 104th Congress.

I know that many of our colleagues spoke eloquently about him yesterday. Because of the press of Senate business, I could not join that a cappella choir. But I wanted to be here today to express my enormous gratitude for what Senator METZENBAUM has meant to me, to the women of the Senate, and also to the Nation.

For me, from the very first day I arrived, Senator METZENBAUM extended his hands to me in friendship and empowerment. I say the word "empowerment" because Senator METZENBAUM was absolutely helpful to me in identifying how I could be a very effective Senator.

Mr. President, you might recall that I am the first Democratic woman ever to be elected in the U.S. Senate in her own right. When I came to the U.S. Senate, I was a first. I was welcomed cordially by my colleagues and enjoyed their colleagueship. Senator METZENBAUM told me where the power was in the Senate, where those levers were, how to get things done for the State of Maryland, how to make sure this voice of mine could be heard but heard in the most effective way.

As I began to work on legislative strategy and move my initiatives, Mr. President, like every freshman I did not master the parliamentary procedures and a couple times, to use the vernacular, I got rolled, but Senator METZENBAUM approached me and said, "Whenever you have a hot item, I will help show you the twists and the maneuvers of our arcane procedures."

I always felt that Senator METZENBAUM was there for me, in order to help me move a substantive agenda, and he was also there to back me up and give me the tips on how to master the parliamentary processes. For a freshman Senator who wanted to not only serve Maryland but knew, as the first Democratic woman, that I was casting the die for all others to come, it meant a lot to me to have a Gallahad-like Senator METZENBAUM working with me.

Then along come an opportunity in the 1992 elections to elect other women to the U.S. Senate, and Senator METZENBAUM stepped forward immediately to work with the Democratic Senatorial Campaign Committee and a group we called the Women's Council of the Democratic Senatorial Campaign Committee to help us raise the resources so that women running for office around the United States of America would be able to have the resources to run good campaigns. HOWARD METZENBAUM was absolutely there for us, working as hard as I, the chair of the Women's Council, to raise those resources. He held enormous art auctions and did any number of things. And why? Because he felt that the women of America should have a league of our own right here in the U.S. Senate.

Thanks to the help of the Democratic Senatorial Campaign Committee and GEORGE MITCHELL and the great efforts of HOWARD METZENBAUM, I have now been joined by DIANNE FEINSTEIN, BARBARA BOXER, PATTY MURRAY, and CAROL MOSELEY-BRAUN, and I believe that we are just the first wave of what will continue to follow.

So we are very grateful to Senator METZENBAUM for helping make that possible.

Also, I thank HOWARD METZENBAUM for what he has meant to the Nation in his legislative role, whether it has been on the Judiciary Committee or whether it has been on the Senate Committee on Education and Human Resources. He has been a voice for those who have been left out and left behind. He has been a voice for those who had no voice. He has tried to be a power force for those who had no power in our country, as a populous agenda to make sure he was never afraid to take on the big boys and we could have trust that he would always be there to enforce the antitrust laws.

In his work on the Subcommittee on Labor and Human Resources, he was there to make sure our work force needs were being met and that, the American labor movement knew that they had a friend in the U.S. Senate.

Others will speak long and eloquently about his legislative accomplishments. But HOWARD METZENBAUM is more than a résumé. He is more than a list of legislative accomplishments. He is truly one of the great Senators in this last half of the century.

As the first Democratic woman in the U.S. Senate, I do not want this to be the last goodbye for HOWARD METZENBAUM. I count him as a friend in the Senate and I will count him as a friend throughout the time that we will have together.

Mr. President, I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, was leaders' time reserved?

The PRESIDING OFFICER. It has been reserved.

THE ECONOMY AND THE MESSAGE FROM THE PEOPLE

Mr. DOLE. Mr. President, as the President and congressional Democrats busily work on the biggest tax increase in the history of the world, the American people are watching, and they do not like what they see.

Yesterday, we got an unmistakable message from the American people, who sent us a triple dose of shaky economic news—another drop in the Index of Leading Economic Indicators, a plunge in consumer confidence to its lowest level in 8 months, and a startling collapse in new home sales, down 21 percent in May, the largest drop in 13 years.

And if yesterday's news wasn't bad enough, today the Commerce Department reported that orders for manufactured goods fell 1.4 percent in May, down to the lowest level since last November, and marking the first 3-month decline in more than 2 years.

After eagerly taking credit for an April increase in home sales, taking credit again for lower interest rates, interest rates that began tumbling during the Bush administration, the White House is now switching into another damage control spin cycle, trying to distance itself from all the bad economic news. President Clinton is even backing away from the Senate Democrats who barely squeezed through his huge tax package. According to President Clinton, what was a victory last week is now not well-advised. Is it any wonder working America does not feel very good.

Let us face it, the White House can now make all the excuses it wants, but it cannot escape the fact that the Clinton tax plan is on trial—and the verdict of the American people is guilty. While the President feverishly tries to wrap up the votes for his gigantic tax increase on Capitol Hill, he is not winning many votes on Main Street America.

I have been meeting lately with a lot of small business men and women, including several at breakfast this morning, and these employers who drive the American economy are scared to death—when they are not laying off workers, they are putting hiring plans on hold, and avoiding risk—all because of the haunting Clinton tax increase. To put it simply, the Clinton tax increase promises to turn the American dream into a nightmare for millions of hardworking Americans.

If the troubling economic news is not enough of a wakeup all for the White House, a new ABC News/Washington Post poll revealing declining confidence in the White House ought to shake them up. According to the poll, 57 percent of the American people disapprove of the way the President is handling the economy; more people now give a thumbs down to his tax plan than approve of it—47 percent disapprove, 41 percent approve. A whopping two out of three Americans now fear that the final tax package will raise taxes too much and cut spending too little. And 40 percent now trust Republicans in Congress—that's right, they trust Republicans—more than the President to handle the economy, an 11 point surge for congressional Republicans in a little more than 2 months.

So, despite all the Democrat maneuvering, and all the happy talk about how good tax increases are for the economy, the American people have not been fooled. They have compared the Clinton tax plan with the Republican cut-spending-first alternative, and they have come to the conclusion that the Clinton plan is guilty—guilty of assault and battery on the American economy.

If President Clinton and his economic team take anything from these new statistics, it should be that it is not too late to start over. Scrap the largest tax increase in the history of the world and join Republicans and sit down together and try to hammer out some package that will cut spending more. I think if that were done, there would be strong bipartisan support.

But in the meantime, unless somebody is talking to somebody we have not had any contact with—it cannot be the rich because they are having lunch everyday at the White House. It cannot be the small business people because we had breakfast with them this morning. And almost without exception, going around the room, people with 6 employees, 80 employees, 100 employees, they are not hiring anybody because of the tax bill and because of health care. They are worried about another payroll tax.

Two women got up and said they have 49 employees and are not going to hire number 50 because of the mandated Federal leave plan we passed in the Senate early this year. Why do we not give business a break? Why do we not get off their back? Why do we not start over? I can promise there are enough of us on this side who still bear the scars of deficit reduction votes we made in the past to help the President and doing what I think everything feels is right for the country: Cut spending first and then we will take a look at revenues.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

INTEREST TAXES

Mr. HOLLINGS. Mr. President, my distinguished colleague from Kansas is misleading in his comments. His mantra is: Cut spending first. I wish we had the luxury of solving the deficit mess strictly by cutting spending. That is an easy dodge for anybody in public office, to say we should cut spending rather than raise taxes. We are trying our best to cut all the particular budgets.

Certainly the President has been cutting spending first. He came to town. He eliminated 100,000 Federal jobs. He cut the White House staff. He froze my pay, his pay, and everyone else's pay. But it is very, very misleading to get into this drumbeat, singsong rhythm of cut spending first, cut spending first, as if that will solve the problem.

The Senator from Kansas cites tax increases as the reason for the adverse economic indicators and the lack of consumer confidence. But we all know that the largest tax increase bill in the history of the Government is the tax increase bill passed by George Bush in 1990. So don't blame President Clinton, who just got to town.

Reading these editorial columns, you would think Bill Clinton had been up here running Government for the last decade when the fiscal mess was made. Bill Clinton is not the culprit. He is not the big spender. He couldn't even pass a modest $16 billion stimulus bill that would have immunized children, that would have created summer jobs, that would have paid for extended unemployment compensation, that would have built highways.

In fairness and historical perspective, we have to look to see really what the poor gentleman inherited. President Clinton inherited an unprecedented fiscal mess, the quadrupling of the national debt in a 12-year period, $400 billion annual deficits. As a consequence, at 8 o'clock this morning the Treasury had to borrow another billion bucks just to keep the doors open, and we will have to borrow another billion tomorrow morning, and Friday morning and Saturday morning, and every weekday of the year, $313 billion gross interest costs annually, which I call interest taxes. That is really the tax that cannot be avoided. That interest cost must be paid, and we are paying out now $300-some billion for absolutely nothing due to the fiscal legacy of the Reagan-Bush tax increase. One billion dollars a day, 313 days a year. That is the largest tax increase in history.

All during that 12-year Reagan-Bush period we tried everything in the world to stem the flood of red ink. Republicans talk freezes now; they opposed them. Republicans talk cuts now; they opposed them then. They talk about paying the bills, saying their party's philosophy is to be fiscally responsible, yet their party has been fiscally reckless on a monumental scale. It is very deceiving for Republicans to come and act now like fiscal innocents. They are fiscal libertines. Yet they dare to preach at the Rotary Clubs that somehow Democrats want to start spending first rather than cut spending first.

The fact of the matter is that we have a shaky ship economically and we have to do both. We have to keep the ship afloat. We have to start paying these bills and get some money into these basic programs so that we do not go into a deep depression dive. As a result, the President is providing more incentives. He is providing more in training. He is providing smarter health care and, of course, he is going to be providing more in law enforcement due to the drug menace, more money to fund the policeman on the beat. We all know that. And our good Republican colleagues favor that.

But to come around now and say cut spending first, this is an outrageous sham, unmitigated gall, total hypocrisy for that group to say it. Heavens above, Republicans are the ones who caused spending first: 8 o'clock every morning, we go down and spend another billion bucks because Ronald Reagan and George Bush quadrupled the debt. George Bush had 43 vetoes. But not one veto of spending. Not the Senator from South Carolina, I am sure not the Senator from Oregon had his name on every bit of that spending, but mark it down, a 4-year track record, hollering, "That Democratic Congress; that Democratic Congress." But the common denominator was that Bush signed every spending bill.

He had a chance. He was in the Persian Gulf—and I quote him correctly—"kicking ass." That is what he said he was going to do. Yeah, he was tough.

But when it came to spending, he was the biggest spender this Senator has seen in his almost 27 years.

Yes, my dear friends, Lyndon Baines Johnson gave Richard Milhous Nixon a surplus, not just a balanced budget, a $3.2 billion surplus.

My friend President Jimmy Carter cut the Jerry Ford deficit that he inherited.

But when this Republican crowd came to town, over 12 years they had a ball and they raided all the trust funds. We will owe Social Security, within 6 short years—1998—we will owe Social Security a trillion bucks. We are decimating the Medicare health budgets. Why is there no infrastructure? We get $19 billion in highway gas taxes; yet they want to put on more gasoline taxes, not for highways but for the deficit; we do not use the gas taxes for highways and bridges and construction as we should. Likewise, we do not use the airport and airway taxes for airports and radar facilities and safety equipment. We raid these trust funds to hide the true hellish scope of the deficit.

The Republicans had their chance and they had their leadership, and they led us into the biggest fiscal morass you have ever seen.

I hope I am here every day they chant this "cut spending first."

We are going to have to cut spending first, but we are going to have to increase taxes even more if we are going to get on top of this runaway deficit beast. Because as Lewis Carroll, in "Through the Looking Glass" said, "In order to stay where you are, you have to run as fast as you can. In order to get ahead, you have to run even faster." It is that tough a situation that has been bequeathed to President Clinton. The President himself has not adequately made that clear to the American people

But I am glad for the opportunity to be here when the distinguished Senator from Kansas speaks about cutting spending first. Let's tell the truth first and be done with this Republican smokescreen.

I thank the distinguished Chair, and I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota, [Mr. DORGAN].

BAD NEWS GLEE

Mr. DORGAN. Mr. President, I followed the remarks of my distinguished colleague. I, too, have been watching my colleagues rush to the floor, almost gleefully giving us another morsel of bad economic news they have gleaned from the small type of the Wall Street Journal.

We ought not to be gleeful about bad economic news. We ought to decide we are all in the same boat; there is only one boat, and we do not want it to go down. We want to fix what is wrong in this country.

But I hear this chant day after day on the other side of the aisle: Cut spending first. They learn that when they are 3 years old: Cut spending first. Every day you hear that chant. They ought to have togas and tambourines and develop it as a mantra: Cut spending first.

Strip away the costume on that chant, and what do you find? Rhetoric that covers a philosophy that would have us keep doing what we have been doing, have us not confront this country's tough problems. "Cut spending first" means doing what we have done for 12 years: spending money we do not have on things we do not need, charging it to the kids, and pretending everything is all right.

Then you have some people belly up to the bar here and say "Look. We have big problems. We have to take some risks and do some things people will not like to solve them." And the first thing out of the box, we rush off to criticize them. In this kind of environment the worst thing to do is to provide leadership. Providing leadership in this day and age in these circumstances is pretty tough.

Like or dislike what President Clinton has proposed, this President is not ignoring our problems. I have said before that there is not a plugged nickel's worth of difference between the Republican side of the aisle and the Democratic side of the aisle on how much money we want to spend. There is a substantial difference on how we want to spend that money.

I challenge any one of my colleagues: go back and get last year's budget book, sent to us by a conservative, President Bush, 15 months ago. Add up the deficits for that year, the current year, and the coming 5 years; take out the phony Social Security revenue that was used to make the deficit appear smaller. What do you have? A conservative Republican President sent the Congress a budget and said, "I've got a proposal for you: For this year and the coming 5 years, every single day I want you to spend $1 billion more than you take in."

That is not my priority. That was a conservative President's priority: deficit spending. So cut spending first? Are you kidding me? People who have the gall to say, "Cut spending first" proposed budgets placing $2.2 trillion in added debt on the shoulders of this country's children.

Of course, we ought to cut spending first, but that ought not to be a chant. That ought to be a practice, part of a fiscal policy that deals with spending, deals with taxes, and deals with the crippling Federal budget deficit. It is time to stop all the posturing, to stop exhibiting glee at bad news, and to decide we are going to create some good news by doing what is necessary.

What is necessary is, yes, to cut spending first, but also to ask those who are not paying their way to pay a little more, to start putting the brakes on a runaway Government, and to fix this crippling budget deficit. Instead of deciding we are going to beat the brow of every person who stands up and starts to exhibit just a smidgen of leadership—and I know that is unusual because no one has exhibited much leadership around here for a long time—instead of beating the brows of those who would venture forward and suggest things that might be somewhat controversial, let us decide that we welcome leadership.

Someone once said that when everyone in the room is thinking the same thing, no one is thinking very much. Let us get the best of all of the ideas that come from both sides of the aisle. That is what we ought to do for the future of this country.

I did not come to the chamber to speak on this subject, but when I hear people continue the chant of "Cut spending first "and" The other side is all wet; we are all right and you are all wrong; and if you just deal with spending, you fix the problems," I say that is rhetoric. What we need are solutions.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. If the Senator will withhold, the Chair recognizes the Senator from Oregon [Mr. PACKWOOD].

Mr. PACKWOOD. Mr. President, I thank the Chair.

ENVIRONMENTAL IMPACT STATEMENTS

Mr. PACKWOOD. There was an interesting district court decision—I do not know if the Chair has heard about it—in which Judge Richey, a Federal District Court judge, has enjoined the President from sending to us the North American Free-Trade Agreement until an environmental impact statement is filed on the effect the implementation of the agreement might have on the environment.

Now, as the Chair is aware, an environmental impact statement is exactly what the term implies. It does not mean you cannot do something if the environmental effect is bad. It just means you have to know what the effect is. If, indeed, we were to pass a bill and there were an environmental impact statement that said if this bill is implemented the Sun is going to crash into the Earth, we could go ahead and do it so long as we understood the Sun was going to crash into the Earth if we did it.

I do not know how on Earth you can look 5, 10, or 15 years down the road and know exactly what the effect on the environment might be from a trade agreement. But if we are going to start down that road then I have some other interesting thoughts. What about a nuclear test ban treaty? Does it have an effect on the environment if we do or do not do it?

Obviously, it has an effect, a significant effect on the environment.

So, we cannot submit them until we have an environmental impact statement? I have become convinced, after listening to the debate, that this reconciliation bill is going to be bad for the environment. I think we should have an environmental impact statement on this reconciliation bill before it goes into effect. It cannot help but be bad for the environment. It is going to be bad on the economy. It is going to be bad for jobs. It is going to be bad for the interest rates. It is going to be bad for inflation, bad for growth of the economy, and the deficit is going to go up.

I heard our good friends from North Dakota and South Carolina talking about $1 billion a day for interest. I will make this prediction: 4 years from now, if we pass the President's bill, whatever that may be—I am not quite sure what his bill is now, but if we pass something like this bill with the Btu tax or an 8-cent gasoline tax and his increase in taxes on the so-called wealthy, we will be borrowing more than $1 billion a day in 4 years.

The interest we pay will not go down. It will go up because of the bill. As far as this borrowing and spending, let us put things in perspective a bit.

President Reagan gets unduly, unjustifiably blamed for the start of this with his alleged big tax cuts in 1981—just cut taxes, do not worry about the spending. From time to time we forget what the economic situation was in 1980 and 1981. Let me put it in perspective.

Carter was still President in the summer of 1980. We have different groups that project what the economy is going to do. The principal ones that we rely upon are either the Office of Management and Budget, which is the executive branch agency, or the Congressional Budget Office, which is Congress' agency that projects deficits and revenues.

From the summer of 1980 until the summer of 1981, those groups were projecting that we were going to have immense surpluses. I emphasize especially the Congressional Budget Office which was then still under the direction of Alice Rivlin, currently the Deputy Director of the Budget, a Democrat and certainly no apologist for President Reagan's plans. They were predicting an immense surplus. The last budget presented by President Carter projected a surplus in 1986 of $138 billion—surplus.

But the most important projection came in the summer of 1981, July 1981, when the Congressional Budget Office projected what would be the deficit, first, on a baseline by baseline. They meant no change of law, no Reagan tax cuts, no Reagan spending cuts, just if we kept spending and taxing as we were, what would be the projected deficit or surplus? This is Congressional Budget Office, July 1981.

In 5 years, 1986, we would have a surplus, they projected, of $209 billion. Then the same group projected what it would be under the congressional budget resolution, which included the Reagan tax cuts and the Reagan spending cuts. They projected that by 1984 we would have a surplus of $1 billion and the deficit would go steadily down. But I emphasize if we got the Reagan tax cuts and the Reagan spending cuts. We never got the Reagan spending cuts. We got the Reagan tax cuts plus everything that Congress could conceivably think to add in terms of tax cuts.

Then there were three things we did not foresee. We were running 12-, 13-, 14-percent inflation, and the projections presumed that inflation would continue. In those days, the Government would collect in revenues about 1.5 times the inflation rate. So if the inflation rate was 10 percent, we could assume revenues would go up by 15 percent. We did not project the fall of the inflation. We had not indexed the Tax Code.

By indexes, I mean this: Let us say, before indexing you made $100, and your tax rate was 10 percent, so you get $90. Then let us say you had 100-percent inflation, so you needed $200 to do what $100 would do, or, after taxes, therefore, you needed $180 to do what $90 would have done before.

But let us say the tax rate was 10 percent if you had income of $100, but it was 20 percent if you had income of $200. That means without any indexing, if you had $200 of income, your tax rate was $40. You had only $160 left and you needed $180 just to keep even. So we indexed the Tax Code in 1981 after these projections so that by being pushed up into higher brackets by inflation, you did not have the purchasing power of your money reduced. That had the effect of reducing income to the Federal Government, and rightly so.

Then last, no one in the summer of 1980 to the summer of 1981 predicted the 1982 recession, not private forecasters, not public forecasters.

So you had three things that happened, in addition, we did not enact the Reagan spending cuts. You had the recession no one foresaw; we indexed the Tax Code, which we knew would cause the revenues to fall off; and nobody foresaw inflation falling from 13 to 14 percent to 6 or 7 percent in a year and 4 or 5 percent in 2 years. No one foresaw it. So you put those all together, and the result is that we had immense deficits—not because of President Reagan. That was not his planned policy. He had one thought in mind. Then I will conclude.

What he honestly saw, what we honestly saw, was that there was going to be $150 to $200 billion surplus, more money coming in than spending. What the President was afraid of, correctly in my mind, is that if we had this potful of money, we would spend it. We would start new programs, we would expand old programs. We would not give it back to the taxpayers. We would not pay off the deficit with it. We would spend it. So he said cut the taxes so the Government does not have the money. We cut the taxes. We did not cut the spending. And all the revenues fell.

What is the analogy here? In the reconciliation bill, which just passed, which I think is bad for the environment—and there should be a lawsuit to provide for an environmental impact statement on it—there is roughly, and I am rounding this off to the nearest billions, $260 billion in taxes and about $70 to $75 billion in spending cuts. We are going to have roughly $175 to $200 billion more in money than for the moment we are committed to spend, $175 to $200 billion. The President said we will use that to reduce the deficit.

This will be my question based upon past history: Will we use that $175 to $200 million to reduce the deficit, or will we say to education, to environmental protection advocates, to airport safety advocates, to Amtrak advocates, to highway advocates, who will say we need more money, will we say, tough luck, we are going to use this money to pay down the deficit? Or will we say, you have been hard pressed in the last 10 years, educators, you have been hard pressed, environmentalists, we will give you a little money to spend?

We will spend it. That is why the deficit will be bigger in 4 years. That is why the interest rates will be higher in 4 years, because we will not use any of this money to pay down the deficit. That is why I voted against the reconciliation bill. I expect to continue to vote against it. I think we are in exactly the same situation we were in 1981, assuming the projections have been right. We were projecting an immense surplus, and we wanted to cut the taxes so we could not spend the money. We are now projecting we are going to collect between $175 to $200 million more in taxes and we have immediately committed to spending more. The question is will we pay down the deficit or spend it? I think we will spend it.

That is why the reconciliation bill should not pass.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. GRAHAM.) The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I just wanted to make the correction to the remarks of the distinguished Senator from Oregon. I noted it.

The Senator from Oregon said President Reagan has been unjustly blamed for causing these deficits.

Mr. President, I ask unanimous consent to at this point have printed in the RECORD an article by David A. Stockman, entitled "America Is Not Overspending," from the Spring 1993 issue of New Perspective Quarterly.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICA IS NOT OVERSPENDING

(David A. Stockman, Director of the Office of Management and Budget from 1981 to 1985, during the first years of the "Reagan Revolution." David Stockman left office amid the lingering controversy caused by his revelations in the Atlantic magazine about the internal Administration politics which, Stockman said, would result in untenable deficits.

(Stockman's memoirs of those years are entitled A Triumph of Politics: How the Reagan Revolution Failed. He is currently a General Partner at the Blackstone Group, a New York investment house.)

President Clinton's economic plan deserves heavy-duty criticism—particularly the $190 billion worth of new boondoggles through FY 1998 that are euphemistically labelled "stimulus" and "investment" programs. But on one thing he has told the unvarnished truth. There is no way out of the elephantine budget deficits which have plagued the nation since 1981 without major tax increases.

In this regard, the full-throated anti-tax war cries emanating from the GOP since February 17 amount to no more than deceptive gibberish. Indeed, if Congressman Newt Gingrich and his playmates had the parental supervision they deserve, they would be sent to the nearest corner wherein to lodge their Pinocchio-sized noses until this adult task of raising taxes is finished.

The fact is, we have no other viable choice. According to the Congressional Budget Office (CBO) forecast, by FY 1998 we will have practical full employment and, also, nearly a $400 billion budget deficit if nothing is done. The projected red ink would amount to five percent of GNP, and would mean continuing Treasury absorption of most of our meager net national savings through the end of the century. This is hardly a formula for sustaining a competitive and growing economy.

The root problem goes back to the July 1981 frenzy of excessive and imprudent tax-cutting that shattered the nation's fiscal stability. A noisy faction of Republicans have willfully denied this giant mistake of fiscal governance, and their own culpability in it, ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of anti-tax venom, while pretending that economic growth and spending cuts alone could cure the deficit.

It ought to be obvious by now that we can't grow our way out. If we should happen to realize CBO's economic forecast by 1998, wouldn't a nearly $400 billion deficit in a full employment economy 17 years after the event finally constitute the smoking gun?

To be sure, aversion to higher taxes is usually a necessary, healthy impulse in a political democracy. But when the alternative becomes as selfevidently threadbare and groundless as has the "growth" argument, we are no longer dealing with legitimate skepticism but with what amounts to a demagogic fetish.

Unfortunately, as a matter of hard-core political realism, the ritualized spending cut mantra of the GOP anti-taxers is equally vapid. Again, the historical facts are overwhelming.

Ronald Reagan's original across-the-board income tax cut would have permanently reduced the federal revenue base by three percent of GNP. At a time when defense spending was being rapidly pumped up, and in a context in which the then "conservative" congressional majority had already decided to leave 90 percent of domestic spending untouched, the Reagan tax rate cut alone would have strained the nation's fiscal equation beyond the breaking point. But no one blew the whistle. Instead, both parties succumbed to a shameless tax-bidding war that ended up doubling the tax cut to six percent of GNP—or slashing by nearly one-third the permanent revenue base of the United States government.

While delayed effective dates and phase-ins postponed the full day of reckoning until the late 1980s, there is no gainsaying the fiscal carnage. As of August, 1981, Uncle Sam had been left to finance a 1980s-sized domestic welfare state and defense build-up from a general revenue base that was now smaller relative to GNP than at any time since 1940.

In subsequent years, several "mini" tax increase bills did slowly restore the Federal revenue base to nearly its post-war average share of GNP. The $2.5 trillion in cumulative deficits since 1981, however, is not a product of "over-spending" in any meaningful sense of the term. In fact, we have had a rolling legislative referendum for 12 years on "appropriate" Federal spending in today's society—and by now the overwhelming bi-partisan consensus is crystal clear.

Cash benefits for Social Security recipients, government retirees and veterans will cost about $500 billion in 1998—or six percent of prospective GNP. The fact is they also cost six percent of GNP when Jimmy Carter came to town in 1977, as they did when Ronald Reagan arrived in 1981, Bush in 1989 and Clinton in 1993.

The explanation for this remarkable 25 years of actual and prospective fiscal cost stability is simple. Since the mid-1970s there has been no legislative action to increase benefits, while a deep political consensus has steadily congealed on not cutting them, either. Ronald Reagan pledged not to touch Social Security in his 1984 debate with Mondale; on this issue Bush never did move his lips; and Rep. Gingrich can readily wax as eloquently on the "sanctity" of the nation's social contract with the old folks as the late Senator Claude Pepper ever did.

The political and policy fundamentals of the $375 billion prospective 1998 cost of Medicare and Medicaid are exactly the same. If every amendment relating to these medical entitlements which increased or deceased eligibility and benefit coverage since Jimmy Carter's inauguration were laid end-to-end, the net impact by 1998 would hardly amount to one to two percent of currently projected costs.

Thus, in the case of the big medical entitlements, there has been no legislatively driven "overspending" surge in the last two decades. And since 1981, no elected Republican has even dared think out loud about the kind of big changes in beneficiary premium costs and co-payments that could actually save meaningful budget dollars.

To be sure, budget costs of the medical entitlements have skyrocketed—but that is because our underlying health delivery system is ridden with inflationary growth. Perhaps Hillary will fix this huge, systemic economic problem. But until that silver bullet is discovered, there is no way to save meaningful budget dollars in these programs except to impose higher participation costs on middle and upper income beneficiares—a move for which the GOP has absolutely no stomach.

Likewise, the "safety net" for the poor and price and credit supports for rural America cost the same in real terms—about $100 billion—as they did in January, 1981. That is because Republicans and Democrats have gone to the well year after year only to add nickels, subtract pennies, and, in effect, validate over and over the same "appropriate" level of spending.

On the vast expanse of the domestic budget, then, "overspending" is an absolute myth. Our post-1981 mega-deficits are not attributable to it; and the GOP has neither a coherent program nor the political courage to attack anything but the most microscopic spending marginalia.

It is unfortunate that having summoned the courage to face the tax issue squarely, President Clinton has clouded the debate with an excess of bashing the wealthy and an utterly unnecessary grab-bag of new tax and spending giveaways. But that can be corrected in the legislative process—and it in no way lets the Republicans off the hook. They led the Congress into a giant fiscal mistake 12 years ago, and they now have the responsibility to work with a President who is at least brave enough to attempt to correct it.

Mr. HOLLINGS. Mr. President, Mr. Stockman, President Reagan's own Director of the Office of Management and Budget, puts his finger on the real culprit. "The root problem," I quote, "goes back to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction of Republicans has willfully denied this giant mistake of fiscal governance and their own culpability in it ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of antitax venom while pretending that economic growth and spending cuts alone could cure the deficit."

I yield the floor.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I ask unanimous consent, therefore, to have printed in the RECORD nine budget projections from January 28, 1980, onward; President Carter's 1980 budget through July 1981; and the CBO projection, showing a projected surplus.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OMB AND CBO DEFICIT PROJECTIONS

[In billions of dollars]

	1979	1980	1981	1982	1983	1984	1985	1986
1. January 28, 1980 OMB—Carter (fiscal year 1981 budget proposals)	−27.7	−39.8	−15.8	4.8	24.5	81.6	158.6	
2. February 7, 1980 CBO baseline projection	−27.7	−44	−37	−8	+34	+98	+178	
3. March 31, 1980 OMB—Carter (fiscal year 1981 March revisions)	−27.7	−36.5	−16.5	−41.5	−78.9			
4. January 15, 1981 OMB—Carter (fiscal year 1982 Budget Proposal)		−59.6	−55.2	−27.5	−8.0	32.0	84.7	138.2
5. March 10, 1981 OMB—Reagan fiscal year 1982 revision (includes estimates of Reagan tax and spending cuts)		−59.6	−54.9	−45.0	−22.8	.5	5.8	28.2
6. March 25, 1981 CBO (reestimate of Reagan's fiscal year 1982 budget revisions)			−63	−67	−59	−49		
7. July 1981 CBO (baseline report):								
a. CBO Baseline (not including Reagan proposals)			−48	−30	18	76	138	209
b. Congressional budget resolution, which includes Reagan tax and spending cuts			−58	−38	−19	1		

Note.—The conference report on the 1981 tax bill was approved by the Senate on Aug. 3, 1981 and the House on Aug. 4, 1981. It was signed by the President a few days later. At that time neither the Office of Management and Budget nor the Congressional Budget Office were predicting that the tax cuts would cause immense deficits.

Mr. PACKWOOD. I heard what David Stockman said. I do not care what somebody said. These are the figures we were working with at the time we enacted the tax cuts.

I emphasize again, President Reagan asked for spending cuts himself. He did not get them. But when people say, where are the spending cuts submitted by the Republican Presidents, the answer is he submitted them. The Congress did not enact them. In many cases the spending cuts are the so-called entitlement programs. They go on and on forever unless Congress decides to cut them back.

Mr. President, I submit that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Also, when it is said you cannot cut spending, I call to the Chair's attention the circumstance out in California. California is one of the hardest-hit States in the recession. It was in the real estate boom and when prices tumbled, they tumbled. They are the biggest defense State in the Nation, and they are being badly impacted by the defense cuts. I am not arguing about the merits or demerits of the defense cuts. They are just being badly hit.

They had 7 years of drought and finally had rain this year. In the last 2 years, their general fund budget has gone from $43 billion, which is a big State budget, annually, to $38 billion. It is not even adjusted for inflation. Their spending has gone down.

I see that the occupant of the chair is the former Governor of the State of Florida, and he knows what that means when your budget is going down. Let us not have it be heard that we cannot cut spending. It can be done. California is having to do it. The reason, of course, is that they have a constitutional amendment to compel them to balance the budget. I wish we had one. We do not, but they do. They have to make their income equal their outgo. If it is not enough, they have to cut spending; and they are doing that.

I thank the Chair and yield the floor.

Mr. HOLLINGS. Mr. President, the grave misgiving I have at the present time on the present budget is all the rhetoric of saving $500 billion. I have been to the President and discussed it with him. As I alluded to just previously here in the dialog with the distinguished Senator from Oregon, we have to do more.

That brings me to the $500 billion. You do not talk about projections. The majority of the Republicans voted for that projection, and I will give you the words of their leader: "We will cut and reduce the deficit $500 billion in 5 years." Instead, we are funding a deficit of $400 billion this year.

Let us go to President Reagan. I do not have the schedule with me now, but I will be glad to furnish it in the RECORD. The Congress of the United States appropriated less than President Reagan asked for each year. If you want to allude to the Democratic Congress, it was a Republican Congress there for 6 years—a Republican Senate. So it was a mix, Republican and Democrat. Whatever, the Congress appropriated less than what President Reagan asked for.

I yield the floor.

Mr. PACKWOOD. One last comment. Mr. President, that dodge of "we appropriated less than the President asked for" is the oldest dodge in the business. Let us say Congress passes a law that says—purely for illustrative purposes—we have been giving this State $100 a month for each Medicaid patient. We will now give them $200 a month for each one. That is not an appropriation. That is an entitlement program. We say to the States of Florida, California, New York, and Oregon, we will give you *x* amount of money for each Medicaid patient. The President is then required to put that in his budget. It is not an appropriation. So the spending goes up. It is an entitlement.

Then to say we cut appropriations because the President might submit us a bill that has $5 billion for education, and we cut it to $4.9 billion; and to say we have cut the President's appropriations, when he had to increase his total budget because of things we forced upon him that he did not want, is ridiculous.

I yield the floor.

Mr. BAUCUS. Mr. President, I would like to get into this, too. The last statement by the Senator from Oregon is also the oldest dodge around here. The oldest dodge around here, as stated by the Senator, is that, gee, President Reagan had to essentially impose these budgets because of entitlements—whether it is Medicare or Social Security, makes no difference.

The fact is that President Reagan asked Congress every year to spend more money than Congress appropriated. If the President really wanted less entitlement spending, less spent on Social Security, less spent on Medicare, he could have asked the Congress to change the law so that Congress and the Government would be spending less on Medicare and Social Security.

But he did not do that. No. He asked the Congress every year to spend more money in entitlements and discretionary combined than Congress appropriated or passed every year. That is a fact. It makes no difference whether they are entitlements or appropriations. The fact is that in the President's unified budget, he asked Congress to spend more total money than Congress appropriated. I think it is important for the American people to know that.

I yield the floor.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I believe the business to come before the Senate, under the order, is S. 1003, the Fast Track Extension for the Uruguay round.

URUGUAY ROUND AND FAST TRACK EXTENSION

The PRESIDING OFFICER. The Senate will proceed to S. 1003. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1003) to provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply Congressional "fast track" procedures to a bill implementing such agreements.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MOYNIHAN. Mr. President, it is with high expectations and good spirit that we rise today to bring to the floor a measure of large consequence, even if somewhat elusive content, to give the President of the United States the power to proceed with the Uruguay round trade negotiations, which have been underway for some 7 years now, and to bring them to a conclusion by December 15; thereafter, to be sent to the Congress. If indeed the negotiations are successful, we can guarantee that. But we tell our trading partners that—107 trading partners in this case—we wish it to be successful, and that 7½ years, 8 years is long enough for a trade agreement. Get it done by Christmas and then on to other matters.

The fact that the President may have this agreement in hand as he arrives in Tokyo for the G-7 meeting, the Group of 7 who are principal industrial democracies of the world, is hugely important. It is a fact that the industrial democratic world is in a state of some economic difficulty and political disarray, which is the only term that can be used.

This gathering in Tokyo is already being discounted. Some say nothing much will come of it. We are already beginning to hear that such are the employment problems and the political problems of the European Community and Japan that they are not interested in expanding the world trade system as we buoyantly had done for 40 years now, bringing levels of prosperity never imagined.

We have to send our President who, for all that he has the political difficulties that go with being an American President, it cannot be said that his administration is under indictment. It cannot be said that his administration is divided between two much opposed political parties. It cannot be said that the political structure of the United States is falling apart. You cannot say that he has the highest levels of unemployment since the 1930's.

That is the condition that other partners in the G-7 face. I mean, political instability—I do not want to use the term "instability"—but political volatility in Japan that has no equivalent in its postwar history.

The Government of Italy is in very grave difficulties. The Government of France is divided between President Mitterrand, a Socialist President of a country in which the Socialist Party has all but disappeared, with Mr. Balladur, a very different political party, as Prime Minister; Chancellor Kohl in a Germany pretty much preoccupied with internal problems; Prime Minister Major of the United Kingdom, in a situation of economic difficulty. That does not make in any sense for a buoyant government, much less a buoyant economy. Again, the situation in Tokyo itself is without precedent.

We want to send our President, just the President of the United States—not a Democrat or Republican—to Tokyo with the authority to negotiate in his pocket. We can do that in time, sir, when my dear friend and long-time colleague, Senator PACKWOOD, and I will move to substitute the House bill for our measure so that it can go directly from that desk to the White House and the President can have it in his pocket when he gets to Tokyo and he can take it out there and say, "Here is my commitment and agreement which will be kept."

What American Presidents have to be able to tell their negotiating partners, is that any agreement they reach will not be nibbled to death on the floor of the House and Senate. We vote it up, or we vote it down, but we do not take out this bit and put in that bit. That is why we have had the hugely successful negotiations, the Kennedy round, the Tokyo round, generally thought to be a good round. The Uruguay round can be the same.

It is a statement that we are not going to drop back at the end of the cold war into blocs, the Western European bloc, European Community, the North and South American bloc, an Asian bloc, putting up barriers, excluding each other, slowing down the growth of the world economy as you slow down the growth of the world's trade, because that will be the outcome. It has never failed, and it will happen again.

Everything we have fought against as a nation for 60 years—for 60 years ago, Cordell Hull became Secretary of State under President Roosevelt and began the multilateral trade agreements to break out of the disastrous pattern that Smoot-Hawley brought. Indeed, it was said it would cut imports one-third in 2 years' time. Indeed, it cut, almost unfortunately, one-third, but it also cut exports by one-third and the world economy began to spiral in the Depression of the 1930's. We got out with World War II, which was in no small measure brought about by economic warfare. It was simply a continuation of the economic warfare of the 1930's.

We do not want to do this and need not do it.

This bill passed out of the Committee on Finance 18 to 2. It was a very happy reappearance of the bipartisan—not that our work is not political; of course, it is political, but we do not divide along party lines. We divide, I think my friend from Oregon will agree, along lines of viewpoint, of opinion on this issue and that issue, and there is hardly ever the same specific alignment from one day to the next. But, overwhelmingly, 18 to 2, every Member of the Republican side voted for this, 9 of 11 on the Democratic side voted for it also.

Mr. President, it is good legislation. It does not do anything but enable the President of the United States to negotiate an agreement that comes back to us but says: Do so by December 15, putting the world on notice that enough time has passed.

I see my friend from Oregon has risen. I look forward to hearing from him.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, let me ask a question of my good friend from New York, because it is from him I learned the word oxymoron. I think I only learned it 6 or 7 years ago.

Do I have it roughly right? It means an internal contradiction in one word or a hyphenated word where the two practically stand in opposition to each other. I think the Senator from New York once used the term "defense intelligence" as an oxymoron.

Mr. MOYNIHAN. Some journalists refer to the evening news.

Mr. PACKWOOD. So we have it roughly right?

Mr. MOYNIHAN. Right.

Mr. PACKWOOD. So I think the term "fast track" is an oxymoron. It gives the impression we are going to push an agreement through the Senate and nobody is going to hear about it, nobody is going to see it, it will go through here like lightning. Only in a process where we have been negotiating for many years can we even attach the idea of fast track, and assuming something is going out with a lick and a spittle.

It means nothing more than when a trade agreement finally gets to the Congress, it cannot be amended on the Senate floor. It does not get here in a hurry. It does not get here until the negotiators meet with all the members of the Finance Committee, the Ways and Means Committee, and, frankly, every other Member of the Congress to see what possible objection there might be. The President does not go ahead with the negotiations without consulting with us. It only means when he finally gets the agreement, and it is submitted in a timely basis to the Congress, that we cannot amend it, and you would ask why, and the why—I see the majority leader is on the floor. Does the majority leader wish to say something? I am happy to yield for a moment.

Mr. MITCHELL. Mr. President, I thank my colleague for his courtesy.

The PRESIDING OFFICER. The Senator from Maine.

VISIT TO THE SENATE BY MEMBERS OF THE DELEGATION OF THE EUROPEAN PARLIAMENT

Mr. MITCHELL. Mr. President, I am honored to have this opportunity to welcome, on behalf of the entire Senate, a distinguished delegation from the European Parliament, here for the 41st European Parliament and U.S. Congress Interparliamentary Meeting.

Led by Mr. Alan Donnelly from the United Kingdom, Mr. Jean Penders from the Netherlands, and Mr. Rudiger von Wechmar from Germany, the 25-member delegation is here to meet with Members of Congress and other American officials to discuss matters of mutual concern.

With the establishment of a single market in 1992, and faced with the many challenges of the newly emerging democracies, the European Parliament plays a pivotal role in shaping the new Europe of the 21st century. Continued relations between the European Parliament and the U.S. Congress are essential in developing better economic ties with Europe and in reinforcing our common goals.

Mr. President, I ask that my colleagues join me in welcoming our distinguished guests from the European Parliament and ask unanimous consent that a list of the members of the delegation be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

MEMBERS OF THE DELEGATION OF THE EUROPEAN PARLIAMENT

Mr. Alan Donnelly, Chairman (Socialist Group, United Kingdom).

Mr. Jean Penders, 1st Vice Chairman (European People's Party, Netherlands).

Mr. Rudiger von Wechmar, 2nd Vice Chairman (Liberal, Democratic and Reformist Group, Germany).

Ms. Mary Banotti (European People's Party, Ireland).

Mr. Jean-Paul Benoit (Socialist Group, France).

Mr. Neil Blaney (Rainbow Group, Ireland).

Mr. Elmar Brok (European People's Party, Germany).

Mr. Bryan Cassidy (European People's Party, United Kingdom).

Sir Fred Catherwood (European People's Party, United Kingdom).

Mr. Gene Fitzgerald (European Democratic Alliance, Ireland).

Mr. Gerardo Gaibisso (European People's Party, Italy).

Mr. Ernest Glinne (Socialist Group, Belgium).

Mr. Lyndon Harrisson (Socialist Group, United Kingdom).

Mr. Lothar Klein (European People's Party, Germany).

Mr. Christos Papoutsis (Socialist Group, Greece).

Mr. Ioannis Pesmazoglou (European People's Party, Greece).

Mr. Luis Planas Puchades (Socialist Group, Spain).

Mr. Hans-Gert Poettering (European People's Party, Germany).

Mr. Peter Price (European People's Party, United Kingdom).

Mr. Klaus Risker Pedersen (Liberal, Democratic and Reformist Group, Denmark).

Mr. Gerhard Schmid (Socialist Group, Germany).

Mr. Barry Seal (Socialist Group, United Kingdom).

Mr. Roberto Speciale (Socialist Group, Italy).

Mr. Georgios Savvos (Socialist Group, Greece).

Also participating:

Mr. Jaquim Miranda Da Silva (Left Unity, Portugal).

RECESS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate stand in recess for about 5 minutes in order that we might personally welcome our fellow parliamentarians, and I believe the Senator from Oregon might like to join.

Mr. PACKWOOD. Absolutely.

There being no objection, the Senate, at 2:39 p.m., recessed until 2:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. GRAHAM].

URUGUAY ROUND AND FAST-TRACK EXTENSION

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I thank the Chair.

I believe I just finished a discussion with the Senator from New York about the term "oxymoron."

Mr. MOYNIHAN. May I make a correction?

As an example of oxymoron, what I meant to say—and this is from print journalists. They offer the example of television news.

Mr. PACKWOOD. There can be evening news.

So this is not something that is being rushed through on a fast track, as if a streamlined train is about to whiz by a small town.

It simply means that when the President finally finishes negotiations, after conversations with us, negotiations with us, dealings with us, pleadings from us, we will vote on the agreement that he has signed. In this case, the so-called GATT, General Agreement on Tariffs and Trade treaty, is signed with 107 nations, all of whom agree not to amend it.

Why is it necessary to have this kind of an arrangement? It is necessary for a very simple reason, and we have all learned it in politics: Those who think they are adversely affected by something are inclined to scream louder than those who benefit.

First, those who benefit do not necessarily want others to know, so they do not trumpet it.

Two, those who benefit expect it as their due and do not necessarily think they need to show any appreciation, because they had it coming to them in any event.

Whereas, those who think they have been hurt by a piece of legislation, think it is unfair, un-American, immoral, unethical, and an oxymoron. So they will do everything they can to stop whatever it is that is about to happen to them.

Now let us picture a situation with the trade agreement. What you are trying to do in negotiating a trade agreement is to lower tariffs and to lower trade barriers so that nations can trade with each other on a freer basis.

Let us use an example. The United States is very good at producing electronic generators and communications satellites. We are better in the world than anybody else in making those things. The General Electrics and Westinghouses make unparalleled generators. Other countries make communications satellites, but they cannot match our quality. So we would like to be able to sell electric generators and communications satellites in Germany, the United Kingdom, Ireland, Indonesia, and everyplace else.

Companies in those countries that make electric generators and communications satellites do not want the competition. They want to keep up trade barriers to keep our equipment out. So Presidents go and negotiate and attempt to hammer those countries and say, "We make the best of these in the world. Let our products in."

They finally say, "OK. OK, but we think we can make men's suits better than you can." Or, "We would like to have access to your textile markets. You have high tariffs. We think we can do textiles as well as you can. Let our textiles into your country and we will let your electric generators into our country."

Immediately, the electric generator people in the other country and the apparel or textile people in this country are opposed to the agreement. It does not matter this is going to mean lower priced products to people who need electric generators in Indonesia or people who need suits in the United States. The people who make those products do not want the competition.

Japan has been better at this than many, but better in some ways that we would not expect. We think of them as solely a protective society. They want to keep everything out and sell everything in the world to everybody else. And indeed they are perhaps as protectionist as many countries, although frankly not as bad as some. But Japan has also concluded they cannot do everything well.

I do not know if my good friend from New York remembers this—20 years ago Japan was in the top five in the export of textiles and apparel. Today, they are not in the top 20 in the export of apparel. They realized they could not compete in the apparel industry. It is heavily hand work and, frankly, lower wage. Textiles, however, are not. Textiles are capital intensive; textiles are produced on automated machines. Japan thought to themselves: We can do textiles as cheaply and as well as anybody in the world but we cannot compete in the apparel business in the world. And so Japan got out of the apparel business.

Take the example of aluminum. Japan used to do a lot of aluminum smelting. They wanted to be self-sufficient in aluminum. But Japan is an energy-poor country. They have no coal, no oil, no natural gas, and very few big rivers that they could harness for hydroelectric power. Aluminum takes a tremendous amount of electricity, power. Japan, for all practical purposes, got out of the aluminum business.

When they got out of the apparel business for export and got out of the aluminum business, there were people in Japan who complained about losing jobs and letting foreigners come in and take our business. Nevertheless, Japan said: On balance we are better off to import the aluminum than make it here.

Let us take some agricultural products. If God has blessed the United States with anything, it is the capacity to farm. We have immense lands, fertile land, and by and large, good climate. We can grow wheat or rice or cherries or pears or apples, probably better than any place in the world.

Many countries in the world attempt to protect their agricultural industries. Japan and rice is a classic example. They still protect rice. We can put rice from Louisiana onto the shelves of Japan for a tenth of the price that Japan's consumers pay for rice. But rice is grown everywhere in Japan. It is grown in Tokyo. It is politically difficult for the majority party—which may or may not be the majority party much longer—to bring themselves to let down the barriers on rice. One day they will and in exchange will say: All right, if you want to flood our market with rice, you can do it better than we can. We want you to take off any limitations on our selling cars in the United States.

There was a time when that would be a fear. That would not bother me anymore. We have now become as good as they are at making cars. Our cars are as good as theirs and as cheap as theirs. It took us 20 years to learn it, but we did.

The point is, any agreement you enter into is going to have strong opposition from those who think it adversely affects them, and it is not going to have overwhelming support from those who think they are going to be benefited. Now, picture what is going to happen around the world if you are trying to get an agreement between 107 countries, all of whom must agree to the same thing. If everyone can start to pick it apart and each little industry in their country and each little interest group in each country says: I like 900 of the points in this agreement, but there are 2 I do not like; I want to take those out—if every country said that—the agreement would fall apart. You could not stand up to that kind of pressure from each country.

Here is the difference in the negotiations of these agreements. When we negotiate with a foreign country, we are usually negotiating either with a parliamentary democracy in which the majority party is the majority—when it signs an agreement, it can deliver on the agreement because they have a strong party system. You sign an agreement with the United Kingdom or with any country that has a parliamentary majority, and they will deliver.

Or we are negotiating with dictatorships. Dictatorships have a different method of persuasion, but they can deliver when they say, "We have signed it; we will perform."

I am not criticizing our form of government, but the President cannot necessarily guarantee that he can deliver on a trade agreement because it has to come to the Congress for approval. The Constitution says we have control over foreign commerce, which we do. So all the President asks is, "Gang, give me a chance. If you think I can negotiate any agreement with any country that knows as soon as it comes to Congress every group that does not like it can pick it to pieces, I cannot negotiate an agreement that will be good for the country as a whole." All this fast-track legislation allows is for the President to negotiate this trade agreement—and I want to emphasize—after negotiating with Congress, talking with us.

Things go into this agreement that are designed to placate Congress in the hopes of holding this together. He does not just do this on a wish and a hope, never talking to us, and saying: Here it is; take it or leave it. All he asks is once he has finished his negotiations with us, let alone the foreign countries, that we give the agreement a decent chance for passage. If it can be amended piece by piece, part by part, there would be no agreement, because no foreign nation would sign an agreement with us which would be bad for the consumers of this country. It would be bad for the consumers of the world. And it would be bad for every one of our export industries because it would mean that every industry that did not want any competition from anybody would be able to keep that competition out. In the long run, the world would suffer.

So I hope we pass this legislation without amendment and say to the President, and we are only giving him another few months, until mid-December: Try to bring this agreement to conclusion after 7 years of negotiations. Try to bring it to conclusion; submit the agreement to us to vote for it up or down. We can vote it down. But let us look at it as a whole as to what is good for the country. Let us not look at it and say with every single segment, every single congressional district, every single State, it must be good for every single person in every single aspect and every single place. On that basis, we never would approve it.

If we can say on balance it is good for the common, it is good for all on balance, we will pass it.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I think you see the spirit in which we bring this measure to the floor: Nonpartisan, concerned, and hopeful. We think something good is going to come out of these 8 years of negotiations. No one has been more involved, with more detailed knowledge, than my respected and learned colleague, Senator BAUCUS of Montana, who is the chairman of the Subcommittee on International Trade of the Committee on Finance. I might have to give some sense of the importance of that position, and this subject, as Senator PACKWOOD described it.

There are 20 members of the Committee on Finance; 17 are on the Subcommittee on International Trade, twice the number of any other subject, even taxation. Senator BAUCUS is an expert in this field, acknowledged in our own company and in world circles.

I know the Senator is here. I look forward to his speaking on this subject.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I first thank the esteemed Senator from New York [Mr. MOYNIHAN], chairman of the Committee on Finance. We are very lucky to have him as our chairman, guiding us through not only reconciliation and the tax bill, but here today on trade matters.

Mr. President, I stand today in support of S. 1003, a bill to extend President Clinton's authority to negotiate multilateral trade agreements under fast-track rules.

Let me say at the outset: I hope that every member of the Senate votes for this bill. Because all this bill does is give President Clinton the same ability that Presidents Reagan and Bush had to negotiate an agreement to open world trade. All it does is allow the Uruguay round negotiations of the General Agreement on Tariffs and Trade to go forward.

Let me repeat: We are voting to permit the Uruguay round negotiations to go forward. That is all we are doing.

We are not voting on the United State Canada Free-Trade Agreement—that is already law. We are not voting on the North American Free-Trade Agreement. That vote will come later in the year.

We are not voting on prospects for a trade agreement with Chile or the Caribbean basin or even Antarctica. Bilateral trade agreements are not mentioned in this request.

We are also not voting on the final Uruguay round package. We will do that sometime after April 15 of next year when an implementing bill is written for the Uruguay round. Hopefully, if it is a good agreement, we can then vote for it. But we are not being asked to do that today. We are simply voting to give President Clinton a chance to finish what President

Reagan started in 1986 in a town called Punta del Este, Uruguay. Since then, we granted President Bush additional authority so he could continue negotiations, and I think we owe our new President the exact same authority. I think we owe our vision for freer world trade another chance.

Mr. President, it was in Punta del Este that we, along with 107 other nations, began an ambitious round of trade talks aimed at modernizing the General Agreement on Tariffs and Trade, the round that would expand the GATT to cover services, investment, and intellectual property, areas it never addressed before.

I think it is important to underline that, Mr. President, because today the GATT basically only covers trade in goods, and somewhat in agriculture, but services, intellectual property, investment, textiles—those are all matters not covered by the GATT rules.

That ambitious round of negotiations was supposed to have ended in 1990, but it continues, due to delays we could never have foreseen. Perhaps we could have foreseen conflict over agriculture trade, but who would have thought that in 1986—that is, after the round began—that the Berlin Wall would crumble or that Eastern Europe or China would be seeking GATT membership by the end of the negotiations?

Clearly, the changes our world has seen have contributed greatly to the Uruguay round's delay. But now we are in a new era. In this country, we have a new President. In Geneva, there is a new Director General of the GATT. I am hopeful that in this year, 1993, the Uruguay round's ship will finally come in and it will be floating.

The fast-track request we have before us reflects the President's commitment to see a GATT deal this year. It simply asks for an extension until December 15, 1993. That is an extension of negotiating authority only. That is only 6 months away. But the Clinton administration knows that GATT stands for General Agreement on Tariffs and Trade and not, as some have suggested, the "Gentleman's Agreement to Talk and Talk." This negotiation cannot be permitted to drag on one more year. That is why there is a short leash.

Mr. MOYNIHAN. Mr. President, will the Senator from Montana yield for a question?

Mr. BAUCUS. I would love to yield to the Senator from New York.

Mr. MOYNIHAN. Are we not saying with this measure: Get it done by December 15 or that is it?

Mr. BAUCUS. Precisely.

Mr. MOYNIHAN. Some things take 7 years, but then there is an end to the process. That is what we are saying now.

Mr. BAUCUS. We are saying there has been too much process and not enough results. We are just trying to find an end to all this, and we are signaling to the world that the end is going to be in 6 months.

Mr. President, the Japanese have a saying: In all negotiations, the last inch is darkness. We are saying that last inch is no more than 6 months away. Any time beyond that is nonnegotiable, we are not going to talk about it, we are not going to deal with it. Countries will then pursue their own economic interests, they will pursue bilateral negotiations, maybe other multilateral negotiations, maybe unilateral actions. The world will have lost a great opportunity.

Mr. President, I think it is also important to state and to agree that through granting our President fast-track negotiating authority we, in the Congress, are not forfeiting our constitutiona right to trade policy.

I think it is important to remember this. Under the Constitution, under article I, it is the Congress that determines trade policy. Trade policy is not mentioned in article II, the executive article, or in article III, certainly, the judicial article. Article I states it is the Congress that determines trade policy, and Congress is now by proxy delegating to the President the authority to negotiate a trade agreement.

The Congress has the ultimate authority. The Congress is delegating that authority for 6 months under this resolution to the President. so we in the Congress are not forfeiting our constitutional rights in any way whatsoever.

We are simply giving the President our proxy. After all, it just is not practical for 535 Members of Congress to join the President on one side of the negotiating table.

We also are not forfeiting our right to consultation. Under fast track, the Clinton administration must seek our advice on the status of the round, and the President is serious about that consultation. The request before us provides for 120 days of consultation between the time a tentative agreement is reached and a final agreement can be signed. That is 30 days longer than the fast-track rule currently provides, and it goes without saying that he will consult us between now and December 15.

(Mrs. BOXER assumed the chair.)

Mr. BAUCUS. Madam President, it also goes without saying that we will watch negotiations closely because no agreement is better than a bad agreement. It is a point that we must underline and we must make very clear to our trading partners. There is no constitutional provision that requires the United States to sign any trade agreement. There is no moral authority in the world which requires the United States to sign a trade agreement. The President will only sign and the Congress will only ratify a trade agreement that is a good agreement. We Americans must not only be prepared to walk away from a bad agreement.

A good agreement will be one that goes beyond the Dunkel draft to improve intellectual property protection and beyond the Dunkel draft in the dispute settlement process. I think the United States should tell our trading partners that these are areas we must focus on.

The NAFTA agreement, signed not too long ago, has stronger intellectual property right provisions than the Dunkel draft. I think it is very important that we tell our negotiator, Ambassador Kantor, that if we can get stronger—and they are much stronger—intellectual property right provisions in the Dunkel draft, that we certainly should try mightily to do so.

I think the same would also go for our sovereignty in the dispute settlement process. Also, we need to focus on the degree to which we Americans in any Uruguay round agreement are willing to give up our trade laws. Regular section 301, special 301, which deals with intellectual property, Super 301, which I think and hope very much will be enacted by the time the round is concluded, our antidumping laws, and our countervailing duty laws. We must keep these laws because we Americans, living in the largest country in the world, with the largest number of consumers and the most prosperous consumers, must have the legislation to enable our manufacturers, enable our industries to force markets to be opened overseas. We need this so we Americans can send our products overseas so the playing field is as level from our perspective as it is from their perspective.

It is going to be a very delicate balance, but it is a balance on which we must focus very closely because I for one will not stand for a round agreement which forces us to give up or cut back significantly on our trading laws.

Madam President, I think a good agreement is also one that opens up foreign markets to additional U.S. farm exports. We must press even more vigorously than we have on European export subsidies. I do not think Europeans have agreed enough to reduce their export subsidies.

I do not want to beat a dead horse, but it is important to remember that just last year our total farm program cost about $10.6 billion. That is less than European export subsidies alone. In recent years, European export subsidies alone have been as high as $11 billion—$11 billion. That $11 billion in EEC export subsidies does not include the variable levies, the internal price supports.

I think we have to work harder to get these export subsidies down.

To conclude, Madam President, perhaps this time next year we will be voting on an agreement, and, again, if that is not a good agreement, we should not support it. But that vote, again, will be next year. It will not be this year. Today, this year, we cast a vote on process, not a vote on substance. This is simply a vote that lets negotiations continue. That is all we are doing today.

I urge my colleagues to vote in the affirmative for this bill because I think it will strike a blow for better world trade.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. You have seen a display of the mastery of this subject by the Senator from Montana. Note especially his anticipation that before this session of Congress is concluded, we will have reenacted the Super 301 legislation, as it is known, that being the legislation dealing with unfair trade practices in named countries. And most especially you hear him saying we are voting today on a matter of process. We give our President not just the power to begin these negotiations but a deadline on which they are to conclude, and clear instructions. It is within our authority to instruct his negotiators—walk away from a bad agreement. We do not want any agreement at all costs. We want a good agreement. If we get a good agreement, we will approve it. And if not, not.

The authority with regard to trade is contained in article I of the Constitution. It is not mentioned in article II, nor yet in article III. We are jealous of that responsibility, that congressional prerogative and responsibility, and we are protecting it today in a manner we have done with some energy for two centuries.

I thank the Senator from Montana very much. I should like to report—the Senator from South Carolina is seeking recognition, and I will yield the floor—if I could just say we are about to reach a unanimous consent request fixing a time at which we will conclude debate on this bill and have a vote.

Madam President, I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Madam President, the great respect I have for the distinguished Senator from Montana prompts my initial comment about not having any fear about getting a bad agreement.

I have been terrified along with many, many others over the past several years of just that, a bad agreement. I have seen the urge to sacrifice the manufacturing sector of this great Nation in order to gain concessions for the service sector. And through it all we have heard the same siren song that seduced Great Britain at the early part of this century: Do not worry; instead of a nation of brawn, you will be a nation of brains. Instead of producing products, you will provide services. Instead of creating wealth, you will manage wealth; you will be a financial center. And, of course, the United Kingdom has gone to hell in an economic handbasket.

John Major came here in February and said, "We're in desperate straits." British investors are taking their moneys and investing them in my State, bless them, and around the world, losing their British middle class, losing the fundamentals of that Magna Carta—democracy. That is my fear.

As John Freeman at Harvard University wrote earlier this year in Business Week, America, too, is heading toward a class society. Because of our lack of a trade strategy, we are sacrificing our industrial backbone.

Oh, I do indeed have great fear they will come back with a bad agreement. I wish the distinguished Senator could see us all desperately jumping the U.S. Trade Representative, the President of the United States, ringing that phone, marching up there just this past Christmas because the word was out from Geneva that they were ready to sell out manufacturing in general and textiles in particular.

I speak for an industry—textiles—with no subsidy, all burden. The Senator says agriculture has an $11 billion subsidy. I think the true number is $17 billion. He says the comparable subsidy in Europe is $50 billion to $60 billion.

I would say in the textile industry we have at least $17 billion in burden when you add up minimum wage, workplace safety, OSHA, Medicare, Medicaid, Social Security, plant-closing notice, parental leave, unemployment insurance and so on.

Oh, it is a favorite pastime of Members of Congress to speak from the floor about how concerned we are—and we are concerned—about individual working men and women, and then we lecture the industrialists: Come in off the golf course and get competitive.

The psychologist from Oregon, I really was fascinated with the Senator from Oregon's talk a little while ago on the psychology of various industries or businesses.

The distinguished Senator from Oregon said Japan discovered it could not produce textiles. Japan was the leader 20 years ago. Now they are not in the top 20 because they could not compete in the apparel business.

They did not get out of that business at all. They are very fascinating and astute manufacturing planners and trade strategists. If you have ever traveled down into Thailand and Indonesia, there you will see the Japanese apparel industry. Oh, yes. All of that investment down in Indonesia and Thailand is Japanese investment. They use that as their offshore manufacturing and export platform, which is a very wise thing.

I have advocated much the same thing with Mexico. Let us reassign to Mexico 20 percent of the textile quota we now give to the People's Republic of China. I have no use for the slave labor in China we are having to compete with. Similarly, take 20 percent of the shoes from Korea, 30 percent of electronics from Taiwan, and the hand tool industry, a good portion of that, from Japan, and assign that down to Mexico as our export platform. We can learn how to play the game.

But the distinguished Senator from Oregon talks about this as a psychological thing. Japan did indeed move more adroitly and more competitively. They know exactly what they are doing.

Now let us examine fast track. They say fast track is an oxymoron, that the GATT agreement will not go through the Senate lickety-split. I disagree. That is exactly how that agreement will go through here. You will get some rhetoric, but no amendments. And the vote will be fixed and everybody knows it. The media knows it, the press knows it, the Congress knows it. They will not submit the agreement until the vote is fixed. Fix the jury before you try the case. Maybe that is why I like this better than practicing law. You go to jail for trying to fix a jury. But you win big bucks by fixing this jury up here in Congress.

It is said the Senator from Montana is restricting the President. Nonsense. We are restricting ourselves with fast track. We are not restricting the President. We are fixing it for the President. This is a fix.

The Senator from Oregon says you can vote it down. Not likely. They have gotten it passed every time. I tell you here and now, I will vote against fast track but I have agreed to offer no amendments. I will refrain from amendments because I have obtained at least part of the assurances I wanted from the administration, and a letter from the Special Trade Representative, the Honorable Mickey Kantor.

But the problem we have now, and the argument we hear is that we have to arm the President, make the President strong so he can go to the G–7 summit in Tokyo and say: I am here, I have fast track authority, and I can negotiate. Let us negotiate. Who is kidding whom?

Pick up the morning paper. Let us see how strong the President has become.

"President's popularity continues to weaken." I am a Democrat. I am for President Clinton. I take no pride in that headline.

But there are 100 law, lobbying, and consultant firms representing Japan. You look at Pat Choate's book, "Agents of Influence," and you will see them listed there, $113 million annually they are paid. By contrast, the total salary of 535 Members of Congress, 100 Senators and 435 Congressmen, is only $68 million. And our pay is frozen. This lobbying crowd is going to get a big increase in pay. Do you know why? All 100 lobbying firms got on the line this morning and called Tokyo, and they said, "The President is coming for the Tokyo round. But he is weakened, and don't worry about it. Don't give him anything. He is begging for an agreement. He is trying to increase his credibility, improve his stature; strengthen his popularity. But don't give in. The President is at an all-time state of weakness."

So we sit around here and think we are strengthening the President's hand when this crowd that is really in control is weakening the President's hand and making big money doing so.

That is the dilemma we find ourselves in. Yes. Article I, section 8 says not the President, not the Supreme Court, not the special Trade Representative, not the Economic Policy Council shall regulate foreign commerce. No, the Constitution speaks very clearly: "The Congress of the United States shall regulate foreign commerce." And I speak as the chairman of the Commerce Committee, what used to be called the Foreign Commerce Committee, yet in the same breath I say I have hardly anything to do with foreign commerce.

The one entity that effectively does not have anything to do with trade strategy, approval or disapproval, is under the Constitution charged with full responsibility: the Congress of the United States. Yet we have abdicated that responsibility. We give it a lot of rhetoric and cite a few statistics that the staff gives us to try to demonstrate some erudition and knowledge about trade policy. But the truth of the matter is Washington has had a defeatist trade policy for many years now and a total sell out during the past 12 years with the chant: Free trade, free trade.

There is misgiving. I might as well say it. My misgiving is President Clinton was elected on the promise of change. My misgiving is that he is adopting all the key Bush policies. We have the Bush Haitian policy. We have the Bush Bosnia policy. We have the Bush Somalia policy. We have the Bush Iraqi policy. We have the Bush economic policy of $500 billion in deficit reduction, just as in the 1990 budget agreement.

Now we have the Bush trade policy toward Mexico, and with this GATT fast track. I want the change that was promised. I ran in that same election. We were going to change things. We were going to get a competitive trade policy.

The executive branch has had 8 years with fast track authority and have done nothing with it. Come on. It is silly to argue we need fast track for GATT or an agreement will be impossible. If we in Congress can look at a $1.5 trillion budget with 13 different bills, multibillion-dollar appropriations bills, and debate them here with 535 Members and get together, and get it passed, then surely we can get the 100-plus nations of GATT to come to agreement.

The distinguished Senator from Montana says, if GATT collapses, other nations will start trading with themselves, making their own trade agreements, and they will start splitting off into blocs. Who is kidding whom? We are already in blocs. We saw the Pacific rim go the way of MITI with orchestrated trade. My good friend, Freddie Chin from Taiwan went home to take charge of Taiwan's MITI. He organized a MITI for Taiwan. They got a MITI in Korea. We cannot sell textiles in Korea unless the textile industry of Korea has a vote and allows us into Korea. And they have a super MITI in Japan. That is the Pacific rim. Yet here we keep hollering about special relationships like a bunch of children.

Let us change this Bush policy of fast track and irresponsibility and the downtown lobbyists' fix. That is exactly what we have going on here.

We also have the European Community, the other bloc. So the present policy is: Let us get another bloc, the North American bloc. We call it the North American Free-Trade bloc. So we have the North American bloc, European Economic bloc, and the Pacific rim bloc. So we have already got blocs. But they all act like there is a bogeyman out there, the threat of economic blocs. But the real bogeyman has been our own indolence and passivity and lack of dedication to our constitutional task of regulating foreign commerce.

We did our job in the early days. Mr. President, it is always good to quote the Founding Fathers, because, yes, put me down as a protectionist. That is what I am. I am a protectionist. And I'm in good company because that's what our Founding Fathers were, too. They read about the theory of free trade, the David Ricardo notion of comparative advantage, from the mother country. In the earliest days, Great Britain, after we won our freedom, said: You little fledgling democracy, you little country, you should trade with us the raw materials that you produce best. There will be no tariffs or barriers. Free trade, free trade. And we will trade back with you the manufactured goods we produce best. There will be no tariffs; there will be no barriers. Free trade, free trade. The doctrine of comparative advantage.

Alexander Hamilton wrote a booklet called "Report on Manufactures." To paraphrase his response to the British, he said: Bug off, we are not going to remain your economic colony.

The first act of this wonderful Congress that we serve in was legislation to describe the taking of the oath of office.

The second act, on July 4, 1789, was a protectionist measure, a tariff bill with a 50-percent tariff on 30 articles—iron, textiles, going right on down the list. And we built up this economic giant with protectionism. Let us not forget Madison's observation:

> It should never be forgotten that the great object of the Convention was to provide, by a new Constitution, a remedy for the defects of the existing one; that among these defects was that of a power to regulate foreign commerce; that in all nations is regulating power to embrace the protection of the manufacturers by duties and restrictions on imports.

So we now go the way of losing the American middle class because we are bartering away our intellectual property. The Japanese are buying up Hollywood. The distinguished Presiding Officer knows better than I, but I can tell you now that intellectual property, which we rejoice in, is now being bought out.

The big banks, that is what is driving NAFTA. They want their billions back from Mexico. They couldn't care less about U.S. jobs.

We must not forget that the textile industry is the largest employer of women and minorities. Yet in textiles, they have lost 400,000 jobs in the last 12 years. We lost 51,000 jobs in Charleston last weekend because of base closures, and if we go with tariff cuts and the phaseout of the MFN, with Uruguay Round fast track, we are going to lose, we know. 1.1 million jobs across the country.

In talking about fast track and the failed case for NAFTA, Jeff Faux says:

> The assertion that "most economists" believe that more unrestricted trade with Mexico will be good for everyone in an unspecified "long run" goes unchallenged. As does its increasingly shrill implication: that those who oppose NAFTA are simply ignorant of economics or, as some would have it, somehow "against Mexico."

That is the atmosphere in which this blooming thing is being debated. I make a talk for Mexico and a Good Neighbor policy, and we can get a good one if we work together. But Lester Thurow says, "Free trade agreements have never worked; common markets work." He is the best of economists, a genius, in my opinion. He said that free trade agreements have never worked. Now when we get hot for fast track, the whole idea is to get an agreement, get a time certain, cut off debate, not be heard, and not have any amendments.

Well, I said yesterday in the party caucus that I intended to have two amendments. One amendment addressed the need to set down the principles and goals. I respect and congratulate the Finance Committee, because they did just that. They debated and decided on very worthy goals, and in a letter on June 23 to the President of the United States—I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, June 23, 1993.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: The Committee on Finance has closely monitored the progress of the Uruguay Round negotiations since they were launched at Punta del Este in September 1986. As you know, the Congress set forth the principal negotiating objectives for the Round in the Omnibus Trade and Competitiveness Act of 1988. These have been, and will continue to be, the overall benchmarks against which we will measure the outcome of these negotiations.

Since then, however, the negotiations have evolved and the issues have become more clearly defined. In particular, in December 1991, GATT Director General Arthur Dunkel tabled his "Draft Final Act," the document which has since become the basis for much of the negotiations.

It is therefore appropriate, as the Congress considers the President's request to renew negotiating authority and "fast track" procedures for the Uruguay Round, to consider once again our goals and objectives in light of the specific issues raised, or left unaddressed, in the Draft Final Act. We set forth below the views of the Committee on Finance on the goals it believes the United States should pursue with respect to eight key areas of the negotiations. It is the Committee's intention to review any final Uruguay Round agreement against these objectives, as well as the objectives set forth in the 1988 Trade Act.

First, as negotiations on market access move forward in anticipation of the July meeting of the leaders of the Group of Seven countries, the Committee reaffirms its longstanding belief that the Uruguay Round must result in more open, equitable, and reciprocal access for U.S. exporters of goods and services. With respect to manufactured products, the United States should seek an agreement that will substantially reduce tariff and non-tariff barriers to U.S. exports and eliminate tariffs where our private sector favors such an action and significant trading partners concur.

In the negotiations on services trade, the United States should seek substantial market access commitments that provide for national treatment, right of establishment, and equivalent competitive opportunities for our firms; countries that fail to make such commitments should be denied the benefits of the services agreement. In addition to a substantial reduction in existing trade barriers, the Round should also establish rules to prevent countries from erecting new ones.

Market access is also an important objective in the negotiations on agricultural trade, where we should seek to obtain meaningful commitments that will expand export opportunities for U.S. producers. In addition, we should aim for significant reductions in export subsidies and in farm support programs that distort world market prices by promoting overproduction and dumping of excess production on the world market. We should also ensure that unjustified sanitary and phytosanitary measures are disciplined, while preserving our right to maintain legitimate measures to protect health, safety, and the environment.

The government procurement negotiations also provide an opportunity for greater market access for U.S. firms. In addition to seeking to reduce barriers in foreign markets, the United States should work to expand the coverage of the Government Procurement Code and improve the fairness and transparency of administrative procedures.

The Committee continues to believe that the United States should seek a stronger GATT dispute settlement mechanism that will ensure, within set timeframes, the prompt and effective enforcement of our rights. At the same time, we must retain the ability to use our trade laws to remedy trade agreement violations and address the unfair trading practices of our competitors. In that connection, the Committee believes that dispute settlement panels hearing challenges to our antidumping or countervailing duty actions should be precluded from substituting their own judgment for the judgment of the U.S. International Trade Commission, the Department of Commerce, or U.S. courts.

The Committee strongly believes that our antidumping and countervailing duty laws must be preserved as effective tools for fighting unfair dumping and government subsidies. We are concerned, in particular, with the provisions of the Draft Final Act on standing, cumulation, cost and profit methodologies, *de minimis* exceptions, non-actionable subsidies, and the termination of antidumping and countervailing duty orders. We should seek stronger disciplines against export and domestic subsidies (including equity infusions, and natural resource and regional subsidies), as well as effective measures to prevent circumvention of antidumping and countervailing duty orders and diversionary dumping. At the same time, we should work toward greater transparency in the antidumping and countervailing duty actions taken by our trading partners, as well as a clarification of substantive rules and stronger procedural standards to prevent the misuse of these rules against U.S. exporters.

In the intellectual property negotiations, the Committee believes that our overarching goal should be an agreement that provides adequate protection and effective enforcement of all forms of intellectual property rights. We believe, however, that the Draft Final Act is deficient in several respects. The transition periods, particularly as they apply to developing countries, should be shortened. The agreement should provide for pipeline patent protection for products subject to pre-market regulatory review. The rules regarding the use of compulsory licenses should be strengthened. And the agreement should fully recognize contractual arrangements and transfers, and provide for comprehensive national treatment for U.S. owners of intellectual property rights.

Finally, in the textile and apparel negotiations, we believe that the United States should ensure that all countries provide equitable access to their domestic markets and that measures are put in place to prevent such trade-distorting practices as transshipment, false declarations, smuggling, and other forms of trade rule circumvention. In addition, we believe strongly that any country that does not adhere to the overall Uruguay Round agreement should not benefit from the phase-out of the Multifiber Arrangement (MFA). We also urge you to take into consideration, in any negotiations on textile and apparel tariff reductions, the significant trade-liberalizing effect of the phase-out of the MFA, as well as the impact on employment.

We urge you to keep these objectives, along with those in the 1988 Trade Act, in mind as you work to conclude the Uruguay Round by the end of this year. We look forward to working with you as these negotiations move forward, and stand ready to provide whatever assistance or advice you may find useful.

Sincerely,

DANIEL PATRICK MOYNIHAN,
Chairman.
BOB PACKWOOD,
Ranking Member.

Mr. HOLLINGS. In a bipartisan fashion, the distinguished chairman, the Senator from New York, and the distinguished ranking Member, the Senator from Oregon, wrote President Clinton and said here are our particular principles, our policies, our goals, with respect to trade. It is very, very clear. It includes noteworthy goals and precepts. But it did not mention 301, Super 301.

I acknowledge in the same breath that the distinguished Senator from Montana is the original author of Super 301. It is under the jurisdiction of our great Finance Committee, and I understand that he had urged it at one time, but in the spirit of cooperating with the full committee, he later said we would go without amendments. I differed and still differ in a sense. As they say, "A man convinced against his will is of the same opinion still."

But I am a realist. And if I could get out of the administration a commitment, if I could get out of the particular leadership here a commitment, then I thought maybe we could proceed and accomplish the same thing.

So I want to amend, and my amendment would express that:

> It is the sense of the Senate not later than December 15, 1993, amendments to section 310 of the Trade Act of 1974 should be enacted to establish the permanent requirement that not later than April 30 of each year, the United States Trade Representative shall identify trade liberalization priorities under Super 301.

The Senator from Michigan, [Mr. LEVIN] was anxious that we cite the fact that he and the distinguished Senator from South Dakota [Mr. DASCHLE] are cosponsors of a fortified 301. President Clinton in the campaign talked about a strengthened Super 301, and I agree. And the Senator from Michigan agrees.

I would hope that we can get that resolution up for enactment, and I thought most assuredly all the colleagues would be for it; that this particular sense-of-the-Senate resolution has been prepared and in print by the distinguished chairman of our Finance Committee; the Senator from Montana; myself; the Senator from Michigan, Senator RIEGLE; and the Senator from South Dakota, Senator DASCHLE.

I understood there was some objection to bringing up the resolution. We have to move on, and it is not my idea to filibuster or delay. But certainly I want to air this particular responsibility that we have here in the Congress on the regulation of foreign commerce.

So I had hoped that we would put this sense-of-the-Senate resolution up very promptly and vote it through. I have been assured by the majority leader that he would call it for consideration. If the other side wants to debate and filibuster when we call it, then we will know at that particular time.

The point has been made and will be made by calling it, and we will see if we can get a vote. Maybe they will filibuster it if they think it is that important.

But, in any event, I have what they cannot prevent, and that is a solemn commitment from the distinguished U.S. Trade Representative in the Executive Office of the President. In talking to Ambassador Kantor, I asked him, because I admire him and have been a friend of his over the years, "Mickey, can you bind the President of the United States?" He said, "Absolutely." I said, "Why do we not do it this way? Why do we not go to page 2, the bottom paragraph, with respect to the antidumping and countervailing duty laws. I want those strengthened."

That is exactly what Ambassador Carla Hills, the U.S. Trade Representative under President Bush, had promised but was weaseling out of at every particular turn. And we know we have had our representative in the committee there watching it, and I did not want that duplicated again.

If we could enforce our dumping laws, we would not need a textile bill. Six times since I have been a U.S. Senator we have passed a textile bill. And each time, I say and I say again that there is no need, if we would just enforce our bilateral agreements. But we never have enforced those agreements, and certainly we do not want to weaken those agreements or our antidumping enforcement provisions, our countervailing duty laws.

So the commitment of the Finance Committee is very clear. The committee strongly believes that our antidumping and countervailing duty laws must be preserved as effective tools for fighting unfair dumping and Government subsidies.

We are concerned in particular with the provisions of the draft final act on standing accumulation cost and profit methodologies, de minimis exceptions, nonactionable subsidies, and termination of antidumping and countervailing duty.

We should seek stronger disciplines against export and domestic subsidies, including equity infusion and natural resources and regional subsidies, as well as effective measure to prevent circumvention of countervailing duty orders and diversionary dumping.

At the same time, we should work toward broader clarification of actions taken by our trading partners, as well as a clarification of substantive rules and stronger procedural standards to prevent the misuse of these rules against U.S. exports.

I asked Ambassador Kantor if he agreed to that paragraph, and he said absolutely.

I ask unanimous consent that the entire letter from Ambassador Kantor, dated June 29, 1993, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> THE U.S. TRADE REPRESENTATIVE,
> *Washington, DC, June 29, 1993.*
>
> Hon. ERNEST F. HOLLINGS,
> *U.S. Senate, Russell Senate Office Building, Washington, DC.*
>
> DEAR SENATOR HOLLINGS: I appreciated the opportunity to meet with you yesterday to discuss the Administration's trade policy objectives and the importance of Congress giving the President the fast track negotiating authority for the Uruguay Round before he goes to the G–7 Summit in Tokyo.
>
> I understand how committed you and many other members of Congress are to Super 301. The Administration believes that Super 301 has been a valuable market opening tool, and we support the reenactment of a Super 301 provision. Our opposition to putting Super 301 on the fast track legislation has reflected our desire for a clean fast track bill, which would be enacted by Congress before the summit, and we have opposed all amendments. We will, of course, work with you and other members to fashion an effective Super 301 provision to be added to an appropriate vehicle later this year.
>
> I am aware of your concerns that a Uruguay Round dispute settlement agreement might undermine our ability to effectively utilize Section 301. We will not, however, negotiate the elimination of Section 301 and have made that clear to our negotiating partners. We believe that Section 301 is necessary to identify and enforce U.S. rights even where GATT rules apply. Moreover, where a foreign unfair practice is not covered by multilateral rules, we will continue to use Section 301.
>
> The Administration is also committed to seeking a Uruguay Round agreement which preserves our antidumping and countervailing duty laws as effective remedies against unfair trade practices. We share Congressional concerns about certain provisions of the Draft Final Act, including those relating to antidumping methodology, non-actionable subsidies, and termination of orders, and will work vigorously to improve these provisions. We will also work to obtain more effective disciplines against export and domestic subsidies as well as effective measures to prevent circumvention of antidumping and countervailing duty orders and diversionary dumping. Furthermore, we will seek clarification of rules and procedures to prevent misuse of other nations' antidumping laws against U.S. exporters.
>
> Sincerely,
>
> MICHAEL KANTOR.

Mr. HOLLINGS. I thank the distinguished Chair.

Ambassador Kantor says in this particular letter here, with respect to the antidumping:

> The Administration is also committed to seeking a Uruguay Round agreement which preserves our antidumping and countervailing duty laws as effective remedies against unfair trade practices. We share Congressional concerns about certain provisions of the Draft Final Act, including those relating to antidumping methodology, non-actionable subsidies, and termination of orders, and will work vigorously to improve these provisions. We will also work to obtain more effective disciplines against export and domestic subsidies as well as effective measures to prevent circumvention of antidumping and countervailing duty orders and diversionary dumping. Furthermore, we will seek clarification of rules and procedures to prevent misuse of other nations' antidumping laws against U.S. exporters.

Now, Madam President, this comes from a good California lawyer, and I had another California lawyer look at it. He thinks that is a California final paragraph. I asked why. It is word for word what they said in paragraph 2, the final paragraph on page 2 of the Finance Committee letter.

I said, "Mickey's word is better than any wording. I am not going to be fussing about California law, and not quoting word for word."

I know he is sincere. I was sincere. We were not playing games. We had both ideas in mind: Not to be part of a legislative or congressional snarl here, and to get on with the business at hand.

So I am satisfied there with Ambassador Kantor's word. He says here, and I quote from the letter:

> I understand how committed you and many other members of Congress are to Super 301. The Administration believes that Super 301 has been a valuable market opening tool, and we support the reenactment of a Super 301 provision. Our opposition to putting Super 301 on the fast track legislation has reflected our desire for a clean fast track bill, which would be enacted by Congress before the summit, and we have opposed all amendments. We will, of course, work with you and other members to fashion an effective Super 301 provision to be added to an appropriate vehicle later this year.

And he goes on to talk about "section 301 is necessary to identify and enforce U.S. rights even where GATT rules apply."

And he would agree not to weaken at any point our ability for the enforcement of Super 301.

So the letter is in the RECORD. And I am very much comforted that we made that a public record so when the Washington lawyer calls his counterpart who is retaining him in Tokyo, and says: Do not worry about the President, he is in a weakened political state; and do not agree to it; and you can shove 301 down—tell him to forget it, and walk away from the table—he might walk away from the table, but he cannot walk away from the Congress. I do not think he will walk away from the President.

I think Ambassador Kantor's word is just as good as the President's word. So we have that clear understanding with respect to Super 301 and with respect to antidumping.

Now, Madam President, with respect to trade, I cited the Constitution in the early days, how we started out building this industrial giant. President Lincoln continued that buildup. The contention was, in the days during the Civil War, building the transcontinental railroad, that we ought to get the steel from Britain. And Lincoln said no, we will build the steel mills, and when we are through, we will not only have the railroads, but we will also have the mills.

And, of course, President Roosevelt, with respect to the matter of trade, gave us not only the tools and institutions for an economic recovery, but social justice, as well. And he is the one that started the price supports with respect to agriculture that we all support.

Agriculture, incidentally, is a showcase. They have a plus balance of trade. That is canceled out by our negative balance of manufacturing trade, I say to our distinguished chairman, because he has been a leader and knows way more about the garment workers in downtown New York than anyone, and knows way more about labor than any other Senator in this body, and has served in that particular department of our Government.

And what happens is that we have really lost out with respect to jobs in the textile industry, over 400,000 U.S. jobs. And we continue to lose. From the days immediately after World War II, that rationale was, "Look, in recovering from war and having the only industry, what do you expect them to make? Let them make the clothing and the shirts and the trousers and the shoes and we will make the computers and the airplanes."

I tell you here and now what bothers the Senator from South Carolina is the Europeans are making the airplanes and the Asians are making the computers. And we have veritably lost—and when I say that we have lost our industrial backbone, I want to refer to a listing of imports penetration statistics.

For example, import penetration figures show that over half of the semiconductors used in the United States are now imported. Nonrubber footwear, 86 percent imported; telephone equipment, 86 percent.

I remember I competed with Luther Hodges of North Carolina. He got Western Electric down to Durham. I recently saw that plant relocated in Singapore. It moved out of North Carolina. He won out, but only temporarily.

Incidentally, I won Eastman Kodak for South Carolina. And Eastman Kodak has now announced a purchase of a similar Eastman plant down in Mexico. They are building one down there and they are reorganizing that particular plant into a separate corporation. And you can bet you boots they will spin it off here in the next 2 years if you get NAFTA. So while Luther lost his Western Electric, I risk losing my Eastman Kodak. That worries me.

The majority of machine tools, 57 percent of those used in the United States, are now imported; 35.8 percent of the automobiles; 82 percent of the motorcycles; 100 percent of the black-and-white TV's; 100 percent of the consumer radios; 62 percent of ferro-alloys; 45.5 percent of crude oil; 59 percent of musical instruments; 71 percent of toys and games; 90 percent of 35-millimeter cameras; 62 percent of photo-finishing equipment; 99 percent of watches; 66 percent of textile apparel; 100 percent of VCR's; 100 percent of flat panel displays. And I could go on and on, electronics, right down the list.

Now, if you have been in the trade game since that testimony back in 1959 as a State Governor, and in the work during the fifties when I testified, you can understand the strength and feeling of this particular Senator on this issue. The truth of the matter is that we are the architects of our own folly, in that, yes, it worked; our post-war strategy for rebuilding the economies of Europe and Japan was a huge success.

At the end of World War II, Madam President, what we did was institute the Marshall plan. And we all should get down on our knees and be grateful. It works, because we have seen the demise of communism and the rise of capitalism.

And watching it as it has developed, we taxed ourselves—for that no-tax crowd over there on the other side of the aisle and that read-my-lips hangover that still persists, I say listen up. We had a different country dedicated at that particular time, and we taxed ourselves $850 billion.

To do what? To finance the economic recovery of our competition. To do what? To send over our technology. To do what? To send over our expertise and tell them how to set it up.

U.S. companies went over there in the Pacific rim and found out they could produce more economically there. They did not have that Congress bunch running after them with plant closing notice, parental leave, workplace safety, Social Security, Medicare, Medicaid, EPA, minimum wage, and up, up, and away.

They could breathe, and say, "Well, we got over here and we sure don't have a Congress to worry about. We can get a guaranteed profit."

Now, that is the way business works. Business is business. That is the way I wish I could run, on a guaranteed vote. They love to run on a guaranteed profit.

And as they went into these foreign countries, those governments, instead of burdening them, protected them. And as they protected them with guaranteed profits, the nationals became multinationals with the help of the big banks, City Corp, Chase Manhattan, Bank of America, and so on.

And that crowd, incidentally, became multinational, too. As of 1977, the majority of money-center bank profits were beginning to be made outside of the United States, rather than in the United States. They are very astute operators.

And, of course, they banded together in think tank groups, most prominently the Trilateral Commission.

If you ever run for President, you get very wonderful, embossed invitations from the Council on Foreign Relations and the Trilateral Commission, and you get the coffee and fine china, and, man, you are really a high mucketymuck.

And then what they do is get you to swear on the altar of free trade an undying loyalty and support—free trade, free trade. That is all they want. And they co-opt every one of these young Senators that want to run for President.

And so you have now the multinationals, you have the banks, then you have the think tanks all financed by the Japanese.

There is a fine study made by Sara Jacobson about the selling of America, about how the Japanese and others have used contributions to buy influence and control of colleges, think tanks, and prominent individuals in the United States.

And so it is with the retailers. Every time we have debated, for example, our textile bill, we have gone down to Bloomingdale's and gotten a lady's blouse, one made in New Jersey and one made in Taiwan, both sold for $32. We have gone down to Herman's and we have gotten a baseball glove, one made in Korea and one made in Michigan, and they are both retailed for $42.

My point is, the retailer is not selling at a lower price on account of the lower-cost product imported into the United States. On the contrary, whoopee, he is making a bigger profit by selling the imported good at the same price as the domestically produced good. So you have the retailers that are joined in the cabal.

Then, of course, if you have ever had any experience in politics—I will never forget a friend of mine who was really getting savaged by a particular series of editorials down in my own hometown. So I enlisted a good friend of mine, Eddie-Boy Cromsberg. He owned Edward's 5 and 10 Cent Store. He was the biggest advertiser in that local newspaper. And I said let us see if we can pressure the newspaper to ease up. Eddie-Boy and I went down and we allowed how we were really concerned about this particular friend and could they not loosen up on their attacks. Of course the message was there. Here was the biggest advertiser. He does not ask for any favors, he is paying the way of the newspapers.

I put in the RECORD 3 years ago the facts from the Washington Post's annual statement where they made $1 billion; $800 million, 80 percent of their profit, was from retail advertising. So that is what determines the Post's editorials. They parrot the party line of free trade, free trade.

Also part of the cabal are the lawyers, the paid lobbyists downtown, the State Department, and of course the foreign producers. When you get the consultants and lawyers that are paid to represent, including former top officials of the Office of the Special Trade Representative—all of them listed in the book Agents of Influence by Pat Choate. They made money after they had fulfilled their role as Special Trade Representative. They joined the other side.

Who is leading the charge right now for NAFTA, for Mexico? Former U.S. Trade Representative, Ambassador William Brock.

Worried? He might not be worried. This Senator has been worried to death, because I watched the trend. As they supposedly negotiate for our best interests, when they come back I continue to lose my shirt—literally and otherwise. Then our Trade Representatives quit to join the other side. It is as if General Schwarzkopf crossed over and headed up the defense of Baghdad.

Come on. Who is going to sit down here and lay it on the line so we will all understand the reasons for our lack of a trade strategy? When you get that cabal going, then, yes—then they can fix the vote. And they do not bring up that trade agreement until all 100-lawyer firms have made their contacts with their little individual Senators, and all the chits have been called in, and they have a little list and they check you off. And once you are checked you are in on the fix.

This Senator is not in on the fix. On the contrary, I have had an education from colleagues on the other side, trying to clear up the record. Again and again, they write in those editorials a veritable drumbeat about Smoot-Hawley, Smoot-Hawley, Smoot-Hawley. That is all they talk about time and time again.

The truth of the matter is that two-thirds of the trade under Smoot-Hawley came into this country, two-thirds of the imports into the United States, came absolutely duty free. Otherwise it affected less than 1 percent of our economy. Thanks to Smoot-Hawley, by the year 1933, under Cordell Hull we had reciprocal free trade, we had a plus balance of trade and we moved on.

I wish I had the full record made by the distinguished late Senator from Pennsylvania, Senator John Heinz, because he and I discussed this many times and he articulated the best record, I thought, on this particular matter. But there is a recent book out now, used, fortunately, in colleges, "Conflict Among Nations; Trade Policies in the 1990's."

I read from page 574:

> The percentage increase in the ratio of duties calculated to dutiable imports under Smoot-Hawley (32 percent) was only half that which had been put into effect by the Fordney-McCumber Tariff Act of 1922 (over 60 percent). Even after enactment of Smoot-Hawley, two-thirds of all U.S. imports (in value) entered the U.S. duty free.

Reading on:

> Britain instituted increased tariffs in 1915 (McKenna Act) and again in 1921 (Safeguarding of Industries Act) which placed 33⅓ percent ad valorem duties on all products alleged to be vital to national defense. France, Italy, India and Australia all increased tariffs significantly before Smoot-Hawley was enacted. Concededly, Smoot-Hawley did prompt some retaliatory action (Switzerland increased duties on watches) but it does not deserve the watershed status it has acquired in American economic mythology.

I quote once more again:

> It does not deserve the watershed status it has acquired in American economic mythology.

In almost 27 years I have to read time and again how we are protectionist and we are going to start another Smoot-Hawley. The truth of the matter is we ought to take a lesson from FDR. Roosevelt, in the days of the Depression, in order to keep the banks open, closed the doors. In order to save the farms, he plowed under the crops. Likewise, today, in order to remove a barrier, tariff or nontariff barrier, we must first raise a barrier and then we will remove them both. Market—m-a-r-k-e-t—market forces operate. Only when we make it in the interests of a particular nation to deal, then they will deal.

On that particular point I emphasized—as I did to Ambassador Kantor, to Mr. Robert Rubin, to Mr. Bo Cutter, and others on the National Economic Council, and to the President: I do not bash Japan. I bash us. I bash Washington.

In 1981, the United States of America had a deficit in the balance of textile trade of $4 billion. The European Economic Community had a deficit in the balance in the textile trade of $4 billion. Today, the deficit in the balance of textile trade for Europe is less than $1 billion; ours, the United States deficit in the balance of trade is $29 billion. The difference is that the Europeans fought back and demanded fair trade, we did not.

Distinguished Senator, you have to work harder; you have to, "I think I can, I think I can, I thought I could," like the Senator from Oregon told me, like the little train going up the hill. I had to listen to that the last time we debated textiles, "I think I can, I think I can, I thought I could, I thought I could." "Try harder." It is insulting to say that to the most productive industry, textiles. Who won the Baldrige Award? Milliken in South Carolina. Who comes to look to Milliken's productivity? The Japanese.

So we are not talking about little children's books of, "I think I can," and "The Little Engine That Could." We are talking about real life, making a living, and those out of a job.

I have watched it over the years. We continue to lose because we continue in the national Congress, that entity charged with the constitutional responsibility—we continue to abdicate that responsibility.

And when they get it into the committee, worthy Senators who want to offer amendments are talked down—"Don't offer any amendment." Certainly, it is not this Senator who is trying to upstage. I acknowledge the leadership that we have, the chairman and the ranking member and other distinguished members of our Finance Committee. But I am tired, as the chairman of the Commerce Committee, to be constantly asked, "Why aren't you doing that? Why not this." Everywhere we turn, we are told that we are protectionists; leave it alone; yes, we are negotiating; certainly, we will do this and certainly we will do that.

The only way to get your voice heard—and I am trying to get in ahead of these Washington lawyers and downtown Tokyo with that letter I put in the RECORD, the only way I know how to get ahead of that lawyer crowd is do a little lawyering myself and put in there the commitment of President Clinton and his Special Trade Representative on Super 301 and on strengthening our antidumping provisions and countervailing duty provisions.

These are the things I had in mind which I was ready to put in as amendment. I take it that I would not prevail and, that being the case, in trying to live in the real world, I said, well, what is the next best I can get? I got the letter and a chance to discuss it, and I have a few more things to discuss because I had not really talked about Punta del Este and Uruguay. I have been to Punta del Este. I know Punta del Este, and Punta del Este "ain't" no free trade.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

UNANIMOUS-CONSENT AGREEMENT

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate now proceed to Calendar No. 105, H.R. 1876; that no amendments or motions be in order thereto; and that there be 2 hours for debate, with the time equally divided and controlled in the usual form; that when the time is used or yielded back, the Senate, without intervening action or debate, proceed to vote on final passage of the bill; further, that upon disposition of H.R. 1876, the Senate measure be indefinitely postponed.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLINGS. Mr. President, I object. Mr. President, if I can have the floor for a second.

Mr. MOYNIHAN. Of course.

Mr. HOLLINGS. It is my idea in objecting to cover. I know the Senator from North Dakota—and I have been a little bit longer than I intended—I know the Senator from North Dakota, the Senator from Alabama, and several other Senators wanted to be heard. If I have time to check, we will get them to the floor and then we can agree. But as I understand it, we would only have to get time as yielded to us. Right now, we can only stand and talk, which is a delightful position to be in.

Mr. MOYNIHAN. Mr. President, may I say to my friend that time will be yielded. The distinguished Senator from Wisconsin has asked for 7 minutes. We have an hour.

Mr. HOLLINGS. Let me check with those Senators first and then we will get back to the distinguished chairman.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that Senator BAUCUS be added as a cosponsor to S. 1003.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

PRIVILEGE OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that Frederick W. Mayer, a congressional fellow in Senator BRADLEY's office from the Council on Foreign Relations, be afforded privilege of the floor during Senate floor consideration of S. 1003, the fast-track bill, and any rollcall votes thereon. This is on behalf of the Senator from New Jersey [Mr. BRADLEY].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, the U.S. District Court in the District of Columbia today issued a very significant decision related to the North American Free-Trade Agreement. If sustained, this decision will have profound implications for the Uruguay round.

The court ruled that before the NAFTA could be submitted to Congress the administration must complete an environmental impact statement under the National Environmental Policy Act. This decision has critical implications for the NAFTA, for future trade agreements, indeed particularly the Uruguay round, for the National Environmental Policy Act for the convergence of trade and environmental issues.

I do not wish to address the legal merits of the decision. Instead, I would like to just for a moment address the practical implications of this decision.

I have argued for years that trade agreements have significant environmental implications. Trade negotiators have historically been blind to the environmental impact of agreements they negotiate. Whatever happens in this particular court case, they must become much more sensitive to the environmental impacts of agreements they negotiate.

In the case of the NAFTA, I have long been a critic of a short shrift the Bush administration gave to legitimate environmental concerns. I pressed President Clinton to negotiate a meaningful environmental side agreement to address those environmental shortcomings and he has agreed. If the court decision today has any clear implication of the NAFTA, it is that the NAFTA is dead on arrival without a very strong environmental side agreement. The NAFTA certainly should not and will not be approved without strong environmental measures in place to ensure that the agreement does not promote environmental degradation. In fact, I believe no future trade agreement will be passed by Congress if it is seen as a threat to the environment.

The other side of the issue before us is the impact of environmental impact statements on trade agreements. Trade agreements are different from other major Federal actions on which EIS's are required. Trade agreements require an international political consensus for approval. Separate countries must simultaneously agree to them and that consensus is often hard fought and transient. Anyone who doubts that should examine the political debate in Canada surrounding the United States-Canada Free-Trade Agreement. The Canadian public has consistently opposed the CFTA for the last 4 years. Public approval for the Canadian Free-Trade Agreement reached a majority only for a short period surrounding the last Canadian election. If the approval of the Canadian Free-Trade Agreement had been further held up by EIS, it could well have failed in Canada.

The process of conducting an EIS and the ensuing possible court action can drag on for years. In addition, it can be very, very expensive. Such a long delay and additional expense may endanger the international political consensus necessary for a trade agreement.

Trade agreements are good for the American economy and good for the world, but the environmental impact of such agreements deserves far more scrutiny than it has received in the past. Moreover, the National Environmental Policy Act is one of the cornerstones of U.S. environmental policy and should not be set aside without serious consideration.

These critical concerns must be balanced. We must fashion a formula under which the environmental impacts of trade agreements are fully understood while still allowing agreements to be negotiated in a very timely manner. As chairman of the Environment and Public Works Committee, the committee with jurisdiction over the National Environmental Policy Act, and the chairman of the International Trade Subcommittee of the Senate Finance Committee, I am determined to help strike that balance.

In the very near future I plan to conduct a series of Environment and Public Works Committee hearings to consider the application of the National Environmental Policy Act to trade agreements. I also plan to work with the administration, the environmental groups, and my colleagues to expeditiously address this problem.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I just welcome the statement that the chairman of the Committee on Environment and Public Works, the chairman of the Subcommittee on International Trade has made. I think he reflects increasingly the judgment of this body which, in turn, reflects public judgments.

I think this can be done. It has not been yet. Developing a procedure by which it might is exactly the work of the Senate, and no one can handle it better than he. And I look forward as the ranking member of the Senator's committee to participate.

I might say, and I think he probably would agree, with respect specifically to the North American Free-Trade Agreement, that there are issues of labor standards that are equally important and more venerable even in the history of trade negotiations going back a century in that regard. But I would like to simply congratulate him on his statement and offer this Senator's cooperation.

Mr. BAUCUS and Mr. HOLLINGS addressed the Chair.

Mr. BAUCUS. Mr. President, if I might just thank the chairman for his commitment. It is true, as he implied, that there is a convergence of trade and environmental issues. It is equally true, as the chairman stated, there is not only an environmental side agreement negotiated in NAFTA but also a labor side agreement. We do have a National Environmental Policy Act which the district court, District of Columbia, ruled now applies to NAFTA. We do not have a National Labor Policy Act that requires a labor impact analysis that could also arguably apply.

But, nevertheless, it is critical that the side agreements be negotiated by the administration and, hopefully, agreed to by Mexico and the Government of Canada to include very strong environmental side agreements and very strong labor side agreements. In my opinion, without those agreements, it would be very difficult to get the underlying NAFTA ratified by the Congress.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. HOLLINGS. Mr. President I will yield in just a minute to the distinguished Senator from North Carolina because I have taken more than my share of the time.

Mr. President, I will support the environmental provisions of my distinguished leader from Montana. I will support the particular labor provisions of my distinguished chairman of the Finance Committee. But as Lovelace said in "To Althea: From Prison," "Stone walls do not a prison make, nor iron bars a cage."

And labor provisions and environmental provisions are, as we say in Charleston, like throwing water off the High Battery. Let us put it that way. It does not mean anything.

GAO investigated and everyone should understand Mexico. They looked at eight blue-chip corporations from the United States in the maquiladora zone and none of the environmental laws that Mexico has on the books right now were being obeyed.

That is the whole crux of this matter. You have to understand the country of Mexico. It has 5 percent of our gross domestic product, 10 percent of our wage level. More than half of the people do not have indoor plumbing. A third of them do not have clean drinking water. Over one-fourth of our Mexican friends do not have electricity. And as was said in the London Economist here recently, it is in no sense a democracy. In fact, one of the best Mexican writers quoted in the London Economist calls Mexico "the perfect dictatorship" because you have a small, elite control, an oligarchy down there. They control the government. They control the unions. If you do not believe it, consider that they cut wages in the last 10 years 40 percent. And in an age group of 15 years or less with a million coming into the work force annually, they are committing to a pact with industries to keep low wages right there at $1 an hour. And we have the official statistics. I have here in the official Mexican list of unemployment, the 12-year-olds listed as unable to find a job.

Little Vincenti Guerrero, on the front page of the Wall Street Journal last year, the 6th grade student, went to work in the shoe factory, and he pulled the little lever to paste the sole on the shoe. He barely had weight enough to get the lever down. His teacher said, "Vincenti, come on back. You are the smartest student I have ever had and you can get into college and you have to come back down to school." And he said, "No, my father has worked here all my life. I'm lucky to get the job."

They kept arguing, and finally Vincenti said, "Teacher, how much do you make?" And she said, "About 350,000 pesos a month." He said, "I make 380,000."

That is the kind of picture that you have there. The environmental laws, there is no compliance whatsoever. And the State Department report on human rights says Mexico has a totally corrupt judicial system.

As Lester Thurow and others have advocated, let us get the Common Market approach as they use in the European Community of first putting into the Mexico infrastructure freedom—a free union movement, free elections. After that, we can talk about a free-trade agreement.

As the distinguished chairman of the Finance Committee said, how can you have free trade with a country that has not had a free election?

We should build up Mexico first, as the EEC did for Spain, Greece, and Portugal, as they did for Ireland earlier to bring into the Common Market. We could reallocate to Mexico, as I said earlier, 20 percent of the shoes from China, 20 or 30 percent of the leather out of Korea, and, better yet, the textiles out of China, and textiles out of Taiwan around the clock, and Mexico could have the business. And Mexico can keep the profits if we will first relieve them of their terrible debt burden. We relieved Poland.

I remember when the distinguished chairman was Ambassador to India, and I was on the floor when they were arguing about a debt forgiveness of $12 billion for India, when the distinguished Ambassador did that. We like India. We love India. We want to help our Indian friends. We want to help our Mexican friends. We forgave $40 billion for the country of Poland. Let us forgive $40 billion here in this Western Hemisphere for Mexico, so they can keep some of the profits, build up the economy over a 15-year period, develop a middle class, and have a free election. But give them that free, that elite oligarchy down there, and they will keep the money and run. They will go to Geneva.

So you have a wonderful fix. And they are spending $50 million on fixing it up. And we are acting like it is a wonderful thing for the workers of America. "The economy, stupid." Let us create jobs.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

UNANIMOUS-CONSENT AGREEMENT

Mr. MOYNIHAN. I ask unanimous consent that the Senate now proceed to Calendar No. 105, H.R. 1876; that no amendments or motions be in order thereto; and that there be 2 hours for debate, with the time equally divided and controlled in the usual form; that when the time is used or yielded back, the Senate, without intervening action or debate, proceed to vote on final passage of the bill; further, that upon disposition of H.R. 1876, the Senate measure be indefinitely postponed.

Mr. HOLLINGS. Mr. President, not objecting, could I have 10 minutes in that particular agreement?

Mr. MOYNIHAN. Of course. And all the other Senators the Senator asked for have all agreed. Senator LEVIN did not want time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

URUGUAY ROUND FAST-TRACK PROCEDURES ACT

Mr. MOYNIHAN. Mr. President, I will temporarily act as manager on both sides. I see the Senator from North Carolina has been here for some time. Would he like——

Mr. HELMS. I will assume that role for our side.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

The clerk will first report the bill.

Mr. HELMS. Mr. President, I wish to thank the Senator from South Carolina. I think he has noticed that when he speaks I come out—sometimes I sit there, sometimes I sit over there—and you might say that I have a nodding acquaintance with FRITZ HOLLINGS. He speaks and I nod, especially on the issues on which we agree.

Mr. HOLLINGS. I thank the distinguished Senator.

The PRESIDING OFFICER. Senators will withhold. The clerk will report the bill.

The assistant legislative clerk read as follows:

A bill (H.R. 1876) to provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional "fast track" procedures to a bill implementing such agreements.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. MOYNIHAN. Will the Senator from North Carolina have the graciousness to manage the time on his side of the aisle and yield himself some time.

Mr. HELMS. I will be glad to do so until Senator PACKWOOD returns. I thank the Senator.

Mr. MOYNIHAN. The Senator from Texas has asked for 7 minutes.

Mr. HELMS. Mr. President, since I have been waiting for quite awhile, I believe I will proceed. I will not speak at length.

I know that Senators have noticed there is a great search for the cornerstone laid by George Washington for this Capitol. As far as I know, they have not found it yet. When they find it, I hope they will also find that he said "beware of entangled alliances." That just about says it all with respect to my opposition to S. 1003. I did not object to the unanimous-consent request because it is a foregone conclusion of what is going to happen. The best I can do is to have my say about one little, narrow aspect of the whole picture.

The Senator from South Carolina [Mr. HOLLINGS] was absolutely correct. He said he was not bashing anybody; he was bashing us. Our negotiators have been suckered over and over again. I was going to offer an amendment to S. 1003, but I decided against it. I probably will offer it on a freestanding basis in the near future.

This amendment, if offered, would have prevented the People's Republic of China from receiving any of the benefits of, or access to, the General Agreement on Tariffs and Trade, known as GATT, until Communist China meets certain basic fundamental conditions, which are identical to those contained in the most favored nation legislation introduced by the majority leader and cosponsored by 16 Senators. I am one of the cosponsors.

Communist China is not a member of GATT. Bear that in mind. Nevertheless, Communist China will receive the benefit of the GATT tariff cuts because Congress—that means us—bestowed MFN status upon China. I opposed it. I think it was dumb. I think we overdosed on dumb pills when we approved MFN for China.

I just wonder how many Senators realize that, by approving S. 1003, this fast-track bill, they will be voting to slash tariffs for China, and in the process, will be slashing the throats of American businesses and workers.

Think about it, Mr. President. The Communist Chinese will make not even one concession. They will not open their markets one iota. Yet we shower them with lower tariffs on a deluge of products they ship into the United States. Great strategy. Oh, what a fine entangling alliance. We swing open the gates to our market; they keep theirs shut. The arithmetic is devastating when you stop to look at it. The Chinese ship into the United States 4.5 billion dollars' worth of legal textiles every year, and another 2 to 4 billion dollars' worth of unlawful textiles. How many United States textiles are shipped into China? Does the Senator from South Carolina know? Zero, zilch, none. Yet we get up here and say we have to have free trade. I say to the Senator if it is not fair, it is not free. If it is not a level playing field, forget it.

Furthermore, the United States could unilaterally grant China some of the other benefits of GATT, like the phaseout of the Multifiber Arrangement, which sets the textile quotas for every country. We simply must not allow this to happen.

The Chinese Communists are using slave labor to produce all manner of goods, including textiles, for export into the United States market. To get the goods into the United States, China uses every trick in the book. They circumvent and violate U.S. trade laws and laugh at us when we say something like, "Please don't do that anymore."

Mr. President, a trade agency, a senior Chinese official, and several companies have been indicted in New York City for participating in a scam to evade U.S. textile trade laws thereby putting U.S. workers out of jobs. That is a fact.

The measure I will introduce in the near future stipulates that before China can receive any GATT benefits, China must: First, stop using slave labor; second, respect human rights; third, release the Tiananmen Square prisoners; fourth, stop weapons proliferation; and fifth, open up China's markets to United States exports.

These conditions are identical to those in the MFN bill sponsored by the distinguished majority leader and some of the rest of us.

Communist China's use of slave labor is outrageous. Not only is it inhumane, it makes impossible any chance that U.S. businesses can compete with slave labor imports.

After years of research, several things were discovered. First, the Communist Chinese manage and control a vast network of gulags, prisons, and forced labor camps. A General Accounting Office [GAO] report in 1990, estimated that there are as many as 3,000 such prison camps in Communist China. The report also states—and I quote the GAO report—"forced labor is practiced throughout the country." A study by the American-Asian Free Labor Institute estimated that there could be 20 million people imprisoned in these camps. Beware, Mr. President, of entangling alliances. Old George had it absolutely right.

Second, Asia Watch has concluded, as have others, that "the Government of China is systematically exploiting the labor of prisoners to make cheap products for export." I hope we will never forget the story of Harry Wu, who was a prisoner in China. The television program "60 Minutes" documented Harry Wu's return, undercover, to the prisons in China, where the Chinese used slave labor to produce products to export to the United States, principally textiles. The Communist Chinese idea of quality control, by putting people in prison and forcing them to labor, certainly gives them an economic advantage.

Mr. President, I do not like it. I do not think many civilized people do. The Chinese Communists have flooded international markets everywhere with a barrage of products made by slave labor. You name it, T-shirts, ladies sweaters, blue jeans, wool cloth, socks, work gloves, sneakers, flashlights, hand tools, electric drills, and so on down the line. It is sad to say, American consumers are unknowingly subsidizing the imprisonment of liberty-loving people in China.

Mr. President, I reiterate that the Communist Chinese will lie, they will cheat, they will use every underhanded trick in the book to defraud the United States. But on October 5 last year, they got caught. Charges were filed in Federal court in New York against a Chinese Government agency and several companies that import textiles and apparel items from China. The U.S. attorney in New York explained that this "major Chinese governmental entity," as he called it, was indicted for participating in a scam to evade textile and apparel trade law. These indictments strongly indicate that the Chinese Government itself is involved in a scheme to evade United States laws, and to avoid paying millions of dollars in duties on textiles and clothing imported into the United States.

The Red Chinese activity which was exposed last year, contributed to the destruction of thousands of American jobs. Industry experts estimate that as many as 500,000 U.S. jobs may have been lost as a result of these types of foreign trade practices.

What does this have to do with GATT and NAFTA? It has everything to do with it because one thing leads to another. The Senator from South Carolina has identified the differences in the working conditions and the cost of operating with the trading partner to the south of us.

Mr. President, one of these days I am going to offer a freestanding resolution about GATT and China, which I would have offered as an amendment to the pending bill. I shall not offer it because I do not want to impede the Senate's progress on this bill even though I oppose it vigorously.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, on behalf of Senator PACKWOOD and myself, I would like to ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. I yield 7 minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, today, a district judge in the District of Columbia ruled that the President did not have the authority to submit NAFTA to the Congress. I remind my colleagues that one district court does not a Constitution make. The President has clear constitutional powers to send a resolution, including NAFTA, to the Congress.

I believe this decision will not be sustained. I believe the President has the power to continue to move forward on NAFTA. I wanted to rise today to speak and tell the President he has bipartisan support in that effort. I do not believe that this district court ruling will delay or derail NAFTA. I have every confidence that the decision will be overturned by a higher court. I do not believe that the President will, in any way, be impeded in moving NAFTA swiftly to a vote, which I think is in the national interest.

I am hopeful that NAFTA will be approved by the Senate and by the House.

I am very happy to be here today to support the extension of fast track. It is hard for me to imagine a vote that is more important to the future of America than the extension of this capacity to proceed in an orderly fashion to consider trade agreements that are aimed at bringing down trade barriers, creating economic growth, and creating expanded world commerce. I take many issues to be serious issues, but there is hardly an issue that is more important to the future of America and the future of the world than the trade issue.

When we look at the miraculous changes that have occurred in the last 4 years in the world in which we live, such as the tearing down of the Berlin Wall, the liberation of Eastern Europe, the transformation of the Soviet Union, the dramatic changes in the Third world, Mexico being a prime example, more than any other single factor, the Berlin Wall was torn down by growth in world trade. The wealth machine that we have created through world trade and commerce has been an engine that killed world communism, transformed the world, and created a vast expansion of prosperity both in the United States and around the world.

I think it is vitally important that a good, strong GATT agreement be approved. I think it is important to remember that the NAFTA agreement has already been signed. The extension of fast track today is related not to NAFTA, but it is related to the current GATT round of negotiations which is aimed at lowering subsidies on agricultural products, which is aimed at opening up world markets in services, which is aimed at expanding world commerce.

These are areas where the United States of America has a comparative advantage. I think it is vitally important that we proceed. I think it is vitally important that we show that there is a bipartisan base of support for the President in his effort to negotiate the lowering of trade barriers, to expand world commerce.

To return again, briefly to NAFTA, I strongly support NAFTA because I believe it is in the interests of the United States. I think the rejection of NAFTA would be one of the worst actions we could take. I have no doubt that the vote on NAFTA is going to be one of the most important votes of the decade in the Congress.

To continue the success we have had in negotiating NAFTA, to continue the success we have had in expanding world commerce, to continue the success we have had in expanding economic opportunity and freedom and democracy through world trade, we need the fast track process to enable the President to negotiate. After a delay that I think has gone too long, the President is now ready to move ahead with GATT. We need to give him the tools he needs to do that. I think it is vitally important that we approve the extension of fast track.

I am also hopeful that we are not just going to extend fast track for GATT; I am hopeful that we are going to make it the permanent law of the land for further trade expansion agreements.

The United States of America, of all countries in the world, ought to be the tireless promoter of the expansion of trade and commerce. That is what fast track is about. I believe that the American public has been well served by the fast-track process. I think many of our greatest achievements in the post-cold war world has come from a growth in world trade.

I am happy to have the opportunity here today to rise in support of the fast track process and NAFTA.

Mr. MOYNIHAN. Mr. President, I thank the senior Senator from Texas for his very thoughtful remarks as an economist by profession, and as a public person with a great sense of responsibility in these matters.

I note the bipartisan nature of this measure. We are dividing the time simply so that everybody might be accommodated. We will go back and forth.

Mr. President, I yield to the Senator from North Dakota 10 minutes off the bill.

Mr. DORGAN. Mr. President, thank you very much. I thank the chairman. I tell you, I was listening to the previous speaker and thinking to myself, I do not think I could possibly disagree more with what has just been said. NAFTA—the United States-Mexico Free-Trade Agreement, with Canada sitting in. The judge's decision this afternoon—I have not read it, but I hope it will, in some small way, convince the White House to send a bouquet of flowers, pronounce a eulogy, and declare this trade agreement dead.

This trade agreement makes no sense for this country. The United States-Mexico Free-Trade Agreement, in my judgment, is destructive to this country's economic interests. I hope very much that when we hear these platitudes about growth in world trade and free markets, we will understand what it really means; that behind the wrapper is an economic philosophy of having the largest American corporations move overseas to get $1-an-hour labor, and ship back into this country, which means lost manufacturing jobs for Americans and lost opportunity for this country.

Fast track is what we are debating at the moment. Fast track, a fundamentally undemocratic procedure. Fast track says we will send our negotiators out in the world, allow them to close the doors, lock them tight, negotiate an agreement, bring it back here, and say to those of us in the House and the Senate: No changes. Swallow it whole or vote against it.

To my friends that are going to vote for this, I say you are welcome to your opinion, and I respect your opinion. But if we have not learned from the United States-Canadian Free-Trade Agreement, we have not learned anything. We got taken to the cleaners, up one way and down the other. Clayton Yeutter negotiated an agreement with Canada that sold out the economic interests of American agriculture. And he did it not just selling out our interests, but did it in secret and did not even disclose, not just to us, but to senior people in the USTR, what the agreement was.

If we wanted to discuss that in great detail, I will give you the proof. If we do not learn from being taken to the cleaners once and decide that we will not move with fast track again—I mean do we start deciding to sober up on how we develop procedures around here so that we have a voice, so that the American people have a voice in trade policy? This is fast track for GATT.

The previous speaker talked about Mexico. You know something, the Mexican Free-Trade Agreement, or MFTA as it is called, is going to lose. Do you know why? The American people do not buy it. They know exactly what it means.

And as Tip O'Neill said once, if he said it a hundred times, all politics is local, and all of us go back home and we understand when we have a meeting with our constituents, they know what these agreements are about.

The United States-Mexico agreement is simply a microcosm of GATT. It is exactly the same strategy, the same old tired strategy, give away the farm. We have not found a negotiation we could not lose in a week or so, at least in the last decade. We have a good trade representative whom I respect. I like Mickey Kantor a great deal. He has done good things in recent days.

I want to understand that our goals in negotiating trade agreements represent goals that have some ability to give us some hope for a better economic future in this country, not for a continuation of what we have seen in the last couple decades, that is, padlock the manufacturing plant in America, move it overseas, manufacture and ship back into the American marketplace.

Business Week had a little article a couple weeks ago about a woman. She works in a plant that produces things that used to be produced here. She works 10½ hours a day, 6 days a week. She makes shoes, incidentally, that will be shipped back into this country.

At the end of that long week, this woman makes enough money to buy one shoe from the pairs of shoes that she makes all week. That is her income.

Why do they locate that company in Malaysia or Indonesia? Cheap wages. What can they do with that? They can make more money by padlocking their manufacturing plants, moving it to where they can find cheap wages and sell it back into the American marketplace.

I simply ask this question: If we continue this trade policy of encouraging manufacturing offshore, where is the income stream going to be left in America? Where are the consumers going to get the income to purchase the products that are shipped back into this country?

We need, in my judgment, a fundamental change in trade strategy. If I felt in GATT these folks were going to negotiate the two principal points that I think are necessary expansion of market access, and the elimination of trade distorting subsidies, then I would probably support the efforts of our negotiators. But that is not what they are negotiating principally. I probably would not support fast track in any event because I have learned, and I would hope my colleagues will learn as well, when we are fooled once we understand it, but we ought not be fooled twice on exactly the same principle.

In this GATT round, we are talking with Europeans about trade-distorting subsidies. We call it TDS on our side. We do it just a fraction of what they do. They have restitution programs, and so on. They have $11 or $12 billion in what I believe are trade-distorting subsidies. We have about $1 billion authorized. We do not even spend that much. So we have a tentative agreement where we say they are going to reduce theirs by 20 percent, that is great. They are left with only $8 billion in subsidies, and we declare victory. We ought to pass out gold medals to those negotiators. They are still going to beat us eight times in subsidies which are insidious subsidies that distort trade.

And we are going to sign an agreement like that? We say, yes, we won, we are able to ratchet it down to 20 percent. They get $8 a bushel of wheat over there. They reduce it 20 percent, they get $6.40. Our farmers get $2.40.

We are going to cement that agreement, going to lock in? We are going to lock in that kind of unfairness?

We need new uniforms on our trade negotiators. They ought to wear jerseys that say we are for the U.S.A. team. We are not afraid to say we are negotiating on our behalf.

You know, I guess my point is today I am not going to support fast-track because I think the procedure is flawed, and I have learned from this procedure once we got taken to the cleaners on Canada.

But aside from fast track, I think the substance of the GATT negotiations have simply missed what happened in the world. The world has changed and the global trade policies have not. We have to, it seems to me, and I hope we will do this when we begun discussions on 301 and/or remedies later this year.

We have to rethink our strategy in world trade. We cannot continue to lose manufacturing jobs by the hundreds of thousands in this country and decide it will be made up somehow by some burst of technology, and there are higher wage, higher skilled jobs that will magically appear. And we exploded the opportunities for world trade because we have been able to trade away our opportunity to manufacture in this country in the future.

So, Mr. President, I regrettably am going to vote no on this. I am told by some, you have to have fast track in order to get this done.

I have a list of agreements here, all of which are multilateral agreements that were passed without fast track: Antarctic Treaty, Atmospheric Test Ban Treaty, Outer Space Treaty, nonproliferation Treaty, Seabed Arms Control Treaty, Biological Weapons Convention, Convention for Safety of Life at Sea, Fur Seal Treaty, International Coffee Agreement, Customs Harmonization Convention, Nice Trademark Agreement, International Telecommunications Agreement, and the list goes on and on.

None of these, none of them, I repeat, came to the floor of the House or the Senate on a fast-track procedure.

So those who say you cannot do trade, you cannot do multilateral trade agreements without fast track, baloney. Save it. We have done treaties that are tough. We have done multilateral agreements that are tough, difficult agreements, a number of which had fast track.

This is a habit, and a bad habit, when we start believing the trade negotiations must be accompanied by fast track to prevent the will of the people being expressed in the House and Senate in the form of amendments.

For that the reason I refuse to support it.

I yield the floor.

Mr. PACKWOOD. Mr. President, I yield 7 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise today in opposition of S. 1003, which provides authority for the President of the United States to enter into trade agreements to conclude the Uruguay round of multilateral trade negotiations and would apply congressional fast-track procedures to a bill implementing such agreements.

Mr. President, since 1986 the previous and the current administration have been negotiating the Uruguay round of the General Agreement on Tariffs and Trade [GATT]. The negotiations have worked to improve the trade rules that had been implemented in the previous seven GATT rounds. The major areas of negotiations have focused on agricultural trade, services and trade related to foreign investment, as well as protection of intellectual property rights.

In 1991, Congress extended fast track procedures which prevent Congress from amending trade agreements submitted for approval by the administration. The current authority for fast track procedures expired on May 31, 1993, and this bill would extend this authority to April 16, 1994.

While the current trade negotiations may be helpful to some of the industries of this country, they will be devastating to the domestic textile industry. It is estimated that over the 10-year phase out period of the Multifiber Arrangements [MFA], as proposed in the GATT talks, the domestic textile and apparel industry could lose as many as 1 million jobs. Specifically, a 1992 study by the WEFA Group [Wharton Econometrics Associates] determined that the Uruguay round proposal on textiles would result in 745,000 total job losses in the American textile and apparel industries by the year 2002, lead to an additional 285,000 lost American jobs in related manufacturing industries such as chemicals, fibers, furniture, transportation, rubber, and electric machinery; and cause 360,000 American jobs to be lost in services and agriculture, including banking and retail. According to the South Carolina Employment Security Commission, South Carolina lost 21,300 textile jobs from 1983 to 1992. From April 1992 through April 1993, South Carolina lost 2,300 jobs in the textile industry and 1,700 jobs in the apparel industry. These statistics show that the current trade laws and policy are not protecting the vitality of the textile and apparel industry. I am concerned that the proposed changes included in GATT will prove to be even more detrimental to American companies.

Mr. President, according to the Department of State, the U.S. textile and apparel industry employed about 1.7 million workers in 1991 and is the largest U.S. industrial employer with about 9.1 percent of the manufacturing force. However, since 1978, the industry has faced growing competition. Total U.S. imports of textiles and apparel has increased by 13 percent. American businesses have been harmed by these imports because our industries are not able to compete with the price advantage that foreign labor costs create. And in many cases the Governments have subsidized these companies. If American companies were competing on an equal basis, then they could surely compete with companies of any nation. However, our industries cannot be expected to compete with foreign industries that have unfair advantages.

I urge the United States to negotiate an approach to international trade in textiles and apparel which would focus on opening markets worldwide and require that trade take place under equitable conditions of competition, including environmental protection and worker rights, in the Uruguay round negotiations. I would further emphasize concerns that the Senate Finance Committee also recognized that any member country not adhering to the Uruguay round agreement should not benefit from the phaseout of the multifiber arrangement. We need assurances that American industries will be given real market access before we agree to phaseout the quotas that control trade in textiles and apparel.

Mr. President, I am concerned that the current position of the United States in the GATT negotiations is harmful to the domestic textile and apparel industry. Rejection of this bill will not prevent consideration of the GATT agreement. It will simply take this agreement off the fast track procedures so that provisions with regard to individual industries may be considered separately rather than as one package. Article I, section 8 of the Constitution gives to Congress alone the right and responsibility to regulate foreign commerce. The seriousness of this matter increases the need for debate and amendment. A vote in favor of this legislation is a vote in favor of avoiding the constitutional obligations of this body.

Mr. President, I urge my colleagues to oppose this measure so that all industries will be assured of the fairest deal possible in trade negotiations.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. KOHL). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I yield to the distinguished Senator from New Jersey 10 minutes off the bill.

The PRESIDING OFFICER. The Senator from New Jersey is recognized from 10 minutes.

Mr. BRADLEY. I thank the chairman for yielding.

Mr. President, I rise today in support of the renewal of fast-track negotiating authority in order to complete the Uruguay round of the GATT.

I think we are at a critical time for the GATT and for the international trading system.

Failure to complete the round would be a profound mistake. It would almost certainly deepen the global recession we are in, and jeopardize our own economic recovery. It would set back 4 decades of progress in building a stable and open international trading system. And it would severely damage our ability to continue to lead the world towards an even stronger international trading system.

Mr. President, it has been about 8 years since I was a member of the GATT study group that examined the health of the world economy and recommended a new round of trade talks. I was one of seven. I was the only American and the only politician, so I had a heavy burden on my shoulders in those deliberations.

We believed then that without those talks the international trading system was at risk. Voluntary export restraints, orderly marketing agreements, domestic subsidies, nontariff barriers, industrial targeting, and a host of other unfair trading practices were threatening to undo the progress we had already made in building an open international trading system based on sound economic principles. So the study group, after over a year of discussion, recommended a new round of talks to address these underlying barriers.

It is now nearly 7 years since the United States took the lead in prodding the international community to launch a new round of talks. It has been a long haul. Several times over the years we thought we were near the conclusion, only to find one group or one other problem arise and an agreement elude us and the talks continue. Two years ago, when negotiating authority expired, the Congress extended negotiating authority until March of this year to complete the round. But the talks rolled on and we missed that deadline. We are now asked to provide one last, short renewal of negotiating authority, until the end of the year, to complete the job we began over 7 years ago. I support that request. But I think it should be clear that this should really be the last time. Let us finish this negotiation.

I agree with those who argue that no deal is better than a bad deal, but I firmly believe that a good agreement is in sight. Now is not the time to abandon our efforts. It is time to redouble them and complete the round.

Finishing the round will give an immediate boost to the world economy, and to our own economy. Completing the GATT is an important part of our overall economic strategy. Estimates vary, but virtually every credible analysis I have seen shows that a GATT agreement will stimulate international trade and help revive the sluggish economies of Europe, Japan, and the developing world. Greater trade and healthier markets abroad will stimulate our own economy here at home. Without the GATT, on the other hand, the world will continue in its current recession, and our own economic recovery will essentially be jeopardized. I think it would send a very dangerous signal worldwide for this round not to be completed.

Completion of this round is also important to maintain the momentum of post-World War II trade liberalization and economic growth. For nearly half a century, we have been engaged in slowly breaking down national barriers to trade and building an open international trading framework. This is one of the great success stories of the century. We have witnessed exponential growth in international trade, and with it the longest period of sustained economic growth in history.

Today, one in five jobs in this country is directly related to trade. Starting from the modest beginnings, through round after round of negotiations, we have gradually deepened the economic ties that bind countries together and the GATT membership itself has expanded considerably over the years. If we fail to complete the Uruguay round, I fear, the structure we have worked so long and so hard to build may begin to crumble.

There are those who argue that multilateralism is becoming irrelevant, that in the future regional economic arrangements will replace the global system. Well, I believe that regional free trade areas are a positive development. It makes sense to forge deeper economic ties with one's immediate neighbors. I am a very strong supporter of the North American Free-Trade Agreement. But regional agreements need not, and should not, replace our commitment to multilateralism. We can have both. We need both. I know that many of my colleagues are dissatisfied with specific aspects of the Uruguay round. I am not happy with every piece of the puzzle that the negotiators have put together. But we must not let the perfect be the enemy of the good. No agreement will satisfy everyone. No agreement ever does. The question is whether, taken as a whole, the completion of the round is in our national interest. I believe that it is. We should not allow narrow concerns, no matter how legitimate, to thwart what is the larger common good, which is the completion of this round.

Since the time we began these negotiations, a host of new issues have arisen on the international trade horizon. That is not surprising. We have been at this for a number of years. But it would be a mistake to stop at this point to add the new issues to the agenda. We should consolidate the gains we have already made or can make in the coming months on our original negotiating objectives and defer until the next round—a round I would like to call the Clinton round—issues such as the relationship between trade and the environment, competition policy, and investment policies.

But we cannot get to those issues in the next round, if we do not finish this round.

It is unfortunate that opponents of the round and its work have attempted to portray fast track as a hasty, secretive process. Despite the name, there is nothing hasty about fast track, as any member of the Finance Committee will know.

If an agreement is reached under this authority and it is unacceptable, the agreement that is negotiated, the Congress will and should reject it. Nor is there anything secretive about fast track. In fact the process ensures consultation with Congress and with the public.

So we have not been and should not be misled by charges that fast track is some sinister attempt to circumvent the people's will. It is not.

I commend the administration for the sense of urgency they are bringing to the negotiations. Now we need to support the administration by acting with equal urgency. At the moment our negotiators are forces to operate without knowing whether they would have negotiating authority. They have been forced to do that since last March. So far that has not presented a significant problem. We have continued to make progress, even though they have not had negotiating authority. But the time I think has arrived when not having fast-track authority does present a problem. Increasingly, other countries are going to be unwilling to make the concessions we are asking them to make without the assurance that at the end of the game we will be able to deliver on the bargains and on the agreements that we have made in the negotiations. That is the essence of the fast track.

These are immense negotiations with large national interests being essentially shaded and compromised around a table. It is very complicated. If all the negotiators believe that an American position and an agreement signed by an American negotiator was not going to be what the Congress would accept or reject, there would be far fewer compromises and far less progress in international trade negotiations.

Finally, next week President Clinton goes to Tokyo for a meeting with the other heads of the most important economic powers. The President has asked us to give him, as the chairman of the Finance Committee has said so clearly and so urgently—he has urged us to give him an extension of fast track in time for that summit. With fast track, there is a prospect for significant breakthrough in the Uruguay round talks. Failure to pass this bill this week would represent an embarrassment to the President and make it highly unlikely that there would be any breakthrough at the Tokyo summit.

So I support this bill, a short extension to finish the work of 7 years. I urge the Senate support President Clinton on this initiative and that we then move on to the next order of business, which will be completing the round and then moving to the next round which will be the Clinton round of trade talks.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the Senator from new Jersey for a lucid and urgent exposition and his felicitous suggestion that the Clinton round comes next, if we get the Uruguay round.

The point about the world economic situation could not be more telling. Last night, in, what we all regret, the final series of commentaries by John Chancellor on NBC, from Europe, he observed, "Western Europe today is in what some called a managed depression."

It happens that apart only from Japan, the United States has the lowest unemployment rate of any of the major trading nations. Opening up the trade system further can only rebound to the benefit of the United States by increasing demand in those countries for our products. Or such is our theory and such is the risk at a time when high unemployment and political instability elsewhere cause nations to want to move inward.

We led the world 60 years ago, when Cordell Hull proclaimed the multilateral trade agreement system. We have led the world in this, and that leadership has not ever been more needed than just now.

In that respect, we have our good friend, Ambassador Kantor, in a letter responding to the Finance Committee's letter to the President asking about specific conditions we hope will be met in these final negotiations.

I ask unanimous consent that that be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE U.S. TRADE REPRESENTATIVE,
Washington, DC, June 30, 1993.

Hon. DANIEL PATRICK MOYNIHAN,
Chairman, Senate Committee on Finance, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN MOYNIHAN: The President has asked me to respond to the Finance Committee's letter of June 23 regarding negotiating objectives for the completion of the Uruguay Round.

I have read carefully your statement of the Committee's goals and objectives, as well as your carefully defined concerns over the present language of the Draft Final Act. The Administration shares the objectives, and the specific concerns with the Final Draft Act, set forth in the letter in the areas of market access, services, agriculture, procurement, dispute settlement, antidumping and countervailing duty laws, subsidies, intellectual property, and textiles and apparel.

I am committed to trying to achieve the objectives identified by the Committee, as we move toward the conclusion of the Round, and we will consult closely with the Committee during this process.

Sincerely,

MICHAEL KANTOR.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield 5 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. COCHRAN. Mr. President, I support this bill to provide the President with fast-track negotiating authority to complete the Uruguay round of trade talks. Since 1948, the General Agreement on Tariffs and Trade has promoted the expansion of international trade on a nondiscriminatory basis.

The objective of these negotiations is to lower tariffs, break down nontariff barriers around the world and to update international trading rules that have become ineffective.

As the world's leading exporter and most open economy, the United States stands to benefit greatly from reduced barriers and open markets. Successful completion of the Uruguay round would provide substantial benefits to our economy, including:

Lower barriers to manufactured products and other goods, which could increase world output more than $5 trillion, and U.S. output by over $1 trillion over the next 10 years, meaning an additional $17,000 for an average American family of four;

Rules to protect U.S. intellectual property, whose producers lose $60 billion annually through the theft and counterfeiting of their ideas;

New markets for U.S. services, whose firms export over $163 billion annually and generate 90 percent of new American jobs;

Fair competition and open markets in agriculture, creating new opportunities for American farmers, who lead the world with almost $40 billion in annual exports;

Full global trading participation by developing countries—the most promising new markets for American goods—which could increase U.S. exports by $200 billion over the next 10 years; and

Strengthened trading rules that should provide predictability and certainty in our access to foreign markets.

The Uruguay round tests the commitment of the United States and our trading partners to an open and fair world trading system. If the talks succeed, GATT countries will gain greater worldwide access for their products and services. If they fail, we are likely to see more barriers to trade, increased protectionism, and fewer new jobs.

President Clinton hopes to complete the Uruguay round by December 15 of this year. He deserves our support in that effort. The Senate should pass this bill.

Mr. President, many of us disagreed with the President's economic plan and continue to oppose some of the changes that are being recommended in our Tax Code. We worry these changes will undermine our ability to expand the economy, to create new jobs, and to continue to grow as a productive country.

This is one of the most positive steps that could be taken to counteract the negative effect of higher taxes and increased regulations that are a part of the new economic plan.

So, while I do not agree with the President on his economic plan, I most definitely support his effort to promote international trade at the GATT negotiations—as well as his effort to finalize a NAFTA agreement and submit it to the Senate for ratification—to try to work more in partnership with American interests in business, industry, and agriculture to ensure that they are treated fairly in the international marketplace. In my view, that is a large part of what is at stake in this legislation. I hope the Senate will approve it.

(At the request of Mr. MOYNIHAN, the following statement was ordered to be printed in the RECORD at this point:)

STATEMENT OF SENATOR TOM DASCHLE ON S. 1003

I oppose this legislation to allow the President to negotiate a final agreement in the Uruguay round of multilateral trade talks on a fast-track basis.

This extension of fast-track authority to the President, which is effective only for purposes of the current round of talks under the auspices of the General Agreement on Tariffs and Trade or GATT, gives the Administration wide latitude to negotiate an agreement that Congress will not be able to amend.

My purpose in opposing extension of fast track is simple. By refusing to agree to negotiations on this basis, we—the Congress—will send a message to our trading partners that things are no longer business as usual.

No one is more willing than I to admit that we deal today in a global trading environment. As a representative of a largely agricultural State whose economy is highly dependent upon open and fair trade with other countries, I have witnessed in a very direct way the dramatic changes that have been occurring in the global marketplace.

One of the most important changes that have taken place over the past decade or two is that the United States is no longer an unchallenged force in world trade. Our President cannot just walk into talks with other world powers and command that a certain action be taken. Brent Scowcroft, President Bush's national security adviser, was quoted in the Wall Street Journal this morning, saying, "It's harder now because you really have to lead, you can't just command." He went on to say, "Leadership means persuading people it's in their interest to do things, rather than being able to just command them by the weight of our economic strength."

That is precisely why I am opposing extension of fast track.

Without fast track, it will be in the interest of other nations, especially the European nations, to provide President Clinton with assurances that the next 5½ months of negotiations will be different.

Without fast track, it will be in the interest of nations that want to see the Uruguay round completed to indicate a willingness to compromise with the United States on issues of importance to us, such as agriculture.

Without fast track, we will send a strong message that we are not going to continue agreeing to open our markets—and abiding by those agreements—while other nations only pay lip service to market access.

Especially where agriculture is concerned, we frankly do not stand in a very good position right now. The current draft text of the Uruguay round agreement and the related oilseeds agreement reached last November simply fail to address the concerns of American agriculture. Approving fast track will only ensure that this unfair situation and others like it will continue.

The bottom line here is that we have no leverage—and extending fast track yet another time will only make things worse.

President Clinton entered office on a platform of change. But change must not stop at our borders. By rejecting his request for another extension of fast track, we will be sending a strong message to the President that we want to see change in the way the U.S. deals with its trading partners in the world marketplace, as well.

Ironic though it may seem, our withholding of fast track may provide the President with just the leverage he needs to show that he cannot report back to this Congress, as previous presidents have done, with an agreement that solidifies the unfair trade situation we now face. It will rearm him in the new world marketplace.

I urge my colleagues not to roll over on this issue. The current round of talks has been going on since September of 1986, with limited success on our negotiating objectives. A vote today approving the President's request for an extension of fast track is a vote for the status quo.

Mr. MOYNIHAN. Mr. President, I now have the pleasure to yield 10 minutes to the able and energetic Senator from Wisconsin.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin [Mr. FEINGOLD].

Mr. FEINGOLD. Mr. President, I rise to oppose the extension of fast-track authority for the General Agreement on Tariffs and Trade. To put it simply, taken along with the agreement itself, extension of fast-track authority potentially represents a diminution of democracy. It actually continues the substantial transfer of power from the legislative branch to the executive branch begun in 1934 when Congress gave the executive the authority to lower tariffs, authority that was granted to Congress by article I, section 8 of the U.S. Constitution. Congress' constitutional authority in the area of trade has been consistently eroded since then, and will be further stripped away with the granting of fast-track procedures for the GATT.

As questionable an undertaking as the restrictive fast-track procedures may be in and of themselves, when applied to the ratification of an international agreement that inherently abrogates democratic authority, the fast-track limitations, in my view, are perilous.

Mr. President, the GATT has the potential of voiding those consumer health and safety standards and regulations that have been established through a democratic process, and substituting standards set by an organization called the Codex Alimentarius that has been dominated by multinational corporate interests and whose members are not accountable to an electorate.

I do not think many Americans realize that under this agreement, the authority to set consumer health and safety standards will be transferred from State and Federal legislative and regulatory bodies to this international organization, the Codex Alimentarius. This organization will set international standards which many people fear will end up being lower than the current U.S. standards. These concerns do appear, Mr. President, to be well founded.

It is my understanding, for example, that the Codex has no standards for many pesticides and many contaminants that our Government regulates. It could allow, on food, residues of pesticides, such as DDT, that have been banned for many years in the United States.

Beyond supplanting our current consumer safety and health standards, the GATT, as currently drafted, will effectively prohibit States from taking the lead in important consumer and environmental protection areas. I am proud of my own role in my own State of Wisconsin. In Wisconsin, we have taken the lead many times throughout this century in establishing progressive legislation on behalf of workers, consumers, and the environment. Under GATT, Wisconsin and other States that have worked so hard to improve conditions in their own States, with immeasurable impact on national reforms, may well be preempted and prevented from pursuing future reforms.

I know, for example, that at the time the Wisconsin State legislative was passing legislation I authorized to place a moratorium on the use of bovine growth hormones, something the U.S. Senate approved last week as part of the budget reconciliation bill, I was warned that efforts by State legislatures to keep products produced with BGH out of the State could run afoul of GATT restrictions, if it was already in place.

That is an unconscionable result which shifts policymaking away from democratically elected representatives to an organization dominated by multinational corporate interests and unaccountable to my constituents or the constituents of any Member of the Senate.

Mr. President, the GATT will certainly affect every consumer directly, and has the potential of affecting the livelihood of millions of working men and women. Given the enormous impact this agreement can have in this Nation, Congress must have the ability to hold extensive hearings on the document, not only to gather input from out constituents on the agreement, but to educate the public as well.

At the same time, we need to retain the ability to amend the agreement.

Adopting the fast-track procedure without the ability to amend the agreement relegates Congress to a rubber-stamp authority of either approval or disapproval. Even the most enthusiastic supporters of a line-item veto authority for the President should concede that denying Congress the ability to amend legislation is a very serious undermining of our constitutional authority to legislate. In a sense, it completes the role reversal begun in 1934 by granting the executive branch the authority to craft the agreement in every detail while limiting Congress merely to consenting to the agreement as written or simply vetoing the proposal.

Mr. President, my interest in the issue of fast-track authority began before my election to the U.S. Senate. As a member of the Wisconsin Legislature, I authored a joint resolution urging our congressional delegation to oppose fast-track authority in 1991. We passed that resolution with bipartisan votes in both houses of the Wisconsin Legislature. Not only did that legislature understand the potential disastrous effects the GATT might have on our State's economy, I believe our State legislators understood the implications that limiting fast-track procedures would have on the notion of representative government itself.

Mr. President, I do want to be candid in stating that though I am concerned about the fast-track authority for GATT and all trade agreements from this fundamental point of view, I am also deeply concerned about the impact of the current GATT agreement on a very important industry in my State and in the President Officer's State; namely, dairy production and manufacturing.

The dairy industry has been struggling for years with the problem of supply-demand imbalance and the resulting price instability which has wreaked havoc on the income and livelihoods of dairy farmers in our State. Wisconsin has 31,000 dairy farmers who produce nearly 20 percent of this Nation's milk supply. Dairy represents a $10 billion industry in Wisconsin. They are among the most efficient producers in the country, making milk at a lower cost than most other producers in the United States. And yet it is difficult for the producers in my State to make a decent wage for their labors.

The industry has for years tried to put an end to the price and supply instability in their industry. A surplus of just a few percentage points can send dairy prices tumbling. It is a fragile balance upon which thousands of livelihoods are hanging. We have a price support program which attempts to manage those surpluses, but many say that program is inadequate for balancing domestic supplies. It is, however, the only support program we have.

The current GATT agreement will essentially nullify what remains of our domestic support program for dairy, pushing thousands of milk producers off the farm. By allowing more subsidized exports into the country, we will lose any ability to control our domestic surplus.

The basic problem is that we do not begin with a level playing field. The Europeans have provided their dairy industry with high subsidy levels, and although the GATT negotiators, I know, have sought reductions in subsidy levels, our competitors will be allowed to maintain support levels substantially above that of U.S. producers. When we talk about reducing subsidized exports, as the United States did during the Blair House accord with the EC, we have to consider the baseline.

In 1991, the United States exported roughly 174 million pounds of processed dairy products, but the EC exported nearly 2 billion pounds of the same product. Mr. President, those were subsidized exports, of course, since the milk price in the EC was roughly $10 higher than the world price.

Clearly, a mutual reduction in the quantity of subsidized exports of 21 percent, as was agreed in the Blair House agreement, will merely continue the trade disadvantage that we have with the EC dairy industry.

Under the most recent version of the GATT deal for agriculture, U.S. dairy procedures will be irreparably harmed.

We currently control the influx of subsidized EC exports of dairy products through our section 22 quotas. Currently, those quotas allow about 2 percent of domestic commercial use to be imported.

Under the GATT draft, the United States would be required to change those quotas into tariffs and then gradually reduce those tariffs. Essentially, we will be opening up our borders to large quantities of subsidized EC exports. I do not understand what forces compel our GATT negotiators to negotiate such a bad deal for U.S. dairy producers, but I do know that this agreement would completely destabilize our domestic market and that it has to be modified if we want to maintain a domestic dairy industry in the future.

Mr. President, the impact upon the dairy industry from the current GATT agreement is simply one example why we should not surrender our ability to offer amendments to trade agreements that are presented to the U.S. Senate for approval. There may be many benefits to negotiating international trade agreements, I do not doubt it, but they should not come at the cost of surrendering our ability to protect American consumers in critical industries, such as the dairy industry, from the fundamentally unfair trade practices of our competitors. And they should not come at the cost of surrendering our responsibility as elected officials to make fundamental policy decisions. I am not willing to abdicate those responsibilities for the mere expediency of getting a trade agreement approved, and I will vote against this legislation.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 10 minutes to the Senator from Delaware.

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware [Mr. ROTH] for 10 minutes.

Mr. ROTH. Mr. President, I rise in strong support of renewing fast-track procedures for the Uruguay round of multilateral trade negotiations.

I believe the decision on whether to renew fast track for the trade talks boils down to one fundamental issue—providing our President the authority he needs to significantly bolster and strengthen our position in the world economy as the world's largest trader. This is what the GATT trade talks are really all about—expanding U.S. trade opportunities worldwide by opening markets and establishing fair, predictable, and more comprehensive rules for conducting trade.

Opponents of both the GATT talks and fast track seem to think we can just shut ourselves off from the rest of the world and that we have nothing to gain from a successful conclusion to the Uruguay round. But looking at the facts demonstrates just the opposite—U.S. jobs and economic growth are increasingly dependent on the world economy. Rather than hiding from it, we need to seize and rise to the challenge of meeting the global competition head on. And the Uruguay round potentially offers us a much better environment in which to do that.

I would like to say a few words on some basic facts. No. 1 is that U.S. exports are critical to creating and maintaining jobs at home. It is estimated, for example, that U.S. merchandise exports have saved 4 million jobs since 1985. Moreover, total merchandise exports account for over 7 million jobs, and they are good-paying jobs—17 percent above the average U.S. wage.

We also happen to be the world's largest exporter of services, over 167 billion dollars' worth last year. And these export-related jobs are not simply flipping hamburgers across oceans. Quite the contrary. U.S. service exports more often than not are in areas such as computer software, banking, insurance, and engineering.

Congress is famous for grandiose speeches on eliminating unfair trade practices and gaining greater market access overseas for U.S. goods and services. The Uruguay round presents us the opportunity to put these words into practice in the most ambitious manner ever contemplated.

For the first time, we are seeking multilateral rules to protect U.S. intellectual property rights, the pirating of which currently costs us an estimated $60 billion every year. We are also aiming to liberalize and create rules to govern trade in services, which now accounts for one-third of total global trade. We are striving, after many failed past attempts, to reduce the enormous distortions in agricultural trade, distortions which grew by 7 percent last year at a cost of $354 billion. We hope to gain much greater overseas access for manufactured goods as well.

These are just a few of the potential trade benefits to be gained from a successful Uruguay round agreement. And they add up to an estimated increase in U.S. output of $1 trillion over 10 years, according to the USTR. That translates into an increase of $17,000 in income per family of four.

No one pretends that reaching a final agreement will be easy. Expectations remain high and Congress has set forth explicit negotiating objectives to be achieved in a final agreement; the Finance Committee reaffirmed and elaborated on these objectives in a letter to the President just last week. Not only must the President bring back a substantial market opening package that covers agriculture, manufactured goods, and services, but he also must improve the current Dunkel draft in key areas.

Some do pretend, however, that Congress has no say or role in the trade talks by virtue of fast-track procedures. I believe this is disingenuous because fast track is not simply a blank check that is handed over to the administration. Congress has been, and remains, a full and active participant in the trade talks in a variety of ways, including through the close consultative process that has been established under fast-track procedures. Above all, Congress will be the final judge of the Uruguay round. Obviously, it would be foolhardy for the administration to submit an agreement that ignores congressional concerns, and those of U.S. workers and industry, for the simple reason that such an agreement would not be supported by Congress.

Before concluding, I would like to say it is critically important that the G-7 economic summit in Tokyo next week result in a concrete breakthrough on the market access component of the Uruguay round. This is not a time for continued declaratory statements. It is a time for action, and all eyes will be on the summit for real progress in this area.

In giving the President the fast-track authority he has requested before he travels to Tokyo, the United States will demonstrate its continued commitment to concluding the round this year. I certainly hope that our G-7 partners will demonstrate their commitment as well by agreeing to a serious market access package at the summit.

It is not terribly surprising that the Uruguay round has been 7 years in the making, especially when one takes into account that the last round of trade talks, which was much less ambitious and less complex, took 6 years to finish. Nevertheless, 7 years is long enough, and it is my view that, if we do not conclude the talks this year, there will be little or no enthusiasm for concluding them at all.

While many deadlines have come and gone on the Uruguay round, it is my hope that the December deadline will be the one that is finally met. In fact, I hope we not only wrap up the current round, which is dealing with issues of the 1980's, but we move forward to launch new multilateral negotiations on the trade issues that are relevant to today's decade, such as the linkages between trade and competition policies, and trade and the environment. By approving an extension of fast track, we will show our trading partners our commitment to moving forward on these fronts, and I urge my colleagues to vote in support of S. 1003.

I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia [Mr. ROCKEFELLER].

Mr. ROCKEFELLER. Mr. President, the distinguished floor manager of the bill is not here, and I would make so bold as to ask unanimous consent that the junior Senator from West Virginia be allowed to proceed for 6 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROCKEFELLER. I thank the Chair very much.

Mr. President, I support the bill before us today which will extend the so-called fast-track trade negotiating authority in order to permit the President to try to conclude the Uruguay round of trade negotiations by December 15, 1993. The President's previous authority expired this past June 1, and he presently does not have legal authority either, to negotiate the round or to bring its result back to the Congress under any special procedures. He is caught in a difficult situation.

He deserves the chance to conclude the round under the same rules and procedures as his predecessors, which this bill would provide. Let me also express the hope that we will be able to enact this bill without amendment and send it to the President before the economic summit as a sign of congressional confidence in our negotiators.

The so-called fast-track process for considering trade agreement implementing legislation was initially developed in the Trade Act of 1974 in response to complaints from our trading partners, as well as our own executive branch, that the United States could not credibly negotiate in a situation where Congress could unravel a completed agreement by rejecting or amending any specific provision of it. This concern was prompted in part by Congress' rejection of the Antidumping Code that was negotiated in 1967.

The process devised was a specific, time-limited grant of negotiating authority to the President with the proviso that an agreement concluded and submitted within the time period would be considered by Congress without amendment. This procedure was followed with respect to the Tokyo round in 1979 and the United States-Canada and United States-Israel Free-Trade Agreements in the 1980's, and a method of operation evolved in which the two committees of primary jurisdiction, Ways and Means and Finance, in consultation with the other committees and with the administration, would informally draft an implementing bill and give it to the President with the recommendation that he submit it as his legislation. Once formally submitted, of course, it could not be amended, either in committee or on the floor.

The implication, of course, was that if the President submitted the bill we had given him, we would almost certainly pass it; whereas if he submitted something significantly different, the result might not be so positive.

On the whole, this procedure has worked well on the three occasions when it has been employed, although it is fair to say that none of those agreements was as controversial as either the NAFTA currently is or as the Uruguay round could well be.

That said, Mr. President, it should nonetheless be emphasized that this is authority Congress should not grant lightly. Under the Constitution, our authority to regulate interstate and foreign commerce is clear, as is our authority to work our will on legislation submitted to us or initiated by us. Fast-track authority is essentially a limitation on those rights that is justified by the extraordinary complexity and interdependence of the agreements under consideration.

Since they are inevitably a collection of mutual concessions, each dependent on the others, action by Congress to remove one of them would threaten the entire fabric of the agreement.

Over the years, Congress and the executive have developed mechanisms for close consultation and coordination during the pendency of the negotiations and in the preparation of implementing legislation in order to provide assurance to Members of Congress that their concerns are being heard and taken into account by our negotiators.

On the whole, this has been a successful process, and I think it is fair to say that our current negotiators, Ambassador Kantor and his staff, have taken it to heart and have been exceptionally thorough and responsive in their consultation with Congress. In saying that, I do not refer only to the Finance and Ways and Means Committees. Ambassador Kantor has been available to virtually everyone here who wanted to talk to him, and he or his top aides have provided frequent briefings and consultations to anyone interested.

Given that history, Mr. President, and the clear intent of the current negotiators to continue the tradition of cooperation, I think it is entirely appropriate to renew fast track authority. That judgment is also made easier by the fact that it is for a limited period—the talks will have to conclude in less than 6 months—and that all parties are indicating this will be the last renewal. The round will either be finished on December 15, or it will be abandoned.

Under those circumstances, I think it is entirely appropriate to give our new President a chance to conclude the round under the same rules and procedures as his predecessors. President Clinton has indicated a commitment to the round and has adopted policies similar to those of his predecessors, and he deserves no less than the same process for trying to achieve the objectives we all share.

Now, having expressed my support for an extension of fast-track, Mr. President, I would not want anyone to conclude that support means unqualified support for whatever the administration brings back from Geneva. As Senators may know, I have long had serious reservations about the round, as virtually all of us have had for some time. In fact, in the Finance Committee there is a bipartisan discomfort with the Dunkel draft. It would be my guess that if the Finance Committee had a note on the Dunkel draft, there would be bipartisan opposition, and it would not get out.

Potentially, however, the round holds out the promise of significant gains for the United States, particularly in better rules on intellectual property and improved market access for our goods and services.

Although, I would certainly not cite the thoroughly discredited numbers used by the last administration to justify the round.

At this point, however, these gains are more theoretical than actual. The intellectual property rules have a number of problems and by virtually all analyses are inferior to those we have negotiated in the NAFTA. Similarly, negotiations over services and market access are not concluded, and it is increasingly problematical whether we will be able to obtain what we want from them without concessions that for many of us would be far greater than the benefits.

In the case of West Virginia, I am concerned about chinaware and glassware, two of our important industries which risk being put on the block by our negotiators. The magnitude of tariff cut offer being contemplated for these industries—50 percent—is so great it will destroy them, pure and simple. I have repeatedly urged our negotiators not to sacrifice these industries under any circumstances, particularly since the biggest beneficiaries will not be the Europeans, with whom we have been negotiating, but other nations that have yet to put much on the table.

In addition to those uncertainties, other areas of the current draft text pose serious dangers for us. The dispute settlement, antidumping, and subsidy provisions in particular are in some important respects worse than the status quo for American manufacturers because they would cripple our ability to enforce our own laws against unfair trade practices.

Compared to other countries, we are an open and transparent society. We do not use secret market sharing agreements, such as those recently revealed in the steel sector, to control access to our markets.

We have developed laws that are consistent with current GATT rules to enforce market discipline and deter unfair trade practices, and we have made sure those laws are accessible, fair, and objective.

These laws are inconvenient for the foreign producers who want to engage in predatory actions to capture our market and for the foreign governments who seek to export their unemployment to American workers through massive subsidies, such as has occurred in steel, and every time an American industry wins a case we hear a chorus of complaints, usually led by the European Community, against our laws and American unilateralism. We should, however, not allow this propaganda campaign to deter us from our interest in defending our own producers against unfair trade practices, and we should not allow it to persuade our finding partners in the Uruguay round negotiations to change the rules to our disadvantage.

In retrospect, we should not be surprised by this tactic. Unable to win here every time, because they are guilty of the practices of which they have been accused. Our adversaries are now busy in Geneva trying to force us to change our rules. Unfortunately, a review of the current draft text suggests they have made some progress.

An unclear standard of review for dispute settlement panels, adverse or incomplete language in areas of dumping practice like cumulation, standing, sunset, cost and profit methodologies, de minimis exceptions, and loophole-ridden language defining subsidies all would leave our industries worse off than they are now.

When this text first appeared in 1991, then-Senator Lloyd Bentsen told Ambassador Hills it would not pass the Congress and would have to be changed. He was right then, and he is still right.

To their credit, both the Bush administration and the Clinton administration have taken this same position and have insisted on changes in the draft text in the areas I mentioned. I expect those issues to be joined following the economic summit.

Over the years, the Finance Committee, as well as numerous individual Senators, have conveyed this concern about the round directly to the current administration and its predecessor, as well as concerns on other matters in the draft text.

I was pleased to see the Finance Committee continue that effort in the detailed letter taken in hand personally by the chairman of our committee, Senator MOYNIHAN and quite properly sent the President on behalf of the committee the day we acted favorably on the fast-track bill.

That letter, which is based on a resolution that the Senator from Missouri [Mr. DANFORTH] and I drafted, makes clear the committee's interest in a successful conclusion of the round on terms favorable to the United States and then proceeds to spell out what many of those terms would be.

But the chairman felt, I think very wisely, that it would be better to follow the tradition of the Senate Finance Committee and to have the chairman send that as a letter from him.

It is an excellent letter. I congratulate the chairman on his decision.

Sending such a message of negotiating objectives is important, Mr. President, for many of the reasons I have mentioned.

When the Congress delegates part of its constitutional authority to regulate interstate and foreign commerce, it has historically also provided the President detailed advice on what to do.

We last did that in 1988. In the 5 years since the Uruguay round negotiations have produced the draft text I mentioned, which both the past and current administrations as well as many in Congress have criticized.

It is certainly appropriate, 5 years down the road, for the committee to update its advice to the President and to give him negotiating objectives that take the current draft into account. Indeed, if the committee did not do so, we would not be fulfilling our responsibilities.

I believe that taking this step also plays an important role in reinforcing the President's position in the negotiations by reflecting a strong, united Congress standing behind him.

The language of the letter, which was developed after extensive consultation with many senators on and off the Finance Committee, is designed to endorse positions that both Ambassador Hills and Ambassador Kantor have already taken.

In other words, we are not plowing new ground here but rather trying to demonstrate a consensus behind what the administration says it wants to do. That, I would add, is also precisely what most of us in this body have regularly told the administration we want.

I mention the letter at some length, Mr. President, because I want Senators to know that the consultation process is alive and well, and that the Finance Committee has anticipated the concerns that many Senators have about the text and given these further objectives to the administration. While we have not covered every specific issue, we have touched on virtually all the important ones and in doing so, I believe we have accurately reflected the sense of this body with respect to the current state of the negotiations.

In view of that letter, Mr. President, I think we should go forward with this bill without amendment. It is essential to the future of these negotiations that we send this legislation to the President before the economic summit next week so that he can tell our trading partners in Tokyo that the United States is committed to the round's conclusion and has taken the necessary legal steps to allow that to happen.

If we do not act promptly we would cripple the round's chances, and, while I may well ultimately have to oppose an agreement if it is a bad one, I do not believe we should terminate it before there is a final version to review.

Accordingly, I will support this bill without amendment and urge others to do likewise.

I thank the Chair, I thank the distinguished chairman of the Finance Committee.

Mr. MOYNIHAN. Mr. President, may I say to our able, indefatigable Senator from West Virginia, it was an excellent letter because he and Senator DANFORTH drafted it. It was sent on behalf of the full committee. We had a very fine response from Ambassador Kantor on behalf of the President.

I want to thank the Senator for that.

Mr. PACKWOOD. Mr. President, I yield 5 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. GRASSLEY. Mr. President, I am going to vote for fast track, and I do it without any hesitation whatsoever. I think it is good policy for our country.

As each of us knows, the Uruguay round is, of course, a very ambitious and complex negotiation, perhaps the most ever undertaken to open global markets and to energize world trade.

For the United States a strong and vibrant international trading system is critical to ensuring both U.S. and global prosperity. The extension of fast track is an important ingredient leading us to this prosperity.

I think we ought to dispel notions that an extension of fast-track procedures robs Congress of the power that we have under the Constitution, article I, to regulate commerce with foreign nations. I have heard too many comments in Congress as a whole, or even outside of Congress, that fast-track authority relinquished too much of Congress' authority to the President of the United States.

The fact of the matter is, Mr. President, Congress' role is safeguarded by provisions embodied in the 1988 Trade Act. They are numerous, but some of the most important are that Congress spells out in our act specific objectives that the President must fulfill when he negotiates trade agreements. It is not wide-open negotiation.

The President must obtain special permission from Congress to negotiate any non-GATT agreement, such as plans for the United States-Mexico Free-Trade Agreement and others.

The President must consult constantly with the Congress during trade negotiations, or the House and Senate can rescind fast-track authority by a majority vote under what is known as reverse fast track. And whether it was Mrs. Hills or now Mr. Kantor, we know all have done a very good job of keeping us fully informed, particularly those of us on committees so affected.

Another safeguard is that Congress ensures that there will be public debate of trade agreements. We do this by creating private sector advisory groups made up of representatives from labor, business, agriculture, and Government that consult with the President and report to Congress on the economic effect of every trade agreement that the President will negotiate under fast track.

Then, lastly, a simple rule change in either House of Congress can cancel the President's fast-track authority before, during, or after he negotiates an agreement.

For those people who think we cannot do this or we should not do it for constitutional reasons, I would ask, with the safeguards that are in the act, how much more constitutional authority can Congress reserve for itself and still get a treaty negotiated? Because as a practical matter, as well as the facts of diplomacy, only the President can negotiate a treaty, for surely 535 Members of Congress will never get a treaty negotiated even if they had the constitutional power to do it.

Mr. President, fast track authority has worked well for a long time, particularly over the last two decades. I believe it is imperative that we grant President Clinton an extension of fast-track authority that is about to expire to complete the negotiations in the Uruguay round. In fact, the reality is that the United States cannot effectively promote free trade unless we do this, and unless the United States maintains its credibility through this act for the President to negotiate.

Our goal should be to retain U.S. leadership in the international economic arena. The expiration of fast track means losing economic opportunity for this country. Opportunities to build better lives for all our citizens do not come very often. We do not want to miss this one.

Shakespeare once wrote: "There is a tide in the affairs of men which, taken at the flood, leads on to fortune." We are riding such a tide. This year, 1993, is an important year for international trade, one that will test the cooperation of our trading partners and our executive and legislative branches of Government at home. Coming from a State like Iowa where our agricultural exports are so important—but our manufactured exports even outnumber our agricultural exports—I know the potential that trade has to maintain a prosperous economy, because without this trade and hence without free trade, my State will not have a prosperous economy.

Our best opportunities will come from a comprehensive GATT round and the successful completion of the North American Free-Trade Agreement. The President has asked for fast-track extension without any amendments. I believe this President should be granted the authority in the manner in which he requested. I felt strongly that the potential of amendments to this extension may have drowned the extension request and denied the President the authority he pursues.

We are all aware that the world trading system today is vastly more complex than it was when GATT was written in 1947. The negotiating agenda runs the gamut of the U.S. interests both in opening world markets and in establishing rules of fair trade in areas vital to U.S. competitiveness.

POSITION ON VOTE

Mr. PACKWOOD. Mr. President, I announce that Senator DURENBERGER is necessarily absent from today's vote on the fast-track extension. He is viewing the flooded disaster areas in Minnesota with Secretary of Agriculture Espy. If he were present for this vote, he would have voted in favor of extending fast-track authority.

I ask unanimous consent that his statement be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Upon the request of Mr. PACKWOOD, the statement of Mr. DURENBERGER was ordered printed in the RECORD as follows:)

• Mr. DURENBERGER. Mr. President, I rise in support of extending fast-track negotiating authority for the General Agreement on Tariffs and Trade [GATT].

I have had the opportunity over the last few years to speak at length to the leaders of agricultural and business groups in Minnesota. Based upon those meetings and discussions with the U.S. Trade Representative, and the leadership of the Finance Committee, I have decided that it is in the best interest of Minnesota and the United States to let the negotiating process go forward.

The benefits of lower tariffs as a result of a successful GATT are very real. The United States—indeed the world—cannot continue with the status quo with respect to international trade.

The issue before the Senate is not a GATT agreement. The question before the Senate is simply: Do we want to grant the President of the United States the authority to negotiate on behalf of the United States for a reduction of international trade barriers against America?

My answer to that question is an absolute "Yes." Fair and reciprocal free trade is the cornerstone of the continued economic success of Minnesota and America.

When President Clinton travels to Japan for the G-7 meeting on July 7, it is important for him to have the fast-track authority. That authority will signal to our leading economic partners that the United States still stands behind its free-trade policy.

If the Senate votes down fast-track authority, we will send a signal to the rest of the world that we are satisfied with current foreign government policies that subsidize foreign agriculture. We will tell the world that theft of intellectual property rights is alright. We will tell the world that service trade should remain protected behind outmoded and outdated national rules. Mr. President, we simply cannot afford to send those kinds of messages.

World trade is so important to the economy of Minnesota, that the State has set up world trading offices in Japan, France, Great Britain, Sweden, Norway, Belgium, and Costa Rica. Approximately 50,000 export jobs in Minnesota are linked to exporting. That includes jobs in farming, mining, manufacturing, telecommunications, transportation, and finance.

With 17 percent of our manufacturing jobs linked to exports, Minnesota ranks ninth among the States in manufacturing employment linked to exports. Export trade is worth more than $8 billion a year to our State's economy—more than 18 percent of Minnesota's total production.

In addition, import trade plays a vital role in Minnesota's economy. In 1990, import and export activities just in the Port of Duluth-Superior supported nearly 3,000 jobs.

Furthermore, one of the most admired companies in America—3M Corp.—is headquartered in Minnesota. Fifty percent of its sales and profits come from sales in the United States and 50 percent comes from outside the United States. One is six of 3M's 23,000 Minnesota employees owes his job to 3M's export activities. Those are jobs in St. Paul, Hutchinson, Alexandria, New Ulm, and Farmington—small towns all over our State. These jobs would not be there without exports.

It is not just the world famous 3M, or Cray, Pillsbury, Cargill, and Medtronics that need open world trade. Companies of all sizes depend on free access to the world market because they manufacture international competitive products. Minnesota farmers need the European Community to cut their domestic support mechanisms and export subsidies, while increasing market access for U.S. commodities.

Mr. President, the Senate does not have before it today a GATT agreement. We are voting simply to allow our Government to negotiate reductions in trade barriers. I am a strong believer in fair and reciprocal free trade—and it is my hope that the Senate will be voting on a fair and reciprocal GATT by the end of the year.●

Mr. MOYNIHAN. Mr. President, I yield 10 minutes to the distinguished Senator from Alabama.

Mr. HEFLIN. Mr. President, I rise in opposition to this bill, which would grant fast-track negotiating authority for the administration to conclude ongoing international trade talks. I oppose this bill not because I oppose the concept of a GATT agreement, but because I oppose the restrictions of fast track.

When members agree to fast-track consideration of trade agreements, they are often forfeiting their strongest tools for directly influencing the agreement. As my colleagues know, fast-track consideration necessitates an up or down vote on an agreement, with no right of amendment.

In my judgment, to give up our right of amendment before final negotiation would be a serious error which does not serve America's overall best interests relative to our trading partners.

Moreover, a Senate vote must occur within 90 days after the implementing legislation is introduced. These circumstances of consideration, while created to increase congressional input into the negotiation process, in my opinion, leave many members without the right of substantial input. I therefore an unable to support extension of fast-track negotiating authority.

Members are further being asked to sign the dotted line before the fine print has been written with regard to the treatment of lesser developed countries. We hear that many of these countries, which are parties to GATT, will receive special concessions under the agreement, but we do not yet know what those concessions will be.

What we do know, however, is that many of these countries produce a good amount of cotton which they would like to export. These countries might be called lesser developed, but when it comes to industries like cotton and other commodities, they certainly will not be seen as less developed for very long under some of the GATT proposals.

In effect, the United States is the only major cotton-producing country in the world which will be held to the terms of any GATT agreement negotiated this year. Yet, we are being asked to give up our rights to influence the terms of that agreement.

Unfortunately, the prospects for other industries such as peanuts and textiles are quite similar to the prospects for cotton under a GATT agreement negotiated under fast track authority.

Estimates indicate that GATT could cost the American and European textile and apparel industries more than 2 million jobs because under the agreement, textile import quotas would be phased out over the next decade. The current Multifiber Arrangement, the set of international agreements that have regulated textile and apparel trade for the last 30 years, would be scrapped in favor of a new system under GATT control. This has been the U.S. proposal for the last several years.

The only different news with regard to textiles is that, unlike the case with cotton, at least we know the grim fate held for the industry if we approve fast-track consideration of a GATT agreement.

Today, however, we are being asked to give up our strongest tool for fighting any inequities, giveaways, or injustices in a potentially GATT agreement. We are being asked to forfeit our right to offer amendments and to forego deliberate consideration of any final agreement.

I am hopeful that this administration will consult seriously with Congress on any GATT agreement, as well as any other trade pacts it seeks to negotiate. Past administrations have not always, in my judgment, worked closely enough with congress to produce the strongest, most mutually beneficial agreements possible. I believe that giving up our rights to influence trade agreements on the floor removes a valuable incentive for congressional consultation.

Therefore, without knowing how some very crucial issues will be resolved, such as the situation with non-GATT and lesser developed countries, I cannot in good conscience forfeit my rights with regard to the terms under which the Senate will consider possible trade agreements. I urge my colleagues not to do so either.

I support the concept of a GATT agreement, but I oppose the restriction of fast track. To give up the right of amendment is a terrific loss to the Congress of the United States, to the elected Representatives, who come from various States, who have different interests. And the right of amendment, in my judgment, is a key in the regulation of foreign commerce, which the Constitution puts with the Congress.

Our own proposals have been before the GATT negotiators. The American proposal would do terrific destruction to many industries. That is our proposal, Mr. President. The Dunkel proposal would also do destruction to many of our industries.

When it comes down to it and we look at the overall value of GATT, we have to weigh the good against the bad. But if we had the right of amendment, we might be able to get rid of a lot of the bad. But we are giving this up.

I want to give you a terrible, unfair example of the loss of the right to amend that has been put forth by the United States in its proposal. It particularly affects my State. This deals with the cotton industry. Our proposal would affect it terribly. And then you realize that the cotton industry's two biggest competitors—and really our only serious competitors—are Russia and China. They are not even signatories to the GATT. The GATT provisions will not be binding on them. This would be, in my judgment, a one-way ticket to disaster, a disaster that could be avoided by an amendment in Congress, but fast track would only speed up the impending disaster.

We are asked to sign on the dotted line before the fine print has been written. We do know what proposals have been made by the past administration, and we will know before long what will be made by this administration. I do not anticipate that there are going to be any great, substantial changes that will come forward. But it is the idea that you sign something before reading the fine print. That disturbs me. There are a lot of lawyers here who say they are going to read the contract. But before we read the contract, we know we do not have the right to change it. We do not even have the right to dot an "i" or cross a "t."

The Constitution was written in a manner to have a bicameral, legislature—two Houses—with the idea of having deliberative consideration. The Senate is supposed to be the most deliberative body of all the parliamentary groups and elements in the world. And we are giving up that right of deliberation with regard to this fast-track authority.

Let me also speak about the textile industry, where we know what is on the table. It would, in effect, do away with the Multifiber Arrangements, which are the sets of international agreements that have regulated the textile and apparel trade for the last 30 years.

In my State, there are over 100,000 jobs in the textile industry, which makes up approximately 35 to 40 percent of all of our manufacturing jobs—these jobs are in the cut and sew operation, and the cotton mills, but primarily in the sewing operations. I went recently to an area in which there has been severe unemployment, particularly among blacks, and where there was a company in which almost every one of the employees was a woman who was sewing, and who was making wages on an incentive basis—a piece basis—and making a substantial wage.

This is just one example. We talk about the fact that this strengthens the President. Well, he has been strengthened for 8 years, and what has the strength given him? I believe in the GATT agreement, but I do not believe that we ought to do away with the right of amendment, especially not in the guise of executive strength.

What nation has had the best trade policy relative to the advantage of its people during the last 30 years? If you stop and think, it has to be very clear that it is one country—Japan. What has been the policy of that country? That country has taken care of certain industries, but we have never learned to look at a country that has prospered and see what is good and what is bad. Still, we can operate under the basis of free trade, but we can adopt certain provisions that could be helpful to us as we look forward.

I was in England last year, and I talked to the minister who deals with economic policy, Mr. Lamont. He had announced the day before—it was in the newspaper—what his program was. He was lowering interest rates. He had a provision which was most unusual and attractive to me by which he was advocating that they adopt a 40 percent deduction the first year on all new equipment and buildings. It was, basically an investment tax credit, by giving 40 percent of depreciation in the first year.

We talked about it, and he went on and said, "I think lowering the interest rates is going to help the most."

I said, "You are offering here 40 percent on the first year. That is somewhere in the neighborhood of a 12 to 15 percent investment tax credit in the United States. Will that not spur your economy?"

He said, "No, it will not have much effect."

I said, "Why is that?"

He said, "Well, England has ceased to be a manufacturing country; 15 percent of our jobs now are in manufacturing." They have moved out of this country.

So I said well, we look at some of our trade agreements and particularly the North American Free-Trade Agreement, where there is every incentive to relocate, where 59 cents an hour is the minimum wage, where there is no OSHA, no workman's compensation, no unemployment compensation programs, and no Clean Air Act.

And, by the way, I remember the debate on acid rain. We heard how the chemicals traveled from the Midwest to Canada and the New England States, some 1,000 to 1,500 miles, and deposited the emissions causing the damage. We heard many people argue the scientific evaluations of how that happened.

What will a smokestack industry in Mexico do to some of these same areas?

To me, giving up the right to amend is a terrible loss. It, in effect, keeps us from being a deliberative body, and I think it is a big mistake. I think the GATT ought to be encouraged. We ought to have a fair GATT but I do not think that we, as the body charged under the Constitution with regulating foreign commerce, ought to give up that right that the Founding Fathers felt should be vested in the Congress of the United States along with the President.

So I oppose the fast track. I am for a GATT. We can have a GATT. But it does not mean that we have to accept it before the fine print is written.

Therefore, I oppose the loss of the right of amendment and oppose the fast track.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PACKWOOD. Mr. President, I yield 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER (Mr. AKAKA). The Senator from Rhode Island is recognized [Mr. CHAFEE].

Mr. CHAFEE. Mr. President, I support the fast-track authorization. What does it do? It gives the President the ability to negotiate trade agreements to bring them back to Congress with a yes or no vote, with no amendments allowed.

In return, the President has pledged and, indeed, he had in connection with this through his Special Trade Representative consulted closely with Congress all along the way.

Mr. President, this is not a Republican measure. This is not a Democratic measure. When President Bush was here, we gave him this authority. I believe strongly we ought to give this same authority to the Democratic President, President Clinton.

Why is all this necessary? Because it would be virtually impossible for the President to negotiate with our trading partners if, when the negotiations were concluded and brought back to Congress, the Congress could renegotiate the agreement by picking it apart bit by bit by endless amendments.

No trading partner would ever bother to begin politically difficult negotiations in which that partner would have to make concessions in the agreement and then found that was the floor that started when the agreement came back to Congress and it was negotiated more favorably toward the United States ever thereafter once it got into this Chamber. So we would have 535 special trade representatives.

Mr. President, President Clinton's administration needs this authority if it is going to bring the long running Uruguay round to a successful conclusion. I might say I hope this round will be approved because what it will do is bring into being a new international trading system with frameworks on agriculture, on services such as financial services, and on intellectual property.

This successful conclusion of the Uruguay round is economically important not just to our Nation but to the world at large.

So I urge my Democratic colleagues, have some confidence in your Special Trade Representative, Mr. Kantor. He has been appointed by your President and I do not think he is going to sell you down the river.

Some have deplored the fact that Congress seems to be giving up some of its powers in connection with this fast-track procedure, and that is true. Some of the powers are given up, and they are given up for good reason. And it is not the first time. For example, we have discovered in trying to close military bases that you cannot close any military bases if you allow amendments to the agreement that has been reached in connection with the closure proposal.

So, we have, in effect, a fast-track procedure for base closures. What does it do? It says that when the President sends it here after receiving the Base Closure Commission's report it comes to Congress and you vote up or down, yes or no. If you do not like it, vote no. If you like it, vote yes. Otherwise, I think we all recognize there would not be any military base closed as a result of the amendment process in this body.

So let us give the President, President Clinton, a Democratic President, the tools he needs to complete the Uruguay round.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I yield the remainder of our time to the energetic and eloquent Senator from South Carolina.

I have to say it is only 9 minutes but with his extension we will give him more.

Mr. HOLLINGS. That is plenty.

The PRESIDING OFFICER. The Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Mr. President, I thank the distinguished chairman of our committee and I thank the distinguished Chair.

As to confidence in a President, we have not had confidence in any President relative to these particular trade agreements because we continue to lose.

As the Senator from Texas was saying, he agreed with the Bush trade policy because that brought the fall of the wall. I had heard that President Reagan had built up our national defense, and we were veritably in an arms race and, with that arms race, obviously that impoverished, if anything, the Soviet Union.

I never heard that the trade deficits that we ran up the particular foreign external debt that we ran up during that 12-year period really had brought down the wall. The fact of the matter is that we ran up a foreign debt of some $890 billion and we had a trade deficit when President Reagan took office of only $25 billion, despite the impact of the terrible OPEC oil shock that we had in 1979 where the price of a barrel jumped from $22 to $44.

Thereupon, in 1981 they came in with this policy of free trade, free trade, and we began running up trade deficits annually all the way up to $185 billion, an average of $100 billion of 10-year period and we have added $1 trillion in deficits in the balance of trade.

Now, Dr. Lester Thurow of MIT testifies that imports of $44 billion represent a million lost U.S. jobs. That is generally the formula. So, everybody talks how we created 17 million new jobs; we lost at least 22 million jobs with these deficits in the balance of trade due to so-called free trade.

That is what has wrecked the economy and not the Berlin Wall. I think we ought to make that absolutely clear.

With respect to the matter of free trade, we support it with countries with the same standard of living, like Canada. This particular Senator supported the United States-Canada Free-Trade Agreement because we do have relatively the same standard of living. Incidentally, my textile industry opposed it. My textile industry now favors NAFTA, the ATMI favors that and I oppose it. In October 1990, the Secretary of Commerce went over the Los Angeles with the Secretary of Commerce from Mexico, and Secretary Jamie Serra Puche touted the fact that United States industry could save $15,000 per worker by moving to Mexico. Thereupon, we had running up until April of this year the advertising program of Mexico with the punch line:

> I cannot find good, loyal workers for a dollar an hour within a thousand miles of here. Yes, you can, in the Yucatan.

"I can't keep my labor cost down, my turnover rate low, my standard of living high."

"Yes, you can, in the Yucatan."

"You can't cut labor costs 300 percent in 90 minutes."

"Yes, you can, in the Yucatan."

"You could save over $15,000 a year per worker." "You could save over $15,000 a year per worker." "You could save over $15,000 a year per worker."

That was exporting of jobs in this administration. That is what I want to change, I say to the Senator.

The textile industry can be very naive. They have rules of origin they do not understand from siccum.

Right here it says: "Manufacturers that export to U.S. market would obviously benefit by moving or locating in Mexico."

I quote here:

> Where their products crossing the border north would not be subject to tariffs, of course the number of new factories built in Mexico by Japanese companies will grow. Moreover, since Mexico will be concerned about being overwhelmed by the gigantic U.S. economy, it is likely to want substantial Japanese investment as a counterbalance.

So they are all going.

Consider these newspaper headlines: "With an Eye on NAFTA, U.S.-Mexico Firms Join to Provide Real Estate Services." "Hong Kong Companies Are Also Ready to Cash in on NAFTA." "China Considers Establishing Textile Plants in U.S. and Mexico."

You can go right down the list. It is not that jobs from South Carolina are moving to Mexico. They are going to die on the vine, that is what is going to happen. Those investors will all invest in that free-trade platform, duty-free platform, down there in Mexico.

And so it is, Mr. President, that in trying to help our neighbor Mexico develop a middle class, develop a free election, develop the infrastructure of a free society, the Mexican oligarchy which the London Economist says is a perfect dictatorship, controls those wages and is going to keep them down to $1 or less a year.

With the worker 15 years of age or less in the population of Mexico, with a million young workers coming in annually, with statistics that 12-years-olds cannot find jobs, what really happens is that they continue to keep wages down.

Volkswagen, from Germany, went down to Mexico last year, attracted by control of the labor unions, what they called the solidarity "El Pacto," that is the commitment of the Government to control wages. What happened was, Volkswagen got 14,000 workers and 300 wanted to start their own labor union. Do you know what they did? They closed the plant down and then rehired 13,700 and let 300 never get rehired. They lost their jobs.

That is what they call control, and that is what we are facing, naively thinking we are going to develop a democratic Mexico. We are going to develop the dead seeds of violence and discord itself down there in Mexico.

Mr. President, our Founding Fathers created a constitution that for over 200 years has been the foundation of our democratic Government. They carefully drafted a separation of powers in order to ensure that people would be protected from the arbitrary decisions of a Federal Government that did not reflect the will of its people. In article I, section 8 of the Constitution, the Founders vested the Congress with the responsibility to regulate foreign commerce. Article I, section 8 says, "The Congress alone shall regulate foreign commerce," not the President, not the National Economic Council, not the U.S. Trade Representatives, but the Congress. In fact, Madison stated quite clearly,

> It should never be forgotten that the great object of the Convention was to provide, by

a new Constitution, a remedy for the defects of the existing one; that among these defects was that of a power to regulate foreign commerce; that in all nations this regulating power embraced the protection of domestic manufacturers by duties and restrictions on imports. * * *

Mr. President, for the past 20 years, we have shirked our constitutional duty and ceded our authority in trade matters to the executive branch and the "K" Street Washington lawyers. Mr. President, you and I have been silenced. Forget the fact that in a global post-cold-war economy, our trade policy is no longer an appendage of our strategy to contain an expansionist Soviet Union. Instead, it is an essential component of domestic economic policy. Mr. President, Mark Twain said "the truth is precious, it must be used sparingly." Well, for the last 12 years in this town, it was hardly used at all. The Republican crowd that ran this town gave us two big lies. One, that you can eliminate the deficit by cutting taxes and not pay the bills. And two, that if we submit to unilateral disarmament on trade matters, it would result in a golden era for consumers. Instead, Mr. President, we nearly destroyed the middle class in this country. We saddled them with a billion-dollar-a-day interest tax and we shipped their jobs to Mexico, Singapore, and China. No analyst, no talking head has articulated this better than my Republican friend, Kevin Phillips. Read his two books, "The Politics of Rich and Poor" and "Boiling Point," and you will understand why this country kicked out the read my lips crowd. Phillips lays out in great detail how the middle class, the backbone of this country, is being destroyed by voodoo economics and a trade policy rooted in the verities of 18th-century England rather than 21st century aggressive capitalism.

Mr. President, President Clinton came to town to help rebuild the middle class. Change was the operative word, change Washington, change the hostility to Government—"reinvent Government" to work for the people, change our Nation's foreign policy. But instead of change, what we are asked to do here today is give this administration carte blanche to enact the Reagan-Bush trade policy.

Two years ago, we were told that we could not complete the Uruguay round without fast track. Yet, here we are, 2 years later and we are not any closer to completing the Uruguay round, and I bet we will not complete it by December 15 of this year. But the key point is, why should we be so desperate to complete the Uruguay round? It was conceived in the irresponsible eighties and reflects the Reagan-Bush bias against manufacturing because it negotiates away the interests of manufacturing to secure rights for the service-sector crowd who ushered in what Felix Rohatyn termed an unprecedented decade of speculative frenzy, a casino-style capitalism.

Mr. President, the Reagan-Bush team disdained the notion of government picking winners and losers. Yet, by starting the Uruguay round, that is just what they did. The big winners were going to be the service industries. The crowd who gave us junk bonds, whose takeover frenzy saddled our basic industries with tremendous debt loads while they collected millions in advisory fees. Mr. President, the losers are the industries that provided good-paying jobs to average Americans so that they too could share in the American dream. These industries, such as automobiles, steel, machine tools, textiles, industries have been weakened by an onslaught of predatory trade practices. These industries would be sacrificed to get the Pacific rim to open their market on financial services. We are supposed to weaken our laws that attack market-distorting practices such as dumping and subsidies, to get the developing world to agree to protect the patents of the pharmaceutical industry, we are supposed to give up the textile and apparel industry, the largest U.S. employer of women and minorities.

Mr. President, it is time we sober up and send a message to the world that Uncle Sam will not be played for Uncle Sucker. For 45 years we made the concessions that sustained the Western alliance in its struggle against totalitarian oppression. Now, in order to promote the goals of democracy abroad, in order to lead, we must rebuild our economy. We cannot do this by rushing into an agreement that hastens the decline of our manufacturing base.

Mr. President, we are being told that the successful completion of the Uruguay round will increase our gross domestic product by $1 trillion. This is the same unrealistic nonsense that we were told in the Tokyo round, when the U.S. Trade Representative estimated that we would gain $35 billion, instead the GNP suffered a net loss of $1 billion.

Specifically, lets look at the costs of the Uruguay round. The Wharton School estimates that the proposed 10-year phase out of the Multifiber Arrangement will result in the loss of 1.4 million jobs. Add on top of that the proposed cut in textile tariffs and you will literally destroy hundreds of towns across America. And who are the beneficiaries: a coalition of industries pushing the so-called zero-for-zero option—industries such as paper, wood products, pharmaceuticals, and nonferrous metals, industries that are not labor intensive, industries that will not absorb the thousands of women and minorities who will lose their jobs.

But, it is not just textiles and heavy industry that will lose. It is the high-technology industries that have captured the imagination of the administration. Mr. President, high-technology industries have come under assault for massive dumping and targeted subsidies in semiconductors. Japanese companies absorbed billions of dollars in losses in flat panel displays. A Toshiba executive expressed a willingness to absorb 5 billion dollars' worth of losses. Our new technology policy must be backed up by a tough trade policy that encompasses the swift use of our dumping laws and countervailing duty laws, as well as vigorous use of section 301. However, if the current text of the GATT is agreed to, our rights to enforce our own trade laws would be significantly diminished.

Mr. President, I support the administration's ambitious technology policy. In fact, I not only support it, I am the author of S. 4. and I am the one who is working to pass it. But, if the current draft text is adopted, cases like Micron Technologies recent victory over the Koreans' dumping of computer chips would have been thrown out by the Commerce Department.

Mr. President, you cannot have a strong technology policy without a strong trade policy. It is my hope that the administration will truly adopt a program of change and change the Bush trade policy.

Mr. President, I ask unanimous consent that a briefing paper by Mr. Jeff Faux on NAFTA, "The Failed Case for NAFTA; the Ten Most Common Claims for the North American Free-Trade Agreement and Why They Don't Make Sense," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Economic Policy Institute, June 1993]

THE FAILED CASE FOR NAFTA; THE TEN MOST COMMON CLAIMS FOR THE NORTH AMERICAN FREE TRADE AGREEMENT AND WHY THEY DON'T MAKE SENSE

(By Jeff Faux)

INTRODUCTION

In the debate over the North American Free Trade Agreement [NAFTA], serious people on both sides now agree that there will be costs to both the economy and the environment of the United States. There is disagreement over the extent of the potential damage. But even supporters admit that jobs will be lost, incomes reduced, environmental standards undercut, illegal immigration increased, and drug traffic expanded as a result of the further opening up of the border with Mexico.

Those who support NAFTA claim that the overall economic benefits to the U.S. will make these costs and risks worthwhile. Those who oppose NAFTA say they will not.

No one, of course, can predict the future. And we should always be suspicious of economists—who cannot tell us what interest rates will be next week—confidently predicting what the results will be years from now of a complex international deal for which there is no historic precedent. NAFTA is inherently a gamble.

For several years, the U.S. and Mexican interests lobbying for NAFTA have spent millions of dollars in research in an effort to find convincing evidence that the gamble is worth taking. They have failed. Not only have they been unable to make the case for NAFTA, much of their research supports the case against it.

It is now apparent that the benefits of NAFTA will go primarily to those Americans who invest in Mexico and to a small part of the U.S. labor force that is already enjoying high incomes. In the first few years costs will largely be borne by low- and medium-skilled people in a variety of industries, such as autos, electrical machinery, trucking, agriculture, apparel, food processing, furniture, glass and cement, toys, sporting goods and other consumer products. In the long term, the rippling effects of NAFTA will reduce the real incomes of a majority of U.S. workers.

Unfortunately, few have taken the time to examine the evidence for the extraordinary claims being made for NAFTA. As a result, unsupported economic predictions and appeals to abstract ideology are accepted at face value by journalists and members of Congress. The assertion that "most economists" believe that more unrestricted trade with Mexico will be good for "everyone" in an unspecified "long run," goes unchallenged. As does its increasingly shrill implication: that those who oppose NAFTA are simply ignorant of economics or, as some would have it, somehow "against Mexico."

Such demagoguery is designed to allow NAFTA supporters to make NAFTA's opponents the focus of the debate, therefore escaping their own responsibility for shouldering the burden of proof, which is always on those who are proposing a new policy. NAFTA supporters have good reason not to want to debate the proposal in any detail, as the following discussion of the ten most common claims for the proposed agreement will show.

NAFTA WILL CREATE MORE JOBS THAN IT DESTROYS

The NAFTA debate has provided many opportunities for the misuse of statistics. The U.S. Trade Representative, for example, supports his claim that NAFTA will create huge numbers of jobs by referring to estimates of U.S. job gains from exports, without reference to the job losses from imports or from the diversion of investment from the U.S. (USA Today, May 27, 1993, p. 15A). This is like confusing gross sales with net profits. He also makes unsupported promises about job increases and then counts those jobs as lost if NAFTA does not pass—even though those jobs were never found (Lee 1993a).

The most serious piece of evidence offered for the claim that NAFTA will create a net job gain for the U.S. is that after the Mexican government reduced its trade barriers in the mid-80s, U.S. exports to Mexico improved, and since 1991 we have been running a trade surplus with Mexico. NAFTA supporters multiply this surplus by a standard jobs-per-exports factor and conclude that this "free trade" is creating hundreds of thousands of jobs, and that more free trade will create more jobs. This claim is misleading for several reasons:

Much of the U.S. surplus with Mexico comes from the overvalued Mexican peso, which is artificially making U.S. exports cheaper and Mexican imports more expensive. After the next Mexican election in 1994—if not sooner—the peso is likely to fall, and with it the U.S. trade surplus. NAFTA advocate Gary Hufbauer of the Institute for International Economics, for example, anticipates a devaluation in the ten percent to twenty percent range sometime after the Mexican election in 1994 (Journal of Commerce, March 2, 1993, p. A1). A ten percent devaluation of the peso would wipe out any prospective gain from eliminating Mexican tariffs on U.S. goods, which average about ten percent.

The recent surplus with Mexico is primarily made up of increases in the export of capital goods (e.g., machinery and equipment), and intermediate goods (e.g., supplies and components). These are used in the production of consumer products made in Mexico and exported back to the U.S. NAFTA supporters claim that these new exports represent new jobs. But to a large extent the increase in these exports represents a diversion of capital and intermediate goods that were previously produced in the U.S. for domestic manufacturers and are now shipped to Mexico where they will be used to make consumer goods for the U.S. market. Since, in both nations, the market for consumer goods is much larger and tends to grow at a faster rate than the market for capital goods, the overall trade surplus is bound to shift to Mexico. In fact, in the first four months of 1993, the U.S. surplus with Mexico is only about half as large as it was during the same period in 1992.

The predictions made for job growth by NAFTA supporters are based on misunderstood, fuzzy, and unrealistic assumptions. For example, the most widely quoted pro-NAFTA study, by economists Gary Hufbauer and Jeffrey Schott (1993), appears to conclude that after five years NAFTA will cause a net increase of about 170,000 jobs. The Office of the U.S. Trade Representative has based its claim that NAFTA will add another 200,000 jobs on a "rounding" of this estimate. But the Hufbauer-Schott estimate is not what it seems. First, it is an estimate of the impact of NAFTA plus "Mexico's domestic economic reforms." These reforms have already occurred, and by the authors' own estimates, only 23,000 jobs are left to be created by NAFTA.

Second, in order to justify their estimates, the authors had to conclude that the U.S. surplus with Mexico will rise further and be sustained for the next two decades! They also had to assume that Mexico would enjoy massive increases in foreign investment, but that the investment diverted from the U.S. (which supplies the bulk of foreign investment in Mexico) would not cost any jobs in the U.S. In effect, they assume that closing down plants in the U.S. and opening them up in Mexico does not cause any net loss of jobs in the U.S. Neither of these assumptions are credible.

Economists who have taken the effect of investment shifts into account estimate that a half million jobs will be lost because of NAFTA. Billions of dollars are flowing from U.S. investors to Mexico on the expectation that it is Mexico's manufacturing exports that will boom, not the United States' (New York Times, April 22, 1993a, p. A1). The Salinas government is hoping to pay off its debts with the dollars earned in running a trade surplus with the U.S. In effect, supporters on both sides of the border are promising their people a trade surplus with the other country. Obviously, both countries cannot simultaneously run a trade surplus with each other.

MEXICAN WORKERS WILL TAKE LOW-SKILL, LOW-WAGE JOBS WHILE U.S. WORKERS WILL MOVE UP THE LADDER TO HIGHER WAGE, HIGHER SKILLED JOBS

NAFTA backers have said that low wages in Mexico reflect low productivity. From this they argue that firms are not moving to Mexico for low wages, but to take advantage of the Mexican consumer market. But the evidence points the other way. First, many U.S. business managers have publicly admitted that they have gone to Mexico for lower wages and Mexico openly cites its low wages in advertising for foreign investment. Second, the Mexican consumer market is tiny, and is largely already open to U.S. firms. Third, while productivity in Mexican export industries is 80 to 100 percent of that in similar U.S. industries, wages are 10 to 15 percent of U.S. levels (Gephardt 1993; Shaiken 1992; Blomstrom and Wolff 1989). Manufacturing productivity in Mexico rose 28 percent in the 1980s, while real wages fell 24 percent (Rothstein 1993). In a growing number of industries, labor productivity in Mexico is even higher than in comparable U.S. factories because the Mexican plants are newer and the workers often get more training. Where labor is cheap to hire, it is cheap to train.

The disparity between wages and labor productivity in Mexico largely results from the policies of the authoritarian Mexican government. Over the last decade, the government has been forcing wages down and keeping environmental regulation lax in order to attract more foreign capital as a way of paying its foreign debt. In the 1970s, the ratio between U.S. and Mexican wages was three to one. Today, it is seven to one, and higher in many industries. Mexico is ruled by one political party. It was recently called the "perfect dictatorship" by politically conservative writer Mario Vargas Llosa. Mexico lacks strong independent trade unions, courts, environmental groups and similar institutions that in a democracy keep a check on the government (Levinson 1993a; Reding 1993).

None of the pro-NAFTA studies has been able to provide credible support for the assertion that living standards of U.S. workers will benefit from this Agreement. The evidence clearly points the other way. For example, Professor Ed Leamer of the University of California (1992), a well-known advocate of free trade, concludes from his research that one effect of NAFTA will be an average wage loss of $1,000 per worker for the lower 70 percent of the U.S. labor force.

NAFTA will exacerbate wage competition between U.S. and Mexican workers. Lower wages in U.S. manufacturing will undercut wages in other sectors of the economy. Contrary to the popular impression, the effect will not be limited to unskilled workers. Skilled, professional, and technical workers in Mexico also earn much less than their U.S. counterparts.

It is a matter of historic fact that U.S. workers who lose jobs because of import competition do not go up the ladder to better jobs; they do down the latter, to low paying jobs, or off the ladder to permanent unemployment (Faux and Lee 1992).

Over the long run, NAFTA will undercut the "high-skill, high-wage" economic path that holds out the only hope for rising U.S. living standards in a global economy. It will encourage U.S. manufacturers to compete in the world by attempting to reduce wates—either by going to Mexico or threatening to go to Mexico—rather than by upgrading workers' skills and investing in more productive machinery and equipment. The result will not be to bring Mexican wages to U.S. levels, but to do just reverse.

THE COST OF LABOR IS ONLY ONE ELEMENT—MAYBE AS LOW AS 20 PERCENT—IN THE COST OF MAKING A PRODUCT. THIS IS TOO SMALL A FACTOR FOR BUSINESS TO GO TO MEXICO FOR LABOR COSTS

There are three flaws in this argument:

a. The direct cost of labor is only one of the costs affected by a wage gap. Indirect labor costs, reflected in cheaper prices for construction and business services and lower taxes (because of cheaper and fewer government services) also reflect cheap labor.

b. Even where the individual firm's direct labor costs may represent only 20 percent of the total price of the product, direct labor represents by far the largest share of what the employer considers controllable costs. At any given time, other than profits, the other 90 percent of the price of the product that is not labor costs is ordinarily beyond the ability of the management to reduce further. Unless the company is poorly managed, it is already paying the lowest feasible price for supplies, components, materials, energy, interest rates, etc. If labor costs were not important, businesses would not spend large sums lobbying against anything that might increase them—from minimum wages to mandated health care benefits. Employers have been known to close down factories rather than pay employees another few cents an hour.

c. The firm with 20 percent direct labor costs that shifts production to Mexico will, under NAFTA, gradually gain the added advantage of buying components and supplies from other firms in Mexico whose labor costs are also lower than they would be in the U.S. Thus, cheaper labor costs become "imbedded" in more than just 20 percent of the value of the product. In the U.S. economy as a whole, labor costs account for the vast majority of the value of all production.

NAFTA WILL SLOW DOWN ILLEGAL MEXICAN IMMIGRATION

A similar claim was made thirty years ago when U.S. firms first began to take advantage of the Maquiladora arrangements with Mexico, in which U.S. tariffs on Mexican goods are reduced according to the extent to which they are made with U.S. components. Contrary to the early claims, the Maquiladora program actually increased immigration by drawing Mexican workers to the border areas. Once there, workers found jobs at wages to low to support a family. They soon quit (turnover in the Maquiladora factories is very high), climbed the fences and crossed the rivers to the U.S. With NAFTA, most of Mexico's growth will continue to occur in the border area because of its nearness to U.S. markets. The result will be more, not less, illegal immigration to the U.S.

NAFTA will further increase illegal immigration by dislocating large numbers of poor farm families in the Mexican countryside who will not be able to compete with U.S. grain exporters. Uprooted families will flood the cities and put more pressure on the U.S. border. Even studies sponsored by NAFTA advocates have concluded that NAFTA will have no impact on immigration, or will make it worse (Levy and Van Wijnbergen 1992; Robinson, et al. 1992). Hufbauer and Schott (1993, p. 25) acknowledge that NAFTA will increase immigration from Mexico in the first five years.

THESE JOBS WILL EVENTUALLY BE LOST ANYWAY TO LOW-WAGE COUNTRIES, SO IT IS BETTER TO LOSE JOBS TO MEXICO THAN TO ASIA

After several years of trying, NAFTA backers have come up with no real evidence on this point. No doubt there are some jobs that would go to Asia if there were no low-wage alternative in Mexico. But it is just as likely that NAFTA will divert Asian (and European) investment to Mexico that otherwise would have come into the United States and created jobs here. Mercedes-Benz, for example, is setting up facilities to produce buses and luxury cars in Mexico in anticipation of NAFTA (Automotive News, March 3, 1993, p. 8). Similarly, China is building a major textile and apparel center in Mexico in order to export to the U.S. (Electronic News, February 1, 1993, p. 8). Mexico's wages have been falling relative to wages in most Asian countries which has obvious locational advantages. Moreover, it is illogical to argue that because jobs are already being exported, we should export even more.

During this time to slow job growth and rising social problems, the U.S. simply cannot afford to be indifferent to the fate of entire industries. For example, the apparel and textile industry, which is widely regarded as one of those sectors at the bottom of the wage ladder and vulnerable to NAFTA, directly employees 1.7 million workers in the U.S., most of them in inner-city and poor rural areas where there are few employment alternatives. Indirect employment generated by industry suppliers, tax reveneus, and employee spending totals another three million jobs (Baker and Lee 1993). The typical reply of NAFTA supporters that people who lose their jobs in these industries will in some vague, unspecified way find new, better jobs through "retraining" cannot be taken seriously.

FREE TRADE ALWAYS CREATES BENEFITS FOR BOTH SIDES AND PROTECTIONISM IS BOUND TO FAIL

First, the NAFTA debate is not about abstract questions of "free trade" and "protectionism." This two thousand page agreement is primarily an investment agreement designed to make it safer for U.S. companies to shift investments to Mexico (U.S. Citizens' Analysis of the North American Free Trade Agreement 1992; Lee 1993b, p. 12). Second, the assertion that freer trade always brings more benefits than cost is wrong. At best, history is ambivalent on this point. Under certain conditions, free trade is a sensible strategy for a nation to pursue. But in more cases than not, the major industrial nations of the world developed their economies behind walls of protection. This experience not only includes Japan, Korea, and Taiwan in our own century, but the United States of America which for more than a century prior to the end of World War II protected its growing industries with high tariffs and other import restraints. World economic growth has taken place under a mixture of trade arrangements. Third, even in economic theory unrestricted trade is successful only under certain conditions. One condition is full employment on both sides of the border. Another condition is capital immobility between the countries. It is obvious that neither of these conditions is met in the U.S.-Mexico case.

Economic theory also tells us that the benefits to freer trade show up on lower prices to the consumer. Freer trade is supposed to create larger markets, which make business more efficient because of increased economies of scale and expanded competition. Yet even if we were to accept the NAFTA lobbyists' unrealistic assumptions, their own estimates of the benefits we would gain are trivial. According to Hafbauer and Schott (1993, p. 245), the total "efficiency" benefit to American consumers comes to $2 billion out of a $6 trillion U.S. economy. It works out of $8 a year for the average American, or two cents per day. This benefit is so small that you literally cannot find it in the economic data; it is smaller than the statistical margin of error in calculating the Gross Domestic Product. Statistically speaking, it is nothing.

Thus, according to NAFTA's own supporters, two cents per day per person is the potential long-term benefit that we are told justifies the risks of unemployment, community dislocation, environmental degradation, increased social disruption in Mexico, and the expanded immigration that will inevitably result.

IF WE DO NOT AGREE TO NAFTA, MEXICO WILL MAKE SOME SORT OF DEAL WITH THE JAPANESE

The key to NAFTA is increased access to the U.S. market. The Japanese are not going to give Mexican products increased access to their market, which is tightly restricted. If the U.S., using the threat of denying Japan the opportunity to sell to the American consumer, cannot open up the Japanese market, it is absurd to claim that Mexico would force Japan to open itself up to low-wage Mexican production in exchange for the tiny, impoverished Mexican consumer sector. Indeed, the danger of Japan using Mexico as an "export platform" to ship its goods into the U.S. is much greater with NAFTA than without it because NAFTA will make access to the U.S. consumer even easier (Cohen and Tonelson 1991; Hollings 1993). The important point is for the U.S. to maintain control over access to its own markets to use as leverage for getting better treatment in international trade.

WE MUST SUPPORT SALINAS BECAUSE HE IS A REFORMER

Read what the pro-free trade London *Economist* says about the current Mexican government: "The ugly truth is that Mr. Salinas and his band of bright technocrats, adored though they are by the great and good on the international conference circuit, wield power courtesy of PRI fixers and worse in the countryside." It adds that, "Mexican politics is not without its violent side," and refers to claims that 164 members of the opposition PRD party have been murdered since 1988 (*The Economist*, February 13, 1993, p. 56).

There is a mountain of evidence that Carlos Salinas' government represents simply a newer, more sophisticated generation now in control of the Mexican political apparatus. It is beyond serious dispute, for example, that wages are deliberately held down by an alliance between government controlled labor unions and government influenced business associations, which collaborate to set wages. Intimidation and harassment of independent labor unions and those who oppose the ruling party is well known. Election irregularities are commonplace, and it is widely believed in Mexico that they were crucial in helping Carlos Salinas gain his election. It is difficult to get an objective picture of the Mexican political structure. But whatever the truth, few people will deny that the government has immense power to manipulate economic life, and thus to assure that Mexico will continue to follow an economic strategy of earning foreign currency by attracting investment in unregulated workplaces.

Salinas' lobbyists in the U.S. promise that if we agree to NAFTA, the one-party Mexican dictatorship will permit democracy at some indeterminate time in the future. It is, of course, a promise they cannot fulfill. The idea that somehow we might influence democratic reforms *after* we have rewarded this authoritarian regime with permanent economic benefits flies in the face of everything we know about human nature and politics.

It is important to remember that the nations of the European Community rejected the membership applications from Spain and Portugal until those countries abolished their authoritarian regimes and established credible democratic political systems. Today, many in Mexico believe that the defeat of NAFTA is necessary to nurture democracy in Mexico. Only on that basis can an economic partnership be built that will raise living standards in all of North America (Hellman 1993; Aguilar Zinser 1993).

We cannot predict the political future for Mexico any more than we can predict the economic future. But the heavily-financed public relations campaign to convince Congress that Carlos Salinas is "our man" has chilling parallels to other episodes in recent U.S. history. The U.S. government was once persuaded to bet on similarly anointed leaders in Vietnam, the Philippines, Panama, and Iran—to name just a few countries where such confidence was misplaced. A few years ago, Washington and the multinational business community were similarly impressed with the economic "reforms" imposed by the presidents of Brazil and Venezuela—both of whom have now been impeached for corruption by outraged populations. Whatever the merits of these cases, history suggests that it makes little sense for the U.S. Congress to gamble the future of millions of American workers on the self-promoted reputations of one personality or one faction of Mexican politics.

IF NAFTA IS REJECTED MEXICO WILL HAVE AN ECONOMIC CRISIS

Mexico is heading for an economic crisis with or without NAFTA (Heredia 1993). The country is running a deficit on its international current account of over $20 billion a year. It is financing that deficit with international capital in several ways. First, by borrowing short-term money at high interest rates. Second, with foreign investment attracted by the government's commitment to low wages and the proximity of the U.S. market. Much of this foreign investment has also financed speculation in Mexican real estate and stocks.

The continued current account deficit will sooner or later require a devaluation of the Mexican peso. When that happens, short-term and speculative capital will flee. This will surely burst the speculative bubbles in real estate and finance, if they haven't burst before. The passage of NAFTA may delay this ultimate crisis by continuing for a while to shift investment from the U.S. to Mexico, but for all practical purposes it cannot prevent it. The only way that an economic crisis can be avoided is if Mexico suddenly begins to run a massive trade surplus with the United States. This exposes a major contradiction in the pro-NAFTA argument. If NAFTA is to prevent a crisis in Mexico, it can only do so if the U.S. runs a large persistent trade deficit with Mexico. But if NAFTA is going to create jobs in the U.S., we must run a surplus with Mexico.

When the crisis occurs, the existence of NAFTA will make it more dangerous to the U.S. For example, NAFTA is designed to encourage U.S. banks and other financial institutions to make large investments in the Mexican banking system, regulated by a single party government famous for its corruption. This is a formula for creating future demands that the U.S. taxpayer bail out the Mexican banking system in order to save the assets of major U.S. financial institutions.

What will happen if a financial crisis hits Mexico after a rejection of NAFTA? Those in the U.S. who have speculated in Mexican real estate or financial markets would lose some money. But capital investment will continue to flow to Mexico, although probably at a somewhat reduced rate, because cheap labor and access to the U.S. market will continue (Toronto Globe and Mail 1993, p. B2).

The major impact would be political. Carlos Salinas might not be able to handpick his successor and the PRI may even be unable to sustain its control over the country. But why is this such a concern for the United States? With the ending of the cold war we certainly are not worried about communist influence in Mexico. Any president of Mexico will have to have cordial and cooperative relations with the U.S. There is no other place for Mexico to go.

Sooner or later there will be repercussions in Mexico because of the policies of Carlos Salinas and his immediate predecessors, just as the U.S. was bound to suffer financially as a result of the policies of Ronald Reagan and George Bush. But it is senseless for the U.S. government to compound its own economic problems in order to rescue Carlos Salinas and the PRI from paying a political price for their mistaken policies. As one witness at a congressional hearing said of the Salinas administration: "They have bet the rent money, the house, and the family jewels on the passage of the NAFTA. In so doing they have trapped themselves and now seek to trap you, the Congress, and the Clinton administration" (Levinson 1993b, p. 5).

NAFTA CAN BE FIXED WITH SIDE AGREEMENTS THAT PROTECT LABOR AND ENVIRONMENTAL RIGHTS

Perhaps. But not with the side agreements the administration is presently negotiating.

Part of fixing NAFTA would require Mexico and the U.S. to provide for new, tougher and enforceable labor and environmental standards, including higher minimum wages in the Mexican export sectors to reflect the real productivity of labor there. Wages are now set by government supported business associations, not by a free labor market, and therefore wages must be made part of the agreement. Agreements on internal financial regulations and protections against sudden destructive import surges will also have to be included. The side agreements would also have to assure some permanent funding, such as Congressman Richard Gephardt's proposal for a cross-border tax on trade, to pay for the cost of trade adjustment and environmental repair. Those who benefit from NAFTA should pay for its costs.

None of these elements is in the side agreements that the U.S. government has proposed to Mexico and Canada (Inside U.S. Trade 1993). Inasmuch as the current governments of the latter two nations have said that they want the weakest possible side agreements (indeed, that they don't think the side agreements are necessary at all), we can assume that the U.S. proposal represents the strongest language on labor and environmental issues that can possibly come out of the negotiations.

The U.S. proposal makes no attempt to set labor or environmental standards nor does it propose a serious process to do so. Therefore it does not deal with the heart of the economic problem—the huge disparity between the productivity of Mexican labor in the tradeable goods industries and the wages that they receive.

Rather, the U.S. proposal simply calls for a tri-national commission with a cumbersome, protracted and vague process (that even then can be stopped by a vote of the representatives of any two of the countries involved) for imposing unspecified sanctions against any country that has not corrected a "persistent and unjustifiable pattern on non-enforcement" of its own labor and environmental law. The Mexican and Canadian governments want even weaker language. So the negotiating conflict will take place on grounds that are irrelevant to the central objection to NAFTA. Even if the U.S. negotiators win one hundred percent agreement on their position it will not appreciably alter the economic distortions which will inevitably lead to job and income loss in the U.S.

Neither does the U.S. proposal provide for secure and permanent financing of the costs of the NAFTA, e.g., the costs of worker and community dislocation, environmental cleanup, infrastructure—including the need for increased border surveillance to prevent NAFTA from becoming a vehicle for increased drug traffic from Mexico. Such costs, in addition to the loss of tariff revenue which the administration has not accounted for in its budget, will thus have to be paid for by increased taxes, cuts in other public programs, and/or a higher deficit, or they will not be provided for. The decision not to finance the costs of the agreement by taxing its beneficiaries means that many Americans will not only lose income and perhaps their livelihood from NAFTA, but that they will be taxed to support the program that damaged them.

In addition to specific international standards, a NAFTA that truly protected labor and environmental conditions in all countries would have to have an aggressive, well supported enforcement mechanism to overcome the natural tendency of all signatories to subordinate human and environmental values to financial interests. This means a tri-national commission with power to investigate, subpoena, and employ immediate trade sanctions for violators. Vague language that enables such a body to act only in the case of "serious and persistent" violations is an invitation to abuse.

We have to face the fact that an enforceable set of protections will inevitably require all nations that sign the pact to give up more sovereignty. Indeed, NAFTA's existing 2,000 pages already violates Mexican and Canadian sovereignty by dictating new domestic procedures to protect the property of U.S. investors. It also violates U.S. sovereignty in a number of ways. One example is that NAFTA will prevent the U.S. government from pursuing industrial policies to support American producers in their effort to compete with advanced Asian and European countries who get help from their governments. Another is that NAFTA will require states to permit Mexican truckers to drive on U.S. highways despite the fact that they are not regulated to meet U.S. standards for health and safety.

Mexico and the U.S. already have a massive enforcement problem on the border. Increased illegal immigration, drug traffic, and pollution are the results. There is little doubt that NAFTA will make these problems much worse. For example, according to U.S. officials, narcotics smugglers are already buying and setting up companies in Mexico "as fronts for drug trafficking" (New York Times, May 24, 1993b, p. A1). We do not know exactly how much more drug traffic will increase under NAFTA; opponents of NAFTA, of course, cannot predict the future any more than supporters can. But given the seriousness of the issues, the billions of dollars already being spent, and the lives of dedicated U.S. and Mexican law enforcement officers already being risked to combat the flow of drugs, opening up the border to further drug pressure represents a clear risk. It is difficult to imagine any side agreement that could counteract the negative effects of such a policy.

A continental economic development policy linking Mexico, Canada, and the U.S. makes sense. But its goal must be to raise the living standards of the majority of people in all countries, not to lower them. The first step toward a sensible North American economic agreement is to reject NAFTA so we can start with a clean slate.

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THE FAILED CASE FOR NAFTA

(By Jeff Faux)

The Congress should reject the NAFTA proposal, including the recent side agreements proposed by the U.S. Trade Representative to Mexico and Canada, because the costs to a majority of Americans will outweigh the benefits to a few.

The central argument of supporters that the NAFTA will bring net benefit to the U.S. economy is not credible. All serious participants in the NAFTA debate acknowledge that U.S. jobs and incomes will be lost and labor and environment standards will be threatened as a result of the Agreement. NAFTA supporters claim that these costs will be exceeded by the overall economic benefits. For the last several years, the U.S. government, the Business Roundtable, and scores of other NAFTA advocates in university research departments and Washington think-tanks have devoted enormous amounts of time and money in attempts to prove their case. They have failed. Inasmuch as the burden of proof lies with the proponents of a proposal, this alone dictates that NAFTA should be rejected.

The benefits of NAFTA will go primarily to American investors in Mexico and to some in the workforce already enjoying relatively high incomes. In the short term costs will largely be borne by low and medium skilled people as a result of job and income losses in a variety of industries—such as autos, electrical machinery, trucking, agriculture, apparel, food processing, furniture, glass and cement, toys and sporting goods.

In the long term, NAFTA will undercut the only economic strategy open to the U.S. for prospering in the new global competitive environment, i.e., the strategy of competing on the basis of high skills and high wages, as opposed to competing on the basis of low labor costs.

A high skill, high wage strategy requires that U.S. firms compete by increasing quality and efficiency, rather than by cutting wages and demanding freedom from labor and environmental regulations. NAFTA, by providing easier access for U.S. investors to cheap productive labor in Mexico's export sector, will promote the low wage path. We can expect at least a half millions jobs lost. But the greater impact will be on the long term living standards of the majority of U.S. worker; their real incomes will drop because they will now be in competition with a large labor force where wages are kept low by deliberate government policies. Because the political consequences of NAFTA will be to keep the present authoritarian government in power for the foreseeable future, the undercutting of U.S. living standards will be a long term phenomenon.

What follows is an overview of the major arguments used to defend NAFTA, and why they are wrong:

1. *NAFTA will create more jobs than it destroys.*

The NAFTA debate has provided many opportunities for the misuse of statistics. The U.S. Trade Representative has provided perhaps the base examples. He has tried to "prove" NAFTA will create jobs by citing estimates of U.S. job gains from exports without reference to the job losses from imports or from the diversion of investment from the U.S. He then makes unsupported promises about job increases and then counts these jobs as lost if NAFTA doesn't pass—even though those jobs were never found.

The most serious evidence offered for the claim that NAFTA will create a net job gain for the U.S. is that after the Mexican government reduced its trade barriers in the mid-80's, U.S. exports to Mexico improved, and since 1991 we have been running a trade surplus with Mexico. NAFTA supporters multiply this surplus by a standard jobs-per-exports factor and conclude that this "free trade" is creating hundreds of thousands of jobs, and that more free trade will create more jobs. This claim is misleading:

Much of the U.S. surplus with Mexico comes from the overvalued Mexican peso, which is artificially making U.S. exports cheaper and Mexican imports more expensive. After the next Mexican election in 1994—if not sooner—the peso is likely to fall, and with it the U.S. trade surplus. NAFTA advocate Gary Hufbauer of the Institute for International Economics, for example, anticipates a devaluation in the ten percent to twenty percent range sometime after the Mexican election in 1994. A ten percent devaluation of the peso would wipe out any prospective gain from eliminating Mexican tariffs on U.S. goods, which average about ten percent.

The recent surplus with Mexico is primarily made up of increases in the export of capital goods (e.g., machinery and equipment), and intermediate goods (e.g., supplies and components). These are used in the production of consumer products made in Mexico and exported back to the U.S. NAFTA supporters claim that these new exports represent new jobs. But to a large extent the increase in these exports represents a diversion of capital and intermediate goods that were previously produced in the U.S. for domestic manufacturers and are now shipped to Mexico where they will be used to make goods for the U.S. market. Since, in both nations, the market for consumer goods is much larger and tends to grow at a faster rate than the market for capital goods, the overall trade surplus is bound to shift to Mexico. In fact, in the first four months of 1993, the U.S. surplus with Mexico is only about half as large as it was during the same period in 1992.

The predictions made for job growth by NAFTA supporters are based on misunderstood, fuzzy, and unrealistic assumptions. For example, the most widely quoted pro-NAFTA study by economist Gary Hufbauer and Jeffrey Schott appears to claim that after five years NAFTA will cause a net increase of about 170,000 jobs. The Office of the U.S. Trade Representative bases their claim that NAFTA will add another 200,000 more jobs on a "rounding" of this estimate. But the estimate is not what it seems. First, it is an estimate of the impact of NAFTA plus "Mexican domestic economic reforms." These reforms have already occurred, and according to the logic of the study, only 23,000 jobs are left to be created by NAFTA. Second, in order to justify their estimates the authors had to assume that the U.S. surplus with Mexico will rise further—even in the face of peso devaluation—and be sustained for the next two decades! They also had to assume that Mexico would enjoy massive increases in foreign investment, but that the investment diverted from the U.S. (which supplies the bulk of foreign investment in Mexico) would not cost any jobs in the U.S. Neither of these assumptions are credible.

Economists who have taken the effect of investment shifts into account have estimated that more than a half million jobs will be lost because of NAFTA. Billions of dollars are flowing from the U.S. to Mexico on the expectation that it is Mexico's manufacturing exports that will boom, not the United States'. Moreover, the Salinas government is hoping to pay off Mexico's debts with the dollars earned in running a trade surplus with the U.S. Obviously, both countries cannot simultaneously run a trade surplus with each other.

2. *Low wage jobs will go to Mexico: high wage jobs to the U.S.*

NAFTA backers have said that low wages in Mexico reflect low productivity. From this they argue that firms are not moving to Mexico for low wages, but to take advantage of the Mexican consumer market. The evidence suggests that this is not so. First, many U.S. business managers have publicly admitted they've gone to Mexico for lower wages and Mexico openly cites its low wages in advertising for foreign investment. Second, the Mexican consumer market is tiny, and is largely already open to U.S. firms. Third, while productivity in Mexican export industries is 80 to 100 percent of that in similar U.S. industries, wages are 10 to 15 percent of U.S. levels. Manufacturing productivity in Mexico rose 28 percent in the 1980s, while real wages fell 24 percent. In a growing number of industries, labor productivity in Mexico is even higher than in comparable U.S. factories because the Mexican plants are newer and the workers often get more training. Where labor is cheap to hire, it is cheap to train.

Over the last decade, the government has been forcing wages down and keeping environmental regulation lax in order to attract more foreign capital as a way of paying its foreign debt. In the 1970s, the ratio between U.S. and Mexican wages was three to one. Today, it is seven to one, and higher in many industries. Mexico is ruled by one political party. Mexico lacks strong independent trade unions, courts, environmental groups and similar institutions that in a democracy keep a check on the government.

No pro-NAFTA study has produced credible support for the assertion that living standards of U.S. workers will benefit. The evidence points the other way. For example, Professor Ed Leamer of the University of California, a well-known advocate of free trade, concludes from his research that one effect of NAFTA will be an average wage loss of $1,000 per worker for the lower 70 percent of the U.S. labor force.

Finally, it is a matter of historic fact that U.S. workers who lose jobs because of import competition do not go up the ladder to better jobs; they go down the ladder, to lower paying jobs, or off the ladder to permanent unemployment.

Some have argued that direct labor is a relatively small share (20 percent) of a typical firm's total cost. But direct labor represents by far the largest share of what the employer considers controllable costs. Unless the company is poorly managed, it is already paying the lowest price for supplies, components, energy, interest rates, etc. If labor costs were not important, businesses would not spend large sums lobbying against anything that might increase them—from minimum wages to mandated health care benefits. Employers have been known to close down factories rather than pay employees another few cents an hour. Moreover, the direct cost of labor is only one of the costs affected by a wage gap. Indirect labor costs, reflected in cheaper prices for construction, business services, and locally supplied inputs also reflect cheap labor.

3. *NAFTA will slow down illegal Mexican immigration.*

The same claim was made thirty years ago when firms first began to take advantage of the "Maquila" arrangements with Mexico in which U.S. tariffs on Mexican goods are reduced to the extent to which they are made with U.S. components. The Maquila program draws Mexican workers to the border areas. Once there, workers find jobs, but at wages too low to support a family. They soon quit (turnover in the Maquila factories is very high), climb the fences and cross the rivers to the U.S. With NAFTA, most of Mexico's growth will continue to occur in the border area because of its nearness to U.S. markets. The result will be more, not less, illegal immigration to the U.S. NAFTA will further increase illegal immigration by dislocating larger numbers of poor farm families in the Mexican countryside who will not be able to compete with U.S. grain exporters.

4. *These jobs will eventually be lost anyway to low-wage countries, so it's better to lose jobs to Mexico than to Asia.*

No doubt some jobs would go to Asia if there were no low-wage alternative in Mexico. But it is just as likely that NAFTA will divert Asian (and European) investment to Mexico that otherwise would have created jobs here. Moreover, it is illogical to argue that because jobs are now being exported, we should export even more.

During this time of low job growth and rising social problems, the U.S. simply cannot afford to be indifferent to the fate of entire industries. For example, the apparel and textile industry, which is widely regarded as one of those sectors at the bottom of the wage ladder, directly employs 1.7 million workers in the U.S. most of them in inner city and poor rural areas where there are few employment alternatives. Indirect employment generated by industry suppliers, tax revenues, and employee spending totals another three million jobs. The typical reply of NAFTA supporters that people who lose their jobs in these industries will somehow find new, better jobs through "retraining" cannot be taken seriously.

5. *Freer trade always creates net benefits for both sides.*

First, the NAFTA debate is not about abstract questions of "free trade" and "protectionism." This two thousand page agreement is primarily an investment agreement designed to make it safer for U.S. companies to shift investments to Mexico. Second, the assertion in the real world that freer trade always brings more benefits than cost is highly debatable. At best, history is ambivalent on this point. Under certain conditions, free trade is a sensible strategy for a nation to pursue. But in more cases than not, the major industrial nations of the world developed their economies behind walls of protection. This experience not only includes Japan, Korea, and Taiwan in our own century, but the United States of America which for more than a century prior to the end of the World War II protected its growing industries with high tariffs and other import restraints. World economic growth has taken place under a mixture of trade arrangements. Third, even in economic theory, unrestricted trade is successful only under certain conditions. One condition is full employment on both sides of the border. Another condition is capital immobility between the countries. It is obvious that neither of these conditions are met in the U.S.-Mexico case.

Freer trade is supposed to create larger markets, which make business more efficient because increased economies of scale and expanded competition. But the degree to which NAFTA will enlarge the U.S. consumer market is trival—and thus, so are the benefits. According to Hufbauer, and Schott, the total "efficiency" benefit to American consumers comes to less than $2 billion out of a $6 trillion U.S. economy. It works out to $8 a year for the average American, or two cents per day. This benefit is so small that you literally cannot find it in the economic data; it is smaller than the statistical margin of error in calculating the Gross Domestic Product. Statistically speaking, it is nothing.

6. *If we do not agree to NAFTA. Mexico will make a deal with the Japanese.*

The key to NAFTA is increased access to the U.S. market. The Japanese are not going to give Mexican products increased access to their market, which is tightly restricted. If the U.S., using the threat of denying Japan the opportunity to sell to the American consumer, cannot open up the Japanese market, it is absurd to claim that Mexico would force Japan to open itself up to low-wage Mexican production in exchange for the tiny, impoverished Mexican consumer sector. Indeed, the danger of Japan using Mexico as an "export platform" to ship its goods into the U.S. is much greater with NAFTA than without it because NAFTA will make access to the U.S. consumer even easier.

7. *We must support Salinas because he is a reformer.*

Read what the pro-free trade London Economist says about the current Mexican government: "The ugly truth is that Mr. Salinas and his band of bright technocrats, adored though they are by the great and good on the international conference circuit, wield power courtesy of PRI fixers and worse in the countryside." It adds that, "Mexican politics is not without its violent side."

There is a mountain of evidence that Carlos Salinas' government represents simply a newer, more sophisticated generation now in control of the Mexican political apparatus. It is beyond serious dispute, or example, that wages are deliberately held down by an alliance between government controlled labor unions and government influenced business associations, and that the government has immense power to manipulate economic life, and thus to assure that Mexico will continue to follow its current wage strategy.

Salinas' lobbyists in the U.S. promise that if we agree to NAFTA, the one-party Mexican dictatorship will permit democracy at some indeterminate time in the future. It is, of course, a promise they cannot fulfill. The idea that somehow we might influence democratic reforms after we have rewarded this authoritarian regime with permanent economic benefits flies in the face of everything we know about human nature and politics. It is worth noting that when the European Community allowed Spain and Portugal to enter (where the wage gaps were not nearly so great as in the U.S.-Mexico case), they demanded, among other things, the establishment of a credible democracy in those countries, before permitting freer trade.

Similarly, many in Mexico argue that the defeat of NAFTA is necessary to help develop democracy.

8. *If NAFTA is rejected Mexico will have an economic crisis.*

Mexico is heading for an economic crisis with or without NAFTA. The country is running a deficit on its international current account of ever $20 billion a year. When the peso is devalued, short-term and speculative capital will flee. This will surely burst the current speculative bubbles in real estate and finance, if they haven't burst before. The passage of NAFTA may delay this ultimate crisis by continuing for a while to shift investment from the U.S. to Mexico, but for all practical purposes it cannot prevent it. The only way that an economic crisis can be avoided is if Mexico suddenly begins to run a massive trade surplus with the United States. This exposes a major contradiction in the pro-NAFTA argument. If NAFTA is to prevent a crisis in Mexico, it can only do so if the U.S. runs a large persistent trade deficit with Mexico. But NAFTA is going to create jobs in the U.S., we must run a surplus with Mexico.

NAFTA could make the crisis more dangerous to the U.S. when it happens. For example, NAFTA encourages U.S. banks and other financial institutions to invest in the Mexican banking system, regulated by a single party government famous for its corruption. This could lead to demands that the U.S. taxpayer bail out the Mexican banking system in order to save the assets of major U.S. financial institutions.

What will happen if a financial crisis hits Mexico after a rejection of NAFTA? Those in the U.S. who have speculated in Mexican real estate or financial markets would lose some money. But investment will continue to flow to Mexico because cheap labor and access to the U.S. market will continue.

Carlos Salinas of course might not be able to handpick his successor and the PRI may even be unable to sustain its control over the country. But why is this such a concern for the United States? With the ending of the Cold War we certainly are not worried about communist influence in Mexico. Any president of Mexico will have to have cooperative relations with the U.S. There is no other place for Mexico to go.

Sooner or later there will be repercussions in Mexico because of the policies of Carlos Salinas and his immediate predecessors, just as the U.S. was bound to suffer financially as a result of the policies of Ronald Reagan and George Bush. But it is senseless for the U.S. Government to compound its own economic problems in order to rescue Carlos Salinas and the PRI from paying a political price for their mistaken policies. As one witness at a Congressional Hearing said of the Salinas Administration: "They have bet the rent money, the house, and the family jewels on the passage of the NAFTA. in so doing they have trapped themselves and now seek to trap you, the Congress, and the Clinton Administration."

9. *NAFTA can be fixed with side agreements.*

Part of fixing NAFTA would require Mexico and the U.S. to provide for new, tougher and enforceable labor and environmental standards, including higher minimum wages in Mexican export sectors to reflect the real productivity of labor there. Agreements on internal financial regulations and protections against sudden destructive import surges will also have to be included. The side agreements would also have to assure some permanent funding, such as Congressman Gephardt's proposal for a cross-border tax on trade, to pay for the cost of trade adjustment and environmental repair. Those who benefit from NAFTA should pay for its costs.

None of these elements is in the current U.S. proposal. Inasmuch as Mexico and Canada have said that they don't think the side agreements are necessary at all, we can assume that the U.S. position represents the strongest side agreement that can possibly come out of the negotiations.

The U.S. proposal makes no attempt to set labor or environmental standards nor does it propose a serious process to do so. Therefore it does not deal with the heart of the economic problem—the huge disparity between the productivity of Mexican labor in the tradeable goods industries and the wages that they receive.

Rather, the U.S. proposal simply calls for a tri-national commission with a cumbersome, protracted and vague process (that even then can be stopped by a vote of the representatives of any two of the countries involved) for imposing unspecified sanctions against any country that has not corrected a "persistent and unjustifiable pattern of nonenforcement" of its own labor and environmental law. The Mexican and Canadian governments want even weaker language. So the negotiating conflict will take place on grounds that are irrelevant to the central objection to NAFTA.

Neither does the U.S. proposal provide for secure and permanent financing of the costs of the NAFTA, e.g., the costs of worker and community dislocation, environmental cleanup, infrastructure—including the need for increased border surveillance to prevent NAFTA from becoming a vehicle for increased drug traffic from Mexico. Such costs, in addition to the loss of tariff revenue which the Administration has not accounted for in its budget, will thus have to be paid for by increased taxes, cuts in other public programs, a higher deficit, or they will not be provided for.

A continental economic development policy linking Mexico, Canada, and the U.S. makes sense. But its goal must be to raise the living standards of the majority of people in all countries, not to lower them. The first step toward a sensible North American economic agreement is to reject NAFTA so we can start with a clean slate.

Mr. HOLLINGS. Mr. President, our agreement, in the limited time I have, was to try, then, without amendment on this particular measure, to present our sense-of-the-Senate resolution, with the leading sponsors, of course, from the Finance Committee, the distinguished chairman, and the distinguished chairman of the Subcommittee on International Trade of the Finance Committee, the Senator from Montana, and myself and other Senators have joined in.

We hope we can get that sense-of-the-Senate on another Super 301 extension.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I yield 3 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 3 minutes.

Mr. DANFORTH. Mr. President, I understand how many Americans might be fearful of competition, and particularly competition with other countries. And to them, I really do not have much of an argument to make, other than to say that if we are truly afraid of competition and do not want to participate in the international marketplace, the world will simply pass us by as a country.

But for those who do believe in competition and do believe that America is and must be, a participant in the international community, it seems to me absolutely clear that, if we are going to exist in an international community, we must exist in a world of rules. And right now, in many areas in international trade, there simply are no rules. There are no rules respecting agricultural trade or trade in services or intellectual property or investment. Furthermore, there is a wholly inadequate system of resolving disputes when there are infractions of the rules that do exist.

So it is absolutely clear that, if we are going to have an international trading system, we must improve the rules that do exist and we must create rules where rules do not exist. That is the whole purpose of the Uruguay round. That is why these negotiations have been going on.

I do not know whether the product of the negotiations is going to be a good product. But I do know that the present system is inadequate, that there are whole areas where rules simply do not exist, and that, therefore, we are left with the law of the jungle and that the law of the jungle must be replaced by agreed-upon rules.

I only want to make one other point, Mr. President, and it is this: There is absolutely no doubt that it is not possible to negotiate rules of international trade if the negotiators are then going to have the rug pulled out from under them in the House of Representatives or in the U.S. Senate after the negotiations have been completed.

The issue before us is not whether Congress is going to have input or whether Congress is going to have a role to play in trade negotiations. Congress now has a role. There are endless consultations between Members of Congress and the administration during the process of trade negotiations.

The question is not whether there is a role for Congress. The question is whether that role is to be played during the trade negotiations, as is now the case, or after the trade negotiations are completed.

And the problem with not having fast-track is that we will never come to any kind of conclusion in trade negotiations if Congress, instead of weighing-in during the negotiations, rewrites the agreement once the agreement has been made.

The PRESIDING OFFICER. The Senator's 3 minutes has expired.

Mr. PACKWOOD. Mr. President, I yield 2 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington, Senator GORTON, is recognized for 2 minutes.

Mr. GORTON. Mr. President, during the course of this Congress we have had long and extensive debates over taxes, over a budget resolution, over reconciliation, over a so-called stimulus plan. None of these proposals could possibly have the positive impact on American prosperity and on the American economy that would match the positive impact of a true liberalization of our trade policies with respect to both goods and services. That liberalization is only possible through a multilateral international agreement under the General Agreement on Tariffs and Trade. In turn, a successful GATT is only possible if America speaks with one voice. This bill is about providing that single voice.

Just this morning we have suffered a serious defeat in this course of action by reason of Judge Richey's decision on the North American Free-Trade Agreement. If in fact we are required to come up with environmental impact statements on such agreements, once again the United States will be in disarray, unable to speak with a single voice, unable to act promptly, unable to deal with other countries on an equal basis. That decision, I am convinced, will be overturned. But we can do our part only by passing this bill.

As a nation with one of the freest trading systems in the world, we particularly benefit from free trade and by removing restrictions among our trade partners. We now have an historic opportunity to further that process by completing the Uruguay round of GATT talks.

If we can conclude those talks successfully, the U.S. economy will improve by as much as $35 billion per year, without increased taxes, and at no charge to our deficit. Our software, high technology, and entertainment industries will export their products under new intellectual property safeguards. Agricultural policy will be regulated by the GATT for the first time, promising further progress in lowering competitors' subsidies. Our aircraft manufacturers will face lower subsidies from all member governments, expanding upon the 1992 agreement on Airbus subsidies. Telecommunications firms can surmount market access barriers. And poorer countries will open their markets to our rapidly growing service industries, which now account for 30 percent of our exports, a 50-percent increase from a decade ago.

For Washington State the advantages will be great—better than any proposed Government program. Even though we are on the west coast and the United States hopes primarily for European concessions in the GATT, the likely agreement is tailor-made for Washington State. A round which uses the Dunkel text as a bare minimum would allow our farmers to sell in Europe and compete more directly with Europeans abroad. Our telecommunications firms and software companies, on the cutting edge of their industries, have paid dearly for their innovations in markets which do not respect their copyrights or remain closed because the GATT has not yet addressed their industries. A completed Uruguay round will protect them and ease market access barriers. Our fisheries, which account for more than 75 percent of all U.S. exports of fish products, will find new, receptive markets.

Successful GATT negotiations are possible, however, only when our partners can act in the belief that when they make a deal with the United States, we are likely to keep that agreement. That knowledge has been the basis of this success of all trade agreements in recent decades.

Fast-track authority was used to negotiate NAFTA, the United States-Israel Free-Trade Agreement, the United States-Canada Free-Trade Agreement, and the last 7 years of GATT negotiations.

Since May 31, our President has been without this authority. While our negotiating partners have acted on the understanding that that authority will be extended, no final agreement can ever be attained if Congress can amend that agreement. A failure to extend fast-track authority will deprive the President of a strong hand at the G-7 summit next week, and will eventually unravel the Uruguay round.

I am pleased that the Senate Finance Committee has acted promptly to report a clean bill extending fast-track authority to the President until April 1994. This will give the President the authority he needs to seek breakthroughs before and during next week's meetings, and hopefully to notify Congress of an agreement by the end of the year. I strongly support the extension of this authority and look forward to examining closely the results of the trade negotiator's work.

The PRESIDING OFFICER. Who yields time? The Senator from New York.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent the distinguished ranking member of the committee and I each have 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I yield 4 minutes to the Senator from New Jersey, my good friend Senator LAUTENBERG, and I retain 1 minute in the event of some unanticipated emergency.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. LAUTENBERG] is recognized.

Mr. LAUTENBERG. Mr. President, I thank the chairman of the Finance Committee, my good friend.

As the Senate debates extending fast-track authority, I rise to discuss the international competiveness of some uniquely American enterprises.

I will soon be introducing a resolution on behalf of myself and Senators JEFFORDS, FEINSTEIN, DECONCINI, HARKIN, and MURRAY that expresses the Senate's support for ensuring fair treatment for copyright-based industries under the General Agreement on Tariffs and Trade and the Uruguay round of trade negotiations.

Many of this country's most successful and popular exports are products born from the creativity and ingenuity of American minds. In every corner of the world, movies, television programs, computer software, video games, books, recordings, and other materials enhance lives and bolster businesses.

At home, copyright-based industries boost America's GNP, narrow our trade deficit, and provide jobs for workers in every region of the country.

I'm proud that my State in particular has many companies in the ingenuity business. Hundreds of small software companies, for instance, have sprouted in New Jersey's high-technology corridors during the last 10 years. The New York/New Jersey region is the publishing capital of the world. And several production and recording companies call New Jersey home.

These New Jersey companies help make the United States the world's largest exporter of creative materials.

Each year, in fact, close to $40 billion in foreign sales are racked up.

In the face of this American success, however, many nations have established barriers to the import of our copyrighted works. In France, for example, 60 percent of television airtime must originate in France or the EC—a quota that excludes American programming from about two-thirds of French TV.

Other nations have failed to enforce intellectual property obligations within their borders, resulting in the pirating and counterfeiting of American products. In countries like India, Brazil, and Thailand, streets abound with open air markets selling pirated American tapes, books, and video games.

As the Uruguay round winds down, and as President Clinton prepares to head to Tokyo next week for the G-7 summit, the United States must send a clear signal to our trading partners.

My resolution states that it is the sense of the Senate that any GATT agreement must ensure fair treatment of American copyrighted works and remove obstacles to their entry in foreign markets.

In a letter last week to U.S. Trade Representative Mickey Kantor, the Senate Finance Committee outlined several objectives for the negotiations. The Finance Committee letter covered a range of issues, including intellectual property—an area of the draft agreement the committee's letter said was "deficient in several respects.

While I agree that the intellectual property protections need strengthening, I believe the letter did not go far enough in seeking fair treatment of copyright-based industries.

Therefore, I take this opportunity to urge Ambassador Kantor to reject efforts to exempt cultural industries from the GATT agreement. And I reiterate the importance of his working to secure full national treatment so that U.S. movies, records, books, software, and other products will have the same rights and privileges as works created in other nations.

My concern with this issue is not merely maintaining international harmony and preserving global standards of fair play, though they are important.

My chief concern is jobs. Between 1977 and 1990, copyright-based industries grew twice as fast as the rest of the economy, and added more than 2.5 million jobs. Today these industries employ about one out of five American workers.

As we enter an age when ideas and information are our most important national commodity—and where text, video, and sound can zip across the globe in a matter of seconds—protecting the fruits of American creativity is an economic imperative.

Mr. MOYNIHAN. Mr. President, I yield my remaining minute.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield 3 minutes to the Republican leader.

Mr. DOLE. Mr. President, I want to indicate my support for the President's request for a clean bill without amendments. I think it is very important. We met with the President this morning. He is going to be leaving for Tokyo and the G-7 summit. I think it is important when he is there he have commitment from the United States Senate so the people there will understand we want to move ahead on trade talks. There are some problems, no doubt about it. A lot of Senators, I think on both sides, would like to offer trade amendments to the bill. Maybe they will have that opportunity later. But I think we are doing the right thing and I want to commend the chairman, Senator MOYNIHAN, and also the ranking Republican, Senator PACKWOOD.

Last week the Finance Committee voted almost unanimously to report out legislation that will provide the President with fast-track negotiating authority for the Uruguay round of trade talks.

I was pleased to support the President's request for that authority and for a clean bill, without amendments. The President will leave soon for Tokyo and the G-7 summit and I believe it's important to demonstrate American commitment to concluding the trade talks successfully.

No doubt a lot of Senators would like a chance to offer trade amendments to the bill on the Senate floor but that could mean a protracted debate and undermine the negotiating process. I hope there will be another opportunity for Senators to offer those amendments but on fast-track authority which is the business before us today, I continue to support the President's request for a clean bill.

The distinguished chairman and ranking member of the Finance Committee have sent a letter to the U.S. Trade Representative on behalf of committee members outlining some suggested negotiating objectives for the Uruguay round. It is an excellent letter and I want to commend Senator MOYNIHAN and Senator PACKWOOD for their effort as well as Senators DANFORTH and ROCKEFELLER who were instrumental in drafting the text.

That letter has a very strong statement on agriculture, calling for market access, reductions in export subsidies, and protection against trade barriers masquerading as food safety requirements.

Coming from a State where agriculture is important to the economy, I was particularly pleased to see the Finance Committee recognize the importance of agriculture in these trade talks. But that statement on agriculture became even more critical when I read some very disturbing recommendations made by someone whom President Clinton has chosen to be a senior member of his trade team.

Prof. Jeffrey Garten, who has been nominated to be the Under Secretary of Commerce for International Trade, just a few months ago suggested that President Clinton consider writing off American agriculture's interests in the trade negotiations in order to get a quick agreement.

In the winter issue of Foreign Affairs magazine, he wrote that in the event the trade impasse in the Uruguay round was not broken by Inauguration Day, President Clinton "should cut a deal on agriculture with the European Community, however imperfect, and bring the negotiations to an end."

"In addition," Mr. Garten wrote, "if there is a good time for Clinton to fight the farm lobby, it is at the beginning of his term."

Our previous U.S. Trade Representative, Carla Hills, had the chance to make a deal at the expense of American agriculture—and was probably pressed to do so from a number of quarters—but stuck to her promises and kept agriculture on the negotiating table as a major issue in the talks.

Unlike previous trade rounds when agriculture was either ignored or traded off for agreements on other sectors, the Uruguay round kept agriculture up front with other sectors because the Bush and Reagan administrations insisted it be there.

The reason is simple. American agriculture is the most competitive in the world. Our farmers and ranchers produce at a relatively low cost, not always the lowest, but that is only part of the picture. This country can produce, store, process, and package a huge volume and variety of food products to the highest standards and transport them quickly anywhere in the world.

Even while facing significant trade barriers throughout the world, American agriculture has been running a trade surplus of over $20 billion annually for the past several years. The previous administration and its trade negotiators knew that if we can break down those barriers, it is going to mean more jobs in our food processing and transportation industries and more profit for the American farmer.

Now President Clinton has asked the Senate to agree to a nominee who apparently thinks the interests of American farmers, ranchers, and food producers, by some estimates, the largest industry in the country, can be sacrificed to the demands of our trade competitors.

If Professor Garten's advice is to put agriculture aside—or worse yet, to trade it off for EC and Japanese demands—then I want to ask President Clinton to categorically reject that advice as soon as possible. Likewise with the suggestion that the President pick a fight with the farm lobby, whatever that is supposed to be. The administration's fight should be with the European Community and Japan and Canada on trade issues, not with the American farmer and rancher.

I just received a report, Mr. President, written by a respected agricultural economic analyst, that says export markets for meat, dairy, and poultry alone account for 73,000 full-time jobs just in production and processing. With related employment, these three sectors, only a part of American agriculture, generate 200,000 full-time jobs. Most important, the report says, these jobs are mainly located in rural areas and are a significant part of the rural economy.

I do not doubt that Professor Garten has excellent academic credentials but his essay in Foreign Affairs would get a failing grade from the American agriculture community.

I understand Mr. Garten's nomination will be reviewed in two committees of jurisdiction, Finance and Banking. I look forward to hearing his thoughts on the place of agriculture in the trade talks. I hope that farm State Senators from both parties will get an opportunity for an extensive discussion of his philosophy on trade and how it applies to the millions of American men and women who depend on agriculture and agribusiness to earn a living.

The PRESIDING OFFICER. Who yields time? The Senator from Oregon.

Mr. PACKWOOD. Mr. President, if the Republican leader will not leave—what is this fellow up for?

Mr. DOLE. Under Secretary of Commerce—that is what he was up for.

Mr. PACKWOOD. You know, I apologize for laughing, but of all the things that we are good at, farming is the one we are best at. Of all the things not to give up on, it is the fact we can beat anybody in this world on growing things and selling things. We can put rice in the market in Japan cheaper than the Japanese can grow it. We can put wheat all over the world competitively if we do not have to deal with agricultural subsidies in other countries.

Of all the areas we should not give up on, agriculture is the principal one we should not give up on. But I want to conclude with just a few cleanup remarks, if I might.

The Senator from South Carolina talked about our shrinking manufacturing employment. Absolutely true. It is shrinking in every industrial country in the world. Manufacturing is not leaving here and going to Germany, France, Italy. Manufacture employment is shrinking every place, as industries become more competitive and more productive.

I do not know where we get this idea that shrinking employment is somehow the epitome of bad management and going backwards. At the turn of the century, one person in two was involved in farming. That was what was required to feed us. Now only 2 or 3 percent of the population is in farming and they turn out more food than we can eat. We can supply the world, and we hold that up as a symbol of progress—not of going backward—that we can grow more and feed more with fewer people.

I hope that our industries can continue to become more and more efficient, more and more productive and that we can do more and more things in each industry with fewer people. That does not mean our employment declines. On the contrary, total employment will continue to expand and grow.

Let me give two examples. One is Freightliner Corp, which makes the great big trucks you see on the road. They have two large plants in the United States—one in metropolitan Portland and one in the Carolinas. Freightliner bought a distribution plant in Mexico some years ago because of restrictions on selling in the Mexican market. They would ship their trucks down in kit from and assemble them down there for the Mexican market.

As soon as the North American Free-Trade Agreement goes through, they plan to make all their trucks in Portland. They are not going to move their plant to Mexico. Their U.S. plant is organized either by the steelworkers or machinists and is a very high-wage plant. They see no benefit to going down and manufacturing in Mexico in part because components are 75 percent of their costs.

Second is a totally different company called Sabroso which is located in Medford, OR, in the center of a fruit-growing area. Sabroso is the principal manufacturer of fruit puree for three of our principal baby food companies.

As I recall they have approximately 150 employees. Half of their gross comes from sales around the world. If you go through their factories, they are making labels in Portuguese, Spanish, and all kinds of different languages for their market.

They cannot wait for the NAFTA. They are not planning to move their operation to Mexico. Here is a company that makes a product heavily designed for youth and they look at the Mexican market and think, my gosh, what an opportunity.

I do not know why we do not look at these openings in trade as opportunities rather than thinking that every major manufacturer and every well-paying job is going to move south of the border, or to Asia, or wherever. We can think better, we can raise capital better, we can issue credit cards better than anywhere else. People may laugh at the credit card business, but it is a very good business, which produces a tremendous amount of revenue for the United States.

I want to mention just a couple statistics. First, but for oil and cars, we have roughly a balance in our merchandise trade. Now this varies a little bit from year to year and it is about a $3-billion negative right now. Every time there is any hope that we might find some oil someplace, the very people who are opposed to this agreement stop us from looking for oil, or drilling for oil, or finding any oil. So it is no wonder we have a trade deficit in oil.

Cars are entirely our own fault. Twenty-five years ago we threw the market away. I remember when we had the first debates about mileage standards in the United States, and the auto industry said the people do not want fuel efficient cars; they want big cars that will accelerate to 50 miles an hour in 5 seconds and get 4 miles to the gallon. So they threw away the market.

To their credit, the auto industry has come back in the last few years. They have learned their lesson. It took a long time. It was a painful 20 years. The number of people employed in the auto industry has gone down substantially as the industry has become more productive. But U.S. auto manufacturers are now beating the foreign imports at their own game. We can do it. We can do it anyplace in this world when we choose to do it.

I will close with some words from the "Mary Gloster," a poem by Kipling about a fictional man who is a shipping magnate in England. The man is nearing the end of his life and is reviewing his accomplishments. He started out as a coal boy on a ship and worked his way up. By 22, he was a mate. By 35 he has his first little tramp steamer. By the end of his life, he is the king of the world's shipping tycoons. Now this was in Great Britain, which was the high-wage industry and had to compete with tramp steamers from all over the world. Somehow he managed to succeed against all this competition. It goes something like this:

> They copied and stole all they could find, but they couldn't copy my mind. So I left them sweating and standing a year-and-a-half behind.

That is what we can do. Nobody can beat us if we are just allowed to compete. But for heaven's sake, do not put fetters on ourselves to keep us from competing.

I hope we can pass this overwhelmingly. I thank the Chair, and I am prepared to yield back any time.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent for 10 seconds for the Senator from Nebraska.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I will reluctantly vote to support the extension of fast-track authority for the current round of GATT negotiations. I have come to this position after a great deal of thought, reflection, and consideration of the interests of Nebraska and the Nation.

There is no denying that the world as it is, is riddled with unfair trade practices, many directed at America's most competitive products.

I opposed fast-track extension when it was debated in 1991 because at that time President Bush, Clayton Yeutter, and Carla Hills were pursuing a trade-negotiating strategy which I strongly opposed, especially in the area of agriculture. I have described that strategy as "unilateral disarmament." The Reagan/Bush/Yeutter/Hills trade policy sought to throw open American markets, lower agricultural price supports and oppose any effort to retaliate against unfair practices by our trading partners.

President Clinton, Ambassador Kantor, and Secretary Espy have on several occasions enunciated a fundamentally different approach to trade negotiations and already in the earliest months of his administration demonstrated a willingness to respond to unfair trade practices.

The willingness to be tough and to demand mutual, reciprocal, and equivalent benefits gives me sufficient reason to support fast-track extension.

My vote for this limited fast-track extension is not an endorsement of the final GATT agreement. It is a good faith effort to give our new President an opportunity to negotiate an agreement which will be good for Nebraska and the Nation.

Mr. LUGAR. Mr. President, the Senate should give bipartisan support to President Clinton's request for an extension of fast-track negotiating authority. We should do so because the economic future of our Nation depends to a considerable extent on continuing to export more American products and services into world markets. To increase our exports, we need to open foreign markets. To open foreign markets, our negotiators need to be able to negotiate—something they would be unable to do if the Senate withheld its consent to an extension of fast-track authority.

Historically, the United States is a winner when trade is liberalized, and a loser when the world puts up trade barriers. It follows that reducing other nations' trade barriers is in our interest. Yes, we need to be tough-minded in our approach; but we also need to recognize that U.S. industries must compete in an ever-more-globalized world economy, and they will be better able to compete if they have more access to foreign markets.

Frankly, some people who are opposed to this extension of fast-track authority are simply opposed to trade agreements, period. What they really long for is a closed society whose imports are zero. That this also implies zero exports does not especially bother them. Just as we see a dangerous isolationism creeping back into the public debate over foreign policy, we see the same thing in international trade policy.

We need to bring the Uruguay round to a successful conclusion in order to open new opportunities for our domestic industries, and also to remove sources of unfair competition. For example, the Blair House agricultural agreement between the United States and the European Community will require a 21-percent cut in volumes of subsidized EC exports—something that will directly benefit U.S. grain exports. In an unsubsidized market, we are a competitive exporter of grains and other agricultural products, and the Europeans are not.

Now, the agricultural negotiations are not finished—and that is the whole reason we need to extend fast-track authority. U.S. farmers and agribusinesses are concerned that there has still been little progress with the EC on the crucial issue of market access. Indeed, if the EC implemented the so-called Dunkel text in the way it has said it will, U.S. access to European feed grain markets could well be less after the GATT agreement than before.

Such an outcome is clearly unacceptable, and I believe the administration is aware of that. But they will not be able to engage the other members of GATT to resolve these difficult problems if they are not given the authority to negotiate.

That is what the legislation before us does, and I urge Senators to support it.

Mr. COHEN. Mr. President, I will support the President's request to extend fast-track authority until December 31, 1993, for the purposes of trying to conclude the Uruguay round of negotiations to update the General Agreement on Tariffs and Trade [GATT].

I do so, however, with some reservations. In particular, I am very concerned with negotiations regarding the treatment of textiles and the sovereignty of U.S. trade laws.

Earlier today, I spoke with the U.S. Trade Representative Mickey Kantor to express some of my concerns regarding the GATT negotiations. I expressed my strong opposition to phasing out the multifiber arrangement [MFA] over 10 years as has been suggested. I am also opposed to opening up the U.S. market for countries that do not open their markets to our exports. Trade cannot be a one-way street. Finally, I impressed upon Ambassador Kantor that wool tariffs should not be reduced by fifty percent as has recently been suggested. Such a steep reduction in import tariffs would decimate the wool industry in Maine.

I am also very concerned about recent proposals for the United States to surrender our unfair trade laws to international bodies that would assume the role of remedying unfair trade practices. While some multilateral processes must be established, it is important that the United States not forfeit too much of its authority. Several Maine industries, including leather, salmon, and lumber, have secured relief under U.S. antidumping laws. I am very concerned about any negotiations that would undo the ability of these industries to redress unfair trade practices.

If industries like textiles are treated fairly and not used as trading chits in the GATT negotiations, I am hopeful that updating the GATT will benefit the Maine economy and the United States in general. Maine exports have been growing steadily over the past decade. Like every other part of the U.S. economy, more and more jobs in Maine are supported by exports. From insurance to agriculture, Maine companies are exporting more and more goods and services which add to the Maine economy. Maine ports are also benefiting from the expanding global trade. This year alone Maine is expected to export over $1-billion worth of goods.

Improving the GATT is a worthwhile goal. However, reaching no agreement is better than reaching a bad agreement. If reaching an agreement requires the United States to accept conditions that will ruin the U.S. textile industry, it is an agreement we should reject.

I am supporting the extension of fast-track for the purpose of GATT negotiations with the understanding that the United States will bargain in good faith to reach an agreement that does not unfairly treat the U.S. textile industry.

I will be following the negotiations closely and hope that the administration is successful in tearing down some of the trade barriers that U.S. companies face throughout the world.

Mr. SIMPSON. Mr. President, I rise to express my support for the President's request to extend the fast-track negotiating authority. This bill requires the President to successfully conclude the Uruguay round of the General Agreement on Tariffs and Trade [GATT] and notify Congress of his intent to enter into the agreement by December 15, 1993. This legislation only applies to the Uruguay round and not to the negotiation of any other trade agreement. The authority would require the President to enter into a Uruguay round agreement prior to April 16, 1994.

We have before us a very appropriate opportunity to improve the sluggish U.S. economy with the conclusion of the worldwide Uruguay round GATT agreement. Historically, Congress and the executive branch have recognized that the negotiation and implementation of free trade agreements requires a special kind of cooperation. This cooperative relationship has worked quite successfully over the years. The proof of this is the inclusion of the fast-track procedures in trade legislation in 1974, 1979, the 1988 Omnibus Trade and Competitiveness Act, and the approval of a 2-year fast-track authority extension for President Bush in March 1991.

The bill before us correctly focuses on the value and necessity of consultation with Congress before a final vote to ratify the agreement. It increases the consultation period from 90 to 120 days—thus providing the Congress with an adequate time period to comprehensively review the agreement.

Fast track provides two essential guarantees—a vote on the implementing legislation within a fixed time period and no amendments to the final agreement. These guarantees are essential to negotiating any agreement. Without them the final package would be unraveled by every special interest group that comes down the pike. More importantly, many countries will not negotiate without assurances of the fast-track procedure. We must also be able to guarantee our trading partners that the final agreement reached will be intact when it is voted on and approved by Congress.

The Uruguay round of GATT represents sound trade policy, thoughtful foreign policy, and solid economic policy. We must move forward with this trade agreement and not risk the dilution of the U.S. commitment to multilateralism. In the world arena we can ill-afford a return to an indulgence in protectionist instincts. We must continue to strive for free and fair trade—trade based on reciprocity—not trade based on the threat of sanctions. International trade is a full contact sport built upon diplomacy and dialog, not on threats and closed doors.

We cannot risk returning to the law of the jungle where trade is concerned or we will be the losers. We must respect the rule of law under the GATT. The alternative is to greatly jeopardize our own economic stability by promoting trade retaliation—such as Super 301—that the GATT has ruled illegal. That would be a great tragedy. The United States' trust and confidence in the GATT and in organized fair trade must be preserved.

Over the last decade, we have become increasingly aware of the critical role that international competition and trade play in our economy. Over the last 3 years, U.S. exports of manufactured goods increased by almost 23 percent—from $363 to $446 billion. Exports of agricultural products jumped by over 13 percent to $40.2 billion from 1991 to 1992, after several years of little change in these trade levels.

Despite our international trade efforts, imports continue to greatly exceed exports. Our domestic consumption of goods and services is likely to remain flat. Without actively pursuing avenues to increase exports—the U.S. balance of payments will continue to deteriorate.

We cannot fool ourselves by thinking that any final agreement on the proposed trade agreements will be welcomed globally, but I do believe that the Uruguay round is recognized by a majority of nations as being critically important for fair trade practices worldwide. If we eliminate the fast-track procedure, we may irreparably damage prospects for a favorable conclusion to this trade agreement and seriously affect the international competitiveness of the United States.

We should not deceive ourselves by diminishing the importance of this fast-track legislation. We have before us a decision that will determine the direction, as well as strength and leadership, of the United States in global trade policy.

I urge my colleagues to support the President's request to extend fast track.

Mr. BYRD. Mr. President, I have serious reservations about extending, yet one more time, the fast-track procedures for consideration of any agreement that might result from current negotiations under the Uruguay round of the General Agreement on Tariffs and Trade [GATT], and I will vote against the pending measure. My reservations stem, first, from a concern that fast-track, by prohibiting amendments to legislation implementing a multilateral trade agreement, severely limits the ability of the Senate to carry out its constitutional responsibilities with regard to the ratification of such agreements.

Second, of great concern to me at the present time, are reports I have received that the administration has been prepared to negotiate a multilateral trade agreement under the Uruguay round that will injure the U.S. commercial chinaware and glassware industries, if not make these industries completely unviable. In my State of West Virginia, glass manufacturers account for hundreds of jobs—jobs that citizens and communities across West Virginia depend upon for their economic well-being, if not their economic survival.

While I agree that we must take actions that will enable us to compete more effectively in the global marketplace, and that restructuring the economic relations among the signatories to GATT may be essential to improving and expanding trade, I do not believe that we should enter any agreement that does not, overall, benefit American workers and American industry. I am concerned that, in an effort to conclude the current GATT negotiations during the July 7–9 Tokyo summit, the United States might be willing to agree to a sharp reduction in the tariffs for various categories of commercial chinaware and glassware—reductions that could cut the current tariff rates by as much as half.

While a conclusion to the Uruguay round might provide some benefit to the United States, particularly in the area of high technology, dramatic tariff reductions on commercial chinaware and glassware to achieve the conclusion of the talks will likely lead to sharply higher unemployment for American glass workers. Such unemployment will only add to the burdens we, as a nation, already face in meeting the challenges of an increasingly competitive international economy, not only contributing to a decline in the standard of living of those workers directly affected, but more broadly affecting the economic well-being of the communities in which they live and work.

Having said all this, I recognize that formulating policies that balance domestic and international economic objectives does not come easily, and that it may be necessary to make certain tariff concessions in order to negotiate a successful conclusion to the Uruguay round. Yet, I believe it would be a serious mistake to go beyond a reduction of 25 percent from the current commercial chinaware and glassware tariff rates—a percentage reduction that I understand has been reluctantly agreed to by the domestic glassware industry—in an effort to satisfy the wishes of our trading partners. I believe a 25-percent reduction in tariff rates is a major concession and a generous offer, and I commend the U.S. glassware industry for its willingness to support an agreement that will likely entail some adverse economic impact.

However, we simply cannot afford to offer further reductions beyond 25 percent on commercial chinaware and glassware in order to pacify pressure from certain countries. It appears certain that any such further reduction would devastate our domestic glassware industry. Our economy is weak; we need to create jobs, not give them away. For the very reasons I supported the President's full emergency jobs bill, I cannot support any concessions that would cause the further loss of American jobs. With this in mind, I urge President Clinton and Ambassador Kantor not to offer any concessions that might add to the economic burdens we already face.

Mr. WELLSTONE. Mr. President, this vote may appear to be a routine one concerning an obscure procedure—fast-track negotiating authority. But there is more at stake for the lives of ordinary Americans, and for American democracy itself, than most of us are acknowledging in this curtailed debate.

It is because of what is at stake in trade agreements, and because of what is at stake for democracy, that I decline to relinquish my responsibility to represent the people of my State in the regulation of trade. I believe fast track is unnecessary and dangerous.

The way this matter is generally presented here in Congress and in the media is that fast track is a mechanism which is needed to allow our executive branch to enter into long and complicated negotiations with our trading partners, while also preserving the role of the legislative branch in helping to set trade policy. Anyone who is against fast track, therefore, must be against the very idea of negotiating trade agreements.

That is the regular presentation of this issue. Opponents must be against free trade. They must be afraid of subjecting some favored constituency to global competition. Only protectionists, according to this logic, vote against fast track.

This logic is wrong. I am not a protectionist. I favor a generally open world trading system. Hundreds of large and small companies and their employees in my State, as well as farmers, rely on the ability to sell their products to foreign customers based on principles of fair competition. Also, both U.S. consumers and producers benefit from the pressure to provide higher quality products at better prices—when that competition is not based on exploitation of workers or of the environment.

Trade is a generally positive force, and there should be multilateral negotiations aimed at maintaining fair and workable rules of trade. There is no question that agreements aimed at improving global trading practices are desirable. Nor is there doubt that, in this country, the executive branch should play the leading role in negotiating such agreements.

But the question here is whether we in Congress, as representatives of the people, choose to surrender our responsibility to shape these trade agreements. In many ways it is probably easier to do that. We can allow the mystique of free trade and the supposed rights of the executive branch tie our hands. Then we do not have to answer for what is in these agreements. Then we do not need to subject specific provisions affecting particular industries, or environmental or consumer standards, or farm policy, or the practices of our corporations in the Third World, to scrutiny.

At the end of the process, therefore, it is possible to throw up our hands and say that this or that agreement is not perfect, and it may harm particular interests, but that it still advances the cause of free trade. This, every economist insists, will create millions of jobs. We do not have to take responsibility for what is in the agreements because the rules, which we agree to in advance, prohibit us from amending them. Our only role is to make our speech and vote up or down.

Fast track proponents argue that the law itself assures adequate consultation with Congress and the public. From my brief experience here in Congress that has not worked especially well. The previous administration never held promised field hearings across the country on the likely effects of the Dunkel Draft, the working text for this Uruguay round of GATT talks. And while I appreciate the accessibility of the U.S. trade representative and other of our negotiators to myself, other members and committees here on the Hill, the ability actually to affect what is in these agreements seems to reside mostly within one committee in each House.

Representatives of many sectors of our economy, as well as of individual companies, have excellent access to our negotiators to ensure that their interests are protected in the negotiating process. That is to be expected. These interests have ample opportunity to amend the texts of trade agreements through their contacts with negotiators.

But what about the ordinary people who I represent? What about citizens who fought in their State legislature or in their local community for an environmental or consumer protection that would be overridden by GATT? What about Minnesota farmers who are asked to abide by increasingly strict environmental regulations with less government support, but who would be subjected to competion that is heavily subsidized by other governments, and to competition from products coming from export-oriented megafarms in countries where labor and the environment are harshly exploited?

When do these people get a chance to amend trade agreements?

The explosion of citizen interest in the complicated North American Free-Trade Agreement [NAFTA] is just the beginning, in my opinion, of a change in the way trade policy will be made from now on in this country. I believe this is positive. The economic impact of the commercial provisions of trade agreements is profound and deeply affects people's lives. These agreements will change communities, and they will change families.

Furthermore, there are far more than commercial and economic interests at stake in trade agreements. The involvement of the environmental movements in the NAFTA debate is the first step toward what must be the permanent consideration of environmental effects of trade agreements—not just in parallel or side agreements or annexes, but in the texts of agreements themselves.

The fast-track procedure we are voting on today relates to an issue, global trade talks, GATT, which is so large and complex that many ordinary Americans feel they don't have sufficient information to form a clear opinion about it. Because trade talks are conducted by specialized professional negotiators in a language that can be very technical and arcane, many citizens have a hard time getting a handle on what is really being debated.

Nonetheless, I assure you that debate over GATT is taking place not only here on the floor of Congress, but across the country. It certainly is in my State. Yet the majority of the citizens of Minnesota are not represented by the official members of GATT private-sector advisory groups. They will not have the opportunity, under fast-track rules, to have their representative propose amendments.

Mr. President, I would like to conclude today the same way I concluded the last time we debated fast-track authorization here on the floor. That is by acknowledging that, of course, the executive branch should conduct trade negotiations. But there is no reason for us to give them such exclusive power to do so. If a trade agreement cannot withstand our democratic process, then it doesn't deserve to be enacted. We have concluded dozens of international agreements and treaties in recent years, many complex and controversial, without fast track.

Citizens across America have been alerted to trade's importance. They will, and they should, fight for more public participation concerning trade policy. I, too, must insist on our right to fully debate and to alter these agreements. Fast track short-circuits the democratic process. I cannot forfeit my responsibility to represent Minnesota on issues that are key to the future of this country.

Mr. KOHL. Mr. President, I have voted for fast track in the past in order to give the President the authority to negotiate on behalf of our country. Let me make it clear what that vote means. It does not mean that I endorse, in advance, what he negotiates. It does mean that I recognize reality: Without the fast-track authority, the United States cannot negotiate changes in international trade agreements because no nation will sign a deal with us knowing that, after it signed, the Congress can demand modifications in it.

It does not seem to me that we can put ourselves in the situation of not negotiating international trade agreements. Trade is an inherent part of the world in which we live. We can either try to write rules which benefit us or we can try to survive with rules that other nations write—rules which are crafted without us are more likely to harm us.

I understand and respect the arguments of those who suggest that fast track gives the executive branch too much power and the legislative branch too little. But I believe that is true more in theory than it is in reality. In reality, the executive branch—under President Bush and now under President Clinton—has solicited and welcomed congressional input into American position in the negotiations. And in reality, after the President negotiates an agreement, the Congress does have a great deal of influence in shaping the legislation which implements it. So we have influence throughout both the negotiations and the ultimate legislative process. And I believe that this administration will be responsive to our concerns.

And believe me, I have some concerns. I worry about the prospects for our domestic dairy industry in the current trade climate. I am concerned about efforts to remove section 22 protection for U.S. dairy imports, and to move toward tarification. In the current international climate, we must be advancing our opportunities for increased dairy product markets abroad. But we cannot do so with blind neglect to the concerns about our domestic industry. I can envision a world in which we could eliminate section 22 quotas without greatly disrupting our domestic agricultural economy, but that world would have to include a far greater willingness on the part of the European Community and others to reduce export subsidies than I have seen to date.

In general, I am encouraged that President Clinton is more sensitive to family farm concerns than was President Bush. As such, I am hopeful that he will be more willing to heed the advice of those of us in Congress that argue on behalf of family farms. With this in mind, I would like to give him the opportunity to negotiate that was extended to President Bush. Further, while the jury is still out with regard to key components of the dairy negotiations, such as market access issues, I believe that some improvements have been made in the negotiations since fast track was last approved by the Senate 2 years ago.

In short, I will vote to extend fast-track authority to the President because I believe that trade negotiations should and must continue. However I continue to have concerns about the current negotiations with regard to our domestic dairy industry, and I am hoping to see improvement in that regard.

Mr. GLENN. Mr. President, while I will vote for the extension of the fast-track negotiating authority this evening, I want to make it very clear that I have serious concerns about the treatment of import sensitive glassware in the ongoing tariff negotiations. Reportedly the United States is considering a 50 percent duty reduction in this category of goods. A cut of this magnitude would be devastating to the remaining U.S. glassware producers.

This industry is extremely import sensitive. With current duties, imports continue to flood our market, threatening the survival of the domestic industry, a major portion of which is located in Ohio. Scores of glassware plants have closed in the past decade and thousands of jobs have been lost. The exclusion of import sensitive glassware from duty elimination under the generalized system of preferences serves to highlight the special sensitivity of this sector.

We need to make sure that tariff concessions in the Uruguay round do not wipe out what is left of our glassware industry. There is a real danger that a 50 percent cut would do just that. I have communicated my concern to USTR—three times this year alone—yet I am not at all confident that the message is being received. So let me once again urge USTR not to sacrifice the U.S. glassware industry as they attempt to complete a tariff package.

Mr. CRAIG. Mr. President, today we are debating legislation that will greatly affect the future of this Nation's economy. The legislation pending before us today will extend the President's authority to continue to negotiate the Uruguay round of multilateral trade negotiations. Without this extention, we will not be able to move forward and level the playing field for U.S. products and exports.

Without fast track, the President cannot assure our negotiating partners that the deal they strike is the deal that will be voted on by Congress. That would significantly hinder our ability to negotiate a good agreement.

We have all been inundated with information on both the merits and evils of the Uruguay GATT round. But, as every Senator knows, what many people have failed to realize is that fast track is not a trade agreement. Some have chosen to spread fear and misinformation regarding fast track, blatantly ignoring the reality of the statute enacting it.

Fast track is anything but fast. It is an unfortunate choice of names because the name has led many to believe that it will allow the Government to quickly and secretly negotiate away our position in a trade agreement. Mr. President, this is simply not the case.

Fast track is a process—a process, Mr. President, that directly involves both the Congress and the private sector.

I have met with the U.S. trade representative, Mickey Kantor, to discuss issues important to my State like the impact of trade negotiations on agriculture programs and nonagriculture sectors of our economy. I feel confident that he will work to keep Congress and the private sector informed and involved on trade negotiations, including the GATT—this is something that is also included in the fast-track provisions.

One of the complaints most commonly made by those opposed to this process is that the Congress gives up its authority. This is just not the case. Fast track does not undercut Congress' role in the negotiation, approval and implementation of trade agreements. As I noted above, the statute has extensive notification and consultation requirements. Not only do we have explicit language in the law, but we have precedents to rely on. Negotiators have been available to meet with Members and Senators to discuss steps taken and to obtain advice on how to continue as the negotiations developed.

Furthermore, Mr. President, in my experience, the trade representatives's office has been very accommodating and willing to respond in a timely and helpful manner to my concerns. It is not the process of fast track that would prevent the Congress or private industry from being involved in trade negotiations, but, rather, the choices made by individuals and Members of Congress.

It is the responsibility of the Congress to continue to be actively involved with this process once we pass this legislation and move forward with fast track, and we will still have the authority to do so.

One last comment, Mr. President, is that Congress holds the final card on whether or not a Uruguay GATT round agreement is accepted. The U.S. Senate and the U.S. House of Representatives have the final vote to either accept or reject an agreement. But if we don't have fast track, the attempt to bring this negotiation to a close by December 15, 1993, will not occur.

Again, to vote for fast track is not to vote for a GATT agreement. There is opportunity to improve our trading position through the GATT; therefore, it warrants putting forth the effort to try to achieve a good agreement. The process has worked in the past, and is necessary if we are to move forward with trade negotiations.

Mr. President, I support the extension of fast track, but that does not extend to automatic support of any final GATT agreement. I remain concerned about the potential impact of this agreement, especially on agriculture, and in the area of our antidumping statues. I will work very closely with the trade representative's office to ensure that the agreement will benefit both Idaho's and our Nation's economy. And, I will not approve any final agreement until I can evaluate the merits of that agreement.

Mr. LEVIN. Mr. President, I am voting today to grant the President fast-track negotiating authority for 6 months to negotiate the Uruguay round of the General Agreement on Tariffs and Trade [GATT].

I am voting today to give the President this authority for GATT even though I opposed providing fast-track authority in the past when it was linked to negotiating the North American Free-Trade Agreement [NAFTA]. I opposed granting fast-track negotiating authority for NAFTA because I feared what it would lead to. My fears turned out to be true—its a bad deal. Further fast-track authority is not essential in negotiating a trade agreement between only a few countries. If Congress should amend a final agreement it would not be overly difficult to go back and renegotiate those provisions with the other countries involved.

However, because the GATT is a multilateral negotiation between over 100 countries, I believe a case can be made that it would be considerably more difficult to negotiate a multilateral agreement such as GATT if each congressional amendment had to be renegotiated with all the various countries involved.

Also, based on representations in a letter from U.S. trade representative Mickey Kantor that a Uruguay round agreement will not undermine our ability to effectively utilize section 301 of our trade law and specific assurances that the administration is committed to seeking a Uruguay round agreement which preserves our antidumping and countervailing duty laws as effective remedies against unfair trade practices, I will vote for fast-track. I want to make it clear that this is not a vote on final passage of the Uruguay round of the GATT. I continue to be concerned about the outcome of that agreement. However, I will agree to give the President the chance to try to negotiate a good agreement.

Mr. SIMON. Mr. President, I intend to vote for S. 1003, legislation to renew negotiating authority and to provide for fast-track approval procedures for agreements concluding the Uruguay round of GATT.

Negotiations on the Uruguay round of GATT have been going on since September of 1986. President Clinton has announced his intention to conclude these negotiations this year. Realistically, to finish this round of the GATT, the President needs fast-track authority. I believe that it is in our best interest to support that goal. By giving the President fast-track authority, we signal our confidence in his ability to conclude a successful agreement in a timely manner.

The trade liberalization made possible by previous rounds of GATT has been a benefit to our country and all other countries that have participated. The current round of GATT negotiations will modernize the rules by which we trade with our partners. That modernization is badly needed. More importantly, by lowering tariff and nontariff barriers around the globe, the GATT will increase access of American companies to closed markets. Certain restrictive trade practices, including protection on trade in services and intellectual property, which are now utilized by some of our trading partners, will be eliminated. That could significantly aid industries who are hampered by those barriers.

A less restrictive world trading system will increase economic growth throughout the world and its benefit to the U.S. economy will be particularly important. Our present economic situation suggests that we should act quickly to ensure that exports continue to contribute to our Nation's economic growth.

Many of my colleagues have argued that this extension of fast-track negotiating authority cedes too much of Congress' power to regulate Commerce with foreign nations. This extension of fast-track authority applies only to GATT, and Congress reserves the right to approve or reject that trade pact. At the same time, however, Congress makes it possible for the Clinton administration to conclude a multilateral agreement that will further free trade between more than 100 nations.

Mr. BIDEN. Mr. President, my vote today for extension of trade negotiating authority will not be given lightly. I have listened with interest to the sincere arguments of my colleagues who have expressed their concerns about the constitutional prerogatives of Congress, on the one hand, and the potential risks of international trade, on the other.

Just 2 years ago, we faced this same choice. As I stated then, there are no simple answers to such questions. I support this proposal because I am convinced that a vote to extend the President's trade negotiating authority is by no means the final word on those issues.

Mr. President, granting so-called fast-track treatment to an agreement negotiated abroad by the President does not weaken the ability—or the responsibility—of Congress to protect the legitimate interests we represent here at home. Any agreement reached by the administration under the extended negotiating authority that this proposal provides must come back to Congress.

Here, we will have a direct role from the beginning, in drafting the legislation to implement any agreement. And, more importantly, we will have the last word on final passage.

This extension of the President's authority to negotiate is essential to a successful completion to the current round of international trade talks. The glacial pace of negotiations of the Uruguay round of the GATT exhausted all of the time available. Without an extension of negotiating authority, an irreplaceable opportunity to reap the benefits of increased international trade will be lost.

Of course, Mr. President, we cannot assume that just any agreement that results from those negotiations will bring substantial benefits. Among the advocates of free trade are some who deduce its supposed gains from abstract economic principles and tidy textbook charts. I am not one of those.

But I am someone who believes that increasing the choices available to American consumers, that decreasing artificial barriers to the choices they can make, can increase our own domestic economic activity and bring widespread gains.

But none of those advantages can be achieved unless we give the President's negotiating authority the fast track congressional procedures that have been the focus of the most heated discussion here today. Unless we send President Clinton to Tokyo with the same authority we granted to previous administrations, our major trading partners would be reluctant—indeed, Mr. President, they would be foolish—to sign onto an agreement that could be completely undone once the President brings it home.

That is why I support this fast-track extension—to permit completion of a key round of international trade negotiations, negotiations that can bring the world closer together through the ties of trade, at a time when across the globe countries have a great need for an expansion of their markets.

We are among those seeking larger markets for our products. The price of access to those markets will be a successful GATT agreement, and the means to that agreement is the fast-track authority the President needs to bring those trade talks to an end.

But make no mistake, Mr. President, my vote to grant President Clinton the same negotiating authority that we granted to previous administrations is not a blank check to give away important American interests. As I said when we granted this authority 2 years ago, any agreement he brings home must bring with it clear, concrete benefits for this country, or when Congress reasserts its prerogative to have the last word, I am fully prepared to vote no.

Mr. MOYNIHAN. Mr. President, I think we are ready to vote, and I hope we will vote resoundingly, affirmatively sending the President of the United States to Tokyo with the complete support of the U.S. Senate.

Mr. PACKWOOD. I yield back the remainder of our time.

Mr. MOYNIHAN. I yield back the remainder of our time.

The PRESIDING OFFICER. The clerk will read the bill for the third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from South Dakota [Mr. DASCHLE], the Senator from Rhode Island [Mr. PELL], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from Arizona [Mr. PRYOR] are necessarily absent.

I also announce that the Senator from Washington, [Mrs. MURRAY], is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] and the Senator from Rhode Island [Mr. PELL] would each vote yea.

I further announce that, if present and voting, the Senator from Minnesota [Mr. WELLSTONE] would vote nay.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

I also announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 76, nays 16, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—76

Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
DeConcini
Dodd
Dole
Domenici
Exon
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Hutchison
Inouye
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
Mathews
McCain
McConnell
Mikulski
Mitchell
Moseley-Braun
Moynihan
Nickles
Nunn
Packwood
Pressler
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Simon
Simpson
Smith
Stevens
Wallop
Warner

NAYS—16

Akaka
Byrd
Campbell
Conrad
Dorgan
Faircloth
Feingold
Feinstein
Heflin
Helms
Hollings
Jeffords
Metzenbaum
Shelby
Thurmond
Wofford

NOT VOTING—8

Daschle
Durenberger
Murkowski
Murray
Pell
Pryor
Specter
Wellstone

So the bill (H.R. 1876) was passed.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAUCUS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE INDEFINITELY POSTPONED—S. 1003

The PRESIDING OFFICER. Under the previous order, S. 1003 is indefinitely postponed.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

URUGUAY ROUND AND FAST TRACK EXTENSION

Mr. MOYNIHAN. Mr. President, may I note the overwhelming agreement which this Senate gave to the President of the United States—the capacity to go forward with the largest trade negotiation in the world's history, and the G-7 meeting at Tokyo. It was bipartisan. It was nonpartisan. It was a clear message to the world. I am sure it will be heard.

And I can only thank my friend, the sometime chairman of the committee, for having made it possible in the way he did.

We have done not an inconsiderable day's work.

Mr. PACKWOOD. Mr. President, I thank my good friend, the chairman. I never cease to learn from him day after day. I regard him as one of the great Senators and great teachers that has ever served in this Senate.

SUPER 301 TRADE SANCTIONS

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of an original sense-of-the-Senate resolution by myself and others regarding Super 301 trade sanctions; that no amendments or motions to recommit be in order thereto.

Mr. PACKWOOD. Mr. President, while I would like to accommodate my friend from South Carolina, there are numerous objections to this resolution on my side. I am not actually opposed per se to the resolution of the Senator from South Carolina. I support the extension of Super 301. But his preamble is something that would make it impossible for me to vote for. I come from a State where one job in six depends on trade.

The preamble of this resolution reflects almost everything that is wrong in the United States with respect to attitudes on trade. Therefore, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MOYNIHAN. I thank the Chair. I thank my distinguished colleague.

Mr. President, may I announce, because we all want to know, that I will introduce this as a bill in a meeting of the Finance Committee where we will have a chance to talk about these matters and see how many of us agree on the language, the preamble language—which cannot be an overwhelming obstacle.

I send the resolution to the desk and ask that it be properly referred.

The PRESIDING OFFICER. The resolution is received and will be referred to the appropriate committee.

Mr. HOLLINGS. The resolution will be referred to the Finance Committee?

Mr. MOYNIHAN. Yes.

Mr. President, the distinguished Senator from Michigan is seeking recognition on a matter that relates to the issue just before us.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I thank the Chair. I am wondering, relative to the resolution just introduced and referred, whether my good friend from New York can assure me that the reference in there to Super 301 does not refer to a particular form of that. For instance, a proposal for a stronger, sharper Super 301 is not inconsistent with the reference if the Senate decided to adopt such a stronger, sharper 301.

Mr. MOYNIHAN. Mr. President, I can emphatically assure my friend, the Senator from Michigan, that what he asks is the case. We make no prejudgments of any kind and, certainly, we will not preclude any outcome of the kind that I know he is interested in.

Mr. LEVIN. Mr. President, I ask unanimous consent that I be added as a cosponsor to that resolution.

Mr. HOLLINGS. Mr. President, I thank the Senator from New York and the Senator from Oregon for their cooperation. I guess that is the best we could do at this particular point.

I look forward to working with the Finance Committee to see that it is properly reported.

Mr. MOYNIHAN. Mr. President, I express my thanks for the unfailing courtesy—and it goes without saying—given by the Senator from South Carolina. We will take this matter up before the Committee on Finance.

If the Senator would like to appear in this regard, he is more than welcome, and we will return to it promptly in July.

I thank the Chair.

APPOINTMENTS BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, in consultation with the Republican leader, pursuant to Public Law 102-246, appoints the following individuals to the Library of Congress Trust Fund Board: Edwin L. Cox of Texas, to a 3-year term and Adele Hall of Kansas, to a 2-year term.

The Chair further announces the terms of the individuals appointed to this board on March 11, 1993, as follows: John W. Kluge of New York, to a 5-year term, and Arthur Ortenberg of New York, to a 4-year term.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Without objection, it is so ordered.

MORNING BUSINESS

Mr. FORD. Madam President, I ask unanimous consent that we now proceed to morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

BIRTHDAY OF DR. FRANK J. CARTER

Mr. DODD. Madam President, I rise today to pay tribute to my long-time friend, Dr. Frank J. Carter of Norwich, CT, on the occasion of his 70th birthday. Dr. Carter has practiced as an obstetrician for more than 30 years in southern New England, and may well have established himself as the busiest welcoming committee to the newborn population in that region. It seems, therefore, entirely fitting to recognize the birthday of the man who has presided over so many births in Norwich for so many years.

Dr. Carter's impressive medical career began in 1944 at the New York University of Medicine, where he trained to be a medical doctor. Since then, he has built a reputation as an eminent physician who works tirelessly to maintain the highest standards of the medical practice. From 1947 to 1950, Dr. Carter trained as an intern and resident in pathology at Queens General Hospital in Queens, NY. He left New York for Waukegan, IL, in 1950, to start a general practice and, while there, spent a couple of years as a captain in the Air Force Medical Corps. It was not until 1959, after spending a few years as a ship's physician and another 4 years as a resident in obstetrics and gynecology at Maimonides Hospital and Kings County Hospital in Brooklyn, that Dr. Frank J. Carter brought his career to Norwich, and settled there permanently.

Refusing to rest on his laurels, Dr. Carter continues his medical education to this day—having completed, over the years, course work towards a masters in public health and myriad review courses in family medicine and geriatrics. Dr. Carter has pioneered new standards of proficiency by receiving training in state-of-the-art emergency medical techniques, as well. Indeed, he stands alone among his colleagues in Connecticut as the only physician to have recognized the value in participating in an emergency medical technician training program, a paramedic training program, and an advanced trauma and cardiac life support training program. As a result of this zealous attention to advancing medical knowledge, Dr. Carter maintains a fresh and current perspective on medicine and patient care.

Civic minded and people oriented, Dr. Frank Carter has adapted his profession to the changing needs of the community over the years. He is currently on staff at the Windsor Locks Medical Care Center and the Vernon Walk-In Medical Care Center, where he provides acute care services to a demographic mix of patients.

In the truest and most fundamental sense, Dr. Frank Carter is a doctor. His commitment to his craft is an extension of his commitment to people. There are many measures of Dr. Frank Carter's professional success, not the least of which are the untold numbers of babies he delivered into the world. But perhaps the most telling measure is the high regard and trust in which so many of his patients and friends hold him. Dr. Carter's long career has not diluted the human spirit of kindness, so lacking in many younger doctors who have been trained in the business of medicine. In gratitude for his many years of hard work and investment into the welfare of others, I am pleased to congratulate Dr. Frank J. Carter and extend to him my warmest birthday wishes.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Madam President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar 242. Sheila F. Anthony, to be an Assistant Attorney General;

Calendar 243. Frank Hunger, to be an Assistant Attorney General;

Calendar 244. Roger W. Johnston, to be Administrator of General Services;

Calendar 245. Benjamin L. Erdreich, to be a member of the Merit System Protection Board;

Calendar 246. Benjamin L. Erdreich, to be Chairman of the Merit Systems Protection Board;

Calendar 247. Alexander F. Watson, to be an Assistant Secretary of State;

Calendar 249. Robert E. Hunter, to be the U.S. Permanent Representative on the Council of the North Atlantic Treaty Organization;

Calendar 250. Raymond L. Flynn, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Holy See;

Calendar 251. Christopher Finn, to be Executive Vice President of the Overseas Private Investment Corporation; and

Calendar 252. Penn Kemble, to be Deputy Director of the U.S. Information Agency.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the nominations were considered and confirmed en bloc, as follows:

DEPARTMENT OF JUSTICE

Sheila Foster Anthony, of Arkansas, to be an Assistant Attorney General.

Frank Hunger, of Mississippi, to be an Assistant Attorney General.

GENERAL SERVICES ADMINISTRATION

Roger W. Johnson, of California, to be Administrator of General Services.

MERIT SYSTEMS PROTECTION BOARD

Benjamin Leader Erdreich, of Alabama, to be a Member of the Merit Systems Protection Board for the term of seven years expiring March 1, 2000.

Benjamin Leader Erdreich, of Alabama, to be Chairman of the Merit Systems Protection Board.

DEPARTMENT OF STATE

Alexander Fletcher Watson, of Massachusetts, a Career Member of the Senior Foreign Service, Class of Career Minister, to be an Assistant Secretary of State.

Robert E. Hunter, of the District of Columbia, to be the United States Permanent Representative on the Council of the North Atlantic Treaty Organization, with rank and status of Ambassador Extraordinary and Plenipotentiary.

Raymond Leo Flynn, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Holy See.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Christopher Finn, of New York, to be Executive Vice President of the Overseas Private Investment Corporation.

U.S. INFORMATION AGENCY

Penn Kemble, of New York, to be Deputy Director of the United States Information Agency.

STATEMENT ON THE NOMINATION OF FRANK HUNGER

Mr. COCHRAN. Madam President, I am happy to be the spokesman for the Republican side particularly in reference to Calendar No. 242, Frank Hunger of Greenville, MS, who is nominated to be an Assistant Attorney General to head the civil division of the Department of Justice.

I am happy I was able to introduce him at the hearing before the Judiciary Committee and recommend his confirmation to the Senate. I am delighted there is no objection to his confirmation. I am confident he will do an outstanding job in the capacity which he has been selected to perform. We are very proud of him in Mississippi to have been nominated for this high position.

STATEMENT ON THE NOMINATION OF RAYMOND L. FLYNN

Mr. HELMS. Madam President, I have no problem with the character and ability of Raymond Flynn to be a U.S. Ambassador. I judge him to be an intelligent and personable man.

My problem is that President Clinton has nominated Mr. Flynn—and the Senate is about to confirm him—to serve as Ambassador at a place where there should be no U.S. Ambassador at all—that is, the Vatican or the Holy See, or whatever.

But that is a battle waged and lost years ago. I was on the losing side. Just the same I remain persuaded that the

United States has no business sending an ambassador to any religious entity, be it Baptist or Methodist or, as is the case here, the seat of the Catholic Church.

Madam President, I ask unanimous consent that inasmuch as this nomination will be approved on a voice vote that the RECORD make clear that, had there been a rollcall vote, I would have voted in the negative. I reiterate that my opposition is not directed at Mr. Flynn personally; it is simply a matter of my objecting to sending a U.S. envoy to the Holy See or the Vatican.

Madam President, I am a Baptist. I would be equally strenuous if it should be proposed that an envoy be sent to represent the U.S. Government at some geographic entity of the Baptist Church.

Having said that, I should emphasize the obvious—that I do not disregard the positive role of the Vatican as a force for Christian values in a troubled world in which human life is no longer considered sacred and where traditional family values are often lacking. I remember that President Reagan, a Protestant, and Pope John Paul II, together, led the fight against godless communism—and they won.

In selecting Mayor Flynn, the President has chosen a visible pro-life American. I am certainly pleased that at least one person close to the President holds that view.

During the hearing, I submitted a number of questions for Mayor Flynn regarding his personal interpretation of the role of an ambassador to the Holy See, his qualifications and his requests for additional staffing and funding for the Vatican post. I understand that the operational costs at the Vatican will increase with the mayor's assignment and that Mayor Flynn has been granted more than the normal share of staff. I do not approve of the special exceptions made by the State Department for Mayor Flynn or any other political nominee and I certainly hope this does not signal a trend in increased spending by the State Department.

In conclusion, Madam President, I ask unanimous consent that a resolution adopted unanimously by the Southern Baptist convention regarding this nomination be printed in the RECORD at the conclusion of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ON DIPLOMATIC RELATIONS WITH THE VATICAN

Whereas, Southern Baptists have always championed religious liberty and the separation of the institutions of church and state; and

Whereas, Southern Baptists have been in the forefront of opposition to the appointment of an United States Ambassador to the Vatican and the reception of an ambassador from the Vatican to the United States; and

Whereas, The Holy See of the Roman Catholic Church is an ecclesiastical entity synonymous with the Roman Catholic Church; and

Whereas, The Holy See is located in an entity called the State of Vatican City which is headed by the Bishop of Rome and in which office and citizenship are conditioned on some relationship with the Roman Catholic Church; and

Whereas, Maintaining diplomatic relations with the Vatican is clearly a violation of the First Amendment's guarantee of separation between the institutions of church and state; and

Whereas, Opposition to diplomatic relations with the Holy See should not be regarded as religious bigotry against Roman Catholics but instead as reaffirmation of a long-held Baptist conviction; and

Whereas, Southern Baptists have registered their opposition to this public policy by adopting resolutions at annual meetings in 1939, 1940, 1942, 1969, 1984 and 1986; and

Whereas, In 1983 the United States Congress repealed the federal law which explicitly barred diplomatic relations with the Vatican; and

Whereas, President Ronald Reagan successfully appointed America's first ambassador to the Vatican in 1984 over the vigorous objections of Southern Baptists and others opposed to this policy; and

Whereas, President Clinton is both a Southern Baptist and a professed advocate of church-state separation; and

Whereas, The President, contrary to the request of the Southern Baptist Christian Life Commission and other evangelicals, has nominated a candidate to be the next United States Ambassador to the Vatican.

Therefore, Be it *Resolved*, That we, the messengers to the Southern Baptist Convention meeting in Houston, Texas, June 15–17, 1993, reaffirm our opposition to diplomatic ties with the Vatican; and

Be it further *Resolved*, That we urge the United States Senate Foreign Relations Committee and the entire United States Senate to reject the nomination and to restore the federal law which barred diplomatic relations with the Vatican; and

Be it further *Resolved*, That we urge President Clinton to reconsider his position and revoke diplomatic relations with the Vatican; and

Be it finally *Resolved*, That we assure Roman Catholics that we are not acting on the basis of any bigotry against them, their spiritual leader or their strongly held convictions and that we express our desire to continue working with Roman Catholics on moral, social and public policy issues of mutual agreement.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will return to the consideration of legislative session.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Zaroff, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON HAITI—MESSAGE FROM THE PRESIDENT—PM 29

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), section 5 of the United Nations Participation Act of 1945 (22 U.S.C. 287c), and section 301 of title 3 of the United States Code, in view of United Nations Security Council Resolution No. 841 of June 16, 1993, and in order to take additional steps with respect to the actions and policies of the *de facto* regime in Haiti and the national emergency described and declared in Executive Order No. 12775, I hereby report that I have exercised my statutory authority with respect to Haiti and issued an Executive order that:

—Blocks all property of any Haitian national providing substantial financial or material contributions to the *de facto* regime in Haiti, or doing substantial business with the *de facto* regime in Haiti, as identified by the Secretary of the Treasury, that is or comes within the United States or the possession or control of United States persons. The proposed order defines the term "Haitian national" to mean a citizen of Haiti, wherever located; an entity or body organized under the laws of Haiti; and any other person, entity, or body located in Haiti and engaging in the importation, storage, or distribution of products or commodities controlled by sanctions imposed on Haiti pursuant to resolutions adopted either by the United Nations Security Council or the Organization of American States, or otherwise facilitating transactions inconsistent with those sanctions;

—Prohibits the sale or supply, by United States persons, or from the United States, or using U.S.-registered vessels or aircraft, of petroleum or petroleum products or arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, police equipment and spare parts for the aforementioned, regardless of origin, to any person or entity in Haiti or to any person or entity for the purpose of any business carried on in or operated from Haiti, and any activities by United States persons or in the United States which promote or are calculated to promote such sale or supply; and

—Prohibits the carriage on U.S.-registered vessels of petroleum or petroleum products, or arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, police equipment and spare parts for the aforementioned, regardless of origin, with entry into, or with the intent to enter, the territory or territorial sea of Haiti.

I am enclosing a copy of the Executive order that I have issued. The order was effective immediately.

The Secretary of the Treasury, in consultation with the Secretary of State, is authorized to issue regulations implementing these prohibitions.

United Nations Security Council Resolution 841, unanimously adopted on June 16, 1993, calls on all States to adopt certain measures which are included within those outlined above. These measures are called for in recognition of the urgent need for an early, comprehensive, and peaceful settlement of the crisis in Haiti and in light of the failure of parties in Haiti to act constructively to take steps necessary to begin the restoration of democracy.

The measures we are taking respond to the Security Council's call. They demonstrate our commitment to remain at the forefront of the international community's efforts to back up with sanctions the negotiations process being sponsored by the United Nations and the Organization of American States. These steps also demonstrate unflinching support through our foreign policy of the return of democracy to Haiti.

WILLIAM J. CLINTON.
THE WHITE HOUSE, *June 30, 1993.*

REPORT ON THE NATION'S ACHIEVEMENTS IN AERONAUTICS AND SPACE DURING FISCAL YEAR 1992—MESSAGE FROM THE PRESIDENT—PM 30

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I am pleased to transmit this report on the Nation's achievements in aeronautics and space during fiscal year 1992, as required under section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476). Not only do aeronautics and space activities involve 14 contributing departments and agencies of the Federal Government as reflected in this report, but the results of their ongoing research and development affect the Nation as a whole.

Fiscal year 1992 was a significant one for U.S. aeronautics and space efforts. It included 7 Space Shuttle missions and 14 Government launches of expendable launch vehicles (ELVs) carrying a variety of payloads ranging from NASA missions to classified payloads. In addition, there were eight launches of ELVs by commercial launch service providers operating under licenses issued by the Department of Transportation's Office of Commercial Space Transportation. On December 7, 1991, the Air Force achieved initial launch capability for the new Atlas II launch vehicle in a commercial launch by General Dynamics with support from the Air Force. The Shuttle missions included one using the Atmospheric Laboratory for Applications and Science (ATLAS-1) to study the Sun and our atmosphere, as well as the first flight of the newest orbiter, *Endeavour*, which rendezvoused with, retrieved, and replaced the perigee kick motor of the INTELSAT VI (F-3) satellite that INTELSAT controllers then deployed into its intended orbit.

In aeronautics, efforts have ranged from development of new civil and military aircraft and technologies to research and development of ways to reduce aircraft noise and improve flight safety and security.

One of the major Earth science highlights of the year was the discovery that, like the ozone layer over the Antarctic with its well-documented annual depletion, the ozone layer in the Northern Hemisphere is increasingly vulnerable to depletion by synthetic chemicals. Several Federal agencies have cooperated to study this and other environmental challenges.

Thus, fiscal year 1992 was a successful year for the U.S. aeronautics and space programs. Efforts in both areas have promoted significant advances in the Nation's scientific and technical knowledge that promise to improve the quality of life on Earth by increasing scientific understanding, expanding the economy, and improving the environment.

WILLIAM J. CLINTON.
THE WHITE HOUSE, *June 30, 1993.*

MESSAGES FROM THE HOUSE

At 1:56 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 847. An act to provide for planning and design of a National Air and Space museum extension at Washington Dulles International Airport.

H.J. Res. 213. Joint resolution designating July 2, 1993, and July 2, 1994 as "National Literacy Day".

The message also announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 88. Joint resolution to designate July 1, 1993, as "National NYSP Day."

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent and referred as indicated:

H.J. Res. 213. Joint resolution designating July 2, 1993, and July 2, 1994 as "National Literacy Day"; to the Committee on the Judiciary.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent and placed on the calendar:

H.R. 847. An act to provide for planning and design of a National Air and Space Museum extension at Washington Dulles International Airport.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-966. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report for fiscal year 1992 describing significant technology-related accomplishments; to the Committee on Armed Services.

EC-967. A communication from the Chairman of the Defense Base Closure and Realignment Commission, transmitting, pursuant to law, certified materials with responses to Commission queries and requests for additional information; to the Committee on Armed Services.

EC-968. A communication from the Chairman of the Defense Base Closure and Realignment Commission, transmitting, pursuant to law, certified materials with responses to Commission queries and a review of the ICP military value evaluation; to the Committee on Armed Services.

EC-969. A communication from the Chairman of the Defense Base Closure and Realignment Commission, transmitting, pursuant to law, certified materials with responses to Commission queries and requests for additional information with a response regarding Long Beach Naval Shipyard; to the Committee on Armed Services.

EC-970. A communication from the General Counsel of the Department of Defense, transmitting, a draft of proposed legislation "to amend title 10, United States Code, to cover civilian faculty of the George C. Marshall European Center for Security Studies"; to the Committee on Armed Services.

EC-971. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report of a certification relative to the current Future Years Defense Program; to the Committee on Armed Services.

EC–972. A communication from the Chairman of the Defense Base Closure and Realignment Commission, transmitting, pursuant to law, certified materials with responses to Commission queries and requests for additional information; to the Committee on Armed Services.

EC–973. A communication from the Chairman of the Defense Base Closure and Realignment Commission, transmitting, pursuant to law, certified materials with responses to Commission queries and requests for additional information; to the Committee on Armed Services.

EC–974. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report of a transaction involving U.S. exports to the Kingdom of Thailand; to the Committee on Banking, Housing and Urban Affairs.

EC–975. A communication from the Acting Director of the Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, a report on enforcement actions and initiatives for calendar year 1992; to the Committee on Banking, Housing and Urban Affairs.

EC–976. A communication from the Principal Deputy (Production and Logistics), Assistant Secretary of Defense, a report on the Department of Defense Metric Transition Program for fiscal year 1992; to the Committee on Commerce, Science and Transportation.

EC–977. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report on the Comprehensive Ocean Thermal Technology Application and Market Development Plan; to the Committee on Energy and Natural Resources.

EC–978. A communication from the Deputy Associate Director for Compliance (Royalty Management Program), Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROCKEFELLER, from the Committee on Veterans' Affairs, without amendment:

S. 970. A bill to amend title 38, United States Code, to codify the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans as such rates took effect of December 1, 1992, and to make a technical correction relating to the financing of discount points for certain veterans loans (Rept. No. 103–81).

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

H.R. 588. A bill to designate the facility of the United States Postal Service located at 20 South Main in Beaver, Utah, as the "Abe Murdock United States Post Office Building."

S. 464. A bill to redesignate the Pulaski Post Office located at 111 West College Street in Pulaski, Tennessee, as the "Ross Bass Post Office."

S. 1130. A bill to provide for continuing authorization of Federal employee leave transfer and leave bank programs, and for other purposes.

S. 1131. A bill to extend the method of computing the average subscription charges under section 8906(a) of title 5, United States Code, relating to Federal employee health benefits programs.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BAUCUS, from the Committee on Environment and Public Works:

Johnny H. Hayes, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for the remainder of the term expiring May 18, 1996.

Craven H. Crowell, Jr., of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for the term expiring May 18, 2002.

By Mr. NUNN, from the Committee on Armed Services:

Edwin Dorn, of Texas, to be an Assistant Secretary of Defense.

Chas. W. Freeman, of Rhode Island, to be an Assistant Secretary of Defense.

Frank G. Wisner, of the District of Columbia to be Under Secretary of Defense for Policy (Ex. Rept. No. 103–3).

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

**In the Army there are 486 promotions to the grade of colonel (list begins with Charles W. Absher) (Reference No. 37).

*Brig. Gen. George K. Anderson, USAF to be major general (Reference No. 56).

*In the Air Force there are 4 appointments to the grade of major general (list begins with Joseph E. Hurd) (Reference No. 57–2).

*In the Navy there are 6 promotions to the grade of rear admiral (lower half) (list begins with William "V" Cross) (Reference No. 63).

**In the Army there are 35 promotions to the grade of lieutenant colonel (list begins with Jeffrey F. Addicott) (Reference No. 83).

**In the Air Force there are 1,641 promotions to the grade of colonel and below (list begins with Laura Boone) (Reference No. 89).

*Lt. Gen. Johnnie H. Corns, USA to be placed on the retired list in the grade of lieutenant general (Reference No. 255).

*Vice Adm. Edward W. Clexton, Jr., USN to be placed on the retired list in the grade of vice admiral (Reference No. 256).

*LT. Gen. Thomas A. Baker, USAF to be placed on the retired list in the grade of lieutenant general (Reference No. 339).

*Gen. James B. Davis, USAF to be placed on the retired list in the grade of general (Reference No. 340).

*Maj. Gen. John G. Lorber, USAF to be lieutenant general (Reference No. 341).

*Lt. Gen. James L. Jamerson, USAF for reappointment to the grade of lieutenant general (Reference No. 342).

**In the Army there are 74 promotions to the grade of major (list begins with John B. Alumbaugh) (Reference No. 343).

*Lt. Gen. Martin J. Ryan, Jr., USAF to be placed on the retired list in the grade of lieutenant general (Reference No. 366).

*Lt. Gen. Richard J. Trzaskoma, USAF to be placed on the retired list in the grade of lieutenant general (Reference No. 367).

*Vice Adm. Henry G. Chiles, Jr., USN for reappointment to the grade of vice admiral (Reference No. 387).

*Rear Adm. (Selectee) George W. Emery, USN to be vice admiral (Reference No. 388).

**In the Air Force Reserve there are 3 appointments to the grade of lieutenant colonel (list begins with Alan R. Westrom) (Reference No. 389).

**In the Air Force Reserve there are 18 promotions to the grade of lieutenant colonel (list begins with Franklin C. Albright) (Reference No. 390).

**In the Air Force Reserve there are 14 promotions to the grade of lieutenant colonel (list begins with Jimmy L. Davis, Jr.) (Reference No. 391).

**In the Air Force Reserve there are 21 promotions to the grade of lieutenant colonel (list begins with Thomas E. Allen) (Reference No. 392).

**In the Air Force Reserve there are 58 promotions to the grade of lieutenant colonel (list begins with Gerald S. Beilstein) (Reference No. 393).

**In the Army Reserve there are 68 promotions to the grade of colonel and below (list begins with Richert Auhoy) (Reference No. 394).

**In the Army Reserve there are 20 promotions to the grade of colonel and below (list begins with Stephen L. Goff) (Reference No. 395).

**In the Army Reserve there are 37 promotions to the grade of colonel and below (list begins with James B. Cichanski) (Reference No. 396).

**In the Army there are 3 promotions to the grade of lieutenant colonel (list begins with Joyce Arnold) (Reference No. 397).

*Col. Wilfred Hessert, ANG to be brigadier general (Reference No. 427).

*Lt. Gen. James D. Starling, USA to be placed on the retired list in the grade of lieutenant general (Reference No. 428).

Total: 2,504.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRASSLEY (for himself and Mr. CONRAD):

S. 1180. A bill to amend the Internal Revenue Code of 1986 to encourage the production and use of wind energy; to the Committee on Finance.

By Mr. SIMPSON (for himself and Mr. METZENBAUM):

S. 1181. A bill to amend the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", enacted July 5, 1946 (commonly known as the Lanham Act), to require certain disclosures relating to materially altered films; to the Committee on the Judiciary.

By Mr. PELL (for himself and Mr. SIMON):

S. 1182. A bill to amend the Arms Control and Disarmament Act to strengthen the Arms Control and Disarmament Agency and to improve congressional oversight of the activities of the Agency; to the Committee on Foreign Relations.

By Mr. METZENBAUM (for himself, Mr. GLENN, Mr. LEVIN, Mr. KOHL, Mr. FEINGOLD, Ms. MOSELEY-BRAUN, Mr. SIMON, and Mr. RIEGLE):

S. 1183. A bill to amend the Federal Water Pollution Control Act to provide for confined soil disposal facilities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BROWN (for himself, Mr. GRASSLEY, and Mr. NICKLES):

S. 1184. A bill to limit the amount of indirect costs that may be incurred in conducting federally sponsored university research and development to 50 percent of the modified total direct costs related to such research and development; to the Committee on Governmental Affairs.

By Mr. GLENN:

S. 1185. A bill to provide for a pollution prevention for cities program, and for other purposes; to the Committee on Environment and Public Works.

By Mr. COHEN:

S. 1186. A bill for the relief of Olga D. Zhondetskaya; to the Committee on the Judiciary.

By Mr. DORGAN:

S. 1187. A bill to establish a Civilian Facilities Closure and Realignment Commission to reduce unnecessary spending in the Federal Government by closing or realigning duplicative, wasteful, or otherwise unnecessary civilian facilities, and for other purposes; to the Committee on Governmental Affairs.

By Mr. COVERDELL (for himself, Mr. FAIRCLOTH, Mr. KEMPTHORNE, and Mr. GREGG):

S. 1188. A bill to provide that Federal regulatory mandates shall not be enforced unless the cost to the States of implementing them are funded by the Federal Government; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MOYNIHAN (for himself, Mr. BAUCUS, Mr. DANFORTH, Mr. HOLLINGS, Mr. RIEGLE, Mr. DASCHLE, Ms. MIKULSKI, Mrs. FEINSTEIN, Mr. KERRY, Mr. BYRD, Mr. ROCKEFELLER, Mr. KENNEDY, and Mr. LEVIN):

S. Res. 126. A resolution to express the sense of the Senate that the identification of trade liberalization priorities under "Super 301" should be made permanent; to the Committee on Finance.

By Mr. COCHRAN (for Mr. DOLE):

S. Res. 127. A resolution to print as a Senate document a collection of statements made in tribute to the late First Lady of the United States, Patricia Ryan Nixon; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY (for himself and Mr. CONRAD):

S. 1180. A bill to amend the Internal Revenue Code of 1986 to encourage the production and use of wind energy; to the Committee on Finance.

WIND ENERGY INCENTIVES ACT OF 1993

Mr. GRASSLEY. Mr. President, today I am introducing the Wind Energy Incentives Act of 1993, and I do this along with the help and cosponsorship of our distinguished Senator from North Dakota [Mr. CONRAD]. Our legislation will build upon the renewable energy production tax credit that I sponsored in the last Congress, and that was included as part of the Energy Policy Act of 1992, which President Bush signed into law in October of last year.

The production credit provides a 1.5-cent-per-kilowatt incentive for the production of electricity by wind energy or closed-loop biomass.

Our Nation imports nearly 50 percent of our energy needs, which as we all know is not only dangerous but of course very costly to the American taxpayer. Even in my own State of Iowa, we are currently an energy importing State. What makes energy, and particularly wind energy exciting is the fact that many States like my State of Iowa have an incredible potential for wind energy production.

There are a number of wind energy projects in Iowa and elsewhere that are already either producing electricity or are in the process of doing so. With all the costs factored in, wind energy can produce electricity at nearly half the cost of fossil fuels. And, of course, the supply of wind energy is unlimited. We strengthen ourselves both from the standpoint of improving our unfavorable balance of trade because we import so much oil, and we are more energy independent, which is very important for national security purposes.

Although the new production credits are extremely helpful in creating more renewable energy, there are further steps that need to be taken to broaden the use and effectiveness of wind energy, way beyond what was included in the legislation that I had passed last year.

One effective way to increase wind energy production is to apply the existing section 48 investment tax credit to small wind turbines used primarily by farmers to generate electricity for agricultural purposes. This will be very beneficial in regard to individuals producing renewable energy. Farmers could become energy independent and then turn around and sell off excess energy to others.

On the corporate side, if a company is under the alternative minimum tax, it cannot take effective advantage of the section 45 production credit. Therefore, under our bill, companies producing electricity from wind energy will be able to offset 25 percent of their minimum tax with the credit that we propose. This would then be a tremendous boost, Mr. President, to further incentives for wind energy production.

We need to remedy these problems, and do it as soon as possible. Americans are in danger of losing the technological edge that we have in renewable energy production. We need to make the energies of the future the energies of today. We believe we can do that through this tax credit. This will all mean new jobs; it will mean a healthier environment, and independence from foreign oil.

So I urge my colleagues to join the distinguished Senator from North Dakota [Mr. CONRAD] and myself in this effort that I propose here in the introduction of this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Wind Energy Incentives Act of 1993".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2 ENERGY-RELATED PRODUCTION CREDITS MAY OFFSET 25 PERCENT OF MINIMUM TAX.

(a) IN GENERAL.—Section 38(c) (relating to limitation based on amount of tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) ENERGY CREDITS MAY OFFSET 25 PERCENT OF MINIMUM TAX.—

"(A) IN GENERAL.—In the case of the energy credit—

"(i) this section and section 39 shall be applied separately with respect to such credit, and

"(ii) for purposes of applying paragraph (1) to such credit—

"(I) 75 percent of the tentative minimum tax shall be substituted for the tentative minimum tax under subparagraph (A) thereof, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the energy credit).

"(B) ENERGY CREDIT.—For purposes of this paragraph, the term 'energy credit' means the portion of the credit under subsection (a) which is attributable to the credit determined under section 45(a)."

(b) CONFORMING AMENDMENT.—Section 38(d) is amended by adding at the end the following new paragraph:

"(4) SPECIAL RULE FOR ENERGY CREDIT.—Notwithstanding paragraphs (1) and (2), the energy credit described in subsection (b)(8) shall be treated as used last."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after June 30, 1993.

SEC. 3. SMALL WIND TURBINES ELIGIBLE FOR ENERGY CREDIT.

(a) IN GENERAL.—Subparagraph (A) of section 48(a)(3) (defining energy property) is amended by striking "or" at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

"(ii) equipment which uses wind energy to generate electricity but only if such equipment has a rated capacity of 50 kilowatts or less and is not primarily used in the trade or business of producing electricity for sale to an unrelated person, or".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property placed in service after December 31, 1993.

SEC. 4. LESSEES ELIGIBLE FOR CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) IN GENERAL.—Paragraph (3) of section 45(c) (defining qualified facility) is amended by striking "owned by taxpayer" and inserting "operated by the taxpayer".

(b) CONFORMING AMENDMENT.—Paragraph (3) of section 45(d) (relating to production attributable to the taxpayer) is amended to read as follows:

"(c) In the case of a facility in which more than 1 person has an interest, except to the extent prescribed in regulations, production from the facility shall be allocated among such persons in proportion to their respective interests in the gross sales from the facility."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to facilities originally placed in service after June 30, 1993.

SEC. 5. SECTION 45 ELIGIBILITY PERIOD.

Paragraph (3) of section 45(c) (defining qualified facility) is amended by striking "December 31, 1993" and inserting "June 30, 1993".

Mr. CONRAD. Mr. President, I would like to commend my colleague from Iowa, Mr. GRASSLEY, for introducing the Wind Energy Incentives Act. I am proud to be an original cosponsor of this legislation. This bill takes an important step in encouraging the development of wind energy, which is one of the most promising and abundant potential sources of clean, renewable energy.

The United States faces a serious energy problem. Energy is essential to all forms of economic activity, but we have grown increasingly dependent on energy imports. As oil imports have expanded to roughly half of domestic consumption, energy imports have grown to make up over half the U.S. trade deficit.

These figures should cause serious concern. The United States is increasingly at the mercy of foreign oil producers, and it is draining our economy. We need to take action to limit the danger of our growing dependency on energy imports.

Last year Congress passed and the President signed the Energy Policy Act, which takes a number of important steps toward reducing this dependency. This landmark act puts America on the track toward greater energy efficiency, greater use of domestic, renewable energy resources, and reduced dependence on foreign energy sources.

Renewable energy can provide tremendous economic benefits to our country. By using energy from wind, from the Sun, from crops, and from the heat of the Earth, we will be keeping more of the money we spend on energy at home and sending less of it overseas. In addition, these renewable sources provide energy in a safe and nonpolluting way. They produce no carbon dioxide and provide an important hedge in case growing concerns over potential climate change prove justified.

Renewable energy will benefit the entire country, but the benefits will be greatest in rural areas where most of the energy will be generated. My home State of North Dakota has abundant wind energy resources, more than any other State. According to a study by the Pacific Northwest Laboratory, North Dakota has enough wind energy potential to provide 36 percent of the electricity needs for the entire United States, making it the Saudi Arabia of wind energy.

In spite of these promising projections, renewable energy faces many barriers before it can make greater contributions to our country's energy supply. In many cases the technology is not yet mature or is available only at a price that is too high to compete in today's energy market. Utilities are often reluctant to adopt new energy forms that may require them to rethink the way they operate.

In the case of wind and energy crops, the Energy Policy Act took a big step toward reducing these barriers by opening up access to electric transmission capacity and by providing a temporary tax credit of 1.5 cents per kilowatt hour for the production of electricity from those sources. This credit is meant to reduce the cost of these renewable energy sources to make them competitive with conventional energy sources. It is also meant to encourage the development of these new resources to the point where economies of scale enable them to compete in their own right. That is why the credit expires after 10 years.

But the wind energy production tax credit suffers from some important limitations due to other features of the Tax Code. Because utilities are often reluctant to invest in wind energy, most wind energy development is done by independent companies set up for that purpose. These companies must make heavy capital investments that take them years to recoup. They may have no taxable income against which to apply the credit, or they may be subject to the alternative minimum tax, which the credit cannot currently offset.

The Wind Energy Incentives Act contains two provisions to expand the availability of the wind energy production tax credit in that situation. First of all, it allows the credit to offset 25 percent of the alternative minimum tax. Unlike the intangible drilling and depletion allowances for the oil and gas industries, it cannot completely eliminate a taxpayer's obligation under the alternative minimum tax.

A second provision makes the credit available to the operators of leased wind energy equipment. This allows business arrangements under which the owner of that equipment makes the expensive capital investment and the operator takes the production credit against current income.

In offering this provision, it is not our intention to place undue restrictions on the owners who maintain effective control of wind energy equipment even when they do not operate it directly. Owners who choose to operate their equipment indirectly through a management contract would still be eligible for the credit.

Both of these provisions would restore the intent of the wind energy production tax credit, to reduce the cost of wind relative to other energy sources.

Wind energy offers great promise for putting America on the road to greater energy independence and economic prosperity. The technology is there to make it affordable, but utilities are still reluctant to make the investment. The Wind Energy Incentives Act will reduce the barriers to this investment by making available to independent investors the wind energy production tax credit. I urge my colleagues to join me in taking this step toward energy independence.

By Mr. SIMPSON (for himself and Mr. METZENBAUM):

S. 1181. A bill to amend the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", enacted July 5, 1946 (commonly known as the Lanham Act), to require certain disclosures relating to materially altered films; to the Committee on the Judiciary.

FILM DISCLOSURE ACT OF 1993

Mr. SIMPSON. Mr. President, today on behalf of myself and Senator METZENBAUM—and again, I mention that the tributes to him were well deserved yesterday. I think he enjoyed it. Those of us who have worked with him certainly enjoyed it. He is a very special Member of this body. I have come to enjoy him and admire him greatly.

But on behalf of Senator METZENBAUM and myself, I introduce the Film Disclosure Act of 1993.

This bill addresses an activity that is personally disturbing to me: the alteration of a film creator's work by the owners of exhibitors of that film without adequate notice to the public on the extent of the alterations and the involvement of the creators in the alterations.

Quite frankly, I find the colorization of such black and white classic films as

"Lost Horizon," "Casablanca," and the "Maltese Falcon," to be demeaning and wholly inappropriate—unfair, if you will.

I strongly believe that greater protections are needed to preserve the artistic integrity of one of America's truly significant contributions to the art world: motion pictures.

I happen to be personally associated and a friend of one star of Hollywood, Isabel Jewel, who played the female lead in "Lost Horizon." She was a young lady from Shoshoni, WY. I remember her love of that particular movie, and I remember how she told me of it when I was a lad. And to see that taken from the director's hands and then altered, even though that director may no longer be with us, was to me a repugnant thing.

I also realize that authors of the film are usually not the owners. I recognize that. I always want to be very cautious about limiting the rights of an owner of the film.

But the bill that my cosponsors and I have introduced only requires that labels be placed on films that are materially altered. We are not out to disparage anyone, to belittle anyone. That is not the purpose of the legislation.

The label must describe the alteration, and it must indicate whether the film's creative authors—the director, screenwriter, or cinematographer—object to the alteration.

This bill does nothing more than that. This bill does not prevent the altered film from being shown or sold.

This bill does not prevent or delay the film from moving from theaters to television, video stores, and other nontheatrical formats.

Further, the label required under this bill does not, in any way, disparage, demean, or defame the altered motion picture.

Nonetheless, this bill does provide important information to film audiences. It informs them about how a film has been changed from its creators' original conception.

I believe that it is in the finest spirit of a free market for consumers to be well informed. That is what this bill attempts to achieve.

In addition, I believe that some film authors are inhibited from making films when they know that they cannot inform their audience that their original works have been materially altered. This bill would perhaps limit that inhibition somewhat, and perhaps more films—or more authentically conceived films—would be made. I think that too would be a good result.

Finally, Mr. President, I want to emphasize again that the labels do not disparage the altered film, and that the existing distribution patterns in the industry would not be disturbed. And this is big, big business.

Mr. President, I am not locked in to every word in this bill, and I am certainly open to any suggestions that one might have in order to improve it.

I urge my colleagues to review this legislation and join us in cosponsorship. The Subcommittee on Patents, Copyrights, and Trademarks held a hearing on an identical bill which I introduced in the last session of Congress. And so we have that before us, that record. I believe that was excellent testimony. I believe it will be possible to enact a meaningful, reasonable bill in this session of Congress.

I urge my colleagues to examine the proposal, and request their support.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Film Disclosure Act of 1993".

SEC. 2. FINDINGS.

The Congress finds that—

(1) motion pictures are an American art form that uniquely captures and preserves our national and cultural heritage;

(2) the integrity of a motion picture is compromised and diminished when the motion picture is sold, leased, or exhibited in a materially altered form;

(3) the public is misled when motion pictures are sold, leased, or exhibited in a materially altered form;

(4) the public has a right to know whether a motion picture which is being sold, leased, or exhibited has been materially altered;

(5) the reputation of the artistic author of a motion picture may be harmed when the original work is sold, leased, or exhibited in a materially altered form;

(6) the artistic authors of a motion picture must have the right to indicate their objections to any material alterations made to their work because otherwise the motion picture misrepresents their work;

(7) the practice of materially altering motion pictures can result in the discouragement of artistic creation in the motion picture field; and

(8) the Government has an interest in the encouragement of artistic creation through protection of an artistic author's reputation.

SEC. 3. AMENDMENT TO THE LANHAM ACT.

Section 43 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946, commonly known as the Lanham Act (15 U.S.C. 1125), is amended by adding at the end thereof the following:

"(c)(1)(A) Each public exhibition of a materially altered motion picture, and each copy of a materially altered motion picture offered to the public through sale or lease (including its film packaging), shall include a label which clearly and conspicuously discloses the following:

"(i) The film has been materially altered from the form in which it was first released to the public.

"(ii) The nature of the alteration.

"(iii) The fact of objection, if any, by the artistic authors of the motion picture to any such alteration.

"(B) Any distributor or network that proposes to exploit a materially altered film in the manner set forth in subparagraph (A) shall—

"(i) make a good faith effort to notify in writing and by registered mail and in a reasonable amount of time prior to such exploitation those individuals described in paragraph (5)(B);

"(ii) determine the objections of any individual so notified to any specific material alteration of the motion picture;

"(iii) determine the objection of any individual so notified by the questionnaire set forth in paragraph (9) to any type of future material alterations which are in addition to those specifically proposed for the motion picture to be exploited;

"(iv) include or affix the label required under subparagraph (A) prior to the public performance of a materially altered motion picture already in distribution or the initial distribution of a materially altered motion picture to any exhibitor or retail provider of motion pictures intended for home use; and

"(v) in the event of affirmative objections by the artistic author to any future material alterations, include or affix such objections to any copy of a motion picture distributed or transmitted to any exhibitor or retail provider.

"(C) Whenever a distributor or network exploits a motion picture which has already been materially altered, such distributor or network shall not be required to satisfy the obligations set forth in subparagraph (B) (i), (ii), and (iii), if—

"(i) such distributor or network does not further materially alter such motion picture; and

"(ii) such motion picture was materially altered by another distributor or network that complied fully with all of the obligations set forth in subparagraph (B).

"(D)(i) The requirement of a good faith effort under subparagraph (B)(i) is satisfied if a distributor or network that has not previously been notified by each individual in paragraph (5)(B)—

"(I) requests in writing the name and address of each such individual from the appropriate Professional Guild Registry, indicating a response date of no earlier than 30 days following the date of the request, by which the appropriate professional guild must respond; and

"(II) upon receipt of such information from the appropriate professional guild within the time specified in the request, notifies each such individual reasonably in advance of the date upon which the motion picture is to be released into any secondary market.

"(ii) The notice to the artistic author shall contain a specific date, no earlier than 30 days following the date of such notice, by which the individual so notified shall respond in accordance with subparagraph (B)(ii). Failure of the artistic author or the appropriate professional guild to respond within the time period specified shall relieve the distributor or network of all liability under subparagraph (B) (except for clause (iv) of such subparagraph);

"(E) The obligations of an exhibitor shall be limited to—

"(i) broadcasting, cablecasting, exhibiting or distributing all labels required under this section in their entirety as included with or distributed by the network or distributor of the motion picture; and

"(ii) including or affixing a label as described in paragraphs (6) and (8) on a materially altered motion picture as required under paragraph (1)(A) for any material alterations performed by the exhibitor to which the individuals described in paragraph (5)(B) have objected through the questionnaire procedure described in paragraph (1)(B)(iii).

"(F)(i) The provisions of this paragraph shall apply with respect to motion pictures intended for home use through either retail purchase or rental, except no requirement imposed under this paragraph shall apply to a motion picture which has been packaged for distribution to retail providers before the effective date of this section.

"(ii) The obligations of a retail provider of motion pictures intended for home use shall be limited to including or distributing all labels required under this section in their entirety as affixed or included by a distributor or network.

"(G) There shall be no consideration in excess of one dollar given in exchange for an artistic author's waiver of any objection or waiver of the right to object under this subsection.

"(2)(A) Any artistic author of a motion picture publicly exhibited or offered to the public through sale or lease within the United States who believes he is or is likely to be damaged by a violation of this subsection may obtain appropriate relief with respect to any violation of this paragraph without regard to the nationality or domicile of the artistic author.

"(B)(i) In any action under subparagraph (A), the court shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of an artistic author. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States—

"(I) may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found; and

"(II) shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.

"(ii) When a violation of any right of an artistic author shall have been established in any civil action arising under this section, the plaintiff shall be entitled to the remedies provided under section 35(a).

"(iii) In any action under subparagraph (A), the court may order that all film packaging of a materially altered motion picture (including film packages of motion pictures intended for home use through either retail purchase or rental) that is the subject of the violation shall be delivered up and destroyed.

"(C) No action shall be maintained under this subsection unless it is commenced within 1 year after the claim accrues.

"(3) Any disclosure requirements imposed under the common law or statutes of any State respecting the material alteration of theatrical motion pictures are preempted.

"(4) To facilitate location of a potentially aggrieved party, each individual identified in paragraph (5)(B) may notify the copyright owner of the motion picture or, as appropriate, one or more of the organizations maintaining a Professional Guild Registry. These organizations may maintain a current registry of persons so notifying them and may make available such information in their possession to facilitate the location of any individual so registered for purposes of paragraph (1)(B). No cause of action shall accrue against any of the professional guilds listed in such section for failure to create or maintain a Professional Guild Registry or for any failure to provide information pursuant to paragraph (1)(B)(i).

"(5) As used in this subsection:

"(A) The term 'film' or 'motion picture' means a theatrical motion picture after its publication.

"(B) The term 'artistic author' means—

"(i) the principal director, principal screenwriter, and, to the extent a theatrical motion picture is colorized or its photographic images materially altered, the principal cinematographer of the film; or

"(ii) in the event that an individual listed in clause (i) is deceased or incapacitated, the heir or heirs of that individual.

"(C) The term 'to colorize' or 'colorization' means to add color, by whatever means, to a published version of a theatrical motion picture originally made in black and white.

"(D) The term 'distributor' means any person, vendor, or syndicator who engages in the wholesale distribution of motion pictures to any exhibitor, network, retail provider or other person who publicly performs motion pictures by means of any technology, except such term shall not include laboratories or other providers of technical services to the motion picture, video or television industry.

"(E) The term 'heir' means any person to whom a right passes by bequest or by the applicable laws of intestate succession.

"(F) The term 'lexiconning' means to alter the sound track to conform the speed of the vocal or musical portion of a theatrical motion picture which has been the subject of time compression or expansion.

"(G) The term 'exhibitor' means any local broadcast station, cable system, airline or motion picture theatre or other person that publicly performs a motion picture by means of any technology.

"(H) The term 'material alteration' means any change, with the exception of changes excluded by this subparagraph, made to a motion picture after its publication. Material alteration includes, but is not limited to, the processes of colorization, lexiconning, time compression or expansion, panning and scanning and editing (purposeful or accidental removal of existing material or insertion of new material). Material alteration does not include insertions for commercial breaks or public service announcements, editing to comply with the requirements of the Federal Communications Commission (in this subsection referred to as the 'FCC'), transfer of film to videotape or any other secondary media now in existence or developed hereafter, preparation of a motion picture for foreign distribution (subtitling and editing limited to those alterations made under foreign standards which are no more stringent than existing FCC standards) or legitimate film preservation activities (the primary purpose of which is the restoration of the motion picture to its original version).

"(I) The term 'network' means any person who distributes motion pictures to broadcasting stations or cable systems on a regional or national basis for public performance on an interconnected basis.

"(J) The term 'panning and scanning' means the process by which a motion picture, composed for viewing on theatre screens, is adapted for viewing on television screens by modification of the aspect ratio (ratio of width to height) of the motion picture and the selection, by someone other than the motion picture's principal director, of some portion of the entire picture for viewing.

"(K) The term 'Professional Guild Registry' means a list of names and addresses of persons readily available from the files of (i) in the case of directors, the Directors Guild of America (DGA); (ii) in the case of screenwriters, the Writers Guild of America-West (WGA-W) and the Writers Guild of America-East (WGA-E); and (iii) in the case of cinematographers, the International Photographers Guild (IPG), and the American Society of Cinematographers (ASC).

"(L) The term 'publication', with respect to a motion picture, means the first paid public exhibition of the work following previews, trial runs and festivals.

"(M) The term 'retail provider' means the proprietor of a retail outlet that sells or leases motion pictures for home use.

"(N) The term 'secondary media' means any medium, including but not limited to video cassette or video disc, other than television broadcast or theatrical release, now in existence or hereafter developed, by which motion pictures are sold, leased, or distributed to the public.

"(O) The term 'syndicator' means any person who distributes a motion picture to a broadcast television station, cable television system, or any other means of distribution by which programming is delivered to television viewers.

"(P) The term 'motion picture' means a motion picture of 60 minutes duration or greater, intended for exhibition, public performance, public sale or lease. Such term does not include episodic television programs of less than 60 minutes duration (exclusive of commercials), motion pictures prepared for private commercial or industrial purposes, and advertisements.

"(Q) The terms 'time compression' and 'time expansion' mean to alter the speed of a theatrical motion picture or a portion thereof with the result of shortening or lengthening the running time of the work in order to fit the picture into a television schedule, airline schedule, or secondary media length.

"(R) The term 'vendor' means the wholesaler or packager of a motion picture which is intended for wholesale distribution to retail providers.

"(6)(A) A label for a materially altered version of a theatrical motion picture intended for public performance or home use shall consist of a panel card immediately preceding and adjacent to the commencement of the motion picture, which bears one or more of the following statements, as appropriate, in legible type and displayed on a conspicuous and readable basis:

'THIS FILM IS NOT THE VERSION ORIGINALLY RELEASED. _____ mins. and _____ secs. have been cut [or, if appropriate, added]. The [insert, if appropriate: heirs of the] director, _____ _____, and [insert, if appropriate: the heirs of the] screenwriter, _____ _____, object because this alteration changes the narrative and/or characterization. It has (also) been panned and scanned. The director and [insert, if appropriate: the heirs of the] cinematographer, _____ _____, object because this alteration removes visual information and changes the composition of the images. It has (also) been colorized. Colors have been added by computer to the original black and white images. The director and cinematographer object to this alteration because it eliminates the black and white photography and changes the photographic images of the actors. It has (also) been electronically speeded up (or slowed down). The director objects because this alteration changes the pace of the performances.'

"(B) A label for a motion picture that has been materially altered in a manner not described by any of the label elements set forth in subparagraph (A) shall contain a statement similar in form and substance to those set forth in subparagraph (A) which accurately describes the material alteration and the objection of the artistic author.

"(7) A label for a motion picture which has been materially altered in multiple ways, or of which an individual served as more than one artistic author, including the principal director and principal screenwriter, need only state the name of the artistic author once, in the first objection of the artistic author so listed. In addition, a label for a motion picture which has been materially altered in multiple ways needs only state once, at the beginning of the label: THIS FILM IS NOT THE VERSION ORIGINALLY RELEASED.

"(8) A label for a film package of a materially altered motion picture shall consist of—

"(A) an area of a rectangle on the front of the package which bears, as appropriate, one or more of the statements listed in paragraph (6) in a conspicuous and legible type in contrast by typography, layout, or color with other printed matter on the package; and

"(B) an area of a rectangle on the side of the package which bears, as appropriate, one or more of the statements listed in paragraph (6) in a conspicuous and legible type in contrast by typography, layout, or color with other printed matter on the package.

"(9) The questionnaire required under paragraph (1)(B)(iii) shall consist of the following statement and related questions:

'In order to conform [insert name of motion picture], of which you are an "artistic author" (or the heir thereto), to ancillary media such as television, airline exhibition, video cassettes, video discs, or any other media hereafter developed, do you object to:

'(a) Editing (purposeful or accidental deletion or addition of program material)?

Yes__________ No__________

'(b) Time compression/time expansion/lexiconning?

Yes__________ No__________

'(c) Panning and scanning?

Yes__________ No__________

'(d) Colorization, if the motion picture was originally made in black and white?

Yes__________ No__________

'(e) If the artistic author of the motion picture listed above is deceased or incapacitated, are you the heir of the artistic author?

Yes__________ No__________' ".

SEC. 4. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendment made by this Act shall take effect on the date of enactment of this Act.

(b) SPECIAL RULE.—Paragraphs (1) and (2) of section 43(c) of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (commonly known as the Lanham Act) (as added by section 3 of this Act) shall take effect 180 days after the date of the enactment of this Act.

By Mr. PELL (for himself and Mr. SIMON):

S. 1182. A bill to amend the Arms Control and Disarmament Act to strengthen the Arms Control and Disarmament Agency and to improve congressional oversight of the activities of the Agency; to the Committee on Foreign Relations.

ARMS CONTROL AND NON-PROLIFERATION ACT OF 1993

Mr. PELL. Mr. President, today the Senator from Illinois [Mr. SIMON] and I are introducing the Arms Control and Non-Proliferation Act of 1993. This bill would strengthen and rejuvenate the Arms Control and Disarmament Agency by redirecting its energies to the arms control challenges of the future. It would build upon the Agency's solid core to recreate the Agency as the strong and forceful entity envisaged when ACDA was created in 1961 in the first year of the Kennedy administration.

In 1991, the Committee on Foreign Relations, concerned by the reduced stature and effectiveness of the Arms Control and Disarmament Agency, approved unanimously an amendment offered by Senator SIMON requiring a report by the State-ACDA inspector general, not later than December 15, 1992, with regard to the Agency's fulfillment of the primary functions specified in law. The amendment specified:

> Such report shall address the current ability and performance of the Agency in carrying out these functions and shall provide detailed recommendations for any changes in executive branch organization and direction needed to fulfill these primary functions.

The inspector general, Sherman Funk, appointed a panel, led by Ambassador James F. Goodby, to prepare the report. After a wide-ranging and thorough effort, the report was submitted to President Bush and the requesting committees in December. The panel judged that two concepts are most likely to promote U.S. national interests and meet the challenges of our changed world: Either refocus and rejuvenate ACDA as a separate agency or fold it into the State Department.

The panel opted for a reshaped and rejuvenated ACDA. Mr. Funk wrote:

> The review concluded that it remains important to the nation to have a specialized, technically competent, and independent arms control institution, and therefore recommends retaining a separate, but reorganized, refocused, and rejuvenated ACDA.

I reviewed Sherman Funk's excellent report with great care. At the same time, I weighed the judgments in a comprehensive report prepared independently by Henry L. Stimson Carter, as well as related studies by others.

It was clear from all of this assessment that ACDA could not go on as it was. It remained the only independent governmental agency in the world devoted to arms control and it retained a solid corps of professionals, but it was in sore need of nurturing. I concluded that we needed both to help it truly live up to its mandate and to give it new authorities so that it would not only have a seat at the arms control table, but a decisive voice at that table.

Accordingly, I directed the preparation of a draft bill that would strengthen the Agency and maintain its independence. I sent the bill to the National Security Council for review. At the same time, at my initiative, the committee staff was working with ACDA, State, and NSC officials to identify areas of agreement and to see whether common agreement on strengthening could be reached.

Many in the Department of State favored absorption of ACDA by State. Others preferred an independent role for ACDA. Those who favored absorption believe sincerely that there could be major cost savings. My own review indicated that the cost savings would only be realized by cutting people and activities. To realize the savings envisaged, experts would have had to be put out on the street and with them their expertise.

According to a study by Steven A. Hildreth for the Congressional Research Service:

> A new analysis of State's proposal suggests the estimated annual cost savings in the near term may only be about $3 million or less. This figure could vanish although if the State Department created new positions to replace those assumed to be abolished by the proposed transfer. Abolishing ACDA, therefore, is not likely to save money without a substantial RIF or statutory enactment. None of these analyses included the additional costs of shutting down ACDA.

Moreover, according to the study:

> The major current alternative to the State Department's proposal is to attempt to strengthen or revitalize ACDA. Most of the proposals for revitalizing ACDA do not cost money.

Mr. President, throughout this process of review and assessment, I worked closely with Secretary of State Christopher and the President's National Security Adviser, Anthony Lake. The President has also been involved.

I had a discussion regarding ACDA just before the Memorial Day weekend with Secretary Christopher. During that weekend, the Secretary made the courageous and farsighted decision that he favored a strong and real Agency and would so recommend to the President. At the same time, he expressed the deep belief that ACDA should remain part of the Department of State.

On the basis of this decision, I directed the preparation of this bill, which contains key portions of my original bill as well as suggestions by the executive branch. Since the Secretary's decision, we have been working to reach a meeting of the minds with the executive branch. We have come a substantial distance. There remain several key areas of disagreement, but the administration is working to resolve as many differences as possible internally with an eye to reaching agreement with Congress. I anticipate that will be a productive process.

The bill has four principal components. First, it amends the Export Administration Act in order to give the Director the authority to stop, unless otherwise directed by the President, dual-use arms exports. This authority is conferred by means of requiring the Director's concurrence on such actions at the interagency level within the executive branch.

Second, the bill provides for similar authority to be given to the Director in the area of nonproliferation. Specifically, the Arms Export Control Act and the Atomic Energy Act are amended to ensure that decision relating to export licenses and programs relating to nuclear cooperation may not go forward if the ACDA Director does not concur, unless the President decides to the contrary.

Third, the bill establishes that ACDA, under the direction of the President, the Secretary of State, and the National Security Council, will be the central organization within the Government for the formulation and implementation of U.S. policy on arms control and nonproliferation. While ACDA will function within the interagency process, it thus will play a key role in arms control and nonproliferation by working directly with the President, the Secretary of State, and the NSC. Furthermore, the bill makes clear that ACDA will be the lead interagency unit responsible for coordinating and backstopping all U.S. negotiations relating to both arms control and nonproliferation. U.S. representatives conducting such negotiations will act through the Agency Director. Moreover, special representatives for arms control and nonproliferation, specifically created by the bill, will serve as the lead U.S. negotiators to international organizations relating to the field of nonproliferation, such as the International Atomic Energy Agency.

Finally, the bill represents a significant streamlining of ACDA's statutory reporting requirements. ACDA will have to provide only one annual report to Congress, which will be an amalgamation of the old ACDA annual report and the annual Pell compliance report. The new report would require a detailed statement of the preceding year's arms control and nonproliferation efforts of executive branch as well as an assessment for the forthcoming year. The report also would analyze U.S. adherence to arms control and nonproliferation agreements and the adherence of other parties to such agreements.

Mr. President, I want to underscore, once again, my belief that this bill sets the stage for legislation that will be satisfactory to both the Congress and the executive branch. In a letter to me on May 11, the President offered this assurance:

> Our key consideration will be how best to ensure that the Administration is most effectively organized to respond to the high priority that I place on arms control and nonproliferation.

I anticipate that we will be able to work together to good effect. I know there is a strong interest here on the Hill in a rejuvenated and effective arms control agency. I see that interest reflected in the executive branch and I am convinced that Secretary Christopher will do his best to assure a successful outcome.

Mr. SIMON. Mr. President, I am pleased to introduce this bill to revitalize the Arms Control and Disarmament Agency [ACDA] today with the distinguished chairman of the Foreign Relations Committee, Senator CLAIBORNE PELL. Our bill is the culmination of years of work on this subject, and we believe it will make ACDA a serious player in the national security bureaucracy.

The fact that no ACDA Director has been named to date tells me that the Agency needs a boost. Particularly now that nuclear nonproliferation and export controls have become front burner arms control issues, we need to have a strong leader at the helm, capable of challenging business as usual, directly advising the President on these critical problems.

For years there has been talk of folding the Agency into the State Department. In December 1991, I had an amendment adopted on the ACDA bill directing the State Department inspector general to report on ACDA and executive branch organization on arms control. The report was issued a year later, in December 1992, arguing that we ought to have a strong, independent agency. The study, overseen by Inspector General Sherman Funk and chaired by retired Ambassador James Goodby, made the following recommendation:

> A separate agency is the better solution in order to provide a continuing resource for technical analysis and support in the arms control field, to be an advocate for arms control solutions, to foster innovation, and to serve as a watchdog on issues of arms control implementation and nonproliferation * * * all these objectives can be achieved more efficiently and effectively by a separate, independent agency.

And that is what we should have: a strengthened, rejuvenated Agency as independent as we can make it.

I want ACDA to be a leading advocate for arms control, not arms proliferation. I want the ACDA Director to say "no" to exports that threaten our national security, but in order to do so he or she has to be at the table and have a veto on whether certain exports go forward. The simple facts are that through the years, in both Republican and Democratic administrations, the Commerce and State Departments too often have pushed questionable exports. That may be how they view their job, but I want an ACDA whose job it is to weigh in against questionable export licenses.

I want the ACDA Director to manage all arms control negotiations as well, not just those any given Secretary of State deems appropriate. I want ACDA to negotiate the nuts and bolts of nonproliferation treaties, recognizing that the State Department ought to negotiate political agreements or arrangements that bear on nonproliferation. and I want ACDA to be able to follow through on implementation of treaties.

The ACDA Director ought to be viewed in the same light as the Chairman of the Joint Chiefs of Staff. The job should be filled, in any administration, by someone who has a professional or political command of arms control and nonproliferation issues. The Director ought to be able to directly provide the President of the United States with arms control advice, and should be the principal adviser to the President on these issues. The Director ought to be at every National Security Council meeting bearing on arms control. We can't legislate this kind of access, but we can certainly lay a foundation to make the ACDA Director a more powerful force to be reckoned with in the councils of government.

By Mr. METZENBAUM (for himself, Mr. GLENN, Mr. LEVIN, Mr. KOHL, Mr. FEINGOLD, Ms. MOSELEY-BRAUN, Mr. SIMON, and Mr. RIEGLE):

S. 1183. A bill to amend the Federal Water Pollution Control Act to provide for confined soil disposal facilities, and for other purposes; to the Committee on Environment and Public Works.

GREAT LAKES CLEAN WATER AMENDMENTS ACT OF 1993

Mr. METZENBAUM. Mr. President, I am today introducing legislation on behalf of myself, Senator GLENN, Senator RIEGLE, Senator LEVIN, Senator KOHL, Senator FEINGOLD, Senator SIMON, Senator MOSELEY-BRAUN. This legislation will protect the largest supply of fresh water on Earth—the largest supply of fresh water on Earth: The five Great Lakes of the United States and Canada.

It is impossible to overstate the importance of the Great Lakes—their value as a source of fresh water, food, transportation, and recreation.

They are the highway of shipping and commerce in the Nation's most industrialized region, stretching from the iron mountains of Minnesota through the great manufacturing cities of Detroit, Chicago, Cleveland, and Buffalo.

They are an unparalleled fishing and recreational resource.

They are the primary source of drinking water for millions of Americans.

The unbelievable fact is they constitute over half of the fresh surface water on Earth.

Yet the shorelines, the tributaries, the open lakes themselves are in danger. They are endangered by industrial pollution, agricultural runoff, municipal sewage, even the oil and grease running off city streets.

Earlier this year, I introduced legislation to protect the water quality of the Great Lakes. Specifically, the bill would better manage the disposal of polluted lake sediments that must be dredged regularly from the rivers and harbors in order to maintain shipping.

Sometimes these sediments are so polluted they must be confined in disposal facilities. Sediments that are only mildly polluted are simply dumped in the lakes.

The threat to human health presented by polluted sediments—whether they are confined or dumped—is very real. Food chain poisoning, which begins with the fish, winds up on the dinner table.

According to a National Research Council report, neuromuscular impairment, small birth weight, and smaller head size in infants was pronounced in mothers who ate toxic laden Lake Michigan fish only twice a month. Pollution in the lakes is a bad situation getting worse.

This year, the Senate will consider reauthorization of the landmark Clean Water Act. I believe it is important that within the context of that debate, we pay special attention to the unique problems of the Great Lakes.

That is what this bill would do. The bill includes the sediment control provisions of the legislation I introduced earlier in the year. That legislation required that all of the existing—and any new—confined polluted sediment facilities have management plans that include provisions for reclaiming the land and monitoring it after the facility is closed. It given the Environmental Protection Agency a much larger role in deciding how these sediments will be managed and disposed—an area that heretofore has been almost exclusively within the jurisdiction of the U.S. Army Corps of Engineers.

It is a fact, Mr. President, that the corps' decisions on how best to manage and dispose of dredged materials are based on cost. That is not the only question. I know that to be the case because for years we had sediments dredged from Toledo Harbor—sediments that the Ohio Environmental Protection Agency says were polluted—but which the corps dumped into Lake Erie anyway because it was cheaper to dump than to dispose of the polluted sediments properly in confined facilities.

The bill we are introducing today also addresses the issue of sediment accumulation. It requires the Corps of Engineers to measure sediment loadings into the major tributaries of the lakes with a view toward undertaking projects designed to reduce sedimentation.

Third, the bill reauthorizes the Clean Water Act's contaminated sediments program. The provision will allow five full-scale technology cleanup demonstrations at toxic hot spots identified within the Great Lakes.

Mr. President, this is a good example of what Vice President GORE has been talking about when he says that concern for the environment can be good for business. This is a wide open area that is begging for some smart entrepreneur to come up with a few good ideas about how to go about cleaning up these sediments safely.

Fourth, the bill provides incentives to Great Lakes industries to install new pollution prevention technologies. It also gives towns and cities technical help in reducing the run-off from streets and parking lots that pollute the lakes.

Fifth, the bill coordinates and increases funding for the Great Lakes research efforts now carried out by several government agencies.

Sixth, the bill sets deadlines for EPA action on developing five lakewide plans that set out the long-term strategy for restoring, protecting, and maintaining high quality water.

Finally, the bill creates a revolving fund into which penalties from Great Lakes specific water quality violations will be deposited, thus creating a source of funding for Great Lakes water quality programs.

Mr. President, I believe this a solid and comprehensive bill. It goes to the source of the toxics polluting the lakes—it has cleanup, it has management—and it looks to the future.

In my lifetime—certainly in the lifetime of my grandchildren—I hope to see the lakes the way they were when the Europeans first came to this country—abundant with wildlife, teeming with fish safe to eat—pristine shorelines and beaches at which people can swim and enjoy the water.

That is why this bill is important.

I hope my colleagues will support it, and I will work to move this measure as a part of the broader effort to reauthorize the Clean Water Act.

Mr. FEINGOLD. Mr. President, this bill means a lot to me, as it does to everybody in my home State of Wisconsin. As a matter of fact, when the Senator from Ohio talks about children in future generations and the Great Lakes, I very personally relate to that. Next week, during the recess, I hope to spend 1 whole week on one of the Great Lakes on Madeline Island on Lake Superior. It is not only a beautiful site, but also a site of many family memories where we spend our family vacation every year.

That is what the Great Lakes are for so many people from not only Wisconsin and the Midwest, but the whole country. That is why this legislation is so terribly important, and I credit the Senator from Ohio for his leadership on it.

In particular, there are two items that I find extremely important and that I am interested in working on. One is the very strong provisions and help that this would give in terms of the sediment problem in the Great Lakes: Sediment management proposals, sediment reduction also the very important issue of sediment cleanup.

Recently in Green Bay, WI, I met with officials of the Department of Natural Resources who outlined for me very clearly the great problems with the sediment, but also what a reasonable amount of funding can do to actually clean up the mess and make those lakes for more available for human uses, and also for, of course, the animal life that lives in the waters.

The other piece that I think is extremely exciting is the commitment to further work in the area of pollution prevention, stopping the waste before it gets into the water, working voluntarily with incentives for business to try to prevent the pollution in the first place. That is easier than cleaning up the mess after the fact.

I would like to take a moment to talk about the specifics of the Great Lakes Clean Water Act amendments. They are a comprehensive effort to clean up our existing contamination, reduce the volume of runoff, and particularly to reduce our polluted runoff. We will test new sediment cleanup technologies, establish requirements for dredged sediment disposal, provide incentives to industry for pollution prevention, and provide a mechanism for enforcement penalties to be reinvested into cleanup areas.

As you know, Mr. President, the Great Lakes are one connected ecosystem. A single State, acting alone could not hope to solve its pollution problems because the sediments and contamination are continuously shifting. I am very happy, for this reason, to be a part of this cooperative effort for the entire Great Lakes region.

As it so happens, in the Wisconsin State Senate I was able to author Wisconsin's first law to seek very similar toxic waste management, to stop the pollution in the first place on a voluntary basis by combining some Government money, matching funds with those companies that were willing to do waste management audits within their companies.

In addition to providing 30 grants annually to industry for waste reduction audits, the measure also established an education and technical assistance program with the University of Wisconsin.

This has worked well in Wisconsin and this Great Lakes bill looks to me like a bill that will have very positive results on a national level to assist us in the Great Lakes area.

So I see these two things as extremely valuable. I again give great credit to the Senator from Ohio and the other Senators supporting this.

The last thing I would like to say is that I hold the seat in the U.S. Senate that used to be held by Senator Gaylord Nelson, the father of Earth Day, as we call him back home, and truly one of the greatest environmentalists to ever serve in this body. Given that fact alone, I felt I could do no less than to come out here and support this legislation and, again, credit the Senator from Ohio for his leadership and his great work in this area and all other areas. I am honored to work with him.

Mr. GLENN. Mr. President, I rise today in support of the Great Lakes Clean Water Act Amendments of 1993, of which I am an original cosponsor. As cochair of the Senate Great Lakes Task Force, I would like to acknowledge the efforts of my colleague, Senator METZENBAUM, in introducing this omnibus Great Lakes bill.

As members of the Great Lakes Senate delegation, we continually strive for better environmental protection for this huge and irreplaceable fresh water resource which we are so fortunate to have in our backyards. The lives of millions of Americans are interwoven with the Great Lakes which are a source of their drinking water, their livelihoods, their recreation, and their inspiration.

Yet, according to the EPA, fishing and swimming is not what it should be along a full 90 percent of the Great Lakes' U.S. shoreline. Picturesque harbors contain contaminated and harmful bottom sediments, and all of our Great Lakes States issue advisories to warn the public of potential health risks of eating too many of certain kinds of Great Lakes fish. This situation is unacceptable.

This year, we have special legislative opportunities to help the Great Lakes environment as Congress takes up the reauthorization of the Federal Clean Water Act. With 95 percent of the Nation's fresh surface water in our basin alone, we have a keen interest and a high stake in successful national and regional provisions of the clean water legislation.

Today, we are announcing the introduction of our omnibus Great Lakes Clean Water Amendments Act of 1993. This bill addresses several areas of programmatic need for the Great Lakes, including sediment management, clean up, pollution prevention and research coordination. The portions of the bill for which I am the author are the sediment reduction provision, the Pollution Prevention and Cities Program and the Great Lakes Research Council.

The Great Lakes sediment reduction provision applies the principles of pollution prevention to the sediment problem in the Great Lakes. Currently, excessive loads of sediment migrate to our Great Lakes harbors polluting them and creating high costs for removal and disposal—costs that no one wants to bear. An average of 5 million cubic yards of sediments must be dredged from Great Lakes harbors each year at an expense to the taxpayer of $33 million per year. About 50 percent of these dredge spoils are so contaminated that they are disposed of in special confined disposal facilities.

This sediment pollution of our harbors need not be a fact of life. The sediment originates upstream as runoff pollution, and to a large extent can be abated there as well. And prevention of sediment pollution in the Great Lakes will save money for all involved: The EPA; the ports and the Corps of Engineers, which are responsible for sediment removal; and even the upstream landowners who will benefit from keeping more of their soil on the land.

The sediment reduction provision of our omnibus bill will authorize and direct the U.S. Army Corps of Engineers to map out where this sediment originates on a river system-by-river-system basis, and authorizes the corps to provide technical and financial assistance for voluntary upstream best land management projects that will result in a cost savings in their dredging and disposal operations. I introduced this measure as a stand-alone last Congress, and look forward to enactment as part of the Clean Water Act this Congress.

My Pollution Prevention for Cities Program also builds our ability to stop pollution at the source. This measure will establish a technical assistance program within the EPA for municipalities within the Great Lakes basin to help them comply with new water quality rules in the most cost-effective way possible. The program is targeted at source reduction of toxic constituents in urban runoff, wastewater, and stormwater. The measure also authorizes the use of State revolving fund moneys for municipalities to implement EPA approved source reduction plans. Again, prevention is the most effective and least cost approach to pollution abatement, and cities should be provided with the assistance they need to stop pollution at its source.

The third measure of which I am the Senate author is the Great Lakes research coordination provision of the omnibus package. This provision will require that Federal agencies that conduct ecosystem research in the Great Lakes jointly develop priorities and a coordinated plan for addressing them. This measure will increase the efficiency with which we gather information so important to sound environmental protection.

I would like to conclude by stating my strong support for all aspects of the Great Lakes Clean Water Amendments Act; it is a solid, useful, and beneficial bill. I also would like to express my sincere thanks to Senator METZENBAUM for providing lead sponsorship to this measure, and guiding it through the Senate Environment and Public Works Committee.

By Mr. BROWN (for himself, Mr. GRASSLEY, and Mr. NICKLES):

S. 1184. A bill to limit the amount of indirect costs that may be incurred in conducting federally sponsored university research and developed to 50 percent of the modified total direct costs related to such research and development; to the Committee on Governmental Affairs.

FEDERALLY SPONSORED UNIVERSITY RESEARCH AND DEVELOPMENT ACT OF 1993

• Mr. BROWN. Mr. President, American colleges and universities provide essential research for the Federal Government and the public. However, for years the Government has received less research for its dollar. The culprit: rising overhead costs charged to Government. Overhead costs were limited to 20 percent of direct costs in the mid-1960's. When Congress eliminated the existing cap on these costs overhead costs skyrocketed. Overhead costs continued to rise steadily in the 1980's and now consume an average of 50 cents for every dollar spent on federally sponsored university research.

Academic institutions are fully reimbursed for the direct costs of performing research, including the salaries, materials, supplies, and services involved in the research performed. In addition, schools are allowed to charge the Government for costs such as facilities maintenance and renewal, research libraries, and salaries for administrative staff. These costs may benefit research but may not be related to one specific research project.

Schools should ensure that the overhead costs they charge to the Government are truly beneficial to the research project the Government is sponsoring. We have all heard about the General Accounting Office audits which found that some universities had charged the Government for overhead costs including things such as the depreciation of a school's yacht and the purchase of an antique fruitwood commode.

Of the $11 billion the Government will pay universities for federally sponsored research this year, nearly $3.7 billion will go to overhead costs. Because the overhead rate universities charge is not limited, some schools are allowed to add an extra 80 percent to the cost of performing research. And overhead rates are rising, not falling.

Unless caps are put into place, the Government will continue to pour money into reimbursing universities for overhead charges instead of funding actual research. Today I am introducing legislation to control the overhead costs universities charge the taxpayers. This legislation will cap the rate schools can charge at 50 percent of the modified direct cost of the research. This cap will help control the upward climb of these costs by promoting efficiency and reducing the administrative burden of rate negotiations on both universities and the Government. The Congressional Budget Office estimates this proposal will save the taxpayers $1 billion over 5 years.

This legislation will encourage schools to control their costs of federally sponsored research so that only those expenses truly needed to support research are charged to the Government.•

By Mr. GLENN:

S. 1185. A bill to provide for a pollution prevention for cities program, and for other purposes; to the Committee on Environment and Public Works.

POLLUTION PREVENTION PROGRAMS ACT OF 1993

• Mr. GLENN. Mr. President, I introduce a bill which will provide much needed assistance to municipalities in their efforts to reduce pollution into the Great Lakes. The Great Lakes are a national treasure, fundamental to our region's prosperity. They support multibillion-dollar manufacturing and recreation industries, provide drinking water to millions, and surround the basin's residents with awesome natural beauty. We must continue to support efforts to restore and protect this critical resource, and these efforts must increasingly focus on pollution prevention to ensure the wisest possible use of scarce Federal resources.

Toxic pollution continues to enter the Great Lakes from urban areas, and as requirements on cities to reduce toxic loadings into the lakes become more stringent, we need to provide cities with assistance to address the complex problems of urban pollution. In addition to existing stormwater program requirements, within 5 years cities in the Great Lakes basin, like industry, will be expected to meet standards contained in the final Great Lakes water quality guidance. EPA's estimate that the guidance will cost the basin $240 million is based on the assumption that municipalities will install prevention measures to reduce toxicants in urban stormwater. Yet it is unlikely that most municipalities will know how to do this effectively.

My bill, the Pollution Prevention for Cities Act, addresses the need to employ pollution prevention in treating urban runoff, stormwater and wastewater discharges by establishing an EPA technical assistance program for cities. Municipalities within the Great Lakes basin may apply for technical assistance from EPA to implement source reduction of toxic pollutants. In addition, the bill authorizes the Administrator of EPA to devote State revolving fund moneys to the implementation of source reduction plans. To be eligible, municipalities must set pollution reduction goals and document stakeholder interest in implementing voluntary pollution reduction measures.

The EPA is currently implementing a demonstration project which provides assistance in northeast Illinois to address the problems of urban pollution. My bill would broaden this assistance program for municipalities throughout the Great Lakes basin. In this age of environmental protection, an ounce of prevention is truly worth a pound of cure, and my bill will provide the critical assistance cities need to prevent toxic pollution in urban areas and avoid greater costs in the future.

I request unanimous consent that the full text of my bill, the Pollution Prevention for Cities Act, be printed in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1185

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. POLLUTION PREVENTION FOR CITIES PROGRAM.

(a) IN GENERAL.—Section 118 of the Federal Water Pollution Control Act (33 U.S.C. 1268) is amended—

(1) by redesignating subsections (g) and (h) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (f) the following new subsection:

"(g) POLLUTION PREVENTION FOR CITIES PROGRAM.—

"(1) APPLICATION FOR TECHNICAL ASSISTANCE.—A municipality located within the Great Lakes basin boundaries may apply for technical and financial assistance from the Administrator to implement source reduction of toxic pollutants in urban runoff, wastewater, and stormwater.

"(2) ELIGIBILITY.—To be eligible for assistance under this subsection, a municipality shall apply to the Administrator with a statement—

"(A) stating pollutant reduction goals; and

"(B) documenting stakeholder interest in implementing voluntary pollutant reduction measures.

"(3) ASSISTANCE.—The Administrator shall, for each municipality with an approved application statement—

"(A) provide technical assistance in the development of a municipal source reduction action plan; and

"(B) authorize the expenditure of State revolving fund monies pursuant to section 602(a) for the implementation of an approved source reduction plan.".

(b) CONFORMING AMENDMENTS.—

(1) REVOLVING FUNDS.—Section 601(a) of the Federal Water Pollution Control Act (33 U.S.C. 1381(a)) is amended—

(A) by striking "and" at the end of paragraph (2); and

(B) by inserting before the period at the end the following: ", and (4) for implementing a source reduction action plan that has been approved by the Administrator pursuant to section 118(g)".

(2) PROJECTS ELIGIBLE FOR ASSISTANCE.—The first sentence of section 603(c) of such Act (33 U.S.C. 1383(c)) is amended—

(A) by striking "and" at the end of paragraph (2); and

(B) by inserting before the period at the end the following: ", and (4) for implementing a source reduction action plan that has been approved by the Administrator pursuant to section 118(g)".

By Mr. DORGAN:

S. 1187. A bill to establish a Civilian Facilities Closure and Realignment Commission to reduce unnecessary spending in the Federal Government by closing or realigning duplicative, wasteful, or otherwise unnecessary civilian facilities, and for other purposes; to the Committee on Governmental Affairs.

CIVILIAN FACILITIES CLOSURE AND REALIGNMENT ACT

• Mr. DORGAN. Mr. President, last week the Base Closure and Realignment Commission made its recommendations for closing and consolidating military bases. If the President approves the Commission's report, Congress will have an opportunity to vote on the recommendations—one vote on the entire package, without modifications or amendments.

Finally, we have a fair and effective way to downsize Government. The decisions of the Base Closure Commission weren't painless, and most of us probably take exception with one or two elements of the proposal. But the process has been fair and all of us will respect the Commission's recommendations.

Today I am introducing the Civilian Facilities Closure and Realignment Act of 1993, which builds on the Base Closure Commission model to downsize Government facilities in other Federal agencies. The legislation creates a Civilian Facilities Commission, which will review the recommendations of Federal agencies and prepare one package of recommendations for the President's review. If the President approves the report, Congress has the opportunity to vote up or down on the entire package. Congressman KASICH plans to introduce companion legislation in the House.

Several colleagues have introduced similar Commission bills providing for fast-track consideration of Commission recommendations for streamlining Government. My bill is different in at least three significant ways:

First, the bill addresses only Government facilities, rather than Federal programs and policies. This focused approach ensures fast-track consideration of the kinds of issues that most often meet political pork barrel barriers in Congress. However, the bill would not attempt to change the mission of an agency or develop policy without permitting direct Congressional input and modification.

Second, the bill gives administrative agencies the first shot at finding facilities that should be closed or realigned. Most of the other Commission bills rely on the Commission to come up with streamlining proposals. My proposal recognizes that agencies often know where to cut, but are prevented from doing so by Congress or political pressures.

Third, it gives Federal agencies an incentive to find facilities to streamline or eliminate. Agencies would be permitted to keep 25 percent of the 3-year administrative savings achieved by closing or realigning a facility. The money could be used at its discretion for any projects designed to improve the agency's management, efficiency or productivity. Savings achieved by the sale of any assets would be dedicated to deficit reduction.

Mr. President, the Federal Government owns or leases more than 154,000 facilities worldwide. No one can tell me that we need every one of them.

Let me give you just one example: At least four Federal agencies currently have facilities doing research on catfish. I'm not saying catfish research isn't important or that any one of these facilities isn't pulling its weight. I'm only saying that, as we look toward downsizing Government and making it more efficient, we need to take a fair and objective look at how we can consolidate Federal facilities.

Now that the Defense Department has shown us it's possible, we need to take the next step in cutting the Federal deficit. I think the Civilian Facilities Closure and Realignment Act could take us closer to that goal.

Thank you, Mr. President. I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1187

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Civilian Facilities Closure and Realignment Act of 1993".

SEC. 2. PURPOSE.

The purpose of this Act is to reduce unnecessary spending in the Federal Government by closing or realigning duplicative, wasteful, or otherwise unnecessary civilian facilities, including facilities that—

(1) have a cost to the Federal Government that is out of proportion to the benefits provided through the facility; or

(2) fail to further any legitimate goal or mission of the administering agency.

SEC. 3. THE CIVILIAN FACILITIES CLOSURE AND REALIGNMENT COMMISSION.

(a) ESTABLISHMENT.—There is established an independent commission to be known as the "Civilian Facilities Closure and Realignment Commission".

(b) DUTIES.—The Commission shall carry out the duties specified for it in this Act.

(c) APPOINTMENT.—(1)(A) The Commission shall be composed of seven members appointed by the President, by and with the advice and consent of the Senate.

(B) No later than January 1, 1994, the President shall submit to the Senate the nominations for appointment to the Commission.

(2) In selecting individuals for nominations for appointments to the Commission, the President should consult with—

(A) the Speaker of the House of Representatives concerning the appointment of one member;

(B) the majority leader of the Senate concerning the appointment of one member;

(C) the minority leader of the House of Representatives concerning the appointment of one member; and

(D) the minority leader of the Senate concerning the appointment of one member.

(3) At the time the President nominates individuals for appointment to the Commission, the President shall designate one such individual who shall serve as Chairman of the Commission.

(d) TERMS.—Each member of the Commission shall serve until December 31, 1995, and may only be removed by the President for cause.

(e) MEETINGS.—(1) Each meeting of the Commission, other than meetings in which classified information is to be discussed, shall be open to the public.

(2) All the proceedings, information, and deliberations of the Commission shall be open, upon request, to any Member or committee of the Congress.

(f) VACANCIES.—A vacancy in the Commission shall be filled in the same manner as the original appointment, but the individual appointed to fill the vacancy shall serve only for the unexpired portion of the term for which the individual's predecessor was appointed.

(g) PAY AND TRAVEL EXPENSES.—(1)(A) Each member, other than the Chairman, shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(B) The Chairman shall be paid for each day referred to in subparagraph (A) at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(2) Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(h) DIRECTOR OF STAFF.—(1) The Commission shall, without regard to section 5311(b) of title 5, United States Code, appoint a Director who has not served as a Federal employee during the one-year period preceding the date of such appointment.

(2) The Director shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(i) STAFF.—(1) Subject to paragraphs (2) and (3), the Director, with the approval of the Commission, may appoint and fix the pay of additional personnel.

(2) The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum annual rate of basic pay payable for a position above GS-15 of the General Schedule.

(3) Upon request of the Director, the head of any Federal department or agency may detail any of the personnel of that department or agency to the Commission to assist the Commission in carrying out its duties under this Act.

(4) The Comptroller General of the United States shall provide assistance, including the detailing of employees, to the Commission in accordance with an agreement entered into with the Commission.

(j) CONSULTANTS AND PROPERTY.—(1) The Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

(2) The Commission may lease space and acquire personal property to the extent funds are available.

(k) FUNDING.—There are authorized to be appropriated to the Commission such funds as are necessary to carry out its duties under this Act. Such funds shall remain available until expended.

(l) TERMINATION.—The Commission shall terminate on December 31, 1995.

SEC. 4. RECOMMENDATIONS AND REPORT FOR CIVILIAN FACILITY CLOSURES AND REALIGNMENTS.

(a) AGENCY RECOMMENDATIONS.—(1) No later than June 1, 1994, each head of an executive agency as defined under section 105 of title 5, United States Code (except for the Secretary of Defense with regard to the Department of Defense) shall submit to the Commission recommendations for closing or realigning civilian facilities administered by such agency. The recommendations shall include a statement providing rationale for the recommended closure or realignment.

(2) The Office of Management and Budget shall submit to the Commission with each recommendation submitted under paragraph (1), an estimate of the administrative costs and savings that would result from the implementation of such recommendation for the 5 fiscal years following such implementation.

(b) REVIEW AND RECOMMENDATIONS BY THE COMMISSION.—(1) After receiving the recommendations from the heads of executive agencies under subsection (a), the Commission shall conduct public hearings on the recommendations. Such hearings shall be conducted in Washington, D.C. and in affected regions throughout the United States.

(2)(A) No later than June 1, 1995, the Commission shall submit to the President a report containing—

(i) the Commission's findings and conclusions based on a review and analysis of the recommendations made by the heads of executive agencies and from public hearings;

(ii) the Commission's recommendations for closures and realignments of Federal facilities; and

(iii) proposed legislation (containing specific language proposed to be enacted) to implement the Commission's recommendations.

(B) Subject to subparagraph (C), in making its recommendations, the Commission may make changes in any of the recommendations made by the heads of executive agencies.

(C) In the case of a change described in subparagraph (D) in the recommendations made by the heads of executive agencies, the Commission may make the change only if the Commission—

(i) publishes a notice of the proposed change in the Federal Register not less than 30 days before submitting its recommendations to the President under subparagraph (A); and

(ii) conduct a public hearing on the proposed change.

(D) Subparagraph (C) shall apply to a change by the Commission in the heads of executive agencies' recommendations that would—

(i) add a facility to the list of facilities recommended by the applicable head of an executive agency for closure;

(ii) add a facility to the list of facilities recommended by the applicable head of an executive agency for realignment; or

(iii) increase the extent of a realignment of a particular facility recommended by the applicable head of an executive agency.

(3) The Commission shall explain and justify in its report submitted to the President under paragraph (2) any recommendation made by the Commission that is different from the recommendations made by the heads of the executive agencies under subsection (a). The Commission shall submit a copy of such report to the Congress on the same date on which it submits its recommendations to the President under paragraph (2).

(4) After the Commission submits recommendations to the President under this subsection, the Commission shall promptly provide, upon request, to any Member or committee of Congress information used by the Commission in making its recommendations.

(5) The Comptroller General of the United States shall—

(A) assist the Commission, to the extent requested, in the Commission's review and analysis of the recommendations made by the heads of the executive agencies under subsection (c); and

(B) submit to the Congress and to the Commission a report containing a detailed analysis of the heads of executive agencies' recommendations and selection process, including an assessment of whether such recommendations comply with the purposes of this Act.

(c) REVIEW BY THE PRESIDENT.—(1) No later than September 1, 1995, the President shall approve or disapprove the report submitted under subsection (b)(2)(A).

(2) If the report is approved the President shall submit the report to the Congress for legislative action under section 5.

(3) If the President disapproves the report, the President shall report specific issues and objections, including the reasons for any changes recommended in the report, to the Commission and the Congress.

(4) The Commission shall consider any issues or objections raised by the President and may modify the report based on such issues and objections. No later than 30 days after receipt of the President's disapproval under paragraph (3), the Commission shall submit the final report (as modified if modified) to the Congress for legislative action under section 5.

SEC. 5. CONGRESSIONAL CONSIDERATION OF COMMISSION REPORT.

(a) DEFINITIONS.—For purposes of this section—

(1) the term "implementation bill" means only a bill which is introduced as provided under subsection (b), and contains the proposed legislation contained in the final report submitted to the Congress under section 4(c) (2) or (4) without modification; and

(2) the term "session day" means a day that both the Senate and the House of Representatives are in session.

(b) INTRODUCTION AND REFERRAL.—(1) On the first session day on or immediately following the date on which a final report is submitted to the Congress under section 4(c) (2) or (4), an implementation bill shall be introduced—

(A) in the Senate by the Majority Leader of the Senate, for himself, the Minority Leader of the Senate, or by Members of the Senate designated by the Majority Leader and Minority Leader of the Senate; and

(B) in the House of Representatives by the Majority Leader of the House of Representatives, for himself and the Minority Leader of the House of Representatives, or by Members of the House of Representatives designated by the Majority Leader and Minority Leader of the House of Representatives.

(2) The implementation bill introduced in the Senate shall be referred concurrently to the Committee on Governmental Affairs of the Senate, and other committees with jurisdiction. The implementation bill introduced in the House of Representatives shall be referred concurrently to the Committee on Government Operations of the House of Representatives, and other committees with jurisdiction.

(c) DISCHARGE.—If the committee to which an implementation bill is referred has not reported such bill by the end of the 15 session day period beginning on the date of introduction of such bill, such committee shall be, at the end of such period, discharged from further consideration of such bill, and such bill shall be placed on the appropriate calendar of the House involved.

(d) CONSIDERATION.—(1) On or after the fifth session day after the date on which the committee to which such a bill is referred has reported, or has been discharged (under subsection (c)) from further consideration of, such a bill, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the implementation bill (but only on the day after the calendar day on which such Member announces to the House concerned the Member's intention to do so). All points of order against the implementation bill (and against consideration of the implementation bill) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the implementation bill is agreed to, the respective House shall immediately proceed to consideration of the implementation bill without intervening motion, order, or other business, and the implementation bill shall remain the unfinished business of the respective House until disposed of.

(2) Debate on the implementation bill, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between the Majority Leader and the Minority Leader or their designees. An amendment to the implementation bill is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the implementation bill is not in order. A motion to reconsider the vote by which the implementation bill is agreed to or disagreed to is not in order.

(3) Immediately following the conclusion of the debate on an implementation bill and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the implementation bill shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to an implementation bill shall be decided without debate.

(e) CONSIDERATION BY OTHER HOUSE.—(1) If, before the passage by one House of an implementation bill of that House described in subsection (a), that House receives from the other House an implementation bill described in subsection (a), then the following procedures shall apply:

(A) The implementation bill of the other House shall not be referred to a committee and may not be considered in the House receiving it except in the case of final passage as provided in subparagraph (B)(ii).

(B) With respect to an implementation bill described in subsection (a) of the House receiving such bill—

(i) the procedure in that House shall be the same as if no implementation bill had been received from the other House; but

(ii) the vote on final passage shall be on the implementation bill of the other House, except that if the implementation bill is a bill for the raising of revenue, the vote of final passage shall be upon the implementation bill which originates in the House of Representatives.

(2) Upon disposition of the implementation bill received from the other House, it shall no longer be in order to consider the implementation bill that originated in the receiving House.

(f) RULES OF THE SENATE AND HOUSE.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of an implementation bill described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 6. DISTRIBUTION OF ASSETS.

Any proceeds from the sale of assets of any department or agency resulting from the enactment of an Act under section 5 shall be—

(1) applied to reduce the Federal deficit; and

(2) deposited in the Treasury and treated as general receipts.

SEC. 7. ADDITIONAL APPROPRIATIONS BASED ON AGENCY SAVINGS.

It is the sense of the Congress that—

(1) in the fiscal year immediately following a recommendation submitted under section 4(a)(1) there should be appropriated to each agency an amount no less than 25 percent of the amount of the estimate of administrative savings determined under section 4(a)(2) applicable to such agency in the 3 fiscal years following the submission of the recommendation; and

(2) the appropriated amount described under paragraph (1) should be—

(A) appropriated funds in addition to funds which would otherwise be appropriated to such agency if not for the provisions of this Act; and

(B) made available for expenditure at the discretion of the head of such agency to improve such agency's management, efficiency, or productivity.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as necessary to carry out the provisions of this Act.•

By Mr. COVERDELL (for himself, Mr. FAIRCLOTH, Mr. KEMPTHORNE, and Mr. GREGG):

S. 1188. A bill to provide that Federal regulatory mandates shall not be enforced unless the cost to the States of implementing them are funded by the Federal Government; to the Committee on Governmental Affairs.

FEDERAL MANDATE RELIEF ACT OF 1993

• Mr. COVERDELL. Mr. President, today, I rise to introduce the Federal Mandate Relief Act of 1993. The bill states that passage or implementation of a Federal regulation without appropriate funding to cover its cost will require a two-thirds majority vote.

Its aim is to stop Congress from spending local property taxes to pay for expensive Federal regulations the Federal Government won't pay for itself.

Congress and the Federal Government have spent every dime they have—and $4 trillion they don't have—to carry out their unending desire to spend, spend and spend. Now Congress has turned to local communities and has begun a full scale raid on property taxes in their hunt for more dollars. This undisciplined appetite for spending has to stop if we are to get our financial house in order. This bill is a start.

If Congress believes there is a compelling reason for passage of an unfunded Federal mandate, then let us pass it by a compelling majority. The Senate, a body that prides itself on the opportunity for debate and open discussion of issues, requires a compelling majority to bring cloture on debate. We must adopt a similar disciplined approach to our spending habits.

The Federal Mandate Relief Act—along with a balanced budget amendment and the line-item veto—will be an important new rule of the road in our efforts to bring discipline to the Federal Government's spending habits.

Property owners throughout the country probably don't realize it but the Federal Government currently consumes between 5 and 10 percent of local property taxes to pay for these mandates. As new mandates are enacted, that percentage could rise, meaning local communities will be forced to raise property taxes to pay for this Federal raid on their finances.

Ask any mayor, county commissioner, or local administrator what the No. 1 fiscal problem is that thy are facing and they will tell you it is the crushing weight of Federal mandates on their budgets. It means higher taxes.•

ADDITIONAL COSPONSORS

S. 27

At the request of Mr. SARBANES, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 27, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 46

At the request of Mr. THURMOND, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 46, a bill to provide that a justice or judge convicted of a felony shall be suspended from office without pay.

S. 187

At the request of Mr. BURNS, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 187, a bill to protect individuals engaged in lawful hunt on Federal lands, to establish an administrative civil penalty for persons who intentionally obstruct, impede, or interfere with the conduct of a lawful hunt, and for other purposes.

S. 253

At the request of Mr. CRAIG, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 253, a bill to authorize the garnishment of Federal employees' pay, and for other purposes.

S. 265

At the request of Mr. SHELBY, the names of the Senator from Virginia [Mr. ROBB], the Senator from Georgia [Mr. COVERDELL], and the Senator from Texas [Mrs. HUTCHISON] were added as cosponsors of S. 265, a bill to increase the amount of credit available to fuel local, regional, and national economic growth by reducing the regulatory burden imposed upon financial institutions, and for other purposes.

S. 324

At the request of Mr. BAUCUS, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 324, a bill to improve monitoring of the domestic uses made of certain foreign grain after importation, to use the export enhancement program to promote the export of wheat to Mexico, and for other purposes.

S. 469

At the request of Mr. WARNER, the names of the Senator from Alaska [Mr. MURKOWSKI], the Senator from Rhode Island [Mr. PELL], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Florida [Mr. MACK], the Senator from South Carolina [Mr. HOLLINGS], the Senator from North Dakota [Mr. CONRAD], the Senator from Georgia [Mr. NUNN], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Alabama [Mr. HEFLIN], the Senator from Connecticut [Mr. DODD], and the Senator from Montana [Mr. BAUCUS] were added as cosponsors of S. 469, a bill to require the Secretary of the Treasury to mint coins in commemoration of the Vietnam Women's Memorial.

S. 483

At the request of Mr. SHELBY, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Indiana [Mr. LUGAR], the Senator from Florida [Mr. GRAHAM], the Senator from Connecticut [Mr. DODD], and the Senator from Texas [Mrs. HUTCHISON] were added as cosponsors of S. 483, a bill to provide for the minting of coins in commemoration of Americans who have been prisoners of war, and for other purposes.

S. 505

At the request of Mr. MCCONNELL, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 505, a bill to amend the Food Stamp Act of 1977 to identify and curtail fraud in the food stamp program, and for other purposes.

S. 561

At the request of Mr. DODD, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 561, a bill to establish a child and family services and law enforcement partnership program, and for other purposes.

S. 687

At the request of Mr. HATFIELD, his name was added as a cosponsor of S. 687, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

S. 994

At the request of Mr. PRYOR, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 994, a bill to authorize the establishment of a fresh cut flowers and fresh cut greens promotion and consumer information program for the benefit of the floricultural industry and other persons, and for other purposes.

S. 1003

At the request of Mr. MOYNIHAN, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 1003, a bill to provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply Congressional "fast track" procedures to a bill implementing such agreements.

S. 1015

At the request of Mr. DORGAN, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1015, a bill to establish a 2-year moratorium on construction and leasing of space by the Federal Government, and for other purposes.

S. 1026

At the request of Mr. LOTT, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1026, a bill to amend the Internal Revenue Code of 1986 to provide that certain deductions of members of the National Guard or reserve units of the Armed Forces will be allowable in computing adjusted gross income.

S. 1082

At the request of Mr. COCHRAN, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 1082, a bill to amend the Public Health Service Act to revise and extend the program of making grants to the States for the operation of offices of rural health, and for other purposes.

S. 1116

At the request of Mr. BURNS, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1116, a bill to amend the Internal Revenue Code of 1986 to clarify the deduction for expenses of certain home offices, and for other purposes.

S. 1118

At the request of Mr. HATFIELD, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1118, a bill to establish an additional National Education Goal relating to parental participation in both the formal and informal education of their children, and for other purposes.

S. 1125

At the request of Mr. DODD, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 1125, a bill to help local school systems achieve Goal Six of the National Education Goals, which provides that by the year 2000, every school in America will be free of drugs and violence and will offer a disciplined environment conducive to learning, by ensuring that all schools are safe and free of violence.

S. 1145

At the request of Mr. JEFFORDS, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1145, a bill to prohibit the use of outer space for advertising purposes.

S. 1147

At the request of Mr. KEMPTHORNE, the names of the Senator from Mississippi [Mr. COCHRAN], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 1147, a bill to prohibit Presidential nominees from performing certain governmental functions, and for other purposes.

S. 1151

At the request of Mr. DOLE, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from Iowa [Mr. GRASSLEY], and the Senator from New Hampshire [Mr. GREGG] were added as cosponsors of S. 1151, a bill to facilitate the flow of credit to small business by easing certain regulatory burdens on depository institutions, to require analysis of such burdens and their effectiveness, and for other purposes.

S. 1172

At the request of Mr. MCCAIN, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1172, a bill to amend the National Defense Authorization Act for Fiscal Year 1993, to impose sanctions on certain transfers of equipment and technology used in the manufacture or delivery of weapons of mass destruction and to impose additional sanctions for violations of that Act.

SENATE JOINT RESOLUTION 34

At the request of Mr. BROWN, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of Senate Joint Resolution 34, a joint resolution proposing a constitutional amendment to limit congressional terms.

SENATE JOINT RESOLUTION 50

At the request of Mr. SPECTER, the names of the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Nevada [Mr. REID], the Senator from South Carolina [Mr. THURMOND], the Senator from Rhode Island [Mr. PELL], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from California [Mrs. BOXER] were added as cosponsors of Senate Joint Resolution 50, a joint resolution to designate the weeks of September 19, 1993, through September 25, 1993, and of September 18, 1994, through September 24, 1994, as "National Rehabilitation Week".

SENATE JOINT RESOLUTION 86

At the request of Mr. SIMON, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of Senate Joint Resolution 86, a joint resolution commemorating the 50th anniversary of the founding of the Food and Agriculture Organization of the United Nations and reaffirming the United States commitment to end hunger and malnutrition.

SENATE JOINT RESOLUTION 89

At the request of Mr. SIMON, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of Senate Joint Resolution 89, a bill to designate October 1993, as "Polish-American Heritage Month."

SENATE JOINT RESOLUTION 91

At the request of Mr. SPECTER, the names of the Senator from Ohio [Mr. METZENBAUM], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Joint Resolution 91, a joint resolution designating October 1993 and October 1994 as "National Domestic Violence Awareness Month."

SENATE JOINT RESOLUTION 99

At the request of Mr. DECONCINI, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Nebraska [Mr. EXON], the Senator from North Dakota [Mr. CONRAD], the Senator from Idaho [Mr. CRAIG], and the Senator from Washington [Mr. GORTON] were added as cosponsors of Senate Joint Resolution 99, a joint resolution designating September 9, 1993, and April 21, 1994, each as "National D.A.R.E. Day."

SENATE JOINT RESOLUTION 106

At the request of Mr. LAUTENBERG, the names of the Senator from Utah [Mr. HATCH], the Senator from Missouri [Mr. BOND], the Senator from Colorado [Mr. BROWN], the Senator from Mississippi [Mr. COCHRAN], the Senator from North Dakota [Mr. CONRAD], the Senator from New York [Mr. D'AMATO], the Senator from Wisconsin [Mr. KOHL], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of Senate Joint Resolution 106, a joint resolution designating July 2, 1993 and July 2, 1994 as "National Literacy Day."

SENATE CONCURRENT RESOLUTION 26

At the request of Mr. SIMON, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Concurrent Resolution 26, a concurrent resolution urging the President to redirect U.S. foreign assistance policies and spending priorities toward promoting sustainable development, which reduces global hunger and poverty, protects the environment, and promotes democracy.

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. LEAHY, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from New Jersey [Mr. BRADLEY], the Senator from Wisconsin [Mr. KOHL], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of Senate Concurrent Resolution 27, a bill to express the sense of Congress that funding should be provided to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Head Start programs and to expand the Job Corps program, and for other purposes.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. MOYNIHAN, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of Senate Concurrent Resolution 30, a concurrent resolution congratulating the Anti-Defamation League on the celebration of its 80th anniversary.

SENATE CONCURRENT RESOLUTION 31

At the request of Mr. DODD, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of Senate Concurrent Resolution 31, a concurrent resolution concerning the emancipation of the Iranian Baha'i community.

SENATE RESOLUTION 94

At the request of Mr. SIMON, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Resolution 94, a resolution expressing the Sense of the Senate with respect to the tragic humanitarian crisis in Sudan.

SENATE RESOLUTION 124

At the request of Mr. BRADLEY, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of Senate Resolution 124, a resolution expressing the sense of the Senate that the Olympic Summer Games in the year 2000 should not be held in Beijing or elsewhere in the People's Republic of China.

SENATE RESOLUTION 126—RELATIVE TO TRADE LIBERATION PRIORITIES UNDER "SUPER 301"

Mr. MOYNIHAN (for himself, Mr. BAUCUS, Mr. DANFORTH, Mr. HOLLINGS, Mr. RIEGLE, Mr. DASCHLE, Ms. MIKULSKI, Mrs. FEINSTEIN, Mr. KERRY, Mr. BYRD, Mr. ROCKEFELLER, Mr. KENNEDY, and Mr. LEVIN) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 126

Whereas foreign barriers to United States exports have contributed to the Nation's trade deficits, and are threatening the loss of manufacturing jobs, the erosion of our tax base, the decline in the strength of the United States economy and of the American standard of living, and the vitality of the technological, industrial, and agricultural base of the United States; and

Whereas the President should have the appropriate tools for combating unfair and predatory trade practices that threaten American manufacturing and service industries and agriculture: Now, therefore, be it

Resolved, That it is the sense of the Senate that not later than December 15, 1993, amendments to section 310 of the Trade Act of 1974 (19 U.S.C. 2420) should be enacted to establish the permanent requirement that not later than April 30th of each year the United States Trade Representative shall identify trade liberalization priorities under "Super 301".

SENATE RESOLUTION 127—RELATIVE TO TRIBUTES TO PATRICIA RYAN NIXON

Mr. COCHRAN (for Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 127

Resolved, That there shall be printed as a Senate document a collection of statements made in tribute to the late First Lady of the United States, Patricia Ryan Nixon, together with appropriate illustrations and other materials relating to her death.

AMENDMENTS SUBMITTED

ARMORED CAR INDUSTRY RECIPROCITY ACT OF 1993

EXON AMENDMENT NO. 562

Mr. FORD (for Mr. EXON) proposed an amendment to the bill (S. 608) to entitle certain armored car crew members to lawfully carry a weapon in any State while protecting the security of valuable goods in interstate commerce in the service of an armored car company; as follows:

On page 4, after line 25, insert the following new paragraph:

(3) The term "State" means any State of the United States or the District of Columbia.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, June 30, 1993, at 2 p.m. to consider the following nominations: Ambassador Charles W. Freeman, Jr., to be Assistant Secretary of Defense for Regional Security Affairs; Hon. Edwin Dorn to be Assistant Secretary of Defense for Personnel and Readiness; and other civilian and military nominations that may be ready for consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on June 30, 1993, at 9:30 a.m. on reauthorization of the Magnuson Fishery Conservation and Management Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on the Disadvantaged Minority Health Improvement Act: Meeting the Health Needs of the Disadvantaged, during the session of the Senate on Wednesday, June 30, 1993, at 10:00 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet during the session of the State on Wednesday, June 30, 1993, to hold a hearing on Oversight of the Insurance Industry: Blue Cross/Blue Shield-Empire Plan (New York).

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FORCE REQUIREMENTS AND PERSONNEL

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Force Requirements and Personnel of the Committee on Armed Services be authorized to meet on Wednesday, June 30, 1993, at 9:00 a.m., in open session, to receive testimony on the health care programs of the military services in review of the defense authorization request for fiscal year 1994 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CLEAN AIR AND NUCLEAR REGULATION

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Clean Air and Nuclear Regulation, Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, June 30, beginning at 9:30 a.m., to conduct a hearing on the Nuclear Regulatory Commission's proposed authorization bill for fiscal years 1994 and 1995 and associated legislative proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

STATEMENT OF FINANCIAL CONDITION

• Mr. DECONCINI. Mr. President, today, I ask unanimous consent that my financial report appear in the CONGRESSIONAL RECORD.

Under the rules of the Senate, it is the obligation of Senators to classify their income and property within certain broad income categories. For the most part, Senators do so with the utmost caution and are careful to include all properties in which they have any ownership, beneficial or otherwise.

It has been my practice since coming to the Senate in 1977 to go well beyond Senate requirements and to have a financial statement prepared by an accounting firm showing the worth of total assets, total liabilities, and the net worth of both my wife and me. I have always made my financial statements available in this manner. This is in addition to all the requirements and fillings set forth by Senate rules and laws regarding disclosure.

I have elected to do this because I believe close scrutiny should follow public officials. The public must be assured that an official whose assets and wealth increase during public office is fully accountable. Public officials must meet the highest standards.

I urge all Members of the Senate to continue to make full public disclosure of their assets and income. This is not a pleasant experience for any of us, but it will help build the sense that elected public officials are credible and honest.

The report follows:

TUCSON, AZ,
June 15, 1993.

DENNIS AND SUSAN DECONCINI,
Washington, DC.

We have reviewed the accompanying statement of financial condition of Dennis and Susan DeConcini as of December 31, 1992, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in this financial statement is the representation of Dennis and Susan DeConcini.

A review of personal financial statements consists principally of inquiries of the individuals whose financial statements are presented and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying statement of financial condition in order for it to be in conformity with generally accepted accounting principles.

The historical cost/basis information in the accompanying statement of financial condition is presented only for supplementary analysis purposes and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statement. We did not become aware of any material modification that should be made to the supplementary information.

TIZZARD, KNUTTINEN,
DONNELLY & WRIGHT,
Public accountants.

DENNIS AND SUSAN DeCONCINI—STATEMENT OF FINANCIAL CONDITION, DEC. 31, 1992

	Estimated current value	Historical cost/basis
Assets:		
Cash, checking and savings accounts	$272,483	$272,483
Certificates of deposit	400,134	400,134
Prepaid income tax	5,103	5,103
Miscellaneous receivables and impounds arising from rental properties	15,187	15,187
Notes receivable (Note 2)	198,124	160,226
Investments:		
Marketable securities (Note 3)	91,198	46,977
Real estate (Note 4)	4,626,430	1,271,985
Monterey Water Company (Note 5)	92,105	3,000
Partnerships, closely held (Note 6)	5,602,298	(33,736)
Partnerships, not closely held (Note 7)	290,640	126,594
Annuity	52,985	22,573
Vested interest retirement plans:		
Individual retirement accounts	69,370	
Civil service retirement fund	66,631	
Thrift savings retirement plan	21,499	
Cash value of life insurance (Note 8)	146,963	109,747
Residence (Note 9)	470,000	200,002
Personal property (Note 9)	170,000	72,500
	12,591,150	2,672,775
Liabilities:		
Miscellaneous payables primarily arising from rental properties	22,524	22,524
Deferred gain (Note 2)	126,927	126,927
Personal loans (Note 10)	50,478	50,478
Mortgages:		
Wraparound mortgage (Note 2)	33,226	33,226
Real estate investments (Note 4)	539,989	539,989
Residence (Note 9)	87,394	87,394
	860,538	860,538
Income taxes:		
Estimated on the difference between the estimated current values of the assets and the estimated current amounts of liabilities and their tax bases. (Note 11)	3,512,561	
Net worth	8,218,051	1,812,237
Total	12,591,150	2,672,775

NOTE 1—BASIS OF ACCOUNTING

The accompanying financial statement includes the assets and liabilities of Dennis and Susan DeConcini. Assets are stated at their estimated current values and liabilities at their estimated current amounts.

NOTE 2—NOTES RECEIVABLE

	Receivable	Mortgage	Deferred gain
In 1985 a residence on Crystal Drive, San Diego, CA was sold to a related party with the note receivable being "wrapped around" the underlying mortgage for the same terms and amount. The monthly receivable/payable is $589 per month including interest at 11 percent	$33,226	$33,226	
In 1989 vacant land on South 6th Avenue, Tucson, AZ was sold to a related party. The note receivable is interest only at 9 percent, with a balloon payment July, 1994	164,898		$126,927
Total	198,124	33,226	126,927

NOTE 3—MARKETABLE SECURITIES

The estimated current values of marketable securities are either (a) their quoted closing prices or (b) for securities not traded on the financial statement date, amounts that fall within the range of quoted bid and asked prices. Marketable securities consist of the following:

	Number of shares or bonds	Estimated current values
Stocks		
First National Corp	2,108	$2,240
Lasertechnics, Inc	1,000	1,812
National Education Corp	50	338
Pacific Telesis	200	8,925
Southern Arizona Bancorp of Yuma, Inc	3,150	25,795
The Price Co	200	7,250
Valley National Corp	700	43,838
Bonds: State of Israel	1	1,000
Total marketable securities		91,198

NOTE 4—REAL ESTATE

The estimated current values were determined by use of assessed value for property taxes, inquiries of realtors familiar with similar properties in similar areas, acquisition price of recently acquired properties and appraisals of some properties. Ownership is 100 percent unless otherwise noted:

Property description	Estimated current value	Mortgage balance	Mortgage Terms: Monthly payment including interest	Mortgage Terms: Interest rate (percent)	Mortgage Terms: Maturity
Joint interests:					
Avra Valley/Pioneer Trust, Unimproved land, Pima County, AZ (3.125 percent interest)	$5,630				
Grant/Oracle Circle K, Ground lease, Pima County, AZ (10.89 percent interest)	64,250				
St. Mary's & Silverbell Road, Ground lease, Pima County, AZ (66.67 percent interest)	200,000				
1122 S. 6th, vacant land (formerly Victory Outreach) Tucson, AZ	25,000				
Rancho Sin Vaca, Lot 64, vacant land, Tucson, AZ	86,000	$26,000	[1]	10	1995
12th & Ajo, Nat'l City Annex, Lot 23, Block A (behind Circle K) vacant land, Pima County, AZ	13,200				
Commercial Properties:					
Action Suds & Ajo Bikes, 3812/3816 S. 12th, Tucson, AZ	200,000				
Drachman Building, 2345 E. Broadway, Tucson, AZ	150,000				
L & L Furniture, 1140–1150 S. 6th, 1133–1135 S. Russell, Tucson, AZ	112,000				
Oriental Express, 615 S. Ajo, Tucson, AZ	100,000				
Pizza Hut 12th & Ajo, 605 W. Ajo, Tucson, AZ	162,850				
39 cent Hamburger, 625 W. Ajo, Tucson, AZ	125,000				
Residential Properties:					
381 Cedar Lane, Sedona, AZ	625,000	331,153 53,000	$3,602 LOC	10.25 8.0	2018 1993
House:					
Alta & San Carlos Street, Carmel By The Sea, CA	500,000				
5686 Dolphin Street, La Jolla, CA	850,000				
1901 N. George Mason Drive, Arlington, VA	175,000	98,757	934	10.5	2117
Salem Court Apartments, 705 Salem Court, Mission Beach, CA	900,000				
Sunset Cliff Apartments, 1961 Sunset Cliff, Ocean Beach, CA	332,500	31,079	554	9	1994
Total	4,626,430	539,989			

[1] Annual payment $8,000 plus interest.

NOTE 5—MONTEREY WATER CO.

30 shares of a total of 430 shares outstanding (7 percent) were owned as of December 31, 1992. The Company primarily holds real estate investments. The estimated current value is based upon prior years appraisal as adjusted due to inquiries of realtors familiar with similar properties in similar areas. Net income of the Company for 1992 was a loss of (60,554). The unaudited balance sheet of Monterey Water Co. at December 31, 1992 is prepared on the accrual basis and is summarized below:

Cash	$56,394
Notes receivable	212,196
Investment, partnership	411,824
Depreciable property	122,777
Accumulated depreciation	(19,580)
Land	608,749
Other assets	16,310
Total assets	1,408,670
Other current liabilities	359,396
Stockholder loans	324,808
Notes payable	271,840
Other liabilities	95,163
Capital stock	41,300
Capital in excess of par	10,750
Retained earnings	305,143
Total liabilities and equity	1,408,670

NOTE 6—PARTNERSHIPS, CLOSELY HELD

Interests in the listed partnerships are as a general partner. Partnership activities are primarily in the area of real estate. The estimated current value of the partnerships is primarily based upon the value of the land they own as determined by assessed value for property taxes, or inquiries of realtors familiar with similar properties in similar areas, or acquisition price of recently acquired properties and appraisals of some properties. Following are the unaudited condensed historical cost balance sheets and the net income or (loss) for the year ended December 31, 1992 for each partnership. The income tax method of accounting is used by the partnerships.

	2–D properties	3–D properties	4–D properties	Total
Cash	$1,999	$41,438	$86,761	$130,198
Receivables/loans	72,272	138	156,710	229,120
Other current assets		192,400	218,914	411,314
Investments		125,683	4,144,556	4,270,239
Depreciable property	41,524	2,104,527	7,695,966	9,842,017
Accumulated depreciation	(19,607)	(922,861)	(3,017,116)	(3,959,584)
Land	21,726	167,999	9,608,176	9,797,901
Intangibles		52,505	244,813	297,318
Accumulated amortization		(19,235)	(95,831)	(115,066)
Other assets		9,522	3,298	12,820
Total assets	117,914	1,752,116	19,046,247	20,916,277
Other current liabilities	133	17,334	330,797	348,264
Loans	70	1,062,377	9,399,801	10,462,248
Deferred gains	71,992		41,927	113,919
Other liabilities			60,094	60,094
Capital	45,719	672,405	9,213,628	9,931,752
Total liabilities and equity	117,914	1,752,116	19,046,247	20,916,277
Net income (loss) for the year ended Dec. 31, 1992	37,747	63,060	(935,028)	(834,221)
Percent ownership of income	50	33	18	NA
Estimated current value of partnership interests	161,038	608,585	4,832,675	5,602,298

NOTE 7—PARTNERSHIPS AND S CORPORATIONS, NOT CLOSELY HELD

Pinnacle Peak North Investors—2 percent interest in a real estate general partnership. Estimated current value was based upon the estimated value of the undeveloped land	$183,600
Tonopah Partners I General Partnership—16.67 percent ownership in a real estate general partnership. Estimated current value was based upon estimated value of the undeveloped land	82,300
Tonopah Partners II General Partnership—same as Tonopah I	12,090
W.M. Investments Partnership—13.33 percent ownership in a real estate general partnership. Estimated current value was based upon the estimated value of the apartment and commercial buildings owned by the partnership	12,650
Total	290,640

NOTE 8—LIFE INSURANCE

The face value of fourteen whole life policies is $1,020,683. These policies have a cash surrender value of $146,963.

NOTE 9—RESIDENCE/PERSONAL PROPERTY

The estimated current value was determined by the good faith estimates of Dennis and Susan DeConcini. The residence mortgage is payable in monthly installments of $906 including interest at 8.5 percent through 2006:

NOTE 10—PERSONAL LOANS

Demand note from family members, unsecured, interest at 10 percent	$28,266
Demand note from closely held partnerships, unsecured, interest at 10 percent	22,212
Total	50,478

NOTE 11—INCOME TAXES

Estimated income taxes have been provided on the excess of the estimated current values of assets over their tax bases as if the estimated current values of the assets had been realized on the statement date, using applicable tax laws and regulations. The provision will probably differ from the amounts of income taxes that eventually might be paid because those amounts are determined by the timing and the method of disposal or realization and the tax laws and regulations in effect at the time of disposal or realization.

NOTE 12—OTHER RELATED PARTY DISCLOSURES

Other family members and closely held businesses had the following amounts receivable from or payable to the following entities at December 31, 1992:

	Montery water	3–D properties	4–D properties
Individuals:			
Receivable from	$596,875	$117,720	$1,516,159
Payable to	42,075	119,815	101,197

The notes all bear interest at prevailing interest rates.

NOTE 13—FUTURE INTERESTS

Remainder interests in trusts have not been presented because the rights are not for fixed or determinable amounts.●

A TRIBUTE TO CHAROLAIS COAL CORP.

● Mr. McCONNELL. Mr. President, I rise today to congratulate Charolais Coal Corp. of Madisonville, KY. This outstanding company has recently been presented with an Excellence in Surface Mining Reclamation Award from the U.S. Department of the Interior, Office of Surface Mining.

The Excellence in Surface Mining Reclamation Award gives recognition to companies that produce creative and in innovative accomplishments in restoring coal-mined land to its natural state. In addition, this national award encourages those companies to envision and undertake innovative concepts that will allow the land to become productive once again.

Charolais Coal Corp. earned this distinct honor for reclaiming a 60-acre, pre-1977 abandoned mine site. Reclamation has established excellent vegetation and transformed a highly visible past problem of burning waste, open shafts, and toxic impoundments into a landscape that is difficult to distinguish from the surrounding countryside.

Mr. President, Charolais Coal Corp. deserves this highest honor based on their love for the land, solid technical know-how, a strong sense of pride, a respect for the law, and a sincere willingness to work closely with the State regulatory agency to achieve such reclamation.

I am sure that my colleagues will agree that Charolais Coal Corp. has shown that it is among the best of the best. I salute their progress, and wish them added success in the future.●

REMARKS OF ANTHONY LAKE TO THE BROOKINGS AFRICA FORUM

● Mr. SIMON. Mr. President, recently, Anthony Lake, the National Security Adviser to the President, made a speech at the Brookings Institution about Africa.

He is not a stranger to the African situation. He did his dissertation on United States policy toward South Africa and has spent time in that beleaguered continent.

His speech shows balance and understanding.

I urge my colleagues in the Senate to read his remarks, not for a specific insight into any one country but to get a good, broad perspective on the African scene.

I ask to insert Tony Lake's comments in the RECORD at this point.

The comments follow:

REMARKS OF ANTHONY LAKE, BROOKINGS AFRICA FORUM LUNCHEON, WASHINGTON, DC, MAY 3, 1993

I am delighted to have this opportunity to join you for the Brookings Africa Forum. I want to thank Francis Deng and the Brookings Institution for organizing and hosting this event.

This is my first public speech since President-elect Clinton asked me to become his National Security Advisor. It was not an accidental choice. Africa occupies a special place in my work and my affections. My dissertation was on U.S. policy toward South Africa. I have written on a range of African issues. And I have spent some of the happiest, most challenging times of my life on the Continent. I know that in the past there has been a sense that some administrations have taken years to figure out where Africa is on the map. I hope you will find in us a sense not only of where Africa is, but where we all hope it is going in the future.

This is an exciting and challenging time—a time of change and promise. It is fundamentally a new era in world affairs. The Cold War is over. The Soviet Union is gone. The nuclear arms race has been shifted into reverse. Democracy is on the march. Global commerce is expanding.

Certainly, we face new threats, from weapons proliferation to violent ethnic conflict. But we also have the opportunity to pursue new forms of global problem solving—through re-invigorated multilateral institutions, and through new partnerships that the Cold War had made impossible.

The global changes that receive the most attention are in Europe and Asia: the unification of Germany; the democratic struggles of Russia and the other new states; the prosperity of the Pacific Rim; the conflict in the former Yugoslavia. But you know as I do that the winds of change are blowing again across Africa as well.

Some of those winds are harsh; continuing conflict in Liberia and Angola; human rights abuses, corruption, and resistance to democratic change in Togo and Zaire; and hunger, poverty, and environmental degradation across too much of the continent. But many of the winds of change in Africa carry the breath of hope; a new wave of democratic reform; a new generation of gifted leaders; new movement toward market economies and integration with the global economy; promising new efforts at conflict resolution and peacekeeping; new initiatives to protect Africa's fragile and glorious environment; and, I would add, the seeds of a new relationship with a new administration in Washington.

Today I want to offer a few thoughts on the nature of these changes, and how our Administration plans to address them.

I believe the most important change for Africa's long-term prospects is the Continent's new progress toward democracy.

For by its nature, democracy provides an inclusive and non-violent means of conflict resolution. It therefore provides an alternative to the kind of violent disputes that have drained so much of Africa's resources and hope in recent years. Moreover, well-structured democracies are more responsive to the material needs of their people. And democracies make better neighbors: they don't tend to wage war on each other.

That is what makes Africa's movement toward democracy so hopeful. In recent years, we have seen the proud birth of democracy in Namibia, and at least thirteen African countries have held multiparty elections. I was privileged to be an observer in Namibia at that time, and was moved by what I saw. Elections are expected in another fifteen countries before the end of the year.

Above all, in South Africa today, the statesmanship of both Nelson Mandela and F.W. DeKlerk and the courage of the South African people real hope that we may soon see what once seemed so remote—the end of apartheid and the arrival of a true non-racial democracy in South Africa. All of us join in mourning the losses South Africa and the African National Congress have recently suffered, such as Chris Hani and Oliver Tambo. Yet we also join in hoping that their life's work has brought within reach the achievement of a new democratic day for all the people of South Africa.

Democracy means more than elections. As we have sadly witnessed in Angola, elections are not enough, in themselves, to bring peace and justice. Genuine democracy implies more, such as respect for individual and minority rights, and tolerance for a loyal opposition. These traditions are not well established in some parts of Africa. Yet Africa's substantial movement toward democracy suggests these concepts and institutions can ultimately be universal.

The movement toward African democracy is not something that has been noticed only by the Administration's African experts. It has caught the attention of their boss as well. When Ambassador Cisse and Ambassador Kitleli presented their credentials to President Clinton on April 14, he remarked to me afterward how impressed he was by his conversations with them. He was also impressed—as he had told them—by the progress toward democracy that had been made by both Mali and Lesotho. And he said he was very encouraged by this trend elsewhere in the Continent.

This movement toward democracy in many ways echoes the period of change Africa witnessed a generation ago. When Africa threw off colonialism, it was because Africans were tired of living under a ruling elite who put their own interests before those of the African people. Today, the rulers are African rather than European. But the African people have been saying once again that any ruling elite that puts its interests before those of the vast majority is no longer acceptable. They are protesting bloated, corrupt, or inefficient governments, and insisting on honest leaders who focus on the broad needs of their people.

To be sure, Africa's democratic institutions will not always look like our own, nor necessarily should they. And democracy is not the answer for every ill that afflicts Africa. But it is a means to address many of those problems more effectively. And for that reason we must do what we can to help Africa nurture and sustain those institutions. We need to promote people-to-people programs and other efforts that can help foster civil society—business groups, women's organizations, service clubs, student leagues. Such institutions operate on the principle of broad participation in community-level decision making, and thus create a base for democracy. Our administration is also examining how we can restructure our foreign assistance efforts, in part to reward and encourage those nations at the forefront of the democratic march.

The second encouraging change in Africa is the increased movement toward market economies and sustainable development. The past decade has seen the demise of statist economic systems around the world for one simple, non-ideological reason: they don't work.

Now, however, many African countries are undergoing the difficult transition toward economic liberalization. There is already some evidence that growth is higher in countries that are moving ahead with such economic adjustments, such as Ghana and Burundi. These transitions take years and must be sustained, but they are the only definitive remedy for the poverty that plagues the Continent. Addressing the problem of poverty also requires a measure of justice to ensure that a nation's additional income, earned by the many, is not distributed only to the few.

President Clinton is committed to exploring means to assist Africa's economic reforms and economic growth. For example, too many African nations face high debt burdens, which can hamper their economic transitions and recoveries. The total debt burden of Sub-Saharan Africa now exceeds its annual GNP and is more than three times the value of African exports. The Administration is exploring with Congress the possibility of joining with the other creditor nations of the Paris Club in providing debt reduction for the poorest, most debt-laden countries cooperating with the IMF in economic adjustment programs. This new initiative is particularly designed to reward with debt reduction those poorest countries implementing difficult reform programs.

The strongest way we can assist Africa's economic development, however, is by helping to integrate Africa into the growing global economy. Government aid is dwarfed by the economic power of private trade and investment. African nations themselves must do much of what is necessary to integrate into the world economy. In many cases, they need to move away from state-owned enterprises, fixed exchange rates, price-distorting subsidies, and corruption that makes business difficult. African nations should also stimulate growth by removing the barriers to trade between themselves. Efforts at regional cooperation such as fostered by SADC—the Southern Africa Development Community—can be helpful in this regard.

But we have a role to play as well. We can help American businesses learn more about the opportunities for African trade and investment. For example, last year, sub-Saharan Africa imported about $60 billion in goods, but only about $5 billion came from the U.S. It is both our interest and Africa's for that to change. Among other steps, the Administration will seek to promote more active African participation in international economic institutions, such as the GATT.

Africa's future requires not only economic growth but also economic justice. With 80 percent or more of the population employed in subsistence agriculture in most African countries, the urban elite too often demands more than their share of a country's resources. This is particularly true of the governing elite. There must be less invested in conspicuous consumption and more in health and education, where the welfare of the great majority lies.

One cannot speak seriously about Africa's economic future without speaking also about Africa's environment. In Africa, economics and environment are inseparable. And, today, Africa's environment is under great strain. About two-thirds of sub-Saharan Africa's wildlife habitat has been destroyed by development. Uganda's forests have been decimated and its once plentiful grasslands have nearly been eliminated. Africa's desert is gaining ground at some three to six miles each year. In Ethiopia, the Rift Valley's acacia forest is fast becoming semi-desert.

No one who has visited Africa can help but feel the great tragedy that these statistics embody. And no one who understands Africa's economy can help but see the imperative of addressing Africa's environmental needs as part of an economic strategy.

There are encouraging signs. Many African leaders have taken impressive steps to preserve natural habitats, protect species, and promote methods of sustainable development. Our government is trying to do its part as well. The U.S. Agency for International Development plans to spend at least $70 million on environmental and natural resource projects in Africa this year.

We also must focus more energy on the underlying forces that strain Africa's natural and human resources, such as population growth and disease. After more than a decade of ideological impasse over many family planning efforts, our government has an opportunity to open a new chapter in our population efforts in Africa and elsewhere. And I pray that our stepped-up investments in research on AIDS here in the U.S. may lead to advances in treatment, and eventually cure, to bring some measure of relief to an African AIDS epidemic that has become one of its most devastating problems of all time.

The third major challenge for Africa and our policy toward Africa involves the prevention and resolution of conflict. Much of the hardship and deprivation in Africa today results from the numerous civil wars that have raged across the Continent. In Angola, Mozambique, Sudan, and until recently Ethiopia, conflict has been a fact of life for years. Fighting in Liberia, Somalia and Rwanda has caused horrendous suffering as many people have had to flee their homes, their farms, and their means of support.

The United States cannot solve every conflict. But we can play a constructive role to help prevent and resolve disputes. Our work with multinational organizations is especially important. The best example of that is our current effort in Somalia. Half a year ago, Somalia was being decimated by civil anarchy and horrible famine. Today, the guns are quiet, food is flowing, crops are growing, and there is talk of civil reconstruction in the air. Now we are in the process of transferring peacekeeping responsibilities to the UN force, UNOSOM II. UNOSOM II will enforce cease-fires, disarm factional militias, and help create an atmosphere in which Somalia can restore civil government.

Peacemakers and peacekeepers are on the front lines in other nations as well, such as Liberia and Angola. Peacekeepings efforts need to be accelerated in Mozambique in order that the fragile peace there is strengthened. But in addition to helping solve disputes, we must also work to help prevent disputes. We need to place greater emphasis on such tools as mediation and preventive diplomacy. Africa's own organizations, such as the Organization of African Unity, have shown promise in recent years, and we need to help build their capacity to engage early and effectively. This implies an activist approach in nations that are disasters in the making.

The coming years will be a challenging time for Africa. None of us underestimates the magnitude of political, economic, environmental, and health problems that confront a great many of Africa's states.

Yet anyone who knows Africa also sees the greatness and power that dwell across the Continent. It is the greatness of natural beauty and the power of untapped resources. It is the greatness of diverse and rich cultures and the power of talented peoples yearning for a better future. And the progress toward democracy and reform in Africa today tells me that future is now much more than a dream.

During the presidential campaign, then Governor Clinton noted that progress when he said this: "A revolution is underway in Africa. From South Africa to Ethiopia—from Kenya to Zaire—Africans are struggling to achieve political and economic freedoms that we Americans often take for granted. We have a strong interest in helping them to translate those freedoms into a better life for themselves and their children."

I share that conviction. And I share the determination of now-President Clinton to put those words into action. As we do, I look forward to working with many of you in this room and the great nations you represent. Thank you.●

BUDGET SCOREKEEPING REPORT

● Mr. **SASSER.** Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through June 24, 1993. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 287), show that current level spending is below the budget resolution by $2.1 billion in budget authority and $0.5 billion in outlays. Current level is $0.5 billion above the revenue floor in 1993 and above by $1.4 billion over the 5 years, 1993–97. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $392.4 billion, $28.4 billion below the maximum deficit amount for 1993 of $420.8 billion.

Since the last report, dated June 23, 1993, there has been no action that affects the current level of budget authority and outlays.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 29, 1993.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1993 and is current through June 24, 1993. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 287). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated June 22, 1993, there has been no action that affects the current level of budget authority, outlays, or revenues.

Sincerely,
ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS. AS OF CLOSE OF BUSINESS JUNE 24, 1993

[In billions of dollars]

	Budget resolution (H. Con. Res. 287)	Current level [1]	Current level over/under resolution
On-budget:			
Budget authority	1,250.0	1,247.9	−2.1
Outlays	1,242.3	1,241.8	−.5
Revenues:			
1993	848.9	849.4	.5
1993–97	4,818.6	4,820.0	1.4
Maximum deficit amount	420.8	392.4	−28.4
Debt subject to limit	4,461.2	4,208.9	−252.3
Off-budget:			
Social Security outlays:			
1993	260.0	260.0	
1993–97	1,415.0	1,415.0	
Social Security revenues:			
1993	328.1	328.1	(2)
1993–97	1,865.0	1,865.0	(2)

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] Less than $50,000,000.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS., SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS JUNE 24, 1993

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues	0	0	849,425
Permanents and other spending legislation	764,283	737,413	0
Appropriation legislation	732,061	743,943	0
Offsetting receipts	(240,524)	(240,524)	0
Total previously enacted	1,255,820	1,240,833	849,425
ENACTED THIS SESSION			
CIA Voluntary Separation Incentive Act (Public Law 103–36)	1	1	0
PENDING SIGNATURE			
Unclaimed Deposits Amendments Act (H.R. 890)	0	1	0
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	(7,928)	962	0
Total current level [1]	1,247,893	1,241,796	849,425
Total budget resolution [2]	1,249,990	1,242,290	848,890
Amount remaining:			
Under budget resolution	2,097	494	0
Over budget resolution	0	0	535

[1] In accordance with the Budget Enforcement Act, budget authority and outlay totals do not include the following in emergency funding:

[In millions of dollars]

	Budget authority	Outlays
Public Law:		
102–229	0	712
102–266	0	33
102–302	0	380
102–368	960	5,873
102–381	218	13
103–6	3,322	3,322
103–24	4,000	4,000
Offsetting receipts	(4,000)	(4,000)
Total 1993 emergency funding	4,500	10,333

[2] Includes a revision under sec. 9 of the concurrent resolution on the budget.

Note.—Amounts in parentheses are negative. Detail may not add due to rounding.●

THE DEFICIT: WHY YOU SHOULD CARE

● Mr. **SIMON.** Mr. President, when the Senate was in recess last October, USA Today ran a four-part series on the deficit.

Some of the figures, obviously, are a little outdated at this point, but the need to get hold of the deficit and explaining it in concrete terms was done in an extremely effective way.

I ask that the article from Tuesday, October 20, 1992, be inserted into the RECORD at this point. Also, I urge my colleagues to refer to this as they try to explain the deficit problems to their constituents.

The article follows:

[From USA Today, Oct. 20, 1992]

THE DEFICIT: WHY YOU SHOULD CARE—ECONOMIST M. KATHRYN EICKHOFF SAYS CRISIS COULD BE AROUND THE CORNER

Q: What will happen if we continue down this path that we're going on the deficit?

A: We will have a crisis at some point.

Q: What would that crisis look like?

A: That's very difficult to say. You don't know whether you have a breakdown and get into something like a severe depression, or whether you just have very poor growth in which your standard of living steadily erodes and people wonder why their parents seemed to do so much better than they did.

Q: What is the underlying problem we all face from these $300 billion deficits?

A: The underlying problem is a long-term one. The deficit is diverting savings in an economy that has relatively low savings to begin with. Secondly, most of the solutions to the deficit problem, at least those that involve raising taxes, tend to further diminish savings.

Q: But if we've had less in savings to spend or invest, how have we gotten by so far?

A: In the '80s, this problem was overcome by the heavy inflows of foreign capital. Now there's likely to come a time, particularly in the '90s, when the demand for capital will increase around the world. That means either we won't get the capital we need or we'll pay very high interest rates.

Q: In other words, we'll be competing with Germany and Eastern Europe?

A: And Russia and everybody and their brother. It is a long-term problem. Therefore, it's been very hard to explain to people why it hasn't created more obvious damage. It has created damage in that it was part and parcel of creating the high-debt environment of the '80s, which has led to structural imbalances that we are now in a long-term cycle to correct.

Q: Isn't the interest we now pay on our $4 trillion debt nearly equal to what we spend on defense?

A: Right, but what we're saying is you're getting into the Third World problem of not earning your interest. Unless you keep increasing the tax rate, the economy isn't earning enough to cover the growth in interest. And this becomes a ballooning problem.

Q: So why not get it back by cutting the budget, particularly defense?

A: That's a tricky one. You don't get straight answers when everything is classified. It's a highly political issue. The closing of bases is a pork-barrel issue going back 100 years. But over the next two years, you're going to see the unemployment rate do things not expected.

Q: What will happen?

A: All of these military personnel being discharged—and we're talking like 500,000 people—will increase the civilian labor force sharply. Some of these people are going to be highly competitive in job markets. They've been well trained. So they're going to be able to shift into new jobs fairly easily, but it's going to be at the expense of people already in the job market who are not as trainable.

Q: Isn't the bottom line on dealing with the deficit the fact that anything we do means pain for many?

A: Yes. We've got a potential explosion in health-care costs. Currently, we're growing about 10.5% per year in the health-care area while other things are being squeezed more and more. So when you talk about one part of consumption growing out of control, you've got a real squeeze on other types of consumption. You drive salaries up in the health-care area, and you lay off people in other sectors of the economy.

Q: And that makes the whole problem worse.

A: Nobody's got any money to buy the goods other people produce. So this breaking of supply and demand in the health-care industry reverberates in every sector of the economy. It's just the same as when we had the oil shock in the 1970s. You suddenly found people having no choice but to spend a much higher share of their income on energy-related items, but their income didn't increase so everything else had to be cut back.

Q: What will it take to fix it? A president and Congress willing to work themselves out of jobs in a few years?

A: Probably. That's not likely, but it has to come from the grass roots; people being really dissatisfied with the way things are going. I don't think they're dissatisfied enough.

Q: What about the argument some of Bill Clinton's advisers are advancing that the deficit shouldn't be attacked too aggressively because the economy is too weak?

A: I don't know that there's ever a good time. When things are good, like in '86, '87, '88, nobody wants to take the punch away from the party. When things are bad, it's "we need to bring some punch to the party." So when do you do it?

Q: Are you at all optimistic that we can get this deficit gradually down?

A: Not really. I don't think anybody wants to take the heat that's required to do it. We discussed this at the end of the Reagan administration. There was a lot of pressure then to do something about the deficit, but ultimately the answer was: "Look, politically if we focus on the deficit, we're dead. Let's get in office, and then we can do something about it." Nothing has been done about it.

Q: So where should we look for answers?

A: We need to get some way to back the government out of things, not keep bringing the government more into them and assuming the government is the solution. The government is the problem, and we've got to start recognizing that.•

A BATTLE BREWING

• Mr. D'AMATO. Mr. President, there is something grotesque in the battle that is brewing between the aircraft carrier and submarine industrial bases. Both are remarkable for the large number of sole and single source vendors in their ranks, the lack of applicability of their singular skills to the commercial marketplace, and their record of manufacturing excellence. Both industrial bases are on the verge of extinction, yet with their last dying breath each is preparing to plunge a dagger into the heart of the other.

What prompts this folly? The realization that the phasing of the Navy's shipbuilding and conversion [SCN] budget for fiscal years 1994–95 is a formula for disaster.

As I noted in a statement a month ago, the entire SCN account for fiscal year 1994 is $4,294.7 million. We are buying a paltry six ships: three *Burke*-class destroyers [DDG–51's], one *Wasp*-class amphibious assault ship [LHD–1], and two oceanographic ships, and modifying an older amphibious assault ship into a mine warfare command and control ship.

Next year, with a smaller budget, the Navy is planning at least the following: one *Seawolf*-class attack submarine, one *Nimitz*-class aircraft carrier, and three *Burke*-class destroyers. The cost of the submarine and the destroyers alone is roughly $4.2 billion. The aircraft carrier will add another $3.6 billion. Presumably, some number of auxiliary ships will also be requested.

The obvious question has dawned on advocates of the CVN–76 and the SSN–23: How is the Navy going to accommodate this SCN funding spike in fiscal year 1995? It didn't take a Kreskin on the councils of the Connecticut and Virginia delegations for them to realize that the Navy will have fewer funds next year than this year. So where is the money going to come from?

The answer seems to be: from each other's pocket. Needless to say, this strategy will only succeed in ensuring the death of both the aircraft carrier and submarine industrial bases. I think it is fair to say that the combined votes of supporters of these two industrial bases is significantly less than a majority in either House. Together, their efforts at persuasion just might be able to convince a majority of Members to buy one last *Nimitz*-class carrier and one last *Seawolf*-class submarine. Apart, both will fall.

I hope my colleagues will see the wisdom of pooling their resources with an eye toward protecting two truly unique, irreplaceable industrial bases.•

THE 100th ANNIVERSARY OF THE B'NAI JEHOSHUA BETH ELOHIM TEMPLE

• Mr. SIMON. Mr. President, today, I honor a congregation and temple in Glenview, Illinois. The congregation of the B'nai Jehoshua Beth Elohim Temple has a rich tradition. They have served the community for 100 years. The B'nai Jehoshua Temple was founded in 1893 in Chicago where it thrived until 1965 when it merged with the Beth Elohim Temple to become the burgeoning congregation it is today. The congregation relocated to a new temple at 910 Milwaukee Avenue in Glenview, a highly regarded architectural landmark. For the past 30 years, the congregation has been led by Rabbi Mark Shapiro, a leader in the community. More than 1,000 members belong to the Glenview temple. This temple and congregation has a deep and rich history. A large number of descendants of the original founders are active in the present congregation. If the ability to live, work, and learn together in harmony was more of a priority in American society, we might not have some of the problems we have today. Members of the B'nai Temple offer a special gift to all of us in and around Chicago: the desire to work with one of our many social institutions to improve the lives of our families and our growing communities.

Mr. President, the U.S. Senate pays homage to the congregation of the B'nai Jehoshua Elohim's Temple for its stability and rich history.•

DAVID IFSHIN

• Mr. McCAIN. Mr. President, last month, President Clinton paid homage to the sacrifices of America's Vietnam veterans by attending Memorial Day ceremonies at the Vietnam War Memorial. I strongly encouraged the President to attend that event, and I applaud his courage in doing so despite the ill-conceived and unjustified opposition of a handful of demonstrators.

Suffice it to say, that the disrespect these demonstrators showed to both the person and the Office of the President reflected poorly only on them.

Most Americans, myself included, greatly appreciated the President's willingness to honor the service of Vietnam veterans, and were very impressed by his determination to offer an eloquent tribute to their service when it would have been far easier for him to have avoided the event altogether.

Among the demonstrators that day, one individual held a sign which asked the President to explain his association with a person known to many of our colleagues, Mr. David Ifshin. "Tell us about Ifshin," it read. My other purpose in speaking today is to do just that: I want to talk about David Ifshin.

David Ifshin is my friend. This declaration may come as a shock to those people whose perception of David was formed and concluded during the Vietnam war. Had they come to know David, as I have, during the years since the Vietnam war has ended, the statement would seem unremarkable. However, for a few people an event which occurred 23 years ago will forever define David. Nothing he has done since then can temper their disapproval of his past behavior.

So, before I discuss the reasons why I have come to respect David, let me first address what happened 23 years ago.

In 1970, while I was an involuntary guest of the Democratic Republic of Vietnam, David Ifshin made—what he will be the first to tell you—was the biggest mistake of his life. At that time, I would have been reluctant to call David my friend.

David had joined a delegation of American antiwar activists who came to Hanoi to denounce our country's involvement in the war. While there, and after he had witnessed the Communist authorities typically ridiculous propaganda display, David made a tape on which he denounced American war crimes. The tape was later broadcast by the Vietnamese to, in David's words, "my continuing embarrassment and shame."

At the time, David was 20 years old, and subject to what poets have called "the unruly passions of youth." His youth is not an excuse for his actions. I mention it only to identify the point in his life when David made this mistake.

David had most of his life before him when he made that broadcast. Were he to have spent the remainder of his life in dishonest efforts to justify his error, the judgment of his character formed by his detractors then would remain sound today. But unless we all wish to be known eternally for our failings as youth, we would be wise and fair to base our judgments of a person's worth on the full extent of their life.

In David's case, the totality of his productive life to date attests powerfully to his growth from a mistaken and intemperate young man with an inadequate appreciation for America's role as a force for good in the world to a decent man and an ardent patriot who has struggled faithfully to advance abroad the political values which define the American experience. It is this man, this believer in the enduring justice of our country's cause, whom I am proud to call my friend.

After his return from Hanoi, David Ifshin traveled to Israel to work on a kibbutz. He was there when the Yom Kippur war broke out. From this vantage point, he observed the American C–5A's deliver the materials which Israel needed to survive that grave challenge to his existence. The event served as an epiphany to David. In his works, "it made [his] earlier opposition to those aircraft * * * ring hollow and bitter." David had come to appreciate how well humanity was served by America's strong presence in the world.

From this experience, and with the guidance of Senator Henry Jackson, David began his admirable journey from an antiwar student activist to what in American political parlance is known as a Scoop Jackson Democrat. It is a political categorization which honors both the great man for whom it is named, and the many good men and women who were proud and blessed to serve the man an his cause.

Regrettably, it is too often the case that once we form an opinion of someone we do not seek additional information which may compel us to revise our opinion. In 1984, after reading a column by William F. Buckley, I joined Mr. Buckley in questioning David's role as general counsel in Vice President Walter Mondale's Presidential campaign. At that time, I knew nothing more about the life of David Ifshin beyond his antiwar activities. That was my mistake.

I soon learned from others that there was a great deal more to David's life than the one incident which I had assumed defined the man. Both Bill Buckley and I came to greatly revise our opinions of David. He earned our respect and admiration.

Shortly after the 1984 campaign, David and a Vietnamese emigre, Doan Van Toai, came to see me and requested that I become chairman of an organization they were forming called the Institute for Democracy in Vietnam. Doan Van Toai, who would serve as IDV's executive director, is the author of "Vietnam Gulag," the first book to document the oppressive nature of the regime that took power in all of Vietnam in 1975.

I worked closely with David and Toai to create IDV and develop its programs. The IDV was conceived in the conviction that in addition to our just concern for our POW/MIA's, the United States should remain committed to the human rights of the Vietnamese people and to real progress toward the democratization of Vietnamese society.

David Ifshin's dedication to IDV has been remarkable. He has worked tirelessly to persuade those Americans who opposed the war out of concern for the Vietnamese people that a cruel tyranny had been imposed on those people by a regime which they had once wrongly viewed as humanitarian. His efforts toward this end occurred long before the Berlin Wall was breached and communism began its nearly global collapse.

Throughout his service in the Mondale campaign, his subsequent involvement in the Coalition for a Democratic Majority and the Democratic Leadership Council, David was well regarded as a serious advocate for an assertive American foreign policy premised on our political values and that recognized America's responsibilities to our allies in the free world.

As David Keene, president of the American Conservative Union, described him:

> David Ifshin has ceaselessly sought to keep American foreign policy grounded in the virtues of our democracy, and to awaken his own party to the importance of sustaining America's enduring legacy of freedom to the world.

David distinguished himself by his support for the Nicaraguan resistance during a period when such support was extremely unpopular with the left. He was also an early and vigorous supporter of President Bush's efforts to reverse Iraq's aggression against Kuwait. Again, he took that position when it was not popular with many members of his own party who preferred to rely on sanctions rather than force to compel Saddam's withdrawal from Kuwait.

I recall a breakfast I had with David a few years ago when he spoke enthusiastically about a friend who had assumed the chairmanship of the Democratic Leadership Council, and whom he was encouraging to run for President. David went on to serve first as general counsel, and then as a senior political and policy advisor to candidate Bill Clinton. In that capacity, he consistently and vigorously advocated Democratic centrist positions and played a leadership role in recruiting other Democratic centrists to the Clinton campaign.

David now counts among his friends and supporters many moderates and conservatives of both parties. I am pleased to consider myself one of them.

One of the benefits of a long life, is that one has greater opportunity to estimate the value of other human beings by considering the full extent of their life's work. We need not rely on snapshots of another's life taken at odd times, perhaps out of context with the rest of that life to form an appreciation of their character.

I have known David Ifshin for a while now. I deeply appreciate his support and friendship for me. He is a man of great character and firm convictions, who loves his country deeply, and cares passionately about the success of our values abroad. He is big enough to admit his mistakes, and wise enough to learn from them. We should all be blessed with such virtues.

Mr. President, I hope my brief testimonial has allayed the concerns of some of those who have questioned David Ifshin's integrity. I would admonish those remaining doubters to consider how unjust it would be for others to judge their character on their worst single mistake. Unless they are willing to accept that all their life's work will be dismissed in punishment for a single error, then they have little ground to disregard the character and work of my friend, David Ifshin. I am sure President Clinton would be proud to explain his friendship with David Ifshin to anyone who questions it. I know I am.

Mr. President, I ask to insert in the RECORD following my remarks, a statement by Senator LIEBERMAN, a newspaper column by William F. Buckley, entitled: "With Apologies to Mr. Ifshin," and an article written by David Ifshin entitled: "Second Thoughts."

The material follows:

STATEMENT BY SENATOR LIEBERMAN IN SUPPORT OF DAVID IFSHIN

I would like to express my strong support for the comments offered by the distinguished Senator from Arizona, Senator McCain, in regard to David Ifshin. I came to know David Ifshin during President Clinton's campaign. David is well known as a leader in the effort to strengthen the centrist forces within the Democratic Party. He believes in an active foreign policy and a strong defense establishment and has been a tireless advocate of these principles. Senator McCain's efforts to set the record straight in this regard are appreciated by me and David's many other friends.

WITH APOLOGIES TO MR. IFSHIN; DAVID IFSHIN

(By William F. Buckley, Jr.)

A few weeks ago I received a letter from a television viewer in Victoria, Texas, a paragraph of which read, "I believe the people of our country, especially Vietnam veterans, should be made aware of who is designated to head the Dukakis transition team, which gives further proof that Dukakis is farther to the left than most people realize."

The writer had seen a program on CSpan on the question of "transition" to come, between November 8 and January 20, when a new President is inaugurated. "I was amazed to listen to Frank Fahrenkopf (the chairman of the GOP) when he introduced David Ifshin as the leader of the Democratic transition group."

I too was amazed, and wrote a column in which I detailed Ifshin's activity during the Vietnam War, passed along the word that he had repented these activities, but concluded that as head of the transition team of the Democratic Party, he ought to say a word or two in defense of the genteel maneuvering of Dan Quayle, in contrast to Mr. Ifshin's broadcast from Hanoi denouncing the American enterprise. I made two calls, one to Boston-Dukakis, one to Washington-Dukakis to verify that Ifshin was indeed the chief of Democratic transitional arrangements. In both cases, replies were evasive. But since Mr. Ifshin had served as general counsel to Walter Mondale in 1984, the story seemed plausible enough, and I published it.

I report that there has been much consternation—interestingly, on all sides. Ifshin and his friends were greatly pained by the whole redocumentation of his sorry record during the Vietnam War. And the Dukakis people were greatly concerned that the inner circle of Dukakis supporters should proceed on the mistaken impression that Dukakis had given Ifshin so heavy a responsibility, in the event Dukakis were elected President.

Conversations with Mr. Leslie Dach, communications director for Dukakis, and with Mr. Ifshin and others, confirm an interesting story with considerable ramifications.

Shortly after Ifshin's trip to Hanoi, he went to Israel to work in a kibbutz. While there, the Yom Kippur War broke out. He witnessed the role played by our huge cargo planes, the C-5As, in bringing vital war materiel to the beleaguered Israelis. He reflected, with some pain, that while at college he had scorned the building of these airplanes which he now saw as the proximate instruments of Israel's salvation. He began his long turn toward his present position: which is that of what they call a "Scoop Jackson Democrat."

Although Mr. Ifshin came close to Senator Mondale professionally during the 1984 electoral contest, he was even then on the side of a tougher rearmament position. He had collaborated with professors Ralph Winter and Robert Bork in the Coalition for a Democratic Majority, which moved to challenge a provision in the electoral-spending law that got in the way of citizens seeking to advance the cause of national rearmament. He became the general counsel for the American Israel Public Affairs Committee. And he became a friend and associate of psephologist Ben Wattenberg, who is the tattered flagholder at Fort Scoop Jackson.

Mr. Ifshin tells us now that although he is still a Democrat formally, he foresees great difficulties whether Dukakis wins or loses. If he wins, Dukakis is going to need to acknowledge the responsibilities the prevailing party inherits if the United States is to continue to be the arbiter of Western peace. If he loses, the Democratic Party is going to have to face the alternative that the party cannot succeed in a national election so long as it is identified with the cause of American weakness. The voters will not be satisfied with a Democratic program that calls for effective disarmament in the style of George McGovern, who in 1972 proposed a 25 percent reduction in Pentagon spending, counterbalanced by one picture of the Democratic candidate riding in a tank and trying to look like Blood and Guts Patton.

"I have agonized every day of my life," Mr. Ifshin says about his conduct in Vietnam. He has attempted to atone for it by pouring his considerable energy into the Institute for Democracy in Vietnam. Mr. Ifshin deserves forgiveness. One only wishes that he were indeed put in charge of transitional arrangements for Governor Dukakis. The Duke could spend a profitable few hours reading an account of the young life of David Ifshin.

SECOND THOUGHTS

A POLITICAL JOURNEY

(By David Ifshin)

A conference entitled Second Thoughts sounds temptingly like an invitation to reinvent history one's own way. When the period in question is the end of the '60s, there is a particular temptation to see those events through the prism of what has occurred since, and to refashion events to better suit our own current views an self-images. In addition, the notion of "second thoughts" seems a bit understated for my own experience and, I sense, for that of many others.

I entered adolescence and adulthood with the Vietnam War. President Kennedy sent American advisers to Vietnam when I was in grammar school; the Tonkin Gulf resolution passed when I was beginning high school; the war did not end until I had gone through college, spent four years engaged in various activities and completed a semester of law school. During that time I had friends who were killed in the war, friends who became draft dodgers and draft resisters, friends who fled to Canada and, still other friends who concocted a bizzare variety of survival strategies. I cannot reinvent that time, therefore, as a coherent whole in which choices were always clear. Nonetheless, a day has not gone by in the last twenty years that I have not thought about that era in all of its agony and intensity.

My participation in the 1960s was not particularly ideological. In that regard, my story is more typical than atypical. When I finished high school in 1966, I supported the war in Vietnam, and I responded with considerable hostility to friends returning from their first and second years at college who challenged it. My opinions were generally consistent with the mainstream of that time: the United States represented a force of enlightenment and good in the world. The struggle in Vietnam was an extension of our broader role and responsibilities both to help the Vietnamese and to halt the spread of Communism.

When I entered Syracuse University in the fall of 1966, campus activism was almost unknown. Yet the earlier veterans of the civil rights marches in the South had a powerful presence, and the stirrings of discontent were already present. College offered a cosmopolitanism and a sophistication that had thus far eluded me. Yet, for me, the debate at that time had little to do with personal commitments. The first day of college I joined Army R.O.T.C. and when I later turned eighteen that fall, I gladly registered for the draft as another sign of approaching adulthood.

My support for the war was not something I cavalierly discarded one day out of convenience. Arguments about the war filled our classrooms and our evenings, and those discussions continued for years. At first, the majority supported the government's policy and often prevailed by utilizing the arguments of the Johnson Administration against the few that had come to oppose it. Yet inexorably, painfully, individual by individual, the dynamics of the discussion shifted to where the defenders had fewer and fewer arguments that were able to withstand the scrutiny of events.

In the spring of 1968, I was asked by the newly elected student body president to attend the congress that summer of the U.S. National Student Association in Manhattan, Kansas. At the congress, I was for the first time exposed directly to the torrent of passions and emotion as articulated by some of the most prominent anti-war leaders of the day, including Tom Hayden, David Dellinger, Dick Gregory, Rennie Davis, Michael Ferber and a host of others. While the confluence of passions and ideas was intense and fascinating, the underlying message was clear: in a time of great political and moral crisis, one could not afford the luxury of sitting on the sidelines. Once it was clear that U.S. foreign policy was misdirected, the only remaining question was the action one was prepared to take to stop it.

As an earlier supporter of Robert Kennedy and later Eugene McCarthy, I had already decided to work for Hubert Humphrey, by then the inevitable nominee in the general election. Nonetheless, I went to the 1968 Democratic Convention in Chicago in the belief that a peaceful demonstration there might strengthen the beginning of the Demoractic Party's commitment to change our Vietnam policy. It was to be my first demonstration against the war.

I arrived on the Sunday before the convention and proceeded to Lincoln Park in the expectation that there would be a peaceful demonstration. I was in the Park no longer than twenty minutes with several thousand other people, mostly young, when an enormous number of riot police first surrounded the Park and then entered from every direction and began to swing at everything in sight. I remember backing away from a police officer at that moment who, unable to reach me, turned and split open the head of a young girl who could not have been older than 18. As her boyfriend tried to return to help her, he received even more brutal treatment. There may have been some provocation to cause that reaction, but I did not see it.

For the next several days, any attempts to demonstrate against the war were met with equal force. The experience was enormously disorienting; my reaction was disbelief. Surely the right to peacefully protest against a government policy was still guaranteed. Nonetheless, the culmination on Wednesday evening of an enormous force of police and national guardsmen arrayed against a relatively small number of would-be peaceful demonstrators throughout the night was disillusioning. I returned home an embittered and disillusioned opponent, not only of the Administration's policy, but now of the manner in which the government apparently intended to maintain support for it.

Late in the spring of the following year, I was elected student government president by appealing to the sense of growing alienation and frustration on the campus. A few months later, as president of the student government, I helped organize the Vietnam moratorium on campus. Over ten thousand participants peacefully marched, the largest demonstration in the history of the city. I became more involved in the National Student Association that year and attended several of the meetings of the anti-war coalition organizing the national protests. When, in the spring of 1970, there was a military invasion into Cambodia, Syracuse was one of the first colleges to go on strike following a meeting I helped organize on the quadrangle, after returning from a NSA press conference at which I, along with a number of other student body presidents, had called for such demonstrations.

Upon graduation, I went to the National Student Association Congress in Minnesota. There, I was elected president of USNSA and returned to Washington that fall. My predecessor had been in direct contact with NSA's counterpart organization in South Vietnam, an important element of the "Third Force," that opposed both the Communists and the Saigon regime. The South Vietnamese Student Association led by Huyen Tan Mam, had invited my predecessor to South Vietnam earlier that year along with other anti-war leaders. At that time, there had been demonstrations against the war, which had led to the imprisonment of many of the students. This relationship was transferred to me upon assuming office as one of the key elements of our policy. It was consistent not only with my own views, but with the policy the National Student Congress had adopted at the same meeting in which I was elected. The two student organizations had had the notion during the earlier meeting in South Vietnam, that support for the concept of a coalition government—including elements of the Third Force, the existing government of South Vietnam and the Communists—would be promoted by the concept of a "Peoples Peace Treaty." Prior to my election, the NSA Congress voted almost unanimously to make pursuit of such a document a goal of its next administration. It was during this period and out of this relationship that I first met Doan Van Toai, the author of The Vietnamese Gulag, and a fellow participant in this conference.

Following further imprisonments of student leaders in South Vietnam, NSA organized a protest of student body presidents to demand release of the students who had been imprisoned in South Vietnam. Following notification of their release, we asked to go to South Vietnam to meet with them ourselves. Since the visit of the group that included my predecessor that previous spring had only led to further troubles, the government of South Vietnam refused to issue a visa to the group that wanted to go. I recall going to the Embassy with three others to request our visas. Two of us were 1A for the draft and two were Vietnam veterans who wanted to go back. We were denied admission. Frankly, it did not seem like a big deal at the time since, given my draft status, I was likely to be get a visit without a visa in the not-too-distant future.

Nonetheless, the press covered the incident, and it led to an inquiry whether I would be willing to visit North Vietnam. The invitation was straightforward and played directly into a preconception I was drifting toward: that it was the government of South Vietnam that was repressive and that North Vietnam had been misportrayed. My subsequent visit there, a trip made by many other Americans, most more prominent than I (including a former Attorney General of the United States, Joan Baez, Dr. Spock, and others) reinforced my desire to believe that the other side was willing to end the war by forming a coalition government with the government of South Vietnam and the Third Force following U.S. withdrawal. This was emphasized repeatedly, usually in the form of support for the proposal offered by the Communist side at the Peace Talks through the Provisional Revolutionary Government, the political arm of the National Liberation Front. The reality that neither of these organizations was more than a Communist front was obvious even to us.

The most compelling parts of the trip, however, were not such discussions. Our hosts lost no opportunity to show us the physical and human toll of the war. Given our own sentiments and feelings in that regard, it could not fail to have the intended effect. We were shown exhibitions of so-called "American war crimes," always stressing that they were angry at the American government, not at individual Americans like us. I recall, in particular, one session in which a succession of individuals were brought in who had been wounded by American bombing: a man whose face had been melted by white phosphorous and who was breathing through two straws where his nose and been; a young teenage girl who could sit down only with great pain and difficulty because of fiberglass cluster bomb pellets still lodged in her body that could not be removed because the pellets were invisible to x-ray (a casing from a Honeywell anti-personnel bomb was laid on the table with the Honeywell name visible for us to see as we talked to them); a woman with a deformed infant who could not sit up in her hospital bed due to her constant nausea because she allegedly had drunk water polluted with defoliants.

In retrospect, the use of civilian causalities is obviously an enormously powerful force to influence untrained civilians who have arrived with preconceptions such as ours. Our reaction was predictable. Nonetheless, the Vietnamese continued to say to us that it was our government and not we who were responsible. Later that evening, however, I ran into some European visitors, who stated they were doctors investigating American war crimes. They were not so charitable. On hearing that I was an American, their comments were blunt, including direct comparisons to the Second World War and "crimes of silence." When I responded that a Jew I found Holocaust comparisons from a European to be obscene, one inquired acidly whether I would consider a wartime German guiltless because he had visited a gas chamber and registered his disapproval. What had I really done, he asked, to distinguish myself from my countrymen who were waging, in his words, a war of genocide. After enduring their comments for a short time, one of the Vietnamese with me suggested there was a more personal statement I could make by being interviewed for the radio.

One of the great misfortunes that can befall someone who is twenty is to have someone put a microphone in front of them to record or broadcast his sophomoric statements. As president of NSA, I was frequently accorded that opportunity. On countless occasions, I had been interviewed by the broadcast and print media at a ridiculously young age. This was an opportunity, however, I would not soon forget. The statement I made was later broadcast by the North Vietnamese over the radio to my continuing embarrassment and shame.

It is too easy, however, to focus on that single event as an isolated error. In fact, it was simply an extension of a more fundamental error that I shared with too many others: a willful disregard of what was to happen not only to the people who worked with our government during the war, but to the Third Force itself under Communist rule. The story does not need repeating here; we all know it too well. The imprisonments, torture and petty brutalities of the Communists' relentless drive to convert the country into their own image of "social equality" is an evil that cannot be exaggerated. It is too easy for us to ignore both the results and the reasons.

It is not, however, as simple a matter as saying that had the war continued there might have been a happier ending. The policy itself of our government was so fundamentally flawed from the beginning that it is doubtful—regardless of what happened in the way of domestic support—that it could have succeeded. The war was lost long before domestic opposition reached significant proportions. Moreover, to blame failure of the war on lack of domestic support is to confuse cause and effect. It is the responsibility of the leadership of the government to develop and adopt policies that can be supported by the people at a cost whose toll is reasonable. When there is a failure of the leadership to meet that standard, domestic discontent is to be expected.

Later that following year, I set off for South America to attend a meeting in Salvador Allende's Chile. It is there that I began to see the struggle in a different context. A vibrant and historic democracy, Chile had just elected Salvador Allende by a small plurality as its President. The country was in turmoil, and the Communists decided to hold a meeting of their student organization there to express solidarity. It was in those debates and discussions that I began to understand more directly the reality of the threat. It is clear to any honest observer that the Communists were not going to promote a change in Chile peacefully. The Cubans were helping to arm them in the barrios, and we could feel an impending civil war in the air.

I returned to the United States where I worked first for the National Welfare Rights Organization and later for the Democratic National Committee in support of George McGovern's 1972 election. It was there that I began to become deeply disillusioned with the Democratic Party's foreign policy. Rather than directly engage the issues, there was a persistent superficiality about foreign policy, an analysis that could go no further than withdrawal of U.S. troops from Vietnam. While it was an end I still eagerly sought and was prepared to work for, its intellectual emptiness was manifest to anyone who cared to explore it.

At the end of the campaign, I decided to go to Israel to live and work for a while to get a different perspective on the world. I wound up on a kibbutz on the border, a kibbutz which had suffered heavily in the struggle with the PLO before Hussein dislodged them. After returning home following the end of the Yom Kippur War, my appreciation of America's place in the world had been deepened in a manner that can only occur in an environment where one sees it threatened directly and tangibly. One cannot be that close to confrontation with countries so heavily armed with Soviet weaponry without a dramatic impact on one's views. As C5A cargo planes landed every few moments to replenish an ally whose resources were almost exhausted during a time of enormous costs in human life, it made the earlier opposition to those aircraft that I had voiced ring hollow and bitter. Although details of that resupply and the internal politics of Washington later became apparent to me, the impact at the moment will never be lost.

After returning home and working construction for a while, I headed off to law school. I had decided that I would put political involvement behind me given how profoundly my views had evolved, when I was contacted by Scoop Jackson's presidential campaign manager. At his request, I agreed to help during the summer of 1975 as the campaign sought to make its peace with elements of the McGovern wing of the Party. I arranged several meetings with them and Senator Jackson; they accomplished little. They did, however, lead to an invitation to me to travel with him in San Diego for a few days. It was during that trip that I told Senator Jackson that I was probably not going to get involved in any more campaigns because of a difficulty of reconciling my current views with my past positions. His reaction was intense and unforgettable. He upbraided me for believing that the United States could have C5A's for Israel alone and said whether I worked in his campaign or not, I had an obligation to turn my experiences into action for the things I had learned the hard way.

In many ways, it was that meeting that set me on the path to this Conference. But conferences and seminars are not enough. While we should not become so obsessed with the past that it paralyzes us, we need to do more than just learn from our mistakes. The people of Vietnam live under a brutal and repressive regime. It is wrong for people who opposed or supported American involvement in Vietnam out of a desire to help the people of that country to ignore the present reality. In my own case, I have co-founded with Doan Van Toai the Institute for Democracy in Vietnam. Its purpose is to help support prodemocratic forces in Vietnam, including the publication of a Vietnamese *samizdat*. It is a tribute to Toai's perseverance and courage that in addition to publishing *The Vietnamese Gulag* in Vietnamese and distributing it in Vietnam, the Institute will soon resume publishing his magazine of political commentary that he edited as a student leader of the Third Force.•

LAWRENCE TECHNOLOGICAL UNIVERSITY'S WIN AT THE HEV CHALLENGE

• Mr. LEVIN. Mr. President, on June 4, Lawrence Technological University students achieved several important goals at the HEV [hybrid electric vehicle] Challenge. Their entry, the No. 1 Response, was named the most manufacturable and recognized as the best engineering design. And, No. 1 Response won the Society of Automotive Engineers' Design Excellence in Engineering Safety Award.

The HEV Challenge was a national competition sponsored by Ford Motor Co. to encourage engineering students to focus on the problems of building a practical hybrid electric vehicle that runs primarily on electricity, but has an auxiliary combustion engine which can recharge the batteries. Lawrence Tech students were 1 of 30 groups that entered the challenge.

Mr. President, these Lawrence Tech students are to be congratulated by the Congress for their engineering and scientific prowess. Their skills and abilities are going to drive the development of advanced transportation technology well into the next century. We are going to need them to meet the challenges of developing vehicles that will address the energy security and environmental issues this country needs to face.

The Lawrence Technological University's No. 1 Response team included: Doug Callahan, project manager, Troy; Brett Affholter, Redford; James O'Connor, Troy; Norm Harrison, Southfield; Ken Birecki, Canton; John Murphy, Detroit; Paul Furman, Farmington; Mike Butler, Redford; Dave Huelke, Ann Arbor; Mark Emmelkamp, Dearborn; Charles Schwartz, faculty advisor; Nick Bracik, faculty advisor.

Mr. President, I salute these team members and wish them great success in the future. They surely are deserving of it.•

NATIONAL ACADEMY OF SCIENCE STUDY

• Mr. GORTON. Mr. President, on Monday of this week the National Academy of Science released the long awaited study on "Pesticides in the Diets of Infants and Children." Not unlike many other parents and grandparents around the Nation, I, too was interested in the outcome of this study. The recommendations made by the National Academy of Science to improve risk assessment are important in our efforts to further safeguard children's health. Because I have three grandchildren, and one on the way, I am certainly sympathetic to a parent's concern for the health of their child and welcome the NAS recommendations. The NAS committee members were asked, during testimony before the Senate Agriculture Committee, if parents should continue to feed their children fruits and vegetables. Their response, not surprisingly, was that fruits and vegetables are a very important component of a child's diet, and parents should continue to encourage their children to eat them. The NAS committee confirmed that by encouraging our children to snack on apples and vegetables we are building healthy eating habits which they will carry on into their adult lives.

I commend Dr. Phillip Landrigan, a pediatrician and chair of the NAS Committee, who in his opening statements before the Senate Agriculture Committee, stated "The goal of the report is to make the very good food supply of the United States even better."

I agree with Dr. Landrigan, and I can attest that Washington State farmers are dedicated to that same goal. Farmers have, and will continue to focus on using the minimum levels of pesticides necessary for producing a wholesome, safe, food supply. As Dr. Landrigan stated, the NAS study will be the roadmap for making what is already good even better.

I agree with the committee's conclusion that children deserve special consideration in regard to pesticide tolerance. As policymakers, we can help by following the committee's recommendation to do everything in our power to assure that data collection on this issue increases. Good, solid data will allow Government agencies to make sound decisions about the welfare of our children based on sound science—and that will protect our children, grandchildren, and great-grandchildren for generations to come.

There is no question that our food supply is the safest and the most abundant in the world. Dr. C. Everett Koop, former Surgeon General, has said that pesticides are important tools that have made this abundance possible. As a society, we must ensure that we do everything possible to ensure that our farmers have those important tools that allow them to produce safe food not only for our own children, but for the world's children as well. The NAS recommendations will be an important part in improving risk assessment and in further safeguarding our children's health.•

S. 1178—THE GREAT LAKES FEDERAL EFFECTIVENESS ACT

• Mr. GLENN. Mr. President, I ask that S. 1178, the Great Lakes Federal Effectiveness Act, which I introduced on June 29, be printed in the RECORD.

The text of S. 1178 follows:

S. 1178

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Great Lakes Federal Effectiveness Act".

SEC. 2. GREAT LAKES RESEARCH COUNCIL.

(a) ESTABLISHMENT OF COUNCIL.— There is established a Great Lakes Research Council.

(b) DUTIES OF COUNCIL.—The Council shall—

(1) advise and promote the coordination of Federal research activities to avoid unnecessary duplication and ensure greater effectiveness in achieving ecosystem protection of the Great Lakes through the goals of the Great Lakes Water Quality Agreement;

(2) no later than one year after the date of enactment of this Act, prepare and provide to Congress and to other interested parties, a document which includes—

(A) an assessment of the research activities needed to fulfill the Great Lakes Water Quality Agreement goals;

(B) an assessment of existing Federal expertise and capabilities in those activities needed to fulfill the Great Lakes Water Quality Agreement goals, including an inventory of existing Federal Great Lakes research programs, projects, facilities, and personnel; and

(C) recommendations for long-term and short-term priorities for Federal research on the Great Lakes, based on a comparison of the assessment conducted under subparagraph (A) and existing programs;

(3) identify topics for and participate in meetings, workshops, symposia, and conferences on Great Lakes research issues;

(4) make recommendations for the uniform collection of data for enhancing research and management protocols relating to the Great Lakes ecosystem;

(5) advise and cooperate in the establishment of a comprehensive, multi-media data base for the Great Lakes ecosystem; and

(6) ensure that the results, findings, and information regarding Great Lakes research programs conducted or sponsored by the Federal Government be disseminated in a timely matter, and in useful forms, to Congress and to other interested persons, using as much as possible existing mechanisms, such as the Great Lakes Research Inventory prepared by the International Joint Commission.

(c) MEMBERSHIP.—(1) The Council shall be composed of one research manager from—

(A) the Environmental Protection Agency;

(B) the National Oceanic and Atmospheric Administration;

(C) the United States Fish and Wildlife Service; and

(D) any other relevant Federal department, agency or instrumentality, as determined by the Council membership.

(2) Wherever possible, the research manager selected under paragraph (1) shall be a member of the International Joint Commission Council of Great Lakes Research Managers.

(3) Other persons who are not Federal employees may serve as ex officio members of the Council, at the request of the Council membership.

(4) Persons chosen to serve on the Council shall have extensive knowledge, scientific expertise, and experience in the Great Lakes ecosystem.

(d) CHAIRPERSON.—The Chairperson of the Council shall be elected by the members and shall serve for a period of two years. No member of the Council may serve as Chairperson for more than two consecutive terms.

(e) COMPENSATION.—While performing offical duties as members of the Council, members of the Council are entitled to receive compensation for travel and transportation expenses under section 5703 of title 5, United States Code.

(f) INTERAGENCY COOPERATION.—The head of each department, agency, or other instrumentality of the Federal Government which is a member of the Council—

(1) shall cooperate with the Council to implement the recommendations developed under subsection (b);

(2) may, upon written request of the Chairperson of the Council, make available, on a reimbursable basis or otherwise, personnel, services, or facilities as may be necessary to assist the Council in achieving the purposes of this Act; and

(3) shall, upon written request from the Chairperson, furnish data or information necessary to achieve the purposes of this Act.

SEC. 3. INTERNATIONAL COOPERATION.

(a) INTERNATIONAL JOINT COMMISSION.—To the greatest extent possible, the Council shall carry out its activities and responsibilities under the auspices of the International Joint Commission Council of Great Lakes Research Managers.

(b) FUNDING.—Agencies represented on the Council may reimburse costs associated with activities authorized under this Act conducted by the International Joint Commission.

SEC. 4. EFFECT ON OTHER LAWS.

Nothing in this Act shall be construed to amend, restrict, or otherwise alter the authority of any Federal department, agency, or instrumentality, under any law, to undertake Great Lakes research activities.

SEC. 5. DEFINITIONS.

For purposes of this Act the term—

(1) "Council" means the Great Lakes Research Council established under section 2 of this Act;

(2) "Great Lakes" means—

(A) Lake Erie, Lake Huron, Lake Michigan, Lake Ontario, and Lake Superior;

(B) their connecting waters, including the St. Marys River, the St. Clair River, Lake St. Clair, the Detroit River, and the Niagara River; and

(C) the St. Lawrence River;

(3) "Great Lakes research" means the application of scientific or engineering expertise to explain, understand, and predict physical, chemical, biological, and socioeconomic processes, and their interaction, in the Great Lakes ecosystem; and

(4) "Great Lakes Water Quality Agreement" means the bilateral agreement between the United States and Canada which was signed in 1978 and amended by the Protocol of 1987.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.•

THE MAIZE AND BLUE TEAM'S VICTORY AT THE SUNRAYCE

• Mr. LEVIN. Mr. President, I take great pleasure in notifying the Senate that the University of Michigan's Maize and Blue team won the Sunrayce on June 26, 1993, for the second time in a row.

The Sunrayce is a biennial collegiate solar car race sponsored primarily by the Department of Energy and General Motors. The race is designed to challenge science and engineering students and encourage innovation. Universities and colleges from all over North America joined in the competitive 7-day, 1,100 mile race that started in Arlington, TX, and finished in Minneapolis.

The Maize and Blue team beat its nearest competitor, the California State Polytechnic University-Pomona, by about 90 minutes maintaining an average speed of approximately 27.29 miles per hour. There was a small matter of a tire blowing out near the finish line, but that did not prevent the team from finishing in first place.

Mr. President, that speed may not make NASA nervous, but I am, and we should all be, very impressed. These students are on the cutting edge of advanced transportation and solar energy technology. Through their hard work they have accomplished, once again, an amazing feat—using the power of the Sun to propel a vehicle and its driver over 1,000 miles. They are worthy of our recognition as they represent what is best about America now and what America can become if we do the smart thing and strongly support renewable energy research and development.

The University of Michigan's Maize and Blue solar car team members include:

Furqan Nazeeri, project manager/team leader;

Bill Cosnowski, team manager;

Andrew Carmody, systems coordinator;

Kristine Gearhart, power team;

Chad Mentzer, power team;

Ketan Patel, electronics team leader;

Andrew Warner, chassis team leader;

Kevin Cain, body/chassis team and alternate driver;

Andris Samsons, chassis team and driver;

Betsy White, power team and driver;

Deanna Winton, chassis team and driver;

Eric Slimko, aero/body team leader and head strategist;

Andrew Walberer, strategy team leader;

Stephen Lukacho, aero/body team;

Joseph Bartlo, weather;

Mark Kulie, weather;

Jeff Zoltowski, weather;

Dan Ross, business team leader;

Lesley Camblin, assistant project manager;

Bryan Theis, power team and logistics;

Harry Yates, systems coordinator and logistics;

Prof. Bruce Karnopp, faculty advisor; and

Prof. Gene Smith, faculty advisor.

The sponsors of the race and corporate sponsors of the race who donated the car's major components also deserve our thanks and appreciation for their support of the Sunrayce and the University of Michigan's team.

The amazing Maize and Blue did it again.●

TRIBUTE TO THE LATE FIRST LADY OF THE UNITED STATES, PATRICIA RYAN NIXON

Mr. COCHRAN. Madam President, in behalf of the Republican leader, Senator DOLE, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 127) to print as a Senate document a collection of statements made in tribute to the late First Lady of the United States, Patricia Ryan Nixon.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to the consideration of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 127) was agreed to, as follows:

S. RES. 127

Resolved, That there shall be printed as a Senate document a collection of statements made in tribute to the late First Lady of the United States, Patricia Ryan Nixon, together with appropriate illustrations and other materials relating to her death.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE TELEMARKETING AND CONSUMER FRAUD AND ABUSE PREVENTION ACT

Mr. FORD. Madam President, on behalf of the majority leader, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 121, S. 568, the Telemarketing Fraud Act, that the committee amendment be agreed to, the bill, as amended, be deemed read three times; I now ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 868, the House companion, that all after the enacting clause be stricken and the text of S. 568, as amended, be inserted in lieu thereof, that the bill be deemed read a third time, passed and the motion to reconsider laid upon the table; that statements by Senators BRYAN and HOLLINGS relative to this measure appear in the RECORD at the appropriate place; further that upon disposition of H.R. 868, the Senate companion measure be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

So, the bill (H.R. 868), as amended, was deemed read a third time and passed.

Mr. BRYAN. Madam President, as chairman of the Commerce Committee Consumer Subcommittee, I am very pleased to present for full Senate consideration S. 568, legislation to protect consumers and legitimate businesses from the unscrupulous tactics of fraudulent telemarketers. The issue of telemarketing fraud has been one of my priorities since I entered the Senate, and I am delighted to see that this legislation stands an excellent chance for passage in this Congress.

In each Congress since I arrived in the Senate, I, along with Senator MCCAIN, have introduced legislation to combat the pernicious problem of telemarketing fraud. I am pleased to note that in this Congress, S. 568 is cosponsored by almost every member of the Consumer Subcommittee—Senators GORTON, BURNS, and DORGAN—as well as Senator BINGAMAN. I am optimistic that our legislation, which has previously passed the Senate on three separate occasions, and was favorably reported by the full Commerce Committee on May 25, 1993, will finally be enacted into law this year.

While there are, of course, many legitimate telemarketers, the industry has also unfortunately become rife with scam artists and other crooked operators. Some estimates of the costs associated with such fraud are as high as $40 billion per year.

In telemarketing fraud, consumers are typically offered goods and services at incredibly low prices, or are enticed into purchases through offers of luxury items or fabulous trips, at little or no cost. Consumers often are required to pay in advance, and are generally asked to pay by credit card.

As we have learned, however, the offer is indeed too good to be true. Sometimes the items are never received, and even when delivered, the consumer discovers that it is not of the promised value. In some instances, persons are promised a valuable prize, if a purchase is made, but never receives the prize. These fraudulent schemes have involved the sale of vitamins, diet aids, credit card protection programs, luggage, vacations, and office machine supplies, to name just a few.

The most common mode of telemarketing fraud is the fly-by-night, boiler room, anonymous operator, whose contact with the consumer is limited to the telephone, and whose mobility and anonymity permit the consumer no recourse if the goods are deficient or undelivered. These types of operations make enforcement and prosecution against fraudulent telemarketers difficult, particularly for State law enforcement officials.

According to a study conducted by Louis Harris & Associates on behalf of the National Consumers League, 92 percent of all Americans have received a postcard informing them that they were a definite winner of a free prize, and 29 percent have responded to such mailings. Over 5.5 million Americans have purchased something by telephone that they later felt was a definite fraud.

More disturbing, however, is that the survey reveals that over 1 in 6 Americans find it very difficult to resist a telephone solicitation. Coupled with the fact that less than one-third of the people who have been cheated out of money ever report their losses to the authorities, it is clear that fraudulent telemarketing has become a lucrative business for unscrupulous operators to prey on innocent victims, especially the elderly.

At a Consumer Subcommittee hearing on S. 568 that I chaired on March 18, 1993, the Federal Bureau of Investigation shared with us the results of a 3-year undercover sting operation that it had conducted, appropriately named "Operation Disconnect." The FBI's successful efforts to target illegal telemarketers were the result of an innovative undercover approach and their ability to use the telemarketer's own greed and desire for quick profits against him.

The results of the FBI's efforts illustrate the need to attack this serious and growing problem from a variety of fronts, and to pursue coordinated law enforcement efforts when possible. The Department of Justice, the Federal Trade Commission, and State law enforcement authorities can all bring a unique perspective to the issue.

S. 568 requires the FTC to promulgate telemarketing rules, and in that process to consider: Whether a promised shipping date should be required; whether a cooling off period, in which telephone sales could be rescinded, should be mandated; and whether requirements regarding the hours, type of equipment used, and records kept in telemarketing should be imposed. The bill would permit continuation of State law in this area, to the extent that the FTC finds that the State law provides an overall level of protection equal to or greater than that provided by the bill.

The bill also is designed to strengthen the FTC's enforcement powers. Specifically, it would expand the current venue provisions of the FTC Act, to allow the FTC to join additional defendants in pending cases; expand subpoena power to allow the FTC to subpoena physical evidence as well as documents; expand the FTC's ability to obtain financial data in the course of its investigations without notice to the subject of the records, upon obtaining a court order that such data are necessary to prevent removal of assets subject to seizure; and expand the FTC's authority to obtain enforcement of its court orders through criminal, as well as civil, contempt proceedings.

Additionally, the bill permits State attorneys general to bring civil actions in U.S. district courts for telemarketing fraud or for violations of the telemarketing rules promulgated by the FTC, and the FTC is permitted to intervene in such actions. The bill also permits consumers and financial institutions to bring lawsuits under the FTC Act directly against those engaged in telemarketing fraud, if the amount in controversy exceeds $50,000. The bill also creates jurisdiction in Federal courts for actions brought under the bill. Finally, the FTC is required to establish a clearinghouse for sharing information received by Federal agencies concerning telemarketing.

The House of Representatives passed a similar telemarketing bill, H.R. 868, on March 2, 1993. Madam President, this legislation is vitally important. S. 568 will protect all consumers, as well as legitimate businesses and financial institutions, from becoming unwilling victims of unscrupulous and fraudulent telemarketers. I ask for the unanimous support of my colleagues.

Mr. HOLLINGS. Madam President, I am pleased that the Senate is considering S. 568, legislation designed to protect consumers and legitimate businesses from the ever-growing abuses and costs associated with telemarketing fraud. Such abuses cannot be permitted to go unchecked. According to some estimates, the costs from this fraudulent activity are in the billions—possibly as much as $40 billion.

Under fraudulent telemarketing practices, consumers are frequently lured into purchasing goods and services with offers of investment opportunities, fabulous prizes, deluxe vacations, and even household products such as vitamins, all at little or no cost. Consumers often are required to pay in advance, and are generally asked to pay by credit card. The offer is often, however, too good to be true. Sometimes the item is never received, and even when delivered, the consumer discovers that it is not of the promised value. In some instances, an individual is promised a valuable prize if a purchase is made, but never receives the prize. In addition, the required purchase typically costs much more than the value of the item. The most common mode of telemarketing fraud is fly-by-night, boiler room, anonymous operators, whose contact with the consumer is limited to the telephone, and whose mobility and anonymity preclude the consumer from having any recourse if the goods are deficient or undelivered.

Despite the difficulties in locating and pursuing fraudulent telemarketers, both State and Federal law enforcement agencies continue to report that telemarketing fraud remains high on their list of enforcement priorities. S. 568 will aid their efforts by providing additional enforcement tools for the Federal Trade Commission and creating a new cause of action for State attorneys general and private parties with damages exceeding $50,000.

S. 568 was favorably reported by the Commerce Committee on May 25, 1993, without objection. The House of Representatives passed a similar telemarketing bill, H.R. 868, on March 2, 1993. In the last Congress, the Commerce Committee reported legislation virtually identical to this bill, S. 1392, which then passed unanimously by the full Senate. The House also reported similar legislation, H.R. 3203, but final legislation was not enacted before the Congress adjourned.

Madam President, I urge my colleagues to support this important consumer protection measure.

Mr. McCAIN. Madam President, I rise to join my distinguished colleagues and good friend from Nevada, Senator BRYAN, in encouraging our colleagues to adopt the Telemarketing and Consumer Fraud and Abuse Prevention Act.

Madam President, telemarketing is one of the fastest growing industries in the United States. This industry has provided American consumers greater options for obtaining information, entertainment and home shopping opportunities. A great many of these telemarketing companies are legitimate, and operated by honest businessmen and women. Unfortunately, the expansion of the industry has also led to the emergence of telemarketing and consumer fraud.

As we saw with the FBI sting of several months ago, this problem is pervasive and national in scope.

I have focused on the issue of consumer fraud for several years now, particularly with regard to the issues of Health and consumer fraud targeted at the elderly. On March 16, 1988, I testified before the Federal Trade Commission [FTC] on my concern about health care and consumer fraud affecting senior citizens—leaving behind unsatisfied, and in some cases, physically harmed seniors who relied on fraudulent products and health care schemes. For the past several years, Senator BRYAN and I have been working together to try and get legislation enacted to combat telemarketing fraud.

Telemarketing and consumer fraud costs American taxpayers tens of billions of dollars per year, and, in the case of health fraud, can costs lives as well. Such fraud is often committed by individuals who escape legal action by dismantling their operation and relocating to begin the operation again. In the cases of these boiler room scams, such as the subjects of the recent FBI sting, both the victims and the perpetrators are difficult to locate since the operations often consist of nothing more than phone banks which do not readily provide detailed evidence of illegal activity.

There are several areas of fraud to which the elderly are particularly susceptible.

First, health fraud is one of our Nation's leading consumer fraud and health care problems. Older Americans, as a group, experience deteriorating health and a greater number of terminal illnesses than the rest of the population. In searching for a way to prolong life and combat illness, the elderly are particularly susceptible to the claims of scam operators.

Health care fraud can be life threatening. In some cases, the so-called cure may be deadly as well. In other cases, the product may be harmless, but a victim may be led to choose the product for treatment of an illness instead of a physician-recommended course of treatment. Again, the result could be quite serious.

Not only is such fraud dangerous to the consumer's health, it is also costly. Current projections by the National Council Against Health Fraud indicate that this activity is costing Americans close to $25 billion a year.

A few examples from my own state of Arizona illustrate the magnitude of the problem.

An advertisement was placed in the Arizona Republic and Phoenix Gazette newspapers that read: "Alzheimer's Disease—symptoms of senility. At last—now there is hope. Call (this number) for help. Free—no charges—no fees."

Another case involved a phony cancer cure called tumorex. The ad read:

> Cancer patients undergo a six-day therapy of daily tumorex injections administered by a licensed M.D. or R.N. This is augmented by amino acid capsules taken ½ hour before each meal. Any enzyme program must be discontinued 24 hours before the first day of treatment. In most cases, six days of treatment are sufficient; however, 12 days or more are required for some severe cases. Colon cleaning is important before treatment and imperative after treatment. $2,500 includes the 6- or 12-day treatment, and transportation (meals and lodging not included). We suggest cashier's or traveler's checks, however, MasterCard and Visa are acceptable.

Mr. President, tumorex is really the amino acid L-arginine, which can be purchased at local health food stores at a cost of $5.50 for 100 tablets.

Second, consumer fraud via the television or telephone is another issue of particular concern to older Americans. Consumer items for purchase, and medical and health services are commonly marketed in this manner. While many of these sellers offer legitimate services or merchandise, many times consumers lose by not receiving the ordered item, receiving a copy rather than an authentic item, or by suffering some financial of health loss.

One example of this type of telemarketing scam in Arizona involved a nationwide, shop-at-home program. This program, which was aired over nationwide television, involved a listing of various items for sale. The money for these items was sent to the company which, in turn, cashed the checks and never delivered the merchandise. The operation generated over 1,300 complaints.

Third, is the area of life care communities. While life care communities can be a practical solution to the problem of assuring constant care for the elderly, there have been several occasions where senior citizens have lost their investments due to fraud or mismanagement. This has involved the misrepresentation of financial risks, mortgage-lender's interests in the life care community, and the misuse of the entrance fee financing.

The structure of the life care industry facilitates such abuses, and it is time that we take a close look at the industry's practices and ensure that life care communities remain safe alternatives for senior citizens.

And, lastly, is the area of credit laundering. This area of fraud is emerging as a great threat to both consumers and the banking community. This is exemplified by the situation where a fraudulent telemarketer uses the credit card privileges of a merchant to obtain legitimate credit card drafts as records of transactions to receive payment from the unsuspecting customer's bank.

Consumers fall prey to the attractive descriptions of an item by a telemarketer, and provide their credit card numbers to the so-called seller. The telemarketer then submits that number to a willing merchant with legitimate credit card privileges, who submits the credit card drafts to the corresponding bank. This activity often results in a customer not receiving the item or receiving an item which is different from the promised item. An additional effect on the banking institutions is that, upon receiving the complaint from the consumer, or upon acquiring the accounts of telemarketing merchants who went out of business, the institutions must settle the chargebacks against their own accounts when the merchants are unable to pay them.

This exact scenario played out in my state or Arizona with Gateway National Bank in Phoenix which ended up being declared insolvent by the Office of the Comptroller of the Currency. Just 1 year prior to insolvency, Gateway claimed assets of $1 million. One of the main reasons attributed to its demise was the overwhelming number of chargebacks the bank had to absorb because of merchants' failure to pay. These chargebacks ate away at the bank's equity capital, depleting it so as to render the bank insolvent.

The message here is clear: with credit card fraud, the consumer and the banking community are the big losers.

The legislation we are considering today would combat telemarketing, consumer and credit card fraud in the following ways:

It offers a solution to the problems facing federal law enforcement officers working toward bringing scam operators to justice, by expanding the venue and service of process provisions in the Federal Trade Commission Act. Thus, authorities will be permitted to summon and serve process upon any party, regardless of where they live or conduct business. This way, law enforcement officials will be able to bring scam operators to justice even if they have packed up their operation.

It enhances the enforcement authority of the Federal Trade Commission [FTC] by amending the Right to Financial Privacy Act of 1978 to permit access to financial records of consumer fraud suspects, without providing advance notice to the suspects, with court approval, if the FTC can show that the funds are likely to disappear during an investigation.

It identifies credit card laundering as a fraudulent telemarketing act or practice.

It offers protection to consumers against telemarketing fraud and abuse by requiring the FTC to develop telemarketing fraud protecting consumers. The rules would include: first refunds for untimely delivery of goods or services, second, order cancellations, third, time restrictions on unsoliciated sales calls, fourth, a prohibition on the use of equipment that does not allow the person called to hang up and disconnect the call immediately, and fifth requirements for proper recordkeeping for the purposes of establishing evidence of proper business practices. The bill also directs the FTC to reflect on the changing nature of these illegal practices. These provisions would protect unsuspecting consumers from both unwelcome, and unsolicited goods or services, and, more importantly, fraud.

It will allow enforcement assistance by the states by permitting State attorneys general to enforce the proposed FTC telemarketing rules after first notifying the Commission. After receiving a copy of the State's complaint, the Commission may intervene as a matter of right in the proceeding. This provision assures joint enforcement efforts by both State and Federal authorities without precluding one or the other.

It permits private individuals to sue for violation of the FTC telemarketing rules when the amount in controversy exceeds $50,000. As in the case of the State attorneys general, a plaintiff would be required to notify the FTC prior to bringing suit.

These last three provisions are subject to a 5-year sunset clause, at which time they will cease to be effective. This will allow Congress the opportunity to evaluate the reasonableness and effectiveness of the telemarketing fraud and enforcement rules before continuing them indefinitely.

It amends the Federal Trade Commission Act to clearly set forth that it is unlawful to disseminate any false advertisement for the purpose of inducing the purchase of services, such as health care or home repair services. This provision addresses the problems and dangers of health care fraud by further amending the Federal Trade Commission Act to expand the definition of "physical evidence" for the purpose of bringing these cases to court. The definition of "physical evidence" should be expanded to include services, as well as medical devices, food products, nutritional or cosmetic products, or audio or video recordings, all things which are often pivotal evidence in consumer fraud cases generally, and health care fraud in particular.

It permits the FTC to bring an action for criminal contempt for violation of an FTC order, if it is presently authorized to institute a proceeding for civil contempt.

It requires the FTC to establish a clearinghouse for telemarketing inquiries to be made available to the public.

And, finally, it requires the FTC to conduct a study of unfair or deceptive acts or practices in the life care home industry and report to Congress on the results of that study. This would be a starting point toward ensuring that the elderly are not misled when choosing a life care community, and can feel confident when making this very important decision.

Madam President, this legislation has been reported favorably from the Commerce Committee. It is an important step toward minimizing the practice of telemarketing, consumer, and credit card fraud, and help protect senior citizens in particular, who are all too often targeted as victims of fraud. I realize, however, that some of the provisions of this bill may slightly increase redtape for businesses and could nominally increase the price of products or services, but this is one case in which I believe the end result justifies the means. We must provide sufficient tools to the authorities to shut down the crooks that are ripping off, and in some cases threatening the lives, of consumers.

Several months ago, the House of Representatives passed their telemarketing fraud bill. It is now time to pass ours so that we can get on with a conference and produce legislation that is able to be signed into law.

I hope that all of our colleagues will consider supporting this important legislation.

Mr. GORTON. Madam President, I am pleased to support Senate passage of the Telemarketing and Consumer Fraud and Abuse Prevention Act. This bill takes a reasonable approach to addressing the problems associated with telemarketing fraud.

Telemarketing is one of the fastest growing industries in the United States. It is comprised of more than 140,000 firms employing 2 million people. Consumers are making increased use of telemarketing, as it allows them to make purchases from their homes.

Although the vast majority of telemarketing firms are legitimate, fraud is a major problem. A report last year by the House Committee on Government Operations concluded that telemarketing fraud may cost society as much as $40 billion annually. The magnitude of this problem is underscored by the results of a survey conducted last year by the National Consumers League. It found that 92 percent of all Americans had been contacted about a guaranteed prize, and 29 percent had responded to such offers at least once. Sixty-nine percent of those that responded to these notices received no prizes, but most of those that did receive one found them to be worth far less than the promised value.

Combatting telemarketing fraud is particularly difficult, since scam artists often operate out of boiler rooms consisting of banks of phone lines on which solicitors place calls to likely prospects. If the scam artists determine that legal action by State or Federal authorities is imminent, the boiler room is packed up and moved to a new location.

This bill addresses this problem through enhanced law enforcement. The legislation provides the Federal Trade Commission [FTC] important enforcement tools that are essential if the Commission is to bring scam artists to justice. For example, the bill expands the Commission's authority to collect financial evidence. This is needed to allow the Commission to follow the money—an axiom of law enforcement. The legislation also modifies the Commission's authority to initiate criminal contempt proceedings against those that repeatedly violate Commission orders. This recognizes that civil remedies are not adequate to deal with those hard-core scam artists who routinely attempt to defraud unwitting consumers.

The bill also enhances FTC enforcement authority by permitting the Commission to issue civil investigative demands for physical evidence in addition to documents, as allowed under current law. Also, the bill amends section 13 of the FTC Act to permit a Federal court to join additional defendants in a civil action even if they have no contracts with the district in which the case is pending. The FTC would be permitted to serve process on defendants where ever the defendants can be found.

In addition to enhancing FTC enforcement authority, the bill seeks to increase the resources available to combat telemarketing fraud. The legislation requires the FTC to promulgate a rule regarding fraudulent telemarketing acts or practices that the FTC and state attorneys general would be authorized to enforce. This authority for state attorneys general is very important because the FTC does not have the resources to address this pervasive problem alone. State law enforcement resources are critical to the national effort to combat telemarketing fraud, and this provision will allow state attorneys general to bring scam artists who have defrauded their citizens to justice, even if the scam artists are located outside that state. A 1989 report by the American Bar Association on the FTC urged the Commission and the states to work cooperatively on national matters such as this. This provision requires state attorneys general to give the FTC prior written notice of his or her intent to file a civil action in order to ensure a cooperative approach to enforcement. In addition, the FTC would have authority to intervene in any lawsuit brought by a state and to file appeals of any court order, and state attorneys general would be prohibited from bringing a civil action during the pendency of an action by the FTC against the same defendant for a violation of the rule.

Earlier this year, the Federal Bureau of Investigation [FBI] concluded a 2-year undercover investigation of telemarketing fraud, which resulted in hundreds of arrests and the exposure of numerous networks of fraudulent activity. The FBI, FTC, and state officials must devote considerable resources to combat this problem because it is pervasive and, tragically, usually very successful. This bill will help to provide civil enforcement agencies, Federal and State, the tools they need. Madam President, I urge my colleagues to support this bill.

Mr. BURNS. Madam President, I proudly rise today and join with my Commerce Committee colleagues, Senators BRYAN, MCCAIN, and GORTON, in urging the Senate to expeditiously pass critically important consumer legislation, S. 568, the Telemarketing and Consumer Fraud and Abuse Prevention Act.

Madam President, telemarketing—the use of telephone and telecommunications technologies to market products or services—is a rapidly growing business in the United States and around the world. This rapid growth will only increase in the future as we move into the information age. There are many legitimate businesses involved in the telemarketing field. There are also, unfortunately, many problems associated with telemarketing. Fraud is a significant problem with telemarketing practices.

For instance, in February, following an extensive investigation, the FTC brought charges against two telemarketers who induced consumers to buy products through promises of valuable prizes. According to the FTC, these telemarketers used high-pressure sales tactics to sell goods worth far less than their advertised value. Moreover, the prizes were, in many cases, never delivered. Regrettably, consumers are quite frequently victimized by just such practices. An investigative report by the House Government Operations Committee concluded that telemarketing fraud may cost consumers as much as $40 billion annually.

S. 568 addresses these problems by enhancing the enforcement authority of both the FTC and state law enforcement officials. For the FTC, the bill provides important enforcement tools, such as the authority to initiate criminal contempt proceedings against those hard core scam artists who repeatedly violate FTC orders and rules and regulations. Moreover, the bill expands the FTC's ability to investigate scam artists by expanding the agency's subpoena authority. The bill also authorizes state attorneys general to enforce an FTC rule prohibiting fraudulent telemarketing, even if the call is made from another state. While the FTC will enforce the rule jointly with state law enforcement officials, the FTC alone will continue to enforce section 5 of the FTC Act, which prohibits unfair or deceptive acts or practices.

Overall, this legislation is a measured, reasonable response to a significant consumer problem which should go a long way in discouraging fraudulent telemarketing practices in America while, at the same, not harming the legitimate use of new sales and marketing tools made available by advances in telecommunications and information technologies.

ARMORED CAR INDUSTRY RECIPROCITY ACT OF 1993

Mr. FORD. Madam President, on behalf of the majority leader I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar 107, S. 608, the Armored Car Industry Reciprocity Act of 1993.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 608) entitled the "Armored Car Industry Reciprocity Act of 1993."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

S. 608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Armored Car Industry Reciprocity Act of 1993".

SEC. 2. FINDINGS.

Congress finds that—

(1) the distribution of goods and services to consumers in the United States requires the free flow of currency, bullion, securities, food stamps, and other items of unusual value in interstate commerce;

(2) the armored car industry transports and protects such items in interstate commerce, including daily transportation of currency and food stamps valued at more than $1,000,000,000;

(3) armored car crew members are often subject to armed attack by individuals attempting to steal such items;

(4) to protect themselves and the items they transport, such crew members are armed with weapons;

(5) various States require both **[**weapons'**]** *weapons* training and a criminal background check before licensing a crew member to carry a weapon; and

(6) there is a need for each State to reciprocally accept **[**weapons'**]** *weapons* licenses of other States for armored car crew members to assure the free and safe transport of valuable items in interstate commerce.

SEC. 3. STATE RECIPROCITY OF WEAPONS' WEAPONS LICENSES ISSUED TO ARMORED CAR COMPANY CREW MEMBERS.

(a) IN GENERAL.—If an armored car crew member employed by an armored car company has in effect a license issued by the appropriate State agency (in the State in which such member is primarily employed by such company) to carry a weapon while acting in the services of such company in that State, and such State agency meets the minimum State requirements under subsection (b), then such crew member shall be entitled to lawfully carry any weapon to which such license relates in any State while such crew member is acting in the service of such company.

(b) MINIMUM STATE REQUIREMENTS.—A State agency meets the minimum State requirements of this subsection if in issuing a **[**weapon's**]** *weapons* license to an armored car crew member described in subsection (a), the agency requires the crew member to provide information on an annual basis to the satisfaction of the agency **[**that the crew member—**]** *that—*

(1) *the crew member* has received classroom and range training in **[**weapon's**]** *weapons* safety and marksmanship during the current year by a qualified instructor for each weapon that the crew member is licensed to carry; and

(2) the receipt or possession of a weapon by the crew member would not violate Federal law, determined on the basis of a criminal record background check conducted during the current year.

SEC. 4. RELATION TO OTHER LAWS.

This Act shall supersede any provision of State law **[**(or any subdivision thereof)**]** *(or the law of any political subdivision of a State)* that is inconsistent with this Act.

SEC. 5. DEFINITIONS.

As used in this Act:

(1) The term "armored car crew member" means an individual who provides protection for goods transported by an armored car company.

(2) The term "armored car company" means a company—

(A) subject to regulation under subchapter II of chapter 105 of title 49, United States Code; and

(B) holding the appropriated certificate, permit, or license issued under subchapter II of chapter 109 of such title, in order to engage in the business of transporting and protecting currency, bullion, securities, precious metals, food stamps, and other articles of unusual value in interstate commerce.

The PRESIDING OFFICER. If there is no objection, the committee amendments are agreed to.

So the committee amendments were agreed to.

AMENDMENT NO. 562

(Purpose: To add a definition for the term "States")

Mr. FORD. Madam President, I send a technical amendment to the desk on behalf of Senator EXON.

The PRESIDING OFFICER. The clerk will report

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD] for Mr. EXON, proposes an amendment numbered 562.

On page 4, after line 25, insert the following new paragraph:

(3) The term "State" means any State of the United States or the District of Columbia."

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 562) was agreed to.

Mr. EXON. Madam President. I rise in support of final passage of S. 608, the Armored Car Industry Reciprocity Act. This measure was reported to the Senate favorably and without objection by the Committee on Commerce, Science, and Transportation, on May 25, 1993. I would note that the House of Representatives recently has passed similar legislation (H.R. 1189), and that, in the last Congress, the Senate voted unanimously to approve S. 3229, the Armored Car Industry Reciprocity Act of 1992. As chairman of the Surface Transportation Subcommittee, I would therefore suggest to my colleagues that the measure before us should be noncontroversial.

S. 608 would entitle, under certain circumstances, an armored car crew member with a weapons permit in the State in which that crew member primarily is employed to carry lawfully a weapon in any State while protecting the security of valuable goods in interstate commerce in the service of an armored car company. The bill addresses the problem of a lack of recognition and reciprocity among the States of various State weapons permits, by requiring States to recognize a weapons license issued by another State to a qualified armored car crew member, so long as the State agency issuing the license meets certain requirements set forth in the legislation.

Madam President, this is commonsense legislation. The U.S. armored car industry transports billions of dollars of cash, securities, food stamps, bullion, and other valuables within and between States every day. Unfortunately, on a number of different occasions in recent years, local law enforcement authorities have stopped armored cars moving while in interstate commerce and either have arrested armed guards or have confiscated their weapons, based on the alleged lack of a weapons permit valid in that State. Armored car companies have attempted to comply with multiple State weapons licensing laws, but to do so must face increased costs, additional administrative burdens, and other constraints on crew routing and assignment. In some cases, I understand, armored car companies have simply been unable to comply with all of the various State weapons licensing requirements.

S. 608 addresses this unnecessary restraint on interstate commerce by providing for weapons permit reciprocity for armored car crew members under certain circumstances, and only if the issuing State agency conducts a criminal background check and requires annual range and classroom firearms training. Specifically, S. 608 provides that, if an armored car crew member employed by an armored car company has a valid weapons license issued by the appropriate State agency in the State in which the crew member primarily is employed, the weapons license shall be granted reciprocity by all other States while the crew member is acting in the course of employment for that armored car company.

The legislation makes clear, however, that reciprocity for State weapons licenses only shall be granted where the following minimum requirements are met: First, the issuing State agency must require the crew member to provide satisfactory information annually that the crew member has received classroom and range training in weapons safety and marksmanship during the current year by a qualified instructor for each weapon that the crew member is licensed to carry; and second, based on a annual criminal background check, receipt or possession of a weapon by the crew member would not violate Federal law. This section does not require States to meet these minimum standards. A State must comply with the standards in this section only if the State desires to have the armored car crew weapons license issued by the appropriate agency of that State granted reciprocity in other States.

In addition to the implementation and definition sections incorporated in the bill, I am today introducing a technical amendment which defines a State for the purposes of this legislation as any State of the United States or the District of Columbia.

The armored car industry, their customers, the National Rifle Association, Handgun Control, Inc., and other major interested parties, all either endorse or do not oppose this bill. I urge my colleagues to join me in voting for final passage of this much-needed and what I believe should be noncontroversial measure.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. FORD. Madam President, I ask unanimous consent that the Senate Commerce Committee be discharged from further consideration of H.R. 1189, the House companion; that all after the enacting clause be stricken, and the text of S. 608, as amended, be inserted in lieu thereof; that the bill be advanced to third reading, passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 1189), as amended, was deemed passed, as follows:

Resolved, That the bill from the House of Representatives (H.R. 1189) entitled "An Act to entitle certain armored car crew members to lawfully carry a weapon in any State while protecting the security of valuable goods in interstate commerce in the service of an armored car company", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Armored Car Industry Reciprocity Act of 1993".

SEC. 2. FINDINGS.

Congress finds that—

(1) the distribution of goods and services to consumers in the United States requires the free flow of currency, bullion, securities, food stamps, and other items of unusual value in interstate commerce;

(2) the armored car industry transports and protects such items in interstate commerce, including daily transportation of currency and food stamps valued at more than $1,000,000,000;

(3) armored car crew members are often subject to armed attack by individuals attempting to steal such items;

(4) to protect themselves and the items they transport, such crew members are armed with weapons;

(5) various States require both weapons training and a criminal record background check before licensing a crew member to carry a weapon; and

(6) there is a need for such State to reciprocally accept weapons licenses of the States for armored car crew members to assure the free and safe transport of valuable items in interstate commerce.

SEC. 3. STATE RECIPROCITY OF WEAPONS LICENSES ISSUED TO ARMORED CAR COMPANY CREW MEMBERS.

(a) IN GENERAL.—If an armored car crew member employed by an armored car company has in effect a license issued by the appropriate State agency (in the State in which such member is primarily employed by such company) to carry a weapon while acting in the service of such company in that State, and such State agency meets the minimum State requirements under subsection (b), then such crew member shall be entitled to lawfully carry any weapon to which such license relates in any State while such crew member is acting in the service of such company.

(b) MINIMUM STATE REQUIREMENTS.—A State agency meets the minimum State requirements of this subsection if in issuing a weapons license to an armored car crew member described in subsection (a), the agency requires the crew member to provide information on an annual basis to the satisfaction of the agency that—

(1) the crew member has received classroom and range training in weapons safety and marksmanship during the current year by a qualified instructor for each weapon that the crew member is licensed to carry; and

(2) the receipt or possession of a weapon by the crew member would not violate Federal law, determined on the basis of a criminal record background check conducted during the current year.

SEC. 4. RELATION TO OTHER LAWS.

This Act shall supersede any provision of State law (or the law of any political subdivision of a State) that is inconsistent with this Act.

SEC. 5. DEFINITIONS.

As used in this Act:

(1) The term "armored car crew member" means an individual who provides protection for goods transported by an armored car company.

(2) The term "armored car company" means a company—

(A) subject to regulation under subchapter II of chapter 105 of title 49, United States Code; and

(B) holding the appropriated certificate, permit, or license issued under subchapter II of chapter 109 of such title, in order to engage in the business of transporting and protecting currency, bullion, securities, precious metals, food stamps, and other articles of unusual value in interstate commerce.

(3) The term "State" means any State of the United States or the District of Columbia.

Mr. FORD. Madam President, I ask unanimous consent that S. 608 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. FORD. Madam President, on behalf of the majority leader, I ask unanimous consent that, during the recess or adjournment of the Senate, Senate committees may file reported legislative and Executive Calendar business on Thursday, July 8 from 11 a.m. to 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Madam President, I ask unanimous consent that the order of the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY, JULY 1, 1993

Mr. FORD. Madam President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m., Thursday, July 1; that following the prayer, the Journal of proceedings be deemed approved to date, and the time for the two leaders reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 10:45 a.m., with Senators permitted to speak therein for up to 5 minutes, with the following Senators recognized for the time limits specified: Senator GRASSLEY to be recognized for up to 10 minutes, and the time from 9:45 to 10:45 a.m. under the control of Senator MACK, or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. FORD. Madam President, I wish to announce, so the Senate might understand what the majority leader intends to do tomorrow, it is the majority leader's intention to proceed to Calendar No. 235, Philip R. Lee, of California, to be Assistant Secretary of Health and Human Services. That is the majority leader's intention tomorrow.

RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. FORD. Madam President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 7:48 p.m., recessed until Thursday, July 1, 1993, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 30, 1993:

DEPARTMENT OF TRANSPORTATION

DAVID RUSSELL HINSON, OF ILLINOIS, TO BE ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION, VICE THOMAS C. RICHARDS, RESIGNED.

SECURITIES AND EXCHANGE COMMISSION

ARTHUR LEVITT, JR., OF NEW YORK, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION FOR THE TERM EXPIRING JUNE 5, 1998, VICE RICHARD C. BREEDEN, RESIGNED.

DEPARTMENT OF THE INTERIOR

ADA E. DEER, OF WISCONSIN, TO BE AN ASSISTANT SECRETARY OF THE INTERIOR, VICE EDDIE F. BROWN.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate June 30, 1993:

DEPARTMENT OF STATE

ALEXANDER FLETCHER WATSON, OF MASSACHUSETTS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AN ASSISTANT SECRETARY OF STATE.

ROBERT E. HUNTER, OF THE DISTRICT OF COLUMBIA, TO BE THE U.S. PERMANENT REPRESENTATIVE ON THE COUNCIL OF THE NORTH ATLANTIC TREATY ORGANIZATION, WITH RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

RAYMOND LEO FLYNN, OF MASSACHUSETTS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE HOLY SEE.

DEPARTMENT OF THE INTERIOR

GEORGE T. FRAMPTON, JR., OF THE DISTRICT OF COLUMBIA, TO BE ASSISTANT SECRETARY FOR FISH AND WILDLIFE.

GENERAL SERVICES ADMINISTRATION

ROGER W. JOHNSON, OF CALIFORNIA, TO BE ADMINISTRATOR OF GENERAL SERVICES.

DEPARTMENT OF JUSTICE

SHEILA FOSTER ANTHONY, OF ARKANSAS, TO BE AN ASSISTANT ATTORNEY GENERAL.

FRANK HUNGER, OF MISSISSIPPI, TO BE AN ASSISTANT ATTORNEY GENERAL.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

CHRISTOPHER FINN, OF NEW YORK, TO BE EXECUTIVE VICE PRESIDENT OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION.

U.S. INFORMATION AGENCY

PENN KEMBLE, OF NEW YORK, TO BE DEPUTY DIRECTOR OF THE U.S. INFORMATION AGENCY.

MERIT SYSTEMS PROTECTION BOARD

BENJAMIN LEADER ERDREICH, OF ALABAMA, TO BE A MEMBER OF THE MERIT SYSTEMS PROTECTION BOARD FOR THE TERM OF 7 YEARS EXPIRING MARCH 1, 2000.

BENJAMIN LEADER ERDREICH, OF ALABAMA, TO BE CHAIRMAN OF THE MERIT SYSTEMS PROTECTION BOARD.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

HOUSE OF REPRESENTATIVES—*Wednesday, June 30, 1993*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. MONTGOMERY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

HOUSE OF REPRESENTATIVES,
Washington, DC, June 30, 1993.

I hereby designate the Honorable G.V. (SONNY) MONTGOMERY to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, we pray that as we meditate on Your word, we will become more aware of the ties that bind us together with a common purpose and shared values. We know that we represent differing philosophies and traditions and that our experiences are not the same. Yet, in our moments of vision we hear Your voice that calls us to share together in the healing of our land and world. May we be peacemakers together; may we be doers of justice together; may we be seekers after truth together; that in all things we show forth the spirit and respect we ought have for one another. Bless us this day and every day, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The gentleman from Nevada [Mr. BILBRAY] will lead the House in the Pledge of Allegiance.

Mr. BILBRAY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 10 one-minute speeches on each side.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 765. An act to resolve the status of certain lands relinquished to the United States under the Act of June 4, 1897 (30 Stat. 11, 36), and for other purposes.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2205. An act to amend the Public Health Service Act to revise and extend programs relating to trauma care.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 341. An act to provide for a land exchange between the Secretary of Agriculture and Eagle and Pitkin Counties in Colorado, and for other purposes.

S. 646. An act to establish within the Department of Energy an international fusion energy program, and for other purposes.

DO NOT BLAME BILL CLINTON FOR 12 YEARS OF VOODOO ECONOMICS

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, last week I was home in my district and talking with constituents, and we happened to have a fish fry for one of our local elected officials. And a fellow brought this bumper sticker that says, "Don't blame Bill Clinton for 12 years of voodoo economics."

That was so important because if someone in Houston, TX, is willing to spend their own money to get a bumper sticker like this printed up, they have recognized the difference between the Democrats' and the Republicans' plan submitted in the Senate.

The Democratic plan actually cuts the budget and more, because we make specific cuts instead of the Dole plan saying that we are going to cut them out there somewhere. Seventy-five percent of the new taxes are paid by the wealthy, those people making over $100,000. In the Houston area, our average income is $22,000 per year, so this would affect a small number of Houstonians.

The House plan continued the $25,000 deduction for equipment purchases for small business, whereas the Senate plan actually did not. But hopefully we will get that back in the conference committee.

The Republican plan in the Senate falls $100 billion short of the Democratic plan in deficit reduction. It uses smoke and mirrors, spending cuts without stating where they are, and is continuing with voodoo economics.

REPUBLICAN DEFICIT REDUCTION PLAN

(Mr. PAXON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAXON. Mr. Speaker, it was not too long ago that our friends across the aisle, including the President, were complaining that we Republicans did not have a budget plan. They were challenging us to come forward.

Therefore, I was pleasantly surprised, as many of my Republican friends were, that the Democrats are now running radio advertising challenging Republicans to vote for our plan that cuts spending first, no new taxes, the John Kasich plan. Now if imitation is the sincerest form of flattery, I certainly do understand what is behind the Democrats suddenly challenging us on a plan they said did not exist, and that is that across the aisle we hear the sounds of desperation as Republicans are challenging the Democrats, and we are going back to their districts in about 30 districts and saying folks, your Representative voted for Bill Clinton's taxes, and that has caused a little bit of concern and consternation across the aisle. And I can assure my friends that there is more to come, because we are going to be running more ads in more districts.

However, unlike the Democrats, Republicans are proud to stand up for lower taxes and for cutting spending, and we are proud of the plan we put forth. I can assure Members that across this country this year and next we Republicans will gladly debate our Democratic friends on the air or on the ground when it comes to Bill Clinton's taxes.

ASSISTING THE KURDS

(Mr. BILBRAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILBRAY. Mr. Speaker, as we speak Kurds and Kurdistan are suffering. We pledged to help the Kurds. We

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

brought aid into them, humanitarian aid, but the boycott that Saddam Hussein has established against the Kurds is stifling them and strangling them.

We approved $15 million in aid for the Kurds, but bureaucracy has tied that money up. Saddam Hussein has abolished the 25 dinardo that was the only currency of large amounts that the Kurds had. They cannot even buy the products from their farmers to feed the people, and unless the United States does something rapidly, Kurdistan will turn into a starving field, and we will see that same humanitarian airlift be needed to be done for lots more than the $15 million.

I ask the administration, the Department of State to do something to help the Kurds. Lift the boycott against northern Iraq and the Kurdistanish areas and help the Kurds to establish themselves as an independent body, autonomous body in that area. If not, the Kurds will starve this winter again.

TAX FAIRNESS

(Mr. HASTERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HASTERT. Mr. Speaker, while campaigning for the White House, candidate Bill Clinton repeatedly promised to lower the tax burden placed upon working Americans and to promote tax fairness. Now, President Clinton seeks to impose the largest tax hike on middle-class Americans in the history of this Nation. Elderly Americans, with incomes of $25,000 are targeted for increased taxes on Social Security benefits. Middle-class families will bear the burden of an unprecedented tax on energy. Faced with increased income taxes and higher energy costs, American small businesses will fail in record numbers, throwing millions of Americans out of work.

Mr. Speaker, Bill Clinton's idea of tax fairness is about as progressive as Leona Helmsley's. The President has put working Americans in a headlock and will not let go until they cough up the money for his record level of new spending initiatives. President Clinton should stop beating up on the middle class and stop beating up on small business and start lending a helping hand.

Mr. CALLAHAN. Mr. Speaker, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Alabama.

AID TO RUSSIA

Mr. CALLAHAN. Mr. Speaker, the Washington Post reported last week that the G–7 agreement to infuse the Russian economy with $4 billion is dead. Secretary Bentsen essentially confirmed that the package will be scaled back, indicating that budgetary problems in other countries caused this outcome.

Imagine that.

Two weeks ago I took this floor to argue that our economy could not support a $2.5 billion appropriation to Russia and I am disappointed that my amendment to reduce the appropriation by $1.6 billion failed. Had my amendment passed, we would have had an opportunity to start over and assure that U.S. tax dollars which are being provided to the Russian Government are not supporting terrorists or assisting countries with nuclear capability. We should recognize that the seven leading economies in the world, including the United States, if the Post article is to be believed, have concluded that massive aid at this point in time is not supportable.

Another concern I have over the issue of aid to Russia is that we are providing direct funding to Russia with few strings or conditions. Last week, the Post reported that, despite strong American protests, Russia is moving forward with the sale of missile technology to India. This sale is in violation of the international Missile Technology Control Regime. Regarding this sale, Russian President Boris Yeltsin is reported to have said "no third party can interfere with its fulfillment." It is this type of arrogance that gives me serious concern about how U.S. tax dollars will be spent in the former Soviet Union.

Mr. Speaker, if this action is a foreshadowing of what Russia plans to do with the $2.5 billion, then I can only express again my concern of shelling out money to Russia in such an unbridled manner. I hope we will rethink our policy on Russian aid and try to develop a program that corresponds with our fiscal shortcomings and Americans' aversion to Russia's support of conventional and nuclear technologies.

A VICTORY FOR GUAM

(Mr. UNDERWOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. UNDERWOOD. Mr. Speaker, with respect to potential base closures, in March, while every one else said "NIMBY, not in my backyard," I stood on this floor and said, "PIMBY, please, in my backyard." Please close Naval Air Station Agana so that our local airport may expand. Please return precious land to the people of Guam.

Today, I am happy to say, "Yippee!" We got it. On Saturday, June 26, 1993, the Base Realignment and Closure Commission voted unanimously to close N.A.S. Agana and move Naval air operations 8 miles north to Andersen Air Force Base.

There is an important precedent being set on the island of Guam. We hear a lot these days about defense conversion and military downsizing. What better example of economic conversion than a military airfield transformed into a commercial airport?

When it comes to dealing with force reduction, a common refrain is, "interservice cooperation." What better example of such joint activity than two services, the Air Force and the Navy, sharing a common facility?

The Commission's recommendations still must be accepted by the President and Congress. But the closure of N.A.S. Agana now seems imminent. And the benefits will last for generations, a gift that keeps on giving.

We have a lot of work to do before consolidation is complete. We must ensure that the transition proceeds smoothly and that citizens displaced by the move have access to every available support. I look forward to working with local officials as we reclaim our land and forge a promising future for our people.

□ 1010

THE ATTACK ON SMALL BUSINESS, THE ENDANGERED SPECIES

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, Bill Clinton has launched an attack on a foe not capable of retaliating.

I am not talking about Saddam Hussein. I am talking about small business.

A quick look a the latest version of the President's tax bill reveals that small business will be devastated by Clintonomics.

The increased capital gains tax rate is the Tomahawk missile of the Clinton economic plan. It will knock the profit incentive right out of the business sector, destroying jobs and killing economic growth.

In fact, with this tax plan, most small businesses will be forced to pay over 30 percent more in taxes. This will kill them.

Attacking small business is a dumb idea because small business has created the majority of the jobs in America.

As we consider the President's tax plan, I urge the Democrats to call off their attack or else small business will go on our Endangered Species list.

TIME TO STAND UP FOR THE RIGHTS OF MALES

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, any person knows that Sports Illustrated has always pushed its swimsuit edition with scantily attired women all over the place, and believe me, they are not women my age or look like me or they would not sell.

They also have used these women in videos, and they have used those women on calendars, and they have used those women for all sorts of things to push sports.

However, now we learn today from Sports Illustrated that male flesh is not suitable for publication. No. When Adidas tried to print an ad of men wearing tennis shoes from a Canadian soccer team, they banned it. I think it is time we stand up for males. I think this is an absolute outrage that Sports Illustrated has this dual standard.

You begin to wonder what is really going on. I think their tennis shoes were lovely.

DEATH AND TAXES

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, I recently sent a survey to my constituents, and one of them sent me back a poem that I want to share with you expressing their concern about the Clinton tax package, and it goes like this:

DEATH AND TAXES.

Tax his cow, tax his goat,
Tax his pants, tax his coat,
Tax his crops, tax his work,
Tax his tie, tax his shirt,
Tax his chew, tax his smoke;
Teach him taxes are no joke.
Tax his tractor, tax his mule,
Teach him taxes are a rule.
Tax his oil, tax his gas,
Tax his notes, tax his cash;
Tax him good, and let him know—
After taxes he has no dough.
If he hollers, tax him more;
Tax him 'til he's good and poor.
Tax his coffin, tax his grave,
Tax the sod in which he lays.
Put these words upon his tomb: "Taxes drove me to my doom."
And after he's gone he can't relax;
They'll still be after Inheritance Tax!

THERE IS NO ALTERNATIVE TO THE PRESIDENT'S PLAN

(Ms. CANTWELL asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. CANTWELL. Mr. Speaker, I am here today to remind my colleagues, and especially the critics of the President's deficit-reduction plan, that talk is cheap. Talking about the national deficit without actually eliminating it costs us, the American people, over $1 billion a day.

It is always easier to talk the talk than walk the walk. But when the President unveiled his plan for $500 billion in deficit reduction, there were those who went on the attack.

But currently the only two alternatives to the President's plan fall short of his $500 billion in deficit reduction.

It is time for his critics to meet that $500 billion goal. If we cannot reduce the deficit by $500 billion, how will we ever deal with the $4 trillion debt?

The President's deficit-reduction plan is not perfect. We do need more spending cuts, but as we can see, for the last several weeks we cannot agree on exactly where to make those cuts.

But let us not insult the American people or Members of Congress who are trying to address this pressing problem. The President's plan right now is the only one that really does get us $500 billion in deficit reduction.

WHEN CLINTON WINS, AMERICA LOSES

(Ms. DUNN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DUNN. Mr. Speaker, why is it when President Clinton wins something, the American people always seem to lose?

When his economic plan passed the House, that was a win for the President. It was 83 percent taxes, 17 percent cuts, not just a load of broken promises, but truly bad for America. When a modified Clinton plan passed the Senate's finance committee, it was a victory for President Clinton. But for the American taxpayers it was the same old tax and spend. Three-quarters new taxes, one-quarter spending cuts. Another loss for the American people, especially people who run small businesses, the engine of economic growth in this country. While big businesses will see their taxes rise 3 percent, small business gets socked once again, with a tax increase upwards of 60 percent.

Each victory for President Clinton in Congress, each time he breaks his promise to give relief to the middle class, is a defeat for Americans who work hard and play by the rules, who pay taxes and run small businesses.

MEDICAID FUNDING OF ABORTIONS

(Mr. KREIDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KREIDLER. Mr. Speaker, the Hyde amendment restricting Medicaid funding of abortions is unfair, unjust, and unwise.

In America, reproductive choice should be guaranteed to all women, poor as well as rich, just as we have guaranteed it in my State of Washington.

This is the first time many of us have had an opportunity to discuss the right to choose as Members of the House.

For many years, before coming here, I listened in amazement to those who promise to get government out of our lives, and then turn around and insist that the Government interfere in the most private decision women will ever have to make.

But with the Hyde amendment, the concepts of choice, and the power to control one's own life, have been taken away from too many women, including victims of rape and incest, who have had too many choices and too much power taken away already.

I am here to say that the Government simply has no business telling any woman when or whether she can have a child.

I am here to vote against the Hyde amendment in the Labor/HHS appropriations bill.

RACIAL GERRYMANDERING OF CONGRESSIONAL DISTRICTS IS WRONG

(Mr. FRANKS of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANKS of Connecticut. Mr. Speaker, we should not have laws that would give some Americans a manufactured advantage over other Americans.

Mr. Speaker, the racial gerrymandering of congressional districts is wrong. It would be wrong if it favored white Americans, and it is equally as wrong to favor black Americans.

The intent of all laws should be to balance the scales of justice, not to tilt the scales regardless of the alleged good intent.

America should be the land of equal opportunity, equal access, and equal rights. This should not exclude lawmakers or those who yearn to be lawmakers.

If black political aspirants do not believe that they can get elected unless the district is a majority minority district, that is too bad.

As an African-American Republican Congressman, I represent a 90-percent white district. I won by 5 percentage points in 1990 and 14 percentage points in 1992.

It still can work and has worked. We do not need to gerrymander districts on the basis of race.

□ 1020

CORRECTING INEQUITIES IN WOMEN'S HEALTH CARE

(Mrs. LOWEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY. Mr. Speaker, the distinguished chairman of the Appropriations Committee has said time and again that the bill before us today is one which makes America stronger and healthier.

He is absolutely right. This bill offers an historic opportunity to expand the range of health services for all Americans while correcting past inequities in women's health care.

For far too long, we have had a two-tiered health care system in this Nation. For far too long, women's health needs have been neglected. This legislation, as approved by the committee, makes major strides toward correcting that situation.

But our work will not be complete if we fail to affirm the medical significance of the right of American women to make their own reproductive health care decisions. That requires that the Government be truly neutral in its policy toward all reproductive health care options.

Basic health care for women includes the full range of reproductive services, including abortions. Over half of current health care plans include this coverage. That is the norm. Today we can ensure that all women have access to these services by eliminating restrictions on their funding.

Mr. Speaker, basic health care is the key to self-sufficiency. That is the premise behind much of this bill. But denying poor women access to safe, legal abortion denies them comprehensive health care and the ability to determine their own futures. The ability to make this very personal decision can be critical to a woman's ability to support herself and care for her family.

Today, we can eliminate the Hyde amendment which—for the last 14 years—has imposed Government policy in the most personal of decisions and in so doing has jeopardized the health and lives of millions of American women.

We cannot ignore the fact that the Hyde amendment has taken a terrible toll. As a result of this restriction, the number of illegal and self-induced abortions have increased dramatically. And all too often, those illegal procedures performed in unsanitary conditions have resulted in serious health complications and tragic loss of life.

Mr. Speaker, the Hyde amendment has a human face. It is the face of Rosie Jimenez. Too poor to pay for an abortion in a private clinic, she died in agony after an illegal back alley procedure.

It is the face of a nearly blind, 19-year-old Michigan woman who—after being gang raped at a party—had to postpone corneal surgery on both eyes in order to pay for an abortion.

For those women and all too many others, the constitutional right to choose is meaningless because their government—through the Hyde amendment—denied them practical access to basic reproductive health care services. Today, we must remove that roadblock and restore the full meaning of their right to choose.

Mr. Speaker, the American people want this House to expand opportunity, not restrict it. They want this House to improve access to health care, not deny it. They want this Congress to move forward, not take a step backward.

I call on my colleagues to seize this moment and do what is right. Let us put the divisiveness of the Hyde amendment behind us and move forward to fulfill the promise of this bill. Let this be the day when we commit ourselves to working with American men and women alike to take control of their lives to find new beginnings. Our goal is to replace dependence with independence in our society, and this bill—without the Hyde amendment—is an important step in that direction.

WHAT HAPPENED IN TRAVELGATE?

(Mr. RAMSTAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAMSTAD. Mr. Speaker, Congress has yet to be added to the administration's guest list when it comes to digesting the host of allegations surrounding the White House travel office.

This comes as a surprise when you consider the veritable feast of Travel gate questions which have gone unanswered.

Serious questions like: Who summoned the FBI to the White House? When and how did the IRS enter the picture? Who, within the FBI, decided to investigate the travel office? Who was consulted about this decision? And most importantly, Why are we not having any hearings on the matter?

Mr. Speaker, Congress has a duty to look into any possible wrongdoing by the executive branch. It is time we put politics aside and hold public hearings on Travelgate.

The American people have a right to know what happened.

THE NATIONAL SERVICE TRUST ACT OF 1993

(Mr. MARTINEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTINEZ. Mr. Speaker, the House will shortly take up H.R. 2010, the President's National Service Initiative, which has 215 cosponsors from both sides of the aisle.

This legislation has two very noble purposes.

One is to maximize the use of one of the Nation's most important resources—our spirit of community service.

The second is to invest in the education of young people who desire to gain a college or other postsecondary education.

Mr. Speaker, community service has been a way of life in the United States since our earliest days.

The willingness of Americans to lend a helping hand to a neighbor in need is what made this country great.

Examples of programs such as VISTA and the Older American volunteer programs have proven time and time again to be worth much more than the few dollars we authorize each year.

A major aspect of the bill is to expand the community service programs to include a far greater number of people in a federally supported volunteer effort.

Mr. Speaker, by 1997, upward of 100,000 people, some young and some not so young, who just need a way to feel worthwhile, will benefit from the rich personal rewards of engaging activities that will serve and help their communities.

The small stipends provided will enable them to devote a year or two to community service and enrich their lives and the lives of the people they serve.

And, finally, young people can earn credits for education or to pay their accrued student loans.

Mr. Speaker, I urge Members to support this bill when it reaches the floor.

INVESTIGATE TRAVELGATE

(Mr. BOEHNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHNER. Mr. Speaker, I rise today to publicly join in asking for a hearing on this Travelgate matter. We must hold hearings on this matter, regardless of the outcome of the White House investigation.

We must jealously guard the integrity of the FBI's and the IRS's use of their law enforcement and criminal investigatory powers. Everyone must know that not only does Congress have the power to investigate any allegation of misuse of those powers, but it has the will and determination to do so regardless of which political party happens to control the executive branch.

Mr. Speaker, there is only one way to overcome suspicion and that is to have public hearings that will prove conclusively that there are no grounds to mistrust the White House. Otherwise, there will be many who will insist on believing that there has been a White House coverup made possible by a Democratic Congress' refusal to investigate.

PUNISHMENT FOR RIFKIN

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Joel Rifkin of Long Island was stopped driving without plates. After the police smelled the stench, Rifkin admitted to carrying a dead body and confessed murdering 17 women in the last 2 years. That is right, Rifkin would strangle prostitutes, then dump their bodies all over New York.

Last year it was Dahmer, this year it is Rifkin; tombstones popping up like mushrooms; Congress fails to enact the death penalty. Beam me up.

Ladies and gentlemen, I recommend that Rifkin be picked up, put in a jail cell with a woman from Virginia who last week took matters into her own hands. And police are still trying to pick up the pieces all over the east coast.

HEARINGS CALLED FOR ON TRAVELGATE

(Mr. PORTMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTMAN. Mr. Speaker, the so-called Travelgate brouhaha at the White House needs to be carefully and publicly examined by a congressional committee in order to set the record straight.

The reason we need this hearing is that there is a cloud over the White House and there are clouds over individual White House staff members. Simple fairness requires that we do what we can to remove those clouds.

From what I can gather from press accounts, it is very possible that innocent people's reputations have been tarnished by the public controversy that has been raised by their firing. Most have focused on the serious question of the possibly improper use of the IRS and the FBI in this ordeal. Let us not forget that real people's lives and reputations are at stake here.

Mr. Speaker, we need a fair hearing to create the public record to restore reputations that may have been needlessly damaged.

REPEAL THE HYDE AMENDMENT

(Mrs. MALONEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MALONEY. Mr. Speaker, I rise to urge my colleagues to repeal restrictions on women's reproductive rights.

For 12 years, previous administrations preached the evils of big Government.

Then, they sought to eliminate the most private decision a woman can make.

Now that is what I call too much Government!

They denied Federal funding for abortions except in cases of rape, incest or danger to a mother's life.

That effectively put abortions out of reach for millions of American women.

Because for poor women who cannot afford abortion services, the right to choose is meaningless without the means to choose.

The American people overwhelmingly support reproductive choice.

Mr. Speaker, today we must remedy this intolerable and inequitable situation by repealing the regressive Hyde amendment.

This is an historic opportunity to ring in a new era of progressive change for American women.

It is 12 years overdue.

CALL FOR INTERNATIONAL SANCTIONS AGAINST CASTRO'S DICTATORSHIP

(Mr. DIAZ-BALART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIAZ-BALART. Mr. Speaker, with regard to our policy toward the Caribbean, the question must be why the double standard?

At the urging of the United States, the United Nations Security Council has imposed a mandatory international embargo against the less than 2-year old Haitian dictatorship. This House has formally spoken and has asked the President to not engage in the double standard, and to ask, as well, the United Nations Security Council for an embargo against the Cuban dictatorship of over 34 years' duration.

Mr. Speaker, it should be our policy to ask for international sanctions against the Castro dictatorship even if not one other country in the world will join us. But those who are advising the President that we would not have support in the international community are incorrect. President Menem of Argentina, yesterday to us in the Committee on Foreign Affairs, expressed his support for international sanctions against the Havana dictatorship.

President Calderon of Costa Rica has expressed his support for international sanctions against the 34-year-old Communist dictatorship in Havana.

Mr. Speaker, the time for double standards is over. The United States can and must seek international sanctions against the Castro dictatorship. The President must act.

□ 1030

A SAD DAY FOR AMERICAN LEGAL HISTORY

(Mr. BLACKWELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLACKWELL. Mr. Speaker, last Friday, the U.S. Supreme Court issued a 5-to-4 ruling that will make it more difficult for workers to win job discrimination lawsuits.

In its incredible ruling, the Court said that an employer can lie, in court, about its reasons for treating an employee less favorably than another employee, and still, the employee may not be entitled to recover.

Despite an employer's false justification, in a statement, under oath, before the court, the worker still must prove, by independent means, that the discrimination is race, gender, religious, or national origin based. That is unbelievable.

Mr. Speaker, in effect, the Supreme Court is sanctioning perjury. The Supreme Court is saying to America that, if you are good at lying, you can get away with discriminating. This is a sad day for American legal history.

The worker in the case was African-American. The employer was white. The worker's replacement was white. The court found that the employer lied about why he discharged the worker. The Supreme Court said, that's OK.

I must agree with Justice Souter, who, in dissenting, observed that the ruling was unfair to plaintiffs, unworkable in practice, and inexplicable in forgiving employers who present false evidence in court.

Mr. Speaker, with this decision, the scales of justice have not only tipped, they have fallen. The Supreme Court has embraced criminal behavior, and it has done so at the expense of the American worker.

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2518, and to include extraneous matter, along with tables and charts.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1994

Mr. NATCHER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2518) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1994, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Illinois [Mr. PORTER] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

□ 1032

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2518, with Mr. SHARP in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Kentucky [Mr. NATCHER] will be recognized for 30 minutes, and the gentleman from Illinois [Mr. PORTER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as you and the other members of the committee know, the bill that is being presented at this time provides funding for the Departments of Labor, Health and Human Services, and Education and Related Agencies.

This bill is a good bill, Mr. Chairman. I want to thank all the members of the committee and of the House of Representatives for assisting us with our appropriations bills. At the end of this week we hope to have 11 of our bills passed in the House and on the way to the other side. Two of the bills that may not pass due to no fault of ours are the bills pertaining to Transportation and Defense. We hope to have all of them passed with the exception of those two.

Before going into the contents of the bill and the recommendations we make, Mr. Chairman, I want to thank the six new members of our subcommittee, the gentlewoman from California [Ms. PELOSI], the gentlewoman from new York [Mrs. LOWEY], the gentleman from New York [Mr. SERRANO], the gentlewoman from Connecticut [Ms. DELAURO], the gentlewoman from Maryland [Mrs. BENTLEY], and the gentleman from Texas [Mr. BONILLA], all able Members of the House. They attended all our hearings which consumed about 11 weeks. They have helped us with this bill and they have done a good job.

It is a distinct honor and a privilege for me to serve with my friend, the gentleman from Illinois [Mr. PORTER], the ranking minority member on this subcommittee. Every day of the hearings the gentleman from Illinois [Mr. PORTER] was present and through his efforts and the efforts of the other members of the subcommittee we have been able to put together, Mr. Chairman, a bipartisan bill which reflects the concern of all the members of the subcommittee.

I want to thank all the members of this committee. We believe on this subcommittee, Mr. Chairman, that if you take care of the health of your people and continue educating your children, you will live in the strongest country in the world.

As I said a moment ago, we consumed 11 weeks in the hearings on the bill. This bill is under our 602(b) allocation.

H.R. 2518, the fiscal year 1994 appropriations bill for the Departments of Labor, Health and Human Services, and Education, and 15 related agencies, includes appropriations totaling $259,768 million, which is $5,571 million below the amounts requested by the President, and $13,011 million over the comparable amounts available for 1993.

Entitlement programs, whose funding levels are determined by authorizing legislation, comprise 74 percent of the bill's total appropriations. The bill includes $192,785 million for these entitlements, an increase of $8,253 million above the amounts available for these programs in fiscal year 1993. The bill does not include fiscal year 1995 advance appropriations or indefinite authority for the public assistance entitlements. The committee believes this action will force a more careful review of the rapid growth in these mandatory programs.

For discretionary programs, whose spending is controlled through the annual appropriations process, the bill includes $66,983 million for fiscal year 1994, which is a decrease of $5,571 million below the President's budget and $4,758 million above the amount available for fiscal year 1993. The committee has provided funding for currently unauthorized, ongoing programs at levels not in excess of fiscal year 1993 totals.

DEPARTMENT OF LABOR

The bill provides a total of $14,629 million for the Department of Labor, including $10,602 million for discretionary programs and $4,027 million for entitlements. The bill exceeds the 1992 level for discretionary programs at Labor by $1,057 million.

The bill includes $5,070 million for programs under the Job Training Partnership Act, an increase of $912 million over the 1993 level. This total includes $1,040 million for the Job Corps, which is $74 million over last year's level. This amount is sufficient to start four new Job Corps centers, as well as maintain the current centers. The summer jobs program receives an increase of $318 million for a total of $989 million. Dislocated worker assistance is increased by $551 million to a total of $1,118 million. The bill also provides $68 million for the school-to-work initiative, which is split equally between the Departments of Labor and Education. Trust funds and general funds for State unemployment insurance and employment service operations total $3,437 million, $277 million above the 1993 level. Within the total for State unemployment, $42 million is provided for one-stop career centers.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The bill includes $215,369 million for activities administered by the Department of Health and Human Services. For discretionary activities, the bill includes $31,064 million, which is a decrease of $1,372 million below the amount requested by the President and $3,239 million above the comparable amount available for these programs in 1993.

Health Resources and Services Administration: AIDS programs are funded at $595 million, of which $572 million is appropriated for the four titles of the Ryan White Act—an increase of $224 million over last year's funding. Funding for community and migrant health centers is increased by $27 million to a total of $644 million.

Center for Disease Control and Prevention: The bill includes $1,910 million for the Centers for Disease Control and Prevention, which is $247 million above the 1993 level. Major funding increases above 1993 include: $108 million for childhood immunizations; $41 million for tuberculosis control activities; $45 million for AIDS activities; and $38 million for chronic and environmental disease prevention.

National Institutes of Health: The bill includes $10,937 million for the 23 appropriations which together fund the programs of the National Institutes of Health [NIH]. The total for NIH is $610 million above the amount available in 1993 and $269 million above the administration request. Each institute and center will receive at least a 5.2 percent increase over 1993. The committee report indicates support for the high priority given to research on breast cancer and AIDS in the President's budget.

Substance Abuse and Mental Health Services Administration: The bill includes $2,057 million for these activities. This is $52 million above the 1993 funding level but $96 million below the President's request. The children's mental health program receives a $35 million increase; the Comprehensive Community Treatment Program is increased by $11 million; and the Treatment Capacity Expansion Program is funded at $22 million.

Agency for Health Care Policy and Research: The bill provides $135 million in general funds and Medicare trust funds, an increase of $20 million above the 1993 level. The committee has included a limitation of $13 million on transfers from the other Public Health Service agencies, which is the same as the President's request.

Health Care Financing Administration: The bill includes $89,077 million for the 1994 program level for the Medicaid program, which is $6,482 million higher than the 1993 level; $1,615 million is provided for Medicare contractors; $16 million is included to continue the rural hospital transition demonstrations. The bill does not include language requested by the administration establishing fees for survey and certification under the Medicare and Medicaid programs.

Social Security Administration: The committee recommends that $5,524 million be expended from the Social Security trust funds for administrative costs of the Social Security retirement, survivors and disability program. This level is $711 million more than 1993 and will support a staff level of 66,149 FTE. The committee has fully funded the first year of the President's 5-year automation initiative and has added $200 million to the President's disability case backlog initiative.

Administration for Children and Families: The bill includes $15,916 million for the 1994 program level for family support payments to States, which is $221 million above the 1993 level and the same as the administration request; $1,100 million is provided for the Job Opportunities and Basic Skills Training Program. The bill does not include funding for the Low Income Home Energy Assistance Program, since $1,437 million was made available for fiscal year 1994 in the 1993 appropriations bill; $400 million is provided for the Refugee and Entrant Assistance Program, which is $19 million above the 1993 level. The committee has taken no action to reduce the $812 million provided in the fiscal year 1993 appropriations bill for fiscal year 1994 State legalization impact assistance grants. The Head Start program receives $3,276 million, an increase of $500 million over the 1993 level. Administration on Aging programs are funded at approximately the 1993 level.

DEPARTMENT OF EDUCATION

For the Department as a whole, the bill includes $28,630 million, an increase of $1,071 million over the 1993 level. The amount for discretionary programs is $24,179 million, which is $1,026 million above the 1993 level.

Compensatory education for the disadvantaged: The bill includes $6,861 million for chapter 1 of the Elementary and Secondary Education Act, which is $162 million above the 1993 level. The amount provided includes $5,597 million for basic grants to local school districts and $694 million for concentration grants. Also included is $89 million for the Even Start Program, and $40 million for capital expenses for private school students.

Impact aid: The committee bill provides $813 million for impact aid, $124 million over the budget request and $63 million over the 1993 level. This amount includes $648 million for category A and $135 million for category B payments.

School improvement: The bill includes $1,339 million for the 21 activities which together comprise the school improvement account. This total is $159 million below the President's request, largely because of reductions in chapter 2 State block grants and drug-free schools grants.

Education reform: The bill includes $134 million for education reform activities, which is $526 million below the President's request. The committee intends most of these funds to be used for the Goals 2000 Program, which is expected to be authorized prior to the beginning of fiscal year 1994.

Bilingual and immigrant education: The bill provides $243 million for these activities, which is $17 million above the 1993 level.

Special education/rehabilitation services: The bill provides $3,039 million for special education, which is $74 million above the 1993 level. The rehabilitation services and disability research account is funded at $2,251 million, which exceeds the 1993 appropriation by $68 million.

Vocational and adult education: The bill appropriates $1,170 million for the Carl D. Perkins Vocational Education Act, an increase of $38 million over the President's request. Included within this total is $973 million for basic grants, $35 million for consumer and homemaking education, and $104 million for tech prep. The bill also provides $305 million for adult education.

Student financial assistance: The bill provides $8,120 million for student financial assistance, which is an increase of $574 million over the 1993 level and $1,418 million below the President's request; $415 million is provided to address the Pell grant shortfall. The committee bill provides funding for a maximum Pell grant of $2,250. The bill restores $191 million of reductions in various student aid programs proposed by the President.

Higher education: $120 million is provided for historically black colleges and universities. Special programs for the disadvantaged [TRIO] receive $419 million; $188 million is provided to insure bonds issued to raise capital for construction projects at historically black colleges and universities.

Education research, statistics, and improvement: The bill includes $277 million for education research, statistics and improvement programs. This includes $73,984,000 for the research program, the same level as 1993. This program is not currently authorized. The research allocation funds each activity at the 1993 level, including $27,478,000 for centers, $36,160,000 for regional laboratories, $7,046,000 for ERIC, $958,000 for field-initiated studies, and $2,342,000 for other related activities.

Libraries: The bill restores the funding for the library programs to approximately the 1993 level. The President had proposed to reduce funding by $31 million.

RELATED AGENCIES

The bill includes $1,139 million for 15 related agencies. This amount is $6 million below the request and $65 million below the 1993 funding level. The total includes $293 million for 1996 funding for the Corporation for Public Broadcasting. Full funding of $277 million is provided for railroad retirement dual benefits.

Again Mr. Chairman, we want to thank all the members of the subcommittee. I want to thank every Member of the House for helping us.

You know, Mr. Chairman, you have heard me say on many occasions, I have been here awhile and all the Members on both sides of the aisle have been good to me. They have helped me every day since I have been a Member, and from the bottom of my heart, Mr. Chairman, I appreciate it.

□ 1040

During yesterday's floor consideration, Mr. Chairman, several Members approached me regarding the recommendations of the committee to delete from the 1994 bill the so-called public assistance borrowing authority. They were concerned that this action would be perceived as capping the cost of these programs. That was not the intention of the committee, but, in order to remove any confusion, it is my intention at the proper time to offer an amendment during reading of the bill to restore the traditional language, which we will do, Mr. Chairman, and this will avoid any further confusion.

Mr. Chairman, I reserve the balance of my time.

Mr. PORTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it has been one of the great pleasures of my service in the Congress to have the opportunity to work with our chairman, the gentleman from Kentucky [Mr. NATCHER], one of the most respected Members of this body, a man of great fairness and great ability, and all of us on the subcommittee bask in his reflected glory. Mr. Chairman, as a new ranking member I have had a lot to learn, and not only have I been helped by our chairman, but I have been helped by a wonderful staff that we are privileged to have on the subcommittee led by Mike Stephens, Bob Knisely, Sue Quantius, Mark Miodusky, Joanne Orndorf, Nancy Krekler, and our own John Blazey and Jim Kulikowski. Mr. Chairman, we also have a number of new members on our subcommittee this year. On our side we have the gentlewoman from Maryland [Mrs. BENTLEY] and the gentleman from Texas [Mr. BONILLA] who attended virtually all of the hearings in a very grueling schedule. We have four new Democrats: the gentlewoman from California [Ms. PELOSI], the gentlewoman from New York [Mrs. LOWEY], the gentleman from New York [Mr. SERRANO], and the gentlewoman from Connecticut [Ms. DELAURO], all of whom served very ably on our subcommittee. It is a real pleasure to have a subcommittee that has been kind of a male club for the 12 years that I have served on it now become fully integrated with four female Members.

Mr. Chairman, we are bringing out what the gentleman from Kentucky

[Mr. NATCHER] calls a good bill. It is a good bill.

Our subcommittee was the biggest winner and the biggest loser in terms of 602(b) allocations. While we received an increase of over $4 billion over the 1993 level for discretionary spending, we had to cut $6 billion below what the President requested in our bill.

Many of these cuts are attributable to the fact that the President's overall discretionary budget request exceeded the spending caps in the budget law by $10 billion.

With the exception of the Department of Labor, we had to make these cuts without any guidance or suggestion from the administration whatsoever, something we found very, very strange.

Clearly, these funding constraints required our subcommittee to make serious and difficult priority choices, we made the tough priority choices, we complied with our 602(b) ceiling, and cut $6 billion below the President to comply with the budget law and we have done these things without games, without smoke and mirrors, without across the board cuts that avoid the tough choices, without forward funding and delayed obligations. Our chairman has done an outstanding job of allocating limited resources in a fair and equitable manner.

We have large increases in this bill for: Head Start; summer youth training; dislocated workers; immunizations; Social Security to process claims with fewer delays; impact aid; breast cancer; and AIDS.

We have also restored cuts proposed by the President that we found unacceptable: libraries; health professions training; and impact aid (b)s.

Most importantly, in my opinion, we restored proposed cuts in biomedical research at the National Institutes of Health, a Federal agency that has had broad bipartisan support. The NIH supports good-paying, high skill jobs. It helps maintain our world leadership in biomedical research and development. It supports an industry that has the potential to dramatically reduce health care costs in this country through new treatments, cures, and prevention. It supports the biotechnology industry in America—one of the fastest growing industries in this country and one of the industries that still generates a positive balance of trade.

The President proposed only a 1-percent increase for the NIH overall, well below biomedical inflation. The proposal included large earmarks for breast cancer and AIDS that would require large cuts in base funding for heart disease, Alzheimer's, mental health, diabetes, prostate cancer, and crucial research in hundreds of areas. In fact, the President proposed cuts below the 1993 level for 9 of the 17 Institutes, and only 1 of the 17 Institutes would have kept pace with inflation.

We rejected the President's proposal, we rejected earmarking, and we rejected forward funding. As a result, we included an increase for 1994 of $400 million over the President's proposal, and $600 million over the 1993 level.

This funding will allow the Institutes to fund breast cancer and AIDS above the President's requested earmarks.

This funding level provides a 5.9-percent increase over 1993 for the NIH, ensures that each Institute receives at least a 5.2-percent increase, retains stability in the biomedical research enterprise, helps stop the brain drain from science to other professions, and allows the NIH to respond to crises as they occur.

This is a good bill. It is within the 602(b) allocation, complies with the budget law, does not contain budget games, and reflects the hard choices that all of us were sent here to make.

Finally, this bill contains reasonable language regarding Medicaid funding for abortions—a compromise position that reflects the position most Americans take on this difficult issue. The Committee has taken this action in the absence from any concrete guidance from the administration.

Members may remember that the President's budget request did not contain the Hyde language—life of the mother—that we have carried in this bill since 1976. Instead it contained an asterisk suggesting that a compromise would be worked out with Congress.

When the subcommittee marked up this bill, we still had no suggestion from the administration.

When the full committee marked up this bill, we had a letter from OMB Director Panetta which suggested that a compromise should be worked out but offered no guidance as to what form that compromise should take.

A majority of Americans support a woman's right to choose, but they also oppose Federal funding for abortion. While Americans support a woman's right to choose, they are not pro-abortion, and they oppose the official sanction that Government funding would confer on it. This bill provides that Medicaid will fund abortions only in the event of rape, incest, or if the life of the mother is endangered. It is the middle ground. It attempts to quell the arguments that have gone back and forth for so many years within this Chamber and find the middle ground.

Mr. Chairman, I urge the Members to support this reasonable compromise. I commend this bill to the Members. It is a good bill, and I urge a "yes" vote.

Mr. Chairman, I reserve the balance of my time.

Mr. NATCHER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, a few minutes ago, in making my general statement, I thanked all of the Members of the House and especially the Members of the committee for helping us with this bill. Lots of times, Mr. Chairman, we always, for some reason or other, forget our friends, the ones that work with us 365 days a year.

We have here in the House, the Clerk of the House, Don Anderson. We have here in the House, as my colleagues know, the Sergeant at Arms, Werner Brandt. We have here the Parliamentarian, our friend, Bill Brown, assisted by Charlie Johnson and other assistants. We have the Doorkeeper, Jim Molloy.

Mr. Chairman, they have all helped us with this bill. They have helped us with all the legislation that comes before us.

Mr. Chairman, I may be digressing just a little bit, and, if I am, please forgive me.

□ 1050

You know, Mr. Chairman, I won't do it again, but I have done it one time; 18,000 votes, and never missed a day in 40 years.

Mr. Chairman, I appreciate your permitting me to take this additional 1 minute just to thank these people for helping us all down through the years.

Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, I rise in strong support of H.R. 2518, the fiscal year 1994 Labor, Health and Human Services, Education, and related agencies appropriations bill. It is a great honor to speak in support of this bill as a new member of the Appropriations Committee and of the Labor-HHS-Education Subcommittee.

I want to take this opportunity to pay tribute to Chairman NATCHER, who heads both the subcommittee and the full committee. This House and this Nation are indeed fortunate to have Chairman NATCHER leading the Appropriations Committee.

Chairman NATCHER's unswerving dedication enables him to forge consensus out of the chaos of competing needs which confronts our subcommittee. Although I am new to the committee, I have already gained a wealth of experience and knowledge from Chairman NATCHER. I look forward to learning more from him, and to working with him, in the months and years ahead. And I want to thank Mike Stevens and the outstanding staff for your assistance and support.

The bill we will vote on today reflects an effort to strike a new direction in programs that are vital to the lives and livelihoods of every family in the Nation. It seeks to carry out the new administration's agenda for investing in people by emphasizing programs that have a proven track record of success, such as Job Corps and Community Health Centers—while adhering to the budget guidelines endorsed by this Congress. It provides targeted investments to help structurally unemployed workers; to enhance our commitment to preventing dreaded diseases, such as AIDS and tuberculosis; and to begin implementation of an ambitious plan to ensure that all American children are properly immunized. It significantly increases support for biomedical research and provides additional funds for Head Start and student financial aid.

This bill recognizes that the answers to our Nation's stubborn economic problems lie in our schools, health centers, and research institutions and, more specifically, in the people that they serve. Today, our health and our capacity to learn largely determine our economic success—as individuals and as a Nation. If we are to succeed as an economy, we must give priority to programs that enable our people to realize their potential.

H.R. 2518 will not solve overnight our Nation's pressing social problems—but it is a start. It is a downpayment on a commitment to shift spending away from programs that do not work and toward activities that will pay a return on our investment. Today we can take a step toward ensuring that no child goes to school unprepared to learn. Today we are voting to provide the resources that can one day find a cure for breast cancer or diabetes or bring an end to the nightmare of AIDS.

While so many of the programs mentioned in this bill deserve attention, I want to focus on a few that embody what the subcommittee tried to accomplish this year.

BIOMEDICAL RESEARCH AND DISEASE PREVENTION

H.R. 2518 will help secure our Nation's place as the unquestioned leader in biomedical research. The bill raises funding for biomedical research at the National Institutes of Health [NIH] to a total of $10.9 billion—a $610 million increase over fiscal year 1993. These funds will increase the percentage of approved research grants which get funded. This success rate has fallen dangerously low in recent years, jeopardizing the Nation's future as the world leader in biomedical research.

H.R. 2518 will provide the NIH with the resources to carry out in full the administration's proposal to invest an additional $292 million in breast cancer research in fiscal year 1994—a 40-percent increase over this year.

In addition to providing the full amount of the President's request for AIDS research, the bill provides a $45 million increase for HIV prevention activities under the Centers for Disease Control and Prevention [CDC].

I am also very pleased that the bill provides additional support for two programs aimed at enhancing preventive health efforts: The NIH's bionutrition research initiative that is seeking to develop better ways of using nutrition to prevent diseases; and the CDC's comprehensive school health program, which supports comprehensive health training programs in public schools.

JOB TRAINING

The bill also includes significant increases in programs designed to overhaul the Nation's employment services system in order to deal with the effects of structural unemployment and to enhance our economic competitiveness. This comprehensive effort, which was promoted by the administration, includes stepped up support for dislocated worker assistance, school-to-work transition programs, and one-stop career centers that will provide workers immediate access to information about job openings and employment training opportunities.

STUDENT FINANCIAL AID

Finally, in addition to providing support for the core student aid programs—such as Pell grants, guaranteed student loans, and the campus-based programs—the bill provides funding for two new programs established in last year's higher education reauthorization bill: The State postsecondary review program and the national early intervention scholarship and partnership program. Taken together, these programs signal the start of a new effort to make the most of our financial aid resources by cracking down on student loan defaults and ensuring that at-risk students get access to college and are prepared to succeed there.

Mr. Chairman, H.R. 2518 is a product of bipartisan cooperation led by the chairman and the distinguished ranking member, Mr. PORTER. It deserves strong, bipartisan support today because it keeps faith with our dual goals of controlling spending and focusing on priority investments that will make our Nation stronger.

Mr. PORTER. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. INGLIS].

Mr. INGLIS of South Carolina. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise to urge my colleagues to retain the Hyde language and to stay within the mainstream of America. It is very important, I think, that we reach some kind of common ground on the issue of abortion, and this is surely one area where we can reach common ground.

Regardless of one's position on this very controversial issue, I think that most Americans agree that taxpayers should not be forced to pay for abortions. In fact, if you look at the mainstream of America, that is the overwhelming consensus.

Now, of course, there are some on the fringes that believe that taxpayers should pay for abortions and would have no trouble with it. For example, in 1994, it is estimated in the coming fiscal year 400,000 abortions could be funded by the Federal Government at a cost of $100 million.

That is simply unacceptable to most Americans. It is way outside the mainstream. It is in the radical fringes on this issue. And, of course, that is what we need to avoid on this issue.

Mr. Chairman, let us stay within the mainstream. Let us stay within the consensus of America, in hometown America, that knows we should not be forcing taxpayers to pay for abortions.

So I urge my colleagues to support and retain the Hyde language that would prohibit taxpayer money for funding of abortions.

Mr. NATCHER. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I thank the chairman for yielding.

Mr. Chairman, I rise in strong support of this legislation. I want to digress for just a minute before I start on the substance of this legislation to thank the extraordinary chairman who leads the committee and who leads the full committee as well.

Mr. Chairman, the American public sometimes is cynical about whether democracy works. WILLIAM NATCHER of Kentucky has been returned to the Congress for almost four decades, not because of any special interest support, not because of any political chicanery, not because of any slick campaigning that he has undertaken, but because the people of his district in Kentucky, and, indeed, those who are knowledgeable about this process in the United States, know that he is one of the most substantive, straightforward, honest individuals, not only in this body, but in this country. He has served his people and his country well, and those of us who serve with him are honored to be counted among his colleagues.

Eighteen thousand votes in a row without missing. That is the essence of responsibility. Sent here to do a job, to keep the faith, and he has done that.

Mr. Chairman, all of us who serve with you are honored to do so, learn by your example, and will be telling our own grandchildren, in trying to emulate the faithfulness that you direct toward your grandchildren, that we served with one of America's giants, WILLIAM NATCHER of Kentucky.

Mr. Chairman, this bill reflects the depth of our chairman's commitment. This bill reflects the depth of his understanding. As he said so eloquently, and so many times, if you take care of the health of your people, the education of your children, you will continue to live in the greatest Nation on the face of the Earth. He is absolutely correct, and this bill does that.

Mr. Chairman, let me use my remaining time to talk of some report language. Not the numbers in the bill, but two programs in particular. But there are others as well. The Chapter 1 Program, in which we have included $6.8 billion, and the Head Start Program, in which we have included $3.6 billion, almost $10.5 billion for programs directed to make sure that young people in our country who need a helping hand, not for themselves, although they will benefit, but for our country, so they can actually participate in the educational opportunities that this Nation has to offer, so they can contribute fully as citizens in the economy and welfare of this country and making our country competitive.

Mr. Chairman, the committee has included report language which says that we have a system which looks at the process much more than product, at whether we dotted i's and crossed t's much more than whether we had an outcome which was what we wanted, a child ready and able to learn, to participate, and to effectively graduate from high school or college or technical or vocational school and fully participate in our community.

This language says that Secretary Riley and Secretary Shalala ought to look at these programs and other child focus programs, and to see whether we might not consolidate those programs and allow States and local governments to consolidate those programs and access them with much greater flexibility than they now have, all with the objective of advantaging our children, all with the objective of saying to communities, if your program works, we want to fund it, but, on the other hand, even if you have dotted i's and crossed t's, if it does not work, we do not want to do it.

Mr. Chairman, I think this is going to be one of the great focuses of the years ahead as we bring down Government spending, but want to make the spending that we do more efficient and advantage the children of America, who in turn will advantage our country.

□ 1100

Mr. PORTER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. MYERS], the ranking member of the Subcommittee on Energy and Water Development of the Committee on Appropriations.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman from Illinois [Mr. PORTER] for yielding time to me.

I rise also to join in the accolades, the appreciation and thanks for our chairman, the gentleman from Kentucky [BILL NATCHER].

Years ago I served on the subcommittee with the gentleman from Kentucky [Mr. NATCHER]. It was not the most pleasant subcommittee to serve on. It was a very difficult job. We started the railroad system we now have in Washington. I remember arguing a point.

But I, too, join in the appreciation for the gentleman from Kentucky. He was always very fair.

Today, I thank the gentleman from Kentucky [Mr. NATCHER], the gentleman from Illinois [Mr. PORTER], and members of the committee for a good bill. I also appreciate the spirit of cooperation and generosity in inviting me to attend the NIH hearings as well as the National Cancer Institute. I appreciate the increases that have been made over the President's request for NIH, something that has already been expressed. It is so vital to the health of our country.

We know that the No. 1 killer in the country today, from diseases, is heart. No. 2, very close, is cancer. No. 9 is AIDS. There is always trouble over the fact that we are spending more research on AIDS today, even though it is nine in mortality rate. We are spending more research money on AIDS than we are on heart or cancer.

We were able to increase the President's request for heart, which we appreciate, and we made a significant increase in cancer research. But it still troubles me, and I remember the gentleman allowed me the opportunity to question both NIC and NIH, when they appeared before the subcommittee, about why the increases in AIDS. I was not too satisfied with their response.

Nevertheless, we are concerned about AIDS, of course, but on our priorities, the only criticism I have is the fact that we are spending more money on AIDS. And we know how AIDS is spread. We may not know how it started in the first place, but we know how to prevent it.

We still do not know how to prevent cancer. We still do not know how to prevent heart disease.

It seems to me like the priorities from NIH and the administration are a little bit out of kilter.

The gentleman corrected much of it, and we do appreciate the job that he has done.

I thank him for the good job that this committee has done. I thank the gentleman from Illinois [Mr. PORTER] and the gentleman from Kentucky [Mr. NATCHER] for the good job as well as the membership of the committee.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, today, we have an opportunity to address some of the most important problems facing Americans and their families. By passing the legislation now before us, we can move forcefully to help those who have lost their jobs, children who need immunizations and a head start on their educations, people who are suffering from devastating diseases, and students who need assistance in order to go to college. I urge my colleagues to support the 1994 Labor-HHS-Education appropriations bill.

As a member of the subcommittee that drafted this legislation, I know too well the difficult choices that had to be made in order to live within our 602(b) allocation. I want to commend our chairman, Mr. NATCHER, for his leadership in bringing to the House a bill which brings real help to working men and women and which responds to America's health and education needs. This is a good bill that reflects the administration's priorities within very tight fiscal constraints.

I also want to commend our ranking member Mr. PORTER, and all my colleagues on the subcommittee for their consideration throughout our deliberations on the bill. Every member of the subcommittee worked together to make the difficult choices that had to be made in completing our work on the bill.

Mr. Chairman, these are the most difficult of times for many working men and women. Throughout our country, hard working people are losing their jobs and losing hope. This bill takes a real step in helping restore hope, in helping bring needed assistance and retraining that can lead to new and better jobs.

The administration came to the subcommittee and made clear to us that one of its highest priorities was the need to target additional assistance to help take workers off the unemployment lines and put them back into the work force. This bill does that.

The bill includes a significant increase in funding for job retraining, and for the administration's One-Stop-Shop and School to Work initiatives. The subcommittee worked with our new administration to take an important first-step in rethinking the way we prepare people for the changing workplace of tomorrow and give American workers the assistance and training they need to make this Nation's work force the best in the world.

I am also very supportive of the bill's funding for biomedical research. The committee has increased the administration's request for the National Institutes of Health, providing a total of $10.9 billion, and expressed its full support for the administration's 1994 requested level for several research priorities including breast cancer. We must maintain our commitment to biomedical research if we hope to continue to make advances in understanding and treating diseases. This research is crucial for reducing human suffering and for lowering the overall cost of health care in the long run. Therefore, we all benefit from the increase in NIH funding included in this bill. These funds truly are well spent.

The committee was also able to provide funding above 1993 levels for several important health care and disease prevention programs including: $108 million more for childhood immunizations, a $25 million increase for community health centers, an additional $41 million to combat tuberculosis, $38 million more to fight diabetes and other chronic and environmental diseases, and a $224 million increase for the Ryan White AIDS Care programs and $45 million more for HIV prevention.

We also increased the Head Start Program by $500 million. The committee has recommended that particular emphasis be focused on improving the quality of the program and looks forward to the results of the Department's Head Start review.

I was also pleased that, with our chairman's leadership, the subcommittee succeeded in turning back efforts to cut impact aid targeted to the neediest of our students and school districts. The bill also includes vital funding to college-aid programs that make all the difference in giving so many young people the right—the ability to pursue their dreams.

Mr. Chairman, again, I urge my colleagues to support this important legislation. While I believe we could wisely spend additional resources on several programs funded in this bill, the committee has done the best job it could possibly do given the tough limit on discretionary spending we faced.

Mr. PORTER. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BONILLA], one of the able new members of our subcommittee.

Mr. BONILLA. Mr. Chairman, first, I would like to share a personal conversation I had with our chairman just a few days ago. I went up to him and told him that I have only been here a short time but that one of the greatest experiences I have had, as a new Member of Congress, is to get to work with a man who is fair, compassionate, has more wisdom than probably anyone in this body, and is willing to always help and share that wisdom and compassion and fairness with everyone on the committee. I consider it a real privilege to working with our chairman, the gentleman from Kentucky [Mr. NATCHER].

I rise to join the distinguished gentleman from Kentucky to walk down the center of the aisle today in support of this most important appropriations bill.

This appropriations bill helps Americans become more educated, develop the training tools to keep and advance in the job sector, and prevent illness or treat an illness if you become sick. This bill affects and protects almost every American in a fiscally responsible.

I want to commend my chairman, Mr. NATCHER, and my ranking member, Mr. PORTER, and their hard working staffers for their dedication in crafting this bill. As a freshman in the Congress and on the committee, I only hope that I can emulate the fairness and equity that the chairman shows all Members.

I want to highlight a few vital rural programs to my rural colleagues, who often share my view that Congress turns its back on the heartland. This bill makes an effort to provide access to health care in our rural communities.

Community and Migrant Health Care Centers funding have been increased to provide comprehensive primary health care in our rural communities. Last year, these clinics served over 6.5 million people.

The Area Health Education Centers and Border Health Centers funding has been restored to fiscal year 1993 levels. The AHEC Program links university health service centers with community health service delivery systems to provide training sites for students, faculty, and practitioners. The Border Health Education Centers fund schools to support health education and training centers to improve the supply, distribution, and quality of health personnel along the border between the United States and Mexico.

Other rural programs include transition grants, the Allied Health Grants that address the growing shortage of allied health personnel in both rural and urban areas, the Physicians Assistants Program which delivers health care and emergency services in rural areas. This program is especially important to the health of rural Americans.

The Family Medicine Residencies Program has been funded to provide grants to medical schools to teach family medicine programs which are greatly needed to feel the demand for doctors in rural America.

The Rural Health Research and rural Outreach grants are funded to coordinate public and private sector efforts nationwide to strengthen and improve the delivery of health services to populations in rural areas, they provide health services to rural populations not currently receiving them and enhance access to and utilization of existing services.

This bill also recognizes the need to prevent, treat, and educate Americans about diabetes. Persons with diabetes face not only a shortened life span, but also the strong likelihood of severe disabilities. Diabetes prevalence is particularly high for Hispanics. The committee has wisely provided additional funding to expand the development of a national diabetes program.

Regarding diabetes research, the bill increases the research efforts to combat diabetes. Diabetes is the leading cause of new adult blindness, kidney failure, and nontraumatic amputation, and is a major risk factor for stroke, heart attack, and premature death to the estimated 13 to 14 million people who currently have diabetes. Further research will be carried out to isolate the diabetes gene and will increase efforts to educate the public about preventing blindness.

Again, Mr. Chairman, this appropriations bill is a good one. This bill is fiscally responsible and provides for medical research that invests in Americans and saves lives and saves dollars. I urge my colleagues to support the bill.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SERRANO].

Mr. SERRANO. Mr. Chairman, it will certainly sound like a repetition, but everyone is going to tell Members of what a great thrill it was for us to serve with the gentleman from Kentucky as chairman of our subcommittee, and the fact that his leadership has given the new members of the committee the opportunity to grow within these months and to participate in a way that we never imagined would take place. So we thank him for that.

Mr. Chairman, I rise in strong support of H.R. 2518, the bill to make appropriations for the Department of Labor, the Department of Health and Human Services, and the Department of Education, as well as several related agencies.

First, I would like to thank my chairman, the gentleman from Kentucky [Mr. NATCHER] for the extraordinary experience he has given me and the other new members of the subcommittee this year. His patience in guiding us through a very large, complicated, and important bill, his fairness in addressing the various priorities we had, and his unfailing graciousness toward each of us—well, he has lived up to the legend of BILL NATCHER.

I would also like to thank the ranking minority member, the gentleman from Illinois [Mr. PORTER] and the other members of the subcommittee for their support and cooperation throughout the process of bringing this bill to the floor.

And I salute the very professional staff of the subcommittee for all the long hours and hard work they put into this legislation.

Mr. Chairman, this bill is one of the most important bills the House considers in any year. It is the key to the Nation's well-being: It funds health, education, social and work services that touch every person in the United States and provide the means for all of us to live healthier and more productive lives.

Of course, Mr. NATCHER has given an excellent summary of the major provisions of the bill. I would like to mention just a few items.

The committee has increased the Nation's investment in our children, with substantial increases in funding for Head Start, Healthy Start, and childhood immunizations.

The committee has recognized the dire need to better address the plight of HIV-infected children and pregnant women by giving the Pediatric AIDS Demonstration Program a permanent place within title IV of the Ryan White Care Act.

The committee's recommendation for substantial increases for HIV/AIDS, and tuberculosis prevention and health care programs will go a long way to helping save lives. In addition, the committee encourages greater connectivity of these programs to better service communities ravaged by these two epidemics.

The committee has included startup funds for Teacher Corps, an authorized program that would help paraprofessionals become certified teachers so that they can work in areas with teacher shortages. This would go a long way toward educating our children in high poverty, high need areas.

The committee has continued and expanded the efforts sponsored over the years by the gentleman from Ohio [Mr. STOKES] and our former colleague, Mr. Roybal, to improve the situation of minorities in the programs funded in the bill—to ensure that we know more about variations in health status and to assure appropriate access to necessary services.

The only shortcoming in this bill is that available resources do not permit us to do all we should do to meet the Nation's needs, but under Mr. NATCHER's leadership, it does the very best that we can do.

Mr. Chairman, I urge every Member to support this bill.

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Mr. PORTER. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Pennsylvania [Mr. GOODLING], the able and distinguished ranking member of the Committee on Education and Labor.

Mr. GOODLING. Mr. Chairman, I too want to join all of those in congratulating the gentleman from Kentucky [Mr. NATCHER], the gentleman from Illinois [Mr. PORTER], and the committee for all they have done over the years to help many children that we serve in the programs that we authorize. I think as a member of the authorizing committee what I would like to promise to the appropriating committee is that we will do everything we possibly can to move the debate from access to excellence.

It did not used to be popular for anybody to say all Head Start programs are not good programs, all Chapter I programs are not motherhood, ice cream, and apple pie, but now more people are understanding that that is true, and it is our responsibility as the authorizing committee to make sure those programs are far better programs than they presently are. And that is what we would offer, I would hope, as an authorizing committee.

Quality is what we want to talk about rather than just access, and coordination of services. One of the biggest problems we have in our program is all of those little fiefdoms are out there, and they stand up for what they think is their area, and they forget that they are really dealing with the children and the families, and hopefully we can do more to help.

I really want to thank the committee for all they have done in the last few years to expand the Even Start program. I think we finally have a program where we are dealing with the whole family, and in dealing with the whole family we can wipe out illiteracy, and we can move to a far better program for parents and children alike.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I am happy to yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I want to congratulate the gentleman not only for his remarks today, but for the focus he has been placing on the issue of the excellence of the programs and the outcomes that we expect, and the possibility of consolidating and giving greater flexibility to local communities to accomplish the objectives we want as opposed to simply meeting certain procedural requirements. I think that has been a very positive contribution, and I join with him in that objective.

Mr. GOODLING. I appreciate the gentleman for his comments, and would merely say I guess if I would have one other druthers it would have been I wish we had not had to take $70 million out of Chapter II, which is probably the program that is bringing about reform in this country. But they did in order, I understand, to put it in an education reform package. Maybe Chapter II will prove to be a better education reform package than what we are going to come up with. I hope not, but that could happen.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I have laryngitis this morning and so I will not be able to talk long. All I will say is what our Chair would ordinarily say.

This is a good bill. You ought to support it. This is what America is all about. This is the device by which we meet our obligations to all kinds of programs that are crucial to the American public. All of the education, all of the job training, all of the health research programs are in this bill. This truly is what we try to do for each other in this society to a greater extent than in any other piece of legislation that comes before us for the year.

I think the committee product is a good one which can be supported on all sides of the aisle.

Mr. PORTER. Mr. Chairman, I am pleased to yield 3 minutes to the distinguished gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, I thank my good friend from Illinois for yielding the time.

Mr. Chairman, it is now a near certainty that a proabortion Member of the House will strike Mr. NATCHER's amendment which was designed to restrict abortion funding except to save the life of the mother and in instances of rape and incest.

Mr. NATCHER's amendment was approved by the full Appropriations Committee last week by a margin of 2 to 1—31 to 14.

Mr. NATCHER's amendment tracks the Boxer amendment, which a majority of Members who were abortion advocates in previous Congresses said they wanted enacted into law.

The Natcher compromise at least seeks some middle ground on an issue that does not readily lend itself to compromise.

Mr. NATCHER has crafted a compromise that while it doesn't satisfy everyone—it is, however, the right approach given the circumstances. Without the Natcher amendment, this Congress would force taxpayers to underwrite the cost of approximately half a million—perhaps as many as a million—abortions on demand.

That is, abortions for birth control reasons often in the 4th, 5th, and 6th month of gestation and beyond, paid for by Americans who vigorously oppose and conscientiously oppose the misuse of their dollars for that. We ought to be spending money on nurturing life, not destroying it.

Furthermore, it would violate the States rights of some 37 States that currently proscribe abortion payments in the most circumstances.

Significantly, the majority of Americans are against Federal funding for abortions. There is no question that Mr. NATCHER's amendment comports with public opinion. For example, in July, 1992, and ABC News-Washington Post nationwide poll found that 69 percent believe the Federal Government ought not pay for an abortion for a woman who wants it and cannot afford to pay.

Other polls have consistently found majorities opposing public financing of abortion on demand.

Mr. Chairman, we are now faced with a procedure that precludes Mr. HYDE from offering an amendment to restrict payments for abortions.

Now my good friend, the gentleman from Maryland [Mr. HOYER] said earlier that Americans grow cynical at times that Government doesn't work. Unfortunately, the rules of this House prevent Mr. HYDE from offering the Natcher amendment or Mr. NATCHER himself from offering it. And preventing that debate—and vote—it seems to me fosters cynicism. Therefore, I would ask this House whether you are pro or con on this issue to allow, out of a sense of fairness, I would hope that Members would to permit Mr. HYDE to offer an abortion limitation amendment. And to do so, I would remind Members we have to defeat the motion to rise to do that. Regardless how you came down on the issue, what have we got to hide, what do we have to fear with a good, honest, open debate on this issue?

So I would hope that there would be a majority for defeating the motion to rise so that Mr. HYDE can offer an amendment.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I rise today in support of H.R. 2518, the labor—HHS-education appropriations bill. First I would like to commend Chairman NATCHER for the fine work he has done putting this legislation together. While there are some aspects of this bill which will spark heated debate, let us not lose sight of the fact that this legislation will greatly help broad sectors of our Nation. Funding for summer youth programs will allow our youth to learn skills and improve our neighborhoods. Support for student aid programs will help those who would not otherwise be able to afford an education, earn a college degree. Additional support for the Administration on Aging will help senior citizens.

This legislation also provides significant assistance in the battle against AIDS. The spread of this deadly virus has affected almost every community in the country. My home town of Hartford, CT, has one of the highest rates of pediatric AIDS in the country. We must take real action to stem the tide of this disease. This bill includes over $543 million for the Centers for Disease Control to conduct much needed activities related to HIV. This is an increase over last year's funding and is equal to the request made by the administration.

The CDC HIV programs provide support for research, lab studies, and prevention. Taking a comprehensive approach to learning the causes of AIDS, and developing strategies to provide education to stop its spread is the only way that we will be able to make progress and reduce the incidence of AIDS and HIV infection.

Mr. Chairman, I support this legislation, and urge my colleagues to join in that support.

Mr. PORTER. Mr. Chairman, I yield 4 minutes to the very distinguished and able gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, I thank the gentleman for yielding the time and appreciate it because this is a very important bill.

I would like to start off, if I might, Mr. chairman, by asking to engage in a colloquy with Chairman NATCHER.

Mr. Chairman, there is a long history of committee support for the technical assistance and training services provided to the more than 1,200 displaced homemakers' programs across the country. These services have a proven track record of improving programs for displaced homemakers at the local level.

☐ 1120

In the past, the committee has provided funding to the women's bureau for these important services, and I want to clarify, Mr. Chairman, that the committee did not intend to reduce, or in any way diminish, the Department of Labor's support for customized technical assistance and training services for displaced-homemaker programs in fiscal year 1994.

Mr. NATCHER. Mr. Chairman, will the gentlewoman yield.

Mrs. MORELLA. I am happy to yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, before answering the question of the gentlewoman, I want to thank the gentlewoman for her assistance—all through the years since she has been a Member of Congress—with our bill.

Mr. Chairman, this lovely lady represents the district where we have the National Institutes of Health, and there is not a Member in this House on either side of the aisle who is more concerned about health and education than the gentlewoman who is now on the floor inquiring about the matter that she has just proposed. I want to thank her for her assistance since becoming a Member of Congress.

Mr. Chairman, in answer to the gentlewoman, the answer is yes, the committee intends that the Department maintain support for technical assistance and training for displaced homemakers' programs in fiscal 1994.

Mrs. MORELLA. Mr. Chairman, I thank the chairman. You can see that this is a mutual admiration society, because, indeed, Chairman NATCHER deserves so much credit for understanding, and for placing the right priorities, in this bill.

Mr. Chairman, I rise in support of H.R. 2518. I commend the distinguished chairman, ranking minority member, and the members of the committee, for their efforts on this difficult bill. With limited funding, the committee has managed to continue to fund critical health and human service programs. While I will be working to increase funding for several programs in the bill during conference, I respect and commend the members for their excellent efforts.

I am particularly pleased that the subcommittee provided $500,000 to fund the Women in Apprenticeship and Nontraditional Occupations Act, a bill that I sponsored, and which was approved by Congress last year. The bill will provide funding to community-based organizations for the training and placement of women in nontraditional jobs. The funding will also be used to educate businesses and unions on how best to successfully integrate women into the nontraditional work environment. The wage scale in the skilled trades and other nontraditional jobs is usually 30 percent higher than in typically female occupations.

I am also pleased that the subcommittee included report language that I submitted urging the National Institute of Allergy and Infectious Diseases at NIH to mount a focused, sustained, research effort to develop a safe, effective virucide or microbicide to prevent the spread of sexually transmitted diseases, including HIV infection, for both women and men. It is critical that women have a barrier or chemical method of protection that they can use, with or without their partner's cooperation or knowledge. I strongly agree with the high priority given to AIDS research, prevention, and services, and to breast cancer research.

I commend the committee for increasing NIH funding by $610 million over fiscal year 1993, and $269 million more than the President's request. Even in this time of budgetary restrictions, we must continue to provide strong support for biomedical research. I will be working to further increase funding for NIH in conference.

I urge my colleagues to support H.R. 2518.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, I rise to discuss for a moment the amendment in this bill that would prohibit the use of funds appropriated therein for abortions except in the case of danger to the life of the mother or in cases of rape or incest. I hope it will be stricken from the bill. I think it was unfortunate that it was put in in the Committee on Appropriations without previous authorization by the authorization committee.

More importantly, on the substance of the amendment, the Supreme Court has decided that it is the supreme law of the land that abortions under certain conditions are permitted, that freedom of choice is permitted. Unfortunately, the Supreme Court has added certain restrictions recently in some cases, but nonetheless, the general law is that abortions are permitted.

It is the height of hypocrisy for the United States to say that women have the right to choose whether to have an abortion but, of course, if a woman cannot afford it and if she is eligible for any other medical service because she is of sufficiently low means that Medicaid will pay for any other medical service but not for abortion. It ought to be treated; if the Supreme Court, if the Congress says it is the law of the land that a woman has the right to choose, then if she by reason of income and other qualifications is permitted to be funded by the Government her medical procedures, then this should be no different.

To make this different says that we do not recognize the right of freedom of choice.

The one final thing is that it is said that people do not want their money spent for it. There are many things in this budget that many people do not want their money spent for. It is not a right of individual choice. Congress chooses what we spend the taxpayers' money on, not every individual taxpayer.

Mr. PORTER. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. DELAY], a member of the Committee on Appropriations.

Mr. DELAY. Mr. Chairman, I thank the gentleman for yielding me this time. The ranking member has done a great job, and I applaud my chairman for a great job in trying to be as fair as possible in fashioning a compromise that, unfortunately, the Committee on Rules has chosen not to protect. But here we are.

The gentleman from New York was saying that the Supreme Court of the land allows abortions, and I grant you that that is the case, unfortunately, but the American taxpayer does not have to pay for it.

Now, I think if you really look at the American people, it breaks down along these lines, that it breaks down in thirds. There is a certain third of the people of America who believe that abortions ought to be had for any price on demand at any time. Then there are those of us, like me, who believe that abortion is killing, and killing young people and young babies, and it should not be allowed in this country. And then there is sort of the middle. They call themselves pro-choicers; by and large they are antiabortion. They do not like abortion. They think it is awful. But they do not want the Government to be involved in that decision, and they want the choice, and it is a private decision. And I respect that.

But most of those people do not believe that the American taxpayers should pay for abortion either, and if you think you can go out here and call yourself pro-choice and then, as a matter of government, underwrite by paying for abortions and then walk around and say, "Oh, I abhor abortions. I would not have one myself, but I am going to pay for them, take money out of the taxpayer's pocket and pay for them," you are wrong if you think that the American people support that position.

The Hyde amendment has been credited with saving over 1 million American children who are alive today just because of the Hyde amendment. Now, I think that is very significant. Shoot, they may be sitting up here; one of those may be sitting up here in the gallery here today, Mr. Speaker, because of the Hyde amendment. They are alive today, and I think we ought to support it.

I think the procedure is, and I would ask the gentleman from Illinois [Mr. PORTER] to correct me if I am wrong, is that we have to defeat the motion to rise in order to get to this amendment. That is what Members have to concentrate on.

If you think that the American people would not support taxpayer funds for abortion of killing children, then you must help us to defeat the motion to rise when it comes so that we can offer the Natcher amendment. That is so important to this issue.

And you can try to hide around it and obscure it all you want to, but the bottom line is I do not think that the American taxpayers of this country would support their money going to abortions in this country.

We have a chance to correct the situation today. Let us take that chance and defeat the motion to rise.

Mr. NATCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I rise in support of H.R. 2518, the fiscal year 1994 Labor-HHS-Education appropriations bill. Having served on this subcommittee for many years, this was one of the most difficult years our subcommittee has faced in making appropriations for many of our Nation's education, employment and health and human services programs. Despite the budget constraints we faced, under the direction of our chairman, the distinguished member from Kentucky, we crafted a bill which recognizes the prevailing domestic needs which must be addressed, and which allocates funds according to these priorities. He is to be commended for his leadership in bringing this measure to the floor.

I would like to also recognize the gentleman from Illinois, Mr. JOHN PORTER, the ranking minority member of our subcommittee for the significant contributions he has made to this year's bill, and the many contributions he has made to the subcommittee over the years. Special recognition should be made to the outstanding job that the new members of the subcommittee contributed to this process with much enthusiasm. I believe that due to the present composition of the members now on the subcommittee, a historical perspective has been set with regard to minority and women's issues that will change and shape our labor force, health perspective and educational institutions.

Mr. Chairman, as noted previously, the committee drafted H.R. 2518 in the midst of rigid parameters established by the fiscal year 1994 budget resolution, as passed by the House. Despite the difficulties we faced, this bill provides a balanced approach to supporting many of the domestic programs serving students, the unemployed, the poor, the sick, and the elderly. Overall, the bill before us today provides a total of $259.8 billion in mandatory and discretionary programs. A total of $66.9 billion was allocated in budget authority and $68.2 billion in outlays for the Departments of Labor, Health and Human Services and Education. The total allocation for the various departments include $175 billion for HHS, $28.6 billion for Education, $10.9 billion for Labor, and $1 billion for 18 related agencies. The bill is $5.7 billion under the President's budget request for discretionary spending programs, and an increase of $4.8 billion over the amount available for fiscal year 1993.

Under the bill before us today, there were many programs which received significant increases in funding. For instance, the committee bill includes increases for several major programs such as Head Start, child immunization, the Ryan White care AIDS programs, chapter I, education reform and the Pell grant program. I am proud to have been able to assist in securing increased funding for these programs, which improve the quality of life for my constituents as well as citizens across the Nation.

Mr. Chairman, there are several programmatic provisions I would like to mention specifically. These are initiatives which I was able to garner support for in the bill. Under H.R. 2518, in the area of education, title III graduate institutions obtained an increase of $5.5 million bringing the total funding up to $17,312,000. Language was also provided which urges the Department of Education to give high priority to funding an initiative to expand model programs dedicated to advancing minority Ph.D and faculty development. Of particular note are the special programs for the disadvantaged [TRIO] for which I was able to secure a $20 million increase and substantially raised the President's budget request to a total of $418.5 million. Howard University received $192.7 million for it's academic programs, endowment grants, research and other programs.

In addition, by amendment, funding in the amount of $750,000 will allow for a new study which will address the projected human resources—including people of color and women—and the educational needs of the civilian aviation industry of the future. Additional language was included which directs the Department of Education to lend its resources to the development of a program which will help to preserve historical documents located at historically black colleges and universities and land grant institutions. Funding for the development of the historically black colleges and universities [HBCU's] capital financing program in the amount of $375 million over 2 years will help strengthen America's infrastructure and assist in funding vital improvements on HBCU's campuses. Success was also gained at funding the faculty development fellowship program at $4 million which encourages minorities in pursuing doctoral degrees and to become college and university faculty. The Institute for International Public Policy, a newly created entity was allocated $1 million to respond to competitive proposals and increase the number of minority students entering the foreign and international service.

In the area of health, the Disadvantaged Minority Health Improvement Act programs were funded at the fiscal year 1993 level since these programs have not yet been authorized. I look forward to these programs receiving a much needed increase in funding during conference in an effort to encourage minority participation in biomedical research and in the health care professions in general, and to improve the health status of minority Americans.

For those programs supported by the Centers for Disease Control, the Committee provided increased funding in many areas including AIDS, tuberculosis, breast and cervical cancer, and prostate cancer. The Committee approved a $5 million increase in funds for lead poisoning prevention activities, and a $5 million increase in funding for the prevention and treatment of diabetes. Report language reflects the need for special initiatives to prepare, recruit and develop members of underrepresented minority groups for careers in public health prevention programs. The Committee also expressed its concern to the CDC to address minority health concerns with regard to research on asthma on African-American children.

The National Institutes of Health were given special consideration in funding this year by the subcommittee due to the lack of funding for many vital health initiatives and research projects projected in the President's budget request. Special funding was provided to focus on research and health problems that disproportionately impact minorities in the office on research on minority programs which received $56 million. Report language was included to address the need for additional research on the sickle cell disease, which disproportionately affects the African-American population. Report language was used to address long-term planning research on the behavioral development of all ethnic minority children to establish an initiative in the area of minority childhood development. Concurrently, language was used to establish a research initiative on the development of middle childhood years, ages 5 to 11, which promises to provide a greater understanding of adolescent and young adult problems including gangs, unwanted pregnancies, drug and alcohol abuse, AIDS and high school dropout rates. Lastly, recommendations to the Administration on Aging to implement the provision of the 1993 Older Americans Act would encourage grants to HBCU's Hispanic centers of excellence, in allied gerontology, and serve the needs of minority students pursuing careers in aging.

Despite the enhancement of many programs and in light of present budget constraints, the Committee was forced to either level-fund or cut some programs in order to keep the bill within the ceilings established by the 1994 budget resolution. Programs targeted to receive reductions in fiscal year 1994 include many educational programs such as cooperative education, student literacy corps and library research.

Mr. Chairman, again, I would like to commend Chairman NATCHER for displaying remarkable skill in balancing the many competing interests contained in this bill. We had extremely difficult decisions to make in drafting this bill, and I am proud to stand with him in bringing this measure to the floor. I ask my colleagues to join me in support of H.R. 2518.

☐ 1130

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK. Mr. Chairman, this fine bill should not be a referendum on abortion—it is the law of the land. Later today we will have the opportunity to overturn an unjust policy that has victimized poor women for well over a decade. We have a new administration, a new Congress, and it's time for a new policy on funding abortions.

Anyone who can afford private health insurance can most likely receive coverage for abortions. A poor woman on Medicaid cannot. This is obviously unfair. The right to abortion should not be based on income. Some taxpayers may object to Federal money going to pay for abortion, but they don't think twice about their insurance premiums paying for another policyholder's abortion.

This is about fairness. It is about leaving the choice up to the woman. It is about providing a safe alternative to self-induced or otherwise dangerous procedures that desperate women may resort to.

Mr. Chairman, I urge my colleagues to support the elimination of the restrictive language in the Labor-HHS appropriations bill before us today. Vote for fairness and vote for the right of poor women to have access to the full range of health care services.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, as we consider H.R. 2518, the Labor-Health and Human Services and Education and Related Appropriation bill for fiscal year 1994, I want to commend you for your leadership in fashioning this legislation.

While I support many of the committee's recommendations in the bill and am cognizant of the difficult choices that the committee faced in allocating funds among the various worthwhile programs in the bill, I am deeply disappointed by the recommendation for the Pell grant program.

I share your frustration and distress with the $2 billion shortfall in the Pell grant program which resulted in a reduction of the 1992 and 1993 maximum level. In these difficult economic times, families need and rely on the assistance provided by the Pell grant in order to fulfill their dreams of sending their children to college.

As you know, when the Committee on Education and Labor reauthorized the Higher Education Act of 1965 last year, my colleagues joined with me in raising the Pell grant maximum from $2,400 to $3,700 for the 1993–94 school year and to $4,500 in 1997 to help families defray the soaring costs of education which have risen much faster than family incomes.

Over the past decade the purchasing power of the Pell grant program has declined dramatically. In fiscal year 1980, the maximum Pell grant covered 51 percent of the average cost of attendance at a 4 year public institution. In contrast, by fiscal year 1990, the proportion of the maximum Pell grant decreased to 34 percent.

Mr. Chairman, it is unfortunate that the Committee had to lower the Pell grant maximum to $2,250 for the 1993–94 school year. Rather than increasing financial assistance for the 4.4 million students who have demonstrated need and will receive an award under the Pell grant program, these students are likely to have their awards decreased.

I note that the committee report states that if the authorizing committee makes necessary changes in the Pell grant program prior to the end of the fiscal year, the maximum Pell grant can be restored.

I would like to take this opportunity to indicate my willingness to work with you and Chairman FORD to ensure that the necessary savings are achieved in the Pell grant program so that we can raise the Pell grant maximum award above last year's level of $2,300 and more in line with the authorized level for school year 1993–94.

Mr. Chairman, I submit the following table:

TABLE 5.—PELL GRANT PROGRAM HISTORICAL STATISTICS

	Appropriations	Recipients	Average grant	Authorized maximum	Actual maximum
Fiscal year:					
1973	$122,000,000	176,000	$270	$1,400	$452
1974	475,000,000	567,000	628	1,400	1,050

TABLE 5.—PELL GRANT PROGRAM HISTORICAL STATISTICS—Continued

	Appropriations	Recipients	Average grant	Authorized maximum	Actual maximum
1975	840,200,000	1,217,000	761	1,400	1,400
1976	1,325,800,000	1,944,000	759	1,400	1,400
1977	1,903,900,000	2,011,000	758	1,400	1,400
1978	2,140,000,000	1,893,000	814	1,800	1,600
1979	2,431,000,000	2,537,875	929	1,800	1,800
1980	2,441,328,000	2,707,932	882	1,800	1,750
1981	2,604,000,000	2,709,076	849	1,900	1,670
1982	2,419,040,000	2,522,746	959	2,100	1,800
1983	2,419,040,000	2,758,906	1,014	2,300	1,800
1984	2,800,000,000	2,747,100	1,111	2,500	1,900
1985	3,862,000,000	2,813,489	1,279	2,600	2,100
1986	3,579,716,000	2,659,507	1,301	2,600	2,100
1987	4,187,000,000	2,881,547	1,303	2,300	2,100
1988	4,260,430,000	3,198,286	1,399	2,500	2,200
1989	4,483,915,000	3,322,151	1,438	2,700	2,300
1990	4,804,478,000	3,302,000	1,444	2,900	2,300
1991	5,374,282,000	3,421,000	1,480	3,100	2,400
1992	5,775,000,000				2,400
1993					2,300
1994					2,250

Note—Fiscal year 1992 = budget request. Fiscal year 1980 = $2,157,000,000 plus carryover.

Source: U.S. Department of Education. Pell Grant Program: End of Year Report, 1989–90 Award Year and Budget documents.

Funding: FY 1973–1980. In its initial year of funding, FY 1973, appropriations for the Pell grant were $122 million, and the maximum Pell grant award was set at $1,400. Eligibility was restricted to students who began their education after July 1, 1973 as full time freshmen. During the second year of operation, FY 1974, appropriations were $475 million and award levels ranged from a minimum of $50 to an actual maximum of $1,050 for full time freshmen and sophomores. Beginning in FY 1976, appropriations exceeded $1 billion for Pell grants and eligibility was expanded to include freshmen, sophomores, and juniors. From FY 1976 to FY 1980, appropriations increased from approximately $1.3 billion to over $2 billion. As a result of changes in eligibility to expand it to all undergraduates, the Pell grant program grew dramatically in terms of appropriations, number of recipients, and in average Pell grant awards. The number of recipients grew from 176,000 in FY 1973 to 2.7 million in FY 1980, while the average Pell award grew from $270 to $882, over a 200 percent increase in current dollars.

Mr. PORTER. Mr. Chairman, I yield 3 minutes to my friend and colleague, the distinguished gentleman from Illinois, Mr. HENRY HYDE.

Mr HYDE. Mr. Chairman, very briefly, I hope we have a chance during the day, despite procedural hurdles, which are formidable, to discuss in a little more detail this very anguishing subject of abortion. It has been 19 years since we have been debating this issue, and we continue every year. It is a very heart-wrenching, difficult, and emotion-laden problem.

When I think of abortion, I think of the Declaration of Independence, I think of our country's birth certificate which says that we hold these truths to be self-evident, that all men are created equal, not born equal, but created equal, meaning mankind. And that we are endowed by our Creator with certain inalienable rights, among which are life. The first inalienable right which is an endowment from our Creator, is the right to life.

So we cannot trivialize that by calling it an exercise of choice. What a euphemism, choice. If you really want choice, then you want informed choice, you want women to know what they are getting into, you want them to hear the little heartbeat, you want them to see the sonogram. But, no, that is the last thing the proabortion people want.

They want their definition of choice, one choice, and that is abortion.

Make choice safe, legal, and rare, our President has said. Well, abortion is not safe for the unborn. That is the one party that is never considered in this occasion. For the unborn, the mortality rate on abortions is 100 percent.

But make it rare? When you subsidize something, you get more of it; when you tax something, you get less of it. That is economics 101.

We are here today about, to, God forbid, subsidize abortions as an entitlement.

Make it rare? You are going to add 1 million to the 1.5 million we already have in this country.

My God, isn't that enough? No, we have to have more.

The autonomy of the woman, the sovereignty of the woman, uber alis, it even transcends the very right to life that our Declaration of Independence says is an endowment from the Creator and is an inalienable right. That is really what we are talking about, a clash of rights, a clash of responsibilities, and a clash of duties.

I suggest to you what is wrong with our society today is we do not respect each other. That was what was wrong with slavery. The Dred Scott decision of 1857 dehumanized slaves. We carried forward in Roe versus Wade the ultimate dehumanization by rendering an unborn child a cipher, zero, zero. So the trouble with our society, the urban riots, the drive-by killings, the abortions, is we do not respect human life. And until we learn to do that, this society is in great trouble.

Yes, I hope we get to talk about this some more today. I hope we broaden our perspective to include not only the pregnant woman and her problems with an unwanted pregnancy, but that little child, inarticulate and vulnerable, but a tiny member of the human family who cries out for our protection.

Mrs. VUCANOVICH. Mr. Chairman, the Appropriations Committee, of which I am a member, has reported a fine bill to the floor. In its current state, it is a bill we can all be proud of.

The Labor-HHS-Education appropriations bill is a good bill with funding for good programs. It provides $90 million for Healthy Start to reduce infant mortality, $42 million for dropout prevention education programs, and $8.4 billion for employment and training programs for people of all ages, $5.1 billion of which is for programs authorized by the Job Training Partnership Act, which includes $1 billion for Job Corps programs to support 111 centers throughout our Nation.

I am also very pleased that the committee has included $72 million for breast and cervical cancer screening through the Centers for Disease Control. In addition, I think we can all agree with the committee's commitment to increase NIH funding for breast, prostate, and cervical cancer. As a breast cancer survivor, I know how important research is for the cure of these diseases and that is important to women and their families. We must find a cure for these diseases which devastate our families and our communities.

In addition, I strongly support the language overwhelmingly passed by the committee which prohibits Federal funding of abortion except in cases where the life of the mother would be endangered or where the pregnancy resulted from rape or incest. This language must be retained to reflect the wishes of the majority of Americans that tax dollars not be spent to fund abortion on demand. Over 65 percent of the residents in my district recently told me that they simply do not favor taxpayer funding of abortion. We must keep this language in this bill.

Mr. Chairman, I speak highly of this bill because it is a good bill in its current form.

Mrs. COLLINS of Illinois. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the recent $1 million award to Howard University women's basketball coach Sanya Tyler is a reminder that 21 years since the passage of title IX, sex discrimination in college sports continues.

Just last week our subcommittee brought in five current and former student-athletes, who all won landmark decisions against their schools, because their schools were guilty of sex discrimination.

One student, Amy Cohen, was recruited by Brown University for their gymnastics team.

When she arrived at school, she was told that the gymnastics team had been terminated, to save money. But at the same time, the school was increasing its meal money for football players, and buying out its terminated football coach's contract for $250,000. She sued her school, and has won in two court decisions.

Another student, Jennifer Cook played ice hockey at Colgate. It was a club sport that had significant interest and success. She went to the school to request $16,000 to raise the program to varsity status. Colgate turned her down, but at the same time increased the hockey stick budget of the men's program to $12,000, and gave the men an overall budget of over $300,000. So she sued and won a lower court decision. She was later denied victory in appeals court that ruled the case was moot because she had graduated. Imagine that. Being denied victory because the school and courts dragged their feet.

The reason that these students and coaches are increasingly using the courts as a remedy is that the Office of Civil Rights in the Department of Education has been totally inadequate in enforcing the law. At our recent hearing, the only student who first went to the Office for Civil Rights before going to court, Susan Kiechel of Auburn, agreed that the other students had been wise to avoid the Office.

According to Mrs. Kiechel, the Office failed to complete its investigation in its 135-day required timeframe. In fact Auburn never even responded to the Office until the end of the 135-day period, and the Office never complained. When the Office for Civil Rights finally issued its findings that Auburn University was violating title IX by failing to elevate women's soccer to varsity status, it gave the school two more years to comply. In other words the Office said, "You've been breaking the law for 21 years, and you may continue to do so for 2 more years."

This so-called remedy was so outrageous to the student who had filed the complaint that she hired a lawyer and went to court. Within 2 months, the case was settled. The settlement included monetary damages as well as agreement to fund the women's soccer team beginning this fall.

Observers of the Office for Civil Rights have recognized that it has a very lean budget. This bill would provide less than a one-half percent increase. I had considered earmarking a greater sum for the Office, but I am hopeful that many of the problems with the Office may be resolved with its new Director Norma Cantu and her refreshing new attitude.

One way that the Office for Civil Rights could operate more effectively, while saving resources, would be the enactment of my bill, the Equity in Athletics Disclosure Act. That bill, H.R. 921—for title IX, 21-years later—would require schools to annually report information on their men's and women's sports programs. Currently, when a complaint is filed, the Office for Civil Rights has to start from scratch compiling the data it needs. If my bill is enacted, or if the spirit of my bill becomes policy at OCR, all that information will be on file, and the Office can make a faster determination of whether there is discrimination, and save money in the process.

An investment in the Office for Civil Rights to make it operate more effectively could save many more dollars from expensive litigation, many more student-athletes from heartbreak and many more colleges and universities from embarrassment and disgrace.

Over the past 2 years, our subcommittee has held three hearings on gender equity, I have testified before the NCAA, and I have continued to bring this issue to the Nation's attention. There is no reason that young women student-athletes should be denied the same opportunities as men. That's the law.

But the reality is that they are treated as second class students on their campuses. They get practice times only when the fields, pools, and rinks are not being used by the men. They carpool to games while the men fly or take chartered buses. While the men are given new equipment and uniforms for free, they are required to buy their own equipment or use tattered hand-me-downs from the men's teams.

The recent $1 million award to Sanya Tyler at Howard is a glimmer of hope that our attention to this issue is paying off. But it is only a glimmer. Thousands of young women student-athletes like Rollin Haffer of Temple, Jennifer Cook of Colgate, Amy Cohen and Megan Hull of Brown, and Susan Kiechel of Auburn, who all testified before my subcommittee will continue to face unfair treatment.

I will continue to bring this issue to my colleague's attention and to the Nation's attention. The Office for Civil Rights needs to do much much more. The Nation's colleges and universities need to do much much more.

Mr. MARTINEZ. Mr. Chairman, I rise today to congratulate my colleague from Kentucky for his outstanding work on this legislation.

Under the looming cloud of fiscal constraint and budget reductions, he has crafted a bill that meets many of the often competing interests of our social services infrastructure and addresses the vital needs of the Nation's low-income and disadvantaged citizens.

The appropriation process has always defined this body and this institution.

There is no better display of our priorities than the way we choose, here today, to spend the Nation's tax dollars.

The Labor-HHS-Education appropriation in particular is viewed by many not only as a display of these priorities, but also as a symbol of our compassion as a society.

It shows us what can be right with America.

The bill we consider today targets many of the populations that cannot stand on their own: The poor; the sick; the uneducated; the young; the aged; and the infirmed.

The programs this bill funds not only provides many of the basic necessities of life, but something much more valuable—hope.

Hope that a child will not have to struggle with the same deficiencies their parents struggled with.

Hope that medical treatments once thought impossible will be within reach of everyday Americans.

Hope that hard work and perseverance will be rewarded.

Hope that a better life is possible.

Mr. Chairman, there is one program in particular that I would urge my colleagues to think about in terms of increased funding as this bill moves to the other Chamber—the Head Start Program.

I believe we can do better than $500 million more than last year, and I hope we can find a way to do that.

This program has touched every Member's community.

There are millions of former Head Start students around the country that are making tremendous contributions to their communities.

I have one on my staff, and I imagine many of you do as well if you checked.

What makes this program so effective, and so critical to our society, is that it targets low-income families at an extremely significant time in their lives, and does so in a highly comprehensive fashion.

Parents and children alike benefit in ways that will carry them through years and years of challenges ahead of them.

Children are provided health screenings, immunizations, nutritious meals, education services, and socialization activities.

Parents are provided literacy training, education services, volunteer and job-training opportunities, parenting skills training, and leadership opportunities.

Understanding that some concerns have been raised about the program, I urge my colleagues to go to the programs in their own congressional districts and judge for themselves.

I will be happy to locate them for you.

I think you will find that no assessment instrument will be able to tell you what your gut knows when you visit these programs—they work.

Mr. Chairman, I am proud to stand with my colleagues that are willing to provide a sense of hope for those who desperately need it.

I suspect there is no Member that couldn't think of someone dear to them who was unable to stand on their own at one time or another.

But something or someone allowed them to regain their strength to stand by themselves.

We should hope for nothing less for all Americans.

Mr. MANZULLO. Mr. Chairman, I rise to speak concerning the Departments of Labor, Health and Human Services, and Education appropriations bill.

Mr. Chairman, I had an amendment to title II of the bill. From my conversations with the Parliamentarian's office and several of my colleagues, I was informed that it would be subject to a point of order. I will not waste the time of the House pursuing this amendment.

My amendment was simple. It prohibits the use of taxpayer funds to help resettle Iraqi soldiers and their families in the United States. During the gulf war, the United States took thousands of Iraqi soldiers as prisoners of war. These prisoners have been detained in Saudi Arabia since the end of the war.

According to a Washington Times article from last April, which I include for the RECORD, nearly 1,000 Iraqi soldiers have been resettled at taxpayer expense in cities across the United States, including 250 in my home State of Illinois. Four thousand more are expected over the next year, along with 5,000 of their dependents.

That means nearly 10,000 former Iraqi soldiers and their families may be coming to a neighborhood near you. A study by the Federation for Immigration Reform estimates that it costs approximately $7,000 per year to support each refugee.

It's an outrage that while just yesterday Congress approved a spending bill for American veterans that cut the President's request for VA hospitals by $74 million we stand here today approving up to $70 million to resettle Iraqi ex-soldiers.

It's an outrage that our Government is even thinking about doing this while some of our veterans have been turned away from VA medical centers.

And, how can we even think about bringing Iraqi soldiers to our shores in light of the current state of military hostilities between our two countries? Just yesterday, the Foreign Affairs Committee held a hearing on how Iraq is rebuilding its military industrial complex, including weapons of mass destruction.

How do we know that there isn't a revolutionary cell among these Iraqi refugees? Who will take responsibility if any of these Iraqis commit a criminal act?

I will not stand by and watch this abuse of the taxpayer's trust. With a $300 billion deficit and a $4.2 trillion debt, I would think the resettling Iraqi ex-soldiers and their families would be at the bottom of the priority list for the Federal Government. I will work with the other body to see if anything can be done to change this situation.

[The Washington Times, April 14, 1993]

U.S. Resettles Iraqis—1,000 Ex-Soldiers Here as Refugees

(By Jerry Seper)

Nearly 1,000 Iraqi soldiers captured by U.S. troops during the Persian Gulf war have quietly been granted refugee status and resettled at taxpayer expense in cities across the United States, with as many as 4,000 more expected.

Immigration officials say about 20 percent of the former POWs, along with 2,400 of their wives, children and other dependents, were moved from refugee camps in Saudi Arabia to cities in California. The rest were relocated to U.S. communities, mainly in Michigan, Texas, Tennessee and Illinois.

"I think most people will be outraged and amazed by this," said Ira Mehlman, a spokesman for the Washington-based Federation for American Immigration Reform (FAIR). "We've taken POWs in every war we've ever fought and didn't bring them here to live afterward."

The former prisoners, who surrendered to U.S. troops after the February 1991 invasion of Iraq, won refugee status after claiming they faced execution or imprisonment if they were forced to return to their own country. The relocations, according to federal records, occurred between September 1991 and October 1992.

Another 4,000 former Iraqi soldiers being held in Saudi Arabia and 5,000 of their dependents are awaiting similar refugee status and are expected to be admitted this year, officials confirmed yesterday. President Clinton would have to approve these refugee requests.

The relocation effort, sponsored by the State Department and the Department of Health and Human Services, was approved by President Bush.

Immigration records show the United States granted refugee status to only 1,231 Iraqis between 1987 and 1991. The number of refugees allowed to the United States each year is determined by the President.

Under federal refugee guidelines passed by Congress in 1975, the former POWs and their families are entitled to Medicaid and welfare payments, including Aid to Families With Dependent Children; cash assistance for employment and language-training programs; and prepaid medical screening, health assessments and other continuing health care services.

They also are entitled to cash payments from HHS if they cannot qualify for cash or medical assistance programs offered by the states. Payment levels are determined by the states and can continue for more than a year.

Other former Iraqi prisoners, also being held at camps in Saudi Arabia, have applied for similar refugee status. Criminal background investigations on them by the U.S. Immigration and Naturalization Service are under way.

"We see no compelling reason for bringing these people to this country," Mr. Mehlman said. "They were doing their duty: They fought against our soldiers. They killed our soldiers. They lost, and all of a sudden we owe them something."

Lenny Glickman, a spokesman for the HHS Office of Refugee Resettlement, confirmed yesterday that the POW relocations had taken place, adding that the former Iraqi soldiers were admitted to the United States after establishing what he described as "a well-founded fear of persecution" if they were returned to Iraq.

Mr. Glickman said the former soldiers faced death or prison from Saddam Hussein's government, but he did not elaborate. He also said no dollar figures were available on how much the relocation effort had and would continue to cost U.S. taxpayers.

Mr. Melhman, however, suggested it would be "very expensive," adding that studies by FAIR have shown it costs the government about $7,000 a year to support each refugee. That includes taxpayer costs at "all levels of government."

Don Hammond, executive director of World Relief, an international refugee relief organization based in Nyack, N.Y., argued yesterday that the former POWs were admitted to the United States as refugees because they were "fleeing oppression and could not return to their own country."

"These folks deserted their army because we invited them to do so," Mr. Hammond said. "We can't expect them to go back now, and we can't turn our backs on them."

Mr. Hammond said his organization, which sponsored several hundred of the former Iraqi soldiers, has been actively involved in relocating them and their families. That effort has included finding housing; providing rent, food and furniture; setting them up with Social Security numbers; getting the children enrolled in schools; providing access to English classes and job training programs; and "hooking them up with Iraqis already here."

He also confirmed that his organization and others are working to see that 4,000 more Iraqi POWs being held in Saudi Arabia gain refugee status to come to the United States. He said that presentations already have been made to the State Department and that he is confident additional former Iraqi soldiers will begin arriving later this summer.

"I hope we will begin to see them coming into this country this summer," he said.

The Iraqi soldiers are part of a contingency of 10,000 military prisoners and 24,000 dependents who have sought refugee status, immigration officials said yesterday.

Other former Iraqi POWs have been granted entry to Iran and Scandinavia. Iran, with which southern Iraq's Shi'ite Muslims share a religious kinship, has accepted the most—1,582 Iraqi soldiers so far—and has agreed to accommodate 5,000 more.

Most of the soldiers were imprisoned at a camp in the Saudi desert about 170 miles northeast of Riyadh. Federal immigration officials said many of the soldiers surrendered to U.S. troops believing they would be offered new homes outside Iraq when the war ended.

Mrs. BENTLEY. Mr. Chairman, as a new member of the Labor-HHS-Education Subcommittee, I want to take a brief moment to thank Chairman NATCHER and his very capable staff for assembling a bill which I think is good for the country. I also want to thank my ranking member, Mr. PORTER, and his staff for their fine work over the course of several months of hearings.

As I said earlier, I think that this is a bill that we can all live with. I am pleased that the committee sought to increase programs such as Healthy Start which has done so much to help bring down the appallingly high levels of infant mortality that continues to plague many regions of the country. I also am pleased that the committee rose to meet the challenge of providing comprehensive, community-based services that will help alleviate this problem.

In addition, the bill makes great strides in terms of offering much needed assistance to many of our struggling young families through innovative programs such as our family support centers. Our rapidly expanding senior citizen community also is well served by this bill through a variety of programs which provide much needed services to the frail and nonfrail elderly alike. Chairman NATCHER, I salute your fine efforts in shepherding this bill to the floor.

Ms. SHEPHERD. Mr. Chairman, I rise in support of the Labor-HHS-Education appropriations bill, and in particular I want to commend Chairman NATCHER for his efforts to restore funding for the State Student Incentive Grant Program. The chairman has long been one of the strongest advocates in Congress for the needs of our Nation's children, and his bill deserves our full support.

SSIG funds are awarded to States to encourage the retention and expansion of existing State grant programs, and to establish community service programs to help needy students pay for college. The program serves 242,000 students nationwide, including nearly 1,100 in my home State of Utah.

The SSIG Program has successfully leveraged millions of dollars in State financial assistance for needy students. If funding for this program were terminated, as was proposed by the administration, many States, including Utah, have indicated that their State programs would be significantly reduced or even eliminated—a frightening prospect in an era when higher education is more important than ever before.

The program serves the poorest Americans, with the average family income for SSIG recipients hovering near the poverty line. And at an average of more than $1,000 per grant, the benefits for our needy students are tangible and direct. In Utah and across the Nation, thousands of students are depending on us to prove our commitment to higher education.

This bill does just that. Although our Nation's tight fiscal constraints did not permit Chairman NATCHER to fully restore SSIG funding to last year's levels, this bill will prevent thousands of needy students from being denied the opportunity to pursue a higher education. I thank the chairman for his efforts, and urge my colleagues to support the bill.

Mr. PICKLE. Mr. Chairman, let me take a moment to add my voice to those from both sides of the aisle who have stated support for this important legislation today. Our wise and sage colleague, Chairman NATCHER, is to be congratulated for yet another incredible job.

Mr. Chairman, we have heard a lot of mumbling and grumbling over the last decade or so about the Great Society, that amazing effort inspired by our amazing former President Lyndon Baines Johnson. It is absolutely true that some of our experiments in social policy in the 1960's were not successful, but the majority of them were. The bipartisan and universal support for many of these programs that are represented in this bill speak to their effectiveness as well as the farsightedness of the Johnson administration.

Think of all the tens of millions of elderly Americans whose lives would have been much more painful and much shorter were it not for Medicare—a Great Society program. Think of the tens of thousands of disadvantaged youth who would have turned to a life of crime or welfare dependency but who are now productive members of society thanks to the Job Corps—a Great Society program. Think of the efficiency of a program that saves us more than $9 of long-term costs for every $1 we put in; that's what Head Start does—yes, another Great Society program.

The committee has done a wonderful job of prioritizing in this bill. They had to cut $6 billion from the President's request, and they have done so, but they have been able to devote a good amount of resources to those programs that offer the biggest bang for the buck. And I am proud to point out that many of those programs came out of the Great Society, a group of policies that has made this Nation healthier, happier, and safer.

Ms. FURSE. Mr. Chairman, I first want to compliment the subcommittee for its hard work in writing a bill which truly moves to address the human needs of our Nation. Given the current budget constraints, I know that the members of the subcommittee on both sides of the aisle had a number of tough choices to make. While there are a few things with this bill that I am not pleased with, particularly concerning Pell grants, I want to talk about a provision in H.R. 2518 which makes a good first step toward rectifying an 8-year oversight. I am talking about State-based diabetes control programs and efforts to diagnose those who are afflicted with this disease.

Diabetes is not restricted to any one district or region of the country, and affects over 14 million Americans. The problem is particularly acute for minorities and the elderly. Diabetes occurs 91 percent more often in African-Americans and 61 percent more often in Hispanics. The tragedy is that half of those who have diabetes will not know it until they are confronted with one of its serious complications: Blindness, heart disease, kidney failure, stroke, and lower extremity amputations.

The facts are staggering: Every year, 24,000 people go blind due to diabetic eye disease, and 95 percent of the cases are preventable. Annually, 54,000 Americans are forced to have a leg, foot, or toe amputated because of diabetes even though at least half are preventable. We have a chance to prevent these tragic occurrences from happening by diagnosing diabetes at the onset. Millions of American families will not have to face the emotional suffering or the health care costs associated with these complications if we use our resources to reach out and educate our citizens about diabetes, diagnose the disease, and treat the real problem. These life-threatening and costly complications of diabetes are often preventable with currently available medical treatment.

Currently, the Centers for Disease Control and Prevention [CDC] operates the Division of Diabetes Translation to provide grants to States to conduct community-based interventions to detect diabetes complications early when they can still be prevented. Despite the tremendous number of people affected by diabetes, and the serious and costly complications of this disease, funding limitations have restricted CDC's Division of Diabetes Translation to only 26 States. Although the burden of diabetes has continued to grow, and barely half our States can participate, this program has not received an increase in funding since 1985.

Earlier this year, I sent a letter to Chairman NATCHER—signed by 28 of my colleagues—to bring this issue to the attention of the subcommittee. The subcommittee has responded by increasing the amount of funds for the Center for Chronic and Environmental Disease Prevention by $37 million, and I have been assured that $10 million of this increase will go to the Office of Diabetes Translation which sponsors the State-based diabetes control programs. This additional funding will help, as the subcommittee has pointed out in its report, to expand efforts at the State and local level to reach the affected populations, translate diabetes research findings into practice, and develop a national diabetes program.

More than 144,000 Oregonians have diabetes; one is my own daughter. Fortunately she was diagnosed before one of the serious complications made its presence known. I complement the subcommittee—particularly the hard work of Mr. BONILLA—for recognizing the burden that diabetes is to millions of our citizens and for recommending this long overdue increase. It is my hope that the CDC Division of Diabetes Translation's State-based diabetes control program will be enhanced and expanded to ultimately serve every State in the country. Our families cannot endure the emotional pain, and our Nation cannot bear the expense, of allowing preventable cases of blindness, amputations, and strokes to occur.

I thank the chairman and all the subcommittee members for their work in recognizing the need to expand State-based diabetes control programs, and urge my colleagues to support H.R. 2518, the 1994 Labor, Health and Human Services, and Education appropriations bill.

Mr. FORD of Michigan. Mr. Chairman, I rise in support of the bill, H.R. 2518, the Labor/Health and Human Services Appropriations Act for 1994.

The bill before us addresses difficult choices because of our ever-tightening discretionary budget. The bill is not all that I would like. I had hoped that with new leadership from President Clinton and the elimination of the firewalls that separate defense and domestic spending, we could have had more resources for the important programs aimed at ensuring the education and welfare of our people, particularly our children.

When we took up the budget resolution 3 months ago, we anticipated that enactment of the President's jobs stimulus bill would have relieved some of the accumulating demand for education and labor services. The failure of the other body to pass that bill has exacerbated that demand as we move to pass appropriations for the next fiscal year.

The Labor-HHS appropriations bill would attempt to address the continuing shortfalls in education and labor programs produced by 12 years of neglect by Republican administrations. The reality is that it is very difficult to reverse the decline in our ability to address our distressing social deficit when we are faced with an overwhelming fiscal deficit. The Appropriations Committee, let by the distinguished gentleman from Kentucky [Mr. NATCHER], has done the very best it could under trying circumstances.

For example, the Pell Grant Program, which enables thousands of less privileged young people to attend college, would receive an increase in funding of more than $500 million. Most of that, however, must be used to offset an outstanding debt allowed to grow by the Bush administration. The stimulus bill would have wiped out that debt entirely. Instead, next year's maximum grant would fall from the current $2,300 to $2,250.

On the positive side, the appropriation for dislocated worker programs would be doubled to $1.12 billion. The Department of Labor estimates 545,000 would be able to partipicate. Again, however, the number of dislocated workers scrambling for jobs in the economy is enormous. We are facing auto plant closures, the migration of jobs abroad, and displacements caused by our efforts to clean our air and to protect dwindling forests in the Northwest.

The Head Start program, one of the items particularly targeted for increased funding by President Clinton, would receive $500 million more than in 1993. That is a good start toward the President's goal of providing Head Start to every eligible child. We hope and expect that more funding will be made available when the Committee on Education and Labor reauthorizes Head Start.

Mrs. ROUKEMA. Mr. Chairman, I rise to voice my support of H.R. 2518. Amid the many contentious issues contained within this legislation which we will debate today, I think it is important to point out the important programs, research and funding for which this legislation provides. Indeed, many of the programs funded under these departments are the day-to-day lifeline programs so crucial to millions of Americans.

Foremost, the lion's share of funding contained in H.R. 2518 is designated spending for Medicare and Medicaid. These are the dollars which support the Federal share of the Medicaid Program, and subsidize the Medicare health services for our sick elderly.

While it is in fashion today to decry entitlement spending, and slash Medicare and Medicaid spending for budget purposes, we cannot lose sight of the essential purposes served by these programs—for beneficiaries, this is often the only link they have to health care and medical services.

I do not mean to imply that these programs are unflawed, nor that their growth need not be controlled. But I stand firm in my commitment that health care policy and health care reform must be made on the issues of access and quality of health care—not a cost-benefit exercise or balance sheet. Earlier this year, I fiercely and vocally opposed the proposed cuts in Medicare programs contained within reconciliation.

As I have long held, we cannot try to tell our aging Americans that all we have to do is ratchet down on waste, fraud, and abuse, and cut the fees of those so-called rich doctors and expensive hospitals, and we will be able to cut costs and maintain quality health care. That is just not so. Already, the Medicare Program is losing its ability to attract and maintain the participation of quality providers.

Furthermore, it is painfully clear that shortfalls in Medicare payments to hospitals and doctors will be cost-shifted and passed directly to every other insured American. That means that over the next 2 years, Americans who have managed to hold on to health insurance will pick up $28 billion in Medicare shortfalls to hospitals. Another $20 billion in underpayments to doctors and other providers will be cost-shifted to paying Americans. So as long as we as a Nation do not turn the sick and injured away from our hospitals—so long as we are not leaving them to die in the streets—the cost of caring for these patients will not go away—only shifted to other, insured patients. This is exhibit A as to why we need to address the causes of our health care crisis, not merely attach the symptoms.

Today's legislation demonstrates our commitment to Medicare and Medicaid, and funds more than $100 billion for these health care programs. While we are not enacting changes in these statutes, it is timely to once more remind my colleagues that we cannot use these programs as sources for draconian budget cuts. Without question, we need health care reform. But not one which balances the budget on our most frail members of society—the sick elderly.

I am also pleased to see record levels of funding the National Institutes of Health, including $2.1 billion for the National Cancer Institute. These dollars will allow continued prevention research, vaccine development, treatment study and clinical experimentation toward eradicating this scourge.

The Committee has re-emphasized its support of NCI's focus on breast cancer and prostate cancer research, and rightly so. More than 46,000 women die of breast cancer every year, and one in eight women will suffer breast cancer in her lifetime. This plague has hit especially hard in the Northeast region of the United States, and my own State of New Jersey, and I fully support efforts of NCI to find the reasons and causes—and ultimately, the cure—for this terror. At the same time, more than 35,000 men will die of prostate cancer, with more than 165,000 new cases diagnosed in 1993. I commend the recommendation of the committee that NCI make prostate cancer another top priority in its research and mission.

The National Institute of Mental Health [NIMH] also deserves recognition today. I am confident NIMH will make good use of the $613 million funded in fiscal year 1994, for its research and research training on mental disorders, treatments, and services, and I laud the Institute's efforts to educate Federal, local, and State organizations as to the importance of mental health, and the destigmatization of mental illness.

NIMH's research continues to show us that mental illness is a real and physical one—not some character flaw, or personality demon that we cannot work to help or treat, but a tangible, physical health problem as real as diabetes, cancer, or a broken leg. The work of NIMH allows us so move past the dark ages of health care, and move past the snake pit treatment of mental illness. As Congress addresses comprehensive health care reform, I will be working to ensure that any reform plan provides equitable treatment for mental illness, and parity of health care insurance, benefits, and coverage for persons with mental illness. NIMH's pioneering research in this field has made clear what so many of us have known all along, and sets the stage for future good work.

Finally, Congress today is taking steps to make good on its promise in the Ryan White CARE Act, to provide funding AIDS patients' care, intervention efforts, and, most notably, emergency assistance to cities. The committee has provided $318 million in emergency funding for especially hard-hit cities and metropolitan areas, and make no mistake my colleagues, every one of those dollars are especially needed. The AIDS epidemic continues to grow, and our public hospitals and health care resources are failing under this burden. Our emergency rooms in inner city hospitals are MASH units today, and the situation is worsening. The lack of health services, poverty, and social dysfunction compounds this crisis, as the cost of each AIDS patient reaches $100,000 over their lifetime. The Ryan White dollars cannot alleviate these problems, or hope to pay every cost, but our neglect can only further speed the collapse of our public health care system. Today, AIDS is no longer a disease affecting the margins of society—the rate of increase of new cases shows us that every segment of society is touched by AIDS, and every member of society bears those costs.

My colleagues, these are but some of the worthy efforts contained in this year's appropriation. I am certain that each line of this bill has its supporters, and much more can be said. As I indicated, there are contentious and pressing issues to be debated. But amid the high-profile questions lie the day-to-day health and welfare needs of our American citizens. They are the ones served by this bill, and I urge my colleagues to support its passage.

Mr. POMEROY. Mr. Chairman, in times of difficult spending decisions, I am pleased to see that the Subcommittee on Labor-Health and Human Services-Education included nearly $27.5 million more than last year for community and migrant health centers. These are clearly worthwhile and needed programs.

These health centers provide access, through a sliding fee schedule, to comprehensive primary healthcare services for at-risk populations who live in rural and underserved urban areas. Nationwide, over 6 million low-income and uninsured individuals are expected to receive essential medical services in these centers this fiscal year. North Dakotans are in need of this type of care, and I am hopeful that with this year's funding increase, my State's medically vulnerable populations will soon benefit from these programs. Currently, none of the 1,829 community and migrant health centers are located in North Dakota.

Community and migrant health centers play a vital role in our health care delivery system by expanding access to appropriate, quality primary care in cost-effective settings. They provide the means to move beyond the reliance on hospital emergency departments for basic care—or worse yet—going without care.

If I were to single out the most important role these centers play, it would be in providing prenatal care to some of our most at-risk women. We all know that money spent on prenatal care is money saved on health problems later—for instance, the lifetime costs of caring for a low-birthweight infant can reach $400,000. Assuring healthy children should not only be a moral obligation of our Nation—it should be a financial obligation, as well. If we are serious about spending our health care dollars wisely—saving health care dollars, then every pregnant woman—not just those fortunate enough to have health insurance—must receive prenatal care.

I urge my colleagues to support H.R. 2518, the Labor-HHS appropriations bill.

Mr. RAMSTAD. Mr. Chairman, I rise today in reluctant opposition to H.R. 2518, the Labor-HHS-Education appropriations bill.

I cannot in good conscience support a measure that endorses the status quo Federal budget process by allowing discretionary spending to increase by over twice the level of inflation, entitlement spending to continue to rise unchecked and meritorious programs to go underfunded because Congress cannot get its spending priorities in order.

I regret that this bill, which contains funding for many important initiatives, fails to address the problem of runaway entitlement spending and demonstrates clearly Congress' inability to prioritize its legitimate funding decisions.

The fundamental problem with H.R. 2518 is that entitlements account for 75 percent of the spending. Because so much of the funding in this bill goes to mandatory spending, the priority items which should be funded are not.

For example, while I commend the committee for increasing funding for head start, I am very concerned about the low priority other education programs received in this bill—all because Congress refuses to rein in the tremendous growth in entitlements, which consume over 50 percent of the total Federal budget.

Chapter 2 block grants, drug-free schools and communities programs and several student financial aid programs, including Pell grants and the work study program, are negatively impacted by this bill—just because Congress refuses to address the problem of entitlements.

And with inflation at 3 percent and holding steady, it is absolutely indefensible that the discretionary component of this bill includes a 7.7-percent increase in spending over the last fiscal year.

Mr. Chairman, it is truly ironic that just a month ago this body voted to impose the largest tax increase in history on American workers and businesses all in the name of deficit reduction.

I opposed that bill because the only effective way to tackle the massive deficit is to reduce Federal spending.

But without fundamental entitlement reform, spending will never be reduced.

Mr. Chairman, we must say "no" to the status quo budget politics and increased deficit spending this bill represents.

Mr. OWENS. Mr. Chairman, I rise in reluctant support for H.R. 2518, the Labor-HHS-Education appropriations for fiscal year 1994.

Education programs are treated abysmally by this legislation. The funding levels in this legislation are shockingly inadequate and fall far short of not only what is needed by schools and students in our communities, but what parents and educators had expected from a Democratic Congress working with a new, proeducation Democratic President. The cheers that went up throughout the education community last November turn today to sighs of disappointment and dismay.

Funding for postsecondary education in this bill is a disaster. When we enacted the fiscal year 1993 appropriations bill last year, we cut the Pell grant maximum award for low-income college students by $100, forcing these students to rely still more heavily on loans to finance their education. The enormous debt burden on these students is widely acknowledged as excessive and destructive, but still we piled it a little higher on them last year, apologizing profusely and promising that next year we would restore the cuts. Well, here we go again, Mr. Chairman. Not only does H.R. 2518 fail to restore last year's cuts, it actually cuts the Pell maximum award an additional $50. Moreover, the State Student Incentive Grant Program, which also provides tuition assistance, is cut $10 million. Work-study assistance is cut $30 million. And the supplemental educational opportunity grants program is slashed $28 million.

That is just the beginning of the shabby treatment this bill accords education programs. The chapter 2 program, which provides direct Federal aid to local school districts, is cut by $66 million. The Drug-Free Schools and Communities Program is cut by $131 million. Just about every other Federal education program, including adult education, vocational education, and aid to libraries, is frozen at last year's funding level without adjustment for inflation. In real terms, then, they are cut. In fact, the only significant increase H.R. 2518 provides to an education program is an additional $162 million for the chapter 1 compensatory education program. Even this, however, is $239 million less than what the administration had requested and $400 million less than what is needed to prevent New York and other States from having to lay off staff and reduce services to children as a result of the shift to the use of 1990 census data.

For 12 long years, Federal education programs have been squeezed and slashed and starved of essential resources. Few areas of the budget have been as hard hit as education by Republican rule in Washington. Yet as Federal leadership and assistance has been waning, the needs of the schools and children in our communities have been expanding geometrically. Throughout the United States, budget cuts are forcing school closings and teacher layoffs. Dirty, unsafe, poorly maintained, and overcrowded classrooms abound. Needed books, materials, and equipment go unordered. Teachers and support staff go untrained. And every day, our children fall one more step behind their counterparts in Europe, Asia, and the rest of the world.

This year must be the last year that we shortchange education. Any funds which may be freed up this year or next as a result of defense downsizing or the cancellation of the superconducting super collider must be devoted to education. Our Nation's economic competitiveness is at risk. Nothing less than an overwhelming campaign to improve education at all levels and for all Americans is now urgently needed. H.R. 2518 does not even make a downpayment on that effort. Instead, it just digs us deeper in the hole.

Mr. FRANKS of Connecticut. Mr. Chairman, I rise in support, albeit reluctant support, of this bill to fund the Departments of Labor, Education, and Health and Human Services for fiscal year 1994. I am concerned about supporting an appropriations bill that provides for $13 billion more in spending than last year. With our $290 billion budget deficit, every area of our budget needs to be scrutinized and cut in appropriate places. However, I realize that much of the increased spending in this bill is mandatory because of entitlement programs, and that this bill is $5.6 billion less than the President requested. Most importantly, I feel that this bill contains too many worthwhile programs for me to reject it in its entirety.

I support the many worthy programs of public television. My daughter Jessica enjoys PBS programming, such as Barney and Friends, and I do not support the amendment to eliminate all Federal funding for the Corporation for Public Broadcasting. But as private corporations are doing throughout the United States, the Corporation for Public Broadcasting needs to cut back on its expenses. I do intend to vote in favor of reducing funding for the Corporation for Public Broadcasting by $1 million. Few programs in the Federal budget deserve to be immune from spending cuts during this time when so many families are having to make financial sacrifices.

I also plan to vote in favor of the Gordon amendment to prevent funds in this bill from being used to fund President Clinton's untested and costly direct student loan proposal. The direct Student Loan Program as proposed by the President would require a huge new Government bureaucracy and $52.9 billion in additional Government borrowing over the next 5 years. Surely we must limit funding for direct student loans to the currently legislated pilot program until we know that this program will work.

The overwhelming cost of a college education threatens to prevent motivated students from going to college. The Federal Government must insure that both economically disadvantaged and middle-class students have access to higher education. This bill helps to fulfill the needs of these students. It contains $6.7 billion for the Pell Grant Program, which allows students from low-income families to have opportunities for higher education. The bill also contains another $1.4 billion in student financial assistance and $890 million for other higher education programs.

This bill also helps those who need special assistance from the Government. It provides $3 billion for special education and over $120 million for various educational programs that help blind and deaf Americans. These are areas which I believe the Federal Government can work to fulfill the expectations of the American taxpayers. It is also my support of these areas that prevents me from voting against a bill that increases spending.

I encourage my colleagues to vote to recommit this bill to committee so that prudent reductions can be made. The House should have a chance to reduce funding for discretionary programs back to 1993 levels. However, should this attempt fail, I cannot hurt my constituents who are in genuine need of Federal financial assistance for their education. As a Representative in a Government of the people for the people, I feel that I have a duty to vote for these important programs.

Mr. FAZIO. Mr. Chairman, I rise in support of H.R. 2518, the Labor, Health and Human Services, and Education and related agencies appropriations bill for fiscal year 1994.

Nearly three-quarters of the money in this bill supports entitlement programs—programs whose costs we must pay—like Social Security and Medicare. The subcommittee has no control over the funds for these programs, which are automatically spent. The remaining funds—about 25 percent of the total money in this bill—are divided among the other labor, health, human services and education programs that are so critical to us, especially now.

The total fiscal year 1994 funding in the bill is $5.6 billion less than the President requested. The bill also meets its spending target, set by the appropriations committee, based on the fiscal year 1994 budget resolution. H.R. 2518 does not drive us deeper into debt, but helps us meet our goal of living within our means.

This year, the subcommittee has once again managed to set priorities and make hard choices. The result is a bill that continues to fund a lot of good programs, as well as to meet new needs. H.R. 2518 funds everything from our jobs programs, to the research programs in the National Institutes of Health, to key educational programs, to community health centers. It is also the major source of funds for critical women's programs, like maternal and child health, breast and cervical cancer research, and family planning. Additionally, child care programs, child support enforcement programs, Head Start, foster care and adoption assistance support services, nutrition services for our elderly citizens—all these key support systems are dependent upon the funding in this bill.

America's families, workers, children, and elderly need the programs and services that H.R. 2518 sustains and provides. It is obvious that without H.R. 2518 we would not be able to fund the essential programs that support our basic needs. A vote for the health, education, nutrition, and employment programs in H.R. 2518 is a vote for us all.

Mr. MARKEY. Mr. Chairman, I rise in strong opposition to the amendment offered by Mr.

CRANE to terminate Federal funds for the Corporation for Public Broadcasting.

Since its inception in 1967, CPB and public broadcasting has served Americans with high-quality, diverse, and innovative programming, community services and technological innovation. Elimination of funding for the CPB would translate into a denial for Americans to have access to quality programming, instructional and educational services and rural information services. In addition, CPB has provided unparalleled services for the sight- and hearing-impaired. They developed closed-captioning for the deaf, and descriptive video service for the blind.

Mr. CRANE contends that Federal funding for public broadcasting accounts for 16 percent of total revenues, in fact, for small stations that serve rural areas, Federal funding may make up as much as 52 percent of their cash revenue. And among larger stations, where the Federal share can be considerably less, the Federal dollar provides critical seed money for major national productions that would otherwise not be launched.

I would argue that Mr. CRANE's assertion regarding cable television's vast service offerings is not valid. Cable is a luxury, and only reaches 60 percent of American households. Public television enjoys universal access, reaching 98 percent of American households. Moreover, public television, unlike commercial television, or cable television, is not driven by financial profit-motives.

The CPB already faces a probable cut in services due to the freeze included in fiscal year 1994 appropriations bill which denied the CPB from allowing for an inflationary increase in its request for funds. The cost of television production rises approximately 8 percent each year causing an additional financial burden that cannot be covered. In fact, in order to maintain its current high-quality services and programming, the appropriations level for CPB would have to be $310 million, or $18 million more than is provided in the fiscal year 1994 bill.

Public broadcasting has pioneered technological developments, initiated community outreach and educational projects, widened communications access for disabled Americans, and enhanced and extended public broadcasting to unserved or underserved audiences.

Mr. Chairman, this amendment would deny the American people the ability to enjoy exceptional programming, and vital community services. We would be doing our constituents a disservice if this amendment is adopted. I urge my colleagues to vote "no" on the Crane amendment.

Ms. SNOWE. Mr. Chairman, I intend to support H.R. 2518, the fiscal year 1994 Labor-HHS appropriations bill. It contains funding for programs that I consider essential, and that need attention from this body, programs like TRIO, AHEC, impact aid, and Women's Health. But I cannot vote for this bill without first expressing my extreme disappointment with the committee's provision on the Low-Income Home Energy Assistance Program [LIHEAP].

Unfortunately, every year I have to get on the floor to protest the funding levels or funding mechanisms for LIHEAP. Usually, I speak out about the indefensibly low funding levels. Last year, funding was cut once again, continuing a downward trend which began in 1985. The committee also delayed more than half of the LIHEAP funding until the last day of the fiscal year, causing major problems for financially strapped States like Maine. But last year was also cause for some satisfaction because the committee agreed to meet its responsibilities to forward-fund LIHEAP.

The Human Services Reauthorization Act of 1990 required that LIHEAP be placed on a forward funding track. As the Senate committee report stated in 1990, the traditional, fiscal-year funding cycle for LIHEAP was a major obstacle to effective State management and planning of an efficient and timely program. If LIHEAP was going to work properly, it would have to be forward-funded. Those of us who support the program, fully agreed with this assessment.

In the fiscal year 1993 Labor-HHS appropriations bill, the House and the Senate provided an additional $1.4 billion in budget authority for fiscal year 1994 to establish the new funding schedule. But the bill before us would reverse this change, only 1 year later, and return LIHEAP to its longstanding but inglorious tradition of uncertain funding, lateness, and inefficiency; and this despite the authorizing legislation in 1990, which required it.

There is simply no justification for this latest action, as there was never any justification for past funding problems. There is no justification for the poor treatment of this program by Congress, and by extension for the poor treatment of the unfortunate people who need LIHEAP to keep warm in the winter.

I am hopeful that the Senate will show more understanding of the need for a stable and well-managed LIHEAP, and maintain the forward funding schedule. If so, I intend to work with the other House LIHEAP supporters to ensure that the House conferees accept the Senate action.

Mr. MOAKLEY. Mr. Chairman, I would like to take this opportunity to express my strong support for the Low Income Energy Assistance Program.

LIHEAP provides critical fuel assistance to many residents of my Congressional District. The program has enabled many elderly, working poor families, and disabled individuals to heat their homes during the bitter cold winter months. Without LIHEAP, many of these citizens would have as much as 30 percent of their income for energy. This would mean many families would have to choose between putting food on the table and heating their homes. This choice should not be tolerated.

With our current economic situation, it is clearly not the time to eliminate funding for our Nation's most vulnerable citizens—the elderly, the disabled, and the poor. Given the likely prospect of some form of a fuel tax in the upcoming reconciliation legislation, sufficient funding for LIHEAP is needed now more than ever.

I wholeheartedly support the President's request of $1.4 billion in advance funding for LIHEAP. Under the current method of funding, beneficiaries do not know until late November or December what they will receive in assistance. Advance funding of the program enables the Commonwealth of Massachusetts to give recipients advance notice of what their benefits will be, something that is extremely important in this region of the country where winters are harsh and come early in the fall.

Thus, I respectfully request that the President's request for advance funding for LIHEAP be accepted.

Mr. GOODLING. Mr. Chairman, I would like to offer the following comments on H.R. 2518, a bill providing appropriations for the Departments of Labor, Health and Human Services, and Education for fiscal year 1994.

While I will later express some disappointments with the recommendations of the committee, I'd like to preface my comments by again commending and thanking Chairman NATCHER, the ranking member of the Labor-HHS-Education Subcommittee, Mr. PORTER, and the other members of the subcommittee, for their continued support of, and leadership in, the policies and programs addressed by this bill. I was well aware that their task this year was a particularly difficult one given the limits of the subcommittee's allocation and the range of the demands made upon it.

I was pleased to note that the bill responded positively to a number of the funding recommendations and concerns that I expressed in testimony before the subcommittee last month.

In particular, I was glad to find that the bill did not recommend the massive increase in Head Start's funding—$1.374 billion over the current level—requested by the administration. This bill, which recommends funding Head Start at the $3.3 billion level, only provides for a $500 million, or 18 percent, increase over the program's current year funding. I am still concerned about the level recommended. While I have always supported the concept of Head Start, I believe the program has some serious problems that have resulted from past rapid growth. I do understand that this increase represents only about a third of the increase requested by the administration, and I applaud Chairman NATCHER and his committee for sending a message to the administration and the special interest groups that blank checks will not be written for programs that are suffering from fundamental problems, no matter how popular the program.

Nevertheless, I am still concerned that the recommended $500 million increase is too much for the Head Start Program that is still undergoing severe growing pains from past expansions, both in terms of absorbing increases in funding and in the quality of services provided. Both of these problems have been documented by the inspector general at HHS. I am concerned because I believe very strongly that the children and families served by this program should receive the highest quality services possible, instead of trying to serve as many children as possible with mediocre services.

I am concerned because since the critical reports by the HHS inspector general were issued the administration has done very little to remedy the problems. In the last couple of months it has done three things: It has formed an advisory committee to study and make recommendations on the pace of expansion and on how to improve the quality of the program; it has continued to defend its request for a $1.4 billion increase in funding over the fiscal year 1993 level; and this month it published a notice in the Federal Register announcing its intent to increase enrollment in Head Start by another 100,000 children. This is why I am concerned—on the one hand the administration claims that it wants to take a careful look at how best to strike the balance between increased enrollment and improving quality, and at the same time it is pushing hard to throw money at the problem and expand enrollment without improving the quality of services provided.

I would feel much more secure in providing an additional $500 million for this program if Congress were to pass the Kassebaum/Goodling Head Start Quality Improvement Act of 1993, H.R. 1528. This bill would make the fundamental changes to the Head Start Act that would assure more consistent quality services for those children and families served by the program. My bill has received broad support, and it provides for program changes that can be made now. I urge my colleagues to consider supporting my bill, as they cast their votes for another one-half billion dollar increase for Head Start.

As I examined the bill's recommendations in the area of postsecondary education, I also was pleased to find that the bill preserves the State student incentive grants and clearly reflects an effort to minimize apparently necessary reductions in the funding levels of the supplemental educational opportunity grants and the College Work Study Program. These reductions were somewhat balanced, however, by the bill's recommendations to double the current funding level of the Byrd merit grants, and to preserve funding for the academic library and information services authorized by title II of the Higher Education Act of 1965, which I applaud.

In the employment and training arena, I was encouraged to find that this bill recommends needed funding increases of over $900 million for the programs authorized by the Job Training Partnership Act [JTPA]. In particular, I was heartened to find that the bill recommends a $551 million increase for programs that serve this Nation's dislocated workers. With this funding increase, which would bring funding for these programs to a record $1.1 billion level, we certainly will be better able to move toward a comprehensive and equitable system of services for dislocated workers.

The bill also recommends what I view as moderate levels of funding for both the Departments of Education and of Labor for a new school-to-work transition initiative that so many of us support, so that we may begin to better serve our Nation's non-college-bound youth.

And finally, I was pleased to find that the bill further recommends $42.5 million to fund one-stop-shopping single points of entry into our country's job training and work force preparation system. This funding level will set the stage for our efforts in the area of job training reform, whereby we will try to make sense of a currently fragmented, and in many cases duplicative, system.

I would be less than candid, however, if I failed to express my disappointment upon finding that the bill did not recommend any increase over the fiscal year 1993 funding level of the Even Start Program in the ESEA Chapter 1 account. As I indicated in my testimony before the subcommittee, Even Start is one of the few programs which builds on other programs already operating in a community—programs such as Head Start and Adult Education—and as such permits a particularly effective use of Federal dollars. My concern this year, however, in no means lowers my appreciation to the chairman and Committee for their support of the Even Start Program in the past.

My greatest disappointment with this bill was learning that it recommended a $66 million reduction in the funding for ESEA Chapter 2's State block grants. The Education and Labor Committee is currently in the process of holding hearings on the reauthorization of the elementary and secondary education programs. Witnesses appearing before us have repeatedly identified Chapter 2 State grants as the only Federal program which provides educators with the flexibility to undertake innovative and creative educational reforms. By reducing the amount of Chapter 2 dollars to local schools and school districts, we are in effect restricting their ability to undertake necessary educational reforms and to create innovative programs which help raise student achievement. I remain hopeful that the $66 million for these grants will be restored by the Senate.

I am also concerned over funding cuts from the fiscal year 1993 level totaling $95 million that the bill recommends in JTPA's year-round training programs for disadvantaged youth and adults—particularly while the bill recommends increasing the Summer Youth Employment Program's funding in fiscal year 1994 by $318 million. While I understand that the summer youth program is a positive one in many areas of the country, I do not believe it makes sense to increase funding for the summer program and simultaneously make cuts in the year-round job training program for the same disadvantaged youth.

In closing, I again want to extend my thanks to the entire Appropriations Committee, which has once more demonstrated its responsiveness to some of the most pressing needs of our society.

Mr. NATCHER. Mr. Chairman, I have no further requests for time on this side, and I yield back the balance of my time.

Mr. PORTER. Mr. Chairman, I have no further requests for time on this side, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1994, and for other purposes, namely:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs and for carrying out section 908 of the Social Security Act, $92,406,000, together with not to exceed $46,655,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

TRAINING AND EMPLOYMENT SERVICES

For expenses necessary to carry into effect the Job Training Partnership Act, as amended, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Job Training Partnership Act, $4,943,181,000 plus reimbursements, to be available for obligation for the period July 1, 1994, through June 30, 1995, of which $61,871,000 shall be for carrying out section 401, $78,303,000 shall be for carrying out section 402, $8,957,000 shall be for carrying out section 441, $1,473,000 shall be for the National Commission for Employment Policy, $5,357,000 shall be for all activities conducted by and through the National Occupational Information Coordinating Committee under the Job Training Partnership Act, and $3,831,000 shall be for service delivery areas under section 101(a)(4)(A)(iii) of the Job Training Partnership Act in addition to amounts otherwise provided under sections 202, 252 and 262 of the Act; and, in addition, $126,556,000 is appropriated for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers, including $20,000,000 for new centers, as authorized by the Job Training Partnership Act, in addition to amounts otherwise provided herein for the Job Corps, to be available for obligation for the period July 1, 1994 through June 30, 1997; and, in addition, $744,000 is appropriated for the Glass Ceiling Commission authorized by title II of the Civil Rights Act of 1991; and, in addition, $744,000 is appropriated for the National Center for the Workplace authorized by title XV, part A, of Public Law 102–325; and, in addition, $12,537,000 is appropriated for activities authorized by title VII, subtitle C of the Stewart B. McKinney Homeless Assistance Act: *Provided*, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers: *Provided further*, That $300,000,000 for carrying out part B of title II of the Job Training Partnership Act shall be available for obligation for the period October 1, 1993 through June 30, 1994: *Provided further*, That appropriations in this paragraph are available to carry out the Women in Apprenticeship and Nontraditional Occupations Act (Public Law 102–530) for the period beginning October 1, 1993.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out the activities for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $320,190,000.

To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $90,310,000.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of benefits and payments as authorized by title II of Public Law 95–250, as amended, and of trade adjustment benefit payments and allowances under part I, and for training, for allowances for job search and relocation, and for related State administrative expenses under part II, subchapter B, chapter 2, title II of the Trade Act of 1974, as amended, $190,000,000 together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year: *Provided*, That amounts received or recovered pursuant to section 208(e) of Public Law 95–250 shall be available for payments.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For activities authorized by the Act of June 6, 1933, as amended (29 U.S.C. 49–491–1; 39 U.S.C. 3202(a)(1)(E)); title III of the Social Security Act, as amended (42 U.S.C. 502–504); necessary administrative expenses for carrying out 5 U.S.C. 8501–8523, and sections 225, 231–235 and 243–244, title II of the Trade Act of 1974, as amended; as authorized by section 7c of the Act of June 6, 1933, as amended, necessary administrative expenses under sections 101(a)(15)(H), 212(a)(5)(A), (m) (2) and (3), (n)(1), and 218(g) (1), (2), and (3), and 258(c) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101 et seq.); necessary administrative expenses to carry out the Targeted Jobs Tax Credit Program under section 51 of the Internal Revenue Code of 1986, and section 221(a) of the Immigration Act of 1990, $69,542,000 together with not to exceed $3,327,707,000 (including not to exceed $2,098,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980, and including not to exceed $1,000,000 which may be obligated in contracts with non-State entities for activities such as occupational and test research activities which benefit the Federal-State Employment Service System), which may be expended from the Employment Security Administration account in the Unemployment Trust Fund, and of which the sums available in the allocation for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502–504), and the sums available in the allocation for necessary administrative expenses for carrying out 5 U.S.C. 8501–8523, shall be available for obligation by the States through December 31, 1994, except that funds used for automation acquisitions shall be available for obligation by States through September 30, 1996; and of which $67,486,000 together with not to exceed $807,870,000 of the amount which may be expended from said trust fund shall be available for obligation for the period July 1, 1994, through June 30, 1995, to fund activities under the Act of June 6, 1933, as amended, including the cost of penalty mail made available to States in lieu of allotments for such purpose, and of which $347,272,000 shall be available only to the extent necessary for additional State allocations to administer unemployment compensation laws to finance increases in the number of unemployment insurance claims filed and claims paid or changes in a State law: *Provided*, That to the extent that the Average Weekly Insured Unemployment (AWIU) for fiscal year 1994 is projected by the Department of Labor to exceed 3.28 million, an additional $27,000,000 shall be available for obligation for every 100,000 increase in the AWIU level (including a pro rata amount for any increment less than 100,000) from the Employment Security Administration Account of the Unemployment Trust Fund.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, and section 104(d) of Public Law 102–164, and section 5 of Public Law 103–6, and to the "Federal unemployment benefits and allowances" account, to remain available until September 30, 1995, $2,556,000,000.

In addition, for making repayable advances to the Black Lung Disability Trust Fund in the current fiscal year after September 15, 1994, for costs incurred by the Black Lung Disability Trust Fund in the current fiscal year, such sums as may be necessary.

LABOR-MANAGEMENT STANDARDS

SALARIES AND EXPENSES

For necessary expenses for Labor-Management Standards, $27,309,000.

PENSION AND WELFARE BENEFITS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for Pension and Welfare Benefits Administration, $64,408,000.

PENSION BENEFIT GUARANTY CORPORATION

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96–364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program through September 30, 1994, for such Corporation: *Provided*, That not to exceed $34,194,000 shall be available for administrative expenses of the Corporation: *Provided further*, That expenses of such Corporation in connection with the termination of pension plans, for the acquisition, protection or management, and investment of trust assets, and for benefits administration services shall be considered as non-administrative expenses for the purposes hereof, and excluded from the above limitation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, $237,176,000 together with $989,000 which may be expended from the Special Fund in accordance with sections 39(c) and 44(j) of the Longshore and Harbor Workers' Compensation Act.

SPECIAL BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title 5, chapter 81 of the United States Code; continuation of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; and sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 per centum of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers' Compensation Act, as amended, $279,000,000 together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to August 15 of the current year: *Provided*, That such sums as are necessary may be used for a demonstration project under section 8104 of title 5, United States Code, in which the Secretary may reimburse an employer, who is not the employer at the time of injury, for portions of the salary of a reemployed, disabled beneficiary: *Provided further*, That balances of reimbursements from Federal Government agencies unobligated on September 30, 1993, shall remain available until expended for the payment of compensation, benefits, and expenses: *Provided further*, That in addition there shall be transferred from the Postal Service fund to this appropriation such sums as the Secretary of Labor determines to be the cost of administration for Postal Service employees through September 30, 1994: *Provided further*, That the Secretary may require that any person filing a notice of injury or a claim for benefits under Subchapter 5, U.S.C., Chapter 81, or under Subchapter 33, U.S.C. 901, et seq. (the Longshore and Harbor Workers' Compensation Act, as amended), provide as part of such notice and claim, such identifying information (including Social Security account number) as such regulations may prescribe.

BLACK LUNG DISABILITY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For payments from the Black Lung Disability Trust Fund, $1,001,575,000, of which $947,967,000, shall be available until September 30, 1995, for payment of all benefits as authorized by section 9501(d) (1), (2), (4), and (7), of the Internal Revenue Code of 1954, as amended, and interest on advances as authorized by section 9501(c)(2) of that Act, and of which $28,929,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses, and $24,384,000 for transfer to Departmental Management, Salaries and Expenses, and $295,000 for transfer to Departmental Management, Office of Inspector General, for expenses of operation and administration of the Black Lung Benefits program as authorized by section 9501(d)(5)(A) of that Act: *Provided*, That in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation, interest, or other benefits for any period subsequent to June 15 of the current year: *Provided further*, That in addition such amounts shall be paid from this fund into miscellaneous receipts as the Secretary of the Treasury determines to be the administrative expenses of the Department of the Treasury for administering the fund during the current fiscal year, as authorized by section 9501(d)(5)(B) of that Act.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $294,640,000, including not to exceed $68,630,000, which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act, which grants shall be no less than fifty percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Occupational Safety and Health Act of 1970: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten or fewer employees who is included within a category having an occupational injury lost workday case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of two or more employees, and to take any action pursuant to such investigation authorized by such Act; and

(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act:

Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, $193,858,000, of which $5,740,000 shall be for the State Grants Program, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the hire of passenger motor vehicles; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the Department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of a major disaster: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirements, with respect to shell dredging, or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate, or surface limestone mine.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, $281,768,000, together with not to exceed $51,927,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for Departmental Management, including the hire of five sedans, and including up to $4,320,000 for the President's Committee on Employment of People With Disabilities, $142,242,000, together with not to exceed $332,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

WORKING CAPITAL FUND

Hereafter, funds received for services rendered to any entity or person for use of Departmental facilities, including associated utilities and security services, shall be credited to and merged with this fund.

ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING

Not to exceed $186,648,000 may be derived from the Employment Security Administration account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 2001–10 and 2021–26.

OFFICE OF INSPECTOR GENERAL

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $47,215,000, together with not to exceed $3,990,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

GENERAL PROVISION

SEC. 101. The Secretary of Labor is authorized to accept, in the name of the Department of Labor, and employ or dispose of in furtherance of authorized activities of the Department of Labor, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.

This title may be cited as the "Department of Labor Appropriations Act, 1994".

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For carrying out titles II, III, VII, VIII, X, XII, XIX, and XXVI of the Public Health Service Act, section 427(a) of the Federal Coal Mine Health and Safety Act, title V of the Social Security Act, the Health Care Quality Improvement Act of 1986, as amended, Public Law 101–527, and the Native Hawaiian Health Care Act of 1988, as amended, $2,833,588,000, of which $415,000 shall remain available until expended for interest subsidies on loan guarantees made prior to fiscal year 1981 under part B of title VII of the Public Health Service Act: *Provided*, That when the Department of Health and Human Services administers or operates an employee health program for any Federal department or agency, payment for the full estimated cost shall be made by way of reimbursement or in advance to this appropriation: *Provided further*, That of the funds made available under this heading, $942,000 shall be available until expended for facilities renovations at the Gillis W. Long Hansen's Disease Center: *Provided further*, That in addition to fees authorized by section 427(b) of the Health Care Quality Improvement Act of 1986, fees shall be collected for the full disclosure of information under the Act sufficient to recover the full costs of operating the National Practitioner Data Bank, and shall remain available until expended to carry out that Act.

MEDICAL FACILITIES GUARANTEE AND LOAN FUND

FEDERAL INTEREST SUBSIDIES FOR MEDICAL FACILITIES

For carrying out subsections (d) and (e) of section 1602 of the Public Health Service Act, $9,000,000, together with any amounts received by the Secretary in connection with loans and loan guarantees under title VI of the Public Health Service Act, to be available without fiscal year limitation for the payment of interest subsidies. During the fiscal year, no commitments for direct loans or loan guarantees shall be made.

HEALTH EDUCATION ASSISTANCE LOANS PROGRAM

For the cost of guaranteed loans, such sums as may be necessary to carry out the purpose of the program, as authorized by title VII of the Public Health Service Act, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the total loan principal any part of which is to be guaranteed at not to exceed $375,000,000. In addition, for administrative expenses to carry out the guaranteed loan program, $2,946,000.

VACCINE INJURY COMPENSATION PROGRAM TRUST FUND

For payments from the Vaccine Injury Compensation Program Trust Fund, such sums as may be necessary for claims associated with vaccine-related injury or death with respect to vaccines administered after September 30, 1988, pursuant to subtitle 2 of title XXI of the Public Health Service Act, to remain available until expended: *Provided*, That for necessary administrative expenses, not to exceed $2,500,000 shall be available from the Trust Fund to the Secretary of Health and Human Services.

VACCINE INJURY COMPENSATION

For payment of claims resolved by the United States Court of Federal Claims related to the administration of vaccines before October 1, 1988, $80,000,000, to remain available until expended.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

To carry out titles II, III, VII, XI, XV, XVII, and XIX of the Public Health Service Act, sections 101, 102, 103, 201, 202, and 203 of the Federal Mine Safety and Health Act of 1977, and sections 20, 21, and 22 of the Occupational Safety and Health Act of 1970; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, $1,910,182,000, of which $16,648,000 shall remain available until expended for equipment and construction and renovation of facilities, and in addition, such sums as may be derived from authorized user fees, which shall be credited to this account: *Provided*, That training of private persons shall be made subject to reimbursement or advances to this appropriation for not in excess of the full cost of such training: *Provided further*, That funds appropriated under this heading shall be available for payment of the costs of medical care, related expenses, and burial expenses hereafter incurred by or on behalf of any person who had participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health and Human Services and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further*, That amounts received by the National Center for Health Statistics from reimbursements and interagency agreements and the sale of data tapes may be credited to this appropriation and shall remain available until expended: *Provided further*, That in addition to amounts provided herein, up to $28,873,000 shall be available from amounts available under section 241 of the Public Health Service Act, to carry out the National Center for Health Statistics surveys.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cancer, $2,082,267,000.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out sections 301 and 1105 and title IV of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, $1,277,880,000.

NATIONAL INSTITUTE OF DENTAL RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to dental disease, $169,520,000.

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to diabetes and digestive and kidney diseases, $716,054,000.

NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

For carrying out section 301 and title IV of the Public Health Service Act with respect to neurological disorders and stroke, $630,650,000.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to allergy and infectious diseases, $1,065,583,000.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to general medical sciences, $875,511,000.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 and title IV of the Public Health Service Act with respect to child health and human development, $555,195,000.

NATIONAL EYE INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to eye diseases and visual disorders, $290,260,000.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For carrying out sections 301 and 311, and title IV of the Public Health Service Act with respect to environmental health sciences, $264,249,000.

NATIONAL INSTITUTE ON AGING

For carrying out section 301 and title IV of the Public Health Service Act with respect to aging, $420,303,000.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to arthritis, and musculoskeletal and skin diseases, $223,280,000.

NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS

For carrying out section 301 and title IV of the Public Health Service Act with respect to deafness and other communication disorders, $162,823,000.

NATIONAL INSTITUTE OF NURSING RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to nursing research, $51,018,000.

NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

For carrying out section 301 and title IV of the Public Health Service Act with respect to alcohol abuse, and alcoholism, $185,617,000.

NATIONAL INSTITUTE ON DRUG ABUSE

For carrying out section 301 and title IV of the Public Health Service Act with respect to drug abuse, $425,201,000.

NATIONAL INSTITUTE OF MENTAL HEALTH

For carrying out section 301 and title IV of the Public Health Service Act with respect to mental health, $613,444,000.

NATIONAL CENTER FOR RESEARCH RESOURCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to research resources and general research support grants, $328,915,000: *Provided*, That none of these funds shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants.

NATIONAL CENTER FOR HUMAN GENOME RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to human genome research, $119,030,000.

JOHN E. FOGARTY INTERNATIONAL CENTER

For carrying out the activities at the John E. Fogarty International Center, $22,240,000.

NATIONAL LIBRARY OF MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to health information communications, $118,481,000.

OFFICE OF THE DIRECTOR

(INCLUDING TRANSFER OF FUNDS)

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, $224,746,000: *Provided*, That funding shall be available for the purchase of not to exceed five passenger motor vehicles for replacement only: *Provided further*, That the Director may direct up to 1 percent of the total amount made available in this Act to all National Institutes of Health appropriations to emergency activities the Director may so designate: *Provided further*, That no such appropriation shall be increased or decreased by more than 1 percent by any such transfers and that the Congress is promptly notified of the transfer.

BUILDINGS AND FACILITIES

For construction of, and acquisition of equipment for, facilities of or used by the National Institutes of Health, including the acquisition of real property, $114,385,000, to remain available until expended.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

For carrying out the Public Health Service Act with respect to substance abuse and mental health services, section 612 of Public Law 100–77, as amended, and the Protection and Advocacy for Mentally Ill Individuals Act of 1986, $2,057,167,000, of which $952,000, together with unobligated balances for facilities renovation, shall be available for maintenance and repair of Federally-owned facilities at Saint Elizabeths Hospital and shall remain available until expended: *Provided*, That no portion of amounts appropriated for the programs of the Department of Health and Human Services shall be available for obligation pursuant to section 571 of the Public Health Service Act, other than an amount of $4,000,000 from amounts appropriated to carry out section 510 of that Act.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

For the expenses necessary for the Office of the Assistant Secretary for Health and for carrying out titles III, XVII, XX, and XXI of the Public Health Service Act, $68,758,000, and, in addition, amounts received by the Public Health Service from Freedom of Information Act fees, reimbursable and interagency agreements and the sale of data tapes shall be credited to this appropriation and shall remain available until expended.

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, and for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan and for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C. ch. 55), and for payments pursuant to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), such amounts as may be required during the current fiscal year.

AGENCY FOR HEALTH CARE POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

For carrying out titles III and IX of the Public Health Service Act, and part A of title XI of the Social Security Act, $129,051,000, together with not to exceed $4,792,000 to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 1142 of the Social Security Act and not to exceed $994,000 to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 201(g) of the Social Security Act; and, in addition, amounts received from Freedom of Information Act fees, reimbursable and interagency agreements, and the sale of data tapes shall be credited to this appropriation and shall remain available until expended: *Provided*, That the amount made available pursuant to section 926(b) of the Public Health Service Act shall not exceed $13,204,000.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act, $64,477,413,000, to remain available until expended.

Payment under title XIX may be made for any quarter with respect to a State plan or plan amendment in effect during such quarter, if submitted in or prior to such quarter and approved in that or any subsequent quarter.

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g) and 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, section 278(d) of Public Law 97-248, and for administrative expenses incurred pursuant to section 201(g) of the Social Security Act, $45,731,440,000.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, and XIX of the Social Security Act, title XIII of the Public Health Service Act, the Clinical Laboratory Improvement Amendments of 1988, section 4360 of Public Law 101-508, and section 4005(e) of Public Law 100-203, not to exceed $2,172,598,000, together with all funds collected in accordance with section 353 of the Public Health Service Act, the latter funds to remain available until expended; the $2,172,598,000 to be transferred to this appropriation as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds: *Provided*, That all funds derived in accordance with 31 U.S.C. 9701 from organizations established under title XIII of the Public Health Service Act are to be credited to this appropriation.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, as provided under sections 201(m), 228(g), and 1131(b)(2) of the Social Security Act, $28,178,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, $575,181,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out titles XI and XVI of the Social Security Act, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, $20,181,775,000, to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, not more than $4,874,285,000 may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein.

In addition to funding already available under this heading, and subject to the same terms and conditions, $320,000,000, of which $260,000,000 shall be derived from the Federal Disability Insurance Trust Fund, for disability caseload processing.

In addition to funding already available under this heading, and subject to the same terms and conditions, $330,000,000, which shall remain available until expended, to invest in a state-of-the-art computing network, including related equipment and administrative expenses associated solely with this network, for the Social Security Administration and the State Disability Determination Services, may be expended from any or all of the trust funds as authorized by section 201(g)(1) of the Social Security Act.

ADMINISTRATION FOR CHILDREN AND FAMILIES

FAMILY SUPPORT PAYMENTS TO STATES

For making payments to States or other non-Federal entities, except as otherwise provided, under titles I, IV-A (other than section 402(g)(6)) and D, X, XI, XIV, and XVI of the Social Security Act, and the Act of July 5, 1960 (24 U.S.C. ch. 9), $11,915,966,000, to remain available until expended.

PAYMENTS TO STATES FOR AFDC WORK PROGRAMS

For carrying out aid to families with dependent children work programs, as authorized by part F of title IV of the Social Security Act, $1,100,000,000.

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-422), $400,000,000.

COMMUNITY SERVICES BLOCK GRANT

For making payments under the Community Services Block Grant Act, section 408 of Public Law 99-425, and the Stewart B. McKinney Homeless Assistance Act, $447,643,000.

PAYMENTS TO STATES FOR CHILD CARE ASSISTANCE

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981, $892,711,000.

SOCIAL SERVICES BLOCK GRANT

For monthly payments to States for carrying out title XX of the Social Security Act, $2,800,000,000.

CHILDREN AND FAMILIES SERVICES PROGRAMS

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Developmental Disabilities Assistance and Bill of Rights Act, the State Dependent Care Development Grants Act, the Head Start Act, the Child Development Associate Scholarship Assistance Act of 1985, the Child Abuse Prevention and Treatment Act, chapters 1 and 2 of subtitle B of title III of the Anti-Drug Abuse Act of 1988, the Family Violence Prevention and Services Act, the Native American Programs Act of 1974, title II of Public Law 95-266 (adoption opportunities), the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986, the Comprehensive Child Development Act, the Abandoned Infants Assistance Act of 1988, chapter 2 of subtitle A of title IX of Public Law 101-501, subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act, and part B of title IV and section 1110 of the Social Security Act, and for necessary administrative expenses to carry out said Acts and titles I, IV, X, XI, XIV, XVI, and XX of the Social Security Act, the Act of July 5, 1960 (24 U.S.C. ch. 9), the Omnibus Budget Reconciliation Act of 1981, section 204 of the Immigration Reform and Control Act of 1986, title IV of the Immigration and Nationality Act, section 501 of the Refugee Education Assistance Act of 1980, Public Law 100-77, and section 126 and titles IV and V of Public Law 100-485, $4,169,806,000.

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For making payments to States or other non-Federal entities, under title IV-E of the Social Security Act, $2,992,900,000.

ADMINISTRATION ON AGING

AGING SERVICES PROGRAMS

For carrying out, to the extent not otherwise provided, the Older Americans Act of 1965, as amended, and section 10404 of Public Law 101-239 (volunteer senior aides demonstration), $841,875,000.

OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six medium sedans, $94,149,000, together with $31,261,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $62,379,000, together with not to exceed $36,617,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, $18,308,000, together with not to exceed $3,874,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act, $12,000,000.

GENERAL PROVISIONS

SEC. 201. None of the funds made available by this Act for the National Institutes of Health, except for those appropriated to the "Office of the Director", may be used to provide forward funding or multiyear funding of research project grants except in those cases where the Director of the National Institutes of Health has determined that such funding is specifically required because of the scientific requirements of a particular research project grant.

SEC. 202. Funds appropriated in this title shall be available for not to exceed $37,000 for official reception and representation expenses when specifically approved by the Secretary.

SEC. 203. The Secretary shall make available through assignment not more than 60 employees of the Public Health Service to assist in child survival activities and to work in AIDS programs through and with funds provided by the Agency for International Development, the United Nations International Children's Emergency Fund or the World Health Organization.

SEC. 204. None of the funds appropriated in this title for the National Institutes of Health and the Substance Abuse and Mental Health Services Administration shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of $125,000 per year.

SEC. 205. Notwithstanding any other provision of this Act, amounts available in this Act for administrative costs for each agency of the Public Health Service funded in this Act shall not exceed the amount set forth therefor for each such agency in the budget estimates and accompanying justification of estimates submitted for the appropriations.

SEC. 206. None of the funds appropriated under this Act may be used to implement the provisions of section 706(e) of the ADAMHA Reorganization Act, Public Law 102–321, or section 399L(b) of the Public Health Service Act or section 1911(d) of the National Institutes of Health Revitalization Act of 1993, Public Law 103–43.

SEC. 207. None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

This title may be cited as the "Department of Health and Human Services Appropriations Act, 1994".

TITLE III—DEPARTMENT OF EDUCATION

EDUCATION REFORM

For carrying out education reform activities including activities authorized by the Carl D. Perkins Vocational and Applied Technology Education Act and section 4601 of the Elementary and Secondary Education Act of 1965, $133,750,000, of which $3,750,000, under section 402 of the Perkins Act, shall be used by the Secretary for activities, including peer review of applications, related to school-to-work transition, and not less than $30,000,000 shall be used under section 420A of the Perkins Act for State grants to initiate activities in States and localities related to school-to-work transition.

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

For carrying out the activities authorized by chapter 1 of title I of the Elementary and Secondary Education Act of 1965, as amended, and by section 418A of the Higher Education Act, $6,871,147,000, of which $6,844,682,000 shall become available on July 1, 1994 and shall remain available through September 30, 1995: *Provided*, That $5,597,000,000 shall be available for basic grants under section 1005 excluding subsection (a)(3), $694,000,000 shall be available for concentration grants under section 1006, $39,734,000 shall be available for capital expenses under section 1017, $89,123,000 shall be available for the Even Start program under part B, $302,773,000 shall be available for migrant education activities under subpart 1 of part D, $35,407,000 shall be available for delinquent and neglected education activities under subpart 3 of part D, $60,712,000 shall be for State administration under section 1404, $25,933,000 shall be for program improvement activities under section 1405, $13,100,000 shall be for evaluation and technical assistance under sections 1437 and 1463, and $2,980,000 shall be for rural technical assistance under section 1459: *Provided further*, That no State shall receive less than $340,000 from the amounts made available under this appropriation for concentration grants under section 1006: *Provided further*, That no State shall receive less than $375,000 from the amounts made available under this appropriation for State administration grants under section 1404.

IMPACT AID

For carrying out programs of financial assistance to federally affected schools as authorized by Public Laws 81–815 and 81–874, as amended, $813,074,000: *Provided*, That $630,000,000 shall be for payments under section 3(a), $123,629,000 shall be for payments under section 3(b), $29,462,000, to remain available until expended, shall be for payments under section 3(d)(2)(B), $16,293,000 shall be for payments under section 2, $1,786,000 shall be for payments under section 3(e), and $11,904,000, to remain available until expended, shall be for construction and renovation of school facilities, including $4,563,000 for awards under section 10, $3,770,000 for awards under sections 14(a) and 14(b), and $3,571,000 for awards under sections 5 and 14(c): *Provided further*, That all payments under section 3 shall be based on the number of children who, during the prior fiscal year, were in average daily attendance at the schools of a local educational agency and for whom such agency provided free public education, except that (1) any local educational agency that did not exist in the prior fiscal year and that would be eligible under this proviso for payments under section 3 for the current fiscal year had it been an operating local educational agency in the prior fiscal year, shall be paid on the basis of the number of children who, during the current fiscal year, are in average daily attendance at the schools of such agency and for whom such agency provides free public education; and (2) any local educational agency with an increase of 5 percent or more from the prior fiscal year to the current fiscal year in the number of children described in section 3 of the Act, as a direct result of activities of the United States, and that submits a written request to the Secretary, shall be paid on the basis of the number of children who, during the current fiscal year, are in average daily attendance at the schools of such agency and for whom such agency provides free public education: *Provided further*, That notwithstanding the provisions of section 3(d)(3)(A), aggregate current expenditure and average daily attendance data for the third preceding fiscal year shall be used to compute local contribution rates: *Provided further*, That notwithstanding the provisions of section 3(d)(2)(B), 3(d)(3)(B)(ii), and 3(h)(2), eligibility and entitlement determinations for those sections shall be computed on the basis of data from the fiscal year preceding each fiscal year described in those respective sections as they were in effect for fiscal year 1991.

SCHOOL IMPROVEMENT PROGRAMS

For carrying out the activities authorized by chapter 2 of title I and titles II, III, IV, V, without regard to sections 5112(a) and 5112(c)(2)(A), and VI of the Elementary and Secondary Education Act of 1965; the Stewart B. McKinney Homeless Assistance Act; the Civil Rights Act of 1964; title V of the Higher Education Act; title IV of Public Law 100–297; and the Follow Through Act; $1,339,178,000, of which $1,014,709,000 shall become available on July 1, 1994, and remain available through September 30, 1995: *Provided*, That of the amount appropriated, $24,925,000 shall be for national programs under part B of chapter 2 of title I, and $246,016,000 shall be for State grants for mathematics and science education under part A of title II of the Elementary and Secondary Education Act of 1965.

BILINGUAL AND IMMIGRANT EDUCATION

For carrying out, to the extent not otherwise provided, title VII and part D of title IV of the Elementary and Secondary Education Act, $242,789,000, of which $36,672,000 shall be for training activities under part C of title VII, and $40,000,000, which shall become available on July 1, 1994 and remain available until September 30, 1995, shall be for immigrant education activities authorized by part D of title IV.

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act and title I, chapter 1, part D, subpart 2 of the Elementary and Secondary Education Act of 1965, $3,039,442,000, of which $2,108,218,000 for section 611, $325,773,000 for section 619, $243,769,000 for section 686 and $113,755,000 for title I, chapter 1, part D, subpart 2 shall become available for obligation on July 1, 1994, and shall remain available through September 30, 1995: *Provided*, That any State agency eligible to receive funds under such subpart shall, at a State's discretion, be deemed to be a local educational agency for the purposes of part B of the Individuals with Disabilities Education Act: *Provided further*, That no State shall receive more per child under such subpart than it received for fiscal year 1993: *Provided further*, That any funds for such subpart that are not allocated because of the preceding proviso shall be available for carrying out section 611 of the Individuals with Disabilities Education Act.

REHABILITATION SERVICES AND DISABILITY RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, Public Law 100–407, and the Helen Keller National Center Act, as amended, $2,251,028,000.

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101 et seq.), $6,463,000.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For the National Technical Institute for the Deaf under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), $41,836,000, of which $336,000 shall be for the endowment program as authorized under section 207 and shall be available until expended and $193,000 shall be for construction and shall be available until expended.

GALLAUDET UNIVERSITY

For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and II of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), $77,435,000, of which $1,000,000 shall be for the endowment program as authorized under section 207 and shall be available until expended.

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education Act, and the Stewart B. McKinney Homeless Assistance Act, $1,474,243,000, of which $300,000 for the national assessment of vocational education shall become available October 1, 1993 and remain available until expended; $2,946,000 for tribally controlled postsecondary vocational institutions shall become available on October 1, 1993 and remain available until September 30, 1994; and the remainder shall become available on July 1, 1994 and shall remain available through September 30, 1995: *Provided*, That of the amounts made available under the Carl D. Perkins Vocational and Applied Technology Education Act, $436,000 of the amount available for Tech-Prep shall be for evaluation of the program and $31,327,000 shall be for national programs under title IV, including $9,662,000 for research, of which $6,000,000 shall be for the National Center for Research on Vocational

Education; $16,705,000 for demonstrations, notwithstanding section 411(b); and $4,960,000 for data systems: *Provided further*, That of the amounts made available under the Adult Education Act, $3,928,000 shall be for national programs under section 383, and $4,909,000 shall be for the National Institute for Literacy under section 384.

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, 3, and 4 of part A, and parts C, E, and H of title IV of the Higher Education Act of 1965, as amended, $8,120,366,000, which shall remain available through September 30, 1995: *Provided*, That the maximum Pell Grant for which a student shall be eligible during award year 1994–1995 shall be $2,250: *Provided further*, That notwithstanding section 484(f) of such Act, the Secretary may, without limitation, require an institution of higher education to verify the accuracy of data used to determine student eligibility for assistance under title IV of that Act.

FEDERAL FAMILY EDUCATION LOAN PROGRAM ACCOUNT

For the cost of Federal Family Education loans, including administrative costs other than Federal administrative costs, as authorized by title IV, part B, of the Higher Education Act, as amended, such sums as may be necessary to carry out the purposes of the program: *Provided*, That such costs, including costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended. In addition, for Federal administrative expenses to carry out guaranteed student loans authorized by title IV, part B, of the Higher Education Act, as amended, $72,466,000.

GUARANTEED STUDENT LOANS PROGRAM ACCOUNT

(RESCISSION)

The amounts provided under this heading in Public Law 102–394 for programs authorized by title XIV of the Higher Education Act are rescinded.

FEDERAL DIRECT LOAN PROGRAM ACCOUNT

For the cost of direct loans as authorized by title IV, part D, of the Higher Education Act, as amended, such sums as may be necessary to carry out the purposes of the program, including such sums as may be derived from negative subsidy receipts: Provided, That such costs, including costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, titles I, III, IV, V, VI, VII, VIII, IX, part A and subpart 1 of part B of title X, XI, without regard to section 1151, and XII and section 1410 of the Higher Education Act of 1965, as amended; the Mutual Educational and Cultural Exchange Act of 1961; and title VI of the Excellence in Mathematics, Science and Engineering Education Act of 1990; $889,855,000, of which $7,565,000 for endowment activities under section 331 of part C of title III and $18,029,000 for interest subsidies under title VII of the Higher Education Act, as amended, shall remain available until expended, and $397,000 shall be available for section 1204(c).

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), $192,686,000, of which $3,441,000, to remain available until expended, shall be for a matching endowment grant to be administered in accordance with the Howard University Endowment Act (Public Law 98–480).

HIGHER EDUCATION FACILITIES LOANS

The Secretary is hereby authorized to make such expenditures, within the limits of funds available under this heading and in accord with law, and to make such contracts and commitments without regard to fiscal year limitation, as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 9104), as may be necessary in carrying out the program for the current fiscal year.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For administrative expenses to carry out the existing direct loan program of college housing and academic facilities loans entered into pursuant to title VII, part C, of the Higher Education Act, as amended, $730,000.

COLLEGE HOUSING LOANS

Pursuant to title VII, part C of the Higher Education Act, as amended, for necessary expenses of the college housing loans program, previously carried out under title IV of the Housing Act of 1950, the Secretary shall make expenditures and enter into contracts without regard to fiscal year limitation using loan repayments and other resources available to this account. Any unobligated balances becoming available from fixed fees paid into this account pursuant to 12 U.S.C. 1749d, relating to payment of costs for inspections and site visits, shall be available for the operating expenses of this account.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING, PROGRAM ACCOUNT

To carry out the purposes of title VII, part B of the Higher Education Act, as amended, and subject to the limitations of section 724 of such part, the Secretary is authorized to enter into insurance agreements to provide financial insurance to guarantee for full payment of principal and interest on qualified bonds upon the conditions set forth in subsections (b), (c) and (d) of section 723 of such part: *Provided*, That bonds insured pursuant to such part shall not exceed $178,500,000, and the cost, as defined in section 502 of the Congressional Budget Act of 1974, of such bonds shall not exceed zero.

For administrative expenses to carry out the Historically Black College and University Capital Financing Program entered into pursuant to title VII, part B of the Higher Education Act, as amended, $200,000.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

For carrying out the activities authorized by section 405 and section 406 of the General Education Provisions Act, as amended; section 1562, section 1566, section 2012, subpart 2 of part A of title II, and parts B, E, and F of title IV of the Elementary and Secondary Education Act of 1965, as amended; part B of title III of Public Law 100–297; title IX of the Education for Economic Security Act; section 6041 of Public Law 100–418; title II of Public Law 102–62; and section 551 of the Higher Education Act, $277,244,000: *Provided*, That $5,396,000 shall be for Grants for Schools and Teachers under subpart 1 and $3,687,000 shall be for Family School Partnerships under subpart 2 of part B of title III of Public Law 100–297; $14,582,000 shall be for national diffusion activities under section 1562; $879,000 shall be for Blue Ribbon Schools under section 1566; and $15,872,000 shall be for national programs under section 2012.

LIBRARIES

For carrying out, to the extent not otherwise provided, titles I, II, III, IV, and VI of the Library Services and Construction Act (20 U.S.C. ch. 16), and title II of the Higher Education Act, $145,101,000.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of two passenger motor vehicles, $352,008,000: *Provided*, That the Secretary may use funds appropriated to carry out any Department of Education programs under which awards are made on a competitive basis to reimburse this account for the direct expenses of non-Federal experts to review applications and proposals for such awards.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, $56,570,000.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, $28,840,000.

GENERAL PROVISIONS

SEC. 301. No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88–352, to take any action to force the busing of students; to force on account of race, creed or color the abolishment of any school so desegregated; or to force the transfer or assignment of any student attending any elementary or secondary school so desegregated to or from a particular school over the protest of his or her parents or parent.

SEC. 302. (a) No part of the funds contained in this title shall be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88–352, to take any action to force the busing of students; to require the abolishment of any school so desegregated; or to force on account of race, creed or color the transfer of students to or from a particular school so desegregated as a condition precedent to obtaining Federal funds otherwise available to any State, school district or school.

(b) No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 303. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

SEC. 304. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

This title may be cited as the "Department of Education Appropriations Act, 1994".

TITLE IV—RELATED AGENCIES

ACTION

OPERATING EXPENSES

For expenses necessary for Action to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended, $201,526,000: *Provided*, That $34,667,000 shall be available for title I, section 102, and $982,000 shall be available for title I, part C.

CORPORATION FOR PUBLIC BROADCASTING

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal year 1996, $292,640,000: *Provided*, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for Government officials or employees: *Provided further*, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171–180, 182–183), including hire of passenger motor vehicles; and for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95–454 (5 U.S.C. chapter 71), $30,241,000.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), $5,842,000.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91–345, as amended by Public Law 102–95), $904,000.

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, as amended, $1,590,000.

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141–167), and other laws, $171,274,000: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151–188), including emergency boards appointed by the President, $8,506,000.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For the expenses necessary for the Occupational Safety and Health Review Commission (29 U.S.C. 661), $7,362,000.

PHYSICIAN PAYMENT REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1845(a) of the Social Security Act, $4,171,000, to be transferred to this appropriation from the Federal Supplementary Medical Insurance Trust Fund.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1886(e) of the Social Security Act, $4,500,000, to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, $277,000,000, which shall include amounts becoming available in fiscal year 1994 pursuant to section 224(c)(1)(B) of Public Law 98–76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds $277,000,000: *Provided*, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, $300,000, to remain available through September 30, 1995, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98–76.

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board, $73,791,000, to be derived from the railroad retirement accounts: *Provided*, That $200,000 of the foregoing amount shall be available only to the extent necessary to process workloads not anticipated in the budget estimates and after maximum absorption of the costs of such workloads within the remainder of the existing limitation has been achieved: *Provided further*, That notwithstanding any other provision of law, no portion of this limitation shall be available for payments of standard level user charges pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j); 45 U.S.C. 231–231u).

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

For further expenses necessary for the Railroad Retirement Board, for administration of the Railroad Unemployment Insurance Act, not less than $17,010,000 shall be apportioned for fiscal year 1994 from moneys credited to the railroad unemployment insurance administration fund.

SPECIAL MANAGEMENT IMPROVEMENT FUND

To effect management improvements, including the reduction of backlogs, accuracy of taxation accounting, and debt collection, $3,300,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account: *Provided*, That these funds shall supplement, not supplant, existing resources devoted to such operations and improvements.

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, as amended, not more than $6,742,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account.

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

For operation and maintenance of the United States Soldiers' and Airmen's Home, to be paid from funds available to the Soldiers' Home in the Armed Forces Retirement Home Trust Fund, $43,139,000: *Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army upon recommendation of the Board of Commissioners and the Surgeon General of the Army.

CAPITAL OUTLAY

For construction and renovation of the physical plant, to be paid from funds available to the Soldier's Home in the Armed Forces Retirement Home Trust Fund, $4,930,000, to remain available until expended.

UNITED STATES INSTITUTE OF PEACE

OPERATING EXPENSES

For necessary expenses of the United States Institute of Peace as authorized in the United States Institute of Peace Act, $10,912,000.

UNITED STATES NAVAL HOME

OPERATION AND MAINTENANCE

For operation and maintenance of the United States Naval Home, to be paid from funds available to the Naval Home in the Armed Forces Retirement Home Trust Fund, $10,775,000.

CAPITAL PROGRAM

For construction and renovation of the physical plant to be paid from funds available to the Naval Home in the Armed Forces Retirement Home Trust Fund, $473,000, to remain available until expended.

TITLE V—GENERAL PROVISIONS

SEC. 501. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, a grant, the salary of or any remuneration whatever to any individual applying for admission, attending, employed by, teaching at, or doing research at an institution of higher education who has engaged in conduct on or after August 1, 1969, which involves the use of (or the assistance to others in the use of) force or the threat of force or the seizure of property under the control of an institution of higher education, to require or prevent the availability of certain curricula, or to prevent the faculty, administrative officials, or students in such institution from engaging in their duties or pursuing their studies at such institution.

SEC. 502. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: *Provided*, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 503. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 504. (a) No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

(b) No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress.

SEC. 505. The Secretaries of Labor and Education are each authorized to make available not to exceed $7,500 from funds available for salaries and expenses under titles I and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed $2,500 from the funds available for "Salaries and expenses, Federal Mediation and Conciliation Service"; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed $2,500 from funds available for "Salaries and expenses, National Mediation Board".

SEC. 506. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug unless the Surgeon General of the United States determines that such programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs, except that such funds may be used for such purposes in furtherance of demonstrations or studies authorized in the ADAMHA Reorganization Act (Public Law 102-321).

Mr. NATCHER (during the reading). Mr. Chairman, I ask unanimous consent that the bill, through line 10 on page 62, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there any points of order against that portion of the bill that is open for amendment?

POINT OF ORDER

Mrs. SCHROEDER. Mr. Chairman, I rise to make a point of order against title II.

Mr. Chairman, I make a point of order against section 207 on page 37, on the ground that it is legislating on an appropriations bill in violation of clause 2 of rule XXI.

The CHAIRMAN. Does any Member desire to be heard on the point of order?

Mr. NATCHER. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is conceded, and that section in the bill is stricken.

□ 1140

AMENDMENTS OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Chairman, I offer several amendments.

The Clerk read as follows:

Amendments offered by Mr. NATCHER: On page 28, after line 19 insert:

For making, after May 31, 1994, payments to States under title XIX of the Social Security Act for the last quarter of fiscal year 1994 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

On page 30, after line 10 insert:

For making, after July 31 of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary.

On page 30, after line 21 insert:

For making, after July 31 of the current fiscal year benefit payments to individuals under title XVI of the Social Security Act for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

On page 31, after line 25 insert:

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-A and D, X, XI, XIV, and XVI of the Social Security Act, for the last three months of the current year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

Mr. NATCHER (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read, printed in the RECORD, and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Chairman, the amendments I have just offered reinsert language into the bill which has been carried for more than 20 years. This language provides an indefinite appropriation for four entitlements. This authority can only be used during the last quarter of the year if the basic appropriation is inadequate.

The Committee bill would have required that for 1994 any shortfall be financed with a supplemental.

This amendment affects Medicaid, AFDC, black lung, and supplemental security income accounts.

Unfortunately, the Committee action was erroneously perceived as an attempt to cap the cost of these programs. This was not the Committee's intention, and we have gone back to the traditional language, so any misunderstanding can be corrected.

This relates only to the current year borrowing language, not to advance appropriations.

I have consulted with the ranking Member on this Committee. It is our understanding that this is acceptable on his side.

Mr. PORTER. Mr. Chairman, we have no objection to the amendments on this side.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kentucky [Mr. NATCHER].

The amendments were agreed to.

AMENDMENTS OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. TRAFICANT: Page 46, line 17, strike "$889,855,000" and insert "$891,855,000".

Page 49, line 26, strike "$352,008,000" and insert "$350,008,000".

Page 52, after line 8, insert the following new section:

SEC. 305. The amounts otherwise provided by this title are revised by reducing the amount made available for "Departmental Management—Program Administration", and increasing the amount made available for "Higher Education", by $2,000,000.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, for years in science, space, and technology, we have been working on an accelerated program to advance our finest mathematics students, engineering students, and science students in America. We had called for the creation of a National Academy of Science, Space, and Technology. Congress said it was too expensive to create such a program that would develop our best students and put them into public service everywhere, except the military.

What we did is we worked closely with Chairman NATCHER, and I want to congratulate Chairman NATCHER who is technically the proud father of this program.

Here is the issue that we face, I say to the gentleman from Illinois (Mr.

PORTER). It was enacted in the Higher Excellence In Education Act as a scholarship program to provide $5,000 scholarships for the top two scholars selected by competitive examination for 4 years, and after those 4 years they had to give 4 years back to Uncle Sam in any area, health and human services, labor, law, NASA, aeronautics, anywhere but our military.

The problem we have come down to is that we have a new administration in a fever to make cuts. This program was started, authorized and appropriated late. They felt it necessary to make such cuts.

Let me say this to the Members of the Congress. This is the only program in America that provides competitive examinations and the two top earners are awarded those $5,000 scholarships.

Now, I really do not want to have to come in and try to find money for this program. The country is enthused about it. It awards excellence in education. We have not done that, Mr. Chairman. We have thrown a lot of money around.

Many of the line item rank and file workers in the Department of Education have said this. They have said, "Mr. TRAFICANT, we want this program, but in the money crunch that we are in, we don't have that choice of selection and we cannot make the decisions. If we did, we would go with it."

They think it is the best program to accelerate the best students in all of America.

I would like to know if the committee chairman would engage in a colloquy with me.

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, I would be delighted to do that with the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, we have instituted a competitive examination and have made this program very culpable. The Department of Education was prepared to go along with it because it was appropriated late and because of the lateness of going forward with it, it was not included because of budget restraints.

Now, the gentleman from Kentucky has talked about a supplemental bill that would come out of the House that might embrace this. It is not this gentleman's intention to in any way impede the gentleman's bill. I support his bill regardless of what is done here.

I think this is a meritorious program. The Committee on Science, Space, and Technology, has dedicated work to this. We want to accelerate the best math and science students in America, and we are asking for the participation of the gentleman from Kentucky.

Is there some way we can work it out without necessarily taking the action these amendments would take?

Mr. Chairman, I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, in answer to the question of my friend, the gentleman from Ohio, I would like to advise the members of the committee that in the bill for fiscal year 1993, we carried the amount that the gentleman has just mentioned. The Department of Education would not expend that amount. It has not been spent.

The gentleman has had an opportunity, as I understand, to talk to some of the officials in the Department as to why they do not intend to spend this money for fiscal year 1993.

The President's budget when received on Capitol Hill did not include money for this particular program for fiscal year 1994.

In discussing the matter with the gentleman from Ohio, I had hoped that he would not take this action as far as the amendment is concerned and given us a chance to work it out.

Here we have an amount that was contained in the bill for 1993. The Department will not spend the money. They have not spent the money. The matter is in conference now in the supplemental. We had it up yesterday. We will go back at the conclusion of this bill when we have a final passage vote.

From the standpoint of the gentleman from Ohio, and he is our friend and he is a good Member of the House, that in order to get the Department of Education to cooperate with him and his committee, he should sit down and talk to them again, Mr. Chairman. He should try to work it out with them.

I do not know that anything we do here at this time or any time in the general debate on this bill or while amendments are in order that will force them to spend this money. That is the reason I have talked to the gentleman as we have gone along. It is up to him. It is up to his judgment as to how he wants to proceed.

If the Department decides they are not going to spend this money, Mr. Chairman, they will not spend it. As I have said to the gentleman, if I were in his position, I would try to work it out with the Department.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. TRAFICANT was allowed to proceed for 3 additional minutes.)

Mr. TRAFICANT. Mr. Chairman, in discussing this with the Department of Education, as the gentleman has recommended, they basically said the following: They support the program. There is a flurry of cuts, and that I would have to go to the chairman, to the committee, for such help.

Now, I am not going to belabor the issue and I am not going to press the bill, even though there are probably workers at the Department of Education falling out of chairs that do not have armrests around here; but this is a project and a program that is important to the space goals of our country, the high technology goals of our country.

Mr. Chairman, I am going to ask that the gentleman from Kentucky [Mr. NATCHER] consider in meeting with me and members of our committee, Chairman BROWN, consider moving this issue in a supplemental which would give us more time, but we need the help of the gentleman from Kentucky.

This great program is not going to be saved by the Department of Energy bureaucrats. It needs Chairman NATCHER. If I could just have some assurances that the gentleman from Kentucky will sit down, give me his hand, because he is the key, I say to the Chairman, I will withdraw my amendment.

□ 1150

Mr. NATCHER. Mr. Chairman, in answer to the question of my friend, the gentleman from Ohio [Mr. TRAFICANT] and in answer to his statement I want the gentleman to know this:

In the next supplemental that comes before this Committee and before this Congress the program will be carefully considered. We will have the gentleman before our Committee and see if we cannot work it out.

Mr. TRAFICANT. Mr. Chairman, I thank the gentleman from Kentucky [Mr. NATCHER]. I thank him for his listening to my situation.

Mr. Chairman, I ask unanimous consent to withdraw my amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that all debate on the bill and amendments thereto conclude no later than 1 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT:

At the end of the bill add the following new sections:

SEC. 507. COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

SEC. 508. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this

Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 509. PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I have discussed this matter with both the ranking member and the chairman of the committee. It is simply the "Buy American" amendment.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, the gentleman from Ohio [Mr. TRAFICANT] has been kind enough and considerate to present to us in advance this amendment.

Mr. Chairman, we have no objection to this amendment, and I say to my friend, we accept it.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the distinguished ranking member, the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, we have no objection on this side either.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GORDON

Mr. GORDON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GORDON: Page 46, beginning on line 2, strike "direct loans as authorized by title IV, part D, of the Higher Education Act, as amended," and insert the following: "the direct loan demonstration program authorized by section 451 of Public Law 102-325 (106 Stat. 569),".

Mr. GORDON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GORDON. Mr. Chairman, today, every Member of this House has an opportunity to let their constituents know what they think about the proposal to get to full-blown taxpayer funded direct lending for all student loans.

The Gordon-Goodling-Pomeroy amendment gives this body a clear choice:

Do we want to try a pilot direct-lending program or do we want to jump headlong into a completely untested concept that will mean $52.9 billion in new Federal borrowing?

Do we want to see if direct lending really works or do we want to go blindly down a path of full-blown direct lending, a path that college financial aid officers in every State say would be a mistake?

Do we test direct lending or do we tell the American people we are throwing out a public-private partnership in favor of a huge new Federal bureaucracy at the Department of Education which would mean hiring hundreds of new Federal employees, and taking the attention of the Department of Education off cleaning up the mess that they have inherited?

Do we want to try a direct-lending pilot while making program reforms that will save $4.3 billion, or do we go to full-blown direct lending now even though the Congressional Research Service and Congressional Budget Office say the claimed savings are not real?

Before coming to vote on this issue, read the material you have in your office, the CRS report that explains why full-blown direct lending is a bad idea, the CBO letter that admits the savings claims are false and that our alternative saves more tax dollars.

The concerns of the United Negro College Fund, letters from college financial aid officers who are at the front lines of student aid programs and have real concerns about direct lending.

Last year when we included a pilot project in the Higher Education Act, this body decided that we needed to look before leaping into direct lending.

We did the right thing last year and we have an opportunity to reaffirm that decision today. I ask my colleagues to support the bipartisan Gordon-Goodling-Pomeroy amendment.

Mr. Chairman, let me quickly conclude by simply saying that there is a clear choice today. I say to my colleagues, if you support the bipartisan amendment, you are saying that you do not want the Government to take on $52.9 billion in new debt. You do not want to create a new $18 billion bureaucracy within the Department of Education, hiring hundreds of new employees. What you want to do is to set up a pilot program to see if direct lending works. If that is not what you want, if you want to go to full-blown direct lending, then oppose this amendment.

Mr. NATCHER. Mr. Chairman, I move to strike the last word.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my friend, the gentleman from Michigan [Mr. FORD], the chairman of the Committee on Education and Labor, one of the ablest Members in this House.

Mr. FORD of Michigan. Mr. Chairman, I think that I understand that this is what is billed as the Gordon-Goodling amendment; is that correct?

The gentleman from Pennsylvania [Mr. GOODLING] is a very valuable member of our committee, the ranking Republican, and I am convinced that he would not support anything that would contradict the action taken by the committee.

Mr. Chairman, I recommend acceptance of this amendment.

As chairman of the authorizing committee with jurisdiction over student financial aid, in general, and the direct loan program, in particular, I rise to advise my colleagues that I have no objection to the amendment offered by the gentleman from Tennessee because, frankly, it is meaningless.

The gentleman has been a staunch opponent of the President's proposal to save $2 billion per year by converting the existing guaranteed student loan program to a direct loan program administered by the Federal Government. The House has approved the President's proposal twice this year—first, in connection with the passage of the congressional budget resolution on March 31, 1993 (H. Con. Res. 64); then in connection with passage of H.R. 2264, the budget reconciliation legislation, on May 27, 1993. The gentleman from Tennessee voted for both of those proposals.

The bill before us appropriates funds "for the cost of direct loans as authorized by title IV, part D, of the Higher Education Act, as amended." Part D of title IV sets forth the requirements for the direct loan program authorized during the last Congress. The gentleman's amendment would slightly modify the language to provide that funds are appropriated for "the direct loan demonstration program authorized by section 451 of Public Law 102–325." Section 451 of Public Law 102–325 is the provision which amended part D of title IV of the Higher Education Act to provide for the direct loan program.

Mr. Chairman, in my view the gentleman's amendment neither adds nor detracts from the bill. He has attempted to couch it as somehow limiting funds beyond what is contained in the bill, but it does not. It provides that the funds provided in this appropriations bill can only be used for the Direct Loan Demonstration Program that is authorized in current law. Since in general the only programs for which appropriations can be provided are those which are currently authorized, I view this amendment as redundant but harmless. It is a minor technical clarification, and as such I see no problem in accepting it.

I must observe, in addition, that the reconciliation conference on H.R. 2264, which will be convening in the near future, will consider whether the Direct Loan Demonstration Program should be expanded or whether it should be replaced by a full transition from the guaranteed student loan program to a direct loan program. My position is, of course, to support the House-passed bill and the administration's program which provide for the full transition to a direct loan program. The legislative product which results from the conference will contain its own funding mechanism and requirements.

As the Committee on Appropriations noted in its report on this legislation:

> The Committee notes that the Federal administrative costs of the direct loan program are financed with permanent appropriations under the basic authorizing law. This is true for both the existing demonstration to be commenced in 1994 and for the complete replacement proposed by the President. (H. Rept. No. 103-146, p. 141).

The gentleman's amendment is harmless, although I am sure he wishes it were not. Under the rules of the House, he simply cannot undo, through the appropriations process, what the House has previously done through the budget reconciliation process. Accordingly, I urge the committee to accept the amendment.

Mr. Chairman, I have checked with the Office of Management and Budget. OMB is of the opinion that the amendment would not defeat the education and labor provisions presently in reconciliation and would not defeat the $4.2 billion in savings from our direct loan proposal. I share the view that this amendment does not affect our savings and would vigorously oppose the amendment if I thought it would require alternative savings.

It may have been brought to your attention that the United Negro College Fund has expressed reservations about direct lending. The UNCF represents a minority of historically black colleges and universities. It is important to note some facts:

The UNCF Fund does not represent all of the HBCU's. It only represents the private HBCU's.

The private HBCU's include only about one-quarter, 27 percent, of the students attending the HBCU's.

The public HBCU's support direct lending.

The public HBCU's include about three-quarters, 73 percent, of the students attending the HBCU's.

All of the students attending HBCU's represent only 17.2 percent of all the black students in postsecondary education. Thus the students at the UNCF institutions, the private HBCU's, represent only 4 percent of all the black students in postsecondary education. All of the associations representing public and private institutions support direct lending. Therefore, the institutions attended by 96 percent of the black students in America support direct lending.

HBCU's have supported direct lending from the outset, recognizing that the program will mean more resources for all institutions and especially their students.

Mr. NATCHER. Mr. Chairman, on the recommendation of the gentleman from Michigan, the chairman of the Committee on Education and Labor, on this side we accept the amendment.

Mrs. ROUKEMA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Gordon-Goodling amendment. This is the only way that Members of this House can protect the taxpayers against some very risky business.

This Congress—this administration—has lost its way. We have not learned much. We do not remember much. It is more pie-in-the-sky accounting.

Here we are expecting big savings—$4.2 billion—from the direct loan program. Those numbers are soft, at best. We have not test marketed this approach at all.

Last year this Congress made a rational decision—step by step—to study the direct loan approach through a pilot program. To throw that test program away is a riverboat gamble. The other body has recognized that. That is why they are pulling back from full implementation of direct loans.

But the approach this bill takes today is a riverboat gamble with taxpayers' money.

This Congress voted last year to establish a direct loan pilot program. But today, without a dry run, without market research, without a field test, we are preparing to scrap the entire student loan program and let the Government do the work.

QUESTIONS FOR THE MEMBERS

Are the savings attributed to the direct loan program in the short term, going to continue over the long term? There are real concerns that CBO has used the lower administrative cost figures that will be in play for the first few years of the program and assumed they will continue indefinitely. In reality, the program will become much more expensive to administer as more and more students move out of college and into the work force.

Has CBO considered all factors in developing its cost estimates?

No, CBO has not considered the cost of the U.S. Government capitalizing the program initially and indefinitely. This is over $50 billion over 5 years in new debt and debt service for the taxpayers.

Is the Dept. of Education prepared to run a new multibillion-dollar program?

I think we all know the answer to this. When has the U.S. Government taken over a program previously run by the private sector and run it more effectively and efficiently?

Why are we not waiting for the results of last year's pilot program?

This is the key question. Even the other body has recognized the danger in hurtling head-long into an untested program and has backed off.

TOOL OF THE SPECIAL INTERESTS?

We have heard today that if you support the Gordon-Goodling amendment you must be a witting or unwitting tool of the special interests.

That charge is absurd. I have worked for years, as have Mr. GORDON and Mr. GOODLING, the gentlewoman from California [Ms. WATERS] and other Members to wring fraud and abuse from our existing student loan program; to track down those students who knowingly refused to repay their loans; to crack down hard on for-profit proprietary schools that were ripping off that taxpayer, to rachet down on the banks and other lenders who were, in some cases aiding and abetting this ripoff; to install a program of lender and guarantee risk sharing; and to consolidate the guaranty agencies.

We have been successful in some of these areas, but not nearly as successful as we should have been and need to be. I have to tell you, over the years, many of us have fought the banks and the special interests. The same people who fought those reforms are now blaming the banks and centralizing the bureaucracy.

DIRECT LENDING SAVINGS

When it was included in reconciliation, CBO scored the administration's direct lending approach $4.2 billion.

This is based on a tenuous accounting of the administrative costs of direct lending.

This also does not take into account the $53 billion in new borrowing and debt service for the taxpayers.

FORD'S LETTER FROM GOP OPERATIVES

I do not know what motivated these people to write to Chairman FORD—but I have my suspicions.

From the letter:

The GSL Program is "overly complex, lacks accountability and wastes taxpayer's dollars through needlessly high default rates"

These are many of the people who actively opposed the reforms to fix the GSL Program many of us advocated over the years.

"A direct loan program will mean replacing the role currently played by banks with a more competitive approach." More competitive?

"While a valuable direct loan program was authorized last year, we regret that this work was not pursued more seriously and vigorously during last year's reauthorization of the Higher Education Act."

These were the people in position last year to pursue a direct loan program, and they did not. You have to wonder why they did not pursue when their names were on the door and their reputations on the line.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just ask if the chairman of the committee on Education and Labor would have a colloquy with me at this point.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, what are we talking about? I understood the chairman to have accepted the gentleman's amendment. I say to the gentleman, "You can't stand to win?"

Mr. GOODLING. Mr. Chairman, what I wanted to ask the gentleman was: "Is that your understanding, that this House will then be on record that we support the pilot program approach?"

Mr. FORD of Michigan. My understanding is that this House will be on record supporting the language of the gentleman's amendment.

Mr. GOODLING. I thank the gentleman from Michigan.

The budget reconciliation legislation which was passed by the House in May includes a title which will replace the guaranteed student loan programs which have served student and parent borrowers since 1965 with an untested direct loan program.

Much of the reason behind congressional interest in this program—and the reason for its inclusion in the budget reconciliation legislation—is the fact that it is supposed to save money. The CBO has officially scored the move to direct loans as saving approximately $4.3 billion over the next 5 years.

However, despite these and other assertions by direct loan proponents, the truth remains that direct loans rely on budgetary gimmicks to produce savings, they add over $53 billion to the national debt and will greatly increase of Federal bureaucracy in the Department of Education. Each of these factors contributes to a bad public policy which puts almost 6 million students and parents at risk of losing their irreplaceable source of education funds.

Today you have your only opportunity to register your concerns for a dubious direct lending proposal. The amendment before us will clarify that Department of Education spending on direct loans is limited by current law to the demonstration program approved by Congress last year.

There are many significant reasons to support our bipartisan amendment:

First, CBO recently acknowledged in a letter to Senator PELL that more than half of the budget savings attributable to direct loans are smoke and mirrors—caused only by the budget scoring conventions of the Credit Reform Act of 1990. Thus, when adding the administrative costs of direct loans which are now shifted off budget, $2.2 billion of the purported savings disappear.

CBO's revelation is backed up by two Congressional Research Service reports, including a recent issue overview entitled "Guaranteed Student Loans vs. Direct Lending; Where Are the Savings?" which conclude no savings are likely to be achieved. Would the voters approve of our support for a savings plan which, once disrobed of its budget gimmickry, is exposed as a fraud? If your answer is no, then support this amendment.

Second, direct lending supporters also claim that direct lending will remove costly middlemen by having the Department of Education administer the program. But a closer look reveals that the Department will need $1.2 billion in transition costs, which include adding over 600 new bureaucrats and $90 million in spending on computers.

This number may even be on the low side. The Pennsylvania Higher Education Assistance Association, who manages about $2 billion in student loans annually employs over 1,600 people.

Independent reviews of the Department's ability to manage new student loan responsibilities have only added to our fears about direct loans. The GAO concluded in its 1992 "High-Risk" report that "the inventory of known problems in the Department's administration of guaranteed student loans raises questions about its ability to manage a direct lending program." Over the last 2 years, 10 other Government reports including the Department's own IG have also been critical of the ED's management capability.

This Government skepticism is shared by those on the front lines administering the Nation's student financial aid system. At a recent hearing held by Representative TOWNS' Subcommittee of the Government Operations Committee, a representative from the National Association of Student Financial Aid Administrators [NASFAA] testified with respect to the "deep concerns that a majority of financial aid administrators have expressed involving a lack of confidence in the Department's ability to satisfactorily carry out its responsibilities in a timely and efficient manner." NASFAA's official position against immediate implementation of direct loans matches the views of over 400 college and university officials and the stance of the United Negro College Fund [UNCF] who also are urging for the opportunity to test direct lending. As well as every college and school in my district.

Let's give Secretary Riley and his team sufficient time to get their administrative house in order. In the meantime, like most citizens and many of my colleagues, I am unconvinced that adding to the Federal bureaucracy is a good idea and that any program can be run more effectively by big government than by the private sector.

In addition, by dismantling the current public-private partnership in favor of direct Government loans, we would be adding over $53 billion in new Treasury debt over the next 5 years, capital drawn against our swelling Federal deficit. However, our amendment would save $200 million in fiscal year 1994 by limiting the spending needed for administrative startup costs for direct loans.

This amendment is your only opportunity to signal your concerns on this critical issue. I urge you to join this effort to use a more commonsense approach in reforming the Nation's student loan system by voting "yes" on this amendment.

Mr. BARRETT of Nebraska. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment being offered by the gentleman from Tennessee [Mr. GORDON] and the ranking Republican of the Education Committee, Mr. GOODLING and the gentleman from North Dakota [Mr. POMEROY]. This amendment will ensure that only spending for the direct loan demonstration project agreed to last year, when Congress approved the higher education bill, will be allowed under H.R. 2518.

Many of us will remember the hard-fought compromise that we reached, in testing the idea of a direct loan program last year. In fact, many of us from this side of the aisle, went to the White House and helped convince President Bush not to veto the higher education bill because of the sizable, at least $500 million, demonstration program.

We thought the demonstration program was a good compromise between those who think direct lending is the best thing since sliced bread, and those of us who know that the Federal Government can't possibly administer such a complicated program better than the private sector.

Not to mention the fact that a wholesale direct-lending approach will force the Federal Treasury to borrow $20 billion over the next 20 years to maintain current reserves and meet student financial needs.

All those arguments aside, the Gordon-Goodling amendment will confirm the sound decision I believe this Congress made last year.

It said to the administration—OK while you're still scrambling to get your house in order and your feet set, we'll not force you to also take on the extra burden of having to administer a bureaucrat-laden, complicated wholesale direct loan program—and we'll allow you to get your first team together and get the demonstration program running smoothly.

This is a simple amendment. It is an amendment that rings true to the concept that Congress decided on just last year.

I urge my colleagues to support the Gordon-Goodling amendment.

GORDON-GOODLING-POMEROY AMENDMENT TO FISCAL YEAR 1994 LABOR/HHS/EDUCATION APPROPRIATIONS BILL

Representatives GORDON, POMEROY, and GOODLING will offer an amendment to the fiscal year 1994 Labor/HHS/Education appropriations bill to stipulate that funding appropriated under part D of the Higher Education Act for direct lending can only be spent on the direct loan demonstration program authorized under the Higher Education Amendments of 1992.

BACKGROUND

Last year during the reauthorization of the Higher Education Act one of the most hotly debated issues was whether to transform the Guaranteed Student loan Program [GSLP] into a Federal direct Loan program. Proponents of direct lending argued that such a move would save in the neighborhood of $1 billion a year and would dramatically simplify the process of delivering student loans. Opponents argued that the magnitude of savings estimates were highly questionable, that significant Federal borrowing would be required to capitalize the $20 billion-a-year program and that the Department of Education was not equipped to handle the task of managing a direct loan program.

After considerable debate, a final decision was reached to do a seizable pilot—about 200 schools—to test direct lending against the current GSLP Program beginning in academic year 1994–95. The pilot concept was adopted because of the wide disparity in views on the viability of direct loans, and an unwillingness to risk failure in a complete transition to a totally untested program.

Now, less than a year later, as part of the budget reconciliation process, the Clinton administration has resurfaced the proposal and forced its inclusion in the House-passed budget reconciliation for one reason and one reason only—the Congressional Budget Office [CBO] estimated that its enactment would save $4.265 billion over the next 5 years. Yet in response to a request from Senator PELL, chairman of the Senate

Subcommittee on Education, Arts and Humanities, the Director of CBO recently acknowledged that more than half of the savings attributable to direct loans are smoke and mirrors caused by the budget scoring conventions of the Credit Reform Act of 1990. Based on CBO's analysis one can conclude that in an apples-to-apples comparison, $2.2 billion of the purported savings disappear.

Much of the concern surrounding directing lending arise from fears about the ED's ability to manage this high new program. In one of the GAO high-risk reports ED's management of the GSL Program was harshly criticized. GAO recently repeated this message at a recent hearing before the Subcommittee on Human Resources and Intragovernment Relations characterizing the Department's gatekeeping procedures for schools who want to participate as weak, its oversight as slack, and its financial and management systems as inadequate.

Why the vote for the Goodling-Gordon-Pomeroy amendment: The student loan debate has been largely fueled by the artificial budget savings inherent in direct loans. Given that the majority of savings are smoke and mirrors and there are well-founded concerns about the Department of Education's ability to manage a direct loan program and given that the National Association of Student Financial Aid Administrators—the very people who will have to implement this program in the colleges and universities across the country—are urging that a pilot be done before any decisions on fully implementing the program are made.

It would be a gross mistake for Congress to phase-out the GSL Program in favor of an untested direct lending program. We believe a better approach would be to seek savings and efficiencies through a streamlined GSL Program. Such an approach would meet the reconciliation targets and insure that students will continue to have universal access to loans for postsecondary education.

□ 1200

Mr. POMEROY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of this amendment. I want to discuss for a minute its importance relative to the upcoming conference committee work on the Budget Reconciliation Act.

When the House passed its version of the budget reconciliation several weeks ago, we included an ill-conceived, an ill-advised, thrust into a direct lending effort for student loans. We were operating under the assumption that it would save $4.2 billion over 5 years. CBO, after the passage of that provision, revised that. In fact, they slashed that in half.

We later learned something else about this provision, that they did not count the estimated $1.2 billion it would cost to administer this program.

Basically what we looked at was a problem in the present administration of student loans, and we reverted to that old cliche, the old reaction to these problems, by throwing a new Federal program, total Government administration of direct student loans, at this exercise. And it is completely the wrong way to go.

I hope the distinguished chairman of the Committee on Education and Labor, in conducting negotiations in conference, understands that the strong vote we will have on this amendment today reflects that the House does not want to go that way. We do not want to tip this into a completely new Federal bureaucracy-administered Student Loan Program. We want to look before we leap.

If the Government can more directly administer this program, let us let the pilots work and evaluate their success before we scrape the entire system and go into the new Federal Direct Loan Program.

Mr. Chairman, I hope that the House conferees will make substantial changes in the original version of direct lending as passed by the House. That is what this vote represents.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. POMEROY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I just want to say I strongly support what the gentleman is saying. Experience tells me that a massive move to a direct loan program would be extraordinarily chaotic and could conceivably result in a great deal more in terms of losses. Over the long term it may make some sense, but I think that this particular amendment shows good judgment.

Mr. POMEROY. Mr. Chairman, reclaiming my time, my friend and colleague from Kansas is precisely right. Within the administration of the Student Loan Program, much of the ultimate cost to the Federal Treasury will depend upon how we collect these loans. There is substantial question in terms of whether the Department of Education can effectively exercise the loan-processing function required to get the money paid back on the Student Loan Program. That is one very important feature, and I appreciate the Members calling it to my attention.

Mr. Chairman, the vote on the Gordon-Goodling-Pomeroy amendment represents a signal from this House to House conferees on the Budget and Reconciliation Act that we do not want to move headlong into an untested direct lending program, and I urge support for the amendment.

The CHAIRMAN. The Chair might indicate to Members that the House is operating under a time limit of 1 o'clock. The time limit applies to all debate and all votes. Therefore, all time spent on any amendment precludes time on any other amendments.

Mr. PORTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the major incentive to convert to direct loans is savings to the Federal Government in reduced defaults. When one looks closely at the savings estimate that the administration has made of $4 billion over 5 years, one finds that $2 billion of that savings is attributable to a scoring change, and is not real savings.

Direct loans would require a new education bureaucracy of 620 FET's to manage a new multibillion-dollar program.

While I have supported investigating the concept of direct loans and seeing what they would do through the pilot program, I believe, Mr. Chairman, we should proceed slowly, learn from the pilot program, and then decide whether to convert to direct loans.

Mr. Chairman, I support the Gordon-Goodling amendment.

Ms. WATERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, with all due respect to the gentleman from Tennessee [Mr. GORDON] and the gentleman from Pennsylvania [Mr. GOODLING], two individuals who have put in substantive time on the issue of student loans, I am in disagreement with them about the effectiveness of this proposed amendment.

Our respected chairman has accepted this amendment, but I would like to register my concern at this time. I believe that this body is going to have to take a serious, serious look at student loans. We have money that is hemorrhaging out of the system. Nobody is benefiting from the billions of dollars that we lose year-in and year-out on students who sign up under recruiting efforts by private postsecondary schools. They get no training, they get no jobs, and they are left with student loans to repay. If they get jobs, oftentimes at entry level wages, then their checks are garnisheed and they are ruined trying to pay back money that they received no benefit from.

We sit here and we pretend we do not know this is going on. They are in unemployment lines, they are at welfare lines. They are out recruiting gang members. They will take any warm body they can get in many of these private postsecondary schools.

We are literally throwing money down the drain. We need a change in this program. I do not believe we need to continue with the banks in the way they are continuing with them. We need direct lending. We need to take over the operation of this program so we can benefit to get the bang for our buck.

Mrs. ROUKEMA. Mr. Chairman, will the gentlewoman yield?

Ms. WATERS. I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, I have to take issue with the gentlewoman's characterization of how this will solve our problem. The gentlewoman from California [Ms. WATERS] and I have worked long and hard with the gentleman from Tennessee [Mr. GORDON] on this very issue. Mr. Chairman, if they had taken our advice last year and fully implemented the reforms that we proposed, which included that since the banks are part of the problem, they should have been part of the solution and had the risk-sharing provisions in there, we would have then had the benefits of the banks' administrative procedures, which we are not going to throw on many colleges that have no way under this direct loan program of having either the competency or the personnel to deal with this issue.

But going again back to that risk-sharing proposal, we would have then had the competency of the banks and administration, and would have had their reliability, their responsibility, in providing the money to help us clean up the program.

So I see the direct loan program as only eligible for a pilot program. If we throw all of this into a bureaucracy in Washington, with small colleges responsible for the administration of this program, I see nothing but taxpayer danger ahead.

Ms. WATERS. Mr. Chairman, reclaiming my time, let me just disagree. With all due respect for the work that the gentlewoman has done, I do not see anything in this proposal that will cause the banks to do a better job than they have been doing.

I am not only concerned, as the gentlewoman is, about the ability of colleges and universities to administer the program. They need the money. They want to make these loans. I think, given the opportunity to do so, they can do a better job than has been done by the banks.

Mrs. ROUKEMA. Mr. Chairman, if the gentlewoman will yield further, I believe that the genesis and the core of the opposition from the United Negro College Fund is directly to this point, because they acknowledge that their own colleges will have terrible problems, cost problems, personnel problems, in trying to implement the program and administer the program.

Ms. WATERS. Mr. Chairman, reclaiming my time, if one wishes to conclude that there is a problem before there is an attempt to administer this program through direct lending, one can do that. I do not share that conclusion. I believe we need to do direct lending and get the middle persons out of this. They have not done a good job with this.

Mr. KYL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to briefly engage the distinguished chairman of the Committee on Appropriations in a brief colloquy.

Mr. Chairman, it is my understanding that the bill before us represents a concerted effort on the part of the Committee to live within its means, and makes significant funding cuts overall. Nevertheless, I understand that the bill would provide some $10.937 billion for the National Institutes for Health for fiscal year 1994, representing a $610 million increase over fiscal year 1993. This is a significant increase in funding for our Nation's biomedical research efforts. Are these figures accurate?

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Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, before I answer the gentleman's inquiry, I would like to thank the gentleman for his service since he has been a Member of Congress, as far as our bill is concerned. The gentleman is a good Member of the House. As the gentleman knows, I served with his father, also a good Member of the House. It is a delight and a pleasure for me to say to the gentleman that, yes, his figure is correct.

Mr. KYL. Mr. Chairman, it is also my understanding that the bill does not make specific funding allocations for certain diseases, but that it is the chairman's intention to provide adequate funding to NIH and enable the scientific community to pursue its research in the most scientifically appropriate manner. Would the Chairman speak to this?

Mr. NATCHER. Mr. Chairman, if the gentleman will continue to yield, I would like to say to the gentleman that the gentleman's understanding is exactly correct. The Committee has provided a $610 million increase, which will allow the Institutes to fund a full range of research proposals.

Mr. KYL. Mr. Chairman, if I could ask the chairman for his indulgence for just a moment longer. I have heard from many constituents regarding the need for adequate funding of biomedical research, and I strongly believe in its importance, as the chairman noted. For example, I am particularly interested in making certain that breast cancer research is adequately funded. In fact, I recently wrote to the chairman of the Appropriations Committee to express my support for breast cancer and other biomedical research funding.

I know that the chairman is aware of such startling statistics as the fact that every hour five women die of breast cancer. In this year alone, one out of eight women will be diagnosed with breast cancer, and the disease will claim 46,000 lives. Many of us have sponsored and cosponsored legislation to make mammograms more readily available. While mammograms can prevent needless deaths, there are many cases where mammograms have not detected breast cancer. Therefore the ultimate answer to this epidemic is research that will lead us to a cure.

Although the legislation before us does not make specific earmarks for diseases like breast cancer, is it the chairman's hope that as a result of this non-allocation process and the significant increases in funding for NIH, that increases in breast cancer research funding will be made available?

Mr. NATCHER. Mr. Chairman, in answer to the gentleman's question, the Committee is fully in support of the priority for breast cancer research reflected in the President's budget.

Mr. KYL. Mr. Chairman, I thank the chairman for his remarks and for his strong support.

Mr. CLEMENT. Mr. Chairman, I move to strike the requisite number of words.

First, I want to commend the gentleman from Tennessee [Mr. GORDON] for giving the Members of the House the first opportunity to cast a specific vote on the direct lending program which has been proposed by the President and the Committee on Education and Labor. I really believe the House should have the opportunity to have a straight up and down vote on a proposal which would change dramatically the way in which we have been delivering loans to students since 1965.

The amendment offered by the distinguished gentleman from Tennessee would make clear that funding appropriated under this legislation would be for what is currently authorized by the Higher Education Act Amendments of 1992—and that is for the pilot program only.

I agree with those who say that the student loan system needs reform. But let's not throw the baby out with the both water. Let's try the pilot program, let's see how much it saves and if it actually works. I urge my colleagues to support the amendment.

Mr. PETERSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. CLEMENT. I yield to the gentleman from Florida.

Mr. PETERSON of Florida. Mr. Chairman, I will take just a minute to add my strong support. The point I want to make is that this is a time for reform, but it is not time to kill.

We have opportunity to reform the existing system. It is a time also to look at principle. Certainly, this is not a time when we want to move from the private sector to the government sector. It is absolutely wrong.

We can make changes necessary to make this system more efficient. Everyone has agreed to that. But I think we have to look at this thing from a surgical standpoint instead of a meat ax standpoint.

Let us try the pilot programs. Let us make sure they work before we make this incredibly big step into direct financing solely on the back of the Federal Government.

Mr. SANDERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there is much within this document that is good and that is important. But clearly, given the enormous problems facing this country, the American people should not be under any illusion that what we are proposing today is going to deal in any fundamental way with those problems.

Mr. Chairman, there are 10 million Americans today who are unemployed. There are 6 million Americans who are underemployed, and most of the new jobs that are being created are low wage, part-time, temporary jobs.

So for millions of American people, the economic circumstances under which they are living are deteriorating.

This bill has much in it that is good, but if anyone out there thinks that in any significant way we are going to be putting millions and millions of American workers back to work, they are wrong.

My strong hope is that in the near future, we will bring forth a supplemental bill which will go much further than President Clinton's defeated jobs bill so that, in fact, we can put our people back to work, rebuilding our infrastructure, rebuilding our school systems, which need enormous amount of help, building the affordable housing that we need.

Members cannot walk 10 blocks outside of this building and not see the enormous problems facing our country, facing the State of Vermont.

We must put our people back to work. This bill does not in a significant way do that.

When we talk about education, there is much in this bill that is good. But let us not kid ourselves in terms of the inadequacy of this legislation.

It is my view that the vast majority of people in this country believe that higher education is a right for all American people, that there is something wrong that millions of young people in this country cannot today afford to go to college. That is not only an inadequacy missing from their lives, it is a terrible loss for this country. In fact, what we are talking about today, as I understand it, within this bill, is a cutback on Pell grants, a cutback, not an increase, in student grants and loans for our young people to go to college.

In conclusion, Mr. Chairman, what this bill does have is much that is good, but clearly, it is not a bill of vision. If we believe that we should have an economy in which every American worker has the right to do meaningful work at meaningful wages, that is not what is in here.

If we believe that in this country every person, young or old, should have the right to continue their educational opportunities, whether or not they are rich or whether they are poor, this bill certainly does not have that.

I think what we need to do in this institution is to develop a sense of vision, fight for real supplementary legislation so that we can meet the needs of America.

Mr. ENGEL. Mr. Chairman, I rise today in support of the Gordon-Goodling amendment to H.R. 2518. As a member of the House Education and Labor Committee, I have serious reservations regarding full implementation of a national direct loan program before we can arrive at an informed decision through findings of the current direct loan demonstration program.

The great speed by which full implementation of an untested direct loan program is being adopted causes me great concern. The logic—or should I say, illogic—that is being used by forgoing the direct loan pilot program which was authorized by Congress in the Higher Education Amendments of 1992, and immediately phasing-in a direct loan program is baffling. Last year, Congress took up the issue of direct lending and, as I understand it, realized that it represented a fundamental shift in policy to an unproven, untested program. At that time, a 4-year pilot program was established, scheduled to begin in 1994. The pilot program was designed to test and evaluate a direct lending program, giving everyone involved the opportunity to gather the necessary information to make a responsible, economically feasible, policy decision.

I cannot understand why the logical steps used in making national policy decisions in other areas, such as defense, are not applied in the area of education policy. When addressing the need for Federal funding of a new multibillion dollar defense project, taxpayer money is authorized for extensive research and the development of a prototype model first. Then, when the information indicates that it would be in the Nation's best interest, added funds are authorized to fund full implementation of the program or project. It seems that serious inconsistencies exist here in how we address and formulate national policies.

In conclusion, of all the colleges, universities, lending institutions, and guarantee agencies that serve and/or are located in my home State of New York, not one has contacted me in support of full implementation of the direct loan program. They have legitimate concerns, which I share, as to their role in the proposed direct loan program and the Department of Education's ability to effectively and efficiently run it. Therefore, I encourage my colleagues to join me in supporting the Gordon-Goodling amendment. Give the pilot program a chance.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of the amendment offered by Mr. GORDON and Mr. GOODLING, which would ensure that direct lending funds included in this bill, currently estimated at $22 million, would be used solely to administer the Direct Student Loan Demonstration Program authorized by the Higher Education Act Amendments of 1992. This amendment would not allow these funds to be applied toward a full-fledged direct loan program, as included in the House-passed version of the budget reconciliation act.

While I am very supportive of the administration's efforts to convert our Nation's student loan system to a program of direct lending, I believe that this conversion must be carried out very carefully, after significant consideration by Congress. For this body to simply shuttle funds at this time into an untried national direct loan program without first testing the waters with a pilot project to determine how to best implement direct lending would be unwise.

A Direct Student Loan Program will require the Department of Education to take on new and important responsibilities, many of which have yet to be clearly defined. Because of this fact, we must have a better indication of what these responsibilities will entail before we commit a great amount of resources to this important endeavor. In addition, we need to ascertain whether students receiving financial assistance today will continue to receive their aid tomorrow, without interruption or impediments. I believe that the pilot program authorized last year is the appropriate avenue to take on this matter, and urge my colleagues to vote in favor of this amendment.

Mr. KANJORSKI. Mr. Chairman, I rise in strong support of the Gordon amendment to ensure that funds spent on direct lending only go to support the $22 million demonstration project authorized by Congress last year.

This amendment is important because it ensures that billions of dollars are not diverted from the current, successful, Guaranteed Student Loan Program [GSLP] to an untested and unwanted direct loan program.

It simply does not make any sense to take a $15 billion a year program, nullify it, and replace it with a massive direct lending program overnight.

The current GSLP is functioning very well. Sallie Mae, and other loan servicers, have effectively used high technology and economies of scale to increase their efficiency and make the GSLP run more smoothly than ever before. Everyone agrees that changes can and must be made, but a wholesale transformation to direct lending is not the answer.

In addition to the economies of scale and technology, current lenders benefit from the experience of trying to make these loans profitable. This learning curve is nonexistent in the realm of direct lending. None of the more than 600 Federal employees who will be needed to implement direct lending have any experience with the program. It simply has never been done before.

Furthermore, the inefficiencies associated with starting such a vast enterprise are not accounted for when proponents talk of savings to be derived from switching to direct lending. Given the Department of Education's poor track record in administering existing programs, I am doubtful that any savings will be realized from the change away from the current GSLP.

In this time of high budget deficits, it is imperative that we cut Government spending wherever it is practicable. The CBO has estimated that a change to direct lending will result in $2 billion in savings over the next 5 years. This is one-half of the savings originally forecast and even this is optimistic.

There is a better way to generate cost savings in the student loan program. My colleague, BART GORDON, has done an admirable job in crafting legislation which would save $4.3 billion over the next 5 years, twice as much as direct lending purports. I strongly support this approach and am pleased to be a cosponsor of this alternative reform bill.

The administration proposed this reform of the GSLP with good intentions. But direct lending is not the answer. Congress has already taken steps to reform the process. Last year we made changes in the student loan eligibility criteria to cut down on the number of costly defaults.

Congress also authorized a demonstration project to see if a direct lending program works better than the current GSLP. This demonstration project was developed on a small scale to minimize the risks to the Federal Government. It would be imprudent to replace the current GSLP with a direct lending scheme before we see how well it would work, what its problems are, and what improvements, if any, it holds over a loan system that is currently working very well.

It is vital that we continue to improve the current Guaranteed Student Loan Program rather than plunge into the vast unknown of direct lending, a program whose risks and inefficiencies we can hardly imagine.

Mrs. LLOYD. Mr. Chairman, I rise in support of the Gordon-Goodling-Pomeroy amendment. This amendment will limit the amount of fiscal year 1994 appropriations that the Department of Education can spend on the direct loan program. The amendment will be consistent with the 1992 higher education language that authorized a direct loan demonstration program to determine if the current guaranteed student loan delivery structure—with lenders and guaranty agencies making and servicing loans—could be simplified and program costs reduced.

Our current Federal Education Loan Program has been instrumental in providing access for those who otherwise cannot afford a postsecondary education. The program operates on the premise that once educated, the borrowers will earn income sufficient to repay their loans. In 1991, the program generated about 4.8 million new loans, totaling over $13 billion for students attending over 7,500 schools. These loans were provided by 7,800 lenders and administered by 46 State or private nonprofit guaranty agencies. I recognize that our current student loan system needs improvement, and we have taken steps in the Higher Education Act to revise the methodologies used in the delivery of students loans.

However, I believe that implementing a full blown taxpayer direct lending program moves too hastily without examining the results of a demonstration program. With budget constraints and an untested direct lending program, we cannot afford to create a bloated bureaucracy and add billions of dollars in Government borrowing.

We must work in conjunction with the Department of Education, financial aid professionals, and college administrators to create a system that promotes cost savings without placing unnecessary burdens on postsecondary institutions and the Federal budget. By streamlining our current student loan system and assessing the studies of a direct demonstration program, we will be in a much better position to make decisions on overhauling the student loan system.

Mr. Chairman, it is critical that we make higher education available and affordable for all Americans. Education equips our work force with the resources to flourish in the marketplace. We must break down the financial barriers that inhibit our progress in education. However, the approaches used in reaching that objective must be in the best interest of the students and the American taxpayer. The Gordon-Goodling-Pomeroy amendment allows us to examine the merits of direct lending without adding unnecessary costs to Americans. I urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. GORDON].

The amendment was agreed to.

Mr. PORTER. Mr. Chairman, I move to strike the last word.

I wonder if I could ask the gentleman from Kentucky about the time available for debate.

My understanding is that we have an amendment from the gentleman from Illinois [Mr. CRANE] on the Corporation for Public Broadcasting, on which a vote would be requested, and a second amendment from the gentleman from Colorado [Mr. HEFLEY] on the Corporation for Public Broadcasting, on which votes could be requested.

I am worried we are going to run out of time.

The third amendment is the Hyde amendment that would be considered. I wonder if the gentleman from Kentucky would consider amending the previous request to allow a 40-minute limit on the Hyde amendment, 20 minutes on each side, after we have disposed of the other amendments.

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Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would ask the gentleman, as I understand it, he would like 40 additional minutes, is that correct?

Mr. PORTER. Mr. Chairman, I would ask that there be 40 minutes allocated to the Hyde amendment after we complete the other two. The other two would have to be completed by 1 o'clock.

Mrs. SCHROEDER. Reserving the right to object. Mr. Chairman——

Mr. PORTER. Mr. Chairman, I just think we need a chance for a fair debate on this.

Mrs. SCHROEDER. Reserving the right to object, Mr. Chairman, I am not quite sure I understand what the gentleman's request is. The gentlemen is saying that all of the rest of the amendments can be compressed into the 1 o'clock deadline, and the gentleman is asking for an additional 40 minutes?

Mr. PORTER. Yes, that is correct.

Mrs. SCHROEDER. Further reserving the right to object, Mr. Chairman, my understanding is, parliamentary wise, that can only come after the motion to rise. Is that correct?

Mr. PORTER. That is right, but my understanding is that by limiting the debate on all amendments to 1 o'clock, we can have the possibility, and in fact because of the other amendments, the likelihood, that we would have no time left for debate on the Hyde amendment, which I think would be unfair to both sides.

I am asking that we, by unanimous consent, agree that there will be a 40-minute time limit allotted, 20 minutes to each side, on the Hyde amendment.

Mrs. SCHROEDER. Further reserving the right to object, Mr. Chairman, I think the gentleman's request is untimely. I think we should wait until we get to that amendment. It may be moot. At that time the gentleman could ask unanimous consent, if we get past the motion to rise, to take it up at that point.

Mr. Chairman, based upon the untimeliness of the request, I object.

The CHAIRMAN. The Chair must indicate that as far as the Chair is aware, there has not been an official unanimous-consent request propounded. If the gentleman from Illinois [Mr. PORTER] or the gentleman from Kentucky [Mr. NATCHER] were about to do that, the Chair, of course, would entertain that.

Mr. PORTER. Mr. Chairman, I have a further request, then.

The CHAIRMAN. The gentleman from Illinois [Mr. PORTER] controls the time.

Mr. PORTER. Mr. Chairman. I yield myself such time as I may consume.

Mr. Chairman, we do not know that the motion to rise will be defeated. I would reserve, then, the opportunity to ask unanimous consent, if it is defeated, that we then have 40 minutes for debate on the Hyde amendment, and I would ask the gentlewoman from Colorado [Mrs. SCHROEDER] if she does not believe that that is a fair allocation at that point.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I would think that at that time the gentleman can make that request, and that discussion then can go on. Obviously, I do not decide for all 434 other Members what it is, but I think at that time is the appropriate time to do it. Let us get over the motion to rise first before that discussion comes up. People may want more time. They may want less. I think it is not timely right now. We are not there.

Mr. PORTER. Mr. Chairman, I will agree with the gentlewoman. However, she will be able to speak for all 435, because one Member could object if we are asking unanimous consent.

I would ask the gentlewoman, Mr. Chairman, as a matter of fairness and comity for both sides, that some reasonable amount of time, and 40 minutes, I think, is reasonable, be allotted for that debate.

Mrs. SCHROEDER. Mr. Chairman, if the gentleman will continue to yield, I think, certainly, people would want a reasonable amount of time if we get there. I think at that time is when we should discuss what is reasonable.

PARLIAMENTARY INQUIRIES

Mr. DORNAN. I have a Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. DORNAN. Mr. Chairman, is this one of the most expensive appropriations bills we have this year?

The CHAIRMAN. That is not a proper parliamentary inquiry.

Mr. DORNAN. Mr. Chairman, I have another parliamentary inquiry.

The CHAIRMAN. The gentleman will hopefully make this one a proper parliamentary inquiry.

Mr. DORNAN. Mr. Chairman, we spent all day and well into the night on a very important agricultural bill.

Is there not some parliamentary device to get the most expensive bill in the history of mankind debated fully?

Mrs. SCHROEDER. Regular order, Mr. Chairman.

The CHAIRMAN. Every Member of the House of Representatives had the opportunity to object to the unanimous-consent request of its chairman for the time limit at 1 p.m. At the current time, the rules are that the time will expire on this bill at 1 o'clock.

Mr. DORNAN. There were very few Members on the floor at that time, Mr. Chairman.

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of this legislation, the Labor-Health and Human Services-Education appropriation bill, and to commend the chairman, the gentleman from Kentucky [Mr. NATCHER] and the ranking minority member, the gentleman from Illinois [Mr. PORTER] for their outstanding work to produce a bipartisan bill.

In my view, this bill funds the most important programs of the Federal Government. From programs to assist displaced workers, to the biomedical research program at the National Institutes of Health, to the education programs which assist disabled children—this bill helps the American people.

This bill also reflects the priorities of the new President. Major increases in funding are found for Department of Labor programs addressing the new challenges to American workers. Program for displaced workers will be greatly expanded and the Job Corps centers will continue to be expanded. Other provisions will assist in the transition from school to work.

Major increases are also found in priority programs within the Department of Health and Human Services. For example, this bill provides for major initiatives responding to AIDS research, care, prevention and women's health concerns, while at the same time allowing growth in all areas of biomedical and applied research. Major increases are found in programs for children, including expansion of Head Start and funds to greatly expand on programs to immunize American children. Basic social service programs are also maintained.

Funding within the Department of Education reflects the President's priorities in reforming education. The bill also provides increased funding for compensatory education for the disadvantaged, for special education, and for vocational education.

The reassessment and realignment of priorities in this bill—to put people first—is an exciting opportunity for our country.

The excellence of this legislation is a credit to our distinguished chairman, Mr. NATCHER. I am pleased to be a new member of this subcommittee and thank the chairman for the warm welcome he has extended to me and the other new members. Over the years, no member has done more to advance the health of this country or to assure that American children are educated. Again, I commend the chairman for delivering another outstanding bill.

This bill, I believe, Mr. Chairman, truly defines the strength of our country in terms of the health, education, and well-being of our people. Again, it is a credit to our chairman, the gentleman from Kentucky [Mr. NATCHER].

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: Page 52, strike line 19 and all that follows through page 53, line 7.

Mr. CRANE. Mr. Chairman, in recent months we have all heard from concerned constituents about the need to reduce the deficit. I believe that one of the best places for us to start on the road to fiscal responsibility is to cut funding for costly, nonessential programs that are inherently better suited for the private sector, such as the Corporation for Public Broadcasting. For this reason, my amendment today would eliminate the funds in the Labor-HHS-Education appropriations bill for CPB.

In fact, CPB can flourish quite well in the private sector without Government help. Already the vast majority of public radio and television stations are operated by private sources such as universities, nonprofit community organizations, businesses, foundations, and individuals. Federal funding of public broadcasting accounts for only slightly more than one-seventh, or 16 percent, of all public broadcasting industry revenues.

In addition, CPB reports that the average contribution made by individuals to public television and radio stations "has grown significantly faster than the rate of inflation," and the number of individual contributors has more than doubled from 3 million in 1980 to more than 6.2 million in 1990. Eliminating Federal funding of CPB would do little to threaten public broadcasting's future as private support is robust and growing.

Moreover, Government fostering of public broadcasting is no longer necessary. CPB was established in 1967 at a time when there were only three networks available to the public.

I might note parenthetically that its funding level at that time was $6 million. Today it is almost $293 million, a 6,000-percent increase in funding since 1967.

Today, the public has access to a fourth network, as well as 422 independent commercial television stations. In addition, cable television has made hundreds of additional programming services available to consumers. Clearly, the time for taxpayer-funded public broadcasting has come and gone.

The National Taxpayer's Union has endorsed separate legislation I have introduced, H.R. 147, to terminate Federal funding of CPB. I hope that my colleagues will support my amendment today to bring greater fiscal responsibility to our Government.

There are, in addition to the points I have just made, Mr. Chairman, some other aspects of this that auger in favor of favorable reporting on my bill.

□ 1230

There is a publication put out by CPB that makes this observation: "CPB is entirely independent. It is not a government agency, nor is it owned by the public broadcasting stations."

The fact is CPB gets 90 percent, 90 percent of its funding from the taxpayers. And in addition to that, the president and the members of the board of directors are people who are named by the President and confirmed by the Senate. Yet, in spite of that, they are not subject to the Freedom of Information Act. Even the CIA is subject to the Freedom of Information Act.

There are innumerable reports and studies indicating that salary levels and management are in the six-digit-figure marks, and in addition to that, there have been protests even over some of the material that was funded, most especially in April of this year by Victor Gold who is a member of the board. Victor Gold pointed out that to the tune of $365,115 in community service grants, a station in Los Angeles has for 2 years, over his protests, funded anti-Semitic broadcasts.

CPB Chairman Tate said, offering her rationale for subsidizing hate broadcasting, cites the first amendment. But the issue here is not freedom of speech in broadcasting. Rather it is whether Congress has furnished millions of Federal dollars to CPB in order to subsidize, in the name of community service, the defamation of any race or religion or any minority. Victor Gold, who is Jewish, said "As a CPB board member I call on the appropriate committees of Congress to re-examine their operations." And I agree wholeheartedly with that.

The broader question, however, is we are in a situation where we can make an economy, where we no longer need CPB because it has long since outlived its usefulness. And whatever recommendations might have been made back in 1967 for creating it, they are long since past. And I would urge my colleagues to support my amendment.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois.

These funds, as you know, support hundreds of public radio and TV stations across the country, and make up 16 percent of the total support for public broadcasting.

I do not believe the Congress would support eliminating this support altogether.

Additionally, as the Members know, the funding in the bill for the Corporation for Public Broadcasting is for fiscal year 1996. Therefore, the amendment would only defer consideration of this funding until next year. The 1994 funds would not be affected by this amendment.

I ask the Members to oppose the gentleman's amendment.

I would like to say to my friend, the gentleman from Illinois, he is one of my good friends in the House, the reason why we fixed the amount for 1996 at that same amount that we had for the previous year is that we knew about the Victor Gold letter. We have the letter the gentleman referred to. We think as far as the amounts in the bill are concerned, with the bill being short about $4 billion, it was certainly fair to freeze funding for public broadcasting. Ordinarily they would come in and request additional funds, $40 million, or $50 million, or maybe $100 million. This time we fixed the same amount. We would hope that the gentleman would not insist upon a rollcall vote on this. We would hope that the gentleman would let us try to work this out as we go along, and that is the reason why we fixed the same amount. We also received that letter from Mr. Gold.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. Certainly, I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, according to this breakdown of figures, CPB gives $147 million of its budget to member stations. It gives $3 million to PBS. It gives $24 million to program production and acquisition. They have $88 million for overhead and other costs.

One of the concerns I have is if we look at these overhead costs, for example, not just for CPB, but PBS has a $41-million overhead cost, and others and member stations have a total of $691 million for their overhead costs. I think that there is where there is an absence of information and input to us who are allocating the taxpayer dollars, which is vitally important, especially when talking about people who are working at CPB and drawing down salaries in the $200,000, $300,000 range, not an inconsequential amount of money. And the fact is they are insisting they are not a Government entity when they are totally Government, and they deserve supervision that they are not getting.

In my estimation, they have outlived their usefulness because there are not the circumstances today that we had in 1967. And I certainly think it is a long-overdue termination of a wasteful program.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my friend, the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I dislike going against my friend from Illinois today, because I am sure we are going to have to meet on the barricades tomorrow when my bill comes onto the floor in respect to the arts. But I will tell the gentleman that I completely disagree with his last assertion that there is no need for support of public broadcasting today by the Government. Today we need it more than we ever did before.

We read in almost every newspaper every day of the violence that takes place on commercial television. If anything, the trend toward greater violence is one of the hallmarks of precommercial broadcasting, and if we did not have public broadcasting with its attention to some delicacy with respect to the propriety of the use of the airwaves, I think that it would be a great loss to the people of this country.

Mr. CRANE. Mr. Chairman, will the gentleman yield for a second on this point for a response to my colleague?

Mr. NATCHER. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, I would only respond by saying that the astronomical growth of private sector funding for public radio is what so dwarfs into insignificance this component, and this component is now only 16 percent of the total funding, and yet its budget has gone up over 6,000 percent since 1968. And clearly with the doubling of contributors, and the doubling of funding from outside sources, I do not think the national Government, and it can be applauded for its contribution originally, but it no longer is that relevant or necessary, and that is why I would urge this economy when we are running a tremendous deficit as well.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. NATCHER. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I would say to the gentleman if it were not for the Government sparking the program by providing a minimal amount of funding, there would be an almost devastating diminution of the funding from private sources.

I know from experience with the arts programs that each dollar spent from Federal appropriations brings in $2, $3, or $4 in private sources. The Government contribution is a necessary part of the financing of the arts and the humanities, and I am sure that it is of the broadcasting of public broadcasting as well.

REQUEST BY MEMBER TO SPEAK OUT OF ORDER

Mr. HYDE. Mr. Chairman, I ask unanimous consent that I be permitted to speak out of order for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mrs. LOWEY. Reserving the right to object, Mr. Chairman, may I ask the gentleman on what subject he wishes to speak out of order?

Mr. HYDE. Mr. Chairman, if the gentlewoman will yield, the abortion issue. I would like to get a chance to debate that.

Mrs. LOWEY. Mr. Chairman, I wish to state that the debate is not germane to the issue.

Mr. HYDE. That is why I said out of order.

Mrs. LOWEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. CRANE. Mr. Chairman, may I move the previous question on my amendment.

The CHAIRMAN. There is no previous question in order at this point in the proceedings.

However, if there is no further discussion, the question is on the amendment offered by the gentleman from Illinois [Mr. CRANE].

The amendment was rejected.

□ 1240

Mr. NATCHER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, before moving that the Committee do now rise, I want the members of the Committee to know that this bill is one of the most important appropriations bills that we have before the House each year. We have, as you know, 13 appropriations bills. I do not want this bill, Mr. Chairman, under a continuing resolution. I do not want it to go to the other side and have general debate over there and have this bill on a filibuster whereby it will have no chance of going to the President's desk for signature or veto.

You know, from time to time—and this has happened down through the years—they have a continuing resolution to put a lot of junk in these bills.

Mr. Chairman, this bill is more important than any issue I know of that comes, as far as appropriations bills at this time.

I want the Members to know that when I move that the Committee do now rise, I intend to vote against that motion, Mr. Chairman. I intend to vote against it. I think we ought to have a vote on this matter from the standpoint of protecting this bill so this bill can go all the way and to to the President's desk, and if the President does not like it he can veto the bill and we can do something about it then.

But as far as taking this bill on the other side, knowing what I believe will happen, that this bill will then be placed in a continuing resolution, it would be a serious mistake.

Mr. Chairman, I am not going to agree to that.

So, therefore, when I offer this motion for the Committee to rise, I am going to vote against the motion. I will offer that motion at the proper time.

Mrs. LOWEY. Mr. Chairman, I point out the absence of a quorum.

The CHAIRMAN. The gentlewoman from New York [Mrs. LOWEY] makes this point of order that a quorum is not present.

Mr. HYDE. Mr. Chairman, Mr. Chairman.

Mr. DORNAN. Mr. Chairman, the gentleman from Illinois was on his feet first, clearly.

The CHAIRMAN. A point of no quorum takes precedence over other motions and other requests for recognition.

The gentlewoman has made a point of order of no quorum.

The Chair will need to count for a quorum.

PARLIAMENTARY INQUIRY

Mr. DORNAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DORNAN. Could I please have a parliamentary reading on whether the Chairman sitting in the chair clearly ignored the gentleman from Illinois for minutes before he recognized the gentlewoman?

The CHAIRMAN. The Chair may not ignore a point of no quorum, under rule XXIII where a quorum has not been previously established during the amendment stage.

Previously, the Chair recognized the distinguished gentleman from Illinois [Mr. HYDE], and the Chair will be pleased to do so again at the appropriate moment.

A Member has made the point that no quorum is now present. Therefore, the Chair must count for a quorum of 100 members in the Committee of the Whole House.

Evidently a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names.

[Roll No. 303]

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehner
Bonilla
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Franks (CT)
Franks (NJ)
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Torkildsen
Torres
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

☐ 1319

The CHAIRMAN. Four hundred nineteen Members have answered to their names, a quorum is present, and the Committee will resume its business.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would like to indicate to members of the Committee that an unusual length of time was taken on this quorum call, it being the first order of business with the necessity to try to reestablish some comity within the committee. On further votes and further quorum calls, the Chair will seek to sustain the common order of 15 minutes for the rollcall.

☐ 1320

The Chair would indicate that all debate time has expired on all amendments to the bill. Therefore, the Chair will entertain any amendments which are in order, but which will not be debatable.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: Page 52, line 24, strike "$292,640,000" and insert "$640,000".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. CRANE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 56, noes 373, answered "present" 1, not voting 9, as follows:

[Roll No. 304]

AYES—56

Archer
Armey
Baker (CA)
Bartlett
Barton
Bunning
Burton
Buyer
Callahan
Canady
Coble
Collins (GA)
Cox
Crane
DeLay
Doolittle
Dornan
Dreier
Duncan
Emerson
Everett
Fields (TX)
Franks (NJ)
Gilchrest
Grams
Hancock
Hastert
Hefley
Herger
Hunter
Inhofe
Istook
Johnson, Sam
Kim
Kingston
Linder
Livingston
Manzullo
McCandless
Moorhead
Murphy
Myers
Paxon
Petri
Pombo
Rohrabacher
Roth
Royce
Santorum
Sensenbrenner
Shuster
Solomon
Stump
Walker
Young (AK)
Zimmer

NOES—373

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Bachus (AL)
Baesler
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Calvert
Camp
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
English (OK)
Eshoo
Evans
Ewing
Faleomavaega (AS)
Farr
Fawell
Fazio
Fields (LA)
Filner
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Hyde
Inglis
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
King
Kleczka
Klein
Klink
Klug
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Mink
Molinari
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zeliff

ANSWERED "PRESENT"—1

Knollenberg

NOT VOTING—9

Fingerhut
Gibbons
Henry
McMillan
Minge
Moakley
Romero-Barcelo (PR)
Skeen
Torricelli

□ 1337

Mr. TALENT changed his vote from "aye" to "no."

Mr. PAXON changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HEFLEY

Mr. HEFLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEFLEY:

Page 52, line 24, strike "$292,640,000" and insert "$291,640,000".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. HEFLEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HEFLEY. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 195, noes 230, answered "present" 1, not voting 13 as follows:

[Roll No. 305]

AYES—195

Allard
Andrews (TX)
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehner
Bonilla
Brewster
Brown (OH)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Costello
Cox
Crane
Crapo
Cunningham
DeLay
Derrick
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Greenwood
Gunderson
Hamilton
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Kyl
Laughlin
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Long
Machtley
Manzullo
McCandless
McCollum
McCrery
McCurdy
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Montgomery
Moorhead
Morella
Murphy
Myers
Nussle
Oxley
Packard
Parker
Paxon
Penny
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Royce
Santorum
Sarpalius
Saxton
Schaefer
Sensenbrenner
Shaw
Shays
Shuster
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Volkmer
Vucanovich
Walker
Weldon
Wolf
Young (FL)
Zeliff
Zimmer

NOES—230

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra

Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Blute
Boehlert
Bonior
Borski
Boucher
Brooks
Browder
Brown (FL)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Filner
Flake
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Glickman
Gonzalez
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Horn
Hoyer
Hughes
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kolbe
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lazio
Lehman
Levin
Lewis (GA)
Lloyd
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Mineta
Mink
Molinari
Mollohan
Moran
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Rose
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Walsh
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)

ANSWERED "PRESENT"—1

Knollenberg

NOT VOTING—13

Brown (CA)
Dingell
Foglietta
Gibbons
Henry
Jefferson
McMillan
Miller (CA)
Minge
Moakley
Romero-Barcelo (PR)
Skeen
Torricelli

□ 1356

Messrs. YOUNG of Alaska, HEFNER, and CRAMER changed their vote from "aye" to "no."

Mrs. BENTLEY changed her vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that the time for debate on the bill and amendments thereto be extended for an additional 20 minutes and that the time be equally divided between the gentleman from Illinois [Mr. HYDE] and the gentlewoman from Colorado [Mrs. SCHROEDER], and that this time be for debate purposes only.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. OBEY. Mr. Chairman, reserving the right to object, I hesitate to object, but the fact is that none of us knows exactly what language might be offered by the gentleman from Illinois [Mr. HYDE].

Mr. NATCHER. The request is for debate only.

Mr. OBEY. Some of us do not know whether we would want to offer a substitute to the language.

Let me ask the gentleman: For those who are not comfortable with either no language or the Hyde language, would we have an opportunity to have any time to discuss this matter?

Mr. NATCHER. Mr. Chairman, if the gentleman will yield, I see nothing wrong with that request.

Mr. Chairman, let me say this in answer to the gentleman's question: Mr. Chairman, today there should be a vote on abortion in this House, and I say that frankly. This bill is one of the most important appropriation bills that we have that go through the House each year. We should have a vote on it. This bill should not be held hostage, and I want the Members to know that.

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] has the time; he has a reservation of objection and apparently is yielding. Is the gentleman yielding?

Mr. OBEY. I would continue to yield to the gentleman from Kentucky [Mr. NATCHER] because I did not understand his response.

Mr. NATCHER. I see nothing wrong with the gentleman's request.

Mr. OBEY. My point is that I would like to have 10 minutes provided for any other amendment——

Mr. NATCHER. Mr. Chairman, let me amend my request.

Mr. Chairman, I ask unanimous consent to amend my request to make that time 30 minutes, with 10 minutes to the gentleman from Wisconsin [Mr. OBEY], 10 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER], and 10 minutes to the gentleman from Illinois [Mr. HYDE].

□ 1400

The CHAIRMAN. The Chair will state that the chairman of the committee has propounded a unanimous-consent request for 30 minutes of time to be allocated for debate prior to the motion to rise and report: 10 minutes to the gentleman from Illinois [Mr. HYDE], 10 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER], and 10 minutes to the gentleman from Wisconsin [Mr. OBEY].

Is there objection to the request of the gentleman from Kentucky?

Mr. PORTER. Reserving the right to object, Mr. Chairman, could I ask the gentleman from Wisconsin what he intends to use the 10 minutes for?

Mr. Chairman, I yield to the gentleman from Wisconsin.

Mr. OBEY. To explain an alternative amendment to the Hyde amendment.

Mr. PORTER. Well, if I can continue to reserve the right to object, Mr. Chairman, if I understand what we are doing here now, this 30 minutes of debate will occur before the motion to rise; is that correct?

The CHAIRMAN. The gentleman is correct.

Mr. PORTER. Then after the debate is over, there will be a motion to rise. If the motion to rise is defeated, then an amendment can be offered by the gentleman from Illinois.

The CHAIRMAN. Any proper limitation to the appropriation bill may be offered.

PARLIAMENTARY INQUIRIES

Mr. PORTER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman may state it.

Mr. PORTER. Mr. Chairman, would that amendment that the gentleman from Illinois offers be subject to a substitute amendment to be offered by the gentleman from Wisconsin?

The CHAIRMAN. A proper substitute would be in order.

The Chair would indicate that at that point in the proceedings any amendment that is a limitation to an appropriation is in order, and the Chair would have to recognize whoever rises to offer those kinds of amendments.

Mr. HYDE. Mr. Chairman, I have a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HYDE. Mr. Chairman, if we are giving 10 minutes to the gentleman from Wisconsin [Mr. OBEY] to explain another version of another amendment, I would like some time to respond to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, if the gentleman will yield, I would be happy to give the gentleman 5 of that 10 minutes.

Mr. HYDE. Five to the gentleman from Wisconsin and 5 to me?

Mr. OBEY. Fine.

Mr. HYDE. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mrs. SCHROEDER. Reserving the right to object, Mr. Chairman, I may be a little obtuse, but I want to make sure I understand.

The gentleman from Wisconsin is asking for 10 additional minutes for debate only to debate an amendment that we do not know about or we do not see and that we will not have offered until after the motion to rise is defeated, if it is defeated; is that correct?

I am asking that, because otherwise I do not understand the procedure.

The CHAIRMAN. The Chair would indicate that under the request there would be general debate on the bill. The Members involved may have a particular topic they wish to address, but that is the place we are at in the bill. No amendment has been offered, no limitation amendment can be offered until the motion to rise and report is taken care of.

The Chair must indicate that the gentleman from Illinois did have a reservation which the Chair interpreted was withdrawn; however, then the Committee went to the reservation of the gentlewoman from Colorado.

The gentlewoman from Colorado is recognized on her reservation. Some Member may have a question of her.

Mrs. SCHROEDER. Mr. Chairman, I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I am just going to suggest at this point that since I sense this is complicating matters even further, I will withdraw my objection to the gentleman's original motion, provided that people understand that if the motion to rise fails, there will not just be the Hyde amendment that will be pending.

Mr. WAXMAN. Mr. Chairman, will the gentlewoman from Colorado yield to me?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, I just want to clarify that if the motion to rise fails, this House will not have alternatives on this very important issue, because the only thing that would be in order would be a limitation on funds. Otherwise, it would be subject to a point of order.

So those who think they are going to get a resolution of the abortion question with respect to Medicaid are very much mistaken. This is not the forum under which alternatives can be examined because of the rules of the House. That is why I would hope we would not defeat the motion to rise so we can determine this issue in a more orderly procedure.

PARLIAMENTARY INQUIRIES

Mr. PORTER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PORTER. It is my understanding, Mr. Chairman, that we are back to the original unanimous-consent request for 10 minutes on each side.

Is it further my understanding that when we get that unanimous-consent request, the Chair will then recognize the gentleman from Illinois and the gentlewoman from Colorado?

The CHAIRMAN. The Chair would like to have the chairman of the committee restate his unanimous-consent request.

Mr. PORTER. I have further parliamentary inquiry Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. PORTER. Once that debate is concluded, Mr. Chairman, will we then proceed at that point to a vote on the motion to rise, and if that fails will the Chair then be recognizing first the gentleman from Illinois for his amendment?

The CHAIRMAN. The Chair would first indicate that at the conclusion of the debate under the unanimous-consent request, the Chair will recognize the gentleman from Kentucky who could make a motion that the Committee rise and report, at which point one assumes there will be a recorded vote. After that, depending on the outcome, if the motion to rise and report fails, then a proper limitation amendment would be in order.

The Chair is not supposed to identify whom or under what conditions the Chair will recognize Members at that point in the proceedings; however, one presumes that is the direction in which we are headed.

Mr. PORTER. I have a further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. PORTER. Is there any precedent in the rules, Mr. Chairman, for a Member offering an amendment at that point to be recognized?

The CHAIRMAN. Under the normal rules, the Chair would have to see who is standing to make an amendment that qualifies as a limitation on an appropriation bill at that point.

Mr. PORTER. I thank the Chair.

The CHAIRMAN. The Chair will now go back to the gentleman from Kentucky, who the Chair understands is making a unanimous-consent request that 20 additional minutes of debate be allowed, 10 minutes to be given to the gentleman from Illinois [Mr. HYDE] and 10 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER], is that correct?

Mr. NATCHER. The Chair is correct.

The CHAIRMAN. In that case, is there objection to the request of the gentleman from Kentucky?

Mr. YATES. Reserving the right to object, Mr. Chairman, will that debate take place without an amendment being offered for the House to consider?

The CHAIRMAN. The gentleman is correct. This is in the nature of general debate. No amendment is pending or will be pending at that point.

Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The gentleman from Illinois [Mr. HYDE] will be recognized for 10 minutes, and the gentlewoman from Colorado [Mrs. SCHROEDER] will be recognized for 10 minutes.

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YATES. As I understand, Mr. Chairman, there will be a motion to rise after this debate is concluded. In the event that the motion to rise is not carried, the bill then becomes open to other amendments as well, does it not?

The CHAIRMAN. The gentleman may be correct.

Mr. YATES. So that there may be not only the HYDE amendment, but other amendments as well by Members who may want to offer them on a number of other issues.

The CHAIRMAN. The motion to rise and report could be repeated after every amendment. Other amendments could be in order so long as they are germane and meet all the requirements of the rules.

The Chair now recognizes the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Chairman, if the motion to rise which will subsequently be made is defeated, and I hope you will vote against the motion to rise, I will have an opportunity then to offer an amendment. The gentleman from Wisconsin [Mr. OBEY] is going to offer an amendment to my amendment, or mine will be to his amendment. Unfortunately, it complicates things, but my amendment simply provides that no funds may be used to pay for abortions, except where three conditions exist: life of the mother would be endangered, or the pregnancy was caused by rape or incest. Those three conditions will be in the amendment that I offer.

The gentleman from Wisconsin [Mr. OBEY] will offer one that includes a formulation involving the health of the mother. The difficulty with health is the definition of health that the Supreme Court made in Doe versus Bolton and which was made in subsequent cases and involves a state of well-being.

If you are emotionally distraught, your health is affected. Therefore, it is no restriction whatever. That is the one loophole that permits abortion on demand once the health factor is entered into the legislation. Health is no restriction whatsoever as long as it includes emotional well-being, and that is the definition.

Therefore, I plead with you not to support the amendment of the gentleman from Illinois [Mr. OBEY].

Mr. OBEY. Mr. Chairman, will the gentleman yield, since he mentioned my name?

Mr. HYDE. Yes. I yield to the gentleman from Wisconsin.

☐ 1410

Mr. OBEY. Mr. Chairman, I just want to clarify, that in the last trimester under the Obey amendment no abortion would be allowed except to preserve the life of the mother.

Mr. HYDE. Well, Mr. Chairman, I say to the gentleman, "That's fine. You save the baby during the last trimester, but certainly not during the first two trimesters, up to 6 months."

So, again I say to my colleagues, I hope that you do not support Mr. OBEY because it will really be an abortion on demand.

Now, my colleagues, the French have a marvelous gift for phrasemaking, and one of their marvelous phrases is: cri di coeur, a cry of the heart, and there are two cries of the heart in every human being's life. The very first cry of the heart occurs in the womb, and if my colleagues have ever looked at a sonogram picture of a little baby in the womb, they would know that that is when the first cri di coeur occurs: I want to be born. It is a reflection of instincts, the urge to survive. It is inaudible, but it is there: I want to be born.

And the second cry of the heart is at the end of our lives. It is the last thing we say: I don't want to die, I don't want to die.

Mr. Chairman, I would suggest to my colleagues that abortion violates both of those cries. It violates one's right to be born, one's right to life, which our Declaration says is a fundamental endowment, and it is inalienable, the right to life. Abortion says no to that first cry of the heart, and at the same instance it says, No, death will be visited upon you because you are unwanted by some people now, and so you die, you die, and so both of those cries of the heart are violated by destroying the unborn in the womb.

And I say to my colleagues, Not only do you kill the unborn when you do that, but you kill generations of progeny. You foreclose the future whenever you commit an abortion. An abortion forecloses the future for generations and generations.

Now Roe versus Wade is the law. It has been ratified, it has been affirmed, by the Supreme Court in the Casey versus Planned Parenthood case, and so we cannot argue with that. That is the law, and we have to live with the law. There is no question about that.

But providing a constitutional right to an abortion does not mean society has to subsidize the exercise of that constitutional right. The two are entirely different.

We have a right of free speech. Does that mean the Government has to buy us a personal computer? A typewriter? A megaphone?

We have the right to travel in this country. Must the Government provide us with a plane ticket?

The exercise of the right need not be subsidized because of the existence of the right. In fact, the Supreme Court in Harris versus MacRae in June of 1980 said, and I quote from the same court that gave us Roe versus Wade,

> Abortion is inherently different from other medical procedures because no other procedure involves the purposeful termination of a potential life.

I respectfully disagree with the court. That in the womb is not potential life. That is a life; that is a life with potential. But nonetheless I accept the court saying this is a unique procedure, purposefully destroying an unborn child in the womb.

Now this bill that we are dealing with today and my amendment forces us to confront whether we want to coerce, and taxing is coercion of literally millions of people to subsidize the triumph of King Herod, the slaughter of the innocents, and what is more innocent than an unborn child in the womb? It is not a chicken, not a tumor, it is not a diseased appendix. This is a tiny member of the human family. The data is clear, and anybody who denies that is exercising self-deception, but we are going to subsidize the slaughter of the innocent and make people to whom abortion is morally repugnant, millions of people, be complicit in that terrible action.

The President said, "I want to make abortion legal, safe and rare." Well, it can be made legal, I guess, but it cannot be made safe for the unborn. It is terminal for the unborn. And rare? Not if it is subsidized, because then, I say to my colleagues, you're going to get a million more abortions, and you know we already have in this country 1,500,000 abortions every year legally.

I ask my colleagues, Isn't that enough? Isn't that enough? Do we have to force people to pay for a million more?

All politicians, when they campaign, they say, I'm for the little guy, I'm for the little guy. There is no one literally littler than an unborn child in the womb, defenseless. They are our most vulnerable, our most inarticulate, minority, the unborn in the womb.

Humanity asks an anguished question, and it asks it many, many times. It asks it a million and a half times in our country to the unborn:

To be or not to be?

That is Hamlet's great question, and we answer it, not to be, when we perform an abortion. We ask it a million and a half times a year.

The rhetoric of abortion and the literature of abortion on the pro-abortion side very seldom discusses the unborn child. The rights of the pregnant woman are paramount. The right to autonomy, to sovereignty, is a triumph of "me over thee." I understand that.

But, my God, think for a moment. I say to my colleagues, If you can, exercise your moral imagination, and think about the other party to the abortion decision, the unborn being, the child who might write the book, the child who might compose the symphony, the child who might discover the cure, the child who might lead his country in a time of peril. That child has no one to hear, I want to be born. Answer that cry of the heart with your vote today.

A million and a half abortions are quite enough. We live in a tidal wave of blood from the abortions that go on.

Martin Luther King had a marvelous gift for a phrase. He was one of the finest speakers that I ever heard, and Martin Luther King, when he talked about difficult ideas, emotional situations, talked about love, about death, about sin, about salvation, had a wonderful phrase. He said these things can only be spoken of with "the inaudible language of the heart, the inaudible language of the heart." That is the cry: I want to be born. That is a tiny member of the human family, and I tell my colleagues: "When you abort that child, that innocent, voiceless child, that child can't rise up in the streets, has no one to speak for him and no one to defend him but us."

If a child were in front of a railroad track, were lying on a track and a train was coming along, would we not run and save that child?

My colleagues can save millions of children by voting for the Hyde amendment and voting against the motion to rise, so I say:

Listen to that cry of the heart from the unborn: I want to be born.

What is your answer?

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 10 minutes.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the distinguished chairman of the authorizing committee, the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Chairman, let me explain that a motion to rise would leave the bill as it is without the Hyde language in it. But that will not be the end of the story. There will be discussions in the appropriate setting to work out the issue of what the policy should be.

☐ 1420

If we defeat the motion to rise, the gentleman from Illinois [Mr. HYDE] would not be able to offer a real substitute that will allow abortions when the life of the mother is at stake or when there is a pregnancy because of rape or incest, because he cannot do that under the rules of the House, and all he may offer is a limitation.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. No; I cannot yield. I only have 1 minute.

The gentleman's amendment says that no funds can be used for abortions except when it is made known to the Federal entity that funds are to be appropriated for a procedure necessary to save a life, et cetera.

That is a very arcane way of putting the issue. He only hopes to get by the parliamentary procedure that would not require the Secretary to do anything. I think he is wrong on the point. The law is clear. Only medically necessary abortions would be required to be performed by the States.

Mr. Chairman, we ought to leave the law alone or change the law. Let us support the motion to rise.

The CHAIRMAN. The Chair wishes to indicate that the gentleman from Illinois [Mr. HYDE] has 1 minute remaining, and the gentlewoman from Colorado [Mrs. SCHROEDER] has 9 minutes remaining.

Mr. HYDE. Mr. Chairman, I yield myself 10 seconds to say, leave that to the Parliamentarian, please.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from New York [Mrs. LOWEY], the chairman of the task force that is working on this issue.

Mrs. LOWEY. Mr. Chairman, we heard from my good friend, the gentleman from Illinois [Mr. HYDE] about listening to the cry of the heart, and I ask my friends, let us listen to the cry of the heart, let us put a human face on the Hyde amendment and let us think very carefully.

Mr. Chairman, the distinguished chairman of the Appropriations Committee has said time and again that the bill before us today is one which makes America stronger and healthier.

He is absolutely right. This bill offers a historic opportunity to expand the range of health services for all Americans while correcting past inequities in women's health care.

For far too long, we have had a two-tiered health care system in this Nation. For far too long, women's health needs have been neglected. This legislation, as approved by the committee, makes major strides toward correcting that situation.

But our work will not be complete if we fail to affirm the medical significance of the right of American women to make their own reproductive health care decisions. That requires that the Government be truly neutral in its policy toward all reproductive health care options.

Basic health care for women includes the full range of reproductive services, including abortions. Over half of current health care plans include this coverage. That is the norm. Today we can ensure that all women have access to these services by eliminating restrictions on their funding.

Mr. Chairman, basic health care is the key to self-sufficiency. That is the premise behind much of this bill. But denying poor women access to safe, legal abortion denies them comprehensive health care and the ability to determine their own futures. The ability to make this very personal decision can be critical to a woman's ability to support herself and care for her family.

Today, we can eliminate the Hyde amendment which—for the last 14 years—has imposed Government policy in the most personal of decisions and in so doing has jeopardized the health and lives of millions of American women.

We cannot ignore the fact that the Hyde amendment has taken a terrible toll. As a result of this restriction, the number of illegal and self-induced abortions have increased dramatically. And all too often, those illegal procedures performed in unsanitary conditions have resulted in serious health complications and tragic loss of life.

Mr. Speaker, the Hyde amendment has a human face. It is the face of Rosie Jimenez. Too poor to pay for an abortion in a private clinic, she died in agony after an illegal back alley procedure.

It is the face of a nearly blind, 19-year-old Michigan woman who—after being gang raped at a party—had to postpone corneal surgery on both eyes in order to pay for an abortion.

For those women and all too many others, the constitutional right to choose is meaningless because their Government—through the Hyde amendment—denied them practical access to basic reproductive health care services. Today, we must remove that roadblock and restore the full meaning of their right to choose.

Mr. Chairman, the American people want this House to expand opportunity, not restrict it. They want this House to improve access to health care, not deny it. They want this Congress to move forward, not take a step backward.

I call on my colleagues to seize this moment and do what is right. Let us put the divisiveness of the Hyde amendment behind us and move forward to fulfill the promise of this bill. Let this be the day when we commit ourselves to working with American men and women alike to take control of their lives to find new beginnings. Our goal is to replace dependence with independence in our society, and this bill—without the Hyde amendment—is an important step in that direction.

Let us vote for the motion to rise.

Let us support the motion to rise.

Let us work with the Senate and the President.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I have been for a number of years now the author of the Reproductive Health Equity Act, which repeals all riders on appropriation bills which limit the rights of some individuals in our society to enjoy the constitutional rights that all the rest of the people have under Roe versus Wade. We are not at the point where the majority of this body agrees with that legislation, but neither do I think we are at a point where we have no alternative but to vote up or down on this language at this time.

We will deal with the issue of the Hyde amendment, as amended, in the conference committee on this bill. We will bring language back to the floor, and this body will be given the option to vote on that issue of public funding of abortion. Once the administration has had a chance to speak, once the Senate has had a chance to speak, we will be the final arbiter of what will be acceptable.

Mr. Chairman, this effort today is not conducive to good communication on this crucial issue or even a final resolution of it. We should vote for this motion to rise. We should rise and deal with this issue in the proper course of events after conferring with the Senate.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, this is a very difficult issue to address in 1 minute, but I want to make it clear to the Members that 13 States have already decided that public funds can be used to provide equal access to legal medical procedures for poor people. Thirteen States have made that decision. We should not override it.

Furthermore, every day our tax dollars subsidize the right of people to choose abortion. We spend over $60 billion in tax expenditures supporting employers who provide health insurance to new employees by allowing them to deduct the cost of their health insurance premiums and those health insurance plans provide elective abortions. See we use tax dollars now to support choice under legal plans, and to arbitrarily say that poor people cannot have the same choice that America's public dollars help more affluent people to have is unfair.

Mr. Chairman, I would say to the Members that this is an issue of discrimination and fairness, and I would ask the Members to support the motion to rise.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, I support the motion to rise.

Fundamentally, at issue here is the dignity and personal autonomy of women in our society. The Supreme Court has declared the right to choose with respect to abortion is a fundamental constitutional right. The American people have concluded that the right to decide to terminate a pregnancy is vested in every individual woman. Most Americans do not believe that a woman should be subjected to the indignity and oppression of being forced to carry a pregnancy to term against her will.

It is the rankest form of hypocrisy to proclaim this fundamental right but to insist that it cannot be exercised except by well-to-do women. It is high time that we end this hypocrisy and afford poor women the same power over their own tax dollars that better-off women enjoy.

We are told that some taxpayers do not want their money used to pay for abortions. Myriad taxpayers object to many things that are funded by the budget, but Congress, by majority vote, not individual taxpayers, makes the decisions about what to fund and what not to fund.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Georgia [Ms. McKINNEY].

Ms. McKINNEY. Mr. Chairman, for far too many women in this country, the legal right to choose is meaningless because they have had no practical access to the full range of reproductive services. The real choice for low-income women becomes carrying their pregnancy to term or finding alternative funding, that is, for rent, food, or clothing, or money for unsafe and sometimes self-induced abortions.

During the past 16 years of the Hyde amendment the unintended pregnancies have not gone away. All available data confirms that what Hyde has succeeded in doing has been to create devastating consequences in the lives of low-income women. The Hyde amendment is nothing but a discriminatory policy against poor women who happen to be disproportionately black. By denying poor women abortion services while at the same time paying for childbirth and sterilization, the Federal Government is practicing discriminatory policies.

Mr. Chairman, this is about equity and fairness for all women, and quite frankly, I have just about had it with my colleagues who vote against people of color, vote against the poor, and vote against women.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California [Ms. PELOSI], a member of the committee.

Ms. PELOSI. Mr. Chairman, I rise to ask my colleagues to vote "yes" on the motion to rise.

As a member of the subcommittee, and as a matter of providing a little background on what is happening today, in the subcommittee we debated this issue, and the subcommittee chose to remain silent on this issue. We included no language. In the full committee, when this amendment was offered, we were not able to have a full debate on it, and we come to the floor with this language.

Clearly, there is unease in the House on this very important subject. The gentleman from Indiana [Mr. BURTON] himself said it was a very emotional issue, but we have to cool our jet and lower the heat on it and make this decision in a more deliberative, calm arena. That would be in the conference.

I ask the Members to please give us that chance. Please give the women of America that respect. The gentleman from Illinois [Mr. HYDE] gave a very impassioned speech. He is very distinguished and very knowledgeable, but even Mr. HYDE does not know when life begins. I say to the gentleman from Illinois [Mr. HYDE], "If you in fact believe that abortion is murder, I don't see how you can propose an amendment that will allow an abortion in the third trimester for rape or incest."

Mr. Chairman, I urge my colleagues to reject this unclear language. Let us adopt good language. I ask the Members to vote "aye" on the motion to rise.

□ 1430

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, I just want to question the parliamentary procedure that is in effect here. My understanding was that really the amendment to be offered was legislating on an appropriations bill, and it would only be allowed if there would be no exceptions, including the life of the mother being endangered.

Now I understand that there is language that may be offered if we do not support the motion to rise that will add a phrase which is very obtuse, when it is made known. Made known to whom? Made known by whom?

My point is, this is not the forum nor the vehicle for us to be voting on this issue. Therefore, I would certainly ask this body to support the motion to rise.

The CHAIRMAN. The Chair would indicate that the gentleman from Illinois [Mr. HYDE] has nearly 1 minute left, and the gentlewoman from Colorado [Mrs. SCHROEDER] has 2 minutes left.

Mr. HYDE. Mr. Chairman, do I have the right to close debate?

The CHAIRMAN. The Chair must indicate that this is a very unusual position. Were there an amendment pending, the gentleman would be correct that he would have the right to close as against the gentlewoman. However, no amendment is pending.

Mr. HYDE. Mr. Chairman, one is constructively pending.

The CHAIRMAN. No amendment is pending. Customarily, under the rules of general debate, the majority party has the right to close.

Mr. HYDE. Mr. Chairman, the Chair is saying I do not have the right to close?

The CHAIRMAN. The gentleman is correct.

Mr. HYDE. Mr. Chairman, I do not have the right to close on my amendment, because it is not offered yet, which you will not let me offer because of the rule.

The CHAIRMAN. If at a later point an amendment is offered by the gentleman, and is debatable, he will have the right to close as opposed to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Chairman, first of all, the opposing side is completely wrong about what this legislation would do without the Hyde amendment, as the gentleman from California [Mr. WAXMAN] has pointed out. Second, we have no opportunity to vote on the administration's point of view, which we can only do in the conference report. We can all agree that the House should not be locked in before the administration has released its legislative language.

Mr. Chairman, I believe strongly in a woman's right to choose. The right to choose is meaningless without the means to choose. But even to my colleagues who do not believe in a woman's right to choose, this is not the way to make policy on this important matter.

Mr. Chairman, I urge my colleagues to vote for the motion.

Mr. HYDE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Chairman, I urge a no vote on the motion to rise, and I strongly support the Hyde amendment. Prior to enactment of the Hyde amendment in fiscal year 1977, the American people—through their tax dollars—financed approximately 300,000 abortions each year.

Repeal of the Hyde amendment would result in taxpayer funding of at least 400,000 abortions in fiscal year 1994 at a cost of about $100 million to the American people. If this language is not retained, the floodgates will be opened and federally funded abortions will be allowed for any reason at any time.

Mr. Chairman, I have heard from hundreds of constituents in my district who are strongly opposed to Federal funding of abortions. Whether they favor abortion or oppose it, they do not want to see their tax dollars going to fund abortions.

Finally, I would like to point out that despite arguments offered by those opposing the Hyde amendment, a recent Reader's Digest poll found that opposition to taxpayer funding of abortion is greatest among those who would seemingly benefit most from striking the Hyde amendment—those persons earning less than $15,000 per year.

Mr. Chairman, I ask Members to vote no on the motion.

Mr. HYDE. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Chairman, for the last 16 years the Hyde amendment has protected the

American taxpayer from being forced to subsidize other people's abortions. Now President Clinton, who promised to make abortions rare, wants to force every taxpayer to become a financial accessory in one of the most emotional and divisive issues of this century—abortion.

According to the Clinton administration, this Nation cannot sustain itself without increasing taxes on people with incomes above $25,000. How, then, can we afford to spend $100 million every year to pay for hundreds of thousands of abortions?

The New York Times on April 6, 1993, stated that the latest New York Times/CBS News poll showed 72 percent of Americans believe that the costs of elective abortions should be paid for directly by the women who have them—not by the taxpayers. Even those who consider themselves prochoice agree that taxpayers should not be forced to pick up the tab for something as controversial as abortion. Moreover, poor black people, by a ratio of 3 to 1, oppose tax-funded abortion while wealthy white people overwhelmingly favor it. Why are the wealthy so interested in targeting poor women's unborn babies for abortion? The low-income women they allege to be helping actually prefer to have Federal money spent on pre-natal and post-natal care.

It is important to point out that prior to enactment of the Hyde amendment in 1978, the Federal Medicaid Program paid for about 300,000 abortions each year. In 1991, with only the life of the mother exception, 89 abortions were paid for with Federal Medicaid funds. If the Hyde amendment is not included in this legislation, the Federal Government, by offering to pay for abortion, not only gives the tacit message that abortion is okay, it provides a financial incentive to have one. Tragically, we can only assume that this Nation will see a sharp increase in the number of preborn babies that are killed. Isn't it bad enough that children are being snuffed out in their mother's womb at a rate of 1.6 million per year? Must this Government actually encourage women to choose this tragic procedure?

While the administration has claimed that repeal of the Hyde amendment will allow States flexibility to fund or not to fund abortions, this is untrue. Unless the Department of Health and Human Services designates abortions as an optional procedure, or treats abortion differently from all other Medicaid services by paying for them entirely with Federal funds—rather than requiring a State match—States would be required to participate in providing abortions on demand, or lose Federal Medicaid reimbursement.

Mr. Chairman, how often have we been told that abortion is a personal and private decision that should be made without the interference of Government? Yet when it comes to paying for abortion, the proabortionists are all for Government involvement—the more the better.

The Federal Government has no business coercing tax dollars from American citizens whose conscience forbids supporting abortion. I urge my colleagues to vote in favor of the Hyde amendment and prevent this Nation from becoming a slaughterhouse for unborn children.

Mr. Chairman, I also ask unanimous consent for a 1-hour special order tonight.

The CHAIRMAN. The gentleman will have to make his request in the House for the 1-hour special order tonight. However, his remarks may be put in the RECORD.

Mr. HYDE. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, I rise in strong support of the Hyde-Natcher amendment.

As a pro-life lawmaker who deeply believes in the sanctity, wonder, beauty, and innate preciousness of every human life regardless of the circumstances as to how one came to be, I rise in strong support of the Hyde-Natcher amendment, notwithstanding its inclusion of abortion funding for rape and incest, because I believe the amendment represents the only viable options available to shield and protect hundreds of thousands of children from the violence of abortion.

Absent the Hyde-Natcher amendment approximately half a million babies would be killed by abortion at a cost to the taxpayer that would exceed $100 million per year.

Without Hyde-Natcher, tens of millions of taxpayers who are morally opposed to abortion on demand would be forced to subsidize the abuse, mutilation, and deaths of over half a million babies each year. That's like destroying every man, woman, or child in your congressional district—or mine—each year with taxpayers footing the bill.

At a time when spending is being reduced in many vital areas of the budget, it is unconscionable that the proabortion lobby wants to establish a brand new entitlement program for abortion on demand. Talk about misplaced priorities. Let me assure Members that tens of millions of taxpayers of conscience—who fervently believe that protecting unborn children from all manner of harm is the very least a sane and compassionate society can do—bitterly resent being forced to pay abortionists to dismember hundreds of thousands of fragile little babies with razor blade tipped suction machines each as potent as the combined power of over 30 household vacuum cleaners.

A majority of Americans want no part of funneling funds to abortionists who pump hypodermic needles dripping with chemical poisons into children's bodies so as to procure their death. Unborn babies should be nurtured, embraced, cared for, and yes, even loved, not injected with chemical poison.

Let us look beyond the pious platitudes of choice and the easy sophistry of the multi-million-dollar abortion lobby. Abortion on demand is child abuse. To the unsuspecting baby, an abortion mill is a virtual chamber of horrors—and we can only surmise that if the child could articulate his or her feelings would say, "please, get me out of here. Get me out of this chamber of horrors."

I've known several women who have had abortions. They, too, are victims. They are part of America's walking wounded. Some have been hurt physically, others emotionally, while some have been hurt on both counts. There are two victims in every abortion.

Finally let me underscore the fact that over the past decade and a half, the Hyde amendment has saved the lives of over 1 million children.

If you took all the kids saved by the Hyde amendment, some of whom are teenagers now, you could fill RFK stadium 20 times to overflowing. One Jewish philosopher once said, to save one life is to save the universe. Mr. HYDE and those who have backed his courageous leadership can take some encouragement in knowing that at least 1 million children—children who live in cities and towns all across America—going to school, playing soccer, basketball, baseball, going to Burger King and Taco Bell, kids who laugh, cry, enjoy the beach and the boardwalk—all because Federal funds were unavailable to destroy them when they were most vulnerable.

Search your hearts, I say to my colleagues. Is there any Member who regrets that these kids had their lives spared?

If not, then please join us in sparing another generation of vulnerable babies—so they too can grow old to laugh, learn, love, and play, and taste the sunshine.

Mr. Chairman, I ask the Members to support the Hyde amendment.

Mr. HYDE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I want to say to my friends on the other side, especially those that debated opposite my position, that I am sincerely glad they were born and they avoided being aborted. I am delighted they are here. They have added to the civilization we live in.

About those people that say the poor are discriminated against, you know what we do? We tell poor people, "You can't have a job, you can't have a good education, you can't have a decent place to live. I will tell you what we will do. We will give you a free abortion.

And I tell you, if you read the literature, that is what is said, and that is what is done. The poor children are——

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I do not have the time.

Mrs. COLLINS of Illinois. I am offended by that kind of debate.

The CHAIRMAN. The Committee will be in order. The gentleman from Illinois [Mr. HYDE] has the time, although it must only be about 10 or 15 seconds left.

Ms. WATERS. Mr. Chairman will the gentleman yield?

The CHAIRMAN. The gentleman has less than 10 seconds remaining at this point.

Mr. HYDE. Mr. Chairman, we cannot save the unborn of the rich. If the rich pregnant woman wants to destroy the child in her womb, she can. Thank God we can save some of the children of the poor, and that is what I want to do.

Mrs. COLLINS of Illinois. Mr. Chairman, I move that the gentleman's words be taken down in total.

The CHAIRMAN. The Chair must advise the gentlewoman that between the time that the words she wishes to have taken down occurred and her request, the gentleman made further statements. In other words, further debate occurred. So the gentlewoman, unfortunately, from her perspective, comes too late in the proceeding in order to take down the words.

The Chair would announce that there is 1 minute remaining, controlled by the gentlewoman from Colorado [Mrs. SCHROEDER], for debate.

Mrs. COLLINS of Illinois. Mr. Chairman, I ask for a point of personal privilege, inasmuch as the gentleman referred to me.

The CHAIRMAN. The Chair must advise the gentlewoman that is not in order in the Committee of the Whole. A request to address the House would be in order when the House is meeting as the full House of Representatives.

Mrs. COLLINS of Illinois. Which I so intend to do, Mr. Chairman.

Mrs. SCHROEDER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I yield myself the remaining minute to try to bring some dignity back to this. I say to the gentleman from Illinois [Mr. HYDE], women are not beasts, and that is what we are really hearing here. We are being made to develop and debate an amendment we did not see, we did not know about, on an appropriation bill where the rules of this House say it does not belong.

This is supposed to happen in the authorization bill.

Mr. Chairman, this is very sad, because what it is really saying is that if we do not do this, if this body does not stop and do this, women in this country can never be trusted to use any judgment, officials cannot be trusted to use any judgment, and I think that is why the passions are running so high here. We think women do have judgment.

Mr. Chairman, it seems to me that when the 19th amendment passed, we should have been equal beings. But we are hearing that we have got to go through these incredible procedural backflips to try to put all these restrictions on because women of America cannot be trusted.

Mr. Chairman, this belongs in the authorization committee, not the Appropriations Committee. Vote "aye" on the motion to rise.

Mr. LEVIN. Mr. Chairman, my vote against the Hyde amendment reflects two points:

First, in cases of rape, incest, or threat to the life of the mother, the way the amendment is worded, an individual facing a personal decision could become dependent on action by unnamed Government officials. I do not favor entangling a private individual in the mentioned circumstances facing such a personal decision in bureaucratic redtape.

Second, this sensitive and important question of use of tax moneys for an indigent woman to undertake a procedure legal under Federal law needs, and deserves to be reviewed, not in isolation or in very constricted debate as true here. Instead, it deserves careful and full consideration of all the facts and of various alternatives. It also needs to be considered in connection with overall health reform and any new framework which may be considered thereunder. I hope that such consideration will occur in the weeks and months ahead, and I will approach this important issue with care and sensitivity, looking at the full range of options.

Ms. WOOLSEY. Mr. Chairman, I rise today to urge my colleagues on both sides of the aisle to vote in support of the Labor, HHS appropriations bill without the Hyde amendment language.

For many women in America, the legal right to reproductive choice means nothing. Because their State and the Federal Government do not pay for a full range of reproductive services, they are essentially denied the right to a safe, legal abortion. Today, we have a chance to begin to dismantle the two-tiered system of health care that exists in this country.

Sadly, what has occurred since the enactment of the Hyde amendment is that some women are forced to put off having an abortion while they try to gather enough money to pay for one. The result has been an increase in later-term abortions and a significant risk to the woman's health.

Many other women, feeling desperate, have attempted to self-induce abortions, or seek illegal abortions.

Let us protect women's health, not endanger it. Pass the Labor-HHS bill with no restrictions.

Ms. ESHOO. Mr. Chairman, I rise in strong opposition to the Hyde amendment.

Quite simply, this amendment is about women's rights—the rights of all women.

I am shocked and frankly appalled that my colleague from Illinois laments his inability to control a wealthy woman's reproductive rights, but takes satisfaction in controlling a poor woman's reproductive rights.

Since when do we take satisfaction in promoting a two-tier system in a nation that stands for liberty and justice for all?

Since when do we not strive for equal protection? All women deserve equal protection under the law, regardless of whether they are rich or poor.

This debate is not about abortion, Mr. Chairman, it is about an elite minority trying to control a powerless majority.

This body cannot allow this to happen.

I strongly urge my colleagues to defeat this amendment.

Mr. EMERSON. Mr. Chairman, if there is anything certain about abortion politics in this country, it's that Americans are deeply divided. Whether they consider themselves pro-choice, pro-live, pro-child, pro-woman, pro-family or pro-anything else, a consistent majority of Americans continue to oppose abortion on demand. Many people are not quite sure how they feel about abortion—they believe abortion is morally wrong, but they don't quite feel comfortable prohibiting all abortions. Many of these same people are certain about one thing, though—they certainly don't want to pay for those abortions.

The Appropriations Committee prohibited the use of Federal funds for abortions except for two circumstances: When the life of the mother is at stake, or when the pregnancy results from rape or incest. This language should be retained when the House considers the Labor-HHS-appropriations bill later today. Federal dollars have no place in America's abortion dilemma.

Time and again, abortion supporters said they want to keep Government out of abortion decisions. If that is what they truly want, then they will agree that we should keep Government dollars—hard-earned taxpayer dollars—out of the abortion business.

Mrs. UNSOELD. Mr. Chairman, I rise in support of the Labor-HHS-Education appropriations bill.

Today, we face a momentous decision. Should we allow all American women full access to their reproductive health options—or should we continue this ludicrous policy of privilege by paycheck?

Under Hyde amendment, poor women with unwanted pregnancies face barriers that middle income and wealthy women don't. For a woman on Medicaid, a decision to have an abortion may well mean sacrificing food and clothing for the whole family. It may mean risking her health and delaying the abortion until she can save up money. It may even mean seeking an illegal or self-induced abortion—some of which have proven fatal.

These are not decision anyone should be forced to make. Every woman, regardless of income, should have full access to her reproductive health options.

Ms. HARMAN. Mr. Chairman, I rise in support of the motion to rise.

As the mother of four I know that reproductive health care is central to a woman. Often it is the first type of care a woman seeks. For many women, it is the only primary health care they receive. Since the 1973 *Roe* v. *Wade* decision, women in the United States have had the legal right to choose in carefully delineated circumstances. But do all women really have that right?

For many women in this country, the legal right to choose is meaningless because they have no practical access to the full range of reproductive services. The restriction imposed by the Hyde amendment has had a devastating effect upon low income women. The lack of abortion coverage for women who depend on federal government for their health care perpetuates a two-tiered system of health care in this country.

Providing some reproductive health services, but not others, is a form of coercion and inappropriately inserts government in what should remain a private decision. Today we have the opportunity to restore equity to women's health care, to keep the Federal Government neutral, and thereby make the legal right to choose reality for all women and their families.

I urge an aye vote on the motion to rise.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in opposition to the amendment being offered by my colleagues from Illinois which would prevent Medicaid coverage of abortions except in cases of rape, incest, or to save the life of a woman.

This is a nefarious amendment because it singles out poor women and prevents them from access to the full, legal reproductive health options that women who are not dependent on Medicaid have. Clearly, a pregnant woman is the one and only person who understands what is best for her and she, in consultation with her family, friends and clergy, is the one who should make the reproductive choices concerning her body and her health.

For the U.S. Government to take advantage of a women's financial vulnerability as a way to coerce her into making certain personal decisions is unfair, unjust and un-American. I urge my colleagues to defeat this devastating amendment.

Ms. MARGOLIES-MEZVINSKY. Mr. Chairman, the Hyde amendment obstructs. The Hyde amendment impedes. The Hyde amendment stands in the way of American women and our right to control our own bodies.

The Hyde amendment only serves to punish low-income women who cannot afford an abortion, often with devastating and tragic results.

Today, we can reverse this gross inequity; today, my fellow Americans, we must overturn the Hyde amendment.

Next week, the militant and extremist Operation Rescue will come to Philadelphia to once again try and inflict their terrorist tactics upon us, the women of America.

Operation Rescue obstructs. Operation Rescue impedes. Operation Rescue stands in the way of American women and our right to control our own bodies.

And Operation Rescue next week in Philadelphia will fail.

But securing access to clinics is only half the battle. Access means nothing to women without the means to afford reproductive services. The right to control our own bodies is a right for all women—not just for the wealthiest. And this right will remain elusive unless today we repeal the Hyde amendment.

Mr. GLICKMAN. Mr. Chairman, my support of the Hyde amendment today is based solely and exclusively on the fact that it permits publicly funded medical abortions in the cases of rape, incest, or where the mother's life is at stake. For years I have taken the public position that taxpayer dollars for abortions ought to be limited to those cases only, and not to include all abortions. I recognize that this distinction could be prejudicial in some cases to poor women, but the fact remains that taxpayer dollars should be used only in those cases where there is a reasonable public consensus. The overwhelming majority of the American people do not want their tax dollars used for all abortions; but they do support the use of public funds in those limited cases where the life of the mother is at stake, and where the woman is the victim of rape or incest.

I remain convinced that a woman's right to choose is, and should continue to be protected by the Constitution under the doctrine of Roe versus Wade, and for that reason I support the Freedom of Choice Act to protect that right. I supported that bill when it was reported out of the Judiciary Committee last month.

The subject of abortion is an extremely complex and gut-wrenching one for me personally. My belief in a woman's right to choose, however, is not inconsistent with my strong conviction that abortions should be safe, legal, but rare. Government should not be encouraging abortion; rather it should be acting in ways to promote adoption as well as universal health care—both of which will discourage people from considering abortions. I will continue to fight for these constructive alternatives.

The CHAIRMAN. All time for debate has expired.

The Clerk will read the remaining sentence of the bill.

The Clerk read as follows:

This Act may be cited as the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1994".

Mr. NATCHER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The CHAIRMAN. The question is on the motion to rise and report offered by the gentleman from Kentucky [Mr. NATCHER].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HYDE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 244, not voting 6, as follows:

[Roll No. 306]

AYES—190

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Barca
Barrett (WI)
Becerra
Beilenson
Berman
Bishop
Blackwell
Boehlert
Bonior
Boucher
Brooks
Brown (CA)
Brown (FL)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Coyne
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Faleomavaega
(AS)
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Gordon
Green
Gutierrez
Hamburg
Harman
Hastings
Hefner
Hilliard
Hinchey
Hochbrueckner
Horn
Hoyer
Hughes
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson, E. B.
Johnston
Kennedy
Kennelly
Klein
Kopetski
Kreidler
Lambert
Lantos
LaRocco
Lehman
Levin
Lewis (GA)
Long
Lowey
Machtley
Maloney
Margolies-
Mezvinsky
Markey
Martinez
Matsui
McCurdy
McDermott
McKinney
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Molinari
Moran
Morella
Nadler
Neal (NC)
Norton (DC)
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Pickett
Pickle
Pomeroy
Price (NC)
Rangel
Reed
Reynolds
Richardson
Romero-Barcelo
(PR)
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slaughter
Smith (IA)
Snowe
Stark
Stokes
Strickland
Studds
Swift
Synar
Thompson
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—244

Allard
Applegate
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Borski
Brewster
Browder
Brown (OH)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clement
Clinger
Coble
Collins (GA)
Combest
Cooper
Costello
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Glickman
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hoagland
Hobson
Hoekstra
Hoke
Holden
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (SD)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kyl
LaFalce
Lancaster
Laughlin
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Mann
Manton
Manzullo
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McKeon
McNulty
Meyers
Mica

Michel
Miller (FL)
Mollohan
Montgomery
Moorhead
Murphy
Murtha
Myers
Natcher
Neal (MA)
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Regula
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Rowland
Royce
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Skelton
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torkildsen
Underwood (GU)
Upton
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—6

Dooley
Henry
McMillan
Minge
Moakley
Skeen

□ 1457

Mr. YOUNG of Alaska changed his vote from "aye" to "no."

So the motion to rise and report was rejected.

The result of the vote was announced as above recorded.

Mr. NATCHER. Mr. Chairman, after the amendment of the gentleman from Illinois [Mr. HYDE] is offered, I ask unanimous consent that the time to be consumed on the amendment be limited to 30 minutes, equally divided, with 15 minutes controlled by the gentleman from Illinois [Mr. PORTER] and 15 minutes by myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Ms. BROWN of Florida. I object, Mr. Chairman.

The CHAIRMAN. The Chair can only recognize one individual at a time. Did the gentlewoman from Colorado [Mrs. SCHROEDER] reserve the right to object?

Mrs. SCHROEDER. Mr. Chairman, I believe many Members already objected. I do not believe I need to reserve the right to object.

Ms. BROWN of Florida. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. HYDE. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin [Mr. OBEY] have 3 minutes to explain his views on this issue because he was going to offer a substitute and has agreed to withhold if he can explain what he wanted to do, and I am certainly willing to do that. I would hope that he would be given the 3 minutes, and then my amendment could be read.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Ms. BROWN of Florida. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. HYDE

Mr. HYDE. Mr. Chairman, I offer an amendment.

□ 1500

The CHAIRMAN. Let the Chair remind Members of the status of our procedural situation. The gentleman from Illinois [Mr. HYDE] has offered his amendment. It will be read by the Clerk. At that point we will turn to a vote in the absence of a unanimous consent request for time to debate. No time is allocated at this point in the proceedings. The Chair has recognized the gentleman from Illinois to offer the amendment and will ask the Clerk to read. In the absence of a point of order or otherwise, the Chair must have the Clerk read at this point.

Mr. WAXMAN. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from California [Mr. WAXMAN] reserves a point of order on the amendment.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HYDE of Illinois: On page 62, after line 10, add the following new section:

SEC. 507. None of the funds appropriated under this Act shall be expended for any abortion except when it is made known to the federal entity or official to which funds are appropriated under this Act that such procedure is necessary to save the life of the mother or that the pregnancy is the result of an act of rape or incest.

The CHAIRMAN. The Chair will inquire if the gentleman from California [Mr. WAXMAN] wishes to pursue his point of order, and if the chairman of the full committee wishes to address that issue, the Chair of course will recognize the chairman of the full committee.

The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I would like to renew my request for 30 minutes, 15 minutes per side for debate on the amendment just reported, with 15 minutes controlled by the gentleman from Illinois [Mr. HYDE] and 15 minutes controlled on this side.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Is the gentlewoman from Colorado reserving the right to object?

Mrs. SCHROEDER. Mr. Chairman, reserving the right to object, who will control the time on this side?

Mr. NATCHER. Mr. Chairman, if the gentlewoman will yield, I will control the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. NATCHER]?

Mr. FAZIO. Mr. Chairman, reserving the right to object, it is my understanding both the gentleman controlling the time are proponents of the amendment, and I believe that the opponents of the amendment should be granted additional time.

Mr. NATCHER. Mr. Chairman, let me renew my request.

Mr. Chairman, I ask unanimous consent that 30 minutes be set aside for debate on this amendment, that 15 minutes of that time be controlled by the gentleman from Illinois [Mr. HYDE] and that 15 minutes be controlled by the gentlewoman from Colorado [Mrs. SCHROEDER].

Mr. FAZIO. Mr. Chairman, I withdraw my reservation of objection.

Mr. OBEY. Reserving the right to object, Mr. Chairman, I do so to simply ask the chairman who propounded the proposition a question and to make this statement: If we agree to the gentleman's comments, I want it understood why I would then not be introducing the amendment that I told the House I was going to introduce. I feel I owe it to the membership of the House to explain why I will not be offering that amendment.

The amendment that I was going to offer as a substitute for the amendment offered by the gentleman from Illinois would have made an attempt to distinguish between trimesters so that there would have been no right to obtain a federally funded abortion in the last trimester except in the case of a threat to the life of the woman. But there would have been an opportunity to obtain federally funded abortions in the first two trimesters when you had a threat to either the life or the health of the woman or when the pregnancy was subject to rape or incest.

I personally believe that is where this conference in the end will wind up. But I think it is impossible to debate the issue in a rational way in this forum on this day under these circumstances. And so I will not offer that amendment.

Mr. LINDER. Mr. Chairman, reserving the right to object, is it correct that this is a nondebatable motion unless it is debated in the unanimous-consent request?

The CHAIRMAN. The gentleman is correct, there will be no debate on this amendment unless this or another unanimous-consent request is agreed to.

Mr. LINDER. Mr. Chairman, I object.

The CHAIRMAN. The gentleman objects to the unanimous-consent request. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The Chair will recognize the gentleman from Illinois [Mr. YATES], a member of the Appropriations Committee for a parliamentary inquiry, but would state first that still pending is the reservation of the gentleman from California [Mr. WAXMAN], who has reserved a point of order against the amendment.

Mr. YATES. Mr. Chairman, that is the basis for my parliamentary inquiry. Is the point of order still pending?

The CHAIRMAN. The point of order has not been made. The gentleman reserved a point of order, and we will have to proceed to that in the absence of other procedures here.

Mr. YATES. I should like to reserve a point of order as well, Mr. Chairman.

Mr. SOLOMON. Mr. Chairman, regular order.

The CHAIRMAN. Regular order. Regular order at this point is the reservation of the point of order. Does the gentleman from California [Mr. WAXMAN] or the gentleman from Illinois [Mr. YATES] wish to pursue the point of order against the amendment of the gentleman from Illinois [Mr. HYDE]?

Mr. WAXMAN. Mr. Chairman, I will not pursue my point of order.

Mr. YATES. I will pursue my point of order.

The CHAIRMAN. The Chair could not hear the gentleman.

Mr. YATES. Mr. Chairman, I will pursue my point of order.

The CHAIRMAN. The gentleman indicates that he will pursue the point of order. The gentleman will state his point of order.

Mr. WALKER. Mr. Chairman, point of order is not timely.

The CHAIRMAN. The Chair will indicate that a reservation by one Member of a point of order that right for all Members until a point of order is disposed of.

Therefore, as long as Mr. WAXMAN held a point of order in reservation, any other Member could ride on that reservation. That is what the gentleman from Illinois [Mr. YATES] has done.

Does the gentleman wish to pursue his point of order?

Mr. YATES. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. HYDE].

The question was taken; and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. HYDE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 255, noes 178, not voting 7, as follows:

[Roll No. 307]

AYES—255

Allard
Applegate
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bonior
Borski
Brewster
Browder
Brown (OH)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chapman
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Costello
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Gallegly
Gallo
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gingrich
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hayes
Hefley
Hefner
Herger
Hoagland
Hobson
Hoekstra
Hoke
Holden
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson (SD)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kyl
LaFalce
Lancaster
Laughlin
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Mann
Manzullo
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McHale
McInnis
McKeon
McNulty
Mica
Michel
Miller (FL)
Mollohan
Montgomery
Moorhead
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Regula
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Rowland
Royce
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Sharp
Shaw
Shuster
Skelton
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torkildsen
Underwood (GU)
Upton
Valentine
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Weldon
Whitten
Wolf
Young (AK)
Young (FL)
Zeliff

NOES—178

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Barrett (WI)
Becerra
Beilenson
Berman
Bishop
Blackwell
Boehlert
Boucher
Brooks
Brown (CA)
Brown (FL)
Bryant
Byrne
Cantwell
Cardin
Carr
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Coyne
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gejdenson
Gilman
Gonzalez
Green
Greenwood
Gutierrez
Hamburg
Harman
Hastings
Hilliard
Hinchey
Hochbrueckner
Horn
Hoyer
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson, E. B.
Johnston
Kennedy
Kennelly
Klein
Kopetski
Kreidler
Lambert
Lantos
LaRocco
Lehman
Levin
Lewis (GA)
Lowey
Machtley
Maloney
Margolies-Mezvinsky
Markey
Martinez
Matsui
McCurdy
McDermott
McHugh
McKinney
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Mink
Molinari
Moran
Morella
Nadler
Norton (DC)
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Pickett
Pickle
Price (NC)
Rangel
Reed
Reynolds
Richardson
Romero-Barcelo (PR)
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Shays
Shepherd
Sisisky
Skaggs
Slaughter
Smith (IA)
Snowe
Stark
Stokes
Strickland
Studds
Swift
Synar
Thompson
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Velazquez
Vento
Washington
Waters
Watt
Waxman
Wheat
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zimmer

NOT VOTING—7

Henry
Jacobs
Manton
McMillan
Minge
Moakley
Skeen

☐ 1526

Mr. MURPHY changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. NATCHER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SHARP, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2518) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1994, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. ARMEY. Mr. Speaker, I demand a separate vote on the Goodling-Gordon amendment and on the Hyde amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 46, beginning on line 2, strike "direct loans as authorized by title IV, part D, of the Higher Education Act, as amended," and insert the following: "the direct loan demonstration program authorized by section 451 of Public Law 102-325 (106 Stat. 569),".

Mr. ARMEY (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ARMEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

PARLIAMENTARY INQUIRY

Mr. ARMEY. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ARMEY. Does the Speaker intend to announce a 5-minute vote following the vote on the amendment?

The SPEAKER. The Chair will inform the gentleman that the demand for a recorded vote on the Gordon amendment did not receive sufficient support from Members on the floor, 44 Members not having arisen.

☐ 1530

Mr. ARMEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The Chair wishes to inform the House that if a vote is ordered on the so-called Hyde amendment, the Chair will reduce the time to 5 minutes. Fifteen minutes is allowed on the present amendment on which a vote by the yeas and nays has been ordered, and 5 minutes will be allowed on any recorded vote ordered on the Hyde amendment.

The vote was taken by electronic device, and there were—yeas 397, nays 28, answered "present" 1, not voting 8, as follows:

[Roll No. 308]

YEAS—397

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Ford (MI)
Ford (TN)
Fowler
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Hefner
Herger
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Sabo
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schenk
Schiff
Schroeder
Scott
Sensenbrenner
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—28

Beilenson
Berman
Carr
Collins (MI)
Conyers
Coyne
DeFazio
Durbin
Foglietta
Frank (MA)
Gejdenson
Hastings
Hilliard
Nadler
Obey
Pelosi
Rush
Sanders
Schumer
Serrano
Stark
Studds
Synar
Washington
Waters
Watt
Wyden
Yates

ANSWERED "PRESENT"—1

Baker (CA)

NOT VOTING—8

Dingell
Henry
Kaptur
McMillan
Minge
Moakley
Schaefer
Skeen

☐ 1549

Mrs. MEEK and Messrs. MARTINEZ, BAESLER, and CLAY changed their vote from "nay" to "yea."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1550

The SPEAKER. The Clerk will report the second amendment for which a separate vote has been demanded.

The Clerk read as follows:

Amendment: On page 62, after line 10, add the following new section:

SEC. 507. None of the funds appropriated under this Act shall be expended for any abortion except when it is made known to the Federal entity or official to which funds are appropriated under this Act that such procedure is necessary to save the life of the mother or that the pregnancy is the result of an act of rape or incest.

Mr. ARMEY (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ARMEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The Chair informs the House that this vote will be reduced to 5 minutes.

The vote was taken by electronic device, and there were—yeas 256, nays 171, not voting 8, as follows:

[Roll No. 309]

YEAS—256

Allard
Applegate
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bonior
Borski
Brewster
Browder
Brown (OH)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chapman
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Costello
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Gallegly
Gallo
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gingrich
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hayes
Hefley
Hefner
Herger
Hoagland
Hobson
Hoekstra
Hoke
Holden
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (SD)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kyl
LaFalce
Lancaster
Laughlin
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Mann
Manton
Manzullo
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McHale
McInnis
McKeon
McNulty
Mica
Michel
Miller (FL)
Mollohan
Montgomery
Moorhead
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Regula
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Rowland
Royce
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Sharp
Shaw
Shuster
Skelton
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torkildsen
Upton
Valentine
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Weldon
Whitten
Wolf
Young (AK)
Young (FL)
Zeliff

NAYS—171

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Barrett (WI)
Becerra
Beilenson
Berman
Bishop
Blackwell
Boehlert
Boucher
Brooks
Brown (CA)
Brown (FL)
Bryant
Byrne
Cantwell
Cardin
Carr
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Coyne
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dixon
Dooley
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gejdenson
Gilman
Gonzalez
Green
Greenwood
Gutierrez
Hamburg
Harman
Hastings
Hilliard
Hinchey
Hochbrueckner
Horn
Hoyer
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson, E. B.
Johnston
Kennedy
Kennelly
Klein
Kopetski
Kreidler
Lambert
Lantos
LaRocco
Lehman
Levin
Lewis (GA)
Lowey
Machtley
Maloney
Margolies-Mezvinsky
Markey
Martinez
Matsui
McCurdy
McDermott
McHugh
McKinney
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Mink
Molinari
Moran
Morella
Nadler
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Pickett
Pickle
Price (NC)
Rangel
Reed
Reynolds
Richardson
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Schenk
Schroeder
Schumer
Scott
Serrano
Shays
Shepherd
Sisisky
Skaggs
Slaughter
Smith (IA)
Snowe
Stark
Stokes
Strickland
Studds
Swift
Synar
Thompson
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Velazquez
Vento
Washington
Waters
Watt
Waxman
Wheat
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zimmer

NOT VOTING—8

Dingell
Flake
Henry
McMillan
Minge
Moakley
Sawyer
Skeen

☐ 1600

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

MOTION TO RECOMMIT OFFERED BY MR. LIVINGSTON

Mr. LIVINGSTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LIVINGSTON. Mr. Speaker, I am, as it is presently written, that is correct.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LIVINGSTON of Louisiana moves to recommit the bill, H.R. 2518 to the Committee on Appropriations with instructions to report back the same to the House forthwith with the following amendment:

On page 62, after line 10, insert the new section:

SEC. 507. The amounts otherwise appropriated in the Act for the following accounts and activities are hereby revised by the following amounts:

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

Program Administration—$8,098,000, for general funds.

Training and Employment Services—$911,606,000.

Community Service Employment for Older Americans—$20,440,000, proportionately.

State Unemployment Insurance and Employment Service Operations—$276,631,000, for trust funds.

PENSION AND WELFARE BENEFITS ADMINISTRATION

Salaries and expenses—$571,000.

EMPLOYMENT STANDARDS ADMINISTRATION

Salaries and expenses—$4,720,000.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

Salaries and expenses—$6,390,000.

MINE SAFETY AND HEALTH ADMINISTRATION

Salaries and expenses—$2,361,000.

BUREAU OF LABOR STATISTICS

Salaries and expenses—$9,796,000.

DEPARTMENTAL MANAGEMENT

Salaries and expenses—$108,000.

Veterans Employment and Training—$4,376,000.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

Health Resources and Services—$261,624,000.

Health Education Assistance Loans Program—$1,310,000.

CENTERS FOR DISEASE CONTROL

Disease control, research and training—$246,637,000.

NATIONAL INSTITUTES OF HEALTH

National Cancer Institute—$102,926,000.

National Heart, Lung and Blood Institute—$63,165,000.

National Institute of Dental Research—$8,379,000.

National Institute of Diabetes and Digestive and Kidney Diseases—$35,394,000.

National Institute of Neurological Disorders and Stroke—$31,173,000.

National Institute of Allergy and Infectious Diseases—$81,373,000.

National Institute of General Medical Sciences—$43,276,000.

National Institute of Child Health and Human Development—$27,443,000.

National Eye Institute—$14,347,000.

National Institute of Environmental Health Sciences—$13,062,000.

National Institute on Aging—$20,775,000.

National Institute of Arthritis and Musculoskeletal and Skin Diseases—$11,027,000.

National Institute on Deafness and Other Communication Disorders—$8,048,000.

National Institute on Nursing Research—$2,522,000.

National Institute on Alcohol Abuse and Alcoholism—$9,175,000.

National Institute on Drug Abuse—$21,018,000.

National Institute on Mental Health—$30,322,000.

National Center for Research Resources—$16,258,000.

National Center for Human Genome Research—$12,896,000.

John E. Fogarty International Center—$2,525,000.

National Library of Medicine—$14,868,000.

Office of the Director—$34,212,000.

Buildings and Facilities—$5,654,000.

Substance Abuse and Mental Health Services Administration

Alcohol, Drug Abuse, and Mental Health—$52,364,000.

Assistant Secretary for Health

Office of the Assistant Secretary of Health—$7,479,000.

Agency for Health Care Policy Research

Health Care Policy Research—$20,000,000.

Social Security Administration

Limitation on Administrative Expenses—$771,184,000.

Administration for Children and Families

Refugees and Entrant Assistance—$18,519,000.

Children and Families Services Programs—$511,414,000.

Administration on Aging

Aging Services Programs—$3,199,000.

Office of the Secretary

General Departmental Management—$5,041,000, proportionately from general and trust funds.

DEPARTMENT OF EDUCATION

Education Reform—$133,750,000.

Compensatory Education for the Disadvantaged—$162,161,000, of which $144,161,000 is from basic grants and $18,000,000 is from concentration grants.

Impact Aid.—$62,920,000, from payments under section 3(a).

Bilingual and Immigrant Education.—$17,044,000.

Special Education.—$73,840,000.

Student Financial Assistance.—$574,257,000.

Higher Education.—$57,056,000.

Departmental Management

Program Administration.—$47,109,000.

Mr. LIVINGSTON (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER. The gentleman from Louisiana [Mr. LIVINGSTON] is recognized for 5 minutes in support of his motion to recommit.

Mr. LIVINGSTON. Mr. Speaker, this motion to recommit would provide for a freeze in funding at the 1993 levels. It is not an across-the-board percentage cut. Every discretionary program funded above fiscal year 1993 levels would be reduced to the 1993 level, even though the subcommittee has done a commendable job of keeping themselves within the 602(B) allocation.

This will mean that approximately $4.8 billion will be cut from this bill, which has $66 billion in discretionary funding alone. I know that this is painful. It is not pleasant for me, for the chairman and the subcommittee were most helpful in addressing concerns of my own. In fact, I asked them to increase funding for Rett's syndrome research and provide for the language encouraging NIH to consider this increase.

Mr. Speaker, there is no better and no fairer person in this House than the chairman, the gentleman from Kentucky [Mr. NATCHER], so this is not an attempt to criticize him or the work of his great subcommittee.

However, to those who claim that we must hold the line in spending and to those who find it easy to vote against things like the super collider, the space station, and the defense of this Nation, you cannot ignore the cost of growth of traditional domestic social programs.

This bill provides increases above the 1993 levels for programs like chapter 1, $162 million over last year. Last year we provided $6.7 billion for Chapter I. This bill provides for a $500 million increase in Head Start, which is a $2.7 billion program, by last year's level. This bill provides $574 million more for student aid, which is a $7.5 billion program.

The point of this motion, Mr. Speaker, is to get at the increase over and above the 1993 levels. With $6.7 billion for chapter 1, $2.7 billion for Head Start, $7.5 billion for student aid, and $10.3 billion at the 1993 level for NIH, it is not as if we are underspending on these programs.

I support these programs, but there have been documented reports of mismanagement, waste, and lack of supervision in some of them. Even the subcommittee report describes problems which must be addressed in the chapter 1 program.

We are always quick to react to negative reports by limiting funding in other Federal programs, but we are reluctant to cut domestic spending programs for any reason. As important as they may be, we cannot afford to allow them to grow without restraint.

Not long ago the people of this Nation spoke, and they said that they did not want business as usual. They want an end to deficit spending and they want government to do more for less, and they want action now. During the next month this Congress will be debating how much to increase taxes, as well as spending. This seems not to be the right order. We should be cutting spending first, and then if all else fails, then we raise taxes.

Soon after the Senate passed its version of reconciliation, in a letter to Cabinet agencies, the Office of Management and Budget Director, Leon Panetta, said, and I quote: "With adoption of an economic plan, both the administration and Congress must be committed to enforcing the deficit reduction targets and to maintain credibility to this effort."

He went further and directed agency heads to propose ways to slash spending by 10 percent in fiscal year 1995 discretionary programs.

Why does this Nation and the American taxpayer have to pay more now and wait until fiscal year 1995 for spending reductions? If we are serious about reducing the deficit, we should get the ball rolling now. My motion would do just that, so let us begin today by freezing spending at last year's level, and I urge the adoption of my motion to recommit.

The SPEAKER. The Chair recognizes the distinguished chairman of the committee, the gentleman from Kentucky [Mr. NATCHER], in opposition to the motion to recommit.

Mr. NATCHER. Mr. Speaker, the author of this amendment, the gentleman from Louisiana [Mr. LIVINGSTON], is one of the best members of our Committee on Appropriations. I have had the honor to serve with him on our subcommittee. He is one of our good members, but this time, Mr. Speaker, he is on the wrong side.

Mr. Speaker, if this amendment is adopted, this bill would be reduced $4 billion 880 million. Let me point out to the Members where some of these reductions would come.

In the Department of Labor, there would be a substantial reduction of $1 billion 245 million; in the Summer Youth Employment Program, Mr. Speaker, there would be a reduction, if the amendment is agreed to, of $318 million; displaced worker training, if the motion is agreed to, there would be a $551 million reduction; the Job Corps, a $75 million reduction; State unemployment, a $210 million reduction.

Health and Human Services, $2 billion 507 million; for AIDS, Mr. Speaker, acquired immune deficiency syndrome, $483 million would be lost; childhood immunization, the reduction would be $108 million; NIH, for the National Institutes of Health, $610 million; the Cancer Institute, $103 million; Heart, Lung, and Blood, $63 million; Allergy and Infectious Diseases, $82 million; Diabetes, Digestive and Kidney Disease, a reduction of $35 million; the Social Security Administration, the reduction would be $711 million; for Head Start, Mr. Speaker, the reduction in Head Start would be $500 million; for the Department of Education $1.128 billion, Mr. Speaker. For chapter 1, if the motion is agreed to, the reduction would be $162 million; special education for the handicapped, the reduction would be $73 million; student financial aid, $574 million; for impact aid, we would have a reduction, Mr. Speaker, of $63 million.

☐ 1610

Mr. Speaker, on this committee we still maintain that if you take care of the health of your people and continue educating your children, you will live in the strongest country in the world.

Here is where we ought to spend our money, Mr. Speaker. The cold war is over. We ought to spend it on this bill. Here is where the money should be spent to take care of our people.

Mr. Speaker, this bill is closer to the hearts of the people in this country than any one of the 13 appropriation bills that you helped us with and helped us to bring to this House. And I say respectfully to my friend, and he is my friend, Mr. Speaker, this motion should be turned down. And I ask the Members of this House to vote it down.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. LIVINGSTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to the provisions of clause 3 of rule XV, the Chairman announces that he will reduce to a minimum of 5 minutes the period of time within which the vote, by electronic device, if ordered, will be taken on final passage. This will be a 15-minute vote on the motion to recommit with instructions, and a 5-minute vote on final passage.

The vote was taken by electronic device, and there were—yeas 158, nays 267, not voting 9, as follows:

[Roll No. 310]

YEAS—158

Allard
Andrews (TX)
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bereuter
Bliley
Blute
Boehner
Bunning
Burton
Buyer
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Cox
Crane
Crapo
Cunningham
Deal
DeLay
Deutsch
Dickey
Doolittle
Dornan
Dreier
Duncan
Emerson
English (OK)
Ewing
Fawell
Fields (TX)
Fish
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gingrich
Goodlatte
Goss
Grams
Grandy
Greenwood
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Houghton
Huffington
Hunter
Hutchinson
Hutto
Inglis
Inhofe
Inslee
Istook
Jacobs
Johnson, Sam
Kasich
Kim
King
Kingston
Knollenberg
Kolbe
Kyl
Laughlin
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Moorhead
Murphy
Nussle
Orton
Oxley
Packard
Paxon
Penny
Petri
Pombo
Portman
Pryce (OH)
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rohrabacher
Roth
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Upton
Walker
Walsh
Weldon
Wolf
Zeliff
Zimmer

NAYS—267

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Callahan
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
Eshoo
Evans
Everett
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Frost
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Green
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Horn
Hoyer
Hughes
Hyde
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Klug
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Molinari
Mollohan
Montgomery
Moran
Morella
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Parker
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Quillen
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)

NOT VOTING—9

Coleman
Henry
McMillan
Minge
Moakley
Pastor
Rush
Skeen
Torres

☐ 1628

Ms. DUNN changed her vote from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNULTY). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. NATCHER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 305, nays 124, not voting 5, as follows:

[Roll No. 311]

YEAS—305

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Callahan
Cantwell
Cardin
Carr
Chapman
Clay
Clement
Clinger
Clyburn
Coleman
Condit
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeLauro
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Duncan
Durbin
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Frost
Furse
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Goodling
Gordon
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Holden
Horn
Houghton
Hoyer
Hughes
Hutto
Hyde
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee

Kim
Kleczka
Klein
Klink
Klug
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
Laughlin
Lazio
Leach
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCrery
McCurdy
McDade
McDermott
McHale
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mink
Molinari
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Pryce (OH)
Quillen
Rahall
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Schenk
Schiff
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Snowe
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stupak
Sundquist
Swett
Swift
Synar
Tanner
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)

NAYS—124

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Bartlett
Barton
Bereuter
Boehner
Bunning
Burton
Buyer
Byrne
Calvert
Camp
Canady
Castle
Clayton
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Conyers
Cox
Crane
Crapo
Cunningham
DeFazio
DeLay
Dellums
Dickey
Doolittle
Dornan
Dreier
Dunn
Edwards (CA)
Everett
Ewing
Fawell
Fields (TX)
Filner
Franks (NJ)
Gallegly
Gekas
Gillmor
Gingrich
Goodlatte
Goss
Grams
Hamburg
Hancock
Hansen
Hastert
Hefley
Herger
Hoke
Huffington
Hunter
Hutchinson
Inglis
Inhofe
Istook
Johnson, Sam
King
Kingston
Knollenberg
LaRocco
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Manzullo
McCandless
McCollum
McHugh
McInnis
McKeon
McKinney
Meyers
Mica
Michel
Miller (FL)
Mineta
Moorhead
Nussle
Orton
Oxley
Packard
Pallone
Paxon
Petri
Pombo
Portman
Quinn
Ramstad
Roberts
Rohrabacher
Roth
Royce
Saxton
Schaefer
Schroeder
Sensenbrenner
Shuster
Smith (MI)
Smith (OR)
Smith (TX)
Solomon
Spence
Stump
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Walker
Washington
Zeliff
Zimmer

NOT VOTING—5

Henry
McMillan
Minge
Moakley
Skeen

☐ 1639

Mr. TAYLOR of Mississippi and Mr. INGLIS changed their vote from "yea" to "nay."

Ms. CANTWELL changed her vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. FINGERHUT. Mr. Speaker, due to personal business, I was not present during a portion of the House session. Had I been present, I would have voted "no" on the Crane amendment that sought to cut funds appropriated for the Corporation for Public Broadcasting by $640,000.

PERSONAL EXPLANATION

Mr. MINGE. Mr. Speaker, I toured southern Minnesota with Agriculture Secretary Espy. We surveyed the dramatic damage done to towns, businesses, and farms in Minnesota's Second Congressional District, and as a result I missed votes on the floor of the House. I would like to express how I would have voted on a number of the recorded votes for the RECORD. The following votes were taken on amendments to Labor, Health and Human Services, and Education Appropriations for fiscal year 1994. In some cases, there were also votes in the Committee of the Whole, in which there were two votes on the same amendment.

In regards to the Norton amendment, deleting the requirement of the D.C. Fire Department to maintain the current staffing level of 269 fire fighters per 24-hour period, I would have voted "aye." There were two recorded votes regarding the amendment, and for both I would have voted "aye."

In regards to the Istook amendment, prohibiting the expenditure of any funds to implement or enforce the District of Columbia's Domestic Partners Ordinance, I would have voted "aye." There were two recorded votes regarding the amendment, and for both I would have voted "aye."

In regards to the Hyde amendment, prohibiting the use of any funds appropriated in the bill for any abortion except, when it is necessary to save the life of the mother or when the pregnancy is the result of an act of rape or incest, I would have voted "aye." There were two recorded votes regarding the amendment, and for both I would have voted "aye."

In regards to the Gordon amendment, which specifies that funds for the direct student loan demonstration program—estimated at $22 million—should be used only for the direct student loan demonstration program authorized by current law, and not the program contained in the House-passed version of the Budget reconciliation bill, I would have voted "aye."

In regards to the Crane amendment, reducing the appropriation for the Corporation for Public Broadcasting by $292 million, I would have voted "no."

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Edwin Thomas, one of his secretaries.

☐ 1640

ANNOUNCEMENT REGARDING PREPRINTING OF AMENDMENTS ON H.R. 2010

(Mr. DERRICK asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, the Rules Committee has received a request from the Committee on Education and Labor to grant a rule on H.R. 2010, the National Service Trust Act of 1993. A first rule, providing for general debate only, has been reported from the Rules Committee. The second rule may require that amendments be printed in the CONGRESSIONAL RECORD prior to consideration of the bill for amendment. I want to alert Members of this possible requirement for H.R. 2010 so that they are prepared with their amendments.

It is anticipated that the first rule and general debate will be taken up on the floor this week. The second rule will likely be reported the week of July 12 when the House returns from the Fourth of July district work period. Therefore, to fully ensure Members' abilities to offer amendments under the rule, they should have those amendments appear in the CONGRESSIONAL RECORD as soon as possible.

Amendments should be titled "Submitted for printing under clause 6 of rule XXIII (23)" and submitted at the Speaker's table. Amendments do not need to be submitted to the Rules Committee.

AUTHORIZING THE CLERK TO MAKE CORRECTION IN ENGROSSMENT OF H.R. 2491, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1994

Mr. STOKES. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 2491, the Clerk be authorized to make the following substantive correction:

On page 51, line 12, strike "$4,778,400,000" and insert "$4,878,400,000".

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ANNOUNCEMENT REGARDING AVAILABILITY OF DOCUMENTS ON H.R. 2330, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1994

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, I would like to notify all Members of the House that the Classified Schedule of Authorizations and the Classified Annex to the report accompanying H.R. 2330, the Intelligence Authorization Act for fiscal year 1994, are now available for review in the offices of the Intelligence Committee, room H-405 in the Capitol. Access to these documents, which is restricted to Members, will be provided from Monday through Friday between the hours of 8:30 a.m. and 5 p.m.

The committee expects that the intelligence authorization will soon be scheduled for consideration on the House floor. The schedule and annex contain the committee's recommendations on the fiscal year 1994 intelligence and intelligence-related activities budget, and issues pertaining thereto, which cannot be discussed publicly. Accordingly, I urge Members to take time to thoroughly review these documents so that they may be fully informed about the committee's decisions. The Committee staff will be available to provide any assistance Members may require to facilitate their review of the budget-related materials.

COMMENTS ON DEBATE OF ABORTION ISSUE ON H.R. 2518 IN THE COMMITTEE OF THE WHOLE

(Mrs. COLLINS of Illinois asked and was given permission to address the House for 5 minutes.)

Mrs. COLLINS of Illinois. Mr. Speaker, I have asked for this time to address the House even though I know that we are behind schedule on our legislation today. But I feel that I must do so because, when we were discussing the bill for Labor-HHS-Education appropriations, there was a debate going on by the gentleman from Illinois [Mr. HYDE] that dealt with the abortion issue. At that time the gentleman from Illinois [Mr. HYDE], while in the heat of his debate, intimated that he felt that many of us who were Representatives of minority and poor districts did not know what was going on in our districts. He even intimated that perhaps I should get in touch with my clergy so that I would know more about what is going on in my district.

Mr. Speaker, I took that as a very personal offense. I asked the gentleman if he would yield to me so that I could tell him so. He would not yield. When he did not, I asked the Chair if I could have sufficient time on a point of personal privilege to have his words stricken down. The Chair ruled me out of order saying I would have to come to the House as a whole, which we are in now.

Mr. Speaker, it seems to me that all of us sometimes get in very heated debate on this floor on issues that are very important to all of us. However it is my personal view that no Member of this body has authority to direct another Member of this body as to how to serve his or her constituency. It is my belief that there is no person in this Congress today who knows more about my particular district than I think I do. That is because I have represented it for 20 years. The people have sent me back here for 11 terms, and I think they know that I have their interests at heart. For another Member to intimate that I am not familiar with my district is an insult not only to me, but to all the people of the Seventh Congressional District, particularly those on this issue who happen to be poor and who may happen to be minorities as well.

Abortion is the very issue that many people are inflamed about for a number of reasons, but I think, when I speak for my constituency that I know indeed what I say.

I am sorry that I was not able to have the gentleman's words stricken because I think that it does not serve this body and the history of this body to have people read years from now in the CONGRESSIONAL RECORD words which were indeed inflammatory and, I think, insulting to any number of people who happen to be poor, who may or may not be African-American, all of whom are women, in this country.

Mr. Speaker, I hope the gentleman from Illinois [Mr. HYDE] is looking someplace around here at a monitor and perhaps he would be kind enough to have his own words stricken down.

Mr. DELAY. Mr. Speaker, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, has the gentlewoman informed the gentleman from Illinois that she was going to take this time so that he could at least defend himself?

Mrs. COLLINS of Illinois. Mr. Speaker, I reclaim my time.

The gentleman from Illinois [Mr. HYDE] came over to me, and he said that he apologized. I looked at him, and that is all. I did not tell him that I was going to take this time. He did not tell me he was going to insult me, so I did not think I had any reason to tell him what I was going to do.

Now, as far as I am concerned, I think the gentleman was out of order. As my colleagues know, I have to abide by the rules of the House of Representatives. Inasmuch as the time had passed, I was told by the Parliamentarian that I spoke too late. I got up out of my seat, I came over to the microphone, asked the gentleman to yield me time. The gentleman was continuing to talk. The Parliamentarian ruled that because he had gone on to another subject my motion was too late.

Mr. MFUME. Mr. Speaker, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Maryland.

Mr. MFUME. Mr. Speaker and Members, I want to take a moment to express my understanding of the gentlewoman's position.

This is an issue, Mr. Speaker, that obviously has torn at this body and at this Nation for too long, and it is one that will not be resolved today. But the gentlewoman from Illinois [Mrs. COLLINS] makes a point of order with respect to being told as to how she should at least represent the people that she represents.

I do not know how the gentleman from Illinois meant his remarks; I am not going to try to judge that. I can only say that I know how they were received, and I had hoped that the gentleman from Illinois [Mr. HYDE] would have been here, in fact, to answer the question that was raised a moment ago.

Mr. Speaker, I spoke to two Members of the other side to advise the gentleman that this request would be taking place in order that he might be here because it would have been my hope to ask the gentleman to voluntarily withdraw his remarks since the gentlewoman was ruled out of order.

I think it is extremely important, as the gentlewoman has indicated, at least for historical purposes that the record be clear with respect to the inferences of Members and their constituents, and again Mr. HYDE is not here. Perhaps he is on his way. We all have a great deal of respect for him and understanding of his emotional side of this issue, and I am not trying to judge him except to say that the gentlewoman from Illinois on her point of personal privilege is extremely correct. It is an issue that I understand, and I understand her receipt of it and the fact that many women in this body, and, for that matter, many men to some extent, may have felt offended by it.

□ 1650

So I thank the gentlewoman from Illinois for yielding, and I hope that the gentleman from Illinois [Mr. HYDE] is on his way or that someone has gotten word to him, as I tried to do earlier, and that perhaps the gentleman from Illinois, who has been a rather distinguished Member of this body, would see fit to withdraw his own words.

The SPEAKER. The time of the gentlewoman from Illinois [Mrs. COLLINS] has expired.

COMMENTS ON DEBATE OF ABORTION ISSUE ON H.R. 2518 IN THE COMMITTEE OF THE WHOLE

(By unanimous consent, Mr. MFUME was allowed to proceed for 2 minutes out of order.)

Mr. MFUME. Mr. Speaker, I took a great deal of the gentlewoman's time, so I want to at least yield at this time to the gentlewoman from Illinois [Mrs. COLLINS] and ask if she would like to conclude her own remarks.

Mrs. COLLINS of Illinois. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, let me say that that this is a very serious matter, and I feel that in the heat of the debate Members should remember that other Members have constituencies that are equally important to theirs. All our ideas are important. We are a democracy, and the reason we are a democracy is because we come from diverse parts of this country.

Many of us have rural constituencies, and we are not a monolithic body. One Member's thoughts or views on a given issue such as abortion does not necessarily have to be another's. Because we have this kind of a legislative body, that is what makes us great, and I do not think any Member can hold another Member responsible for the way he or she views a matter.

I would hope that all Members keep that in mind, and that in the heat of debate we would not in any way try to denigrate another Member for his or her views.

Mr. DELAY. Mr. Speaker, will the gentleman yield?

Mr. MFUME. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I appreciate the gentleman's yielding.

I was present on the floor when this was going on, and I understand the gentlewoman's being upset. She has every legitimate right to be upset. But I would hope, Mr. Speaker, that the Chair would also accord the gentleman from Illinois [Mr. HYDE] the courtesy to at least defend himself, because I think as we go through this process, we owe to each other the professional courtesy that if we are going to bring up another Member's name, we should at least inform them that we are going to do that so that the Member can be on the floor to defend himself.

Mr. MFUME. Mr. Speaker, I could not agree with the gentleman more. When I found out there would be a unanimous-consent request, as I indicated, I spoke to two Members on the other side. I am hoping that the gentleman from Illinois [Mr. HYDE] will still be here. I think the gentleman will find there is a great deal of support on this side for yielding to him to speak, as long as we are not in the Committee of the Whole, because I think the House rules would then preclude it. But I could not agree with the gentleman more, and I am sure the gentlewoman from Illinois [Mrs. COLLINS] feels the same way.

Mrs. COLLINS of Illinois. Mr. Speaker, if the gentleman will yield, I would say that I certainly do feel the same.

GENERAL LEAVE

Mr. DIXON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include tabular and extraneous material, on the bill, H.R. 2592.

The SPEAKER. Is there objection to the request of the gentleman from Califoria?

There was no objection.

DISTRICT OF COLUMBIA SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1993

Mr. DIXON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2492) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1994, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New York [Mr. WALSH] and myself.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

□ 1654

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2492, with Mr. MFUME in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from California [Mr. DIXON] will be recognized for 30 minutes, and the gentleman from New York [Mr. WALSH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the committee, the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I want to thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the District of Columbia appropriations bill for fiscal year 1994.

This is the ninth appropriation bill for fiscal year 1994 to come before the House. I want to commend the gentleman from California [Mr. DIXON], chairman of the Subcommittee on the District of Columbia of the Committee on Appropriations, and the gentleman from New York [Mr. WALSH], the ranking minority member of the subcommittee, for bringing out an excellent bill.

Mr. Chairman, this is a difficult bill. It provides for the Federal Government's responsibilities in assisting in funding for the District of Columbia.

Many times, Mr. Chairman, there is controversy in this bill, and because of this, it is a difficult bill to develop and manage. The Subcommittee on the District of Columbia has done an excellent job developing this bill.

This is the fourth appropriation bill to be considered this week. We are working some long sessions, and I want to thank all the Members on both sides of the aisle for their cooperation on these bills.

Mr. Chairman, in addition to thanking the distinguished gentleman from California and the gentleman from New York on the other side, I want to thank the Delegate from the District of Columbia, the gentlewoman from the District of Columbia [Ms. NORTON]. She is doing an excellent job.

I had the honor, Mr. Chairman, of serving as chairman of this subcommittee for 16 years. It was a pleasure.

Mr. Chairman, I recommend this bill to the committee.

Mr. DIXON. Mr. Chairman, I thank the distinguished chairman of the committee for his remarks, and I yield myself such time as I may consume.

Mr. Chairman, let me say that although the gentleman from Kentucky [Mr. NATCHER] had many very important responsibilities before he became chairman of the Committee on Appropriations, he sat by my side for at least 10 years as a member of the Subcommittee on District of Columbia Appropriations, and I appreciate his able assistance and support.

Mr. Chairman, I am pleased today to bring to the House floor the District of Columbia appropriations bill for the fiscal year 1994.

First, I want to thank the members of the subcommittee for their support and assistance, and especially the gentleman from New York [Mr. WALSH], the ranking member, for his contributions.

I would like to point out to the membership that this bill is different from the other 12 appropriation bills in two ways: One, it comes to the floor with a balanced budget. The revenues and the expenditures are balanced. And, two, it includes appropriations from three distinct kinds of funding: First, it includes Federal money in the amount of $700 million; two, it includes local taxes and fees; that is, money that the District itself raises, in the amount of $2.9 billion; and three, it includes long-term borrowing authority of $137 million. These amounts from three different sources total $3.7 billion, which is the total amount in this bill.

The other 12 appropriation bills of the House are totally funded by Federal money, and as we approve amendments on this bill, I would like the Members to keep in mind that, Number 1, this is a balanced budget, and Number 2, the larger percentage of money in this bill consists of locally raised revenues.

This bill does not draw all of its funds from the Federal Treasury as the other 12 appropriations bills do.

We also recommend a net increase of $88 million in supplemental appropriations and rescissions for fiscal year 1993 consisting of $266 million in rescissions and $354 million in increases.

These are all District funds—there are no Federal funds involved in the District's fiscal year 1993 supplemental.

For fiscal year 1994, the $700 million in Federal funds is $12 million above last year's appropriation but $5 million below the President's request, and $41 million below the city's request.

This $700 million in Federal funds falls into 3 major categories: $630.6 million for the Federal payment to the general fund based on the formula Federal payment authorization approved 2 years ago in Public Law 102-102; $52.1 million as a Federal contribution to the police, fire, teachers, and judges retirement funds; and $17.3 million for major crime and youth initiatives.

I will take a moment to explain each of these three categories briefly.

Ms. NORTON. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I am happy to yield to the gentlewoman from the District of Columbia.

Ms. NORTON. Mr. Chairman, would the gentleman be so kind as to enter into a colloquy with me for the purpose of clarifying the dollar amount and categories of the Federal payment for fiscal year 1994?

Mr. DIXON. Yes, I would be pleased to enter into a colloquy with the gentlewoman.

□ 1700

Ms. NORTON. Mr. Chairman, according to the most recent GAO report and analysis of funds raised by the District of Columbia in 1992, the Federal payment for fiscal year 1993 is $653 million as of today rather than the $630 million amount that was relied upon by the Appropriations Committee. In-depth audits are proceeding so that the $653 million formula amount may increase somewhat but it will not be less than the $653 million the GAO analysis has already documented.

The basis for this figure is as follows. The GAO has included in its report regarding the Federal payment to the District for fiscal year 1994, its analysis of two additional revenue categories, charges for services and miscellaneous, which were excluded from the GAO report on the Federal payment for fiscal year 1993. The reason for their exclusion from the fiscal year 1993 report is clarified on pages 5 and 6 and appendix III of the GAO report for fiscal year 1994, in the section entitled additional analysis. Included in this section of the GAO report is only a portion of a May 24, 1993, letter from former District of Columbia Committee Chair RONALD V. DELLUMS clarifying why his letter to you in June 1992 could not authorize the inclusion of the two additional revenue categories, charges for services and miscellaneous as part of the revenue base for the determination of the Federal payment for fiscal year 1993. The GAO has Mr. DELLUMS' letter in its entirety.

If I may Mr. Chairman, I would like to read to you that part of the letter in which Chairman DELLUMS clarifies his reason for excluding the two additional revenue categories last year, and I would include the entire letter in the RECORD at this time. According to Chairman DELLUMS:

> At the time the letter was written (in 1992), the authorizing committee did not have an in-depth outside audit of the two categories in question as prescribed by Public Law 102-102. Therefore, the committee could not authorize their inclusion as a part of the revenue base for the determination of the Federal payment for fiscal year 1993. In order to transmit the two categories to the Appropriations Subcommittee, it would have been necessary to have had an in-depth explanation of the contents of the two categories audited by the District's independent auditor, clearly indicating that the two categories, in fact, consisted of revenues locally generated, as the D.C. Federal Payment Law requires.

The entire letter follows:

Washington, DC, May 24, 1993.

Hon. ELEANOR HOLMES NORTON,
Chair, Subcommittee on Judiciary and Education, Longworth House Office Building, Washington, DC.

DEAR MADAM CHAIR: As requested, I am writing to clarify the circumstances under which we calculated the base amount under P.L. 102-102, the D.C. Federal Payment law, for the federal payment for FY '93 to exclude the two revenue categories "charges for services" and "miscellaneous" (see copy of letter attached). At the time the letter was written, the authorizing committee did not have an in-depth outside audit of the two categories in question as prescribed by P.L. 102-102. Therefore, the committee could not authorize their inclusion as a part of the revenue base for the determination of the federal payment for FY '93. In order to transmit the two categories to the Appropriations Subcommittee, it would have been necessary to have had an in-depth explanation of the contents of the two categories audited by the District's independent auditor, clearly indicating that the two categories, in fact, consisted of revenues locally generated, as the D.C. Federal Payment Law requires.

Sincerely,

RONALD V. DELLUMS,
Member of Congress.

On June 7, 1993, D.C. Committee Chair, PETE STARK, asked the GAO to include in their fiscal year 1994 report on the Federal payment, their analysis of the two additional revenue categories. The inclusion of these two additional revenue categories, charges for services and miscellaneous as part of the revenue base for the determination of the Federal payment increases the base amount from $2,627,512,000 to $2,722,577,000. When calculated under the Federal payment formula legislation, Public Law 102-102, this increases the Federal payment to the District from $630 to $653 million for fiscal year 1994.

My reason for bringing this very important matter to your attention at this time Mr. Chairman is to make clear that with the inclusion of the two additional revenue categories the District is due $653 million for the Federal payment and $52 million for the police and firefighter pension fund. Therefore any attempt to amend H.R. 2492 in order to cut the Federal payment on the grounds that Federal dollars above the $630 million Federal payment has not been authorized is inaccurate in light of the facts reported by the GAO in its report for fiscal year 1994.

I thank the gentleman for his time and I would be happy to answer any questions he may have regarding this very important matter.

Mr. DIXON. Mr. Chairman, reclaiming my time, I thank the gentlewoman for her comments. Based on prior permission of the House, I will place in the RECORD the GAO report of June 14, 1993:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, DC, June 14, 1993.

Hon. FORTNEY H. (PETE) STARK,
Committee on the District of Columbia, U.S. House of Representatives.

Hon. JIM SASSER,
Subcommittee on General Services, Federalism and the District of Columbia, Committee on Governmental Affairs, U.S. Senate.

This report presents the results of our review of the independent certified public accountants' audit of the District of Columbia's breakdown of revenue derived from the federal government and other sources for the year ended September 30, 1992. The District of Columbia Budgetary Efficiency Act of 1991 (Public Law 102-102) requires us to review this breakdown and to report the results to your Committees. The revenue from sources other than the federal government serves as a basis for determining the authorized amount of the federal payment to District of Columbia. The amount is determined using a formula specified in the act.

RESULTS IN BRIEF

In the auditors' opinion, the District of Columbia's revenue derived from federal and other sources as reported in its Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 1992, is fairly presented in all material respects in accordance with generally accepted accounting principles. Our work, limited to a review of the District's revenues reported in the CAFR, found no material discrepancies to indicate that the auditors' opinion was inappropriate or unreliable. We did find, however, that about $8.7 million of federal revenue was included in other local revenue sources.

On February 23, 1993, we received a letter from the Mayor of the District of Columbia with a schedule showing total local revenues of $3,341,101,000 to be used as the calculation base for the federal payment authorization (see appendix I). The revenue amounts were taken from the CAFR. However, the schedule included certain revenues which were not provided for in a directive from the appropriating and authorizing committees regarding the types of revenues to be used as the calculation base. If the directive had been followed, revenues of $2,627,512,000 would have been reported as the calculation base for the federal payment authorization (see appendix II).

BACKGROUND

The government of the District of Columbia is required by D.C. Code 47-119(a) to prepare annual financial statements of the operations in accordance with generally accepted accounting principles and to have them audited. Subsection 2(c)(1) of Public Law 102-102 amended D.C. Code 47-119(a) to require that, beginning with the independent audit covering the District's financial operations for fiscal year 1991, the audit include a report of the District's revenues broken down by revenues derived from the federal government and revenues derived from other sources during the fiscal year.

The District of Columbia government contracted with independent certified public accountants, Bert Smith & Co. and Coopers & Lybrand, to audit its fiscal year 1992 financial statements. The District's financial statements contained a breakdown of revenues from the federal government and other sources.

The purpose of the breakdown of revenues included in the report is to facilitate implementation of the federal payment formula established by section 2(b) of Public Law 102-102. The formula authorizes an amount equal to 24 percent of the local revenues for each fiscal year to be appropriated as the annual federal payment to the District in the second subsequent fiscal year. The federal payment is to compensate the District for revenue shortages from unreimbursed services provided to the federal government and from federally imposed limitations on the District's ability to raise certain tax revenues. The term "local revenues" is defined as meaning the independently audited revenues of the District that are derived from sources other than the federal government during that year.

Our report of May 8, 1992,[1] to your Committees regarding the results of our review of the District's fiscal year 1991 revenue sources noted that local revenue included amounts from general, enterprise, and trust fund activities. Applying the formula to these total revenues results in a higher federal payment than historical trends would indicate. Congressional hearings and committee reports associated with enactment of the law generally compared the federal payment to general fund revenue. On June 17, 1992, the District of Columbia Appropriations Subcommittee of the House Appropriations Committee held a hearing to discuss, among other items, the formula payment to the District of Columbia. The issues covered included the definition of the base, the possible inclusion of net lottery proceeds in the base, and the authorizing committee's intent with respect to the formula.

The Appropriations Subcommittee subsequently received two letters, both dated June 22, 1992, one signed by the Chairman, and the other by the Ranking Republican Member of the House Committee on the District of Columbia. The purpose of these letters was to express their views on the authorizing committee's intent regarding Public Law 102-102. The letter from the Chairman enclosed an exhibit that directed the District to thereafter "prepare and submit the Schedule of Local Revenue required by section 2[b] of Public Law 102-102, 105 Stat. 496 (1991) as specified in the exhibit."

The letter from the Ranking Republican Member stated further that "the authorized federal payments in FY 1993, 1994, and 1995 should be based only upon those sources of revenue which have been counted by the appropriations committee [in the past and that] if some source of general revenue local collections has not been included in the Appropriations general revenue local collections category in the past, counting it now would be inconsistent with our intent."

These views are reflected in reports of the House and Senate Appropriations Committees, which also directed the District in the future to use a schedule of local revenues as displayed in the exhibit.

OBJECTIVES, SCOPE AND METHODOLOGY

We conducted our review of the auditors' work in accordance with generally accepted government auditing standards. To determine the reasonableness of the auditors' work in the revenue area and the extent to which we could rely on it, we

reviewed the auditors' approach and planning of the audit;

evaluated the qualifications and independence of the audit staff;

reviewed the financial statements and auditors' report to evaluate compliance with generally accepted accounting principles and generally accepted government auditing standards;

reviewed the auditors' working papers to determine (1) the nature, timing, and extent of audit work performed, (2) the extent of audit quality control methods the auditor used, (3) whether the auditors obtained an understanding of the revenue cycle's internal control structure, (4) whether the amounts reported in the revenue schedule agreed with those in the financial statements, and (5) whether the evidence in the working papers supported the auditors' opinion on the breakdown of revenue by source as presented in CAFR; and

asked District financial management personnel to identify the source of funds in certain General Fund accounts.

REVENUES REPORTED FOR 1992

On February 23, 1993, we received a letter from the Mayor of the District of Columbia, which showed total local revenues of $3,341,101,000 for fiscal year 1992. The Mayor's letter stated, however, that the District's appropriation request will be based only on the total of District sources of revenue in the General Fund ($2,749,691,000) plus operating transfers from the Lottery and Games Enterprise Fund to the General Fund ($48,500,000) for the year ended September 30, 1992.

The total local revenues reported in the Mayor's letter are from the same revenue categories the District used last year and are not provided for in the committees' directive and exhibit. If applied as directed, the Mayor would have reported total local revenues of $2,627,512,000, instead of $3,341,101,000.

The major difference between the local revenue amounts reported by the Mayor and the amounts determined under the committees' directive is that the Mayor's report includes all revenues (general, enterprise, and trust funds) attributable to local sources, while the directive includes only General Fund revenue and lottery transfers to the General Fund, adjusted for certain charges for services and miscellaneous revenue. On March 31, 1993, the Mayor submitted a written statement as testimony before the Subcommittee on Fiscal Affairs and Health and the Subcommittee on Judiciary and Education of the House District of Columbia Committee stating, "The authorizing committee in May 1992, and again in June [1992], provided a different interpretation of the law in communications with the D.C. Appropriations Committee. In our view, the committee's interpretation is not consistent with what was the very basis of the historic legislation."

Our calculation of the revenue base for federal payment calculation, performed in accordance with the committees' directive, is in appendix II. Our calculation includes an adjustment for $8,674,913 of federal revenue we noted during our review which was misclassified in the District's CAFR for fiscal 1992 as local source revenue.

ADDITIONAL ANALYSIS

On June 7, 1993, the Chairman of the House Committee on the District of Columbia asked us to include in this report additional analysis of two categories of funds that were deducted from General Fund Local Revenue in arriving at the calculation base in accordance with the directive. These amounts total about $162 million and are reported as nonappropriated charges for services and miscellaneous revenue. In a letter dated May 24, 1993, the former Chairman of the House Committee on the District of Columbia stated that:

"The authorizing committee did not have an indepth audit of the two categories in question as prescribed by P.L. 102-102. Therefore, the committee could not authorize their inclusion as a part of the revenue base for the determination of the federal payment for FY '93. In order to transmit the two categories to be Appropriations Subcommittee, it would have been necessary to have had an in-depth explanation of the contents of the two categories audited by the District's independent auditor, clearly indicating that the two categories, in fact, consisted of revenues locally generated, as the D.C. Federal Payment Law requires."

The District has recently engaged independent auditors to provide an audit of the two categories. We understand that the fieldwork is in progress and that a report will be available soon.

Preliminary information obtained from the District indicates that about $95 million of the $162 million is District revenue generated from local sources. The difference of $67 million is primarily composed of about $45 million in intragovernmental transactions, about $16 million in loan repayments and child support payment recoveries and about $6 million in service charges and miscellaneous revenues paid by the federal government. If the $95 million were to be added to the calculations base determined in accordance with the committees' directive, the base would increase to $2,722,577,000 (see appendix III).

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[1] GAO/AFMD-92-50.

We are sending copies of this report to the House and Senate Subcommittees on the District of Columbia, Committees on Appropriations. As agreed, unless you publicly announce the contents of this report earlier, we plan no further distribution until 2 days from the date of this letter. At that time, we will send copies to the District of Columbia, other interested committees; and other interested parties. Copies will be made available to others on request.

DONALD H. CHAPIN,
Assistant Comptroller General.

APPENDIX I

LETTER FROM THE DISTRICT OF COLUMBIA

THE DISTRICT OF COLUMBIA,
Washington, DC.

Hon. CHARLES A. BOWSHER,
Comptroller General,
Washington, DC.

DEAR MR. COMPTROLLER GENERAL: In accordance with section 4(a) of Public Law 94-399, as amended by section 2(b) of Public Law 102-102, the comprehensive annual financial report of the District of Columbia, audited by Coopers & Lybrand and Bert Smith & Co., certified public accountants, includes a report of the revenues of the District of Columbia for the fiscal year ended September 30, 1992, broken down by revenues derived from the Federal Government and revenues derived from sources other than the Federal Government during that fiscal year.

A summary of the revenues reported for fiscal year 1992 follows:

[In thousands of dollars]

Exhibit	Source—			
	Local	Federal	Interfund	Total
Governmental:				
General (A-2) ...	$2,700,769	$1,343,743	$44,567	$4,089,079
Capital projects (B-2)	....	76,657	....	76,657
Enterprises (C-2):				
Operating revenues	270,742	49,151	53,025	372,918
Nonoperating revenues	6,994	7,822	....	14,816
Trusts:				
Expendable (D-2)	139,815	118,226	7,438	265,479
Pension (D-3) ..	222,781	28,950	255,003	506,734
Total revenues	3,341,101	1,624,549	360,033	5,325,683

There is authorized to be appropriated as the 1994 annual federal payment to the District of Columbia for fiscal year 1994 an amount equal to 24 percent of the local revenues for fiscal year 1992. The authorized amount for fiscal year 1994 is $801,864,000.

The District of Columbia Budget Request Act for the year ended September 30, 1994, will request an appropriation of $671,566,000 for the federal payment. This amount represents 24 percent of the total of District sources of revenue in the General Fund ($2,749,691,000 on Exhibit S-1) plus operating transfers from the Lottery and Games Enterprise Fund to the General Fund ($48,500,000 on Exhibit C-2) for the year ended September 30, 1992.

Sincerely,

SHARON PRATT KELLY,
Mayor.

APPENDIX II

District of Columbia schedule of local revenues, fiscal year ended September 30, 1992

	Dollars in thousands
Total District sources[1]	$2,749,691
Plus Lottery Board transfer-in[2]	48,500
Less:	
Charges for services—nonappropriated[3]	(91,303)
Miscellaneous—nonappropriated[4]	(70,701)
Total local revenue	2,636,187
GAO adjustment for Federal payments classified as local source revenue ...	(8,675)
Total adjusted local revenue	$2,627,512

Sources:

[1] Exhibit S-1 of the District's Comprehensive Annual Financial Report (CAFR) from the column headed "Total District Sources".

[2] Exhibit C-2 of the District's CAFR from the column headed "Lottery and Games," and the line captioned "Operating Transfers in (Out): General Fund".

[3] Exhibit 3 of the District's CAFR from the column headed "Nonappropriated Actual" and the group captioned "Revenue" lines captioned "Charges for Services" and "Miscellaneous".

APPENDIX III

Additional analysis requested by the House Committee on the District of Columbia

	Dollars in thousands
Total adjusted local revenue (see appendix II)	$2,627,512
Charges for services—nonappropriated	41,802
Miscellaneous revenue—nonappropriated	53,263
Total	$2,722,577

Mr. BLILEY. Would the gentleman yield?

Mr. DIXON. Mr. Chairman, for purposes of continuity in this debate, I yield to the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it has been alleged that there is some confusion regarding the definition of local revenues in the calculation of the Federal payment. This nonsense has gone far enough and needs to end today. Mr. Chairman, there is no confusion. The city is playing a game with us and has admitted as much.

It has been alleged that congress does not count revenues other than taxes in calculation of the Federal payment. It has been alleged that parking fines, licensing fees, and DWI fines are not counted. This is flatly false. Over $50 million in fines and forfeits are counted in the calculation of the Federal payment. Over $30 million licenses and permits are counted. These are indeed general fund appropriated revenues which are counted in the calculation of the Federal payment.

The situation is simply this—the District wants to include an additional source of funds called nonappropriated revenues which have not been previously counted. There is a good explanation as to why the Appropriations Committee and the authorizing committee do not count them—they are not general fund revenues. In some case, these are intra-agency transfers. In other cases, they are Federal funds. Last year, the District wanted Congress to count nearly $50 million in capital outlay funds as local revenues. An attempt was made to count Medicare fees even though the law expressly excludes Federal funds. The District would have had us count a $1.3 million HUD loan to the Lincoln Theater project. Now the District wants us to sign a blank check, approving the inclusion of additional sources without even telling us where those funds come from and ignoring the fact that none of these funds are general fund revenues eligible to be appropriated by the city council and this Congress.

Two years ago, the District did not count nonappropriated revenue. The figures used by the District Committee in establishing the formula came directly from the Mayor's own testimony in April 1991. The committee used these same figures in its report on H.R. 2123 which established the formula. These figures reflect the historical tables used by the Appropriations Committee dating back further than I can remember. In making its recommendations on the Federal payment, the Rivlin Commission did not count nonappropriated revenue. The D.C. Committee did not count nonappropriated revenue. The Appropriations Committee did not count it.

And let me make this perfectly clear—GAO has not determined that they should be counted either. The Appropriations Committee has appropriated exactly the amount for the Federal payment to which the District is eligible under the authorization—$630.6 million in fiscal year 1994.

Even after recent huge increases in the Federal payment, the District complained about the formula last year. Was legislation introduced to amend Public Law 102-102 at that time? No. Has remedial legislation been introduced this year? No. Instead, the District has relied on a calculated strategy to obtain through a public relations campaign that which it may not be able to secure if it followed the legislative process.

Mr. Chairman, I thank the gentleman from California for yielding and yield back the balance of my time.

Mr. DIXON. Mr. Chairman, reclaiming my time, I would like to explain the three categories that make up the $700 million in Federal funds in this bill.

The Federal payment of $630.6 million is the amount authorized by Public Law 102-102 that established a formula for determining the Federal payments for fiscal years 1993, 1994, and 1995.

The formula is 24 percent of general fund local revenues collected by the District Government 2 years prior to the budget year.

We recommend $52.1 million for the Federal contribution to the police, fire, teachers, and judges retirement system.

This is the 15th of 25 annual payments authorized by Public Law 96-122.

For crime and youth initiatives, the bill includes $17.3 million, for this program to curb violence and crime in the District.

The Mayor has developed a comprehensive action plan in an effort to stem the District's rising crime rate and reach out to our young people who are at risk. The District has termed it a war on values and it encompasses short-term as well as long-term solutions aimed at simultaneously responding to street violence through law enforcement measures while at the same time establishing preventive, targeted intervention and diversion programs for at-risk youth and families. These funds will also be used to place more police officers on foot patrols and on the streets in the city's neighborhoods and communities.

We recommend $908 million for public safety and justice programs which include fire and police protection, ambulance service, and support for the city's criminal justice system.

The Police Department presently has 4,340 uniformed personnel. We recommend funds that will bring the level up to 4,500 sworn officers and place 400 additional police in patrol duties on the street in neighborhoods and communities.

We recommend that no change be made in the operation of the Police and Fire Clinic until an alternative plan is submitted to the committee and approved. The District proposed closing the clinic, but did not propose how those services would be provided.

In the area of human support services, the bill includes $915 million for programs such as drug treatment and education, foster care, mental health programs, and the operation of senior citizen programs.

Included in this appropriation is $45 million to cover maternal and child health needs and family preservation programs as well as increases in Medicare and Medicaid costs.

For public education, the bill includes $712 million which includes $518 million for the public schools and $21 million for the District's library system.

For the various public works activities which include the metrorail and metrobus operations as well as the Taxicab Commission and funds for the city's streets and highways, we recommend $216 million.

The bill includes $241 million for the water and sewer enterprise fund which is used to provide safe drinking water and to collect, treat, and dispose of waste water as well as solid waste for the District.

The construction program is funded at a level of $138 million and includes $101 million for transportation facilities of which $50 million is for the Metro transit system.

The bill includes $71 million for pay adjustments for all District employees, including police officers, fire fighters, teachers, and other employees. District personnel have not had a pay raise since October 1989, and are being furloughed 12 days in fiscal year 1993. They have also been denied within-grades during fiscal year 1993.

Under general provisions, we recommend language under sections 135 and 136 of the bill that gives the Council, which is the District's legislative body, more oversight regarding District Government contracts. Both of these provisions were vetoed by the Mayor and unanimously overridden by the Council and forwarded to Congress as part of the District's fiscal year 1994 budget request.

Section 135 relates to privatization and requires the Mayor to submit revised contracting policies and procedures to the Council for approval if she wishes to contract out for any goods or services which are currently provided by District employees.

Section 136 requires the Mayor to get Council approval for any contract over $1,000,000 that is not competitively bid.

Mr. Chairman, there is one other legislative provision that I want to call to the attention of the Members. It is on page 8 of the bill, lines 9 through 12, and requires the Fire and Emergency Medical Services Department to maintain the current staffing level of 269 fire fighters per 24-hour period. It overturns the District's proposal to reduce the number to 241, but it allows city officials the flexibility to make reductions in areas other than the firefighting division.

As far as the budget resolution is concerned, this bill is within the 602(b) allocations of $700 million in budget authority and $698 million in outlays.

Mr. Chairman, this is a good bill, and I recommend it favorably to the Members.

Mr. Chairman, I reserve the balance of my time.

□ 1710

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to rise initially to congratulate and thank our chairman, the gentleman from California [Mr. DIXON], for working with us on this appropriations bill. All of us on our side and most of the members on this side were new to the committee. He showed a great deal of patience.

Also, I would like to thank the staff for working closely with us. It has been an enlightening experience, to say the least, and we have learned a good deal about the District government and, I think, a good deal about the appropriations process.

This is not an easy job. This bill garners little praise or support at home, but it is constitutionally mandated. It is a responsibility that we have, and we take it seriously.

The District of Columbia is a special place. It is our Nation's Capital. Its relationship with the Congress was fated long ago by the U.S. Constitution and requires that we oversee the District's operations. It is a mandate of the Constitution.

We have a responsibility to do what is right. In addition to oversight, we have a responsibility to help offset the costs of governing the District.

As Members know, many of the rules that we have and the requirements that we place upon the District encumber it a great deal and, therefore, an agreement was reached several years ago on a formula to help the Congress to offset some of the costs of governing the District. That formula has been alluded to several times already in this discussion, and I would like, for the RECORD, to read that formula just so that it has been restated.

The formula authorizes "an amount equal to the 24 percent of local revenues for each fiscal year to be appropriated as the annual Federal payment to the District in the second subsequent fiscal year. The Federal payment is to compensate the District for revenue shortages from unreimbursed services provided to the Federal Government and from federally imposed limitations on the District's ability to raise certain tax revenues. The term 'local revenues' is defined as meaning the independently audited revenues of the District that are derived from sources other than the Federal Government during that year."

The authorizing committee accepted that formula. The appropriating committee accepted that formula. The ranking member and chairman of both of those committees and subcommittees recognized that formula, as did the Mayor and the duly elected City Council of the District of Columbia. I think we should stick to it. It is an agreement that we have.

If there are to be amendments, it should be done legislatively and not in the appropriations process.

I would like to say, we recognize the commitment that the Mayor of the District of Columbia and the Council have made to make the tough cuts. They are in sufficient shape, I think we are all aware of that. Cuts totaling roughly $326 million across-the-board, the elimination of 1,700 jobs are not easy decisions. But once done, they will reflect the citizen to employee, city employee ratio of most American cities. It needs to be done.

Many of my colleagues and I support certain aspects of this bill, while there are other aspects that we do not support.

This bill is silent on the issue of abortion. It would allow Federal or local use of funds for abortions. I would caution anyone, when it comes to the final passage on this bill, to consider that point. This bill is silent. It would allow the use of funds for abortion for any purpose on demand.

We also oppose, many of us do, the removal of language prohibiting the city from expending funds to implement a domestic partners initiative. Both of these ideas will cost the District dearly in many ways in the future.

I would also like to go on record opposed to giving the District of Columbia any additional funds above the formula payments of $630.6 million and the $52 million contribution to the Retirement Fund.

In many ways, the District of Columbia is like many other American cities. Much of the property is tax exempt because of Government property and school property and church property. But that is not unlike most other American cities. They have that problem, too.

The proportions, in many cases, are very similar. The $17 million supplemental, I refer to it as a supplemental payment, expenditure to the District of Columbia goes beyond our commitment to the District in this process.

We have to realize, the District of Columbia receives on a per-capita basis of Federal funds, on a per-capita basis $28,000 per capita Federal money. That is an outstanding figure. That is when we take all the Federal funds in this appropriations bill and add it to all the other titles that are funded through all the other appropriations bills in this Congress. $17 million out of that amount is far less than 1 percent.

Mr. Chairman, I will offer that amendment in the proper context after general debate is concluded.

Mr. Chairman, I reserve the balance of my time.

Mr. DIXON. Mr. Chairman, I yield 5 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Thank you, Mr. Chairman. I would like to respond to the points made by the ranking member of the District of Columbia Committee. It is strange to hear a Member from the other side of the aisle argue that nonappropriated funds, funds, for example, for fees which might have been collected from the taxpayers, then instead, have been collected from the general public, should not be counted as revenue raised in the District. The point is definitively answered by the fact that during the Federal payment formula negotiations in 1988–89, the committee accepted a change in language from locally generated taxes to locally generated revenue. That change indicates that, obviously, the term accounts for more than taxes raised or appropriated funds. The gentleman is incorrect that the current audit may contain interagency funds or Federal funds in the amount of $653 million for a Federal payment. We do now know that interagency funds and Federal funds are not involved there. In fact, I believe $95 million in Federal funds were found and were excluded because the District did in fact include Federal funds. The figure in the GAO report excludes those funds.

Finally, all of these figures are pursuant to an indepth audit by the District's independent auditors. All the GAO does is certify that an independent audit has taken place. That is what has occurred up to the point of the amount of $653 million, and that amount could go up as the independent auditors proceed on the work.

Mr. WALSH. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Oklahoma [Mr. ISTOOK], a member of the subcommittee.

Mr. ISTOOK. Mr. Chairman, as we consider this particular bill, we need to keep in mind the special status that the District of Columbia occupies, the special status created by the United States Constitution and one that I hoped that every Member of the subcommittee and every Member of the House has been and will be very mindful of.

I appreciate the gentleman from California, Chairman DIXON, of the subcommittee, his consideration of the issues that are important both to people who live within the District of Columbia and those who do not reside in the District of Columbia, and the opportunity that he is permitting us to bring certain matters to everyone's attention today.

Now, because the District of Columbia is uniquely created and has the National Government here, it constantly attracts families from across the country, school buses full of students here to learn what democracy is about, what our institutions are about, what the mementos are, what the monuments mean, to come here and feel different than they would if they had never made the trek.

□ 1720

We as Members of Congress recognize that the District reflects the challenges that face this country. Indeed, it is sometimes overlooked, but when we assume an oath of office and we swear to uphold the Constitution of the United States of America, we are also upholding a particular cause, being article I, section 8, clause 17, which gives the Congress the power of exclusive legislation in all cases whatsoever over the District of Columbia.

To a certain degree we have made a delegation through what is called the Home Rule Act, where the elected members of the District City Council make decisions which are then still subject to the supervision of this Congress. Section 601 of the Home Rule Act states:

> Notwithstanding any other provision of this act, the Congress of the United States reserves the right to exercise its constitutional authority as legislature of the District by enacting legislation for the District on any subject, whether within or without the scope of legislative power granted to the Council by this act, including legislation to amend or repeal any law in force in the District, prior to or after enactment of this act and any act passed by the Council.

With that in mind, Mr. Chairman, we will have certain amendments that will be offered to this bill that are important as part of the exercise of that special responsibility which we bear as Members of Congress. One in particular that I will be offering refers to what is frequently called the Domestic Partners Act, a legislative enactment of the District of Columbia from April 1992.

Last year in the appropriations bill to the District of Columbia the Congress gave explicit directions that no Federal funds could be used to implement or forward the purposes of that enactment. I will be offering an amendment to continue that same restriction.

As we will flesh out further in debate, Mr. Chairman, that particular act by the District of Columbia I believe is an affront to the families of America because it defines "family member" as being anyone who registers as a domestic partner, who is no more than someone who has a mutual relationship of caring and has the same residence as another person; nothing about the legal obligations that are undertaken as a part of marriage; nothing about the sanctity that goes with the institution of marriage; nothing about the commitments that are intended to be lifelong, "until death do we part; for richer, for poorer; for better, for worse."

It is a mechanism whereby the District intends to permit homosexual couples, as well as heterosexual couples who are not married, to register, in essence, with their partner and establish certain legal advantages for themselves. It is something that these people who come to visit Washington, DC, would not support, would not appreciate the Congress of the United States permitting to remain on the books as an enactment that has any authority.

Therefore, it is proper that this body act today to restrict that use of public funds by the District of Columbia, and we will be introducing that amendment, Mr. Chairman, at the appropriate time.

The CHAIRMAN. The Chair would advise Members controlling the debate time that the gentleman from California [Mr. DIXON] has 12 minutes remaining and the gentleman from New York [Mr. WALSH] has 19 minutes remaining.

Mr. DIXON. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today to speak as a Member who resides in the District of Columbia. What I find very distressing with these discussions, is that there are Members who do not reside in the District of Columbia, who nonetheless seem to take the home rule portion, a portion with which I am familiar, because we have a home rule act in the state of Hawaii, because we have counties that are separated by water. We cannot communicate except by telephone and fax and by airplane. We understand what it is to be separate, and in many ways, the District of Columbia is separated out that way.

Yet, the District of Columbia is America's city. I find it, Mr. Speaker, very strange, and I find it very disconcerting that we seem to take the attitude that we are going to be the city council at large for the District of Columbia and for the people who reside within the District.

I pay taxes in this District, as well as back in Hawaii, Mr. Chairman. When my wife and I came to serve in the Congress of the United States, we chose to live in the District because we felt that that was what was necessary to make our commitment. I believe that this Congress, having been a city council member myself back in Honolulu, I believe this Congress has to act as a partner with the City Council here in the District of Columbia. I would hope that by the time we finish today, that I will be able to say to the council member I feel represents me here, the Honorable HAROLD BRAZIL, and the delegate who represents me here, the Honorable ELEANOR HOLMES NORTON, to be able to say to them that we acted in a cooperative manner with the governmental body here in the District of Columbia, with the individuals in it who are putting forward their sincere efforts, and that within the budget considerations that are available to us we will have acted responsibly.

Mr. WALSH. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, I rise in strong support of the amendment offered by my friend and classmate, the ranking member of the subcommittee, Mr. WALSH.

The gentleman's amendment will bring this bill back to the authorized level, and provide a badly needed dose of financial responsibility to this bill.

Mr. Chairman, the District of Columbia seems to want to have it all. On one hand, they want complete autonomy over their own affairs, even to the point of statehood, if possible.

On the other hand, they argue that they are entitled to almost unlimited amounts of Federal funds above and beyond what any city, county or State in our Nation is eligible to receive. My colleagues should understand that the District of Columbia is eligible for each and every Federal program any city, county or State in this country is eligible for—in addition to the $700 million of Federal payment provided by this bill.

Mr. Chairman, financial responsibility in these times of gargantuan deficit spending, at the very least means, that we stay within authorized spending levels. Anything more, such as this $17 million for alleged youth and crime initiatives is simply bolstering the budget of this one city at the expense of my cities, of your cities, of every city in this country.

Mr. Chairman, I will be showing my support for home rule today in my votes. I will be voting for Ms. NORTON's amendment to allow the District to determine for itself the proper staffing level for local firefighters. I will be voting against Mr. ISTOOK's amendment that would keep this city from implementing benefits policies for its own employees under a domestic partnership act.

But I would also ask the representatives of this city to understand that they cannot keep expecting to receive ever increasing amounts of Federal largesse while insisting that the Congress keep its nose out of city business.

Let us support both the principles of home rule and deficit reduction; 100 percent of the authorized level is enough. Support the Walsh amendment.

Mr. DIXON. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. LANCASTER].

Mr. LANCASTER. Mr. Chairman, I have been in Congress now for four terms and have voted on six D.C. appropriations. With few exceptions, in each of those votes, I have tried to support home rule, and to respect the opportunity of the D.C. Council to pass ordinances which are in keeping with their own philosophies and their own priorities. Some of those votes created significant political problems for me at home because the philosophies and priorities of the D.C. Council are diametrically opposed to those of my constituents.

However, recently something has happened which calls into question whether or not they deserve that kind of deference in the future.

□ 1730

On March 9, I wrote to the Mayor with regard to the deplorable condition of the Francis Case Memorial Bridge on I-395 over which many of us pass every morning coming to work. When I had not received any response of any kind from her office, on May 19 I wrote to her a second time, this time marking the envelope "Personal and Confidential," asking that I might have a status report on the repairs of that bridge.

It is now 2 months later. I still have not received any letter of any kind from that office with regard to the deplorable condition of that bridge. It is very difficult for D.C., in my opinion, to continue to ask Members of this body to cast very, very difficult votes on issues that are strongly opposed by their constituents when we cannot even get a letter out of the Mayor's office in 4 months. A government that incompetent, in my opinion, does not deserve the kind of deference we have given them in the past.

Mr. WALSH. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. KIM].

Mr. DIXON. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. KIM].

The CHAIRMAN. The gentleman from California [Mr. KIM] is recognized for 4½ minutes.

Mr. KIM. Mr. chairman, until 6 months ago I was a mayor of a city in California before coming to Congress. Our city has a population of 60,000, which is one-tenth the size of Washington, DC. Our budget was less than $11 million. The Washington, DC, budget is $3.7 billion, 300 times larger. That is $6,000 per person, and only $200 per person in my hometown in California.

Our city has only 24 city staff members, and the District of Columbia has 24,000 city staff members, 1,000 times more city employees than my hometown in California. This is shocking.

How can a city that is only 10 times larger than my city justify a budget that is 300 times larger and 1,000 times more city employees? What does Washington, DC, do with all the money and its employees?

My city, like all other cities in California, has no Federal subsidies. Yet our Federal Government gave Washington, DC, $680 million last year, and they are asking $700 million this year. That is not fair.

This is why I rise in strong support of the Walsh amendment. The Walsh amendment cuts only $17 million. That is a 2.5-percent cut in the Federal subsidy to D.C. It is only a half a percent cut in the overall D.C. budget. That is right, only a half a percent. This is a tiny half percent reduction we are asking.

Washington, DC, already has one of the largest income taxes and the highest property taxes in the Nation. On top of this, Congress has poured in millions of more dollars. For what?

It is time to stop throwing money down the D.C. drain. It is time for the D.C. local government to become more responsible and fiscally disciplined.

Every city in my State of California is going through a tough time, and through a heartbreaking budget cut process such as laying off police officers, closing down jails, and cutting back on the future education of our kids. But they do not get any Federal subsidy.

This huge D.C. bureaucracy should be trimmed.

The city's overly generous handout system should be reformed and reduced before they ask for more Federal moneys.

Congress need look no further than across the street to find ways to start cutting the government waste and bureaucracy. We can start right here in Washington, DC. We can stop asking people in California to pay more taxes, thereby taking away Federal support for police, and taking away Federal support for prisons and badly needed school programs. We should be asking others, like Washington, DC, to pay their fair share first. We should all sacrifice together.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. KIM. I am more than happy to yield to the gentleman from California.

Mr. DIXON. Mr. Chairman, the gentleman made reference in his comments that he was the mayor of a city, and I have great respect for the gentleman in the well.

Mr. KIM I did not make any reference to mayor of a city. I am more than happy to submit this statement to the gentleman in writing to take a look at.

Mr. DIXON. I thought the gentleman said he was the mayor of a city in California.

Mr. KIM. I am sorry, I was a mayor, yes.

Mr. DIXON. Was that city Diamond Bar?

Mr. KIM. That is correct.

Mr. DIXON. Could the gentleman tell this body how much Federal property is in Diamond Bar?

Mr. KIM. How much Federal property in Diamond Bar? I would not know offhand.

Mr. DIXON. I am familiar with Diamond Bar, and there is no Federal property, and there are no Federal agencies that operate in Diamond Bar. But the distinguished gentleman from California, and I understand his philosophy, stands in the well of this House and makes a statement about a city in our State and the District of Columbia where he knows not about what he speaks.

If the gentleman wants to espouse a certain philosophy, I respect that. But to bring up myths and cite them as facts; that I do not respect.

Mr. KIM. My city does not have any Capitol Police either.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. KIM. I yield to the gentleman from New York.

Mr. WALSH. Mr. Chairman, if I could just say while the distinguished gentleman's city may not have Federal property, most cities in America have large areas of real property that are not taxable.

Mr. DIXON. Mr. Chairman, I yield myself 1 additional minute.

The gentleman in the well, Mr. KIM, is not talking about most cities. The gentleman in the well is talking about his city and comparing it to this city.

Mr. KIM. If the gentleman will yield, that is correct.

Mr. DIXON. Mr. Chairman, I reserve the balance of my time.

Mr. WALSH. Mr. Chairman, I yield 2 minutes to the other gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Chairman, I do love this beautiful city. I have lived in the suburbs of this city longer than I have lived anywhere in my life since I came here in 1977. It is nice to put people on the defensive when D.C. statehood comes up, because as I will say to my distinguished colleague from California, he represents more people in his district than there are citizens in the District of Columbia.

Alaska almost exceeded the number of citizens in Washington, DC, but not yet. Wyoming was close, but has since lost 7 percent of its citizens in the last year.

I just called the Metro desk of the local newspapers, and the D.C. Metropolitan Police Department. Last night, a woman from southeast Washington was raped and shot and is in critical condition. Two nights ago, a man was found in the roadway at Fort Lincoln Drive with multiple gunshot wounds. He was dead. This week, just passed last year's record of 201 homicides in the District. We are now at 220 homicides and still counting. That means we are going to go for an all-time record at the end of this year. We'll see the charts at Christmastime which show how we have surpassed all of the previous homicide records.

I would now like to use a line that I have used 50 times in this well, and I want to say it very slowly, and very delicately, because it is a fact. This is something that tears at my heart, and if it makes you question my character, then go right ahead. Since 1975, African-American babies in Washington, DC, have been aborted at a higher rate than those who have been allowed to be born. I will say it again slowly. Since 1975, every year for 18 years, babies of African-American heritage have been aborted at a higher rate than have been allowed to be born.

That is sad. That is really tragic.

Now the District of Columbia has a domestic partnership law which removes the question, "Are you homosexuals." We might as well just ask if they are friends, because the law does not require couples to report the nature of their relationship. I will speak more on that later.

□ 1740

Mr. WALSH. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Virginia [Mr. WOLF].

Mr. WOLF. I thank the gentleman for yielding.

Mr. Chairman, I think there is something that the District and this body will have to face. I have never been one to bash the District of Columbia. My daughter works in the District of Columbia, my daughter teaches in the District of Columbia schools and has worked at 14th and Belmont for a number of years.

Lorton Reformatory is a graduate school for people who are learning to commit crimes and in some cases kill people. I was involved in a program years ago called Man to Man, where we would go down to Lorton and work with the prisoners. There were no strings on the banjos, there were no strings on the guitars. There were no workshops, there was nothing. The men at Lorton have no work to do. It is inhumane to put men down at that prison and give them no work to do.

There are two things we must do: One, Lorton Reformatory should bring in Zenith or a company like that whereby the men at Lorton learn a skill. They have nothing to do. They can learn a skill whereby they can take that skill and go out and create jobs.

They are sitting there in their cellblocks with absolutely nothing to do. I urge the Members of this body, on a Friday when this House is not in session, to do down to Lorton and look at it. It is inhumane to put a man down there for 15 years and give him no work. You are creating a graduate school whereby they are going to come out and commit crimes and possibly kill people.

Second, Lorton cannot be repaired. We should be setting up a national commission, nine people from Virginia, nine people from the District of Columbia, and three people appointed by President Clinton, to look at Lorton Reformatory and see how we close Lorton down by the year 2010 or 2020 and create a model prison, a prison whereby there is work. Go down and talk to the men in Lorton. I have been down there and I have talked to the men. I talked to one man, he said,

> Congressman, I haven't had the opportunity to have one night's sleep whereby I can close both eyes, because I am afraid somebody is going to put a shiv in me and kill me. I have no work, there is no dignity.

They are in dormitories, without air conditioning. When it is 100 degrees down there, it is horrible.

So I call on this Congress and I call on the District of Columbia, invite Zenith to come in and create a TV manufacturing plant. Let us make items at Lorton that are no longer made in this United States.

I have had a bill in this Congress for 2 years, and I cannot get hearings—2 years. I want to see products made in prisons to give men dignity whereby they can learn a skill and a trade and go out and work.

This Congress will not even give us a hearing. The AFL–CIO is opposed to it.

I urge this Congress to do something to bring business and industry into Lorton whereby the men down there have dignity, whereby they can have skills, where they can take those skills and be people in the community with work.

Second, I urge this Congress and the administration—that this city should deal with the issue of closing down Lorton and building a model prison whereby these men can have work and dignity. If they are given no work and given no dignity, we cannot expect that they will not go out and commit crimes.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

I would like just to make a couple of points of clarification regarding points made earlier with respect to the Federal formula and the amount of money that is received by the District of Columbia. There was an issue as to whether it was a subsidy or whether it was a Federal grant or whatever you call it; it is money.

The District of Columbia versus my home State of New York, the Federal per capita tax burden, what the average individual pays is about the same. It is about $5,700 in D.C., and it is about $5,200 in New York. But the amount received back in that State or in that District of Columbia, there is a broad disparity there. The District of Columbia $4.92 comes back for every dollar sent to the Federal Government; in New York, 76 cents—76 cents—comes back for every $1 paid in taxes.

Now, that may or may not be a subsidy, but the fact is the District of Columbia does very, very well, not only through this appropriations bill but through other Federal appropriations.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair again recognizes the gentleman from California [Mr. DIXON].

Mr. DIXON. I would yield 3 minutes to the distinguished Delegate from the District of Columbia [Ms. NORTON].

The CHAIRMAN. The Chair recognizes the distinguished Delegate from the District of Columbia [Ms. NORTON] for 3 minutes.

Ms. NORTON. Thank you, Mr. Speaker, and I thank the Chairman for yielding.

Before I begin my remarks, I might mention to the gentleman from California [Mr. DORNAN] that while he is inserting homicides and rapes into the RECORD, he might insert the body count from Los Angeles and almost every large city in the United States. For the urban crisis does not begin and end in the District of Columbia, rather the figures here are indicative of the figures we find in every large city in this country.

Mr. Speaker, the 114 new Members must feel they are having a bizarre experience. By now they know that the House rises. During the D.C. appropriations debate the House descends to the local level from which many new Members have just come. New Members ran for Congress to help reform Congress, to reduce the national debt, to redirect or reduce Federal spending, or to vote for a national system of health care. Forget that for the purposes of this debate. You have just become State legislators or members of the city council, only it is not your State and it is not your city council. Until the District gets the minimal democracy at home that this House has for every Representative here, including those from the four territories, you will be called to second guess, or worse, reverse the democratically elected officials of the District of Columbia. I ask my colleagues not to yield to the temptation of this double standard. Today it is not merely the disposition of Federal funds as with other appropriations you will vote on. Most of this appropriation has been raised in the District, exclusively from District taxpayers who have the highest combined local and Federal tax rate in the United States of America per capita. You will be voting on how District taxpayers should spend their own money. I expect that most Members will not resort to the cover story that the Constitution or the law somehow gives them the right to countermand the decisions of locally elected officials in a democracy. The Soviets resorted to law to explain the suppression of local democracy as well. Such justification should never pass the lips of red-blooded Members of the U.S. Congress who believe in democracy and regularly preach it to the rest of the world.

Some of my constituents' views on purely local affairs are at odds with your constituents' views, just as some of what your local council has voted for, my people would not support. Not to worry, when you vote to uphold the decisions of D.C.-elected officials that is all you are doing. Given the House Rule Act passed 20 years ago, and the basic tenets of our democracy, when you vote on D.C.'s appropriation you express no view on the wisdom of the enactments of the D.C. Council, only on its right to govern people democratically and be accountable to those who elected them. To their credit, many conservative Republicans who disagree with my liberal Democratic constituents regularly vote to uphold D.C. law as a matter of principle and have no trouble convincing their constituents that their vote has been consistent with fundamental democratic notions of representative government.

Please remember these principles today when you are presented with notions of how the District of Columbia should spend its taxpayers' funds, or when you are asked to overturn laws passed by locally elected officials accountable only to D.C. residents. Think of the outrage you would feel if I insisted on overturning purely local decisions in your district. "Do unto others as you would have done to you" is not only a religious tenet, it is a pretty good principle in a political democracy as well.

□ 1750

Mr. WALSH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Oklahoma [Mr. ISTOOK].

Mr. ISTOOK. Mr. Chairman, I believe a couple things need to be brought forth and reminded to each of us.

I appreciate the comments of the gentlewoman, the delegate from the District of Columbia. I did not take down the precise words that she phrased, but there was something about should we descend to a theory that somehow we have a constitutional obligation when it comes to legislative enactments.

Mr. Chairman, it is not theory. It is a fact. It is embodied in the document that we have all sworn allegiance to, the Constitution of the United States. Article I, section 8, clause 17, that power has never been given away nor could it be given away by this Congress to the District of Columbia or to any other body.

I realize that if an appellate court, for example, has a decision that it must make and it must pass judgment upon the act of a lower court, of an inferior court, the Justices on that appellate court may not appreciate the obligation. They may wish they could wash their hands and absolve themselves of responsibility, but they cannot do so, for they have undertaken that oath of certain responsibility, just as each of us have undertaken an oath of responsibility as it pertains to the District of Columbia.

I appreciated the gentleman from Hawaii [Mr. ABERCROMBIE] talking about his own residence in D.C. Now, I do not reside in the District of Columbia because I reside in my congressional district in Oklahoma, but when I am here the place that I stay, the apartment that I have leased, is within the District of Columbia and I, too, pay taxes within the District of Columbia. I experience many of things that residents of the District of Columbia do experience.

I recognize that we have a responsibility. We are not a super city council. We are the Congress of the United States and we are enforcing congressional duties, and as such as we consider amendments I hope we will keep that in mind.

We are not trying to second-guess anyone else. We are merely trying to be true to our own oath and our own commitments and our own duties.

Mr. WALSH. Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, I thank my good friend, the gentleman from New York, for yielding me this time.

Mr. Chairman, I had hoped to rise in support of this legislation, as I supported it previous times, but I do rise in reluctant opposition and would like to make Members aware of the fact that contained in this bill is absolutely no language relevant to the issue of abortion. Both Federal funds and local funds are authorized to pay for abortion on demand as a result of the bill that is pending before us.

I would hope that at some point during its process through conference that can be rectified, but as presented to the House today that is not the case.

Mr. Chairman, I would note that I object, along with millions of others, to being forced to pay abortionists to dismember in the case of the District of Columbia what will be thousands of fragile unborn babies with razor blade tipped suction machines, each machine as potent as the combined power of over 30 household vacuum cleaners. That is what we are paying the abortionists to do, dismember unborn babies piece by piece.

Mr. Chairman, I believe that a majority of Americans want no part of funneling funds to abortionists who pump hypodermic needles dripping with chemical poisons into children's bodies so as to procure their deaths. Unborn babies ought to be nurtured. They ought to be cared for, and yes, even loved, not injected with chemical poisons.

It is time, I think, that we look beyond the platitudes of choice and the easy sophistry of the multi-million dollar abortion lobby.

Abortion, Mr. Chairman, is child abuse. Birth is an event that happens to each and every one of us. It is not the beginning of life.

We need to look at that child growing and maturing inside the mother's womb, dependent but certainly independent in terms of his or her integrity of their bodies and see abortion for what it is, the taking of human life.

I would hope, Mr. Chairman, that we would look in this Congress to shut down the funding federally and locally that underwrites the demise of these children.

Mr. Chairman, I would ask my colleagues to consider in the eyes and from the perspective of an unborn child here in the District of Columbia that when the mother walks into this abortion clinic or abortion mill that to the baby, at least, it is a chamber of horrors where these chemical poisons and where these suction machines will soon be employed against that baby.

Let me also note that I have known many women who have had abortions. I consider them, Mr. Speaker, to be co-victims. Their plight, their situation cries out for positive nonviolent solutions, not the destruction of the babies.

Again, Mr. Chairman, I rise reluctantly against the legislation before the committee.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in order to close on our side, the issues in this bill are fairly clear. Is the Federal formula something that we agreed to, something that we should stay with? I believe that it is.

The appropriations bill calls for again $630 million under the formula and an additional $52 million to compensate for the Federal pension fund.

The $17 million in addition in my mind is a supplemental. The District of Columbia had an opportunity, as all the other cities did in America under the President's Stimulus package. It failed not only for the District, it failed for Los Angeles, it failed for Syracuse, it failed for cities all over the country.

Mr. Chairman, why should the District of Columbia be given the opportunity to get that supplemental back when the rest of America does not?

I will be offering an amendment to strike that $17 million.

Also the gentleman from New Jersey [Mr. SMITH] highlighted the problem with abortion. This bill is silent on the issue of abortion and also the issue of domestic partners, the social issues.

There are some very important economic issues that are tied up in both those social issues. The additional expenses to the District, a District which is sorely strapped for funds, it does not need to be creating new places to spend money when in fact they are laying off thousands of employees.

Mr. DIXON. Mr. Chairman, I yield myself the balance of the time.

In closing the debate on this bill, Mr. Chairman, just let me thank the gentleman from New York [Mr. WALSH]. Although the gentleman and I have some differences that will be expressed during the amendment period, let me thank the gentleman from New York [Mr. WALSH] for his participation in being a good ranking minority member.

I also want to thank the gentleman from Ohio [Mr. STOKES], the gentleman from Illinois [Mr. DURBIN], the gentlewoman from Ohio [Ms. KAPTUR], the gentleman from Colorado [Mr. SKAGGS], the gentlewoman from California [Ms. PELOSI], the gentleman from Oklahoma [Mr. ISTOOK] and the gentleman from Texas [Mr. BONILLA] for their contributions.

I wish that the ranking member and the chairman could come to the floor in total agreement. But that is not the case this year.

Mr. MCDADE. Mr. Chairman, first, let me congratulate Chairman DIXON, and the new ranking member, JIM WALSH. This bill requires an extraordinary amount of time and patience, and each year I am impressed with the conscientious effort put forth by all members of this subcommittee.

This year, the bill provides a $630.6 million Federal payment. The payment represents 24 percent of the revenues collected by the District in fiscal year 1992, consistent with the formula negotiated with the District and enacted into law in 1992. This is the second year we have used the formula to compute the Federal payment. Unfortunately, this is the second year that District officials have accused Congress of somehow short-changing the District. Although there is virtually unanimous agreement among Members of the authorizing committee and the appropriations committee and an independent check by the Government Accounting Office, we still hear District officials trying to claim that this payment is deficient.

I, for one, very much regret that District officials are bashing Congress over the amount of the Federal payment. We are using the formula negotiated with and agreed upon by the District, and we are holding up our end of the bargain. No other city in this country gets a check equal to 24 percent of their revenues collected. The District government collects revenues from a variety of sources including personal and corporate income taxes, property taxes, sales taxes, room taxes, and many other fees. On top of these revenues we add the Federal payment which does not require any collection effort and has grown $244 million over the last 10 years—a 63-percent increase despite our budget problems. The purpose of the formula is to provide a predictable and reliable income for the District to plan its budget. I think Congress has been extremely fair, and I hope that we can get pass the blame game over the Federal payment formula.

This year, we have seen the District struggling with a severe budget problem. It has been heartening to see a sincere effort underway to streamline the District government, making tough but needed cuts. I offered an amendment in subcommittee to help the District, not with a temporary fix, but with a change in law that allows the District to collect income taxes from Sallie Mae and Fannie Mae—two organizations that have evolved from fledgling Government-sponsored pilot programs to highly successful, profitable, privately held corporations with earnings in excess of $3 billion in 1992 alone. A preliminary estimate showed the District would receive $260 in revenues as a result of my amendment. Unfortunately, my amendment was removed before this bill reached the floor. Remarkably, one of the forces at work in opposing this provision was the District government itself—strapped for revenues, but unwilling to collect taxes from one of its most profitable businesses. I predict that the removal of my amendment will not mark the end of the issue.

Overall, while this bill is under the subcommittee's 602(b) allocation, it provides $17 million in excess funds over the Federal Government's commitment. I oppose this excess funding, which is why I worked to provide an alternative to using taxpayer funds for the District government at a time when we have a severe budget deficit. I am also opposed to the change in current law which would allow the District to use Federal funds to pay for abortions as well as the domestic partner provision which would allow the District to extend government benefits including health care coverage to individuals residing with DC employees in the same way that married couples are covered by insurance and benefit programs. Last year, on September 24th, this House voted 235 to 173—a 62-vote margin—in favor of the DeLay motion to instruct conferees to agree to Senate language prohibiting the domestic partner language. It is unfortunate that the will of the House was not taken into consideration when this bill was drafted in committee.

For all of these reasons, I am opposed to the bill and I will work in support of improvements to get this bill in a form that will be acceptable.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, 1994, and for other purposes, namely:

TITLE I

FISCAL YEAR 1994 APPROPRIATIONS

Federal Payment to the District of Columbia

For payment to the District of Columbia for the fiscal year ending September 30, 1994, $630,603,000, as authorized by section 502(a) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, as amended (D.C. Code, sec. 47–3406.1).

Federal Contribution to Retirement Funds

For the Federal contribution to the Police Officers and Fire Fighters', Teachers', and Judges' Retirement Funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96–122), $52,070,000, of which $2,000,000 shall not be available for obligation until September 30, 1994 and shall not be expended prior to October 1, 1994.

Federal Contribution for Crime and Youth Initiatives

For a Federal contribution for crime and youth initiatives in the District of Columbia, $17,327,000.

Division of Expenses

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

Governmental Direction and Support

Governmental direction and support, $118,543,000: *Provided*, That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia, and $2,500 for the City Administrator shall be available from this appropriation for expenditures for official purposes: *Provided further*, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further*, That notwithstanding any other provision of law, there is hereby appropriated from the earnings of the applicable retirement funds $10,801,000 to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board: *Provided further*, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: *Provided further*, That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an item accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Statehood Commission and Statehood Compact Commission.

Economic Development and Regulation

Economic development and regulation, $85,348,000: *Provided*, That the District of Columbia Housing Finance Agency, established by section 201 of the District of Columbia Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2–135; D.C. Code, sec. 45–2111), based upon its capability of repayments as determined each year by the Council of the District of Columbia from the Housing Finance Agency's annual audited financial statements to the Council of the District of Columbia, shall repay to the general fund an amount equal to the appropriated administrative costs plus interest at a rate of four percent per annum for a term of 15 years, with a deferral of payments for the first three years: *Provided further*, That notwithstanding the foregoing provision, the obligation to repay all or part of the amounts due shall be subject to the rights of the owners of any bonds or notes issued by the Housing Finance Agency and shall be repaid to the District of Columbia government only from available operating revenues of the Housing Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses: *Provided further*, That upon commencement of the debt service payments, such payments shall be deposited into the general fund of the District of Columbia.

Public Safety and Justice

Public safety and justice, including purchase of 135 passenger-carrying vehicles for replacement only, including 130 for police-type use and five for fire-type use, without regard to the general purchase price limitation for the current fiscal year, $907,966,000: *Provided*, That the Metropolitan Police Department is authorized to replace not to exceed 25 passenger-carrying vehicles and the Fire Department of the District of Columbia is authorized to replace not to exceed five passenger-carrying vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: *Provided further*, That not to exceed $500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further*, That the Metropolitan Police Department shall provide quarterly reports to the Committees on Appropriations of the House and Senate on efforts to increase efficiency and improve the professionalism in the department: *Provided further*, That notwithstanding any other provision of law, or Mayor's Order 86–45, issued March 18, 1986, the Metropolitan Police Department's delegated small purchase authority shall be $500,000: *Provided further*, That the District of Columbia government may not require the Metropolitan Police Department to submit to any other procurement review process, or to obtain the approval of or be restricted in any manner by any official or employee of the District of Columbia government, for purchases that do not exceed $500,000: *Provided further*, That funds appropriated for expenses under the District of Columbia Criminal Justice Act, approved September 3, 1974 (88 Stat. 1090; Public Law 93–412; D.C. Code, sec. 11–2601 et seq.), for the fiscal year ending September 30, 1994, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1975: *Provided further*, That funds appropriated for expenses under the District of Columbia Neglect Representation Equity Act of 1984, effective March 13, 1985 (D.C. Law 5–129; D.C. Code, sec. 16–2304), for the fiscal year ending September 30, 1994, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1985: *Provided further*, That funds appropriated for expenses under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986, effective February 27, 1987 (D.C. Law 6–204; D.C. Code, sec. 21–2060), for the fiscal year ending September 30, 1994, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1989: *Provided further*, That not to exceed $1,500 for the Chief Judge of the District of Columbia Court of Appeals, $1,500 for the Chief Judge of the Superior Court of the District of Columbia, and $1,500 for the Executive Officer of the District of Columbia Courts shall be available from this appropriation for official purposes: *Provided further*, That the District of Columbia shall operate and maintain a free, 24-hour telephone information service whereby residents of the area surrounding Lorton prison in Fairfax County, Virginia, can promptly obtain information from District of Columbia government officials on all disturbances at the prison, including escapes, fires, riots, and similar incidents: *Provided further*, That the District of Columbia government shall also take steps to publicize the availability of the 24-hour telephone information service among the residents of the area surrounding the Lorton prison: *Provided further*, That not to exceed $100,000 of this appropriation shall be used to reimburse Fairfax County, Virginia, and Prince William County, Virginia, for expenses incurred by the counties during the fiscal year ending September 30, 1994, in relation to the Lorton prison complex: *Provided further*, That such reimbursements shall be paid in all instances in which the District requests the counties to provide police, fire, rescue, and related services to help deal with escapes, riots, and similar disturbances involving the prison: *Provided further*, That the Firefighting Division of the District of Columbia Fire and Emergency Medical Services Department shall be maintained with the current staffing level of 269 fire fighters per 24-hour period: *Provided further*, That none of the funds provided in this Act may be used to implement any staffing plan for the District of Columbia Fire Department that includes the elimination of any positions for Administrative Assistants to the Battalion Fire Chiefs of the Fire Fighting Division of the Department: *Provided further*, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding General of the District of Columbia National Guard: *Provided further*, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this appropriation, and the availability of the sums shall be deemed as constituting payment in advance for the emergency services involved: *Provided further*, That the Mayor shall promulgate all necessary rules and regulations to provide that no police officer, firefighter, or correctional officer shall be permitted to work for more than ten (10) hours of overtime excluding court time in any one pay period, without the written approval of the Chief of Police, Chief of the Fire Department, or Director of the Department of Corrections: *Provided further*, That such approval shall clearly state specific reasons as to why such overtime was necessary.

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education programs, $711,813,000, to be allocated as follows: $517,682,000 for the public schools of the District of Columbia; $98,600,000 shall be allocated for the District of Columbia Teachers' Retirement Fund; $65,739,000 for the University of the District of Columbia; $21,260,000 for the Public Library, of which $200,000 shall be transferred to the Children's Museum; $3,540,000 for the Commission on the Arts and Humanities; $4,500,000 for the District of Columbia School of Law; and $492,000 for the Education Licensure Commission: *Provided*, That the public schools of the District of Columbia are authorized to accept not to exceed 31 motor vehicles for exclusive use in the driver education program: *Provided further*, That not to exceed $2,500 for the Superintendent of Schools, $2,500 for the President of the University of the District of Columbia, and $2,000 for the Public Librarian shall be available from this appropriation for expenditures for official purposes: *Provided further*, That no later than December 31, 1993, the Board of Trustees of the University of the District of Columbia shall implement resident and nonresident tuition rate increases of not less than 20 percent of the rates in effect on April 1, 1993: *Provided further*, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, 1994, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area.

HUMAN SUPPORT SERVICES

Human support services, $914,830,000: *Provided*, That $17,905,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That the District shall not provide free government services such as water, sewer, solid waste disposal or collection, utilities, maintenance, repairs, or similar services to any legally constituted private nonprofit organization (as defined in section 411(5) of Public Law 100–77, approved July 22, 1987) providing emergency shelter services in the District, if the District would not be qualified to receive reimbursement pursuant to the Stewart B. McKinney Homeless Act, approved July 22, 1987 (101 Stat. 485; Public Law 100–77; 42 U.S.C. 11301 et seq.).

PUBLIC WORKS

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and purchase of passenger-carrying vehicles for replacement only, $215,749,000: *Provided*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

WASHINGTON CONVENTION CENTER FUND

For the Washington Convention Center Fund, $12,850,000.

REPAYMENT OF LOANS AND INTEREST

For reimbursement to the United States of funds loaned in compliance with An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, approved August 7, 1946 (60 Stat. 896; Public Law 79–648); section 1 of An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85–451; D.C. Code, sec. 9–219); section 4 of An Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system, approved June 12, 1960 (74 Stat. 211; Public Law 86–515); sections 723 and 743(f) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973, as amended (87 Stat. 821; Public Law 93–198; D.C. Code, sec. 47–321, note; 91 Stat. 1156; Public Law 95–131; D.C. Code, sec. 9–219, note), including interest as required thereby, $312,948,000.

REPAYMENT OF GENERAL FUND RECOVERY DEBT

For the purpose of eliminating the $331,589,000 general fund accumulated deficit as of September 30, 1990, $38,337,000, as authorized by section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, as amended (105 Stat. 540; Public Law 102–106; D.C. Code, sec. 47–321(a)).

OPTICAL AND DENTAL BENEFITS

For optical and dental costs for nonunion employees, $3,423,000.

PAY ADJUSTMENT

For pay increases and related costs, to be transferred by the Mayor of the District of Columbia within the various appropriation headings in this Act for fiscal year 1994 from which employees are properly payable, $70,680,000.

PERSONAL AND NONPERSONAL SERVICES ADJUSTMENTS

The Mayor shall reduce appropriations and expenditures for personal and nonpersonal services in the amount of $27,062,000, within one or several of the various appropriation headings in this Act.

CAPITAL OUTLAY

For construction projects, $108,743,000, as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58–140; D.C. Code, secs. 43–1512 through 43–1519); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; Public Law 83–364); An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85–451; D.C. Code, secs. 9–219 and 47–3402); section 3(g) of the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved August 20, 1958 (72 Stat. 686; Public Law 85–692; D.C. Code, sec. 40–805(7)); and the National Capital Transportation Act of 1969, approved December 9, 1969 (83 Stat. 320; Public Law 91–143; D.C. Code, secs. 1–2451, 1–2452, 1–2454, 1–2456, and 1–2457); including acquisition of sites, preparation of plans and specifications, conducting preliminary surveys, erection of structures, including building improvement and alteration and treatment of grounds, to remain available until expended: *Provided*, That $10,577,883 shall be reduced from the cumulative amount available for project management and $4,463,301 shall be available for design by the Director of the Department of Public Works or by contract for architectural engineering services, as may be determined by the Mayor: *Provided further*, That funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: *Provided further*, That all funds provided by this appropriation title shall be available only for the specific projects and purposes intended: *Provided further*, That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968, approved August 23, 1968 (82 Stat. 827; Public Law 90–495; D.C. Code, sec. 7–134, note), for which funds are provided by this appropriation title, shall expire on September 30, 1995, except authorizations for projects as to which funds have been obligated in whole or in part prior to September 30, 1995: *Provided further*, That upon expiration of any such project authorization the funds provided herein for the project shall lapse.

WATER AND SEWER ENTERPRISE FUND

For the Water and Sewer Enterprise Fund, $240,929,000, of which $40,438,000 shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects.

For construction projects, $29,087,000, as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58–140; D.C. Code, sec. 43–1512 et seq.): *Provided*, That the requirements and restrictions that are applicable to general fund capital improvement projects and set forth in this Act under the Capital Outlay appropriation title shall apply to projects approved under this appropriation title.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act for the fiscal year ending September 30, 1982, approved December 4, 1981 (95 Stat. 1174, 1175; Public Law 97–91), as amended, for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3–172; D.C. Code, secs. 2–2501 et seq. and 22–1516 et seq.), $7,168,000, to be derived from non-Federal District of Columbia revenues: *Provided*, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally-generated revenues: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

CABLE TELEVISION ENTERPRISE FUND

For the Cable Television Enterprise Fund, established by the Cable Television Communications Act of 1981, effective October 22, 1983 (D.C. Law 5-36; D.C. Code, sec. 43-1801 et seq.), $2,353,000.

STARPLEX FUND

For the Starplex Fund, an amount necessary for the expenses incurred by the Armory Board in the exercise of its powers granted by An Act To Establish a District of Columbia Armory Board, and for other purposes, approved June 4, 1948 (62 Stat. 339; D.C. Code, sec. 2-301 et seq.) and the District of Columbia Stadium Act of 1957, approved September 7, 1957 (71 Stat. 619; Public Law 85-300; D.C. Code, sec. 2-321 et seq.) of which $1,742,000 shall be transferred to the general fund for the District of Columbia Courts and $35,000 shall be transferred to the Office of Cable Television: *Provided*, That the Mayor shall submit a budget for the Armory Board for the forthcoming fiscal year as required by section 442(b) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 824; Public Law 93-198; D.C. Code, sec. 47-301(b)).

GENERAL PROVISIONS

SEC. 101. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

SEC. 103. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 104. Appropriations in this Act shall be available, when authorized by the Mayor, for allowances for privately-owned automobiles and motorcycles used for the performance of official duties at rates established by the Mayor: *Provided*, That such rates shall not exceed the maximum prevailing rates for such vehicles as prescribed in the Federal Property Management Regulations 101-7 (Federal Travel Regulations).

SEC. 105. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: *Provided*, That the Council of the District of Columbia and the District of Columbia Courts may expend such funds without authorization by the Mayor.

SEC. 106. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments that have been entered against the District of Columbia government: *Provided*, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved March 31, 1956 (70 Stat. 78; Public Law 84-460; D.C. Code, sec. 47-1812.11(c)(3)).

SEC. 107. Appropriations in this Act shall be available for the payment of public assistance without reference to the requirement of section 544 of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Code, sec. 3-205.44), and for the non-Federal share of funds necessary to qualify for Federal assistance under the Juvenile Delinquency Prevention and Control Act of 1968, approved July 31, 1968 (82 Stat. 462; Public Law 90-445; 42 U.S.C. 3801 et seq.).

SEC. 108. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 109. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

SEC. 110. The annual budget for the District of Columbia government for the fiscal year ending September 30, 1995, shall be transmitted to the Congress no later than April 15, 1994.

SEC. 111. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the House Committee on the District of Columbia, the Subcommittee on General Services, Federalism, and the District of Columbia of the Senate Committee on Governmental Affairs, and the Council of the District of Columbia, or their duly authorized representative: *Provided*, That none of the funds contained in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name and salary are not available for public inspection.

SEC. 112. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-421 et seq.).

SEC. 113. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

SEC. 114. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: *Provided*, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowing and spending progress compared with projections.

SEC. 115. The Mayor shall not borrow any funds for capital projects unless the Mayor has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings.

SEC. 116. The Mayor shall not expend any moneys borrowed for capital projects for the operating expenses of the District of Columbia government.

SEC. 117. None of the funds appropriated by this Act may be obligated or expended by reprogramming except pursuant to advance approval of the reprogramming granted according to the procedure set forth in the Joint Explanatory Statement of the Committee of Conference (House Report No. 96-443), which accompanied the District of Columbia Appropriation Act, 1980, approved October 30, 1979 (93 Stat. 713; Public Law 96-93), as modified in House Report No. 98-265, and in accordance with the Reprogramming Policy Act of 1980, effective September 16, 1980 (D.C. Law 3-100; D.C. Code, sec. 47-361 et seq.).

SEC. 118. None of the Federal funds provided in this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia.

SEC. 119. None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1980, approved October 10, 1980 (94 Stat. 1824; Public Law 96-425; 15 U.S.C. 2001(2)), with an Environmental Protection Agency estimated miles per gallon average of less than 22 miles per gallon: *Provided*, That this section shall not apply to security, emergency rescue, or armored vehicles.

SEC. 120. (a) Notwithstanding section 422(7) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(7)), the City Administrator shall be paid, during any fiscal year, a salary at a rate established by the Mayor, not to exceed the rate established for level IV of the Executive Schedule under 5 U.S.C. 5315.

(b) For purposes of applying any provision of law limiting the availability of funds for payment of salary or pay in any fiscal year, the highest rate of pay established by the Mayor under subsection (a) of this section for any position for any period during the last quarter of calendar year 1993 shall be deemed to be the rate of pay payable for that position for September 30, 1993.

(c) Notwithstanding section 4(a) of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; Public Law 79-592; D.C. Code, sec. 5-803(a)), the Board of Directors of the District of Columbia Redevelopment Land Agency shall be paid, during any fiscal year, per diem compensation at a rate established by the Mayor.

SEC. 121. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code, sec. 1-601.1 et seq.), enacted pursuant to section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(3)), shall apply with respect to the compensation of District of Columbia employees: *Provided*, That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5 of the United States Code.

SEC. 122. The Director of the Department of Administrative Services may pay rentals and repair, alter, and improve rented premises, without regard to the provisions of section 322 of the Economy Act of 1932 (Public Law 72-212; 40 U.S.C. 278a), upon a determination by the Director, that by reason of circumstances set forth in such determination, the payment of these rents and the execution of this work, without reference to the limitations of section 322, is advantageous to the District in terms of economy, efficiency, and the District's best interest.

SEC. 123. No later than 30 days after the end of the first quarter of the fiscal year ending September 30, 1994, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia the new fiscal year 1994 revenue estimates as of the end of the first quarter of fiscal year 1994. These estimates shall be used in the budget request for the fiscal year ending September 30, 1995. The officially revised estimates at midyear shall be used for the midyear report.

SEC. 124. Section 466(b) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 806; Public Law 93–198; D.C. Code, sec. 47–326), as amended, is amended by striking "sold before October 1, 1993" and inserting "sold before October 1, 1994".

SEC. 125. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6–85; D.C. Code, sec. 1–1183.3), except that the District of Columbia Public Schools may renew or extend sole source contracts for which competition is not feasible or practical, provided that the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated Board of Education rules and procedures.

SEC. 126. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99–177), as amended, the term "program, project, and activity" shall be synonymous with and refer specifically to each account appropriating Federal funds in this Act, and any sequestration order shall be applied to each of the accounts rather than to the aggregate total of those accounts: *Provided*, That sequestration orders shall not be applied to any account that is specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99–177), as amended.

SEC. 127. In the event a sequestration order is issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99–177), as amended, after the amounts appropriated to the District of Columbia for the fiscal year involved have been paid to the District of Columbia, the Mayor of the District of Columbia shall pay to the Secretary of the Treasury, within 15 days after receipt of a request therefor from the Secretary of the Treasury, such amounts as are sequestered by the order: *Provided*, That the sequestration percentage specified in the order shall be applied proportionately to each of the Federal appropriation accounts in this Act that are not specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99–177), as amended.

SEC. 128. Sec. 133(e) of the District of Columbia Appropriations Act, 1990, as amended, is amended by striking "December 31, 1993" and inserting "December 31, 1994".

SEC. 129. For the fiscal year ending September 30, 1994, the District of Columbia shall pay interest on its quarterly payments to the United States that are made more than 60 days from the date of receipt of an itemized statement from the Federal Bureau of Prisons of amounts due for housing District of Columbia convicts in Federal penitentiaries for the preceding quarter.

SEC. 130. Nothing in this Act shall be construed to authorize any office, agency or entity to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the Council pursuant to section 422(12) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93–198; D.C. Code, sec. 1–242(12)) and the Governmental Reorganization Procedures Act of 1981, effective October 17, 1981 (D.C. Law 4–42; D.C. Code, secs. 1–299.1 to 1–299.7). Appropriations made by this Act for such programs or functions are conditioned on the approval by the Council, prior to October 1, 1993, of the required reorganization plans.

SEC. 131. (a) An entity of the District of Columbia government may accept and use a gift or donation during fiscal year 1994 if—

(1) the Mayor approves the acceptance and use of the gift or donation: *Provided*, That the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor; and

(2) the entity uses the gift or donation to carry out its authorized functions or duties.

(b) Each entity of the District of Columbia government shall keep accurate and detailed records of the acceptance and use of any gift or donation under subsection (a) of this section, and shall make such records available for audit and public inspection.

(c) For the purposes of this section, the term "entity of the District of Columbia government" includes an independent agency of the District of Columbia.

(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.

SEC. 132. (a) Up to 50 fire fighters or members of the Fire and Emergency Medical Services Department who were hired before February 14, 1980, and who retire on disability before the end of calendar year 1993 shall be excluded from the computation of the rate of disability retirement under subsection 145(a) of the District of Columbia Retirement Reform Act of 1979, as amended, approved September 30, 1983 (97 Stat. 727; D.C. Code, sec. 1–725(a)), for purposes of reducing the authorized Federal payment to the District of Columbia Police Officers and Fire Fighters' Retirement Fund pursuant to subsection 145(c) of the District of Columbia Retirement Reform Act of 1979.

(b) The Mayor, within 30 days after the enactment of this Act, shall engage an enrolled actuary, to be paid by the District of Columbia Retirement Board, and shall comply with the requirements of section 142(d) and section 144(d) of the District of Columbia Retirement Reform Act of 1979 (Public Law 96–122, D.C. Code, secs. 1–722(d) and 1–724(d)).

SEC. 133. At the end of fiscal year 1994, the number of FTE's shall not exceed the number of FTE's in the approved fiscal year 1994 budget, less a 1 percent attrition rate and the actual corresponding dollar savings.

SEC. 134. (a) The Mayor shall establish a program to offer incentives for employees to accept early-out retirement. The Mayor shall report to the Council for approval of the early-out retirement program by mid-fiscal year 1994 with an actuarial study to show the District's liability for the early-out program.

(b) Notwithstanding any other provision of law, no early-out program established pursuant to this section shall be exempt from the requirements of section 142(d) and section 144(d) of the District of Columbia Retirement Reform Act of 1979 (Public Law 96–122, D.C. Code, secs. 1–722(d) and 1–724(d)).

SEC. 135. (a) None of the funds provided in this Act or any other funds available to the District of Columbia shall be used for any contract to provide goods or services to or on behalf of the District of Columbia which currently are provided by employees, departments, or agencies of the District of Columbia until the Mayor submits to the Council and the Council approves revised contracting policies and procedures.

(b) The revised contracting policies and procedures required by subsection (a) of this section shall provide that:

(1) A cost analysis comparing the in-house costs of providing the service with the costs associated with contracting for the service shall be completed for each contract proposed pursuant to this section; and

(2) Contracting out will provide savings over the duration of the contract of at least 10 percent.

SEC. 136. (a) The Mayor shall not award the following types of contracts until after the Council has approved the proposed contract award as provided in this section:

(1) Any contract for goods or services worth over $1,000,000 and any contract for any sum which, when added to other contracts awarded to the same contractor for the same or similar purposes within a fiscal year, exceeds $1,000,000 in contracts with the same contractor, except: (A) contracts awarded under the "competitive sealed bidding" provisions pursuant to section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6–85; D.C. Code, 1–1183.3); or (B) contracts to implement a Federal program where Federal law governs contracting procedures as a condition for the receipt of Federal assistance; and

(2) Any contract to provide goods or services, to or on behalf of the District of Columbia, which currently are or traditionally have been provided by employees, departments, or agencies of the District of Columbia.

(b) Prior to the award of a contract covered by this section, the Mayor shall submit a proposed contract award to the Council. The proposed contract award shall be deemed approved 7 calendar days, excluding days of Council recess, after the proposal has been officially introduced in the Council according to its rules, unless during that time, an objection to the proposed award, by at least 3 members of the Council, is filed in the Office of the Secretary to the Council.

(c) If an objection to the proposed contract award is filed, the proposed award shall be deemed approved 21 calendar days, excluding days of Council recess, after the proposed award was officially introduced in the Council, unless during that time, the Council adopts a resolution disapproving the proposed award.

(d) The Council may approve or disapprove a proposed contract award by resolution prior to the expiration of the time periods provided in this section.

(e) The approval required by this section shall be a condition precedent to the existence of a District of Columbia contract described in subsection (a) of this section. No contractor may undertake any work, and no District officer or employee may obligate or expend funds, with respect to the performance of a proposed contract prior to Council approval under this section.

This title may be cited as the "District of Columbia Appropriations Act, 1994".

TITLE II

FISCAL YEAR 1993 SUPPLEMENTAL

FEDERAL FUNDS

FEDERAL CONTRIBUTION TO RETIREMENT FUNDS

The second paragraph under this heading for the fiscal year ending September 30, 1993, in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1422) is repealed.

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

(INCLUDING RESCISSION)

For an additional amount for "Governmental direction and support", $15,133,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1423), $4,760,000 are rescinded for a net increase of $10,373,000.

The following provision under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1423 is repealed: "*Provided further*, That $10,200,000 of the revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be available for the Mayor's youth and crime initiative, but shall not be obligated or expended until the Mayor submits to the Council a plan for the allocation and use of the funds:".

ECONOMIC DEVELOPMENT AND REGULATION

(INCLUDING RESCISSION)

For an additional amount for "Economic development and regulation", $1,047,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1423), $10,587,000 are rescinded for a net decrease of $9,540,000.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for "Public safety and justice", $6,230,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1424), $18,921,000 are rescinded for a net decrease of $12,691,000: *Provided further*, That any unspent funds remaining in the nonpersonal services budget of the Metropolitan Police Department at the end of fiscal year 1993 shall remain available for the exclusive use of the Metropolitan Policy Department for the purchase of equipment in fiscal year 1994.

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSION)

For an additional amount for "Public education system", $246,000, for the Education Licensure Commission: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1426), $2,270,000 for the Public Schools of the District of Columbia, $4,199,000 for the University of the District of Columbia, $964,000 for the Public Library, and $70,000 for the Commission on the Arts and Humanities are rescinded for a net decrease of $7,257,000.

The following provision under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382, 106 Stat. 1426) is repealed: "of which $2,000,000 shall be derived from revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992";".

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

For an additional amount for "Human support services", $70,772,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1426), $2,221,000 are rescinded for a net increase of $68,551,000.

PUBLIC WORKS

(RESCISSION)

Of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1427), $3,271,000 are rescinded.

REPAYMENT OF LOANS AND INTEREST

For an additional amount for "Repayment of loans and interest", $19,051,000.

REPAYMENT OF GENERAL FUND RECOVERY DEBT

(RESCISSION)

Of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1427), $5,000 are rescinded.

RESIZING

For the purpose of funding costs associated with the Temporary Appeals Panel pursuant to D.C. Law 9–47, the District of Columbia Government Merit Personnel Act of 1978 Temporary Amendment Act of 1991, $225,000.

SEVERANCE PAY

For severance pay to employees who are involuntarily separated from service as a result of reductions-in-force or reorganizations, $10,410,000.

PAY ADJUSTMENT

For pay increases and related costs to be transferred by the Mayor of the District of Columbia within the various appropriation headings in this Act from which costs are properly payable, $7,880,000.

FACILITIES RENT/LEASES

The paragraph under the heading "Facilities Rent/Leases" in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1428), is repealed: *Provided*, That the appropriation of $16,682,000 provided by that paragraph is distributed within the appropriation titles above.

FURLOUGH ADJUSTMENT

Each agency, office, and instrumentality of the District, except the District of Columbia Courts, shall furlough each employee of the respective agency, office, or instrumentality for one day in each month of the fiscal year ending September 30, 1993, or a proportionate number of hours for part-time employees. The personal services spending authority for each agency, office, and instrumentality subject to this section is reduced in an amount equal to the savings resulting from the employee furloughs required by this section, for a total reduction of $36,000,000, which is distributed within the appropriation titles above. The Council shall enact legislation to implement this section which may include but shall not be limited to procedures to ensure that public health and safety functions are carried out.

WITHIN-GRADE SALARY ADJUSTMENTS

Notwithstanding any other provision of law, no employee of any agency, office, or instrumentality of the District shall receive within-grade salary increases during the fiscal year ending September 30, 1993, and no time during the fiscal year ending September 30, 1993 shall accrue toward the waiting period for advancement to the following rate within the grade. The spending authority for each agency, office, and instrumentality is reduced in an amount equal to the savings resulting from the adjustments required by this section, for a total reduction of $13,000,000, which is distributed within the appropriation titles above.

PERSONAL AND NONPERSONAL SERVICES ADJUSTMENTS

The paragraph under the heading "Personal and Nonpersonal Services Adjustments", in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1428), is repealed: *Provided*, That the reduction of $30,798,600 required by that paragraph is distributed within the appropriation titles above: *Provided further*, That the Mayor shall reduce appropriations and expenditures for personal and nonpersonal services in the amount of $29,730,000, within one or several of the various appropriation headings in this Act.

CAPITAL OUTLAY

For an additional amount for "Capital outlay", $200,000, to remain available until expended.

WATER AND SEWER ENTERPRISE FUND

(INCLUDING RESCISSION)

For an additional amount for "Water and Sewer Enterprise Fund", $12,717,000: *Provided*, That of the funds appropriated under this heading in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1429), $41,482,000 are rescinded for a net decrease of $28,765,000.

The following provision under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1429) is repealed: ", and $12,200,000 collected as payment in lieu of taxes pursuant to the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be transferred to the general fund to provide $10,200,000 for the Mayor's youth and crime initiative, and $2,000,000 for the University of the District of Columbia".

The following provision under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102–382; 106 Stat. 1430) is repealed: "*Provided further*, That not to exceed $22,705,000 in water and sewer enterprise fund operating revenues shall be available for pay-as-you-go capital projects".

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

(RESCISSION)

Of the funds appropriated under this heading for the Lottery and Charitable Games

Enterprise Fund for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1430), $270,000 are rescinded.

CABLE TELEVISION ENTERPRISE FUND

(INCLUDING RESCISSION)

For an additional amount for "Cable Television Enterprise Fund", $35,000: *Provided*, That of the funds appropriated under this heading for the Cable Television Enterprise Fund for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1430), $300,000 are rescinded and transferred to the general fund for a net decrease of $265,000.

STARPLEX FUND

The paragraph under the heading "Starplex Fund" in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1430), is amended by inserting after the phrase "shall be transferred to the general fund" the following: "and an additional $200,000 shall be transferred to the University of the District of Columbia".

GENERAL PROVISIONS

SEC. 201. Section 114 of the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (106 Stat. 1432) is repealed.

SEC. 202. Section 132 of the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (106 Stat. 1434) is repealed.

SEC. 203. Section 134(a)(1) of the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (106 Stat. 1435) is amended by inserting the following after the word "donation": ": *Provided*, That the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor".

Mr. DIXON (during the reading). Mr. Chairman, I ask unanimous consent that the bill through line 9 on page 43, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order against that portion of the bill?

The Chair hears none.

AMENDMENT OFFERED BY MR. WALSH

Mr. WALSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALSH: Page 2, strike lines 21 through 24.

Mr. WALSH. Mr. Chairman, 2 years ago this body, along with the Senate, agreed to a Federal formula payment. The chairmen of both the authorizing and the appropriating committees, along with the ranking members, signed on, as did the District of Columbia government.

Since this agreement, there has been a consistent dispute between Congress and the city over the amount of payment, and since this agreement the city has continued to request an additional amount over and above what is due to them.

This year they requested $672 million, $42 million over the formula payment.

Generally it is good practice to stick with an agreement once made.

□ 1800

Public Law 102-102, section 503(a), states there is authorized to be appropriated as the annual Federal payment to the District of Columbia an amount equal to 24 percent of local revenues. We need to stay with what has been authorized. If we give the District an extra $17.3 million, we nullify the intent of the law and set a very dangerous precedent.

The formula payment is $630.6 million. The formula payment is a 5-year agreement. To preserve the integrity of this agreement we must not break with its intent.

We enacted this law to take the guesswork out of how much we owe the District. I have accepted the argument that the District is in financial peril and that youths in this city are being killed at an alarming rate. However, I do not honestly believe that by throwing more money at the problem it will reduce the number of crimes, youth crimes or crime in general.

No one wants to see children hurt, or old people robbed, or residents carjacked, but it does happen, but not just in the District. It happens in my hometown, too.

I would suggest we look at other cities of comparable size to see what they are doing about their problems to try to find solutions that are equitable and results oriented. We cannot get in the habit of a patchwork control because it just does not work. If we open the door this year, it will be opened again next year.

I urge my colleagues to support this amendment, to remove the $17.3 million from the bill, and let me remind my colleagues that the total appropriations to the District of Columbia is over $16 billion of Federal money, $28,000 per individual. That money does not all come from the District of Columbia. It comes from all over America, cities like my chairman's, and cities like my own, and cities like the gentleman's from Texas [Mr. BONILLA], and cities like the gentleman's from Oklahoma [Mr. ISTOOK] and the rest of us.

Our taxpayers send money here. We have a responsibility to make sure it is spent wisely. We have a constitutional requirement to oversee the operations of the city government. This $17 million amounts to an emergency supplemental bill for the District of Columbia. Every city in America needs this money. Every city in America has Washington, DC's, problems. But not every city receives the amount of money back from the Federal Government that the District of Columbia receives per capita. My home State, New York State, one of the largest States in the country, receives between $3,000 and $4,000 returned from the Federal Government per capita while the District is close to 10 times that amount. We even offer the District a way to raise money, additional funds.

The subcommittee voted to include the amendment offered by the gentleman from Pennsylvania [Mr. MCDADE] which would have repealed the obsolete statute which exempts Fannie Mae and Sallie Mae from paying taxes on revenue. They are a taxable entity. The provision would allow the city to collect over $260 million per year, but pressure from the authorizing committee, as well as the corporation and the city, resulted in the removal of this language. The Mayor did not want this tax relief.

Mr. Chairman, this amendment must be passed. We do not have $17 million to give away. The District now receives more per capita by a tremendous amount than any other State in the Union. Granted, they have special problems, and we are trying to deal with those through this appropriations process, but let us give the District what they have agreed to accept through the formula. We have a law, and we have a responsibility to live with it.

Mr. DIXON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. WALSH].

Members of this body, it is very hard to start out disagreeing with one's ranking member on a committee, but in this case I really think it is necessary.

First of all, Mr. Chairman, the figures that the gentleman from New York uses are wrong. The District receives a total of $1.6 billion in all Federal funds from the U.S. Government in this bill. There are 600,000 residents of this District, and, if we divide that figure into the $1.6 billion, we come up with $2,800 per resident.

Mr. Chairman, I only raise that because I think it is important that members of the committee do not distort the facts.

Now this fight is not about the Federal formula payment, so let us forget that. The Appropriations Committee has allocated under what we call the 602(b) allocation process, $700 million for our subcommittee. There is consultation with the ranking minority member of the committee, but basically the subcommittee chairmen divide up the committee's total allocation. Historically the committee has received a 602(b) allocation above the Federal payment, and that is because there are people in this body, in a bipartisan manner, who have thought from time to time and year to year that there are projects that this Congress should fund. That has nothing to do with the Federal payment.

I say to the gentleman from New York [Mr. WALSH] that I can think of a half a dozen programs that have been suggested and supported on a bipartisan basis: the Children's Hospital, the Samaritans, the Institute of Mental Health. Sometimes we have funded educational programs. We have entertained requests from George Washington University and from Georgetown University, which works with deprived children in this community. And it is the Congress that has suggested the funding.

Now the reason I am agitated today is the gentleman from New York [Mr. WALSH] made a request for the money that he is now trying to cut. He made a request, and I will not yield at this point, but I will be glad to yield to the gentleman after I complete my point. It is not that I do not want him to talk. He made a request for funds for a worthy community organization, and there is nothing wrong with his request. It was for $3 million, and it would have come out of the money that he is now standing on the floor trying to cut.

The subcommittee decided, based on my recommendation, that this year the No. 1 issue was crime and public safety and that, because of the dire financial straits of the economy here in Washington, DC, instead of funding some outside groups, we would fund the youth and crime initiative internally within the District.

The gentleman went to full committee and tried to cut the money that he tried to take a portion of. And now he comes to the floor because the Committee made a decision to go in a direction that he obviously does not like. He wants to cut it all out.

Now that is fact, and I will be glad to yield to the gentleman from New York [Mr. WALSH] if he wants to correct anything that he thinks I have said that is wrong.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from New York.

Mr. WALSH. Mr. Chairman, I appreciate the opportunity.

First of all, the point of the Federal spending in the District of Columbia: that figure was correct, $28,000 per capita total Federal spending and procurement. Now we may not appropriate that money directly to the District, but it is money spent by the Federal Government within the District of Columbia, and it is a fact.

As far as the request for the Children's Hospital, Mr. Chairman, this has been a traditional request of this committee, to support Children's Hospital. I think most of us agree that the community health centers and the Children's Hospital need support because they are not funded properly, and that is the purpose of the request.

Mr. DIXON. Mr. Chairman, allow me to reclaim my time in order to have a dialogue.

I am not talking about the Children's Hospital. This committee has funded some $6 million to the Children's Hospital. I say to the gentleman, "Don't try to allude to the fact that you were requesting money for the Children's Hospital. You said you supported a request. You made an independent request in the amount of $3 million for a community health organization."

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from New York.

Mr. WALSH. This was a request, Mr. Chairman, that I certainly did not originate alone. My understanding was that the gentleman supported it, that the distinguished gentleman from Maryland, the chairman of the Subcommittee on Treasury Post Office supported it, and——

Mr. DIXON. I obviously did not support it. I made a recommendation that we fund no organizations.

Mr. WALSH. Well, my understanding on the $17 million was that there was not funds available for any purpose.

Mr. DIXON. Reclaiming my time, what I want to say with all due respect to the gentleman is, "I think that you're confused on the issue."

□ 1810

There was $17 million left over in our 602(b) allocation, and the committee made the decision to put it into the youth and crime initiative rather than fund some other projects. That is the reason I think the gentleman is confused on it, and that is the reason I am upset. After the gentleman said he would like to take part of that $17 million, the committee made a decision to go in another direction, and then the gentleman comes in and offers a request to cut the entire amount.

Mr. Chairman, I would ask the gentleman, had the committee agreed to the $3 million he requested for the community health organization, would the gentleman be asking to cut the entire $17 million or only the $14 million remaining after he got his share?

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I am glad to yield to the gentleman from New York.

Mr. WALSH. Mr. Chairman, the fact is that we have a formula, and we have agreed to the formula.

Mr. DIXON. Mr. Chairman, reclaiming my time, this has nothing to do with the formula. That is what I have been trying to get across to the gentleman. This is Federal money that this House and the other body have decided to spend in a different manner. It has nothing to do with the Federal formula.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I am glad to yield to the gentleman from New York.

Mr. WALSH. Mr. Chairman, I assure the gentleman that in the future I will expect nothing more from our committee than what is in the formula for the District of Columbia and the pension programs.

Mr. DIXON. That is the gentleman's prerogative. That does not address the issue that is before us, that you are trying to cut $17 million out of a discretionary fund that you earlier had tried to use part of for a local health organization. I think it is entirely inappropriate. I think we can argue the youth and crime initiative on its merits.

Mr. Chairman, I ask the Members to defeat this amendment.

Mr. BALLENGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a member of the District of Columbia Committee and as a homeowner and taxpayer in the District of Columbia, I plan to support the amendment offered by my colleague, Representative JIM WALSH, to cut $17 million from the appropriation bill for the District of Columbia for fiscal year 1994.

There will soon be a request to expand the court system asking for more Federal money. The District is cash broke, in debt, and turning, as usual, to Congress to provide more taxpayer dollars to solve its funding problems. Two years ago, the Congress approved an emergency supplemental appropriation bill for the District which authorized $100 million and increased the Federal payment for fiscal year 1992 by another $200 million. Since fiscal year 1991 the District has received a cumulative increase of $500 million in the Federal payments. Congress and the American taxpayer have lived up to their obligation to help the District out of its financial hole.

When Congress approved the extra funds, it was my understanding that Federal add-ons, routinely appropriated in past years, would be ended. Unfortunately, this $17 million is just another add-on for the District.

The Appropriation Committee has fulfilled the letter of the law and correctly appropriated $630.6 million for the Federal payment for the District. This is a $5.7 million increase over the previous year. In addition, the retirement fund will receive $52.1 million in Federal dollars as required by law. Finally, the bill approves spending $3.75 billion in local funds from the District of Columbia treasury, a 6-percent reduction. In addition, the District will also receive $873 million in Federal grants and reimbursements this fiscal year.

If this additional $17 million is provided, we will be sending the message that the District does not have to solve its own deficit problems, but can always count on Uncle Sam for another handout.

While this funding has political appeal because it has been targeted for anticrime and youth initiates, please remember that the Mayor already funded a $9 million program in her budget for these actions.

With a Federal fiscal year 1994 budget deficit estimated to be over $300 billion dollars, we must carefully scrutinize our spending priorities. We should act appropriately and remove this additional $17 million that goes beyond the Federal payment. Join with me in supporting the Walsh amendment.

Mr. ABERCROMBIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I realize there are not a lot of Members on the floor right now. I sincerely hope that Members may be tuned in to the debate here, and I sincerely hope we can get rid of some of the number recitation that is going on now and get to the number recitation that my good friend, the gentleman from California [Mr. DORNAN], brought up. Let us get to the human dimension here.

Some Members on the other side and some on my side of the aisle were upset yesterday when we put forward Project HOPE. Why did we do that? We hoped in turn, with the passage of that bill and with that small amount of money, that minor amount of money in the whole bill, the housing bill, that people would be able to bring some dignity back into their lives.

What is this $17 million? It has been talked about for the better part of an hour now, and we have yet to mention that it means human beings. We have yet to mention that it is the Youth Advisory Board that brings young people, ages 12 to 21, from the District of Columbia as an advisory group to try to work on this problem.

I am glad that my good friend, the gentleman from Missouri [Mr. EMERSON], is here on the floor, because he has been instrumental in putting together a study to try to integrate organizations and individuals and groups, nonprofit Government agencies and others, to try to reform the welfare system in a way that makes sense, that puts together a public and private partnership that will truly make changes in people's lives and help them to make changes in their own lives.

This $17 million is going to go into an interagency advisory board in an effort to reduce the fragmentation that has traditionally characterized city services, not just in the District of Columbia but throughout the country. This $17 million can serve as a model for the rest of the Nation, and that is why I am asking that we be given this consideration.

Mr. Chairman, I do not sit on the Committee on the District of Columbia. I volunteered for it. I would be glad to sit on it if I ever got the chance.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. ABERCROMBIE. Yes, of course I yield to the gentleman from New York.

Mr. WALSH. Mr. Chairman, is the gentleman aware as to how much this program is currently funded at, at what amount it is currently funded at?

Mr. ABERCROMBIE. I believe that in addition to this program, the mayor has upward of between $9 and $10 million in other youth-oriented activities. That is my understanding.

Mr. WALSH. My understanding is that this program is currently funded at the $12 million level. This would be more than double or be 2½ times the amount currently funded.

Mr. ABERCROMBIE. Reclaiming my time, Mr. Chairman, I appreciate that, and that means it must be working and that this is money well invested.

The gentleman from California [Mr. DORNAN] himself has indicated that there are difficulties here by reciting, if I remember correctly, the shooting rate, the killing rate. He has recited these numbers. I want to put the human-being factor back into this. This $17 million, Mr. Chairman, if I understand the chairman of the subcommittee correctly, is within the allocation given to the committee. If that is the case, surely those of us who believe in home rule, those of us who believe in local decisionmaking, those of us who believe that the Federal Government should have the minimum opportunity to decide for those at the local level what they should do with respect to these kinds of matters, would defer to the local community, to the City Council, and to the Mayor's office here in the District to allow her and the City Council and the agencies and the people involved to make these expenditures.

We are not spending over anybody's limit. This is entirely within the boundaries of the money that is allocated. This is our opportunity to join with them.

My good friend, the gentleman from California [Mr. ROHRABACHER], spoke also on the subject matter, and I know that he is a civil libertarian and a human rights advocate. I would ask him to reconsider. If he looks at the Mayor's youth and crime initiative, I think he would find that this fits right into his philosophy of local people making decisions on behalf of young people to keep them out of Lorton, to keep them out of prison, to give them an opportunity to have some dignity in their lives and some purpose in their lives.

That is what the $17 million is for, Mr. Chairman, I ask, when we consider voting on this measure, that we give the District of Columbia its full opportunity to implement this integrated process of advancement of young people.

□ 1820

Mr. ROHRABACHER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate the comments of my friend and colleague from Hawaii [Mr. ABERCROMBIE]. We have worked together on many human rights issues throughout the world, and we share many values together, not only as Democrats and Republicans, but as American citizens who have a humane and decent approach to our fellow citizens.

Today we also, rather than just being humane and decent to our fellow citizens, have to acknowledge that if our country is to be the country we want it to be, we have to be fiscally responsible. That, more than any other issue, will determine whether our country is a decent place to live or not. Whether there will be money available in the future, whether our economy can succeed so that our citizens can live well in the future, will depend on whether or not we can make responsible decisions.

The $17 million that is being suggested for this Youth and Crime Initiative in the District of Columbia may very well be a wonderful, wonderful program, and I do not want to argue whether or not they are great programs or not, because they probably are.

In fact, if I lived in this city and I was going to determine where the funds were going to go that were available to the city, I might even support the $17 million. But that is the point: the District of Columbia should be spending their own money, should be allocating their money, the money that they have available to them, in the way that they want to spend it. This, rather than asking for the Federal Government to take money from a pool that is actually the possession of all the cities of the country, including the inner cities, and the various States. That now the District of Columbia gets something special as compared to the other States.

Mr. ABERCROMBIE. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Mr. Chairman, my understanding is that this is not asking for something special. This is right in line with the philosophy the gentleman has just espoused, within the boundaries of the fiscal constraints that have been placed on the committee. There is not a dime extra in this request.

Now, if I am wrong on that, I am sure Chairman DIXON will contradict me. But I can assure the gentleman from California [Mr. ROHRABACHER] that this initiative, which you otherwise would approve, is within the fiscal boundaries of the committee's jurisdiction.

Mr. ROHRABACHER. Mr. Chairman, reclaiming my time, this $17 million exceeds the authorization that was given to the District of Columbia. The District of Columbia is supposed to have a $630 million payment, and this is being asked for over and above the Federal payment.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from California.

Mr. DIXON. Mr. Chairman, I will just clear this up. It is true that it is not authorized because it is a District program. But when we have given money in the past, and as I hope we will do in years future, to the Children's Hospital, or the request of the gentleman from New York [Mr. WALSH], they would not be authorized either, because it is not a Federal program. But it is within the budgetary constraints of the subcommittee and the full committee. It meets the 602(b) authority.

Mr. ROHRABACHER. Mr. Chairman, reclaiming my time, I think it is irresponsible to go beyond the authorization in those cases as well. Whether or not we are going to have a country that works or doesn't work, whether our people are going to have any chance in the future, will depend on us being able to make responsible decisions.

By the way, I do not believe that we can say honestly that this money is going to go, $17 million, to a youth and crime initiative. Basically, it is going to bolster the budget of the District of Columbia, who is perfectly free to spend $17 million of other moneys that are available by making their services more efficient, or whatever. They are perfectly free to spend $17 million of their own money to do this.

So just handing them $17 million is doing nothing more than actually taking money from the other cities and giving it to this city. I do not believe that is responsible.

Mr. Chairman, just one note: The Chairman was right in stepping forward and challenging my friend from Diamond Bar earlier, about the fact that his city more wisely used their money. But I would just like to add, yes, Diamond Bar does not have Federal facilities or Federal property. But most cities believe that Federal facilities and property are a big plus.

There are people arguing the case all over this Congress that they want to keep Federal facilities and Federal property in their congressional districts, because it adds dollars to the value of the local community, having tourists come in, having people work there that are buying goods and services.

So I believe the District of Columbia, what we have to focus on is, I do believe they should be sovereign. We should recognize their sovereignty. We should recognize that they do raise much of their own money through local taxes, I believe 80 percent. They have a right to a certain degree of independence and sovereignty and decisionmaking, if indeed, their own taxpayers raise this money.

But you cannot have it both ways. You cannot turn around and say well, we need some extra money over and above the Federal payment, over and above the Federal programs the city is eligible for, that we get like every other city and county. We want more.

Well, you cannot have it both ways. You are either going to be a city, or you are not.

Mr. DIXON. Mr. Chairman, I ask unanimous consent that debate on this amendment be limited to 10 minutes, to be divided equally and controlled by myself and the ranking minority member, the gentleman from New York [Mr. WALSH].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Thre was no objection.

Mr. DIXON. Mr. Chairman, with the understanding that the gentleman from New York [Mr. WALSH] has the right to close, I would yield the entire 5 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

The CHAIRMAN. The Chair recognizes the distinguished Delegate from the District of Columbia [Ms. NORTON].

Ms. NORTON. Thank you. Mr. Chairman, I rise in opposition to the amendment and thank the Chairman for yielding to me. I want to thank the Chairman as well for the powerful clarification he has just given on the House floor of the 602(b) allocation for the District of Columbia. I believe that the GAO report and my remarks demonstrate that the amount owed the District is more than the allocation of $653 million. But for the moment assuming that there is $17 million in excess, the Chairman is correct that traditionally the overage has been used for the pet projects of members of the subcommittee. In effect, what the Chairman this time said was with kids being shot in a swimming pool in Southeast, with Columbia Heights just recovering from a stalking killer who left a half dozen people shot or dead, that any overage surely should go for the Mayor's youth and crime initiative, and I don't believe you will find Members in this House who would believe that there is any priority greater than that. As for Children's Hospital, a universal pet project of the committee, it is after all a private hospital. And, indeed, because it is a wonderful hospital, it attracts funds from all around the country. This is not a time, when the District has a deficit, a $152 million deficit, to look for other places to put money, or worse, to draw money back from the District. The Congress surely does not want to send the Capital City into bankruptcy. If we withdraw this money today we are inviting insolvency in the Capital City of the United States.

Mr. Chairman, you have clarified the notion of the amount of money per capita that the District gets. I must tell you, Mr. Chairman, I don't know whether to laugh or to cry when I hear it said that the District gets more Federal money than most cities. First of all, the District is first per capita in combined local and Federal taxation and yet does not have full representation in this House, has neither voice nor vote in the Senate, and yet there are only two States represented in this House that pay more taxes per capita to the Federal treasury. You want to talk about money. The District of Columbia is a donor State, my friends. But let me correct the RECORD on how much money per capita the District gets, because the figures that have been cited here are highly erroneous. Members have stated that the per capita distribution of Federal funds is $28 thousand per capita to the District of Columbia. If that's true, all of you should move in here. This is really the place to live. Of course, that is not true. Under current regulations, the Department of Commerce, Federal Economics and Statistics Administration, expenditures for fiscal year 1990 reflect the aggregate dollar amount of the salary expenditures including basic premium and lump sum payments for all Federal civilian employees. What this means is that if a civil payroll check or lump sum payment is issued in the District of Columbia the District is charged as being the recipient of that amount. That is the origin of the $28,952.

Mr. WALSH. Would the gentlelady yield?

Ms. NORTON. I would be pleased to yield.

Mr. WALSH. I thank the gentlelady for yielding. Whether or not it is appropriated, procured, or spent, it is spent in the District of Columbia by the Federal Government. The base closure commission—

Ms. NORTON. Reclaiming my time, Mr. Chairman.

Mr. WALSH. Just closed two bases in New York State and those people would love to get their jobs back.

Ms. NORTON. Reclaiming my time. Almost none of the money is spent in the District of Columbia. It is the money that Federal employees get for working in the District of Columbia. Most of them live outside of the District of Columbia, spend their disposable income outside the District of Columbia, and, by charter passed by this House of Representatives, do not pay one thin dime to the District for the services they use. This figure is a great distortion of the facts, and those figures should not be cited to people who have been forced, forced to have the highest tax rates in the country precisely because those Federal employees earn their living here, use our services, and leave not one red cent here.

The CHAIRMAN. The gentleman from New York [Mr. WALSH] is recognized for 5 minutes to close the debate on this amendment.

Mr. WALSH. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Texas [Mr. BONILLA].

Mr. BONILLA. Mr. Chairman, I thank the gentleman from New York for yielding time to me.

I rise in support of the Walsh amendment, which strikes the $17 million from this bill in unauthorized funds.

I am committed to taking steps to reduce the deficit and urge my colleagues to support this amendment.

The gentleman from New York [Mr. WALSH] is making a sincere effort here at deficit reduction. There has been suggestion that perhaps it was a different motivation for what he is trying to accomplish here. I can assure my colleagues that this is not the case and that it is simply an effort at deficit reduction.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think that we all approached this bill in a way that we felt a responsibility to the District to do the right thing for the District of Columbia.

The District of Columbia, 2 years ago, came to the Congress and asked for permission to bond for $330 million, when the new Mayor came into office, to clean up past debts and to get current on current expenditures, operating expenditures.

I come from city government. We would never, ever bond to pay current expenditures, to pay operating costs, to pay salaries. But that was allowed, to give the Mayor a clean slate, 2 years ago, a $330 million bond.

It is gone. It is all gone. And now the District is in debt again. How many times can they come to the well?

After the bond was passed, there was a formula agreed upon. Most Members agreed it was a good formula. This is the first time it has had to stand the test, the first time.

My colleagues, I urge Members to support the formula, to support the agreement, to support the legislative history of this appropriations bill and to support the Walsh amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding to me.

The thrust of this gentleman's amendment is to take approximately $17 million from a youth initiative. If the gentleman will yield briefly to me, I would like to comment on that.

I will not ask the gentleman how he voted on the space station.

Mr. WALSH. Mr. Chairman, will the gentleman get to his point?

Mr. DELLUMS. Mr. Chairman, if the gentleman will continue to yield, if the gentleman does not choose to yield to me, do not tell me how to speak.

Mrs. LOWEY. Mr. Chairman, I rise in strong support of the District of Columbia appropriations bill. Chairman DIXON has worked hard to craft a bill that deals responsibly with the Federal Government's obligation to the District of Columbia, and in doing so, this bill restores to the District of Columbia government the authority to determine the use of local tax dollars in providing reproductive health services to women.

Mr. Chairman, basic health care for women includes a full range of reproductive health services. For far too long, we have perpetuated a two-tiered health care system that penalizes poor women. Today, we have an opportunity to remove an impediment that has kept poor women in the District of Columbia from receiving the same health care as other women.

For over a decade, regressive forces have not allowed the District of Columbia to use even their own, locally raised funds for abortions for poor women. This has deprived many women in the District, of access to complete health care—and has jeopardized their health.

Today, by passing this bill, we can address past inequities by allowing the District to use their own funds to provide women the full range of vital reproductive services. I urge my colleagues to vote "yes" on the District of Columbia appropriations bill.

Mr. WALSH. Mr. Chairman, I would like to be able to finish the debate, if there is any time left.

Mr. Chairman, I yield back the balance of my time.

COMMENTS RELATIVE TO DEBATE ON ABORTION ISSUE ON H.R. 2518 IN THE COMMITTEE OF THE WHOLE

(By unanimous consent, the gentleman from Illinois [Mr. HYDE] was allowed to proceed out of order for 2 minutes.)

Mr. HYDE. Mr. Chairman, I want to say to my dear friend, and I hope she still is my dear friend, because I want to be her friend, the gentlewoman from Illinois, CARDISS COLLINS, that I have reviewed the transcript and I saw what offended the gentlewoman. It was me suggesting she talk to a couple of the pastors, a pastor in her community.

As I review that, I think that it was very improper of me to suggest to her whom she should talk to in her district. She knows well who to talk to and who to listen to. She represents her district extremely well. She is one of the better Representatives in Illinois. She knows who to talk to and does not need instruction from me.

I would only say, in my defense, little, small defense, that she knows that I represented some of her district before the recent map, that I did represent Oak Park and River Forest, now in her district, and so sometimes, perhaps, I think part of her district still belongs to me. I should correct that in my mind.

In any event, I will ask, when we get into the House, when it is appropriate, unanimous consent to strike physically from the RECORD the language that offended the gentlewoman from Illinois.

Frankly, it appears on page 337–C and the entire page, it is just one sentence, but it is the sentence where I suggest the gentlewoman talk to people, certain people in her district.

It was very improper. I regret it happening. I treasure the gentlewoman's friendship, and I hope that she will forgive me.

Mrs. COLLINS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Chairman, I certainly thank the gentleman for taking that very admirable step and for offering apology, which I accept.

I particularly thank the gentleman for having those words himself, asking that those words be stricken. He is a gentleman and a scholar, and I appreciate it.

I thank the gentleman very much.

Mr. STARK. Mr. Chairman, I oppose the amendment to eliminate funds for the crime and youth initiative.

The Appropriations Committee report explains fully the important need for these funds. The additional funding will enable the Metropolitan Police Department to increase the number of officers on foot patrol, improve training programs for personnel, provide multicultural sensitivity training for police officers, and provide funds to improve the quality of life and opportunities for children in the District of Columbia.

These are solid reasons to support funding for the youth and crime initiative. I urge my colleagues to vote "no" on this amendment to strike these funds.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WALSH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALSH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 200, noes 227, not voting 12, as follows:

[Roll No. 312]

AYES—200

Allard
Andrews (TX)
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Brooks
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cooper
Cox
Cramer
Crane
Crapo
Cunningham
Deal
DeFazio
DeLay
Derrick
Diaz-Balart
Dickey
Dicks
Doolittle
Dornan
Dreier
Duncan
Dunn
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte

Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson (SD)
Johnson, Sam
Kasich
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
Kyl
LaRocco
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Molinari
Montgomery
Moorhead
Murphy
Myers
Nussle
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Penny
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Torricelli
Upton
Valentine
Vucanovich
Walker
Walsh
Williams
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—227

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Beilenson
Berman
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Coyne
Danner
Darden
de la Garza
de Lugo (VI)
DeLauro
Dellums
Deutsch
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gekas
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hastings
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Mollohan
Moran
Morella
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Weldon
Wheat
Woolsey
Wyden
Wynn
Yates

NOT VOTING—12

Becerra
Dingell
Henry
Laughlin
Martinez
McMillan
Minge
Moakley
Romero-Barcelo (PR)
Skeen
Whitten
Wise

□ 1856

Mr. RICHARDSON changed his vote from "aye" to "no."

Messrs. JOHNSON of South Dakota, SUNDQUIST, HORN, and LAROCCO changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: At the end of the bill, add the following new sections:

SEC. . COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

SEC. . SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. . PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a fraudulent label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that was not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, this is the Buy America amendment.

I yield to the distinguished gentleman from California [Mr. DIXON], chairman of the subcommittee.

Mr. DIXON. Mr. Chairman, we on this side have had an opportunity to look at the amendment. It is the amendment we accepted 2 years ago. I would note that the District does have a buy America statute on the books. We have no problem on our side of the aisle with accepting the gentlemen's amendment.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the distinguished ranking minority member, the gentleman from New York.

Mr. WALSH. Mr. Chairman, I thank the gentleman for yielding. We have reviewed the amendment. We find it acceptable and have no objection.

Mr. TRAFICANT. I ask the House to approve the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ISTOOK

Mr. ISTOOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ISTOOK: On page 33, after line 25, insert the following:

SEC. . No funds made available pursuant to any provision of this Act shall be used to implement or enforce any system of registration of unmarried, cohabitating couples whether they are homosexual, lesbian, or heterosexual, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples; nor shall any funds made available pursuant to any provision of this Act otherwise be used to implement or enforce D.C. Act 9-188, signed by the Mayor of the District of Columbia on April 15, 1992.

On page 34, strike line 5 and all that follows through line 10.

Mr. ISTOOK (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

□ 1900

Mr. ISTOOK. Mr. Chairman, I yield to the gentleman from California [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I have not seen the most recent amendment, but as I understand it, these are two amendments that we have agreed to consider en bloc.

Mr. ISTOOK. The gentleman is correct.

Mr. DIXON. Mr. Chairman, I would ask unanimous consent that debate on this amendment and all amendments thereto be limited to 30 minutes, to be divided between the gentleman from Oklahoma [Mr. ISTOOK] and myself.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from Oklahoma [Mr. ISTOOK] will be recognized for 15 minutes and the gentleman from California [Mr. DIXON] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Oklahoma [Mr. ISTOOK].

Mr. ISTOOK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment is straightforward and simple. this would restore language to the bill, both fiscal year 1993 and fiscal year 1994, language which was part of the District of Columbia appropriations bill last year. Specifically, it would restrict the District from expending funds in this act to implement a particular enactment of the city council, which is frequently referred to as the Domestic Partners Act.

I would like to relate, Mr. Chairman, the provisions in a broad way, of this particular act which the District of Columbia adopted. It has a new definition of a family member, a definition that I believe would not be recognized well by most members of America.

Specifically, it says a family member now includes a domestic partner. What is a domestic partner? A domestic partner is a person who has a mutual care for another person and lives in the same place.

Mr. Chairman, I would submit that this does not meet the definition of family. This is not a matter of people who are related by marriage, this is not a matter of people who have entered into marriage, this is not a matter of people who have a legal status, a mutual legal obligation. This is not people who have taken any vows together.

This is merely people who say they have a mutual care for one another and live together.

Now, obviously this was passed by the District of Columbia to enable people, more than anything else, who are in a homosexual relationship to register an equivalent of a gay marriage.

That is one of the reasons that this particular proposal is abhorrent, in my view.

It also would legalize certain relationships that are heterosexual as well. It would tell people if you want to get insurance coverage for someone else, you can simply go down and register them now as a domestic partner, a new family member, and they would get the advantages of insurance coverage, often at the expense of others with a tax deduction to pass some of that expense along to taxpayers, even though those people are not part of your family.

I would submit that if the District of Columbia redefines families, we can expect to see moves all across America saying, "They did it in Washington, why don't we do it here?" The reason is families are the backbone of this country.

If you want to look at reasons why we have to much drugs, too much teenage pregnancy, too many problems in our schools, too many problems with crime all across America, look no further than the breakdown of the family unit. I, for one, will not be a party to any measure that tries to break down the family further.

We need to be strengthening families, not redefining them in a way that tears them down.

Mr. Chairman, I would therefore urge adoption of this amendment.

Mr. Chairman, I reserve the balance of my time.

The SPEAKER. The Chair recognizes the gentleman from California [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I would yield 3 minutes to the distinguished gentlelady from the District of Columbia [Ms. NORTON].

The SPEAKER. The Delegate from the District of Columbia may proceed.

Ms. NORTON. I thank the Chairman for yielding. I rise in opposition to the amendment, and move to strike the last word. I can understand how my good colleague from Oklahoma feels when he comes into a jurisdiction and sees laws that are at odds with how he might have voted in his own jurisdiction. When I travel over this country and I go to States and see how very different they are from the District of Columbia, I sometimes shudder. But it never occurs to me that I should have anything to do with how those people in their local jurisdiction have decided they wanted their laws to read. And I ask my good colleagues here this afternoon to leave to the people of the District of Columbia to decide, as you decide in your own local jurisdiction, what their laws should be. In order to take advantage of the domestic partnership laws, one has to be a D.C. employee and then have a relative or person living in the same household who wants to be covered by your insurance at his or her own expense, and at no expense whatsoever to the District government. Let me tell you something about my jurisdiction and why such a law is popular here. In this jurisdiction, female-headed households predominate, so that the normal arrangement where some spouse has insurance and his partner gets on, does not apply for many in this jurisdiction. This will help households like the many households in the District of Columbia where there is a grandmother and a mother living in the same household and the mother has insurance and the grandmother does not. Many of our grandmothers, Mr. Speaker, are in their thirties, and forties, and fifties. If, in fact, they are to get any health insurance, they may well be able to get it only this way.

The District of Columbia has the fifth worst instance of health care coverage in the United States. Why would any Member want to deny to the District the right to allow people to find some way onto a health care policy? This amendment reflects bias against people with a different sexual orientation. The fact is that across the country they are the fourth largest group who takes advantage of these laws, the first largest group is seniors. They find themselves widows or widowers and these laws have come in quite handy. I would not want to deny this privilege to them in order to exercise bias against people of a different sexual orientation. And I ask my colleagues to give us the benefit of the doubt that I would give you in your own district.

Finally, let me say who supports this bill, the Gray Panthers, the District of Columbia Bar Association, the D.C. Nurses Association, the Presbyterian Church, the Christian Church, and the Disciples of Christ. Please vote against the Istook amendment.

Mr. ISTOOK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would point out of course that the particular act by the city council in the District of Columbia does not limit this to employees of the District of Columbia. In fact, it does not even require people to live in the District of Columbia to come and register a domestic partnership. They could flock here from all over the country if they wanted, for example, to register a homosexual union.

Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. SAM JOHNSON].

Mr. SAM JOHNSON of Texas. Mr. Chairman, I thank the gentleman for yielding, and I rise in strong support of this amendment. As the gentleman said, we want to ensure that zero, no tax dollars at all—taxpayers do not need to pay for this kind of thing, the Domestic Partnership Act.

You know, it now excludes married individuals and singles who live alone. That is kind of discriminatory, I would say.

□ 1910

Contrary to arguments raised by supporters of domestic partnership, this act does not address the real problems associated with health care. In fact, it increases the burden of health insurance and further burdens the system.

In San Francisco this same program cost the San Francisco taxpayers an additional $1.1 million in inflated insurance premiums and that, too, was only for city employees.

Mr. Chairman, the Federal Government cannot afford to allow the fiscally ominous presence of domestic partnership to start. If Members of Congress today decide to endorse funding for the Domestic Partnership Act, they open the health care floodgates before the dam is built.

Mr. Chairman, let us keep the lid on spending. A vote for the Istook amendment is a vote for fiscal responsibility.

Mr. DIXON. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. PELOSI], a member of the Committee on Appropriations.

Ms. PELOSI. Mr. Chairman, I thank the chairman of the subcommittee, the gentleman from California [Mr. DIXON] for yielding me this time.

It is a particular privilege for me to rise as a member of this subcommittee in support of the appropriations bill because my father served as chair, my father who the members of this committee know, served as chair of this committee. One thing he taught me in the time of his service was about home rule for the District of Columbia. It is with that background that I rise in opposition to the amendment that is on the floor at this time.

I rise to oppose any efforts to interfere with the District of Columbia's home rule. In particular, I oppose any effort to bar the District from implementing the Health Care Benefits Expansion Act.

This legislation was passed by the District Council by a vote of 10 to 1. It was signed by Mayor Sharon Pratt Kelly. The legislation provides for certain health benefits to District employees, their partners, and their families.

The reason it does not include families is because families are already covered and did not need to be addressed by the legislation, I call that to the gentleman's attention.

Basically, District employees were granted the legal right to offer, at their own expense, I repeat, at their own expense, health benefits to a domestic partner. Similar legislation has been enacted in over 25 cities around the country and by some private employers for employment benefits purposes.

Fairness dictates that Congress interfere with the governance of the District only when a vital interest of the Federal Government is at stake.

I ask my colleagues to imagine what it would be like to have the decisions of your State or local government subject to this kind of interference.

We have not been elected to the District City Council. We have been elected to the Congress of the United States. I urge you to uphold the value of Home Rule and oppose any efforts to undo the will of the people of the District of Columbia.

Mr. ISTOOK. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the gentleman's amendment to halt the implementation of the domestic partnership act which was passed by the District Council last year. We all know that the city has tried to hide the true intent of this act by disguising it as a health care bill. We know that it is not a health care bill. The District government itself has acknowledged that only 25 to 50 people will use the health benefits. The Council cannot hide behind the facade that the purpose is to end discrimination because the act itself discriminates against families.

The only real benefit to be derived from this misguided legislation is official recognition and sanction of homosexual and heterosexual relationships which are outside the bonds of marriage. By giving official status to these relationships, this legislation forces the residents of the District and indeed all Americans to accept the devaluation of marriage.

I have heard colleagues say on a number of occasions that they did not come to Washington to be the District's City Council. Neither did I. But we all took the same oath of office which requires us to exercise authority over the national seat of government. Article I section 8 of the Constitution begins, "The Congress shall have power * * *" and lists a number of specific responsibilities including to lay and collect taxes, to regulate commerce, to declare war, and to provide for organizing, arming, and disciplining the militia. Included among these specific responsibilities is "to exercise exclusive legislation in all cases whatsoever over such District * * * as may * * * become the seat of government of the United States."

We are as responsible for this policy for the District of Columbia as we are for the policies which guide the armed services. And we are as accountable for this policy as any other federal policy.

Mr. Chairman, some of my colleagues are invoking the magical and mystical myths of home rule to ward off amendments which reverse local policies. Let me assure my colleagues that such amendments are entirely consistent with the mechanisms of congressional review under the Home Rule Act. Congress has only delegated authority to the District government, it cannot abdicate its constitutional obligations.

The purpose of the 1973 District of Columbia Self-Government and Governmental Reorganization Act was to "relieve Congress of the burden of legislating upon essentially local District matters." The history of home rule reflects the careful and delicate balance between the federal interest and local decisionmaking. When home rule was passed by the House, the chairman of the Committee on the District of Columbia told members that it was appropriate for Congress to correct misactions on the part of the local body. Mr. Chairman, the Istook amendment corrects a misaction of monumental proportions.

If the Istook amendment is not sustained, tax dollars from around the country will be used to grant official status to these illicit relationships.

Mr. Chairman, I urge my colleagues to support Mr. ISTOOK's amendment to keep the current prohibition intact.

Mr. DIXON. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, I find it difficult to comprehend why any Member of this House would seek to deny the District of Columbia the right to implement this Domestic Partnership Law. This law provides access to various benefits for employees of the District, including bereavement leave, sick leave and parental leave, with respect to other members of the household, the people who live together and register as domestic partners.

It provides visitation rights at local hospitals and nursing homes.

Most important, though, it provides and permits members of households of D.C. employees to be included at their own expense in the health insurance coverage of D.C. employees and encourages private employers to provide such coverage as well.

The D.C. law, it should be noted, imposes no mandate on any private employer.

The benefits of the D.C. domestic partnership law are available to all persons who share a household with one or more others. They extend to family members living together and to unrelated persons living together. It is not limited to persons in a relationship of sexual intimacy.

What the D.C. domestic partnership law, like others around the country does above all, is recognize the reality of people's lives.

The fact is that today many people live in households that are not simple nuclear families, but nonetheless entail many of the practical and emotional bonds found in such traditional families. It enables people to provide for their loved ones the security that comes with health insurance, something we will be endeavoring later this year to provide for all Americans.

It is difficult for me to fathom why anyone should find this legislation so threatening as to attempt to ride roughshod over the prerogatives of the local government in Washington DC.

The opposition appears to stem from the fact that some of the beneficiaries would be gay and lesbian couples.

Is the antipathy of some in this House to lesbians and gay men so great, of such intensity, that they would deny to all people living in Washington, senior citizens, siblings living and raising their families together, and others in nonnuclear families, the rights provided under the District's domestic partnership law?

When I was in the State legislature, we debated a lot of different matrimonial laws. That is a matter for States and local governments and for the District of Columbia. We should not impose our will on the District of Columbia, and its citizens, and its government. The States and the District should be laboratories of democracy, laboratories of experiment. That is one of the benefits of a federal system.

Mr. Chairman, I strongly urge a no vote on both the Istook amendments.

Mr. ISTOOK. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Chairman, I rise in strong support of the amendment offered by my friend, the gentleman from Oklahoma [Mr. ISTOOK] which seeks to bar the District of Columbia from enforcing its so called "Domestic Partners Law."

More than 200 years ago, George Washington envisioned our Nation's Capital as more than just the center of Government. He wanted it to be a city that rose above all others and set the standards for our Nation. However, I am sure our former President would probably roll over in his grave if he heard about this Domestic Partners Act the City Council of the District of Columbia has adopted.

Common sense, if anything at all, tells us that this domestic partners law is not a responsible plan for expanding access to health care for the uninsured in the District of Columbia. Besides giving health benefits and sick leave to both heterosexual and homosexual couples who are merely living together, this law gives the appearance that the Congress endorses such behaviour.

I cannot believe that the time has come for our Government to cave in to a small minority of citizens in the name of political correctness. It may be acceptable to some to say you are living with someone you are not married to, but there is nothing acceptable whatsoever about having to go home and tell your constituents, that their hard earned tax dollars are going to pay for health benefits to couples merely living together, homosexual and heterosexual. Passage of this bill says that a domestic partner should be granted the same rights as those who have promised themselves (before God and their peers) to a committed relationship. Legally married couples, i.e. domestic partners merely have to go downtown, fill out a government form stating that they are domestic partners and share a street address . . . and presto . . . you now are entitled to health benefits if your friend works for the District of Columbia.

□ 1920

Domestic partners merely have to go downtown, fill out a government form stating that they are domestic partners, that they share a street address, and, presto, they now are entitled to health benefits if their friend works for the District of Columbia. No photos, no license, not even a certificate. All they have to show for registering as a domestic partner with the District of Columbia is a certified mail receipt and a copy of a privately printed form.

Mr. Chairman, this portion of the DC appropriations bill sets again a bad precedent for other cities around this country. Let us look at what this act really is and is not. This act is merely a way to legitimize nonlegal partnerships. I believe the District of Columbia can come up with a better plan to provide increased access to health care for its uninsured residents.

I urge my colleagues to support the amendment offered by the gentleman from Oklahoma [Mr. ISTOOK].

Mr. DIXON. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Chairman, I rise in strong opposition to this amendment which further restricts the District of Columbia's self-governance. It is already a travesty that the residents of the District of Columbia are federally taxed without being fully represented in the Congress. Such taxation without representation was just cause for Thirteen Colonies to start a revolutionary war in this land 216 years go. Let us not add insult to injury by also disrespecting the right of the District's residents to determine their own internal affairs.

In addition, Mr. Chairman, we have heard much talk that this domestic partner's law contributes to the crisis of family breakdown. That assumption defies all logic. Domestic partnership laws declare that if two individuals love each other and care for each other, whether they are married or not, they should be recognized as a family unit. How can a law that recognizes more families be said to destroy families? Domestic partnership celebrates the family and elevates its status.

Mr. Chairman, I ask my colleagues to cast their vote against bigotry and small mindedness by opposing this amendment.

Mr. ISTOOK. Mr. Chairman, how much time is remaining on each side?

The CHAIRMAN. The gentleman from Oklahoma [Mr. ISTOOK] has 7 minutes remaining and the gentleman from California [Mr. DIXON] has 6 minutes remaining.

Let the Chair also indicate that the gentleman from California [Mr. DIXON] has the right to close debate.

Mr. DIXON. Mr. Chairman, I reserve the balance of my time.

Mr. ISTOOK. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Oklahoma [Mr. ISTOOK].

Mr. Chairman, the recognition of marriage is not compelled by economics. It is not compelled by contractual rights. The recognition of marriage of traditional families is a result of societal approval of the Judeo-Christian institution of a marriage between a man and a wife. It is an endorsement, it is an endorsement by society.

Mr. Chairman, the District action amounts to a societal endorsement of homosexual marriage. We should vote no on this endorsement and yes on the Istook amendment.

Mr. ISTOOK. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Chairman, my colleagues, this debate is much simpler than the last one we had which won overwhelmingly in favor of the traditional definition for family.

The District of Columbia's domestic partners law has nothing to do with recognizing lesbian or homosexual couples. It really has to do with any two people of the same sex contacting the D.C. Department of Consumer and Regulatory Affairs, as was reported in the Washington Post yesterday, and saying, We're pals. We're not going to discuss that question about whether we are sexually intimate. We're just pals, and we simply want to get some of the benefits you are offering.

Mr. Chairman, if anybody thinks this is the road to D.C. statehood, it is not.

Tonight we will vote on the enforcement of the District of Columbia's domestic partner law. And if my colleagues want to go to their townhall meetings on or about the Fourth of July and tell their constituents that there now exists a whole new definition for "family" which will mean government-subsidized benefits for partners believe me, Mr. Chairman, they may not be back here in the 104th Congress.

Mr. ISTOOK. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, I have to remind the House, some of it, and those present in the House who are new, that this basically is the same amendment that passed last year 235 to 173 as a motion to recommit offered last year, and the issues are just still the same. But I want to clear up some of the misconceptions; first off, the misconception that home rule separates the Federal Government, the seat of our U.S. Government, from the District of Columbia. That seems to be the trend around here.

The District of Columbia and the city exists because of the Federal Government. The whole idea was to make sure that the seat of Government had a place to meet. It was not the idea that we are going to create a city, and then turn it over, and we have no participation in it. That is not what home rule is supposed to be about, and frankly I think home rule has failed as a concept because everywhere we look things are being undermined as far as what the will of the people want for the seat of their government, and this is one of them.

There has been a little confusion here. The Delegate from D.C. spoke and stated that the Domestic Partners Act is only available to District employees and their families. Yet the gentleman from New York rightly pointed out that it does not only apply to the District employees. They gave a tax break to businesses, a loss of revenue to the District that can be made up later by higher taxes in other areas in that it is not just families, it is anybody that lives at the same address and goes and signs up, as pointed out by the gentleman from Florida. If my colleagues have a problem with seniors getting health care, change the Tax Code. Your Tax Code prohibits seniors from being married and living together.

Let us not kid ourselves. What this is all about is this act was promoted by the homosexual lobby in this town as the same-sex marriage act. The intent was and still is to legitimize the concept of same-sex marriage, undermining the traditional marriage of one man and one woman.

Vote for this amendment and send a message to the District.

Mr. ISTOOK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we cannot strengthen the District of Columbia by weakening its families, and we cannot have a law such as this on the books without weakening the families. I say to my colleagues, "If you go along with this new definition of 'family member' such as is contained in this bill, you are undercutting families, you are agreeing that the family breakdown which already contributes to greater drug abuse, greater teenage pregnancy, more difficulty in schools, higher crime rates; you are contributing to that if you vote to undercut the institution of marriage."

Now, right now, my wife is probably watching this on C-SPAN, and we have been married for 20 years and have five children, and we believe in the institution of family and of marriage to pass along values from one generation to the next. Over and over, writer after writer, sociologist after sociologist, minister after minister, even politician after politician, is recognizing that so many billions of dollars in this country are going down rat holes because of spending to try to make up for the loss of the strength of the American family, and we will continue to have problems so long as we continue to put laws on the books that undercut families, that try to water down the definition.

I say to my colleagues, "If you want to go to your constituents and say, 'Look, I'm pro-family, but I mean something different than you do when I say family. I mean people unrelated by marriage who just have some mutual caring relationship, no vows, no obligations, but live together and want to do a registration,' that is not family."

□ 1930

We are trying to avoid the watering down of the family, avoid the breakdown.

Politicians cannot have it both ways. You cannot on one hand claim that you support families, and then vote to allow the law to distort the very definition of family.

Vote for this amendment. Vote to keep the Nation's capital in tune with the values that we are supposed to be promoting. Do not let the District authorize homosexual marriages, or a new concept of heterosexual relations, which is also in their definition of domestic partner. We do not need different categories of marriages. We do not need different categories of relationships. We need to improve the relationships that made America strong in the family.

The problems of America will not be solved here in the Halls of Congress; they will be solved within the walls of our homes. Vote for the family. This amendment passed last year. Let us keep it in force. Vote for the amendment.

Mr. DIXON. Mr. Chairman, I yield the balance of my time, 6 minutes, to the distinguished gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I have heard lesbians and gay men accused of a number of things; proliferating teenage pregnancies is rather a new one on the list, and I think one of the harder ones to sustain. But it is hardly the least logical thing we have heard today.

Let me talk a little bit about the home rule aspect. It is true that there is a constitutional power here, and people said we have the obligation. Understand that once you start picking and choosing, however, you have waived your right to wash your hands. Once you have decided that if you do not like a law of the District of Columbia, you can cancel it, then accept responsibility for all that you have not canceled.

Some of us feel that the District of Columbia ought to be able to enjoy democracy, a position that unsettles others. I understand that. But you cannot pick and choose. If you reach out from our uncontested constitutional position and say we will squash that law, then you have accepted responsibility for all the others.

Now let me talk about, however, the merits, since we do reach them for some. I stand on the question of home rule, as I will consistently. People ought to have a right to do this. By the way, let us not kid anybody that we are worried here about taxpayer dollars. No one in this House thinks that that motivates anyone on this bill. It insults the intelligence of the House for anyone to suggest to the contrary.

We are talking here about people's dislike of the fact that gay men and lesbians might decide, out of sense of mutual commitment and a willingness to share their lives, so to declare themselves. That is what is the core of this.

Mr. THOMAS of California. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to my friend from California.

Mr. THOMAS of California. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it seems part of the concern is that on the Domestic Partnership Act, the qualification is merely living together, and that if they talk about a tie that binds, is there any legal obligation, and what would be their reaction if there were required legal obligations, such as requiring someone to be a dependent on an IRS form, a community property agreement, or some other legal document?

Mr. FRANK of Massachusetts. Mr. Chairman, reclaiming my time, let me say to my friend that I think he is absolutely right, and I think he would find the overwhelming majority of the people in the District would be willing to make some further requirement. I think, frankly, they stopped at this level because they were afraid of provoking more opposition.

They could not affect the IRS, that is up to us. But requiring some further show of commitment and some willingness to undertake some mutual obligation, I guarantee to my friend he would find people eager to do that; in fact, deterred from it, lest they get accused of further undermining the family.

So, yes, they would be willing to do that.

Mr. THOMAS of California. Mr. Chairman, if the gentleman will yield further, for example, a requirement on the form that would, under penalty of perjury, indicate that they have entered into a mutual property agreement or declared that person as a dependent on their IRS form.

Mr. FRANK of Massachusetts. Mr. Chairman, yes, I suppose it would be in technical terms a nonuptial agreement. I tell the gentleman people would be glad to have the chance to do that. They would welcome that further chance to show the commitment, and they withheld it only because they were afraid of being accused of going too far. I believe they would be glad to, and I would urge the District to consider this, requiring something further, because I think that deals with the specifics.

Mr. Chairman, let me just say, because I want to talk about the family issue, we are told that this undermines families. How? Because two men who have an emotional, mutual commitment, or two women who have an emotional, mutual commitment, are allowed to honor it? That undermines families? Are you telling me that men marry women only because they are not legally allowed an alternative? Are you telling me if two men are legally allowed to register, people are going to get divorced?

What nonsense. Yes, tragically there are problems in families. How do you resolve the problems in families by inflicting emotional pain on other innocent people? What has one thing got to do with another?

You have people who say, "I am not going to marry her because the tax benefits aren't good enough. I can get a better deal somewhere else." If we did stop such a marriage, congratulations to us. But, of course, we have not.

No one seriously believes that allowing two people, and I think the gentleman from California [Mr. THOMAS] is right, allowing two people to express their affection for each other and undertake mutual obligations, how in the world do you begin to argue that this hurts anybody else's ability to express love and commitment?

Mr. ABERCROMBIE. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Mr. Chairman, on the question of family, is everyone here aware of how many people who are domestic partners have taken in AIDS babies as foster parents who no one else wants them, raised them, cared for them, loved them, and made a total commitment of themselves to these children? The people who are taking them in are domestic partners. It is happening right here in the city of Washington and across this country. They know the meaning of family and they know the meaning of love.

Mr. FRANK of Massachusetts. Mr. Chairman, let me say, we have heard some people come to the microphone and say, "Careful, your constituents are watching. We will get you at the polls. Don't you dare. If you don't reach out and pick out one law out of the District and squash it, we will go to your constituents and say you are for those bad people."

Let me talk to those for whom such considerations are repugnant. I would write off those who would listen to that kind of argument. People who would inflict emotional pain on others because it might get them a few more votes, if that is where you are, stay there. And I must say that no one I know covets your approval, covets your encouragement. No one I know is looking for that.

But let me say to my friends, and I know we say around here, don't take things personally, but sometimes they are personal. We are talking about individuals who have not harmed anyone, who do not look for money. They want the right to live with some dignity.

The District of Columbia, not you, the District of Columbia voted to say "We will let you do it." And you will hear people say, "You had better not, because we will politically embarrass you."

My friends, if, in fact, you would be endangered by this, do not vote for it. But for those of you who have some margin, if you have got something left to help shelter some victims from further pain, vote this down.

Mr. GLICKMAN. Mr. Chairman, while I voted against the Istook amendment, largely on grounds that under home rule the District of Columbia ought to have the freedom to adopt the laws which govern its citizens, let me make it clear that the D.C. domestic partners law is not good social economic policy. And, quite frankly we would never adopt a smaller statute in Kansas. The law is poorly worded, ambiguous, and is excessively broad. The law covers people who claim a relationship characterized by mutual caring and mutual sharing of a relationship. That description defies a reasonable definition.

But, notwithstanding these concerns, Congress should not be meddling in the day-to-day legislative decisions of the D.C. City Council. To go down this road would be to hold Congress responsible for every law, silly or reasonable, that the D.C. Government passes. I just hope that the citizens of the District of Columbia, who are interested in statehood, will realize that laws like this one make it very difficult indeed to support statehood for D.C.

Mr. STARK. Mr. Chairman, I oppose the amendment.

Last year the council of the District of Columbia, and the mayor adopted the domestic partners law. Enforcement of some features of the law were delayed for 1 year by a rider in last year's D.C. appropriations bill.

This year, Congress should not interfere with this strictly local legislation.

A year ago I chaired hearings for the D.C. Committee on whether Congress should veto the domestic partners law. In the 18 years since home rule was granted to the District of Columbia, the same three questions have been asked when Congress considered vetoing local legislation:

First, does the Council Act violate the U.S. Constitution?

Second, does the Council Act violate the home rule authority of the District of Columbia government?; and

Third, does the Council Act violate the Federal interest in the Nation's Capital?

Our committee decided last year that these three principles were not violated by the Council Act. We voted to allow the D.C. Domestic Partners Act to become law.

In my judgment, the domestic partners law expands the net of health care coverage in a reasonable manner. Nevertheless, as a longstanding supporter of home rule, I think it is inappropriate for Congress to debate the merits of legislation adopted by the duly elected officials of the District of Columbia.

I urge my colleagues to respect home rule and vote "no" on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. ISTOOK].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ISTOOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 251, noes 177, not voting 11, as follows:

[Roll No. 313]

AYES—251

Allard
Andrews (TX)
Archer
Armey
Bacchus (FL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Boucher
Brewster
Brooks
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chapman
Clement
Clinger
Coble
Collins (GA)
Combest
Cooper
Costello
Cox
Cramer
Crane
Cunningham
Danner
Darden
de la Garza
Deal
DeLay
Derrick
Diaz-Balart
Dickey
Dingell
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gallo
Gekas
Geren
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hayes
Hefley
Hefner
Herger
Hobson
Hoekstra
Hoke
Holden
Horn
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Johnson (GA)
Johnson (SD)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kyl
LaFalce
Lambert
Lancaster
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Machtley
Mann
Manton
Manzullo
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McNulty
Meyers
Mica
Michel
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murphy
Murtha
Myers
Neal (NC)
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Regula
Ridge
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Royce
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Sensenbrenner
Shaw
Shepherd
Shuster
Sisisky
Skelton
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon

Spence
Spratt
Stearns
Stenholm
Stump
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Traficant
Tucker
Upton
Valentine
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wise
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—177

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Barlow
Becerra
Beilenson
Berman
Bishop
Blackwell
Blute
Boehlert
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Coyne
de Lugo (VI)
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Furse
Gejdenson
Gephardt
Gibbons
Gilchrest
Glickman
Gonzalez
Gunderson
Gutierrez
Hamburg
Harman
Hastings
Hilliard
Hinchey
Hoagland
Hochbrueckner
Houghton
Hoyer
Hughes
Jacobs
Jefferson
Johnson (CT)
Johnson, E. B.
Johnston
Kennedy
Kennelly
Kildee
Klein
Kolbe
Kopetski
Kreidler
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Lewis (GA)
Long
Lowey
Maloney
Margolies-Mezvinsky
Markey
Martinez
Matsui
McCloskey
McDermott
McKinney
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moran
Morella
Nadler
Natcher
Neal (MA)
Norton (DC)
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Price (NC)
Rangel
Reed
Reynolds
Richardson
Rohrabacher
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Skaggs
Slaughter
Smith (IA)
Stark
Stokes
Strickland
Studds
Swift
Synar
Thompson
Thurman
Torkildsen
Torres
Torricelli
Towns
Underwood (GU)
Unsoeld
Velazquez
Vento
Visclosky
Washington
Waters
Watt
Waxman
Wheat
Wilson
Woolsey
Wyden
Wynn
Yates

NOT VOTING—11

Bachus (AL)
Crapo
Henry
Laughlin
McMillan
Minge
Moakley
Romero-Barcelo (PR)
Skeen
Whitten
Williams

□ 1957

Mr. BROOKS changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENTS OFFERED BY MR. BONILLA

Mr. BONILLA. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. BONILLA: On page 43, strike lines 1 through 3.

On page 33, after line 25 insert the following new section:

SEC. . None of the Federal funds provided in this act may be used by the District of Columbia to provide for salaries, expenses, or other costs associated with the offices of United States Senator or United States Representatives under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiatives of 1979, effective March 10, 1981 (D.C. Law 3-171; D.C. Code, sec. 1-113(d).

Mr. BONILLA (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BONILLA. Mr. Chairman, prohibit the use of Federal dollars to fund the activities of the shadow Senator and Delegate for the District of Columbia for the rest of fiscal year 1993, and the second amendment would apply the prohibition for fiscal year 1994, as well.

The first amendment would prohibit the use of Federal dollars to fund the activities of the shadow Senator and representatives for the District of Columbia for the rest of fiscal year 1993. The second amendment would apply the prohibition for fiscal year 1994.

Under current law taxpayers in all 50 States are paying for the equivalent of lobbyists for the District. The District may call these individuals their shadow Senator and representatives but their job is simply to lobby Congress to make the District of Columbia the Nation's 51st State.

I do not believe the taxpayers of this country should be picking up the tab for funding lobbyists to lobby the Congress. This amendment does not restrict the District from spending its own funds to achieve its own goal of statehood.

This ban is not new. It was in place in 1990, and supported overwhelmingly in Congress. In fact, it was so noncontroversial that it was voice voted on the House floor.

In the subcommittee, I was able to eliminate the statehood commission from using Federal funds. I believe the shadow Senator and representatives should not receive Federal funds either.

I rise not to make a political statement or bash the District. My attempt with this amendment is to strike provisions in the bill that most American taxpayers would not feel comfortable spending their tax dollars on. If the District wants to become a State, let the District spend its own local funds.

I do not believe Americans outside the beltway would approve of their tax dollars going to lobbyists for the District. This is in the best interests of the District.

Mr. Chairman, I urge adoption of this amendment.

□ 2000

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. BONILLA. I am happy to yield to the gentleman from California.

Mr. DIXON. Mr. Chairman, I have had an opportunity to read the amendments. As the gentleman indicates, it only applies to Federal funds. We are glad to accept the amendment on this side.

Mr. BONILLA. I thank the chairman of the subcommittee.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas [Mr. BONILLA].

The amendments were agreed to.

AMENDMENT OFFERED BY MS. NORTON

Ms. NORTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. NORTON: Page 8, line 9, strike "*Provided further*" and all that follows through "24-hour period:"

Mr. DIXON. Mr. Chairman, I ask unanimous consent that the time on this amendment and any amendments thereto be limited to 40 minutes, 20 minutes to be divided on each side, the time on this side to be controlled by the distinguished gentlewoman from the District of Columbia [Ms. NORTON] and the time on the other side to be controlled by the gentleman from Maryland [Mr. HOYER].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. WALSH. Mr. Chairman, reserving the right to object, I just wanted to clarify this. We had an agreement on the last two amendments for half an hour, 15 and 15. I wonder if we could not stick to that and shorten up the time frame just a little bit?

Mr. DIXON. Mr. Chairman, I have discussed this matter, and really I think it may be a little bit more controversial, and more Members may want to speak on it. Five additional minutes on each side would allow that, and if we do not use that time, I am sure everyone will be glad to have it yielded back.

Mr. WALSH. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Ms. NORTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I move to strike this provision of the bill because it constitutes not only an undisputed case of legislating on an appropriations bill, but more important, violates the integrity of the Home Rule Act in the most blatant fashion. Congress usually respect's democratic self rule in the District and even when it has not, it has almost never kept the District from cutting the size of its work force. Rather, the constant refrain from the Congress has been cut, cut, cut. This provision would reverse years of consistent congressional admonition to down size the District of Columbia government and instead would force the District government to reinstate excess fire fighters. Public safety is cited but the facts are so clearly contrary that the motive is transparent to retain the jobs of fire fighters who live outside the District and are exempt from taxation by the District where they earn a handsome living.

On the merits, the District dispatches 31 personnel to fires—more than double the national average. In the 19 largest cities, however, not 31 but only 19 personnel and 5 pieces of apparatus are dispacted; and the National Fire Protection Association [NFPA] recommends 13 personnel and 3 pieces of apparatus. Even with the reduction in truck company staffing levels, the D.C. Fire Department's complement will be 29 personnel and 8 pieces of apparatus, which is 16 personnel and 5 pieces of apparatus more than the NFPA recommended standard.

Injuries as a result of the fiscal year 1993 reduction in fire fighting personnel have been cited as a reason for this mandated cost. However, the increase in fire fighting injuries occurred in fiscal year 1992 and resulted from the addition of 150 rookies to the Department in fiscal year 1992, not from injuries fighting fires. There was no significant increase in injuries in fiscal year 1993 as a result of the reductions in personnel. Nor is there an adverse impact on African-American fire fighters.

In 1991, the Hammond decision regarding discrimination against African-American fire fighters resulted in recruitment and promotional opportunities that have increased the number of minority members of the uniformed fire fighting and EMS to nearly 57 percent of the uniformed force.

Given the acute fiscal crisis in the District and the criticism that the District is receiving for cutting government costs too little and too late, I would hope that it would be unthinkable to add costs that the Mayor and the Council have agreed are not vital. I would particularly object because the underlying facts reveal that Fire Department issues are not involved. Rather, the intent here is to preserve from possible loss the jobs of non-residents who have charter protection against taxation while they nevertheless earn their living in the District. They should not be exempt from cuts any more than District residents are.

I am asking therefore that these additional costs not be imposed, especially considering the shortfall in the Federal payment this year when Congress has not even appropriated the amount authorized under the Federal payment formula or the amount requested by the President.

I am asking my colleagues on both sides of the aisle for reasons of Home Rule and fiscal prudence to join me to allow the District to cut its own work force by supporting my amendment to strike this provision which would force unnecessary personnel on the District from H.R. 2492.

Thank you, Mr. Chairman, I reserve the balance of my time.

Mr. Chairman, I reserve the balance of my time.

□ 2010

PARLIAMENTARY INQUIRY

Mr. WALSH. Mr. Chairman, I rise to make a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. WALSH. Mr. Chairman, I am somewhat confused as to the division of time. Could the Chair explain exactly how the time will be divided? I understand there are 20 minutes on a side. I am just not sure what the sides are.

The CHAIRMAN. The Chair wishes to explain to the gentleman from New York that the 40 minutes was evenly divided, 20 of which were to be controlled by the gentlewoman from the District of Columbia to use, and 20 minutes to be controlled by the gentleman from Maryland [Mr. HOYER].

Does the gentleman rise in opposition to the amendment, as well?

Mr. WALSH. Mr. Chairman, I am opposed to the amendment.

The CHAIRMAN. The Chair would advise the gentleman to seek from the gentleman from Maryland an amount of time in order that he might be allowed to join the debate.

Mr. HOYER. Mr. Chairman, does the gentleman ask for time? Would the gentleman like time?

Mr. WALSH. A number of our Members on our side would like time.

Mr. HOYER. I am certainly prepared to yield time to that side and would be pleased to yield 10 minutes to the gentleman from new York [Mr. WALSH], half of the time, and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. WALSH. Mr. Chairman, we will accept that, and we thank the gentleman.

The CHAIRMAN. The gentleman from New York [Mr. WALSH] will control 10 minutes of the time.

Mr. WALSH. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. GALLEGLY].

Mr. GALLEGLY. Mr. Chairman, I stand in strong opposition to this amendment. As a former mayor and somebody who supports the fire service, having ridden with the D.C. Fire Department on several occasions, I know the job that they are facing, and I think this amendment would be very harmful to the city.

Mr. HOYER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, and Members of the House, I regret that we are in this position. I almost always, as the gentlewoman from the District of Columbia knows, even on the most difficult votes, vote to support home rule.

But we have an exception in the House of Representatives and in this Congress that has been followed pretty consistently, very frankly, and that exception is for public safety.

Now, I would observe to my friend from the District of Columbia that the 118 firefighters, line officers, who are going to be removed, 60 percent of them are District of Columbia residents.

This is about the safety of this city. This is about whether or not we have a Fire Department that can respond to the challenges.

Now, first of all, let me say that I said it was an exception. The distinguished chairman, who is one of my best friends in this House and with whom I work closely, is opposed to this amendment. I understand that. But let me point out that for 10 years, ladies and gentlemen, for 10 years we included without objection, preclusion of the District of Columbia spending any of this money unless they maintained a minimum force in 1983 of 3,880 police officers, language that I believe that the chairman put in this bill. Why? Because we felt that the public safety of the District of Columbia was a special issue so they could not spend a nickel. There was no objection in the RECORD.

In 1984, the same language was included; in 1985 the same language; 1986 the same language; 1987 the same language; 1988, of course, the same language. This is not something new.

Now, in 1989 we included the same language. In 1990 the same language, and then, ladies and gentlemen, in 1991 we changed the language in the gentleman's committee, the District of Columbia report, and we said unless they had a minimum level of 4,430 police officers, they could not spend a nickel.

In other words, we mandated that they maintain certain minimum levels of public safety officers in the District of Columbia. Why? Because we, as representatives of the people of this country who come here to their capital, want to have a certain level of public safety.

We changed it again in 1992 and in 1993, the last year for which we had a bill, and this is 1994, this language was included in the bill. This is not something radically new. This is not something that changes. It happens to deal with firefighters, public safety responders.

Now, let us look at the District of Columbia. There are only two cities in America, and we talk about featherbedding. I had a nice editorial that appeared, and some of you may have read it about shameless spending. I am not mandating a nickel of spending, not a nickel. I am saying do not remove those 118 firefighters.

I know your concern is for where the District of Columbia is going to get that money. I want you to listen to me.

There are only two cities in the United States that have more employees than the District of Columbia. One is New York. It has 7 million people. The other is Los Angeles. It has 3.4 million people. The District of Columbia, with 606,000 people, has 46,000 employees, while Chicago, IL, with 2,783,726 people that live in that city, has 41,000 employees.

The District of Columbia needs to cut its budget. I understand that and do not want to stand in its way. This language does not preclude it in any way, but it says to them, as we have done for 10 years with respect to police, do not cut firefighters.

Why? Because it makes it more dangerous for them. Why? Because this is the city with the largest number of responses in the country, as you will hear from the cochairman of the fire service caucus, 'to fire calls in America. EMT, emergency medical response teams, first call is the fire service.

You have read in the papers how late sometimes these emergencies can be. We reduced the District of Columbia front-line firefighters from 1991 levels of 304 to 269. The District of Columbia is 23d out of the 30 largest cities in fire line officers, and I will close with this statistic, and then I will have other things to say.

A letter from one of the city councilmen: "Those budgets are seriously underfunded," referring to the public safety, Councilman Brazil, "and place our uniformed employees and citizens at risk." That was Councilman Brazil. He thought it was a safety issue. I believe it is a safety issue.

I ask the Members of this House to vote for the safety of their firefighters in this community and vote "no" on this amendment and keep the minimum levels as we have done for police from 1983 to 1993.

Ms. NORTON. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Subcommittee on the District of Columbia of the Committee on Appropriations, the gentleman from California [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I thank the gentlewoman for yielding me this time.

The gentleman from Maryland [Mr. HOYER] does make a point, and there are some similarities, but it is distinguished by more of the differences.

First of all, the gentleman from Maryland [Mr. HOYER] is asking to protect certain jobs in the District of Columbia. I was asking, based on a 2-year commitment that I had received from the District—at a time when revenues were high and at a time when employment was going up 1,000 to 1,200 a year—to add positions, not to in fact protect positions.

Second, this House ultimately paid for those positions through legislation that was carried at that time by Delegate Fauntroy.

I think there is a strong feeling on both sides of the issue here, but once again, it is the mayor who lives in this city, the city council members who live here; they are just as concerned as the gentleman from Maryland [Mr. HOYER] or anyone in this House about the protection and safety of their citizens. And at a time when we are criticizing the District government for a bloated payroll and they respond by taking a positive step in reducing that payroll, I think it is wrong to come here and ask for a certain class of employees to be protected.

□ 2020

Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Chairman, I thank my colleague for yielding this time to me and I rise in strong opposition to the amendment offered by our friend and colleague.

Mr. Chairman, I have no parochial concerns in this amendment. I do not have any workers who reside in my district, but I do live in the District of Columbia when I am down here. I own property on the Hill, and I pay property taxes.

I am not speaking because of my concerns for my personal safety, I am speaking for my concerns for the residents of this city, for my staff, for the collective staff of all the Members of Congress who work on the Hill, for all of my constituents who visit here frequently, and for all of our collective constituents who visit here on a regular basis. As you all know, 1.2 million visitors per year go through this Capitol Building itself.

Mr. Chairman, as a former mayor, let me say I applaud the attempts of this mayor to cut spending and control the growth of government. But I would repeat what my colleague from Maryland said. I live adjacent to the city of Philadelphia back in my district. The city of Philadelphia, which has about 1.5 million residents, has 30,000 total employees, about 18,000 less than the District of Columbia. Yet it has twice as many members of the fire department and the EMS organization.

Now, I think I know this D.C. fire department as well as anyone, perhaps except for our good friend and colleague. I have been in probably over half the stations. My colleague knows that each year I take Members of Congress out and we ride with the D.C. fire department. I have done that 5 of the 7 years I have been here.

That is because I want the Members to see what these men and women go through; I want them to see what it is like to respond to a drug dealer, to a crack house; I want them to see what it is like when the fire department arrives on a scene 30 minutes before an ambulance can get there because they are tied up someplace else in the city.

I have seen them respond long before the police arrive, when their lives are on the line in a number of situations.

In June alone, this month, the local fire station on New Jersey Avenue responded to Capitol Hill 62 times, 50 of those calls for medical emergencies.

Now, some of us say it is a home rule issue, we should not be involved. Well, then why do we expand the Capitol Hill police to cover more of the boundaries of the District of Columbia? If the District of Columbia is going to handle law enforcement, let them handle it. Why have we increased the size of law enforcement in this city when we have not given the concern for the medical emergencies that these firefighters respond to every day?

We have seen time and again the fire department arriving with their trucks and get out and deliver first aid until a paramedic or a rescue unit can arrive on the scene. But let us look beyond that obstacle and look at the difficulties the D.C. fire department has, because when we compare this fire department with any other city, it is an impossible comparison.

Are all of you aware that the District of Columbia cannot enforce its building regulations in Federal buildings? Why? Because all of our Federal buildings are exempt from building and fire prevention codes. Are all of you aware that the D.C. fire department, who we ask to respond to disasters in our Federal complex, cannot preplan buildings because they are not allowed? The Federal Government, by its standards, does not allow the same people who respond to these instances to be able to come in and preplan for those emergencies.

These people have to risk their lives in buildings they have never seen the inside of before, all across the Federal Government complex in Washington, DC.

I have a list of responses just this past year alone in the FBI building, the Old Post Office, the Agriculture, Engraving, U.S. Interior, U.S. Post Office, Government Printing Office, Capitol Hill; all Federal buildings, none of which has been inspected by the D.C. fire department because they do not have the manpower and because they are not allowed.

I speak on the floor today because this issue is an issue of safety. When we have a bureaucracy of 48,000 workers and we want to cut the smallest unit of that work force 1,200 people and say that we can take the cuts out of there, we are jeopardizing the safety of my constituents and your constituents. We are jeopardizing the safety of those people who depend on the D.C. fire department to do what they do so well. And I will tell you right now, they are the best in the country and I am proud of them, as I know my friends and colleagues are proud of them.

They deserve our support. We should not be just looking to cut them. In fact, the cuts proposed, according to my understanding of the language, and I ask the gentleman from Maryland [Mr. HOYER], to correct me if I am wrong, does not stop the city from cutting non-fire-fighting areas of the fire department. They can cut the administrative staff and the clerical staff. All we are saying is do not cut the men and women who have to respond to disasters.

I ask the gentleman, am I correct on that point?

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. WELDON. I am happy to yield to the gentleman from Maryland.

Mr. HOYER. I thank the gentleman for yielding.

Mr. Chairman, that is correct. I would ask the gentleman: The gentleman has seen the statistics when we talked about featherbedding and too many fire personnel; is the gentleman aware of the statistics that in the District of Columbia, the sworn fire department personnel as percent of total city employment is 2.7 percent, while in Pittsburgh, a city in the gentleman's State is 15 percent and the national average is 9 percent? So it is one-third the level of the average city.

Mr. WELDON. I am aware of that figure. If the Norton amendment is agreed to, the District of Columbia will be 30th out of 30 cities in terms of the percentage of fire department EMS personnel in comparison to every other city in the country.

Ms. NORTON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. I thank the gentlewoman for yielding to me.

Mr. Chairman and Members of this body, this is the House of Representatives. Let me repeat: This is the House of Representatives. I say that because I would suggest, Mr. Chairman and Members of this body, that if anyone tuned in to the cable television to look at the business of the House of Representatives, they would be mistaken. They would say, "I turned the wrong channel. This is the city council of the District of Columbia, not the Congress of the United States." Great debate over how many fire persons we are going to have in the District of Columbia, not the lofty issues of the United States.

The people of the District of Columbia elected a mayor and a city council to deal with this level of discussion and this level of debate; that is, how many fire stations, how many fire ladders, how many fire persons?

This is the Congress of the United States, Mr. Chairman. We should be about that business. This is home rule.

My distinguished colleague and very good friend—we argue from time to time, but I still love him—from Maryland [Mr. HOYER] would suggest that there is some level of inconsistency because the gentleman from California [Mr. DIXON] mandated levels of police over the last 10 years. Response: During that period of time, the Delegate from the District of Columbia, Mr. Fauntroy, supported the action, home rule. The Delegate from the District of Columbia, ELEANOR HOLMES NORTON, supported the action, home rule. The former Mayor of the city of the District of Columbia, the present Mayor supported the action; home rule.

The city council during that period of time supported the action; home rule.

The Delegate from the District of Columbia, at this moment, in articulate opposition to what the gentleman from Maryland wants to do; violation of home rule.

The Mayor and the city council in articulate opposition to what the gentleman from Maryland chooses to do; opposition to the principle of home rule.

Mr. Chairman and members of the committee, I do not challenge the motive of my distinguished colleague; I challenge his action. It is inappropriate and inconsistent. You cannot lecture the residents of the District of Columbia day in and day about fiscal integrity of their community, suggest to them that they have a responsibility to embrace their fiduciary duties with dignity and cut and cut and cut and then come forward and say, "But don't cut my constituents."

I have given 22 years of my life in this Chamber to validly fight for the principle of home rule.

Tune in, America, we are talking about fire departments, not foreign policy, not military policy, not economic policy, not tax policy, not conversion policy; fire department for the District of Columbia.

Let us rise to our responsibilities.

□ 2030

Mr. HOYER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, I hesitate to respond to that very eloquent statement from my friend and colleague, the gentleman from California, but the gentleman is also aware that more than 17 million Americans visit the District of Columbia every year. They do not come here to visit the D.C. City Council. They come here to visit the U.S. Capitol, the Federal Buildings, the Smithsonian.

I would say to my colleagues that we have a responsibility to those millions of Americans who come here to visit the U.S. Capitol to provide for their safety. Just in this last month alone that ends today, June of 1993, there were 69 calls from the D.C. Fire Department to problems, actions, fires, whatever that occurred on Federal property in the Federal enclave, and that is what we are talking about here today.

We have a responsibility to make sure that we have the capacity to respond to emergencies that occur in this Federal enclave. There is no Capitol Fire Department, as there is a Capitol Police Department. It is the D.C. Fire Department that has to respond to all these emergencies.

Mr. Chairman, when we had 304 Fire Department personnel on duty over every 24-hour period, we were 16th in the midpoint of the 30 largest cities. When we cut that back in fiscal year 1992 to 269, we dropped to the bottom of the list, even though they have to be responsible for those 17 million people who visit our Capitol, and not those 30 other largest cities. Now we will go further to the bottom of the list.

Now what happens when we do not have the capacity within our Fire Department to respond to these emergencies? That is what we are talking about.

Now, our friend, the very distinguished Delegate from the District of Columbia, talks about the fact that 62 percent of these firefighters live outside the District of Columbia. Well, maybe that is the reason they are so vulnerable, but that is not to be the reason we take this amendment.

Mr. WALSH. Mr. Chairman, I yield 2 minutes to my neighbor, the distinguished gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, I rise in opposition to this amendment. I do so because this is a public safety issue. It is a public safety issue not just for the residents of the District of Columbia, but for the millions of Americans, our constituents who visit this magnificent Nation's Capitol.

The United States of America, the richest, most powerful, most technologically advanced Nation in the world, has the highest death rate and property loss rate due to fires of any nation in the industrialized world. That is a dubious distinction that we do not want.

When we deal with this issue, we are dealing with a very sensitive public safety issue.

I would point out that this is budget neutral.

The language in the committee bill is budget neutral. It would not prohibit the city from making cuts, from reducing administrative personnel, which is 25 percent of the total complement, but it would protect those frontline emergency responders, the 269 personnel who actually fight the city's fires and protect life and limb for all of us.

The D.C. Fire Department has already experienced an 11-percent reduction in these frontline firefighters just last year, and the city is pushing for another 9.6-percent reduction this year. We cannot let that be. This is a critically important public safety issue.

Mr. Chairman, I urge all my colleagues to think in those terms as we oppose this amendment and embrace the language included in the committee bill.

Ms. NORTON. Mr. Chairman, I yield 1 minute to the distinguished ranking member of the Committee on the District of Columbia, the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Chairman, I thank the gentlewoman for yielding this time to me.

Mr. Chairman, I rise in support of this amendment.

I very rarely disagree with my friend, the gentleman from Maryland [Mr. HOYER], but on this issue I happen to believe he is wrong.

Mr. Chairman, we say and we have said and we continue to say to the Mayor and to the City Council of this city, "You must get your financial house in order. You must cut your personnel. You have far too many."

Now, I am not familiar with all the details of the policy issue here about the size of the Fire Department.

Let me also add that I was once a mayor of a city, but that is irrelevant.

The fact of the matter is that we say, cut this budget.

Now, one of us may say, "Oh, you can't cut firefighters." And another says, "You can't cut police."

And a third says, "You cannot cut social workers."

And a fourth says, "Well, you cannot cut educators."

Pretty soon there is nobody else left to cut. If we continue down that slippery slope, there is only one place for the District to return, and that is to this body and to the other body and say, "You won't let us trim the fat. Then give us the money to pay for the fat."

That is the decision we need to look at. Do not get involved in the minutia.

Ms. NORTON. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK. Mr. Chairman, I agree with the proponents of this amendment. We should not cut the D.C. firefights, neither should we add to the D.C. firefighters. We do not have the right in this Congress to tell the D.C. City Council how they should add or subtract. This is not simply a add-on. This is a subtract, we call it.

If we accept this, if any one of you should vote for this amendment, and I hope that you do not, you will accept the same kind of dictation in your own district or your State.

Why should we treat the District of Columbia like a subject people? We should not.

We are saying that firefighters, teachers, all the people who hold jobs in the District of Columbia, that we should run a lottery here in this Congress and decide how many of them will maintain their jobs or what percentage of their jobs they need to maintain.

I say to you, let the City Council do that. You are really saying that they are not credible, they are not able to be good decision-makers; but they were put there by the electorate. They know what public safety is all about. Let them determine that, no matter how good it is.

I agree that we need good firefighters, but let the District of Columbia decide that.

Now, this is a good bipartisan issue that everyone can vote on. We are asking the District, we have been asking them over the years to cut the budget, cut the budget.

Now, please give them that chance.

The subcommittee did not agree with this. The honorable chairperson of the subcommittee did not agree with this. The full committee passed it, but this body should not pass this amendment, because you are taking away a basic right.

This is what is called selective workforce cutting. Cut some, keep others. Each one of them has a distinctive style.

Yes, I agree with the proponents of this. We should not cut our fighters, neither should we add any firefighters.

□ 2040

Ms. NORTON. Mr. Chairman, I yield 2 minutes to the gentleman from Guam [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Chairman, I stand in strong support of the amendment offered by the honorable Delegate from the District of Columbia. The situation that we are confronted with is not a recommendation for fire protection. Really what we are witnessing is that the administration of the city has behaved responsibly and that the Norton amendment seeks to reward that behavior.

But that is not the principle reason the Norton amendment should be supported. The Norton amendment should be supported if you believe in local government, the Norton amendment should be supported if you believe in home rule, the Norton amendment should be supported if you believe that your fellow citizens in the District of Columbia, indeed in all nonstates, have the same rights and privileges to govern themselves in the same way your constituents do back home—wherever home is—Alaska, Hawaii, Maryland, Maine, or California.

But not in the District, not in my home of Guam and not in other areas where the flag flies, but where the full principles for which it stands are only imperfectly and irregularly applied. Mr. Speaker, this is an issue that cuts to the core of the meaning of local government, of home rule, of respect for the right of people to self-government. This right should not be questioned on the merits of whether it is exercised appropriately as decided by some members of this body; it should be taken as an article of faith from which there is no retreat.

There has been a lot of D.C. bashing going on here today, some overt, much of it beneath the surface. This bashing is unconscionable.

For many years many people on Guam wished Guam was closer to Washington, DC, so that we could make our case for fairer and better territorial policies with greater ease. Based on what is going on here today, being 10,000 miles away does offer some advantages.

The issue of the constitutionality of exercising congressional authority has been used as a justification for intruding into the affairs of the District of Columbia. Clearly, it may be legal to intrude, but we are asking here not that the House be denied the right to intrude, but rather that the House decides not to intrude. And I urge my colleagues to adopt this as the spirit of their decisions regarding the District of Columbia because if they were in the same situation, they would ask for the same thing.

Mr. Chairman, let us do the right thing. I urge my colleagues to support the amendment offered by the gentlewoman from the District of Columbia [Ms. NORTON] and the principle of self-government.

Mr. WALSH. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. ISTOOK], a member of the subcommittee.

Mr. ISTOOK. Mr. Chairman, I rise in support of the amendment offered by the Delegate from the District of Columbia. The question before us, I believe, is not whether we can take the action that has been proposed by the gentleman from Maryland [Mr. HOYER], but whether we should.

Mr. Chairman, the gentleman from Maryland [Mr. HOYER] fights hard for the people that he represents in his district who are affected, of course, by the amendment. As well he should. I respect his motives in that.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. ISTOOK. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, this is the committee's product. It is in the committee bill.

Mr. ISTOOK. Mr. Chairman, I realize that, and I thank the gentleman from Maryland [Mr. HOYER] and say, "The amendment that you offered in committee and were successful, of course, in getting in committee."

However, Mr. Chairman, I believe that the bill, as it now stands with that amendment in place, handcuffs the ability of the District of Columbia to cut its own budget. They have budget problems, around $150 million. They know they need to cut jobs. Everyone knows that. Part of it, they decided, would have to come from the fire department.

Mr. Chairman, we heard testimony in subcommittee from the fire department. They testified, and we were satisfied that they made a well-reasoned decision. No one on the subcommittee believed that that decision would jeopardize the public safety in the District of Columbia.

My colleagues, nothing is worse than being willing to take tough medicine and then having people say, "You're not going to be permitted to do so." If we do not let the District of Columbia make this tough, but necessary, move, the problem, I believe, will only get worse.

I believe that the amendment offered by the gentlewoman from the District of Columbia [Ms. NORTON] should, therefore, be adopted.

Ms. NORTON. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, I thank the gentlewoman from the District of Columbia [Ms. NORTON] for yielding this time to me.

As a former mayor of a very large city in the State of Vermont, Mr. Chairman, I am deeply impressed by the knowledge being offered this evening about the Washington, DC, fire department by some of the Members. I am really deeply impressed, and it sounds to me like some of them may want to leave the Congress and run for the city council of the District of Columbia with all of that knowledge and with that ability.

I think what the gentleman from California [Mr. DELLUMS] said a few minutes ago is really what it is about. At a time when this country faces so many enormous problems, 16 million people unemployed, 37 million people without health insurance, an educational system in collapse, 2 million people sleeping out on the streets, my colleagues, we are talking about what the Washington, DC, fire department should be doing or should not be doing. So, in all due respect to my friends who have expressed so much expertise about the Washington, DC, fire department, Mr. Chairman, I would urge them:

"Allow the residents of Washington, DC, the city council of Washington, DC, the Mayor of Washington, DC, to take care of their business. Let us concentrate on our business, which is the needs of the United States of America, and, if you're so concerned about what goes on in Washington, DC, give them statehood, and let them make their own decisions."

Mr. WALSH. Mr. Chairman, I reserve the balance of my time.

Ms. NORTON. Mr. Chairman, I yield myself such time as I may consume.

May I say to my colleagues how much I appreciate the bipartisan support I have gotten on both sides of the aisle tonight? I think that says something about the principled nature of the position that Members in this House are willing to take. They have been lobbied, there have been a lot of scare tactics used on my colleagues, and I ask my friends, "Do you think that the people of the District of Columbia are crazy enough to put themselves in jeopardy by cutting their own fire department more than is required to protect their safety? Is the gentleman from Maryland in a better position to know whether or not I will be protected tonight in the District of Columbia if my fire department is cut than I am? Or than the mayor is? Or than the city council is?"

I say to my colleagues, No, sir, you are not. If you want to run a fire department, go run the one in St. Mary's County, sir.

I say to my colleagues that we are dealing with a workforce that is the highest per capita in the United States of America. It has finally gotten to the point where it understands that. This is one of the great featherbed fire departments in the United States.

Mr. Chairman, my colleagues are looking at the granddaughter of a firefighter. My grandfather, Richard Holmes, entered the DC fire department in 1902. I know something about firefighting, and I know something about the District of Columbia fire department, and I know, sir, that it is overstaffed, and may I say, sir, that I am in a position, better position, to know the facts on this than anybody in this body is, and I ask my colleagues to defer to me when it comes to my own fire department rather than to the gentleman from Maryland.

The gentleman from Maryland says that my people will be laid off. The gentleman is right, and I am willing to lay my people off because there are too many of them. I say to the gentleman, "It is up to us, sir, not to you.

"There has been gross abuse of sick leave. If you leave this appropriation in place, you put upon us, not only those $3.4 million, but overtime as well because we have to backfill every time one of them decides he is sick, and there's no way to go beyond that.

"You have heard about understaffing in our department. Let me tell you something.

"Compared to a number of rescue squads the District is far better off than the 14 highest cities. Dallas—one rescue squad for 342 miles, Nashville—three for 158 miles, DC—four for 15 miles.

"Square miles per company? San Francisco—1.1 mile, and Boston is 1.4 miles per company, above us, but Kansas City is 9.9 miles per company. Memphis is 6.6 miles per company. Cleveland is 3 miles per company."

My colleagues, let me close by saying, "You did not come to Congress to vote on DC issues. You did not come to Congress to vote to overturn the laws of the District of Columbia."

I ask my colleagues not to nullify a democracy in a city that is responsible to nobody in this body except to myself.

□ 2050

Mr. WALSH. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I would first of all like to salute my colleague, whom I have gotten to know quite well through this appropriations process, the gentlewoman from the District of Columbia [Ms. NORTON], whom I have the greatest respect for. She is a fighter for her people, and I support that.

However, there is a conflict, and the conflict is that the Constitution requires us to have some involvement in the District government. However you interpret that, the idea of home rule is clear. It is clear that it is not an inviolable rule. There are times when Congress imposes its will, and there are times when it does not.

The difficulty, as always, is to try to be consistent. If you support home rule, then you would support the gentlewoman from the District of Columbia [Ms. NORTON]. If you are opposed to home rule, then you would oppose the gentlewoman.

But that is not always the case. There is no simple, clear-cut, long-term view of this in terms of home rule.

Simply stated, Mr. Chairman, I oppose the gentlewoman, with all due respect. I do think that we have to do what we believe is right, given our constitutional responsibility.

Mr. HOYER. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I am not going to get into an argument about the number of firefighters. I think the statistics we have given speak for themselves. There is plenty of room to cut. The District of Columbia has problems. Nobody on this floor, save and excepting perhaps two or three, have fought harder to help fund the District of Columbia objectives than I have. Not one.

This is a bill. It comes to us. It comes to the committee of the gentleman from California [Mr. DIXON], and the gentleman from California holds hearings.

Now, we may not like that process, but what the gentleman holds hearings on is what does the District of Columbia do. If the premise is that we ought to ignore this document, that we ought to ignore the specifics, then I would suggest that we stop having hearings. I understand there are some who say that that would be appropriate.

We have a report. Why do we have this? Because this is the capital city and safety is an issue. The Federal complex is protected by these firefighters. To that extent, it is our responsibility. We do in fact have the chief of the Fire Service come and testify before the committee of the gentleman from California [Mr. DIXON] and the subcommittee of the gentleman from New York [Mr. WALSH]. He testifies, and others testify.

Now, the premise of that must be that it has some relevance, to testify. It is not informational. If it were informational, we would not have this bill. But we have this bill. Now, I know that there are some who think we ought not have the bill, but we do. And the premise is that we have a responsibility.

I would hope that, as we did with police, we would say the reduction from 304 to 269 is enough. Keep the city safe. Vote for the committee's bill; reject the Norton amendment.

Mr. STARK. Mr. Chairman, I support the amendment offered by the gentlewoman from the District of Columbia [Ms. NORTON].

There are over 40,000 municipal employees on the District of Columbia payroll. The District must shrink the size of its personnel. If we prevent the local government from eliminating jobs where they are not needed, we will undercut the Mayor and Council in their difficult and necessary efforts to prevent financial catastrophe for this city.

For Congress to claim that it knows best how to deploy the 1,463 fire personnel in the Fire Suppression Operations is presumptuous at best, and infringes upon Home Rule.

I support the efforts of the gentlewoman from the District of Columbia and urge a yes vote on the gentlewoman's amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentlewoman from the District of Columbia [Ms. NORTON].

The question was taken; and the Chairman being in doubt, the Committee divided, and there were ayes 45, noes 20.

RECORDED VOTE

Mr. HOYER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 270, noes 158, not voting 11, as follows:

[Roll No. 314]

AYES—270

Andrews (ME)
Andrews (TX)
Archer
Baesler
Baker (LA)
Ballenger
Barcia
Barrett (WI)
Barton
Bateman
Becerra
Beilenson
Berman
Bilirakis
Bishop
Blackwell
Bliley
Blute
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Camp
Canady
Cantwell
Carr
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Coyne
Crapo
Danner
de la Garza
de Lugo (VI)
Deal
DeFazio
Dellums
Derrick
Dickey
Dingell
Dixon
Doolittle
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
English (OK)
Evans
Fields (LA)
Fields (TX)
Fingerhut
Fish
Flake
Foglietta
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gingrich
Glickman
Gonzalez
Goodlatte
Goss
Grams
Greenwood
Gunderson
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hilliard
Hinchey
Hoekstra
Holden
Houghton
Hutchinson
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
LaRocco
Lazio
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Linder
Lipinski
Long
Machtley
Maloney
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDermott
McHale
McHugh
McKinney
Meehan
Meek
Menendez
Meyers
Mfume
Michel
Miller (CA)
Miller (FL)
Mineta
Mink
Mollohan
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Orton
Owens
Pastor
Paxon
Payne (NJ)
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Rahall
Ramstad
Rangel
Regula
Reynolds
Roberts
Roemer
Rogers
Rohrabacher
Romero-Barcelo (PR)
Rose
Rostenkowski
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sarpalius
Sawyer
Saxton
Schenk
Schroeder
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Sisisky
Skaggs
Skelton
Slattery
Smith (IA)
Smith (MI)
Smith (OR)
Snowe
Solomon
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tanner
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Washington
Waters
Watt
Wheat
Whitten
Wise
Woolsey
Wyden
Yates
Zeliff
Zimmer

NOES—158

Abercrombie
Ackerman
Allard
Andrews (NJ)
Applegate
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Barca
Barlow
Barrett (NE)
Bartlett
Bentley
Bereuter
Bevill
Bilbray
Boehlert
Boehner
Bonilla
Brooks
Burton
Buyer
Byrne
Callahan
Calvert
Cardin
Clinger
Coble
Coleman
Collins (GA)
Combest
Coppersmith
Cox
Cramer
Crane
Cunningham
Darden
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dornan
Dreier
Emerson
Engel
English (AZ)
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Filner
Ford (MI)
Fowler
Franks (NJ)
Gallegly
Gallo
Gekas
Geren
Gilman
Goodling
Gordon
Grandy
Green
Gutierrez
Hall (OH)
Hancock
Hefner
Herger
Hoagland
Hobson
Hochbrueckner
Hoke
Horn
Hoyer
Huffington
Hughes
Hunter
Hutto
Johnson, Sam
Kanjorski
Kaptur
Klein
Knollenberg
Lantos
Leach
Lightfoot
Livingston
Lloyd
Lowey
Mann
Manton
Mazzoli
McDade
McInnis
McKeon
McNulty
Mica
Molinari
Montgomery
Moorhead
Moran
Morella
Murphy
Myers
Olver
Ortiz
Oxley
Packard
Pallone
Parker
Pelosi
Petri
Pombo
Pomeroy
Quillen
Quinn
Ravenel
Reed
Richardson
Ridge
Ros-Lehtinen
Roth
Roukema
Rowland
Sangmeister
Santorum
Schaefer
Schiff
Schumer
Shepherd
Shuster
Slaughter
Smith (NJ)
Smith (TX)
Spence
Stearns
Stenholm
Stump
Sundquist
Swett
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Torricelli
Walker
Walsh
Weldon
Wilson
Wolf
Wynn
Young (AK)
Young (FL)

NOT VOTING—11

Bonior
Dooley
Faleomavaega (AS)
Henry
Laughlin
McMillan
Minge
Moakley
Skeen
Waxman
Williams

□ 2114

Messrs. POMBO, ALLARD, RIDGE, and LEACH changed their vote from "aye" to "no."

Messrs. CONDIT, EDWARDS of California, BORSKI, CARR, UPTON, and BARCIA of Michigan changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read the last two lines of the bill.

The Clerk read as follows:

This title may be cited as the "District of Columbia Supplemental Appropriations and Rescissions Act, 1993."

Mr. DIXON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The CHAIRMAN. The question is on the motion to rise and report offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

□ 2126

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MCNULTY) having assumed the chair, Mr. MFUME, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2492) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1994, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

Mr. SOLOMON. Mr. Speaker, I demand a separate vote on the so-called Istook amendment and on the so-called Norton amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment: On page 33, after line 25, insert the following:

SEC.   . No funds made available pursuant to any provision of this Act shall be used to implement or enforce any system of registration of unmarried, cohabiting couples whether they are homosexual, lesbian, or heterosexual, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples; nor shall any funds made available pursuant to any provision of this Act otherwise be used to implement or enforce D.C. Act 9-188, signed by the Mayor of the District of Columbia on April 15, 1992.

On page 34, strike line 5 and all that follows through line 10.

Mr. SOLOMON (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. The Chair will announce that this is a 15-minute vote. Pursuant to rule XV, the next vote, if ordered, will be a 5-minute vote. Members are requested to remain in the Chamber.

The vote was taken by electronic device, and there were—ayes 253, noes 167, not voting 14, as follows:

[Roll No. 315]

AYES—253

Allard
Andrews (TX)
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Boucher
Brewster
Brooks
Browder
Brown (OH)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chapman
Clement
Clinger
Coble
Collins (GA)
Combest
Cooper
Costello
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeLay
Derrick
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gallo
Gekas
Geren
Gibbons
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hayes
Hefley
Hefner
Herger
Hobson
Hoekstra
Hoke
Holden
Horn
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Johnson (GA)
Johnson (SD)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kyl
LaFalce
Lambert
Lancaster
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Machtley
Mann
Manton
Manzullo
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McNulty
Meyers
Mica
Michel
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murphy
Murtha
Myers
Neal (NC)
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Regula
Ridge
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roukema
Rowland
Royce
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Sensenbrenner
Shaw
Shepherd
Shuster
Skelton
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Traficant
Tucker
Upton
Valentine
Volkmer
Vucanovich
Walker
Walsh
Weldon
Whitten
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—167

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Becerra
Beilenson
Berman
Bishop
Blackwell
Blute
Boehlert
Bonior
Borski
Brown (CA)
Brown (FL)
Bryant
Byrne
Cantwell
Cardin
Carr
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Coppersmith
Coyne
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Furse
Gejdenson
Gephardt
Gilchrest
Glickman
Gonzalez
Gunderson
Gutierrez
Hamburg
Harman
Hastings
Hilliard
Hinchey
Hoagland
Hochbrueckner
Houghton
Hoyer
Hughes
Jacobs
Jefferson
Johnson (CT)
Johnson, E. B.
Johnston
Kennedy
Kennelly
Kildee
Klein
Kolbe
Kopetski
Kreidler
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Lewis (GA)
Long
Lowey
Maloney
Margolies-Mezvinsky
Markey
Martinez
Matsui
McCloskey
McDermott
McKinney
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moran
Morella
Nadler
Natcher
Neal (MA)
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Price (NC)
Rangel
Reed
Reynolds
Richardson
Rohrabacher
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Skaggs
Slaughter
Smith (IA)
Stark
Stokes
Strickland
Studds
Swift
Synar
Thompson
Thurman
Torkildsen
Torres
Torricelli
Towns
Unsoeld
Velazquez
Vento
Visclosky
Washington
Waters
Watt
Wheat
Woolsey
Wyden
Wynn
Yates

NOT VOTING—14

Bacchus (FL)
Conyers
Dingell
Henry
Laughlin
McMillan
Minge
Moakley
Pickle
Roth
Sisisky
Skeen
Waxman
Williams

☐ 2134

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNulty). The Clerk will report the second amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Ms. Norton: Page 8, line 9, strike "*Provided further*" and all that follows through "24-hour period:".

The SPEAKER pro tempore. The question is on the amendment.

The question was taken and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to rule XV and the Chair's prior announcement, this is a 5-minute vote to be followed by further votes. Members are requested to remain in the Chamber.

The vote was taken by electronic device, and there were—ayes 266, noes 154, not voting 14, as follows:

[Roll No. 316]

AYES—266

Andrews (ME)
Andrews (TX)
Archer
Baesler
Baker (LA)
Ballenger
Barcia
Barrett (WI)
Barton
Bateman
Becerra
Beilenson
Berman
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehner
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Camp
Canady
Cantwell
Carr
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Costello
Coyne
Crapo
Danner
de la Garza
Deal
DeFazio
Dellums
Derrick
Dickey
Dingell
Dixon
Dooley
Doolittle
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
English (OK)
Evans
Ewing
Fazio
Fields (LA)
Fields (TX)
Fingerhut
Fish
Flake
Foglietta
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gingrich
Glickman
Gonzalez
Goodlatte
Goss
Grams
Greenwood
Gunderson
Gutierrez
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hilliard
Hoekstra
Holden
Houghton
Hutchinson
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Klug
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
LaRocco
Lazio
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Linder
Lipinski
Long
Machtley
Maloney
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDermott
McHale
McHugh
McKinney
Meehan
Meek
Menendez
Meyers
Mfume
Michel
Miller (FL)
Mineta
Mink
Mollohan
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Orton
Owens
Pastor
Paxon
Payne (NJ)
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Rahall
Ramstad
Rangel
Regula
Reynolds
Richardson
Roberts
Roemer
Rogers
Rohrabacher
Rose
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schroeder
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Skaggs
Skelton
Slattery
Smith (IA)
Smith (MI)
Smith (OR)
Snowe
Solomon
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tanner
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Washington
Waters
Watt
Wheat
Whitten
Wise
Woolsey
Wyden
Yates
Zeliff
Zimmer

NOES—154

Abercrombie
Ackerman
Allard
Andrews (NJ)
Applegate
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Barca
Barlow
Barrett (NE)
Bartlett
Bentley
Bereuter
Bevill
Bilbray
Boehlert
Bonilla
Brooks
Burton
Buyer
Byrne
Callahan
Calvert
Cardin
Clinger
Coble
Collins (GA)
Combest
Coppersmith
Cox
Cramer
Crane
Cunningham
Darden
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dornan
Dreier
Emerson
Engel
English (AZ)
Eshoo
Everett
Farr
Fawell
Filner
Ford (MI)
Fowler
Franks (NJ)
Gallegly
Gallo
Gekas
Geren
Gilman
Goodling
Gordon
Grandy
Green
Hall (OH)
Hancock
Hefner
Herger
Hoagland
Hobson
Hochbrueckner
Hoke
Horn
Hoyer
Huffington
Hughes
Hunter
Hutto
Johnson, Sam
Kanjorski
Kaptur
Kleczka
Klein
Klink
Knollenberg
Lantos
Leach
Lightfoot
Livingston
Lloyd
Lowey
Mann
Manton
Mazzoli
McDade
McInnis
McKeon
McNulty
Mica
Molinari
Montgomery
Moorhead
Moran
Morella
Murphy
Myers
Olver
Ortiz
Oxley
Packard
Pallone
Parker
Pelosi
Petri
Pombo
Pomeroy
Quillen
Quinn
Ravenel
Reed
Ridge
Ros-Lehtinen
Rostenkowski
Roukema
Rowland
Santorum
Schaefer
Schenk
Schiff
Schumer
Shepherd
Shuster
Slaughter
Smith (NJ)
Smith (TX)
Spence
Stearns
Stenholm
Stump
Sundquist
Swett
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Torricelli
Walker
Walsh
Weldon
Wilson
Wolf
Wynn
Young (AK)
Young (FL)

NOT VOTING—14

Bonior
Conyers
Henry
Hinchey
Laughlin
McMillan
Miller (CA)
Minge
Moakley
Roth
Sisisky
Skeen
Waxman
Williams

☐ 2143

Ms. SCHENK and Mr. GRANDY changed their vote from "aye" to "no."

Mr. RICHARDSON and Mrs. UNSOELD changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. McNULTY). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WALSH

Mr. WALSH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. WALSH. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. WALSH moves to recommit the bill H.R. 2492 to the Committee on Appropriations with instructions to report the bill forthwith with the following amendment:

On page 2, strike line 6 and all that follows through line 24, and insert the following:

"For payment to the District of Columbia for the fiscal year ending September 30, 1994, $630,603,000, as authorized by section 502(a) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-3406.1). Up to $17,327,000 of this amount may be used as a Federal contribution for crime and youth initiatives in the District.

FEDERAL CONTRIBUTION TO RETIREMENT FUNDS

For the Federal contribution to the Police Officers and Fire Fighters', Teachers', and Judges' Retirement Funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96-122), $52,070,000."

Mr. WALSH (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. WALSH] is recognized for 5 minutes in support of his motion to recommit.

Mr. WALSH. Mr. Speaker, I offer this motion—and I do not intend to ask for a recorded vote—I offer this motion because I believe there may have been some confusion earlier on this evening on an amendment that I offered. This amendment would allow the District of Columbia to utilize the formula funds, $630 million for the youth and crime initiative. We are not opposed to the youth and crime initiative. This will strike the $17 million but allow the District to go ahead and use the other money for that purpose.

The SPEAKER pro tempore. Does the gentleman from California [Mr. DIXON] wish to be heard on the motion?

Mr. DIXON. Yes, Mr. Speaker. I am opposed to the motion to recommit.

The SPEAKER pro tempore. The gentleman from California is recognized for 5 minutes.

Mr. DIXON. Mr. Speaker, this motion would have the effect of cutting $17 million from the funds flowing to the District. It is the same amendment offered earlier by the gentleman from New York [Mr. WALSH] and defeated. I ask for a "no" vote on the motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 213, noes 211, not voting 10, as follows:

[Roll No. 317]

AYES—213

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bliley
Bonior
Borski
Boucher
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Clay
Clayton
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooper
Coppersmith
Coyne
Danner
Darden
de la Garza
Deal
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English (AZ)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Furse
Gallo
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hamburg
Hamilton
Harman
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Houghton
Hoyer
Hughes
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
Lambert
Lantos
Lehman
Levin
Lewis (GA)
Livingston
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Mineta
Mink
Moran
Morella
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Pickle
Pomeroy
Price (NC)
Rangel
Reed
Reynolds
Richardson
Ridge
Rose
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Skaggs
Skelton
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tejeda
Thompson
Thornton
Torres
Towns
Traficant
Tucker
Unsoeld
Velazquez
Vento
Visclosky
Washington
Waters
Watt
Wheat
Whitten
Wilson
Wise
Woolsey
Wynn
Yates

NOES—211

Allard
Andrews (TX)
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Blute
Boehlert
Boehner
Bonilla
Brewster
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chapman
Clement
Coble
Collins (GA)
Combest
Condit
Costello
Cox
Cramer
Crane
Crapo
Cunningham
DeFazio
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (NJ)
Gallegly
Gekas
Geren
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kaptur
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
LaFalce
Lancaster
LaRocco
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Lloyd
Machtley
Manzullo
McCandless
McCollum
McCrery
McCurdy
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murphy
Myers
Nussle
Orton
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Penny
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Regula
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Royce
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shuster
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thurman
Torkildsen
Torricelli
Upton
Valentine
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wolf
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—10

Henry
Laughlin
McMillan
Miller (CA)
Minge
Moakley
Sisisky
Skeen
Waxman
Williams

☐ 2202

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SKEEN. Mr. Speaker, I was on leave of absence when rollcall votes occurred in the House of Representatives.

Had I been present, I would have cast my votes as noted for the following roll-call votes which occurred during my absence.

Rollcall No. 303, quorum Call.

Rollcall No. 304, Crane amendment, H.R. 2518, Labor, Health and Human Services, and Education Appropriation Act, reduce CPB spending from $292.64 million to $640 thousand, "No."

Rollcall No. 305., Hefley amendment, H.R. 2518, Labor, Health and Human Services, and Education Appropriation Act, reduce CPB spending by $1 million, "Aye."

Rollcall No. 306, motion to rise, Labor, Health and Human Services, and Education Appropriation Act, "Nay."

Rollcall No. 307, Hyde amendment, H.R. 2518, Labor, Health and Human Services, and Education Appropriation Act, prohibit the use of federal funds for abortions, except for cases involving rape, incest and when necessary to save the mother's life, "Aye."

Rollcall No. 308, Gordon amendment, H.R. 2518, Labor, Health and Human Services, and Education Appropriation Act, specifies that funds for the direct student loan demonstration program (DSLP) be used only for the DSLP program authorized by current law, "Aye."

Rollcall No. 309, Hyde amendment, H.R. 2518, Labor, Health and Human Services, and Education Appropriation Act, prohibit the use of federal funds for abortions, except for cases involving rape, incest and when necessary to save the mother's life, "Aye."

Rollcall No. 310, motion to recommit, H.R. 2518, Labor, Health and Human Services, and Education Appropriation Act, "Aye."

Rollcall No. 311, final passage, H.R. 2518, Labor, Health and Human Services, and Education Appropriation Act, "Aye."

Rollcall No. 312, Walsh amendment, H.R. 2492, District of Columbia Appropriations Act, strike $17.327 million for youth and crime initiatives in DC, "Aye."

Rollcall No. 313, Istook amendment, H.R. 2492, District of Columbia Appropriations Act, prohibit funds to implement or enforce the DC Domestic Partners ordinance, "Aye."

Rollcall No. 314, Norton amendment, H.R. 2492, District of Columbia Appropriations Act, delete the bill's requirements to maintain the current staffing levels of the DC Fire Department, "No."

Rollcall No. 315, Istook amendment, H.R. 2492, District of Columbia Appropriations Act, prohibit funds to implement or enforce the DC Domestic Partners ordinance, "Aye."

Rollcall No. 316, Norton amendment, H.R. 2492, District of Columbia Appropriations Act, delete the bill's requirements to maintain the current staffing levels of the DC Fire Department, "No."

Rollcall No. 317, final passage, H.R. 2492, District of Columbia Appropriations Act, "No."

CONFERENCE REPORT ON H.R. 2118, MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1993

Mr. NATCHER submitted the following conference report and statement on the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes:

CONFERENCE REPORT (H. REPT. 103–165)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2118) "making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1 through 131.

That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment, as follows:

Strike all after the enacting clause and insert the following:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to provide supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, namely:

CHAPTER I

DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOOD SAFETY AND INSPECTION SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $4,000,000.

COMMODITY CREDIT CORPORATION

DISASTER ASSISTANCE

Notwithstanding any other provision of law, any Commodity Credit Corporation funds that were appropriated by Public Law 102–229 and Public Law 102–368 for losses of crop production in 1990, 1991, and 1992 and that are unexpended as of the date of enactment of this Act shall be made available to producers of 1990, 1991, 1992, and 1993 crops of agricultural commodities for losses of production due to the deterioration of the quality of such commodities caused by natural disasters, as determined by the Corporation prior to August 1, 1993, and for which the Secretary has received claims by August 1, 1993: Provided, That such funds shall also be made available to producers of the 1993 crops of agricultural commodities for crop losses caused by natural disasters which occurred prior to August 1, 1993, and for which the Secretary has received claims by August 1, 1993: Provided further, That such funds shall also be made available to producers for 1993, 1994, and 1995 crop losses if such losses are due to the occurrence of Hurricanes Andrew and Iniki and Typhoon Omar: Provided further, That such funds shall be made available under the same terms and conditions as authorized for 1990, 1991, and 1992 crop losses: Provided further, That no payments to producers under this Act shall be at a rate greater than the rate used in making payments under Public Law 102–229 and Public Law 102–368: Provided further, That a producer who received a disaster payment, adjusted for quality losses, on the 1990, 1991, and 1992 crops, shall be ineligible to receive an additional disaster payment for the crop year for which the previous disaster payment was received, unless additional pro rata disaster payments are made: Provided further, That any such funds shall remain available until September 30, 1993: Provided further, That no funds may be used pursuant to the last clause of the fifth proviso of the appropriation for the Commodity Credit Corporation in Public Law 102–368: Provided further, That a curly top virus condition in sugar beets resulting from damaging weather or related condition that adversely affects the beets shall be an eligible disaster condition for purposes of assistance provided under this paragraph: Provided further, That funds previously made available for use by the Agricultural Stabilization and Conservation Service with respect to the provision of cost-share assistance under title IV of the Agricultural Credit Act of 1978 may be used for the rehabilitation of oyster beds that were damaged by Hurricane Andrew.

SOIL CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

For an additional amount for the "Emergency Watershed Protection Program", $3,328,000.

RURAL DEVELOPMENT ADMINISTRATION

(RESCISSION)

Of the funds made available under this heading in Public Law 102–341, $9,587,000 are rescinded. Such funds were made available for salaries and expenses.

RURAL DEVELOPMENT INSURANCE FUND PROGRAM ACCOUNT

For an additional amount for the "Rural Development Insurance Fund Program Account", for the cost of water and sewer direct loans, $35,543,000, to subsidize additional gross obligations for the principal amount of direct loans not to exceed $250,000,000: Provided, That with regard to the funds provided herein, the Secretary may use 1980 U.S. Census information to determine the eligibility of loan applications submitted prior to the availability of 1990 U.S. Census information.

RURAL WATER AND WASTE DISPOSAL GRANTS

For an additional amount for "Rural Water and Waste Disposal Grants", $35,000,000, to remain available until expended: Provided, That with regard to the funds provided herein, the Secretary may use 1980 U.S. Census information to determine the eligibility of grant applications submitted prior to the availability of 1990 U.S. Census information.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING RESCISSIONS)

For an additional amount for the "Rural Housing Insurance Fund Program Account", $4,576,000 for the cost of guaranteed unsubsidized section 502 loans, for total loan principal not to exceed $250,000,000.

Of the amounts provided under this heading for the cost of low-income housing section 502 direct loans in Public Law 102–341, $64,826,000 are rescinded.

Of the amounts provided under this heading for the cost of section 515 rental housing loans in Public Law 102–341, $17,672,000 are rescinded.

Of the amounts provided under this heading for the cost of credit sales of acquired property in Public Law 102–341, $3,571,000 are rescinded.

RENTAL ASSISTANCE PROGRAM

For an additional amount for the "Rental Assistance Program", for expiring agreements and for servicing existing units without agreements, $66,287,000.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(RESCISSIONS)

Of the amounts provided under this heading for the cost of direct farm ownership loans in Public Law 102–341, $2,317,000 are rescinded.

Of the amounts provided under this heading for the cost of direct operating loans in Public Law 102–341, $15,000,000 are rescinded.

Of the amounts provided under this heading for the cost of emergency insured loans in Public Law 102–341, $15,000,000 are rescinded.

Of the amounts provided under this heading for the cost of credit sales of acquired property in Public Law 102–341, $3,511,000 are rescinded.

SALARIES AND EXPENSES

(RESCISSIONS)

Of the amounts provided under this heading in Public Law 102–341, $15,000,000 are rescinded.

AGRICULTURAL NATURAL DISASTER ASSISTANCE

(INCLUDING TRANSFERS OF FUNDS)

From amounts made available to the Farmers Home Administration in Public Law 102–368, the Secretary of Agriculture may transfer from the following accounts up to the specified maximum amounts as follows: Agricultural Credit Insurance Fund Program Account, $28,000,000; Rural Water and Waste Disposal Grants, $20,000,000; Emergency Community Water Assistance Grants, $5,000,000; and Rural Development Insurance Fund Program Account, $10,000,000. Such funds shall be available through the end of fiscal year 1994 for:

(a) a program designed to reduce the interest rate on business and industry guaranteed loans, whereby with respect to loans guaranteed by the Secretary under which the rate of interest charged by any legally organized lending institution (hereinafter "lender") does not exceed by more than 100 basis points the prime rate as defined by the Secretary, the Secretary may enter into a contract with any such lender under which the lender will receive payments in such amounts as will during the term of such contract reduce the interest rate paid by a borrower by one percentage point: Provided, That the borrower would otherwise be unable to make payments on such loan when due;

(b) permanent replacement of temporary migrant housing and rental assistance under "Rural Housing for Domestic Farm Labor";

(c) utilization of section 9 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105); and

(d) cost-share assistance in accordance with Title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201–2205) for nurserymen, aquaculture farmers, and tropical fruit growers for the rehabilitation of fencing destroyed or damaged by Hurricane Andrew:

Provided further, That such amounts so transferred shall be available only in areas affected by Hurricane Andrew, Hurricane Iniki, and Typhoon Omar: Provided further, That the entire amount transferred is hereby designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

FOOD AND NUTRITION SERVICE

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For any fiscal year 1993 reallocation process, the Secretary may waive the 15 percent cap regulation to ensure additional funds are received by States most in need.

HUMAN NUTRITION INFORMATION SERVICE

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–341, $2,250,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For an additional amount for "Salaries and Expenses", from fees collected pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act, not to exceed $36,000,000, to remain available until expended: Provided, That fees derived from applications received during fiscal year 1993 shall be subject to the fiscal year 1993 limitation.

For an additional amount for carrying out the Mammography Quality Standards Act, $3,000,000, of which $1,000,000 shall be transferred from the Centers for Disease Control and Prevention; $1,000,000 shall be transferred from the National Institutes of Health "National Cancer Institute"; and $1,000,000 shall be transferred from the Health Care Financing Administration "Program Management".

GENERAL PROVISION

Sec. 101. None of the funds in this Act, or any other Act, may be used to pay for the relocation of the Human Nutrition Information Service.

CHAPTER II

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

DEPARTMENT OF COMMERCE

MINORITY BUSINESS DEVELOPMENT AGENCY

MINORITY BUSINESS DEVELOPMENT

The sum "$13,889,000" under this heading in Public Law 102–395, 106 Stat. 1852, is amended to read "$15,050,000".

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–395, $1,750,000 are rescinded and in addition, of the amounts also provided under this heading for a semitropical research facility located at Key Largo, Florida, in Public Law 101–515 and Public Law 102–240, $794,000 are rescinded.

GENERAL PROVISION

Sec. 201. No grant to any State or other eligible entity to cover the costs of tourism promotion needs arising from Hurricane Andrew, Hurricane Iniki, and other disasters, made with the funds provided to the Department of Commerce in Public Law 102–368 (106 Stat. 1140), shall be subject to a maximum or minimum dollar amount as established by regulations of the Department of Commerce.

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

Notwithstanding section 1346 of title 31, United States Code, or section 612 of the Treasury, Postal Service, and General Government Appropriations Act, 1993, funds made available for fiscal year 1993 by this or any other Act shall be available for the interagency funding of debt collection tracking and reporting by the Department of Justice.

ASSETS FORFEITURE FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 102–395, $35,000,000 are rescinded.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $32,000,000, to remain available until expended, of which the entire amount is for necessary expenses of the Federal Bureau of Investigation for special programs in support of the Nation's security.

FEDERAL PRISON SYSTEM

BUILDINGS AND FACILITIES

(RESCISSION)

From unobligated balances available under this heading, $145,000,000 are rescinded.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

For an additional amount for "Justice Assistance", $150,000,000, to remain available until expended, for grants authorized by chapter A of subpart 2 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, notwithstanding the limitations of section 511 of said Act: Provided, That such funds shall be available only for the cost of the salaries and benefits, excluding overtime payments, resulting from the hiring of additional sworn law enforcement personnel.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

DEFENDER SERVICES

For an additional amount for "Defender Services", $55,000,000, to remain available until expended.

FEES OF JURORS AND COMMISSIONERS

For an additional amount for "Fees of Jurors and Commissioners", $5,500,000.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

MILITARY USEFUL VESSEL OBLIGATION GUARANTEES

(INCLUDING RESCISSION)

For an additional amount for "Military Useful Vessel Obligation Guarantees", $52,000,000, to remain available until expended: Provided, That not to exceed $4,000,000 of these funds may be transferred to and merged with the appropriations for Operations and Training for administrative expenses associated with the program.

Of the funds provided under this heading in Public Law 102–395, 106 Stat. 1860, $52,000,000 are rescinded.

BOARD FOR INTERNATIONAL BROADCASTING

ISRAEL RELAY STATION

(RESCISSION)

From obligated and unobligated balances available under this heading, $180,000,000 are rescinded.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $11,500,000, to remain available until expended.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 102–395 from offsetting collections to be earned by the Securities and Exchange Commission in fiscal year 1993, $11,700,000 are rescinded.

THOMAS JEFFERSON COMMEMORATION COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

Of the amount provided under this heading in Public Law 102–395, $100,000 are rescinded.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $500,000, to remain available until expended.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under his heading in Public Law 102–395, $2,000,000 are rescinded.

(BY TRANSFER)

For an additional amount for "Salaries and expenses", $14,000,000, to carry out section 24 of the Small Business Act, as amended, to be derived by transfer from amounts provided in Public Law 102–395 for the credit subsidy cost of the SBIC Program.

BUSINESS LOANS PROGRAM ACCOUNT

For an additional amount for "Business loans program account", for the cost of section 7(a) guaranteed loans (15 U.S.C. 636(a)), $175,000,000, to remain available until expended.

DISASTER LOANS PROGRAM ACCOUNT

(RESCISSION)

Of unobligated balances available under this heading, $80,657,000 are rescinded.

CHAPTER III

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, NAVY

For an additional amount for "Military Personnel, Navy", $7,100,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for "Operation and maintenance, Army", $149,800,000.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for "Operation and maintenance, Navy", $46,356,000.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for "Operation and maintenance, Marine Corps", $122,192,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for "Operation and maintenance, Air Force", $266,400,000.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For an additional amount for "Operation and maintenance, Defense Agencies", $2,000,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for "Operation and maintenance, Navy Reserve", $237,000.

REAL PROPERTY MAINTENANCE, DEFENSE

For an additional amount for "Real Property Maintenance, Defense", $29,098,000.

ENVIRONMENTAL RESTORATION, DEFENSE

Under the heading "Environmental Restoration, Defense" in the Department of Defense Appropriations Act, 1993 (Public Law 102–396), the third, fourth, and fifth provisos are repealed.

HUMANITARIAN ASSISTANCE PROGRAM

For an additional amount for the "Humanitarian Assistance Program", $23,000,000: Provided, That not less than $23,000,000 shall be made available until expended to continue emergency relief operations for the Kurdish population and other minorities of northern Iraq: Provided further, That, notwithstanding any other provision of law, the Department of Defense is authorized to make grants to any individual, non-profit private voluntary organization, government or government agency, or international or intergovernmental organization, to assist in meeting the humanitarian needs of the people of northern Iraq: Provided further, That, notwithstanding any other provision of law, items or articles procured for this humanitarian purpose may be grown or produced inside or outside the United States.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE BUSINESS OPERATIONS FUND

For an additional amount for "Defense Business Operations Fund", $293,500,000.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for "Defense Health Program", $299,900,000.

RELATED AGENCIES

NATIONAL SECURITY EDUCATION TRUST FUND

There is hereby appropriated out of funds in the National Security Education Trust Fund, $10,000,000, which shall remain available until expended, for the purposes set out in paragraph (1) of section 804(b) of the National Security Education Act of 1991 (title VIII or Public Law 102–183; 50 U.S.C. 1904(b)), and may be obligated for such purposes notwithstanding any other provision of law.

DEFENSE REINVESTMENT FOR ECONOMIC GROWTH

For an additional amount for "Defense Reinvestment for Economic Growth," $50,000,000 to remain available for obligation through September 30, 1995 and to be expended not later than that date for projects that arise out of, or that are related to, the closure or realignment of the Philadelphia Naval Shipyard and Naval Base Complex.

GENERAL PROVISIONS—CHAPTER III

Sec. 301. Section 9032 of the Department of Defense Appropriations Act, 1933 (Public Law 102–

396) is amended by inserting ", the California and Hawaii recompetition contract," after "pursuant to this general provision" in the next to the last proviso (relating to preemption provisions).

Sec. 302. Section 9084 of the Department of Defense Appropriations Act, 1993 (Public Law 102–396) is amended by inserting "or any other beneficiary described by section 1086(c) of title 10, United States Code," after "or a dependent of such a member,", and by inserting ", or end stage renal disease" after "solely on the grounds of physical disability" in the paragraph preceding the first proviso.

Sec. 303. Section 9165 of the Department of Defense Appropriations Act, 1993 (Public Law 102–396) is hereby repealed: Provided, That notwithstanding any other provision of law $10,000,000 appropriated for the fiscal year beginning October 1, 1991 for Research, Development, Test and Evaluation, Defense Agencies shall remain available until expended and may be obligated only for the purposes set out in Section 9078 of Public Law 102–396.

Sec. 304. In Section 103 of the Classified Annex which is incorporated into the Department of Defense Appropriations Act, 1993 (Public Law 102–396) the clause "notwithstanding any other provision of law" is hereby deleted.

(RESCISSIONS)

Sec. 305. Of the funds provided in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts in the specified amounts:

Operation and Maintenance, Defense Agencies, $87,800,000;

Aircraft Procurement, Army, 1993/1995, $3,000,000;

Procurement of Weapons and Tracked Combat Vehicles, Army, 1991/1993, $578,000;

Other Procurement, Army, 1991/1993, $2,287,000;

Other Procurement, Army, 1993/1995, $13,800,000;

Aircraft procurement, Navy, 1993/1995, $24,800,000;

Weapons procurement, Navy, 1991/1993, $12,700,000;

Weapons Procurement, Navy, 1993/1995, $8,000,000;

Other Procurement, Navy, 1991/1993, $92,200,000;

Other procurement, Navy, 1993/1995, $48,950,000;

Missile Procurement, Air Force, 1993/1995, $72,900,000;

Other Procurement, Air Force, 1993/1995, $96,800,000;

Procurement, Defense Agencies, 1993/1995, $23,200,000;

National Guard and Reserve Equipment, Defense, 1993/1995, $249,200,000;

Research, Development, Test and Evaluation, Navy, 1993/1994, $9,300,000;

Research, Development, Test and Evaluation, Air Force, 1993/1994, $145,492,000;

Research, Development, Test and Evaluation, Defense Agencies, 1993/1994, $82,500,000.

Sec. 306. Section 9006 of the Department of Defense Appropriations Act, 1993 (Public Law 102–396) is amended by deleting "1,500,000,000" and inserting in lieu thereof "2,000,000,000".

Sec. 307. Except for the amounts provided under the headings "Defense Reinvestment for Economic Growth", "Humanitarian Assistance Program", and "National Security Education Trust Fund", funds appropriated in this chapter shall be obligated by September 1, 1993 and expended not later than September 30, 1993.

Sec. 308. Section 9150 of the Department of Defense Appropriations Act, 1993 (Public Law 102–396) is amended by inserting "or transferring funds to assist and permit the State of Washington to acquire" after the word "acquiring".

CHAPTER IV

DEPARTMENT OF THE INTERIOR AND RELATED AGENCY

DEPARTMENT OF THE INTERIOR

UNITED STATES FISH AND WILDLIFE SERVICE

CONSTRUCTION AND ANADROMOUS FISH

(INCLUDING RESCISSION)

Of the amounts provided under this heading in Public Law 101–121 and Public Law 101–512, $1,500,000 are rescinded: Provided, That of the $2,700,000 included under this head in Public Law 102–381 for construction of the Ottawa National Wildlife Refuge, Ohio, Metzger Marsh project, $2,600,000 shall be available as a grant from the United States Fish and Wildlife Service to Ducks Unlimited, Inc., for construction of the Federal portion of the dike and pumping station at Metzger Marsh.

LAND ACQUISITION

For an additional amount for "Land acquisition", $1,000,000, to remain available until expended.

NATIONAL PARK SERVICE

CONSTRUCTION

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–154, $2,700,000 are rescinded.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operation of Indian programs", $21,300,000 for school operations, which shall become available for obligation on July 1, 1993, and shall remain available for obligation until September 30, 1994, of which $3,900,000 shall be derived by transfer from unobligated balances available in the "Oil spill emergency fund" account.

MISCELLANEOUS PAYMENTS TO INDIANS

The paragraph under this head in Public Law 102–381 is amended by adding the following before the last period: ", and (3) to reimburse Indian trust fund account holders for losses to their respective accounts where the claim for said loss(es) has been reduced by a judgment and/or settlement agreement approved by the Department of Justice".

MISCELLANEOUS PERMANENT APPROPRIATIONS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for the "Alaska resupply program", $6,000,000, to remain available until expended, to be derived by transfer from the unobligated balances available in the "Oil spill emergency fund" account.

GENERAL PROVISION, DEPARTMENT OF THE INTERIOR

Sec. 401. Extension of Acquisition Authority for the Petroglyph National Monument.—Section 104(b)(2) of Public Law 101–313 is amended by striking "three" and inserting "four" in lieu thereof.

RELATED AGENCY

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–381, $3,000,000 for housing are rescinded.

CHAPTER V

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Training and employment services", $220,000,000, to be available upon enactment of this Act, to carry into effect the Job Training Partnership Act, of which $3,500,000 is for activities under part D of title IV of such Act, of which up to $1,000,000 may be transferred to the Program Administration account, of which $50,000,000 is for activities under part H of title IV of such Act to be available for obligation through June 30, 1994, and of which $166,500,000 is for activities under part B of title II of such Act.

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–394 for carrying out title II, parts A and C, of the Job Training Partnership Act, $50,000,000 are rescinded.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

For an additional amount for "Community service employment for older Americans", $6,000,000, of which $4,680,000 is for national grants or contracts with public agencies and public or private nonprofit organizations under section 506(a)(1)(A) of the Older Americans Act of 1965, as amended; and of which $1,320,000 is for grants to States under section 506(a)(3) of said Act.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

VACCINE INJURY COMPENSATION

For an additional amount for payment of claims resolved by the United States Claims Court related to the administration of vaccines before October 1, 1988, $30,000,000, to remain available until expended.

ASSISTANT SECRETARY FOR HEALTH

PUBLIC HEALTH EMERGENCY FUND

For carrying out section 319(a) of the Public Health Service Act, $6,000,000, to remain available until expended.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For an additional amount for "Payments to Social Security Trust Funds" to reimburse the trust funds for administrative expenses to carry out sections 9704 and 9706 of the Internal Revenue Code of 1986, $10,000,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For making, after June 15 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

LIMITATION ON ADMINISTRATIVE EXPENSES

For an additional amount, $10,000,000, to remain available until expended, to carry out sections 9704 and 9706 of the Internal Revenue Code of 1986.

DEPARTMENT OF EDUCATION

STUDENT FINANCIAL ASSISTANCE

For an additional amount for "Student financial assistance" for payment of awards made under subpart 1 of part A of title IV of the Higher Education Act of 1965, as amended, $341,000,000, which shall be available through September 30, 1994, only for such awards made for award year 1993–1994 and prior award years.

COMMUNITY INVESTMENT PROGRAM

(INCLUDING RESCISSION)

Of the amounts provided under title XII of Public Law 102–368, Additional Assistance to Distressed Communities, under the heading "Community Investment Program", $275,000,000 are rescinded and the remaining $225,000,000 shall not become available until September 30, 1993.

GENERAL PROVISIONS

Sec. 501. Funds appropriated pursuant to section 414(a) of the Immigration and Nationality

Act under Public Law 102–170 for fiscal year 1992 shall be available for the costs of assistance provided and other activities conducted in such year and in fiscal year 1993.

Sec. 502. YOUTH FAIR CHANCE PROGRAM.—Section 494(b) of the Job Training Partnership Act is amended in paragraph (3) by striking "21" and inserting "30".

CHAPTER VI

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, NAVY

For an additional amount for "Military Construction, Navy" to cover the incremental costs arising from flood damage at Camp Pendleton, California, $3,000,000.

FAMILY HOUSING, NAVY AND MARINE CORPS

For an additional amount for "Family Housing, Navy and Marine Corps" to cover the incremental costs arising from flood damage at Camp Pendleton, California, $4,345,000.

HOMEOWNERS ASSISTANCE FUND, DEFENSE

(INCLUDING RESCISSION)

Of the funds appropriated for "Homeowners Assistance Fund, Defense" under Public Law 102–380, $133,000,000 is hereby rescinded.

For an additional amount for "Homeowners Assistance Fund, Defense", $133,000,000, to remain available until expended.

CHAPTER VII DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

(TRANSFERS OF FUNDS)

OFFICE OF THE ASSISTANT SECRETARY FOR TRANSPORTATION POLICY

For necessary expenses of the Office of the Assistant Secretary for Transportation Policy, $2,358,000 to be derived from amounts made available for the "Office of the Assistant Secretary for Policy and International Affairs" in the Department of Transportation and Related Agencies Appropriations Act, 1993.

OFFICE OF THE ASSISTANT SECRETARY FOR AVIATION AND INTERNATIONAL AFFAIRS

For necessary expenses of the Office of the Assistant Secretary for Aviation and International Affairs, $7,920,000 to be derived from amounts made available for the "Office of the Assistant Secretary for Policy and Internal Affairs" and the "Office of Essential Air Service" in the Department of Transportation and Related Agencies Appropriations Act, 1993.

OFFICE OF THE DIRECTOR OF PUBLIC AFFAIRS

Amounts made available for the Office of the Assistant Secretary for Public Affairs in the Department of Transportation and Related Agencies Appropriations Act, 1993, which are unobligated on the date of enactment of this Act shall be transferred to and merged under this head.

OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS

(RESCISSION)

Of the funds appropriated for "office of the Assistant Secretary for Budget and Programs" under Public Law 102–388, $237,000 are rescinded.

OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

(RESCISSION)

Of the funds appropriated for "Office of the Assistant Secretary for Governmental Affairs" under Public Law 102–388, $303,000 are rescinded.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

(RESCISSION)

Of the funds appropriated for "Transportation Planning, Research, and Development" under Public Law 102–388, $285,000 are rescinded.

OFFICE OF COMMERCIAL SPACE TRANSPORTATION

OPERATIONS AND RESEARCH

(RESCISSION)

Of the funds appropriated for "Office of Commercial Space Transportation, Operations and Research" under Public Law 102–388, $25,000 are rescinded.

COAST GUARD

OPERATING EXPENSES

(RESCISSION)

Of the funds appropriated for "Operating Expenses" under Public Law 102–388, $7,000,000 are rescinded.

OIL SPILL LIABILITY TRUST FUND

Not more than $7,000,000 shall be expended in fiscal year 1993 pursuant to section 6002(b) of the Oil Pollution Act of 1990 to carry out the provisions of section 1012(a)(4) of that Act.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(RESCISSION)

Of the funds appropriated for "Operations" under Public Law 102–388, $8,000,000 are rescinded.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the funds appropriated for "Facilities and Equipment" under Public Law 100–457, $48,300,000 are rescinded.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

For an additional amount for liquidation of obligations, $100,000,000, to be derived from the Airport and Ariway Trust Fund and to remain available until expended.

FEDERAL RAILROAD ADMINISTRATION

RAILROAD SAFETY

(RESCISSION)

Of the funds appropriated for "Railroad Safety" under Public Law 102–388, $140,000 are rescinded.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

(INCLUDING RESCISSION)

Of the funds appropriated for "Northeast Corridor Improvement Program" under Public Law 102–388, $204,100,000 are rescinded.

For an additional amount for "Northeast Corridor Improvement Program", $204,100,000, to remain available until expended.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount for "Grants to the National Railroad Passenger Corporation", to remain available until expended, $20,000,000 for operating losses incurred by the Corporation and $25,000,000 for capital improvements.

FEDERAL TRANSIT ADMINISTRATION

ADMINISTRATIVE EXPENSES

(RESCISSION)

Of the funds appropriated for "Administrative Expenses" under Public Law 102–388, $305,000 are rescinded.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

(RESCISSION)

Of the funds appropriated for "Operations and Maintenance" under Public Law 102–388, $91,000 are rescinded.

RELATED AGENCY

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated for "Salaries and Expenses" under Public Law 102–388, $360,000 are rescinded.

GENERAL PROVISIONS

Sec. 701. Section 345 of the Department of Transportation and Related Agencies Appropriations Act, 1992, as amended by section 353 of the Department of Transportation and Related Agencies Appropriations Act, 1993, is amended by adding at the end thereof the following:

"(7) The Metropolitan New York Aircraft Noise Mitigation Committee established under this section shall not be subject to the Federal Advisory Committee Act".

Sec. 702. Funds made available under the Department of Transportation and Related Agencies Appropriations Act, 1993, for the fuel cell buses program under the Federal Transit Administration's Discretionary grants account shall be transferred to that agency's Transit Planning and Research account and be administered in accordance with section 6 of the Federal Transit Act, as amended.

CHAPTER VIII

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

DEPARTMENT OF THE TREASURY

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $4,000,000, for expenses arising from the Waco, Texas law enforcement operation.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $1,618,000, to be derived by transfer from unobligated balances in the "Operation and Maintenance, air and marine interdiction programs" account.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

(RESCISSION)

Of the funds made available under this heading in Public Law 102–393, $3,400,000 are rescinded.

INTERNAL REVENUE SERVICE

PROCESSING TAX RETURNS AND ASSISTANCE

(RESCISSION)

Of the funds provided under this heading in Public Law 102–393, $1,674,000 are rescinded.

TAX LAW ENFORCEMENT

(RESCISSION)

Of the funds provided under this heading in Public Law 102–393, $3,972,000 are rescinded.

INFORMATION SYSTEMS

(RESCISSION)

Of the funds provided under this heading in Public Law 102–393, $1,427,000 are rescinded.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $11,277,000 for expenses associated with the protection of former President Bush, security for the residence of Vice President Gore, for the extraordinary expenses associated with the World Trade Center bombing, and other urgent activities.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $415,000, to remain available until expended.

The White House Office

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $7,410,538, of which $2,100,000 is to be derived by transfer from the Office of National Drug Control Policy, "Salaries and expenses".

Official Residence of the Vice President

OPERATING EXPENSES

Notwithstanding the limitation contained under this heading in Public Law 102–393, not to exceed $125,000 may be available for official entertainment expenses.

Special Assistance to the President

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $107,000.

National Critical Materials Council

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 102–393, $50,000 are rescinded.

National Space Council

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 102–389, $650,000 are rescinded.

INDEPENDENT AGENCIES

Federal Election Commission

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $112,000.

General Services Administration

Federal Buildings Fund

(LIMITATIONS ON AVAILABILITY OF REVENUE)

(RESCISSION)

The funds made available for obligation under this heading in Public Law 102–393 for the following accounts are hereby reduced in the following amounts: "Rental of Space", $16,000,000 and "Installment and Acquisition Payments", $2,000,000: Provided, That the aggregate limitation on Federal Buildings Fund obligations established in Public Law 102–393 is hereby reduced by such amounts: Provided further, That the amount deposited into the Fund is reduced by $5,900,000: Provided further, That of the funds provided under this heading in Public Law 101–509 for the Northern Virginia Naval Systems Commands, $25,000,000 are rescinded.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

For an additional amount for "Allowances and Office Staff for Former Presidents", $194,000.

National Archives and Records Administration

OPERATING EXPENSES

For an additional amount for "Operating Expenses", $2,997,000.

GENERAL PROVISIONS

Section 801. Not to exceed 2 per centum of any appropriations made available to the Executive Office of the President in fiscal year 1993 may be transferred between such appropriations with the exception of appropriations to the Office of National Drug Control Policy. Notwithstanding any authority to transfer funds between appropriations contained in this or any other Act, no transfer may increase or decrease any appropriation by more than 2 per centum and any such proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.

Sec. 802. Notwithstanding any provision of law, funds made available to the United States Customs Service by this or any other Act, may be transferred to state and local governmental agencies for law enforcement purposes.

Sec. 803. Section 617 of Public Law 102–393 is hereby repealed.

Sec. 804. Notwithstanding any other provision of law, $2,000,000 made available by transfer to the Drug Enforcement Administration from the "Special Forfeiture Fund" account of the Office of National Drug Control Policy in Public Law 102–393 may be used for an expansion study of the El Paso Intelligence Center and for the operation and maintenance of the computer systems at the Center.

Sec. 805. Notwithstanding any other provision of law, the Comptroller General of the United States shall conduct a review of the action taken with respect to the White House travel office and shall submit the findings from such review to the Congress by no later than September 30, 1993.

CHAPTER IX

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

DEPARTMENT OF VETERANS AFFAIRS

Veterans Benefits Administration

COMPENSATION AND PENSIONS

For an additional amount for "Compensation and pensions", $475,000,000, to remain available until expended.

Veterans Health Administration

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Medical care", $3,000,000, to be derived by transfer from amounts appropriated under the head "Medical administration and miscellaneous operating expenses" in Public Law 102–389

Notwithstanding any other provision of law, not less than $9,315,000,000 of the sums appropriated under this heading in Public Law 102–389 shall be available only for expenses in the personnel compensation and benefits object classifications.

Notwithstanding any other provision of law, funds provided under this heading in Public Law 102–389 shall be available to establish and operate a geriatric research, education and clinical center as directed in House Report 102–902.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Notwithstanding any other provisions of law, the national oversight quality assurance activities, described in section 104 of Public Law 102–405, shall be funded under this heading during the remainder of the fiscal year and in subsequent fiscal years.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Housing Programs

HOME INVESTMENT PARTNERSHIPS PROGRAM

(TRANSFERS OF FUNDS)

For additional amounts for the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, subject to the terms provided under this head in the Dire Emergency Supplemental Appropriations Act, 1992, Public Law 102–368, to remain available until expended, $60,000,000, to be derived by transfer from the $100,000,000 appropriated in the second paragraph under the head "Annual contributions for assisted housing" in such Act.

For additional amounts for the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, subject to the terms provided under this head in the Dire Emergency Supplemental Appropriations Act 1992, Public Law 102–368, $62,500,000, to remain available until expended: Provided, That up to $50,000,000 of the amounts required to fund the foregoing amount shall be derived by transfer from the Howeownership and Opportunity for People Everywhere Grants (HOPE Grants) account and the remaining amounts shall be transferred from the Flexible Subsidy Fund, notwithstanding section 236(f)(3) of the National Housing Act and section 201(j) of the Housing and Community Development Amendments of 1978, as amended.

SEVERELY DISTRESSED PUBLIC HOUSING PROJECTS

(TRANSFER OF FUNDS)

For activities as set forth in the third paragraph under the head "Homeownership and opportunity for people everywhere grants (HOPE grants)" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, $300,000,000, to remain available until expended, to be derived by transfer from amounts appropriated for the purpose under the foregoing head.

YOUTHBUILD PROGRAMS

(TRANSFER OF FUNDS)

For activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, under the heading "HOPE for Youth: Youthbuild", $40,000,000, to remain available until expended, to be derived by transfer from amounts appropriated under the head "Homeownership and opportunity for people everywhere grants (HOPE grants)" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102–389.

Federal Housing Administration

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

The limitation on commitments to guarantee loans during fiscal year 1993 to carry out the purpose of section 203(b) of the National Housing Act, as amended, is increased by a loan principal of $42,854,000,000.

FHA—GENERAL INSURANCE AND SPECIAL RISK INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFER AND RESCISSIONS OF FUNDS)

For an additional amount for the cost of guaranteed loans authorized by sections 238 and 519 of the National Housing Act, as amended (12 U.S.C. 1715z–3(b) and 1735c–(f)), up to $19,000,000: Provided, That notwithstanding section 236(f)(3) of such Act and section 201(j) of the Housing and Community Development Amendments of 1978, as amended, amounts required to fund the foregoing amount shall be derived by transfer from the Flexible Subsidy Fund during fiscal year 1993: Provided further, That prior to obligation of any funds from this transfer, such sums as may be necessary shall be rescinded from such Fund so that no amount so transferred shall increase departmental budget outlays or budget authority: Provided further, That of the amounts otherwise available under the Flexible Subsidy Fund during fiscal year 1993, an additional $2,000,000 are rescinded.

During fiscal year 1993 additional commitments to insure loans under this head shall not exceed a total principal, any part of which is to be guaranteed, of an additional $500,000,000.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

The limitation on new commitments during fiscal year 1993 to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(q)), is increased by an additional $30,000,000,000

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

For an additional amount for "Community development grants", for use only for the repair, *renovation, or replacement, or other authorized community development activities affecting structures damaged or destroyed by Hurricane Andrew, Hurricane Iniki, Typhoon Omar, and other Presidentially-declared disasters, to remain available until September 30, 1995, $40,000,000, to be derived by transfer from the $100,000,000 appropriated in the second paragraph under the head "Annual contributions for assisted housing" in the Dire Emergency Supplemental Appropriations Act, 1992, Public Law 102-368: Provided, That the Secretary may waive entirely, or in any part, any requirement set forth in title I of the Housing and Community Development Act of 1974, except a requirement relating to fair housing and nondiscrimination, the environment, and labor standards, if the Secretary finds that such waiver will further the purposes of the use of the amount hereby transferred.*

Of the unobligated balances of amounts heretofore made available for activities under section 107 of the Housing and Community Development Act of 1974, and without regard for any provision of subsection (a) of section 107 of such Act, or any earmarks for such section 107 set forth under this head in any prior appropriations Act, $45,000,000 are rescinded.

For an additional amount for "Community development grants", for use for authorized community development activities only in areas impacted by Hurricane Andrew, Hurricane Iniki, or Typhoon Omar, $45,000,000, to remain available until September 30, 1995: Provided, That the Secretary may waive entirely, or in any part, any requirement set forth in title I of the Housing and Community Development Act of 1974, except a requirement relating to fair housing and nondiscrimination, the environment, and labor standards, if the Secretary finds that such waiver will further the purposes of the use of the amount hereby appropriated.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

The third, fourth, and fifth provisos under this head in title II of the Departments, of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102-389, are repealed.

ADMINISTRATIVE PROVISIONS

The accounts under the head "Management and administration", except the account for the Office of Inspector General, in title II, Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992, Public Law 102-139, and the amounts in such accounts, are hereby merged into "Salaries and expenses", for the purposes of administering such accounts in accordance with 31 U.S.C., subchapter IV, chapter 15.

The seventh paragraph under this heading in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, Public Law 102-389 (the second full paragraph at 106 Stat. 1591) is repealed.

Of the $260,000,000 earmarked in Public Law 102-389 for special purpose grants (106 Stat 1571, 1584), $1,750,000 made available to Los Angeles, CA, for a loan fund to be administered by a nonprofit community organization in support of small business revitalization that will create a beneficial impact on employment, income, savings, and the development of a stronger community economic base in South Central Los Angeles shall instead be made available to the Brotherhood Crusade Black United Front of Los Angeles for the same purpose.

Of the $260,000,000 earmarked in Public Law 102-389 for special purpose grants (106 Stat. 1571, 1584), $1,500,000 made available for a feasibility study on infrastructure improvements needed for the economic development of the Peoria, Illinois, area shall instead be made available for economic development in Marshall County, Illinois.

Of the $54,250,000 earmarked in Public Law 101-507 for special purpose grants (104 Stat. 1351, 1357), $1,350,000 made available for the Bickerdike Redevelopment Corporation for the rehabilitation of 70 units in three buildings, for rental to low-income tenants in the City of Chicago shall instead be made available for the Bickerdike Redevelopment Corporation, for the creation of rental subsidy for 70 units of affordable housing for rental to low-income tenants in the City of Chicago. The Rental Subsidy program is to be set up through a secure investment portfolio by Bickerdike whereby principal and interest earned will be used to subsidize rents for a period of years.

Notwithstanding any provision of law or regulation thereunder, the requirement that an amendment to an urban development action grant agreement must be integrally related to the approved project is hereby waived for project No. B84AB210149.

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

ABATEMENT, CONTROL, AND COMPLIANCE

(RESCISSION)

Of the funds appropriated for "Abatement, control, and compliance" in Public Law 102-389, $6,000,000 are rescinded.

PROGRAM AND RESEARCH OPERATIONS

For an additional amount for "Program and research operations", $3,000,000.

STATE REVOLVING FUNDS/CONSTRUCTION GRANTS

Title III of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, is amended in the paragraph under the subheading "State revolving funds/construction grants" under the heading "Environmental Protection Agency" by striking "necessary work to remove and reroute the existing sewer lines at" and inserting "improvements related to the sewer system that services".

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Research and development," $5,000,000, to remain available until September 30, 1994, to be derived by transfer from amounts provided under the head "Construction of facilities" in Public Law 102-389.

Funds made available under this heading in Public Law 102-389 for the restructured Space Station Freedom program may be made available for the redesigned Space Station program without limitation.

SPACE FLIGHT, CONTROL AND DATA COMMUNICATIONS

(RESCISSION)

Of the amounts provided under this heading in Public Law 102-389, $27,000,000 are rescinded.

RESEARCH AND PROGRAM MANAGEMENT

For an additional amount for "Research and program management," $20,000,000, to remain available until September 30, 1994.

CHAPTER XI

ENERGY AND WATER DEVELOPMENT

DEPARTMENT OF DEFENSE—CIVIL DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

CONSTRUCTION, GENERAL

Using funds heretofore appropriated in Public Law 102-377, the Chief of Engineers, United States Army Corps of Engineers, is directed to use $750,000 to undertake work on the Cliff Walk, Rhode Island, project as provided in the Conference Report accompanying H.R. 5373 (Public Law 102-377).

ADMINISTRATIVE PROVISION

Using funds heretofore appropriated under "Construction, general," the Secretary of the Army, acting through the Chief of Engineers, is directed to augment, reprogram, transfer or apply such additional sums as necessary to continue construction and cover anticipated contract earnings on any project which received an appropriation or allowance within the appropriation in fiscal year 1993 in order to avoid terminating any contracts and to avoid schedule delays.

CHAPTER XII

GENERAL PROVISIONS

Sec. 1201. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Sec. 1202. (a) Acquisition of Property.—Section 1(a) of the Act entitled "An Act to authorize the Architect of the Capitol to acquire certain property," approved August 3, 1992, is amended to read as follows:

"(a) Acquisition of Property.—(1) The Architect of the Capitol, under the direction of the Senate Committee on Rules and Administration, may acquire, on behalf of the United States Government, by purchase condemnation, transfer or otherwise, as an addition to the United States Capitol Grounds, such real property in the District of Columbia as may be necessary to carry out the provisions of this Act. Real property acquired for purposes of this Act, may, in the discretion of the Architect of the Capitol, extend to the outer face of the curbs of such property so acquired, including alleys or parts of alleys and streets within the lot lines and curblines surrounding such real property, together with any of all improvements thereon.

"(2) Subject to the approval by the Committee on Appropriations of the Senate, an amount necessary to enable the Architect of the Capitol to carry out the provisions of this section may be transferred from any appropriation under the heading 'SENATE' and the subheadings "Salaries, Officers and Employees,' and 'Office of the Sergeant at Arms and Doorkeeper,' and the subheadings 'Contingent Expenses of the Senate' and 'Sergeant at Arms and Doorkeeper of the Senate' to the account appropriated under the heading 'ARCHITECT OF THE CAPITOL' and the subheadings 'Capitol Buildings and Grounds' and 'Senate Office Buildings.'.".

(b) Facilities—The first sentence of subsection (d) of section 1 of such Act is amended—

(1) by inserting "(1)" immediately after "to make expenditures for"; and

(2) by inserting immediately before the period at the end thereof a semicolon and the following: "and (2) for the construction on such real property of any facilities thereon as authorized under subsection (f)."

SEC. 1203.(a)(1) Section 320 of the Legislative Branch Appropriations Act, 1993 (40 U.S.C. 214d; Public Law 102-392; 106 Stat. 1725) is amended—

(A) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(B) by inserting after subsection (g) the following new subsection:

"(h)(1) Subject to the provisions of paragraph (2), the Secretary of the Senate shall pay such amounts to the Senate day care center equal to the tax on employers under section 3111 of the Internal Revenue Code of 1986 with respect to each employee of the Senate day care center. Such payments shall be made from the appropriations account, within the contingent fund of the Senate, 'Miscellaneous Items'.

"(2) The Senate day care center shall provide appropriate documentation to the Secretary of

the Senate of payment by such center of the tax described under paragraph (1), before the Secretary of the Senate may pay any amount to such center as provided under paragraph (1).".

(2) The amendments made by paragraph (1) shall take effect on the first day of the first month beginning on or after the date of the enactment of this Act.

(b)(1) Section 320(b)(1) of the Legislative Branch Appropriations Act, 1993 (Public Law 102–392; 106 Stat. 1725) is amended by striking out "the date of the enactment of this Act" and inserting in lieu thereof "January 1, 1993".

(2) The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

SEC. 1204. (a) Section 309(a) of Public Law 102–166 is amended to read as follows:

"(a) IN GENERAL.—Any party aggrieved by a final decision entered pursuant to the provisions of section 308(d)(2) may petition for review by the United States Court of Appeals for the Federal Circuit. A decision may not be reviewed under this section unless a timely request for review of such decision was filed under section 308(a).".

(b) The amendment made by this section shall take effect upon the date of the enactment of this Act, except that such amendment shall not affect any proceeding or suit commenced before the effective date and in all such proceedings or suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

SEC. 1205. (a) There is established in the contingent fund of the Senate the "Settlements and awards Reserve" appropriation account—

(1) into which shall be deposited appropriated funds and amounts transferred by the Secretary of the Senate from funds available to the Secretary for disbursement by the Secretary; and

(2) that shall be available as provided in subsection (b).

(b) The appropriation account established by subsection (a) shall be available for the payment of awards under section 307 of Public Law 102—166 and payments pursuant to agreements under section 310 of such Act.

(c) There are authorized to be appropriated such sums as are necessary for the purposes of subsection (b).

This Act may be cited as the "Supplemental Appropriations Act of 1993".

And the Senate agreed to the same.

WILLIAM H. NATCHER,
NEAL SMITH,
SIDNEY R. YATES,
DAVID R. OBEY,
LOUIS STOKES,
TOM BEVILL,
JOHN P. MURTHA,
JULIAN C. DIXON,
VIC FAZIO,
W.G. (BILL) HEFNER,
STENY H. HOYER,
BOB CARR,
RICHARD J. DURBIN,
JOSEPH M. MCDADE,
(Except for Summer Youth Grants for 30 year olds, and rejection of workfare),
JERRY LEWIS,
(Except for Summer Youth Grants for 30 year olds, and rejection of workfare),
JOHN EDWARD PORTER,
(Except for Youth Fair Chance—$50 million, and 30 year olds, outside of procedure),
HAROLD ROGERS,
(Except for Summer Youth Grants for 30 year olds, and rejection of workfare),
JIM LIGHTFOOT,
(Except for Summer Youth Grants for 30 year olds, and rejection of workfare),
Managers on the Part of the House,

ROBERT C. BYRD,
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
J. BENNETT JOHNSTON,
PATRICK J. LEAHY,
JIM SASSER,
DENNIS DECONCINI,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
BARBARA A. MIKULSKI,
HARRY REID,
J. ROBERT KERRY,
HERB KOHL,
DIANNE FEINSTEIN,
MARK O. HATFIELD,
TED STEVENS,
THAD COCHRAN,
ALFONSE M. D'AMATO,
PETE V. DOMENICI,
DON NICKLES,
CHRISTOPHER S. BOND,
SLADE GORTON,
MITCH MCCONNELL,
CONNIE MACK,
CONRAD BURNS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Report language included by the House in the report accompanying H.R. 2118 (H. Rept. 103–91) and the report accompanying H.R. 2244 (H. Rept. 103–105) which is not changed by the report of the Senate (S. Rept. 103–54), and Senate report language which is not changed by the conference are approved by the committee of conference. The statement of the managers while repeating some report language for emphasis, is not intended to negate the language referred to above unless expressly provided herein.

Amendment Nos. 1–131: The Senate receded on amendments 1 through 131. Material in these amendments is addressed in Amendment 132.

Amendment No. 132: Deletes language proposed by the Senate and strikes all after the enacting clause and inserts substitute bill text described as follows:

CHAPTER I

DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOOD SAFETY AND INSPECTION SERVICE

SALARIES AND EXPENSES

The conference agreement provides an additional $4,000,000 for the Food Safety and Inspection Service, Salaries and Expenses, as proposed by the House and the Senate.

COMMODITY CREDIT CORPORATION

DISASTER ASSISTANCE

The conference agreement includes language making available unexpended funds appropriated for the Commodity Credit Corporation to cover crop losses in 1990, 1991, and 1992 for other disaster and quality losses. Similar language was included in the Senate bill. The House bill contained no provision. The language allows for payments for crop quality losses in 1990, 1991, 1992, and 1993. The 1993 payments are limited to losses from disasters occurring prior to August 1, 1993, and for which claims are received by August 1, 1993. The language also covers losses to 1993, 1994, and 1995 crops if the losses are a result of Hurricanes Andrew and Iniki or Typhoon Omar. It also provides that a curly top virus condition in sugar beets as a result of damaging weather or related condition shall be covered. Language is also included allowing for cost-share assistance through the Agricultural Stabilization and Conservation Service for the rehabilitation of oyster beds that were damaged by Hurricane Andrew.

The conferees note that the President has $100,000,000 that can be released to provide additional disaster assistance to farmers. The conferees urge the President to make these additional funds available.

SOIL CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

The conference agreement provides an additional $3,328,000 for the Soil Conservation Service, Watershed and Flood Prevention Operations, Emergency Watershed Protection Program as proposed by the Senate. The House bill contained no similar provision.

RURAL DEVELOPMENT ADMINISTRATION

(RESCISSION)

The conference agreement provides that of the funds made available for salaries and expenses of the Rural Development Administration in Public Law 102–341, $9,587,000 be rescinded as proposed by the Senate. The House proposed a rescission of $8,576,000.

RURAL DEVELOPMENT INSURANCE FUND PROGRAM ACCOUNT

The conference agreement provides for an additional $250,000,000 in direct loans and a subsidy of $35,543,000 for the cost of additional water and sewer loans as proposed by the House (H.R. 2244) and the Senate. The agreement also allows the Secretary to use 1980 U.S. Census data to determine eligibility of applications submitted prior to availability of 1990 U.S. Census data as proposed by the Senate.

RURAL WATER AND WASTE DISPOSAL GRANTS

The conference agreement provides $35,000,000 for additional Water and Waste Disposal Grants as proposed by the House (H.R. 2244) and the Senate. The agreement also allows the Secretary to use 1980 U.S. Census data to determine eligibility of applications submitted prior to availability of 1990 U.S. Census data as proposed by the Senate.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING RESCISSIONS)

The conference agreement provides for an additional $250,000,000 in guaranteed unsubsidized section 502 rural housing loans and a subsidy of $4,576,000 for the cost of the additional loans as proposed by the House and the Senate.

The conference agreement rescinds $64,826,000 of the subsidy for the cost of direct section 502 low-income rural housing loans as proposed by the Senate. The House bill contained no similar provision.

The conference agreement provides that of the amounts made available under this heading for the cost of section 515 rental housing loans in Public Law 102–341, $17, 672,000 be rescinded as proposed by the Senate. The House bill contained no similar provision.

The conference agreement also provides that of the amounts made available under this heading for the cost of credit sales of acquired property in Public Law 102–341, $3,571,000 be rescinded as proposed by the Senate. The House bill contained no similar provision.

RENTAL ASSISTANCE PROGRAM

The conference agreement provides for an additional amount of $66,287,000 for the Rental Assistance Program as proposed by the Senate. The House bill contained no similar provision.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(RESCISSIONS)

The conference agreement provides that of the amounts made available under this heading for the cost of direct farm ownership loans in Public Law 102–341, $2,317,000 be rescinded as proposed by the Senate. The House bill contained no similar provision.

The conference agreement provides that of the amounts available under this heading for the cost of direct operating loans in Public Law 102–341, $15,000,000 be rescinded as proposed by the House (H.R. 2244) and the Senate.

The conference agreement provides that of the amounts available under this heading for the cost of emergency insured loans in Public Law 102–341, $15,00,000 be rescinded as proposed by the House (H.R. 2244) and the Senate.

The conference agreement also provides that of the amount made available under this heading for the cost of credit sales of acquired property in Public Law 102–341, $3,511,000 be rescinded as proposed by the Senate. The House bill contained no similar provision.

SALARIES AND EXPENSES

(RESCISSION)

The conference agreement provides that of the amounts made available under this heading in Public Law 102–341, $15,000,000 be rescinded as proposed by the House and the Senate.

AGRICULTURAL NATURAL DISASTER ASSISTANCE

(INCLUDING TRANSFERS OF FUNDS)

The conference agreement provides for reprogramming of funds previously appropriated for disaster assistance for Hurricane Andrew, Hurricane Iniki, Typhoon Omar, and similar natural disasters.

Under this agreement, a total of $63,000,000 may be made available for buying down the interest rate on business and industry guaranteed loans; permanent replacement of temporary migrant housing and rental assistance; forestry assistance; and cost-share assistance for nurserymen, aquaculture farmers, and tropical fruit growers for rehabilitation of fencing. The conferees expect the Secretary to waive cost-sharing requirements for forestry assistance as was done for Louisiana.

The conference agreement extends the availability of the funds through fiscal year 1994 and designates the funds as an emergency requirement under the Balanced Budget and Emergency Deficit Control Act of 1985.

This provision is similar to the language requested by the President and contained in the Senate bill. The House bill contained no similar provision.

FOOD AND NUTRITION SERVICE

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

The conference agreement provides that for the WIC program, the Secretary may waive the 15 percent cap regulation for any fiscal year 1993 reallocation process to ensure additional funds are received by states most in need as proposed by the Senate. The House bill provided for the waiver after the 1993 reallocation process.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

The conferees encourage the Department to use up to $6,500,000 of the funds not needed for the Needy Family Program to increase the funding for the Elderly Feeding Program.

HUMAN NUTRITION INFORMATION SERVICE

(RESCISSION)

The conference agreement provides that of the amounts provided under this heading in Public Law 102–341, $2,250,000 be rescinded as proposed by the House and the Senate.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

The conference agreement provides an additional $36,000,000 for the Food and Drug Administration, Salaries and Expenses, from fees collected pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act as proposed by the House. The Senate bill deleted this provision.

The conferees agree that additional personnel will be hired to expedite the drug approval process. The Department of Health and Human Services has indicated to the conferees that the Food and Drug Administration (FDA) will be allocated the 39 full-time equivalent positions required for FDA to begin hiring 200 additional personnel to expedite the drug review approval process. The conferees also expect FDA to receive the additional 5 full-time equivalent positions it requires to begin implementation of the Mammography Quality Standards Act.

The conference agreement also provides an additional $3,000,000 to carry out the Mammography Quality Standards Act as proposed by the House and the Senate. Under this agreement, the additional funds are provided by the following transfers: $1,000,000 from the Centers for Disease Control and Prevention; $1,000,000 from the National Institutes of Health "National Cancer Institute;" and $1,000,000 from the Health Care Financing Administration "Program Management."

GENERAL PROVISION

The conference agreement provides in section 101 that none of the funds in this or any other Act may be used to relocate the Human Nutrition Information Service from its current location as proposed by the House (H.R. 2244). The Senate bill contained no similar provision. The conferees are concerned the decision to move was not based on a complete cost analysis and did not take into account employee concerns.

SENSE OF THE SENATE ON TRANSPORTATION OF FOOD ASSISTANCE TO RUSSIA

The conference agreement deletes Senate language related to a "Sense of the Senate" statement on cargo preference costs for food assistance to Russia. The House bill contained no similar provision.

CHAPTER II

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

DEPARTMENT OF COMMERCE

MINORITY BUSINESS DEVELOPMENT AGENCY

MINORITY BUSINESS DEVELOPMENT

The conference agreement includes language proposed by the Senate, but not in either House bill, increasing the fiscal year 1993 limitation on program management for the Minority Business Development Agency (MBDA) from $13,889,000 to $15,050,000. This increase in the program management limitation is required in order to avoid furloughs of MBDA personnel in fiscal year 1993. This action does not increase the total funding made available to MBDA for fiscal year 1993.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

The conference agreement does not include the rescission of $11,807,000, proposed by the Senate, in unobligated balances remaining from funds appropriated under this heading in fiscal years 1985 and 1986 for the Fort Worth Stockyards project. Neither House bill contained a rescission on this matter. The conferees understand that there is an application pending before the Department of Commerce's Economic Development Administration (EDA) for a portion of these funds.

ECONOMIC DEVELOPMENT REVOLVING FUND

The conference agreement does not include any rescission of budget authority from the Economic Development Revolving Fund. The House bill (H.R. 2244) rescinded $66,807,000 from the Fund, and the Senate bill rescinded a total of $83,000,000. These amounts will remain in the Fund to cover any future liabilities which may occur.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(RESCISSION)

The conference agreement includes a rescission totalling $2,544,000 from the National Oceanic and Atmospheric Administration's (NOAA's) Operations, Research, and Facilities appropriation, as proposed by the Senate. This amount includes: (1) $794,000 from funds appropriated in previous fiscal years for a semi tropical research facility in Key Largo, Florida; (2) $250,000 from funds appropriated in fiscal year 1993 for the National Weather Service (NWS) Southern Region Headquarters; and (3) $1,500,000 from funds appropriated in fiscal year 1993 for the polar satellite program which are excess to the requirements for this program. The House bill (H.R. 2244) also contained a rescission under this heading totalling $2,544,000, including the $794,000 for the Key Largo semi tropical research facility and the $250,000 from the NWS Southern Region Headquarters, but provided that the remaining

$1,500,000 be rescinded from funds appropriated in fiscal year 1993 for the Sandy Hook National Marine Fisheries Service (NMFS) laboratory.

GENERAL PROVISION

The conference agreement includes language prohibiting grants made with funds provided to the Department of Commerce under Public Law 102–368, the Dire Emergency Supplemental Appropriations Act of 1992, for tourism promotion needs arising from Hurricane Andrew, Hurricane Iniki, and other disasters, from being subject to any maximum or minimum dollar amount established by regulations of the Department of Commerce.

The Senate bill included a provision which would have prohibited the Secretary of Commerce from establishing or enforcing a maximum or minimum dollar amount for any grant made pursuant to P.L. 102-368. Neither House bill contained a provision on this matter.

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement includes language requested by the Administration and proposed in the Senate bill (H.R. 2118), which will enable the Department of Justice to receive reimbursements from agencies referring debt to the Department for collection. The House bills (H.R. 2118 and H.R. 2244) included no such provision.

ASSETS FORFEITURE FUND

(RESCISSION)

The conference agreement includes a rescission, as proposed in the Senate bill (H.R. 2118), of $35,000,000 from the Assets Forfeiture Fund, since those funds are no longer required for the purposes for which they were originally intended. The House bill (H.R. 2244) included a rescission of $5,000,000.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

The conference agreement provides $32,000,000, as proposed in the Senate bill (H.R. 2118), for the FBI's Special program in support of national security. The House bills included no funds for this purpose. The conferees expect the FBI to use these funds to improve their capability to respond to terrorist and extremist acts, and to address critical Special Program requirements, particularly those related to advanced digital communications.

FEDERAL PRISON SYSTEM

BUILDINGS AND FACILITIES

(RESCISSION)

The conference agreement includes a rescission of $145,000,000 from unobligated amounts appropriated to date for construction of new Federal prison facilities, instead of $94,500,000 as proposed in the House bill (H.R. 2244) and $130,000,000 as proposed in the Senate bill (H.R. 2118).

The conference agreement rescinds $84,800,000, as proposed by both the House and the Senate, for construction of a Federal detention center designated for the District of Columbia. The conferees expect the Bureau of Prisons to achieve the remaining rescission of $60,200,000 after a thorough review of projected bedspace needs and planned construction projects. The conferees further expect the Department to notify the Committees on Appropriations, in accordance with standard reprogramming procedures, of the projects proposed for termination or reduction, and the reasons for its decisions.

The conferees understand that the Bureau of Prisons has made adjustments to its rated capacity standards. This adjustment, when coupled with the additional space to be provided from new facilities previously funded and under development, will significantly reduce the level of overcrowding in Federal prisons to a more manageable level by the end of fiscal year 1997. The conferees believe the rescission of these unobligated balances should have little impact on the Bureau's ability to incarcerate Federal inmates.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

The conference agreement provides a total of $150,000,000 for discretionary grants to hire additional sworn law enforcement personnel. The House bill (H.R. 2118) provided $200,000,000 and included language making the funds available to the States through the Edward Byrne formula grant program, only for the first year cost of the salaries and benefits of additional sworn law enforcement personnel. The Senate bill also provided $200,000,000 but included language making the funds available through the Edward Byrne discretionary grant program to promote the interaction of law enforcement officers with citizens.

The conference agreement includes language making the $150,000,000 available until expended only for the salaries and benefits, excluding overtime, of additional sworn law enforcement officers. The agreement waives the requirement in law that limits to $50,000,000 the amount available for Edward Byrne discretionary grants. The conferees expect the Department to award the discretionary grants competitively to those communities, regardless of size or locality, most in need of sworn law enforcement personnel. The conferees further expect the Department to award the grants as expeditiously as possible in order for the communities to achieve the full benefit, not only of the additional law enforcement resources, but also of the new jobs. The conferees expect that the grants awarded by the Attorney General provide sufficient funds to pay the salaries for these additional police officers over the full term of the grant, which term shall not exceed the time specified in the Department's request. The conferees encourage the Attorney General to require a local match from those localities which can afford to do so.

The conference agreement does not include a rescission of $1,000,000 contained in both the House and Senate bills. Based on revised information provided by the Department, the conferees understand that these funds can now be obligated and that the Department is ready to issue a request for grant proposals.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

DEFENDER SERVICES

The conference agreement includes $55,000,000 for Defender Services as proposed by the House and the Senate in H.R. 2118.

FEES OF JURORS AND COMMISSIONERS

The conference agreement includes $5,500,000 for Fees of Jurors and Commissioners as proposed by the House and the Senate in H.R. 2118.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

MILITARY USEFUL VESSEL OBLIGATION GUARANTEES

(INCLUDING RESCISSION)

The conferences agreement includes a rescission and an appropriation of $52,000,000, originally provided under this heading in Public Law 102–395, and language making these funds available until expended. This amount includes $48,000,000 in subsidy amounts for the Title XI Military Useful Vessel loan guarantee program, and $4,000,000 for administrative costs associated with this program.

The Senate bill included similar rescission and appropriations language making only the $48,000,000 in loan subsidy amounts available until expended. Neither House bill contained a provision on this matter.

The conferees recognize the job creation potential of this loan guarantee program and concur with the Senate report language urging the expeditious resolution of disagreements within the Administration on the approval of loan guarantee applications.

BOARD FOR INTERNATIONAL BROADCASTING

ISRAEL RELAY STATION

(RESCISSION)

The conference agreement includes a rescission of $180,000,000 for the Israel Relay Station, as proposed by the Senate. These funds were appropriated in prior years for construction of a joint Broad for International Broadcasting and Voice of America radio relay station in Israel—a project which the Administration has decided to cancel. The House bills contained no provision on this matter.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

The conference agreement includes $11,500,000, as proposed in the Senate bill (H.R. 2118), to allow the Federal Communications Commission (FCC) to begin implementing the requirements of the Cable Television Consumer Protection and Competition Act of 1992. The House bills (H.R. 2118 and H.R. 2244) included no funds for this purpose. The Administration requested $12,000,000 for the FCC to implement the Cable Act in fiscal year 1993, with follow-on expenses to be derived from the collection of user fees.

The conferees understand that, due to funding delays, the Commission extended the June 21, 1993 implementation date of the Cable Act to October 1, 1993. The conferees expect the Commission to begin to implement the Cable Act immediately upon enactment of this Act. In addition, the conferees intend that the Commission shall establish a date as soon as possible after enactment of this Act, but that date shall be no later than September 1, 1993, as the date from which consumers may obtain refunds of excessive rates for the basic service tier of cable television service and for cable programming services.

The conferees further understand that, due to the delay in providing these funds, the FCC has reestimated its overall Cable Act funding requirements for fiscal year 1993. The FCC has requested that funds originally intended for personnel expenses instead be used for program support and one-time construction costs for "permanent space" for the new employees. Since the Commission is still undecided on its plans for the permanent location for the FCC headquarters, the conferees agrees that it is inappropriate for the FCC to expend funds for "permanent space" for those personnel implementing the Cable Act. The conferees expect the FCC to house personnel in temporary GSA space until such time as a decision has been made on a site for a permanent headquarters.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

The conference agreement includes a rescission of $11,700,000, as proposed by the Senate bill (H.R. 2118), from excess offsetting fee collections made available to the Securities and Exchange Commission for fiscal year 1993. The House bills (H.R. 2118 and H.R. 2244) included no such rescission. The conferees agree, based on information provided by the Commission, that this rescission of surplus fee collections will have no negative impact on the programs and activities of the SEC.

THOMAS JEFFERSON COMMEMORATION COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

The conference agreement includes a rescission of $100,000 from unobligated amounts appropriated to date for activities of the Thomas Jefferson Commemoration Commission, instead of $200,000 as proposed in the House bill (H.R. 2244) and $200,000 as proposed in the Senate bill (H.R. 2118).

The conferees understand that the President has now appointed Commissioners and that the Commission is planning several activities to commemorate the 250th anniversary of Thomas Jefferson's birth. Although the anniversary was on April 13, 1993, the Commission plans the celebration to continue for the remainder of the year. Since the fiscal year is more than half over, the conferees believe half the funds originally appropriated will be sufficient to carry out the activities of the Commission in fiscal year 1993.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

SALARIES AND EXPENSES

The Conference agreement provides an additional $500,000 for the Office of the United States Trade Representative, and makes these funds available until expended, as proposed by the Senate. These funds were not included in either House bill. The conferees have provided these funds to cover travel, printing, and support requirements associated with ongoing trade negotiations, and for the consolidation of space at USTR's Geneva Office.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

The Conference agreement rescinds $2,000,000 in the Salaries and Expenses account, as proposed by the Senate. These funds, which were appropriated in the fiscal year 1993 Appropriations Act for the White House Conference on Small Business, are no longer required because preparatory activities for the conference have been delayed and the conference will not take place during the current fiscal year. The House bills contained no provision on this matter.

(BY TRANSFER)

The conference agreement includes $14,000,000, as proposed by the House in H.R. 2244, for the Small Business Administration's Natural Resources Development Program, to be derived by transfer of unused subsidy budget authority for the SBIC program. These unobligated balances in the SBIC program are excess to fiscal year 1993 requirements. The Senate bill included no provision for the Natural Resources Development Program.

BUSINESS LOANS PROGRAM ACCOUNT

The conference agreement includes $175,000,000, to remain available until expended, for the subsidy budget authority required to support $3,199,269,000 in section 7(a) business loan guarantees. The House bill (H.R. 2118) included $181,000,000 in annual appropriations for the subsidy budget authority cost of this program. This amount would have supported $3,308,958,000 in section 7(a) business loan guarantees. The Senate bill included $175,000,000 in subsidy budget authority of which $15,000,000 was to be derived by transfer from SBA's SBIC program. The total amount would have supported $3,199,269,000 in section 7(a) business loan guarantees.

DISASTER LOANS PROGRAM ACCOUNT

(RESCISSION)

The conference agreement rescinds $80,657,000 in subsidy budget authority for SBA's disaster loan program account, as proposed by the Senate. These funds, which were provided in the fiscal year 1993 Appropriations Act, are no longer required because of the substantial unobligated balances remaining in the Fund. The House bills contained no provision on this matter.

CHAPTER III

DEPARTMENT OF DEFENSE-MILITARY

MILITARY PERSONNEL

The conferees agree not to rescind $287,500,000 in military personnel funds due to additional pay and allowance costs incurred for Operation Restore Hope (Somalia).

OPERATION AND MAINTENANCE

The conferees recommend appropriations totalling $639,083,000 for operation and maintenance. These funds will be used to cover newly identified costs of Operations Restore Hope, Southern Watch and Provide Comfort in fiscal year 1993. In addition, funds are provided for paying CHAMPUS medical bills and offsetting costs to be incurred repairing facilities damaged by floods in Southern California. The distribution of funds for these activities is the same as in the House version of this bill.

Of the total amount provided, the conferees include $23,000,000 to continue humanitarian assistance efforts aiding the Kurdish refugees in Northern Iraq, as provided in the Senate version of the bill.

To offset a portion of these appropriations, the conferees agree to rescissions totaling $87,800,000 from Operation and Maintenance, Defense Agencies. These rescissions are detailed in a table found later in this report.

ENVIRONMENTAL RESTORATION, DEFENSE

The conferees agree with the Senate language which repeals the third, fourth, and fifth provisos under the heading "Environmental Restoration, Defense" in the Department of Defense Appropriations Act, 1993 (Public Law 102–396).

ENVIRONMENTAL INDEMNIFICATION

While the conferees recognize the need to move the base closure process forward by repealing the indemnification provision in Public Law 102–396, the conferees also understand the importance of responding to other outstanding concerns related to indemnification.

The intent of the fiscal year 1993 appropriations language was to address indemnification for petroleum, and related substances, where such contamination had occurred at many military sites, and to include these substances in the law. Additionally, the language was intended to address the need to clarify that Department of Defense activities also relate to the activities conducted by Defense contractors and subcontractors.

The conferees believe that these are important concerns that affect many of the military bases slated for closure and request that the Armed Services Committee of the House and Senate consider these issues and address them appropriately in fiscal year 1994 legislation.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE BUSINESS OPERATIONS FUND

The conferees agree with the House's recommendation to provide an appropriation of $293,500,000 to pay for transportation costs incurred during Operation Restore Hope.

PROCUREMENT

INSTALLATION OF MODIFICATIONS

The fiscal year 1994 procurement budget proposes a significant change in the funding policy for costs associated with the installation of modifications. The proposal would change a full funding policy to an incremental funding policy. In approving fiscal year 1991 rescissions for installation of modifications within Weapons Procurement, Navy and Other Procurement, Navy, the conferees emphasize that no action has been taken to endorse this policy change. Action on the budget proposal will be taken in the course of consideration of the fiscal year 1994 bill.

NATIONAL GUARD AND RESERVE MISSION AIRCRAFT

The conferees agree to rescind $249.2 million from funds provided for aircraft for the National Guard and Reserves. The conferees believe that several categories of mission cargo aircraft remain essential for the National Guard and Reserve to meet both their wartime and peacetime missions. The conferees urge the Department to evaluate the National Guard and Reserve requirement for replacement mission cargo aircraft, especially those operated by the Army National Guard, and assist the Committees in evaluating the highest priority systems for replacement or modernization during their consideration of the fiscal year 1994 budget.

AN/SPS-48E RADAR

The conferees have agreed to rescind $17,900,000 of the funds provided in fiscal year 1993 for two new AN/SPS-48E radars. Subsequent to the passage of the fiscal year 1993 Defense appropriations bill, AN/SPS-48E radars have become available from ships which are being scrapped as a result of the downsizing of the fleet. The available funds that remain in the program after the rescission are for upgrades to those radars which will be installed in new ships.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

CONGRESSIONAL INTEREST ITEMS

The conferees agree that none of the items rescinded in the bill may be applied to Congressional interest items shown on DD Form 1414, Base for Reprogramming Action.

EXPERIMENTAL EVALUATION OF MAJOR INNOVATIVE TECHNOLOGIES

Concerning the Wingship project, ARPA may use fiscal year 1993 funds for technical evaluation, utility analyses, and evaluation of technologies developed by the former Soviet Union. The prohibition contained in House Report 101–1015 on government commitments beyond the planning stage remains.

VEHICLE SURVIVABILITY PROGRAM

The Army and Advanced Research Projects Agency (ARPA) have asked for permission to approve reallocation of fiscal year 1993 funds to begin two projects to defeat missile and artillery rounds fired at artillery and armored vehicles.

The Army proposed using $300,000 from the Combat Vehicle and Automotive Advanced Technology program element to begin a Hardkill Countermunition project in the current fiscal year so results can support fiscal year 1994 development decisions on the Advanced Field Artillery System (AFAS). The conferees have been informed that this countermunition effort will cost a total of $3,088,000 and will be completed next fiscal year. Given its limited cost and duration, the countermunition project represents a reasonable investment to determine if this technology can enhance AFAS survivability. The proposed $300,000 reallocation is approved.

The Army and ARPA are also considering reallocating $6,500,000 in the Ballistic Technology program element to begin a Small, Low-Cost Interceptor Device (SLID) project. This program is proposed as a new start in fiscal year 1993. The conferees agree that it should not be started without a prior approval reprogramming request.

DEFENSE CONVERSION FOR ECONOMIC GROWTH

The Congress appropriated $50,000,000 in the Operation and Maintenance, Defense Agencies account in fiscal year 1993 to begin the conversion of the Philadelphia Naval Shipyard and related activities. More time is necessary for the Defense Department to evaluate and negotiate proposals and to obligate funds than a one year appropriation allows. It is also now likely that the types of conversion activities which the Defense Department will initiate at the Philadelphia Naval Complex will be broader than the purposes for which Operation and Maintenance funds are normally used. In order to afford the Defense Department maximum flexibility, the conferees agree to provide $50,000,000 in the Defense Reinvestment for Economic Growth account for the Philadelphia Naval Complex. This appropriation is fully offset by a rescission of $50,000,000 of Operation and Maintenance, Defense Agencies funds. The conferees urge the Defense Department and the City of Philadelphia to expedite the cooperative development of an efficient plan to convert the Shipyard and related activities.

GENERAL PROVISIONS—CHAPTER III

HEALTH CARE CONTRACT PREEMPTION

The conferees agree to the House general provision (Sec. 301) clarifying a preemption provision included in Section 9032 of the Department of Defense Appropriations Act, 1993 (Public Law 102-396), to include the CHAMPUS Reform Initiative recompetition contract for California and Hawaii. The conferees agree to fully examine this issue of preemption during their deliberations on the fiscal year 1994 Defense Appropriations Bill.

RESCISSIONS

The conferees agree to rescind the following amounts from the programs specified:

[In thousands of dollars]

	Amount
Operation and Maintenance: Fiscal Year 1993:	
Operation and Maintenance, Defense Agencies:	
Philadelphia Naval Shipyard Conversion	(50,000)
Disaster Relief	(23,000)
Consolidated Cryptologic Program	(11,400)
General Defense Intelligence Program	(3,400)
Subtotal, O&M, Defense Agencies	(87,800)
Grand Total, Operation and Maintenance	(87,800)
Procurement: Fiscal Year 1993:	
Aircraft Procurement, Army: Armed OH–58D	(3,000)
Subtotal, Aircraft Proc., Army	(3,000)
Other Procurement, Army:	
IMETS	(2,600)
Automated Data Processing Equip.	(7,700)
Mod of In-service Equipment	(1,500)
Dispenser Mine, XM139	(2,000)
Subtotal, Other Proc., Army	(13,800)
Aircraft Procurement, Navy: C–20 Aircraft	(24,800)
Subtotal, Aircraft Proc., Navy	(24,800)
Weapons Procurement, Navy: CIWS Modifications	(8,000)
Subtotal, Weapons Proc., Navy	(8,000)
Other Procurement, Navy:	
Other Navigation Equipment	(2,700)
Modernization Support	(10,850)
AN/SPS–48 Radar	(17,900)
Catapults & Arresting Gear	(17,500)
Subtotal, Other Proc., Navy	(48,950)
Missile Procurement, Air Force:	
Advanced Cruise Missile	(26,200)
AMRAAM	(11,800)
Special Programs	(34,900)
Subtotal, MPAF	(72,900)
Other Procurement, Air Force: Selected Activities	(96,800)
Subtotal, OPAF	(96,800)
Procurement, Defense Agencies:	
Major Equipment, OSD/WHS	(22,200)
Consolidated Cryptologic Program	(1,000)
Subtotal, PDA	(23,200)
Guard and Reserve Equip., Defense:	
Reserve Equipment (Army Reserve): C–12F	(42,300)
Reserve Equipment (MC Reserve): C–20	(27,000)
Reserve Equipment (Army N. Guard):	
C–23	(60,000)
C–26	(23,000)
C–212	(57,900)
P–180	(16,000)
National Guard Equipment (ANG): C–26	(23,000)
Subtotal, Guard and Reserve	(249,200)
Fiscal Year 1991:	
Procurement of Weapons and Tracked Combat Vehicles: M1 Abrams	(578)
Subtotal, PWTCV	(578)
Other Procurement, Army: Mod In-Service Equip	(2,287)
Subtotal, OPA	(2,287)
Weapons Procurement, Navy: Ordnance Support Equip	(12,700)
Subtotal, WPN	(12,700)
Other Procurement, Navy:	
Elec Suspended Gyro Navigator	(1,400)
Underway Replenishment Equip	(1,900)
Firefighting Equipment	(9,000)
Pollution Control Equipment	(9,600)
HM&E Items under $2 Million	(5,200)
Chemical Warfare Detectors	(900)
Radar Support	(1,200)
AN/BQQ 5	(12,800)
Sub. Acoustic Warfare System	(1,700)
Surface Ship Torpedo Defense	(600)
AN/SLQ–32	(26,500)
Combat DF	(400)
Tactical Flag Command Center	(500)
Link 16 Hardware	(1,900)
Strategic Platform Support Equip.	(2,000)
Over the Horizon Radar	(500)
Portable Radios	(1,000)
SATCOM Shore Terminals	(400)
TSEC/KG–84	(100)
TSEC/KYV–5 (ANDVT)	(1,200)
Surface TOMAHAWK Sup. Equip.	(100)
Special Purpose Supply Equipment	(7,800)
Training Support Equipment	(100)
Operating Forces Support Equip.	(600)
Computer Acquisition Program	(4,800)
Subtotal, OPN	(92,200)
Subtotal—Procurement, FY 1991	(107,765)
Subtotal—Procurement, FY 1993	(540,650)
Grand Total—Procurement	(648,415)
Research, Development, Test & Evaluation: Fiscal Year 1993:	
RDT&E, Navy: Helicopter Development	(9,300)
Subtotal, RDT&E, Navy	(9,300)
RDT&E, AF:	
Defense Research Sciences	(737)
Materials Technology	(1,000)
Command, Control and Communications	(1,000)
Aerospace Propulsion and Power Tech	(1,000)
Crew Sys. and Pers. Protection Tech	(700)
Advanced Spacecraft Technology	(1,000)
Special Analysis Activities	(2,365)
Meridian	(7,990)
Have Flag	(2,900)
Joint Direct Attact Munition	(2,100)
RDT&E Aircraft Support	(1,700)

	Amount
Upper Stage Vehicle	(1,000)
Special Activities	(122,000)
Subtotal, RDT&E, AF	(145,492)
RDT&E Defense Agencies:	
SDI: Other Follow On Systems	(10,000)
SDI: Space Based Interceptors	(50,000)
SDI: Limited Defense System	(20,000)
Consolidated Cryptologic Program	(2,500)
Subtotal, RDT&E, Defense Agencies	(82,500)
Total RDT&E	(237,292)
Grand Total	(973,507)

CLASSIFIED PROGRAMS

Details of rescissions taken to classified programs are provided in a classified report which accompanies this Statement of the Managers.

CHAPTER IV

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

LAND ACQUISITION

The managers have not agreed to rescind $4,958,000 appropriated in fiscal year 1993 for the Morris K. Udall Foundation, as proposed by the House in H.R. 2244. The Senate had no similar provision.

UNITED STATES FISH AND WILDLIFE SERVICE

CONSTRUCTION AND ANADROMOUS FISH

(INCLUDING RESCISSION)

The managers agree to rescind $1,500,000 for construction instead of $4,100,000 as proposed by the House in H.R. 2244. The funds to be rescinded are for the Lake Elmer Thomas Dam in Oklahoma which has been completed for $1,500,000 less than the original cost estimate and appropriation. The managers have not agreed to the House proposed rescission of $2,600,000 for construction of a visitor center at Little River National Wildlife Refuge in Oklahoma. The Senate had no similar provisions.

LAND ACQUISITION

The managers have agreed to an appropriation of $1,000,000 to acquire essential additional land for the Walnut Creek National Wildlife Refuge in Iowa.

NATIONAL PARK SERVICE

CONSTRUCTION

(RESCISSION)

The managers agree to rescind $2,700,000 for construction of a hotel at Denali National Park in Alaska, instead of $6,800,000 as proposed by the House in H.R. 2244. The Senate had no similar provision.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

The managers recommended $21,300,000 for operation of Indian programs as recommended by the House, compared to $11,142,000 as recommended by the Senate in H.R. 2118. These funds will be available for the shortfall in school operations funds and administrative cost grants for the school year beginning July 1, 1993, due to a projected increase in enrollment. The schools should plan for the 1993–94 school year based solely on the funds previously appropriated and the funds provided herein. The Bureau should monitor the schools' spending closely throughout the year to make sure they will not exceed the total funding provided, and to ensure it will not be necessary to close schools early. The House had proposed that $4,937,000 for school operations be derived by transfer from unobligated fiscal year 1992 funds in the Indian Health Service for the Morris K. Udall Foundation, and the managers have not agreed to that transfer.

Since all of the funds provided are for school operations and administrative cost grants for the 1993–94 school year, no funds will be available to repay the funds reprogrammed in 1993 from Indian Child Welfare Act (ICWA) grant funds for the 1992–93 shortfall in school costs. The Bureau has asserted that the ICWA program will not be affected by the reprogramming in fiscal years 1993 or 1994. If this situation changes, the Bureau should notify the Appropriations Committees immediately, and include plans for addressing any shortfall in ICWA funds.

MISCELLANEOUS PAYMENTS TO INDIANS

The managers agree to bill language allowing the use of funds previously appropriated for payments to Indian trust fund account holders, to pay court-ordered settlements resulting from mismanagement by the Bureau of Indian Affairs, as proposed by the Senate in H.R. 2118. The House had no similar provision.

GENERAL PROVISION, DEPARTMENT OF THE INTERIOR

The managers agree to extend the authority for the National Park Service to acquire lands outside the boundary of Petroglyph National Monument in New Mexico through June 27, 1994, as proposed by the Senate in H.R. 2118. The House had no similar provision.

RELATED AGENCY

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

(RESCISSION)

The managers agree to the rescission of $3,000,000 appropriated to the Office of Navajo and Hopi Indian Relocation in fiscal year 1993 for housing costs, as proposed by the House in H.R. 2244. The Senate had no similar provision.

CHAPTER V

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

The conference agreement includes $170,000,000 for the summer youth employment program under the Job Training Partnership Act, instead of $200,000,000 as proposed by the Senate. The House included $240,000,000 for this program in H.R. 2244.

In addition, the agreement includes $50,000,000 for the new Youth Fair Chance program authorized by title IV of the Job Training Partnership Act. The Senate bill provided no funds for this program; the House provided $80,000,000 for it in H.R. 2244. The agreement also includes one of the legislative changes to the Youth Fair Chance program proposed by the House in H.R. 2244. Language has been included to raise the maximum eligibility age for the program from 21 years to 30 years.

(RESCISSION)

The agreement includes a rescission of $50,000,000 of funds appropriated for fiscal year 1993 in Public Law 102–394 for carrying out title II, parts A and C, of the Job Training Partnership Act. The Senate bill included no rescission for this purpose; the House in H.R. 2244 proposed to rescind $50,000,000 of funds appropriated to carry out titles II and III of the Act.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

The conference agreement includes $6,000,000 for carrying out title V of the Older Americans Act, instead of $10,000,000 as proposed by the Senate. The House bill included no funds for this program. Of the $6,000,000 included, $4,680,000 is for national grants or contracts and $1,320,000 is for grants to States.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

VACCINE INJURY COMPENSATION

The conference agreement provides $30,000,000 for the Vaccine Injury Compensation Program. This is the same as the amount requested by the President and provided in H.R. 2118 as passed by both the House and the Senate. These funds increase the total provided for fiscal year 1993 from $80,000,000 to $100,000,000, which is the maximum amount authorized in law. Funds will support the payment of claims associated with vaccine-related injury or death occurring before October 1, 1988.

ASSISTANT SECRETARY FOR HEALTH

PUBLIC HEALTH EMERGENCY FUND

The conference agreement includes $6,000,000 as proposed by the Senate. The House bill included no funds for this purpose. The agreement deletes language proposed by the Senate specifying the purposes for which the funds may be spent. Funds are provided to meet the costs of the Centers for Disease Control and Prevention and the Indian Health Service and to reimburse the Navajo Nation. Language is included specifying that the funds shall remain available until expended. These funds will be used to meet the costs of the recent outbreak of acute illness in the Four Corners area of the country, including Federal, State and tribal costs.

MAMMOGRAPHY PROGRAM TRANSFERS

The conference agreement includes three transfers to the Food and Drug Administration totalling $3,000,000 to carry out the Mammography Quality Standards Act. $1,000,000 is transferred from each of the following: the Centers for Disease Control and Prevention, the National Cancer Institute of the National Institutes of Health, and the Health Care Financing Administration. This is the same as the President's request, as well as the action taken in H.R. 2118 as passed by both the House and the Senate.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

LIMITATION ON ADMINISTRATIVE EXPENSES

The conference agreement includes authority to spend an additional $10,000,000, to remain available until expended, from the Social Security trust funds, for administrative expenditures relating to non-Social Security casework that is required by the Coal Industry Retiree Health Benefit Act of 1992, Public Law 102-486. The agreement also provides an appropriation of $10,000,000 from the general fund, to remain available until expended, to reimburse the Social Security trust funds for these administrative expenditures. These provisions were included in both House and Senate bills, and were originally requested by the Administration in the Economic Stimulus package.

SUPPLEMENTAL SECURITY INCOME PROGRAM

The conference agreement includes language which shifts the date after which the indefinite authority can be used to pay SSI benefits from July 31 to June 15, to avoid a funding shortfall in this program. This languge was contained in both House and Senate bills, and was originally requested by the Administration in the Economic Stimulus package.

Administration for Children and Families

REFUGEE AND ENTRANT ASSISTANCE

The conference agreement includes language added by the Senate which provides authority to use 1992 funds for costs incurred during 1993 for refugee assistance. This authority will allow the Department to use approximately $15,000,000 of excess 1992 funds, that together with 1993 funds reallocated within this account, will provide sufficient funding to reimburse States for eight months of refugee cash and medical assistance provided to new refugee arrivals who are not eligible for AFDC, Medicaid or SSI for the remainder of 1993. The Administration requested $27,000,000 to cover the shortfall in this program, and the House bill contained no similar provision.

WORKFARE PROGRAM REQUIREMENT

The conference agreement deletes language proposed by the Senate which would have reduced the Federal reimbursement for State administrative costs of the AFDC program by 50% if the States do not enroll at least 10% of certain general assistance recipients in a workfare program. The House bill contained no similar provision.

DEPARTMENT OF EDUCATION

Compensatory Education for the Disadvantaged

The conference agreement deletes language proposed by the Senate which would have put a limitation on the amount of chapter 1 funding which a local education authority could spend for administrative costs. The House bill included no similar provision.

Student Financial Assistance

The conference agreement includes $341,000,000 for the Pell Grant shortfall instead of $160,000,000 as proposed by the House and $353,700,000 as proposed by the Senate.

Education Rescissions

The conference agreement does not rescind funds from the Department of Education. The House in H.R. 2244 proposed rescissions totalling $135,678,000. The Senate bill did not include any rescissions for the Department of Education.

Community Investment/Weed and Seed

The conference agreement rescinds $275,000,000 of funds appropriated for the Community Investment Program in Public Law 102/368, the Dire Emergency Supplemental Appropriations Act for 1992. These funds were appropriated subject to authorization which has not yet occurred. The conferees have retained $225,000,000 of the original appropriation of $500,000,000 in anticipation of he passage of an authorization during the 103rd Congress. The agreement delays the availability of the remaining $225,000,000 until September 30, 1993. The Senate bill rescinded the entire $500,000,000. The House bill did not rescind any funds but delays the full amount.

CHAPTER VI

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

Military Construction, Navy

The conferees agree to appropriate $3,000,000 for "Military Construction, Navy", to initiate recovery from extensive flood damage at Marine Corps Base Camp Pendleton, California.

Family Housing, Navy and Marine Corps

The conferees agree to appropriate $4,345,000 for "Family Housing, Navy and Marine Corps", to initiate work such as debris removal, erosion control and house repairs as a result of floods at Marine Corps Base Camp Pendleton, California.

Homewoners Assistance Funds, Defense

(INCLUDING RESCISSION)

The conferees agree to rescind $133,000,000 previously appropriated for "Homeowners Assistance Fund, Defense" in Public Law 102–380. The conferees also agree to appropriate $133,000,000 for this account to remain available until expended.

George Air Force Base, California

The conferees are concerned about the continued delay in conveyance of property at George Air Force Base, California, for use by local interests. The conferees direct that the Air Force finalize re-use decisions no later than August 15, 1993.

CHAPTER VII

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

(TRANSFERS OF FUNDS)

Office of the Assistant Secretary for Transportation Policy

Appropriates $2,358,000, to be derived by transfer from amounts previously made available for the "Office of the Assistant Secretary for Policy and International Affairs", as proposed by both the House (in H.R. 2118) and the Senate.

Office of the Assistant Secretary for Aviation and International Affairs

Appropriates $7,920,000, to be derived by transfer from amounts previously made available for the "Office of the Assistant Secretary for Policy and International Affairs" and the "Office of Essential Air Service", as proposed by both the House (in H.R. 2118) and the Senate.

Office of the Director of Public Affairs

Provides that funds previously made available for the Office of the Assistant Secretary of Public Affairs shall be transferred to and merged under this head, as proposed by both the House (in H.R. 2118) and the Senate.

Office of the Assistant Secretary for Budget and Programs

(RESCISSION)

Rescinds $237,000 instead of $158,000 as proposed by the Senate. The House bills contained no similar rescission.

Office of the Assistant Secretary for Governmental Affairs

(RESCISSION)

Rescinds $303,000 instead of $224,000 as proposed by the Senate. The House bills contained no similar rescission.

Office of the Assistant Secretary of Public Affairs

(RESCISSION)

Recommends no rescission as proposed by the House instead of $158,000 as proposed by the Senate.

Transportation Planning, Research, and Development

(RESCISSION)

Rescinds $285,000 of funds made available in Public Law 102–388. No rescission was included in the House or Senate bills.

Office of Commercial Space Transportation Operations and Research

(RESCISSION)

Rescinds $25,000 as proposed by the Senate. The House bills contained no similar rescission.

Coast Guard

OPERATING EXPENSES

(RESCISSION)

Rescinds $7,000,000 instead of $20,000,000 as proposed by the House (in H.R. 2244) and $5,476,000 as proposed by the Senate.

Oil Spill Liability Trust Fund

Limits to $7,000,000 expenditures from the oil spill liability trust fund for carrying out section 1012(a)(4) of the Oil Pollution Act of 1990, as proposed by the Senate. The House bills contained no similar rescission.

Federal Aviation Administration

OPERATIONS

(RESCISSION)

Rescinds $8,000,000 instead of $5,000,000 as proposed by the House (in H.R. 2244) and $13,750,000 as proposed by the Senate.

Facilities and Equipment

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Rescinds $48,300,000 instead of $57,400,000 as proposed by the House (in H.R. 2244). The Senate bill contained no similar rescission.

Grants-in-Aid for Airports

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

Appropriates an additional $100,000,000 in liquidating cash as proposed by the Senate. The House bills contained no similar appropriation. The conference agreement also includes no rescission of contract authority as proposed by the House instead of $29,028,000 as proposed by the Senate.

Federal Highway Administration

LIMITATION ON GENERAL OPERATING EXPENSES

The conference agreement includes no reduction in the limitation on general operating expenses as proposed by the House instead of a reduction of $2,248,000 as proposed by the Senate.

Federal-Aid Highways

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

The conference agreement includes no reduction in the limitation on obligations for the federal-aid highway program as proposed by the House instead of a reduction of $2,248,000 as proposed by the Senate.

National Highway Traffic Safety Administration

OPERATIONS AND RESEARCH

(RESCISSION)

The conference agreement includes no rescission for the national advanced driving simulator as proposed by the Senate instead of a rescission of $7,854,588 as proposed by the House (in H.R. 2244).

Federal Railroad Administration

RAILROAD SAFETY

(RESCISSION)

Rescinds $140,000 as proposed by the Senate. The House bills contained no similar rescission.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

(INCLUDING RESCISSION)

Rescinds and appropriates $204,100,000 for the northeast corridor improvement program and makes funds available until expended as proposed by the Senate. The House bills contained no similar rescission or appropriation.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Appropriates $20,000,000 for operating losses instead of $25,000,000 as proposed by the Senate and $30,000,000 as proposed by the House (in H.R. 2244). Also appropriates $25,000,000 for capital improvements as proposed by the Senate instead of $21,000,000 as proposed by the House (in H.R. 2244). The conferees agree that the allocation of capital funding is to be as stated in the Senate report.

FEDERAL TRANSIT ADMINISTRATION

ADMINISTRATIVE EXPENSES

(RESCISSION)

Rescinds $305,000 as proposed by the Senate. The House bills contained no similar rescission.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

(RESCISSION)

Rescinds $91,000 as proposed by the Senate. The House bills contained no similar rescission.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(RESCISSION)

Recommends no rescission as proposed by the House instead of $285,000 as proposed by the Senate.

RELATED AGENCY

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

Rescinds $360,000 as proposed by the Senate. The House bills contained no similar rescission.

GENERAL PROVISIONS

Metropolitan New York aircraft noise mitigation committee.—The conference agreement includes a provision, as proposed by the Senate, which provides that funds for the Metropolitan New York Aircraft Noise Mitigation Committee shall not be subject to the Federal Advisory Committee Act. The House bills contained no similar provision.

Fuel cell buses program.—The conference agreement includes, with a modification, the provision proposed by the Senate requiring previous funding for the fuel cell buses program to be transferred from the Federal Transit Administration's discretionary grants program to the transit planning and research program and administered in accordance with section 6 of the Federal Transfer Act. The technical modification from the Senate bill deletes the phrase "notwithstanding any other provision of law". The House bills contained no similar provision.

CHAPTER VIII

TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

DEPARTMENT OF THE TREASURY

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

The Conference agreement includes an additional $4,000,000 for salaries and expenses as proposed by the Senate instead of no appropriation as proposed by the House. These funds are necessary to offset increased costs incurred during the Waco, Texas, law enforcement operation.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The Conference agreement includes $1,618,000 for salaries and expenses as proposed by the Senate instead of no appropriation as proposed by the House. These funds will be made available by transfer from unobligated balances available in "Operations and Maintenance, air and marine interdiction programs" account to fund urgent unmet requirements in fiscal year 1993.

The additional funds provided shall be used for the following purposes and in the following amounts: $510,000 for business service center initiative; $48,000 for pre-NAFTA activities; $530,000 for import specialist workstations; and $530,000 for vehicles.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

(RESCISSION)

The Conference agreement includes a rescission of $3,400,000 from the Bureau of the Public Debt as proposed by the Senate and as proposed by the House in H.R. 2244. These funds are available due to lower than anticipated redemption of savings bonds, a rent surplus, and other savings.

INTERNAL REVENUE SERVICE

PROCESSING TAX RETURNS AND ASSISTANCE

(RESCISSION)

The Conference agreement includes a rescission of $1,674,000. A total rescission of $11,000,000 was proposed for the Internal Revenue Service by the House in H.R. 2244. These funds are available due to lower than anticipated costs of processing payroll data, a rent surplus, and other savings and therefore, can be rescinded to make funds available for appropriations to other Treasury bureaus for unanticipated expenses.

TAX LAW ENFORCEMENT

(RESCISSION)

The Conference agreement includes a rescission of $3,972,000. These funds are available due to lower than anticipated costs of processing payroll data, a rent surplus, and other savings and therefore, can be rescinded to make funds available for appropriations to other Treasury bureaus for unanticipated expenses.

INFORMATION SYSTEMS

(RESCISSION)

The Conference agreement includes a rescission of $1,427,000. These funds are available due to lower than anticipated costs of processing payroll data, a rent surplus, and other savings and therefore, can be rescinded to make funds available for appropriations to other Treasury bureaus for unanticipated expenses.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

The Conference agreement includes $11,277,000 as proposed by the Senate instead of no appropriation as proposed by the House. These funds are necessary to meet increased costs for the protection of former President Bush, security enhancements to the residence of Vice President Gore, losses associated with the World Trade Center bombing, to cover the candidate nominee protection funding shortfall, and other urgent activities.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

The Conference agreement includes $415,000 as proposed by the Senate instead of no appropriation as proposed by the House. These funds are necessary to cover unbudgeted expenses related to the Presidential transition and compliance with court action in *Armstrong* v. *Executive Office of the President.*

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

The Conference agreement includes $7,410,5389 as proposed by the Senate instead of no appropriation as proposed by the House. Of the $7,410,538, $2,100,000 shall be transferred from the salaries and expenses account of the Office of National Drug Control Policy. These funds are necessary to cover unbudgeted expenses related to the Presidential transition, compliance with court action in *Armstrong* v. *Executive Office of the President*, and fund urgent information resources management activities.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

The Conference agreement includes appropriations language as proposed by the Senate instead of an Administrative Provision as proposed by the House to increase the limitation on entertainment expenses to $125,000.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

The Conference agreement includes $107,000 as proposed by the Senate instead of no appropriation as proposed by the House. These funds are necessary to cover unbudgeted expenses related to the Presidential transition and compliance with court action in *Armstrong* v. *Executive Office of the President.*

NATIONAL CRITICAL MATERIALS COUNCIL

SALRAIES AND EXPENSES

(RESCISSION)

The Conference agreement includes a rescission of $50,000 as proposed by the Senate instead of no rescission as proposed by the House. The President has proposed the elimination of the Council and these funds are no longer required.

NATIONAL SPACE COUNCIL

SALARIES AND EXPENSES

(RESCISSION)

The Conference agreement includes a rescission of $650,000 as proposed by the Senate instead of no rescission as proposed by the House. The President has proposed the elimination of the Council and these funds are no longer required.

INDEPENDENT AGENCIES

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

The Conference agreement includes $112,000 as proposed by the Senate instead of no appropriation as proposed by the House. These funds are necessary to implement new changes in election laws.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(LIMITATIONS ON AVAILABILITY OF REVENUE)

(RESCISSION)

The Conference agreement includes a rescission of $48,900,000 instead of $43,000,000 as proposed by the House in H.R. 2244 and $36,000,000 as proposed by the Senate. The following accounts are reduced as follows: $16,000,000 from "Rental of Space", $2,000,000 from "Installment and Acquisition Payments", $5,900,000 from Deposits to the Fund;

and $25,000,000 from the Northern Virginia Naval Systems Commands facility.

Allowances and Office Staff for Former Presidents

The Conference agreement includes $194,000 as proposed by both the House and Senate. These funds are necessary to cover the unbudgeted costs for office space, staff, travel, and a pension for former President Bush.

National Archives and Records Administration

OPERATING EXPENSES

The Conference agreement includes $2,997,000 as proposed by both the House and Senate. These funds are necessary to cover the unbudgeted costs to move, store, and record the papers of former President Bush in a new Presidential library which will be located at Texas A&M University in College Station, Texas.

General Provisions

The Conference agreement includes a provision (Sec. 801) as proposed by the House and deleted by the Senate, which provides for transfer authority. This provision provides up to 2 percent for the Executive Office of the President instead of 4 percent as proposed by the House. No funds may be transferred to or from the Office of National Drug Control Policy as a result of this provision.

The Conference agreement includes a provision (Sec. 802) as proposed by the Senate, which provides that funds made available to the U.S. Customs Service may be transferred to state and local governmental agencies for law enforcement purposes.

Personnel Reductions

The conferees commend the President for issuing an Executive Order to reduce personnel throughout the Executive Branch. Sacrifices must be made throughout government in order to achieve deficit reduction. However, the conferees are seriously concerned about the impact the proposed reductions in personnel will have on delivery of services to the public, particularly in the law enforcement, drug control, and trade facilitation areas. For this reason, the conferees instruct the Secretary of the Treasury to formulate a personnel reduction plan for each of the Treasury bureaus and submit such plan to the House and Senate Committees on Appropriations for approval prior to implementation. Such plan shall have as minimal an adverse impact as possible on drug control, law enforcement, trade facilitation, and delivery of services to the public. Consequently, the conferees instruct the Secretary to take the majority of the reductions, if feasible, in administrative overhead activities in the headquarters and regional offices of the Treasury bureaus. Such plan shall be submitted to the Committees within 30 days of enactment of this Act.

The Conference agreement includes a provision (Sec. 803) as proposed by the Senate, which repeals Section 617 of P.L. 102–393.

The Conference agreement includes a provision (Sec. 804) as proposed by the Senate, which authorizes funds transferred from the Special Forfeiture Fund to the Drug Enforcement Administration in P.L. 102–393, may be used for an expansion study of the El Paso Intelligence Center as well as operations and maintenance for computer systems.

The Conference agreement includes a provision (Sec. 805) as proposed by the Senate concerning the White House Office. The provision directs a General Accounting Office review of the action taken with respect to the White House travel office.

CHAPTER IX

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

DEPARTMENT OF VETERANS AFFAIRS

Veterans Benefits Administration

COMPENSATION AND PENSIONS

Appropriates $475,000,000 for compensation and pensions as proposed by the Senate, instead of $147,422,000 as proposed by the House.

Veterans Health Administration

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

Provide $3,000,000 by transfer from the medical administration and miscellaneous operating expenses account as proposed by the Senate, instead of $5,000,000 as proposed by the House.

Includes language proposed by the Senate providing a new floor on spending for personnel compensation and benefits, based on the latest estimates from the Department. Absent this language, the Department estimates it would lapse $125,000,000 in medical care funds.

Includes language proposed by the Senate enabling the Department to release funds previously appropriated in P.L. 102–389 for a geriatric research, education and clinical center.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Includes language proposed by the Senate requiring that all headquarters' quality assurance activities be funded from this account for the remainder of this fiscal year and thereafter. This is consistent with previous practice and ensures that funds for direct patient care activities are not diverted for oversight activities.

Departmental Administration

CONSTRUCTION, MAJOR PROJECTS

The conferees have not included the House provision in H.R. 2244 rescinding $20,500,000 from the Wilmington, Delaware VA outpatient clinic addition. The House bill had included this rescission in order to partially offset funds provided for wastewater treatment construction funds. The rescission is not necessary since the additional wastewater funds have not been agreed to.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

Homeownership and Opportunity for People Everywhere Grants (HOPE Grants)

(RESCISSION)

The conferees have not included the rescission of $164,500,000 of HOPE grants as proposed by the House in H.R. 2244. The proposed rescission is not necessary since the conferees have not included additional funds for EPA wastewater treatment construction that would have required an offset.

HOME Investment Partnership Program

(TRANSFERS OF FUNDS)

The conferees have included $60,000,000 for HOME grants for victims of Hurricanes Andrew and Iniki. These funds are derived by transfer from public housing development funds provided for disaster relief in Public Law 102–368.

The conferees have included an additional appropriation of $62,500,000 for HOME grants for victims of federally-declared disasters. The Senate had originally proposed an additional $75,000,000 in HOPE grants. The House had no comparable provision. These additional funds have been offset through a transfer of $50,000,000 from HOPE grants and a transfer of $12,500,000 from flexible subsidy. The conferees have reluctantly agreed to these offsets only to guarantee that this important disaster relief does not subject the entire supplemental appropriations bill to a point of order for lack of adequate outlay offsets.

Severely Distressed Public Housing Projects

(TRANSFER OF FUNDS)

The conferees have provided $300,000,000 for grants to severely distressed housing projects. These funds are derived by transfer from HOPE grants. They are to be obligated consistent with the intent of their original appropriation under HOPE VI.

Youthbuild Programs

(TRANSFER OF FUNDS)

The conferees have provided $40,000,000 for Youthbuild. These funds are derived by transfer from HOPE grants, consistent with the Housing and Community Development Act of 1922. The conferees have also incorporated bill language changes proposed by the Senate making technical changes to the authorization citation for the Youthbuild appropriation.

Annual Contributions for Assisted Housing

The conferees have not included language that would have provided $202,996,578 for major reconstruction of obsolete public housing projects (MROP), section 8 property disposition subsidies, and costs associated with litigation. The conferees direct that the Department transfer $60,000,000 of the fiscal year 1993 public housing development appropriation for MROP activities, consistent with section 111 of the Housing and Community Development Act of 1992. The Department should make these funds available on an expedited basis through notice in the Federal Register. The conferees intend to address the property disposition and litigation issues in the regular fiscal year 1994 HUD appropriations.

Federal Housing Administration

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

The conferees have included bill language raising the credit limitation for the Mutual Mortgage Insurance Fund by $42,854,000,000 as proposed by the Senate. No language was proposed by the House.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFER AND RESCISSIONS OF FUNDS)

The conferees have included bill language raising the credit limitation for the General and Special Risk Insurance Funds by $500,000,000, instead of $1,000,000,000 as proposed by the Senate. No language was proposed by the House. The conferees have also provided an additional credit subsidy of $19,000,000, instead of $38,000,000 proposed by the Senate. This $19,000,000 is offset through a transfer of $19,000,000 from the fleixible subsidy fund, and an additional rescission of $10,800,000 from the flexibile subsidy fund. The Senate had proposed a transfer of $38,000,000, and a rescission of $17,556,000. The conferees have reluctantly agreed to these offsets only to guarantee that the GI and SRI funds do not run out of funds in 1993, and to guarantee that the entire supplemental appropriations bill is not subject to a point of order for lack of sufficient outlay offsets.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

LOAN GUARANTEE PROGRAM ACCOUNT

The conferees have included an increase in the limitation on guaranteed loans by $30,000,000,000 as proposed by the Senate. The House had no comparable provision.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

The conferees have provided an appropriation of $45,000,000 of CDBG funds for disaster assistance. This amount is offset through a rescission of $45,000,000 of unobligated balances from section 107 grants. The rescission is to be taken at the discretion of the Secretary, subject to the normal reprogramming guidelines.

The conferees have also included an additional $40,000,000 of CDBG funds for disaster assistance, derived by transfer from public housing development funds appropriated for disaster assistance in Public Law 102-368.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

The conferees have included bill language to repeal the earmarking of funds for salary and travel costs in certain headquarters offices.

ADMINISTRATIVE PROVISIONS

The conferees have included bill language merging certain 1992 salary accounts. The language contains certain technical corrections in the original House text proposed by the Department that were included by the Senate.

The conferees have included bill language proposed by the House and stricken by the Senate that repeals a limitation on the number of non-career Senior Executive Service positions at HUD to 15. The conferees agree that this limitation unduly constrains the Department's ability to attract exceptionally qualified individuals to senior leadership positions involving policy direction of career staff in direct line administrative positions, notwithstanding Government-wide reductions on such staffing levels. This additional flexibility, therefore, is to be used only in the few instances necessary where SES selection and compensation rules must be waived to secure the most qualified individuals available. Under such circumstance, the conference agreement is premised on the clear understanding that the Department will not exceed use of this authority for more than 20 of such positions in the balance of 1993 and 25 in future fiscal years.

The conferees have included bill language proposed by the Senate to permit the City of Pikeville, Kentucky to reuse UDAG funds previously appropriated to it for other low-income housing activities.

The conferees have included bill language which redesignates three special purpose grants so that previously appropriated funds may be used expeditiously.

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

ABATEMENT, CONTROL, AND COMPLIANCE

(RESCISSION)

The conference agreement has included a provision rescinding $6,000,000 from abatement, control, and compliance. This rescission is being taken to offset the program and research operations account, as discussed in the next paragraph.

PROGRAM AND RESEARCH OPERATIONS

The conferees have agreed to recommend $3,000,000 for program and research operations in order to fund additional payroll costs. The Agency has indicated it was experiencing difficulty with the resources provided in the program and research operations account as a result of the restructuring of several EPA accounts this past year. One of the reasons for the new appropriations account structure was to ensure that payroll costs were segregated from administrative costs and to prevent transfers of funds from one activity to another. The conferees note that $823,607,000 was provided for this account in fiscal year 1993, which was approximately $23,000,000 more than the Agency's original estimate for payroll costs. The conferees wish to make clear they will not readily agree to account transfers in the future. It is expected that the Agency will make efforts to better manage available resources in future fiscal years. Finally, the Agency is directed to notify the Committees of its allocation of these resources.

HAZARDOUS SUBSTANCE SUPERFUND

The conferees have not included the House provision contained in H.R. 2244 rescinding $100,000,000 from Superfund. The House bill had included this rescission in order to partially offset funds provided for wastewater treatment construction funds. The rescission is not necessary as the Committee on conference has not included additional funds for wastewater treatment facilities.

STATE REVOLVING FUNDS/CONSTRUCTION GRANTS

The conference agreement does not include the $290,000,000 provided by the House in H.R. 2244 for wastewater treatment state revolving funds because there was difficulty in finding suitable offsets for these additional funds as well as severe outlay costs associated with this expenditure for fiscal year 1994.

The conferees recognize the enormous need for water infrastructure activities. The construction of wastewater facilities not only provides environmental protection, but also leads to the creation of thousands of jobs nationwide. It is hoped that during deliberations on the VA, HUD, and Independent Agencies Appropriations bill for 1994 additional moneys will be available for water infrastructure activities. The conferees will make every effort to provide additional funds during conference on this legislation.

Also, the conferees have included language proposed by the Senate making a technical correction to language contained in P.L. 102-389 for a project in Atlanta, Georgia.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

The conferees have provided an additional $5,000,000 for research and development activities, derived by transfer from the Construction of Facilities account. The Administrator may obligate the funds at his discretion, subject to the normal reprogramming guidelines.

The conferees have also included bill language that removes the limitation placed upon the use of Space Station appropriations made in the regular Fiscal year 1993 VA-HUD Appropriations bill. This action will enable the President to proceed with the redesign of the Space Station in the most fiscally prudent manner with the balance of funds available in fiscal year 1993. In removing this limitation, however, the conferees wish to make clear that any adjustments in the use of already appropriated funds is subject to the normal reprogramming guidelines.

SPACE FLIGHT, CONTROL AND DATA COMMUNICATIONS

(RESCISSION)

The conferees have included a provision to rescind $27,200,000 from the Space Flight, Control and Data Communications account to offset the appropriation of funds in the Research and Program Management. The Administrator may take the reductions at his discretion, subject to the normal reprogramming guidelines.

RESEARCH AND PROGRAM MANAGEMENT

The conferees have provided an appropriation of $20,000,000 for Research and Program Management activities connected with the redesign of the Space Station—including employee "early out" and buy out requirements. These funds may be applied at the Administrator's discretion, subject to the normal reprogramming guidelines.

CHAPTER X FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

DEPARTMENT OF STATE

INTERNATIOAL NARCOTICS CONTROL

The conferees have not included the provision of the Senate bill directing that $9,800,000 be used for helicopter upgrades. The conferees, however, are concerned that the agencies involved in the national counter drug effort are not being provided with the best available assets to perform their mission effectively and cost efficiently. The conferees note that the International Narcotics Bureau intends to spend $3,100,000 in fiscal year 1993 to begin a helicopter upgrade program with existing funds. The conferees are encouraged that the International Narcotics Control program has begun to focus on this issue and supports the current effort. Funding of future aircraft upgrades should be consistent with present and future budgetary resources and be performed in the context of an overall review of our worldwide anti-narcotics strategy.

CHAPTER XI

ENERGY AND WATER DEVELOPMENT

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

The conferees agree with the language in the Senate report regarding studies of flooding problems in Arizona.

CONSTRUCTION, GENERAL

The conference agreement includes language proposed by the Senate that directs the Chief of Engineers to use $750,000 of the funds appropriated in the fiscal year 1993 Energy and Water Development Appropriations Act to undertake work on the Cliff Walk, Rhode Island, project.

The conferees agree with the language in the Senate report regarding the use of funds appropriated under the continuing authorities program for the study of flooding problems in Arizona.

ADMINISTRATIVE PROVISION

The conference agreement includes language proposed by the Senate that directs the Secretary of the Army to provide additional funds as necessary to continue construction and cover anticipated contract earnings for any project for which funds were appropriated in fiscal year 1993, in order to avoid terminating any contacts and to avoid schedule delays.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

The conference agreement deletes language proposed by the House in H.R. 2118 (section 202) and stricken by the Senate which provides that the assessment and collection of certain payments, revenues, and surcharges into the Central Valley Project Restoration fund shall be made to the extent required in appropriations Acts.

DEPARTMENT OF ENERGY

WESTERN AREA POWER ADMINISTRATION

(RESCISSION)

The conference agreement deletes the language proposed by the Senate which would rescind $40,000,000 of funds previously appropriated to the Western Area Power Administration.

CHAPTER XII

GENERAL PROVISIONS

The conference agreement contains language in the Senate bill which amends existing authorization for the Architect of the Capitol to acquire certain real property as a site for a residential facility for Senate pages, at the direction of the Senate Rules Committee. The amended authorization provides that such real property be within the District of Columbia, removes a site specific reference from the authorization, and provides that amounts necessary may be transferred from certain Senate operating funds. The House bill had no comparable provision.

At the request of the Senate managers, the conference agreement amends Section 320 of the Legislative Branch Appropriations Act, 1993, to provide that the Secretary of the Senate shall pay from the contingent fund of the Senate the employer share of old age, survivors, and disability insurance taxes for Senate day care center employees under the Federal Employees Retirement System, and changes the effective date of creditable service from October 6, 1992, to January 1, 1993. Also, at the request of the Senate managers, the conference agreement amends Section 309(a) of Public Law 102-166 to provide that any party aggrieved under Section 308(d) of such Act may petition for review. In addition, at the request of the Senate managers, a provision has been included to establish a settlements and awards reserve within the contingent fund of the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1993 recommended by the Committee of Conference, with comparisons to the fiscal year 1993 budget estimates and the House and Senate bills for 1993 follow:

Budget estimates of new (obligational) authority, fiscal year 1993	2,512,679,000
House bill, fiscal year 1993	1,835,055,412
Senate bill, fiscal year 1993	446,973,538
Conference agreement, fiscal year 1993	1,003,413,538
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 1993	−1,509,265,462
House bill, fiscal year 1993	−831,641,874
Senate bill, fiscal year 1993	+556,440,000

William H. Natcher,
Neal Smith,
Sidney R. Yates,
David R. Obey,
Louis Stokes,
Tom Bevill,
John P. Murtha,
Julian C. Dixon,
Vic Fazio,
W.G. (Bill) Hefner,
Steny H. Hoyer,
Bob Carr,
Richard J. Durbin,
Joseph M. McDade
(except for Summer Youth Grants for 30 year olds, and rejection of workfare),
Jerry Lewis
(except for Summer Youth Grants for 30 year olds, and rejection of workfare),
John Edward Porter
(except for Youth Fair Chance—$50 million, and 30 year olds, outside of procedure),
Harold Rogers
(except for Summer Youth Grants for 30 year olds, and rejection of workfare),
Jim Lightfoot
(except for Summer Youth Grants for 30 year olds, and rejection of workfare),

Managers on the Part of the House.

Robert C. Byrd,
Daniel K. Inouye,
Ernest F. Hollings,
J. Bennett Johnston,
Patrick J. Leahy,
Jim Sasser,
Dennis DeConcini,
Dale Bumpers,
Frank R. Lautenberg,
Tom Harkin,
Barbara A. Mikulski,
Harry Reid,
J. Robert Kerry,
Herb Kohl,
Dianne Feinstein,
Mark O. Hatfield,
Ted Stevens,
Thad Cochran,
Alfonse M. D'Amato,
Pete V. Domenici,
Don Nickles,
Christopher S. Bond,
Slade Gorton,
Mitch McConnell,
Connie Mack,
Conrad Burns,

Managers on the Part of the Senate.

EXECUTIVE ORDER BLOCKING GOVERNMENT OF HAITI PROPERTY AND PROHIBITING TRANSACTION WITH HAITI—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), section 5 of the United Nations Participation Act of 1945 (22 U.S.C. 287c), and section 301 of title 3 of the United States Code, in view of United Nations Security Council Resolution No. 841 of June 16, 1993, and in order to take additional steps with respect to the actions and policies of the de facto regime in Haiti and the national emergency described and declared in Executive Order No. 12775, I hereby report that I have exercised my statutory authority with respect to Haiti and issued an Executive order that:

—Blocks all property of any Haitian national providing substantial financial or material contributions to the de facto regime in Haiti, or doing substantial business with the de facto regime in Haiti, as identified by the Secretary of the Treasury, that is or comes within the United States or the possession or control of United States persons. The proposed order defines the term "Haitian national" to mean a citizen of Haiti, wherever located; a entity or body organized under the laws of Haiti; and any other person, entity, or body located in Haiti and engaging in the importation, storage, or distribution of products or commodities controlled by sanctions imposed on Haiti pursuant to resolutions adopted either by the United Nations Security Council or the Organization of American States, or otherwise facilitating transactions inconsistent with those sanctions;

—Prohibits the sale or supply, by United States persons, or from the United States, or using U.S.-registered vessels or aircraft, or petroleum or petroleum products or arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, police equipment and spare parts for the aforementioned, regardless of origin, to any person or entity in Haiti or to any persons or entity for the purpose of any business carried on in or operated from Haiti, and any activities by United States persons or in the United States which promote or are calculated to promote such sale or supply; and

—Prohibits the carriage on U.S.-registered vessels of petroleum or petroleum products, or arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, police equipment and spare parts for the aforementioned, regardless of origin, with entry into, or with the intent to enter, the territory or territorial sea of Haiti.

I am enclosing a copy of the Executive order that I have issued. The order was effective immediately.

The Secretary of the Treasury, in consultation with the Secretary of State, is authorized to issue regulations implementing these prohibitions.

United Nations Security Council Resolution 841, unanimously adopted on June 16, 1993, calls on all States to adopt certain measures which are included within those outlined above. These measures are called for in recognition of the urgent need for an early, comprehensive, and peaceful settlement of the crisis in Haiti and in light of the failure of parties in Haiti to act constructively to take steps necessary to begin the restoration of democracy.

The measures we are taking respond to the Security Council's call. They demonstrate our commitment to remain at the forefront of the international community's efforts to back up with sanctions the negotiations process being sponsored by the United Nations and the Organization of American States. These steps also demonstrate unflinching support through our foreign policy of the return of democracy to Haiti.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 30, 1993.*

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2118, MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1993

Mr. BONIOR, from the Committee on Rules, submitted a privileged report (Rept. No. 103-166) on the resolution (H. Res. 216) waiving points of order against the conference report to accompany the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON NATION'S ACHIEVEMENTS IN AERONAUTICS AND SPACE DURING FISCAL YEAR 1992—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Science, Space, and Technology.

To the Congress of the United States:

I am pleased to transmit this report on the Nation's achievements in aeronautics and space during fiscal year 1992, as required under section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476). Not only to aeronautics and space activities involve 14 contributing departments and agencies of the Federal Government as reflected in this report, but the results of their ongoing research and development affect the Nation as a whole.

Fiscal year 1992 was a significant one for U.S. aeronautics and space efforts. It included 7 Space Shuttle missions and 14 Government launches of expendable launch vehicles [ELVs] carrying a variety of payloads ranging from NASA missions to classified payloads. In addition, there were eight launches of ELVs by commercial launch service providers operating under licenses issued by the Department of Transportation's Office of Commercial Space Transportation. On December 7, 1991, the Air Force achieved initial launch capability for the new Atlas II launch vehicle in a commercial launch by General Dynamics with support from the Air Force. The Shuttle missions included one using the Atmospheric Laboratory for Applications and Science (ATLAS-1) to study the Sun and our atmosphere, as well as the first flight of the newest orbiter, *Endeavour*, which rendezvoused with, retrieved, and replaced the perigee kick motor of the INTELSAT VI (F-3) satellite that INTELSAT controllers then deployed into its intended orbit.

In aeronautics, efforts have ranged from development of new civil and military aircraft and technologies to research and development of ways to reduce aircraft noise and improve flight safety and security.

One of the major Earth science highlights of the year was the discovery that, like the ozone layer over the Antarctic with its well-documented annual depletion, the ozone layer in the Northern Hemisphere is increasingly vulnerable to depletion by synthetic chemicals. Several Federal agencies have cooperated to study this and other environmental challenges.

Thus, fiscal year 1992 was a successful year for the U.S. aeronautics and space programs. Efforts in both areas have promoted significant advances in the Nation's scientific and technical knowledge that promise to improve the quality of life on Earth by increasing scientific understanding, expanding the economy, and improving the environment.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 30, 1993.*

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1993 NATIONAL PRAYER BREAKFAST

The SPEAKER pro tempore (Mr. TANNER). Under a previous order of the House, the gentleman from Missouri [Mr. EMERSON] is recognized for 5 minutes.

Mr. EMERSON. Mr. Speaker, during my seven terms in Congress, I have been accorded many honors, but none greater than the opportunity to serve as chairman of the 1993 National Prayer Breakfast. This annual event affords Members of the House and Senate, and members of the Executive and Judicial branches, the opportunity to join with thousands of others from our country and the world in the spirit of Christian fellowship. This event has been held here in Washington for the last 41 years, where we are traditionally joined by the President of the United States. President Eisenhower attended the first of these events in 1953, and this year it was our honor to have President and Mrs. Clinton join us.

The National Prayer Breakfast meets to humbly beseech guidance to further the building of humankind, recognizing and acknowledging the reliance that we have individually and collectively upon Divine Providence. We are pleased to note that representation came from all over the world—5 continents, 150 countries, and all 50 States. It included Republicans and Democrats, ministers and laypersons, parolees from prison, students and teachers, those of wealth as well as those with no material abundance, and people from all major religions, and all denominations.

I was reminded throughout the many months of the planning for the breakfast that invoking the word of God and belief and faith in the Almighty are a common thread which runs throughout humankind. On that morning as we prayed and sang together, from all walks of life, all religions and backgrounds, I was struck by the peace, serenity and joy that flowed through the room. In Philippians 4:6-7, the scripture reminds us, "Be anxious for nothing, but in everything by prayer and supplication, with thanksgiving, let your requests be made known to God; and the peace of God, which surpasses all understanding will guard your hearts and minds through Jesus Christ." Truly this scripture captured the moment as we gathered for this annual event of peace fellowship. Mr. Speaker, on behalf of the National Prayer Breakfast Committee, I request that the program and transcript from the breakfast be printed in the RECORD at the conclusion of my remarks. Mr. Speaker, the members of the House and Senate Prayer groups are to be commended for not only their participation in this annual event, but for their tireless dedication to our weekly meetings of fellowship and prayer.

For the RECORD I include the program from the occasion and the transcript of the proceedings of the National Prayer Breakfast of 1993.

The Lord is my shepherd, I shall not be in want.

He makes me lie down in green pastures, he leads me beside quiet waters.

He restores my soul. He guides me in the paths of righteousness for his name's sake.

Even though I walk through the valley of the shadow of death, I will fear no evil, for You are with me; Your rod and Your staff, they comfort me.

You prepare a table before me in the presence of my enemies. You anoint my head with oil; my cup overflows.—Psalm 23

Lord, make me an instrument of Your peace,
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light; and where there is sadness, joy.

O Divine Master, grant that I may not so much seek to be consoled, as to console; not so much to be understood, as to understand; not so much to be loved, as to love.

For it is in giving that we receive, it is in pardoning that we are pardoned, it is in dying that we are born again to eternal life.—Francis of Assisi

NATIONAL PRAYER BREAKFAST

Chairman: The Honorable Bill Emerson.

Pre-Breakfast Prayer: Dr. Richard C. Halverson, Chaplain, U.S. Senate.

Opening Song: U.S. Marine Band, "The President's Own."

Opening Prayer: The Honorable Eddie Bernice Johnson, U.S. Representative, Texas.

BREAKFAST

Welcome: The Honorable Bill Emerson, U.S. Representative, Missouri.

Remarks: U.S. House of Representatives, the Honorable Ralph Regula, U.S. Representative, Ohio.

Remarks: U.S. Senate, the Honorable Howell Heflin, U.S. Senator, Alabama.

Solo: Mr. Wintley Phipps.

Old Testament Reading: The Honorable Benjamin A. Gilman, U.S. Representative, New York.

Remarks: The Honorable Al Gore, Vice President of the United States.

New Testament Reading: The Honorable John Kerry, U.S. Senator, Massachusetts.

Prayer for National and World Leaders: The Honorable Ted Stevens, U.S. Senator, Alaska.

Message: Dr. Billy Graham.

Introduction of the President: The Honorable Bill Emerson, U.S. Representative, Missouri.

THE PRESIDENT OF THE UNITED STATES

Closing Song: Mrs. Marlys Smith.

Closing Prayer: The Honorable Mike Espy, Secretary of Agriculture.

1993 NATIONAL PRAYER BREAKFAST, THE WASHINGTON HILTON, WASHINGTON, DC, FEBRUARY 4, 1993

Representative BILL EMERSON: I am Bill Emerson and Chairman of this year's National Prayer Breakfast. We are joined this morning for our pre-breakfast prayer by the Chaplain of the United States Senate, Dr. Richard Halverson. Dr. Halverson has been ill, and I asked him back in December if he would be here with us today. He said, "The Lord willing, I will be there." He is here. Please join me in welcoming Dr. Richard Halverson. [Applause.]

Dr. RICHARD C. HALVERSON: Let us pray.

Eternal God, gracious Father of us all, here we are, a microcosm of the world, men and women from every state in the Union and many, many nations, all together in one room in the name of Jesus Christ. We ask your blessing upon this breakfast. May it be as though the Holy Spirit covers it with a mantle, that nothing can get in except his blessing. Be with the people at each table, guide their table conversation. Let there be no strangers, no one left out. Let love fill our hearts for each other, and let each who is a stranger feel accepted and wanted and loved.

We want to thank you for good food. We, who always have more than we need of everything, as we enjoy this food, remember those who never have enough of anything they need. So as we partake, wilt Thou give us thoughts of those in places like Somalia, in places like refugee camps, in deserts, in caves, in faraway places, as well as the homeless on our streets. May we be mindful of them as we enjoy this time together.

Bless the fellowship at each table. Thank you for the pleasure and the privilege of being together here.

Now, Lord, from beginning to end, let it be as though God Himself orchestrates this morning hour to His glory, to the benefit of the nation and all the nations represented, we ask in the name of Jesus Christ, our Savior and Lord. Amen.

Representative EMERSON: You may now proceed with your breakfast.

BREAKFAST

ANNOUNCER: The Vice President and Mrs. Gore.

ANNOUNCER: Ladies and gentlemen, the President of the United States and Mrs. Clinton. [Applause.]

Representative EMERSON: If you would please remain standing, the Marine Band will favor us with our National Anthem.

U.S. MARINE BAND—"THE STAR SPANGLED BANNER" AND "GOD OF OUR FATHERS"

Representative EMERSON: A special thanks to the U.S. Marine Band, "The President's Own," directed by Colonel John R. Bourgeouis, for the wonderful inspiration in music with which they have favored us this morning. Thank you, and godspeed to you in the important work that you do all of the time for our nation. Thank you very much. [Applause.]

Eddie Bernice Johnson is a Texas political leader who last November was elected to her first term in the United States House of Representatives, where one fourth of the entire membership are now serving their first terms. Many of them are with us here today. Eddie Bernice has already become a very faithful participant in our weekly House Prayer Breakfast meetings, and I call upon her now to lead us in our opening prayer.

Please remain seated, following which we will ask you to continue with your breakfast.

Representative EDDIE BERNICE JOHNSON: Good morning to all of the distinguished citizens here this morning, especially to our President and Vice President. If no one else understands my voice this morning, the President does. [Laughter.]

There is hardly a prayer that you have not heard, that our Greater Being has not heard. But often we have to repeat prayers and keep repeating them until we find guidance. We're already chiseling away at a new year that God has given us, and we're challenged by this new year, and so I would simply ask God:

Dear God, what is it to understand and accept the words of a great American when he said: "To renew America we must be bold. We must do what no generation has had to do before. We must invest more in our own people, in their jobs and in their future and, at the same time, cut our massive debt. And we must do so in a world in which we must compete for every opportunity." He also said: "It is not easy, nor has God promised us an easy journey. He has told us through His Biblical history that it will require sacrifice. We know by not choosing sacrifice for its own sake, but for our own sake, we must provide for our nation, the world, the way a family provides for its children."

God, we know that if we follow a course of action we will ultimately become a nation that is successful or one that fails. Help us collectively to demonstrate the courage to select the best path, one that may prove difficult but prudent. But we as a nation must heed the challenges of our times. We know that means sacrifice from all of us. And as it has been said, we must realize that coming to grips with our excessive debt and other problems is a burden we all must share. We cannot ask to be spared individually, because collectively we would collapse.

The late Hubert Humphrey once said, "Compassion is not weakness, and concern for the unfortunate is not socialism." We are and will remain a compassionate nation, but it will be our strength that will allow us to survive.

Do we have the strength to face the unpleasant tasks that lie ahead? I pray that we do. The path before us presents perhaps the greatest peacetime challenge of our nation. Give us the commitment of spirit to shoulder these challenges, to roll up our sleeves and tackle them and to do so successfully.

Another one of our leaders said, "Ask not what your country can do for you, but what you can do for your country." What do you do when it must take a bold challenge? We call upon You, God, and we ask for the change to come quickly. We ask for guidance as we move boldly ahead.

And, Dear God, may we forever stand true to our goals, true to our God and true to our nation's ideals. Thou who has brought us this far on the way, Thou who has by might led us into the light, keep us forever in the path, we pray. And in His commission to Joshua, the Lord said, "be strong and of good courage, be not afraid."

And then, as we end our messages to our God, we all say Amen.

Representative EMERSON: It is a great privilege to welcome each of you to this 41st National Prayer Breakfast. In each of these years, we and our predecessors have been joined by the President of the United States. So it is a high honor, indeed, President William Jefferson Clinton and Mrs. Hillary Rodham Clinton, that you favor us today with your presence and your participation. We greet you as we greet each other, in the spirit of our Heavenly Father. We want you to know that we want you to share fully with us in the love, the joy, the serenity, the strength, and the power that comes when we truly invoke the peace that exceeds all understanding.

We are gathered here today from five continents, 150 countries, all 50 states. There are literally hundreds of Republicans and Democrats here, scores upon scores of ministers and laypersons, all professions and fields of service—laborers, parolees from prison, students, some wealthy folks, and many without any material wealth. There are many believers and some non-believers—Protestants, Catholics, Jews, Hindus, Muslims. I don't mean to leave anyone out. There is represented here truly a cross-section of humanity.

But who we are is not the important point. The point is that we all come together to let you and each other know that we care. We are here humbly to beseech guidance to further the building of humankind, recognizing and acknowledging the reliance that each of us has upon Divine Providence.

In that spirit, Mr. President and Mrs. Clinton, may God bless you and your family, and each and every one here today.

We also want to say a very special greeting and word of welcome to two heads of state who join us today: The Prime Minister of Barbados, Erskine Sandiford and his wife. If the Prime Minister would stand and be recognized. [Applause.] And the Prime Minister of Dominica, Mary Eugenia Charles. Prime Minister? [Applause.]

I would like those members of the House hosting tables to stand and be recognized. [Applause.]

Likewise, those members of the United States Senate. [Applause.]

Permit me now to introduce head table guests who are not formally on the program, who graciously join us, and who have not been previously recognized but who add luster to this assembly:

The First Lady of the United States, Hillary Rodham Clinton. [Applause.] Mrs. Tipper Gore. [Applause.] Mrs. Phipps. [Applause.] Mrs. Halverson. [Applause.] Ruth Bell Graham, Mrs. Billy Graham. [Applause.] My wife and best friend, Jo Ann Emerson. [Applause.] Mrs. Ralph Regula. [Applause.] Mrs. Ted Stevens [Applause.] Mrs. Ben Gilman. [Applause.] And Mrs. Howell Heflin. [Applause.]

I told you that Eddie Bernice Johnson was a freshman member of Congress in which one fourth of our membership is serving their first term. We also have elders in our House Prayer Breakfast, many members of Congress who have served well and faithfully and for a long period of time. I see Sonny Montgomery and Tony Hall. Bob Stump and Ike Skelton I know are here this morning.

Ralph Regula is also one of those elders. They're sort of the guiding forces that keeps us on track, as we have our weekly prayer breakfast. And, Ralph Regula, Congressman from Ohio, is here to bring you greetings and a message from the House Prayer Breakfast group. [Applause.]

Representative RALPH REGULA: Bill, my wife says she's not Mrs. Elder!

Mr. President, Mrs. Clinton, Mr. Vice President, Mrs. Gore, and friends from throughout the world, I am pleased to represent the Prayer Group of the people's House of the Congress. We meet once a week on the Hill for breakfast and fellowship. But, especially, we gather together to share, to communicate, to witness and, most importantly, to pray to our God. No press, no visitors. Parliamentarians from other nations are the only guests. I might add the revisiting parliamentarians often say that they have been inspired to start prayer breakfast groups in their own legislative bodies.

As we face the awesome challenges of today's world, of our nation's problems, we find the answers in prayer. Prayer, one of the strongest words in any language, is a meaning instantly understood. Prayer groups are invitations to intimacy with God. Is there a living human that has not at some time called forth from their inner soul the voice of prayer?

We are interfaithful, ecumenical, multi-racial, bipartisan, diverse in dozens of ways, and yet in prayer we achieve a complete and harmonious assembly of body and mind and spirit. We link ourselves to the power that spins the universe. When we pray, we learn, we change. "No man ever prays," said Ralph Waldo Emerson, "without learning something." We sing, too—not very well. We are no threat to the Mormon Tabernacle Choir! [Laughter.] But joining in hymns is also inspiring. No surprise why this group moves each of us.

Our Bible is filled with reference to prayer. Someone once said that we do not pray because we believe, we believe because we pray. Like the Apostle Thomas, we find it hard to go on believing without touching the Lord. In our struggle to be faithful we gather together to touch the Lord anew, and one another, as each week a member bears witness to his or her religious heritage and individual experiences.

One of my favorite bumper stickers says, "You are a child of God. Call home." Group prayer is a powerful prayer is a powerful awakening experience. Chapter 18, verse 20 in Matthew: "Where two or three are gathered together in my name, there am I in the midst of them."

And so we come each Thursday morning to our ultimate support group to share our joys, our sorrows, our concerns for ourselves, our families, our constituents, and especially for our beloved nation and our world. Articulating this to each other, we know that as we share, God is there, too.

God's presence in our House, this House of Representatives, has been felt from the very beginning. When our founding fathers wrote about the formation of Congress in the Federalist Essays, they often referred to the unifying force of Providence in their lives. They talked about the force that bound them together—God. And that force remains the same today as we welcome God into our hearts and homes. For God has always been a part of our House. We welcome Him each day with a prayer, just as they did more than 200 years ago.

Prayer makes us fearless, gives us the strength, the courage to change ourselves as we, witnessing for Him, journey through our daily tasks, walking with each other, walking through our difficulties. Our Prayer Breakfast in the House is a time to experience an intimacy as we celebrate what we are and what we can become together as we continue to walk with the Lord. [Applause.]

Representive EMERSON: Thank you, Ralph.

As I'm sure most of you know, this breakfast is sponsored by the respective House and Senate Prayer Breakfast Groups, and we alternate year by year as to which body has the lead in the National Prayer Breakfast. Last year, the Senate had that opportunity, and Senator Ted Stevens of Alaska provided us with a very wonderful program.

This year, the chairman of the Senate Prayer Breakfast Group is Senator Howell Heflin from the great state of Alabama. Senator Heflin is here to speak to us on behalf of the Senate Prayer Breakfast Group. [Applause.]

Senator HOWELL HEFLIN: Mr. President, Mrs. Clinton, Mr. Vice President, Mrs. Gore, distinguished ladies and gentleman, I'm pleased to extend to all of you a warm welcome to the National Prayer Breakfast on behalf of the Senate Prayer Breakfast Group.

At 8:00 each Wednesday morning, when Congress is in session, a group of Senators meet to pray and seek God's guidance. These weekly sessions are a 45-year tradition. During the course of the year, 15 or 20 different Senators will lead our prayer breakfast discussions. As each prayer breakfast is concluded we stand, hold hands, and ask God to guide our Senatorial and personal lives.

As an interesting historical note, the National Prayer Breakfast is a direct outgrowth of the group in the Senate. In 1953, the Senate prayer group extended an invitation to President Eisenhower to come and to participate in the Senate Prayer Breakfast. The House learned of this and they asked to be allowed to join us and to have a joint session at that particular time. This meeting of the two groups began what became known nationwide as the National Prayer Breakfast. It has grown, and now the attendance of leaders from so many different countries makes us wonder whether or not a more descriptive term would be "International Prayer Breakfast."

Literally hundreds of groups of government officials throughout the world have patterned similar observances after the prayer breakfast in the Senate or the prayer breakfast in the House. The fact that so many great leaders of America and our nation have sought spiritual guidance from the Almighty is a testament to the power of prayer. At critical points and defining moments throughout history, leaders and citizens have turned to prayer to overcome hurdles, promote progress, heal wounds, enhance insight, and win moral victories.

During the Constitutional Convention in 1787, Benjamin Franklin used prayer to help break a seemingly insurmountable impasse, and from then on, the Continental Congress began each day's work with an opening prayer, just as today's Congress does.

As I think back over the monumental events that have taken place in the world over the last few years, I am reminded of the familiar spiritual quote, "God moves in a mysterious way, His wonders to perform." This centuries-old passage is taken from a hymn written by William Cowper, and is often paraphrased as "God moves in mysterious ways, His wonders to behold." Regardless, the Lord does perform wonders that are splendid to behold. Certainly this has been the case with America and the world in recent years.

For example, who would have thought that the democratic revolutions in Eastern Europe and in the former Soviet Union would have occurred with so little violence and bloodshed? While we continue to pray for a solution to the many troubled spots of the world, God's watchful eye over America and the world has brought tremendous change. As Tennyson wrote, "More things are wrought by prayer than this world dreams of."

It seems that Francis Scott Key's words were prophetic of today's events when he penned the last stanza of the "Star Spangled Banner" during the bombardment of Fort McHenry. These words are very appropriate today as we look at this nation. And I paraphrase them slightly: "Blest with victory and peace, may this heaven-rescued land praise the power that has made and preserved us a Nation. Defend it we must; may our cause always be just. And this be our motto: In God is our trust. And may the Star Spangled Banner continue to wave over the land of the free and the home of the brave."

May the comforting words of Francis Scott Key guide and motivate all the nations of the world. If they do, the Lord will answer our prayers by continuing to move in mysterious ways, His wonders to perform and to behold.

Thank you. (Applause.)

Representative EMERSON: Senator, thank you very much for those beautiful remarks.

Mr. Wintley Phipps will now favor us with a message in song.

Mr. PHIPPS: Before I sing my song this morning, I have a confession to make. Two years ago, I first met Governor Clinton. I was standing in the foyer of the Birmingham Convention Center and the security people were scurrying around and they said, "The Governor's coming." Governor Clinton walked in. I didn't know who he was—(laughter)—so I naturally assumed that he was the governor of Alabama. (Laughter.) So I broke into this long litany of how I love Alabama—(laughter)—and how I went to school in Huntsville. And he looked quizzical but gracious! (Laughter.) Ever since then, it has been a warm and gracious time.

I was born on a little island to a troubled home. It would have been easier for my mother had I never been born. But my mother had me by faith and put me out on the river of life. And as a little boy, I would retreat from my parent's difficulties. I had a little red tricycle and I would go in the backyard and turn it on its side, close my eyes, and I would dream. I would dream that I was going to faraway places and meeting important people, at the age of four and five. When we moved to Montreal, Canada, where I grew up, my father used to take us to the airport and I would grab a handful of the luggage tags and put them in my pocket, and I'd go home and close the door and print my name: Wintley Phipps, Flight 393, London. (Laughter.)

And then Jesus Christ walked into my life and said, "Give me your dreams. I will let you glimpse the dream that I have been dreaming for you." and then He brought me to America, a land that is still, its name, synonymous with freedom and opportunity, a land where a child who has a dream has a chance. Now I go to London for the weekend. (Laughter, applause.)

It is my prayer in this song—please listen to the message—that God will always bless this land.

WINTLEY PHIPPS—"GOD BLESS AMERICA"

Representative EMERSON: Wintley, thank you so very much for that very, very special message.

The Honorable Ben Gilman, Representative from New York and the Ranking Member of the House Foreign Affairs Committee, will read the scripture from the Old Testament.

Representative BENJAMIN GILMAN: Thank you, Chairman Emerson. Mr. President, Mrs. Clinton, Mr. Vice President, Mrs. Gore, distinguished guests all.

From Numbers, chapter 24, verse 5 of the Old Testament, it is written: "How good and pleasant it is for brothers to live together in peace."

We've come together this morning, from throughout our Nation and from throughout the world, for a day of common purpose: to break bread together, to share our thoughts, to share our prayers and our experiences. And we meet in a spirit of unity, respecting the beliefs and practices of our diverse communities. This is the greatness of our Nation; this is the beauty of faith and prayer. Together we celebrate our faith, our respect for one another, and justice that transcends all of our differences.

Says the Psalmist in Psalm 89: "I will sing of the steadfast love of the Lord. Forever with my mouth I will make known Thy faithfulness to all generations, for I have said the world is built by love."

And in Psalm 90 it is written: "Thou doest establish Thy faithfulness in the very heavens. Righteousness and justice are the foundations of Thy throne. Love and truth shall go before Thee. Oh, satisfy us in the morning with Thy steadfast love that we may rejoice and be glad all our days, according to the days in which we have seen evil."

And from Psalm 97 we are told: "Let the beauty of the Lord our God be upon us and establish the work of our hands. You that love the Lord, hate evil. Light is sown for the righteous and gladness for the upright in heart. Rejoice in the Lord, oh you righteous, and give thanks to His holy name."

May God bestow His blessing upon this ecumenical assembly and on men and women of goodwill everywhere. And may our fervent prayers for world peace and justice soon be granted. And let us all say Amen. (Applause.)

Representative EMERSON: Thank you, Ben. Congressman Al Gore was a very faithful member of the House Prayer Breakfast Group. And by every report that I have from Senator Heflin, Senator Gore has been a very faithful member of the Senate Prayer Breakfast Group. It is good to know that one of our own may occasionally succeed. (Laughter.) So it is with great pleasure that I present to you the Vice President of the United States. (Applause.)

Vice President AL GORE: Thank you, ladies and gentlemen. (Applause.) Thank you very much. Bill and Howell, to the President and the First Lady, to the other Heads of State present from Barbados and Dominica, to the Ambassadors and leaders of other nations who are present, to the members of the House and Senate and Cabinet, and to state and local leaders, and distinguished guests, and Dr. and Mrs. Graham.

Indeed, I have learned much and gained much from my fellowship in the prayer breakfasts on Capitol Hill. And when the Members of the Senate were asked to stand up just a moment ago, Howell Heflin said, "Stand up, Al, stand up." (Laughter.) I still think of myself as a Member of the Senate, and I guess the Vice Presidency is a little bit betwixt and between.

It's a great honor to be with you this morning and to bring you greetings. I remember well sitting next to Dr. Graham last year at this breakfast. And Tipper and I have come to look forward to it every year. Prayer is an important part of our lives. I never hesitate to affirm my faith.

I have often felt that it was ironic that for the last several hundred years, since the beginning of the scientific revolution, perhaps many have felt that reason was on a collision course with faith, that eventually we human beings would learn to explain everything and to be the master of all things. Ironic because when we look around our world today, we see 37,000 children under the age of five dying of starvation and easily preventable diseases and conditions like diarrhea every single day. We see violence, ethnic cleansing, wars based on religious and ethnic differences. We see a global environmental crisis, the proliferation of weaponry, poverty.

So our reliance on reason and rationality and the instruments of modern civilization has not been fully justified. I believe that all of the crises and problems we see around the world are really manifestations of underlying spiritual crisis.

The earth is the Lord's and the fullness thereof. I was taught that the purpose of life is to glorify God. How can we pretend to glorify God if we heap contempt on God's creation and ignore the suffering and degradation and poverty of those around us?

When the President, the First Lady and Tipper and I first became part of the same team, so to speak, last summer, we began with a prayer. Faith in God, reliance upon a Higher Power, by whatever name, is in my view essential. And this National Prayer Breakfast, with its connection to similar prayer breakfasts all over the United States and now all over the world, gives us an opportunity to share fellowship, devotion and faith, and to create, with God's help, the basis for hope in the future.

Thank you. (Applause.)

Representative EMERSON: Thank you, Mr Vice President.

The scripture from the New Testament will now be brought to us by the Honorable John Kerry, Senator from Massachusetts. (Applause.)

Senator JOHN KERRY: Mr. President, Hillary Clinton, Mr. Vice President, Tipper Gore, distinguished guests.

A reading from John, chapter 3, verses 1 to 21, in part:

"Now there was a Pharisee named Nicodemus, a ruler of the Jews. He came to Jesus by night and said to him, 'Rabbi, we know that you are a teacher who has come from God, for no one else can do these signs that your are doing unless God is with him.'

"Jesus answered and said to him, 'Amen, amen, I say to you, no one can see the Kingdom of God without being born from above.'

"Nicodemus said to him, 'How can a person once grown old be born again? Surely he cannot reenter his mother's womb and be born again can he?' Jesus answered, 'Amen, amen, I say to you, no one can enter the kingdom of God without being born of water and Spirit.'

"Nicodemus answered and said to him, 'How can this happen?'

"Jesus answered and said to him, 'You are the teacher of Israel and you do not understand this? If I tell you about earthly things and you do not believe, how would you believe if I tell you about heavenly things? No one has gone up to heaven except the one who has come down from heaven, the Son of man.'

"And just as Moses lifted up the serpent in the desert, so must the Son of man be lifted up so that everyone who believes in Him may have eternal life.'

"And this is the verdict, that the light came into the world but people preferred darkness to light because their works were evil. For everyone who does wicked things hates the light and does not come toward the light, so that his works might not be exposed. But whoever lives the truth comes to the light so that his works may be clearly seen as done in God."

With these words, Jesus speaks to us about renewal, spiritual renewal. And we meet today in the spirit of Christ, as the invitation says—Hindu, Buddhist, Muslim, Jew, Christian—all gathered with a special yearning and a special need for renewal. In one sense there is renewal already, I think, for with a new President and Vice President our nation and the world are renewed in hope and in aspiration.

But through Nicodemus, Jesus tells us in no uncertain terms that this renewal is not enough. A glance around the world, as the Vice President mentioned, quickly tells us the truth of these words. In Poland, a memorial to Jews is desecrated. In Bosnia, random violence steals the life of innocents. In Somalia, stick-thin children die by the thousands. And here at home, AIDS and violence tear at the fabric of our own communities.

All around us there is a sense of so much to do and so much to be undone. Candor forces us to admit that these circumstances put our faith to test. Is all of this really the inheritance of believers in God, the legacy of the teachings of Christ? The dialogue with Nicodemus tell us no, resoundingly no, it is not. It is, rather, evidence, demanding evidence of the need for all of us to understand the breadth of spiritual renewal that Jesus offers Nicodemus and, indeed, all of us.

At first Nicodemus' reaction is superficial, like so many in the world—not true faith. And Jesus does not accept him as a genuine disciple. Rather, he tries to lead Nicodemus and us to a more authentic faith, a faith that is symbolized initially in the water and the spirit, baptism and initial belief.

But Nicodemus still stays doubtful; he doesn't comprehend, as so many do not comprehend. So Jesus offers more, alluding to the mysterious power of the spirit and the special status of those who share that spirit. Nicodemus still balks. He just doesn't understand that what awaits him is a spiritual birth, for his concept of birth is limited to the physical.

So Jesus challenges him and, in so doing, he challenges all of us here. "You are a teacher, and yet you do not understand," He says to Nicodemus. And so He says to all of us here—opinion leaders, military people, doctors, lawyers, elected officials—teachers all: You do not understand the mysterious power of the spirit.

And then He lays it out for us. He goes beyond the condition of authentic faith. He talks beyond the sort of conditions of what brings you to faith, i.e., the baptism and the initial believing, and then He goes to the content of faith, the substance of it, of what is expected of us so that whoever believes in Him can have eternal life. Jesus tells us that the real spiritual renewal that we need requires a faith that goes beyond even accepting the truth of His message. It requires literally a movement toward the person of Jesus, an attachment that requires us to live our lives in a manner that reflects the fullness of our faith and that allows Jesus to become for us truly a life-saving force, so that ultimately it may even be said of us that he who does what is true comes to the light, that it may be clearly seen that his deeds have been wrought in God.

This search for authentic faith, for knowledge of heavenly things, for real renewal of spirit, for deed wrought in God in light, is the quest that we honor here today and that we pay for. (Applause.)

Representative EMERSON: Senator Ted Stevens of Alaska has been a leader of the Senate Prayer Breakfast as long as I can remember. Indeed, last year he was the Chairman of the National Prayer Breakfast. And it is a real pleasure this morning to welcome him back to this podium once again to offer the prayer for national and world leaders. (Applause.)

Senator TED STEVENS: The weekly prayer breakfasts, and particularly this annual prayer breakfast, is a time for me to recharge my spiritual batteries. I hope you feel the same way.

Good morning, Mr. President, Hillary, Mr. Vice President, Tipper.

I know I shall never forget Wintley Phipps. I hope you won't either. I will always also recall General John Vessey who came to us one morning here in this hotel and said, "Join the army of the Lord. The rewards are out of this world." (Laughter.)

Let us pray.

We gather here from every corner of our world to exercise our precious constitutional right to join together in worship. During this time of great challenge and hope, we ask our God for a blessing on our leaders here and abroad. Particularly, guide your servant, William Jefferson Clinton, our President. Grant him the strength of Moses to oppose the forces of tyranny and aggression in this troubled world. Give him the wisdom of Solomon and the patience and perseverance of Job to work with our Congress and all Americans to address the serious concerns here at home. Be with our First Lady and Chelsea as they, too, share the loads Americans place on our first family. And watch over our Vice President Al Gore and Tipper, who, as has been said, have been with this gathering many times.

We ask for special wisdom for the President's Cabinet and all who are called to serve our democracy, especially guidance for our Secretary of State Warren Christopher, our Secretary of Defense Les Aspin, for the Chairman of the Joint Chiefs of Staff Colin Powell, and all the Joint Chiefs, and for all the men and women of our armed forces as they work together to protect the oppressed and keep the peace.

We ask your special light to guide all of the men and women you have called to make, interpret and enforce laws throughout the world. In our time we have seen walls disintegrate, nations crumble, and their corrupt coalitions collapse. In answer to prayers from throughout our globe, the power of those who seek the freedoms we enjoy has been unleashed, but there are discordant sounds on this planet.

When they feel discouraged, renew our leaders, Great Comforter, with your promise: "Come to me all who labor and are heavy laden and I will give you rest. Take my yoke upon you and learn from me, for I am gentle and lowly in heart and you will find rest for your souls. For my yoke is easy and my burden light."

Almighty God, help all who pray here today to make these promises: We will bear more of the labor to maintain our nations, we will share the chores of self-government, we will truly learn from You and make the tasks of our leaders lighter. Help us to remember the commitments of our forefathers, the sacrifices of those who have given their lives to defend freedom. And help us to pass on to those who come after us free governments of men and women who love God and one another. Amen. (Applause.)

Representative EMERSON: Thank you, Senator Stevens.

You know, in preparation for our National Prayer Breakfast, we have discussions in our respective groups and with each other about the form in which the program should appear, who should be invited, who should participate. We want to be inclusive. And very often we discuss who should be our speaker for this particular occasion.

In the entire 41-year history of the National Prayer Breakfast, I believe there has been an ordained minister speak maybe once or twice. All other speakers have been laymen or citizens from all walks of life who had a message to share with us. But also participating in every prayer breakfast since that first one with President Eisenhower back in 1953, except on two occasions, has been Dr. Billy Graham.

When the Senate Prayer Breakfast this year discussed the subject of a speaker, and when the leaders of the House prayer group discussed the same question, it was amazing that there were no differences of opinion. It was unanimous, without objection, by acclamation, that we all wanted Dr. Billy Graham to share with us this morning. It is a great pleasure to present Dr. Graham to you. (Applause.)

Dr. GRAHAM: Mr. President and Mrs. Clinton—Mrs. Clinton had to go because of a very important meeting. I told her I would explain that to you. But also, the thought crossed my mind that she heard me preach in Little Rock and on television and maybe she didn't want to hear anymore of my preaching. (Laughter.) She's waiting to hear her husband.

And Vice President and Mrs. Gore, Congressman Emerson, and all of those that have participated this morning, what a wonderful morning we have had. I do not know a time when we had a more spiritual time than we've had today.

I did not know that the 23rd Psalm would be printed in the program, and that's exactly what I would like to talk about this morning.

"The Lord is my shepherd, I shall not be in want. He makes me to lie down in green pastures, He leads me beside quiet waters, He restores my soul. He guides me in the paths of righteousness for His Name's sake. Yea, though I walk through the valley of the shadow of death, I will fear no evil, for You are with me; Your rod and Your staff, they comfort me. You prepare a table before me in the presence of mine enemies. You anoint my head with oil; my cup runneth over."

I could say it from memory when I was a child, but I'm afraid as I get older I might miss a word or two.

But this was written by David. David was a shepherd boy, and he was a ruler in war and in peace. And one night sitting under the stars he looked up at those stars, and I imagine he knew the dimensions as we know them today. David touches in this Psalm on the three greatest problems the human race has ever faced and the human race faces today and will face tomorrow, unless we do what Senator Kerry read to us from the third chapter of John.

These three problems have never been solved by science. They existed in George Washington's time and they will exist through President Clinton's administration. What are they? Three problems. If we could solve them, we could solve all the problems of the world, but science can't do it, materialism can't do it, pleasure can't do it.

The first thing, "He restores my soul."

We were in Moscow, and Wintley Phipps, who sang so beautifully a moment ago, went with me to Moscow, as he goes to a number of our crusades. I remember a French student met me at the McDonald's hamburger store. I said, "What are you doing here?" He said, "I'm here to restore my soul." And nations have souls as well as people.

Jesus said, "What shall it profit a man if he gains the whole world and loses his own soul?" What did He mean by that? Soul is that part of us that lives inside that's the real part of us, the part of us that makes us think and dream, and that part of us that can have a relationship with our Creator.

David also said, "I shall not want." What did he mean by that, "I shall not want?" Millions of people around the world today are starving, as we have heard. They want, but they can't get. My son is here today and he's just come back from Somalia. He was telling us stories about what happened in Somalia and what he's seen and felt there and the great needs there.

We, as nations, face many social problems, such as poverty and race and war and pollution and population explosion, all of these things that threaten our environment. We also have personal problems that would come under this—boredom, guilt, loneliness, a marriage that went wrong, bad health, dreams unfulfilled, a child that disappointed us, a friend that betrayed us, the pressure of life that seems too great to bear. I think about the President of the United States and the pressures that are on him night and day that sometimes are almost too great to bear. That's the reason we need to pray for the President constantly, all the time.

Job said, "Man is born unto trouble as the sparks fly upward." That's the oldest book in the world, and back in those days they had problems that were too great to bear.

I was standing on the campus one day with President Bok when he was president of Harvard University. I was addressing the JFK School of Government, and I went to see him and I said, "Mr. President, what is the greatest problem faced by the students at Harvard University?" He looked out the window and it was snowing, and he said, "Our greatest problem is emptiness. Students today are empty. They're searching." There's a consciousness of an ultimate emptiness in life, and it's reflected in our art, literature, philosophy and life as a whole.

There was a girl at Harvard that I heard about who cried and cried and cried and cried and they didn't know what to do. So the psychiatrist came and talked with her. They couldn't find out why she was so miserable. So finally they sent for her father and mother, and they came. And she blurted out to her father. "I want something, but I don't know what it is."

All over the world, and it's been my privilege to preach in nearly 90 countries now, I have found that there is a search for something and they're not quite sure what it is.

David had found strength and a resource in the midst of the pressures of leadership, the lonely hours of decision, the sorrows and pressures of life. He could say, "I shall not want." I wonder how many of us can say that.

There's spiritual famine throughout our nation, throughout parts of it. There's a starvation of the human mind and soul that has reached alarming proportions throughout the world.

I remember when Bishop Fulton Sheen stood right here in this place to give one of the last speeches he ever gave. Many of you remember it. They had asked me to come and sit on the platform so that—he had his cardiologist with him—if he had a stroke or a heart attack they wanted me to pick up his message and deliver it. I couldn't do it as well as he could do it, of course. But he began his message: "Mr. President, Mrs. Carter, and fellow sinners." And in the category of "sinner" Bishop Sheen included himself, me, the President, and everybody else, and he was right because the Bible says all have sinned and come short of God's expectations. More than a few people in the audience were stunned that he would include such a wide variety of people. He said that no sitting American President, except Abraham Lincoln at the time of the Civil War, had ever mentioned sin and the need for repentance in a public proclamation.

And so we are all sinners. We need our souls restored. That's why Jesus Christ came. That's what the cross is all about in whatever part of the world you travel.

I was in North Korea this past year. I don't know that any other clergy have been there. They don't have Americans or anybody there that teaches or believes as we do. And when I got off the plane I thought I was on another planet. I'm not going to talk about North Korea, I'm just going to simply say it's a country in which there is no recognition of God at all. They built two little churches, a little Catholic church and a little Protestant church that are both the same size, and they both were filled by people who had been told to be there because I was going to preach. They didn't know who I was.

And we stayed with the President, Kim Il-song, in his guest house. He gave us wonderful dinners and wonderful boat rides and all the things that they can do for you in North Korea. The Pope had given me a message to carry to him because there's no priest in North Korea. I thought to myself what an empty country without some faith or some religious belief. They admitted that. I think they're searching, and I think the time is coming when we can have relations with North Korea in spite of our difference over military inspections.

The third problem we haven't solved, science has not solved: "Yea, though I walk through the valley of the shadow of death, I will fear no evil; for Thou art with me."

Death began when man rebelled against God in the Garden of Eden. Adam and Eve rebelled against God. God had told them to do one thing and they did the opposite. So God's judgment came, and God's judgment was death. It is appointed unto man once to die, and after that, the judgment.

I was sitting the other day in the Statuary Hall at the House of Representatives where we had the luncheon after the inauguration, and I looked at all those statues and I thought to myself, "They're all dead." In a hundred years of less, we'll all be dead.

It's appointed unto man once to die, but then comes the judgment. But we're not prepared for death and we're not prepared for the judgment unless we do what Senator Kerry was reading about a moment ago from the third chapter of John, be born again.

How is a person born again? A person is born again, according to the Bible, when he's willing to repent of his sins and say, "Oh God, I have sinned. I'm sorry for my sin. Please forgive me and help. I'm willing to turn from sin." That's repentance. And that was the first sermon Jesus ever preached.

Melanie Kline, the great psychoanalyst from Britain, said that the fear of death is at the root of all anxiety. I suspect that that's true.

The Bible states that God did not create us for death, God created man in His own image with a hunger for eternity. Man is thirsty for life. Even those who commit suicide are not tired of life, they're just tired of the problems of life. The average person lives as though he's going to live forever. Yet if you take the little magazine called "Song Hits" that the rock 'n rollers sing, you might not understand their words—and our generation can't. I can't understand what they're singing. I listen to them but I can't make it out because my ears are not tuned in that direction. But if you read the lyrics, you'll find that many of those songs have to do with death, young people dealing with death.

Are you ready to meet God? Are you ready for death?

C.S. Lewis once said that wars don't increase the death rate in any generation; the rate of death in every generation is always the same—exactly 100 percent. We all die. And we all have to be prepared for death. Are you prepared? I ask myself, am I prepared?

Jesus said, "I am the resurrection and the life; he who believes in Me will never die." That means he will never spiritually die.

So this is man's threefold dilemma. It infects the whole human race, every country, every person. And if we could solve those problems, we wouldn't have to worry about the environment, we would not have to worry about poverty, we would not have to worry about all the things that we're wrestling with domestically and in foreign affairs; we wouldn't have war; it would all be eliminated. General Colin Powell would be without a job. All these things would happen if we all came by simple childlike faith to the cross. And that's what the cross is all about, and that's what the blood of Christ is all about.

So we see man's three problems that science cannot solve: human iniquity, suffering, and death. David had found the answer. He said, "The Lord is my shepherd." (Applause.)

Representative EMERSON. Mr. President, once again we want to thank you most sincerely for joining us here today, to say to you that we in the House and Senate prayer groups will pray for you regularly. And we invite you, as circumstances permit, to join us from time to time. You'd be very welcome and we hope that you will come.

Ladies and gentlemen, please join me in welcoming the President of the United States. (Applause.)

PRESIDENT CLINTON: Thank you very much, Congressman Emerson and distinguished guests at the head table, to my friend Reverend Billy Graham and Ruth, and to all those who have given such moving presentations. This has been a wonderful morning, I think, for all of us.

When I heard Wintley Phipps recounting our first rather awkward meeting, I thought that I would admit to being governor of Alabama just to hear him sing. (Laughter, applause.)

My mind has been full of memories this morning. I help to start the first governor's prayer breakfast in my state. It became a very important part of our life there. And every year, I had the pleasure of delegating two Arkansans, one a clergyman or woman and one a citizen, to come here to this wonderful event.

I thought about the first time I ever saw Billy Graham, it's appropriate to mention now. He came in the 1950's, in the heat of all of our racial trouble, to Arkansas to have a crusade. And the White Citizens Council tried to get him, because of the tensions of the moment, to agree to segregate his crusade in the '50's in the South. And he said, "If I have to do that, I'm not coming." (Applause.)

And I remember I got a Sunday school teacher in my church—I was about 11 years old—to take me 50 miles to Little Rock so I could hear a man preach who was trying to live by what he said. And then, I remember for a good while thereafter trying to send a little bit of my allowance to the Billy Graham Crusade because of the impression he made on me then.

I am honored that all of you are here not for a political purpose. We come here to seek the help and guidance of our Lord, putting aside our differences as men and women who freely acknowledge that we don't have all the answers. And we come here seeking to restore and renew and strengthen our faith. In this town, as much as any place on the face of the earth, we need that. We need faith as a source of strength, "the assurance of things hoped for, the conviction of things unseen," the Scripture says.

What it means to me is that here, if we have enough faith, in spite of all the pressures to the contrary, we can define ourselves from the inside out, in a town where everybody tries to define you from the outside in.

We need our faith as a source of hope because it teaches us that each of us is capable of redemption and, therefore, that progress is possible. Not perfection, for all the reasons Reverend Graham said, but progress.

We need our faith as a source of challenge because if we read the Scriptures carefully, they teach us that all of us must strive to live by what we believe or, in more conventional terms, to live out the admonition of President Kennedy that here on earth, God's work must truly be our own.

But, perhaps most important of all for me, we need our faith, each of us—President, Vice President, Senator, Congressman, General, Justice—as a source of humility, to remember that, as Bishop Sheen said, we are all sinners.

St. Paul once said in an incredibly moving passage in the Bible, "The very thing which I would not do, that I do, and that which I would, that I do not." And even more, not only because we do wrong, but because we don't always know what is right.

In funerals and weddings and other important ceremonies, you often hear that wonderful verse from Corinthians cited, "And now abideth faith, hope and love, but the greatest of these is love." But the important thing is often left out, which is the verse above. What is the greatest of these—love? Because "now I see through a glass darkly; now I know only in part." None of us can know all that we need to know to do what we need to do.

I have always been touched by the living example of Jesus Christ and moved particularly by all the religious leaders of His day who were suspicious of Him and always trying to trap Him because He was so at ease with the hurting and the hungry and the lonely and, yes, the sinners. And in one of those marvelous attempts to trick Christ, He was asked what is the greatest commandment? And He answered, quoting Moses, "You shall love the Lord your God with all your heart and with all your soul and with all your mind." And then He added, as we should add, "This is the greatest and foremost commandment, and the second is like it, 'You shall love your neighbor as yourself.'"

Just two weeks and a day ago, I took the oath of office as President. And you know the last four words, for those who choose to say it in this way, are "so help me God." The Chief Justice was giving me the oath, and I was trying to remember the words. I thought. When I get to the end, I'm going to think of the ringing voice of Washington and Jefferson and Lincoln and the Roosevelt and Kennedy and all the other great Presidents through the ages, and I will say "so help me God" with all the strength at my command. And I did, but deep down inside, I wanted to say it the way I was thinking it, which was, "so, help me, God." (Laughter, applause.)

So today, my prayer for you as we begin this great new adventure, and I pray that your prayer for me, will be that God will help us to have the strength to define ourselves from the inside out, not the outside in, to have that it takes never to give up, and the determination it takes always to make progress in an imperfect world, and the humility to walk by faith and not by sight.

Thank you very much. (Applause.)

Representative EMERSON. God bless you, Mr. President.

The President has asked me to share with you that Mrs. Clinton had to excuse herself. She is attending the memorial service this morning for the C.I.A. employees who were so tragically assassinated last week. They and their families should all be remembered in our prayers. Mr. President, I hope you'll convey to Mrs. Clinton that we feel she is representing all of us here at the service this morning, and we thank her for doing that.

To lead us in our closing song is a close, personal friend of mine. She is from back home, from Sikeston, Missouri, where she is a mother, a wife, a school teacher and a servant of the Lord. She has one of the sweetest voices I have ever heard, and it is for that reason that I asked her to come here today and share her very special talent with you. Marlys Smith will sing the first verse of Amazing Grace, which is found in your program. Then she want all of us to join in singing the final three verses. Marlys Smith (Applause.)

MARLYS SMITH—"AMAZING GRACE"

Representative EMERSON. I am going to call upon another personal friend to lead us in the closing prayer. You know we representatives know that we are rather obscure people in public life, unlike Senators, the Cabinet, the Joint Chiefs of Staff and those who serve in the Executive Branch. Until just several weeks ago, Mike Espy was one of us. He has been tapped by the President to manage the relations of the Federal Government with those who produce the substance of life, literally the bread we eat. For us and the world. Secretary of Agriculture—Mike Espy. (Applause.)

Secretary ESPY. To our President, to our Vice President, and to Mrs. Gore, to all of the national leaders here assembled, I bring you greetings from the President's Cabinet, where we have been serving this nation for the last 14 days and operating two simple but fundamental principles: our leadership comes from the President but our strength comes from the Lord. (Applause.)

I've been honored by Bill Emerson to have been asked to give the final prayer of the morning. Let us pray.

Dear Lord, as we come to the end of this event, let us go forth secure in the faith that with You in our hearts we can make America and this world a better place. We know that with You all things are possible. With You in our hearts we can stop the pain among those who are hurting. With You in our hearts we can build bridges across the rivers that separate us. With You in our hearts we can empower those who are weak and enfranchise those who are still without a voice. With You in our hearts large decisions can be made with confidence, and small decisions can be made with joy.

Let us go forth with a love that is irrespective of race and sex and ethnicity and culture; a love that is not based on job title or income or GS-ratings or military rank; a love that is not based on political preference or social proclivity. Let us go forth, dear Lord, with a love that does not discriminate on the basis of any difference, because in Your eyes we are one and the same.

And lastly, dear Lord, let our new President and our new Vice President go forth with the wisdom to govern fairly and confidently, but joyously and wisely. And as they wrestle with the complicated issues of our time, let them remember the simple charge that You have given us in the Scripture, Micah, the 6th chapter, the 8th verse; let them simply remember; "Do justly, love mercy, and work humbly with You, our God."

Let us all say Amen.

Representative EMERSON: If you would all please remain in your places, President Clinton and Dr. and Mrs. Graham and Vice President and Mrs. Gore will retire from the podium. I've been asked to announce that the President's pastor from Little Rock is here with us this morning, Reverend and Mrs. Rex Horne. The President, Reverend and Mrs. Horne, would like for you to join him as he leaves. Would you come forward and go out the exit right over here.

After the President, the Vice President and Mrs. Gore and Dr. and Mrs. Graham have departed, you are free to depart. This concludes our program. Thank you very much for your attendance and your participation. (Applause.)

BOLD AND DECISIVE ACTION TAKEN WITH REGARD TO NORTH AMERICAN FREE-TRADE AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, I have taken out the special order this evening to congratulate my friend and our U.S. Trade Representative Mickey Kantor and the Clinton White House for the bold and decisive response that they have given to what I believe was clearly a very, very bad and far-reaching decision that came from U.S. District Court Judge Charles Richey earlier today.

The judgment that came down basically prevents the administration from proceeding with negotiations on the North American Free-Trade Agreement. It was a lawsuit that was filed by three environmental organizations. Judge Richey made the determination that the administration cannot proceed with its negotiating process until an environmental impact statement is filed.

Now, it seems to me that as we look at what clearly will be one of the most historical developments in this hemisphere's history, that being the goal of implementing a North American Free Trade Agreement, we absolutely have to proceed with the negotiations. That is why I was particularly pleased to see Ambassador Kantor step forward and say that the negotiating process will continue, number one, and, number two, the Clinton administration will appeal this decision.

Mr. Speaker, I happen to believe that the North American Free Trade Agreement may be the best opportunity that we have to create jobs in the United States of America. Let me repeat that, Mr. Speaker, because there has been a great deal of confusion about the developments so far, and, in fact, the stated goals of the implementation of the North American Free Trade Agreement.

I believe that it clearly will be one of the most important items necessary to create jobs here in the United States of America. In fact, most independent assessments from economists throughout this hemisphere determine that we will create upwards of 500,000 new jobs here in the United States. We know that these jobs, which are involved in exports, are jobs which pay 17 percent higher levels than jobs that are simply here for domestic consumption.

Now, as we look at the decision that came out today, it seems to me that environmental concerns are very important. I happen to agree that we need to look at the challenges of environmental problems that could come in the wake of implementation of the North American Free-Trade Agreement.

Obviously in the judgment that came down today there was little focus on the fact that environmental concerns that exist in Mexico are in large part being addressed due to a number of factors. First and foremost, we have to realize that as we look at environmental concerns, a poor society is not in a position to insist on improved environmental quality. Only as we enhance the standard of living can people who have seen an improved quality of life be in a position where they are able to insist and demand on improved environmental quality.

It also is very clear that the laws which exist in the United States have been in large part implemented in Mexico through their SEDUE, which is like the Environmental Protection Agency.

I think the one lesson that comes forth to me as we look at the Richey decision which came down today is the following, Mr. Speaker: we in this Congress have been passing way too many laws in way too many areas. Now, with this decision, it is making an attempt to jeopardize one of the most important economic job creating packages available.

So I congratulate the Clinton administration for proceeding with the negotiating process, and I certainly wish them well as they proceed with the appeals process.

NAFTA: WAGES AND PRODUCTIVITY

The SPEAKER p.t. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes.

Mr. BONIOR. Mr. Speaker, I am here once again this evening to speak about the North American Free-Trade Agreement. I am joined by my colleagues, the gentleman from Pennsylvania [Mr. KLINK], and the gentleman from Ohio [Mr. BROWN].

Last week I spoke and the week before that about Mexico. I spoke about Mexico's corrupt one-party political system, a political system that denies the right of the Mexican people to basic human and democratic rights that we in this country take for granted, the right to speak freely, the right to freely choose political and labor leaders, the right to organize for decent wages. I described how Mexico's political and economic system exploits its own people and has a systematic policy of keeping wages low.

This simple fact I think says it all. Twenty-one financial groups that are controlled by 25 families own over 60 percent of Mexico's gross domestic product. Think about that. Twenty-five families own the vast bulk of the wealth of Mexico, while the rest of the country is trapped in a system, and this is a thought-out system, a system perpetrated on the poor, the defenseless, the powerless, a system of low wages and poverty.

Now, NAFTA was negotiated purely in the interests of multi-millionaire investors and multi-national corporations, at the expense of working families and working people on both sides of the border.

The story of what NAFTA will mean for the people of Mexico needed to be told. But I want to focus now, before I come back maybe a little later and talk a little more about this problem in Mexico, with problems closer to home, in districts and states in Ohio, in Pennsylvania, in Michigan, in California, in Florida, in New York, and in any other state in America.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield, the 25 families the gentleman mentioned, the President of Mexico, President Salinas, is obviously very close to those families as he privatized major companies in Mexico and frankly assisted those sales.

More to the point, most of those 25 families controlling large corporate interests in Mexico were solicited by President Salinas for some $25 million each for his political party, the ruling party, the one-party autocracy that Mexico has been burdened with for several decades. And most of those families, most of those corporate leaders and rich families gave that $25 million to his political party to keep him in power.

Those are the same people that are spending money lobbying Congress, the same people that helped President Salinas commit, and at some of those families did commit, election fraud in that election. That is sort of a vicious circle.

Mr. BONIOR. It is a vicious circle. Exactly. They are spreading tons of money around this town. They are hiring the best firms on K Street, the best lawyers, the best consultants, the best lobbying firms, guys running around here in $1000 suits. It is the biggest lobby group on this Congress that I have ever seen since I have been here trying to convince our colleagues that this agreement is in their best interests, when all it will do is export American jobs to Mexico.

□ 2220

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Speaker, it is my understanding, having done some research on this myself and having had my staff do research as well, that if you go back to some of the famous lobbying efforts, Koreagate and some other previous efforts, that they actually pale in comparison to the size of the Mexican effort that is taking place already. Some $30 million have been committed to lobbying the United States and some former government officials. The United States Government officials are taking some of that money and working for the Mexican Government.

Mr. BONIOR. It is the old story around here. You work it for the government here. You work for the Trade Office. And you leave. And you get a job with Japan or Mexico, what have you. You know the system. They will pay you big bucks.

You come back here and you try to work the system that you have been a part of and gave you a livelihood to the detriment of those people who are trying to make a living in this country.

Mr. KLINK. As my colleague from Ohio was saying, I do not know how much Members of Congress or how much members of the general public know about Mexico's authoritarian institutional revolutionary party, called the PRI. It rules that country, though, through election fraud and corruption and brutal human rights violations.

NAFTA is going to be something that further entrenches the power of that party. NAFTA is even more important to President Salinas because it is a public relations tool for his PRI party. It is more of that than it is a trade deal, and we have to get back to who really gets enriched by this agreement.

It has not been the Mexican people. It is certainly not going to be the American workers who are going to be big losers.

If you take a look, there are other parties down in Mexico, the RMALC, as it is known, the Mexican Action Network on Free Trade, the Spanish initials, has come to the conclusion that NAFTA, as it stands now, does not respond to the need of the Mexican people. It does not respond to their need for development, nor does it solve the serious social problems of that region.

In fact, the RMALC is very concerned about the people of that country and is so concerned about the fact that these negotiations have led directly to amendments in the Mexican constitution.

NAFTA has also led to budget cuts in Mexico for programs that deal with employment creation, wage increases, health care, education, cultural, housing, ecology.

We are worried about our own people, but the Mexican people also are big losers with NAFTA.

The RMALC has told us that they reject the agreement, that it consolidates or promotes exclusive development strategies which, over the past few years, have led to appalling levels of impoverishment among the majority of Mexican people.

Again, one of the previous speakers here talked about the decision today by Judge Charles Richey. I think it was the right decision, a good decision, as we address what happened to the environmental degradation of Mexico and of the border region of the United States, of course, the subordinated integration of the Mexican economy with the economy of the United States.

Recent history suggests that wage levels in Mexico will not automatically increase. Between 1982 and 1988, the period of Mexico's debt crisis, Mexican wages actually fell 50 percent in real terms. Of course, the peso has undergone some severe challenges. Their per capita gross domestic product has declined by about 12 percent during that same time, and the Mexican manufactured exports to the United States climbed an average of 24 percent per year from $5 billion in 1982 to $18 billion in 1988. At the same time, of course, the average workers, their lot in life has been going down further and further.

Mr. BONIOR. Mr. Speaker, I thank the gentleman for his comments.

I would like to follow up on what he said about wages and talk just for a second about how this is going to affect our people.

For thousands of Americans, thousands of American working people, it could mean waking up one morning, if this thing passes, heading off to work, pulling up to a factory gate only to be stopped by a sign, freshly painted, hanging across the entrance that says, "Plant closed, moved to Mexico."

I have that happening in my district right now. In plants throughout my congressional district, there are whole holes in the plant where nothing is going on because the jobs went south.

It is not just a story. It is real. These are real jobs we are talking about. I think you just have to ask hundreds of families in my district and other auto producing areas who have lived it.

NAFTA promises to do the same in town after town across this country of ours. Those who do not believe that ought to read the report that I just read. It has been published by the Democratic Study Center about some research done by Professor Harley Shaiken. He is with the Center for United States-Mexican Studies at the University of California in San Diego.

I would like to talk for a second about that. His study backs up the facts that most American workers have known all along. The ratification of NAFTA poses a very real and a very immediate threat to our jobs, good American jobs, good American manufacturing jobs, the kind of jobs that raise families, that buy homes, that pay for college education.

His research documents three points:

The first point is that newer Mexican manufacturing facilities are every bit as sophisticated as our plants right here at home, every bit, the new ones that they have built down there.

In fact, because of the way the current investment dollars are pouring into Mexico, true state-of-the-art technology is more likely to be found in Mexico than here in the United States.

You take Ford, for instance. Ford has a $500 million assembly plant in Hermosillo, Mexico, or the Matrix Aeronautica, a $250 million aircraft maintenance and repair facility in Tijuana, or the General Motors Ramos Arizpe assembly plant, which won the J.D. Powers Bronze Award in Quality last year.

Production out of that particular plant consistently gets among the highest quality ratings of any GM plant in North America. So why is this point that I am making so important to establish? It is important because NAFTA defendants like to claim that the only jobs we will lose to Mexico are low-skilled, low-technology jobs. They are going anyway. Those are the only jobs we are going to lose.

That might have been true 30 or even 20 years ago, but Professor Shaiken's research shows that those claims are dead-wrong today.

Already, last year, high-technology plants in Mexico exported almost 1.3 million automotive engines, making Mexico the world's largest exporter of engines. Anyone who knows anything about engine production knows how sophisticated the manufacturing operation of engines are. That is point one.

The goods that are now beginning to be produced in Mexico are the same high tech products that we should be making here, which brings me to the second point. If the plant facilities are the same or even better in Mexico and the products are the same, how do the wages of the two countries compare?

Well, the short answer is what everybody, I think, knows. There is no comparison. Mexico's minimum wage is just 58 cents an hour, and the highest paying manufacturing facilities, total compensation costs, including benefits, averaged just a paltry $1.68 an hour in Mexico in 1991, a buck sixty-eight.

American wages and benefits amount to 15 or 20 times more of that. The real insidious thing is that Mexican wages have remained low in spite of this rising productivity. In fact, Mexican wages have actually declined during this recent period of rapid improving productivity.

Mr. BROWN of Ohio. The interesting thing about that is that supporters of NAFTA love to tell us that once NAFTA is agreed to by the 3 countries and passed by the Congress and the Parliament and then the Mexican Government, that wages will rise in Mexico, that there will be created a middle class in Mexico. And once there is this thriving middle class in Mexico, not quite comparable but approaching the vitality of the American middle class and the Canadian middle class, that the Mexicans then will buy Thunderbirds from Lorain, OH, or buy other kinds of good consumer goods where in this country they pay high wages to produce all of that. But it is pretty clear from your statements that that is not going to happen, because with all the 2,000 American companies and 500,000 American, formerly American jobs that are now in Mexico, wages have not gone up. As the gentleman from Pennsylvania [Mr. KLINK] has said, wages have been stagnant.

□ 2230

Mr. BONIOR. Not only have they not gone up, manufacturing wages in Mexico in 1992 were roughly 25 percent lower than they were in 1979, 25 percent lower. The wages are lower today than they were a decade ago.

Mr. BROWN of Ohio. Mr. Chairman, one of the reasons for that is in Mexico they do not have free elections, and we cannot have free trade without free elections. They do not have real labor unions.

Mr. BONIOR. That is absolutely correct.

Mr. BROWN of Ohio. There are a lot of reasons we have a vibrant middle class in this country. One of them is we have had the best kind of land reform 200 years ago that built my old family farm and lots of others around the country, but other reasons are we have a free democratic system where people can participate, and we have free trade unionism, which has allowed lots of people to enter the middle class and send their kids to college with high-wage jobs. We have forgotten about that in this country.

One of those studies also that the gentleman did not mention here, but he has mentioned at other times, a University of California professor who is very much a free-trader said one effect of NAFTA will be an average wage loss in this country of $1,000 per worker for the lowest 70 percent of American wage earners. Those are the people that are going to particularly get hit, and those are the people that have been seen by some people in our Government as expendable. It is not right.

One thing that President Salinas did that was particularly outrageous in his quest to show all of us that he is a great humanitarian and a great democrat, with a small "d," one of the things Salinas did was get the Mexican Government to invest some 3 months ago in a New York-based firm which put out ads all over the country in business magazines saying, "If you pay high wages, $6 or $7 an hour, if you think you are paying too much," barely above the poverty line in this country, in our country, these ads say "If you think you are paying $6 or $7 an hour and you think it is too much, we will buy your company, invest in your company. You will move to Mexico. You can save money." That is the kind of character we are dealing with in these negotiations. Those are the people in this society who are already getting hurt by 10 years of bad economic policy. Those are the people that are especially going to get hurt by NAFTA.

Mr. BONIOR. They are going to get taken to the cleaners by this proposal. They are being persuaded by an elite academic journalistic community, business community, that has bought into this leader of Mexico because of his suave demeanor and his——

Mr. BROWN of Ohio. I think he went to Harvard, didn't he?

Mr. BONIOR. He went to Harvard. He got a good education, but he is institutionalizing the very programs of keeping wages low and people in poverty by the acceptance and the adoption of NAFTA. That will institutionalize what they already have in Mexico.

What they need in Mexico is free elections, free labor unions, so they can challenge the existing country economic system they have down there. That is not part of President Salinas' program for his country.

Mr. KLINK. Will the gentleman yield?

Mr. BONIOR. It is certainly not part of NAFTA, because we certainly cannot find it anywhere in the agreement.

I yield to the gentleman from Pennsylvania.

Mr. KLINK. Mr. Chairman, I thank the gentleman for yielding.

I happen to have a little bit of information that my distinguished colleague, the gentleman from Ohio, was talking about. It is called the Amerimex Maquiladora Fund. Those who have lived through the 1990's and leveraged buyouts and seen, of course, the effect of the job losses, would really—this throws a tremendous red flag in front of us.

This Amerimex Maquiladora Fund states, and this is a direct quote, that it will—

> purchase established domestic United States companies suitable for maquiladora acquisition, wherein a portion or all of the manufacturing operations will be relocated to Mexico, to take advantage of savings in the cost of labor.

Then it goes on further to say "It is anticipated the acquisitions will be on a leveraged basis." The prospectus then continues, and this is, again, the Amerimex Maquiladora Fund, it estimates that manufacturing companies which are now paying $7 to $10 an hour to their workers here in the United States can save by paying Mexican workers $1.15 to $1.50 an hour. By moving to Mexico, those companies would save $10,000 to $17,000 per employee each year, excluding relocation costs, according to the prospectus.

Mr. BONIOR. I thank the gentleman for illustrating, again, and I think quite vividly, the game that is being played by the Mexicans and their Government.

I would like to get back, if I can, to the concept of low wages, because I think it fits very well with the illustrations that both my colleagues have just mentioned. I do not need to tell the gentleman why this point is important. If productivity is so high in Mexico and wages are so low, and the Government rolls out the red carpet called NAFTA, the big multinationals would be crazy not to use that red carpet to close up shop here and move south of the border. It is basic common sense. Every worker in my district who has focused on this understands it. It is not complicated.

Mr. BROWN of Ohio. If the gentleman will yield, it is so interesting that the gentleman says that every worker in MaComb County, MI, and in western Pennsylvania and northeastern Ohio understands that, because the economists, the trendy Harvard economists and UCLA economists and the New York Times editorial board and the Chicago Tribune and the Cleveland Plain Dealer and all these large papers, owned, generally, by large conglomerates, they all say people like us who oppose NAFTA simply do not understand economics.

We understand what people in this country, what ordinary people, are faced with if this passes. We understand that it is those people that lose their jobs, not the economists in Georgetown, or not the newspaper editor at the New York Times. It is our constituents and our people that have worked with their hands, and not a very trendy thing in this country nowadays, but that have worked with their hands and have sent their kids to college by making $30,000 and $35,000 and $40,000 a year. They are still the future of this country, and they are the people that make this country work.

It is just amazing to me that they continue to have that attitude toward this agreement.

Mr. BONIOR. I just want to tell the gentleman that something I saw yesterday on TV or the day before was a forum they were having on NAFTA, and they were all pro-NAFTA people that were speaking, as I was able to watch it. Many of them were professors from MIT, and all these very elite schools in our country. They were very learned gentlemen, but one thing that struck me the most, other than the data and the insensitivity to the workers that we represent, was how they referred to NAFTA. They called it Nahftah, as if it was some fancy cheese or something, Nahftah.

Mr. BROWN of Ohio. Are you sure it was not Lunahftah, Mr. Whip, or just Nahftah?

Mr. BONIOR. It may have been.

Let me get to the third point Professor Shaiken makes, so I can hopefully bring this all together. Faced with the evidence of Mexico's high-technology facilities, and faced with the evidence of Mexico's extremely low wages, there are those who will still try to defend NAFTA by saying wages do not really matter too much one way or the other, and especially not in highly automated high-technology plants where wages are only a small percentage of total costs. It is all automated, the argument goes, robots do the work, so whether you pay somebody $2 an hour or $20 an hour, it really does not affect the company's bottom line.

Who makes that argument? It is the guys in the $1,000 suits who have been hired to come here and lobby us for the multinationals and the Mexican Government, who have been hired to pull the wool over our eyes.

According to the professor's research, we can bet our bottom dollar that they are wrong. The wage differential does affect the bottom line. Here are the numbers. The gentlemen alluded to them a little bit in the ads that they both just mentioned that were advertised by the Mexican Government.

At roughly 20 labor hours for final assembly for a vehicle, and we are talking autos, here, a total compensation cost of nearly $40 an hour in the United States, and a total compensation cost of less than $3 in Mexico. Assembly in Mexico knocks nearly $700 off the cost of every car built there. Whoever says that $700 does not matter has got a screw loose. They have not figured it out. Over the course of a year that could amount to $136 million or more in savings by moving a single plant from the United States to Mexico. That is just assembly.

Think about the savings that could pile up by moving other operations that are involved with the auto manufacturing to Mexico.

Mr. BROWN of Ohio. Will the gentleman yield on that? The differential, the much lower cost of wages in Mexico, is not the only difference in cost. We also figure in environmental costs, which American companies and American workers bear, obviously; the disposal of acid or disposal of various kinds of wastes, or smokestacks, or all of that. That is built into the cost of the product, and that is more costly in the United States than it is in Mexico.

Consider workers' safety issues. It costs money, it costs companies money in this country to make sure that workers work in a safe environment. In Mexico, that is not—they have laws, but they never enforce them on that.

Look at health care. Lee Iacocca says it costs $1,100 per car for health care for Chrysler workers. For Honda, the cost is only $400 per car, because they have a younger work force. In Mexico health care is going to cost only a few dollars per car.

All of those kinds of benefits and workers safety and environmental issues that will be added to the cost here, or subtracted from the costs in Mexico, which even makes the differential, the wage differential, grow and grow and grow, and makes us even less competitive.

Mr. BONIOR. Less competitive, yes.

Mr. BROWN of Ohio. Because Mexico is exploiting people that way.

Mr. KLINK. If the gentleman will yield for just one moment, both gentlemen are correct. We get into more complex reasons why this NAFTA agreement, and I think that the gentleman has chose a good area, because most people understand automobile manufacturing. We all understand it, because we all either have or had automobile manufacturers in our districts.

The Big Three domestic auto manufacturers who have already begun to move to Mexico would be encouraged to move more of their production down there for everything that they both talked about, and in addition, under this treaty, this would treat Mexican content as United States content for the purpose of what is known as corporate average fuel economy, or CAFE standards. United States auto companies would then shift production of small and fuel-efficient cars to Mexico, without violation fuel-economy standards.

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In addition, and this is something we should all be aware of, the Japanese auto companies under this capped NAFTA agreement would be allowed to use Mexico and Canada as platforms to achieve further penetration into the United States market. And the way this would happen is this is because of the so-called rule of origin in the proposed NAFTA agreement which establishes the level of North American content which motor vehicles must have to enter duty free, which would start at 50 percent and gradually would be phased up to 62.5 percent.

There is yet another problem with this to add to the low wages, to add to the things that my dear colleague, SHERROD BROWN talked about, and that is that Mexico and Canada under this NAFTA agreement would be allowed to protect their domestic auto industries through local sourcing requirements. There would be no comparable U.S. protections to ensure that automotive production and employment remain in this country. So, therefore, we continue to lose jobs at a faster pace than we are right now.

The United States tariff on imported light-duty trucks from Mexico would be phased out rapidly over 5 years. This would encourage United States auto companies to shift a large share of their light-duty truck production to Mexico, and you could get into replacement parts. One of the things that people may not think of, unless you have a PPG industries plant in your district, and I do, is that flat glass, which is of course replacement windshields and windshields for cars, the tariff on those products being made in Mexico and shipped here ends immediately in this agreement.

Mr. BONIOR. It kills that industry.

Mr. KLINK. It would be 10 years before ours would phase out, which would allow one of those families you talked about, one of those plate-glass manufacturers to manufacture more plate glass, and auto glass and, in fact, they have already purchased huge warehouse spaces in Laredo, TX, and they are poised to begin to ship that flat glass in here. And we will see them knock workers out of the glass business. And similar scenarios are set up for the home appliance business, and you could go from one industry to another across this country. And they will see the same effect if NAFTA is ever to become law.

Mr. BONIOR. There are already studies that estimate— that came out of the Bush Commerce Department, I believe it was—that estimate that we will lose up to 40 percent, and I hope people listen to this, 40 percent of our steel, auto and apparel jobs in this country, 40 percent.

Sometimes I will drive back to Michigan. My district is north of Detroit. To get there I have to go through Pennsylvania and I have to go through Ohio. Sometimes I get bored with the tollway, so I go off on the side roads just for a change of pace to see what is happening in some of our medium-sized and smaller towns. I would like to take a busload of these academicians and journalists and take them through some of the towns in Pennsylvania, Ohio, and Michigan that have undergone a complete economic devastation because of plants moving to other countries and Mexico over the last 10 or 15 years. It is one of the great tragedies in this country that we have let some of the great communities in our industrial heartland slip by in the economic malaise that has hit these people and those communities. It is incredibly tragic. If this goes through this is going to accelerate at any incredible pace, causing tremendous pain this country.

Mr. BROWN of Ohio. If the gentleman will yield, the academicians all trot out their ideas of let us have worker retraining and that will take care of all of these problems. In Lorain, OH, the largest city in my district, some 11 years ago there was a steel mill with 13,000 employees that dropped to 3,000 employees in about 8 months in 1981 and 1982, and there were no jobs there to retrain people for. A lot of people that worked there had been steelworkers for years and were 50 years old, and a lot of them, regardless of their age, there simply were not jobs that enabled them to send their kids to college. People sold their homes. They could not get much money for their homes. They could barely pay off their mortgages. People who work on the east coast and work on the west coast and work in academic institutions, at newspapers and think tanks do not see that your idea is perfect.

Mr. BONIOR. The irony of all of these things, the irony, and I guess that just drives me a little crazy is that these are the people, and the families in the industrial heartland of this country that built this country and made it great. They built the roads, and the bridges, and the highways, and the heavy manufacturing, and the automobiles. They built this country and their unions helped create the activity, and the vitality that made this country great, their unions. And now we are about to engage in a treaty with Mexico that will institutionalize corrupt labor unions down there and cause these same people who work in our country to lose their jobs, or to lose certainly bargaining power, tremendous bargaining power.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from California.

Mr. HUNTER. I thank my friend for yielding. I have listened to the comments of the other two gentlemen.

Let me just say that as one Republican who comes to this debate and to this issue with the same skepticism that you have, the other thing to remember about Americans who live in those towns that you have described, and we have a lot of those towns in California also, is that they are also the Americans who carry our flags in wars across the length and breadth of this world. And when our young people come back needing jobs, they need good jobs, they need manufacturing jobs.

Interestingly, the nations to which we are opening up this rich consumer market do not tend to send their young people to follow anybody's flag in the pursuit of freedom or in contests with our adversaries. And I would give an example. The fact that the average American worker, the kind of guy or lady who comes from your district, or from my district and carries a lunch bucket for a living pays about $1,000 a year out of their paycheck for the defense of the United States. And that really means the defense of the free world, like the Operation Desert Storm where it was the United States carrying the major economic burden. The average Japanese worker pays about $100 each year, one-tenth of that out of his paycheck for the defense of the West. And the average worker in Mexico does not pay anything.

So it appears to me to be ironic that the people who carry the biggest burden for freedom in this world, that is the blue collar, middle American, seem to be the people who are the biggest targets for this so-called free-trade euphoria that has swept this country, unfortunately. And I am glad to see you gentlemen opposing the NAFTA Treaty. And I was sorry to see my friend, DAVID DREIER, commending President Clinton for his support, for President

Clinton's support of the NAFTA Treaty.

I think it is interesting, and I think Ross Perot makes a good point as a businessman, and that is that the business logic is that when you have productive workers in Mexico, and Mexican workers are productive, and they are given the same assembly lines and high-technology equipment that our workers have, and perhaps in some cases more modern equipment because businesses will be making the investment in Mexico, not the United States, and they can achieve 80 percent or so of the productivity of the American worker, they will do it for one-tenth of the wages because there is a corrupt labor system in Mexico, and the business logic is to go south to Mexico. The interesting thing is even as the free traders decry that argument, they continue to generate advertisements that say yes, you can in Yucatan. Yes, you can cut your labor costs by 90 percent.

Mr. BONIOR. It is part of that whole, slick attitude that has permeated this debate, that they can buy this thing, that they can go to Mexico, they can ask 25 families to contribute 25 million bucks and come up here and hire the best lobbyists in town, and take out ads, as all of you have pointed out, in the papers that say come down here, pay less, folks, and save yourself a bundle of money. And then they come here and tell us that it is going to create jobs. And the arrogance, and the duplicitousness of it is an outrage. And for us not to stand back, and not to call it would be shame on us. And I am glad my friend from California is joining us in our effort to defeat this.

I have confidence that we can beat this. I think the American people see through this agreement as being ill-timed, ill-conceived, not in their best interests and perpetrating a corrupt economic system in Mexico. And it is an agreement on the part of elitists. The Mexican workers do not want this. The vast majority of the Mexican people do not want this. The vast majority of the Canadians do not want this. And I can tell you, before this debate is over, the vast majority of Americans will not want it either. And I thank my colleague for his leadership on this.

I would like to, if I could, maybe steer this in a more contemporary direction, and that is with U.S. District Judge Richey's decision today in the District of Columbia. He acknowledged how monumental NAFTA's impact might be. He issued, you might recall today, an order requiring that an environmental impact statement be prepared before NAFTA goes forward. The evidence he reviewed was enough evidence for him to know that opening up the borders without regard for environmental standards could have a grave consequence for generations to come.

For those of our colleagues who have visited the maquiladores area, the border area, they know the tremendous environmental degradation that has already taken place, and that will continue if this goes into effect. And Judge Richey concluded that the only sane thing to do was to take a step back from NAFTA and study the impact before we plunge ahead.

The pro-NAFTA people have tried to railroad this thing in less than 2 years. Let me put that in some perspective.

□ 2250

The Europeans have spent more than two decades working out their trade agreement for a common European market, and their differences do not even come close to the differences in the economies, the standards, the political structures between the United States and Mexico. They have spent billions of dollars trying to put this thing together. The disparity between the richest and poorest European countries trying to put this together in Europe is bout 2 or 3 or 4 to 1; between the United States and Mexico, it is in the neighborhood of 12 to 1.

So, Judge Richey is absolutely right; taking a step back is not only the law under the National Environmental Policy Act, it is the right thing to do. We have to know exactly what we are getting into. We have to take a step back because, believe me, we are standing idly on the precipice of disaster with this one. We have got to say "no."

I yield to my friend from Ohio.

Mr. BROWN of Ohio. The gentleman is absolutely correct on the question of rushing into this issue. This is a huge trade agreement, with complexities beyond our imagination. We require environmental impact statements when we build a road into Leary, OH, or require an environmental impact statement when we do almost anything in this country. But we are looking to sign an agreement that will have more environmental impact than anything in this country which has been done perhaps in its history. The supporters want to rush through and not do an environmental impact statement, but the big issue on the timing of this is, if you remember last year, President Bush, a strong supporter of NAFTA, his administration negotiated it; President Bush said they were clearly rushing to get it finalized before the 1992 election. Now that President Clinton has taken office—you have to say, "What is the hurry, Mr. President," to President Bush?

Now that President Clinton has taken office, he has set a self-imposed deadline by mid-July on these side agreements, by the end of the year we want to make it effective, by December 31 of this year. You have got to say to Mr. Clinton, "What is the hurry, Mr. President," in getting this negotiated?

Common sense says if two people are negotiating something, if I say to you, RON KLINK, "Mr. KLINK, we are negotiating this. I want to finish this by tomorrow at midnight," what is he going to do? He is going to wait and wait and wait until I am going to cave in because I want to get it done by midnight.

So the President of the United States, whether it is President Bush or President Clinton, now, for the President to give away to the Salinas government the strategy by saying, "We have to have these side agreements done by July, the treaty, the agreement in effect by December 31," we are just simply saying to the Salinas government, "Go ahead and take advantage of us."

Nobody in labor management negotiates or acts that way. As a great nation negotiating with Mexico and Canada, we have no business acting that way either. It is putting us at a distinct disadvantage. You have to say, "What is the hurry, Mr. Kantor," the trade representative; "What is the hurry, Mr. President?"

Federal Judge Richey has moved right by saying, "Just a little more caution. Give us an environmental impact statement, and it will take a few months, 6, 8, 10 months, that is OK, just slow down a little." A lot of us in Congress are saying, let the Mexican elections pass, let the Canadian elections pass, let us see where we are in a few months after we have worked on the environmental impact statement.

Take your time on this. Do not give your negotiating strategy away to the Mexicans and the Canadians. Move forward, look at it, include more people, see what is going to happen, and we will all be the better for it.

Mr. BONIOR. I thank my colleague for his comments and his analysis.

I yield to the gentleman from California.

Mr. HUNTER. I thank the gentleman for yielding.

I thank the gentleman for letting me butt into this discussion of this issue. I just had one other thing to say. I have looked at the news reports that have come about as a result of Judge Richey's decision. the one thing that strikes me from a business person's perspective is that this should be a very bad deal because what is happening is, in most cases, in most trade agreements, we want access to a rich market in return for giving away part of the richest market in the world, which is the American consumer market. The great thing about this for our trading competitors is that they are accessing—and I am talking about the Pacific rim nations—by investing in Mexico, they are accessing the richest consumer market in the world, the American consumer market. And they are not giving away a thing.

You know, it is interesting that most business people, if you talk to a businessman who says he thinks NAFTA is a great deal and you ask him if he would take on a partner who was stone cold broke, and of course the answer is "no," always. A businessman wants to take on a partner who has more money than he does. But the American worker is taking on a counterpart—the American worker and consumer, because they are the same person—is taking on a counterpart who makes 1,800 bucks per year. You have to ask yourself is that Mexican worker only making 1,800 bucks a year because we have not pulled down those tariffs over the last 20 or 30 years? The answer, obviously, is "no." There is something much deeper.

If you dig a little deeper and you look at the situation in Mexico, you can see what the real problem is, the Mexican freedom. They need a modicum of freedom that allows people to have small businesses, that allows business people to be able to hire, to have a business, to establish an area in which they can have a franchise without having to belong to the PRI.

Mr. BONIOR. Which allows people to organize labor unions, allows people to participate freely in elections, allows people to speak out freely. Those things do not exist, to a large extent, in Mexico today. There is no free trade with a country that it not free, that should be a basic tenet of our trade policy in this country.

Mr. HUNTER. The gentleman is absolutely right. It is as ridiculous as trying to establish a middle class in China by buying textiles that are made in Chinese prisons. You are never going to bring up their wages, because there are no wages whatsoever.

So I thank the gentleman for his leadership on this issue and again I am sorry to see that my good friend, the gentleman from California [Mr. DREIER] was supporting President Clinton's position, which is in support of this trade package. I just want to say that one great Republican President on trade policy, Teddy Roosevelt, who said in one of his speeches one time, "Thank God I am not a free-trader," is sorely missed by this conservative Republican at this juncture of the debate on NAFTA.

Again I thank the gentleman.

Mr. BONIOR. I thank the gentleman for his leadership on this issue, and we look forward to working with him on it.

I yield to the gentleman, Mr. KLINK.

Mr. KLINK. The gentleman brought up a point earlier when he was talking about Judge Richey's decision. We probably have not had the opportunity to mention in this debate the estimates, when you start talking about the cleanup of the border region and all of the problems they have down there in the Maquiladora region, with all the problems they have down there, you can actually begin to compare that with our annual deficit. I mean it ranges, just for a partial cleanup, the estimates that I have seen range from $5 billion to $50 billion, for a partial cleanup. And yet both countries, Mexico and the United States, together have pledged little more than $500 million to begin that cleanup.

So I think Judge Richey was very smart when he talked about, "Let us take a step back, let us not rush into this thing." If you were building a highway through any one of our areas or any area in the United States, you would do an environmental impact statement. I think it is only the correct thing to do, when you already have as much damage done to the environment as has been done in that border region, you want to say, "Look, if we are going to continue the same sort of industrial buildup, industrial infrastructure buildup, and we have not seen on the part of the Mexicans a need to enforce their environmental laws, then we need to step back and see where we stand in this."

But there are other things that are going to occur here that involve the environment.

NAFTA could force our State and Federal Governments to drop pesticide controls and other environmental standards because they supposedly interfere with free trade. Mexico does not adequately enforce environmental standards, and never has, for keeping pollution or pesticides out of ground water. Climate change, harm to species and forests, water resources—these are all going to be accelerated by NAFTA's push for fossil fuel-intensive manufacturing.

At the Earth Summit in Rio de Janeiro last year, virtually every world leader, including Al Gore, I might mention, denounced such unsustainable development as an unconscionable threat to future generations. This is something that needs to be looked at as we move toward that agreement.

Mr. BROWN of Ohio. I might ask, do we even know—this is one of the things the Judge spoke about in his ruling—do we even know if NAFTA would override our own State laws on the environment, our own clean water laws, which a lot of people have fought for? We have got good clean water standards and clean air standards in this country. Some people think they are not strong enough. In many cases that is true. But the point is are we giving those up to Mexico? Are we saying if their environmental standards are down here and ours are up here, are we going to drop down to theirs, are the wages going to drop down, are the environmental standards going to drop down, are our truck safety laws going to be diluted? One issue after another. Are we going to, as former President Bush used to say, harmonize our laws? But they will not harmonize up with their wages and up with their environmental standards and up with their truck safety standards; they are going to, as Congressman KLINK said, they are going to pull us down.

We fought too long for clean air, clean water, and clean food. We fought too long for truck safety, we fought too long in this country for good high wages so that middle-class people—so that people could become middle class and send their kids to college, to jeopardize it all in the name of some sancrosanct theory called free trade.

□ 2300

Mr. BONIOR. Mr. Speaker, I think the gentleman has caught it perfectly. I think the gentleman has succinctly captured what is at stake here.

I do not think the American people—well, maybe they know, I think they instinctively know this is bad, but the repercussions of this, the ramifications of this are just tremendous on our society.

The negotiations of workers in this country with companies will be tremendously affected, will move to Mexico. You do not lower your wage demands. You do not give up your health benefits. We are leaving.

Basically, the leverage is with a government that represses its people, because if they do not act to increase their standards, I am speaking of the Mexican Government, with respect to health, welfare, safety, labor laws, child labor laws, you name it, that standard is low and we will be the recipients, we being the working people of this country, of a very bad economic bargaining position.

So more is at stake here than just loss of jobs, direct jobs flowing, or as some have said being sucked out of this country to Mexico. What is at stake here is the whole negotiating posture of wages and benefits in this country for workers all across this land.

Mr. KLINK. Mr. Speaker, if the gentleman will yield for just moment, I think one of the points that we need to make is that a lot of the things that we are talking about, that is, management sitting down in these companies and saying, "If you don't give in to this, if you don't give in to that, we're going to go to Mexico," that is happening now, but it will be accelerated under NAFTA, because what happens then, they are able to go down to Mexico and make these products and bring them here tariff-free, and that is a lot more than an economic incentive for them to relocate to Mexico. That is really what this is about. It is about the almighty dollar. It is about greed. It is about the robber barons of the 20th and 21th century wanting to make more and more money on the backs of the Mexican workers that are making next to nothing.

One thing I do not think they have ever taken into the equation is the old Henry Ford adage. Henry Ford, of course, you will all remember said that he wanted to pay his workers enough money so they could afford to buy his car.

Mr. BONIOR. And raise their wages to five bucks a day from a pittance, so they could do that.

Mr. KLINK. And it worked.

Mr. BONIOR. To a large extent it worked.

Mr. KLINK. Everybody's standard increased as a result.

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Michigan [Mr. BONIOR] said something that was precisely right. He said people instinctively know in this country that NAFTA is a bad deal. People do instinctively know that. Polls show that. Conversations each of the three of us have had in our districts show that.

The problem, though, is we had all better be ready for a barrage, the likes of which we have never seen, a $25 million lobbying campaign, at least, coming from the Mexican Government, plus USA NAFTA which is large corporate America spending money like nobody has ever spent. There is just something untoward about it.

Mr. BONIOR. Pressure on our press in this country, you know, you have got to editorialize. You have got to keep the pro-NAFTA position alive or we will not advertise in the newspapers.

Mr. BROWN of Ohio. One newspaper editor who opposes NAFTA personally told me that his publisher has told him that he is going to have to endorse it because it is so very, very important to business, those kinds of things.

There is just something untoward about a foreign government spending $25 million to lobby the elected officials of another country.

Then what is really disgusting is the number of people in this town in the Beltway in Washington, DC, who have been hired by the Mexican Government to lobby something against American national interests.

Some of those people used to work in the U.S. Trade Representative's office, used to negotiate treaties and trade agreements on behalf of our government with other countries. Those people then turn around and get hired by the Japanese. They again turn around and get hired by the Mexicans to support NAFTA.

In this country we used to call that treason. Now we call it business as usual.

That is the kind of thing that the American people need to know. Stick with your instincts. Continue to oppose NAFTA, as the great majority of people in our States and across this country do, but be ready for that barrage from newspapers, from television ads, from all these slick lobbyists, from all the money that they can spend to try to influence this. It is not going to work.

Mr. BONIOR. The way to combat that is for the American people to call, write, visit their Representative and their Senator and express their outrage, outrage at the speed, the lack of deliberation of something that will affect such a large segment of the American people.

I encourage everybody in the country who feels as put upon as I do about this that they contact and organize and make sure that their Representative understands what this will mean to the economy.

You know, when a plant shuts down, it is not only the people who work in the plant that are affected. It is Main Street. It is the hardware store. It is the drugstore. It is the grocer. It is the gas station. It is the community that is affected. It is even the newspaper business that is affected.

People have to understand that the effect of this happening and the loss of jobs will have a spiraling effect throughout America. Their future is at stake and their families' future is at stake.

So I urge the American people to rise up and say no to this and to encourage their elected Representatives to speak out, not only vote against it, but to speak out against this agreement.

Mr. KLINK. Mr. Speaker, I would just like to mention, we talked about the number of jobs. There are various studies out there, but conservative studies that I have seen show that as many as 2.9 million jobs could end up going to Mexico. Of those, as the distinguished whip mentioned earlier, a lot of them are going to be high-skilled technical jobs, as many as 550,000.

Our distinguished Democratic leader, the gentleman from Missouri [Mr. GEPHARDT] was sharing a story about going to a Sanyo plant down in Mexico and the very highly skilled work that they do. He talked to the plant manager and he said, "How is your productivity? How are the skills here compared to your plants in Japan or the United States?"

He said it was comparable, it was the same.

"And your wages?"

"One-tenth."

You see, so they have a wonderful motivation for learning how to do a job. These youngsters, and we have to do something for Mexico, I understand, but these youngsters come from the interior and they are literally starving, so they are motivated to learn. They have these programs where the companies will train them for 3 or 4 months to do highly technical jobs. They have the latest equipment because of the new investment that is being made in factories and equipment. So they can produce. They can do a wonderful job.

This is something that American workers have been sold a bill of goods that only the worst jobs are going to go down there and the best jobs are going to come here.

As Congressman BROWN mentioned a little earlier, how do you train a 50-year-old steelworker, a 55-year-old steelworker to do a highly technical job that we have not even invented yet? We have not even gotten that technology into the workplace.

Mr. BONIOR. Well, they have become the expendables in our society today. These American workers who are being put out of jobs left and right across this country because of the relocation of plants in other countries, Mexico included, they are the expendables.

The proponents of NAFTA say, "Well, you know, it's going to take awhile, but these jobs are going to move."

They say low-paying jobs, but as we know these are high-tech jobs as the gentleman just pointed out that are going to Mexico. Wages will increase in Mexico. They will be able to purchase American products and will create jobs here.

Well, the fact of the matter is wages are not increasing. It is an institutional policy of the government and the society to keep wages low. We have demonstrated that wages have actually gone down. They are 25 percent lower than they were in 1979 and 1992 in Mexico. It is an institutional problem.

Of course, the argument is, well, it is going to take maybe 15 or 20 years. That is a generation of people. What the hell are these people going to do for 20 years? We have a budget crisis here. Who is going to take care of them here in this country?

Mr. KLINK. Mr. Speaker, if I can just ask the gentleman one question. This is a little curve ball. I do not think we have addressed this.

We have talked about jobs going down there, the ill-effect of our country, the fact that this is not going to be a great boon to the Mexican people.

We have been dealing with budget reconciliation here. What about the lost tariffs or the products that are being exported from Mexico to the United States now? How do we make that money up? It is not a small sum. It is not a pittance.

Mr. BONIOR. It is in the billions. I know what the figure is. It is in the billions.

Mr. BROWN of Ohio. It is also, if I might interrupt for a moment, it is in the billions in terms of requests already that the State of Texas has asked the Congress. The Governor of Texas has asked for ten billion to build bridges, highways and water systems to prepare for NAFTA, $10 billion from the U.S. Treasury in terrible budget times. That $10 billion is only part of the issue when New Mexico, Arizona, and California have not yet weighed in with their budget request.

What we are doing, we are asking a 50-year-old autoworker in McComb County, MI, who has raised his kids and paid his taxes, and as the President says, played by the rules, we are asking him to take a risk of losing his job by agreeing to NAFTA, and then we are saying, "We want some of your tax dollars to go to the Southwest and help to pay for preparing for NAFTA."

It is one hit and then it is strike two. It is strike one and then it is strike two.

How can you look somebody in the eye in your district and say, "I am for that."

□ 2310

Mr. BONIOR. And it says to that same family and your children who may be, you know, in their early twenties or late teens that are trying to get an education that, when they get into the work force, they will be at a tremendous disadvantage because companies will just play off their work abilities against what they can achieve in terms of wage reduction, which is the institutionalized policy in Mexico. We will play that off against what your child—your children, hopefully, will learn, so it is a bad deal for the whole family.

Mr. Speaker, I thank my colleagues for joining me tonight, and I know it is late, and I appreciate them taking their time. I know how deeply they feel about this and how strong a fighter they are for their constituents that they represent, and, with my colleagues' help, I am feeling good about the fact that we can beat this thing. I do not think there is anything that I have done in my 17, 18 years in Congress that is more important than this.

DISCHARGE TERM LIMIT LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MCCOLLUM] is recognized for 60 minutes.

Mr. MCCOLLUM. Mr. Speaker, I come before the body tonight to address the subject that I talked about some last night with some of our colleagues, and that is term limits, the concept of limiting the terms of Members of Congress, something that I supported since I came to this institution in 1981, something which I have introduced legislation on to create a constitutional amendment to achieve this in every Congress since then.

We have in this proposal that I have offered, which is this year House Journal Resolution 38, a constitutional amendment that would limit the length of time that a Member of the U.S. House of Representatives may serve to a total of 12 years in terms of six 2-year terms, and a Member of the United States Senate to a total of 12 years in terms of two 6-year terms. This particular proposal is one that has drawn the most support of any proposals that have been offered by any Member of Congress for limiting the terms of its Members.

Mr. Speaker, we now have 89 cosponsors to this provision, and, despite the fact that we had these cosponsors and despite the fact that better than 75 percent of the American people in all recent polling support the concept of limiting the terms of Members of Congress, we have not been able to achieve even a hearing in a committee of this House of Representatives, let alone an opportunity to get it debated on the floor of the House and have a vote upon it over the past several years, and certainly not this year. The 89 cosponsors, or at least a majority of them, wrote a letter to the key committee chairmen, subcommittee chairmen, several months ago specifically requesting that a hearing be held, but because the leadership, the majority leadership, of this House of Representatives does not want such a hearing held, does not want such an issue debated, we have been denied the opportunity to have that hearing, and it is our understanding that it is simply not going to happen in this session of Congress.

As a consequence of this type of activity to gag us and keep us from having the will of the people heard even in debate in a formal setting, where it should be, in the hearing room of a committee where this bill currently resides, the unusual step will be taken tomorrow of offering a discharge petition to bring this particular piece of legislation to the floor of the House. I hope that most of the 89 cosponsors come forward and sign this and that we indeed have their support in this endeavor tomorrow, and I hope that more than just those 89 come forward. I hope that Members who may not even agree with us on this issue will come out and sign the discharge petition to let the House work its will and let the American people have its say by having a free and full debate out here. It is the only just way to present this cause that I think is so important to the American people. We do not, of course, have any other avenue of approach.

Some of my colleagues may not remember the exact process of why we have a discharge petition or what it is about. It is a process that requires 218 signatures; that is, more than one-half of the membership of this body to sign the petition, and, once that occurs, then the issue is forced here, directly to the floor of the House no matter what has been done or has not been done in any committee. It bypasses the committee of jurisdiction, it bypasses the Committee on Rules, brings the matter right here to the floor. It will have to be debated, and it will have to be voted on at that point in time.

Now it does take two-thirds of this body and two-thirds of the other body in order to send a constitutional amendment to the legislatures of the various States for ratification. I do not have any false pretenses about this. I understand that we probably have nowhere near two-thirds of this body willing to vote for an amendment to limit the terms of Congressmen. But it is an issue that needs to be debated. It is one that we need to have Members of this body go on record about so the American public can see who stands where and can hear the arguments which will flush this matter out.

Mr. Speaker, 15 States have adopted provisions in the past couple of election cycles that would restrict the length of time their Members of Congress may serve. Fifteen have done that. Two more are on the way in one form or another. One of them is by virtue of their State legislature, the other on the same route that the other 15 have done it, and that is by State initiative. Not all States have the initiative process. Not all State legislatures are going to do this, and we have no idea whether or not those provisions that have been adopted in the various States will be upheld as constitutional. It could well be that they are not. In fact, there is a good argument that they are not. The fact of the matter is that, were they to be adopted and upheld ultimately, all the States that have the initiative process, we still would have a disparity in most States not having those kinds of restrictions.

Mr. Speaker, we need to have uniformity. We need to have a constitutional amendment of the United States Constitution that limits the terms of Congressmen in all the States to precisely the same length of time for the same service and duration. It is absolutely imperative in order to get this body straightened out and in order to have justice and equity in the process of our elections.

Now why do we need to have term limits? Why do 75 percent of the American people support this? And why has it been at a level of support of over 70 percent for years, and years, and years in the polls that have been taken? Well, I would submit that the primary reason is because Congress has become career oriented. That is not what the Founding Fathers envisioned.

I say to my colleagues, "If you go back to the beginning days of this country, we had citizen legislators who came here to Washington to serve. They served no more than one or two terms in the House of Representatives, and they went home to their businesses, to their jobs, to their professions. In fact, that was the way things were conducted here for the better part of the first century or so of the existence of this Nation."

However, Mr. Speaker, gradually over time, as Congress became more engulfed in the business of the Federal Government, as the Federal Government grew in size slowly, but surely, the amount of time that Members served in Congress grew. But nothing was so dramatic as occurred in the last 20 or 30 years, especially in the last few years. We have had Members of Congress now increasingly able to get reelected and to come and stay here for long periods of time.

Now it is argued that people do leave, that there is an average turnover rate somewhere between 4 and 6 years, even to this day, and on statistics that is true, but what is not perceived in those statistics, and understood, is the fact that those who control this body stay here for a lot longer than that, for 15, 20, 30 years and more. These are the people that are the chairmen of the key committees. These are the people who control the leadership of this House. These are the people who dictate and control the leadership of the U.S. Senate.

□ 2320

There is no question that there is a career orientation that has grown up over the years. That is, the idea that this is a place to come and stay, and stay a long period of time. In fact, it is understood that if you do not stay at least a sizeable number of years, you do not get to the position of influence. You certainly do not get to be a committee chairman, or, in the case of the minority, the ranking minority member on a key committee, unless you have been here a long time.

It is not right and it is not necessary, but it is a fact, and it is a way of life. As a result of this, we have Members who often feel, in my judgment, and I think the public senses this, that it is more important to do things to get reelected than it is necessarily to do things that are right fundamentally.

Frankly, I think this is the reason why we have so much trouble getting a balanced budget, why our economy is so out of shape right now, why we have this huge national debt. There is no one single reason that is more influencing this than the fact that so many Members who are in positions of influence in the U.S. Congress are more interested in getting reelected than anything else, so they want a piece of every interest group. And there is an interest group for every spending program that this body has. That is why the program came into being in most cases in the first place.

But, even more importantly, that is why abolishing the program or even freezing it at last year's real spending level is next to impossible for virtually any domestic discretionary spending program.

We have seen not only this kind of problem with Congress, but we have seen myriads of other examples of where power entrenched for long periods of time trends to show corruption. Not every Member of Congress is corrupt, of course, and I certainly think the vast majority of my colleagues are honorable men and women. I am proud to serve with them. In fact, I think this House has had many bad days in the media and elsewhere that are not necessarily deserved.

But the fact remains that the image is there and things have been done to create that image out there in the public about this institution, in large measure because people become complacent who are in positions of power and leadership, and that has created this onerous positions of appearance out there in the public eye.

There have indeed been transgressions that have been read about by most of the American public recently, especially in the past 3 or 4 years, that are just not acceptable to the public.

We cannot continue to do business as usual. When we think about changing Congress or changing the way we do business, there is nothing more fundamental than changing and limiting the length of terms that Members of Congress can serve.

To do that, I believe would get us to a balanced budget pretty quickly. I think it would resolve many of the issues that we have been protracting out here and debating about how we function as a body. I think we would get to the point where we would limit the length of time anybody could serve as a committee chairman, which is what my party, the Republican Party, did to its ranking minority members on committees just this session. And a large tribute goes to the freshman class who came in this time, the class that was designed by its very nature to be a strong reform class, elected by a public that was ready for this kind of change.

The vast majority of the Members of this class believe in term limits. In fact, we have Members of both political parties who have joined in this pursuit out of this class.

Of the 89 who joined us this time in signing onto the House Joint Resolution 38 resolution that I mentioned earlier, the one we are going to have a discharge petition on tomorrow, a majority of those Members are from the freshman class, just elected in this last election. The most we ever got to cosponsor any term limit resolution in the past history of this body prior to this year was 33, a far cry from the 89 we now have. And I would project we will go over 100 in cosponsors very shortly. Especially we will go over that 100, in fact we will achieve a great deal more, if the American public will pay attention to this and write letters to their Congressmen and let them know they are as outraged as some of us are with the fact that this body has ignored the issue, buried it in the committee, the leadership will not let it out, and, indeed, they want to cease sponsorship of this amendment. Even if they have a Member of Congress who does not agree, at the very least, if they cannot give cosponsorship, they should demand their Member of Congress sign the discharge petition that lets this issue come to the floor for debate and for a vote so people can see it on the RECORD.

Mr. Speaker, a Member who has supported this so strongly this time around and cosponsored it with me is here tonight. I am going to yield to the gentleman from North Carolina [Mr. TAYLOR]. The gentleman has been one of the Members who has been with me on this for several years.

Mr. TAYLOR of North Carolina. Mr. Speaker, I appreciate the gentleman yielding and calling this to the attention of the American public.

The discharge tomorrow is a very important event that the gentleman has initiated, and I think it points up what many people in America, in fact, 75 percent of the people of this country, favor, and that is term limits.

Why have they been brought to this position? That is really a question to ask. How have we failed? Why have we turned the country to the point that they feel term limits are absolutely essential?

If you look back at history and the Federalist Papers, the folks that framed our Constitution and those who wrote the Federalist Papers felt that the House of Representatives, the people's House, would be closest to the people because, as they stated in the Federalist Papers, the members would live among the population, would work among the population, and would come to Washington to represent those people. So clearly they would be voting as the people wished they would be voting and living and having to live under the laws that they were passing. They envisioned in their statement that this would be the kind of representation they would have.

That is the kind of representation they had for the first up to 175 years, probably, of the Nation's history.

Then we in Congress over the years managed to thwart the Framers' intent. We found, first of all, that Congress was exempting itself from the laws that it was passing that other people had to live under, so it really was finding a way to live outside what the Framers thought was a sure-fire representative body, and that is it refused to live under the laws it was passing.

Then we found that Congress no longer worked and lived among the people, that in fact by law now a Member of Congress cannot be paid and work at another job. He must be a paid Member of Congress, with no employment in the community whatsoever where he receives compensation. So that vital part of what the Framers had put in was removed.

With the advent of television and 30-second ads and PAC contributions and other means of selecting money inside the Washington Beltway, the Congressmen really did not have to return home that much, as long as his image could be portrayed through advertising in the closing weeks of a campaign. I think statistically they say almost 60 percent of the people who vote for Congress make their decision within the last 10 days to 2 weeks of the election. That is certainly no secret to consultants and others. So it is easy enough for the focus to be put there, and that is the focus when Congress returns.

So we found ourselves in the last few years with a 96 to 98 percent return of all Members of Congress, and challengers only winning occasionally. I was one of those challengers that defeated an incumbent.

I was asked when I was on official business by someone at a hotel, my office called ahead and they asked if they gave a Federal rate. They said we have a Federal rate, are you a Federal employee? And I said I hope not.

I really feel that way. I think there is a definite difference between feeling that you are an employee and feeling that you are a Representative. The Framers intended us to be Representatives, so that we could, as they said, live among the community, work among the community, and serve the community, and have to live under the laws that we were passing so that we would give a great deal of thought to those laws.

We have let that go away from us in giving thought to many of those laws because today we pass statutes. Then 2 years later several thousand pages of regulations are promulgated, and that is what the people in our communities have to live under, those thousands of pages of regulations that may or may not resemble an original bill that Congress voted on. We passed 65,000 pages of regulations last year alone.

□ 2330

That is what the businessmen and the average person are having to live under. And Congress is somewhat removed, because I would say there are very few of the 435 Members of this body that could be able, would be able to tell you about the content, myself included, of those 65,000 pages of regulations that were started by this body but not monitored by this body.

I have introduced legislation that would require all regulations, before they could be approved, to come back to Congress and be approved by this body. But that is not the sole solution.

The term limits itself is only a part of the solution, but it is what I think is going to be necessary to get us back closer to what the Framers had in mind. Of course, I do not feel that I am a Federal employee, because that is what term limits would also shake those of us that might feel that way from the thought, because when you are an employee, you start thinking about retirement, the perks of the office, all of the things that come with employment and employees, quite rightly, think about, pay increases, all of the things that Congress has been so criticized for recently because the public is angry that we are looking at ourselves as employees and not Representatives.

And the way they see, and I agree, that we change the mentality from employee back to Representative is through term limits, by letting us know when we come in that this is not something that we will be occupying for life or for long periods of time, but we are here at the will of the public and we will be here for a short period of time. And we need to be cognizant of what we are doing, because we are going to be back out working in that community, as the Framers intended, living under those laws, living under the legislation that we are passing and as small business people and as farmers and others, having to see what we have done rather than retire comfortably after doing it for years and years and never really knowing the impact of our actions.

Mr. McCOLLUM. Do you not think that career orientation, that employment orientation that you are describing, is a primary reason why so many Members of Congress vote to please everybody, that they never want to vote to reduce a program or get rid of a program or that they do it, it is just sort of tinkering around the edges, do you not think that that has a lot to do with the voting pattern in this body?

Mr. TAYLOR of North Carolina. I am sure it does. An employee works to please his employer. A Representative ought to be different. The Representative certainly ought to work to represent the public. But if all he is doing is trying to please, not being frank, not standing up for the best interests, the long-term interests, looking at this information and taking courageous stands, then they lose that, certainly the public is lost with that type of action.

Mr. McCOLLUM. I see we are joined by another colleague today. I am glad to see the gentleman from Indiana. I am delighted to have his comments.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. BUYER].

Mr. BUYER. Mr. Speaker, I thank my colleague from Florida and compliment his leadership on the issue of term limitations.

The first bill that I have cosponsored as a new Member of this body was, in fact, in cosponsoring the legislation for term limitations. I think it is extremely important to recognize that there is no silver bullet that you can fire at the Congress and reform it in one shot. The war, I guess, for congressional reform would be won over the many little battles we win over a time, and term limitations just happens to be one of those many little battles that will help reform this institution.

I think that is important for all of us to recognize. You can bring this issue so close that I just returned from having 21 town meetings in 20 counties that I have in northern Indiana over the last 2 weeks. I still recognize that even from that, from those 21 town meetings, that there is still a tremendous trust deficit that the American people have with their Government, just from the last 2 weeks.

Part of that trust deficit is that they feel that Members of Congress are not responsive to the people. Any many of those concerned are saying, "Wait a minute, we are sending the message to cut spending first instead of raising taxes and hear that Congress out there raised taxes without streamlining the effectiveness of government. What are you guys doing?"

And so the message, one of those messages of reform, we talk about things like term limitations. We try to say, is that the answer that will make this body, this institution more responsive to the cries of people that are out there?

I think it can, in fact, be one of those tools to be more responsive. But I can say that, as a new Member of this institution of the Congress, that not only one of the reasons that this Congress is not responsive has to do with that, the Committee on Rules that sits right up, I have learned that the Committee on Rules is a committee that is an arm, an extension of the Speaker of the House, that it is controlled by 9 to 4. It is 2 to 1 plus 1. It is not even proportional to the membership of this body.

And when that Rules Committee controls the agenda, the flow of legislation that comes to this House floor, that in and of itself makes this body unresponsive to the will of the people, because there are many Representatives, many Congressmen and Congresswomen, Republicans and Democrats alike, who come to play an active, constructive role in our Government.

We are finding out we are shut out of the process. So there are many little things, not only the term limitations but also changing the Rules Committee likewise so this body becomes more responsive.

One thing in particular that I have noticed on this whole quest for term limitations is that we have States out there who have enacted term limitations. Right now, let us take California, for example. When you have Members that can only serve three terms and you do not change the seniority system of this Congress, now California has placed their membership and placed their State in more jeopardy because there are other States out there that have not passed term limitations and pretty soon you are going to have those other States that do not enact term limitations go in positions of seniority. And that is why I feel that your leadership and the direction for a constitutional amendment for term limitations to set the standard is the way to do it, not letting the States out there set all those standards.

I think that is extremely important.

Mr. McCOLLUM. Your point is quite correct in the sense, too, that there are a number of States, as we all know, that do not have this initiative, ballot initiative type of procedure. They do not allow it under their own State constitution. That is the vehicle that the 15 States, which have passed the term limits for their Congressman, have used. The citizens have done that.

I think one State, New Hampshire, is either in the process of or has completed limiting terms by virtue of a legislative enactment. But that is a rare thing to see happen through a State legislature.

None of this do we know how it is going to fare in the courts. Assuming that it is upheld and that these various restrictions are constitutional, you are 100 percent right. We are going to see a very terrible situation here of disparity of representation here before long that cannot be remedied in any other way but by one single constitutional amendment.

People might disagree over whether the length of that time should be the 12 years in my amendment or not, but why we have rallied the 89 cosponsors, virtually everybody who supports term limits, around this one amendment is to exemplify this point, to gather together and say, we may disagree over this, but we need to find a way to get a single focus of attention out there.

I really appreciate the fact that you and the gentleman from North Carolina [Mr. TAYLOR] and others have been willing to consponsor this. I think it is terribly important. We are going to bring the discharge petition out here tomorrow.

Mr. BUYER. I look forward to being with you tomorrow.

Mr. McCOLLUM. We have got, as I was saying earlier, we need to get people who do not even agree with us necessarily on the issue to sign that discharge petition, to get the public aware that their Congressman and Congresswoman can at least allow fairness of getting this heard, where it will not even get a hearing in a committee, by getting a signature, enough signatures on that discharge petition to bring it out here and let everybody see it in the light of day, what they do.

Mr. TAYLOR of North Carolina. I think that we owe the public some attention to this. If 14 States have passed term limitations by over two-thirds, some 66 percent of their voters, and 75 percent of the people in this country are demanding term limitations, then I certainly think it is appropriate for us to send a constitutional amendment and give those States, give those people an opportunity to speak out in their local legislatures and bring this change, if they see fit.

□ 2340

I think they do overwhelmingly. They see that, as the gentleman quite properly pointed out a moment ago, this is not the sole solution, I am sure the gentleman said that many times, at all to reform in Congress, but it is one of the surest ways to get Congress to focus, rather than on the employee situation, as we mentioned a moment ago, but on real service for the public.

I find that in the town meetings that I have had, the numerous town meetings I have had, I find also that if we do the job that I think should be done, and I do 17 meetings twice each year, in February and August, the town meetings, and we do numerous forums, hearings, that sort of thing, you put an enormous amount of time into this office.

As it should be done, it is almost impossible to hold this office for many, many years, and I think that is something the public likes: the change, the freshness, the new attitude, a chance to send in new ideas through new individuals.

I think that would come from term limitations.

Mr. McCOLLUM. We would also get more people running for Congress if we had term limits. I think there are a lot of very fine people in the business community, the professions and so on, who would like to run, but who now view this body as something where they have to come and serve for years in order to get into positions of real influence. We all know, and there are two members of the freshman class who have joined us, how influential freshmen can be. Changes have already been made up here, but there is this appearance of frustration. The fact is that the power on the big issues, a lot of that real power is going to vest primarily in those who stay here long enough to get to be in those chairmanships and those positions.

Lots of people are not willing to do that. They are not willing to make the sacrifice to leave, come up here, stay up here and serve for years. If they have term limits, if they knew they could come for a finite, relatively short period of time, I think a lot more good men and women would run, would offer themselves for service.

Mr. BUYER. Mr. Chairman, if the gentleman will yield, when the gentleman mentioned about the changes that we have been able to make, I am reminded about the rotation of committee chairs. Under the whole issue of term limitations, when the freshman Republicans, and my colleague knows, when we came in, when we came into this institution, we said, Let us take the idea of term limitations one step further.

Not only do people get upset on how long someone serves in the Congress, but then they look at Members of Congress, where they have been in control of committee for a long, long period of time. When we talk about the spirit of new minds that the gentleman talked about, and when we have that changeover and we bring in those new initiatives and new ideas, what that can do to this body is inspiring.

That rotation of committee chair idea, while on the face of it it appeared to be radical, we on the Republican side have rotation of committee chairs, and now, going into the next session, you can only serve three terms as a committee chairman, as a ranking member, and then somebody else takes over.

Mr. McCOLLUM. That is a key point the gentleman is making. The Democrats and the leaders on the Majority side have yet to adopt that, although we offered them that opportunity. We do not, as the gentleman has said, almost a freudian slip, we just do not yet have the chairmanship. We have not been in the majority for almost 40 years around this place, but we would have our ranking members be chairmen if we were in the majority, and we have, due to the gentleman's efforts as a freshman, restricted that.

I would like to add onto that, and then yield to the gentleman from Virginia [Mr. GOODLATTE] for a minute.

One of the big criticisms we always hear about this place in terms of the issue of term limits is that if we limited terms of Congressmen, the staff would somehow take over; that somehow they would run this place.

My experience, having been here a little longer than the freshmen, is that when you get a new subcommittee chairman and a new committee chairman, that person actually exercises more power over the staff than the ones who have been there a while. Ones who have been there a while as chairmen tend to be complacent. They let the staff run things around here. When we get a new person in there, they are invigorated. They want to get to the bottom of things. They do not take the staff's word, they go right at the job.

That argument that has been made against the term limits thing is just absolutely baloney.

I yield to the gentleman from Virginia [Mr. GOODLATTE] for a few words. He came over and joined us, another Member in the freshman class who has been so instrumental in making this all happen.

Mr. GOODLATTE. Mr. Chairman, I thank the gentleman for yielding.

I agree with the gentleman so much. I am so happy to cosponsor the constitutional amendment that the gentleman has proposed to limit terms of Members of the House to six 2-year terms, and also to join the Member in signing the discharge petition to try to get that out of committee and onto the floor. It is such a difficult battle, though, as we have discussed already.

In the last Congress, I think we only had 35 cosponsors of the gentleman's bill. This time, with the infusion of a lot of new Members who are committed to term limits, who have gotten the message from the voters, we now have, I guess, close to 90 cosponsors organized, but still a long way to the 290 votes that we will ultimately need to pass a constitutional amendment through the House.

I think it is so important that we do this, not only from the standpoint of what we just discussed, the seniority system. If we think about it, if we are limited to 12 years, by the time somebody reaches that point, even if we do not have Members with less seniority reaching committee chairmanships and subcommittee chairmanships, by the time they reach that point we are going to have a half a dozen or more people on each committee that have that level of seniority. We are going to start selecting them, not only based upon how long they have been here, but also things like merit; you know, where they stand on issues, who we think can get the job done, who has shown some signs of leadership, and that sort of thing.

I also think it is so important that we get back to having a citizen legislature, where people come here, elected by the people, do the job, represent them, and then return and live under the laws that they wrote, instead of exempting ourselves from the laws, as we have done, as so many Members vote to do.

We have had a number of bills already this year where a number of us have attempted to make ourselves subject to those laws. The Family and Medical Leave Act is an example of that. We asked to have that bill recommitted and brought back with provisions to make the Members of Congress subject to that law, but the 38,500 employees of Congress are not subject to that law. I think the voters are tired of that sort of arrogance.

I also think term limits will make this body a more deliberative body. it will take away the drive here, I think, on the part of so many to be attending to so many other items of business than to be in this Chamber debating the issues, or in the committees and debating the issues, in the subcommittees.

A lot of people who watch understand that the Congress often does not have a lot of people here listening to the debate, so they think, Well, perhaps it is being done in the committees. But when we go to the committees, we see that the chairman has a fistful of proxies, and ofttimes there is a situation there where, again, people are not sitting down, and someone will offer their idea and someone else will stand up and say, I like part of that, but I think this will be a good alternative. I think the quality of legislation here suffers as a result of that.

Something that I think we need to do in addition to what we are doing here, in trying to get more cosponsors and to get a discharge petition, is to encourage people around the country to try to get through their State legislatures term limits on the Members of Congress from their States.

As the gentleman knows, we now have 15 States that have done that in various forms, and we are now on the verge, I believe, of having the first State that has done that initiated through the State legislature. I do not know if New Jersey has passed it yet, but they are very close to doing that.

In my State of Virginia, we do not have initiative and referendum, where a voter can go out and get petitions, and with a sufficient number, have the issue of term limits for Members of Congress put on the ballot in the State. If we could, the same result would be in Virginia that we have had in those 15 States, 70 to 80 percent of the voters would support it.

Without the initiative and referendum, we have to press the State legislators to do that. We need to encourage people to do that in those States.

Mr. McCOLLUM. Mr. Speaker, I think the gentleman has made an excellent point about that. It is something we have talked about earlier, the fact that there are simply so many States that do not have the initiative. I think there are only a handful more that do, that have not passed this, and they will probably be on the ballot next fall. After that, there is no other way, other than the amendment to the Constitution, of course, the national Constitution, the basic Constitution of our Nation, which is the ideal, which is what we all think should be there to get uniformity, because even if we go through the initiative process in the State, in the end the State is going to have varied lengths of service, as we have already seen. Some are 8 years, some are 6 years, some are 12 years, all kinds. I think maybe one is 10.

There are all kinds of different lengths of service involved with these various petition drives that have gone on, so ultimately the objective really, I think, is to achieve these initiatives where we can around the country, with the ultimate goal to bring about the amendment to the U.S. Constitution that is uniform.

However, we need this as a device. Some States, one or two, have chosen to go an interesting route that has not been discussed tonight, and that is to call for a constitutional convention.

Some people do not think we ought to have one, but they very narrowly structured this. That is another alternative to a State legislature, which it could do if it did not want to actually limit their own Congressmen, that would help this cause of bringing the pressure about, bringing the attention to this issue.

I know there are others who want to make comments here tonight. That is my purpose. I yield to the gentleman from North Carolina [Mr. TAYLOR].

Mr. TAYLOR of North Carolina. I appreciate the gentleman yielding to me.

I think another reason for term limits, and I would like to quote John Adams, who stated "Mandatory rotation of office would teach Representatives the great political virtue of humility, patience, and moderation, without which every man in power becomes a ravenous beast of prey."

I think former President Adams, and a great statesman, a founder in this Nation, makes a good point.

□ 2350

I have seen the one-party domination in this body and in the continuous long-time service of many, many Members, I am sure well-intended and how the arrogance affects this body. The gentleman referred quite properly a moment ago to the Rules Committee, a committee that does not represent the percentage of our population here in the House of the minority party, and also restricts debate, and restricts amendments, which means they arrogantly restrict the right of the people's representatives to carry out the will of those people on the floor of this House.

I see it in many other ways. I noticed a new booklet that was just put out with the new administration, the National Journal, and I am reading it about the qualifications of the officers. There is one major national agency, and it is a three-person board and there are two vacancies on it. Two of the people have been nominated, and their qualifications state that the individual was fundraiser for a major Senator here, and during the period of time, that was his time and that was his sole qualifications here that I see for this major operation. The second member says that he was a key fundraiser for the Vice President throughout his career and played a major part in this administration's election.

Now the administration has every right to its appointees. But I can say to you that it is very arrogant, it seems to me, that we are picking major governmental heads based on their being former fundraisers for anyone, and being involved in campaigns, and no other qualifications stated in this booklet that will be going out to the public, I presume, to identify members of the administration.

What I am saying is that we have lost touch with the people out there when this is the basis of qualification for serving the public, how much money you raised or the fact that you were the key campaigner. We all are realistic and know that people who go into government service often are involved in campaigns. But for us to state that is the sole qualification we can put in this booklet for these individuals shows that we have truly lost touch with people.

The people do not care how much money they raised or whose friend they were. They are very much interested in what are the qualifications for this highly technical agency of the individuals being appointed. So when we print a publication like this and can only mention the fundraising activities as a qualification, it means that we have lost touch to the point that we are so arrogant in government as we have become to this point, and that has got to be changed, as President Adams said. And if we do not have the rotation, you get the arrogance in the body, and it goes on for years and years.

Mr. McCOLLUM. I yield to the gentleman from Indiana.

Mr. BUYER. That is why it is very difficult to talk about this issue of term limitations without talking about other reforms, because the issue here is to make this body responsive to the best interests of this country. And when you talked about the arrogance of the Rules Committee, one thing I noticed when I testified before the Joint Reorganization of Congress Committee and what we could do with the Rules Committee, I looked up in history. I want to be very fair here. I looked at the history of the Rules Committee, and the last time in our history that the Rules Committee was acting with such arrogance was in 1910. And in 1910 Speaker Crane was in control. Speaker Crane was a Republican. The Republicans controlled this body. Speaker Crane was also the chairman of the Rules Committee. It became unresponsive to the American people. America got upset with it, and do you know what happened? America threw out the Republicans and the Democrats took control in 1912.

That is what is almost postured right now in this country, is if the agenda of the country will continue to be set by a few, making this body unresponsive to the people, the people of America are going to reach out. They are going to speak out not only on term limitations, but they are going to change the leadership of this body.

Mr. McCOLLUM. The gentleman is exactly right. And I think that one of the things people do not realize is that it is power that breeds arrogance, and power held for long periods of time. And what we see out there in the American public is no distinction between political parties on this issue whatsoever. The support of 75 percent or so of the American people is across the board, it is in all regions of the country, it is in all demographics, and it is in all political parties.

The latest poll out by Fabrizio-McLaughlin shows that 75.6 percent of the American public support term limits, and 47.9 percent of all registered Democrats support it, and we Republicans, of course, I guess support it about 1 percent more, to make that average. But it is very, very close. They do not care. The public is interested in good government, and it is only in some legislative bodies where the power structure is interested in vested interests that are there, and in their power that they oppose the term limits and then say that is a political issue, it is those Republicans over there. We have got some Democrats who are cosponsors of this, some in your freshman class, and some who are going to come down here and find that discharge petition tomorrow. But I dare say there are going to be a far fewer of them that do that because of their leadership and the threat they perceive over there from that power structure than actually feel it. A lot more of them really would support it and come out here.

Speaker FOLEY, as we all know, opposes term limits strenuously, and has filed a lawsuit in his home state of Washington. I know my colleagues have read the column that George Will wrote in the paper where he talked about the Speaker having come here in 1964 when the price of an automobile was $3,495. He also pointed out that Chairman BROOKS over in the Judiciary Committee was elected when Arthur Godfrey was a radio star and the Braves played baseball in Boston in 1952. So I thought those were interesting anecdotes.

Mr. GOODLATTE. If the gentleman will yield, I believe both the gentleman from Indiana and I were not born at the time some of these gentlemen were elected to Congress.

But you make a very good point regarding overwhelming support nationwide, 75 percent in favor of term limits. But if you look at this body and the number who have cosponsored your bill, the support here just does not reflect that sentiment nationwide. Probably only a little more than 20 percent have supported it.

So the people need to translate that support into votes here in this body for this amendment. And one way to do that is to write to their Members and to encourage that support for this. The other is to write to their State legislators and encourage the States enacting those limits. We now have with those 15 States about 152 Members of Congress who are subject to varying forms of term limits, different limits in different States.

The problem there is obviously the lack of uniformity, and the fact that many of us are not subject to them because they have not been able to get our legislatures to do that. If that would change, and more and more States would enact that, and if those State-imposed limits are upheld by the courts, and I certainly hope they are, then we are going to reach a turning point where more and more Members are going to say well, if I am subject to term limits, and the courts say that those term limits are valid, then I would like to see the Members from Virginia and the other States subject to them as well. And then I think we will see a growing support within this body to say we had better make it consistent, we had better make it uniform, we had better make it apply to everybody.

Mr. McCOLLUM. The gentleman is perfectly correct in that. And I would add to it one other thing that the public can do besides writing their Congressmen and trying to get them to sign the discharge petition and supporting term limits or declaring themselves, and besides going through the initiative processes or the State legislators and writing them, which you suggest, both of which are excellent things to do to support term limits, but there is a third thing they could do, and I think this is equally and maybe more important. They can determine in the next election just exactly what happens in all of this, because they can hold their Congressman or woman accountable, their candidate in the open-seat races accountable to this issue. And we need to get more people here who are willing to sign that petition, and willing to sign on to the cosponsorship. And I think that is going to be the determining thing over time from the States in many cases where these initiatives have been held and from places where the public have got interested enough to make this a significant issue so that their pledges are made in the campaigns by both candidates, we would hope, of both parties. And so when we get the person here, that person will be bound to support term limits. That is really the key to the whole thing.

The gentleman from Indiana wants to jump in here.

Mr. BUYER. Well, sir, I would like to make a comment. Now we are going to have coming up pretty soon here in the House the campaign finance reform, and there are those who are playing devil's advocate on the other side who are going to be saying well, we have our own built-in term limits. Every 2 years we can have an election.

But therein lies part of the problem. When 85 percent of the people get reelected that come here, there is something unfair about the present system. So being the devil's advocate on the other side, the argument would be well, let us have reform of how campaigns are run to make them more competitive.

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You are not, being very pragmatic and being realistic, you are not going to see that kind of campaign reform coming out of this body because there were even discrepancies between what the President proposed and what the leadership of the Congress, the majority party, wants to do for fear that if they abide by what the President's program is they could lose up to 20 seats, or plus.

So it is not going to be the campaign finance reform. We are going to have to do something on term limitations in order to get the turnover, the new impinge of minds, because it goes right to the very core of the definition of our country, how you would define Americanism. You can define that as the new infusion of the creativities, the initiatives, the minds; we bring in those great minds from all walks of society here in America, and that is good to do this.

Mr. McCOLLUM. The gentleman is perfectly right. That reminds me of one of those arguments against term limits that I sympathize with, in part, perhaps the only one I sympathize with, but I do not agree with it. That is the one that says we are going to lose some really great people here under term limits. And there are—we who serve here can look around and we know there are some Members here who are exceptionally talented, who serve enormously well, who are repositories of great information. And when they are gone, this body and the country are going to miss them.

The problem is that they can be replaced, and for the good of the whole they must be replaced by a term limit system. And those who say, well, you are taking away my right to choose to reelect that person again and again and again, I say, and I am sure you would, yes, in a sense that is true. But we did it with the President. He has a term limit. I guess all the Governors have term limits now around the Nation, and it is done for the same reason that we ought to limit the terms of legislators and Congressmen, and that is because America has a wealth of talent. It can be shared.

And that new vigor will come on with far more people and make a difference, like the class of freshmen is making this year, whether Democrat or Republican, in making things happen; that energy level is higher overall. And a few good people, exceptional people, unfortunately, will be lost in that sense, but they will go back and serve their communities in other ways. In fact, I suspect many of them who never would do it would find ways in the community to serve in far different ways and their talents frankly have been lost because they have stayed here so long.

Mr. BUYER. I have an inquiry with regard to your discharge petition. Are you having the two different amendments that are there to be signed tomorrow, one which would be no greater period than two 6-year terms of the Senate and no more than three 4-year terms?

Mr. McCOLLUM. Well, I have both of them introduced. I had planned only to put the discharge petition out tomorrow on House Resolution 38, which is the six 2-year terms and the two 6-year terms, which has the most popular support. But the gentleman is correct. I personally favor lengthening the terms as well as limiting them. That has not been the big debate around the country. I personally favor three 4-year terms for the House and two 6-year terms. I think the gentleman does too.

Mr. BUYER. I do too.

Mr. McCOLLUM. They would be very easy to put out, put that discharge petition out, but I did not want to confuse the issue. I thought, and I do think, that the main thing that we want to do by this discharge petition, because we really do not expect—though maybe I will be surprised—that we will get the number out there to discharge it. That is our goal. But what we want to do is to use it as a vehicle to force public attention and the attention of our colleagues and get that down here.

But I will be glad to put it out there. The gentleman has made a good point. We probably should. I have always introduced those companion measures. But the three 4-year term limit has fewer sponsors, cosponsors of it. It is not as popular, although it would be my preference.

Mr. BUYER. There are advocates out there saying we should change—if we are going to amend the Constitution—to change the office of the Presidency to a 6-year term.

Mr. McCOLLUM. That is true.

Mr. BUYER. The reason they are doing that, again, is they want people to go to office and seek their public service without worrying about a reelection or worrying about their campaigns. Go down and do your job, and then go back home.

Mr. McCOLLUM. We ought to get out here and have a debate about what is the best way to go about this. The problem we are all complaining about here tonight—well, there are two things we are complaining about: We are complaining, as the American public is, about the fact that this body is not functioning right, not as the Founding Fathers intended it. But the other thing they are complaining about is the fundamental unfairness of not letting this issue come out here.

Mr. BUYER. We have the optimism, however, to do something about it.

Mr. McCOLLUM. That is a good point.

Mr. GOODLATTE. Well, that raises another reform issue that we have, and that is the problem with bringing something out. We have a committee system and we cannot get this out of a committee. We have a discharge process, but, as the gentleman knows, the discharge process, those who sign that can keep that information confidential. It is not an open process.

If a citizen wants to know whether their Member has signed the discharge petition that we are going to put out tomorrow, they have no way of contacting anybody here, the CONGRESSIONAL RECORD or anybody else, to find out if that individual has indeed signed the discharge petition. That is another reform here, to make that public so that people can be held accountable; they cannot on the one hand say, "Yes, I support this measure," that they are in favor of bringing it out on the floor, and on the other hand hide the fact of whether or not they had indeed signed the petition.

Mr. McCOLLUM. The gentleman makes a good point.

Interestingly enough, right now there is a discharge petition at this desk at this moment designed to bring a bill out here to do exactly that, that would allow daylight to discharge petitions.

Mr. GOODLATTE. Nobody can find out who signed that discharge.

Mr. McCOLLUM. No, you cannot find out. I was working the other day to try to help people figure out who signed it. But, no, the gentleman is right. It is really ironic. This place has so many ways that the power structure can stay in power, that they can protect their interests, and of course their interest is to protect a lot of special interests. We talk about that term so loosely around politics in this country today, but really everybody has a special interest, every group, whatever it is, from The American Legion to the senior citizens, to those business interests that come here that everybody thinks of as the big bad lobbyists, whoever it is.

Those interests are interests that a politician who is in the power structure wants to please in order to stay in the power structure. That may be human nature. You are never going to take it all out of the system, we are kidding ourselves that if we get term limits some of that is going to be here, but it is going to be far less when you have this new blood coming in, when you have a finite limit, when Members know they are only going to serve for a limited period of time and their objective is not primarily to try to get elected and to stay here, their objective is, hopefully, to serve their Nation and get on out of here. They are going to listen far less to those interest groups and do more, often than not, what they think is in the right and best interests of the country. That is why I think, as I said at the very beginning of this debate tonight, that one of the most important reasons why we have not gotten a balanced budget and why our debt problem is so great is because we have too many career-oriented politicians in office today, in Congress, and not enough of them interested in just simply making the necessary choices that are fundamentally important to getting us where we should be as a Nation economically as well as politically. That is what we are all saying as a group, I think.

I do not want to prolong this further. We are now past midnight eastern time. We have had a good discussion. I think we represent a large number who could not be here tonight. But I am very pleased that the gentlemen came out here tonight from North Carolina, Indiana, and Virginia to join me in this and represent the will of the other group that are not here.

Mr. Speaker, I again wish to remind my colleagues that tomorrow there will be a discharge petition on House Joint Resolution 38. It will be at the desk. It can be signed. I hope that many Members will come do that and that the public will become more aware of the substance of this issue and join in the battle to get term limits for Members of the U.S. House and Senate.

Mr. BALLENGER. Mr. Speaker, I rise to voice my strong support for congressional term limits.

On inauguration day, January 20, 1993, President Bill Clinton stated, "Let us give the Capitol back to the people to whom it belongs." I could not agree more. Therefore, it is my fervent belief that the best way to return Washington, DC, to the citizens of this country is to implement legislation mandating congressional term limits. Then and only then will we have a citizen-legislature.

I feel so strongly about this issue that I signed pledges from "Americans to Limit Congressional Terms" and "U.S. Term Limits." The pledges state that I will "support efforts in the U.S. Congress to constitutionally limit the length of time any citizen may serve" in Congress and actively lobby my colleagues to pass legislation limiting congressional term limits.

Currently, there is no limit on the number of terms in Congress one can serve. In the 1700's, during the Continental Congress, there was a required mandatory rotation of Members of Congress. A Member could serve only 3 years' service in any 6. However, upon establishment of our present Government under the U.S. Constitution, this requirement was scrapped.

As you may know, 14 States successfully passed congressional term-limit measures this past November. The average vote for the term-limit initiatives was 66 percent, with highs well over 70 percent in such States as Arizona, Florida, Missouri, and Wyoming. With a total of 21 million votes, these term-limit measures present a clearer mandate for change. With Colorado's win in 1990, congressional term limits are now law in 15 States. Currently, a citizen initiative is taking place in eight States and the District of Columbia to place term limits on the 1994 ballot. The remaining 25 State legislatures, including my State of North Carolina, are being lobbied for future initiatives.

I honestly believe that placing limits on the number of terms would bring new talent to Congress and would take us a step closer to the concept of a citizen-legislature. That coupled with a limit on the length of congressional sessions would make Congress more representative of the American people.

I urge my colleagues to pass congressional term-limit legislation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MINGE (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. MOAKLEY (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of illness in the family.

Mr. BONILLA (at the request of Mr. MICHEL), for July 1, on account of a death in the family.

Mr. MCMILLAN (at the request of Mr. MICHEL), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BLUTE) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN, for 60 minutes, today.

Mr. EMERSON, for 5 minutes, today.

Mr. HORN, for 60 minutes each day, on July 13, August 3, and September 8.

Mr. DREIER, for 5 minutes, today.

(The following Members (at the request of Mr. KLINK) to revise and extend their remarks and include extraneous material:)

Mrs. LOWEY, for 60 minutes, today.

Mr. MCDERMOTT, for 60 minutes each day, on July 13, 14, 20, 21, 27, 28, and August 3 and 4.

Mr. MATSUI, for 60 minutes each day, on July 13, 14, 15, 16, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, and August 2, 3, 4, 5, and 6.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BLUTE) and to include extraneous matter:)

Mr. EWING.
Mr. CALLAHAN.
Mr. CLINGER.
Mr. GINGRICH.
Mr. DORNAN.
Mr. BILIRAKIS.
Mr. SMITH of Oregon.
Mr. COMBEST.
Ms. MOLINARI.
Mr. DREIER.
Mr. FISH.
Mr. BOEHNER.
Mr. TAYLOR of North Carolina.
Mr. ZELIFF.
Mr. EMERSON.
Mr. GILLMOR.
Mr. LIVINGSTON in two instances.
Mr. SUNDQUIST.
Mr. LAZIO.

(The following Members (at the request of Mr. KLINK) and to include extraneous matter:)

Mr. HAMBURG.
Mr. TRAFICANT.
Mr. MOAKLEY.
Mrs. MALONEY.
Mr. DELUGO.
Mr. HAMILTON in two instances.
Mr. JOHNSON of South Dakota.
Mr. BLACKWELL in three instances.
Mr. DELLUMS.
Mr. ENGEL.
Mr. KLECZKA.
Mr. POMEROY.
Mr. MORAN.
Mr. DELAURO.
Mr. BILBRAY in two instances.
Mr. RICHARDSON.
Mr. COLEMAN.
Ms. VELÁZQUEZ.
Mr. MARKEY.
Mr. ANDREWS of Texas.
Mr. TORRES.
Mr. FINGERHUT.
Mr. SKAGGS.
Mr. FRANK of Massachusetts.
Mr. OWENS.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 341. An act to provide for a land exchange between the Secretary of Agriculture and Eagle and Pitkin Counties in Colorado, and for other purposes; to the Committee on Natural Resources and the Committee on Agriculture.

S. 646. An act to establish within the Department of Energy an international fusion energy program, and for other purposes; to the Committee on Science, Space, and Technology; Energy and Commerce; and the Committee on Foreign Affairs.

ADJOURNMENT

Mr. GOODLATTE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 8 minutes a.m.), the House adjourned until today, Thursday, July 1, 1993, at 10 a.m.

OATH OF OFFICE MEMBERS, RESIDENT COMMISSIONER, AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members, Resident Commissioner, and Delegates of the House of Representatives, the text of which is carried in 5 U.S.C. 3331:

> "I, AB, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will

> well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 103d Congress, pursuant to the provisions of 2 U.S.C. 25:

Hon. SAM FARR, 17th District, California.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1513. A letter from the Acting Assistant Secretary for Manpower and Reserve Affairs, Department of the Army, transmitting a report on involuntary reductions of civilian positions; to the Committee Armed Services.

1514. A letter from the Secretary of Education, transmitting final regulations for national diffusion network, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1515. A letter from the Secretary of Energy, transmitting the annual report describing the activities of the Federal Government for fiscal year 1992 regarding activities in the development of energy conservation and efficiency standards for new commercial and multifamily high-rise buildings and for new residential buildings, pursuant to 42 U.S.C. 8286b; to the Committee on Energy and Commerce.

1516. A letter from the Secretary of Health and Human Services, transmitting the sixth report on administrative and legislative actions to improve services for individuals with Alzheimer's disease and related dementias, pursuant to 42 U.S.C. 679; to the Committee on Energy and Commerce.

1517. A letter from the Assistant Secretary of Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 93–28 concerning Haiti, pursuant to 22 U.S.C. 2364(a)(1); to the Committee on Foreign Affairs.

1518. A letter from the Acting Public Printer, U.S. Government Printing Office, transmitting the GPO annual report for fiscal year 1992; to the Committee on House Administration.

1519. A letter from the Secretary of the Interior, transmitting the 12th annual report on oil and gas leasing, exploration and development activities on Federal lands in Alaska, other than on the North Slope or the National petroleum Reserve, pursuant to Public Law 96–487, section 1008(b)(4); to the Committee on Natural Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. NATCHER: Committee of Conference. Conference report on H.R. 2118. A bill making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes (Rept. 103–165). Ordered to be printed.

Mr. FROST: Committee on Rules. House Resolution 216. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2118) making supplemental appropriations for the fiscal year ending September 39, 1993, and for other purposes (Rept. 103–166). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAMILTON (for himself and Mr. GILMAN):

H.R. 2561. A bill to authorize the transfer of naval vessels to certain foreign countries; to the Committee on Foreign Affairs.

By Mr. APPLEGATE:

H.R. 2562. A bill to direct the Administrator of General Services to design, and acquire a site for, a Federal building to be constructed in Steubenville, OH; to the Committee on Public Works and Transportation.

By Mr. CALLAHAN:

H.R. 2563. A bill to suspend until January 1, 1995, the duty on 2-(2H-benzotriazol-2-yl)-6-dodecyl-4-methylphenol, branched and linear; to the Committee on Ways and Means.

By Mr. FAZIO:

H.R. 2564. A bill to direct the Secretary of the Interior to apply reductions in water supply during dry years to agricultural water contractors within areas of origin; to the Committee on Natural Resources.

By Mr. FINGERHUT (for himself, Mr. QUINN, Mr. STOKES, Ms. KAPTUR, Mr. YATES, Mr. LaFALCE, and Mr. BARCIA of Michigan):

H.R. 2565. A bill to amend the Federal Water Pollution Control Act to direct the Administrator of the Environmental Protection Agency to publish lakewide management plans for the Great Lakes, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 2566. A bill to amend the Federal Water Pollution Control Act to establish a Great Lakes Research Council; jointly, to the Committees on Public Works and Transportation and Science, Space, and Technology.

By Mr. FRANKS of Connecticut:

H.R. 2567. A bill to amend the Federal Civil Defense Act of 1950 to authorize the use of civil air defense sirens to warn persons living near prison facilities of the escape of an inmate of the facility; to the Committee on Armed Services.

H.R. 2568. A bill to repeal the mandatory 20-percent income tax withholding on eligible rollover distributions which are not rolled over; to the Committee on Ways and Means.

H.R. 2569. A bill to freeze domestic discretionary spending for fiscal years 1994 and 1995 at fiscal year 1993 levels; jointly, to the Committees on Government Operations and Rules.

By Mr. JOHNSON of South Dakota:

H.R. 2570. A bill to amend the act of September 30, 1950, to provide that certain lands administered by the National Forest Service shall be deemed to have fulfilled certain requirements relating to Federal acquisition of real property; to the Committee on Education and Labor.

By Mr. PAYNE of New Jersey (for himself and Mrs. MORELLA):

H.R. 2571. A bill to improve counseling services for elementary school children; to the Committee on Education and Labor.

By Mr. RICHARDSON (for himself, Mr. BILBRAY, Ms. NORTON, Mrs. MINK, Mr. SKAGGS, Mr. OWENS, Mr. SPRATT, Mr. EVANS, Mr. MARKEY, Mr. GILCHREST, Mr. KREIDLER, Mrs. VUCANOVICH, Mr. ABERCROMBIE, and Mr. SCHROEDER):

H.R. 2572. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to establish citizens advisory boards for Department of Energy defense nuclear facilities and to require the Administrator of the Agency for Toxic Substances and Disease Registry to conduct public health and exposure assessments of such facilities; jointly, to the Committee on Energy and Commerce and Armed Services.

By Mr. SABO:

H.R. 2573. A bill to protect children from the trauma of witnessing or experiencing violence, sexual abuse, neglect, abduction, rape, or death during parent-child visitations or visitation exchanges, and for other purposes; to the Committee on Education and Labor.

By Mr. SLATTERY (for himself and Mr. BILIRAKIS):

H.R. 2574. A bill to amend title 38, United States Code, to revise and improve adjudication and appeals procedures relating to claims for benefits under the jurisdiction of the Secretary of Veterans Affairs; to the Committee on Veterans' Affairs.

By Mr. SMITH of Oregon (for himself, Mr. ALLARD, Mr. DOOLEY, Mr. DORNAN, Mr. CRAPO, Mr. INSLEE, Mr. HUNTER, Mr. HANSEN, Mr. LaROCCO, Mr. LEHMAN, and Mr. DOOLITTLE):

H.R. 2575. A bill to amend the Reclamation Reform Act of 1992, and for other purposes; to the Committee on Natural Resources.

By Mr. McCRERY:

H.J. Res. 221. Joint resolution proposing an amendment to the Constitution of the United States to limit the terms of office for Members of Congress; to the Committee on the Judiciary.

By Mr. STUDDS:

H.J. Res. 222. Joint resolution authorizing the President to proclaim 1993 as "America-the-Beautiful Year"; to the Committee on Post Office and Civil Service.

By Mr. VOLKMER:

H.J. Res. 223. Joint resolution proposing an amendment to the Constitution of the United States relative to expenditures to affect congressional, Presidential, State, and local elections; to the Committee on the Judiciary.

By Mr. FRANKS of Connecticut:

H. Con. Res. 114. Concurrent resolution relative to the President's program of program cuts and tax increases; to the Committee on Government Operations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

216. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the Naval Aviation Supply Office Compound at 700 Robbins Ave., Philadelphia, PA; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 39: Miss COLLINS of Michigan, Mr. SLATTERY, Mr. SWETT, and Ms. SHEPHERD.

H.R. 106: Mr. NADLER.

H.R. 326: Mr. COYNE, Mr. HAMBURG, and Ms. FURSE.

H.R. 454: Mr. KLECZKA.

H.R. 462: Mr. HAMBURG and Mr. TAYLOR of Mississippi.

H.R. 466: Mrs. JOHNSON of Connecticut, Mr. MEEHAN, Mr. JEFFERSON, Mr. PARKER, Mr. OWENS, and Mr. FISH.

H.R. 476: Mr. NEAL of Massachusetts.

H.R. 518: Mr. SWETT, Mrs. UNSOELD, Ms. NORTON, Mr. KREIDLER, and Mr. BRYANT.

H.R. 520: Mr. DURBIN, Ms. VELÁZQUEZ, Mr. BACCHUS of Florida, Mr. GENE GREEN of Texas, Mr. FARR, Ms. MALONEY, and Mrs. JOHNSON of Connecticut.

H.R. 643: Mrs. LLOYD.

H.R. 656: Ms. ROS-LEHTINEN.

H.R. 667: Mr. LAUGHLIN.

H.R. 688: Ms. PRYCE of Ohio.

H.R. 703: Mr. BAKER of Louisiana and Mr. KYL.

H.R. 709: Mr. SANTORUM.

H.R. 723: Mr. KYL.

H.R. 737: Mr. STARK.

H.R. 746: Mr. BOUCHER, Mr. CRANE, Mr. OBERSTAR, Ms. BYRNE, Mr. FALEOMAVAEGA, Mr. GENE GREEN of Texas, Mr. DINGELL, and Mr. RAMSTAD.

H.R. 794: Mr. VOLKMER and Mr. SABO.

H.R. 814: Ms. MALONEY, Mr. CASTLE, and Mrs. LLOYD.

H.R. 886: Mr. PETE GEREN of Texas, Mr. PACKARD, and Mr. KNOLLENBERG.

H.R. 911: Mr. SHUSTER and Mr. TAYLOR of Mississippi.

H.R. 921: Ms. SLAUGHTER, Mr. FRANK of Massachusetts, Mrs. KENNELLY, and Ms. MALONEY.

H.R. 954: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1036: Mr. COYNE, Mr. THOMPSON, Mr. MARKEY, Mr. NEAL of Massachusetts, Mr. CARDIN, Mr. PASTOR, Mr. STUDDS, and Ms. SLAUGHTER.

H.R. 1141: Mr. KINGSTON.

H.R. 1251: Mr. HANCOCK.

H.R. 1272: Ms. PRYCE of Ohio.

H.R. 1275: Mr. COLLINS of Georgia, Mr. PAXON, Mr. ROHRABACHER, and Mr. DEFAZIO.

H.R. 1277: Mr. TEJEDA.

H.R. 1296: Mr. DOOLEY.

H.R. 1314: Mr. COBLE.

H.R. 1323: Mr. DELLUMS.

H.R. 1362: Mr. TOWNS and Mr. FROST.

H.R. 1406: Mr. YATES and Mr. ZIMMER.

H.R. 1419: Mr. BARCA of Wisconsin.

H.R. 1448: Mr. HAYES, Mr. OWENS, Mr. GUTIERREZ, Mr. REYNOLDS, Mr. FOGLIETTA, Mrs. COLLINS of Illinois, Mr. COLEMAN, Mr. BLACKWELL, Ms. MCKINNEY, Mr. JEFFERSON, Mr. CLAY, Mr. FORD of Tennessee, Miss COLLINS of Michigan, Mr. PAYNE of New Jersey, Mr. TUCKER, Mr. THOMPSON, Mr. STOKES, Mr. MFUME, Mrs. MEEK, Mr. WATT, Mr. HILLIARD, Mr. RICHARDSON, Mr. LEWIS of Georgia, Mr. RUSH, Ms. NORTON, Mr. CLYBURN, Mr. FLAKE, Mr. LANCASTER, Mrs. CLAYTON, Mr. HASTINGS, Mr. DELLUMS, Mr. TRAFICANT, and Mr. RANGEL.

H.R. 1489: Mr. ROMERO-BARCELO and Mr. WASHINGTON.

H.R. 1505: Mr. SHAYS.

H.R. 1534: Ms. PELOSI and Ms. KAPTUR.

H.R. 1538: Ms. HARMAN.

H.R. 1583: Mr. STUMP.

H.R. 1670: Mr. HANCOCK.

H.R. 1707: Mr. KING.

H.R. 1796: Mr. MOLLOHAN, Mr. FROST, and Mr. MCCANDLESS.

H.R. 1885: Mr. DOOLITTLE and Mr. MANZULLO.

H.R. 1890: Mr. KYL, Mr. VALENTINE, and Mr. VISCLOSKY.

H.R. 1908: Ms. VELÁZQUEZ.

H.R. 1921: Mr. KYL.

H.R. 1935: Mr. FISH.

H.R. 1943: Mr. DELLUMS, Mr. SERRANO, Ms. MCKINNEY, Mr. GONZALEZ, Mr. MILLER of California, Ms. PELOSI, Mr. MCDERMOTT, Mr. TORRES, Ms. VELÁZQUEZ, Mr. EDWARDS of California, Mr. CLAY, and Mr. PASTOR.

H.R. 1954: Mr. ARMEY.

H.R. 1955: Mr. ZIMMER, Mr. EVANS, Mr. INSLEE, Mr. VENTO, Mr. STARK, Mr. TORRES, Mr. JOHNSON of South Dakota, Mr. PORTER, Mr. MACHTLEY, and Miss COLLINS of Michigan.

H.R. 2042: Mr. BALLENGER, Mr. TAUZIN, Mr. BATEMAN, and Mr. BONILLA.

H.R. 2099: Mr. SANTORUM, Mr. CLYBURN, Mr. CANADY, Ms. DANNER, Ms. THURMAN, Mr. BAKER of California, Mr. TUCKER, Mr. ROMERO-BARCELO, and Mr. UNDERWOOD.

H.R. 2130: Ms. EDDIE BERNICE JOHNSON of Texas and Ms. WOOLSEY.

H.R. 2140: Mr. DELLUMS.

H.R. 2142: Mr. FISH.

H.R. 2174: Mrs. LLOYD, Mr. JEFFERSON, Mr. VISCLOSKY, Mr. MCINNIS, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. BLILEY.

H.R. 2241: Mr. FROST.

H.R. 2296: Ms. THURMAN.

H.R. 2331: Mr. OLVER.

H.R. 2335: Mr. FISH.

H.R. 2346: Mr. FROST and Mr. BATEMAN.

H.R. 2378: Mrs. JOHNSON of Connecticut and Mr. MCKEON.

H.R. 2414: Ms. KAPTUR and Mr. CONDIT.

H.R. 2417: Mr. SANGMEISTER, Mr. GOSS, Mr. GEJDENSON, Mr. DOOLITTLE, Mr. YOUNG of Alaska, Mr. EDWARDS of California, Mr. KING, and Mr. BERMAN.

H.R. 2421: Mr. PARKER and Mr. FROST.

H.R. 2449: Mr. HASTINGS.

H.J. Res. 11: Mr. CLAY, Mr. COYNE, Mr. FRANK of Massachusetts, Mr. GORDON, Mr. HILLIARD, Mr. KLINK, Mr. MCDADE, Mr. MACHTLEY, Ms. MALONEY, Mr. MANTON, Mr. MEEHAN, Mrs. MEEK, Mr. MOAKLEY, Mr. MURPHY, Mr. MURTHA, Mr. OBERSTAR, Mr. ORTON, Mr. SANDERS, Mr. SHUSTER, Mr. SUNDQUIST, and Mr. VENTO.

H.J. Res. 137: Mr. STOKES and Mr. BROWN of Ohio.

H.J. Res. 165: Mr. GILMAN, Mr. PARKER, Mr. YOUNG of Florida, Mr. TAUZIN, Mr. BLILEY, Mr. LAFALCE, Mr. SABO, Mr. YOUNG of Alaska, Mr. CALLAHAN, Mr. LANCASTER, Mr. ENGEL, Mr. ANDREWS of New Jersey, Mr. DE LUGO, Mr. DOOLITTLE, Mr. GORDON, Mr. HYDE, Mr. HUNTER, Mr. RAVENEL, Mr. SPENCE, and Mr. OBERSTAR.

H.J. Res. 204: Mr. GALLEGLY, Mr. VALENTINE, Mr. MCDERMOTT, Mr. FAWELL, Mr. PETERSON of Minnesota, Mr. BILBRAY, Mr. EDWARDS of Texas, and Mr. FISH.

H. Con. Res. 6: Mr. SANTORUM, Mr. MANZULLO, and Mr. ROYCE.

H. Con. Res. 15: Mr. SCOTT, Mr. TUCKER, and Mr. LANCASTER.

H. Con. Res. 56: Mr. ENGEL.

H. Res. 38: Mr. HAMBURG.

H. Res. 134: Mr. FINGERHUT, Mr. ROYCE, and Mr. DOOLITTLE.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

51. The SPEAKER presented a petition of the Mount Olive Area Chamber of Commerce, North Carolina, relative to imposing additional national taxes on the tobacco industry; which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2010

By Mr. BALLENGER:

—In section 178(d) of the National and Community Service Act of 1990, as added by section 201 of the bill, insert the following after paragraph (5):

"(6) LIMITATION ON MEMBER PARTICIPATION.—

"(A) GENERAL LIMITATION.—Except as provided in subparagraph (B), a voting member of the State Commission (or of an alternative administrative entity) shall not participate in the administration of the grant program (including any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity) described in subsection (e)(9) in any period during which there is pending before the Commission (or such entity) a grant application submitted by a program or entity of which such member is, or in the 1-year period before the submission of such application was, an officer, director, trustee, full-time volunteer, or employee.

"(B) EXCEPTION.—If, as a result of the operation of subparagraph (A), the number of voting members of the Commission (or of such entity) is insufficient to establish a quorum for the purpose of administering such program, then voting members excluded from participation by subparagraph (A) may participate in the administration of such program, notwithstanding the limitation in subparagraph (A), to the extent permitted by regulations issued under section 192A(h)(10) by the Corporation.

"(C) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed to limit the authority of any voting member of the Commission (or of such entity) to participate in—

"(i) discussions of, and hearing and forums on—

"(I) the general duties, policies, and operations of the Commission (or of such entity); or

"(II) the general administration of such program; or

"(ii) similar general matters relating to the Commission (or such entity).

—In section 192A(h) of the National and Community Service Act of 1990, as added by section 202 of the bill—

(1) in paragraph (8) by striking "and" at the end;

(2) in paragraph (9) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(10) for purposes of subsection (i)(2) and section 178(d)(6)(B), issue regulations to waive the disqualification of members of the Board and members of the State Commission (or of an alternative administrative entity) selectively in a random, nondiscretionary manner and only to the extent necessary to establish the quorum involved, including rules that forbid each member of the Board and each voting member of a State Commission (or of such entity) to participate in any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity of which such member of the Board or such member of the State Commission (or of such entity) is, or in the 1-year period before the submission of such application was, an officer, director, trustee, full-time volunteer, or employee.

—In section 192A of the National and Community Service Act of 1990, as added by section 202 of the bill, insert the following at the end:

"(i) LIMITATION ON PARTICIPATION.—

"(1) GENERAL LIMITATION.—Except as provided in paragraph (2), a member of the Board shall not participate in the administration of the grant program (including any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity) described in section 121 in any period during which there is pending before the Corporation a grant application submitted by a program or entity of which such member of the Board is, or in the 1-year period before the submission of such application was, an officer, director, trustee, partner, full-time volunteer, or employee.

"(2) EXCEPTION.—If, as a result of the operation of paragraph (1), the number of members of the Board is insufficient to establish a quorum for the purpose of administering such program, then members excluded from participation by paragraph (1) may participate in the administration of such program, notwithstanding the limitation in paragraph (1), to the extent permitted by regulations issued under subsection (h)(10) by the Corporations.

"(3) RULE OF CONSTRUCTION.—Paragraph (1) shall not be construed to limit the authority of a member of the Board to participate in—

"(A) discussions of, and hearings and forums on—

"(i) the general duties, policies, and operations of the Commission (or of such entity); or

"(ii) the general administration of such program; or

"(B) similar general matters relating to the Corporation.

By Ms. MOLINARI:

—In section 131(e) of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike subsection (e) and insert the following:

"(e) LIVING ALLOWANCES AND OTHER IN-SERVICE BENEFITS.—An application submitted under section 130 shall also include an assurance by the applicant that any living allowance, health insurance, child care assistance, or other benefit that the applicant or any other person intends to provide to participants in a national service program carried out or supported by the applicant using assistance provided under section 121 will not be provided using such assistance or any portion of such assistance.

—In Section 139 of the National and Community Service Act of 1990, as added by section 101(b) of the bill, strike subsections (a) and (b), and insert the following:

"(a) IN GENERAL.—As a condition of receiving a national service education award under subtitle D, a participant in an approved national service position shall be required to perform national service for at least one term of service specified in subsection (b).

"(b) TERM OF SERVICE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual performing national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 1,000 hours during a period of not less than 9 months and not more than 2 years.

"(2) REDUCTION IN HOURS OF SERVICE.—The Corporation may reduce the number of hours required to be served to successfully complete parttime national service to a level determined by the Corporation, except that any reduction in the required term of service shall include a corresponding reduction in the amount of any national service educational award that may be available under subtitle D with regard to that service.

—In section 140 of the National and Community Service Act of 1990, as added by section 101(b) of the bill—

(1) in subsection (a)—

(A) in paragraph (1) strike "shall" and insert "may", and

(B) strike paragraph (2) and insert the following:

"(2) PROHIBITION ON USE OF FEDERAL ASSISTANCE.—The amount of the annual living allowance provided under paragraph (1), or any portion of that amount, may not be paid using assistance provided under section 121 or any other Federal funds.

(2) strike subsection (b),

(3) redesignate subsection (c) as subsection (b), and

(4) strike subsections (d), (e), (f), and (g).

—In section 146(b) of the National and Community Service Act of 1990, as added by section 102(a) of the bill, strike "full- or part-time".

—In section 501(a) of the National and Community Service Act of 1990, as added by section 301 of the bill, insert the following after paragraph (3):

"(4) PREREQUISITE FOR FUNDING FOR NATIONAL SERVICE EDUCATIONAL AWARDS.—Notwithstanding paragraph (2), no funds are authorized to be appropriated for any fiscal year to provide national service educational awards under subtitle D of title I unless—

"(A) the amount appropriated for such fiscal year for each of the following programs is at least equal to the amount appropriated for such program for fiscal year 1993:

"(i) the college work-study program under part C of title IV of the Higher Education Act of 1965;

"(ii) the supplemental educational opportunity grant program under subpart 3 of part A of title IV of such Act;

"(iii) the State student incentive grant program under subpart 4 of part A of title IV of such Act; and

"(iv) the Perkins loan program under part E of title IV of such Act; and

"(B) the amount appropriated for such fiscal year for the Pell grant program under subpart 1 of part A of title IV of such Act is sufficient to provide a maximum grant in an amount equal to or in excess of $2,400.

EXTENSIONS OF REMARKS

GETTING TO THE HEART OF THE PROBLEM

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. GINGRICH. Mr. Speaker, I would like to bring to the attention of all of my colleagues the following article that was in Newsweek on June 28, 1993. George F. Will really gets to the heart of the problem with the Senate's attempt at campaign reform. If the Supreme Court does not reject this bill because of first amendment infringement then it will give a big boost to incumbents and present a major set back to challengers.

SO, WE TALK TOO MUCH?

(By George F. Will)

Washington's political class and its journalistic echoes are celebrating Senate passage, on a mostly party-line vote, of a "reform" that constitutes the boldest attack on freedom of speech since enactment of the Alien and Sedition Acts of 1798. The campaign finance bill would ration political speech. Fortunately, it is so flagrantly unconstitutional that the Supreme Court will fling it back across First Street, N.E., with a two-word opinion: "Good grief!"

The reformers begin, as their ilk usually does, with a thumping but unargued certitude: campaigns involve "too much" money. (In 1992 congressional races involved a sum equal to 40 percent of what Americans spent on yogurt. Given the government's increasing intrusiveness and capacity to do harm, it is arguable that we spend too little on the dissemination of political discourse.) But reformers eager to limit spending have a problem: mandatory spending limits are unconstitutional. The Supreme Court acknowledges that the First Amendment protects "the indispensable conditions for meaningful communication," which includes spending for the dissemination of speech. The reformers' impossible task is to gin up "incentives" powerful enough to coerce candidates into accepting limits that can be labeled "voluntary."

The Senate bill's original incentive was public financing, coupled with various punishments for privately financed candidates who choose not to sell their First Amendment rights for taxpayers' dollars and who exceed the government's stipulated ration of permissible spending/speech. Most taxpayers detest public financing. ("Food stamps for politicians," says Sen. Mitch McConnell, the Kentucky Republican who will lead the constitutional challenge if anything like this bill becomes law.) So the bill was changed—and made even more grossly unconstitutional. Now it limits public funding to candidates whose opponents spend/speak in excess of government limits. The funds for the subsidy are to come from taxing, at the top corporate rate, all contributions to the candidate who has chosen to exercise his free speech rights with private funding. So 35 percent of people's contributions to a privately funded candidate would be expropriated and given to his opponent. This is part of the punishment system designed to produce "voluntary" acceptance of spending limits.

But the Court says the government cannot require people "to pay a tax for the exercise of that which the First Amendment has made a high constitutional privilege." The Court says that the "power to tax the exercise of a right is the power to control or suppress the exercise of its enjoyment" and is "as potent as the power of censorship."

Sen. Fritz Hollings, the South Carolina Democrat, is a passionate advocate of spending limits but at least has the gumption to attack the First Amendment frontally. The Senate bill amounts, he says candidly, to "coercing people to accept spending limits while pretending it is voluntary." Because "everyone knows what we are doing is unconstitutional," he proposes to make coercion constitutional. He would withdraw First Amendment protection from the most important speech—political discourse. And the Senate has adopted (52–43) his resolution urging Congress to send to the states this constitutional amendment: Congress and the states "shall have power to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary or other election" for federal, state or local office.

Hollings claims—you have to admire his brass—that carving this huge hole in the First Amendment would be "a big boost to free speech." But by "free" he means "fair," and by "fair" he means equal amounts of speech—the permissible amounts to be decided by incumbents in Congress and state legislatures. Note also the power to limit spending not only "by" but even "in support of, or in opposition to" candidates. The 52 senators who voted for this included many who three years ago stoutly (and rightly) opposed carving out even a small exception to First Amendment protections in order to ban flag-burning. But now these incumbents want to empower incumbents to hack away at the Bill of Rights in order to shrink the permissible amount of political discourse.

GOVERNMENT MICROMANAGEMENT

The Senate bill would ban or limit spending by political action committees. It would require privately funded candidates to say in their broadcast advertisements that "the candidate has not agreed to voluntary campaign limits." (This speech regulation is grossly unconstitutional because it favors a particular point of view, and because the Court has held that the First Amendment protects the freedom to choose, "both what to say and what *not* to say.") All this government micromanagement of political speech is supposed to usher in the reign of "fairness" (as incumbents define it, of course).

Incumbents can live happily with spending limits. Incumbents will write the limits, perhaps not altogether altruistically. And spending is the way challengers can combat incumbents' advantages such as name recognition, access to media and franked mail. Besides, the most important and plentiful money spent for political purposes is dispensed entirely by incumbents. It is called the federal budget—$1.5 trillion this year and rising. Federal spending (along with myriad regulations and subsidizing activities such as protectionist measures) often is vote-buying.

It is instructive that when the Senate voted to empower government to ration political speech, and even endorse amending the First Amendment, there was no outcry from journalists. Most of them are liberals and so are disposed to like government regulation of (other people's) lives. Besides, journalists know that government rationing of political speech by candidates will enlarge the importance of journalists' unlimited speech.

The Senate bill's premise is that there is "too much" political speech and some is by undesirable elements (PACs), so government control is needed to make the nation's political speech healthier. Our governments cannot balance their budgets or even suppress the gunfire in America's (potholed) streets. It would be seemly if politicians would get on with such basic tasks, rather than with the mischief of making mincemeat of the First Amendment.

REFORM OF COMMITTEE STRUCTURE AND PROCESS

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. CLINGER. Mr. Speaker, this week, the Joint Committee on the Organization of Congress will complete its public hearings on the subject of congressional reform. The Joint Committee will now sort through the hundreds of hours of testimony it received, in order to develop a set of reform recommendations to be presented to the congressional leadership and American people.

Reprinted below is an excerpt from testimony I presented to the Joint Committee on the subject of reform of committee structure and process.

TESTIMONY OF HON. WILLIAM F. CLINGER, JR., BEFORE THE JOINT COMMITTEE ON THE ORGANIZATION OF CONGRESS ON THE REFORM OF COMMITTEE STRUCTURE AND PROCESS

My primary message today, the one that comes from my service on the Committee on Government Operations, is that special attention should be given to ensure that reforms considered by the Joint Committee reflect the importance of aggressive, effective, and most importantly responsible congressional oversight of cabinet departments, executive agencies, regulatory commissions and the presidency.

Volume after volume has been written with regard to Congressional oversight. In fact, attached to my statement is an extensive CRS bibliography on oversight, evidence, that there is hardly a shortage of information on the subject. Within that body of work, congressional authority for the conduct of oversight has been well-documented. For that reason, I will not repeat the constitutional and statutory basis for oversight.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

However, as the National Academy of Public Administration pointed out in its 1988 report on congressional oversight of regulatory agencies, oversight permeates the activities of Congress. It is central to developing the budget, enacting legislation, confirming presidential appointees and serving constituents.

Yet, while scholars are in general agreement regarding congressional authority for oversight, as well as the all-encompassing nature of oversight, Congress has chosen to experiment with a variety of structural models in implementing oversight. Also attached to my statement is a chapter from a document prepared by the Clerk of the House, the "Guide to the Records of the United States House of Representatives at the National Archives". The attached chapter covers the "Records of the Government Operations Committee and its Predecessors".

I won't quote from the chapter, but would urge Members and staff to take a moment to review the document. A study of the history of the Government Operations Committee and its fourteen predecessor committees, demonstrates the changing views of how oversight can best be advanced through committee structure.

At times, the House believed that a single oversight committee was most effective. That was the case in 1814, when the House established the Committee on Public Expenditures to examine and report whether moneys had been disbursed "conformably" with the law. The committee was also to report measures to increase the economy of the Departments and the accountability of officers.

Later, the House believed that a number of individual oversight committees assigned to a particular department would be most effective. In 1816, an organizational change was implemented, eventually leading to the establishment of eleven (11) standing oversight committees charged with overseeing specific departments. Committees on Expenditures in the Navy, Post Office, Treasury, State, War, Public Buildings, Interior, Justice, Agriculture, Commerce and Labor existed until 1927. As an aside, during his only term in the House, Abraham Lincoln was assigned, like many first-term members, to the Committee on Expenditures in the War Department.

In 1927, the House went back to the idea of a single oversight committee with the establishment of the Committee on Expenditures in the Executive Department. It was not until 1952, that the Committee was renamed the Committee on Government Operations. You will recognize many of the names listed in the final attachment to my statement, a roster of all of the Members who have served on the Committee on Government Operations.

The Clerk's report traces the ups and downs of Government Operations' influence and activities, while at the same time noting that the Committee's broad oversight jurisdiction overlaps with most other standing committees. The Committee has other jurisdiction and responsibilities, such as: jurisdiction for budget and accounting measures other than appropriations; reorganizations in the executive branch; intergovernmental relationships; the national archives; oversight jurisdiction overlaps with most other standing committees.

IMPORTANCE OF COMMITTEE WITH BROAD OVERSIGHT JURISDICTION

I don't mean to leave the impression that the Government Operations Committee is the only committee in the House with oversight jurisdiction. House rules require other oversight efforts by standing committees. Eight committees have special oversight authority to conduct comprehensive reviews of specific subject areas that are within the legislative jurisdiction of other committees. In addition, committees are authorized to create oversight subcommittees or to require their subcommittees to conduct oversight in their jurisdictional areas.

But no committee has the broad oversight jurisdiction of Government Operations. In particular, no committee has such broad oversight jurisdiction for programs it neither authorizes nor funds. That is one of the most critical factors setting Government Operations apart from other committees.

A committee that is neither the authorizer or appropriator of a program, agency or department, can often bring a level of objectivity to oversight that is otherwise impossible. Establishing, perpetuating, or funding a program creates a special relationship between a committee and that program. Meaning no disrespect to the Members or staff of the authorizing and appropriating committees, and I know there are countless examples of authorizing and appropriating committees performing excellent oversight, I am convinced that the oversight process is advanced by the existence of a committee whose primary responsibility is the oversight function.

In any change in the number, jurisdiction, and structure of committees, I would urge that the Joint Committee ensure that broad oversight jurisdiction continues to be assigned to a committee that is neither an authorizer or appropriator.

PROHIBITION ON OVERSIGHT/INVESTIGATIVE STAFF REPORTS

During the past few years, there has been a disturbing increase in a practice that has no place in the oversight process, the use of "staff reports". At times without a single hearing, without a vote of the Committee, without the review of the elected-Members of the committee, and without an opportunity for dissenting views, staff reports have been printed, released and distributed at taxpayer expense.

These are not simple non-controversial reports. These are reports that have contained allegations of criminal misconduct on the part of government officials, charges of widespread fraud and massive government waste. The reports have often fallen short in virtually every measure of fairness, objectivity, professionalism and integrity. They have lacked the factual basis and threshold analysis from which informed, objective conclusions should be drawn.

The simple act of releasing these reports bestows some sort of "official" status. Even with a disclaimer on the cover, the press and the public fails to differentiate between legitimate committee reports and these unapproved and unauthorized staff reports.

If there are allegations of fraud, then by all means they should be investigated and the committee should take appropriate action. If criminal acts have been committed, the committee should investigate, with Members working on a bipartisan basis to fulfill their legislative and oversight responsibilities. If these oversight investigations are important enough to require countless staff hours and the expenditure of hundreds of thousands, sometimes millions of dollars, then they are important enough for the Members of the Committee to have a role.

The issuance of staff reports by an oversight committee, is the equivalent of staff of the Appropriations Committee issuing their own appropriations bills, or staff of authorizing committees authorizing new programs. It is just plain wrong. Members of the Appropriations Committee report funding levels, Members of the authorizing committees report legislative authorizations, and Members of the oversight committee should report investigative oversight reports.

The oversight function is too important to have it tainted by this practice. The integrity and professionalism required for effective oversight is diminished by the release of these reports. There is only one reason for the issuance of a staff report, the desire to circumvent normal committee procedures. For these reasons and others, I strongly urge that the Joint Committee recommend a prohibition on oversight or investigative staff reports.

CONTROL OF THE GOVERNMENT OPERATIONS COMMITTEE BY THE MINORITY WHEN THE HOUSE AND PRESIDENT ARE OF THE SAME PARTY

In 1978, Congress passed the Inspectors General Act in an attempt to address problems inherent in agencies investigating themselves. Later, the Independent Counsel statute was passed to avoid any conflict-of-interest created by having the Attorney General investigate high-level officials of his or her party. Despite the recognition of the conflicts leading to these laws, there is a failure to recognize the conflict resulting from the chief oversight committee of the House being controlled by the same party controlling the White House. Again, with no disrespect to the Chairman or Democratic Members of the Government Operations Committee, the logic that applies to the Inspector General Act and the Independent Counsel statute should apply to the staffing and membership of the chief oversight committee of the House. For that reason, I strongly support the proposal that the majority membership, including the chairman, of the Committee on Government Operations, should be composed of Members of a major political party other than the political party of which the President of the United States is a member.

Short of the adoption of this proposal, the Joint Committee should consider the importance of ensuring that the oversight committee's minority has adequate resources to serve as an effective watchdog. Shortly after I was selected to serve as the Ranking Republican on the Government Operations Committee, I asked the minority staff to conduct a comprehensive review of the Committee's expenditures. What was found was more than a little troubling.

When fully staffed, there are only a total of 18 minority employees on the committee. In comparison, there are approximately 75 majority employees. When you break out the statutory staff, you are left with 7 minority investigative staffers as compared to 55 majority investigative staff. Eighty-four percent (84%) of the committee's expenditures are allocated to the majority, over $4,608 million. The minority receives approximately $900,000. Chairman Conyers is making a good faith effort to rectify the large disparity in minority-majority resources. Since January, we have seen improvements. However, we have a long ways to go. If circumstances lead to the same party controlling both the Congress and the White House, Congress has a special responsibility to ensure that the minority party has adequate resources to serve as an effective watchdog.

REFORM OF THE SUBPOENA PROCESS

The Joint Committee may wish to consider reforms in House rules governing subpoenas which would strengthen the ability of the minority to obtain documents and information. Again, this is of particular importance when the Congress and White House are controlled by the same party. I propose that if there Members of a committee desire that a meeting be called to consider a motion to authorize and issue a subpoena, those members be allowed to file a written request to the Chairman for that meeting. If, within three days the chairman does not call the requested meeting, one-third of the members of the committee could file their written notice that a meeting be held, with such meeting required to take place. This reform does nothing more than require a committee to consider a subpoena if one-third of its members go on record in support of its consideration. Again, if we to have effective, aggressive and responsible oversight, the minority must have adequate resources and authority to fulfill its role as watchdog.

INHERENT COMMITTEE FUNCTIONS

Over the course of the past few years, a great many concerns have been voiced about the use of private contractors by executive branch agencies and departments. There have been efforts to redefine which activities are "inherently governmental functions", functions that should be performed by executive branch employees, not private contractors.

I would argue that there should be a recognition of "inherently committee functions". These are functions which would be performed by committee employees or Members, not detailees or private contractors. Organizing hearings, interviewing witnesses, preparing committee briefing materials, drafting statements and questions, writing investigative reports and legislative report language. These are activities and functions that should be the responsibility of committee staff, accountable to the Members of the Committee and subject to the laws and rules governing congressional employees.

There have been far too many examples when employees from the General Accounting Office, Congressional Research Service, executive branch agencies or departments, or private consultants, have virtually served as committee staff. Their role has not been limited to providing special expertise, but rather, they have performed the daily tasks associated with the job of a committee staffer.

Improvements have been made in limiting the use of GAO detailees and in ensuring that there is minority involvement in the decision to assign a detail to the Committee. In addition, the Comptroller General has finally taken action to put an end to open-ended details that have resulted in at least one GAO employee being detailed to Congress for six out of the last eight years.

However, even as we speak there are 29 GAO detailees assigned to Congress. Costs associated with the assignment of these employees will probably exceed $1 million with every dollar paid for by the General Accounting Office. In 1990, GAO picked up the tab to the order of $5.28 million. In 1991, the cost associated with detailees was $4.27 million. In 1992, the cost was $4.16 million.

While there are instances when it is appropriate and necessary to utilize detailed personnel, I would urge the Joint Committee to consider the concept of "inherent committee functions" and how it could best be incorporated in the Committee's recommendations for reform.

CONCLUSION

In reviewing the history of congressional oversight, it is apparent that some things have not changed much in the last 170 or so years.

Last January, President Clinton announced his National Performance Review, intended to enhance accountability and improve effectiveness. In 1822 and 1828, the Government Operations' predecessor committee conducted surveys to determine whether governmental departments were structured in a manner that facilitated reviews for accountability.

Also, in January, an 1,800 page review of DoD procurement policy was released by the Section 800 panel. The report includes a discussion of "best value contracts", contracts which have been the subject of Government Operations' oversight hearings. In 1841, the Committee's predecessor reviewed contract procedures to determine what benefits, if any, were derived from a requirement to accept the lowest bids for products. This is the exact same question central to today's debate over "best value".

I could cite example after example where issues of current concern are identical to oversight concerns since the founding of the Republic. However, the point is not that the issues are the same, but that the need for vigilant oversight is just as important today as it was 200 years ago.

You face a huge challenge in sorting through the mass of information provided to the Joint Committee as part of its review of the organization of Congress. You have the respect and admiration of your colleagues as you devote time, energy and thought to this important task. I would welcome the chance to further discuss these issues with you or your staff at your convenience.

FORECASTING AND PREPARING FOR TORNADOS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 23, 1993, into the CONGRESSIONAL RECORD:

FORECASTING AND PREPARING FOR TORNADOES

Warm, clear days make Indiana particularly enjoyable at this time of year. Unfortunately, this also is the time when we are most likely to experience occasional extreme weather. About 10,000 severe thunderstorms and 1,000 tornadoes strike U.S. communities each year. Indiana gets more than its fair share of these violent storms. In fact, only Florida and Oklahoma have a higher frequency of tornadoes per square mile. Tragically, over the past 30 years an average of 7 Hoosiers per year have died in tornadoes.

In a typical year most Indiana communities will experience 14 to 17 thunderstorms with winds upward of 58 miles per hour. About 22 tornadoes will strike the State. Most have surface wind speeds of 40 to 160 miles per hour, although occasionally they may exceed 300 m.p.h. The area of Indiana roughly bounded by Greensburg and Madison on the east, and Greencastle and Bloomington on the west, has been particularly vulnerable to tornadoes.

GOVERNMENTAL RESPONSES

The Federal Government, working through the National Weather Service (NWS), is the Nation's principal weather forecaster. It also provides much of the weather research. Federal and State disaster relief helps communities and families recover from the most damaging storms. Once the President declares a major disaster, agencies from the Small Business Administration to the IRS begin to help. For example, families may receive temporary housing assistance, disaster loans, individual and family grants, unemployment assistance, crisis counseling, and even tax relief. These efforts are coordinated through the Federal Emergency Management Agency, and its Indiana counterpart, the State Emergency Management Agency. Last year, in the aftermath of destructive storms in July and August, $60 million in Federal and State funds helped many communities in Indiana to recover.

NEW FORECASTING TECHNOLOGIES

What can be done to limit the destructiveness of violent storms? One approach is to improve our forecasting. The NWS Forecast Office in Indianapolis is installing a new "Doppler" radar system that should be operational by the first of September. It will allow forecasters to "see inside storms and detect wind driven rain that is carried toward or away from the radar. This will give them a clear indication of storm rotation and help them identify many severe storms in their early stages. In Oklahoma, where the new radar has been tested, lead time for tornado warnings has been increased from less than 4 minutes to up to 20 minutes. In a Florida trial, warning times for some severe storms were increased from 20 to 40 minutes.

The range of the new Indianapolis radar is 100–120 miles, which means that some areas of southern Indiana will not be reached. Fortunately, an identical system will be on-line in Louisville by the first of November. Within the next two years the Weather Service will have installed 150 Doppler systems nationwide. Included will be new radar at Paducah, Kentucky, and Wilminginton, Ohio, increasing coverage for both southwestern and eastern Indiana.

Many other technological improvements to weather forecasting are planned for the next few years, including newly designed NWS satellites that will monitor North American weather from as far south as the equator and as far north as the polar region.

STORM SPOTTERS

Not all weather forecasting is technological. For example, the weather service will continue to depend heavily upon approximately 2,400 Hoosiers who serve as "storm spotters," relying simply on their eyes and ears, and quickly reporting their observation to the NWS. Official severe weather spotters take a two hour course from the NWS. Most report their observations on CB or ham radios. However, anyone can become an unofficial storm spotter by phoning the police to report severe weather or flash floods.

PREPAREDNESS

Forecasts can't help unless they reach residents in danger. One way to solve this problem is to purchase a National Oceanic and Atmospheric Administration (NOAA) Weather radio. For about $30 these radios come equipped with alarms that will warn residents—even when they are turned off—that a storm or flash flood watch or warning has been issued.

In the event that a tornado warning is issued for a particular area, the NWS recommends that residents in that area be prepared with disaster plans for home, school and work. For example, at home that would mean going to an underground storm shelter or a basement. For houses without them, a small enclosed room in the center of the house on the ground floor—such as a closet or a bathroom—may be the safest choice. Recent research suggests that modest reinforcing of the floor, walls and ceiling of such a room greatly increases its safety.

Assessments of damages to homes struck by tornadoes suggest two other common correctable problems. First, many roofs are attached to house walls by only a few nails and the force of gravity. Tornadoes attack not only with powerful winds at their perimeters, but also with equally potent upward suctioning winds at their centers. These winds often lift roofs off of houses and toss them aside. Securing roofs with bolts can greatly reduce the risk. The second related problem is that garage doors often are the weak link in a house's construction. A 1982 study of the damage caused by a tornado in Nebraska, found that half of the roof damage was found in houses with garage doors that faced the oncoming tornado. So, temporary or permanent reinforcing of garage doors may prevent some damage and injuries.

Free preparedness guides on both tornadoes and flash floods, as well as a free storm spotter's guide, are available from the National Severe Storms Center, Room 1728, 601 E. 12th St., Kansas City, Missouri 64106.

CONCLUSION

While we cannot legislate away tornadoes, we can improve weather forecasting and help Hoosiers prepare for, and recover from, severe weather. The installation of new radar networks should significantly improve severe storm warning times. I will continue to monitor and support forecasting improvements, as well as government programs that provide disaster relief.

GAYS IN THE MILITARY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. DORNAN. Mr. Speaker, Mike Royko has never been more on target.

His article follows:

GAYS IN THE MILITARY—THE ISSUE IS NOT DISCRIMINATION

(By Mike Royko)

President Bill Clinton is being squeezed on the issue of gays in the military. Gays demand that he lift the ban on them. But the generals and admirals say, please, spare us this massive migraine.

If Clinton wants maximum effectiveness from the military, he'll try to squirm out of his political promise to end the ban. He can't soothe both sides on this issue. If he keeps his word, he'll anger the military and a large segment of America. If he breaks his promise, he'll anger gays and their Hollywood supporters, who gave him votes and money last year.

Were I asked to cast a tie-breaking vote, it would be for the military. They know more about what it takes to win wars than Barbara Streisand or the Gay and Lesbian Alliance.

And if the Pentagon had done a better job of arguing its case, the vast majority of Americans would agree. Instead, gays have skillfully used the media to argue that the military ban is nothing more than discrimination. Those who disagree are called gay-bashers.

"We're caught in a propaganda war being waged by the media and gay lobbyists," Lt. Col. Robert Maginnis recently wrote. "Most media members who advocate lifting the ban never served in the military. They don't understand the lack of privacy and forced intimacy in the barracks."

He's right. Military life is unique. The civilian job closest to soldiering is being a cop. There are gay cops, and that's okay. But as a cop, you work your shift and go home. You don't live on a ship with another cop 24 hours a day. You don't shower and sleep near him for months at a time.

And since we're talking about sex—specifically a form of sex that most Americans consider morally wrong—anybody who says that it won't affect morale and discipline in the military has never been in a barracks or on a crowded troopship.

Yes, there are polls that tell us that more than 40 percent of Americans think the gay ban should be lifted. These polls are about as meaningful as those that say ten percent of Americans believe Elvis lives. A poll limited to those in the military and those who have served would show that an overwhelming majority would be against lifting the ban.

They know that most who volunteer to serve in our military have conservative, middle-class, God-country-family values. It's a conformist organization, from haircut to stockings. And it places less value on individual rights than on the unit as a whole. It has its own laws and justice system, which by civilian standards would be considered authoritarian. Maybe you don't want to live that way, but if we are going to fight wars it works.

If gays are accepted by the military, they will demand change. Some activists will probably push for a gay quota at West Point.

There's nothing wrong with change if it has a positive purpose. This doesn't. We're not talking about patriotism, love of country, sacrifice. Gay obsessives—not to be confused with ordinary people who happen to be gay—have an agenda: total self acceptance. And they are using the military ban as a blue chip in their poker game.

A gay Washington lawyer summed it up when he told the New York Times; " Any instruments that defer or delegate this issue to the military are inherently suspect."

Hey, lawyer, this country's military has won many more battles than it has lost. When it comes to fighting Gen. Colin Powell's views are less suspect than those of a Washington lawyer who hasn't spent one minute in combat. From ousting Saddam from Kuwait to helping Somalia, our military has been effective. As the saying goes, if it ain't broke, don't fix it.

And the militant gay agenda has nothing to do with fixing it. Just the opposite.

IN MEMORY OF COUNCILMAN LORIN L. WILLIAMS

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. BILBRAY. Mr. Speaker, I rise today to honor the memory of a great Nevadan.

Mr. Lorin L. Williams served as a city councilman in the city of Henderson for 22 of the last 32 years. Six of those years he served as mayor of Henderson. His distinguished career of public service began in 1961, in an election he won by just six votes. At that time, 32 years ago, the city of Henderson consisted of few more than 13,000 souls. When Lorin Williams last won election to the Henderson City Council, that once small town had grown into a city of almost 100,000 people.

Lorin Williams played no small role in that tremendous growth. Through the years, Lorin's whole focus was the growth of Henderson and the development of the city that had been his home since 1950. Although men as successful as he might have been tempted to test the waters in a larger political pond, Lorin was not. To him, the ultimate challenge waited for him at the local level. Lorin told friends, he liked municipal politics because "that is where the action is." It was where he could really make a difference.

And what a difference he made. Few Nevadans possessed the foresight Williams displayed for 30 years. City oldtimers recall that in the 1970's, Lorin had a vision for the city that few shared. Where cars and trucks once kicked up dust off dirt roads, today thousands of people pass by on the major thoroughfares that make up the streets and roads of a thriving modern community. The sleepy little town south of glittering Las Vegas has grown into a true city which compliments its companion to the north.

The city of Henderson is well on the way to great success in the 21st century. That reality is at least partially due to the work of a single man. I knew Lorin Williams for years, and had a great respect for the man and his work.

My wife, Mickey, and I plan to retire someday to spend the rest of our lives in Henderson, NV. We, along with the thousands of people who choose to make that city our home will each day live the legacy left behind by the hard work and dedication of Lorin Williams.

And so I ask my colleagues to stand today and help me to honor the memory of the man who helped make Henderson the thriving city it is today, my friend, Mr. Lorin Williams.

TRIBUTE TO BRETT LAXTON

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. LIVINGSTON. Mr. Speaker, today I wish to honor the Athletic Department of Louisiana State University, which in the past several weeks has notched two noteworthy achievements. First, in a display of consistency as remarkable as anything John Wooden's basketball teams ever displayed, the LSU women's track team won its seventh consecutive national championship. They and all their boosters are thus in seventh heaven right now, and they deserve to be there.

Then, just 2 weeks later, the LSU baseball team won its second College World Series in the past 3 years. Reaching the final game with a thrilling three-run rally in the bottom of the ninth inning of the semifinal, the Tigers shut out their opponents in the finals to cap a terrific season.

I congratulate both the baseball team and the women's track team, and I am very proud to represent their State.

The article follows:

BRETT LAXTON

(By Albert Kim)

Well before the ninth inning of last Saturday's College World Series championship game, it became apparent that there would be no thrilling, come-from-behind finish as there had been in 10 of the 13 previous games played last week at Rosenblatt Stadium in Omaha. No way. Staked to a 7-0 lead over Wichita State after three innings, Louisiana State University freshman pitcher Brett Laxton took control of one of the wildest scrambles ever for the national championship and turned the title game into a yawner.

"Well, it was pretty exciting for me," said LSU coach Skip Bertman, after watching Laxton strike out a championship-game record 16 batters to lead the Tigers to an 8-0 victory and their second national title three years. "Brett's performance was one of the greatest I've ever seen here. And it was exciting."

Displaying the composure of a seasoned upperclassman, not to mention a deadly slider and a 90-mph fastball, Laxton pitched a three-hitter against a Wichita State team that had scored 21 runs in winning its three previous World Series games. His complete game was the first in a title game since 1961. Along the way Laxton fanned every Shocker in the lineup at least once and didn't allow a base runner past second.

"He came with a fastball all day and pretty much stuck it to us," said Wichita State relief ace-DH Darren Dreifort, who got one of the three hits off Laxton but gave up two of the Tigers' runs.

Laxton, who retired the last eight Wichita State batters (four on strikeouts), said the drama of the week before had kept him from easing up once the Tigers had built their big early lead. On June 6, in his only other World Series appearance, Laxton had been knocked around for four runs in four innings by Texas A&M, but LSU rallied to win 13-8. The Tigers' only defeat in the tournament came three days later, when Long Beach State scored four times in the eighth inning to prevail 10-8. The same two teams met again last Friday, but this time LSU made the comeback, getting three runs in the bottom of the ninth to reach the final.

"Those comebacks were in the back of my mind," said Laxton, who was 10-1 with a 1.92 ERA during the regular season. "As we've all seen, anything can happen."

A two-time all-state pitcher at Audubon (N.J.) High, Laxton was selected by the San Diego Padres in the fourth round of last year's amateur draft, but he turned down a tempting $150,000 signing bonus. "My parents really pushed for me to go to school," said Laxton. "Especially my dad."

Laxton's father, Bill, spent parts of five seasons (between 1970 and '77) in the big leagues as a pitcher with five teams. Bill appeared in 121 major league games, almost exclusively in relief, and finished with a 3-10 record. "He got drafted right out of high school, and he signed," said Brett. "He played for 14 years, and afterward he didn't have anything to fall back on."

Now the elder Laxton is a truck driver for the Audubon Township Department of Public Works. "We're not real well off, but we live," said Brett. "That's why my dad wanted me to go to school, so that when I'm done in baseball, I'll have something to fall back on."

Bill had another message for his son before the championship game. "My dad called me the night before the game, and he told me to go out and have fun," Brett said. "He's never pushed me in this game. He's let me follow my own path. He just told me, 'Remember, that's why you're playing baseball—to have fun.'"

TRIBUTE TO THE TUSKEGEE AIRMEN

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. BLACKWELL. Mr. Speaker, it is with the greatest sense of pride and honor that I rise today, on the floor of the U.S. House of Representatives, to honor the spectacular Tuskegee Airmen who transcended a countless number of barriers and earned themselves a glorious place in our Nation's rich and diverse history.

The Tuskegee Airmen were the first black aviators to serve in the U.S. Armed Forces. This phenomenal group of African-American men were first called to service by President Franklin D. Roosevelt during World War II. Their remarkable presence shattered the hateful but sturdy walls of racism which had previously kept our Nation's African-American pilots rooted on the ground.

The Tuskegee Airmen quickly became a force to be reckoned with, and made their presence felt by all. During the course of the Second World War, the Tuskegee Airmen flew more than 1,500 combat missions, and downed a remarkable 261 enemy aircraft. In addition, this fearless squadron braved over 140 flying missions without relief. Led by Gen. Benjamin O. Davis, Jr., who was the first black general in the Air Force, these unsung heroes flew every mission as if it were their personal task to demonstrate the equality of all people, regardless of color or creed.

On many of their missions, the Tuskegee Airmen served as bomber escorts. This harrowing duty required them to protect their fellow Allied bomber planes from enemy attack. Mr. Speaker, I am proud to report that of the more than 200 escort missions in which they flew, the Tuskegee Airmen never lost a friendly bomber. This is just one of many outstanding examples of why their unwavering and never faltering bravery distinguishes them among all U.S. fighter groups.

Mr. Speaker, it is my firm belief that these valiant soldiers must never be forgotten, for they have made a vital contribution to the defense and security of this country. Also known as the Red Tails because of the markings on their P-51 Mustangs, the Tuskegee Airmen have certainly earned the respect of the entire Armed Forces for their skillful flying, and their unparalleled perseverance.

I am certain that all of my colleagues will agree that the contributions that the Tuskegee Airmen have made on behalf of our great country are breathtaking. Through their overwhelming courage, intellect, and ability to triumph in the face of racism and adversity, they have set an outstanding example of which all Americans can be proud.

Mr. Speaker, the city of Philadelphia has proclaimed July 2, 1993, as Tuskegee Airmen Day. I ask my colleagues to rise and join me on the floor of the U.S. House of Representatives to congratulate these unsung American heroes on their magnificent and high flying contributions to the United States of America.

NUCLEAR TESTING

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. LAZIO. Mr. Speaker, media reports indicate that President Clinton will soon announce that the United States will not resume the testing of nuclear weapons unless another country tests first. I support that policy. While the congressional moratorium on nuclear testing expires July 1, I am concerned that a resumption of testing now will undermine the United States' counterproliferation efforts. The United States should not be the first to break the current testing moratorium. I have conveyed the following thoughts and concerns to the President:

Achieving a nuclear test ban was an objective of every U.S. President from Eisenhower to Carter. Moreover, the United States has treaty commitments to pursue a multilateral CTB. The preamble of the Nuclear Non-Proliferation Treaty, the mainstay of the international nonproliferation regime, seeks the discontinuance of all test explosions of nuclear weapons for all time. Several nonnuclear states have argued that extension of this treaty in 1995—a stated U.S. objective—should be conditioned upon conclusion of a multilateral CTB. Resumption of nuclear testing, even while we discuss plans and negotiations for a CTB, would likely complicate our ability to achieve an extension of the treaty in 1995.

U.S. resumption of nuclear testing could thus prove damaging to our counterproliferation efforts. The President has said that the proliferation of weapons of mass destruction is perhaps the United States' greatest security threat. Further, Secretary of Defense Aspin has stated that any benefit the United States would derive from continued nuclear testing for safety improvements would have to be weighed against the possible value of ending testing altogether to encourage other states to abandon their own nuclear weapons development efforts.

I believe that we must be willing to consider our own nuclear policies and programs in light of our nonproliferation goals. Only if we lead by example can we credibly ask other countries to cooperate in an effort to stem the tide of weapons proliferation.

NAFTA

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. DREIER. Mr. Speaker, I rise today because I recently received a letter from a family in San Dimas, CA, regarding the debate surrounding the North American Free Trade Agreement [NAFTA]. It is heartening in this age of sound-bites and demagoguery that dialog and listening still have a place in the democratic process.

Shortly after Ross Perot's 30-minute TV commercial criticizing NAFTA was aired on May 30, I received a short letter from a family concerned that, from what they heard on the TV commercial, NAFTA would hurt our economy.

The text of that letter follows:

Congressman DREIER: NAFTA—No!

THE MALICKI FAMILY.
San Dimas, CA.

I share this family's concern with creating good jobs here in the United States, but I believe that the overwhelming evidence indicates that NAFTA will help, not hinder, economic growth. Therefore, I sent the Malicki family the following response:

Thank you for letting me know of your opposition to the proposed North American Free Trade Agreement (NAFTA).

I believe that NAFTA will strengthen our economy by breaking down existing barriers to our products. While NAFTA is certain to increase American exports, it will not much change our trade policies toward Mexican products. Most people do not realize that most Mexican products already enter the United States without any tariff, and those tariffs that do exist average just 4 percent. Today, American workers are protected from "cheap" Mexican labor by only negligible barriers. On the other hand, Mexican tariffs average over 10 percent, and there are many Mexican non-tariff barriers which will be eliminated. Therefore, NAFTA promises to dramatically increase U.S. exports to Mexico by eliminating trade barriers and leveling the playing field. This is why studies predict NAFTA will lead to a net increase of 400,000 American jobs.

Along with increasing American exports, NAFTA will bring other very important benefits. We have one of the most important bilateral relationships in the world with Mexico. Over the past five years the Mexican Government has opened their economy through reforms as breathtaking as those in Moscow. Defeating NAFTA will throw away the prospects for continued economic development and stability in Mexico, and will exacerbate problems such as illegal immigration and environmental distress which have a direct impact on California.

Please let me know if I can be of any future assistance.

Last week, I received a second letter from Thomas Malicki and his family. It reads:

Congressman DREIER: Thank you for your response to my note concerning my opposition to NAFTA. After reading your explanation I have changed my stand and now agree with your position on NAFTA.

I trust in your judgment concerning our government and the future of California.

Thanks again.

Sincerely,

THOMAS M. MALICKI and Family.

I believe my exchange with the Malicki family proves the value of two-way communication on an issue like NAFTA, and it shows that 30-minute anti-NAFTA commercials often leave more than half the story out. I look forward to the advice and suggestions of more families like the Malickis, and I hope that the NAFTA debate in Congress can rest on the facts of the treaty and the interests of our Nation as a whole, rather than on falsehoods and demagoguery.

WHY GAYS SHOULD BE ALLOWED TO SERVE IN THE U.S. MILITARY

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. FRANK of Massachusetts. Mr. Speaker, last week, I received a letter from a woman who appears to be a very dedicated and effective teacher—Kathie Bailey, who is the coordinator of the gifted/talented program in Corvallis, MT. Ms. Bailey took the time and trouble to send to me an essay written by an 8th grade student, Jesse Bloom, which is an eloquent, powerful and thoughtful statement of the case for lifting the ban on gay men and lesbians serving in the military. Even people who do not agree with everything stated will be impressed with the quality of this essay. I express my admiration to Jesse Bloom for his concern for human rights and the skill with which he expresses his views, and I express also my admiration to Kathie Bailey for being such a dedicated teacher.

WHY GAYS SHOULD BE ALLOWED TO SERVE IN THE U.S. MILITARY

(By Jesse Bloom)

On September 24, 1992, Navy seaman Allen Schindler went to his executive officer and admitted he was gay. One month later, his mutilated body was found. He had been beaten so badly he was recognizable only by his tattoos. Before his murder, Schindler had written in his diary, "more people are finding out about me. It scares me a little. You never know who would want to injure me."

Allen Schindler was one of many gays who have lost their careers, or in a few cases their lives, to society's anti-gay prejudice. Nowhere is this prejudice worse than in the U.S. armed forces. Since 1982, over 297 million dollars were spent to "separate" 13,000 gays out of the military. Many of them had rendered their country years of loyal service. The vast majority had never bothered another soldier. In fact, most had kept their sexual orientation secret, until the military went to great pains to expose their personal lives.

The Defense Department's arguments against including gays in the military are strikingly reminiscent of the reasons for excluding women and blacks from the armed forces. The military argues that heterosexuals would be uncomfortable fighting and living in close proximity with gays. This is the same logic that was used to keep blacks out of the military in the 1940's, when it was argued that white soldiers would be unwilling to share quarters with blacks.

The military seems to enforce its anti-gay policies only when there is an adequate supply of heterosexual soldiers. For example, during the peak of the Korean War, the number of discharges issued to gays dropped by 56%. The year the war ended the number of gay related discharges tripled. This trend continued into the Desert Storm Operation. Numerous reserves attempted to avoid being sent abroad by announcing they were gay. But in several documented cases, soldiers who claimed to be gay were sent to the Middle East anyway.

The military's failure to enforce the ban on gays in time of war shows that it does not see gay soldiers as a real threat. Many militaries around the world allow openly gay soldiers in their ranks, and this has yet to cause a deterioration in unit cohesion. For example, Israel's armed forces do not accept homosexuality as an excuse not to serve as a soldier. Even though Israel has one of the world's most active militaries, there has been no shattering of morale.

Many people are concerned that gay commanders would use their position to force other soldiers into homosexual acts. This argument is seriously flawed. It is not unheard of for male heterosexual officers to molest female soldiers. Yet there have been no proposals to eliminate all heterosexual males from the armed forces. Gays who attempt to improperly use their influence should be discharged from the service. However, gays who do not allow their personal lives to interfere with their duties should not be denied the privilege of serving their country.

Gays are often outstanding soldiers and commanders. Frederick William von Steuben, America's first inspector general, the author of the United States' first drill books, the designer of West Point, and the first U.S. officer ever to discipline a soldier, was nearly court-martialed by the Continental Congress because he was reputed to be gay. If the Continental Army had used today's policies the Revolutionary War might have been lost, as von Steuben was one of the few officers whose efforts against England were crucial in America's triumph in the Revolutionary War.

Recent research indicates that homosexuality has a genetic basis. Initial studies have shown that a part of the brain called the hypothalamus is smaller in homosexual males than in heterosexual males. This size variance in the hypothalamus may prevent free choice of sexual orientation on the part of homosexuals. According to journalist Randy Shilts, these studies "reduce being gay to something like being left-handed, which is in fact all it is." This position is strengthened by the finding that if one identical twin is gay, the other twin is three times more likely to be gay than if the twins are fraternal.

The size variance of the hypothalamus provides no justification for excluding gays. They are instead being excluded because a large portion of the population is afraid of a seemingly strange sexual orientation. This is a blatant violation of the Fourteenth Amendment, which forbids laws that "abridge the privileges or immunities of citizens of the United States without due process of the law."

The courts are beginning to recognize this violation. On January 25, 1993, U.S. District Judge Terry J. Hatter, Jr. ruled the military's ban was unconstitutional and that petty officer Keith Meinhold should be reinstated. Meinhold was a Navy officer who was discharged for acknowledging he was gay. While Hatter agreed that serving in the military was a privilege, he noted that under the Constitution's Equal Protection Clause; the privilege could be denied only if the justification was "rationally related to permissible goals." In his opinion, Hatter wrote, "The Department of Defense's justifications for its policy banning gays and lesbians are based on cultural myths and false stereotypes. These justifications are baseless and very similar to the reasons offered to keep the military racially segregated in the 1940's."

Despite these arguments, a large segment of the population insists on ignoring the evidence and remaining blissfully immersed in ignorance and prejudice. The military's refusal to face the facts is evoking increasing rage in gays, researchers, and civil rights advocates. In the words of Derek Hodel, "My attitude has hardened of late. I have no time for ignorance. I have no patience for those who do not wish to know."

The numerous gays that have successfully served in the armed forces have demonstrated that the problem is not the gays, but the prejudice of heterosexuals. The solution is not to punish gays for something over which they may have no control, but to educate the heterosexual population. To continue to deny gays the opportunity to serve their country would not only be unjust, but would set a dangerous precedent of excluding a minority based on the prejudice of the majority.

CONGRATULATIONS ON THE 50TH ANNIVERSARY OF ST. MATTHEWS LUTHERAN CHURCH

HON. THOMAS W. EWING

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. EWING. Mr. Speaker, I would like to commend the devotion of Pastor Paul F. Swartz and congratulate St. Matthews Lutheran Church on the occasion of its 50th year of service in the city of Urbana.

Throughout our Nation, communities are constantly being challenged by crime, ethnic strife, job loss, and many other related problems. In times of such adversity, religious establishments such as St. Matthews have been there to help pull our communities together. They have stood as the framework of our communities.

I also want to commend each member of the congregation for their commitment to the spirit and prosperity of St. Matthews Lutheran Church. The community should be thankful and proud to have such a strong congregation, and I know that the community of Urbana will continue to benefit from the good work of St. Matthews for another 50 years.

1993 TWENTY-FOUR CHALLENGE MATH TOURNAMENT

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30 1993

Mr. CLINGER. Mr. Speaker, I rise today to congratulate five young students from my congressional district on their outstanding accomplishment this year in the third annual Twenty-Four Challenge math tournament, of which I am proud to be the honorary chairman. Rusty Hartzell and Damien Bundy of Keystone Elementary in Clarion, PA, Don Wolfe and Brian Pasquinelli of Queen of the World School in Saint Marys, PA, and James Irwin of Johnsonburg Area Elementary in Johnsonburg, PA all advanced to the first ever regional finals held in Harrisburg on June 24, 1993.

This year's regional finals came after 250,000 students from Philadelphia, Greater Lehigh Valley, Greater Pittsburgh, western Pennsylvania, and my district played the game in their classrooms. Each area had its own final competition and sent their top 24 students to Harrisburg for the regional competition. The 24 students who represented the fifth district are to be commended for their outstanding success at the game and for advancing to the Harrisburg competition. You are all winners. Only 12 of the 250,000 students, however, could advance to the regional final competition. I think it is particularly exciting that 5 of the 12 students in the final were from the Fifth Congressional District.

The object of the Twenty-Four Challenge game is simple: Add, subtract, multiply, or divide four numbers on the game card. With lightening-speed mental math, no paper or pencils, students find the correct solution to reach the answer which is always "24." Students then tap the card to signify that they have found the correct solution.

Our outstanding finalists are not the only winners in the Twenty-Four Challenge tournament, and the thrills of competition and prizes are not the only benefits. Teachers across the State and the country are using this game in their classrooms every day, and it is motivating every student, regardless of their ability, to learn math. All of the kids who play are winners because they are developing a positive attitude toward math and encourage each other to work hard, and achieve excellence in school. And, in the 3 years, since I was first introduced to the game, I have enjoyed seeing it grow in popularity as the students improve their math skills and test scores.

Mr. Speaker, I appreciate this opportunity to recognize the five young students from my district on their tremendous achievement. Their remarkable success is an example of the type of progress our students are actually making toward the goal of making America first in math by the year 2000. With their continued effort they will help us reach our goal.

CITIZEN COSPONSORS OF THE FAIR ACT

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. MORAN. Mr. Speaker, on March 10, Representatives GOODLING and I introduced the Fiscal Accountability and Intergovernmental Reform [FAIR] Act to help State and local governments ameliorate their most crushing financial burden: Unfunded Federal mandates.

We feel this legislation is necessary to safeguard against a tendency within out institution and among Federal agencies to resort to more and more Federal requirements without providing the funds to implement them.

Like the National Environmental Policy Act, this measure will require Federal agencies to analyze the economic costs of new regulations before they are adopted.

And, like the 1974 Budget Reform Act, our bill will require that legislation cannot be considered by the full House or Senate without an analysis by the Congressional Budget Office of the cost of compliance to State and local governments and the private sector.

News of this legislation is spreading among those it will help most: our cities' mayors. Mayors from every State and territory have been writing in support of the FAIR Act and urge swift congressional action.

Support for mandate relief is building on numerous fronts. The New York Times recently ran a series of articles focusing on how our Nation's regulatory policies have strayed from their original purpose.

Mayors from 114 cities in 49 States wrote President Clinton urging the White House to focus on how policymaking has gone awry. And finally the National League of Cities has made unfunded Federal mandates one of its top five political priorities in Washington.

In the next several weeks Representative GOODLING and I will be entering into the CONGRESSIONAL RECORD the names of hundreds of mayors from both parties and each State who have agreed to be citizen cosponsors of our FAIR Act initiative.

The time has come to make the Federal Government accountable for the actions it takes on behalf of our cities and States.

The names of the 10 citizen cosponsors who are urging us to take meaningful Federal mandate reform action follows:

CITIZEN COSPONSORS OF THE FAIR ACT

1. Barry DuVal, mayor, Newport News, VA.
2. Othal Brand, Sr., mayor, McAllen, TX.
3. David Doyle, mayor, DeSoto, TX.
4. Larry Ringer, mayor, College Station, TX.
5. Joseph Daddona, mayor, Allentown, PA.
6. Carmelo Rivera, mayor, Isabelo, PR.
7. Joseph Griffo, mayor, Rome, NY.
8. Sterling Uhler, mayor, Fairfield, OH.
9. Jerry Lausmann, mayor, Medford, OR.
10. Don Robart, mayor, Cayahoga Falls, OH.
11. Stephen Reed, mayor, Harrisburg, PA.
12. Woodrow Stanley, mayor, Flint, MI.
13. Patrick Pasculli, mayor, Hoboken, NJ.
14. Dorothy Storm, mayor, Freeport, NY.
15. Richard Daley, mayor, Chicago, IL.
16. Winthrop Farwell, mayor, Brockton, MA.
17. Lawrence Kelly, mayor, Daytona Beach, FL.
18. Charles Garrigues, mayor, Elmhurst, IL.
19. Robert Turner, mayor, Applevalley, CA.
20. Mary Ellen Summerlin, mayor, Port Arthur, TX.

IN HONOR OF ELMER QUIST

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. BILIRAKIS. Mr. Speaker, on June 22, Pasco County and the entire State of Florida lost a tireless advocate for the rights of veterans when my good friend Elmer Quist passed away.

Mr. Speaker, Elmer Quist was a man born to serve his country and born to lead his community. He began his service to his country when he joined the Navy at the tender age of 18. After 4 years in that branch of the service, Elmer enlisted in the Army. He served bravely and with honor in Vietnam, yet injuries suffered while in the Army caused him to retire in 1970.

Elmer certainly earned his golden years and could easily have decided to simply enjoy himself and shut out the rest of the world, with all its problems. That might have been what a lesser individual would have done, but not Elmer Quist.

From the time Elmer and his lovely wife Margareta moved to Port Richey 15 years ago, Elmer became a one-man veterans' rights advocate. Operating from his home, Elmer counseled untold veterans, steering them and their dependents through the sometimes complicated maze of regulations until he had succeeded in getting them the compensation they so justly deserved. Elmer helped people overcome their problems literally until the day he passed away.

Elmer served as Commander of the Disabled American Veterans Chapter 78 in Port Richey and was instrumental in establishing the veterans transportation service in Port Richey. He succeeded in convincing a local car dealer to donate a van, which was then used to transport veterans to Bay Pines and James Haley VA hospitals.

But not only veterans were the recipients of Elmer's huge heart. As vice-chairman of the Pasco County Board for the Disadvantaged and Disabled, Elmer became a strong advocate for the rights of the disabled. He also lent his strong voice in support of the rights of the homeless.

Mr. Speaker, not very often do people with the generosity of spirit of Elmer Quist come along. Summing up Elmer's life, one close friend remarked, "He will be sorely missed." Today, there are many people throughout this great Nation who echo those sentiments. Elmer, you will be sorely missed indeed.

INTRODUCTION OF LEGISLATION TO AMEND THE RRA

HON. ROBERT F. (BOB) SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. SMITH of Oregon. Mr. Speaker, imagine the IRS coming after a 90-year-old grandmother for $11,000 because she had failed to properly file a form with the Bureau of Reclamation to receive irrigation water for her family farm.

Sadly, this happened to one of my constituents. It is this type of situation that compelled me to introduce legislation that will provide a more equitable penalty system for those who make inadvertent errors on reclamation forms.

My legislation to amend the RRA reporting requirements has been cosponsored by a bipartisan group of Western lawmakers. They, too, have heard similar horror stories from constituents who have been fined several thousand dollars for a simple paperwork error.

The Reclamation Reform Act of 1982 required that all owners and lessees of land served with Federal irrigation water must certify that they have complied with Federal reclamation law. However, the Bureau of Reclamation's certification forms are complicated and have resulted in good faith mistakes that have caused severe financial hardship for farmers and irrigation districts.

I cannot fault the Bureau of Reclamation for these excessive charges. The Bureau has no choice but to impose full-cost water rates for any reporting delinquency or error despite the fact that the error may be inadvertent or excusable. These full-cost charges fall unequally on water users through the 17 States served by the Bureau of Reclamation. I do not want farmers going out of business because their spouse failed to sign a reclamation form. That is not the way the Reclamation Reform Act should work.

My legislation directs the Interior Secretary to establish a table of penalties for irrigators that would account for the size of the landholder and the number of previous violations. Instead of several thousands of dollars in compensation charges, the landowner would pay a fine not to exceed $1,500 annually. This makes the penalty fit the offense.

This proposal would also raise the reporting requirement on 40-acre farms to farms of only 320 acres or more. This would significantly reduce the amount of paperwork for small farmers and local irrigation districts.

I would like to thank John Keys, the Regional Director of the Bureau's Pacific Northwest Region for his input on crafting a program that will be more sensitive to Western landholders. I look forward to working with my colleagues on the Natural Resources Committee, as well as Commissioner Dan Beard, on resolving this very important issue to water-user organizations in the West.

POLICE SUSPECT WAS OUT OF JAIL ON PAROLE

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. LIVINGSTON. Mr. Speaker, in early May, multiple offender criminal Conrad Jeffrey took a 7-year-old girl off the street, bound her, gagged her, raped her, and battered her to death.

Conrad Jeffrey's record of multiple violent felony convictions dated back to 1971. Just 3 years ago he abducted a 14-year-old girl at knifepoint. And he had already committed murder, in 1974, but had copped an insanity plea and thus escaped conviction then.

This man should not have been free to brutalize innocent kids. This ogre should have been locked up for life.

To help stop cases like this one, I have introduced a LIFER bill—three violent felony convictions, and you go to jail for life. Forever. No mercy.

I urge all my colleagues to support LIFER, and help end the scourge of violent crimes. Put these inhuman animals away, lock the door, and throw away the key.

POLICE TOO LATE TO SAVE ABDUCTED, RAPED GIRL

(By Fred Pieretti)

PASSAIC, NJ.—Officers heard muffled screams and scuffling as they kicked in the door to a room where a 7-year-old girl had been abducted. It was too late.

They found Divina Genao's battered body on a bed and arrested a recently paroled man on charges of raping and murdering her.

The man, identified as 40-year-old Conrad Jeffrey, lunged at the officers as they burst in.

The girl lay face down, naked, bound and gagged, Passaic County Prosecutor Ronald Fava said.

Jeffrey, who neighbors said stalked children after moving to the area about five weeks ago, was being held Friday in the Passaic County Jail on $1 million bail. He was charged with kidnapping, aggravated sexual assault and murder.

The unsuccessful race to save Divina and the nature of the crime shocked police officers, Sgt. James Rhoades said.

"You have to realize, most of us are married and have families, too," Rhoades said. He said the arresting officers, Detectives Howard Simbol and Joseph Patti, were not on duty Friday and would not discuss the case.

Divina's ordeal began as the man challenged her 9-year-old sister, Rosa, and other children to a race. He promised the winner a quarter, Rosa said.

She said a boy named Jose won the race and Jeffrey gave him a quarter. After that, Jeffrey grabbed Divina by the wrists, Rosa said.

"Then he took my sister. I called my sister but my sister did not listen to me," Rosa said Friday. "He took her and pushed her."

Rosa said she followed them for a time but lost them. She ran to her mother screaming, "I can't find my sister."

Later, an informant told police of the suspect's whereabouts in a boarding house. The detectives raced upstairs to Jeffrey's room where, they reported later, they heard muffled screams and scuffling.

Fava said no pulse could be detected on the girl and police tried to revive her using cardiopulmonary resuscitation.

Police said Jeffrey beat Divina on the face, body and genitals, and then strangled her. She was pronounced dead of asphyxiation at General Hospital Center at Passaic.

Melissa Sisco, who lives around the corner from the Genaos in this neighborhood of apartment buildings, schools, and homes, said Jeffrey had stalked her 14-year-old daughter for several weeks.

She said he forced his way into her apartment five hours before Divina died, and two of her five children were home. A friend who had come by earlier to check on the children told Jeffrey to leave, she said.

"He would have killed both of them, for sure," Sisco said.

Sisco said Jeffrey tried to ingratiate himself with children by telling them he was forming a baseball team. He even went to Little League games coached by Sisco's brother-in-law, she said.

Jeffrey was paroled on March 25 from a state prison after serving 2½ years of a five-year sentence on charges stemming from abducting a 14-year-old girl at knifepoint in 1990.

Jeffrey's criminal history dates to 1971 when he was convicted of robbery and possession of a weapon in Newark, N.J.

"They should never have allowed him to get out of jail. Now it's become worse," said Divina's mother, Joselin Genao, 25, who came to the United States five years ago from the Dominican Republic.

INTRODUCTION OF FEDERAL FACILITIES COMMUNITY OVERSIGHT FOR PUBLIC HEALTH ACT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. RICHARDSON. Mr. Speaker, I am pleased today to join my colleague JAMES BILBRAY in introducing the Federal Facilities Community Oversight for Public Health Act of 1993.

This bill, which Representative BILBRAY and I introduce along with Representatives ELEANOR HOLMES NORTON, PATSY MINK, DAVID SKAGGS, MAJOR OWENS, JOHN SPRATT, LANE EVANS, EDWARD MARKEY, WAYNE GILCHREST, MIKE KREIDLER, BARBARA VUCANOVICH, and NEIL ABERCROMBIE, will provide local communities located near Department of Energy [DOE] nuclear weapons facilities with a greater voice in environmental restoration and waste management activities at those facilities.

The Richardson-Bilbray bill would amend the Comprehensive Environmental Response, Compensation and Liability Act [CERCLA] to establish citizens advisory boards at each DOE defense nuclear facility and require off-site exposure assessments to be conducted at each of these facilities. The citizens advisory boards would evaluate the DOE's environmental restoration activities, evaluate Federal and State agencies' regulatory oversight of such facilities, and provide policy and technical evaluations to appropriate Federal and State agencies. The off-site exposure assessments would be conducted by the Department of Health and Human Services' Agency for Toxic Substances and Disease Registry [ATSDR].

The Richardson-Bilbray bill is based on similar legislation I introduced in the 102d Congress (H.R. 5121) as well as the recommendations of the Congressional Office of Technology Assessment [OTA] report "Complex Cleanup" and the interim report of the Federal Facilities Environmental Restoration Dialog Committee.

The possibility that release of contaminants, and current or future exposure to contaminants in the environment, might contribute to adverse health effects in off-site populations is an issue of great concern to affected communities. Off-site health impacts are an unproven but plausible consequence of environmental contamination from the Nation's Nuclear Weapons Complex. Available data can neither confirm nor deny the possibility that adverse health effects have occurred or will occur as a result of weapons site pollution. As we begin to examine these effects on a coordinated, national basis, the role of local citizens will become increasingly important.

Unfortuantely, information about off-site contamination and the potential for off-site human exposure is especially lacking. The possibility of chronic public health impacts resulting from weapons site pollution has not been addressed, and there exists no comprehensive plan for evaluating such efforts. Our legislation would establish a clear Federal policy for the evaluation of health impacts on communities and provide local residents with information related to activities that may affect their well-being.

Our bill places government accountability to the public at the forefront of the discussion of environmental restoration and waste management activities in the Nation's Nuclear Weapons Complex. The importance of public involvement and participation in these activities cannot be understated.

By requiring ATSDR to conduct preliminary health assessments, and other followup studies such as dose reconstructions, the Richardson-Bilbray bill establishes for the first time, a comprehensive government mandate for information gathering about the past, present and future effects of activity at these Government facilities. By utilizing ATSDR's expertise in these areas, our bill places a much needed emphasis on Federal involvement in public health and disease prevention related to cleanup activities at Federal facilities.

In fact, the OTA has concluded that current health assessment efforts are unlikely to efficiently produce the data necessary to set health-based environmental priorities. In "Complex Cleanup," the OTA further concluded that unless and until the contamination-related health issues of most concern to the public are recognized and addressed, the most ambitious, sophisticated, and well-meaning cleanup plans and activities will likely meet with skepticism and suspicion and tie up the Nation's cleanup program with endless legal challenges.

The Federal Facilities Community Oversight for Public Health Act is not intended to create more difficulty in the DOE cleanup process. It is intended to ensure that the public's right to know becomes a fundamental component of the DOE's cleanup activities. I urge my colleagues to support this important public health and safety legislation.

IMPROVING BUDGET INFORMATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 30, 1993, into the CONGRESSIONAL RECORD:

IMPROVING BUDGET INFORMATION

Federal budget issues have become dominant policy issues in recent years, but we are not doing a good enough job of presenting basic budget information. It is easy to get swamped by all the numbers and details and miss the big picture. Despite lengthy budget documents, too few people know the largest categories of federal spending, understand which programs face serious problems in future years, or recognize how much of our nation's total resources go for various major uses. Budget debates are too often based upon narrow perceptions and misconceptions.

A variety of reforms have been proposed to improve the budget process—ranging from strengthening budget enforcement mechanisms and shifting to two-year budget cycles to changing the jurisdiction of the congressional budget committees. Worthwhile as process or organization reforms might be, I am increasingly impressed by how much our national deliberations on budget issues would be enhanced by improving budget information—getting out clearer, more relevant information that gives us a broader perspective on key budget issues.

IMPROVED INFORMATION

Several changes could be made to help bring about a more informed budget policy debate.

GNP Budgeting.—We could get a broader perspective by presenting a GNP budget. Little attention is typically given in all the budget numbers to the government's impact on the larger economy. The idea of a GNP budget is to determine what percent of our Gross National Product—our nation's annual output of new goods and services—goes for various major uses, such as education, defense, or private consumption; this would then be used as a guide for determining priorities in the federal budget. Such a summary will help us ask whether the way GNP is distributed squares with broad national objectives. For example, last year 16% of GNP went for public and private investment while almost ⅔ of GNP went for private consumption—are we investing enough in our nation's future? The most marked change in GNP in recent years has been in public and private spending on health care, which has risen from 8% of GNP fifteen years ago to 12% today—is that too much?

A GNP budget would look at the variety of federal policies that could help bring about changes in the distribution of GNP—not just direct spending but also tax incentives and government regulations. It also helps relate federal spending levels to those of state and local governments and the private sector. A GNP budget should be required to be part of the President's annual budget document.

International Comparisons.—We could also get a broader perspective on the budget by comparing our basic spending and taxing policies to those of other countries, especially those of our economic competitors. For example, while the U.S. ranks much higher than Japan in spending for health care and defense, Japan devotes 32% of its GNP to investment compared to our 16%. The U.S. has one of the lowest tax rates of the industrialized nations. Is the U.S. considered a high or low spending country compared to others? How do other countries' national debt levels and tax incentives compare to ours?

Long-term Outlook.—We need to get a longer-term perspective on the budget—not only by getting a better historical sense of how federal spending and revenues have changed over the last several years, but also by getting a better sense of future budget trends. We should include budget estimates with a 10-year time frame to give policymakers and the American people a sense of how, for example, federal health care spending is projected to explode—rising from $275 billion in 1993 to $750 billion in 2003.

A long-term outlook could also involve having the President and congressional committees report on what they see as the major problems and opportunities facing our country 10, 20, 30 years down the road. For example, many foresee a big problem for future retirees as private pensions have been cut back and social security faces a funding crunch. Trying to get a better sense of the problems on the horizon will help us see whether our current budget actions are shortsighted and may in fact worsen future problems.

Performance Budgeting—We need to get a better sense not just of the budget numbers and how they are changing, but how the programs that are funded by these dollars are actually working. Washington has traditionally given much more attention to inputs than to outcomes. Much greater emphasis needs to be placed on results and how they relate to program costs.

We need to weave into basic budget presentations some discussion of what we are getting in return for the federal spending. Federal spending on social security, for example, has dramatically reduced the poverty rate among older persons; without it the poverty rate of those over 65 would rise from 12% to 48%. Has federal health care spending measurably improved infant mortality rates, worker days lost to illness, and life expectancy? Has foreign aid made recipient countries less dependent or more dependent on outsiders for help? Have the federal anti-drug or anti-cancer efforts produced major results? The Clinton Administration is looking for ways for setting reasonable performance goals for federal agencies, and Congress is considering legislation to require agency goals.

SYSTEMATIC DISCUSSION

Certainly some points along these lines may come up at one time or another during the budget debate. But a comprehensive systematic discussion is lacking. One of the best ways to bring that about would be to require the Administration to testify before Congress each year to discuss the budget from these perspectives—much as Congress requires the Federal Reserve to testify each year (under the 1978 Humphrey-Hawkins amendment) on monetary policy and the economy. Requiring the Administration to discuss fiscal policy from these broader perspectives could help focus the attention of policymakers, the media, interest groups, and the public on some of the "big-picture" issues of the budget and should elevate the national debate.

Some people feel that the basic problem in congressional budget struggles is process; others feel it is political will. But a significant part of the problem is, I believe, information. Some of the most basic prerequisites to a sensible budget debate—questions about our broad national priorities, long-term trends and challenges facing our nation, and the performance of major federal programs—often receive only scant attention. We can do better. One of the recommendations I will make to the Joint Committee on the Organization of Congress is that we require the Administration to testify each year to discuss the budget from these broader perspectives.

AMENDMENTS TO H.R. 2010, THE NATIONAL SERVICE TRUST ACT

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Ms. MOLINARI. Mr. Speaker, I have submitted for printing under clause 6 of rule XXIII two amendments to be made in order to the National Service Trust Act, H.R. 2010.

During consideration of the National Service Trust Act by the Education and Labor Committee, I offered these two amendments, both of which I plan to offer when the full House considers this bill.

My first amendment is intended to ensure that, in our effort to provide Federal support for National Service, we do not damage programs that currently help students with economic need gain access to higher education. This concern is very real—several post-secondary education assistance programs were cut in President Clinton's fiscal year 1994 budget proposal.

The amendment would create a three part funding trigger before funds could be made available for the national service trust program. Before this new program is funded: First, the three campus-based programs—work study, supplemental educational opportunity grants, Perkins loans—would have to be funded at their fiscal year 1993 levels; second, the State Student Incentive Grant Program would have to be funded at its fiscal year 1993 levels; and third, the Pell Grant Program would have to be funded at a level sufficient to return the maximum student award to fiscal year 1992 levels of $2,400.

It is crystal clear that we are in a zero-sum game when it comes to funding for education programs. Many of us on both sides of the aisle are concerned about this robbing-Peter-to-pay-Paul approach. In fact, when I offered this amendment during the Education and Labor Committee mark up, two Democrats supported my amendment.

My second amendment is intended to open the National Service Program up to thousands more individuals and foster a more pure voluntarism rather than creating public service employment.

The amendment would reduce the term of service participants must complete to receive a $5,000 educational award. Participants will have up to 2 years to complete 1,000 hours of service. This will allow individuals to serve their communities while having the autonomy to decide their volunteer schedule.

The amendment would also eliminate the Federal stipend, health care, and child care costs. The elimination of these Federal funds would allow thousands more people to participate under this program.

Simply put, my amendment would provide a $5,000 educational award per term for 1,000 hours of service and would allow approximately 77,800 individuals to participate in fiscal year 1994.

Contrast those numbers to the administration's proposal which only covers 25,000 individuals. Additionally, the cost under the administration's proposal for fiscal year 1994 is estimated to be $15,560 per year per participant—$5,000 for the educational award and $10,560 to support the stipend, health, and child care costs.

Under my amendment, using the administration's request for $389 million for fiscal year 1994—the number of slots available under this program would go from 25,000 to 77,800 participants per year.

National service has a long and distinguished role in our society. I want to express my support for the concept of this bill, and I want to be able to support legislation to increase service throughout our country. But I have very serious concerns with this bill and, therefore, will be seeking to offer these amendments.

FEDERAL FACILITIES COMMUNITY OVERSIGHT FOR PUBLIC HEALTH ACT OF 1993

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. BILBRAY. Mr. Speaker, I am very pleased to be introducing this legislation with my colleague and fellow westerner, BILL RICHARDSON.

Our bill authorizes the creation of site-specific citizens advisory boards at each Department of Energy defense nuclear facility. This action will ensure that the Department of Energy clean-up and restoration activities at these facilities will be fully accountable to each local community. Not only do we provide the community with a voice in the clean-up process and the waste management activities, we are fully empowering that voice by providing the community with all information.

We give the U.S. Public Health Service a clear mandate, adequate funding and personnel to carry out the essential health assessments at each and every site utilized for U.S. nuclear research.

The bill affirms Government's commitment to take care of its citizens. It makes clear that communities near DOE sites have the same public health protections now enjoyed by people who live adjacent to industrial Superfund sites.

These public health protections begin with answers to questions that have gone unanswered for too long:

Has a community been subjected to life threatening diseases because of pollution from the DOE facility in its backyard?

Do the community's children lag behind their peers because of contamination from a nearby doe facility?

For too long, the answers to these questions have been assertions by the Department of Energy that no DOE activity ever harmed anyone's health. These statements of no harm have to be set aside for the Government to affirm its commitment to take care and protect communities who live near a DOE site. Fundamental public health questions about DOE facilities have to be asked again.

This legislation guarantees that these questions will be answered by an agency of the U.S. Public Health Service, not the Department of Energy. The bill clarifies that the Agency for Toxic Substances and Disease Registry [ATSDR]—the Environmental Public Health Agency—will do for communities living near Department of Energy facilities what it now does at other Superfund sites: identify and prevent harm to people's health whose life has been diminished because of needless exposure to environmental pollution.

CRAIGMONT HIGH SCHOOL—A BLUE RIBBON SCHOOL

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. SUNDQUIST. Mr. Speaker, I am delighted to call the attention of my colleagues to the recognition recently given Craigmont High School in Memphis. Craigmont, under the leadership of a superb educator and good friend, Dr. Jane Walters, has been named one of the Department of Education's blue ribbon schools.

Craigmont is a magnet school for international studies and its program has been highly acclaimed. It is one of three Tennessee secondary schools recommended for national recognition.

As one who has visited Craigmont often and taken part in its programs and international ceremonies, I know firsthand how richly deserved this award is. I want to add my congratulations to Dr. Walters, her faculty and staff, and to the 1,700 young people whose enthusiasm and love of learning make Craigmont an exceptional school.

RESTORE THE GREAT LAKES

HON. ERIC FINGERHUT

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. FINGERHUT. Mr. Speaker, today I am introducing two pieces of legislation crafted to protect and enhance one of the world's most valuable natural resources, the Great Lakes. Representing over 90 percent of our Nation's fresh water supply, the importance of the Great Lakes to our regions health and economy cannot be overstated.

The severe pollution of the 1960's brought the shocking declaration that Lake Erie was dead spurring one of the largest Federal investments in the Great Lakes region, over $12 billion for secondary wastewater treatment plants. Remarkably, the removal of conventional pollutants such as phosphorous and untreated wastewater effluent brought Lake Erie back from the dead and breathed life into our economy. The Great Lakes now supports a $4.5 billion annual sportfishing economy and Lake Erie stands as the first example of environmental controls reclaiming a large natural resource. Unfortunately, this remarkable success is tempered by the knowledge that the easy work is behind us.

Historical pollution found in the sediments of Great Lakes rivers and harbors remains a severe impediment to our shipping and recreational opportunities, threatens fish and wildlife resources, and places human health at risk. Federal, State, and local work throughout the Great Lakes basin during the last two decades has demonstrated unprecedented leadership for scientific understanding of natural resources, positioning the Great Lakes as an environmental laboratory in which to implement an ecosystem approach to resource management as mandated by our Great Lakes Water Quality Agreement with Canada.

Mr. Speaker, my first bill the Great Lakes National Program Act seeks to augment efforts in the Environmental Protection Agency's Great Lakes National Program Office by reauthorizing EPA's Assessment and Remediation of Contaminated Sediments [ARCS] Program. The program was originally authorized in the 1987 amendments to the Clean Water Act for 5 years to demonstrate innovative technologies for the removal of contaminated sediments in Great Lakes rivers and harbors. These pilot scale efforts were successful and now require demonstration at the full scale to ensure their effectiveness in large scale sediment removal actions.

Additional provisions in the Great Lakes National Program Act direct EPA to conduct assessments of contaminated sediments at all U.S. areas of concern and to recommend remediation technologies at each site in a report to Congress. Deadlines for the development of lakes wide management plans are also included in the bill.

The second bill I am introducing today is entitled the Great Lakes Federal Effectiveness Act. Its purpose is to provide for a higher level of coordination among Federal research efforts to avoid duplication and ensure the most effective product with the limited research dollars available.

The bill will establish a Great Lakes Research Council comprised of the top Federal research managers in the basin. They will be charged with producing an assessment of current research knowledge to identify our research shortfall from meeting the goals of the United States-Canadian Great Lakes Water Quality Agreement and reporting the goals to Congress. This information will provide the basis for a prioritization of research efforts and will identify both long- and short-term priority research goals. The development of a uniform, multimedia, data collection protocol for adoption across the Great Lakes basin will also be advanced.

Mr. Speaker, the modest Federal investment to continue these important programs with additional authorities will help continue the reclamation of the Great Lakes environment, protect human health, and insure that the economic underpinning of our region's economy, the Great Lakes, will continue to sustain our livelihood well into the future.

TRIBUTE TO BEULAH ELLIS

HON. SONNY CALLAHAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. CALLAHAN. Mr. Speaker, on April 18, 1993, I had the honor of escorting my aunt, Mrs. Beulah Ellis, to the Confederate Memorial Day Address at Magnolia Cemetery in Mobile, AL. This ceremony honored those sons and daughters whose fathers fought in the Confederate Army.

Mrs. Ellis' father, Jacob Levi Crist, was born in Tuscaloosa, AL, on September 26, 1847, and died in Mobile, AL, on February 8, 1912. Between these two dates he helped to write some of the most courageous accounts in the military and naval histories of the world as a soldier and sailor in the service of the Confederate States of America.

At the outbreak of the War Between the States, Crist, at the age of 13, enlisted in Company F, 2d Alabama Infantry—the Magnolia Regiment—in Mobile on April 6, 1861. Serving under Col. Henry Maury, he was a part of the garrison at Fort Morgan, AL, manning the heavy artillery until March 1862 when the regiment was ordered to Fort Pillow, TN. Here the term of service of the members expired and the regiment was disbanded.

Crist then joined the 1st Confederate Battalion Infantry and served under Lt. Comdr. George H. Forney and later Lt. Comdr. Francis B. McClung. With this unit, he saw action at Corinth, Port Hudson, Champion's Hill, Jackson, The Wilderness, Spotsylvania, Bethesda Church, Cold Harbor, and Petersburg. In September 1864, he joined the Confederate States Navy in Mobile. He was paroled in McIntosh, AL, in May 1865.

Following the war he worked 43 years for Mobile & Ohio Railroad Co. He was also a member of Withers & Buchanan Survivors' Camp 675, United Confederate Veterans. His straightforwardness and honesty was admired by all. He is buried in Magnolia Cemetery, Mobile.

Of his 11 children who survived him, Mrs. Beulah C. Ellis, is the only child to be honored as a Real Daughter. As Comdr. David Toifel stated at the ceremony:

> Real children are our closest link to the heroes of the Confederate army and navy—men who sacrificed their all for the vision they held as to what America should be; a land ruled by laws and not men, a land of states' rights rather than a land ruled over by an all powerful central government. To honor our closest links to our Confederate heritage, the sons of Confederate Veterans presents medals/certificates to Real Daughters/Real Sons.

Because of her father and his honorable actions, we remember him through his daughter, Mrs. Beulah C. Ellis.

Mr. Speaker, as the Congressman who has the distinct privilege of representing south Alabama, I salute Mrs. Ellis on behalf of all our people. And as her favorite nephew I say Aunt Beulah, you've once again made us proud.

MAYOR McGLYNN ON NATIONAL AWARD

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. MARKEY. Mr. Speaker, it is with tremendous joy that I announce that on June 23, the city of Medford, MA, and its mayor, Michael J. McGlynn, were awarded the mayor's medal for leadership for cities with populations under 100,000 by the U.S. Conference of Mayors and the Century Council.

The city's anti-alcohol abuse program known as Make a Pledge is being recognized for excellence for the second year in a row. I am proud to offer my congratulations to the city of Medford for a job well done. Over the years I have developed a personal, as well as professional, relationship with Mayor McGlynn, and I believe that he and the city of Medford are very deserving of this honor. Michael works hard for the city. It has been my distinct pleasure to work with him.

The National City Challenge recognizes cities that develop and implement effective community-based solutions to anti-drunk driving efforts. Medford's progress will be held up by the U.S. Conference and the Century Council as models for other cities to adopt.

The Make a Pledge campaign asks all citizens to make a personal pledge not to drink and drive during the holiday season. The program has brought together Medford's businesses, universities, schools, hospitals, and law enforcement agencies in a united effort to improve anti-alcohol awareness, education and enforcement.

I am glad that the U.S. Conference of Mayors and the Century Council has recognized the efforts of the Medford community to deal with a serious public health crisis. I am very pleased that the Century Council has underwritten this program for the past 2 years and has committed to do so again next year. Those members of the licensed beverage industry who support the Century Council should be proud of its work in this program.

Again, I believe there is nobody more deserving of this honor than Mayor McGlynn and the city of Medford. I expect that they will continue their hard work and that they will be honored again in following years for their continued success.

A VERY PRIVATE PUBLIC SERVANT

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. CLINGER. Mr. Speaker, I am including in the CONGRESSIONAL RECORD today, a copy of an editorial which appeared in the June 29 edition of the New York Times. This editorial addresses a recent ruling by the U.S. Court of Appeals for the District of Columbia in a lawsuit brought by physician organizations against First Lady Hillary Rodham Clinton.

This lawsuit charged that the President's Health Care Task Force was subject to the Federal Advisory Committee Act because its membership included Mrs. Clinton, a private citizen. Although a lower court supported the physicians' groups and ordered many of the task force activities to be conducted in public, the appellate court disagreed, holding the First Lady to be tantamount to a "Federal Officer or Employee," and determined that the task force could meet in private. The documents created by the task force's working groups, however, may be subject to public disclosure.

This editorial points to the unanswered questions raised as a result of this ruling. Namely, under what conditions can the White House create ad hoc groups of private citizens and Federal workers to debate important public policy issues without casting these debates in the sunshine of public disclosure? It is my hope that as lower courts and the White House fight over disclosing the working group's files that they will side with sunshine and open Government over closed doors and back room deals.

I commend this editorial for my colleagues' review.

[From the New York Times, June 29, 1993]

A VERY PRIVATE PUBLIC SERVANT

A Federal court in Washington has given legal meaning to the Clinton campaign slogan, "Buy one, get one free." The court found that Hillary Rodham Clinton, unpaid but hard-working is "the functional equivalent of an assistant to the President" and not, under certain laws, a private citizen.

That means her top health advisers may legally continue to hide their work from public inspection. It doesn't mean that they should do so. They're still free to open their deliberations, thus honoring campaign pledges of open government.

Groups hostile to the Administration's evolving health program had sued under the Federal Advisory Committee Act, passed in 1972 to let the public in on cozy meetings of private groups that use White House access to press private agendas. They said Mrs. Clinton was a private citizen and therefore had to make her White House meetings public.

Mrs. Clinton was the only person not on the public payroll of the large, Cabinet-level task force on health reform that she headed. But the U.S. Court of Appeals, relying heavily on Congress's appropriations for the First Lady's staff, found her a public servant for the purposes of the law.

The White House was lucky in its appeal to draw a panel of judges appointed by Ronald Reagan. Judges Laurence Silberman, Stephen Williams and James Buckley are like many Reagan appointees: they believe in exalted Presidential power. They saw the law as a potential incursion on executive privilege, depriving the President of the confidential advice he needs to do his job.

By contorting the law to find Mrs. Clinton a public employee, and therefore rule that her task force was not covered by the law, Judges Silberman and Williams said they were avoiding a decision on whether to strike the law down as unconstitutional. Judge Buckley, unable to view Mrs. Clinton as a public employee, concurred in the result but said he would have struck down the law.

The result is the same: wide freedom for the White House to keep its task force work secret. Only the lower-level working groups may have to open some files.

Mr. and Mrs. Clinton found sympathetic judges last week. But they need to ask themselves whether Clinton voters sent them to Washington to damage open government, by both example and litigation.

CALL FOR INTERNATIONAL ACTION IN REPUBLIC OF KOSOVA

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. ENGEL. Mr. Speaker, at the United Nations World Conference on Human Rights in Vienna, Kosova Prime Minister Bujar Bukoshi issued a compelling appeal for international action to prevent and preempt an expansion of Serbian aggression in Kosova.

Dr. Bukoshi called for creation of a U.N. Trust Territory of Kosova as an interim measure to end Serbian human and civil rights oppression which have blanketed the 2 million Albanians in Kosova for the last 3 years since Serbian strongman Slobodan Milosevic revoked Kosova's autonomous status.

Under a trusteeship arrangement, democracy would be restored and strengthened, and the basic rights of all people in Kosova would be protected. Serbia would be forced to withdraw almost 100,000 heavily armed Serbian troops, police and paramilitary thugs. The 92-percent Albanian majority would be permitted to reopen its Albanian-language schools and news media. Sacked Albanian employees would be allowed to return to their jobs from which they have been summarily fired because of their ethnic background.

Most observers agree that Kosova is the linchpin that will determine whether the terrible Serbian aggression that has swept over Croatia and Bosnia-Herzegovina will expand to other parts of the Balkans, thus creating a conflagration that could ignite a wider European war.

The United States and the international community would be well advised to heed Prime Minister Bukoshi's urgent appeal, before Serbia moves against Kosova and the United States finds itself engulfed in an even more brutal conflict.

I commend Dr. Bukoshi's Vienna statement to my colleagues.

STATEMENT BY DR. BUJAR BUKOSHI, PRIME MINISTER, REPUBLIC OF KOSOVA, JUNE 15, 1993, VIENNA, AUSTRIA

A CALL FOR INTERNATIONAL ACTION IN KOSOVA

The delegation of Kosova has come to the United Nations World Conference on Human Rights for one purpose: To focus world attention on the brutal human rights abuses occurring in the Republic of Kosova which require international action immediately.

With confusion over what should be done to stem Serbian ethnic genocide in Bosnia, the Serb ultra-nationalists have been encouraged to become bolder with respect to Kosova. The situation in my country is deteriorating rapidly.

There are now at least 40,000 Serbian soldiers and 25,000 heavily armed Serbian police in Kosova.

Local Serbs who represent 8 percent of the population have been heavily armed.

Serbian paramilitary units roam freely throughout the region, intimidating Albanians daily.

Serbian warplanes regularly overfly Prishtina, harassing and frightening civilians.

Serb militia man roadblocks throughout Kosova, stopping and searching Albanians with impunity.

Thousands of Serbian refugees from Croatia and Bosnia are being resettled into Kosova in an effort to colonize the republic and dilute the ethnic composition.

Such martial law conditions are necessary to enforce Serbia's blatant apartheid which, since 1989, has closed our schools and university, decimated our hospitals and medical facilities, forced hundreds of thousands of Albanians into unemployment, and ruined our economy and infrastructure.

Several victims of Serbian oppression are with us today and will be available to answer questions after the news conference.

It is critical that the international community move to prevent further conflict and grave violations of human rights in Kosova.

We have asked the Serbs repeatedly to sit down with us and begin negotiations that will lead to a peaceful resolution of the Kosova problem.

The response has been "no!" There have been no talks, no discussions, no negotiations.

Almost four months ago, the United Nations Human Rights Commission approved a resolution (February 24, 1993, Geneva, Switzerland) which required the international community to take specific actions regarding the perilous human rights situation in Kosova.

Despite our urgent appeals to the various international entities responsible for fulfilling these actions, little if anything has been done to implement the U.N. Human Rights Commission resolution.

Prison conditions have not been investigated, and in fact increasing numbers of persons have been detained illegally since last February.

We have not seen Special Rapporteur Mazowiecki in Kosova, while human rights abuses have escalated.

The war crimes tribunal has been dragging its feet.

A U.N. Observer Mission has not been dispatched.

The same handful of CSCE observers are in Kosova.

And UNICEF has done nothing to look into the conditions of children.

In short, the U.N. Human Rights Commission has merely paid lip service to oppressive human rights conditions in Kosova.

Meanwhile, the situation has become much worse.

We call for the United Nations Security Council to put the Kosova issue on its agenda immediately. The U.N. must implement a progression of steps to protect human rights and prevent an escalation of the conflict in Kosova.

The United States and its European allies need to take decisive steps to stave off a possible massacre in Kosova and a wider Balkan war. Many of these actions were proposed earlier this year in our 10-point Plan for Peace in Kosova.

A sizable international peacekeeping force should be deployed in Kosova immediately. Serbian heavy armaments should either be withdrawn or placed under international control.

We welcome the deployment of U.S. troops in Macedonia as a positive step in warning Serbia against escalating its aggression in Kosova.

In the absence of any indication that the Belgrade regime is willing to negotiate, Kosova should be placed immediately under the protection of the United Nations.

The United Nations would administer Kosova as a trust and create conditions for a normal life for all its inhabitants, foster the development of democratic institutions, and help build a democratic society.

Kosova would be demilitarized and would develop close economic and cultural links with our neighbors.

All citizens of Kosova—Albanians, Serbs, Montenegrans, and all others—will share in the democratic life of our country.

While acceptance of the status of U.N. trusteeship for Kosova would be difficult for Serbian leaders to accept, it presents the best alternative in the situation they have themselves created.

They must accept the fact that continued rule over a region in which the ethnic Serbs make up only 8 percent of the population is simply untenable.

Immediate international humanitarian assistance should begin to flow to the people of Kosova.

We propose as an interim measure that the United Nations Security Council call for the Serbian government voluntarily to place Kosova under the Trusteeship system governed by Articles 75–91 of the United Nations Charter.

We presently see this as the only way to deter a conflict in the very heart of Europe. Under this proposal, the trusteeship system would be used in a new but not inconsistent manner. It would serve as a renewal of the trusteeship system in modern times.

All of us are witnesses to changing times, not only political but institutional as well. Consequently, the entire scope of international relations is attaining new dimensions. International law is being adapted to new realities. In this context, the government of Kosova has proposed this initiative for placing our country under United Nations control.

Chapter VII of the U.N. Charter authorizes the Security Council to determine the existence of a threat to international peace and security, after which the Security Council may decide what measures should be taken such as diplomatic measures, economic sanctions and use of force.

There are many cases in which the Security Council has intervened under provisions of Chapter VII. As Secretary-General Boutros-Ghali said yesterday, the international community has a right to intervene when human rights abuses are uncovered.

Who would have thought one month ago that U.S. troops would have been deployed to Macedonia where no conflict exists yet? The same case can be made for stationing international troops in Kosova as a means to prevent an imminent massacre.

As we meet in Vienna, the international community is faced with a difficult dilemma. Either it stops Serbian aggression at the borders of Kosova, or it faces the very real possibility of a general Balkan war.

The time for action is now. The only alternative is a destablized region.

Failure of the international community to prevent the outbreak of war in Kosova will also encourage ultra-nationalists in other parts of the world.

How ironic it is that "ethnic cleansing" by the Serbs began quietly in Kosova a century ago, while intensifying in the last three years. Kosova was the first act of this violent and current drama. There is every sign that we will also be the last act.

The citizen of my country are unarmed, defenseless. Their own weapon is a firm commitment to freedom and democracy, and a faith the international community will act morally and courageously if our worst expectations come to pass.

We appeal to the international community to act now, before it is too late, before the Balkan conflict engulfs the entire region and threatens stability in the world.

TRIBUTE TO OZZIE HACKETT, JR.

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. BLACKWELL. Mr. Speaker, I rise today on the floor of the U.S. House of Representatives to honor Mr. Ozzie Hackett, Jr.

Since 1960, Mr. Hackett has been a dedicated leader in the field of education. He began his distinguished career with the school district of Philadelphia as a teacher at Gillespie Junior High School. In his position, he taught a variety of courses in the industrial arts field.

Throughout his career, Mr. Hackett has made a significant impact upon the lives of Philadelphia's youth. As an educator he has taught at a variety of schools, including: Gillespie Jr. High School; Pennyjack Prison House of Correction; Discovery Leadership Institute; Strawberry Mansion; Junior High School; Pennsylvania Advancement Middle School; Germantown High School; Rush Middle School; Fels Junior High School; and Barratt Middle School, where he would later serve as principal.

After 15 years of impressive work in the classroom, he was promoted to the position of principal at Operation Discovery Summer Enrichment Program in Philadelphia. He successfully assumed this role and has been highly praised for his work as an administrator. From 1972 to 1983, he worked as a vice principal, and in 1988 he became principal of Fels Junior High School in Philadelphia.

In 1989, Mr. Hackett became principal of Barratt Middle School. During the time that he held this important position, he significantly improved the quality of education and student life at Barratt.

Mr. Speaker, on June 29, 1993, Mr. Ozzie Hackett, Jr., will be retiring from the Philadelphia Board of Education where his services will be sorely missed. Mr. Speaker, I would like to ask my colleagues to rise and join me in commending Mr. Hackett on his outstanding contributions to our city and our community.

TRIBUTE TO BRYAN, OH

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. GILLMOR. Mr. Speaker, I was delighted to read that Bryan, OH, was rated 51st in the recent book entitled "The 100 Best Small Towns in America" by Norman Crampton. I cannot imagine a finer honor being extended to that community and I send my heartiest congratulations to the citizens of Bryan and Williams County.

Bryan is a part of the Fifth Congressional District of Ohio, and a town that I have known and visited long before representing it in the U.S. House of Representatives. Bryan enjoys a superior location, being conveniently close to some of the great cities of America's Midwest. The Ohio Turnpike is only 12 miles from Bryan, allowing for quick travel connections to the entire region. Bryan is well-known for its old Victorian homes, many of which have been beautifully restored. The county courthouse, built in 1889, is now in the National Register of Historic Buildings. The dynamic mix of small business and light industry has meant that Bryan is recognized as a good place in which to do business. But what marks Bryan most of all is the remarkable sense of community spirit and willingness to work on behalf of the common good. Bryan seems to almost typify small town Ohio, with its strong work ethic and sense of community.

Linda Freed, editor of the Bryan Times, best expressed what I am sure is the common feeling in the town when she wrote of Bryan's selection earlier this year and concluded that "Bryan is a great place to live." To the residents of Bryan, I add my hope that they will keep up the good work in the years ahead.

TRIBUTE TO SPECIAL GRADUATES OF NEW YORK'S 12TH CONGRESSIONAL DISTRICT

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Ms. VELÁZQUEZ. Mr. Speaker, it pleases me to congratulate some special graduates from the 12th Congressional District of New York. I am certain that this day marks the culmination of much hard work and many valiant efforts for these students, work and efforts which have led and will continue to lead them to success. They have overcome the obstacles of overcrowded and dilapidated classrooms, antiquated and insufficient instructional material, and the all too frequent distractions of random violence and pervasive drug activity. But these students have persevered despite the odds. Their success is a tribute not only to their own strength, but also to the supportive parents and teachers who have encouraged them to make it.

These students have learned that education is priceless. They know that education will provide them with the tools and opportunities to be successful in any endeavor they pursue. In many respects, this is the most important lesson they will carry with them for the rest of their lives.

In closing, I'd like to say that the best and brightest youths in America must be encouraged to stay on course so they can pave the way for a better future. Let us not forget that their future is the future of this Nation. Mr. Speaker, I ask my colleagues in the U.S. House of Representatives to join me in congratulating the following graduates who have triumphed despite adversity.

Congratulations to the 1993 graduates of the 12th Congressional District:

Dory Badillo and Richard Rios—Eastern District H.S.

Rosa Colon and Pedro Ferrer—Bushwick H.S.

Elizabeth Sosa and Angel Matos—Franklin K. Lane H.S.

Amy Goffio and Kah Hoo Chan—John Jay H.S.

Jennifer Morgan and Edwin Castro—H.S. of Telecommunications.

Simona Davis and Gafner Elien—W.H. Maxwell H.S.

Stacey Ann Coward and Trevor Ormond—H.S. of Transit Technology.

Noemi Cabral and Yuri Brito—John D. Well J.H.S. 50.

Lizzie Felix and Jose Vasquez—Charles Dewey J.H.S. 50.

Maria Cortez and Diem Binh Lu—J.H.S. 25.

Natalie Bissoon and Yung Mei Lin—J.H.S. 56.

Marinaca Puters and Tusel Ahmed—J.H.S. 60.

Francia Alleyne and Richard Alvarez—J.H.S. 22.

Ingrid Balderas and Nikita Brown—I.S. 302.

Mo Shuen and Inova Rondon—I.S. 220.

Gisela Cardosa and Hector Fuentes—I.S. 88.

Arellis Cerda and Jay Marte—I.S. 171.

MEDICAL RESEARCHERS MAKE CASE FOR SPACE STATION

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. ANDREWS of Texas. Mr. Chairman, although the House of Representatives this week voted to continue our Nation's drive to build the U.S. space station, I recognize that many of my colleagues have doubts about the station's merits. I believe that the following two testimonies, delivered by William Donovan, M.D., and Larry McIntire, M.D., before the Subcommittee on Space, help to illustrate these merits.

Dr. Donovan is a highly respected clinician and researcher into spinal cord injury and amputation. He currently serves as medical director for the Texas Institute for Rehabilitation and Research, and also as professor and chairman of the department of physical medicine and rehabilitation at the University of Texas Health Science Center.

Dr. McIntire is the chairman of the Institute for Biosciences and Bioengineering at Rice University. Recognized for his work on the cellular biochemical systems and processes, Dr. McIntire has coauthored more than 300 articles and presentations in his field.

As Houston residents, both Dr. Donovan and Dr. McIntire are familiar with the work of Johnson Space Center and the impact that it has had and will continue to have on the medical research community. Their remarks are clear examples of the role that the space station will have on efforts to improve the treatment of victims of catastrophic physical accidents and on research work in the area of bioscience and bioengineering. I hope that each Member who supported the amendment to kill this vital project will take the time to read the comments of these two distinguished physicians.

STATEMENT OF WILLIAM H. DONOVAN, M.D.

Ladies and gentlemen my name is William H. Donovan. I am a physician who specializes in physical medicine and rehabilitation. As such, I treat individuals who have severe, sometimes catastrophic physical disabilities. Coming from Houston, the Johnson Space Center (JSC) backyard, I am here to say that technology that has arisen from the work of the Johnson Space Center, and other NASA centers has had a favorable impact on the technology that we can provide to the disabled population of America.

An example of this concerns research that is currently underway at The Institute for Rehabilitation and Research, a rehabilitation hospital in the Texas Medical Center. I am the Medical Director of this facility and I am the principal investigator for a project currently funded by the National Center for Medical Rehabilitation and Research (NCMRR) within the National Institutes of Health (NIH). This project represents the first phase of a three step process aimed at providing individuals who have lost an arm, with a better myoelectrically controlled prosthesis.

Upper extremity amputees and the physicians and other rehabilitation professionals, who treat them, are well aware of the deficiencies of current prosthetic products on the market today. This study is intended to ultimately bring about a product that will meet the consumer's needs in a way superior to those currently available, and while will be made in America instead of other countries as currently prevails. The first phase of the study is intended to determine the characteristics and functional parameters that are most important to the users of upper extremity prostheses and to translate these preferences, into engineering language that can be used by engineers involved with robotics and anthropomorphic technology so that a suitable prototype can be developed. The second phase involves the actual development of that prototype. This will be done in collaboration with the electrical and mechanical engineering departments at Rice University, Houston, Texas. The third phase involves the miniaturization of the robotic prototype so that the movements and "sensory feedback", can be incorporated into the amputee's ability to use the prosthesis in a more functional way. In order for this third phase to be accomplished, we are relying heavily on the collaboration that is planned with the National Aeronautic and Space Administration (NASA). NASA and the engineers at Rice University along with other engineering institutions throughout the country including Stanford, UCLA, Duke, the University of New Brunswick, Northwestern University and TIRR, are involved in the development of a more anthropomorphic and "lifelike" robotic hand.

NASA as most of you know, has developed the extra-vehicular activity (EVA) retriever that is part of the Space Station Freedom. Ultimately, it is hoped that EVA will be an autonomous robot that can be operated remotely by astronauts aboard the space station while the robot does manual duties outside the space station. The EVA retriever can also be used to retrieve an astronaut who accidentally became separated from his umbilical cord. It manifests a very advanced form of hand function—it has a thumb which can oppose its fingers and can even catch a ball because of instantaneous feedback of the finger sensor to the hand closing mechanism. Currently available prosthetic hands have none of these features.

The research project that I have referred to probably would never have been funded and might never have even been conceived were it not for a fortuitous gathering of consumers, rehabilitation health professionals, engineers and NASA scientists at a meeting held at the Johnson Space Center in May 1991. The title of this meeting was called "An American Initiative". The title was conceived by the Limbs of Love Foundation, a voluntary consumer organization, chaired by Mr. John Combs, who has a son born without a lower right arm. Mr. Combs was dismayed at not only the primitive technology that is currently available for his son who is now 7 years old, but also the extremely expensive costs associated with providing amputees with their prostheses. Families faced with a child or adult with an upper limb deficiency today, face expenditures of approximately 10–12,000 dollars per year for a below the elbow amputee and between 35–48,000 dollars for an above the elbow amputee. Expensive adjustments need to be made on an annual basis for children and even an adult generally gets no more than 4-5 years out of each prosthesis. For both adults and children, adjustments and modifications amount to at least 500–1,000 dollars a year. The American Initiative identified major areas of concern on the part of the professionals over current day's prostheses including the life of batteries, the meager degrees of freedom currently available, the fragileness of the gloves that cover the mechanical parts of the hand, the weight of the motors and batteries, difficulties with signal pick-up and electrode contact, and finally, most importantly, the lack of sensory feedback to provide the amputee with some indication as to the force being generated by the motor and the position of the object within the hand itself. Such feedback is necessary to avoid objects being crushed or dropped. Following the two days of discussion and identification of problems and their possible solutions, the staff at The Institute for Rehabilitation and Research including myself as Director of the Amputee Program, Ms. Diane Atkins, Coordinator for the Amputee Program, Mr. John Combs, President of Limbs of Love, Dr. Walker, Dr. Cheetam, and Ms. Farry, engineers at Rice University and Dr. Cliff Hess of NASA and Dan Winfield of the Research Triangle in North Carolina met to plan a long term proposal to the NCMRR (National Center for Medical Center Research) at NIH. In October of 1992, the first phase of the proposal as described above, was funded. To date, the survey has made considerable progress. Six thousand mini surveys have been mailed out thanks to the collaboration of 99 different amputee organizations throughout the country. Two thousand mini surveys have been returned. Essentially all of those who returned the mini survey enthusiastically indicated they would be willing to complete the larger survey aimed at determining the exact parameters that would be useful for the consumer to have available for the manipulation of the myoelectric hand. This data is currently being analyzed.

What I have described, illustrates how highly the Houston scientific community regards the Johnson Space Center as a good neighbor. We appreciate their interest and their collaboration particularly in the areas where technology can be transferred from the robotic laboratory to the disabled person. Other areas in which developments have come through collaboration with NASA include the development of a better foam product for distribution of the individual's weight over a seating surface for paralyzed individuals who are confined to wheelchairs and the development of a superior joystick that can be used to manipulate a powered wheelchair.

It is my hope that the committee will consider the needs of the disabled in the overall picture of healthcare for Americans and remember the value that governmental organizations like NASA have added to research that will benefit this population.

STATEMENT OF PROFESSOR LARRY V. MCINTIRE

The microgravity environment of the space station would present some unique opportunities for the study of complex multicellular biological systems. A new area of great interest and potential importance is the use of a microgravity bioreactor environment to produce three-dimensional differentiated tissue structures suspended in fluid without cells contacting a solid surface for support. This technology could lead to a new tool for use in tissue engineering and in new knowledge in the areas of cell differentiation and developmental biology. We believe the next generation of medical therapeutics (following recombinant proteins and peptides) will be patient specific, utilizing cells, tissues and eventually reconstituted organs for transplantation. The generation of these structures from cells is the focus of the rapidly growing field of tissue engineering. To produce these differentiated and structured cell-based materials at a cost affordable to our national health care system will require innovative combinations of cell and molecular biology coupled with bioengineering. The potential for long-term benefits to our nations' citizens in this area is enormous—both in terms of improvement of quality of life for people affected with genetic or organ malfunction disorders and in the development of whole new industries. Limitations in the knowledge of how cell/surface interactions and cell-to-cell communication affect the growth of such new biomaterials might be quickly overcome once experiments are carried out on a space platform in low earth orbit. The microgravity environment allows long-term cell/cell contact in three dimensions without solid surface contact, due to the lack of agitation required to prevent cell settling. Fluid agitation tends to separate cells, particularly during the initial stages of interaction when the bonds that are formed are very weak. Development of differentiated structures appears to require prolonged close contact among different cell types and the microgravity environment allows this to happen entirely in the fluid phase. It has become clear that binding of cells to solid surface affects cell metabolism at the level of the gene. Thus, complex multicellular structures grown in microgravity in a purely fluid environment may be quite different than those grown in highly porous solid support matrices used extensively here on earth. Important new studies in developmental biology and tissue engineering should be possible in a space station bioreactor, including the generation of high-order tissue morphology of primary cells and ultimately perhaps complete organ generation. The objective would be to understand the requirements for generation of differentiated three-dimensional tissue structures and research on manufacturing technologies, rather than the manufacturing itself. Once developed, the scientific knowledge and necessary techniques could be used for manufacturing on earth. The space station microgravity environment does provide a unique laboratory for interesting and important experiments in developmental biology, tissue engineering and physiology, which should be pursued.

A second, more speculative application of the space environment for biotechnology would be to produce new cell lines. This would represent, in principle, an economically plausible application of bioprocessing in space, because the new cell lines could be returned to earth for the actual manufacturing of biological materials from them. It may be possible to carry out manipulation of genetic materials or cell types in the space station microgravity environment that cannot be conducted on earth. Cell fusion, for example, may be much more efficient in microgravity, because cells can maintain close contact for long periods of time without also binding to solid structures. If the modification of cell behavior or genetic composition that results from the manipulations can be preserved on earth, very high value could be achieved. Since cell lines can be propagated from relatively small volumes of starting materials, after the genetically altered cells created in the space station are returned they can be converted into large numbers of product cells. Therefore, the very high cost of manipulations in space would be highly leveraged, as actual manufacturing of pharmaceutical products would be earth-based. The development of reactor systems and assay systems that are appropriate for use in space thus represents an important investment in this speculative field.

The main use of the space station will be to study the effects of microgravity and other aspects of the space environment on human physiology. Several aspects of this research will have long-term benefits to our nations' citizens. These include the development of quantitative strategies for the minimization of waste and maximization of recycling. These are absolutely required in the space environment, and it appears that if we are to maintain the quality of life here on earth in the 21st century, similar thinking and methodologies will have to be employed. Spin-offs from NASA developed technology in these areas will likely be extremely important in the surprising near future. Other ground-based benefits from space station studies of human physiology include detailed understanding of limb movements and the development of control devices for artificial limbs and the study of calcium metabolism under conditions of reduced mechanical loading. The latter area will generate information important in understanding the biochemical basis for the known effects of mechanical strain on bone growth and some aspects of osteoporosis. Finally, studies on the role of transport of water and solutes across the blood/brain barrier in the origin of space motion sickness experienced by most astronauts are leading to a fundamental understanding of the control of permeability of brain endothelium. In addition to applications in space travel, this knowledge is vital in developing improved strategies for delivery of therapeutic agents across the blood/brain barrier for treatment of brain tumors and other neurological disorders.

In summary, the microgravity environment of the space station generates a unique test system for experimentation in both biomedicine and biotechnology, with considerable long-term benefits for our nations' citizens. Applications include bioreactor studies of the formation of complex differentiated cellular structures for use in tissue engineering, development of novel cell lines for production of therapeutics, specific technological structures for waste minimization of recycling, and understanding the resistance of drug transport across the blood/brain barrier. I feel that the large-scale manufacture of biological products in space for use on earth will not be fiscally feasible in the near future. However, the space station does provide a unique platform for important experiments in developmental biology, tissue engineering and physiology that have important implications for new technologies and treatment of disease here on earth and should be pursued.

JUNE IS TURKEY LOVERS' MONTH

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. BOEHNER. Mr. Speaker, the Eighth District of Ohio is one of the State's leaders in agricultural production. The citizens of the 8th District understand the vital role agriculture plays in our State's economy and the economy of our great nation.

That is why I would like to take a moment today to recognize one of the agricultural industry's that often receives too little recognition—the turkey industry.

It was not all that long ago that turkey was a holiday meal and nothing more. But, the rapidly changing, active, health-conscious lifestyles that modern Americans seek has changed all that. We as a Nation, look for foods that are nutritious, versatile and easy to prepare. The turkey industry has responded to that demand, and the result has been a doubling in turkey consumption during the last decade.

A quick look at turkey production in Ohio reveals quite a bit about the industry's growth nationwide. Ohio's turkey growers produced 5.2 million birds in 1992, a 10 percent increase from the 4.7 million produced in 1991, making Ohio the 11th largest turkey producing State in the Nation.

Cooper Foods, one of Ohio's premier turkey processors, has several operations in my district, and I personally attest to the economic benefits that flow from this industry. The turkey industry employs thousands of Ohioans, and pumps millions of dollars into our State's economy.

The turkey industry has chosen June to celebrate its growing role in America's agricultural industry. I think the choice is extremely appropriate. Grilling season is upon us, and turkey is fast becoming one of the most popular items for backyard barbecuing. The variety of products available ensures that turkey's popularity will stay strong for years to come.

So Mr. Speaker, please join me, the people of Ohio and the National Turkey Federation in celebrating June is Turkey Lovers' Month and in recognizing the many benefits the turkey industry brings to our agricultural economy.

IVY COWAN: A CREDIT TO WESTERN NORTH CAROLINA

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. TAYLOR of North Carolina. Mr. Speaker, in a time when we extol extremism and the bazaar, we often fail to recognize and pay tribute to the real heroes of our communities, the men and women who live exemplary lives and who in hundreds of ways, make their communities better. Ivy Cowan, senior chairman of the board of Stonecutter Mills Corp. in Spindale, NC, who died on April 13, 1993, was such a community hero.

Mr. Cowan gave a lifetime of service to our community. He served in many capacities including as director of the former Springdale Savings and Loan Association, as a member of the local advisory and corporate boards of the Branch Banking and Trust Co, as chairman of the board of trustees of Isothermal Community College, as trustee emeritus of Rutherford Hospital, as a member of the advisory board of Gardner-Webb College, as a member of the Rutherford County Industrial Association, and as a member of the Rutherford County Textile Vocational Advisory.

Mr. Speaker, Ivy Cowan's efforts reached far beyond our communities in western North Carolina. He was trustee emeritus of Greensboro College in Greensboro, NC. He was a member of the executive board and chairman of the Piedmont Council Boy Scouts of America. In 1943, he received the Silver Beaver Award and in 1987, the Honorary Eagle Award from the Boy Scouts. He was also a 32 degree Mason and Shriner.

He was a member of the Spindale United Methodist Church for seven decades. And he served in many capacities in his church, including as a member of the administrative board, the committee on finance, the board of trustees, the sanctuary building committee, the parsonage building committee, and various other improvement programs.

Ivy was a founder and chairman of the board of the parish ministry fund, a restricted endowment trust fund established at Duke University in 1968, to provide, through continuing education, additional means and opportunities to encourage selected parish ministers and lay leaders in their work.

Ivy Cowan was 90 years of age when he died. Throughout his years of service he was joined and supported by his lovely wife, Ree, and his son, James. Together with his daughter in law, Myra, and three grandchildren, William, Jennifer, and Grace, they formed a loving and devoted family.

Mr. Speaker, western North Carolina will certainly miss Ivy Cowan. He was a credit to our community. He personified what is best about America: service to community, family, God and country.

MALONEY CALLS FOR THE ARREST OF SHEIK ABDEL-RAHMAN

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mrs. MALONEY. Mr. Speaker, I rise in strong support of the recent United States missile attack on Iraqi intelligence headquarters in Baghdad. Although the death of civilians is regrettable, the raid sent an important strong message that the Clinton administration will stand up to terrorists.

But I believe that I must also point out an apparent contradiction in our policy toward terrorists in the city of New York. The Justice Department is refusing to arrest Sheik Omar Abdel-Rahman. He is believed to be associated with unthinkable terrorist bombing plots which would have wrecked massive destruction on my city and my district.

If there is conclusive proof that the Sheik was indeed linked to the bombing plots, then his arrest can and must be made immediately. If not, he should still be detained on the grounds that he is currently classified as a deportable illegal alien. By law, this status would allow law enforcement authorities to detain him while his appeal is pending.

It has been reported that Attorney General Reno is reluctant to have the Sheik arrested in part because his arrest would incite further terrorist acts outside the United States.

With all due respect to Attorney General Reno, whom I greatly admire, I submit that bombing Baghdad to combat terrorism would be far more likely to incite terrorism than the Sheik's arrest. So the reasoning seems inconsistent. In the absence of any more compelling reasons to allow the Sheik to remain at large, I renew my call for his immediate arrest and detention.

We must be consistent and uncompromising in our treatment of terrorists. Mr. Speaker, fear of terrorism should not dictate policy, intolerance of terrorism should.

Mr. Speaker, I would also like to bring to the attention of my colleagues a letter on this topic written to Attorney General Reno from a distinguished former Member of this body, Elizabeth Holtzman, who currently serves as Comptroller of New York City.

The letter follows:

COMPTROLLER OF
THE CITY OF NEW YORK,
New York, NY., June 25, 1993.

Re arrest of Sheik Omar Abdel Rahman.

Hon. JANET RENO,
Attorney General, U.S. Department of Justice,
Washington, DC.

DEAR ATTORNEY GENERAL RENO: Yesterday morning the Federal Bureau of Investigation (FBI) and the New York City Police Department arrested members of a group who are suspected of planning several terrorist attacks, including bombing the United Nations buildings and several major access tunnels into Manhattan, and the assassinations of public officials including a United States senator and the Secretary General of the United Nations. Media reports have indicated that the group has close ties to Sheik Omar Abdel Rahman. The FBI conducted a search of the Shiek's residence where detectives reportedly found evidence linking him to these terrorist activities. The Sheik's followers have also been lined to the World Trade Center bombing earlier this year in which six people were killed.

As you may remember, on March 17, I wrote to you to urge the immediate arrest and incarceration of Shiek Rahman pursuant to 8 U.S.C. §1252, the law giving the Attorney General the power to arrest and take into custody any alien who is the subject of a deportation proceeding. Sheik Rahman was, at that time, and is now, in deportation proceedings. I renewed the request on March 18 after Immigration and Naturalization Service (INS) Judge Daniel Meissner determined that Sheik Rahman was, in fact, excludable.

I received a response from Acting Assistant Attorney General John Keeney indicating that the possibilities of medical costs for Sheik Rahman were the critical factor in the INS District Director's decision not to arrest the Sheik and hold him in custody (copies of my previous correspondence and Mr. Keeney's are enclosed). It is difficult to believe that the United States does not have adequate facilities nor sufficient revenues in a $1.5 trillion budget to provide for whatever medical needs Sheik Rahman might have while in detention. (The Sheik's physically demanding schedule and extensive travels for news conferences and preaching—all of which have been reported widely in the nation's mass media—suggest the cost of incarceration would be manageable.)

If the State Department was warranted in putting Sheik Rahman on its terrorist watch list and therefore considered him too dangerous to enter the United States, he is too dangerous to remain at large. In light of the most recent terrorist arrests and the deaths and damage inflicted by the World Trade Center bombing, the failure of our government to arrest him is unconscionable. By allowing the Sheik to move about this country at will, to hold news conferences at will and to continue to preach violence to his supporters, a number of whom have been arrested and charged with terrorist activities, the United States government sends the signal that it is not taking terrorism seriously. That is, indeed, a signal we cannot afford to send.

I urge you to exercise the authority you hold to arrest and incarcerate Sheik Omar Abdel Rahman immediately.

With best wishes,

Sincerely,

ELIZABETH HOLTZMAN,
Comptroller.

SECTION 222 OF THE CARIBBEAN BASIN INITIATIVE

HON. WILLIAM H. ZELIFF, JR.

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. ZELIFF. Mr. Speaker, I would like to draw attention to an important trade program that benefits the United States and its neighbors in the Caribbean. Section 222 of the Caribbean Basin Initiative allows footwear produced in certain Caribbean countries to enter the United States duty free, as long as they use 100-percent U.S.-made components.

I find it disconcerting that legislation has been introduced to repeal section 222. This program provides real economic benefits to countries in the Caribbean. More importantly, however, it encourages domestic footwear manufacturers not to shift their production facilities to the Far East and Asia. As a result, U.S. footwear companies keep their production base closer to home and use American-made components. That enhances their overall competitiveness, and ensures that American jobs stay in America.

An erroneous argument in favor of eliminating section 222 has been put forth by some of my colleagues. This argument claims that the large increase of footwear imports from the Caribbean over the past 2 years has come at the expense of domestic shoe jobs. This incorrectly assumes that without section 222, domestic shoe jobs would not have been lost to other shifts in production. In fact, section 222 has limited the number of lost domestic shoe jobs by curbing the shift of production to Asian countries where materials and components are sourced from foreign nations and not the United States, as is now the case under section 222.

The U.S. footwear companies that currently avail themselves of section 222 offset the cost of their more expensive U.S. manufacturing operations by assembling a small percentage of their footwear in the Caribbean. Maintaining 100 percent of their manufacturing here in the United States is no longer a viable option for any of these companies—the only alternative is following the well-tread path to the Far East, using foreign-sourced materials and components. With U.S. companies no longer supplying these operations, domestic shoe jobs will be needlessly lost—jobs that could have been maintained by section 222.

New Hampshire knows first hand the benefits of this program. Five hundred and thirty Granite Staters work for companies in New Hampshire who support the section 222 program. Nearly 5,000 of our neighbors in Maine and Massachusetts work for companies who have remained open largely because of the section 222 program.

I would encourage my colleagues to consider the benefits of section 222 very carefully and resist efforts to eliminate the program.

DON McNEELY: THE HEARTLAND'S MR. TELEVISION

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. EMERSON. Mr. Speaker, I rise today to pay tribute to a distinguished Missourian, an outstanding American and broadcasting icon from my southern Missouri district and the heartland region, and most of all to say "thank you" on behalf of all the folks in our region who have grown up watching, listening, and coming to rely upon this special person for their daily information.

After 50 years in the radio and television business, Don McNeely of KFVS–TV in Cape Girardeau, MO, will retire from the airwaves. However, Don is not your ordinary broadcaster—his story is one in a million.

In July 1943, a 16-year-old young man named Don McNeely turned on the microphone for his first time at KFVS–Radio in Cape Girardeau. He has moved through all of the technological evolutions along the way and now will end his broadcasting career at virtually the same place where it started—during a hot and humid July in Cape Girardeau, MO, at KFVS–TV. That's right, in a business that's known for shuttling people in one door and out the next, Don McNeely has been our region's faithful and loyal friend all these years at the same station. Through floods, tornadoes, earthquakes, or other crises, Don has always been there to calm people's fears. That's just part of why Don is so special to what we now call "The Heartland."

From radio to television, Don McNeely made the transition easily. For those folks who have watched KFVS–TV since its debut in 1954 until now, Don is the one person who's always been with them. Old-timers still tell stories about watching Don sit behind the desk and read the news, give the weather, and advertise Gristo Feeds. This is nothing to say about all the local talent acts he brought on the air and introduced during the station's morning Breakfast Show.

In 1979, Don McNeely made another transition inside the walls and over the air at KFVS–TV; he shifted to only doing the station's weather forecasts—this after years of doing it all. Virtually everyone in our region remembers—and often recites—one of the most popular phrases that set Mr. McNeely apart from the rest of his colleagues in the television weather business: "Don said it would." In fact, from that station promotion back in the mid-1980's, I still see an umbrella or weather gauge with that phrase printed on them popping up here and there.

Now it's time for Don McNeely to make another transition—this one from his full-time broadcasting career to one with his wife and family in retirement. We'll all miss Don. We thank him for the last 50 years of broadcasting and community service. He truly is The Heartland's Mr. Television, and I know the entire region joins me in wishing him Godspeed in all of his future endeavors, with abundant health and happiness.

THE FEDERAL FACILITIES COMMUNITY OVERSIGHT FOR PUBLIC HEALTH ACT

HON. DAVID E. SKAGGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. SKAGGS. Mr. Speaker, I am pleased today to join BILL RICHARDSON in introducing the Federal Facilities Community Oversight for Public Health Act of 1993.

Having the Rocky Flats Nuclear Weapons Plant in my district, I am keenly aware of the concerns and fears that a facility like this can raise among local residents and groups, and the need to assuage those fears through independent, community-based oversight. That's why I've long been an advocate of environmental oversight by public groups. Rocky Flats is ahead of other facilities in the Department of Energy's [DOE] weapons complex in this regard, already having an oversight group that I helped to establish. We are also now working on setting up a site-specific advisory board which would advise DOE, the Environmental Protection Agency, and the Colorado Department of Health on the cleanup of Rocky Flats.

I'm firmly committed to this process at Rocky Flats, and believe that it can only serve to benefit citizens living around other facilities as well.

The Federal Facilities Community Oversight for Public Health Act would amend the Comprehensive Environmental Response, Compensation and Liability Act to establish citizens' advisory boards and require offsite exposure assessments to be conducted at each DOE nuclear weapons and research facility. It was influenced by recommendations contained in the Congressional Office of Technology Assessment's report entitled "Complex Cleanup."

The bill would require the Department of Health and Human Services' Agency for Toxic Substances and Disease Registry to identify existing and potential human exposure to hazardous substances in the communities surrounding these facilities. To local residents, this would signify an important change in DOE's relationship with these communities by demonstrating the Department's new commitment to ensuring public health and safety at and around its facilities.

The citizens' advisory boards would be modeled after recommendations made by the Federal Facilities Environmental Restoration Dialogue Committee—better known as the Keystone Group—which was convened by the Environmental Protection Agency to develop consensus policy recommendations to improve the decision-making process and ensure that cleanup decisions reflect the priorities and concerns of all interested parties at and around each of these facilities. The Keystone Group itself represented the diversity of these stakeholder groups, including in its membership representatives of Federal agencies, tribal and State governments and associations, and local and national environmental, community, and labor organizations.

We're entering a stage when critical decisions will be made about cleanup and environmental restoration at Rocky Flats and other DOE nuclear weapons facilities. This change from production to cleanup coincides with a new movement in our country for greater participation by the public in the management and operations of our Government. The same should be true in the management and operations of the cleanup at these facilities.

The public was shut out of the weapons complex during the production years, they should not be shut out now as we enter the cleanup years. This bill will ensure that the people in the communities surrounding these facilities have a seat at the table when these decisions are made.

I urge my colleagues to support this important avenue of public participation by cosponsoring the Federal Facilities Community Oversight for Public Health Act of 1993.

TRIBUTE TO WILLIAM B. FURIA, AN UNPARALLELED EDUCATOR

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. BLACKWELL. Mr. Speaker, I rise today to pay tribute on the floor of the U.S. House of Representatives to Mr. William B. Furia, a man who has dedicated his boundless energy and remarkable intellect to the betterment of Philadelphia's public school system. His dedication is unparalleled, and his desire to educate is insatiable.

From his high school degree at Bishop Neuman High, to his master's degree at Temple University, William Furia is certainly a product of Philadelphia's outstanding and diverse educational institutions. William Furia started his teaching career at St. Thomas Moore High School, and then moved on to Barratt Middle School where he served in the capacities of disciplinarian, house coordinator, and acting assistant principal, for 18 years. His tenure at Barratt Middle School was exceptional, and he won widespread praise throughout Philadelphia's academic community for his innovative administrative methods, and his consistent concern for student and teacher welfare.

Mr. Speaker, in February 1993, Mr. Furia was offered and accepted the coveted post of vice principal at Philadelphia's internationally renowned High School for Creative and Performing Arts. In this demanding post, William Furia is charged with the responsibilities of monitoring student performance and achievement, parent conferences, and the crucial tutorial program just to new a few.

Mr. Speaker, Philadelphia, and indeed the entire Nation, needs more educators like William Furia. In this day and age of shrinking school budget, Mr. Furia has consistently developed programs and has engaged in administrative endeavors aimed at improving the quality of life and education for all of the children in Philadelphia's school system. He has honored his country both at home and on foreign soil, and has served with distinction for 26 years in the U.S. Army.

Mr. Speaker, I would like to ask my colleagues to rise and join me in paying our greatest tributes to Mr. William B. Furia. On behalf of the U.S. Congress, I would like to extend our warmest appreciation to Mr. Furia's wife and three children, and to William himself for all of his outstanding contributions to Philadelphia, and the Nation.

TRIBUTE TO HENRY L. GARDNER

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. DELLUMS. Mr. Speaker, today I rise to share with you and my colleagues that, after 22 years of service, Henry L. Gardner will retire as city manager of Oakland, CA. On the occasion of his retirement, I wish to pay tribute to him today. While he will be greatly missed, Mr. Gardner will leave Oakland a stronger, more dynamic, and more ethnically aware and inclusive city.

During his successful tenure as city manager, Henry Gardner rose to every occasion. During difficult budget times, Mr. Gardner innovated lease-purchase financing to renovate the Oakland Museum, a national model. Always concerned with public workers, Mr. Gardner met underfunded pension liabilities for police officers and firefighters. He has also played a large and successful role in encouraging people of color to become involved and interested in government. It is to his credit that unrepresented people of color have risen to positions of leadership in the city, many of whom have used this mentorship to go on to great success in many of our Nation's cities.

In recognition of his achievements and dedication to the community, he was the recipient of the National Forum for Black Public Administrators' Mark's of Excellence Award in 1991. For his 22 years in public service, he was inducted into the National Academy of Public Administration in 1992.

Though all these awards are indeed remarkable, they are only a small indication of how great a role Mr. Gardner has played in reforming and changing this city to what it is today. His presence, his work, and his dedication to the city of Oakland will sorely be missed. I join with countless other civic and community leaders in honoring this dedicated public servant and wish him well in his future endeavors.

CENTENNIAL ANNIVERSARY SOUTH DIVISION HIGH SCHOOL

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. KLECZKA. Mr. Speaker, I rise today to recognize the centennial anniversary of South Division High School in my home of Milwaukee, WI. This celebration will be observed on July 30 and July 31 of this year.

When a great philosopher uttered some thoughts about the importance of learning in our society, the philosopher could easily have been referring to South Division High School's tradition of enlightenment. Those words are especially prescient today, when our young people require education more than ever:

> If you plan for a year, plant a seed. If for ten years, plant a tree. If for a hundred years, teach the people. When you sow a seed once, you will reap a single harvest. When you teach the people, you will reap a hundred harvests.

In 1893, South Division High School opened its doors to 183 pupils and 4 faculty who established its tradition of unswerving commitment to educational excellence. Since that humble beginning, tens of thousands have been educated in its classrooms and more than 40,000 have received their high school diplomas.

South Division's contributions to Milwaukee, the State of Wisconsin, and the Nation as a whole, are expressed through its alumni, many of whom are exceptional professionals—doctors, lawyers, dentists, engineers, and business leaders. Many of these esteemed graduates have become noteworthy leaders in their local, city, and State communities.

These graduates, and each of us who have benefited from their accomplishments, are indebted to South Division's teachers who, over the past 100 years, have imparted not only lessons about the Civil War and mathematical tables, but also lessons about life. We are also thankful for South Division's students, who have used those lessons to make our society a better place to live.

With gratitude and recognition for this remarkable contribution, I wish South Division High School students, faculty and alumni a happy centennial anniversary!

BETTY SPERBER, HOTELIER OF THE YEAR

HON. RON de LUGO

OF U.S. VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. DE LUGO. Mr. Speaker, I am very pleased to recognize yet another important achievement by one of the Virgin Islands' most astute businesswomen and committed community activists, Betty Sperber, who on June 10, 1993 was named hotelier of the year by the Caribbean Hotel Association.

This is an honor reserved for but a very few who have demonstrated not only unparalleled expertise in the hotel and tourism industry but for those who also have made extraordinary contributions to the community and region where they live.

Betty came to St. Croix, Virgin Islands in 1970, began managing the King Christian Hotel in Christiansted in 1972, and assumed ownership and day-to-day operations in 1976. What sets Betty apart from the rest in the Virgin Islands hotel industry, the local business sector, and throughout the Caribbean, has been her dedication and determination to give back to her community far more than she earns from it.

In the early 1970's when adverse publicity had battered St. Croix tourism, Betty spearheaded Project St. Croix, a destination promotion plan that largely rescued the hotel industry. At a time when Betty could have expended her considerable skill and energy promoting her own business property, she instead developed an organization that boosted the business of the entire island. She helped turn around misconceptions about St. Croix by travel agents from throughout the country through successful familiarization or "Fam" trips. She also developed local education programs to help the community understand the important role tourism plays in the local economy, how tourism works, and how to make it work better. These initiatives were so successful that they were subsequently taken up by St. Thomas hoteliers and tourism interests on other Caribbean islands.

In October 1991, Betty was awarded a Travel Industry Award of Excellence for the "Hello, Tourist!" program she conceived and developed, an education course for young students that combines classroom instruction and actual out of class/on property experiences to give them a greater appreciation for the history and geography of their island home, what tourism is all about, and why tourists come to visit. It was one of the first and most successful efforts to bring young Virgin Islanders into the mainstream of the tourism business and the local economy.

All the while, Betty has held numerous leadership offices in both the St. Croix Hotel & Tourism Association and the Caribbean Hotel Association.

Betty Sperber is an outstanding hotelier and an even more outstanding individual. She exemplifies hard work and dedication to her profession as well as a far broader and more important commitment: selfless involvement with the people of her community to make theirs a better life, too. Betty proves her dedication by her deeds, and it is indeed gratifying to see this great lady recognized by her industry peers for her contributions over almost a quarter century.

I add my congratulations to Betty Sperber for her achievement and extend my appreciation for all she has done for the people and the island of St. Croix.

ESSENTIAL AIR SERVICE

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. JOHNSON of South Dakota. Mr. Speaker, in the wake of national airline service deregulation more than a decade ago, Congress recognized that a provision needed to be included in the Federal Aviation Act to ensure that communities with lower traffic levels would not lose commercial air service entirely as carriers shifted their operations to larger, potentially more lucrative markets. Consequently, the Essential Air Service Program was established, and it has proved to be crucial to ensuring that rural America remains economically viable by allowing scheduled air service to exist at many rural airports across the Nation that otherwise could not support commercial air service. Regardless of the existent need for a program like EAS, over and over again we have had to fight for the program's survival when EAS has come before Congress for appropriations each year. Both the Reagan and Bush administrations tried to kill EAS, and it has always been a bitter battle for us to win funding for the program—especially since it primarily benefits small communities in rural States which are badly outnumbered in Congress. Again this year the battle to save EAS must be fought in spite of the fact that we finally have a White House that recognizes the importance of EAS—in this year's transportation appropriations bill the House Appropriations Committee has proposed to kill EAS. Mr. Chairman, I cannot express strongly enough the need for the vital service which EAS provides for rural America and the subsequent need for the continuance and funding of this program.

Mr. Chairman, a link to the national air transportation system must be maintained for rural States to foster economic development and for rural America to continue to provide local, scheduled, air service to the flying public. The fact is that without convenient, affordable, reliable air service, it is difficult to retain existing businesses and industries—and more difficult to attract new ones. Without EAS, States like my district of South Dakota cannot provide effective air service, consequently, the potential impact of the termination of the EAS Program seriously threatens the future development of South Dakota and all of rural America.

Mr. Chairman, the State of South Dakota covers 80,000 square miles but is extremely sparsely populated. Consequently, it is difficult to have adequate numbers of passengers at all points in South Dakota that, by virtue of their distance from another commercial airport, should provide commercial air service to the flying public. Because of the low number of boardings, carriers have no incentive to provide air service to rural areas like those in South Dakota without the EAS Program. Currently, EAS makes commercial air transportation available to four South Dakota communities that otherwise would not have any scheduled air service. If EAS is terminated, I think that it will be difficult to ever get air service back in the area or sufficiently redevelop the market to provide adequate incentive for carriers to return to the area. Consequently, scheduled air service in these vast, sparsely populated areas would be nonexistent. As a result, people living in rural communities will be forced to travel very long distances to receive what would seem to be a routine air service; businesses will have a tough time surviving, much less growing, because of the lack of commercial air service; and these areas will have extreme difficulties attracting any new economic development ventures.

Mr. Chairman, killing the EAS Program would be a shattering blow to the economies of several South Dakota cities and other cities across the country. I strongly believe that Congress must renew its commitment to the EAS Program by fully funding the President's request. The EAS Program was promised to rural communities when the airline industry was deregulated, and I firmly believe that we should stand behind that promise.

TOO EARLY TO DECLARE VICTORY IN THE WAR AGAINST DRUGS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. OWENS. Mr. Speaker, as Chair of the authorizing subcommittee I rise in order to deplore the proposed cut of approximately $131 million dollars from the Drug Free Schools and Communities Act. This is a frontal assault on the program and a step backwards for the Nation. We have a higher rate of illicit drug use than any other industrialized country. While the Nation continues to make progress on its war against drugs this is no time to declare victory on a war that we have hardly begun to wage.

My Subcommittee on Select Education and Civil Rights recently took expert testimony that drug abuse is beginning earlier than ever; 15 percent of eighth graders have tried marijuana, while 5 percent have tried crack cocaine; more than half of the 1989 seniors reported illicit drug use at some time during their lives. For too many of our youth have turned to drugs and the drug trade as a way of life. In the words of Dr. Lloyd Johnston, a well-known director of a major national survey of illicit drug use among young people, our levels of drug use "remain disturbingly high by long term historical standards in this country. I don't think there has ever been a period where we have had as many of our young people involved with drugs."

In many high-poverty communities, drug use has become a way of life for many young people. It is connected to the rising tide of violence within the school building and the use of guns that have already claimed far too many lives of our young people.

In short Mr. Speaker, the Federal commitment must be sustained. I urge my colleagues to join me in opposing these cuts. If we need to make cuts in the budget we need only look to the space station or super collider, these billion-dollar luxuries cannot do anything to reach the hopelessness of young people who will continue to be ignored by schools that lack the resources to address their complex problems.

I am confident that the new drug tzar, Dr. Lee Brown, from my own New York City, who is due to be sworn into office this week, will work to ensure that these proposed cuts do not take effect. As a former New York City police chief I think he can well appreciate the importance of continuing to invest in prevention in order to sustain our war on drugs.

H.R. 2491 SUPPORTED

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. LAZIO. Mr. Speaker, on June 29, 1993 I voted in favor of H.R. 2491, VA, HUD and independent agencies appropriations for fiscal year 1994. While the United States has the most comprehensive system of assistance for its veterans of any nation in the world, I am concerned that the bill provides insufficient funds for the processing and adjudication of veterans' benefits claims in a timely and accurate manner.

This backlog of claims has become severe since 1988 with the establishment of the U.S. Court of Veterans Appeals—which forced changes—in the way the Department of Veterans Affairs resolved claims—and the ongoing downsizing of the U.S. military which has introduced more men and women into the veterans system. It is estimated that by the end of fiscal year 1994, the number of outstanding claims could be as high as 1 million.

The increasing amount of time required to process and adjudicate veterans' benefits claims has caused real hardship. Benefits delayed are benefits denied. Our veterans deserve better. I believe that our Nation owes a special debt to the men and women who have served in the Armed Forces of the United States. All of our veterans have taken and fulfilled an oath to protect our country and freedom which it guarantees. Their sacrifices have earned America's gratitude.

I am therefore supportive of efforts to improve the Department of Veterans Affair's ability to process and adjudicate compensation and pension claims in a more timely manner—if not through increased funding—then by legislative, administrative and regulatory changes.

TRIBUTE TO MARINE PFC. MELVIN E. NEWLIN

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. TRAFICANT. Mr. Speaker, I rise in tribute to the Melvin E. Newlin Memorial to be dedicated this weekend in my 17th Congressional District of Ohio.

Private First Class Newlin was a highly decorated veteran of the Vietnam conflict. He was born in Wellsville, OH, September 27, 1948 and, while serving as a machine gunner with Company F, 2d Battalion, 5th Marines, 1st Marine Division in Quang Nam Province, was killed in action on July 4, 1967. For his gallant service, Private First Class Newlin was awarded the Congressional Medal of Honor, the Nation's highest decoration. President Richard M. Nixon presented the award in ceremonies at the White House.

Private First Class Newlin also won numerous other medals, including the Purple Heart, the National Defense Service Medal, the Vietnam Service Medal, the Vietnamese Gallantry Cross with Palm and the Republic of Vietnam Campaign Medal.

Mr. Speaker, Private First Class Newlin is a hero in my district, and his noted bravery and duty is worthy of the finest memorial Wellsville can produce. And, Mr. Speaker, the Melvin E. Newlin Memorial is just that. The design, drawn by Ms. Delcie Greene, was presented to the Computart Sign Co., which oversaw the project. The Wellsville Memorial Council will present the gift to the city July 4, 1993, 27 years to the date after Private First Class Newlin's death.

I would like to take this special opportunity to join the citizens of my district in celebrating the memorial and its namesake, Marine Private First Class Melvin E. Newlin.

TRIBUTE TO JAMES A. GIBBS

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. BLACKWELL. Mr. Speaker, I rise today on the floor of the United States House of Representatives to honor Mr. James A. Gibbs.

James A. Gibbs is an outstanding gentleman who has demonstrated an overwhelming commitment to the education of our youth. Throughout his illustrious career, he has certainly made a positive impact on the entire School District of Philadelphia. He is to be commended on his efforts to guarantee that all children are provided with a safe, stable, and superior learning environment.

Mr. Speaker, James A. Gibbs has served in a number of roles. As a teacher, counselor, supervisor, vice principal, principal and administrative assistant to the superintendent of school, he has made many magnificent contributions to the city of Philadelphia.

This exceptional educator has been actively involved in a wide range of school activities. He has served as an English department chairman, an executive committee member on the Home and School Association, a public school council representative, professional programs chairman, and has engaged in many other noteworthy activities.

In addition to the substantial work that he has done within the educational system, James A. Gibbs has also been extremely active in a host of community service activities. For several years, Mr. Gibbs has worked diligently with a countless number of service organizations such as the Lions and Rotary Clubs.

Mr. Speaker, on June 29, 1993, James A. Gibbs will retire after devoting a remarkable 23 years to our children. I wish to congratulate Mr. Gibbs on the occasion of his retirement from the School District of Philadelphia. Mr. Speaker, I ask my colleagues to rise and join me in congratulating Mr. James A. Gibbs in celebration of this momentous occasion.

CONGRATULATIONS PEPSI

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. FISH. Mr. Speaker, I rise in support of one of the companies in my constituency, and the over 50,000 people who work for it nationwide. Two weeks ago, the Pepsi-Cola Co., whose worldwide beverage headquarters is in Somers, NY, underwent a series of scurrilous attacks—public accusations that went to the very heart of the safety of a product that Americans and the rest of the world have been enjoying for almost 100 years.

Needless to say that these accusations were proved false. There were no syringes or needles in sealed Diet Pepsi cans. This deception was perpetuated by hoaxers who were out for celebrity or personal gain. Whatever the reason, for a full week, one of America's outstanding corporate citizens did suffer from these baseless charges.

First let me applaud both the Pepsi-Cola Co., and the U.S. Food and Drug Administration in the way they reacted. This was no simple scam, but a challenge against the security of the Nation's food supply. As a recent Business Week article stated, "In the end, though, real panic never set in—partly because the consumer reports were fraudulent. But it's due also to the effective communication between Pepsi-Cola and the Food and Drug Administration."

The employees of Pepsi, and in particular, its CEO, Craig Weatherup, made it clear from the moment the issue became one of national concern that they were willing to share all relevant information with the public at large. It was apparent that the first concern of Pepsi was for its consumers. Their can line is virtually tamper proof. The fact that so many different can lines, spread out all over the country, could be tampered with at the same time, was patently impossible. This was a message that was so self-evident that the media reported it clearly and precisely.

The FDA, and specifically Commissioner David Kessler, should be commended for their swift reaction. The Agency's new criminal investigation team swung into action immediately. Inspectors worked tirelessly to investigate each and every claim. And when the truth came out, Dr. Kessler did not hesitate to inform the public in no uncertain terms that the suspected tampering was a sham. In his words, "The notion that there has been a nationwide product tampering is unfounded." Many arrests have already been made. Despite all the claims—and they were numerous—the FDA has not discovered one single case of tampering with an unopened can.

This truly is government at its finest. The FDA worked closely with Pepsi to assure the American public that these products were safe and that those trying to take advantage of the situation would face charges. Surely, such a public-private partnership to assure the security of the Nation's food supply is an example we should clearly try to emulate in other issues of vital concern to our Nation.

That brings me to our second point. For a full week, America's food supply, represented by this quality product, was held hostage under the harsh glare of the media by a handful of unrelated schemers and crackpots whose motives can only be guessed at. The consequences, including the financial impact, are serious. And let's not forget that this could just as easily happen to any other major consumer product in our country.

Hopefully, the perpetrators of this hoax will be prosecuted in the strongest manner. Congress and State legislatures should consider if stronger measures and more severe punishments are necessary for this type of crime. The FDA should seriously consider if further actions are warranted and should have our full support.

We often take for granted the high quality of our food supply. Let us take a moment to applaud the FDA for its vigilant safeguarding of this most vital resource.

Finally, I would like to commend the American public at large. As Craig Weatherup said on more than one occasion during the crisis, "We're confident that the consumer's good judgment and common sense will prevail once they have all the facts in front of them." Given the assurances of both Pepsi and the FDA, people did continue to buy Pepsi, Americans would not be held hostage to this deception. Abraham Lincoln's old chestnut, that "you can't fool all of the people, all of the time," never proved more true.

I further commend this company and its employees for, in typical Pepsi fashion, not playing the victim, even after this very emotional and personal assault on their good name. Instead they are taking the high road, and thanking their customers and consumers for standing by them during this criminal attack on their integrity.

Both the Westchester County executive and the supervisor of Somers have supported their corporate neighbor and community benefactor by declaring July "Pepsi Only" month. I hope, Mr. Speaker, you and our colleagues, will join me in a toast this Fourth of July to this fine company with one of Pepsi's many top quality products.

HONORING CALIFORNIA'S CITY: PICO RIVERA ON THE OCCASION OF ITS 35TH ANNIVERSARY

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1993

Mr. TORRES. Mr. Speaker, I rise today to recognize the city of Pico Rivera on the celebration of its 35th anniversary.

The city, incorporated, in 1958, is a combination of two historic California communities, Pico and Rivera. The union of these two communities, possessing strong traditions, has resulted in a city of 60,000 people and a record of producing exemplary civic leadership.

Pico Rivera is a model city that has worked closely with many organizations. The city government has provided a variety of healthful outlets for people of all ages, creating a family community of well maintained parks and residential neighborhoods.

Pico Rivera operates numerous baseball fields, which are used daily; the city's swimming pool was used for training during the 1984 Olympics; and with the cooperation of the U.S. Army Corps of Engineers, the city developed the bicentennial park, Whittier Narrows, which consists of public camp grounds, stables, a municipal golf course, and restaurants.

Over the past 5 years, the civic leaders of Pico Rivera have opened the city's senior center and center for the arts; implemented the Walking Crew, an innovative program helping parents with after school child supervision; and initiated the annual Red Ribbon Week, signifying Pico Rivera's commitment to a drug-free environment. Additionally, Pico Rivera's leaders have instituted a Christmas tree recycling program and the Green Waste recycling project, establishing the city as an innovative leader in business growth, community awareness, health issues and environmental conservation. Moreover, the grassroots community together with law enforcement officials have manifested major responsibility in trying to stem gang warfare by organizing the March for Peace Organization.

Pico Rivera's city council members include; Mayor Alberto Natividad, first elected in 1982; Mayor Pro Tempore Rick L. Mercado Sr., elected in 1990; Councilman John Chavez, elected in 1978; Councilman Garth Gardner; elected in 1972 and Councilwoman Beatrice Proo, elected in 1992.

Mr. Speaker, I have been honored to represent the city of Pico Rivera for the past 10 years in Congress and I ask my colleagues to join me in saluting the people of Pico Rivera and congratulating them on the occasion of the city's 35th anniversary.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, July 1, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 13

10:00 a.m.

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation to authorize funds for programs of the Hazardous Materials Transportation Act.

SR-253

Governmental Affairs
To hold hearings to examine the financial management of the Department of Defense.

SD-342

JULY 14

9:30 a.m.

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1086, to foster the further development of the Nation's telecommunications infrastructure through the enhancement of competition.

SR-253

1:00 p.m.

Commerce, Science, and Transportation
To hold hearings on proposed legislation to authorize funds for programs of the Marine Mammal Protection Act.

SR-628

JULY 15

2:30 p.m.

Veterans Affairs
Business meeting, to markup S. 843, to improve reemployment rights and benefits of veterans and other benefits of employment of certain members of the uniformed services, and S. 1030, to provide sexual trauma counseling services to veterans.

SR-418

JULY 29

9:30 a.m.

Energy and Natural Resources
To hold hearings to examine the Department of Energy's efforts to cleanup its nuclear weapons complex, focusing on the scope and cost of the cleanup program, the technological and managerial problems it faces, the standards governing the cleanup effort, and how priorities are set among competing cleanup projects.

SD-366

CANCELLATIONS

JULY 1

9:30 a.m.

Energy and Natural Resources
To hold hearings on the nominations of Tara Jeanne O'Toole, of Maryland, to be Assistant Secretary of Energy for Environment, Safety and Health, and Robert Riggs Nordhaus, of the District of Columbia, to be General Counsel of the Department of Energy.

SD-366

2:00 p.m.

Indian Affairs
To hold hearings on S. 1021, to assure religious freedom to Native Americans.

SR-485